

2004 HSMIAI CHAPTER LEADERSHIP FORUM

Minds in Motion - Your Expedition to Excellence

InterContinental Hotel | Chicago, Illinois | April 12-14, 2004



Membership **Retention** and **Recruitment** Tips from a Professional

Presented by:

Denise A. Tarka

Association Growth Inc.

1100 West Bagley Rd., Suite 212

Cleveland, OH 44017

440-243-2695 / 440-243-2702

www.associationgrowth.com

2004 HSMAI CHAPTER LEADERSHIP FORUM

Minds in Motion - Your Expedition to Excellence

InterContinental Hotel | Chicago, Illinois | April 12-14, 2004



Metrics of Membershipsm

- Retention
- Attrition/Loss Rate
- Tenure
- Market Penetration
- Average Dues
- Average Non-Dues
- Average Cost to Service a Member
- Lifetime Value
- Membership Acquisition Cost

2004 HSMIAI CHAPTER LEADERSHIP FORUM

Minds in Motion - Your Expedition to Excellence

InterContinental Hotel | Chicago, Illinois | April 12-14, 2004



Retention Rate

The number (percent) of members who remain part of the organization over a defined period of time.

$$\text{Retention} = \frac{(\text{Current members} - \text{Number of new members})}{\text{Number of members at a date in the past}}$$

2004 HSMIAI CHAPTER LEADERSHIP FORUM

Minds in Motion - Your Expedition to Excellence

InterContinental Hotel | Chicago, Illinois | April 12-14, 2004



Attrition/Loss Rate

The number (percent) of members who are no longer with the organization over a defined period of time..

$$\text{Attrition/Loss Rate} = 1 - \text{Retention Rate}$$

2004 HSMIAI CHAPTER LEADERSHIP FORUM

Minds in Motion - Your Expedition to Excellence

InterContinental Hotel | Chicago, Illinois | April 12-14, 2004



Tenure

Average length of membership

$$\text{Tenure} = \frac{100}{\text{Attrition/Loss Rate}}$$

2004 HSMIAI CHAPTER LEADERSHIP FORUM

Minds in Motion - Your Expedition to Excellence

InterContinental Hotel | Chicago, Illinois | April 12-14, 2004



Market Penetration

The number (percent) of the market that are currently members.

$$\text{Market Penetration} = \frac{\text{Number of current members}}{\text{Number which comprises the total market}}$$

2004 HSMIAI CHAPTER LEADERSHIP FORUM

Minds in Motion - Your Expedition to Excellence

InterContinental Hotel | Chicago, Illinois | April 12-14, 2004



Average Dues

The average dues revenue received per member/per year.

$$\text{Average Dues} = \frac{\text{Total Dues (\$) Revenue}}{\text{Total Number of Members}}$$

2004 HSMIAI CHAPTER LEADERSHIP FORUM

Minds in Motion - Your Expedition to Excellence

InterContinental Hotel | Chicago, Illinois | April 12-14, 2004



Average Non-Dues

The average dues revenue received per member/per year that is in excess of their membership dues.

$$\text{Average Non Dues} = \frac{\text{Total Non-Dues (\$) Revenue}}{\text{Total Number of Members}}$$

2004 HSMIAI CHAPTER LEADERSHIP FORUM

Minds in Motion - Your Expedition to Excellence

InterContinental Hotel | Chicago, Illinois | April 12-14, 2004



Average Cost to Service a Member

The average cost to deliver the "membership experience" to each member.

$$\text{Average Cost to Service Member} = \frac{\text{Total Membership Expenses}}{\text{Number of Member}}$$

2004 HSMIAI CHAPTER LEADERSHIP FORUM

Minds in Motion - Your Expedition to Excellence

InterContinental Hotel | Chicago, Illinois | April 12-14, 2004



Lifetime Value

The total value of an average membership.

Lifetime Value = (Average Dues + Average Non-Dues) X Tenure

2004 HSMIAI CHAPTER LEADERSHIP FORUM

Minds in Motion - Your Expedition to Excellence

InterContinental Hotel | Chicago, Illinois | April 12-14, 2004



Membership Acquisition Cost

The amount that can be spent to recruit a new member (break even analysis)

Member Acquisition Cost = Lifetime Value - (Tenure X Average Cost to Service a Member)

2004 HSMIAI CHAPTER LEADERSHIP FORUM

Minds in Motion - Your Expedition to Excellence

InterContinental Hotel | Chicago, Illinois | April 12-14, 2004



Applying the Formulas....

Number of Members: 280 (as of 1/1/04)

New Members: 65

Members: 320 (as of 1/1/03)

Dues: \$249 for member / \$400 for affiliate member

Member Distribution by Category: 216 members / 64 affiliate members

Total Non-Dues Revenue: \$242,635

Total Membership Expense: \$194,534

2004 HSMIAI CHAPTER LEADERSHIP FORUM

Minds in Motion - Your Expedition to Excellence

InterContinental Hotel | Chicago, Illinois | April 12-14, 2004



Retention Rate

The number (percent) of members who remain part of the organization over a defined period of time.

Retention = $\frac{(\text{Current members} - \text{Number of new members})}{\text{Number of members at a date in the past}}$

$$\text{Retention} = \frac{(280 - 65)}{320} = \frac{215}{320} = .67 \times 100\% = 67\%$$

2004 HSMIAI CHAPTER LEADERSHIP FORUM

Minds in Motion - Your Expedition to Excellence

InterContinental Hotel | Chicago, Illinois | April 12-14, 2004



Attrition/Loss Rate

The number (percent) of members who are no longer with the organization over a defined period of time..

$$\text{Attrition/Loss Rate} = 1 - \text{Retention Rate}$$

$$\text{Attrition/Loss Rate} = 1 - .67 = .33 \times 100\% = 33\%$$

2004 HSMIAI CHAPTER LEADERSHIP FORUM

Minds in Motion - Your Expedition to Excellence

InterContinental Hotel | Chicago, Illinois | April 12-14, 2004



Tenure

Average length of membership

$$\text{Tenure} = \frac{100}{\text{Attrition/Loss Rate}}$$

$$\text{Tenure} = \frac{100}{33} = 3.03 \text{ years}$$

2004 HSMIAI CHAPTER LEADERSHIP FORUM

Minds in Motion - Your Expedition to Excellence

InterContinental Hotel | Chicago, Illinois | April 12-14, 2004



Market Penetration

The number (percent) of the market that are currently members.

$$\text{Market Penetration} = \frac{\text{Number of current members}}{\text{Number which comprises the total market}}$$

$$\text{Market Penetration} = \frac{280}{1019} = .27 \times 100\% = 27\%$$

2004 HSMIAI CHAPTER LEADERSHIP FORUM

Minds in Motion - Your Expedition to Excellence

InterContinental Hotel | Chicago, Illinois | April 12-14, 2004



Average Dues

The average dues revenue received per member/per year.

$$\text{Average Dues} = \frac{\text{Total Dues (\$) Revenue}}{\text{Total Number of Members}}$$

$$\text{Average Dues} = \frac{\$ 79,384}{280} = \$283.51$$

2004 HSMIAI CHAPTER LEADERSHIP FORUM

Minds in Motion - Your Expedition to Excellence

InterContinental Hotel | Chicago, Illinois | April 12-14, 2004



Average Non-Dues

The average dues revenue received per member/per year that is in excess of their membership dues.

$$\text{Average Non Dues} = \frac{\text{Total Non-Dues (\$) Revenue}}{\text{Total Number of Members}}$$

$$\text{Average Non Dues} = \frac{\$242,635}{280} = \$866.55$$

2004 HSMIAI CHAPTER LEADERSHIP FORUM

Minds in Motion - Your Expedition to Excellence

InterContinental Hotel | Chicago, Illinois | April 12-14, 2004



Average Cost to Service a Member

The average cost to deliver the "membership experience" to each member.

$$\text{Average Cost to Service Member} = \frac{\text{Total Membership Expenses}}{\text{Number of Member}}$$

$$\text{Average Cost to Service Member} = \frac{\$194,534}{280} = \$694.76$$

2004 HSMIAI CHAPTER LEADERSHIP FORUM

Minds in Motion - Your Expedition to Excellence

InterContinental Hotel | Chicago, Illinois | April 12-14, 2004



Lifetime Value

The total value of an average membership.

Lifetime Value = (Average Dues + Average Non-Dues) X Tenure

Lifetime Value = (\$283.51 + \$866.55) X 3.03 = \$3,484.68

2004 HSMIAI CHAPTER LEADERSHIP FORUM

Minds in Motion - Your Expedition to Excellence

InterContinental Hotel | Chicago, Illinois | April 12-14, 2004



Membership Acquisition Cost

The amount that can be spent to recruit a new member (break even analysis)

Member Acquisition Cost = Lifetime Value - (Tenure X Average Cost to Service a Member)

Member Acquisition Cost = \$4,991.26 - (3.03 X \$694.76) = \$1,379.56

2004 HSMIAI CHAPTER LEADERSHIP FORUM

Minds in Motion - Your Expedition to Excellence

InterContinental Hotel | Chicago, Illinois | April 12-14, 2004



What is the value of **ONE** solitary member?



2004 HSMIAI CHAPTER LEADERSHIP FORUM

Minds in Motion - Your Expedition to Excellence

InterContinental Hotel | Chicago, Illinois | April 12-14, 2004



Tangible: (tan-je-bel) *adj.* Capable of being understood or realized. Capable of being valued monetarily.¹



TANGIBLES

INTANGIBLE

Intangible: (in-tan-je-bel) *adj.* Incapable of being realized or defined.²

2004 HSMIAI CHAPTER LEADERSHIP FORUM

Minds in Motion - Your Expedition to Excellence

InterContinental Hotel | Chicago, Illinois | April 12-14, 2004



Case in point....



2004 HSMAI CHAPTER LEADERSHIP FORUM

Minds in Motion - Your Expedition to Excellence

InterContinental Hotel | Chicago, Illinois | April 12-14, 2004



Your Retention Success Strategies

- Open communication between the Board and members (*Colorado Springs*)
- Personal Calls (*Northeast Florida*)
- Increasing the value of our educational programs (*Greater Charlotte/North Carolina Western Regional Chapter*)
- Renewal letters sent 30 days before renewal date with follow-up call by Membership Committee 7 days after the letter. If member does not renew, personal phone calls are made by the Board. (*Dallas/Fort Worth*)
- Board of Directors "Mix and Mingle" with members and guests prior to the meeting (*Dallas/Fort Worth*)
- Follow-up by phone/e-mail to discontinued members (*Big Apple Chapter*)
- Present them with a framed "HSMAI Membership Certificate" and new member welcome letter, or membership renewal thank you letter. (*Greater Los Angeles*)
- Calling the members to renew before their expiration date. (*Memphis*)

2004 HSMIAI CHAPTER LEADERSHIP FORUM

Minds in Motion - Your Expedition to Excellence

InterContinental Hotel | Chicago, Illinois | April 12-14, 2004



A few more thoughts on Retention

- Encourage involvement in the organization in the manner in which they'd like to be involved.
- Defined orientation program for new members/"Buddy" Programs.
- Find out why they became a member and customize communications to personal needs. (e-bulletins).
- Encourage networking/introductions.
- Feature members "in the news" (Newsletters, e-bulletins, on website)
- PR for your members! - Send press releases to the local media that feature your members. Not only does it reinforce the relationship with the member, it brings attention to the chapter.
- Streamline renewal processes (Auto payment to credit cards, multi-year renewal)
- Look inward. How can the organization change to meet the ever-changing needs of the member.

2004 HSMIAI CHAPTER LEADERSHIP FORUM

Minds in Motion - Your Expedition to Excellence

InterContinental Hotel | Chicago, Illinois | April 12-14, 2004



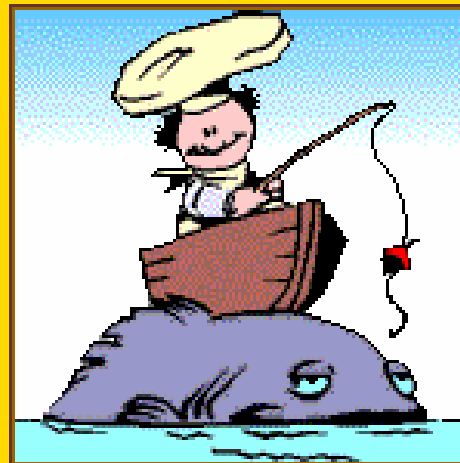
What do volunteers want?

Recognition?

Power?

Direction?

Communication?



Feeling of accomplishment?

Approval?

Goals?

Training?

2004 HSMIAI CHAPTER LEADERSHIP FORUM

Minds in Motion - Your Expedition to Excellence

InterContinental Hotel | Chicago, Illinois | April 12-14, 2004



A Question of Perception?

- Meaningful recognition
- Feeling "in" on things
- Strong leadership
- Specific and realistic goals
- Training for their position (volunteer leadership positions)
- Clear communication
- Networking Opportunities
- Systems and procedures
- A feeling that they contributed to the organization
- Worthwhile assignments

2004 HSMIAI CHAPTER LEADERSHIP FORUM

Minds in Motion - Your Expedition to Excellence

InterContinental Hotel | Chicago, Illinois | April 12-14, 2004



A Question of Perception?

- 5 Meaningful recognition
- 6 Feeling "in" on things
- 1 Strong leadership
- 7 Specific and realistic goals
- 8 Training for their position (volunteer leadership positions)
- 2 Clear communication
- 10 Networking Opportunities
- 9 Systems and procedures
- 4 A feeling that they contributed to the organization
- 3 Worthwhile assignments

2004 HSMAI CHAPTER LEADERSHIP FORUM

Minds in Motion - Your Expedition to Excellence

InterContinental Hotel | Chicago, Illinois | April 12-14, 2004



Volunteer Involvement Success

- Solicit new board members at monthly meetings, as well as make personal phone calls inviting prospective board members to attend a board meeting. *(Greater Los Angeles)*
- We recognize all volunteers at each meeting *(Memphis)*
- Year-end gala recognizes volunteers and encourages future participation *(Northeast Florida)*
- All expense paid trip to national HSMAI programs. *(Greater Charlotte/North Carolina Western Regional Chapter)*
- Committee Recognition Program *(Dallas/Fort Worth)*
- Issue ribbons for all committee members to wear. *(Big Apple Chapter)*
- Annual Presidents awards/Certificates of Appreciation *(Big Apple Chapter)*
- Board of Directors is recognized and outgoing Board Members are presented with a plaque for their service. *(Virginias)*

2004 HSMIAI CHAPTER LEADERSHIP FORUM

Minds in Motion - Your Expedition to Excellence

InterContinental Hotel | Chicago, Illinois | April 12-14, 2004



A few more thoughts on Volunteers

- Make recognition personal and meaningful.
- Find out what their "hot button" is and encourage involvement relevant to their area of interest. (advocacy)
- Provide concrete, realistic and attainable goals.
- Make volunteering easy. Have procedures, "job descriptions", and resources in an easily accessible format/location.
- Groom volunteers to move within the organization to higher levels.
- Develop strong leaders who value and appreciate the volunteers.
- Communicate frequently with volunteers.
- Remember That Kindergarten Poem...

2004 HSMAI CHAPTER LEADERSHIP FORUM

Minds in Motion - Your Expedition to Excellence

InterContinental Hotel | Chicago, Illinois | April 12-14, 2004



THANK YOU!
for your commitment to
Membership Development and
HSMAI