

Great organizations don't just emulate success, they learn from failure. Associations and consortia that aspire to greatness should look at the failures of others for guidance. Today, there is no shortage of failures from which to learn. In November of 2009, Paul Light, a professor of public service at New York University, predicted that, at a minimum, more than 100,000 non-profit organizations would be wiped out in the next two years. Given this dire forecast, it's more important than ever for organizations to be aware of the common pitfalls that can cause failure. Here are some of the things that have caused organizations to fail and the lessons we can learn.

Associations that fail tend to do one or more of the following:

- **Lose mission focus**
- **Stray into the wrong business**
- **Fail to communicate benefits**
- **Take members for granted**
- **Price services inappropriately**
- **Give potential members a free ride**
- **Ignore the competition**
- **Resist change**
- **Fall into merger mania**
- **Accept irrelevance**

If you do find yourself making any of these mistakes, you can still get back on track. Address the issues head on, shift your thinking and take action. Here are suggestions for some key "don'ts" of success :

1 Lose mission focus. Many association Boards are composed of individuals who are stellar individual tactical contributors in their "day jobs." But when a Board doesn't focus on the mission of an organization, bad things happen fast—opportunities are missed, or worse, the organization goes adrift.

Here's where a clear mission—and adhering to it—comes into play. Hopefully, your mission is a compelling statement that motivates your Board, staff, volunteers and donors. It helps attract the right people and resources to the organization. However, if your mission statement just sits on a shelf, it's time to dust it off.

Great organizations point to their missions to ground their strategies and planning activities. What about your association? Revisit your mission and ask if your activities are aligned with your mission statement. How well do you serve your audience? Do your marketing materials reflect your vision? It's amazing how many associations don't have definitive answers to such questions.

When the mission is not the major focus, an organization may waste time, send the wrong message, or draw the wrong member mix. This step—focusing on the mission—is crucial to defining your brand and formulating actions that will accomplish your objectives. So, write it down, visit it often and share your vision by communicating it in your printed materials, presentations, events and websites.

2 Stray into the wrong business. A recent article in Inc. magazine featured the fastest-growing retail chain in America, Five Guys Burgers and Fries. According to the chain's founder, the key to their success is simple—they do one thing and do it better than their competition. Many associations and consortia don't follow this rule: whether it be running online training programs, publishing magazines or managing real estate, they stray into areas in which they have no expertise. While many of these areas may be necessary functions, smart organizations understand the value of outsourcing whatever isn't their core business.

If you don't figure out what's central to your association, you may not focus on areas in which you have a competitive advantage. You'll be inundated by an overwhelming amount of information that takes you away from your true purpose.

If you don't know where you're going, it doesn't matter which way you go.

—Author Lewis Carroll

Here is the prime condition of success: Concentrate your energy, thoughts and capital exclusively upon the business in which you are engaged.

— Entrepreneur Andrew Carnegie

3 Fail to communicate benefits. You read your quarterly 401k performance report for one reason—to see if you got a good return on your investment. The payoff for reading the statement is seeing the direct benefit you receive. It's highly relevant to your concerns and gives you a reason to stay connected.

Associations must remember that, like companies with 401k programs, they need to communicate their benefits on an ongoing basis so that their members feel connected to the cause. It's not enough to recruit members and tell them the association's objectives and the features included in their membership. True motivation is usually based on a response that is emotional and that makes people feel positive about belonging.

The first step in creating this response is to identify what makes your customers feel good about joining and becoming active in your association. Membership may make them feel more competent, on the cutting edge or networked with important colleagues in their field. Without connecting the dots between features and benefits, chances are your members will not be inspired to serve on committees, give presentations or attend functions. Reiterate the benefits, and they'll be more motivated to stay involved. Use both formal research methods and informal information-gathering to understand your members' needs, priorities and perceived benefits.

4 Take members for granted. It's important to believe that your organization is not "just" a non-profit and that you can't get by with providing only so-so quality service to your members. There's no reason not to deliver high-quality service. What's more, you can't afford not to. Your members are your customers, and serving them well is just as important for an association as it is to a for-profit company. In practical terms, this means providing convenience and "ease of use" for members. This might translate into creating a more interactive website, streamlining the renewal process or thinking of more effective ways to respond to member inquiries.

When we think only of what new members can give to the organization, we miss the point. Great associations think about how they can provide both potential and current members with opportunities that help them accomplish their own goals. Gaining new members is, of course, crucial, but successful organizations spend significant resources to retain current members and spur them to involvement. Consider these marketing truisms:

- Repeat customers spend more than new customers.
- Referrals from repeat customers are about double those of new customers.
- It costs more to sell something to a prospect than to sell that same thing to an existing customer.

Give good customer service, and you raise the likelihood that members will be active, refer others to your organization and generally spread awareness. If you make this happen, you increase inquiries from potential members. Find new and personal ways to give prospects and members the tools and information they need to take full advantage of their membership. Send personalized email messages. Consider a telephone campaign. And make members feel special as often as possible.

5 Price services inappropriately. Price connotes value. And while associations and consortia need to be careful that they don't price out their members, an association that is "on sale" can send the wrong message about quality and value. On the other hand, if your price is too high they may decide not to join, or to join a similar, lower-priced organization.

Price is often not a primary factor in a purchase decision. Research indicates that while the salesman will generally name price as the customer's number-one factor, customers

It's irrelevant who or what directed a movie. The important thing is that you either respond to it or you don't.

—Director Kathryn Bigelow

70% of customers hit the road not because of price or product quality issues, but because they did not like the human side of doing business with the provider of the product or service.

—Writer Tom Peters

The biggest mistake many businesses make is to believe that price alone drives sales.

—Inc. Magazine

will place it as only the third or fourth factor. With this in mind, promote your key benefits in a customer-focused way, build up perceived value among your customers and price accordingly.

6 Give potential members a free ride. For years, organizations have struggled with “free riders”—individuals or companies that enjoy the benefits of membership without joining the organization. “Why should I pay to support the clean air fund? I’ll get the air anyway.” Sometimes, too many people posing this question can prove fatal to an association.

It’s important to understand the differences between the ways in which freeloaders and participating members connect with the organization. Start by asking members what made them join, why they became involved and what are their perceived benefits. When you can answer these questions, it becomes easier to adjust membership strategies to attract those who have remained on the sidelines.

There are some great ways to close the door to free riders and provide incentives for them to join and become active members. One way uses just the click of a mouse with “members-only” websites that offer content with real value for members. Another method is to have a members-only pricing strategy on your services.

7 Ignore the competition. For years, Sports Illustrated stood atop the pyramid in its space. It was the leading sports magazine in the world. Then ESPN came along with a slightly different mission—it was in the “sports information” business. ESPN television stations, website and, later, magazine became serious competition for the more established Sports Illustrated.

Successful associations and consortia constantly scan the environment for the “next ESPN.” It’s important to be aware of your competitors so that you know what you need to do to keep up with them. Looking at the competition also helps you look at your association with fresh eyes. This isn’t about following exactly what they’ve done; it’s about taking a closer look at your competitors and using the things you learn to decide what you might change. For example:

What are they doing that encourages people to choose their association instead of yours?

How are they reaching their target market, and how can you do this more effectively?

How easily can their business and website be found in the search engines?

When you stand side by side with your competition, what can you offer people that they can’t? This is your unique selling proposition (USP). Competition can sometimes offer you the perfect opportunity to tell people all the things you can do for them that others can’t. Creating a brochure or new web content with direct or indirect comparisons lets people understand the benefits you provide and see exactly how you can help them accomplish their own objectives. Odds are good that you’ll have a number of different areas where you can provide something that your competitors can’t—spell them out.

8 Resist change. Change is a constant for businesses and membership organizations alike. With decreasing revenues and external pressures, non-profit organizations are increasingly called upon to make dramatic changes. In general, it is natural for people to resist organizational change, which often means reorganizing business operations, spending and staffing. However, when it’s clear that change is in the air, it’s best to face it head on. Examine how your organization is run, how your competition is responding and whether your members’ expectations are changing. Address the issues sooner rather than later, for better control.

Life is not just a series of calculations and a sum total of statistics, it’s about experience, it’s about participation, it is something more complex and more interesting than what is obvious.

—Architect Daniel Libeskind

An organization’s ability to learn, and translate that learning into action rapidly, is the ultimate competitive advantage.

—Former General Electric Chairman Jack Welch

Everybody has accepted by now that change is unavoidable. But that still implies that change is like death and taxes; it should be postponed as long as possible and no change would be vastly preferable. But in a period of upheaval, such as the one we are living in, change is the norm.

—Management Consultant and Author Peter F. Drucker

During the change process, you'll need to make tough decisions. New possibilities and new priorities are intimidating to staff and volunteers, the ones who most often have to deal with the effects of these decisions. It's important to recognize the emotional and day-to-day impact on all stakeholders. Assure them that the organization will answer their questions and address their needs—then follow through on the promise.

Speak frequently and as soon as possible about the upcoming and current changes. Use a variety of communication vehicles, choosing which ones are best to express particular messages. Be positive and consistent. Highlight the benefits of the change, as well as the new opportunities and challenges that the organization will face. Listen to the responses, address them promptly and understand that the human aspect of change must be carefully managed in order to have effective results.

9 Fall into merger mania. The strongest connection between an association and its membership is often the association's name. Take that away, and the connection can be broken entirely. For association mergers, member communication is the key to rebranding and successfully leading members to the newly merged organization.

While mergers may sometimes seem like the only resort for troubled associations and consortia, staff and volunteers should consider a number of questions first. Will the new, consolidated brand result in a lack of focus among the original entities? Will decision making become difficult and cause infighting? What kinds of disruptions will be caused by a change in staff, volunteers, vision and procedures?

Yes, many associations are having a tough time today, given the economic difficulties affecting individuals, corporations and other organizations. A merger may indeed be the best solution for an association facing problems. In certain situations, mergers can lead to more streamlined business functions, combine limited resources and create a strong and sensible new association. But make sure that combining the two organizations makes sense from all perspectives, and that your vision is not lost in organizational confusion.

10 Accept irrelevance. Sometimes organizations are victims of their own success. The March of Dimes was formed with the mission of eradicating polio. Come the 1950s and the Salk vaccine, the organization found it had a (fortunate) challenge. With its mission fulfilled, the Board successfully repositioned the organization for a new challenge, to prevent birth defects, premature birth and infant mortality. Some organizations make this leap—others have been less successful.

While massive, immediate change is disruptive and upsetting, the good news is that most large-scale change happens slowly, not overnight. Further, it is unlikely that the very foundation of your enterprise —what it does, for whom and why—will change. In the case of the March of Dimes, the focus became the health of mothers and babies, a broadening of the initial focus on the childhood disease of polio. If you do need to reposition your organization in your audience's mind, remember the lessons of how to avoid failure, and use them for positive changes that lead to success.

In summary, for your organization to realize success from failure, know why you exist and stay true to that mission, serve and appreciate your membership, and keep your eyes and ears attuned to what is around you. Remember that it is not the failure itself, but the failure to learn from it and move on, that is the biggest problem for an association.

When asked to name just one big merger that had lived up to expectations, Leon Cooperman, former co-chair of Goldman Sachs' Investment Policy Committee, answered: I'm sure there are success stories out there, but at this moment I draw a blank.

—Mark Sirower, The Synergy Trap

If you don't like change, you're going to like irrelevance even less.

— Retired Chief of Staff, U.S. Army, General Eric Shinseki,

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