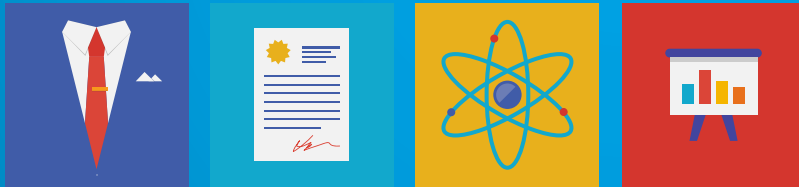




# Reinventing professional associations for the 21st century



Sterling White Paper no. 6 - March 2014

Four ways to stay relevant in a fast-changing environment

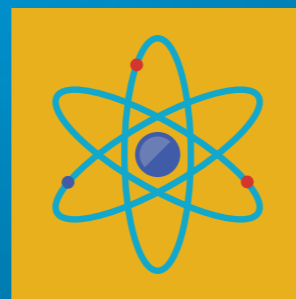
by Laurence Smith

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# Reinventing professional associations for the 21st century

We live in an age of cynicism. Over the last few years, a succession of scandals and crises have undermined public trust in our established institutions. Almost overnight, professionals who were regarded with a mixture of awe and reverence are now subject to suspicion and disdain. Banking failures, the Mid Staffs NHS scandal, phone hacking and MP expenses, have all been catalysts for this new climate. Doctors, accountants, lawyers, police officers, politicians – none can any longer enjoy a privileged status in the public's affection. It's hard to see a return to the era when they were immune to criticism or challenge. I moderated a number of focus groups in early 2013, and was taken aback by the caustic nature of the remarks when the discussion turned to such groups. "Expensive", "inflexible", "inaccessible", "old boys club", "necessary evil" and "waffle" were typical of the unprompted words and phrases.

Intrigued by these trends, over the past year I have interviewed the chief executives of many of the country's largest professional associations for my new book, TurboCharged Strategy. My purpose was to explore the changing role of such associations, and how they are maintaining their relevance against a fast-changing environment. In this short paper, I have highlighted four of the strategies that were forthcoming.



## Four ways to stay relevant in a fast-changing environment by Laurence Smith

### Staying current and stepping ahead

Obtaining a prestigious qualification no longer bestows the right to trade off the certificate through to retirement. Medical breakthroughs make the favoured treatments of yesterday redundant. Professionals could no longer possibly ply their craft if their competence had been frozen in the era of the Olivetti 6060. Accomplishments decades past at one's alma mater are good foundations but nothing more.

Continuing professional development (CPD) has entered the mainstream. Professional associations have pivoted. They are no longer primarily concerned with the initial entry into the profession, operating like the medieval guilds to restrict the population of artisans in any one discipline, whether stonecutting or glassmaking, and protecting the mysteries of the craft. Instead they deliver a programme of lifelong learning to their members, from face to face to online. Where CPD was once seen as marginal and optional, it is now ruthless and audited. Failure to fulfil CPD obligations is now one of the most common reasons for expulsion from a profession. On behalf of broader society, professional associations recognise that individuals who neglect to stay current undermine not merely the standing of the profession, but place the users of their service at risk or in danger. Surveyors who are unfamiliar with modern construction techniques, or financial planners who are not conversant with current tax laws, should not be indulged on the basis of their past achievements.

The most active professional associations do not stop with ensuring their members are current in their knowledge. They are peering into the world of tomorrow, deciphering the trends that will be important over the 20 or 30 years ahead. Professional associations are now one of the most enlightening sources of thought leadership. For

them, lingering nostalgically in a world that has passed is a mugs game. Their leaders are more likely to be restlessly obsessed with the world as it will be in 2020 or 2030, wrestling with the implications of robotics, or nanotechnology, or social media, or changing demographics upon their profession. An increasing proportion of their output is focused around fitting their members with the knowledge and skills they will need to cope in an almost unrecognisable future world.

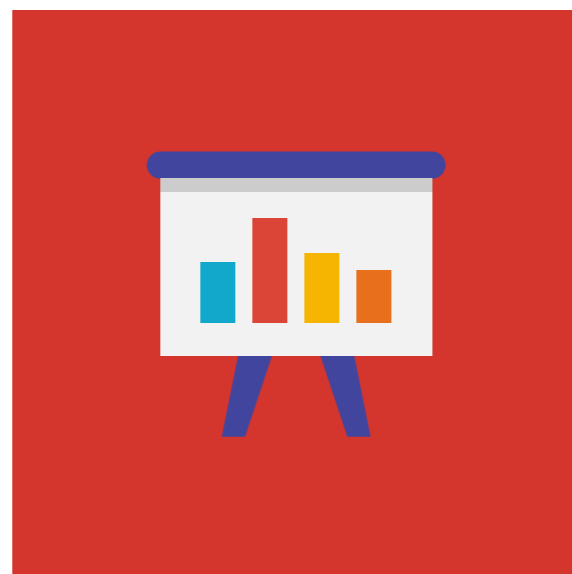


## Applying knowledge

Staying current with knowledge is a prerequisite for professionalism, but even then is far from the complete picture. The role of the professional is no longer to sit in a leather-bound armchair imparting scraps from a remote canon of knowledge to an adoring public. For anyone with access to a search engine and a mouse, the internet has commoditised knowledge. If professionals ever had the luxury of treating customers as an after-thought, such days are gone forever. Google has reversed the power balance in the professional-client relationship. Healthcare professionals complain that, every day, patients sit in consultation rooms having already completed an online self diagnosis, and printed out reams of Wikipedia pages listing their prescription options. For doctors, such transparency may be unwelcome. For the rest of the population, it is liberating; demystifying arcane subjects that were once the preserve of a privileged elite.



In this newly emerging world, the role of the professional is not simply to place a conclusion before the masses, and then depart the scene. Professionals are increasingly required to help their clients assess options and decide the appropriate course. Medical practitioners no longer conceal a distressing diagnosis from ailing patients; they will be open about the prospects, however harrowing, and work with the sufferer and the wider family on choices to mitigate the situation. Lawyers and accountants work with boards to understand the risk profile of a series of options, many of which may not be clear cut, and with the final selection requiring informed and careful judgement. One professional association executive called this “the professional as a change maker - using their experience not following checklists; applying their knowledge ethically and responsibly, not blindly observing rigid rules.



## In teams and in employment

For centuries, professionals were self-employed or they clubbed together with like-minded individuals to create a private practice. The typical career path consisted of earning your spurs in your twenties, straining like a work horse in your thirties, and finally being elevated to the partnership in your forties at which point the spoils of your toils were there to be enjoyed. Barring ill health or ill fortune, all could be mapped out with reasonable precision years ahead.

The modern world, with its shifting geopolitical power balances and wearying predilection for booms and busts, no longer allows such career ladder certainties for anyone, professionals included. Yet on top of that, the emergence of mega corporations in recent decades has added a further layer of complication. Global giants – whether in financial services or retailer or energy or technology – are increasingly disposed to employing teams of professionals in-house rather than outsource to advisers. Support services in such organisations will include specialists in corporate finance, marketing, or the law. Remuneration and job security will be on par with private practice, and the employer values having professionals on the inside, who must live with the consequences of their advice.

These new roles require professionals to have a broader set of skills to be effective. Functional excellence may be insufficient. The essence of an effective buyer (intransigence, impatience, and the ability to brood in a passive-aggressive manner) do not sit comfortably if elevated to the position of Chief Procurement Officer and invited to sit around the board table. Marketing Directors must be able to demonstrate the Return on Investment to their colleagues, not simply pioneer award-winning campaigns. The competency framework developed by the ACCA for complete finance professionals includes skills in stakeholder relationship management and leadership, alongside the traditional technical fields. Such is the patchwork quilt of talents needed to deliver value when working in that most curious of modern phenomena, the large bureaucratic organisation.



## The public interest goes global

All these reforms will be of little lasting significance unless the crisis of public confidence is addressed. Recognising this, many professional associations have sparked discussions about what the public interest entails, and whether and how impact can be measured. I expect to see increasing cooperation between the world of the professional association and the parallel sphere of the social enterprise, where leaders are wrestling with the almost identical issue of how organisations in the third and voluntary sectors can demonstrate the effectiveness of their interventions to an audience of philanthropists, donors, foundations and corporate supporters. Outcome maps are increasingly being used as a type of standardised measure, analogous to a P&L account, so that interested parties can compare impact across a matrix of variables on a like for like basis.

As they return to such fundamentals, professional associations realise that in most cases their constitutions are not limited by geography. This is no accidental benefit. Globalisation has made national borders irrelevant for both the users and providers of professional services. An accountant

or surveyor may wish to ply their trade elsewhere in Europe, or perhaps in the United States, or increasingly in Asia Pacific, as part of their career development. Similarly, a high net worth, and internationally mobile, individual seeking advice on a long-term financial product may reach their initial decision in one country, make payments in a second, and draw the benefits in a third.

In modern Britain, elitism is often stigmatised by desperate politicians in search of easy applause on talk shows and panels. But many other cultures maintain the uncluttered conviction that educational excellence is both a virtue in itself and of wider social benefit. It's little wonder those countries where elitism is not only free from pejorative class overtones, but is embraced and celebrated, face the coming decades with optimism and confidence.

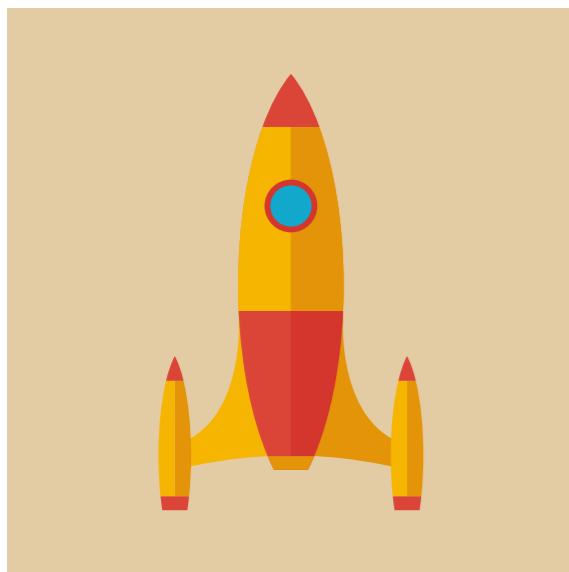
They have seized the principles of achieving Chartered status, and encouraged its evolution from a quirky oddity of the constitution in a small island off Europe's north west coastline into an archetype with global resonance.

As they have extended their reach globally, a number of associations have realised that the badge **Chartered** still carries considerable and unexpected caché internationally.

Potentially the most significant, and exciting, application of Chartered principles on the global stage is occurring in Africa, described by Tony Blair as recently as 2001 as a "stain on the conscience of the world." Many of Britain's leading professional associations are making startling investment in creating and upgrading local institutions, ensuring they are free from fraud and that business can be conducted with sound discipline. They are doing this not in the expectation of a short-term financial return, but because it is one of the most effective ways to benefit the greatest numbers in the shortest timeframe. The developed world has learned painful lessons over long decades about how the power of professional people can be released, and where it needs to be circumscribed or regulated.

Sharing these lessons with new economies can help them to avoid the pitfalls, and expedite their emergence from relative poverty.

Rich in natural resources, boasting the youngest demographic of any continent, enjoying GDP growth in excess of six per cent, with increasing signs of legitimate and open government in countries such as Botswana and Mauritius, and with the world's largest professional services firm, PwC, having recently announced a \$100 million, three-year African investment programme in talent and infrastructure: it seems the continent may finally be poised to be a lead actor in the global theatre. Historic events such as Africa's awakening can be expedited when Chartered professionals are able to contribute as mentors, teachers and creators.



### About the author

Laurence Smith is the Managing Director of Chase Noble Ltd. He is a corporate strategy, marketing and change management expert, who has consulted extensively throughout Europe, North America, the Middle East and Asia Pacific. Smith has held senior international responsibilities and led successful transforming growth initiatives with blue-chip corporations, consulting organisations and venture capital based firms, and is the author of a number of strategy books, most recently 'Why Strategies Fail' and 'TurboCharged Strategy'.



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