

# NAIFA

## 20/20

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### STRATEGIC PLAN

DECEMBER 2015



## **NAIFA 20/20 Strategic Plan/Draft #2 December 2015**

### **Introduction**

In October 2015, a task force of NAIFA members, leaders and executives participated in a two-day summit to begin work on a five-year strategic plan that strengthens NAIFA's success and sustainability in serving members through 2020 and beyond. The NAIFA 20/20 Task Force is led by NAIFA President Jules Gaudreau and Task Force Chairman Dave Beaty and includes a broad cross section of NAIFA leaders from across the federation.

The October summit was facilitated by professional association executive Leslie Murphy, FASAE, CAE, of Raybourn Group International. The following areas were covered:

- How NAIFA can thrive as a “purpose driven” organization.
- How NAIFA can enhance the impact of its advocacy mission.
- How NAIFA can help members protect their clients in increasingly competitive and rapidly changing business and marketplace conditions.
- How NAIFA's business and financial model can better meet the needs of members and the profession in 2020.

On Nov. 13, the Task Force released its first draft of the Strategic Plan for review and comment by the Board of Trustees, corporate partners, NAIFA members, executives and staff. This version, Draft #2, was updated by the Task Force and Board of Trustees, taking into account the feedback received from NAIFA leaders, members, and stakeholders. This draft is out for a second round of review and comment through Jan. 15, 2016. The Task Force will then review any additional comments and revise the plan accordingly, with the final draft submitted to the Board for final approval in February 2016.

### **Mission of NAIFA**

NAIFA 20/20 will re-energize NAIFA's historic mission. Founded in 1890 as The National Association of Life Underwriters (NALU), NAIFA is one of the nation's oldest and largest associations representing the interests of insurance and financial professionals with members from every Congressional district in the United States. NAIFA members assist consumers through highly competent and ethical advice and by focusing their practices on one or more of the following: life insurance and annuities, health insurance and employee benefits, multiline, and financial advising and investments. NAIFA's mission is to advocate for a positive legislative and regulatory environment, enhance business and professional skills, and promote the ethical conduct of its members.

### **Background**

For 125 years, NAIFA has been committed to building and advancing a profession with programs and services that develop informed, educated and ethical insurance and financial advisors. With members in every congressional district, NAIFA is one of the most effective lobbying organizations in Washington, with the 12<sup>th</sup> largest political action committee (PAC) in the nation.

Yet, for two decades, NAIFA has experienced significant declines in membership and revenue. Just as NAIFA members have had to redefine the value they provide their clients in a changing marketplace, NAIFA must respond with a new business model that diversifies revenue and grows membership, while maintaining NAIFA's position as a timely, relevant, nimble and forward-thinking organization. NAIFA is and must continue to be the pre-eminent and unified voice in the insurance and financial services industry.

## **A Five-Year Vision for NAIFA**

### **Context**

The services provided by NAIFA members are needed now more than ever. Americans are woefully under-insured and the retirement crisis in America is growing. Too many U.S. households are ill-prepared for the future with too little insurance coverage and inadequate retirement savings. NAIFA members are uniquely positioned to shape and affect future savings patterns and consumer demand for insurance and financial products by educating consumers and delivering affordable access and advice to those who need it the most. As an organization, NAIFA is positioned to raise consumer awareness of NAIFA members' critical role in educating, advocating and securing the financial futures of 75 million American families and businesses.

The future success of insurance and financial advisors will lie in their ability to redefine and reinvent the value they bring to their clients, as a trusted advisor, through 2020 and beyond. The retirement of baby boomers, the growth of the middle market, the changing face of the traditional family and the use of technology are among the factors that significantly affect who advisors' clients are and what products advisors will need to guide their clients to secure financial futures. In addition, the demand for insurance and financial advisors will outpace the average growth of the U.S. workforce by 2020. To meet the nation's needs for financial advice and protection, the profession will need to grow more than twice as fast as the overall workforce by 2020. Legislative and regulatory changes at the federal and state level also will continue to challenge NAIFA members' ability to manage their businesses and serve their clients, with increasing need for the industry to assure policy makers and regulators that advisors look after the best interests of their clients and provide indispensable advice to help their clients secure their financial futures.

### **Role and Impact of NAIFA's Programs and Services**

NAIFA meets the advocacy and business needs of its members by helping them protect and grow their practices. NAIFA's offerings include:

- NAIFA's strong and impactful federal advocacy programs are supported through political involvement in all 50 states and all 435 congressional districts, bolstered by one of the largest PACs in the U.S.
- NAIFA has unparalleled strength advocating at the state level across the country, with members involved at the grass-roots level, access to legislators and regulators, and state level PAC activity nationwide.
- NAIFA attracts a diverse profile to the profession and trains them to serve households and businesses across multiple markets.
- NAIFA maintains a growing community of young advisors and provides networking and training opportunities to help them thrive in business.
- NAIFA provides training to a growing population of independent agents.

- NAIFA promotes ethical business practices through thought leadership and among its members.

## **Opportunities and Challenges**

To develop a new strategic plan, the NAIFA 20/20 Task Force identified the best opportunities and greatest challenges for NAIFA over the next five years.

Opportunities identified by the Task Force include:

- NAIFA's ability to grow non-dues revenue, such as delivering much-needed professional development opportunities in the training and credentialing space
- Creating a structure to allow for fee-based access to content and services
- The creation of varied membership categories
- Increased corporate sponsorship and support
- Leveraging the use of technology to increase member access to products and services domestically and internationally
- Increasing outreach to consumers through NAIFA brand awareness and industry messaging
- Enhancing member engagement to ensure utilization of NAIFA's products and services in ways that retain and grow the membership base

Challenges identified by the Task Force primarily focused on the Federation's business model that encompasses approximately 600 state and local associations. The current set-up poses the following challenges to NAIFA:

- The large number of associations makes it difficult to deliver consistent programs across the board and attract volunteer leadership to the entities on a regular basis.
- The business model hinders NAIFA's ability to be nimble and adapt and respond to changing business needs.
- The model makes it difficult to deliver a unified and consistent member experience across the Federation.
- Governance requirements at the state and local level can be taxing on dedicated volunteer leaders who would rather lend their talents to quality association programming and political activities rather than to organizational bureaucracy

## **Strategic Vision**

The strategic vision and goals of the NAIFA 20/20 plan reflect the Task Force participants' understanding - based on their NAIFA involvement, experience and member interaction -- of what NAIFA members currently value about the organization, and the challenges and opportunities ahead. The plan's five-year time frame will be assessed and evaluated throughout implementation by the NAIFA Board and staff, with continued guidance from NAIFA Federation leaders and other constituents.

Throughout the five-year period, NAIFA will pursue the following strategic vision:

- NAIFA will grow in influence and authority before state and federal legislators and regulators through highly impactful and visible advocacy activities, events and initiatives.
- NAIFA will continuously review and deepen its understanding of NAIFA member needs in the business climate and respond with new products and services that help members develop professionally and grow their businesses.
- NAIFA will create a growing line of products and services that build financial resources through non-dues revenue while re-investing in programs that meet member needs and advance NAIFA's mission.
- NAIFA will work closely with corporate partners to assess and ensure the value of company support and sponsorship while exploring new opportunities that mutually benefit the companies, their advisors and the industry.
- NAIFA will work with sister organizations and coalitions to retain its position as a leader in unifying the industry.
- NAIFA will raise consumer awareness through Federation-wide branding and messaging on the NAIFA member role as consumer advocates for financial education, services and security.

## **NAIFA Vision and Mission Statements**

NAIFA has always been committed to political advocacy, developing professional growth and promoting ethical business practices on behalf of its members and the industry. The NAIFA 20/20 Strategic Plan – through Goal A/Empowerment – suggests that NAIFA formally recognize members' long-standing role as advocates for consumers by positioning NAIFA as “a premiere consumer advocacy, empowerment and awareness organization.” With this new positioning, the Task Force recommends that NAIFA revise its Vision and Mission Statements as follows:

### **Vision Statement**

The National Association of Insurance and Financial Advisors protects and promotes the critical role of those providing financial advice and protection in helping consumers develop sound financial guidelines and strategies, essential for their financial security.

### **Mission Statement**

The National Association of Insurance and Financial Advisors advocates for a positive legislative and regulatory environment, enhances business and professional skills, promotes ethical conduct and positions members as consumer advocates for financial security.

## NAIFA 20/20 Goals

The following goals to be achieved over the next five years respond to the issues, challenges, opportunities, and outcomes identified by the Task Force.

Goals	2020 Outcomes
<b>Goal A: Empowerment</b> Position NAIFA as a premiere consumer advocacy, empowerment and awareness organization that also raises member prestige. Create and foster the proper legislative and regulatory environment so members can empower consumer choice and foster financial stability in a diverse environment.	<b>Advocacy</b> <ul style="list-style-type: none"> <li>NAIFA members are able to do business in a legislative and regulatory environment at the federal and state level that enables consumer access to affordable insurance and financial advice and products.</li> </ul> <b>Diversity</b> <ul style="list-style-type: none"> <li>A diverse population of agents and advisors are actively engaged in NAIFA member services and benefits.</li> <li>NAIFA establishes formal partnerships with diverse organizations to exchange ideas and best practices in professional development, advocacy and thought leadership.</li> </ul> <b>Training and Professional Development</b> <ul style="list-style-type: none"> <li>NAIFA is the gold standard for training and onboarding for those providing financial advice and protection that leads members to sustainable and successful careers.</li> <li>A global workforce utilizes and benefits from NAIFA's training and professional development opportunities.</li> <li>NAIFA is the go-to organization for training independent advisors.</li> <li>NAIFA offers a diverse array of products that meet the needs of advisors on a variety of career tracks.</li> <li>NAIFA members are knowledgeable and trained on how to reach diverse segments of the population with needed insurance and financial services products.</li> <li>NAIFA members have resources to promote financial literacy in the consumer market.</li> </ul> <b>Awareness</b> <ul style="list-style-type: none"> <li>Lawmakers, the public and other key stakeholders perceive NAIFA as a consumer advocacy organization whose members succeed in helping their clients become more financially-literate while securing financial futures.</li> <li>NAIFA is an organization that helps attract and retain a growing workforce of those providing financial advice and protection.</li> </ul>



Goals	Outcomes
<b>Goal B: Business Model:</b> Align the NAIFA business model to more effectively and efficiently deliver member value and grow membership.	<p><b>NAIFA Infrastructure</b></p> <ul style="list-style-type: none"> <li>The NAIFA infrastructure supports nimble decision-making while delivering member-valued services and benefits.</li> </ul> <p><b>Local Associations</b></p> <ul style="list-style-type: none"> <li>NAIFA Local Associations are empowered to strengthen and adapt their business model to meet the programming, networking and business needs of members in the local market.</li> <li>Members at locals participate in grassroots activities through NAIFA advocacy.</li> </ul> <p><b>State Associations</b></p> <ul style="list-style-type: none"> <li>NAIFA State Associations offer professional development and advocacy support to Locals on an as-needed basis.</li> <li>NAIFA State Associations coordinate political grassroots activity and provide a robust presence in the state capitol with legislators and regulators.</li> <li>NAIFA State Associations are the conduit for information from NAIFA National to Locals.</li> </ul> <p><b>NAIFA National</b></p> <ul style="list-style-type: none"> <li>National coordinates federal-level advocacy activities on issues impacting the industry and members' businesses.</li> <li>National supports state advocacy initiatives with more structured involvement, programs and resources that ensure success in activities such as State Days on the Hill, issue tracking and member/state contacts.</li> <li>National creates professional development offerings for State and Local associations to provide to members.</li> <li>National develops programs to raise consumer awareness of members' role in protecting and securing financial futures.</li> <li>National creates and administers a consistent and cohesive NAIFA brand across States and Locals.</li> <li>National delivers administrative services to States upon request to facilitate delivery of consistent member experience and value.</li> </ul> <p><b>Quality Member Experience</b></p> <ul style="list-style-type: none"> <li>NAIFA ensures a baseline of quality member services through established standards for success at the Local, State and National Level.</li> </ul>

Goals	Outcomes
<p><b>Goal C: Financial Model</b></p> <p>Diversify revenue structure to provide more resources to NAIFA and deliver member value through training, certification, dues, corporate support and sponsorship</p>	<p><b>Dues Structure</b></p> <ul style="list-style-type: none"> <li>• NAIFA establishes a unified and cohesive dues structure for implementation throughout NAIFA (e.g. reducing number of dues structures from 600 to 50 and eventually to 1).</li> <li>• NAIFA's complimentary introductory membership program is graduated with dues cost increasing in subsequent years.</li> <li>• Dues are reduced for emeritus members and those in other specially designated categories, as appropriate.</li> </ul> <p><b>Revenue Share</b></p> <ul style="list-style-type: none"> <li>• NAIFA establishes a revenue-sharing model with States and Locals to provide funding to help with operations and programs.</li> </ul> <p><b>Diverse Portfolio</b></p> <ul style="list-style-type: none"> <li>• NAIFA establishes a strong financial model that includes a diverse portfolio of non-dues revenue through programs such as certification, training, and corporate support.</li> </ul>



## Next Steps



The above plan outlines the goals and objectives set forth by the Task Force for NAIFA success in 2020. Drafts of the strategic plan will be posted on NAIFA.org for review over a three-month period by NAIFA stakeholders, including NAIFA leaders and executives, company representatives, and the NAIFA membership. This robust process will include two sets of review and comment periods so members have more than one opportunity to provide input and offer feedback to the Task Force.



In February, the Task Force will submit a final draft to the NAIFA Board for approval. Following board approval, working groups led by NAIFA staff will develop the strategies, tactics and annual success metrics to advance the goals and deliver on the outcomes as defined in the plan.

## NAIFA Annual Business Plan to Follow Strategic Plan

A strategic plan is a dynamic document – a roadmap of where NAIFA plans to go. The strategic plan defines what will constitute success, and employs strategies and tactics to achieve the outcomes envisioned by each strategic goal. Time, circumstances and the environment will likely require periodic adjustments to ensure that the plan is meeting member needs and posturing NAIFA for organizational success. This will require continuous review and evaluation by the NAIFA board and staff, with rewrites and updates submitted accordingly in order to meet the changing business and market needs of NAIFA members and the industry.

An annual business plan will be developed to execute on the strategies and tactics for a given year to achieve the goals and stated outcomes. This plan will involve resource allocation (staffing, support dollars, program development investments, etc.) as required to keep NAIFA on pace for achieving the board-approved goals and outcomes. The business plan will be developed and shared with the board, partners and membership to provide transparency and enunciate a blueprint for NAIFA's operations. The business plan will be presented to the board as part of the annual budget process.

### Strategic Plan Development Timeline:

<u>DATE</u>	<u>EVENT</u>
11/6/2015	Board Reviews Draft
11/10/2015	Pre-Exposure Period
11/13/2015	Exposure Period
11/27/2015	Exposure Period End
12/2/2015	Task Force reviews comments
12/4/2015	Task Force preliminary report to Board
12/16/2015	Distribute Revised Draft to Stakeholders
12/18/2015	Revised Draft Issued
12/18/2015	Second Comment Period
1/15/2016	Second Comment Period Ends
1/22/2016	Task Force review of second comments
2/3/2016	Final plan submitted to Board
February 2016	Final Board Approval
April 2016	Strategies & Tactics for Outcome Achievement Due
May 2016	Annual Metrics Dues
July 2016	Business Plan for FY 2017 Due
Continuous	Board Review of Plan, Refine as Appropriate

[www.naifa.org/2020](http://www.naifa.org/2020)