



WHITEPAPER

DRIVING CHAPTER VALUE

How Smarter Investment Will Boost the
ROI of Association Chapters

CHAPTERS ARE FERTILE GROUND FOR MEMBER ENGAGEMENT.



TABLE OF CONTENTS

- 3 Driving Chapter Value
- 5 Smarter Investment in Chapters
- 5 Clarify Who Does What
- 6 Create a Framework for Consistency in Decision-Making
- 7 Incentivize Success
- 8 Commitment from Leadership
- 9 Better Return from Chapters
- 9 Banish Busywork
- 9 Get Knowledge and Data Flowing
- 10 Get Closer to Members
- 11 The Metrics of ROI
- 11 Member Engagement
- 12 Case Studies
- 13 The ROI of Relationships
- 14 Chapter Champions
- 15 Show Them the Way
- 15 Who Handles the Money?

Top 10 Takeaways for Chapter-Based Associations

Don't have time to read? Skip to our top ten takeaways for chapter-based associations and find next steps to providing support for chapters. [Page 16](#)

DRIVING CHAPTER VALUE

How Smarter Investment Will Boost the ROI of Association Chapters

Association chapters and components are fertile ground for member engagement, but they can often prove to be a thorny management challenge. As associations examine the value of their component networks, they're finding that skillful investment in supporting the success of chapters will drive bigger and better returns.

When the Consortium for School Networking sought to hire a full-time component relations coordinator in the autumn of 2016, it was looking for someone with the proverbial green thumb.

"I look at component relations as gardening," says Dresden Farrand, MPA, MPP, CAE, Senior Director of Membership and Chapters at CoSN, based in Washington, DC. "And you have to take care of your garden in order for it to grow. It needs key ingredients like water, sunshine, good soil. Some people talk or sing to their plants."

Indeed, gardening is a labor of love and an apt metaphor for the work of association component relations. Plants are living creatures, and fostering their growth is as much art as science. Component relations professionals are familiar with that kind of challenge. In Mariner Management & Marketing LLC's 2016 Chapter Benchmarking Study: A View of Association Chapters & Geographic Components, finding after finding showed a broad mix of chapter structures, financial arrangements, membership requirements, training practices, and staff support present in associations with chapter systems.





Also considering that less than half of associations even have such component structures, according to Marketing General Incorporated's 2016 Membership Marketing Benchmarking Report, it's clear that no standard playbook exists to ensure chapter success. Not surprising, then, was the Mariner report's summation that "there is an undercurrent of discomfort with the status quo on chapters."

The one question on which associations did widely agree in Mariner's survey was about measuring return on investment. An overwhelming 95 percent of associations with chapters said they do not use any formal method to calculate the comprehensive ROI of their chapter system to the association. Credit that, again, to the complexity inherent in component relations. Savvy associations recognize, however, that the ROI question is critical, and no program on an association's ledger can go unexamined. For all the time, money, and resources invested in components, associations must work to ensure that the bottom line ROI of their chapters (however it might be calculated) is positive.

In this Billhighway whitepaper, we'll take a look at some key strategies and steps to tip the chapter ROI balance with smarter investments at the central-organization level and better returns at the chapter level—and some ideas on how to measure it all, too.

95%

**DON'T USE ANY
FORMAL METHOD
TO CALCULATE THE
COMPREHENSIVE
ROI OF THEIR
CHAPTER SYSTEMS**

SMARTER INVESTMENT IN CHAPTERS



From inside headquarters, it can be easy to forget that association management is not a commonly held skill set. Chapter volunteers typically come from other lines of work.

“It becomes incumbent upon national organizations to do a better job of helping component organizations, giving them the insights, the tools, and the resources that they need to be more effective, because managing chapters and other volunteers is not what they do on a day-to-day basis,” says Charles W.L. Deale, FASAE, CAE, Former Vice President, Membership and Chapter Relations, at Financial Executives International (FEI) in Morristown, New Jersey.

Clarify Who Does What

Often, problems with chapters arise from a misalignment of expectations. Perhaps chapters or the central organization feel like the other is stepping on their “turf,” or maybe one side feels like the other isn’t holding up its end of the bargain. In either case, time and energy are wasted.

Deale spent 13 years as Head of Society Relations at CFA Institute (which called its component groups “member societies”), where he says the development of a six-page “Principles of Affiliation” document was a game changer. “It basically codified what had been verbally understood — or misunderstood — over the years in terms of the respective rights, roles, and responsibilities of the two organizations — member societies and global headquarters. What one did and the other did not do, what they both could do, and where there was a delineation,” Deale says.

A workgroup made up of staff, members, and chapter leaders spent a year creating the document, which gave it the weight and backing it needed to serve as a foundation for the future and to keep expectations on both sides aligned, Deale says.

Create a Framework for Consistency in Decision-Making

What constitutes acceptable chapter performance? What qualities do you look for in chapter leaders? What geographic locales do you want your chapters to serve? Component relations presents too many variables to make decisions haphazardly, says Farrand.

That's why she built a set of internal guidelines for chapter-relations decisions, such as when a chapter should be launched or when one should be dissolved. "These are all very tough conversations, but you have to have a framework which you're operating in to help you justify your decisions," Farrand says.

The details of such a framework will depend on any given association's circumstances. At CoSN, for instance, it includes a "50-state plan" to identify areas where the association has weak membership levels. (It currently has 25 state chapters.)

"We're not going to just have components to have components. We're only going to have strong components," says Farrand. "So, that has meant I have dropped components, and I'm only going to bring in what I know, based on my framework, is going to be a strong component."

Both Farrand and Deale say consistency in the chapter network is a main goal of a decision-making framework, and they cite the franchise model common in retail and food industries as a source of inspiration. At CFA Institute, Deale says members' satisfaction was at times uneven among chapters. "They might have a great experience in Cleveland, and then they would go to Chattanooga and it would be less good," he says. "Realizing that there was going to be different levels of activity at different societies, we wanted at least a reasonable expectation that there would be consistent delivery of value by all the societies."

Next Steps

Before you start the process of creating a framework, ask yourself these three questions:

- 1 What constitutes acceptable chapter performance?
- 2 What qualities do you look for in chapter leaders?
- 3 What geographic locales do you want your chapters to serve?



Incentivize Success

With a clear vision of a strong component system in place, an association can reward its chapters for working toward that vision.

CoSN's state chapter advisory group maintains chapter "scorecards" to encourage chapters' engagement in a variety of activities, such as hosting events and surveying members. Yearly funding from CoSN is doled out in accordance with chapters' scores, Farrand says.

Deale, meanwhile, cites CFA Institute's success with growth funding, grants awarded to a few chapters each year based on their proposals to adopt new, innovative ideas for their work.

"It led to some pretty good ideas being developed. And, as they were implemented, we also publicized what different societies were doing that were receiving funding under the growth funds," Deale says. "So it was really creating some additional momentum for other societies."



TRUST OF LEADERSHIP IS INCREDIBLY IMPORTANT.

Gain Commitment from Leadership

The volunteers that lead chapters often have a direct line to the association's board of directors, which means a component relations professional is often caught in the middle. Farrand says the leadership of the central organization must be fully informed and "on board" with the component strategy.

"The trust of leadership is incredibly important," she says. And their involvement gives more authority to component-relations decisions, as well, she adds. "All of the different policy changes that I've implemented have not come from me. They've come from my CEO in the form of a letter or e-blast, or they've come from the board of directors, or they've come from the state chapter advisory group."

How to Build Trust & Encourage Chapter Engagement with Surveys

Surveys and asking for feedback help build trust as well as encourage engagement. For a survey to be useful, you need to have a direct way to measure the feedback you receive to effectively share takeaways with the organization. Here's a few ways to accomplish this:

1 Start by working backwards

- Know what your team wants to learn and what they want to get out of it to determine what questions to ask
- Be strategic about the questions for useful feedback

2 Test your survey

- Create a small pilot group before sharing with the masses
- Tweak or make changes to your questions based on feedback from your test pilot
- Ask your chapter advisory group members

3 Follow up and share results

- Share the results both internally and externally (when appropriate)
- Utilize results to help share strategic initiatives and priorities

BETTER RETURN FROM CHAPTERS

The “work smarter, not harder” mantra applies at the component level, too. When operations on the ground are optimized, the member experience improves, which means everyone wins. Of course, in a setting dependent on the goodwill contributions of volunteers, maximizing the value of their work takes diligence and support. Here are some more recommendations.

Banish Busywork

Chapter leaders don’t volunteer out of a deep passion for association management. But too many associations put an administrative burden on chapter leaders, when it’s hard enough to get members to volunteer in the first place.

“One of the ways for chapters to get stronger is to allow their local officers and volunteers to get closer to their members, and the way to do that is to free up their time from some of the minutia and some of the financial components of running their chapters,” says Brent Bassett, Solution Architect at Billhighway.

Colleague Kyle Bazy, Director of Growth, agrees. “Nobody wants to reconcile cash. Nobody wants to file taxes. Nobody wants to run reports and send them to different entities. Nobody wants to do that,” he says. “It’s a necessary evil, but it’s 2017. We can automate a ton of that for you.”

Get Knowledge and Data Flowing

With all the technology, collaboration tools, and advanced database platforms available to associations in 2017, components can exist as a true network, not islands in the sea. Successes and lessons learned at one chapter can be shared and applied by others. “Sometimes the most important thing is to find out what didn’t work, which means each chapter doesn’t have to reinvent the wheel and figure out what works and what hasn’t worked,” says Bassett.

Mariner’s benchmarking study cited fragmented data systems as a root cause of many associations’ challenges with components, because foundational data like member engagement or retention isn’t shared between components and the central organization, or vice versa.

Next Steps

You may be asking yourself how can you apply the “work smarter, not harder” mantra to your chapter operations. Follow these eight tips and tricks to get better return from chapters:

- 1 Lessen the administrative burden on leaders
- 2 Allow local officers and volunteers to engage with members
- 3 Utilize technology, collaboration tools, & advanced database platforms
- 4 Share insights, tools, & resources
- 5 Compare data with other chapters & headquarters
- 6 Create a chapter network to connect headquarters with members
- 7 Include chapter leaders in taskforces, workgroups, and committees
- 8 Gather feedback from other chapters



Deale says FEI, in response to requests from chapter leaders, is developing a benchmarking tool for chapters to see how they compare to others. “If Atlanta is charging \$375 in dues, looks at it and says, ‘Wow, we’re way out of the ballpark in terms of other comparably sized chapters. How is it that they’re able to do it for that much less than what we’re charging?’ I think it could be valuable comparative information for the chapters to have, while at the same time being of interest to me as well,” he says.

Get Closer to Members

For any national or international association, it’s difficult to connect from HQ with members spread far and wide, but an effective chapter network provides the perfect remedy. At FEI, for instance, chapter leaders bring the perspectives of members at the front lines to the central organization via their inclusion in an array of global taskforces, workgroups, and committees, says Deale. “We really make sure the voice of the chapter is heard, that we tap into them, we gather their feedback whenever and as often as possible,” he says.

That interaction works in both directions, Farrand says. CoSN’s chapters are key “soldiers on the ground” in its advocacy efforts. Meanwhile, chapters also serve as a sounding board for market analysis. “Having components is like being able to do a quick environmental scan at the drop of a hat,” Farrand says. “You can call 10 of your chapter leaders and say ‘What are the current trends in the last six months? What do you see as a major environmental shift? How does this compare to the historical information that we have?’”

THE METRICS OF ROI



The question of the overall return on investment of a chapter system is tricky because, as is often the case in associations, the investment is direct but the return is not. An organization’s budget for component relations can be easily identified—compensation for component relations staff, financial support for chapter operations and events, and so on. But chapters’ value goes far beyond direct revenue from local events and education.

Deale, Farrand, Bassett, and Bazy all agree that components must be measured for their impact on the metrics that correlate closely to association-wide success. Revenue, of course, counts too. CoSN chapters sign revenue-sharing agreements with the central organization, so it can measure chapters’ value through the revenue they generate, as well.

Member Engagement

Member engagement, in all its various forms, may be the clearest signal of chapter effectiveness, says Bazy. “If they’re not working on member engagement, they shouldn’t exist,” he says. Measuring engagement isn’t always easy, which makes solid technology solutions that enhance data sharing all the more critical. Not only does engagement data drive chapter ROI, but it also helps an association measure it.

“Whatever that engagement is at the local level, if they can measure that—measure maybe how many events they attended, how many times did they log in to a course, how many times did they engage and get value out of the association—and then compare that to retention. If they can do that at a chapter level and report it up to the national level, they will start to recognize what is working and what is not working,” Bazy says.

86%
**OF FEI MEMBERS SAID
PEER NETWORKING
WAS THEIR PRIMARY
REASON FOR JOINING
A CHAPTER**

Case Studies

At FEI, Deale cites member-satisfaction scores: In a survey, 86 percent of FEI members said peer networking via chapters was their primary reason for joining.

At CoSN, Farrand points to increased membership recruitment and retention as a result of new chapter launches: Membership overall is up 38 percent and retention is up 24 percent since 2013 as CoSN has added more than a dozen new state chapters.



Engagement Trends for 2017

Remember, investing in your chapters ultimately invests directly into your members. Here's the top five engagement trends for your chapters to implement in 2017:

1 Professional development program

- Provide education & training opportunities to improve staff capabilities
- Get chapter leaders involved by creating a working group and bringing in chapter experts
- Meet face-to-face and ask for feedback

2 Awards & incentives

- Incentivize chapters & leaders to increase engagement, recruitment and retention
- Determine how you will measure and achieve goals
- Pilot award programs with a small test group

3 Online community for chapters

- Create a place for your chapters to interact, share and collaborate with each other without being face-to-face
- Evaluate your needs first — survey based on interest and listen to feedback from chapters
- Research your options and talk with others using it

4 Best in breed experience

- Leverage solutions & programs that already exist
- Download your current challenges & align those with your biggest member engagement issues

5 Peer to peer mentoring

- Allow your chapter leaders to connect and share what does/doesn't work to learn from each other
- Evaluate, rate and rank your chapters
- Pair underperforming chapters with high performing chapter leaders
- Create a communication cadence

THE ROI OF RELATIONSHIPS

If there's one potential pitfall in striving to maximize the return on investment of an association's chapter system, it's in viewing components as merely a tool to be leveraged. They are groups of people, after all. Their value to the forward progress of the association, more than anything else, lies in the strength of relationships.

Bazzy says the surest way to earn chapter leaders' loyalty is to put them in the best position possible to serve members well.

"Start by solving real problems for your chapter leaders," he says. "If you want to get adoption, you've got to start by solving problems for them, not you. A give-first mentality is super important."

Deale, meanwhile, says CFA Institute's relationship with its components was revived when it learned to view them as equal partners with the central organization—and that's when ROI began to grow.



“Over time, what happened was more and more people at the global organization, including the global leadership, realized that if the organization was going to be successful globally it could not do it alone. It could not operate in a vacuum. It really had to work collaboratively and in partnership with the societies, particularly as it started penetrating into markets outside North America, where we had previously not had a presence,” Deale says. “And as that evolution occurred, that’s when more and more resources were dedicated to societies.”

Next Steps

Apply these next steps to help solve problems and serve your chapter leaders:

- 1 Adopt a give-first mentality
- 2 View chapters as equal partners
- 3 Work collaboratively with chapters
- 4 Dedicate more resources to chapters

Chapter Champions



Dresden Farrand

MPA, MPP, CAE
Washington, DC

Senior Director of Membership and Chapters, at Consortium for School Networking (CoSN)

Highlights: Since 2013, 12+ state chapters launched, membership up 38 percent and retention increased 24 percent. In 2016, Dresden was presented with the 40 under 40 award.



Charles W.L. Deale

FASAE, CAE
Morristown, New Jersey

Former Vice President, Membership and Chapter Relations, at Financial Executives International (FEI)

Highlights: 86 percent of members cite networking via chapters as their primary reason for joining; chapters average between 85 and 95 percent enrollment of FEI members in their geographic areas.

**START BY SOLVING REAL
PROBLEMS FOR YOUR
CHAPTER LEADERS.**

SHOW THEM THE WAY

Associations conduct a variety of training programs for their chapter leaders; both in-person conferences and workshops and online webinars and discussion forums are common. Most often, organizations host three or four trainings per year, but that volume varies widely.

Who Handles the Money?

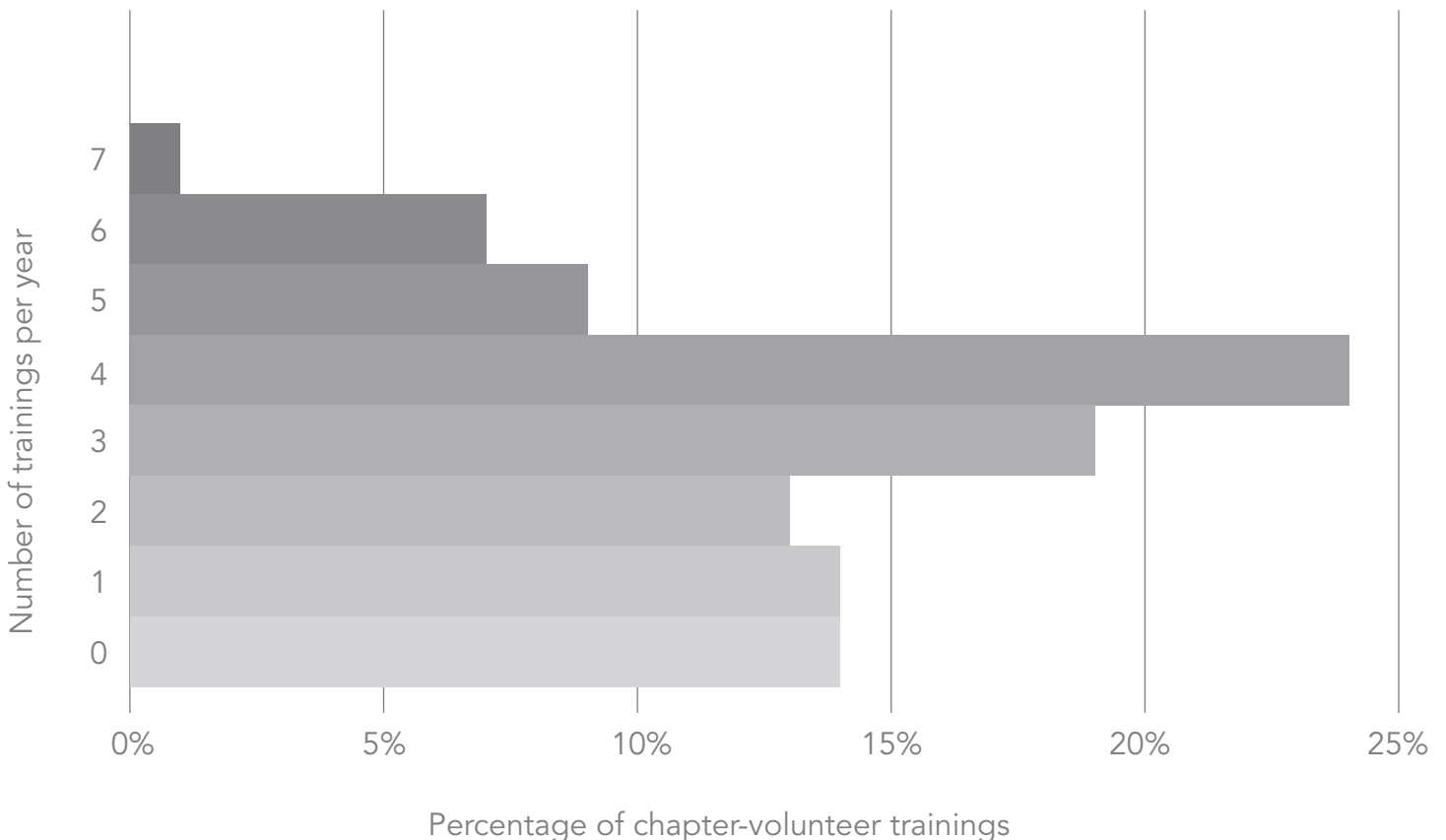
In 2016, both Mariner Management & Marketing and Marketing General Incorporated found in their benchmarking research that two-thirds of associations with chapters process all dues collection through the central headquarters.

In addition to removing administrative work from chapters, Mariner's study notes "collecting the dues gives the central organization access to a critical dataset, essential to comprehensively assessing recruitment and retention percentages."

67%

OF CHAPTERS
PROCESS ALL
DUES COLLECTION
THROUGH THEIR
HEADQUARTERS

Chapter Volunteer Trainings





Top 10 Takeaways for Chapter-Based Associations

Not all organizations are the same, but what are the best ways to provide support to all chapters? You may be asking yourself how you can apply these top ten takeaways into your chapter — don't worry! We'll break them down and provide you with next steps.

- 1 Define reality**

What is your current situation? Are you looking to make a change? Are you in the process?

 - List out who, what, where, when, why, and how would be involved in this process
 - Search and identify red flags
- 2 Know what matters**

Define what truly matters to your organization.

 - Define your goals and what success looks like
 - Identify, track, and measure your goals
- 3 Start small**

Start with the information you have access to.

 - Define 2-3 KPIs to pilot and test
 - Focus on the top 10% and the bottom 10%
- 4 Tell a story**

Use data to tell a story. There's nothing more powerful than being able to prove something.

 - Collect and use data to evaluate decisions
 - Interpret the data and share with your organization
- 5 Learn from other CRPs**

Have you talked to your fellow Component Relations Professionals? They might have answers.

 - Utilize outside chapter-based resources
 - Attend conferences and convention to network
- 6 Ask for feedback**

When is the last time you surveyed your members or your volunteers/chapter leaders?

 - Create a working or advisory group
 - Share takeaways & results internally and externally
- 7 Support volunteers**

Invest in the right chapter support. Make volunteers' time and experience valuable and useful.

 - Offer training and professional development
 - Make tools & templates simple, easy-to-use, accessible and adaptable
- 8 Set a cadence**

Set a regular cadence for everything — it all needs to be reviewed on a regular basis.

 - Track & review KPIs and membership recruitment, retention and engagement
- 9 Set a expectations**

How can you hold your chapters accountable if you don't set clear expectations?

 - Evaluate your bylaws — when were they updated?
 - Create a guide or rulebook for volunteers
- 10 Beware of pitfalls**

Just remember, membership is complicated work.

 - Pick 1-2 performance indicators to reflect your strategic objectives



About Billhighway

Got chapters? We've got solutions. Billhighway provides software for chapter-based organizations to streamline and optimize dues and other member payments. We specialize in facilitating, tracking and reporting unique payment situations for organizations with chapters, including seamlessly splitting individual payments between chapters and parent organizations – no matter how complex. Clients benefit from increased revenue, financial visibility and accuracy.

Call: 248.925.4020

Email: marketing@billhighway.com

Tweet: @billhighway

LinkedIn: [linkedin.com/company/billhighway](https://www.linkedin.com/company/billhighway)