

NEW MONEY

New market visionaries

By Andrew S. Lang

The successful search for additional revenue is often found in the world of 501(c)(6) trade associations. Though many are being hammered by the recession, just like other associations, as a group they tend to have a greater variety of income streams and thus a better ability to withstand significant reductions from one or more sources.

Based on this, to find a 501(c)(3) association that is doing well in the current environment represents an opportunity for valuable insight. Is there anything this particular association is doing that is perhaps worth emulating?

In a conversation with J. Donald Schumacher, president and CEO of the National Hospice and Palliative Care Organization, whose focus is enhancing care at the end of life, I found a (c)(3) organization that is managing to thrive by adopting an important, and replicable, methodology.

First, the facts: We are not talking about double-digit growth; that would be more than I would hope for. However, NHPCO has managed to keep its budgeted expenditures at a steady level, which is impressive given the inevitable decline in contributions in these times. And while we do have an aging population and an increased

number of providers, NHPCO has had a six percent decline in membership, so member dues have not offset the effects of the recession.

So, where is the revenue coming from? What has NHPCO done to maintain steady income?

According to Don, the current results are part of a strategy that he began when he first took over the reins of the organization in 2002. At that time, NHPCO revised its strategic plan to extend its resources and expertise beyond the hospice industry. Don and NHPCO realized that its products and services for members would have value to a broader audience.

Therein lies the key: Taking existing products to new marketplaces can be one of the surest methods of increasing net income. Of course, no solution will work for every association. First, you need to be blessed with products that will have a broader audience, and secondly you must be doubly blessed with the vision to see those audiences. Finally, entering new markets, even with existing products, can create promotion and distribution issues that must be carefully thought through.

NHPCO's earliest efforts were to physicians who were making referrals to hospic-

es. Another logical market, and quite a large one, was assisted-living groups.

In addition to providing existing products, NHPCO is using its expertise to create new products within the safer bounds of partnerships. In the past year, NHPCO has partnered with the Alzheimer's Association and the Mid-Atlantic Renal Coalition to develop resources and educational opportunities. The products created become available to NHPCO's membership as well.

Perhaps the most dramatic step the association has taken is with its new "Live at Work" program. Caretakers for the dying have significant challenges in the workplace, affecting both the individual and the organization. Through "Live at Work," the human resources department of any business or organization can download some materials free of charge or purchase a comprehensive toolkit that includes sample policies, forms, ideas, and resources. It is a win/win/win situation—everyone's favorite. Caregivers benefit personally, as do individuals they care for; the company benefits through better employee performance; and NHPCO has a profitable product that furthers its mission.

The sale of existing products to new markets is a method of increasing net income that I heartily applaud. All too few associations do it well. But I do have a very real concern: Will it cause a failure of focus? I asked Don how NHPCO solved this, and his words are well worth sharing: "It has been essential for us to follow our strategic plan and not to get distracted. As a result we have passed up many opportunities. Absolutely everything that we are doing fits within our strategic blueprint." Which appears to me to be a blueprint for success.

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If you are an association executive with a new or improved revenue success story, please contact Andrew Lang at alang@langcpa.com. He looks forward to sharing your successes in future columns.