



## Association External Risk Assessment

### DETAILED DISCUSSION

Please note – this document focuses on external risks only; internal risks are dealt with in another document.

#### Members

*General questions (demographics)* – What is the average age of members? Is the average age increasing or decreasing? How does average age compare with the association's target (is the age and age trend desirable?)? What is the average education level of members (if this is a factor)? Is it increasing or decreasing? How does average education compare to the association's targets? Are there discernible trends? What type of employment do members have (C-suite, managerial, administrative, professional, sales, trades, etc.)? Does this match the association's target? Are there discernible trends? Where income is relevant and can be determined, what is the average income? How does this compare with the association's target? Are there discernible trends?

*Risk questions (demographics)* – Where one or more trends can be identified, is this a positive or negative development for the association? What did the association do (strategies, tactics, etc.) to get to this point? If the trend(s) continue, what will this mean for the association? If the trend is negative, or will have negative consequences for the association, what remedial action(s) can be taken, by whom, and at what cost?

*General questions (membership patterns)* – Historically, what has been the member retention (renewal) rate? What is the trend? What has been the average number of new members enrolling historically? What is the trend? Are there one or more geographic areas that generate a large percentage of your membership? Have those areas changed over time? Has the association made efforts to encourage new member enrolment from other geographic areas; if so, with what success? Do member retention and/or new member enrolment correlate with economic, political or technological events? If so, how? What trends can you identify for overall membership growth?

*Risk questions (membership patterns)* – Where trends can be identified, do they represent a positive or negative development for the association? If economic, political or technological events appear to be responsible for shifts in membership patterns, how long is the effect of those events likely to continue impacting membership? If those trends continue long-term, what will be the impact on the association? What action(s) can be taken, by whom and at what cost, to address the issues (positive and negative) identified?

*General questions (member purchases **excluding** membership)* – Do members account for the bulk of purchases of the association’s products/services? If so, what percentage? Has this percentage changed over the years? Has the average purchase (total member purchases divided by total membership) been increasing or decreasing? If you analyze percentages and average purchases by product or service (or by product/service group), what are the trends? Do those trends correlate with a similar change in overall product/service purchases (more detail in the next section)? Do those trends correlate with economic, political or technological events?

*Risk questions (member purchases)* – Are the trends a positive or negative development for the association? Where the trends correlate with other factors, how long will those factors continue to impact member purchases (both positively and negatively)? If the trends are expected to continue long-term, what will be the impact on the association? What actions can the association take, by whom and at what cost, to counter or capitalize on the trends?

### **Products and/or Services**

*Risk questions (primary product/service)* – When was the last time the association’s primary product/service was re-evaluated? Is it still relevant, in its present form (content, method of delivery, physical form, etc.)? Have revenues and number of individual sales generated by the product/service been increasing, decreasing or level? If revenues/unit sales have grown, have they outpaced inflation? Have they outpaced the economy as a whole? Is the market for this product/service growing, shrinking, or remaining roughly static? If you can determine it, has your market share grown, shrunk or remained the same? Who is your primary “competitor”? Has their product/service changed recently? How does it compare with yours (relevance, content, delivery method, physical form, support, etc.)? Does it appear to be gaining market share? At your expense? When people purchase your product/service, what benefit are they purchasing? Has this changed recently? Compared with the revenues generated and the market potential for this product/service, how easy/costly is it to deliver?

*Risk questions (other products/services – ask for each one)* – When was the last time this product/service was re-evaluated? Is it still relevant, in its present form (content, method of delivery, physical form, etc.)? Have revenues and number of individual sales generated by the product/service been increasing, decreasing or level? If revenues/unit sales have grown, have they outpaced inflation? Have they outpaced the economy as a whole? Is the market for this product/service growing, shrinking, or remaining roughly static? If you can determine it, has the market share for this product grown, shrunk or remained the same? Who is your primary “competitor”? Has their product/service changed recently? How does it compare with yours (relevance, content, delivery method, physical form, support, etc.)? Does it appear to be gaining market share? At your expense? When people purchase this product/service, what benefit are they purchasing? Has this changed recently? Compared with the revenues generated and the market potential for this product/service, how easy/costly is it to deliver? Does the association offer a “help-line” or similar function? If so, are staff appropriately briefed on how to handle requests without incurring legal liability for the association? If the help-line offers referrals to outside service providers, is this done in a fashion that is fair to professional members?

## **Membership**

*Risk questions (membership)* – What is your primary value proposition to current and new members? Is it still relevant? Does it match what members actually “buy” when they join/renew membership? When was the last time you reviewed it? Does it tie in with your brand? Is it supported by the association’s products/services? How? What do you offer your members in terms of benefits? Do these match their expectations? Are these benefits valued by members? Have these benefits changed over time? How clearly do you communicate benefits and your value proposition? Does your value proposition make up a significant part of your branding? Are you consistent in the use of your value proposition? Are you consistent in the use of your brand? Can you identify the role (positive or negative) your brand has played in your membership performance? If so, what is it?

## **Competition**

*Risk questions (competition)* – From a membership perspective, does the association have any direct or indirect competitors? Compared to the association’s membership performance, how have those competitors fared? Are they gaining market share? At whose expense? How does their value proposition compare to yours (content, clarity, memorability, consistent use)? How does their branding compare to yours? How successful have they been with their branding? What is their selling proposition? How relevant is it to the market? What benefits do they offer their members? How do those benefits compare to yours? Are those benefits relevant? Are their products and services relevant to the market? Are they relevant to their value proposition and brand?

## **Other Risks**

*Risk questions (events)* – Does the association have any events? If it has Chapters/Branches, do they have any events? What type of events does each hold? How often, in an average year? What types of venues do you use? Do these venues have insurance that covers you for accidents to your attendees? Are you required to sign an insurance waiver when you book the event? Does your insurance cover service of alcohol and attendant risks at an event?

*Risk questions (litigation)* – Is the association currently involved in any lawsuit? Is the association aware of any actions that might result in lawsuits against it? Has the association entered into any contracts in which it has not performed as per the agreement? Have the Directors, either as individuals or as a group, done or neglected to do anything that they, as Directors, should have refrained from doing or should have done? Has one or more of the Directors breached his/her fiduciary duty or duty of care in any respect of their involvement with the association?

*Risk questions (insurance)* – Does the association carry liability insurance to protect it against accident or injury to an attendee at any events it, or its Branches/Chapters hold? Is the insurance company fully aware of the nature of their risk? Does the association carry Directors & Officers’ insurance to protect it in the event of lawsuits against either the Directors or officers? What are the per occasion limits of the insurance? What is the annual cumulative limit of the insurance? When was the last time the insurance coverage was reviewed? Has the coverage kept pace with damage awards and legal costs in recent litigation?