Introduction

Partner: ChangeScale is a backbone organization for a collective impact network of San Francisco and Monterey Bay Area organizations that seeks to ensure everyone has access to environmental education. Working in consultation with ChangeScale, this project will create new recommendations to its current membership strategy.

The Need: Backbone organizations are separate organizations that coordinate and maintain strategy and day to day operations for a collective group of organizations. There has been a significant decline in general operating support for backbone organization according to The Nonprofit Quarterly. Many backbone organizations utilize a membership model not only to gain buy-in from partners but also to diversify funding and increase organizational sustainability.

Objectives

• To provide recommendations to ChangeScale’s membership approach specifically around the fee structure, benefits and projections. This landscape analysis will examine how other organizations structure their membership models. Other objectives include:
  • Determine membership fee structures of similar organizations
  • Determine common membership growth patterns for similar organizations
  • Understand how similar organizations communicate their value to their audience
  • Propose recommendations to inform ChangeScale’s current membership strategy

Methods

A literature review on membership organizations was conducted. Reports from technical experts from membership marketing firms were also analyzed.

Landscape analysis of eight membership based organizations in the environmental education and sustainability fields were selected to represent a diverse sample. These organizations varied between size, age, geographic reach, and membership model. Data was collected on organizational structure, membership models, and sustainability.

Secondary research was conducted on ChangeScale’s current membership model, five-year business plan and current database of local market of environmental education organizations.

Results

ChangeScale Current Membership Landscape

<table>
<thead>
<tr>
<th>Organizational Budget</th>
<th>Original Membership Dues (July 2015)</th>
<th>Revised Membership Dues (Oct 2015)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; $100,000</td>
<td>$250</td>
<td>$125</td>
</tr>
<tr>
<td>$100,001 – $250,000</td>
<td>$500</td>
<td>$250</td>
</tr>
<tr>
<td>$250,001 – $500,000</td>
<td>$1,000</td>
<td>$750</td>
</tr>
<tr>
<td>$500,001 – $1,000,000</td>
<td>$2,500</td>
<td>$1,000</td>
</tr>
<tr>
<td>$1,000,001 – $2,500,000</td>
<td>$5,500</td>
<td>$1,800</td>
</tr>
<tr>
<td>&gt; $2,500,000</td>
<td>$5,000</td>
<td>$2,500</td>
</tr>
</tbody>
</table>

• 50% of potential ChangeScale members in the region earn less than $1M and 75% of the organizations earn less than $2.5M – making the revised membership dues unrealistic for their audience.

Membership Landscape of Eight Backbone Organizations

Growth Benchmarks

• Average of 32% annual growth in membership revenue. Each organization surveyed experienced various growth. The range for this data set was spread out from -25% and 300%, thus no trend appeared in this data set.
• Average of 10% percentage of organizations’ budget covered by membership revenue. Organizations with larger revenue saw a decrease in the percentage of budget being covered by membership revenue.

Benefits

• Top benefits offered were newsletter, access to online job board and discounts to annual conference.

Recommendations

“Size of the first donation is not as important as capturing them while they are right in front of you” (Robinson, 2010).

Membership Model

• Continue to use a tiered membership model by organizational budget and include features that offer more flexibility to various potential members:
  • Encourage and accommodate for multiple sectors to join by using different sliding scales for different organization types: Business, Nonprofit, Public Agency
  • Continue to use current membership pricing for business members
  • For nonprofit dues, use a smaller percentage of the organizational budget (.025%) that is line with other similar backbone organizations
  • Add a “Contributing Members” category to include organizations who would like to give but cannot pay for the full membership. These organizations would not receive benefits of the full members.

Growth Expectations

• Data collected in the membership landscape is inconclusive. However, based on membership trend data on renewal rates, ChangeScale should aim to grow 10% annually in members.

Benefits

• Include incentives for members to join now by offering 16 months of regular membership for the annual price if they join by a certain date or offer additional savings on partner events.
• Focus on communicating value proposition. Survey event participants on what benefits are important to them. This will help ChangeScale market their benefits.

• As first year of membership is ending, need to incorporate a plan to retain the current members.

References


