

WHITE PAPER

AGE OF ADAPTATION

The Quest for New
Association Business
Models



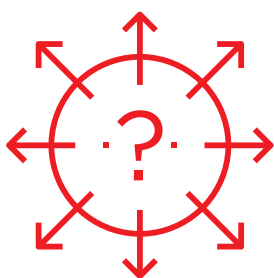
Non-profit organisations are now driven to rethink their mission, purpose, values, and the means and speed with which they interact with their members, partners, and benefactors.

One of the oldest forms of organised human interaction – the association – has been affected by the ever-growing interconnectedness of people, processes, knowledge dissemination, and communication – or what we simply call globalisation. Associations are compelled to find new ways to be sustainable and resilient in a world where everything is fast, and nothing is ever unique.

As traditional income streams are eroded by this changing world, a popular discussion has become that of new business models. What is non-dues revenue (NDR) and why are associations increasingly looking for such streams of income? What are the sources of NDR and can the non-profit organisation using them remain self-sustainable, relevant, and à la mode? And what is the potential of each NDR source? We attempt to answer these questions using relevant examples from the practice of the Kenes Group Associations team.

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Non-Dues Revenue – What, Why, and How



As with many concepts, the easiest way to define NDR is by stating what it is not: it is not a traditional means for generating revenue, in the sense that it is not linked to the collection of membership dues.

Most professional organisations invite individuals who share the same interests to participate and to take part in the association's activities for which they are expected to pay a membership fee. In return for this sum, they receive a number of benefits – access to premium content, discounts on journals and congress registration fees, opportunities to collaborate and interact.

Of course, turning to NDR does not have to mean the end of membership. It is rather a way for professional associations to ease the financial burden placed on this income stream to keep the organisation afloat. According to some authors, collecting NDR not only increases the financial stability but also creates additional value as it helps the association meet the members' needs and in the long-run, could lead to an increase in the membership base.¹

If an association plans for a revamping of its business model to include as many NDR sources as possible, it would also need to reconsider the way it perceives itself – its mission, values and goals, as well as its members. A greater number of projects and initiatives, funded by new NDR streams, could help any society expand and increasingly involve members in its activities. We argue for diversification of revenue and de-traditionalising approaches towards membership. Because embracing progress means nothing less than breaking with old habits.

1. Alexandra Snelgrove. Growing Associations Through Non-Dues Revenue - Is It Time to Re-Think Your Business Model? Available at: <https://bit.ly/2VOgX1A>. Accessed on November 10, 2019.

Fundraising and Donations for Impact



All successful fundraising initiatives start with a sound strategy, linking them closely with the association's goals and mission, all while corresponding to the needs of members.

They require building a good case through analysis and research, as well as a certain readiness to shape the request according to the donors' agenda, values and even personal history. Every fundraiser's intentions and actions should be transparent and well-argued. This will increase the trust and build a long-lasting relationship between donors and the funds recipient.

Fundraisers could differ in type, duration, or style, with fun runs, sports events, gala dinners, etc., being popular. These events could also take place virtually, opening them up to a wider audience beyond members and partners.

Crowdfunding is another type, where one raises funds for a personal cause, without the need to be a registered charity. In late 2017, Pablo Vercelli, an Argentinian living in Switzerland, set himself, his brother and two friends a goal to climb Aconcagua, the highest mountain in both the Southern and Western Hemispheres, to raise awareness and funds for stroke. His family was affected by the disease twice – his mother passed away from it, while his sister is a stroke survivor. Pablo set a personal mission – to end stroke. His goal aligned with that of the World Stroke Organization (WSO), where he later donated all raised funds.

POTENTIAL

- The different types of fundraising available stimulate creativity within the association and keep members interested
- If several causes are presented, the audience has greater opportunities to get engaged, as there are more options to support

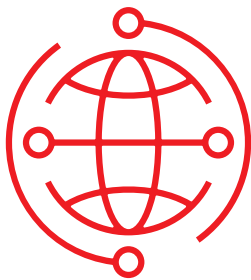
RISK

- Associations could lose their independence to donors' wishes
- The connection between the donor and the beneficiary could weaken if there is a limited face-to-face interaction

OUTLOOK

- Most donations will happen virtually, which will increase the number of supporters who will back initiatives, even with smaller amounts

Social Media's Wide Reach



Despite criticisms targeting its trustworthiness and reliability, social media – when used responsibly and reasonably – could boost an association's income.

Pablo's story has a direct connection to social media too, being shared multiple times to reach people beyond his immediate network. Social media is an excellent channel for organisations to guarantee that their fundraising initiatives, campaigns, project updates and membership calls reach those that need to know right then and there.

Social media can support entities to be identified as trusted organisations, enabling contacts to form and even expand through the functions for *liking*, *sharing*, *reacting*, and *inviting* friends to participate.

We must remember that an association's social media and overall online presence (website, electronic newsletters, etc.) is what welds together a community of members, partners, sponsors and policy-makers. The International Papillomavirus Society (IPVS) did exactly that by establishing the HPV Awareness Day on March 4th, 2018, themed Give Love Not HPV. The campaign developed a fresh visual style and tone of voice that was distinctive in the context of global health awareness promotions. High quality, consumer-oriented imagery and a call to action that focused on sharing love was used to gain attention in the competitive social media space.

Results demonstrated that the #GiveLoveNotHPV drove a massive increase in the global exchange about HPV. Online conversations on the topic increased by over 5,000% between March 2nd – March 5th, 2018, compared to the same time period in 2017. The campaign hashtag reached 2 million unique users, while a short information video received 30,000 views and the campaign website achieved 5,000 unique page visits. The campaign was a true success among the general public, partners and policy makers, and for that it was also awarded with different industry accolades.

POTENTIAL

- Social media campaigns come at no, or very low cost, and are relatively easy to design, implement and monitor (as long as there is a specialist driving them)
- They reach a very high number of people and are especially appealing to younger audiences

RISK

- All risks usually associated with social media apply, especially the use (or misuse) of information and online fraud

OUTLOOK

- Associations will increasingly rely on NDR linked to social media. The demand for experts – those who know the nuts and bolts (and the darkest corners) of it – will increase even more as will the need to utilise social media's power for more revenues

Sponsorship Gains



Along with advertising, sponsorship has been identified as one of the fastest growing sources of non-dues revenue (NDR)², as companies with core activities in health tech, pharmaceuticals and life sciences are naturally interested in what medical associations do and are ready to provide support.

If managed in a compliant and ethical manner, the sponsorship model comes close to a perfect win-win situation for patrons and beneficiary organisations alike. Associations will increase their financial stability, build lasting partnerships with sponsors and due to the received funds – be able to provide more activities to enrich membership benefits. Through this cooperation, companies that subsidise can receive access to research expertise as well as to channels for open dialogue with key figures in the given field.

Nowadays, companies are more reluctant to provide non-committed grants and prefer funding specific causes or projects. Although this might be limiting to associations, it could also be a way to increase the trust and deepen the collaboration between both parties.

In 2017, the World Stroke Organization published and promoted its *Roadmap to Delivering Quality Stroke Care* – a resource that accompanies the WSO *Global Stroke Services Guideline and Action Plan*. This document provides the framework for the implementation, monitoring and evaluation of stroke services globally. Supported by an unrestricted educational grant from one specific pharmaceutical company, the *Global Stroke Guidelines and Action Plan* was successfully translated into Chinese, Portuguese, Russian, Spanish, Vietnamese, Arabic, and Persian, and a video was produced to explain the Roadmap and make its application by users worldwide easier.

POTENTIAL

- Due to the amount of industry contributions, sponsorship is probably the best NDR source in terms of financial stability
- Using sponsors' channels and networks will increase the visibility of the association and highlight its achievements among broader audiences (patients, other companies, international organisations)

RISK

- Like in the case of donations, there is a risk that the organisation may become too dependent on sponsors' wishes and corporate interests
- Associations will have to fight for sponsors' attention even more and ensure the projects and goals of both parties are aligned

OUTLOOK

- Organisations will try to deepen their relationship with several specific sponsors at the expense of looking for new ones, thus their involvement in the activities of the association will increase further

2. Naylor.com. Advertising and Sponsorships Continue to Carry NDR Load. Available at: <https://www.naylor.com/associationadviser/did-you-know-advertising/>. Published April 21, 2015. Accessed November 10, 2019.

Gateway to Online Education



The last decade has brought the rapid growth of online education and a proliferation of the massive open online courses offered on platforms like Khan Academy, Coursera, Udemy. Forums – a frequent feature of most online education platforms – contribute to the growth of networks of like-minded individuals, experts, practitioners, and students.

Offering specialised learning materials and resources, online courses and webinars for a fee, have become another way for associations to guarantee a steady revenue stream. Moreover, these organisations have a powerful leverage over other providers of online courses due to their content credibility.

The value of an association's online resources grows significantly when participants who complete the course receive additional credits, such as Continuing Medical Education (CME) ones. Additional advantage can come when some or all materials are offered in languages other than English and are addressing specific local needs.

One of the important services offered by companies or departments specialising in continuing online education is the development of online education portals tailored to the needs of their clients. Exclusively accessible to society members, the online educational portal of the European Society of Immunodeficiencies is a repository for vital information about primary immunodeficiencies including case-studies, webcasts and other relevant materials. The Global Education Hub of the International Society of Endocrinology serves as a year-round virtual community and single-entry point for online educational resources in endocrinology.

POTENTIAL

- Online education is attractive to professionals who cannot, for a variety of reasons, attend meetings, workshops and courses
- Developing education will keep the association abreast of the latest trends, research and developments in the field
- It creates numerous engagement opportunities through online discussion forums

RISK

- It may lead to some decrease in participation of meetings and workshops, as members can choose to obtain the same content virtually, although feedback suggests that it will be used to enhance attendance at live events

OUTLOOK

- The popularity of this NDR source will continue to grow, as associations develop and provide teaching materials in as many languages as possible, to attract a larger audience and intrigue them with interactive formats

The New Realm of Publications



Using different publications, while considered a traditional form of knowledge sharing, remains an important non-dues revenue source for associations that can think creatively.

Highly valuable scientific publications, authored by the society's leadership and/or board members, such as project results, reports, policy briefs, and white papers, bring different possibilities for organisations. Firstly, these writings are often the result of collaboration between experts from different countries and institutions, which increases their scope and impact, while strengthening the bonds within the organisation. Second, the biggest effect that they have is the potential to influence global and regional policies, and consequently, achieve the goal of the society. With different schemes available, this golden resource can bring additional earnings when used as an NDR.

Many organisations provide a portion of their publications for free, to support their greater purpose and promote their premium content. In the beginning of 2019, the World Stroke Organization published a [Global Stroke Fact Sheet](#), which overviews the best available scientific evidence on stroke and its impact around the world. The fact sheet can be accessed freely, and the aim is that it stays updated as organisation members are invited to share their opinion and contribute with new research and statistics. Similarly, the policy committee of the International Papillomavirus Society (IPVS) participates in the development and maintenance of position statements on issues related to papillomaviruses and the development of prevention of their associated diseases. In 2017, the committee published the [IPVS Statement on HPV Vaccination and Immunocompromised Hosts](#), and in 2018 - the [Statement Moving towards Elimination of Cervical Cancer as a Public Health Problem](#).

Giving partial information free of charge will aid the advancement of the field, but for those that need more current and in-depth information, they would have to go the extra mile and purchase the content. This NDR source can provide not only valuable income, but also additional information on the types of professionals that seek it, using the possibilities of well-created purchase forms.

POTENTIAL

- Journals and specialised publications remain the first and foremost repository of recent, high-quality research in a given field
- Different writings bring great value to the association and have a high impact factor

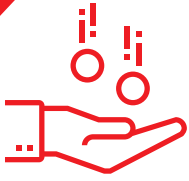
RISK

- Old-school journals and print publications risk being overrun by all those opportunities offered on the Internet and via high-tech applications, which allow people easier access to information

OUTLOOK

- New balance will be created between free content and its use online, and premium one that has a monetary value attached to it
- The number of people purchasing different publications is likely to increase when the materials are available in different languages

De-traditionalising Dues



Developing NDR sources does not, and should not, mean doing away the notion of membership dues.

Membership is still inextricably linked to the existence of associations. People understand that they need to support organisations to receive certain benefits. And they still want to connect and belong to something, maybe now more than ever.

But today everyone is simply too busy.

This requires associations to progressively pursue the *à la carte* approach to membership. Giving members the freedom to uncover what they require at a specific stage of their career or life will be a good indicator of the flexibility of professional bodies and their readiness to adapt to the priorities, interests, and needs of their members.

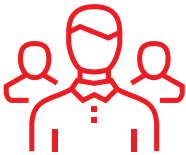
Devising and offering several packages targeted at designated groups or categories of members

might increase the number of sign-ups and, consequently, the revenue accrued from dues. Ideally, it could also make the association more active as some members will be ambitious to participate in and contribute to various projects.

Switching to *à la carte* membership will be easier after diversification of revenue sources. Offering online courses, inviting people to participate in social media campaigns and publications, or starting new projects funded by sponsorships or grants will create benefits, which will then be included in the association's membership packages. The latter, of course, need be revisited and revamped periodically to address, as adequately as possible, the needs and wishes of the membership body.

In a world in which information spreads so quickly that we can no longer cherry-pick what we want to absorb, creating more opportunities for people to reflect and make choices will be invaluable.

De-traditionalising Membership

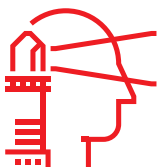


We could take this analysis one step further and call for associations to look beyond dues, finance, and money. They should strive to go back to basics of non-profit associations – advocating causes and building communities of like-minded individuals.

Of course, to exist, all organisations must be financially sustainable. But shouldn't they upgrade from preserving a specific number of members to keeping them all engaged?

Swamped by thousands of physical and virtual networks, both individuals and associations struggle to stay relevant. Maybe the main function of professional organisations of the future will be to help people find their way in the overburdened, hurried, and chaotic reality we live and do business in. Ultimately, this could mean guiding them to discover what they really need and then, giving them exactly that – nothing more and nothing less.

Associations' Future Outlook



In his most recent book *21 Lessons for the 21st Century*, Yuval Noah Harari argues that in contrast to previous centuries, the greatest struggle of human beings will be not against exploitation, but against irrelevance³.

Associations should be prepared to take on a much larger role now. They should learn how to use the positive consequences of globalisation –

interconnectedness, increasing freedom of movement, exposure to a richness of cultures and viewpoints. But also, to help their members overcome globalisation's negative effects – the risk of living an isolated and frenzied life, plagued by a feeling of insignificance. Ultimately, non-profit organisations should constantly strive to help their members discover their value and to build and sustain communities of relevance.

3. Yuval Noah Harari. *21 Lessons for the 21st Century*. Toronto: McClelland & Stewart, 2018.

About Kenes Group

For over fifty years, Kenes Group has been creating success stories with associations around the world. We're experts in helping associations reach their true potential by strategically building awareness, loyalty and satisfaction among current and potential members, as well as stakeholders. We harness the power of community, strengthening association brands through unforgettable experiences - fostering change, inspiring members, educating, and improving organisations' business performance.



About the Author

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