

# SO YOU WANT TO HIRE AN AMC?

*An AMC can do its best work when you have a clear picture of what your association needs. Follow these steps to direct your research and sharpen your vision.*

**By Judy Walker and James Zaniello**

Today more associations are turning to association management companies as trusted partners for their continued growth and success. Some associations tap AMCs for individual functional services such as membership development, marketing, or finance. Others seek the traditional full-service model in which an AMC partners with an association to provide headquarters, staff, and full management of operations.

When seeking an AMC as your full-service partner, take these steps to ensure that you find the right match.

**Start by thinking strategically about where you want to go as an organization.** The more you have thought about your long-term goals and objectives, the easier it will be to find the right AMC partner. For some groups, this means engaging in strategic planning upfront. For others, it starts with high-level thinking with an expectation that the board will engage in more formal strategic planning once it hires its AMC partner. Either way, the ability to discuss what you want to achieve in the long run helps you develop a stronger RFP and have more productive conversations with prospective AMCs.

**Use this directory.** The articles here offer good ideas on the value of AMCs and the power of partnership, as well as useful tips for ensuring a successful, long-term relationship with your AMC partner. You'll also find listings of AMCs that include information on their size and areas of expertise. It is important to review these listings to ensure you send your RFP to the right companies. Some associations choose companies mainly based on geographic location; others look for companies whose client lists reflect their own makeup, either by budget size or industry (healthcare, financial services, manufacturing, and so on).

**Educate yourself.** You'll want to compare what you're spending now on operations to what the costs will be with an AMC. That can be tricky. Not all boards truly understand the operating expenses of their association, but you'll need to nail these down. In addition, it's important to understand what an AMC management fee includes. For example, as an AMC client, you'll no longer have line items in your budget for office rent, equipment leases, chief staff salary, and utilities; these items and others will be included in the AMC's management fee.

Other staff expenses may be shown as "program support," and you may see charges for user fees or licensing for the use of proprietary management software.

AMCs take different approaches to how they charge for their services. Some charge a flat management fee. Others will propose certain fixed fees and an estimated budget for variable hours depending on key projects. Some charge hourly rates for exhibit or sponsorship sales, while others will propose to recoup those expenses through a commission. Today, it's also common for AMCs to ask for a "risk-reward" structure that gives them a percentage of the increased revenues they generate on your behalf—as you grow, they grow, too.

**Develop a thorough RFP.** The more detailed your RFP, the better the outcome. By fully describing your current scope of work (the key activities staff are engaged in and the approximate number of hours and level of expertise involved), you are in a stronger position to discuss your needs with prospective AMC partners. This probably means having your current executive or perhaps an outside consultant who assists

with the RFP sit with each staff member and detail the work.

The RFP should fully describe all major program areas, addressing questions such as these:

- What is the size and usual location of every meeting?
- Do meetings include exhibits and social events?
- How long and how complicated is the program?
- What does the association publish, and with what frequency?
- How are design and production handled?
- Who hosts and maintains the website?
- How is membership billed and accessed?
- How are financial reports produced, and how often?

The RFP should also include bylaws, articles of incorporation, financials, samples of meeting programs, exhibitor prospectuses, membership brochures, magazines, newsletters, other publications, and other relevant materials. The more information you provide, the more likely the AMC is to construct a bid that truly reflects the resources you need. It's also important to designate a person whom AMCs can contact with questions to ensure that they respond with the information that's most helpful to you.

**Prepare a comprehensive review and interview process.** Think carefully about your bid list. Are you prepared to read and evaluate 20 responses that could run as long as 40 pages each? Determine how you will evaluate the RFPs to get to a shorter list for interviews. You may want to identify certain key areas of competency on which to score each response.

During the first round of interviews (conducted either over the phone or in person in a central location), ask general questions about the company's management philosophy and its approach to growing client organizations. You'll also have questions generated by the individual proposals. After these interviews, you will want to narrow the list

## QUESTIONS TO ASK A POTENTIAL AMC

Here is a sample list of questions to use as a starting point when interviewing AMCs. These are best discussed with the short list of firms that have prepared a response to your RFP and that you are most excited about.

1. What does your company do to ensure that your clients' members receive a high degree of personal service and attention?
2. What qualities do you look for in members of your administrative team?
3. What sort of training and continuing education do you provide for your employees?
4. How do you ensure that the staff for a new client gets up to speed quickly on industry issues and players?
5. Please tell us about your experience and successes with a client that you believe has some similarity to us.
6. What would you see as the three most important things to focus on as you begin the transition with our association?
7. How do you help boards like ours grow in competence and understanding of our role in governance?

to perhaps two AMCs whose offices you will visit, asking additional questions and perhaps meeting the team that would serve you. At this time, you will also want to check your semifinalists' references.

**Be respectful.** This process is a two-way street. The more transparent you are, the more helpful your prospective AMC partners can be. When you share information that helps them understand your organization and your goals, they can tailor their response and ultimately engage in a conversation with you about how your organization will be different—and stronger—as a result of the partnership.

AMCs are in the business of helping clients grow and serve their members more successfully and effectively than they did as a freestanding organization. You should not approach this crucial partnership by simply looking for the

## Your association will be most successful when you select the right AMC partner—cost being just one of many factors you consider.

least expensive option. Ultimately, your organization will be most successful when you select the right partner—cost being just one of many factors you consider. The processes and people at your AMC will make a significant and long-lasting difference.

**Manage the transition well.** As you leave your existing headquarters structure, do so as respectfully as possible. While that sounds simple enough, the extra attention you pay to your departing staff will go a long way to ensuring

a smooth transition, member satisfaction, and confidence in the change. Allowing enough time for your new partner to transition to new technology, tools, and knowledge will also make a difference between a well-done hand-off and a disaster. ■

*Judy Walker serves as client director and James Zaniello as president at Vetted Solutions. Email: [judy.walker@vetted-solutions.com](mailto:judy.walker@vetted-solutions.com), [jim.zaniello@vetted-solutions.com](mailto:jim.zaniello@vetted-solutions.com)*

---