



# 2017 Finance & Operations Survey Report

Prepared by Whorton Marketing & Research: September 12, 2017

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## Introduction

The AMCI Finance and Operations survey was conducted in mid-2017 among CEOs of member and non-member firms of AMCI. The project was launched with an announcement to non-members in early May, giving them an opportunity to opt-out of participation or to provide us with a more appropriate contact in their firm to receive the survey.

An online survey was developed to replace the spreadsheet data collection tool used by previous vendors and was pre-tested among the AMCI board members on May 15. Once the survey was tested and revised, it was launched with the full audience on June 2. Reminder messages were sent on June 9 and June 15 to key contacts who had not begun their survey by that time, with an additional reminder to key contacts who had begun their survey but not completed it by June 13 and June 23.

By the final deadline for response of June 30, a total of 73 responses were received, including some incomplete surveys that could not be used in calculation of final statistics. Upon completion of data hygiene and analysis, we found that 65 surveys were partially completed so that some of their responses could be included, and 55 surveys were completed to a sufficiently high degree to be included in the final results.

As a proportion of the 497 individuals who had deliverable email addresses and did not opt out during our email campaign, this represent a modest response rate of 13%. The participation rate among current members was 23% compared to only 4% among non-members although the 12 non-member responses basically account for the net increase we saw this year over the 41 firms that participated in 2015.

In the following pages we generally present medians, overall and segmented by profitability, size, and geographic region of operation.

- Most of us think of an average as the arithmetic mean (summing all responses and dividing by the total answering a specific question) but the median presents a somewhat better estimate for "typical" operations by presenting data points that have half of participating firms larger than, and half smaller than the observed response. Because AMCs are diverse in terms of size and operations, this helps to ensure that a few very large firm responses do not distort the overall picture we present from the data.
- In a few select areas, we also present Quartiles Q1 and Q3 to more effectively present the distribution of responses. These figures represent the 25<sup>th</sup> and 75<sup>th</sup> percentiles, or data points defined by having one-quarter of responses smaller than them (when reporting Q1) and one-quarter of response larger than them (when reporting Q3). This allows us to discuss the range of responses without reporting a maximum or minimum data point, which then jeopardizes the privacy of participating firms.

## Key Findings

### Profile of Respondents

- **Annual Revenue:** Firms reported a mean \$3.05 million and a median \$1.5 million in revenue in their last completed fiscal year. This includes a mean \$2.48 million and median \$1.31 million in management fees.
- **Size Range:** were categorized in the survey as smaller (29% of participants) if they reported annual revenue of less than \$1 million, medium-sized (41% of participants) if they reported between \$1 and \$3 million, and larger (24% of participants) if they reported more than \$3 million in annual revenue.
- **Profitability:** The mean profit before taxes is 10.1% and a median of 7.1%. We divided participating firms in thirds defined by their estimated pre-tax profitability. In 2017, one-third of participating firms reported net profit of 14% or higher; one-third reported net profit between 4% and 12%; and one-third reported net profit lower than 4%.
- **Geographic Location:** The most common HQ locations of participating firms was the Midwest (23%), Northeast/Mid-Atlantic (22%), and the South Census Areas (19%) excluding Washington-Baltimore (another 19% of participants). Fewer respondents are from outside the U.S. (11%) or in the Western US (6%).
- **Client Profile:** Participants report an average mean of 13.7 and a median of 11.9 full-service clients, and an additional mean of 6.3 and a median of 3.3 partial-service/consulting clients. Participants are equally likely to work with individual member organizations (85%) and trade/organizational membership organizations (86%) as full-service clients, and many work with philanthropic/charity clients (54%) as well. Fewer work with IMOs (52%), trades (54%), or philanthropies (20%) as partial-service clients and more report working with other types of partial-service clients (32%).
- **Services Offered:** At least 95% of participating firms offer seven services—meetings/exposition management, accounting/financial, marketing/membership, database management, PR/communications/editorial, program development, and maintaining client web sites. A majority also offer Advertising Sales/Exhibits, client web site design, securing grants/fundraising, and government affairs. At least one fourth offer app development and client web site hosting.
- **Staffing:** Participating firms report a mean of 22.7 and a median 15.0 total full-time equivalent (FTE) employees. The largest number of staff are Account Executive/Executive Directors (mean 6.6/median 4.0), Member Services (mean 4.9/median 3.0), Admin/Clerical and Meeting/Exposition Planners (means of 3.3 and 3.2), and Communications/Design staff (mean 2.7/median 2.0).
- **Organizational Structure:** The most prevalent is S Corporation (46%), followed by C Corporation (28%), and LLC (18%). Only 8% are another structure such as sole proprietorship or partnership.

## Financial Performance

A comparison of median results from the 2017 and 2015 surveys helps us identify trends among AMCs, subject to the caveat that these reports represent a relatively small number of firms.

- Productivity rose considerably. Revenue per employee rose by 14%, from \$86.2 to \$98.7 thousand, and revenue per account rose 18%, from \$96.2 to \$113.0 thousand from 2014 to 2016 fiscal years.
- Cost controls improved, as firms report a 3% decrease in SG&A expenses as a percentage of total revenue, from 94.8% in 2014 to 91.9% in 2016.
- Total annual gross revenue rose 12.5% to \$1.5 million in 2016, while total SG&A expenses rose only 1.7% to \$1.29 million in 2016.
- The net effect was a sharp increase in profitability, with total profit before taxes rising 68% from 2014 to 2016, and profit percentage before taxes rising 40%, from 5.2% in 2014 to 7.3% in 2016.
- Total assets declined by 20%, from \$256.3 to \$204.5 thousand from 2014 to 2016. As a result, return on assets showed a sharp increase, rising 56% from 27% in 2014 to 42% in 2016.

	<b>2017 Survey: 2016 Fiscal Year</b>		<b>2015 Survey: 2014 Fiscal Year</b>	
	Median AMC	High Profit	Typical AMC	High Profit
Revenue per Employee .....	\$98,684	\$108,753	\$86,216	\$86,307
Revenue per Account .....	\$113,022	\$131,702	\$96,148	\$88,305
SG&A Expense Percentage.....	91.9%	82.0%	94.8%	88.8%
<b>Income Statement (median)</b>				
Annual Gross Revenue .....	\$1,500,000	\$1,491,113	\$1,332,975	\$1,210,071
SG&A Expenses .....	\$1,285,368	\$1,251,363	\$1,263,660	\$1,074,543
Operating Profit .....	\$118,160	\$250,211	\$69,315	\$135,528
Other income/expenses.....	-\$63	\$826	\$0	\$0
Profit before Taxes.....	\$116,643	\$250,211	\$69,315	\$135,528
% Profit before Taxes (median).....	7.3%	19.5%	5.2%	11.2%
<b>Assets (median)</b>				
Cash & Marketable Securities .....	\$109,857	\$172,879	\$111,765	\$64,854
Accounts Receivable .....	\$25,000	\$13,461	\$44,091	\$2,215
All other Assets .....	\$17,340	\$4,200	\$100,485	\$12,021
Total Assets .....	\$204,529	\$331,000	\$256,341	\$79,090
Return on Assets (pre-tax) .....	42.0%	79.0%	27.0%	171.4%

A comparison of high-profit AMCs to the median AMC shows a number of clear differences in performance:

- In 2016, they reported 10% higher revenue per employee and 17% higher revenue per account. Their expenses were extremely low, -11% lower than the median firm.
- However, their annual gross revenue and total SG&A expenses are almost identical. It should be noted that all ratios and sums are calculated for each firm and then averaged together, so median profit margins are not simply the ratio of median expenses divided by median gross revenue.
- Median pre-tax profit is by definition much higher for high profit firms, who report a level almost three times the median level reported by participating firms.
- Although they report more assets, high-profit firms report a return on assets almost twice that of the median firm.

## Financial Overview

**Profit Ratios**—A comparison focused on more detailed financial performance shows that, while the pre-tax profit margin sharply increased, asset turnover remained about the same from 2014 to 2016.

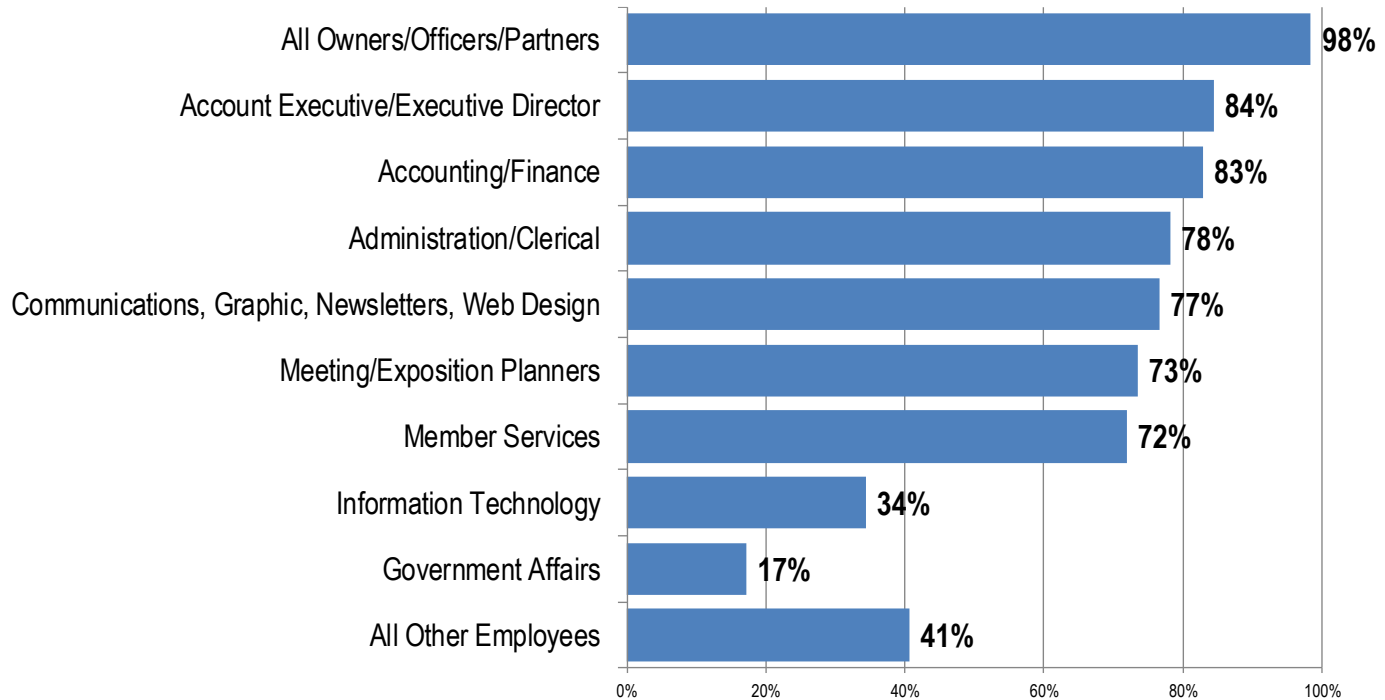
- Asset turnover did decrease sharply for the cohort of firms that reported high profitability in 2016. (Please note that this is not a comparison of performance for a fixed group of firms, but rather compares the characteristics of the firms that did best in either study. An AMC could conceivably do well in one year and do poorly the next time the study is conducted, or vice versa.)
- Return on assets was much higher in 2016, but was considerably lower among high profit firms than the amount reported in 2014.

	<b>2017 Survey: 2016 Fiscal Year</b>		<b>2015 Survey: 2014 Fiscal Year</b>	
	Typical AMC	High Profit	Typical AMC	High Profit
Annual Gross Revenue .....	\$1,500,000	\$1,491,113	\$1,332,975	\$1,210,071
<b>Profit Ratios</b>				
Profit Margin: pre-tax .....	7.3%	19.5%	5.2%	11.2%
Asset Turnover .....	5.5	3.6	5.2	15.3
Return on Assets (pre-tax) .....	42.0%	79.0%	27.0%	171.4%
<b>Income Statement mean % revenue</b>				
Payroll Expenses.....	68.5%	57.8%	74.6%	75.5%
Occupancy Expenses.....	5.7%	5.0%	6.3%	4.9%
Other SG&A Expenses.....	15.5%	13.5%	13.9%	8.4%
<b>Total SG&amp;A .....</b>	<b>89.7%</b>	<b>76.2%</b>	<b>94.8%</b>	<b>88.8%</b>
Operating Profit: mean .....	10.3%	23.8%	5.2%	11.2%
<b>Profit before Taxes .....</b>	<b>7.3%</b>	<b>19.5%</b>	<b>5.2%</b>	<b>11.2%</b>
<b>Financial Ratios</b>				
Current Ratio.....	2.3	3.7	2.1	1.9
Cash to Current Liabilities .....	154.6%	486.6%	148.9%	171.2%
Defensive Interval .....	20.4 days	71.7 days	18.5 days	15.3 days
<b>Operations</b>				
Total Associations Managed (full).....	13.7	11.1	18	15
Revenue per Account .....	\$113,022	\$131,702	\$96,148	\$88,305
<b>Employee Productivity</b>				
Revenue per Employee (median).....	\$98,684	\$108,753	\$86,216	\$86,307
Payroll per Employee .....	\$70,687	\$60,987	\$61,114	\$62,228

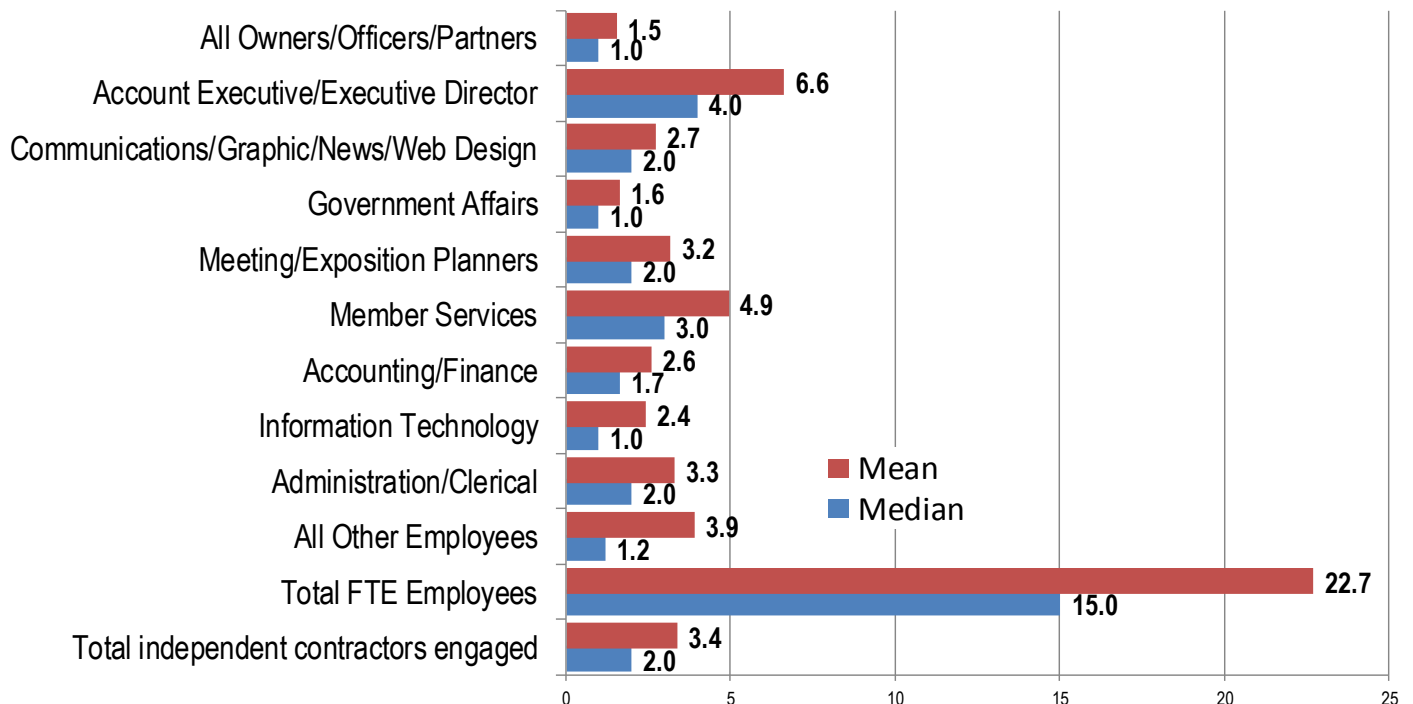
- Payroll expenses were a mean of 68.5% of annual gross revenue in 2016, while occupancy was 5.7% and other SG&A expenses were 15.5%.
- Other income and expenses were higher for a few firms in 2016, enough to ensure that mean pretax profit was lower than operating profit.
- The current ratio is much higher among high-profit firms in 2016, meaning that current assets are high compared to current liabilities. This also drives a much higher cash to current liabilities and defensive interval (all ratios are defined in the Appendix of this report).
- Operationally, high-profit AMCs drive more revenue per employee and higher revenue per account with lower payroll per employee and by serving a smaller number of associations managed.

## Detailed Findings

**Staffing** Participating firms report a mean of 22.7 and a median 15.0 total full-time equivalent (FTE) employees. The only position to appear almost universally is the Owner/Officer/Partner position, while most also report having Account Executive/Executive Directors, Accounting/Finance, Administration/Clerical, Communications/Design, Meeting/Exposition Planners, and Member Services staff.



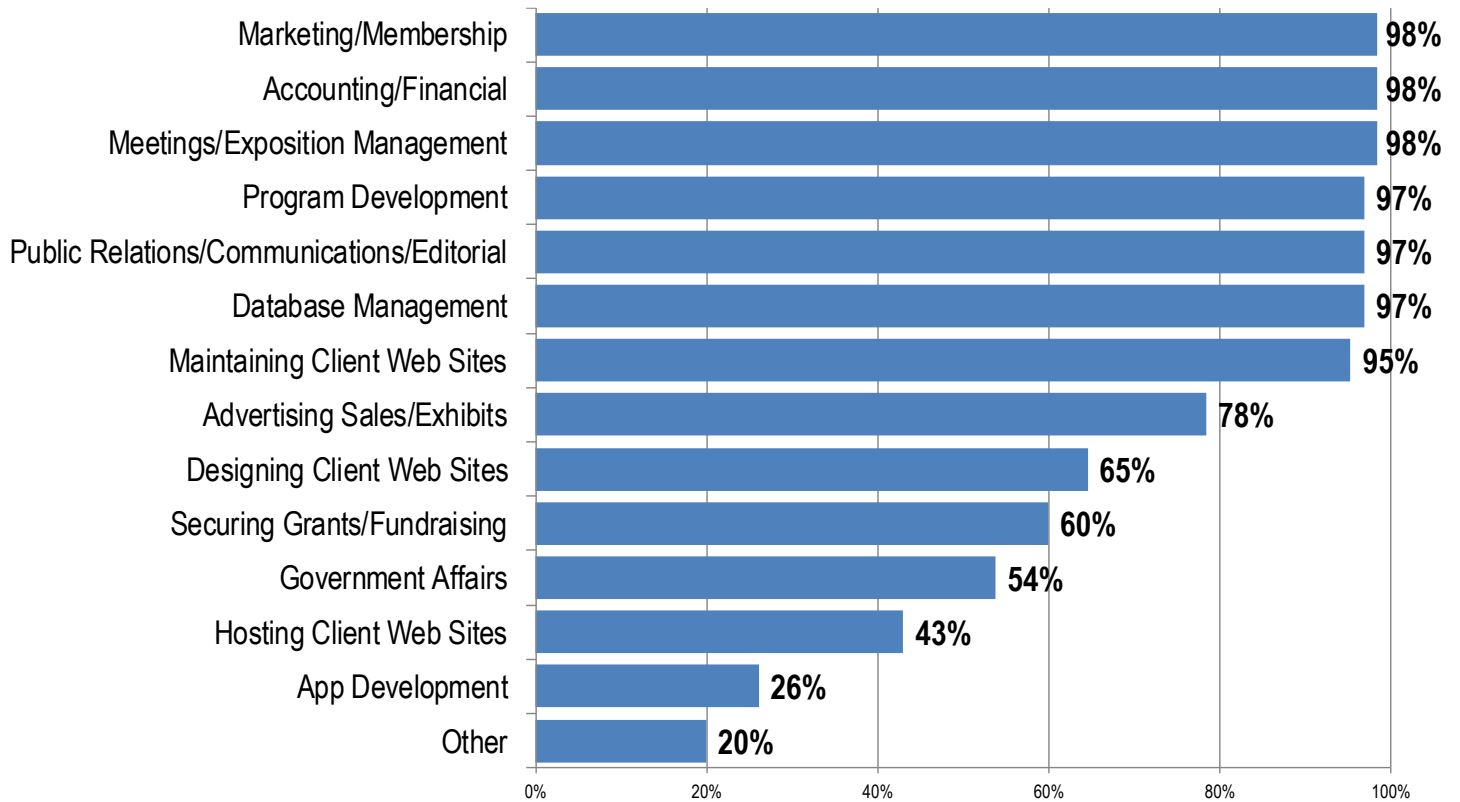
The largest number of median staff reported are Account Executive/Executive Directors, followed by Member Services, Administration/Clerical, Meeting/Exposition Planners, and Communications/Design staff. These figures are calculated only for firms that report having at least 0.1 FTE in each position.



## Services Offered

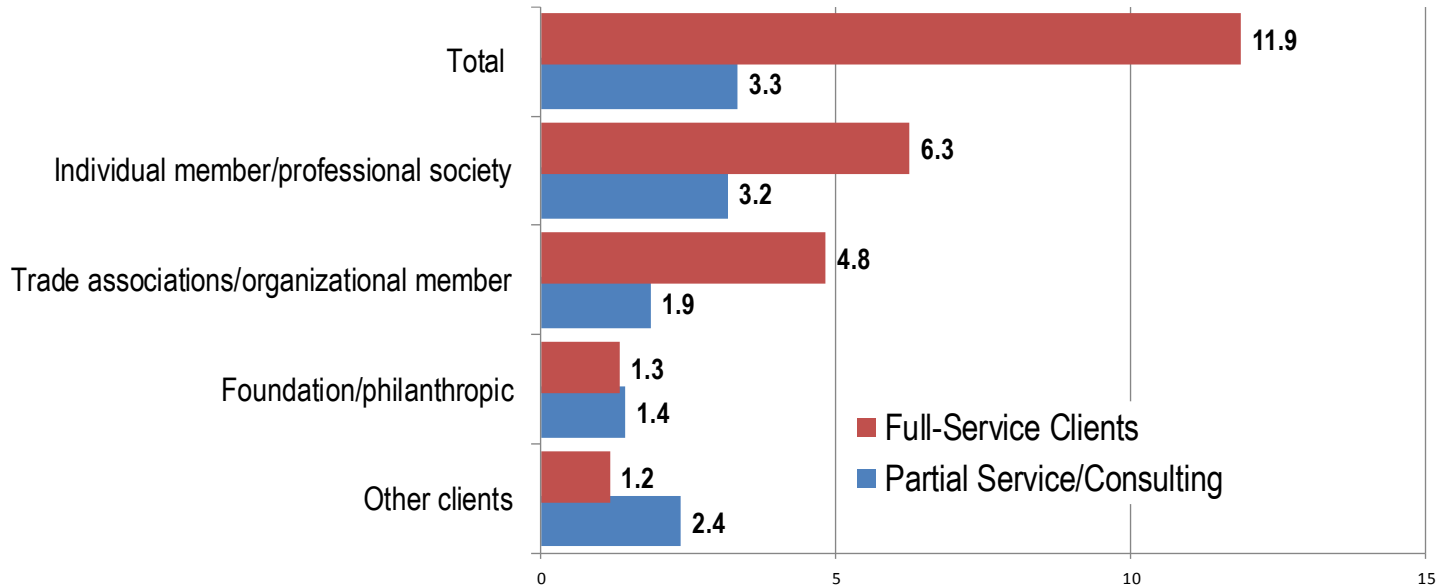
At least 95% of participating firms offer seven services—meetings/exposition management, accounting/financial, marketing/membership, database management, PR/communications/editorial, program development, and maintaining client web sites.

A majority of participating firms also offer advertising sales/exhibits, client web site design, securing grants/fundraising, and government affairs. At least one fourth offer app development and client web site hosting.



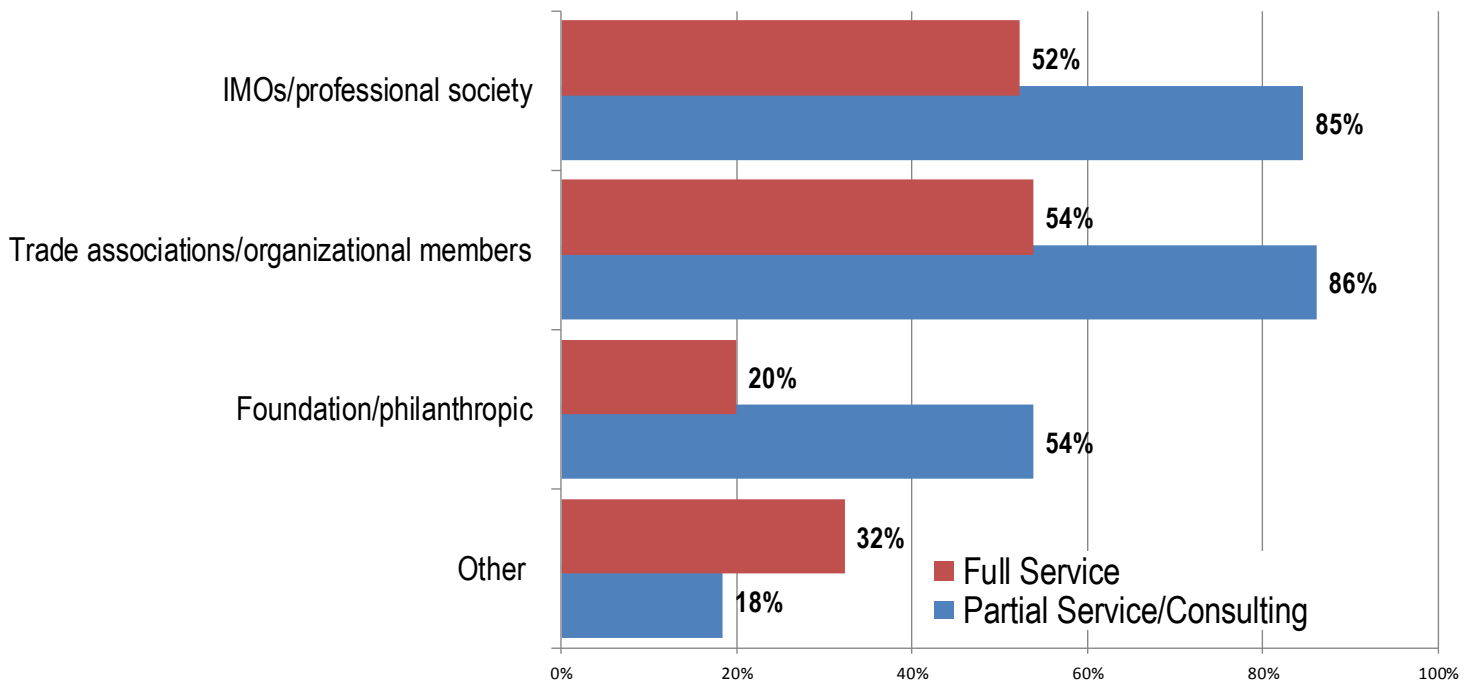
## Client Profile

Participants report an average mean of 13.7 and a median 11.9 full-service clients, and an additional mean of 6.3 and median 3.3 partial-service/consulting clients.



Participants are equally likely to work with individual member organizations (85%) and trade/organizational membership organizations (86%) as full-service clients, and many work with philanthropic/charity clients (54%) as well.

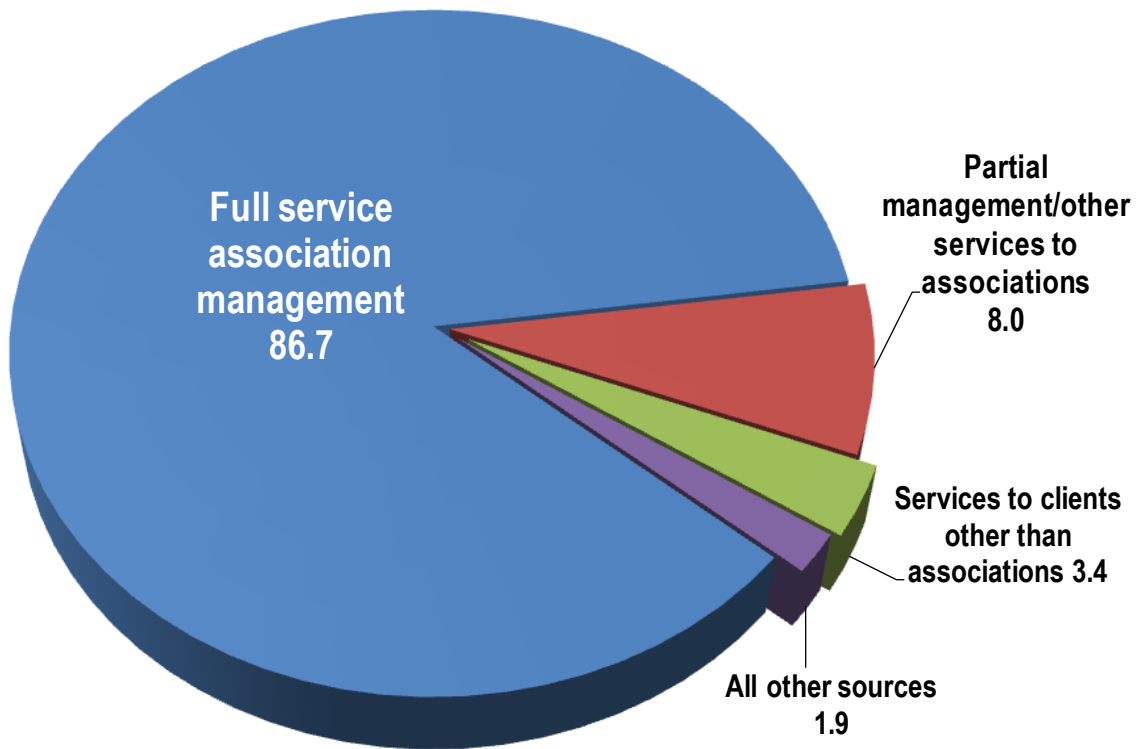
- Fewer work with IMOs (52%), trades (54%), or philanthropies (20%) as partial-service clients and more report working with other types of partial-service clients (32%).





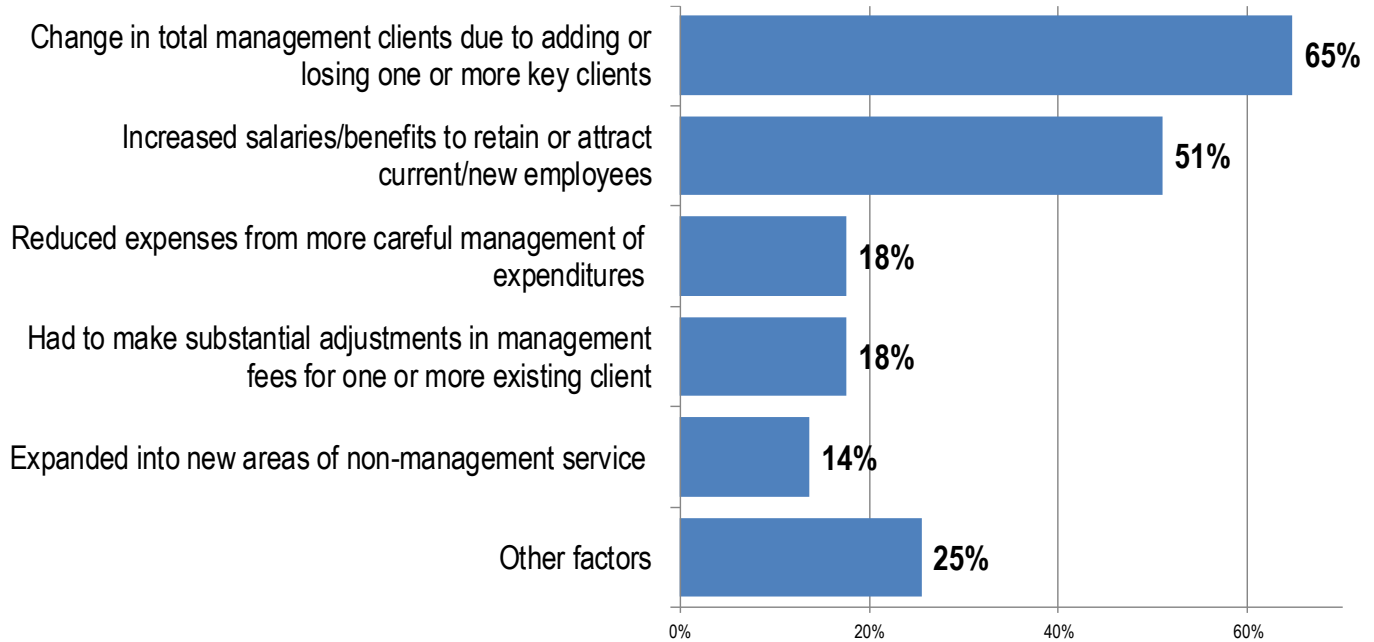
## Proportion of Gross Revenue by Source

Respondents report that a mean of 86.7% of their total gross revenue comes from full service association management. Another 8.0% comes from partial management/other services to associations, while 3.4% comes from services to non-association clients, and 1.9% comes from all other sources.



**Factors with substantial impact on FY15-16 performance** Client retention and acquisition was the factor that was most likely to have an impact on performance in the past fiscal year; 65% reported that a change in total management clients due to adding or losing one or more had a substantial impact.

- The only other factor reported by more than half was employee retention and recruitment, with 51% reporting increased salaries/benefits to retain current or attract new employees.
- Reducing expenses by carefully managing expenditures (18%), making a substantial adjustment in management fees for one or more clients (18%), or expanding into new non-management areas of service (14%) were less likely to have an impact on the most recently completed fiscal year, but collectively were indicated by enough participating firms to represent ongoing trends.



## Financial Findings

### Income Statement

The tables below present financial performance overall, then segmented by firms in the upper, middle, and lower third of pre-tax profit; segmented by total annual gross revenue; then by geographical area/region (defined by the AMC's headquarters).

	Level of Profitability				Revenue Size Range			Geographic Area of HQ					
	Overall	High profit	Mid-profit	Low profit	Small <\$1MM	Med. \$1-3MM	Larger >\$3MM	DC Area	Intl.	Mid-west	N.East	South	West
<b>Number of Firms Reporting</b>	55	18	18	19	18	24	14	10	5	14	11	11	4
Total revenue (median \$ millions)	\$1.50	\$1.49	\$1.49	\$1.82	\$0.62	\$1.54	\$6.26	\$1.32	\$0.80	\$1.66	\$1.82	\$1.50	\$1.90
Revenue Growth (2017-16) (median)	7.1%	12.3%	7.1%	5.1%	7.9%	7.1%	5.1%	23.0%	7.1%	7.5%	2.0%	8.3%	8.3%
<b>Income Statement (% revenue)</b>													
<b>Gross Revenue from Services (median)</b>													
Management Fees (\$ millions)	\$1.31	\$1.24	\$1.47	\$1.51	\$0.60	\$1.47	\$5.59	\$1.21	\$0.57	\$1.54	\$1.51	\$1.11	\$1.76
Percent of revenue from full service mgt.	93.4%	92.7%	95.5%	90.9%	95.9%	94.4%	85.5%	95.3%	83.6%	94.4%	85.5%	95.7%	95.3%
Percent of revenue from other services	6.6%	7.3%	4.6%	9.1%	4.1%	5.6%	14.6%	4.8%	16.4%	5.6%	14.5%	4.3%	4.8%
<b>SG&amp;A Expenses</b>													
<b>Payroll Expenses (mean)</b>													
Owners/Officers/Partners	12.7%	12.8%	9.3%	15.8%	20.9%	9.4%	8.2%	15.0%	12.6%	11.4%	12.2%	12.9%	12.1%
Account Executive/Executive Director	17.7%	14.7%	17.5%	20.7%	18.9%	18.1%	15.6%	17.0%	27.5%	17.5%	16.5%	15.8%	16.2%
Communications, Graphic/Newsletters/ Web Design	3.9%	3.2%	3.5%	4.9%	3.7%	4.4%	3.3%	3.0%	8.9%	4.5%	3.3%	3.4%	0.9%
Government Affairs	0.4%	0.1%	0.8%	0.3%	0.0%	0.1%	1.4%	0.1%	0.5%	0.6%	0.0%	1.0%	0.0%
Meeting/Exposition Planners	5.3%	4.5%	4.3%	6.9%	5.9%	5.0%	4.9%	5.5%	2.1%	4.5%	4.1%	9.3%	3.5%
Member Services	5.7%	4.7%	6.1%	6.3%	4.5%	5.8%	7.2%	5.5%	6.8%	6.8%	5.2%	2.8%	10.9%
Accounting/Finance	4.5%	4.5%	4.7%	4.4%	3.5%	5.3%	4.4%	5.5%	3.5%	3.9%	5.0%	3.9%	5.9%
Information Technology/Systems Management	1.0%	0.6%	0.9%	1.4%	0.1%	0.4%	3.0%	0.5%	0.2%	1.1%	0.7%	1.2%	3.1%
Administration/Clerical	5.1%	4.1%	7.5%	3.7%	5.4%	5.8%	3.4%	7.3%	3.2%	3.2%	6.7%	4.6%	5.4%
All Other Employees	1.8%	0.4%	1.9%	2.9%	0.3%	1.5%	3.9%	0.2%	0.0%	2.0%	0.8%	4.2%	2.7%
<b>Total SG&amp;A Salary, Wage &amp; Bonuses</b>	<b>58.5%</b>	<b>49.6%</b>	<b>58.2%</b>	<b>67.3%</b>	<b>63.3%</b>	<b>57.0%</b>	<b>55.3%</b>	<b>59.5%</b>	<b>63.8%</b>	<b>58.2%</b>	<b>54.4%</b>	<b>59.0%</b>	<b>60.5%</b>
Payroll Taxes: FICA, WC, unemp.)	5.4%	4.4%	4.8%	6.9%	5.7%	5.5%	4.9%	7.4%	6.1%	4.6%	4.0%	4.7%	8.0%
Group Insurance	3.0%	2.3%	3.1%	3.7%	1.7%	3.6%	3.8%	2.8%	1.5%	3.5%	3.0%	3.2%	4.0%
Benefit Plans (pension, retirement, etc.)	1.5%	1.5%	1.7%	1.3%	1.3%	1.8%	1.2%	1.8%	1.5%	1.3%	1.3%	1.9%	1.0%
<b>Total Payroll Expenses</b>	<b>68.5%</b>	<b>57.8%</b>	<b>67.8%</b>	<b>79.2%</b>	<b>72.0%</b>	<b>68.0%</b>	<b>65.1%</b>	<b>71.5%</b>	<b>72.9%</b>	<b>67.6%</b>	<b>62.7%</b>	<b>68.8%</b>	<b>73.6%</b>
<b>Total Occupancy expenses</b>	<b>5.7%</b>	<b>5.0%</b>	<b>6.6%</b>	<b>5.6%</b>	<b>5.7%</b>	<b>6.2%</b>	<b>5.0%</b>	<b>5.3%</b>	<b>7.9%</b>	<b>5.7%</b>	<b>5.8%</b>	<b>4.9%</b>	<b>5.9%</b>

## Income Statement (continued)

Since 2014, the share of non-management fee revenue has increased, and the payroll expenses for Owners/Officers/Partners and for a number of other staff categories decreased, as total salaries, wage and bonus expenses decreased 6.5 percentage points and total payroll expenses decreased almost as much.

- Profitability data by market segment shows that the low profit cohort reports a mean operating profit of 0%, driven by some firms that reported considerable losses. By size range, the largest AMCs report higher operating profit and profit before taxes than medium-sized or smaller AMCs.

	Level of Profitability				Revenue Size Range			Geographic Area of HQ					
	Overall	High profit	Mid-profit	Low profit	Small <\$1MM	Medium \$1-3MM	Larger >\$3MM	DC Area	Intl.	Mid-west	North-east	South	West
<b>Other SG&amp;A Expenses (mean)</b>													
Advertising and Promotion	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.3%	0.5%	0.6%	0.4%	0.3%	0.1%
Telephone	0.9%	0.8%	0.8%	1.1%	1.5%	0.7%	0.5%	1.1%	1.3%	0.8%	0.5%	0.9%	1.2%
Insurance	0.6%	0.6%	0.5%	0.6%	0.9%	0.4%	0.4%	0.6%	0.6%	0.6%	0.5%	0.6%	0.4%
Travel and Entertainment	1.6%	1.7%	1.1%	2.0%	1.9%	1.3%	1.7%	2.1%	1.6%	1.2%	1.0%	2.3%	1.6%
Taxes (per property, licenses, permits, etc.)	0.4%	0.3%	0.6%	0.1%	0.4%	0.5%	0.1%	0.6%	0.1%	0.1%	0.6%	0.1%	1.1%
Office Supplies	0.8%	0.7%	0.9%	0.9%	1.1%	0.8%	0.5%	0.8%	2.0%	0.8%	0.5%	0.7%	0.8%
IT Costs (computers, software, maint.)	1.9%	1.3%	2.1%	2.2%	1.8%	1.9%	1.9%	1.3%	2.9%	1.9%	2.0%	1.8%	1.8%
Accounting and Legal Fees	1.1%	0.9%	1.1%	1.3%	1.7%	0.8%	0.8%	0.6%	2.1%	1.1%	0.6%	1.4%	1.6%
Automobile Expenses	0.4%	0.7%	0.2%	0.2%	0.6%	0.3%	0.1%	0.1%	0.5%	0.2%	0.6%	0.5%	0.2%
Depreciation (other than building)	0.5%	0.3%	0.7%	0.5%	0.2%	0.5%	0.8%	0.4%	0.7%	0.6%	0.8%	0.4%	0.0%
Staff Training/Professional Development	0.9%	0.8%	0.7%	1.2%	1.5%	0.8%	0.4%	1.0%	0.9%	0.7%	0.7%	1.5%	0.5%
All other SG&A expenses	6.2%	5.1%	8.7%	4.8%	3.2%	7.7%	7.3%	5.3%	2.5%	10.4%	6.7%	3.6%	3.8%
<b>Total other SG&amp;A expenses</b>	<b>15.5%</b>	<b>13.5%</b>	<b>17.8%</b>	<b>15.2%</b>	<b>15.0%</b>	<b>16.2%</b>	<b>14.9%</b>	<b>14.1%</b>	<b>15.5%</b>	<b>18.8%</b>	<b>15.0%</b>	<b>14.0%</b>	<b>13.1%</b>
<b>Total SG&amp;A Expenses</b>	<b>89.7%</b>	<b>76.2%</b>	<b>92.2%</b>	<b>100.0%</b>	<b>92.6%</b>	<b>90.3%</b>	<b>85.0%</b>	<b>90.8%</b>	<b>96.3%</b>	<b>92.2%</b>	<b>83.5%</b>	<b>87.6%</b>	<b>92.6%</b>
<b>Profit</b>													
Operating Profit (mean)	10.3%	23.8%	7.8%	0.0%	7.4%	9.7%	15.0%	9.3%	3.7%	7.8%	16.6%	12.4%	7.4%
Profit Before Taxes	10.1%	24.1%	7.2%	-0.6%	6.9%	9.7%	14.4%	9.1%	2.1%	7.5%	16.4%	12.3%	7.7%
Operating Profit (median)	7.1%	19.5%	7.4%	1.2%	5.3%	8.3%	5.6%	5.7%	5.3%	5.6%	14.4%	8.8%	6.0%
Profit Before Taxes	7.1%	19.5%	7.4%	1.2%	5.3%	8.3%	5.6%	5.7%	5.3%	5.6%	14.4%	8.8%	6.0%

## Balance Sheet

The balance sheet describes the financial structure of the AMC.

- In FY 2016, AMCs reported a mean \$911,913 and a median of \$319,656 total assets.
- Current assets are 76.5% of total assets, while fixed and non-current assets are 23.6% of total assets. High-profit firms report a higher percentage of current assets and a lower percentage of fixed and non-current assets.

	Level of Profitability				Revenue Size Range			Geographic Area of HQ					
	Overall	High profit	Mid-profit	Low profit	Small <\$1MM	Medium \$1-3MM.	Larger >\$3MM	DC	Intl.	Mid-west	North-east	South	West
<b>Assets</b> (mean % of total)													
Cash & Marketable Securities	42.0%	58.1%	47.5%	21.1%	41.7%	49.6%	29.9%	50.0%	29.8%	48.5%	32.0%	50.2%	17.0%
Trade Accounts Receivable	19.4%	14.0%	20.4%	23.4%	30.8%	14.3%	18.7%	21.0%	30.8%	15.5%	23.8%	13.7%	15.5%
Other Current Assets	15.0%	10.4%	14.2%	20.2%	9.3%	15.8%	18.3%	4.1%	13.4%	23.5%	16.1%	12.2%	15.4%
<b>Total Current Assets</b>	<b>76.5%</b>	<b>82.5%</b>	<b>82.1%</b>	<b>64.7%</b>	<b>81.9%</b>	<b>79.7%</b>	<b>66.9%</b>	<b>75.1%</b>	<b>73.9%</b>	<b>87.4%</b>	<b>72.0%</b>	<b>76.2%</b>	<b>47.9%</b>
Total Fixed & Noncurrent Assets (net of depreciation)	23.6%	17.5%	17.9%	35.3%	18.2%	20.3%	33.2%	24.9%	26.1%	12.6%	28.0%	23.8%	52.1%
<b>Total Assets</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Liabilities &amp; Net Worth</b> (mean)													
Notes Payable	12.9%	4.7%	9.1%	23.8%	27.2%	12.2%	2.7%	8.0%	38.8%	19.3%	9.3%	0.0%	0.0%
Other Current Liabilities	19.5%	24.0%	18.9%	16.1%	23.4%	15.1%	23.9%	22.1%	11.2%	18.1%	13.5%	38.6%	1.0%
<b>Total Current Liabilities</b>	<b>32.3%</b>	<b>28.7%</b>	<b>28.0%</b>	<b>39.9%</b>	<b>50.6%</b>	<b>27.3%</b>	<b>26.6%</b>	<b>30.1%</b>	<b>49.9%</b>	<b>37.4%</b>	<b>22.8%</b>	<b>38.6%</b>	<b>1.0%</b>
Long Term Liabilities	7.9%	5.5%	9.6%	8.3%	4.3%	8.4%	9.8%	8.4%	9.4%	2.9%	4.7%	14.5%	19.8%
Loans from Stockholders	8.5%	14.0%	3.3%	8.9%	14.8%	10.6%	0.0%	24.7%	8.8%	0.4%	14.5%	0.0%	0.0%
Net Worth or Owner Equity	51.3%	51.9%	59.1%	42.9%	30.4%	53.7%	63.5%	36.7%	31.9%	59.2%	58.0%	46.9%	79.3%
<b>Total Liabilities &amp; Net Worth</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

AMCs reported a mean of \$437,090 and a median of \$156,282 in net worth or owner equity.

- Net worth/owner equity was a mean of 51.3% of total liabilities, while notes payable (12.9%), other current liabilities (19.5%), long-term liabilities (7.9%), loans from stockholders (8.5%) comprise the remainder.
- Since 2014, net worth/owner equity as a percent of total liabilities remained unchanged, while notes payable increased and other current liabilities declined.

## Financial Ratios, Cash Sufficiency, Capital Expenditures

High-profit AMCs have a much higher EBIT to total assets ratio. They also report an astronomical times interest earned, given the relatively low debt level that they carry.

- Current and quick ratios are much higher, and debt to equity is marginally lower than lower-profit AMCs report.
- Cash to current liabilities is extremely high for high- and mid-profit AMCs, and only low-profit AMCs have relatively few days' defensive interval.
- Both high- and low-profit AMCs report relatively low revenue to working capital ratios.
- Capital expenditures are low only for low-profit firms, while the spread between mean and median shows that some firms spent much more on recent capital expenditures.

Financial Ratios (median)	Level of Profitability				Revenue Size Range			Geographic Area of HQ					
	Overall	High profit	Mid-profit	Low profit	Small <\$1MM	Medium \$1-3MM	Larger >\$3MM	DC	Intl.	Mid-west	North-east	South	West
Current Ratio	2.3	3.7	3.6	1.3	1.5	5.0	1.8	1.4	1.4	3.3	2.1	4.4	12.1
Quick Ratio	1.5	3.6	2.0	1.0	1.0	4.9	1.4	1.3	1.0	2.2	1.4	4.2	6.8
Debt to Equity	1.4	1.2	1.5	1.4	2.4	1.3	1.4	1.2	2.5	1.5	1.3	1.2	1.1
EBIT (% revenue)	7.3%	19.5%	7.6%	1.2%	5.3%	8.3%	5.7%	5.8%	5.3%	5.6%	14.4%	8.8%	6.0%
EBIT to Total Assets	42.2%	79.5%	44.7%	10.5%	15.1%	42.3%	46.1%	24.6%	7.4%	28.5%	88.1%	47.7%	114.3%
Times Interest Earned	29.3	1040	43.0	12.9	.	67.0	29.3	36.2	.	13.3	62.6	25.1	.
<b>Cash Sufficiency</b>													
Cash to Current Liabilities (%)	154.6	486.6	370.0	19.6	26.7	486.6	48.0	247.1	13.1	403.5	130.4	.	.
Defensive Interval days	20.4	71.7	21.2	9.6	16.3	21.8	20.4	18.8	16.3	24.9	20.0	21.5	8.9
Revenue to Working Capital	10.6	6.2	16.6	5.8	10.6	12.5	6.8	3.2	8.6	12.5	9.8	14.9	17.8
<b>Capital Expenditures</b>													
Mean % revenue	2.3%	2.7%	2.7%	1.5%	2.8%	2.9%	0.8%	0.5%	6.0%	1.9%	3.2%	2.7%	1.3%
Median	1.0%	0.9%	1.5%	0.7%	1.5%	1.5%	0.7%	0.6%	5.6%	0.8%	1.9%	1.5%	1.5%
<b>Capital Expenditures (mean % of total)</b>													
Computer Hardware/Systems	61.7%	67.9%	46.4%	75.0%	65.8%	50.1%	76.8%	91.3%	44.0%	61.8%	52.8%	60.7%	49.2%
Telephone Systems	4.7%	4.7%	1.8%	8.4%	3.9%	4.5%	5.8%	0.0%	4.6%	8.6%	6.1%	3.7%	0.9%
Copiers	5.6%	0.3%	11.7%	3.4%	4.5%	6.5%	5.3%	1.8%	0.5%	4.6%	7.2%	8.3%	10.8%
Furniture & Other Equipment	14.3%	10.3%	22.1%	8.3%	10.4%	21.5%	6.2%	5.7%	29.8%	11.9%	11.7%	14.4%	25.9%
Vehicles	5.8%	8.7%	6.5%	1.6%	8.3%	6.7%	1.8%	0.0%	0.0%	11.0%	13.6%	0.0%	2.7%
Real Estate & Leasehold Improvements	7.2%	8.1%	9.5%	3.3%	7.1%	9.0%	4.2%	1.2%	21.3%	2.0%	8.5%	12.9%	2.1%
Other Capital Expenses	0.8%	0.1%	2.0%	0.0%	0.0%	1.8%	0.0%	0.0%	0.0%	0.2%	0.1%	0.0%	8.5%

## Operations

Operational data show that high-profit AMCs manage fewer full-service or partial service clients, yet generate higher median revenue per account.

- AMCs generally manage a variety of types of organization clients, although high-profit AMCs manage fewer professional society/IMOs or foundations/philanthropies on a full-service basis, and fewer associations or philanthropies on a partial service/consulting basis.
- High-profit AMCs are more likely to operate as S corporations or LLCs, and are less likely to operate as C Corporations.

	Level of Profitability				Revenue Size Range			Geographic Area of HQ					
	Overall	High profit	Mid-profit	Low profit	Small <\$1MM	Medium \$1-3MM	Larger >\$3MM	DC area	Intl.	Mid-west	North-east	South	West
<b>Associations Managed</b>													
Total number managed, mean full service	13.7	11.1	16.5	16.3	7.9	16.3	20.0	11.6	9.7	15.4	16.9	11.5	17.3
Total number managed, mean partial service	6.3	3.5	9.1	6.8	4.7	5.1	11.3	7.4	2.7	8.9	4.4	7.1	5.7
<b>Revenue per account ( median \$000s)</b>	\$113.0	\$131.7	\$107.4	\$103.8	\$80.0	\$107.4	\$405.3	\$120.4	\$88.2	\$82.5	\$118.8	\$145.3	\$103.8
<b>Client Profile: Full Service (% of total)</b>													
Individual members/professional societies	85%	72%	95%	83%	94%	75%	86%	75%	86%	86%	87%	83%	100%
Trade associations/organizational members	86%	89%	95%	89%	82%	92%	100%	100%	57%	71%	100%	83%	100%
Foundation/philanthropic	54%	39%	63%	67%	35%	63%	71%	58%	43%	29%	87%	58%	25%
Other clients	18%	22%	11%	22%	24%	17%	14%	8%	14%	14%	27%	17%	50%
<b>Partial Service/Consulting</b>													
Individual member orgs./professional society	52%	33%	53%	72%	47%	50%	64%	50%	43%	57%	40%	75%	25%
Trade associations/organizational members	54%	39%	68%	67%	47%	50%	86%	58%	43%	57%	40%	58%	75%
Foundation/philanthropic	20%	6%	32%	22%	18%	17%	29%	50%	0%	21%	7%	8%	25%
Other clients	32%	33%	26%	39%	24%	42%	29%	25%	14%	36%	53%	25%	25%
<b>Organization Structure</b>													
S Corporation	46%	56%	42%	39%	47%	54%	29%	42%	0%	64%	47%	50%	75%
C Corporation	28%	17%	42%	39%	29%	25%	50%	33%	43%	21%	33%	25%	0%
Limited Liability Corporation (LLC)	18%	28%	11%	17%	18%	17%	21%	8%	14%	14%	20%	25%	25%
Sole Proprietorship	5%	0%	5%	6%	6%	4%	0%	17%	14%	0%	0%	0%	0%
Partnership	2%	0%	0%	0%	0%	0%	0%	0%	14%	0%	0%	0%	0%
Other structure	2%	0%	0%	0%	0%	0%	0%	0%	14%	0%	0%	0%	0%

## Operations *(continued)*

High-profit AMCs report that a comparatively high proportion of their revenue comes from full-service association management, but so do low-profit AMCs. (This data comes from a specific question that participating firms answered with estimates so that their total added to 100%; it matches closely but varies somewhat from actual revenue reported in the Income Statement section).

- AMCs in the mid-range of profitability report diversifying more into partial management or over services to associations, and to a lesser extent services to clients other than associations.
- The report noted earlier how diverse the range of services provided by AMCs is today. High-profit AMCs appear slightly less likely to provide web site design to clients and government affairs related services, but otherwise their portfolio of services appears very similar to low-profit AMCs.
- Mid-profit AMCs are more diversified into design and hosting of web sites and government affairs.

	Level of Profitability				Revenue Size Range			Geographic Area of HQ					
	Overall	High profit	Mid-profit	Low profit	Small <\$1MM	Medium \$1-3MM	Larger >\$3MM	DC area	Intl.	Mid-west	North-east	South	West
<b>Sources of Revenue (% of total)</b>													
Full service association management	86.7%	91.3%	81.3%	89.1%	86.4%	89.0%	84.7%	84.4%	85.0%	85.7%	88.5%	87.8%	90.8%
Partial mgt. /other services to associations	8.0%	4.4%	12.2%	6.6%	6.8%	7.0%	10.5%	11.9%	5.3%	9.4%	7.6%	6.3%	1.5%
Services to clients other than associations	3.4%	2.9%	4.2%	1.8%	2.4%	2.8%	4.1%	2.8%	3.3%	3.2%	3.2%	4.1%	4.5%
All other sources	1.9%	1.4%	2.4%	2.4%	4.5%	1.2%	0.7%	0.9%	6.3%	1.6%	0.7%	1.9%	3.3%
<b>Services Provided (pct. of firms)</b>													
Meetings/Exposition Management	98%	94%	100%	100%	94%	100%	100%	100%	86%	100%	100%	100%	100%
Accounting/Financial	98%	94%	100%	100%	100%	96%	100%	100%	100%	100%	93%	100%	100%
Marketing/Membership	98%	100%	100%	100%	100%	100%	100%	92%	100%	100%	100%	100%	100%
Database Management	97%	94%	100%	94%	100%	100%	86%	100%	100%	100%	100%	83%	100%
Public Relations/Communications/Editorial	97%	100%	100%	94%	100%	100%	93%	100%	100%	86%	100%	100%	100%
Program Development	97%	100%	95%	94%	94%	100%	93%	100%	100%	93%	100%	92%	100%
Maintaining Client Web Sites	95%	94%	100%	89%	88%	96%	100%	92%	100%	93%	100%	92%	100%
Advertising Sales/Exhibits	78%	78%	84%	78%	65%	88%	86%	92%	71%	64%	93%	83%	50%
Designing Client Web Sites	65%	56%	95%	56%	65%	67%	79%	67%	57%	50%	80%	67%	50%
Securing Grants/Fundraising	60%	56%	53%	78%	41%	71%	71%	58%	71%	43%	73%	75%	25%
Government Affairs	54%	44%	58%	56%	41%	58%	57%	50%	43%	36%	80%	67%	0%
Hosting Client Web Sites	43%	44%	53%	44%	24%	54%	64%	25%	43%	50%	53%	42%	50%
App Development	26%	22%	26%	22%	6%	33%	29%	25%	29%	7%	33%	33%	50%
Other	20%	17%	26%	17%	47%	8%	7%	8%	57%	14%	20%	8%	25%



## Employees

Staff are critical to all AMC's performance. Employee payroll comprises the majority of total expenses, and their productivity accounts for the quantity of output and revenue as well.

- Below we report mean total employees and by category (note that the median total employees of 15 helps demonstrate the impact of some larger AMCs on the overall averages), primarily because mean values will add to total FTE employees, whereas medians will not.
- We report median employee productivity figures to more accurately represent typical AMC performance.

	Level of Profitability				Revenue Size Range			Geographic Area of HQ					
	Overall	High profit	Mid-profit	Low profit	Small <\$1MM	Medium-\$1-3MM	Larger >\$3MM	DC area	Intl.	Mid-west	North-east	South	West
<b>FTE Employees (mean)</b>													
All Owners/Officers/Partners	1.5	1.5	1.6	1.7	1.2	1.4	2.5	1.3	1.0	1.8	1.6	1.5	2.0
Account Executive/Executive Director	6.6	3.3	7.6	9.3	2.3	5.5	13.0	8.7	2.6	5.8	9.6	5.8	5.0
Communications, Graphic/Newsletters/ Web Design	2.7	2.7	2.1	4.2	1.1	2.1	5.8	2.3	1.3	3.2	4.6	1.8	2.0
Government Affairs	1.6	0.6	1.9	2.4	0.1	0.5	2.4	1.0	0.7	2.0	1.8	2.0	.
Meeting/Exposition Planners	3.2	2.2	3.1	4.8	1.3	2.2	6.8	2.4	1.5	3.0	5.2	3.3	2.2
Member Services	4.9	4.3	6.3	5.8	1.1	3.7	11.0	6.8	1.7	3.8	9.8	2.9	6.7
Accounting/Finance	2.6	2.3	2.9	3.0	0.9	2.2	5.4	3.0	1.4	1.9	4.7	2.0	1.8
Information Technology	2.4	2.1	1.5	4.1	0.4	0.9	4.2	3.0	1.2	1.2	6.8	1.8	2.2
Administration/Clerical	3.3	2.3	4.0	3.6	1.5	2.7	6.1	4.2	1.3	2.2	4.2	3.3	2.5
All Other Employees	3.9	3.2	5.8	4.1	1.1	1.9	8.7	1.2	1.5	2.8	6.3	8.1	3.7
<b>Total FTE Employees</b>	<b>22.7</b>	<b>16.1</b>	<b>27.1</b>	<b>30.5</b>	<b>6.8</b>	<b>18.0</b>	<b>57.7</b>	<b>20.8</b>	<b>9.9</b>	<b>21.7</b>	<b>31.5</b>	<b>22.5</b>	<b>21.7</b>
Independent contractors engaged	3.4	3.9	4.2	2.8	2.2	3.1	6.3	3.1	2.3	3.1	4.1	4.2	2.0
<b>Average hours worked</b>													
	1,989	2,006	1,998	1,963	1,950	2,001	2,014	1,887	1,950	1,975	2,040	2,031	2,080
<b>Employee Productivity (median)</b>													
Revenue Per Employee	\$98,684	\$108,753	\$100,261	\$87,740	\$87,500	\$92,714	\$132,627	\$95,364	\$66,667	\$91,640	\$120,917	\$93,369	\$91,082
Salary Per Employee	\$60,205	\$52,527	\$62,961	\$61,047	\$50,000	\$55,772	\$78,788	\$60,999	\$43,420	\$55,556	\$67,513	\$61,633	\$57,602
Total Payroll Per Employee	\$70,687	\$60,987	\$73,830	\$72,454	\$50,478	\$66,134	\$88,935	\$73,936	\$48,950	\$64,447	\$77,827	\$72,553	\$66,625

## Appendix - Definitions

### Profit Variables

#### **Profit Margin = Profit Before Taxes ÷ Gross Revenue**

Profit margin management is the most important approach to maximizing profitability. In this study, a profit margin of 7.1% means that for every \$1.00 of revenue the AMC was able to produce 7.1 cents in profit before taxes. Profit margin focuses on revenue, gross margin management and operating expense control.

#### **Asset Turnover = Gross Revenue ÷ Total Assets**

Asset turnover reflects the revenue an AMC produces per dollar invested in assets. The ratio of 5.3 means that the firm is able to generate \$5.30 in revenue for every \$1.00 in assets. If a firm's cash, accounts receivable, inventory, property, equipment, and all other assets can be used as efficiently as possible, then maximum revenue can be generated from a given asset investment.

#### **Return On Assets = Profit Before Taxes ÷ Total Assets x 100**

Return on assets is the direct result of the first two variables—profit margin multiplied by asset turnover. This measure of performance is a good indicator of an AMC's ability to survive and prosper.

#### **Financial Leverage = Total Assets ÷ Net Worth**

Financial leverage measures the total dollars of assets per dollar of net worth. The ratio measures the extent to which the firm uses outside (non-owner) financing. The higher the ratio, the more the firm relies on outside financing.

#### **Return On Net Worth = Profit Before Taxes ÷ Net Worth x 100**

The end result of the three profitability pathways is return on net worth. It is seldom possible to generate an adequate rate of return on net worth by emphasizing just one of the profitability pathways. Each pathway should be examined carefully for improvement opportunities and then trade-offs made in order to increase overall profitability.

#### **Average Collection Period = Accounts Receivable ÷ (Gross Revenue ÷ 365 days)**

The average collection period can be evaluated against the credit terms offered by a company. Generally the collection period should not exceed 1 1/3 times the regular payment period. If typical terms call for payment in 30 days, the collection period should not exceed 40 days.

### Financial Ratios

#### **Current Ratio = Current Assets ÷ Current Liabilities**

The current ratio measures the margin of safety that management maintains in order to allow for the inevitable unevenness in the flow of funds through the current asset and current liability accounts. A company needs a supply of current funds to be assured of being able to pay its bills when they come due.

#### **Quick Ratio = (Cash + Accounts Receivable) ÷ Current Liabilities**

Quick assets include cash, marketable securities, and current accounts receivable. Presumably, these items can be converted into cash quickly at approximately their stated amounts, unlike inventory which is the principal current asset excluded from this calculation. The quick ratio is, therefore, a measure of the extent to which liquid resources are readily available to meet current obligations.

**Debt to Equity = Total Liabilities ÷ Net Worth**

The greater the proportion of its financing that is obtained from owners, the less worry the company has in meeting its fixed obligations. At the same time excessive reliance on owner financing slows the rate at which the firm can grow. The debt to equity ratio shows the balance that management has struck between debt and owners' equity.

**Earnings Before Interest & Taxes (EBIT) = Net Profit Before Taxes + Interest Expense ÷ Gross Rev. x 100**

EBIT measures the ability of the firm to produce operating profit without consideration of financing expenses.

**EBIT to Total Assets = Earnings Before Interest & Taxes ÷ Total Assets x 100**

EBIT to total assets is a return on investment ratio that provides a profit analysis based on earnings before interest and income taxes. This ratio is best compared with a company's annual interest rate on borrowed funds.

**Times Interest Earned = (Profit Before Taxes + Interest) ÷ Interest**

The times interest earned ratio measures the number of times profit before interest and taxes will cover total interest payments on debt. The result indicates the level to which income can decline without impairing the company's ability to meet interest payments on its liabilities.

**Cash Sufficiency****Cash to Current Liabilities = Cash ÷ Current Liabilities x 100**

This is the most stringent test of the ability of the firm to meet its short-term obligations with existing cash balances.

**Defensive Interval = Cash ÷ (Operating Expenses other than Depreciation ÷ 365 days)**

The defensive interval measures how long the firm can operate using nothing but existing cash balances. It provides a worst-case analysis of the adequacy of the firm's cash position if revenue and collections suddenly deteriorated.

**Revenue to Working Capital = Gross Revenue ÷ (Current Assets - Current Liabilities)**

Measures the ability of an AMC to generate revenue without tying up high levels of investment in working capital. The study's median ratio of 10.6 means that an AMC can generate \$10.60 in revenue for every \$1.00 invested in working capital.

# Open-Ended Responses

## Open-ended Responses

### What were the most common purposes/roles your independent contractors served (such as IT, PR, or design)?

- Accounting (5)
- Additional design services
- Additional meeting planning
- Admin
- Bookkeeping (3)
- Clerical support
- Client Development
- Communications (2)
- Consultation
- Content marketing
- Design (7)
- ED/interim ED/account exec (3)
- Editor
- Editorial Services
- Event production management and communications
- Expo Management
- Finance (2)
- Fundraising
- Government relations
- Grant management
- Graphic design/ services (7)
- HR support (2)
- IT (28)
- Legal
- Legal-Buying a company and used a lawyer
- Marketing (3)
- Meeting Planning
- Meeting/event planning/management (7)
- One account executive and one accounting supervisor
- Onsite staffing
- Outside accounting (tax return prep)
- Photographer
- PR (4)
- Printing
- Software
- Tax return
- Web Design (5)
- Web hosting (2)
- Web Programming
- Web site development (2)
- Writing

### What other kinds of clients do you serve (if applicable)?

- Certification Program
- Communications consulting for Professional corporations.
- Consulting to all kinds of nonprofit boards
- Corporate
- Corporations
- For profit continuing education
- Local not for profits
- Meeting services, 3 Individual and 3 Other included in Partial services above.
- OSHA Training Center
- Public relations, media consulting
- Social clubs
- Special event clients
- Outsourcing to one professional services firm
- Web development and marketing services to non group organizations

**What services do you offer to association clients?**

- Board Governance (3)
- Strategic planning, committee support
- Board/committee management
- Committee support
- Creating / Implementing other non-dues revenue offerings
- Governance
- Grant writing, strategic planning, organizational formation
- Human Resources, Product and Professional Certification Services
- Interim Executive Management; Executive Recruitment
- Promotional products
- Social and Digital Marketing and Branding and Design
- Social Media
- Specialized program management.
- Strategic Planning, Policy Development

**Which of the following factors had a substantial impact on the difference between your FY15 and FY16 performance?**

- Additional conference for existing client
- Changed location; incurred moving and new office expenses
- Decrease in non-operating revenue and expenses
- Experienced loss of revenue in 2015, but maintained staff. Made up for it in 2016.
- Moved into new offices, added staff
- Moving office resulting in one-off expenses
- New ownership
- One tradeshow we manage is every three years
- Owned property improvements
- Purchased large software package
- Temporary addition of staff for transition of new client
- Upcoming office move and other changes in long term contracts all ended in 2015, new technologies to reduce expenses significantly
- We are part of a company that performs back office opportunities for entrepreneurs, companies, associations, and companies seeking capital.

# Survey Instrument



# AMC 2017 Operations & Finance Survey

All responses will be kept confidential. Please note that survey participants receive a sharp discount on the final report for participation.

## A. Your Operations

1. What is your company structure? (check one)

- |  |  |
|--|--|
| <input type="checkbox"/> Sole Proprietorship           | <input type="checkbox"/> C Corporation                       |
| <input type="checkbox"/> Partnership                   | <input type="checkbox"/> Limited Liability Corporation (LLC) |
| <input type="checkbox"/> S Corporation                 | <input type="checkbox"/> Limited Liability Partnership (LLP) |
| <input type="checkbox"/> Other (please describe) _____ |  |

2. How many of the following organizations do you manage?

	Full service	Partial service or consulting	Total Managed
Individual member organizations/professional society clients .....	_____	_____	_____
Trade associations/organizational member clients .....	_____	_____	_____
Foundation/philanthropic clients .....	_____	_____	_____
Other clients.....	_____	_____	_____

2b. What other kind of clients do you serve?

\_\_\_\_\_

3. What services do you offer to association clients? (check all that apply)

- |  |  |
|--|--|
| <input type="checkbox"/> Meetings/Exposition Management            | <input type="checkbox"/> Designing Client Web Sites  |
| <input type="checkbox"/> Database Management                       | <input type="checkbox"/> Advertising Sales/Exhibits  |
| <input type="checkbox"/> Public Relations/Communications/Editorial | <input type="checkbox"/> Securing Grants/Fundraising |
| <input type="checkbox"/> Government Affairs                        | <input type="checkbox"/> Program Development         |
| <input type="checkbox"/> Accounting/Financial                      | <input type="checkbox"/> App Development             |
| <input type="checkbox"/> Hosting Client Web Sites                  | <input type="checkbox"/> Marketing/Membership        |
| <input type="checkbox"/> Maintaining Client Web Sites              |  |
| <input type="checkbox"/> Other (describe) _____                    |  |

4. Where is your headquarters or largest office located?  In the U.S.  Outside the U.S.

5. How many total full time equivalent (FTE) employees did you have at year-end 2016? Please use a decimal if appropriate. Ensure that the calculated total equals your actual total staff.

All Owners/Officers/Partners .....	_____
Account Executive/Executive Director .....	_____
Communications, Graphic Design, Newsletters, Web Design.....	_____
Government Affairs.....	_____
Meeting/Exposition Planners .....	_____
Member Services.....	_____
Accounting/Finance.....	_____
Information Technology (including systems management).....	_____
Administration/Clerical .....	_____
All Other Employees.....	_____
<b>Total staff</b>	<b>[Autosum]</b>

6. What is the average total hours worked per employee in your company? (such as 2080, 1720, etc.) \_\_\_\_\_



7. **What was your total annual payroll expense by category of staff? Include salaries/wages, OT, commission, and bonus.**

Owners/Officers/Partners ..... \_\_\_\_\_  
 Account Executive/Executive Director ..... \_\_\_\_\_  
 Communications, Graphic Design, Newsletters, Web Design..... \_\_\_\_\_  
 Government Affairs..... \_\_\_\_\_  
 Meeting/Exposition Planners ..... \_\_\_\_\_  
 Member Services..... \_\_\_\_\_  
 Accounting/Finance..... \_\_\_\_\_  
 Information Technology/Systems Management ..... \_\_\_\_\_  
 Administration/Clerical ..... \_\_\_\_\_  
 All Other Employees..... \_\_\_\_\_  
**Total staff** *[Autosum]*

8. **How many total independent contractors did you engage in 2016?** \_\_\_\_\_

**What were the most common purposes/roles they served (such as IT, PR, design, etc.)? Leave blank if none.**

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9. **What proportion of your total gross revenue comes from the each of the following sources? (answer so the total adds to 100%)**

Full service association management ..... \_\_\_\_\_ %  
 Partial management/other services to associations..... \_\_\_\_\_ %  
 Services to clients other than associations ..... \_\_\_\_\_ %  
 All other sources..... \_\_\_\_\_ %  
**Total Gross Revenue: 100%** *[Autosum]*

**B. Income Statement** *End of Fiscal Year, please report in US Dollars*

1. **What is your gross revenue from services?**

Management Fees ..... \_\_\_\_\_  
 All Other Revenue ..... \_\_\_\_\_  
**Total revenue** *[Autosum]*

**Selling, General and Administrative Expenses**

2. **Payroll Expenses**

**Total Salary, Wage, Commission and Bonus** (copied from A6) ..... \_\_\_\_\_  
**Payroll Taxes:** FICA, workers' compensation & unemployment ..... \_\_\_\_\_  
**Group Insurance:** hospital/medical, group term life, disability & dental ..... \_\_\_\_\_  
**Benefit Plans:** pension, profit sharing, 401(k), SEP-IRA, and fringes ..... \_\_\_\_\_  
**Total payroll expenses** *[Autosum]*

3. **Total occupancy expense\*** ..... \$ \_\_\_\_\_

\*Rent, mortgage Interest, building repair/maintenance, insurance, depreciation, real estate taxes.

#### 4. Other SG&A Expenses

Advertising and Promotion .....	_____
Telephone* .....	_____
Insurance** .....	_____
Travel and Entertainment .....	_____
Taxes*** .....	_____
Office Supplies .....	_____
IT Costs**** .....	_____
Accounting and Legal Fees.....	_____
Automobile Expenses.....	_____
Depreciation (other than building) .....	_____
Staff Training/Professional Development.....	_____
All other operating expenses .....	_____
<b>Total other SG&amp;A expenses</b>	<b>[Autosum]</b>

\*phone lines, equipment repair & maintenance, and cell phones

\*\*business liability, casualty, property

\*\*\*personal property taxes, business licenses, permits, etc.; exclude real estate or payroll

\*\*\*\*computers, software, maintenance

#### 5. Total SG&A Expenses:

Payroll + Occupancy + Other SG&A .....	<b>[Autosum]</b>
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#### 6. Operating Profit

Gross revenue .....	<b>[Autosum]</b>
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#### 7. Profit Before Taxes

Other Income* .....	_____
Interest Expense excluding mortgage.....	_____
Other non-operating expenses .....	_____
<b>Estimated profit before taxes</b> .....	_____

\*such as interest income, gain on sales of assets

### C. Balance Sheet *End of Fiscal Year*

#### 1. Assets

Cash & Marketable Securities .....	_____
Trade Accounts Receivable .....	_____
Other Current Assets.....	_____
Total Fixed & Noncurrent Assets (net of depreciation) .....	_____
<b>Total Assets</b>	<b>[Autosum]</b>

#### 2. Current & Long-Term Liabilities and Net Worth

Notes Payable (due within one year) .....	_____
Other Current Liabilities (including accrued liabilities) .....	_____
Long Term Liabilities (not due within one year) .....	_____
Loans from Stockholders.....	_____
Net Worth or Owner Equity.....	_____
<b>Total Liabilities and Net Worth</b>	<b>[Autosum]</b>

\* include paid-in capital & retained earnings

## D. Other Financial Items

1. **What was your approximate financial performance in the year prior to the reported year in Section B?**

Gross Revenue, previous year: ..... \_\_\_\_\_

Operating Profit, previous year: ..... \_\_\_\_\_

Estimated change, Gross Revenue: ..... \_\_\_\_\_

Estimated change, Operating Profit: ..... \_\_\_\_\_

2. **Which of the following factors had a substantial impact on the difference between your FY15 and FY16 performance?**

*(check all that apply)*

Change in total management clients due to adding or losing one or more key clients

Expanded into new areas of non-management service

Increased salaries/benefits to retain or attract current/new employees

Had to make substantial adjustments in management fees for one or more existing client

Reduced expenses from more careful management of expenditures

Other factors *(please describe)* \_\_\_\_\_

3. **What were your annual capital expenditures in the most recently completed fiscal year?**

Computer Hardware, Software & Peripherals ..... \_\_\_\_\_

Telephone Systems ..... \_\_\_\_\_

Copiers ..... \_\_\_\_\_

Furniture & Other Equipment ..... \_\_\_\_\_

Vehicles ..... \_\_\_\_\_

Real Estate & Leasehold Improvements ..... \_\_\_\_\_

All other capital expenditures ..... \_\_\_\_\_

**Total capital expenditures** *[Autosum]*

**Thank you for participating in the 2017 AMCI Operations & Finance Survey**