Pathways to Innovation:
Shifting from Informal to Intentional
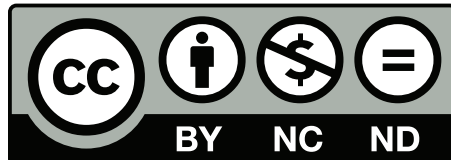
GRACE
SOCIAL SECTOR
CONSULTING, LLC

Executive Summary

HIGH-LEVEL FINDINGS

- Most association staff people perceive their association as innovative.
- The majority of new ideas and initiatives come from staff with the CEO and senior leadership leading most efforts.
- Most organizations rely on informal processes for moving innovation forward within their organization.
- New ideas and approaches are often borrowed from other associations.
- The majority of organizations rely on informal market research processes to identify unmet member needs.
- Sun setting programs is often challenging for organizations and few have any formal mechanism for regular review of their offerings.
- Trends that are impacting associations include generational shifts in their membership, as well as the wider economic shifts that change the realities of their members' work lives.
- Current innovation projects cluster in three primary areas: upgrading internal technology infrastructure, building online learning programs and shifting to shorter, more targeted events.

RECOMMENDATIONS:

- Assess how innovative your organization is and identify what could be strengthened to improve the organization's innovation capacity
- Create an innovation pathway within your association
- Create intentional practices for scanning beyond your organization.
- Build regular market research practices
- Decide on criteria for vetting ideas
- Regularly review programs for possible sun setting

Background

I had the opportunity to interview 12 association staff people during the spring of 2018 about their organization's innovation practices. Below are the common themes that emerged from the interviews.

Findings

WE ARE INNOVATIVE

Associations are often characterized as relatively risk averse and lacking innovation. Yet the people I interviewed described their organization as innovative.

They talked about visionary leadership, staff proactively looking for improvement and boards willing to try new things. One said, "We have a more innovative focused culture than many." Only one described major resistance to change from key stakeholders within the organization.

Other research has also found similar findings. The Association Innovation Benchmarking Report[1] found that all associations surveyed rated themselves at least 'moderately innovative' while 26% rated themselves 'extremely innovative'. Recent research supported by ASAE Foundation found that the majority of their survey's respondents said that their association pursued an innovation project in the past three years.[2]

This dissonance between the major narrative about the lack of innovation within organizations and the personal perception of innovativeness reminded me of a similar phenomenon researchers have found with parents and public schools. Parents will often describe the poor quality of public schools generally, yet will be happy with their local school.

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[1] Association Innovation Benchmarking Report by NBAA and Marketing General, Inc., 2016, pg. 9
[2] Association Innovate: The Journey from Intent to Action by Satish Nambisan, PhD. The ASAE Foundation, 2018, pg. 6

INNOVATION CONTINUUM:

INCREMENTAL   EXPANSION   TRANSFORMATIONAL

3

This gap could also be a function of how people are defining innovation. There is a spectrum of innovation from incremental product and process improvements to more radical, disruptive innovation that involves wholly new offerings and ways of doing things. Many likely perceived themselves as innovative because they were consistently trying to improve the programs and services they offer members.

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STAFF DRIVEN VS. MEMBER DRIVEN

The majority of associations named staff as being primary to bringing forward new ideas and initiatives. For a few organizations, members were driving the decision-making about new ideas and initiatives. Within the staff driven organizations, most named new programs originating from the top – from the CEO or senior leadership team. Many also described working with members to get input and feedback on ideas, usually by working with committees, councils and boards or special advisory groups. Several mentioned the importance of a 'champion' to move an idea forward, stating that without such a person ideas lost momentum before they were implemented.

This mirrors other research findings. "The CEO plays a critical role in formulating and establishing an association's overall approach to innovation," Nambisan found.[4] In NBAA's study, they found that 80% of survey respondents said the CEO promoted the organization's focus on innovation.[5]

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[3] Image inspired by Soren Kaplan, the Invisible Advantage, 2017
[4] Nambisan, pg. 27
[5] NBAA and Marketing General, Inc., pg. 10

CULTIVATING AN INNOVATION MINDSET

Organizations varied in the extent to which they perceived themselves as risk averse. Many talked about starting small with changes and innovations – whether through a small pilot or other methods for trying things out before investing heavily in them. Several emphasized that they saw an innovative culture being cultivated from the top through the vision of the leadership. Others commented that innovation, like luck, happens to the prepared.

LACKING A PROCESS

Only a couple of the organizations that I talked to had formal processes for either vetting ideas or creating innovation. One had a 'new projects' workgroup whose charge it was to collect new ideas and look at their potential. Another recently created a position to focus on business development and strategic initiatives.

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The majority relied on informal processes, whether ideas came primarily from staff or from volunteers. A few had defined criteria for vetting ideas, including financial viability, competitive analyses, return on investment and fit with mission.

This again echoes other research findings. The majority of respondents (64%) in the NBAA study did not have an established process for cultivating innovation or new ideas.[6] Nambisan found that, "With few exceptions, the research participants reported rather ad-hoc and relatively immature innovation systems and processes".[7]

BEG, BORROW AND STEAL

People described borrowing many of the innovations from other associations. This included bringing ideas from associations they had worked at before or approaches they had heard about from another organization. This can be a very good way to emulate good practice from other organizations, learn

[6] NBAA and Marketing General, Inc., pg. 11
[7] Nambisan, pg. 36

from their experience and apply already tested approaches. Without a deeper understanding of the association's members' needs, however, this can sometimes lead to creating offerings that are not relevant in the new context.

INFORMAL MARKET RESEARCH

Similarly, most of the people I interviewed described an informal process for gathering information about their members' needs. Often they relied on volunteer leadership and their regional component leaders for insights into member trends. Others described talking frequently with members, whether they were simply listening to what people said in passing or using other work as a means to gather information such as interviews for publications.

Those who did mention a more formal data gathering process primarily mentioned surveys. Some organizations have solid practices of surveying members at least annually. A few mentioned the challenge of getting members to answer surveys. In these cases, they shifted to doing on-the-spot interviews of conference participants. One person mentioned a tour of key members when they first started but said that they were now relying on more informal methods.

SCANNING FOR FUTURE TRENDS

Several people described robust practices, either personally or within the organization, for scanning for trends and new ideas. Many talked about regularly reading blogs, listservs and publications for trends in their field and the association world. Others described making it an expectation for all staff to scan externally at least weekly. One person described a regular meeting held by the association's senior leadership during which they consider the question – "what do you see coming down the pike?" Yet several interviewees talked about the challenges they have with getting their boards to think longer term, and to focus on what the future will bring. They described boards as lacking vision for where the organization and the field

will be in 5-10 years.

CHALLENGES IN SUN SETTING PROGRAMS

Even for those who had a system for evaluating programs, sun setting programs remains a challenge for most organizations. The majority had no formal process for deciding when to end offerings. One mentioned a useful session when staff brainstormed answers to the question of "what can we stop doing?" However, a common refrain referred to the passion that staff and members have for the initiatives that they develop. Being emotionally invested, they frequently advocate for a program even when others may believe it is no longer strategically critical.

The NBAA study found that only "39% of associations have any sort of process for deciding which offerings to discontinue." Additionally they found that only 11% of associations have any formal process while 28% have an informal process.[8]

GENERATIONAL SHIFTS

Shifts in their membership's demographic make-up was a frequent theme. Many mentioned the generational shift that is currently underway. These organizations' memberships are aging. Many cited challenges with attracting younger professionals to join and to integrate younger people into leadership positions. Some have sought to address this by adding student and retiree membership categories. Many commented on the need for a more significant shift in the association model to remain relevant, as Millennials and Generation Z become the majority in the workforce. They questioned whether the membership model will remain relevant and whether the association field will itself be disrupted.

IMPACT OF WIDER ECONOMIC SHIFTS

Economic disruptions, including digitalization and the global economy, have shifted how professionals work and thus shifted the needs those professionals have. These wider trends have put pressure on associations to adapt to their members'

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[8] NBAA and Marketing General, Inc., pg. 12

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new realities. In some cases there has been considerable consolidation within the field, shifting from small businesses to larger entities. This has resulted in fewer potential members being in direct control of their decision to join the organization. In other cases the advent of web based DIY services is changing the work of professionals. Instead of being the first go-to for a service, the professional is now the last resort for clients. Work that used to be conducted face-to-face is now being conducted virtually. With each shift in the field the association serves, it also shifts the assumptions that undergird its key offerings.

TYPES OF INNOVATION PROJECTS

Three primary types of innovation projects were mentioned–technology upgrades, online learning and shifts in how events and conferences are offered. Many described how even small organizations have access to robust technology tools that were out of reach just a few years ago. With this, many were in the midst of integrating or upgrading key business systems. These included AMS, LMS, CRM as well as data mining projects. Several organizations were venturing into online learning for the first time. Others were expanding their online learning offerings, including launching online universities and academies.

SHORTER, MORE TARGETED EVENTS

Several people described launching more niche events that take up a 'smaller footprint.' They are aiming to design events that limit travel and require less time out of the office. Many described how people appreciate networking that is more structured, leaving less to chance. Some questioned how to strike the right balance between face-to-face and virtual events.

Recommendations

ASSESS YOUR ASSOCIATION'S INNOVATION CAPACITY

Learn innovation approaches such as design thinking and lean start up. These practices will give your staff and members solid tools for doing empathy research.

Use objective measures such as this assessment from the MIT Sloan Management Review to evaluate your organization's strengths and the areas that need further work. Facilitate conversations about what type of innovator the organization wants to be. Does it want to focus on one end of the continuum – on incremental improvements – or does it want to create some space and support work towards creating new offerings? Are there ways to make room for both?

CREATE AN INNOVATION PATHWAY WITHIN YOUR ASSOCIATION

Design a process for cultivating innovation within your association. Have conversations about how you define innovation, what it means to try and fail, and how more than the top leadership can be involved in identifying areas of opportunity. Learn innovation approaches such as design thinking and lean start up. These practices will give your staff and members solid tools for doing empathy research with key stakeholders to uncover unmet needs, design possible solutions and test these ideas at low cost. This will also provide avenues for broadening participation in innovative thinking beyond your top leadership.

CREATE INTENTIONAL PRACTICES FOR SCANNING EXTERNALLY

Build intentional practices that create space for staff and members to think longer term and discuss the trends they see emerging. This helps people break away from their focus on the urgent. There are multiple ways to approach this. Start

by making it an explicit expectation that each staff person do some sort of external scanning on a regular basis. Build a discussion of trends into a regular portion of staff meetings. Borrow the practice of one association which described having a regular meeting just for the purpose of discussing longer term trends and their implications. ASAE's recent Foresight series is an excellent resource for sparking dialogue about longer-term trends.

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BUILD REGULAR MARKET RESEARCH PRACTICES

Build on your informal market research measures to make them more deliberate. This could include social listening, creating mechanisms for staff to report regularly on interactions with members or by adding a question to each member interaction that is compiled and analyzed. More formal practices include regular member surveys. Supplementing a survey with interviews of a member segment each year provides richer data into members' unmet needs.

DECIDE ON CRITERIA

Create a vetting process for ideas. Determining ahead of time how you will evaluate ideas will help increase your confidence in the soundness of any decision. Criteria could include:

- How does the idea align with your core mission?
- Does your organization have the skills to implement the idea well?
- Will it have an impact at scale?
- Will it create an in depth experience with key stakeholders?
- Does it fill an important gap in the market place?
- Does it build your brand?
- Can you leverage it for other purposes?
- How financial feasible is the idea?

Without having decided ahead of time about common criteria, it is easy for the person advocating for the idea to only emphasize the up sides of their idea.

REGULARLY REVIEW PROGRAMS FOR POSSIBLE SUN SETTING

Create the discipline of evaluating your programs, products, services and initiatives on a periodic basis. Building on the criteria you use to evaluate new ideas, apply that same critical lens to the things you are currently doing. You may identify programs that no longer contribute to the bottom line and are no longer in alignment with your mission. The first time around you may not succeed in ending any programs – but be ready to put some on the 'watch and wait' list for future scrutiny. Letting go of the old allows room for the new.

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Appendix

BACKGROUND:

During March and April 2018, I interviewed 12 association staff people about their organization's approach to innovation. I used a common set of questions for the interviews and then analyzed the results for themes. The majority of those I interviewed worked for small to medium-sized professional associations.

INTERVIEW QUESTIONS

- What opportunities do you see for your organization in the next few years?
- What are the major challenges your organization is facing?
- How does your organization approach creating new programs, services or initiatives?
- How are decisions made within your organization?
- What important trends do you anticipate impacting associations in the next 3-5 years?
- What else do you feel is important for me to know related to the focus of this project?

RESOURCES

ASAE Foresight Works Collection, 2018
https://www.asaecenter.org/resources/asae-foresightworks

Association Innovation Benchmarking Report,
NBAA with Marketing General, Inc., 2016
http://www.marketinggeneral.com/knowledge-bank/reports/

Associations Innovate: The Journey from Intent to Action by
Satish Nambisan, PhD, ASAE Foundation, 2018
https://foundation.asaecenter.org/research/leadership-topic/
innovation-in-associations-study

Building Block of Innovation Survey,
MIT Sloan Management Review, Spring 2013, Vol 54, issue 3
https://sloanreview.mit.edu/files/2013/03/1d3719138f2.pdf

**Design Thinking for the Greater Good: Innovation in the Social
Sector** by Jeanne Liedtka, Randy Salzman and Daisy Azer,
Columbia University Press, 2017

**Innovate the Lean Way: Applying Lean Startup Methodology
in the Association Environment**
Guillermo Ortiz de Zarate and Elizabeth Weaver Engel
https://getmespark.com/wp-content/uploads/LeanStartup.pdf

**The Invisible Advantage: How To Create A Culture Of
Innovation**
Soren Kaplan, PhD., 2017

NOTES:

About The Author

CAROL HAMILTON

Carol Hamilton is principal at Grace Social Sector Consulting, LLC. She helps associations and nonprofits become more strategic and innovative for greater mission impact by providing organization effectiveness consulting, meeting design and facilitation, and training to organizations.

A strategic thinker, Carol has worked with teams and organizations to envision and frame their future strategic direction. Practical in her approach, she helps organizations think through who is key to creating their future, how to gather insights from these stakeholders, consider the big picture, imagine new possibilities, come to agreement on their future goals and create an initial action plan to get started.

With more than 20 years of experience in the nonprofit and associations sectors, Carol facilitates sessions frequently on leadership, strategy and innovation topics. She graduated from Swarthmore College and has her Masters in Organization Development from American University.