Innovation for Associations

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Introduction

The objective of the Wisconsin Society of Association Executives (WSAE) Innovation Task Force is to define an evidence-based model of innovation for the association community. Inspired by the dedicated, defined and resourced "innovation function" that exists in many for-profit companies, we have reviewed a series of case studies that profile these processes. By examining the principles of innovation successfully employed by these organizations, we hope to identify practical strategies for applying those principles to the association environment.

For the purposes of this discussion, we have defined innovation as "a process that effectively generates and applies creative ideas to the achievement of defined objectives." In this conception, it is assumed that different organizations will use innovation in different ways to achieve different objectives, but that there are a universal set of organizational traits that are necessary to allow innovation to function. We describe an organization that demonstrates these traits as having a "culture of innovation."

This white paper will describe the traits—or principles of innovation—that we believe are necessary to create this culture of innovation within an organization. It will then describe barriers to the adoption of these principles that appear common to associations. It will also begin to explore some unique qualities of associations and other strategies that associations may leverage to overcome those barriers.

We envision this white paper as the beginning of a conversation about this topic in the broader association community. We welcome feedback, especially with regard to examples of the successful application of innovation principles by associations. This paper also provides a quick assessment tool for association executives to use in evaluating the "innovation readiness" of their association. WSAE will use this tool to organize the successful strategies we identify so that association executives can more readily access the strategies tailored to

their position on the continuum of innovative practice. Through the on-going incorporation of new information, we hope to develop and refine our evidence-based model of innovation for associations.

Principles of Innovation

Among the case studies of successful innovation we studied, the following four principles appeared universal and necessary.

1. The culture of innovation was driven from the top of the organization

Like most organizational cultures, innovation began with the leadership of the organization. Several different leadership structures existed, but the organizations with innovative cultures invariably reflected a commitment to innovation among its most senior leadership, and organizations that wished to adopt an innovation culture had a leadership team that embraced, advocated for, and supported that change. Attempts to drive innovation from the middle or only one portion of the organization invariably failed, because any innovative action that fell outside the boundaries of the existing culture did not receive the leadership support or resources it needed to get off the ground. The lesson that these organizations learned was that a commitment must be made at the very top in order to create a culture of innovation, and that leadership must drive the cultural change necessary to support and re-organize the organization for that function.

2. Commitment of resources to the process of innovation

Like all successful business processes, innovation cannot happen without the appropriate resources to support it. Employee schedules included time for engagement in the innovation process, money was allocated in the necessary budgets to allow the process to move forward and to capitalize on the ideas it generated, and management personnel were in place to oversee the process and make sure it ran effectively. Although the process mechanics varied across the different case studies we examined, some of the common attributes of a successful process of innovation appeared to be:

   A.   Precise strategy. The problem to be addressed by the innovation process was clearly defined. Teams working on the problem knew what risks were acceptable and unacceptable, and how their success would be measured.

   B.   Eclectic teams. Who participated in the process was as important as the process itself. Team members were all creative thinkers, usually from different departments in the organization, and brought a variety of experiences and perspectives to the table.

   C.   Nimbleness. In the case studies, the objective of innovation was invariably to deliver better products or services to a constituency. In this competitive environment, the processes were designed to move quickly and be highly responsive to the needs of the community being served.

   D.   Clear decision points. These successful innovation processes generated a high number of creative ideas. The method for selecting which ideas would be pursued and which would not was always defined up front, was clearly understood by all participants, and did not change as the process went forward.

3. Understanding the mind of the community

All organizations serve a community in one form or another, and innovative organizations have developed mechanisms that provide a keen understanding of what's on their community's mind. In the most successful cases, it went beyond an awareness of a constituent's needs. These innovation processes were imbued with a true sense of how the constituents thought—what they wanted, what they didn't want, and how they would react in predictable and unpredictable circumstances. The methods for attaining this understanding varied, but the knowledge, once attained, was used throughout the innovation process to as a constant guide for successful decision-making.

4.   Freedom to experiment and fail

The innovative organizations we studied all viewed failure as a natural and necessary part of the innovation process. Within the boundaries defined above, ideas were given the support they needed to succeed or fail, and when they failed, the focus was on learning from the experience rather than assigning blame. One company's motto was "fail often to succeed sooner," and they encouraged their employees to ask for forgiveness, not permission.

Barriers to Adoption in the Association World

The principles of innovation described above were derived from case studies of innovation in the for-profit world. Associations are similar to for-profit organizations in many ways, but different in many others. As such, it is not surprising that associations may have some difficulty in embracing all aspects of the innovation principles. This section describes the barriers to adopting these principles that appear common in associations.

1.   Diffuse leadership

Innovative organizations have a culture of innovation that is driven from the very top. But in the association world, "the top" of the organization is sometimes difficult to define. Almost every association has a Board of Directors that governs the organization, and an Executive Director that provides operational leadership, but the interplay and degree of inerrant functional overlap between these two entities vary from association to association, and in many cases creates an environment in which leadership authority is imprecisely diffused among many individuals. In addition, some associations are said to be "staff-driven," and others "volunteer-driven"—conditions in which the identified constituency exercises tremendous influence over the culture and activities of the organization. Even when leadership structures are clearly defined, term limits and turn-over of association Board members often make it difficult for the organization to sustain long-term strategic initiatives.

2.   Low tolerance for risk

Innovative organizations are by nature risk-taking organizations—places with the freedom to experiment and fail. But many associations approach risk from a decidedly conservative perspective. The need for change must be clearly documented and then trial-ballooned and focus-grouped with numerous stakeholders before it can get off the ground, and then it often has to navigate a minefield of existing programs and sacred cows in order to compete for funding. What many associations deem normal due diligence procedures—financial analyses and projections—can prematurely kill most innovative ideas, by creating the illusion of a known financial outcome where none, in fact, exists. Furthermore, the perceived "price of failure," in terms of the potential loss of power and influence within an association hierarchy, is also often too high to attract the necessary champions for innovation.

3.   Unwillingness to commit resources

Innovative organizations commit resources to the process of innovation. But many associations have budgets they either perceive to be too small to allow for such an investment, or which are already overstretched into dozens or hundreds of association programs and activities. Innovation does not require a big financial budget in order to happen—many small organizations are good at innovation. Innovation does, however, require some investment of resources—money, staff time, expertise, management processes—and too many associations are unwilling to seriously commit a portion of these resources to its execution.

4.   Complex organizational structures

Innovative organizations employ a process of innovation that is nimble and which offers clear decision points. But for many associations, decision-making is a long and complicated affair, requiring the engagement of multiple stakeholders and the approval of several layers of management and authority. Staff departments, volunteer task forces, standing committees, houses of delegates, boards of directors—there are all hallmarks of even the best-run associations, each with a defined role to play in the organization's budgeting process and decision tree. In a poorly-run association these complex organizational structures, and the commitment to consensus-based decision-making that they require, can leave an association incapable of sustaining a productive and useful process of innovation.

Potential Association Advantages

While associations in general experience the barriers described above when it comes to adopting the for-profit world's principles of innovation, there are also several advantages that associations have over their for-profit counterparts given their unique organizational position and structure. These advantages include:

1.   Direct access to the mind of the community

Innovative organizations know the needs and desires of the constituencies they serve—what we described above as understanding the "mind of the community." In for-profit companies, this community is generally comprised of customers *external* to the organization. Developing an effective mechanism for understanding their needs can therefore be time-consuming and expensive. But an association's community is made up of its members, and members typically comprise a number of established networks *internal* to the organization. Boards of Directors, committees, task forces—even supplier networks and, sometimes, staff departments—they all provide associations with a direct connection to their community that for-profit corporations committed to innovation would envy. These ready-made networks of key stakeholders are a clear advantage for developing a successful process of innovation within an association, as they can be continually leveraged for suggesting, selecting, testing, promoting and, ultimately, using the resulting innovative products and services.

2.   Experience with diverse teams and team-based decision-making

Although associations are often hampered by overly complex organizational structures and decision-making processes, another clear advantage they have for adopting the principles of innovation is their experience in bringing diverse teams together for collective action. An association can be thought of as a gathering of colleagues/competitors who have come together to advance their given profession/industry while advancing their own careers/businesses. In this environment, associations have developed several successful strategies for identifying common objectives, creating partnerships, and dealing with dissension and debate—all based on helping diverse constituencies focus on the elements that unite them. When coupled with a targeted objective and clear decision points, these same strategies can be effectively leveraged as part of an effective innovation process.

3.   A stewardship position for its profession/industry

Most associations enjoy a position as advocates and champions for their particular profession or industry. Although there is certainly competition in the association world, each successful association is viewed by its constituents as a necessary institution—something critical to the continued growth and development of the profession or industry. They generally would not be members if they did not think so. This provides the well-managed association with a kind of stability not enjoyed by for-profit entities, with some buffering from the vagaries of the marketplace. This should, but often doesn't, allow for greater risk-taking opportunities in associations. But the reality is that association members are often committed to the success of the association, and to its ability to serve their needs, in a way that customers are not committed to the success of all but the most iconic companies. Their vocal leadership and participation can be effectively used to help an association find innovative solutions for even its most perplexing problems.

Assessing an Association's Readiness for Innovation

With the publication of this white paper, it is our intention to engage the broader association community in a dialogue about strategies that have been successfully employed to help associations develop a culture of innovation and to design and manage successful innovation processes. We recognize, however, that each association is different, and those interested in using innovation more effectively will likely be at different places on a continuum of innovative operation. To provide a framework within which the successful strategies can be organized, and to therefore help association executives determine which strategies they should seek to employ first, we have drafted the following set of classifications for innovative organizations:

Level 1 – A culture of innovation does not exist in the association.

Level 2 – A culture of innovation exists, but there is no defined process for how innovation will occur.

Level 3 – A culture of innovation exists, there is a defined process for how innovation will occur, but it is not resourced appropriately or it is not working properly.

Level 4 – A culture of innovation exists, there is a defined process for how innovation will occur, and the process is appropriately resourced and working properly.

These classifications are based on the concept that an innovative association must develop, in order: (1) A leadership culture that embraces innovation; (2) A defined innovation process; and (3) The resources necessary to execute that process. We classify associations that lack all three elements at Level 1, those with the culture but without the process or resources at Level 2, those with the culture and process but without the resources at Level 3, and those with the culture, process, and resources at Level 4.

We recommend that association executives use this simple scale to determine the "innovation readiness" of their own association, and then join our dialogue based on their relative position on the scale. Our objective will be to identify evidence-based strategies to help associations at all levels, knowing that the strategies needed to move from Level 1 to Level 2 will be different than those needed to move from Level 2 to Level 3, and from Level 3 to Level 4.

Next Steps?

WSAE will be spearheading a national conversation on innovation in the association community, using the definitions and concepts outlined in this white paper as the framework. This conversation will include an online forum where innovation strategies can be proposed, discussed, and validated, and a National Summit on Association Innovation, to be held in conjunction with our next Annual Educational Conference in September 2011, where our results can be presented and participants can develop customized innovation plans for their own organizations.

If you would like to participate in our project, please contact:

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