



RESOURCE ALIGNMENT

A philosophical shift is occurring as we work to keep our chambers strong and profitable. Is our core purpose—our reason for being—to sell services and seats, or to change our world? The answer can be both, but if it is, we must fund both.

Clearly, resource alignment is about more than acquisition of working capital. It involves processes, styles, asking rights, prospect pools and most importantly motivations and needs. The reason this section is labeled “alignment” relates to the stated missions of chambers. No chamber mission statement declares that their ultimate purpose is to help 20 sales reps gather business cards at a mixer. Chamber missions relate to economic opportunity, quality of life, and other higher purposes. Resource alignment implies that revenue should be raised largely *for* those mission goals.

For simplicity’s sake, it might be convenient to define the topic around the “what” and the “why.” The “what” is, in a nutshell, asking for money at levels that exceed the numbers shown on the membership ratecard. In this paper, we assume that the “why” relates to the general good of the organization and/or the community, and not to the direct benefit of the investor. The reader can decide whether the highest membership categories, or sponsorships of community events count as fundraising in your organization.

Transaction vs. Place-making

Chambers sell things to clients, much like other businesses, whether it’s a seat at a sales seminar, an ad on a website, or a credit card processing service. Meaningful transactions between a customer and the chamber will morph as traditional chamber network services are replicated online (e.g. LinkedIn for national, Alignable.com for local). Many chambers and

similar organizations are shifting an increasing part of their focus from business transactions toward improving the community or region as a whole and finding investors to address the cause. That transition will accelerate over the coming decade. Cause-based fundraising won’t replace traditional fee-for-service and “access pass” investments, but requests for funds to support community, regional and broader organizational priorities will become a larger percentage of chamber budgets.

Such a change in emphasis will require the skills and temperament for the art of asking for money without the contributor (member) expecting an immediate business benefit. There is real ROI potential for businesses that fund chambers’ place-making goals. Businesses and other investors will certainly benefit if the work is successful, but they seldom see immediate returns. To attract and maintain their investments, you must, as chambers always have, help them envision a desired future and directly connect their investment and their business goals to that visionary plan.

To succeed in soliciting contributions to support non-transactional chamber activity, the cause and plan will need an emotional and practical appeal in a future that has other proposals worthy of support. Fortunately, as chambers look toward the time when the millennial generation assumes a greater role in companies and communities, they can be hopeful about potential donors. One benefit to working on a community and regional

cause 10 years from now is that Millennials are more likely to join a cause than a club. By tapping into a revived civic spirit, driven by the ascendance of this next leadership generation, chambers may remain in good stead for membership and investment.

Care and Feeding

There is another misalignment of resources that requires adjustment in most chamber budgets and work plans. In social service circles, it would be described as casework. Chamber staff professionals spend an inordinate amount of time dealing, one at a time, with the challenges and problems of individual companies. This intensive, customized support doesn't qualify as fee-for-service, advocacy, or place-making. It is largely unmeasured and non-monetized. Unscientific research and anecdotal evidence indicates that it is completely undervalued.

In the coming era of mass customization (see Influence #2), we can expect the demand for personalized support work to grow. Members and non-members within the community already expect, and in some cases demand, such effort on their behalf. Most often the mere idea of paying for this kind of work would be considered laughable, especially in smaller towns where neighborliness and favors among friends routinely extend into business dealings.

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The business models of chambers in the next 10 years will be misaligned if they can't find a way to limit demand for casework or increase compensation for it.

If Not You, Who?

The widespread distrust of government to "get the job done," which may actually intensify in the coming decade, puts chambers in a new light, one that shines on resource alignment opportunities heretofore unavailable as they tackle big economic and societal challenges.

In recent discussions among chamber leaders, it was interesting to note that small community chambers were more reluctant

than large organizations to give up on traditional products, services and networking events in their current portfolio. They expressed fear of backlash and attrition if they appeared to be a "good ol' boys club" serving only the near-philanthropic goals of the largest companies. Meanwhile, the regional and metro chamber CEOs at the table found they were still offering a litany of member services without cutting back on their efforts to revamp their political landscape, build new infrastructure, or promote to a global audience. This do-it-all approach is definitely taxing their fiscal and human resources.

Chambers face tough choices between staying focused on their mission and making money. Hard decisions will need to be made with realistic acknowledgment about which other organizations or businesses can provide high-quality services cheaper and faster. But all chambers should cling to the role of the resident expert, with deep local knowledge. This knowledge is what will advance community needs and causes *and* chamber balance sheets.

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Within 10 years, fundraising for meaningful business, economic and community priorities will be the norm in most chambers, even if such funding does not produce the majority of revenue. Economic development and education attainment initiatives are today's "shiny objects" attracting investors. They will remain hot for the foreseeable future, though infrastructure decline, income disparity, and a dearth of entrepreneurs are rapidly emerging as business problems that can't wait for government solutions. Steve Millard, CCE, of Cleveland's Council of Small Enterprises notes that major investments are definitely driven by excitement, which is in turn driven by big exciting causes: "When you can generate \$25 million in a couple of months to host the RNC in 2016, you see just how much the excitement and perception of the cause drives investment. A parallel effort to raise a few million for an entrepreneurial investment fund (with arguably more lasting economic benefit) struggled to score with the same audience." ▷

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HORIZON INITIATIVE: CHAMBERS 2025

Of course, all priorities are both cyclical and reflective of individual community needs. The issue isn't as much what your fundraising will address in 2025 as it is the need to engage in some at all.

Gifts to the Givers

Since all chambers strive to find the sweet spot for funding programs that relate to mission, while also keeping the chamber sustainable, how do they identify and prioritize the prime interests of investors? Or do chambers just do what needs doing based on their ability to attract interested financial partners? Chambers must develop or hire the skills and experience to evaluate the right price for the right service, which will be applied to the right cause. There is consensus among chambers currently engaged in fundraising that they must, over the next 10 years, increase the hiring of experienced business people who understand for-profit enterprise. Such talent will be critical in appealing to larger companies for funding.

Raising money is, at its very core, about creating volunteer leaders with a passion for the cause, who can then be counted on to generate the large investments from their own companies and their peers. The good news is that the emerging breed of leader is more transformational than transactional. The bad news is that most chambers must rebalance their missions to ensure that transformational energy is captured. And so these philosophical and practical discussions will dominate chamber staff meetings and board strategy sessions for the next 10 years. ☐☐

Action Steps: Resource Alignment

Transaction-driven revenue will always be part of chamber revenue. Companies will pay for services and network access provided by a trusted source. Alignment of resources, however, revolves around finding ways to secure more funding targeted to support the stated mission and vision of the chamber. What does your mission statement say? A significant portion of your sales and fundraising efforts should emphasize achievement of that mission. This means asking for contributions and investment above the rate card. Chambers must get better at asking and earning investment. The first step in securing or growing such funding is the effective articulation, with professional help if possible, of your capacity, passion and effectiveness to achieve the stated mission. Next, define your chamber's plan for moving forward on the causes most closely aligned with the mission. If you can't articulate the abilities and plans well, you don't have "asking rights" to grow your mission-based resources. ACCE's Communications and Membership Development Divisions can help members find others who share their need to align resources. The HERO information library includes hundreds of examples of well-crafted fundraising appeals, as well as consultant options.

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