Creating the New Normal:

Survey of Association Executives' Responses to the Pandemic and Their Views of the Future

April 2021 Update

Contents

Executive Summary

Key Findings

- As the country is emerging from worst effects of the pandemic, association leaders are less likely to feel their organizational viability is threatened.
- While recognizing that the pandemic has driven the need for change, many respondents envision a return to a pre-pandemic "normal," particularly in term of membership and in-person education.
- Most organizations are planning for an in-person annual meeting in the latter part of 2021 or 2022.
- Growth in online education was the area for which there was near consensus regarding lasting change. However, there remain challenges in growing online revenue proportional to volume increases.
- There also was strong agreement about the lasting impact on staff working remotely.

Findings (continued)

- Respondents felt their organizations currently were doing best at supporting remote work environments, facilitating collaboration among staff and adjusting to offering online education, including a virtual annual meeting. They were less positive about the organizational ability to innovate or have good data for decision making.

- Respondents continued to report limited progress on several organizational keys to long-term success. These included shortcomings related to:
  - A clear "post-pandemic" vision for the organization
  - Investing in human resources/needed skill sets
  - Data and business intelligence to foster strategic decision-making
  - Operational plans for sustainable profitability
  - A well-defined digital strategy
  - Capital resources

Findings (continued)

- Results suggest that despite disruptions due to the pandemic, many association leaders may not envision a comprehensive examination of their role, core strategies and capabilities.
- The pattern of responses also suggests that several organizational building blocks necessary for successful transformative change are lacking.
- Significant work needs to be undertaken for associations to achieve the type of strength and resiliency that will help them emerge from the current pandemic and navigate future disruptions.

Achieving Resiliency

For associations that envision undertaking transformative change, developing attributes of resilience will be critical for navigating future disruptions.

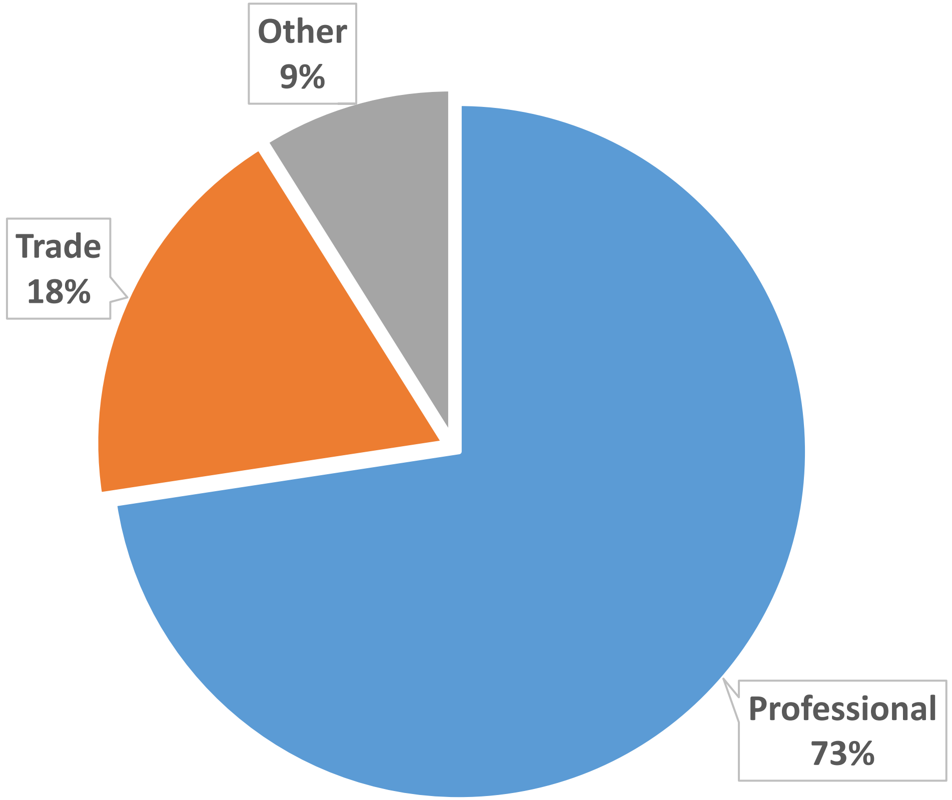
- **Focused vision:** The organization knows why it exists and what is most important.
- **Adaptive, flexible, nimble:** Strategies and tactics are future oriented and constantly evolve.
- **Innovative, risk tolerant, experimental:** It is never "business as usual." The organizational mindset/culture supports change.
- **Built for action:** Organizational culture supports efficient decision-making and delegated/decentralized authority.
- **Robust business intelligence system:** Data systems support decision-making, including environmental scanning systems and real-time feedback.
- **Enabling technologies:** Digital transformation is a core strategy, integrated throughout the organization.
- **Financial health:** In addition to operating performance and diverse revenue streams, the organization has capital resources to invest in transformative change.

Background and Respondent Profile

Background

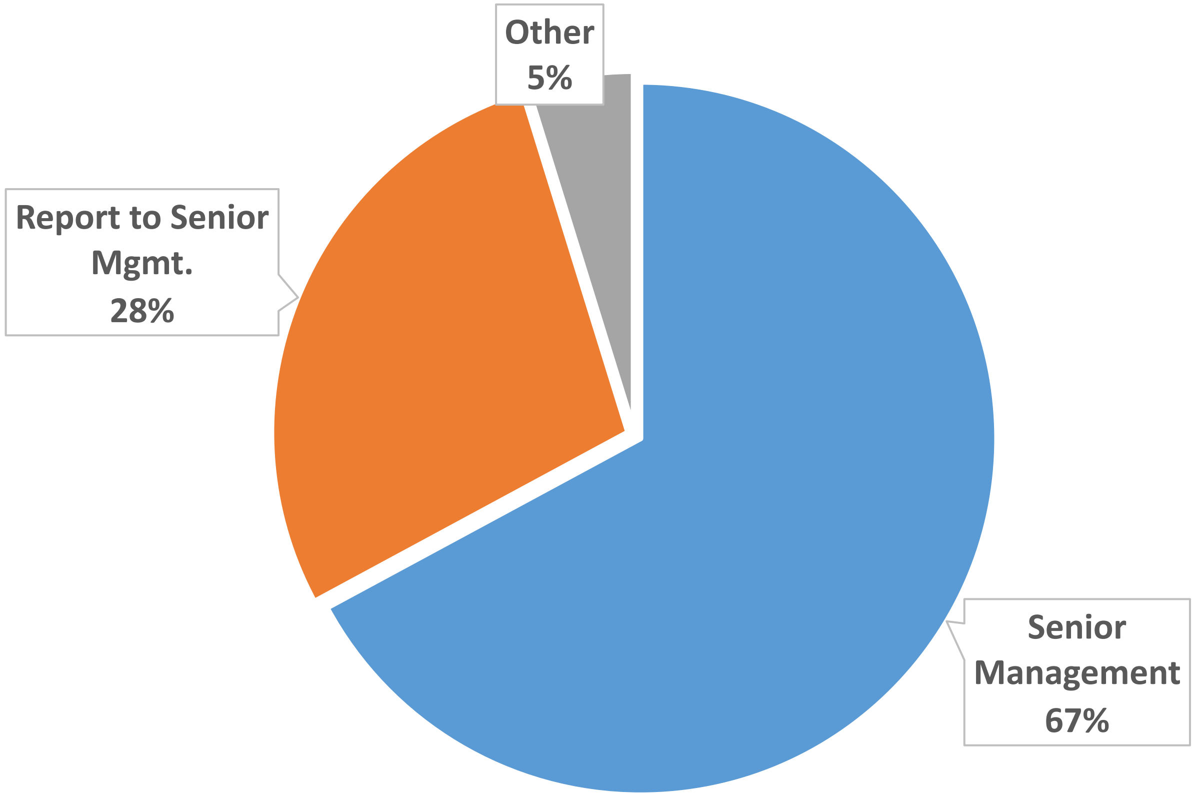
- The study explores strategies, tactics and expectations for long-term change associated with the COVID-19 pandemic.
- More than 100 association executives participated.
- The online survey was administered March-April 2021, as Covid-19 vaccination was rolling out.
- Questions mirrored the July/August 2020 .orgSource survey, providing a perspective on the evolution of attitudes regarding the pandemic's impact and future implications.
- A significant focus is on respondents' perceptions of which changes will have a lasting impact on their underlying business model, as well as on their culture, structure, people, processes, systems and finances.
- Results help illustrate the extent to which associations may be enhancing their resilience and strengthening their ability to face uncertainty and future challenges.

Respondent Profile: Organization Type



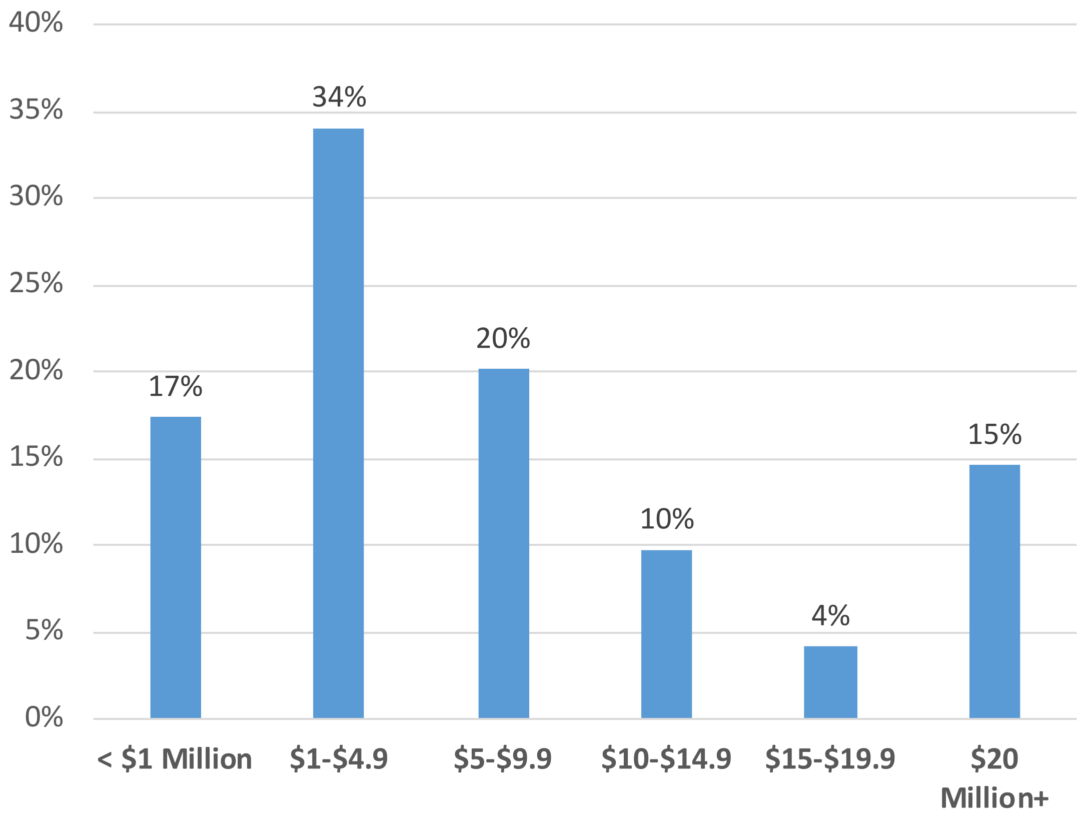
- 73% of respondents were associated with “predominately professional” (individual membership) associations.
- Association management company executives were included only if they were answering for a specific association.
- “Other” associations included certifying groups, government and charitable organizations.
- Consultants/vendors were excluded from participation.

Respondent Profile: Organization Level



- Like the 2020 survey, respondents were in leadership roles within their organizations.
- Two-thirds of respondents were members of the senior management team/executive office.
- Another 28% report directly to a member of the senior management team/executive office.

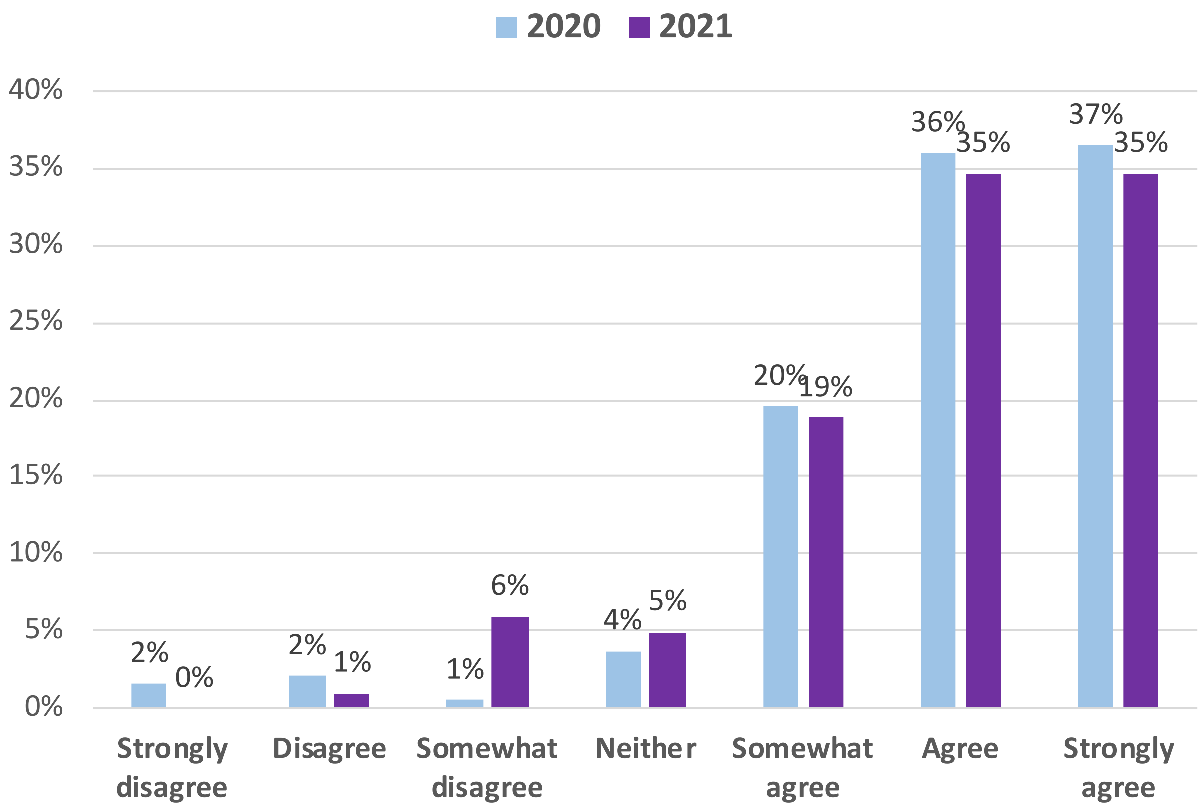
Respondent Profile: Annual Budget



- A wide range of organizational sizes/ budgets was represented, mirroring the 2020 survey.
- Half of respondent were from organizations with budgets less than $5 million.
- One-fifth had annual budgets of at least $15 million.

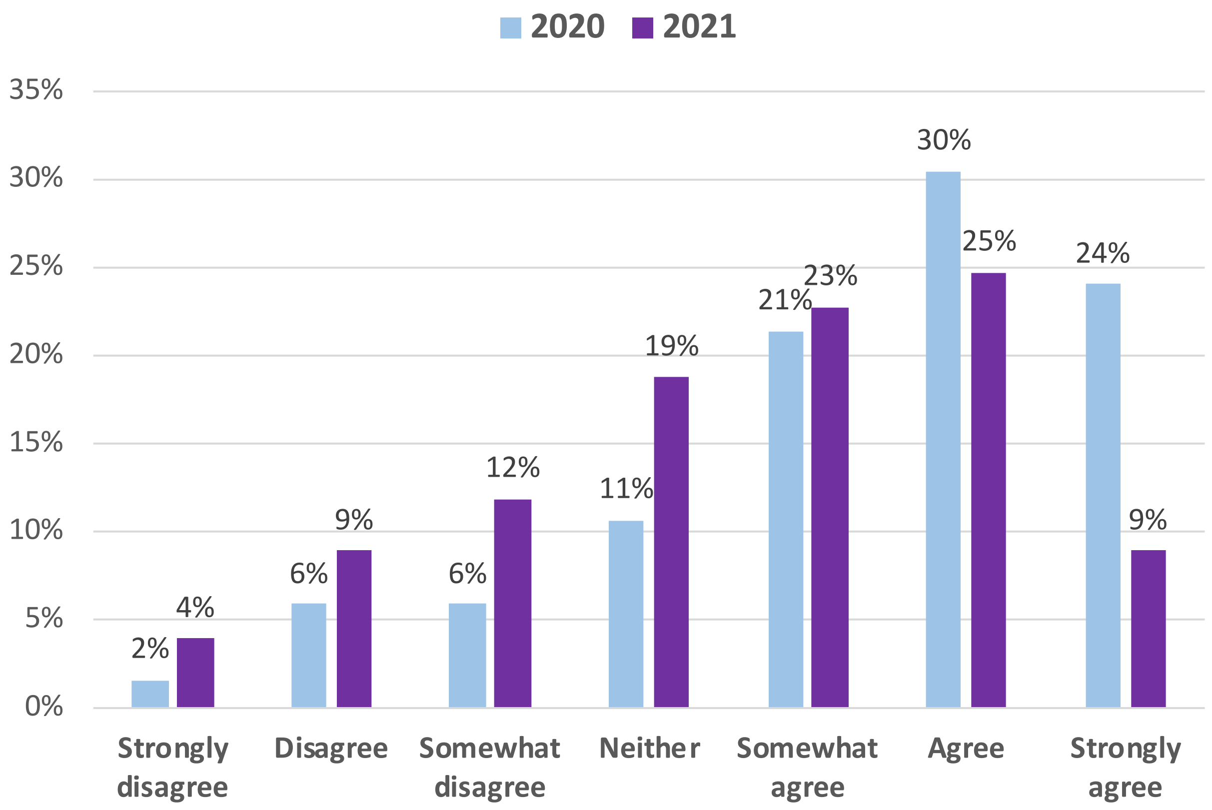
Change Imperative

Need for Fundamental Change



- Association leaders continue to feel that the COVID-19 pandemic will cause a significant change in the existing association paradigm.
- 70% of respondents agreed or strongly agreed (top two scale options) that the pandemic "has accelerated trends requiring fundamental changes in the role of associations, their underlying business models, and their strategic direction."

Threat to Viability



- While association leaders may understand they are facing significant change, they now are less likely to feel that the COVID-19 pandemic represents a threat to their organizations' ongoing existence.
- Compared to 54% in summer 2020, currently 34% , agreed or strongly agreed (top two scale options) that "the changes stemming from the COVID-19 pandemic will threaten the ongoing viability of many associations."

Current Ability to Adapt

Efficacy of Current Responses

For each of the following, use the seven-point scale to indicate how well you think your organization is adapting to the challenges caused by Covid-19?	MEAN	
	2020	2021
• Supporting remote work environments for staff	6.13	5.96
• Planning for a virtual annual meeting	5.30	5.54
• Increasing the quality/scope of online education	5.11	5.53
• Adjusting to the loss of in-person education	5.07	5.50
• Facilitating collaboration and operational efficiency among remote staff	5.57	5.50
• Keeping board and committee members meaningfully engaged	5.48	5.49
• Avoiding declines in membership	4.90	5.20
• Being innovative	4.85	4.87
• Having the data to make good decisions	4.63	4.73
• Developing alternative approaches for member engagement	4.77	4.71
• Monetizing & attaining profitability for online education and events	3.98	4.54
• Diversifying revenue sources	3.72	4.06

- For each of 12 items, respondents were asked to use a 7-point scale (“not very well” to “extremely well”) to indicate how well they thought their organization was adapting to the challenges caused by COVID-19.
- For most items mean scores increased from the summer 2020 survey. Of particular note:
  - Mean scores for the questions related to the non-financial aspects of education events increased, perhaps reflecting successful adjustments since last summer.
- While still improving, the lowest mean scores continued to be associated with profitability of education events and diversifying revenue.

Top Performing Items (at least 50% responding 6 or 7)

For each of the following, use the seven-point scale to indicate how well you think your organization is adapting to the challenges caused by Covid-19?	Not Well 1-2	Moderate 3-5	Well 6-7
• Supporting remote work environments for staff	2%	25%	73%
• Increasing the quality/scope of online education	3%	36%	61%
• Facilitating collaboration and operational efficiency among remote staff	3%	39%	58%
• Planning for a virtual annual meeting	3%	39%	58%
• Keeping board and committee members meaningfully engaged	2%	41%	57%
• Adjusting to the loss of in-person education	1%	45%	54%

- While association leaders remain very positive regarding support for remote work environments, they are less confident about achieving collaboration and operational efficiency.
- The majority felt their organizations were adjusting well to the loss of in-person education, as well as increasing the quality/scope of online education.
  - This represented a significant change from 2020 when only 40% felt they were doing well adjusting to the loss of in-person education, and 44% felt the quality/scope of online education was improving.

Bottom Performing Items (less than 50% responding 6 or 7)

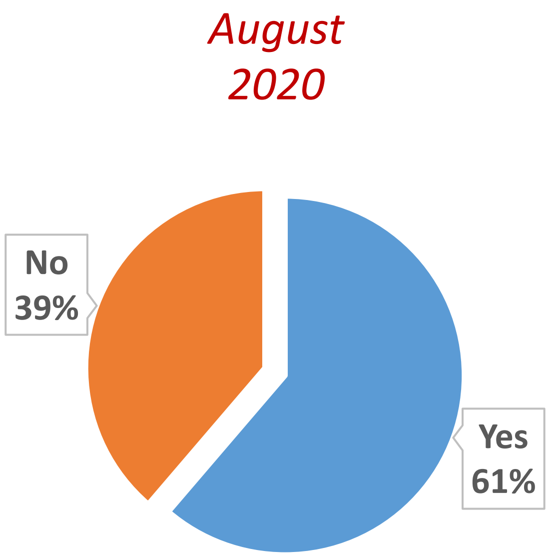
For each of the following, use the seven-point scale to indicate how well you think your organization is adapting to the challenges caused by Covid-19?	Not Well 1-2	Moderate 3-5	Well 6-7
• Avoiding declines in membership	6%	48%	46%
• Being innovative	5%	59%	36%
• Having the data to make good decisions	9%	55%	36%
• Developing alternative approaches for member engagement	2%	67%	30%
• Monetizing & attaining profitability for online education and events	9%	62%	29%
• Diversifying revenue sources	13%	70%	17%

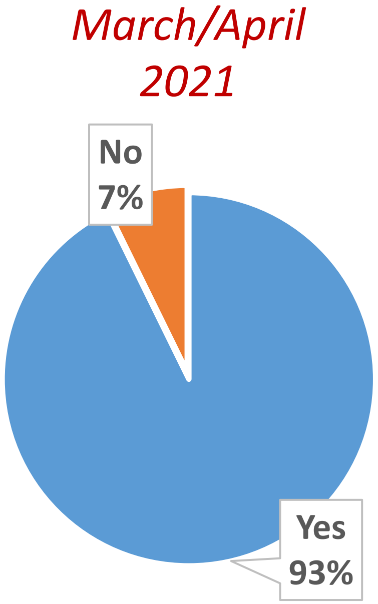
- Association leaders have become somewhat more positive about their efforts to avoid membership declines (46% versus 37% in 2020) but remain less confident in their ability to be innovative or develop new approaches for member engagement.
- Despite more confidence in dealing with online education, the areas of greatest concern continue to be overall diversification of revenue, as well as monetizing and attaining profitability for online education/events.

Virtual Events

Implementation of Virtual Education

In the past six months has your organization held a virtual educational meeting that was a REPLACEMENT for a meeting that otherwise would have been in person?

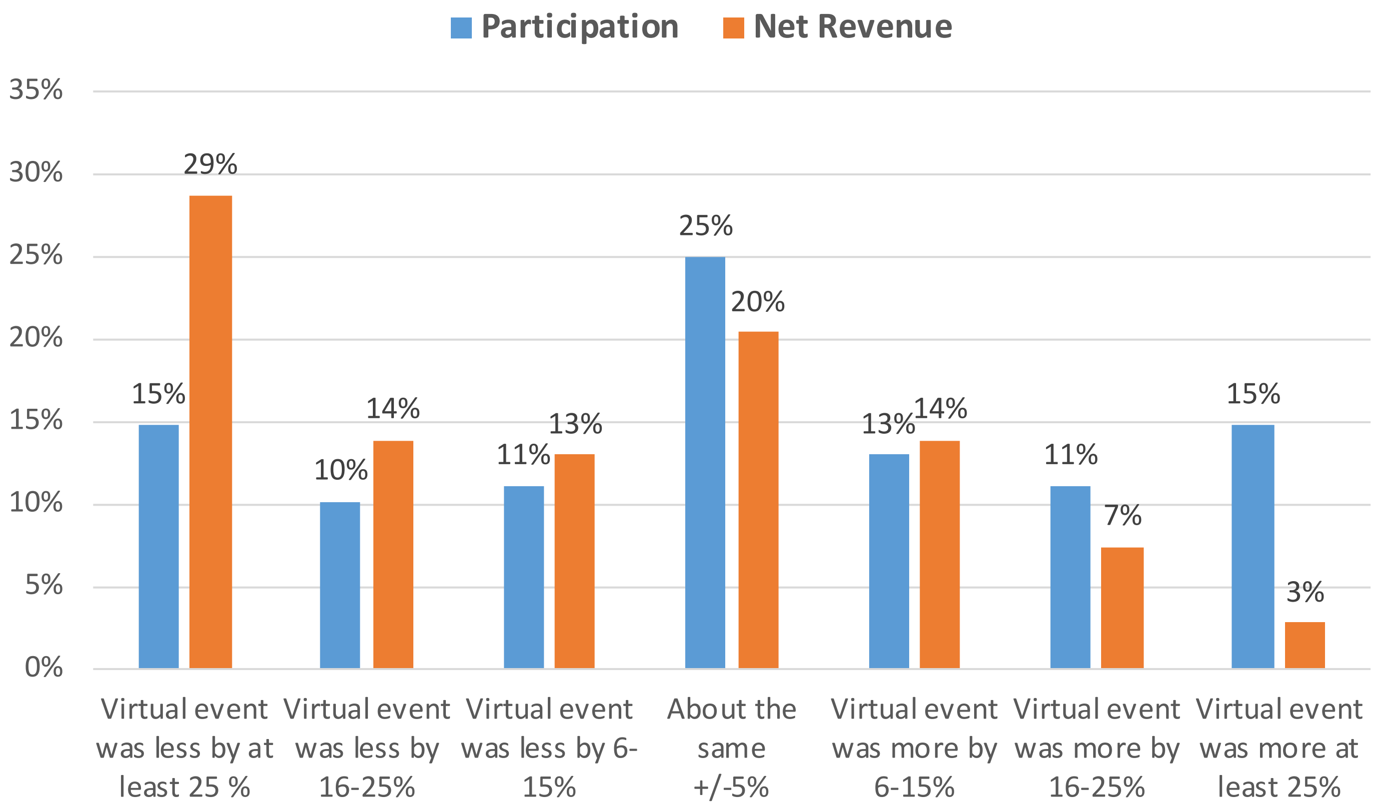




- When the survey was first administered during summer 2020, 61% of respondents indicated their organization had held a virtual education meeting that replaced a previously in-person event.

- By the time of the current survey, that had grown to 93% having held at least one such meeting within the previous six months.

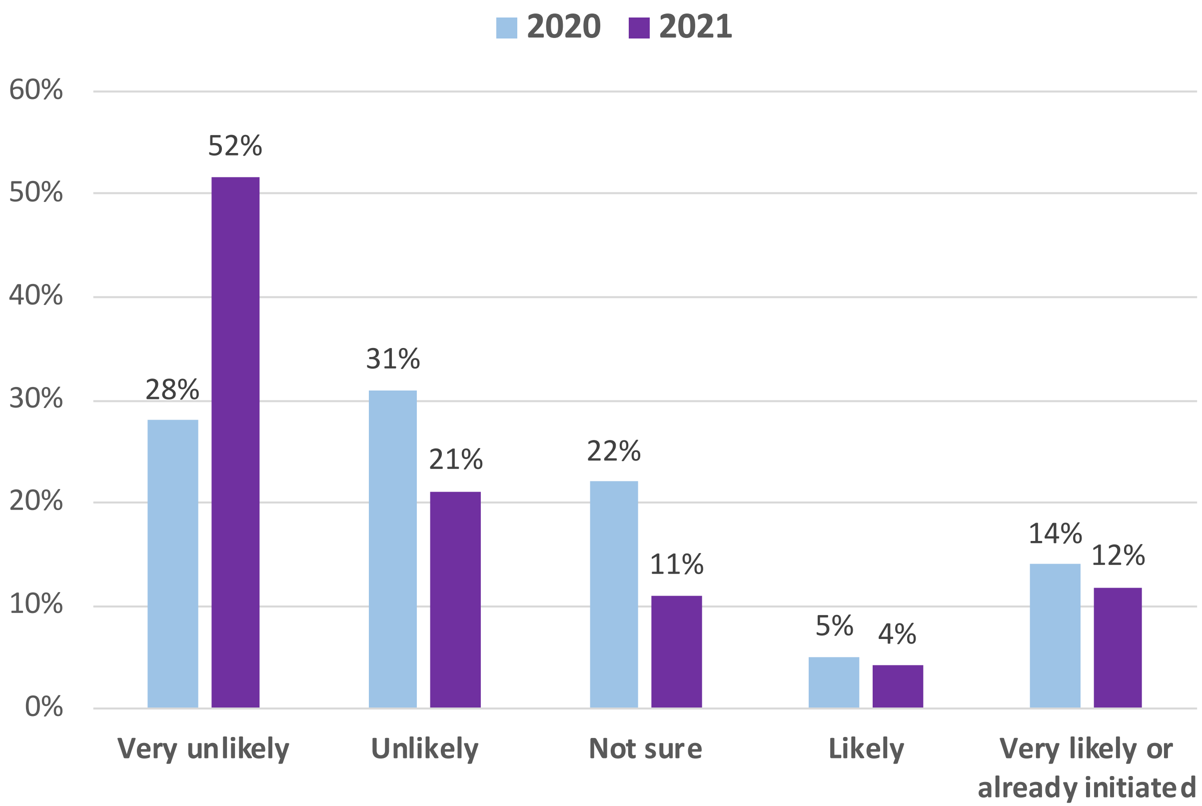
Participation & Revenue from Virtual Education



- The pattern of participation in virtual education that replaced an in-person meeting was similar for 2020 and 2021:
  - 25% of current respondents indicated their organizations experienced a decline in participation of more than 15%. A similar proportion (26%) said they experienced an increase of more than 15%.
- As was the case in 2020, the revenue picture remains problematic:
  - 43% of respondents said net revenue declined more than 15%. At the other extreme, only 10% saw an increase in revenue of more than 15%.
- Increases in participation generally did not yield proportional increases in net revenue.

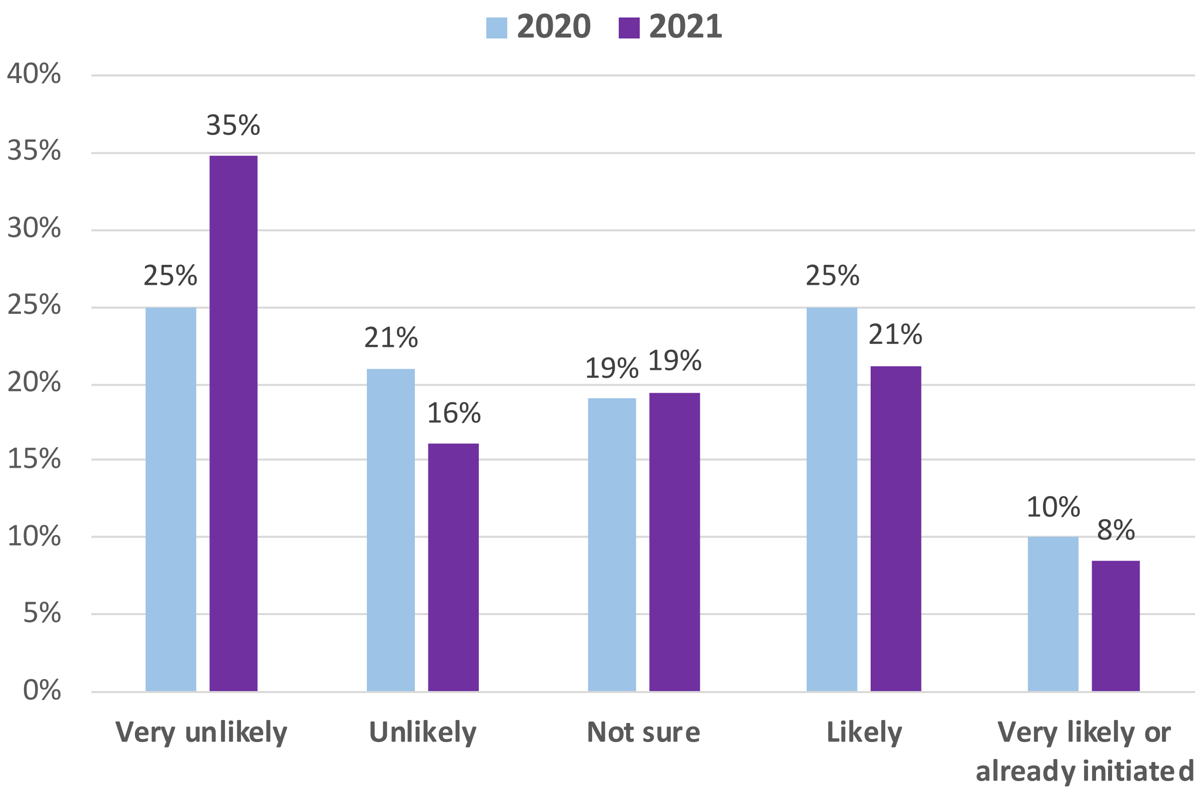
Staffing/Organization Structure Responses

Layoffs/Furloughing Staff



- In the summer of 2020, only 28% of respondents indicated their organizations would be "***very unlikely***" to initiate layoffs/furloughs due to the pandemic.
- By March/April of 2021 that climbed to 52% indicating such staffing changes were very unlikely.
- The pattern of responses suggests that the threat of new pandemic-related layoffs/furloughs is relatively low

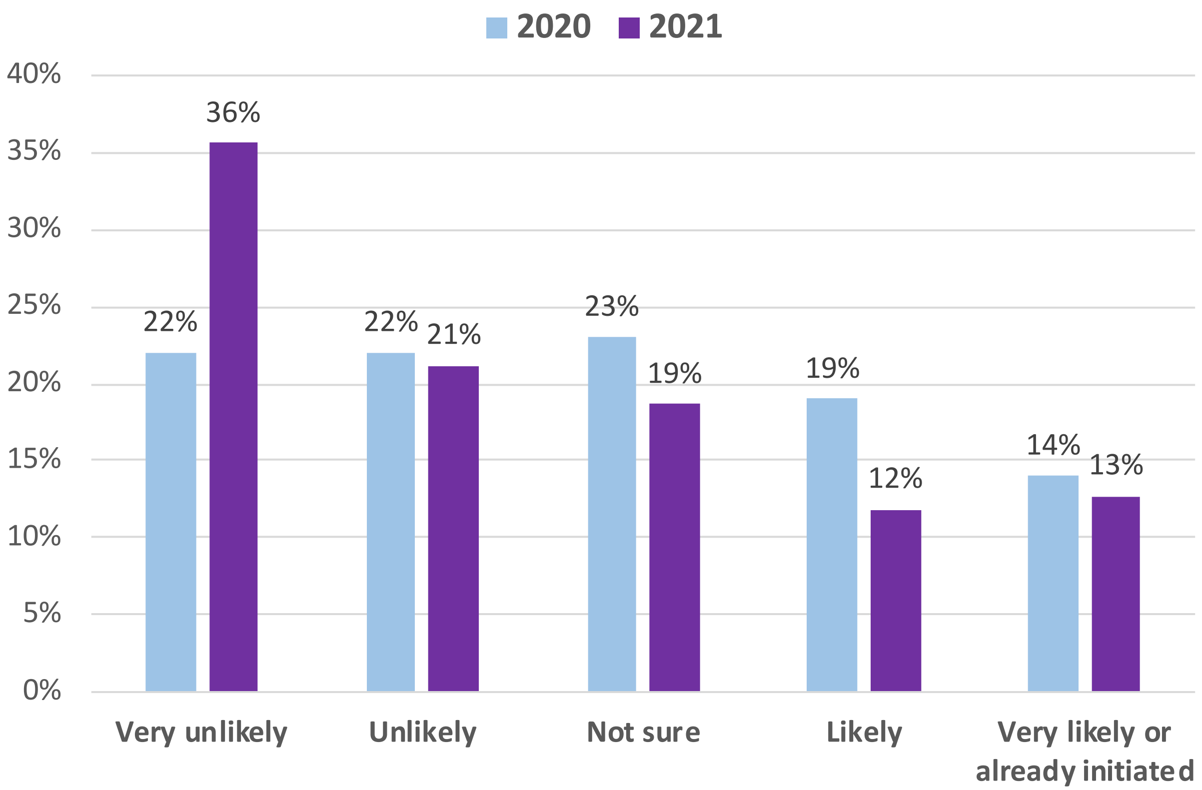
Increased Use of Freelancers



- The expectation regarding use of freelancers has declined somewhat. Whereas in summer 2020, 25% indicated they were ***very unlikely*** to use more freelancers, by March/April 2021 that increased to 35%.

- Despite the increase in organizations that are very unlikely to use more freelancers, there remains a substantial percentage of respondent organizations that are open to greater use of freelancers.

Organizational Restructuring



- Apart from any short-term changes, respondents were asked if they thought the COVID-19 pandemic would lead to initiatives to "restructure their organization, reducing layers and/or consolidating functions."
    - Compared to summer 2020, there was a significant increase in organizations ***very unlikely*** to consider restructuring.
    - However, there remains a quarter of respondent-organizations that indicated they either already restructured or were likely/very likely to do so.

Long-Term Impacts

Education and Networking

For each of the following, do you think the changes brought on by the COVID-19 pandemic will be short term, or will they result in lasting, fundamental changes?	Return to pre-pandemic pattern	Undergoing fundamental, lasting change
• Online, on-demand education experiences	19%	81%
• Online, real time educational or networking experiences	24%	76%
• In person educational events (other than annual meeting)	39%	61%
• In person annual meeting attendance/ experience	41%	59%
• In person networking opportunities to foster engagement	55%	45%

- There is strong agreement that the pandemic will lead to lasting changes for both "on-demand" (81%) and "real-time" (76%) virtual education.
- Approximately 40% of respondents felt that in-person education would return to the "old-normal." That is greater than for the 2020 survey when about one-quarter of respondents felt there would a return to pre-pandemic levels of in-person education events.
- There is more divergence (55/45 split) regarding whether there will be fundamental changes impacting other in-person networking activities.

Return to In-Person Annual Meeting

Are you planning an in person annual meeting for either the latter part of 2021 or during 2022 that will be similar to the scope and style of your pre-pandemic annual meeting?	Undergoing fundamental, lasting change
• Yes, we are planning a meeting for the latter part of 2021.	59%
• Yes, we are planning a meeting for 2022.	32%
• No, we have no current plans, but may consider scheduling something for 2022.	9%
• No, the earliest we might consider an in person annual meeting would be 2023.	0%

- Respondents were asked an additional question regarding plans for an in-person annual meeting similar to the type help prior to the pandemic:
  - 91% of respondents indicated they were already planning a meeting for the latter part of 2021 or 2022.
  - Although the other 9% did not have any current plans, they did indicate that they may consider such a meeting for 2022.

Revenue, Products/Markets and Membership

For each of the following, do you think the changes brought on by the COVID-19 pandemic will be short term, or will they result in lasting, fundamental changes?	Return to pre-pandemic pattern	Undergoing fundamental, lasting change
• Revenue diversification	47%	53%
• Collaboration efforts to explore new markets	49%	51%
• Core products and services (product portfolio)	52%	48%
• Membership model (including benefits and dues structure)	62%	38%

- There is approximately as 50/50 split on attitudes whether fundamental change will occur for revenue diversification, collaboration related to new markets, and the composition of the organization's product portfolio.
    - At the time of the 2020 survey all those items were more likely to be seen as undergoing fundamental change (67-60% expecting fundamental change).
- 62% of respondents felt that their membership model would return to the pre-pandemic pattern, a slight increase from 58% in 2020.

Changing Sources of Revenue

What do you think will be the long-term impact of the COVID-19 pandemic on your organization for each of the following sources of revenue?	Decrease as a result of COVID-19 changes	Revert to its pre-COVID-19 trend	Increase as a result of COVID-19 changes
• Online educational events	3%	16%	82%
• Sales of products (including information/data products)	14%	56%	30%
• Membership dues	18%	58%	24%
• Investments	7%	75%	18%
• Corporate sponsorships	23%	60%	17%
• Grants and donations	20%	68%	12%
• In person events	37%	53%	11%

- Respondents were asked their expectations about several specific revenue sources:
  - There was almost universal agreement that revenue from online education would increase.
  - Expectations about membership dues revenue rebounded from 2020 (from 40% expecting a decrease to 18%), as did expectations for in person events (from 65% expecting a decrease to 37%) .
  - Similarly, respondents in the current survey were less likely to expect declines in investments, corporate sponsorships and grants/donations.
  - As in 2020, about 30% of respondents envisioned opportunities emerging for growth in product sales.

Staffing, Technology and Decision-Making

For each of the following, do you think the changes brought on by the COVID-19 pandemic will be short term, or will they result in lasting, fundamental changes?	Return to pre-pandemic pattern	Undergoing fundamental, lasting change
• Proportion of staff working remotely	29%	71%
• Investments in technology (digital strategy)	45%	55%
• Decision-making processes	54%	46%

- Three additional questions were included regarding operational issues that have been significantly impacted by the pandemic:
  - 71% envision lasting fundamental changes in the proportion of staff working remotely (same as 2020).
  - 55% saw ongoing, long-term impact in their approaches to developing digital strategies and investing in technology (down from 63% in 2020).
  - 46% felt the disruptive experience of the pandemic would lead to fundamental, long-term changes in their decision-making processes (down from 58% in 2020).

To provide additional input about perceptions of lasting changes, respondents were asked to comment on the most important long-term impacts of the COVID-19 pandemic on each of the following organizational characteristics:

- **Product/service portfolio**
- **Encouraging member/customer engagement**
- **Staffing & operational processes**
- **Overall organizational vision/mission**

Perspectives on Product/Service Portfolio

Innovative Virtual Strategies

- "Expand online offerings that are made for online not regurgitated educations that we just record."
- "There will be more on-line courses, games and bite sized learning modules."
- "Quicker development timeline; shift to more on-demand or just-in-time."
- "The Pandemic has accelerated our foray into a Learning Management System (LMS) and our members have become much more comfortable with online learning in the pandemic."
- "Diversification is key—no longer will the annual conference be the primary source of revenue."
- "Expansion into smaller, more customized remote and/or hybrid events, especially those that would be in partnership with institutions of higher education and/or branch/geographic chapters; Improved methods of identifying, vetting and integrating member SMEs as part of the content/PPS curation/creation process."

When respondents were asked to comment on the most significant product portfolio changes brought on by the pandemic, there was a focus on the permanency of cloud-based offerings and virtual events.

Many respondents explicitly recognized that a digital product portfolio requires significant changes in actual product content, design and delivery.

Perspectives on Member/Customer Engagement

Content & Touch Points

- "More thought put into meaningful engagement."
- "Content, content, content."
- "We will continue to have more virtual professional development opportunities than before the pandemic."
- "Personalization and segmentation delivering a more customer centric engagement experience."
- "More personalized, emphasizing connection and networking across space and time."
- "Launched member engagement scoring so we can target members accordingly."
- "More touch-points, virtual meet-up opportunities, keeping them in the know, sharing."
- "Increased number of networking, social media, and creating touch points and engagement strategies for customers and others to interact with our organization."

Several comments on membership and engagement focused on the importance of content and professional development.

While there was recognition of the need for more touch-points, there also was an acknowledgement that opportunities for engagement needed to be more "meaningful." That includes being more personalized and as noted by one respondent, more "customer centric."

Perspectives on Staffing and Operations

Agile & Efficient

- "Need to become and remain more agile, having the ability to try things regardless of the outcome."
- "Shorter term budgets: 6-month budgets vs simply annual budgets."
- "Improved project management."
  .
- "Our operational processes easily adapted to remote work …The office now acts as a hub rather than a location we all come to and work."
- "Continue improving collaboration and tools for remote work and flexibility in work schedules and employment types."
- "Many communications and procedures have been digitized. Inter-office emails have moved to MS Teams."
- "The last two years we had already gradually been moving all processes and data storage into the cloud. The pandemic allowed us to decide to go completely distributed."
- "Overall improvement and communication of SOPs (and process for better integration of continuous improvement) to strengthen sustainability and business continuity."

When respondents were asked the most important long-term changes impacting operations, several focused on being more agile and flexible, as well as willing to take risks.

Another focus was on the tools to facilitate a distributed workforce plus improved collaboration and communication.

One respondent also noted the importance of SOPs, and an integrated process for continuous improvement.

Perspectives on Vision and Mission

Stability vs. Change

- "This has not changed, and the pandemic will not have an effect."
- "Our vision and mission will most likely be the same, but how we act on it is changing."
- "Make sure it meets today's needs, remind each other of it frequently, and make sure what you are doing is related to it."
- "The industry will never be the same after COVID; how do we help members prepare for what is next."
- "More proactive scenario planning and response time to early red flags."
- "Streamlined mission and more aggressive vision as we move into a post-pandemic world."
- "Increased focus and attention to niche."
- "Diversify even further."
- "If the pandemic lingers, I don't know how long the fabric of what we once had can continue to hold and keep us together.".

Most respondents believed there would be minimal changes in their organizational mission and vision. Typical comments included, "will remain the same; "little change here;" and "no change."

Some commented that the mission and vision would be the same, but that implementation approaches would change. A minority envisioned more basic changes.

Readiness for Success

Organizational Attributes for Success

For each of the following, please indicate the extent to which you agree that the statement is characteristic of your organization:	MEAN	
	2020	2021
• Have become more flexible and innovative to meet future challenges.	5.63	5.59
• Foster a culture of collaboration, teamwork, and commitment to providing value to our customers.	5.54	5.48
• Has become more action oriented; more capable of efficiently making decisions and moving quickly when needed.	5.08	5.11
• Has a plan to assure the capital resources and reserves we need for the future.	4.75	5.07
• Has a well-functioning, strategically focused board.	4.94	4.94
• Have a clear vision of where we are headed and what we need to do for the post-pandemic “new normal.”	4.71	4.86
• Has an operational plan that will generate sustainable profitability.	4.47	4.80
• Is exploring collaborations with other organizations to expand our customer base and/or better serve our current customers.	4.51	4.75
• Is investing in the staff and skill sets that we need for the future.	4.72	4.72
• Is establishing the types of data and information systems that will help us anticipate issues, identify trends and be more strategic.	4.48	4.46
• Has the technology and information resources to provide a targeted, personalized customer experience.	4.28	4.31
• Has a clear digital strategy and plan for ongoing technology innovation.	4.21	4.29

- For each of 12 items, respondents were asked to use a 7-point scale (“strongly disagree” to “strongly agree”) to indicate the extent to which they agreed that the statement characterized their organization:
    - Respondents’ assessments of the 12 organizational characteristics were similar to the summer 2020 survey.
    - There was perceived strengthening of capital resource planning, operational planning, and explorations of collaborative relationships with other organizations. However, those items still had mean scores below 5.1.
    - With mean scores below 4.5 out of 7, having adequate data systems, technology/information resources and a digital strategy remain the weakest attributes for success.

Organizational Culture

For each of the following, please indicate the extent to which you agree that the statement is characteristic of your organization:	Disagree 1-2	Neutral 3-5	Agree 6-7
• Have become more flexible and innovative to meet future challenges.	1%	42%	57%
• Foster a culture of collaboration, teamwork, and commitment to providing value to our customers.	2%	42%	56%
• Has a well-functioning, strategically focused board.	9%	45%	47%
• Has become more action oriented; more capable of efficiently making decisions and moving quickly when needed.	7%	48%	46%

- The majority of respondents agreed or strongly agreed their organizations had become more flexible and innovative, as well as fostering a culture of collaboration and teamwork.
- The percentage of respondents agreeing or strongly agreeing dropped to 46% in terms of translating their increased flexibility and collaboration into efficiently making decisions and moving quickly.
- A similar percentage (47%) agreed or strongly agreed that the board was well-functioning and strategically focused.

Resources and Expansion

For each of the following, please indicate the extent to which you agree that the statement is characteristic of your organization:	Disagree 1-2	Neutral 3-5	Agree 6-7
• Has a plan to assure the capital resources and reserves we need for the future.	10%	40%	50%
• Is exploring collaborations with other organizations to expand our customer base and/or better serve our current customers.	10%	48%	42%
• Is investing in the staff and skill sets that we need for the future.	8%	55%	37%

- Compared to the summer 2020, the current respondents were more likely to perceive their organization as having a capital resource plan (50% agreement vs 34%). They also were more likely to feel their organization was open to collaborative initiatives (42% vs 34% in 2020).

- However, 37% continued to feel there was inadequate investment in staff and skill sets for the future .

Barriers to Success

For each of the following, please indicate the extent to which you agree that the statement is characteristic of your organization:	Disagree 1-2	Neutral 3-5	Agree 6-7
• Have a clear vision of where we are headed and what we need to do for the post-pandemic "new normal."	8%	57%	35%
• Has an operational plan that will generate sustainable profitability.	10%	56%	35%
• Has a clear digital strategy and plan for ongoing technology innovation.	20%	51%	29%
• Is establishing the types of data and information systems that will help us anticipate issues, identify trends and be more strategic.	13%	62%	26%
• Has the technology and information resources to provide a targeted, personalized customer experience.	15%	62%	23%

- The attributes with the lowest level of agreement suggest that association leaders continue to have significant uncertainty regarding their organizational positioning for successful change.
- 35% or less of respondents agreed or strongly agreed that their organizations have:
  - A vision of where they are headed
  - An operational plan to achieve profitability
  - Adequate technology; information resources or business intelligence systems
  - A clear digital strategy to support innovation

Conclusion

Persistence of “Return to Normal” Perspective

- Throughout the survey, there was an undercurrent reflecting the belief that things will return to a pre-pandemic state.
    - While respondents continue to agree that the effects of the pandemic would result in changes in associations, in open-ended comments most respondents did not feel there needed to be any change in their organization’s mission and vision.
    - Compared to summer 2020, respondents seemed significantly less concerned that changes associated with the pandemic would threaten organizational viability.
    - Many respondents are anticipating a revenue rebound from membership dues (82%) and in- person events (64%) that matches or exceed pre-pandemic levels.

Impact of Reliance on Virtual Education

- The area of greatest consensus regarding lasting change is the growth of online education.

- While the ongoing shift to online education was seen as long-lasting by most respondents, there remains a concern regarding the ability to monetize virtual events.

- In general, increases in attendance for online events were not proportionally matched by increases in net revenue.

Navigating Future Disruption

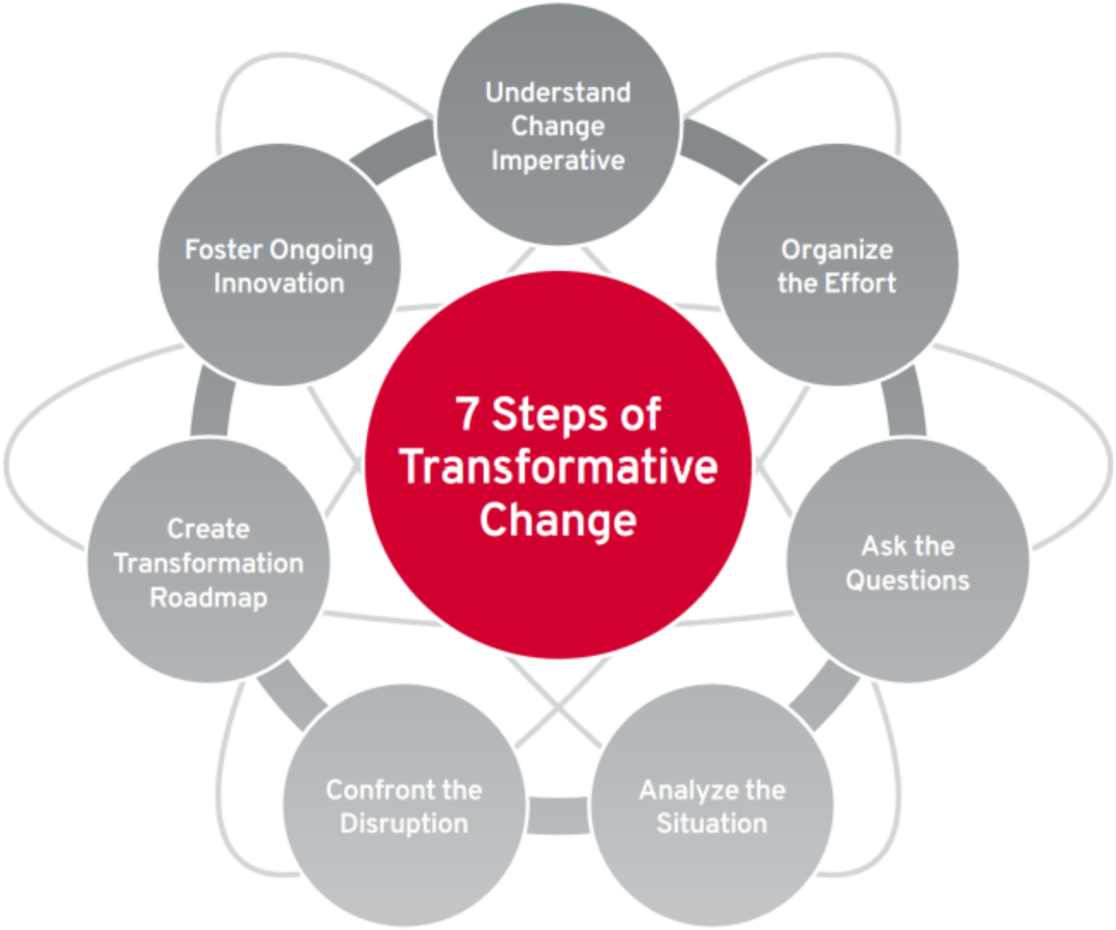
- Respondents tended to feel that in response to the pandemic their organizational culture was becoming more flexible and innovative, as well as characterized by enhanced collaboration and teamwork.

- However, respondents indicated limited progress on several organizational keys to long-term success such as:
  - A clear "post-pandemic" vision for the organization
  - Investment in human resources/needed skill sets
  - Data and business intelligence to foster strategic decision-making
  - Operational plans for sustainable profitability
  - A well-defined digital strategy
  - Capital resources

A Strategy for the Future: Becoming a Resilient Organization

- **Focused vision:** The organization knows why it exists and what is most important.
- **Adaptive, flexible, nimble:** Strategies and tactics are future oriented and constantly evolve.
- **Innovative, risk tolerant, experimental:** It is never "business as usual." The organizational mindset/culture supports change.
- **Built for action:** Organizational culture supports efficient decision-making and delegated/decentralized authority.
- **Robust business intelligence system:** Data systems support decision-making, including environmental scanning systems and real-time feedback.
- **Enabling technologies:** Digital transformation is a core strategy, integrated throughout the organization.
- **Financial health:** In addition to operating performance and diverse revenue streams, the organization has capital resources to invest in transformative change.

.orgSource Pathway to the Future



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