



How
Integrated
ED/CEOs

Work in the AMC Model

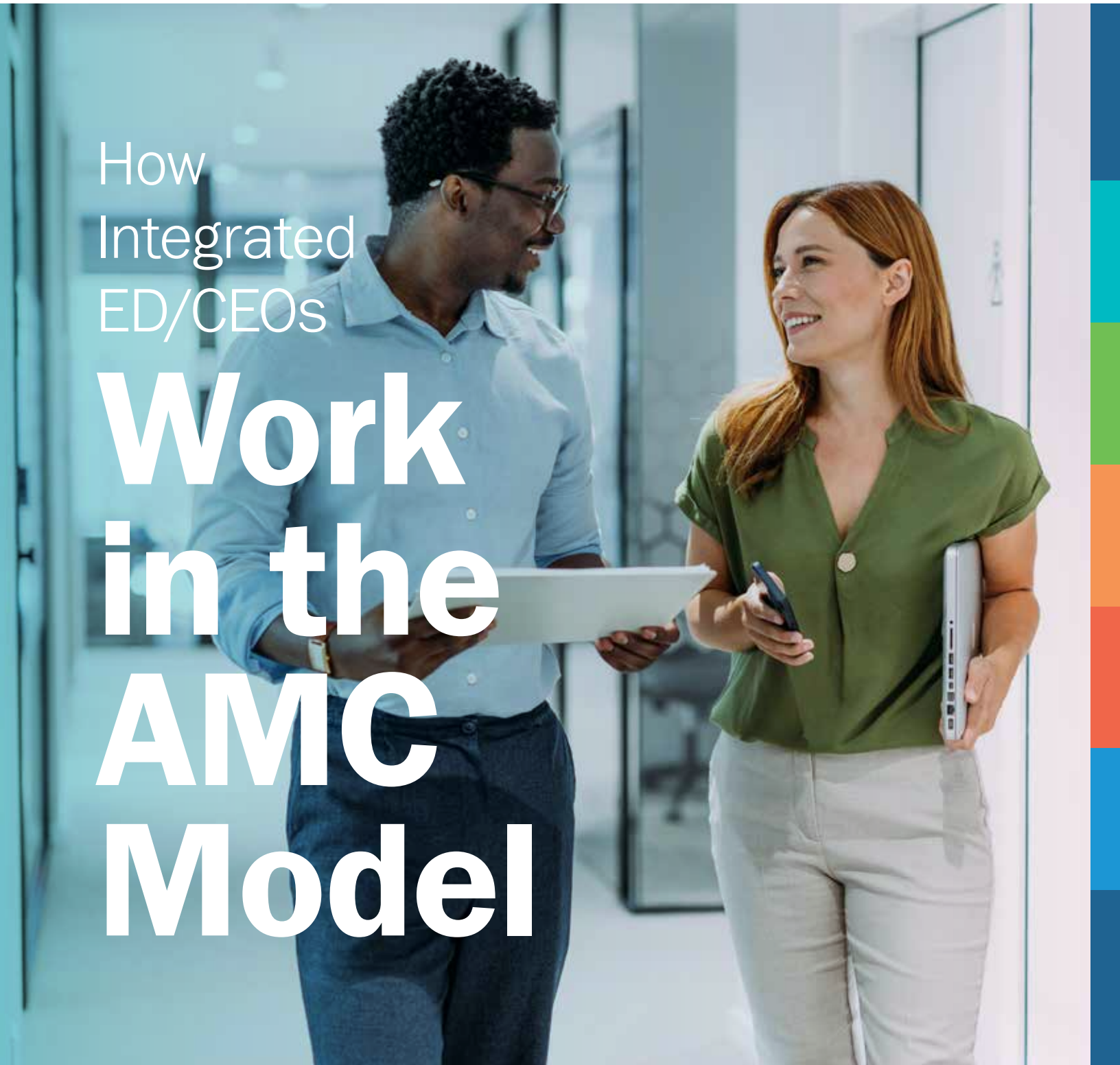




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The Association Management Company Institute firmly believes in the model of using an Association Management Company and experienced professionals who know and understand the best practices for running not for profit, trade, and professional organizations. Through years of experience and developing best practices, we believe that running the business (day-to-day operations) of an association is best left to professional association managers rather than trade or professional experts within the specific industry. Additionally, AMCI believes AMCs have proven their employees can have or develop experience in the industries and professions they serve delivering both association management and industry expertise to the association and its members. However, we fully recognize that in some associations there is a preference to have “one of their own” or a professional from the field in the Executive Director or CEO role. Most AMCs offer this integrated model of association management.

Over the years, most AMCs have embraced the model of working with an external industry expert and learned how to make this structure successful for all parties. To show our commitment to working within this integrated model, the AMCI put together a working group of AMC owners and outside Executive Directors/CEOs to review this model and how it can be made successful and sustainable for the long term. This eBook reflects the combined experiences to provide best practices and some illustrative case studies.



02

How Does the AMCI Define the Association Management Company/ED/CEO Integrated Model?

For clarity, our definition of this integrated model is specific to the Executive Director or CEO of an association. The CEO/Executive Director is a direct employee or contractor of the association reporting solely to the Board and the AMC serves as the operational staff support, both of whom have accountability to the Board. The individual filling this role is typically an industry expert, but not always. The guidance in this eBook can also be applicable to any outside staffing leadership.

03 Benefits of the AMC/ED/CEO Integrated Model?

Many associations are not familiar with the potential of an integrated model with an Executive Director and an AMC. This collaborative approach unlocks significant value, offering numerous advantages for boards, staff, and members. The most common benefits we hear from those within the model are:

1. Strategic Expertise in the Field or Profession
2. Scalability
3. Enhanced Performance and Innovation

04 How the ED/CEO/AMC Model Delivers Results?

Improved Focus & Efficiency

The Executive Director can focus on strategic vision and member engagement, while the AMC handles day-to-day operations, finances, and compliance. This creates a streamlined team with clear areas of focus. AMC staff are association management professionals and can alleviate many of the administrative burdens while also providing guidance on best practices of association management.

Specialized Skills

AMCs bring a team of experts in various areas like accounting, marketing, and event planning. The ED can leverage this expertise without needing to hire a large in-house staff or rely on third-party contractors. This has been a gamechanger for many associations, since in many cases, an AMC's staff are more invested in the associations they work with, in comparison to many contractors. The result is a better product or service for the association and greater accountability.

Economies of Scale

AMCs spread operational costs across multiple clients, offering the association access to resources at a lower cost than building an inhouse team or using outside contractors. This often allows for greater financial stability for long-term growth.

Negotiation Power

AMCs can leverage their buying power to negotiate better rates with vendors for services like insurance companies, software providers, and event venues.

Flexibility

AMCs allow the association to scale its services as needed. This is useful for growing organizations or those with fluctuating needs. Organizations are able to add fractional staff through the AMC which provides a low-risk option as the organization scales.

Best Practices

AMCs provide experts in areas like accounting, marketing, and event planning, allowing the ED to utilize this expertise without hiring a large in-house staff or relying on third-party contractors. This leads to better products or services and greater accountability, as AMC staff are invested in the associations they serve.

Benchmarking

AMCs can provide valuable data and insights from working with other associations, allowing the Board to make data-driven decisions.

Continuity in Staffing & Leadership

AMCs provide stability in case of ED turnover, ensuring smooth operations during transitions.



06

The Most Common Challenges That Threaten the Success of the Model

1. ED not committed to AMC Partnership
2. An attitude of the AMC being a vendor rather than a partner
3. Division of responsibilities not defined
4. An ED obstructing AMC-managed processes
5. Contractors and staff not committed to AMC partnership

The success of any partnership hinges on clear communication, shared goals, and mutual respect. The AMC/ED model offers a powerful framework for association management, but navigating this collaboration requires a proactive approach. This section explores some common challenges that can arise within the AMC/ED partnership, along with practical solutions to ensure a smooth and successful working relationship. By understanding these potential roadblocks and implementing effective strategies, associations can leverage the full potential of this dynamic model.

Limited Communication Between Board and AMC

Without direct communication on strategic priorities with the Board from key leaders within the AMC, outcomes are poor. Leadership from the AMC should act as strategic partners to the Board and CEO. The Board benefits from getting knowledge on processes, tactics, and details straight from the source and AMC experts. Should the AMC staff be required to communicate through an ED or CEO, the messaging can be lost resulting in a Board operating without the most accurate information

Solution: Establish clear communication channels. Regular meetings and reports directly from AMC staff can keep the board informed.

Lack of Executive Director Buy-In

Buy-in is a powerful tool when it comes to the AMC/ED/CEO Integrated Model success. The lack of buy-in from an ED prior to engagement fosters resentment and can create uncertainty in how they feel about their role. Building buy-in requires a thorough understanding of the benefits of collaborating with an AMC.

Solution: Actively involve the ED in the selection process and clearly outline how the AMC partnership empowers them to achieve goals. Clearly outline how the ED or CEO will be empowered by the partnership with the goals of the ED or CEO and the AMC both serving the strategic priorities of the Board together.

Treating the AMC as a Vendor

The relationship between an association and AMC is truly unique. Unlike most contracted partners, an AMC assumes the culture of the organization and operates as an extension of the organization. Should the Board, association staff, or ED not understand this and keep the AMC at an arm's length, the AMC will not be able to fully perform their role.

Additionally, it's vital for the Association and ED to understand that an AMC's processes are time-tested and may not reflect their operational practices. The ED should partner with their AMC to understand the norms of the AMC's Standard Operating Procedures. By contrast, a lack of collaboration can affect operational plans, timelines, etc., with unreasonable demands and deadlines imposed.

Solution: Foster a collaborative environment where both parties work as an integrated team. Respect the AMC's expertise and adapt to industry established best practices where applicable.

Unclear Roles and Responsibilities

Successful partnerships are built on mutual respect and collaboration, where each partner's strengths are acknowledged and utilized to achieve the best results. In an AMC/ED/CEO Integrated Model, if the ED does not fully trust or utilize the AMC's expertise, it can hinder the effectiveness of the partnership.

Solution: Foster open communication and encourage the ED and Board to fully engage with and leverage the AMC's experience. Always ensure there is a clear scope of work established for the engagement. Additionally, consider developing a RACI chart or an accountability chart to define roles and clarify responsibilities for the Board, ED, and AMC staff. This ensures everyone understands their responsibilities and avoids confusion.

Limited Recognition of the AMC's Expertise and Operation

The best partners rely on one another's strengths to produce the best outcomes. The worst don't acknowledge or leverage their partner's strengths. When entering an AMC/ED/CEO Integrated Model, if the ED doesn't trust or leverage their AMC's expertise, the results suffer.

Solution: Promote open communication and encourage the ED and Board to leverage the AMC's experience.

Silos and Misalignment with External Staff

External staff, hired directly by the association, may operate independently and lack alignment with the AMC/ED team. This can lead to siloed work, mismatched timelines, and inefficient use of resources.

Examples can include government relations specialists or education specialists who work directly in the field of the association and who are hired directly by the association. Unless they are briefed appropriately and directed to work with the AMC, they will operate in a silo. This results in misaligned timelines, ineffective communication, and often duplicated work.

Solution: Ensure all staff, including those hired directly by the association, are briefed on the AMC partnership and their role in collaborating effectively.

08 Essential Practices for a Thriving AMC/ED Partnership

The AMC/ED model offers a powerful combination of strategic leadership and operational expertise. However, to maximize its full potential, fostering a strong and collaborative partnership is crucial. This section explores essential practices that lay the groundwork for a successful and thriving AMC/ED relationship. By prioritizing these practices, associations can build a dynamic AMC/ED partnership that provides the expertise and efficiency that will get them closer to achieving their goals.

- 1 A shared vision and goals of the association.**
The ED/CEO, Board of Directors, and AMC should align on the association's mission, vision, and strategic objectives. Having a shared understanding of the association's purpose ensures everyone is working towards the same goals.
- 2 Collaborative decision-making between ED/CEO and AMC.**
Decisions should be made collaboratively, with input from all parties involved. While the ED/CEO may provide leadership and guidance, input from the management company is essential for the Board to have informed decision-making.

3 An ED/CEO who desires a good working relationship with their AMC partner.

A key ingredient in the AMC/ED partnership is the ED/CEO's ability to foster collaboration. Effective leaders in this model are pragmatic, with a clear understanding of the value that the AMC brings to the ED for them to fulfill the mission of the organization, and that their success can be enhanced by the tools and resources offered by the AMC. Therefore, it is in the best interest of the ED to strive to work seamlessly with the AMC team. This collaborative approach ensures clear communication, fosters trust, and ultimately drives success for the association.

4 Effective review process for the board to hold the ED/CEO and AMC accountable.

Regular performance evaluations and feedback sessions allow for continuous improvement. Constructive feedback helps identify areas for growth and strengthens the relationship by addressing concerns proactively. It is essential for this feedback loop to be comprehensive, with the AMC, ED/CEO, and Board all providing feedback to one another.

5 Clear delineation of roles between the ED/CEO and AMC.

Clearly defined roles and responsibilities help prevent confusion and conflicts. The ED/CEO, board, and management company should have distinct roles outlined, with a clear understanding of who is responsible for what areas of association management, governance, and strategy.

It is crucial that the Board decides on and provides a clear role for their ED/CEO. AMCs have found relationships work best when the ED/CEO is focused on developing the strategy with the Board and working with the AMC to operationalize the strategy. It is also key for the AMC to have a clear scope of work within the contract. This will ensure clarity on which association processes the AMC is responsible and accountable for delivering and how the work of the ED/CEO guides or complements that work.

We also recommend an outline or RACI/accountability chart for the roles and responsibilities be revisited periodically and updated as the extent of the scope of work unfolds more clearly over time.

6 Clear and appropriately aligned titles.

Depending on the engagement, it is prudent to examine titles to ensure they align with area of focus. The title of Executive Director or CEO can cause clarity challenges in the model. If the individual is expected to carry out strategy, it may be prudent to consider the title of Chief Strategy Officer. If they are expected to be the expert representing the profession, consider Chief Professional Officer. If the AMC leader is expected to carry out all operations, Director of Operations or COO, may be more appropriate. These title changes can offer clarity to all parties involved in driving the association's mission forward.

7 Efficient communication and conflict resolution processes.

Effective and efficient communication is paramount. All parties should maintain open channels of communication, sharing information, updates, concerns, and goals transparently and regularly.

Culture and accountability are set from the top down. It is crucial that the Board set the tone and culture of the organization for staff to thrive. The Board of Directors should play a key role in ensuring communication between all parties. The AMC partner should have a clear path of direct communication with the Board. Key operational staff from the AMC should be able to easily communicate directly with the Board.

Despite best efforts, conflicts may arise. Having mechanisms in place to address conflicts and disagreements constructively is crucial for maintaining a healthy relationship and maximizing the benefit of having an AMC and ED.

Before issues arise, plan for how they will be addressed. This can involve mediation, facilitated discussions, or other conflict resolution techniques.

8 Trust and accountability for all parties.

Trust is the foundation of any successful relationship. All parties should trust each other to fulfill their responsibilities effectively. Accountability mechanisms should also be in place to ensure that commitments are met, and expectations are upheld.

9 Adaptability and flexibility for all parties.

The association landscape is constantly evolving, so all parties must be adaptable and flexible in their approach. The willingness to adjust strategies and plans in response to changing circumstances is essential for success.

10 The AMC acts as an extension of culture and a mission partner.

Each party should respect the expertise, experience, and perspectives of the others. Recognizing and valuing each other's contributions fosters a positive working relationship and true partnership. AMCs want what is best for the association and for the mission to be achieved.

11 The AMC is integrated into the hiring of an outside ED/CEO.

The AMC's experience in association management allows them to assess the ED/CEO's qualifications for working with the structure of the AMC model. By being involved from the start, the AMC can establish a strong working relationship with the ED/CEO from day one, fostering a smoother transition and a shared understanding of the association's goals.

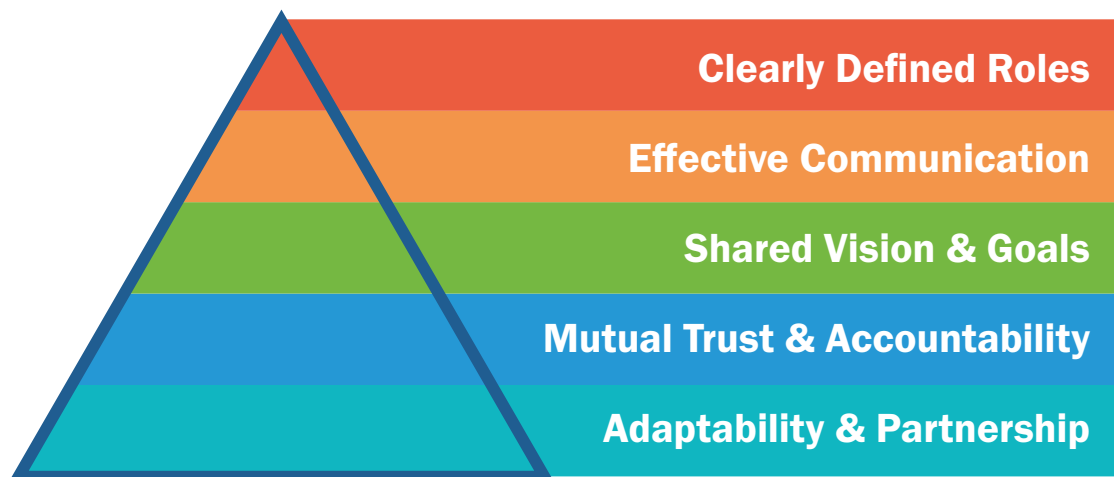
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Finding the Right AMC for Your Association

When choosing an AMC for your association, you will need to consider your association's unique needs and structure. Despite what people may think, AMCs are set up differently, and no two AMCs are the same. Many AMCs are accredited offering additional insurance of best practices. Consider your current staff's strengths and expertise and where your needs are greatest. You will also want to have a clear idea of your budget, as well. When comparing AMCs for the AMC/ED/CEO Integrated Model, you will want to confirm that the AMC has an established process for working with EDs and a history of experience doing so.



A Model of Success



The AMC/ED/CEO model presents an unparalleled opportunity for associations to leverage the expertise of an experienced management company alongside the strategic vision of an industry leader. Maximizing the model's effectiveness hinges on a commitment to collaboration, clear communication, and mutual respect. By actively fostering these elements and implementing the best practices outlined in this eBook, associations can build a thriving partnership that propels them towards achieving their goals. The result? A dynamic and successful organization equipped to deliver exceptional value to its members.

12 AMC/ED/CEO Integrated Model Case Studies

No two associations are exactly the same. Therefore, it would be naive to say that each AMC/ED/CEO Integrated scenario will fit neatly into the model. The following case studies demonstrate the wide array of experiences our workgroup has encountered. While we have many other cases, these illustrate the varying forms the model can take and the experiences that helped us shape the best practices presented in this publication.

Case Study 1: A Tale of Two Integrated Organizations

One of our AMC members recently signed two new integrated management clients on the same day but with two very different outcomes one year later – hence we have a story to tell.

Association A's Profile

Association A is an international professional society with approximately \$2M in annual revenue providing educational opportunities and financial support to members working in a complex and challenging profession. They are funded through a combination of:

- Dues
- Foundation grants
- Sponsorships

Association A holds one international conference per year, which includes an exhibit hall, ad space, and single use rental of the mail list/email distribution listserv.

Association B's Profile

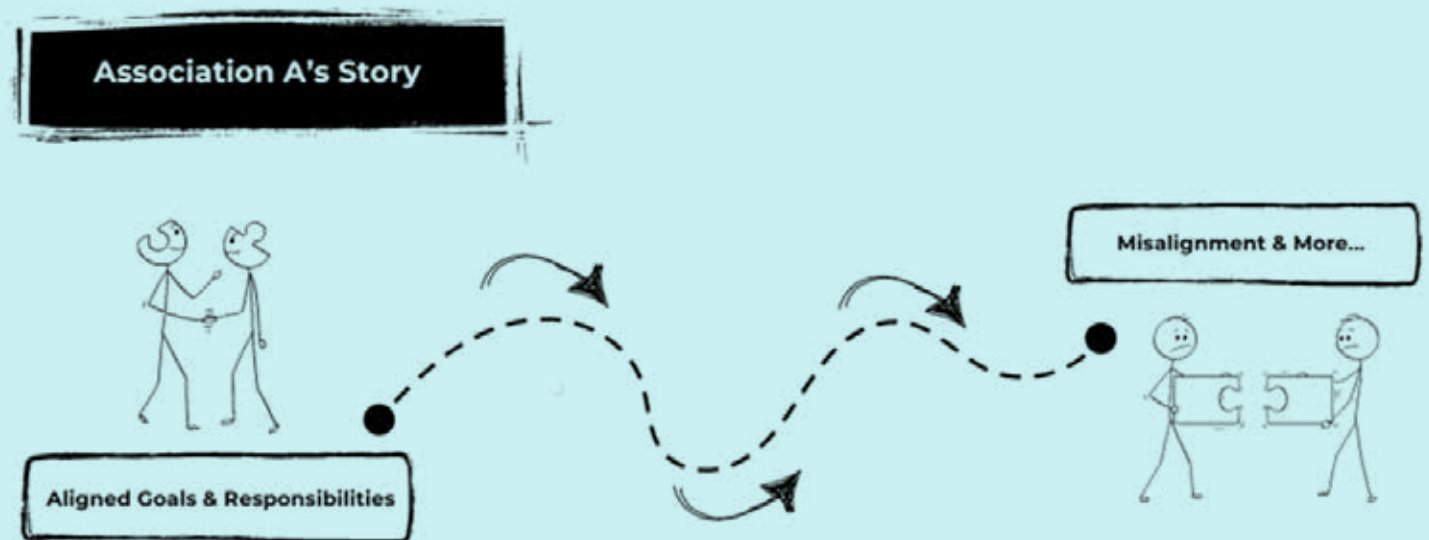
Association B is an international scientific, professional society with \$1.6M in annual revenue. This association has an engaged Board of Directors and robust volunteer base. Association B:

- Holds one major conference annually
- Provides ongoing education and career development resources
- Publishes several scientific journals
- Provides exclusive content to its members

What These Associations Had in Common at the Outset of their Journeys

This AMC member had a unique opportunity to work with two associations with similar offerings and similar attitudes regarding adopting the AMC/ED/CEO integrated model. Both Associations were familiar with the AMC model, had full Board support for the selection, and Association B had previous experience outsourcing to an AMC.

Association A: From a Rocky Onset to a Failed Adoption of the Model



Despite an initial alignment on goals and responsibilities, Association A's journey took a different turn from their counterpart. This is their story.

Misalignment from the Onset

Association A's motivation to engage with an AMC was driven by their long tenured Executive Director's impending retirement. Upon contracting with the AMC, this Executive Director resigned with the long lead time of one year. This extended lead time was deliberate on the ED's part in order to provide support in onboarding the AMC while they establish management and hire a new Executive Director.

Challenges Arise

The AMC encountered significant resistance from the outgoing Executive Director, who remained highly involved in the day-to-day tasks. This ED also continued to manage a handful of independent contractors who were not supportive of Association A's decision to engage with the AMC. The ED's reluctance disrupted the transition process, undermining the effectiveness of the management change.

Despite the emphasis on effective communication, Association A struggled with maintaining open lines of communication between the Executive Director, board of directors, and the management company. This led to misunderstandings, misaligned expectations, and a breakdown in trust.

Association A's leadership and the management company failed to establish a shared vision for the association's future. Resistance to change and a lack of clarity in roles hindered progress and contributed to internal conflicts.

Rifts Deepen & Challenges Compound

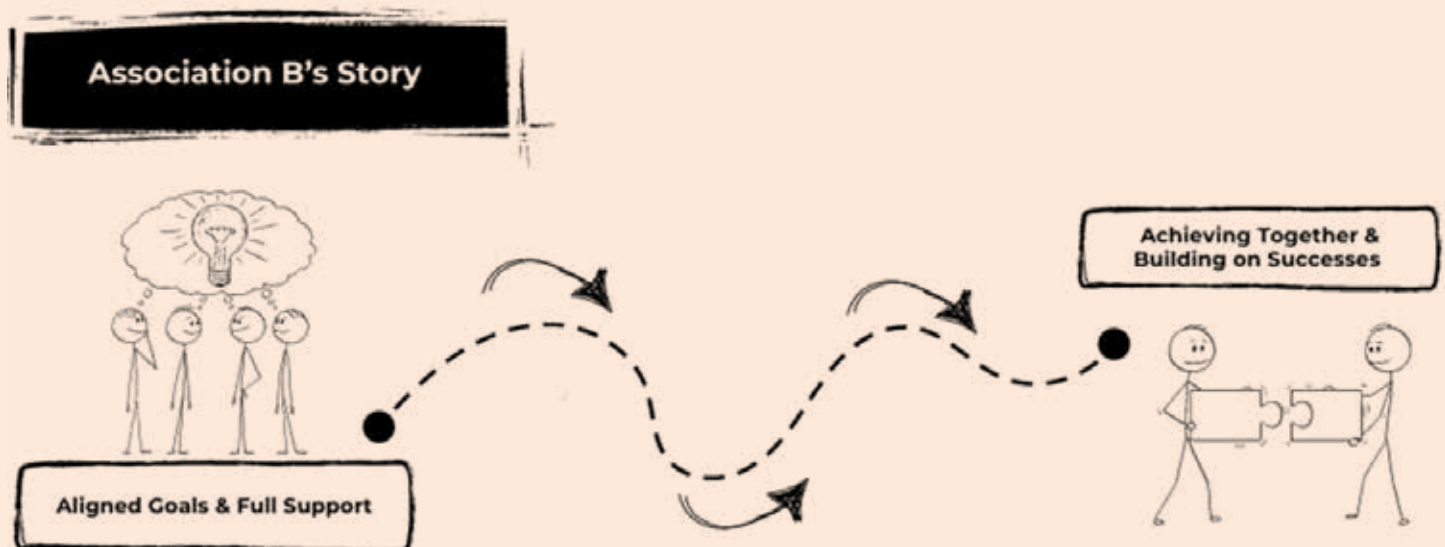
Once the new Executive Director was hired this misalignment in objectives continued, leading to a lack of respect for each other's expertise and contributions which created a strained working relationship, further exacerbating the challenge.

Association A lacked robust mechanisms for resolving conflicts constructively. When disagreements arose, they were not adequately addressed, leading to unresolved tensions and escalating issues within the association. This misalignment and destructive culture led to a challenging annual conference which led to some tough decisions by the AMC.

The Result: Failed Adoption of the AMC/ED/CEO Integrated Model

Despite the initial optimism and producing one of the most successful events the Association has had, Association A's engagement with the AMC ultimately ended in termination due to the accumulation of unresolved challenges and internal resistance. It was only the second time in 30 years that the AMC terminated a contract.

Association B: Getting Onboard & Sailing Into Success



In contrast to Association A's experience, Association B enjoyed a successful partnership with the AMC, achieving significant progress and growth over the course of one year. This is the journey that got them there.



Alignment & Buy-In From the Onset

Association B's Executive Director provided full support for the AMC engagement, facilitating a smooth transition and ensuring buy-in from internal stakeholders. The Executive Director was a long tenured employee of the Association with no intention of leaving or retiring. Association B fostered a culture of collaboration, with all parties actively participating in decision-making processes. Input from the Executive Director, board, and AMC was valued, leading to well informed decisions and effective execution of strategies.

Building Strong Communication & Clarity Through Flexibility & Accountability

Association B prioritized clear and transparent communication, maintaining open lines of dialogue to share updates, concerns, and goals regularly. This facilitated a shared understanding of expectations and fostered trust among all stakeholders. Association B demonstrated adaptability and flexibility in responding to evolving circumstances and challenges. They were proactive in adjusting strategies and plans as needed, ensuring continued progress despite external changes.

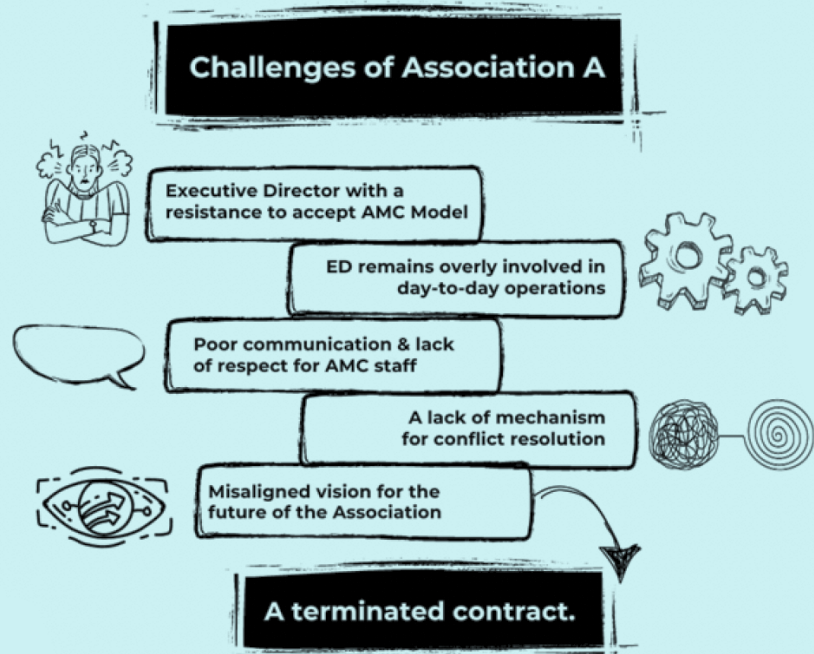
Achieving Together

Association B celebrated achievements and milestones together with the AMC, reinforcing a sense of shared purpose and accomplishment. This practice helped strengthen the partnership and motivated all parties to strive for further success. The first annual conference managed by the AMC was a huge success with contributions visible, acknowledged, and celebrated by the entire team.

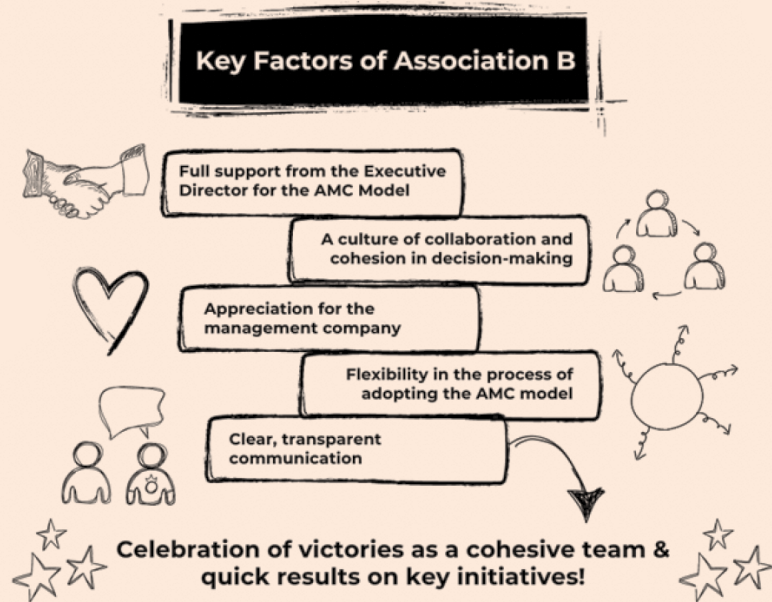
Building on Successes and Achieve More

In addition to a successful annual meeting, Association B achieved greater financial stability and profits in partnership with their AMC. With their meeting in the rearview, Association B could build on smaller victories, such as saving administrative time because they only needed to communicate with one provider rather than multiple independent contractors because the AMC had stepped in to fill the roles that many had filled in the past. This adjustment led to the AMC getting the organization quickly approved for Federal Grants. Additionally, the financial management cadence and reporting has been greatly enhanced and appreciated by all.

Challenges of Association A:



Challenges of Association B:



The divergent outcomes experienced by Association A and Association B underscore the importance of effective collaboration, communication, and support in the relationship between associations and management companies. While challenges are inevitable, a commitment to shared goals, mutual respect, and proactive conflict resolution can foster a successful partnership that drives the association forward toward its objectives.



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Case Study 2: AMC/ED/CEO Integrated Model: A Cautionary Tale

This case study further illustrates the difficulties that can arise when the AMC/ED/CEO Integrated Model is not adequately implemented.

Tough Beginnings with an Unstable Executive Director Position

Association C was historically a stand-alone association but arrived at the AMC model after challenges arose between the board and their existing Executive Director. The AMC was contracted to provide a full-service scope of work except for the role of ED, which Association C would hire and pay a salary and benefits to through an independent contract. Soon after, a disagreement between ED and board erupted during a meeting with the board and AMC, resulting in the resignation of ED on the spot.

The Board subsequently hired new ED from within their industry. The AMC had no role in recruiting the ED nor the opportunity to suggest ED candidate options who were on staff with the AMC who were qualified to step into the role of ED with the association (with buy-in from the association). The relationship quickly became challenging as the new ED entered the relationship with a lack of trust and the need to prove their value to the Board. Board sources informed the AMC that the new ED did not agree with hiring an AMC and sought to undo the Board's decision.



A Snowball of Effects

Unsurprisingly, this story ended on a sour note. AMC staff members requested removal from working with the association and the ED was successful in convincing the Board the decision to hire an AMC should be reversed. Could this model have worked under different circumstances and a different ED? This is likely. In retrospect, we believe that if these elements had been implemented, this AMC/ED/CEO relationship could have been fruitful:

A Solid Understanding of the AMC Model Prior to Engagement: The move from stand alone to the AMC model requires a great deal of communication and mutual commitment to a successful transition. The Board of Directors must understand the benefits of hiring an AMC, and the many success stories associated with the work of AMCs and their shared-work model.

Clearly Defined Responsibilities: It is crucial to have a clearly defined division of responsibilities to avoid conflicts and confusion. The AMC staff has expertise in managing an association. The ED in this situation though experienced in the industry, resisted learning the AMC team's roles and workflows causing inefficiencies and a culture clash.

Mutual Trust/Respect: The relationship did not begin with a foundation of mutual trust and respect. This was not a recipe for success. All engagements must begin with aligned expectations and shared respect. Each party must assume good intent.

Strong Communication: There was an obvious breakdown in communication. Ensuring clear communication is vital to the success of the model.

Visibility and Communication with the Board: Historically, communication between the board and the AMC was limited, which resulted in a narrower perspective and potentially uninformed decisions. By fostering open communication between the Board, the Executive Director and the AMC, the Board can gain a comprehensive understanding, enabling more balanced and well-informed decision-making. Further, we highly encourage that the AMC have an opportunity to provide reports directly to the board at the appropriate times.

Board of Directors Engagement: The Board of Directors did not intervene when challenges arose. They took a hands-off approach expecting the ED and AMC to work it out together. Despite the AMC's professional approach and continued good faith efforts, this approach did not work. Active engagement and appointing a Board/AMC liaison would have facilitated better conflict resolution and collaboration.

Long-Term Repercussions

As an interesting postscript, the association in subsequent months and years has experienced high turnover in staff and reduced their reserves to alarmingly low levels. The AMC was contacted by creditors, who assumed the AMC still managed the association's finances, seeking payment. While this story of an integrated ED model may be the extreme, there are valuable lessons to be learned.



10 Essential Questions

to ask an AMC about the Integrated Model

1

Communication Strategy:

What specific strategies do you implement to ensure direct communication between AMC staff and the Board, minimizing potential miscommunication?

6

Collaboration with External Staff:

How do you plan to integrate external staff hired by the association with the AMC team to avoid silos and ensure alignment?

2

Executive Director Engagement:

How do you plan to involve the Executive Director (ED) in the integration process to ensure they understand and support the AMC partnership?

7

Decision-Making Process:

What processes do you have in place to facilitate collaborative decision-making between the ED and AMC?

3

Partnership Philosophy:

Can you describe how you view your role in relation to the association? How do you ensure that the AMC is seen as a collaborative partner rather than a vendor?

8

Accountability Measures:

What systems will you implement for regular performance evaluations and feedback among the Board, ED, and AMC?

4

Roles and Responsibilities Clarity:

How will you help establish and communicate clear roles and responsibilities for all parties involved (AMC, ED, Board)?

9

Crisis Management and Conflict Resolution:

How will you address potential conflicts or disagreements within the partnership to maintain a healthy working relationship?

5

Expertise Utilization:

What measures will you take to ensure the AMC's expertise is recognized and fully leveraged by the ED and Board?

10

Cultural Integration:

How will you ensure that the AMC's operations and practices align with the culture and mission of the association to foster a seamless partnership?

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