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Credentialing Essentials

What to consider before starting a certification program.

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American College of Emergency
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Delivering Difficult News

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CERTIFICATION APPEAL

Consider all the angles before developing a certification program.

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HE NUMBER OF PROFESSIONAL CERTIFICATION programs has exploded in recent years, and associations have been at the forefront of this growth. Certification programs have put many associations on the map, often establishing them as the standard bearers of their professions or industries. Although the non-dues revenue directly generated by certification programs may be unremarkable, certification often fuels the demand for other association professional development products and services, such as review courses, continuing education programs, books, and other publications.

The National Organization for Competency Assurance, Washington, D.C., a membership organization for certifying bodies, has 300 members

representing 6 million certificants. Although no formal statistics are available on the number of certification programs in existence, certification experts believe that several thousand professional designations are currently offered within the United States, and the number is growing rapidly. While the potential for new revenue streams created by certification programs can be enticing, associations need to consider all the costs and issues associated with such programs before deciding to develop one.

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JOHN DE MELLO



Michael E. Gallery, CAE, and Lenora G. Knapp say that any credentialing initiative should be tied to an organization's mission and goals.

Certification is a voluntary process by which a nongovernmental organization grants recognition to an individual who has met certain qualifications. Such qualifications may include graduation from an accredited or approved training program, acceptable performance on a qualifying examination, or completion of some specified work experience.

Although certification is intended to be voluntary, the attained certificate may take on increased value equal to the power and mandate of a license. For example, for physicians to practice surgery in most hospitals, they must

hold a certificate from the American Board of Surgery, Philadelphia. Such certification programs are referred to as *high stakes*, because they significantly affect one's employability, opportunities for job promotion, or salary and compensation. *Low-* and *medium-stakes* programs offer credentials that may be seen as desirable or prestigious and that enhance professional development but have little or no effect on one's career or employability.

Certification does not guarantee that an individual will perform competently. Certification simply demonstrates that at a given point in time the

individual met the standards and requirements set by the certifying organization.

Understanding your intentions

The first step in assessing whether certification is right for your association is to evaluate whether a credentialing program is the best vehicle for accomplishing the organization's mission and goals. Typically, associations create certification programs to

- provide for the health, safety, and welfare of the public;
- attract new members;

DISCONTINUING A CERTIFICATION PROGRAM

Many associations grapple with creating credentialing programs, but what about the decision to terminate such a program? If the following statements are true, it may be time to pull the plug on your association's certification program:

- The number of applications is not sufficient to justify the resources expended.
- The program is of questionable quality, and the costs necessary to improve it surpass what the association can devote to the program.
- The skills and knowledge that are the target of the program are becoming obsolete.
- Other credentials have drawn away potential certificants, thus fractionating the market.
- Potential certificants do not perceive the value of the certification.
- The program has been in operation for years, but only a small fraction of the potential market has been certified.
- The association is satisfied that all reasonable marketing efforts have been made.

If you think your program cannot be resuscitated, here's what you need to do.

- Determine the financial implications of maintaining versus discontinuing the program.
- Determine the legal, political, and public relations issues regarding the discontinuation of the credential.
- Develop a plan and timeline for discontinuing the program, including a public relations plan targeted to existing certificate holders and important key stakeholders (e.g., employers).
- Provide certificants with a designation or form of recognition as an alternative to the certification (e.g., create a new membership category).
- Convert the program into a professional development offer-

ing (e.g., a certificate program or a self- or peer-assessment program).

- Obtain input about the discontinuation of the program from stakeholder groups so that they can become part of the solution.

A SUCCESSFUL RESUSCITATION

The National Association of College Stores (NACS), Oberlin, Ohio, has certified store managers since 1996. Feedback from the market revealed that employers and potential certificants felt that the program was not reflective of the knowledge and skills needed in the increasingly complex college store environment. The credential was perceived as being "old hat." A moratorium on certification was issued, and the NACS board appointed a task force, which included stakeholder groups, to determine the future of the certification. The task force and membership agreed that a real and pressing need for a national certification program remained, while no competing programs existed. The problem was relevance and quality.

Instead of fixing the existing program, NACS is developing a new program that will be market-tested and have real value for the industry. Ed Schlichenmayer, NACS vice president, industry services, explains, "We reached the decision to rebuild our program by first addressing what we wanted a certification to achieve. The factors that helped us chart this mission were then applied to the existing program to determine how much would need to be revised or updated. As it turned out, every component of the previous certification needed attention to achieve our mission of having a certification be credible and valuable to all stakeholders. We learned it is critically important to have a strong commitment to the mission. For example, we are requiring those previously certified to take the exam for the new program to achieve the credential."

As Schlichenmayer, a certified store professional designation holder himself, points out, such decisions are not always popular, but they are often necessary to achieve the desired goal.

THE FIRST STEP IN ASSESSING WHETHER CERTIFICATION IS RIGHT FOR YOUR ASSOCIATION IS TO EVALUATE WHETHER A CREDENTIALING PROGRAM IS THE BEST VEHICLE FOR ACCOMPLISHING THE ORGANIZATION'S MISSION AND GOALS.

- enhance the association's credibility or prestige;
- elevate the stature of a profession in the eyes of the public;
- establish standards for the profession or enhance the quality of products and services provided by certified individuals;
- enable employers to identify qualified workers;
- meet the public's demand for standards; and
- avoid regulation or obtain recognition from regulatory bodies.

The Construction Financial Management Association, Princeton, New Jersey, recently announced its plans to develop a national certification program. What motivated CFMA to take this step? Says William M. Schwab, CFMA's executive director, "Because of the recent economic and ethical challenges in the financial industry, we believed that a certification program for construction financial professionals was a significant need in our industry." By conducting a full membership needs assessment and preparing a viable business case, "we were able to qualify and quantify our belief. A certification program for the construction financial professional most certainly supports CFMA's 'Big Hairy Audacious Goal' to be essential to success and professional growth in construction financial management," Schwab says.

Consider the following five questions when determining whether a certification program is right for your association:

1. Is it the best use of the association's resources? If the purpose is to attract new members or enhance the association's credibility or prestige, perhaps a

new marketing plan and increased promotional efforts would better accomplish these goals. If the association is concerned about regulation, perhaps a lobbying effort would be more effective.

2. Do the benefits justify the costs? Will the number of members served by the program make it worthwhile? Will the consumers of certificants' products and services, whether they are employers or the public, benefit appreciably from the creation of a cadre of certified professionals?

3. Will the program generate a positive financial return on investment? In most instances, it takes several years for credentialing programs to become financially self-sustaining. Even after this point, any profits earned typically need to be reinvested into the program to upgrade and maintain it. Although most certification programs with fewer than 1,000 candidates per year are not profit centers, it has nonetheless been demonstrated that if the organization creates a program that is in demand, prices the program well, and markets it effectively, the program ultimately can become self-sustaining.

4. Is it the right time to develop a certification program? A program created by a relatively new association might not have the same draw as one offered by a highly visible, established organization. If the profession or occupation is in its infancy or is highly fractionated, it may lack an accepted body of knowledge or widespread consensus on standards of practice.

5. Is certification consonant with the

association's mission and strategic goals?

A critical litmus test is whether your association would have to change its mission and goals to accommodate certification. Equally important is whether the membership believes that certification is appropriate for the association. The American Machine Tool Distributors' Association, Rockville, Maryland, developed a certification program in 1993 to address a shortcoming in the general professionalism and capability of sales engineers within the machine tool distribution industry. Ralph J. Nappi, CAE, AMTDA president, emphasizes the importance of careful planning. "There's one [thing] that all certification sponsors must be fully cognizant of from day one: You can't sunset a certification program like other association programs, services, or events," he says. "An industry's or profession's immersion in credentialing cannot simply stop; the long-term obligation to those practitioners involved is just that—long term. Thus, due diligence early in the planning process can help to avoid a painful and costly experience later. To take the planning and implementation process lightly can be a disservice to the entire organization and its constituents."

Assessing interest

Too many associations have found out the hard way that the "if we build it, they will come" approach to certification programs is an extremely risky one. In-depth market research is needed to gauge the potential for program success.

When conducting your market analysis, do not assume that the target market simply can be defined as all individuals eligible to apply for the

WHEN CONSIDERING WHETHER TO DEVELOP A CREDENTIALING PROGRAM, UNDERSTAND THAT IT CARRIES WITH IT A NUMBER OF LEGAL RISKS.

credential. Keep in mind that not all eligible individuals will have an interest in holding the credential. For example, older, established professionals might believe they have nothing to gain from becoming certified and much to lose (in terms of their reputations) should they fail to obtain the credential after applying. Also, do not overlook the fact that employer buy-in can make or break a credential. For some credentials, employers may be the target market, as is often the case with certification programs sponsored by trade associations.

Even if an association intends to subsidize its program, it should consider whether the size of the market and the benefits the market receives from the credential are sufficient to justify the expenditure of financial, staff, and volunteer resources. Is it worthwhile to create a certification program that will award only 50 new credentials each year? What about 500 new credentials? The American Registry of Diagnostic Medical Sonographers, Rockville, Maryland, sponsors four credentials and has certified more than 42,000 individuals since the organization's inception in 1975. ARDMS Executive Director Dale R. Cyr, CAE, asserts that the viability of a credentialing program is directly related to the value that key constituencies associate with the credential, and establishing this value requires a substantial commitment on the part of the sponsoring organization. Says Cyr, "One of the most important things to remember about certification programs is that they need to be approached for the long term. A certification program must have both perceived and real value to the supporting community, which includes the public it serves. The value of such programs can only come from doing it right. Any short-

cuts or shortcomings in certification development and administration will be felt by the affected community, making long-term buy-in difficult."

A large target market is of little value if you cannot easily access it. Does your membership encompass the bulk of the market, or will you need to draw potential certificants from the memberships of other organizations? If the latter is true, consider whether these organizations would permit you access to their members. Market accessibility also may be diminished if a sizeable portion of the target market is unaffiliated with trade or professional associations. If the success of the program depends on strong support from employers, consider whether you have a feasible means of reaching them. Lastly, do you have sufficient resources to mount marketing campaigns to any or all of these groups?

North American Technician Excellence (NATE), Arlington, Virginia, has certified more than 16,000 heating and cooling technicians since the program was launched in 1997. Early candidate volumes represented only a small fraction of the technicians in the United States. Realizing that most technicians were unaffiliated with any trade associations, NATE turned its attention to marketing the program to employers. "The key was to reach out to the contracting community—the principal employers of installation and service technicians—and sell the value of an independent, industry-driven certification program that would identify quality technicians," says Rex P. Boynton, NATE's president. "Contractors really saw that value when the manufacturers of heating and cooling equipment began offering specific incentives to contractors who employ NATE-certified techs. Technicians are the face of our industry, and everybody

recognizes the value of technician excellence." This strategy has paid off: Volume has increased by 300 percent in the past year.

Understanding legal issues

When considering whether to develop a credentialing program, understand that it carries with it a number of legal risks. In fact, the greater the economic benefit to having the credential, the greater the degree of risk to the program. Getting back to high-stakes versus low-stakes programs, consider a physician who is interested in underwater diving as a hobby. Though perhaps disappointed if he or she fails to earn an underwater diving certificate, the physician is not likely to initiate a legal challenge against the diving organization for denying certification. This is an example of a low-stakes program. However, that same physician will be much less tolerant if he or she fails to achieve certification in his or her medical specialty. Given that certification is required for the physician to practice in a hospital, he or she will go to great lengths to achieve that certification—particularly if he or she believes the certifying body is being unfair. Such a certification program is an example of a high-stakes program. This is not to say that low-stakes programs won't encounter legal risks—they will.

The legal risks of credentialing programs come from several components out of which various issues arise.

Criteria. The criteria for obtaining a credential must be fair and reasonable. When developing criteria for a credential, associations should apply the least restrictive criteria. In other words, identify those criteria that one should have at a minimum to become credentialed. This conversation will

seem counterintuitive to many staff and volunteers. Many will say, "I'm not interested in mediocrity. I want the best." But you should not confuse minimal with mediocre—or any similar judgment. Rather, think in terms of fundamental competency. If an organization wished to credential pilots for passenger planes, you would not attempt to identify the KSAs, or knowledge, skills, and abilities, of a pilot with 30 years of experience. Rather, you would ask, What KSAs, at a minimum, must a pilot possess?

Grandfathering issues. Another fairness issue that typically arises when initiating a credentialing program is how to handle people who are currently practicing in the industry. Should such individuals be required to go through the same process as others? A modified process? Or should they be automatically credentialed (that is, grandfathered)?

When the American Board of Emergency Medicine (ABEM), East Lansing, Michigan, was officially recognized in 1979 as the certifying body in the specialty, thousands of individuals across the country were already practicing emergency medicine. Ultimately, future practitioners would be required to complete four years of medical school and at least three years of post-medical training in an accredited emergency medicine program. It was not realistic, however, to expect all those who were currently practicing to go back into a residency program. Therefore, ABEM developed a temporary track for veteran practitioners to be able to sit for the exam. Individuals were required to demonstrate that they had practiced emergency medicine for a total of 5,000 hours during a period of seven years. ABEM notified practitioners that this track would remain open until 1988. Whatever option one takes with regard to grandfathering, it must be consistently applied across all cases.

Antitrust. Arguably, the greatest legal challenge to a credentialing organization involves antitrust issues. Organizations that attempt to use standards

to eliminate or harm competitors run significant antitrust risks. Also, requiring applicants to be members of the sponsoring organization may be challenged on the grounds of an illegal tying arrangement.

Analyzing costs

No question, credentialing programs are a significant organizational expense, the two major costs being development and maintenance.

Development. As previously mentioned, an association should conduct a carefully designed marketing study to determine if a credentialing program is needed and, more importantly, wanted. Such a study could easily cost \$30,000–\$100,000. As for credentialing standards, certification should be based on a careful study of the knowledge, skills, and abilities required of a qualified practitioner. This type of study, referred to as a job/practice analysis, role delineation, or body of knowledge study, typically involves a review of literature pertaining to professional practice, in-depth interviews with practitioners, large-scale surveys, and expert panel meetings. Costs for the study can be \$50,000–\$500,000, with most falling in the range of \$50,000–\$125,000.

Finally, the development of a valid

and reliable assessment instrument is no small task. Costs of developing assessments for certification programs vary according to the complexity of standards and the types of assessments used (e.g., multiple choice, oral, performance-based examinations). Once marketing and promotional materials are added, program development costs could easily reach \$150,000–\$350,000.

Maintenance. As with most association programs, personnel costs will constitute a considerable portion of the ongoing implementation of a credentialing program. When evaluating human resources needs, associations should consider three components: paid staff, volunteers, and professional consultants. The degree to which each is used will depend upon the size of the program and qualifications of paid staff and volunteers.

Professional staff. You will need to have an adequate number of professional staff to ensure proper policies are developed and implemented. The number of staff required depends on how much work is performed in-house versus outsourced and the volume of applicants. While staff need not have expertise in credentialing, they should be conversant in credentialing processes and issues. ►

ARE YOU READY? A CERTIFICATION CHECKLIST

Following are some questions to answer before making the decision to move forward with a certification program:

1. Is the target market sharply defined and accessible?
2. Does the target market or the industry need and want this certification?
3. Are there powerful stakeholder groups that will support and endorse the program?
4. Do you have the staff and volunteer resources required to develop and implement the program?
5. Can your organization afford a three-to-five-year timeline for the program to break even?
6. Is your association the first or an early entry into the certification market in your industry?
7. Does your industry have major workforce or professional development needs for assessment and verification of knowledge and skills?
8. Is there pressure on the association to make an effort to ensure protection of public health, safety, and welfare?

Clerical staff. Clerical staff will be needed to administer such routine functions as processing applications, maintaining records, and handling correspondence.

Volunteer help. You'll call on volunteers to develop and monitor policies and carry out critical functions, such as setting standards, approving applicants, developing and reviewing examinations, and responding to appeals.

It is important to note that the clerical and professional tasks cannot be effectively assigned to existing staff with other duties. Staff will need to dedicate their full time to credentialing duties.

Outsourced help. Because few associations have staff with expertise in psychometrics and evaluation, most need to engage the services of professionals in performance assessment and credentialing. These consultants provide training in test question development, test validation, question analysis, and test scoring.

Given the legal considerations already discussed, associations will also be wise to engage legal counsel with credentialing expertise to periodically review the policies and procedures of the program. Legal fees typically range from \$225 to \$400 per hour.

As with any other association program, multiple other costs need to be factored in, such as data storage, travel,

CREDENTIALING RESOURCES

ASAE has available two resources on credentialing. To order them, contact the ASAE Member Service Center by phone: 202-371-0940 or 888-950-ASAE; or e-mail: service@asaenet.org.

***The Business of Certification: A Comprehensive Guide to Developing a Successful Program* by Lenora G. Knapp and Joan E. Knapp (2002, ASAE).** This in-depth resource covers key topics such as strategic planning and marketing your certification program. It also features chapters on global certification and transitioning to computer-based testing. This offering includes a supplementary tool kit of 21 worksheets that you can use right away to apply the authors' concepts to your unique needs.

***Certification and Accreditation Law Handbook* by Jerald A. Jacobs (1992, ASAE).** This book is a comprehensive and user-friendly review of legal principles and rules that apply to private, nonprofit voluntary organizations that issue credentials, operate certification or accreditation programs, or that are considering doing so. Contents include liability to third parties, confidentiality of records, use of credentialing marks, tax exemption, and the Americans With Disabilities Act. Appendices include sample documents and excerpts from the *Federal Register*.

telephone, insurance, office supplies, office space, furniture, accounting, and administration.

Viewing all the angles

Credentialing programs should not be entered into lightly. And financial gains should definitely not be the driving force behind the decision to launch such a program. Rather, fulfillment of an organization's mission and the desire to meet a documented member or industry need should be the compelling forces.

The process should be based on

sound market research, and standards should be objective and fair. Assessment instruments should be reliable and valid. And before you leap—make sure you have an adequate cushion below. **AM**

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