

SUGGESTIONS FOR THE REQUEST FOR PROPOSALS (RFP)

The search for a management firm is probably unlike any other employment search or purchasing process that you have encountered in your professional roles.

Be aware that the more complete the information you provide, the better the candidates will understand your needs. They will reflect that understanding in their proposals to you.

What to Include in an RFP:

1. A brief history of the organization, its past management, and how its services are perceived.
2. The purpose of the association and its goals; a copy of your long-range plan, or an informal statement of your mission and goals.
3. A description of your group's current operating plan.
4. A summary of the group's particular concerns—for example, financial stability, membership growth, defining mission and long-range planning, governmental and legislative issues, or regulatory programs.
5. A description of your membership:
 - Whether it be corporate, individual, or a combination
 - Classifications of membership
 - Dues structure and amount(s), and renewal policies (i.e., anniversary or annual—if annual give the date)
6. A summary of benefits to both existing and future members.
7. A description of the leadership structure, including board positions and committees, along with their terms of office; and the staff services required by various committees.
8. A list of meetings held within a year:
 - A description of the annual meeting (conference, convention, trade show, number of attendees, registration fees, number of exhibits), date and location of most recent meeting and next meeting, and existing contracts for future meetings.
 - Comparative attendance and exhibit figures for three previous years
 - Board and committee meetings
 - Educational seminars (number of attendees, registration fees, date and location of most recent seminar and complete seminar schedule)
 - Exhibits (if they are stand-alone, give the square foot charge, the total square feet and size of booths)
 - Other regional or local meetings (describe these if the national organization is involved)
9. A list of publications, including frequency of publication, circulation, writers and editors, fulfillment programs, and advertising solicitation.
10. A summary of contracts now in place for publications, office lease, equipment leases, auto leases, etc.
11. A description of any new services you will require beyond those presently provided.

12. If a national or international organization, describe your relationship to regional, state, provincial, or local groups.
13. If a state or regional chapter of national or international organization, describe your relationship to the larger organization.
14. Relationship to competing organizations.
15. The date that the management company should be prepared to assume responsibilities.
16. An inventory of office equipment and all fixed assets.
17. The preferred format for an RFP, if one exists.
18. Copies of the following documents:
 - Current bylaws and any proposed changes in bylaws
 - Any written policies and procedures
 - Publications and brochures, including a current roster
 - Recent financial statements, including a current balance sheet
 - Three most recent year-end financial reports, audits and Federal and State tax returns
 - Current operating budget and fiscal year
 - List of officers and phone numbers of those who may be contacted
19. Information on pending litigation.

What to Request from the Association Management Company (AMC)

1. A description of how the management company is organized to serve its clients.
2. A representative client list and references.
3. An explanation of the company's experience in related industries or areas of concern.
4. A clear explanation of how the firm charges for its services and how these expenses will fit into your budget.
5. If desired, the qualifications and responsibilities of the account executive who will serve your association.
6. A description of how the association management company will meet the immediate challenges and fulfill the future goals of your organization.
7. A specific transition schedule.
8. Costs for the transition activities.
9. Financial references.

Do's and Don'ts of Selecting a Management Firm

1. Never select a management firm on the basis of the written proposal alone. A visit to the top three or four candidates' offices should be conducted by one or more members of the search committee. In

addition, presentations should be made to the entire search committee at the time the final selection is to be made.

2. After promptly acknowledging the receipt of all proposals, select the top three or four candidates by reviewing their proposals and contacting the references provided to you. The officers and committee chairs of an association that has been utilizing the services of an association management company are excellent resources for you. Ask for bank and CPA references. Look for information such as this in the written proposal:

- Years of experience
- Client mix (What kinds of clients does the association management company currently serve? What are the images projected by the association management company's other clients? Does your group fit in?)
- Client loyalty (What is the average length of time that the management company has served its clients? What is the number of clients that the firm has gained and lost in the past 3 years?)
- Fees (How does the firm set its fees? How are reimbursed expenses handled? Are commissions paid to the firm for certain services? What are they?)
- Negotiations (Does the firm negotiate with hotels and vendors for the members' benefit? Are all funds received from commissionable hotels and vendors applied to the association's funds?)
- Staff offered by the association management company (Would individuals or departments be assigned to your organization? Do you wish to meet with specific people who would work with you?)
- Diversity of capability and experience in the areas of publications, public relations, lobbying, legal and account support, and problem-solving abilities.
- Leadership capabilities (How has the company demonstrated its leadership capabilities? Has it helped establish new programs? What are the growth patterns of the associations serviced by the management company in terms of membership, financial growth, and the position of the client associations within their respective industries or professions? What is the business philosophy of the firm itself?)

3. Never schedule more than three presentations on a given day. In a long stretch of presentations, companies may begin to sound and look alike, and committee members may find it difficult to concentrate. Allow enough time between presentations to permit discussion. Most groups seeking association management companies believe that it is better for a selection committee to narrow its choice to a single candidate firm to present to the entire board of directors. Because the search committee has been able to have more contacts with a variety of association management companies, it is in the best position to select a single firm and recommend it to the board.

4. Allow a minimum of 2 hours for each presentation and a 15-30 minute break between each candidate. Be punctual. The presentation should include both formal presentation and a question-and-answer session. Make sure that the account executive who will serve your group is a part of the presentation team. It is also helpful to meet other staff, if possible.

5. Be sure to allow for necessary audiovisual equipment that may be required by each presenter. When setting the presentation appointments, ask if the presenter will require a slide projector, overhead projector, flip chart, VCR, or any other audiovisual equipment. Then make arrangements to have the appropriate equipment available for the presentation.

6. Prepare questions in advance that will be asked of each presenting company. Assign each member of the search committee a particular area of the proposal to question. Assess the different responses that each company gives to the same questions.

7. At the close of each presentation, be sure to explain your decision process to each presenting company. Identify the date when you expect to have a final determination. If you expect to conduct further negotiations, state when you expect those negotiations to take place.

8. Communicate your final decision to each company promptly on the day that you have indicated a decision will be made. Since each company has invested time, energy, and resources to present its qualifications and capabilities to you, notification of your decision should be given as soon as the decision is made. Give specific feedback to all those who made presentations. For those who were not selected, tell them your reasons.

9. Return all copies of proposals from those firms not selected for management. The proposal from the "winner" should be kept in your files for reference.

Written by the IAAMC (International Association of Association Management Companies)