

**Benchmarking in Action**

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Are there ways you could be using benchmarking data that you aren’t tapping into yet? ASAE’s benchmarking resources are provided to help association professionals do their jobs better. Our members use ASAE’s benchmarking resources—AssociaMetrics, the *Operating Ratio Report*, and information from the *Association Compensation and Benefits Study*. Some—like Elena Gerstmann, Ph.D., CAE, FASAE—have been using benchmarking resources throughout their careers. Here Gerstmann, deputy executive operations of the American Society of Mechanical Engineers, shares four primary way she uses benchmarking to make her organization better.

**Get new execs on the fast track**

Many leaders come into prominent positions in the association field with impressive resumes, a proven track record, and a wealth of experience—often in an area other than associations. A new executive coming from the industry the association represents or another field may have a significant learning curve when it comes to the specifics of association finance, operations, and practices. And when you come in at the top, there’s very little leeway to learn on the job. Gerstmann’s experience has shown that benchmarking resources are a valuable tool to help people get up to speed in the industry.

“We have some new executives coming in from the industry, who weren’t familiar with associations, I’ve shared benchmarking information including information from AssociaMetrics so they could get a feel for it.”

**Show why you need staff**

Leaders also find benchmarking resources invaluable when they need to justify staffing changes. Boards and executives alike want their associations to be staffed fully and all of their departments operating at peak efficiency. But every organization, no matter the size of its operating budget, has to juggle allocations delicately. Expanding a team is rarely as simple as a single inquiry. A thorough justification grounded in data gives decision-makers a basis of comparison that makes the ask more concrete and more likely to be approved. Gerstmann has drawn on benchmarking data frequently in her work to make her case for staffing needs.

“Once a year I routinely pull out the *Policies and Procedures* [*Benchmarking in Association Management: Policies and Procedures*], and with that I could say something like, look—we have two people dedicated to market research and all these organizations smaller than us have four people, so we are very lean and I need another headcount.”

To justify adding staff, association executives typically have to build a strong case. Industry benchmarks can add credibility to the results of financial cost-benefit analyses, detailed breakdowns of time spent on specific projects, and other data.

**Examine old habits**

Many organizations continue to make decisions without examining well-worn practices. It’s easy to get complacent, and say, ‘we’ve been fine doing it this way all these years—why change now,’ but this can limit associations from functioning at their highest level. As author Jim Collins wrote ““good is the enemy of great.” Benchmarking data can help organizations understand the difference between what they’ve always done and what they could be doing differently. Data can prove your reasons for doing something a certain way, or challenge you to look at a different decision. As Gerstmann offers,

“We all use the term *best practices,* but we don’t know if they’re just *common* practices or if they truly are *best* practices.”

An example Gerstmann used of this was four years ago when she started looking into what other associations were doing when it came to reserves. What she found was that the common practice wasn’t the only way to go about it. As she puts it:

“Everybody says 50 percent, but we wanted to examine that. We hired a financial consultant and looked into it, and it turns out that that 50 percent number is kind of arbitrary. It really depends on what your association’s particular risk is. Think of it like this – if one person has a brand new house and another person has a 100-year-old house, should both of them have the same amount in the hopper for repairs?”

Benchmarking isn’t simply about lining up your numbers with those of your cohort. Looking for where you differ from similar organizations can be a starting point for inquiry. Does your organization need to change, or does it do things differently for a reason? This method of inquiry and evaluation can illuminate where changes are required, and affirm when the practices you have in place continue to be a good fit.

**Use multiple sources**

As ASAE recommends, Gerstmann consults a variety of industry resources in addition to the AssociaMetrics platform. She regularly consults IRS Form 990 data, exchanges information with comparable organizations, and consults other industry benchmarking resources. By using this multiple-source approach, Gerstmann is able to practice informed, data-driven decision making. She looks to benchmarking resources to see what her counterparts in the association world are doing.

“I want to see things like—how are they describing their activities? Where is their revenue coming from? I consult different data sources depending on what I’m working on.”

Like many association executives, Elena Gerstmann has found benchmarking resources to be invaluable to making informed decisions to drive her association forward. She uses them as a teaching tool, a point of comparison, and a way to frame questions about common practices.

*Are you a benchmarking champion? Would you like to share how you have used data-driven decision making to improve your association’s performance? We’d love to hear from you!* Contact Emily Rabbitt*,* [erabbitt@asaecenter.org](mailto:erabbitt@asaecenter.org)*,* associate editor, research content and knowledge resources. *.*