

CalSHRM Membership Strategy Workshop

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CalSHRM Director, Membership
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San Diego, CA



SHRM Membership 101

SHRM Membership 101: Key Terms

- ▶ At-large Member
- ▶ Local Member Only (LMO)
- ▶ Primary Member
- ▶ Multi-Member
- ▶ Expired Member
- ▶ Student Member
- ▶ CFSP (Chapter Financial Support Payments)
- ▶ Coding/Primary Designation Form



2019 Membership Strategy

Traditional Mindset vs. Now

It used to be

- Members would pay their dues to belong – Power in Numbers and representation on issues
- Members would attend face-to-face meetings – conferences and major events
- Members would be involved – volunteer time and expertise, speak on behalf of the industry
- Members were loyal

LIFE WAS GOOD....

Traditional Mindset vs. Now

Today

- Members demand and expect value
- Companies/organizations demand to see their return on investment – scrutinizing their benefits and value
- Members have time constraints – they are BUSY
- **Some members do not realize they should be members**

THINGS HAVE CHANGED....



Factors Possibly Impacting Your Membership Strategy



1

External environmental factors. Issues completely outside the members' but impacts their business, i.e. technology, new regulations

2

Industry factors. Issues within the industry impacting how your members operate, i.e. new entrants into the market, mergers, low consumer confidence/trust

3

Company factors. Issues within the employing organization of your members, i.e. staffing model changes or new technology

4

Professional factors. Issues within the profession represented by your members, i.e. government-mandated changes in professional development

5

Personal factors. Issues that directly impact the individual, i.e. reluctance to commute or travel, available resources to perform

Planning Tools: SHRM Membership Report

Look Back to Plan Ahead

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0114	Sacramento Area HRA	320	340	340	349	340	348	8	MG	604	21	235	July	61.09%	
0117	Kern County SHRM	91	116	117	117	114	119	3	L	353	4	230	July	34.84%	
0130	San Diego SHRM	414	315	384	408	344	351	36	MG	515	11	153	July	70.29%	
0184	San Joaquin SHRM	176	154	166	173	167	170	16	M	171	0	1	July	99.42%	
0344	Bay Area HR Exec Cncl	38	72	119	111	69	63	-9	M	107	7	37	July	65.42%	
0393	Central Coast HR Assn.	53	66	72	76	43	50	-16	S	89	1	38	July	57.30%	
0461	Santa Barbara HRMA	108	110	111	105	111	110	0	M	216	2	104	June	51.85%	
0499	Central Valley HRMA	114	148	149	148	108	111	-37	M	180	13	56	July	68.89%	
0640	Sierra HR Assn.	35	23	26	25	28	26	3	S	40	4	10	July	75.00%	
0651	SHRM of Tulare /Kings County	50	58	52	54	57	53	-5	M	119	3	63	November	47.06%	
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0721	Imperial Valley	19	18	20	22	21	21	3	S	58	1	36	August	37.93%	
0748	So CA Wine Country SHRM	137	86	96	96	97	96	10	S	97	0	1	July	98.97%	
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Planning Tools: SHRM Membership Report

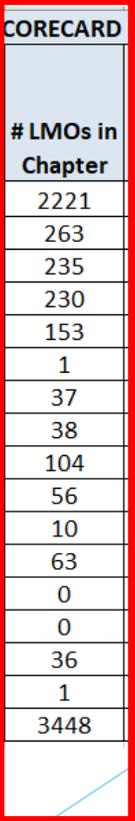
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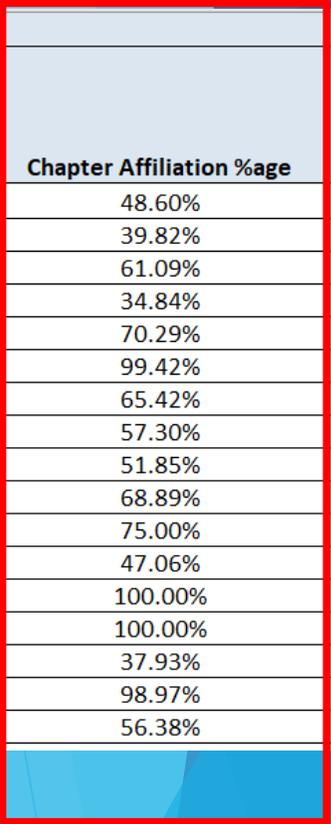
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California Membership Update:

State Statistics: Total Membership

California Statistics	Dec 2017	Dec 2018	Change
SHRM Members in California	24,305	24,347	42
In Chapters	3,687	4,238	551
At-Large	19,198	20,109	911

California Membership Update:

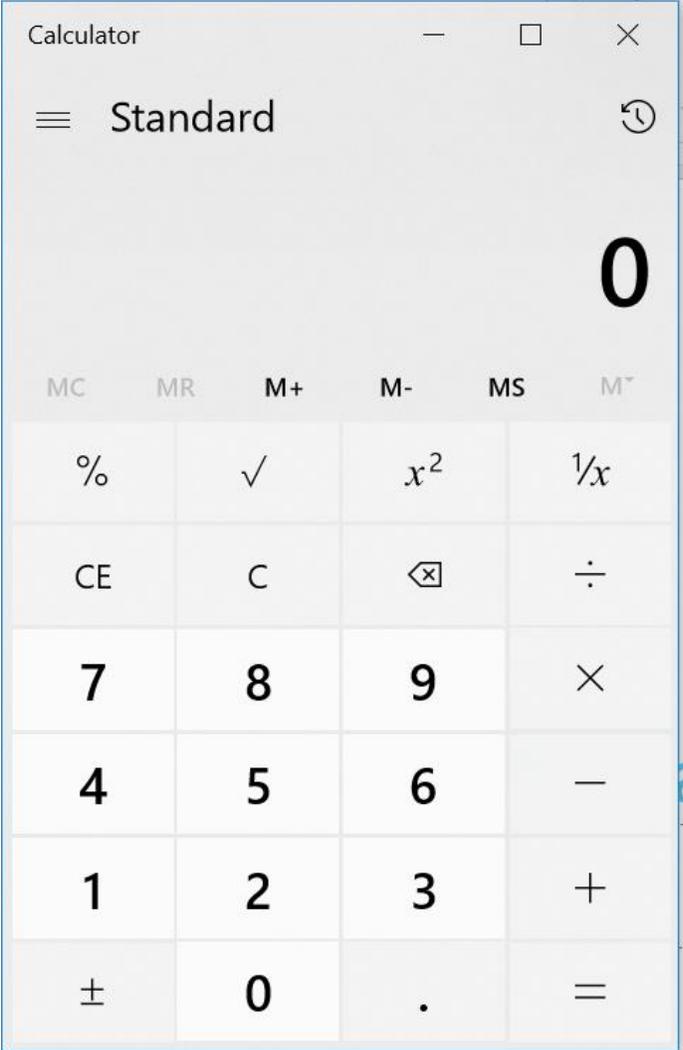
State Statistics: SHRM Certifications

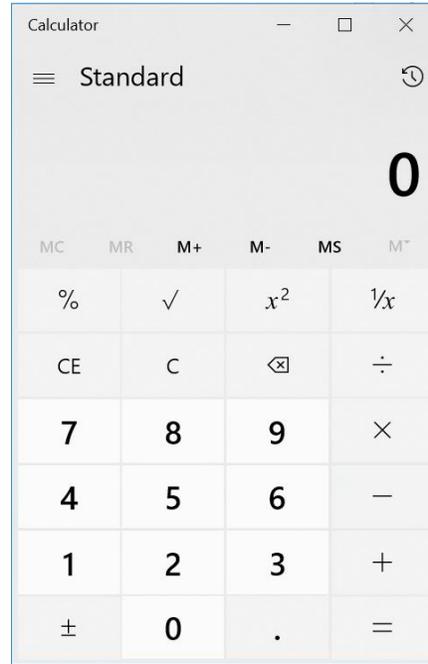
California Statistics	Sep 2018	Dec 2018	Change
SHRM Members w/ SHRM Certifications	5,515	5,552	37
In-Chapter	2,142	2,217	75
At-Large	3,373	3,335	(38)

Chapter Goals Exercise: Reflections for 2019

- ▶ Where is your chapter trying to go? How is it going to get there?
- ▶ What new initiatives are on the horizon?
- ▶ What do members want? How has that changed?
- ▶ Who are your chapter's major competitors locally?

Get out your calculator!





Membership 201: Calculating Value

Renewal Rate

Renewal Rate measures the number of members kept over a given period of time -- usually during a fiscal or calendar year. Provides data for other Metrics.

Renewal Rate = (Total Number of Members Today – new members in the past 12 months) / Total Number of Members in the Previous Year

Exercise:

You have 1,050 members on 5/31/2018. In the past 12 months you've acquired 250 new members. Last year on 5/31/2017 your total membership was 1,000.

What is your renewal rate?

Renewal Rate

Answer:

$$1,050 - 250 = 800$$

$$800 / 1,000 = .8$$

Renewal Rate = 80%

Average Tenure

Defines how long on average members stay with an association.

Avg. Tenure = $1 / (\text{Inverse of renewal rate})$

Inverse of Renewal Rate = $1 - \text{renewal rate}$ (also known as lapse rate)

Exercise:

Assuming the following renewal rates, calculate average tenure:

Renewal Rate	Average Tenure
90%	
80%	
75%	
60%	

Average Tenure

Answer:

90% Renewal Rate

Inverse of Renewal Rate = $1 - .90 = 0.1$

Average Tenure = $1/0.1$

Average Tenure = 10 years

Average Tenure

Answer:

Renewal Rate	Average Tenure
90%	10 years
80%	5 years
70%	3.3 years
60%	2.5 years

Value of a Member

Defines the economic value produced by a typical member!

LTV = (Annual Dues revenue per member + annual non-dues revenue per member) * Average Tenure

These helps to determine the level of investment for acquisition!

Exercise:

Calculate Lifetime Value for the following associations:

Association A: Annual dues are \$100, avg. member annual non-dues rev. is \$50 and the association renewal rate is 80%.

Association B: Annual dues are \$160, avg. member annual non-dues rev. is \$75 and the association renewal rate is 75%.

Value of a Member

Answer:

Association A

Renewal Rate: 80%

Average Tenure = 5 years

$$(\$100 + \$50) * 5 = \$750$$

Value of Member = \$750

Value of a Member

Defines the economic value produced by a typical member!

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Exercise:

Calculate Lifetime Value for the following associations:

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Association B: Annual dues are \$160, avg. member annual non-dues rev. is \$75 and the association renewal rate is 75%.

Value of a Member

Answer:

Association B

Renewal Rate: 75%

Average Tenure = 4 years

$$(\$160 + \$75) * 4 = \$940$$

Value of Member = \$940

Growing to Stand Still

Defines the equilibrium of total membership where members gained will offset members lost will be equal.

This projects total members over time assuming new member input and renewal rates remain constant.

$$\text{Steady State} = \frac{\text{Annual New Member Input}}{\text{Lapse Rate}}$$

Exercise:

Calculate Steady State for the following associations:

Association A: 250 new members a year and 80% renewal rate

Association B: 500 new members a year and 75% renewal rate

Steady State

Answer:

Association A

$$250 / .80 = 312.5$$

Steady State = 313

Growing to Stand Still

Defines the equilibrium of total membership where members gained will offset members lost will be equal.

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Exercise:

Calculate Steady State for the following associations:

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Steady State

Answer:

Association B

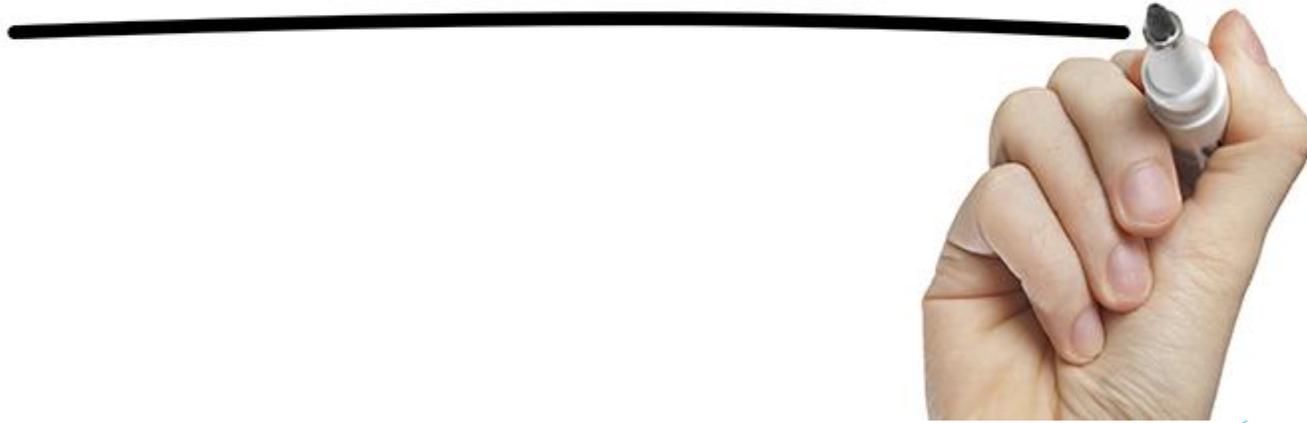
$$500 / .75 = 667$$

Steady State = 667

Takeaways

What is your 30-60-90-Day

ACTION PLAN ?



Important Dates

2019 SHRM Membership CLA Meetings

SHRM Membership CLA Webcasts (30 minutes):

- ▶ February 21 - 1:00 pm PT
- ▶ May 16 - 1:00 pm PT
- ▶ August 22 - 1:00 pm PT
- ▶ October 17 - 1:00 pm PT

Register on the SHRM VLRC:

<https://community.shrm.org/vlrc/leadership/webinars>

2019 CalSHRM Chapter Membership Meetings

CalSHRM Membership Webcasts (state-specific):

▶ February 19

12:00 - 12:45 pm PT

▶ April 30

▶ June 18

<https://zoom.us/j/9918402074>

▶ August 20

Dial-In: 1-408-638-0968

▶ October 29

Passcode: 991 840 2074

▶ December 17

Contact Me



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