



The Situational Analysis

THE FIRST STEP TO CREATING A RETENTION PLAN IS TO ASSESS AND UNDERSTAND YOUR CURRENT SITUATION. BY ANALYZING YOUR MEMBER BASE AND RETENTION TRENDS (E.G., MEMBER RECRUITMENT AND ATTRITION HISTORY, STRATEGIES AND OUTCOMES); TAKING A HONEST LOOK AT YOUR STRENGTHS AND WEAKNESSES, AND REVIEWING THE CURRENT MARKET ENVIRONMENT. THIS WILL HELP YOU DEVELOP INSIGHTS ON HOW TO MOVE FORWARD WITH YOUR PLAN. PART OF YOUR ANALYSIS ALSO INCLUDES REVIEWING OTHER ORGANIZATIONS IN THE AREA THAT MAY COMPETE FOR YOUR MEMBERS.

THIS SECTION WALKS YOU THROUGH HOW TO COMPLETE A SITUATIONAL ANALYSIS, FOCUSES ON THE QUESTIONS AND AREAS YOU SHOULD ADDRESS, AND PROVIDES EXAMPLES TO HELP YOU WRITE THIS FIRST COMPONENT OF YOUR PLAN. KEEP IN MIND THAT YOUR RETENTION PLAN MAY BE REVIEWED BY OTHER STAFF, BOARD MEMBERS, AND PERHAPS YOUR SUCCESSOR. WRITE THIS SECTION COMPREHENSIVELY FOR THOSE WHO MAY NOT HAVE THE SAME ACCESS TO INFORMATION AND TO SERVE AS A BENCHMARK FOR FUTURE REVIEWS.

USE THE TEMPLATES AND QUESTIONS AS A WORKSHEET. WHEN YOU ARE DONE, YOU CAN COPY AND PASTE RELEVANT INFORMATION INTO THE BLANK TEMPLATES PROVIDED AT THE END OF THIS SECTION, OR YOU CAN SUMMARIZE YOUR FINDINGS INTO A FEW BRIEF PARAGRAPHS UNDER THE SITUATIONAL ANALYSIS COMPONENT OF YOUR RETENTION PLAN.

SAMPLES OF SITUATIONAL ANALYSES ARE PROVIDED IN THE APPENDIX UNDER SECTION II. ELECTRONIC TEMPLATES ARE ALSO INCLUDED ON THE CD THAT ACCOMPANIES THE KIT.

"Cathi Hight and I first started working together over 10 years ago when she was the VP of Operations for the Chamber of Commerce of Hawaii. Since then, I have repeatedly seen the results of her work with numerous organizations around the Continental U.S. in helping them successfully manage market changes. Her foresight in creating a tool that helps organizations retain more of its members is a natural progression in her consulting specialty because we all know recruiting new members and clients costs far more than keeping the ones we already have."

Debra Benton, author *How To Think Like a CEO* (Warner Books)
and *Executive Charisma* (McGraw-Hill)



An Overview of Our Member Base

AN ORGANIZATION'S DATABASE IS A CRITICAL TOOL FOR UNDERSTANDING ITS MEMBERSHIP AND RETENTION TRENDS. ALTHOUGH SIMILAR TYPES OF ORGANIZATIONS HAVE SIMILAR MEMBER BASES (E.G., CHAMBERS OF COMMERCE PREDOMINANTLY HAVE SMALL BUSINESSES WITH FEWER THAN 20 EMPLOYEES AS MEMBERS), EACH MEMBER BASE HAS A UNIQUE MAKE-UP THAT CHANGES SLIGHTLY OVER TIME. ORGANIZATIONS COULD STRATEGICALLY DECIDE TO RECRUIT AND RETAIN DIFFERENT MEMBERS AND MONITOR HOW ITS MEMBER BASE IS EVOLVING AS A RESULT OF THEIR INITIATIVES.

BY SEGMENTING MEMBERS BY SIMILAR CHARACTERISTICS, ORGANIZATIONS COULD ALSO GAIN INSIGHTS INTO RETENTION CHALLENGES AND TRENDS FOR SPECIFIC MEMBER GROUPS, AND DEVELOP TARGETED RETENTION STRATEGIES TO ENHANCE THE RATES FOR THESE GROUPS. MEMBER GROUPS MAY HAVE DIFFERENT OR UNIQUE BEHAVIORS AND NEEDS. AS PART OF A SITUATIONAL ANALYSIS, AN ORGANIZATION SHOULD REVIEW AND ANALYZE ITS MEMBER BASE TO UNDERSTAND ITS MAKE-UP, WHAT CHANGES HAVE EVOLVED OVER TIME AND THEIR IMPACTS, AND WHICH MEMBER GROUPS THE ORGANIZATION SHOULD STUDY FURTHER OR FOCUS ITS RETENTION EFFORTS AROUND.

Establish Our Baselines—Who Are Our Members?

An organizations' member base is usually made up of different member groups or segments. Member groups are generally differentiated by demographic variables. Demographic variables are easier to define and obtainable from various market research sources, including the Small Business Association and Census Bureau. Many research studies and trending reports use demographic variables to differentiate group results. The chart below reflects common demographic variables organizations often use as fields in their databases.

COMMON DEMOGRAPHIC VARIABLES		
No. of full-time employees (FTE)	Industry sector	No. of years in business
Month/year joined	Tax status	Geographic location(s)
Dues revenue	SIC/NAICS code	No. of locations
Non-dues revenue	Industry or trade certification	Headquarter location
Councils, committees participation	Sponsorships	Products/services offered

SAMPLE DEMOGRAPHIC BASELINE CHARTS OF MEMBER BASE

An example of how one organization describes its member base using demographic variables is reflected in charts 1, 2 and 3. The organization maintains member information in its software program and uses these common demographic variables as fields, and runs inquiries to group together members into similar or homogeneous sub-groups, and produces charts to reflect its analyses. Different reports are created to reflect the relationships among specific demographic variables, thus creating opportunities to analyze its member base from different viewpoints.

CHART 1: Member Base by Industry

