

2013 Association Innovation Survey

Dear colleagues,

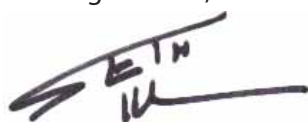
I am pleased to provide you with the results of the 2013 Association Innovation Survey. It includes full responses from 135 executives, a 500% increase in participation from the 2012 Growth Survey. For the purpose of this survey, ***Innovation is the development of products and services that provide new value to your members and succeed financially.***

The graphs on the following pages are self-explanatory. Here are my big surprises:

- Association execs predict revenue growth to be overwhelmingly positive. Fully 1/3 of respondents predict 10-25% growth. To put this in perspective, in October the IMF said, "Growth is expected to rise from 1½ percent this year to 2½ percent in 2014..." And the Wall Street Journal wrote, "Expansion is seen picking up as the year progresses, but isn't expected to surpass 3% through 2014." (see Revenue Growth Predictions)
- One quarter of execs attribute 11% or more of their revenue in the last two years to innovations. That's a lot, and very encouraging. (see Recent Innovation Successes)
- 38% of leaders project 11% or more revenue to come from innovations in the next two years. They are depending on innovation, which is a good thing. (see Projected Innovation Successes)
- Almost 1/3 of leaders leave innovation to individual business units without an organizational innovation strategy. That's asking more than can be expected. (see Innovation Execution)
- Only 13% of organizations have well-defined innovation strategy. Not good! (see Innovation Strategy)
- 60% or more of leaders find the various task associated with innovation to be challenging or daunting. Not good when relying on it. Risk mitigation is in order. (see Difficulty of Innovation)
- One exec wrote to me and said, "I strongly disagree with your definition of innovation... Our greatest innovations over the past few years as well as those we are focusing on now support the mission of our organization but are not intended to produce revenue. We don't have any difficulty producing adequate surplus revenue from our long-standing lines of business that we use to support our subsidized programs." I caution in response, if you don't measure value by a willingness of your members to fund it (with time, energy, or money), you may be on a slippery slope. Be careful!

The results of this survey are being shared with you at no charge. You are free to use them with attribution, make copies, and pass them on to others.

Looking forward,



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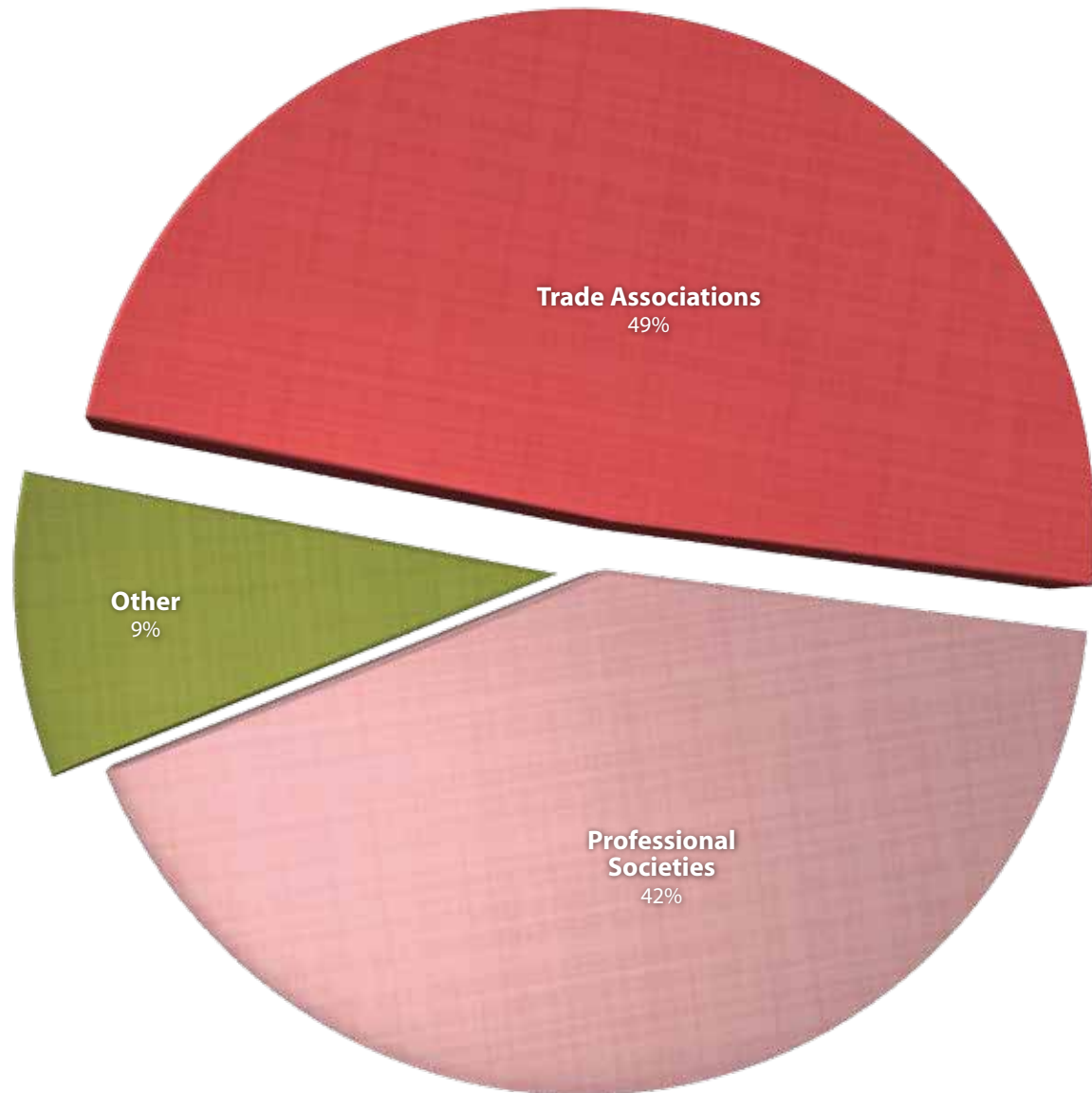
Seth Kahan



ASSOCIATION
TRANSFORMATION

Participation

Total respondents: 135

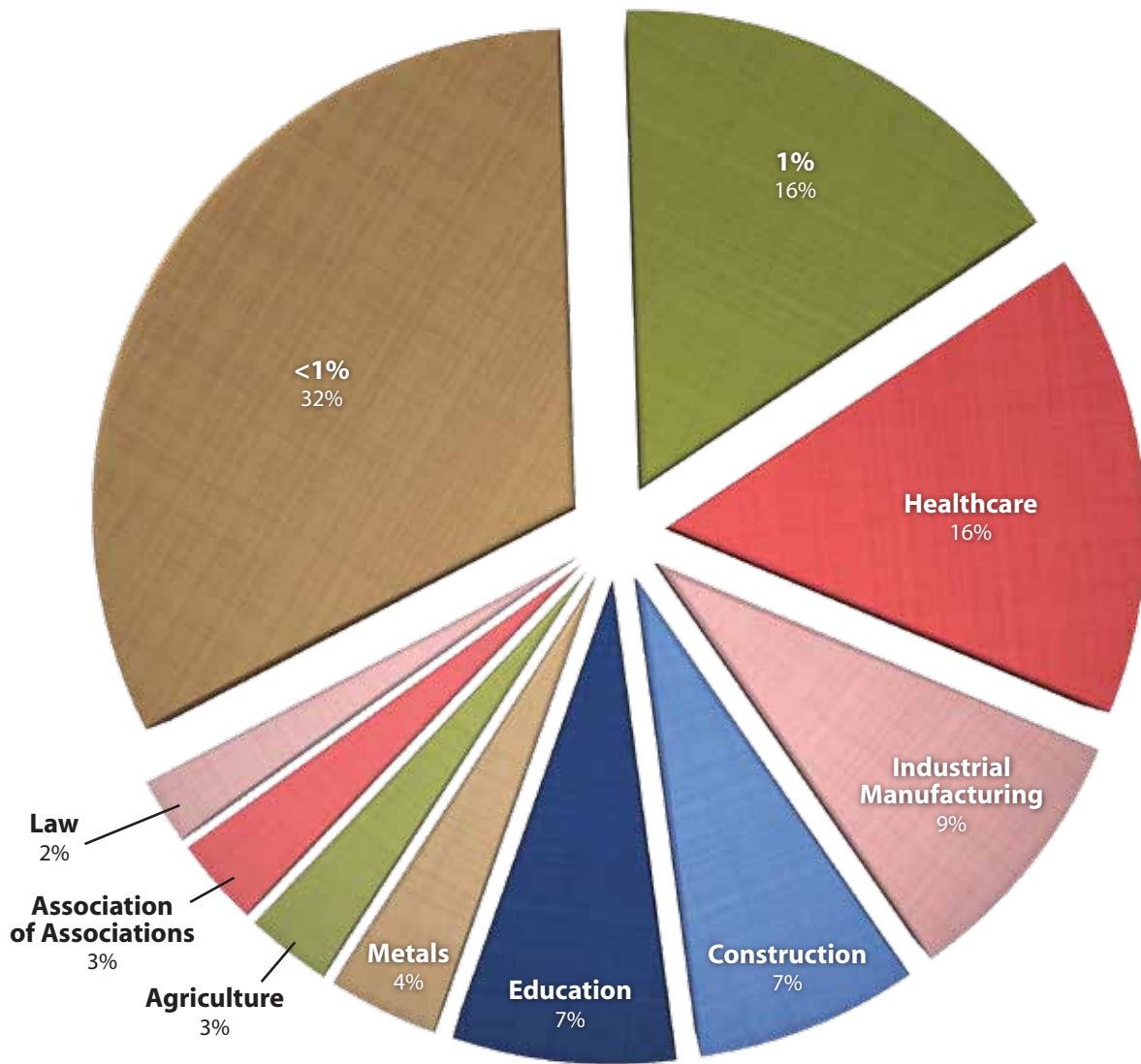


Which best describes your organization?

Other organizations include: two credentialing institutions, a cause-driven philanthropic organization, two association management companies, a sports organization, a federation of state associations, two education unions, a professional assessment organization, and a standards setting and certifying body.



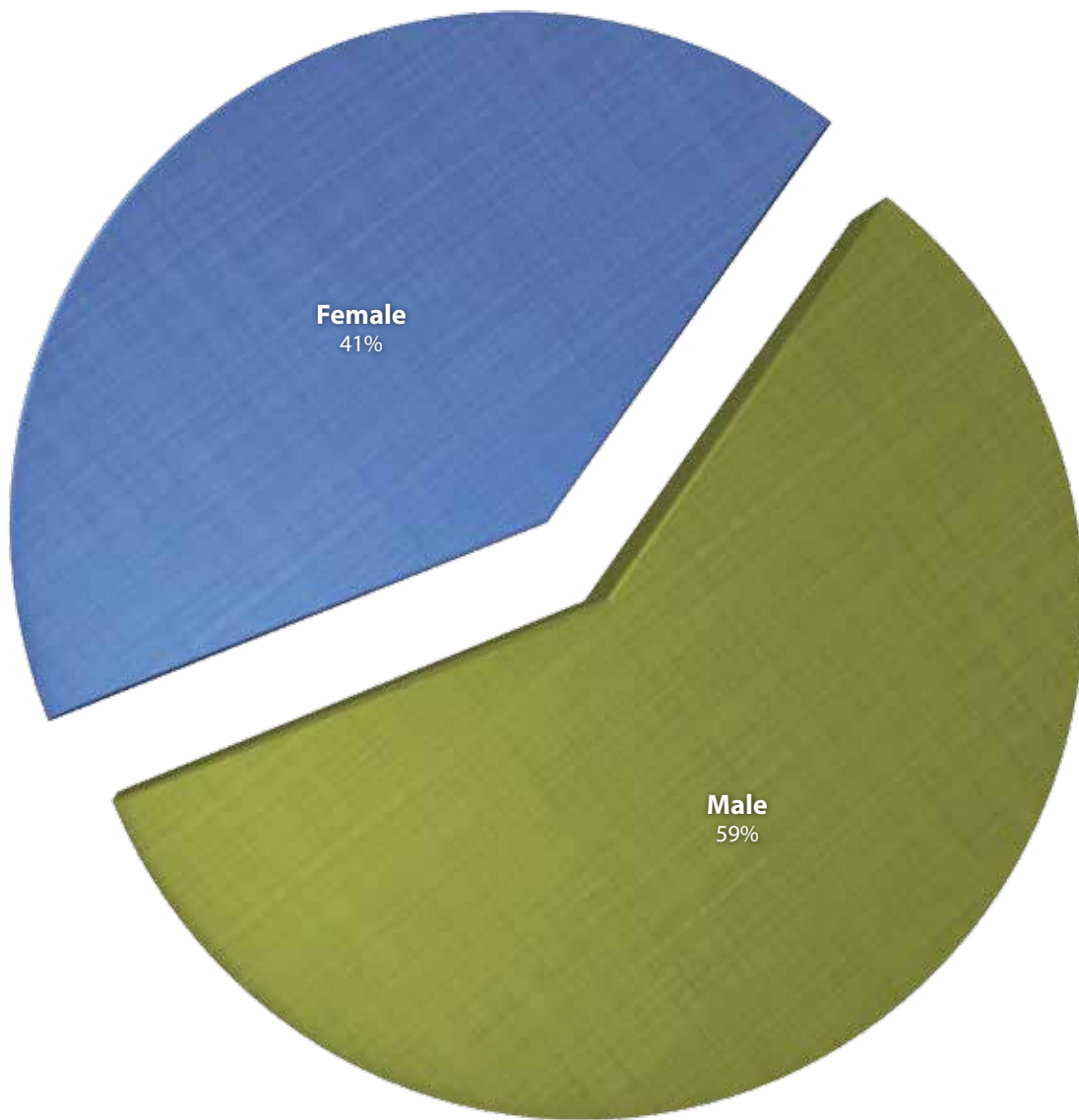
Sector



- | | | | |
|---|--|---|--|
| <p><1%</p> <ul style="list-style-type: none"> Aerospace and defense Automation Biomedical/Biological Business & Finance Casino gaming Commercial Construction Commercial Laundrering and Rental Communications Consumer packaged goods Design Engineering Education/Philanthropy Employee Health and Safety Entertainment Facility Management | <ul style="list-style-type: none"> Food Government Government- Public Safety Higher Education Information infrastructure constuction Logging Manufacturing Materialls Recycling Materials Mechanical Equipment Media Motorcycle Oil & Gas Outdoor Power Equipment | <ul style="list-style-type: none"> Pharmaceuticals Plastics/Composites Plumbing Products Manufacturers Real estate Real Estate Valuation Retail Risk Management Technology Telecommunications Trade Shows Transportatioin/Roadway Safety Vocational Rehabilitation Water Woodworking Machinery Importers and Distributors | <p>1%</p> <ul style="list-style-type: none"> Automotive Chemicals Commercial Real Estate Engineering Financial Insurance Mining Recreation and sports Rental housing Science Utilities |
|---|--|---|--|



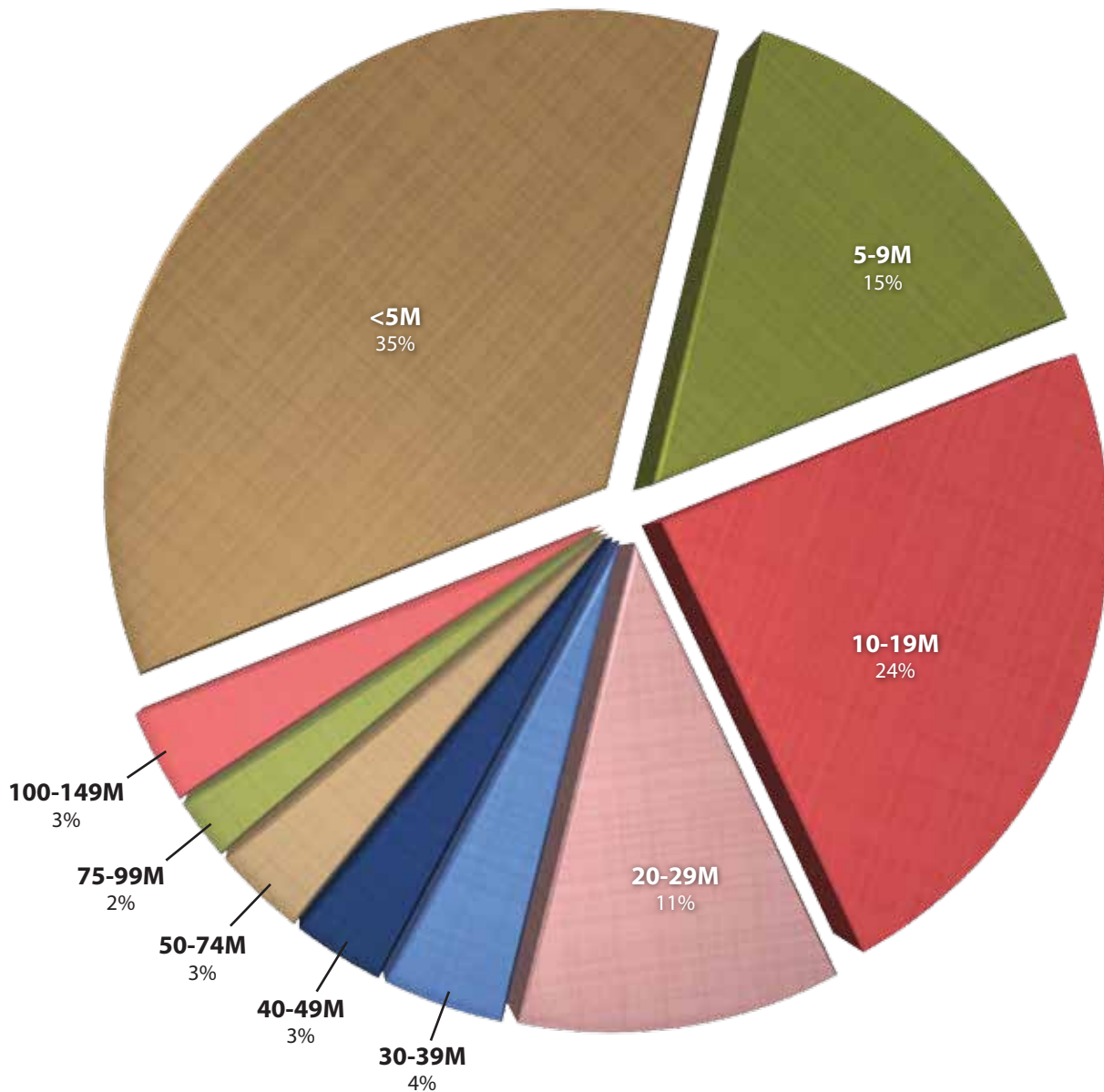
Gender



What is your gender?



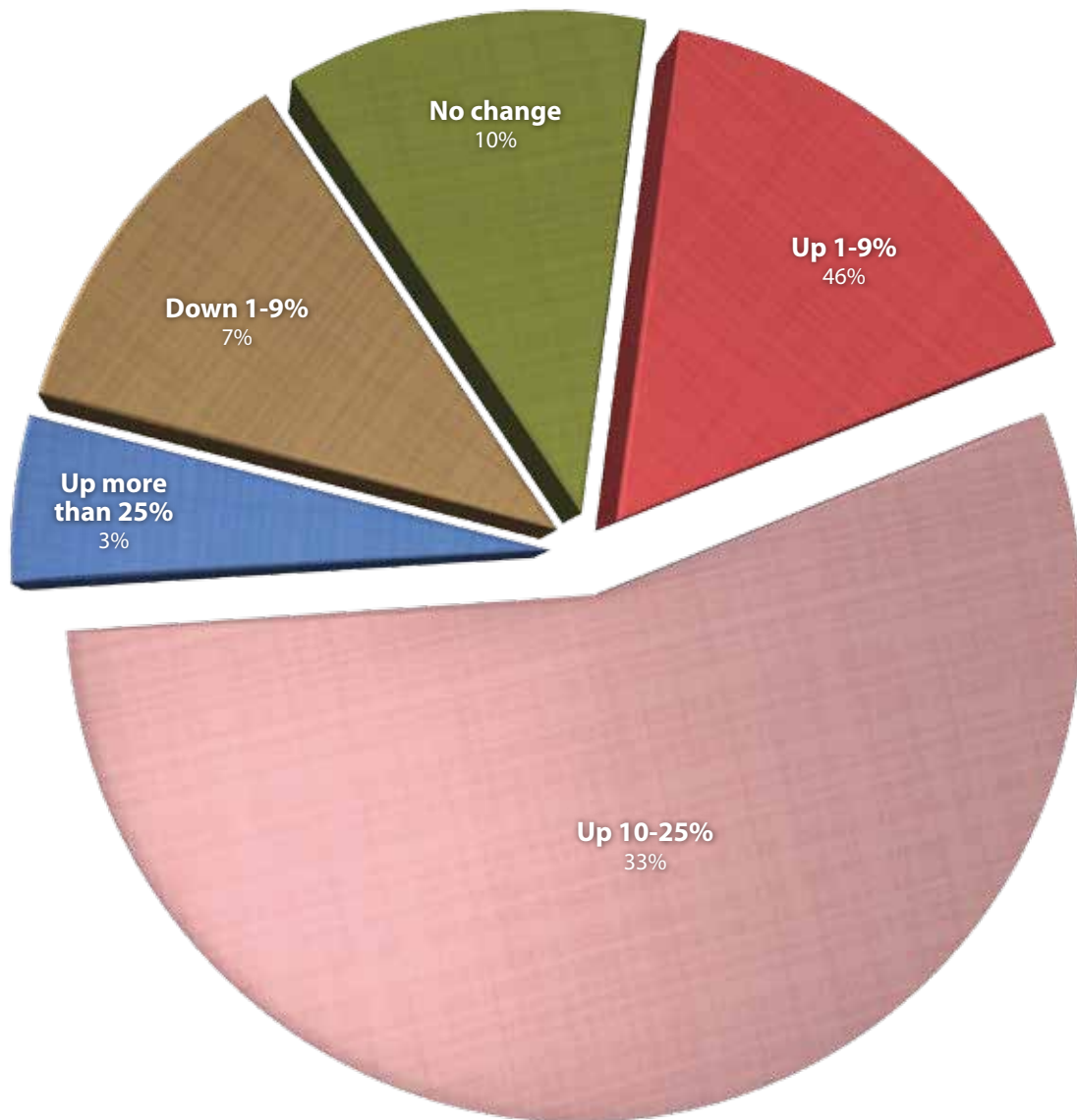
Gross Revenue



What is your organization's approximate annual gross revenue?

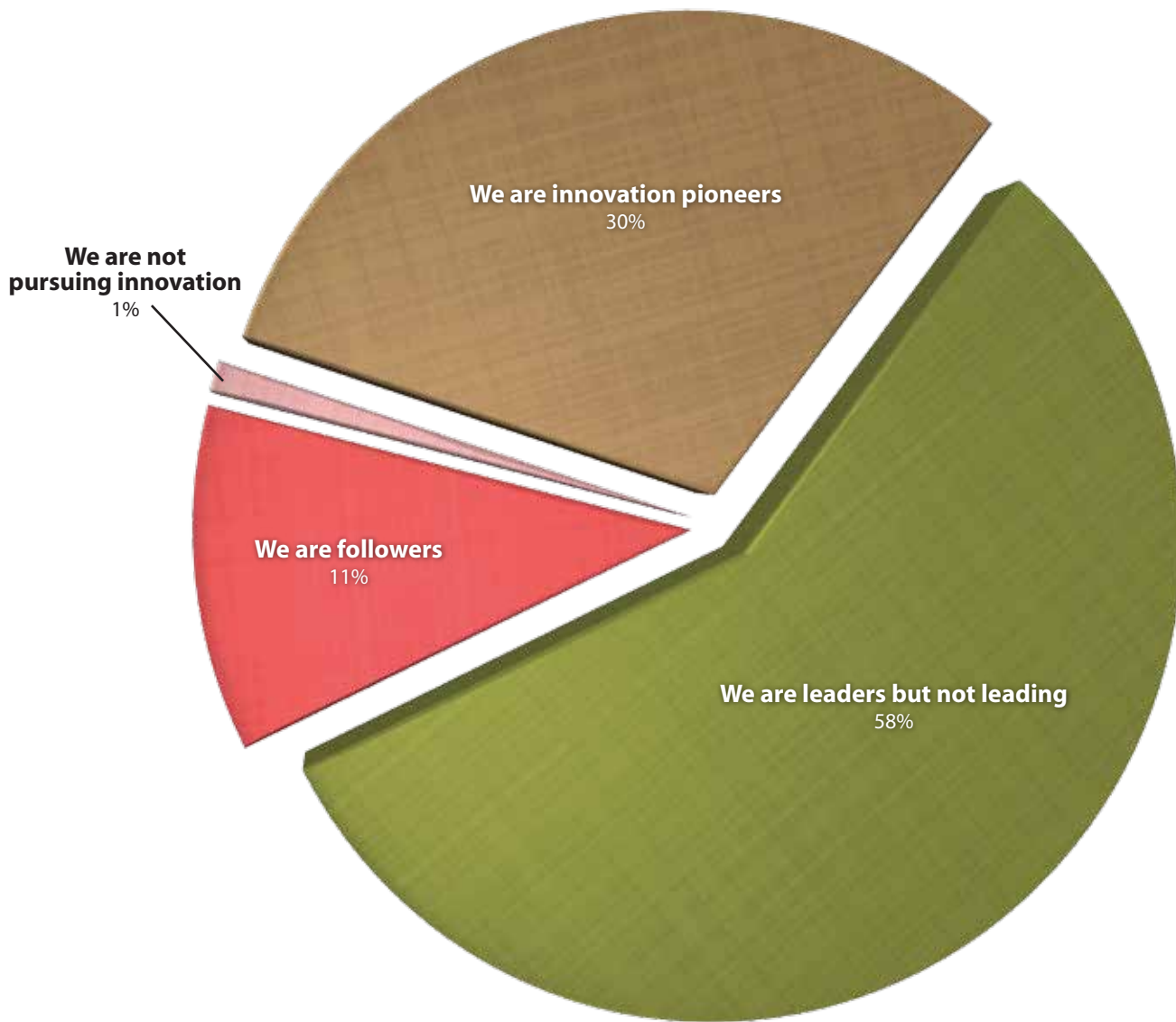


Revenue Growth Predictions



To the best of your ability, what is your forecast for revenue growth in the next 3-5 years?

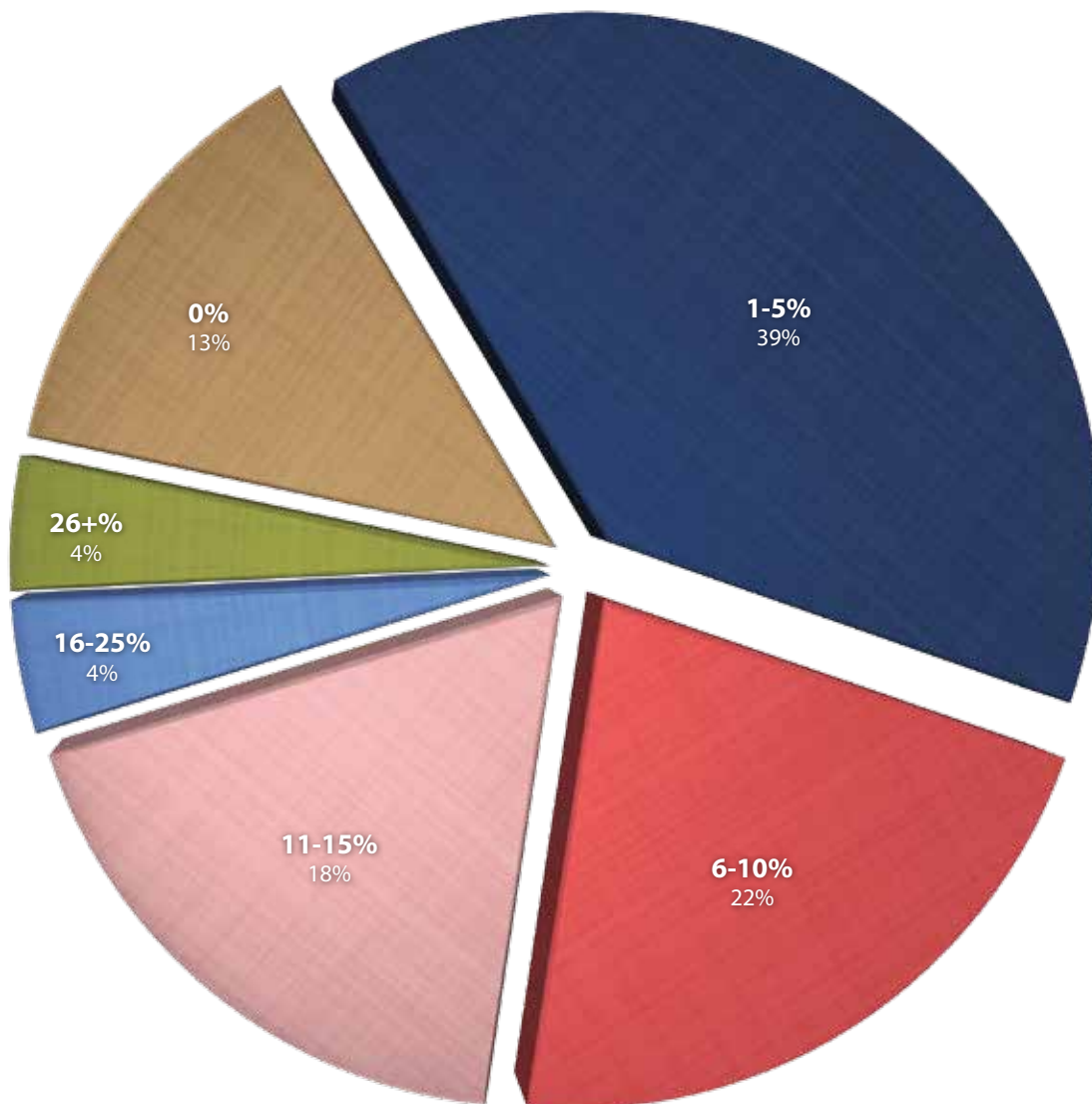
Stance on Innovation



Which best describes your company's stance on innovation?

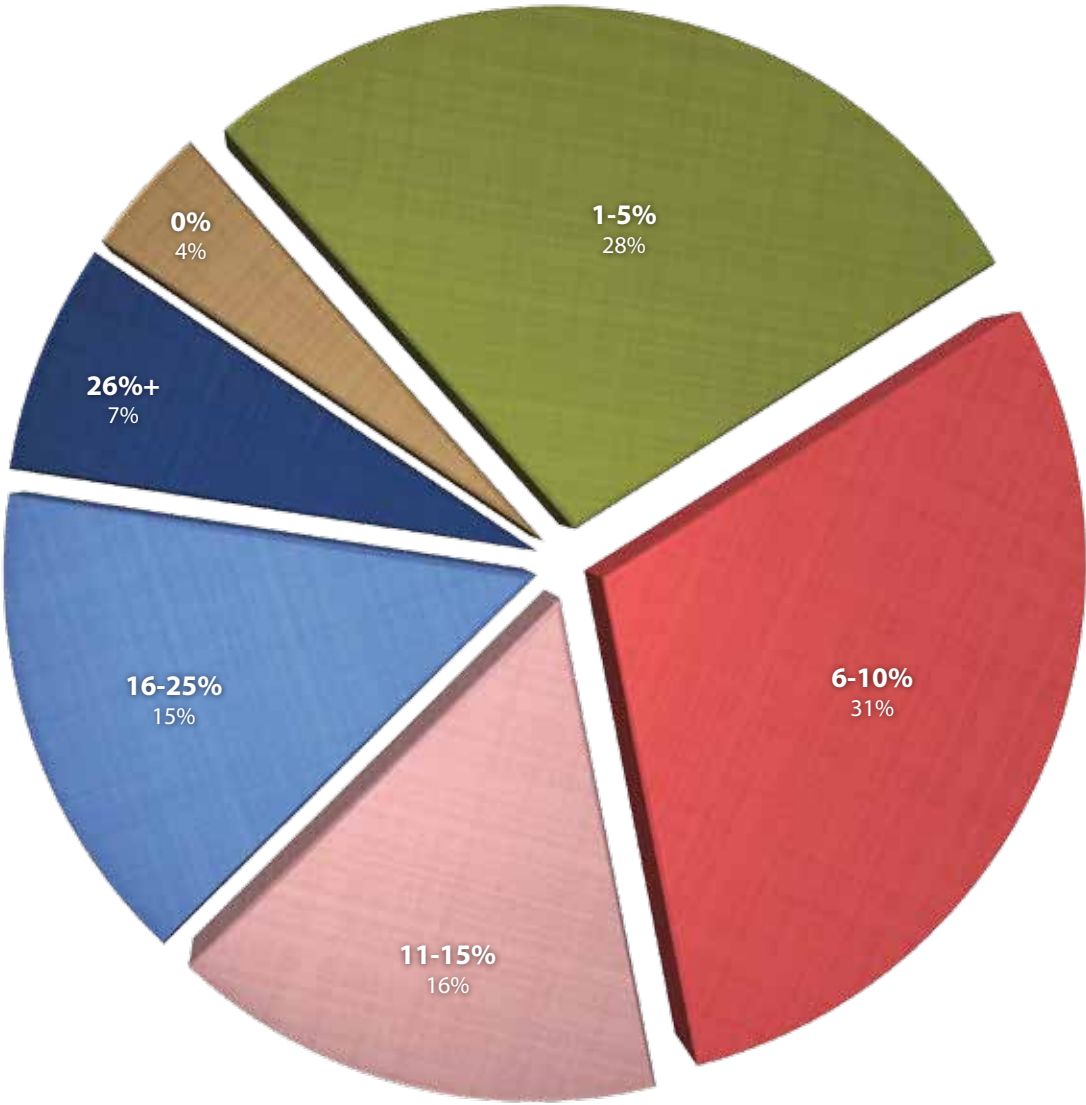


Recent Innovation Successes



What percentage of your organization's revenue comes from products or services launched in the LAST 2 years?

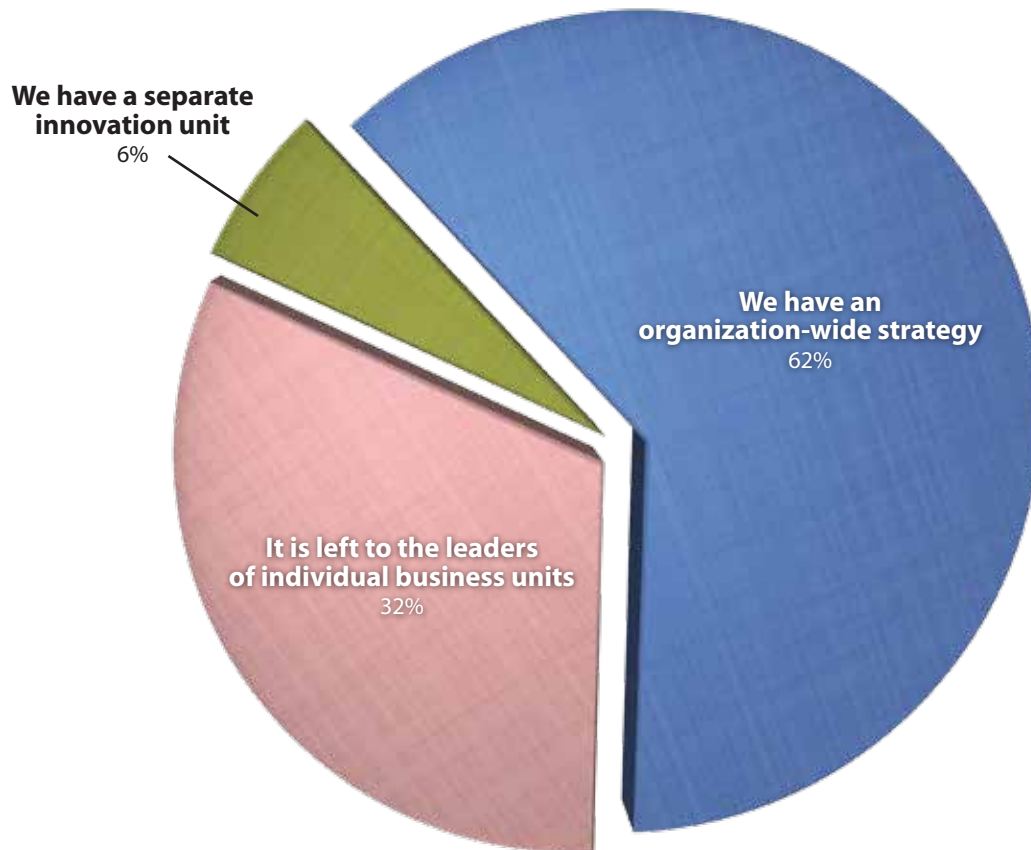
Projected Innovation Successes



What percentage of your organization's revenue do you predict will come from products or services launched in the NEXT 2 years?



Innovation Execution

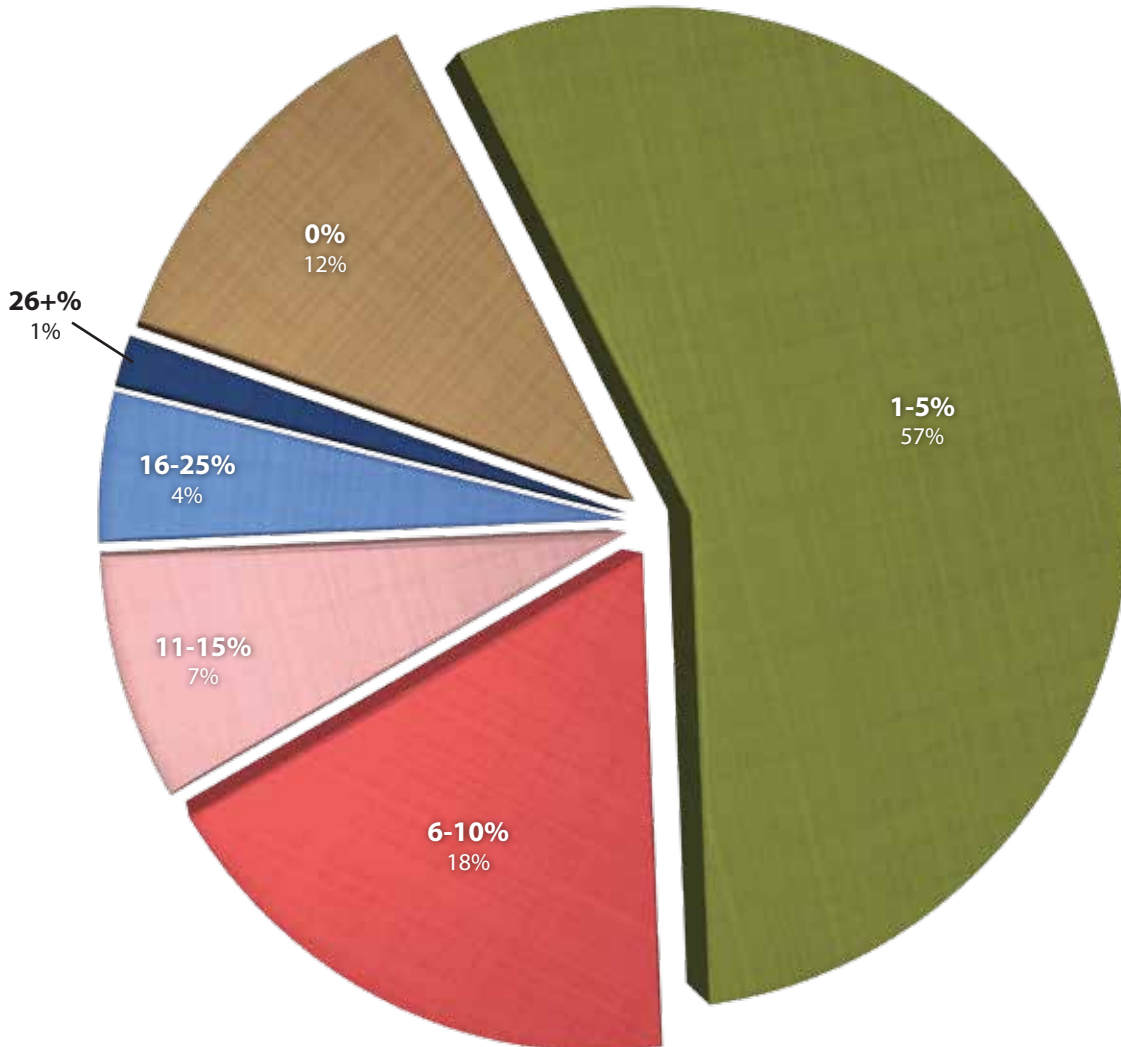


How is innovation operationalized in your organization?

Other approaches identified include:

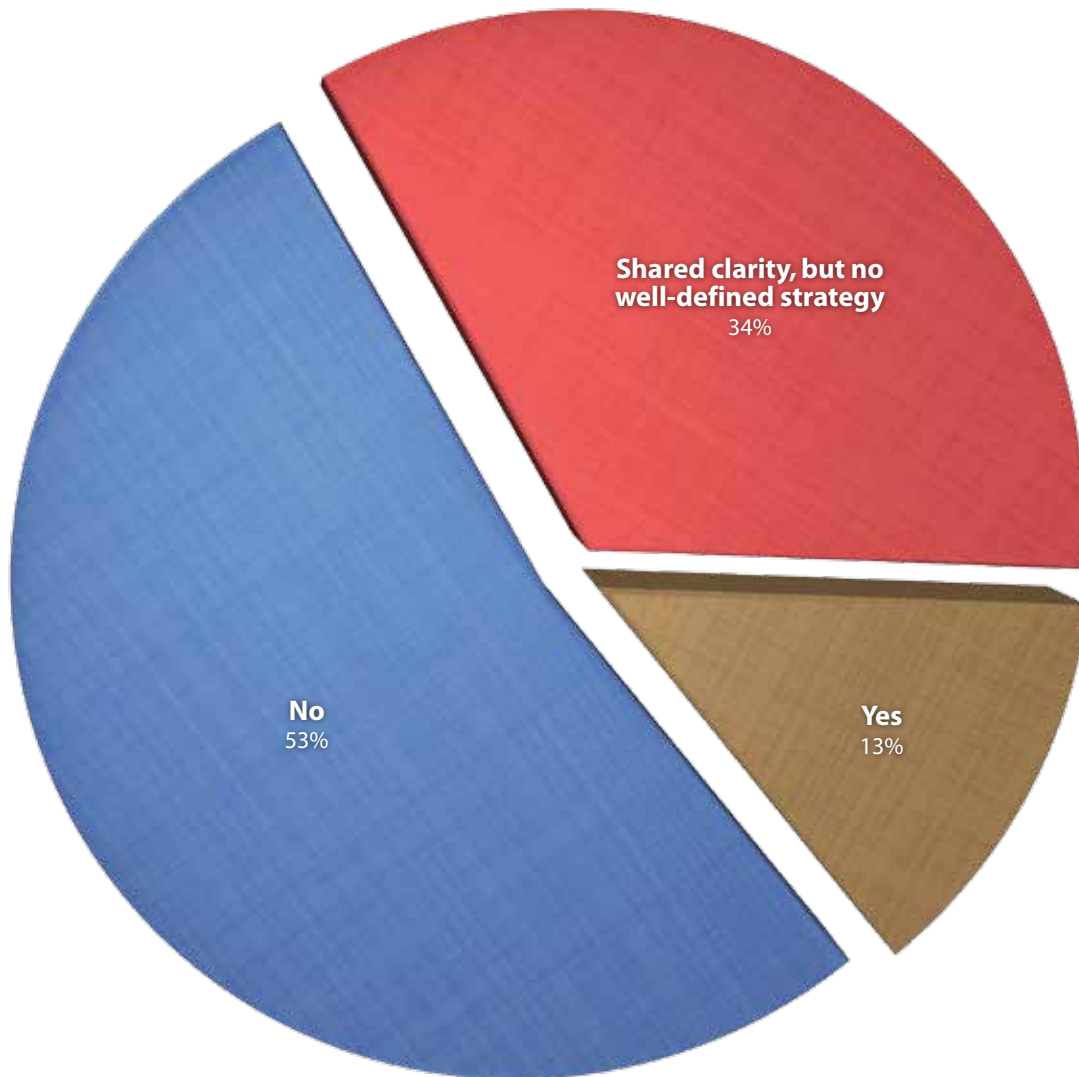
- Innovation is an item on our agenda for each of our leadership development retreats.
- We have a Project Management team to aid business unit leaders.
- We are in between an organization-wide strategy and launching some innovative programs within individual business units.
- We have an organization-wide culture that encourages innovation, new ideas, new (better) ways of doing things and new products & services.
- Our member companies are the innovators.
- It's only internalized at the staff level for organizational activities.
- We are dedicating more time and resources to innovation now than we ever have before.
- We have an innovation process that we are implementing by business unit.
- It is board-driven.
- Collaboratively across units.
- It's hit and miss.
- We have identified it as a major priority and building innovation capacity.
- The tactics of implementing innovation are left with the leaders of individual business units.
- It is a combination of innovation champions and organization-wide strategy.
- We have an innovation fund and innovative projects are discussed at the leadership team level.
- Our small staff implements suggestions from the team and me.
- Small staff. CEO drives a lot of innovation although it is starting to spark in some senior staff. New behavior for our group after a decade of stasis.

Revenue Spent on Innovation



To the best of your knowledge, what percent of your overall revenue is spent directly on innovation?

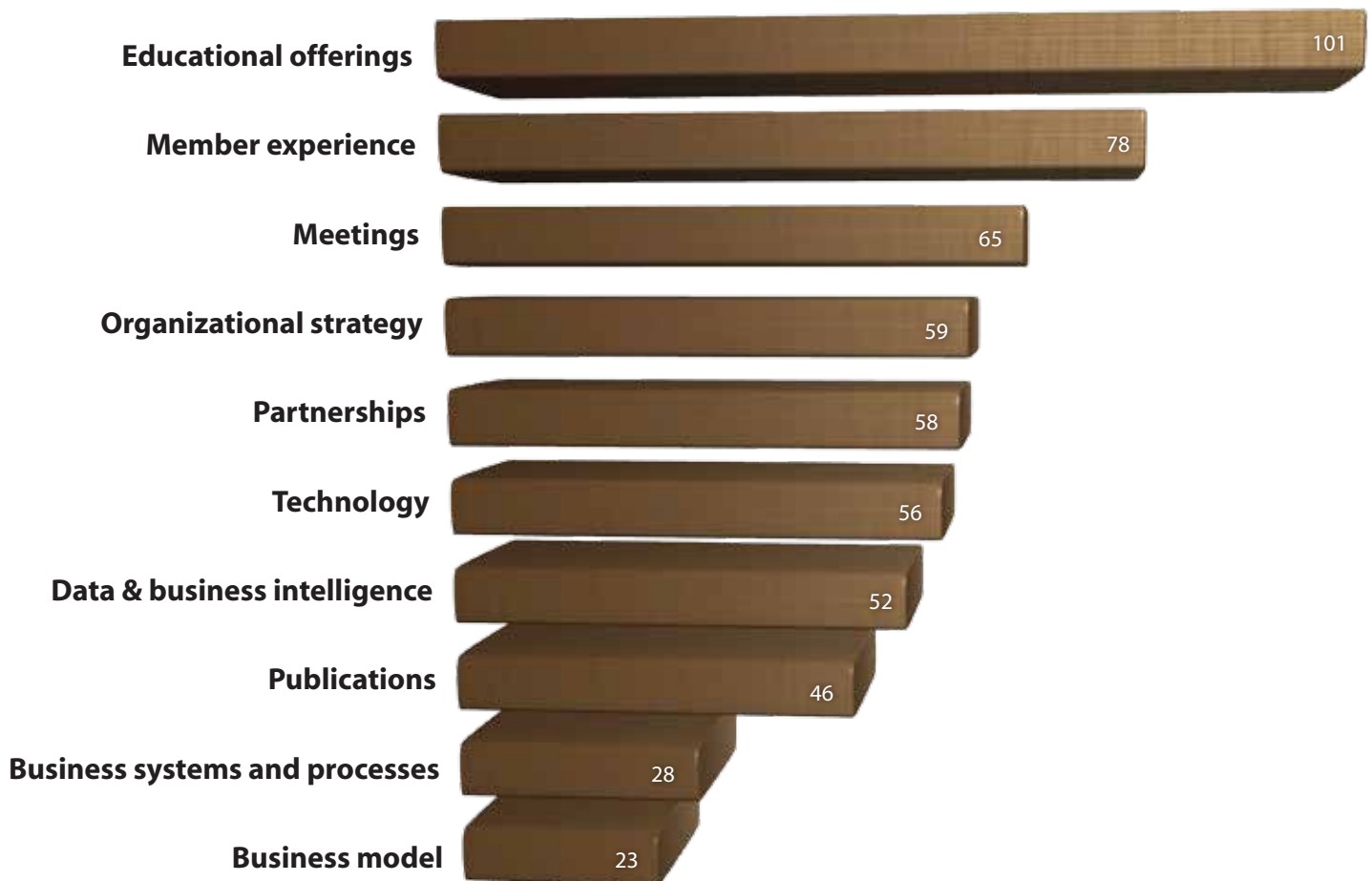
Innovation Strategy



Does your organization have a well-defined innovation strategy?



Priority for Innovation

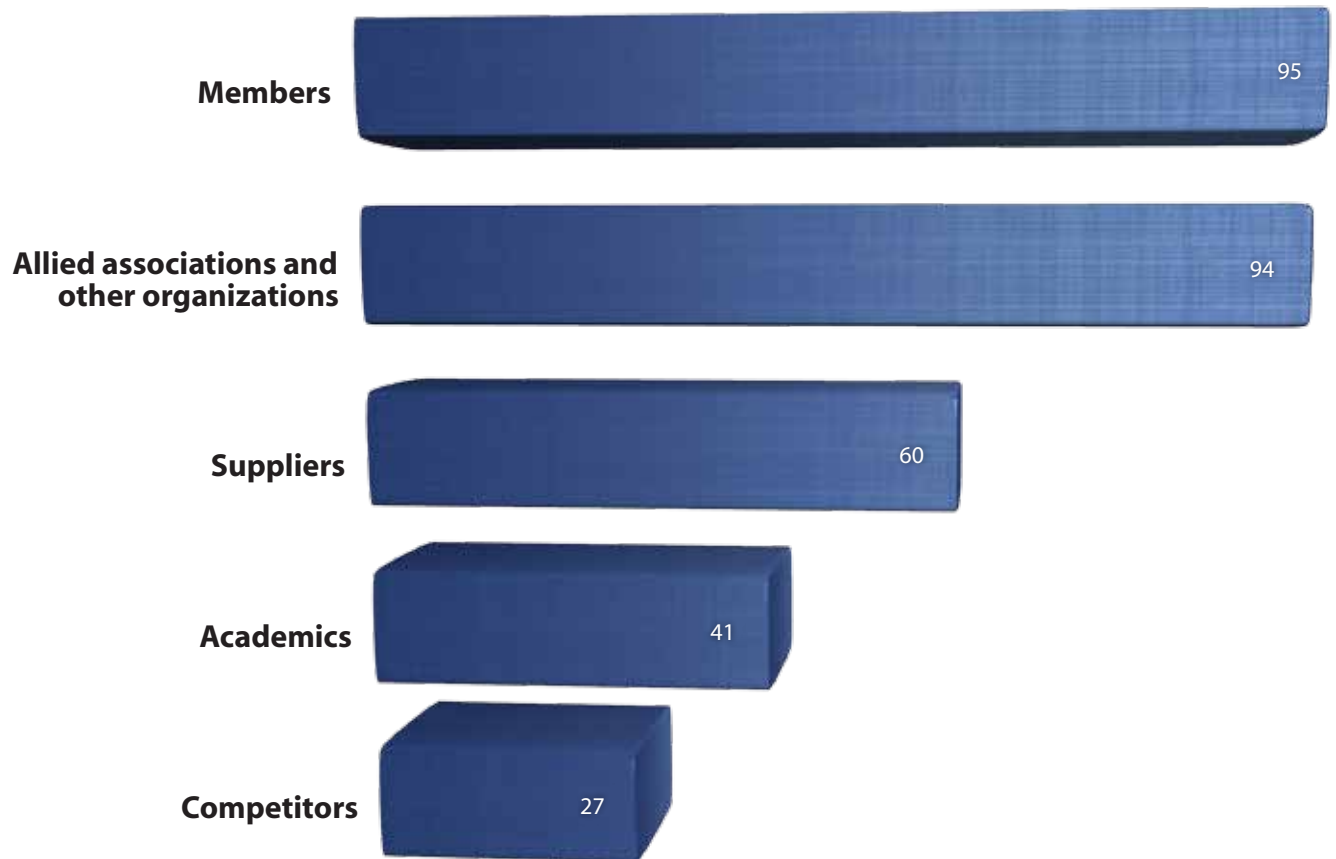


What are your priorities for innovation in the year ahead?

One comment worth noting: [This] does not include an option for my answer, which would be adjacent market revenue development. Since I was required to select one, I chose "business model."



Partner Collaboration



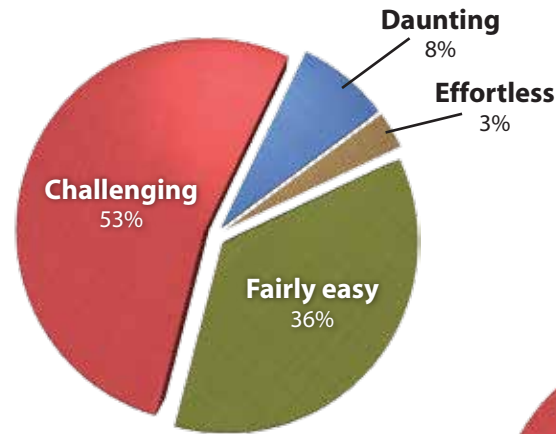
Which of these do you plan to collaborate with as partners on innovation in the two years ahead?

In addition to the five categories above, these partners were listed by some:

- Federal government and educational foundations
- Acquisitions
- Technology vendors
- Funders
- For-profit partners



Difficulty of Innovation



Establishing an innovative culture internally



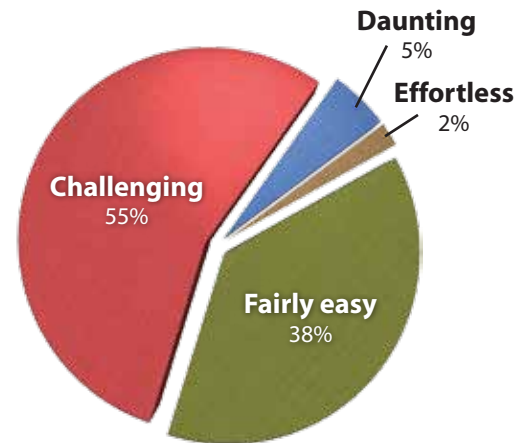
Having the right metrics to track innovation progress and track Return on Investment



Taking innovative ideas to market quickly and in scalable ways



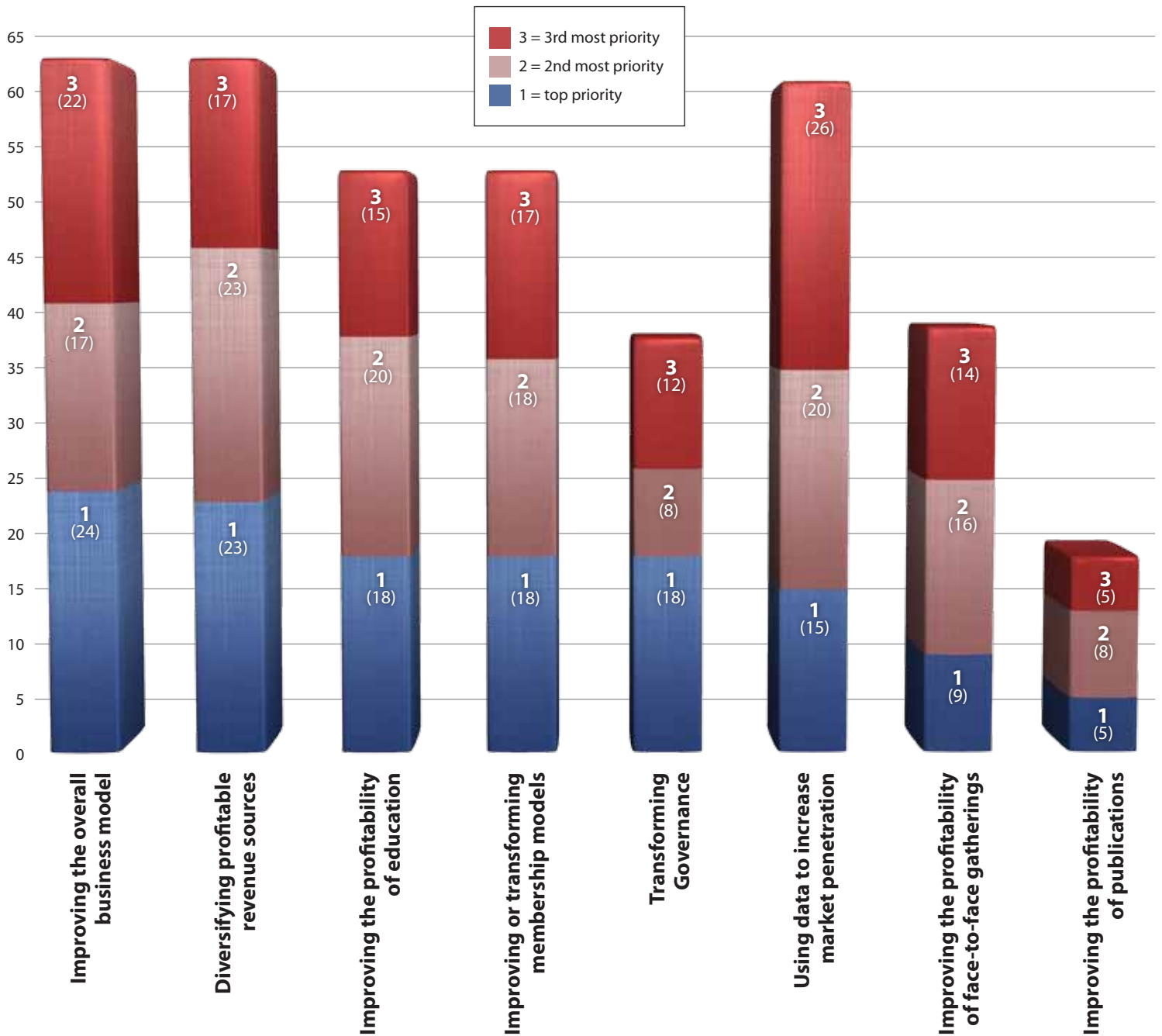
Finding and retaining the best talent to make innovation happen



Finding the right external partners to collaborate with

Rank these items in terms of how easy or challenging you find it to make innovation happen in your organization.

Helpful Topics for the Future



Which particular topics would be most helpful to your organization's future?



Top Innovation Projects to Share or Pursue

Share with us a top innovation project in your organization or in another organization that you are very interested in.

1. Identifying a unique way of delivering women's leadership programming. Many organizations do it, most for their internal staff development, but don't do it well. We want to drop anchor in a crowded ocean and dive deep below the surface for our reach.
2. Creating an institute to advance the profession: research, human capital and practice management
3. Online marketplace solution, reaching members, customers, non-members as a go to place for the industry. Expands behind traditional lines
4. Design thinking process to understand member perspectives on value of organization and its product and services offerings.
5. Practice Portal www.asha.org/practice-portal/
6. Diversifying products to embrace new audiences not traditionally part of our organization is a key challenge. Moving culture to embrace improvement and innovation on an individual or business unit scale is tough as well as this has historically not been part of our culture.
7. Developing a patient registry that will allow us not only to provide our membership with ways in which they can meet new performance measures to payers but will also serve as a database for research projects in the specialty.
8. Kidney Health Initiative (<http://www.asn-online.org/khi/>)
9. Digitizing all the intellectual property of the organization and making it available from one search engine on all devices at any time.
10. We have introduced one-day "special issue" forums targeted at very specific segments of manufacturing executives. This allows member executives to involve their direct reports -- broadening a company's knowledge of our organization and creating a new source of revenue, considering we can generate 12-15 of these in a year.
11. In 2013 we have launched an Industry Solutions Advisors program at ISA where we have hand picked 10 prestigious individuals from the profession who are passionate about our Society and informed on our overall value proposition. They have been trained in the principles of Solution Selling and armed with collateral material to identify three main, industry wide, "Pain Points." They will be going into corporate offices to talk "Power to Power" and drive the overall "Solution" we can provide in three predetermined areas 1) Cybersecurity, 2) Functional Safety, 3) Workforce Development. The groundwork has been laid and the homework has been done. Visits are taking place and we hope to convert this to revenues in 2014 and beyond.
12. Publishing - Providing multiple sources of information into new resources vs. just books. Development for new project database which allows for proper evaluation of content, ROI and reach.
13. I am interested in diversifying into one or more different (but related) market segment(s).
14. Scaling up our micro credentialing effort via digital badges. We had a small grant to get it started but haven't figured out the sustainability part. There seems to be a lot of potential, but we lack the capacity to leverage it.
15. We are looking at transforming our membership model.
16. Reinventing a multi-tier membership model.
17. Launching a new credential focused on Sustainability
18. Transformation of our annual meeting and expo...a major revenue driver
19. Established a research collaborative between local governments, another non-profit and a number of academic researchers.
20. Our most successful innovation projects are (a) developing models of practice for our members and (b) addressing intractable challenges by hosting think tanks.
21. A potential major change in our field will require us to get not just information, but knowledge and analysis, into our members' hands in a useable fashion in a very short time. The raw information part we have pretty much nailed. It's the knowledge and analysis that present the challenges. We are working on ways to transform our books and other knowledge resources to be quick-response and our market to receive quick-response, through apps and electronic publishing and through distance learning techniques. This requires not just putting the technology in place (that's the easy part in many ways), but getting the content suppliers and the users to adapt and accept, respectively.



Top Innovation Projects to Share or Pursue (continued)

22. Models to deliver education
23. Thriving Earth Exchange Site licenses for remote participation and engagement for annual meeting
24. Hosting a large global congress in conjunction with our Annual meeting in a few years. Launching a grand challenge agenda for our discipline to attract people to us as the place to work together in the pursuit of goals that matter. Partnering with a publisher to increase our journal revenue and open up possibility of a new open access journal that is successful.
25. Developing a Foundation to serve our members.
26. Strategic Investment Program
27. Introducing new products and production methods to downstream customers
28. Improving both internal and external communications effectiveness -- and metrics
29. We are refining our EHS&S program to further differentiate it from the competition and enhance the ease of management and compliance by our members.
30. ASC's Training Academy has grown to \$60K annually and is essentially a series of webinars designed to support basic level training. The investment has allowed us to broaden our reach into member companies, while also expand programming. Our target is to make this a \$100K a year program over four years. ASC's Advanced Technology Track was a Convention programming innovation that brought academia to our meeting to showcase innovative basic research that is 10 years out from commercialization. This evolutionary innovation has been successful in creating a positive dynamic with academia -- so positive that it allowed ASC to manage the Adhesion Society -- a group dedicated to adhesion research.
31. Developing really incisive online education models
32. Web based App specifically designed for members to receive, follow, get instance updates, etc. on construction projects coming out for bid on any smart phone or iPad device.
33. I think innovation for our association will come from a new national membership model and therefore a new business model for us as a national organization with local and regional affiliates. I also see the need to consolidate external partnerships and determine if we are just going to be a clearinghouse for outside vendors to offer product and programs at a discount or develop our own internal products programs and services. I don't think either is wrong but I think we need to commit to one.
34. Acquiring a more robust membership database platform. Introducing video conferencing technology and applications
35. Challenging our members to see cooperative education through the association is the key to association value and association growth and influence. They have previously viewed education models as seeking only the lowest cost supplier, not a mandate for association survival, a premium manner of networking, and something (a service) they need to support and use as an integral part of their membership.
36. Globalization of standards and certification.
37. New business intelligence in moving the industry to standardized and agreed upon product definitions. This is driving costly, duplicative, and non-interactive individual company treatments to our single standard. We are reducing our costs by aggregating brand details from each company. We started by partnering with a member that provided a similar service, but with limited acceptance.
38. Introduced a CEO-level Strategic Advisory Council to steer strategic direction. Board had devolved to mid level tekkies and the organization was suffering greatly. The way Board members are selected has also been changed
39. Technology and integrating computer processes.
40. We developed a "Circle of Innovation" at our annual meeting. Public Sector safety professionals (mostly engineers) describe their (roadway transportation) safety needs. Our private sector members are free to develop products to meet those needs. The association produces two "free" (i.e. no charge) products -- A two page Safety Industry Solutions newsletter on a particular topic and a longer, more in depth booklet on a focused topic (usually a roadway safety countermeasure). These are seen as a great member value as they either develop or expand a market for our members' products or lead members to new market opportunities.
41. Create a partnership with ANSI to benefit members and the industry at large
42. Competition is a fun one. We love partnering with competitors!
43. Really interested in Webinars for members such as 5 to 10 minute safety tool box talk type webinars that members can utilize with employees via an iPad or smart phone at jobsite or office setting.



Parting Thoughts

These comments were on the survey and deserve sharing, so they are included here:

1. I strongly disagree with your definition of innovation: "development of products and services that provide new value to your members and succeed financially." Our greatest innovations over the past few years as well as those we are focusing on now support the mission of our organization but are not intended to produce revenue. We don't have any difficulty producing adequate surplus revenue from our long-standing lines of business that we use to support our subsidized programs.
2. Your questions about ROI for innovative products assume that we are a sort of mini 3M (i.e. a company with a revenue target for products developed within the past "x" years). Since our innovative products and services are mostly intended to achieve what we call "Goal D" (Support our members business development in the market-place), the internal measure of ROI is not quite so easy!
3. As a non-profit, some of your survey does not apply to us
4. Innovation needs to be a culture not a department.
5. This association was formed to create a unified voice on state and local issues, over time it drifted from that mandate and now needs to find innovative ways to return to that structure. The association has and is undergoing a radical change of the demographics of the membership. The younger generation does not feel the same pull of community and close personal relationships that the previous generation both needed and used to build their enterprises. Creating an active voice, means an investment of time and effort on the part of members and time is the one factor the new generation is hesitant to invest.
6. This survey seemed to focus on innovation for revenue streams. We are focusing on innovation for member benefits and ultimately the benefit to patients.
7. Our existing suite of products and services, while very traditional, show much endurance and strength. I am focusing innovation on how to sustain, grow, and refocus them, utilizing that powerful annual cycle we have to achieve new outcomes, such as increasing the influence of our discipline at the Federal level and becoming a global leader setting the agenda for our entire discipline, worldwide. See this post for my thoughts on the annual cycle and how to use it as a powerful tool: <http://highcontext.com/2011/06/29/the-association-cycle/>
8. All of this is very daunting in an organization with the "deciders" less than 5 years from retirement, too many staff who are fat and happy and no accountability. I think we need a for-profit kick in face.
9. I implemented a project charter program, prioritization matrix and milestone tracking systems at ASC. This is our innovation process and it's been helpful in identifying and vetting new program ideas. While it's still being ironed out, and it's not as smooth or part of the organizational fabric as I would like it to be...I feel we are more focused on delivering value, and thinking through new ideas...instead of "just doing whatever."



About Seth Kahan



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Seth Kahan is an executive business strategy expert that specializes in change and innovation leadership.

Seth has been designated a Thought-leader and Exemplar in Change Leadership by the Society for Advancement of Consulting®. The Center for Association Leadership conferred upon him the title of Visionary.

Seth has worked with over 30 executives including the supervision of large-scale change programs at Royal Dutch Shell, World Bank, and Peace Corps. He specializes in association leadership and includes over 25 association CEOs among his clients.

Seth is recognized as an international authority on innovation and change. He is the author of...

- ▶ *Getting Innovation Right: How Leaders Leverage Inflection Points to Drive Success*
- ▶ *Getting Change Right: How Leaders Transform Organizations from the Inside Out*
- ▶ *Building Beehives: A Handbook for Creating Communities that Generate Returns.*

Seth writes regularly for Fast Company's website (SethFast.com). He has been identified as one of Fast Company's *Top Ten Bloggers* multiple times. His content is often syndicated reaching thousands of readers worldwide.

Seth teaches over 25,000 professionals every year in conferences and professional seminars. His ability to teach techniques that spread change fast has won him high regard. He is the author of numerous articles on collaboration and change leadership, all of which can be downloaded from his website, VisionaryLeadership.com.

Seth's largest change initiatives include:



World Bank - Knowledge Management

As a result of this work the World Bank received international recognition and was publicly named one of the *Most Admired Knowledge Enterprises*.



Shell Exploration and Production Co - Introducing Advanced Technology

Transforming rigs and operations using through the introduction of SmartFields and the Bridge



Peace Corps - Adapting to America's New Demographics

Changing outreach and business processes to include African-Americans, Hispanics, and older professionals.



Seth's largest change initiatives, continued



NASA IV&V, From 100% compliance to World-class
Transforming the entire organization into a globally recognized profit center



HR Certification Institute – Brand Transformation
Building a national conversation through live events in major cities, magazine articles about breakthroughs and luminaries in the field, and Fast Company online articles



The National Apartment Association – From 1st Class to World Class
Operational transformation, introduction of nationwide data management, world-class customer service, and improved governance

Seth's Executive Clients:

Jane Anderson

Executive Director, Fulbright Association

Gregory Balestrero

CEO, Project Management

David Baxa

CEO, VISTA Technology Services Inc.

Tony Cancelosi

CEO, Coloumbia Lighthouse for the Blind

Matthew Clark

Managing Partner, Arent Fox

Doug Culkin

CEO, National Apartment Association

Mike Finnell

CEO, Youth for Understanding USA

Ken Garrison

Executive Director, Society of Competitive Intelligence Professionals

Linda Hallman

Executive Director, American Association of University Women

Jill Hreben

CEO, Otterbein Retirement Living Communities

Pat Jones

CEO, International Bridge Tunnel and Turnpike Association

Mark Katz

Chair, Arent Fox

Doug Kleine

Executive Director, Association for Conflict Resolution

Andrew Kutt

Director & Founder, Oneness Family School

Jack Lewin

CEO, American College of Cardiology

Dan Longo, MD

Scientific Director, National Institute on Aging

Michael Marcian

Executive Vice President, Corporate Press

Walt Marlowe

Executive Director, Construction Specifications Institute

Chris McEntee

CEO, American Geophysical Union

Marcia McNutt

Director, US Geological Survey

Bill Millar

CEO, American Public Transportation Association

Ralph Nappi

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Susan Newman

Secretary General, International Real Estate Federation

Julie Oyegun

Director, World Bank Diversity Programs

Mary Power

Executive Director, Human Resource Certification Institute

Susan Sarfati

CEO, Center for Association Leadership

John Saunders

Executive Director, National Forum for Black Public Administrators

Christopher Shays

US Congressman, Connecticut

Jimmy Neil Smith

Executive Director, International Storytelling Foundation

Kerry Stackpole

President, Printing & Graphics Association MidAtlantic

Barbara Tulipane

CEO, National Recreation and Parks Association

Robert T. Van Hook

Interim Executive Director, Center for American Nurses

Gaddi Vasquez

Director, Peace Corps

Kathy Warye

CEO, Association of Professionals in Infection Control

James Wolfensohn

President, World Bank

Claudia Zacharias

CEO, Board of Certification