

How one association got out of a hole with radical changes to its internal culture, its products, and its approach to member service.

By Eric Fletty and Jan Bottiglieri

The best way to get out of a hole is to quit digging.

That can be a real challenge—especially if you haven't even noticed that you are holding a shovel.

For the staff of TAPPI, an association dedicated to serving the pulp, paper, and packaging industries, it was easy to see we were in crisis. Our members' needs were not being met, our board was unhappy, and the tension around the headquarters office was leading to job dissatisfaction and a culture of blame shifting.

Yet somehow we managed to turn it around. In the words of TAPPI team member Lisa Hightower of TAPPI Press, "Looking back to when the hard times began, compared to where we are today, shows what a difference having the right people and working as a team can make. We should be proud."

Step One: Quit Digging

Dollars and Cents

Since 1915, The Technical Association of the Pulp and Paper Industry (now simply called TAPPI) has been facilitating the advancement of knowledge in our industries. That's 90-plus years' worth of staffers, boards of directors, and members who have helped TAPPI survive the vagaries of our cyclical industry to arrive where we are today.

During recent years, TAPPI found itself relying on the hard work of its predecessors (i.e., our investments) to support its operations. In fiscal year 2006, TAPPI lost more than \$3.4 million, which included a portion of a severance and pension termination program. For the sake of comparison, that amount represents an approximately \$2.5 million loss of net ordinary income in FY06.

By 2007, TAPPI had been in the red on net ordinary income for 11 straight years (see figure below). The cumulative total topped \$23 million. Clearly the situation was unsustainable. We needed drastic change.

Losses Leading Up to FY08's Black Ink*	
FY 2000	-3,405,366
FY 2001	-385,845
FY 2002	-3,038,143
FY 2003	-2,460,252
FY 2004	-1,501,234
FY 2005	-796,280
FY 2006	-2,426,903
FY 2007	-1,931,503
FY 2008	277,620
FY 2009 (est.)	106,570

*This chart reflects TAPPI's "net ordinary income," operating income not including changes in our investment portfolio.

FY07, when our story begins, saw another net ordinary income loss, of nearly \$2 million. In comparison, for FY08—the first full fiscal year that the current team was in place—we saw more than \$250,000 worth of black ink. This small amount was a big victory: It represented a turnaround of more than \$2 million in one year. At press time we remain ahead of budget for FY09, and we are confident that TAPPI will come out of the economic downturn in the black.

Leaders, Partners, and Opportunity

Our revolution was the cumulative effect of small successes and sweat equity, not a silver bullet. Our approach centered on a new leadership philosophy best captured by Scott Springmier in TAPPI's Pulp and Paper Divisions, who says, "Our leaders at TAPPI have given us the direction and support to be successful and the freedom to do our jobs."

As part of this leadership philosophy, we made some important new assumptions:

It's the members' association. We

decided to work in partnership with the volunteers, instead of telling them what to do. We made a conscious effort to move the focus away from our agendas and onto the members' goals for TAPPI. As we listened to what members had to say, they became more engaged and took more pride in their volunteer positions.

In the past, we heard member comments like "TAPPI is so messed up!" about seemingly everything we did. We even joked with members that TAPPI stood for "Thousands of Angry Paper/Packaging People, Incorporated." Well, they weren't laughing.

LISTENING TO MEMBERS

Listening starts internally. In one-on-one conversations during his first week on the job, TAPPI President Larry Montague asked every staff member "If you were king or queen for a day, what would you do?" For TAPPI, this signaled the beginning of change.

Larry took volumes of notes and shared what he heard with the team. Most importantly, he took action. This immediately let staffers know that if they had a suggestion, it would be heard.

To effectively listen to customers, you must first listen internally. When you then ask your team to listen to customers, they will—not only because they know how, but because they realize that if they hear a good idea, it will get implemented. The message your staff team can inspire much-needed momentum for greater change. Plus, it's free!

To build on this concept, TAPPI launched a member visit program. Our staff team members visit customers (including member companies, vendors, or advertisers) with the primary purposes of listening and acting on suggestions. When you follow up proactively on the little things, it strengthens relationships and builds trust in your organization, which helps your customers support the big things. For instance, we have added an after-hours mail drop, changed our nominating committee, and reached out collaboratively to other organizations. Plus, we now receive more ideas than ever. These ideas come from conversations with our members—not from research firms, stats, or long-winded strategy meetings.

Member visits take time and coordination, but they often do not require significant out-of-pocket expense. For example, whenever possible, we plan visits around other trips.

Not all ideas are small. One specific example was a new all-for-one pricing model that was scary at first, but which has garnered tremendous results. It allows any single customer location to register an unlimited number of event attendees for one price. We limited the program to our "buying" customer attendees and shared this new approach with "vendor" attendees to demonstrate what we were doing to get more of their customers at each event. The vendors rewarded our effort with increased sponsorship support, both financially and through word-of-mouth marketing. After piloting the program at one event, we rolled it out to other events and were able to meet or exceed those event budgets. We could have easily said "no" to the original idea, which seemed risky; but we listened, and it worked.

By exploring and embracing nontraditional ways to build teamwork, we created an environment that is extremely hard working but collegial.

Today we promise to explore every idea—yes, every idea—that members offer. While we can't do it all, we can communicate honestly and work together toward the best solution. Now we hear about specific, treatable issues: "I had trouble with my registration" or "I need help updating my membership information." More than ever, we're also hearing, "I have an idea—what do you think?" (See also our sidebar on page 28.)

It's about the association, not just your department. During the turnaround, we worked to help everyone on staff better understand the big picture. For example, our events department used to focus on individual events, with the goal of making the bottom line of each event successful. Now we are more in tune to cross-selling and promoting TAPPI as a whole.

Our success came from focusing on collaboration and team effort instead of who came up with the idea (stamping out the dreaded "not invented here" syndrome). Michelle Williams, TAPPI's controller, says that under the new model "we really get to know what everyone does and we have a feeling of ownership and contribution toward helping the association deliver real value to our members." There is less lip service and more action.

"I'm seeing lines between different areas of responsibility blur as we become more comfortable with making choices that solve the problem, instead of limiting ourselves to the traditional boundaries of our jobs," Karen Roman, TAPPI webmaster, comments. This has a positive impact on our volunteers; they know that if we agree to make changes or improvements, they actually happen.

Frequently asking for and acting on

suggestions has now become a way of life, and it is truly amazing the ideas we get just by asking. When our president (TAPPI's chief staff officer) Larry Montague asked everyone on staff to submit cost-saving ideas, we netted more than \$85,000 in savings. Notes team member Simona Marcellus, TAPPI Press, "I have been surprised by how we've saved money by focusing on everyday expenditures like recycling our copier cartridges. These small, everyday cost reviews force us to really think about every dollar we spend."

Simplifying saves time and money. TAPPI used to have at least 14 project centers. We now have five: administration, events, membership, publications, and training. In addition, we updated our financial statements to quickly and clearly show how we are performing compared to budget. This has saved a tremendous amount of time. When we had numerous project centers, the managers would debate over who paid what portion of various bills—sucking up precious staff time, adding accounting time, and creating frustration and animosity. Most importantly, it didn't help our members.

Now, our most important financial metric is net ordinary income. Easy-to-understand financial statements and team members who trust each other are much more effective at producing our positive net ordinary income than operating in silos. In addition to saving time, it is amazing how many opportunities this creates, as more people see more of the operation every day. Longtime TAPPI employee Charles Bohanan, TAPPI Standards, says, "As someone who has lived through several culture changes at TAPPI, I can say that there is certainly

more of a focus now on having the entire staff work as a team to solve problems."

Nontraditional Teambuilding

Our professional lives can be stressful, but that does not mean they can't be fun. An organization just needs to make fun acceptable. For instance, last summer our two interns half-jokingly proposed occasional staff viewings of NBC's *The Office* during lunch. (The company on the show sells paper.)

We shocked everyone by actually doing it. We even conference called some of our remote employees. It cost no money, took no more time than a normal lunch, wasn't mandatory (although most everyone joined in), and it helped our team build friendships at work. Efforts like this helped create a TAPPI culture that staff member Mary Beth Cornell, Business Development/Training, describes as "open, honest, and fun."

By exploring and embracing nontraditional ways to build teamwork, we created an environment that is extremely hard working but collegial. "I don't want to sound corny, but I feel like staff is more of a family now. We are all pulling together to help each other and the volunteers," says Kristi Ledbetter, Converting Divisions.

Mission Matters


We all know that associations aren't about money—they're about meeting your mission. Still, every association needs to be sustainable. TAPPI's change began when we realized we had to focus on finances, but during the process, we remained true to our mission and ended up doing a better job of meeting it.

Like most professional associations, TAPPI's mission revolves around knowledge delivery and networking opportunity. Over the past two years we have increased attendance at events, received more nominations for our awards program, published more textbooks, added new publications around key issues, and created new volunteer groups (and "sunsetted" others).

We've also focused on longer-range activities, such as beginning the process of becoming an ANSI-approved standards provider and launching a new initiative to help recruit the next

generation of TAPPI volunteers. Our efforts have halted a dramatic membership decline, and we have reinvented our product areas. As we look to the future, we're focused on growing our membership, embracing technology, and building on a continuing string of small successes.

Everyone loves success. Success starts small, however, and only grows from teamwork. Teamwork requires a good company culture, which is born of clear goals and a fun environment. One of our newest team members, Raine Hyde, Content Management, sums it

up: "The atmosphere here is very welcoming. Everyone at TAPPI loves what they do, and they have a passion for it. My new boss said it best on my second day, when I called her my boss—she said, 'I am not your boss. I am your mentor and your colleague.' That really hit home and made me feel that not only was I invested in TAPPI, but that TAPPI was invested in me." 

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ELIMINATING "ASSOCIATION TIME"

We've all seen attempts at forced culture change. While some good can come from these efforts, if change is forced it simply can't last. Only true teamwork creates lasting culture change, and nothing creates teamwork like the feeling of getting things accomplished quickly.

The most effective way for management to drive culture improvement is by modeling the way things should be done. At TAPPI, we joke that it's about eliminating "association time." We work with volunteers in a consensus-based environment, but that doesn't mean we can't operate at (or faster than) the pace of the for-profit world.

First, we share our financials with the team. Good decisions cannot be made without information. Once they're armed with the financials, we empower our team to do something about them. When we made overall organizational health our most important financial goal, we saw much more teamwork across product lines. Each team member makes decisions around their products and seeks leadership input based on some informal guidelines:

- Can we make a profit? If so, when?
- Are politics involved?
- Will this make our members happy?
- Did we seek input from affected parties internally and externally?
- Is this a good use of resources?
- Is this consistent with our mission?

Second, you can't empower your team unless they know it is OK to make mistakes. At TAPPI we feel that if you never make a mistake, you're probably not trying hard enough. The key is that, if you mess up, unmess it.

Third, minimize organizational changes. Too much change slows decision making. We strive whenever possible to limit reporting changes to once a year. With good teamwork it's not about who you report to, it's about how to make the most progress.

For many associations, staff time is one of the largest expenses; effective, efficient use of time is often the difference between meeting budgets and not. Most of us know our businesses, and we know that often a quick discussion can replace a long-researched business plan. Through organizationwide sharing and trust—and remember, it starts at the top—TAPPI has fostered teamwork, ramped up productivity, and streamlined our decision making. All of these are essential to improving any culture.

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