**Transform Information Into Value**

**A Customer Data Platform Makes It Happen**

A group of people looking at a computer screen

Description automatically generated with medium confidence

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**Introduction**

The pandemic gets credit for turning a spotlight on digital competence. But in the association world, that beam was narrowly focused. To survive the disruption, organizations upped their virtual game. Yet, most groups are still not taking advantage of another powerful digital resource: data.

Data is an asset you already own. Given the proper attention, it will be more than a tool. Data is your strongest advocate for success. The right data can plead your case, promote programs, predict outcomes, drive impact, and build lasting relationships. Using data effectively is not just a hedge against disruption. A data-centered culture stamps your passport to digital citizenship.

For leaders who have yet to use data strategically, a customer data platform (CDP) makes the transformation from information into value seamless.

**Explore the Expanding Universe of Data**

A picture containing outdoor object

Description automatically generatedEconomists have compared data to oil, meaning that it is now the earth’s most valuable commodity. Solar energy might be a more appropriate metaphor. Data is free, it’s accessible, and unlike most other resources, it is growing.

The universe of data is rapidly expanding.

These statistics from [SaaS Scout Research Group](https://saasscout.com/statistics/big-data-statistics/) highlight the head-spinning expansion of our information universe.

* Every day, internet users create 2.5 quintillion bytes of data.
* Estimates are that by this year, every person will generate about 1.7 megabytes of data per second.
* By 2023, the big data analytics market is expected to reach $103 billion.
* Netflix saves $1 billion per year using big data for customer retention.

This last statistic is important. The corporate world has been copycatting Netflix for some time. Using data mining and analytics to understand and delight customers is standard operating procedure in the for-profit sector.

Some large, resource-rich associations are on the path to data-driven operations. But the practice of putting data-centricity at the heart of digital business has yet to trickle down to the majority of associations. That is cause for concern.

**Understand Changing Preferences**

Traditionally, associations enjoyed exclusive ownership of professional education and networking opportunities. LinkedIn Learning, Coursera, Kahn Academy, and other for-profit companies are encroaching on that territory. Coursera advertises “Unlimited access to 3,000+ world-class courses, hands-on projects, and job-ready certificate programs” for $59 a month.

A group of people sitting together smiling

Description automatically generated with low confidenceThe competition is intensified by a generation of consumers seeking exactly the type of customized experiences these platforms offer. Readers are probably familiar with Deloitte’s prediction that by 2025, 75 percent of the workforce will be millennials (born between 1981 and 1996). Whether Generation Y will gain the majority so quickly is uncertain, but their rising influence and impact on brands of every description, including associations, is also a given.

Before the pandemic, GrowthZone’s Annual Association Report for the year [2019](https://www.growthzone.com/survey-email-drift/#survey-results) stated that 59 percent of Associations surveyed were experiencing flat or declining membership. With the impact of COVID-19 in [2020](https://www.growthzone.com/wp-content/uploads/2020/11/GrowthZoneAMS_2021-Survey-Results_Optimized.pdf), that statistic increased to 81 percent. As a corollary, MGI’s Marketing Benchmark Report indicates that in [2020](https://www.marketinggeneral.com/knowledge-bank/reports/#:~:text=The%202019%20Membership%20Marketing%20Benchmarking%20Report%20MGI%27s%20research,useful%20in%20recruitment%2C%20retention%2C%20and%20reinstatement%20of%20members.), just 21 percent of the respondents’ members were Millennials.

The impact of millennials on brands is undeniable.

These statistics underscore what is already apparent-- Amazon and Netflix have changed the game. Younger generations, as well as consumers in every demographic, expect brand relationships that parallel the personalized experiences they enjoy with the digital giants. Responsive, customized, and on-demand are the defining characteristics. If your brand doesn’t deliver, don’t expect to be a leader. [Data is the key to staying on top.](https://blog.hum.works/posts/how-to-create-the-custom-experiences-modern-members-crave)

John Challice, Senior Vice President of Business Development at Hum, explains the challenge like this.

“To survive, associations must amp up their game. They need to understand their younger audiences. Most associations have job boards and discussion communities. But now entities like LinkedIn and Coursera are eroding that value proposition. Without access to accurate data, it will be hard for associations to make the right decisions to fix this problem.”

**Keep Pace With Technology**

Like all business sectors, the association community’s ability to use data for decision-making is evolving along with technology. However, the more resource-flush for-profit world is on a faster track. Following is a recap of the community’s progress toward data literacy.

**The Data Continuum**

In the 1980s, the first personal computers made it possible to store member demographics without high-level technical assistance. By the 90s, organizations were reaching beyond identity and into preference. Interest surveys and member assessments provided insight into what constituents valued and needed at a determined point in time. But these one-off evaluations quickly became stale.

By 2000, technology advanced into the realm of behavior. E-commerce shone a light on how customers engaged with products and services on an ongoing basis. Buying patterns could be predicted and influenced by observing previous purchasing history.

The arrival of cloud computing created new possibilities for connectivity. Web analytics and other applications increased the ability to explore browsing and buying behavior and to investigate the market response to various strategies. Engagement became a two-way street. Members could enter their own data into the organization’s software and connect using discussion forums and similar social platforms.

**The Need for a Broader View**

A picture containing jigsaw puzzle

Description automatically generatedAssociations have a long history of collecting the information members willingly share about themselves, or zero-party data. The community has been slower to make gathering [first-party data](https://blog.hum.works/posts/why-your-association-should-be-collecting-first-party-data), or the facts and figures that are derived from behavior, a priority.

Where the resources exist for active data collection, organizing disparate information can be like trying to form a coherent picture from pieces that don’t belong to the same puzzle--exceedingly challenging and slow.

These statistics from [Naylor’s 2021 Association Communications Benchmarking Report](https://content.naylor.com/rs/707-HKR-275/images/2021%20Association%20Communications%20Benchmarking%20Report.pdf?mkt_tok=NzA3LUhLUi0yNzUAAAGAKaiZPydXv199fII9eOTpzsh8r8vohBWLOt8T4tCq9AziPBDSvVujw0lj3x0Z89STBGLpsboSb82Z6FO9m0jWyn59OOvUnFQ8CsaszYo) illustrate the struggle groups are experiencing using data to engage new members and to create the personalized environment they find attractive. Of respondents:

Organizing disparate data is like trying to form a picture from pieces that don't belong to the same puzzle.

* One in eight say they have no process for engaging with NextGen members
* 85% have some process to measure member engagement, but the criteria used for calculation are limited
* 63% have a single strategy for communicating with all members (ie, no personalization)
* 47% say their inability to measure communication effectiveness is a significant challenge
* 32% say their ability to collect and use member data needs improvement

Sharon Rice, .orgSource Managing Director of Business Strategy, made this observation. “Most associations are still working off an analog model. They may deliver products digitally, but those offerings have more in common with physical items. In contrast with the way that [data platform business models](https://www.weforum.org/agenda/2019/12/benefits-of-platform-business-model/) like Facebook, Amazon, and Google constantly evolve based on customer feedback, they are static.

While technology is the solution to these challenges, it is also the mud keeping some associations stuck in the analog world. Challice notes, “Associations may have installed an AMS, LMS, and a CMS. But they aren’t getting real value out of those investments. The data is prisoner to its platform. Lack of integration makes it impossible to harness the combined power of these specialized systems to deliver a 360-degree member profile.

“Imagine if you walked into a bar every night and ordered the same drink from the same bartender. After a few days, you’d expect to be recognized. But if the bartender forgets you *every single time*, you’re not going to feel listened to or valued. That’s how members can feel when associations don’t show they are getting to know them.

**Tame the Tech Stack**

How can you make all your systems play well together? A CDP is like a coach who manages the team. CDPs may include marketing automation tools, but they are specifically designed to interact with and retain information from diverse software.

A group of people in sports uniforms

Description automatically generated with low confidenceCDPs gather data from different online and offline platforms and convert it into a single compatible format or record for each customer. The software tracks engagement across a technology stack. Dashboards provide an at-a-glance view of how audiences and content are performing, and analytic tools help users to act on those insights.

For anyone who has struggled with databases that require a coding genius to unlock their secrets, this sounds like powerful magic.

CDP is like a coach who manages the tech stack team.

Most CDPs can aggregate this information, and more, about your members:

* Member demographics: all the details in your AMS
* Participation: at virtual and in-person events, on forums, on the website, in the store, in the call center, with a chatbot
* Reactions: Responses to campaigns, emails, and other solicitations
* Engagement over time: net promoter scores, social media activity, survey responses

You can use this knowledge to:

* Discover trends to improve content and product strategy
* Build, engage, and grow membership and broader audience
* Launch personalization across all your digital properties
* Create targeted campaigns
* Improve communications funnels
* Test and pivot using real-time insights

**A Data-Centered Strategy**

The list of benefits could be much longer. A CDP is both a CinemaScope and a microscope. You can see broadly across the memberscape or drill-down to the level of individual preference. This insight lifts strategy and problem-solving to new levels of effectiveness. Using data to guide growth gives you the ability to be a competitor in the digital marketplace.

Data can drive association management.

Graphical user interface, chart

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Rice explains the impact of data-centricity like this. “Data can drive the business of association management, increasing the sophistication of operations and the acumen of staff. By understanding that power, associations can create processes that bring objectivity, knowledge, and nuance to decision-making.

“We can test offerings by raising or lowering prices, investigate cross-selling and upselling, and assess the impact of segmentation and augmentation. The data can tell us when to sunset products and how to create services that will maximize revenue.

“Data can be used to identify advantage in changing markets. We can explore options for international or internal expansion or discover how to monetize proprietary information. And most importantly, marketing automation adds the dimension of customization and engagement with members on an individual level.”

“A CDP opens the door to evidence-based decisions,” Challice adds. “Problem-solving is more effective when it is based on objective information. For example, right now, many associations are considering how to structure and price membership. Data should be a trusted advisor in making those important choices.”

**A Cultural Imperative**

In an environment dominated by technology, a data-centered culture is fundamental to success. Developing that digital mindset is an ongoing process that begins at the top and spreads across the organization.

Challice advises associations to make data front-of-mind as a regular best practice. “A website update is a project. Being data-centric is a lifestyle. It’s like eating right and exercising. Making data fundamental to business is a cultural change, and shifting behavior requires effort. CEOs need to lead the charge.”

When organizations make the leap to analytic thinking, every business unit should be involved and provide guidance and focus by:

* Executive Office—Championing the transition to a digital culture. Leaders must identify the gaps in their understanding and create a learning and development plan to fill them. CEOs should be motivated by the benefits streamlined technology brings, and the impact a long-term technology deficit has on success.

A picture containing text, person, indoor, people

Description automatically generated

* HR—Offering training to teams on analytical tools and data-guided decision-making. Recruiting employees who have a data-centered orientation. In a digital culture, every person counts. Training and mentoring can’t overcome a lack of enthusiasm.
* Education—Understanding best data practices and applying those principles to developing innovative programs to meet members’ changing needs.

Every business unit has a role to play.

* Finance—Using business analytics to streamline budgeting and forecasting and making those processes accessible to employees across the organization.
* Marketing—driving the online customer experience and deeply understanding the customer’s evolving digital preferences and needs. Helping everyone in the organization to see the importance of this process.
* All teams—Harnessing data as their best competitive advantage.

**Evaluate Expertise**

Digital leaders make assessment an organizational constant. They monitor both their own progress and the operational environment. For professionals seeking to assess where their association stands on the journey to data competence, Hum offers this scale for guidance.

Impaired

The organization lacks a coordinated system for data management. But leaders are ready to explore how data can be used to grow.

Localized

Although leaders recognize the strategic value of data and are investing in projects, there is no formalized training program. Data skills are learned on the job. Data is siloed in discrete systems and departments.

Aspirational

Leaders acknowledge the importance of a cohesive data-centered strategy and culture. Training and tools are available and employees in select departments are using data analytics. Leaders are exploring how to bring data together.

Analytical

Data is a priority in decision-making and in advancing the organization’s ability to measure and evaluate. There is an overarching focus on improving data collection, effectively using tools, and building analytic skills. Predictive analytics are widely used.

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At the Strategic level, data and tools align with objectives.

Strategic

The use of data and tools aligns completely with business objectives and outcomes. Data is a strategic imperative for effective decision-making throughout the organization.

“Most associations are in the localized category,” Challice advises. “But that is starting to change. Executives understand the importance of using data to develop strategy, and they are doing the best they can with siloed systems that don’t deliver a comprehensive perspective.

“If you are wondering where you are on the data journey, ask these questions:

* Have you ever conducted a data audit?
* How siloed is your data?
* Is your data clean?
* Can information harmonize across your systems?
* Do you have a published data strategy and an established data governance policy?

“A cross-departmental team that is focused on using data for innovation and problem-solving is another characteristic of organizations that are higher on the scale,” Challice advises. “Without that strategy in place, you haven’t reached the Aspirational level.”

Sherry Budziak, .orgSource, Founder and CEO, offers this perspective. “When clients have difficulty producing a membership directory or completing a similar project, they often believe it’s due to a system malfunction. The issue is more commonly poor data governance that results in unusable information. Valid data and the ability to use it properly are the first priority for organizational growth.”

**Build a Framework**

Budziak’s observation is significant. Powerhouse programs begin with great tools and enthusiastic participants. But continuous growth depends on guiding usage with a framework of systems and processes.

In June 2021, data associated with 700 million LinkedIn users was posted for sale on a dark web forum. The hack involved 92 percent of LinkedIn accounts. Stories like this are frequent headlines. As the ability to collect and store data grows, the potential for breaches, improper use, and garden variety mismanagement increases.

Challenges aren’t limited to big corporations. Smaller groups also suffer when they don’t understand and adhere to principles of good data management. Even if you never experience a data catastrophe, failure to use data effectively can be as big a liability as not using it at all. An organization-wide data governance system provides the guidance to maintain integrity and security.

Bob Seiner, the publisher of [The Data Administration Newsletter](https://tdan.com/), defines data governance like this: “Data governance is the formalization of behavior around the definition, production, and usage of data to manage risk and improve quality and usability of selected data.”

This behavior-centered definition dovetails with the .orgSource philosophy of digital leadership. It spreads responsibility across the organization. Every department is a custodian of information and contributes to the common goals. Teams are empowered to understand and trust the data they own and trained to use it effectively.

**Connect the Dots**

Distributing knowledge across departments and developing strategies based on real-time, first-party data positions associations to succeed in the digital marketplace. It’s no exaggeration to say that a CDP is the tool that makes that integration a reality. The software is a bridge between data and strategy. It can’t predict the future, but it can let you create scenarios and decision trees using up-to-the-minute facts.

Hugh Lee, Co-Founder of Fusion Productions and a leader who has been introducing innovation to the association community for several decades, offers this savvy advice on succeeding in the digital era. “There’s a lot of discussion about whether leaders are born or made. You can teach skill. . . but the most important ability is a bit elusive. It’s a talent that develops from a combination of experience, training, and intuition. You need to pay attention, read the landscape, and see beyond the present moment. Success is all about connecting the dots. The world is full of opportunity, but you need to be ready to seize it.”

Data offers a more certain path to connecting those dots and discovering opportunities. The right information helps you to see around corners and augments intuition. That deep understanding of your members makes the difference between programs that are a shot in the dark and initiatives that:

* Drive non-dues revenue
* Create ongoing engagement
* Attract sponsors
* And make you competitive in the digital marketplace

When you build a data-centric culture you stop guessing about what members want. The ability to use behavior and evidence to understand your environment is the power that transforms knowledge into value.

**Meet Hum**

If you are ready to learn more about CDPs, [Hum](https://www.hum.works/) is a great place to start. Hum is led by seasoned professionals with proven expertise in enterprise technology. The company offers a full suite of services related to CDP setup and marketing strategy including standard integration, team training, reporting and insights, data and strategy support, and monthly marketing support. In addition, they can provide full-service digital marketing, smart taxonomy development, custom reporting, and data mapping and cleaning.

**Meet .orgCompanies**

.orgCompanies is dedicated to supporting associations as they undertake transformational change. We offer strategic guidance, practical solutions, and access to a vibrant network of executives and education to strengthen associations and the value they provide. Three interrelated organizations form the .orgCompanies brand:

* **.orgSource** provides association leadership teams with strategies and data-driven solutions that reflect our deep understanding of the challenges that associations face and our knowledge about approaches to overcoming them. Our success spans fifteen years and represents more than 200 client engagements. From developing an integrated strategic plan to preparing your association for a digital future and supporting the implementation of your important projects and initiatives, .orgSource’s experienced advisors are ready to serve your needs.
* **.orgCommunity** connects members to a vibrant network of executives, entrepreneurs, and strategic partners dedicated to shaping the future of associations. Members have access to collaborative events, small group learning opportunities, and peer-to-peer counsel with trusted allies, mentors, and friends who share a passion for excellence.
* **.orgFreelancer** makes it easy for organizations and freelancers to connect and get work done. Our concierge service matches employers with qualified professionals that meet organizational and cultural needs. .orgFreelancer helps employers find specific expertise, short-term support to complete a project, or fill a temporary position.

Discover our philosophy of Association 4.0 leadership in our [books](https://www.orgsource.com/insights/our-books/): *Positioning for Success in an Era of Disruption* and *An Entrepreneurial Approach to Risk, Courage, and Transformation*.

Let us share .orgCompanies’ passion for designing premium solutions for associations with you. [www.orgCompanies.com](http://www.orgCompanies.com)