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Strategic Planning Summary

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## **PRESENT STATUS OF TACA**

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 TACA including recent trends and developments; factors precipitating the planning session; 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. Truck driver shortages
2. Labor trade shortages
3. Increased competition
4. Strong market demand
5. Consolidation has plateaued
6. The “anti’s” are more organized
7. Impact of social media
8. Growth of the fracking industry
9. Increased political attention to the industry
10. Changing demographics – people moving into Texas from other areas of the country
11. Longer lead times for trucks and equipment
12. Highly regulated – 15 agencies involved
13. Increased highway funding
14. Public demand for construction and growth versus NIMBY sentiment
15. Litigious environment
16. Wood making significant inroads into our markets

### **Factors Precipitating the Planning Sessions**

1. It’s time
2. New President of TACA
3. The association is in a healthy position

### **TACA Mission**

1. Does the mission have meaning to our members?
2. It includes the core things that we do
3. It doesn’t address the industry’s contributions to Texas communities and the Texas economy
4. Why is cement included?

### **TACA Membership**

1. Aggregate membership represents 80% of aggregate production in the state

2. Concrete membership represents 75% of cement production in the state
3. Membership is concentrated in the major metro markets
4. Our recruitment efforts are modest – not a “full court press”

### **TACA Events, Programs and Activities**

1. Annual Meeting attendance averages 500 – high producer attendance
2. Committee meetings changed to quarterly from monthly
3. Seminars experiencing modest growth
4. The Environmental and Sustainability Seminar could be marketed to neighboring states
5. Capitol Day attendance spiked in 2019
6. Emerging Leaders Academy needs marketing
7. Other events and activities:
  - a. TACAMP
  - b. Chat and Chew
  - c. Community Service Projects
  - d. Short Course
  - e. TACA Star Program
  - f. Public Image Award

### **Financial Analysis**

1. Annual revenues of \$1.9 million
2. Dues and advertising represent \$1.7 million of income
3. Reserves are \$1.0 million

### **Organizational Assessment**

1. 3 full time staff (staff peaked at 6 full timers in 2010)
2. Outside services: legal, accounting, lobbying and communications
3. Producer board has 21 members
4. Allied board has 8 members
5. 7 committees

### **PLANNING SURVEY**

#### **Key Findings**

1. 3.6 performance rating (on a 5.0 scale)
2. Strengths: advocacy, people
3. Weaknesses: uninvolved segments, website/social media, communications
4. Issues: industry image, regulation, member involvement
5. Almost all believe TACA is on the right track
6. There are comments on collegiality and camaraderie at TACA

## **Implications for TACA**

1. The world is changing, and we need to adapt
2. TACA is in a healthy position
3. Are there other industry segments that we should address?
4. What does our financial future look like?

## **STRATEGIC ISSUES**

### **Public Relations and Industry Image**

1. We are a dirty, dusty business with a lot of trucks
2. People are not aware of the contribution the industry makes
3. We have been reactive and defensive in our approach
4. We produce information that refutes false claims and misinformation
5. How do we measure our performance in P.R.?
6. The TACA Star Program is an underutilized tool (it is complex and time consuming)  
– only one of 400 facilities participates
7. It starts at the local level and then can migrate to the state level
8. We have had some “wins” – Austin Ready Mix Ordinance and the Edwards Aquifer
9. There is a perception that we are “in bed” with TCEQ
10. Our members expect TACA to tell our positive story
11. Whatever we do, it must be sustainable as this is a long-term issue
12. In successful efforts we have used a combination of approaches: science/data, persuasion, political influence and economics
13. The “public” is changing and will continue to change

### **Member Engagement**

1. Some members think TACA is going to take care of everything and they are passive
2. Geography is a factor
3. Getting maximum value from membership has traditionally required being actively involved – “you get out of it what you put into it”
4. Technology may be a way to engage members in different ways, e.g. reaching member employees
5. How do we reach the small producer?

### **Legislative and Regulatory Advocacy**

1. The planning survey identifies this as one of TACA’s most significant strengths
2. Our contract lobbyist and general counsel are keys to our success
3. Leveraging member company lobbyists has been effective
4. The legislature is getting “bluer” and conservative Republicans are more reactive
5. Annual PAC distributions are between \$70,000 and \$150,000
6. The legislative environment will be increasingly unfavorable
7. Our agency relationships are very good

8. The legislature's support of highway funding is in our favor

### **Association Management and Facilities**

1. Our reliance on independent contractors is working
2. TACA will be moving into a new office facility in May 2019
3. Recruiting and engaging members outside of the major metro areas will likely require additional staff

### **Wood Competition**

1. Wood is making significant inroads into our vertical markets
2. It is believed that wood has strong, sustainable funding from the Soft Wood Lumber Board check-off
3. We have natural allies in combatting wood (e.g. fire marshals)
4. NRMCA has the "Build with Strength" program
5. Do we have a role in responding to this threat?

## **SITUATION ANALYSIS**

The group analyzed TACA's situation by identifying its most significant strengths, resources and capabilities; weaknesses, problems, or barriers; and opportunities or potentials. In each area, participants ranked the most significant three of those proposed. The number of votes or points follows each issue. In most cases, effective strategy is the result of matching the organization's strengths with opportunities or problems.

### **Key TACA Strengths, Resources or Capabilities**

1. Our industry is essential to growth (3)
2. Leadership and management (9)
3. Advocacy influence/legacy (8)
4. TACA culture/collegiality/family (5)
5. Open to change (Not ranked)
6. Committee structure (Not ranked)
7. Legal and environmental resources (Not ranked)
8. Active core of members (9)
9. High market share (1)
10. Educational opportunities (2)
11. Financial position (2)

### **Key TACA Weaknesses, Problems, Barriers or Threats**

1. Weak outside of metro areas (4)
2. Negative social media (4)
3. Communications and branding to external audiences (4)



4. Technological advancement (3)
5. Workforce shortages (3)
6. The wood challenge (1)
7. Member retention and value proposition (2)
8. Sustained member involvement (6)
9. Maintaining PAC funding (6)
10. Impact of independent ready-mix drivers and frac sand (1)
11. Lack of minority participation (Not ranked)
12. Proposed unfavorable legislation (5)
13. Changing political environment (1)

### **Major TACA Opportunities or Potentials**

1. Education of the public
2. Outside of the triangle membership
3. Coordination with other associations
4. Go deeper into member company employees
5. Opportunities for small to mid-size producers
6. Leveraging our young leaders
7. Expand member educational opportunities
8. Grow the PAC
9. Vendor communication
10. Texas economic growth
11. Increased promotion of the industry

### **FORECASTS AND ASSUMPTIONS**

“Assumptions” are temporary estimates regarding important probable developments which cannot be predicted with accuracy and over which TACA has no significant control. They should not be considered predictions, but they do reflect the current thinking of the group. The planning session participants made the following assumptions:

#### **Future Market Conditions and Environment for Construction Materials in Texas**

1. Continue strong demand
2. Continued population growth
3. New players entering the market
4. Labor shortages continue
5. Fly ash shortages
6. Higher dependence on technical and engineering expertise
7. Increased cost of doing business
8. Potential for an economic slow down
9. No “claw back” of highway funding
10. We will need to find ways to grow in spite of increased anti-growth sentiment
11. Anti-growth sentiment will get worse

## **Legislative and Regulatory Developments**

1. Increased regulatory oversight
2. More unfavorable legislation proposed
3. Permitting process could inhibit capacity
4. Impact of OSHA/MSHA standards for silica exposure
5. Experts competing with influencers for recognition
6. Public pressure for social responsibility and environmental justice

## **Technological Assumptions**

1. E-logs for trucking
2. “Uberization” of logistics
3. More mobile applications
4. Impact of telematics
5. Autonomous vehicles
6. 3-D part manufacturing
7. Performance mixtures
8. Demand/requirements for sustainable materials
9. LEED, EPD
10. Increase use of social media by TACA
11. New and improved TACA website and AMS
12. We will have a platform for video conferencing

## **Profile and Characteristics of the TACA Member**

1. Younger and more diverse
2. There will be turnover in the member representatives to TACA
3. More connected thru social media
4. More tech savvy
5. Non-traditional disrupters
6. Time constrained
7. More involved

## **Assumptions Regarding TACA**

1. Increased staff or independent contractors
2. Battling unfavorable legislation
3. Increased need to respond to local issues
4. Membership will continue to grow
5. We will continue to collaborate with aligned organizations
6. We will maintain our culture
7. Continued committed staff
8. Will be able to bridge the generational transition

## **TACA OBJECTIVES (2019-2022)**

An objective is a temporary but careful estimate regarding a future result which cannot be projected with accuracy but which is believed can and should be achieved through TACA's efforts and commitment of resources. Objectives should be 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 should always be stated within a span of time. The group established the following three-year objectives and placed them in priority.

Priority sequence was determined by a voting process in which participants in the workshop were provided with a handout sheet. Participants were asked to choose three objectives and write the corresponding identification letter in the appropriate box for a #1, #2 and #3 ranking. Items ranked #1 received three points, items ranked #2 received two points and items ranked #3 received one point. Points were then tabulated and objectives were ranked.

- A. Significantly strengthen TACA's public policy influence (29)
- B. Increase TACA membership with emphasis on under-represented segments (24)
- C. Develop an initiative to communicate the positive contributions of the industry and counter misinformation (16)
- D. Build on TACA's educational programming to prepare the next generation of industry leaders (15)
- E. Capitalize on technology to achieve our priority objectives (Not ranked)

**OBJECTIVE:        ADVOCACY**

**General Objective**    Significantly strengthen TACA's public policy influence

**Related Objective**    Develop an initiative to communicate the positive contributions of the industry and counter misinformation

**Specific Assumptions**

1. Advocacy is a TACA strength, but we'll need to get stronger
2. Our members are supportive of our advocacy efforts
3. The political environment is going to be more difficult
4. This includes advocacy at the local level
5. It will be a challenge to raise \$200,000 a year in corporate funding for TACPAC administration
6. The sustainability of the concert PAC fundraising model is uncertain
7. The administrative funding can be used in a variety of ways
8. There may be potential for increased PAC to PAC contributions
9. Can we get deeper into member companies for employee TACPAC contributions?
10. We need to develop alternative ways to raise TACPAC funds in addition to the concert

**Draft Performance Measurements**

1. PAC annual contributions of \$200,000 (\$400,000 in contributions per cycle)
2. No significant negative legislation enacted
3. Grassroots network established

**Resource Requirements**

1. PAC administration fee income
2. Increased PAC contributions
3. Grassroots staffing?

**Implementation Direction**

1. Benchmark best practices in PAC fundraising and grassroots networks
2. Prioritize key legislators and public policy decision-makers/influencers
3. Maximize off-session time for planning and positioning

**Work Plan**

1. Project:    Raise \$200,000 a year in corporate funding for TACPAC administration

Responsibility:    David Perkins

Schedule: April 2020, 2021, 2022  
Resources: Strong case for advocacy support

2. Project: Maximize TACPAC fundraising from the annual concert event

Responsibility: David Perkins  
Schedule: November-December 2020, 2021, 2022  
Resources: Executive Committee, booking agent fees

3. Project: Test several alternative TACPAC fundraising events in 2020 with the goal of \$10,000 to \$20,000 in TACPAC funding

Responsibility: Rob Van Til  
Schedule: Plan in August-December 2019 for 2020 events  
Resources: Administrative fund, staff, task force members

4. Project: Compile a list of politically connected member employees that can be mobilized for grassroots action at the state and local levels

Responsibility: Josh Leftwich  
Schedule: First draft compiled by November-December 2019  
Resources: Government Affairs Committee, staff, Annual Meeting

5. Project: Develop a plan for TACPAC fundraising events in Fall 2021

Responsibility: Rob Van Til  
Schedule: August-December 2020  
Resources: Experience from 2020 test events, task force, staff

## **OBJECTIVE                      MEMBERSHIP**

**General Objective**    Increase TACA membership with emphasis on under-represented segments

### **Specific Assumptions**

1. There are at least 50 more viable potential TACA producer members
2. Most potential members are outside the triangle
3. Members recruiting non-members is by far the most effective recruiting approach
4. Capitalizing on a crisis can be effective
5. We need a compelling value proposition/elevator speech
6. The time is right to recruit given the increased threats to the industry

### **Draft Performance Measurements**

1. Net producer membership:

<b>Year</b>	<b>Net Producer Membership</b>
2018	73
2019	75
2020	80
2021	85
2022	90

### **Resource Requirements**

1. Targeted prospect list
2. Active Membership Committee members willing to make the ask
3. Compelling value proposition
4. Staff support?

### **Implementation Direction**

1. Reevaluate the composition of the Membership Committee
2. Roll up our sleeves and do it!
3. Raise the profile of our recruitment priority

### **Work Plan**

6. Project: Update and strengthen the membership packet and value proposition

Responsibility: David Perkins

Schedule: July 2019

Resources: Current membership packet; input from Membership and Government Affairs Committees

7. Project: Update the prospect list, identify priority prospects, and match prospects with current members

Responsibility: Joey Biasatti

Schedule: April-July 2019

Resources: Existing prospect list; Membership Committee

8. Project: Execute a concentrated recruitment campaign with the goal of recruiting 5 new producer members

Responsibility: Joey Biasatti and Wade Carroll

Schedule: September-October 2019

Resources: Updated membership packet/value proposition, priority prospects, Membership Committee

9. Project: Ensure new recruits attend a TACA meeting or event, or participate on a TACA Committee to improve retention

Responsibility: Andrea Tilley  
Schedule: October-November 2019  
Resources: Member that recruited new member, committee chairs, free meeting registration

10. Project: Adjust the campaign approach based on experience in September-October 2019 and launch two campaigns in 2020, one in February and another in September-October with the goal of 8 new producer members

Responsibility: Joey Biasatti and Wade Carroll  
Schedule: Plan in November-December 2019 for February and September-October 2020  
Resources: Experience from the September-October 2019 campaign, Membership Committee

**OBJECTIVE: P.R.**

**General Objective** Develop an initiative to communicate the positive contributions of the industry and counter misinformation

### **Specific Assumptions**

1. The need to tell our story and counter misinformation will be more important in the coming years
2. If we don't tell the story, someone else will
3. Public officials are an important audience
4. We will need a creative social media effort if we are to reach the public in a meaningful way
5. We need to mobilize our members and their employees in our efforts

### **Draft Performance Measurements**

1. We have articulated a strong industry story
2. Social media and website metrics
3. Article tracking

### **Resource Requirements**

1. Current communications consultant
2. Make this a priority for the Industry Promotion and Marketing Committee
3. Mobilize members to actively participate

## **Implementation Direction**

1. Industry Promotion and Marketing Committee to draft the industry story
2. Develop a “tool kit” for member use
3. Capitalize on “hot topics” or issues
4. Significantly ramp up our social media presence

## **Work Plan**

It was agreed that the work plan is fundamentally in place with Pure Energy PR’s current objectives, strategy, and target audiences.

1. Project: Conduct an annual review of the Pure Energy PR’s communication strategy

Responsibility: Griffin Taylor  
Schedule: 4<sup>th</sup> Quarter 2019, 2020, 2021  
Resources: Industry Promotion and Marketing Committee

## **OBJECTIVE: EDUCATION**

**General Objective** Build on TACA’s educational programming to prepare the next generation of industry leaders

## **Specific Assumptions**

1. We have a solid educational base
2. The potential for webinars is unknown
3. There are opportunities to enhance TACAMP (beginners and advanced) and Chat & Chews

## **Draft Performance Measurements**

1. Participation in Emerging Leaders
2. TACAMP participation
3. Short Course and Environmental and Sustainability Seminar attendance

## **Resource Requirements**

1. Education Committee and Environmental and Sustainability Committee

## **Implementation Direction**

1. Strengthen selected existing programs

## **Work Plan**



1. Project: Maintain the enrollment and operate the Emerging Leaders program on a breakeven basis

Responsibility: Paul Rouse  
Schedule: June 2019, 2020, 2021  
Resources: Program alumni

2. Project: Expand the marketing of the Environmental and Sustainability Seminar to related associations in Texas

Responsibility: Melissa Fitts  
Schedule: Spring 2019, 2020, 2021  
Resources: Environmental and Sustainability Committee

## **SUMMARY**

### **Concluding Comments and Observations**

1. We have lots of opportunity
2. Good consensus
3. Good discussion – not “group think”
4. We’re starting from a solid base
5. The plan is consistent with TACA’s current direction
6. We need to strengthen our advocacy efforts and TACPAC funding is critical
7. We need to communicate the threats to the industry and what we are doing to mitigate them

### **Financial and Human Resources Implications**

1. Evaluate the capacity to add staff in 2020
2. \$75,000 annual communications retainer is included in the current budget

### **Member Communications**

1. Announce the plan in the “State of the Association” address at the Annual Meeting
2. Emphasize the importance of supporting the TACPAC administration funding and the concert event

### **Next Steps**

1. Present to the Board of Directors for action at the May 2019 meeting
2. Roll out the plan to members at the Annual Meeting in June 2019