

## **OUTSOURCING: USING AN AMC TO RUN YOUR MEETINGS, CONFERENCES AND TRADE SHOWS**

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For decades, association management companies (AMCs) were perceived as firms that catered to small associations who could not afford their own staff, offices, furniture and equipment. This could not be further from the truth, then and particularly, now. For many years, AMCs have managed trade and professional associations with budgets running into the multi-millions. They could not have accomplished that without offering a wide, comprehensive array of services necessary to successfully manage full-service, growing associations.

Quite prominent among these services have been conference and trade show management. It is very common for even the smallest of AMCs to arrange, administer and sell multiple conferences and trade shows within a given year, with larger firms handling as many as one hundred or more of these functions annually. Clearly, AMC's possess the knowledge, expertise, and experience to not only manage meetings and trade shows, but to promote and sell them as well.

Over the last decade, there has been a decided shift by AMCs to unbundle many of their services and sell them individually to the customary not-for-profit entities. An additional, concurrent shift, has been the promotion of these unbundled services to for-profit organizations. Both of these factors have led to new marketing opportunities for AMCs, and consequently, have allowed a wider range of organizations to utilize their services.

Why the shift? There is a growing need for standalone associations (those with staffs and offices of their own) and corporations to reduce their budgets and work smarter. This has been happening for several years.

Think about the fact that it takes a sizable staffing effort to properly manage all phases of a major conference. Throw in a trade show, and it becomes a yeoman's task. Depending upon the size of an organization, it will either maintain a dedicated conference/trade show staff, or pull supplemental staff in from other departments to help along the way. This can be detrimental to the organization in two ways: 1) it is maintaining a conference/trade show staff all year-round when it really only requires this level of effort for a portion of the year; and 2) if it pulls other staff in to assist with conference planning, it means something else in the organization isn't getting done.

AMCs offer an alternative to these scenarios. Their involvement in an association's conference and/or trade show can be as much or as little as the association wishes. They can take over the entire project for you, or handle just one segment. They can work with an in-house director of meetings, or serve in that capacity for an organization.

Many AMCs offer trade show planning services, ranging from one end of the spectrum to the other, including developing sales prospectuses for potential exhibitors, designing floor plans, selling and assigning exhibit space, making all arrangements for food functions, signage, and audio-visual. They also serve as an on-site administrator, handling all post-trade show business such as thank you letters, review and payment of invoices, debriefing and making recommendations for the following year's show. Even small trade shows are huge undertakings, and AMCs can relieve organizations of the multitude of tasks necessary to pull off a highly successful one. The same holds true of meetings, conferences and conventions. Either working in tandem with your meeting

planning staff, or serving as that staff, AMCs will work efficiently, profitably and professionally on your behalf, freeing your staff to handle other elements of business.

Do AMCs charge rates that are less expensive than maintaining your own staff for these functions? No - their costs for staff, office space and equipment are the same as yours. However, there is a built-in cost-efficiency that can, and often does result in reduced costs for your organization. You are only hiring an AMC for the job at hand and therefore, you are only buying the time necessary to do the work. Plus, as an agency-type business, AMCs are accustomed to working quickly and efficiently. By necessity, they have developed task-oriented systems and procedures that lend themselves to speed and efficiency, while still maintaining a high level of quality.

Is there a danger of the AMC undermining your staff, and by virtue of doing a terrific job, supplanting the need for your association's staff? AMCs recognize that while they are in the business of offering comprehensive services to associations, they are also very sensitive about the concerns that some staff members may have. Quality AMCs will offer non-compete agreements as part of their standard arrangement.

Association management companies offer the expertise, experience and comprehensive knowledge of meeting and trade show planning that is hard to duplicate elsewhere. If you are considering outsourcing any of these functions, your organization would do well to consider an AMC.

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## *TRANSITIONING TO AN AMC*

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The decision to transition from an independent office to an experienced association management company (AMC) can be based on several factors. A good percentage of the time the decision is based on the Board of Director's fiduciary responsibility to the membership. The objective of a board is to offer members expanded services and to facilitate future growth in a cost-effective environment. Entering into a partnership with an experienced AMC can provide these elements.

Whether the decision to transfer management responsibilities to an AMC is because your current independent staff plans to retire, or the result of a long, thought out strategic plan, the first thing you must do is your homework. An AMC can offer a pool of skilled industry professionals whose goal is to provide the association with management expertise and specialized administrative services. Keep in mind that all AMCs are not equal. When considering a change of such magnitude, you need to be certain that the culture of the AMC matches that of the association.

You will need to consider the following types of questions as you research potential association management companies. Does the AMC's management philosophy focus on a partnership with the association? Does the AMC's philosophy center on a team approach to problem solving, planning and implementation? Has the AMC achieved professional association management accreditation? Before you begin a successful transition, you must feel confident that you have made the correct choice in a new long-term partnership for the association. Once the selection has been made and the contract has been

signed, there are certain elements of the move that deserve special consideration in order to guarantee a smooth transition.

The ideal situation would be for the new AMC to work in tandem with your former management team. Experience has shown the best results occur when both parties can work together to ensure that the association's programs and services are transferred in an orderly fashion.

While the AMC will need to focus its initial efforts on a complete understanding of the day-to-day needs of the membership, the change in the organization's current management will also create an ideal opportunity for a full re-examination and re-evaluation of association activities and programs. Working together in the new partnership, association officers and your new dedicated staff will bring a fresh perspective on how to best accomplish your primary programs.

Solid preparation and adherence to a strict schedule will make the process run smoothly. Some AMCs have an extensive "New Association Transition Checklist" which can be forwarded to the new client. This crucial tool includes sections on vital areas of the association's daily operations such as financial documents, insurance policies, meetings, membership, graphics and artwork, paper and electronic files, inventory, and other transition specific activities. It details what should be sent from the previous management and will also help the new staff ask the right questions about the daily operations of the association. This should help to provide continuity for the association's board of directors, committees and members. From forwarding the mail to relocating assets, your new AMC should work closely with the board and designated members to execute a seamless transition

One other very effective communication tool is to formally introduce the new headquarters staff to the membership via a letter from the association president. That could be followed by a "spotlight" article in the association's newsletter.

Once the physical transition has taken place, it is just as important to dedicate time and effort to ensuring that your members are aware of the change in management and that they are confident that the transition has been made in the best interest of the organization. It may be necessary to schedule a visit to your new headquarters. A personal visit is an excellent way to begin to build the important foundation for what will ideally become a long-term mutually satisfying professional relationship.

The transition from an independent staff to a professional association management company will be smooth and orderly if these important key areas are made the focus of the transition process. The long-term benefits the association will realize through the new partnership will far outweigh the apprehension of making a transition.