

# determining the right investment: how much should you spend on a membership CRM

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“ 8 Reasons Why Membership Bodies have not yet fully Integrated Business Critical Systems: 1. Cost ”

Digital Excellence Report 2023/2024



## what this webinar is about

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key factors to  
consider

determining the  
right budget

budgeting for  
continuous  
improvement

tips for selecting  
suppliers

# why listen to us?

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British Agricultural  
and Garden Machinery  
Association

**wsta**  
speaking for the wine and spirit trade

**Mensa**

**Landscape  
Institute**  
Inspiring great places

**Geographical  
Association**

**(BABCP)**  
www.babcp.com

**the  
bfa**

**BPCA**  
British Pest  
Control  
Association

**besa**   
BRITISH EDUCATIONAL  
SUPPLIERS ASSOCIATION

**BAOMS**

**MENSA**  
INTERNATIONAL

**FIGO**  
International Federation of  
Gynaecology and Obstetrics  
The Global Voice for Women's Health

**CASME**

**Society for  
Endocrinology**

**UKWA**  
THE VOICE OF WAREHOUSING

**Royal  
Geographical  
Society**  
with IBG

**AFB** Association of  
Foreign Banks

**ROYAL COLLEGE OF  
PHYSICIANS AND  
SURGEONS OF GLASGOW**

**BII**  
SINCE 1981  
INSPIRE | DEVELOP | SUPPORT  
KEEPING PUBS THRIVING

**CHARTERED  
SOCIETY  
OF  
PHYSIOTHERAPY**

**tpas**  
TENANT ENGAGEMENT EXPERTS

**CFG** Leading the way  
for charity finance

**FLA**

# 01

key factors to  
consider



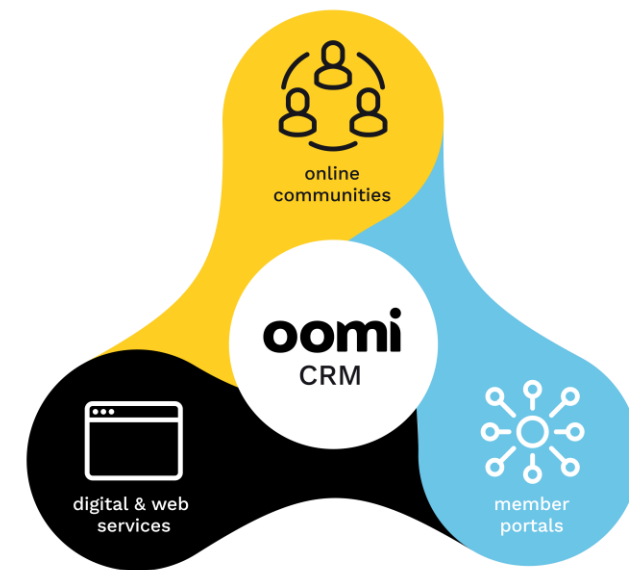
oomi



# what is membership CRM?

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- ✓ CRM
- ✓ website
- ✓ member portal
- ✓ online community
- ✓ finance, learning management, events, etc



## your organisation

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### **size and structure**

- number of staff/users
- number of members
- locations/departments

### **complexity and scope**

- member services
- member types



## your organisation

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### **digital maturity**

- legacy systems
- integrations
- culture

### **growth strategy**

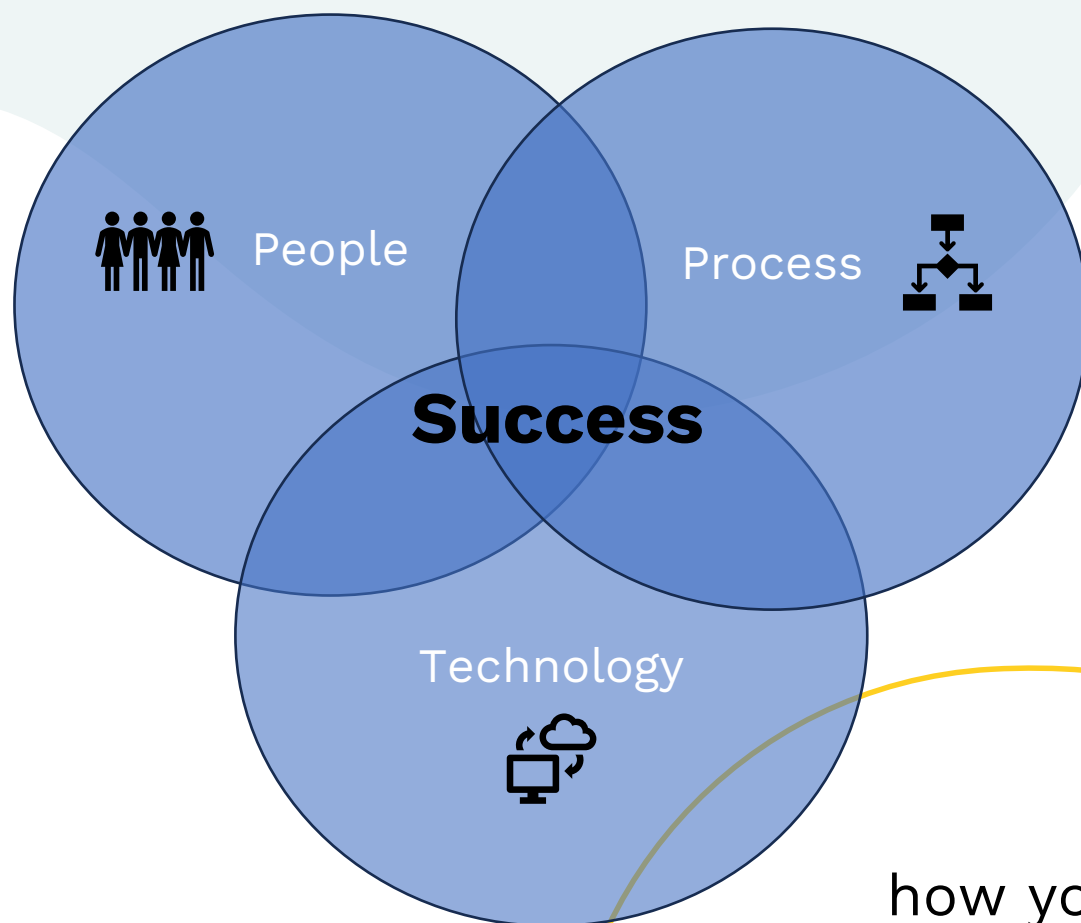
- objectives
- long-term plans





## membership CRM- more than tech

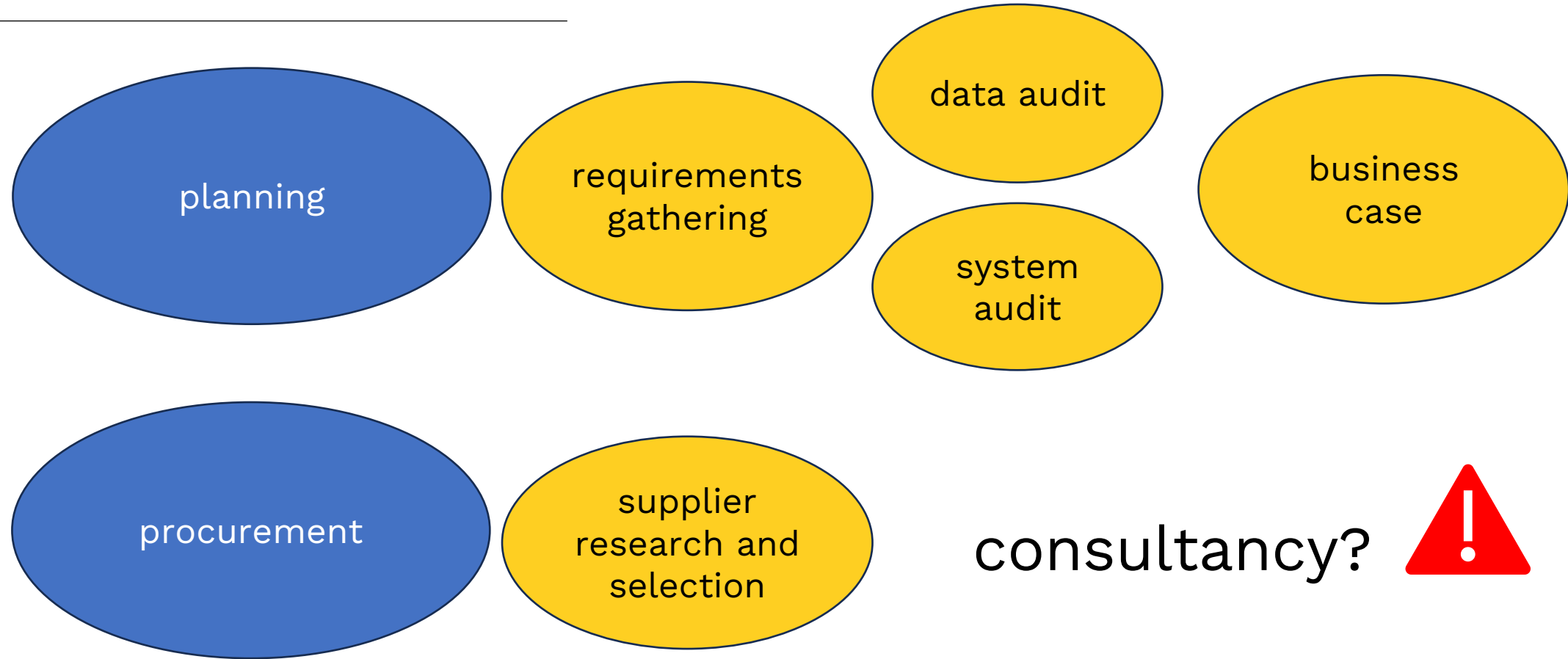
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how your members are managed and served

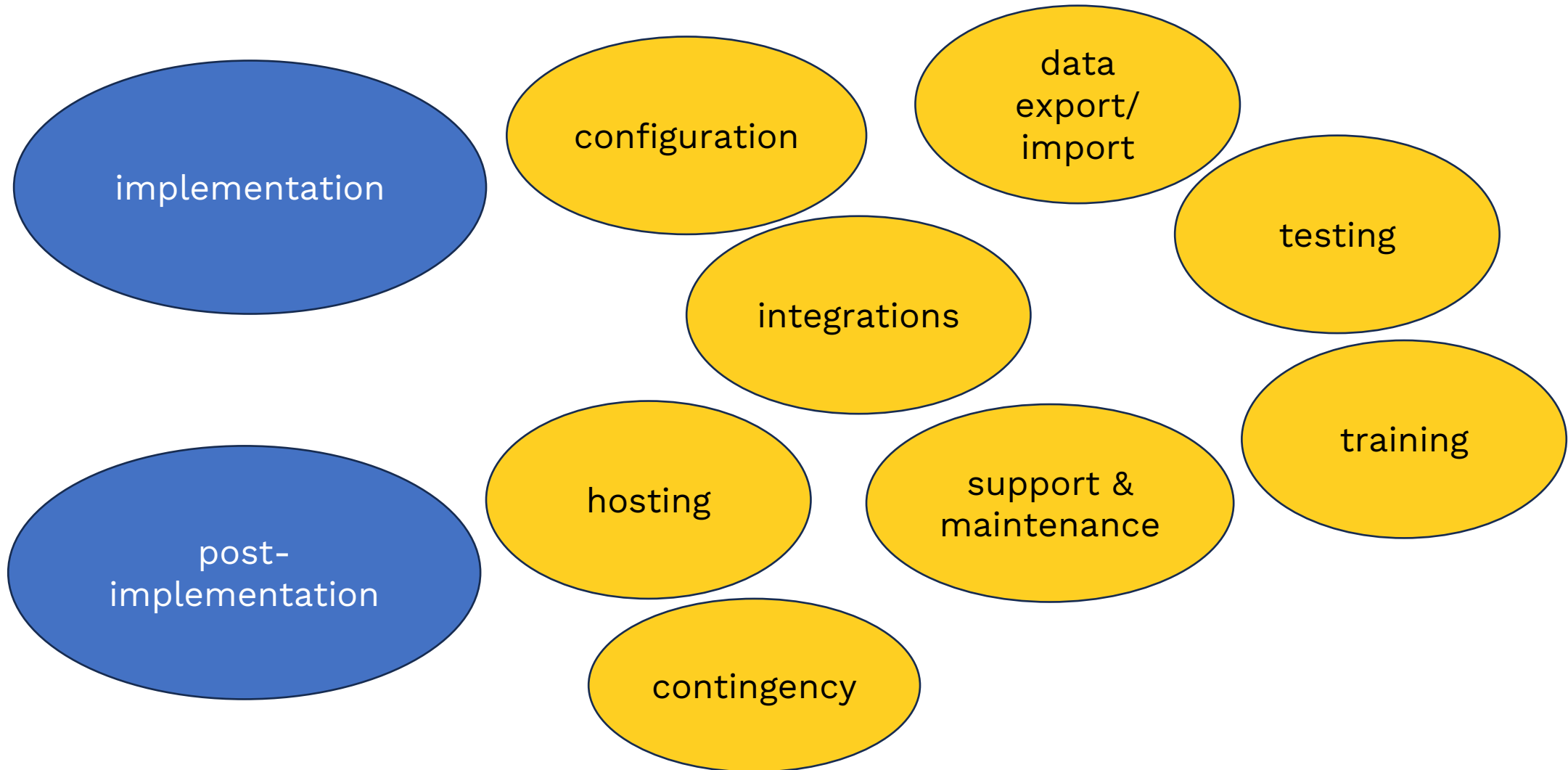
# key factors

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# key factors

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**It comes down to  
what is the scope of  
your project?**

**02**

determining  
the right  
budget



**oomi**



# what do you currently spend?

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Poll 1. In a normal year, what percentage of its annual income does your organisation spend on membership management systems and technology

# what do you currently spend?

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Poll 2 What percentage of its annual income would you expect to spend on a membership CRM change project?

## setting the budget

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“IT budget management requires all the company heads and IT professionals to work together in defining the objectives of IT in the business and the expected outcomes”

(Voloplay, 2024)

## approaches to budgeting

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**A: Incremental**

Informed by past budgets

**B: Comparative**

Using benchmarks

**C: Objective**

Task-activity

**D: Zero-based**

Costs justified by benefits

# beware

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**A: Incremental**

Informed by past budgets

- insufficient investment in the past
- “all we can afford” approach and compromise
- better wait until appropriate resources available before investing



# benchmarking – all industries

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“Spending on software is expected to **increase 14%...in 2025**”

(Gartner, 2024)

“Of the **60% of software spend in overall IT budgets**, for the first time nearly two-thirds is spent specifically on SaaS”

(Flexera, 2023)

**B: Comparative**  
Using benchmarks

# benchmarking – membership

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As a benchmark, then, **steady-state associations** with moderate technology needs (AMS included) should prepare to invest **3-4%** of their annual revenue in technology.

Those who are in the **midst of significant change or growth**, those with exceptionally low tolerance for risk, and those who rely on technology to gain competitive advantage are looking at closer to **6-7%** of their revenue,

(optimalnetworks, 2024)

**Typically, membership organisations only spend between 1% and 3% of their annual income on technology. A figure advocated in the commercial sector is 10%.** The point is not just to raise the percentage spent (we recommend getting to at least 5%) but to factor this **spend into budgets year-on-year, rather than thinking of digital transformation projects as single-year spends**

**(The MemberWise Guide To Procurement and Selection)**

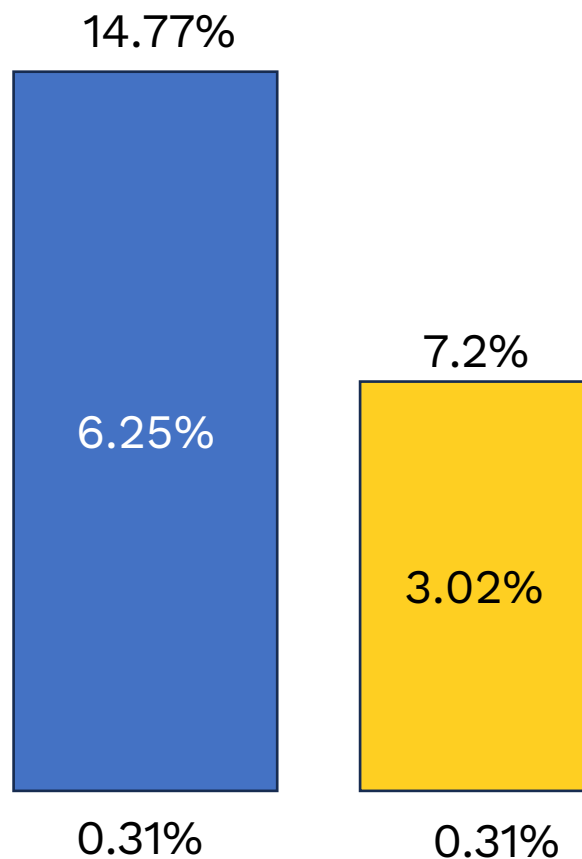
Estimated spend of £100m on association management systems in past two years

(The Influence 100 Financial Benchmarking Report (2024-25) MemberWise)

*(Equivalent of 2.2% annual membership income or 0.9% of total income)*

# benchmarking - oomi

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## oomi customers :

- First Year Spend from 0.31% of income to 14.77%, with average of 6.25%
- 3 Year Spend ranges from 0.31% to 7.2%, with average of 3.02% per annum

[Sample size 20, median income £1.9m]

# return on investment

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Poll 3: Question :

**Do you measure the outcomes of your technology investments, or report on Return on Investment (ROI) ?**

**C: Objective**  
Task-activity

**D: Zero-based**  
Costs justified by benefits

what is a good ROI?

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According to iSixSigma, a decent ROI for IT projects is **5-10%**.

For ClearPoint Strategy, a good ROI sits at around **20%**.

(userpilot, 2024)



# calculating ROI

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## **efficiency savings**

- current time spend on tasks : quantify inefficiencies from manual processes such as member renewals, event bookings, and communications.
- current licensing fees
- development fees
- avoid recruitment - what is cost of employing member of staff?

## **effectiveness benefits**

- membership retention (Member Lifetime Value)
- membership acquisition
- additional income streams

**03**

budgeting for  
continuous  
improvement



## continuous improvement

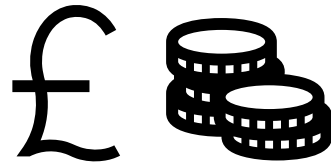
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- ✓ user training
- ✓ system maintenance
- ✓ system development
- ✓ third party integrations
- ✓ workflow improvement
- ✓ supplier relationship
- ✓ contingency
- ✓ next phases



continuous improvement

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## Total Cost of Ownership (TCO)

**capital expenditure vs operational expenditure**

04

tips for  
selecting  
suppliers





## selecting suppliers

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user training

process  
improvement

**supplier  
relationship**

system  
maintenance

system  
development

selecting suppliers

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## **pricing structure**

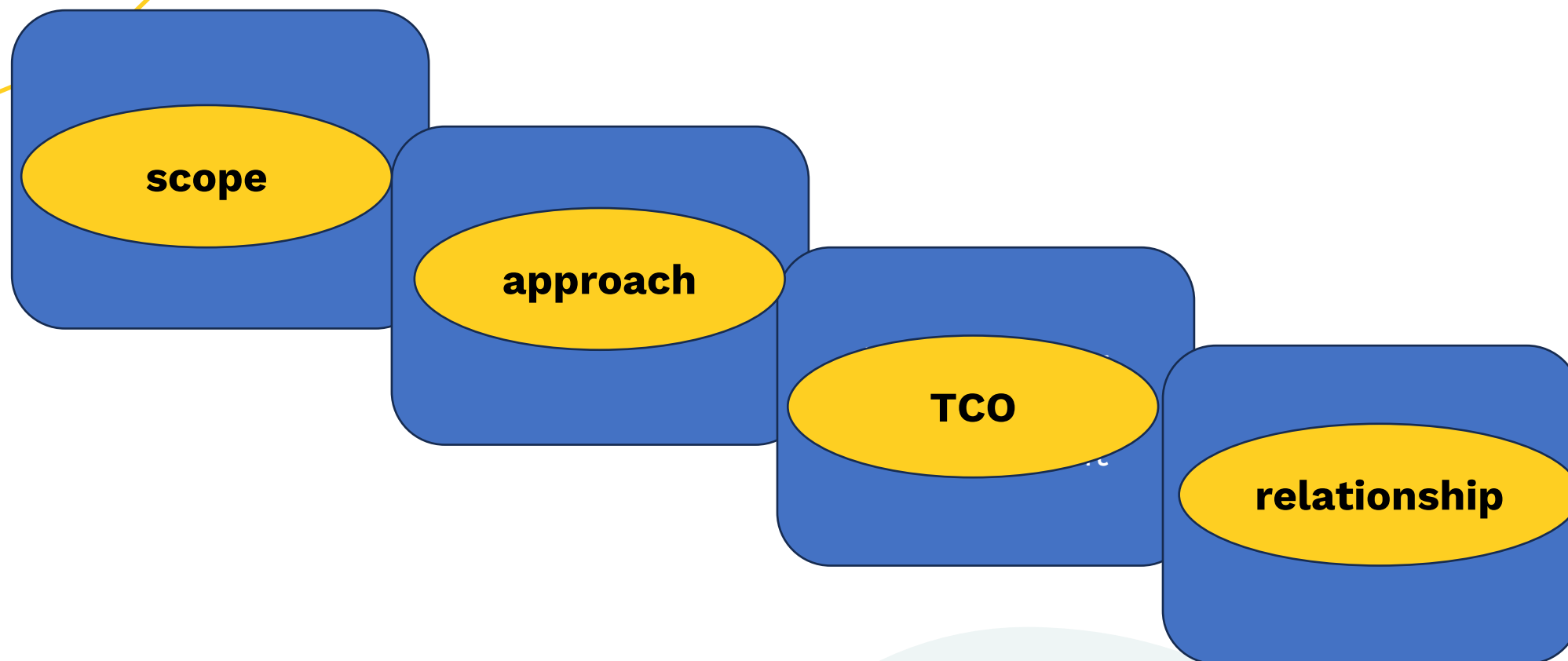
- fixed price = compromise

## **contingency**

- change management

# summary

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# Questions?



thank you