

What's the Cost of NOT Hiring an Association Management Company?

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As a full-service association management company, Kassalen Meetings and Event (LLC) is a great option for associations whose operational needs have outgrown the capacity of a volunteer-driven Board and Committee system. If your organization is struggling to meet goals, provide timely member support, and manage day-to-day operations, then hiring an association management company (AMC) like KME will make a dramatic positive change on your association, especially your Board and your members.

But many Boards hesitate to invest in an AMC, especially when they see their organization's limited budget. If you're wondering whether you can afford the cost of an AMC, it's important to also consider the cost of NOT hiring one. Here are a few key points to think about:

1. Volunteer Burnout and Staff Turnover

Boards know that running an association requires ongoing effort. The vision for your association may be clear, but the resources available to implement that vision often are not. When volunteers are asked to take on too much work that is outside their expertise or availability, burnout quickly sets in. Volunteers will either step back, leaving you with gaps in leadership, or they will become frustrated with the lack of professional support, which can lead to turnover or disengagement.

Cost of not hiring an AMC:

- Volunteers drop out or become disengaged.
- Turnover increases, and you spend time recruiting new volunteers instead of focusing on growth and strategy.
- The organization struggles to keep up with its commitments and members lose trust.

2. Missed Strategic Opportunities

Association Boards are typically focused on long-term goals and strategic growth. However, the day-to-day operational responsibilities—like membership management, event planning, marketing, social media, and financial oversight—often consume so much time that strategic work takes a backseat. Without dedicated and experienced professionals to handle these tasks, important initiatives may get delayed or never happen.

Cost of not hiring an AMC:

- Strategic goals remain unmet as time and energy are consumed by routine tasks.
- The Board may struggle to maintain forward momentum, causing the organization to stagnate or lose relevance in the field.
- Without a professional to guide operations, there may be inefficiencies that ultimately prevent the organization from achieving its full potential.



3. Declining Member Engagement

Members are the lifeblood of your organization, and it is they who are the actual owners of your nonprofit. The Board is responsible to the members and dues-paying members expect consistent communication, relevant programming, accessible event locations, and engagement opportunities with peers sharing their location and interests. If there is a lack of communication or follow-through from the Board or volunteers, members may feel neglected and disengage.

Cost of not hiring an AMC:

- Membership numbers decline due to lack of access, engagement, and communication.
- Members may not feel valued, unheard, and might not renew their memberships.
- Volunteers become harder to recruit, and fewer members are willing to serve on the Board or as committee chairs.

4. Inefficiency and Increased Costs

Board members, volunteer leaders, and Executive Directors who are new to their roles often struggle with handling operational tasks, leading to inefficiencies. They simply do not have the experience and skills needed for association management, nor should they. Their roles lie elsewhere within the association. Leaving operational tasks to those not experienced in association management leads to mistakes in planning and execution, which can result in wasted time, missed deadlines, and even costly financial errors. Additionally, without professional support, your team may rely on external vendors or resources that cost more in the long run due to the lack of internal negotiating expertise.

Cost of not hiring an AMC:

- Wasted time and increased costs associated with inefficient operations.
- Missed deadlines or mistakes in critical tasks, leading to financial or reputational consequences.
- Higher dependency on expensive external resources that could have been handled more cost-effectively by an AMC.

5. Inability to Implement Key Projects

Associations often have exciting projects or initiatives planned—whether it's a membership drive, a conference, or launching a new initiative—but without sufficient time, expertise, or staffing, these projects are delayed or fail to launch altogether.

Cost of not hiring an AMC:

- Key projects fall behind schedule or are scrapped entirely.
- New initiatives that could drive membership and revenue growth don't come to fruition.
- Opportunities for innovation and improvement are missed.

6. Lack of Professionalism and Accountability

Running an association is like running a business and it requires professional oversight and management to ensure smooth operations, accountability, and the trust of members and stakeholders. Volunteers often don't have the professional expertise to handle complex tasks like financial management, nonprofit compliance, or strategic planning, and without the proper support, these areas can fall through the cracks.

Cost of not hiring an AMC:

- Missed opportunities for financial growth or potential non-compliance or tax issues.
- Lack of accountability leads to disorganization and poor decision-making.
- The Board may end up micromanaging or redoing tasks, losing valuable time that could have been spent on higher-level strategy.

How to Evaluate the Cost of Not Hiring an AMC

An easy exercise is to write down a list of things your organization hopes to accomplish over the next year—whether it's growing membership, hosting an large meeting or event, launching a new project, or increasing member engagement. This list can be shared with the Board and used as a benchmark to measure success. When that envelope is opened a year from now, the Board will have a clear understanding of how well things went with volunteers, and whether it was effective in meeting goals.

It's important to remember that the cost of NOT hiring an AMC may far outweigh the cost of the AMC itself. When the day-to-day work is professionally managed, the Board can focus on high-level goals that propel the organization forward. Associations should strive toward having a strategic board as opposed to a tactical one which is 'always in the weeds' looking up and gasping for air.

Conclusion

Ultimately, hiring an association management company frees up the time and resources of your volunteers, reduces burnout, ensures continuity, and moves your association closer to its strategic goals. With Kassalen Meetings and Events, your association can focus on what really matters—growth, impact, and member satisfaction—while we take care of the rest based on expertise of delivering professional association management services for more than 28 years.

The right investment now can save you significant time, effort, and financial resources down the road. Give us a call at +1 412-343-2235, visit www.Kassalen.org, or email me at Beth@Kassalen.org to discuss your association management needs.