

Project
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EBSOMED
ENHANCING BUSINESS SUPPORT ORGANISATIONS

BUSINESSMED
Union of Mediterranean Confederations of Enterprises

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EBSOMED Academy – Maximizing the effectiveness of BSOs

03 – 04 December 2018

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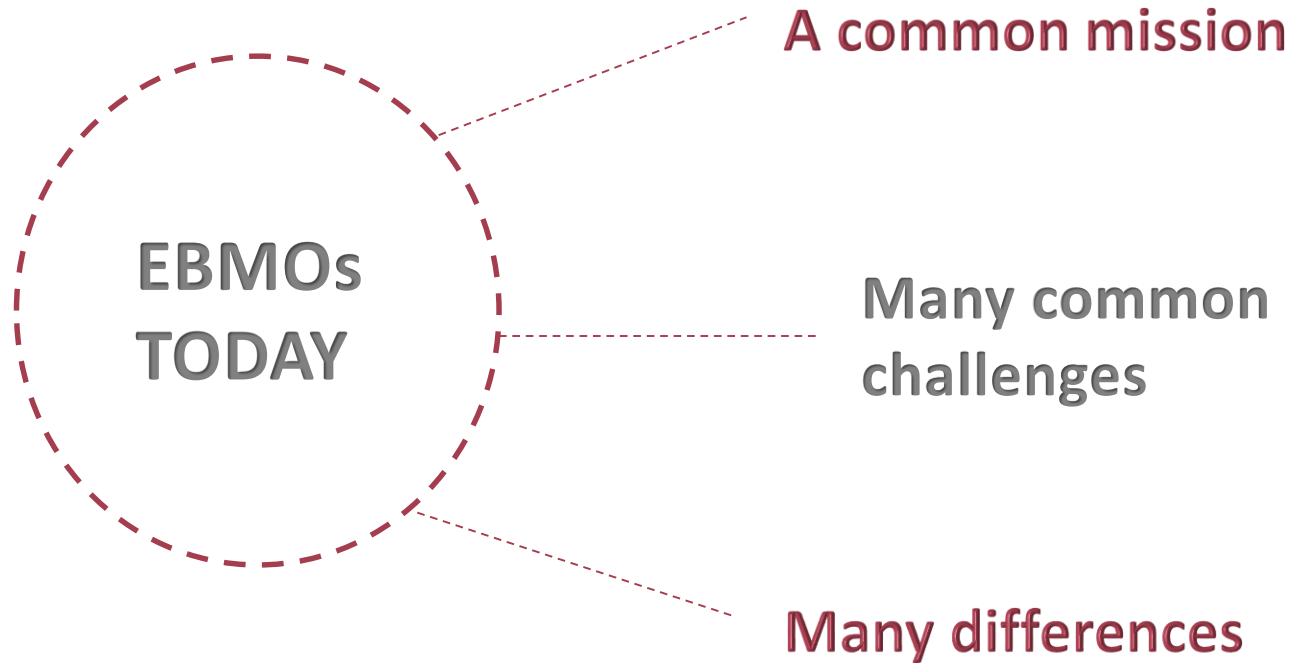
Session - Defining the value of BSOs

ITC 
International Training Centre

EMPLOYERS AND BUSINESS MEMBERS ORGANIZATIONS

What is an
EBMO?





EBMOs as



International
Labour
Organization

Constituents

- Term most used is “Employers’ Organizations”
- Membership based organization, set up to promote and advance the interests of employers
- Contribution to economic and social development
- EBMOs must be independent and apolitical
- Membership must be voluntary and open to all private companies

What do EBMOs do?



UNITE

General Assembly, Governing Board,
Commissions, Working Groups



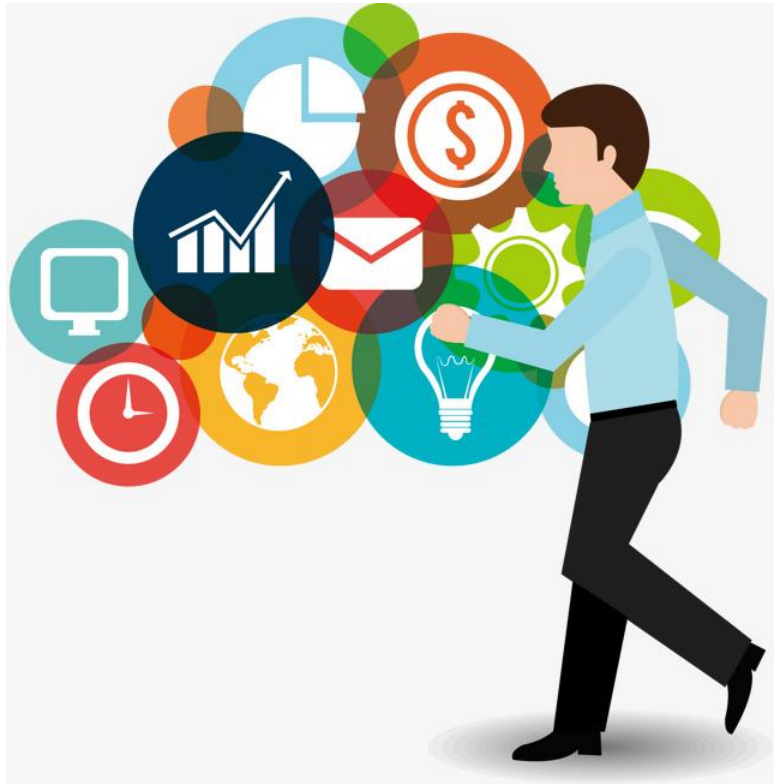
REPRESENT

Advocacy, Lobbying, Social
Dialogue



STRENGTHEN

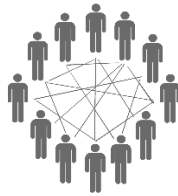
Provides Services (information, advice,
among many others)



MAIN EBMO' OBJECTIVE

Advocate for a business environment conducive to enterprise creation and development, generating employment and contributing to the socio-economic development of the country.

What must EBMOs have?



Solid and transparent Governance



Strong and Representative
Membership



Deliver Quality and Sustainable
Services to Members



Advocacy and Lobbying Strategy to
promote the best possible business
environment for companies to grow
sustainably and generate decent and
productive work

What do we observe ?



EBMOs 25 YEARS AGO

- Predominance of collective bargaining.
- Need for industrial voice (employers' union).
- High levels of industrial action.
- Social partner status as basis for advocacy.
- Centrality of EO/union relationship.



EBMOs TODAY

- EBMO /union relationship no longer the only (or even the main) game in town.
- Predominance of enterprise or sub enterprise bargaining.
- Much more sophisticated/ global businesses as potential members.
- Many more highly niched businesses meaning one size fits all service approach no longer works.
- Need for “business” voice rather than “employer” voice.
- Relevance as basis for advocacy – not social partnership status.

EBMOs EVOLUTION TRENDS



Diversification of business organizations, followed in some countries by period of *consolidation* (mostly because of financial difficulties) or *at least collaboration*.

Shift to *voluntary membership* organizations; *younger generation of leaders*.

Increased *transparency and accountability* (e.g., publication of balance sheets).

Representation abroad (e.g. European level).

Diversification of membership > local companies + MNEs.

Adoption of *new communication strategies*.

Focus on quality of Human Resources.

What do others say?

“The role of business is central if not pre-eminent, in meeting the economic, social and environmental aspirations of government and peoples worldwide.”



*Johannesburg World Summit of
Sustainable Development
2002*

What do others say?



“The fundamental role of business has remained relatively constant: providing the goods and services that people need or want. What has changed dramatically over time are the expectations placed on businesses. Boards of directors, management and investors of large corporations are now expected to address an array of social, economic and ecological challenges.

Business derives its social legitimacy and right to operate from the economic value it creates for society at large, from its performance for both investors and a wider network of constituencies, its partnership with governments and other agents in solving social problems.”

World Economic Forum 2014

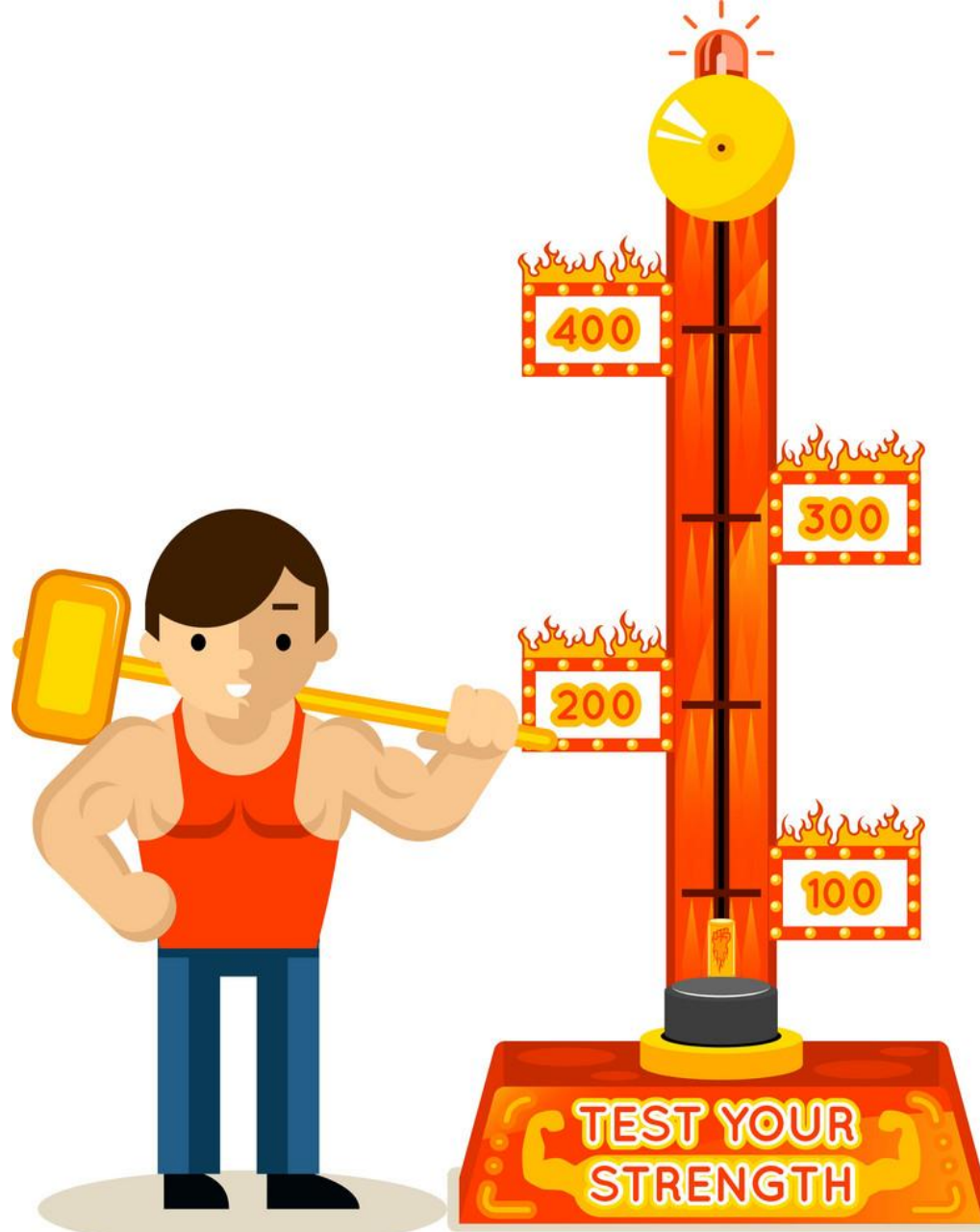
Discussion

What are the challenges facing your organization today?

How do you face them?



- Work in groups
- 10 minutes
- Note down on a flipchart



The Kellen PLU Model

- **Power:** Power to influence decisions e.g. industry projects, advocacy, certification
- **Legitimacy:** Representativeness of an industry: are only large, or only small players on board, or both; is there a balanced or specific geographic priority and how is the organization perceived by stakeholders and influencers
- **Urgency:** Efficient decision making within the association and undertaking timely action, which can be measured in the ability to react to issues e.g. crisis communication or change management

Develop a strategy **based on your members' wants and needs**, and your association will deliver the **most relevant** suite of products and services to them, leading to **higher membership numbers and greater engagement**.

A **value proposition** offers members a clear, sound rationale for joining, belonging, contributing, and taking advantage of what your association offers them—starting with what they think is valuable. It differentiates **why a member chooses to belong** to your organization, a competing organization, or none at all.

Developing a value proposition is a **multi-step process** that will aide in organizational planning and membership growth and loyalty. The outcome is a clear, direct **claim** that is relevant to your **important audiences** and represents what your association **does well today**. The written proposition is a statement that helps tell your story of relevance in a concise messaging platform that becomes the **basis for all your association's communications**.

- A collection of the most persuasive **reasons** why enterprises + sectoral and territorial associations should become a **member**.



VALUE PROPOSITION DESIGN

Mission, Vision and now **Value proposition ... why that?**

- **The value proposition is different from a EBMO's mission statement or vision**
- **Mission** is an expression made by its leaders of their **intent** for the organization: what an organization is and does. One sentence.
- **Vision**: picture of the organization in the future; it is the inspiration, the framework for all the strategic planning. One sentence.
- **Value proposition**: statement summarizing **why a consumer should buy a product or use a service**. This statement convinces a potential consumer that one particular product or service will add **more value or better solve a problem** than other similar offerings will. **1-2 sentences or short list.**

Value proposition

- The key difference is that the **value proposition** is created from the **customer's perspective** rather than the organization's. A value proposition defines the key reason why a customer would buy your product or services

Example: Ripley County Chamber of Commerce

Mission

- Ripley County Chamber of Commerce is a nonprofit membership organization with a mission to attract, develop and retain business.

Vision

- More than simply a business advocacy organization, the Ripley County Chamber of Commerce envisions the advancement of the community's overall quality of life.

Value proposition

- Powerful connections. Increased visibility. Business intelligence. Joining the chamber will provide you with opportunities to meet your peers in the business community, establish valuable relationships, build awareness of your business, exchange ideas and gain access to a host of business information to help you make smarter decisions.

Los Angeles Area Chamber of Commerce

- **VISION**

The Los Angeles Area Chamber of Commerce, as a trustee for the current and future welfare of the region, seeks the full prosperity of the Los Angeles area.

- **MISSION**

The Los Angeles Area Chamber of Commerce champions economic prosperity and quality of life for the Los Angeles region by being the voice of business, promoting collaboration and helping members grow.

VALUE PROPOSITION

- **ACCESS** low makers and elected officials in the city and county of Los Angeles, Sacramento and Washington, D.C.
- **INFLUENCE** over public policy issues through Chamber Public Policy Councils and initiatives.
- **CONNECTIONS** to business prospects, opportunities and relationships through more than 100 business development and networking programs each year.
- **SAVINGS** on more than 350 business products and services through our bottom-line benefits and member-to-member benefits programs.
- **RESOURCES** to gain skills and reach new audiences through professional development programs and cost-effective marketing vehicles.
- **INFORMATION** and analysis from our award-winning publications on businesses issues and policy developments in Southern California.

IBEC value proposition and motto

Whether you're home grown, multinational, big or small, Ibec membership **can help your business succeed**. We provide a **powerful voice** in government on the key issues impacting businesses like yours while **providing you with premium HR services and supports, great networking opportunities and insightful industry and economic analysis**.



Canterbury Employers' Chamber of Commerce

Owning and managing a business can be challenging at times. CECC aims to help businesses succeed and prosper in today's environment. Membership means you're not alone.

- **Get the right advice:**
Our team of experts are here to help. Members get free advice and discounted consultancy across a wide range of expertise, as well as access to free online resources, quick guides and templates.
- **Connect with the right people:**
Our events, including free monthly networking events, are an easy way to meet like-minded people, broaden your networks and generate sales referrals. Our well-connected team can also help with introductions.
- **Upskill yourself and your team:**
Our training and events are a great way to develop new skills and capabilities. Heavily discounted for members, we offer training courses, or can come to you to deliver tailored on-site training.
- **Keep up to date:**
We pride ourselves on knowing what's happening in our region and economy. Members can attend a wide range of events, including our free quarterly Critical Issues updates, and receive regular e-newsletters to ensure they're kept up to date.
- **Have your voice heard:**
We advocate on behalf of businesses locally (and nationally through our membership of Business New Zealand and the New Zealand Chambers of Commerce) to ensure the business voice is heard in important decision-making.
- **Reap the savings:**
Our Member Savings Programme means members can save thousands on the bottom line.

It is a clear series of statements (2-3) or a list that explains

- why and how membership of an EBMO solves the members' problems improves their situation (**relevancy**),
- delivers specific benefits (**quantified value**)
- tells the potential member why they would not get the same outcome from other service providers (**unique differentiation**).



The Value you deliver to members: defining your value proposition

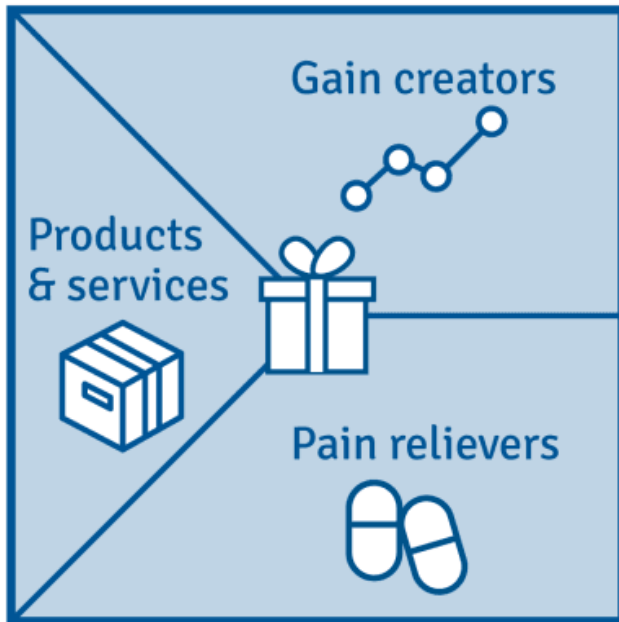
1. Who are your **targets**?
2. Which of the **Problems or Needs** are you fulfilling?
3. What is **unique** about your offer and why do your members prefer you to competitors?



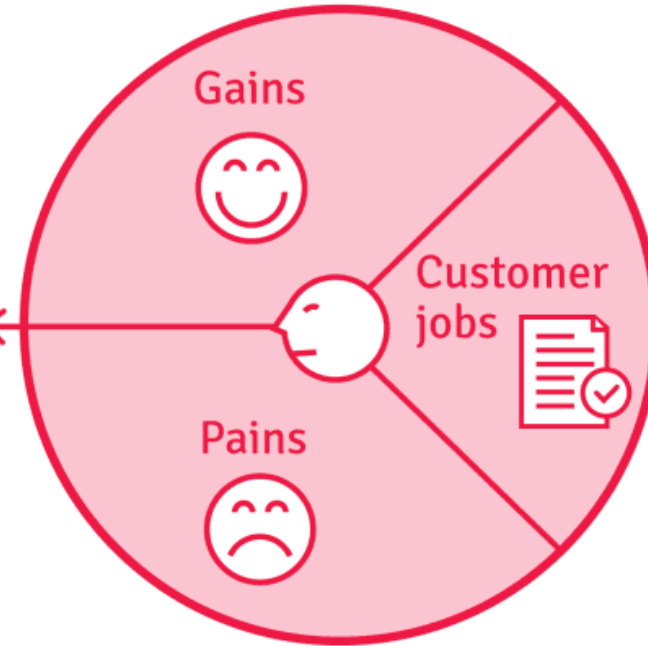


https://www.youtube.com/watch?time_continue=60&v=ReM1uqmVfP0

Value Proposition



Customer Profile



Example:
how to describe
a value
proposition

Our _____
Products and Services

help(s) _____
Customer Segment

who want to

by _____ and a customer pain
jobs to be done
verb (e.g., reducing, avoiding)

and _____ and a customer gain
verb (e.g., increasing, enabling)

(unlike _____)

competing value proposition

What is segmentation?

- Market Segmentation: division of the total market into smaller, relatively homogeneous groups
- No single marketing mix can satisfy everyone. Therefore, separate marketing mixes should be used for different market segments.

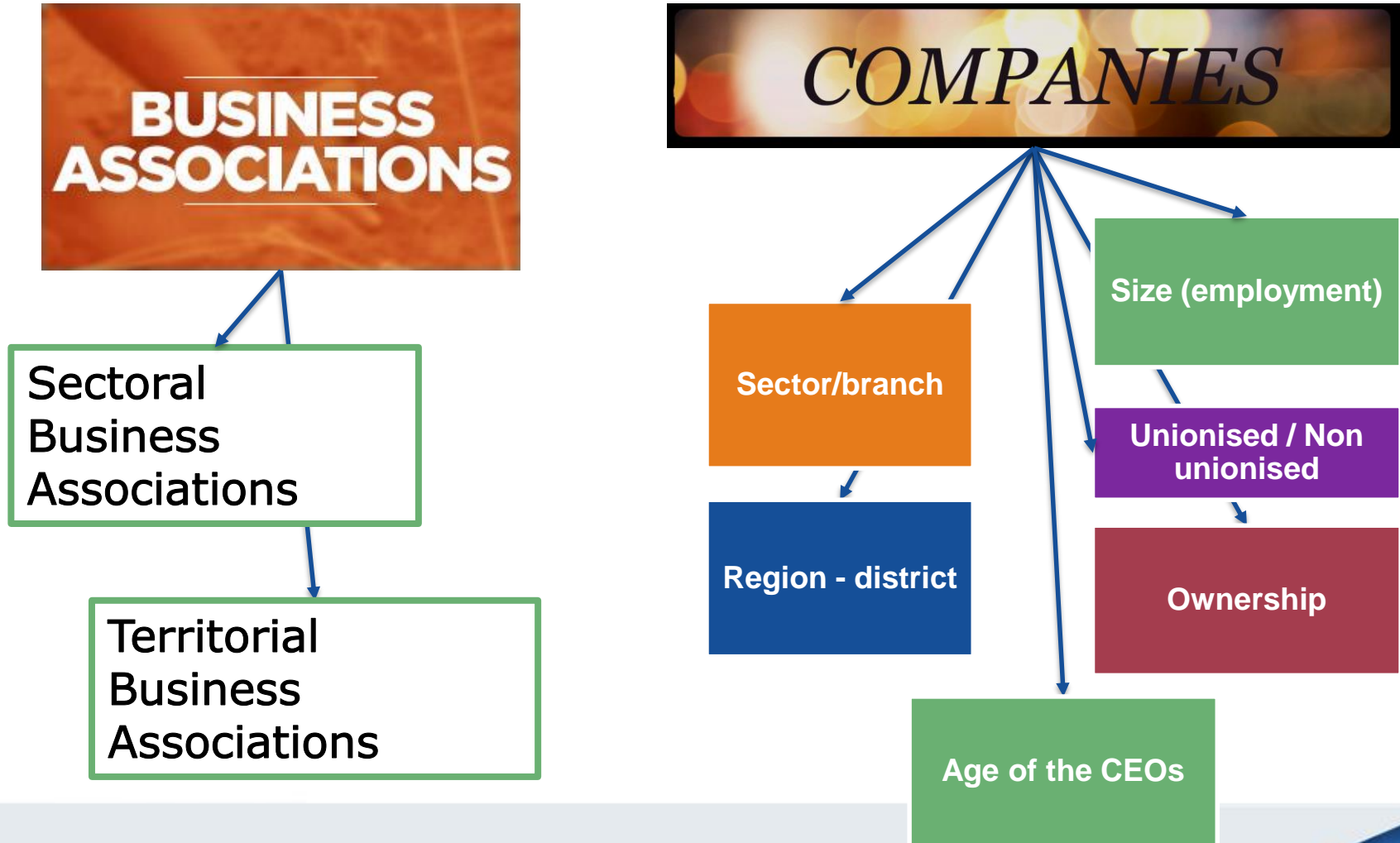
Criteria for Effective Segmentation

- Market segmentation cannot be used in all cases. To be effective, segmentation must meet the following basic requirements:
 - The market segments must be measurable (purchasing power and size)
 - Marketers promote to, and serve, the market segment
 - Market segments must be sufficiently large to be potentially profitable
 - The number of segments must match the organisation's capabilities.

Members and potential members could be classified according to their:

- **Characteristics** - size, turnover, location, sector of activity, etc.
- **Reasons for being members** –
 - Gains – what are the concrete benefits members are seeking from membership?;
 - Pains – what are the risks and obstacles members are trying to avoid by being a member?

By characteristics



By reasons for being members

- Segmenting by grouping people according to the amounts of a product that they buy and use
- Markets often divided into heavy-user, moderate-user, and light-user segments
- The 80/20 principle (“Pareto’s Law”) holds that a big percentage of a product’s revenues (roughly 80%) comes from a relative small, loyal percentage (around 20%) of total customers

By reasons for being members

- **By use of services**
 - Free service
 - Paying service
- **By involvement in EBMO policy making** through Board, Committees or participation in AGM
- **By loyalty** – numbers of years being EBMO member (and paying subscription fees)



Segmenting is useful for:

- Having engaging communication with members
- Making better management decisions notably regarding level of fees or pricing of services
- Developing a Value Proposition per each segment
- Etc.

If you have a very diversified membership, it might be useful to develop on top of a general value proposition, **values propositions for different segments** – which is your clear added value for each specific segment?

Form vs Function

- Putting member first is key in order for EBMOs to achieve their missions in a context in which expectations are high
- This can be only be done by taking a closer look at who the members / potential members are & design products and services that are a FIT to their needs (pains / gains)
- Whatever the **form** the EBMO takes, this approach will enhance its **function**

Discussion

What are (could be) the key elements of my organization's value proposition?



- Work in groups
- 10 minutes
- Note down on a flipchart

Example:
how to describe
a value
proposition

Our _____
Products and Services

help(s) _____
Customer Segment

who want to

jobs to be done

by _____ and _____
verb (e.g., reducing, avoiding) and a customer pain

and _____
verb (e.g., increasing, enabling) and a customer gain

(unlike _____ **)**
competing value proposition



Programme for Employers' Activities

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