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# HORIZON INITIATIVE

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Nine Influences Shaping the Next Decade  
for Chambers of Commerce



Considering the world's dramatic and accelerating pace of change, what lies ahead for the members, boards and staffs of business-led economic and civic organizations? How will chambers adapt and evolve over the next decade, and how will they ensure that their best days are yet to come? These questions arise whenever two or more chamber leaders meet. The quest for answers or a context for predicting our future is part of every ACCE meeting, as well as a mainstay of our daily conversations with members.

In 2014 ACCE launched a group with an admittedly aspirational name, the Horizon Initiative Task Force, to tap into collective chamber wisdom and other resources to predict what your life will be like in 2025. After some false starts and refocusing, we realized that our goal was not to tell you what chambers would do or be in 2025; we sought instead to identify influences and how they might shape chambers and their regions.

No doubt there are countless factors that will influence chambers, communities and economies in the next decade, but we chose eight that the Task Force believed would have huge impacts on chambers of every stripe.

We believe the influences described here are real and that they will affect you and your community significantly whether your economy is good or bad, and whether your local politics are ugly or pretty. Government, business leaders and citizens will have to address these factors, which means chambers will too. ACCE's long-term goal is to help business-led, economic-civic entities of every size and type thrive in a world shaped by these oncoming pressures and opportunities. This crowd-sourced study is the start, not the end, of that effort.

Members of the Horizon Task Force, the ACCE Board of Directors and a score of others helped interpret information, share their own realities, articulate ideas and write this document. ACCE staff relied on trend data provided by members, but contributors made bold assumptions, many of which our readers will challenge—and that's the idea. The value of this paper lies in its potential to get you to develop your own ideas about the role of your organization in the future.

So, the Task Force—actually all chambers and our nation itself—need your reactions, your thoughts. We established a Chambers 2025 feedback website at [www.acce.org/2025](http://www.acce.org/2025). Have at it!



# BELONGING AND GATHERING

**M**arketing guru Seth Godin devoted an entire book to what he calls “tribes.” In it, he describes centuries of successful tribal models: a group of people connected to one another with a shared idea and a leader—a “great convener.” Chambers could indeed embody such a powerful concept in 10 years, but this opportunity is far from assured. A typical chamber today hardly qualifies as a tribe, but it easily could in the future.

Speaking at ACCE’s 2014 convention, Godin said that chambers offer unique opportunities to forge what he calls “multi-dimensional communications paths.” In fact, the inability of many other groups to do so in the future could dramatically *increase* the power and resource opportunities for chambers.

Sarah Sladek, author of *The End of Membership as We Know It*, puts it this way: “Economic swings, rapidly changing technology, and demographic shifts have challenged most associations (some more than others) because all these changes have redefined the meaning of membership. What members—and clients, employees, and consumers—want now is vastly different than what they wanted three years ago.” Sladek’s conclusion focuses on the “as we know it” part of her title, i.e., membership won’t end, but belonging out of tradition or habit might.

The ASAE research project *The Decision to Join* found that the option to enroll is based on a need to engage in greater-good initiatives, as well as direct benefit appeals. Chambers have the potential to excel in both, but must do so.

## CIVIC RENT

Alexis de Tocqueville’s 180-year-old theories about Americans’ craving for associations still have validity today, but perhaps less so than in the past. Yes, Americans still want to belong, but they are less likely to join for joining’s sake. Baseline loyalty to an institution (described as “civic rent” in the chamber world) will continue to decline in the future.

Transactional and “civic rent” chamber membership counts have already been declining because of demographic changes affecting associations of all types. Those trends lines will be steeper by 2025.

Resuscitation blips may occur in what ASAE labeled “obligation” memberships following leadership changes, or natural/economic disasters. The overall trend line for memberships motivated by a desire to be “on board” will almost certainly be negative.

A chamber in a smaller mature market, especially a town at some distance from major metropolitan centers, might have an edge in sustaining membership based on a sense of belonging. Personal friendships and acquaintances don’t end at the door of the chamber board room, but there will be fewer and fewer automatic renewals.

## NEXT GEN THINKING

There is significant hand-wringing in chamber offices regarding the potential impact the millennial generation will have on membership. “Millennials want to have a great impact on their community and their world, work with a team, get things done,” said John Zogby, founder of the Zogby Poll “But don’t expect them to show up anywhere on Tuesday night. Engage them in issues, let them choose the issue, and watch them work.” *Wait a minute. Isn’t that what members of every generation are looking for?*

More important than an understanding of specific demographic clusters is the need to structure your organization to be out front of the needs of every incoming or elevating demographic subset. Group involvement and participation is hardwired, regardless of the generational angst we feel in any given decade. We have an innate need to belong. Maslow insists in his *Hierarchy of Needs* that humans crave a sense of belonging and acceptance among their social groups, including organizations related to their work lives (tribes).

One of the criticisms of the oft-quoted *Bowling Alone*, by Harvard social scientist Robert Putnam, was that his powerful data about slumping association memberships and weaker collective activities was focused on old entities, such as the VFW and Boy Scouts. He was right that Lions Club membership declined, but failed to account for the brisk enrollments in young adult kickball leagues. Neighborhood associations have flourished, even as bowling leagues have languished. In your world, direct involvement in traditional chamber committee meetings declined during the last decade, but young professional groups blossomed.

## IN INCLUSIVE FUTURE

The jury is out on whether business people 10 years from now will pay dues to affiliate via a heterogeneous, economy-centric membership entity. We may all hope so, but some forward-looking chambers have anticipated that the answer may be “not so much.” They are responding with creative, inclusive models. For instance, some chambers appear to be a collection of smaller business groups under one tent. They nurture homogeneous

micro groups that are formed around sector, community, or even cultural priorities, which then find occasions to interact as a unified chamber when it is convenient or necessary.

To paraphrase the head of a successful Hispanic chamber, “There are many churches and religions that can lead us to salvation, not just one. It’s the same for economic salvation.” Continuing to expect universal loyalty to one economic-civic “denomination” will be even more difficult in 2025.

## PRACTICALLY SPEAKING

The chamber in 2025 may not identify members the way most chambers do today. They will have customers, clients, investors and partners, some of which will indeed be called “member.” ROI for the investors and satisfaction for the customers or clients will drive the success of chambers rather than the act of joining, and especially of attending. Chambers will have many, perhaps more, engaged stakeholders in issues and causes, but those individuals may or may not be members. People and organizations will indeed look to the chamber to address their niche and collective needs, whether they relate to policies, business growth, or community. Monetization of “belonging and gathering” will offer revenue sources, but not in traditional ways.

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Long before 2025, access to affordable, highly functioning, multi-party video conferencing—even virtual reality—will change the ways people choose to meet, but may also increase the desire for high-touch human connectivity. The differentiator for chambers may be in more compelling in-person connections rather than competing on tech savvy. Direct connectivity opportunities won’t look much like those of today, but if they are facilitated and managed by chambers, they will provide real value. Meetings aimed at delivering programs or experts will matter less than finding ways to get the right five or 10 people in a room or coffee shop who can figure out what to talk about.

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## BORED BOARDS

For years (if not centuries), chamber board meetings have largely consisted of a monthly get-together where the community’s leaders drink coffee, skip the pastries, check emails and plan their post-meeting parking lot ambush (the real meeting). According to Harrison Coerver, author of *Race for Relevance*, dramatic overhaul in governance will be one of the most profound changes in association life. Few people in the chamber world are ready to adopt Coerver’s recommended board size (fewer than 7

directors), but the *quality* discussion is worth having.

In the future, given time starvation and competition for attention, the kinds of people you want on your board won’t participate in death-by-report meetings focused on golfer attendance and tracking lost \$300 memberships.

Limitation of frequency and duration does not equate to diminished accomplishment if a board is managed effectively by an executive and chairman. More progressive chambers are already limiting board meetings (quarterly in Des Moines, 45 minutes long in Grapevine, Texas). Meetings at these chambers are goal-driven, with powerful communications before and after. These boards rely on focused teams, not standing committees.

According to Coerver and other association advisors, changes must also be imposed on directionless committee meetings. Chambers must find other ways to handle governance and in-person member interaction, or they will indeed lose the business leadership composed of top millennials and subsequent generations. This does not mean the death of meetings. It means the death of low-value meetings.

## TEAM TALENT

Chambers will always be conveners. The skills required to run a monthly membership luncheon, however, are different than the talents required to reach out on a personal level to drag to the table five business people who should be talking to one another about mutual opportunities. It is likely that mission-focused programming, rather than how-to and orientation-style sessions, will play a bigger role in your chamber’s annual event calendar.

A greater capacity to grasp and articulate intangible value will be required of sales professionals. The strongest chambers in the country have already recognized that the team of the future must not only sell transactional memberships (\$2 in direct value for every \$1 in dues), but also nurture commitments at the high end of the rate card that are intended to support community advancement and advocacy.

## SHOWING UP

Belonging and gathering are not the same thing, but throughout the history of chambers of commerce, the two have been difficult to separate. People in the news business who collect, report and create enough stories to fill their pages refer to their work as, “feeding the monster.” Regarding events, a similar mentality currently permeates many chambers.

To demonstrate value to various membership constituencies, chambers run scores or even hundreds of events each year. One large western chamber admitted to having more events than there are business days in a year, and “that doesn’t count committee meetings.” A new exec in a mid-size chamber in the Midwest underwent a startling inventory upon taking the job. He had to “eliminate a dozen events” in order to drop below 200.

Meanwhile, the most progressive chambers recognize that they

may have to follow Sting's advice: "If you love someone, set them free." At the Fox Cities Chamber in Wisconsin, staff provides minimal behind-the-scenes coaxing of self-initiated, self-led peer clusters, which resembles a "meet-up" app connection (with few in-person elements). This free-wheeling model, tied loosely to the chamber, could hold more value in the future than a series of lunch-n-learns.

## The chamber in 2025 may not identify members the way most chambers do today.

In his book, *Remembership*, Kyle Sexton notes; "Eighty percent of your members don't show up for anything, yet you still tout participation as the best way to get value from membership." Too many chambers equate attendance with value. They measure success based on butts-in-seats. These equations are questionable today and likely to be even less reliable in the years to come. Why?

- **Technology.** The ways people learn and acquire information have changed, for good. When someone needs to know something, they go and get it from an infinite supply of online resources, or from their private network of trusted sources (the chamber being only one). Even today they seldom wait for any institution to get around to offering a seminar, and they certainly won't in 10 years. In addition, affordable, high-quality, two-way video and virtual meeting technology will be ubiquitous by 2025. It's not a fantasy!

Fantasy baseball grew in the 1980s to a level sometimes deemed detrimental to worker productivity. Fantasy football, built around a combination of personal connectivity (draft day parties, team rivalries) and technology (web site injury reports, tracking software) surged in participation throughout the 2000s. To expand membership investment and engagement, chambers will want to embody something resembling the next fantasy sports league, providing a constantly refreshed alignment of tech and touch, featuring lots of "teams."

- **Competition.** The chamber is neither the only nor the best provider for many of the programs it currently offers (see Hedgehog Theory in Jim Collins' *Good to Great*). The required investment to differentiate and elevate one program above those offered by a host of others will make it more important to connect in small groups rather than in banquet halls. (NOTE: one or two signature events will always work in a chamber's calendar if they are regularly refreshed.) When it comes to networking, chambers will find it increasingly difficult to string a velvet rope of exclusivity around their networks. Most connections between business people in this new era will be temporary, but that immediacy of connection will create great opportunities for chambers. Won't it be nice

not to have to market networks to the same 50 chamber activists every week?

The chamber's role as the "anchor tenant" in community leadership has faced a steady stream of competitors for decades. Such challenges come and go. The coming decade could be a period with more regional competitors, but these groups will face the same difficulties with gathering, belonging, funding and sustainability as chambers.

- **Staffing Allocation.** In the majority of chambers today, a large percentage of staff time is spent on events: meeting planning, volunteer management, speaker acquisition, scripting, registration/billing, sponsor attraction, marketing, execution and follow-up. They all require major shares of staff and management time. The sad reality, based on ACCE's Dynamic Chamber Benchmarking research, is that chamber programming barely pays for itself when staff time is included on the expense line. If, in the future, staff will be expected to focus on other elements of their value proposition, they simply won't have time to run 100 gigs.
- **Opportunity.** Nearly every study on preferences and future behaviors of millennials concludes that they will be more, not less, likely to seek in-person connections. They will, however, be less likely to derive that contact in traditional ways, i.e., membership. The secret to solving this perceived contradiction for chambers? A chamber that has the capacity to look at these elements (membership, audience, programs, connections) separately could have more success in the "gathering" arena. The Greater Philadelphia Chamber and others are already moving in this direction. Their programs are branded with the chamber name only if it helps to attract an audience. Otherwise, the name of the gig is expected to carry its own weight.

## DUES

There is a growing awareness of the different motivations for chamber membership. There is also greater acknowledgment that attempts to articulate membership value have not addressed the diverse reasons for belonging. A comprehensive study by the Greater Kitchener-Waterloo Chamber in Ontario found two prime chamber membership motivations and two participation styles. (see "Quadrants" graph) One primary motivation is the desire to *get something from* the chamber; the other involves the craving to *get something done through* the chamber. Researchers then found that some members would invest to realize their motivation, while others would personally *engage*. Chambers that cling to the notion that "a member is a member," or that size is the prime differentiator among members, will miss opportunities for growth over the next 10 years.

And then there is the issue of who you will be for whom in the future? You should expect an increasing fuzziness about what constitutes an employee and an employer. The move to a "gig culture," in which workers don't have a single traditional

employer and businesses contract more work to consultants and service providers, doesn't mesh well with the business model of any chamber of commerce

For instance, if a plant manager farms out safety compliance to two consultants, will they get the member rate at a seminar? Will they get the chamber's Safety Newsletter? In addition, service providers like Uber and Airbnb will become ubiquitous for all kinds of freelance work, resulting in surrogates for employees who provide as-needed support for companies.

One chamber in a Northeastern mid-size market has determined that its small business focus should be dedicated to helping those who serve small business (accountants, marketing firms, lawyers, insurers) rather than the businesses themselves. This gives the chamber the capacity to impact more small businesses than they ever could under a fee-for-service or dues model. And, the mid-size dues and sponsorship investments from b2b firms more than make up for the relatively low dues revenue they previously received from tiny companies.

A huge new market for membership can be envisioned when chambers become boosters and facilitators of such non-traditional arrangements.

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**THE LIMITS**

Competition for cause-based contributions from major corporations will be fierce in the future. For the growing number of chambers that depend on high-end dues (chairman's circle, top tier packages, etc.) and non-dues financial support from such firms, it will be necessary to bolster the execution, delivery and perceived value of community enhancement work. Major players will be willing to pay for a seat at the table, but only if every issue brought to the table isn't tabled.

For centuries, business leaders have demonstrated that they will pay for the privilege of interacting with people they view as peers. That is unlikely to change, but the tolerance for participating directly in groups composed of non-peers may diminish.

One last point about membership investment limits. Over the next decade, large and small employers, as well as would-be investors and even governments, will have less tolerance for what Mac Holladay of the highly respected Market Street Services

firm describes as "civic insanity." Unfettered proliferation of civic entities with the words "economic development" in their name, or "business advocacy" in their mission, will not be acceptable to those who are asked to pay carrying costs. Petty competition and staff paranoia are already having a negative, though unmeasured, impact on dues.

**GET SOMETHING DONE THROUGH THE CHAMBER**



**GET SOMETHING FROM THE CHAMBER**

The corporate environment may embrace limitless competition, but not so the non-profit world. Finding members, sponsors and investors willing to support continued regional dysfunction will be problematic. Working on civic-economic development alignment in your region will be part of a chamber's long-term membership and sustainability plan.

**ACTION STEPS: BELONGING AND GATHERING**

No matter what your size or market, stop assuming that a member is a member is a member. Evaluate individual and business motives for chamber involvement. Evaluate your membership management software and processes to ensure you can differentiate member motivations. Adjustments in programming, services and network options for millennials must become part of a chamber's core, not an appendage. If possible, identify your value in terms that rely less upon attendance and participation. Recognize and monetize your tribal qualities. Create quasi-independent special interest subgroups and "hug" those that already exist in the community. Join ACCE's Membership Development Division to ensure you are aware of coming trends.



# COMMUNICATIONS AND TECHNOLOGY

“... **T**he exponential advancement of technology has reached a critical point where not even governments can project the direction humanity is headed ... as companies design the tools to capture and implement findings from traditional constituencies, they also have an opportunity to build robust feedback loops with other stakeholders who will play an important role in shaping the business landscape in 2020. In the face of oncoming regulation and activism, companies have an incentive to bring more partners into the conversation.”

The passage above summarizes the conclusions of the U.S. Air Force “Blue Horizons” project, which seeks to project likely technology advancements across all sectors. The report succinctly stated the challenge that chamber leaders face today. As new technologies rapidly evolve, communications will be made increasingly easier, but in other ways more difficult. It will be both individualized and broader reaching at the same time.

McKinsey and Company recently released a report from its blue ribbon Committee Encouraging Corporate Philanthropy that hits even closer to home for chambers: “How well we use these new lines of communication and technology tools to capture information, seek input from others, utilize the collective response to frame decisions and then implement them to shape our economic future will determine our effectiveness in growing healthy, sustainable communities.”

## HOW MUCH?

Frequently, when the subject of rapidly changing technology is raised in chamber circles, shoulders slump when we’re warned of the need for costly, staff-intensive new tools and toys that “you absolutely can’t do without.”

It would be tempting to look at the constant introduction of new technology and conclude that a chamber has no choice but to become one of the entities that rolls out new ones. Some analysts assert that associations like chambers will have to out-google Google, build enterprise products more compelling than Groupon, network better than Facebook and otherwise compete with a stream of 2.0+ solutions for their organizations and members. Contributors to this paper don’t think so.

Certainly chambers of the future will have to do a better job utilizing all technology opportunities. They may often choose to be early adopters and models of some technology innovations, as they have done since the first word processors hit the market. But the answer to “how will technology influence chambers?” is more complex and subtle than the simple answers: “MORE . . . NEW.” Because of unending innovations in communications technology, and the insatiable business appetite for better-faster, chambers must address four major factors in contemporary communications:

- **Customization:** It will become untenable to communicate in broad, generic messaging. In the 2025 information environment, such blast messaging will simply get lost in the noise. Within a few years, there will be an expectation of individualized communication of most messages so you can be seen as a viable, trusted resource. New technology and communication platforms will allow us to segment messaging in ways that are not now possible.
- **Robust feedback loops:** Soon, if not already, it won’t be enough to tell members what the chamber thinks, or invite people to a program that a handful of committee members conjure up. All organizations will need to harness new technology to share, in both directions, enlightening information and to receive real-time responses from members and communities. This is what the web 2.0 approach to social media marketing is all about, but within 10 years we’ll be at 5.0. Tech simply can’t be the only answer! Merely hoping that a message is received and understood will be an increasingly risky proposition, whether you’re advocating membership, a program, or a cause. Chambers already get this and rely heavily on *informal* feedback. More intentional two-way conversation will be both possible and necessary.
- **Shared Frame and Lexicon:** Future news dissemination will involve mass customization for specific audiences. Even so-called “viral” images, and messages will reach small percentages of the population as the noise increases and media preferences multiply. Meanwhile, chamber missions depend on creating a shared vision of a place and its future. That consensus won’t naturally occur in the splintered communications of the future. Aligning a shared vision with a disassociated, tech-centered world will only be possible through the effective use of new tools and strategies. Organizations like the FrameWorks Institute can help.

- **Speed:** The speed and capacity of microprocessors double, while price is cut in half, about every 18 months. E-commerce is still in its infancy. Future web-based transactions will be consummated with voice-signature or finger-print confirmations. Credit card readers and Apple Pay systems will seem quaint in a few years. Therefore, automation of billing and collections, and point of sale options will likely make annualized dues invoicing a hopeless anachronism long before 2025. The speed-to-market of programs, timeliness of policy decisions and nimble adaptation to changing landscapes will be critical to survival for all businesses, including yours. Chambers must also find ways to increase the pace of decision-making. Under current cumbersome governance models, chambers risk becoming marginalized in framing important business community issues, and behind the curve on every new offering they take to market.

## THE POWER OF HUMANITY

Chambers must invest in technology tools and platforms to facilitate communication in the electronic information age. Chambers are small business enterprises and, as such, must try to keep up with members and the world at large. Yet at the same time, they are unlikely to differentiate or raise themselves above the competition for hearts, minds and dollars primarily through advanced technology. It may be low-tech communication methods that elevate chambers in both value and effectiveness.

Within a few years, there will be an expectation of individualized communication of most messages so you can be seen as a viable, trusted resource.

Interpersonal connectivity and human relationships, especially if enhanced and maintained through electronic channels, will have more impact than ever. Chambers are positioned for this adaptation better than most other enterprises. As others gravitate toward electronic solutions for all communications needs, the chamber culture of personal client connection will shine through more brightly than ever—if it can stay fresh.

## ANALYSIS AND USEFULNESS

In its *Shaping the Future* report, McKinsey said: “In an increasingly technologically connected world, businesses have unprecedented direct lines of communication with their customers and employees. However, collecting information and putting it to use are two very different pieces of the same puzzle.”

In his books about the *Long Tail* theory of contemporary market forces, Chris Anderson explains how hard it is for any entity to have a locked-in market. With the ever-expanding menu of

web information about every subject, it is also impossible for a chamber to be the exclusive repository of knowledge on any subject. Chambers justified a “you-can-only-get-it-here” value to members and community in the past, but they barely cling to elements of exclusive knowledge today. You may not have any in 10 years.

Patrick Lencione’s new best seller, *The Advantage*, summarizes the problem this way: “In this world of ubiquitous information and nanosecond technology exchange, it’s harder than it has ever been in history to maintain a competitive advantage based on intelligence or knowledge.” That’s okay! Instead, the key role for information-centric organizations will be that of analyst. You will make sense out of it all, while appending your own preferences about what is important and true. Anderson referred to this powerful function for intermediaries (chambers) as the “filter” role.

To add value, the chamber must be a filter and an analyst to help determine the value of information.

## FILTER FUNCTION

A chamber executive need only look at the site selection consultant—the commercial/industrial real estate advisor—to understand how powerful and lucrative the filter function has become. The formal appraisers of *project-place-fit* can affect the futures of regions. They are courted and nearly revered by developers and chamber leaders. And what is their job?

First, these corporate real estate consultants listen to the client and establish a relationship to ensure their complete understanding of the goals and culture. Then, they scan, filter and analyze widely available data about a city or region and its real estate inventory. Next they apply their personal connections and considerable analytical skills to the data they’re looking at, triaging as they go. After vetting processes (feedback loops), they turn their selected comparison figures into a short recommendation list, which will be placed in front of a person or committee that could bring hundreds of jobs to a community—or not.

Analytical work for chambers will also elevate in esoteric ways. Editorial decisions for your newsletter today already filter business, economic and community news flow into need-to know information for your members. Now imagine that role multiplied 10-fold. For instance, chamber PACs are already helping economic growth-focused candidates filter data about donors, employers and voters. A chamber in Arkansas is providing a customer prospecting database to its members that want to personalize electronic marketing, using a megadata partner.

That is the power and value of the analyst, the filter in today's world. In 2025, the challenges faced by business will be multiplied and complicated many times over because the task of plowing through piles of seemingly contradictory data will be even more daunting. To add value, the chamber must be a *filter and an analyst* to help determine the value of information.

### **ANALYSIS GOES BOTH WAYS**

The ever-increasing capacity to evaluate metrics, and a growing concern for accountability in all non-profit entities, may also result in your board using 2025 methods to analyze you. Even the larger community and media might take advantage of greater transparency opportunities to evaluate your work, methods, compensation and effectiveness. It won't take much work to figure you out! Most chambers will thrive under such scrutiny because they already operate in a glass terrarium. Still, it may be wise over the next 10 years to itemize and articulate the value of things you might previously have counted among your "intangible" strengths.

### **ACTION STEPS: COMMUNICATIONS AND TECHNOLOGY**

Information dissemination is losing its value as web sources multiply. Instead of maintaining a "push" information style, adopt an "analyze and filter" culture to rise above the. Resist the temptation to try to do more than keep up with technology. Instead, use whatever tech tools you can afford to establish and maintain personal relationships and personalized services. Two-way communication—feedback loops—will be needed and expected in the future, even if they are maintained via the video phone on your wrist. The tech-com challenge requires that you work ON the business instead of IN the business. Spend as much time examining your communications model to keep it fresh, as you do to meet monthly newsletter deadlines. Use ACCE's Awards for Communication Excellence finalists as models—they're constantly updated and archived on our website.



# SCARCITY AND ABUNDANCE

In *The Coming Jobs War*, Jim Clifton of Gallup tells us, in so many words, Some gotta win, some gotta lose. Competition is global, but it is also regional. Migrations of people and investment can be exceptionally cruel. In the future, such movements will be driven in part by maximization of natural and human resources, whether abundant or scarce. Crises caused by shortages or over-supply will undoubtedly affect communities, and therefore chambers, during the next 10 years and beyond. But the reverse is also true. Intentional discoveries and accidents of place and nature will make boom towns out of sleepy hamlets.

These issues of too much, too little, and just right have been part of chamber life forever. So why does the abundance topic show up as a major influence on the next 10 years of community and civic-economic life? What is different about today and even more likely by 2025?

## FICKLENESS

The speed of market changes and personal preferences, the half-life of everything from pharmaceuticals, to fashion trends, to peace—it's all just fast. Technology and innovation are only part of the story. The volatility we take as more or less expected in 2015 would have seemed impossible and intolerable to us in the pre-9-11 world. The seemingly rapid transitions of today will seem pokey in 10 years.

The second reason this is a key future influence was highlighted in Peter Diamandis' book, *Abundance*. In it, he provides hefty research asserting, "Abundance for all is within our grasp...We will soon be able to meet and exceed the basic needs of every man, woman and child on the planet." Similar sentiments have been raised by futurist Jason Silva. This hopeful outlook may or not prove true, but the likelihood of greater opportunities for prosperity are very real.

In the short term, a region can do little about the resources it lost or never had. Chambers can, however, accentuate abundance—the blessings and advantages their regions have, as well as those the community created over time—rather than refining your rationale on scarcity.

## IMPACT EXAMPLES

The only way to illustrate scarcity and abundance impacts on future local economies is to identify those of the present. There is growing recognition of the abundance of domestic energy

resources, but the affordability of extraction and transportation will determine whether the energy will be "potential or kinetic."

Until a few months ago, the North Dakota and Alberta economies appeared to offer a breathtaking horizon of expansion driven by maximization of local oil and gas deposits. When the economics of \$50, rather than \$110, per barrel of oil are added to the equation, chamber leaders will need to work harder to ensure hopeful futures for their employers and citizens.

The rapid changes in energy geopolitics could reenergize the oil sand and fracking markets. Of course, the flip side of that equation affects truck dealers and drive-able tourist destinations, whose cash registers ring when gasoline is abundant and cheap.

In the agriculture sector, declining farm acreage or feed supplies will almost certainly be matched by harvests of other crops made abundant by genetic or other ag-technologies. Timber in Canada has been affected by tariff barriers, not capacity problems. Cotton crops in Texas are periodically affected by rainfall declines. Wetland designations have closed off tourist destinations, but easing development constraints around Portland, Las Vegas, or Toronto might make usable space more abundant. Supply is, in many cases, fungible.

Abundance and scarcity affect non-commodities as well. Near the coasts there are oversupplies of broadband vendors, yet customers in some of the most economically promising towns in the Rocky Mountains use copper lines rather than fiber to access the Internet. Likewise, a trans-Pacific trade deal could result in too little capacity in the huge L.A.-Long Beach port, but labor unrest could threaten its viability if shippers bypass the West Coast.

For some companies, tax issues still might be the major determinant of whether they stay, expand or depart a particular city in the future. For many others, the deciding factor could be access to gigabit internet connections.

**Human resources will be as critical to understand and deal with in the future as natural ones, if not more so.**

## ESSENTIAL TO LIFE

There are looming issues over the next decade for many North American regions regarding water – for the haves (Great Lakes), the have-nots and the “sometimes-too-muchers.” Water rights pacts have been front and center on many chamber policy agendas, and even more chambers must be ready to deal with them in the coming decade.

A growing community in central Texas might have enough water for more households or semi-arid farming, but not both. Sometimes the struggles for chambers will be simply to maintain an abundant resource. Invasive water species (whatever the next decade’s zebra mussels might be) could affect the work of a chamber in Kelowna, B.C., or another beautiful tourist town.

Once again, these influences affect the business side of chambers, not just their policy work. When a region’s water supplies drop or are threatened with further reductions, whole categories of employers (chamber membership sectors) may suffer, from landscapers, to appliance dealers, to condo developers. Conversely, unexpected discovery of a new aquifer can ignite growth in a region.

In the coming decade, chambers will increasingly be expected to play a role in tackling water abundance and scarcity issues. Many chamber members will also benefit from investments in infrastructure projects, engineering and innovations to deal with transporting, storing and creating (desalinating) fresh water.

## CHAMBER IMPACT

A chamber that is absent from resource discussions, unaware of the issues, or resigned to letting government alone solve them, risks certain competition from organizations that choose to play in this arena. A chamber that attempts to predict all of these economically crucial opportunities will be wrong a great deal of the time. A chamber that builds its capacity to address them as they arise will be indispensable.

In the early 2000s, the Florida coastal chambers were flush with resources provided by real estate developers. Demand appeared to be exceeding the supply of land during this wildly speculative period. Sponsorships, foundation support and hefty dues checks fortified chamber budgets during that real estate boom. Few of these chambers were prepared to realign their revenue sources when capital and real estate investment firms became scarce at the end of the decade. Eventually, by tapping into mini-booms in health care, logistics and short-stay tourism, most of these chambers found their way, but not without a lot of pain.

If revenues pour in from international companies suddenly enamored with your region’s low-cost labor pool, will new taxes for the county and dues money for your chamber adequately cover the additional work required to address growth-related challenges?

The Fayetteville-Cumberland County Chamber in N.C. might want to diversify its economy as a future hedge against over-reliance of its businesses on military (Fort Bragg) payrolls and investment. At the same time, they can and do maximize the abundance of federal dollars with military affairs activities.

## PEOPLE: ANOTHER ABUNDANT RESOURCE

In representing their jurisdictions, chambers must take the lead in differentiating the benefits that their communities can offer to potential talent recruits and their families. Human resources will be as critical to understand and deal with in the future as natural ones, if not more so.

Many chambers now are involved to varying degrees in education-related programs or policies because the skills gap demands that the business community be part of the solution, not just a demanding customer. But the education and talent issue goes beyond supplying workers for businesses. That’s why chambers in many Canadian communities know that without increasing their supply of medical professionals, economic growth will be hindered.

**The only way to illustrate scarcity and abundance impacts on future local economies is to identify those of the present.**

There will be millions of unfilled jobs by 2025 if the skills gap remains unaddressed, according to the Center on Education and Workforce at Georgetown University and other sources. It is estimated that 20 percent of the new jobs created over the next 10 years will be in categories that don’t exist today. Even today, 52 percent of employers say they are not filling positions because applicants are unqualified. Almost every chamber leader can cite businesses that complain about a lack of workforce talent.

“We need welders. If we had a supply of welders I could fill 25 jobs today,” says one chamber leader. Pick another town and replace “welders” with software engineers, accountants, geriatric nurses, or any number of skilled job categories.

When a community can’t align meaningful job opportunities with skills, outmigration will continue. By fostering education attainment initiatives, chambers can address skills-jobs disconnects and tap the abundance of employment opportunities. They must also create an environment in which talent can migrate freely within, and be attracted to, their regions.

## **MORE PEOPLE? MORE MEMBERS?**

As with natural resource concerns, the availability of necessary human resources is not just a theoretical or policy concern. It relates to the operation and size of the chamber itself. Your chamber will serve a different set of businesses as the economy evolves. If these employers can't find enough employees and customers, they won't be able to stay or pay you. Your membership and mission will be affected.

Even if you're not in growth mode, most of your established employers will stay in business over the next 10 years, but they may rely more heavily on distance and contract workers. "Keep in mind that young people today are in the midst of the gig economy, as much as the jobs economy," according to author and pollster John Zogby. "They know very little in life or work is permanent."

This fluidity provides opportunities and challenges for chambers, which have been built on companies with more-or-less stable employee rolls. This is yet another reason that a dues formula based solely on "body count" will be problematic. Assuming that the future non-traditional employer will enroll its senior staff in chamber activities is a stretch.

## **ACTION STEPS: SCARCITY AND ABUNDANCE**

Whether graced with good fortune, challenged with shortages, or hobbled by disasters, chambers must have the capacity to deal with whatever comes next. To be "kick-ass-problem-solvers," look beyond the next election cycle or strategic plan to envision what your chamber must become. Will you need to be faster to act on policy or new programs? Then build a culture that enables speed. Will you need to be wired to more community assets? Then be intentional about the chamber's key relationships. Will you need to be more political, or less so? Then make plans now to gradually morph your staff, board and committees. Will your community have fewer people or more? Fewer degreed people or more? Ask researchers at the university what this means to the town's future. ACCE's Education Attainment and Economic Development Divisions help chamber specialists learn from each other as they face abundance and scarcity challenges.



# GLOBAL IMPACTS

**P**andemics, terror threats, fluctuating markets, EU employee pensions, border closings, Asian competition, global commodity price wars, shooting wars—the daunting problems of the past decade prove that we live in an inextricably linked global society. So too do positive international stories, like the outpouring of aid for Haiti and the Gulf Coast after natural disasters. Communication technology has expanded the capacity for international ties, and labor forces are increasingly borderless. It's a brave, new, small world.

The volatility of the global stage will increase over the next 10 years. But the world is composed of regions, cities, communities and neighborhoods, each with a meaningful role to play on the new international stage. As representatives of those places, chambers will evolve rapidly to address the opportunities and uncertainty of the ever-shrinking world.

Both business expansion and chamber growth can be driven by the nearly limitless opportunities occurring around the world. Future markets and investment are difficult to envision today, but they will come, as they did following World War II, the crumbling of the Berlin Wall, and the onset of digital connectivity. Our concerns about today's economy should not blind us to the promise of tomorrow's, and that promise lies, increasingly, overseas.

Global influences on the American economy may produce the most dramatic impacts on chambers. Corporate structures and supply chains will be disrupted over the next 10 years. Payrolls of big companies that your chamber depends on will shrink (or grow) in this climate of global "creative destruction." Waves of off-shoring and repatriation of companies will continue. Traditionally domestic organizations like hospitals and utilities will go global, while distribution of food could get more local. Put simply, we don't know how, but we can count on global impacts becoming more intense in the coming decade. This is not just a chamber issue, of course. Everybody attempting to buy, sell, make and serve will be affected.

## SCARY GOOD

A U.S. Department of Commerce study, which included only jobs related to export (not those coming from direct foreign investment and other international sources) tells a compelling

story. The report says that export supported job increases "... accounted for 40 percent of total job growth in the U.S. during this period." (1993-2008). A chamber's memberships, programming and sponsorships can grow as the world comes to our doors and our companies connect more to new global markets.

## NOT JUST THE STATE DEPARTMENT'S ISSUE

As the familiar green slogan reminds us: "Think Globally. Act Locally." Individual places won't matter less because of globalization, they'll matter more. In a global competition for talent, investment and customers, every region large or small will have to be the strongest, best positioned version of itself possible. Acting locally is critical because international influences will be probing for opportunities and challenging every sector of your economy.

In advising her chamber and association clients, consultant Cathy Hight wrote in a recent article: "Businesses large and small want to have a positive local presence and access to the global marketplace. They need a competent and adaptive workforce locally and need to market effectively on a global platform."

As the perception of the U.S. as a safe haven for investment increases, your communities can expect more, not fewer such deals. For your members, international market opportunities will expand as middle classes grow outside the U.S.

Some global markets now open to your members will close in the future due to regulatory barriers (i.e., genetically modified food), competitive pressures in other parts of the world, or security concerns. Your interstate toll road could be sold to overseas investors (as happened awkwardly in Indiana). Chinese labor cost increases could induce local manufacturers to reshore business lines formerly produced overseas. Changes in visa rules affecting engineers from other countries could have an impact on your largest member.

None of us can know how this will all go down, but we can be certain that the world is becoming so interconnected that it will be impossible to count the frequency of international influences at the local level. The world is not all one big market yet, but for millennials, dubbed "First Globals" by Zogby, it might as well be.

## NAVIGATING INTERNATIONAL WATERS

There are four timeless avenues to consider in plotting a future-focused international strategy:

- Export support for local companies
- Proactive attraction of foreign direct investment
- Facilitation of international networks
- Instruction/awareness about global trends, dangers and opportunities likely to affect local companies.

Enhancing or launching programs, policies and products related to these four avenues will pay off for chambers over the next 10 years and beyond.

Until recently, it was sufficient for most chambers to take a minimal role in international issues or activities, i.e., stamping certificates of origin, hosting a tour to Tuscany, or forging a “sister city” relationship. Frankly, in the U.S., few companies have demanded much more of their chambers when it comes to international programs. But on other continents, those are the primary missions of chambers.

14 How do chambers, facing minimal member demand today, direct a portion of their limited resources to international strategies? As with other elements of this paper, the answers will vary depending on circumstances, membership composition, geography and volunteer leadership appetite.

For instance, border towns along the Canadian or Mexican borders have more to do in the international sphere, but they seldom reach beyond their closest neighbors. At first glance, chambers in port cities appear to be linked to the world. Some, such as Mobile, Houston, Los Angeles and Tacoma, have certainly become so. But in many shipping centers, chambers are focused on the health of the port as a major employer, not as a springboard to international opportunities for the regional economy. Looking toward a future of increasing international activity, the Charleston Metro Chamber (S.C.) recently created a multi-year strategic plan to guide its international work with the port and with other employers in an ever more accessible world marketplace.

## THE GLOBAL STAGE

Chambers in big convention towns such as Chicago and Orlando have begun to exploit international shows to showcase not only the world’s newest autos and tech toys, but also their community assets. And Winnipeg and Des Moines, which previously hadn’t hosted big conferences, created their own sector-specific global expos, with great impact.

Of course, economic development-centered chambers seek, or at least respond to, interest from foreign investors and prospective employers. In recent years, the trend in economic development has shifted toward “grow your own” strategies, rather than

“elephant hunting.” Developers still seek such trophies, but such game-changing wins are rare. Helping a struggling local firm or a real estate developer find an international investment partner requires a different set of skills, which some economic development directors are now trying to learn, hire or rent.

Chamber economic development ventures on the global stage often have history or logic behind them. Both the Metro Hartford Alliance and Naples Chamber have re-emphasized their regions’ long-time connectivity to German firms in hopes of attracting others that might partner with local companies. The Greater Des Moines Partnership has maximized personal relationships in Brazil, originally established by agricultural and biofuel firms.

## NOT JUST FOR BIG GUYS

A few chambers have been working aggressively in international circles for a decade or more, and they’re not all large. The Northern Kentucky, Brockton, Mass., Lake Charles, La., and Round Rock, Texas chambers, to name a few, recognized recently that their economic future may depend on relationships and meaningful programs being developed today. Most of these chambers viewed partnerships with port authorities, freight forwarders, government agencies, consultants and corporations already in the game as the best way to achieve their goals.

There is good news regarding the ways you might deal with this influence on your chamber’s life and work. First, it’s not really a money thing; it’s a mission and purpose thing. Done creatively and well, international programming can attract new resources. Demand may be modest now, but many other chamber offerings are routinely subsidized when numbers are low, if they are mission related. Providing international support for companies and the community is on mission!

Secondly, it won’t require diplomatic credentials or a masters in international logistics, even with the added complexities sure to arise in the coming years. Rather than starting from scratch or hiring consultants, chambers can build international intelligence through their members that already trade or invest internationally. That knowledge will enable chambers to help other members play overseas, while also helping domestic-only companies realize international opportunities and trends.

## STEP OUT

Another chamber transition can involve helping members increase global confidence and ambition. Canadian chambers have this built into their DNA. Most use relationships and alliances with friends and financiers in far flung places to help members overcome the fear of crossing a border or an ocean for a deal. In the U.S., chambers have organized international tours for members and “civilians” for a decade, but few take the extra step to translate trips into lasting business relationships. If they are touring 10 years from now, they will blend business goals into every trip.

You might think that your members already know more than you ever could about global markets. Not so. Chambers can, at the least, raise questions regarding international economic trends and then point companies to places where the answers might be found, such as the U.S. Council for International Business or port authorities.

## ENVIRONMENT

Even though 80 percent or more of the scientific community is convinced of the existence and effects of global warming, polls show that a growing number of U.S. citizens are skeptical. Currently 23 percent of Americans do not believe global warming is happening. That's up 7 percentage points since spring 2013. But 63 percent of Americans believe global warming is occurring, a number that has been unchanged since spring 2013. Most contributors to this paper believe global warming will likely influence chambers of the future.

Chambers and communities across North America must address the effects of temperature and precipitation fluctuations, whether they are the result of climate change or not. These realities already impact agriculture, coastlines, insurance rates, delicate ecosystems, energy demands, access to tourism destinations, public policy decisions, infrastructure investments, and the countless species that share the planet with us.

Whether any given emission is a pollutant may be debatable, but pollution from human activity is not. There will be another 250 million of us occupying the planet by 2025 (3.5 million more in U.S. and Canada), and our numbers and our activities have consequences. In one way or another, we all influence our environment, but the exponential growth of middle class consumers in developing nations (certainly a good thing) will intensify the impact.

Chambers must acknowledge that some of the global impacts we will address on behalf of our members and communities will be environmental. Large opportunities for investors, employers and talented workers will also appear as the result of man's efforts to tackle environmental conditions and issues.

## Most contributors to this paper believe global warming will likely influence chambers of the future.

The best choices may not always be evident or easy. Matters of conscience may arise, as will concerns over the business viability of your members or your organization. Starting a discussion at the board level about global warming, alternatives to neighborhood mosquito spraying, or off-shore drilling will not be easy, but having them early, when they can be theoretical rather than involving a specific piece of legislation, is wise.

## NOT LEAST

The final global factor having an influence on chambers over the next 10 years relates to what the world thinks of us . . . of you. National image matters to those in other countries, but so do regional and city reputations. What you think of Rio might not be the same as your perception of Brazil. The same is true when it comes to international business views of your part of the U.S. or Canada. In the future, this global impression, made up of a hundred different measurable and unconscious evaluations, will influence your community and members.

As demonstrated in *The Magicians of Main Street*, Chris Mead's history of chambers in the U.S., trade was in fact the initial *raison d'être* for chambers in early America. We may go back to the future on international affairs work.

### ACTION STEPS: GLOBAL IMPACTS

In 10 years, you'll be expected to provide help for your members and community in dealing with international affairs and global trade/investment. Whether you have capacity to deal with this now, you can take the same immediate action steps. Get closer to the companies in your region that have overseas connections or owners. Put together a resource page (or a booklet if you already have a page) of resources a company in your community could tap. Read more international news such as Reuters and BBC. Tap the free resources at U.S. Council on International Business, a treasure trove of information and services for chambers and companies. Work with ACCE to make a personal connection or two with chamber leaders in other countries.



# POPULATION SHIFT

**T**he inevitability of demographic change in North America, related to race/ethnicity and to generational transition, will significantly affect chambers of commerce in the next decade and beyond. Few have addressed these changes already underway, much less those they will face in the coming decade.

## RACE, CULTURE AND CHAMBERS

The growth of non-white, Hispanic and multi-racial populations in America, along with the aging of the white population, will result in rapid increases in diversity in the marketplace, polling place and neighborhood. And thank goodness! Immigration and birth rates among minorities have kept the US growing (unlike many other highly developed economies), but these changes present both complications and opportunities for institutions like chambers, which have been struggling to increase inclusiveness for decades.

To put the data into perspective, in 2012, for the first time, the number of deaths among white Americans exceeded the number of births. While it might take until 2043 before non-Hispanic whites are not the majority in the U.S., most of the country's fastest growing markets will be majority non-white within the next 10 years, if they aren't already.

This is not just an inner-city phenomenon. According to recent research from Brookings Institution, virtually all of the black population growth in the Atlanta and Dallas regions has been in suburbs. Immigration is, of course, a factor contributing to these trends, but not in ways you might think. More than 26 percent of the population of affluent Fairfax County in Northern Virginia is foreign-born, with 38 percent of the population speaking a language other than English at home.

Traditional geographic assumptions about race are being challenged as never before. Younger college educated blacks are moving to the South in record numbers, as opportunities and inclusiveness continue to expand. The overall population of the U. S. grew by less than one percent last year. This means that any significant growth in one region is occurring only through attraction of people of childbearing age from other regions.

Racial diversification is still highest in a handful of melting pot states, but is increasing gradually in most parts of the country and more quickly in Sunbelt states. In 1990, Las Vegas was 75 percent non-Hispanic white. Twenty years later, that number is 48 percent white. Racial, and especially cultural lines are also blurring. Fifteen percent of all marriages are multi-racial, and the fastest growing census category self-identifies as multi-racial.

## SO WHAT?

What do all of these interesting numbers have to do with chamber life and work? Even in some of today's most diverse communities and regions, where minority populations are significant, traditional chambers are remarkably white, and old. Building a future-focused chamber without an inclusion strategy would be, at best, unwise.

Chamber leaderships might develop a false impression that their organizations can thrive without diverse representation in their memberships, boards or staffs. After all, although minorities and women total two-thirds of the population and 57 percent of the workforce, they account for only three percent of senior management positions in Fortune 1,000 firms, according to the 2014 Glass Ceiling Report from the Leadership Conference on Civil and Human Rights.

For a generation, chambers have expressed concern about the potential for serious problems as a result of the non-representative nature—gender, race, culture, lifestyle—of their memberships, staffs and boards. That worry has generated only limited action to address a chronic disconnect, which leads some skeptics to conclude that the situation has never been a true priority. Since minority business ownership and senior management representation are still extremely limited in our economy, chambers may believe that diversity and inclusion won't matter to their organizational and community futures. They would be wrong.

**Building a future-focused chamber without an inclusion strategy would be, at best, unwise.**

## IF YOU'VE SEEN ONE CHAMBER ...

Every community and chamber is different. In a metropolitan region like Orlando, the chamber is already living in the future when it comes to diversity of population. For a mid-western city like Omaha, where the population remains 80+ percent white, the demographic challenges may relate more to generational transition than cultural division.

Likewise, the composition of the business community (potential chamber members) shows vast statistical differences between the numbers in large states and small. Overall, the rate of minority

business ownership in the U.S. is roughly 15 percent (up from 11 percent in just five years), but the “spread” within states ranges from near zero to 21 percent in California.

If a chamber doesn’t address the inevitability of racial-cultural change over the next 10 years, its membership, audience, clout and future funding streams will be at risk. ACCE’s Diversity and Inclusion Division attempts to focus chamber attention on these issues in three areas: workplace (equity of opportunity within companies), marketplace (increased markets for minority enterprises and recognition of the buying power of minority populations), and workforce (increasing minority representation on company and chamber staffs).

There are obvious business and moral reasons for chambers to address these issues, but also more subtle motivations. Talented, skilled young adults, who have long been expected to choose place first and job second, are increasingly settling in diverse communities. An inclusive community is also attractive for international talent seeking positions in the U.S. Likewise, site selectors report that larger employers consider diversity and equity initiatives when selecting locations for new or expanded facilities.

This is part of the reason that the St. Louis Chamber has had such aggressive programming and outreach aimed at greater inclusion of young and minority businesses. Long before the tragic situations in nearby Ferguson, the chamber had established itself as a proven champion of equity initiatives and cross-cultural dialogue. This sustained and proactive approach enabled them to play a meaningful role in 2014 that would not have been possible or credible if they had started their drive to engage across racial lines after the crisis was at hand.

## If a chamber doesn’t address the inevitability of racial-cultural change over the next 10 years, its membership, audience, clout and future funding streams will be at risk.

### DOWN TO BUSINESS

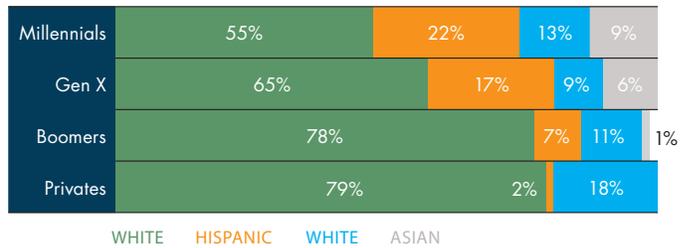
Every perennial chamber priority, from education to transportation, to business climate, to place-making is affected by demographic changes. For years, larger urban chambers have reported difficulties lobbying on behalf of the business community because city councils and officials question whether the chamber actually represents the true character of the business community. Fighting anti-business sentiment is more difficult when them vs. us perceptions are reinforced by the composition of chamber boards, memberships and staffs. Lack of perceived inclusion and equality of opportunity also feeds the political fragmentation identified elsewhere in this paper. Chambers will also play a role in ensuring that population demographic shifts are accepted in the region. Chambers need to model evolving pro-social behavior through the types of programs they offer and their own hiring.

In the absence of programming that seems valuable, small minority-owned businesses will seek to develop such support systems independent of the chamber. This could affect attendance, but just as importantly it can reduce the richness of networking at events. In addition, the conclusions formed by committees or planning councils of the chamber may simply be wrong without greater representation of the entire community.

### GENERATIONAL TRANSITIONS

The other major demographic trend facing the country and chambers relates to generational change. Generation and race/culture issues are tightly intertwined. Zogby research shows that while 68 percent of all current voters are white, just 55 percent of millennials (1979-94) identified in that category. Consider: those born 1926-45, a cohort Zogby calls the “Privates,” are 79 percent white; Boomers (1946-64) are 78 percent white; and Gen X (1964-78) are 65 percent white. This is a racial/ethnic sea change from previous decades.

Voters’ Racial Composition by Heneration



Source: *First Globals* by John Zogby and Joan Snyder Kuhl

Millennials will make up most of the workforce by 2025. Baby Boomers will have left, or soon will leave, positions of responsibility (except perhaps in incumbency bastions like Congress). Chambers have recognized for at least a decade the need to appeal to younger professionals, as they built YP networks, emerging leaders’ programs, and linkages to higher education. This is all good, but it’s not enough. To ensure the sustained viability and strength of the chamber, the organization itself must change its stripes rather than merely attaching appendages for the young. How?

Other than a token representative from your YP group, are any of your board seats occupied by a young person? Do your board meetings inspire anybody, much less young people? How many of the programs you design that you think should appeal to younger audiences were created with the input and ownership of young members? Do you encourage, rather than discourage, staff to engage in business-hour connections to social media? Do you have any young people in decision-making positions on your team? Are the policy issues you advocate of interest to younger business people, and if yes, have you articulated the issue in their terms? Gen Y people are not enamored with political parties or traditional politics, but they are interested in issues of fairness and quality of life. Is your chamber? Many millennials are so-called “communitarians,” but some are also social libertarians. Perhaps they must find another group to represent their interests, even if they are business owners.

Millennials who choose to join chambers today might not mind paying dues, but they're not patient sitting at the kids' table hoping to someday be viewed as having paid the other kind of dues. And they won't have to. They are already large and will soon be powerful. Zogby International says: "At 70 million strong, [millennials in the U.S.] are larger than most developing and 'emerging nations' and warrant the same amount of attention from investors, policymakers, and managers as do nations like Turkey and Egypt, which each have the same population numbers."

### NOTE FOR GRAY HAired EXECs

- Three suggestions for current chamber leaders about dealing with younger generations:
- Treat young professional members as the intellectual and emotional equal of your peers, not as your kids.
- Communicate with them through media they use and like.
- Open up your definition of "membership."

### MILLENNIAL CONFORMITY? NOT A GOAL

The good news in dealing with generational change is that it is important, but not necessarily urgent. In fact, most chambers seem to be holding their breath knowing that eventually Millennials will move into the family/community phases of their lives, when careers are less fluid and geographic decisions more-or-less made. It is probably true that they, like generations before them, will then give more attention to improving the places they choose to call home. The reality, however, is that this generation is more globally connected than any before. Their networks are more likely to be in the cloud than the neighborhood. When they're older and established, they may still resist joining a club, and the chamber may be viewed as one. The issues they choose to support when they are in positions of authority and responsibility may not resemble those of their grandparents just because they've become parents.

So, if they are opting out of politics and/or joining things, uninitiated as civic leaders, uninspired by the programs and positions of any local organization, blocked out of local decision-making and pandered to rather than embraced as peers, will they make good chamber members in the future? There are actually lessons from the past that might apply.

By 1974, anti-war and anti-establishment sentiments had driven wedges between the generations. Old guard community fathers didn't trust long-hairs, returning vets, or growing minority populations in the cities—and the feelings were mutual. Young people were better educated than their Greatest Generation parents. Anti-business sentiment was rampant. Yet the chamber

movement thrived during the '70s and '80s by becoming less exclusive and hierarchical in governance. Chambers became more creative in programming and service-focus for members. They became aware of the need to address the changes occurring in communities, the economy and the country. The chambers of 2025 and beyond can thrive too, if they adapt to generational realities.

### EDUCATIONAL DIVIDE

One additional demographic concern is becoming a growing influence on the future of communities and the future work of chambers. This is the growing educational attainment divide. Half of the children who enter ninth grade urban public schools will not come out of high school ready for career or college. The numbers in distant rural areas and first-ring suburbs can be nearly as frightening. College degree attainment has remained stubbornly flat, even as education leaps are being made in developing nations around the world, and as job requirements call for more knowledge and new skills. Meanwhile, the skills gap continues to plague employers and potential employees as tens of millions of jobs go unfilled.

The societal burdens of a minimally educated underclass will affect hundreds of communities across the nation—the towns and cities in which chambers of commerce will strive to build prosperity.

### ACTION STEPS: POPULATION SHIFT

There are dozens of options that could help chambers deal with an increasingly diverse workforce, workplace and marketplace. The most effective ways to start, or accelerate the transition of your chamber are actually those that are closest to home and within your control, such as staffing decisions, board nominations, programming design and "letting go." Without conscious efforts to address these four areas, it will be difficult to change the culture of your organization. Feelings follow action. ACCE's Diversity and Inclusion Council provides an open, safe, supportive platform for chambers that are serious about addressing race, gender and cultural diversity challenges. Tackling generation change requires chambers to make millennial preferences as much a part of the organization's life and work as programming aimed at Boomers and GenXers. As long as "young" programming is a sideline, the perception and brand of the chamber will remain "old." Is it necessary to turn the reins of civic leadership over to activist millennials for the next 10 years of chamber life? No, but it is necessary to understand that they will have the reins in 10 years.



# POLITICAL AND SOCIAL FRAGMENTATION

A phenomenon related to, but separate from, increasingly heterogeneous population is a growing division over ideas. Political and social polarization can be overwhelming and sometimes indecipherable. For many who work to bring the people of a community together, this trend has been among the most frustrating developments in their professional lives. History tells us that politics and society often have been fractured in the past—but that’s of little comfort to those dealing with divisions today.

Researchers forecast even more radicalization of politics and segmentation of society over the next 10 years, making consensus and broadly supported initiatives more difficult to achieve. Interestingly, many ACCE leaders either don’t think that’s the case, or believe that the splintering of the country’s politics and preferences just might matter less at the regional level in the future.

Furthermore, fragmentation may someday reach the point at which traditional party allegiance may be less important than self-affiliation with wings of parties and issue-specific causes. If the lines of division fluctuate from issue to issue, and from year to year, today’s adversaries have to consider the possibility that they might be working together tomorrow.

Still, dealing with local issues like bridge improvements on a main access road into town can cause the instant creation of opposition groups focused narrowly on “the bridge.” Some oppose it if it isn’t pretty while others will support it only if the city can cede (or keep) control of the adjacent river bank. A third group could be hell bent on securing a kayak launch as part of the bid specifications. Each of these small factions must have a voice, and once they use it in a hearing, or on TV or a webcast, they become even more enamored of their positions and more vehemently opposed to compromise. Such “issue du jour” segments of the population, many with genuine heartfelt sentiments and compelling statistics, will likely become more prominent and numerous over the next 10 years due to the availability of media/web exposure.

## INTENSIFYING SEPARATION

Meanwhile, over the next decade, the trend for people to move to places where their neighbors have similar political views is expected to intensify. This “self-gerrymandering,” which was documented in 2014 by Pew Research Center and others, reinforces already deep-seated social and political views. The

real and virtual walls bordering suburban or gentrified city neighborhoods may be crumbling, but people choose to live on their own sides anyway. Or, they move to places where there is only one side. These migrations may not affect the national election map dramatically, but they can certainly reduce the number of “purple” jurisdictions in the future.

*Washington Post* columnist Ruth Marcus recently resurrected a ‘90s phrase—“talk to the hand”—to describe the resulting discourse, or lack thereof: “Nothing you can say will make me listen to you. Do not even bother to try.”

## NOWHERE TO HIDE

Each of the divisive factors mentioned here, and many others, affect more than the policy and politics side of chamber existence. Economic development projects can be influenced by how welcoming and “together” a community appears to corporate real estate decision makers. Talent acquisition is hindered when would-be resident engineers or doctors trained overseas dismiss your town as torn or dysfunctional. When business leaders don’t interact or even understand each other outside the chamber board room, it is difficult to secure consensus and set priorities for the chamber when the board is in session.

Yet for two centuries, chambers’ work has depended on bringing people together around common causes like growth, jobs, kids, advocacy, infrastructure, and celebration. Lack of tolerance and civility hurts not only the chamber’s mission, but its viability as a non-profit business. If a handful of members quit the chamber over a position about a bridge, it hurts, but if entire sectors of your business community pledge undying enmity, it could cripple you. When members with left-leaning tendencies can’t stand to be in the room with a chamber member who supports Hobby Lobby’s position on health insurance coverage of contraception, it hurts your organization. Or when a right-leaning member avoids chamber events because he or she might have to interact with a marijuana shop owner, the role of convener is darned hard. When your communications staff has to sanitize every story to avoid antagonizing anybody, a key part of your mission is impacted.

But even given a climate of distrust, conflict and fragmentation, chambers must do their jobs. Somehow, against all odds, most of them pull it off. A few chamber leaders are actually optimistic that a more conducive climate in which to do the work may emerge in the years ahead. In spite of the seemingly limitless segmentation of the political and social fabric, there is real hope in many chamber board rooms that the pendulum will

eventually swing toward a more workable governing model and tolerant society. Why? *Fit, practice and necessity.*

## FIT

Dave Adkisson, CCE, CEO of the Kentucky Chamber, is one of the most respected and outspoken leaders in the chamber world. He believes that the current fragmented political and social landscape actually creates enormous potential for chambers of commerce to shine and grow in the coming decade.

Chambers have the potential to employ their considerable consensus-building experience and position of trust to provide workable alternatives to fringe dogma and out-of-hand dismissal of compromise. The chamber acts as the convener of those who can find solutions, resources and political will. Articulating shared values, rather than divisive talking points, will be needed more than ever in the coming decade. Chambers can play this role. It has become increasingly difficult for others to convene meaningful gatherings focused on problem solving, crisis resolution or celebration of success. Chambers can do that and must persevere in that convener role even when it may seem unappreciated. Why chambers?

- 20 First, the diverse composition of chamber memberships and extensive partner relationships make the convener role inevitable, whether you choose it or not. Second, the two-part purpose of a chamber (success for all employers today and prosperity of the community tomorrow) makes its goals appear less self-serving than most special interests. Third, the range and diversity of voices within the chamber, from CEOs, to non-profits, to mom-and-pop business owners, creates a preview of the larger community's debate.

## MAKING IT WORK

In the rising body of knowledge around “collective impact” theory, chambers can envision what the future might look like for advancing meaningful public policy change. If a public policy “sane middle” arises, it will likely spring from business leaders and other influential individuals, rather than from government officials, excepting the most courageous, of course. Local chambers have nurtured avenues for understanding and negotiation on major priorities for generations. That role will be more important over the next 10 years. But chambers cannot abdicate this responsibility just because the current climate seems so combative and unproductive.

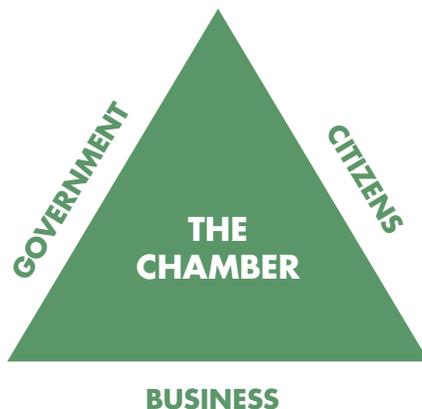
Importantly, the positions your organization takes today will affect the perceptions of it tomorrow. What is the larger context of a hell-no position you might take in response to a criminal justice, regulatory or tax issue floated by a county executive? Will your potential to be a convener, or your appeal to next-gen members, be affected? This is not to say don't act; it is to say

that chambers must consider the frame in which their position is portrayed.

Because of the with-me-or-against-me mentality in much of our politics, this job will be difficult, but chambers are in many cases the only organizations that can step forward. Chambers occupy that place in the middle of the business-citizen-government triangle.

In many communities, local and metro chambers are the only entities that can connect the three sides of the business-citizen-government triangle because they are the only organizations with prosperous future as their primary goal. Due to increased competition among locales, that position in the center of the triangle will be absolutely critical.

The truth is, business leaders, conscientious politicians and influential citizens don't want to wait for the community college to fail (financially or educationally) before someone fixes it. They don't want to wait for the Defense Department to run out of money for off-base military housing. They are agitated about government inefficiency and wrong-headed spending. With a few no-growth exceptions, they share a desire for growth of their towns, regions, states, provinces and nations. Because they are suited to the task—they fit the role—chambers will be a critical part of progress that occurs at any level of government over the next decade.



## PRACTICE AND NECESSITY

While political discourse will remain strained for the foreseeable future, policy decisions will soon become unavoidable. Through handling a string of predictable, now-inevitable, fiscal and policy crises over the next 10 years, Americans and their representatives will find ways to cobble together solutions, working together again. It seems farfetched, but we will. Too many critical issues facing our country will take us to the brink, and force us to find ways to compromise, even if those grand and small bargains are based on self-interest, rather than national interests. Urgency and actual (rather than potential) public service-related disasters will bring policy makers at all levels to the table for negotiation and action. It still won't be pretty, but complete gridlock on must-do issues won't continue indefinitely.

Chamber leaders are not naïve. They know that long-time adversaries won't suddenly join hands and sing each other's praises. Legislative leaders and administrations of differing parties at all levels won't like working together, but they will learn how. We already see this playing out at the local level. When the pipes actually break, bickering county legislative leaders eventually sit down and create a plan to fund the sewer repairs. At the federal level, strategists are finally recognizing as

the new Congress is seated that there is a political price to pay when they fail to govern. This price will become more evident as the dangers caused by gridlock accumulate.

The changes and crises coming toward us in the coming decade may divide us further, but the opposite is also possible. A top-five city in an overwhelmingly red state might elect an openly gay mayor (oh wait, that already happened). Members of union households in a northern state might actually vote to limit public pension programs (been there, done that). A city that declared bankruptcy will find its way to solvency without scores of people dying in the streets (done half a dozen times since 2002). It is within the battle for solutions and the desperate craving for leadership that chambers will find opportunity. They will embody “sane middle” pragmatism and reason over dogma. They will help cut through the noise of extremist politics as they have for hundreds of years. Chambers will take the high road, and build coalitions to support the right things for their communities, regions and members. Pulling our society, body politic and corporate civic leaders together will be our own generational challenge and it will occupy much of our chamber life and work for the next 10 years.

## **ACTION STEPS: POLITICAL AND SOCIAL FRAGMENTATION**

**Don't take the bait. The potential exists for every conversation about every issue to devolve back to entrenched positions, partisan accusation and separation. The chamber simply can't go there. The “sane middle” is not a popular place, but it is your place. Don't agree when people say there's no point in meeting or talking. As disasters appear (and they will) for governments in the coming years, approach each from the position that a solution—a compromise solution—will be found. This is not going to be easy, but we'll have plenty of practice. Promote only real data and evidence; be known as the group that eschews propaganda. Don't add to the urban-rural, right-left, old-young, black-white, rich-poor noise. Become partisan pro-economy, rather than partisan anything else. ACCE's relationships with the Pew Charitable Trust and other trusted research houses helps us help you make the case for reasoned solutions to divisive issues. The rich discussions that occur during monthly conference calls of ACCE's Government Relations Division provide best practice action steps and the support of a true peer network for those dealing with policy/political challenges.**



# 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.

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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.

**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.**

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.

## Chambers face tough choices between staying focused on their mission and making money.

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.”

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.



# CATALYTIC LEADERSHIP

Every month or two, we read the latest book on leadership or organization success and quote it in the office or at cocktail parties. You might hold forth about the basic tenets that have gone viral from some of them – Covey, Welch, Gladwell, Collins. There is something unique in each book, some new method of analysis or a fresh look at leadership. Mostly, however, these books are reminders that leadership is not something that just happens.

This is not a theoretical consideration for chambers and communities. Leadership, both volunteer and executive, is arguably the biggest factor in determining the future of chambers and, by extension, the success of communities.

In *The Coming Jobs War*, Jim Clifton says: “If you were to ask me, ‘From all the data you have studied so far, where will the next economic breakthrough come from?’ my answer would be: From the combination... of the forces within cities, great universities, and powerful local leaders. Those three compose the most reliable, controllable solution. Their combined effect is the most predictable solution to America’s biggest current problem, which is winning the global war for good jobs.” The last of these three—powerful local leaders—should get double weighting because it will be the catalyst.

Unfortunately, according to Michael Porter and Jan Rifkin’s recent research, there may be an attitudinal problem that chambers have to address to bring business leaders to the table. They summarize corporate sentiments this way: “I can’t just worry about America, I run a global company, we’re not an American company anymore.” According to Porter, the notion in business that “this is our country and we own its challenges has diminished.”

## GROW YOUR OWN

Fortunately, Rifkin and Porter see the beginnings of a resurrection of business leaders’ focus on the importance of place and collective purpose. They call it the “business commons.” This is a shared recognition that “. . . a skilled workforce, an educated populace, vibrant local suppliers, basic rule of law” matter to companies as well as to communities. “The good news is, we see a large number of business leaders who recognize the importance of reinvesting [in business commons] at this point.”

“Every city has strong, caring leaders working on numerous committees and initiatives to fuel their local economic growth,” says Clifton. “The feat these leaders have to pull off is doubling their entrepreneurial energy by aligning all their local forces.” That’s where you come in.

Issues related to finding leaders and demonstrating leadership face chamber execs constantly. Time poverty is an issue, but it always has been. Abdication of corporate social responsibility is still an ugly trend in some places. Risk tolerance, distraction, family responsibilities, management transience and volunteer fatigue all affect the ability of a chamber to lead. The struggle for willing and able volunteer leadership is likely to intensify over the next 10 years, even as the need grows. This will make catalytic chamber professional leadership all the more important.

## UNCOMMONLY WELL

“The secret of success is doing common tasks uncommonly well,” said John D. Rockefeller. Chamber work may not be common, but it isn’t hard to learn the basics. It’s like chess: easy to learn and hard to master. Community leaders have always had staggering levels of focus, commitment to excellence, fiery passion, persistence that rivals Sisyphus, and humble understanding that only the power of a team can yield success. Those qualities, nurtured through professional and volunteer leadership development, will be the secret of success for chambers in 2025, just as it was in 1925.

Successful chambers of the future, whether their main focus is economic development, advocacy, individual business support, promotion, place making, or information dissemination, will all require at least a handful of leaders who exhibit these traits. In perhaps the most dramatic way since the elevation of the Greatest Generation into leadership positions, civic entrepreneurs 10 years from now will crave results because they are comfortable with change and uncomfortable with the status quo.

## PREPARE AND PLAN...THEN ACT

While broad-based networks and collaboration will grow in importance, chamber leaders will have less luxury in the future to spend months seeding, fertilizing and watering unanimous decisions about the objectives their organizations and communities must pursue. Robert Grow of Envision Utah notes that in the ever more diverse communities of the future, leaders and leading organizations may have to move forward even when they can only muster “grudging consent, rather than consensus.” Too often in the recent past, chamber leadership seemed willing to wait indefinitely for permission to act. When it comes to chamber and community, leadership is not a feeling or a philosophy. It’s an action.

The ultimate historical example was described at an ACCE Board meeting in Philadelphia in late 2014 when Chairman

Tom Baldrige shared the epiphany he had as he walked through Independence Hall. He was struck by the approach and commitment from a small group of self-appointed leaders who met in secrecy 240 years ago to decide the fate of a new nation. They accomplished this monumental world-changer through conflict resolution and negotiation spanning just four months.

Today, a good many chambers, not to mention national associations and governments, can't move on a modest policy change or event decision without a task force formed by a standing committee, which had been named by a board, with support documents from consultants that have been examined during a retreat and vetted by a higher power. How can chambers be leaders for our community in 2025 if they cannot change the ways their organizations run today?

## CATALYTIC LEADERS

How does a chamber and its leadership become catalytic? It starts when those involved begin to define their vision in terms of what the organization will be, rather than what it will do. Then, a vision emerges of the chamber as a change agent for the community/economy. The organization sees itself as an instigator of change, rather than a resource to help people cope with change. The propagation, rather than mere acceptance, of change will be new to many chambers and therefore to their would-be leaders.

ACCE's Horizon Task Force Chairman David Brown, president and CEO of the Greater Omaha Chamber, said, "Imagine the impact if most of the 7,000 chambers of commerce covering this continent decided that their mission was initiating and sustaining positive change. What an amazing sight that would be!"

## Civic entrepreneurs 10 years from now will crave results because they are comfortable with change and uncomfortable with the status quo.

This doesn't mean that the goals of a membership organization—serving member and investor needs—are not important. The enterprise and business advancement aspects of chamber work will require agents for change at least as much as the policy and community development sides of the shop. The business side of the chamber will require leaders who cause change to happen in communications, marketing, program development, event design and direct member support, rather than merely coping with emerging realities.

## INTENTIONAL AND CONTEMPORARY

Old systems for strategizing will be too slow to deal with the pace of a wired and volatile world. And the professionals, starting with the CEO, must craft and drive new methods for staying ahead of

trends. This leader must be comfortable with the demonstrations of community and business leadership, irrespective of age or experience.

'Servant leader' is an effective, often powerful, management style. 'Leading servant,' however, is an inadequate self-image. Over the next 10 years, a larger portion of senior staff members in a chamber will learn to comfortably wear the mantle of catalytic leader and then act the part. Or, they may have to clear the way, or provide necessary support for, people who can.

This could be harsh and sudden in some cases. The patience quotient of chamber boards has been shrinking since the onset of the recession (with high rates of CEO turnover). Over the next 10 years, the expectations of communities and company leaders will be greater and the potential for casualties in executive leadership may grow. Likewise, board imposed limitations on executives who seek to be catalytic leaders could drive some of the very best chamber CEOs out of the industry in search of positions in which their change instigator role is valued.

Since leaders are made not born, it will be necessary for chamber executives and staff teams to learn an array of new skills, while increasing their knowledge of community and policy issues. These skills include the ability to collaborate with organizations of all sizes and agendas, even some that might appear to be at odds with the goals of most chambers. Thinking and planning strategically will be necessary in future decades when the 'imperative of the immediate' is more pressing than ever.

## WHATCHA GOT?

The menu of individual qualities and traits of good leadership can be drawn from any of a hundred wonderful leadership books. Communication, negotiation, ownership, humility—they all will be on full display in a highly functioning chamber in 2025. The more important difference between now and a decade from now is likely to be the mindset as much as the skill set. Again, over the next 10 years, true leaders must accept and embrace the role of catalytic change agent.

Staffs will have to be both better and better led in the future. Every year, the drive for talent within chamber teams is growing, but so is the clamor by staffs for clarity and support from top leaders. Boards will need leadership support and guidance from staffs if expected to travel paths they've never walked before. Members are likely to follow the chamber's leadership only by choice, rather than through feelings of obligation or responsibility.

## NETWORKED

The imperative for what Ted Abernathy calls "networked leadership" will trump traditional hierarchies or pinnacles of authority. The source of strength for both chamber executives and officers in the past may have sprung as much from organizational position (agent of corporate CEOs), as from personal leadership capacity. Both are important, but the more inclusive governance models of today and tomorrow require wider support built on

collaboration and trust outside the organization itself. You can't build that support as an agent alone.

The benefits of intentional and complete orientation of each successive class of chamber directors (beyond governance 101) include more likely success on subsequent networked leadership challenges. Eventually, graduates' from highly-functioning chamber boards begin to appear in other critical leadership boards around the region.

More than one chamber has made it an unspoken goal to nominate like-minded, economy-focused people in non-profit and quasi-public board positions elsewhere around the community. Others will need to follow that lead in the coming years in order to create the network of leaders required to advance critical initiatives.

Related to the "networked" leadership imperative is the power of aligned leadership. Alignment is, in many ways, the holy grail of community advancement. When elected officials, bureaucrats, corporate power players, chamber staffs, economic developers, media, non-profits, pastors, minority spokespeople and other "influentials" begin singing from the same hymnal across a region, truly remarkable things can happen. This aligned model has been evident in Oklahoma City as it emerged from declining urban center to dynamic big-league region over a prolonged period. Aligned leadership can be a beautiful thing!

### THE FEW. THE PROUD.

The abdication of corporate responsibility for local-civic success, which has been evident in some regions of the country for a decade, may actually reverse course over the next 10 years. Michal Porter notes: "One of the optimistic findings of this [business common] project is the enormous readiness of many in the business community to roll up their sleeves and do things in their communities and companies to make America more competitive."

Realistically, a chamber needs only a few activist leaders. A handful of fully energized and well-guided private sector leaders will be sufficient because the "fragmentation factor" will create a shortage of effective leaders in most institutions. Put simply, your opponents and competitors won't have many true leaders either.

And anthropologist Margaret Mead's famous quote will be as true in 2025 as it was a hundred years earlier: "Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it's the only thing that ever has."

### OUT THERE

Clearly, the kind of leadership described here assumes that the chamber exec not only may be permitted to spend time and energy on non-traditional community issues, but that he or she is inspired, expected and required to do so. By 2025, only people who were hired for, or learn to take responsibility for, catalytic, prosperity-focused change are likely to occupy CEO positions in large and mid-size chambers.

In 2025, potential members and investors will have an infinite supply of information, networking opportunities and service providers to choose from outside the chamber. At the same time, when it comes to entities dedicated 100 percent to helping their companies and communities succeed, the choices are extremely limited. Chambers have competition on networking, events, business communications and recognition programs. When it comes to business and community advocacy, place making, and business problem solving, however, they are in a unique position to be of value to these investors, especially when they take on a catalytic leadership mindset. Imagine the impact on this continent if most of the 7,000+ chambers of commerce decided that their mission was initiating and sustaining positive change – and then figured out how to make it happen.

### ACTION STEPS: LEADERSHIP

In the end, the quality and drive of professional and volunteer leadership will determine the success of the chamber, and by extension, the community. This can't be overstated in light of the other seven influences described in this paper. Hiring, attracting, nurturing, growing and motivating leaders is more critical to your chamber's success than any program or policy position. If you have to choose between paying attention to board development and running the spring expo, choose wisely. Over the next 10 years, there will be a new quality required for professional chamber leaders. "Catalytic" leadership requires that a chamber exec crave and create change, rather than simply helping members and the community cope with change. Each year, ACCE's convention provides a leadership track and powerful speakers focused on building both volunteer and professional leaders.



# ENGAGING THE PUBLIC SECTOR

**A**s chamber executives, our jobs require us to work with a wide variety of people to get things done. To be an effective change agent for our chamber, we must be able to look beyond our members and the business community to other partners. Often our success hinges on our ability to facilitate a local ordinance change or shape/rewrite state legislation, and we need to work with our city council or state representatives to make that happen. Success is often dependent on our ability to effectively engage the public sector.

It is critical that chambers and the professionals who manage them develop a strategy for engaging the public sector. Many believe this kind of work should be left to the government relations professionals in the chamber world. Others rely on lobbying or on PACs to create the environment for businesses to be successful. However, there is no substitute for chamber professionals being directly involved in cultivating relationships and developing and implementing strategies.

Being successful in this space requires chamber professionals to focus on the relational aspects of our interactions with elected officials and others in the public sector. This shouldn't be left solely to our government relations colleagues; success requires the entire team's involvement, and every chamber executive should actively cultivate these relationships and engage in this space. Is there evidence that the current systems inhibit our capacity to prosper? A resounding yes.

## BE A CHANGE AGENT

High-performing chambers of commerce are change agents. Our primary mission is to create an environment where our members can grow and prosper, where our citizens become part of the fabric of our community and people want to move to raise their families. Partnerships are critical to the goals and objectives of our organizations, and the public sector is one of our most significant partners.

Understanding how we can be more effective in engaging the public sector is key to both our careers and the effectiveness of the organizations we represent.

Each opportunity to engage the public sector, including elected and appointed government officials, is unique. We need to adopt the right mindset to be successful in this work. We cannot view the public sector as our enemy at worst and an inconvenient obstacle at best. We need to shift our thinking to see the public sector as a key partner and collaborator. We can accomplish

far more together than we can separately. If we keep a few considerations in mind, we have a greater chance of creating effective partnerships with the public sector.

## PRACTICE EMPATHY

It is difficult to build a partnership when we start from a position of, "I'm right and you're wrong." When we engage the public sector, we need to do so from a place of empathy. There are several ways to build our capacity for empathy:

- **Try on the other person's shoes.** It is easy to view the world and our circumstances through the lenses of our experiences and current situation. To effectively partner with others, we need to step back and try to see the world or situation through their lenses. What perspectives do they have that are influencing their point of view?
- **Step out of your comfort zone.** It is human nature to seek out like-minded people and gravitate towards spaces and places that are comfortable and secure. If we truly want to be able to see the world from another's perspective, though, we must step out of that circle of normalcy. We must be willing to be uncomfortable for long enough to absorb what it is like to be in a different situation. This helps us build a new framework for understanding others' thoughts and perceptions.
- **Don't assume, have a conversation.** Assuming we know how someone feels or why they feel that way or worse, asking someone else how the person in question feels or why they feel that way can lead to problems. Instead, have face-to-face conversations which can establish relationships that may benefit you and your organization in the future. Even those who are on the opposite side of an issue will appreciate you taking the time to hear them out.

## FOCUS ON PEOPLE

Whether personal or professional, people are at the core of every relationship. When we prioritize people and our relationships with them, it makes it much easier to work together productively. When we don't focus on people, we may make decisions that erode trust and make it more difficult to achieve our end goals. Here are some helpful approaches to focus on people:

- **Seek to understand and then to be understood.** Active listening is a key tool for engaging the public sector. If you focus first on understanding, rather than convincing, the person you are working with will gain an appreciation of

you and your approach. The fact that you are focusing on understanding them and their issue(s) will be a refreshing change.

- **Stick to the issues and your message points.** When you stick to debating issues and your key Reasons for supporting or opposing those issues, it is easier to maintain a good relationship with someone on the opposite side of that issue. When you can debate issues in a respectful way, it keeps the door open for working with your opponents on other projects where your interests may be aligned.
- **Use the headline test.** In building relationships and working with others, it is inevitable that someone will ask for your candid feedback about another person, elected official or action. Before answering, consider whether you would be comfortable if you read your words on the front page of the local paper the next morning or saw it trending on social media. Even when talking to someone you think you can trust to keep things in confidence, it is a small world, and these comments often filter back. This is particularly true when you are asked about your opinion of a specific person. As a rule, avoid negative feedback.

## DEVELOP A STRATEGY

Of course, even the best working relationships with the public sector aren't meaningful if they are not accompanied by a solid strategy for achieving your objective. While you work on other aspects of engaging the public sector, it is also important to craft a winning strategy. These tactics may help you develop and navigate that strategy:

- **Establish credibility.** Overtime, your approach to working with the public sector should enable you to establish credibility with key people and the media on public policy issues. The use of data and research, a thoughtful and empathetic approach, and the ability to articulate an argument succinctly and effectively are all part of establishing credibility. Be intentional about this.
- **Know the process and anticipate the next move.** Effectively engaging the public sector requires us to think through multiple moves before acting. This requires knowing the process and the people involved in your current issue. If it is a legislative matter, for example, know what committees are involved and the key members or staff people. It also requires that we keep our eye on the goal so that we don't get bogged down in process or personalities.
- **Build important relationships.** Don't wait until you have an issue to promote or something that you want to oppose before you build relationships with key elected and appointed officials. Municipal, state and federal elected officials, key government cabinet members, department heads, and commissioners should all be on the list. Also consider senior staffers of these elected officials, as they may be the driving force behind certain legislation or issues.

## REMEMBER YOUR AUDIENCE

At the end of the day, it is important to remember that the public sector often has constraints that we do not face. For example, elected officials run for office; we don't. They have challenges that are often hard for us to understand or relate to. Respecting their position and working to allow them to save face is important. While we may not always agree on issues, we need to be able to work together to advance the community, create jobs and enhance the quality of life.

The voice of the business community is increasingly important in solving many of the public policy issues facing our country, our states and our regions. Government cannot solve these complex issues alone, and the business community has stepped up on many occasions to be part of the solution. Chamber executives need to increasingly embrace this role as a leading voice on public policy matters and strategically engage with the public sector for the benefit our members and our entire community.

## ACTION STEPS: ENGAGING THE PUBLIC SECTOR

Start by identifying your organizational priorities, governance structures and rules of engagement before you do anything else. Establish and re-establish your public policy agenda and priorities on an annual basis. Then, start thinking about how to build relationships with both natural allies and those who may think differently than you do. Identify influencers who are likely to support you or who can do the most damage to your goals and reach out to them. Gather research on all sides of the issue, and make sure that you don't let your own position blind you to the relevant points others may make. Support your position with data wherever possible. Engage your members in this work and build coalitions beyond your membership wherever possible.