

GREEN BUILDING INITIATIVE™

GREEN BUILDING INITIATIVE STRATEGIC PLAN

Plan Scope: 2014-2018



LETTER FROM OUR EXECUTIVE DIRECTOR

To GBI's Friends and Supporters:

Thank you for your interest in the Green Building Initiative and in this Strategic Plan. We are excited to present our plan for the 2014-2018 time frame, which represents a roadmap toward what we believe is a bright and promising future for this organization.

The mission of GBI has been clear and consistent since its founding in 2004: *Accelerate the adoption of building practices that result in energy-efficient, healthier and environmentally sustainable buildings by promoting credible and practical green building approaches for residential and commercial construction.*

In developing its strategic plan, GBI performed extensive customer interviews, employed a strategic planning consultant, interviewed key observers in depth, interviewed its Board and staff in depth and hosted a strategic planning retreat for Board members.

When I took over as President in the early days of 2014, GBI had entered a period of significant transition. In 2013, the Federal government acknowledged Green Globes as equal to the market leader for meeting Federal sustainability goals embodied in a 2009 Executive Order by President Obama.

Federal recognition for Green Globes created major opportunities for growing our brand and market share, by updating and expanding our green building rating systems. We are taking advantage of the opportunity to acquire rights to all of the intellectual property involved with Green Globes. We have underway significant new partnership discussions with large national and international organizations, which will broaden our market reach, improve our finances and deepen our technical capabilities. And we have secured funding to update our 2010 ANSI national standard so that, by the end of 2015, we will be able to offer the only true national consensus standard for commercial green buildings.

Our goal with the strategic plan was to take these new opportunities and use them to envision a successful future, define pathways that would lead toward realizing that future and to create a business plan for broadening the reach of our Green Globes and Guiding Principles Compliance rating/certification systems to create lasting market transformation.

Like all strategic plans in a dynamic environment, this plan is a living document, one that we plan to revisit annually. We welcome your participation with GBI as members, supporters, customers and professionals. Please feel free to contact me with your comments, concerns and suggestions for new opportunities. You will find GBI receptive to your input and more than willing to challenge the status quo.

You can reach me anytime: jerry@thegbi.org.



JERRY YUDELSON
GBI President

Jerry Yudelson is a registered professional engineer, a LEED® Fellow and an engineering graduate of Caltech and Harvard University. He holds an MBA with highest honors from the University of Oregon. From 2006-2013, Jerry was president of Yudelson Associates, based in Tucson, AZ, a leading sustainability-consulting firm. He is the well-known author of 13 books in the area of green building, water conservation and sustainable development.

GBI BY THE NUMBERS - 2014

ACHIEVEMENTS IN EDUCATION

Eleven AIA credits were approved for GBI trainings.

11

Five-hundred industry professionals signed up for our Guiding Principles Compliance Personnel designation course.

500

2500
Twenty-five hundred people registered for the Green Globes Professional designation course.

INTERNAL LANDMARKS

10
October 2014 will mark GBI's 10th year of operations.

GBI's board of directors added five new members.

5

4
Four new staff members joined the GBI team.

EXPANDING OUTPUT

GBI will certify 1000 buildings by the end of Q4 2015.

20%
GBI is slated to meet a 20% sales increase in 2014.

2
Two products joined GBI's product line Green Globes Sustainable Interiors & Guiding Principles Compliance for New Construction.



WEBSITE RENOVATION UNDERWAY

In addition to all the other strides GBI has made in 2014, we are also working hard to complete a complete overhaul of our website. Expect to see big changes in Quarter 4 of 2014!

STRATEGIC VISION

1. By 2018, GBI will be recognized as a significant player in the US sustainable building rating and certification market. Its tools for “practical people” will find wide acceptance and use in the marketplace for developing and operating buildings and facilities.
2. By 2018, GBI will provide 25% of the total market for sustainable building rating and certification systems. GBI will increase its membership to 100 companies by the end of 2015 and will become more broadly represented in the US building industry.
3. Through its marketing activities, GBI will become known nationally as the green building system for “practical people” and will continue to serve the needs of the vast majority of design firms, contractors and building owners/facility managers, using its “assessor delivery model” and a practical approach to documentation.
4. Our products will continue to address current and emerging market needs and we will think and act like a software company that serves the building industry.

PAPADAKIS INTEGRATED SCIENCES BUILDING

The Papadakis Integrated Sciences Building on the campus of Drexel University in Philadelphia is a Green Globes and LEED dual-certified structure. It was the subject of a Drexel University-implemented comparative study that found Green Globes' overall project costs to be 14.92% lower than those of LEED.



SITUATION ANALYSIS

GBI faces a well-established competitor, the US Green Building Council, whose LEED system controls about 95% of the current market for green building certifications with a broad network of chapters and accredited professionals. Yet the current total number of certifications has reached less than 3% of the US nonresidential market (by building area) and less than 1% of the market (by number of buildings), primarily because of the cost and complexities of using the market-leading rating system. In addition, the market leader's project activity in the US has ceased to grow, essentially holding at a steady level the past two years.

As a consequence, GBI believes that the addressable market is much larger, both in total and in key segments such as retail, healthcare, education and smaller office buildings (80% of US commercial buildings are less than 100,000 sq.ft. in area and 50% are less than 50,000 sq.ft.). Additionally, market penetration varies dramatically by region, creating opportunities for GBI to have a focus and differentiation strategy based on both cost/user experience and geographic region.

Moreover, we believe that the market leader has moved away from its primary focus on the US building market by adopting a strategy of global domination for its rating system, creating opportunities for GBI and Green Globes in the US with a more focused strategy.

Finally, we believe that the next iteration of the US Green Building Council's LEED system, version 4, which becomes effective for all projects in June of 2015, creates an opportunity for a smaller, more nimble competitor to take market share in the existing green building markets, while building a base for future expansion into underserved markets.

These changing market trends and new opportunities have helped define the challenges we must address in order to realize our strategic vision:

- Stay financially healthy to allow strategic plan actions to take effect
- Raise the funds needed to complete a strategic acquisition
- Offer a genuine value proposition that has marketplace validation
- Segment markets to grow in retail, healthcare, smaller office buildings, and multifamily project certifications
- Develop sales channels for effective revenue growth, initially by leveraging the efforts of 2500+ GGP accredited professionals, along with opening channels with partners
- Find the revenue sources to allow GBI to fund new product development and to build on our vision of GBI's future as a software company focused on the building industry

STRATEGIC OBJECTIVES

1. Gain control over the Green Globes brand and Intellectual Property (IP)

Team: President and management team

- Tasks: 1.1 Raise \$200,000-\$250,000 for purchase of all IP by close of Q3 2014
1.2 Complete acquisition by end of Q3 2014

2. Develop a clear membership plan that increases corporate and trade association membership to at least 100 by close of 2015, broadens the industries represented, and increases the benefits of membership

Team: Board, President and management team

- Tasks: 2.1. Membership dues fund product development, so GBI needs to identify and reach out to corporations, trade organizations, and other organizations that would directly benefit from the development of products in our pipeline

3. Grow GBI's market presence so that GBI provides 25% of all green building certifications and GBI's gross revenues reach \$10 million by 2016 and \$20 million by 2018

Team: President, management team, GGP's and partner organizations

- Tasks: 3.1 Develop and implement a robust marketing plan that includes: market segmentation and prioritization with a focus on end users, including portfolio managers, building developers, owners, operators and facility managers; and an aggressive approach overall to social media and face-to-face marketing operations (by Q4 2014)
3.2 Launch a re-branding campaign for Green Globes that reflects strategic acquisition and other partner relationships, as appropriate (to launch in Q1 2015)



WHOLE FOODS MARKET

To date, almost 50 Whole Foods locations have been certified or are now in the Green Globes process.

Green Globes is ideal for retailers like Whole Foods Market due to its integration with the ENERGY STAR® program, which includes supermarkets as a building occupancy category, and because it accommodates different building scenarios by not applying penalties for inapplicable features.

4. Offer our targeted markets a preferred tool for green building certification and performance verification, with a further goal of bringing in 20% of revenues each year from new products and services, starting in 2015

Team: President, Technical Team and Outside Experts

Tasks: 4.1 Update and streamline Green Globes for Continuous Improvement of Existing Buildings (CIEB) rating system, creating Green Globes for Operational Excellence (GG OE)

4.2 Initiate ANSI periodic maintenance process for Green Globes for New Construction product (begin by Q3 2014) and finish by Q4 2015

4.3 Move Green Globes for Sustainable Interiors from pilot to full product (by Q2 2014) and include its credits in the GG NC ANSI certification process

4.4 Raise \$750,000 to \$950,000 for 2014-2015 product development and sales efforts via a partnership arrangement with major national nonprofits (by end of Q3 2014)

4.5 Complete development and launch pilot for streamlined version of GG-OE on one or more web-based platforms, aka “energy dashboards” (by Q1 2015)

4.6 Fund a small, one-person (plus consultants) research operation to develop new products/services (by Q2 2015)

Internal: 5a. Take GBI “from good to great” with systems, policies, procedures that better connect staff, streamline operations, and position GBI for growth

Team: Shannon

Tasks: 5a1. Identify and do away with systems that are either redundant or have otherwise outgrown their usefulness

5a2. Create an organization chart for the \$10-\$20 million operation of 2018; identify “tipping points” for key hires

5a3. Create a budget that aligns organization for aggressive growth in 2015 (Q4 2014)

5a4. Establish annual retreats for “big look” at strategic plan (Q2 2015)

Board: 5b. Further increase the strength of GBI’s Board through a plan to recruit, retain, and engage top talent in the field of green building, manufacturing, nonprofits and building management/operations

Team: Jay Thomas, Board President and other Board members

Tasks: 1.1 Create plan to bring in new members who can help meet strategic goals (Q3 2014)

1.2 Launch a Marketing Committee to provide a sounding board and networking assistance for in-house marketing and sales staff (Q3 2014)

1.3 Create a Research and Product Development Committee (Q1 2015)



ABOUT THE GREEN BUILDING INITIATIVE

The Green Building Initiative is a nonprofit organization and ANSI Standards Developer dedicated to accelerating the adoption of building practices that result in energy-efficient, healthier and environmentally sustainable buildings by promoting credible and practical green building approaches. Founded in 2004, the organization is the U.S. provider of the Green Globes® and Guiding Principles Compliance building certification programs.