

Self-Help Manual for Business Membership Organisations
Membership Management

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Responsible

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1. Background

1. Background

This self-help manual has been developed by sequa gGmbH within the project 'Capacity Development of Business Membership Organisations in India' that is part of the MSME Umbrella Programme implemented jointly by GIZ ((Deutsche Gesellschaft für Internationale Zusammenarbeit), office of DC MSME & SIDBI in India.

The term “**Business Membership Organisations**” (BMOs) refers to various organisations where companies or individual entrepreneurs - and sometimes other - business organisations are members.

BMO exist to **provide their members with benefits and services**, which add value to their businesses and practices. They are able to do this in economic way by pooling collaborative expertise, knowledge and resources focused on a particular industry or sector. BMOs represent a platform where even competing members come together in collaboration to gain the advantages of:

- *Economies of scale*, for example when a law is proposed, rather than all the companies in membership having to contact lawyers and lobbyists independently, the association representing the common interest can do it once on behalf of all members, collating the information, suggestions and opinions, accessing more resource than any single member on their own could provide.
- *Sectoral /Regional/Industrial viewpoint* – BMOs are perceived as voices of the group or cluster they represent. They have the platform to speak on their behalf without favouring the viewpoint of any one member. BMOs provide Government and other authorities a considered macro perspective and not limited to commercial short-term bias and interest of any individual member. This influencing position of BMOs with governments then acts as a powerful asset with members as well. As the membership grows so does the BMOs authority, and with increased authority and influence BMO membership recruitment becomes easier.
- *Act as Trust Centres* – Due to the responsible and trust worthy position with their members, Government / Regulatory Authorities and other Organisations, BMOs being in a position to collect relevant information and provide services to the concerned, can act as Trust Centres.

Objective, scope and target groups

The objective of this manual is to **support and guide representatives in management positions** being Presidents, office bearers, committee members and administrative staff in their endeavours to add new services to their existing portfolio or to expand the existing scope. The self-help material can be used by all BMOs but the main target group in India are leading representatives of BMOs and here especially of industrial associations on district level.

In total, **five different manuals** have been produced and made available, namely 1. Management of membership base in BMOs, 2. Information services, 3. Training services, 4. Consulting services, 5. Services related to fairs.

Not every recommendation will be applicable to every BMO. National or organisational differences, especially with regard to the specific stage of a BMO's development, will always have some bearing on the concrete form in which management is provided and the process by which it is introduced. Similarly, the proposals made for solving the problems most commonly encountered in management, will not lead to a clean sweep of every single problem. However, they have been tried and proven in practice, as have all other recommendations made in this manual.

2. Rationale

2. Rationale

Business Member Organisations are representative bodies for groups of companies or SMEs with common interests. Most associations cover a specific sector or subsector of industry, but some cover processes or functions. **There are three essential characteristics** of a BMO:

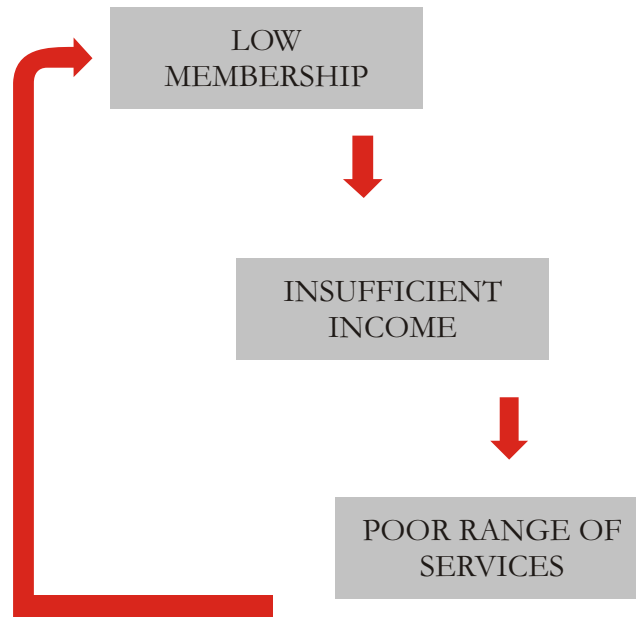
- A **member-based** organisation, the members being businesses not individuals.
- The ultimate governing body comprises representatives of members, and **members are involved** more generally in the decision making process.
- The members must have a **common interest** and this positions BMOs as a **representative body**, generally to government departments and agencies and regulators, and also to the media and to other opinion makers.

Members are the customers of BMO and the source of income through membership fees and for services rendered. The strategy on membership is therefore a critical part of the business of an association. To enable the organization to represent the interests of enterprises, especially from the SME sector, vis a vis political decision-makers, there is need to continuously expand the membership base. They are the **voice of these members on a public platform**. The more members a chamber or business association represents, the greater its credibility in assuming political interest representation. So your BMO needs to look for opportunities for increasing membership wherever feasible and also focus on retention of members.

Some BMOs can take their membership for granted while others have to devote substantial resources to recruiting and retaining members, and suffer a significant turnover of membership each year. Where a sector is dominated by big industries, which are regulated then the chances are that the BMO will have little difficulty in securing near 100% membership and would be professionally managed. But BMOs comprising of SMEs cannot afford to be complacent about its membership. The benefits of membership have to be positively sold and the association must provide a package of services which members will continue to value. The BMOs therefore have **two focus areas in membership management: increasing membership base with new members and second, managing and retaining existing members**. The membership management therefore requires setting up systems and processes in attracting new members, administration of membership registration, data base management of members, producing periodically updated membership directory and providing services and related benefits to members.

The rationale for a concerted effort on membership management and its importance is reflected in figure 1 that demonstrates the "vicious circle" that BMOs are trapped in, from which they cannot escape without a significant and sustained growth in membership.

Figure 1: Negative Effects of Low Membership on BMO Activities



Importance of Membership for BMO

- Without membership a BMO does not exist. Members are its life blood.
- The services that a BMO provides to its clientele depend largely on the requirements of its members and the support it receives. If it has a large membership, it has more resources and it can offer many services.
- In case of a small membership and hence limited resources, the BMO cannot establish a professional secretariat by employing qualified persons on the staff.
- If it has insufficient membership, the BMO will not be a real representative of the business community in the region and it will not be recognized by the Government. Thus it will lose its representative character and may not be given representation on behalf of the public bodies; nor will its views be considered very seriously as representative views of the business community.
- Hence, all BMOs must aim at increasing their membership in order to have an adequate income, offer common services, and retain their representative character.
- Therefore, for the very existence and growth of any BMO, membership development is absolutely necessary.

What Members Expect to Get?

- To stay informed on policy issues and industry related information
- To receive direct benefits and desired services
- Networking opportunities
- To share ideas/opinions on policy issues
- Exchange experiences with co-members
- To be acknowledged and recognised by fellow entrepreneurs

What BMOs Expect to Get?

- To contribute to the effectiveness of BMO
- To share ideas on policy issues and make useful suggestions
- Cooperation by active participation in BMO activities
- To contribute to development of the sector/industry or region where BMO operates
- Spread the good work of BMO to non members to increase membership

The symbiotic benefit can be established with a clear order of importance in developing activities: first, the provision of quality demand oriented services and thereby expansion of membership, then, assumption of political interest representation tasks. This creates a kind of **sequential organizational development** for the BMO with voluntary membership.

Given the importance of membership, one can see positive effects of increasing numbers as shown in figure 2:

Figure 2: Positive Effects of a Greater Number of Members

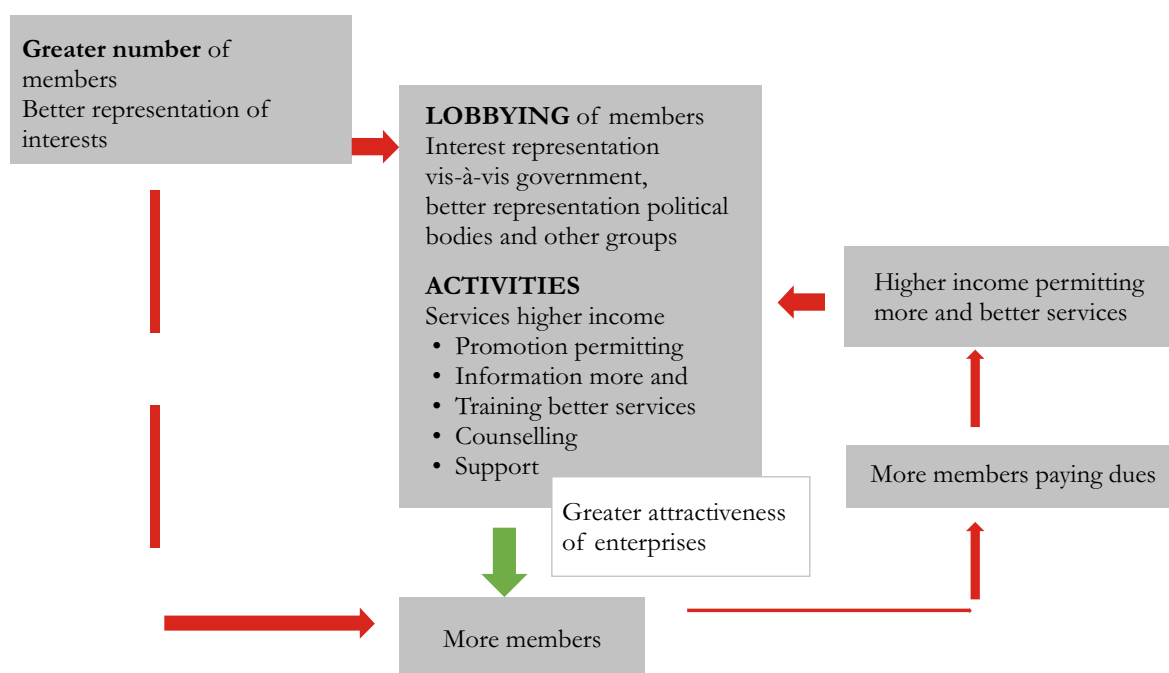


Figure 2 above emphasizes on the importance of Membership Growth and Management for a BMO. Members are the reason for a BMO to exist. More members mean more income and more political and influential power for a BMO. Increase in membership also implies the attractiveness and success of a BMO. Therefore, management of membership should be a central issue for each BMO. This topic deals with the questions of how to gain new members, how to structure membership fees, maintain data base and create an updated membership directory. It also addresses management issues on how to retain members, fulfil expectations to administer services and benefits.

Structure of the Manual

This manual aims at assisting smaller BMOs in India to manage their membership in a manner that it grows into a **representative and reliable organisation** offering income generating quality professional information, consulting, advisory, and training and business promotional services. This manual **focuses on acquisition, management, retention and development of membership base of BMOs.**

The structure of this manual is as follows:

- Chapter 3 deals with the whole process of attracting new members and retaining existing members. The systems and processes associated with this are dealt with in terms of relationship management and membership development.
- Chapter 4 suggests a Membership Policy that provides clarity to the BMO secretariat for effective membership administration and management. This starts with the registration and application process, database management, circulation of membership directory, establishing subscription fee, defining free and fee based services for members and the maintenance activities required on regular basis.

Figure 3: Structure of this Manual

Chapter 3: Membership Development <ul style="list-style-type: none">• Analysing current situation• Analysing market for membership• Attracting New Members• Membership Information Pack• Cost Calculations for marketing membership• Membership Retention and Engagement• Membership Relationship Management• Membership Development	Chapter 4: Membership Policy <ul style="list-style-type: none">• Criteria and Categories of Membership• Membership Application process• Registration of members• Membership Subscription• Free and fee based membership services• Database management• Membership Directory• Monitoring Membership Management
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The sub chapter 3.1, starts with an analysis of the current membership status followed by analysis of the market for membership in sub chapter 3.2. Based on an understanding of the market, strategies for attracting new members are detailed in sub chapter 3.3 followed by 3.4 giving inputs for Membership Information pack. Sub chapter 3.5 addresses the cost concerns for marketing membership and how to account for it. Sub chapter 3.6 discusses membership Retention and Engagement strategies while 3.7 deals with activities related to membership relationship management. The chapter concludes by identifying areas that need to be addressed by the BMO for continuous membership development.

Chapter 4 addresses the practical logical steps in Membership Management by formulating a Membership Policy. The criteria and category of membership is taken up in sub chapter 4.1. This is followed by a detailing of the steps in the membership application process in 4.2 followed with registration formalities and subscription fee in sub chapter 4.3 and 4.4. A prescriptive formulation of differentiating between fee and free based membership services is taken up in 4.5. Templates to address issues relating to Membership Directory which is a basic requirement of all BMO's is taken up in sub chapter 4.6. The last sub chapter looks at monitoring framework that gives a comprehensive overview of membership management of BMOs.

3. Membership Development

3. Membership Development

BMOs are organisations for the members, of the members and run by the members. This chapter is mainly focused on members as customers of the BMO. The strategy on membership is therefore a critical part of the business of your BMO.

The essence of a BMO is a **strong membership base**, which could be based on:

- (i) the membership size (the more members the better);
 - (ii) the coverage (ratio of members to non-members in the respective geographical area, industry sector, etc.);
 - (iii) diversity (sub sectors covered; number of small, medium, large members);
 - (iv) relevance (financial status and political influence of members).
- So as a BMO you have to set goals for **Member acquisition**: identifying markets, developing marketing and communications materials, and direct selling are all functions of a membership department.
 - **Member servicing and relationship management**: developing products and services for members, and continuously be in communication with members, handling their inquiries, studying their attitudes and preferences in addition to the regular functions of meetings, advocacy, training, and information and consulting services. Membership servicing facilitates membership development which is measured in number of members, number of new members, and retention rate.
 - **Member retention** (closely related to servicing): keeping records, issuing and processing requests, and connecting with members and creating opportunities for involvement and engagement are all functions of a membership department, often in conjunction with other departments such as finance, information technology, or research.

So let us begin by understanding what membership development entails.

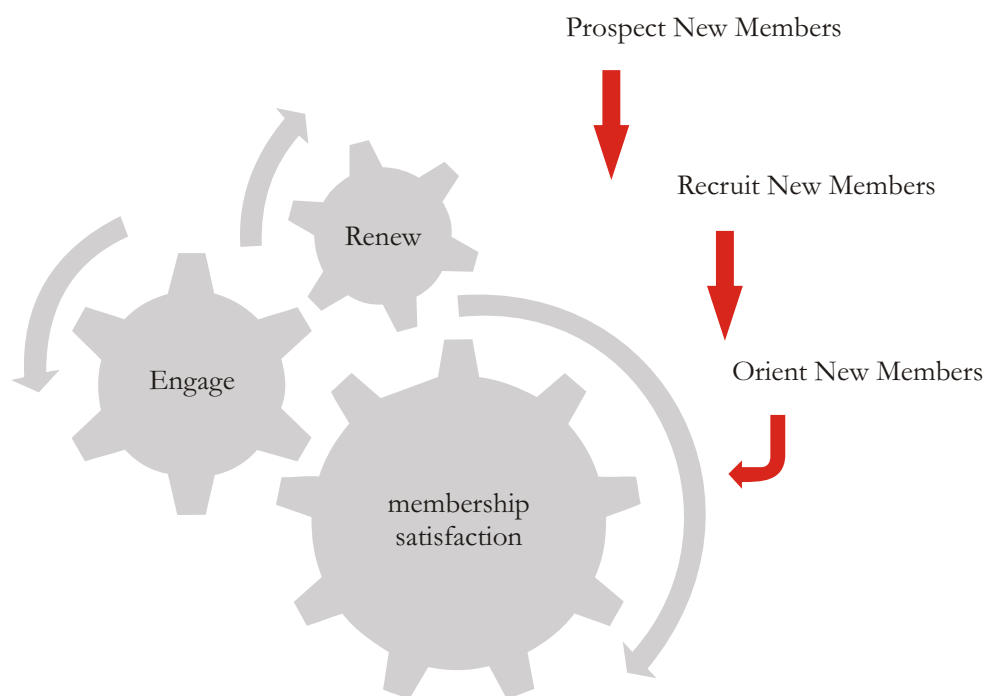
First question to address is: which is more important to your BMO, retention of existing members or recruitment of new members.

Here are three reasons why **retention is generally more important than recruitment for a membership organization**:

1. If you get retention right, you will have built the basis for recruitment. High retention rates are the signal that you have happy, satisfied members with the services offered by your BMO's. Satisfied members tend to share the association story with others, automatically creating a grassroots recruitment campaign.
2. Most importantly, if you have a low retention rate, it is a signal that you have serious underlying problems in your association or membership organization. Recruitment of members is primarily a function of marketing. But member retention is a function of both marketing, and more importantly, a great membership experience. If you can't keep your members, then you are wasting money recruiting them until you fix the areas that need to be worked upon to increase the satisfaction level of the members. It takes less effort to keep a member than find a new member and involves lesser expenses but can give multiplier advantage of attracting new members

The bottom line is that recruitment of new members is important for your association or membership organization. **But retention must be your first priority.** Get retention right - then move on to recruitment. The membership development cycle explained in chart 4 below re-emphasises this point.

Figure 4 : Membership Development Cycle



3.1 First step: Analysing Current Membership Status

The foremost step is to conduct a profile of your current membership. This is called a status quo analysis.

1. How many members do you have?
2. Compared to the overall number of businesses in your industry, sector, region..., what is your BMO's share?

3. What is the percentage share of your members in terms of size of business (micro, small, medium and large)?
4. What are their expectations?
5. What are the predominant types of interest and issues of your members?

The above figures would highlight concerns or challenges that affect your membership base. A good way to get a snapshot of your current state is to see your BMO today in the light of your strengths and weaknesses and the opportunities and threats you are faced with. The SWOT would reflect the internal and external factors that you as a BMO feel have impacted or will impact your membership base. It helps assess your BMO at the particular moment and identifies multiple opportunities for membership growth. A sample SWOT is given below in Table 1 as an illustration.

Table 1: Sample SWOT to Address Membership Issues

STRENGTH	WEAKNESSES
Engaged/Committed Board All business interest represented Enjoys loyalty and participation in events Has credibility influencing public opinion Centrally located office	Small membership Financial limitations for expansion of services Inadequate staff to cater to new members / services No clear value proposition for new members
OPPORTUNITIES	THREATS
Existing members acting as ambassadors for attracting new members Capitalise on recent developments in the economic/legislative/political/sector/market SME cluster development with Government support	Fiscal challenges of membership base Bigger BMOs attracting new SME entrepreneurs

A SWOT analysis would facilitate the Board to engage in a discussion on strategic planning with a renewed understanding on the current state of membership and financial health of the BMO and also deliberate on how to capitalise on the multiple opportunities available for membership development.

3.2. Second step: Analysing the Market for Membership

Before you take any measure to introduce new measures to develop your membership base, you should first have a careful look at your market.

A. The natural constituency for your BMO

It must be foremost on your mind that you provide representative and other collective services to businesses, generally in a specific industrial sector or geographical area, with common interests. It might therefore seem to be an easy task to delineate the natural boundaries between other member organisations. The key variable is the **“common/similar interest”**. The members must have a sufficient commonality of interest to hold them together. The best common interest is a special legislative and regulatory regime and common problems and issues for the sector or geographical area (State relevant laws).

Beyond the common interest, **psychological factors** are important. Broadly speaking, companies want to belong to associations of companies like themselves. Where a sector is dominated by small specialist companies then that is a natural trade association constituency. However, in most industries there are small specialist companies and large diversified companies. The trade association structure is likely to represent this historical position. The structure inevitably comes under pressure as the industrial structure changes.

The major issue in respect of the right constituency is the **horizontal scope** of an association. The scope need not be limited to common identifiable interests. It could be extended to similar interests. There is also an issue about the **vertical scope** of an association where the use of common service providers or regulatory mechanisms across industries could become the common ground for members concerns and issues.

B. Your Purpose

It must be remembered that all BMOs have certain common characteristics:

- First, they are not for profit organizations. This does not mean that they are not allowed to charge for services but that their primary objective is to take collective action for their members.
- Secondly, they are guided democratically by the decisions of their members (or elected representatives). It is important to note that membership should in principle be open to all eligible enterprises willing to join.
- Thirdly, they finance their operations by a mix of membership fees, service charges, voluntary grants, and public subsidies.

C. Type of potential members

Another method of analyzing the market is to understand the types of potential members.

Members are the most important asset of your BMO. They give your organization its enduring purpose to exist and ensure status and sustainability. The strength of a BMO is foremost determined by the involvement of members and the level of its paid-up membership. An active and committed membership will ensure that the chamber has an effective and efficient office and will contribute to the required financial resources to sustain this office and its activities. For this to happen, the ownership of the BMO has to lie with its members. So your potential members and current members must have a clear understanding what your BMO is about and for your BMO to comprehend why one would join. Reasons for joining a BMO can be differentiated into three types of member characteristics:

Type 1: Self-interest as a businessperson

This person will ask "What is in it for me?" for the contribution and would like to have a direct benefit. Most commonly, members of this type are organized in clubs and cooperatives. Your BMO can attract members of this type only if you provide a very good, personalized service package to offer. Such service provision however, requires a large administrative and human resources competence and capacities, which mostly cannot be financed from membership subscriptions only.

In this aspect, you may also have to compete with other private service providers providing same or similar service on business principles. They are service organizations with considerable revenue from services rendered. Such members would get attracted towards your BMO if they see that it has:

- been created for specific purposes by members who think and act alike
- Exclusive membership on application and/or invitation only
- Well established purpose for existence
- Active participation of members
- Strong fellowship amongst members
- Central vision, influential decision making and management

Type 2: Recognition of the chamber as a competent organization

This type of member is less interested in direct services and benefits, but wants the BMO to represent and safeguard his/her interest and the interest of the sector vis-à-vis authorities, government and other organizations. As such the BMO should be able to advocate on behalf of membership, lobby for the benefit of members and promote their business.

Competence of the BMO would be measured in terms of success and the way mandates and directions are carried out by a small, but very effective staff secretariat. Policy and direction will have to be rendered efficiently and carried out exactly as formulated by members.

Some characteristics of an efficient interest representation BMO are:

- pro-active rather than re-active, always being on top of issues which will require broad policy mandates and effective and fast direction giving processes
- strong identity and high visibility
- well established constituencies with strong mandates

Typically, such BMOs have a very committed, mostly homogeneous membership. Quality (high profile) and funding ability, rather than large membership numbers stand in the foreground.

Type 3: Community interest as a concerned citizen

In this focus, members with a philanthropic inclination would join. The emphasis does not lie on personalized services and individual benefits but on the creation and promotion of a better place to live and work for all. Such BMOs would have to attract commitment from outside its membership in terms of sponsors for individual activities. Development programs, community betterment strategies (promotion of employment, business creation, infrastructure development, prevention of crime, etc.) would be some of the focus areas.

BMOs generally include all three types in their range of objectives and activities. However, it is important to be clear where the main focus lies in order to give your BMO an identity, a clear mission and value.

The types suggested above can be considered by the committee members in identifying potential members.

D. Competitor Analysis

The competitor analysis focuses on the strengths and weakness of your BMO compared to other service providers (other BMOs, consulting firms, training institutes, private firms and independent consultants etc.) in the market. To conduct a competitor analysis, you could conduct a snap shot survey of:

- ✓ Other BMO's or similar service providers in competition.
- ✓ Talk to friends in the business community to gauge your BMO's reputation in the region/sector/industry.
- ✓ Study the website and promotional materials of other BMOs
- ✓ Inquire about their membership fees, services structure and fees charged
- ✓ Make a snap survey of the expectations of both members and non-members

3.3 Attracting New Members

For a sustained and successful existence of your BMO, it is important that new members are inducted. Only a growing membership ensures that services can be improved and interest representation intensified as demonstrated in figure 4. There are several strategies available for attracting new members which are detailed below in the subsection that follows. For SMEs however the best method would be a member-to-member system and open-housedays, sector-specific and social events.

1. Member-to-Member System

The so-called member-to-member system is as simple as it is effective. Indeed, it is probably the most effective instrument for attracting members.

To assist in the practical implementation of this idea there could be an active exchange of information regarding issues of common concerns of the business/respective sector or market and how your BMO membership could help. This could be an important starting point for increasing membership by your BMO as your members can help getting new members with their extensive contacts and “word of mouth” publicity.

A sample letter sent by the BMO President requesting members to help solicit new members is suggested below.

Figure 5: Sample Letter to Members for Recruitment of New Members

Name of BMO & Logo
Address:
Telephone/Fax

Name of Member SME
Name of Director:
Address
Date

Dear Member,

As a member of(your BMO name), you have been sharing your ideas with us and we are aware of your excellent contacts in your sector. Many companies and SMEs with which you are in continual dialogue respect you as a dependable and competent discussion partner.

Since you are among our most active members, you may in your discussions with other SMEs have had occasion to mention the work of our organization.

We look forward to your initiating a dialogue with potential members and your active involvement in building up our membership

Yours sincerely,
<Signature>
Name of Signatory

2. Open-house Day

A membership drive can be initiated by holding open house once in 6 months or clubbing with any major event. This would be an effective instrument for attracting new members. The idea is to offer all interested parties a first-hand impression of the activities and achievements of the BMO. To do so, you could invite potential members to open house programme of overall duration of approx. two hours. To facilitate practical implementation, the Table 2 below suggests the possible agenda. and table 3 clarifies all the necessary steps/activities that needs to be done.

Table 2: Open House Session Plan

No	Person	Content	Time Frame
2	3-4 staff	Presentation of background about activities of the Association and significant issues which are being pursued and achievements Benefits that members have got out of our services as case studies	1 hour
3	1 member	Brief statement by a member entrepreneur, explaining the reasons and advantages of membership	15 min
4	guests	Questions/answers 30 min	30 min
5	all	Tour of the facilities	15 minutes

Table 3: Open House Invitation Plan

No.	Activity	Date	Responsible
1	Preparing list of invitees	Keep a span of 3 days	assistant
2	Drafting of invitation letters	Next day	assistant
3	Sending invitations and follow-up	3 days	
4	Staff meeting: agenda of open-house day on(who does what?) – information material – registration forms – preparation of all staff	Next day	all
5	open - house day	Scheduled date	all
6	evaluation: company visits	Next day	Staff members

All interested guests are handed over the membership registration form. A sample format is given at Figure 6 below. These potential new members should further be contacted (phone, visit) personally at their place of business.

Figure 6: Sample Membership Registration Form

NAME OF BMO MEMBERSHIP REGISTRATION FORM	BMO LOGO
<p>Please send back to:</p> <p><Name of BMO></p> <p><Address></p> <p><Telephone/Fax></p> <p>I. Basic Data on Enterprise</p> <p>1. Name:</p> <p>2. Address:</p> <p>3. Phone/Fax:</p> <p>4. email:</p> <p>5. website:</p> <p>6. Legal Status:</p> <p>7. Year of Establishment:</p>	

8. Chief Executive:

II. Contact Persons

Name

Position

Phone

1

2

3

III. Sphere of Activities Turnover

Manufacturing , mainly of: 1

2

3

Trade, mainly in: 1

2

3.

Services, mainly 1

2

3

IV. Size of Enterprise (employees)

V. Foreign Trade

Exports: Export Volume in <year>: <INR>.....

Country	Percentage	Products
---------	------------	----------

1.....

2.....

3.....

Imports: Import Volume in <year>: <INR>

Country	Percentage					Products	
1.....							
2.....							
3.....							

VI. Expectations from < Name of BMO >

Please evaluate the importance of the activities of our organization for your enterprise by ticking the appropriate box (the higher the number, the more important the activity is for you, i.e. 5 = very important).

A. Interest Representation

	1	2	3	4	5	very	important
Not very imp							
For my enterprise important	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

B. Services Overall:

	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Individual Services:

Legal Advice	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Trade fairs/ Exhibitions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Training Programmes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business Networking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
International Contacts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Technical Advice	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Expert Advice	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

VII. Comments

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Along with the duly filled in Membership Registration Form of the BMO, the enterprise are required to submit documents supporting their legal status such as Partnership and Company registration or registration under Shops and establishment Act, SSI registration, Tax registration number such as Excise, Sales Tax, Service Tax etc, latest audited account statement as required by the BMO.

3. Mailers to potential members

The registration form discussed above can also be mailed to potential members identified by the membership committee or to those suggested by members. A short accompanying letter (suggested format given at figure 7) must point out the importance of the information to your BMO.

Figure 7: Request Letter forwarding Registration Form

Name of BMO & Logo
Address:
Telephone/Fax

Name of Member SME
Name of Director:
Address
Date
Dear Mr/Ms,
A brief description of your BMO and its activities
We solicit your membership and active participation in our association. We request you to take about 15 minutes to fill out the enclosed registration form for membership and to mail/scan or fax it back to us at your earliest convenience. The form will help us understand your needs better and consists of:

- Basic information of your enterprise (I-V) gives us an indication of the events and services which are of interest to you.
- The last segment informs us of what you expect from us and helps us align our work even more closely with members needs.

We thank you for your cooperation and are happy to be available for personal discussions, information, etc. In anticipation of fruitful cooperation, we remain
Yours sincerely,
<Signature>
Name of Signatory
Position -

4. Sector-specific Events

As a BMO, your members' interest could be varied. Many BMOs may not be able to concentrate sufficiently on individual sectors, especially given the small staff strength and resources.

There will usually be some sectors which are economically important but which are at the same time inadequately represented in your BMO. SMEs who are not yet members of your BMO can be addressed by way of special events which are tailored to the specific needs of their respective economic sector. Such events may be:

- half-day seminars
- podium discussions
- lectures

The success of this strategy of attracting members is largely determined by the factors "trigger" and "crowd puller":

- definition of a topic ("trigger") for the event which is currently of particular importance for the relevant sector
- identification of a speaker ("crowd puller") who is regarded as especially competent and/or as an opinion leader within the sector.

Practical implementation of the events can be done in the following manner:

1. Issue (Trigger)-The sectoral structure of the membership of the BMO should be analysed. Here the importance of the member registration form introduced in Figure 6 becomes evident.
2. Information on the chosen sector is collected from established sources which may at times be at a cost. You could summarise the information, making it relevant to the potential members.
3. Now for the decisive step: establishing contact with the companies. By way of telephone conversations through the relevant sub committees (personnel resources permitting) personal visits / company tours, an opinion leader and/or a well-known entrepreneur in the sector is identified as the key resource person.
4. The basic agenda of the event is planned in consultation with this key resource person; the subsequent detailed planning is conducted by the organization.
5. Once the concept is finalized, the list of *identified participants* must be finalized and they have to be invited

5. Social Events

In India, festivals, melas and fairs provide entrepreneurs opportunities to make new contacts or refresh old ones - preferably in an informal atmosphere. Many such social events are also sponsored by companies like the Diwali melas, Puja Pandals etc. and they also use it to promote their own products and services. A Holi Milan can be one such event, which happens around the last week of the financial year in the northern parts of India or the music festivals that are a regular feature in the southern part of India in the month of December.

Two factors are decisive for the conduct of the event and the number of members that may be gained as a result: the invitation list and the speaker.

Invitation List

- First of all, the list of invitees must be carefully defined. Apart from some of the current members, it is important that the following should be invited:

- Non-members who would be the most important target group for the invitation to the social event. They should become convinced of your BMOs potential value to them.
- Political decision makers - in the medium and long term, representing the interests of entrepreneurs vis a vis political agencies will only be possible if the respective politicians are aware of your BMO. Events to which political decision makers are invited can also have a pure service character - what is decisive is only that their attention is drawn to the capabilities of the chamber or business association. At any rate many politicians will be interested in developing contacts with the entrepreneurial sector as also department heads of various ministries, local politicians who deal with economic issues, etc.
- Bearing this in mind, a VIP list which includes all persons important to the work of the BMO should be drafted. For administrative ease, the BMO should have this list computerised.
- Enterprises- since small or medium-sized enterprises are a very interesting target group for representatives of large enterprises, e.g. as suppliers, the latter should be invited.
- Press- Major activities of your BMO must generally be accompanied by press and public relations work, and this is also true for social events. Even small BMOs with less than five staff should be able to establish a minimum contact with the local press and invite them to such and other events on regular basis.

It is recommended that your BMO should have one staff member who deals exclusively with press and public relations. In this regard, statements like "there's no time for such things - our other work takes up all our time" are commonplace. The importance of intensive public relations work should not be underestimated.

2. Speaker

The second success factor is the speaker who would be able to give an effective presentation at your event. Possible candidates are:

- ❖ Ministers or other high-ranking officials
- ❖ Ambassadors (usually from diplomatic missions of neighboring countries)
- ❖ Representatives of important national institutions, e.g. RBI officials, Banks, Tax Depts
- ❖ Nationally acclaimed entrepreneurs
- ❖ MSME linked bank officials
- ❖ Officials dealing with Public Support Schemes

6. Public Relations: Cooperation with Members

A simple but in some circumstances highly effective idea consists of cooperating with some of the member companies in the field of public relations. This can be done as follows:

A display is set up in the foyer of a member company, in which the BMO calls attention to its service offers. Particularly important cooperation partners are of course those companies which have a busy flow of visitors.

7. **Board members** should also set examples in winning new members.

It should be remembered that membership development is a task for all BMO staff/leaders and departments. A visitor to a BMO who comes for an inquiry should be asked by any BMO person whom he/she meets (be it board or staff) whether he would like to know more about the BMO and be given a brochure, if interested guided to apply for membership.

3.4 Preparing Membership Information Pack

If your BMO is actively recruiting new members, you need to have a comprehensive membership **information** pack, comprising of the following:

- ✓ a promotional brochure highlighting past, present & future activities,
- ✓ latest Newsletter
- ✓ hand-out highlighting of upcoming events and any other relevant information.

In addition to the above constitution of the association, the most recent annual report and details of any codes of practice maybe made available in the BMO office to new members for reference.

It would be a sensible idea to provide such information on your websites and allow online applications. You need to be conscious of the fact that a company contemplating membership will look at the association's website and will expect this to be the principal source of information about your BMO.

A pack of the necessary information should be provided by the association and ideally there should be a meeting to run through this information and to cover how the association can help the company.

3.5 Calculating Costs of Marketing for Membership

A sample template that could be used for sector specific or social events that are used as promotional platforms for attracting members is given in Table 4 below. These events entail costs which may or may not yield a return in terms of the conversion as membership. Costs, therefore need to be calculated and should only be pursued if there is a realistic likelihood of the strategy useful in building membership base. For this reason a calculation model is suggested which can be used for any type of event/activity conducted by the chamber or business association.

Table 4 : Cost Calculations for Marketing Membership

No.	Cost Type	Specification	Units	Price/Unit	Total cost
1	Labour costs (gross)	staff member 1 staff member 2 staff member 3 staff member 4	hrs hrs hrs hrs		
2	Material costs	photocopies invitations info folder paper pens/pencils other			

No.	Cost Type	Specification	Units	Price/Unit	Total cost
3	Transport costs	taxi BMOs car maintenance	km km		
4	Communication	telephone fax e-mail internet			
5	Postage	Letters couriered registered mail			
6	Room rent		hrs		
7	Hospitality	Persons engaged-hours worked food/tea/coffee			
8	Equipment	PC overhead projector flip chart whiteboard TV video other	hrs		
9	Subtotal	honorarium hotel transport			
10	Overhead costs				
11	Sum Total	10%			

Principle of Cost Calculation

The following principles must be observed in calculating costs:

- ✓ Calculation must be on **full-cost basis!** Many organizations make the mistake of not taking so-called "anyway costs" into consideration ("the staff is here anyway - why should I take his/her work time into consideration?"). It is here that the mistake is made: income generated from the event must cover *all* costs - otherwise the point will come at which the staff is no longer "here anyway" because their salary can no longer be paid!
- ✓ To determine **staff costs**, the following simple calculation can be used: gross annual salary, divided by 200 work days x 8 hours = labour costs/hour.
- ✓ Calculation on full-cost basis also implies regard to overhead costs that cannot be allocated directly (electricity etc.). To cover them a surcharge of 10 per cent is the minimum.
- ✓ The calculation of costs for technical equipment (No. 8 above) must be based either on rental costs or, in the case of own equipment, on depreciation. This is another point that is often forgotten!

Depreciation example: 1 PC of INR 30,000 value is used for a total of 20 hours in preparation for the event. Total time of use during 1 year is 800 hours (4 hrs x 200 work days) which is equivalent to 100 days of usage. Assuming a depreciation period of 3 years and for the event we have used the PC for 20 hours and the computer is used 800 hrs a year, then we can calculate as $10000/800 \times 20$. A net financial gain can and should be envisioned and calculated

- The cost of recruiting a new member should ideally be recovered within a year through income generated by the BMO.

The costs of any resource persons also need to be calculated:

Table 5: Cost Calculations for Resource Persons

No.	Cost Type	Units	Total in INR
1	Honorarium for external resource persons		
2	Office expenses <input type="checkbox"/> furniture arrangements in case needs to be hired <input type="checkbox"/> materials <input type="checkbox"/> telephone/fax expenses		
3	transport costs		
4	TOTAL		

3.6 Membership Retention and Engagement

Retention Planning

The adage that is easier to keep an existing customer than to gain a new customer applies to membership as well, yet few organizations have a systematic member **retention** program that encourages engagement in the form of opportunities for participation, feedback, leadership, and an effective communication. **Engagement** is capturing the attention, affiliation, and loyalty of members by giving them what they need through highly relevant value-building services.

Planning for retention begins with an understanding of your membership base and a thoughtful consideration of your BMO goals. Your BMO must be visibly seen as working towards the goal with implementation of strategies and tactics. Although the majority of member services and communications facilitate engagement of the member, there are three primary areas to consider when initiating a retention program:

- New member welcome/orientation
- Recognition
- Involvement
- Participation

In order to develop an effective strategy to attract or retain members it is important to know **why existing members leave or others are not interested in joining**. We recommend you undertake a survey or conduct a group discussion in order to learn about the reasons and find out solutions to overcome obstacles.

All efforts to win or keep members are in vain if the BMO does not have convincing services (including advocacy) and has no presence in the market and in public discussion on business issues. BMOs have to realize that they are **in competition with many other institutions** that may also offer strong business benefits (Clubs, Rotary/Lions, prestigious NGOs, political Parties, service providers, etc.). BMOs have to accept that membership development needs a permanent and more innovative approach and act accordingly.

Though there are bound to be some dropouts, any BMO must make an effort to retain the majority of members. It has been the experience that most members drop out within the first two years of their joining the BMO. Therefore, the new members should be contacted at six monthly intervals during their first two years of membership to check whether the BMO is living up to their expectations.

Having attracted and registered members you need to induct, orient and maintain both new and old members.

1. **Issue of membership registration certificate:** Any enterprise admitted for the membership of the BMO should be provided a registration certificate. A sample format is given below in Figure 8

Figure 8: Specimen of BMO Membership Registration Certificate

Name of BMO & Logo

Membership Registration Certificate

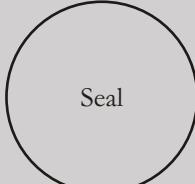
Membership No. & Year

This is to certify that M/S have been admitted as member of the Association under the following category as approved in the Managing Committee Meeting held on

Membership category

This certificate is valid for three years from the date of issue, subject to renewal and payment of annual membership fees.

President



Seal

Vice President / Hon Secretary

Date and Place

-
2. **New Member Reception:** Contact with new members should be made as soon as possible after they join. Efforts should be made to make new members feel that they belong to their new institution. An integrated program would include print, e-mail, and Web site communications, beginning with a message acknowledging the payment of membership fees along with the receipt and welcoming to the organization. A welcome call from the President or Executive Director / Chairman of the Sub-Committee would leave a lasting imprint. The membership registration certificate should follow within the first two weeks of membership approval. In case your BMO uses an interactive website, the member could be given a login password to use the interactive features. The most effective new member welcome program features activities planned throughout the year that are focused on interests of majority of members (i.e., communications, opportunities to engage, and opportunities to realize value).

Ideally, new member receptions should be conducted at least every other month or whenever thirty or more members join, whichever occurs first.

Purpose: To acquaint members with activities offered by the BMO and inform them how they can take advantage of its benefits. The *new membership kit* can be distributed at this meeting. Suggestions can also be sought for improving BMO services and activities and make the initial communication itself a two way process.

Name: New Member Reception

Time: Not more than one hour long at a convenient time to members.

Expense: Low. Tea, Coffee and Biscuits.

Invitations: To be sent by post/email and to be followed up by the membership development officer. Have a RSVP Card.

Meeting Attendance: Many will feel more comfortable and are likely to attend if they are asked to bring a friend from their firm or a business colleague. Perhaps he can be a potential member.

Business Exchange: Have a display table for brochures and business cards.

Presentation: Theme should be high on benefits and services and low on history and structure.

Visit: Take them round and show them the facilities the BMO has.

Business Card Links: Encourage anyone wanting more information about any program to write his need on the back of his business card and leave it for follow up. Some members may not attend these New Member Reception meetings. Some may not attend due to appointment conflicts or time constraints. Others may not come because they did not see a value in it. Those in the second group are most likely to drop out the following year and need to be contacted once again.

The first year of membership is a wonderful opportunity to gain the loyalty of a new member. Also known as the “conversion year” because of the importance of transforming a new member into a committed member of the organization, it is also the year where it is easiest to lose the same member through neglect. A deliberate welcome program, in addition to regular retention efforts, creates the opportunity for member participation and allegiance.

Such member reception programs may be scheduled when a management committee/concerned sub-committee meeting is scheduled so that they could meet and interact with some of the members.

After Six Months: It would be worthwhile to send a brief questionnaire to new members six months after they join. This is an ideal time to ask about services they have particularly enjoyed or what new types of services they would like to see offered. It may perhaps be too late to obtain feedback if you wait till the end when you send out the first year renewal notice.

Table 6 : Feedback Form for New Members

No.	Service Area	Yes/No	Remarks/Suggestions
1	Are you satisfied with the communications and information being sent		
2	Do our services meet your expectations? Specify which services are of use and any suggestions in respect of any other.		
3	Are your queries and concerns adequately addressed		
4	Are you able to avail of the opportunities for participation and involvement in the BMO activities?		
5	Are you able to avail of the networking opportunities for widening your business interests		
6	Any comments as regards your initial experience as a new member?		

The members appreciate knowing that their membership and contributions are valued by the organization. This can be accomplished by a variety of activities, including personal customization and participation awards program and acknowledgment of status.

- **Personal customization and participation**—utilisation of technology tools (i.e., simple personalised letter or e-mail) and online community engagement tools such as list serves, blogs, knowledge sharing platforms etc. These communication venues have changed the rules of engagement by allowing individuals to engage on their terms.
- **Awards programs**—recognise the achievements of an individual or a group of individuals. Award programs can acknowledge achievement within the industry or on behalf of the organisation. Key to a successful program is visible recognition among peers through high visibility communications and distinguished award programs.
- **Recognition status**—this acknowledgment can be for an individual’s commitment to the organisation as a volunteer, a leader, or through their membership status (new member, long-time member).

- Watch out for the BMO member who achieves a notable success or receives a district, state or national award. BMOs should congratulate such members either by sending congratulatory letters by the President or by felicitating them in a special function. This is invariably appreciated by the member and you have then prepared the ground for future involvement of the member in a BMO program

3. Involvement

Involvement is a key indicator of a renewing member. Non-engaged (non-participating) members would generally be those members who see little value derived from membership. As a BMO, you should actively provide opportunities for individual members to contribute to the activities of the association in the following manner.

To promote involvement, an association must build and promote those opportunities.

- Volunteer—Author, editor, presenter, committee member
- Active participant—Meeting/Webinar attendee, blogger, list serve contributor, optional chapter member
- Anonymous participant—Survey respondent
- Involvement in Policy Making: The effort of any BMO should be to involve as many members with their suggestions in policy issues. Members must feel that the BMO is alive to their interests and working as their spokesman and is trying to safeguard their interests.

3. **Participation of** members can be solicited for events, sub committees of the BMO or nominating members as a representative of your BMO in external bodies.

a. **Events:** There are regular events in which members can participate. Among these are:

- Seminars/training courses/lectures
- Meetings with Ambassadors, Consul Generals, Trade Commissioners
- Trade and investment promotion missions from foreign countries
- Meetings with Govt. officials on matters of topical interest
- Trade Fairs/Exhibitions/Buyer-Seller Meets

Such events, not only develop members by upgrading their know-how and bringing them in touch with their leaders and important Govt. officials, but give members the sense of belonging to a specialised body that provides opportunities to organise opportunities for them which they could not have been easily organised on their own.

b. **Sub-Committees of the BMO:** Each BMO has specialised subcommittees on membership and administration, labour, export, import, small scale industries, taxation, foreign collaboration etc. While constituting these committees, each member may be requested to nominate his experienced representative if he so desires. These Sub-Committees provide an opportunity for involvement of several members in different capacities.

- c. **Nomination to Bodies:** Governments in many countries invite nominations to various bodies such as advisory committees, Port Trusts, Railway and Taxation Authorities, Export Promotion Boards, Industries Advisory Councils etc. The BMO should a) try to establish itself with the authorities concerned as one of the institutions which will be asked to make such nominations and b) use this privilege to nominate and thereby involve as many of its members as possible in bodies of this kind, to which nomination is regarded an honour. Not only the BMO is able to make its views felt in such prestigious bodies, but also its members will begin to think, and say, that membership of the BMO opens all kinds of opportunities for representation which would otherwise not be available to them.

3.7 Membership Relationship Management

Like any business, in order to be effective and to thrive, you need to understand what business you are in. Small associations cannot do everything. They must decide what to concentrate on and their members must be fully behind their strategy. One of the key tests of the representativity of BMO is the proportion of the activity undertaken for its members. An important variable for this is the proportion of the market covered rather than the proportion of companies covered. There is little point in an association representing 90% of companies in a sector if those companies account for only 5% of the business. There is a tendency for BMOs to define their market to coincide with their membership.

1. Communication

The starting point for building relationship with its members is based on their *communication* and opportunities they provide to members for bonding collectively. Most BMOs weak in communication and responding to enquiries of member and do not engage in a two way communication that is crucial for relationship building.

Relationship management would require you to take action for:

- Creating opportunities for **networking**, which is often the easiest service to provide and the most valued by members.
- Identifying **representational work**, increasingly limited in some industrial sectors but very important for SMEs.
- **Offering a gateway to customers.** This is a strong selling point for trade associations in some sectors but it has to be done through a website.
- The extent to which **commercial services** can be provided based on the needs of the members. The two way communication process that a BMO engages in by continuously seeking feedback, suggestions and opinion of its members would be a starting point for this.
- Enlarge the scope of the members outreach by organising conferences and exhibitions.

2. Responsiveness

Members judge the BMO based on how it responds to telephone calls and letters. It therefore makes sense for an association to have performance standards in respect of certain administrative matters, for example:

-
- Procedures for answering the telephone. For example, a phone must be answered within three rings, and also rules on voice mail to prevent it being used as an excuse for not taking phone calls.
 - Correspondence. For example, a requirement that all letters and emails should be responded to in two or three days. Of course there needs to be discipline in respect of what is put in e-mails, to whom they are copied and filing arrangements.
 - Agenda and minutes. These should go out in accordance with a strict timetable, for example, agendas should go out at least a fortnight before meetings and minutes should be circulated within a week of meetings.
 - Meetings. Due preparation should cover arrangements for booking rooms, facilities to be made available and so on. The meeting should be conducted strictly as per agenda.
 - Circulation of papers which includes agenda, minutes and action taken on minutes etc. Although electronic communication has reduced the need for journals and papers to be circulated to a number of people in succession, this still has to happen and there needs to be strict rules about the timescale in which this is done.

3. Servicing members

BMOs are member-based organisations and must provide relevant and required service to their members if they are to continue to retain them. This is not simply doing a good job as securing satisfactory outcomes on major policy issues and helping to improve the image of the industry generally. Such intangible benefits are often lost on the majority of members. There is also a tendency on the part of all companies to believe that their BMO is dominated by a group of members of which they are not one. Small companies may feel that the association is dominated by big companies while big ones may feel the opposite.

Formally, the annual general meeting is the opportunity for members to raise any concerns. There must be a mechanism which provides adequate feedback from those members not engaged in the governance of the association. How this is achieved will depend on the size of the association. Where there is a relatively small number of members, then a programme of visits by the chief executive and other senior staff is often a good approach. In some associations there are regional meetings which give an opportunity for members to make their views known.

The Internet provides a new mechanism for inviting views from members and it can also make sense for an association to use selective telephone calls as a means to get feedback and to check the perception of the members that the association is providing a service that they really want.

4. Method of working

As a BMO, you would agree that the issues trade associations have to deal with are seldom simple and straightforward, and cannot be allocated to one person to handle on their own. Therefore, as an association you must have a culture that ensures delivery of service as expected by your members. The importance of communication and responsiveness has been emphasised above. In addition member relationship hinges on a culture of **sharing of knowledge** and collaboration. It is unacceptable to have a silo mentality where Managing Committee or staff members take ownership of assigned task too literally as meaning that they alone are responsible for an issue and that they will not share information with their colleagues. Knowledge sharing is therefore crucial.

The **institutional environment** of your BMO would impact your efforts in attracting and servicing members. As a rule, more than 80 per cent of those SMEs which seek to organize institutionally, will become members of only one BMO. This is due to limited time budgets and financial considerations. This environment can be created by:

- a. A **good IT system** is essential for this as it enables staff to access that information which has been put on paper, or more precisely on the computer system, promptly and efficiently. However, this is not sufficient. It is also important to share intelligence so as to enable senior executives and office bearers to brainstorm issues, comment on each other's work and bounce ideas off each other. Remember that you are a membership organisations in the business of accessing, using and disseminating information, and communicating with outside audiences. Information technology (IT) must be at the centre of their business. Such is the importance of the Internet for trade associations that a leased line or broadband access is essential. However, access is not sufficient. Staff have to be trained in to use the Internet to best effect and arrangements must be in place to stop misuse, a problem that many organisations face.
- b. Must deliver a **consistent standard of work as** members will not be happy if they feel that some members or segments are getting better services or more attention.
- c. As a BMO you need a **comprehensive view** on issues that arise. The office bearers need to discuss its importance, how it needs to be handled before planning and guiding the actions to be taken up by the staff. As the issue develops it must be regularly reviewed to ensure that the right resources are being allocated to it and that the right approach is being adopted. Most importantly, when an issue is concluded it is important for there to be a brief but formal review. This should concentrate on whether the desired outcome was achieved and then analyse what went particularly well and what in retrospect could have been done better. A culture of periodic monitoring and evaluation creates a continuous learning experience to improve performance. The **management** has to take account of this and ensure that staff are properly focused on what is important and that there is a mechanism in place to judge, review and improve effectiveness.
- d. BMOs especially of SMEs are small organisations with a variable volume of work. At times there may be few issues that the association needs to handle but at other times there can be so much work to do that it cannot sensibly be handled by the permanent secretariat. BMOs simply cannot afford to have more staff to meet possible surges in business. During such exigencies reaching out for support from expert committee members or seconding people from member companies or collaborating with other BMOs can be considered.
- e. Given the expansion of business community in India and new BMOs being formed networking and seeking **cooperation with other Chambers or Business Associations** in areas like organising a one-day seminar, training, joint trips of entrepreneurs or an event that is of mutual interest will actually build up your credibility and image to attract members into your fold

3.8 Membership Development

The ideal BMO that a member would opt for would combine the following characteristics: a high number and extensive coverage of dedicated members primarily from the SME community, a committed and visionary leadership, a democratic and efficient governance structure, sufficient financial, personnel and physical resources, and high quality services and advocacy.

These credentials emerge from the following:

- i. **Image of the Association**-What is the first point of image building for a BMO to attract members on a public platform? It is the **Vision, Mission** statements and the **Strategic Plan** put in place by the BMO that gives a plan ahead for the future and an Action Plan driving towards it. The central problem of many BMOs lies in the lack of knowledge of what they should do now (mission) and what they want to become in the future (vision). In the absence of a meaningful mission and vision, BMOs will attract only a few members. Thus they often have to cope with insufficient financial resources, which in turn limits the scope for good services and advocacy
- ii. **Governance**-There are certain structural features, which determine the level of ownership, control, transparency, and accountability of a BMO. At least theoretically, most BMOs have a democratic structure, which ensures the **participation and ownership** of their members. In practice, however, structures may not work as intended. The BMO Managing Committee should guard against the possibility that a few influential members (or the president) use the association to serve their private interests
- iii. **Financial management**- BMOs obtain financial resources primarily through the contributions of their members. If a BMO consistently fails to bring in the money that it spends, the organization will go out of business. Therefore, BMOs have to be innovative when seeking means to finance their activities and attain financial sustainability in the long run. Sound financial practices include a mix of income from different sources (subscription fees, service fees, sponsorships, subsidies and product sales), which allow for a certain degree of cross-financing. A trade association must ensure that it runs its operations in such a way that it is financially sound in the long-term. Its strategy must give careful consideration to subscription levels, **the value of membership** and opportunities for raising revenue from commercial sources.

Regarding **magnitude of membership income**, BMOs in the establishment stage should in the long term (approx. 10 years) develop the following funding structure:

Source of Income	Amount (%)
membership dues	40
fees for services rendered	60

This relationship is neither mathematically derived, nor is it precisely quantifiable, but it is a realistic figure based upon experience. Of course the important aspect here are not the exact figures 40/60, but the proportions. Experience shows that e.g. an 80/20 ratio of membership dues to fees for services is unhealthy. There is a rule of thumb which has proven applicable in many countries: the annual fees of an average sized member should lie between one-quarter and one-third of an average monthly salary in the respective country.

- iv. The most guaranteed factor for membership development is the **range and quality of services to members**: A BMO which offers a variety of services has no difficulty in retaining its membership and attracting new members. This is because each member will be interested in one or the other service organised by the BMO and therefore would like to continue his membership. The services range from Information Services, Consulting Services, Training, Advocacy, Organising Trade fairs and Exhibitions. Keeping a differential fee structure for members and non-member also helps in attracting and retaining members.

You as a BMO must bear in mind that you are also in competition with other organisations, including other BMOs, commercial service providers, conference organisers, trade journals and professional institutes. Making a selective choice of the services you would offer to your members would impact the size and pattern of membership. A list of possible services is given in Table 7 below.

Table 7: Possible Membership Services

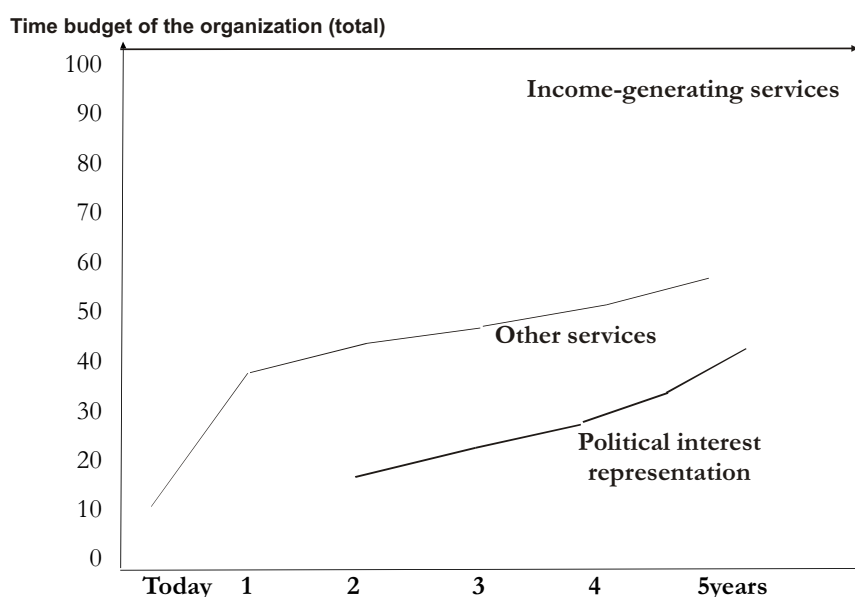
	Service	Examples
1	Trade and Market Development	<ul style="list-style-type: none"> • Organizing product exhibitions and trade fairs • Information on prospective (export) markets • Buyer-seller meetings and subcontracting exchanges • Trade delegations • Facilitating market research • Client interface
2	Training	<ul style="list-style-type: none"> • Management training • Technical training/Vocational training • Seminars and group consultancy • Public Support schemes • Organizing legal /regulatory changes and its impact
3	Advice and consultancy	<ul style="list-style-type: none"> • Exchange visits and business tours • Individual counselling and mentoring • Legal services • Financial and taxation advice • Help with accountancy and bookkeeping • Quality standards and ISO 9000 • New technologies and environmental aspects
4	Information and Networking	<ul style="list-style-type: none"> • Regular business meetings • Industry clubs and committees • Web site and Internet-based business contacts • Newsletters and publications • Membership directory and database • Conferences and high-level meetings • Annual report
5	Office facilities and infrastructure services	<ul style="list-style-type: none"> • Secretarial services • Computer services • Telecommunications • Internet access • Developing and managing industrial estates • Running testing facilities • Storage and port services
6	Government related Facilitation	<ul style="list-style-type: none"> Business registration Issuing certificates of origin Professional licensing Export quota allocation

The more your BMO is able to generate income from service, the easier it will be to implement the various member-attracting activities. However, it also needs to be remembered that BMOs are member-based organisations which can do only those things that their members want them to do. This causes associations difficulty because not all members want the same services. One method could be to draw the line at matters which they regard as competitive. Services such as representation, the provision of statistics and the provision of information are not regarded as competitive matters, whereas, for example, joint funding of research and joint promotion may be regarded as competitive. However, this is an unrealistic view. Ultimately, everything is competitive. Even the provision of representational services has a competitive element to it. If the BMO did not exist then the chances are that the large companies would be able to influence policy more than the smaller ones, although whether they would be as effective as they would be in a trade association is another matter. Similarly, the provision of aggregate industry statistics is of less value to those companies that constitute a large part of the market than to those that are only a small part.

The general position is that associations have little difficulty from their members as long as they confine their activities to providing the framework within which members operate. As they go beyond that framework into matters more directly affecting business operations so there will be increasing opposition from some members. An association must always be aware of the different degrees of enthusiasm among their members for the activities and services rendered.

In developing new service offers, a clear focus should initially be on those services which directly lead to generation of income for the chamber or business association. Services such as advice for start-up companies, could attract potential members. It may be easier to generate income from organizing business delegations and conducting fairs / exhibitions. Regarding the basic development of the range of activities, the following diagram may provide guidance. It does not constitute a quantitatively exact analysis - rather, it should clarify the order in which various services/tasks should be implemented and the portions of the time budget that should be allocated to them.

Figure 9: Prioritisation of Services Based on Time Budgets



v. Capacities and Competence within BMO

A BMO's service portfolio will be influenced by its capabilities and experiences, the competition, the necessary financial and personnel resources, and the potential short and long-term benefits. The chosen area and method of service provision will be influenced by the capacity and competence within the BMO. This would be based on the following:

- i. Competence and expertise available within the BMO
- ii. Infrastructure including space and related facilities

The staff of the BMO is in effect the most critical competence resource for membership management. A competency framework essential for the secretariat is given below.

Table 8: Competency Framework for Membership Management

Skill	Description
Inter personal skills	Relationship management: building and maintaining relationships with members, end-customers, other related organisations, government, regulatory bodies and the media.
Discretion	Building trust and confidence with members, end-customers, other organisations, government, regulatory bodies and the media.
Diplomacy	Ability to negotiate tactfully within and between different groups.
Presence	Establishing authority through manner, skills and knowledge with staff, members, end-customers, government, regulators and the media.
Leadership	To have vision and the ability to make decisions and take responsibility for an issue/direction.
Strategic thinking	Ability to understand the sector, including economic issues, industry dynamics and key issues that will affect the future development of the sector and association
Analytical Thinking	Ability to identify, access, absorb and interpret relevant information and pinpoint the high level key issues.
Public policy	Awareness of public policy, including how, where, when and by whom decisions are taken and how the process can be influenced.
Communication	Ability to reach out , explain with clarity and impact
Listening:	Ability to hear and understand other people's perspectives and to conduct dialogue.
Writing	Ability to write concisely, logically and appropriately for different audiences in plain English and local language
Presentation	Ability to present effectively and confidently at groups, committees and conferences.
Media	Ability to manage the media, including writing press releases and giving interviews on TV, radio and to the press, and having a strong news sense.
Political awareness	Ability to understand government agenda and to link it to the BMOs case

Some basic knowledge of the SME operations, services and products and commercial awareness to identify and develop appropriate products and services which members (and non-members) could purchase.

Managerial competencies required would be:

- i. People management: ability to develop, motivate and manage the performance of others, including staff and committees, so that objectives are met and good team performance is achieved.
- ii. Self management: individuals' ability to manage and motivate themselves to achieve objectives
- iii. Planning: ability to develop and communicate a clear strategy, with goals for the short, medium and long-term.
- iv. Financial awareness: ability to manage budgets and to assess the financial implications of any decisions.
- v. Collaboration and ability to synergise work with colleagues from other parts of the industry, associations, and experts. Appreciation of the Policy making process and be able to participate in it
- vi. Communication skills: A major part of the work of the office bearers and senior executives is communicating with policy-makers and their members through a variety of means including telephone, email, written documents, meetings and formal presentations.

4. Membership POLICY

4. Membership POLICY

BMOs need to consciously deliberate on certain issues which are discussed below to have a well-defined Membership Policy.

4.1 Defining Criteria and Categories of Membership

Membership Criteria

Establishing membership criteria can be a difficult subject for some BMOs because there are always conflicting forces at work. Some will be concerned to have as wide a representation as possible. Others will want to restrict membership to companies like themselves and a few will wish to go further and use the membership criteria to obtain a competitive advantage. This issue needs to be carefully considered by the office bearers of your BMO. Some questions that need to be addressed may be:

- i. Broad or narrow based “**commonality of interest**”? The preferred option is to have clear membership criteria such that if a company meets those criteria then it is eligible to join. An alternative approach is to have very select criteria with applications being considered by a membership committee. This is not advisable as it may be perceived as discriminatory and may also encourage the excluded companies to get together themselves to form a potential rival to your BMO.
- ii. **Should size be a criteria?** Restricting entry based on size of an enterprise requires careful consideration. Small companies which are in very large number in the business and trade are often most in need of trade association services.

As a BMO you have to make a **judgement about membership criteria**. If you are seeking to expand membership and wish to claim that representation of all types of enterprises in a sector/geographical area, then the criteria can be very general with companies being admitted automatically if they certify that they qualify for membership and will comply with the rules. If you want to restrict membership, for example to companies meeting certain standards, then you have to accept that there is an economic cost in terms of membership and also you must have proper procedures in place to ensure that the membership criteria are open, realistic and that decisions are taken on the basis of the objective criteria prescribed.

Categories of membership

It is also good practice to lay down membership categories and procedures in the bylaws of the BMO. Associations have different kinds of members just as they have different kinds of structures.

Usually, these include active ordinary or lifetime (voting) members as well as affiliated or associated members and honorary (nonvoting) members. The contribution of an enterprise to the association may depend on its membership category and/or size. It is important that the criteria are objective and transparent and are not used to restrict competition.

There are four categories of membership which are commonly found in most of the BMOs; (1) Life/patron (2) Ordinary (3) Associate and (4) Honorary.

These are for guidance purposes only and BMO may take a decision in accordance to their practical needs and requirements.

In the first category there are **patron members**, benefactor members or life members. They have to pay a lump sum subscription only once and then they do not pay any annual subscription. Normally about twenty times the annual subscription is taken as one-time fee for life membership, the principle being that the interest income of this amount should take care of the annual subscriptions. The BMO can revise the rate of the lump sum subscription periodically. It is not advisable to enroll companies as permanent members as this may be a perpetual membership.

The ordinary/**general members** form the main core of any BMO. They pay annual membership subscriptions and have voting rights. They can also stand for election to the Executive Committee of the BMO.

The **associate membership** is composed of such firms or individuals who are otherwise not qualified to become ordinary members. The annual subscription for this category of members is charged at a lower rate and they do not have any voting rights. Very small industrial units which cannot afford regular subscription may perhaps be included in this category. More recently, many associations have used the associate category of membership to attract income, often considerable amounts. Suppliers can benefit hugely by having access to trade association members. They may be willing to pay a significant price not only in terms of an associate's subscription but also through sponsorship, particularly of events such as annual dinners and conferences. Such organisations are also keen to exhibit at any conference or exhibition organised by the association. It is quite possible for the influence of associate members to grow to such an extent as to threaten the nature of an association. Some associates have for example been keen to get involved in the policy-making process and on the governing body of the association, either by becoming full members or by securing greater rights for associates. As in so many areas, this requires careful judgement and the balancing of a number of competing interests.

The **honorary membership** is not given on application. It is usually an honour conferred upon an individual for rendering a distinguished service to the industry, trade, or to the community in general.

Finally, some associations have an **individual category** of membership, allowing those who work for, or who have worked for, companies which are members of the association to have a direct relationship with the association.

Introducing different types of membership (full membership, part membership, honorary membership etc.) is strongly discouraged, because it increases administrative effort needlessly! There should only be members and non-members!

4.2 Membership Application process

An association that is actively recruiting new member's needs to have an established system with a processflow starting from receipt of registration form till the new member reception. The issues that need to be deliberated upon are:

Rights and responsibilities of members

It is sensible to regard the relationship between a BMO and its members as a contractual one in which in exchange for a subscription and possibly the provision of some information the association agrees to provide a range of services. It would be prudent to ensure that the services, benefits and responsibilities of members are also clearly stated in the information provided to new members and also readily available to existing members. A member has the right to be part of a management committee, for which criteria if any, like 3 to 5 years continuous membership must be clearly specified. Some BMOs may prescribe period of membership while some may choose based on the credentials of the member. A member must be informed about the procedure to handle complaints and grievances if any.

Cessation of membership

It is normal for the rules of an association to require that if a member fails to comply with the constitution or to pay the subscription within a specified time then membership automatically ceases. Such a provision is reasonable and does not raise any legal issues. A clause highlighting circumstances for cessation of membership must be specified in the Membership Policy.

Some associations retain a rule which enables them to expel members on such grounds as “bringing the industry into disrepute”. Such a provision is risky and those associations that choose to exercise this must do so with care. An association seeking to expel a member on such grounds must have in place a proper procedure including an appeals mechanism, with an independent element if it is not to run the risk of being sued by a company. In practice, most associations take the view that they are not policemen and do not seek to deprive any company of the rights of membership unless they fail to pay their subscription and abide by the rules of the association.

4.3 Registration of Members

Registration Fee

A one-time registration fee should be levied, but only to cover the reasonable administrative costs that arise directly from the registration of the new member. Therefore a standard registration fee should be used for all new members. Using the same calculation model, the following example can be applied to all organizations for calculating the fee:

Table 9: Cost of Registration

No	Cost Type	Specification	Units	Price/Unit	Total
1	Staff time	Admn Head	2 hour	$\frac{\text{Salary}}{\text{No of working days}} \times \frac{2}{8}$	
		Secretarial	5 hours	$\frac{\text{Salary}}{\text{No of working days}} \times \frac{5}{8}$	
2	Communication	Telephone Fax		Cost charges per minute to be the basis	
3	Materials	Info folder Postage/courier Others		Actual charges	
4	Overhead costs	10% of overall overhead costs		Actual charges	
Total					

Registration Form: Information Data base

The data base of members is what facilitates a well-integrated and networked communication. Having a registration form that collects all required information of the member prior to joining is essential. Collecting bits and pieces of information for collating on a later date or when the need arises is not advisable. Inadequate or incomplete information collected during the registration process has been noticed in most BMOs, especially when members are from SMEs. Many BMOs use different forms for compiling member data: one application form for new members and one company profile form which is completed later to provide the BMO with sufficient data on the commercial background of the member enterprises (for business matching services etc.). It is advisable to take all requisite information at one time through the registration form. A sample is suggested in figure 6.

4.4 Membership Subscription

The issue of membership subscription is probably one of the most difficult questions for BMOs especially the new ones. On the one hand, many members will complain about the amount, no matter how small; on the other, the income generated through membership dues is a source of funding for the BMO. In order to find an **adequate level for membership dues**, one should first ensure that the annual amount does not create a significant financial burden for the members and their day-to-day conduct of business. However, membership dues cannot be too low either! There are different ways of fixing the membership rate structure. It can be related to annual turnover, subscribed capital, equity (plus reserves), number of employees, taxable income, annual profits, or other similar indicators. Apart from the above categories of membership, a BMO has different classes of members depending upon the size of their operation. For instance, members in the category of small scale business can be charged less than the medium sized enterprises and medium size companies can be charged less than the large scale enterprises. The principle should be

CHARGE WHAT MEMBERS CAN BEAR. One can, therefore, think of **introducing different classes of members** as per their size of operation and here again the criteria of turnover could be very appropriately used for any such classification. In case of BMOs with only SMEs the small and micro enterprises can be further sub categorized on the basis of turnover.

Many companies may not have a taxable income or may not make any profit. In that case, if the rate of subscription is related to profits or taxable income, the BMO may not get anything or may get a very negligible amount. Subscribed capital or equity does not change very often and therefore if the rate of subscription is related to equity or subscribed capital, the BMOs will have a static income. Similarly, if in the days of automation the rate of subscription is linked to the number of workers, the BMOs income may remain static or decline or its growth will be very slow. The linking of rates of subscription to annual turnover is a better alternative because it takes care of the annual increase in sales of member firms. It also allows for automatic increase in BMO subscriptions. Therefore, as far as possible, BMOs should link their annual subscription rates to the annual turnover duly certified by Auditors of member firms.

Method of Payment

Most member companies pay their dues on annual basis. It is advisable to go for annual membership fees on account of the following advantages:

- i. increased planning security
- ii. increased financial stability
- iii. clear reduction of administrative effort

The administrative effort is correspondingly great (reminder letters, telephone calls etc.). In the case of small BMOs, collecting annual renewal subscription frees time and manpower for positive, member directed activities.

Revision of rates: the membership fee structure should be periodically reviewed. The BMO should ask four questions in this connection.

- Is the rate structure generating enough income to sustain the incremental activities?
- Is it attractive for new members to join?
- Is it attractive to remain a member?
- When should be revision of subscription rates be made?

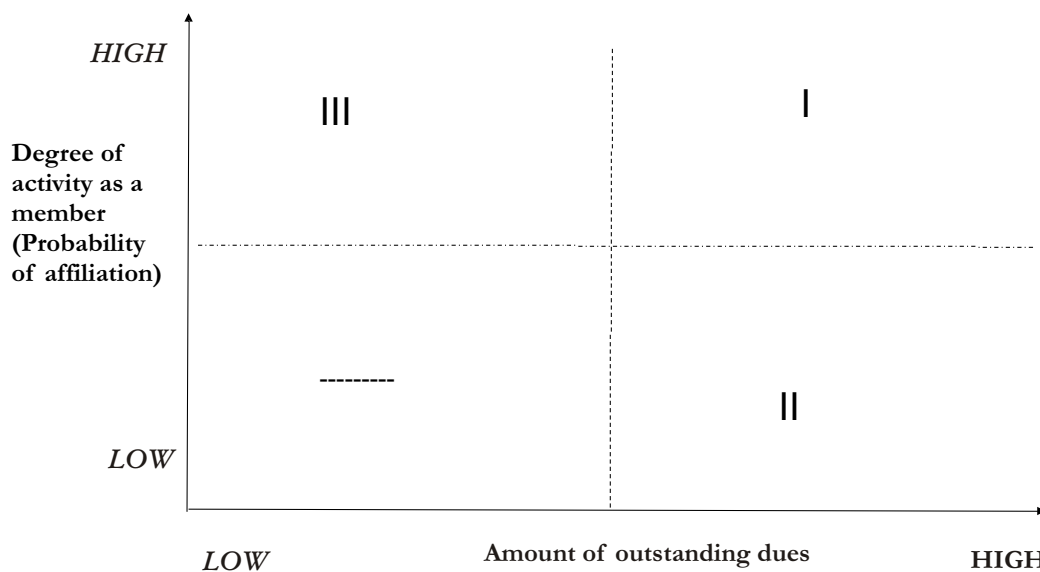
Every three years the BMO should review its existing rates of subscription and adjust them for inflation. If this is not done, the BMO will not be in a position to meet its expenses. Because of inflation expenses will soon exceed income. Therefore, it is only when the growth rate of membership income of a BMO exceeds the rate of inflation that it can sustain its activities. This can be done by a suitable revision in subscription rates or by adding new members. Both methods must be used judiciously.

Increase in Membership fees -Membership fee structure must be dynamic. A reasonable increase is derived by fixing dues to the annual inflation rate. Only in this way can the devaluation of income generated through membership dues be prevented. Depending on the inflation rate an increase of perhaps 20-30 per cent would be necessary after, say, three years.

Outstanding Membership Dues

Several times, BMOs need to put considerable effort in recovering outstanding dues and the success rate of these efforts is generally poor. The extent of efforts to recover outstanding dues (collection management process) should be determined strictly according to cost-benefit criteria. The benefit is easily quantifiable, but the costs of collection management are very high as the efforts required to be put in are intensive. The same efforts if put for an income generating activity would add more value not only in terms of revenue but also credibility of your BMO. The cost of recovery is at times very high in terms of man hours spent on it which could have been more effectively used in better services. So it is important to have strict systems and procedures to ensure membership fee is paid on time. Penalty clauses may be considered after due deliberation in the Management committee meetings. The efforts put in also needs to be done in the sequence suggested in the Figure 10 given below. It makes more sense to put in efforts where the probability of re-affiliation is high.

Figure 10: Priority Matrix for Recovering Outstanding



Members who have been relatively active and have made use of your BMOs services should mainly be approached for recovery of dues. Their sense of identification with the BMO will have a decisive influence on the success of collection management.

In summary, it needs to be appreciated that collection of membership dues can be a time consuming exercise and the associated problems are a reality. The challenge is how to overcome this. Table 7 below summarises the typical problems and possible solutions with regard to the membership fees:

Table 10: Membership Dues-Challenges and Solutions

Problem	Solution
Present membership fee is too low to finance free services.	<p>Fast track: Reduce free services or raise membership fees. If necessary, subsidize free services from other income sources for a limited time.</p> <p>Long-term: increase membership fees annually, at least in line with inflation.</p>
Is an admission / registration fee justified?	Yes, as registration of new members costs staff time and causes other cost (e.g. membership card, etc). A new member will be ready to pay these fees as he is willing to join the BMO.
Should membership and registration fees be the same for all?	Not advisable. Larger enterprises can afford higher membership fees. For fee structure, use easily available criteria such as number of employees.
Membership fees are paid late. Reminder process too costly.	<p>Provide discount or other incentives for early payment. Limit payment intervals (e.g. twice a year only). Make payment easy (standing order for bank transfer).</p> <p>Limit number of reminders and period for reminding. Stop services for non-paying members. Remove non-paying members from member list and directory.</p>
Is a one-off payment for membership fee advisable?	Some BMOs collect additional one-time payment of membership fee (usually charging 2 to 5 years of annual Fee). This should only be considered if a large amount of funds are needed, e.g. for construction of own building.
Should a BMO only charge service fees, but cancel any membership fees?	Not advisable. Some services are difficult to charge for: e.g. advocacy, low level info service, etc. Without membership fee, no feeling of togetherness and belonging will develop within the BMO and also BMOs have Fixed costs to meet.
Should many different types of membership be introduced?	No. This increases administrative costs. All members should have the same rights. However, members can be classified by BMOs according to industrial branch, size, etc.. This facilitates communication, advocacy and service delivery. Members should be enterprises, not individuals.

Renewals

To conduct a purposeful renewal campaign, it is important to know where to improve, which means calculating and understanding the current retention rate. This is the rate at which the organization retains members or, in other words, the percentage of new members that renew on an annual basis.

Retention rates vary by organization and by member segment. Determining whether a retention rate is at a positive level depends on the analysis of trend data for a number of years. In general, BMOs should strive to retain core members at a rate above 80%. Other categories of membership, first-year members in particular, suffer from high attrition rates that can be mitigated through specific engagement activities.

Retention Rate =

$$\frac{\text{No. of current members} - \text{No. of new members}}{\text{No. of members at the same time previous year}}$$

Another important statistic is the lifetime value of member. This financial information supports decision making related to the cost of retaining current members and recruiting new members. Simplified, the costs of recruitment and renewal should not be judged against the annual membership dues but against the lifetime value of a member.

Lifetime Value of a Member =

A member's financial contribution for the duration of the membership

$$[\text{Average annual revenue (dues and non-dues)} - \text{Average cost of serving a member}] \times \text{Average member tenure}$$

The ability to process renewals online is essential for individual memberships, making it easier for members who readily conduct everyday transactions through the web, and reducing back office administration. In addition, an online renewal is an opportunity to require members to review and update their member profile. The renewal process should begin 60-90 days prior to the renewal date.

4.5 Free and Fee Based Services against Membership

One of the important discussions within your BMOs about membership is to establish clarity on what services go free with membership. Members are generally not clear about what services they can expect for their membership fees. Usually, members expect 'free services' to include simple information services, postage costs for circulars and other mail of the BMO, use of the web site of the respective BMO, use of the BMO library, standard entry into the BMO Directory, ordinary advocacy, possibly also a free copy of the BMO newsletter, etc.

A decision on fees and free services depends on the actual situation (financial position of BMO, fees/free services of competitors, etc.). Members must be informed which kind of free services they will get from their BMO. When the costs of free services are calculated or at least estimated, the result will help to define the amount of the membership fees to be charged (total cost of free services divided by number of members = membership fee). New services or events could be introduced on cost recovery basis and when fees increased with some value additions in the services.

Service fees: All members are not interested in all types of services. Hence if all services are offered free, then in order to cover the cost of this service, the membership subscription will have to be kept very high which very few can afford. In that case very few will join the BMO. Therefore, those services in which a majority of members are interested may be kept free or charged low, while fees should be charged for the special services to keep its general subscription rate reasonable low, and affordable for the majority of members, especially those in the SME sector

4.6. Data Base Management for Members

It is important that BMOs maintain an efficient and updated database management system. This would pertain to (i) membership details and (ii) membership related events and services.

To track members and their activities (joining, registering, participating, purchasing) requires a comprehensive and updated database. An accurate and timely database facilitates marketing decisions and makes it easier to send targeted communication that is received well and more effective.

A (computerized) member related database with comprehensive company information contributes greatly to the information services provided by the association's policy and business information units. Often such databases are up-to-date only at the point they are created. They must be properly updated. Someone in the association must have responsibility for this. This function cannot simply be reactive – recording information provided by the member. It must be proactive, ensuring noting and checking reports in the trade press and directly checking the information with each member on a regular basis. As a consequence, nominal and non-paying members cannot be identified, making membership retention strategies and financial planning difficult to develop.

For each member, BMO should have the following information –

- i. Basic contact information – Name of enterprise, address, telephone number, e-mail address, website
- ii. Date of establishment:
- iii. Demographic data of entrepreneur-age/gender
- iv. Year/Date of Joining/Exit of BMO:
- v. Details of the senior executives and contact numbers:
- vi. The areas of business of the member.
- vii. Transactional data (membership registrations, renewals, services utilised)
- viii. Communications—renewal notifications, promotional & electronic mailings
- ix. The involvement of the member – on board and committees
- x. Attendance at events

-
- xii. Correspondence with the member by letters, e-mails and phone calls. This is valuable in demonstrating the benefits of membership. It can be helpful, for example, to show that a member has accessed a database of information so many times during the year and that it has made so many requests for information.
 - xiii. Any views the member has expressed about the association, for example in surveys or direct communications

Membership Database

The data base of membership needs to be organised in a manner that facilitates retrieval of information in different permutations and combinations. Such information is essential to identify target groups for specific/segment services. Furthermore, you should put emphasis on the collection of data when members register. Complete data on members are a treasure trove for BMOs, as they are a basis for many new income generating services. Specific data help to identify special needs of members and targets for services

The generally applicable criteria by which members can be categorized in a computerised file as:

- categorization by company size (number of employees)
- categorization by turnover
- categorization by economic sector
- categorization by region

Data Collection

The questionnaire used for registration allows this information to be obtained easily. Data fed in a Microsoft Excel sheet allows you to filter information as per your requirement if the data base is fed and stored appropriately. Alternately BMO can get a software programmed to their requirements. New member applications traditionally are the primary source of data collection. For organizations with enhanced data requirements, it is advisable to collect what is necessary to process a membership and use a second communication to collect additional data. This makes the join process simpler and engages the new member in an important second interaction with the organization.

Current best practice allows members to electronically change their membership data. But even when this is in place, it is necessary to encourage members to communicate changes in their data profile. E-mail messages and renewal notices are standard communication channels.

Developing a methodology to collect data on prospective members is important to recruitment efforts. Non-member transactions such as registrations, product purchases, and browsing the website (one option is to request sign-in data) should be captured in the database and utilized for membership recruitment efforts to supplement rented or bartered mailing lists.

There must also be a proper system for ensuring that the necessary information from the BMO itself, such as committee membership and details of contacts, is recorded. Similarly members should have access to minutes of meetings held.

Ideally all staff should be able to access this information. However, there may be a case for limiting access to anything other than the basic factual information to senior staff. If all staff have access to all the information there must be clear rules about how it can be used. Someone working for a company who makes a number of requests for information may not be pleased to find this reported back to his chief executive.

Documentation

Developing documented procedures and policies for data entry, report writing, and data maintenance become even more important in a distributed or matrix environment where multiple staff members might play roles in data entry, general data collection, report production, and report analysis. Data integrity requires data standards (e.g., M.D. or MD) and frequent (at least annual) maintenance/cleansing. All documented data should be:

- Written and refreshed on an annual basis. It should provide step-by-step guidelines on data entry and report writing.
- Includes previously developed data standards.
- Outlines individual responsibilities related to data entry and report writing.

4.7 Membership Directory

It is good practice for an Association to publish periodically an updated list of members. Traditionally, this was in hard copy form, but the modern practice is for such a list to be available on the website only. What sort of information should be provided depends on the nature of the BMO and the sector it is covering. The minimum information should be the names of members with a link to the members' websites where they exist. Some associations may wish to provide more information such as basic contact details and areas of business. This should be in published form or on a CD available on payment basis for non-members. A comprehensive listing of companies in a sector will contribute to making the website a valuable resource for members and also for those who deal with the sector. However, in deciding how much information to publish an association must be aware of whether such information might be useful to competitors. Anti-piracy software can help to deal with this problem.

A gateway for business

In some sectors the membership database can serve as a gateway for new business that can be one of the most valuable benefits of membership.

Concept: The basic idea of a membership directory is to provide member enterprises with an opportunity to showcase themselves and their range of products/services. The directory thus also serves as an instrument for mediating business contacts at national and international level. Again the relationship between publications and the marketing of other services becomes evident.

Content: The main section of the membership directory naturally consists of the self-portrayal of the BMO's member enterprises. A side from this, there are a great many options for design and presentation of information. The following structure has proven worthwhile in practice:

- Preface by the President of the BMO
- Report by the Director on the work of the BMO, with practical examples
- Letter of greeting from a high-level ministerial official
- “Annual calendar” of the most important events
- Self-presentation of member enterprises on a full or half page each (sector wise in case of multi product)
- Advertisements of members as well as suppliers, distributors and service providers
- Photographs of past events
- Annual Calendar of events
- Registration Form
- Names of Committee members
- Some sectoral/industry/district level based business related information

A checklist of the actions required to work on is given in Figure 11 below

Figure 11: Action Checklist for Membership Directory

- ✓ Define basics: CONTENT, LAYOUT, number of copies
- ✓ Calculate Expenditure and Income
- ✓ Solicit advertisers from members as well as related service providers/government organisations
- ✓ Membership registration form for new members
- ✓ Discuss layout with graphics company
- ✓ Select printing company
- ✓ Select representative from the ministerial sector and possibly pre- formulate text
- ✓ Preface by President
- ✓ Introduction section by Director
- ✓ Brief on local industry/industries/trade....current status
- ✓ Membership committee names
- ✓ Names and photos of Executive Committee members
- ✓ Highlights of BMO activities- photographs
- ✓ Summary of Policy advocacy taken up...succeeded or pursuing
- ✓ Recognition ...press clippings
- ✓ Control quality of information supplied by member enterprises where incomplete / unclear

Delivery: Many BMO have been publishing membership directories in hard copies. But the demand for printed directories has been going down due to practical difficulties and delays in procuring a hard copy in person or through post/courier. For the BMO it hasn't been economical because of high cost of printing, dispatching, inventory and unsold copies. The best option is to make the directory available online for a price with easy payment and downloading options. Alternatively CD's could be provided to members and sold to non-members

To avoid the printing cost, a small BMO in the South India, published the membership Directory in CD form with the details of members and their products, location etc., on easily searchable format.

This has brought in many business enquiries immediately after the launch, as one of the member who was sourcing zinc oxide as raw material for his product from north india, has got the information through this membership Directory that the member next street in the same town, is manufacturing and supplying zinc oxide.

This CD was found very useful not only among the members, but also among the BMOs in other States, as this was a tool to source many products from the place, where this BMO hails.

The decisive factor for the success of this publication, aside from secure funding, is how the member enterprises are showcased – with regard both to the layout and the information presented. The following samples are offered as recommendation to this end.

Layout Example 1

Name of Enterprise:		
Address:	Phone/Fax:	E-Mail:
Year established:	No. of employees:	Legal form:
Contact person(s) name/phone:		
Description of activities:		
Imports (country/products) from:		
Exports country/products) to:		
Description of desired co - operation:		

Layout example 2

Name of Enterprise:		
Address	Telephone Fax	Email:
Year of establishment:	Imports Products/Countries	Exports Products/Countries
No of Employees:	1.	1.
Legal Form:	2.	2.
Contact Person:	3.	3.
Phone No:	4.	4.
Description of Activities	Looking for:	

Marketing Membership Directory

While working on the marketing of the membership Directory, one must generally differentiate between sale and free distribution. The following is suggested:

1. Free Distribution to all member enterprises
2. Selection of important multipliers (embassies, consultants, international development programs, national chambers/associations, ministries) and free dissemination to these organisations
3. Articles in relevant journals and own BMO publication (if applicable)
4. Direct mailers to selected (usually larger) enterprises

Some of the typical problems and suggested solutions in publishing a Membership Directory are summarised in Table 11 below.

Table 11 : Typical Problems and Suggested Solutions in Publishing a Membership Directory

Marketing: Insufficient use is made of the membership directories' potential as a cooperation tool	Showcase your member enterprises in a way that information can also be used for facilitating cooperation among enterprises.
Marketing: Funding problems	Membership directories should be cost covering, with focus on advertisement as the most important source of income.
Marketing: Marketing potential not sufficiently used	Once the directory is printed it should be sent for free to all member enterprises, to selected important multipliers (embassies, foreign chambers of commerce, ministries, local media etc.) Additionally it should be sent to select (usually larger) enterprises who might have an interest to look for cooperating partners in the directory.
Monitoring and Evaluation: No quality control for information supplied to member companies	Verify the accuracy of information given by member enterprises, as incomplete information affects seriously the usefulness and BMO's reputation as a serious partner
Continuation/Expansion: No follow up action	Prepare new edition every year or once in two years to ensure updating the information

Membership Directory as Source of Income

Your Membership Directory can also become an income generating source if inserts of vendors and suppliers advertisements are incorporated aesthetically without adversely affecting the presentation and design of the publication.

Case Example: Udaipur Chamber of Commerce and Industries

There is a good case example of the Udaipur Chamber of Commerce and Industries where they introduced a new edition of their Membership Directory and called it METAMORPHOSIS. A strong commitment and initiative of the office bearers and former President helped generate revenue close to INR 12,50,000 through sponsorship, advertisements and selling the directory to non-members. The revenue helped raise funds for enlargement of the Chamber's building.

Value added information on the background and process related documents as regards government policies and names of dealing officials can generate interest in purchasing your directory from non-members and general public as well.

A small industries association in Northern India publishes a voluminous membership directory with a series of useful information at different levels.

- The core part of the Directory incorporates detailed and updated members' information-unit name, address, representative's name, telephone numbers, fax, e-mail, website, products and other meaningful information as provided by member units.
- Product wise classification of industries.
- Brief description of central excise tax and Help Centre
- Important telephone numbers of Government Departments
- Summary of current Industrial Policy and Labour Statutes
- List of institutions helping small scale industries
- List of financial institutions and their public support schemes

The directory has been found to be useful in boosting business prospects of member units and also provide support, coordination, accommodation and exchange among member enterprises.

4.8 Membership Monitoring

To build a knowledgeable and transparent membership management environment, it is imperative to obtain and analyze membership metrics on a regular basis, usually monthly or quarterly depending on the needs of the organization. To create a shared responsibility and provide important data for decision-making, membership metrics should be shared with leadership and the staff team on a regular basis.

Essential metrics reveal trends through baseline information on membership growth compared to the previous year, a status summary of membership activities (recruitment/retention/renewal), and their impact. For organizations with multiple membership categories it is important to provide metrics per category. Supplementary metrics might include segmentation on age/experience, transaction information, and other items as determined by the needs of the organization.

Essential Monitoring reports

A full membership report generally contains information in three categories:

- ✓ Membership data
- ✓ Membership categorized by membership segment or dues category
- ✓ Status summary of recruitment, retention, and renewal activities and outcomes

Analysis of the membership is a primary tool to assess the current status and identify trends within the membership area. Further refining the information into specific member segments or dues categories helps identify issues and recognize possible solutions pertinent to that member group.

Table 12: Sample Membership Information Report

Total Membership		
Current members	Membership numbers the same month in the previous year	% increase or decrease in the year-to-year membership
New Members to Date/Quarter/Month (regular frequency)		
Current New Members to date	Number of new Members in this month or quarter	New Members the same period in the previous year
Conversion of First-Year Renewals : Monthly/Quarterly First-Year Membership		
First-year members eligible to renew	First-year members who actually do renew	Conversion renewal rates (renewing new members/eligible to renew new members)
Total Renewals by Month/Quarter		
Total members eligible to renew	Total members who actually do renew	Total renewal rates
Renewals of Members in Year Two and Subsequent Years		
Year two+ members eligible to renew	Year two+ members who actually do renew	Year two+ renewal rates (renewing members/members eligible to renew)

Reporting on the status of activities related to recruitment and renewal adds additional context to membership management. It also provides an ongoing roadmap to your BMO, allowing both staff members and leadership to continually review and modify recruitment and retention efforts.

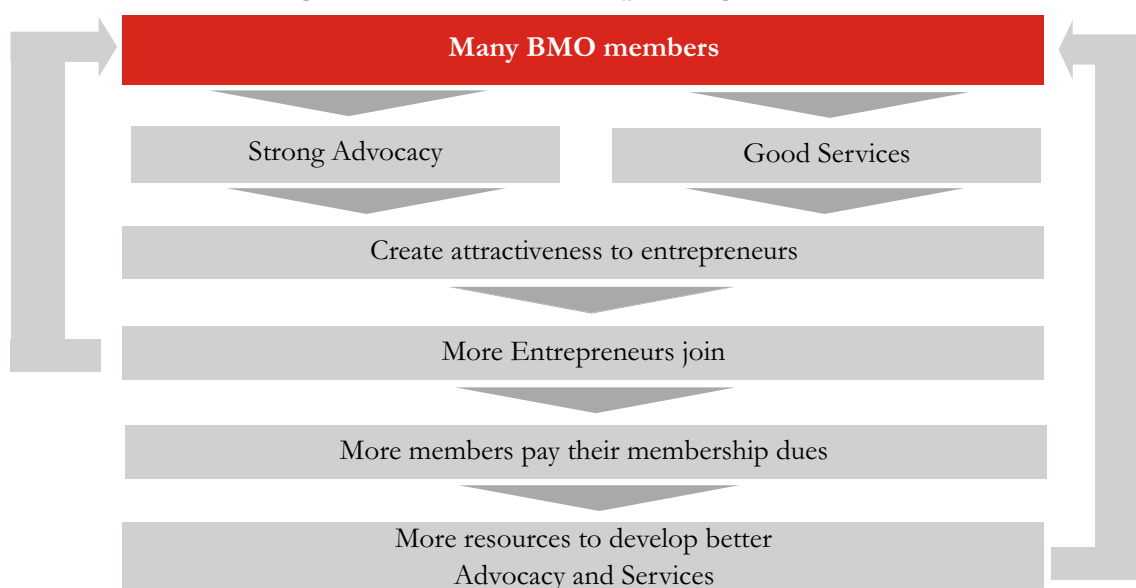
The reports would be useful for membership development and management only if periodical feedback is taken from the members. A suggestive feedback form that could be used to evaluate your BMO's membership management is given in Table 13 below.

Table 13: Member Feedback Assessment Form
Rate the questions on a 4 point scale, 4 being highest and 1 being lowest

No	Parameter	Y/ N	Assessment			
			4	3	2	1
1. Impact	Has the association been able to make directly or indirectly impact on developments of your SME sector		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Value Addition	Are you satisfied with the services and benefits?		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	i. membership services		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	ii. professional services		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	• Training		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	• Advisory and Consulting services		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	• Information services		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Governance Management	Effectiveness of leadership role of your BMO		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Are resources utilised effectively?		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Staff Support & Admin.	Are you satisfied with the responsiveness of the staff?		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Are you satisfied with the communication and support provided?		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Networking & collaboration opportunities	Does the BMO provide enough opportunities to reach out to prospective business partners		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Advocacy	Are you satisfied with the representational efforts made with regard to your business concerns		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Participation	What role you would like to play in Association activities		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

In conclusion, one needs to reinforce the inter-related cycle of BMO effectiveness to membership management. Capacity building efforts in BMOs will yield results only through membership development and in turn would reinforce the quality of service and advocacy. The figure below shows how a large number of members, good resources and strong advocacy as well as good services interrelate.

Figure 12: BMO Membership Management Cycle



The interrelatedness of BMO effectiveness with membership management is highlighted in the case situation given below and Figure 13 demonstrates that only an increase in membership numbers can help the BMO to survive.

Case situation 1: A long established but small BMO in the manufacturing sector, with annual subscription in the range of INR 12 lakhs has the following strengths:

- They have a clearly established market niche with members tending to have similar interests, unlike some larger associations which often represent members with widely differing views or little overlap of interests.
- Because they are small, they can be flexible in their operations.
- Have huge member loyalty running back over many years.
- Get excellent value from their chief executives.

Despite enjoying these strengths, BMO is less than fully effective and faces the following problems:

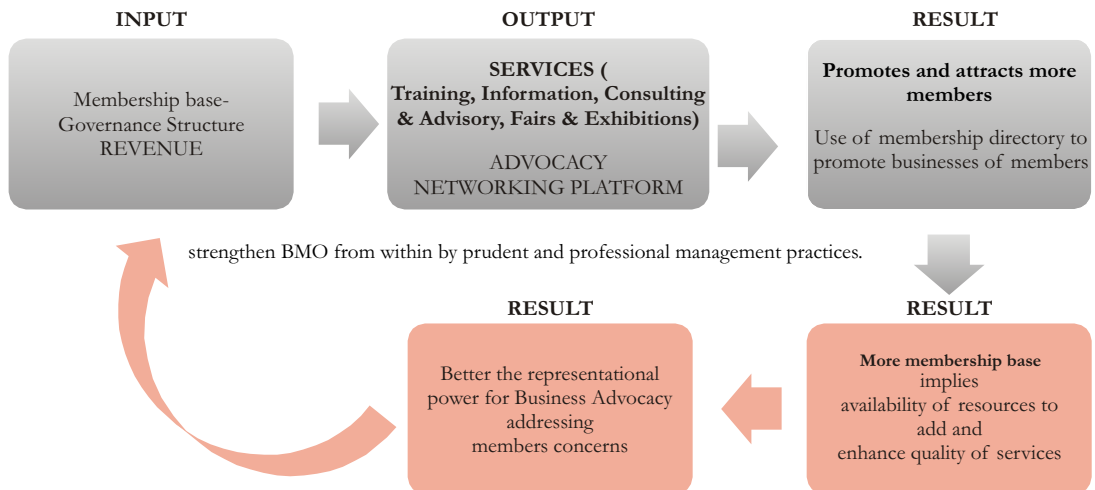
- Declining subscription income in response to market developments,
- It is increasingly difficult to get good people to stand for office. The chairmanship is increasingly regarded as a chore rather than an honour or a duty.

- It has become difficult to recruit a chief executive (often the only executive) of the necessary quality, particularly when an effective long-serving chief executive retires.
- Finds it difficult to use modern technology to its best effect, reflected in a poor quality websites. The association remains paper-based which makes them less effective in all of their operations.

In order to continue being effective, small trade associations can no longer rely on factors such as strong member loyalty. This can only delay a decline if the association is not meeting the needs of its members, and often the members are increasingly demanding as they face a tougher and changing business environment themselves.

The solution is possible through the portions marked in red in figure 12 below.

Figure 13: Membership as Input for BMO Effectiveness



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