

A Message You Should Hear from ASA

By Tom Slear

There are three types of interview subjects. Mr. Savvy prefaces his answers with, "I, glad you asked that," or "Boy, you know your stuff. Let me try to answer your question this way..." His tone exudes cooperation. He has you thinking he's a staunch believer in full disclosure. Not until you replay the audiotape do you realize you have nothing but bombast. You dug a dry hole.

Then there's Mr. Sincere. He really wants to help, but he's also very careful. Worried what says may be misunderstood in print, he ponders every statement. You hear a lot of "What I meant to say was..." and "Let me rephrase that..." You eventually get what you need, but you feel like a dentist working with pliers.

Finally, there's Mr. Pit Bull, someone such as Automotive Service Association (ASA) President and Chief Staff Executive Mr. G.W. "Bud" Merwin III. He's intent on showing the media what's what, in the process making your job easy. You don't run into this type often. When you do, you sit back and listen while he puts the noose around his neck and kicks open the trapdoor.

Before getting into the specifics of my interview with Merwin, a little background is called for. Last summer, much to the chagrin of some state affiliates, ASA announced that its annual trade show, the International Autobody Congress and Exposition (NACE) would be supplemented in 1996 by the Northern Autobody Congress and Exposition. Few insiders were consulted during the planning of what has become known derisively as NACE Lite. Consequently, the announcement was greeted with suspicion. Why another NACE-like show? Is ASA becoming essentially a trade show company? And why all the secrecy?

Legitimate questions, I thought, especially since ASA ostensibly exists solely to fulfill its members' needs. If they have questions

about ASA's direction, they deserve answers. To get some, I tried to track the money. I called Monica Buchholz, ASA's vice-president of communications, and ask for an annual report, which arrived promptly in the mail.

Call me silly, but I expected detailed financial figures audited by an accounting firm. What I got, as I told Buchholz in a subsequent telephone conversation, were numbers no more specific than what I show my ex-wife. More important, there were no notes – typically the most enlightened part of a financial report.

Buchholz was Ms. Savvy. No way was she going to grant my wish for a copy of the 1994 audited report, but she didn't want to be the one to turn me down. In a couple of minutes, Merwin was on the other end of the line, breathing heavily. He explained he'd run to the phone to take my call. Mr. Sincere, perhaps?

I told him that I wanted to inform readers on ASA's financial status in general and NACE in particular. More specifically, I wanted to present figures so readers could decide if the association was tilting too much toward trade shows. I added that several people I'd talked to had found it disturbing that financial questions by members at NACE 1995 were left unanswered. I wanted to clear the air. Toward the end, I asked, how about supplying me with an audited report?

Merwin said the report I had was all that I was going to get. I repeated what I'd said to Buchholz, adding that the annual report was signed by ASA's own vice president of finance. Self-policing may have its place, but not in an association whose 1994 revenues exceeded \$7 million.

I was prepared for a stall. ASA, after all, is a 501(c)6, a nonprofit classification that permits its board of directors to determine the level of financial detail members can see and under what conditions. As a nonmember I had no standing. I got a stall, all right, and much more.

"Internal accounting, those figures are for the board," Merwin said, his tone abruptly changing from Mr. Sincere to Mr. Pit Bull.

“The board has adopted a policy. An audit will be made available to a member in Bedford [ASA’s headquarters in Bedford, Texas] by appointment.”

“Any chance a member can take a copy of the audit, or perhaps personal notes, with him?” I asked.

“Of course not,” Merwin replied, his pit-bull tone in full flower. “(There’s) no reason to be informing members of a DAMN THING, And IT’S NONE OF YOUR DAMN BUSINESS.”

Did I hear what I thought I’d heard? “NO REASON TO INFORM MEMBERS OF A DAMN THING?” Come on, he really didn’t mean that. Even if he did, I wasn’t interested in a hanging. I only wanted the audited financial figures on NACE and ASA. In an effort to let Merwin soften his stance, I informed him my column is read by many ASA members. I would read back what he had said. I was subtly telling him he could make changes. But he didn’t take the hint. Instead, he tightened the noose.

“That’s it, that’s what I said,” he replied emphatically. Then he proceeded to kick open the trap door.

“You’re beating a dead horse,” he added. “Get the hell off of it and tell members (about) something they’re interested in.” I explained to Merwin that from what I could tell, members are very interested in the profits from NACE, as well as the reasoning behind the Northern Autobody show and the possibility that ASA is becoming more concerned with trade shows than with its members’ needs.

Merwin’s reply: ASA is simply part of a trend. Associations in general are moving away from relying on membership dues, he said. He invited me to check with the American Society of Association Executives (ASAE).

I did, and discovered Merwin is correct, at least up to a point. ASAE surveyed 716 organizations in 1993 and found membership dues, on average, comprised 35.5% of total income, a 6.5% decrease from when the survey was last conducted in the late 1980s. Dues *are* becoming less and less a factor in associations’ financial health. But

ASA has taken this trend to the extreme. Its 1994 dues revenue of \$ 1.77 million was just under 25% of total revenues (\$ 7.1 million), thereby begging the question: With dues paying so little of the tab, how beholden is ASA leadership to its members?

Another interesting ASAE statistic: executive and administrative costs and membership services came to 36.5%, on average, of total revenues among the organizations surveyed in 1993. ASA’s 1994 percentage was a whopping 42%. In fairness to ASA, you can’t tell without detailed financial data if ASA has bloated overhead, which includes executive salaries and benefits, or very generous membership services.

Regarding financial disclosures, ASAE vice president Bob Boege had this to say: “I can only speak for ASAE, We’re an association of 23,000 people. We [the people who work at ASAE’s headquarters in Washington D.C.] don’t own it; the members own it. We’ll send whatever they want. The best answer is disclosure rather than make people suspicious.”

When I told Boege of Merwin’s comments, he paused before saying, “I’d rather not comment.”

Good point. Why comment? Merwin says it all himself.