



USAID
FROM THE AMERICAN PEOPLE

Competitiveness Enhancement and
Enterprise Development (CEED)

Associations for a Sustainable and Competitive Business (Environment)

Douglas Griffith
Director

**USAID Competitiveness Enhancement and
Enterprise Development Project II (CEED II)**
Implemented by Chemonics International Inc.

April 4, 2013

PRESENTATION GOALS

1. Discuss **the role of business associations** vis-à-vis a sustainable and competitive business (environment)
2. To give ideas to association members – especially board members – and executive staff for **how to improve their association's performance**
3. Encourage businesses that are not members of an association to **consider becoming a member**
4. Encourage current members to **be (more) active members** of their association(s)

DEFINITION OF AN ASSOCIATION

An organization of businesses that unite voluntarily to pursue common interests following transparent, fair, and democratic principles.



DEFINITION OF AN ASSOCIATION

An organization of **businesses** that **unite voluntarily** to pursue **common interest(s)** following **transparent, fair, and democratic** principles.

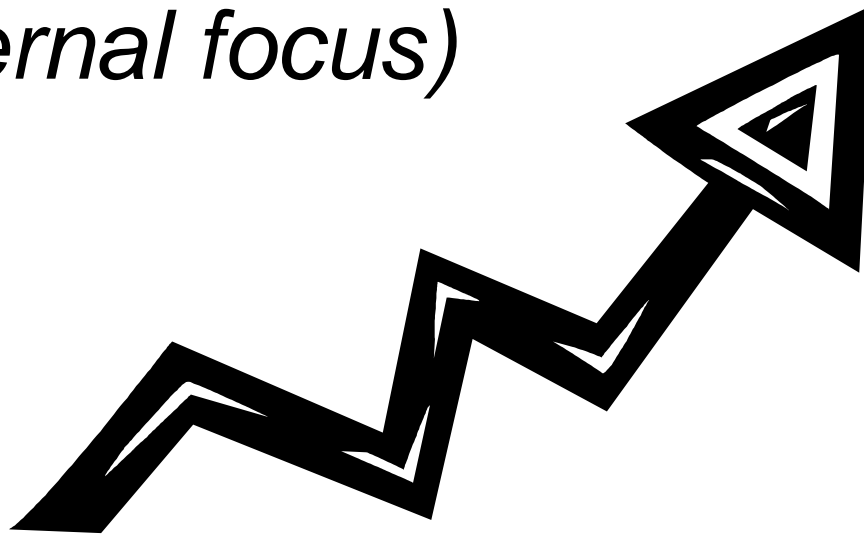


WHY DO ASSOCIATION EXIST?

To pursue members' common interest(s) by taking action(s) that no single member is willing or able to take because of lack of power, authority, responsibility, or resources.

WHAT DO ASSOCIATIONS DO?

1. Working to improve the business environment (*external focus*)
2. Providing services to members (*internal focus*)



WHAT DO ASSOCIATIONS DO?

1. **Advocating and lobbying** on behalf of members' interests (*external focus*)
2. Providing **services to members** (*internal focus*)
 - Organizing **common activities** or initiatives
 - Trade shows, business missions, B2Bs, etc.
 - Trainings, seminars, master classes, conferences
 - Promotion and PR
 - Generating a/o increasing access to **information**
 - Negotiating **discounts** or group purchases
 - Creating **networking** opportunities for members

WHAT MAKES ASSOCIATIONS SUCCESSFUL?

- ❑ **Clear common interest(s)** or a clear expression of what members value
- ❑ **Members** – especially engaged members
- ❑ **Trust among members**...gained through...
 - Transparency
 - Fairness
 - Democracy

*Association: An organization of **businesses** that unite voluntarily to pursue **common interest(s)** following **transparent, fair, and democratic principles.***

❑ **Understanding your association** – what kind are you (will you be) and what are the implications

Extensive ←————→ **Intensive**

Extensive – **outward focused**

- ✓ Concentrated on lobby and advocacy
- ✓ No (or very limited) direct member services
- ✓ **Membership dues only**

Intensive – **inward focused**

- ✓ Concentrated on member services
- ✓ Frequent contact with members
- ✓ **Membership dues are not enough**; outside funding sources are required, **including service fees from members**

OBSERVATIONS ABOUT MD ASSOCIATIONS

Common interest

- Failure to clearly define the common interest(s)
- Failure of BOD to set goals (expectations) for the executive team, and manage them
- Failure to focus on providing value (benefits) for members (who determines value?)

OBSERVATIONS ABOUT MD ASSOCIATIONS

Members

- (Too) few members
- Disengaged (inactive) members
- Lack of ownership by entire BOD

OBSERVATIONS ABOUT MD ASSOCIATIONS

Transparency

- ❑ Poor communication between BOD and executive team (failure to set expectations)
- ❑ Failure to communicate to members (not only news, but activities and decisions)
- ❑ Tendency to hire relatives or other close associates (conflict of interest)

OBSERVATIONS ABOUT MD ASSOCIATIONS

Fairness

- Failure to focus on value for (all) members
- Reluctance to charge for services

OBSERVATIONS ABOUT MD ASSOCIATIONS

Financing

- ❑ Difficulty finding (or agreeing on) the value-price-cost relationship – *the membership fee*

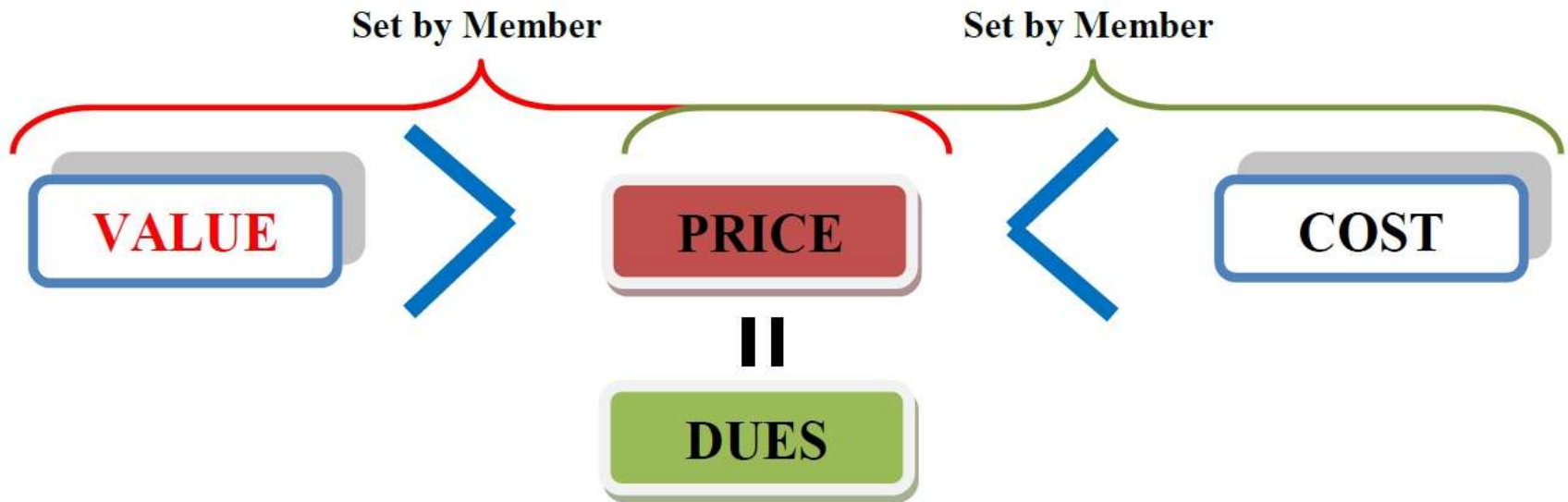
OBSERVATIONS ABOUT MD ASSOCIATIONS

Financing

- ❑ Difficulty finding (or agreeing on) the value-price-cost relationship – *the membership fee*



ASSOCIATIONS



BUSINESS



OBSERVATIONS ABOUT MD ASSOCIATIONS

Trust

- Lack of trust and difficulty making compromises that will lead to efficient solutions
- Willful non-compliance

SUGGESTIONS FOR MD ASSOCIATIONS

1. Find and **define the reason(s) for uniting** members
2. Clearly **define the benefit(s)** that members value and then plan how to deliver it
3. Board of Directors – **become more active** and rotate membership on the board
4. Hire a **full time executive team**, based on merit, with clear goals set by the BOD
5. Make realistic and adequate **(fair) financial decisions**; strive for financial independence
6. **Communicate** clearly, transparently, and regularly
7. **Respect and trust** each other
8. Follow to **good governance & operational principles.**

IN CONCLUSION

1. Consider joining an association.
2. Get (more) involved – be an active member.
3. Start a constructive discussion about improving the performance of the association(s) of which you are a member.

THANK YOU!

USAID CEED II

29 Sfatul Tarii Str.

“Le Roi”, 5th Floor

Chisinau, MD-2012

Republic of Moldova

WEBSITE

www.ceed.md

Doug Griffith, Director

dgriffith@ceed.md

Tel. 839-901; Mob. 060-418-869