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# A Sustainable and Fiscally Responsible Business Model for the Acoustical Society of America Standards Program

## Introduction

One of the major roles of the Acoustical Society of America (ASA) is to be the US organization that takes the lead in developing a wide range of acoustics standards. These standards are used nationally and worldwide to ensure that different individuals and agencies are “on the same page” with respect to terminology, calibration, test methods, calculations, and the way in which acoustical quantities are reported. Leadership in standards development is one of the important ways in which the ASA engages with industry and advances the science of acoustics.

Although the ASA has been involved in the development of acoustical standards for decades, the ASA Standards Program is now at a crossroads. Fees and expenses are increasing, and revenues are stagnant. The free standards we have given away to ASA members over the past 12 years have inhibited growth and limited our ability to negotiate fair and reasonable terms with distributors. This business model has outlived its usefulness and continuing to operate in the same manner is no longer an option. Therefore, to support the strategic mission of the ASA, be fiscally responsible, increase revenue, and position for growth, the ASA Standards Program has changed from its past focus on member benefits (the so-called “freemium” model) to a modern “pay-for-service” model, congruent with similar Standards Development Organizations (SDOs) such as the American Society of Heating, Refrigeration and Air-Conditioning Engineers (ASHRAE), the American Society for Testing and Materials (ASTM), the Institute of Electrical and Electronics Engineers (IEEE), and Underwriters Laboratories (UL). Although a large systemic change of this magnitude is difficult, the benefits for our customers make it well worth the effort.

## Background

The ASA Standards Program was established in 1929 with the founding of the Society and has been an integral part of the ASA ever since. A detailed history of the program was published in *The Journal of the Acoustical Society of America* (JASA; Blaeser and Struck, 2019). The ASA Standards Program, maintained by the ASA Committee on Standards (ASACOS), comprises 85 organizational members, four American National Standards Institute (ANSI) Accredited Standards Committees, and one subcommittee. The Standards Program administers the US Technical Advisory Groups (US TAGs) to the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC) and holds two ISO Secretariats. ASA Standards supports 125 working groups with over 600 volunteer members that publish and maintain over 120 standards (Struck, 2017). An article describing the standards development process was previously published in *Acoustics Today* (Struck, 2012). The work of the ASA Standards Program actively promotes the ASA as a global knowledge hub for acoustics, in keeping with the mission of the Society in increasing and diffusing the knowledge of acoustics and promoting

its practical applications as well as the current ASA strategic initiative of engagement with industry.

Expenses for the ASA Standards Program on average were \$575k per year over the past 5 years. On average, 75% of this cost is recovered with revenues from the sales of standards and annual fees from organizational members. This reduced the actual cost to the ASA of running the program to approximately \$143k per year during this period. Nonetheless, expenses, such as fees to the ANSI, secretariat expenses, and license fees to IEC and ISO have increased (and continue to increase) at the rate of about 3% per year. In addition, the number of standards published has increased by more than 115% over the past 15 years. Without increasing revenue, we would be unable to maintain the resources required to support these efforts. This also left us with little or no resources for promotion, advertising, or public relations. Lastly, prices for our standards have remained unchanged for over a decade, although organizational membership fees have been adjusted each year. In addition to a growing price disparity with similar SDOs, particularly for standards over 25 pages, the rising costs of balloting, copy editing, publication, and ANSI accreditation have made it difficult simply to keep our debt ratio at or below 25%, much less progress toward breakeven. The old price model, including ASA member benefit giveaways, failed to account for inflation and increases in the cost of doing business. Furthermore, this model was not well aligned with the ASA strategic initiative of fiscal responsibility.

### Standards as an Acoustical Society of America Member Benefit

In 2007, ASA Standards launched a member benefit program: ASA members could download up to five free standards every year, with the exception of Nationally Adopted International Standards (NAIS). Nevertheless, NAIS was offered to ASA members in lieu of one of the free national standards at an extremely discounted price of \$35 each. (*Note that the identical ISO or IEC standard purchased directly from the ISO or IEC is priced at \$160 and up!*) Additionally, beyond the 5 free standards, an ASA member discount of 25% still applied. Overall, this resulted in a 60% reduction in gross revenue per standard for ASA members in the period from 2007 to 2018. From this reduced gross revenue, ASA Standards still owes a royalty on the list price to our reseller as part of our licensing agreement. This ASA member benefit program was intended to raise member awareness of the ASA Standards Program, increase ASA member participation in the Standards Program, and increase ASA membership. Although

raising awareness appears to have been marginally accomplished, there are no data whatsoever to support the premise that more ASA members participated in the ASA Standards Program or that any individuals joined the ASA because they were provided free standards. Furthermore, the number of free standards distributed as a member benefit far outpaced what we provided to paying customers. From 2007 to 2019, the number of standards ASA has given away for free was 32,601, whereas the number of paid standards during this period was 4,145 (see **Figure 1**).

The enormous gap between these figures represents a lost opportunity cost of \$3.6M (vs. \$456k realized) in this time period based on a \$110 average price per standard. Clearly, not all ASA members who downloaded standards because they were free would have paid for the same content. Nonetheless, even a low conversion rate of 10% or 15% of free to paid standards during this period would have resulted in an increase to revenues sufficient to cut our annual deficit by more than 30% *every year*. In recent years, there has also been a marked decline in the utilization of this member benefit.

A more insidious complication was that this lopsided ratio of free to paid standards inhibited our ability to negotiate fair and reasonable terms for distributor and reseller agreements. Although the usual and customary reseller fee for these services is on the order of 30%, the agreements in place for some time had us paying 50% or more of the list price for every standard sold. Likewise, under these conditions, resellers were not incentivized to market or promote ASA Standards. Moreover, this lopsided ratio of free to paid standards virtually eliminated any opportunity to be perceived as a competitor in the standards marketplace. Emphasis was disproportionately placed on the ASA member benefit instead

**Figure 1:** Number of free versus paid standards from 2007 to 2019.



of having our standards viewed as having high value, globally read, referenced/cited, and adhered to content providing otherwise unavailable technically “sound” acoustical practices. In fact, our ASA Standards catalogue should be considered one of the most valuable intellectual property (IP) assets of the Society.

### **Classroom Acoustics Program 2009 to 2019**

Since the 1990s, ASA Standards has taken a leadership role in promoting improved acoustics in classrooms. To date, there are three parts of the ANSI/ASA S12.60 Standard on Classroom Acoustics published (ANSI 2009, 2010, 2019), with a fourth currently pending (see [acousticalsociety.org/classroom-acoustics](http://acousticalsociety.org/classroom-acoustics)). A sponsorship program was instituted in mid-2005 with 4 corporate sponsors paying an accumulated annual sum of \$20k that enabled us to make ANSI/ASA S12.60, Parts 1 and 2, available for immediate download at no cost, with the intended goal of attracting users and bringing greater visibility to the standards work we were doing in classroom acoustics. A secondary goal was the promulgation of the standard to consultants and local authorities, with the eventual aim of getting the tenets of ANSI/ASA S12.60 into the building code. This goal was largely accomplished between 2017 and 2018. In total, we have provided, at no cost, over \$1.6M worth of classroom acoustics standards during this period. However, since 2016, sponsorship for this program decreased to a single \$5,000 donation that finally ended in 2019.

### **The New Acoustical Society of America Standards Business Model**

With the full backing of the ASA Executive Council, ASA Standards has aligned its business with practices like SDO. Because cutting back services is not an option, our focus is now revenue growth. We have renegotiated all of our distributor and reseller agreements to fair and reasonable terms that align with the strategic initiatives of industry engagement, global outreach, and fiscal responsibility and the long-term financial goals of the Society. We are currently pursuing relationships and agreements with organizations that have sufficient sales and marketing to reach our customers.

As of January 1, 2020, we have introduced market pricing for national standards, competitive with other US SDOs. Prices for NAIS, however, although increased, are still below their international IEC and ISO equivalents. The program of five free standards per year as an ASA member benefit is discontinued. However, all ASA members receive a 10% discount on the purchase of individual standards. This is consistent with the practices of other scientific and engineering societies

who also offer their members a similar discount on standards but typically have a substantially higher annual membership fee. The free classroom acoustics standards program was also brought to a close at the end of 2019. In place of these free standards programs, we have introduced discounted standards “bundles.” Current standards bundles on offer include room acoustics, audiology, and classroom acoustics, but we expect to introduce additional bundles going forward. Customers are also free to customize a bundle (mix and match) to suit their specific needs. We also offer site licenses on bundles for multiuser customers. For educational use, an additional discount of 33% is applied to the site license, making standards available to universities and other educational institutions at low cost and hopefully also introducing the next generation to the benefits of ASA Standards.

Raising our brand awareness is also a high priority. We have redesigned the ASA Standards publication format with the new ASA logo on the front cover. Going forward, we will invest in marketing efforts that showcase the quality and value of the ASA Standards brand. We also plan to engage an independent research firm to produce a detailed market analysis to accurately identify our target customers. We need to ensure that we have a presence online, in magazines (e.g., *Acoustics Today*), in trade journals, and on distributor sites and that we maintain up to date content on our website. A brief video with an overview of the ASA Standards program appears on our homepage (see [acousticalsociety.org/acoustical-society-standards](http://acousticalsociety.org/acoustical-society-standards)).

Going forward, this requires that we develop sales promotion material, including copy, content, and price incentives, each time a new standard is introduced or added to a package. We also need to actively engage in public relation efforts to promote our brand and highlight our offerings. In addition to participation in conferences, we would like to sponsor a networking break at a targeted industry event. These activities cost time and money, so increased revenues are essential for sustainability.

We are already well into the process of streamlining and restructuring the ASA Standards Program to meet these goals. Each working group has its own ftp site for exchanging documents. The editorial guidelines have been extensively revised, and new templates have been created to make the development process easier. Our database has been improved, and new features have been added to better serve the working group volunteers who create and maintain our content. Annual working group status reports can now be filed directly

through a website interface rather than emailing files. We are also working toward implementing an e-ballot process sometime in 2021.

Finally, an aspirational “stretch” goal is to reduce the debt ratio of the ASA Standards Program from 25% to 12.5% in 5-6 years. Increasing revenues to meet this goal will require active promotion and marketing. To be realistic, this may even require some reinvestment of the initial savings to support these ongoing efforts.

## Conclusion

The new ASA Standards business model enables growth, slashes the debt ratio, and enables us to provide sustainable service on par with top tier SDOs. In keeping with the ASA Strategic Plan, our focus is on sustainability and fiscal responsibility. Sales of ASA Standards and organizational memberships are our pathway to revenue growth. However, we exist only if we deliver quality products and services at the right price that continuously evolve to serve our customers. Having the resources to both keep our catalogue relevant and to effectively communicate our value are key to accomplishing this goal. Change is hard and the challenges ahead are many. But the benefits to the Society and to our

customers, both ASA members and nonmembers alike, far outweigh the effort and resources we are investing to make this happen. Moreover, this new focus is well aligned with the ASA Strategic Initiatives of industry engagement, global outreach, and fiscal responsibility.

## References

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## News From The Acoustical Society Foundation Fund

With the generosity of our donors, the Acoustical Society Foundation Fund supports a number of awards for students. We recently heard from Megan Diekhoff, a recent BS graduate from Indiana University (Bloomington). Her mentor was Dr. Steven Lulich, and she worked in speech and hearing sciences. She was a winner of the Robert W. Young Award for Undergraduate Student Research in Acoustics. She writes:

“The funds provided allowed me to expand on my project... I presented at the ASA in November 2018 (Diekhoff, M., and Lulich, S. M. [2018]. Speech-language pathology student-clinicians’ self-awareness of tongue position during rhotic sound production in American English. *The Journal of the Acoustical Society of America* 144, 1856). I really appreciate the opportunity I had to grow in my

understanding of the research process during this time... I have been admitted into the doctoral program at Indiana University in the Department of Speech and Hearing Sciences... where I hope to have many more opportunities to be involved in the ASA in the years to come.”

If you would like to make an impact on students like Megan, drop me a line at [miller@uri.edu](mailto:miller@uri.edu).

### James H. Miller

*Chair, Acoustical Society Foundation Board*

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#### *Mission of the Acoustical Society Foundation Board:*

*To support the mission of the ASA by developing financial resources for strategic initiatives and special purposes.*

**ASFF** For more information, contact James H. Miller at [miller@uri.edu](mailto:miller@uri.edu)