

# Having a Heart to Heart Talk

## How Can Your Budget's Foundation Help You Know Your Association Is Adding Value?

By Chris Aycock, President of The Aycock Group

*"Is your heart filled with pain, shall I come back again. Tell me dear, are you lonesome tonight?"(Elvis Presley)*

You may feel like you are working very hard and budgeting well, but are you providing what your members view as most important? The heart of your association is your budget and it needs to reflect the heart of your members – what they value. If it does not, you may have “a heart filled with pain” and it may feel “lonesome”.

This article proposes a framework to help associations know they are providing value to their members. This framework will help associations ensure their budgets and budget process are deep-rooted in the foundation of what members' value.

The article applies the real experience of the following *The Aycock Group* clients:

Ed Regan, Executive Director of The North Carolina Retired Governmental Employees Association



*Ed Regan*

(NCRGEA) and Association Executives of North Carolina (AENC) member provides his experience with linking budgets to board priorities and goals that are based on what members see as valuable.

Dick Fowler, Executive Director of The NC Association of Soil and Water Conservation Districts (NCASW-CD) and Jim Freeman, The City Manager of Havelock, NC also share their practical experience.



*Dick Fowler*

There are three main components to the framework I am proposing.

1. Find out what your members value by engaging them.
2. Establish priorities/goals based on what the members value.
3. Use these priorities and goals to drive your budgeting process and budget.

Some associations can be like a family on a summer trip to Florida. The fami-

ly finds inexpensive gas, a great hotel, and fun activities all while meeting the family budget. But then the family realizes that everything is wrong. No one wants to be in Florida; they want to be in Canada. Canada has things to do that they have never done like skiing on real snow and watching hockey players on their native ice. Budgeting by the numbers accurately is critical, however if this budgeting is not linked directly to what the members perceive as valuable, then the association may feel like this family on their summer trip.

### 1. Find out what your members value by engaging them

Face to face meetings are still as important as they were before the technological age. Well facilitated meetings/retreats create a rich and deep understanding of the issues. They provide clarification of key issues. For example if a member says “the association should improve technology”, what does this member really mean by “technology”? In addition, the act of coming together in person is a powerful way to build collaboration and commitment.

Surveys are a helpful tool in obtaining useful information about what the membership thinks is most important when the membership is significantly large in number and geographically expansive. Ed Regan explains that he has the challenge of having about 54,000 members in North Carolina, as well as other states and some in foreign countries. In their strategic planning process, The NCRGEA used a membership survey with great success. The survey helped the association reexamine its focus. Ed states:

*“The survey showed the members’ valued advocacy, but there was a real focus on the value of the high-quality information they received from the association. Since the strategic planning process, we have worked to broaden and expand our strength in communication to meet this emphasis.”*

The NC Association of Soil and Water Conservation Districts (NCASWCD) used surveys and eight face to face regional strategic planning meetings across North Carolina. The information from the membership gathered in the regional meetings and the surveys were used as the foundation of the mission, goals and objectives set at the Board retreat. Dick Fowler explains that:

*“The NCASWCD has 492 members (District Supervisors) in every corner of North Carolina. The key to having good engagement in our process was taking the planning process to the members. People are more comfortable on their own turf.”*

## **2. Establish priorities/goals based on what the members value**

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Setting priorities and goals based on what the members’ value is the next

step in this framework.

The NCRGEA based its goals on what the members’ value and is implementing these goals currently. For example, one goal is to increase the member’s role in advocacy. *The Grass Roots Advocacy* initiative of NCRGEA, that was discussed at 2010 District meetings, is working to mobilize “the greatest potential strength of a membership organization-local constituents in large numbers” (Handout from District meetings 2010).

With clear priorities, implementing the budgeting process can also become more focused. Jim Freeman, The City Manager of Havelock, states that it was “very useful to establish priorities in the beginning of their budgeting process where every board member was engaged during a retreat. This was very helpful, because then the board is committed, the timing allows for a good flow into the budget process, and it allows the city manager later in the actual budgeting process to be able to remind his/her board of the priorities they set.”

## **3. Use these priorities and goals to drive your budgeting process and budget**

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Priority setting and clear goal direction is very important in the budgeting process for associations and governments. Limited resources must be used wisely for the most value to their members/citizens.

One commonly perceived challenge to the approach in this article is the current climate of limited funds and resources for almost all associations. Ed Regan understands these real financial challenges, however he points out that:

*“Having a strategic plan with priorities and goals did not mean we had to increase membership dues, instead it caused us to focus funds and resources on what the members valued more precisely. In some cases these changes actually led to savings in funding not increases in funding”*

For example, the NCRGEA created a goal during its retreat to enhance electronic communication ability. As a result the association has made several changes including working on making its website a better source of communication and converting more newsletters to electronic format, realizing cost savings.

Jim Freeman also believes that implementation of more focused priorities do not always require additional funds. Jim explains:

*“Money is a very important issue but you can find other ways to skin the cat to meet your priorities”*

Jim Freeman gives the following examples.”In Havelock, there are recreational budget priorities of developing pedestrian connectivity and need to increase additional recreation facilities/fields. Yet funding is not available. Thereby, the city proceeded to meet these recreational priorities by partnerships. In particular, the approximate 2 mile McCotter Canal trail connecting residential subdivisions to the city’s 50 acre recreational facility will be accomplished by working with the US Forest Service who plan to do a fire lane clear cut. Resulting in a city cost savings since it does not have to acquire property nor rough grade the trail. Additionally, the City has worked out arrangements with area schools and MCAS Cherry Point base, to

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“reciprocate” utilizing facilities like the gym and fields at no cost when program demand overwhelms the city existing facilities. As for future recreational field needs, discussions are underway with the base and NC Coastal Land Trust to secure properties whereby all three entities could benefit.”

### Conclusion

The framework proposed to help associations add value to their members through the foundation of the budget process is presented in the following chart. The budget and the budgeting process are the *heart* of an association and should be linked to the *heart* of the members – what they value. ☞

## Budget Process Linked to What Members Value

Find out what your members value by engaging them



Establish priorities/goals based on what the members value



Use these priorities & goals to drive your budgeting process & budget

*This article is written by Chris Aycock, President of The Aycock Group. Chris has extensive facilitation and strategic planning experience and previous senior management experience. The Aycock Group has over 40 years of experience working with and within associations, nonprofits and governments. Our firm provides strategic planning, retreat facilitation and board development. Ron Aycock is the senior associate for The Aycock Group. Ron is the retired Executive Director of the North Carolina Association of County Commissioners where he served for over 25 years. Contact information: 919-834-2313, [chris@theaycockgroup.com](mailto:chris@theaycockgroup.com), [www.theaycockgroup.com](http://www.theaycockgroup.com)*



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Eleanor Roosevelt, guest 1934, '37

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