

2009

Lehman Reports™ Annual Industry Study:  
Association Management Software  
Use and Satisfaction

F1

Lehman Associates, LLC

Minneapolis • Washington, DC

800 Washington Ave N, Suite 303

Minneapolis, MN 55401

612.343.2100 • 202.386.6180

[www.ansible.com](http://www.ansible.com) / [www.lehmanreports.com](http://www.lehmanreports.com)

[info@ansible.com](mailto:info@ansible.com) / [info@lehmanreports.com](mailto:info@lehmanreports.com)

## **Lehman Reports™ AMS Use and Satisfaction Study, 2009**

The **Lehman Reports™ Annual Survey of AMS Use and Satisfaction** is the most comprehensive study of associations' use of and satisfaction with AMS products. First launched in the fall of 2005, findings from the study have been cited in articles in the ASAE magazine *Associations Now!*, industry conference presentations, and numerous newsletters and blogs. Selection of an AMS solution is a critical decision with major strategic and financial implications.

### **The Study**

Each year, we conduct online surveys of hundreds of associations with budgets of \$2M or greater. Starting in 2009, we collect data twice a year, increasing association participation and providing the opportunity to include time-sensitive questions such as questions in the fall of 2009 about the impact of the economic conditions on the timing of planned AMS purchases. Responding associations are among the first to receive public findings from the research. For 2010, the study will include associations in the \$1-2M budget range as well.

### **The Marketplace of AMS Products**

Nearly all of the associations in this study have some type of AMS solution, and nearly 80% are using a commercial product. Most of the remaining 20% are using an in-house custom system, but that number is slowly shrinking as associations move to commercial products. We have yet to hear from an association moving from a commercial product to a custom system.

A number of companies offer full-featured AMS products, and many more offer products that include one or more key functions. The best product for a given association is the one that offers the capabilities that association requires at a cost that is within its budget. There is no single best AMS product.

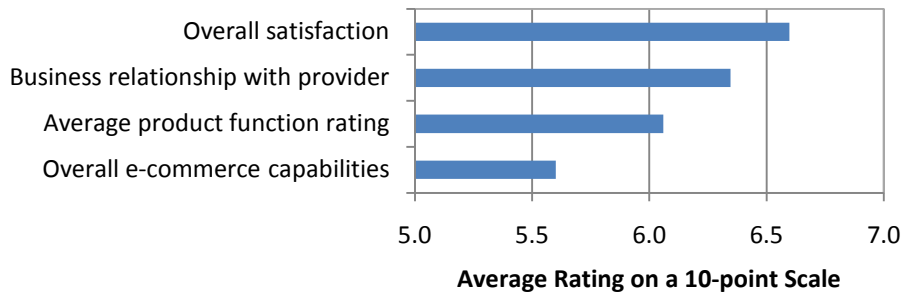
Within this market of mid-to-large associations with budgets of \$2M or greater, four companies account for nearly 75% of the installed base of AMS products: Advanced Solutions International (product: iMIS), TMA Resources (Product: Personify), AVECtra (product: netFORUM), and Protech Associations (product: CRM for Members). The iMIS product from ASI leads with nearly a 40% share of the installed base, followed by TMA Resources and AVECtra. Among larger associations with budgets over \$10M, the lead is shared between ASI and TMA Resources.

### **Satisfaction**

Associations report only moderate satisfaction with their current AMS solutions, rating overall satisfaction at 6.6 on a 10-point scale and an average of just 6.1 for a series of 20 specific product attributes. The ratings for the business relationship with their provider

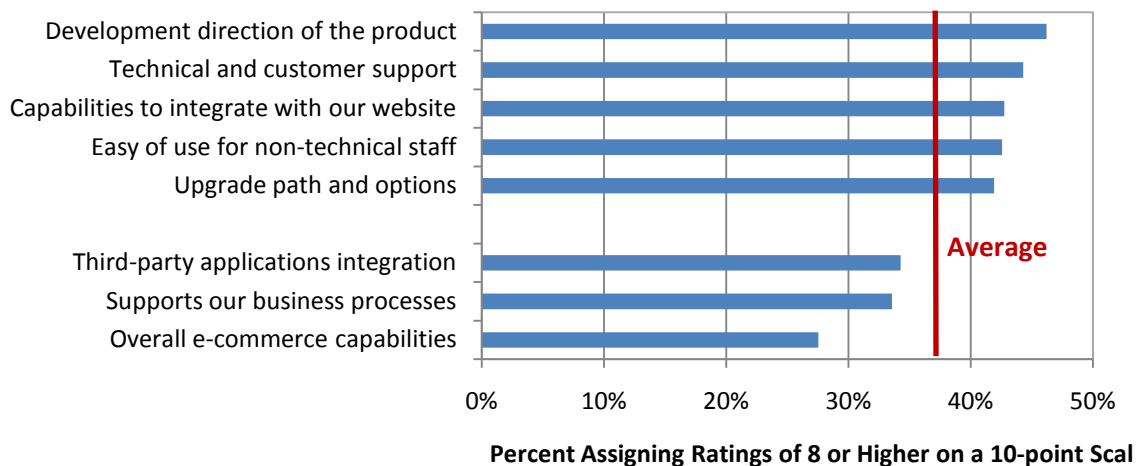
(for iMIS customers this may be a reseller) are somewhat less than overall product satisfaction at 6.4. Among the specific product functions and capabilities, e-commerce has been among the lowest rated since the research began four years ago, even as providers have invested in strengthening those capabilities. Associations with newer AMS software are more satisfied, but e-commerce remains one of the lowest rated areas even for those customers. It would seem that expectations – and the reliance on e-business revenues – have risen even faster than product enhancements.

### Overall Satisfaction Ratings



A high rating on the 10-point satisfaction scale is 8 or higher. Across all of the specific product functions, an average of just 39% of these association contacts assign a high rating. A greater proportion assign a high ratings to the development direction of their AMS products, customer and technical support, website integration capabilities, ease of use, and upgrade path options. Fewer than average give high ratings for integration with third-party applications, the degree to which the product supports critical business processes, and overall e-commerce capabilities.

### Selected AMS Satisfaction Ratings

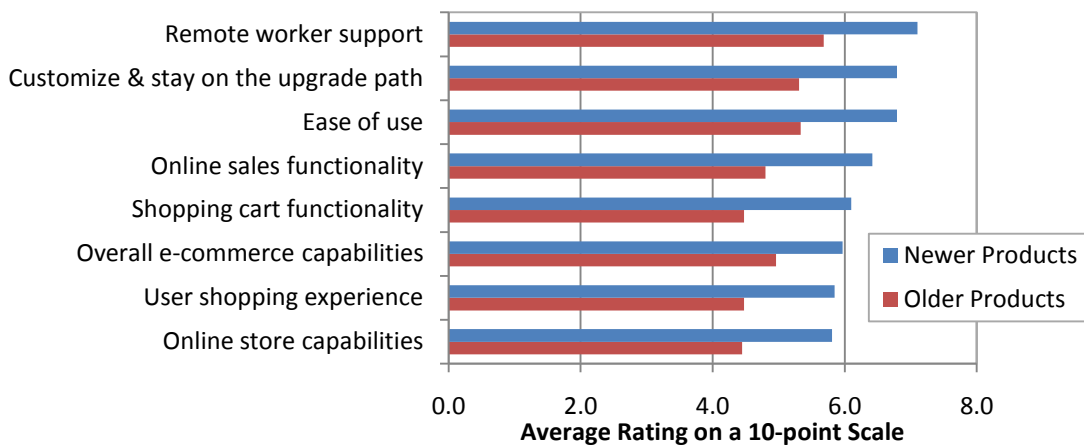


Looking further within overall e-commerce, associations are least satisfied with website cross marketing options, fundraising capabilities, and the ability to customize the look of sales and shopping cart / checkout pages to match the look and feel of the rest of the website.

### Newer Products Are Better

Associations that have implemented new products or product upgrades are significantly more satisfied as compared to those operating older products, particularly in areas related to e-commerce capabilities. Five of the eight areas showing the greatest ratings increases are related to capabilities to enhance website e-commerce.

#### Newer Products Receive Higher Ratings



These findings reinforce the importance for associations to run newer versions of these products. Not surprisingly, the most commonly cited reasons for entering into a purchase process is to enhanced website capabilities and e-commerce. Many older products were not designed to meet today's e-commerce and online requirements.

### Implementation Experience

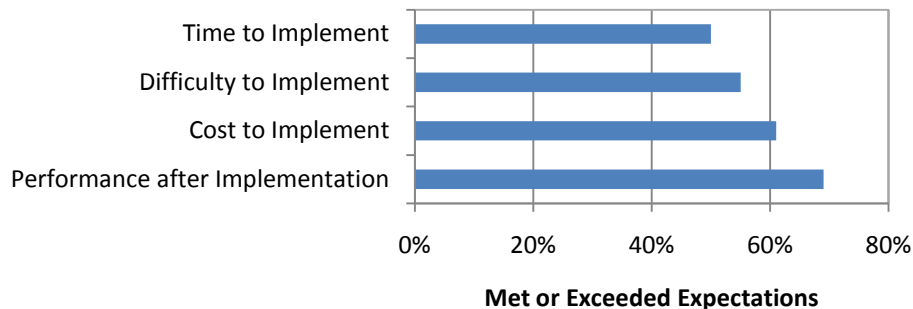
Implementing a new AMS product or a major upgrade can be a time consuming, disruptive, and expensive process. These are complex systems that touch every aspect of an association's operations, often requiring adjustments to match special requirements. Migrating data from an existing AMS to a new product can be itself a major undertaking. For many associations, it is the opportune time to weed out information that is no longer needed or valid, and to update and verify the other data before it is entered into the new system.

Based on conversation with association professionals, the critical issue is to know in advance what an implementation is going to cost, how difficult it is likely be (and

disruptive to the organization), and how long it will take to go live. A common impression is that the estimates provided by AMS suppliers understate these elements.

Findings in this study support that impression. Of those who completed a major upgrade or new product installation in the past five years, only about half feel that it met or was better than their expectations for the time and difficulty to implement. A somewhat greater number, 60%, say that the cost of the implementation met expectations. Overall nearly half of these respondents felt that their most recent implementations cost more, took longer and were more difficult than expected. Among the major AMS providers, customers implementing the iMIS product and upgrades were more likely to say that the time, cost and difficulty was in line with their expectations. In most cases, resellers, not ASI directly, do iMIS implementations.

## Implementation Experience



It would be easy to blame the vendors, and certainly they bear the major responsibility to provide a realistic estimate of what will be required. At the same time however, customers themselves play a role in this and are responsible for at least a part of the frustration. Customers may overestimate the accuracy of their existing data leading to greater than expected efforts required to review and update data for the new system. Customers may push vendors to shorten development timelines and reduce training costs, both of which may have a negative impact on the implementation experience. At the end of the day, however, it is responsibility of the AMS companies to manage expectations and convey realistic estimates.

Despite the expectations gap during implementation, 70% of these customers say that system performance after the implementation met or exceeded their expectations, and nearly 80% say it is likely they would make the same purchase decision again.

### AMS Purchasing – Upgrades and New Products

Associations upgrade or replace AMS products on average about every five years, with slightly longer cycles for the largest and smallest associations in this study. The majority of these purchases are upgrades (or new products) from their current vendor rather than a purchase of a new product from a new vendor. Findings from this study show

that decisions to upgrade are as much to avoid the disruption and cost associated with a new product as they are a reflection of current product satisfaction. In fact, one of the reasons commonly cited to purchase an upgrade is a hope that it will fix problems in the current product.

Beyond the avoidance of cost and disruption, there are other advantages to upgrading assuming the current product and vendor are performing reasonably well. Upgrades maintain an existing working relationship with the vendor including account management, customer support, and development services. An existing provider is likely to understand the association needs. Training requirements may be lower since the upgraded product is likely to operate in a similar fashion. For major upgrades, however, the new product version may be very different and require implementation and training resources on par with installing a new product from another vendor.

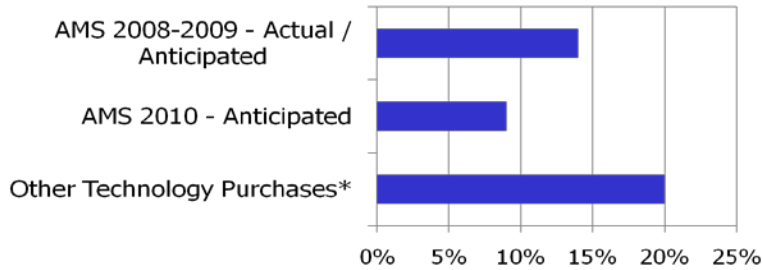
Most of these associations say they knew in advance whether they would move to new product or upgrade their current one. However, many of those who upgrade still go through a time consuming and expensive RFP proposal process. Where there is a reasonable chance that the association will upgrade, those resources might be more effectively applied to first determining the requirements to do so and obtaining the current vendor's response to those requirements. Requirements to address shortcomings in the current product or new functionality will be a subset of full requirements. Resources are not expended to document what already is working. If after this review, the decision is made to move to a new vendor, an RFP process with a full set of requirements can be undertaken. Given the high rates of upgrading, most associations will save time and money with this approach and obtain better results.

Even with a relatively long cycle of change, we still find it surprising that key contacts in these associations report knowing little about alternatives to their current solution. The majority of respondents say they have no knowledge of major AMS products other than their own, and say that they are unable to voice even an impression of the degree to which alternative products could meet the needs of the association. Making informed decisions requires a working knowledge of competing products. One of the reasons associations cite for undertaking a full proposal process is to understand what other options are available before making an upgrade decision. A better strategy is to stay informed about the alternatives offered by competing products, not try to learn it at the time of a purchase decision. An RFP process is not a particularly effective way to learn about competing products.

## **The Economy**

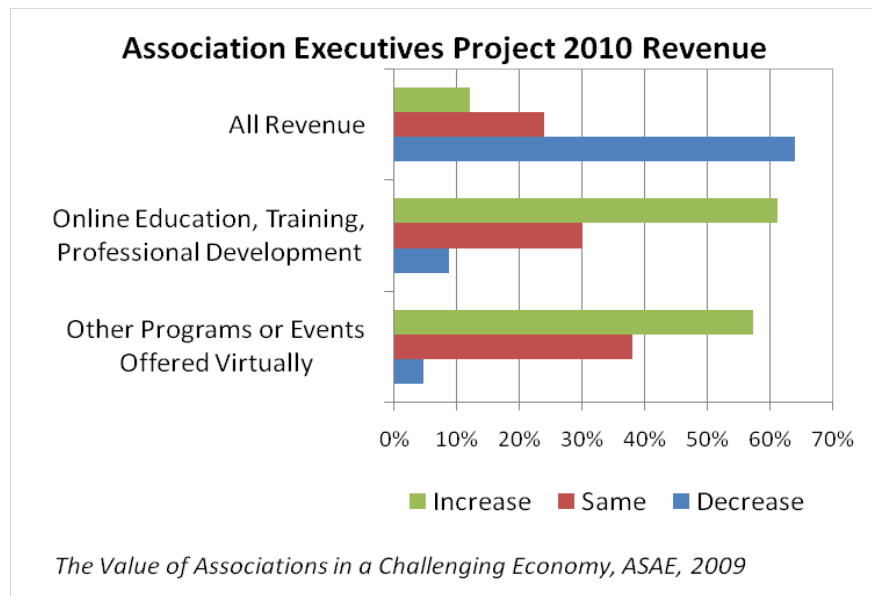
Most associations say they do not anticipate changes to planned AMS purchases due to economic conditions. Still, a significant portion of those who had plans to purchase in the second half of 2009 or in 2010 say those purchases might indeed be delayed – or already have been. In other surveys conducted by Lehman Associates in 2009, associations reported similar anticipated delays in other technology purchases as well.

### Delaying AMS and Other Technology Purchases

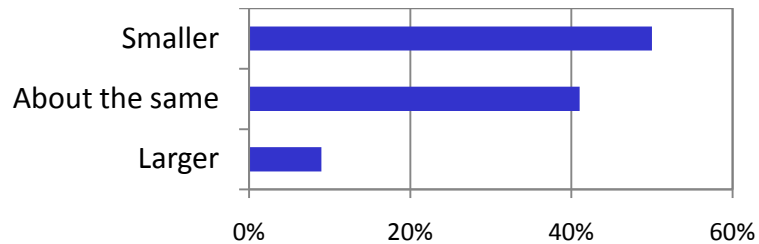


*\*Other Technology ranges from ~ 10% to over 30%*

Ironically, while ASAE reports that association executives expect a much greater proportion of revenue to come from online services and purchases, technology directors in associations anticipate smaller budgets and delayed purchases.



### But Technical Contacts Anticipate Smaller Budgets



### 2010 Study

The fifth-annual AMS Market Study launches in the first quarter 2010.