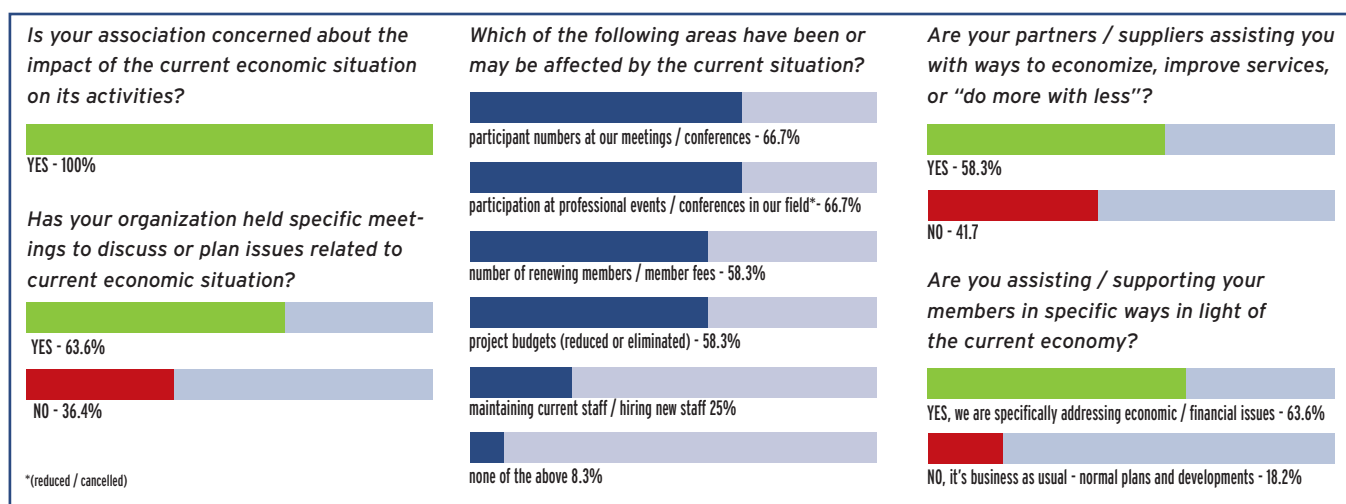


ASSOCIATION RESPONSE TO THE CURRENT BUSINESS CLIMATE

IN LATE JUNE I CONTACTED A NUMBER OF INTERNATIONAL ASSOCIATIONS AND SOCIETIES IN THE USA TO SOLICIT THEIR REACTION TO BASIC QUESTIONS ABOUT THE CURRENT BUSINESS CLIMATE. WHILE THE SAMPLE POPULATION AND QUESTIONS MAY NOT BE RIGOROUSLY SCIENTIFIC, THE RESPONSES DO PROVIDE US WITH AMPLE MATERIAL FOR REFLECTION ON A NUMBER OF ISSUES.

REPORT JOEL FISHER - HEAD, UIA CONGRESS DEPT AND CO-EDITOR OF THE YEARBOOK OF INTERNATIONAL ORGANIZATIONS



The comments of two association officers add further detail to the issues.

KATHY DUSA, INTERNATIONAL THERMAL SPRAY ASSOCIATION

'We are a non-profit industrial coatings trade association with 63 member companies. We had anticipated a 10% growth over this last 2 years, but instead are struggling to retain our current membership numbers. Where and when appropriate, we are reminding our members of membership benefits.

Even though a 2009 budget had been approved in 2008, we developed a membership survey regarding our participation at several events this year (trade shows, meetings, hospitality suites, etc.). We felt

it good stewardship to ask again for a vote regarding our participation with each event and listed the cost to members for each activity. All activities were voted in by a majority vote.

Because we realize a significant revenue from advertising in our industry newsletter a reduction in advertising reservations has reduced our 2009 budget. We were able to pick up some new advertisers, but this has had quite an impact on our bottom line for the year.'

LYNNE MCNEES, PRESIDENT, INTERNATIONAL SPA ASSOCIATION

'We are closely monitoring our budgets and everyone on staff is working to reduce costs

for our events and for our members.

We have held several meetings in regards to the annual ISPA Conference & Expo and our membership. We developed cost-saving alternatives and promotions to pass on to our members as a result of the meetings.

Our membership numbers could be affected by the economy as well as the number of registrants at our annual Conference & Expo. However, registrants for the regional events that we hold three times a year are tracking ahead of last year and we are hopeful the same will be true for our Conference.

We are closely monitoring the economic downturn, and how it's affecting ISPA's 3,200 members in 83 countries. We have

taken steps to provide our members with cost-saving benefits on membership, our annual Conference & Expo and we've made our valuable industry research free to our members.

We've also implemented quick member surveys that ask our members specific questions relating to how the economy is affecting their retail, appointments and bottom line.'

National governments, think tanks and multinational organizations are all monitoring factors and statistics to determine whether the worst is over, where economies are heading and when interest rates and stimulus packages need to be altered. But for day to day life and business the environment re-



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mains changed and continues to change. For some industries the changes and impact are significant and radical, for others the implications are less severe or have yet to trickle up or down to their sectors. And as my informal survey shows, everyone is concerned and paying attention to what may have an impact on their industry and their constituencies.

Edgar Hirt, President of AIPC - the International Association of Congress Centres, noted in a recent newsletter that 'membership can also be a fragile thing; taken for granted when times are good and seen as a luxury when financial challenges appear. The irony is

that challenging times are exactly when the ability to address industry issues collectively and share ideas on how to respond and where to look for help are most valued.'

To me, the comments from Mr. Hirt and the other executives above are a clear reminder of the fundamental aspects of associational life and the importance of a healthy associational sector.

Beyond the information sharing of a journal or a website, beyond the friendship, networking and business opportunities of a conference or expo there is something unique in multiplying our efforts by putting our trust, our contributions of time and money, and our skills and knowledge into the nucleus of a secretariat, a headquarters or an executive committee.

Turmoil and threat, growth and opportunity are all a part of our world and none imply a static operating environment. As such the imperative for individuals, businesses and their associations is to navigate the chances and the changes.

There is much current focus and examination of the current global financial crisis,

for good reason. But it should be noted that factors posing challenges to transnational associational activities and international business life have been at the fore since 2001. And associations and industries have done their best to streamline operations, increase benefits and value to members, support members and partners in negotiating change to adapt to new circumstances. This is not speculation, it is recent history and we've all been through it.

The global financial crisis has definitively altered the terrain, of this there is no doubt, and some will find the going more difficult than others. But I remain convinced that associational bonds and associational action can be more nimble and more effective in preserving and promoting the interests of any given industry and its members than government intervention or the actions of a business or corporation acting on its own. Times may be hard, but under an associational umbrella we are in very good company indeed.

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