



WHAT WAS A RELEVANT ASSOCIATION ORGANIZATIONAL MODEL 30 YEARS AGO IS AN IRRELEVANT MODEL TODAY

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Thirty years ago, our typical industry model was based on an American manufacturer producing goods in the United States, using components or raw materials substantially of U.S. origin. The manufacturer sold its goods through U.S. wholesalers or distributors. The wholesalers or distributors sold to local or regional U.S. retailers who in turn sold to U.S. consumers.

If you as a consumer wanted to comparison shop, you looked at newspaper ads or actually visited the various retailers in your area. If you purchased a product and it was defective, you went back to your retailer who sent it back to be repaired and returned to you. If you needed additional assistance, you called the manufacturer's Consumer Affairs office located at its facility in the U.S. and a real live person answered the phone and hopefully responded to your inquiry.

Responding to this model formed the basis of the organization of many of our leading trade associations. The associations were designed to deal with a U.S. distribution tree from manufacturer through distributor, retailer and to consumer. The emphasis was U.S. not global. Technology was a non-issue. Sarbanes/Oxley did not exist and corporate governance was not high on anyone's list of concerns. Finally, the

word "online" was not part of our vocabulary.

Obviously, things have changed. Global manufacturing is basic to our economy. Distributors and local retailers have either died or are dying. Consumers buy direct either from a big box national retailer or "online." Big box retailers buy direct from manufacturers located all over the world. Defective products are not repaired, they are replaced. Service is completely changed. When you call for service, you may never speak to a person and if you do, that person may be in India or South America.

With this change in the business model, there is a corresponding change in the issues that your Association must address.

The problems that your association faces are multinational and may include problems of "keeping green;" where to find labor; immigration; healthcare reform; standardization and accreditation. Corporate governance requirements may necessitate that you restructure your Board and change the relationship between your Board and the Executive Committee. Transparency, Conflict of Interest and Codes of Ethics

which must be enforced and have teeth must now be part of every organization.

Your members want Webinars, electronic communications, virtual meetings, and instant accessibility to the association staff. Do you carry a Blackberry or a TREO? Is it on seven days a week? When you get an email, does the sender expect an instant response?

These concepts should not be surprising to you as an association executive. But what about your Articles of Incorporation and Bylaws? Isn't it time that you did a complete rewrite? In fact, if you don't rewrite these documents and

modernize your organizational format and corporate governance practices, is your association going to survive when faced with competition from a new industry group which utilizes the newest technologies and business practices to meet the needs of its members?

Yes, your old-fashioned association may meet the needs of that member who wants to use the association annual meeting for a business paid week in Florida to play golf; and yes, that member may have been typical of your members 30 years ago, but by tomorrow, that member will cease to exist. If you haven't changed what are you going to do?