

Application: 9991

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Each question is worth 20 points and will be scored using the following rubric: (1-5) Poor Didn't effectively answer the question (6-1) Fair Answered the question (11-15) Good Answered the question with more detail (16-20) Excellent Went above and beyond with proven results and visible data

Describe the program and why it fits the category. (20pts)

The Keystone Chapter has been on a multi-year journey to grow the chapter budget in order to ensure financial, and therefore mission, sustainability.

In recent years dating back to pre-2020, the chapter was on an unsustainable path of adding more and more events to produce more and more revenue to cover increasing operating costs. Between 2018 and 2023, the chapter's operating budget increased by more than \$200,000. The number of events, which was close to 50 in 2021, was growing to an unsustainable level that was taxing the staff and other resources. Adding to this challenge, the board approved an increase in staffing from 3.5 full time staff in 2021, to 5 full time staff in 2022.

The chapter budget growth and financial sustainability multi-year effort included a gradual reduction in the number of events hosted by the chapter, paired with a sustained effort to increase revenue – two seemingly opposite objectives that we made work to a significant degree of success. The goal was a budget of \$1.1 million, up from roughly \$800,000 in 2020. During this time, the chapter also was able to add to chapter reserves as follows

Retained earnings

12/31/2019 - \$123,161

12/31/2023 - \$269,132

Total Equity

12/31/2019 – \$481,599

12/31/2023 - \$807,995

This multi-year effort fits this award category because it has resulted in better management of the chapter and better allocation of financial and staff resources, and significantly increased revenue and reserves. The program focused to a large degree on reducing the overall number of events hosted by the chapter while substantially increasing net revenue from our most successful existing events as well as new events targeted to important segments of membership. The end result was improved long-term financial sustainability of the chapter.

How did this program meet the mission and vision of the chapter and CAI as a whole? (20pts)

The mission of the chapter is to strengthen members by providing education, information and advocacy that are central to managing and governing responsible, competent community associations. The chapter has always successfully implemented this mission. But the slow creep upward of the number of events and programs hosted by the chapter had become taxing on the organization and the staff and it was becoming increasingly difficult to maintain the current course the chapter had been on in the previous 5-10 years.

During chapter Board Retreats in 2021 and 2022, the board spent significant time discussing the need to expand staff resources, how to improve current revenue line items, and how to find new revenue. Those discussions resulted in important decisions and goals to increase staff, decrease the overall number of programs while turning remaining events in better experiences that were not to be missed, and ideas to increase revenue to grow the budget over the \$1 million dollar mark for the first time. Achievement of these objectives would lead to improved management of the chapter, less pressure on staff, and improved delivery of membership value. The membership responded in overwhelming fashion as advertising and sponsorship increased, event attendance surged in 2022 and 2023, and the chapter's financial position grew substantially.

What was the impact on the chapter and its members after completing the program? (Growth of membership, financially, public awareness, membership value, better chapter/member relationship, chapter operations, etc.) (20 pts)

The main impact of this effort was an increase in revenue and financial stability. One of the ways to increase revenue is expansion of chapter programs. This proved challenging as we were also on a multi-year path to reduce the number of events hosted by the chapter, which was at 46 in 2021, reduced to 38 in 2023 and 35 for 2024. While the number of overall events was decreased, we also added key events to address key membership segments to not only provide member value to these segments, but to also bring in new revenue. These efforts are detailed in the next question with data to back up the successful effort.

The end result of the strategies and changes was an increase in the financial stability of the chapter while also increasing member value in the programs that have been offered by the chapter. The increase in the cost to participate in chapter programs during this multi-year effort did not negatively impact the participation level of members. In fact, participation increased. Members saw value in the programs offered by the chapter, even though the number of programs was fewer and the cost to access the programs grew. In fact, the chapter recorded a 160% increase in event registrations from 2022 (40 events) to 2023 (38 events). While some of this is a reflection of a return of members' comfort level with attending in-person events, it is also a reflection of the value that members have found in programs offered by the Keystone Chapter.

Please provide quantifiable data supporting the rationale for success. (20pts)

There's a significant amount of information and data below to back up the answer to this question.

The chapter undertook a comparison of our budget versus that of 8 of the largest CAI chapters in early 2022. We discovered that while the Keystone Chapter was 4th largest among all chapters based on membership, we were 5th largest by budget. We also discovered our gross revenue of \$850,000 (2022 budget) was \$100-\$200k smaller than two other chapters that had several hundred fewer members. This effort revealed several growth opportunities for chapter revenue.

Golf Outing:

In comparing golf revenue from the other chapters, we discovered that other chapters were bringing in significantly more revenue from their golf outings. We also noted that our outing consistently sold out year after year, even in 2020 during the height of the Covid pandemic. As a result, we subsequently increased revenue from our golf outing from \$57,500 in 2019 to \$90,000 in 2023 without increasing the number of participants. We did so by increasing registration fees for the consistently sold out event, as well as increasing sponsorship price points. Members that valued this event each year continued to participate as the cost of participation increased.

Trade Show:

Another program area where Keystone Chapter revenue seemed to be falling short when compared to other chapters was our chapter trade show. Similar to the golf outing, this event typically saw sold out exhibit booth space. By increasing exhibitor registration fees by a small amount each year, and increasing sponsorship price points, we were able to increase revenue from \$231,000 in 2019 to \$281,000 in 2023 (while the number of exhibit booths decreased by 10). As with the golf outing, members that valued this event each year continued to participate as the cost of participation increased.

Specialty Events:

While decreasing the number of events overall, we also added key events to address important segments of our membership – Management Company CEOs/senior staff, and high rise condominiums. Revenue for both events exceeded budget and the events have become popular staples of the chapter's schedule in just two short years. Sponsors have literally been knocking down the doors to sponsor both of these events, enabling the chapter to raise sponsorship rates for both events.

We launched a Management Company CEO Retreat in 2022 after many unsuccessful attempts to engage with this member category over many years. Revenue for the 2022 event was budgeted at \$27,000 with expenses of \$18,000. Actual revenue was \$33,000 with actual expenses of \$21,000. The initial event was so successful that it enabled us to dramatically expand revenue for the 2023 event. Revenue for the 2023 event was budgeted at \$53,000 with expenses of \$35,000. Actual revenue was \$56,000 with actual expenses of \$35,000, with even more significant revenue increased budgeted for 2024.

Our first high rise conference was scheduled for June 2023 following a successful national High Rise Workshop in Philadelphia in 2022. Revenue for the 2023 high rise conference was budgeted at \$21,000 with expenses of \$12,000. Actual revenue was \$27,000 with actual expenses of \$11,300, with even more significant revenue increased budgeted for 2024.

As stated above, members that value these events are continuing to participate even as the cost of participation has increased. This the theme of this entire effort as envisioned by the board and staff – the chapter is providing valuable member experiences at chapter programs, and that value is reflected in member's willingness to pay to access these experiences, even when the cost of participation increases. The chapter is providing a significant return on investment that brings back members each year.

Increased Sponsorship Fees:

As noted above, the chapter has been operating off the assumption that if we build successful programs, sponsors will be willing to pay to access members who are participating in these programs. That assumption has born itself out repeatedly as the chapter has raised sponsorship fees repeatedly, and sometimes dramatically, in the last two to three

years as noted in the figures below, without any backlash from sponsors, while also pairing back the number of events from 46 in 2021 to 35 in 2024.

Chapter Sponsorship Revenue

2021 \$177,000

2022 \$219,000

2023 \$298,000

2024 \$314,000 budgeted

Registration Revenue:

Similar to increased sponsorship fees, the chapter has increased registration fees, but to a much lesser extent. However, the success of the chapter in recruiting attendees to programs over the last two years has also borne itself out in increased revenue. The chapter experienced record attendance for several programs in 2023 and overall attendance in 2023, chapter-wide, increased significantly versus 2022, while the number of events decreased:

Number of Events Number of Event Registrations

2022 40 1484

2023 38 2378 (160% increase from prior year. We recognize some of this increase is due to members comfort level with in person events growing significantly in late 2022 and 2023)

Additionally, the chapter board agreed with a recommendation by staff to significantly increase registration fees paid by non-members, on the basis that non-members should pay significantly higher, within reasonable and legal limits based on ASAE information, to access professional development and other programs hosted by the chapter. This also underscores the value of membership in CAI. The point here is that non-members will either join CAI to save money or continue to pay higher fees to access the same programs available to members, thus providing increased revenue to the chapter. This effort began in late 2023.

Registration Revenue

2021 \$65,000

2022 \$86,000

2023 \$94,000

2024 \$98,000 budgeted

Other strategies to increase revenue, such as the expansion of email, website and digital advertising opportunities for business partners, combined with the above strategies, had the following impact on the chapter budget:

Chapter Revenue (includes PA LAC):

2021 \$889,500 (includes \$58,000 PPP Loan)

2022 \$950,000

2023 \$1,100,000

2024 \$1,164,000 Budgeted

Chapter Program Expenses (Includes PA LAC):

2021 \$326,318

2022 \$376,800

2023 \$490,700

2024 \$515,600 budgeted

Chapter Operating Expenses:

2021 \$478,226

2022 \$554,950

2023 \$563,800

2024 \$581,000 budgeted

Chapter Net Revenue:

2021 \$84,956

2022 \$18,250
2023 \$45,500
2024 \$0 budgeted

The end result of this 2-3 year effort is the chapter budget hit the goal of \$1 million in 2023 and is budgeted to exceed \$1.1 million for 2024, while fully funding the increased staff budget, and growing chapter reserves each year. The chapter is now on solid financial footing.

How can you improve this program going forward? (20 pts)

The chapter is already carrying many of the above strategies into 2024 and improving on them. For the 2024 budget year, we made significant changes to our Chapter Partners Program that will provide increased revenue to the chapter and increased value to chapter partners, including additional recognition of chapter partners.

We also raised sponsorship rates again in 2024 for the most successful and sought-after programs based on attendance and sponsor participation from 2023. Many of these sponsorships are sold out, or nearly so, as of February, 2024.

We have fully implemented a significant, across-the-board increase in program registration, sponsor, and advertising fees for non-members, as described above. We are starting to see the results of this effort in both new members and increased revenue.

The chapter is also in year two of an expansion of programming in the Pittsburgh region, where the chapter has been absent for at least a decade. Based on an initial successful program in October, 2023, there is additional revenue growth opportunity in this under-served market.

Supporting documents including flyers, postcards, pictures, videos etc. can be uploaded below. While they aren't required for your submission we certainly encourage it.

Would you like to upload additional documents?

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Thank you for your submission! We encourage you to submit another program in a different category.