

Association TRENDS

Straightforward


Still a 'concept'
but a step in the
right direction

By Jill Cornish, IOM

ASAE & GWSAE together? It's been proposed

Consolidation plan announced for 'Ctr for Assn Leadership'

When the dust settles, the "assn capital of the world" could have 2 natl assns serving primarily a natl focus, or it could have the status quo – one natl assn and its fdn, and a regional assn of mostly natl mbrs and its highly touted education arm.

Those are the 2 possible outcomes of a proposal announced last week that has rocked the natl and Washington assn communities – the "consolidation" of the Am Soc of Assn Execs Fdn, the ASAE education dept., the Greater Washington Soc of Assn Execs and the Center for Assn Leadership, an arm of GWSAE.

The boards of the 4 organizations voted last week to allow the proposal to move forward. After a due diligence period of about 90 days, a vote will take place again of the respective boards. Should the boards approve, the vote goes to the GWSAE mbrship. If consolidation is approved, the surviving organization, to be called the Center for Assn Leadership, will open its doors July 1.

Actually the doors would already be open. Under the plan, the new Center would remain in the offices that GWSAE and the current Center occupy in the Reagan Building, near the White House, due to contractual obligations, but also to support the Center's own, GWSAE and Center CEO Susan Sarfati, CAE, said.

The assns had started in earnest to talk quietly about consolidation in March and by the ASAE annual meeting in Aug., had announced JOLT, or the Joint Leadership Team, made up of staff and exec volunteers of both organizations (see 9/5, p. 4). JOLT determined the feasibility to propose the consolidation.

Among the reasons given for the consolidation were redundancy in programs, services and products. Also, there was overlap in mbrship and targeting suppliers.

In the proposed structure, John Graham remains ASAE CEO and Sarfati remains the Center's CEO. She would also become ASAE EVP. Both organizations would have their separate boards, but with cross-representation.

Sarfati would answer to both Graham and the Center board. The GWSAE staff (which includes Center staff) would be incorporated into the ASAE staff.

ASAE currently has 100 staff. GWSAE and the Center have 38. Two years ago, ASAE had a staff high of 150.

After the announcement, which took place at the Center, both GWSAE and ASAE staffs were informed of the consolidation plan, and were reassured that services, products and programs would continue in consolidation.

The next step is to solve the legal and fiduciary responsibilities of consolidation, as well as gather input. Town hall meetings are scheduled for Jan. 28 at the Center and Feb. 10 at the Baltimore Convention Center, during the ASAE M&T Conference.

Should the boards approve, GWSAE has 30-50 days to notify mbrs of the vote, which would take place at a meeting of voting mbrs. Two-thirds of those attending that meeting are needed to approve the consolidation.

"This is an equal partnership," Sarfati said, noting that the Center has always been national and global-oriented. However, part of the agreement is to provide continued support of regional activities, though no specifics have yet been announced.

Greg Balestrero, CAE, noted that his being an assn exec in the Philadelphia area yet chairman of GWSAE demonstrates the point of the consolidation, that the Center provides services for execs "beyond the Beltway." Balestrero, was DC-based before being named CEO, Project Mgmt Inst, Newtown Square PA, last year.

Should the consolidation not be approved, Sarfati said GWSAE and the Center are very healthy financially and would be able to conduct business as in the past.

"This is not about money, it is about expanding boundaries," she said.

Association Trends was a contributor to the capital campaign to create the Center.

Consolidation...merger...acquisition... Each has a distinct "feel" to it. A team working on the possible joining of ASAE and GWSAE was adamant that this was a "consolidation." (See 1/16, p. 2 and this week, p. 1.) Much of what I predicted last week was announced on Jan. 15, following meetings of all 4 boards involved. I was incorrect when I said the Center and GWSAE would move from the Reagan Bldg to ASAE. According to GWSAE CEO Susan Sarfati, they are staying right where they are.

While all involved are to be commended for taking this giant step to bring the 4 DC-based organizations together, there is still *much* work to do and *many* questions before anyone can announce a "done deal."

There might be benefits for the entire community in a marriage of these 2 big competitors. Those outside the Beltway probably won't give a fig at first but they *will* see a new focus at ASAE – time, much time, that was spent dealing with the neighboring competitor can now be redirected to meet needs of mbrs, in DC and throughout the country. They soon could see a more mbr-focused ASAE staff, motivated by new energy at the top.

GWSAE mbrs, those most impacted by the possible consolidation, need to ask a great many questions before they vote. What will happen to the representation and service that mbrs have come to expect from GWSAE? How much of the *flavor* and *control* that GWSAE mbrs have will be maintained? Can that same level of energy and service be maintained by ASAE? If GWSAE "goes away" in the consolidation, those who have governed GWSAE will no longer be in control. How will *value* and *service* be demonstrated for regional mbrs?

Due diligence by the JOLT team... will be primarily financial. Will mbrs have access to the financial information? Will there be transparency before they sign away their local assn to a new business model? This is a complicated matter – one that mbrs must understand before they say "yes" to the consolidation.

The bottom line here has 2 parts... What's best for the individual assn exec, both GWSAE and ASAE mbrs, and what's best for the assn community as a whole *might* be different. Part 2: if *anyone* can make this new arrangement work, if *anyone* can travel the road to success, it is the team of Graham and Sarfati, those on top of the ASAE-Center concept. This is an exciting journey of which we are *all* part. The impact will be felt by every allied, every vendor and every individual working in this great assn industry. We'll be along for the ride!