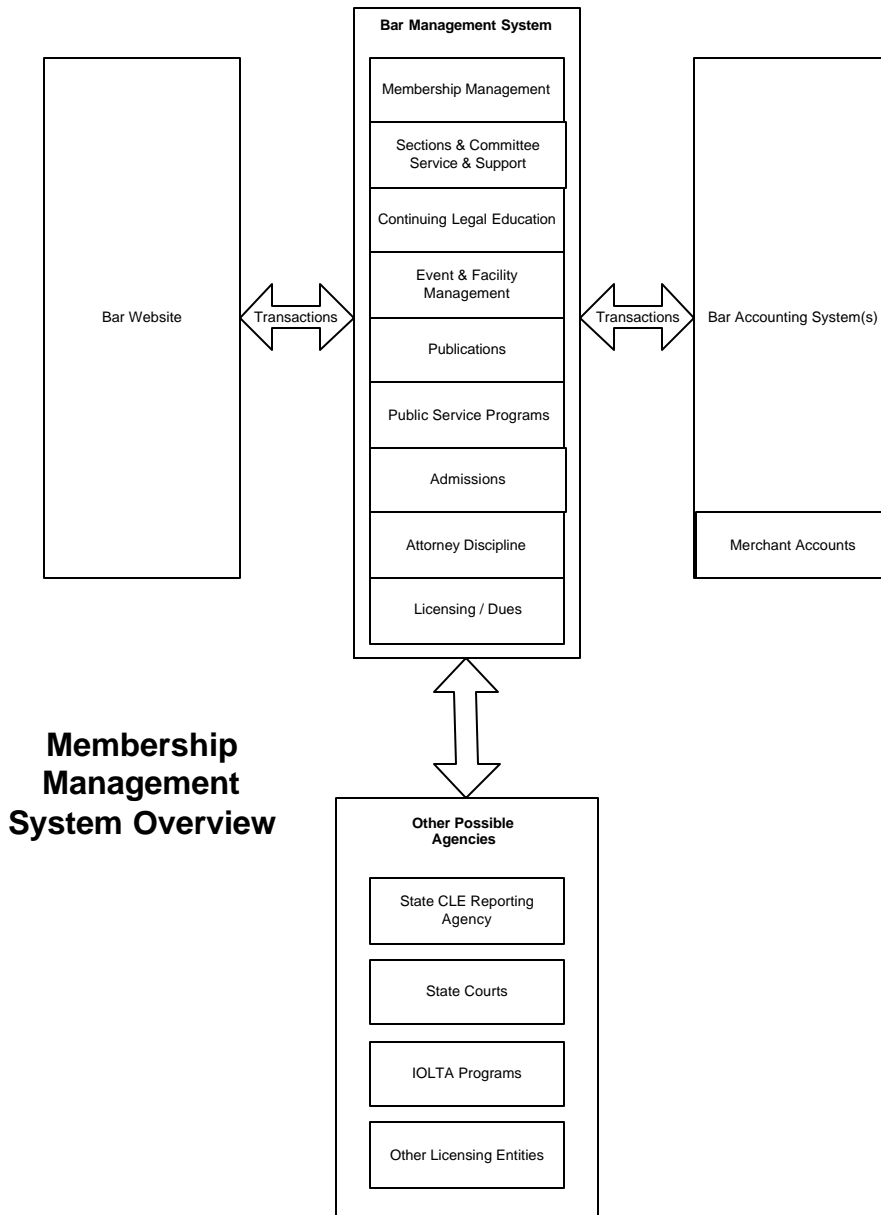


## Building the Perfect Beast: Membership Management Software for Bars

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### Overview of Bar Management Systems

Bar Management is not for the faint of heart. On its own membership management is a complex operation but then you add in the demands of public service programs and members, and the communications requirements needed to satisfy them all and you have a tough nut to crack. Adding to the dilemma is the wide range of Bar 'configurations' and the possible tensions of regulatory requirements.



Bars are like other businesses in that they would like to find a single solution to all their administrative and transactional challenges but they generally settle on three systems to help manage their operations. The first is the membership management system. This database centered system deals with the administration of member records and provides transaction management, history, custom report generation, and various types of client relationship management typically broken out into service or department based modules. The second system is the accounting system dealing with money management, merchant account and asset tracking. The third system is the website of the Bar. Bar websites have quickly become the primary interface between members, the public and the Bar staff. These three elements are in place whether the Bar is a small regional association or a large regulatory licensing institution.

While overall Bar functions are similar from state to state there are variances on how the functions are distributed. Some states have the courts responsible for admissions and disciplinary functions, a department in

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the executive branch may deal with CLE credit reporting and licensing or a Bar may directly manage all of these functions .

The Bar uses these systems to track information and to process transaction requests. Bar transactions fall within three main types:

- MEMBER ↔ BAR
- PUBLIC ↔ BAR
- DEPARTMENT ↔ DEPARTMENT

Each Bar deals with several key productivity questions when looking at Membership Management Systems. The first one is the fundamental productivity question of how well the three systems work together to process these transactions . More often than not the key tool for integration of these three systems is not technology but the staff of the Bar. A member makes a request from the Bar website, a staffer gets this request and then processes the transaction in the membership management system, the financial component of the transaction is sent to the accounting department where another member of the staff completes the transaction. One key goal is to reduce or eliminate the department / department transaction by creating tools that allow a department member to find the information that they need.

Another productivity question is how well the system(s) work together to communicate information back to the requesting individual and how much trust there is in the transaction. With a Bar staff member who is working with the data the information relay is taken for granted, but the Bar department head, Bar member or the potential member or member of the public is usually left relying on the Bar staff to communicate any changes of status. More robust systems use email to allow for the automatic confirmation or notification messages to be sent to a requesting party. The end result is that the system must inspire confidence that the transaction has taken place correctly otherwise these transaction opportunities are skipped.

These two examples focus on the Bar's gaining productivity in terms of time and efficiency but there is a financial aspect of productivity as well. Membership Management Systems must create opportunities for a Bar to realize the financial success of their operations. To do this there must be reporting tools that assist the Bar staff in seeing trends or changes in attendance of Bar events, spotting that a 'regular attendee' has not been so regular, or that a successful Family Law event on will preparation might be re-used as an event for the Estate Planning Section. These reporting tools should also be available to a Bar member so that they can have the system used member provided preferences to track events and to notify the member when their preferences match up with a Bar event or service.

### ***The Consortium Concept as a Tool to Manage the AMS Software Challenge***

- Premise 1: Bar institutions both voluntary and mandatory suffer under a similar burden and share a mutual interest in the development of a standardized Bar

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- membership management system and are willing to pay a fee to use that system.
- Premise 2: Bars operate under relatively similar business rules with differences being in what services a Bar provides and how those services are named.
  - Premise 3: Bars are better arranged to cooperate with each other rather than see themselves as competitors (OK this might be a leap for the CLE gangs) and that this ability to cooperate on a common system will yield long term advantage that will grow with the number of users of the system.

Given these three premises we would like to offer the proposal of creating a consortium of Bars to oversee the continued development and deployment of a shared and hosted membership management system. The Utah State Bar has already committed to the development of a web based membership management system but believes that this act creates an opportunity for other Bars to participate in the system's development using the consortium as a cooperative framework.

Our vision of the consortium is to partner with a development company to create an externally hosted web based system using the modules described above. Consortium members would pay for the initial conversion of their existing data to be migrated into the system and would then pay a subscription fee to the vendor based on the modules they wish to use and the number of member records to be maintained by the system. While the maintenance of the application and the supporting hardware and infrastructure would be managed by the consortium's development partner, member records would continue to be directly managed by their respective Bar. The administrative portion of the system would provide controls on how and with who those records are to be shared either in part or in whole. This administrative control set would also allow the Bar to decide and control the degree of integration of the membership system with an existing website or accounting system.

### **What is Meant by a Consortium?**

In this paper the term consortium is being used in its classical definition which means a voluntary partnership or association created to achieve a common task with shared burdens and benefits. The consortium operates in the form of a non-independent entity, driven by the consortium members. While consortiums in commercial business are common they are a relatively new creation in terms of shared development of a common system or set of standards. An example of this new use of the consortium model would be the many technology standards bodies that have sprung up over the past few years such as the LegalXML group for court filing standards.

Consortiums are managed by an agreement between members that regulate its membership, management, duration and, if necessary, its dissolution. This agreement is critical as consortiums are not considered a legal entity in the same fashion as a normal business. ( No, I'm not a lawyer. I got this bit from a lawyer over a short cup of Guinness) This legal 'non-existence' is a strength in that it is based on cooperation that is easy to establish and in that it should be relatively easy for members to join and leave. The only restriction on leaving the consortium is financial; the departing Bar would have to complete its financial obligations to the consortium's development partner. This puts pressure on both the consortium members as a group to ensure that the consortium produces and maintains the system that

its members pay for and on its individual members to maintain involvement in the business of the consortium.

The consortium's strength in its lack of legal definition is also a potential drawback as there exists no special law governing consortiums. A consortium exists unto itself and its members shoulder the sole responsibility in its management and operation. This makes a consortium dependant on the willing and active participation of its members and their dedication to achieving the common goal. (Kinda like living with someone without the legal framework of marriage: So long as you love each other it's terrific but it's a nightmare if the fighting starts...)

### **Why Should a Consortium Be Created?**

There are a number of reasons that should make this consortium proposition attractive to Bars:

- The economies of scale in a joint development venture makes it possible to produce a more comprehensive system that can still be tailored to an individual Bar(s) at a reduced cost.
- Consortium members would have more say in the development and control of the system while freeing up staff resources from the care and feeding of the system
- A hosted system, a secure system that is accessible to Bars and their members via the Internet, would create a number of benefits to Bars in that their membership would assist in the entry and management of data in the form of the membership record and the member transaction histories
- The creation of a sufficient consortium member base and institutional memory to guarantee a stable long term management system

With the consortium model of development, the result should be a standardized system with its major components available for the consortium members. A standard application will create a standardized set of data which is the real treasure chest from which Bars operate. A shared system creates many benefits for the consortium members and the members of the Bar. As lawyers move about the country or as reciprocity agreements are created between Bars the ability for a member to have their membership record easily and quickly 'transported' from one Bar to another is a great one. The flip side of this portability benefit for Bars is that the result of a formal disciplinary action can be quickly communicated in a reliable fashion.

Stability, longevity and continued development and maintenance can be expected within a consortium framework since there are many partners and potential partners utilizing the system and providing access to a larger pool of funding. As the consortium encourages discussion and cooperation in its management the commitment from Bars to the system is more involved as the control of the development process is readily visible.

The other key element that will make the consortium attractive is the selection of the developer partner. Ideally this company would have a well established track record and strong relationships with Bars. It is this proven track record that best demonstrates the developer partner's commitment to servicing the requirements of what is admittedly a unique professional association segment. They would have to be financially stable in both past performance and in long term outlook. They should have the core technical competencies to

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build, maintain and support a secure management system and be well staffed to manage the sales, marketing and member support.

There are also a number of circumstances that would 'drive' Bars to the consortium:

- Membership management systems are expensive with large start-up and recurring costs to build and maintain a computer based system.
- Current AMS Systems have long development cycles with additional costs to stay 'current' In the consortium model updates are part of the subscription package
- Development of 'common denominator' package solutions driven by the marketplace and not the customer
- Custom package leading to overdependence on a single provider or developer
- Overly broad scope of existing AMS applications forcing customers to buy functionality they don't want to get the functionality they need.

AMS systems are more oriented to meeting vendor marketing objectives with little or no regard to feedback and sharing information with other Bars. Currently Bars are either creating custom in-house solutions that attempt to exactly duplicate their operations or are sacrificing some level of functionality to purchase an off the shelf solution.

In looking at the membership management software market the attraction of developing a custom in-house solution is obvious: The best system is a system designed specifically to meet a single institution's needs by drawing all the advantages that can be found from other vendor's systems. The downside of this is that Bar's are not development houses and even in the best of models the development of a custom solution is not profitable for the same reason that building your own word processor is not profitable. Also, if each Bar is to build their own system there is a great deal of redundant work being created and a lot of resources are arguably wasted.

In the purchase of an 'off the shelf' solution a Bar runs into another problem in that there exists only a limited market in membership management systems. The numbers of Bars is limited and the appeal for a traditional software development company to make a highly detailed and accurate application just for Bars has limited financial opportunities. Current vendors of membership management systems build their application to serve Bars in a limited fashion so that they can concentrate on the much broader spectrum of non-Bar voluntary associations.

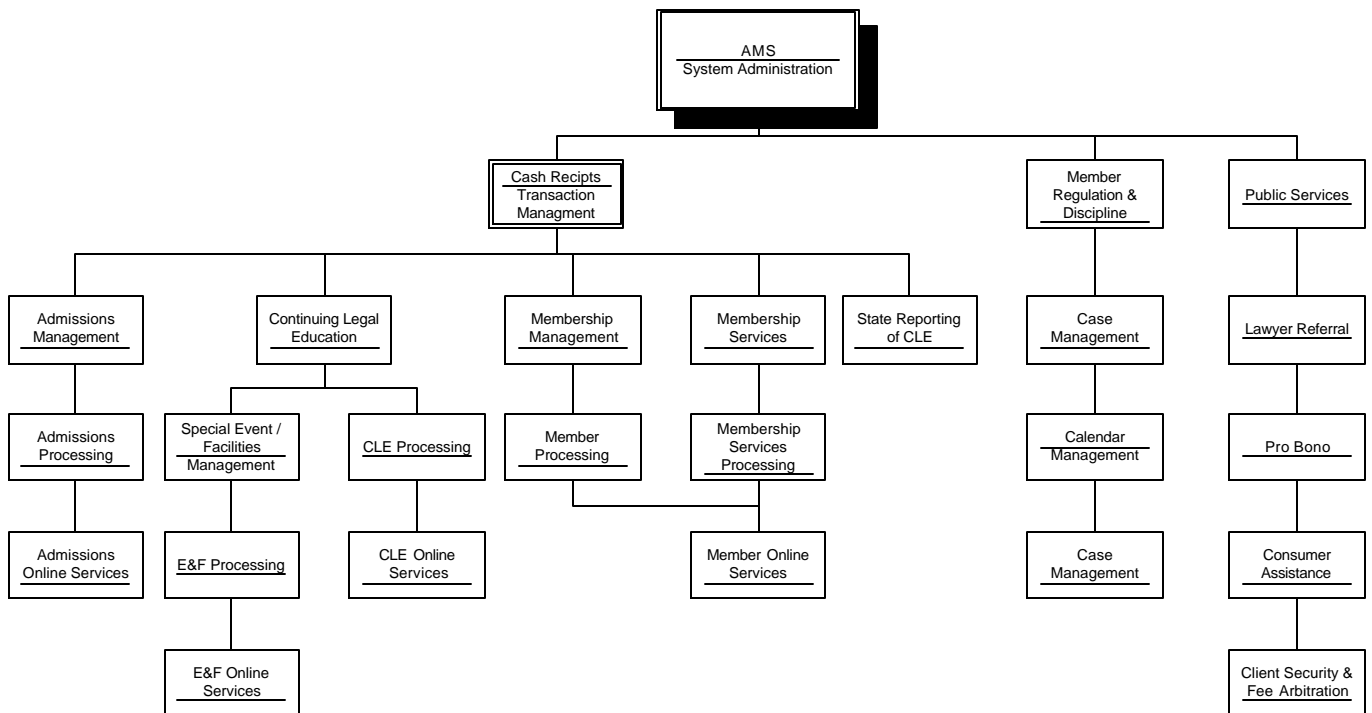
Complex software and systems development demands highly trained skilled and experienced staff. It is my experience in speaking with other Bars that our small institutions can not afford these types of specialists and so compromises are created or features sacrificed to contain costs.

We believe that this proposal can create a solution to one of the most difficult problems challenging Bars: the management of its information.

### ***Key Goals for a Web Based Membership Management System by Department/Module***

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The overall plan for the consortium is to provide a secure web based membership management system that is modules based and hosted by the development partner. The system would be based around the concept of a core system with a library of configurable business rules that would allow a Bar to select additional modules that they need and to configure those modules to better conform to the Bars methods of doing business. The system would be hosted with the development partner but the Bars data would be kept separate from each other as a general rule. While there would be the capability to take the application and install it into a local office environment on an internal server the true benefits to the system are seen in a hosted environment. It is this hosted facility that will take away many of the headaches such as system maintenance, support and infrastructure costs. This hosted environment also lends itself well to use by both integrated and de-integrated Bars since the system would be available for use by multiple offices or departments spread across a geographic area. The initial outline of modules is listed below but is by no means all inclusive. The standards based framework should allow for rapid development of additional modules and or business rules as needed



- **FINANCIAL GOALS**

- Increased ratios of members to staff
- Increased speed in transaction processing
- Reduce redundant data entry and data entry errors
- Reduce dependence on custom solution development
- Reduce capitol expense investments on in-house technology

- **SYSTEM ADMINISTRATION GOALS**

- Streamline business processes
- Provide better communication between entities
- Move to standards based architecture to extend the investment over time
- Provide comprehensive transaction audit trails

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- Provide robust security, security rights management, and auditing
- **MEMBER & PUBLIC SERVICE GOALS**
  - Provide more direct involvement for members through Member Self-Service
  - Allow for record portability for members relocating to other state(s) or jurisdictions
  - Allow for direct access of applications and data by approved third parties. (courts, regulatory agencies)
- **MARKETING GOALS**
  - Access to key member demographics for marketing research and design.
  - Controlled access to the accumulation of purchase history for both more efficient general promotion as well as for creating customized marketing
  - The creation of reporting tools that assist in the development of cross selling opportunities
  - Maximizing membership generation and retention (in voluntary bars) and member satisfaction in unified bars.
  - Identify trends in the profession by the aggregate sales of CLE and other legal products

### ***Membership Module Descriptions and Functions***

Membership management modules are either departmental or infrastructural in nature.

- Infrastructural Modules
  - Membership Management System Administration, Configuration, and Security
  - Cash Management & Receipts
- Department Modules:
  - Admissions
    - Transaction Configuration
    - Bar Exam Application
    - Reciprocity Application
    - Pro Hac Vice Applications
  - Continuing Legal Education
  - Event & Facilities Management
    - Convention Management
    - Vendor / Sponsor Management
  - Public Services Programs
    - Pro Bono
    - Lawyer Referral
    - Special Events
    - Client Security Fund
    - Fee Arbitration
    - Consumer Assistance & Education
  - Membership Management
    - Transaction Configuration
    - Licensing

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- Member Status & Public Discipline (Case Management)
- Section & Committee Memberships
- Membership Services
  - Member Benefits

**Membership Management System Administration** – This is the administrative interface to the entire membership system. This module is responsible for the configuration, account management, security, and look and feel aspects of the application.

### **System Administration Functions Include**

- User account setup, management, and security
- User interface look and feel settings
  - Field Name Controls
  - Field Layout Controls
  - CSS configuration controls
- Transaction configuration settings
  - Date dependencies & triggers
  - Status change notifications
- Static report creation tools

**Cash Receipts** – The cash receipts module is the financial tracking tool inside of a membership management system. In an ideal solution this module would also function as the accounting package for the Bar but more often than not it is merely a tool of keeping track of the status and history of financial transactions that the other modules create. Any module that deals with any type of payment must use this module to process and report the transaction.

**Admissions** -: The Admissions department manages the admissions process to the Bar. Membership is obtained either by exam or by motion (reciprocity agreements with other participating states. Typically, the Bar exam is a two day event held twice per year nationwide. Bar exams are broken down by applicant type such as student exam, attorney exam, or student-attorney exam. Of all transactions the Admissions application is the most complex with dependencies and variations of rules differing significantly from state to state.

**Membership Management & Licensing** – Membership management is the central data store for all membership records and transactions. This module is used to maintain all member record information such as current status including public disciplinary history, member contact information, member communication preferences, section & committee membership, and member payment and renewal history. As such this module will require extensive audit and history capabilities along with clearly defined rule sets on who can view or interact with the various fields of information.

### **Membership Management Functions Include**

- Membership Licensing
  - Creation of membership types & requirements
- Reporting of public information of member record
  - Public address, area(s) of legal focus,
- Member contact information changes

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- Member status information changes
- Membership to sections, committees, and regional or specialty bars or other associations

### **Goals for Online Membership Management Module**

- Membership Management Administration System to allow for entry of membership rules, fees, timelines and requirements without the need for additional custom programming.
- Member record accessible to member allowing for self service for changes to address and contact information, communications and mail delivery preferences, requests and payments for changes in member status as permitted by Bar rules or policies. Requests and payments for admission to Bar sections.
- Audit trail and history mechanisms for all transactions.
- Delivery of public fields to the public services area in the website.
- Dynamic report generation using online database query tool

### **Admissions functions include:**

- Processing applications & related fees
- Performing applicant investigations and character & fitness reviews
- Tracking of admittee submissions of supporting documentation and reporting admittee deficiencies back to applicants
- Exam, creation, administration grading, and reporting
- Accumulating and reporting required statistical data
- Posting of successful Admittees to the general membership

**Continuing Legal Education** – Continuing Legal Education (CLE) Whether you are a mandatory or Voluntary Bar CLE is a primary service that is consistently utilized by members of the Bar. Its successful execution, delivery, and use serves as one of the most important gauges of a member's participation and satisfaction with their Bar. It is The CLE organization that is responsible for the creation of educational seminars and conventions; the production of supporting materials; the marketing and sales of the events; the certifications of attendance and, where required, the reporting of that attendance to a regulatory agency. CLE events range in complexity from simple section luncheons/seminars to multiple sponsor/multiple seminar remote site conventions. CLE departments manage facility resources, arrange for vendors, coordinate with speakers and provide reporting and historical use information to members.

### **CLE Management Functions Include**

- Creation and scheduling of CLE events.
- Marketing and sales of CLE events.
- Speaker & materials management.
- Registration Tracking.
- CLE Credit Reporting.
- CLE Credit Transcript History.
- Report generation and analytical tools.

## **Goals for Online Membership Management Module**

- Rapid creation of CLE events including supporting sub events, resource requirements, event management timelines, and credit types and amounts.
- Rapid creation of event supporting materials such as name badges, sign-in sheets, attendance certificates, and receipts.
- Automatic notification via email to members of sections and committees for events that focus on a specific area(s) of practice.
- Member accessible transcript record lookup.
- Creation of detailed reports on utilization, event categories, trends and forecasts.

## **Goals for an Online Admissions System**

- Admissions administration system to allow for entry of admissions rules, timelines and requirements for applicants without the need for additional custom programming This modules should also allow for the placement & management of documents for download and use by applicants that may not have consistent internet access
- On line registration, application, supplements, amendments, reapplication with full integration into the database without user intervention.
- Creation of temporary online accounts for applicants to monitor progress of their application for admission.
- Dynamic report generation using online database query tool
- Audit trail and history mechanisms for all admissions transactions with automated record purge set through the Admissions administration system.
- Seamless interface with other departments (Cash Receipts, Membership) to eliminate redundant input and miscommunication.

## ***Description of Website / AMS Database Integration Components***

While the AMS system should be able to stand as an independent application one of its greatest strengths should be the level of integration to other key systems that it provides to its members. This would be the automation of transactions from the presentation (Bar web site) to point of sale (Bar AMS system record transaction) all the way through to the GL entry (Accounting System). The system should be configurable, allowing Bars to integrate the AMS system into its own website and accounting packages to a degree that it feels comfortable with. For a website this may range from being able to provide a members directory to having all available transactions being provided within the Bar's website framework. For the accounting system this could range from the regular delivery of transaction data to be securely delivered to the Bar for importation into its accounting system to a direct connection from the AMS system to the accounting system.

## ***Summary – What Has To Happen Next***

From the meetings and side conversations at NABE and ABA events to the questions that are asked by Bar leaders at tech shows Membership Management has been a long term headache that plagues us all. The past few years has provided some excellent examples of what can happen when Bars unite resources to solve a common problem such as Multi-

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Jurisdictional Practice or to create a common benefit for their members in the form of online legal research. Using this consortium model Bars will have the opportunity to work together to solve the membership management software challenge that we have dealt with for so long.

To assist us in that endeavor NABE has graciously created a list serve to facilitate communications and has helped to create a member records standards group in the Admin and Finance section of NABE. These discussions can help provide the development framework and provide a roadmap for future development. Development on the system is currently taking place with the Utah State Bar being the guinea pig. Our goal is to have a working demonstration for key modules by the February 2005 meetings and for our Bar to 'go live' for our next licensing cycle in mid 2005. We are excited to make this transition and hope that you will exploit the opportunity to help in the creation of the consortium. If this leap seems a bit to large please consider joining the NABE lists anyway look over the collective shoulder and to provide comments and suggestions along the way.