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## **What's Happening With Your Members? (And What Should You Do About It?)**

**Massive change in knowledge requirements and career responsibilities, combined with substantial upheaval in the structure of work and of the workforce, means that your members are faced with unprecedented turmoil and challenge.**

**Are you up to the task of delivering them what they need?**

In the midst of a period of time that involves the most dramatic rates of change to have ever occurred, let me raise a controversial issue: are you, as an association, still relevant to your members? Are you delivering them what they need to survive and thrive in the turmoil that surrounds them?

In my view, maybe not!

Now before you whip off an angry e-mail, perhaps you should hear me out! I think it is time that every association executive takes a good hard look at what they are doing, how they are doing it, and asking yourselves whether you should be doing something different. And in doing so, I think you should re-engage your membership by getting their participation in the debate.

### **Two big issues**

This belief comes from the preparation that I did in preparing for my talk last week as the invited speaker for the CSAE National Capitol Region New Member Luncheon.

In preparing, I sat back and thought about the major trends that are affecting members of associations. My goal was to provide insight to association executives as to what they should be doing, by providing them guidance on how the careers, jobs, professions, skills and responsibilities of their members are changing.

The more I began to think about it, my basic presumption became quite simple -- most members in most associations are drowning in a period of absolutely rapid and relentless change, and perhaps associations are not doing enough to provide them the guidance, wisdom, skill, knowledge and insight to deal with the challenges being tossed their way.

Regardless of whether they are a member of a profession or industry-based association (and to a lesser degree, charitable associations) they are being impacted by two major trends. First and foremost, there is a massive change in what they are expected to know, as a result of exploding volumes of knowledge, which results in an ongoing, regular change in their career or job. Second, they are in the midst of a rapid change in the structure of work, both in the nature of the organizations they work for, as well as the emergence of a new globally competitive skills marketplace.

They need critical guidance, education, support and assistance to deal with these two realities, and if they don't get it by being the member of your association, they'll begin to seek this guidance elsewhere.

### **Massive change in knowledge requirements and career responsibilities**

If I were to define the most significant trend that has impacted association members through the last ten years, it would be the fact that the rapidity of information exchange has forever changed. As an association, you once played a pivotal role in this information exchange and in knowledge transfer.

Ask yourself whether you still play such a role today.

Years ago, information within your association base was exchanged at a leisurely pace, through industry publications and peer reviewed journals, and at your annual conference and occasional association get together. It was easy for people to keep up to date with new issues, challenges, skills and capabilities. Yet all that changed with global connectivity; information is now exchanged in every industry and every profession at absolute lightening speed. While the traditional forms of information exchange still exist, they are being surpassed by the

emergence of new, informal, unwieldy and massively global new methods of information distribution. This is speeding up the rate of innovation, of new scientific discoveries, and of the development of new knowledge.

And the simple fact is, most individuals are absolutely drowning, and are unable to keep up with the new knowledge that they are expected to master within their profession or career.

Consider medical professionals – it is estimated that medical knowledge is now doubling every eight years, with the result that the vast majority of individuals in any field of medical science are unable to keep up to date with the most recent new treatments and protocols. One study suggests that the typical patient is receiving the most current medical treatment only about 50% of the time. The same holds true in almost every single profession and career, and leads to some significant association challenges. Are you assisting them to cope with the deluge? Are you rising up to the challenge of ever-increasing knowledge needs, or are you doing what you were doing ten years ago when the world was dramatically different. Maybe it is time for some new navel gazing here.

The impact of this expanding base of knowledge is such that no one individual, regardless of who they are and what they do, can now be expected to know everything that there is to know. What this is leading to is the fragmentation of each career and profession into dozens of different specialties.

Consider the world of engineering. Days prior to my talk for CSAE, I had provided the opening keynote for a major US manufacturing concern at an event in Orlando. I pointed out to the audience that ten years ago, we had a profession known as “mechanical engineers.” Yet I observed that this profession is now rapidly fragmenting into dozens, if not hundred of sub-specialties. We are seeing the emerging of mechanical engineering specialists who focus solely on the implementation of new manufacturing methodologies; others who are “process transformation specialists;” still more who are experts in dealing with emerging smart, hyper-connected remote maintenance technologies; and others who are specialists in understanding how to access specialized expertise located in Asian countries, and knowing how to utilize this talent within the North American operations.

Each of them does what they do, and they do it well, but they tend not to step out of their area of specialization. That’s but one example: take any association in this country and you can identify similar trends. How do you support your members in this area of heightened specialization? What is your relevance in the era of massive specialization? What additional new or different services should you provide them? Those are just a few of the good questions that you should be asking of yourself. And if these aren’t questions that you have been addressing, you’d had better do it soon.

### **Massive upheaval in the structure of work**

The second major trend impacting your members is that they continue to witness an ever-increasing degree of upheaval in the structure of the workforce in which they participate.

Some of them are seeing a rapid devaluation of the value of their skill set; others are witnessing ongoing change in the nature of whom they work for. You must be prepared to help them make a transition that increases their value, not to mention being prepared to support them as they enter a workplace that is becoming increasingly more difficult to define.]

Let’s put the reality of global trends into stark perspective: China. It is undeniable that the world is in the midst of a massive economic restructuring. GM plans to increase by 20 fold the product it sources from China: from \$200 million to \$4 billion

by 2009. The reason for this is an average wage cost of 90 cents, vs. \$22.50 or more in the US. China is now the world’s largest steel producer and consumer, with some 220 million tons produced in 2004, up from 100 million tons in 2001.

Dig into the numbers, and you can find any professional or industry association that is being impacted by such dramatic trends. Two-t

hirds of the members of the US based National Electrical Manufacturers Association are already sourcing product from China, and half of the remaining 1/3 plan to be doing so within the next year. There is so much momentum that fully one-half of the world’s small motors are now made in China. Other manufacturing associations are being impacted in similar ways: China passed the US in machine tool consumption in 2002, and has doubled already its consumption from that year by 2004.

The result of all of these trends is that every industry has to deal with what has come to be called “*the China price*.” That’s the price that a Chinese company can offer on almost any given product, and the only thing that you can be certain of is that it is a price that is guaranteed to be lower than that offered by anyone else. In the era of the “China price,” your members will continue to encounter relentless, ongoing, regular incessant restructuring, as their organizations struggle to pare back and manage their cost base.

The China price doesn’t affect just products – it also has a major impact on services. Fifty percent of the Chinese population is less than the age of 25, and they are ready and eager to provide their skilled services to the world. Months ago in this space, I wrote about the off-shoring trend and the “commoditization of human capital.” I remain convinced that many association executives really don’t appreciate just how quickly this trend is going to impact their members.

The savings on offshore administrative and professional work ranges from 15% to 30%, according to *Optimize Magazine*. The result is that we can expect to see one in 10 computer jobs performed offshore by the end of the year, with a lot of clerical and analytical health care activities set to follow. US banks plan on moving up to 8% of their workforce offshore through the next 5 years. Government outsourcing is set to grow at 17% per year. Some of the most popular new activities for outsourcing include legal issues, accounting functions, capital asset management, and treasury procedures, to name but a few. In other words, your members!

Some will find that their jobs will disappear, and will leave your association base as they move onto a new career. Others will find that they must develop

new skills and capabilities to reinvent their relevance. Are you prepared to offer them the guidance, knowledge and support to deal with the era of the China price?

Of course, all of this is happening in an era in which there are two other certainties – your membership base is going to decline as a result of the exodus of baby-boomers from the workplace, at the same time that it is becoming rapidly apparent that the newest generation of workers entering the workplace don't find a lot of relevance in joining associations. Those two facts guarantee further turmoil in your membership base.

Not to mention that the emergent era of "hollow companies" will continue to change the very essence of the organization that your members work for. I find the company Metro International, which puts out small, local newspapers in major metropolitan areas around the world, to be quite fascinating. The company is really just a brand – they make nothing and outsource everything. They employ few reporters, and simply buy their content on the open market. They don't own any printing presses; they simply outsource that to organizations in the markets in which they operate. They don't even own any distribution networks, instead preferring to use the services of those who already have well entrenched networks in the cities in which they operate. Noted the London Times, the company "*operates, in effect, as a network orchestrator.*"

We can expect such a corporate structure to be the standard for the future. The impact on your members is even more turmoil, challenge and change. They will increasingly become itinerant professionals, working on short term projects for a wide variety of hollow companies. How will you reach them? What type of budget will they have for association activities? What is your role in supporting this new type of nomadic worker?

Those too, are just a few of the important questions that you should be asking of yourself.

### **Refocusing your energies**

The key point is this – in an era of change, effective leaders turn challenge in to opportunity.

Forward thinking association executives understand that change is inevitable; that their attitude to the future is critical. They know that upping the strategic value of their members is of paramount importance, and they possess the insight to determine how to evolve their mandate so as to support their members with these new realities.

That's why I provided the CSAE luncheon with my thoughts on the key things that I think association executives should be concentrating on as they prepare for the future:

### **Appreciate the scope**

Some weeks back, I spent time talking about future trends with senior management of the BBC. I noted that for them, their business model was undergoing such a degree of change that they should realize that "it's WAPPING time!" What's that? Wapping is the area in London where newspapers moved to during the great reinvention of their business in the mid-70's. It was a huge shakeup for everyone involved – the degree of change was that dramatic.

So it is for you. The change that is being experienced by your members as a result of the two trends discussed above is such that for them, it's Wapping time! It's big, it's huge, and to deal with it properly, you must truly understand its scope.

### **Step up to the opportunity!**

Once you appreciate the scope, you'll realize that there are huge areas for opportunity.

You should be thinking of the new demands for continual education within your membership base; new services that can help your members cope with rapidly increasing complexity; new sub-associations that cater to the unique needs of rapid specialization. Maybe even new forms of membership for those who are impacted by global economic trends.

Forward thinking leaders recognize that big change involves big opportunity, and that's the mindset that you should yourself within.

### **Re-engage your passion!**

Frankly, I wouldn't be surprised if things might become a bit hum-drum on occasion for you. You put out the same old newsletter, organize the same old conference with the same old speakers and the same old tired

theme, and deal with the same old issues around the same old table with the same old association board members.

Yet things are now different! If you think about where we are and where we are going, then you realize that the extent of the opportunity as an association executive is huge. That belief should re-ignite your passion and your purpose as an association executive; approach things that way, and you'll find that everything becomes tremendously exciting once again.

### **Re-focus your energies**

What this means is that you too need to effect some change. Get the concurrence that it is time to re-examine your role and your mandate. Take a good hard look at what you do, and ask yourself, "do we need to be doing something different today in light of the new realities that surround us?" Get your members thinking, and your board, and you will find that you'll be able to re-channel your energies to what truly needs to be done.

### **Control the trends....**

...before the trends control you.

Do you remember my article a few weeks ago, "*I Found the Future in Manure?*" When writing it, I thought it was only a matter of time before we saw the emergence of the "Association of Manure Managers." I used this line as a bit of a joke at my CSAE speech, only to have a fellow approach me after my talk, informing me that he actually ran a conference focused on the theme of manure management not too long ago! I'd expect the degree of specialization in the agricultural sector to be such that there will soon be a need for a pressing specialty association – why not do it within your own umbrella?

The point is, the future is rushing at us faster than ever before, and it is better that you take the time to respond to these changes and control the destiny of your association before someone else does. As Andrew Carnegie noted, "the first one gets the oyster ; the second gets the shell."

### **Crystallize their value**

A big part of what is happening in the world around us is that the value of the skill that your members are providing, regardless of their career or profession, is being heavily impacted by global commoditization. What you need to do is to help your members make a transition from a skill that is of low value, tactical and a commodity, to one that is strategic, high value, and much in demand.

This, more than anything, should be at the cornerstone of the renewed mandate for your organization.

### **Sustain their knowledge**

A recent report from the US National School Boards Association noted that "*only 15% of jobs will require college education, but nearly all jobs will require the equivalent knowledge of a college education.*"

Think about that! Talk about an opportunity for a renewed mandate for your association! Can that not be a huge part of the role that you undertake as you seek to crystallize their skill set? Said Leo Reddy, CEO of the National Coalition for Advanced Manufacturing (NACFAM) "*The skill levels of the production worker in manufacturing is going to have to go up at an accelerating rate and require stronger academic preparation than in the past.*" The same rule applies to everyone.

### **Restore their enthusiasm!**

Last but not least, its time that you restore the enthusiasm of your members for the role that you provide. For some associations, membership levels continue to drop; conference attendance is down; members complain about the lack of useful services; Gen-Y doesn't join because they don't see the relevance of what you provide.

And its no wonder – it seems that many associations are on autopilot. Some plan the annual conference with the same old tired, clichéd themes ("*Reach for the Mountain!*"; "*Achieve Golden Success!*" "*Make the Most of What You Do!*" "*How to Achieve Your InnerMost Whatever!*") while your membership is literally struggling with everything that is going on around them.

Why is it that they should be given a motivational message when what they really need is some critical insight, skills, knowledge and guidance on how to cope with a future that is rushing at them at a furious pace?

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I believe that ten years from now, we will look back at this period of time as the beginning of a significant transition in the association sector.

There will be those who stepped up to task, and who reinvented their relevance and role for the new demands being placed upon their members. And sadly, I think there are many associations who will fail to rise up to this challenge. History is littered with the remnants of those who have failed to adapt to change. Going into the future, there will be many more who will fail to anticipate what comes next with their members, and who won't plan for the need for change in who they are and what they do.

My message to you is – step up to the challenge before it is too late.

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