

THE BUILDERS 2020

The Builders' Association
provides high-quality and
valued services contributing
to the betterment of
individual members and the
construction industry.

2020 Vision & Organizational Design

Visioning: defining an organization's desired future state. Leadership sets areas of focus (immediate and long-term objectives), basic strategies and performance criteria.

Organizational Design: the process of aligning the structure of an organization with its objectives and organizing people and resources to support the mission, goals and activities of an organization in order to operate more effectively and deliver greater member value. More than just moving boxes on an organizational chart, the objective of the Organizational Design is to provide the options for efficiently and effectively aligning organizational resources in the direction of the organization's goals, and prepare the organization's people to perform effectively within the new structure.

Agenda: November 3, 2017 Board Retreat Discussion



- **Defining our Desired Future**
 - What is The Builders' Association today?
 - Realities
 - Accomplishments
 - SWOT
 - What does The Builders' of 2020 look like?
 - Preserve, Eliminate, Create
 - Foundational Principles
 - Goals and Priorities
- **Organizational Design: Structure, Resources & Alignment**
 - Mapping Needs to Structure
 - Structure
 - Service Areas
- **Performance Measures, Metrics and Milestone**
 - Defining Success
 - Owners
 - Next Steps

Defining Our Desired Future

Founded in 1887, The Builders' serves a dynamic and evolving industry. In that service, we gather the board, past chairs and thought leaders to help evolve and advance the organization.

So, we begin with the end in mind. What is this organization's desired future state? For our purposes, that future is a 2020 world in which *The Builders' Association provides high-quality and valued services, contributing to the betterment of individual members and the construction industry.* But what does that mean?

To understand and ultimately actualize that mission statement, we must appreciate the ingredients that make up this future vision: today's reality; the 2020 outlook, and organization's short term foundational principles.

What is The Builders' Association today?

To look ahead and plan a path to the desired future, we must first know who we are and from where we are starting. This is our opportunity to "lift the hood" and have a full conversation about what The Builders' is and can be. Strengths and weaknesses? What are the needs of our members? What are our challenges and opportunities?

- **Realities**

The Builders' Association serves a diverse and yet highly segmented construction market. The divides are union/non-union, general/sub, geographic, large company/small, etc. In addition, technology and competition have resulted in a fast-paced environment of change and demand. The distinct and fluctuating needs of the industry require The Builders' to evaluate value and pivot away from "how things have always been," while being as flexible and efficient as possible.

The Builders' Association offers the most services and has more members than any other contractor association in its area. While investing in innovative services over the years, competition, market consolidation and now legislative disruption, demand the Builders' chart a definitive course for the short and medium term. Admittedly, membership "doesn't sell itself like it used to," and following the recession the number of companies did not rebound as hoped. Recently, the organization has prioritized member service, recruitment and retention. A Member Engagement & Smart Growth Blueprint was developed earlier in 2017 and is being successfully implemented. This progress and the efforts of member recruiters and ambassadors demonstrates moderate growth potential. While prioritizing the customer, The Builders' is shifting away from a simple member count and instead prioritizes outreach to specific industry participants. This new "quality over quantity" focus emphasizes who needs to be engaged in order to increase The Builders' strength, value and impact for the membership.

At the capitol and in the market, the prevailing wage and right to work issues have created a tension that impacts The Builders' ability to serve the full industry. But at the same time these divisions make the organization more important than ever. Pressure to reform labor laws in Missouri has been mounting. In 2017, Missouri became the 28th Right-To-Work state in the nation, however, the law was put on hold and will go to a statewide vote in 2018. An initiated constitutional amendment is also in the works to allow voters to create a Missouri Constitutional protection against such Right-To-Work laws in the future. Prevailing wage has also come under

attack in the legislature and though halted for the 2017 legislative session, we anticipate new anti-prevailing wage legislation to be filed in January 2018.

- **Accomplishments**

If we are going to look ahead and prioritize for the next three years, it seems only fitting to look back at the accomplishments of the last three years to measure our potential and understand the resources at our disposal.

To better understand The Builders' abilities and capacity, board members and past chairs discussed and shared some the organization's accomplishments from the last three years. During this discussion, the reasons for success and resources necessary to accomplish those past goals were also considered. It is interesting to note that the Board highlighted 5 of the 6 current service areas as accomplishments.

ACCOMPLISHMENT	REASON FOR SUCCESS
EPR	Market need, dedicated funding
Labor Relations	Strategy, people
Safety	Market need
Workforce Development	Strategy, people
Government Affairs	Collaborations, people
Social Media	None stated
Financials	None stated
Dr. Bruce	People

- **SWOT (Appendix A)**

Our appraisal should also include an honest discussion of both internal and external factors. A SWOT analysis is an examination of those internal strengths and weaknesses, an organization's opportunities for growth and improvement, and the threats the external environment presents to its survival. That appraisal is provided in Appendix A and during the Board Retreat discussion the group will be asked if anything needs to be removed or added. Only additions were offered and included:

OPPORTUNITIES	WEAKNESSES	THREATS
Member List Serv/Blog	Data Analytics	Next Generation
New Member Orientation	New Member Engagement	
Personal Touch	"Old & Stale" Perception	
Non-Union Outreach		
Retention Through "Value Visits"		
Targeted Outreach		
Value Education		

What does The Builders' Association of 2020 look like?

With a mission statement in place, The Builders' challenge is to define a vision for the organization's 2020 future that is honest and achievable. In the context of current realities, capacity and resources, yet inspired by the accomplishments and opportunities presented by the organization and market, we look to give shape to The Builders' Association of 2020. We proceed by agreeing upon the organization's core beliefs:

- **Foundational Guiding Principles**

Guiding principles are defined as the principles from which other truths can be derived. In our case, guiding principles are the organizational beliefs, or cornerstones on which everything else, including the mission and future vision, are built. These are not permanent and must be

reevaluated as the organization and marketplace evolve, but are intended to provide a framework for the goals and engagements in the short and medium term.

- Integrity
- Relationships/Relationships w/Members
- Education & Training Advancement
- Inclusiveness & Inclusion
- Enduring Results
- Execution
- Voice of Construction
- Service
- Resource
- Leadership
- Cooperation
- Professionalism
- Expertise
- Workforce Development

These were all the suggestions offered. There was agreement on several collective answers. In the end, the following were agreed upon as the Guiding Principles. Each is especially appropriate as it applies both to the association and the contractor member.

- **SERVICE**
- **EXPERTISE**
- **RELATIONSHIPS**
- **INCLUSION**

- **Preserve, Eliminate, Create (PEC)**

To develop its future vision, the Board and Past Chairs were asked to participate in Marshal Goldsmith's Change Model Exercise. In small groups, each table/group was asked to discuss each of three buckets: preserve (keep), eliminate (stop) and create (start). The groups then reported out their thoughts which are detailed in Appendix C. This illustrated the group's thinking as to potential goals, their agreement regarding priorities, as well as the sacrifices they think they and the organization can stomach.

- **Goals and Priorities**

Even with its foundational principles and mission statement as a guide, The Builders' cannot be everything to everyone. With the information from both the SWOT and PEC exercises we can come to agreement regarding the organization's goal and priorities for the next three years. What do we want to focus on by and in 2020?

This question resulted in the selection of 3-4 goals, each corresponding to a foundational principle and contributing to the mission. The number of goals does not exceed those the Board believes the organization can address with sincere effort. The number of goals are realistic and still allow The Builders' to focus on the necessary internal operation and organizational performance. These goals will inform the final organizational design so that it is in context and results driven. In their discussion, the group initially considered the following:

- Path to Engage Next Generation
- Investigate Health Insurance Offering
- Run Safety Program Like "A Business," Be "Go-To" Provider
- Develop Member-Only Content
- Create Networking Tools and Opportunities
- Define and Market Value of Membership
- Grow & Enhance the EPR
- Increase Impact & Grow Membership
- Improve Organizational Structure & Efficiencies

The above were all the suggestions offered by the Board and Past Chairs. In the end, the following were agreed upon as the goals for the organization by and in 2020:

- **Grow Membership**
Define member value, market impact and grow membership
- **Be a Best-In-Class Organization**
Enhance organizational structure and resource allocation to maximize member value and efficiencies
- **Run Safety Like a Business**
Grow safety services to deliver member value and revenue

2020 Vision & Organizational Design

Organizational Design: Structure, Resources & Alignment

Our goal is to actualize The Builders' mission. To that end, The Builders' must now attack and achieve its three-part strategic mission by and in 2020. However, in support of the mission and those goals, an organization of 130 years also needs to assess structure and process as market needs and human resources change. The Board Retreat participants evaluated and discussed the organizational design of The Builders' Association and it is not surprising that this need was identified as one of the top three priorities.

Mapping Needs to Structure

To realize our 2020 visions, appropriately realign internal structures and achieve desired goals, we must revisit what is highly valued by the member/client and assess those needs in the context of our team-based organizational design. In a discussion of internal efficiencies and opportunities to better align its structure and resources to move forward, the Board discussed what it would like to see in terms of internal improvements:

- Dedicated sales and business development staff
- Formalize new service development
- Centralized communications and marketing functions
- Furnish and respond in digital formats
- Make plan rooms into a work space focus on networking
- Defined and strategic ownership of website
- Engage and involve the CLC
- Standardized member experience and efficiency of services in regional offices
- Reduced transactional burden on prospect and members
- Invest in and leverage EPR as a technology leader and revenue generator
- Adopt 21st century and association standard practices
- Host best-in-class programs and events
- Develop job descriptions, expectation and a culture of accountability

Structure

Given our needs and priorities, a team-based organizational design, focused on service areas is most appropriate for The Builders.' This hybrid concept can be phased in over years and will help reduce redundancy and bureaucracy. Remember, we are focused on the member and with a hybrid design we can maximize coordination, accountability and responsiveness to both the internal and external client. A three-phase hybrid structure will better deliver relevant value to a diverse clientele and help standardize the member experience across geographic regions.

To illustrate a phased implementation of this new team-based structure, the draft three-phase 2020 Organizational Chart was presented to and discussed by the Board (see Appendix B) and included:

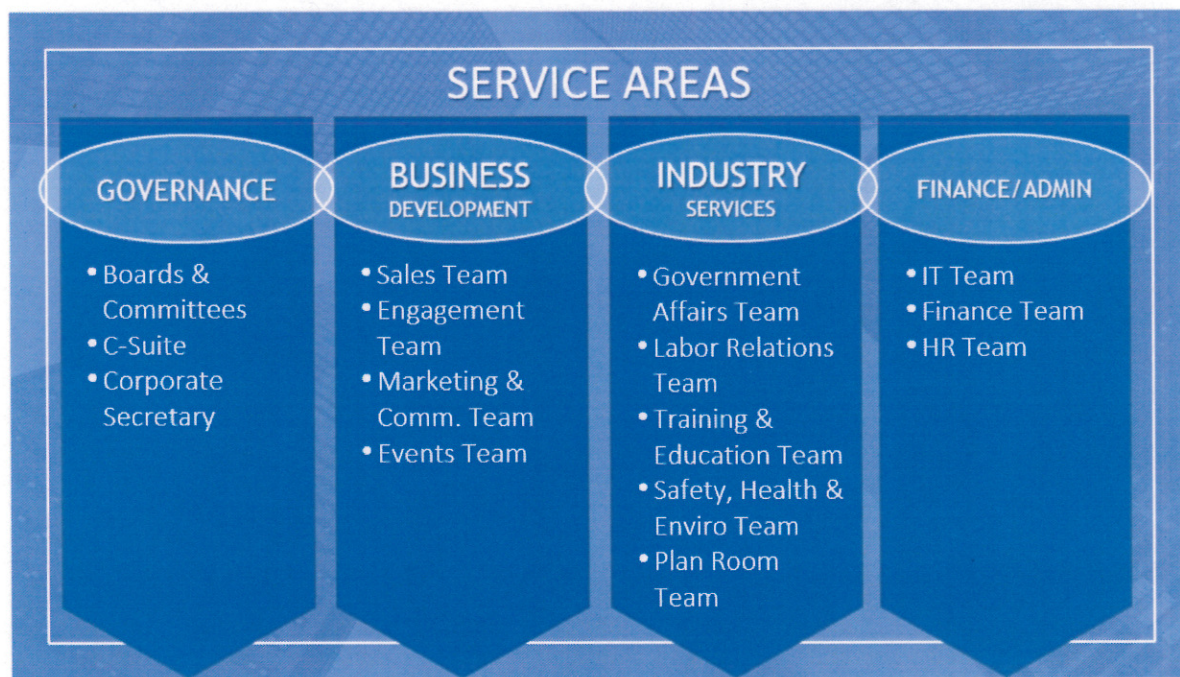
- Phase 1: Commitment to Member Sales
For immediate implementation, this new structure that prioritizes recruitment and retention and includes a newly created Business Development leader. Focused on sales and service, this new position would oversee member sales, sponsorships as well as events and engagement.
- Phase 2: Internal Realignment
This phase will focus on the internal realignment of department functions under a newly created Vice President of Operations. Under the VPO will be centralized all finance and administrative functions, as well as industry services including Plan Room services and Regional Offices. This phase is intended to maximize process efficiencies and empower a VPO who will own considerable responsibility and free the CEO to focus on development and governance.
- Phase 3: Beyond 2020
This phase is most appropriate as a succession discussion is begun and would allow the Board to consider an organizational restructuring to include a CEO and COO.

This three-phase hybrid model puts significant emphasis on team and we will define a team as a group of workers, with complementary skills and synergistic efforts, all working toward a common goal. Consequently, our team-based organizational design will have the following characteristics:

- Allows team members to share information more readily across task boundaries;
- Allows for specialization that can increase depth of knowledge;
- Allows for the formation and deployment of cross-functional teams: teams that include members from different functions;
- One aspect of team-based structures likely to persist indefinitely is the integration of team cultures within a broader organization.

Service Areas

The new team-based structure will evolve over three phases and several years based on a foundation of four consolidated and dedicated service areas; specifically, Governance, Business Development, Industry Services and Finance & Administration. These "buckets" organize The Builders' in a way that aligns internally and externally focused efforts with association best practices and prioritizes the needs of the membership. These four service areas will improve staff efficiencies, facilitate multi-teaming, increase internal communications and promote knowledge flows.



Each service area will house and support teams, teams that are specifically targeted to meet the needs of internal and external clients. Within each team, dedicated staff will be hired and/or identified to own key deliverables including Plan Services (EPR & in-person), Regional Support, Event Services, etc. While staff will continue to wear multiple hats, this structure will help to break down silos, clearly define roles and demonstrate transparent chains of accountability. Specifically, the details and timelines, HR evaluations and implementation strategies will be handled by the executive staff.

Performance Measures, Metrics and Milestones

Now with a more responsive organizational structure, how do we actualize this vision and deliver on our identified goals? The Board has been presented with information and options, and after discussion chosen a definitive course related to guiding principles and goals.

Year	Goal	Milestone	Owners (TBD)	Deadline (TBD)
2018	Grow Membership	1.1		
		1.2		
2019		1.3		
		1.4		
2020		1.5		
		1.6		
Year	Goal	Milestone	Owner	Deadline
2018	Be a Best-In-Class Organization	2.1		
		2.2		
2019		2.3		
		2.4		
2020		2.5		
		2.6		
Year	Goal	Milestone	Owner	Deadline
2018	Run Safety Like a Business	3.1		
		3.2		
2019		3.3		
		3.4		
2020		3.5		
		3.6		

Defining Success

Based on the goals selected, we now have an opportunity to define success for each. The above represent milestones by which we will measure success. These are firm deliverables we will use to guide our activities, prioritize our resources and about which staff will report back to the members and leadership. Assignments and implementation strategies will be handled by executive staff.

Owners

To ensure delivery and maximize cross departmental efforts, each of the selected goals must be monitored and executed by both senior staff and staff subject matter experts. With that in mind, we recommend a collaborative team of staff to strategize and execute. Given the variance and duration of board member terms and their strategic roles, leadership will be looked to for high level input while staff deliver tactics and results. Senior staff will work in the coming weeks to assign appropriate owners to each goal, allowing that team lead to internally delegate milestones.

Next Steps

Together we have journeyed, arriving at a 2020 Vision & Organizational Design that the Board of Directors and Past Chairs have discussed and shaped. They have considered options and made purposeful choices, identified guiding principles, goals, and a supportive organizational structure. These decisions will give the plan a final shape. A final document reflecting board discussion and staff input will be completed in mid-November for approval by 2017 Board of Directors. The approved plan will then be shared with and inherited by the 2018 Board and staff.

Collectively endorsed and properly executed, this organizational design will provide The Builders' Association the structure and aligned human resources to achieve their desired future. From the design, the executive staff can extrapolate objectives and deliverables, basic strategies and performance criteria.

This is the evolution of The Builders' Association.



Appendix A – SWOT

Primary factors

S

Strengths

- History and reputation
- Customer service and pride in industry
- Engaged Board of Directors
- Financials and reserves
- Training and education
- Safety, Health & Enviro services
- Labor & Employment relations
- Legislative & Lobbying services
- Member recruitment campaign
- CEO commitment and contacts

INTERNAL POSITIVE

W

Weaknesses

- Complicated membership process/application
- Database understanding and application by staff
- Duplication of efforts
- Geography
- Invoice and collections process
- Lack of collaboration
- Lack of dedicated sales and member acquisition staff
- Marketing activities and services
- Communications & outreach to members
- Plan Room and plan management growth strategies
- Use of technology
- ProjectConX (PCX)
- Staff culture & silos
- Static social event & events that are losing money
- Support in all regions
- Time and labor intensive printed publications
- Training Center footprint
- Website / online experience

INTERNAL NEGATIVE

SWOT ANALYSIS

Primary factors

O Opportunities

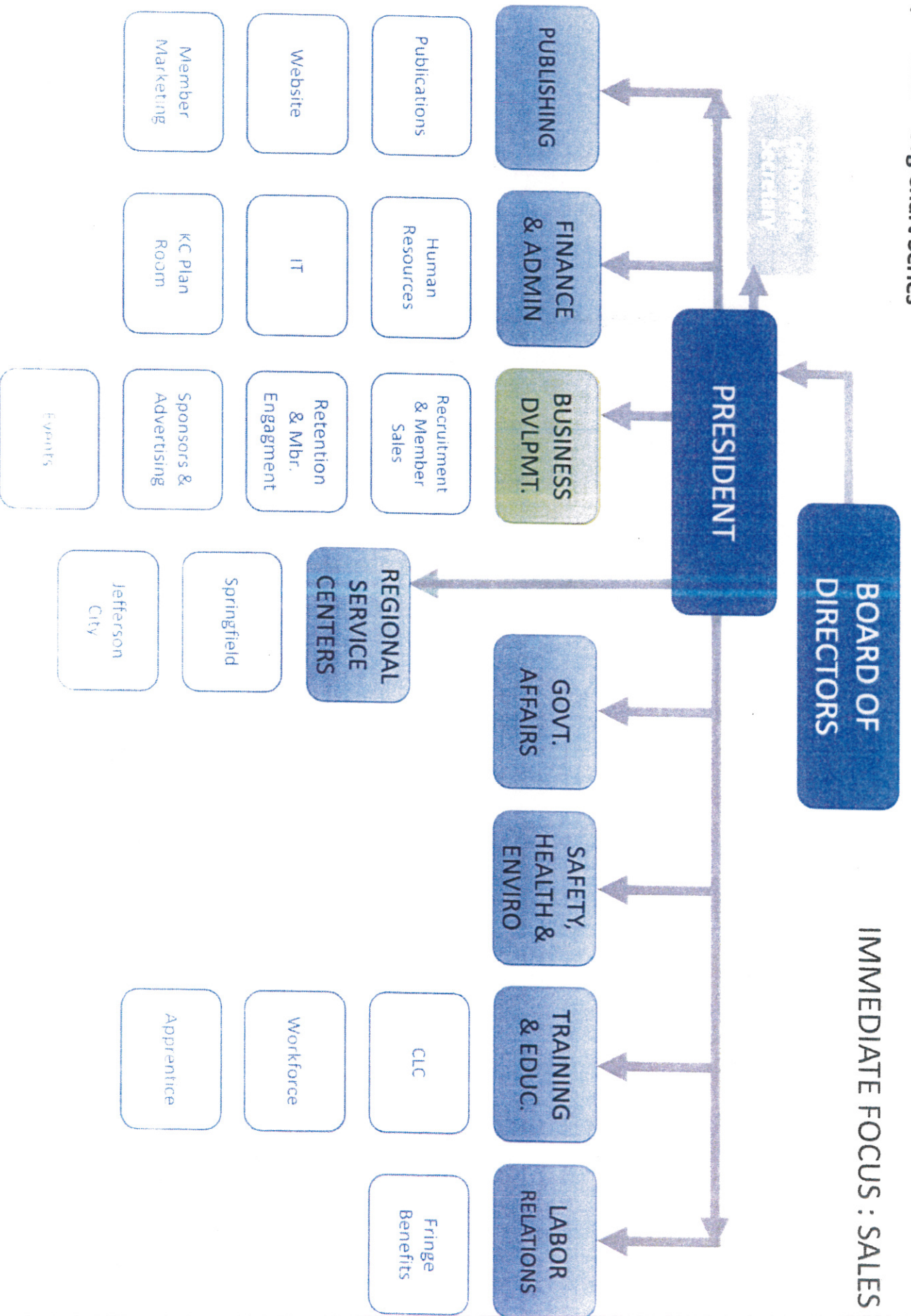
- Advance diversity
- Better leverage Builders Advancement Center
- Centralized marketing, tech support, event & membership support (reduce burden on regional offices)
- Collaboration through strategic partnerships
- Engage technical career centers and veterans programs
- Engage future leaders/invest in CLC
- Evaluate/adopt new non-member pricing strategies
- Expand and dedicate resources to labor relations
- Expand Career Center
- Explore expansion of Association Management Services
- Explore middle management soft-skills training
- Leverage/expand Safety, Health & Environmental services
- Fully commit to member/client culture
- Leverage/expand EPR
- Grow pre-apprenticeship programs
- Develop non-union education partnerships
- High School & adult education (for college-credit)
- Management/supervisory education
- Non-union workforce engagement
- Offer insurance products/services
- Regional area safety service delivery
- Work to unify the voice of MO construction at the capitol

EXTERNAL POSITIVE

T Threats

- Quantity of members vs. quality
- Workforce / skilled labor shortages
- Right to Work legislation
- Prevailing wage legislation
- Union v. non-union culture
- Union-only perception
- Disengaged next generation
- Market consolidation
- Vendor competition for Plan & Plan Mgmt. Services.
- Vendor competition for Safety Services
- Organizational competition (ABC)
- Lost revenue (MWBC)
- Pension withdrawal liability
- Dramatic loss of state tax credits

EXTERNAL NEGATIVE



IMMEDIATE FOCUS : SALES

BOARD OF DIRECTORS

INTERNAL REALIGNMENT

PRESIDENT

VICE PRESIDENT
of OPERATIONS

GOVERNANCE

BUSINESS
DEVELOPMENT

GOVERNMENT
AFFAIRS

INDUSTRY
SERVICES

FINANCE
& ADMIN

GOVERNANCE

BUSINESS
DEVELOPMENT

GOVERNMENT
AFFAIRS

INDUSTRY
SERVICES

FINANCE
& ADMIN

Fringe Bnfts.
Apprenticeship
Workforce
CLC

INDUSTRY
SERVICES

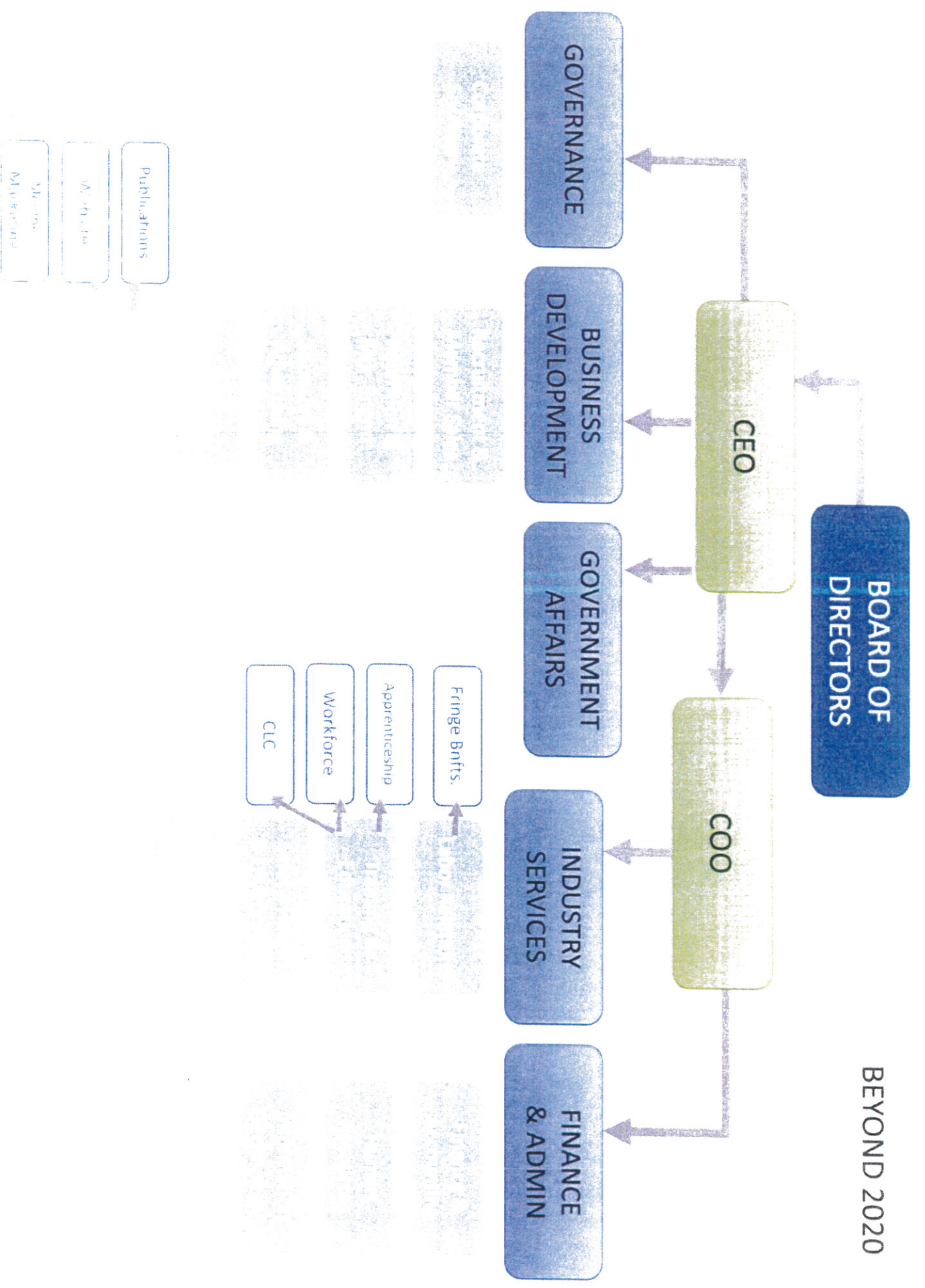
FINANCE
& ADMIN

Publications

Website

Media
Marketing

BEYOND 2020



Appendix C - Start Stop Keep Chart

Create/Start	Eliminate/Stop	Preserve/Keep
<p>marketing resource and accountability</p> <p>new sales position - commissioned based</p> <p>membership retention program</p> <p>create clear message for "Why should I join the Builders"</p> <p>define value proposition</p> <p>develop programs and events that appeal to the next generation</p> <p>grow CLC connection</p> <p>goals that are collaborative</p> <p>data mining and analytics</p> <p>new work environment</p> <p>high-performing culture</p> <p>run safety like a business / expand services</p> <p>video library</p> <p>create process to team with GCs to get list of subs and suppliers to market Builders'</p> <p>better invoicing - tied to product lines / departments</p>	<p>resistance to change - negativity</p> <p>silos within staff</p> <p>"union only" façade</p> <p>change the billing process</p> <p>project con X</p> <p>physical plan rooms - re-assign the space</p> <p>eliminate publications - Board's 3-ring binder</p>	<p>the mission statement</p> <p>training and field workforce development</p> <p>safety services</p> <p>EPR</p> <p>preserve the plan rooms but make them into a place to meet, hang out and office space down</p> <p>labor relations</p> <p>govt relations</p> <p>Modern Builder</p> <p>young member committee to get feedback for new ideas to engage the future</p> <p>strong results for member benefits</p>