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What to Measure

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“If you can't measure it, you can't improve it,” said Peter Drucker, author and management consultant. The concept applies to associations too.

Volunteer leaders on the board may not think of the association as a business. They probably know the importance of key performance indicators¹ (KPIs) in successful organizations but don't give them much thought in a nonprofit.

"Non-profit Organizations have to be as data-driven as any for-profit company. Members want to belong to well-run organizations that meet their needs, provide adequate services and a sufficient return on their investment. You must know where you are currently to grow your organization," said Wil Riley, RCE, CAE and CEO at the Charleston Trident Association of REALTORS.

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Nearly everything in an association can be measured. Directors and staff should discuss and agree on what they want to monitor and then identify the KPIs.

For instance, an organization with a Political Action Committee will want to monitor the percentage of the membership contributes. Another measure is the amount of the average contribution and how much is given each election cycle.

Metrics can be transformed into a dashboard, a visual depiction of the information. Use a gauge, pie chart or thermometer to communicate the data so directors can easily compare results from meeting to meeting.

“I don't just want to improve it - I want to measure it long-term so we are able to identify areas of concern or question through the dashboards and then determine the "why" there is a change,” offered Kim Brown Pokorny, MS, MBA, Executive Director at the Wisconsin Veterinary Medical Association.

What Should the Board Monitor?

In an audience of elected presidents I asked, “What should the board monitor?” Ideally a board will identify 8 to 12 areas they want to monitor. With consistent KPIs it is easier to identify gaps, trends and successes. Here are the leaders' reply:

¹ Synonyms include metrics, and performance measures.

Strategic Plan – How many goals make up the plan? Are metrics aligned with the work in the plan? What year of a multiyear plan is being worked and when is the update due?

Membership – What percentage of total possible members belongs? How many members and what's the growth trend? What's the renewal rate?

Programs and Services – What percentage of members use specific programs? Are programs self-sufficient? What metrics are used to measure program success before abandoning benefits?

Advocacy – What percentage of member dues is spent on direct lobbying expenses? How many touch points are there between the association and lawmakers? Are their significant "wins" to report to members?

Finances – What are the income and expense trends? Is the ratio of savings to budget sufficient? Compare the ratio of dues to non-dues income.

Internet – Are analytics used and search engine optimization in effect? How many visitors to the website and what information do they retrieve? Are the association's social media pages active with an increased number of likes and friends?

Events – Is attendance as expected or declining? What's the ROI? Was excess revenue generated as well as the purpose effectively carried out?

Political Action – Is percentage of members contributing increase? Compare prior year income and contributions. How much is the average member payment?

Satisfaction – What's the strategy for gauging member satisfaction? What is the trend? How frequently is surveying undertaken?

Outcomes – The most important measurement may be outcomes. Do board meetings end with results? At year end is their proof that the mission was advanced and goals achieved?

Nearly every aspect of an association should be monitored. From diversity to board effectiveness performance measures should be identified.

Thanks to the local presidents and ascending leaders at the Georgia REALTORS® Leadership Academy for their suggestions.

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Note: Bob Harris, CAE, provides free governance tips and templates at www.nonprofitcenter.com.