

Mini Survey No 5 – Membership and Recruitment

This report summarises the responses to the questionnaire that was issued to Forum members at the beginning of July 2008, which attracted some 56 participants. Responses are tabulated below together with summaries of the comments that were offered.

BASIC SIZE DATA ON PARTICIPANTS

1) What was the Subscription Income of the association in the last financial year?

Less than £200,000	12	21%
£200,000 - £999,999	32	57%
£1 million - £2 million	7	13%
More than £2 million	5	9%

2) What was the Membership of the association last financial year (full members)?

1 – 99	15	27%
100 - 499	29	52%
500 - 999	6	11%
1000 - 1999	2	4%
More than 2000	4	7%

MEMBERSHIP CHURN

3) What percentage of your members joined last year?

	Min	Lwr Qtile	Median ¹	Uppr Qtile	Max
Joined	0	5	8.25	10.25	20

4) What percentage of your members left last year?

	Min	Lwr Qtile	Median	Uppr Qtile	Max
Left voluntarily	0	1	1.7	3.4	14
Left due to take over / merger	0	0.25	1	2	10
Left due to going out of business	0	0.25	1	3	10
Total Left Membership	0	2	5	7.3	20

Some 61% of participants showed a net gain in membership numbers while 23% showed a loss and 16% neither gain nor loss. The net growth in membership numbers was 3% at the median.

	Min	Lwr Qtile	Median	Uppr Qtile	Max
Net Increase	-15	0	3	7	20

COMPETITION FOR MEMBERS

5) Are there any trade associations or other organisation that compete for your membership?

Yes	37	66%
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The main types of competition distinguished were as follows:

- TAs with overlapping membership
- TAs with related offers
- TAs that provide services to narrower sub-sectors
- TAs that serve either the larger or smaller companies in the sector

¹ Definitions

Lower quartile: the point in the distribution such that 25% of associations fall below it

Median: the point in the distribution such that 50% of associations fall below it and 50% above

Upper quartile: the point in the distribution such that 25% of associations fall above it

Specific comments on competition include:

- We share members with at least 5 other Associations, other memberships are usually focussed around the downstream markets those members serve
- Our members are involved in other trade associations. They only compete to the extent that senior management frequently imposes budgetary restraints on the overall cost of TA involvement
- It's more they compete for their money. There is overlap if not direct competition
- Some associations overlap with some parts of our sector but none is as comprehensive or as large
- In the UK the competition is only on the fringes where overlaps of interest occur. Overseas our only competitor with a similar membership profile is in the USA
- Some Associations compete for portions of our membership
- We are the recognised umbrella body for the sector so trade associations join us rather than individual businesses

6) Roughly what percentage of your membership is foreign owned?

	Min	Lwr Qtile	Median	Uppr Qtile	Max
Foreign Owned	0	4	10	30	100

What effects does this have on membership?

Many respondents indicated that foreign ownership had little or no effect. While previous surveys have suggested that foreign ownership presented problems for trade associations, in the present study the comments tend to emphasise the positive effects.

- All our members are required to have an office registered in the UK. We don't know how many are ultimately foreign owned
- All our membership are multinational - we represent their UK interest
- Approx 50% of our members are overseas and 50% in UK. We are evolving into an international trade association
- Company policy can conflict with the agreed position adopted by the UK trade body, but this rarely happens. Multinationals can have regulatory teams in other countries leaving reduced resource for UK.
- Depends what you call foreign ownership: several multinationals are based overseas for tax reasons. Some UK companies have been bought by foreigners but the new owners are de facto multinationals.
- Provides a more Global view as they are the larger businesses
- Diversity
- Enhances
- Our members would consider themselves as British but ours is a global industry and very many of our members are multinationals
- Re - focussing our way of working with members. Membership stability does not seem to have changed.
- It is very important that representation of the UK voice is in tune with the one-voice position in Europe through our European Association. Having companies in membership who are major players in Europe/US adds to this process.
- Legislative, Financial, Culture, Training. Beliefs in trade associations i.e. Anti Trust
- Need to keep abreast of European issues in particular; need to liaise with US trade bodies to be consistent in support of international member companies; need to refresh contacts with UK division managers(who move more frequently in foreign owned companies)
- Tends to be the largest members, mainly US owned, therefore Competition Law for example is high on their agenda
- Our overseas members do not have vote or any ownership
- Polarisation in to either full or no engagement with the Association in most cases
- The only negative effect is that many of those member company executives appointed to represent the company on committees and governing council are unable to commit themselves to major policy decisions without first referring back on the issues
- Very small numbers foreign owned, although some are quoted companies, or in the hands of private equity. No noticeable effect on their participation in the association.
- Dilutes autonomous decision taking. Too much is referred to foreign HQs, who do not understand UK dimension
- Makes ownership of issues less clear-cut and can reduce participation
- Limits involvement in European and International initiatives
- Assists in business development visits but causes admin costs
- Weakens trade association

MEMBERSHIP OFFER

7) Do you have a clearly articulated 'Value Proposition' that quantifies the value of membership benefits – i.e. to persuade members to remain in membership or potential members join the association?

Yes 38 68%

If so, what are the key arguments / value elements?

Representation and lobbying are mentioned in many of the comments below, but services, discounts and other benefits feature strongly in demonstrating value from subscriptions.

- Clearly listed benefits of membership and cost saving of these benefits against subscription fee and cost of obtaining benefit externally (plus other benefits not available externally)
- We ensure that, particularly for small businesses, there are financial benefits from being a member
- Exhibition discounts, training grants, free legal advice, technical advice, international advice, commercial benefits
- Consumer referrals; collective purchasing and many membership service documents etc.
- Cost saving on additional services, members only services
- Discount on the AA, advice, protection for customers, use of logo
- Discount insurance, recognition, a policy advocate, CPD, magazine, promotional opportunities and support
- Money back and financial saving, reputation building, increasing professionalism
- Ability to influence policy and regulatory decisions nationally, at European level and internationally
- Global networking / international exhibitions and a range of member benefits
- I give members a total each year of what we have done for them and the money we have saved them.
- Quality assurance branding. Provide a positive influence on legislation affecting the sector, Knowledge sharing, Provision of information and business intelligence,
- Industry PR, Government relations, Direct services like insurance, training, advice
- Representation is at its heart
- Representation and Education
- Lobbying, Seminars, Conferences, Study tours
- Lobbying, Advice, Networking
- Strength through synergy; legislative influence; early warning on regs
- Unique sector, Government steering committees, research projects
- Value for Money throughout, technical support in a heavily regulated sector (information / advice / Advice
- Technical support, training & qualifications for member employees
- Members value our Quality System - a bespoke version of ISO 9000. In this year's survey they voted by over 90% to retain and continue
- Minimum 2 x return on investment
- Standards and Support
- Support your industry and save money at the same time
- Taxation savings, policy briefings attended by their staff, contribution to policy discussions Discounts on seminar tickets
- assistance), effective advocacy - UK / EU / Global, access to sector specific training & services, networking forum
- Value for money, added benefits
- Voice of Industry, representation and promotion, political lobbying, technical support, membership services, discount at Trade Show. Forum on website, membership yearbook, publications, documents support, legal representation etc.
- We have positioned the association as 'the authoritative public voice of a vibrant and responsible UK industry'
- We use the TAF Value added statement protocol

8) Do you have a variable offer for different segments of membership / potential membership?

A) No – same range of benefits for all full members	32	57%
B) Different grades of membership with different fee and service levels	13	23%
C) Add-on / premium services available at extra cost if required	6	11%
D) Other	5	9%

While some services are targetted at sections of the membership (sometimes at extra cost), most services are available to all members, although take up varies by size or other attributes. Comments include:

- 3 grades of membership, Full, Associate and Health and Safety
- Different categories of membership, e.g. Corporate" and "Individual" but all have access to the same programme
- Different deals for UK and foreign members
- Different fees according to turnover, services available at same level to all in theory, in practice larger members and smaller members take different things from their membership
- Extra services and fee for those manufacturing in UK
- Same range of benefits for all full members but pay different subscription fees depending on turnover
- Subscription based on turnover, some benefits suit some categories more than others
- We have several schemes that are sub sector specific and we charge for these in addition to membership fees

9) Do you operate any types of membership or affiliation other than full membership that generate subscriptions? – (e.g. Associate membership)

Yes 44 79%

Other memberships are mostly Associate of Affiliate membership, open to supplier to the industry. Other categories include:

- provisional (those who do not make full membership) and subscriber (those who do not own companies)
- Some organisations can subscribe to our newsletter & receive member rates at our conferences
- Student member

10) Can commercial suppliers to the industry join as full members (rather than just associates)?

Yes 28 50%

The number saying that commercial suppliers can join as full members seems surprisingly high – some respondents may have included associate membership. Comments include:

- Particularly if they are also sponsors at our show or awards evening
- Where they offer a service ancillary to the manufacturing process, e.g. packaging suppliers
- Provided they meet the eligibility requirements - not all suppliers will
- They join as affiliates but benefit from all services except voting rights.
- This area has seen significant growth over the past 12 months
- Can't be associates either
- Our members are all individuals, not corporates

11) Has the subscription basis/structure been changed significantly in the last two years?

Yes 13 23%

A particular feature of the subscription changes appears to be need to repond to consolidation in the sector.

- Cap further reducing percentage sub of largest (i.e. foreign) Members
- Increased the number of subscription bands and fees to reflect businesses growing in size due to consolidation
- Larger companies had grown by M&A activity and offered a significant increase in subscription fee payable to redress their impact on the financial operation of the Association
- Introduction of set turnover bands

Benchmarking 2008

- Reduction in subs bands and now based on a % of turnover
- Professional organisations (e.g. lawyers, banks, insurers, classification societies) able to become full members
- Simplified and modernised to reflect the wishes of our members
- Smaller turnover categories for subscriptions. Looking to review for number of staff etc
- Associate membership subs dramatically simplified

12) Do you have any 'legacy' subscription or service arrangements for sections of the membership e.g. following a merger) that you would like to rationalise?

Yes 9 16%

A key obstacle to rationalising legacy subscription structures is the impact on those that would be worse off.

- No legacy arrangements but inherited complex turnover based calculations. To change would either be costly to the association or lead to a substantial price increase for some members.
- Some very small members pay a lower subscription for historical reasons - some now need to move to minimum subs level although the arrangement will remain in place where appropriate
- Historical basis reflecting "tribal views"

MEMBER ENGAGEMENT AND FEEDBACK

13) Do you have a dedicated person or department handling membership and recruitment?

Yes 39 70%

Comments include:

- Every department within the organisation deals with membership needs
- Marketing Manager recruited 3 years ago
- Very important to have a membership manager

14) Do you outsource any part of the recruitment and retention processes – e.g. to specialist recruiters or commission agents?

Yes 6 11%

Comments include:

- We have a recruitment agent who works specifically on membership recruitment and retention. It has proved successful and we are looking to increase this. We expect the agent to be someone who works in our industry
- We use commission agents; in this industry, no one would join without a face-to-face meeting
- Variable - depends on personal relationships
- It works better when handled by our own staff.

15) Do you have any special arrangements in place for serving different sections of the membership? – e.g. 'National Accounts'

Yes 16 29%

Comments include:

- The different sectors' interests are reflected in our committee structure
- Regional Forums
- We have separate policy teams for different classes of business
- Driven by the nature of the member organisation either distributors buying / selling product or service companies providing services to the distributor members
- Ongoing arrangement in Netherlands, French deal being discussed, group membership deals
- We have two employees dedicated to looking after the key accounts, which are members above a defined turnover
- We try to make sure we speak directly to larger members
- A Commercial director particularly focussed on supplier members

16) Do you have any 'customer care' arrangements – e.g. Regular programme of contacts and / or meetings with members?

Yes 51 91%

Customer care arrangements emphasise face to face contact. Comments include:

- Chief Executive visits every member, on average every three years.
- We use self employed field staff to visit members
- Personal visits either at exhibition or members premises
- Each sub sector has dedicated meetings seminars and briefings
- Regular Pastoral visits from Marketing Manager and open members meetings 2 in north and 2 in south per annum
- Regional meetings twice a year
- Hold one meeting each year in their local area
- Rolling programme of members' lunches: occasional member surveys
- Meetings and company presentations offered as required
- Members must meet our technical requirements and our technical officers make regular visits to audit members and provide advice/support to correct non-compliances
- Our Quality Co-ordinators visit each of our members at least twice a year
- Monthly members meetings, regular special interest forums, seminars, charity events
- Networking Events through Sector and Regional Associations, weekly Email News, hard copy monthly newsletter, Awareness days
- Branches run by members (volunteers) to have regular meetings for members (and CPD)
- Regular newsletter and ad hoc phone calls
- Rather ad hoc meetings so and follow up calls etc but not a regular programme
- We are launching an account management programme

17) Do make any special efforts to keep new members on board– e.g. induction programmes, special attention before first renewal?

Yes 27 48%

Comments include:

- Most new members start as 'provisional members' and get more frequent visits from our technical officers
- We visit every member at least once per year
- They get 4 visits during the first year
- Awareness Days (2 per year) targeted at new members, and member visits offered
- Follow up call/letter after 3 months
- Induction programmes, specialist attention if member appears unsure of renewal
- Introduction programmes and information pack
- Meet and greet at first event/meeting attended. Assigned a member of the Exec to ensure they are welcomed. On-going contact with all members.
- Presentation of benefits to the board, then managers and supervisors
- Regular calls, new member discounts
- We ensure that they are called and invited personally to events
- Just starting to introduce this in 2008

18) Do you operate any special promotions in relation to recruitment? – e.g. introductory discounts, free membership periods

Yes 28 50%

Comments include:

- Special introductory offer for first time joiners
- 25% discount on first year membership – until policy was changed at the most recent Board meeting
- 50% discount first year; if join insurance scheme first year is paid for them
- Discount at events if they signup
- Attendance at our courses with a £50 discount
- Discounts for new members at certain times
- Incentives - currently radio controlled watch
- Informal arrangement administered by the Managing Director

- Introductory discount if significant payer
- Membership and codes of practice package
- Occasionally discounts for three year contracts,
- Periods where joining fee is removed and last quarter reduced 15 for 12 months membership fee
- Stage payments of subscription fees for new micro business members
- They only pay a proportion of their subscription in their first year depending in when they join and do not pay the variable subscription proportional to their sales until the second year
- Reducing initial subs as year progresses; offering associate status on low sub for 2 years
- Three offers for large medium and small companies plus a 50% of first full year of membership
- We waive entry free
- We waive the one off application admin fee when applications taken at our Shows or other networking events
- We will run a 15 months for 12 promotion in September 2008.
- We have in the past, but on reflection it caused more problems than it was worth

19) Do you conduct any financial analysis of the costs of acquiring and retaining members?

Yes 15 27%

Comments include:

- Part of budget process
- No formal analysis although as CEO I am aware of approximate costs
- Not recently, but have done in the past
- Figures calculated historically included too many assumptions to be valid
- Considering doing this in next 12 months

20) What research do you conduct to engage with members to understand their current needs?

More than half of respondents mention surveys while individual visits, one-to-one meetings, committee other group meetings also feature strongly.

- One-to-one meetings by the Sector Directors. Discussions at Open Forum Sector Meetings and regular communications via newsletter and email
- About to do a survey of membership satisfaction, needs, etc.
- Annual membership survey, engage members in the development of a five year business plan
- Annual membership survey. Significant member input into business plan through committees
- Annual survey of member requirements, regional group meetings, trialling services, ad hoc research
- Annual survey. Ask them at meetings
- Constant subject of discussion with members, plus occasional questionnaires
- Consultation by correspondence and committee: members lunches: surveys
- Council meetings, AGM, pastoral visits, membership meetings, events feedback forms with free format section at the end
- Done on a routine agenda basis via section meetings and council/management committee discussions
- Face-to-face, online surveys, phone calls
- Feedback documents and questionnaires etc.
- Frequent meetings with CEOs and senior staff with member companies
- General discussions with Board representatives - we are small enough that all our members are represented on the Board
- Input from forums and meetings
- Largely one-to-one discussions
- Meetings - regional and group
- Member contacts / visits, periodic surveys
- Member groups are represented on board, e.g. posts exclusively for large members or small members
- Member needs survey
- Members are represented on our Board and Technical Committee and discussions about needs etc are held at every AGM
- Membership survey 2006; probably due a repetition
- On-line surveys, regional & national meetings, visits to member sites, open forums, conferences & events,
- Questionnaires, feedback sessions and regular reviews
- Regular communication by phone, email and face to face contact
- Regular membership surveys on a variety of issues
- Regular one to one sessions with members to discuss association activities and their requirements

- Regular questionnaires (topical) and surveys (around our service and products)
- Satisfaction survey - plan once every 5 years
- Sector & Regional Associations feed into Head Office, a variety of surveys are carried out including an all member survey once every 2 years
- Selective member audits carried out on a regular 2-3 year basis
- Site visits; regional meetings; telephone calls
- Surveys, Ask branch committee officers for member feedback, focus groups, telephone questionnaires
- Surveys, discussions etc.
- Telephone Surveys
- The newsletter, on-line surveys and general phone calls
- Through our key account management program
- Through the committee structure plus one to one conversations
- Undertook quantitative analysis 18 months ago, now more qualitative and through face-to-face meetings
- Via regional secretaries
- We talk to them and invite their feedback, hold regular industry events and support them at Expo's

21) Do you have any good ideas or practical solutions relating to Membership and Recruitment that you would like to share with members?

The suggestions emphasise developing market intelligence, personal contact and making sure that members know what the association is doing for them.

- Active marketing - sounds obvious, but makes a big difference. Understand what members appreciate and/or want and shape services to meet them
- Always deliver what you promise
- Define and research your target market, use members knowledge of their competitors to identify targets, use quality sector surveys
- Face to face meetings are essential, and don't give up - it can take months to bring in a new member.
- Having a visible programme of communication activity has added value to our membership proposition - e.g. speaking on behalf of the industry with media and offering briefings and insight into industry matters to journalists. This has brought a tangible increase
- If you can show them ways of saving money to cover the cost of their membership then it's an all win situation
- Keep members engaged all the time
- Members recruit members Satisfied members introducing their suppliers and colleagues is the most effective method of recruitment
- One size does not fit all - treat every member as if they are your only member, listen, act and get feedback
- Produce a benefit of membership booklet/ area on website and continually remind members what they get for their subscriptions!!!!
- Provision of exclusive services such as accreditation schemes
- Regular communication in the main, industry specific events, projects and seminars.
- Research the market for potential members and their key decision making executives - using intelligence data provided by existing members. Invite these individuals to conferences and, for a limited period prior to a meeting, send them newsletters a
- Show the Membership that you work for them, have their interests at heart and actually deliver for them
- The membership fee has to be demonstrably good value for money and as broadly based from the point of view of utilisation of services as possible
- We are at saturation of our membership potential. It is essential not to drift from this point
- We are very accessible to members. They can telephone or e-mail for technical advice and we can usually either resolve the problem quickly or direct them to a solution. The training & qualification services are seen as particularly valuable in a specialised industry where skilled labour is in constant demand. In short, we look after the members and they are loyal to us.
- We have a relatively small membership and are therefore very 'high touch' with all members. This will be hard to maintain as membership grows.
- We have found that less is more, and that a clear and focussed offer based on some core areas delivering value is more effective and sustainable than trying to do a wider range of activity