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ASAE, GWSAE: Consolidation Full Speed Ahead

By Jeff Jones

After months of talks, four well-known association-related groups agreed to consolidate, pending final approval in the coming months.

Under terms of the preliminary agreement, American Society of Association Executives (ASAE), The Center for Association Leadership, Greater Washington Society of Association Executives (GWSAE), and the ASAE Foundation would become two entities. ASAE and The Center for Association Leadership would keep their names, the groups said in a press release.

"We have gotten approval from the four boards on the concept of consolidation," said Susan Sarfati, president and executive officer of GWSAE and The Center.

The best way to look at the consolidation is to think of it as a 501(c)(3), The Center, and a 501(c)(6), ASAE, moving together and combining the best of both and eliminating redundancies, said John Graham, president and chief executive officer of Washington, D.C.-based ASAE.

Graham had held that position for less than six months when the proposal was announced. The deal does not impact ASAE's budget significantly, Graham said. ASAE will transfer some of its educational activity, but most of it is expenses and not activity, he said.

ASAE's operating budget is \$26 million, officials said. The budget of GWSAE and The Center is \$12.3 million this year, with \$6 million in unrestricted reserves, Sarfati said. Specific details of future budgets need to be worked out, officials said.

ASAE will continue to have its membership programs, sectional councils, certification programs for association management companies and association executives, public policy, and trade show interfacing with the industry partner community, Graham said.

The Center would take the lead as the source for learning and knowledge in the association community, officials said. For instance, a person would have to be educated through The Center before receiving ASAE certification.

After restructuring, ASAE and The Center would operate with separate boards joined by a governance structure that includes cross-representation on both boards and a unified staff, the

groups said.

For example, there would be a joint nominating committee, finance committee and audit committee, Graham said. He would continue in his position under the proposal. The goal is to have a done deal by July 1, Sarfati said. Both organizations begin their fiscal years on that date. Sarfati would keep her title at The Center and be appointed executive vice president of ASAE.

Neither Sarfati nor Graham said they expected significant job cuts as a result of the consolidation.

Graham pointed out that ASAE, which employs roughly 100, is understaffed now after job reductions approximately two years ago.

Some staff positions could change or new opportunities could emerge, he said. GWSAE and The Center employ 37 full-time staff members.

"I think that there will be slots for our staffs," Sarfati said. "We aren't eliminating activities, and there aren't many activities that are duplicative."

The Center would offer programs and services of GWSAE, ASAE Foundation, and ASAE educational programs, the groups said. If the consolidation is approved, GWSAE would be absorbed into The Center.

Although GWSAE's name sounds regional, it has significant influence because of the many national and international groups based in Washington, D.C.

"In concept it's a good idea," said Ed Able, president of the American Association of Museums in Washington, D.C. "Having two highly programmatic, productive organizations in the same town has been challenging. My concern is around the issue of governance, specifically the governance of ASAE. Their board and officers have not demonstrated competence to lead an organization over the last six years, and allowed ASAE to lose its leadership, professional and financial stability."

Able said he has confidence in Graham and his ability to produce, motivate and lead a highly competent and professional staff. That competency must be matched by a "real" and effective governing board, Able added.

Graham said ASAE is financially stable with assets in excess of \$24 million. Sarfati said she believed ASAE would step up to the challenge.

"We are moving ahead," Sarfati said. "I'm taking a forward focus. ASAE is a fine organization. It's the national association in our profession. It has stature throughout the country. Both John Graham and I are committed to move forward in a positive way."

ASAE has been criticized previously for not being as entrepreneurial as it should be, Graham said. "I'm not prepared to say that's a fair criticism," he said. "I'm more concerned about what ASAE is going to be in the future."

Graham said that the volunteer leadership of ASAE and GWSAE had enough vision to come together and lead a very bold move. This move enables ASAE to become even more than it was in the past, and deliver service and products in Washington, D.C., and around the country, he said.

Graham has a history of bringing groups together. When he was president of the Alexandria,

Va.-based American Diabetes Association, he helped transition 53 independent affiliates into one national organization.

Graham said he has been working on this effort since taking the job and is excited about the consolidation. He said such talks had been on and off for some 10 years before he arrived. "It's truly a milestone for the association community," he said.

Reached a day after the Jan. 15 announcement, Sarfati said she had received some 300 emails. Most of them offered "overwhelming support," for the consolidation, she said.

Town hall meetings to discuss the proposal were scheduled for Jan. 28 in Washington, D.C., and Feb. 10 in Baltimore during an ASAE conference.