

DEALING WITH A CHANGING ASSOCIATION ENVIRONMENT

ASSOCIATIONS - JUST LIKE THE COMPANIES THEY REPRESENT - HAVE TO KEEP IN TUNE WITH CHANGING MARKET CONDITIONS, WITH INCREASING EUROPEAN LEGISLATION AND WITH MORE COMPLEX HUMAN RESOURCES, IT AND INFRASTRUCTURE NEEDS

This article focuses on business associations as European associations in particular have come a long way. Created in the days of initial European political cooperation to act as discussion fora for national sector associations, they have developed in the eighties into more structured organizations



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INCREASING DEMANDS

This development was pushed by both their founding fathers - the national associations - and by the industry itself. The main driver was the confrontation with increasing impact of legislative activity calling for a stronger and pro-active industry interest representation. During the last ten years the power of European associations has further been strengthened. If the governing bodies set the right strategy, this evolution should cause the two levels - European and national levels - cooperate and coordinate activities - to the benefit of the industry.

The increasing demands on European associations has had a number of direct consequences on the functioning of the associations:

- + the Board and the governance structure need to be attuned to new realities;
- + interest representation - being the core function of a European association - needs to be carried out with increased effectiveness due to an ever-expanding

- European policy agenda and limited financial means;
- + media presence carries more weight than ever before, cooperation with national associations to follow through effective public affairs campaign has to be redesigned and implemented;
- + business planning and strategic thinking needs to be incorporated in normal business practices of associations;
- + associations are directly confronted with cost cutting exercises originating within the member organizations;
- + the staff number at the headquarters follows the expanding work load;
- + websites need to have functionalities to exchange confidential information with members all across Europe

Association Management Companies (AMCs) manage a variety of associations and can as such develop and use knowledge from best practices as a result of working with multiple

ASSOCIATION MANAGEMENT COMPANIES (AMCS) CAN DEVELOP AND USE KNOWLEDGE FROM BEST PRACTICES AS A RESULT OF WORKING WITH MULTIPLE CLIENT ASSOCIATIONS.

client associations. In addition to managing associations, stand-alone associations also call upon AMCs to assist them in addressing strategic issues. It is indeed advisable to have a structured approach to such consulting projects, for example via a model to scan the internal efficiency and external effectiveness of association activities. Each association has a different history and no strategic advisory project is a "copy-paste" exercise. The following generic case study provides a flavor of issues at stake

LEADERSHIP ROLE

Proactive leadership

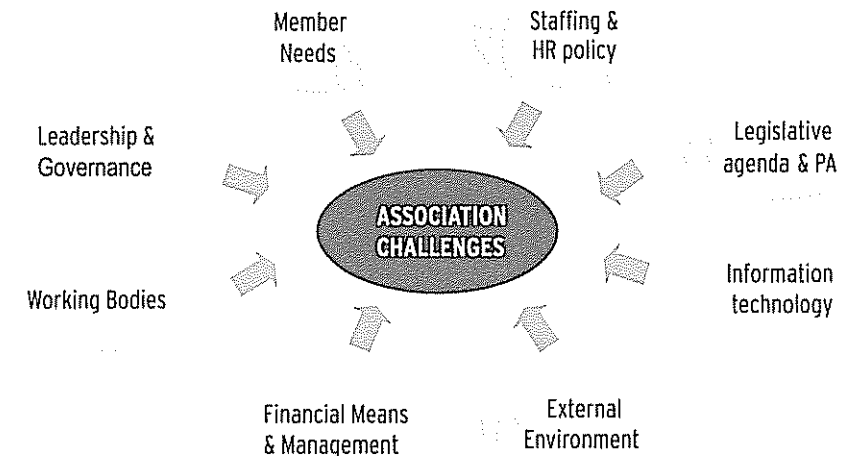
The industry, which the association represented, had consolidated through mergers and acquisitions and evolved towards an extremely segmented market - a limited number of global players still wanted to stay together with a high number of local companies under the umbrella of the European association. However, divergent interests in European harmonization were blocking effective representation on a European level. This was adding up to the costs and time needed to reach a useful consensus on the way forward. The larger players called for drastic changes; if not this would not be responded to, they would form their own organization

In this case, Kellen Europe redesigned the role, composition and functioning of the governing bodies at European level. A key first step was the creation of a Board with direct company representation on CEO level instead

of national association directors. Secondly, the leadership role of the European association on European issues was agreed upon. This led to an activity based cooperation model providing guidance for the activities of the European and national associations as well as their working groups. The supporting mission and vision of the association were restated to support proactive public affairs and public relations campaigns focusing on the identified priority issues only.

Key success factors to bring such strategic change are:

- + involvement of high-level company representatives, who are committed to spend time communicating the needs and consequences of change;
- + building of consensus on the program of change;
- + and last but not least the consistent implementation of what was agreed through a stringent action plan, with step-by-step goal setting and realistic deadlines.



THE VARIOUS CHALLENGES OF ASSOCIATIONS IN AN EVER-CHANGING ENVIRONMENT