



# Designing Your Future

Key Trends, Challenges and Choices

Facing Association and Nonprofit Leaders

## Executive Summary

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- Appendix 1**    **50 Key Trends** presents detailed profiles of the trends, outlines their potential impact on society, and identifies possible implications and opportunities for associations, nonprofits, and industry.
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- Appendix 3**    **Key Choices Framework** provides a breakdown of the four-stage decision-making framework, highlighting the key factors to be planned; the relevant trends, implications, and opportunities; and the critical choices and decisions to be made.
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# Introduction

## The Fundamental Challenge for Associations and Nonprofits

Charting a course to adapt to future economic, demographic, social, environmental, and technological changes may be the single greatest challenge and opportunity facing associations and nonprofits. Identifying and analyzing those trends, issues, and events that are likely to have a transformational impact within the association sector is critical if associations are to remain healthy and relevant to their members. This means that they need practical insights and tools to help define their options, assess emerging risks, identify opportunities for future sustainability and growth, and develop and implement responsive strategies. Through consultation with members we established that they needed these tools—and that they wanted them now! ASAE & the Center for Association Leadership's *Association of the Future* research program was established specifically to help support association leaders on this journey toward creating their preferred future.

## Designing Your Future

The aim of *Designing Your Future: Key Trends, Challenges, and Choices Facing Association and Nonprofit Leader* is to provide associations with critical perspectives on the future global environment, including competitive and market issues that will help formulate strategic plans to capture opportunities and prepare for emerging threats.

Getting ahead of change is difficult. It is easier to respond to problems of the day than it is to invest time and resources in what might come to pass. But make no mistake: there are very real existing and emerging threats to the future viability and competitiveness of associations and nonprofits. We fully expect that many will seize the opportunity and overcome the challenges to thrive

In a changing world, but we also know that others will fail to take heed of the warning signs and will succumb to the threats.

The widespread assessment among leaders of those governments and industries who are coping best with a changing world is that past success strategies are less valid in a world being shaped by new rules, new players, and fundamental shifts in power and influence. Today, associations and their members must begin repositioning themselves to address these emerging realities. This publication is the first in a series of practical resources and tools designed to help leaders, boards, and staff to design and build their associations of the future. Each new content release will provide different aspects of the resources and knowledge that leaders need to develop future strategies, plans, and innovations. Our goal is to provide insights, tools, and ideas that will help your association stay vibrant and relevant in the face of a changing U.S. and global environment, new operational challenges, and the constantly evolving needs and expectations of your members.

*Designing Your Future* is the first of these tools, designed to help identify the drivers of change, to surface critical implications for associations, and to set out the key choices and decisions that associations will need to make. This publication addresses three specific objectives:

- *Introduce critical trends, ideas, and developments* that could have an impact on associations and their members over the next five to ten years.
- *Identify the key challenges* that these trends create for association leaders as they develop their longer-term strategies.
- *Provide a strategic framework for making key choices and decisions* about the preferred future for your organization, whether an association or other type of nonprofit.

# Introducing Critical Trends

The following 50 trends emerged from the process of environmental scanning, member review, and prioritization. By means of these processes we identified a total of 50 key trends that our analysis suggests are already making an impact or could over the next five years, both globally and in the United States. These trends could have a direct effect on the association community as well also n the economy and on government, governance, individuals, professions, business, and industry sectors in the United States – all of which have further implications for associations.

The trends were categorized by their origins by using the STEEP framework:

- Socio-demographic
- Technological
- Economic
- Environmental
- Political

In the full report, each key trend has a detailed profile that includes the following information:

- **Description:** an explanation of the trend, including supporting data where relevant source references have been noted, where appropriate;
- **Timeframe:** the time during which we believe the trend could have an effect on at least half the population of the United States;
- **Potential Impact:** depicts the trend's impact on society as a whole;
- **Implications and Opportunities for Associations:** examples of possible implications for overall policy and strategy, as well as opportunities for associations to develop new activities;
- **Functional Implications and Opportunities:** examples of possible implications and opportunities related to what is delivered to members and the way in which associations organize to deliver;
- **Example Industry Implications:** highlighting possible impacts for specific/all sectors; and
- **Sources and References:** showing where the underlying data was derived.

## Socio-demographic

1. Generation Y (Millennials): digital, “civic,” and connected
2. Millennials increasingly seeking overseas experience
3. Rising life expectancy, aging global populations
4. Widening generational gap: values, attitudes, behaviors, technoliteracy
5. Baby Boomer retirement and unretirement; talent shortages
6. Increasing political and economic impact of diversity— minorities one third of the U.S. population
7. Redefining work–life balance
8. Funding and chronic diseases shaping healthcare challenges
9. Growing popularity of online education relative to that of classroom-based courses
10. Increasing economic power of women
11. Growing role for “social entrepreneurship”
12. Evolving trust: declining trust in government and media
13. Increasing interest in philanthropy and volunteer work
14. Deepening personalization of products, services, communications, and experiences

## Technological

15. Internet continues transforming government, governance, and business
16. Social media explosion creating new approaches for engagement, communication, publishing, and marketing
17. Rise in mobile and location-based web services as “smart” phones displace laptops
18. Cybercrime, cyberwar, and cyberterrorism
19. Nanotechnology: the next trillion-dollar market?
20. Energy: increasing demand and rising costs accelerate the search for alternative sources
21. Evolving personal technology “ecosystem”: intuitive, visual, and smart

## Economic

22. Uneven economic growth
23. Growing financial market risks and uncertainty
24. Rising economic strength of China and India represents an increasing share of global GDP

25. Rise of the “Next 11” nations on the global stage
26. Future U.S. growth fueled by rising immigration
27. Rising U.S. personal and federal indebtedness
28. Growing challenge of maintaining physical infrastructure
29. Nations competing on science investment to drive economic performance
30. Growing economic importance of global knowledge economy—50 percent of U.S. GDP by 2010
31. Global talent shortages increasing with economic growth
32. Attractiveness of U.S. business environment weakens relative to that of other countries
33. Education falling behind employers’ expectations
34. Pay-as-you-go and “freemium” services becoming more prevalent business models
35. Global outsourcing market could hit \$1.43 trillion: U.S. outsourcing deepens
36. Global rise in entrepreneurship
37. Rise in U.S. corporate and individual social responsibility
38. Evolution of tomorrow’s company
39. Continued shift in global wealth and spending power
40. Shifting patterns of global inequality and unmet needs
41. Changing patterns of U.S. income, wealth, and savings

## Environmental

42. U.S. organizations and investors focusing on green issues
43. Global consumption patterns challenge Earth’s resource capacity
44. Climate change a growing political and economic priority globally
45. Rising ecoliteracy, “green” practices, and ethical consumption

## Political

46. Diminishing U.S. political influence internationally
47. India and China becoming “spokesnations” of the developing world 140
48. Increasing political and economic transparency
49. Increasing global role for single-party states
50. Changing patterns of global governance—growing influence of non-state actors

# Identifying Key Challenges

Although the trends are important individually, they also converge to form a number of distinct higher-level “patterns of change” that will affect the individual, society, business, nation, and world. Of the many different patterns to focus on, we have selected 10 key patterns of change that we think will capture the important storylines of change for the next five years and beyond, thus having the greatest importance for associations.

Each of the 10 patterns of change is explored in more detail in the full report. For each one, we provide a short narrative and identify some of the key underlying data points from the 50 key trends. We also highlight some of the key implications and opportunities for associations. Finally, we highlight the key strategic challenges for associations that result from a change pattern. These strategic challenges will be discussed next.

## 10 Key Patterns of Change

1. **Economic Power Shifts:** Global integration, emerging economic powers, and shifting patterns of wealth
2. **Politics Gets Complex:** A rising number of domestic issues, increasing pressure on federal funding, and an increasingly complex global political landscape
3. **Expanding Business Agenda:** Pressure to address the “triple bottom line” of people, planet, and profits; more global competition and ever-widening technology choices
4. **Science and Technology Go Mainstream:** Nations competing in innovation, science impacting our daily lives, and technology becoming central to middle-class lifestyles
5. **Demographic Destinies:** Global population growth, increasing life expectancy, aging societies, and a more ethnically diverse population
6. **Generational Crossroads:** Aging Baby Boomers and the emerging Millennial generation
7. **Rethinking Talent, Education, and Training:** Growing talent gap, rising concerns over educational performance, and the mainstreaming of online and lifelong learning
8. **Global Internet Expansion:** More global users, more connected with more functionality
9. **A Society in Transition—An Era of Responsibility and Accountability:** Evolving societal norms and expectations, pressures to serve the greater good and perform to the highest ethical standards, and declining trust in key institutions
10. **Natural Resource Challenges:** Growing resource pressures, rising commodity prices, and energy and the environment as dominant agenda items

Each of the 10 patterns of change are creating critical challenges for leaders to address as part of defining and designing the preferred future for their organization. Each of the change patterns contributed to multiple challenges. In total we identified 10 key challenges that come out of this analysis of the key trends and patterns of change.

In the full report, the trends are mapped to the patterns of change that they relate to, and the patterns are mapped to the challenges that they create. Each challenge is presented in the report with an example of how an organization is currently addressing it. We have also identified the key questions each challenge raises for the organization’s strategy. A strategy framework for addressing those questions can be found in the report’s appendices.

## 10 Key Strategic Challenges

1. What’s your leadership paradigm – envisioning tomorrow’s association
2. What’s plan B – adapting to a new economic landscape
3. Who’s driving the talent agenda – recruiting and preparing tomorrow’s labor force
4. Who’s the customer – serving an aging, multi-generational, and ethnically diverse population
5. How do you connect your community – tapping the potential of social networks
6. Where’s the money – responding to shifting patterns of income and wealth
7. How can you exploit new staying responsive and solvent
8. What’s your consumption footprint – facing up to energy and environmental pressures
9. How sustainable are you – managing ethics, transparency, accountability, and responsibility
10. What’s next on the radar – embedding environmental scanning, scenario planning, and what-if thinking

Interested in reading more about the trends affecting associations and potential implications and opportunities? Visit [www.asaecenter.org/bookstore](http://www.asaecenter.org/bookstore) or call 888-950-2723 and order your copy of *Designing Your Future: Key Trends, Challenges, and Choices Facing Association and Nonprofit Leaders*.



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