2013 Association Operations Survey

Executive Summary

Key Findings

Outlook

A recent online survey of U.S. associations reveals that larger associations are more bullish on the current climate for running a membership organization.

This finding is from a survey of 266 respondents representing associations of all sizes. For the purposes of reporting, the associations were broken into three size categories – Small (annual revenue below $500 thousand), Mid-size (annual revenue between $500 thousand and $3 million) and Large Associations (those with annual revenue of more than $3 million). Among Mid-size and Large Associations, 70% said now is a good time to be running a membership organization. Just 26% said it is a bad time to be doing so.

Small Associations were not as bullish (52% good time vs. 35% bad time). Associations with predominantly corporate members also were more optimistic about current prospects for their organizations (71% good time vs. 22% bad time) than groups with predominantly individual members (53% good time vs. 34% bad time).

Operations Practices

Association size, based on revenue, is the biggest predictor of solid operating practices, according to this study. For example, Mid-size Associations and Large Associations were more likely to have adequate cash reserves: 73% of Mid-size and Large Associations had at least 25% of their annual operating budget in cash reserve, compared to only 55% of Small Associations.

Mid-size and Large Associations were also more likely to have well-developed IT practices for such things as association management software usage, web management and disaster recovery. And they have more formalized HR programs, policies and procedures, such as benefits programs, career development and performance management, and practices to ensure compliance with state and federal laws.

Web & Technology Management

In general, associations that participated in this survey are not making the most of association management software (AMS) solutions and other automation capabilities, which would eliminate manual labor and paper-based processes and optimize operational efficiency.

A low percentage of respondents said they use mainstream AMS capabilities such as integration between an online membership application and the member database (30%), member activity reporting (25%), automated dues reminders (22%) and chapter management functionality (9%). Usage of other AMS functionality was also low.

The study showed that AMS market adoption is extremely fragmented. The iMIS AMS from Advanced Solutions International was cited most frequently, but only by 7% of survey respondents.

According to the survey, association websites are largely managed by internal staff. Disaster recovery procedures for websites and critical systems are spotty.

Finance & Accounting

The survey also confirmed that QuickBooks is the undisputed king of association financial management software.

The gap between QuickBooks and all other financial management software packages was huge – 54% of respondents said they use QuickBooks for their association accounting needs. Peachtree was cited as a distant second by just 5% of respondents.

The only element of periodic financial reporting included by more than half of responding organizations was a balance sheet – cited by 77% of respondents. Many associations are not providing a detailed picture of their finances to their boards. Fewer than half of respondents said their financial reports included such elements as profit and loss statements, accounts receivable reports or reports on performance against budget.

Among respondents, 36% reported cash reserves totaling just 0-25% of the annual operating budget. A majority of respondents reported that payment authorizations are mixed between paper-based and electronic processes.

Human Resources

Few Small Associations offer human resources benefits of any kind, such as health insurance or 401K programs, though benefits were offered by a majority of Mid-Size and Large Associations.

Just 18% of Small Associations offer health insurance and just 13% have 401K or other retirement programs. Among Mid-size Associations the numbers are much higher -- 84% offer health insurance, 76% and 57% offer vision and dental coverage respectively.

Few associations with annual revenue up to $3 million have internal HR professionals, and they mostly outsource benefits provisioning and other HR functions to specialists and consultants.

More than half of all respondents reported no practices for employee relations, employee benefits management, new employee orientations and onboarding, career planning, recruitment or training and development.

Social Media & Member Communications

Respondents reported that Facebook was the most commonly used social media site by their organizations – cited by 82% of responding association contacts. Other top social media sites were Twitter (mentioned by 54% of respondents), LinkedIn (49%), YouTube (42%) and Google+ (22%). Very few have implemented private social networks, leveraging such solutions as Avectra MemberFuse, Higher Logic or Socius.

For member communication, 95% of respondents reported their organizations use email, and 86% said they distribute email newsletters to members.

Methodology

The survey was administered for Virtual, Inc. by Anzalone Liszt Grove Research, a public opinion research firm with offices throughout the United States. The firm conducted 266 online interviews with association members between September 21 and October 21, 2013. The interviewees were drawn from a list of existing associations, including both 501(c)(3) and 501(c)(6) not-for-profit organizations. The margin of sampling error for this list of respondents is plus or minus 6% at the 95% confidence level. This figure does not account for non-sampling error, including coverage issues and non-response bias.

About our Respondents

What is your organization's IRS tax status?

501(c)(3)	68%
501(c)(6)	19%
Other	12%

What is your organization's annual revenue?

Less than $500,000	58%
$500,000 to $1 million	12%
$1 million to $3 million	13%
$3 million to $5 million	6%
$5 million to $10 million	3%
$10 million to $20 million	2%
More than $20 million	2%
Not sure	6%

How many staff members does your organization have?

Fewer than 10	80%
10 to 50	14%
50 to 100	3%
More than 100	3%

Are your organization's members:

Almost all organizations	21%
Almost all individuals	54%
A mix of organizations and individuals	25%

Which of these best describes the geographic reach of your organization?

The majority of our members are in one state, region, or locality	13%
Our members are spread around the country, and the overwhelming majority reside within the United States	68%
Our membership is global, with a significant portion outside the United States	18%

Do you think it is a good time or a bad time to be running a membership organization?

Very good time	14%
Somewhat good time	44%
Total good time responses	59%
Somewhat bad time	26%
Very bad time	3%
Total bad time responses	29%
Not sure	12%

Finance & Accounting

What financial software does your association use?

Epicor	0%
Lawson	0%
Macola ES	0%
Microsoft Dynamics GP	3%
NetSuite	1%
Oracle	1%
Peachtree	5%
QuickBooks	54%
Sage ERP	1%
SAP	1%
Other	21%
Not Sure	15%

Which of the following are part of your association's financial reports?

Accrual P&L	39%
Cash P&L	44%
Balance sheet	77%
Report on performance against budget	48%
Receivables and payables sub-ledger report	39%
Not sure	14%

How large are your organization's cash reserves (assets minus liabilities)?

0 to 25 percent of annual operating budget	36%
25 to 50 percent of annual operating budget	19%
50 to 75 percent of annual operating budget	11%
75 to 100 percent of annual operating budget	7%
More than 100 percent of annual operating budget	16%
Not sure	13%

How are your organization's payments authorized and executed?

Entirely paper-based process (paper document exchange and checks)	32%
Electronic signature authorization with ACH and/or wire payment	7%
Mix of paper-based and electronic authorization and payment	61%

How do you manage registration and recovery of value-added taxes (VAT)?

Internal staff	9%
External tax recovery firm	5%
Not applicable / do not operate in countries with VAT	62%
Not sure	25%

Web & Technology Management

What association management software system does your organization mainly use?

Affiniscape	0%
Aptify	0%
Association Anywhere	2%
GoMembers	1%
I4A	1%
iMis	7%
MemberClicks	1%
netFORUM	4%
Personify/TIMSS	2%
Prevail	0%
Socious	0%
Timberlake	1%
YourMembership	4%
Other	78%

Which of the following capabilities does your association management software (AMS) system have?

	Has, use regularly	Has, use sometimes	Has, do not use	Does not have, would use	Does not have, would not use	Not sure
Content management system for public and private websites	23%	11%	5%	12%	27%	22%
Prospective member tracking	13%	15%	8%	20%	21%	23%
Sponsorship management	14%	11%	7%	16%	25%	26%
Full integration between online member application and member database	30%	6%	4%	22%	20%	19%
Members ability to update their own contact information and privacy settings	32%	9%	3%	17%	23%	16%
Member activity tracking	26%	12%	4%	14%	23%	20%
Member surveys and polls	16%	15%	7%	24%	19%	19%
Archives of historical member and member activity information	31%	19%	4%	15%	16%	16%
Integrated reporting of weekly, monthly, quarterly and annual membership activity	25%	11%	4%	18%	20%	21%
Chapter management functionality	9%	9%	10%	12%	34%	27%
Event registration and management	39%	9%	2%	15%	19%	16%
Mobile access for members	20%	8%	6%	16%	24%	25%
Private social community	15%	10%	8%	15%	31%	21%
Certification/continuing education tracking	13%	4%	7%	13%	39%	23%
Integration with your financial system	19%	5%	6%	22%	26%	22%
Integration with collaboration software system	11%	5%	3%	17%	32%	32%
Automated membership dues reminders	22%	8%	6%	28%	19%	17%
Subscriptions/journal management	15%	10%	6%	10%	31%	28%

	Has, use regularly	Has, use sometimes	Has, do not use	Does not have, would use	Does not have, would not use	Not sure
Jobs/career center	7%	4%	6%	10%	44%	28%
Fundraising/campaign tracking	11%	7%	6%	17%	30%	28%

Do you have separate public-facing and members-only websites?

Yes	39%
No	61%

Who performs updates to your website?

Internal staff member	73%
Individual contractor	18%
Other third-party vendor such as an outside company	7%
Not sure	2%

What steps have you taken in order to ensure your site will be recoverable in a disaster?

Mirrored site at another location	26%
Can quickly restore site from backup	56%
Documented list of accounts and credentials necessary to rebuild site	10%
None of these	14%
Not sure	17%

Which of the following social media networking sites does your company use?

Avectra MemberFuse	2%
Facebook	82%
Google+	22%
Higher Logic	3%
Jive	0%
LinkedIn	49%
Salesforce Chatter	2%
Socious	1%
Twitter	54%
YouTube	42%
Other	19%

Which web meeting or webinar software do you use?

Adobe Connect	6%
GoToMeeting	31%
Live Meeting	3%
WebEx	11%
Integrated solution in AMS software	0%
Other	29%
Not sure	21%

Which of the following does your organization use for member communications?

Member emails	95%
Online discussion forums	48%
Blogs	32%
Printed newsletters	41%
Email newsletters	86%
Webinars and/or webcasts	38%
All-member conference calls	13%

Human Resources

Does your association have HR professionals on staff?

Yes, multiple staff members	2%
Yes, one full-time staff member	7%
Yes, one part-time staff member	8%
No	83%

How does your organization provide HR guidance/support to your organization in the following areas?

	Internal HR staff	Professional employer organization	Outside consultant	No process	Not sure
Employee relations	28%	7%	6%	56%	4%
Employee benefits	27%	8%	10%	50%	4%
New employee orientation/ onboarding	40%	7%	0%	49%	4%
Career planning	13%	6%	0%	74%	7%
Recruitment	35%	6%	4%	51%	5%
Training and development	33%	6%	6%	50%	6%

	Internal HR staff	Professional employer organization	Outside consultant	No process	Not sure
Ensuring compliance with state and national labor laws	33%	12%	13%	38%	5%
Ensuring the organization pays competitive rates for health and other types of insurance	24%	10%	12%	49%	6%

Which of the following do you use to improve employee retention and satisfaction?

	Use	Do not use	Not sure
Work performance management program	24%	71%	4%
Mentoring	35%	61%	3%
Obtaining national wage and salary benchmark data	28%	66%	6%
Internal rewards and recognition	49%	48%	3%
Online training	22%	73%	4%

And for the last question, which of the following benefits does your organization offer to employees?

	Offers	Does not offer	Not sure
Retirement services such as a 401(k)	39%	59%	2%
Health insurance	43%	56%	1%
Dental insurance	34%	64%	2%
Vision insurance	29%	67%	3%
Health care FSA or flexible spending account	19%	78%	3%
HSA or health savings account	14%	82%	3%
Employee Assistance Program that covers things like counseling	17%	80%	4%
Company-funded life and/or personal accident insurance	27%	70%	3%
Short or long-term disability insurance	30%	67%	2%
Voluntary group universal life insurance	20%	77%	2%

	Offers	Does not offer	Not sure
Voluntary personal accident insurance	13%	83%	4%
Adoption assistance	1%	92%	7%
Discounts on services	13%	82%	4%
Commuter benefits (parking, public transportation, etc.)	19%	78%	2%
College savings accounts, or 529 accounts	3%	93%	3%
Family and medical leave	36%	60%	4%

About Virtual

Virtual Inc. is an accredited association management company and the first to combine advanced technology, industry best practices and innovation to give small and mid-sized associations world-class business operations. We provide strategic counsel and back-office support for trade associations, standard-setting organizations, professional societies, consortia and forums, advocacy groups and other membership organizations. Virtual has been recognized as an Inc. Magazine Inc. 5000 company.

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