

Reach for the Right Relationship

The most successful partnerships between AMCs and associations have a few things in common: a shared understanding of the work to be done, ground rules to follow, and regular checkpoints for evaluating the present and envisioning the future.

By Apryl Motley, CAE

Consider this scenario. The chair of an association board is meeting with the chief executive of the AMC managing her organization.

“The three board meetings held so far this year really went well,” says the AMC executive, “and the redesigned newsletter is getting positive response from members. The association is having a great year.”

“I agree, and membership growth is on track, too,” says the board chair. “In fact, things are going so well that some board members and I were talking the other day about adding a couple of regional meetings before the end of the year, to keep the momentum going.”

Now comes the awkward pause, in which the AMC executive looks for a way to tactfully explain that those extra meetings aren't in the plan, or the budget, for the year.

Conversations like this one can be avoided when both the AMC and the association have a clear understanding of the scope of work that will be completed—not just annually, but for the entire term of their working relationship. Clarity comes from negotiating a contract or management agreement where the interests of both parties are fairly represented.

"A contract between an association and an AMC should not be a one-sided document," says Michael Deese, an attorney at Howe & Hutton, Ltd. "It has to be a fair agreement that protects both parties. It should not protect one party at the expense of the other. That creates the potential for distrust.

"Building trust is most important. If you do that, you will avoid having to renegotiate the agreement every few years."

As Deese points out, most agreements between AMCs and their clients span several years, which means both parties have a vested interest in developing positive and productive working relationships. For their part, AMC executives have taken a holistic approach to establishing and maintaining goodwill with their clients.

Strong Beginnings

A good start is critical. "What we've learned over the past few years is to really focus on the first three months of the relationship," says Brian Riggs, vice president of business development for Association Headquarters. "From a practical standpoint, that's when each group's first impressions are formed."

Identifying the client's expectations and priorities is key, he says: "Members of our team go out to the incoming president's place of business to discuss what's important to the group and what can be done to make the best transition possible."

Riggs says his AMC used to handle

these discussions via email, phone, or virtual meetings. Now, two or three staffers are onsite to finalize transition documents. This approach grew out of the company's overall philosophy on the importance of establishing clarity about the scope of services to be provided.

"Not gaining clarity from day one is the biggest pitfall to avoid when forging a new relationship," Riggs says. "Think about our founding fathers and the Constitution. Their intent was documented, and we still interpret it differently to this day."

Management on a Mission

Once the ground rules have been set, the practical day-to-day relationship between the volunteer leaders and the AMC staff begins.

"When an AMC establishes a new relationship, we often refer to it as a partnership," says John A. Ruffin, CAE, president and CEO of AMR Management Services. "The management team has to provide continuity to help an organization be successful over the long term despite turnover on its board of directors."

As board members come and go, the AMC works to ensure that the board continues to make the best decisions for the association. "We build trust and respect with our clients moment by moment in each interaction," Ruffin says.

To nurture trust, "keeping the lines of communication open is so important," says Beth W. Palys, FASAE, CAE, president of Management Solutions Plus, Inc.

"We try to establish touch points throughout the year," she says. "Someone on the management team is always talking with the association's volunteer leaders about the relationship, and I attend at least one board meeting per year. It's about mutual respect and really understanding the partnership aspect of the relationship. For us, it's an ongoing dialogue."

To keep that dialogue on track, each of Association Headquarters' 31 clients

is assigned a chief relationship officer (CRO) who manages the relationship between volunteer leaders and staff.

"Our senior executive directors currently serve in this capacity," Riggs says. "The CRO attends board meetings and generally makes sure that best practices are maintained and the client is happy."

Annual Evaluation

In the midst of conducting the association's day-to-day business, AMC staff and volunteer leaders periodically need to take a step back to evaluate their relationship and plan for the future.

"You need to conduct at least an annual formal evaluation of the AMC's services," Deese says, "and it is better if that takes place at a time other than that allocated for fee renegotiation." He recommends making this evaluation—and its timing—a provision of the management agreement.

In some cases, these evaluations and discussions about future goals and objectives require the AMC to reallocate its resources. "We try to be transparent about fees and how they relate to what they see happening in the coming year," Palys says.

AMR has annual strategic planning discussions with clients because it helps the boards of directors validate their mission and goals, while giving the AMC an opportunity to reassess the resources it needs to provide those services in the next year.

"It's critical for us as their AMC to hear their goals," Ruffin says, "because once the strategic planning session is over, we determine what we need to invest in as a company to better support them in the direction they are going." ■

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