



# AH is a cost-effective solution for associations

According to the American Society of Association Executives' Annual Operating Ratios Report, on average, associations spend approximately 57% of their annual revenue on expenses that would be covered under the management fee. On average, AH's client partners spend approximately 40-45% of their annual revenue on management fees. Use this simple grid, along with your most recent Form 990, to determine what your organization is currently paying.

Operating Expenses	Amount
Compensation of Key Employees	
Other Salaries and Wages	
Pension Plan	
Other Employee Benefits	
Payroll Taxes	
Fees for Services (management)	
Office Expenses	
Occupancy	
Total Operating Expenses (that would be covered under management fees)	
<b>TOTAL REVENUE</b>	
% of Revenue spent on Operating Expenses (Expense/Revenue)	

	Explanation	Current Amount	Calculation	Increase/Savings
<b>NON-DUES REVENUE</b>				
Advertising	AH clients realize between 45-95% growth in non-dues revenue in the first year of working with our Industry Relations team. The IR team works on a performance basis and the percentage varies depending on total revenue & whether the supporter is existing, new or returning but assume 20% average commission. For calculations, assume a conservative net increase of 16% in non-dues revenue (45% growth – 20% commission).		Current Amount * 1.16	
Exhibit			Current Amount * 1.16	
Sponsorship			Current Amount * 1.16	
<b>CONFERENCE EXPENSES</b>				
Audiovisual	Typically, we negotiate 10-20% discounts, assume 15%		Current Amount * .15	
Exhibit Contracting			Current Amount * .15	
Food & Beverage		Typically, we negotiate 5-10% discounts, assume 7.5%		Current Amount * .075
<b>FINANCIAL FEES</b>				
Bank Fees	Client bank accounts are structured to leverage our overall relationship and amount of funds held with the bank. As a result, our average bank fees are \$450/year		Current Amount – \$450	
Credit Card Processing	Our negotiations have resulted in payment processing charges being less than 2.05% for Visa and Mastercard transactions (which are 60% of the transactions). Typically, associations are paying 3-4% (assume 3.5%). Assume 41% savings on 60% of current cost.		Current Amount * .60 * .41	
Printing	Based on longstanding vendor relationships and volume of AH's printing needs, recent negotiating efforts have yielded savings of 30% on average		Current Amount * .30	
<b>TOTAL INCREASED REVENUE + COST SAVINGS</b>				

Beyond the potential operating cost savings, partnering with AH would allow your organization to increase revenue and decrease expenses in several areas by leveraging our buying power. Use this spreadsheet to calculate how your organization could further improve its bottom line.

AH may also be able to save your organization on insurance expenses through a partnership that can, at no additional cost, evaluate your current coverage, identify possible gaps in coverage, and potentially reduce costs.

Beyond the financial benefits that would result from partnering with AH, your organization would also benefit from the efficiencies, innovation, flexibility, expertise, and customer service culture that AH brings to every client partner.

If your calculations indicate a potential cost savings or you'd like to find out more about other ways in which AH can help your organization, please contact **Nick Spencer, AH Director of Sales at [nspencer@ahint.com](mailto:nspencer@ahint.com) or 856.380.6870.**