



Process for Selecting and Reviewing Association Endorsed Programs



Adopted January 2010

SUMMARY

Since the early 1970s, the New Jersey Dental Association has developed relationships with companies called Endorsed Programs. These companies provide products, services and/or specific benefits to members at discounted or competitive prices and/or provide the Association with a dependable revenue stream based on sales or simply as a fee for the privilege of the endorsement.

Since then, the selection process has been handled on an ad-hoc basis with association staff and leadership identifying a need and soliciting companies that we felt were best equipped to serve our members. Sometimes the process is vetted by member dentists and sometimes by association staff. In the case of the latter, staff recommendations were made to the Board of Trustees where a final decision was made. On occasion, a representative from the company presented to the Board. Because of the inconsistent way we have conducted the process in the past, it was generally agreed upon that the Association should review its endorsed program objectives and develop this proposed approach.

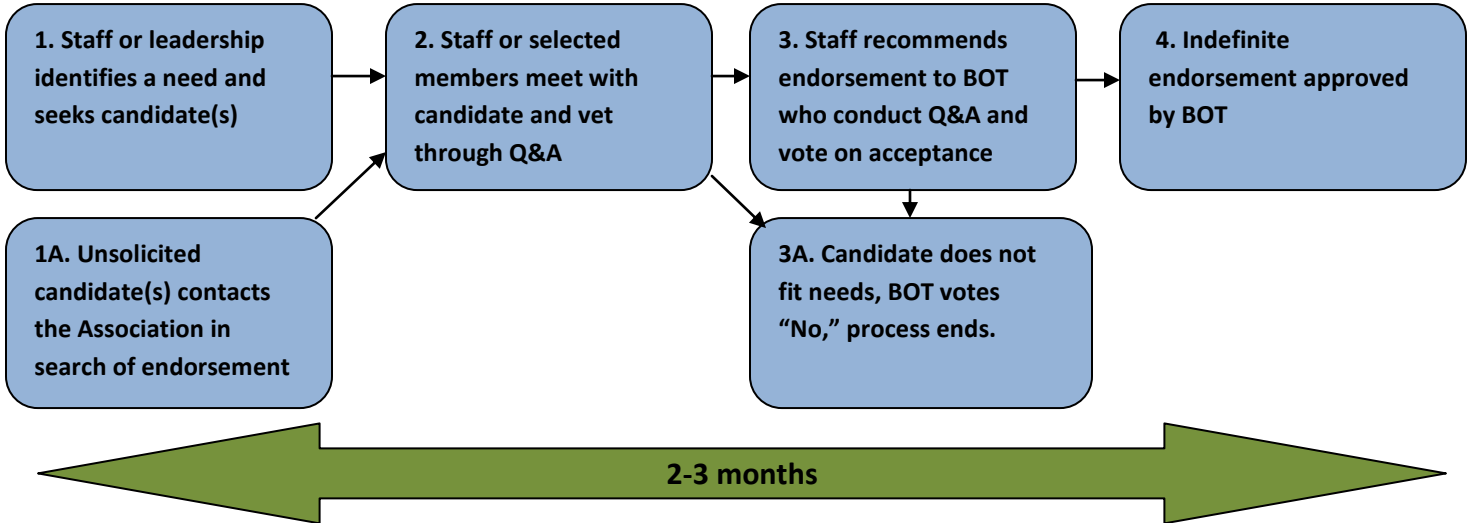
For several weeks association staff has researched the vendor/supplier programs of three organizations—all thought to be the leaders in their area: 1) Microsoft Vendor Program (MSVP), 2) Ford Motor Company Preferred Vendors, and 3) American Dental Association Business Resources. An original review of other companies led to the paring down to these three.

Two of the three organizations' websites provided an outline of the step-by-step template used to ensure the best companies are selected for their members. Ford's process, due to its heavy reliance on building a relationship prior to endorsement, was not readily available online and had to be acquired through its vendors' websites.

So, to reiterate, our purpose is to create a process for NJDA Endorsed Programs selection and ongoing review process to use as the Association's main guideline moving forward.

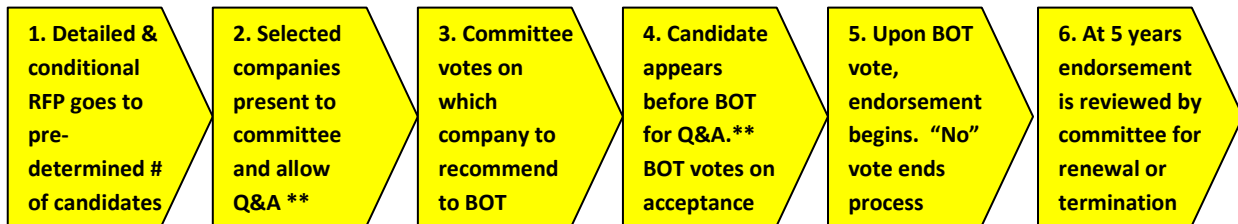
HIGH-LEVEL PROCESS OVERVIEW

Current (1972-2009)



Proposed (2010 - Forward)

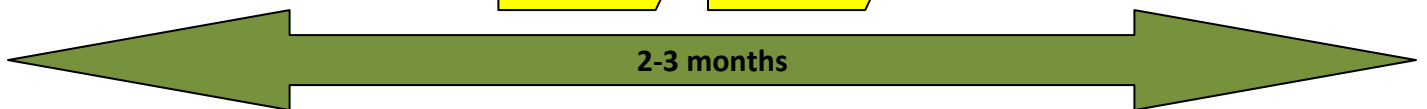
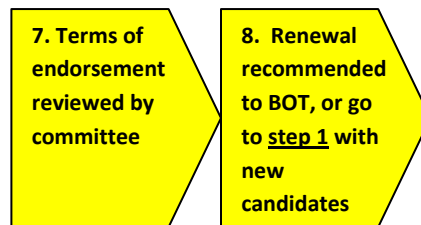
Selection Process



** This step could occur more than once for the same company.



Review Process



The most significant changes in proposed process are:

- The request for proposals (RFP)
- Formulation and use of the Endorsed Program Review Committee
- Candidate appearing before the Board of Trustees
- Five-year review/renewal

All of the programs researched use both RFPs and a specially selected review committee. The addition of the candidate appearing before the Board of Trustees gives both candidate and leadership the opportunity to develop a relationship and begin a dialogue with one another. Currently, the overwhelming majority of our endorsed program contacts have never had the opportunity to address our Board of Trustees prior to selection, even though the Board is the body that decides on endorsement. Also, the Board may think of additional questions for the candidates that were not asked during the Committee's vetting process. In order for the integrity of the process to be open and fair, this single piece is critical.

The five-year review is in response to the wishes of the NJDA leadership. None of the researched processes have this piece. Most other programs simply have a list of criteria for remaining as a preferred vendor and a clause that states either party may opt out of the agreement at any time, given proper notice (NJDA operates this way as well). So long as the criteria are consistently met, it is understood that the endorsement remains.

THE ENDORSED PROGRAM SELECTION & REVIEW COMMITTEE

Over than last seven years, no endorsed program was more heavily researched and vetted than that of the business liability/dental malpractice endorsement of The Dentists Insurance Company (TDIC). When the endorsement of Medical Protective was terminated, a panel of member dentists was convened to conduct the research and selection of a successor. Over the course of several months and multiple meetings, TDIC was selected.

The leadership of the association thought that this endorsement was important enough to give a special amount of attention to its process. We are suggesting that every endorsement need undergo the same amount of scrutiny.

The Committee should consist of an odd number of members to eliminate a tie vote. It should also be as representative as possible of the diversity of the membership by age, race, specialty and geography. A good mix of practice owners and associates should also be considered as some endorsements are for dentists in particular and not necessarily practice owners.

The committee should take into consideration that, on average, 3-5 companies each month, from a wide range of professions and industries, call or mail the Association inquiring about

endorsement. Based on the need (immediate or not) their information is put into a file for possible future reference. These files should be reviewed by the committee for relevance and the committee should meet regularly to review and discuss these companies seeking endorsement. Many of the companies in this file are in the same profession/industry as current endorsed programs.

QUALIFICATION CRITERIA FOR CANDIDATES

The NJDA endorsed program RFP should spell out the minimum criteria that must be met in order to submit for consideration. This is a common practice with RFPs. Ford, MSVP and ADA are very specific with spelling out the criteria for their RFPs. This way the process is perceived as open and fair and no gray areas exist. Since NJDA does not currently have an RFP process for its endorsed programs, we will use the appropriate criteria from the researched programs, coupled with our knowledge of how our program works, to come up with criteria. The criteria should include, but not necessarily be limited to, the following:

- Is an industry leader, fiscally sound and available to dentists throughout New Jersey
- Holds a higher service standard, especially in the value-added support it offers to New Jersey dentists
- Has been peer-reviewed by NJDA members and staff for quality and performance, including letters of reference from NJDA members
- Supports the NJDA's mission of serving and supporting its members
- Be willing to provide a percentage of gross sales to NJDA members or a set quarterly fee to NJDA in exchange for the endorsement
- Maintain an annual exhibit booth at the NJDA's Garden State Dental Conference & Expo
- Regularly market to NJDA members throughout the year
- Has field representatives available on the ground in New Jersey to assist NJDA members in person, if necessary
- Provide its product or service at a competitive or discounted rate to NJDA members
- Is willing to assist NJDA in the recruitment of non-member dentists

Organizations that contact the NJDA unsolicited and present a product or service that is currently being sought or is deemed of interest by the Committee, must submit an RFP and also must meet all qualifications in order to be considered. Unsolicited companies will be required to send in introduction packets for each of the Committee members to review. The Committee, at its next meeting, will decide if an RFP needs to be sent to the unsolicited candidate.

Regular reports/minutes of each Committee meeting should be forwarded to the Board of Trustees for review. Each report will outline all companies who have submitted an RFP and identify in which of the seven stages the candidate stands.

PRESENTING TO THE COMMITTEE

Once the committee has received one or many RFPs, it now has to decide which of those it would like to come in to present. Depending on the number of those selected, this part could take multiple meetings to get through each presentation.

Each presentation should be 30-45 minutes with ample time for thorough questions from the Committee. No other candidates or current endorsed program should be present during this time.

Once all presentations have been heard and all questions have been satisfactorily answered, the Committee will then vote on which company(s) will be recommended to the Board of Trustees for consideration as an endorsed program. The vendor should be out of the building at the time of the vote and NJDA staff will contact the selected company(s) via phone and those not selected will receive a letter within five (5) business days.

In the event the presentation is over and members of the Committee have additional questions that have been brought forth by new information or by an oversight during the presentation, NJDA staff will collect that information from the candidate on behalf of the Committee prior to a vote. In this instance, a vote may have to take place electronically via email or at the next meeting of the Committee. This is at the discretion of the chair.

CANDIDATE BEFORE BOARD OF TRUSTEES

After a candidate has been recommended for endorsement to the Board of Trustees, it will then be its opportunity to meet the Board via a 10-minute oral overview of the product/service it provides. NJDA staff will introduce the candidate along with any relevant information.

The Board will then have its opportunity to ask the vendor questions prior to its vote. Each Board member will have received reports from the Committee on the progress of the company through the process in order to minimize redundant questions. This part of the process gives the candidate access to our leadership for a few moments—access it has earned through the vetting process. This also keeps the integrity of the process intact, open and fair.

Once the Board is satisfied that the candidate has given it ample information, it will then vote on the approval of the candidate as an endorsed program. The candidate will be notified immediately as to the outcome of the vote, most likely while they are still on site.

CONTRACT

All NJDA endorsed program contracts are to be drafted by association attorneys (Arthur Meisel and Tricia DeCotiis). Drafts that meet the attorneys' satisfaction are then reviewed by the chair of the Committee and, upon his or her approval, the contract is sent to the approved endorsed program for a signature. The contract is in effect for five years from the date of execution.

REVIEW PROCESS

Six months prior to the expiration of the agreement of an endorsed program, the Committee shall begin the process of reviewing the vendor for renewal. During this process the contract will be reviewed against actual performance. In addition, changes in the marketplace, needs of the dental practitioner and the vendor's status will be taken into consideration.

It is at this juncture that the Committee will either recommend for renewal, or begin to gather information on companies to which it will send RFPs. The Committee retains the right to amend the contract with any changes it deems necessary. Should a company be renewed, a new contract will be written and signed.

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