



Assessment Tool for a Trade Association

Below is a list of questions that should be answered by the association staff in conjunction with its Board and members to help determine a trade association's international potential:

QUESTIONS ABOUT THE INDUSTRY

Geographic Considerations

- What percentage of your members by number comes from different geographic regions (countries)?
- What percentage of your revenue can be allocated to those same regions (countries)?
- What percentage of your organizations investment (expenditures) can be allocated to those same regions (countries)?
- If you could start from a fresh beginning, which regions would be your most promising potential markets for stakeholder / revenue development today?
- What percentage of your industry is represented in your trade association?
- What percentage of your industry trade is international by nature?

The association may find that it should only target initially one country or a few countries before it decides to research a whole region or continent such as Europe, Asia, or Latin America. It's important to start small, and then grow slow.

Differences of Industry Operations Geographically

- Are there significant differences in the operation and sophistication of the industry by country, region, or continent?
- Are there geographic differences in the way information is disseminated or technology is applied?
- What are the reasons for these differences?

For example, in some parts of the world where the association considers distributing its publications, some countries may have a very slow or unreliable postal system. The association may have to look at using an international mail distribution company or the Internet to ensure its publications get to members on a timely basis.

Partnership Potential

- Does the industry have counterpart associations or related organizations in other countries?
- What is the background in which the industry is organized in these countries?
- How do members of the industry communicate, share information, network with their peers, and lobby their government?
- Have you had the opportunity to evaluate first-hand the strengths and weaknesses of your potential partners (due diligence on their finances, programs, products, services, reputation, etc.)?
- Do you have strong relations with the current leaders of the organizations you are considering partnering with? How, when and by whom are decisions made in those organizations?
- What cultural and regional differences exist among the industry in various countries?
- What about the use of benchmarking with associations in other, although somewhat closely related industries?

It is almost a given that a counterpart association in Europe or Latin America, for example, will have a different modus operandi towards the industry than in Asia, and the association will have to develop a different strategy for working with the various groups.

Competition Issues

- Does the industry face significant competition from international competitors?
- Who is your members' competition?
- Will international liaison with those competitors strengthen the industry as a whole, or will your members be damaged?

Internal Barriers to International Membership

- Is your country generally considered the world leader in the industry?
- Do your members oppose membership from international firms? Why?
- What percent of your members share this feeling?
- What will be the consequences of proceeding against this opposition?

Benefits of International Membership

- How will your members benefit from their counterparts (firms abroad) in other countries?
- Sharing of expertise and information?
- What will your members lose if the counterparts have equal access to the association's benefits?

Market Share

- What percent of worldwide market share do members of your industry in your country enjoy? Why?
- What is the potential worldwide market, and what factors influence it?

- To what extent is the world market saturated?

Raw Material/Resource Considerations

- Does the industry depend upon raw materials or other resources that are not readily available or competitively priced in your country?
- Are there sources outside your country that could be tapped to the advantage of members but are not because of shipping, customs, technological difficulties or other problems?
- Can the association help to alleviate these problems?

QUESTIONS ABOUT THE ASSOCIATION

Number and Monetary Value of International Members

- Does the association currently have members from other countries?
- What percent of the membership and of total dues do they represent?
- Do they pay equal, lesser, or greater dues?

International Membership Participation and Governance

- Are the international members active?
- How are they represented in the association?
- Can they (and do they) serve on committees and in other leadership positions?
- Are there any special restrictions or problems associated with their involvement?

Membership Potential/Interest in Products/Services

- Are international nonmembers at your conventions, meetings, and educational seminars?
- Do they subscribe to your periodicals or buy your materials?
- Do they communicate with you electronically or access your web site on a regular basis?

Assessing External Market

- Do your international members seek out the association's products and services?
- Do you actively market the association's products and services to international members and nonmembers?
- Is market data available that would shed light on differences in interest and need between members of your industry in and out of your country?
- Have you surveyed the market potential or conducted trend analyses?

External Competitive Environment

- Is any other organization, association, company, or government agency supplying competitive goods and services to the international members of your industry?
- How do the quality, accuracy, price, and delivery system compare to what the association is able to offer?
- Is there an advantage in working cooperatively?
- To what extent have they penetrated the particular market they serve?
- Could members in your country benefit from their products and services?
- Is national pride or identity a significant factor that will influence your relative ability to compete?

Organization: Structure/Culture/Budget

- Can the organization's structure and culture accommodate international involvement?
- Can the association's budget handle the variances in currency value, international travel, mailing costs, overseas meetings, satellite offices, and the possibility of additional staff?
- Can the organization's staff adjust (be more tolerant) to the language and cultural differences of international members?
- Can consultants to redesign or redirect your governance structure or staff be considered?
- Does the mission and vision reflect a global perspective?
- Will the association's mission have to change?

Motivation for International Expansion

- What is driving the need to consider expanding internationally? Members? The Board? Other volunteer leaders? The chief staff executive?
- What "champions" are there within your organization for globalization?
- What is the motivation?
- Additional revenue for the organization? Access to new markets? Exchange of information or expertise?

The association's thoughtful and thorough response to these questions should help the organization to identify its current strengths and weaknesses, internally and externally, potential threats it may need to address, and strategic opportunities that exist internationally for the organization. In some cases, this assessment tool may lead the association to rethink its mission and spend time revising its long-range strategic plan.