

HOW TO MEASURE YOUR SUCCESS

Measuring performance for associations, how to define and implement KPIs



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Why are there so few articles about how associations measure their success even if, according to the American Society of Association Executives™ (ASAE), 89% of association leaders consider performance metrics important to an association's success? Because measuring for associations is a difficult task. So, what exactly is success for an association and how can they define and implement Key Performance Indicators (KPIs)?

Although associations never resemble companies that can measure their success in a purely economic way, there are several pragmatic approaches that can be taken to measure defined activities associated with achieving an association's strategic goals.

It is problematic, but nevertheless quite common, for associations to define their mission and goals only vaguely. Therefore measuring their success in accomplishing their mission can be difficult, and the results of such analyses and surveys can be interpreted incorrectly or, at the very least, ambiguously.

Most associations track their performance based on metrics such as revenue and cost, membership growth and satisfaction, and the number of visitors to their events.

Out of the dozens of potential KPIs for non-profit organisations, a proven selection can be divided into different groups:

1. **Membership:**

- membership market share (number of members compared to potential or desired number of members in percentage)
- membership retention (rate), demographics and length of membership
- membership growth
- membership satisfaction
- membership engagement

2. **Education programme:**

- participation in education programmes/seminars/webinars (i.e. percentage of members, non-members)
- conference/annual meeting attendance (percentage of members, non-members, how many new members attending due to annual meeting rebate or content)
- participants' satisfaction (content, networking)

3. **Finance:**

- ratio of revenue from membership fees to other income (as conference surplus, sponsorships, partnerships)
- reserves and liquidity

4. **Marketing and communications activities:**

- content, communications and marketing effectiveness (i.e. cost per lead, conversion rate, reach to the right audience, email sign-ups)
- number of mentions in the news media

5. **Staff:**

- staff effectiveness (management by objectives, team performance, advocacy)

Which, however, are the most important metrics?

As most associations base their revenue on membership fees and surplus of their educational programme, it makes sense to highlight the metrics 'member engagement and satisfaction'.

Why are there association members who will do anything to be elected to the board whilst others leave the association? Why are some people passionate about membership in associations whilst others do not even bother to open emails? It is all about the commitment of the members: the member engagement.

Highly committed members attach great importance to the association. The seminars, webinars and workshops help them in their continuous education, congresses help them to network and they understand how to benefit from networking.

Low engagement members are the opposite. When it is time to renew their membership, they need to be reminded several times to pay their annual fee. The association newsletter goes directly to the spam folder. They are only interested in educational credits if they are absolutely essential to their personal advancement.

Therefore, the commitment of the members is of the utmost importance. But how do you measure it?

It is clear that engagement levels are strongly related to the expectations of the members. These expectations vary depending on the work of the association, the services provided and the size of the membership base, but also upon the profession of the members and whether members are individuals or companies, universities or hospitals etc. Obviously, loyalty, or retention, is an essential measure of member engagement. If the number of members decreases, the reason must be analysed.

In the ASI (Advanced Solutions International) 2019 Global Benchmark Report, based on responses from nearly 350 association and membership executives across North America, Europe/Middle East/India/Africa (EMEIA) and Asia Pacific, there are interesting results:

In 2015, 54% of all respondents had a greater than 75% retention rate and this jumped significantly to 70% of all

respondents in 2019. One third (32%) of respondents reported an excellent (90+%) retention rate. On the other hand, the number of association executives who do not know their retention rate has remained constant at 21%. Increasing member engagement is the most important operational goal whilst an inability to measure the engagement is the number one operational challenge.

However, the retention rate does not give the complete picture. To find out more details about a deterioration in the retention rate, demographic data could show that members leave the association due to retirement rather than low engagement. Perhaps the association has a problem attracting younger members?

Membership length is also an interesting KPI: do some new members leave within a year, before their first renewal? This would be a sure sign of a low level of commitment and engagement by these members – they tried the association and found no added value. Or have some members moved on in their careers or moved to another industry? The best way to get a clear picture is to create an exit survey.

KPIs are the tools by which you are able to measure the success of your association.

