

IAAAMC

“Diversify your AMC”

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Setting the Standard for Service, Quality, and Excellence.

Session Overview

- Introductions
- Ground rules for session
- Reasons to diversify
- Many faces of diversification
- Our friend SWOT
- Sample Analysis

Ground rules for Session

- I expect to learn as much as any of you
- What follows is a “framework” for discussion and not recommended “correct answers”
- Please participate...

Reasons to Diversity

*Grow the business
Focus the priorities*

Leverage surplus resources



Travel less

Travel more

Pursue new interests

...to improve your business

Begins with “assessment”

- Firm
 - Mission
 - Skill sets of personnel
 - Finances
 - Technology
 - Operations
 - Location

Begins with “assessment”

- Existing clients
 - Geography (e.g., local, national, int'l)
 - Type (e.g., society, trade, other)
 - Industry/profession
 - Maturity (of client, or sector)
 - Service areas

SWOT Analysis – Firm

Mission:

- Strengths –
 - Robust enough for diversification?
- Weaknesses –
 - Is current mission too narrow?
- Opportunities –
 - Are there untapped directions in current mission?
 - Can minor adjustments lead to broader potentials?
- Threats –
 - Does modifying mission leave existing clientele behind?

SWOT Analysis – Firm

Skill sets of personnel:

- Strengths –
 - Are there untapped skills & experience in current staff?
 - Are current staff flexible to diversify?
- Weaknesses –
 - Would diversification require costly training of existing staff?
- Opportunities –
 - Does current staff have 'networks' that can be drawn upon for diversification?
- Threats –
 - Does diversification threaten certain staff or "pecking order"?

SWOT Analysis – Firm

Finances:

- Strengths –
 - Are you debt free, or with low debt?
 - Do you have a line of credit, or can you get one?
- Weaknesses –
 - Would diversification risk status quo?
- Opportunities –
 - Can you be aggressive with fees?
- Threats –
 - Does diversification bring financial strain?

SWOT Analysis – Firm

Technology:

- Strengths –
 - Is your technology infrastructure flexible should diversification require it?
 - Is your technology infrastructure an “asset” to clients outside current client portfolio?
- Weaknesses –
 - Will diversification require new technical capabilities?
- Opportunities –
 - Can you leverage technology for new services with minimal marginal investment/training?
- Threats –
 - Are you “technology-bound”?

SWOT Analysis – Firm

Operations:

- Strengths –
 - Are your operations well documented?
 - Are operations extensible?
- Weaknesses –
 - Are key operations to diversification missing?
- Opportunities –
 - Are certain operational strengths a strength in other specific professions or industry segments?
- Threats –
 - Will diversification cause capacity conflicts to existing clientele?

SWOT Analysis – Firm

Location:

- Strengths –
 - Is your location conducive to diversification (e.g., near legislatures for lobbying, near target industries)?
 - Is your location “appealing” to target segments of diversification?
- Weaknesses –
 - Facilities inconvenient or inadequate to new markets?
- Opportunities –
 - Does your location possess inherent value for professions or industry segments?
- Threats –
 - ...?

SWOT Analysis – Current Clients

Current clients “define” our firms, making it easier or harder to “break-out” in new areas... can we “sell” our current experience and expertise to new markets?

- Geography (e.g., local, national, international)
- Type (e.g., society, trade, other)
- Industry/profession
- Maturity (of client or sector)
- Service requirements

SWOT Analysis – Current Clients

Geography:

- Strengths –
 - Do you have a “geo-strength” that can be extended? (e.g., serve regional associations in one segment that applies to other segments)
- Weaknesses –
 - Are you “geo-bound” (e.g., local) where going beyond (e.g., national or international) is a stretch?
- Opportunities –
 - Are your strengths extensible to other profiles?
- Threats –
 - Are your weaknesses confining?

SWOT Analysis – Current Clients

Type:

- Strengths –
 - Can you diversify within type to other professions or industry segments?
- Weaknesses –
 - Are you “pigeon-holed” to a type?
- Opportunities –
 - What are the “essential characteristics” of current clients that are applicable to other types?
- Threats –
 - If you succeed in attracting a diverse client, will you cause a perceived conflict with existing clients?

SWOT Analysis – Current Clients

Industry/profession:

- Strengths –
 - How does current base apply to other types (e.g., one health society to other health care givers)?
- Weaknesses –
 - Are you “pigeon-holed” to a type?
- Opportunities –
 - What are the “essential characteristics” of current clients that are applicable to other types?
- Threats –
 - If you succeed in attracting a diverse client, will you cause a perceived conflict with existing clients?

SWOT Analysis – Current Clients

Maturity:

- Strengths –
 - Do your current clients represent “mature” or “early-stage” professions or industries?
- Weaknesses –
 - Does your team lack the expertise to work with societies or industries at different maturity levels than current “comfort levels”?
- Opportunities –
 - What are the “essential characteristics” of current clients that are applicable to other types?
- Threats –
 - Be careful of the risks associated with clients out of “maturity comfort zone”?

SWOT Analysis – Current Clients

Service Areas:

- Strengths –
 - Does your firm possess an especially strong service that is valued in other professions or industries?
- Weaknesses –
 - Is your firm lacking a service required by diverse professions or industry segments?
- Opportunities –
 - Can you articulate how a service strength for one type of clientele applies to others?
- Threats –
 - Be careful of the risks associated with clients out of “service comfort zones”?

Case study example

Current Situation

- Trade clients
- International members
- “high-tech” sector
- Focus: “internal collaboration”
- US and European office locations
- Solid technology infrastructure & knowledge
- Non-mature markets

Diversification Goals

- Stabilize portfolio
- Leverage existing strengths
- Open door to new, non-competing lines of business
- Open to adding new service offering, but incrementally

Case study example, con't

Opportunity

- Trade association
- Public policy concerns
- Low-tech needs, but seeking more than currently using
- Focus: "public affairs" and "government markets"
- National focus, with potential for int'l
- Required "governmental advocacy" (we did not have within firm)

Success Factors

- Experienced with "niche industry segments"
- Experienced with strongly competitive memberships
- Demonstrated "leadership capabilities" in three key areas (e.g., management, gov't affairs, and public affairs")
- Able to recruit "partners" to fill firm's weaknesses

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Thank you!

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