



## NEW MONEY

## Revenue and savings, made under pressure

By Andrew S. Lang

The sluggish economy has created seemingly endless problems in many industries. Associations serving niches that have been particularly hard hit have been forced to operate under increasing pressure. Many of these organizations have simply folded. Others have had to merge. But some successful associations have managed to take that pressure, apply it to their challenges, and—much as the earth applies extreme pressure to coal—create a few gems.

One niche, real estate, knows plenty about extreme pressure these days. The industry can't catch a break. I recently attended a meeting of a group of CEOs from the sector where a great deal of information was shared, but one lesson that stood out came from Frederick H. Grubbe, CAE, who for the last four years has been CEO of the Appraisal Institute.

The Institute's mission is, among other things, to support the global advancement of professionalism, standards, and methodologies in the field of real-estate appraisal. While it has an impressive

24,000 members, these individuals are not getting opportunities to provide valuation-related services the way they used to.

So with members earning less, they do their best to spend less, and it is from this shift that the first gem Fred shared with me was born. It turns out that a number of his members were saving money during Institute meetings by not staying at the conference hotel. This created a shortfall in the number of rooms booked to meet the room-block requirement for the conference, which in turn meant substantial attrition penalties for the association.

"After experiencing a significant shortfall of rooms at a fall conference last year, we felt it necessary to take steps to ensure that any future room-block commitments were met," Fred told me. "So for this year's annual meeting, working with our meetings senior manager, we built our registration system to allow an attendee to book [a room] with or without a conference hotel confirmation number."

The basic incentive is straightforward. If a member has a reservation to stay for at least two nights at the conference hotel, that person pays \$100 less to register for the conference. If they reserve for two nights but stay at the hotel for fewer nights, \$100 is charged to the credit card the member used to register. The Institute informs members about the charges in advance of their meeting registration.

An attendee registering without a

conference hotel confirmation simply completes the registration process; no confirmation number is required, but the registration fee charged is the full amount.

The proof of the idea's success is in the numbers. "To date, 98 percent of our attendees have registered with a hotel confirmation," says Fred.

After the CEO meeting, it occurred to me that if Fred had this gem, he must have another. I asked, and of course he did.

One recent challenge for the Institute has been ensuring that its messaging videos don't become stale. Though the information presented in the videos might be valuable for a long time, if the videos themselves appeared dated they would be more difficult to use. On the other hand, it would be too expensive in the current economic climate to create new videos year after year.

The solution that Fred helped develop was a simple but elegant one. Its latest videos use scripting "that does not pin us down to particular time windows or dates," he says. "In addition, when filming the videos, we try to include up-and-coming leaders along with current leaders. This way, with a minimum of editing, we can feature the 'new' leaders for the next three years or so, without having to refilm. This saves us time and money by using essentially the same video footage over several years, with a consistent message."

Fred also shared another key refinement: "We update the graphics so they can easily be revised every year. And since the video footage is shot to be fairly timeless, this allows us to reuse the video footage with updated graphics, reshaping it to reflect the 'new' leadership. Compared to the cost of refilming messaging videos every year, we save tens of thousands of dollars through some simple editing of preexisting footage."

Evergreen information that can be made absolutely timely and enhanced conference hotel usage that the members approve of. I like the way this outfit thinks.

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