

Strategic Marketing for Professional Bodies

This is a short paper designed to help Professional Associations and Institutes to understand and improve their marketing and strategic marketing planning in response to the demands of 21st Century customers and the needs of the professions.

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1. Introduction

This paper is an extract from a larger work, but attempts to set out some basic principles of strategic marketing planning as they apply specifically to Professional Bodies. It also examines some of the typical misconceptions that exist about marketing in such bodies. This paper gives practical advice to avoid some of the more common mistakes that arise and offers advice both to marketing agencies wishing to sell their services to Professional bodies and to the bodies who wish to buy such services.

Observations about the market and the changes taking place are generic and may not apply to all organisations.

The generic term Professional Body is used, but it means Institute, Association, Society, Trust and Chartered Body.

The author hopes that readers find this paper beneficial to their organisation and if any further help is required, the author can be contacted at chris@lenton.com.

2. Operating Models

The typical model operated by many Professional Bodies consists of:

- a) membership gained through passing an entrance examination and validation of relevant experience;
- b) the award of designatory letters normally Member and Fellow;
- c) the issue of practising certificates;
- d) employer recognition of the qualification and the organisation;
- e) branches throughout the UK and some internationally running member events;
- f) an elected council or board.

Other common features are that many are set up as not-for-profit guarantee companies owned by their members who on joining sign the guarantee clause of the memorandum, typically committing to contribute £1 in the event that the company is wound up. There is also no distribution clause, so members cannot participate in the proceeds of a winding up. Most Charter Bodies are different in this regard in that the Royal Charter does not have a guarantee clause and therefore the members no longer own the organisation. It has in fact become a self-perpetuating trust.

The governing council or board are normally elected by the membership and range in size from 10 to 150 members. At the larger end of the scale there is (perhaps understandably) little, if any, attempt at meaningful strategic debate and having a board drawn from just one professional discipline can impact on its effectiveness, especially if the members are not engaged in the formulation of strategy in their day jobs.

The main membership benefits are, typically:

- a) preference in the employment market;
- b) adherence to a code of ethics and conduct;
- c) standard setting and recognition;
- d) status;
- e) career development;
- f) training, conferencing, workshops and seminars;
- g) networking;
- h) publications;
- i) information service;
- j) helplines and advice;
- k) promotion of the profession;

This is not an exhaustive list; some organisations provide club facilities, catering and functions, job sites etc. All these benefits have been in response to members' needs and requirements.

3. Changes in the 21st Century

So what has changed in 2010? We see evidence of the Professional Body market in decline as organisations struggle both to retain individuals in membership and to attract new members.

There are a number of external changes that are influencing this:

- a) The training businesses that underpins the finances of many Professional Bodies have suffered in recent years as employers become more discerning about what they are prepared to fund, and alternative, quality professional trainers have emerged, for example Hemsley Fraser and BPP.
- b) During recession, employers frequently reduce their funding for training and for membership subscriptions for their employees. As a result, membership numbers have declined. (The fact that individuals do not take up paying for membership themselves in these circumstances should give pause for thought in its own right; subscription rates are not high, tending to be circa £125 to £250 per annum, and this suggests that the benefits are either not appreciated or not valued by the members. In which case there would seem to be a case either for better strategy or for better marketing – or both).
- c) There has been an explosion in academic provision and qualifications over the last 10 years with the collegiate sector offering some 40,000 degree programmes (1). Many compete directly with those offered by Professional Bodies and therefore students may not immediately appreciate the value in joining the appropriate professional body of their chosen profession, but instead rely on their degree award.
- d) Young professionals are happy to pursue relevant qualifications and Continuing Professional Development (CPD), but are less convinced about membership ‘per se’.
- e) Access to information, including specialist and current information, has never been easier so one of the traditional planks of a Professional Body offering has been weakened.
- f) Professional Bodies do not enjoy the same influence with employers that they used to. There are exceptions to this, one of which is the three major accounting bodies, where the right to practise is still conditional on having the appropriate qualification.
- g) Employers are interested in qualifications and experience and not necessarily whether their employees are members of a professional body.
- h) Professional Bodies appear to be perceived as old fashioned.
- i) Individuals are more discerning about how they spend their money.

4. Strategic Planning

Many readers will be familiar with strategic planning, but it is not a skill many possess. David Collis, writing in the Harvard Business Review article in 2008 (2), said:

“It is a dirty little secret that most directors don’t know what the elements of a strategy are, which makes it impossible to develop one. Any strategy that cannot explain why customers should buy your product or service is doomed to failure. The result? An astonishing number of organisations, executives, front line employees and all between are frustrated and confused because no strategy exists”.

Most CEOs claim to be strategic thinkers, but in reality few actually are. Some of the more important attributes required for successful strategic thinking, (3) are:

- a) **An ability to visualise the future;** what does success look like three to five years from now?
- b) **To have a clear view of “the bigger picture”** – professional bodies all too often get caught up in the specifics and details of their own profession and immediate concerns and issues. People who enjoy detail are vitally important to any organisation, but in a strategic debate their desire to examine all the detail before coming to a decision can fatally inhibit the decision making process
- c) **To be able to think tangentially.** Strategists need to be able to look beyond the present constraints of an organisation or indeed the things that they do and the products and services they provide.
- d) **To be a creative, innovative thinker.** Developing new strategies to solve the problems that a Professional Body requires truly innovative thinking and this is a skill in its own right.
- e) **Not to be too risk averse.** Many individuals (and indeed some whole professions) are profoundly risk adverse and an over cautious approach inhibits thinking and hence the chances of the professional body developing and succeeding.
- f) **To encourage innovative, strategic thought in others.** The desire to be seen to be leading the debate can sometimes prevent the CEO from taking advantage of the creative thinking capacity of others within the organisation.

For Professional Bodies, the challenge is ensuring that all, but only, the right people are in the room to have a coherent strategic debate. They face a unique problem, since their main boards or councils are composed of members of one profession, many or all of whom may not operate at a strategic level in their day jobs, yet they are charged by the constitution to set the strategic direction of the organisation.

There are potentially four solutions to this problem, which are not mutually exclusive:

- a) Institute eligibility criteria to be able to stand for election to the Council such as... “a candidate must be operating at a strategic level in the job and be an executive director”.
- b) Appoint, rather than elect, the main Board.
- c) Ensure that the CEO/Director General and the executive directors are selected for their strategic as well as their executive management skills.
- d) Recognise the problem for what it is and retain an expert firm of consultants to facilitate the process.

5. Vision

NASA’s mission statement in 1958 was “To advance and communicate scientific knowledge and understanding of the Earth, the solar system, and the universe and use the environment of space for research. To explore, use, and enable the development of space for human enterprise. To research, develop, verify, and transfer advanced aeronautics, space, and related technologies.

Their vision, by contrast, was “To put a man on the moon” which everyone understood, identified with and worked towards. A vision needs to inspire; this one did.

Professional bodies may not have access to such an instantly inspiring vision, but they still need to have one. In many cases, it can be drawn from the main object of the Charter or Company Memorandum but may need refining in the light of present day thinking.

The objects of the Chartered Institute of Marketing, for example, are:

- a) To promote and develop the art and science of marketing and to encourage, advance and disseminate knowledge, education and practical training in and research into that art and science.
- b) To promote and maintain high standards of professional skill, ability and integrity among persons engaged in marketing products and services.
- c) To promote entry and advancement in the profession of marketing by means of examination and other methods of assessment.
- d) To provide and develop a professional organisation for marketing.
- e) To increase public awareness and understanding of marketing as a vital factor in business success and prosperity.

This would suggest a vision along the lines of:

“To be recognised as the centre of marketing excellence that all aspiring marketers are inspired to join”

Whilst other suggestions may present themselves, the advice offered here is not to agonise too long on this issue. Distil the essence of what the organisation is trying to achieve.

6. Strategic Objectives

In considering these, readers are in effect asking themselves the question: “what do we need to achieve and where do we need to be if we are to fulfil our vision? In the example above, the CIM have itemised these, but they then go on to break them up into smaller objectives. This then enables detailed delivery strategies to be formulated for each objective.

Here is an **example** from a plan recently written for a new professional body. The name has been removed for reasons of confidentiality.

A. Strategic objectives

Short term objectives by or before 2015 to:

- a) Create the professional body described in the vision
- b) Build the brand
- c) Be the largest UK professional body in this profession
- d) Build a membership of 15,000
- e) Build the student base to an annual average total of 5,000
- f) Create a successful commercial arm of the Association
- g) Produce a 15% pre tax surplus year on year
- h) Obtain official recognition of the Association’s qualifications

Medium term objectives beyond 2015 to:

- i) Form an alliance or join with the European Association
- j) Form an alliance or join with European Federation
- k) Obtain awarding body status
- l) Gain Companies House approval to convert from and “Association” to the “Institute”
- m) Grow membership to 22,000
- n) Grow student base to 8,000

Long Term Objective beyond 2020

- o) Obtain Chartered Status
- p) 30,000 members
- q) 10,000 students
- r) Obtain Chartered Member Status

These are corporate objectives which describe a desired destination or result. How they are to be achieved are strategies. These need to be distinguished from marketing objectives which are about products, services and markets only (5).

So having set strategic objectives, attention can now be turned to the strategies that can be deployed to deliver them. First, however, a market analysis must be undertaken.

At this juncture, it should be pointed out that the Marketing Plan is a subset of the main Corporate Plan and the remainder of this paper deals with the issues of marketing planning only.

7. Market Analysis

This is a crucial part of the planning process. Knowing where you want to be (Vision) is only half the solution. To determine the size of the task, the size of the gap needs to be established. Hence the second big question is: “Where are we now?”. This analysis is called the marketing audit and is divided into two; the internal audit and external audit.

External Audit: This looks at the following things:

1. Environment

- a) *Political* – What is the political framework in which the Professional Body is working? Which are the key ministries/institutions that need to be influenced? Is there opposition to the Professional Body concept if so from whom? What key legislation affects the profession and what can be done and what can be influenced?
- b) *Economic* – Analyse the current economy and the impact it is having on the Professional body’s particular market. For example: how is the take up of membership affected? Or, what has happened to the body’s training business and how has it been impacted? What issues does this raise?
- c) *Fiscal* – What are the current constraints, tax regimes etc? Are the rules changing? For example: is it possible to look at partial VAT exemption or a restructuring through a commercial subsidiary?
- d) *Legal* – Never has so much legislation been produced; how has this impacted on the professional body in areas such as compliance, governance, social responsibility, ethics and sustainability?
- e) *Social* – Over the last 10 years there have been huge changes in society, such as in the way we communicate, how we spend our time, employment behaviour, social media and so on. Professional Bodies need to understand how this impacts their markets, their offering and the very nature of the body that was set up.
- f) *Technology:* The changes in this area have had a major impact on how Professional Bodies communicate, operate and function. This needs to be factored into the future and will affect how the body goes about engaging with its customers.

2. The Market

- a) *Size:* This is sometimes difficult for a professional body to assess. There are a number of professions where membership of the professional body is not the only entry point into the profession. Chartered Secretaries, for example, are represented in a number of disciplines from corporate governance through to charity management and senior administration posts. But these posts may also be occupied by those who qualified as a lawyer, accountant or through the Chartered Management Institute. It is important to spend time on assessing the potential market size as accurately as possible so that one can assess the true extent of the body's penetration and what remains to be targeted.
- b) *Market Characteristics:* Here the need is to examine potential growth and development trends and other factors that are affecting the market, particularly where organisations have international operations. There are a lot of common features; most are in the old commonwealth and are educationally and qualification led.
- c) *Products:* What offerings does the body have to meet market demand? How are they priced and positioned? Are they relevant and current and meeting the needs of the market? How do you know?
- d) *Customers:* It is important to identify different segments and seek to understand what each segment may require from the organisation. In many cases it may not be the membership proposition. Individuals engage with a professional body for differing reasons; it could be information, research, training, conferencing, qualifications, publications, consultancy and so on.
- e) *Communication:* It is important to assess the effectiveness of what the body has done and the results achieved. Examine and assess the methods, routes to market and channels used.
- f) *Competition:* A clear understanding of competitors is essential. What do they do better than you? What is the nature of their offering, how much of the market they have got? etc. Many Professional Bodies don't have a direct competitor and their competition typically comes from commercial training and conferencing providers and the education sector, including higher education colleges and universities.

In some professions there are several Professional Bodies, many dealing with niche markets and others in full competition. The Engineering profession appears to have the biggest proliferation. The main accounting bodies all have slightly different offerings split broadly between public sector, management information, corporate and the profession. Marketing in turn has a main large generic body and several niche bodies.

Key areas to explore are reputation, pricing, marketing methods, key strengths and weaknesses, international coverage (if relevant), penetration, profitability and so on.

3. Internal Audit

It is necessary to examine several areas in detail to help inform opinion and give the basis from which to plan.

- a) *The Professional Body:* There will be a myriad of information available of the results that have been achieved from all the departments. Most of what the body does will be symbiotic and in some cases complementary to the main objective.
- b) *Membership:* How is it defined? Does/should it embrace those members of the profession who wish to have a relationship but don't necessarily want to become a full Member or a Fellow? Realistically, what percentage of the profession is it possible to have a relationship with?
- c) *Education:* The expressions relevant, up to date/current, engaging, meeting the needs of employers and customers alike, standard setting, perhaps pioneering and so on all apply here. How are people examined and assessed? How should they be examined? Look at the Syllabus and levels etc
- d) *Training and Conferencing:* Examine what the body does, and in particular what it does well. Get customer feedback.

During the author's time running the CIM Training business turnover was increased by following a simple formula:

- 1) Develop a number of core products that have a long shelf life and a smaller number of new or leading edge products to keep the offering current, relevant and topical
- 2) Ensure that the core products remain current and up to date
- 3) Ensure that they are refreshed and periodically rebranded when necessary
- 4) Invest time and energy into developing new products based on any new thinking or themes
- 5) Invest in delivery: pick the best trainers to ensure that the delivery is of the highest standard
- 6) Rigorously segment the market
- 7) Identify the segments in which it is possible to have or obtain some competitive advantage
- 8) Decide which segments are going to be offered which products

A marketing tip is that 80% of all training in the UK is currently sold by directly targeted mail. The web is an enabler and a way of booking on the course, but only 20% of sales come directly through the web. This will undoubtedly increase over the next five years as standards of e-marketing improve. At present a high percentage of email is treated as junk.

- e) *Publishing*: Most Professional Bodies engage in publishing either directly and/or through third parties. As well as making some money it can also act to strengthen the brand and promote the authority of the organisation.
- f) *Resources*: When the marketing plan is completed, there will be a need to look at how it is going to be delivered. Are the resources available? Are the resources being applied effectively? Are the right skill sets available?
- g) *Constitutional*: Is the governance fit for purpose? Getting this right or wrong will either enhance or inhibit the performance of the operation. Whilst this is not necessarily a marketing issue per se, it is important in the realm of how things are done and how decisions are made.

Finally, on the subject of analysis, there is a variety of tools to aid the marketer to understand the data and the positioning, like the Ansoff and Boston Matrices. There is also a wide range of text books that will help in this regard. Their application can help when explaining ideas and resultant strategies to the executive team and the main board.

8. Segmentation and the SWOT Analysis

Throughout the paper there have been references to segmentation. This cannot be stressed too much. If any Body is to succeed with its marketing strategies, it must analyse and segment its market. Then:

- a) Describe the segment; it should be a specific part of the business and should be important to the organisation.
- b) List the critical success factors and weight them (eg how do customers choose?)
- c) Then complete the strength and weaknesses analysis – think how customers might score a body and its competitors out of 10.
- d) Determine your opportunities and threats – what are the few things outside a body’s direct control that have had or will have an impact on its business.
- e) Finally list the key issues that need to be addressed.

The definition of a market segment is “a group of customers and consumers that share the same or similar needs” (6).

Put in a professional Body context the follow segments will be recognised:

Customers requiring:

1. A qualification
2. Full membership
3. Training
4. Publications
5. Consultancy
6. Information

Each segment can be broken down further so as to facilitate actions and equally customers may have more than one requirement.

These segments should be analysed individually with their own SWOT analysis and the manager should seek to identify the following for each:

- a) Where do we have competitive advantage?
- b) What makes us unique in this segment?
- c) How can we leverage that advantage?
- d) What products and services shall we offer to each segment?
- e) How does each segment buy? ie: what do they respond to?

The list is not exhaustive but it gives an indication of the sort of issues that need to be considered.

9. Marketing Communications Objectives and Strategies

Once the audits are complete, and the strategic marketing plan exists, the aggregated segments and overall objectives will need to have a marketing communications strategy associated with them. This in turn will be broken down into a series of tactical marketing communications plans be created for each segment individually.

This will cover a wide variety of issues including positioning, products, services, branding, product development, pricing, advertising, promotion, literature, events, profile, public relations, research, influencing and lobbying. This is not an exhaustive list but the decisions made here will form the basis of the plan, activities – and budget - for at least the next twelve months.

Here is an example of some of the tactics that a Chartered Body was employing to promote their qualifying scheme. This extract is from the marketing communications plan (as part of the overall marketing plan) of 2006/07. Note that it has been segmented by audience first and then by activity where the activity is common to all segments.

Qualification

- 1) *Target Accountants:* Run a three month trial advertising campaign in the members' magazine for the largest accounting body. The advert copy is to be positioned as encouraging members to gain a complementary qualification, career enhancement, making themselves more marketable etc. If this succeeds ie is cost effective on a ratio of 5 to 1 then we will roll out a similar programme in the magazines of other accounting bodies. Estimated cost £10,000.
- 2) *Target Lawyers:* Adapt the accountant's campaign for the magazines most appropriate for lawyers.
- 3) *Target Health Care Trusts:* Continue with the programme set up by the policy director which targets senior health care professionals in the NHS. Three programmes have already been successfully run producing income of £185,000
- 4) *Editorial:* Seek editorial opportunities in all the major business and professional body magazines.
- 5) *Exhibitions:* Seek appropriate exhibition opportunities that are relevant to the key market audiences.

Brand

At this juncture there is a need to talk about brand. Many people will not understand what full-scale brand management embraces and will tend to think in terms of the corporate identity or logo. The author recalls walking into the office of one professional body Chief Executive who was relatively new in the job and who had spread all over his desk new corporate identity artwork commissioned independently and without the knowledge of the Marketing Director and the executive team. When the author questioned/challenged him on what he was doing, he said "*Well I don't like our logo and the letter heading*". Here was an international organisation that had been going since 1880, operating in over 40 countries and the CEO did not realise that he was about to alter the brand.

A discussion followed about branding and brand management and he was persuaded that if he felt that there was a strong need to alter the international brand, he would at least commence a proper process to determine a) whether it was needed and b) what sound commercial reasons there were for change. Fortunately he relented and abandoned the project weeks later, somewhat chastened but then started to engage with his Marketing Director and learn. Boards or Councils must take note that it is completely unreasonable to expect a CEO to have expertise in all areas equally the CEO has to understand his or her own limitations.

There are numerous books written on the subject so only the basic principles need be summarised here.

- a) The corporate identity of an organisation embodies the very essence of the company.
- b) It projects a variety of brand values that underpin the company and its products.
- c) It becomes recognised both nationally and internationally and in this recognition customers and individuals ascribe to it certain standards and a reputation.
- d) It becomes synonymous with the products and services.
- e) A successful brand invariably results in better profits and market performance.
- f) It becomes an asset – Proctor and Gamble paid £31bn for Gillette and acquired only £4bn in tangible assets. The rest was brand value.
- g) Brands depreciate without investment
- h) Re-branding or altering a brand is to be avoided unless there are strong commercial reasons for doing so.

A good example of re-branding was following the merger of Guinness and Grand Met. There was no realistic way any combination of the former names would work. Also the Grand Met brand was associated with Hotels and Guinness was very much more than an Irish stout producer. In the end they settled on Diageo as the new brand and focused the marketing on transferring the brand values from the previous brands. By contrast, the Post Office's change to Consignia was short-lived, damaging and expensive.

- i) It should be simple and consistent. Some Professional Bodies are tempted to have two brands/forms of corporate identity, one for professional activity, which normally embodies the crest granted by the College of Arms and one for commercial. It is recommended that the organisation should stick with one identity but if absolutely necessary may use the more formal crest on certificates and professional matters of that nature.

10. Expected results, changes and alternative plans

As a result of all the work incoming to this stage, it may become apparent that changes are required to the plan. Even when this is completed, refinements will continue to be necessary regularly throughout the year. For a plan to be any use, it must stay relevant. It is allowed to change.

11. Budget and Financial Plan

Once the planning and the strategies have been refined and completed, the finance team will produce the budget. If everyone has done their job properly and identified the financial outcomes they are seeking, then the budget should produce the required return. It may be that after the first cut some further refinement will be required, typically to temper aspirations with reality.

12. Detailed first year Action Plan

This plan is derived from section 9 above, but in much more detail. It will chart out the physical actions and time frames and assign jobs to the team. It is suggested that it be laid out by segment with specific actions detailed. The individuals who are to deliver the actions are to be identified. A GANTT chart is sometimes helpful in this regard pinned up in the office so that everyone can monitor progress. Formally these things can be done at weekly or by-weekly marketing meetings.

13. Measurement and Review

Each team member will monitor their part in the plan and report on its progress and the management accounts will inform the executive team monthly of the results. The critical success factors need to be detailed both qualitatively and quantitatively.

It must be noted that not all marketing strategies will work; some will work well or in part, others may fail completely. It is important that the team continues to try new and innovative things and continue to seek ways of winning and retaining customers.

14. Practical Considerations

No plan can be effective if it is produced in isolation. It is vitally important to involve all the members of the management team and ensure that the Chief Executive and Directors have agreed the broad thrust of the plan and its strategic direction. They will be looking for particular outcomes and it is important to understand what these are.

15. Marketing Service Providers

Most Professional Bodies engage some external professional marketing help at some stage here is some advice:

Advice for Professional Bodies:

- a) If the right skill sets are not available in house, seek external advice. Don't be tempted to sacrifice expertise for money.
- b) Make sure there is clarity about what advice is needed.
- c) List the issues and what sort of outcome is expected.
- d) If it is a pitch, a good brief is essential.
- e) The agency or consultancy will need to understand the body's organisation and what it is trying to achieve.
- f) Marketing jargon should be avoided.
- g) Make sure the costs are understood up front and avoid open ended arrangements.
- h) If a long term relationship with an agency or consultancy is planned, a retainer system maybe a cost effective way of operating.
- i) Make sure any agreement is in writing for the avoidance of doubt.

Advice for Agencies:

- a) Remember that it is very likely that the client staff will not be highly marketing literate. Equally they may also not understand the terminology or what it actually means in a practical sense.
- b) The most common misconception is in the use of the term Brand. For example, an Agency that says it is strong in brand management may well be interpreted by the client as being good at letterheads and signage.
- c) Other examples are “above and below the line” marketing
- d) Many Professional Bodies are not strong in the marketing discipline, as much of their focus is on education and standards and conveying information.
- e) They may be weak strategically.
- f) It is important not to be too overpowering, but sensitive to their needs.
- g) It is important to understand that getting the job done properly may be dependent on the organisation having a robust strategic marketing plan. Don’t be surprised if this does not formally exist or if what exists is of very poor quality. How this is handled may help the long term relationship with the client.
- h) There will be organisations who wish to engage an Agency on a particular aspect of their marketing, but on investigation it may be discovered that their entire marketing is inadequate.
- i) Set out clearly and unambiguously what is going to be done, the anticipated results and the full costs.

16. Diagrammatic Summary

As an aid to the planning process here is a diagram charting the marketing planning steps:



17. Conclusions

This paper is an attempt to provide an insight into marketing planning for Professional Bodies and is a summary of the sorts of action that should be undertaken to produce it. Readers will find more detailed accounts in the wide range of books published on the subject. One is recommended below which the author considers to be the best practical guide. The author hopes this paper has been both interesting and informative, but most of all hopes that readers and their organisations are able to benefit from it.

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5. Professor Malcolm McDonald, Marketing Plans: How to Prepare Them, How to Use Them – pages 247 to 249
6. Ditto Page 111

Information and help:

7. CIM Direct at <http://www.cim.co.uk/shop/books/books.aspx>
8. Planning help and assistance contact www.lenton.com