

A plan for the MLA Directorship

To outsource or to not outsource, that is the question.

Introduction

The following document has been compiled by two members of the MLA board, to facilitate their understanding of the question above. It will define the three options currently before the MLA board, and discuss possible paths forward. It will end with an ideal mechanism for resolution to the question.

WOOP analysis

Before moving on too much more we need to establish what we hope to get from this process. A WOOP analysis may be helpful towards this end.

Wish – We wish for a vivacious library association with an active, engaged membership and a well-run leadership, able to identify and act on opportunities and threats in a knowledgeable, sure way.

Outcome – We imagine that a vivacious library association will lead to a knowledgeable, professional and experience membership, who well be better prepared to serve our library's patrons.

Obstacles – Today we are challenged by changing leadership, confused or lacking procedures, and an unenthused membership wishing to see value from the association.

Plan – October 15, 2019 we will review the value of having an executive director, evaluate possible tools to help better manage the association and set the timeline for the tool's implementation and executive director's hire.

Scenario 1. Current situation.

Currently MLA has one executive director, Debbi Kramer (\$12,300), two event planners, Debbi & Doug Kramer (\$9000) and one Webmaster, Stephen Haddad, (\$1500) plus office expenses. In total the current cost of running the Executive Office for the Montana Library Association (minus lobbyist fees) is \$43,500. The current Executive Director is contracted to stay on until after the annual MLA conference (April 2020).

Pervious to having hiring Debbi Kramer the association president performed all the roles now done by the executive director. Having Debbi has free up the association president to focus more on their full-time job and has given MLA someone who can focus more of their time on its operations and potential.

SWOT analysis

A SWOT analysis is an easy way to organize and summarize a project/program's Strengths, Weaknesses, Opportunities and Threats. We use it here to think about the Executive Director position.

<p>Strengths Dedicated staff Institutional memory Known individual in community Knowledge of profession Experience</p>	<p>Weaknesses Staffing is limited to part-time Less outside perspective Institutional memory is easily lost in transition Very few individuals have the whole picture</p>
<p>Opportunities Build on established relationships Dedicated person promoting MLA Able to identify talent/opportunities</p>	<p>Threats Previous experiences coloring opportunities Routine limiting innovation Institutional knowledge loss</p>

Scenario 2. Contracted Executive Director with Association Management Tool.

To this point most of the boards focus has been on evaluating the Association Management tool, Star Chapter. Much later in the process Wild Apricot was suggested for consideration as several library associations use that platform to manage their associations. These tools would enable the association to streamline routine tasks like: membership roles', membership renewals, event and conference planning, conference registration, and website management. As Debbi Kramer explains,

“Elizabeth [Jonkel] did all the research on Star Chapter and several board members attended a webinar about its capabilities. The question of association membership software became a topic when I [Debbi Kramer] spoke with Elizabeth about wanting to retire or semi-retire. Using a membership software system would certainly reduce the ED [executive director's] workload. Basically, the ED would just pay bills and work with the Board on issues. It would streamline the conference planner duties as well. I have attached two documents. One is a cost comparison and the other is product comparison. Both Wild Apricot and Star Chapter have basically the same functions, just applications are different. Please let me know if you have any other questions. I plan to share these documents with the entire board before the Fall Board meeting, so all board members have the same information in which to make an informed decision.”

--Debbi Kramer, October 4, 2019.

A comparison of Star Chapter, Wild Apricot and two other leading platforms are given in the table below. While the two other platforms are not being considered by MLA it is important to have perspective. From the table we can see that Star Chapter is the cheapest option and is generally comparable to all the rest on the table, expect it may not automatically remind members when it is time to renew. It is still able to manage dues and should be able to report who has not paid their dues yet.

As can be seen in the table the association's lead contenders, Star Chapter and Wild Apricot compare will against other lead contenders in the field. Of the two Star Chapter is the cheapest and may represent the best value to the association. It is also the best known by the association thanks to a year's focus exclusively on the platform and its functions.

Table 1. Comparison of 4 Association Management Platforms

Platform	Star Chapter	Wild Apricot	MemberClicks	YourMembership
Price	\$105/month	\$160/month	\$115/month	~\$500/month
Start-up fees	\$1079	\$0	\$895	\$1500
Size	300 members/ 2000 contacts	2000 Contacts	300 members/ 900 contacts	Unlimited
Recommended for	Associations, local nonprofits chapters	Small nonprofits	Small nonprofits	Nonprofits
Rating (Capterra)	4.5/5	4.5/5	4.5/5	4/5
Rating (PC mag)	4/5	3.5/5	N/A	N/A
Rating (Pat res.)	8/10	8/10	8.2/10	8.3/10
Ease of use	4/5	4.5/5	4/5	3.5/5
Customer Support	4.5/5	4.5/5	5/5	4/5
Reporting	✓	✓	✓	✓
Email marketing	✓	✓	✓	✓
Membership renewals		✓	✓	✓
Membership Database	✓	✓	✓	✓
Member Portal	✓	✓	✓	✓
Member Directory	✓	✓	✓	✓
Event Management	✓	✓	✓	✓
Dues management	✓	✓	✓	✓
Payment processing	✓	✓	✓	✓
Extra Credit card fees?	No, Standard fees	No, Standard fees	Likely same	Likely same
Committee Management	✓	✓	✓	✓
Website management	✓	✓	✓	✓
Platform deployment	Cloud based	Cloud based	Cloud based	Cloud based
Support	Online Support	Online Support	Online Support	Online Support
Training	Live online, webinars, documentation	Live online, webinars, documentation	webinars, documentation	Live online, webinars, documentation

Sources

Capterra. Membership sources. https://www.capterra.com/sem-compare/membership-management-software?gclid=EAIaIQobChMI-ovD1f-K5QIVVRx9Ch0OEwkPEAAAYiAAEgJWPPD_BwE.

Wild apricot vs. competitors. <https://www.wildapricot.com/wild-apricot-vs-competitors-na#features-comparison>.

PC magazine. Best membership management software. <https://www.pcmag.com/roundup/336726/the-best-membership-management-software>

How to select the best membership management software for your business, by pat research <https://www.predictiveanalyticstoday.com/what-is-association-management-software/#content-anchor>

SWOT analysis

This analysis applies to Association Management platforms/tools in general and doesn't consider an individual program's functions.

<p>Strengths Automation of routine association functions Strong reporting potential More granular information about the association Mort time devoted to other tasks</p>	<p>Weaknesses Annual subscription cost Requires some training Still requires leadership's efforts Transition in leadership impact success of tool</p>
<p>Opportunities Better managed online payments Better able to create forms and surveys Better facilitate transition of leadership Be more efficient with membership resources Updates to website may appear more quickly</p>	<p>Threats Online security failure Technology locks us into one technical solution How easy is it to use, navigate? Membership dissatisfaction with tool or process May not adaptable to new needs/functions</p>

Timeline

October 15, 2019	Board votes to contract for a new executive director.
November 2019	Board puts out request for contract, and prepare for implementation of an Association management tool? Comment period for RFC?
December 2019	Executives (P, VP, PP ST) review RFC and submit recommendations to the MLA board for consideration. Board votes yes/no.
January 2020	MLA board introduces new executive director who outlines vision going forward with MLA community.
February 2020	MLA offline conference, Helena.
Feb-Apr 2020	New Executive director works with Debbi to transition.
April 1-4, 2020	MLA annual conference, Missoula.
May 2020	New Executive director takes over.
<i>June 2020</i>	<i>MLA annual retreat, Ideally MLA Board reviews and documents process; makes recommendations for improvements in the future.</i>

Scenario 3. Contracted Association Management Company (AMC)

A third option for MLA is to contract with a firm which specializes in managing associations. To this end the board has received a quote from one company the help figure out if this is a viable direction for MLA. This idea is the most recent proposed and so, it is the least developed of the options. (Note: there is no doubt that AMCs are profitable. Online searches result in many bright and colorful webpage and numerous blogs touting the benefits of AMCs. The challenging part is finding any discussion on disadvantages with AMCs.) When considering contracting with an AMC the board will need to consider the following questions:

- What expertise in the library/counties/education fields does this company have?
- What experience does the company have working with associations?
- What is the skill-sets of its staff? (examples: Parliamentary procedure, strategic planning, conference planning, graphic design, education design, community development, etc.)
- What services does it offer? What services do we need?
- Where are they located? How does location impact service?
- What technology do they use?
- What does their work product look like?
- What is its client mix? Are their conflicts of interest?
- What is the average length of time a client stays with them? Do they provide Client referrals?
- How many years have they been in business? How stable of a company are they?
- What certifications do they hold?
- What is the cost and how is it calculated?
- How will the board evaluate their work? What are the criteria?
- What ideas does the company have for improving the association?

SWOT analysis

This analysis applies to AMCs in general as much as possible.

<p>Strengths</p> <ul style="list-style-type: none"> • Acts as headquarters: staff, files and history all live in one place. • Institutional knowledge • Liability management • Broader experience and knowledge base 	<p>Weaknesses</p> <ul style="list-style-type: none"> • AMC are the least developed proposal MLA has considered • MLA must still evaluate management • Higher costs • Some loss of flexibility
<p>Opportunities</p> <ul style="list-style-type: none"> • Wide expertise and skills to pull from • Upgrade technology with less risk • Better buying/negotiation power 	<p>Treats</p> <ul style="list-style-type: none"> • Conflicts of interest • Skill set mismatch • Membership alienation

Timeline

October 15, 2019	Board votes to outsource to an AMC (firm). Begins preparing membership to transition to AMC.
November 2019	MLA determines association needs; sends out RFQ.
December 2019	Executives (P, VP, PP ST) review RFQ and submit recommendations to the MLA board for consideration. MLA board meets with the AMC representatives. Accepts/rejects recommendation.
February 2020	MLA board introduces new firm to community. Outlines vision going forward to the MLA community.
February 2020	MLA offline conference, Helena.
Feb-Apr 2020	New AMC works with Debbi to transition.
April 1-4, 2020	MLA annual conference, Missoula.
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Projected expenses

SCENARIO	HIRE	SALARY	EXTRA HIRES	OVERHEAD	SAAS	TRAVEL	LOBBYING	TOTAL
1	Director	\$12,500	\$19,500	\$2,200	\$0	\$0	\$9,500	\$43,700
2	W/ AMT	\$9,200	\$18,300	\$2,200	\$1,920	\$0	\$9,500	\$41,120
3	AMC	\$36,000	\$0	\$500?	\$0	\$1000?	\$9,500	\$47,000

The costs of scenario 1 are fairly-well known at this point. They could rise or fall depending on the negotiation skills and talents new hires would bring. In Scenario 2 Debbi estimates a reduction of costs for both the director and the extra contract hires. This reduction is larger than the increase the association would see in overhead. The increase in overhead comes from the added cost of an Association Management Tool which is estimated at \$1920. (Using the pricing information from Wildaprioc.com for a professional license \$160/month.) The costs of scenario 3 are less known than in scenario 1 and 2. MLA only has one representative offer from an AMC at this point. It is likely this offer is reasonably priced, but other costs are less known. According to the offer, travel and printing outside of business needs are covered by the association. Looking at what is currently budgeted we can reasonably reduce it to about \$500, but travel expenses are less known and depend on association needs. We have estimated it here as three overnight trips (Schools retreat, Chico, Offline) from Helena to Billings (3 x (239 miles x 2 x \$0.50/mile + \$100/Saturday night in medium hotel)) = \$1017. (It is assumed the remaining room rentals will be comped as part of the conference hotel contracts.) In this estimate, Scenarios 1 and 2 are cheaper than scenario 3 (6% and 12% respectively). However, there is some argument that AMCs bring strong value to their associations. A 6% difference may be a reasonable price to pay or it might be negotiated down. On the other hand, MLA may not be the right size to leverage the promised value of AMCs.

Pros & Cons

Association Management tool	Association Management Company
<p>Pro</p> <ul style="list-style-type: none"> • Saves the association money • All association materials in one place • Easy to see past activities • Lots of control of process and functions • Leadership has quicker access to info 	<p>Pro</p> <ul style="list-style-type: none"> • Professional staff with broad skill sets • Already well-established relationship with vender • Vender has many relationships and solutions we could take advantage. • Potentially stronger institutional memory
<p>Con</p> <ul style="list-style-type: none"> • For each new challenge staff need to invest time in researching solutions. • Could result in too much time devoted to developing workflows and not enough on membership value. • It may take time for the membership to get use to the product. 	<p>Con</p> <ul style="list-style-type: none"> • Does not save association money • Costs may be more variable • Changes to process or functions require more discussion • Current proposal results in no new innovations for the association. • Very few proposals to evaluate • Not enough time devoted to this change

Argument against waiting

There are two main arguments for waiting: 1) we are not sure whether to pursue a contract with a new person or with a firm; 2) the new director may have skills with one tool which may dictate the tool we should choose. For the association to proceed with this transition the first question must be answered at the next meeting (October 15, 2019). The second reflects more the uncertainty of what we are doing than an obstacle or opportunity. Just like any other hire, the new director will be expected to learn and apply the tools available to them. While a new director may prefer one tool over another, they will not be in a better position to advise the board, being new, on what tool fits our needs. And it is the association's needs that must be considered. Thus, waiting only uses up time and talent, and provides us with no better outcomes. The only way to get better outcomes is for the board to evaluate and analysis the tool and association's needs themselves.

Conclusion

There are three basic scenarios before the MLA board, 1) continue with the current model, one executive director, with three extra contractors, 2) continue to have an executive director and obtain a subscription to an Association Management Tool, 3) contract out all services to an Association Management Company. As stated above there are many pro and cons for any pathway. There are also many more opportunities for reflection on the needs and questions of the association. However, one thing that is known for sure is our fast approaching deadline.