



STRATEGY

Technology trends

By Tom Lehman

Associations continue to make substantial commitments to the use of information technology and online services to improve efficiencies and effectiveness, strengthen relationships with members, and engage nonmembers and ancillary markets. These conclusions are supported by findings from my most recent study of association use of association management software, web services, and social networks.

Association management software. Associations, on average, replace or implement a major upgrade of their AMS product every four to five years, with most opting to upgrade. Nearly two thirds of the major AMS software purchases in the past five years have been upgrades within the same product line or at least from the same provider company. Most of those purchasers did not seriously consider switching to a new product. As such, the selection of a new AMS product is at least an eight- to 10-year decision.

The decision to upgrade rather than implement a new product appears to be as much pain avoidance as it is a reflection of satis-

faction with the current product. The cost to implement a new product, the disruption it causes, and the requirements for new staff training are leading factors (see chart below).

The 2008 research indicates that the SaaS (software as a service) model is starting to make inroads into the mid-sized association market, but it is too early to gauge the share this approach will ultimately capture. A SaaS solution requires less initial investment, may be expanded incrementally by adding additional users to the monthly subscription fee, and offers a continuous upgrade path. It does not support the same level of customization, however, and it is not clear at this point whether the total cost of ownership is significantly different over the number of years an association can expect to use the system.

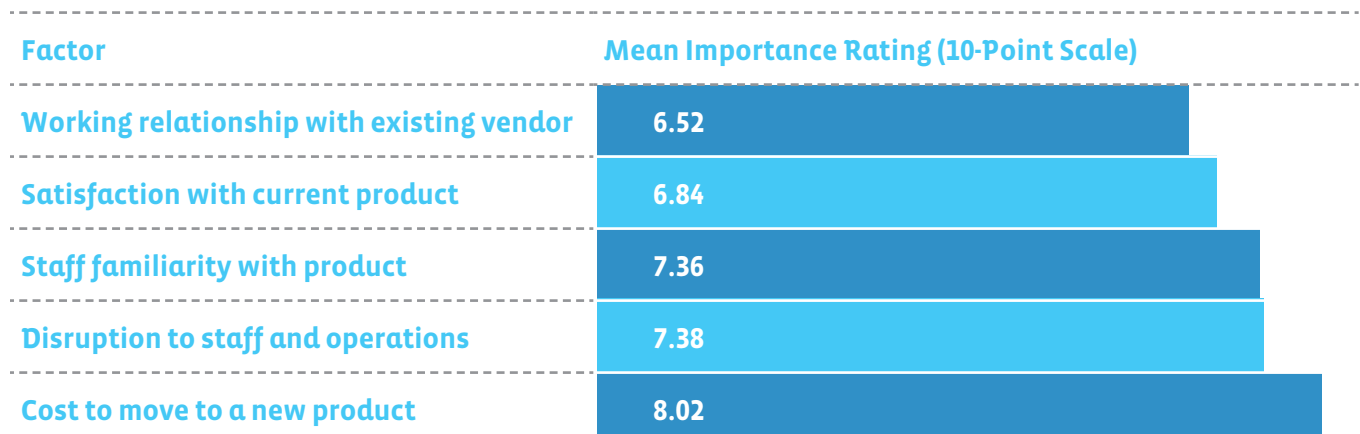
The lack of a licensing fee lowers the front-end financial commitment, but there are still significant costs associated with data conversion, configuration, business process alignment, and staff training. These investments will remain a significant barrier to change just as they have for licensed software. Associations making a SaaS solution decision would be well advised to assume they too are making a long-term commitment.

These findings reinforce the need for associations to take a strategic approach to making technology decisions. Given the rapid change in product features and functions, what may seem like a major product differentiator today may seem much less so five or 10 years in the future; current feature sets may be less important than longer-term considerations. The challenge is to select a product that is likely to provide the platform, software architecture, and development direction to enable your association to benefit from industry advancements in the coming years.

The web and social networks. The internet changed the face of associations, moving information delivery and member interactions online. The research shows that mid-to-large associations undertake a major website redesign on average every two to three years to take advantage of new content management system capabilities and integrate the website more tightly with the AMS solution.

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IMPORTANCE OF FACTORS: UPGRADE VS. NEW PRODUCT



ASSOCIATION USE OF EMERGING WEB AND COMMUNITY TECHNOLOGY

Technology	Currently Use	Plan to Use Within 12 Months
RSS feeds	31%	24%
Blog	25%	23%
Mashups and widgets	6%	19%
Profile-style directory	12%	25%
Wiki	14%	23%
Enhanced listservers	19%	24%
Social network	14%	31%

The emergence of social networks introduces a new level of online experience for associations, and the research suggests that association leaders are embracing this new technology in large numbers (see chart above).

Once again, the challenge is to take a strategic approach to decisions around expanded web services and social networks. The underlying principles of the new web alter the relationships between associations and members, creating both new opportunities and new challenges. Associations that take the time to

develop and implement an engagement strategy rather than just technology will be well-positioned to leverage these new models and technologies as they continue to evolve.

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WEB 2.0

Virtual worlds: Not just for grownups

Even if you're not interested in exploring Second Life and similar virtual worlds, your future members may already be part of one. According to a report from Virtual Worlds Management, a media company tracking the virtual worlds industry, there are 60 youth-oriented worlds currently online, with another 53 in the conceptual, development, or testing phases.

While the largest percentage of the youth-oriented virtual worlds are aimed at "tweens" ages eight to 12, 33 percent target children seven and under, including the well-known Webkinz as well as Treasures (launching soon) and Sea Pals (now in development). According to Virtual Worlds Management, many of these worlds blur the lines between virtual worlds, games, and social networking.