

A Tool for Building a Better Business Association

by Suzanne Etcheverry

Women have the potential to become a strong force in the global economy, but they are severely handicapped in terms of business and technical skills as well as access to resources and crucial business information. Organizing is the key to success for women's business organizations to play this vital role of offering education, training, services, and research, and by advocating for better representation of women at all government levels.

Written with the specialized needs of women's business associations in mind, the following article guides the reader through six steps of building a sound organization. It examines the key elements involved in creating a strong management structure for a business association. The article then explores specific activities and methods a women's organization can use to establish a strong membership and successfully serve its members.

Building a Strong Framework

Although each association is unique, all have members, boards of directors, and paid and volunteer staff. The first step in building an association is to identify potential members and define their needs. In a women's organization, the members can be women business leaders, pro-

fessional women, manufacturers, distributors, retailers, service providers, and suppliers.

Next, it is crucial to build a staff which is willing to work hard and is committed to providing needed services to the members. Ruled by legal documents called charters and bylaws, the association is ultimately governed by its members who have the legal right to select the board of directors. Driving the work of the association is a sub-group of the board of directors or an executive committee, made up of the leading chief staff officer (the association's highest paid employee) and the highest elected volunteer officers.

Action or task forces are central to every association. Because there is never enough money available to an association to hire enough staff to perform all the work, volunteers are organized into groups called action or task forces. Each is formed to accomplish a specific task or a project.

The effectiveness of these volunteer groups ultimately determines the overall success of the organization so it is essential to have job descriptions that clearly spell out everyone's duties and authority. Properly managing the relationship between the chief staff officer and

the volunteers is critical to the association's success.

Strategic Planning

Strategic plans enable organizations to keep focused, allocate resources more efficiently, and accomplish more. Roles and responsibilities must be clearly defined and understood, and strategic plans must take into account all points of view, reflect members' interests, and focus the organization's efforts on agreed-upon objectives. Developing the vision, mission statement, and goals are the first steps in strategic planning in a women's organization.

An organization's *vision* defines its purpose and the image it wants to create. Similarly, a newly forming women's organization should adopt a simple, clear vision that reflects what its members and leaders believe the organization can achieve. Derived from its vision, the organization's mission statement further defines what it will accomplish.

An organization's *mission statement* describes the organization, identifies who it serves, and clearly

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states the organization's purpose in 50 words or less. For example, the mission of the National Association of Women Business Owners (NAWBO) in the United States is "to strengthen the wealth-creating capacity of our members and promote economic development to create innovative and effective change in the business culture; to build alliances, coalitions and affiliations; and to transform public policy and influence opinion makers." The mission statement of Women in Business in Zimbabwe (WIBZ) is even more succinct: "To provide women with information, training, and technical assistance to enable them to improve their economic status."

Likewise, the organization's *goals* must also be clearly defined so that false expectations are not created among members. For example, a 1986-88 survey of Asian women's professional organizations and unions revealed that a significant number of members were dissatisfied with their organizations because

they failed to provide them jobs, educational materials, clothing for their children, etc. Clearly, these organizations were not created to meet these kinds of needs for their members. However, because they

Key Elements of a Strategic Plan

Organizational vision, mission statement, and goals

Activities to achieve organization's goals

Communications

failed to clearly communicate their vision and mission, their members were disillusioned and many dropped out. Any organization must clearly define its goals, as well as the

services it will provide its members, such as training, education, consultation, and product marketing.

Goals must be spelled out in the organization's strategic plan, and they also must be supported by specific and measurable activities. The box on the next page contains examples of goals and supporting activities which a women's business organization may have.

Building a Membership Base

Because active recruitment and retention of members is vital to the survival of an association, it is the responsibility of everyone in the organization. It is up to its leaders, however, to identify the unique services the organization offers and to develop the communications strategy needed to attract and retain members. It is less costly and time-consuming to retain members than to continually recruit new ones.

Throughout the process of building a membership base, it is imperative to be organized and keep detailed records of all contacts. An association should conduct research and analyze available information to identify prospective members. Current officers and board members also are a rich source of contacts, and association leaders should not be shy in asking them for referrals of potential members. Once potential members are identified, association leaders should develop individualized plans for contacting them.

There are many ways to attract prospective members. Putting their names on a newsletter mailing list for three months, offering them free advertising space for one year in the membership directory, sending them a list or fact card about the association's publications and services, and mailing them a letter highlighting important national issues which can affect their business are some of the techniques an organization can use to spark a prospective member's

For More Information . . .

CIPE recently published *Business Associations for the 21st Century*, which details the steps needed to build membership-based business organizations. Targeted at practitioners from voluntary associations in transitional economies, the handbook presents six essential building blocks for organizational development: a strong framework, strategic planning, solid member support, sound financial management, public policy advocacy, and effective communications. The story of association management is presented through the case study of a fictitious country trying to rebound from an economic downturn. It traces the contributions of three organizations to the country's transition: the new city chamber of commerce, the professional women's association, and the manufacturing association. Working through the case study, readers can apply the handbook's techniques to their own organizations. The book capitalizes on the US Chamber of Commerce's 76 years of experience providing continuing education for American chamber and association executives, and CIPE's 12 years of experience training association managers in more than 14 countries. For information on how to obtain a copy, see page 24.

interest and commitment. The more personal attention paid to possible members, the more likely he or she will join.

When a prospect finally signs up as a member, the staff and volunteers

should make her feel as welcome as possible. An orientation program for new members should be organized at which they are given information packets on the organization's services and products. An annual meeting is

the ideal forum to bring new and existing members together. The key staff and volunteers can then explain the programs and services in more detail and how new members can become active in the organization.

Examples of Goals and Supporting Activities

Some of the activities women's business organizations may undertake to accomplish their goals are:

To strengthen women entrepreneurs through public policy advocacy and research

1. Organize public policy days or an annual roundtable discussion to educate women on legislation that affects them. Legislators, government officials, and representatives of women's business organizations would participate.
2. Inform policymakers on a monthly or quarterly basis about the organization's activities, providing them with data on annual revenues generated by women-owned businesses as a percentage of GNP, and how much these revenues contribute to the national tax base.
3. Develop a databank with local, regional, and national economic and political information to be used by the organization's members.

To expand services, such as training and credit, to women business owners

1. Train 200 women in negotiation, leadership, and management skills so they can gain the tools and confidence to run their businesses.
2. Establish a savings and loan institution to provide credit to women to start fifty new businesses per year.
3. Help identify partners for women-owned businesses.

To empower women business leaders through networking

1. Hold an annual trade show to bring women entrepreneurs together with potential partners or investors.
2. Organize monthly networking events for professional business women, political officials, educators, and mass media representatives to meet each other, develop professional contacts, and discuss common issues.
3. Set up a databank for women entrepreneurs to include information on business opportunities, training programs, etc.

To promote women's entrepreneurship

1. Publish newsletters, profiles of women entrepreneurs, and data to highlight their economic contribution to society.
2. Sponsor a contest to honor a leading business woman.
3. Develop a campaign targeted at the local media and schools to portray successful women in business.

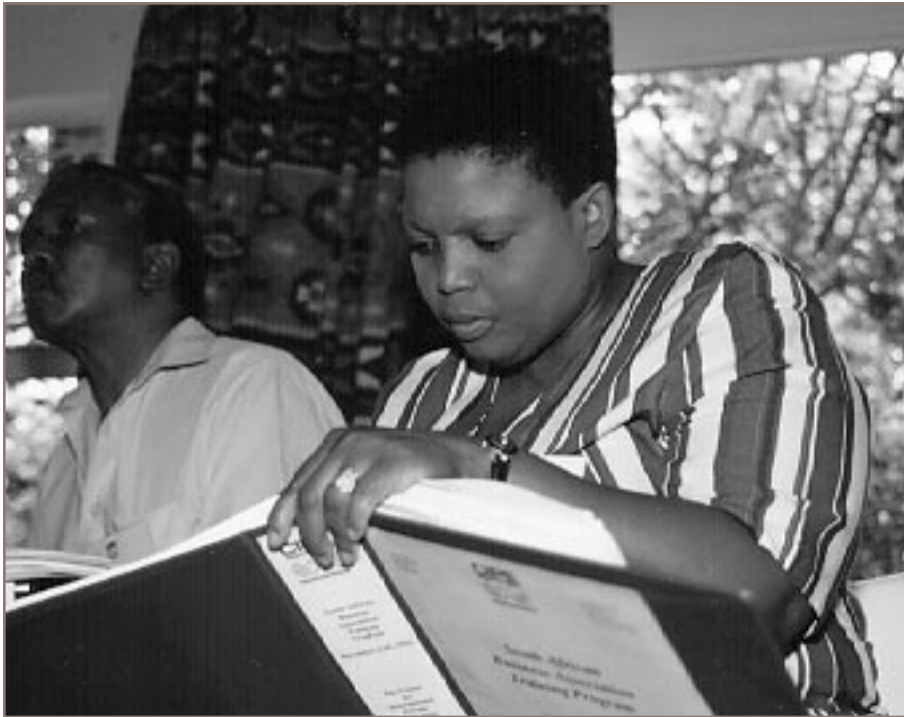
Meetings can also be an important tool to remind *existing* members how they can become involved and what they are getting for their money.

Dues should be flexible, and the authority to change them should rest

with the board of directors. The dues should be set high enough for the association to make enough revenue to keep programs growing but not too high to be out of reach of large numbers of current or prospective members. Associations can also charge small initiation fees to cover the cost of enrolling new members and to discourage existing members from quitting. Initiation fees can be a valuable income supplement to regular membership dues.

Diversifying the Membership

An association can create different membership categories to expand



Effective business associations define their goals.

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Association leaders must be able to collect dues and contact delinquent accounts personally. An adequate billing system which will alert management when dues have not been paid is an essential tool in effec-

and diversify its membership base. Examples of such categories include *active members* (those who can vote); *associate members* (those who provide products or service to active members); *retired members* (retirees who still want to be on the association's mailing list); *student members* (students who are not charged or pay a very low fee); *affiliate members* (professionals who work in related fields); and *international members* (members who live abroad).

The success of an association rests with how well officers, leaders, and staff cooperate to address its members' needs. While the officers will provide the overall direction, the association's leaders and staff will

run the programs and provide the products and services members need. Through dedicated participation, loyalty, and energy, members also play a key role by providing the association financial support and by guiding its work. As the association becomes stronger, it grows into a powerful constituency that national governments cannot ignore.

Proper financial management is a legal and moral requirement for all officers, directors, and staff members of any association. Financial statements should be constructed to provide management with the financial data it needs to properly manage the organization. The statements should include both current and past financial data on revenues and expenses.

Internal financial statements should be prepared and distributed on a monthly basis, preferably within ten working days after the close of the previous month and as soon as the cash reconciliation is complete. Once directors receive the monthly financial statements, they analyze the revenue and expenses and determine what changes

must be made.

An organization's financial statements include:

- a *balance sheet* which shows the current value of the organization in terms of its assets (cash, accounts receivable, property, plant, and equipment) and liabilities (short and long-term debt, and accounts payable). Containing comparative figures from the previous year, the balance sheet indicates how the composition of the organization's value has changed during the current year.

- an *income statement* detailing the organization's revenue and expenses during a given period (usually one month or a quarter). The

bottom line of an income statement is the profit or loss which is simply the revenues minus the expenses for that period.

□ a *cash-flow statement* which indicates the cash inflows and outflows of an organization, and is useful to determine its solvency during a given period. It measures the timing of funds received against that of those paid out, allowing management to identify potential positive or negative balances by the end of the period and to plan accordingly. Management can use this data to determine how to make up for a shortfall either by increasing revenues, decreasing expenses, taking money from reserves or incurring debt.

The budget is another effective tool management can use to monitor and manage projected income and expenses. With sufficient funding, an association can function. With profits and proper accountability controls of that money, an association will flourish.

Increasingly, associations are trying innovative methods to boost their revenues from sources other than membership dues. In Russia, for example, chambers of commerce are providing advertising services, as

well as bonded warehouses, for their members. In the US, associations are selling everything from health insurance plans and telephone discounts to publications.

Other sources of non-dues income that a women's business organization may want to explore

advisory services to their members as to outside clients.

Sharpening Advocacy Skills

Women's organizations can play a critical role in influencing the passage of legislation that benefits women-led businesses. Perhaps there

Steps to Creating a Public Policy Advocacy Program

- Listen to members, committees, and board of directors
- Develop a business advocacy program
- Know the legislative and regulatory process
- Deliver the message forcefully and concisely
- Contact officeholders
- Use grassroots advocacy

include sponsoring fee-based courses and workshops on leadership, management and negotiating skills, publishing directories on women-owned businesses, selling advertising in the association's publications, and providing fee-based consulting and

is a need to establish or modify legislation that directly affects women, such as those governing property rights and access to formal credit sources. These organizations can also advocate for higher wages for women or for services such as child and

Communications Techniques for Women Groups

- Monthly newsletters highlighting upcoming events organized by the association
- Memoranda and reports on the economic impact of women in business
- Profiles of successful women entrepreneurs
- Legislative alerts examining issues that directly affect women in business
- Policy advocacy days to promote public awareness of women entrepreneurs and to train members in advocacy skills

elderly care that are essential to the success of many women entrepreneurs. As more issues such as these are addressed, women entrepreneurs gain strength, credibility and legitimacy and they can work more effectively, thereby increasing their contribution to their country's economy and wealth creation.

One of the most effective ways an organization can change public policies is to develop extensive information on how laws and regulations affect businesses and their employees, investors, suppliers, and customers. It can collect data by surveying members, using statistics compiled by international organi-

zations such as the United Nations or by encouraging university professors to conduct business research.

In addition to accurate information and data, an effective public policy campaign must be built on an accurate reading of the views of the organization's membership. A women's organization should ask its members what laws or regulations need to be changed, then use a step-by-step approach to develop a business advocacy program based on research and the deliberations of its committees and board of directors. This is not enough, however. A successful public policy campaign must be grounded on a clear understanding of how the lawmaking process works. An association must become involved in every step of the process.

A women's organization can also furnish information on government officials, help its members understand the political process, and pro-

vide members with organized access to policymakers. Contacting officeholders can be accomplished through letters, phone calls, office visits, grassroots campaigns, and formal testimony at legislative hearings. The most effective method is to meet pri-



Training is the key to developing business leaders.

vately with key legislators or regulatory officials to present the case for the association's legislative or policy position. In all cases, that position should be presented publicly in a concise and factual manner.

Many organizations ask their members to contact their elected representatives via mail, telephone, fax, and email. Also, members are often asked to get others outside the organization to write letters or make telephone calls to politicians. This type of activity is now known as grassroots advocacy. A women's organization might include family members, suppliers, employees, customers, and professional contacts such as lawyers and accountants, in its grassroots advocacy efforts.

Effective Communications

An organization's success will heavily depend on how effective it is in publicizing its vision, mission and

strategic plan. An eye-catching communications campaign must be woven into all the activities of the organization. Tools such as newsletters, memoranda, and reports must include data supporting the impact of women's businesses on the economy (for example, how many businesses, how much employment they generate, the essential services they provide, etc.). The organization can also publish profiles on successful women entrepreneurs, articles on legislative issues that directly affect women or other noteworthy information on women's business.

Contests or awards honoring leading business women are also effective ways to get the message out while providing role models to the public. The association can also organize policy advocacy days for its members and key legislators. This is an excellent way to publicize and legitimize the association's mission, as well as to provide members with valuable training and exposure to public policy advocacy.

With a strong framework, a clear vision and strategy, solid member support, sound financial management, strong public policy advocacy, and effective communications, leaders of women's organizations around the world will have a blueprint for their future. Organizations whose members are loyal and active participants are the most effective in advocating sound policies to assist women in business—thereby improving the standard of living and quality of life for all persons in the countries where they operate. 🌐