



NEW MONEY

Distribution overhaul

By Andrew Lang

If your association is struggling to find additional revenue, I want you to take heart. Yes, some associations are merging because of economic reasons, but it is likely they should have done so a while ago. And yes, sadly, a few associations are actually dying.

But far, far more associations are coming up with dynamic and creative solutions to their economic dilemmas than ever before. I will not bore you with simple encouragement. What I'd like to share, instead, are some of the ideas brought to bear by your fellow executives in their successful search for increased net income.

While another association's solution may not work precisely for your association, it may be adaptable to your situation. More to the point, the thinking required to develop their solution will certainly offer you an excellent example of the type of thinking that leads to success in this very challenging endeavor. I have selected the publications department of the National Science Teachers Association as my initial example for your consideration.

NSTA publishes a great many books as part of its mission in serving the nation's science teachers. With the economy faltering, David Beacom, NSTA's associate executive director and publisher, was concerned about whether the association was

maximizing every distribution channel it had. David asked Rick Bounds, his assistant executive director of publications operations, to look into their four principal channels of distribution.

Rick found that both NSTA's print catalog and online store were operating well. He did not find the same success in the conference and convention stores or at Amazon.com, through which NSTA had managed to develop notable sales.

NSTA took a very clever approach to the conference store. First, it went to considerable lengths to make it look like an actual bookstore: It brought in new shelving and a welcoming array of tables and chairs where weary attendees could pause to read. Secondly, it brought in lots of branded items, including its latest T-shirts, sweatshirts, and "really cool science kits." According to Rick, NSTA's new stores not only increased transactions but also resulted in members coming in for multiple visits. And although it was not a great year for conference attendance, store sales were up more than 10 percent over the prior year.

The solution to Amazon was even easier and the results far more dramatic. When Rick checked Amazon, he found that for many of NSTA's titles the website had "image not available," an incomplete description, no price, or, worst of all, "publication not available." The books had initially been loaded onto the Amazon website, but over time much of the information had degraded and become erroneous.

Happily, David's request to check all

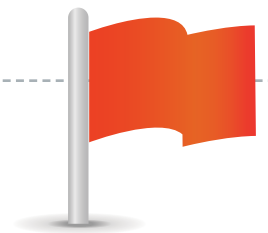
channels of distribution had brought the situation the attention it needed. Every active title NSTA had to offer was correctly included on Amazon as available, with a good image and description and an appropriate price. The results were superb: In 2008, NSTA's sales through Amazon totaled \$64,000. In 2009, as a result of the improved information, sales increased by \$46,000, or 73 percent!

Is the point that you should sell through Amazon? Perhaps. Is it that if you sell through Amazon you should certainly make sure your information is up to date? Sure. But aren't we really seeing the need to study our resources? As Rick Bounds put it, "The key is that every part of your business needs to be nurtured and taken care of." I couldn't say it better myself.

If you are an association executive with a new or improved revenue success story, please send me an email about it at alang@langcpa.com. I'm looking forward to sharing your successes with our community in future columns.

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This article is the first in an ongoing series of articles, "New Money," that will explore new sources of revenue that have been discovered by enterprising and innovative associations.



LEGAL

Red Flags Rule delayed

Worried about the Federal Trade Commission's so-called "Red Flags Rule?" You now have a little more time to get up to speed: The agency has announced it will delay enforcement until November 1.

The Red Flags Rule is an antifraud regulation that requires creditors and financial institutions that meet certain requirements, including some associations and nonprofits, to implement programs to identify, detect, and respond to warning signs that could indicate identity theft. For more information, visit www.asaecenter.org/nowonline for links to past *Associations Now* and *Association Law & Policy* articles detailing compliance with the rule.