

# Management Summary

## Guide to Good Industry Practices for LPG Associations

GOOD INDUSTRY PRACTICES



# **The *WLPGA Guide to Good Industry Practices for LPG Associations* describes how an Association might benefit the industry and what is needed to establish one**

Trade associations can be an effective vehicle to communicate common messages about the industry they represent by being managed in a clear unbiased manner.

This guide provides some background on how an association might benefit the LPG business and its stakeholders, explains some of the key issues involved in establishing and running one, and lists some key success factors drawn from the numerous LPG associations that exist around the world.

The scope includes some of the issues to consider when establishing new associations, where none exist, as well as some indicators for improving the effectiveness of existing associations.



The guide stresses the importance of having a unified voice, representing all LPG stakeholders, operating under independent governance with empowered staff, with no conflict of interests.

The guide draws from the experience of many existing LPG associations around the world and examines some of the key issues and key success factors facing associations.

## **The *WLPGA Guide to Good Industry Practices for LPG Associations*, stresses that on no account should an association be used to compromise competitive market conditions**

Procedures must be included within the Articles and Statutes to prevent compromising competitive market conditions. Having a Code of Conduct in place that is accepted and signed as a condition of membership is one way to achieve this. Reminding members at meetings and having the proceedings recorded is another important procedure.

**Structure**—One of the challenges for an LPG association is to represent the whole of its membership group, from both large and small organisations, in a fair and equitable way. It is important therefore to have an organisational structure that fully reflects the wishes of all its members in a balanced manner.

**Objectives**—Associations should develop strategic plans to set key long term objectives of the association, review external factors (including the opportunities and threats) and examine internal factors (assessing the strengths and weaknesses of the association). The objectives of an LPG association will be influenced by the type of market it represents. Communication with policy makers/governments, to explain what policies are necessary to develop a safe and sustainable LPG industry and market, will be a primary objective whatever the type of market.

**Location**—Where to physically locate the association's offices will be influenced by a number of factors such as available budget, accessibility to staff and members, communications and facilities and the need to be close to other stakeholders including government etc.

**Financing**—LPG associations are financed from the LPG business, either directly or indirectly. There will be a need for scaling the membership fees to reflect the different types of member organisations with observer members possibly being exempt. An alternative method of financing might be through some form of local production or import levy. Other income can be generated from events organised by the association such as seminars and exhibitions, production of codes of practice and training.



## **The *WLPGA Guide to Good Industry Practices for LPG Associations* includes some key success factors from around the world**

- Development of clear membership propositions for all categories of members
- Independence of operation from any single member or group of members
- Operating with a lean structure to minimise costs
- Planning process to include road map and a three to five year strategic review
- Clear objectives, with champions for each, and a regular review mechanism
- Benchmarking against other associations
- Competent and experienced staff with a pool of specialists
- Close and regular contact with the executive committee or Board
- Excellent communications platform, both internally to members and externally to lobby groups
- Clear, simple, fair and transparent funding mechanism
- Demonstration of value for money



The Guide includes examples of several mission statements from a number of LPG associations

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The complete *Guide to Good Industry Practices for LPG Associations* and other WLPGA publications, can be found here: <https://www.wlpga.org/publications/wlpga-publications/>

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