

# Chapter Showcase

## October 14, 2008

### **Non-Dues Revenues-the Key to Our Chapter's Profitability**

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# What are we trying to accomplish?

- ▶ Too often the goal is on generating enough to cover expenses---basically, on survival.
- ▶ That is a defensive strategy---one that focuses on holding what you have, not on growing.

**The focus should be growing NET Revenue.**

# We have been on a journey

- Where our chapter is today reflects more than ten years of effort.
- We are committed to the aggressive pursuit of profitability---everything must make money.
- We have worked to build a process that supports and feeds this goal.

.....all so we can accumulate the resources to invest in activities and programs that support our mission.

# So Cal Chapter - 1997

- Membership - stagnate and in slow decline
- Dues at \$75 -too low to support operations
- The Conference was the only non dues revenue  
--- but conf income did not cover conf expenses!
- Of total \$88,000 in income
  - dues were 58%
  - registration fee income was 33%
  - exhibits and other was 9%
- But, on that basis, in FY 96, lost \$59K!
- And there was only \$77K left in the bank.

# A NEW FOCUS

- First, Board had to admit there was a problem.
- Stopped all non essential spending.
- Focused on fundraising---on the vendors.
- Began active recruitment/retention effort.
- Re-thought the old ways.
- Adopted sound business operations.
- Committed to getting the money, before spending it.

# The Board Set a New Path

- Dues were too low and had to be raised.
- Set goal: accumulate 50% of annual budget in reserves.
- Recognized that growth in membership numbers was not likely.
- The conference MUST breakeven; and should make money.
- Non dues sources of income had to be the growth engine.

# Membership Dues

- Ten year avg # of ACS Fellows in the region is 1,900---the Chapter average penetration is 50%---not likely to grow appreciably.
- \$75 per member---**too low to support spending**
  - of that, \$38 goes to buy subscription to the *American Surgeon*
  - remainder to cover all other administrative costs.
- **New Goal: membership fee should be high enough to support member services incl. management.**
- Raised dues from \$75 to \$125---**no fallout!**

# Membership Sales—Keep What we have

- Annually send personal letter to all ACS Fellows who are not chapter members.
  - Do it mid year---give 18 months membership.
  - Include an invoice for convenience...**yeah, right!**
  - Send invite to all new move-ins.
  - Nets 30-40 new members per year.
- Send increasingly strident renewal notices until paid.
- **Give new initiates first year free membership----**  
make it up on renewals.

# Member Services

- Primary member services:
  - Subscription to the monthly *American Surgeon Journal*
  - A 3-day, scientific conference to present academic talks, not clinical.
  - Legislative advocacy through CMA.
  - Representation on various committees, commissions and national boards.

# Specifics-Member Services

- We have tried to add diversity to programming
  - Joint ventured clinical workshops with hands on training.
  - Joint ventured with allied associations to provide related training.
  - Added Trauma as a major conference component.
  - Toyed with doing a conference syllabus of papers.
  - Trying a mid-year clinical workshop, in town, on a Saturday morning.

# Annual Conference-back then

- The only source of non dues revenue ---  
but income was not covering expenses!
- 150-190 attendance, depending on venue  
---Only 100-130 paid registration fee  
.....the rest were free residents.
- 14-16 exhibitors @ avr of \$600 each
- No sponsors.
- In 1996 had \$42,775 in revenue and  
\$79,840 in expenses.

# Annual Conference-then (con't)

- Perks at play----Presidential prerogatives
  - hospitality suite
  - dinner dance (selected the entertainment, menus and the venue.
  - site visits to “plan” the meeting.
  - president’s dinner --- free to attendees, no sponsor.
  - there was no budget; no discipline and no reality check.

# Annual Conference-now

- Average attendance 250-275
- Exhibits sell out--\$55,000 gross this year.
- Hotel sells out---now reservations are being made *before* the promo is out!
- In 2008, commercial support, including exhibits, was \$90,500 or 65% of conference revenue **up from \$6,000 or 7% in 1997!!!!!!**

# Specifics - Conference

- Eliminated dinner dance (**it was painful**).
  - Replaced with an elaborate reception.... now people come, it is a highlight.
  - Sponsors love it, and pay accordingly.
- Added oral presentations to Posters, and made it a Wine and Cheese Reception.
- Stopped rotating meeting. Now only go to the most popular venue---Santa Barbara Biltmore.
- Co-ventured with CA Trauma Conference---expanded audience, more practical content.

# Specifics – Exhibits

- Limited space creates shortage....raised price every year for seven years....now at \$2,000 per table top.
- Last year reduced the number of days for the exhibits, cutting our costs, charging the same. Positioned as assuring quality time.
- Built reputation of providing good visibility
  - All breakfasts, breaks in middle of exhibits.
  - Use bingo card drawings to force exhibit visits-exhibitors provide the prizes.
  - Have added cold sandwich lunch in exhibit area.

# Specifics - Sponsors

- EVERY THING IS FOR SALE!
  - Prepare a list ---post it, give to board to sell.
  - Can't sponsor unless an exhibitor.
  - Sponsors over \$4,000 get FREE exhibit.
  - President **MUST** get sponsor for VIP dinner.
- Must have motivated volunteers sell
  - Staff provides support.
  - Staff can close the sale.
  - Volunteer creates the urge and the obligation.
  - Guilt works.

# Corporate Supporters Opportunities-2009

Exhibit table, only - \$2,000 **(limited to 32)**  
**(must be exhibitor in order to sponsor)**

- **President's Invitation Only Dinner - \$10,000**
- **Ad, Conference Program Book - \$5,000**
- **Friday Night Reception/Dinner - \$7,500**
- **"What's New in Surgery" Sessions - \$5,000 each**
- **Ad, Promotional Announcement - \$5,000**
- **Friday or Saturday Luncheon - \$5,000 each**

# Corporate Supporters Opportunities-2009 (con't)

- Wine & Cheese/Poster Session - \$5,000
- One day, Breakfast & Breaks - \$4,000
- Sponsor one Paper Session- \$4,000
- Specialty Section Sponsor - \$4,000
- Nametag Lanyard Sponsor - \$4,000

Any firm that sponsors for at least \$4,000, receives their exhibit space free-of-charge.

# Other sponsor ideas

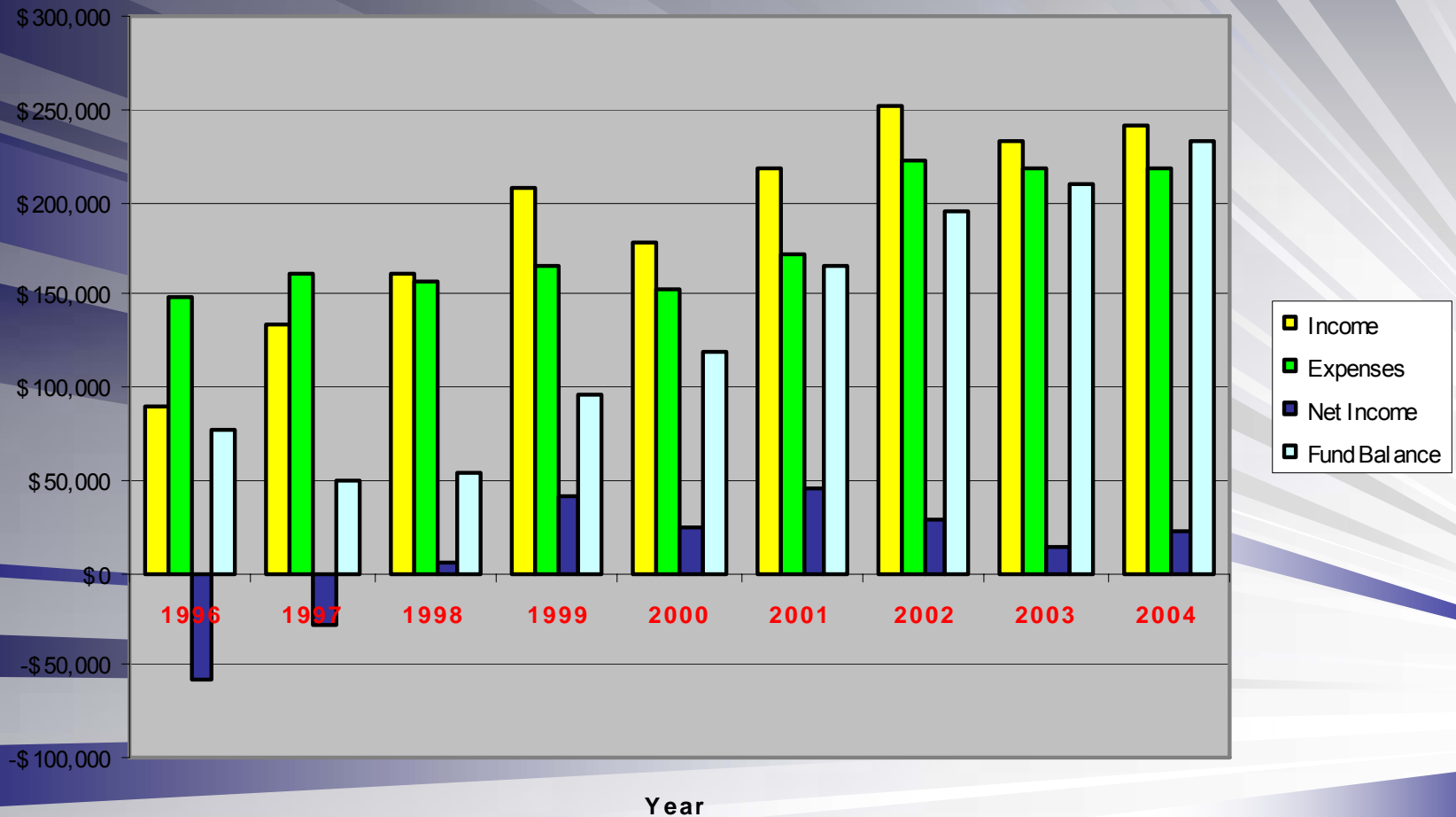
Find sponsors for events we pay for, like...

- Sponsor the Women in Surgery lunch
- Sponsor the Young Surgeons Breakfast
- Sponsor the audio visual equipment
- Sell named sponsorship for guest lecture slots, or special key note address.

.....and on and on.

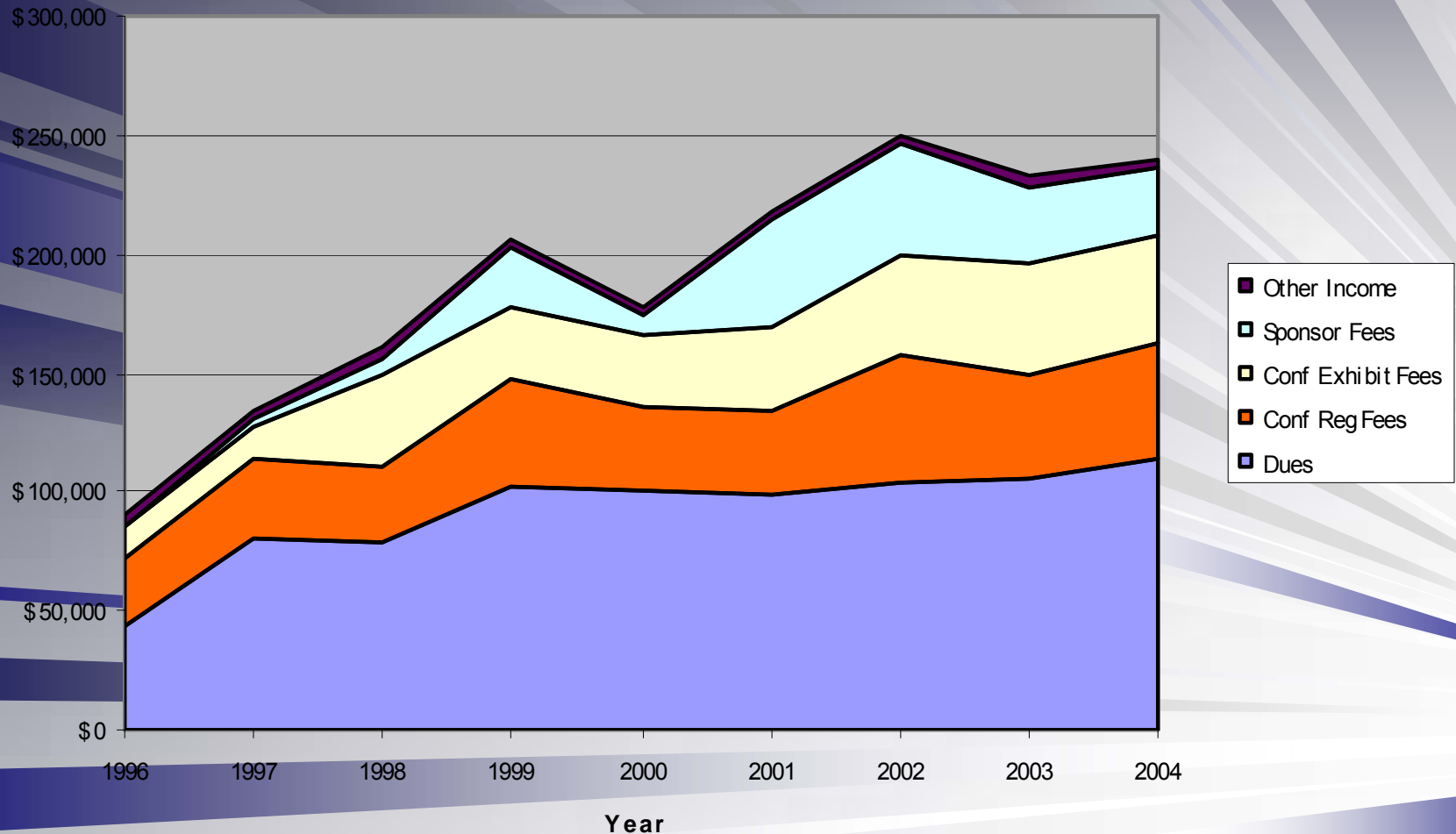
# What Have Been the Results?

Income vs Expenses



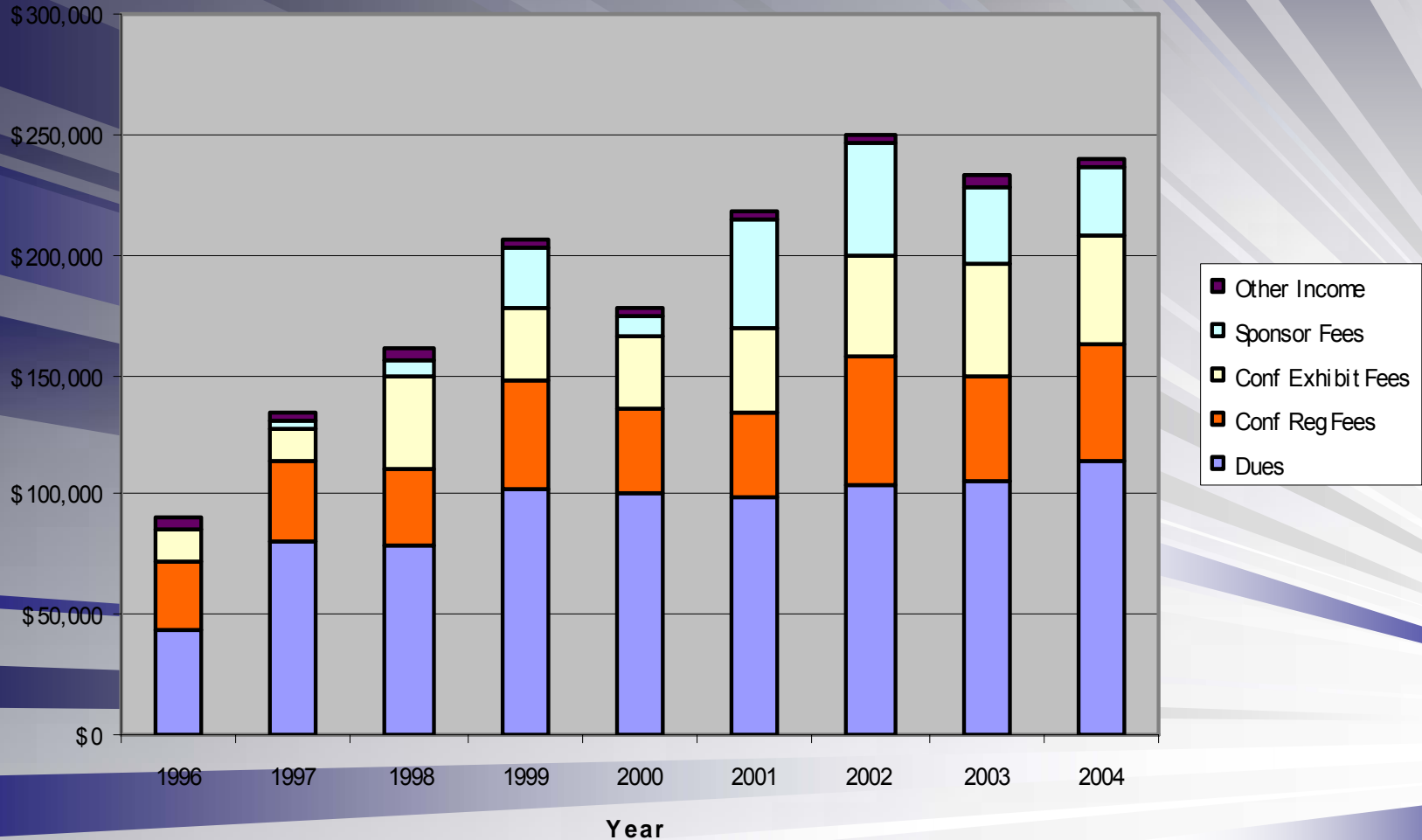
# How Income Has Changed

## Income Distribution



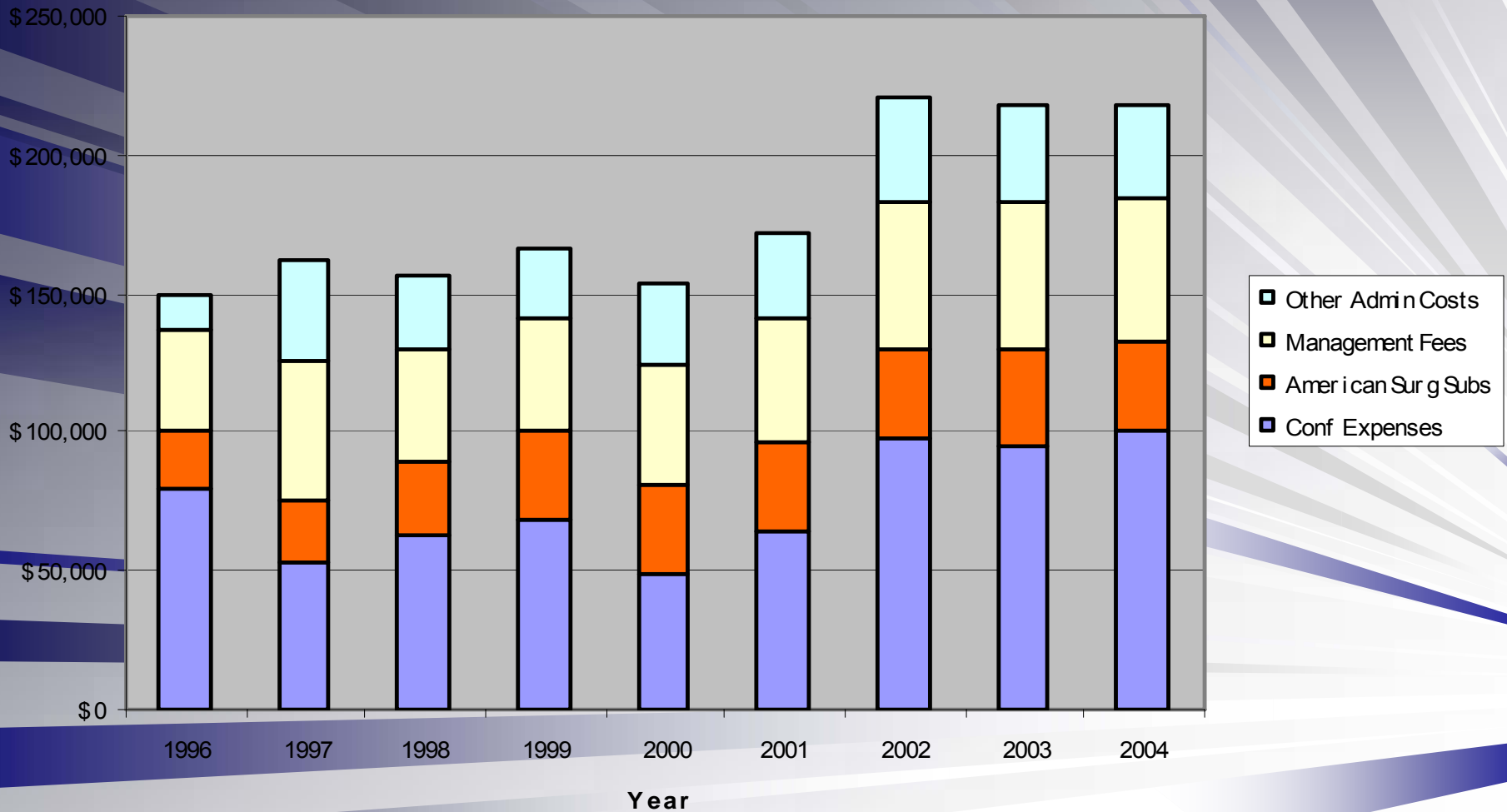
# Change in Income-an other view

## Income Distribution



# The Key---Control Expenses

## Expense Detail



# TODAY

- 1040 Chapter members.
- Conference has 225-275 attendees.
- Exhibits sell out; with sponsor program covers 65% of conference expenses and assures a profit of 10-20% of revenue.
- Chapter avr net income 12-18% per year.
- \$250,000 in reserves.....110% of budget.

# Now we are Investing

- Spending money to engage Initiates
  - Free first annual conference.
  - Free first year chapter membership.
- Spending money to encourage young surgeons
  - Funding three, \$3,000 per YS stipend to use at national or local ACS meetings.
  - Sending young surgeons to national YS session

# The Future

- We are concerned.....re lower meeting turnout, membership decline, and greying population. We are looking to experiment.
  - Perhaps more focused clinical workshops.
  - Perhaps merger with other local surgical groups that provide education in different ways.
  - Perhaps move to more on-line or other electronic educational techniques.
  - More on-line interactive services.

Productivity is a combination of  
effective professional service  
delivery and effective collections



What makes the Best Better?

They work at it every single minute, in every possible way.

**Thanks!**