

SUBJECT: Proposal for National Society of IT Service Providers

PREPARED: May 17, 2023

Karl Palachuk, Executive Director  
Christopher Barber, Search Chair  
Sent by email to: [karlp@nsitsp.org](mailto:karlp@nsitsp.org) [chris@cheaperthanageek.com](mailto:chris@cheaperthanageek.com)

Dear Karl and Chris:

Thanks very much for the opportunity to provide a proposal to NSITSP. We have responded to elements of the proposal as indicated from your RFP. We believe there are several substantive issues that will need to be addressed very early in the process:

- The value proposition is not well defined. Without well-defined value, membership growth will be much more difficult. A strategic planning exercise can help with this if we include a marketing component.
- Competitive environment and differentiation information was not included. It would be helpful to understand the interactions among competitive associations and how service delivery and constituents are targeted.
- We'd want to have a candid conversation with you about cash flow. Based on your indication of 2022 net profit, there would not be sufficient operating reserves to transition into an AMC model at this time. If there are service area costs that would be replaced by our services, that would be very helpful to know.
- I included a flyer for our strategic planning facilitation services. I would be happy to quote a strategic planning facilitation session as an interim step so that some of the questions can be addressed.

We have done several start-up engagements; we know how difficult this process can be. We applaud your initiative and success in creating and growing the association. I hope we have an opportunity to share our ideas with you and discuss some of the key issues identified above.

Sincerest thanks,



Jim Booth, CAE  
General Manager

**Proposal for Full-Service Association Management Services  
National Society of IT Service Providers**

Years in business: 44      # Clients: 27      # Employees: 36 Verticals: Health Care, Engineering, Hospitality, Professional Services Geographic Scope: Local to International      Avg. Client Tenure: 10.25 years Primary AMS System: iMIS      Primary Acct Software: MS Dynamics Date of last AMCI Reaccreditation: January 2020	<b>FPMR QUICK FACTS</b>
We are recommending a staffing level of .25 FTEs. This will be a combination of administrative and executive/meeting planning staffing.	<b>Staffing Recommendation</b>
.25 FTEs with accounting services is \$35,891 per year. Our recommendation for AMS software is called Wild Apricot. The software subscription is roughly \$240 per month and would include a directly integrated website in the software.	<b>Financial Commitment</b>
Provided at the next phase of dialogue.	<b>References</b>

**Proposal Details**

FirstPoint Management Resources is a full-service accredited association management company. We are headquartered in North Carolina and serve clients from local chapters to international societies. We have a team of 36 association-focused staff in our Raleigh office and several hundred additional employees in our other divisions based in Greensboro, NC. Our division started as Olson Management Group in the 1970s; we were acquired by FirstPoint/GMA in 1999. The Guilford Merchants Association, (a non-profit business networking, community service, and education organization,) was founded in 1906 and is the beneficiary of profits generated by all FirstPoint divisions.

Accreditation is a very important aspect of our operation. There are fewer than 100 accredited AMCs in the world. The process is strenuous and requires an outside audit to verify that our company processes are aligned with the best practices identified by the AMC Institute in their ANSI standard. Our contracts contain provisions to protect your confidentiality, intellectual property, and transparency in our vendor



relationships. We are required to inform you of many aspects of association best practices that involve, audit verification, insurance coverage recommendations and other details.

**TRANSITION & PLATFORM STABILIZATION**

Congratulations on your successful startup! We have done a preliminary review of your website and this RFP, and you remain largely in a startup mode with various elements of association management services yet to be determined. You mention a strategic plan in your RFP and that is exactly what we would recommend resolving some of these issues and to define the value proposition of the association more clearly. Jim Booth, MSM, CAE, is General Manager of FPMR and a strategic planning facilitator. We would recommend a virtual half-day strategic planning session that makes use of a broad survey

instrument to help define member expectations and future areas of activity. We would also want to take advantage of this session to validate or amend the mission of the organization since many future decisions will depend on a clear and clearly communicated organizational mission.

### **Key Proposal Elements**

We have noted that most of the proposed scope of work is basic organizational operation and maintenance. We are proposing a scope of work that scales up in the second year. Year one will have lots of adjustments and we will need to watch cash flow very closely since your operating reserves are very limited. Our staff activities will be primarily focused on stabilizing infrastructure and maintaining membership database activities. In your RFP you reported a \$10k net profit on current activities – that means available cash if membership stays relatively stable will be \$10k plus whatever functions are absorbed into FPMR from other third-party contractors. That leaves almost no margin for error in the first year. The point of transition from an all-volunteer model to a paid staffing model needs to be carefully and conservatively managed. The organization will consume cash at a faster rate, and additional revenue may lag. For that reason we are recommending a gradual approach that will help preserve cash while building out infrastructure and member service capacity.

We did a bit of informal competitive analysis, and it looks like there are at least two established players in the managed services space (MSP Alliance & MSPAA) and some other related competitors as well (CompTIA/AITP, ACM, IEEE Computer Society). We understand that there will be differentiators between NSITSP and these other organization. We are very interested to learn more about differentiation strategies with these and other competitors since this will determine in large part which type of marketing and promotional strategy is selected. Depending on the nature of interaction with other more established associations, we may be able to create some strategic partnerships. If we can devote a bit more time to the strategic planning session we may be able to include some marketing planning, as well.

Here are the core functions we must preserve to establish the association infrastructure. If we start the initial scope of work in these areas for year 1, we can expand them for the second year in areas that enhance the value proposition and promote member programs.

- **General office** provides you with a home for mail, email, phone, faxes, and a shipping address. You will gain access to file storage capability, receive assistance with corporate filing, have a meeting space available to you if you should need it, and have a member of staff who can respond or route voice mails and emails. We will assign you a phone and fax number and provide availability to our client service bundle if you should choose to take advantage of that. (Client software service bundle cost is \$500/year – includes access to licenses for Zoom, GoToMeeting, Microsoft Teams, SharePoint, Survey Monkey, and Constant Contact).
- **Financial services** from FPMR will replace your current bookkeeper. We provide GAAP-compliant financial statements in an accrual format. We use Microsoft Dynamics to generate financial statements which you will receive monthly. We will work with your treasurer to prepare the annual budget and will coordinate with third-party accountants on tax filings, audits, or reviews. We will manage all receivables from the merchant processing software and physical check payments, ACH payments, etc. We will use best practices rules to manage separation of duties controls for fraud prevention and will process payables according to those best practices unless you have internal policies you would prefer us to follow.

- **Database management** is another area. We believe there will probably be some additional cost associated with making a database change; however, we won't know the full impact without access to financials. Here is some general information that may be helpful:
  - If we maintain the current database for the first year, the costs remain where they stand currently, and we will have the opportunity to learn a new system. Because we are accredited, we are required to maintain higher levels of security and data privacy. After an initial transition phase, we would be more comfortable shifting the database to an AMS system through a vendor maintaining full PCI DSS and GDPR compliance.
  - If the preference is to replace the current website and database, we would recommend shifting to an integrated AMS system. There are many to choose from. At our office we are most familiar with: iMIS, Wild Apricot, MemberClicks, Your Membership, and several databases we've used during client transitions. Our recommendation for small associations looking for a low cost, simple, and feature rich tool is an off-the-shelf association management system called Wild Apricot. Wild Apricot fees are on a sliding scale depending on the number of records in your database. They are posted here: <https://www.wildapricot.com/pricing>. At your membership records level, you would fall into the "Professional" level so your annualized AMS software spend would be \$3k. There may be some additional costs depending on other functionality or software that is required. Wild Apricot hosts the website and database in the cloud. It provides several very helpful features that promote member communication and information sharing.
- **Governance services** are the final area of basic services. In the first stages, we can save some staff hours by attending board calls rather than committee calls. Call scheduling, board minutes, sharing of nonprofit best practices, assistance with Bylaws, assistance with policies and procedures are all part of this basic engagement. We think the scope of work for the first year should focus on these elements then expand to participation in committee meetings as resources increase.
- **Additional services** are available from FPMR. The scope of work lists marketing and communication as an additional area for the scope of work. We think it makes sense to defer this item until after the strategic planning session is completed so that a clearer picture of marketing targets, channel, differentiation strategy and messaging is known. It has been retained in our scope of work at your request. Areas that are not touched on in the current scope of work, but which may take shape soon are areas like meeting and event planning, research, grant writing and fundraising, and credentialing where we have additional familiarity with ANSI and ISO-compliant credentialing processes.

## Transition

The space between the proposal evaluation phase and start date should be more than adequate to absorb various processes. As we begin the transition, we will work with you to document each of your current work processes and then transfer those under our direct management at the appropriate time. Typically, a volunteer-run to AMC transition is relatively painless and can move at a freer pace because we are not facing a contract expiration deadline from an incumbent provider.

The two major areas of transition for associations are the AMS system, (database,) and the financial and accounting system, (Quickbooks to MS Dynamics). We can discuss the pros and cons of switching AMS systems at the next stage of your search. The Quickbooks transition should be easier since we have a QB license and can import a QBB file for a rapid transition. Banking transitions will take a bit longer -

approximately 6 to 8 weeks. This varies by type of financial institution and given the transition period, should be completed well within established deadlines.

If we transition the AMS and website to Wild Apricot, the software is simple enough that our staff can perform most of the tasks involved in the transition. (Exception would be repositioning DNS, MX and any other domain-related switching). The software has permissions to permit active volunteer participation in various areas like: page design, blog engine, community management, and content loading behind the pay wall.

### **Staffing**

Association management companies are different than directly staffed associations in many ways; one of the main ones is that we can divide staffing assignments among multiple clients. That means rather than dealing with a direct hire, trying to make use of all their time, and trying to make sure they have a broad enough skill base to cover the various association areas, we can bring in multiple staff members for small periods of time to accomplish specific tasks. We also have a very deep bench behind those persons designated to serve you. If expertise is needed in social media, strategic planning, marketing differentiation strategy, or editing we have the capability to pull specialists in for items contained in the scope, or for work that falls outside the scope on an ad hoc project basis.

For onboarding, we will assign an account manager who will perform most of the functions in the scope of work. The exception would be accounting functions which are provided by our five-person accounting team. They serve all clients on a shared services model. Your primary staff point of contact will be your account manager. As you grow, we can add more staff hours or staff specialists as needed.

### **Contract Elements**

Our typical contract is three years. For new clients we understand that you will want to “test the water” so a shorter term might be preferred. We are glad to offer a one-year contract, if required, but that would not allow us to provide a gradual increase in staff hours and management fee. Our main request is that you give us sufficient time to figure out how to serve you best. That will take a bit of time but should come quicker with an all-volunteer organization since volunteers will remain engaged in a different capacity.

Our management fee is calculated using our best estimate of the hours required to accomplish the various items in the scope of work. We often receive the question, “can you do \_\_\_\_\_?” The answer is always “yes,” whether we perform the task ourselves or source it to a third-party specialist. These special requests are generally not in the scope of work, so we can make those arrangements outside our contracted scope, as needed. Our management fee is meant to be inclusive of all items identified in the scope of work. That means there is no extra charge for performing any of these tasks. If you add new tasks, programs or services that are not in the scope of work, we need to discuss those and the amount of time required. We can provide an ad hoc agreement letter that stipulates a specific fee for performing that project, defer the item until the scope can be amended, or adjust the contracted scope of work by agreed upon amendment.

At the end of each year, we ask your board to evaluate our performance. We also ask that you sit down with us to review the scope of work at the end of each contract cycle to determine what changes are needed.

## Proposed Scope of Work

### **General Office Management**

- Provide office phone number and voicemail box and answer and forward calls
- Provide shared fax number and address for mail delivery
- Maintain secure digital and physical file and asset storage & maintain confidentiality
- Maintain all governance documents, corporate filings, retention schedules
- Complementary meeting space in Raleigh or Greensboro on a first-come, first-served basis
- Respond to member emails and voicemails within 24 hours.

### **Association Financial Management**

- Generate monthly GAAP compliant financial statements.
- Managing all banking functions in coordination with Treasurer.
- Manage all investment functions according to procedures and requirements
- Manage accounts payable function for all activities
- Manage accounts receivable function for all activities
- Provide budget preparation and reporting in coordination with Treasurer
- Process all expense reimbursements
- Apply best practices for financial management, investments, taxes, and audit
- Manage credit card and payment processing
- Provide dues, sponsor and event-related invoicing and processing
- Complete W9 and 1099 forms as required

### **Membership Support Services**

- Maintain professional membership database with periodic reporting (existing or Wild Apricot)
- Process new members and membership renewals
- Maintain membership records and member history in database record
- Manage renewal cycle, send email invoices and notices
- Process member drops and send drop surveys to determine reasons for drop
- Provide periodic membership reports and data as needed
- Process membership packets and other member communication
- Administer quarterly all member meetings
- Process and post quarterly meeting recordings

### **Governance Support**

- Attend all monthly board meeting calls (4<sup>th</sup> Monday, 90 minutes)
- Prepare minutes, agendas, notes, and supporting documentation
- Maintain corporate documentation, records, filings, and other documentation

- Distribute board minutes and meeting notes
- Provide planning assistance for committee meetings and attend as needed
- Create and disseminate materials used as channel events

**Social Media, and Marketing**

- Maintain list of channel events and function as organizational liaison
- Post regularly on Facebook, LinkedIn and Twitter when content is received
- Facilitate blogging and online forum postings





## STRATEGIC PLANNING & FACILITATION ASSISTANCE

**PURPOSE:** *To gather, synthesize and present relevant information to board members and assist them in developing a focused strategy that responds to defined critical objectives.*



**SUMMARY:** FPMR can assist associations, non-profits, and other organizations by researching, compiling, and communicating information received from stakeholders, (and/or through the analysis of other data already held by the organization.) We then facilitate a face-to-face or virtual planning session where a limited number of strategic objectives are identified,

and a focused approach with accountability and resource allocation factored into the process. A final component deals with coaching volunteer leaders in ongoing implementation and reporting on plan objectives. This is a typical strategic planning model and can be customized to suit the needs of the organization. Quote provided following an exploratory call.

### Special Offer: Small Association Planning Assistance Package

Small associations and organizations also have strategic planning needs, but often must rely on volunteers to carry out a planning session. Results can vary a great deal depending on the capabilities of the volunteers involved. FPMR is pleased to offer a low-cost strategic planning program for **\$1,250** which includes the following:



- *Creation of a Survey Monkey survey instrument using 10 standard questions and 5 custom questions. (link provided to the association for their internal distribution)*
- *Compilation of survey results to a report with facilitator observations and link to raw survey responses*
- *4-hour facilitated virtual (via Zoom/GoToMeeting) or face-to-face session at FPMR offices in Raleigh (masks required until COVID clearance is issued.) Deliverable: 2 priority focus areas and tactical implementation steps.*
- *Creation of final report of session and follow-up conference call with board re: how to implement and track.*

### FACILITATOR



international associations.

Jim Booth, MSM, CAE, is General Manager of FirstPoint Management Resources. He has worked with associations and non-profits for 39 years. For FirstPoint Jim supports all account managers, strengthens client relationships, and engages in special project work. He has served state, national, and international associations in various capacities including membership, operations, marketing, meeting planning and Executive Director/CEO. He has facilitated strategic planning sessions for local, national, and