

# Business Model *Innovation*

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Fuel for an  
Association's Mission

# Business Model Innovation

## FUEL FOR AN ASSOCIATION'S MISSION

All types of organizations need to engage in purposeful change, adaptation and growth to remain relevant and viable. Otherwise, they fall behind the marketplace and begin to decline.

Business model innovation is the key to this purposeful adaptation, driving increased efficiency, effectiveness and relevance in service to an ultimate goal.

In a for-profit business, the ultimate goal of business model innovation is to improve profitability. In associations, the ultimate goal is to accelerate mission impact.

But mission advancement requires resources, including revenue. So, profitability is required for associations as well.

After all, revenue is *fuel for the mission*.

Just like a rocket ship cannot generate the momentum it needs to take off without a significant amount of fuel, an association cannot move its mission forward without the fuel to deliver value and tell its story.

Yet, only 26% of association leaders are very confident that their existing business model will continue to result in adequate revenue *to drive financial success* for their organization.<sup>1</sup>

And only 28% of association leaders are very confident that their association's current business model will effectively support the association in achieving its mission over the next 3-5 years.<sup>2</sup>

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<sup>1</sup> ASAE Association Insights Center, 2022 Next Generation Business Models for Associations.

<sup>2</sup> McKinley Advisors, 2022 Association Viewpoint report.

## INTRODUCTION

# Beyond Products and Services

Today, many associations are focused on improving existing services or creating new offerings in order to strengthen confidence in their business models. According to a recent ASAE insights poll, 36% of associations are creating new programs or services specifically in response to current federal funding and policy shifts.<sup>3</sup>

Unfortunately, evolving programs and services are not sufficient to drive the level of business innovation that associations need, particularly in today's challenging environment.

Associations that are truly interested in ensuring that they have the fuel necessary to drive mission impact should be looking more holistically across the entire organization, at internal processes

and infrastructure, external ecosystems and engagement, value propositions and reach, and portfolio management. In short, they need to broaden their lens and embrace a culture of business model innovation.

Associations have been complacent too long, and, in modern times, our challenges are too cross-cutting to believe that long-term solutions will come from simply adjusting or adding new products or services to already bloated portfolios.

Association leaders challenged with relevancy and sustainability will need to take a more comprehensive approach to business model innovation to enable their organization to truly thrive and meet its mission into the next decade.

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<sup>3</sup> ASAE Insight Update, March 2025.

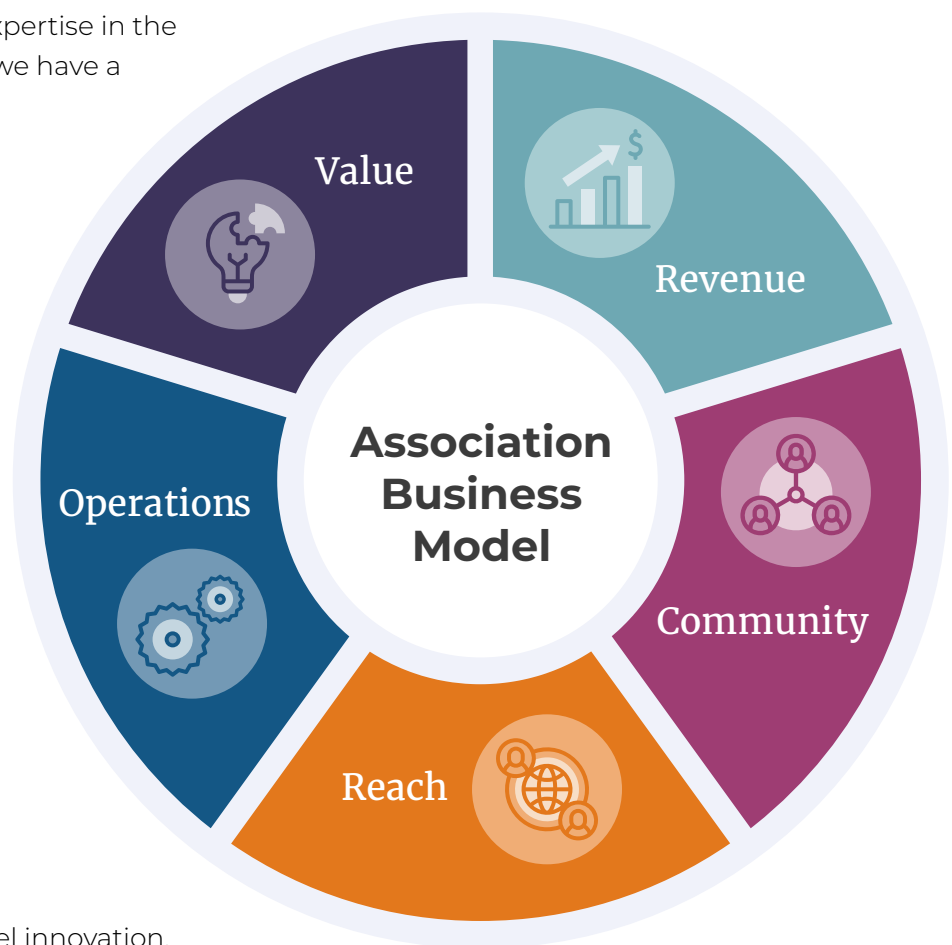
# Expanded Definition of Association Business Models

Having worked with hundreds of associations over thirty years, we have built deep expertise in the association business model, and we have a unique perspective.

Through the ASAE Association Insights Center, McKinley helped to define an association business model as: “how your organization identifies revenue sources, serves its member or stakeholder base, the products and services it provides, and how it finances its operations.”

Now, we seek to unpack this term “business models” and help associations understand the specific elements through which they can seek innovative approaches to evolve rapidly and realize the promise embodied in their mission.

When considering business model innovation, associations must assess five key dimensions: value, revenue, community, reach and operations.





# Value



**Delivering mission-aligned value that has been validated through deep customer research to ensure members and customers find the association's offerings and work meaningful and impactful.**

Value innovation involves rethinking the overall value proposition, tailoring offerings to specific segments, enhancing the member and customer experience to meet their evolving needs, creating adjacent products or services, and reimagining under-performing offerings.

“*Part of transformation is being honest about whether or not you have the goods and services that your members need right now. It's not about what we want to sell—it's about what people need, and what they're showing us they need. The old model just wasn't meeting them where they were at, so it was up to us to change it.*”

**Reggie Henry**, CAE, Chief Information & Performance Excellence Officer, American Society of Association Executives (ASAE)

## Association Spotlight:

In response to poor virtual exhibitor experiences during the COVID-19 pandemic, the American Society of Association Executives (ASAE) spoke directly with exhibitors to better understand what outcomes they wanted from participation. Based on that input, ASAE launched Demo Days—a new digital engagement model designed to help exhibitors in specific categories connect more meaningfully with those actively exploring solutions.

Demo Days has far exceeded vendor expectations and engagement goals, and has evolved into a revenue-generating, vendor-supported program that continues to deliver value beyond the pandemic.

# Revenue



**Structuring offerings and seeking alternative revenue by appropriately monetizing products, services, knowledge, access and other assets to ensure mission-enabling financial sustainability.**

Revenue innovation involves exploring and pursuing new pricing strategies, membership models, subscription models, tiered service offerings, syndication of content, creative sponsorship packages, donations, and other alternative revenue streams.

**“** *We treat sponsors as essential partners working to develop state-of-the-art knowledge for our community, and connecting buyers and sellers in ways that make sense for both. By doing this, and not viewing sponsors as simply a checkbook, we are strengthening the industry as a whole.”*

**Mark Dorsey**, FASAE, CAE, CEO, Construction Specifications Institute (CSI)

## Association Spotlight:

The Construction Specifications Institute (CSI) reinforced its focus and its vernacular from being the specifications institute (for the industry) as opposed to the specifiers institute (for individuals). This meant refocusing on a broader pool of customers, not just members.

They regard members as super customers or “frequent flyers,” but their focus is on serving the industry—individual buyers as well as suppliers—and connecting the two in meaningful ways. Through smaller, more intimate in-person events as well as online connection opportunities, CSI has been able to position sponsors as part of the community and an essential part of delivering member value. They have increased advertising and sponsor revenue sixfold as a result.

# Community



Creating value through connection and collaboration, fostering opportunities for individuals to learn, connect and grow through participation in groups and teams, nurturing stronger relationships and loyalty with and between members and your extended audience, and collaborating with partners across your external ecosystem.

Community innovation focuses on creating spaces and structures for intentional community-building, leveraging digital platforms to personalize and scale interactions, collaborating with other organizations for mutual learning and impact, creating synergies with for-profit partners, working together to create impact, or using gamification to deepen engagement for members and customers.

“As we have known it, membership is dead, exhibits are dead, education is dead. However, if your membership facilitates community, if exhibits facilitate connection, and if your education is actionable, then your offerings are very much alive.”

**Preet Bassi**, CAE, Chief Executive Officer, Center for Public Safety Excellence (CPSE)

## Association Spotlight:

The Center for Public Safety Excellence (CPSE) broadened its mission to enable deeper engagement beyond its traditional focus on credentialing and accreditation. By adding 'education' to its mission, CPSE created space for new programs that serve a wider community.

At the same time, they recognized gaps existed between engagement cycles – departments and individuals would connect with CPSE when they needed to renew, but only some engaged between cycles. To improve engagement, they created a new offering, not designed to generate revenue, but as a cost-center, to focus on retention and proactive outreach to build community and connection between cycles. CPSE built buy-in with its board through storytelling and framing retention as financial stability.

At the same time, stakeholders were demanding support for deeper challenges and curated expertise, which CPSE met through a new subsidiary, the CPSE Center for Innovation, that will serve as a catalyst for innovation for the fire and emergency service through education, research and insight. This engaged accredited departments and credentialed individuals, as well as partners, more deeply. Now, they measure success through engagement, collaboration, and impact with partner organizations.

# Reach



**Extending value to new audiences, amplifying your voice, and increasing your influence to and through others in service of the mission.**

Reach innovation includes extending programs, products and services to non-members (customers), becoming the voice of the industry to the public or to employers, expanding geographically, licensing content to others to expand the field of impact, or developing partnerships to open up new audiences for content or increased influence.

“ Our innovation stemmed from looking beyond ourselves and considering the broader ecosystem—all the partners and contributors who share our mission of creating a healthier world, one child at a time. While many organizations shy away from expanding their audience, we embraced it. This shift in perspective allowed us to focus on what truly matters, which is delivering exceptional care to children and adolescents.”

**Sheri Sesay-Tuffour**, PhD, FASAE, CAE, ICE-CCP, IOM, Chief Executive Officer, Pediatric Nursing Certification Board (PNCB)

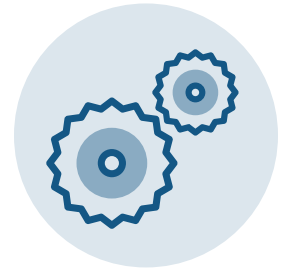
## Association Spotlight:

The Pediatric Nursing Certification Board (PNCB) unveiled its first new product line in a decade, a cutting-edge certificate and micro-credential portfolio designed to serve a broader spectrum of the healthcare team, moving beyond traditional nursing roles. This innovation breaks new ground by opening opportunities for global audiences, substantially enhancing PNCB's worldwide reach.

By enabling non-traditional professionals to validate their expertise in critical areas like adolescent health and behavioral health, the program empowers an expanded workforce to make kids healthier.



# Operations



**Aligning and enhancing people, processes, systems and priorities to drive efficiency, reduce costs and improve overall performance.**

Operational innovation centers on adopting new technologies, automating tasks, embracing strategic agility, overhauling decision-making processes, realigning staff teams, recruiting new talent, bolstering volunteer engagement, streamlining processes and implementing formal innovation mechanisms.

“ I think as a society, and for professional societies in general, we tend to focus a lot of our efforts on optimizing existing product lines... but it's not enough. And it's way too slow. We needed new ideas and outsider perspectives, so we've made that investment.”

**Kate Fryer**, CAE, Chief Executive Officer, Endocrine Society

## Association Spotlight:

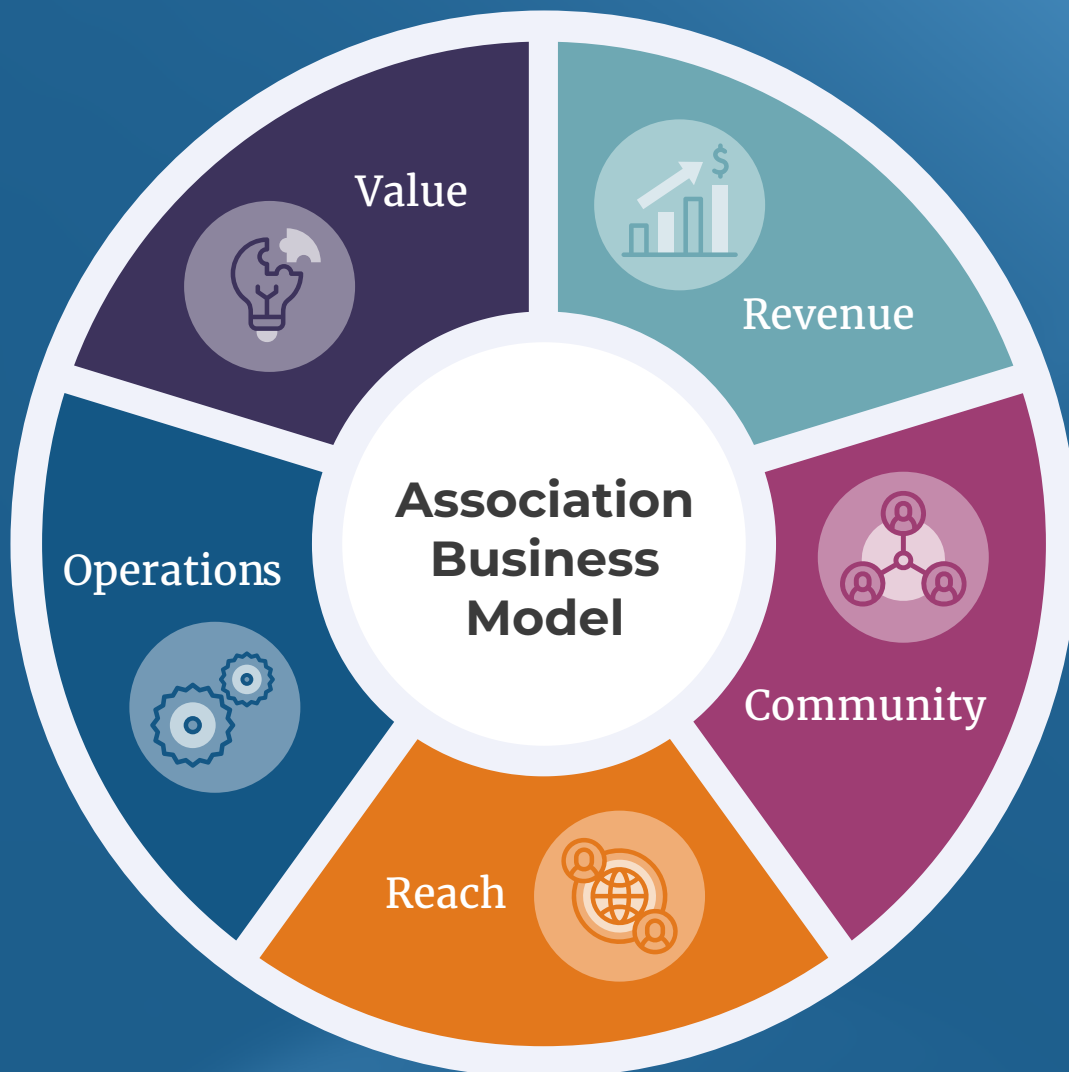
To diversify revenue streams and optimize existing product lines, the Endocrine Society recognized that it needed a greater focus on innovation. To help drive these investments, they created a business development fund and initiated efforts to align their people and culture with innovation goals.

Recognizing that their existing team, while capable, was at capacity and lacked specific business expertise, they strategically targeted outside contractors to help lead and manage this new initiative. They targeted professionals with for-profit experience and subject matter expertise for key leadership roles. This enabled the Society to acquire the strategic skillsets and mindsets necessary to move more quickly toward their innovation goals.

By injecting new ways of thinking, they have been able to shift the organization more quickly toward an innovation culture, focus innovation efforts and identify potential new revenue streams without overburdening existing staff.

**All of these business model dimensions interact to define how your association creates, delivers and captures value to drive the mission.** They incorporate a revenue-centered mindset, a deep understanding of your markets and the ways you serve them, the products and services you offer, and how you manage and deliver to best effect.

These dimensions can and should be considered independently as well as in tandem. Innovation can take place around each one, or several together.



# When Reinvention Might Be Necessary

Looking across the entire business model, there can also be times when a cross-cutting approach is necessary—this is reinvention.

**Reinvention** involves completely reimagining multiple aspects of the business model to adapt to changing market conditions, emerging trends or disruptive innovation. Reinvention might involve redefining the core business strategy, shifting away from declining audiences to serve a completely new market or reinventing the entire product portfolio.

It necessitates careful consideration and holistic planning to ensure that all of the other dimensions are aligned to serve the new market or strategy. It often requires significant modeling at the highest levels and across the organization

to ensure that everything from bylaws to strategy to people to programs is newly aligned behind the reinvention.

This kind of innovation involves a dramatic shift that is likely to change who you serve and how you serve them at the core. It means reinventing an association proactively or in reaction to market forces that make it difficult to continue on the same path. It likely involves a change to the mission statement, completely new organizational skillsets, and potentially a modified governance structure in order to fully enable the necessary shifts.



# Spotlight on Reinvention

## Association Spotlight:

The Association for Supply Chain Management (ASCM) thinks of its business model through a for-profit lens, even though it is technically a nonprofit. Revenue and customer centricity are key drivers, with an emphasis on delivering value and relevance, not just to members, but to the entire community. They prioritize education and certification over traditional membership paradigms. Yet they remain mission-driven.

ASCM was historically focused on individual certification, but they are now disrupting that model to better serve corporate clients. Focusing on corporate clients enables ASCM to extend its reach. They have created offerings for companies across verticals, tying into “Return on Education (ROE)” metrics to prove business value. This strategic reinvention includes building capabilities around benchmarking, training and standards.

Serving organizations, not just individuals, has required a number of system, process, mindset and marketing pivots touching many of the dimensions of business model innovation all at once. A key aspect of their success has been to promote a cross-functional, project-based approach, moving away from strict hierarchies and empowering staff to contribute across departments. Executives also have collective accountability for shared goals, and metrics are shared as a team, which has helped to foster a collaborative, customer-first culture.



*The customer must be at the center of everything we do—not our functions, not our operations. In the past, we operated in silos, almost like separate companies. Today, we’re united as one interconnected, high-performing organization serving our distinct audiences with clarity and purpose.”*

**Sherri Goodlove**, Executive Vice President, Marketing, Association for Supply Chain Management (ASCM)



# Cultural Implications

Embracing true business model innovation in associations takes more than frameworks and an experiential understanding of the imperative. It relies on deep cultural readiness at all levels of the organization.

Associations are notorious for moving slowly and maintaining the status quo. Tradition and political dynamics with member leaders or staff combine to make change more difficult. Challenges to innovation include deep-seated cultural barriers, knowledge and behavior gaps, a lack of goal clarity, and misaligned structures and staffing.

However, innovation remains imperative, and leaders must find a way.

## First steps include:



Creating a mindset shift through a shared understanding of the imperative for change.



Creating momentum through a shared vision of the desired outcome.



Addressing risks head-on through a robust, iterative process for sourcing, assessing and developing innovative ideas.



Leveraging internal and external staffing resources to source the expertise and mindsets necessary to champion change.

For a deeper discussion of the importance of culture in association business model innovation, see our blog: [Cultural Competence for Innovation](#).



# Overcoming Barriers to Business Model Innovation

Given their unique governance structures and resource constraints, associations often face significant barriers to business model innovation. The following list outlines potential barriers and actions for how to overcome them. A conversation with your leadership team about barriers and actions is the first step in developing a sustainable approach to innovation.

	RESISTANCE TO CHANGE	KNOWLEDGE & BEHAVIOR GAPS	LACK OF GOAL CLARITY	STRUCTURE & STAFFING CONCERNS
Barriers	<ul style="list-style-type: none"> <li>• Risk aversion</li> <li>• Legacy thinking</li> <li>• Legacy programs</li> <li>• Aversion to 'profit'</li> <li>• Inability to build consensus</li> </ul>	<ul style="list-style-type: none"> <li>• Reliance on personal preference</li> <li>• Lack of discipline in idea evaluation</li> <li>• Missing skill in building pro formas</li> <li>• Unrealistic understanding of scope</li> <li>• Unrealistic outcome and/or investment expectations</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of shared vision and goals</li> <li>• Expectations of a 'silver bullet' solution</li> <li>• Working toward different ends</li> <li>• Mission-focused without revenue concerns</li> <li>• Assumptions about customer needs</li> </ul>	<ul style="list-style-type: none"> <li>• Organizational silos</li> <li>• Not enough time/resources available</li> <li>• No identified champions</li> <li>• Limited experience with innovation</li> <li>• Lack of innovation processes</li> <li>• Dearth of subject matter expertise</li> </ul>
Actions	<ul style="list-style-type: none"> <li>• Accept profit/revenue as fuel for the mission</li> <li>• Engage in change management coaching</li> <li>• Host risk management discussions</li> <li>• Use generative discussions to explore perspectives and bring people along in their thinking</li> <li>• Ideate collaboratively</li> <li>• Create a shared vision</li> <li>• Reward innovation and risk-taking</li> </ul>	<ul style="list-style-type: none"> <li>• Compile and prolifically share facts and data</li> <li>• Dig deep into the research and data</li> <li>• Establish clear criteria and a framework for idea evaluation</li> <li>• Access financial skillsets</li> <li>• Leverage case studies for ideas and inspiration</li> <li>• Analyze development costs (human as well as financial) up front and throughout the project</li> </ul>	<ul style="list-style-type: none"> <li>• Engage in futures thinking and visioning</li> <li>• Set goals collaboratively</li> <li>• Create a thorough market analysis</li> <li>• Conduct deep member and customer research</li> <li>• Anchor innovation in the organization's vision, mission and strategic plan</li> <li>• Clarify roles and responsibilities in decision making, who will be consulted and who is accountable</li> </ul>	<ul style="list-style-type: none"> <li>• Create cross-functional project teams</li> <li>• Establish shared goals and metrics</li> <li>• Source product-specific expertise</li> <li>• Source sector-specific expertise</li> <li>• Create detailed project plans and time allocations</li> <li>• Dedicate resources to pursuing innovative ideas</li> <li>• Set aside time for innovation</li> <li>• Establish processes for identifying and evaluating ideas</li> </ul>

# The Change Imperative

It goes without saying – change is happening all around us, and at a faster pace than ever before. As an association leader, you are well aware of the impacts of change on your organization, your members, and the industry or field you serve. Generational expectations and technology are shifting how and when members engage with associations and increasing expectations for personalization and immediacy. Traditionally strong revenue drivers like membership, education and publications are under fire from multiple angles, including from for-profit entities who have recognized the value of these offerings as revenue engines. And in many industries, outside forces are limiting travel, curtailing spending and forcing reconsideration of investments in education and training.

Yet today, only the most forward-thinking associations have the structures and processes in place to look more holistically at their organizations and propel themselves forward in these rapidly changing times.

We cannot expect the pace of change to slow; all associations need to innovate to stay relevant.

Holistically considering the entire business model, not just programs and services, enables associations to meet the needs of members and drive their missions forward in spite of marketplace headwinds. After all, disruption is always an opportunity to innovate.

To ensure long-term relevance and sustainability, we recommend all associations **conduct a comprehensive review of their business model**, examining all five dimensions: value, revenue, community, reach and operations.

These interconnected elements collectively drive both near-term performance and future resilience.

For some, incremental improvements may suffice.

But for others, bold reinvention—revisiting the very mission and focus of the organization—may be necessary.

Now is the time to take action and proactively align your business model with evolving market demands to generate meaningful revenue and achieve lasting mission impact.

## Contributors

Thank you to the leaders of the following organizations for participating in interviews for this report.

**American Animal Hospital Association (AAHA)**

**American Institute of Ultrasound in Medicine (AIUM)**

**American Society of Association Executives (ASAE)**

**Association for Supply Chain Management (ASCM)**

**Center for Public Safety Excellence (CPSE)**

**Construction Specifications Institute (CSI)**

**Endocrine Society**

**Health Tech Alley**

**Pediatric Nursing Certification Board (PNCB)**

**Ryan's Place**

## About McKinley Advisors

McKinley Advisors is an award-winning association consulting firm dedicated to accelerating associations' positive impact on the world. McKinley works in partnership with association executives and volunteer leaders to identify and address their most significant challenges and opportunities. McKinley provides services through four practice areas—Strategy and Innovation, Organizational Excellence, Business Transformation, and Research and Insights.

## Our Approach to Business Models

Our team brings decades of experience in the day-to-day operations of associations, providing innovative solutions that meet the unique business needs of mission-driven organizations.

We are particularly adept at translating high-level strategic priorities into vetted, practical solutions that drive organizational health and growth. Informed by data and best-in-class analytics, our consultants deliver solutions to help clarify your business model and pricing strategies.

## Connect with an Association Expert

Strengthen your association's strategy by reaching out to our team. The McKinley team facilitates strategic conversations that clarify your business model across five critical dimensions: value, revenue, community, reach and operations. Our collaborative approach and expertise in change management help you identify innovative pathways to sustainable growth while staying true to your mission.

Learn more about McKinley Advisors at [mckinley-advisors.com](https://mckinley-advisors.com).





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