

The AMC Advantage: Proven Professional Management for Nonprofits **How Partnering with an AMC Could Help Raise Your Nonprofit to the Next Level**

By John Francis

According to the 2008 Nonprofit Almanac, America's nonprofit sector is outpacing the for-profit sector. A little known industry of Association Management Companies (AMCs) is helping to drive this record growth. Increasingly, executive directors and volunteer leaders of nonprofits are turning to AMCs for effective professional management to help raise their organization to the next level.

As Easy as AMC

AMCs serve as a one-stop-shop for trade associations, professional societies and charitable organizations seeking senior leadership, management services and the resources necessary to solve today's issues and plan for the future. With more than 700 AMCs across the globe, the AMC industry represents more than 4,600 associations and nonprofits worldwide.

Most Association Management Companies serve as client headquarters, managing day-to-day operations and providing staff members who are experts in various management functions. For nonprofit organizations that have staff already in place, AMCs provide a range of specialized services from strategic planning and membership development to communications and advocacy.

Across the board, AMCs take weight off the shoulders of executive directors and volunteer leaders, working to:

- Customize staff activity to meet nonprofit needs
- Maintain continuity of business operations during changes in leadership and staff
- Create cost-effective solutions to personnel, equipment, facilities and other budget considerations
- Ensure an affordable, high degree of professionalism, management expertise and technology through shared resources

Say Goodbye to HR Headaches and Liability Issues for Good

By partnering with an AMC, nonprofit leaders gain access to staff members who are experts in various functions – IT resources, database management, membership development and meeting planning, to name a few. These AMC specialists are drawn from a pool of personnel resources and assigned on an as-needed basis. An organization's appointed chief executive officer works with staff specialists – for example a publications editor, an exhibits manager or a research team – to assist with special projects and membership programs.

Consider a national nonprofit with a staff of 10 that could use help managing day-to-day operations, or is looking for an extra hand in planning its annual meeting. Instead of hiring additional staff, that nonprofit can tap the resources of an AMC, gaining access to experts in a variety of management functions, without major investment.

Just as important, AMCs shield nonprofit boards from the liabilities and responsibilities of direct employment and day-to-day management. According to Hugh Webster, partner with Webster, Chamberlain & Bean in Washington, D.C., insurance companies report that as many as 80 percent of all claims against nonprofits are employment-related. In partnering with an AMC, employment practice liabilities shift to the AMC's shoulders, where senior management provides an additional layer of accountability.

Expertise Meets Efficiency

In the nonprofit arena, as more associations struggle to do more with less – fewer staff and reduced volunteer time – the efficiencies of using outside professional management resources becomes more

appealing. Working within a framework of shared resources, overhead costs for professional services are shared by each AMC's client associations and nonprofits, increasing resources and capabilities without skyrocketing fees.

Each nonprofit pays only for the hours staff specialists put against specific tasks, thereby benefiting from professional expertise without paying the costs associated with hiring full-time staff.

Beyond cost-effectiveness, the AMC model allows client services to be customized to meet specific goals. Services include:

- Executive, administrative and financial management
- Strategic planning
- Public affairs and lobbying
- Issues advocacy (government affairs and communications)
- Membership development
- Meeting/convention/trade show management
- Marketing and communication services
- Education and professional development
- Promotional and education programs
- Certification
- Codes and standards
- Statistical research
- Creative services (brochures, newsletters, magazines, etc.)
- Technology and Web site support (webinars, podcasts, etc.)
- Database management

The AMC Model at Work

In 2001, a group of leading scientists led by Leonard Zon, M.D., of Harvard Medical School, formed the International Society for Stem Cell Research (ISSCR), to facilitate collaboration among the scientific community, promote responsible science and influence public policy.

Without an active board of directors, members or resources in place, the Society grappled with meager funds for start-up work and little strategic vision for the organization's growth. The ISSCR needed a turn-key infrastructure. It needed expertise in strategy and governance; in marketing, fundraising and member services; and in meetings management. It needed administrative support. What the ISSCR needed was a qualified association management company.

Dr. Zon contacted an AMC-managed organization in a related field, to solicit recommendations for potential management partners. After issuing an RFP, ISSCR found its perfect management match in The Sherwood Group, Inc., a Chicago-area association management company with an extensive roster of client experience in the healthcare, science and technology sectors.

The Sherwood Group helped ISSCR establish its legal and governance structure, and develop a financial plan. Heading into 2003, Sherwood planned ISSCR's first meeting – a make-or-break moment for the new organization – marketing the event, cultivating fundraising dollars, and liaising with related nonprofit and governmental organizations. Ultimately, the event attracted more than 600 attendees – a success.

Today, working with The Sherwood Group, ISSCR boasts more than 2,500 members worldwide; 2,800 meeting attendees and an exhibit hall featuring 150 booths; a journal and a Web site; a scholarship program; and an engaged volunteer board of directors and strong committee structure. Sherwood staffs ISSCR's full-time executive director, marketing manager, administrators and specialists, ultimately freeing the ISSCR board to focus on strategic direction rather than tactical issues.

Online Matchmaking

AMC Institute, the trade association that represents the Association Management Company (AMC) industry, boasts more than 150 qualified AMC members throughout the U.S., Canada, Europe and Asia.

They've been connecting associations and qualified AMCs since 2004, via a four-part online Request for Proposal service. To date, more than 100 associations and nonprofits have turned to AMC Institute's site to find their AMC match – whether they were in the market for full-service management or specialized services.

To match nonprofits and highly compatible AMCs, AMC Institute developed an online application, complete with step-by-step instructions. First, nonprofits must complete a 'personality profile': an overview of their organization, from geographic scope and number of local chapters to membership benefits. Step two gets more specific, with questions about the root of the search and the timeline. Next, nonprofits are prompted to outline projected scope of services, with options including membership management, financials, meeting/convention, educational workshops and marketing and publications. And in step four, they fill out a financial profile and details of their meetings schedule.

Then at the click of a button, the RFP is immediately distributed to more than 150 qualified association management companies stored in AMC Institute's database. Or nonprofits can narrow the search by location, size, client type, management specialization or AMC Institute Accreditation status.

The AMC Advantage

For many nonprofits, AMCs are the ultimate partner. To find out more about AMC Institute and the many benefits of partnering with an association management company, visit www.AMCInstitute.org.

John Francis is president of the AMC Institute board of directors and president of The HARRINGTON Company, one of Minnesota's largest association management firms, providing professional management and consultation services to state, regional, national and international associations, societies and foundations. An AMC professional for more than 20 years, John is an active member of the American Society of Association Executives (ASAE) and the Midwest Society of Association Executives (MSAE). JFrancis@harringtoncompany.com

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Partnering with the Right AMC for your Nonprofit

Step 1: Conduct an Organization Audit

It is important for nonprofit leaders to periodically conduct an organization audit, identifying areas that could be enhanced. For example:

- Is membership increasing, declining or remaining flat?
- Are policies and procedures current?
- Do you have the right person serving as the industry spokesperson?
- Do you have a designated individual who could testify before Congress if called?

Following the audit, the Board should evaluate whether the existing staff has the skills, tools and time necessary to enhance these areas. If not, your nonprofit can choose to go in one of two directions: hire additional staff, or partner with an AMC for specialized management services.

Step 2: Become Familiar with the AMC Model

Today there are more than 700 AMCs around the world. Larger AMCs employ up to several hundred staff specialists, while smaller firms may have two or three professionals. Across the board, AMCs provide a wealth of association management experience through proven best practices and shared resources. For more information on the AMC model, visit the AMC Institute Web site at www.AMCInstitute.org.

Step 3: Prepare an RFP

The process of preparing a Request for Proposal is a good exercise and will help your nonprofit re-focus on goals and strategies. AMC Institute has developed a four-part online RFP at www.AMCInstitute.org with step-by-step instructions for sharing key information and asking the right questions.

Step 4: Distribute your RFP

Use the online RFP to solicit proposals from more than 150 qualified AMCs, or narrow your search by geographic location, size, client type, management specialization or AMC Institute Accreditation status. To hand-select recipient AMCs, browse AMC Institute's online member directory.

Step 5: Evaluate Proposals

When evaluating proposals and interviewing AMCs for your nonprofit organization, consider:

- Years of experience
- Client mix
- Client loyalty
- Staffing options
- Capability
- Leadership
- Whether the firm has achieved AMC Institute Accreditation