Association Trends and Best Practices for Component Relations and Structure: Report for the National Dialogue Subcommittee

At the heart of [a nonprofit network’s] success, there must be trust and respect among those who choose to participate and a deep commitment, on the part of both the individual and the organization they represent, to make it work and achieve its goals. Without this, no amount of structure or process will ensure that it succeeds.

—Mollenhauer, Johnston, & Gates (2011, 22)

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A note on terms: The term *component* is used throughout this report. This is the standard term used in the association field, and is interchangeable with the term *affiliate*. Its use is meant to signify a partnership model for the parts of an association, rather than a hierarchical or parent–child model as is implied by other terms (such as *lead affiliate* or *parent association*). There are cases when other sources are quoted when *component* is not used. There are also times when the need to clarify the distinctions between types of components required the use of different terms.
Introduction

The purpose of the National Dialogue is to strengthen the relationships among and between the Association’s components—local, state, and national—in order to equip a growing and engaged membership with effective structures and processes for carrying out the work of our collective mission. The work of preserving and improving the relationships between and among the groups and individuals that comprise the Association has a long historical imprint. The following timeline of the history of NAEYC component relations shows this:

1956. Six groups become the first to affiliate with NANE (National Association for Nursery Education)

1964. A formal affiliate group structure is implemented within the renamed NAEYC

1977. A governance study is commissioned to consider potential changes in structure

1989. Four principal complaints surface during an external review:

- NAEYC should devote more resources to building organizational capacity within Affiliate Groups
- Affiliates desire more voice and influence in NAEYC’s deliberative process
- NAEYC needs more awareness of the grassroots views of membership
- NAEYC’s leadership and membership does not fully reflect the diversity of the field of early childhood education

1998. Summit II Conference addresses structural changes for the new millennium, including a new structure for the relationship between Affiliates and the national component

2001–2004. The reaffiliation process, leading to all Affiliates signing new charter agreements

During Phase I of the National Dialogue, which took place between January 2010 and June 2012, four national and 11 regional meetings to gather member feedback were conducted. Phase II began in July 2012 with the appointment of Affiliate Council members to a subcommittee charged with drafting recommendations for review by the Council and the Governing Board. Their recommendations were to be accompanied by a rationale and justification gleaned from the culminating results of the nationally and regionally convened dialogues. In January 2013 the NAEYC Governing Board received the recommendations from the Affiliate Council subcommittee (see NAEYC Affiliate Council 2012a, 2012b, 2013). The recommendations identified three core and critically important issues facing the Association regarding relationships among its component parts: mission, structure, and member voice. But the Board believed there was a need to gather and review additional data in these areas. This request for further information started Phase III of the National Dialogue.

The Suggested Core Questions for Phase III and this report provide a roadmap for the topics to be explored by the National Dialogue Subcommittee. This subcommittee is charged with deliberating on an array of aspects related to a new NAEYC Affiliate structure and providing recommendations to the Governing Board. This report presents the technical information gleaned from association research and
interviews. It provides an outline of the main issues that inspired the National Dialogue, findings on current trends and data related to those issues in the association field in general along with additional information on how other organizations are addressing structure, governance, and component relationships. The purpose of the report is to provide the subcommittee with context on the many interrelated elements that will affect upcoming decisions on organizational structure, preserving member voice, and key elements for Association charter agreements. These decisions will ultimately help shape more effective structures and processes for completing the work the mission requires of all Association members. All of the internal and external research of Phase III is intended to inform the Governing Board’s strategic planning, including planning related to any changes to NAEYC’s organizational structure.

When weighing potential structural changes, the subcommittee should consider the possible effect on relationships between components (and between components and members) alongside potential effects on business practices or revenue. For example, would mandating a certain number of meetings for Affiliate governance structures or tightening requirements around the use of a logo improve or impede relationships between and among the Association’s component parts? Creating a shared organizational culture that values collaboration is part of creating a more effective and nimble structure. While relationships have been strengthened and reenergized through the National Dialogue, maintaining these relationships and directing them toward mission-driven results is an ongoing responsibility for all components.

Research sources for this report

A number of resources from ASAE (American Society of Association Executives) were consulted. This report relies most heavily on the second edition of the Component Relations Handbook and the 2012 report on “Membership and Components Policies and Procedures” from the Benchmarking in Association Management series. This combination provides a snapshot of both best practices and most common practices. Other ASAE resources are cited throughout and noted in the references section. By their own definition, ASAE is “the premier source of learning, knowledge, and future-oriented research for the association and nonprofit profession.” They are an association committed to improving the performance of other associations.

Another frequently cited work, the white paper “The Future of Component Relations” (cited as Sepp 2014), describes the results of a qualitative study conducted by Association Laboratory of Chicago in partnership with the 2013–2014 ASAE Components Relations Council. The paper includes commentary from 13 senior component relations professionals representing both trade associations and professional societies. Text resources not written by or related to ASAE include the cited reports by Linda Mollenhauer, an independent consultant who has worked in the Canadian nonprofit sector for more than 30 years, information on branding from Marketing General Inc., and the report of the American Veterinary Medical Association Task Force on Governance and Member Participation.
Brief interviews were conducted with representatives from three associations: a group that advocates for women in the media, SHAPE America (Society of Health and Physical Educators), and the American Association of University Women (AAUW). Gwen Simmons also conducted an interview with representatives of Girl Scouts USA as well. Anonymity was offered to those who were interviewed.

**Insights and lessons from interviewed associations**

The four organizations interviewed were chosen because each had undergone recent changes to some aspect of their structure. The media-related association had changed their dues structure in 2011, rolling out a “freemium” option (this after a name change in 2009) with the goal of increasing membership. SHAPE America made a number of changes to streamline their governance structure and is continuing to work through recent rebranding, including a 2013 name change from AAHPERD (American Alliance for Health, Physical Education, Recreation, and Dance). AAUW restructured in 2009 by moving its membership and the majority of the assets into its 501(c)(3) entity, leaving a small 501(c)(4) entity for those activities not allowed to a 501(c)(3) tax-exempt corporation. At the same time, they passed bylaws to accommodate the change to the organization structure and changed from a delegate to a one member, one vote system in 2011. Girl Scouts USA restructured by combining and eliminating components; some struggled with low member numbers, while others faced financial challenges. **The experience of these organizations and research on other associations shows that handling changes (including significant changes) is a consistent demand of association management.**

The four organizations interviewed had very different experiences, but one common theme that emerged is the need to communicate effectively to all stakeholders during all aspects of transition—and having a realistic transition timetable. One interviewee commented that some who voted for specific changes did not really understand everything that would change as a result of that vote. This led to later confusion and dissatisfaction. This representative strongly advised clarifying any changes by thoroughly describing how things had worked under the old system and how they would work under the new system.

Another overarching theme of the research in its entirety is that **NAEYC is far from unique in taking on structural decision making.** Common, perennial challenges defy easy solutions by definition, but they offer the Association an opportunity to be creative in problem solving and to act as leaders in the association field by trying innovative strategies.

**The issues that inspired the National Dialogue**

In the 2011 white paper “Exploring Relationship Possibilities: The National Dialogue Between NAEYC and Affiliates,” Gwen Simmons outlined the issues facing the Association that the National Dialogue was intended to address. Two main challenges were

- **Difficulty finding volunteers to fill leadership positions in Affiliates** (Simmons 2011, 2). Leaders especially noted the demands of the business practices and paperwork required for maintaining a 501(c)(3) organization. Some Affiliate leaders reported that the elevated expectations from NAEYC subsequent to the 2001 reaffiliation process were not accompanied by a sufficient increase in resources, leaving many Affiliates feeling unsupported in their efforts to meet the expectations.
• A lack of open and effective communication between the Affiliates and the national component. This is clearly shown in this quote from an Affiliate president in 2010: “How would you define the current relationship between NAEC and its Affiliates?” I asked this question of our board at a meeting last week; their response was the same as my initial reaction—‘What relationship?'” (Simmons 2011, 3)

Simmons noted that NAEC had gone through six previous revisions of the governance structure (noted in the timeline above). The white paper explicitly highlighted that the difference during this process—the current National Dialogue—when compared to earlier revisions would be a focus on the “glue” that bound together the Association: the relationship between and among its component parts. Previous self-examinations repeatedly overlooked this essential core element, directing attention instead to fiscal and structural elements with limited consideration of their impact on relational issues that bound component parts into a coherent system. At its January 2011 meeting, the Governing Board formally affirmed its commitment to the National Dialogue and its Guiding Principles consensually developed by members across the nation: “We commit ourselves and the Association to these principles and the ongoing work toward healthier relationships within the Association, and toward reaching new and shared understandings of our past, present, and future.”

Changes in volunteering and related changes to structure and governance
The difficulties that AEYC Affiliates report in finding volunteer leaders for state and local components are shared by other nonprofits. As a contributor to the report “The Future of Component Relations” indicates, “The way people volunteer and [the] amount of time they are willing to spend volunteering is changing . . . Components need to rethink their volunteer models and restructure these opportunities in a way that is attractive to volunteers but still provides benefit to the component” (Sepp 2014, 10).

Associations that rely on volunteer leaders are being affected by both demographic trends (especially the retirement of baby boomers, including from volunteer responsibilities) and changes in the expectations of employers. As Sepp notes, “Business evolution has led to a 24/7 environment. This pressure leads to a continuing decrease in the time available for volunteers to engage at the component level” (2014, 12). As a result of these changes,

There is a trend toward simplifying the governing structure [of associations] in response to a tightening volunteer market and a time-constrained society. The traditional model of a local component that looks like a mini version of the lead organization is often far more structure than a small- to medium-size organization needs or can sustain. The ideal focus is on identifying what has to happen at the local level and then developing the structure that will get the job done. It’s form following function. [emphasis added] (Mariner Management and Marketing 2006, 8)

Dornfeld looked at 10 associations in 2013 and concluded that many

. . . have moved toward simpler structures, paring down the number of components, committees, and sections and replacing standing entities with more ad hoc short-term bodies, tightly focused on explicit initiatives. These “cleaner,” more adaptive forms give rise to relevant, nimble, and strategic processes more responsive to shifts in professional environments—and better able to accommodate the demands of members’ busier work lives. (2014, online)
In considering changes to structure, the subcommittee must balance imposing requirements that are unrealistically stringent to be met by volunteers with the need to maintain the business practices that will sustain successful operation of a nonprofit organization. One option is to shift more responsibility for technical assistance to the national component. Keesbome states, “In recent years, we have seen organizations form their components under a fluid structure by offering more operational resources through the lead association, allowing local leaders to focus more on member value and the volunteer experience” (2012, 2). According to ASAE’s “Benchmarking in Association Management: Membership and Components Policies and Procedures,” many individual membership organizations (IMO) report having no staff members responsible for component relations, but those that do report an average of five staff members in this area (2012, 37). (Smaller IMOs may not have components.) Additional staffing in component relations or additional investment in technical resources at the national component level are possible strategies for easing the burden on state and local components.

Although the initial training or assistance may flow from the national level, local components must step up to attract and retain members in their area. State and local components must “[make] this experience [volunteer leadership within a component] more attractive and less burdensome . . . if associations are going to get the right people stepping into leadership roles. **Teaching components how to cultivate leaders should be part of every leadership development plan.**” [emphasis added] (Sepp 2014, 18). The Affiliate Council acknowledged this in discussing the premises for their member voice recommendations when they noted, “All components should offer experiences that allow volunteers a variety of time-commitment opportunities (for example, one-time involvement, committee work, advocacy, board position, etc.) to engage members” (NAEYC Affiliate Council 2013, 5). Increasing member participation will require increasing flexibility in opportunities to participate.

**501(c)(3) compliance challenges**

The challenges in meeting the requirements for maintaining 501(c)(3) status reported by AEYC local and state Affiliates are a concern that must be addressed, but should be understood, again, as a common concern for associations with state or local affiliates. Goedert notes, “Many components do not have the in-house sophistication to properly file governmental reports on their own, or the financial resources to retain professionals to do so” (2012, 15). A contributor to the 2014 white paper “The Future of Component Relations” notes, “Parent organizations may find a need to really step up the education aspect in terms of managing the business of the component” (Sepp 2014, 8). According to the ASAE report “Benchmarking in Association Management: Membership and Components Policies and Procedures,” each component filed for its own tax exemption in only 29 percent of surveyed independent member organizations. Under the current structure, NAEYC does not have a group 501(c)(3) exemption; each component is a separate 501(c)(3).

**The intersection of organizational culture and structure: Effects of the National Dialogue on component relations**

Linda Mollenhauer studied 23 nonprofit federations in an attempt to identify the “key organizing principles and factors that contribute to success” (2009, 4). (See the supplementary materials for the success factors included in the Mollenhauer report.) She notes in the introduction to her report that often “considerable time and energy is given to fixing the structure, when the real issue is with
ineffective processes or cultural issues, such as poor communication, tension in values, or perceived disparity in power” (2009, 4). Some of these very issues—challenges around trust, communication, and processes—were raised at the outset of the National Dialogue (see Simmons 2011).

Over the last three years, the process of the Dialogue—and the participation of so many members—has helped to diminish some of the mistrust that existed between local and state components and the national component. Ongoing dialogue and collaboration on a variety of topics has allowed new interpersonal relationships to form. Staff members in different Affiliates have begun to reach out to one another to offer assistance on common challenges, offering a promising direction for strengthening the structure of the Association as a whole.

During the 2014 Institute for Early Childhood Professional Development in Minneapolis, there were a number of comments along the lines of “A few years ago, we couldn’t have even had these conversations.” The National Dialogue sought to improve relationships and by members’ participation in it, it already has. Whatever the ultimate decisions on mission/vision, structure, and amplifying member voice might be, there will always be other decisions that need to be made. **To the degree that the dialogue has created a habit of communication and collaboration across components of the organization, it has already strengthened the Association.** Jodi Askins, the executive director of Pennsylvania AEYC, notes

> I think the Dialogue has made those engaged take a serious look at the value NAEYC (all components together and individually) adds to the ECE community (parents, children, providers and those connected to the field), to our members, and to systems building (across the country and within each state). It has made leaders in each component consider their role within the NAEYC system (strengths and weaknesses) and how those roles within the structure impact our ability to grow the organization and best carry out our mission. (personal communication)
Possible association structures

Some aspects related to possible structures have been covered in the earlier section (and supplementary materials) on 501(c)(3) issues. At a basic level, there are few possible structures for an association. A brief explanation provided by Mariner Management and Marketing notes

Generally, there are three types of affiliations: those linked to the lead association legally and financially (most often called Chapters or Sections); those allied with no legal or financial obligations to the lead association (most often called Allies or Affiliates); and a federation, which is a collection of autonomous and equally independent associations that share a common objective and are formed largely for political or standards-setting purposes rather than for direct services. (2006, 3)

According to this definition, NAEYC as currently organized is a hybrid structure between an association with chapters and a federation. Consider this further information:

Federations (e.g., the AFL-CIO) serve to bring together a number of independent organizations into a larger body that can more effectively advocate for the interests of the constituent organizations. A trade association serves to represent the interests of a particular industry, and membership in trade associations is generally held by companies (not individuals) that work in that industry (e.g., American Pet Products Association). In a professional association, individual practitioners are the members and the association serves to represent the interests of the entire profession at a national level. (AVMA 2013, 19–20)

So, NAEYC is a member association (although being a certain type of professional is not a requirement of membership) that is structured somewhat like a federation. Our mission is to serve and advance the early childhood profession in order to support the optimal development of every child, not to “advocate. . . for constituent organizations” (AVMA 2013, 19). But the fact that many of our components are legally separate entities still makes our structure close enough to that of a federation to make it worth considering the benefits of this structure.

According to Mollenhauer,

A federated structure offers national scale, [and] partners in a federation benefit from a more recognizable brand and credible reputation; a stronger voice in advocacy; economies of scale; efficiencies in administration, technology, programs, services, and revenue development; and greater impact and results. (2009, 7)

Other benefits she notes for this structure include

1) It creates a more equal playing field between all parts of the country; 2) It forces consensus of decisions rather than a ‘head office’ response; 3) It attracts local volunteer leadership who are more engaged and therefore more motivated to provide time, resources, and connections; 4) It creates higher visibility in a region or community; 5) It is more nimble and responsive to specific local needs and context in the design and delivery of programs and services; and 6) It increases accountability because each organization is legally responsible for its actions. (2009, 7)
Kneebone states that in the association industry, “[l]ocal, geographic components are the most common and widely known and are legally and financially responsible to the lead association. . . . Local components are support systems for the lead association, whereas . . . the lead association [is a support system] for the industry or profession they represent” (2012, 3). (Please review your copy of Chapter 2, “Legal Issues,” from the Component Relations Handbook, for a discussion of the advantages and disadvantages of separately incorporated components.)

**Membership categories and dues**

As with other elements of NAECY’s structure, the dues structure is complex and inconsistent across components. For example, there is no nationwide student member dues rate. Within a single state, the dues for one category must be consistent, but students in different states are paying different rates. One suggestion to address this issue has been to establish parameters for dues rates, with numerical floors and ceilings that components would not be able to go beyond. Another strategy would be to establish Association-wide rules to govern how dues are set to make the dues-setting process less arbitrary and more equitable for members across the country. In some cases, higher dues may be supporting programs and services that grow and engage membership. What effect will setting parameters have in these cases?

A glance at the chart “Dues Across Organizations,” confirms that there are a wide variety of membership categories, dues rates, and other dues-related policies across member organizations. According to the ASAE report “Benchmarking in Association Management: Membership and Components Policies and Procedures,” 39 percent of member organizations use a combination of the cost to service a member and the market pricing of membership in similar organizations as the basis for setting member dues (2012, 18). (This rationale was the most popular of the options surveyed.) The report also notes that “IMOs are much more likely than trade associations to set a fixed price for dues within member classes” (2012, 9). The analysis of the Core Questions Survey answered by more than 600 NAECY leaders and staff nationwide showed significant support (more than 66 percent in agreement) for the idea of adding new member categories, but respondents were less sure about standardizing dues rates. Overall, only 43 percent felt standardization was the policy that NAECY should pursue, although certain segments of leadership (for example, respondents from local Affiliates) were more likely to support the idea.

Finally, according to the ASAE benchmarking report, in 63 percent of the surveyed independent member organizations, membership in a state or local component is contingent on membership in the parent organization (2012, 40). (Only 16 percent of IMOs report membership at each level being autonomous [2012, 40].) Although there are challenges in serving a member across multiple components, especially in avoiding duplication of services, Mariner Management and Marketing found that “[g]enerally speaking, associations that have a strong overlap in membership or a contingent membership have stronger sections” (2006, 9). It appears a majority of organizations have decided the benefit of strengthening components is worth the challenges associated with contingent membership.
Improving components’ service to members

To some degree, structural differences between states (for example, one state having a state component with state chapters while another has separate state and local components) may be invisible to members. Because of NAEYC’s dues structure and contingent membership requirement, members will be aware of belonging to several different components at once, but they may not be aware that other members operate within different structures. These structural differences, along with resource disparities, can cause differing experiences for members. Part of being member-centric should be an attempt to provide as equitable a member experience as possible across the country.

The Affiliate Council’s recommendations on member voice state “These discussions included the need for a cultural change within the Association, and the need to elevate the status of members across components as integral to the work of the national component. The intent is for all components to invest more time and resources in providing services that members want. State components will have the responsibility as well as the resources to support their local components, while ensuring that members either directly or through their local components have a voice in the services offered” (NAEYC Affiliate Council 2013, 4). The interplay of these topics—structure and member experience—is further outlined in this section.

The following three quotes underscore that the ultimate goal of any change in component structure (or other systems of the Association) is to provide a more valuable experience for the member. Sepp points out, “To many members, their interaction locally or through a specialty group is their association experience” (2014, 8).

These recommendations address the structural relationship among and between components and are designed to: 1) reconfigure the way in which components affiliate with the national component; 2) simplify the responsibilities of local components; 3) set the stage for more effective services to members; and 4) recognize the unique role of city-states within the Association. (NAEYC Affiliate Council 2012b, 3)

The question before us is: What has to change within the Association to become member-centric? (NAEYC Affiliate Council 2013, 1)

Our mission has to stay front and center as we make important decisions about our Affiliate structure. Are we set up to reach the most rural, isolated early childhood teacher and are we adding value to his or her work? Our decisions about structure should start there—with the member we are supposed to serve at the center of the conversation. (Rhian Evans Allvin, personal communication)

Sepp also notes that “[com]ponent relations is the pulse on whether or not an organization has a healthy relationship with its members” (2014, 19). Finally, she points out that “Individuals no longer join an association because it is expected as a professional; they want to know that they are spending their money on something that will be of value to them. Components have to develop a model that shows value for the membership dollar just as urgently as a national or international association” (2014, 16–17).
Any plan to restructure what is expected of components at all levels must include a description of the threshold capacity required to ensure that members will receive something of value from any component they must pay to join. This threshold capacity will also indicate the level of resources deemed necessary to sustain an “effective” component over a set period of time—a component that can recruit and engage members and identify and develop leaders in addition to providing benefits. In a recent survey of NAEC leadership across the country, there was significant agreement around components being based on capacity rather than just geography. But what does this mean in practice? Will capacity be measured by a number of members? What if the member number requires a component to encompass multiple states? Geography will inevitably have some impact on the design and implementation of threshold capacity. Where capacity doesn’t exist, who is responsible to build it and what is the timeline to achieve it? What concrete policies will be put in place to make sure it will be sustainable? What if meeting the identified threshold capacity requires paid staff for each component? These questions are at the heart of equitable treatment of members and providing the value that members demand.

ASAE indicates that the three benefits most likely to be included with the payment of base dues are a newsletter (or other periodical), an electronic member directory, and an “information or reference service” (2012, 11). Beyond, these more tangible benefits, there are experiential benefits that are best offered by local or state components. Sepp states that “... for many associations, a foundational part of their value proposition is their component structure. This is where members are finding community throughout the year; this is where they can engage at a lower cost; this is where there are (sometimes) more volunteers than at the top levels” (2014, 4). She also notes that “programs that may appear to be “giveaways” to some [because they do not generate direct revenue] are actually quite valuable to the overall association for the simple reason that, by working with a local targeted population, components have a much easier job of recruiting new professionals to get involved” (2014, 19). Finally, she adds, “While components may provide some dues revenue, that is not the true power of components. The benefit... from a fiscal perspective comes in the form of a larger customer base, greater awareness of products and services among the membership, and nondues revenue that is not attributed to the component” [emphasis added] (2014, 19). Having healthy components is a key to having a healthy association, especially in the area of member engagement.

Mariner Management and Marketing lists the four common characteristics of a healthy local component as

- Vibrant leadership with a clearly defined and operational succession plan
- Supportive administrative infrastructure
- High member involvement
- Short menu of services that met the members’ priority needs (2006, 7)

(ASAE recommends assessing these indicators to determine how “successful” a component is [see Hoffman 2012]). The third element (member involvement) would seem to grow from the other three. What must be in place, by charter agreement or less-formal agreement, to ensure that all components will display these characteristics? Certainly, support from the national component with leadership development and technical assistance will be helpful and would help meet the Affiliate Council’s structural recommendation that responsibilities for local components should be simplified.
In the current charter agreement between NAEYC and its components, the technical responsibilities of the national component are listed (in Exhibit 1 to the agreement, available in your packet of supplementary materials) as

- Affiliate Advisors assigned to states to facilitate capacity building efforts at state and local levels
- NAEYC provides tools, model resources (sample bylaws, promotional materials, advocacy materials, etc.) to assist Affiliates in achieving shared goals (early childhood professional development and practice, policy/advocacy, high-performing, inclusive organization)
- Affiliate Development Grants program established (Exhibit 1 of NAEYC’s charter agreement, p. 15)

Many of these elements are no longer available. If a new charter agreement is to be put in place, the subcommittee must determine what level of service from the national to the states and locals is realistically sustainable.

Adrienne A. Bien interviewed paid staff in state components of varying associations. Based on these interviews, she states that what components typically expect from the national component is

- Administrative efficiencies without the loss of autonomy (e.g., group purchasing programs for insurance coverage)
- Access to expertise—templates, advice, idea sharing from other states
- Leadership training and educational support
- Acknowledgment for what the state contributes (Bien & D’Amour 2005, online)

Bien goes on to say, “Most important, components want headquarters to solicit meaningful input from them” (2005, online). (Note how the National Dialogue process has allowed an opportunity for this type of input.) (In your packet of supplemental material, see page 57 from the second edition of Component Relations Handbook for a list of the services that are most commonly provided by a lead component to other components.)

Finally, in addition to thinking about the general level of support that components across the country might need from the national component in order to serve members effectively, we must acknowledge that components in different areas of the country face unique challenges. Mary Babula (director of membership for Wisconsin Early Childhood Association), in discussing the National Dialogue and the work of the subcommittee, notes, “I hope there will be a consideration for the diversity of state Affiliates as well—some with perhaps only one part-time staff person, and others, like ours, with 75 staff people, a budget of $14 million, but a budget for membership services of $50,000—so we have to balance many roles, departments and ‘hats’ in our work” (personal communication). Mariner Management and Marketing states that in their own survey “and through reports from ASAE LISTSERVS and meetings, associations repeatedly report that components with large geographic spread (i.e., low member density) are generally not successful” (2006, 9). Although the difficulty of maintaining a component in a rural area is recognized as an issue, this topic is not well researched. (Neuhoff and Dunckelman [2011] offer some research on nonprofits in rural areas, but it is not directly related to professional associations.) Searches on the ASAE site reveal nothing for “rural components” or “rural affiliates.” NAEYC’s own large, rural Affiliates are struggling—including those in Wyoming, South Dakota, North Dakota, and Washington State—and this affects 2,700 members in these four states.
Faced with similar issues in 2006, Girl Scouts USA decided to regionalize components, merging some and dissolving others, cutting the number of local councils from 312 to 112 by 2009. The decision to do so fits within the trend noted earlier of streamlining components or governance. Still, the fallout for Girl Scouts was severe, with both membership and donations declining, and the filing of a lawsuit by one council (AP 2013). The changes may have been necessary for the continued overall health of the organization, but the transition process was not a smooth one.

Technology is frequently offered as the answer for challenges of providing services in rural areas, but unfortunately many of these areas have some of the least-developed infrastructure for technology. This is likely to ensure a frustrating experience for a member told that all benefits are available online. No straightforward solution has emerged. Early childhood professionals recognize there is a need for both high tech and high touch to engage people, but increasing capacity to grow leaders in sparsely populated areas to provide that touch will be a challenge. Perhaps a workgroup to study the unique needs of rural components and members (or rural early educators in general) could be a future work focus for the Affiliate Council.

As Sepp notes, “Components have to develop a model that shows value for the membership dollar just as urgently as a national or international association” [emphasis added] (2014, 17). If the national component recommits to providing technical assistance (especially leadership development) for local and state components, the local and state components must recommit to engaging current members and attracting new members. (National leaders responding to the Core Questions Survey identified leadership training as the service most wanted from the national Affiliate team.) All components should operate within one strategic plan, implementing the functions that make the most sense for their relationship to the member and field. While there is not currently a reciprocal, collaborative strategic planning process, there was one in the past. The subcommittee could consider a return to this.

**Branding**

Transactions do not equal engagement. Engagement is a personal relationship not a transactional relationship. If you limit the definition of a person’s engagement to purchases or meeting attendance, you create an artificially limiting definition of engagement that ignores the individual’s feelings of commitment to the organization and the emotional connection to the mission and people of the association. (Sepp 2014, 22)

One of the Core Questions for Phase III asks, “What might be the benefits of closer brand identification across components (e.g., in print materials, websites, etc.)? What are the challenges of closer brand identification across components?,” then states “Branding is critical to the Association being widely known and recognized as a leading voice representing its members on issues in early care and education, as noted in the recommendations on mission” Writing in the *Stanford Social Innovation Review*, Kylander and Stone note that “[w]hen an organization’s employees and volunteers all embrace a common brand identity, it creates organizational cohesion, concentrates focus, and reinforces shared values. . . . Strong cohesion and high levels of trust contribute to greater organizational capacity and social impact” (2012, online). A clear mission helps to create a strong brand, and a strong brand serves the mission.
Jerome and Stull, writing for Marketing General Inc., an organization with more than 30 years’ experience working with membership organizations on their membership marketing, defines a brand as “the ingrained impression of what your most important audience believes is the core value your association continuously and uniquely provides” (2009, 3). They note that “the brand, its promises, and its realization demands consistency through all employees, policies, materials, and services” (2009, 4). Kylander and Stone define a brand as “a psychological construct held in the minds of all those aware of the branded product, person, organization, or movement” (2012, online).

In Phase I of the National Dialogue, surveys of NAEYC’s state presidents, local presidents, and Affiliate staff gathered perceptions of the current different roles and functions. National is seen as the standard-bearer for quality, producing professional development and research. Local and state Affiliates offer community, networking, and flexibility to address unique local context and needs. Successful branding would seem to require creating a more explicit understanding (internally and externally) that local and state Affiliates transmit professional development on high-quality practice, policy, and research to their members as much as the national component does. This can help establish NAEYC and local components as knowledge management partners for their members (see discussion of knowledge management).

**Five Fallacies of Association “Branding”**
1) Thinking the brand is a tagline.
2) Trying to copy package goods or more well-known companies as an example of a good brand.
3) Thinking a powerful brand means that “the man on the street thinks of us whenever he thinks of our profession.”
4) Thinking that the best brand depends on what the leadership thinks.
5) Concentrating on a consistent “look” and calling it a brand.
   (Jerome & Stull 2009, 5–6)

Kylander and Stone lay out four principles of what they call the Nonprofit Brand IDEA: brand integrity, democracy, ethics, and affinity (2012, online). They clarify that “[b]rand democracy means that the organization trusts its members, staff, participants, and volunteers to communicate their own understanding of the organization’s core identity. . . . The appetite for brand democracy among nonprofit leaders is largely a response to the growth of social media, which has made policing the brand nearly impossible” (2012, online). They caution, “[f]or brand democracy to produce a consistent image, however, requires strong organizational cohesion supported by a strong internal brand identity. Brand democracy is not brand anarchy. Organizations need to establish parameters for a brand, even if the space within these limits is large” (2012, online).
Knowledge Management

In discussing the ever-increasing availability and volume of information and its impact on associations, Ash stated, “It is full of threat: that members in search of knowledge may find the association less relevant after they turn to another knowledge resource. And, it is full of opportunity: that members may discover renewed and increased value in an association that becomes an effective partner in the knowledge chase” (2008, 2). Consider also Sepp’s statement that “[t]he development of comprehensive strategies to help members deal with information management issues is a strategic priority for associations. Associations need to assimilate industry or professional data, transform it into information, and communicate it to their membership quickly and efficiently, as well as in a context pertinent to the decisions members are making” (2014, 11). NAEYC is already trusted and respected by members and others in the early childhood field as a source for research-based and practical information. This reputation as a provider of information that educators can trust and use in their work with children offers one basis for an effective and enduring brand for NAEYC.

Building on what’s working and building for the future

In discussing how different problem-solving strategies can affect outcomes in work settings, Ash offers the following example (also found in multiple other resources online):

- Have you thought about approach X? Addressed performance issue Y? Changed widget Z?
- . . . will generate one set of behaviors.
- Who else have you spoken with at other sites who might have a similar issue? . . . will drive a very different set of behaviors. (Ash 2008, 17)

The greatest asset of any association is the knowledge of its staff and its members. Systems or processes should be in place to facilitate communication between components, rather than having all information or resources flowing from the national component. Although this report has focused on the need for the national component to provide assistance to other components (something the structure recommendations call for), there are circumstances when it makes more sense for the national office to serve as a connector, rather than always being the director.

For the last couple years, staff members from different AEYCs have come together to hold an AEYC Staff Organizational Day during the Institute for Early Childhood Professional Development, creating a forum to discuss common challenges faced by AEYC staff across the nation. During this year’s meeting in Minneapolis, the Office of Affiliate and Member Relations asked the assembled staff members to assist in refining the fields in a tool to create a profile of state components and their circles of influence in their states. This is a great example of asking for meaningful input (as noted in Bien & D’Amour 2005.) During the entire National Dialogue process, the Affiliate Council has repeatedly created workgroups to tackle specific issues. Kneebone notes, “Ad hoc committees allow you to deal with a rapidly emerging change in the association’s environment” (2012, 4).
The National Dialogue subcommittee could consider ways to encourage or assist the cross-component networking and mentoring that is already occurring. The value of these collaborations includes lightening the load of providing assistance from the national level. As Sepp states, “There needs to be an agreement from national leadership and staff that component relations is a professional unity effort that can result in success for both the national and the components, and ultimately, the industry or profession they represent” (2014, 25). Helping components learn to replicate successful strategies and programs from across the nation contributes to a more equitable experience for all members.

Beyond building on what’s working, NAEYC must build for the future. NAEYC already has in place some features that have been tried by other associations to increase the flexibility and value of membership, such as offering special interest forums as a way for members to network that is not exclusively based on geography. But the fact is that NAEYC is demographically very homogeneous. Of 627 NAEYC leaders who participated in a recent survey for Phase III, 85 percent are 40 or older, 92 percent are female, and 90 percent are white. These numbers may lead to an echo chamber effect during Association dialogues about experiences, expectations, and “what members want and need.” Tapping the knowledge of members from special interest forums that represent groups who are not part of the predominant demographic of NAEYC may help the organization in moving beyond assumptions that are rarely questioned. This in turn may inspire programs or groups that will attract new members. Surveying nonmembers during conferences or querying frequent customers who are not members may lead to new recruitment strategies. (The subcommittee should also refer to the recommendations of the Affiliate Council Workgroup on creating a diverse leadership pipeline.) Work in this area is a necessary step in continuing to ensure that NAEYC is a high-performing and inclusive organization.

Like most member associations, NAEYC has struggled to attract and retain members from Generation Y (millennials). Again, flexibility in volunteer and professional development offerings may help the association grow. Sepp notes, “While Baby Boomers and Generation X prefer to attend conferences, younger generations are just as happy with a Webinar or virtual gathering. The incorporation of texting, real-time chats, and online video connection using services such as Google+ hangout and Skype are the way of now, not the way of the future” (2014, 15).

**Conclusion**

Over the last few years, the National Dialogue has allowed participants from all parts of NAEYC to discuss current challenges and hoped-for changes. This report is a companion resource to the three recommendations on mission, member voice, and organizational structure already presented to the Governing Board by the Affiliate Council earlier in the Dialogue. It has focused on the original issues that inspired the National Dialogue: the need to improve relationships among and between all components and the difficulties faced by components in attracting and sustaining leadership.

Research shows that many of the challenges the Association faces are common to associations in general. The following two quotes demonstrate that the same lessons emerge over and over again in studying component relations: focus on communication and work smarter by providing what members indicate they want and need.
• Being more responsive to membership needs by becoming more structurally effective and efficient, and harnessing new communication technologies.
• Providing volunteer opportunities that are rewarding by ensuring that volunteer time is used as efficiently as possible through a system that encourages participation at many levels and opportunities that are matched on a skills and knowledge basis. (AVMA 2013, 1–2, [listing two of the defining qualities of their planned-for new governance structure])

1) Communicate and communicate some more. The path to a good relationship with components is paved with ongoing and honest communication. In our case, we asked component leaders what they wanted and built our plans on those expressed needs.
2) Focus on the right stuff. The other big revelation for me was that you don’t have to do big stuff, but you do have to do the right stuff. By this I mean that you must be attuned to the states to understand what they truly want. Often the key to a successful national–component relationship is far simpler than you think. (Bien & D’Amour 2005, online [outlining lessons learned from reexamining the relationship among components])

The research suggests that nimble associations are streamlining their governance structures and increasing the flexibility of their volunteer opportunities to boost participation and engagement of current members and to attract new members. This flexibility extends to the use of more ad hoc committees or workgroups, rather than having standing committees to tackle every issue.

A change is happening across associations that affects both organizational structure and culture. Kneebone notes, “Regardless of configuration, the relationship between a lead association and its components has changed from a top-down, parent–child structure to one that fosters partnerships among all stakeholders. . . . Associations perpetuating the outdated parent–child model with their components will begin to splinter” (2012, 3). Sepp states, “Continued resistance from components to being ‘told by national’ what to do and how to do it, and national’s inclination to ‘tell’ rather than work with, is a situation from a bygone era. The time for cultural change from hierarchy to partnerships is now” (2014, 15).

All the components of NAEYC are partners in serving members and fulfilling the mission of advancing the early childhood profession that supports the optimal development of every child. All components should search for ways to collaborate, noting areas of strength where they can provide mentorship for others and areas of weakness where they seek assistance. At every level, leaders should focus on what the individuals or groups served say they want and need, rather than repackaging or reimplementing what has always been provided in the past.

Four lessons from the second edition of the Components Relations Handbook serve as a good closing point:
  • Lead associations and their components must have defined levels of services [avoiding duplication].
  • We must train volunteers to lead for our organizations and do their professional job without taking a lot of time.
  • Communication must be ongoing, open, and informative.
• The future of component relations as a profession is changing. [“Rigid, lengthy
governance structures and 40-page bylaws, policies, and procedures have to go.”]
(Hook 2012, online)

These best practices—efficiency, leadership development, communication, and flexibility—can serve as
lenses for considering any changes to the Association’s structure and component relations.

**Key points to remember**
1. The purpose of the National Dialogue is to strengthen the relationships among and between the
Association’s components—local, state, and national—to equip a growing and engaged
membership with effective processes and tools for carrying out the work of our collective
mission.
2. Handling changes (including significant changes) is a consistent demand of association
management.
3. Communication to all stakeholders during all aspects of transition is critical.
4. NAEYC is far from unique in the challenges it faces.
5. Identify what has to happen at the local level, and then develop the structure that will
get the job done. It’s form following function. (See Mariner Management and
Marketing 2006.)
6. Teaching components how to cultivate leaders should be part of every leadership development
plan. (See Sepp 2014.)
7. To the degree that the National Dialogue has created a habit of communication and
collaboration across components of the organization, it has already strengthened the
Association.
8. Maintaining the relationships between and among components is an ongoing responsibility for
all components.
9. NAEYC’s current structure needs to be simplified to ease the provision of technical assistance
and encourage component-to-component partnerships.
10. Dues revenue is not the true power of components. The fiscal benefits are a larger
customer base, greater awareness of products and services among the membership, and
nondues revenue that is not attributed to the component. (See Sepp 2014.)
11. Local and state components must show value for membership dollars as urgently as a national
association. (See Sepp 2014.)
References


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