

Membership Development

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Membership is the lifeblood of any Chamber organization. Without a solid foundation of membership expressed in both financial and volunteer involvement a Chamber has no hope of relevance, no chance to have impact in a community. The very strength of a Chamber is found through the members and their commitment to the mission and role of the Chamber.

Recruitment of Members

To increase the membership base of a Chamber both staff and Chamber Board leadership should be involved. Any business that is not a member is a prospect and should be listed in a well-maintained member-prospect data base. The Chamber Board can play an important role in developing and keeping current a prospect list. In the Chamber industry there are basically two methods to membership sales/recruitment. Size of the community, size of the Chamber, Chamber resources and length of prospect list are all factors that should be considered when determining which method to utilize.

Two Methods – Staff Drive or Volunteer Driven – Staff driven is the primary method used by chambers in Minnesota.

Staff Driven:

In the staff driven approach either a team concept can be employed or a Membership Sales Representative Position created. When using a team approach, typically a financial bonus or commission program is developed, or prizes such as gift certificates or extra paid time-off can be offered as employee incentives. In a larger operation employee contests may also be effective.

In utilizing a Membership Sales Staff position it is important that minimum performance measures be established at the point of employment. Sales position can be either an hourly or commissioned based compensation situation. In most commission-based models the individual would be considered an Independent Contractor and no benefits are normally joined. Sales positions in a Chamber can extend beyond the selling of membership to also include things such as display advertising in Chamber publications, the sale of major sponsorships for important Chamber events, and other sales related non-dues revenue sources. Again, it is important that performance measures be clearly established at the point of employment and that clear tracking mechanisms be implemented and regularly reviewed.

The strength in the staff driven approach to membership sales lies in the retention of the member. Chamber staff is typically more knowledgeable about the variety of Chamber benefits and can sell a membership for the “right” reasons. Staff members are also usually better positioned to overcome objections or references to Chamber History (such as a legislative position or policy change in member dues schedules, etc).

Regardless of the size of the organization, a sale packet should be developed. Materials should have a professional appearance with strong graphics. Photos of members at chamber events is a plus. Sales packets should be customized with the prospect in mind; remember that what a manufacturer values is not the same as a small retailer or a business-to-business sales person. Customize your chamber message as much as possible. Packets can and should be modified to match the prospect. Retailers are usually more interested in training and promotional opportunities, major industries may be more impressed with a Chamber’s public policy agenda and access to legislators/local officials, business-to-business organizations may be attracted to networking and events that will build name recognition for their company. Develop a unique packet for each prospect whenever possible.

Items to include in a sales packet:

- A publication that communicates the big picture of the chamber, including the chamber mission and vision statement.
- The Member Investment Schedule (price sheet)
- A New Member Enrollment Form
- Chamber Newsletter – most recent
- Consider a page of testimonial quotes from current members
- A copy of your member exclusive benefit publication, such as a Community Book and Member Guide
- Current programming information, such as a flyer promoting an upcoming chamber training or networking event.
- Recent newspaper clippings that feature your chamber in the news demonstrating impact on behalf of the business community – workforce or advocating on an issue at City Hall, for example
- Customize! If calling on a retailer, include information about your online coupons or Chamber Dollars program. When visiting with a manufacturer, bring information about your chamber’s work on transportation, workforce development or housing. If the prospect is a business-to-business lead, include materials on the chamber’s networking venues and major events where other business leaders will be present.

The weakness in the staff driven approach is just that – the staff. Sales can only take place if the staff has the skill to “sell”. In addition, other Chamber responsibilities may distract an employee from membership sales. Most Chamber employ only 2-5 people, making the number

of sales calls possible limited in quantity. In order to remain a stable and healthy organization, you must sell at least the number of memberships that you lose in a fiscal year.

Careful consideration must be given to the need for high retention numbers versus the need to add significant net growth to membership numbers.

Membership sales does not end with the enrollment forms. Your organization should have a written 90-day onboarding plan to engage new members. The plan should be clear to all staff and should be implemented with diligence.

Volunteer-Driven:

A Volunteer Membership Sales Team can be organized in two ways – a short term membership blitz or an ongoing membership development committee/ long term campaign. In both cases a few basics apply:

1. Recruiting Volunteers to the sales team
 - a. Look first to well-known sales career fields such as advertising, real estate, insurance, etc. These professionals already know the basics of selling
 - b. Find the “cheerleaders” in your organization. Seek out the individual who is enthusiastic and passionate about the Chamber and its role in the community.
 - c. Enlist the help of recognized leaders in the community. Bank Presidents and CEOs from major employers can often sell a chamber membership with a single phone call.

2. Organize Your Campaign
 - a. Establish a clear goal and time-line. Make sure that volunteers are part of this process. How many new members are you trying to gain? Is it obtainable? How long will you work toward this goal – a week, a month or maybe the entire program year?
 - b. In a larger organization with more volunteers, you may want to divide them into teams of 5 to 7 people. If you use two or more teams, be sure to identify a team captain or “chairman”. These individuals need to be leaders, highly enthusiastic about the Chamber and able to cheer the other volunteers along towards the goal. Team captains not only organize their teams’ sales efforts but will also serve as key contacts for Chamber staff.
 - c. Clearly identify the role of Chamber staff in the campaign. Make sure that both volunteers and all staff members know this information. It may be that only one staff member is assigned to the membership sales efforts, or it might take the entire staff to support the volunteers as they move forward.
 - d. Any size organization can utilize prizes and/or thank you mementos for the volunteer sales force. Plan this in advance – it is important that volunteers be well recognized and appreciated for their efforts. If a contest is used, be sure

that contest rules are clearly established and communicated – include volunteers in this discussion – encourage their participation in determining prizes.

3. Sales Materials

- a. Packets can be as simple or as grand as your budget allows. Whatever is assembled, be sure that the materials are relevant, easy to understand, and as professionally presented as possible.
- b. Items for a sales packet might include: latest copy of newsletter, dues schedule, current Chamber Business Plan, upcoming event or training information.
- c. Packets can and should be modified to match the prospect. Retailers are usually more interested in training and promotional opportunities, major industries may be more impressed with a Chamber's public policy agenda and access to legislators/local officials, business-to-business organizations may be attracted to networking and events that will build name recognition for their company. Develop a unique packet for each prospect whenever possible.

4. Training of Volunteers

- a. **Never** send out volunteers to sell memberships to the Chamber without first providing them with some type of formal training. Make sure that they are familiar with the Chamber's priorities for the year and what events are coming up.
- b. Spend time on your dues schedule. Make sure that volunteers understand the rate sheet. What is your policy on seasonal businesses? Are memberships pro-rated? What billing options/payment plans, if any, do you offer? Encourage your volunteers to ask questions and assess their comfort level regarding the dues schedule before sending them out on sales calls.
- c. Use training time to role play and discuss frequently asked questions or objections that they may come across in a sales call. You may want to develop a small booklet of frequently heard objections and possible responses that your volunteers can use when preparing for a sales call.
- d. Your enthusiasm is contagious – use training time as an opportunity to pump up your volunteers.

5. Developing a Sales Strategy

- a. Review your prospect list. Have your volunteer sales team review it with you. Check for accuracy especially in the area of key contact names – make sure that you are listing the decision makers. Don't waste the volunteers' time by chasing down someone who does not even have the authority to make the buying decision. It is better to spend time up front and have the correct information.
- b. Look for connections from your prospect list to your volunteer sales force. Any relatives or business to business connections make it easier to get the appointment and/or sale.
- c. Be sure to share with the volunteers any background information that you have. Is this a new business in town? Is this a business who once was a Chamber

member – is it known why they quit? Never send a volunteer in “blind” if you have important insight into a sales situation. Never set your volunteers up for a “tough” sell – stick with real prospects, not long-shots.

- d. Define the role of Chamber staff in the sales strategy. Will this be purely a volunteer sales approach or will they tag-team with Chamber staff. Who will follow up and close the sale if a second contact is needed with a prospect?
- e. Meet regularly with the sales team to share success stories, update and review prospect list and continue to share ideas for overcoming objections from prospects.

6. Publicize your success

- a. Create displays in the Chamber office to track success and to give recognition.
- b. Use your Chamber newsletter in the same way.
- c. Be creative in celebrating and encouraging your volunteers. If you (or they) are not having fun – you’re not doing it right!

The strength in volunteer membership sales lies in the numbers. The more people that you have working on a project, the less work for everyone. Typically volunteers have contacts with business people that Chamber staff does not even know. Through the effective use of contests and other incentives, volunteers will often work hard to out perform one another. For a large, quick jump in Chamber membership numbers, a well-organized volunteer-driven sales team is the way to go.

The weakness in the volunteer member sales approach is in the retention numbers. It is not unusual to have as much as 30-50% loss of “new” members within one to two years of a membership blitz or volunteer-driven sales campaign. People too often join for the “wrong” reason – to help a friend meet the contest numbers, or because they don’t want to say no to an important client or supplier who just happens to be one of your volunteers. Retention is an important consideration – it takes a lot of money, time and effort to sell memberships – you want to keep them once you get them.

Retention of Members

Membership retention is the top priority for all Chamber organizations. It is easier, and less expensive, to keep the members that you have than recruiting new ones. A good retention rate to aim for on an annual basis is 88-90%. In other words, the rate of attrition should not exceed 12% in any given year.

Poor retention has as its root cause one factor – the failure to re-sell members on the benefits of membership. Members must know what their membership dollar is buying – they must see real value. Poor retention rates can indicate to a Chamber Executive one of two things - Chamber members are not being reached effectively through Chamber communications or that Chamber programming is not in step with the needs of the business community. Interestingly

enough, strong communication lines not only help Chambers “re-sell” the benefits of membership, they can also provide an indication through member feedback of when Chamber programs are no longer hitting the mark.

Techniques to aid in Membership Retention:

- A. *Develop a committee to welcome new members.* In many Chambers this is the Ambassador Committee. This committee is the “good-will” arm of the Chamber – visiting and welcoming new members within the first month of joining the organization, conducting ribbon cuttings for new businesses that have joined the Chamber, celebrating business milestones such as a new location, business expansion or business anniversary. In some Chambers, this committee also serves as the official greeters at Chamber events such as Business After Hours, the Annual Dinner, Golf Outings, etc.
- B. *Mentor or “Buddy” Program* – Develop a system to assign or partner a new member with a current member in a type of mentor or buddy role. The “mentor” attends events with the new member, introduces them to other Chamber members, answers their questions about the Chamber and encourages the new member to plug into Chamber events and programs.
- C. *Develop a tracking or benchmarking system within your organization.* Maintain a sign-in sheet for every Chamber training or networking event. Create a data base to track member involvement. On a regular basis analyze the data base to identify non-participating members and then develop a specific plan to contact and attract those non-participants to the next Chamber event. Statistics prove that members who participate are members who will renew.
- D. *Thank you and Recognition-* Coordinate a group of volunteers to spend time visiting and thanking members, or make this the responsibility of a staff member. Use the visit as an opportunity to drop off a Chamber publication such as the Membership Directory, Membership Plaque or other printed materials. Some Chambers leave a small package of microwavable popcorn with a label that says “Just Popped In to Say Hi – We Value your Membership in the _____ Chamber of Commerce...and we want to hear how we are doing!” or some other similar message. The point is to be creative, make a visit to members and leave behind something to mark the occasion.
- E. *Regular Membership Surveys-* It is not only important to regularly survey your members (at a minimum annually), but in some form share the results (either specifically or in broad terms) and communicate to the membership how the organization plans to respond to the results. Train the membership that the surveys are an important tool for their voices to be heard and that the surveys will be used in a very real and meaningful way. Encourage feedback about overall membership satisfaction. Solicit input on program ideas, local public policy issues, business training needs and related topics. There are several excellent sample membership surveys on file with the MCCE organization. Contact the MN Chamber of Commerce for more information.
- F. *Develop a very specific billing system and policies* – to assist in member retention, it is very important to have a clear, concise billing system and member renewal policies. Chambers typically use either a calendar year billing system (all members billed at the

same time, such as January 1st) or an anniversary billing system (members billed for renewal on the date of their membership anniversary). Each billing/invoice should be accompanied by a letter. A series of 30, 60, 90 day letters should be developed and signed by the Chair of the Board and/or the Chamber President (Executive). After 90 days, a formal letter of cancellation due to non-payment should be sent. This letter should be carefully written – while you cannot carry a member on the books for more than 90 days past membership renewal time, you want to leave the door open to re-contact them in the future. Sample 30, 60, 90 days letters are available through MCCE.

- G. *Encourage Participation on Committees and Task Force Groups* – Develop task force and committee groups to work on events and programs. Seek out specific types of business professionals from within your membership to solicit involvement in committee work. For example, MN Manufacturer’s Week (every October) is a great opportunity to develop a short term task force and recruit manufacturer representatives to help plan activities for the occasion. Retailers and some service based businesses may be attracted to networking event planning, workforce development/leadership/training program planning or community event participation. A public policy committee (Government Advocacy or Legislative Affairs) may attract major employers, financial institutions and business to business organizations. Professionals in the sales industry, such as advertising, insurance, financial planners, and auto sales are most likely to be attracted to committees such as the Ambassadors where they have the opportunity to meet a lot of other business owners and newly opened businesses. Members who are actively involved in the work and plotting the direction of the organization will have “ownership” and will always renew their membership.
- H. *Products and Programming* – to attract and retain members, many Chambers develop member-only products and programs. For example, member-to-member discount offers, insurance savings programs and exclusive redemption of Chamber Dollars or “Chamber Bucks”. Programming such as members-only networking clubs (modeled somewhat after BNI), special member-only training seminars, members-only networking events and similar programs add value to membership. It is important to look at programs as a potential source of non-dues income, but be careful to consider potential impact/competition with members (such as when offering an insurance or long-distance telephone savings program).
- I. *Recognition of New Members and the Foundation Members*- New members should be recognized and celebrated in a specific and well-planned manner. Many Chambers list new members in the newsletter, on the website, or weekly email news sources. New members are often formally welcomed and introduced at events such as Business After Hours or other networking venues. It is important not to overlook “foundation members”. Too many times Chambers tend to fawn over the new members and forget to recognize and thank the member that has been around for 10, 15, 20 years or more. These are very important members – do not take them for granted. Find creative ways to honor their longevity within the organization.

In summary, members are the lifeblood of the organization. The Chamber must be organized to focus on member needs, be member-driven and must look at membership retention rates as a critical indicator of the organization's success and effectiveness.