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IACCA PERSPECTIVES

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Conference Center
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Briefing Papers

Core Principles

Core Principles for Conference Center Management

By Carole Westphal

CORE PRINCIPLES FOR PROFESSIONAL NONPROFIT CONFERENCE CENTER MANAGEMENT

In the thirty years of its existence, IACCA has amassed an impressive body of professional knowledge about the nonprofit conference center business. One of the primary purposes of the Association is to make that knowledge accessible to its members through such vehicles as the Annual Conference and the Key Content Workshops (KCW's) and seminars which are part of the certification program for conference center professionals.

The curriculum for those KCW's and seminars has recently undergone a major revision and restructuring, resulting in a more orderly and professional presentation of the material. In the course of that reworking, it became clear that underlying each of the key subject matter areas was a set of core principles, a set of standards.

The curriculum writers took a first pass at outlining what those principles might be for each of the six KCW topics: Business Administration and Governance, Human Resources, Finance, Marketing, Hospitality, and Facilities Management. They also attempted a definition of the term "core principle" that would help distinguish principles from practices and serve as a tool for refining their initial list. A principle is a fundamental policy, assumption, or standard governing what we do. A practice is the method used to accomplish a principle.

Core Principles...

- **GENERAL MANAGEMENT**
- **BUSINESS ADMINISTRATION & GOVERNANCE**
- **HUMAN RESOURCES**
- **FINANCE**
- **MARKETING**
- **HOSPITALITY**
- **FACILITIES MANAGEMENT**

That sounded easy enough, but it actually turned out to be quite a challenge to sort out just what represented a core principle in each of KCW areas and what was instead a means of carrying out that principle. The Capstone class of 2006, meeting at Honey Creek Conference Center in South Georgia, played a critical role in that discernment. In the course of reviewing their KCW material prior to writing action plans for each of their centers, the class deliberated and debated the initial list of principles. They quickly determined that there was a set of general management principles which affected every subject matter area and delineated those as a separate list. Their objective was to keep the number of principles in any area in the single digits, an objective which was fully met - the General Management and Marketing principles number seven each, Facilities Management five, and the rest six each.

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The next step for the newly developed list of core principles was the full Education Committee, which reviewed the work of the Capstone class and made a few additional minor revisions. The IACCA Board of Directors then took a look at the core principles, and again with a few minor revisions, approved their adoption. They are now the official basis and the organizing structure for all of IACCA's educational programs. They are integrated into course materials and teaching guides, and future Capstone and Recertification classes will be built around them. While they, like everything else in this rapidly changing world, may need to be updated and revised from time to time, it is unlikely that their basic thrust will change. They are, after all, core principles.

GENERAL MANAGEMENT CORE PRINCIPLES

- 1. A NONPROFIT ORGANIZATION EXISTS TO MEET SOME LEVEL OF PUBLIC GOOD.**
- 2. MISSION-BASED ORGANIZATIONS ARE NOT EXEMPT FROM ALL APPLICABLE LAWS AND REGULATIONS.**
- 3. INNOVATION AND CONTINUOUS IMPROVEMENT SHOULD BE A WAY OF LIFE.**
- 4. CENTERS SHOULD FOLLOW ESTABLISHED BEST PRACTICES IN THEIR DAY-TO-DAY OPERATIONS.**
- 5. ALL ASPECTS OF CENTER OPERATIONS MUST BE INTEGRATED WITH THE MISSION STATEMENT.**
- 6. PLANNING IS AN ESSENTIAL AND CONTINUING PROCESS.**
- 7. GOOD STEWARDSHIP OF ASSETS AND RESOURCES IS A RESPONSIBILITY OF EVERY STAFF MEMBER.**

The General Management Core Principles recognize that successful nonprofit conference centers must be both mission-driven and businesslike. We are granted nonprofit status and hence exemption from many forms of taxation because we have agreed to work in some way for the betterment of our society. In other words, we meet some level of public good and are recognized officially as doing so. Nevertheless, we must function as a business, both to maintain our legal continuity and to assure that we are carrying out our mission in an effective and efficient manner. We are not exempt from the laws of the land and their associated regulations because we are "doing good". Planning, stewardship of resources, innovation, and a commitment to continuous improvement are critical for the ongoing vitality of any organization, as is the understanding and application of best practices in every aspect of operations.



BUSINESS ADMINISTRATION & GOVERNANCE CORE PRINCIPLES

- 1. A CLEAR DELINEATION OF THE ROLES OF THE OWNER(S) AND THE EXECUTIVE AND THE LINKAGE BETWEEN THEM IS ESSENTIAL.**
- 2. DATA AND REPORTS MUST BE ACCURATE, ACTUALLY USED, A FAIR REPRESENTATION, AND RETAINED APPROPRIATELY.**
- 3. A CENTER MUST BE MANAGED IN A WAY THAT HAS MORAL AND LEGAL INTEGRITY AND WHICH COULD BE MADE PUBLIC AT ANY TIME.**
- 4. RISK MANAGEMENT IS BOTH AN ETHICAL AND A LEGAL OBLIGATION.**
- 5. A CENTER SHOULD ESTABLISH CLEAR LINES OF MULTI-DIRECTIONAL ACCOUNTABILITY.**
- 6. POLICIES AND PROCEDURES SHOULD BE ESTABLISHED, ADHERED TO, PUBLISHED, AND REVIEWED ON A TIMELY BASIS.**

No matter what governance structure a conference center operates under, the key is to be precise about the relationship between center management and its governing body and their respective roles. However they are defined, they must be defined and adhered to. Accountability must be clearly delineated, and there must be written policies and procedures which are kept up to date and communicated widely. There is a requirement for transparency, both within and outside the organization, particularly given our obligations to the public to provide social value in exchange for our nonprofit status. And data should never be collected nor reports generated just because it is possible to do so; there should always be a specific reason for spending the time and money to gather data and turn it into information and an intended use for the resulting reports.

HUMAN RESOURCES CORE PRINCIPLES

- 1. STAFF MEMBERS AND VOLUNTEERS ARE PROFESSIONAL RESOURCES AND SHOULD BE MANAGED ACCORDINGLY.**
- 2. A TWO-WAY COMMUNICATION SYSTEM BETWEEN MANAGEMENT AND STAFF IS ESSENTIAL.**
- 3. DUE DILIGENCE IN HIRING AND RECRUITING IS ESSENTIAL.**
- 4. WRITTEN PERSONNEL POLICIES MUST BE DEVELOPED AND COMMUNICATED TO ALL STAFF MEMBERS.**
- 5. PAY AND INCENTIVE PROGRAMS MUST BE EQUITABLE AND COMPREHENSIBLE AND MUST RESULT IN THE DESIRED BEHAVIOR.**
- 6. EVERY STAFF MEMBER MUST HAVE AN ANNUAL REVIEW THAT INCLUDES A PERSONALIZED DEVELOPMENT PROGRAM.**

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Every organization professes to believe that its staff members are its most important resource, but not all of us practice what we preach. The Human Resources Core Principles acknowledge that everyone who works for us or with us, both paid staff and volunteers, must be treated in an adult, professional manner. They are entitled to be fully informed and to have an opportunity to provide feedback to management. They are not to be managed or paid in a haphazard or arbitrary manner, and every staff member is worthy of a comprehensive annual performance review and a personal development plan.

FINANCE CORE PRINCIPLES

1. **NONPROFIT DOES NOT MEAN OPERATING AT A LOSS; IT REFERS TO THE USE OF NET EARNINGS.**
2. **FINANCIAL STATEMENTS ARE ONLY HISTORY. FINANCIAL PROJECTIONS ARE PRICELESS.**
3. **PROFESSIONAL DIRECTORS KNOW BASIC ACCOUNTING AND FINANCIAL PRINCIPLES.**
4. **FINANCIAL RESOURCES ARE THE FUEL THAT SUSTAINS MISSION.**
5. **CLEAR, ACCURATE, AND CONSISTENT RECORDS ARE ESSENTIAL.**
6. **A SYSTEMATIC SET OF CHECKS AND BALANCES IS ESSENTIAL.**

Most nonprofit conference centers can no longer rely on a parent body to fund an annual operating deficit, and it is not a sin to make money providing valuable services for our communities. Without a sound financial base, a conference center will not be able to continued carrying out its mission for very long. That is why successful center directors must have a basic knowledge of accounting and finance. They must be able to read financial statements and make projections of key financial data such as net earnings and cash flow. And as part of our public obligations and our need to operate in a businesslike fashion, systematic checks and balances help to maintain our financial integrity, both for our own peace of mind and for the assurance of any external body taking an interest in our centers – potential donors, judicatory bodies, and the IRS, to name a few.

MARKETING CORE PRINCIPLES

1. **ANY ACTION WHICH TOUCHES A CUSTOMER IS MARKETING.**
2. **EVERY STAFF MEMBER IS A MARKETING REPRESENTATIVE AND MUST BE TRAINED ACCORDINGLY.**
3. **SUCCESSFUL CENTERS ANTICIPATE WHO AND WHERE THEIR CUSTOMERS ARE, WHAT THEY WILL NEED AND WANT, AND WHAT THEY ARE ABLE AND WILLING TO PAY.**

4. **GOOD MARKETING FOCUSES ON VALUE, NOT PRICE. PERCEIVED VALUE IS OFTEN NOT THE SAME AS MONETARY VALUE.**
5. **A SUCCESSFUL PRICING STRATEGY IS LOGICAL, EASY TO UNDERSTAND, WELL-PUBLICIZED, AND PREDICTABLE.**
6. **EVERY CENTER NEEDS A COMPREHENSIVE MARKETING PLAN.**
7. **SUCCESSFUL CENTERS DEVELOP A DISTINCT BRAND OR IMAGE.**

“Marketing” is no longer a taboo word in the world of nonprofit conference center operation. It is simply the means by which we tell people who we are, what we do, and why we do it. It is also the mechanism which helps generate sufficient revenue so that we can continue to carry out our mission in both the short and long run. In that respect, any guest contact is a form of marketing, and every staff member is part of the marketing effort. Good marketing is carefully organized around the concepts of image and value – what is it that we offer to guests, and what are the benefits which accrue to them as a result of coming to our center? Products and prices need to be easy to explain and to understand; if some groups pay different rates than others, such as church groups within our judicatory association, those distinctions need to be logical ones. And like every other aspect of center operations, marketing will be much more efficient and effective if it takes place under the over arching umbrella of a comprehensive plan.

HOSPITALITY CORE PRINCIPLES

1. **EVERY CUSTOMER CONTACT IS A HOSPITALITY OPPORTUNITY.**
2. **EVERY STAFF MEMBER IS A GUEST SERVICES REPRESENTATIVE AND MUST BE TRAINED ACCORDINGLY.**
3. **GUESTS ARE TO BE WELCOMED, VALUED, AND RESPECTED.**
4. **GUEST EXPECTATIONS MUST BE MANAGED WITH RESPECT TO CENTER CAPABILITIES.**
5. **HOSPITALITY IS ANTICIPATING GUEST NEEDS AND DOING MORE THAN IS REQUIRED OR EXPECTED.**
6. **ALL ASPECTS OF OPERATION AND APPEARANCE CONTRIBUTE TO THE HOSPITALITY OF A CENTER.**

Hospitality covers every aspect of center operations which touch a guest, from initial contact through the actual stay to the departure experience. A center might not be able to provide everything a group wants, so communicating center

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capabilities from the very beginning is crucial, as are the skills to say “no” in a positive and professional manner. Guests are always delighted by staff members who can anticipate their needs and who go beyond the obvious to make their stay a special one. That does not necessarily mean “exceeding expectations,” a current catch-phrase in the industry, because a guest group may have very high expectations in the first place and simply meeting them may represent outstanding service.

FACILITIES MANAGEMENT CORE PRINCIPLES

1. **SAFETY AND FUNCTIONALITY ARE THE PRIMARY CONSIDERATIONS.**
2. **GOOD FACILITIES MANAGEMENT, ALTHOUGH NOT ALWAYS VISIBLE, IS CRITICAL FOR A POSITIVE GUEST EXPERIENCE.**
3. **CENTERS REQUIRE CONSTANT UPDATING.**
4. **PREVENTIVE MAINTENANCE IS LESS COSTLY THAN MAJOR REPAIRS.**
5. **ACCURATE RECORDS ARE ESSENTIAL.**

Like finance, facilities management is often invisible to the guests, but it contributes in a major way to the overall health and vitality of a center. It is easy to let minor maintenance needs slip until they reach crisis proportions, but it is always much more expensive to do so – a preventive maintenance program is therefore both a facilities and a financial necessity. Centers must also be constantly updated to meet the changing needs and expectations of their guests in this increasingly connected and comfort-loving age. And as in all aspects of center operations, record-keeping is crucial. If you don't know where it is, or when it was installed, or how it works, a great deal of time and money can be wasted.

CONCLUSIONS

Running a nonprofit conference center is no small challenge, particularly in this age of rapid change and increasing customer expectations. This set of core principles from IACCA can become a valuable guide both for evaluating your current operations and planning for the future.

To learn more about these core principles and how they can be used in real life, sign up for an updated Key Content Workshop (KCW) in Business Administration & Governance, Human Resources, Marketing, Finance, Hospitality, or Facilities Management. (Remember that there is a substantial discount for already-certified IACCA members who want to take a KCW and keep their skills and knowledge current.) For more information, visit the IACCA web site at www.iacca.org.

About the Author

Carole Westphal is a former Executive Director of the La Foret Conference & Retreat Center in Colorado Springs and currently serves as the secretary of the La Foret Board of Directors. She is also the immediate past Executive Director of IACCA. Carole is a member of the IACCA Education Committee and an instructor for KCW's and the Capstone Seminar.

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About IACCA

The International Association of Conference Center Administrators (IACCA) is an association of nonprofit conference center professionals committed to education, professionalism, and support.

1. IACCA offers educational opportunities for its members and for those with whom they work.
2. IACCA promotes professional excellence in nonprofit conference center leadership, administration, and operation.
3. IACCA provides a supportive community that facilitates the sharing of knowledge and experience and the addressing of common challenges.