

# Are Virtual Associations a Reality?

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Not long ago, when techno-prophets began musing about where information technology and the Internet would take us, we began to hear about the "virtual association," the "wired organization," and "the association without walls." This organizational concept appeared in trade journals, conference brochures, and strategic planning sessions everywhere. Some organizations went so far as to claim they had realized that state — even before most of us knew what it was.

My colleagues and I began to dig into this notion of the virtual association, fueled in part by professional curiosity and in part because we ourselves were — and still are — members of a virtual company. We have firsthand experience working in a virtual setting and writing many of our own rules. We wanted to find out if the guidelines were any clearer for associations.

The Internet seemed a logical place to start, but we found a lot of imagination focused on what is possible but not much about true virtual organizations in practice. So we asked association leaders directly, pulling together a picture of what a virtual organization was. We found that no clear definition of a virtual association exists. In fact, many of the organizations responded that they were "virtual," but upon further investigation, we learned that these organizations had only pockets of virtual activity, not an enterprise-wide commitment to a fully virtual entity. From this exercise, we compiled the following spectrum of virtual activity among associations.

Confident that we did not perform an exhaustive and perhaps statistically significant sampling of the association landscape, we were only able to uncover one organization that functioned at the near right of the spectrum. That association, the International Association of Used Equipment Dealers (IAUED), is a one-person operation supporting a growing base of members (currently at 40, targeting 200 by the end of the year). It provides all of its information and services online but still maintains a physical office.

On a much larger scale, the National Education Association (NEA) has been managing its virtual association for more than a year. Its virtual association complements the national organization, providing a private "online community space" for activists. This entity was actually created before the whole notion of online community hit the mainstream. Looking at it now, we might define NEA's offering as a concerted effort to support a special community of members but not necessarily by creating a separate or parallel association.

Worth keeping an eye on is the Special Libraries Association. It also maintains a physical presence but is working actively to augment the traditional with the virtual. The association has posted many of its planning documents and chronicled its progress about going virtual at [www.sla.org](http://www.sla.org).

Thus, while we didn't find an association that had migrated to a purely virtual enterprise, we did find some important decision points that led organizations to determine the degree to which they moved toward a virtual structure.

A virtual organization is one that has migrated all — or a significant portion — of its operations outside of a physical structure and depends on digital tools and communications to conduct its business.

The Spectrum of Virtual Activity				
Uses Internet tools to support the business functions of the traditional organization	Provides some services and conducts some work exclusively online	Consists of two organizations, one traditional and one virtual, with somewhat different services and membership	Provides all services online, has recruited virtual members, yet maintains physical office space	Has no offices, operation is totally virtual

### Impetus and Impact

Why push your organization to be more virtual? You will find a number of motivations. You must be clear about which drivers are moving your organization in this direction and then use those drivers as yardsticks to measure your gains. Early indicators of success might

lead you to push your organization to an even greater degree of virtual activity.

### ***Staying Contemporary***

Often, organizations move into a "new way of doing business" because that way is becoming the new standard. We may already have reached the point where not having a Web presence at all is considered neglecting an essential business tool. Tell someone you don't use e-mail, and they look at you with astonishment. Being contemporary is more than staying in business fashion; it's also making sure that you aren't being left behind.

Your discernment comes into play when determining if each "new way" is right for your organization and deciding when to join the rest of the pack. In the past two years, everyone has witnessed the astonishing number of hits and misses as for-profit businesses play with the Internet. Whereas the general public might have a greater tolerance for experimentation in consumer commerce, loyalty and affinity are the golden bands that link members to their association. Consider thoughtfully how "new" is regarded by members, particularly if "new" also could mean abandoning the "old."

### ***Member Services***

The motivation for offering a virtual construct may be largely driven by your members and their demands for your service.

Some of your member service functions could be readily moved to a virtual workforce. If you're operating a telemarketing group or member services hotline now, those functions, which can be accomplished almost anywhere, are natural candidates for a virtual structure. You must be able to accurately discern what information must be internally distributed and processed to ensure that valuable institutional knowledge is not being lost when the human beings are not present.

Migrating member services onto the Web might be the only way you can offer those services to geographically dispersed members. It is a daunting economic proposition for an association to try to "be everywhere our members are," and usually it's just not feasible. Therefore, many associations look optimistically at virtual offerings — e-commerce, online learning, or virtual trade shows — as ways to provide products and services to members without requiring a physical presence.

Think carefully about how the phenomenon of online shopping affects consumer expectations. No one questions a physical retail store that maintains mall hours. But a retail outlet on the Web is expected to be open for business 24/7/365. A member who might call your office at 7:00 a.m. Sunday might not be surprised to get voice mail. But move your member services online, and that same member expects you to provide comparable service, regardless of the day or time.

### ***Member Recruitment***

Some organizations are looking to the Internet as a frontier to recruit a new definition of member. Demographically — at least in the United States — active Web users tend to fall into a profile that is attractive to trade and professional associations: young, professional, educated, and tech-savvy. Organizations suffering from a decline in membership or an aging and retirement of members (without a comparable number of new enrollees) may be looking at the Web as the right place to recruit the next generation of members. Often, this hunch is correct.

But recruiting on the Web and offering a Web version of your organization are two different levels of investment. Younger, more Internet-savvy potential members have different expectations than traditional members. The online prospect knows that there are many sources of information other than yours (and she knows how to find them), and she understands that she controls the amount of attention she will give you. In a mouse click, that attention can be redirected. Online prospects comprise a demanding audience that forms judgments quickly. Your online services must continually prove value over the rest of your online competition.

Consider how being online shifts power. Assume that you are leading a large trade organization known for investing great effort into lobbying activities. A significant portion of your membership dues supports this advocacy. In a traditional context, the remote member in Nevada might have seen value in financially supporting your presence in Washington. That is not necessarily the perspective of the online member. He knows he has the power of e-mail on his side and believes he can be his own advocate. If your organization is going to prove value to the online member, your collective efforts must exceed what he alone can do.

### ***Globalization and Local Presence***

In our findings, the Special Libraries Association, active in 60 countries, was making the most visible strides in

building its virtual association presence. The Society for Human Resource Management and American Society for Training and Development are other good examples of organizations with loyal members outside of the United States. Organizations like these must grapple with how they can provide comparable value to the member who often cannot physically attend events.

In some cases, the organization simply cannot offer the same level of membership privilege to distant members. Do you create a new classification of membership for the virtual member? Will there be a reduced membership fee and, if so, do you run the risk of cannibalizing from your existing membership base? Perhaps you represent a national organization with affiliates. Will having a boundary-free national organization pull members away from chapters or affiliates?

It is expensive for an association to maintain a physical presence at a local level, just as it is often difficult to determine how "local" you need to be in order to be responsive. There is no more profound way of being "local" to a member than being present in their home and work environments. The Web offers you access to both places.

However, with that level of exposure comes a significant service burden. If you want to be part of someone's daily work life, then demonstrate value to that individual on a daily basis. At some associations, the annual convention is the most obvious member value. Those organizations will face key challenges in demonstrating daily value to members.

### **Economics**

It's cheap to run a business on the Web, right? Look at all of those enterprises that are operating out of someone's basement. The IAUED reported that it started as a virtual enterprise with a clear goal of operating as economically as possible. Starting out as virtual is a different proposition than migrating to virtual. There are no guarantees that you will realize greater economy by moving in this direction, at least in the short term. In most cases, the shift to a more virtual enterprise merely translates into a shift of dollars from one line item into another. Sometimes the shift of budget is obvious, as in the case of eliminating rent, furniture, utilities expenses, and exchanging those dollars for improved telecommunications infrastructure, home workstations, and 24-hour technical support. Sometimes the cost realignments are less obvious.

By the same logic, be cautious of going virtual as a way of generating new income. You will need to spend money to set up your virtual practice. In time, if you secure a thriving online constituency, that may translate into revenue. But just as we have learned from countless dot-coms, just going online doesn't mean members or customers will come, nor does it mean they will buy (or enroll as a member, register for your conference, or make a donation).

### **Human Resources**

You might be encouraged to move to more of a virtual structure from within your organization. Associations are known for being employee-friendly places to work and often adopt creative employment practices to meet the needs of its staff.

The work best done virtually is knowledge work. Job tasks are mostly physical or require access to specialized equipment will be harder to accomplish virtually. While I've heard of some creative approaches (like the retail store that ships its unkempt linens out to the homes of people who fold them into crisp piles and ship them back to the store), you have to stop to assess the economics and practical logistics of such practices.

Similarly, if your work requires a great deal of cross-functional communication, resulting in many meetings and group-work sessions, these tasks will be more onerous in a virtual setting. Often, it requires more communication and more coordination to work virtually. So as much as we lament the excess of meetings in our schedules, sometimes getting everyone around the table is still the most efficient way to get the job done. Assess how frequently this happens in your organization as you consider the impact of going virtual.

Working virtually doesn't mean that each person operates in a silo of activity. Teamwork remains an important component. However, much of the work to be done is organized according to independent versus group work. The virtual worker should be comfortable with a degree of isolation. Continuing along those lines, the type of worker you employ for a virtual enterprise must possess key differences from those comfortable in a traditional work environment. The virtual worker must be not only a self-starter, but must also be self-motivated, disciplined, comfortable in seeking their own solutions, and exceptionally at ease with communications technologies.

Management is seldom an impetus for moving virtual, and that's understandable. Managing work and people in a virtual context is much more demanding and requires an often radical change in management practice.

But these challenges don't mean that you shouldn't seriously consider a virtual existence. Some of those arguments are more valid — and the gains more achievable — than others. We see the movement toward pushing associations to add a virtual component to their operations, to think outside of their own walls, to serve a new breed of member and offer a different level of information and service. You are already expected to be online. How much of your organization migrates to online, and how much is preserved in its traditional state are primary considerations for association CEOs everywhere.