



AIA Virginia

Supplemental Dues Replacement Plan

5.4.2 Prepare a plan to replace dues revenue with other sources

5.4.3. Strive for a budget neutral impact within five years

By 2020, supplemental dues will be eliminated in accordance with the existing phase-out plan. This monumental decision will prove instrumental in increasing the organization's membership growth. However, it is estimated that approximately \$200,000 in revenue will be lost without the annual assessment. As such, it is necessary for the organization to identify ways to reduce the annual expenses incurred combined with finding strategic ways to increase revenue within the existing staff's workload bandwidth. It is believed that this goal can be accomplished through a variety of ways without impacting the quality of service provided to the membership or sacrificing a positive staff culture.

1. Expense Reductions

- a. **Reduce Lease Obligation:** For the AIA Virginia staff to operate effectively and efficiently, it is expected that approximately 2,800 square feet of space should be provided. This number does accommodate the potential for slight future staff growth. Currently, AIA Virginia has a lease obligation of approximately \$82,000 annually. Through extensive research and analysis, the going rate for Class A office space in Richmond is between \$20 - \$24 per square foot. Based on this data, AIA Virginia could have an annual rental expense in the range of \$56,000 to \$67,200.

Expense Reduction: \$14,800 - \$26,000

It should be noted that employee parking may be an additional cost depending on venue location, in particular, downtown Richmond. At the current staff size, this cost is expected to be approximately \$8,000 annually. Currently, the organization does not incur a cost for employee parking.

- b. **Revise 401k Benefit:** AIA Virginia currently has a 401k benefit that exceeds the wealth of a large majority of associations and private-sector firms. Currently, the organization matches 10% of the employee's salary if the employee contributes 2% toward the fund. It is believed that this benefit was previously established at this level to counterbalance the level of employee compensation. Under this model, the organization is responsible for an

approximate \$48,000 benefit liability. Today, the organization's employees are compensated at a level that rivals that of private-sector firms. After an extensive review of 401k benefits being offered by other employers, shifting to an Enhanced Safe Harbor (ESH) with a dollar for dollar match up to 6% would be a more reasonable financial obligation for an association this size. This approach would still be considered a competitive benefit in today's workplace.

Expense Reduction: \$22,000

- c. **Not Replacing Identified Staff Positions:** The former Executive Vice President had an assistant/special project manager to assist with executing the duties of the office. This position will not be replaced by a new part-time or full-time employee. Instead, the role of the part-time Communications Coordinator will be expanded to full-time. The additional 10 – 12 hours of week for this position will be used to support the current Executive Vice President. In addition, the current Accounting Support position will not be replaced once the current employee retires on December 31, 2018.

Expense Reduction: \$50,000

- d. **Miscellaneous Materials and Supplies:** Currently, AIA Virginia absorbs various costs which are incurred by the Branch Museum. These various costs predominantly center around office supplies (i.e. printing paper, toner replacement, postage replacement, etc.). Though the Branch owns the phone equipment, AIA Virginia pays the bill in its entirety which averages approximately \$700 per month.

Expense Reduction: \$3,000

2. Revenue Increases

- a. **Identify and Recruit Non-Member Targets:** There are a number of non-members who indicated their reason for not joining the organization was due, in large part, to the assessment of Supplemental Dues. With the phase-out of these dues nearing completion, this provides an opportunity to recruit these members. The organization can use influential members to assist with the outreach required for this assignment. A potential group is the John Braymer Leadership Circle which consists of the organization's Past Presidents. It is predicted that membership could increase by 2% because of this factor.

Additional Revenue Generation after Expenses: \$16,000

- b. **Enhanced Capital Partners Program:** The Capital Partners Program has been revised to a “build-your-own-benefits” model. This model now provides prospects with the opportunity to spend their marketing dollars how they choose in order to get the best value for their investment.

Additional Revenue Generation after Expenses: \$20,000

- c. **Broadening the Reach of Architecture Exchange East:** Currently, a Task Force is working on blue-sky concepts for Architecture Exchange East to determine the viability and sustainability of the conference. As the organization expands its partnerships, selecting the right conference partners could reap financial benefits. For example, partnering with the American Council of Engineering Professionals or the Associated General Contractors could provide opportunities to increase revenue while sharing conference costs.

Additional Revenue Generation after Expenses: \$30,000

- d. **Design Awards:** The AIA Virginia Design Awards contribute approximately \$25,000 – \$30,000 in revenue. A focused development plan that includes personal outreach to AIA members is expected to lead to more submissions. This approach may even include AIA Virginia reaching out to firms and recommending projects for submission. Our members do great work as architects. Often, the same firms submit for design awards annually. Undoubtedly, this means there are many more firms who do not submit. This provides an opportunity to generate additional revenue without significantly increasing expenses within our existing framework.

Additional Revenue Generation after Expenses: \$10,000

- e. **“Graduate Level” Leadership Development Program:** The Emerging Leaders in Architecture program is one of the premier architectural leadership development programs in the United States. This program has been established for 10 years and has graduated north of 160 alumni who have gone on to be incredibly impactful architects and citizens within the community. However, as the name suggests, the program is geared for those who are “emerging”.

Exploring the creation of a graduate program that uses either ELA or a firm position as a prerequisite is a way to strengthen the knowledge of our members and perhaps lead to the creation of a credential. With the right planning and

strategizing, the program could be developed such that it provides business development opportunities with clients in addition to professional development.

Additional Revenue Generated after Expenses: \$15,000