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NEW HAMPSHIRE AEROSPACE & DEFENSE EXPORT CONSORTIUM (NHADec)

STRATEGIC ACTION PLAN

Concord, New Hampshire, USA
January 2018

NEW HAMPSHIRE AEROSPACE & DEFENSE EXPORT CONSORTIUM (NHADEC)

CONCORD, NEW HAMPSHIRE

New Hampshire Aerospace & Defense
Export Consortium (NHADEC)

STRATEGIC ACTION PLAN

January 2018

This report presents the action plan created for future organizational development of the New Hampshire Aerospace and Defense Export Consortium (NHADEC). This report has been developed by Future iQ as part of the development of a five-year NHADEC Strategic Action Plan based on input from the NHADEC Think-Tank workshop, organizational surveys, the November 2017 membership meeting and the 2018 Board focus group strategy discussion. This study was prepared under contract with the New Hampshire Department of Business and Economic Affairs, Division of Economic Development, Office of International Commerce, with financial support from the Department of Defense, Office of Economic Adjustment. The content reflects the views of New Hampshire Division of Economic Development, Office of International Commerce and NHADEC, and does not necessarily reflect the views of the Office of Economic Adjustment.

REPORT PREPARED BY:

future→iQ®

WORKSHOP HOSTED BY:



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FOREWORD

Since its founding in 2013, the New Hampshire Aerospace and Defense Export Consortium (NHADEC) has been working at home and abroad promoting one of the state's fastest growing industries. Our goal has always been to help the hundreds of companies within this sector develop new markets, attract new customers and grow their businesses.

We have seen significant success over the past five years. Our membership is closing in on 100; we have been lauded for our ingenuity and used as an example on how to organize and grow a key sector of a state's economy. We have forged relationships with respected organizations, including Aéro Montréal and the Farnborough Aerospace Consortium, to expand trade and business opportunities overseas.

As we have helped our companies grow and positioned them to meet the demands of the global economy, it is now time for NHADEC to continue its growth trajectory.

How best does NHADEC continue its growth, providing those vital services to members that help them succeed in the global marketplace?

This new strategic plan has been developed in this context, in order to guide NHADEC programs and growth, beginning today through 2023.

New Hampshire, and its regional partners, comes from a long line of innovators, beginning with the Industrial Revolution. This innovative spirit continues to this day and by working together, gives the region a significant competitive advantage in the international marketplace.

This plan includes a series of goals and actions that will serve to grow NHADEC's footprint. It will set into motion a series of actions that will promote NHADEC and its membership as a hub of aerospace and defense innovators, while positioning members for increased sales opportunities.

This is an important time for NHADEC. This document will help move the organization and, most importantly, its members, toward greater growth potential.

I want to thank all the members of NHADEC's Board of Directors, the volunteers in NHADEC's committees, and NHADEC members for their input and participation in the strategic planning process.

I am honored to be piloting NHADEC into the future.



Zenagui Brahim
NHADEC Board Chairman



The purpose of the Strategic Action Plan is twofold: to build NHADEC's path to self sustainability and to conduct an unbiased self-examination of its mission.

1.0 INTRODUCTION

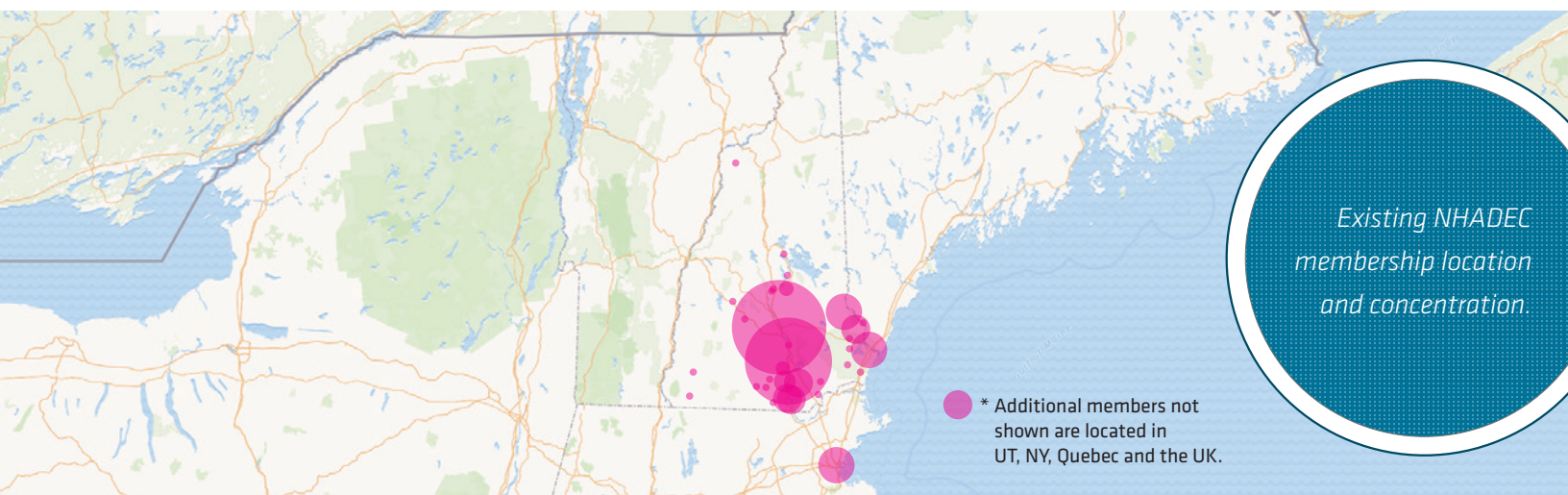
Founded in 2013, the New Hampshire Aerospace and Defense Export Consortium (NHADEC) is a non-profit organization formed by the New Hampshire Department of Resources and Economic Development (now, the New Hampshire Department of Business and Economic Affairs (BEA)), Office of International Commerce, with the purpose of fostering the most opportune foreign markets for its members through collaborative efforts and global brand messaging and awareness. An export consortium can be defined as 'a voluntary alliance of firms with the objective of promoting the goods and services of its members abroad and facilitating the export of these products through joint actions' (<https://www.unido.org/our-focus/advancing-economic-competitiveness/setting-and-supporting-export-consortia/what-are-sme-consortia>).

In today's globalized world, scale matters. Export consortia are created to help small and medium enterprises (SMEs) and other specialized industry participants export to foreign markets by pooling the resources and knowledge needed to build much needed contacts within a specialized industry. With very few export consortia examples existing in the United States, NHADEC is a pioneer for the U.S. aerospace and defense industry. Over the past years, NHADEC has consistently grown to become the go-to organization that assists aerospace and defense sector companies with their exports from New Hampshire.

This strategic action plan builds on the many successes of NHADEC to continue its path to self-sustainability. The strategic actions and roadmap outlined in this report are rooted in the desire of Board members and membership to continue to grow and support NHADEC services in the ever-expanding global marketplace.

"Strategy is not the consequence of planning, but the opposite: its starting point."

– Henry Mintzberg, Professor, McGill University, Quebec, Canada



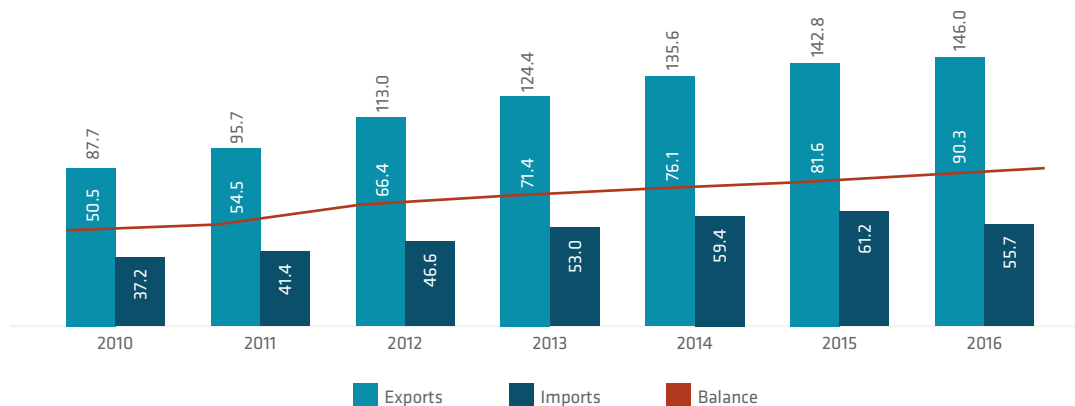
Existing NHADEC membership location and concentration.



2.0 AEROSPACE AND DEFENSE INDUSTRY SNAPSHOT

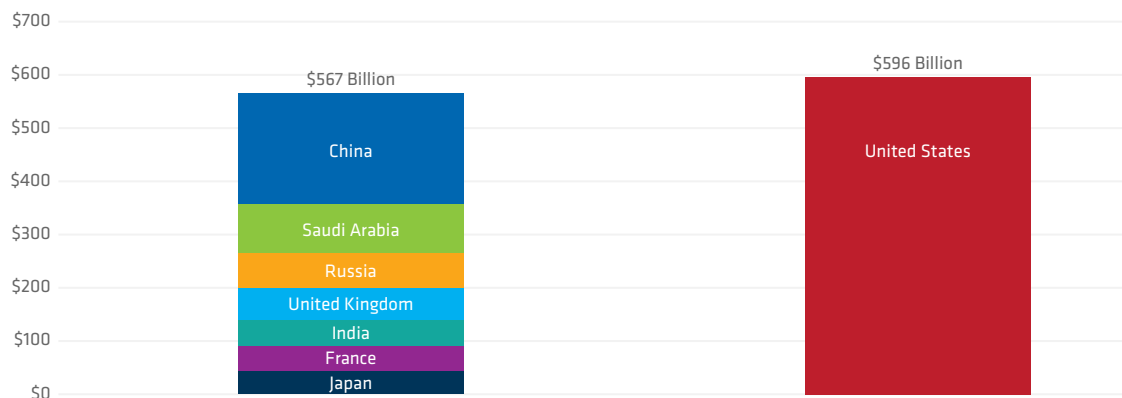
In recent years, the United States trade balance in the aerospace and defense industry has consistently risen. As the only U.S. export consortium in the industry, this has given NHADEC a tremendous opportunity to take the lead in providing services and connectivity both domestically and abroad for New Hampshire companies. Given this growth and need, NHADEC is at a significant crossroads – its Board and membership can choose to remain locally focused and promotionally based, or they can choose to expand both geographically and operationally. Through this strategic planning process, engagement results indicate that overall purposeful expansion and leadership is widely supported. Industry conditions and trends support this path as evidenced in the brief snapshot below.

U.S. Aerospace and Defense Industry: Exports, Imports, and Balance of Trade (in billions of dollars)



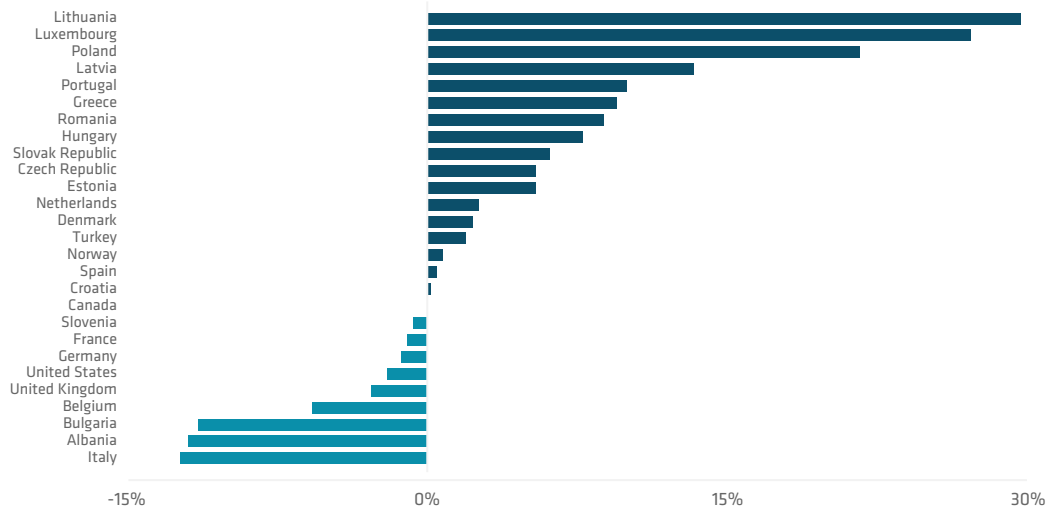
Source: NHADEC, 2017

The United States spends more on defense than the next seven countries combined.

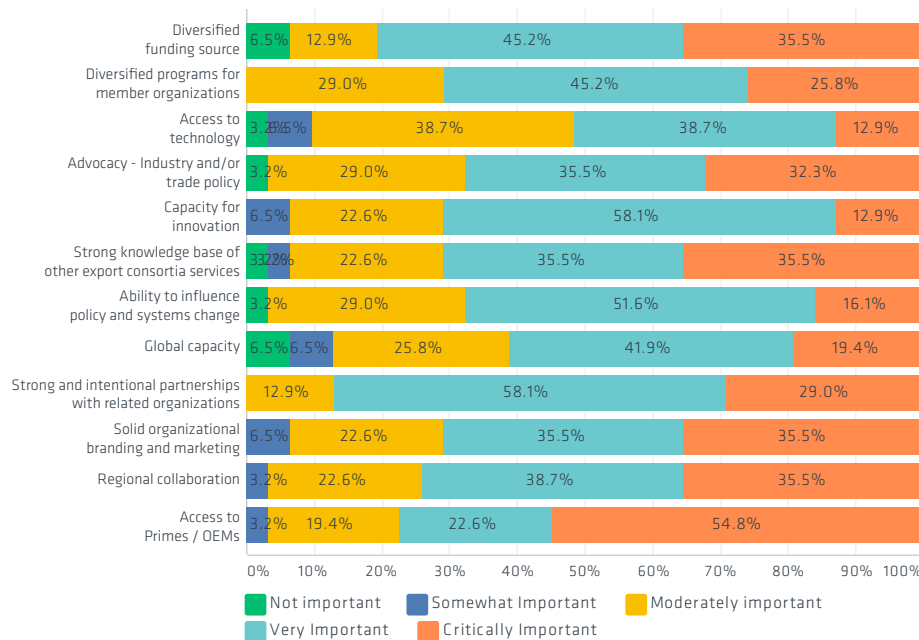


Source: Stockholm International Peace Research Institute, SIPRI Military Expenditure Database, April 2016. Data are for 2015. Compiled by PGPF.

The expansion of global defense spending especially in emerging economies opens doors for NHADEC to seek additional sales and relational opportunities for its members.



Source: <http://www.defenseone.com/politics/2015/06/nato-members-defense-spending-two-charts/116008/>



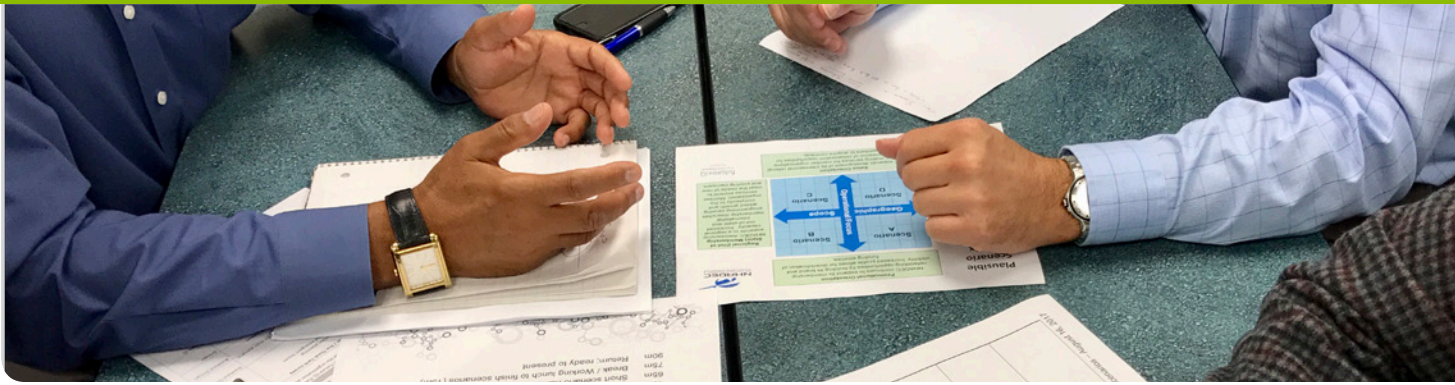
DataInsight

Key Point to Note

- Given overall growth in defense markets, NHADEC has the opportunity to reposition itself for its members. The four strategic pillars of the NHADEC Strategic Action Plan serve as the foundation for this repositioning. The action areas of the strategic pillars are the building blocks of the plan and correspond to assets considered important to the future of NHADEC by project survey respondents (please see below).

“Over the past five years, A & D exports have experienced the largest dollar growth from Washington, California, Kentucky, South Carolina and Georgia, and the largest percentage growth from South Carolina, Hawaii, New Hampshire, Kentucky and Maine.”

– Aerospace Industries Association, http://www.aia-aerospace.org/wp-content/uploads/2016/12/AIA_StateOfIndustryReport_2016_V8.pdf



3.0 STRATEGIC PLANNING PROCESS TIMELINE

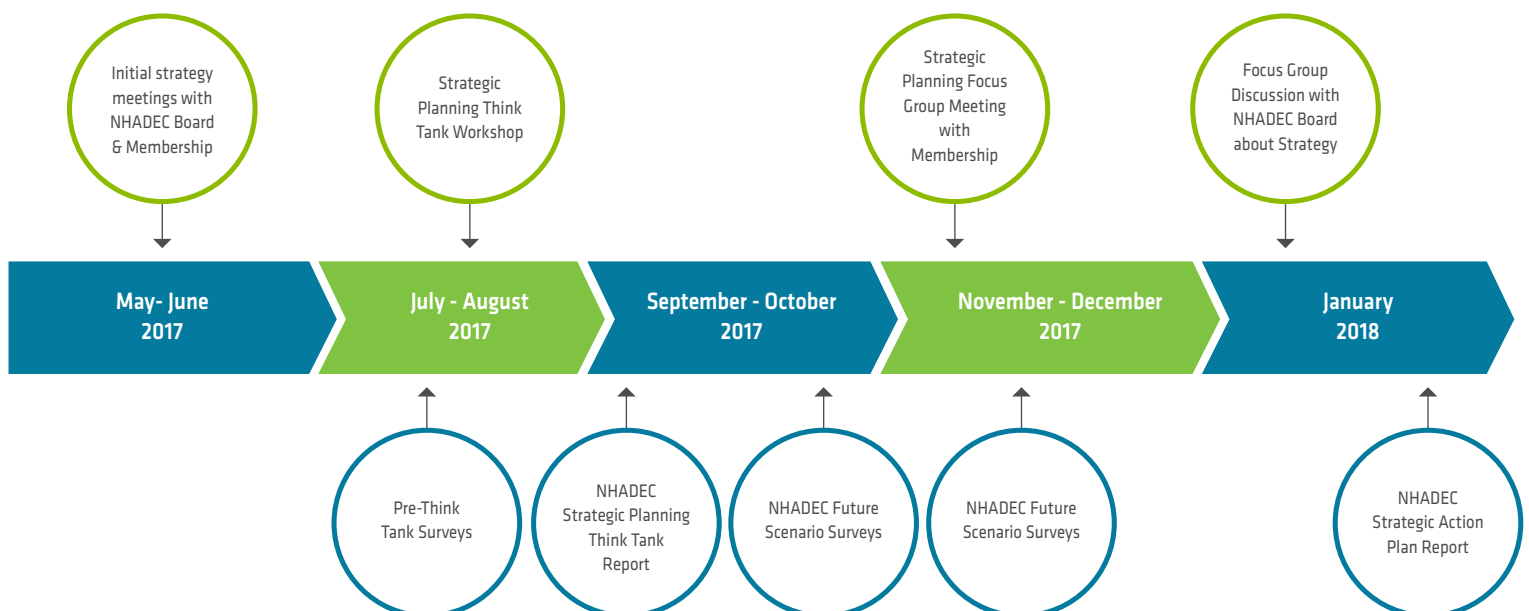
The overall strategic action planning process developed for NHADEC during 2017 included several major principles:

- **Future Oriented.** The objective was to 'peer' into the future and design a process and implementation plan that draws together strategic foresight and identification of preferred future outcomes for NHADEC.
- **People Focused.** The process aimed to offer maximum opportunity for board members and stakeholders to engage in meaningful and thoughtful discussion about the future. Meetings, a workshop, focus groups and two surveys were conducted to provide structured input.
- **Data Driven.** The planning work was underpinned by extensive analysis of organizational dynamics and surveying of board members and stakeholders.

The following reports have been prepared as part of the NHADEC Strategic Planning process and may be downloaded at: <http://future-iq.com/project/aerospace-defense-export-consortium-strategy-development-new-hampshire-usa-2017/>

- NHADEC Strategic Planning Think Tank Workshop Report
- NHADEC Strategic Action Plan Report

Timeline for the NHADEC strategic planning process





4.0 STAKEHOLDER ENGAGEMENT ANALYSIS

The stakeholder engagement analysis section of this report represents an overview of the opinions of NHADEC stakeholders regarding the organization's future and their thoughts about what should be done to achieve NHADEC's preferred future. This analysis outlines the stakeholder engagement process and provides a compilation of findings and conclusions that are used to support the development of the NHADEC strategic action plan.

4.1 APPROACH AND METHODOLOGY

Future iQ uses a people-focused stakeholder engagement approach to create collaborative environments that produce aligned visions of the future. For this project, six engagement methods were used including meetings and interviews, a think tank, a focus group for membership, two surveys, and a focus group discussion with the NHADEC Board about strategy.

Below is a brief summary of each engagement method, followed by Key Findings in Section 4.2.

4.1.1 INITIAL STRATEGY MEETINGS WITH BOARD, STAFF AND MEMBERSHIP

This project began in May 2017 with a phone meeting between Future iQ and the NHADEC staff, and a project kick-off day was set for June 28th at the offices of the BEA. On June 28th, Future iQ met in three separate meetings with NHADEC staff, Board Members, and representative members to discuss initial strategy, priorities, and issues of concern. A project plan was established and initial planning of the Strategic Planning Think Tank was set in motion.

4.1.2 PRE-THINK TANK SURVEY

Prior to the Think Tank, a Pre-Think Tank survey consisting of 15 questions was sent to all participants invited to attend the NHADEC Strategic Planning Think Tank workshop. The goal of the survey was to understand the participants' vision for NHADEC and to serve as a baseline for creating the axes of the scenario matrix. The survey collected responses from 31 people. Most significant was the high level of importance placed on having a shared vision for NHADEC. This importance was further validated by the stakeholder surveys and is explored in the Key Findings section below.

4.1.3 NHADEC STRATEGIC PLANNING THINK TANK WORKSHOP

The NHADEC Strategic Planning Think Tank was held on August 16, 2017, and was a key in-person participatory engagement event for this project. Future IQ uses the Think Tank to bring key stakeholders together to build an aligned vision for the future. The NHADEC Strategic Planning Think Tank was a five-hour workshop where approximately 20 individuals including NHADEC stakeholders, board members, members and NHADEC staff, took a deep dive into NHADEC's future.

The workshop program included:

- Review of important trends and background research
- Development of detailed narratives and descriptions of potential future scenarios for NHADEC
- Examining the impact and consequences of potential decision making paths for NHADEC
- Identifying expected and preferred futures
- Exploring alignment around a shared future vision for NHADEC

Detailed information on the NHADEC Strategic Planning Think Tank can be found in the NHADEC Strategic Planning Think Tank Workshop Report at <http://future-iq.com/project/aerospace-defense-export-consortium-strategy-development-new-hampshire-usa-2017/>.



4.1.4 STAKEHOLDER ENGAGEMENT

In order to build a strategic action plan that is supported by stakeholders, leadership and membership, NHADEC embarked on a participatory stakeholder engagement process involving strategy meetings, an online pre-Think Tank survey, a Think Tank, a focus group, an in-depth future scenarios organizational survey and a focus group discussion with the NHADEC Board about strategy. The engagement attempted to reach as many board members and NHADEC members as possible. This engagement was intended to create the foundation of support upon which a more targeted strategic action plan could be developed to guide NHADEC over the next five years.

4.1.5 DATA COLLECTION AND STAKEHOLDER ENGAGEMENT SURVEY

In addition to the in-person engagement activities, a Stakeholder Engagement Survey was prepared and distributed to allow for additional broad based participation into the process. In all cases, expertly designed survey instruments captured 31 stakeholder perspectives, visions and priorities. The surveys examined appetite for change, and sensitivity to a range of future shaping themes, identified in the initial meetings and think tank. In addition to the quantitative analysis, each Stakeholder Engagement Survey was accompanied by an open-ended response section. The qualitative responses have been analyzed, allowing us to explore stakeholder perspectives more deeply on key issues or topics and are included in this report's key findings (Section 4.2).

4.2 KEY FINDINGS

4.2.1 SCENARIOS FOR THE FUTURE

The NHADEC strategic planning process used a scenario-based methodology to arrive at a preferred future for NHADEC. Scenarios are not predictions, but are a way of exploring plausible futures. The methodology expands on traditional strategic planning in that it allows the exploration of many factors, or drivers of the future at the same time. This is done by using local knowledge and expectations about the drivers to produce a framework that defines and explores a range of plausible futures. This enables people to explore the impacts and consequences of a range of different future paths as they seek a preferred future.

The scenario-based approach to strategic planning has significant advantages. It allows stakeholders choice, and the chance to engage with a series of well thought out and researched plausible futures. This accelerates the process of visioning and planning, and allows people to consider longer-term choices and implications, rather than short-term self-interest agendas. The methodology of scenario planning allowed NHADEC board members and stakeholders to tackle issues and questions of importance in an engaging and thought-provoking manner. This then led to the clarification of priorities that defined a clear roadmap for the Strategic Action Plan.

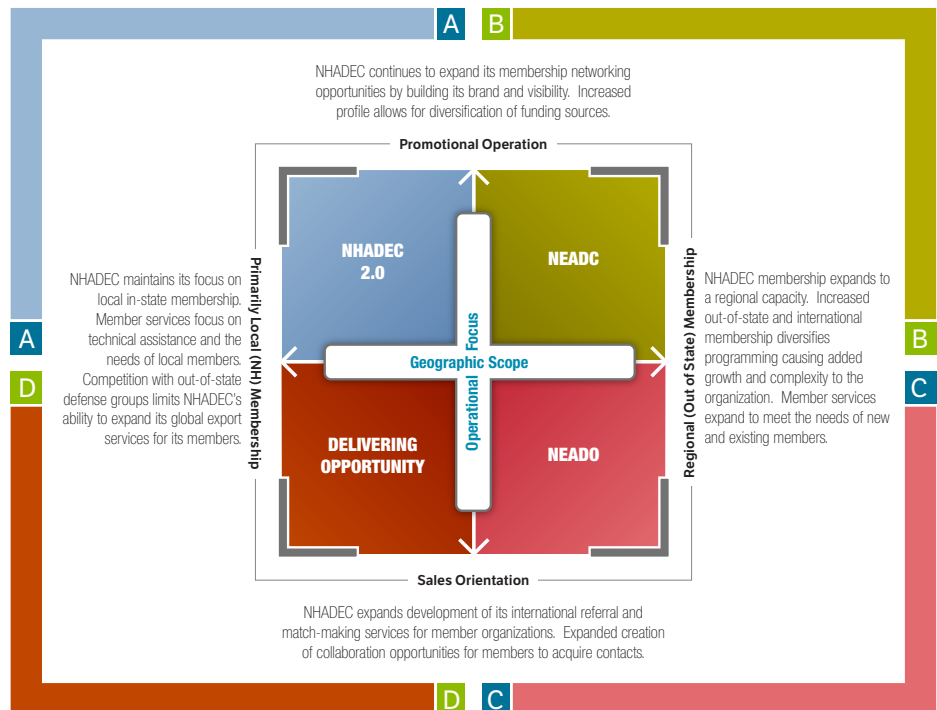
Drivers Shaping the Future

Pre-Think Tank Survey respondents were asked to indicate the importance of potential drivers in relationship to the future of NHADEC. In addition, respondents were asked how certain they were about the drivers' potential impacts on NHADEC.

Scenario Matrix – Views of the Future

Based on the Pre-Think Tank responses and the identified drivers shaping the future, themes were identified to become the basis for the two axes on the scenario matrix defining the four scenario spaces. These spaces were used to formulate the four plausible scenarios during the Think Tank. The two axes were identified as Geographic Scope and Operational Focus. Each scenario was then described by participants using the following dimensions:

- Organizational profile
- Membership profile
- Industry Sector profile



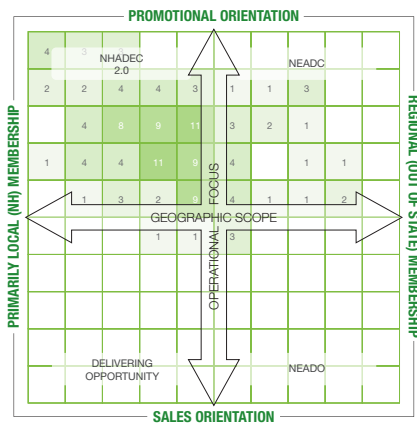
Think Tank participants named each scenario and created the narratives that describe each scenario future. Each scenario has its subsequent consequences and impacts on NHADEC affecting the organization, membership and the industry sector in different ways. Below are the four scenario descriptions for reference as building blocks in rationale for the Strategic Action Plan.

| SCENARIO A | SCENARIO B | SCENARIO C | SCENARIO D |
|---|--|--|---|
| NHADEC 2.0 | Northeast Aerospace and Defense Consortium (NEADC) | New England Aerospace and Defense Organization (NEADO) | DELIVERING OPPORTUNITY |
| NHADEC expands its membership base with the increased networking opportunities afforded by the growing brand recognition of the organization. The increased profile allows for diversification of funding sources but is limited to the local orientation of membership. The organization remains reliant on grant funding and volunteers to maintain high quality services and programing. Long-term resiliency is affected due to the organization's dependence on volunteer staffing and competition from out-of-state groups. | NHADEC expands its membership to include regional, national and international organizations. Additional branding and marketing efforts through revenue generating events contribute to recognition and visibility. This increased profile allows for more diversification of funding sources with a healthy ratio of OEMs, Primes, Tier 2 and 3 industry sector members. Member services increase to meet the demand of new members and a professional infrastructure is added to organizational staffing. NEADC becomes self-sustainable. | NHADEC changes its status to a for-profit organization and changes its name to NEADO. Membership expands on a regional level with an increase in international memberships and matchmaking services. The organization's trade orientation grows to include both domestic and export trade. Collaboration opportunities become commonplace adding growth and complexity to the organization. Staffing of the organization is expanded to include market specialists. NEADO is competitive in the industry and stays on top of innovation and new programming for its members. | NHADEC's New Hampshire-based memberships increase with expanded international referral and matchmaking services for its members but plateau after maximum capacity and limitations to membership. Competitiveness reduces as funding resources include only New Hampshire entities in the aerospace and defense industry requiring the organization to remain dependent on grant funding for its activities. Leadership and long-term sustainability is held in check due to the limited population and competition with out-of-state groups. |

4.2.2 SCENARIO PLANNING – EXPECTED AND PREFERRED SCENARIOS

Exploration of the scenario matrix was conducted with both the NHADEC Think Tank participants on August 16, 2017, and the Strategic Planning Focus Group on November 15, 2017. These workshops were part of the broader stakeholder engagement process leading up to the creation of the strategic plan. Participants explored the future, looking out in five-year increments as far as 2030. Participants were asked to explore both 'expected' and 'preferred' scenarios.

NHADEC STRATEGIC PLANNING HEAT MAPS COMBINED
EXPECTED FUTURE – 2030



4.2.2.1 'Expected' Future Scenario

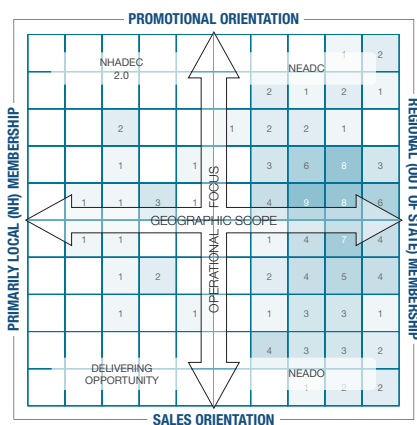
The 'expected future' is the one stakeholders deemed most likely to occur if there is 'no change in what we are currently doing'. Analysis of the expected future heat map results revealed that participants overwhelmingly thought that if NHADEC leadership makes no change in current action, the organization would end up in Scenario A – NHADEC 2.0.

This 'expected future' would see:

NHADEC expands its membership base with the increased networking opportunities afforded by the growing brand recognition of the organization. The increased profile allows for diversification of funding sources but is limited to the local orientation of membership. The organization remains reliant on grant funding and volunteers to maintain high quality services and programming. Long-term resiliency is affected due to the organization's dependence on volunteer staffing and competition from out-of-state groups.

The 'expected future' Think Tank participant heat map represents the compiled heat maps from all Think Tank, Focus Group and additional stakeholder survey respondents.

NHADEC STRATEGIC PLANNING HEAT MAPS COMBINED
PREFERRED FUTURE – 2030



4.2.2.2 'Preferred' Future Scenario

The 'preferred future' represents the desired outcome for NHADEC. Analysis of the heat map results revealed that participants overwhelmingly expressed a clear preference for the outcomes bordering Scenarios B and C – Northeast Aerospace and Defense Consortium (NEADC) and New England Aerospace and Defense Organization (NEADO), fostering a blend of promotional and sales activities.

The 'preferred future' would see a combination of Scenarios:

NEADC/NEADO expands its membership to include regional, national and international businesses / organizations with an increase in collaboration opportunities and international matchmaking services for the purposes of generating sales. Additional branding and marketing efforts through revenue generating events contribute to

recognition and visibility. This increased profile allows for more diversification of funding sources with a healthy ratio of OEMs, Primes, Tier 2 and 3 industry sector members and the organization's trade orientation grows to include both domestic and export trade. Member services increase to meet the demand of new members and a professional infrastructure including market specialists is added to organizational staffing. The NEADC/NEADO is competitive in the industry and stays on top of innovation and new programming for its members. The organization becomes self-sustainable and consideration is given to becoming a for-profit organization.

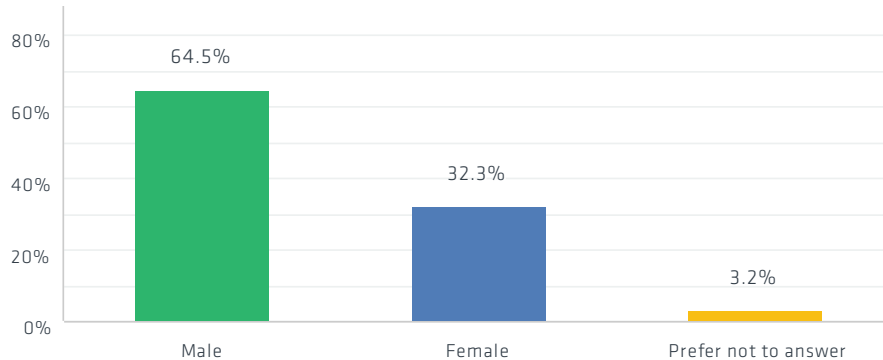
The 'preferred future' participant heat map shows the compiled heat maps from all Think Tank, Focus Group and additional stakeholder survey respondents.

4.2.3 STAKEHOLDER ENGAGEMENT SURVEY RESULTS

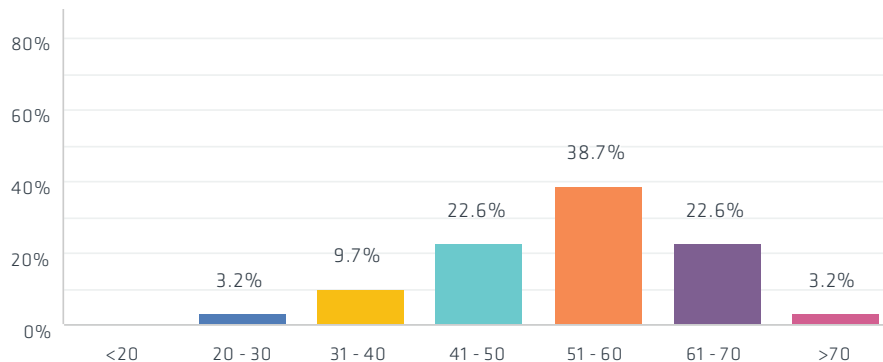
Following the Think Tank, the Stakeholder Engagement Survey collected responses by 31 people. The survey was made available to all who participated in the stakeholder engagement activities. The survey consisted of 17 questions, some with open-ended responses. Following is a breakdown of the survey's key findings.

Questions 1-5 were profiling questions regarding gender, age, length of time involved with NHADEC, current role within NHADEC, and functional work area. Below are summary representations of the profiling questions. Significant efforts were made to obtain as many representative samples of respondents as possible.

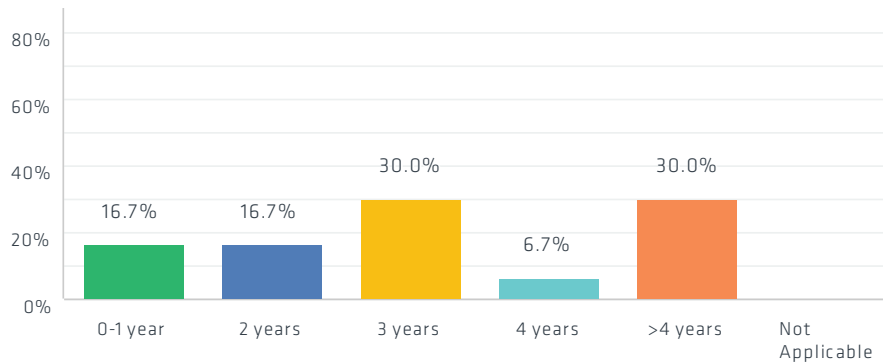
What is your gender?

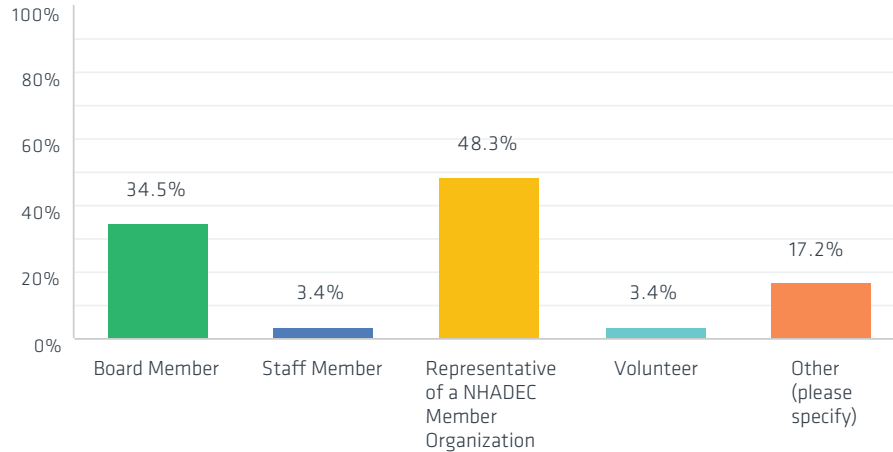
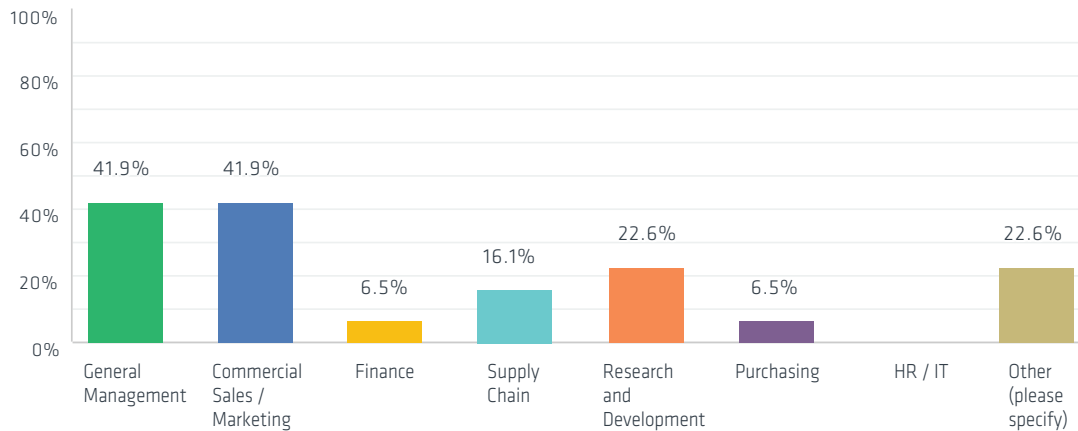


What is your age?



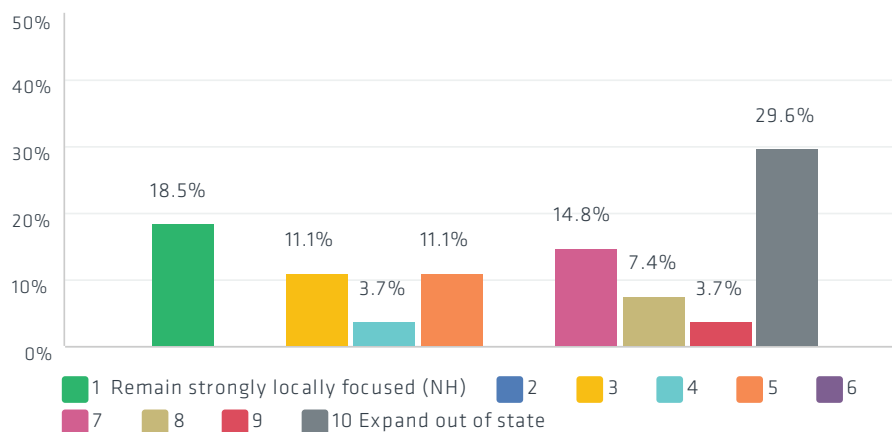
How long have you been involved with NHADEC?



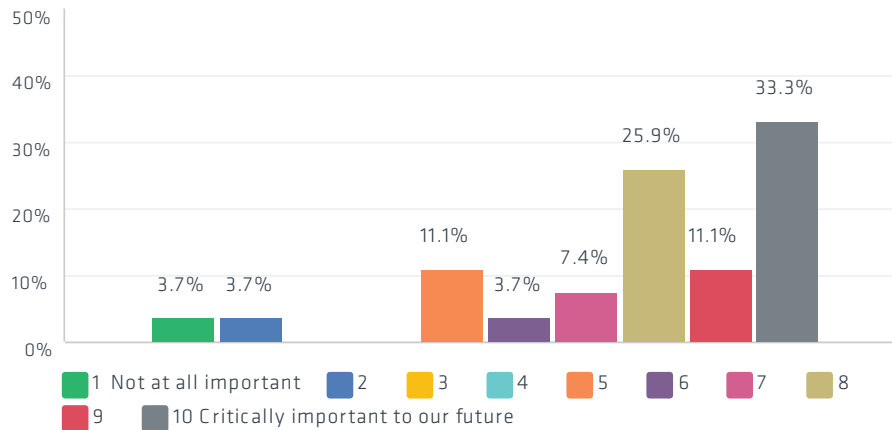
What is your current role within NHADEC?**What functional area(s) do you work in? (check all that apply)**

Questions 6-11 asked sensitivity questions pertaining to the overarching themes that consisted of the matrix axes, 'Geographic Scope' and 'Operational Focus'. These questions are illustrated on a scale of 1 to 10 and summarized below.

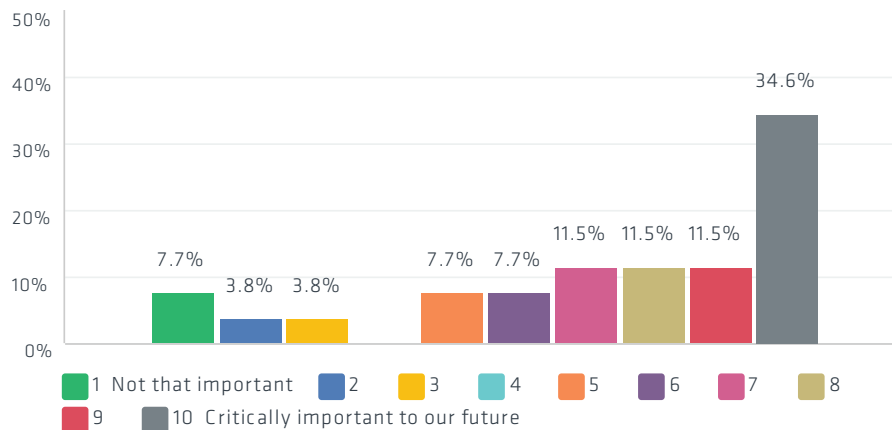
In terms of NHADEC's geographic scope for its membership, do you think NHADEC should work to maintain its primarily local (NH) membership or expand its membership out of state regionally and internationally? Please select your preference on the following continuum: 1 = 'remain strongly locally focused' 10 = 'expand out of state'.



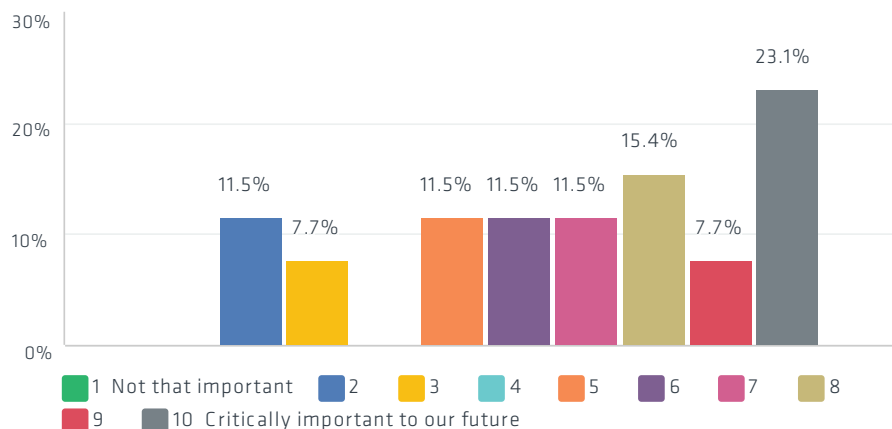
How important do you think it is to increase NHADEC membership over the next five years? Please select your preference on the following continuum: 1 = 'Not all that important' 10 = 'Critically important to our future.'



How important do you think it is to increase NHADEC's brand and visibility? Please select your preference on the following continuum: 1 = 'Not that important'; 10 = 'Critically important to our future'.

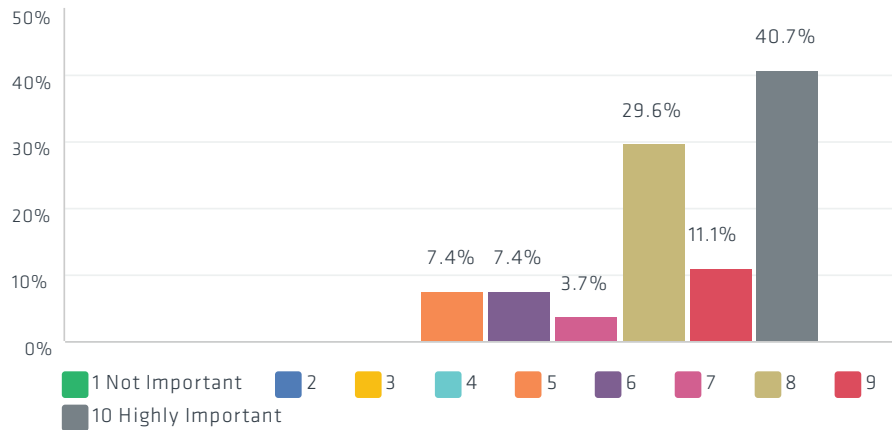


How important do you think it is to expand NHADEC's development of international referral and match-making services for member organizations? Please select your preference on the following continuum: 1 = 'Not that important'; 10 = 'Critically important to our future'.



Question 12 asked respondents the same pre-Think Tank question about the importance of a shared vision for NHADEC. Responses in both surveys show an alignment of opinion.

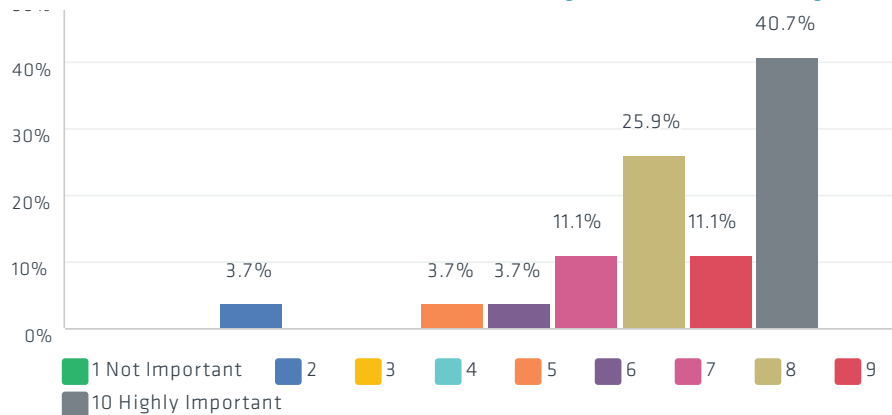
How important do you think it is to have a shared vision for the future of NHADEC?



NHADEC Future Scenarios Survey

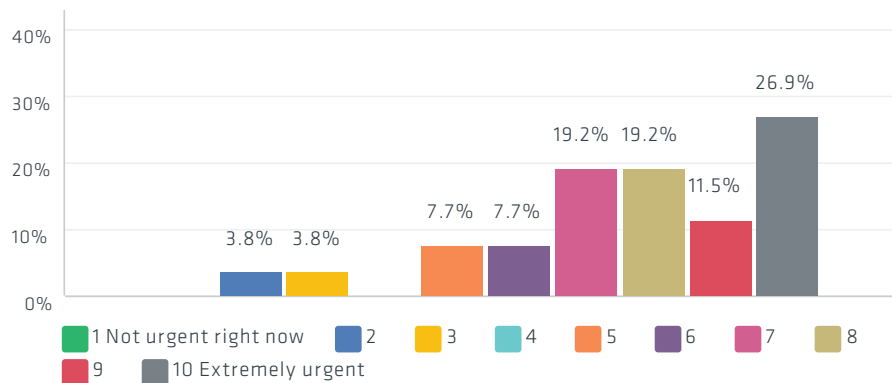
From a slightly different angle, Question 13 asked respondents how important it is to consider the shared vision when making decisions for NHADEC.

How important is it to consider the shared vision when making decisions for the organization?



Question 14 asked respondents how quickly they thought organizational leaders need to adapt and pursue the vision for the organization.

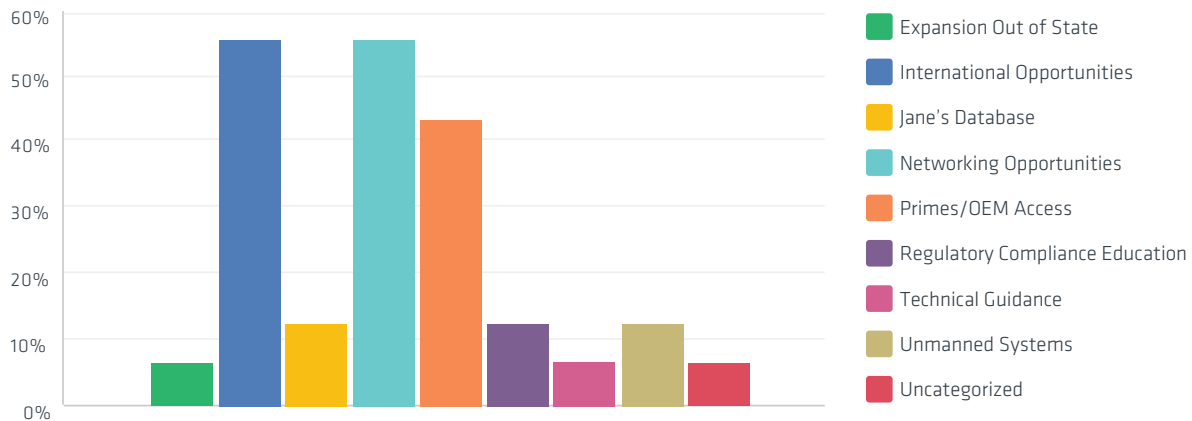
How quickly do you think organizational leaders need to adapt and pursue the vision?



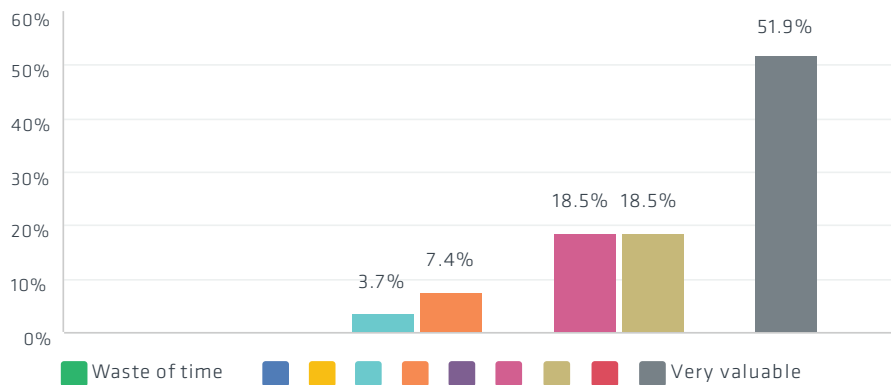
To gauge if any progress was being made towards the preferred future, respondents were asked what initiatives or developments currently happening reflected the essence of their preferred scenario.

What initiatives or developments happening now in NHADEC reflect the essence of your preferred scenario of the future? (i.e. access to primes/OEMs, diversified programs for members, interational opportunities, etc?)

In addition to any general comments, respondents were asked if they thought this strategic planning process is an interesting and valuable exercise for NHADEC and its members on a 1-10 point scale with 1 being a waste of time and 10 being very valuable.



Do you think this strategic planning process is an interesting and valuable exercise for NHADEC and its members? (Please select a point on the scale)



4.2.4 STRATEGIC PLANNING FOCUS GROUP, NOVEMBER 2017

On November 15, 2017, a Strategic Planning Focus Group was held with NHADEC members to review the potential scenarios and to map out priorities for action in the NHADEC Strategic Action Plan. Participants reviewed all results from the Think Tank and strategic action planning process including the compiled survey input from survey respondents. Participants were then broken into groups to discuss actions which may be taken to guide NHADEC from the expected scenario to the preferred scenario. The results of the Focus Group are included in the action areas of the Strategic Action Plan Framework.

4.2.5 FOCUS GROUP DISCUSSION WITH NHADEC BOARD, JANUARY 2018

On January 8, 2018, Future iQ joined the NHADEC Board meeting by phone for a focus group discussion about strategy. The Board input has been incorporated into the Strategic Action Plan Report.

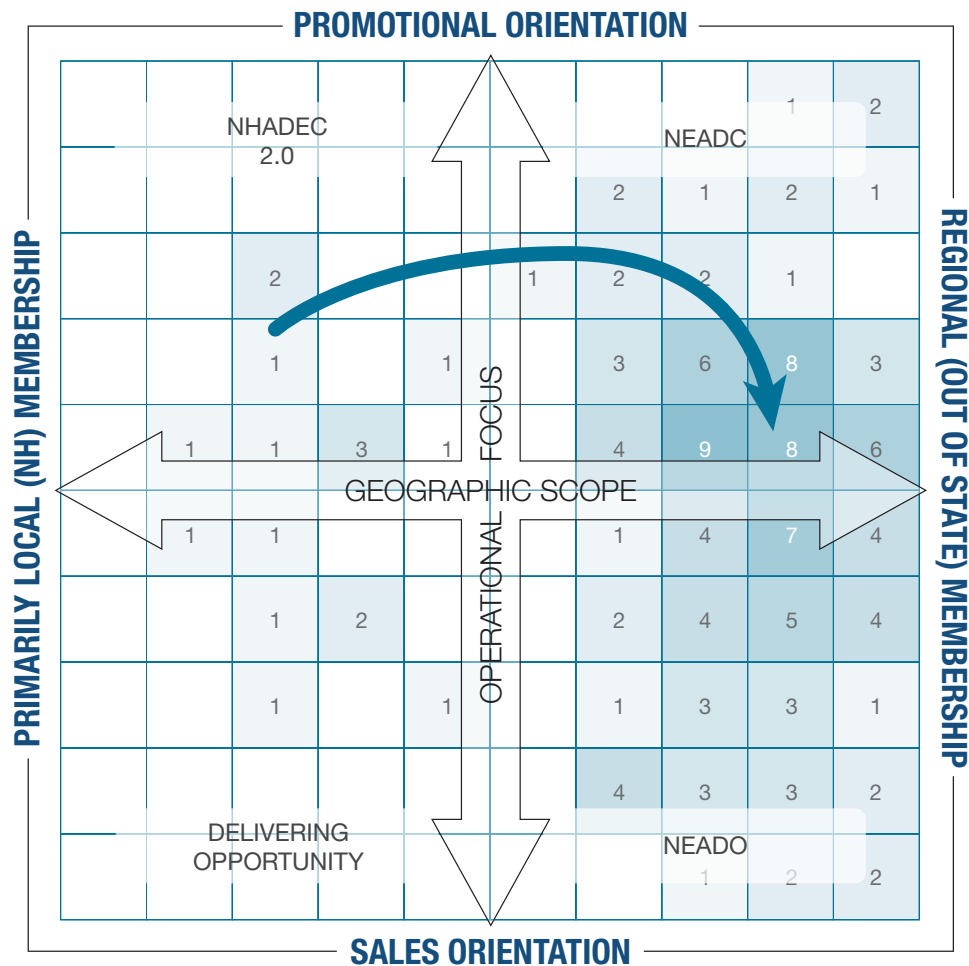


5.0 CREATING THE FUTURE PATHWAY

The path from 'NHADEC 2.0' to the 'Preferred Future' will not necessarily be a direct or linear path. Based on input from the strategic meetings, Think Tank, surveys, and focus groups, it was determined that the optimal realistic scenario path will be a progression from scenario A, NHADEC 2.0, and ultimately arriving at a point of consensus between scenarios B and C. This scenario path is the foundation for the strategic pillars and action areas outlined in the Strategic Action Plan Roadmap.

NHADEC STRATEGIC PLANNING HEAT MAPS COMBINED

PREFERRED FUTURE – 2030





6.0 STRATEGIC ACTION PLAN FRAMEWORK

The ideas and recommendations outlined in this Strategic Action Plan have been drawn directly from the planning and engagement process. The suggested actions are intended to incorporate the engagement input as well as the strategic action areas identified by focus group and strategy meeting participants. The actions also complement existing successful activities within NHADEC, such as access to Primes/OEMs, diversified programs for members, international and networking opportunities. With such significant high quality work already taking place by NHADEC, the action plan is designed to bring strength and cohesiveness to these existing efforts as well as suggest new areas for action.

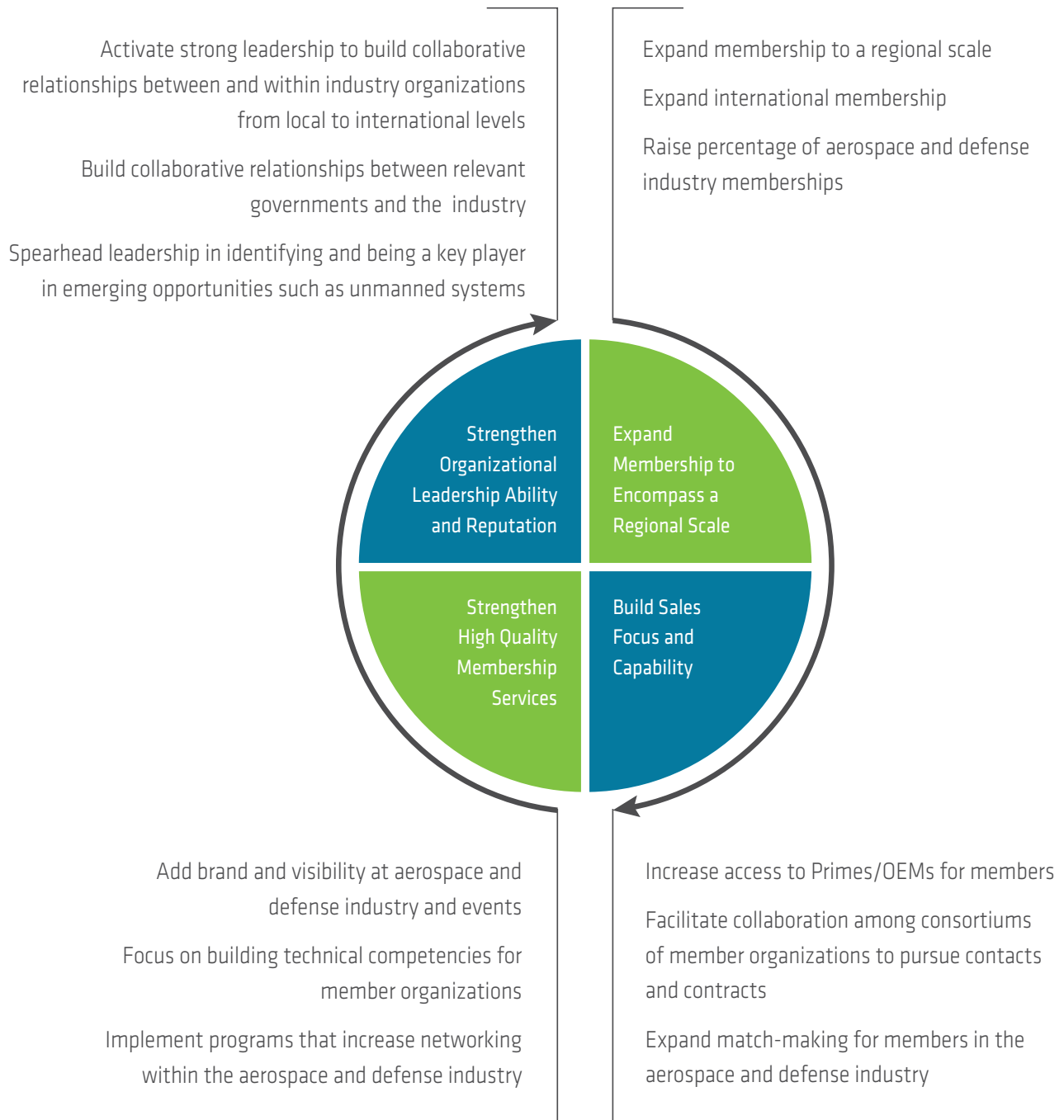
The action plan is structured around four key strategic pillars within the two overarching matrix axes of “Geographic Scope”, and “Organizational Focus.” These represent the themes that repeatedly emerged throughout the surveys, Think Tank, strategy sessions and the focus group. The four key pillars are:

- Expand membership to encompass a regional scale
- Build sales focus and capability
- Strengthen high quality membership services
- Strengthen organizational leadership ability and reputation

The action plan is not intended to solve all organizational challenges in the immediate short term. Rather, it presents a series of strategic actions that can be achieved in the short to medium term that will produce long-term results. They are intended to produce systemic and catalytic shifts that will drive the future economic growth and vitality of NHADEC and attract new members and investments. The actions are designed to build the future pathway to the preferred future.



SUMMARY OF STRATEGIC PILLARS AND ACTION AREAS



6.1 EXPAND MEMBERSHIP TO A REGIONAL SCALE

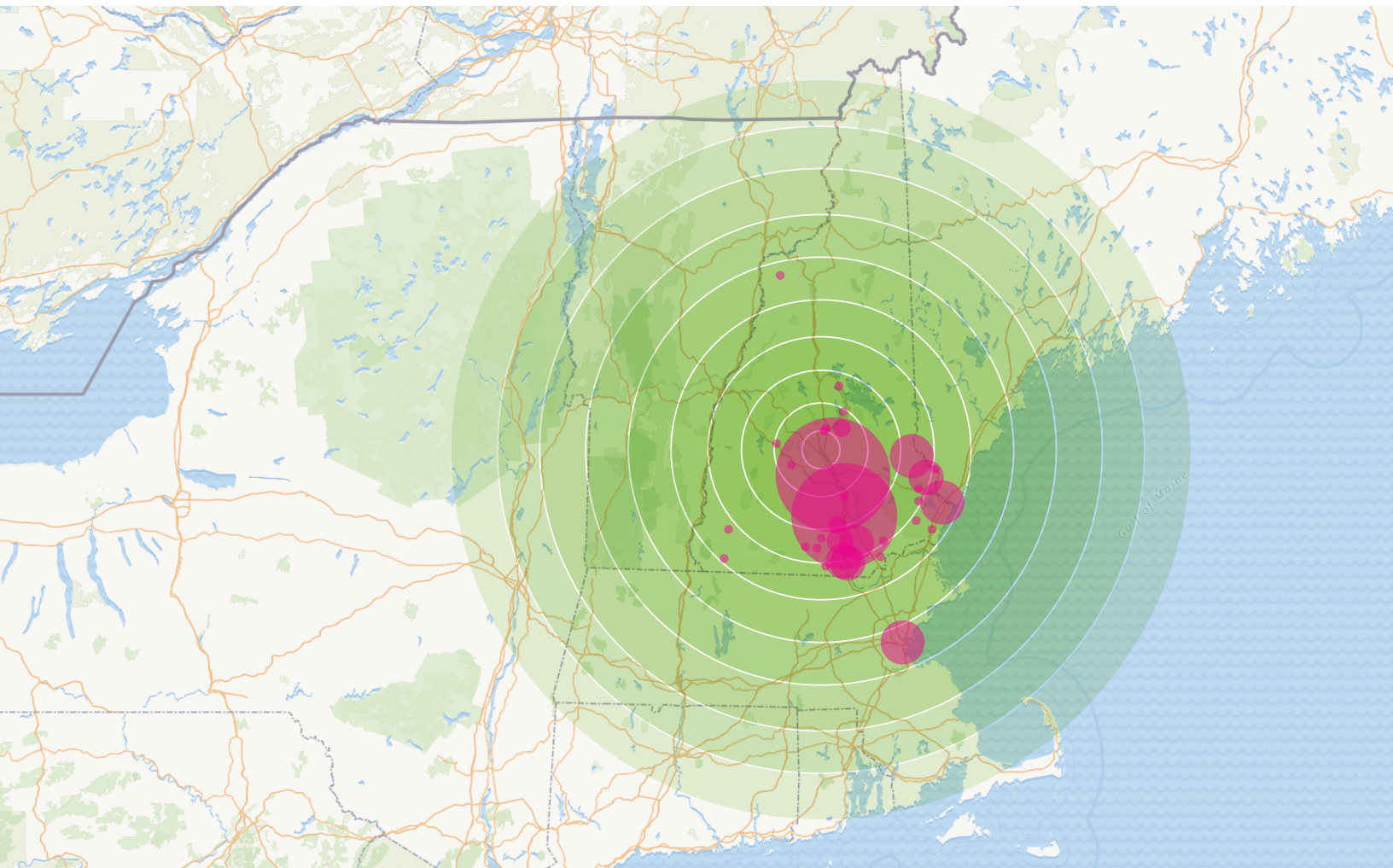
Since its formation in 2013, NHADEC has successfully grown its membership base to almost 100 members and partners. As a pioneering export consortium, this growth is very encouraging and is to be applauded. However, it is recognized that the organization must continue to grow its membership to achieve a 'right-size' organization that has financial viability and sustainability. One clear path to build revenue is through expanded membership. The survey analysis and stakeholder focus groups sessions have shown a clear consensus that membership growth will need to include expanding outside New Hampshire borders and becoming a truly regional North American organization.

This is an exciting prospect for the organization as it pursues a tremendous leadership opportunity in the aerospace and defense industry to build connections and partnerships for member organizations. Survey and engagement results from this study strongly indicate an appetite for expanding the membership reach to at least a regional scope and remain open to national and international members. This may require re-consideration of the organization's name, so as to not appear focused solely on New Hampshire's industry.

Membership expansion gives NHADEC the opportunity to strengthen its financial base, and offer better services to aerospace and defense industry stakeholders.

“Without continual growth and progress, such words as improvement, achievement, and success have no meaning.”

– Benjamin Franklin



KEY PROPOSED ACTIONS ASSOCIATED WITH EXPANDING MEMBERSHIP:**1. Expand membership to a regional scale**

Board members and membership alike indicated a preference for significant movement along the horizontal scenario axis of geographic scope for the NHADEC. Survey data indicates strong support for the expansion of NHADEC. Respondents suggested the initial promotion of partnerships and sponsorships take place in a phased expansion approach matching the organization's composition and capability at the time.

2. Expand international memberships

The easiest way for NHADEC to build its membership base internationally is to expand its current membership base into adjacent Canadian provinces. NHADEC already has partnerships, for example, with key industry leaders and government representatives within the Québec province and can use these relationships to build further connectivity. Additional areas of focus should continue to be on, for example, building upon collaboration with the Aéro Montréal association.

3. Raise the percentage of aerospace and defense industry memberships

NHADEC's specialized industry focus provides an opportunity to target a niche group of industry partners. Expansion into New England and Canadian provinces will open the opportunity to promote the organization to those new markets and increase the percentage of potential new members within the aerospace and defense industry. Attention should be placed on identifying and targeting direct industry manufacturers, followed by industry service providers.

Expanding NHADEC's membership is a means to attain financial viability.



"The strength of the team is each individual member. The strength of each member is the team."

– Phil Jackson, Former Coach and NBA Basketball Player



DataInsight

Key Point to Note

- Survey and engagement input indicate a desire for NHADEC expansion regionally and internationally. A specific concern of member organizations is the need to continue to support local business interests while expansion occurs. This will involve a concerted effort on the part of the NHADEC board to provide outreach and education to members about why the expansion is necessary for financial stability and how local needs will continue to be a priority.

6.2 BUILD SALES FOCUS AND CAPABILITY

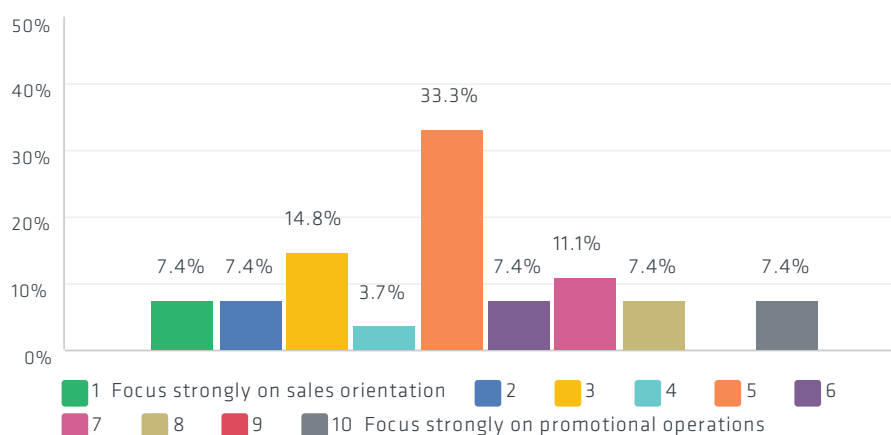
One of the cornerstone goals of NHADEC's Business Plan is to provide new business opportunities and growth for its members by increasing sales, primarily via exports. NHADEC is in the process of working on several objectives in this area including market research, increased trade show participation, compiling a directory of reputable foreign representatives and hosting trade specialists. While these activities have been primarily promotional in nature, there is a consensus among Board members and membership that in order to make progress towards a preferred future, NHADEC needs to add to its visibility by placing more emphasis on building its sales focus and capabilities.

As illustrated by the graph below, growth of NHADEC's sales orientation should not preclude its promotional activities. When asked about whether NHADEC's focus should pursue a promotional or sales preference, survey respondents indicated a strong preference for a balanced approach. This result is further emphasized by the heat maps and is the reason why the preferred future for organization lies on the line between the NEADC and NEADO scenarios.

Throughout the engagement process, think tank, survey and focus group participants highlighted the need to grow the organization's sales orientation both with respect to export and domestic opportunities. Significant emphasis was placed on access to Primes/OEMs, facilitating collaboration among member organizations, and expanding match-making services.

Increasing the sales dynamic within the operational focus of the organization is an exciting step forward.

What focus do you think NHADEC should pursue for its operational activities? Please select your preference on the following continuum: from 'Focus strongly on sales orientation' to 'Focus strongly on promotional operations'.



NHADEC needs parallel revenue streams to achieve a valued and sustained proposition.

– Survey respondent

KEY PROPOSED ACTIONS ASSOCIATED WITH A SALES FOCUS:**1. Increase access to Primes/OEMs for members**

Increasing access to Primes/OEMs is key to increasing sales for NHADEC members. This area was cited by 44% of survey respondents as one of the activities that is currently happening and reflects the essence of the preferred future for NHADEC.

2. Facilitate collaboration among consortiums of member organizations to pursue contacts and contracts

One of the great benefits of joining an export consortium is the reduction of risks to individual firms through the combination of resources. By combining resources, firms are able to explore and access larger markets and reduce costs with respect to marketing and sales promotion. NHADEC can help its members to access greater shares of the export market by facilitating collaboration among groups of member organizations to pursue both contacts and contracts.

3. Expand match-making for members in the aerospace and defense industry

International referrals and matchmaking are key to NHADEC's success within the aerospace and defense industry. With the expansion of NHADEC to a regional level, opportunities for match-making on a greater scale will increase significantly.

Building NHADEC's sales orientation will deepen export and domestic business opportunities.



“The achievements of an organization are the results of the combined effort of each individual.”

– Vince Lombardi, Former NFL Football Coach



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Key Point to Note

- It is clear from data collected in the engagement process that a combined approach to sales and promotional operations is the preferred focus for NHADEC. This is a wonderful opportunity for NHADEC to continue its already high quality marketing activities by expanding this scope to provide a more varied approach to revenue building to support member services.

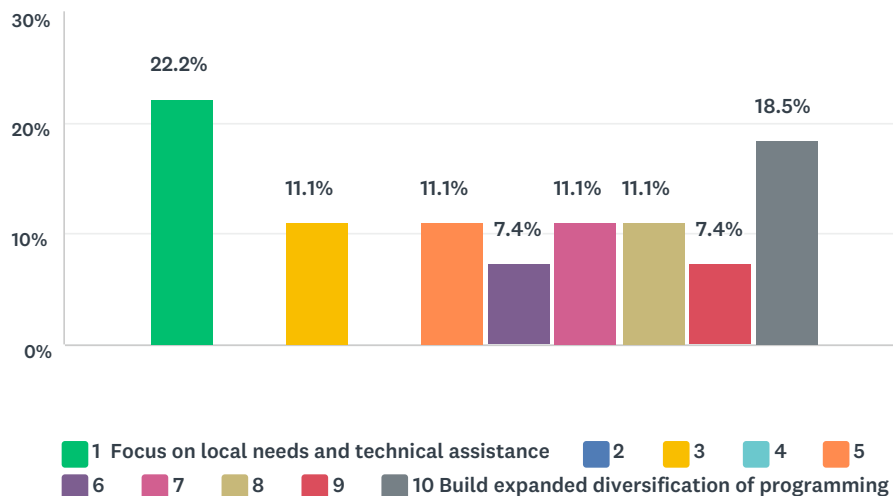
6.3 STRENGTHEN HIGH QUALITY MEMBERSHIP SERVICES

High quality membership services are the cornerstone of any nonprofit organization. If members don't find value in services, they won't continue membership in an organization. Current NHADEC member services offer an array of top-quality benefits to member organizations within three Tiers of membership as well as a sponsorship level. These services provide invaluable support to its members and have built a strong foundation of leadership support around a collaborative environment.

The expansion of NHADEC to include regions outside of New Hampshire will add new complexity and opportunities for membership services. Expansion will require the diversification and provision of member services to accommodate needs specific to each locale. To this point, NHADEC has done an exemplary job in providing a personalized approach to New Hampshire membership needs. As illustrated by the graph below, it will be necessary for NHADEC to maintain this high-touch approach as it grows so that current membership does not feel left behind.

High quality membership services build on-going loyalty and a collaborative environment.

Should membership benefits focus more on local needs and technical assistance, or diversify its programming to accommodate increased out-of-state and international membership?
Please select your preference on the following continuum: 1 = 'Local needs and technical assistance'; 10 = 'Expanded diversification of programming'.



“Coming together is a beginning. Keeping together is progress. Working together is success.”

– Henry Ford, Founder, Ford Motor Company

KEY PROPOSED ACTIONS ASSOCIATED WITH MEMBERSHIP SERVICES:**1. Increase NHADEC's brand presence and visibility at aerospace and defense industry events**

In order for NHADEC to provide high-quality membership services, the organization needs to continue to build its revenue stream through its marketing activities. One way to do this is by increasing a promotional presence at targeted aerospace and defense industry and trade events both in country and internationally. 72% of survey respondents indicated that increasing NHADEC's brand and visibility is critically important for the organization.

2. Focus on building technical competencies for member organizations

The fourth goal of NHADEC's business plan is to provide added technical assistance to member organizations. This will ensure export readiness and build the capacity of members, both on individual firm and consortia levels. Two action items on the business plan were highlighted in the survey responses: leveraging the internet for trainings (less expensive for travel costs) and the request to bring in more high technology experts when hosting trade specialists.

3. Implement programs that increase networking within the aerospace and defense industry

Building the relationships between member organizations is critical to the success of an export consortium. NHADEC's Business Plan seeks to create an environment conducive to resource leveraging, capacity building, marketing and sales through its networking services for members. The development of high quality membership services for NHADEC will increase networking opportunities for members over time. Examples include programming that targets specific membership such as small business or products and builds collaboration around common interests or needs. This type of programming might also appeal to specific geographic areas as NHADEC expands to a regional scope.

*Member services are
the building blocks of
NHADEC.*



“Know what your customers want most and what your company does best. Focus on where those two meet.”

– Kevin Stirtz



DataInsight

Key Point to Note

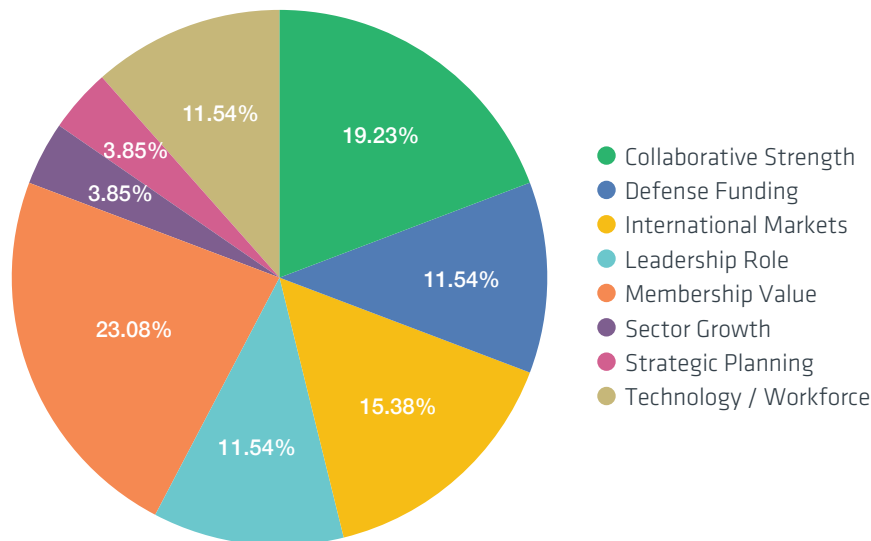
- Developing high quality membership services for NHADEC members will require a delicate balance of regional expansion and the need to maintain local attention. Through the engagement process, a gap of understanding between membership and the Board was observed. Recognizing this, the Board will need to provide clear communication and education about the purpose behind its strategic action plan roll-out.

6.4 STRENGTHEN ORGANIZATIONAL LEADERSHIP ABILITY AND REPUTATION

NHADEC is at a point in time where it has a tremendous opportunity to both strengthen its internal organizational leadership abilities and build its reputation as a leading model of excellence in the aerospace and defense industry. This strategic action plan will enable the NHADEC Board to lead the organization by pursuing its action areas with the confidence that it is supported by input and data from an extensive engagement process.

Additionally, NHADEC's unique status as the only aerospace and defense consortium in the country places it naturally in an industry leadership position. As NHADEC expands in geographic scope and operational focus, its ability to deliver value through its export reputation will grow. This increased visibility will promote growth in membership levels and revenue which in turn will enable the organization to achieve its ultimate goals of self-sustainability and its preferred future.

Below is a glimpse into what survey respondents thought were the biggest areas of opportunities NHADEC will be facing in the next 5 years.



NHADEC's strategic action plan is the opportunity to focus energies on leading the organization forward.

"Do not follow where the path may lead. Go instead where there is no path and leave a trail."

– Ralph Waldo Emerson

KEY PROPOSED ACTIONS ASSOCIATED WITH LEADERSHIP AND REPUTATION INCLUDE:

1. **Activate strong leadership to build collaborative relationships between and within industry organizations from local to international levels**

Expanding membership to international members will provide connections for US companies to build additional global partnerships. NHADEC's current efforts to provide international opportunities for its members was cited by 56% of survey respondents as reflecting the essence of the preferred future for NHADEC.

2. **Build collaborative relationships between relevant governments and the industry**

NHADEC's close relationship with the New Hampshire Department of Business and Economic Affairs provides a natural entre into government connections for member organizations. NHADEC should continue its engagement and partnership building with governmental entities as the organization pursues its regional focus.

3. **Spearhead leadership in identifying and being a key player around emerging opportunities, such as unmanned systems**

NHADEC has already taken steps to spearhead emerging opportunities within its organization. A subcommittee on unmanned systems was recently created and is being explored. NHADEC needs to continue to pursue new ideas and innovations in order to remain relevant to its membership.

"NHADEC has the unique opportunity to play a leadership role in convening the industry."
– Survey respondent



"If you could get all the people in the organization rowing in the same direction, you could dominate any industry, in any market, against any competition, at any time."

– Patrick Lencioni, Author



DataInsight

Key Point to Note

- The NHADEC Board has a unique opportunity to lead the organization through the strategic action plan roadmap to self-sustainability. The next steps include determining what kind of an organization it will be (referring to the proposed *Catalyst Paper* by Board Member Rawle, and under consideration by the NHADEC Board) and how the implementation of these strategies will unfold.

6.5 OPPORTUNITY AND RISK ANALYSIS

Throughout the engagement process, participants explored those actions that could potentially drive NHADEC towards or away from the preferred future identified in the scenario planning process. Although unforeseen events and opportunities may present themselves and cause readjustments along the way, the key to a successful plan will be avoiding the pitfalls of known steps that will take the organization off the path to its preferred future. Combining input from the various engagement activities, below are some markers that may be used as NHADEC follows its roadmap.

In considering the future of the organization, opportunities outweigh the risks.

| What will drive us TOWARDS the preferred future? | What will drive us AWAY from the preferred future? |
|--|---|
| Following through on NHADEC's new strategic action plan | Inaction; lack of engagement from leadership and members |
| Continue to recruit high quality Board Members and Committee Chairs | Poor communication by organizational leadership to membership |
| Building a common understanding of organizational priorities | Rapid expansion without supporting services |
| Expansion of NHADEC to a regional scope | Limiting services and membership to a NH local footprint |
| Education and communication about the shared vision for NHADEC | Poor member services development |
| Building organizational capacity | Inability to raise funds necessary to achieve self-sustainability |
| Increase revenue building capacity by diversifying income stream | Loss of relevancy for membership |
| Increasing international partnerships | Destructive internal competition among member organizations |
| Collaborative strength through effective programming | Leadership pursuing self-interested agendas |
| Increasing technical assistance and education for member organizations | Loss of funding and resources |
| Building networking opportunities for members | |
| Building matchmaking opportunities for members | |
| Increased engagement from Board and membership | |

“Good management is the art of making problems so interesting and their solutions so constructive that everyone wants to get to work and deal with them.”

– Paul Hawken, Author



Key Point to Note

- Key to the success of NHADEC's Strategic Action Plan will be the continued engagement by both the Board and its membership in the implementation of the plan. Consistent and effective communication, transparency and collaboration will encourage participation and a sense of ownership for all stakeholders.



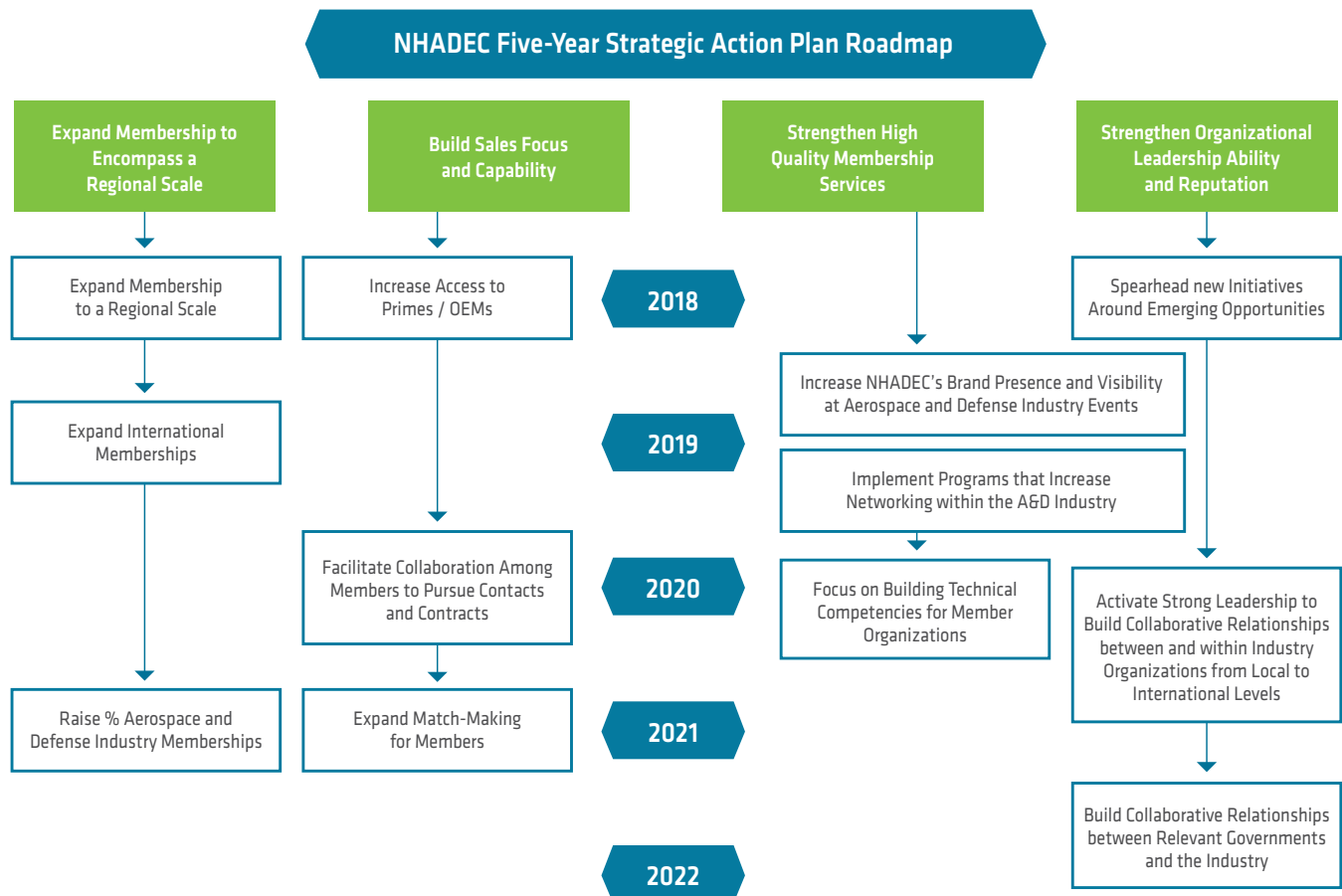
7.0 ROADMAP

NHADEC's Five-Year Strategic Action Plan Roadmap lays out a high level recommended sequencing of actions that support NHADEC's transition to a self-sustaining organization. The roadmap is spread out over 5 years, with incremental progressive steps that can build significant progress over time. The placement of the action areas on the timeline are notational and should be discussed and approved by the Board at a future date. The speed of change and actual roll-out of activities and projects will depend on multiple variables and priorities as established by the NHADEC Board of Directors.

The Roadmap will be achievable with consistent Board and Membership engagement.

"All you need is the plan, the road map, and the courage to press on to your destination."

– Earl Nightingale, American Radio Speaker and Author





8.0 KEY METRICS TO MEASURE PROGRESS

Understanding and measuring progress will be an important part of implementing the Strategic Action Plan. The measures should address the plan's action areas and include leading and lagging indicators. Used correctly, such metrics can provide a powerful feedback loop to understanding the effectiveness of investment in programs and identify emerging gaps. The following metrics can be built around the four key strategic pillars of the plan:

- Number of memberships (in the New England region, internationally, and in the aerospace and defense industry)
- Increase in access to Primes/OEMs
- Number of acquired contacts and contracts through NHADEC by member organizations
- Increase in export sales for member organizations
- Connection opportunities for members via match-making and networking
- Attendance at aerospace and defense industry and trade events
- Increase of technical assistance programs available for member organizations
- New initiatives around emerging opportunities
- Access to more diverse financial resources to support the organization

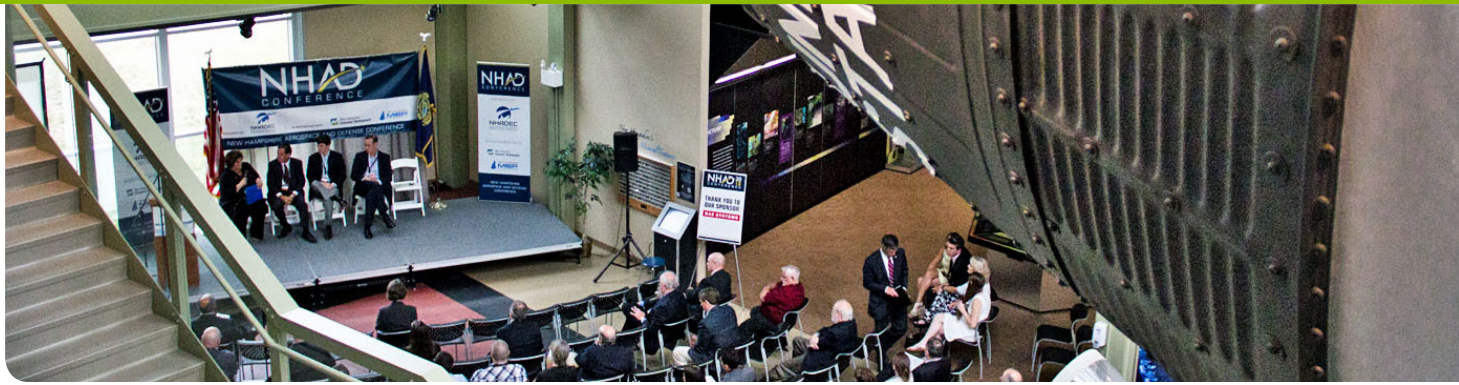
NHADEC's path to self-sustainability will be achieved in MODEST progressive steps.

This does not represent the entire list of likely recommended metrics, but is intended to show the overall framework and concept. In developing and using such metrics, it is important to consider benchmarking progress using a comparison over time. By comparing progress of the action areas at different points in time, the metrics will give an indication of the trajectory of that item.

Lastly, it is important to note that strategic plans are 'living documents' specific to each organization and that this plan will require not only alignment with past planning, but an honest, in-depth look ahead to the continually evolving aspirations of all NHADEC stakeholders for the future.

"The measure of success is not whether you have a tough problem to deal with but whether it is the same problem you had last year."

– John Foster Dulles, Former U.S. Secretary of State



9.0 NEW HAMPSHIRE AEROSPACE AND DEFENSE CONSORTIUM (NHADEC)

Founded in 2013, the New Hampshire Aerospace and Defense Export Consortium (NHADEC) is a non-profit program in partnership with the State of New Hampshire Office of International Commerce. The program is a promotional consortium focused on export capacity building by fostering the most opportune foreign markets for its members through collaborative efforts and global brand messaging and awareness. NHADEC programs include regular member meetings, training sessions on export compliance, domestic and international trade shows, presentations by global market experts and business to business matchmaking. For more information on NHADEC, please visit www.nhadec.com.

For more information on state support to NHADEC, please contact: **For Information on NHADEC opportunities, please contact:**



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The dedication and professionalism of NHADEC staff, Board and membership are big assets to the organization.

2017-2018 NHADEC Board of Directors

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Christopher Wrenn, Board Member

10.0 ACKNOWLEDGEMENTS

Future iQ would like to acknowledge the substantial support from the NHADEC Board of Directors and NHADEC membership. We would also like to thank Nathaniel Nelson, Tina Kasim and Dawn Wivell for the significant time and effort put into the planning and execution of the strategic planning process. We sincerely appreciate your contributions.



11.0 ABOUT FUTURE IQ

Future iQ specializes in the development and application of scenario planning, network analysis, industry and regional analysis, and stakeholder engagement. The company specializes in applying innovative tools and approaches to assist organizations, regions and industries plan for the future.



HEATHER BRANIGIN, VICE PRESIDENT, BUSINESS DEVELOPMENT

Heather has worked in the fields of Development and Education for over 20 years. She has extensive experience in local government and growing small business and organizations, and is an accomplished project manager, research analyst and writer. Heather is Past President and current Advisory Council Member of the United Nations Association of Minnesota and is committed to encouraging international understanding and global collaboration.



DAVID BEURLE, CEO, FUTURE IQ

As CEO of Future iQ, David specializes in creating future planning approaches for the use in regional, community and organizational settings. David has worked in the field of organizational, industry and regional planning for over 20 years. His work in community and economic development has earned his work international, national and state awards.



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