



THE MANITOBA CHAMBERS OF COMMERCE
ENTREPRENEURIAL SPIRIT - COMMUNITY VALUES

Starting and Operating a Local Chamber

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In The Beginning.....

The creation of a local chamber of commerce can have such a profound effect upon a community that it is hard to believe that it can begin so easily – all that is really needed is an individual or group with the fundamental belief that a town needs an organization to bring its businesspeople and other citizens together to foster trade and industry, stimulate civic development and generally promote the welfare of the community.

Usually the most difficult task is overcoming certain preconceptions about beginning a local chamber: the belief that it will require considerable money, and the belief that setting up the organizational machinery will be difficult and costly to maintain. Ironically, as these pages will show, these beliefs are far from the case.

Tip: The MANITOBA CHAMBERS OF COMMERCE is more than willing to provide assistance and guidance in the creation and operation of a local chamber of commerce.

Consider what area you want your chamber to include, is it just the community, the municipality or should it include the adjoining district? Once you have decided the area that you would like included within your chamber contact neighboring chambers to make sure that you are not encroaching upon their territory.

The First Meeting

If possible, arrange for a speaker versed in chamber work to be present for an organization meeting.

Call a meeting of those interested. Considerable effort should be made to see that it is well attended. It should be 'talked up' by the ones originally interested, newspaper publicity should be arranged, the support of local community leaders should be sought.

Efforts should be made to see that not only businesspeople of the community are on hand, but all interested citizens.

Tip: Have a representative of the MANITOBA CHAMBERS OF COMMERCE attend your initial meeting so that questions from the floor can be answered immediately.

At the meeting, appoint a temporary chairman and secretary to carry on until permanent officers are elected.

Then call on your guest speaker to outline the functions of a chamber, highlighting the successes of other small organizations.

Tip: Also invite representatives from chambers from neighboring communities. They will be able to provide concrete examples of the benefits of a chamber that your attendees can relate to.

Two or three leading citizens might then make short addresses which present definite needs of the community. They should point out what may be achieved through cooperative action and definitely propose organizing a chamber. The tone should be positive, the proposals concrete. Emphasis should be placed on the common interests of those present and differences should be minimized.

At that point questions which arise should be answered.

Then, call for a motion to establish the organization. It is usual for such a motion to include the full title of the proposed organization.

If there is any dispute over the name, the chairman should suggest a simple motion to establish the organization, the choice of title to be decided later.

A committee should be appointed to draft a constitution or by-laws. A booklet "Sample By-Laws" is available from the Canadian Chamber of Commerce.

A second committee should be appointed to draw up a suggested slate of officers and council members for the first year.

- Both committees should report at the next meeting.
- Set the date for the second meeting.
- Close the meeting with a pep talk so that everyone goes home enthused.

The Constitution committee should study the Boards of Trade Act and the CCC's booklet "Sample By-Laws". The CCC's pamphlet "incorporation" also should be reviewed. It explains the history and purpose of the Boards of Trade Act and the procedure to be followed in order to incorporate under its provisions. One important advantage gained by such incorporation, for example is the right to own and hold property without joint personal liability, which is of considerable assistance in furthering an industrial program. Even though your chamber cannot, or decides not to incorporate it is wise to frame the constitution or by-laws with the provisions of the Act.

Question: Should our local chamber incorporate under provincial legislation or under federal legislation?

Answer: The answer to this question will depend on a number of factors. It may be useful to contact the President of the MANITOBA CHAMBERS OF COMMERCE for advice relating to this issue.

The nominating committee should choose for their slate a representative group of civic minded individuals who recognize the need for a chamber and are willing to accept their responsibilities as directors. Provisions should be made for further nominations from the floor at the election meeting thus assuring that there can be no criticism later on the grounds of a lack of democratic procedure.

Tip: Consult the section relating to the duties of the MANITOBA CHAMBERS OF COMMERCE directors within this Manual to assist you in understanding the requirements that will be placed on your directors.

Your initial meeting should also accomplish the following:

- Bring the need for a chamber to the attention of the public;
- Tell the people what a chamber can do for the community;
- Dispel any antagonisms towards forming a chamber;
- Indicate who the more enthusiastic supporters are likely to be.
- They might develop into good officers and leaders.

The Second Meeting

This is the meeting where the chamber really gets underway. The temporary officers are still in charge.

The first item of business should be the adoption of by-laws with particular attention being paid to those governing:

- The method of election of officers and Council;
- The dues schedules;
- The month of the annual meeting; and
- Arrangements for regular membership meetings.

A program of Work should be discussed. This should not include too many projects but definite recommendations may be made for consideration by the incoming Council.

Officers and Council should then be elected to serve until the Annual Meeting. The Nomination Committee submits its slate and there should be provisions for additional nominations from the floor.

The newly-elected President should address the meeting on behalf of the new Council or Board and he or she will naturally thank those who have carried out the work of organizing. Appoint essential committees such as membership, civic, commercial, and industrial. (see the topic entitled "Committees" within this section).

At this point consider affiliation with the MANITOBA CHAMBERS OF COMMERCE as well as the Canadian Chamber of Commerce.

Tip: It is very important that you keep the MANITOBA CHAMBERS OF COMMERCE up to date as to the name and means of contacting your President. Failure to do so could result in your chamber missing out on time sensitive opportunities. As well, we hear that nothing annoys a former President more than a steady stream of communications from the MANITOBA CHAMBERS OF COMMERCE.

Success of a Board Or Chamber

The essential elements that govern the success of a Board or Chamber are:

- A Program Of Work
- The importance of having a definite written program of activities and projects which the community needs and wants cannot be stressed enough. Indeed this may be the key to the success of your chamber.

Tip: Contact the MANITOBA CHAMBERS OF COMMERCE for advice on formulating a program of work. As well, the CCC has a pamphlet entitled “A Program of Work”. Copies of this pamphlet are available from the CCC at a minimal cost.

Officers and Council

The number of officers members of Council, as well as their duties will be set out in the by-laws. Generally they are a President, Vice-President Secretary and a minimum of eight other directors.

Tip: It may be advisable to include a Treasurer to relieve the Secretary of the added responsibilities of handling all financial matters.

Committees

The work of a chamber is accomplished almost entirely through committee action. Committees are of two kinds:

- Committees of Investigation; and
- Committees of Action.

Tip: A committee should never be created just to look good on paper or to give members an assignment. On the other hand, there should be as many committees as there are suggestions worthy of investigation, or approved activities to be worked on.

As a guide in the setting up of committees in a newly organized Board, the following is suggested as a basic list. Remember, this list is just a guide, the key considerations will be what is practical and needed for your chamber.

- Agricultural;
- Civic;
- Commercial – Retail Merchant;
- Industrial;
- Membership;
- Public Affairs;
- Program;
- Tourism and Publicity; and /or
- Transportation and Highways

Committees, carefully selected, should be appointed to do a definite job, either of investigation or accomplishment. They should report on a periodic basis and when their work is finished the committees should be dismissed with the appreciation of the Executive.

Keep a list of your member's individual interests and expertise. This will assist you in determining appropriate candidates for your committees. When a committee is dismissed keep a record of who participated and whether they would be willing to participate in another committee. It may also be useful to have the outgoing committee critique the process (what was good about the system, what was bad) so that the process can be improved.

It cannot be emphasized too strongly that it is through active committees that the power of a chamber is fully utilized. The collective knowledge and judgment of a group is always greater than that of any individual members.

Meetings

A chamber without a paid secretary may wish to follow a simple procedure that embraces these purposes:

- Authorize appropriations of the chamber's funds (derived from dues and other activities);
- Pass resolutions expressing the opinions of the membership or confirm the actions of the chamber; and
- Review the activities and recommendations of the chamber's committees and listen to and take action on reports of the President and Secretary.

General meetings should be held at least quarterly and council meetings monthly. Make sure that there is a mechanism in place to deal with time sensitive communications from the MANITOBA CHAMBERS OF COMMERCE between those meetings.

Suggested Agenda For a Business Meeting:

1. Call to order;
2. Minutes of previous meeting;
3. Business arising out of the minutes;
4. Reports of chairs of committees;
5. Correspondence;
6. Accounts to be paid;
7. Unfinished business;
8. New business;
9. Adjournment.

Advantages of Meetings:

- They enable the members to discuss the various problems of the community;
- They permit the pooling of ideas;
- They make effective the collective judgment of all the members;

- Press reports of meetings are a valuable source of publicity;
- They represent the democratic method of getting things done;
- They give committees an opportunity to report direct to members on their activities.

Never hold Committee Meetings unless there is a valid reason. This wastes both time and effort and can cost your chamber important members.

Budgets

As in its program, so in its budget, the Chamber must be guided by local conditions.

Chamber budgets, while they are naturally influenced by the size and resources of the community, will be determined by the nature of the program undertaken, and by the wishes of its members. Certain projects may be undertaken that will require more money than others. Then the amount to be raised also must be determined by those most concerned.

Taking into consideration the experience of chambers of commerce in smaller communities, the following table has been prepared as a general objective for cities of 10,000 and under. It is not presumed that the number of members or amounts of money indicated for cities in any population group are either the maximum or minimum which may be depended upon.

Dues & Supplementary Income

The financing of a chamber is also very important. The two main sources of revenue are membership dues and supplementary income.

- Membership Dues:
- Straight Dues

Usually this takes the form of a uniform amount. Each individual pays the same amount regardless of the size of their business or the number of persons in a firm that are individual members of the chamber.

It is strongly recommended that the minimum be set at not less than \$50.00.

Multiple Memberships

In most communities straight dues will not supply sufficient revenue. One of the important problems that face a chamber is that of persuading large firms – and others enjoying direct benefit from particular activities – to invest more liberally in chamber membership. Larger firms are asked to base their support on multiples of the basic dues; memberships are then assigned by the firm to key members of its staff.

Sliding Scale of Fees

The challenge to arriving at a fair and equitable amount is extremely difficult and probably will never be completely solved. Many formulas have been developed.

Generally, these formulas are based on the number of employees but other bases are as follows:

- 2% of the business assessment (minimum \$50.00 – maximum \$90.00).
- 1/10 of 1% of retail sales.
- 1/50 of 1% of wholesale sales of value of manufactured product.
- Based on the number of employees.

Examples of scales based on the number of employees:

- \$50.00 for an individual or non-owner of a business; sole owner with 1 employee, \$57.00; 2-3 employees, \$60.00; 4-10 employees, \$65.00; over 10 employees, up to \$100.00.
- \$50.00 for an individual; sole proprietor, \$55.00; 2 employees, \$60.00; over 2 employees, \$75.00.
- \$50.00 for an individual or with one employee; 2-10 employees, \$455.00; 11-25 employees, \$65.00; over 25 employees \$75.00 or \$100.00.

A variation often used is to set three or four varied dues such as follows:

- Farmers, employees and such professional persons as teachers, clergymen, etc., \$50.00
- Individuals in business for themselves (including lawyers, doctors, dentists, engineers, etc.) with fewer than four employees, \$75.00.
- Employers with 4-10 employees, \$80.00.
- For each additional 10 employees (maximum \$150.00), \$15.00.

Whatever the formula on which dues are based, the final deciding factor is the willingness of the people to pay what is asked. Need for funds is only the starting point; the chamber must justify its dues on the basis of service performed.

Supplementary Income

Grants from municipal or other authorities are a common source of revenue to chambers.

About one-third of Canadian chambers obtain funds from such sources. If the organization can finance itself independently, there is greater freedom of action. It is recommended that where such municipal contributions are accepted they be earmarked for definite purposes such as tourist or industrial promotion. Great care should be exercised to ensure that earmarked funds are used only for their specific purposes, and are properly accounted for, thus avoiding any

possible criticism of general Chamber expenditures from municipal taxpayers. A properly audited statement should be submitted to the taxpayers once a year.

When tax funds are used by a chamber, it is good policy never to let such funds be the major part of the organization's income, and to have a provision that such funds are to be administered by the organization within general limits, without restraint by government agencies or representatives, although the funds may well be earmarked for certain definite purposes such as industrial or tourist promotion.

Some chambers have managed to get away from the suggestion of a "Grant" by listing and "selling" to the city council certain services provided by the chamber. Each of these services has a price tag and the city council then 'buys' any or all of these services from the chamber.

Participation in the MANITOBA CHAMBERS OF COMMERCE's affinity programs another excellent way to raise revenue for your local chamber.

Expenditures

What are normal expenditures for a chamber of commerce? How much should it spend for rent, committee expenses, salaries, and so on? Here again the answers are found in local needs and circumstances. Certain items deemed essential in the budget of one chamber may not be necessary in the budget of another. For instance, rent may be thought of as a basic item but many smaller chambers operate from the office of the secretary and there is no charge for rent.

Some basic items that should be considered for inclusion in a budget are as follows:

- Telephone and fax line
- Office supplies and printing
- Postage and courier
- Travel
- Dues and subscriptions
- Committee expenses
- Secretary's honorarium
- Delegate to provincial and national convention
- Chamber bulletins
- Luncheons (guests)
- Admin assistance
- Technology such as email, computer hardware and software, internet

For more information contact the Manitoba Chambers of Commerce:

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