

# The Power of Partnership

An increasing number of associations are turning to AMCs for continuity, cost savings and experience

**BY SHERYL S. JACKSON**  
**PHOTOS BY MARK ESCHER**

SINCE 1986, the number of association management companies (AMCs) has grown by 150 percent, according to statistics released by the AMC Institute. The 676 association management companies in the country represent almost five million association members and manage almost \$3.5 billion annually for their clients.

There are a number of reasons for this growth, says Charles Hall, president of Association Services Group in LaGrange. "There is a lack of volunteer time to handle day to day issues for associations," he points out. With budget cutbacks and downsizing throughout all industries that has resulted in limited volunteer time, association members' volunteer time is better used for strategic decision making.

AMC management of an association also relieves the association's board members of personnel-related issues, says Kerima Haynes, CAE, president of Association Management Resource Center in Norcross. "The AMC pays salaries and benefits, covers for the employee when there is vacation time and brings in additional expertise when needed," she says. It is more efficient to pay for a meeting planner only when meetings are needed or for a financial manager only for financial issues. With an AMC, the association gets the

benefit of a full range of staff people without the cost of paying for multiple employees, Haynes says.

One of the greatest benefits of partnering with an AMC is the "continuity," says Tara M. Morrison, CAE, president of Association Management Executives. "Association leadership changes year to year, which makes it difficult to keep some activities running smoothly all year long," she says. With an AMC, the association can make sure that maintenance of membership information,

collection of dues and planning of meetings continues throughout leadership changes.

Some association leaders who have not considered an AMC fear that membership dues and fees will rise if the association switches from an all-volunteer or a single-employee association, Morrison says. "I haven't raised dues in some of my associations for 11 or 12 years," she notes. "An AMC can help an association increase non-dues revenue, such as exhibitor or advertising income for conferences, and



*Jim Fowler, CAE*

these increases often cover more than the AMC fee."

"I also spend a lot of time looking for ways to save my clients money," says Terry Dougherty, CMP, vice president of Organization Management in Atlanta. By negotiating with vendors for discounts or identifying new vendors for different items or activities, as much as \$3,000 annually can be saved for the association, she says. An association volunteer or a single staff person doesn't have the time or contacts to easily find these discounts.

### **CHOOSE SERVICES THAT ARE RIGHT FOR YOU**

Most AMCs offer the same range of services. Full service contracts include overall management that oversees board activities, financial services, meeting planning, special event coordination and public relations activities that include Web site development, marketing and member communications, Hall says. "We also provide some government affairs services, primarily monitoring specific issues on the Federal level," he says. While his firm does not lobby government officials, he does have a relationship with a lobbyist in Washington, D.C., who takes the volunteer leaders for one of his client associations to contact key people for their association's interests.

In addition to offering full-service contract arrangements, most AMCs provide services on a project basis. "About one-half of our clients use us on an a la carte basis," says Charles B. Dillehay, CAE, MBA, president of the Dillehay Management Group in Roswell. Because his firm specializes in healthcare associations, he is often asked to handle annual continuing medical education conferences, including attracting exhibitors and obtaining grants to underwrite conference costs, he says. "We have developed an expertise in educational grant development within the pharmaceutical industry." This knowledge and experience with grant application guidelines has generated substantial income for his clients' conferences, he adds.

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# Meet the AMCs

**Learn more about the association management companies featured in this issue. Several association management companies are members of GSAE. To view a list of AMC members, visit the GSAE Web site at [www.gsaе.org](http://www.gsaе.org). A PDF version of the Buyers' Guide, with AMC members listed, is available under the Publications tab. For an updated search, GSAE members can log in to the Members Only section of the Web site. Click on Member Search, then Association Member Search. Choose Association Management under the Association Category, and you'll bring up all current AMC members.**



*Chuck Dillehay, CAE, MBA*

### **DILLEHAY MANAGEMENT GROUP**

#### **Educational grant expertise garners funds for clients**

The fastest growing career field in America, according to Money Magazine in 2004, is physician assistant (PA). The 10-year growth prediction for physician assistants between 2004 and 2014 is almost 50 percent.

Who understands this growth better than Dillehay Management Group in Roswell? In business since 1990, the association management company specializes in healthcare clients, primarily physician assistant

associations. "Although we've created a niche in this market, we can serve any client," points out President Charles B. Dillehay, CAE, MBA. However, his company's specialized experience does offer great benefits to his PA association clients.

His firm offers full-service management as well as project-based service to clients. While his AMC is based in Roswell, client associations are spread throughout the country. "Although local associations give us an opportunity for more face to face meetings throughout the year, e-mail and conference calls enable us to conduct business on a national level," he says. "The key to success is to focus on good communication."

All of Dillehay's clients hold annual continuing medical education conferences that attract participants, exhibitors and advertisers from across the country. In addition to managing revenue-producing activities, such as exhibitors and advertising sponsors, Dillehay's company has developed an expertise in educational grant development.

"Pharmaceutical companies have grant money available to underwrite healthcare educational conferences, but the application process comes with rigorous guidelines

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Tara Morrison, CAE; Chuck Dillehay, CAE, MBA; Charles Hall; Kerima Haynes, CAE; and Terry Dougherty

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The most common services that a client might choose on a project basis include financial management services, such as dues invoicing and collection, as well as monitoring monthly financial reports, contract negotiation and meeting planning, Dougherty says. Contracting on a project or a la carte basis enables an association to use the expertise of a staff person with a financial background or special training in meeting planning, without paying for a full-time position.

The biggest change that AMCs have undergone in the past 10 to 15 years is the increased use of technology, Dougherty says. "The newest way to conduct a meeting is Web casting," she explains. By eliminating the time and expense of travel, more volunteer leaders can participate in meetings. "We also find that association members like the opportunity to attend educational Web casts as opposed to traveling to seminars," she says. "It is a good way to meet members' needs."

"We stay up-to-date on the latest technology within our company so that our clients have access to it," Haynes explains. "The capability to offer Web conferences

during which documents can be shared with all participants improves the efficiency of all association meetings, especially when association members are not in the same city, state or country," she says.

Technology also improves the ability of an AMC to manage an international or national association, says Jim Fowler, CAE, senior account executive at Kellen Company in Atlanta. Not only does Fowler's AMC have offices in four different time zones, but some staff members also telecommute from other locations. The flexibility of staff members throughout the country as well as technology, "allows Kellen Company to staff an association, for example, with an executive director and government affairs specialists in Washington, D.C., a public relations director in New York City, meeting planners, staff controller, Webmaster and IT coordinator in Atlanta, and a creative services director in San Francisco," he explains.

"We have some national clients, and communicating with them is simple with e-mail and other conferencing technology," Dougherty says. "Sometimes it is more difficult getting in touch with your local clients," she laughs.

## **FIND THE RIGHT FIT**

Selecting an AMC that "fits" your association requires planning and careful evaluation, Dillehay says. "First, look for an AMC with the same culture as your association," he says. While identifying the culture of an AMC may not seem an easy task, look at the size of the company. "Does the AMC have four employees or 40? Will you be one of five clients or one of 100 clients?" he asks. There is no right or wrong answer to these questions because each association's needs are different.

Professional credentials or accreditations related to association management or meeting planning are also important to evaluate, Hall says. "An association that is accredited through the AMC Institute has proven that it meets certain criteria for good business practices and that it follows a code of standards and ethics," he says. "For example, our accreditation requires that we include a disclosure clause in all of our contracts that indicates whether or not we are paid commissions on any printing, hotel or other contracts we negotiate for our clients.

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"We do participate in a royalty program with a printer, which returns between three and 10 percent of the total printing cost of a project to us," he says. "Our clients know that we receive this money, and they also know that we turn that royalty over to them so that they benefit from a discounted printing price." The disclosure clause reassures clients that the AMC is not just choosing vendors based on a hidden commission the AMC receives.

Personal professional certifications, such as the Certified Association Executive (CAE) or Certified Meeting Planner (CMP) designations, are also important, Morrison says. "I'm committed to the concept of professional certification because it proves that the person you are evaluating is committed to this profession," she explains.

In addition to identifying culture and professionalism of the AMC, be sure to check financial references, evaluate services offered, review length of time in the business, as well as specific experience. Assess knowledge of your associations' specific industry, and, of course, talk to current and previous clients. "I include past clients on my reference list because I want potential clients to be able to ask them why they no longer use my AMC," Dougherty says. Because associations may grow to a point that they can afford their own staff, or partner with another association, it is not always a negative that an AMC has some client turnover, but be sure to ask why there is turnover if the AMC you're evaluating does not have a number of long-term clients, she suggests.

Finally, choose an AMC that will listen to you, suggests Hall. "Each contract is different as far as services go. We may do publications for one association and not another," he says. He adds that the key to a successful partnership with an AMC is that the AMC staff asks you, "How do you want this to work?"

For more information about association management companies, go to [www.amcinstitute.org](http://www.amcinstitute.org). Select "Volunteer Leaders" on the top navigational bar. The site contains information on types of services as well as a checklist on how to select an AMC that includes a request for proposal outline, how to distribute the RFP, how to evaluate candidates and how to negotiate an agreement. ●

that must be followed," Dillehay says. His success with grant applications benefits the associations by giving them the ability to offer more at conferences without increasing participants' registration fees, as well as the ability to return excess revenue from advertisers and exhibitors to the association budget. The grant monies must be used only for the educational conference, but covering the conference costs with grants increases the profit realized by the association, he explains. "One of my clients saw their annual budget increase twelve-fold over the years due to grant support of conferences."



*Charles Hall*

## **ASSOCIATION SERVICES GROUP**

### **Personalized services attracts and keeps clients**

Sometimes it's the little things you didn't even consider that make you successful. That's what Charles Hall, president of Association Services Group in LaGrange, discovered when talking with a potential client who was looking for a new association management company. Although Hall knew the client was changing AMCs because the association was not satisfied with the level of service, he was surprised to hear the client complain that he had tried for years to get the AMC to print name badges on-site for meeting participants who did not pre-register, as opposed to handwriting the names on a badge. "He was shocked when I explained that our standard operating procedure is to take a laptop and printer to the meeting registration table just so we could print badges on site," he says.

While concern over the appearance of name badges may seem petty, the real issue was an AMC that didn't listen to the client,

points out Hall. "When I receive a request for proposal, I try to sit down with the client to discover what the association is trying to accomplish, as well as what they want and don't want from an association," he says.

Contracts for each association differ as well. "Although we have a financial reporting format that can be used for all associations, some clients want specific information highlighted or want a different format," Hall says. Check-writing procedures also differ from association to association, and Hall is careful to clarify those procedures upfront.

Hall's staff of 19 people includes five executive directors, as well as accounting, meeting planning, communication and trade show staff members. Client contracts range from full-service management to projects, such as meeting registration services, Hall says. Although Hall's client list has a strong agricultural focus, more of his clients in recent years have been from other industries, on both a local and national level.

"I have a dedicated, professional staff that is involved in professional organizations to find ideas that will help us better serve our clients," says Hall. "This broad spectrum of experience enables us to be creative in our approach to association management and to give the volunteer leaders the support they need."



*Jim Fowler, CAE*

## **KELLEN COMPANY**

### **Networking with other AMC professionals improves service to clients**

AMCs come in all sizes, and Kellen Company is one of the larger firms. With six offices in four time zones, 195 professionals

and client associations and professional societies representing 10,000 members, there is a wealth of new ideas that can be shared among staff members to improve service to clients.

"One of the major advantages of an AMC is the ability to access a deep and stable talent pool of professionals from a variety of disciplines, all of which are in-house for many AMCs," says Jim Fowler, CAE, senior account executive at Kellen Company in Atlanta. Because AMC client associations are not burdened with hiring and firing full-time employees, they often can afford to have more experienced and a broader array of association executives, public relations professionals, government affairs experts, conference planners and other specialists on their staff as needed, he says. "Our clients find this model to be the most efficient use of their resources," he adds. In addition to full-service management arrangements, Fowler says that his company is seeing more associations that want to contract for special projects. These clients ask the AMC "to create and execute very specific projects and programs in such areas as public relations, strategic advice,

meetings management, Internet services, government affairs and other areas," he says. "For example, we're currently working with one large global association on their membership development in the U.S. and China," he says. "For another start-up association, we've worked with key industry members to develop a strategic plan and are assisting them with the incorporation and launch of the new organization."



Kerima Haynes, CAE

It doesn't matter if the client is in Atlanta or Beijing; it is important to listen carefully to their needs, says Fowler. "We're constantly listening to associations – clients and potential clients – to assess their needs and determine how Kellen can effectively meet those needs."

## ASSOCIATION MANAGEMENT RESOURCE CENTER

It's all in the family for this successful AMC

It has been six years since Kerima Haynes, CAE, became the second generation to run Association Management Resource Center in Norcross, and business has continued to increase steadily.

Haynes' mother, Carole Teja, CMP, started the AMC in 1991, and, when Haynes became president, she thought she'd have to market the company to build business. The growing trend for associations to turn to management companies and her satisfied existing clients, however, made a marketing campaign unnecessary. "We've increased our business steadily in the past few years through word-of-mouth, and we've even turned away business," Haynes says.

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"We are a very lean company with only two full-time employees and one-part time employee, but we have a good list of professionals and extra help with whom we contract for specific events or projects," Haynes says. The ability to utilize trusted individuals during busy times is one reason that AMCs are so beneficial to associations, she points out. "It is not necessary to pay a full-time salary to someone who is only needed a few times each year."

Half of her clients contract for full management services, and half contract for special projects, says Haynes. Even though her staff is small, she does have clients in different regions of the country, as well as the United Kingdom. "The challenge is being available to people in different time zones," she admits. Scheduling a Web conference or conference call can be tricky, but it is possible, she admits. Paying attention to time zone differences also counts in day-to-day communications, she says. "I make sure that the office telephone is staffed until 8 p.m. for our clients who are on Pacific Time."



Terry Dougherty, CMP

**ORGANIZATION MANAGEMENT INC.**

Innovative approaches keep "old"

AMC vital

Organization Management Inc. has been around since 1979, and some clients have been with the company since the early years. This stability and length of experience is one reason that the company is successful, but no AMC could survive long without being willing to change.

One way to stay on top of the best ways to serve clients is for AMC staff members to stay up-to-date on their own education, says Terry Dougherty, CMP, vice president of Organization Management in Atlanta. "Staff members need to have the most current information about laws affecting associations and contract negotiations, as well as information that association board members need for their own training," she says.

Dougherty's company saw the increasing move to using Web sites for association marketing, as well as member

services, so a Web site designer was added to the staff. "Web site development and management is a critical service for our clients, and having this expertise available as part of the AMC contract is a huge savings for the association," she says.

Another strength of which Dougherty is proud is the AMC's success with committee development within her client associations. "The key to making an association strong is to develop and encourage active and working committees," she says. "The more active



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committees you have, the more your members are involved, and member involvement ensures a successful association."

Organization Management's staff is comprised of three full-time and one part-time employee, but other expertise is brought in on an as needed basis, says Dougherty. Although her firm specializes in serving trade associations, the staff's experience makes it possible to handle any association's needs, she adds.

## ASSOCIATION MANAGEMENT EXECUTIVES

### Meeting members' educational needs

When your client list contains medical societies, you must ensure that the educational meetings you arrange offer the continuing medical education (CME) credits that physicians need to maintain their own knowledge and enhance their ability to care for patients.

"We have attracted several new clients because we are so familiar with



Tara Morrison, CAE

the process needed to have a course approved for CME credits," says Tara M. Morrison, CAE, president of Association Management Executives. Because approval for CME credits requires that the meeting be sponsored by an organization that is accredited for this purpose, Morrison currently finds accredited organizations to sponsor her clients' meetings or enters into a joint sponsorship with accredited organizations to sponsor the meeting.

Because educational conferences are a priority for her clients, schedules can get busy. "I handled three conferences in four weeks and another staff person was at another conference in the same time period," Morrison says. "We have to juggle conferences, and we ask our clients to be flexible about the timing of their meetings." Planning well ahead and bringing in extra help for busy times helps the planning and implementation process go more smoothly, she adds.

The demand for and importance of CME activities is increasing, so Morrison is taking steps for her AMC to become accredited to provide the CME credits. Although the accreditation does require extra time and effort for her company, she says, "It will make the process of planning our clients' meetings smoother and easier because we'll eliminate the need to involve another organization." ●

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