

CJE Strategic Planning Session

April 18, 2007; 8:30am-5:00pm
Dallas Marriott Suites Market Center



Meeting Notes

Review of Agenda, Introductions, and Opening

In attendance:

- Ron Ecker (Current Chairman)
- David Carrithers (Chair Elect)
- Clint Owings (Past Chair)
- Ken Jayne (Past Chair)
- Carol Greb
- Mike Ladino (via phone for a portion of the meeting)
- Bob Gair (via phone for a portion of the meeting)
- Jeanet Schroepfer (Facilitator)

Each participant in attendance stated what they hoped to get out of the meeting for the day.

Goal(s) of the meeting:

- Open discussion and brainstorm to begin strategic planning
- Get back to basics (strategy; clean slate)
- Get everything out on the table
- Make key decisions and recommendations
- Define CJE for strategic planning

Items covered at the meeting:

1. Review of options for structure of CJE (pg 3)
2. Review CJE (platform) and what the focus of the organization should be (i.e., mission) (pg 5)
3. Brainstorm Membership Benefits (pg 6)
4. Marketing and Branding: Discuss "How to Grow CJE and JOC Industry" & SWOT Analysis (pg 7)
5. Identify next steps (pg 9)

The Current Situation:

Prior to this strategy meeting, at the January 2007 meeting in AZ, the leadership of CJE had determined that the organization needed to review, discuss and determine a strategic plan and direction for CJE for the future. Over the past 13 years CJE has gone through some changes and evolutions, and in recent years the involvement and activities have increased. Recent successful conferences and participation in trade shows have made the leadership group realize, the key question of what CJE should be, what is its mission, vision and value to the members needs to be reviewed and re-committed to by the group.

At the same time ASU and ACE, the host organizations of CJE, have been going through changes, planning and prioritization. ASU and ACE are committed to the construction industry and the ability to shape the future of the industry. Request over the past 18 months by Gary Aller of ASU/ACE for CJE to come forward and show a long term commitment and a plan to ASU/ACE. This included a financial commitment by CJE and the members (specifically \$100,000 a year for five years in the form of an endowment for a CJE/ JOC professorship.)

The need to develop a strategic plan for CJE that is stand alone and based on CJE vision of what the organization should be is critical, whether the request by ASU/ ACE was made or not. The group met to discuss and determine the need for a Job Order Contracting industry association and what it would look like and focus on. The group understands that any direction will require an investment by the leading organizations in time, money and creativity.

Recommendation To The CJE Board

Based on the planning session held on April 18th (notes follow recommendation; starting on pg. 3):

1. Formal written recognition and thanks to Gary Aller, ACE and ASU for their support of Center for JOC Excellence (CJE) over the years. That CJE supports the planning and direction of the university and see's the value it will bring to the construction industry over the years ahead. That the organization and the individuals that make up CJE want to recognize Gary Aller and ACE for their leadership and support.
2. At the same time, the JOC industry and CJE have developed to a point that there is a need for an organization that is more stand alone and easier to identify as a stand alone organization, separate and distinct of ASU and ACE.
3. Until December 31, 2008 CJE would like to continue to contribute to ACE and ASU though a sharing of CJE member dues with ACE at the agreed to rate, and thought support of ACE and ASU classes though people resources and event sponsorships by member organizations.
4. During the same period of time CJE would develop a plan to move to a stand alone organization, separate from ACE and/ or ASU. That CJE would have a national presences and regional organizations. This would include stabilizing a stand alone structure, the transfer of existing CJE funds into a stand alone organization account, etc.
5. CJE would hope that ACE and ASU would continue to be active in supporting JOC as a delivery method, along with being active in the future regional southwest chapter of CJE and nationally.

Observation By Facilitator

The entire group at the session on the 18th all agreed that the JOC industry is growing, that demand will continually out strip available resources and that more education and awareness of professional JOC program providers and supporters is necessary. It is apparent that a strategic plan needs to be developed to establish the Center for Job Order Contracting Excellence (CJE) as a "stand alone" organization that supports the Job Order Contracting (JOC) industry fully. Without a comprehensive plan in place, and commitment from the CJE board and members, the recommendation(s) determined at the meeting may not come to fruition and CJE could lose viability as an organization. Based on the JOC industry growth and potential, the need for CJE is apparent. CJE is positioned to take a leadership role in support of the JOC industry if it proceeds with the option of becoming a stand alone organization. This would enable CJE to have full control of the organization, membership, marketing/promotion, and strategic initiatives.

CJE will want to model itself after other successful membership and industry based organizations. Investing in furthering CJE as an organization will benefit the existing board and membership by providing a voice for JOC in the industry that is independent of the companies involved, create project and employment opportunities, expand the overall market for JOC, and generate research, information and communication that supports the "JOC movement".

All that have been involved in CJE to date have been fully committed to JOC as a viable construction methodology. It is apparent that the members in attendance at the meeting on April 18, 2007 want to see the overall industry grow (the whole pie), which will grow the individual "slices of pie" for each member. In addition, it will become imperative to the growth of CJE, and of JOC, that the knowledge that the current board and members be documented and shared. The expansion of CJE will need their experience and guidance to be successful. A lot of good information and ideas that will support the strategic planning came out of this meeting. The detailed notes are on the following pages.

1. Review of options for structure of CJE

Options for CJE structure were identified as follows:

- Disband
- Stand Alone Organization (Branded as CJE or something else)
- Continue "As Is" (ASU/ACE Affiliation with proposal)
- Become a committee of another organization or merge into another group

We then brainstormed the pros and cons of these options.

Disband:

Pros

- Free time for each of us
- Free up dollars for each of us

Cons

- Scattering of Continuity
- No Voice for Industry
- Loss of Control
- Limited JOC Market in General
- Loss of 3rd Person Reference in JOC
- Still Spend Time and Money Individually to Establish JOC Market
- Lack of Forum
- Loss of Centralization of Education

Stand Alone Organization (Branded as CJE or something else):

Pros

- Full brand identity
- Control our destiny
- Control message (website, newsletters, etc.)
- Commitment of time
- Commitment of money
- Dedicated Director
- Currently 20 Members – We would get full membership dues from each member (approx. \$1,750 per member)
- We may have approx. \$80,000 on account
- If we can keep the CJE brand we will remain viable
- Can define our value
- Members could have solicitation benefits, etc.
- Can set standards in industry
- Certification

Cons

- Cost of standing alone (legal, dedicated Director, administration, office, marketing, etc. could be around \$100,000 for start-up)
- Do CJE members still have to be members of ACE if we go out on our own?
- Requires more commitment at start-up
- What is our viability alone?
- Do we have a value alone?

Continue “As Is” (ASU/ACE Affiliation with proposal on recommended participation and platform):

Pros

- Can we structure or not benefit ACE?
- Administration/Office covered by ACE currently
- Legal structure in place under ASU/ACE
- Website management by ACE
- Classes on JOC by Gary (there's somebody talking about JOC)
- Continuity
- Based in AZ with ASU – model of a working JOC
- Gary involved in community (lobbying)
- Developed courses that can be picked up at other Universities
- Influence JOC growth
- Credibility of ASU

Cons

- Website management by ACE
- Benefit to ACE
- Putting in money
- Not understanding financial gain of ACE presentations
- Not having CJE representative presenting (relying only on ACE)
- Should be global not just Arizona
- Not organized separately as non-profit (501c4 or 501c3)
- In the shadow of ACE
- Can we get other universities besides ASU? Does this limit us to ASU?
- Restrictions on CJE
- Can't have regional chapters
- Can't have brand control

Become a committee of another organization or merge into another group:

(Possible organizations: ACE, CEFPI, IFMA, NFMT, APWA, ABC, CMAA, AGC, AIA, DBIA, CSI)

Pros

- Become part of an existing structure
- Can't stand alone immediately and the organizations would provide us with a “nucleus”
- Renovation organizations out there would be a great target
- Can we get an organization to align with us in strategy and target?

Cons

- Could hurt JOC via limitations
- These organizations “don't get” JOC
- Low bid mentalities
- Regional chapters may have variances of influences
- Needs to support all (contractors, owners, subs, etc.)
- Not neutral
- We could get lost as a sub-set
- Low visibility
- Don't readily see an organization that aligns with CJE
- We don't know what this will cost
- This could take a long time to implement as a strategy

Potential path to proceed (recommendation):

At this point the group took a “straw poll” on direction and there was 100% consensus that “stand alone” was the best option strategically for CJE to proceed with. Following is the “path to proceed” discussed at the conclusion of the meeting:

1. Establish platform, process, strategy, and marketing of CJE “as if” a stand alone organization
2. Identify top 3 organizations to align with
3. Create proposal to the top 3 organizations (ACE could be one of them; Possibly DBIA or IFMA as the other two)
4. If all decline proposed terms and benefits of CJE –or- no viable organization is identified for alignment, proceed with complete “stand alone” option as an organization
5. Begin transition away from ASU/ACE (develop a timeframe and objectives)

2. Review CJE (platform) and what the focus of the organization should be (i.e., mission)

The overall discussion on platform and mission led to a few main points:

- CJE needs to focus on global JOC support
- The 5 items for customer satisfaction need to be implemented into the strategic plan (Schedule, Cost, Quality, Safety, and Absence of Claims)
- CJE needs to broaden support to entire JOC industry (owners, contractors, subcontractors, individuals, service organizations, etc.)
- Review of the mission, vision and by-laws (see below)

To support CJE, some key items need to be in place to establish a platform:

- National/global organization (branding, membership, guidance, rules, etc.)
- Regional chapters (local lobbying, local education, local membership drives, etc.)
- Core website with central strategy (regions would support and have individual chapter pages)
- Determine best structuring option for the organization to function
- Determine legal registration of organization
- Marketing of CJE to get funds
- Research and establish regional chapters
- Vertical and horizontal matrix for data/info
- Website needs automated system for management
- Fundraising objectives (dues structures, membership levels, etc.)
- Finalizing structuring options (i.e., "stand alone")
- Create membership rules
- Create membership certifications
- Create membership communications
- And, a complete strategic business plan

Review of existing mission, vision and bylaws

It was determined and recommended that the vision should stay "as is" and that the mission should change the terms "owners and contractors" to "the industry". The bylaws should also remain "as is" on the definition of JOC as CJE defines it.

Our Vision: Total solution for Job Order Contracting industry's research, educational and deployment needs.

Our Mission: Promote a cost effective, efficient, performance-based, high quality Job Order Contracting project delivery system through the development and education for the industry.

Definition of JOC: (Which is, in summary, as follows from the bylaws) Job Order Contracting is long-term IDIQ contract for construction services delivered on an on call basis through firm fixed price delivery orders based on pre-established unit prices.

3. Brainstorm Membership Benefits

The brainstorm on membership benefits was broken out into target memberships as follows:

Benefits to General CJE Membership

- Networking
- Issue resolution and sounding board
- Public relations
- Scholarships
- Construction documents and templates
- Sample outlined legislation
- General marketing of JOC nationally
- Market intelligence and research
- Solicitation opportunities
- Directory of members
- Lists of all JOC programs nationally
- Communications (presentations, newsletters, etc.)
- Conferences and training
- Professionalism of JOC
- Certification in JOC
- References and resources
- Adds to their resume (status of membership)
- JOC jobs
- Trends in industry
- Surveys

Benefits to "Product and Service Companies"

- Awareness of their brand(s)
- Certification for JOC Service Providers
- Entry into new design opportunities on small projects
- Leads

Benefits to Owners and Users of JOC

- Access to other JOC owners
- Best practices
- Due diligence assistance
- Resume database
- Performance data on contractors
- Research
- Education platform, courses, curriculum
- Performance measurement of contractors (policing)
- List of certified contractors

Benefits to Individuals (Students, Employees, etc.)

- Industry knowledge
- Career assistance
- Continuing education courses
- Co-ops / Internships
- Job Fairs
- Scholarships

Benefits to Contractors

- Job openings and resume database
- Unified consistent view of JOC (standards)
- CJE gives credibility to JOC method
- Self regulation
- Access to subcontractors
- Access to interested owners
- Definitions on what safety, security, etc. mean to JOC
- Green building and sustainability with JOC
- Employee resources
- Qualified interns
- Job Fairs

Benefits to Subcontractors

- Finding available work
- Research contractors
- Mentoring / Coaching
- Training
- Bonding and financial assistance
- Job Fairs

4. Discuss Marketing and Branding: “How to Grow CJE and JOC Industry” & SWOT Analysis

Brainstorm of several ways to grow industry and market/promote CJE.

- Branding and Promotions of CJE:
 - Update brand (logo, positioning, asset)
 - Better, relevant website
 - Certification logo/icon
 - Every member as a “missionary” (networking; word of mouth referrals)
 - Sponsorships from members for publications, conferences, etc.
- Membership of CJE:
 - Increase CJE membership and interest
 - Promote benefits to get members
 - Membership drives
 - Referral program
 - Awards and recognition
 - Packaging membership (membership packets and materials to promote CJE)
 - Solicitations
 - Top JOC program and owner of the year
 - Become more regional
- JOC Industry:
 - Lobbying in states
 - JOC research studies, papers, publication
 - Surveys
 - Tap into need for employees through internship offerings, job postings, etc.
- CJE Communications and Education :
 - Newsletter (Industry publication, e-mail, magazine, etc.)
 - Education, training and conferences
 - Attach to other organizations’ conferences and events (i.e., as a speaker at IFMA)
 - Scholarships
 - Building educational curriculum for universities (and teachers’ plans)
 - How to modules (i.e. Building JOC as a Business)
 - The “Book of JOC” by CJE
 - Published articles on topics and trends
 - Web-based training (i.e., proposals, estimates, JOC How To, etc.)
 - Archives
- Public Relations
 - Choose national charity (PR)
 - National emergency response team
 - Go into schools – construction as a career choice
 - Include students on a project or on project tours
 - Find sustainable/green initiatives to sponsor
 - Relationship with media (PR)

SWOT Analysis of CJE

<p>Strengths</p> <ul style="list-style-type: none"> ▪ JOC industry knowledge ▪ Multiple disciplines (vendors, owners, contractors) ▪ Have some momentum ▪ Some funds on account ▪ Price books ▪ Growing market / Emerging industry ▪ Information resource ▪ Established network ▪ Established brand recognition ▪ Leadership ▪ Educational tools ▪ Committed volunteers 	<p>Weaknesses</p> <ul style="list-style-type: none"> ▪ Don't have stand alone identity ▪ Lack of regional presence / Not national ▪ Lack of funding ▪ Too little owner participation ▪ Members are competitors ▪ Potential for members to take advantage of organization for personal gain ▪ Lack of control currently under ACE ▪ Lack of concrete benefits ▪ Geography ▪ Inability to respond to "non-JOC that is acting like JOC (no authoritative voice) ▪ Inability to influence favorable JOC legislation ▪ Website ▪ Financial documentation ▪ Membership list
<p>Opportunities</p> <ul style="list-style-type: none"> ▪ To improve ▪ Growth ▪ Control over CJE and CJE future ▪ Establish industry ▪ Of service to the industry ▪ Make industry better / sustainable ▪ Build structure/platform for CJE ▪ Unlimited opportunity as an organization 	<p>Threats</p> <ul style="list-style-type: none"> ▪ If we do nothing others will define the JOC industry for us ▪ Issues in market with no one to respond ▪ Another association could choose negative point of view on JOC ▪ Could lose members ▪ Single limited focus ▪ Stay in the shadow of another organization ▪ To do nothing creates chaos ▪ If the organization does not bring value could become unviable long term

5. Identify Next Steps

Next steps:

(See Pg. 2 for overall recommendation summary)

- Thank Gary for support of CJE in the past
- Research best structuring options for CJE as an organization
- Create strategic plan for the CJE organization (strategic direction, operational structure, target membership, marketing plan, financials, etc.)
- Proceed with structuring options (outlined on page 3 of this document and in recommendation on page 2)
- Possibly develop proposal to ASU/ACE consisting of at least the following:
 - Remain status quo on transfer of dues
 - Stand alone website for CJE
 - Materials and marketing control for CJE
 - CJE letterhead
 - Ownership of CJE brand
- Share recommendations, plans and proposal with CJE board.
- Craft an article for the CJE newsletter.

Parking Lot Items and Questions:

- Should we use another term for "Performance Improvement"?
- How should we address variances in JOC (i.e., non-JOC acting as JOC; or JOC without a price book)?
- Find out if ASU/ACE owns the term CJE. Who owns the CJE brand?
- Determine where CJE headquarters will be located
- Find out if ASU/ACE or CJE owns the funds on account. Are the funds transferable?
- Can we have our own website?
- What is our website hit count?
- Is the site currently being optimized to facilitate getting hits and contacts?
- Can we get access to our membership database?
- What exactly does CJE own?
- Will ASU/ACE accept other fund options or plans (what is our proposal)?
- What do we currently get from ACE? What will we be getting from ACE?
- Will ASU/ACE allow us to have regional chapters?

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