



New Zealand Society for Earthquake Engineering

***Draft Strategic & Financial Plan
2000***

December 2000

Draft Strategic & Financial Plan 2000

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Comments on this Draft Plan are sought by 1 March 2001
Please send your comments to the Administrative Secretary
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Summary

This plan outlines the proposed strategic directions identified and associated financial decisions resulting from the recent strategic planning process undertaken by the Management Committee.

Nine principal activity areas have been identified, and corresponding key strategic directions established, as summarised in the table below:

Activity	Strategic Direction
1. <i>Membership</i>	<i>Wider representation and more active and engaged members</i>
2. <i>Communications</i>	<i>Communicate more effectively; improve connectivity</i>
3. <i>Publications</i>	<i>Enhance the standing and relevance of the Bulletin</i>
4. <i>Promotion of Research & Development</i>	<i>Use the influence of the Society to support research organisations</i>
5. <i>Conferences</i>	<i>Involve a wider range of members and people from other disciplines</i>
6. <i>Learning From Earthquakes</i>	<i>Review the objectives of the Reconnaissance Scheme and reformat the modus operandi</i>
7. <i>Technical Projects (Study Groups)</i>	<i>Increase Study Group activity levels and outputs for the benefit of members</i>
8. <i>International Involvement</i>	<i>Greater participation in international activities</i>
9. <i>Promoting Response Preparedness</i>	<i>Promote the need for a higher level of preparation to respond to major NZ earthquakes</i>

The Management Committee is proposing that the Society should actively invest in three key areas, as outlined below:

Communications – the development of a web site that will enable interaction between members and the Administrative Secretary and the Management Committee. The medium-term objective is to reduce operational expenditure by the use of electronic communications means.

Technical Output - the Society needs to be more active in producing technical publications for the benefit of its members. Equally, new technical ‘projects’ will need to be at least partially funded to ensure delivery within a reasonable time frame. It is proposed to establish new technical projects (study groups) which in the first instance are partially funded from the Society’s reserves.

International Participation – there is a need to participate more actively internationally in order to both have more direct influence into the development of international earthquake standards and to keep NZ’s earthquake engineering at the forefront. It is proposed to fund participation in ISO Technical Committee 98.

This will require a higher level of expenditure than can be met from current income streams. It is therefore proposed to draw upon the currently healthy reserves of the Society over the next five years until income levels can be increased accordingly.

Part 1: Strategic Plan

1.1 Introduction

Background

Following on from the highly successful 12th World Conference on Earthquake Engineering in Auckland, the Management Committee is focusing on the future direction of the Society. Many of the Society's activities have historically evolved in response to issues of the day, rather than as a result of a conscious forward planning process.

A Strategic Planning Workshop involving current and past Management Committee members and invited guests from other organisations involved with the Society was held on 31 March and 1 April 2000. All aspects of the Society's activities were reviewed, and a wide range of ideas and options discussed. Four key themes emerged, highlighting where the Society needs to place emphasis in terms of its activities:

- **Communications** - the Society needs to upgrade its communications, both internally with our members and externally with other agencies and the wider community
- **Broadening our Involvement** – we need to make better use of our strong reputation as a knowledgeable and independent body in helping shape public perceptions of seismic risk and in promoting and supporting research
- **Technical Development** - the Society needs to be more active in producing technical publications for the benefit of its members, and in participating internationally to keep NZ's earthquake engineering at the forefront
- **Involvement of Others** - we need to actively seek the involvement of people from related fields in our activities, especially from the social sciences

Context of Plan and Proposed Actions

This Strategic Plan is the first to be produced by the Society, and it draws together the issues raised at the workshop. Strategic Directions and related activities are identified and organised under the Society's principal activity areas.

The various strategic initiatives outlined in this initial version of the plan do not have specific timeframes assigned to them. There is a need for all those involved with the management and technical activities of the Society to become familiar with the implications of the plan. The ability of the Society to pursue these directions and to deliver on the related activities can then be assessed in the context of actual resource constraints.

A series of specific communications initiatives are however being implemented during the current year. These include the establishment of a new and more interactive website (by early 2001) and the launch of a regular electronic newsletter (by June 2001).

This initial version of the plan is being sent out to all members and parties with whom the Society works closely. Responses and reactions are sought by 1 March 2001. A feature session at the 23 – 25 March 2001 Technical Conference will include a discussion of the plan and its implications. It is intended that this plan will be produced as a formal document later in 2001 and will include specific objectives and outcome statements in some areas.

1.2 Mission and Objectives

Mission

To gather, shape and apply knowledge to reduce the impact of earthquakes on our communities.

Objectives

- *Foster the advancement of the science and practice of earthquake engineering across all disciplines*
- *Promote co-operation among scientists, engineers and other professionals in the broad field of earthquake engineering through interchange of knowledge, ideas, results of research and practical experience*

1.3 Where We Are Today

Background

The New Zealand Society for Earthquake Engineering was formed in April 1968. The Society's formation and objectives originated from the 3rd World Conference on Earthquake Engineering held in New Zealand in 1965. In its first year, the Society launched the Bulletin and three research and study groups, plus a reconnaissance team – a level of activity which set the scene for the years ahead!

Membership

The Society has approximately 640 members at present. This is a slight decrease from the peak level of 660 in 1997.

158 of these members are currently based overseas, and a further 41 are student members.

Budget

The total budget for the 2000/ 01 financial year is \$142,000. Members' subscriptions provide approximately \$50,000 of this with \$35,000 provided via the EQC annual grant.

NZSEE has current reserves totalling just under \$400,000. Of this, \$98,000 is currently assigned to the Reconnaissance Fund.

The surplus from recent very successful 12th World Conference on Earthquake Engineering of approximately \$200,000 has played a significant role in the Society's currently healthy financial position.

1.4 Strengths and Opportunities

Strengths	Opportunities
<ul style="list-style-type: none"> • Non-competitive/independent 	<ul style="list-style-type: none"> • Use our reputation to achieve influence • Clustering
<ul style="list-style-type: none"> • Good mix of researchers & users 	<ul style="list-style-type: none"> • Greater involvement of non-scientific & non-engineering disciplines • Expanded role in ‘knowledge economy’
<ul style="list-style-type: none"> • Good international contacts 	<ul style="list-style-type: none"> • Greater participation in international code development • Making greater use of overseas members • Build on our very high international profile due to 12WCEE
<ul style="list-style-type: none"> • Collecting information about EQ effects (reconnaissance) 	
	<ul style="list-style-type: none"> • New Emergency Management legislation and environment
<ul style="list-style-type: none"> • High quality/value of publication 	<ul style="list-style-type: none"> • Enhance the international standing of the Bulletin • Make the Bulletin more relevant to NZ practitioners

1.5 Strategic Directions

The desired strategic directions are expressed in the table on the following pages under each of the principal activity areas, as follows:

- | | |
|---------------------------------------------------|---------------------------------------------|
| 1. <i>Membership</i> | 6. <i>Learning From Earthquakes</i> |
| 2. <i>Communications</i> | 7. <i>Technical Projects (Study Groups)</i> |
| 3. <i>Publications</i> | 8. <i>International Involvement</i> |
| 4. <i>Promotion of Research & Development</i> | 9. <i>Promoting Response Preparedness</i> |
| 5. <i>Conferences</i> | |

It should be noted that the strategic directions are not currently presented in the form of specific outcomes. While measurable outcomes are always desirable, the nature of the Society with its heavy dependence upon voluntary inputs in virtually all areas of its operations means that specifying results in terms of timeframes is not necessarily appropriate in this initial version of the plan.

At the Strategic Planning Workshop, a range of possible future Study Group topics was identified, as follows:

- Performance based design
- Displacement based design
- Public perception of risk*
- Methodology for seismic hazard and risk assessment
- Fault rupture hazard
- Seismic design of bridges
- Structures of limited ductility
- Torsion in buildings
- Dynamic analysis
- Tilt up construction*

Topics denoted with an * are ones for which the Society is likely to work in partnership with other organisations on.

There is a need to review this list and assign priorities that are consistent with the strategic directions outlined on the following pages. The Workshop identified feasibility criteria to be applied to all prospective Study Groups, with particular emphasis to be given to the procurement of funding and the availability of enthusiastic and committed people.

Strategic Directions	Specific Activities	Comments
<p>1. Membership</p> <p><i>Wider representation and more active and engaged members</i></p>		
<p>1.1 Greater participation of members in the activities of the Society</p>	<p>Encouragement by more regular and focused communications with the members (see 2.1)</p> <p>Institute Society awards for entrepreneurship and younger member contribution</p>	<p>Includes more emphasis on succession planning</p>
<p>1.2 Involve other disciplines</p>	<p>Identify relevant organisations and key individuals</p>	<p>Focus on social scientists, architects and building services engineers</p>
	<p>Develop a programme to reach out to those organisations and people</p>	<p>Presentations to their management committees and annual conferences</p>
<p>2. Communications</p> <p><i>Communicate more effectively; improve connectivity</i></p>		
<p>2.1 Upgrade communications with</p> <ul style="list-style-type: none"> - Members 	<p>Enhance the Society's webpage and make interactive</p>	
<ul style="list-style-type: none"> - Stakeholders 	<p>Institute an electronic newsletter to achieve more personally-oriented communication</p>	<p>Involve overseas members as well as NZ-based</p>
<ul style="list-style-type: none"> - General public 	<p>More structured (regular) discussions to enhance the many informal points of contact individual members have</p>	<p>Prepare list of stakeholders</p>
	<p>Project/ Task group to raise awareness of the public to the immediacy of earthquake risk</p>	<p>Helping shape public perception of risk</p>

Strategic Directions	Specific Activities	Comments
<p>3. Publications</p> <p><i>Enhance the standing and relevance of the Bulletin</i></p>		
<p>3.1 Make Bulletin more accessible & usable</p>	<p>Move towards having the Bulletin available electronically</p>	<p>Survey members regarding preferences; give consideration to differential charges</p>
<p>3.2 Make Bulletin more relevant to practitioners</p>	<p>Encourage short technical opinion/ case study/ discussion articles</p>	
<p>3.3 Enhance the availability of Study Group reports</p>	<p>Free and electronic</p>	<p>Seminars to launch reports with worked examples</p>
<p>3.4 Enhance the international standing of Bulletin</p>	<p>Consider instituting 3 peer reviews of submitted articles and more active monitoring of citation index</p>	
<p>4. Promotion of Research & Development</p> <p><i>Use the influence of the Society to support research organisations</i></p>		
<p>4.1 Pursuit and identification of funding</p>	<p>Consider a co-ordination role</p>	<p>Respond to Government focus on knowledge economy</p>
<p>4.2 Demonstrate the linkage between R&D and practice</p>	<p>Encourage the publication of case studies; hold meetings with funding agencies</p>	
<p>4.3 Promote post-graduate activity and post-doctoral fellowships</p>		

Strategic Directions	Specific Activities	Comments
<p>5. Conferences</p> <p><i>Involve a wider range of members and people from other disciplines</i></p> <p>5.1 Involve a wider range of members</p> <p>5.2 Involve other disciplines</p>	<p>Offer a discount for members who have not yet attended</p> <p>Select theme or theme session to reflect wider interests</p>	
<p>6. Learning From Earthquakes</p> <p><i>Review the objectives of the Reconnaissance Scheme and reformat the modus operandi</i></p> <p>6.1 Analyse effectiveness of information transfer and implementation of recommendations</p>	<p>Undertake a review of all published reconnaissance team reports to analyse the lessons learned and gauge effectiveness with which these lessons have been conveyed</p> <p>Develop a plan to maximise the public communications opportunities from future reconnaissance visits and presentations</p>	

Strategic Directions	Specific Activities	Comments
<p>7. Technical Projects (Study Groups)</p> <p><i>Increase Study Group activity levels and outputs for the benefit of members</i></p>		
<p>7.1 Increase Study Group activity levels</p>	<p>Refer list of possible future topics</p>	<p>Keep relevant to local issues/ note the possibility of an international study group (cross-refer 3.1)</p>
<p>7.2 Ensure Study Groups are sustainable</p>	<p>Define the 'Feasibility Plan' elements that need to be resolved before a Study Group is established, (i.e. "Business Case" approach) and a project management basis</p>	<ul style="list-style-type: none"> • Breadth of interest to members • Client sector interests (possible funding) • Availability of Society resources • Commitment of the people
<p>7.3 Involve more members</p>	<p>New Study Groups must have at least one member that has not previously been part of previous Study Groups</p>	
<p>8. International Involvement</p> <p><i>Greater participation in international activities</i></p>		
<p>8.1 NZSEE</p>	<p>Establish closer relationship with AEES, EERI, ATC</p>	<p>Attend AEES annual conference</p>
<p>8.2 Individual members</p>	<p>Develop a plan to actively support/ facilitate participation in ISO and joint AS/ NZ standards</p>	

Strategic Directions	Specific Activities	Comments
<p>9. Promoting Response Preparedness</p> <div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> <p><i>Promote the need for a higher level of preparation to respond to major NZ earthquakes</i></p> </div>		
<p>9.1 Prepare NZSEE better for its response to a New Zealand earthquake</p>	<p>Compile a response strategy document</p>	<p>Identify appropriate levels of training required</p>
<p>9.2 Assist the preparation of stakeholders' organisations</p>	<p>Continue to 'reach out' to other organisations via the Working Party on Integrated Earthquake Preparedness</p>	<p>Maximise the benefits associated with awareness resulting from the new Emergency Management Bill</p>
<p>9.3 Promote greater community preparedness</p>	<p>Working in partnership with emergency management agencies</p>	

Part 2: Financial Plan

2.1 Introduction

Following on from the establishment of the key strategic directions as outlined in Part 1, this part of the plan outlines the financial decisions made by the Management Committee for 2000/ 01 and the proposed financial management strategy to be adopted over the next five years.

This financial plan has been developed to enable an expanded level of outputs on a sustainable basis in the three key areas of:

Communications – the development of a web page that will enable interaction between members and the Administrative Secretary and the Management Committee.

Technical Output - the Society needs to be more active in producing technical publications for the benefit of its members, and new technical projects (study groups) are to be established.

International Participation –participating more actively internationally in order to both have more direct influence into the development of international earthquake standards and to keep NZ's earthquake engineering at the forefront.

2.2 Accumulated Funds

The Society has accumulated a significant level of reserve funds which currently stands at just under \$400,000. Figure 1 shows the historical movement in our reserves, and the variation between the Reconnaissance Fund and the General Fund.

The first \$200,000 of the reserves was built up through the Society's activities and careful financial management over previous decades. The second \$200,000 has come from the surplus obtained from the 12th World Conference on Earthquake Engineering.

It has been concluded that the surplus funds from 12WCEE are insufficient to establish an endowment fund (even if augmented with general reserve funds). Emphasis is therefore being placed on utilising the reserves of the Society for the benefit of as wide a cross section of the membership as possible.

2.3 Budget for the 2000/ 01 Financial Year

For financial planning purposes, the activity areas listed in Section 1.5 have been divided into *Core Operational Activities* (areas 1 to 6) and *Discretionary or Project-based Activities* (the remainder).

Table 1 contains the budget for the 2000/ 01 financial year (Year 1 of this plan). It can be seen that while *Core Operational Activities* yield a surplus of \$7,500, the need to directly fund the *Discretionary or Project-based Activities* to the level of \$22,500 generates an overall deficit for the year of \$15,000. This deficit is to be funded from reserves.

The relationship between these elements is illustrated in Figure 2.

Figure 1: Historical Movement in Accumulated Funds

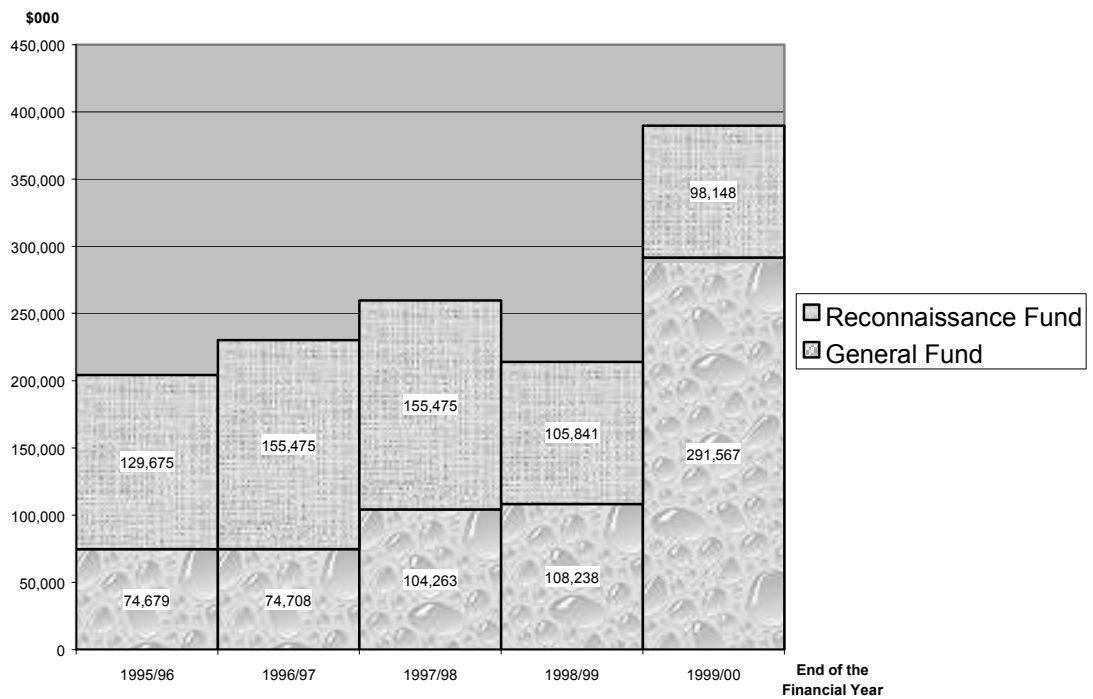


Figure 2: Income and Expenditure for 2001

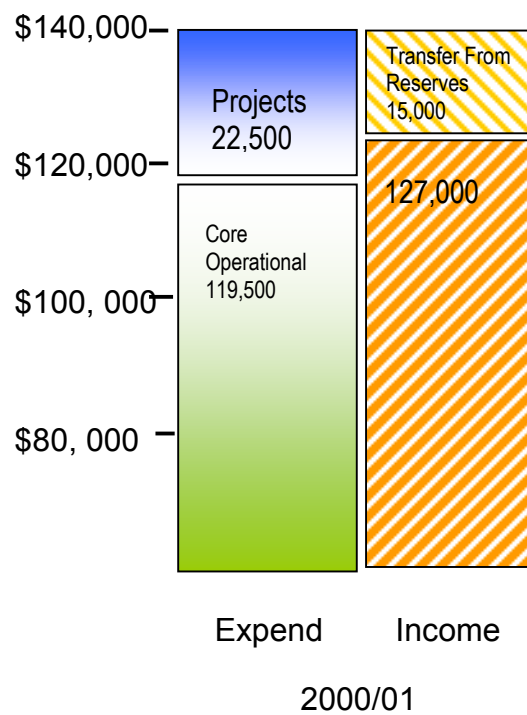


Table 1: 2000/01 Budget Expressed In Terms of Activity Areas

Activity Area	Budget Item	Expenditure	Income	Comments
Annual Operations				
1 Membership	<i>Members' Subscriptions</i>		\$49,000	
	<i>Interest</i>		\$20,000	
	<i>Sale of Goods</i>		\$1,000	
	Admin - IPENZ	\$3,000		
	Admin - Secretary	\$30,000		
	General Expenses	\$2,000		
	Printing & Stationery	\$1,000		
	Postage & Telephone	\$3,000		
	Travel Mgement Cttee	\$8,500		
	Presidential Expenses	\$1,000		
		<i>sub-total</i>	\$48,500	\$70,000
2 Communications	Travelling Lectureship	\$5,000		
	Website Development	\$5,000		
	Publicity	\$1,000		
		<i>sub-total</i>	\$11,000	\$0
3 Publications	<i>EQC Grant</i>		\$35,000	
	<i>Sale of Publications</i>		\$17,000	
	Bulletin	\$50,000		
	<i>sub-total</i>	\$50,000	\$52,000	
4 Promotion of R & D	Study Grants & Awards	\$5,000		
		\$5,000	\$0	
5 Conferences				Budgeted to break even
6 Learning From Earthquakes	BIA Grant		\$5,000	
	Reconn. Effectiveness	\$5,000		
		<i>sub-total</i>	\$5,000	\$5,000
	total	\$119,500	\$127,000	Operating Surplus = \$7,500
Discretionary/ Project-based				
7 Technical Projects (Study Groups)	Storage Tanks	\$5,000		
	New Study Group	\$5,000		
	Joint Loadings Standard	\$2,500		
	Oral History	\$2,000		
		<i>sub-total</i>	\$14,500	
8 International Involvement	FIB Workshop	\$4,000		
	ISO Participation	\$4,000		
		<i>sub-total</i>	\$8,000	
9 Promoting Response Preparedness				Nothing requiring expenditure planned
		total	\$22,500	\$0
Overall Totals		\$142,000	\$127,000	Transfer from reserves required = Discretionary/ Project-based less Operating Surplus = \$15,000

2.4 Financial Strategy for the Next 5 Years

With reference to Figure 3, overall expenditure is anticipated to be held at the same level as for 2000/ 01 for the whole five year period (in today's dollars).

It is our objective to increase income progressively during this 5 year period to the point where income matches expenditure, and no further drawing on reserves is necessary (refer Figure 3). A maximum of up to 10% of the Society's reserves will be applied for this purpose over the 5 year period of this plan.

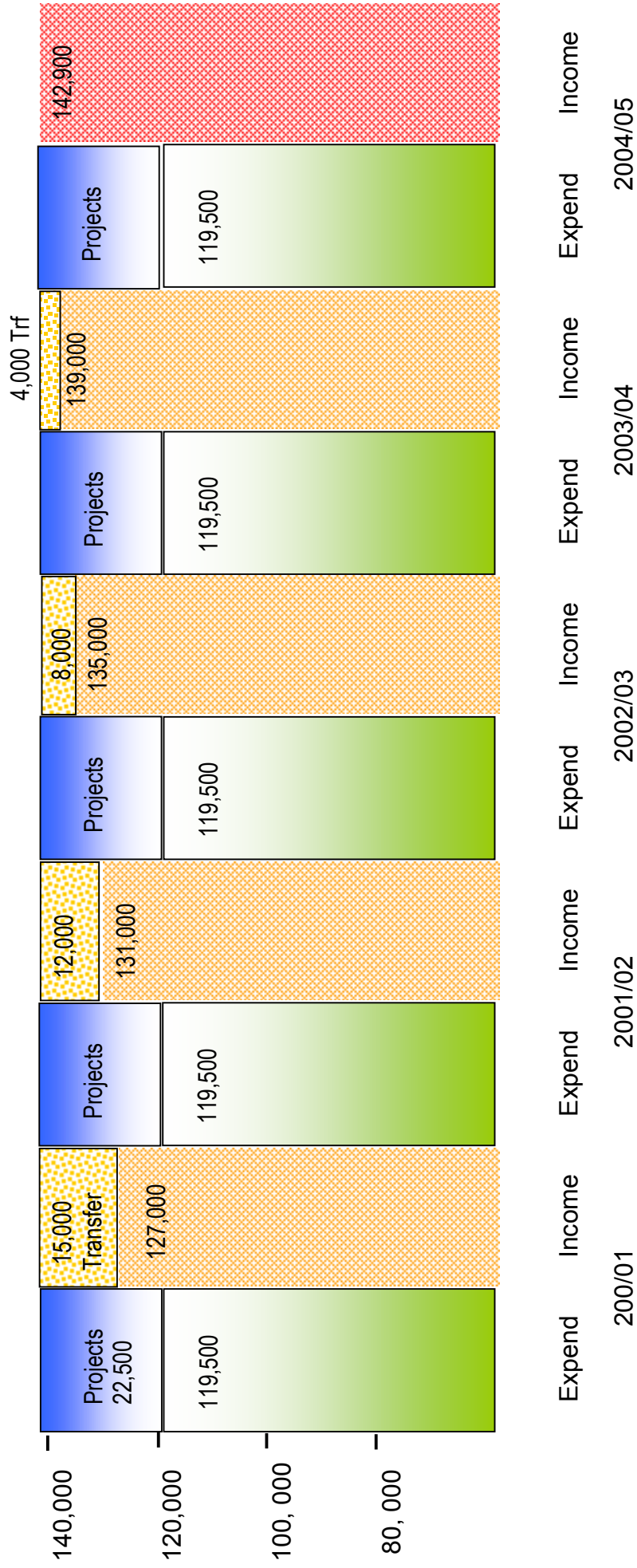
The additional income needed to balance the increased level of expenditure will have to come from either external funding for projects or an increase in membership fees (or a combination of both). As indicated on page 5, members' subscriptions currently only provide approximately 35% of the overall budget.

In terms of seeking additional income, there is a clear need to maintain an end-user focus with regard to technical project (study group) activities.

Financial management guidelines to be adopted during the period covered by this plan are:

- Core operational activities are to be budgeted to make a surplus
- Total reserves of the Society are not to fall below \$300,000 (i.e. allowing for reconnaissance activity)
- The Reconnaissance Reserve fund is to operate within the range of \$50,000 to \$100,000

Figure 3: Five Year Income and Expenditure Projection



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