



 **AGS** Association of Geotechnical & Geoenvironmental Specialists

BUSINESS PLAN 2018 / 2019

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EXECUTIVE SUMMARY

The Association of Geotechnical and Geoenvironmental Specialists (AGS) is a non-profit trade association of UK geotechnical and geoenvironmental related businesses.

The aims of the Association are:

- (a) to promote and enhance quality and safe practice within the geotechnical and geoenvironmental industry;
- (b) to provide opportunities for participation in its activities to all those in the wider geotechnical and geoenvironmental industry;
- (c) to give benefit to all of its participants.

The Association is not organised for profit. No part of the net earnings or assets of the Association itself shall accrue to the benefit of any member, nor shall the Association itself be engaged in performing any particular service for any particular person or business entity.

The AGS, through its working groups and activities, works to enhance the geotechnical and geoenvironmental sector by promoting good practice and encouraging innovation. Its members are committed to safety and quality and benefit from being part of the Association.

In order for the AGS to maintain and improve the effectiveness to deliver its aims to the industry and benefits to its members it will develop objectives, through its Marketing Plan, in five key areas:

1. Maintain the effectiveness and focus of the advice and guidance from the Association through its Working Parties
2. Organise and promote industry related conferences and events
3. Sell and promote AGS publications
4. Produce an industry focussed magazine
5. Manage and promote the AGS Data Format

In endeavouring to achieve its aims the Association is committed to the growth of its membership from companies who are recognised for the quality of practice they bring. It is recognised that a larger membership base provides a level of influence within the industry and revenues which will be used to underpin the business plan.

1.0 The Association

1.1 Introduction

The AGS was founded in 1988.

The management team consists of the Officers, the Executive and the Senate. The Officers comprise the Chair, Treasurer, Chair-elect and the Immediate Past Chairman who are the Directors of the Company under the Companies Act 2006.

The work of the AGS is generally carried out by Working Groups, whose Leaders are members of the Senate. The AGS is supported by the Administrator, Forum Court Associates (FCA). All of the duties of the above are set out in the AGS Byelaws.

1.2 Services

The AGS provides a variety of services to its members and to the geotechnical and geoenvironmental industry as a whole. This includes the output of its Working Groups which currently comprise:

- Geotechnical (GWG)
- Contaminated Land (CLWG)
- Loss Prevention (LPWG)
- Data Management (DMWG)
- Laboratories (LWG)
- Safety (SWG)
- Business Practice (BPWG)

The AGS administers the AGS Data Format, which is a protocol for the sharing of electronic data from ground investigations throughout the UK and overseas. The AGS also runs seminars and conferences including an annual Members' Day and an AGS magazine is published every two months.

1.3 The Market

The geotechnical and geoenvironmental industry is growing at a steady rate having experienced a certain amount of contraction in recent years. There are opportunities in the market for members of the Association who provide a quality service.

There are several other Trade Associations in the market, however AGS is unique in encompassing a large proportion of the geotechnical and geoenvironmental disciplines and practitioners.

1.4 Financial Considerations

The Association aims to continue to be the main trade body for geotechnical and geoenvironmental engineering in the UK. In endeavouring to achieve this aim we are committed to the growth of our membership from companies who are recognised for the quality of practice they bring. A larger membership base provides a level of influence within the industry and revenues which will be used to promote good practice.

The Association is not organised for profit. No part of the net earnings or assets of the Association itself shall accrue to the benefit of any member, nor shall the Association itself be engaged in performing any particular service for any particular person or business entity.

1.5 Objectives

- 1 15 new members by 2020
- 2 Increase the AGS Data Format membership to 100 by 2020
- 3 Net annual margin greater than 2.0% to support the major activities of the AGS.

1.6 Mission Statement

The aims of the AGS are:

- (a) to promote and enhance quality and safe practice within the geotechnical and geoenvironmental industry;
- (b) to provide opportunities for participation in its activities to all those in the wider geotechnical and geoenvironmental industry;
- (c) to give benefit to all of its participants.

2.0 Organisation Summary

2.1 General

The AGS has been the UK's only Trade Association for geotechnical and geoenvironmental businesses since 1988. Our focus is on improving and enhancing the geotechnical and geoenvironmental business climate in the UK by:

1. Promoting best practice with regards to quality and health and safety,
2. Providing up to date commentary on industry issues
3. Assisting businesses to improve their knowledge of a complex marketplace.

2.2 Legal Entity

The Association of Geotechnical and Geoenvironmental Specialists (AGS), is a non-profit organisation. It was incorporated on 8 July 1991 as a Private Limited Company by guarantee without share capital and use of 'Limited' exemption, Registration number 02627358.

2.3 Organisation History

The Association was founded in 1988 as a trade body that could represent contractors, consultants, clients and other suppliers that operated in the geotechnical and / or geoenvironmental sector within the UK. The name was chosen deliberately to indicate that the Association represented the full range of operational interests of businesses within this sector.

The performance of the Association in financial terms is shown in **Figure 1** in the Appendix.

2.3 Structure, Locations and Facilities

Since its inception, the AGS has been managed by an Administrator. Initially this comprised one or two people who reported to the AGS Chairman but now comprises Forum Court Associates (FCA). A major review of the AGS organisation and the Administrators' role was undertaken in 2016 and the AGS is currently managed using the following structure:

- Officers (AGS Directors who are the Chairman, Immediate past Chairman, Treasurer, and Chair-elect)
- Executive (made up of the Officers and FCA)
- Senate (made up of the Officers, FCA, Working Party Leaders and elected members)
- Administrator (FCA)

The Association has no property or central office and makes use of meeting rooms in a number of locations within London.

For ease of transport, the majority of Association business (in terms of meetings) has always been organised in London.

3.0 Services and Benefits

3.1 Main Benefits and Activities

Benefits and activities of the AGS:

1. Annual Members' Day
2. AGS Data Format
3. Health and Safety Guidance
4. Loss Prevention Alerts
5. Loss Prevention Guidance
6. Representation on other bodies i.e. Ground Forum, SiLC, SoBRA, BDA
7. Representation on Standards Committees and other Technical Bodies
8. Access to free AGS Magazine
9. Access to seminars
10. Free Chemical Advice Helpline
11. Free Legal Advice Helpline

3.2 Service Description

The services which AGS provides to its members are in the form of benefits including access to industry related information and events often at discounted rates. Much of the work and output of the AGS is through its leadership team who represent the AGS on other committees and from the Working Parties.

These are expanded below.

3.2.1 Membership Provides

- AGS Publications to meet the needs of industry – free or discounted to Members

- The opportunity to network and contribute to each of the seven AGS Working Groups
- AGS Seminars on topical issues – free or discounted to Members
- Bi-annual seminar and annual review of the AGS Electronic Transfer of Geotechnical Data Format
- AGS Magazine with articles and comment directly related to Member's interests
- Entry in the AGS Membership Directory

3.2.2 Membership of a proactive organisation

- addresses the needs of quality practitioners in geotechnics and the geoenvironment, so as to give them a competitive edge
- interacts with insurance and client organisations to achieve better management of project risks
- promotes a Loss Prevention programme to maximise protection to Members
- seeks to protect the integrity of geotechnical and geoenvironmental specialists

3.2.3 Membership of a Representative Organisation

- Provides a voice on the Ground Forum, the body that represents the main industry participants in Geotechnics and the Geoenvironment.
- Provides the means to lobby Government and the Construction Clients Forum via the Ground Forum and the Construction Industry Council (CIC)

3.2.4 Benefits for Affiliated / Client Organisations

- Heighten the profile of the organisation and its industry within the geotechnical and geoenvironmental community
- Demonstrate the organisation's intention to form strong relationships with its suppliers
- Help the Association address the issues relevant to the organisation and its industry
- Have access to many of the member benefits listed above

3.3 Fulfilment

The Business Practice Working Group with assistance from the Administrator will monitor the services and benefits of the Association. All matters discussed within the BPWG will be discussed by Senate where decisions or agreement is required.

The BPWG will also agree a Marketing Plan with Forum Court Associates which will be presented to Senate for discussion and approval. The Marketing Plan will include areas where the Association will target growth and how it will deliver its aims and objectives whilst maintaining the services and benefits for the members.

4.0 Market Analysis Summary

4.1 General Comments

There has been very little data which has been compiled and published relating to the number of organisations involved in the UK geotechnical and geoenvironmental market. Some information is available from the Geotechnical Services File which is compiled by Ground Engineering magazine annually but this is by no means complete and information is not vetted and only supplied on a voluntary basis. It is estimated that there are between 300 to 500 organisations involved in the industry.

Currently the AGS membership numbers comprise 132 in total of which 12 are Affiliate Members and 5 are Personal/Honorary Members. The AGS principally represents both Consultants and Contractors but also has some Client members.

Affiliate membership comprises organisations which provide a direct service to members and includes law firms, software developers, training providers and specialist suppliers

4.2 Market Segmentation

4.2.1 Historical Commentary

At inception, the Association was established to incorporate specialists within principally geotechnical disciplines across the industry sectors. The bulk of early membership comprised consultancy organisations within geotechnical disciplines and a small number of the larger contracting firms who provided specialist services and consultancy.

As the geoenvironmental specialism grew within the market the AGS membership also naturally grew in that direction and the Association changed its name to reflect this inclusion. At a similar time the number of Contractor members also grew.

The AGS has two databases which can be used for analysis – the list of members and list of AGS Data Users. In order to assess market segmentation, these databases have been interrogated to establish the main activity of the organisations and the principal sector they operate in.

4.2.2 Main Activities

Although some members are multi-disciplinary, the main activity for the databases can be split into the following categories:

- Geotechnical Consultants
- Geoenvironmental Consultants
- Geotechnical Contractors
- Geoenvironmental Contractor
- Geotechnical Laboratories
- Geoenvironmental Laboratories
- Client
- Affiliate

Figure 2 in the Appendix, provides details of AGS members' main activities and the activities of organisations within the AGS Data Users database.

The data indicates that Consultants make up 60% of the current membership with Contractors representing 30%, Laboratories 5% and Affiliates 10%. Analysis of the AGS Data Users shows a higher percentage of Laboratories at 11% and overseas organisations represent 19%.

4.2.3 Sectors

The market sectors represented by the two databases fall into five main areas:

- Multidisciplinary – operate in multiple sectors across geotechnical/geoenvironmental
- Ground Investigation
- Piling and Foundations
- Construction
- Mining and Quarries

Figure 3 in the Appendix indicates the sectors where AGS members and AGS Data Users operate.

Analysis of the data from both databases indicate a very similar split of sectors in which the organisations operate with the exception of Mining and Quarrying organisations using AGS data whilst not being members.

4.3 Target Market Segment Strategy

4.3.1 General Comments

Although it appears that the AGS principally represents the ground investigation sector the multidisciplinary consultant members also operate in many of the other geotechnical and geoenvironmental related sectors.

While there are no direct competitors, there are other Trade Associations that may solicit our members and prospects.

- Federation of Piling Specialists
- British Geomembrane Society
- Society for Remediation Practitioners
- Association of Consulting Engineers
- Ground Source Heat Pump Association
- British Drilling Association

The list does not include learned bodies/societies such as Institute of Civil Engineers, British Geotechnical Society, Geological Society of London as these have individual membership and are not trade Associations.

The AGS should establish itself as the leading Trade Association which looks after the needs of the industry as a whole by providing technical guidance, safety and environmental guidance and lobbying on industry causes. These are the benefits offered by the AGS which should become the drivers for new membership. It should make itself the Association of choice.

The Marketing Plan should address how the Association will engage with organisations to raise awareness of their benefits and activities. This will include use of various media platforms including

social media, magazines, Facebook, LinkedIn, Twitter, the AGS website, email and participation in conferences and seminars.

4.3.2 Market Trends

One important aspect of providing a professional and technically based service to the geotechnical and geoenvironmental industry is that organisations must be very careful to stay compliant with both the health, safety and environmental requirements and to the technical requirements.

The safety and technical standards and guidance change frequently and the AGS is in a unique position to be able to keep the industry up to date. It does this through active participation on committees and work by the Working Parties.

4.3.3 Market Growth

Past experience has shown that many companies in the industry have been reluctant to join the AGS of their own accord and the Association needs to recognise the drivers for membership.

The main drivers for membership are typically;

- to obtain professional status and competency
- access to industry related guidance
- networking with industry peers
- access to benefits
- involvement in industry related matters
- demonstrate the desire to deliver quality projects by membership of a quality trade organisation
- access to AGS Data Format
- keeping up to date with legislation, standards, guidance etc

Membership to the Association is not currently a 'must have' and therefore it is a commercial decision by companies to positively join or maintain membership. Other drivers are requirements to show membership to professional bodies and associations in prequalification questionnaires and sometimes for insurance purposes. The Association must engage with all of the industry stakeholders, ensure the benefits of being a member are clear and more visible and develop a robust marketing strategy to drive new membership.

The AGS Data Users database indicates that there are a number of users currently benefitting from the services provided by AGS but are not currently members. The lists should be consolidated and the non-members contacted to offer membership.

The number of medium sized members is shrinking by mergers and acquisitions. Future growth of membership will require attracting the smaller organisations as well as maintaining the large merged organisations. This will also require a re-evaluation of the fee structure to keep in line with the changing market and business structures.

5.0 Strategy and Implementation Summary

5.1 General Comments

The Association will focus on four main income streams:

1. Membership subscriptions
2. Seminars and events (which includes the Annual Members Day),
3. Publications (including the AGS magazine)
4. Data Format Registration subscriptions

Other revenue may come from downloads of documents already held on the AGS website and royalty fees from other published documents such as UK Specification for Ground Investigation.

5.2 Strategy Pyramid

The main strategy is the growth of membership. A large membership (and interest) base provides both revenue (and the potential for revenue when younger professionals and students join companies who either are or have the potential to become AGS members), from dues and also positions the AGS as the representative of both students and practitioners within the geotechnical and geoenvironmental industry. The initiatives to grow the membership are:

1. Engagement with students and graduates
2. Creating value of membership and tangible benefits to encourage potential members to join
3. Building awareness of the AGS and the value of membership.

Programs to support these initiatives are to be developed in the Marketing Plan and will include:

1. Disseminating the aims of the AGS to students and graduates
2. Making the Annual Member's Day event accessible to all
3. Continue to provide guidance on topical industry issues
4. Organise and run short seminars around the UK
5. Ensure the AGS magazine is distributed as widely as possible

5.3 Value Proposition

AGS members operate with access to the knowledge and experience of many businesses gained over many years instead of trial and error. The opportunity to network with peers as well as industry and government leaders, provides value far in excess of the cost of membership. This helps to provide thought and value leadership which is at the leading edge of industry.

AGS members are able to share in the large pool of knowledge that the members of the various working groups within the AGS bring to bear on a range of topical industry issues.

5.4 Competitive Edge

Dealing with a mixture of highly independent small-business owners as well as larger corporate businesses, requires a varied presentation of the value of membership to encourage prospective businesses to spend their time and money with the AGS.

A combination of direct presentations / conversations, word of mouth, member's day and publications accompanied by presentation materials that clearly demonstrate value of membership will be used to reach and engage with potential members.

Increasing the number of working groups so as to cover all aspects of the industry, will enable more members to attend more meetings. The change in make-up of the Senate and eligibility of members to join at all levels of experience will also allow greater access to the 'working' of the AGS. This will build fellowship and trust among competing businesses to raise the standards of the whole industry. In addition, a longer-term ambition to upgrade the newsletter with time to a monthly publication along with presentations to academic institutions--will improve the flow in critical information and raise the awareness of the benefits of membership.

5.5 Marketing Strategy

5.5.1 General

The Marketing Plan will be developed by the Executive with Forum Court Associates and presented to Senate for discussion and approval. The Marketing Plan should not only address the requirement to grow the membership but also address initiatives to strengthen the engagement of Association with all stakeholders within this industry and outside.

5.5.2 Marketing Collaterals

The AGS has developed an organisation brochure to explain the benefits of membership to prospective members and affiliate members. There is also a PowerPoint presentation about the benefits of being a member of the AGS.

It is recognised that marketing collateral needs improving and alternative media and technologies are being investigated including presentations, videos, publications, interactive website content and social media.

6.0 Financial Strategy

6.1 General Comments

Any growth and ongoing activities will be financed through cash flow or strategic use of reserves. No borrowing is planned or considered necessary.

Accountability for the financial strategy and the use of funds will be held by the Executive, who will report to the Senate.

The projected surplus and deficit is shown on the following chart. Following a £2,477 deficit in 2017, a forecast surplus in 2018 of £2,725. It is planned to make a surplus of £3,084 in 2019 and £4,924 in 2020.

Our current reserves for the year ended 31 December 2017 were £53,319. We are assuming that these will grow conservatively through 2019 to 2020 following a drop in 2018 back to a similar level.

6.2 Important Assumptions

Notes for 2019-2020 revenue:

1. Historically over 90% of revenue has been from subscriptions, with seminars occasionally contributing approximately 10%. We are assuming subscription revenue will modestly increase from £69,399 in 2017 to £78,000 in 2020.
2. Members Day will become the AGS Annual Conference but will remain free to members.
3. Seminar income will grow to enable the Annual Conference to remain free and to enable AGS initiatives to be funded when required.
4. 40% of seminar/events surplus will be shared with Forum Court Associates.

Figure 4 in the Appendix provides the projected financial performance.

6.3 Cash Flow

Cash flow will largely continue to be dependent on the recovery of membership subscriptions. Due to the amount of cash that is held in a bond and in the bank, cash flow is not considered to be a crucial aspect in the short-term operation of the Association.

Table 1 in the Appendix provides a full projected surplus / deficit summary for last two years and next two years.

APPENDIX A

Supporting Figures and Tables

Figure 1: Financial Performance for Last Three Years

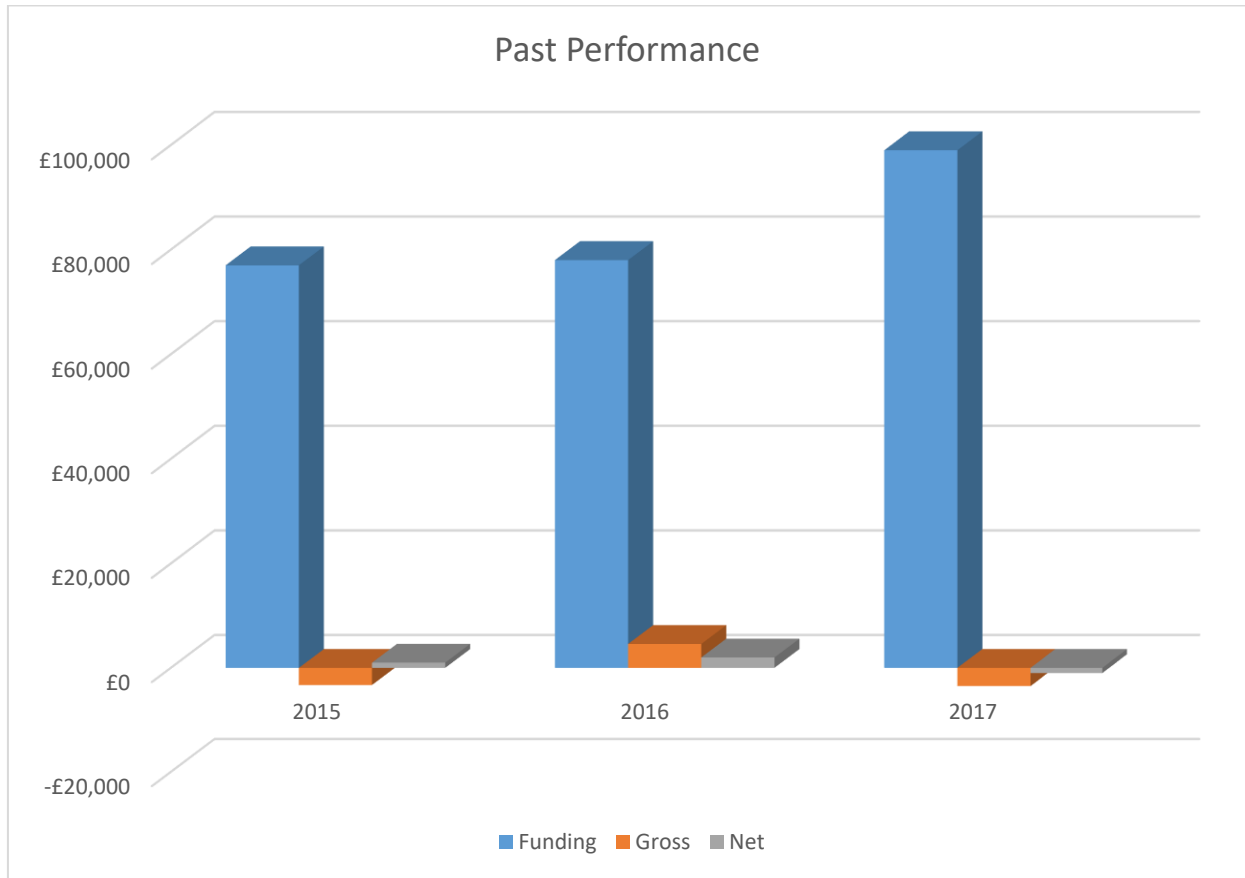
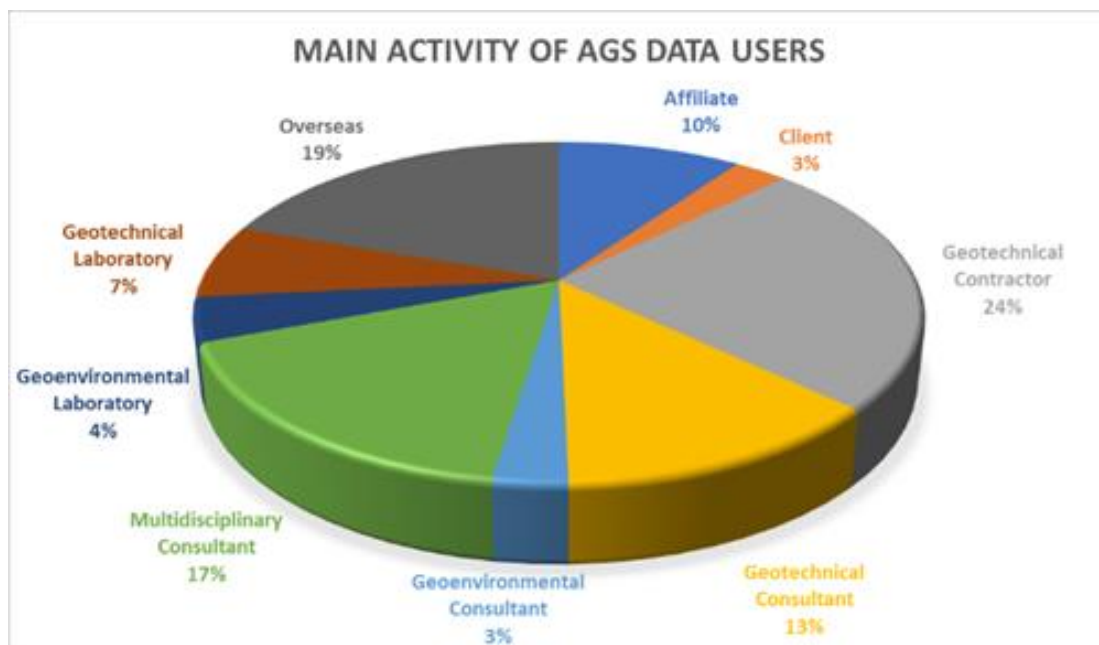
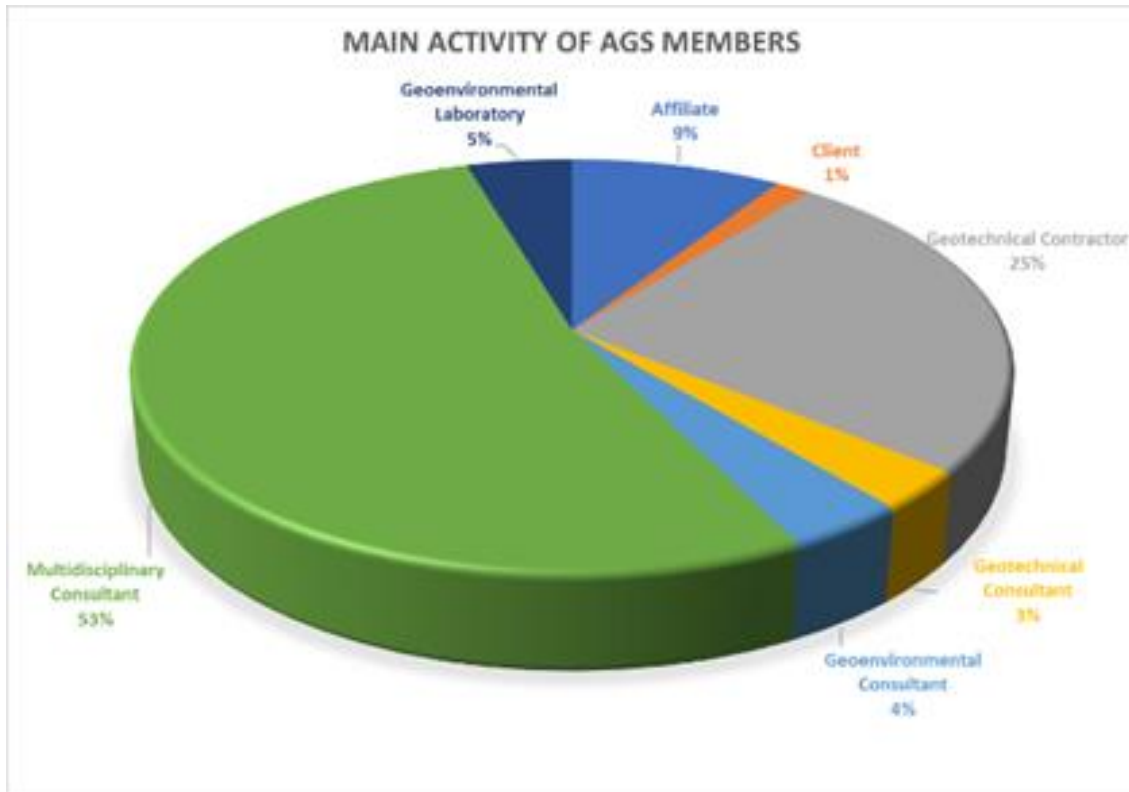


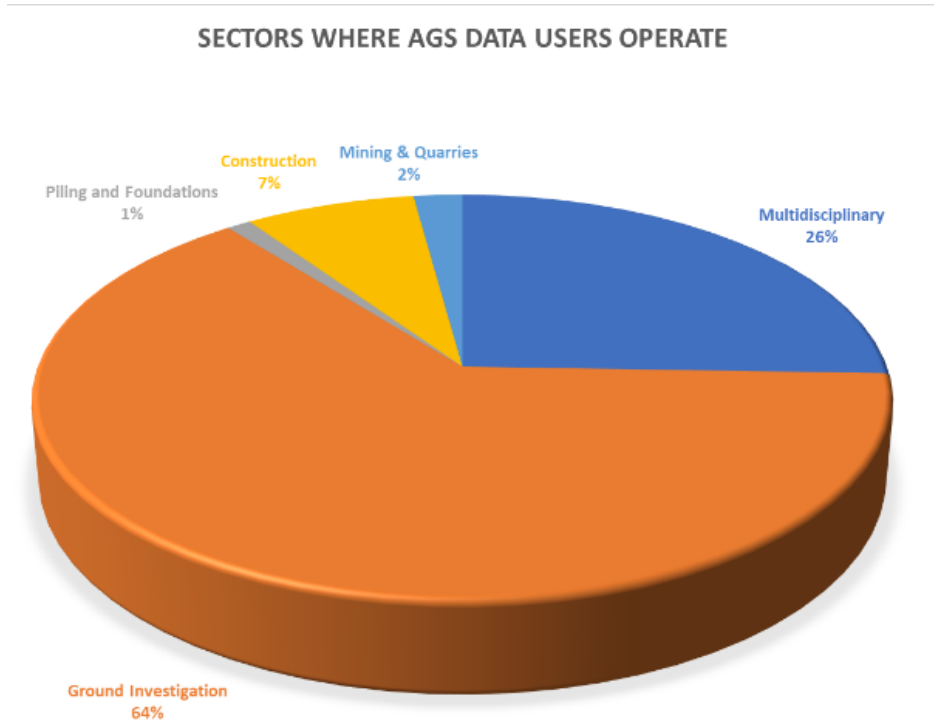
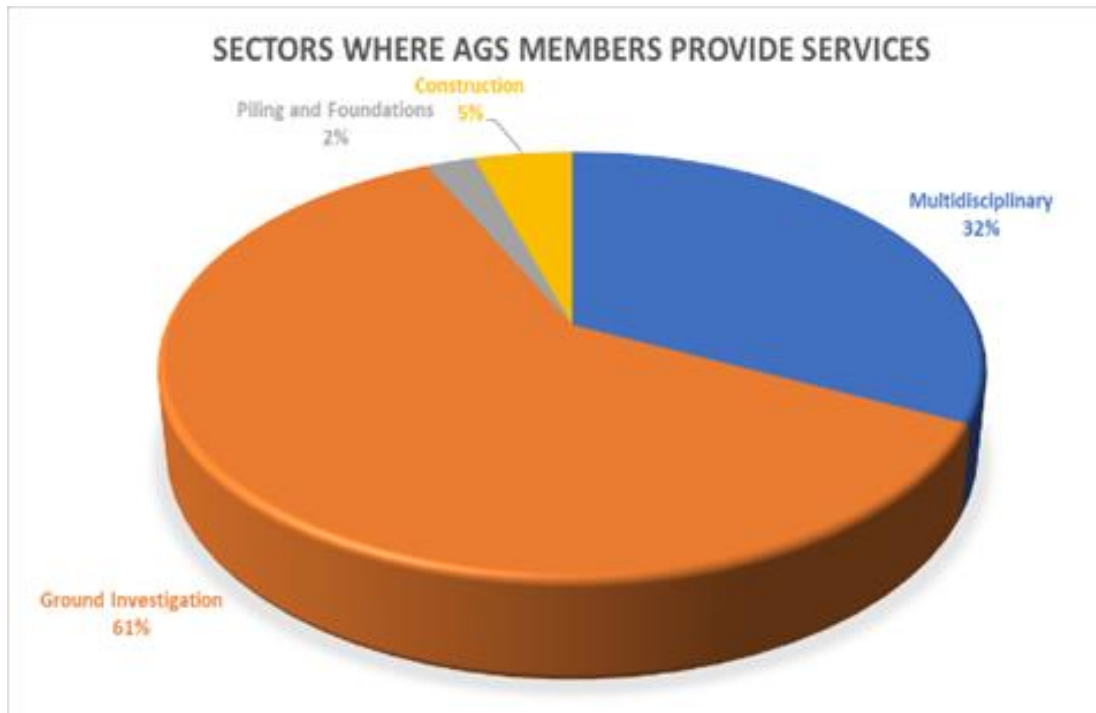
Figure 2: Main Activities of AGS Members and Data Users



Notes:

Multidisciplinary consultants provide both geotechnical and geoenvironmental consultancy services.
Some of the geotechnical contractors also operate geotechnical and/or geoenvironmental laboratories which are not recorded above.

Figure 3: Sectors where AGS Members and Data Users Provide Services



Notes: 1. Organisations providing multidisciplinary services cover more than one sector represented above.

Figure 4: Projected financial performance

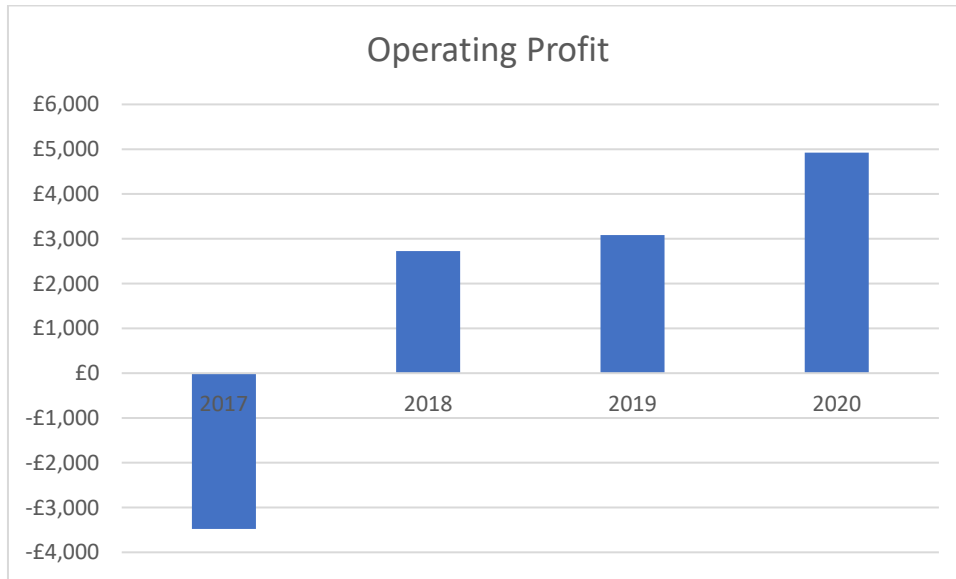


Table 1: Surplus and Deficit Forecast for the next three years

Account	2017 Actual	2018 Actual (Predicted)	Proposed 2019 budget	Proposed 2020 budget
Turnover				
Application fees	527.00	265.00	400.00	400.00
Bank Interest	359.00	330.00	330.00	330.00
Data format registration	1,420.00	4,940.00	4,500.00	4,500.00
Revision of Yellow Book	1,392.00	0.00	0.00	0.00
Event 1 income	18,360.00	11,229.00	11,500.00	12,000.00
Event 2 income	0.00	0.00	11,500.00	12,000.00
Event 3 income	0.00	0.00	0.00	10,000.00
Event surplus	0.00	0.00	0.00	0.00
Members' Day / Annual Conference Income	7,520.00	10,575.00	11,000.00	11,500.00
Magazine	0.00	708.00	1,000.00	1,500.00
Publications	10.00	170.00	500.00	500.00
Subscriptions	69,399.00	73,295.00	78,000.00	81,000.00
Total Turnover	98,987.00	101,512.00	118,730.00	133,730.00
Administrative Costs				
Administrator Fee	49,368.00	49,368.00	51,000.00	51,000.00
40% of event surplus to Forum Court Associates	0.00	1,735.20	3,200.00	4,400.00
AGS Initiatives	2,634.00	0.00	2,000.00	3,000.00
Audit	1,150.00	1,230.00	1,400.00	1,550.00
Bad Debt	0.00	1,500.00	0.00	0.00
Bank Charges	109.00	120.00	150.00	150.00
CIC/ Ground Forum Subs	1,043.00	1,100.00	1,155.00	1,215.00
Insurance (including events insurance)	343.00	535.00	1,000.00	1,000.00
Website hosting / internet	249.00	320.00	400.00	400.00
Website	6,135.00	2,500.00	2,500.00	2,500.00
Dropbox	0.00	215.00	250.00	250.00
Meetings and Travel	7,434.00	9,000.00	9,000.00	10,000.00
Members' Day / Annual Conference	9,977.00	12,400.00	13,000.00	13,500.00
Rankine Dinner	900.00	900.00	1,000.00	1,000.00
Miscellaneous	19.00	0.00	500.00	500.00
Magazine	1,447.00	3,775.00	6,000.00	6,000.00
Office Admin Expenditure	2,906.00	3,000.00	3,000.00	3,000.00
Paypal charges	14.00	15.00	40.50	40.50
SiLC	0.00	2,000.00	0.00	0.00
Publicity / marketing	78.00	552.00	2,500.00	3,000.00
Seminar 1 Expenditure	11,543.00	6,891.00	8,000.00	8,000.00
Seminar 2 Expenditure	0.00	0.00	7,000.00	7,500.00
Seminar 3 Expenditure	0.00	0.00	0.00	7,500.00
Exhibitions	0.00	95.00	500.00	750.00

Data Transfer / Electronic Format	4,115.00	0.00	0.00	0.00
Loss Prevention Working Group	2,000.00	0.00	0.00	0.00
Data Protection Registration (ICO)	0.00	35.00	50.00	50.00
Support of EC7/ Bsi Committees	1,000.00	1,500.00	2,000.00	2,500.00
Total Administrative Costs	102,464.00	98,786.20	115,645.50	128,805.50
Operating Surplus	(3,477.00)	2,725.80	3,084.50	4,924.50