


*THINKING & PLANNING
STRATEGICALLY*



*In early June 2010, the Society for Mining,
Metallurgy and Exploration, Inc.
met to come to consensus on what will
constitute its success in the future.*

This is that direction...



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On June 4 - 6, 2010, a strategic planning group consisting of all Board members and senior staff of the Society for Mining, Metallurgy and Exploration, Inc. (SME) met to update its long-range strategic direction. Bud Crouch, a principal partner of Tecker Consultants, LLC and president of Innovations Plus led the group through the planning process.

This planning document defines SME's clear strategic direction. It is the planning group's consensus on what will constitute the Organization's future success. It answers the following two fundamental strategic questions:

1. Why will SME exist in the future? *Its reason for being and core purpose.*
2. Where is SME going? *Its future direction and goals.*

Planning Strategically:

The existence of this strategic direction and its successful implementation signals the leadership team's desire to lead SME strategically. Developing a strategic direction is not a one-time event, but an ongoing commitment and process. The strategic direction represents a compass that will be used to guide and focus SME's future strategic decision-making and ongoing operational work.

Strategic Focus:

Organizational strategic focus or intent is very important. One of the challenges that SME faces is the fact that there is more it can do than it has resources to accomplish. The temptation to do everything can lead an organization to try to be all things to all people. Planning strategically is the counter to the all-things syndrome. It is about identifying a limited number of goals that SME must undertake to move successfully into the future.

Strategic Approach/Philosophy:

The approach in defining the new strategic direction was not to identify what SME wants to continue doing today (its current operational plan). Rather, the team determined what the organization is not doing today, but must engage in to be successful in the future.

This strategic direction is not about business as usual — ***it is about the change needed to stay relevant!*** This separates the strategic plan from the operational plan. Both are important. The strategic direction is a constant reminder, as the leadership team oversees the development of the annual operational plan, of what must be changed to stay relevant to what members are seeing in their real world.

Updating the Strategic Plan:

A strategic plan can only stay current and relevant if SME insures that the plan is updated. It is the leadership team's *working document*. Therefore, the governing body has both the right and the responsibility to:

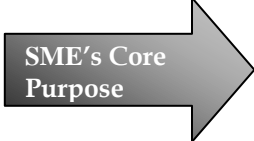
- 1) change the strategic plan anytime it needs to be changed based on sound reasoning and assessment; and
- 2) Update the plan regularly on an ongoing basis.

Long-Range Strategic Planning Horizon (10 to 30 Year Envisioned Future)

A 10 to 30 year planning horizon was developed, which consists of SME's core ideology and 10 to 30 year envisioned future.

Core Ideology/Mission clarifies what must be preserved in an environment of increasing rapid and unpredictable change. Core ideology consists of SME's core values and core purpose.

The ***core purpose*** describes SME's very reason for being or existing — *why the organization will or should exist into the future* (10 to 30 years). What would be lost if it ceased to exist? What sense of purpose will motivate members to dedicate their creative energies to SME and its efforts over a long period of time?

 ***To be THE resource and advocate for the mining community.***

Core values are a small set of timeless, guiding principles that do not require external justification. They only have intrinsic value and importance to SME. Core values are so fundamental that they seldom change — *if at all*. They define the behavior required in order for the organization to achieve its core purpose. Core values are so deep-seated and valid that SME would preserve the core values even if it were admonished for having these values.

 ***We believe in:***

- ***Members first***
- ***Ethical behavior***
- ***Partnering and networking***
- ***Professional excellence***
- ***Customer satisfaction***
- ***Knowledge sharing***
- ***Innovation***
- ***Educational support***
- ***Inclusiveness***
- ***Accountability***

The **10 to 15 year envisioned future** consists of a single, **big audacious goal (B.A.G.) or vision**. The B.A.G/vision is a goal (that is SME's vision statement) that stretches beyond its current three to five year goals. Because it is "audacious" it represents a significant challenge and its achievement will require SME to move outside of its comfort zone. It is clear and compelling to all members. It has a clear finish line which will take both time and a hard work to accomplish. The goal should stimulate leadership activity, commitment and participation beyond SME's present leadership. It helps to set the direction for the succession of future three to five year strategic plans.



SME will be recognized internationally as the leading professional mining organization.

A vivid description helps to clarify what is intended by the goal. It describes what the mining profession and SME will look like when it successfully completes its Big Audacious Goal. It also provides measureable achievements (milestones).

World Mining:

- ◆ ***Improved understanding of mining.***
- ◆ ***SME is proactive in increasing communication and coordination among mining societies worldwide.***
- ◆ ***More students interested in the profession.***
- ◆ ***Increased sustainability of the mining industry.***
- ◆ ***Mining is more accepted as a profession.***
- ◆ ***The collective mining industry has more political clout.***

SME:

- ◆ ***has significant growth in membership in all countries that mine or tunnel.***
- ◆ ***operates on five continents.***
- ◆ ***is the international mining technical content leader.***
- ◆ ***is sought by the international industry, educators, and governments for mining, technical information and consultation.***
- ◆ ***has many partnerships and coalitions with other global technical societies.***
- ◆ ***is financially secure and stable and has a minimum of 12 months of operating costs in reserves.***
- ◆ ***has an active Foundation and a twenty million dollar endowment fund.***
- ◆ ***is more valued by mining company CEOs.***
- ◆ ***enjoys very interactive relationships with CEOs of all major mining companies.***
- ◆ ***supports strong mining schools with Ph.D. programs.***
- ◆ ***has expanded Mii program that includes more products and reaches more teachers.***

Strategic 3 to 5 Year Goals



The following represents SME's goals that encompass its three to five-year direction. These goals are outcome-oriented statements that lead SME towards its envisioned future. These goals are not in any order of priority. All of the goals will need to be accomplished, if SME is to fully achieve its three to five-year quest.

In 2016:

- Goal A. *SME will be its members' indispensable resource for professional services.***
- Goal B. *SME will be the primary resource of mining and underground construction information for all stakeholders.***
- Goal C. *SME will maintain a financially secure and stable organization in order to execute its strategic plan.***
- Goal D. *SME will establish strategic partnerships/relationships, alliances and coalitions.***
- Goal E. *SME will review and reshape its infrastructure to better align with and support its strategic plan.***

LONG-RANGE GOALS & STRATEGIES



Strategies indicate how SME will organize, focus and expend its resources and actions to maximize its effectiveness and efficiency in achieving its three to five year goals. The strategies must be reviewed and updated on an annual basis.

The strategies were rated in importance of when they should be undertaken (implementation timing). The three ratings include:

High: *Work on this strategy must be undertaken in the next program/fiscal year.*

Medium: *Work on this strategy should be undertaken in the next program/fiscal year if at all possible.*

Low: *Work on this strategy can wait until a subsequent program/fiscal year if necessary.*

Indicators of Achievement are used to determine the overall progress toward a goal. They indicate how close SME is to achieving a goal as it executes the individual strategies for each goal. ***The indicators of achievement measure goal achievement, not strategy achievement.***

Goal A: *SME will be its members' indispensable resource for professional services.*

Strategies:

- A1. **(High)** Upgrade SME's website to be more reliable and user friendly. Strategic committees need to prioritize web-based initiatives, including:
- education,
 - meetings,
 - networking, and
 - outreach.
- A2. **(High)** Strategically review and rejuvenate the local Section organizations (national and international).
- A3. **(High)** Implement the following changes in the annual meeting by:
- increasing the number of regional and topical meetings;
 - improving the meeting value and quality;
 - increasing meeting attendance;
 - developing international meetings; and develop protocols for joint meetings with like societies (e.g., CIM, IOMMM, AUSIMM, etc) and
 - developing online meetings.
- A4. **(Medium)** Increase the number of printed published products, including:
- keeping the pipeline full;
 - continuing E-Books; and
 - developing promotional materials (print and electronic only).

Indicators of Achievement:

- An increase in:
 - ⇒ regional meetings by 25 %.
 - ⇒ attendees at the annual meeting to 7500.
 - ⇒ SME membership.
 - ⇒ the diversity of membership.
 - ⇒ non-dues revenue.
 - ⇒ positive membership feedback.
 - ⇒ members' interactive hits on the website.
- The existence of:
 - ⇒ a significantly improved website.
 - ⇒ one international meeting bi-annually beginning in 2011.
 - ⇒ online meetings.

Goal B: *SME will be the primary resource of mining and underground construction information for all stakeholders.*

Strategies:

- B1. **(High)** Expand online offerings and links to information about mining and natural resources to key stakeholders and the public.
- B2. **(High)** Identify and deliver new Mii products and curricula to SME stakeholders.
- B3. **(High)** Provide factual mining information to policy makers and the general public.
- B4. **(Medium)** Capture meeting content for wider dissemination (especially using new networking technology).
- B5. **(Low)** Expand hard copy offerings in books and magazines.
- B6. **(Low)** Better educate the public and key stakeholders by developing. It is essentially the same thing and should be High priority.)
 - a list of standard responses to common questions
 - a detailed list and location of current information resources
 - whitepapers

Indicators of Achievement:

- An increase in:
 - ⇒ the number of interactive hits and downloads of all web based products.
 - ⇒ print and web-related publishing revenues.
 - ⇒ use of Mii products in schools and by members.

- ⇒ Mii sales.
- ⇒ number of Facebook fans.
- ⇒ requests for speakers.
- The existence of an improved public section on the updated SME website.

Goal C: *SME will maintain a financially secure and stable organization in order to execute its strategic plan.*

Strategies:

- C1. **(High)** Review SME's current budget process by:
- preparing it annually;
 - getting input from staff about plans and programs to be accomplished;
 - reviewing and revising;
 - soliciting input from the board and members;
 - getting finance committee review and board approval; and
 - holding a periodic internal review and adjustment (situations are dynamic).
- C2. **(High)** Develop an analysis/assessment/protocol for all current and new SME programs and services, including:
- financial performance and viability;
 - the value to members;
 - evaluating financial viability;
 - evaluating the quality; and
 - recommending that some programs need to be discontinued and their resources reallocated to new programs.
- C3. **(High)** Seek continuous financial improvement (e.g., revenue generation/cost control).
- C4. **(High)** Review SME's investments and reserves by:
- having a periodic risk management assessment;
 - developing a strategy to achieve modest growth and minimize the downside risk; and
 - sustaining SME's future viability and financial stability.
- C5. **(High)** Develop strategies for increasing new sources of funds via:
- planned giving,
 - sponsorships,
 - endowments,
 - special programs and services; and
 - building/room naming rights.

C6. **(High)** Conduct a foundation viability review.

Indicators of Achievement:

- An increase in:
 - ⇒ successful audits.
 - ⇒ member satisfaction while controlling costs.
 - ⇒ revenues.
 - ⇒ the loss of ineffective programs.
- The existence of:
 - ⇒ improved SME balance sheet and income statement.
 - ⇒ cost control.
 - ⇒ protocols for formal viability analysis of all programs.
 - ⇒ successful fundraising programs.

Goal D: *SME will establish strategic partnerships, relationships, alliances and coalitions.*

Strategies

- D1. **(High)** Expand OneMine to include other organizations as a relationship builder (AUSIMM, IMMM, CIM, and NMA).
- D2. **(High)** Court similar societies leading toward civil union such as: UCA, TAC (Canadian), MTA (Mexican) as well as IMMS, ISEE (blasting), CPSA, and MMSA, etc.
- D3. **(High)** Develop relationships with trade and government associations with an initial focus on co-hosting conferences (e.g., NMA, NWMA, CMA, Nev. MA, SEG, ITA, NSSGA, NIOSH) and international organizations.
- D4. **(Medium)** Engage universities in SME's mission, for example:
- faculty/industry link,
 - student/industry link,
 - SMETECH content,
 - International, and
 - members.

Indicators of Achievement:

- An increase in:
 - ⇒ successful strategic partnerships.
 - ⇒ joint ventures with partners.
 - ⇒ political clout in common issues.

- ⇒ members from civil union.
- ⇒ effective interaction with universities (programs, SME Tech, OneMine).

Goal E: *SME will review and reshape its infrastructure to better align with and support its strategic plan.*

Strategies

- E1. **(High)** Evaluate and reshape as appropriate the structure/task and process of current SME committees this year through:
- reviewing charges;
 - reviewing job descriptions;
 - establishing and refining refocused strategic plan needs;
 - implementing changes in structures;
 - evaluating what IT now needs; and
 - establishing metrics of current infrastructure.
- E2. **(High)** Evaluate and reshape as appropriate staff's IT structure and use (Advocacy – Clear scope of what info is needed? What format is desired and timing?).
- E3. **(High)** Look at the volunteer force's return on time (ROT) and establish ways to promote recognition, motivation and mentoring as a key to volunteers.
- E4. **(High)** Review the relationship between SME and SMEF (current and desired).
- E5. **(High)** Evaluate SME's current fundraising process by determining:
- current funding,
 - long term funding,
 - gifting, and
 - diversification of sources.
- E6. **(Medium)** Review where SME headquarters need to be located in the future (DC and international). What are the needs of our stakeholders?
- E7. **(Medium)** Evaluate the infrastructure for marketing and outreach through branding, publications, membership, IT Tech, SME outline, OneMine and OneTunnel.
- E8. **(Low)** Evaluate SME's education efforts infrastructure through:
- assessing the relevance of meetings, seminars and programs,
 - Mii roles,
 - GEM roles, and
 - the academic community.
- E9. **(Low)** Evaluate the young leaders program for sustainability.

Indicators of Achievement:

- An increase in:
 - ⇒ effectiveness and efficiency.
 - ⇒ staff performance.
 - ⇒ the number of volunteers.
 - ⇒ return on time.
 - ⇒ net revenue.
 - ⇒ sustainable improvement
- A decrease in costs and expenses.
- The existence of:
 - ⇒ peak performance
 - ⇒ an improved IT structure.
 - ⇒ a clear scope of what information is needed.

STRATEGIC ASSUMPTIONS



The respondents identified the following assumptions about the most significant, future (two to seven years) external conditions, trends and major forces, etc. that they believe will impact SME in the future

Global Impacts on Mining:

1. The over regulation and the shortage of critical metals and minerals are shifting the center of gravity of the industry away from US.
2. Government regulations are having a significant impact on mining worldwide.
3. Access to minerals is currently in the most politically stable countries.
4. The mining industry and profession are going to have to be able to work in difficult governmental environments.
5. The populist movements in developing countries create an environment where more exploration and mining are occurring.

Governmental/ Environmental Issues:

6. There is an absence of an energy and minerals policy in the US.
7. Currently, there is a very hostile domestic political environment towards mining.
8. Continuing environmental pressure leading to fewer mining operations in the US.
9. There are increasing negative political trends associated with mining (anti-coal movement, mine permitting, environmental regulations, etc.).
10. There are increasing movements by governments to increase taxes on mining operations.
11. There are increasing restrictions on access to federal and state lands for exploration (particularly for uranium and coal).
12. Increasing requirements to mining sustainability will have a major impact.

Financial:

13. Currently, we are all being impacted by the global economy.
14. A significant issue is the uncertainty of what will occur concerning the expanding economies of China and India.
15. The mining industry goes through cyclical downturns.
16. There are increasing financial obstacles impacting mining including a shrinking industry, mergers, increased costs, and a very weak economy as well as instability in the capital markets.
17. Research for mining, funding in universities and in the mining industry, are significantly diminishing.

Energy:

18. Because of the potential decline of coal mining, there is a need to focus on alternative energy sources and independence in the US (e.g. Marcellus shale, oil spill, coal gasification, liquidification).

Changes in the Mining Profession and Industry:

19. A significant future challenge is the growing lack of a younger workforce to replace retirees. The continued shortage of young people and lack of qualified professionals coming into mining and related fields is the most problematic issue that the industry/profession faces.
20. There is continuing pressure on the few remaining US university mining programs (BS, MS, and PhD) to maintain faculty, degree programs, funding, and enrollment.
21. There is a need for better educated professionals, improved technologies and research.

Brand and Image of Mining:

22. Mining as a whole is currently a very unpopular industry socially, politically and in the media. There is a need to significantly improve mining's image.
23. In the US, there is a growing negative view of mining, particularly coal, by the government and radical environmental groups that potentially could do great harm to the industry. This could easily spread internationally.
24. The public has a very detached understanding of the resource requirements to maintain their current quality of life and standards of living.
25. Too much bad science gaining public acceptance in explaining industrial accidents.
26. A positive trend is the increasing demand for mineral-derived goods, improving awareness of safety and health issues in mining business and operations.

Legal Issues:

27. Mining companies and mining professionals are increasingly dealing with more legal liabilities.

Mega issues are overriding issues of strategic importance that cut across multiple goal or outcome areas. They address key strategic questions that SME must answer, illuminating choices that the organization must make and challenges that need to be overcome to better serve its members, fulfill its purpose or mission and to successfully move into the future.

Strategic Questions:

1. What is SME's mission and reason for being? Does SME need to redefine its mission and goals in light of the new political arena and growing demand (requirements) for alternative energy sources and position itself to become a truly international association?
2. What is the mission and role of SMEF in the future?

SME Brand, Image and Reputation

3. How can the Society better communicate realities and ideals pertaining to the mining industry and its activities and impacts to governments and society?

Financial

4. How can SME increase its future financial stability?

Membership:

5. How does SME stay relevant to the success of its members, how can it prioritize the choices that need to be made because of the finite resources available, and how can it better attract Senior Management to be an active player in the Society similar to PDAC?

Governmental

6. How can SME collaborate with other organizations and become the “*go to organization*” for valid mining education and knowledge by federal, state and local governments?

Technology:

7. How does SME best use technology in the future in its communications and marketing of goods and services?

Strategic Partnerships:

8. How does the Society create strategic partnerships and relationships with sister organizations to improve communication and cooperation to jointly work together on broad issues of concern to worldwide professional organizations?

Volunteers:

9. What will SME have to do to improve involvement from international members?