

The Mini-Association: A Maxi Challenge*

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Small organizations can be defined in two ways: their budgets and the size of their paid staffs. Thus the annual survey of the CSAE (Canadian Society of Association Executives) on the salary and benefits of executives bases its criteria on a budget of \$100,000 or less and a staff of up to three people. It is difficult to set an absolute size limit for the budget of a "small" association; the idea is relative. Nevertheless it is common to accept a budget of up to \$200,000 as a reference point, and full-time staff may number three.

This article is concerned only with small associations but we should state at the outset that associations of all sizes and types are faced with the same problems and the same stakes whether they are professional, commercial, charitable, community, and so forth. The difference between a large and a small association is more apparent in their methods of dealing with day-to-day practicalities and in the means at their disposal. A number of management possibilities are open to small groups of individuals or enterprises.

On the one hand, small associations may depend on the voluntary services of a board of directors which sees to their current business, their daily correspondence, and their financial needs. This management system often depends on a telephone answering service and a post office box. We see here what I might call the most rudimentary kind of management, but also the most demanding of its volunteers since they have to handle their "real life" obligations and also manage the association.

This system of management runs the risk that unequal burdens will be taken by active and less active volunteers, resulting in two or three people handling all the files and feeling frustrated because they are doing all the work. It must be recognized that in these cases it is very difficult to maintain a steady balance of responsibilities among the volunteers, as the degree of engagement and motivation of each will differ. If, in addition, the board of directors does not enjoy both stability of membership and stability in the direction of the association, the task is even tougher. However, this method of managing a small association is quite widespread and it does not lead inevitably to failure.

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Still, we should emphasize that the pressure on the volunteers is heavy and keeping track of the files very difficult. It is essential to have on the board one or more people with powerful leadership skills to ensure that association undertakings are completed successfully. One may well ask whether, when the volunteers are burned out by their work, anything lasting will remain to show for their efforts.

Another approach to managing a small non-profit organization is to turn over the day-to-day administration to a business that manages several associations, handling their secretarial and accounting functions for a fee. The success of this method depends enormously on the motivation of the people involved since one cannot expect them to have a sense of belonging to any particular organization that they administer. The same person will look after two or three associations and this person's familiarity with the files will depend greatly on the ease of communication between the board and the administrator. The secretariat is there mainly to take care of day-to-day needs: the incoming and outgoing mail, registration for activities of the association, etc. One does not find a sense of permanence or of collective memory of the organization. Any inquiry for specific information may have to be redirected to a member of the board or a knowledgeable volunteer.

This management style also risks instability through a change of the company that administers the association. If one does not renew the contract, searching for another company and reformulating one's requirements take time and necessarily lead to a period of training of the new person and for both sides to get used to one another, during which the administration of the organization can suffer.

These two management techniques that we have described briefly—using volunteers and using a commercial secretariat—respond rather well to the market, though they have both drawbacks and strengths. In fact, managing small associations through service companies is making a comeback.

How are small associations managed when they have a permanent staff?

First of all, the organization must understand the importance of a clear mission statement and precise goals for its activities. This may appear obvious, but it is especially crucial for a small association that has to face fierce competition in the marketplace (the other associations in its field) and that has a marginal number of members. It is too easy to forget that the acquisition or loss of 50 members may mean the life or death of the association. Obviously the number of members needed also relates directly to the membership fee: a small fee requires a large number of members, and vice versa.

We therefore have to underline the need for strategic planning aimed at defining clearly the direction of the association over the short and medium

terms. This is almost a prerequisite for sound management, particularly if there is a staff of no more than three. Once the orientation of the association is clearly defined any new board of directors will find it easier to follow the guidelines set by its predecessors, particularly when the members are consulted. This allows the executive to keep a better handle on operations.

Too often small associations suffer from instability caused by constant changes in the makeup of the board and in priorities set at the whim of the new personalities on it. As a result, actions have little consistency from one year to the next while the day-to-day administration, in the hands of two or three people, runs out of steam because of the effort of keeping up with constant changes. Take, for example, an organization that decides to change its financial reporting system frequently. Clearly this change has a number of repercussions on all the activities of the association and results in focussing all the energy of the staff on the changing systems while other activities lapse for lack of time. It is essential to have consistent decisions and a precise notion of mission to make up for a lack of employees to keep things running.

This being said, it is still true that managing a small association means managing a lot of activities at the same time. One of the characteristics of this style of management is obviously that one person bears many responsibilities: day-to-day administration, financial analysis, communications, marketing, organizing events, and many others. This requires multiple talents of the staff and particularly of the chief executive, who is torn between current concerns and lobbying on the one hand, and on the other, the need to look beyond the short term all the while, as a colleague of mine put it, “taking care of the supply of toilet paper”.

This split between lofty and mundane duties can lead to frustration among managers of small associations. They feel they are wasting their time on routine affairs while other more important challenges must be met. Frustration is accompanied by loneliness as there are no colleagues with comparable levels of responsibility. It is important for such a manager to form a network of outside contacts and support people so as to meet other managers facing the same problems and to exchange solutions or at least means of responding to practical demands.

No one is perfect in this imperfect world, and the necessity of managing with reduced financial resources makes this abundantly plain.

To maximize the potential of the permanent staff, some managers have recourse to freelance professionals. These people are given mandates that call on their specialities, e.g., the drafting of the association’s newsletter. (Good managers are not necessarily good editors.) Calling on a qualified freelancer lessens the load of responsibilities and allows full-time staff to concentrate on what they do best. Clearly this involves financial choices to make sure money

is spent on the highest priorities. Doing more with less requires one to sort out one's priorities and maximize one's resources, but it cannot produce miracles. Sometimes one may have to decide to reduce the number of permanent staff in order to retain a more varied selection of part-time resource people.

Managing in a micro-context means keeping staff informed of every aspect of the organization's activities as every employee may be called on to explain things to the members in the absence of the manager. One cannot stress often enough the many talents involved in the jobs to be filled and the flexibility demanded of employees of small associations. Rigid job descriptions have no place here, as everyone will have to fill a variety of roles. Managing a small association is no sinecure, but managers in the area agree that it provides rich rewards compared to working in an organization with a larger or more hierarchical structure. Everyone is called on to develop to the utmost his or her creative potential.

The small association is, because of its size, more responsive to management initiatives because it does not require decisions to go through many levels of authority. This allows the quick introduction of new measures and also quick correction of any errors. Such an association is a flexible operation, especially if supported by a competent staff with considerable loyalty and esprit de corps.

Managing under the budgetary restraints which dog the small organization compels one to get the most value from sometimes meagre assets. The need for new sources of money is a constant challenge. Without listing all the possibilities, we may mention some useful solutions for this problem. It is increasingly common to see two or three associations getting together to rent space. This allows them, among other things, to enjoy larger premises than each could afford alone, and share equipment such as a photocopier, fax and telephone. Members of the group also profit from the opportunity for managers to discuss their common problems.

Those who cannot share space may be able to offer (for a price) their own secretarial services as well as phones, fax, copiers, and meeting rooms to other associations. This brings in some revenue from underused capacity and offsets the offering association's costs.

Making ends meet this way is all the more important because small associations often cannot qualify for volume discounts from their suppliers. Compare, for example, an organization that prints 20,000 copies of its newsletter to one that prints 200. Obviously the former will profit from economies of scale and will also be able to take advantage of second, third or fourth class postage rates. Of course, small organizations may be able to use businesses that specialize in bulk mailing and combine their mailings to get better postal rates. In this case, however, the organization does not control the date that the material will actually be mailed.

We should keep in mind that a typical budget breaks down as 60 per cent fixed costs (salaries, rent, equipment maintenance) and 40 per cent members' services (newsletter, informational services, meetings). Revenues come from membership fees (the principal source), from registration fees for events, and from the sale of publications. Investment revenue varies enormously depending on the amount of money available for investment and the time it can be kept invested. Small associations can rarely set up a reserve fund as they require their entire revenues in any current year. They certainly do not join that select group of organizations that own their head offices.

Another popular method of raising money to reduce costs is selling advertising space in the members' newsletter. Some go so far as to sell ads for their annual reports. We should not overlook the time and energy required to bring in any significant amounts in this way. Is it really profitable or could the same amount of time and money produce a greater return in other activities or areas?

The best time for associations in the same field to get together is when a common cause unites them. They gain strength for their own interests by the increased numbers participating, as the book and library trade did for their campaign against the GST, without being hampered by the normal competition among them.

We will mention only briefly the tendency for small and large associations in the same field to merge or form federations. While there is strength in numbers, this tendency can lead to the disappearance of associations with specific goals, which are replaced by a large enterprise with much vaster aims. This does not always correspond very well to the needs of the members of the groups that have sunk themselves into the larger whole.

Speaking of members, we cannot discuss management without noting the contribution members can make as volunteers. Many associations with restricted budgets and staffs are turning to their dynamic volunteer members to fill places on working committees. Volunteers are thus called to contribute to the very matters that affect them the most, which gives real meaning to their membership in the association. This personal commitment in turn encourages the full-time staff, while freeing it from administering these matters. Of course looking after the volunteers itself demands knowledgeable leaders who are prepared and willing to follow up on their activities. Properly taken care of, volunteers are an indispensable resource for any active small association.

One should, however, ensure that volunteers work only in areas that interest them directly and are not wasted on routine tasks such as preparing mailings or typing lists of names. At risk of repetition, the volunteers are the best resource of a small organization and one must take care not to underuse their talents but rather allow them to realize their full potential to benefit the association.

When volunteers are used to maximum advantage both the organization and the volunteers benefit. For example, volunteers will be convinced that the membership fees are well invested and they are contributing to the advancement of the cause while at the same time they are enriching their own lives. An association should not underestimate the positive force of members' pride.

If the lack of resources requires the active support of volunteers, we should not ignore as well the help available from modern technology, notably the micro-computer. Even the smallest association can secure a computer and software for data processing and bookkeeping, which will facilitate routine management and save time. (These savings come, of course, only after an initial investment of money and time for employee training.) Some software is available without charge for nonprofit organizations, e.g., Unesco's CDS-Micro ISIS. If one is thinking of producing one's own publications, desktop publishing software can produce considerable savings. However, while computerization is an important support for association management, like the other techniques mentioned it cannot by itself solve all the problems. It will always be true that managing a small association will not be a restful occupation or one that suits everyone.

Managers who choose this vocation may sometimes do so without knowing what they are getting into, at least at first. Those who decide to fight the good fight, to become more inventive, to find ways to offer new services within a fixed budget, make a true declaration of love for the extraordinary challenge presented by the small association.

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