The Future of the Chamber of Commerce

Looking ahead, I believe that the future success of a Chamber of Commerce will be determined by its strategic development into a major, respected, dynamic center of community influence focusing not just on traditional business issues but on the overall financial health and well-being of the community. Most importantly, it will enjoy a sustainable growth business model.

This may appear to be a radical progression away from the traditional business-advocacy role of the Chamber. It is not. It simply means that, in addition to its advocacy role, a progressive Chamber of Commerce will increase the size and scope of its membership umbrella by soliciting a more diverse membership and will understand and better energize the economic pulse of its community.

In short, tomorrow’s Chamber of Commerce will have reinvented itself and repositioned itself to [a] more effectively serve the needs of its community and, most importantly, [b] take advantage of the profitable business opportunities this transition will provide.

The following pages discuss the issues, challenges and opportunities involved in determining what new direction to take, if any.

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THE UGLY QUESTION

The problem today is that most Chamber staffers and Board members are downright uncomfortable, if not scared (!), to ask their members how they honestly feel about the value of their Chamber membership. Why? Because they already know what they will hear and, sadly, they usually don’t have any satisfactory responses at the ready.
For example, the ugliest, most dreaded question asked by a member is:

“So, what have you done for me lately so I can justify my Chamber dues?”

That’s a spine-twister of a question, isn’t it? So… what’s YOUR answer?

Amazingly, I haven’t run into a Chamber yet that has truly rock-solid, high-value answers to this question -- maybe for a few but not for the majority of their members. Therefore the tendency at this point is to get a wee bit defensive. Here are your choices:

[a] be defensive and offer the usual list of low-value “stuff” (networking mixers, member discounts, etc.), or [b] be honest and admit that you don’t really have satisfactory answers to this question and resolve to do something about it. Choosing [b], though probably very difficult, will be a huge turning point for you.

YOUR FUTURE -- RESPECT or IRRELEVANCE?

Are you wrestling with the vision/mission thing -- how your Chamber of Commerce fits into your community’s future scheme of things? The greatest struggle is finding acceptable answers to some very basic questions:

“Why are we doing what we are doing – our raison d’etre?”
“What is our function, mission, and plan for the future?”
“How successful are we so far at implementing this plan?”

Do you have answers to these questions and are they convincing? If they aren’t completely satisfactory, then are you at least moving forward with the process? If not, your organization will fade away into irrelevance.

It has become more and more evident to those with a pulse that the old ways of doing things aren’t working as well any more. Times have definitely changed. Now it’s imperative to reinvent the organization or, at a minimum, adjust to these changing times – a challenging but absolutely necessary process.

LEAD, FOLLOW, or….

It’s time for your Chamber board and staff to make a very important decision. Someone once suggested that there are three kinds of people and organizations:

1. Those that lead.
2. Those that follow.
3. Those that need to get out of the way!

If you find yourself admitting that you’re in the second or third group, then it’s time to move up the ladder. Times have changed. The relaxed good-old-boy ways of doing business are no longer acceptable to today’s business people (your current and potential
members). They’re battling business and economic gremlins like never before and they expect you to lead. MAKE A DECISION!

IT’S ALL ABOUT MEMBERSHIP

Membership in almost all Chambers of Commerce has declined. Even before the current economic climate took hold, people were questioning the value of their organization memberships. The good old days of automatic membership renewal are just a memory. Most business people want to see a ROI for their memberships when being asked to renew and, very definitely, when being asked to join.

With the growth of the Internet and the emergence of myriad networking groups, your Chamber is no longer the “only game in town”. You have competition. You are expected to make your membership an economically attractive proposition.

The basic, most fundamental business principle in business is that if you are not growing, then you are headed for irrelevance. So it really doesn’t get any simpler than this:

Is your membership increasing at a steady 15-20% year-over-year growth rate?

The natural rate of attrition in most membership organizations is somewhere around 10%. (Organizations go out of business, they relocate, management changes priorities, etc.) Add to this the negative impact of hard economic times, and the struggle to maintain membership levels, let alone show membership growth, is more challenging.

Nevertheless, dynamic organizations figure out how to reinvent and reinvigorate their membership development and membership retention practices. They return to positive territory and then maintain a sustainable growth strategy. They pay very close attention to what their members want and need and reassess what they offer.

CHAMBER OFFERINGS

Let’s take a look at what a traditional Chamber of Commerce offers its members:

- Political lobbying on behalf of their members and their business community.
- Helping to attract business to their community.
- Providing business assistance and other informational services.
- Offering educational programs – seminars, workshops, etc.
- Scheduling networking opportunities and special events.

Naturally, the size of each chamber will determine the extent to which each of the above is offered. For example, a small Chamber probably doesn’t have the resources to hire staff to lobby at the State or Federal level or to go actively outside the community and attract businesses to move there. Nevertheless, that doesn’t mean it should just abandon those particular functions since, for example, the Internet offers many electronic
possibilities in terms of accomplishing those particular functions and it’s possible to piggyback off other organizations with greater resources.

Hopefully every Chamber staffer and Board member believes that their organization does a good job of providing the above functions. (If not, then they’re in trouble!) However, the **most important question** is…

What does each (potential) Chamber Member believe?  
Are perception and reality in alignment?

### WHY ORGANIZATIONS JOIN THE CHAMBER

Before discussing ideas on strategies and tactics, we need to understand why business owners and management make the decision to join their local Chamber of Commerce.

Here are the main reasons (not in any order):

1. They feel they should support their Chamber!!  
2. They wish to take advantage of Chamber services and assistance.  
3. They believe that Chamber membership will lead to increased business for them.  
4. They want to participate in order to increase the visibility of their organization and/or executives in the community.

In terms of renewals, how rock-solid are these memberships?

- Those who feel they should support their Chamber (#1) and those who want to participate (#4) are the easiest ones to sign up and renew assuming that their business climate stays positive.
- Those who utilize membership services and assistance (#2) are pretty good while they are taking advantage of what we offer. After that, their membership can be vulnerable.
- Lastly, those who expect their business to increase as a result of membership (#3) are the most vulnerable -- their expectations may be too high – and must be nurtured accordingly.

In summary, those members with whom we have active, on-going relationships are much more solid in terms of renewal probability than those where a relationship has not been cultivated.

### RELATIONSHIP BUILDING

Interestingly, the perceived value of a Chamber membership will almost always be directly proportional to the amount of utilization and participation by the member -- i.e. the more he or she becomes involved and participates in member functions, educational
offerings, and/or uses membership services, the greater the perceived value of membership will be to that member.

Said another way… if all we do is take their membership dues and leave them to figure things out for themselves, then the more difficult it will be to secure their membership renewal at invoicing time. It’s a simple business axiom that if we sell somebody something and they don’t use it, then why on earth would they pay for it again?

Therefore, we must think like good business people and…

[a] provide the appropriate “perceived” value for dues received, and
[b] cultivate an active, on-going relationship with each Chamber member.

TWELVE SUCCESS STRATEGIES & BEST PRACTICES

To reinvigorate your organization and ensure that it is the most dynamic, respected, center of influence in your community, you must implement and fine-tune the following:

1. **Become the “Information Gateway” for your Community**
Make your website the “go to” resource for information about your community. Host the Community Calendar. Host the City Guides. Host the Community “Buzz”. List all the key resources for ease of conducting business in your community. The successful Chamber of Commerce will be the automatic starting point for people looking for community information. Once again, it’s reasonably simple and costs almost nothing!

2. **Showcase your Members**
Offer no-cost ways for your members to publicize and promote the following important aspects of their businesses:
   - new staff & promotions
   - new product introductions
   - accolades & awards
   - special offers
   - volunteer needs
   - events, classes, etc.

   *Sadly, this is almost completely ignored by most Chambers, is reasonably simple to implement, and costs almost nothing!*

3. **Improve Communications with Members and the Community**
Communicate the following on a regular basis:
   - The Community Calendar which includes….
     - Upcoming Chamber events
     - Upcoming Members’ events
     - Other community events
   - Upcoming Chamber seminars and workshops.
   - Members’ business news and publicity.
   - Members’ discounts and special offers.
• Chamber successes and accomplishments.
• “Good neighbor” information and updates about the community, legislation, etc.

There should be three kinds of organizations in your community:
1. Those that are Chamber members
2. Those with limited privileges **
3. Those that would like to become Chamber members

** An important growth strategy. Contact us to learn more.

4. Implement the Sustainable Membership Growth Model
Your membership should grow by a predictable percentage each year. This growth must be sustainable. We accept the axiom that if a business isn’t growing then it’s gradually fading away. So…

• Review and understand your community’s business and nonprofit profile.
• Implement the Sustainable Membership Development Model.
• Implement the Sustainable Membership Retention Model.

5. Use an online Contact Management System
This is pretty basic stuff today. You should know exactly what your members are experiencing – how their business is doing, what their challenges are, what they would like the Chamber to do, what issues they are concerned about, etc. You should know exactly what is happening between your membership and your staff and have a record of these ongoing relationships.

6. Establish or Re-energize your Chamber Ambassadors Club
Do you have an “Ambassadors Club” program? If not, then you’re missing an incredible, almost-no-cost opportunity to improve membership retention and development, establish a pool of loyal volunteers, and enhance the overall “membership experience” for all concerned. Done correctly, using an integrated client contact system, it gives you a wonderful window into what is actually happening with your members.

7. Activate a Lead-Generation system for Members
Remember… most of your members joined because they wanted to increase their business. Help them!

8. Offer Business & Executive Roundtables and Forums
Make sure you understand and are operating in sync with the pulse of the business and nonprofit communities. You must listen carefully to the issues and concerns of your community leaders – members and non-members – and must be perceived by them as being empathetic, proactive and involved in addressing those matters.

9. Offer Meaningful Educational Programs
Your members are looking for ways to increase their business so “meaningful” means offering seminars, workshops and educational programs that deal with sales, marketing and business grow issues – what the members want – in addition to the other financial and administrative topics! Understand the sales and marketing profile of your community. Tailor your educational programs accordingly.
10. Be Visible
Make sure your Directors, staff, and Ambassadors are visible at all government meetings, public forums, city-wide functions, etc. Make sure your Chamber is seen everywhere advocating for your members as well as the overall financial health and well-being of your community. Remember the cry… “They’re everywhere! They’re everywhere!”? It’s an excellent strategy.

11. Honor your Members & Community Leaders
Host functions that honor those in the community who are making things happen (e.g. “Businessperson of the Year”). Most of these awards, naturally, will be to Chamber members but some should reach outside and generate increased community interest and publicity (e.g. “Student Entrepreneur of the Year”).

12. Build Solid Relationships
Effective relationships demand conversation, participation and commitment. Establish various committees, advisory groups and panels dealing with relevant issues and regularly ask members to participate. Constantly offer opportunities to be involved and request feedback whenever possible.

CONCLUSION

When you look at what we do and see how we can assist your Chamber of Commerce with finding simple solutions to the challenges ahead as well as implementing successful strategies for your future, there are four main areas:
Interestingly, none of the above is difficult. All can be implemented without undue mayhem by any size Chamber of Commerce with a somewhat visionary Board. No “rocket science” is involved – just a firm commitment to implement these strategies using supportive resources to counsel and coach you to success.

If you wish to have a more in-depth discussion with our team regarding the direction your Chamber of Commerce is taking and how to successfully and sustainably implement these turnkey strategies and solutions, please contact the author.

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