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INDUSTRY TRENDS
REALIZING SUCCESS

Realizing Success

Performance Measurement in Associations by Bob Harris, CAE

Associations plan a multitude of activities, projects and programs. Upon their conclusions we often hear volunteers discussing successes and failures:

“That was a cutting edge topic — we should always pay top dollar to bring in the best speakers.” Another member asks, “How much money did we make, wasn’t that our goal?” While yet another states, “Remember the aim was to enroll new members...how many did we get?”

In this instance, each volunteer views the project with a different purpose: education, making money, enrolling members. The example supports the need for applying simple performance standards to association, chamber and foundation programs.

For-profit companies measure inventory, net profit and stock value. Nonprofit organizations are traditionally less precise — we measure good feelings, influence, financial reserves and member retention, for example.

The process of applying performance measurement is to determine and agree at the start of a project how outcomes will be judged. Set one or two standards against which to measure success.

The Strategic Plan

The umbrella of performance measurement is the organization’s strategic plan. It channels activities, guides volunteers and staff, and serves as a roadmap for achieving the mission and goals. It should be integrated with the budget, committees and the staff business plan.

Albeit the strategic plan describes the major goals, it is too broad to provide performance measurement for every project.

Selecting Performance Criteria

The need to agree upon desired outcomes is important for realizing success — even more so for volunteer and committee driven projects.

The Performance Criteria Chart offers standards and ideals for 18 programs. Use the chart to discuss and set criteria for measuring outcomes (additional criteria can be added and not all principles apply to every organization.) When a project concludes, whether it is the annual budget, an educational session, or a membership drive, there will have been agreement among volunteers and staff as to how success was to be measured.

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Performance Criteria Chart

The chart offers various considerations and principles for activities and programs in nonprofit organizations. The process is to discuss and set performance criteria against which to measure success, at the onset of planning. Not all criteria will apply to every organization and some organizations will customize criteria.

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Activity Program	Performance Criteria
Meetings	Number of Registrants
	Sponsorship Income
	Attendee Satisfaction (Surveys)
	Net Profit
	Resulting Publicity
	Trade Show Booths
	Prospective Member Attendance
Membership	Ratio of Members to Prospects
	Recruitment and Retention Rates
	Allocated Budget Line Item for "Membership Development"
Diversity	Leadership and Membership Diversity
	Adoption and Use of a Diversity Statement
	Perceived Image by Various Audiences
	Inclusivity Efforts and Programs
Committees	Number of Standing Committees
	Effectiveness of Task Forces
	Process for Charging Committees with Goals
	Alignment with the Strategic Plan
	Staff Role on Committees
Strategic Plan	Plan is Current and Reviewed Annually
	Strategic Plan Report on each Board Agenda
	Plan Translated into an Action or Staff Plan
	Publicity for the Plan and Member Awareness of Mission and Goals
	Use of a Plan-Champion
	Integration with Budget, Committees, Structure
Communications	Timely Delivery and Receipt
	Content Quality
	Distribution Methods (e-mail, fax, on-line, mail)
	Cost to Value Ratio
Technology	Website Usage, Purposes and Funding
	Income Generated by Website
	Licenses and Security, Policies on Software, E-Mail
	Safeguards and Back-Ups
Governance	Board Size, Transition, Terms
	Length and Effectiveness of Meetings
	Accountability, Follow-Through, Enforcement
	Self-Assessment by Board
	Agendas, Consent Agenda and Minutes
Documentation	Staff Documents Responsibilities as Job Performance Requirement
	Operations Manual, Policy Manual, Personnel Manual
	Record Retention Schedule Adopted

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Leadership Development	Nominating Process
	Leadership Development and Orientation
	Effective Recruitment
	Board Culture, Sacred Cows
	Board Commitment or Pledge Form
Risk Management	Risk Management Understood by Board and Staff
	Legal, Insurance, Accounting Professionals Available
	Antitrust, Apparent Authority, Public Disclosure Understood
	Appropriate Insurance
	Disaster/Emergency Communication's Plan
	Local, State and Federal Filings
Organizational Structure	Subsidiaries (PAC, Foundation, For-Profit)
	Chapters Not a Liability to Parent Organization
	Chapter Affiliation Agreements Used
Benefits, Services	Portfolio of Benefits Offer Significant Value
	Golden Handcuff Benefit
	Three-Way Test for Endorsing Programs - need, unique, income
	Information Transformed into Tangible Benefits
	Non-Member Access at Higher Fees
	Benefits Priced Appropriately for Members and Non-Members
	Protection of Intellectual Property. Confidentiality, Copyright
	Endorsement Agreements
Finances	Dues to Non-Dues Ratio
	Reserve Goals Set and Met
	Operating Ratios Compared to Similar Organizations
	Comparative Staff Compensation for Region and Responsibility
	Unrelated Business Income Tax
	Policy on Annual Audits
	Treasurer's Orientation and Information Access
Collaboration	Partnership Programs, Sharing, Cooperation with Allies
	Partnerships to Best Position Organization

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