



ASSOCIATION MANAGEMENT COMPANY (AMC) BACKGROUND

Challenges faced by nonprofit associations and trade organizations today. As more and more volunteer organizations vie for less and less available volunteer time, the need for effective professional management becomes increasingly critical.

But the traditional answers—maintaining full-time staff and office facilities or operating with volunteers who often lack time, experience, and expertise in key areas—result in a major investment in overhead and inefficiencies as long-term goals get lost in day-to-day details.

An alternative concept of association management has existed for over 100 years and remains today an effective solution to the management problem, offering advantages that more and more associations are discovering—the association management company (AMC).

What is an AMC? Whom does it serve?

An association management company is a firm of skilled professionals whose goal is to provide management expertise and specialized administrative services to trade associations and professional societies in an efficient, cost-effective manner. Business, trade, service and professional associations and societies of all sizes benefit from the services of association management companies.

How does it operate?

An association management company provides a centralized office that serves as the client association's headquarters. The overhead costs for the professional offices are shared by other associations and societies clients at the AMC, increasing their resources and capabilities without major capital investment.

Based on the concept of shared resources, an AMC provides volunteer organizations with the expertise they need when they need it. The AMC typically assigns executives and administrators to conduct the association's day-to-day operations.

Specialists are drawn from the pool of personnel resources and are assigned on an as-needed basis. For example, a publications editor coordinates a monthly newsletter or annual report...an exhibits manager oversees the annual meeting trade show...a research team is created to assist with special projects...or additional support staff is utilized to help with membership programs. Each

association pays only for the hours the staff specialists work on the tasks and benefits from the professional expertise for a fraction of what it would cost to hire full-time staff. Experienced professionals execute assigned tasks cost effectively for clients and allow client services to be customized to meet specific goals.

What specific services do they offer?

- Executive management
- Administrative management
- Financial management
- Strategic planning
- Membership development
- Public affairs and lobbying
- Meeting/convention/ trade show management
- Marketing
- Communication services
- Education and professional development
- Statistical research

Why use an AMC?

- Allows association leaders to concentrate on policy issues instead of administrative tasks;
- Provides an affordable, high degree of professionalism, management expertise and technology through the concept of shared resources;
- Customizes staff activity to meet association needs;
- Maintains continuity of business operation during changes in leadership and staff;
- Provides cost-effective solutions to personnel, equipment, facilities, and budget considerations.

About Association Management Companies

As for-profit businesses that provide professional services to numerous associations and societies, AMCs manage association finances, membership development, meetings and exhibitions management, administration, marketing and public relations, information technology, new media and other services. AMCs in the United States now manage budgets exceeding \$2 billion collectively. The average AMC-managed association budget is \$677,000 and the range of budgets for AMC-managed associations is anywhere from \$50,000 to more than \$16 million annually. For more information on AMCs, visit the AMCInstitute at www.AMCinstitute.org.