



National Business Aviation Association

2016 Association Innovation Benchmark Study

Conducted by Amanda Kaiser at Kaiser Insights LLC

www.SmoothThePath.net

2016 Association Innovation Qualitative Research Report

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Think of some of the most innovative companies right now: Apple, Tesla, Amazon, Disney, Netflix. While many of them publically share their innovation best practices it turns out that innovation at these gigantic for-profit companies is more different than association innovation than it is the same. Sure there are some best practices we can adapt and are adapting like Disney's "plussing up" or Pfizer's lean R&D process approach. With their enormous size, extensive resources and differences in mission, culture, governance and operations, largely the way in which these large companies innovate is far different compared to the way the most innovative associations do it.

Since associations are so unique and diverse (under one roof with a relatively small budget, associations are publishing houses, consultancies, research agencies, event planners, impresarios, trend reporters, conversation starters, government liaisons, advocates and more) it stands to reason that association innovation could look quite different than it does in the for-profit sector.

During the course of this qualitative research, 15 executive team level, full-time association professionals were interviewed. 11 of the participating associations started their focus on innovation recently within 1-5 years. The remaining four had been focusing on innovation 7 or more years. 13 of the associations are moving forward with their innovation efforts while 2 had regressed as support for innovation dimmed. This diversity of responses gives us some very rich data and insight on what peers have done, what worked best for them and the challenges they encountered along the way.

Executive Summary

This executive summary is not just a recap of the biggest learnings. In it, I try to answer the big question, **"what can we do differently now that we have these insights?"** We'll delve into the most common challenges associations had as they started their focus on innovation. We'll talk about non-negotiable elements that must be in place for innovation to happen. And we will reveal some of the more important techniques and resources other associations used as a foundation of their innovation efforts.

As I looked at the data over and over again and across the questions, 6 foundational elements for focusing on association innovation emerged:

1. Define Innovation

The first step in focusing the organization on innovation is coming up with a consistent definition for innovation that is understood by all. Our goals can then flow from this definition and measurements from the goals.

The most common definition for innovation is a 3 element definition. Something like this: we create and launch a member benefit or product or process that is new that provides value to members. One respondent articulated it like this, "Innovation is about finding something new or different, a thing or a process that creates value and brings to life something that hasn't existed before." But this 3 element definition of innovation is not the only thing to consider as you define your definition of innovation.

Most associations think of innovation as product innovation but process innovation might be considered as well. If new processes or changes in the process improve efficiency, effectiveness, save time or save money do they count as innovation since they could ultimately add member value?

It is also worth considering how big your innovation has to be. The media covers big innovations and so the words "big" and "innovation" are combined in our minds. This does not necessarily have to be the case. Some association execs warn that by ignoring the innovation continuum and focusing only on the big ideas we lose out on opportunity and staff participation. Here the continuum is explained in more detail. "Big innovation is this - what are the things that no one in our space is doing that if we did would provide new value to our members and set our brand apart? The second one is - what is it that we can do to our portfolio of programs or general activities to plus up any one or a handful of things so we make them better than they were before? The "plussing up" or refining are the baby steps of innovation for us. We do way more of the plussing up than we do those gigantic steps of innovation. How many big things can you bite off and do well?" With innovation, size does seem to matter as participants (separately) debated what size innovation had to be. Some said small doesn't count, it is not innovation. But more in these conversations said it is better for all of us if we think about innovation as a continuum and as we grow our innovation capabilities we can change the ratio more in favor of those big innovations.

Finally, what is innovation meant to do? Improve the value to members or improve the whole industry or profession? Here's a wise comment, "We need to do a much better job of forward-thinking. We can't just think about the operations of the organization. We need to think about the future of the field."

2. Know that the Organization's Success in Starting a Focus on Innovation Hinges on the CEO

For there to be association-wide innovation the CEO has to be on board with innovation minimally. More likely the CEO has to be an enthusiastic driver of innovation.

Usually the CEO initiates the focus on innovation. The CEO must always be on board with the focus on innovation for the association's transformation to take place. The CEO sets the vision, the tone, nurtures the culture, hires staff with these values, cheerleads, champions, motivates, and celebrates. The CEO starts the focus and stays involved. They may not be involved in the day to day tactics but they continue to show support by staying involved and championing the effort at a strategic level and on a staff level. An association's move toward innovation dies when the CEO's support is lessened.

Here's how one respondent talked about how the CEO unshackled them from fear of failure and got the staff all moving in the right direction. "A culture of innovation does come from the top. Our CEO gives us the opportunity to make mistakes and you're not berated. I feel I can go try something and if it doesn't work I won't be in trouble for it. Go try it, what's the worst that can happen? It might succeed!"

3. Start with Culture AND Process

Many of the respondents noted their association tended to focus first on culture as they forged their focus on innovation. Other respondents talked of putting the process first; perhaps using the process to drive culture. There were a few process-first believers in this research but far more culture-first believers. Interestingly many of the associations that started with a focus on culture soon came to realize the need for process.

Here's a comment about the importance of considering culture in a new focus on innovation. "You can have the culture without the process but you can't have the process without the culture. You can have it – you can have the framework, meetings, forms, the committees, the steps – but you are never going to get what you really want. Because the heart and soul is having someone to bring you their best ideas, their babies, and trusting you with it." Culture-first believers worry that with process-first, the focus on innovation might not truly be enculturated and the association may backslide to the status quo.

Here are some comments about the importance of considering the process in a new focus on innovation. "So we're going to focus on our process because with a great process you generate high value. And you can't get people happier when they see value. So the first thing we're

doing with our change management is we want the staff to see value in ongoing happy employment here. Happy staff, happy member. You can't have happy members with an unhappy staff." Also, "by doing this work, I've come to the conclusion that one way, and perhaps the best way, to change a culture is to change the structure. If you dismantle a small, rickety old bridge that is known and familiar and build a new bridge with lanes, and lights, and tolls – the fact that people must now go over that new bridge will change the way they think about bridges, lanes, lights, tolls, and perhaps also cars, engineers, etc. The fact of using the new bridge will change them. Thus it is with culture change; if you require people to follow a new process, the fact of using that new process will have far greater impact on them than simply talking to them and trying to persuade them to see or think differently." The process first-believers note that it's hard to build a culture without having a project with which to build it on and without the process you may have a staff raring to go with no clear direction of how to get there.

This makes me think the two orientations - culture and process - are not mutually exclusive. Would developing the culture and process with equal emphasis and simultaneously not only accelerate this change but also more effectively anchor the new way in the hearts and minds of staff?

4. Get Skilled in Change Management

The biggest challenge with innovating is change. Participants talked about their organization's struggles with change in different ways: from the lengthy time it takes to get all the stakeholders to add their fingerprints to the plan to the transition from a fearful staff to an open staff to a motivated staff. They talked of the need to set expectations with staff and with the board, allowing for failure, onboarding staff – all of this has to do with change.

Most associations that are looking to start a focus on innovation are established and have been operating the same way for many years so they have a set culture, processes, organizational mindset and ways to do things. Getting skilled in change management seems like a great way to ease everyone into the process, reduce pain and maybe even allow them to have some fun along the way.

Participants agreed that the path of incremental change is better. One said, "When you have large organizations who are large and established and with an intentional culture there's a certain amount of care that's taken – the incremental path lends itself to larger and more established organizations. Embracing and celebrating incremental innovation puts the organization in a better mindset to welcome change and innovation. They see it as a positive." If incremental change is better, intentionally orchestrating that incremental path must be best!

At the end of the executive summary there is a resources swap section that includes a handful of books that can help you get skilled in change management.

5. Structurally Pave the Way for Innovation

Culture and change management and great CEO leadership create a new space for innovation in our minds. We also need to create a space for innovation physically in our organizations. Here are 5 important tactics that emerged from the data to structurally pave the way for innovation:

I. Have a Process

Outside of change, some of the biggest challenges associations experienced early on were the lack of process. This lack of process led some to a lack of focus. "We had a lot of board voices and some member voices who were active and involved who would see the bright, shiny object and distract us." Without a process there was also needless risk. "We would introduce things too soon because we sometimes didn't do enough due diligence." Having a robust process that vets ideas against organization goals at the outset can smooth the path.

II. Define Innovation

We also talked previously about having a common understanding around the definition of innovation. A respondent said, "we didn't have an agreed-upon definition of innovation or desired outcomes." Having a definition helps us set goals. Having goals helps us to focus. Having focus helps us to start and move forward.

III. Create a Budget

How else can we pave the way for innovation? Have the money set aside to do it. Most associations have set up a special fund outside of the operating budget. Important here is they state how the money is to be used and how to apply for funds. Additionally, some associations, have very methodical ways in which they address each application for funds and how they communicate their follow up afterwards. They created a very transparent process in which staff knew the status of their idea, why it was not accepted and, if it was accepted, where in the process the project was.

IV. Give up on the stuff that's not working

Time and resources are the number one challenge preventing associations from moving forward on all of the great innovative ideas they have. "Time is our challenge. I have people who have ideas and we get excited around a particular project but... time. Innovation is always an add on. So it always comes down to time and capacity." Most associations see the need to sunset the non-popular products and many have done it in a one-off push. They have found

that a data-driven process eases decision-making. Perhaps instituting this as a regular process could continually clear the decks for the good ideas of the future.

v. Make sure to Staff

Many associations want to innovate but want to do it with no staff additions. Many respondents would pose questions like these at the start of an innovation project: “can we spread the work out among a few staff? Can we incorporate this into what we are already doing?” We can ask the staff to do more on top of their full schedules and there are other ways we can staff additional projects with consultants or new hires. Additionally, many associations are setting up cross-functional innovation teams that either ideate, vet ideas, work on innovation projects (especially those that fell in the white spaces between departments) and/or help the departments work on their innovation projects.

6. The Idea Process

Innovation is built from new ideas. Many associations have an idea process: a process to generate, vet and prioritize ideas. Here are 5 steps to get you started:

I. Member’s Problems Spark Innovative Ideas

Where do ideas come from? Our members. Many respondents discovered and collected key member problems and these problems inspired ideas. A handful said we’ve conducted surveys but they were not all that effective in getting the insights we really needed. Among these respondents many reported that staff have conversations with members and these conversations with members spark ideas over time.

II. Help Ideas Flow and Get Heard

It’s important to think about the path ideas take so that anyone in the organization can get their idea heard. Sometimes it is easier for leadership level staff to get their ideas in the queue than it is for those at junior levels. “We also know it’s harder for a junior line staff with a good idea to get traction than it is for a VP.” Having an idea application available to all staff and a process to submit the idea can help facilitate the creation and sharing of all great ideas.

III. Prioritize the Best Ideas

Who will vet ideas and against what criteria will they do so? Take a look at the summary for question 14 for all the very different ways associations do this. Usually a team is set up to review and prioritize new ideas. Some teams vet, some teams blue sky, some teams focus on revenue outcome and some teams focus on just taking that first step. Ultimately respondents talked a lot about finite resources, somehow ideas need to be prioritized and a funnel created that effectively promotes ideas that align with our strategic goals.

iv. New Product Development Process

You may have to create an entirely new process for idea generation, flow and prioritization. Not to mention a process to sunset existing products. Here's the good news, most associations found that implementation and launch of the best innovative ideas can be handled by their existing new product development process.

v. Recognize Staff Members for their Work

Associations are hesitant to reward innovation but are more comfortable with recognizing it. Perhaps some thoughtful conversation at the outset can avoid some pain down the road? Who will do the recognizing? Peer to peer, by the CEO, by the leadership team? Do we recognize those with a great idea or do we recognize those who are trying to solve a member problem? How do we make sure it's not just a few people always being recognized and instead try to identify and encourage great work across the whole association?

Conclusion

There are so many ways in which associations innovate and there tends to be quite a range of beliefs and actions; some are even contradictory. Which should we follow? It depends. The right culture, process, change management style, ideation process depends on the association; association by association. In some cases, I've been able to draw conclusions on what seems to lead to the best outcomes but in many cases the right answer is dependent on the association itself. In some ways we can look at this report as a manual for getting innovation started but it's also a guide book for talking about association innovation, getting the conversation started at your association, and understanding the whole range of options open to us at any stage of the process.

Many respondents, especially those new in their innovation journey, reported feeling uncertain. Many of their comments echoed this one. "Are we doing this right?" Are we innovative enough, are we doing this fast enough, will we stall, will we fail, will we revert, and are we doing the right things for members? Contrast this with the organizations who were successfully farther into their innovation journey who tended to not really be worried about the future. They were on the path and they were feeling good about it. We can expect in the early years to feel uncertain and unstable. The responses in this report, especially the summary for question 17, show us these feelings are a totally normal part of the process.

We hope you enjoy these insights and if you have any questions feel free to reach out to me, Amanda Kaiser at akaiser@smooththepath.net

Demographics

One on one conversations were held with association professionals who focus on innovation between 2/18/16 and 3/8/16. Each interview was one hour (or more and there were additional email exchanges for some who shared even more information.) I took this willingness to share as a sign that there is a lot of heart for this topic in our community.

Staff size

- 3 organizations are medium-small with between 22-30 staff
- 7 organizations are large between 50-100 staff
- 5 organizations are very large between 101-650 staff

Organization location

- 9 from the DC metro area
- 4 from the mid-west
- 2 from the west coast

Industry focus

Slightly more than half of the respondents come from associations that focused on medicine or higher education or both medicine and higher education. The rest of the respondents came from a mix of industries and professions served: IT, HR, manufacturing, aviation, and teaching. Some of the responding associations had individual membership while others had organizational membership.

Respondent titles

- 5 are CEO & President
- 4 are VP/Directors of innovation
- 3 are VP/Directors of marketing or business development
- 2 are COO's
- 1 is the VP of membership

The entire list of respondent names and associations are being kept confidential due to the sensitive nature of some of the comments.

Resource swap

These are books, resources, consultants, processes and methods participants mentioned in their answers:

Association Developed Resources

ASAE's [Focus on What Matters](#): A 3-Step Workbook for Selecting and Sunsetting Association Programs, Products and Services by Mariah Burton Nelson, CAE.

"Will you be interviewing Arlene Pietranton at ASHA? They are doing some really interesting things. Their directors are not directors but rather facilitators and coaches. And the [characteristics of their org culture](#) is really special. Take a look at that."

Books

"A book and mindset that helped us was [the Blue Ocean Strategy](#)."

"When you're introducing substantial transformative innovation the only way to do it well is to be knowledgeable about how to lead and manage change. Some great resources:

- James Kouzes – he has an actionable framework around change in the [Leadership Challenge](#).
- John Kotter – [Leading Change](#)
- John Kao – is thought leader in innovation. He says something like this: innovation is not this unstructured, unframed approach. It's like Jazz, the musicians in a jam session have a common framework in which they work within. He talks about this in his book [Jamming](#)."

[Switch: How to Change Things when Change is Hard](#) by Chip and Dan Heath

[Collective Genius: The Art and Practice of Leading Innovation](#) by Linda Hill, Greg Brandeau, Emily Truelove and Kent Lineback. Watch Linda Hill's [TED talk](#).

Association Membership

[Association for Managers of Innovation \(AMI\)](#). "The members are innovation focused professionals from all sectors. The meetings are a great source on innovation training and ideas. It's a small organization – no more than 2 people can be members from any one company and there's a vetting process to becoming a member.

My favorite thing is BBWI, Beg, Brag, & What If sessions – everyone has a 5-minute opportunity to either beg, brag or what if. There are blue cards in the middle of the table and when someone is begging everyone writes 3 ideas to help you so when you leave you get 200 ideas some of which might actually help. They always try to leave something wherever they are doing their meeting. So we'll meet with a non-profit with a specific challenge and all of us innovative people try to address their challenges in a 2-3 hour session. There's an activity where we'll learn about something different – a blessing from a shaman, a walk in the woods to see how nature tells a story, yoga - the most valuable thing for me is talking to innovation people in so many different industries."

Videos

[Where good ideas come from](#) TED talk by Steven Johnson

[How frustration can make us more creative](#) TED talk by Tim Hartford

The 17 questions and their summary answers:

1. How do you define innovation at your association?

Only one association had a clear definition for innovation at their association. Some had an agreed upon understanding of what innovation was at their association or what they wanted it to be but this was not written down and may or may not have been widely shared by all the staff. Also just a few respondents defined association innovation as they, personally, would define it.

Most common was the 3 element definition: we create and launch a member benefit/product that is new that provides value to members.

Also popular was the innovation is a continuum definition: at one side is the constant improving upon what we already do and at the other side is totally-new-to-the-association efforts. Respondents used these words: evolutionary vs revolutionary [used twice], iteration vs a leap forward, big innovation vs. plussing up, incremental verses disruptive or transformative, and iterating vs. startling new things that are innovative. Two respondents further elaborated on the continuum idea and talked about their association's innovations as being small, medium and large (small are everyday iterative, medium are big changes to existing projects, large are big and new innovations).

Four respondents took a more internally focused view of innovation where innovation is defined based on the association's current offerings, i.e. improvements that make the association better than it was previously.

Three defined innovation by their market: being better than the competition or the first in the industry/space or being perceived as innovative by the market.

Just a couple defined innovation as solving our members' unsolved problems. *This is the most common way the for-profit sector defines innovation so I was surprised by the initial lack of focus on member problems in these definitions but we see more focus on members' problems later throughout the report.

There was a little idea tug of war as some respondents thought of innovation as discipline while others thought of innovation as an art. One respondent made an interesting point by adding speed to his definition of innovation. Their goal is to speed up innovation to remain relevant.

2. Is innovation an association-wide practice at your organization?

6 respondents said that yes innovation is an association-wide practice at their organization, 3 said no and 5 said some variation of innovation happens in pockets or that they are moving in that direction and trying to get more staff to be engaged in innovation. Of those that said yes, they were more likely to then bring up the association's culture: "It starts with having a culture that is change-friendly. It has as a pre-requisite an atmosphere of openness and listening." And, "It's been in the culture for a long time but it was taken for granted. Now it's a cultural value." And, "everyone innovates. There's a pervasive idea that we're always thinking about where we want to bring this next."

There was a mix of opinions on innovative thinking expectations at all levels in the hierarchy. Some were for it, "we encourage ideas from anyone, about anything, even things that are not their responsibility." And "everyone is always trying to solve member's problems." But some noted that not everyone in every role needs to or should be innovating: "Not everyone can be innovating all the time. Someone has to keep the lights on." And "It's an organization-wide priority. It's not an organization-wide practice because most of the folks don't have the latitude to engage in the types of programs and projects my team [the innovation team] is focused on."

Whether a staff member is encouraged to think innovatively seems to be dependent on their job or manager. "Some more administrative jobs may not require innovation. Innovation can be built into performance goals – or not. Different departments have different expectations in the way they achieve their goals. So not every department is all that focused on innovation and it seems to be largely driven by the department heads."

One respondent's comments took the board into account when talking about innovation as an association-wide practice: "When we bring the board together they are not nearly as creative as they are in their day jobs. They are worried about messing up and they do not want the organization to lose money on their watch. People get comfortable with the status quo. This is totally driven by the staff. We need to let the volunteers know that it's okay to fail. The field is innovative and we are not innovative in leveraging the power of our volunteers. The staff is creative and innovative. But we're not harnessing the knowledge of our volunteers. We've not bridged this yet."

3. When did the focus on innovation start for your association? What or who prompted that focus?

11 respondents are in the early phase of implementing their culture of innovation and their organization's focus on innovation started between 1 to 5 years ago. 4 more are more advanced in the process, having focused on innovation for 7-15+ years.

For 11 of the associations, innovation has become a recent focus. 5 respondents noted explicitly that the CEO was the catalyst. They said things like, "the CEO had some foresight" or the "CEO recognized the opportunity." CEO's themselves tended not to take the credit and instead said it was a joint effort between themselves and the board such as in this comment - "...and having a board that's involved. The right board had to be present and the right board had to say this is how we want to be, now we can do big innovative things. The board had to be ready." 4 of the respondents, who were innovation leads, noted that the focus on innovation started around the time they were hired; they were hired because of this new focus.

For most associations (9 respondents in this research) the focus on innovation is inspired by an external pressure verses an internal stimulus. These external pressures were mentioned:

- Change in the industry/profession/field –
 - The speed at which the change is coming is picking up and that change is driven by the outside.
 - We're in fast-paced changing field. We can't just think about the operations of the organization. We need to think about the future of the field.
 - Our profession is remaking the landscape of the industry we serve.
 - No one in our industry was doing innovation so we could fill that gap.
- Technology-
 - The members at that time were responding to a general cultural interest in innovation. Innovation is in the news every day in the American business community. We are in the middle of the technology boom. Everyone is thinking about innovation and they didn't want us to miss the boat.
 - We're seeing a lot of technology changes in our industry.
- Recession-
 - It was the recession. It forced us to be more relevant to our members. No one wanted to have this happen again – it motivated them differently.
- Legislation-
 - A piece of legislation passed that had significant impact on our members. Our CEO and president had some foresight. They saw our members were going to

go through some significant changes and we need to serve and lead them through this change. My role as an innovation lead was created at that time.

- Change in member demographics-
 - Members were aging.
- Focus on innovation in the business media
 - We also saw a big media industry interest in innovation. It was easy to point to other industries as a reason to do it.

For some associations (4 respondents in this research) the focus on innovation was inspired internally:

- Perhaps based on the force of will of the CEO?
 - The strategic plan process was the beginning of the shift in culture. It gave our employees permission to think about the future and they liked having their ideas heard. As part of the implementation we involved the employees in these implementation teams and these teams were cross functional so they got to work with other across the organization.
 - The culture had become very hierarchical and siloed. The CEO really noticed this and he knew these elements were a barrier to delivering the best value for our members. He initiated the cultural restructuring for our office starting with the executive team.
- Or because the current products were dated:
 - There's also recognition that the core programs have been around many years and there's a lot of competition and we need to adapt.
 - The tradeshow was the cash cow that funded everything else. We decided we needed to have businesses out there that could stand on their own.

Only one respondent said that innovation was, "It's been this way since our inception – about 15 years now. It was built into our reason for being. Innovation has always been a part of who we are."

4. What types of innovation goals does your association set?

Results were split between associations having explicit written goals around innovation (6 respondents) and not having written goals around innovation (8) but, we found that most of the written goals around innovation are the association's strategic goals. So very few organizations have pure goals written just for innovation and those that do are the associations that have VP's of innovation.

While innovation is a driver and is important at these associations, having written goals specifically for innovation is not prevalent.

Of those that had written goals only two were innovation specific goals: “The board charged the task force with a very specific innovation goal to meet the needs of a whole new market within our industry. So they set the strategy and our innovation is in the execution not the goal. We prove the concept and prove how it can happen.” And, “each year we have new innovation goals. Developing our new product process was the goal for 2012. The next year we implemented that process and now we are refining it.”

Other respondents went back to the organization’s strategic plan saying they explicitly stated or implied innovation would be needed to reach the goals: 4 respondents said some variation of, “Innovation is built right into our strategic plans in fact all our strategic objectives, to reach them, we’ll have to innovate in some way.” Or, “the board created the strategic growth plan and in that plan innovation is noted as necessary for our association to grow but there were no specific organizational goals on how that might happen.”

Most respondents indicated that they did not have innovation goals because:

5 respondents said being innovative is part of who we are, “There will be the flavor of innovation that runs through all of the things we are doing.” And, “innovation is not a goal. Innovation is how we are. We don’t have a goal written. It’s evidenced by what we do.”

2 more said, we don’t think about it being innovation per se but as us trying to achieve our goals, “innovation could be a million things. We don’t use the word innovation at our association. For us it’s about the culture and the brand.”

One said, “these are rolling. We are in the process of implementing our innovation focus so our goals are ever changing.”

5. How does your association’s culture support innovation? Was that culture designed intentionally? How did you do that?

5 respondents indicated that their association’s culture was either intentionally designed (2) or is in the process of trying to shift the existing culture (3). A few respondents said we just have the right culture to support innovation and this was largely driven by the CEO’s and leadership team’s actions. Two noted that a more innovative culture evolved because it had to because of financial pressures i.e. “we were at the other end of a gun”.

5 respondents said at their association culture was not intentionally designed and innovation is not officially encouraged staff-wide. Among these respondents when no one had responsibility for innovation the association struggled with innovation.

I picked up on an interesting juxtaposition throughout the research: a culture-first orientation, which was more predominant in these research results, verses a process-first orientation.

Culture first or process first?

Culture-first believers put more emphasis on culture and having everyone on the staff feeling good about the new focus on innovation. Process-first believers put more emphasis on the process believing the culture will emerge out of having worked the process.

Here are some comments from culture first believers: "You can have the culture without the process but you can't have the process without the culture. You can have it – you can have the framework, meetings, forms, the committees, the steps – but you are never going to get what you really want. But the heart and soul is having someone to bring you their best ideas, their babies, and trusting you with it." And, "Every organization has a culture, it's either by design or default – I think it's better by design."

While the process-first believers said this, "So we're going to focus on our process because with a great process you generate high value. And you can't get people happier when they see value. So the first thing we're doing with our change management is we want the staff to see value in ongoing happy employment here. We are shifting the culture." And "perhaps the best way, to change a culture is to change the structure. if you require people to follow a new process, the fact of using that new process will have far greater impact on them than simply talking to them and trying to persuade them to see or think differently."

A few of the culture-first believers long into their innovation efforts saw they could be more effective with a regimented process and adopted one. These were also organizations with over 50 staff members. It would appear that both culture and process are extremely important for larger associations and I assume the best way to start an organizational focus on innovation is to focus on both the process and the culture verses one or the other.

What are the factors respondents say impact the right culture?

A CEO & leadership team that drives/models/supports the right culture, said 4 respondents. "Our culture revolves around our leadership. The leader that got us through and out of the recession was our CEO. He empowers the staff. He is a hands-off, build people up type motivator. He's got a high EQ." And, "having a leadership team with leaders who believe in this type of thing and are wired this way has helped our culture to continue to be innovative. Our CEO is VERY innovative and he always has been."

A focus on communication & collaboration, said 4 respondents. This is the way some are doing it: "I sat down with each and every employee, as the incoming CEO, for a conversation. We talked about their work, about their thoughts about the organization, their aspirations for themselves and the organization, and what was broken and needed to be fixed. These

conversations were 2-4 hours, a lot of time but very fruitful and out of the conversations I saw patterns. One of the overriding patterns was staff wanted better communication." And, "we have a training for communications conflicts. We work our our communications problems and if we can't we bring in a 3rd party." And, "our CEO set aside time from 8:45 – 9AM on Mondays and we have a briefing on any topic."

Hiring the right people, said 3. "Part of it is who we hire. He puts leaders in place who are all innovative." And, "we have a really young staff, fewer than 25% of us are non- millennials, so we're predisposed to do new stuff and do stuff differently by virtue of who works here."

Forgiving mistakes, said a couple of respondents. "Encouraging people to make mistakes is ... is not discouraging... you are not reprimanded... it's just, mistakes happen. We learn from it and move on. There's no focusing on mistakes. You are given latitude to make mistakes." And, "there's a sense that failure is a possibility."

Having passion said 2. "He has a passion for this industry and you gravitate to that." And, "part of it is believing in the mission and having passion in the mission of the association."

Others said it is practice: "in every single of our all staff meetings we run a different type of innovation session. We do creative thinking exercises." And we are encouraged: "we have a very entrepreneurial culture. We are encouraged to look for new ideas and test those ideas."

These are the innovative culture killers:

- Lack of time & Silos: "No, our culture does not support innovation. We all feel overwhelmed by our responsibilities so we don't have the space mentally or even realistically given what's on our plate so there's no time to explore new things. We are a siloed organization."
- No support from the top: "We have not been deliberate about our culture at all. Culture is really driven from the top."
- Staff not seeing themselves as innovative or being part of the picture: "When I started to more holistically look at innovation for our association I did think the rest of the staff thought of it as "my thing". They didn't see what was in it for them."
- Hierarchical
- Fear, no mistakes tolerated

6. How did association leadership get on board with innovation? How did everyone else get rallied around innovation?

The CEO or the board inspired the change. The staff, board or members are the ones being influenced.

It was interesting to see the wide range of responses to this question starting with who needed to be influenced to get on board and who did the influencing. Here again the CEO most often inspired, supported and empowered innovation or at least is not a barrier, "Our CEO is not resistant to innovation at all and that matters!" Also, "the CEO really empowered us to think out of the box."

For some the board members were the drivers, "the board really paved the way for this." But for others the board members were the ones that needed to be influenced on taking the innovation focus: "when the board gets populated by middle level people who are not used to making strategic decisions it's really hard to make strategic decisions. So it was having the right people on the board at the right time was key. Also know that when things become tight, the business of the association is not doing well, the board becomes very conservative and that's usually not what you need at that time." Also, "the staff is totally on board with innovation and always has been. There have been times where there's a disconnect between the board and the staff on innovation. We had some really unqualified board members. Then we had a really prestigious board and that didn't work either. We also have a lot of autonomy independence from the board. We don't have to run to them to make many decisions, most of the decisions I need okayed stop at the CEO."

Two other respondents talked about not leadership or staff rallying around innovation (they are) but about the need for members to accelerate their thinking. Here we're not talking about board members but the membership at large. "Leadership and staff were already on board. The success of our innovation project is directly affected by the engagement of our members. It is members who will determine the success of the program as a whole." And another comment about what happens when the association is miles ahead of members, "When you are in that transformative or disruptive end of the continuum you have to think about how far ahead or how out of sync you may be with your members. You need to be really thoughtful about the external environment and how things are changing in our member's field. Members may like the status quo and they may want us to guard the status quo. Instead we need to say to them this is what is happening in the environment, with your customers, with the field and your value may have to evolve. We need to help our members, push them to take on a different roll. You've got to be careful here because you don't want to have people feel like it's forced on them, you want them to be part of the change. How do you get buy-in – it's being knowledgeable about how to lead and manage change. It's a discipline."

Ways in which associations rally everyone around a new focus in innovation:

- Communication is key. “We got lots of feedback during each change. We either took the feedback to heart or we acknowledged the feedback and said why we wouldn’t be doing it.” And, “we decided to get buy in on the process from the whole staff. Staff got the chance for input and we incorporated nearly all of their wants. We got buy-in that way.”
- Permission to take risks, “our CEO gave us permission to start to think about this and start to think about making changes. He was okay with short-term pain for long-term gain. That really got us going.”
- Who is hired, “he also brought people from outside the industry to breath new life into our association. These were new hires, sr. leadership people, who had a track record of doing this kind of work. These were not association professionals.”
- We already had some history innovating, “there are entrenched things we do around innovation at this association.”
- It is out of necessity that we started to focus on innovation. “We just did. You could see we needed to be doing this.” And, “after the recession everyone who was left and everyone who was new wanted us to succeed and we knew innovation would be part of it.”

Some associations are still experiencing challenges rallying everyone around innovation:

“Senior management is really bought in. Not all middle management is not bought in yet. We’re still challenged by this. And it is middle management talking to staff everyday so it will have to change.” And, “Not everyone wanted to get on the innovation bus. We have had some staff turnover as a result. Jim Collins uses that metaphor of getting the right people on the bus and getting them in the right seats. As we started pointing our bus to a different future not everyone got excited – so in most cases there was self-selecting out.”

Some associations are in the process of getting everyone comfortable with change:

“Are we there yet? No, but I can see us making so much headway in just the last 4 years.”

7. Are there staff reward or recognition programs in place for innovation? Can you tell me more about them?

Only two respondents answered yes there was staff recognition or staff rewards and recognition. 8 said no and two said sort of, there’s a mechanism for recognizing co-worker’s good work but nothing specific and formal for innovation efforts.

The responding associations feel far more comfortable with recognizing innovative thinking than rewarding it, and this is how they recognize it:

- “We’ve used a tool internally called [Tiny Pulse](#) for 2 years now. It also provides an opportunity for staff to do cheers for peers. The colleague will get that note along with the colleague’s supervisor.”
- “We can give recognition through an intranet site. There’s a staff e-newsletter. Our CEO does it in staff meetings for great projects. Nothing is really formalized.”
- “There is an area for suggestions. We get those, and we make sure all the staff sees the suggestions and we respond with what our action is going to be as a result to the whole staff. Additionally, in all staff meetings we’ll acknowledge projects, whose idea it was and how the project is progressing.”
- “When we see people talking about solving member’s problems, we reinforce that. We use people as examples.”

Only one association both rewards and recognizes, “Yes! On a yearly basis we give an award for product innovation and process innovation. Many times organizations will focus on the tangible outcome the product. It is easier to see that kind of innovation. But leadership also created the process award because they want us to question the norm and look for ways to look for ways to be more efficient. It’s cultivating innovation inside our own groups. We get a glass trophy and a monetary award.”

One respondent talked about how innovative thinking is built into staff evaluations, “we do evaluate the staff if they are meeting their proficiency levels within their competencies and innovation is one of these competencies. Are they participating in their job when it comes to innovative thinking? Yes, we measure this as part of their performance appraisal.”

Most associations tend not to reward and this is why:

- “We do not reward people in any other way. If you are on a team and that project is an innovation project and it’s super successful we don’t reward for that.”
- “We are going to put in a variable pay structure tied to organizational, individual and team performance. We are not going to tie it to innovation. So think of those with very administrative duties. They don’t have line of sight to this innovative stuff – I don’t want them not to feel ownership, or good about what they are doing.”
- “We tried this one time and you know what? You can’t ask people to innovate. Folks will try their hardest and they try it and if it’s not the right thing – boy that’s a hard thing to communicate.”
- “I would worry that it would create an us-and-them atmosphere. We’d like everyone to do it to the extent of their ability so rewarding some, not others, may get in the way of really good work.”
- “No, because innovation is separated to a specific team. It’s our full time role.”

8. Regarding innovation at your association, what is your biggest challenge right now?

The most common answer: lack of time, resources and focus. Essentially, we have more ideas and opportunities than we can action with our current resources. Respondents talked about the challenges this way: “time is the biggest problem for us. We are a very lean organization. The staff enjoys this creative thinking but they are worried that the more innovative thinking we’re doing the more we’re going to implement and we don’t have the resources to implement things the way we want to.” And, “an ongoing challenge is there’s always more good ideas that are worth pursuing than we have resources. How do you create an environment where people can bring forth ideas where every idea is giving thoughtful consideration but then how do you pursue the best of the great ideas?” Also, “lack of focus in general. If we’re going to innovate we need to stop doing some things. We have not been able to do that.”

Another is *fear of rebounding to the status quo*: “when an organization is successful it feels less of a sense of urgency to change at all. We are large and we are successful and we don’t have that built in urgency to make change happen. Why not keep doing what we’ve done?” And, “associations belong to members. They are driven by the mission and by what members want. We’re not likely to take big risks because the risks might alienate or annoy members.” Also, “we want to go back to doing what we always did. The old way is easy but it’s not the best way.”

Getting staff on board with the new focus on innovation. Participants talked about it this way, “others with different personalities and skills, when asked to contribute are nervous about failing to come up with good ideas. Also, fear of failure leads to some resistance to innovation efforts.” And, “when people stick their toe out they realize they won’t lose it. Continuing this journey of shared understanding.” And, “we need to transition in some mid-level type folks here. Their eye rolling needs to go into some more productive types of discussion.”

Other challenges for a new innovation at associations:

- Having CEO support: “Getting leadership buy in... public leadership buy in.”
- Having a process to solve member problems: “How are we really going to help our members? We don’t always have the answers. One of the things we can’t figure out right now is what our smallest members need help so we don’t know how to help them.”
- Fear of failure: “Risk is another reason. There’s no data on the future. We can make data driven decisions. But there’s never a guarantee. We can never know if something is going to succeed until we have tried it for real.”

- Setting expectations about innovation being a discipline: “Getting everyone especially the executives to understand that innovation is a discipline. It’s not just luck and heroes. It’s a discipline and that step by step process overtime is what will win the day.”

9. What challenges did you have to overcome to become an innovative organization?

What were the early growing pains? Change-management was the most often mentioned followed by: the need to set clear expectations, risk-tolerance, lack of innovation process, and lack of focus.

When you start moving the association to a more innovative organization change-management is important but also slow and difficult. It’s worth taking a look at all the different ways respondents articulated this:

- “In this culture and in large organizations change happens through involving lots of people and getting lots of buy in. Having those stakeholders mold the plan -- that takes time and it changes the plan to suit all these people.”
- “There is a multilevel very slow decision making process here at our association. We have so many stakeholders. The culture is one of everyone chimes in. We’re very evidenced based.”
- “I started with town halls. Staff was hesitant to talk to me. So I set out an anonymous pad for everyone to write questions on. For the first town hall I got all these complicated questions – I don’t know what my job is, where are we going? Do I have a job? I answered all of these to the best of my ability.”
- “We had a lot of people who had been with the association a really long time. It was so hard to get them on board and not let them do it the old way but get them to do it the new way.”
- “Getting staff to believe initially that we really wanted their ideas and that we intended to do act on them.”
- “When you have large organizations who are large and established and with an intentional culture there’s a certain amount of care that’s taken – the incremental path lends itself to the larger and more established organizations. Embracing and celebrating incremental innovation puts the organization in a better mindset to welcome change and innovation. They see it as a positive.”
- “My impatience got the better of me. I drove the change, mandating things. And the organization went along with me. People will do it because no one wants to lose their job. Things were working. But when I left the organization everything stopped because it was ‘my program’ not institutionalized into the culture. Everyone cleared the decks and got ready for what the next person wanted to do.”

- “Working on credibility and trust for people, the staff, to bring the ideas to us.”

Additionally, at the start there is the need to set clear expectations within the organization:

- “Innovation sounds fun, it sounds sexy, it sounds glamorous – but it’s still a job. Innovation is 5% dreaming up the new things and 95% doing them. Everyone seems to forget the 95%.”
- “Once the board decided where they wanted to do, they wanted it overnight and they had no appreciation for what it would do to the capacity of the organization. My challenge was trying to develop a realistic set of expectations for the board.”
- “Communicating the innovation goals we had to the whole staff.”
- “Our leadership doesn’t understand what it takes to get to the stage where we’re actually doing something – what it takes to do implementation - from idea to launch.”

Developing a process or framework early on can also help propel the focus on innovation:

- “We really started our innovation as a hodgepodge, where anyone with energy around an idea could take it and run. We’ve now realized that it can’t keep working this way. We needed to make innovation much more systemized. This really took us awhile to get to this point of actually having a framework.”
- “We didn’t have common and explicit process for innovation. We had a leaky new product development process; some ideas went through the process and others went around it. We didn’t have a way to recognize innovation. We relied on luck and heroes rather than a disciplined systematic approach.”
- “You also need to plan how you want to do it.”
- “We would introduce things too soon because we sometimes didn’t do enough due diligence.”

Switching our mindset around risk, failure and safety:

- “The board members are worried they will do something wrong. They are worried they will hurt the association fiscally.”
- “To acknowledge and respect our [100+ year] history without being bound to it.”
- “When you are an association everyone and God sees those missteps.”

Have a focus on goals for innovation:

- “We had a lot of board voices and some member voices who were active and involved who would see the bright, shiny object and distract us.”
- “We didn’t have an agreed-upon definition of innovation or desired outcomes.”

Other challenges to starting an association-wide focus on innovation:

Innovation, the word, comes with baggage: "Innovation – the word is a barrier. People don't think about themselves as innovative. We all stay away from the word innovation but we connect everyone to it by helping them think about their contributions to the team."

Recognizing an innovative opportunity: "Sometimes it's dressed as a problem but there's an idea there that needs to be teased out. Innovation and ideas often start as negatives, things that were broken that needed to be fixed and progressed to be positive opportunities."

Having leadership/board/CEO on board: "I learned that this kind of work really needs to be CEO driven."

10. Who leads innovation at your association?

Based on these responses the associations who have been most effective with adopting a focus on innovation are those that had a CEO who started the focus. The CEO set the vision, rallied the staff, board or members, and they were the cheerleader. While the CEO kicked it off at some point they are able to back away and let others take the tactical lead while they continued to cheerlead, support the effort and staff, and provide resources.

It also appears that bottom up doesn't work and those leading innovation in other parts of the association, who are not the CEO, need the support of co-workers, the CEO, and/or the board.

The CEO (4) – The CEO is often the cheerleader, they lend support, set the vision and clear the stage. Of the CEO's that answered they rarely pointed to themselves rather they would say it's a staff person that voluntarily took it on, it's everyone or it is a partnership with the board – even though they are clearly involved and my bet is their staff say they lead innovation at the association.

The VP of Innovation (4) – but they are careful to say their work is in partnership with others.

- VP of Innovation and staff: "I lead the cultivation, the education and the business strategy. But our business units own innovation in their own domain." And, "I'm in charge of innovation here. But I know that having folks focused on innovation in association is fairly rare. There are some other things that happen around innovation that happen in some of the departments that I don't necessarily control or even have a hand in and that that is fine."
- VP of Innovation and board: "I lead the innovation effort – the execution of innovation. Our board are the visionaries for innovation."
- VP of Innovation and CEO: "He operates at a vision or concept level. I do the strategy and tactics."

Entire Sr. leadership team/executive team (3): “The senior management team reinforces it – it’s on our minds more.” And, “It comes from the executive management team.”

Person(s) in the sr. leadership team that took it on voluntarily (3): one respondent said, “At the moment my IT director and my membership director are the biggest champions for innovation right now. They self-selected into this role.”

Innovation happens departments as directed by the department head (3): “Our business units own innovation in their own domain.”, “There are some other things that happen around innovation that happen in some of the departments”, “Right now it’s the VP of whatever business area came up with the idea”.

All staff/Everyone (2): “everyone here has that innovative spirit”, “everybody. There’s no one that is in charge of it”. Those with really engrained cultures that support innovation were able to say, “it’s just part of the organization.”

CEO & board partnership (1): “In the best sense it’s a partnership between the CEO and the people on the board with that gene and interest. And internally, it’s amazing.”

11. How do you budget for innovation projects?

If we have enough heart for an innovative project we will find the money, is the mantra of innovative associations today. Most recently associations have been planning for out of budget innovation projects to get funded by adding special, generous funds to the budget which are specially allocated to these kinds of projects; projects that can’t be funded within the operating budget. But, this like with all the other questions elicited a range of responses:

Normal budgeting cycle: “Innovation projects nearly always go through the same budgeting process as all other projects.”

Special department budget: In some organizations a department owns the innovation budget or a R&D budget.

A special fund separate from the operating budget:

- 3 responding associations recently created an innovation fund or a new business opportunity fund for big innovation projects and projects that come up outside of the normal budgeting cycle.
- 3 more said there was a more general reserve fund or strategic investment fund that could fund innovation projects and other projects.

- Who oversees the distribution of the funds? Either the CEO “I appreciate not having to go to the board each time, that would bog us down.” Or the leadership team. Or the board or board budget committee
- Funds range in size from \$100,000 to \$1.5MM, some are renewed annually and some will run until they are depleted.
- One respondent said the funds are specifically for: member research, evaluation and testing.

Case by case: 3 respondents indicated there was no explicit fund but rather a precedent and opportunity to advocate CEO or board for funds.

Two said it's not about the budget it's about the financial outcome: “Also important -- some types of innovation don't need special budgets, such as making improvements to existing products. Sometimes these don't cost money, they save us money.” And, “the budget doesn't matter because ultimately the projects need to be self-sustaining. There eventually needs to be a revenue stream to keep a product going around here.”

One respondent talked about leveraging a board advocate to get the funds: “At the board level we needed a million dollars to do a really big recent innovation project. We're medium sized so a million is real dollars for us. There was one board member who took the lead. Now know that there were board members that were recalcitrant about this project. It won by a majority but there were a number who didn't want it. The board champion led this project through the politics, found the money and got it moving.”

12. How do you allocate manpower for innovation projects? Do you allocate any other resources?

Some associations keep the innovation squarely within each department. Some associations do have the cross-functional team. Two highly functioning associations do most of the innovation within each department but they also will convene cross-functional teams for projects that fall into the “white spaces”. The white spaces are places between departments or ideas that could be shared or that impact multiple departments. Who takes ownership was an often mentioned pain point in this research so, a cross-functional team can facilitate forward movement when a single department can't.

Who decides how innovation projects are staffed?

- Directors look within their departments and decide how to staff cross-functionally man innovation projects: “Each director will look at their resources and says how do I

allocate my people's time and how do we get everything done? Can we spread the work out among a few staff?"

- Project manager or project identifies team: "It starts with project manager and they identify the individuals they need on the team and they go talk to everyone they want. We want make sure they are bought into it."
- Entire staff works on big innovation projects: "We pulled together the entire staff and worked crazy hours to hit the public deadline."
- Directors decide how to staff within their own department because innovation is within the departments: "Innovation is happening at a department level so I use folks in my own department."
- No process, yet: "This is still relatively new for us."

How are innovation projects actually staffed? Here again, staff time and resources become a big issue: "in smaller organizations you can't say here's 25% of your time to think deep thoughts. This is antithetical to how innovation really happens anyway." So how do you staff innovation projects? For some:

- With existing staff (preferred among these respondents): "Can we spread the work out among a few staff? Can we incorporate this into what we are already doing?"
- With consultants: "We're just starting to innovate now so maybe we either hire a consultant to get through the first year to see how it goes." And, "we hire consultants to help us."
- New hires: "Often we'll hire new people when we see there's a new area that's important and we want to focus on it." And, "we try to manage new projects with existing staff but if we can't and if there seems to be upside we'll hire new staff for a project. I was one of those hires!"
- With special standing innovation-oriented teams set up to either do the work of innovation or to support innovation:
 - "Existing team specially for innovation/incubation."
 - "An element we've recently introduced is an office of business excellence. A portion of our work is project based and a lot is process oriented. Our office is 5 individuals who are experts in process improvement and they do 2 things. They help other teams have the basic project management and process improvement skills. They lead the more challenging projects and process improvement projects."

Some additional tips for setting up staff project teams:

- For some associations it is really important to honor the person who championed the idea:

- “The organization then will make it a formal project – usually the person who comes up with the idea leads the team usually a subject matter expert – and we pair those folks with a business development person.”
- “Generally speaking, we see that the person who brings the idea is involved in the execution. There’s ownership and passion that way.”
- “We also try for cross-functional teams so the functional silos are permeable. And you never know how someone else’s background can affect the idea as it is executing.”
- “We keep teams small 5+/-.”

13. What is the innovation process like? Are there specific steps?

Among associations there are ideation processes – where do the ideas come from and how are they vetted (this is largely answered in the next question). The answers to this question mostly centered around implementation. Once we have a great idea and it is approved to be worked on what is the process to take that to market?

Associations who want to have or are working on developing a process said:

- “I’d like us to use ASAE’s product sun setting piece first. I’d eventually like us to implement [Mariah’s Focus Framework](#). We just can’t do it now while we are managing so many projects so that’s why I say our first step will be to focus on the sun setting piece.”
- “We’re moving as an organization to something much more formalized. We had a defined process and we had a shadow process. The biggest failures along the way, we’ve gone back to analyze and they all circumnavigated the process. We have a new, new product development process we’re just rolling out now.”
- “We’re going to go through developing a step by step process now: so scoping ideas, building a business case, developing an idea, testing the idea, building the prototype, testing the prototype, before launching the product. We’ve not really done this process yet – but this is an overview of the plan.”
- “There will be a product assessment team. They will look at the whole portfolio and pipeline and say here are the opportunities and the obstacles. They will be a big part of continuous improvement and also innovation. Right now this idea a sort of nebulous because it’s the plan not a reality yet. We are not there yet.”
- “We have some general principles which we stole from the lean startup model. One of the things that the lean startup model uses is the minimum viable product. Get a way to test an idea and get feedback quickly and we try to use that as a framework. We learn as much as we can from the end users to iterate the product before we start the scale.”

Associations who do have a process specific to innovation:

- “Sure. We have a written down step by step process. First we decided who or what team owns the process. They outlined the process and got staff buy-in on the process. Next it is about narrowing the focus and picking the priorities or goals to work on. Then idea generation. But also as important is measuring up all the products – new ideas and existing products by the same standards to figure out what can stay and what should be sunset for the optimal portfolio. Once products are green lighted they go into our new product process.”
- “The innovation path is, one, have some sort of market validation before we actively launch something new. Two, we do face to face staff to member interaction so we know what the needs of the end users is so we arrive at a better product. Three, once you have a product and have some members behind it we want to make sure everyone knows about this new product. So our members tend to point to each other before they make a purchase.”

Associations who use the same process as their new product development process and this is what that looks like:

- “We took the lean start up method and adapted it to our needs.”
- “Now it’s going through our regular new product development process. The same process we’ve had.”
- “For implementation there is a process. But even that is not so strict. We’ve adapted the [Agile Project Management process](#) commonly used in software development. We do 2 week check ins, sprints and scrums. But we’ve also tailored the process to fit our unique needs and will think nothing of tailoring it more to fit the project.”
- “Innovation projects will go through the same implementation process as all other projects. First there is a team based project management oversight group. They pull the project team together based on availability and expertise. We develop the project charter document. The team has an initial meeting to kick off and the also feed into the project charter, they define their roles and everyone signs the project charter document. Each team gets a project manager and a project sponsor and the sponsor is accountable for the team. There’s also a template document that the team fills in as the project goes along and it tracks to the schedule and budget. We as a sr. leadership team look at these docs and talk about the progress of each. At project wrap up the project is evaluated. There’s a round of blue sky thinking to see if there’s anything we can add in next time to make the project far better.”
- “We do have a process, a system. We have our project tool kit and it is project management like. We have a tool kit which really governs the basics. It’s a project charter and a big Gantt chart and it walks people through specific roles and responsibilities and timelines. At the end there’s a budget discussion on overall impact.

At the end there's a project wrap up – what worked, what didn't work, what we'll do next time if there is a next time. Every two weeks there's an executive management team meeting and every department provides a higher level look on how we're doing on every project."

- "We have a project request cycle. Anyone in the organization can, annually, submit a proposal. All staff knows it has to be a good idea and there's a convincing reason for pursuing it: it supports one of the 8 strategic goals, huge ROI, supports a core member audience. Members of the executive team rank each of the project proposals and we're going to look at the ones that rise to the top and which ones we can make a commitment to based on staff time. The projects that prioritize will get a business plan and eventually a project management plan."

But the smallest associations typically didn't have any process and they said: "there are some folks who wish we did have one and no we don't." And, "for the biggest innovation projects, we've had just the one in the last 5 years, we don't have a set innovation process." And, "no we don't have anything written or systematic. It's off the cuff. This is something we discuss among the leadership team and then it happens. We sort of have a new product development process. It's hard to give you steps for the innovation process. It varies so much depending on the project."

14. Where do ideas come from? What is your system for handling ideas?

It is the staff that generates the ideas (sometimes the board but mostly the staff) but where does the building blocks for those ideas come from? Members primarily. Staff members most commonly bring their best ideas to a group formed specially to vet, expand on and schedule these ideas to be worked on.

Where are the best ideas sparked?

Ten respondents said, "we focus our ideation around our members' needs and while many have tried surveys they are finding qualitative methods to be helpful too. "We're trying to emphasize design-thinking, human-centered design. We do surveys and we do focus groups and if I can say it -- they are bullshit we get so many wrong answers. We don't do immersive research. Your kind of research Amanda. So we're trying to get these functional teams to go out and shadow our members for a day in their life. Before staff brings an idea we want to know there's something behind the idea." And, "we get staff members interacting with our members at these events so much more and that's where we get our ideas. We had to understand the problems, motivations and gut of our members. We needed to get our

employees really understand the needs of our members.” And, “we do a lot of market research work. First we’re out there at our events talking and listening to members. That’s the qualitative side. We also do quantitative surveys. Both of these are a huge source of thinking about what members need and what we can do about it. We also talk to our vendors who have done a lot of research so they also know our members’ problems and they feed that to us. We focus on our members’ business problems and that’s how we’ve structured everything – our marketing, our products, our value.” Also, “we rely totally on member insights. So we started with just member surveys but found that’s not so impactful. It’s hard to get really good responses back from surveys. Then we started doing the one-on-one interactions with members. We set up meetings during our industry events – I travel to multiple different conferences with different areas of focus and use that time to grab someone over coffee so sometimes the conversation is just 20 minutes but that’s okay.”

Three talked about generating ideas by looking across industries, consumer trends and technology; a sort of environmental scan: “In staff meetings I’ll start the conversation – I’ve been reading about this... what do you all think about this?” And, “we look across industries. We have to pay attention to what’s out there in the bigger world.”

Two talked about the focus on improving existing products or processes: “among the staff I have a group of millennials come and say we need to change this and they bring me data, rationale and evidence that we should do this.” And, “some of it comes from our products and thinking about is there a better way to do it?”

Two also said it comes from thinking about the strategic issues of the association. “The whole staff has been talking about our larger strategic issues so the staff thinks about these and every once in a while brings an idea to me.”

And one said, “what are our competitors are doing and is there a better way to do it?”

There is usually a process for handling ideas:

A separate group or committee-

- “We’re starting up a new committee that will be an idea generator, ideas will be submitted there, they will vet them and most importantly they’ll say why or why not we’re moving forward on them. They will keep everyone in the loop as to where the idea is, where the process is.”
- [A staff member] “takes the idea back to us and then it goes to our to the blue sky group, a creative team. The team is convened for 1-1/2 hour and they talk about -- what

if? What could we create around this initial idea and mold it to something our members would find value in?"

- "Ideas all go through the very systematized product development process. The ideas get reviewed by the committee, of 9 people, in a very systematic way. We have a new product proposal form which includes plans on how the project gets funded within their department and if it will breakeven or make money in the first or second year."
- "We [executive team] have 3 meetings around product development. One is the key stakeholder meetings, next meeting is now that we have the list of new ideas, we vote about which is most important. The final meeting is getting an update form product development on the status."
- "We look for great ideas and vet them based on what is doable, and how does this reach the goal and where do we start."

Ideas go to the CEO- "Now when the staff comes up with a great idea I'll bring it to the board and if there's a member champion, someone with the fire in the belly to make something happen and you partner with that person to make that happen."

Staff works out which ideas move forward – "We have smart creative people interacting with our members and over time and they get an idea, they then start to talk with others in the hallways and at lunch and they are curious. 95% of those ideas don't go anywhere but for the 5% that go somewhere the organization will create a formal space to move forward."

4 indicated they had no idea vetting process yet: "We don't have the process yet. We're going to develop this soon – a discoverability process. So this project will identify where the discovery pipeline is from the membership and through the staff into the system that produce solutions within our mission."

Challenges with the idea part of the process:

- Staff trepidation: They don't understand where ideas come from; how to cultivate them; that ideation is a team sport; etc. So people put up barriers such as, "What if I post my idea on this public site and someone else already thought of it, or thinks it belongs in their department, not mine?" Or, "Who will get credit for this idea?" They treat ideas like precious metals, whereas in fact they are more like oxygen – free and available to all."
- Raising all good ideas up: "We also know it's harder for a junior line staff with a good idea to get traction than it is for a VP."

15. How do you discontinue offerings to make room for new offerings?

Most associations recognize the need to sunset products. For many this was a recent one-off process while for a few it's a continual or episodic effort. Staff tends to make the decision but sometimes the board does it. The decision to sunset legacy products, no matter the process or who is deciding seems best when these decisions are data driven.

Who decides which products to sunset?

- Staff
 - Department heads
 - Separate team
- Board

The process by which associations sunset products:

5 respondents said, yes, we have started to do this or have just done this:

- "I think the main thing is to have a clear rationale that is supported by data. And patience. A good example right now is that we have started an internal conversation about "discontinuing" our print magazine"
- "The board created a BRAC commission like thing because we feared our board and the finance committee wouldn't have the guts to do it. We laid out all the programs, finances, staff resources. That group came up with a criteria and they scored everything against the criteria and the new strategic plan. We have 45 programs and they eliminated 10 of them."
- "Over the last year, we have been undergoing a review of all of our current programs and products, including a cost-accounting analysis. So for the first time, we've been able to determine the fully loaded costs of programs (including staff time and overhead). It was very illuminating and quickly led to the closure/sun-setting of some programs and refocusing of others."
- "We reviewed our legacy products along with the proposed new ones, in the same team, using the same criteria. During the process we did find things to sunset. An unintended consequence also came out of this process and that was staff started to sunset their all programs rather than submitting a proposal to keep it."
- "One of the things we did this year was we asked each department to get rid of 5 programs. No debate. It doesn't matter the program size or how many resources – we just need to get rid of 5."

Yes, we do it but there's no formal process, said 2: "We do sunset products. Especially when outside influence convinced us to do this and we did it and it didn't sell we will phase it out. We tend to not look across the whole business seeing what we can discontinue. We're full steam ahead so it's more organic than that. If we've not had any requests or any sales we'll just sunset it." And, "We don't have a set process to know when we have to sunset something. If our members are not clamoring for it, if they are lukewarm we let it go."

Yes, we have a process and do this regularly, said one, "we do this at the board level. Every 18 months or so as part of our strategic planning process we review what we want to do but also what we want to not do."

No, we are not sunsetting products said two: "No one is getting rid of anything."

Challenges with sunsetting products:

- Member advocates (even when the numbers don't prove out): "This is such a good question and a real challenge for associations because most programs have a constituency behind them and those folks really think about the program for what it was versus what it needs to be. So the decision to change or discontinue becomes a political one not the economic one."
- The internal fortitude to make the tough decision: "The board created a BRAC commission like thing – we did the same type of thing because we feared our board and the finance committee wouldn't have the guts to do it."
- Don't have the data to support our decisions: "We had 170 products and as a group we agreed to get rid of 3. That's a problem. [Now we have found a way to discontinue products]. We started tracking more data in a dashboard on all of our programs and how they are progressing against goal. Those programs we are getting rid of we have the data they are not working. Before we had no data."

16. How do you measure your innovation efforts?

No one has figured out a way to measure and prove that their innovation efforts are successful. Additionally, quantifying innovation as a whole, this is top of mind for only one maybe two of the respondents.

But, there seemed there was, among these respondents, a prevalent understanding that innovation is the right path, good and necessary. But there largely didn't seem to be a defined way to measure the organization's innovation efforts as a whole. Maybe this is because for so many, innovation happens at the department level making tracking and measurement very difficult. Maybe this is because innovation happens on a continuum from small, consistent

changes to very large projects – which do you track and is it fair to place them side by side? An interesting twist for associations is to measure the behaviors of staff rather than project outcome.

If [we are what we measure](#), measurement of our innovation efforts becomes important to get right and important to do.

What we are measuring now:

- Staff focused metrics – culture, goal completion, engagement, what we learned:
 - “Did we get it done and does it work and what did we learn from it? That’s about where we are right now. Most of our short-term projects have now transitioned back to the core business so our measurement of success was seeing whether we could transition them back to the core business.”
 - “There are specific goals we set. Whether we achieve that year’s goal would be one way. Me achieving my goals.”
 - “One of the things we’re trying to build is a culture of innovation. How do you measure culture? That’s hard so what we do do is we ask employees – do we have a culture of innovation? The percent is increasing.”
 - “We’ve started a volunteer staff group on innovation and we measure engagement in that group.”
- Financial metrics – revenue, renewals and member engagement:
 - “We’ve seen good growth in the % of revenues coming from new products.”
 - “We have interest measurements; we have revenue measurements.”
 - “Revenue. Renewals. Member feedback.”
 - “Right now it’s member engagement.”

What we may want to measure in the future:

- Staff metrics: “The more formal metrics will come into play when we launch this. We’ll look at market share and performance data and we’ll then evaluate whether or not what we are doing is successful and whether we need to change.”
- Financial metrics: “Ultimately there will be some other kinds of metrics – number of innovation products is increasing and revenue.”

Our innovation efforts are not/will not be measured as a whole:

- “We will measure new product projects and whether they succeed or fail but not together and use that to determine how well our innovation efforts are working.”
- “We don’t measure our innovation projects separate from our other projects. But each project is measured when it wraps up.”

- “We are not yet advanced enough in this area I’d say. We have interest measurements; we have revenue measurements.”
- “Not really. I don’t know how we would.”
- “I don’t know that we do it an any intentional way.”

17. As you think about innovation at your association 2-3 years in the future what worries you the most?

Aside from time and resources the responses grouped under the header “are we doing this right?” Are we innovative enough, are we doing this fast enough, will we stall, will we fail, will we revert, and are we doing the right things for members? Conversely, the organizations who were successfully far into their innovation journey tended to not be as worried about the future.

The learning here is that we need to expect to feel a lot of uncertainty through the process in the first handful of years. We will be charting new territory and trying things and we won’t know the outcome. It will feel unstable logically and emotionally for a long, long time. These are the respondents key worries about innovation and the future:

Having resources, especially when times are tight: “having adequate resources and time to move forward on all the ideas that we want to move forward on.” And, “innovation is the necessary thing that you need when things get rough, but also that’s the same time when the push is to become really conservative and batten down the hatches comes from the board.” And, “I’m worried we view innovation as a luxury verses a necessity especially when money becomes an issue.”

Being innovative enough, fast enough: “Being able to keep up. The world is moving so much faster. Keeping up with our members. Have the right services.” And, “I think we’re in the midst of a very disruptive time and I worry about association’s ability to react quickly enough to that.” Also, “technology. How are we going to make this very new technology, or next innovation team’s goal, accessible and affordable to our members?”

If our innovation effort stalled, “we can’t get complacent that would be the only thing I would be worried about.”

If the association didn’t really embrace innovation: “durability. Is all this change, are all these processes, all these systems really baked into the culture? Or is it superficial?” And, “that innovation won’t be embraced organizationally. That there will be this prevailing mindset of opportunistic innovation – you don’t have a formal process and priorities and it’s all ad hoc and

one day you come up with a great idea and the rest of the time you're just working on stuff as usual. Innovation is a disciple."

Making sure the innovation effort provides value to members, "I want to make sure our innovation aligns with our member's needs." Also, "how do you get members to accept many step changes in one leap? Our members are not on the cutting edge at all, they just want it to be like the good old days."

Three respondents, from associations who have been focusing on innovation for a while said, "I'm not worried, we are heading in the right direction, "We're strong and successful and we've made a significant commitment to innovation so it gives me a lot of freedom to try things." And, "I'm not even all that worried about that, I'm optimistic about the future. We're positioned really well from an innovation focus, to the staff mindset to the culture to our unique position in the profession. Our business is very diversified and we're delivering tons of value."

More data on association innovation is available!

During May 2016 Marketing General Incorporated fielded a qualitative benchmarking survey based on the hot-button issues facing associations and innovation revealed using the above qualitative study to pull the questions and forced-choice answers from. You can [access their report here](#) (scroll down). Look to the quantitative benchmarking survey to see how each answer was rated and then to this qualitative report for the story, detail and context behind each answer.

About NBAA

Founded in 1947 and based in Washington, DC, the National Business Aviation Association (NBAA) is the leading organization for companies that rely on general aviation aircraft to help make their businesses more efficient, productive, and successful. The Association represents more than 10,000 companies and provides more than 100 products and services to the business aviation community, including the NBAA Business Aviation Convention & Exhibition, the world's largest civil aviation trade show. NBAA's mission is to foster an environment that allows business aviation to thrive in the United States and around the world. Learn more about NBAA at www.nbaa.org

About Amanda Kaiser

Amanda Kaiser is a qualitative member researcher. She has conducted 319 member interviews and counting. Through these conversations she helps associations understand their members'

goals, challenges, opinions, fears, and hopes. These insights become the building blocks of their member-focused vision and future-focused strategy, innovation and marketing plans. Amanda is the Chief Path Finder at Kaiser Insights, a member research firm focused on qualitative methodologies including upfront qualitative research for industry benchmarking reports, secret shopper-style research, and member phone interviews. She also writes a three-times weekly blog for association professionals. You can check it out at SmoothThePath.net.