

State Leadership Idea Exchange Council Pennsylvania Association of Realtors®

Program Name: Local Association Management Service

Program Goal: To provide local associations with fee-based management services that will help them maintain their independence, provide value to their members, and meet the new NAR core standards.

Program Cost: This is a profit center for the state association. Local Realtor® associations and other associations that contract for management services pay for the program.

Program Description: Three years ago, PAR set up a for-profit association management company called Association Independent Management (AIM). As the name indicates, AIM's purpose was to help associations maintain their independence in these challenging financial times. AIM offers both full management and fee-for-service options to Realtor® associations and other organizations. More information on AIM is available at www.AIManswers.com.

Program Staff: AIM uses both dedicated staff and existing state association staff. Day-to-day management duties are handled by the dedicated staff and special projects such as newsletters, legal issues, taxes, and websites are handled by other state association staff. As the company has grown, we have brought on more dedicated staff and rely less on the part-time efforts of the state association staff.

By the end of the year, AIM will have four dedicated staff members and use part-time support from another four or five members of the state staff.

Financial Success: In 2014, the AIM program will break even, including all overhead costs. Many of these overhead costs were fixed expenses, such as existing office space and energy costs. In other words, AIM is not only covering the direct and indirect costs related to the program, it is also contributing to PAR's existing overhead. The business plan calls for AIM to return significant profits to PAR starting in 2016 and the program is currently on track to achieving this goal.

Keys to Success:

- ✓ Geography – Pennsylvania has a great deal of rural area. Approximately 25 percent of the 29,000 members live in rural areas that make up approximately 75 percent of the Commonwealth's land mass. PAR has 44 local associations and 75 percent of them are located in rural areas that are often 100 miles or more to the next small association. Mergers do not necessarily make sense for these associations because they have no common marketplace with another association.

- ✓ PAR's Primary Customer – Four years ago, PAR declared the 44 local associations to be the state association's primary customer. This focus on locals has provided PAR and AIM the solid working relationship with locals that is needed to launch the program.

- ✓ AE Vacancies and Mergers – With the new core standards deadline looming, many local associations are discussing mergers and other options. AIM can provide a stop-gap solution for associations while they try to work out a merger. In addition, the departure of a local AE also provides locals with a good time to re-evaluate their needs. AIM can offer a short-term solution while the association looks for a new AE or option to merge.

Program Clients: Currently, AIM has four local Realtor® associations who have contracted for full-time management service and three others that contract for partial services. In addition, AIM has two non-Realtor® clients that have contracted for full services. Interest in the program has risen significantly with the adoption of the NAR core standards and AIM is in early discussions with several more associations.

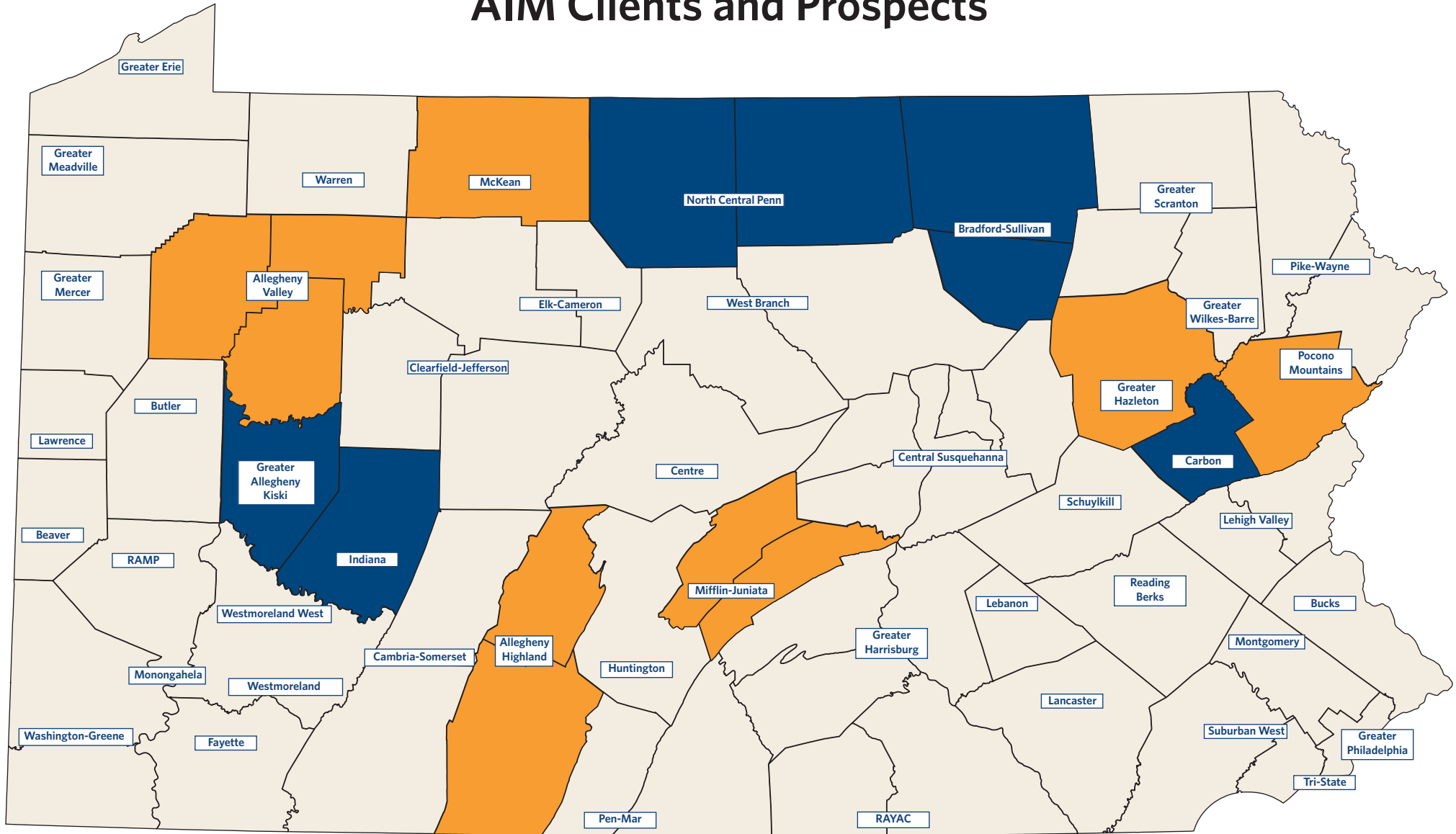
Strategic Planning Clients: With the core standards' deadline looming, AIM staff has been busy helping associations develop strategic plans. Over the past three years, AIM facilitators have been hired by 25 different associations including three outside the state. Several more strategic planning sessions are on the books before the core standards deadline.

Services Provided by AIM (a la carte or full service):

- Marketing and Communications
- Social Media
- Relationship Management/Member Services
- Meetings and Events
- Financial Management and Taxes
- Strategic Planning
- Project Management



AIM Clients and Prospects



Current AIM Client



Current AIM Prospect