

## HOW TO SELECT A MANAGEMENT COMPANY

After the interview process is complete, the selection committee should recommend a firm to the board for approval. The committee's final candidates may be asked to make a presentation before the board so that the board can make the final decision. Base your decision of a management firm on a variety of impressions, not just the written proposal.

1. One or more members of the search committee should visit the candidates' offices. Meet with a representative cross-section of their employees and determine if their knowledge and interpersonal skills are compatible with your own organization.
2. Company Profile Client Mix:
  - a. What kinds of clients does the AMC currently serve?
  - b. What are the images projected by the management company's other clients?
  - c. Knowledge of your industry is less important than the philosophy of the firm and its representation of trust and honesty. Experienced, professional association managers are quick studies and can learn about your industry quickly.
3. Client Loyalty:
  - a. What is the average length of time that the management company has served its clients?
  - b. How many clients has the firm gained and lost in the past three years?
  - c. Why did clients leave?
4. Fees:
  - a. How does the firm set its fees?
  - b. How are reimbursed expenses handled?
  - c. What services does the firm handle in-house that may be marked up?
  - d. Are their fees less costly than going elsewhere for the same services?
5. Buying Power:
  - a. Does the firm negotiate with hotels and vendors for the member's benefit?
  - b. Do they use their buying power wisely?
6. Staff:
  - a. Would the individuals or departments offered by the AMC be assigned to your organization?
  - b. Quality and longevity of staff, along with stability of ownership, are important issues to consider.
7. Diversity:
  - a. Can the firm demonstrate capability and experience in the areas of publications, public relations, lobbying, legal and account support, and problem-solving abilities?
8. Leadership Capabilities:
  - a. How has the company demonstrated its leadership capabilities?
  - b. Has it helped establish new programs?
  - c. 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?
  - d. What is the business philosophy of the firm?

9. Be sure that your final decision is communicated to each company promptly on the day that you have indicated a decision will be made. Because each company has invested time, energy, and resources to present its qualifications and capabilities to you, you should notify them of your decision as soon as it is made. Give specific feedback to those who made presentations. Tell those who were not selected, why they weren't selected.
10. Selection must be based on professionalism, experience, and integrity. Top management is critical to the entire process. Does management instill, to the selection committee, confidence, trust, and a commitment for the long term?
11. Copies of proposals from firms not selected should be returned to the AMCs. The proposal from the winner should be kept in your files for reference.

*Reference:*

*This resource was developed through the volunteer efforts of the following American Society of Association Executives Association Management Company Section members:*

*Principal Editor*

*Joanne J. Cole, CAE, CMP, Managing Member; Professional Management Associates, L.L.C.*

*Contributors*

*Roger L. Duerksen, CEO; Association Resources Center*

*Mark T. Engle, Principal; Association Management Center*

*G. A. Taylor Fernley, President and CEO; Fernley and Fernley, Inc.*

*Philip Lesser, Ph.D., CAE, Vice President; Bostrom Corporation*

*Gina Ryan, CAE, Principal; CEO Partners/Creative Executive Options*

*Carol T. Shaner, CAE; Franklin/Thomas Association Management, Inc.*

*Reviewer*

*Beth W. Palys, CAE; Management Solutions Plus, Inc.*