

The search for the right AMC is on

Choosing an association management company involves many factors

When it comes to managing the day-to-day operations of an association, you can continue operating as is or outsource operations to an association management company (AMC). Either choice can be appropriate depending on your circumstances. For nonprofits that aren't associations, AMCs can be useful, but you must evaluate the cost/benefit factors. These groups often are better served by seeking specific outside help on a case-by-case basis, such as hiring a fundraising or event planning consultant, which, in some cases, an AMC can provide.

Although it can represent a significant line item in your association's budget, the right AMC can offer significant value. For example, AMCs can provide infrastructure, technology and group buying power that smaller organizations can't manage on their own. In addition, you can gain access to professionals with specialized experience in Web site management or grant writing, for instance, that you may not be able to afford if you have to hire someone on a full-time basis.

Take steps toward a successful relationship

If an AMC is right for your association, it's important to research various companies to better the chance of a successful relationship. According to the American Society of Association Executives (ASAE), there are more than 600 AMCs working around the globe representing an estimated 3 million members. That gives you a lot from which to choose. Here's how to approach the decision-making process:

Create a request for proposal (RFP). An RFP outlines the details of your organization, including its purpose, geographic scope, current and potential size, budget, and activities. You must be specific about all the activities your association is responsible for, such as surveys, meetings and member communications. If you don't spell out all that you do and how the AMC will support these activities, you won't receive an accurate proposal.

Of course, you also need information from the AMC. Among the questions to ask include: What types of associations does the group already work with in terms of size, focus and geographic location? Are the AMC and its clients current in all government and regulatory filings? Does the AMC have a written procedures manual? Does the AMC have in writing detailed contracts with all of its clients?

An RFP can be a time-consuming project, but it's worth the effort because it helps ensure all the companies you talk to receive the same information and are asked the same questions. Thus, you'll be able to make apples-to-apples comparisons.

Narrow the field, but not too far. Of course, sending your RFP to all 600 AMCs wastes your time and theirs. So seek recommendations from your current vendors, board members, and other organizations similar in size and scope to yours. Not all AMCs will respond, or respond on time, so build attrition into the total number that receives your RFP. If your initial list is too small, your list after attrition may be too limited.

Analyze RFP responses. Your first level of review should cover the basics: Did the AMC meet the deadline? Is there any missing or incomplete information in the response? Are there typos or other signs of unprofessionalism? Those are the first companies to eliminate. Next, grade each element of the RFP, with particular care given to the factors most important to you. For instance, if you want to launch a lobbying program, you should give more weight to the AMC's score in that area than other elements.

Interview and check references. Create a short list of AMCs that make the grade to this point and conduct face-to-face interviews with each of them. If you're considering a larger firm, be sure the people you speak with include the employees who'll actually be assigned to your organization, not just the executives.

In addition, always check an AMC's references. Don't be shy about trying to garner information from as many sources as you can. Ask your board and vendors if they have any knowledge about the company you're considering. Make some calls to board members of groups listed on the AMC's client list. Do some research yourself and make random calls to the organization during business hours and after hours to make sure all calls are handled appropriately and professionally.

Make your decision. After analyzing the RFPs and conducting thorough interviews and reference checks, making a list of pros and cons of each company you're considering can be an effective way to arrive at a decision. Again, be sure to focus on what's most important to your association. For example, it doesn't matter that a firm has an excellent reputation within the aerospace industry when your members are doctors.

Is an AMC right for your association?

You and your staff may be experts in whatever field or cause your association is involved in, but do you have experience in keeping the organization operating on a day-to-day basis? If not, outsourcing the operation to an AMC might be a wise choice. But finding the right one for your group is crucial to your success. Be sure to do your homework and seek professional advice before making a final decision.