

Membership Dues Restructuring Campaign

2019 Winner: Association for Unmanned Vehicle Systems International

Entry Title: LEAD with Us. AUVSI Restructures to Focus on Advocacy

Project Overview

From a discount club to an advocacy juggernaut. In 2016, the AUVSI Board of Directors weighed its strategic plan against its existing resources and determined that a change was needed. While memberships had been growing for several years, net revenue was not keeping pace to support the needed initiatives to advance our community. After assessing the existing corporate membership structure that had been in place since at least 2002, and which had only seen modest dues increases for each tier over that period, they determined a new approach to the membership model would increase not only revenue, but also member engagement.

The legacy model allowed companies to self-select their tier based on their desired level of benefits. At its core, this model emphasized discounts to the Association's numerous conferences and publications – 70% of the enumerated benefits – while limiting engagement to a capped number of designees.

Research further revealed the critical flaw in this approach: with the preponderance of members (64%) selecting Bronze level membership and exhibiting at our conferences, they were able to save more, in some cases significantly more, on their booth than they paid in dues. While that provided outstanding ROI for members, it left the Association with a net loss of resources per member. It also discouraged members from more deeply engaging throughout the year, having realized full ROI from one event.

With the industry quickly maturing and facing significant regulatory obstacles, the time had come to invest in advocacy and bolster member engagement.

Goals/Objectives

Upon analysis of the initial project research, four guiding principles (objectives) emerged:

1. The structure should encourage a representative/diverse mix of industry companies.
2. The structure should be equitable across dues tiers.
3. The structure should be simple to understand.
4. Communication throughout the process should be transparent with the membership.

These principles meshed perfectly with the Association's mission to advance the safe and responsible deployment of unmanned systems technologies – which inherently requires input from across the full industry value chain – through advocacy, education, and collaboration.

To measure success, three clear goals were formed:

1. Grow revenue by 50% within 3 years to support expansion of advocacy activities. Based on initial projections from gathered data of existing members, and depending on attrition throughout the transition, estimates showed a wide range of potential outcomes between a 16% and 136% dues growth.
2. Grow number of designees per member by 50% within 3 years to increase member engagement opportunities. It was clear that many members were not taking full advantage of designee accounts and that deeper connections to each member company would drive opportunities for member engagement.
3. Maintain diversity of membership across all three industry domains – air, ground, and maritime. Living up to the tagline of 'All Things Unmanned' remains an ongoing challenge but is also widely acknowledged as a key asset for upholding the Association's credibility and influence."

Strategy/Tactics

Based on a perceived urgent need for change, the transition began mid-year of 2017 and went into full effect as of January 1, 2018.

To inform the creation of a new membership structure, AU/USI conducted a survey which yielded a strong response rate (12%) and reflected a representative sample of member segments. Staff also performed more than 30 in-depth member interviews by phone which each lasted 30-60 minutes.

The new membership structure was designed to reflect each of the objectives:

1. Representative/Diverse – Categories were created for Industry (in the business of unmanned systems), Startup (Industry members who meet 3 specific criteria) Affiliate (service provider to industry members), and Associate (stakeholder in the unmanned systems industry, including government agencies, academic institutions, and non-profit entities).
2. Equitable – Dues levels are based on gross annual revenue of each member.
3. Simple – Three member levels, clear revenue ranges for each dues tier, and separate one-pagers for each member type.
4. Transparency – Exhaustive communication strategy to explain the 'what' and 'why' of coming changes. Based on the desired outcomes of deeper member

engagement and increased advocacy potency, the member outreach campaign centered around the phrase: Lead with us. That campaign included a letter cosigned by the Board Chairman and CEO which was mailed and emailed to every member, a call campaign ensuring a conversation with all 624 member companies, and unified branding for a new brochure, booth, and ad and email campaign.

Success Metrics/Results Achieved

Goal 1: Grow revenue by 50% within three years to support expansion of advocacy activities.

FY2018 Dues Revenue was \$1,672,000, a 29% increase from 2017 and a 40% increase from the beginning of the campaign. In 2018, the additional resources funded two additional advocacy staffers supporting new member programming and expanded reach to policymakers at the state, federal, and international levels.

Goal 2: Grow number of designees per member (DPM) by 50% within three years to increase member engagement opportunities.

FY2018 DPM was 9, a 50% increase from 2017 and an 80% increase from the beginning of the campaign.

Goal 3: Maintain diversity of membership across all three industry domains – air, ground, and maritime.

FY2018 segmentation: Air, 89% (14% growth); Ground, 56% (5% growth); Maritime surface, 42% (8% growth); Maritime subsurface, 34% (6% growth).

Total adds up to more than 100% because 57% of members operate in multiple domains. Striking within the results is that representation of each segment has increased while maintaining a diverse ratio of representation.

Additional indications of success include: Net Promoter score in 2018 nearly doubled from 12% to 22%. Member retention rates:*

FY2018 Retention Rate All Members: 65% (8% growth from FY2017)

FY2018 Retention Rate Non-Bronze Members: 79% (9% growth from FY2017)

While the legacy value proposition incentivized membership for cost savings but not in support of the Association's mission, engagement levels of retained members indicate a new baseline for growth in support of the strategic needs of the unmanned systems community.

***AUVSI's annual retention rates historically averaged between 65-80%, reflecting the market's immaturity.**

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www.auvsi.org