

Society Operating Model

Introduced September 2021



Society Operating Model



Purpose

To optimize the strengths of the network to the best advantage of our mission, members, and strategy.



Vision

Strategically

Leverage the true benefits of a true global network for **influence, relevance, insights and member value**

Operationally

- Safeguard the spirit of volunteerism
- Direct resources to the most meaningful efforts
- Effectively enable societies
- Identify early opportunities and act on them
- Exercise greater business discipline and enhanced risk management

Roles* of Societies in Our Strategy



		Shape the Future of the Industry and the Profession			Build a Diverse Portfolio of Learning Products		Modernize and Grow the CFA Program			Develop Exceptional Customer Experiences		
		Advocacy	Research	Standards	Creation	Distribution	CFA Program	IR/Employers	Universities	Employers	Candidates	Members & Volunteers
Most Societies	Value Drivers	<p>Promote CFA Institute policy advocacy positions to members, institutions, regulators</p> <p>Introductions to and engagement with regulators and policymakers</p> <p>Drive policy by responding to regulatory consultation papers</p>	<p>Promote CFA Institute's research and thought leadership</p> <p>Contribute local insights into CFA Institute's research and thought leadership</p> <p>Convene local Influencers on key themes</p> <p>Author original research or localize CFA Institute research</p>	<p>Promote awareness of standards among membership</p> <p>Promote adoption of our industry standards by engaging directly with regulators, firms, and industry representatives</p> <p>Drive input from members and local thought leaders into new standards development</p>	<p>Deliver educational programming and CE opportunities to members</p> <p>Deliver local Professional Learning content and programs</p> <p>Collaborate across network on programming</p> <p>Contribute content to CFA Institute PL portfolio</p> <p>Localize CFA Institute products for local relevance</p> <p>Gain volunteer expertise into learning and research</p>	<p>Represent and promote CFA Institute learning products to members and institutions</p> <p>Drive demand amongst local constituents and employers</p> <p>Package and share quality learning content with network and/or CFA Institute</p> <p>Deliver Ethics Training</p>	<p>Support Local Candidates with exam prep, study groups, mentorship</p> <p>Participate in Demand Generation campaigns</p> <p>Build local brand awareness</p> <p>Contribute to Practice Analysis</p>	<p>Initiate local employer and university relations and host CFA Program information sessions</p> <p>Partner with Institutional Relations on local B2B strategy</p> <p>Directly promote learning products</p> <p>Establish and support ambassador programs or networks</p>	<p>Promote Scholarship Programs to grow awareness and demand</p> <p>Host & Onboard Universities to the Research Challenge</p> <p>Host/Deliver Ethics Challenge</p> <p>Build relationships with prestigious universities and academics</p>	<p>Initiate and maintain local employer relationships, including sponsorship opportunities</p> <p>Identify employer needs: products, professional learning, research, ethics & standards</p> <p>Promote the Career Center</p>	<p>Recognize new Charterholders</p> <p>Provide networking and career services to candidates</p> <p>Localize and amplify CFA Institute messaging (e.g. Candidate Exam Comms)</p> <p>Assist with local candidate inquiries</p> <p>Provide Exam Prep Services</p> <p>Invite candidates into membership (local or Affiliate)</p>	<p>Grow membership through Recruitment and Renewal Campaigns</p> <p>Deliver networking opportunities</p> <p>Engage, manage, and recognize volunteers and committees</p> <p>Deliver educational programming and CE opportunities to members</p> <p>Measure engagement and solicit member sentiment and actionable feedback</p> <p>Create contribution opportunities for members and volunteers</p>
		Few Societies										

* Not an exhaustive list

Operating Model Themes



Themes for Evolving our Partnership with Societies

We propose three core guideposts which signal our direction and tell the story, internally and externally, of how we will evolve our partnership with societies to achieve goals and the mission.



Impact



Differentiation

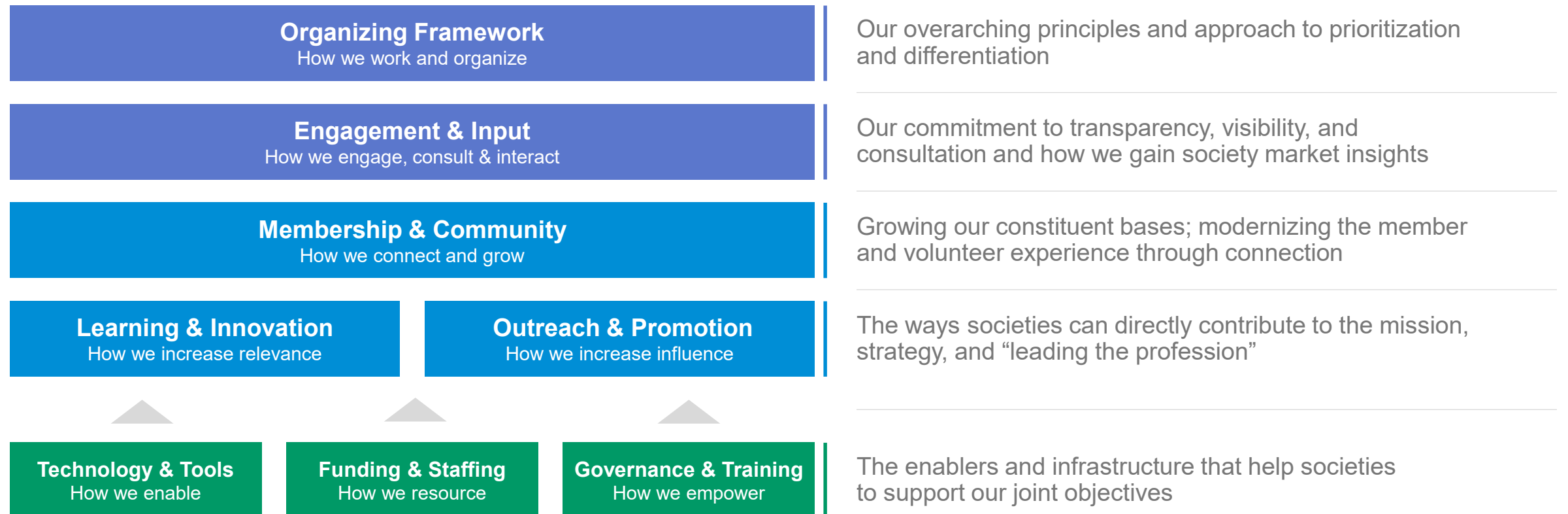


Community

Society Operating Model Components



With the guideposts of Impact, Differentiation, and Community, our proposed Society Operating Model is organized around the following components.



Strengths and Challenges



The Operating Model aims to leverage the strengths and address many of the challenges of our unique network.



Member Value Proposition



Unique Societies and Markets



Governance and Structure



Volunteerism



Operational Complexity



Resourcing

Society Operating Model Shift Chart



COMPONENT	FROM	TO
01 Organizing Framework	One size fits all	Differentiated and prioritized
02 Engagement & Input	Little market intel	Robust insights
03 Membership & Community	Hub and spoke	Connected global and local member experiences
04 Learning & Innovation	Low visibility and agility	Coordinated and agile
05 Outreach & Promotion	“Who owns this market?”	“How can we be most effective?”
06 Technology & Tools	Insufficient adoption and redundant	Integrated and efficient
07 Funding & Staffing	Inconsistent ROI	Intentional, measurable impact
08 Governance & Training	Gaps in best practices	Strong and consistent

Differentiation



The **Society Operating Model** segments markets in order to better differentiate local market opportunities and collaborate with local societies in deriving plans for meeting them.

Society Market Differentiation

Super Centers

(United Kingdom, New York, Toronto, Boston, Chicago, Singapore, Hong Kong, Australia)

India & China

Large Markets/Countries

Medium Countries

Small, Fast Growth Countries

Small Stable Emerging Markets

Medium US

Small US

Macroeconomic Variables

- Unemployment Rate
- Real GDP
- GDP Per Capita
- Labor Force Participation
- Population

Candidate and Membership Growth

- Proportion of NLI Candidate Registrations
- Total CFA Program Candidate Registrations
- 5-year CFA Candidate CAGR
- 5-year NLI CFA Candidate CAGR
- Total Society Members
- Tenure of Active Memberships
- Percentage of Female Members
- 3-Year Average Membership Retention Rates

Society Financials

- Percentage of Revenue from CFA Institute Funding
- Expenditure Per Member
- Financial Reserves
- Financial Reserve Ratio

Variables applied to 160 markets

Timeline



Timeline



■ Develop
 ■ Implement

© 2022 CFA Institute. All rights reserved.

How it all works together



Vision	Empowering the investment industry to realize the world's greatest possibilities		OUR PURPOSE ON THIS PLANET.
Mission	To lead the investment profession globally by promoting the highest standards of ethics, education, and professional excellence for the ultimate benefit of society.		OUR MISSION IS UNCHANGING, GUIDING WHO WE SERVE, WHAT WE DO, AND HOW WE DO IT.
Goals	<ul style="list-style-type: none"> • Increase influence across the ecosystem • Increase the global constituent base of the CFA Institute • Increase scale and diversity product portfolio 		OUR MEASURABLE OUTCOMES
Strategies	<ul style="list-style-type: none"> • Shape the future of the industry and the profession • Build a diverse portfolio of learning products • Modernize and grow the CFA program • Develop exceptional customer experiences 		HOW WE'LL WORK NOW TO ACHIEVE OUR PURPOSE TODAY AND TOMORROW.
Operating Model	<ul style="list-style-type: none"> • Culture and talent • Processes • Measures and motivators • Technology and tools • Data 	<ul style="list-style-type: none"> • Governance • Societies • Product 	HOW WE'RE DESIGNED TO MEET CUSTOMER, EMPLOYEE, AND SOCIETIES' NEEDS.
Society Operating Model	<ul style="list-style-type: none"> • Our organizing framework • Engagement & Input • Membership Strategy & and Community • Learning & Innovation 	<ul style="list-style-type: none"> • Promotion & Outreach • Technology & Tools • Funding & Staffing • Governance & Training 	HOW WE WILL WORK WITH SOCIETIES TO ACHIEVE OUR GOALS