

# BUSINESS PLAN ENEP 2014-2016

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## **1. Introduction**

### **1.1. Background and Aim**

ENEP has had a history of more than ten years during which it strongly grew in membership. This has resulted in an organization that via its member associations unites some 40,000 environmental professionals across Europe and across many professional fields and specialist areas. This is quite an achievement; it has resulted in a strong basis upon which to unite environmental professionals throughout Europe.

ENEP has laid down in its policy statement four goals:

1. To facilitate and stimulate knowledge exchange across the network;
2. To provide informational and other services to its members<sup>1</sup>;
3. To promote the recognition of environmental professionals;
4. To influence European environmental policies based on sound insights.

In line with the first two goals, ENEP has over the years carried out a number of activities for its professionals, such as:

- Publishing a monthly Newsflash about EC legislation;
- Influencing Policy development via the efforts of Working Groups such as those on Biodiversity and on Environmental Management Systems;
- Providing and maintaining a web based platform for internal networking;
- Maintaining a Website, which was launched recently in a completely renewed form.

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<sup>1</sup> Depending on the context, the words 'members' or 'membership' in this memo point to the formal ENEP members, the Associations, or the joint body of the Associations' members.

Recently, the following were introduced:

- Webinars dedicated to current environmental issues;
- Internal newsletters to members regarding funding opportunities and the work of the ExCo.

Looking at the strategic goals mentioned as 3. and 4. above, ENEP has thus far played a modest role as the representative body of its members in Brussels, a.o. via its annual participation in the European Green Week.

It is the purpose of this business plan and the related decisions to be taken to break the current vicious cycle of lack of resources - inactivity - inability to achieve stated goals that will be described below. It will challenge ENEP's ambitions, implementation capacity and financial sustainability. We aim to prepare ENEP for the next five years to become an attractive umbrella organisation that will truly unite and serve environmental professionals throughout Europe, and inspire them to activate their network.

### **1.2.Key Problem**

Despite its geographical and professional coverage and despite its number of members, ENEP has displayed an activity level that has been relatively modest due to severe financial and manpower constraints. These are caused by the fact that all of ENEP's day-to-day activities have been carried out by a voluntary Executive Committee and two professionals who provide administrative and networking/project support in very limited part-time roles. Only a small number of individual members (certainly less than 0.5% of the total membership) participate actively in the ENEP's Working Groups. Mobilising more individuals would require a considerable investment of extra time by the ExCo members, the Project Officer and/or the Coordinator.

Over the last five years, ENEP's member associations have clearly voiced their dissatisfaction with this activity level – with different Associations demanding more activities in the different strategic areas.

ENEP's current income level however forbids a higher activity level unless delivered by unpaid volunteers. The Federation's income consists solely of membership fees, which have been at a level of €1 p.a. per member since ENEP was founded in 2002. This falls short to cover the current expenditures, and thus over the last few years ENEP has been consuming part of the reserves created in a more distant past. In intensive efforts to improve this situation, in the last two years ENEP invested twice in the preparation of a bid to acquire a grant from the EC within the framework of the 'Life+' programme; both efforts were in vain.

There has been no capacity to develop other income sources (e.g. an extensive corporate sponsorship programme; recruitment services to corporations based on the extensive professionals database; or marketable services to environmental professionals) and so the financial situation has not improved.

As has been stated before, a fundamental discrepancy thus exists between the goals and ambition of ENEP and the means it has available to pursue these. A strong imbalance is evident between ENEP's

size and its impact, between its goals and its visible activity. This imbalance must be cured if we want to exploit ENEP's great potential and to avoid disappointed member Associations to start to walk away and to initiate a race to the bottom.

### **1.3. Resulting Specific Bottlenecks**

The following specific issues are closely interrelated and connected to the fundamental problem stated above. One issue is the **low awareness among environmental professionals**: only a small number of environmental professionals are aware of the existence, let alone the activities of ENEP. Consequently, only a small number of professionals have made connection with the existing internet Platform and even fewer are active users.

As depicted, **manpower limitations** have prevented the organisation from generating more activities. The available manpower can only do part of the time-consuming work of defining, activating, energising, guiding and supervising the work and potential contributions of volunteers in the member associations. As a result, the total number of active persons in the organisation is as low as indicated above.

Another bottleneck relates to **outdated support systems**, such as the Platform and the very cumbersome communication lines with the member associations' secretariats. They are rudimentary or in dire need of modernisation.

Back to the core problem: as stated, **funds are lacking** to compensate for the lack of manpower to strengthen the ENEP bureau in Brussels and to do more work in the areas of ENEP's prime organisational goals.

### **1.4. Potential solutions and actions for 2014-2016**

Enhancing the awareness among environmental professions is a key issue. ENEP can not survive in the long term without an active participation of its individual members. The main actors to contribute to this solution are the Member Associations themselves, who are in close contact with their individual members. A first step would be an active communication among all member Associations to their individual members about ENEP initiatives, webinars, website and platform.

Manpower limitations can be overcome, either by having more volunteers on board (whose guidance will require much more work by ExCo or by professional staff), or by increasing paid resources such as ENEP's Project Officer and Coordinator<sup>2</sup>. The ExCo has already initiated to increase the number of ExCo-members of 5, to distribute her workload slightly more evenly. The lack of any form of expense reimbursement is becoming an issue though, and the number of available candidates barely meets our needs<sup>3</sup>.

Recently, the ExCo has launched a new website and it is currently assessing the use of videoconferencing tools in order to modernise its support system. The current platform has become outdated and needs an upgrade or probably complete renewal to become more user friendly and less labour intensive, in terms of maintenance costs (€ 2.000/yr). ENEP will therefore invest in a new

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<sup>2</sup> Who consistently put in much more time than warranted by their compensation

<sup>3</sup> In the upcoming elections, the number of candidate VP's just matches the number of vacancies; and please be reminded that our previous Treasurer (Jim Thompson) had to stay on an extra year for lack of a successor.

platform to attract more professionals and create a real virtual network. Improving operational communications with the secretariats of the Member Associations is something the ExCo would like to discuss with the GA.

Other than increasing ENEP's only source of income – its membership fees – the only option left is to cut ENEP's ambitions. (Of course, ENEP will also continue to try to expand its membership, and thus its fee income.)

## **2. Scenarios for our Future**

In the latest General Assembly meeting in Brussels it was agreed that the Executive Committee would refresh the existing business plan, to allow each member to make a balanced judgment of the options to be chosen from.

### *Activity List and Scenarios*

In the following, you will therefore be presented with:

- An overview of the activities that ENEP currently carries out or is planning to start, with their associated cost in terms of Volunteer/ExCo time, Professional staff time, and out-of-pocket expenses; this overview can be seen as a storage room of relevant activities that could be selected.
- Four different scenarios for the years 2014-2020. Each scenario has been composed of subsets of the activities from the storage room, chosen in such a way that they will combined serve the purpose of each scenarios to the best extent possible.

As a general background to all scenarios, we have established the following four strategic ENEP targets for the short term:

1. To promote and support the role of the European Environmental Professional;
2. To exchange and facilitate the exchange of environmental information, experience and knowledge;
3. To contribute qualitatively to the EU environmental policy development;
4. To ensure a sustainable ENEP in the long term.

Three things should be noted regarding the list of activities in the storage room:

- a. The activities have been grouped according to the four targets mentioned.
- b. The storage room contains all the activities ENEP that is familiar with because they are being carried out or because they have been discussed as things to be done. There are also a few new activities that very logically follow from the purposes defined, but the storage room does not list any wildly imaginative, novel ideas as this would unnecessarily complicate the discussion. (After a scenario has been chosen and its financial implications accepted, within the boundaries thus set, new activities can of course be defined in a subsequent stage if so desired.)
- c. The time and cost associated with each listed activity can of course be reduced, but this often cannot go without serious quality consequences, and for some activities there is simply a

base minimum: here it simply takes x hours to get y done, based on ten years of experience – e.g. doing the bank account bookkeeping work. Some activities should simply be scratched completely if they are seen to take too much cost or time.

### *Allocating Cost to Activities*

It is important to note that in this approach, we have associated each activity with all its required resources, including the man-days to be delivered by the Coordinator and the Project Officer (and, in one scenario, a future secretary). These associated man-days result from a careful assessment of the way time has been spent on each type of activity over the past years. By doing this, the cost associated with the paid support staff members have been made transparent: they have been directly connected to the activities they carry out (rather than just to the ‘positions’), a commonly used method called ‘activity-based costing’. Thus, the cost of paid assistants go up or down in direct proportion to the number of activities ENEP chooses to carry out - and not with the all too simple choice of having such assistants or not.

### *The Four Scenarios*

To allow the Association Boards and thus the General Assembly members to get a clear understanding of the choices to be made, we will show four scenarios that each follow from a different purpose for the near future. After describing the four scenarios, we will focus upon their financial consequences and impact on human resources.

The four scenarios are the following:

1. **Match Current Income Level:** the purpose of this scenario is not strategic but purely financial: it is simply to reduce activities to such a level that ENEP will no longer spend more than it currently receives. The following should be noted as important caveats:
  - a. It is assumed that implementing this scenario will not lead to the loss of any member Associations, as it simply assumes that ENEP’s fee income will stay the same.
  - b. Should for any reason the General Assembly not be able to reach a decision regarding the scenario to be chosen and/or its financial consequences, then the ExCo will have to work under the assumption that this is the scenario that was chosen, as the financial bleeding needs to be stopped anyhow. ‘No decision is also a decision.’
  - c. In this scenario the number of paid hours is significantly reduced, resulting in the abandoning of basic activities, the dropping of one General Assembly per year, and leaving a lot of day-to-day work to volunteers to be found (the current work load of ExCo members does not allow a further increase). This scenario does not solve any of the identified bottlenecks other than the financial one – if caveat a. would come true.
2. **Reduce ENEP’s Strategic Goals:** the purpose of this scenario is to balance the ambitions and the means of the Federation primarily by reducing its ambitions. In this scenario, we have chosen to drop all the activities related to “Europe” and EU policy development (think of Green Week, EC contacts and their follow-up, preparation of white papers, EU-related conferences). To further adapt the goals to the means, it will decrease its regular information dissemination to the members (leading to a further cut in the paid staff

hours), it will not do anything about the Platform until at least 2016 or develop the use of existing web applications, and will only have one General Assembly per year.

The following should be noted regarding this scenario:

- a. Alternatively, more aspects of another of our strategic ambitions could be dropped: either “to promote and support the role of the European Environmental Professional”, or “to exchange and facilitate the exchange of environmental information, experience and knowledge” (not, however, the ambition number 4 “to ensure a sustainable ENEP in the long term”, obviously).
  - b. Completely dropping one strategic goal as this scenario does, will impair our capabilities to pursue the others; e.g., if we are no longer in touch with the EC universe, it will be more difficult to provide adequate EC-related information to our members.
  - c. Just as in Scenario 1, we assume that this cut in our scope and activities will not lead to a loss of members and a drop in income.
3. **A Viable Resourced Sustainable Continuation:** the purpose of this scenario is to ensure that we can continue doing the things we do today, and add a few things to better activate and involve our membership network. This scenario is no fundamental change from our current modus operandi, but tries to focus more on its (new) members. In this scenario, ENEP will continue as we know it, pursuing its four strategic goals driven by ExCo and other volunteer work, but with a more effectively developed and managed internal network and communication infrastructure. The following should be noted:
- a. As will be indicated below, this will require a higher fee income level, not only to bridge the current income-expense gap but also to slightly increase the number of activities (impacting the cost factors ‘ICT’ and professional support hours).
  - b. In this scenario, we assume a much larger role of Working Groups; more volunteers will have to be mobilised to implement this successfully.
4. **The ENEP an Outsider Would Expect:** Imagine someone who has never been in touch with our Federation. Imagine this person would read the ENEP’s Statutes and Policy Statement and then think a few minutes with a clear mind about the type of organisation that she would expect to see if it is to properly serve the goals stated in those documents. Following that persons thinking, ENEP becomes a professional NGO, comparable to, e.g., the many organisations we meet in our Brussels office building, with a permanent workplace and a secretariat with someone answering the phone and managing email traffic. Member Associations will receive some professional support in order to bring ENEP forward among their own individual members. More Working Groups will be established and supported in a consistent manner. Volunteers will receive cost reimbursements (if not for Webinar preparation – as is being asked – then at least for hotel, food, travel). The following is relevant to note:
- a. This scenario obviously comes with considerably higher cost. It is not, however, luxurious in any way (minimally feasible hourly rates of support staff, cheap housing in Mundo-B, etc.)
  - b. In this scenario, we assume a constant membership. This means that we do not take into account our increased opportunities of attracting large Associations as new

members due to our enhanced visibility and improved implementation/follow-up capabilities.

In a very schematic way, the four scenarios can be summarised as follows:

Target / Scenario	SC 1: Current Income	SC 2: Reduced Ambitions	SC 3: Viably Re-sourced Contin.	SC 4: What Outsider Will Expect
1. Promote Env. Profess.	0	+ / 0	++	++
2. Info dissemination	--	0	+	++
3. EU policy dev'ment	-	--	+	+
4. Sustainable organisat.	- / 0	+	+	++

Table 1: the impact of the scenarios on the strategic targets.

### 3. Financial implications

The financial implications of the four scenarios are detailed here. Table 2 shows the expenditures, based on the activities as taken from the storage room, shown in the 'Ref.' column. If activities are modified under a scenario, this is marked in the expenditures cells by the yellow blocks. Scenario 1 is the only scenario that exactly balances the estimated revenues of ENEP for 2014, as has been explained. The other scenarios are all to varying degrees more expensive, leading to budget deficits (red numbers in table 2) if revenues stay the same.

Scenario:		SC 1	SC 2	SC 3	SC 4
Expenses in 2014		In €	In €	In €	In €
General Assemblies		1.238	1.238	2.500	12.500
Costs and services of the bank		75	75	75	75
ICT – website and platform		4.000	4.000	9.000	9.000
Financial audit		625	625	625	625
WG activities		4.750	7.000	5.000	8.000
Promotion (Green Week etc)		2.000	0	2.000	2.000
Co-ordinator		4.275	5.625	8.775	39.675
Project Officer		11.400	15.900	25.500	27.900
Office costs at Mundo-B/VDI		1.000	1.000	1.000	5.000
Admin sundries		1.000	1.000	1.000	1.000
TOTAL		30.363	36.463	55.475	105.775
BALANCE (compared to current income)		0	6.100	25.112	75.412

Table 2: Expenditures of the different scenarios in 2014.

Given these levels of expenditures, below the required fees are calculated based on the current fee system (table 3). Under 'Budget 2014' and 'Budget 2020', the total expenditures in both years are presented, the marginal difference being caused by inflation only. 'Est income' is the estimated income of ENEP, given the fee and based on the current membership numbers.

Summary table:				
	Budget 2014	Budget 2020	Fee/member	Est income
SC 1	30.363	32.231	€1,00	34.962
SC 2	36.463	38.706	€1,10	37.091
SC 3	55.475	58.940	€2,95	56.583
			€2,55	56.707
SC 4	105.775	100.229	€7,50	102.083

Table 3: a summary of the fees to be charged under a specific scenario.

Under Scenario 4, besides the increase of the annual fee per member to € 7,50 as shown, also the upper limit of the total fee payable has been increased (from the current € 7.000 limit to € 8.750), to balance the budget without going over the € 7,50 per member. This exercise was repeated for Scenario 3, with an upper limit of € 8.000 and a fee of € 2,55 (refer to the line above Scenario 4), to calculate a similar income for Scenario 3 in an alternative way.

As discussed earlier, the ExCo has also investigated the possibility of an alternative fee system. This alternative fee system would be based on the membership fee that a Member Association charges its regular members (i.e. without considering special fee rates for students, pensioners, unemployed etc.). The model employed has the following additional features:

- The lower fee limit is decreased from the current € 250 to € 150;
- The upper fee limit is set at € 6,500 (higher for Scenario 4: € 8,000) instead of the current € 7,000.
- The fee total is a percentage of the “regular” individual membership fee times the total number of individual members (the number that is also used in our current situation).

The results of that model, showing the required % fits, are summarised in table 4 below.

Summary table:				
	Budget 2014	Budget 2020	Fee % ENEP	Est income
SC 1	30.363	32.231	1,00%	32.828
SC 2	36.463	38.706	1,40%	38.003
SC 3	55.475	58.940	3,10%	56.745
			2,50%	56.909
SC 4	105.775	100.229	8,90%	102.125

Table 4: A summary of the fees, percentage based, to be charged under a specific scenario.

Also for Scenario 3, an alternative calculation was made, based on an upper limit of € 8.000 and a percentage based fee of 2,50%.

*Please note that not all standard fees and/or number of individual members per Member Association were known. Where necessary, an estimate has been used.*

In the separate excel file that accompanies this memo, you will find the models explained here, allowing you to do your own analyses, interpolations and scenario tests. This will help you get an understanding of relationships and sensitivities of changes in factors such as membership numbers, upper and lower fee limits, and individual fee levels to your own Association.

#### **4. Impact on human resources**

Table 5 summarises the different number of days of the paid staff and volunteers of ENEP per scenario.



	SC 1	SC 2	SC 3	SC 4
ExCo	39	35	56	54
Volunteers	51	26	46	78
Project Officer	38	53	85	93
Coordinator	19	25	39	43
Secretariat	n.a.	n.a.	n.a.	200

Table 5: A summary of the manpower in days under a specific scenario.

## 5. Decision Making

As we have announced a few times, we need to make some fundamental decisions about ENEP's future in the upcoming October 2013 General Assembly. We have to bite the bullet together and make choices that will be tough in one way or another. Other than in a body such as the European Commission, we cannot stretch our meeting into the early hours of the next day. And other than the European Commission, your Executive Committee neither has the resources nor the intention to set up intensive preliminary meetings or informal bilateral negotiations to help carve out an agreement. In a certain way, though, the type of financial dilemma we face is not unlike the ones the EU has to deal with among its members. It is about balancing the needs of the common good versus the sacrifice that each of us is able to make. It is about keeping in mind both the ambitions to develop together as a pan-European federation and the limitations we know that others are faced with.

In our General Assembly, the time to reach a joint conclusion is limited to a few hours; we need to make coherent decisions about the preferred scenario, the associated membership fees, possibly some activity modifications within the framework of the chosen scenario... We hope that by playing a little with the spreadsheet provided, you will acquire a good understanding of the interrelations and of the inevitability of some choices – without getting lost in detail.

The preparatory work you see here is by no means perfect – e.g., the outcomes of the activities described could possibly have been made more specific, measurable, etc. – but this is what we, the ExCo team have been able to prepare for you in the time that we could scrape together. We look forward to a fruitful, mature discussion about the course of ENEP!