Strategic Planning Process
Discovery Phase Summary
2010

As part of its 3D Strategic Planning Process, Dowell Stute and Associates conducted an assessment of external and internal perceptions regarding the Example City Chamber of Commerce over several weeks in September through November, 2010. This document synthesizes the results of October's board retreat, two Chamber member focus groups, in-person and telephone interviews with a dozen Chamber leaders and key community stakeholders, an informal discussion with Chamber staff members, and online surveys completed by the Board of Directors and 320 general Chamber members.

General Analysis

The Example City Chamber of Commerce is in the midst of a renaissance period. With the recent merger of the Example City Chambers of Commerce, coupled with new organizational leadership in president/CEO, the new Chamber is poised for great change. It must take advantage of this opportunity for change.

Through the Chamber's strategic planning process, critical questions have been developed for thorough and thoughtful consideration by the Board of Directors and key community stakeholders. From all of our conversations and data gathering, we have uncovered one common fact: there is a strong perception within the community that the Chamber should be and could be the "Go To" organization in the region.

Now, it is an opportunity and a challenge for the Chamber's leadership to identify the focused path on how to effectively get there.

Board of Directors Survey Summary

The Chamber's Board of Directors was asked to complete a specific survey concerning the role, priorities and effectiveness of the board itself. The survey was completed by 14 of the 16 board members, a response rate of 87.5%.

The results indicate that those who responded believe the Chamber is an effective organization with an effective board of directors. Most believe that board members are treated with respect, that decisions are made fairly and after good discussion. Additionally, respondents believe they respect each other's opinions and abide by decisions made on a collective basis, are willing to tackle the tough issues, and act as goodwill ambassadors for the organization.

Several themes, however, emerged that are worthy of further discussion. The survey results demonstrate softness surrounding the board members' understanding of their role as policy-makers vs. managers and their view of whether they spend time on the right issues. The question regarding thinking and acting strategically also received a fairly low rating in comparison. Interesting though are

the results for the question pertaining to the board members understanding their role as a board member. A cumulative rating score of 4.4 resulted in that question which contradicts the results of policy-maker vs. manager and therefore demands further education and conversation.

The lowest cumulative rating received was in response to the question of "we evaluate ourselves" and therefore further discussion should ensue so that benchmarks and accountability can become part of general planning.

The final question posed to the board members was in regards to identifying one issue that would position the Chamber as the "Go To" organization in the region. The following are those specific responses:

- Actively engaging members in relevant public affairs issues.
- We need to have the resources and knowledge and let businesses know that we can be their go-to organization. Keep them informed!
- Looking at a strong community presence, where the office could be easily accessed as our region continues to grow and expand. We need to look at the best positioning of the Chamber office to meet the full community need.
- Flood protection; marketing Chamber View better.
- Economic development which includes attracting new companies and flood mitigation. Through partnerships with local EDC's and a strong voice on the importance of flood mitigation, we will be the go-to for years to come.
- Economic development
- It will take much more than one issue, initiative, or etc. to position the Chamber in this manner. It will take many separate components, all of which should have this big picture objective in mind at all times. One suggestion for this purpose is the idea of some sort of regional event, held annually, that further helps to position the Chamber in this regard. When I gain an idea of this event, I will share with President.
- Fully understanding the requirements and components of the health care reform law and upcoming regulations to position the Chamber as a single source for clear and concise information on the requirements for business owners.
- Over-the-top member support that "sells" the community and our Chamber members that we are the primary voice--cheerleader---leaders of the region. Not the EDC, not the City Commission, not the Universities, not the Visitor's Bureau, not the local politicians --we must be good neighbors and good partners in all the combined efforts with all these folks. But we have the talent, resources, member support to be the pivotal organization for the primary leadership role.
- If the Chamber had representation both regionally, state-wide and sometimes nationally for very important political issues affecting businesses.
- Provide a system of polling of the membership when politically sensitive issues arise to allow the Chamber to take stronger positions that benefit the maximum number of members.
- Business advocacy.
- Dealing with our #1 export - talent. Each year we send off a very large number of graduates to cities outside of the MSA. The problem may have abated a bit during the economic recession -

but will return soon. I believe the Chamber can take a major role in addressing lifestyle enhancements in the region - making this area more attractive for young people to stay/set roots while expanding the MSA for tourism. I believe that this could pay major dividends.

Chamber Member Survey Summary

An online survey was distributed to a total universe of more than 8,600 Chamber contacts during the final week of October. A total of 320 individuals responded to the survey, or less than four percent (4%), a lackluster showing at best. The total universe is comprised of any individuals involved in the Chamber through a Chamber member business/organization.

A high response rate is the key to legitimizing a survey's results. When a survey elicits responses from a large percentage of its target population, the findings are seen as more accurate. Low response rates, on the other hand, can damage the credibility of a survey's results, because the sample is less likely to represent the overall target population. With that in mind, the results of the survey have been reviewed and used appropriately as part of the discovery phase; however, we would caution the Chamber to review the results from a very high level and disregard many of the specific details and ratings. We would recommend that the Chamber continue to seek feedback and evaluation through other methods from its membership on a continuing basis.

Nearly 82% of the respondents' companies are located in Example State and 65% were individuals with titles of management or other (non check writers). The largest responding category was Non-Profit/Government at 14%, followed by the categories of Other (12.8%), Financial (11.5%) and Professional Services (10.3%).   Nearly 50% of the respondents represent companies with more than 50 employees and 44% have been a member of the Chamber for more than ten years. The survey also indicates that most respondents are not very active in the Chamber with a cumulative rating of 4.7 on a scale of 1 to 10. Finally, the greatest three challenges facing business besides the economy are Profitability/Growth, Competition, and Federal Regulations.

Current services offered by the Chamber that received a total response rating of 50% or higher were found in only two categories: Business After Hours and Networking Opportunities. Additionally it should be noted that survey respondents provided a rating score of 6.4 when asked if the Chamber was relevant.

One interesting fact came in the area of value. When asked about the value of their annual membership investment 81% of the respondents indicated that the value was equal to or greater than the investment. However, after reviewing many of the detailed responses on why they felt that way, it was surprising to find that they really didn't know why they felt the way they do.

Finally, many of the questions asked respondents to rate the importance of Chamber involvement followed by Chamber performance in several areas on a scale of 1 to 10. The following are the general questions along with their total rating score:

- Involvement: Creating a strong local/regional economy – 8.3
- Performance: Creating a strong local/regional economy – 7.0

- Involvement: Representing the interests of business with government – 7.8
- Performance: Representing the interests of business with government - 7.0

- Involvement: Provide networking opportunities – 8.2
- Performance: Provide networking opportunities – 8.0

- Involvement: Promoting the community – 8.9
- Performance: Promoting the community – 7.9

- Involvement: Provide Education and business resources – 7.8
- Performance: Provide education and business resources – 7.4

- Involvement: Political action such as passing business related ballot measures or getting business friendly candidates elected to public office – 6.8
- Performance: Political action such as passing business related ballot measures or getting business friendly candidates elected to public office 6.5

As you can see, the Chamber has slight to moderate room for improved performance in all areas noted above in comparison to the level of involvement expected by the respondents.

Rated scores in response to the question pertaining to purpose of the Chamber are as follows:
- Create a strong local/regional economy – 36.2%
- Promote the community – 24.3%
- Represent the interests of business with government – 15.6%
- Provide networking/referral opportunities – 14%

This data supports the involvement vs. performance ratings. However, the way in which the Chamber provides leadership in creating a strong local/regional economy and promoting the community may differ among respondents.

Focus Groups Summary

A total of 14 individuals participated in two different focus groups held at the Chamber office. Generally, both groups collectively believe the Chamber is an effective organization in the community; however it lacks focus and must begin to position itself as the advocate for business. There was some discussion on "defining the member" and participants believe the Chamber should be business-focused and service those who make up the membership.

 The morning focus group discussed many of the Chamber's programs and services. There is a belief that the current programs are very strong in regards to education and training, however there is room for improvement in providing niche-based opportunities for the membership. Additionally, this group would like to see the Chamber become the organization that identifies talent from within the

community and creates a connection between small business growth opportunities, higher education, and a healthy business community.

The afternoon group focused their discussion around the role of the Chamber in relation to public policy and community influence. Collective advice for the Board of Directors included suggestions to educate the membership on issues, solicit feedback, and become the "table" for dialogue. Additionally, the Chamber should become a champion on certain issues in order to position itself as the "Go To" within the community.

The Chamber has a high level of influence but is not very powerful.

Participants were asked about the top issues that the chamber could address to promote prosperity in the marketplace. Responses ranged from flood control and federal environmental regulations, to government intervention and health care.

Focus group participants are as follows:

<u>One-On-One Personal Visit and Telephone Interviews Summary</u>

Select individuals participated in one-on-one conversations with consultants from Dowell Stute and Associates either on October 19 or during telephone interviews conducted the last week of October.

Generally the Chamber is perceived as an effective advocate for the community and business interests among those interviewed. Most agree that the Chamber's primary role is to foster a pro-business climate. For that reason, the Chamber's efforts and renewed focus in public policy and political action is welcomed and generally applauded. However, many are looking for Chamber to go one step further and become the leader or "Go To" organization in the region.

"The Chamber needs to not only take a position on an issue, but become the champion."

"President needs to evangelize the importance of business in the community."

"Public policy has to have an offensive and defensive game plan."

"The Chamber needs to get engaged in local ordinances affecting business. They've been absent. What are they waiting for?"

"The Chamber must increase its involvement in legislative and public affairs to remain relevant in the future. The members expect this."

Several people expressed concern that the Chamber has been too many things to too many people – A Jack of All Trades, Master of None. They discussed the challenge of serving a broad membership and acknowledged that small businesses, the majority of the Chamber's members, need a variety of programs. However, the desire for the Chamber to clearly define itself and focus on a few major

priorities was a recurring theme in the interviews. Many participants believe the branding process and strategic plan will support and refocus the organization.

"There are only three questions that need to be answered for branding: who are we, what do we do, and why do our customers think we are what we are?"

"The Chamber chases too many tails."

"All current programs and services should be evaluated for future relevancy. "

"We need to eliminate the busy work in order to focus on the important issues."

Additionally, all participants were asked to share their insights regarding the recent merger between the Example City Chambers of Commerce. A majority of those interviewed believe the merger was a good long-term business decision for the two organizations. However, the true measure of success will be the retention and involvement of the unique members. (Unique members are defined as members of the Chamber that did not have a previous relationship with the Example City Chamber.)

"Success of the merger should occur within 12 to 18 months through program delivery and effective communications. "

"Pleased but surprised by the merger… not sure it makes economic sense but obviously a good move for both organizations. "

Another theme that emerged during the interviews was concern regarding the leadership of the organization, the ability to attract the "right" people to the Chamber's board of directors, and the board's effectiveness. Participants were also asked their view of the Chamber's staff including President Whitney. Many believe that under Whitney's leadership, the organization has the ability to move to new levels of influence and effectiveness. The greatest concern has been the evolution of area business CEO's becoming disengaged in the organization as well as a lack of large company representation and leadership.

"I'm concerned about the turnover in the board of directors."

"Stature of the organization has increased under President's leadership through his visibility and we need to position ourselves as a player."

"The Board of Directors must be CEO-based. This type of change can take place over time but leadership must be committed to a governance model to be successful."

"CEO involvement has diminished in recent years. Moving forward, the Chamber must re-engage the CEO community."

Personal conversations were held with the following individuals:

Board Retreat Notes

The Board of Directors participated in a retreat held on October 8, 2010, approximately one week following the official commencement of the Example City Chamber of Commerce. Based upon the notes prepared during the retreat, a major portion of the day was spent discussing the future of the organization, how it is to be defined, what role it will play within the community, opportunities, challenges, and changes necessary to be successful in the future.

The organization's branding process kicked off with an introduction by.   Spider noted the combination of the mergers is a perfect opportunity for reinvention of what the Chamber does. He asked directors to think about the effects of the unknown on culture, referring to new team, new directors, and new direction.

"The opportunity right now is exponential."

As he suggested, the business community surpasses the borders of Example City. Groups and businesses want access to our network and that drives membership from other parts of the country. He equated the next level of the Chamber with reinvention and relevance. Spider noted that when the Chamber rolls out a new identity, people will be paying attention.

Pam facilitated a discussion with board members regarding their roles and responsibilities, accountability to the livelihood of the community, and changes necessary for a successful future. It was suggested that each board member define their area of expertise, increase their level of general knowledge regarding what the Chamber is and does on behalf of its members, consider structural changes necessary to ensure implementation of a governance model, and engage high-level decision makers.

Staff Discussion Summary

An informal session was held with all Chamber staff members to evaluate staff perceptions of the organization. Generally the staff believes that the Chamber is moving at a fast and furious pace and recognizes that change is inevitable given the recent merger and current conditions of the region. Specific roles and responsibilities must be further defined in order to provide quality service to the membership.

Staff yearns for more time to plan and innovate and believes that there is a need for program assessment and evaluation. Under the leadership of President Whitney, the Chamber has made strides in engaging in policy development and brining on new programs, however the majority of programs and services offered to the members come in the form of education and training. It is believed that the majority of staff members do not necessarily understand the reasons why the Chamber gets involved in various local and regional policy issues.

Staff also indicated a need for the value proposition to be defined for the members and that a retention plan is developed and executed, especially following the recent merger between the Example City Chambers (unique members). Programs and services must be relevant and members must

become re-engaged in the organization. For too long the Chamber has been quietly working on events and programs, but has not engaged itself in advocacy and policy development.

Two areas that need greater evaluation and refinement include defining the customer and Chamber purpose. Staff members were split between who the customer is at the Chamber. Many believed it was the business community, some believed it was the general community, and other believed it was the dues paying member.

A second area that needs further education and conversation includes a greater understanding of the purpose of the Chamber by the staff members. As the Chamber begins its journey of becoming the "Go To" organization within the region, staff members must gain a greater understanding of what that means and how it impacts programs and services. The Chamber cannot be all things to all people and therefore, current programs and services may be modified or eliminated. Once the branding process and strategic plan is finalized, it will be the responsibility of senior management to educate staff regarding their roles, responsibilities and expectations of the organization.

It should be noted that a review of the mission and vision statements will occur during the planning conference. This discussion and a refinement of these statements should support and assist in educating about the Chamber's purpose and customer. Current mission and vision statements have not been reviewed since the original merger occurred more than a decade ago.

Finally, a session will be held with all staff members immediately following the board planning conference whereby staff members will be asked to react to the critical questions and outcomes defined by the board. Staff members will be asked to engage in the development of strategies and tactics necessary to ensure the strategic goals are being met.

Media Review

Since mid-September 2010, the consultants have been monitoring Example City area media on a daily basis to assess the Chamber's level of exposure and to gauge media perceptions. The Chamber is often mentioned in media in relation to policy impacting local and regional issues.

During the past several weeks, the Chamber has been frequently mentioned in articles pertaining to several issues, including but not limited to:

Frequent media exposure through traditional outlets is an attribute the Chamber's leadership should take advantage of during this rebuilding period. Positive relations with area media can assist with the branding and re-positioning of the organization.

A word of caution, however – media relations should be a strategic initiative, conducted by trained individuals through a thoughtful and well-planned process to ensure an appropriate level of exposure, identification of primary and second spokespersons, consistent messaging, and brand management. Development of plans above and beyond traditional media outlets is necessary in today's fast-paced environment with social media having a major impact on today's news, with immediate 24/7/365 exposure.

Critical Issues for Discussion

All methodologies used to gather data and analytics on the Chamber reflected common themes, opportunities, and challenges that give the information a great deal of credibility. While there were slight variances on a few items, for the most part, the critical questions facing the Example City Chamber of Commerce are clear.

1. **Define the Chamber's Role in Public Policy and Political Action**
    - How do we get from here to there? Where's there?
    - Lead vs. follow
    - Policy development can occur on three levels: local, state and federal. Do we build on all three at the same time given the current need and expertise?

2. **Define the Chamber's Economic Development Role**
    - Greater understanding of roles and relationships with local economic development partners
    - Define the gap(s)
    - Opportunity for the Chamber to provide resources to small business and ensure retention of existing businesses

3. **Identify the Chamber's Customer**
    - Who is the customer? General community, business community, dues-paying members, other
    - Focus vs. All things to all people
    - Define "promoting the community". What is the Chamber's role?
        - Regionalism – Footprint - Example City;

4. **Development of the Chamber's Image**
    - Brand development and management - process and outcomes
    - Stature of the organization. Stature of the Board. Stature of the CEO.
    - Power and influence. Become the "Go To"
    - Competition
    - Industry, Peers, & Partners – Local, State, Regional, and National Levels

5. **Structure the Organization for Success**
    - Policy governance board
    - Composition of the Board members – leadership, expertise, decision-making, company representation
    - Infrastructure changes
    - Growth – Is it good? How much? How? When?
    - Necessary resources – talent, time, and money