The Value of Golden-Handcuff Benefits

**GOLDEN-HANDCUFFS** – a term describing benefits so appealing that members simply would not drop out of the association. It is said that golden-handcuff benefits hold members “captive.”

Many associations do not have a golden-handcuff benefit; their membership brochure describes the usual advocacy, promotion, education, networking, publications and travel discounts.

Not long ago the commonly valued benefit was insurance coverage. Some programs collapsed under the weight of claims while others became available from sources other than the association

Association benefits usually center on information, products, and services, or a combination of these. This is a look at how associations are able to create golden-handcuff benefits.

## Repackaging Member Products and Services

Nearly every association member represents a product or service. Some associations have created agreements with members whereby the organization has authority to package and sell the products. For instance, if members create a product that they want to sell it to a new market, perhaps state government or a “foreign” market, the association may combine, repackage, promote and coordinate the sales of the member products. As a result of sales to the new market, the association adds value to members’ “bottom-lines.”

Examples of products and services might be the sale of billboards, broadcast time, member published books, unique services offered by members, or advertising display space by those members who agree to let the association sell it. The programs can generate significant income for both the members and the association.

In these cases, it is the creativity and skills of the association staff to coordinate the member services and products, draw up participating agreements, market, sell and generate significant income. These organizations thought “outside-the-box” to design golden-handcuff benefits. The result is enhanced income for members and the association.

# Knowledge as the Valued Benefit

Associations are knowledge managers – researching, collecting, analyzing and delivering information to the members. Knowledge delivery can take multiple forms, such as studies, seminars, reports, surveys, manuals and articles.

Packaging of industry or professional information is a significant benefit. If the only place members can receive a cost of doing business report or comparative operation ratios report is the association, then it makes membership more valued. For associations, they need to carefully package, safeguard and promote the information they have that can be turned into valued reports available almost exclusively to industry members.

The Internet can facilitate delivery of knowledge-based benefits. An industry Listserv where members can easily seek solution to problems is invaluable. ASAE is a master at providing effective Listservs where I can post a question and receive a half dozen solutions by day’s end.

Online education could be another valued knowledge based benefit. Imagine offering a training program that was always available to the employees of your members; thus every new employee can take an online orientation and members appreciate the ease and consistency of distance training. Websites, when effectively designed may act as the golden-handcuffs for some members who visit the site regularly for communications, purchasing, training, auctions and classified advertising, for instance.

## Examples of Golden-Handcuff Benefits

* A limited indemnification program for the purpose of paying damages occasioned by a member’s negligence or misjudgment. The first time a member finds himself or herself being sued for failing to provide service, for example, they may seek financial help from the association’s indemnification.
* A credit or check verification service exclusively for industry members. The avoided bad checks and saved thousands of dollars and time.
* Marketing programs that are so sophisticated that a member feels left out when they are offered; for example the opportunity to participate in a trade show as a part of the association booth rather than bearing 100% of the burden and participating independent of the association.
* Shared services developed by the association; for example if the members have a database, the association could manage it for them offering the best available technology and or website hosting. This takes investments in technology and staff, but may act as a “hook” for members who come to depend on the investments of the association and cannot afford the same type of technology.
* Accreditation and certification programs. Members are loyal to the certifying body and must return periodically to renew.
* Self-insurance programs or recommended insurance coverages; though beware because markets change, loyalty is thin, and competition is growing.
* Statistical gathering and reporting. For example, a pricing survey or economic impact survey in which members could not perform independently but the association can collect, analyze and package the information to be of significant value.

## When Golden-Handcuffs Tarnish

Even golden-handcuffs are not foolproof. A danger exists that the single most valued benefit will be offered by another organization and members will turn to the new supplier. Or the benefit will lose member interest and they will forget the many reasons for which the association exists.

Below are some of the pros and cons of golden-handcuff benefits.

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| **Advantages of Golden-Handcuffs** | **Disadvantages of Golden-Handcuffs**  |
| * A single benefit can “hook” the members, encourage renewals and generate income to the association.
* It is easier to focus resources on a golden-handcuff benefit than a host of less meaningful benefits.
* Development of a golden-handcuffs benefit implies that the association understands the challenges and needs of its members and has responded with a valued program. Members want the association to fully understand their challenges and needs.
 | * A dependence of a golden-handcuff benefit reduces the interest by members in other association services.
* Markets change and the benefit may lose value to members.
* A competitor may offer an improved benefit that draws members away from the association.
* Members should maintain an overall interest in the association’s mission, not just one benefit.
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