



April 8, 2014

MEMORANDUM

TO: AGC Executive Committee
FROM: Mike Salsgiver (503-685-8305, mikes@agc-oregon.org)
SUBJECT: *Chapter Governance*

Background

In 2011, association management consultant Harrison Coerver released a book – *Race for Relevance* -- that evaluated associations and made recommendations for structural change. Mr. Coerver spoke to the 2011 AGC National Leadership Conference in Washington, DC to brief attendees on the findings and recommendations in his book. Since its release, the book has triggered discussions about AGC chapter restructuring around the country.

Key Findings

- Most associations are tradition-driven, slow and risk averse
- Most associations' programs, product offerings, services, and activities are overly -broad and expansive
- Most associations continue to rely heavily on volunteers who have a strong professional interest in the association who are pressed for time
- Most associations rely heavily on face-to-face interaction through meetings, conferences, conventions, and seminars
- Although it's changing, most associations still rely heavily on print for publications, communications, and information delivery
- Expectations of members are rapidly changing – they are economically pressed and expect more for their dollar in dues paid
- Members are less able to volunteer on board and committees
- Competitors (in the form of other associations which reflect different philosophical views within the represented industry, or in the form of companies) offer programs and services once the sole purview of associations
- Members have diverse and conflicting interests and a variety of needs and expectations regarding members, and there is a growing gap in these expectations with each succeeding generation of business leaders

- Technology provides members with uncountable alternatives and unlimited, immediate access to products and services now more readily-available outside the association
- Most associations are struggling to maintain membership, generate and increase participation, attract volunteers, and compete with alternative service offerings
- Trade associations of the future will continue to have members, but they will lose market share and influence

Key Recommendations from “Race for Relevance”

- Overhaul the governance model and committee operations through smaller, “competency-based” boards of directors to support streamlined and more efficient decision-making
- Empower the CEO and enhance staff expertise
- Rigorously define, identify, and focus on member markets that can be served well
- Rationalize programs and services by identifying and offering products and services that clearly reflect the association’s mission, and which the association can deliver consistently and effectively
- Build a robust technology framework to support the new structure

Desired Outcomes

When the recommended changes are implemented, the following outcomes are generally achieved:

- A more streamlined and agile governance structure
- Challenged and productive staff who work in true partnership with volunteer leaders
- A realistic, well-defined members market that is easier to find and market to
- Product and service offerings that are needed, desirable and truly beneficial for members
- Increased financial and human resources to accomplish to mission of the organization

Relevance to Our Chapter

Since 2011, AGC of America and 29 AGC chapters have amended their by-laws to incorporate many of the recommendations made in Mr. Coerver’s book. Also during that time, several conversations at the officer level have occurred. While some of the proposals have connected with our officers, there didn’t appear to be a compelling interest to begin an overhaul of the Chapter.

Questions for the Executive Committee

1. Does the Executive Committee believe AGC's governing bodies (the officers, the Executive Committee, the Board of Directors) act in accordance with both the letter and spirit of the Chapter's by-laws? If not, what are some examples?
2. Is our board (68 members) too big?
3. Are there too many committees?
4. Are our Chapter's programs, product offerings, services, and activities "overly-broad and expansive?"
5. Are our volunteer leaders and members too stretched? Do we ask too much of you?
6. Is the Executive Committee comfortable with how much technology (conference calls, WebEx, Skype, etc.) is now used in conducting our business meetings?
7. Is the Chapter communicating effectively:
 - a. With our general membership?
 - b. With our broader active volunteer base?
 - c. With our leadership?
 - d. With the outside world and other key stakeholders?
8. Is the Chapter's "big tent" approach (i.e., open to all parts of the commercial construction industry) still working? Are we still able to manage the conflicting interests that exist within the membership?
9. What about the role of subcontractors? Should they be full voting members of the Board?

Conclusion and Observations

In late March, I spoke with Bylaws Committee Chair Ted Aadland about the process of reviewing the bylaws and making changes. Ted reminded me that the bylaws were not intended to be regularly amended. He also told me that the Executive Committee should discuss issues about the bylaws and Chapter governance and should ask the Bylaws Committee to evaluate and make specific recommendations, if any, to the Board of Directors.

I am not recommending that the Executive Committee suggest specific amendments. However, given that nearly 10 years have passed since the last time the bylaws were reviewed, I do believe it appropriate to consider the questions I've posed above (and others you may have), especially in light of how many other chapters and the national association have adopted changes to their bylaws and structures since the discussion began in 2011.

I am recommending that the April 9th Executive Committee meeting should begin a broader discussion process. If the Executive Committee believes the discussion should extend beyond one meeting, I propose keeping this agenda item on the calendar for as long as it takes to decide whether to forward specific questions or recommendations to the Bylaws Committee.