



2023-2025 Strategic Plan

Rocks Build America

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2022 Strategic Planning Task Force

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THE AGGREGATES INDUSTRY TODAY

A sound planning process begins with analyzing the situation as it currently exists. An organized approach to this analysis indicates a number of subjects that need to be addressed. The participants in the planning workshop carefully analyzed various phases of NSSGA including recent industry trends and market developments; mission and vision; membership; programs and services; financial analysis and organizational assessment. This analysis is necessary to provide a basis for the development of sound plans.

Recent Industry Trends and Market Developments

1. Supply chain challenges
2. Workforce shortages
3. Sustainable infrastructure funding
4. Competition from substitute materials
5. ESG pressures will continue
6. Increased operating costs
7. Increased regulation
8. Growing NIMBYism – fueled by social media
9. Increased demand
10. Logistics issues
11. Climate change and carbon footprint

THE ASSOCIATION TODAY

NSSGA Mission and Vision

NSSGA Mission:

The National Stone, Sand & Gravel Association is the leading voice and advocate for the aggregates industry. We advance public policies that protect and expand the safe, environmentally responsible use of aggregates that build America's infrastructure and economy.

NSSGA Vision:

The National Stone, Sand & Gravel Association's vision is a favorable public policy and regulatory environment that fosters business growth for the aggregates and construction materials industries. We are committed to rebuilding the nation's aging infrastructure to ensure America's economic prosperity and global competitiveness in the 21st century and beyond.

NSSGA Membership

1. Producer membership saw record growth in 2022
2. M&S membership saw modest growth in 2022
3. Producers represent 90% of crushed stone tonnage; 70-80% of sand and gravel
4. Impact of industry consolidation continues to significant
5. Membership trending to larger companies (77% of dues come from 12 member companies)

NSSGA Programs, Events and Activities

1. Significant growth of AGG1 attendance
2. Legislative and Policy Forum attendance can be improved; collaboration among construction material association fly-ins would have benefit

Financial Analysis

1. Dues are 51% of revenue in a CONEXPO/CONAGG (CECA) year and 55% of revenue in a non-CECA year.
2. CONEXPO/CONAGG and AGG1 represents 20% of revenue
3. Steering Committee expenses are now part of the regular association budget
4. In the second year of a 5-year phase-in of the revised dues formula
5. Annual revenue expected to be approximately \$9-10M in 2023, growing to \$12-13M by 2026
6. Reserve balances remain strong despite market volatility and draws to facilitate absorption of Steering Committee expenses and revised dues formula phase-in at approximately \$9M

Organizational Assessment

1. 22 staff; 3 consultants
2. 11 standing committees
3. The current Board of Directors is not functioning as intended and meeting participation is declining

STRATEGIC OBJECTIVES

An objective is a temporary but careful estimate regarding a future result which cannot be projected with certainty, but which is believed can and should be achieved through NSSGA's efforts and commitment of resources. Objectives are derived from a careful analysis of future development and potentials, with relatively less reliance placed on historical data and the projection of past experience. Objectives are stated within a span of time. The Task Force established the following three-year objectives and placed them in priority order.

OBJECTIVE #1: REGULATORY ADVOCACY

General Objective: Proactively and effectively address regulatory threats to the aggregates industry immediately and expand that capacity from 2023 through 2025.

- Regulatory threats from a variety of agencies will continue and likely only increase for the foreseeable future
 - o Regardless of where the challenge originates, NSSGA must engage effectively
 - o Each threat will necessitate a strategic response and most likely unique tactics
- Effectively Influencing the regulatory process is complex and will require NSSGA to engage in efforts to:
 - o Delay
 - o Mitigate
 - o Litigate
- Sufficient resources will be needed to allow for effective engagement
 - o Specific skill sets will be required from staff, consultants and members
 - o Will need flexibility to address threats as they ebb and flow
 - o Resource allocation will be critical for best performance and outcomes

OBJECTIVE #2: INDUSTRY IMAGE

General Objective: Tell a more meaningful story about the broadscale impact and the essential nature of the materials the industry produces to key audiences in effort to improve the perception/image of the aggregates industry over the next three-years and beyond.

- Identify Audience: Develop a universe of targeted stakeholders focused on decisionmakers who will impact public policy outcomes
 - Establish a limited number of target audiences
 - Touch those audiences in numerous ways
- Message Development: Create and articulate a message that resonates with our target audience.
 - Baseline perceptions of the industry will be established and regularly measured
 - Message testing after message created to ensure we have a unified, articulate and consistent message
- Leverage Partnerships (members, coalitions, state associations):
 - Engage partners to echo and amplify our message
 - Provide NSSGA members with tools and resources they can use to tell their story and the industry's.

OBJECTIVE #3: ADVOCACY SUPPORT

General Objective: Fully support NSSGA's ongoing advocacy mission.

- Strategic recruitment and retention of members
 - Having NSSGA members in every congressional district significantly improves our grassroots advocacy capabilities
 - Targeting those elected officials who have the most influence in the public policy areas of highest priority strengthen our connection to champions
- Creation of an Advocacy Board
 - Evolve current Board of Directors into NSSGA's Advocacy Board will both match with our focus on Advocacy as Job #1 and develop an equipped and prepared "First Response" capability
 - Strategically recruiting and training additional Advocates from among the employees of member companies will dramatically improve our grassroots relationship building activities

- Execute ROCKPAC strategic participation plan
 - To meet ongoing regulatory and legislative challenges effectively, it will be necessary to fully execute the ROCKPAC Strategic Participation Plan, enabling relationship building at the highest level
 - Build upon record support for ROCKPAC in 2022 by increasing the level of support by current donors and cultivating new donors
- Collaborate with strategic partners
 - Ongoing effort and attention must be given to foster further collaboration as there is significant strength in numbers when advocating on shared issues
 - Build on the positive relationship with state associations for the best interest of shared members and the industry

OBJECTIVE #4: RESOURCES

General Objective: Secure the resources necessary to fully implement this plan through dues, non-dues revenue and charitable foundation contributions during the plan window.

- Grow member dues revenue to \$6.2M
 - Complete the phase in of the revised Producer dues formula in 2026
 - Continue to reach a renewal rate of at least 90%
 - Aggressively pursue new members in each membership category
- Increase non-dues revenue as possible
 - Continue growth of AGG1 to produce \$2.5M in gross revenue by the 2027 show
 - Generate \$700K in Sponsorship revenue by 2026
- Recapitalize the Rocks Build America Foundation
 - Develop and launch a campaign to fund industry education and branding efforts
 - Raise \$3M in C3 contributions by 2026