



DATA AND ANALYTICS:

# DRIVING ASSOCIATION STRATEGY AND OPERATIONS

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# LETTER FROM THE CEOS

## GREETINGS:

We are living in a pivotal moment in time. Amid the crisis of the pandemic and the urgent calls for social change, associations are reevaluating their priorities and determining how best to respond. During such economic and societal shifts, how can we produce more meaningful results and ensure impact?

The strength of the association industry is rooted in mission, community and collaboration. These pillars are more important than ever as members seek resources and support from their peers and turn instinctively to the associations that have brought those trusted networks together for the collective good. To guide organizational shifts and better fulfill these needs, we zeroed in on one of the most critical tools that associations can leverage in times of transformation — data and analytics.

Early in 2020, McKinley Advisors and Association Analytics partnered on a collaborative effort to explore the intersection of data and strategy, highlighting key trends and assessing practices across 180 association professionals in a variety of sectors and industries. While the research was conducted before the full emergence of the COVID-19 pandemic, the findings shed light on the importance of data and analytics in ensuring continuity and impact while transitioning to a long-term operating environment that will necessitate a lean approach. Indeed, drawing new insights from your data can help you assess, focus and drive more informed decision-making and action.

We look forward to continuing to provide insights and opportunities for discussion on this important and timely theme. If you would like to talk more about the findings of the study, arrange for a presentation of the data, or learn how your association can leverage data and analytics for the good of your mission and long-term success, please reach out.

**Jay Younger, FASAE**  
President and CEO  
McKinley Advisors

**Julie Sciallo, MBA**  
CEO  
Association Analytics

# DATA AND ANALYTICS IN THE TIME OF COVID-19

How will data and analytics continue to help associations respond to the COVID-19 crisis and adapt for the challenges and opportunities ahead? In addition to the themes highlighted in this report, we see a few key crisis-specific trends:



To be resilient during challenging financial conditions, associations must reduce expenses while strategically investing in areas that produce the greatest return. By leveraging data and analytics to identify products and services that are declining in revenue or engagement and that no longer support the mission, **associations can refocus on growth opportunities** — even if that means incurring costs in the short term.



Nearly every organization has shifted from in-person to virtual events. What does this mean for associations? **One bright spot is the influx of new contacts.** In some cases, associations have reported up to 70% new participants\* in their ecosystem. To capitalize on new audiences, associations can turn to data to determine the future mix of virtual versus in-person events, develop strategies to foster sustained engagement among new audiences, and assess new geographic and topical areas to target.



**Data dashboard usage is on the rise.** Over the past three years, the use of data and analytics in the association space has grown significantly. During COVID-19, the increase in dashboard use has been as high as 70%.\* This proves that data continues to be a critical asset to decision-making and business sustainability, particularly as technology becomes more affordable, accessible, and expected by leadership.

\* **Source:** Information from Association Analytics

# INTRODUCTION

Data and analytics could be one of the most important – and least utilized – resources within the association sector. From measuring key performance indicators (KPIs) to understanding member behavior, data helps associations narrow their focus and maximize resources. In times of economic decline like the current COVID-19 crisis, this asset becomes even more vital to ensure the preservation of limited resources and ongoing relevance to stakeholders.

Yet, maintaining a robust data bank or conducting periodic analysis is not enough. Data and analytics should be seen as an organizational asset, bringing together disparate data sources to promote greater collaboration and informed action. Think of the proliferation of health apps and how they integrate multiple sources to give a snapshot of overall health, habits, and progress towards goals. In its simplest terms, the data and analytics function should aggregate data and guide us by providing insights through visualization of near real-time data. And while data and analytics cannot replace dialogue, brainstorming and planning, they do provide the foundation for these three things to happen.

The investment in data and analytics can be a costly one — both in terms of financial and resource commitment. Fortunately, the data itself helps you build a clear business case and better understand your return on investment. For example:

- One association **increased its profitability by 15% in one year**, attributing that growth to data-guided decisions around products and services.
- Another association **grew its event profitability over 30%** by using data to target the right audience and reduce marketing and advertising spend.
- An association noticed **higher staff retention**, particularly among millennials, after making data more accessible across the organization.

**Source:** Information from Association Analytics



Where are associations today in their data and analytics maturity and how can they improve? We looked at three key areas and explored the practices, challenges and opportunities within each one. Based on our findings, here are insights and recommendations that can help your association turn data into a powerful tool for change.

**Supporting Your  
Strategy Through  
Data**

**Operationalizing Data  
and Analytics**

**Building Data-Driven  
Member and Customer  
Experiences**



# SUPPORTING STRATEGY THROUGH DATA

Although data and analytics tend to be leveraged within specific functions of association management such as membership, they are often underutilized in an area of great potential: strategy. It is more common for associations to apply data and analytics through a retroactive, performance-based lens (how did we do?) rather than through a proactive, strategy-based lens (what should we be doing?). Additionally, it is rare to find organizations that reflect a true data-driven culture, where data sets the direction *and* helps measure progress towards that established direction.

How do we know that strategy and data alignment is an area of opportunity for associations? Lack of organizational data strategy was cited by survey respondents as their top data and analytics-related challenge.

- **Lack of organizational data strategy (data governance): 57%**
- **Staff skills or expertise: 54%**
- **Streamlining data to measure across departments, programs or silos: 46%**

Similarly, we asked respondents to share their agreement with a series of statements. Approximately six out of 10 respondents agreed that using data and analytics to measure impact was an extremely or very accurate description of their organization's culture. This number dropped slightly when respondents were asked about anticipating and planning for the future. When asked about applying data to validate key assumptions, only four in 10 respondents agreed that the statement was extremely or very accurate.

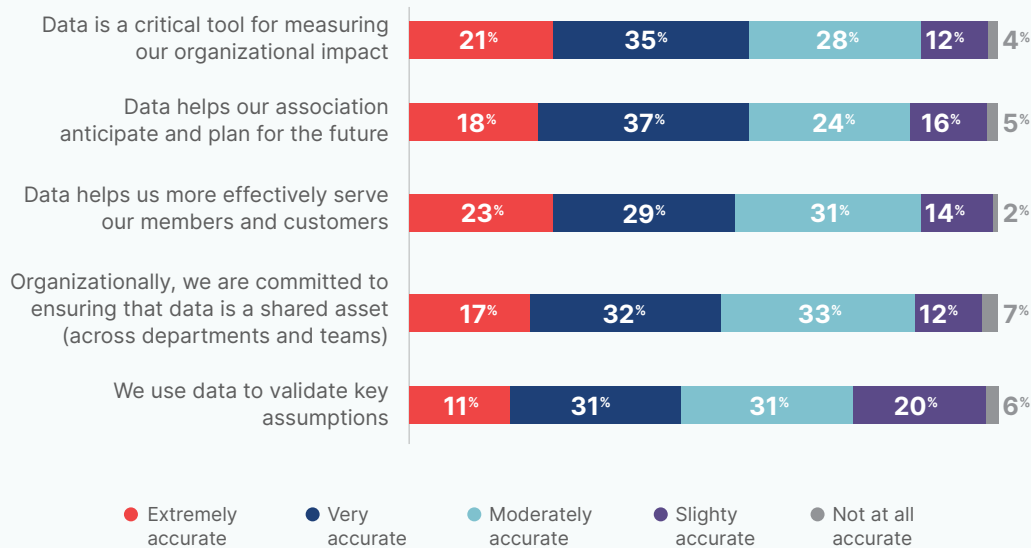
Mature associations identify outcomes as part of the strategy-setting work, such as shifts in perceptions of value. However, the most sophisticated associations link strategic goals not just to outputs and outcomes, but to other metrics that **help them understand the full impact of their plans** (e.g. expenses, staff time). The selection of metrics must be carefully weighed since it is possible to measure too much. Data strategy requires thoughtful collaboration and may be particularly complex for large, sophisticated organizations.

## — Patrick Glaser

Vice President, Research and Analytics, McKinley Advisors



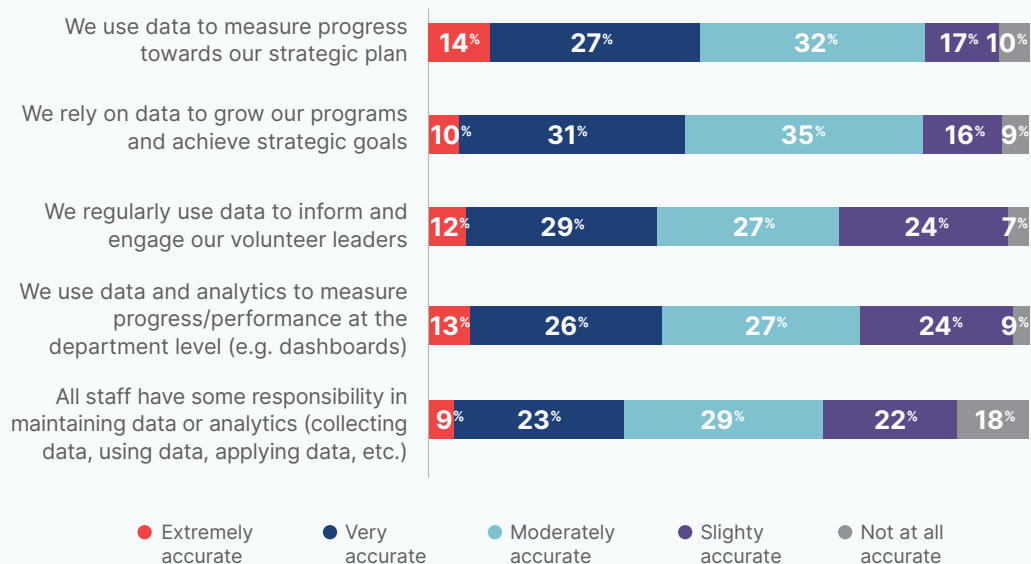
## How accurately do the following statements describe your organization's data culture today? (N=186) Top Half Responses



Respondents were also less likely to agree that their associations employ data as a tool to achieve strategic goals and measure progress. And while we know that organization-wide adoption of data and analytics leads to more informed and aligned decision-making, few organizations report this level of integration.



## How accurately do the following statements describe your organization's data culture today? (N=186) Bottom Half Responses



Strategy or direction setting is an exercise that is important throughout all levels of an association. From the broad organizational strategic plan to individual departmental priorities, these strategy-setting efforts drive the organization forward and create strong, cross-departmental links. An association that does not fully leverage data to help set direction risks making decisions based on assumptions and without clear “guideposts.”

## Two Examples of How Associations Often Fail to Align Strategy and Data

1

### STRATEGIC PLAN

An association’s strategic plan has been approved and leadership meets regularly to discuss progress. Rarely is a data strategy considered as part of the process. At most, data is utilized to support the review of the plan but is limited to high level outputs (e.g. conversion metrics) rather than outcomes (e.g. % of members who agree the association offers a strong value proposition).

2

### PRODUCT DEVELOPMENT

Volunteer committees or staff make decisions about new products and services based on personal experience or “gut feelings” (e.g., volunteers and staff may not examine critical data points, such as the life cycle of the current product mix to inform the development process). While volunteers and staff play important roles in the product development process, data should be an integral part of the process — both during the product development phase and in the assessment of progress and performance.





# OPERATIONALIZING DATA AND ANALYTICS

Beyond strategy setting and measurement against goals, how can an association shift its culture, infrastructure and processes to ensure a more mature, enterprise-wide approach to data and analytics? It is clear that staff and leadership are aware of the importance of data — and that organizations are communicating results to their members and boards — but they seem to struggle with challenges around execution and implementation. Why? Because the transformation to a data-driven culture is not a technology initiative as much as it is a change management initiative.

Streamlining data to measure across departments, programs or silos was reported as one of the respondents' top three data and analytics-related challenges, and addressing it is an important first step in creating a data-driven culture. Centralizing siloed data into a repository that can be easily accessed, monitored and analyzed by staff beyond the IT department will allow the organization to be more nimble in uncovering data insights and also increase visibility into data analytics as a business tool.

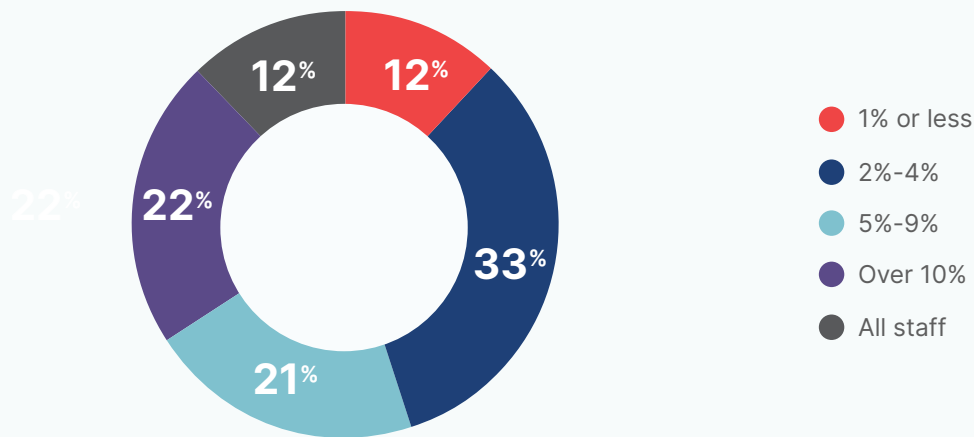


**What are the main challenges in advancing the collection, use, implementation, or application of data in your association?**  
(N=183) Top Half of Responses

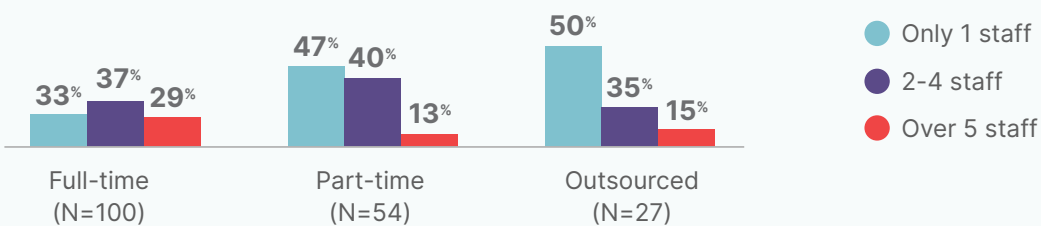


Lack of staff skills and expertise was cited as the second most prevalent data and analytics-related challenge, and associations are responding by adding dedicated staff or pursuing outsourced options. In comparing the reported number of data and analytics full-time staff to the reported overall number of employees in an organization, most organizations have 2-4% of their staff dedicated to data analytics. Organizations with the lowest percentage of dedicated data and analytics staff tend to outsource those functions. For any organization that requires a range of skill sets within a limited budget, needs a specific area of expertise, or requires flexibility in terms of the length and type of commitment, outsourcing represents an ideal option.

**Reported number of data and analytics full-time staff compared to total number of an organization's employed staff (N=94)**



**Q How many staff are dedicated to data and analytics?**



Simply creating an analytics position or department will not produce effective results. Even the most talented analyst will fail to produce real value without guidance and buy-in from senior management, clear business problems to solve, and a supportive data-driven culture. In fact, some of the most successful associations have built “martech” (marketing and technology) or business intelligence teams to incorporate data and analytics into everyday operations. These teams are comprised of staff from across the organization who have an interest in growing their skill sets or are committed to strengthening the organization through data.

The solution also lies in defining a set of high-impact business problems driven by the strategy set by the organization or department.<sup>1</sup> For example, an association might identify a troubling decline in profit generated through a legacy product or program. This specific business problem gives the analytics team clear direction to help define the issue through data (i.e. is attendance/usage declining, are costs increasing, or both?). In turn, the organization can work to reverse the trend and accurately predict future profit margins. Not only will starting with specific, high-impact business problems produce quick wins for the organization, it will build credibility and promote a sustained data-driven commitment.

To begin to shift your organization’s data functions and processes, a few key best practices should be considered.



**Shift the mindset:** Instead of thinking about how to measure a specific data point, reframe the question to ask what insights are needed. For example, many associations track conversion rates from student to full membership, but the real question is more like, “Is the value proposition for young professionals strong enough to convince them to retain membership — even if they have to pay more?”



**Align value and business:** Many organizations reported that data is a critical tool for measuring impact. Beyond ROI for customers or members, consider how your data is being utilized to measure impact internally. Work with your data experts to establish metrics and evaluate and review for continuous improvement.



**Empower staff at all levels:** Staff who have oversight of organizational functions or initiatives are often in the best position to identify metrics to measure success in those areas. By empowering staff members to identify KPIs for their own initiatives, the organization fosters a culture of accountability, recognizes the expertise of individuals, and integrates powerful decision-making processes across the organization.

<sup>1</sup> <https://hbr.org/2020/03/whats-the-best-approach-to-data-analytics>.

It's a common misconception that associations can't do analytics because they don't have the strategy or the staff. In reality, an association can **move relatively far along in an analytics journey without a formal data strategy**. Even within small organizations, you can often identify a curious mind who would love to learn something new and can use an analytics tool in their work. The bigger issues are staff resources and time. The 'skills' needed to do introductory analytics can be about the same as working in Excel...and most people have those skills."

— **Julie Sciullo**

CEO, Association Analytics

You don't need to build a complex data strategy before diving in and beginning your exploration. At ASAE, we started with perspective. What data do we already have and what can it do for us? We committed to teaching our staff the **power of good data to slowly shift our mindset and culture to be more data oriented**. By identifying simple metrics that aligned with ASAE's strategic goals, we were able to link data to strategy. We also gave staff the opportunity to explore data through a centralized data bank. By then, most of us had gained an appreciation for the power of data and could answer more fundamental and strategic questions like where to grow revenue and/or stop losing revenue and how to engage members and nonmembers. We developed **realistic and actionable strategies and tied them directly back to results**."

— **Reggie Henry, CAE**

Chief Information & Engagement Officer, ASAE: The Center for Association Leadership

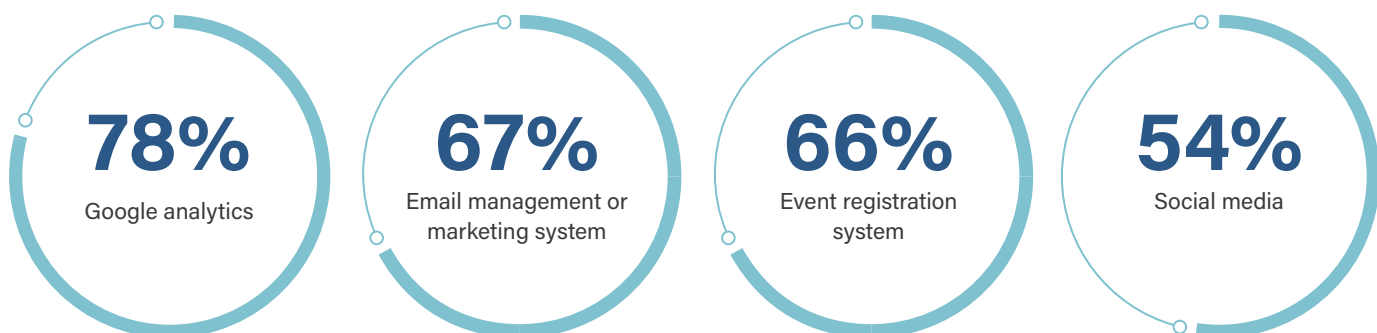


# BUILDING DATA-DRIVEN MEMBER AND CUSTOMER EXPERIENCES

As mission-driven organizations, associations must create experiences that translate into engagement and long-term loyalty among stakeholders. This can be particularly challenging given the breadth of audiences that most associations serve and the limited staff and other resources available to invest in those efforts. Too often, associations rely on time-intensive processes or revert to a “one-size-fits-all” approach to communicating with and serving stakeholders. How can associations improve their member and customer experiences while protecting resources?

While the data and tools available to help associations strengthen their most valuable commodity – their member and customer experiences – are extensive, they are frequently underutilized. Over half of survey participants noted using marketing-related sources to serve members and customers through targeted messaging and the analysis of web or social media metrics. However, fewer organizations have formalized staff roles for managing this information.

Additionally, marketing and communications departments rely heavily on their colleagues in other business areas to build the experience. When tasked with reaching members, driving conversions, or sharing the customer experience, a marketer is only successful when membership has an innate value. Tools and data are helpful but not an instant fix to a broken member experience that lacks a clear, measurable value proposition. Again, an outsourced partner who can look objectively across the organization and bring a flexible and varied skill set can help navigate these challenges.



To be successful, it is imperative that cross-functional teams are involved in the decision to bring on new tools or establish new data processes that boost the member and customer experience. For example, an association that is implementing email marketing automation will only be successful if it has buy-in from the membership, marketing, web development, database, and communications departments. If the membership team cannot communicate which member segments are important, then the database team cannot ensure that the corresponding identifiers are available during the join process. In turn, the marketing team will not be able to create specific messages for each group. At the end of the day, it will be easier to send the same email to all members — making the investment obsolete.

In addition to establishing cross-functional teams when bringing on a business intelligence tool, it is important to involve the entire organization in the introduction and operationalization of the tool. For example, one association gave staff an opportunity to pose a question each week and used the data tool to find the answer (e.g. In FY2020, do we have more active members aged 50-59 in public accounting or in industry and what is the number difference?). This helps the cross-functional team learn more about the organization's internal processes, if their efforts are moving the needle, and what value a customer or member might experience.

As technology becomes more popular and data takes new shape, consider the following:



**Define goals and align them with strategy:** Set clear technology goals and ensure that they align with broader organizational strategy to set a foundation for success.



**Set realistic expectations:** Although tempting to believe, new data tools and processes will not instantly solve existing problems. Associations should establish realistic expectations that there will be a learning curve and it may take multiple iterations to find what works for the organization.



**Manage staffing:** Introducing new tools and technology can be tricky. Beyond training staff, consider how updating data processes may impact staff roles and capacity. Clearly outline staff expectations from the beginning and update them as the teams become familiar with the new tools. Whenever possible, include the staff-owner in any discovery phases for new tools — after all, they are the ones who will be using them every day.



**Collect practical data:** Ineffective data can make it difficult to identify patterns and relationships between variables. Make it a common practice to ask, “What will we do with this data?” and “How will this data allow us to serve members better?” If the answer is unclear or the data does not provide the expected insight, it may not be worth tracking.



**Don't rush the process:** When bringing on new tools or technology to manage your data, trust the experts and follow any prescribed onboarding and discovery. While you may be eager to get started, make sure to do it correctly from the beginning so that you save time down the road.



**Demonstrate the return on investment:** Those who have invested time and effort in the operationalization of a new tool want to know how that tool is working. Share regular progress and performance updates to spark curiosity and support with staff. For example, an association used data to learn that members preferred to receive communications through a community platform rather than email. This small shift helped the organization set record numbers in readership and engagement — a win for everyone.

Even before COVID, we were looking at live events, the value proposition and member experience, and actual margins. Often the metric used around events is the total number of attendees, but **when looking at the changing environment, we must look at expense and margin data.** We made one decision that largely affected our customer experience and significantly reduced our live seminar programs (25%); however, our margin increased by over 30% and added \$400K to our bottom line. And right now, we are of course looking at all of our digital data points and using those numbers to really understand each member and potential member 'personally.' We do this not only through transactions, but through unstructured data sources like community posts and social media."

— **Mark Sotichuck CPA, CGMA**

COO, North Carolina Association of CPAs



# THE FUTURE OF DATA

As the association community adapts to new challenges, enterprise-wide data and analytics will be crucial in helping organizations make more informed decisions. From greater understanding of current impact and the changing expectations of members to identifying and targeting areas for growth, data is a driver of change. Strategic data considerations around tools, metrics and staffing should be reviewed regularly and adapted to your organization's goals and larger needs.

We hope that this report provides you with the foundational knowledge to begin to transform your association. However, there are many other forward looking tools that are being considered and adopted by associations and will most certainly drive the future of analytics strategy. While centralizing, monitoring and regularly sharing your data will allow you to keep your finger on the pulse of your members and stakeholders' current needs, tools exist that allow you to better anticipate their future needs (predictive analytics) and provide you with a recommendation on how to respond to those needs (prescriptive analytics). Tools such as artificial intelligence, machine learning and recommendation engines fall into these two areas and while they may seem intimidating, there is a good chance your association may already be using them in some form (for example, a chat bot is a form of AI). McKinley and Association Analytics will continue to monitor and provide you with insights into these rapidly evolving and highly promising trends.

## ADDITIONAL RESOURCES

- **Creating a Data Culture for Your Association in 2020:** <https://blog.associationanalytics.com/creating-a-data-culture-for-your-association-in-2020>
- **Rethinking Organizational Culture During COVID-19:** <https://www.mckinley-advisors.com/blog/rethinking-organizational-culture-during-covid-19/>
- **Keeping the Pulse on Membership with Data-Driven Decisions:** <https://www.mckinley-advisors.com/blog/membership-data-driven-decisions/>
- **Using Data to Gain Clarity and Reduce Uncertainty:** <https://www.mckinley-advisors.com/blog/using-data-to-gain-clarity/>
- **Association Analytics DAMM – Data Analytics Maturity Model:** <https://associationanalytics.com/damm/>
- **Getting Started with Data Governance for Associations:** <https://associationanalytics.com/2014/04/07/getting-started-with-data-governance-associations/>
- **Getting Started with Member Engagement Scoring:** <https://pages.associationanalytics.com/getting-started-with-member-engagement-scoring>



# APPENDIX

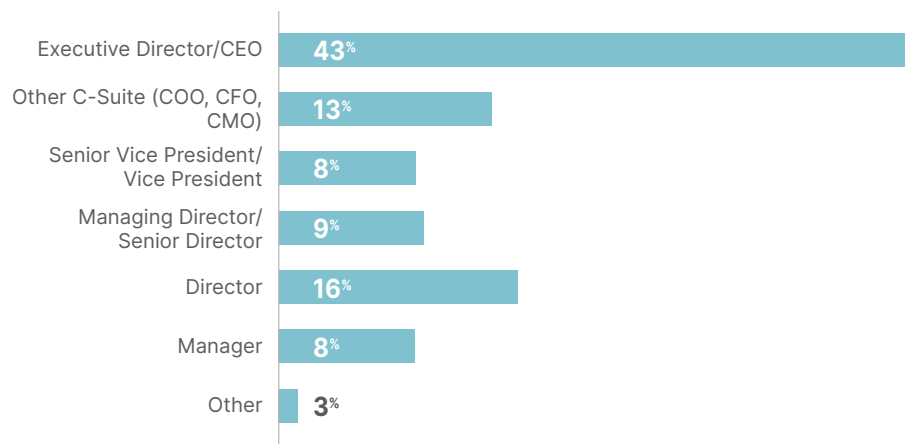
## SURVEY METHODOLOGY

McKinley deployed an online survey to association executives and staff, fielded from February 18 to midnight Eastern Time of March 3, 2020 to collect key insights on how associations are using data and the challenges they face in applying and utilizing data effectively. The results presented here emerged from 188 total responses representing a broad spectrum of the association community, and with particularly robust participation from associations that represent the healthcare, science/engineering, and other professional service fields.

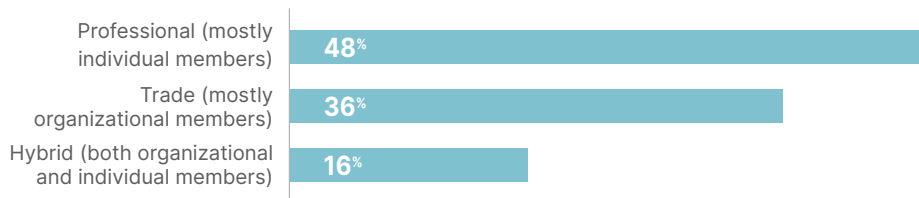
This year, McKinley partnered with the Council of Manufacturing Associations and Association Analytics to reach new audiences in the association community. Note that responses may not add up to 100% due to rounding or the ability to select more than one answer option.

## DEMOGRAPHICS

**Q** Which of the following most closely describes your position within your organization? (N=184)



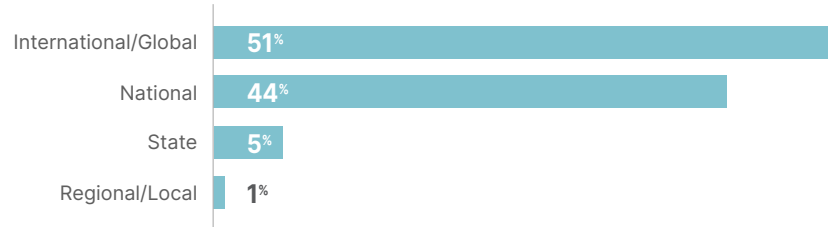
**Q** Which of the following best describes the organization you work for? (N=178)





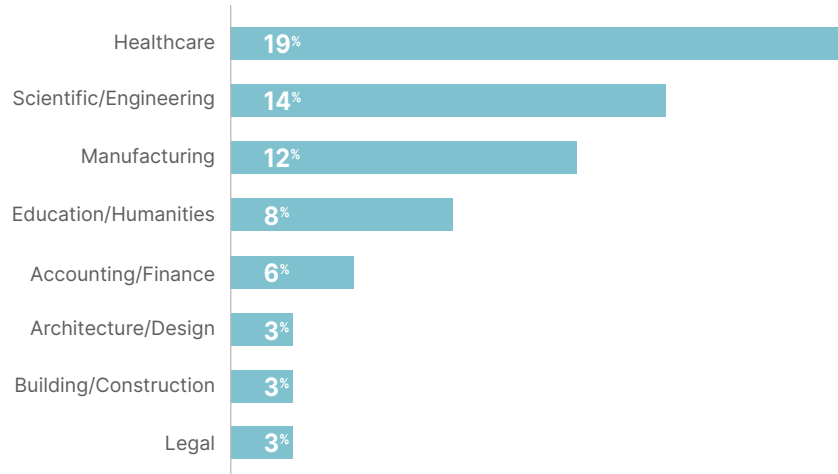
### What is your organization's geographic scope?

(N=176)



### What field/industry does your association represent?

(N=177)

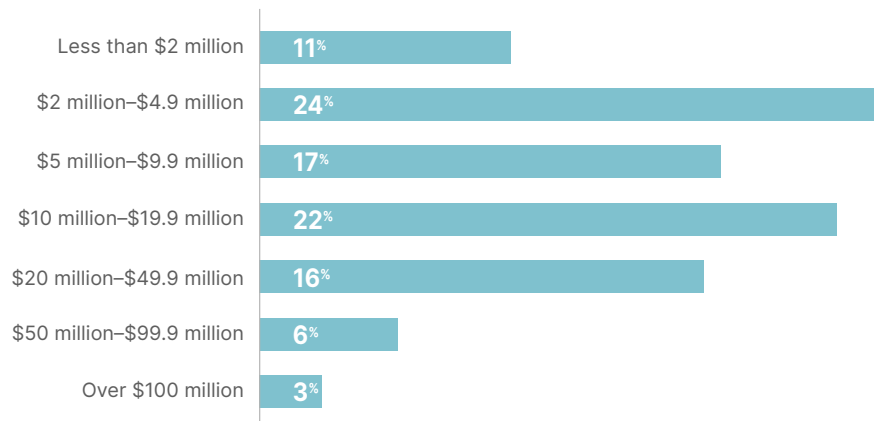


\*Less than 2% Agriculture, Association Management, Energy/Utilities, Food Industry, Government, Hospitality/Tourism, Insurance/Actuarial, Real Estate, Research, Retail, Sports/Leisure, Telecommunications, Transportation  
(Note: 15% selected "Other")



### What is your organization's annual operating budget?

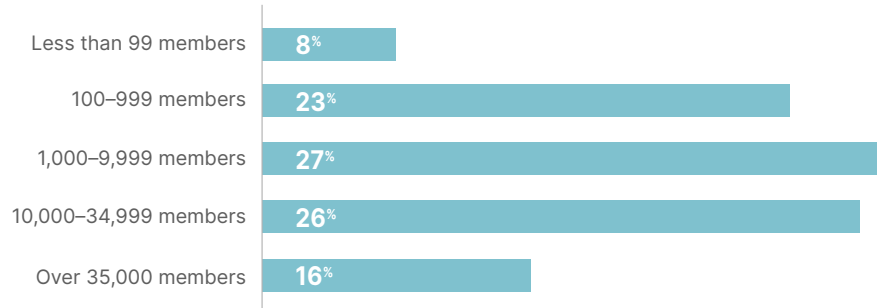
(N=172)





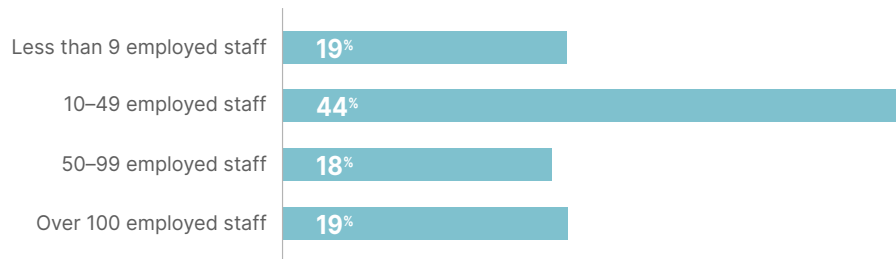
### Approximately how many members belong to your organization?

(N=171)



### Approximately how many staff members are employed by your organization?

(N=172)



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# ABOUT



McKinley is a trusted partner to mission-driven organizations seeking insights, advice and ongoing support to accelerate their success and impact on the world. McKinley applies an approach that combines proven success and best practices while incorporating your organization's specific needs and audiences. Talk to us today about strategic guidance, research and insights, business transformation assistance, and membership and marketing services. Learn more at: <https://www.mckinley-advisors.com/>.

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Association Analytics is an innovator in data analytics for the association market. Organizations use our product, Acumen, to combine data from key source systems into a cloud-based platform for self-service analytics. We help inform decision-making by providing consistent, complete, and trusted data that leads to actionable business intelligence. Learn more at: <https://associationanalytics.com/>.

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