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# **Trends in Outsourcing: Why Now More Than Ever Before!**

**AMC Community Preconference Program  
Friday, August 14, 2009  
1:15 – 2:15 p.m.**

## **Content Leaders:**

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**2009 Annual Meeting & Expo  
Toronto, Canada**

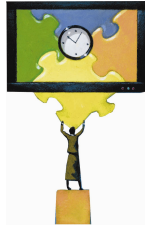
## **AMC Community Preconference Program**

**Friday, August 14, 2009**

**1:15pm – 2:15pm**

**Ballroom A**

### **Trends in Outsourcing: Why now more than ever before!**



## **OUTSOURCING...An Introduction**

- ASAE Recent Trend Research
  - "Association of the Future"
- Current Economy = Pressure for associations to do more with less
- Outsourcing allows associations to focus on core competencies...
- REVENUE Opportunity for AMCs!



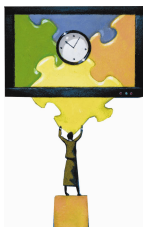
## OUTSOURCING

- Benefits to Associations:
  - “Do what you do best and outsource the rest”
  - Reduce costs
  - Focus on the bigger picture
  - Improve productivity
  - Access to higher expertise through strategic partnerships



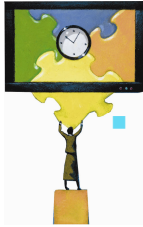
## OUTSOURCING

- Benefits to AMCs:
  - Revenue!!
  - Higher profile within an already close community
  - Leverage existing staff talent
  - Diversification of service menu = flexibility in tough economy



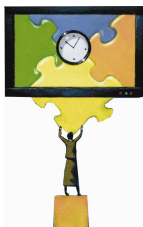
## **OUTSOURCING...Today's Objectives**

- Goal is to give AMC Owners and Principals ideas for growing revenue
  - What is the best way to sell these services?
  - How do you position your AMC to do so?
  - How do you succeed in your relationship with clients in this model?
  - How do you combine these services with your existing menu?
- Focus on sharing successful experiences



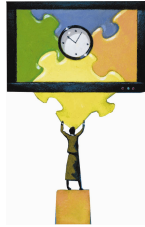
## **OUR PANEL**

- Bruce Wardle, CAE, President and CEO of Association Management Group, Inc
- John Dee, CPA, COO/CFO of Bostrom Corporation
- Dede Gish Panjada, VP, AMP Management Services
- Lori Gordon, CEO, The MandMarblestone Group, llc



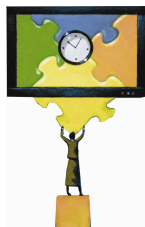
# Why Should AMCs Offer Outsourcing?

## Why Should AMCs Outsource to Others?



# Why Should AMCs Offer Outsourcing?

- Expertise + excess staff capacity = a winning combination
- Increase AMC's revenues with same level of expense if no additional staff are needed



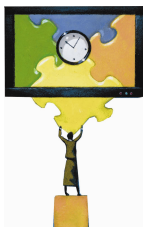
## Why Should AMCs Offer Outsourcing?

- AMC staff model generally thought to be more efficient than standalones
- Existing AMC infrastructure typically is scalable and can be leveraged for others
  - Hardware
  - Software



## Why Outsource?

- "Do what you do best and outsource the rest"
- Access to higher expertise through strategic partnerships



## Why Outsource?

- In-house expertise doesn't exist
- Investment capital not required
- Liability may be reduced as you work with your outsource partner



## Why Outsource?

### A Case Study

### Access to higher expertise through strategic alliances (SA)

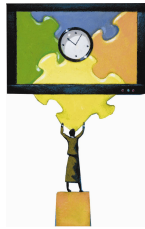
- Find a vendor that matches your company's value and quality culture
- Written agreement so expectations clear for both parties
- See SA as extension of your AMC
  - Treat SA staff like your staff
  - Market this to current and potential clients



## Positioning your AMC to be a Good Outsource Partner

For associations and their members alike, the outsourcing of noncore functions continues to provide efficiencies, enhanced service, economies and member benefit.

Successful associations establish and maintain a network of strategic business partnerships with professional services providers such as AMCs, PR/Marketing Agencies and IT service firms.

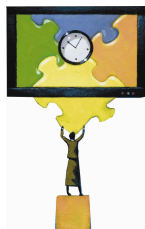


"Do what you do best, and outsource the rest" we hope, will become a common credo, and for very good reasons.



## Positioning your AMC to be a Good Outsource Partner

- Take a look at your firm through the eyes of a prospective client and know that most non-profits interested in outsourcing services will:
  - Use an RFP
  - Want their outsource partner to be an extension of their staff
  - Look at a firms longevity and really check references
  - Check on your firms reputation in the community
  - Expect to receive a contract with a specific scope of services
  - Want and request an evaluation process during the work period
  - Expect updates and open communication during the work period



## Positioning your AMC to be a Good Outsource Partner

Most outsourcing service providers work hard to satisfy their clients, yet many fall short. The keys to success include:

- Understanding your own business and its metrics and capabilities
- Gaining internal alignment around the expected outcomes of outsourcing
- Managing your company more tightly with greater tools, processes and disciplines, and
- Picking your client partners wisely



## Positioning your AMC to be a Good Outsource Partner

As you work to retain outsource clients, they may well be considering the following three questions:

1. Does the AMC have credibility as evidenced by deep and successful experience in their market within this service area?
2. Does the service provider have the infrastructure, funding and personnel to manage their service commitments?
3. Because outsourcing success is all about controlling outcomes does the engagement begin with a clear set of goals and the means to actively manage service delivery.



## MARKETING YOUR OUTSOURCE SERVICES

USP and AIDA: Formulas for Marketing Success

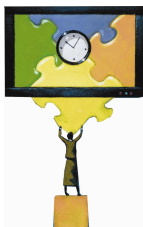
Your USP and how to establish

- Be best, quickest, most accurate – not the cheapest
- AIDA: Attracting Clients
- Being conscience of your reputation



## MARKETING YOUR OUTSOURCE SERVICES

Properly addressing your target client's two essential question is the most critical thing your AMC can do to ensure marketing success.



What's in it for me? (the client)  
Why should I buy these services from this AMC?



## COMMUNICATIONS

- Develop a model that works best within your organization
- One central contact  
Department head vs. Account executive
- Build relationship with others within each organization

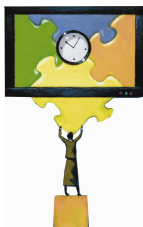


Meeting Manager with Education Director  
AMC Owner with Client Chief Staff Officer



## SERVICE

- Be flexible
- Will need to adapt to client's system
- Make sure you do not lose the efficiencies and effectiveness of your own processes
- May learn practices that can be brought to other clients



## ADD VALUE

- Client expects you to be the expert
- Be proactive
  - Engage client staff in potential enhancements
- Gain an understanding of the internal politics of the organization
  - Become a trusted advisor



## CASE STUDY

- Basic accounting services - 2002
- CFO services - 2004
- Meeting management services - 2005
- Consulting services - 2007
- Current fees nearly 3 times over initial agreement

