

American Association of Petroleum Geologists (AAPG)

Strategic Plan
(Revised: April 2004)

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OVERVIEW

The American Association of Petroleum Geologists (AAPG) has begun a process that will assist the Association in creating clarity and focus on how it should invest its valuable resources on the identified wants, preferences and needs of its members and other stakeholder groups. As part of this effort, the AAPG has begun a strategic planning and thinking project that will lead to growth for the organization. This plan facilitates (a) AAPG's identification of the future needs of members and other identified stakeholders and (b) AAPG's options for satisfying those needs. The planning process marks a significant juncture in the organization's history and the results of this plan will initiate choices that the association will make for future success.

Strategic Planning Steps

Step 1 – Initial Planning by AAPG Advisory Council

On August 22, 2003, the AAPG Advisory Council began the strategic planning and thinking process with a discussion about current conditions and future assumptions regarding their profession. This information was used to form an initial set of options for defining the organization's core ideology and envisioned future. The framework used for this initial discussion and the entire planning process is a model of strategic judgments organized into four time-related horizons outlined on page 5.

Step 2 – Test Initial Planning Elements

Following the initial strategic planning meeting, qualitative research in the form of telephone interviews was conducted with a selected group of AAPG leaders. The purpose of the qualitative research was to test the Advisory Council's initial thinking on their suggested strategic direction for AAPG with other leaders both past and present.

Step 3 – Program Assessment

The next step of AAPG's comprehensive strategic planning and thinking process was to assess the organization's current portfolio of programs and services to determine their fit with the Association's strategic direction. The assessment was conducted by a team of AAPG senior staff and volunteer leaders assisted by an outside consultant. The tool used to assess each program and service was introduced by the consultant and is currently used by hundreds of other associations.

Step 4 – Identification of Strategies

The final report generated from the program assessment exercise assisted the AAPG Advisory Council in formulating strategies. Strategies are the action statements articulating how the Association will implement its strategic plan.

On February 6, 2004, the Advisory Council continued its discussion of the strategic plan. At this meeting the Council used the results of the qualitative interviews as well as the Program Assessment to refine the existing strategic planning elements and to create an initial set of strategies.

Step 5 – Testing of Strategic Plan with Larger Leadership Group

On February 7, 2004, the completed draft strategic plan was offered to a larger group of association leaders to comment on at their Leadership Conference. Session participants were offered opportunities to discuss the draft strategic plan in small groups. Their feedback was tabulated and provided to the AAPG Advisory Council for their review and consideration.

Step 6 – Testing of Strategic Plan with General Membership

Prior to the Advisory Council's next meeting, a survey was developed and made available on AAPG's Web site for member participation and response. AAPG members were notified by e-mail that the survey was available. The survey results represented 1,016 member responses. This feedback was used to finalize the draft strategic plan to be reviewed and refined at the Advisory Council's next meeting.

Step 7 – Final Completion of Strategic Plan

On April 17, 2004, the AAPG Advisory Council met together to consider the suggested changes recommended by participants of the Leadership Conference and to consider the results of a quantitative survey that was available on AAPG's Web site for members to complete. At the completion of the meeting, the Advisory Council finished the strategic plan and discussed a communications strategy and next steps.

Step 8 – Implementation and Execution

Association staff is responsible for creating the operational plans to execute the strategic plan. Volunteer leaders articulate direction through strategic planning and staff identifies the resources and how the strategic plan will be implemented. With the assistance of an outside consultant, staff will begin the ongoing process of creating action plans and the operational structure and processes to support the strategic plan.

Outline of Strategic Planning Process

Using the Four Planning Horizon's model as a framework and group dialogue and deliberation as the information source, the session participants created the following:

- A set of assumptions about the future of the petroleum industry and the professionals that work within it.
- A list of relevant factors in the long-range horizon (10-15 years into the future), core purpose, core values, Big Audacious Goal (B.A.G.) and a vivid description of future success.
- Six goal areas that identify where the AAPG will direct its energy in the next one - 10 year planning horizon. The goal areas focus on outcomes beneficial to AAPG and its members.
- A set of strategic objectives (3-5 years) in each goal area setting measurable direction for the organization to head in to achieve its goals.
- A set of strategies that identify the actions the organization will undertake in the next 1-3 years in order to achieve each goal area.

An Ongoing Process of Thinking Strategically

AAPG's leadership views the process of strategic planning as an ongoing process within AAPG. This is not a "strategic planning project" that is completed.

Adoption of a plan is an affirmation of the general intent and direction articulated by the vision, goals and strategic objectives.

Progress toward achieving plan strategic objectives will be assessed annually, and the plan will be updated based on achievement and changes in the needs of the stakeholders served.

~ ASSUMPTIONS ABOUT THE RELEVANT FUTURE ~

In order to make progress against the 10-15 year Envisioned Future; an organization must constantly anticipate the strategic factors likely to affect its ability to succeed, and to assess the implications of those factors. This process of building foresight about the future assists AAPG in constantly recalibrating its view of the relevant future, a basis upon which to update the strategic plan on an annual basis. The outcome-oriented short-term goals are based on the long-range assumptions identified below. Annual review of the assumptions and their ongoing relation to the short-term goals is an appropriate method of determining and ensuring the ongoing relevance of the strategic plan.

Assumptions

Demographics

1. The industry's professional community will increasingly become global.
2. Career opportunities will continue to be volatile and will affect student interest in entering the profession.
3. The profession's North American work force will increasingly age.
4. Company policies will continue to change in order to encourage women to enter and remain in the profession.
5. Ethnic diversity of the membership will increase internationally as AAPG becomes more global in its outreach.
6. The work force will increasingly be self-employed and will rely on outside resources that are easy and inexpensive to obtain.
7. Younger people are less likely to support association membership and involvement.
8. People will change careers more often.
9. Internal company training will continue to decrease.

Legislation/Regulation

1. Sectors of the U.S. government will continue to view the industry negatively.
2. Increasingly, countries will have a unique and different relationship with the industry.
3. Governments will continue to be "crisis motivated" in reacting to the industry.
4. Special interest groups will increasingly provide one-sided advice to governments on the industry and the information will be interpreted as scientific fact.
5. Geologists will continue to be a small voting block.

Global Business/Economic Climate

1. Oil prices will remain somewhat predictable and within a stable range.
2. Gas prices will continue to be influenced by regional differences.
3. Consuming areas will increasingly diversify their gas sources.
4. There will be increased international partnering by oil and gas companies.
5. There will be increased opportunity for independent oil and gas companies outside of North America and Europe.

6. Instability in the Middle East will continue to affect oil prices and may affect gas prices.
7. World economies will improve.
8. Industry research will continue to decline due to company pressures from Wall Street to make profits.
9. Most research will be conducted by universities, government labs, NGOs, and service companies.
10. Small and midsize companies will continue to adopt exit strategies reducing exploration drilling primarily in the United States and Canada.
11. Water resources availability will increasingly become an issue.
12. Management will continue to respond to the volatility of the market by making short-term operational decisions.

Science/Technology

1. There will be an increasing disconnect between classic geological education and training and new technologies.
2. The industry will continue to be influenced by cross-over technology coming from other industries.
3. New technologies will continue to come from small entrepreneurial companies who now have the tools to compete with larger companies.
4. The speed in which technology becomes outdated will increase.
5. Drug technology will continue to extend life.
6. As resources for research decline, companies will partner with academia for their research needs.
7. The resources available for research will be different in different parts of the world.
8. As technology grows, the understanding and application of the fundamentals of the profession will decline.

Social Values/Politics

1. There will be an increase in environmental awareness and responsibility.
2. Oil and gas will continue to be important energy resources for productive economies worldwide.
3. There will be increased consumption of oil and gas resources in developing countries.
4. International political instability and terrorism will continue.
5. Political issues will become more global.
6. Oil prices will continue to affect world economics.
7. Climate change will necessitate changes in the energy industry.
8. Government regulation of the energy industry will increase worldwide.
9. Governments will look to the energy industry for increased revenue.
10. Globalization of membership will lead to a relative decrease in volunteer time and money.
11. In the United States, the concentration of petroleum geoscientists into the Houston area will continue.

10-15 YEAR PLANNING HORIZON

~ CORE IDEOLOGY & ENVISIONED FUTURE ~

***Core ideology** describes an association's consistent identity that transcends all changes related to its relevant environment. It consists of two elements: **core purpose** – the association's reason for being; and **core values** – essential and enduring principles that guide an association. **Envisioned future** conveys a concrete yet unrealized vision for the association. It consists of a **big audacious goal** – a clear and compelling catalyst that serves as a focal point for effort – and a **vivid description** – vibrant and engaging descriptions of what it will be like to achieve the big audacious goal.*

Core Ideology

Core Purpose:

To advance the science and profession of energy-related geosciences worldwide.

Core Values:

- Scientific excellence.
- Professionalism.
- Ethics.
- High quality membership services.
- Recognizes responsibility to society.
- Professional development.
- Open communication.
- Diversity.
- Recognition of scientific and professional achievement.

Envisioned Future

Big Audacious Goal:

To be indispensable to all professionals in the energy-related geosciences worldwide.

A Vivid Description of the Desired Future:

External Environment

- Society recognizes geoscience professionals as contributing to the availability of reasonably priced and environmentally responsible energy.
- The petroleum industry is publicly perceived as a protector of a healthy and sustainable environment.
- The standard of living worldwide is enhanced as a result of AAPG's work.
- Employers recognize the value of geoscience professionals to their success.

AAPG Members

- Members are aware of and depend on AAPG for their career tools.
- AAPG members are preferred by employers.
- AAPG members are the resource for the public, governments, and international agencies:
 - For their understanding of energy related resources.
 - For unbiased and factual geoscience information.

- For finding and producing efficient and environmentally sustainable energy.
- AAPG members are professional and ethical and are accepted by courts, states, and countries as expert witnesses.

The Association

- AAPG is recognized for publishing and teaching at the cutting-edge of geosciences.
- Every energy related geoscientist belongs to AAPG.
- AAPG develops, supports, and promotes environmentally sound practices within the profession.
- AAPG is recognized for promoting environmentally friendly production of hydrocarbons worldwide.
- AAPG has the best student placement programs within the profession.
- AAPG offers high quality professional development and continuous education.
- AAPG is *the* preeminent source of information on the energy industry.
- AAPG is *the* preferred place to publish for energy-related geoscience.
- AAPG offers the best career long benefits package.
- Other organizations recognize the benefits of merging or partnering with AAPG.

1-10 YEAR PLANNING HORIZON

~ OUTCOME-ORIENTED GOALS, STRATEGIC OBJECTIVES AND STRATEGIES ~

The following thinking represents goal areas for the next one to 10 years. They are areas in which AAPG will explicitly state the conditions or attributes it wants to achieve. These outcome statements define “what will constitute future success.” The achievement of each goal will move the organization toward realization of its vision. The goal areas are not necessarily in priority order.

Strategic Objectives and Strategies provide direction and actions on how the Association will accomplish its articulated goals. Strategic Objectives are considered in the 3-5 year planning horizon, while Strategies are considered within the 1-3 year planning horizon. The Strategies are listed under the Strategic Objective they support. Strategies are reviewed annually by the AAPG leadership.

The Strategies are prioritized to reflect the urgency of accomplishing them. Each strategy is labeled with a (H) high, (M) medium or (L) low rating. High Strategies are to be accomplished within the next operational year, medium Strategies are to be accomplished within the next operational year if resources permit, and low Strategies are to be accomplished within the following operational year. All Strategies included in the Strategic Plan should be considered accomplishable at some point in the future.

Goal Areas

Goal Area: Advance the Science

Foster, facilitate and disseminate knowledge in leading-edge research and its practical application in the energy-related geosciences worldwide.

Strategic Objectives:

1. Encourage geoscience research both leading-edge and applied.
 - a. Expand role of E&P Notes, Search and Discovery, and Explorer to publish research results. (H)
 - b. Increase effectiveness of the AAPG Research Committee. (H)
 - c. Investigate the development of a separate publication like SEG’s Leading Edge. (H)
 - d. Promote the value of publishing research to companies highlighting E&P Notes, etc. (M)
 - e. Create a plan to increase grants-in-aid to students and research institutions to fund and publish research. (M)
 - f. Identify high priority areas of cooperative research with selected institutions. (M)
 - g. Develop alternate distribution channels for research results such as Web-based and CD ROM publications. (M/L)
 - h. Create an AAPG-sponsored recognition program to recognize companies for participating. (L)

2. Increase corporate support for the publishing of employee and company generated research.
3. Increase cooperative research efforts with AGI and other energy related societies and government institutions.
 - a. Aggressively pursue sources of additional money for research projects. (M)
 - b. Create and maintain a program to offer immediate publishing opportunities (12 month maximum). (L)

Goal Area: Continuous Professional Development

To be the educational provider of choice for members worldwide.

Strategic Objectives:

1. Increase timeliness and focus of publications.
 - a. Create a strategic plan for publications (Bulletin and special publications). (H)
 - b. Aggressively target editors and authors for specific themes. (H)
 - c. Review role of Publications Committee and Associate editors. (H)
 - d. Continue efforts to decrease the production time for publications. (H)
 - e. Shorten publications and papers for the purpose of faster editing and reading. (H)
 - f. Create more thematic issues of the Bulletin. (H/M)
 - g. Make special publications more accessible (Datapages, GSW and others to increase circulation). (M)
 - h. Consider devoting an annual volume of the Bulletin to a geographic boundary. (M)
2. Increase the accessibility of AAPG educational opportunities.
 - a. Create opportunities to communicate the value of educational programs to company management using testimonials and personal visits. (H)
 - b. Conduct more Education Forums in more places. (H)
 - c. Create a curriculum of courses in conjunction with global partners specifically for NOC's and large independents. (H)
 - d. Input additional posters and papers onto Search and Discovery. (M)
 - e. Create materials for one-day courses with local/affiliates. (M)
 - f. Evaluate distance learning programs. (M)
3. Increase the exposure of the Distinguished Lecture Series and Visiting Geologist Program worldwide.
 - a. OTC Funding – use budget surpluses to establish new DL's internationally. (H)
 - b. Raise additional money for Distinguished Lecture Series. (M)
 - c. Co-venture DLS and VGP with international affiliates. (M)
 - d. Create regional AAPG offices – better prepared to run tours on different continents. (M/L)
 - e. Consider Taping DLs and offering to an expanded audience. (L)
4. Increase corporate support for member continuing education.

- a. Increase the role of the existing corporate liaison to include promotion of continuing education programs. (M)

Goal Area: Public Awareness and Understanding

Increase the public's awareness and understanding of the value that energy related geoscience professionals contribute to society.

Strategic Objectives:

1. Increase coordination and unity of public messages and communication channels within AAPG.
 - a. Determine and implement optimal structures within AAPG for formulating and projecting messages. (H)
2. Increase coordination of public messages among geoscience organizations.
 - a. Contact all energy-related organizations and determine existing outreach programs. (H)
 - b. Identify common messages between organizations. (H)
3. Expand outreach programs to increase awareness and understanding of the geoscience professions.
 - a. Coordinate with other industry organizations public outreach messages and opportunities. (H)
 - b. Create a unified campaign to deliver information to the public. (M)

Goal Area: Membership and Member Services

Attract and retain members worldwide by providing programs and services that are essential to professional career development.

Strategic Objectives:

1. Increase member participation in existing programs and services.
 - a. Highlight the value of an association program or service each month in Explorer. (H)
2. Increase the Association's understanding of the value of existing programs and services.
 - a. Conduct program assessment annually and include membership trends in the review. (H)
 - b. Create or use an existing committee to provide ongoing oversight to assessment process. (H)
3. Increase the value of the publications to members.
 - a. Require Hedberg conveners to provide a summary article for publication and encourage speakers to provide expanded abstracts for publication. (H)
 - b. Investigate remote publishing sites and compare with sister societies' methodology. (H)
 - c. Continue to reduce production publication time for Bulletin. (M)
 - d. Solicit Review articles for the Bulletin and the DEG environmental publications. (M)

- e. Review value of entire publications' program and make recommendations for changes. (M)
- 4. Facilitate opportunities for member networking.
 - a. Expand regional meeting opportunities. (H)
 - b. Conduct a membership recruitment event annually at affiliated societies. (M)
- 5. Increase value of Web-based programs and services to members.
 - a. Expand digital access of publications. (M)
- 6. Increase retention of young professionals and students.
 - a. Develop a plan to increase the number of affiliated society members to become AAPG members. (H)
 - b. Develop and implement a plan to increase the number of student members transitioning to active membership. (M)
 - c. Develop a plan to increase the number of associate members. (M)

Goal Area: Financial Stability

Maintain an annual balanced budget (+/- 3%).

Strategic Objectives:

- 1. Increase the Foundation's fundraising program.
 - a. Develop a fundraising program to double the Foundation portfolio by 2008. (H)
- 2. Increase the diversity of AAPG's income stream.
 - a. Conduct program assessment annually and develop multiple profit centers and eliminate non-essential programs. (H)
 - b. Research other associations for income diversification opportunities. (M)
- 3. Increase revenue from APPEX, international and annual meetings and publications.
 - a. Improve publication selection process using a value vs. income generation approach. (H)
 - b. Develop and implement a plan to offer continuing education units at annual meeting. (H)
 - c. Identify and implement opportunities to increase revenue from meetings and expo by 10 percent. (L)
- 4. Increase training partnerships with companies, NOCs, and government agencies.
 - a. Continue to partner with sister societies in offering training courses. (H)
 - b. Continue to develop training partners program. (H)
- 5. Reduce expenses where appropriate.
- 6. Increase profitability of educational programs.
- 7. Increase sustainability of Research Conferences.
- 8. Increase profitability of Datapages/GIS.

Goal Area: Worldwide Presence

Evolve into a global association strategically, responsibly and to the benefit of the membership.

Strategic Objectives:

1. Increase member's knowledge and understanding of globalization.
 - a. Conduct rigorous analysis of membership dynamics both current and future. (H)
2. Increase member support for the advantages of a global organization.
 - a. Gather information on associations that have transitioned to globalization. (H)
 - b. Gather information on worldwide economic development, petroleum industry activities and geoscience educational trends. (L)
3. Sustain value and participation in all sections and regions.
 - a. Analyze the structural, financial, and organizational changes and impact to becoming a more global organization. (L)

5-10 YEAR PLANNING HORIZON

~ MEGA ISSUES ~

***Mega issues** are issues of strategic importance, which represent choices the organization will need to make in defining the ultimate direction of its long-range plan. These issues represent potential impediments to achievement of the Envisioned Future, and form a basis for dialogue about the choices facing the organization. These questions can serve as an ongoing “menu” of strategic issues that, using a knowledge-based approach in gathering insights relative to AAPG’s strategic position and directional choices for each of the issues, can be used by the board to create regular opportunities for strategic dialogue about the issues facing the industry.*

Mega-Issue Questions

1. How does AAPG engage early career professionals so that they retain their membership?
2. How does AAPG get more people to join our profession?
3. Should the AAPG consider merging with other sister societies?
4. How will this organization balance the declining interest in petroleum geosciences of North America students with the increasing global demand for energy?
5. How will AAPG address the increasing the interest in alternative energy technologies?
6. How can AAPG be more effective in improving the involvement of underrepresented groups in North America in the geoscience profession?
7. How can AAPG create an endowment?
8. How can AAPG assist in changing the public’s perception of the “oil industry?”
9. How can AAPG use our divisions more effectively?
10. How can AAPG increase visibility/recognition at geoscience universities worldwide?
11. How can AAPG truly become a global geoscience organization?
12. How does AAPG engage and retain new professionals?
13. How does AAPG retain semi-retired professionals in our association?
14. How should AAPG better disseminate energy-related research and knowledge to our members and the public?
15. How can AAPG encourage increased membership participation in the work of the Association?
16. How does AAPG bring the issues of sustainable resource exploration and development into K-12 and undergraduate and graduate classrooms and research?
17. What can AAPG do to bring better science to federal environmental and land management sciences so as to facilitate appropriate energy development?
18. What can AAPG do to lead all of the profession to a coordinated and funded public outreach program?
19. How does AAPG maximize the availability of information and data to members in a timely and cost effective manner?
20. How can AAPG assist members with personal career development throughout the career spectrum?
21. How does AAPG operate to maintain a balanced budget and create a small surplus?
22. Is Tulsa the best place for AAPG headquarters?
23. How does AAPG get management “buy-in” to the Association so as to allow geoscientists to publish their work?

24. How can research be rekindled?
25. How can AAPG leadership better represent the future organization?
26. How can AAPG influence more earth science students to enter the petroleum industry?
27. How does AAPG address the instability in the industry?
28. How can AAPG positively affect employment opportunities for its members?