Generating Non-Dues Revenue

By Rick Bannister
Assistant Executive Director
Ohio State Bar Association
What are your organization’s goals?

- Mission
- BHAG
- Strategic Plan
- Creating the right environment for board and staff
Do you have a reserve policy?

- Helps to expand non-dues revenue programs
- Non-dues revenue key to making contributions to reserves
- Focus away from dues to other revenue
OSBA Goals -

- BHAG - “To be indispensable to the lawyers of Ohio”
- Dues revenue less than half of total annual income
- Make annual contributions to reserves
OSBA - Non-Dues revenue history

Total Revenue Mix - OSBA

<table>
<thead>
<tr>
<th>Years</th>
<th>Column 1</th>
<th>Column 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>3,920,000</td>
<td>4,110,000</td>
</tr>
<tr>
<td>2</td>
<td>4,960,000</td>
<td>4,400,000</td>
</tr>
<tr>
<td>4</td>
<td>5,000,000</td>
<td>4,310,000</td>
</tr>
<tr>
<td>6</td>
<td>5,240,000</td>
<td>4,640,000</td>
</tr>
<tr>
<td>8</td>
<td>5,240,000</td>
<td>4,720,000</td>
</tr>
<tr>
<td>10</td>
<td>5,250,000</td>
<td>5,150,000</td>
</tr>
<tr>
<td>12</td>
<td>5,250,000</td>
<td>5,760,000</td>
</tr>
<tr>
<td>14</td>
<td>5,760,000</td>
<td>6,660,000</td>
</tr>
<tr>
<td>16</td>
<td>6,750,000</td>
<td>6,750,000</td>
</tr>
</tbody>
</table>
Evaluating non-dues revenue programs

1. How closely aligned to your mission/goals?
2. Revenue generating opportunities?
3. How much is partner willing to invest in growth of program?
4. Programs achieving all of above!

Invest your time/resources in these...
Top non-dues revenue programs for OSBA

- CLE
- Insurance Agency
- Worker’s Comp Program
- Publication Advertising
- Credit Card Program
- Investment Income…pffffffffhhhh!
  (sound of air going out of balloon)

Examples of support…
A wink and a nod won’t due...

- Are you really supporting your programs?
  - Staff resources
  - Investment in R&D
  - Commit to advertising - informing your members
  - Let them succeed...
Long range planning

★ What is anticipated life span of program?

★ What is potential for growth?

★ Plan to achieve maximum growth during life span!
Future possibilities?

- Economic conditions may provide opportunities
  - Merchant card services/banking
  - Web site development/services
  - Law office support services
  - Other ideas?
Questions/Comments?

Rick Bannister
Assistant Executive Director
Ohio State Bar Association
1700 Lake Shore Drive
Columbus, Ohio 43204
614.487.4404
rbannister@ohiobar.org
Generating
Non-dues Revenue

Whitney von Haam
Director of Membership
North Carolina Bar Association
NABE Administration & Finance Section Workshop
February 10, 2009
Basics about the NCBA

- 16,500 members including our paralegal and law student members
- Voluntary – NC also has mandatory State Bar Association has a $5 million budget
- Outspend our dues revenue by $1.5 million
- CLE…a great source of revenue for many Associations, but not for us – our CLE is run through our Foundation, so the Association does not receive benefit from it
Non-Dues Revenue

- In real estate it is all about … Location
- The non-profit sector needs to be all about…Diversify
NCBA Non-dues Revenue Sources

- Investments
- Local Bar Services (HR, IT, accounting, etc)
- Advertising
- List Rental
- Affinity Partners
Investments

- Did I mention the need to diversify?
- With an average 30-40% loss by many individuals and organizations in their investments, lessons learned by all...
Local Bars

- The NC Bar Center houses several organizations
- Our Foundation owns the building
- Several smaller specialty and local bars lease from the Foundation
- AND, they pay for services from the Association – such as IT, accounting and HR
- Win, win – they don’t need to outsource to for-profit and we obtain additional non-dues revenue
Advertising

- Print publication – NC Lawyer, has ads, but not self-sustaining
- Banner ads on Web site – NCBA doesn’t do. Strict policy against per our Board
- NC Legal Marketplace – compromise for online ads
  - Career listings
  - Business listings
  - Classified listings
- Limited to members to search; public may list
List Rental

- Powerful demographic
- Most list purchased electronically now
- We charge $.35 per name, which can be cross-sectioned by ZIP, county, section...
- We require approval of mailings, especially for those advertising CLE programs
- Problem: State Bar (mandatory – now offers entire listing of members in Excel format for $19.99!)
Getting Started

- NCBA hired a consultant about 7 years ago
- Took a step back to look at what programs we were already endorsing – what worked well, what didn’t
- Decided on a tiered approach
  - First tier: Products/services critical to firms
  - Second tier: P/s important to firms
  - Third tier: P/s nice to have in firms
- Change in structure of agreement – exclusivity
- Reporting also required
Affinity Partners

Basics Required to become a Partner
- Unique Product or discount
- Must reach all members geographically
- Tiered approach to members: Small, medium and large firms
- Marketing plan
- Revenue stream back to Association
- Monthly reporting
Affinity Partners

- Programs that have worked
  - National brands (local bars would probably have better luck with local vendors)
  - First tier, critical needs
- We’re now working on second tier needs:
  - Web and telephone conferencing
  - Network solutions providers
  - Credit card services (impactful in this economy for members)
Affinity Partners

- Programs that didn’t work
  - Cellular phones
  - Gateway computers
  - Other technology needs
  - DHL Express
  - Anytime the win triangle is anything other than equilateral
Affinity Partners

Lessons Learned

- Easy-to-find information on our Web site
- Necessary that the sales force understand legal market
- NCBA endorsement does not bring flood of customers
- Don’t glut the program with too many partners
- No longer require partners to attend Annual Meeting
- Partner programs help bridge generational gap
Affinity Partners

- Ending programs
  - Like relationships, it’s so hard to say goodbye
  - When triangle is not in balance, it’s time
  - When sales force is not stable, it’s time
  - When communication is next to impossible, it’s time
  - When members are complaining (not just one or two, but many), it’s time
  - When service is outdated, it’s time
Generating Non-dues Revenue

- Each program is unique
- Sometimes a sure bet doesn’t work out, sometimes a far shot can be a success

- Questions? Thoughts? Success Stories?
- Feel free to contact me – Whitney von Haam
  whitney@ncbar.org or 1-800-662-7407