ANNUAL MEMBER SURVEY

2008

International Builders Exchange Executives

Dear IBEE Member,

We are pleased to present the results of the 2007 Annual Member Survey for your review. Thank you to those who took time to answer the comprehensive online survey from which these results were derived.

This publication contains information and analysis about seven areas of Exchange operations: Organizational Structure; Member Services; Boards and Committees; Marketing; Human Resources; Executive Compensation; and IBEE Membership. For your convenience, we have prepared graphs that illustrate the changes from our last survey in 2005.

IBEE continues to represent the largest collective body of construction professionals in North America. Collectively, our members serve over 70,000 contractors, sub-contractors, suppliers and construction-related firms in the U.S. and Canada. IBEE is dedicated to supporting your efforts through a full array of services, including training, marketing, publishing, and affinity programs. Let us know if you have questions about any of our services.

We hope you find the results of our 2007 Member Survey beneficial to your operation. If you need clarification about any of the material contained in this report, or you would like additional copies, please contact us at (210) 653-3900, or e-mail IBEE at info@bxnetwork.org.

Sincerely,

Frances M. Wagner
IBEE President, 2007/2008
The Builders' Exchange Associate of Virginia

Index of pages

SECTION A:

Organizational Structure

Summary

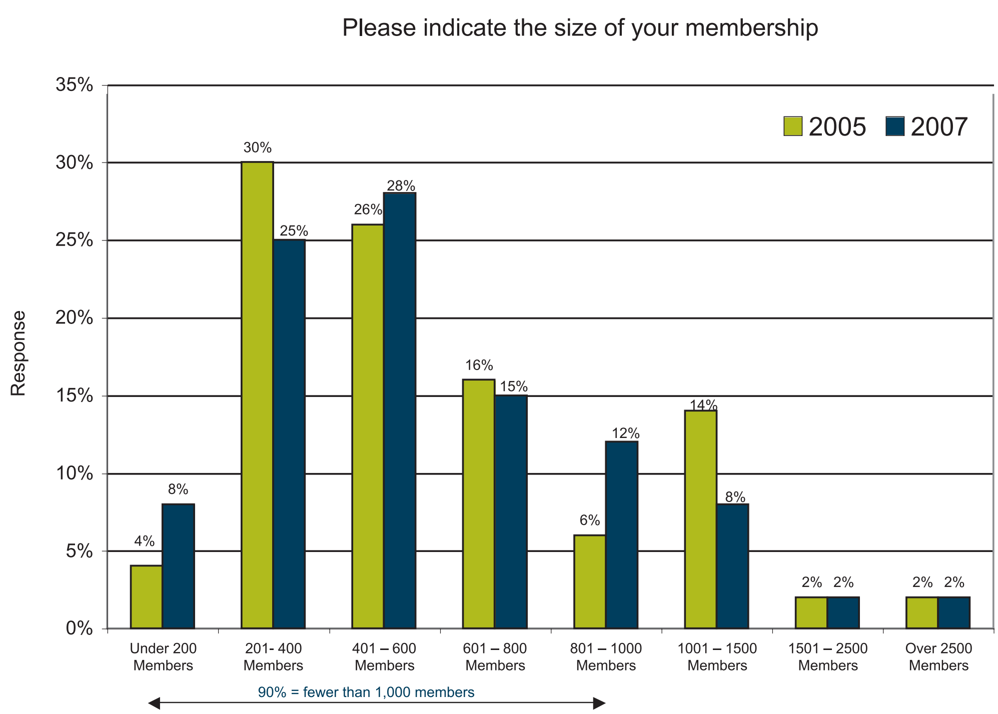
Over half (52%) of the membership responded to the survey, indicating few changes in operational structure, budget or size of the organizations comprising IBEE.

The vast majority of IBEE members (90 percent) continue to serve fewer than 1,000 members, with over half (53 percent) representing between 201 and 600 members. The single largest group (28 percent) indicated they represent between 401 and 600 members, consistent with 2005 figures.

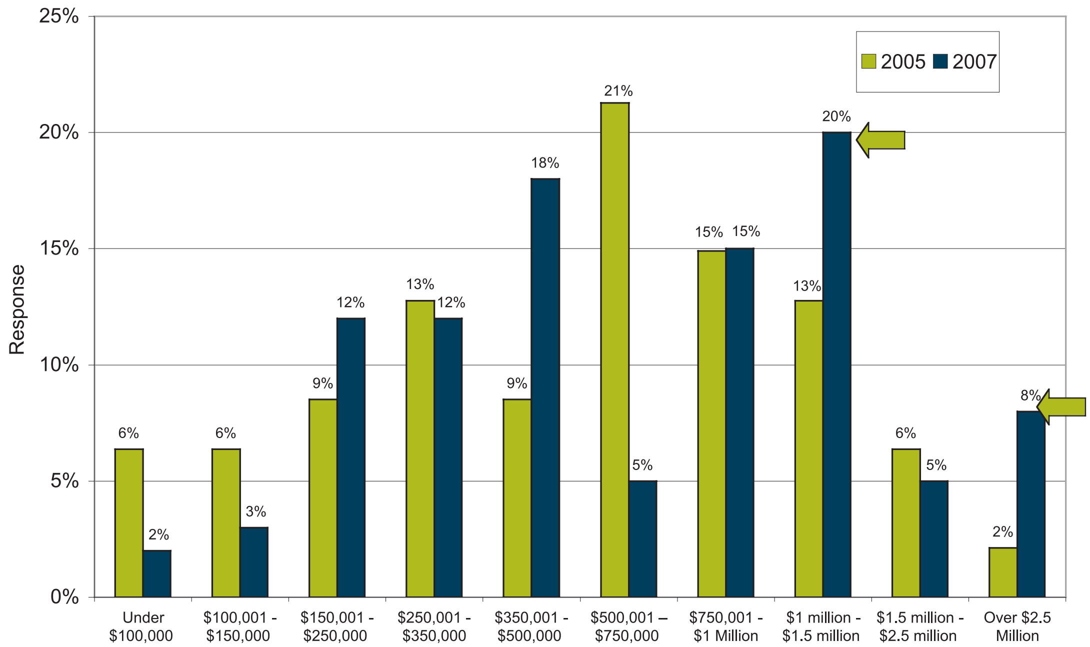
However there was one notable shift in membership numbers compared to those reported in 2005. The number of organizations who report they service between 801 and 1000 members *increased* from 6 percent to 12 percent, while those with memberships in excess of 1,000 *declined* from 14 percent to 8 percent indicating an apparent drop in overall membership for some larger organizations.

The $500,000 dollar mark continues to be the monetary dividing line between Exchanges, with 50 percent of respondents operating budgets below that figure and 50 percent above. However, those on the larger end of the spectrum appear to have grown more robust compared to 2005 figures, with a significant increase in those managing budgets in excess of $1 million - 33 percent compared to 21 percent in 2005; and nearly 10 percent managing budgets over $2.5 million compared to 2 percent in 2005.

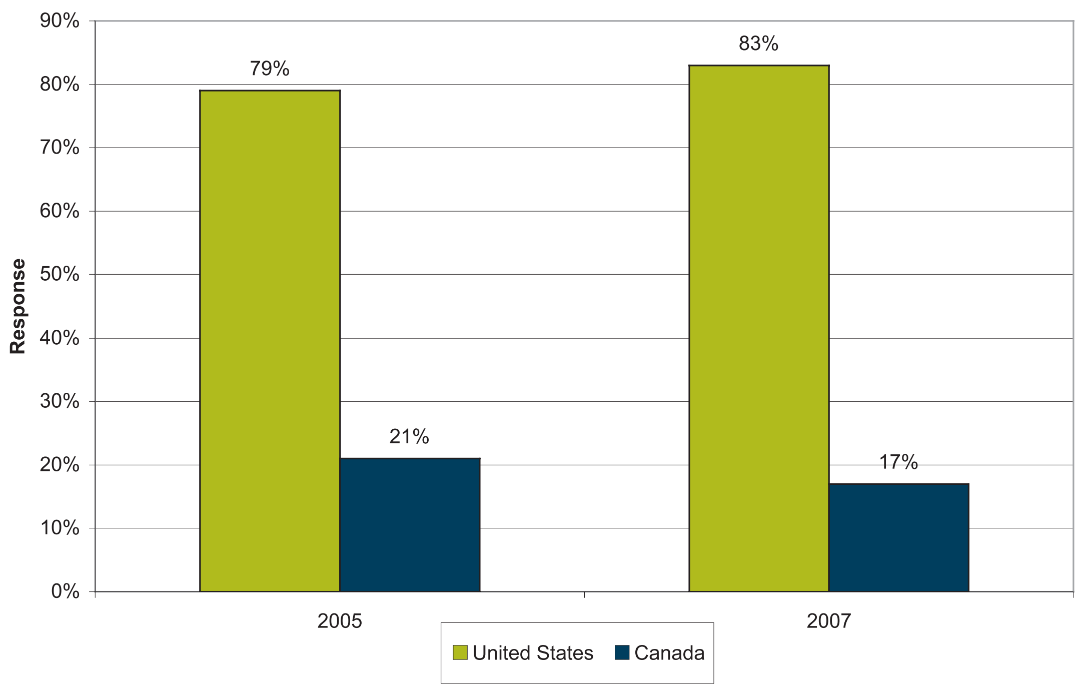
The average IBEE member now charges $510 for dues, representing a slight increase from the figure of $491 reported in 2005. However, when dues are adjusted for inflation, it is apparent that their overall value has *declined*, with Exchange dues losing 2.5% of their value over the past ten years and 7.3% over the past twenty years.

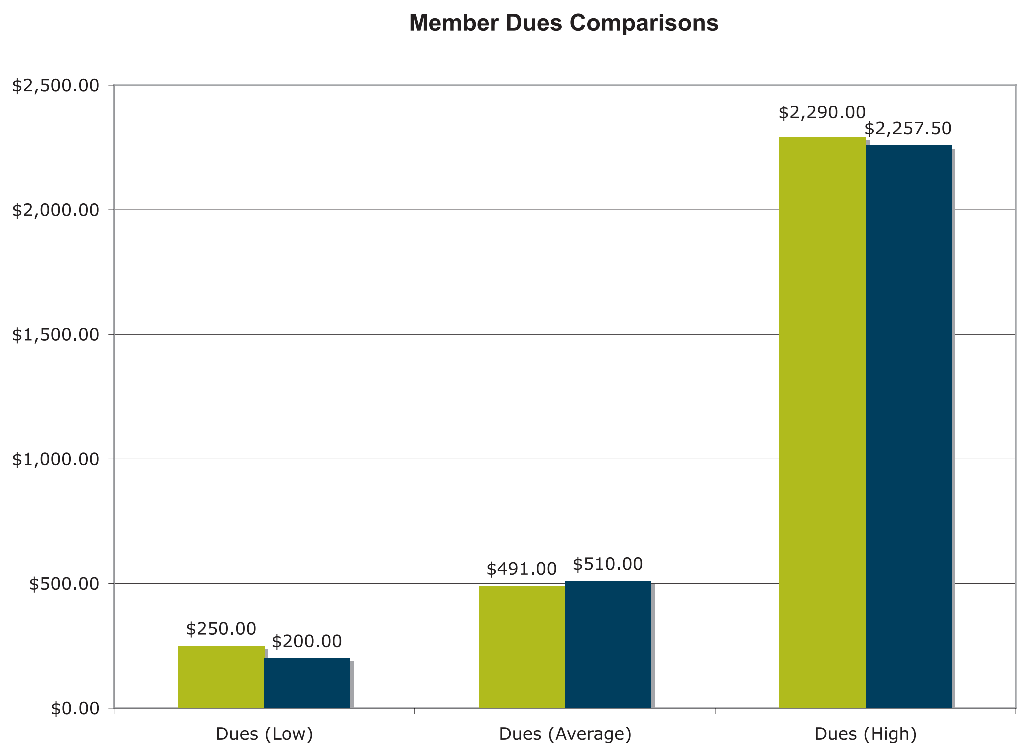


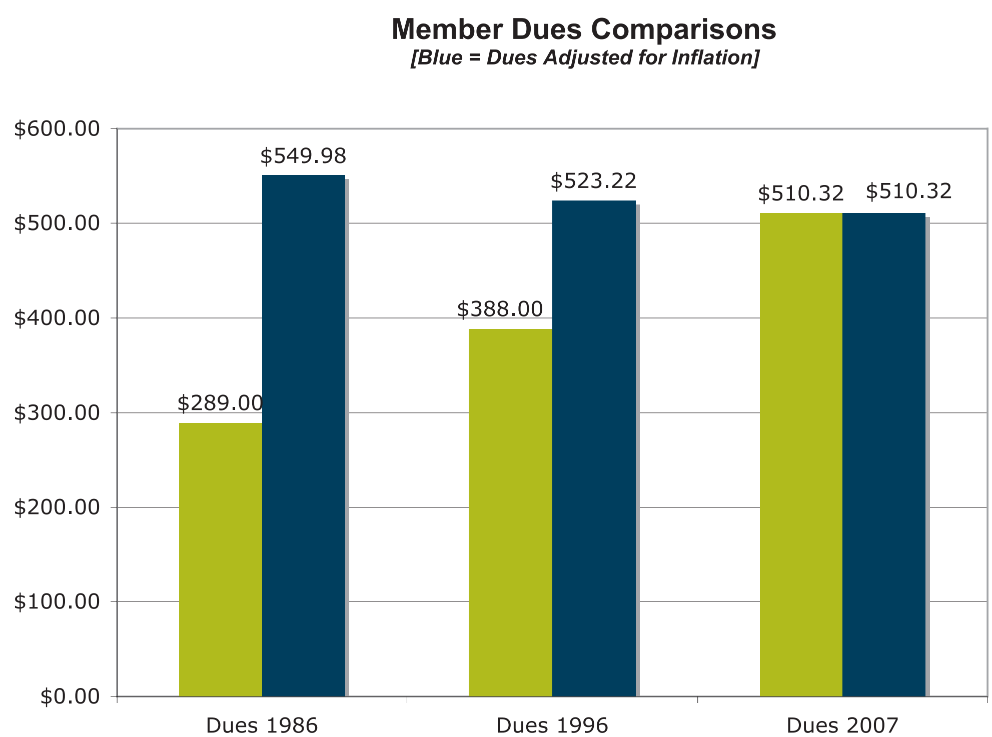
Estimating sum of your Annual Budget?

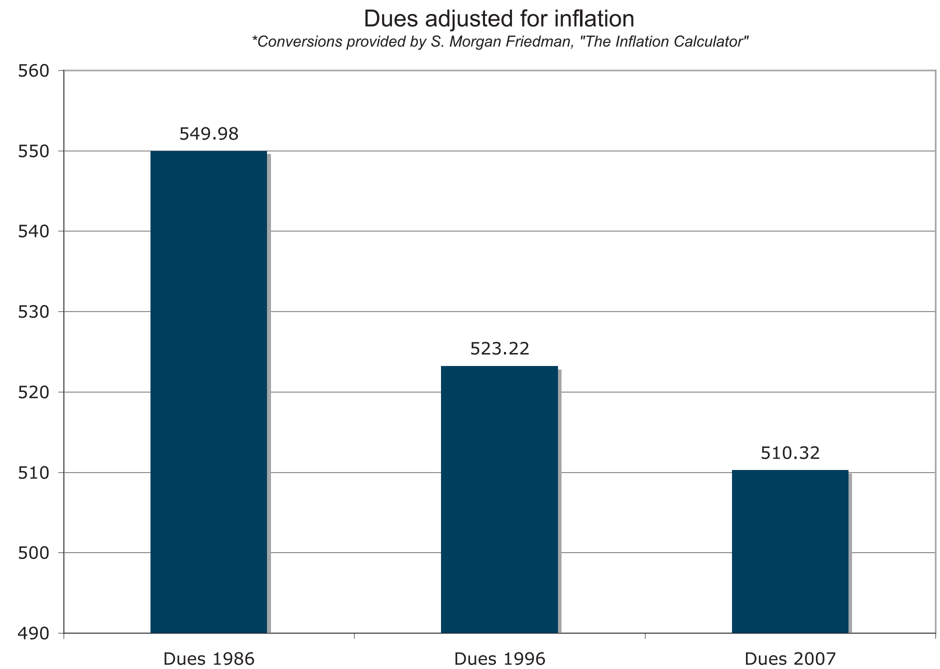


Member Location




Member Dues Comparisons
$2,500.00
$2,000.00
$1,500.00
$1,000.00
$500.00
$0.00
$250.00
$200.00
$491.00
$510.00
$2,290.00
$2,257.50
Dues (Low)
Dues (Average)
Dues (High)


Member Dues Comparisons
[Blue = Dues Adjusted for Inflation]
$600.00
$500.00
$400.00
$300.00
$200.00
$100.00
$0.00
$289.00
$549.98
$388.00
$523.22
$510.32
$510.32
Dues 1986
Dues 1996
Dues 2007


Dues adjusted for inflation
*Conversions provided by S. Morgan Friedman, "The Inflation Calculator"
560
550
540
530
520
510
500
490
549.98
523.22
510.32
Dues 1986
Dues 1996
Dues 2007

SECTION B:
Member Services

Summary

The Electronic Project News service continues to be the most popular service offered by IBEE members, with 95% of respondents listing it as their most frequently and heavily used offering.

Other services making the "top ten" heavily used services include social activities (45 percent); safety training (43 percent); electronic newsletters (42 percent); and electronic and printed Buyers Guides (42 and 40 percent respectfully). Pre-bid ranked in the top ten with 35% listing it among their frequent to heavily used services.

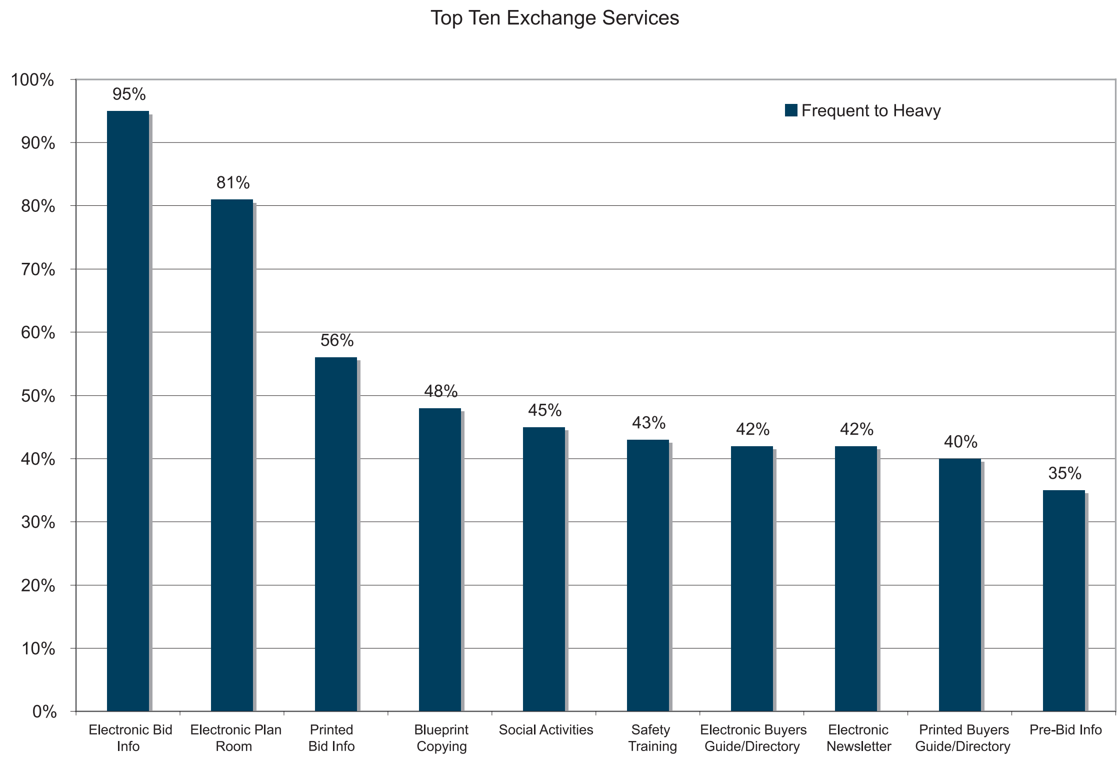
Member responses regarding specific services provide a more complete picture of IBEE member practices:

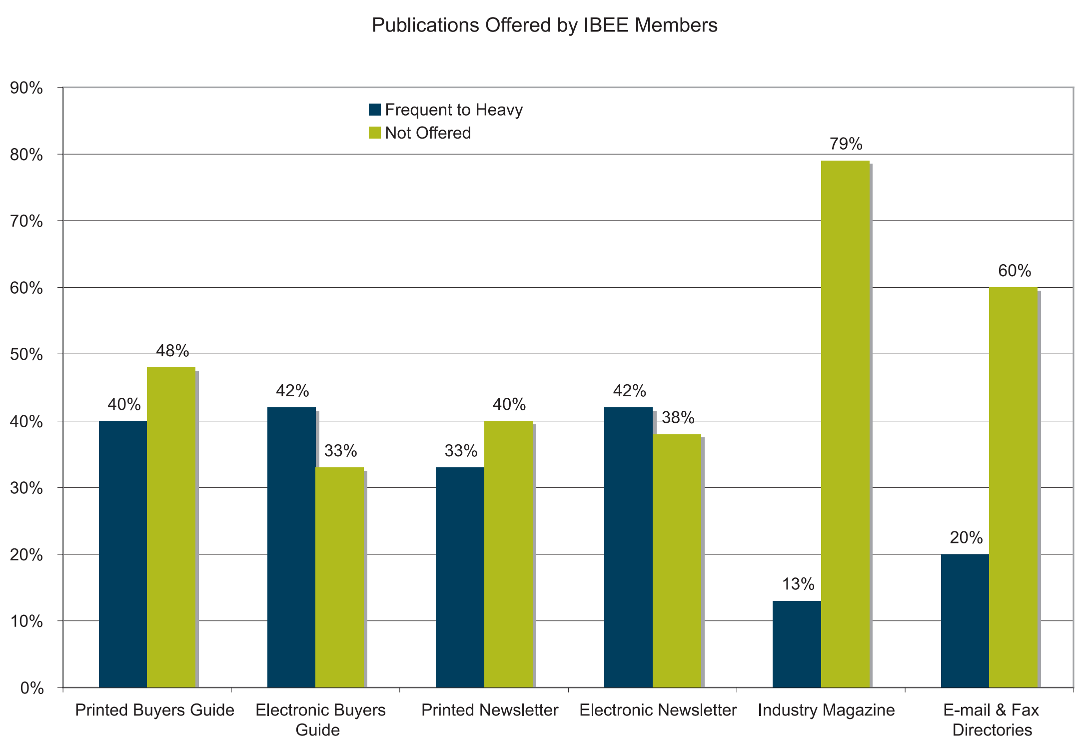
Publications:
Roughly half of the membership (48 percent) does not offer a printed buyers Guide and more than a third do not offer either a printed or electronic newsletter.

Education:
Safety training, scholarship programs and educational partnerships top the list of heavily used educational programs; but the make-up of such programs has shifted since 2005. Fewer members now offer safety training (55 percent compared to 69 percent in 2005) while a greater number now offer some variation of leadership training (62 percent versus 46 percent). In addition, nearly half (49 percent) of Exchanges indicate they offer now an alternative form of educational programming, i.e. scholarship program, career expo, etc. compared to about a third of the membership in 2005.

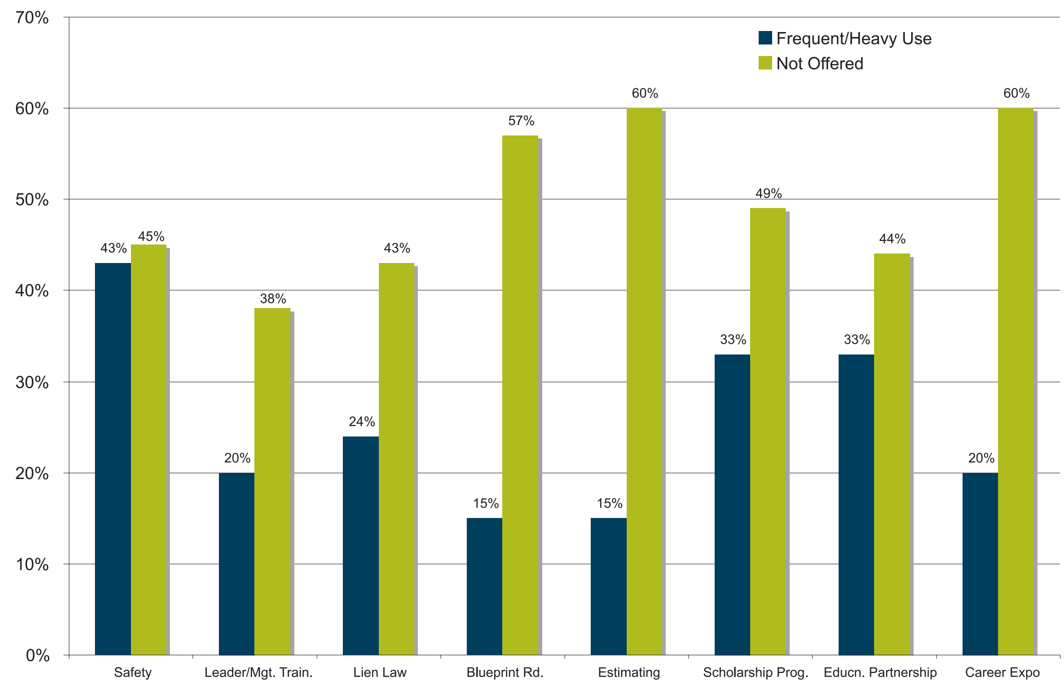
Affinity Programs:
The largest percentage of the membership (over 60%) list the IBEE-sponsored R.S. Means Discount program and the Fleet Vehicle Sale and Leasing Program among their affinity services. Insurance programs followed as the next most frequently offered affinity services. Some form of insurance program is offered by approximately 50 percent of the membership. Telephone discount programs ranked lowest among affinity offerings, with about a quarter (20 to 25 percent) of the membership offering a long distance or cellular phone service.

Legislative & Advocacy Program:
The vast majority of IBEE members do not participate in lobbying or other formal issue advocacy with fewer than 20 percent listing this among their heavily used services. However, nearly a third (27 percent) apprise members of legislative developments and other industry-related issues through electronic or printed updates.

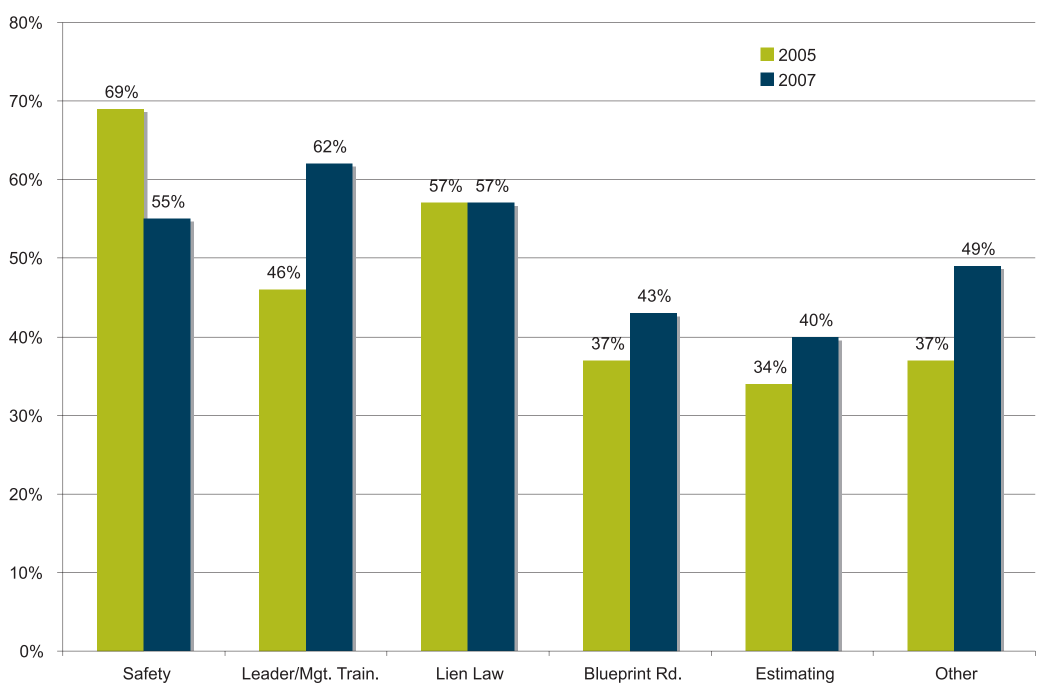

Top Ten Exchange Services
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Frequent to Heavy
95%
81%
56%
48%
45%
43%
42%
42%
40%
35%
Electronic Bid Info
Electronic Plan Room
Printed Bid Info
Blueprint Copying
Social Activities
Safety Training
Electronic Buyers Guide/Directory
Electronic Newsletter
Printed Buyers Guide/Directory
Pre-Bid Info


Publications Offered by IBEE Members
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Frequent to Heavy
Not Offered
40%
48%
42%
33%
33%
40%
42%
38%
13%
79%
20%
60%
Printed Buyers Guide
Electronic Buyers Guide
Printed Newsletter
Electronic Newsletter
Industry Magazine
E-mail & Fax Directories

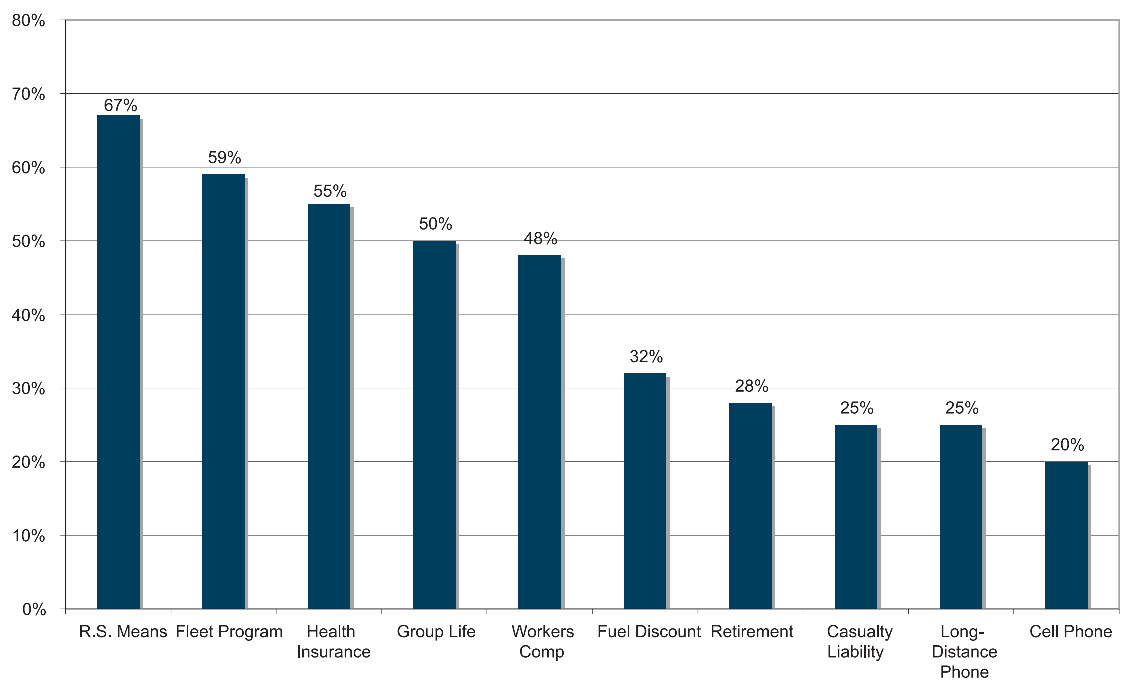
Educational Programs Offered by IBEE Members



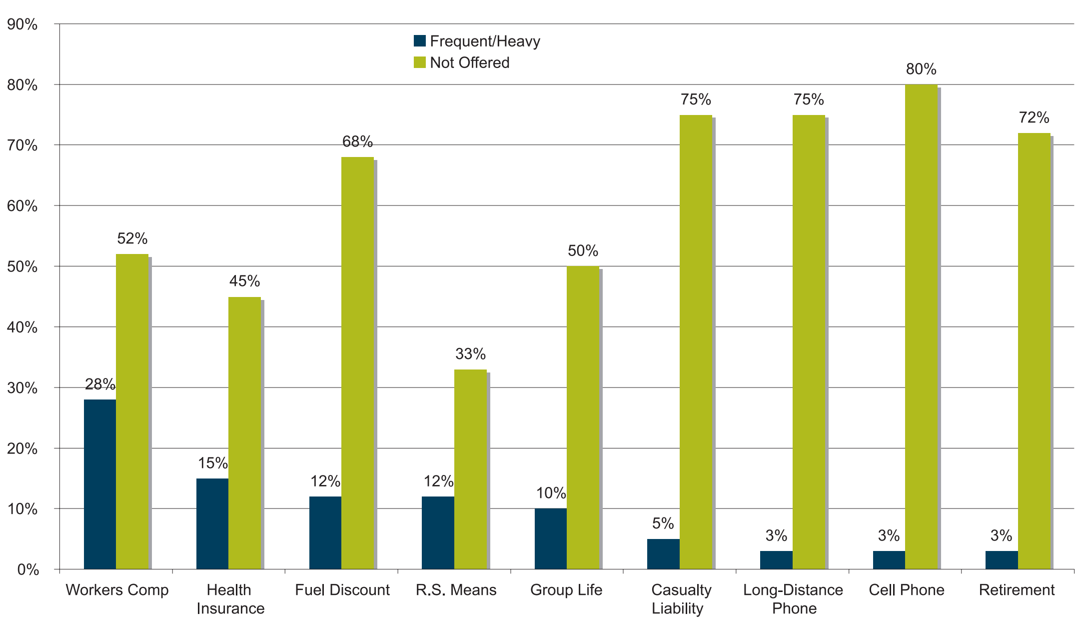
Educational Programs - Comparison



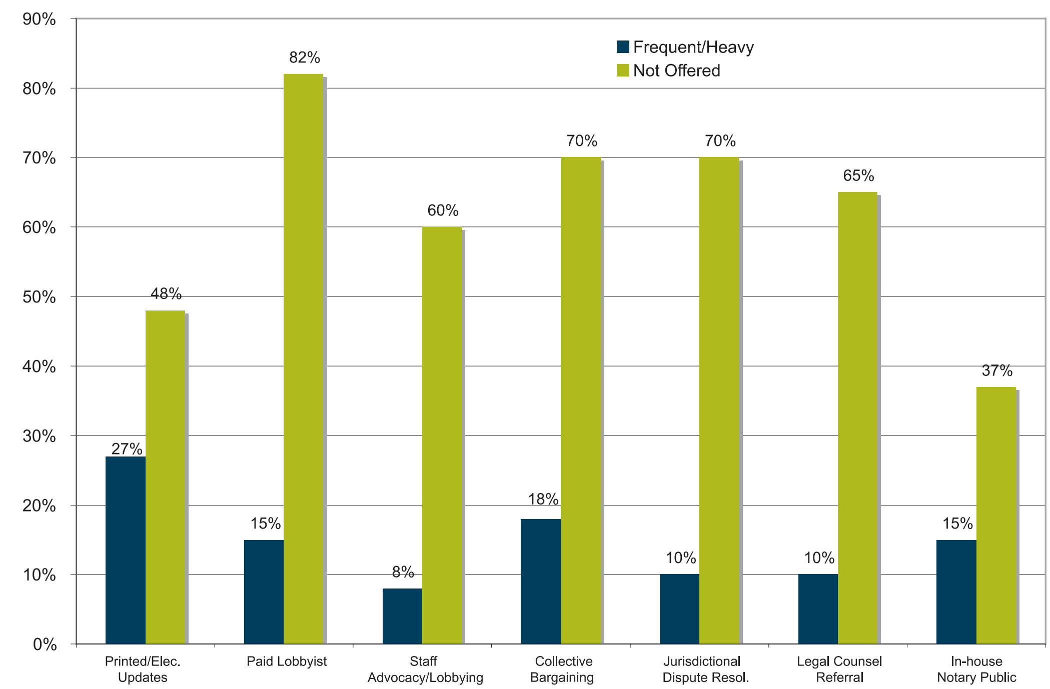
Affinity Services Offered - 2007



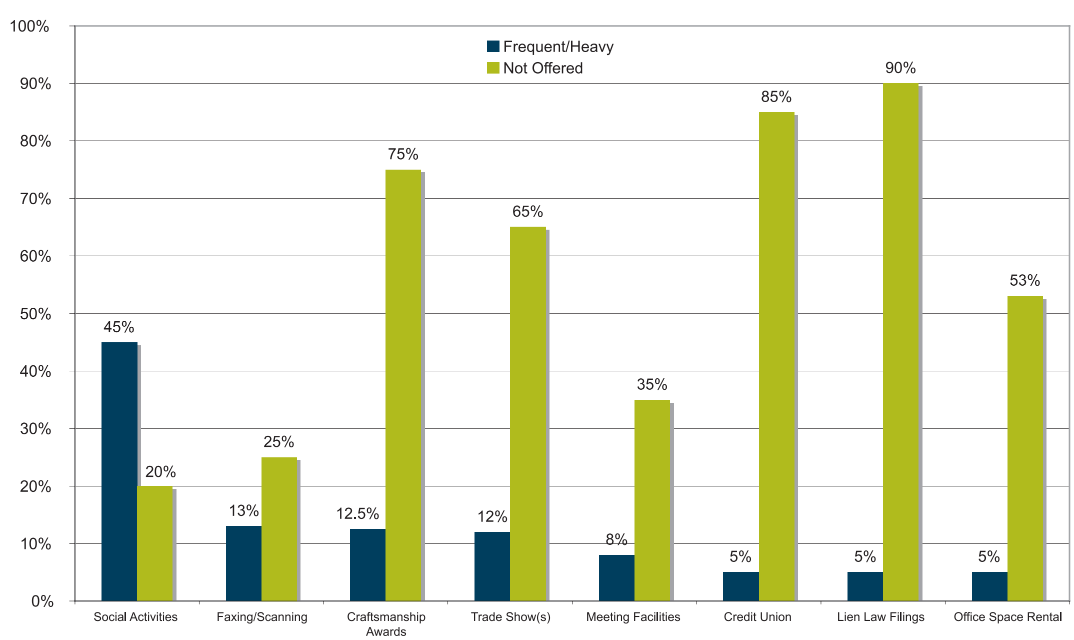
Affinity Programs Offered by IBEE Members



Legislative & Advocacy Services Offere by IBEE Members



Other Services Offered by IBEE Members

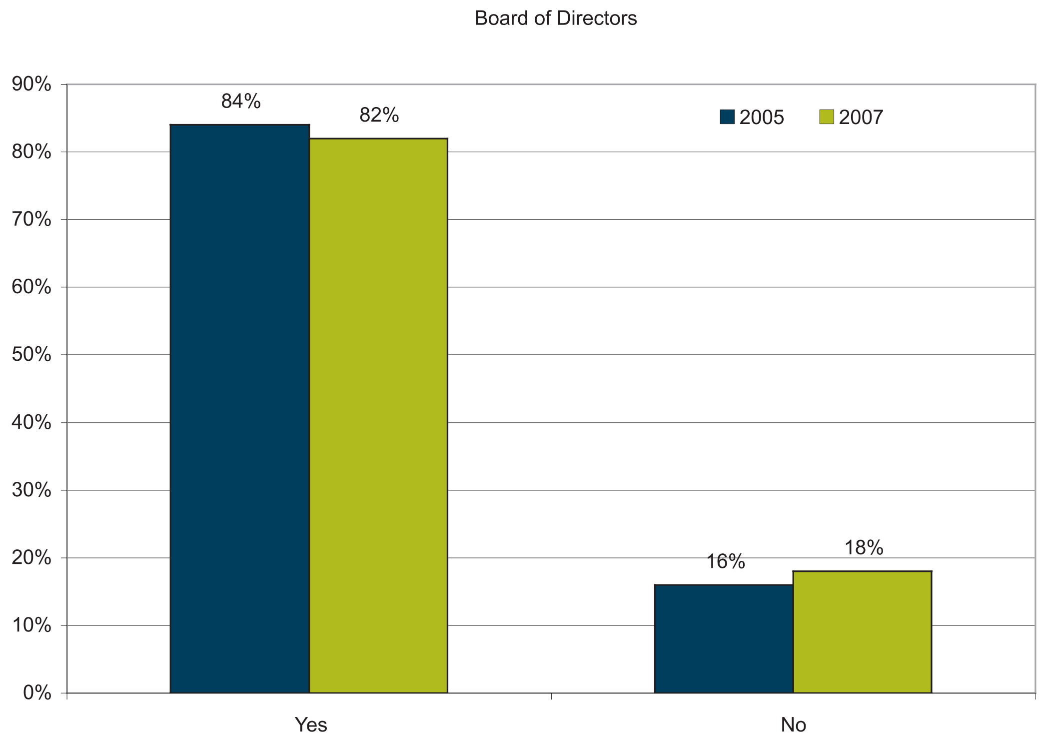


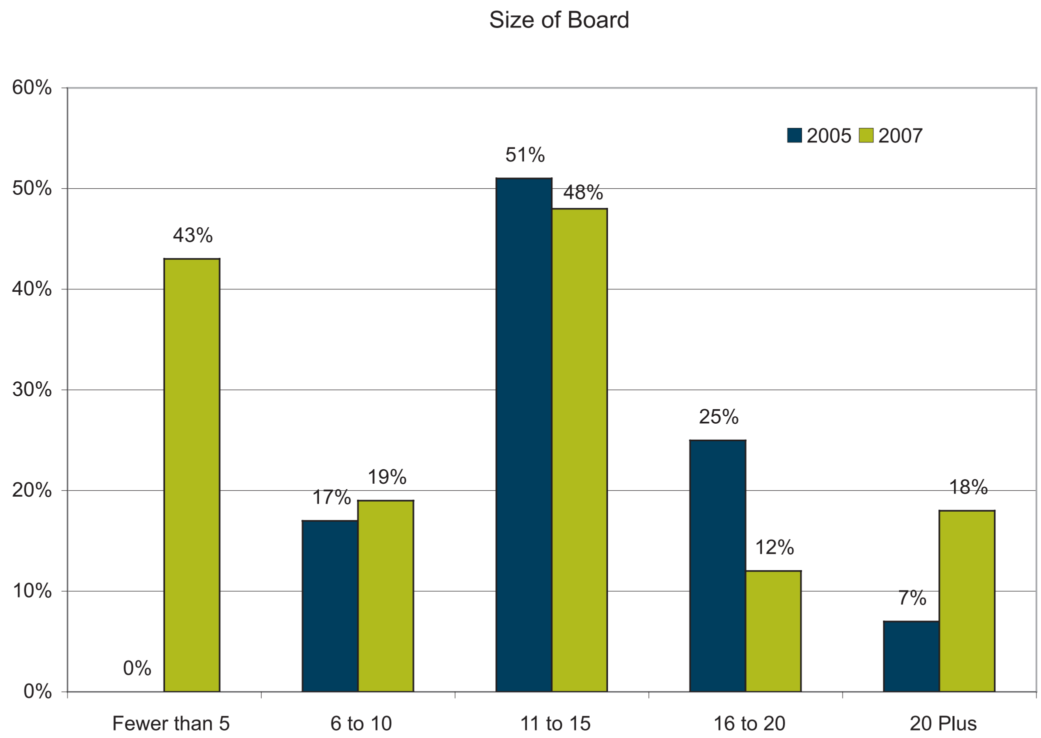
SECTION C:
Board & Committees

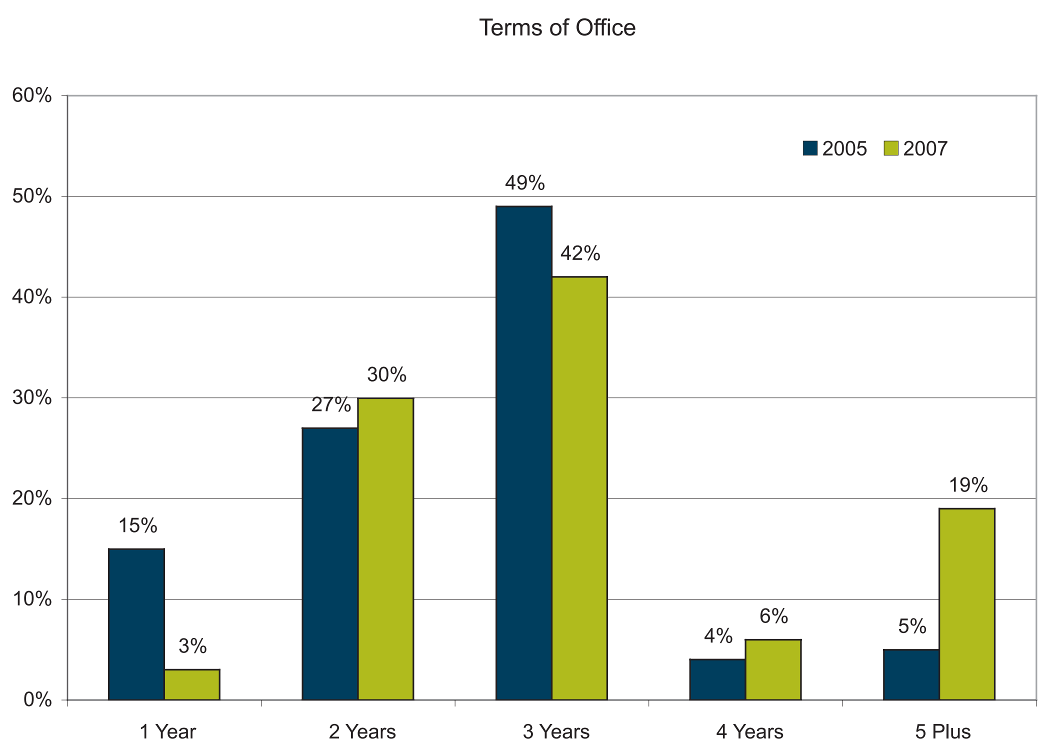
Summary

There were few changes in the overall structure and operating processes of IBEE members. The majority of members (82 percent) continue to operate under the direction of a Board of Directors comprised of between 12 and 15 individuals who serve an average term of office of three years (42 percent).

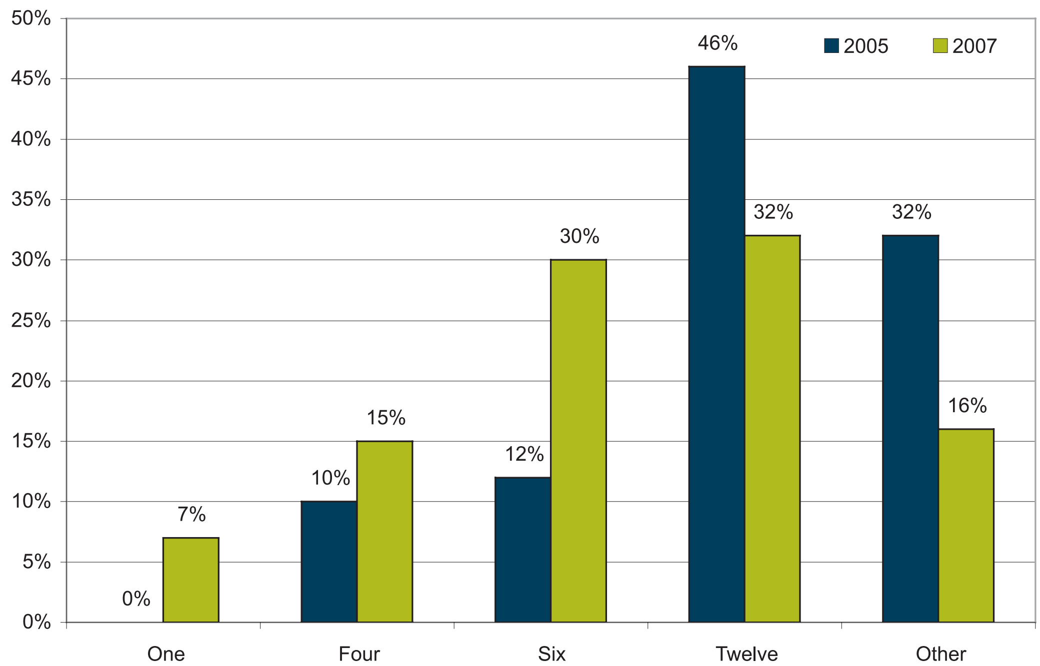
There was a notable change in the number of times that board members meet over the course of the year, with more Exchanges reporting their board now meets four or six times a year rather than the traditional monthly meetings. In addition, more Exchanges not appoint Executive Committees than previously reported, 91 percent compared to 78 percent in 2005.



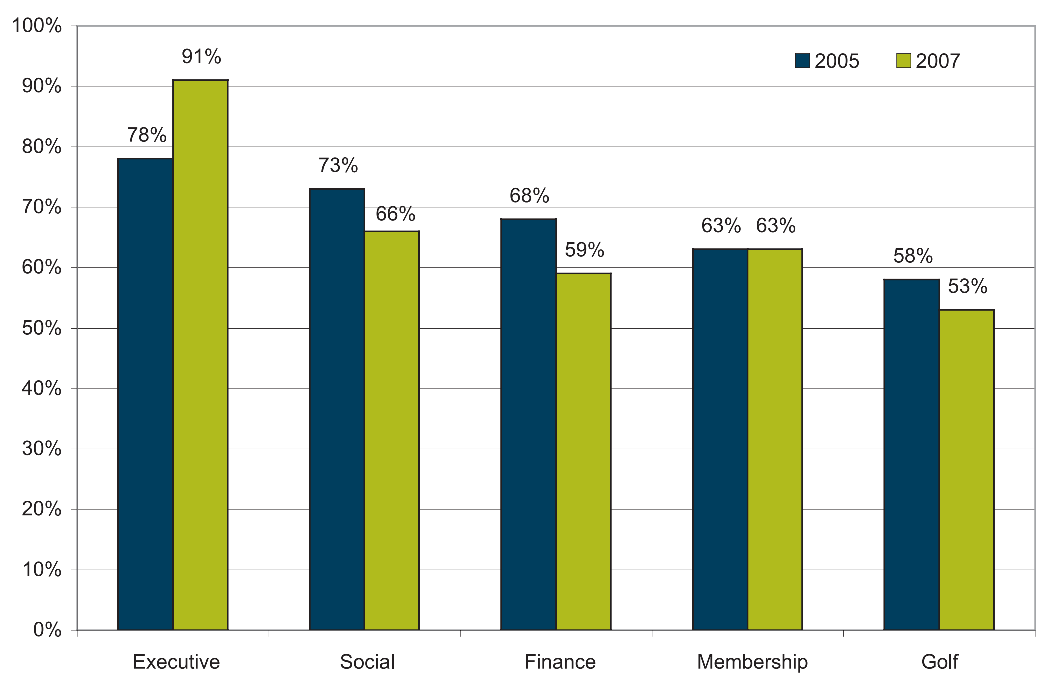

Size of Board
60%
50%
40%
30%
20%
10%
0%
2005
2007
0%
43%
17%
19%
51%
48%
25%
12%
7%
18%
Fewer than 5
6 to 10
11 to 15
16 to 20
20 Plus


Terms of Office
60%
50%
40%
30%
20%
10%
0%
2005
2007
15%
3%
27%
30%
49%
42%
4%
6%
5%
19%
1 Year
2 Years
3 Years
4 Years
5 Plus

Number of Meetings Per Year



Top Committees



SECTION D:
Marketing & PR

Summary

Although the majority of Exchanges (over 60 percent) continue to recruit members without benefit of a marketing or sales staff, the 2007 results indicated a significant increase in the number of Exchanges who now employ such an individual, either full-time or part-time.

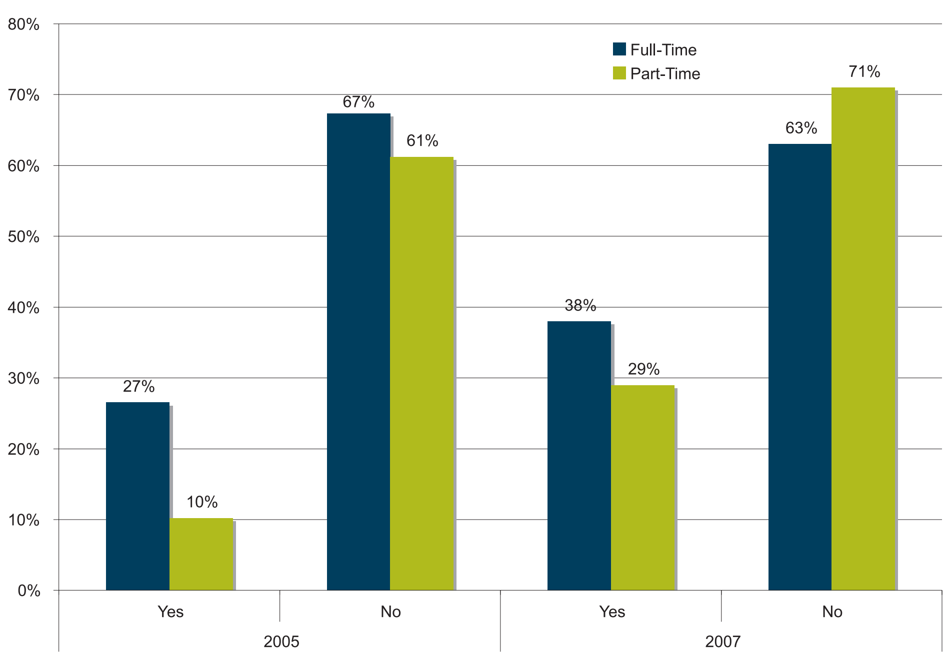
In 2005, a little more than a quarter (27 percent) of Exchanges employed a full-time marketing/sales person and one out of 10 employed a part-time person. In 2007, that figure increased to nearly 40 percent for those employing full-time marketing staff and approximately 30 percent hiring part-time marketing/sales people.

This shift is also reflected in the number of Exchanges who now report that personal contact by staff is their primary method of recruiting new member. A third of Exchanges (33 percent) list personal or phone contact by staff as their primary means of marketing in 2007, compared to 23 percent in 2005. In addition, Exchanges appear to be experimenting with a variety of marketing techniques, relying less on direct mail and contact initiated by the prospect as their primary marketing method(s) and more on "other", non-specific tools. Fewer Exchanges believe that direct mail is an effective marketing tool, with only 5 percent citing that as their most effective method compared to 14 percent in 2005.

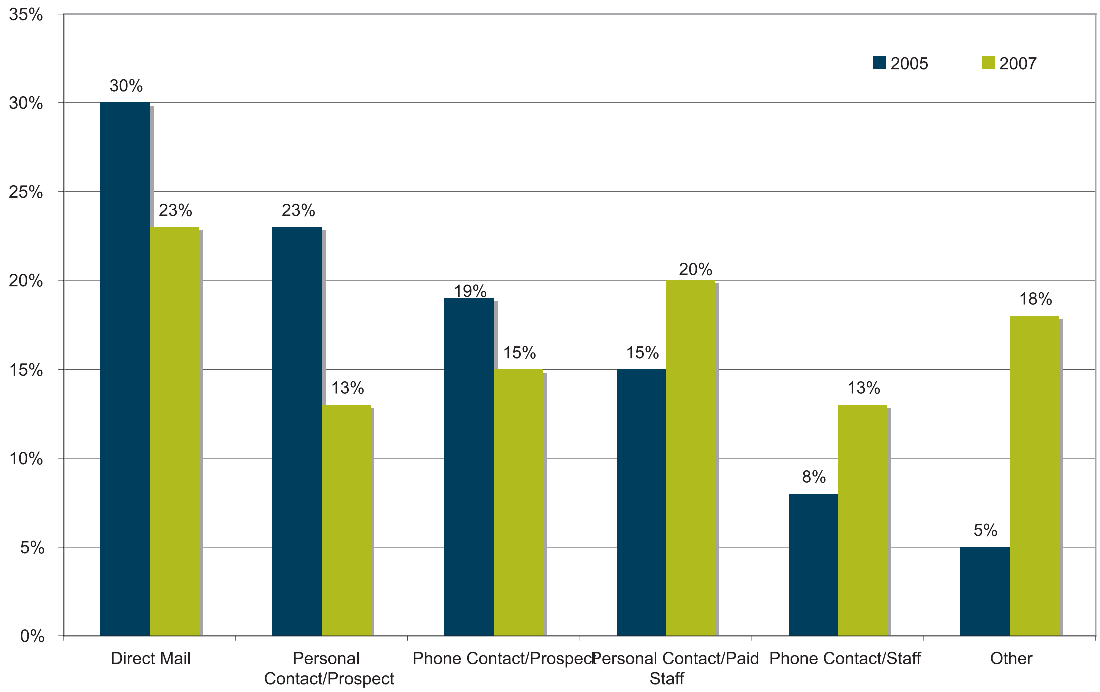
It appears that a slightly more Exchanges now offer non-dues revenue programs, with 79 percent affirming they offer such services compared to 71 percent in 2005. Although their usage has increased marginally, these programs still account for a small percentage (less than 10 percent) of the overall budget for most Exchanges.

Exchanges continue to offer the traditional array of social functions, with the majority hosting golf outings (91 percent) and Christmas parties (44 percent) for their members and industry participants.

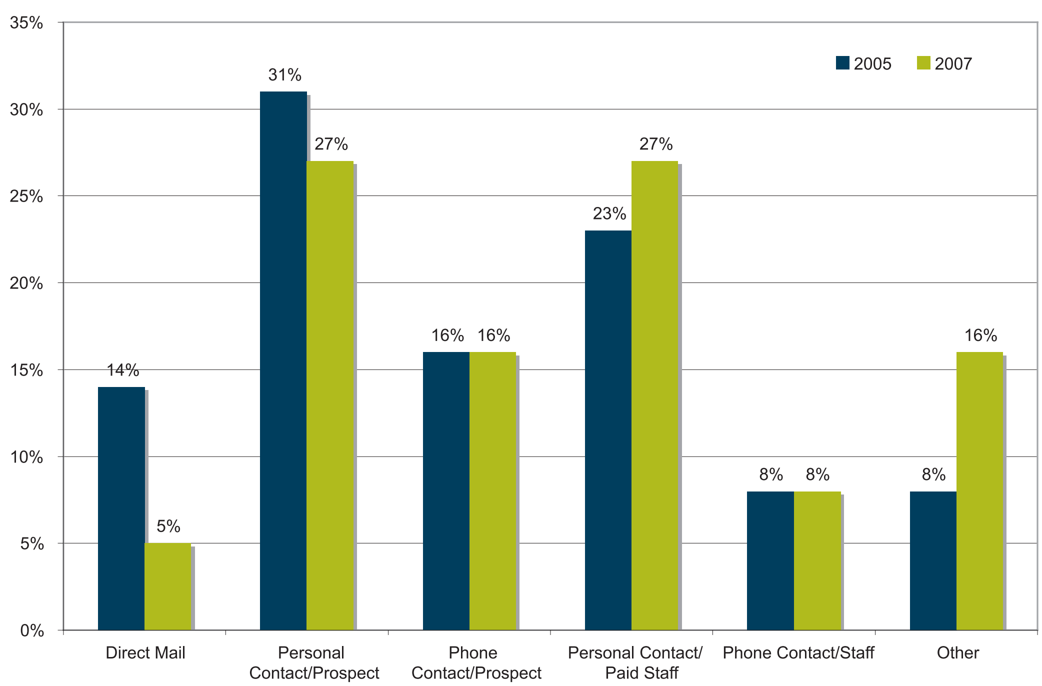
Does your Exchange employ a marketing/sales person?

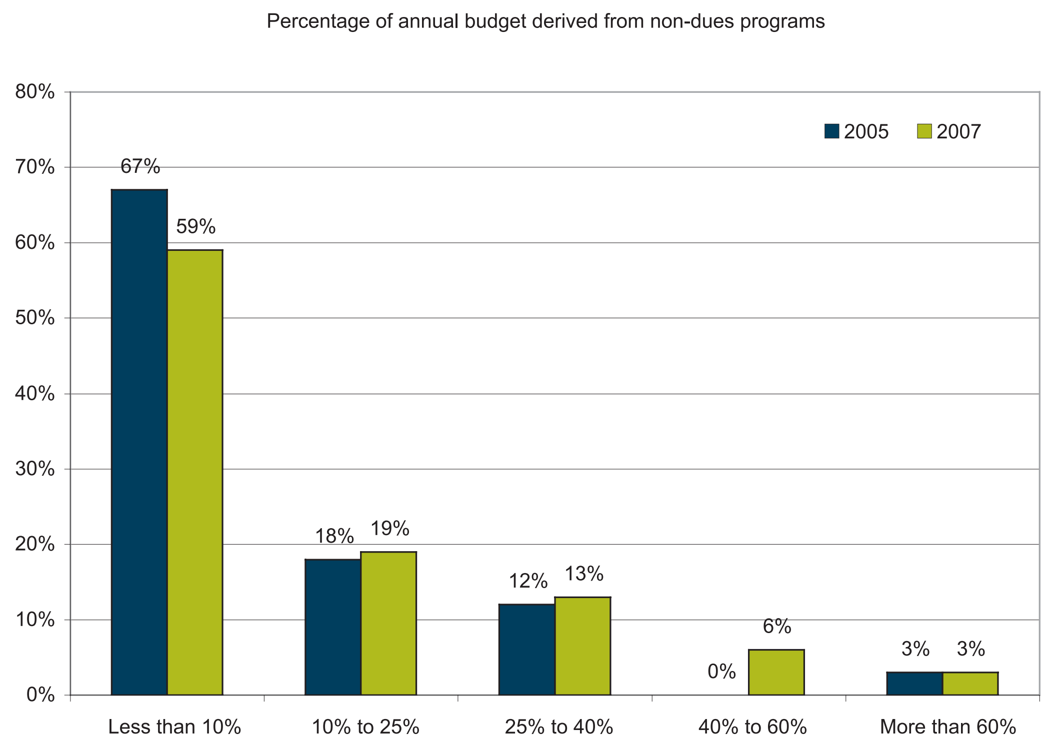


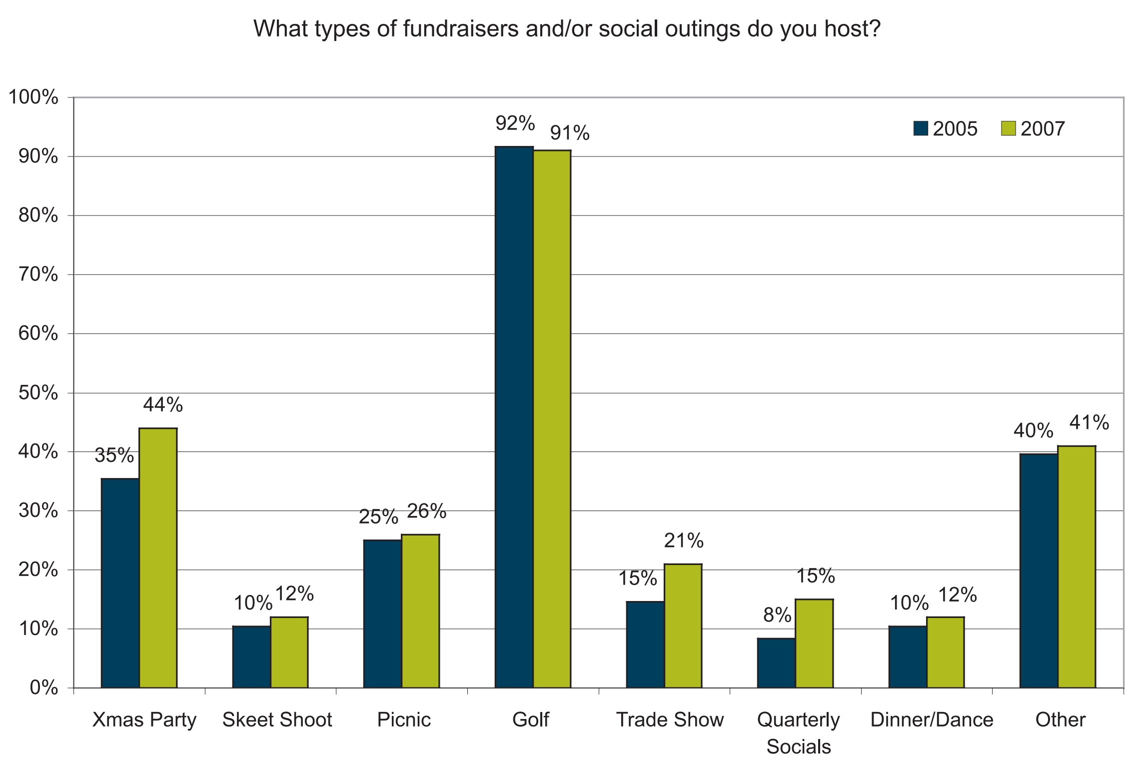
Primary Methods of Marketing



What is your most effective marketing method?




Percentage of annual budget derived from non-dues programs
80%
70%
60%
50%
40%
30%
20%
10%
0%
2005
2007
67%
59%
18%
19%
12%
13%
0%
6%
3%
3%
Less than 10%
10% to 25%
25% to 40%
40% to 60%
More than 60%


What types of fundraisers and/or social outings do you host?
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
2005
2007
35%
44%
10%
12%
25%
26%
92%
91%
15%
21%
8%
15%
10%
12%
40%
41%
Xmas Party
Skeet Shoot
Picnic
Golf
Trade Show
Quarterly Socials
Dinner/Dance
Other

SECTION E:
Construction News

Summary

IBEE Members reported a significant increase in the number of projects they report on an annual basis, with the largest jump amount those reporting on more than 6,000 projects.

According to the 2007 results, 15 percent of Exchanges now say they report on more than 6,000 projects each year compared to 4 percent in 2005 and minor gains in the number of Exchanges who now report between 1,000 and 4,000 jobs each year. Conversely, there was a sharp decrease in the number of Exchanges who report on fewer than 1,000 projects each year, down to 8 percent from 23 percent in 2005.

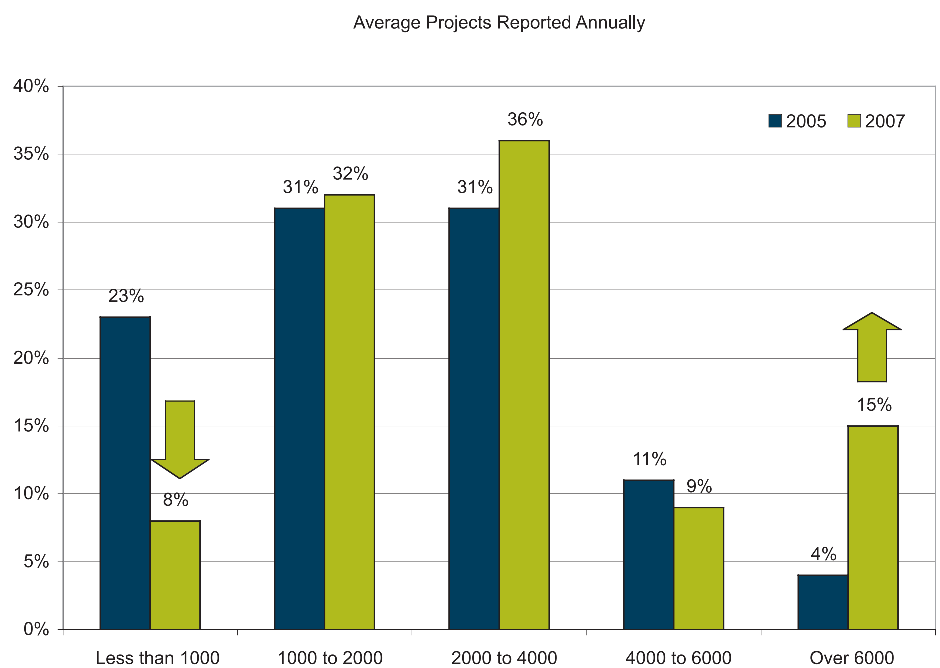
There were also a significant increase in the number of Exchanges who pay refundable plan deposits with nearly half of respondents (43 percent) indicated they occasionally pay such fees, compared to about a quarter (22 percent) in 2005.

While OnCenter ranks high as a viewer choice (47 percent), over half of respondents (53 percent) now list .pdf among their viewer options, compared to less than a fourth (22 percent) in 2005. In addition, more Exchanges are opting to use .tiff and proprietary viewers compared to 2005 results.

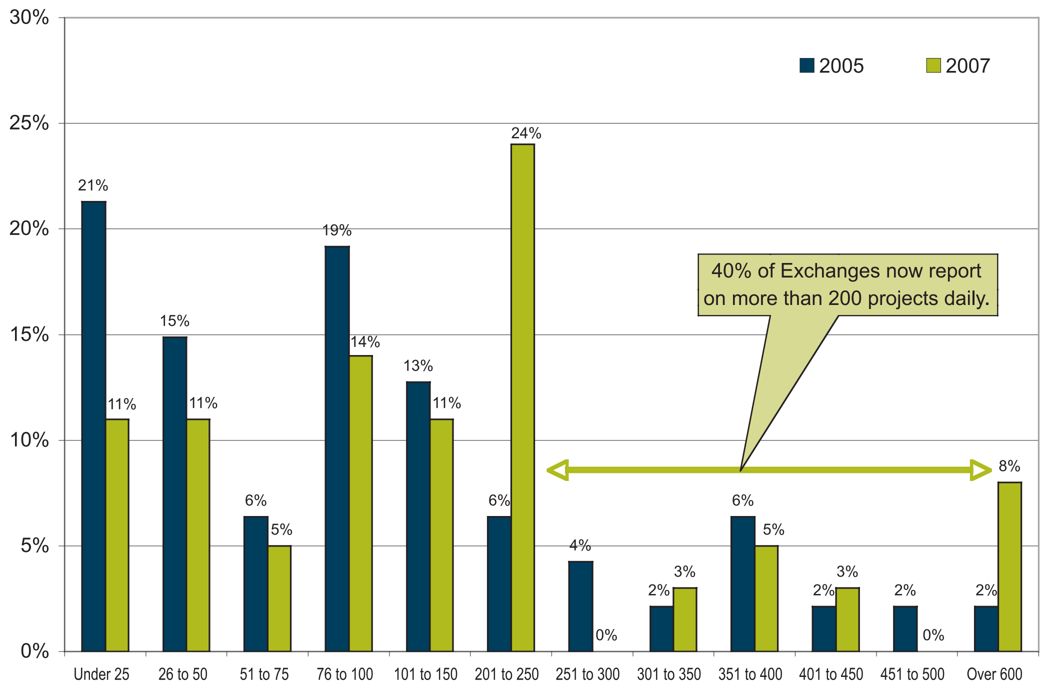
Proportionately, there was a sharp increase in the number of Exchanges who report on more than 200 projects per day. Over 40 percent of IBEE members indicate they now manage in excess of 200 actively bidding projects each day, compared to only 18 percent in 2005.

While the number of projects reported by Exchanges has increased dramatically, the number of visitors to the physical plan room facility continues to decline, with nearly 40 percent of Exchanges reporting fewer than 10 visitors a day to their plan room.

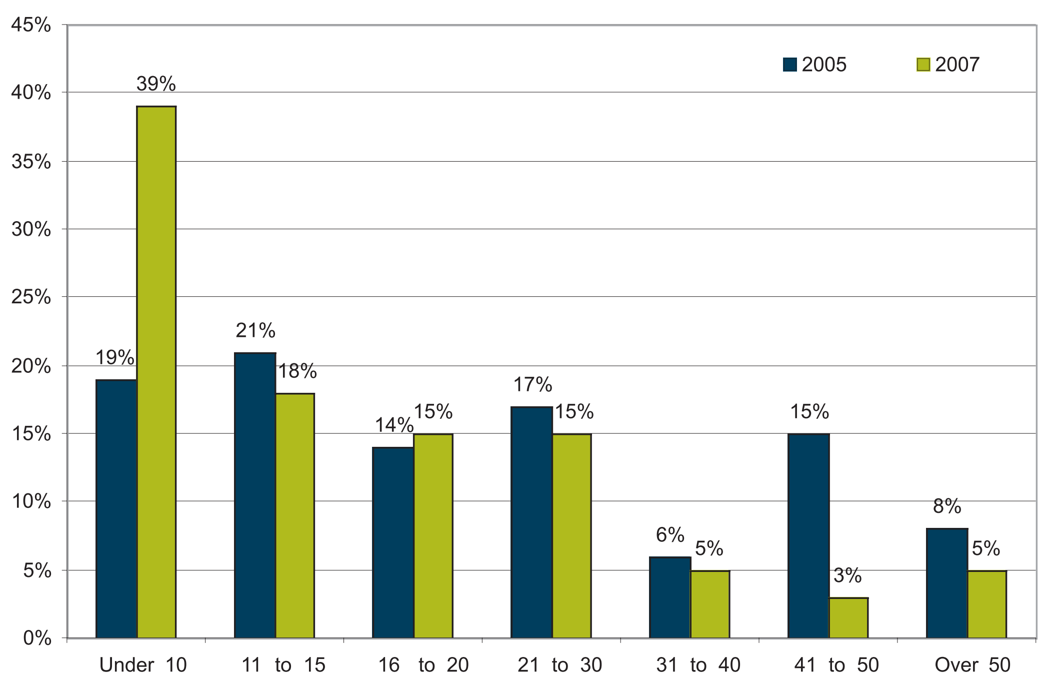
There were no significant changes in the number of Exchanges who return plans and specs following the bid cycle; or notable changes amoung those who sell full or partial sets of bidding documents.



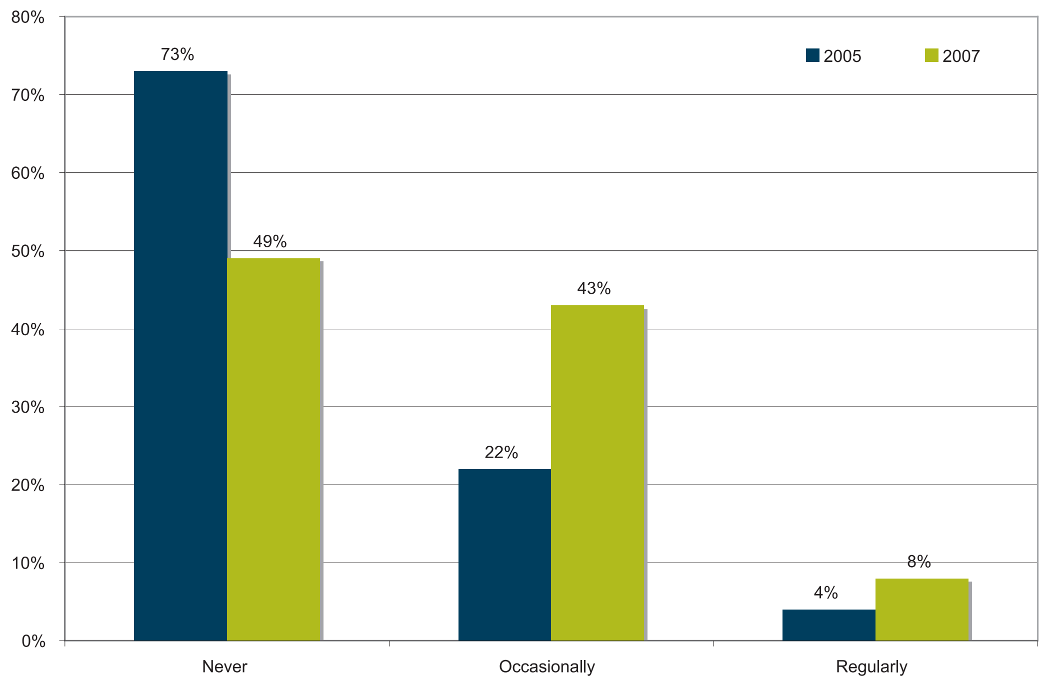
Average Projects Reported EACH DAY



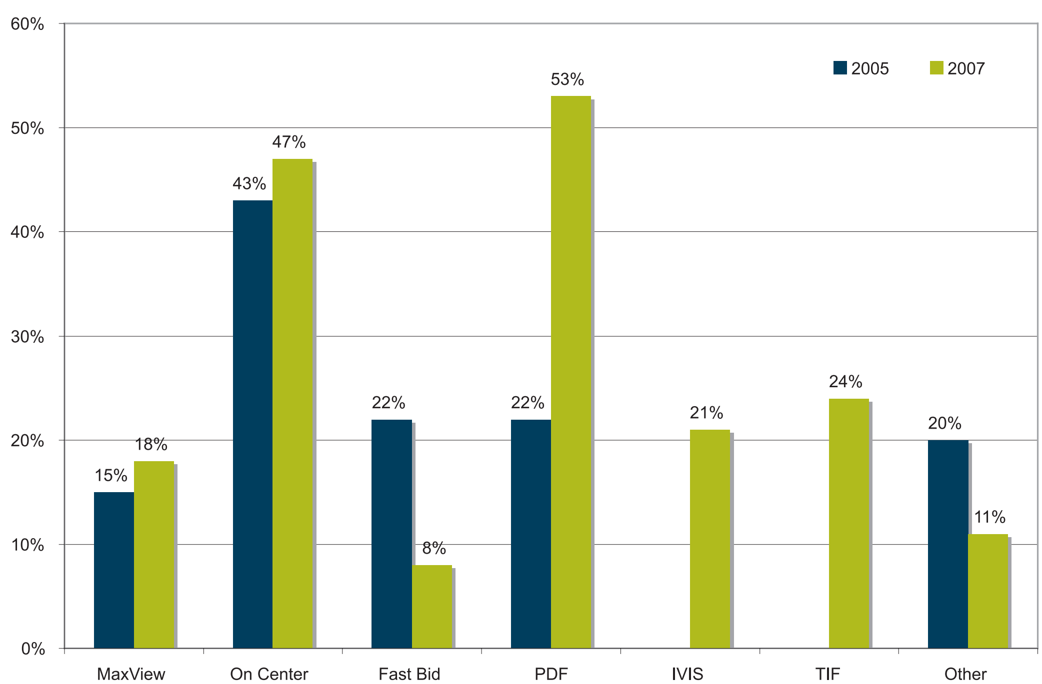
Daily Visitors to PHYSICAL Plan Room



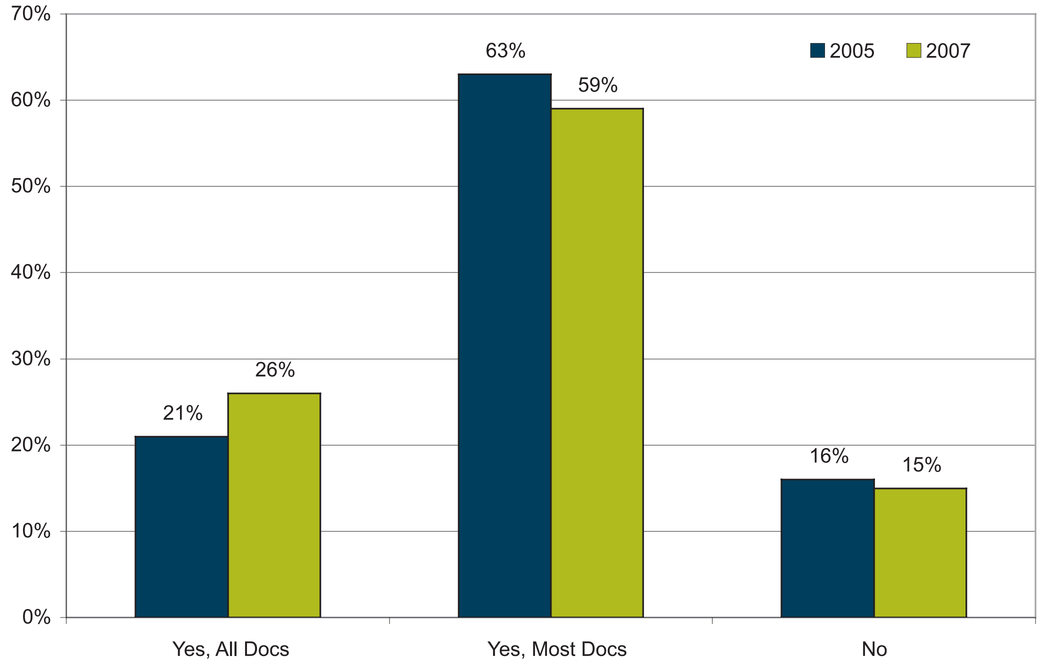
Do you pay refundable plan deposits?



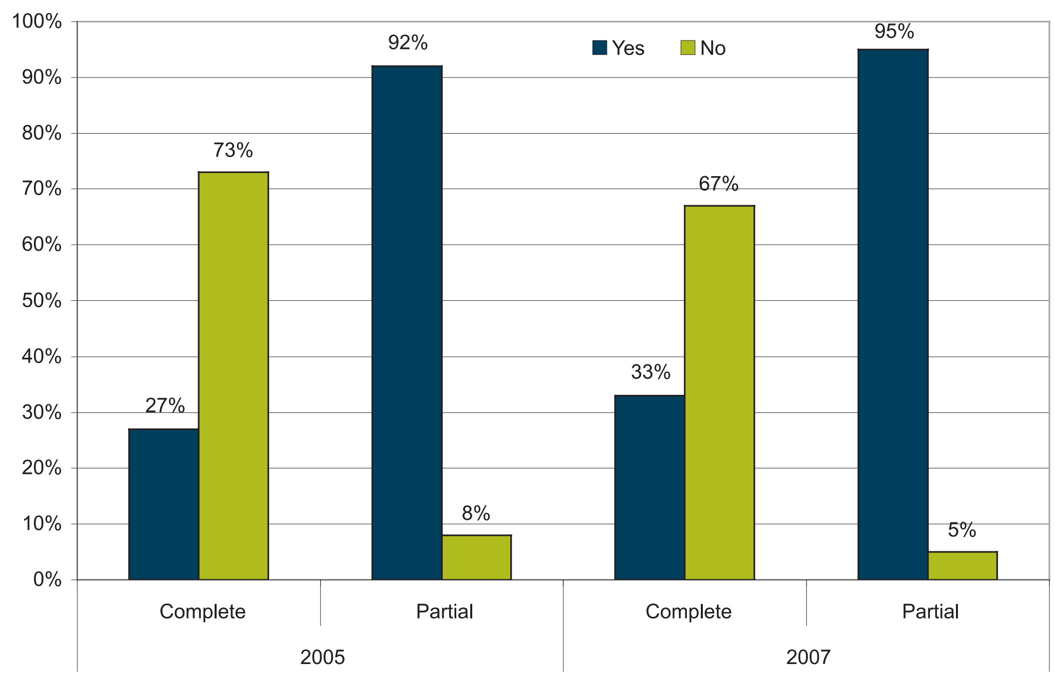
Which Plan Viewer are you currently using?



Does your organization returned bid documents?



Do You Sell Bid Documents to Your Members?



E20.

What do you believe will be the greatest challenge to your construction news operation over the next five years?

"Pre-bid info."

"Change in industry processes - less bid work."

"How to enhance services (project information) with the current staff compliment."

"Keeping up with the challenge of reporting on more jobs than ever before in the past."

"Lots of places for owners to place project information."

"Being able to obtain and verify complete and accurate project information. Also, being forced to pay for plans & specs in order to get them in-house. Educating plan issuers on why Plan Rooms are relevant - their staffs change and new people don't seem to 'get it' or care. Even though we have been in business for many years, we now get lumped in with all of these other internet Plan Rooms."

"Project being design/build and not design bid build. We are getting less of the projects in our office for traditional bidding, even if we get the original RFP. Private projects helps - but not with all of the projects we normally would have received."

"Trying to adapt to whatever BIM standards are created, and figure out a way to make our project delivery system compatable with the new BIM technology/standards."

"Enough jobs for the number of construction professionals and the lack of qualified employees to work for them."

"Development of closed state run systems for public projects."

"Membership retention with local general contractors utilizing company web sites for on-line distribution of project documents with the assistance of reproduction houses."

"Competition from new sources selling electronic documents."

"Competition, Cost and Quality of Information."

"Membership retention & our relationship with the Architects & Engineers."

"Finding capable employees. GC's providing documents to Subs & Suppliers. Staying current with new services and technology."

"We have recently heard that Dodge has become more aggressive with new features to try to hold their national accounts. If their emphasis switches back to the local markets we may be impacted somewhat depending on their ability to meet local competition."

"Staying in touch with the G.C. community to offer services that directly benefit them."

"The amount of work that is being privately bid and the amount of work that is being negotiated and being done on a design-build basis. We are getting a good deal of this work but the architect/owner does not want it published."

"As the number of GC's, Construction Mgr's, Developers, Architects, State Agencies and large Subcontractors start their own on-line planroom; the number of smaller sub and suppliers (our core members) will begin going directly to the end user."

"Getting architects/engineers to understand that scanning plans/specs needs to be allowed.

"Dealing with new breed of construction personel with only one goal in mind - getting to the top. Ethics - greed – politics."

"Managing more info then the competition - staying on top."

"Competition from national organizations such as F.W. Dodge, iSqft, AGC, and ABC as well as reprographic organizations trying to represent themselves as plan centers. Finding our way through the BIM process and remaining viable to our members as we help them find their way through the changes.

Getting people to read the whole electronic newsletter - people seem to just go to the section they want to read, miss important info."

"BIM - 3 dimensional drawing viewing and providing the necessary service required by changes in the design professions."

"To provide pre-bid information. The industry is more interested in what's coming up than what's bidding.

Remain relevant with information in a timely manner."

"Technology..."

"Obtaining plans."

"Continual increase of member benefits."

SECTION F:
Human Resources

Summary

IBEE members are paying substantially higher salaries for some positions compared to two years ago, particularly among job functions considered highly skilled, i.e. managerial in nature. Salaries for these positions jumped fifteen percent to twenty-five percent over the figures reported in 2005.

The average paycheck for an assistant executive director/vice president is now $69,000 a year compared to $55,000 in 2005; while Office Managers command approximately $47,000 compared to $37,000 in 2005. Sales and Marketing staff now earn an average of 37,000 compared to $27,000 in 2005, while graphic & web design staff receive an average salary of $50,000.

Accounting staff remained stable in the $40,000 range, while education coordinators showed a marked decline from an average salary of $60,000 in 2005 to $36,328 in 2007.

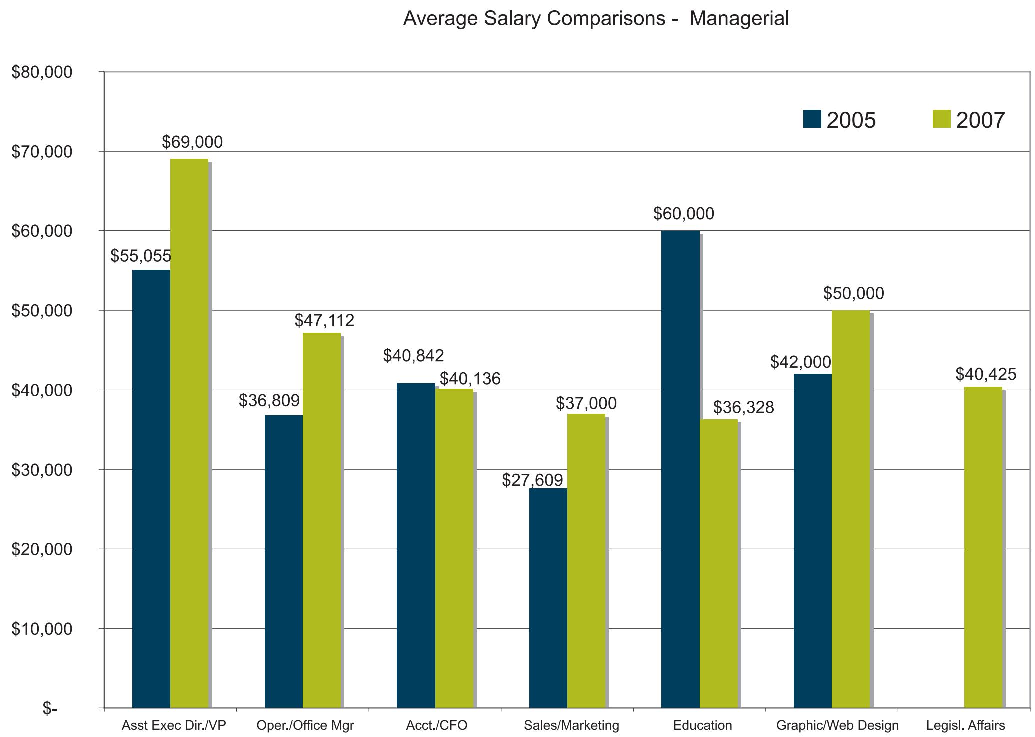
Salaries for administrative support staff increased by approximately 15 percent with the notable exception of technical support staff. These positions are now paid at a rate that is nearly 40 percent higher than those reported in 2005.

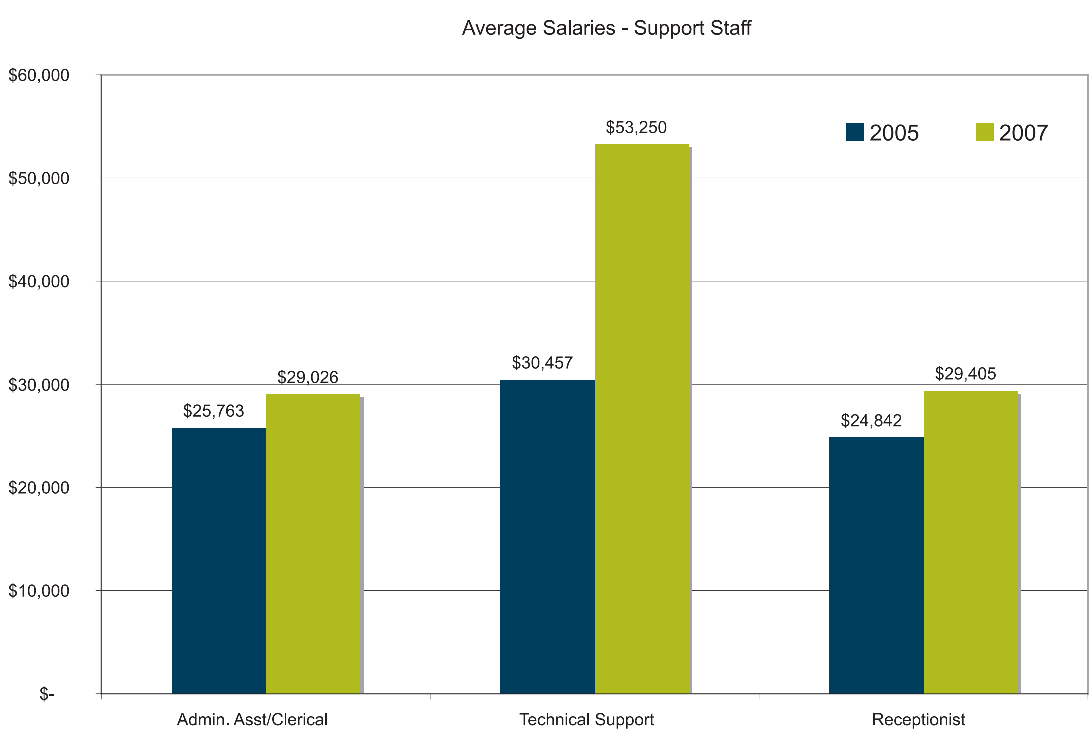
Wages for those engaged in the production of the electronic news increased across the board, with the exception of data entry personnel whose average salaries dropped by nearly 10 percent. Managing Editors and Plan Room Coordinators now make around $35,000 a year, while reporting and scanning staff now average between $23,000 and $27,000 per year.

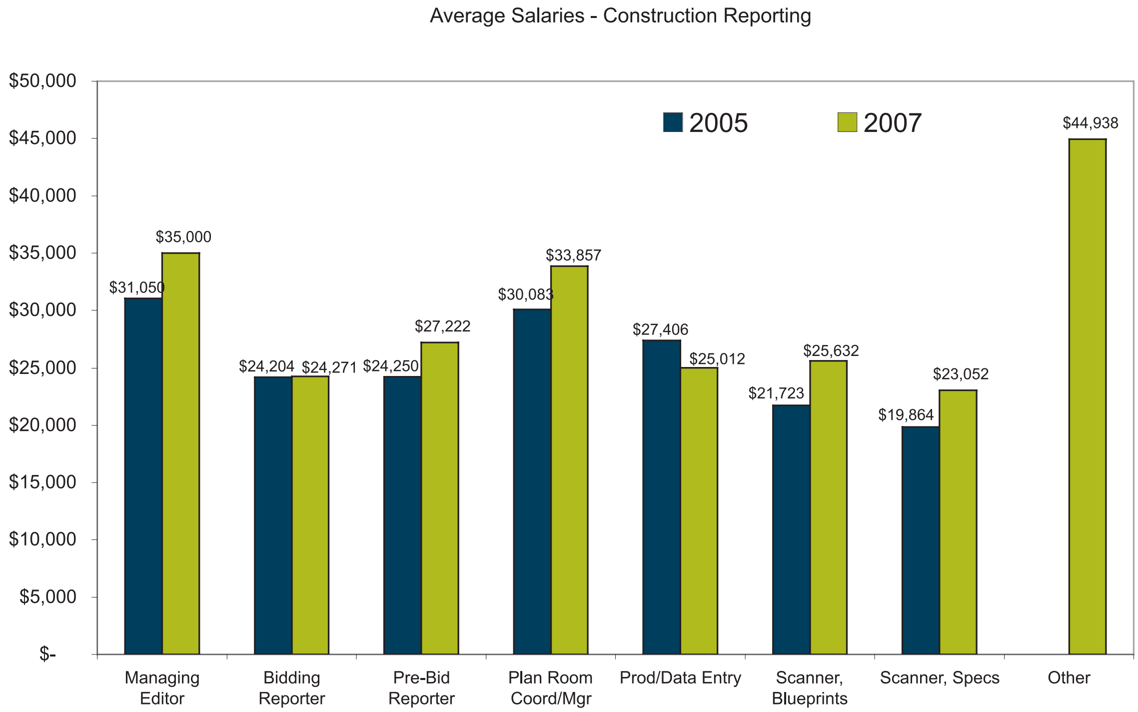
The cost of employee benefits rose as well, with over sixty percent of respondents reporting they pay over $5,000 a year in benefits for each employee, an increase of 18 percentage points compared to 2005 results. Twenty percent of those surveyed indicate they now pay more than $10,000 per year in benefits for each of their employees.

Despite increases in the cost of employee benefits, nearly 80 percent of respondents provide employer-paid health care benefits to their employees compared to 65 percent in 2005. Around half also pay for life insurance, dental care and disability insurance, figures that are comparable to those reported in 2005.

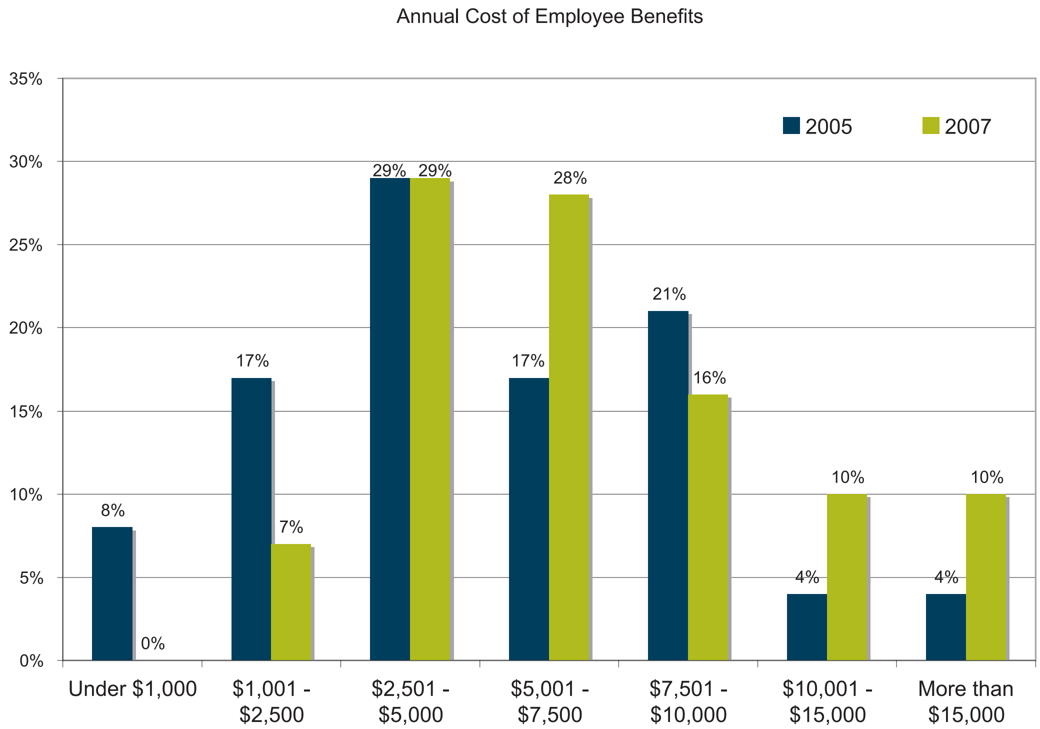
Popular fringe benefits include retirement plans (61 percent); mileage reimbursement; and performance bonuses (over 50 percent), while providing automobiles and club memberships now ranks among the lowest fringe offerings.

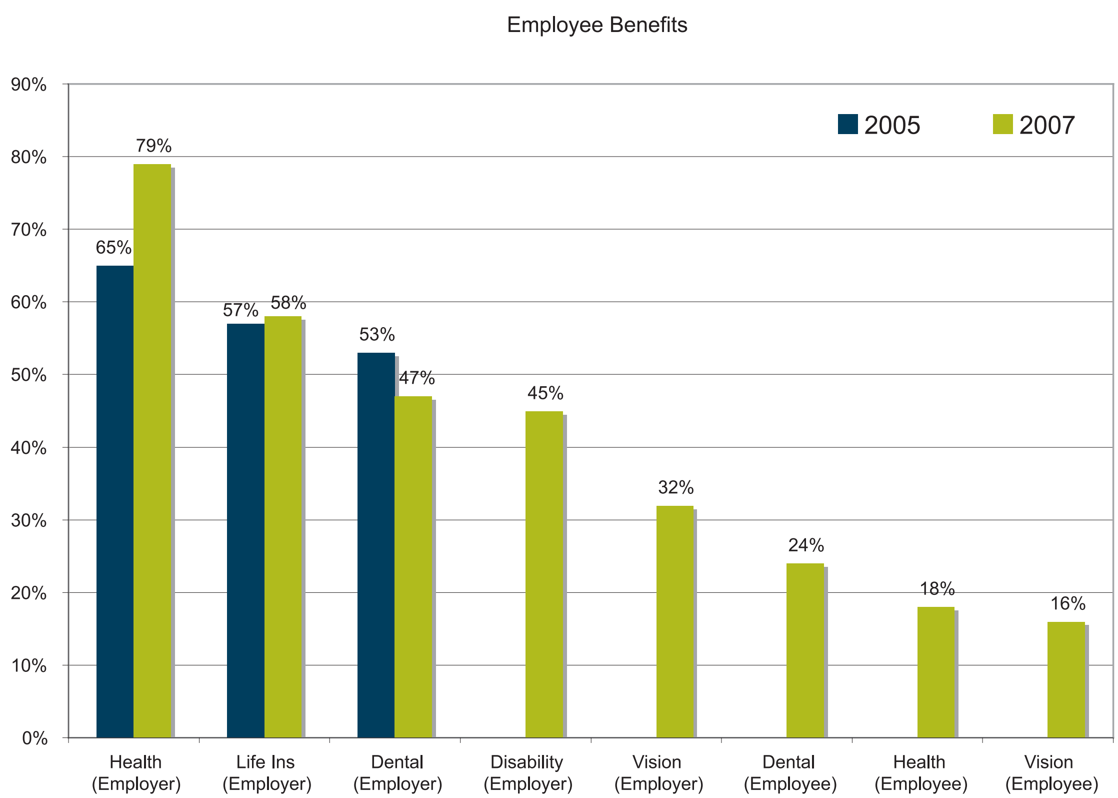

Average Salary Comparisons - Managerial
$80,000
$70,000
$60,000
$50,000
$40,000
$30,000
$20,000
$10,000
$-
2005
2007
$55,055
$69,000
$36,809
$47,112
$40,842
$40,136
$27,609
$37,000
$60,000
$36,328
$42,000
$50,000
$40,425
Asst Exec Dir./VP
Oper./Office Mgr
Acct./CFO
Sales/Marketing
Education
Graphic/Web Design
Legisl. Affairs

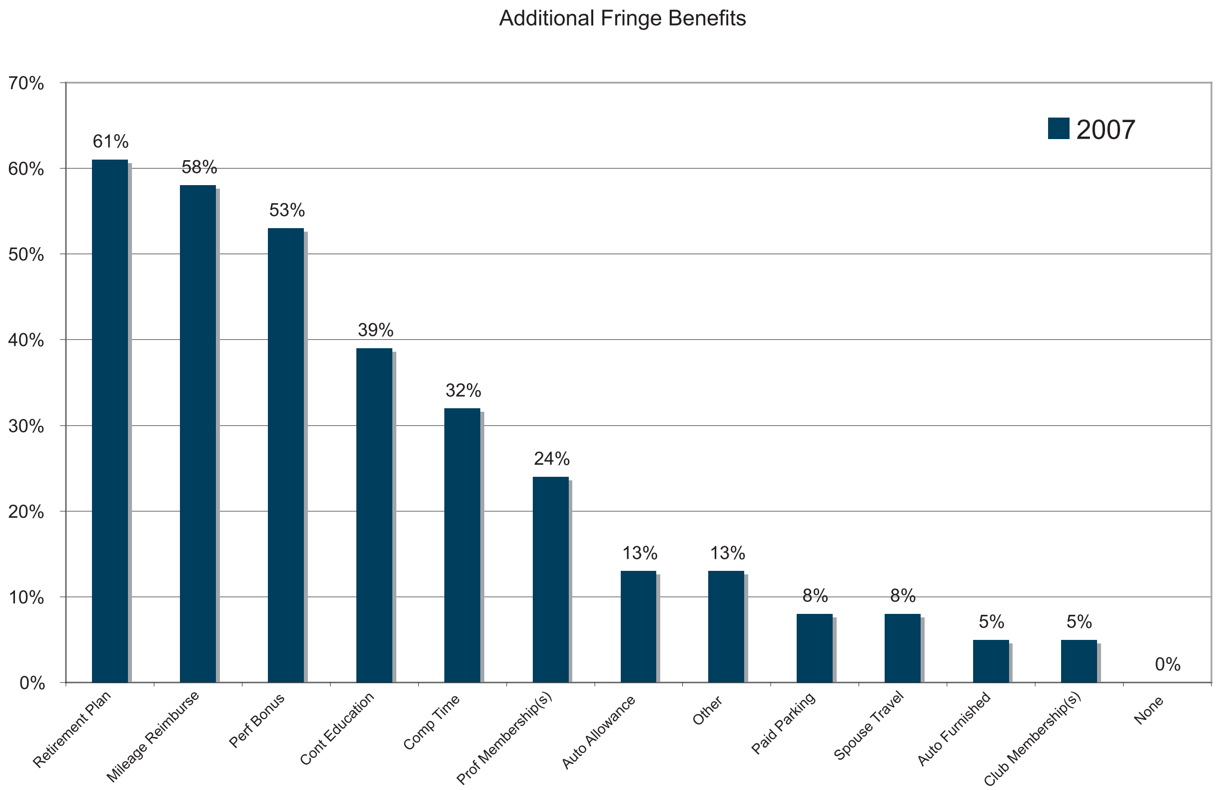

Average Salaries - Support Staff
$60,000
$50,000
$40,000
$30,000
$20,000
$10,000
$-
2005
2007
$25,763
$29,026
$30,457
$53,250
$24,842
$29,405
Admin. Asst/Clerical
Technical Support
Receptionist



	2005			2007		
	Average	Low	High	Average	Low	High
MANAGERIAL:						
Asst Exec Director/VP	$55,055	$22,000	$83,500	$69,000	$37,000	$100,000
Operations/Office Mgr	$36,809	$25,000	$65,000	$47,112	$30,000	$105,000
Bookkeeper/Acct/CFO	$40,842	$15,000	$80,000	$40,136	$17,000	$74,634
Sales/Marketing	$27,609	$20,000	$70,000	$37,000	$23,000	$50,000
Education Coord/Mgr	$60,000	$45,000	$75,000	$36,328	$28,000	$50,000
Graphic/Web Design	$42,000	$30,000	$54,000	$50,000	$50,000	$50,000
Legislative Affairs				$40,425	$40,425	$40,425
SUPPORT STAFF:						
Admin. Asst/Clerical	$25,763	$10,000	$45,000	$29,026	$17,500	$38,000
Technical Support	$30,457	$20,000	$70,000	$53,250	$25,000	$85,000
Receptionist	$24,842	$16,000	$33,000	$29,405	$24,000	$34,000
CONSTR. NEWS STAFF:						
Managing Editor	$31,050	$26,000	$34,320	$35,000	$30,000	$37,000
Bidding Reporter	$24,204	$12,000	$32,000	$24,271	$23,000	$36,800
Pre-Bid Reporter	$24,250	$12,000	$33,000	$27,222	$25,000	$30,000
Plan Room Coordin./Mgr.	$30,083	$18,720	$50,000	$33,857	$25,575	$55,000
Prod/Data Entry	$27,406	$20,800	$33,000	$25,012	$19,000	$28,000
Scanner, Blueprints	$21,723	$10,000	$33,000	$25,632	$19,000	$29,790
Scanner, Specs	$19,864	$8,000	$33,000	$23,052	$16,000	$28,000
Other				$44,938	$20,000	$92,000


Annual Cost of Employee Benefits
35%
30%
25%
20%
15%
10%
5%
0%
2005
2007
8%
0%
17%
7%
29%
29%
17%
28%
21%
16%
4%
10%
4%
10%
Under $1,000
$1,001 - $2,500
$2,501 - $5,000
$5,001 - $7,500
$7,501 - $10,000
$10,001 - $15,000
More than $15,000


Employee Benefits
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
2005
2007
65%
79%
57%
58%
53%
47%
45%
32%
24%
18%
16%
Health (Employer)
Life Ins (Employer)
Dental (Employer)
Disability (Employer)
Vision (Employer)
Dental (Employee)
Health (Employee)
Vision (Employee)


Additional Fringe Benefits
70%
60%
50%
40%
30%
20%
10%
0%
2007
61%
58%
53%
39%
32%
24%
13%
13%
8%
8%
5%
5%
0%
Retirement Plan
Mileage Reimburse
Perf Bonus
Cont Education
Comp Time
Prof Membership(s)
Auto Allowance
Other
Paid Parking
Spouse Travel
Auto Furnished
Club Membership(s)
None

SECTION G:
Executive Compensation

Summary

Executive compensation for IBEE members ranges from $35,000 per year to over $145,000 per year, with the average executive reportedly making a base salary of between $60,000 and $80,000.

While base salaries do not appear to have increased appreciably since 2005, performance bonuses have edged up slightly, with nearly a quarter of members indicating they now get a bonus of between $10,000 and $20,000. Despite a gain in this category, a third of the membership still does not receive any form of bonus.

In most cases, (59 percent) the Board of Directors determines the manner in which bonuses will be dispensed, and fewer IBEE members report that bonuses are based on a percentage of profit (18 percent compared to 23 percent in 2005).

The majority of Exchanges (82 percent) still do not negotiate any formal employment agreement with their executive director. Among those who do, the average agreement is between three and five years in length.

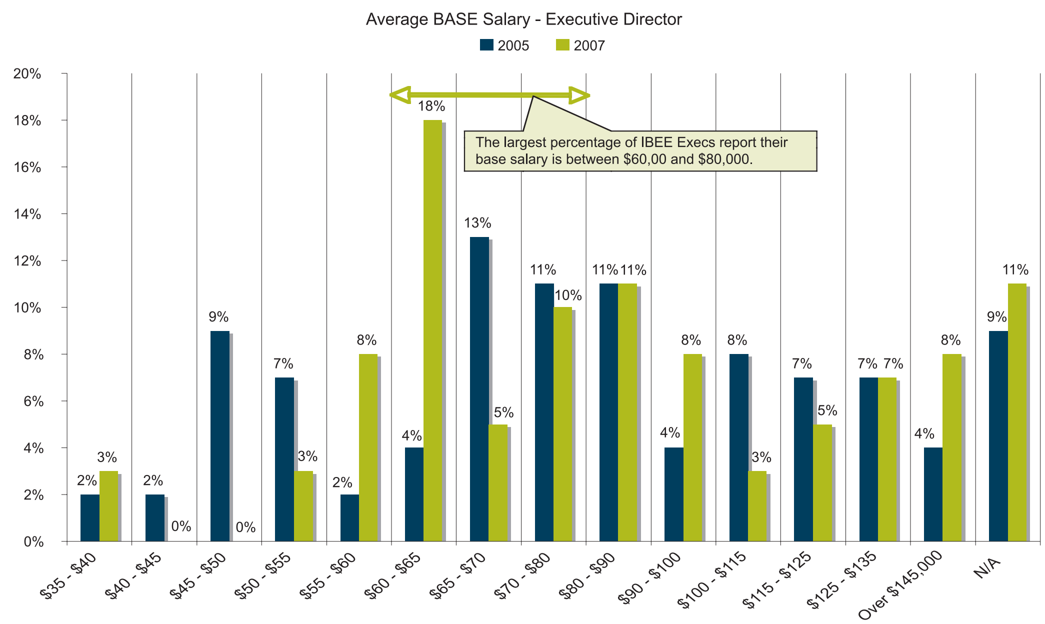
Results of the 2007 survey regarding employee benefits provided to Exchange executives was consistent with those reported in 2005. The majority of executives (over 70 percent) receive a retirement plan; health, and life insurance; more than half receive disability and dental insurance; membership in professional organizations and paid travel for their spouse.

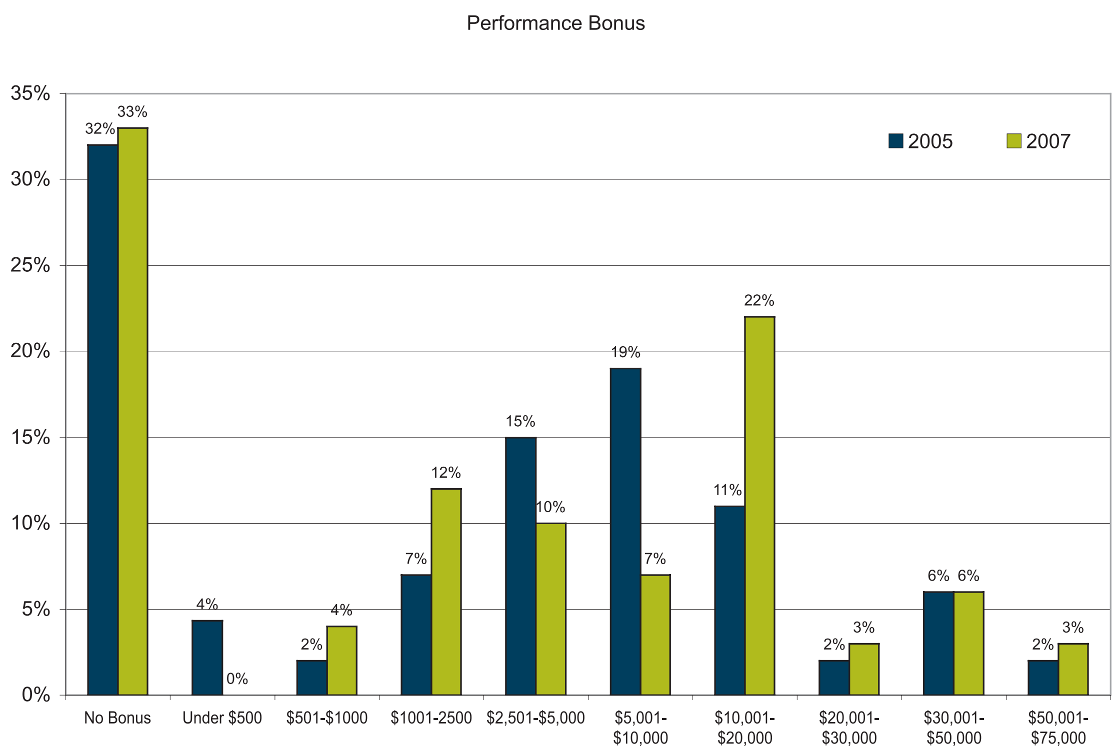
The number and frequency of additional fringe benefits remain consistent with those reported in 2005, with noted decline among those receiving an automobile allowance or reimbursement for auto expenses.

Longevity continues to be the hallmark of Exchange leadership with nearly 60 percent of Exchange executives on the job for more than fifteen years. More than a third have been (35 percent) employed for more than twenty years.

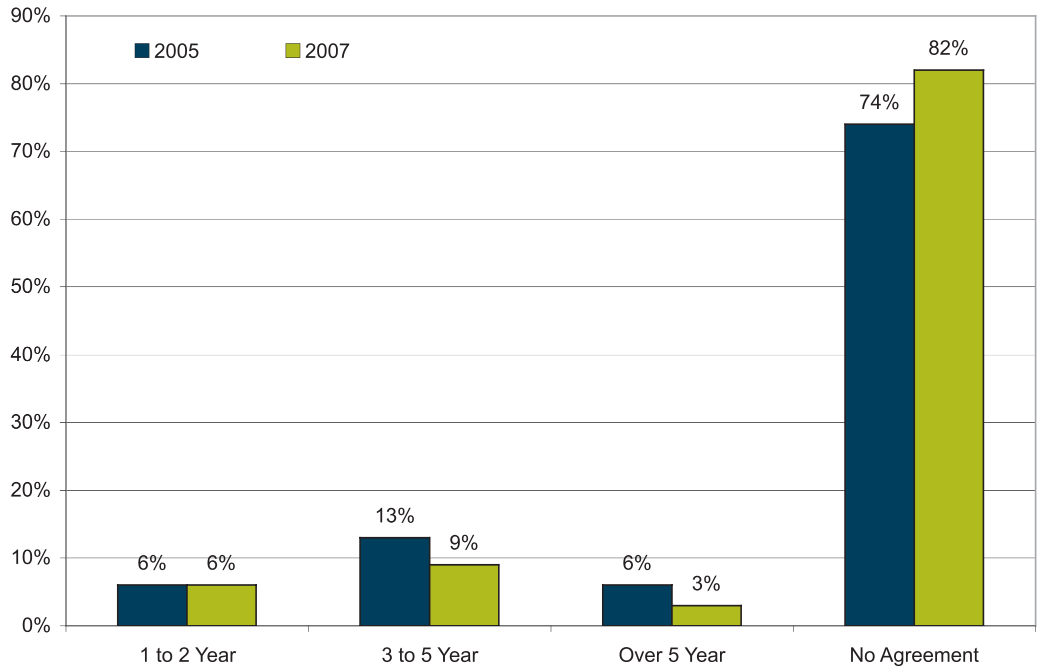
Nearly three-quarters of Exchange Executives have a college degree, with the largest percentage (39 percent) holding a bachelor degree.

Over a third of respondents consider "multi-tasking" to be the most important skill needed by executive directors, followed by organizational ability (21 percent) and creativity and vision (15 percent). Integrity and perseverance ranked lowest with 3 percent respectively.

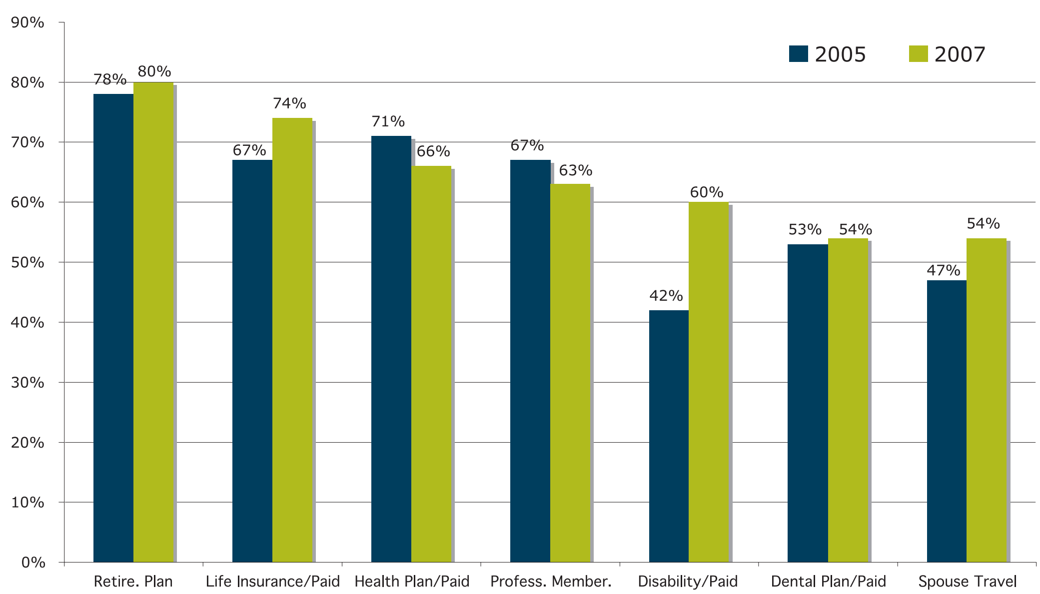

Average BASE Salary - Executive Director
2005
2007
The largest percentage of IBEE Execs report their base salary is between $60,00 and $80,000.
20%
18%
16%
14%
12%
10%
8%
6%
4%
2%
0%
$35 - $40
$40 - $45
$45 - $50
$50 - $55
$55 - $60
$60 - $65
$65 - $70
$70 - $80
$80 - $90
$90 - $100
$100 - $115
$115 - $125
$125 - $135
Over $145,000
N/A

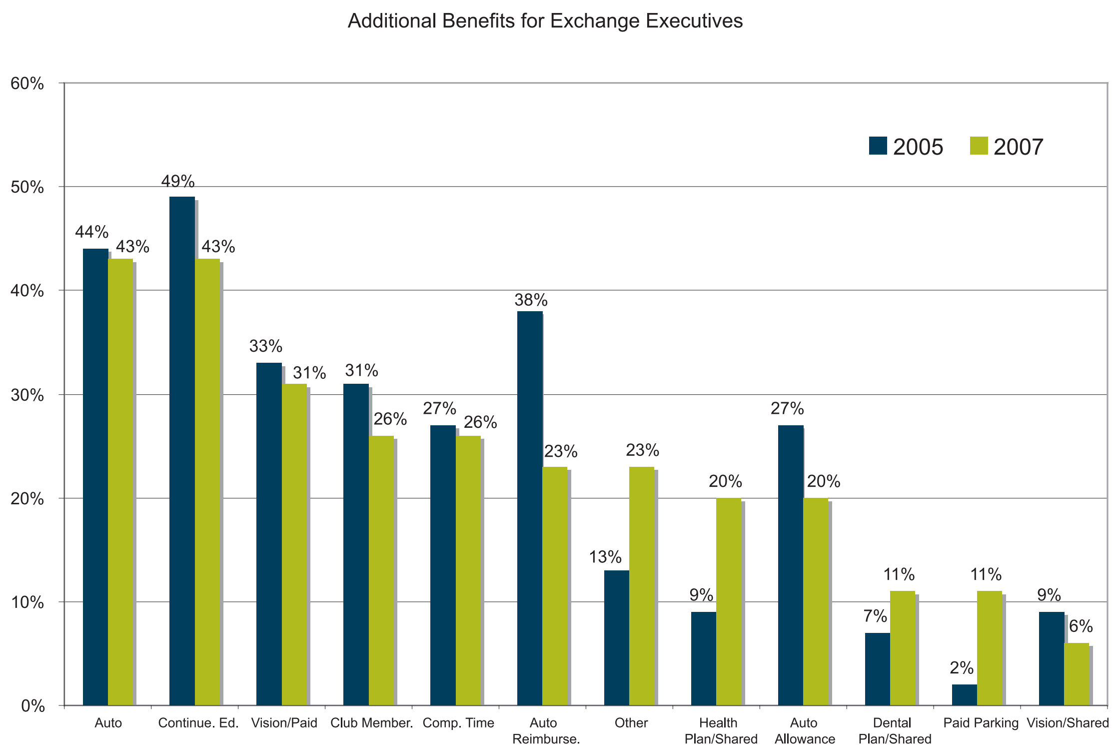

Performance Bonus
2005
2007
35%
30%
25%
20%
15%
10%
5%
0%
No Bonus
Under $500
$501-$1000
$1001-2500
$2,501-$5,000
$5,001-$10,000
$10,001-$20,000
$20,001-$30,000
$30,001-$50,000
$50,001-$75,000

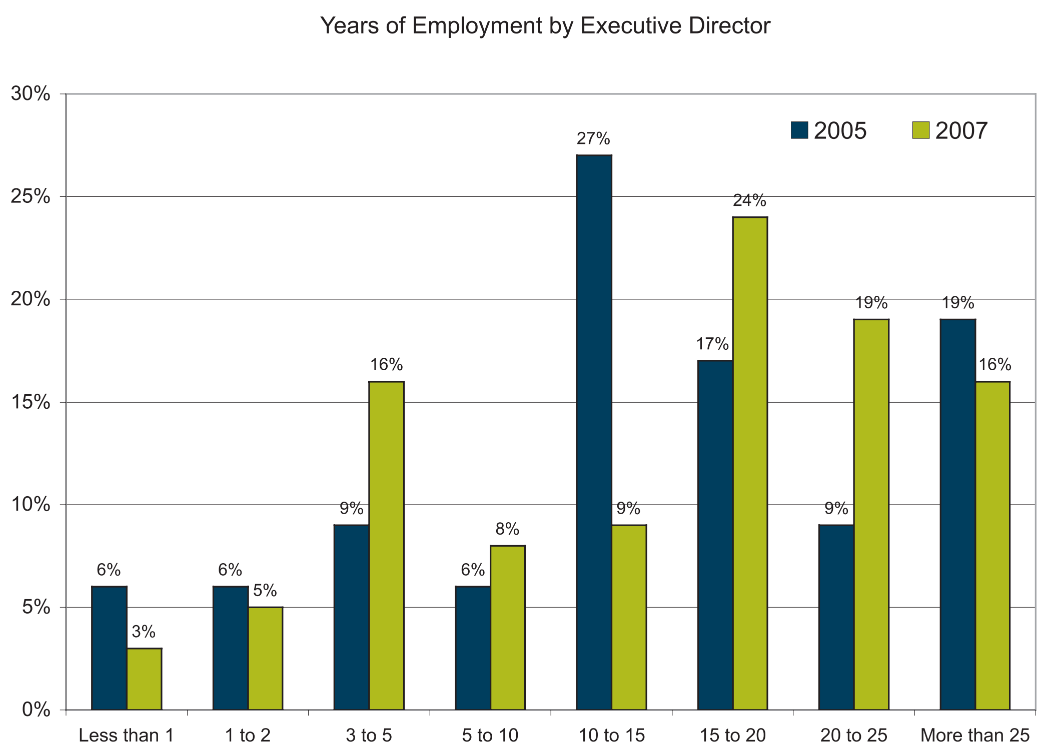
What are the contractual terms of employment for the Exec. Director



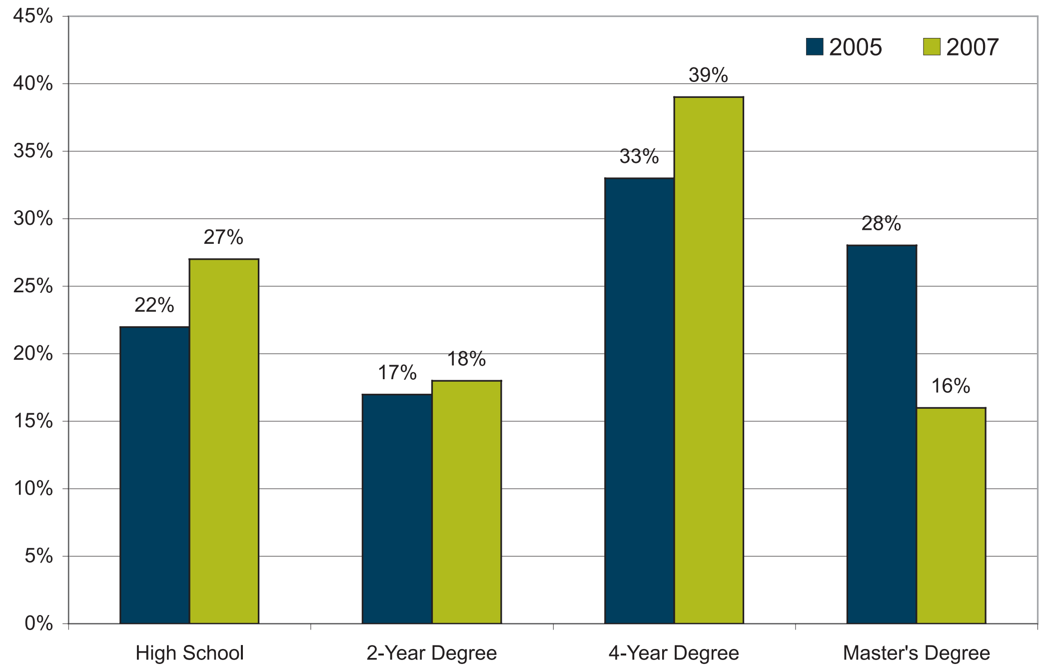
Fringe Benefits for IBEE Executive Directors



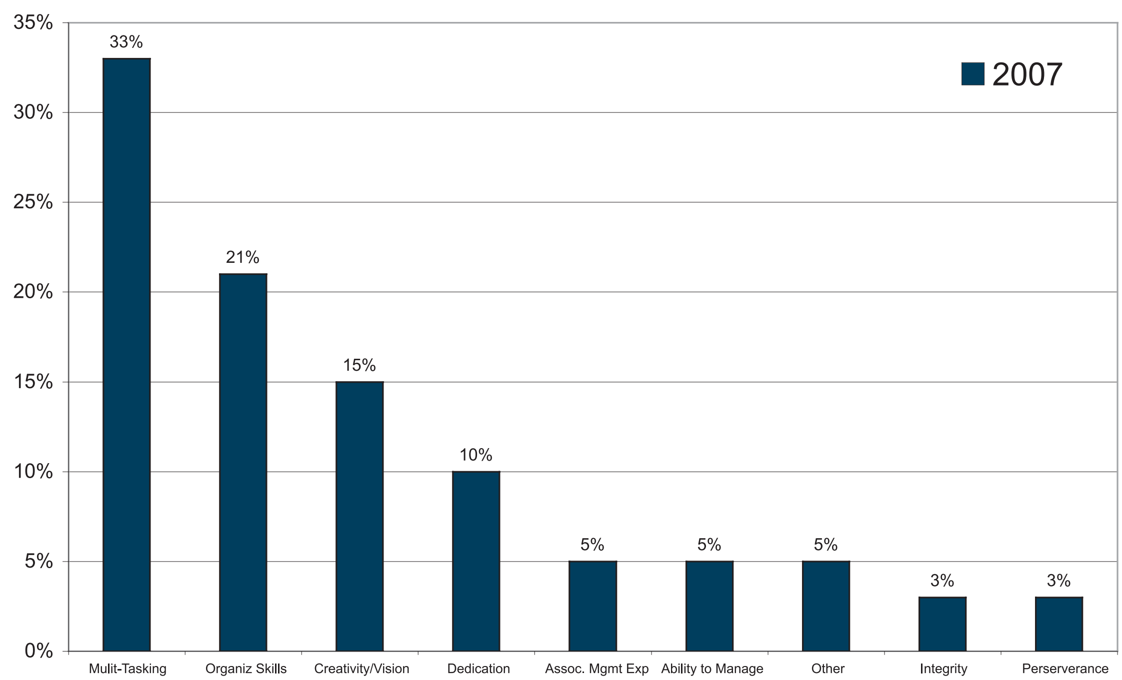

Additional Benefits for Exchange Executives
60%
50%
40%
30%
20%
10%
0%
2005
2007
44%
43%
49%
43%
33%
31%
31%
26%
27%
26%
38%
23%
13%
23%
9%
20%
27%
20%
7%
11%
2%
11%
9%
6%
Auto
Continue. Ed.
Vision/Paid
Club Member.
Comp. Time
Auto Reimburse.
Other
Health Plan/Shared
Auto Allowance
Dental Plan/Shared
Paid Parking
Vision/Shared


Years of Employment by Executive Director
30%
25%
20%
15%
10%
5%
0%
2005
2007
6%
3%
6%
5%
9%
16%
6%
8%
27%
9%
17%
24%
9%
19%
19%
16%
Less than 1
1 to 2
3 to 5
5 to 10
10 to 15
15 to 20
20 to 25
More than 25

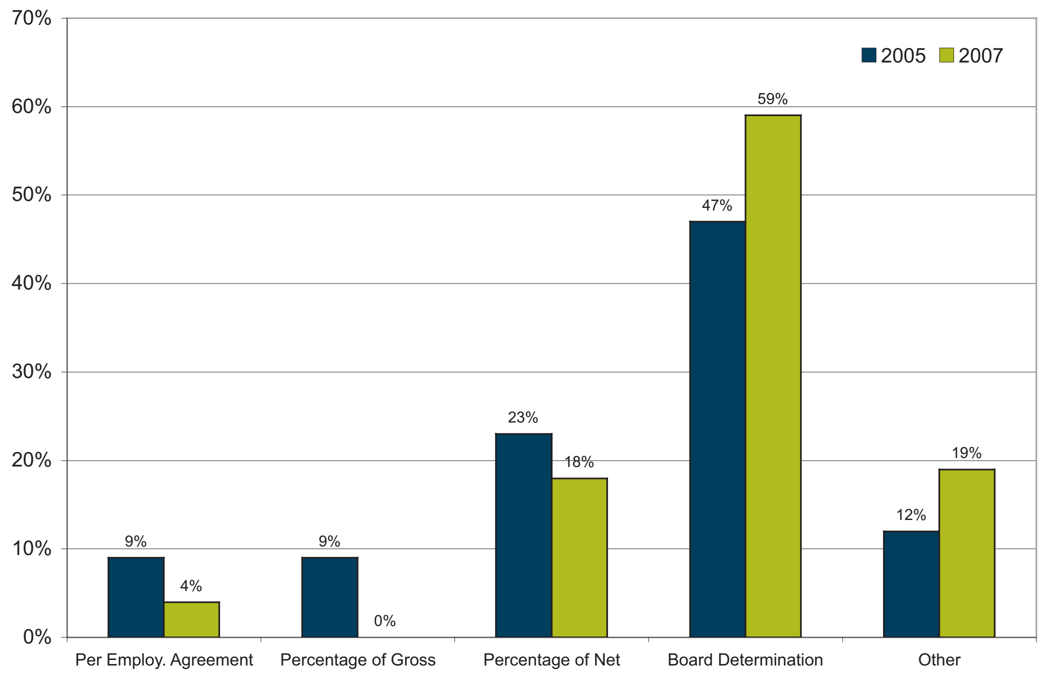
Level of Education Among Executive Directors



Most Important Skill Cited by Executive Director



Criterion for Determing Bonus



As an Exchange Executive, what is your greatest concern about the future of your organization?

"Ability to adapt and change."

"Communication with members, how do we keep them aware of our organization?"

"Keeping up with all the ever-changing challenges that arise."

"I have provided for the organization to continue through earthquake, fire, and storm. I have no concerns."

"Balancing the union and non-union aspects of our organization."

"Keeping the importance of the IPIN business model relevant to our membership."

"Our organization is currently in a space crunch and pursuing a Capital Campaign to renovate existing space as well as construct a 13,000 Sq Ft addition that will include a training facility and much needed office space. This $6 million project will be a major undertaking and will only happen with the support of our current Members and past Members that have benefited greatly from the organization."

"To remain relevant to the membership.'

"Competition for service enhancements is growing. Maintaining and evolving technical services with minimal staff is an uphill climb when for profit companies are fighting for our market."

"Increased use of Construction Managers for public projects that do not require subcontractor and supplier bidding."

"Financial concerns in regard to implementing new programs and retaining qualified employees to keep up with an ever changing industry. Where will BXs fit into the overall picture? Will we have to totally change our focus just to hang on? Will the success of today be a memory of the past?"

"Identifying and eliminating threats, while adapting to change in the industry."

"Misguided leadership."

"Competition from companies who are paying design professionals for using their services rather than using our exchange."

"Providing the best electronic plans room in a competitive market (that) now involves government as a competitor."

"Management continuity."

"To be able to properly staff the association with affordable, intelligent, loyal, dedicated and responsible individuals."

"Keeping up and keeping our members educated on changes in the construction industry."

"That there will someday be an 'Ebay' of bidding."

"Electronic age = many suppliers of project information."

"Who will run the Exchange once I retire."

"Obtaining complete project information from plan-holders."

"I am concerned about the organization hiring and training my replacement....when I retire."

"Keeping up with the industry needs."

"Two totally different areas concern me - one is the reprographic houses attempting to represent themselves as plan centers to the plan providers be they architects, engineers, or owners. The other is finding quality people to work in the plan center. Each time I try to add to my staff, I find it more difficult to recruit the type of people we want to join our team."

"Finding and retaining dedicated and concerned volunteers."

"Maintaining membership retention."

"Staying viable and continuing to be a leader in plans room services. Concerned about how to facilitate and really be a part of BIM, design/build, and helping my members move forward with the technology. Smaller companies getting swallowed up by larger firms creating less of a member base and if that happens creating the right products to benefit that will still continue to increase the bottom line."

"Diversification of services to the membership with limited funds which would provide stability to the organization."

As an Exchange Executive, what is your greatest concern about the future of the construction industry?

"More work going to larger more technically advanced firms and shutting out the mom and pops or smaller organizations. Projects being bundled, so smaller firms can't independently participate. Set-aside programs that don't allow for bidding. Technical advancements so costly that the subs can't all keep up. Smaller companies getting swallowed up by larger firms creating less of a member base."

"Legislative issues."

"In our area, the increasing presence of non-union contractors."

"The rate that technology is changing - will we be able to keep up?"

"Legislative matters. We as a group must begin to develop and leadership role in legislative maters."

"Alternate forms of procurement and the lack of transparency."

"Shortage of skilled workers."

"Exchange of information on industry changes within the IBEE membership."

"The Industry needs hands-on tradesmen. Too much emphasis is placed on scholarships to promote the industry while the need is for laborers. The industry is losing 250,000 tradesmen per year and there are minimal efforts to promote the fields to our youth."

"A flagging economy."

Job availability, trained employees

"Environment-water-air quality- expanding population-new codes-new products-new politics."

"Industry will be ok."

"Finding qualified young craftsman."

"Economy."

"Lack of laborers, of course."

"If state and federal rules, regs, mandates, etc continue to be imposed on our industry as they currently are, it wont be long before we see government contracting firms dominating the marketplace."

"One of the obvious concerns we have all talked about is the aging of the labor pool. We have all heard from our contractors that they are having a very difficult time finding people to replace those that are retiring. In my area that is spreading from the trades to inside the offices. Not only are they complainging to me in the plan room about the fact they can't find jobsite workers or superintendents, my members stop me in the parking lot to ask if I know of administrative people or project managers looking for jobs. I think BIM will have a major impact on the construction industry as well as the plan center industry and it concerns me how we will fit into the changes forthcoming and how we can remain viable? How will we help our members make the changes?"

"Projects are becoming "private" and not sent to exchanges. More design build projects are showing up."

"Technology vs. manpower."

"Legislative directives which create an adverse effect on economic development in our state."

"Labor shortage."

"My greatest concern is probably that the basic premises of our long-standing open and competitive bidding system are being eroded by many owners and other players in the industry."

"Negotiated work- the ebbing of competitively bid projects."

"That there will be adequate workers to meet the workforce needs and that smaller companies will still be able to survive."

"Having qualified construction workers."

"Influx of CM projects."

"Training and labor shortages."

"As it relates to our exchange, I'm concerned that more projects are being privately negotiated and not put out for bid. In those instances we are being eliminated from being a part of the process."

"Labor and material cost."

"Shortages of skilled workers is a significant factor in our market place."

SECTION H:
IBEE Membership

Summary

The majority of respondents (28 percent) indicate they have been members of IBEE for between two and five years. However, IBEE continues to enjoy a high retention rate, with over 40 percent of those responding to the 2007 retaining their membership more than ten years, while a quarter have been members for more than six years.

The reasons members give for their involvement in IBEE have shifted somewhat since the last survey. Overall, the opportunity to meet with peers remains the number one reason IBEE members continue their membership in the organization, with nearly half of respondents (47 percent) ranking it as their primary objective. However, that number decreased from 60 percent in 2005, and more members now report their primary reason for maintaining membership is to stay abreast of industry changes (21 percent) and learn new techniques (16 percent).

The majority of IBEE members have attended at least one of the annual meetings over the past two years, with the largest group affirming they have attended the Annual Convention (62 percent). Among those who have not attended a meeting, about half cite inconvenient location or conflicting dates as the reasons they were unable to attend.

The survey results indicate that IBEE's services are being used more heavily with increases noted in more than half of the service offerings. IBEE's newsletter, the *Construction Executive Report (CER)* continues to be the organization's most heavily used service, with 84 percent of respondents indicating they have utilize the publication over the past 24-months. The BXNet/IBEE web site ranked second, attracting 58 percent, followed by the Reporter Training program, used by more than half of the respondents (53 percent). Third on the list was peer-to-peer consultation, used by 39 percent of those responding.

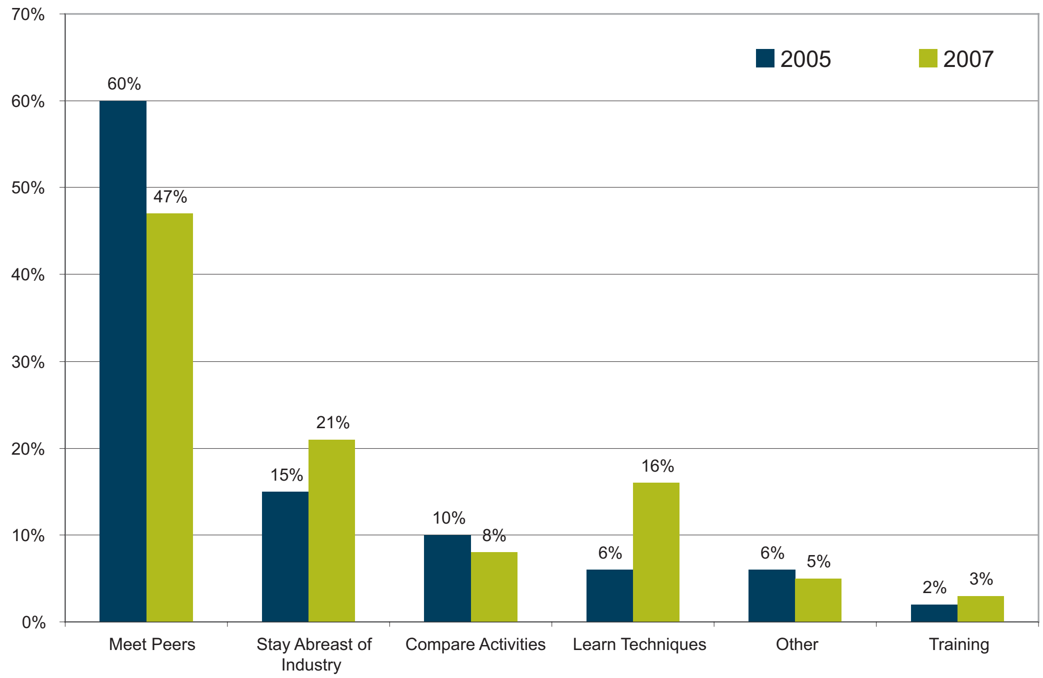
The service experiencing the greatest increase in usage was IBEE's Facilitation and Strategic Planning Service. Over a quarter of respondents indicated they have used the service within the past 24-months, compared to only 7 percent in 2005.

Despite increases in most service categories, nearly 10 percent of respondents indicated they haven't used any of IBEE's services in the past 24-months.

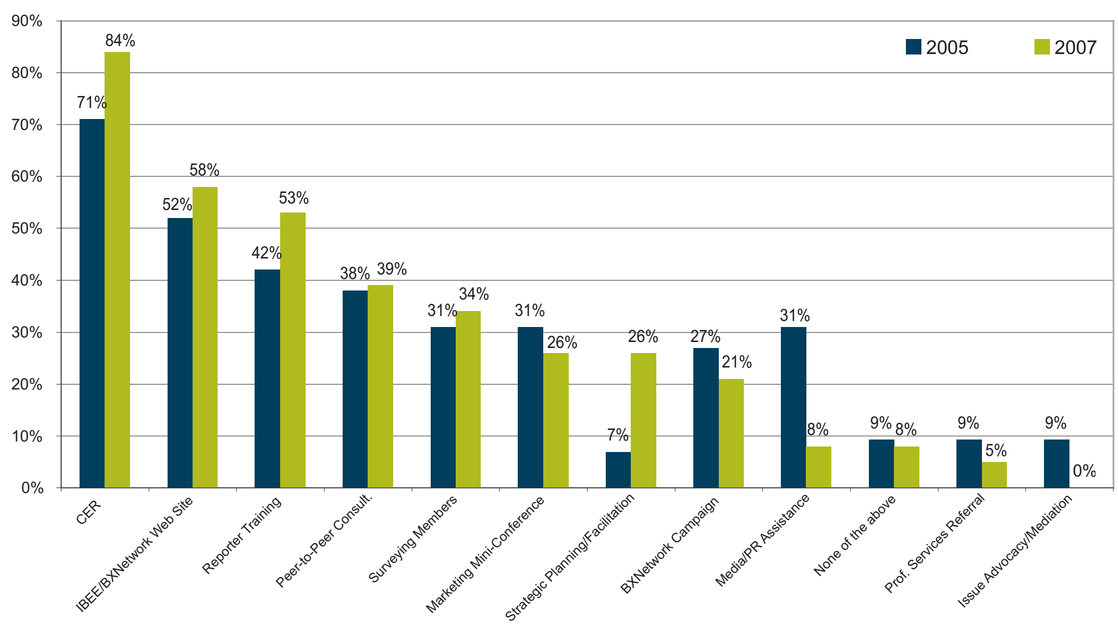
Among Affinity Services, the recently launched Fleet Leasing and Purchasing Program tied for usage with the R.S. Means Discount program, both of which were used by nearly sixty percent of respondents. The newest Affinity Service, the MyARC World purchasing program was third on the list of frequently used services with 16 percent of the membership indicating they have tried the program. The long distance discount program provided by First Communications experienced a sharp decline in usage, from 26 percent of respondents in 2005 to 5 percent in 2007.

The majority of respondents (67 percent) listed standardized marketing materials as the number one service they would like to see implemented by IBEE over the next one to two years, a jump of twenty percentage points from 2005. Second on the list was national sharing of project information, listed by 45 percent of respondents; followed in third place by best practices information which held the number one slot in 2005.

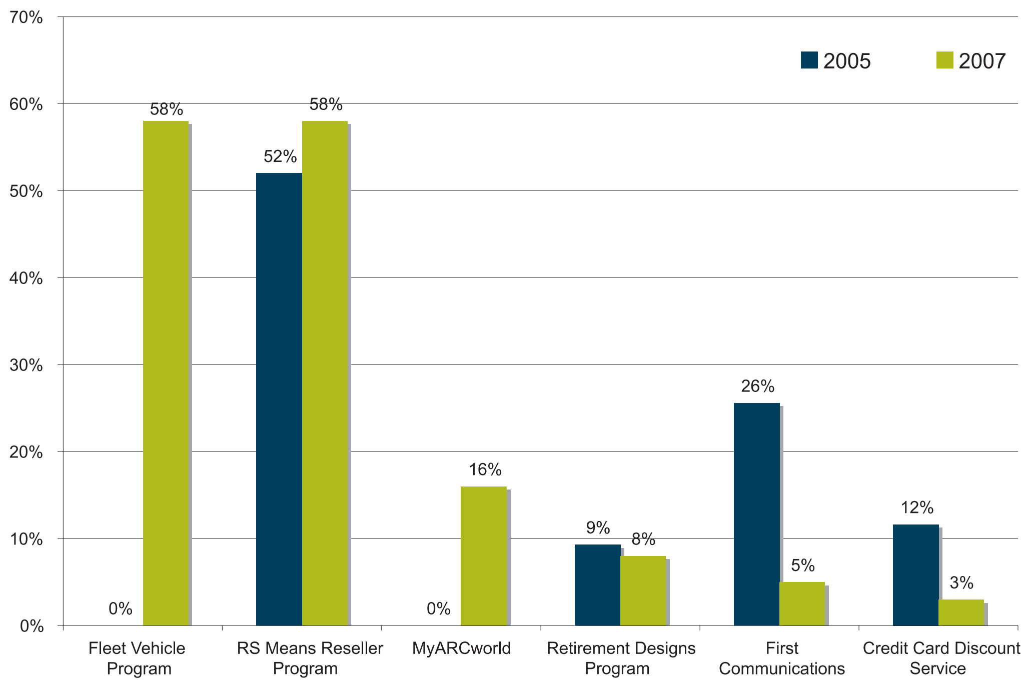
What is the PRIMARY reason you maintain membership in IBEE?



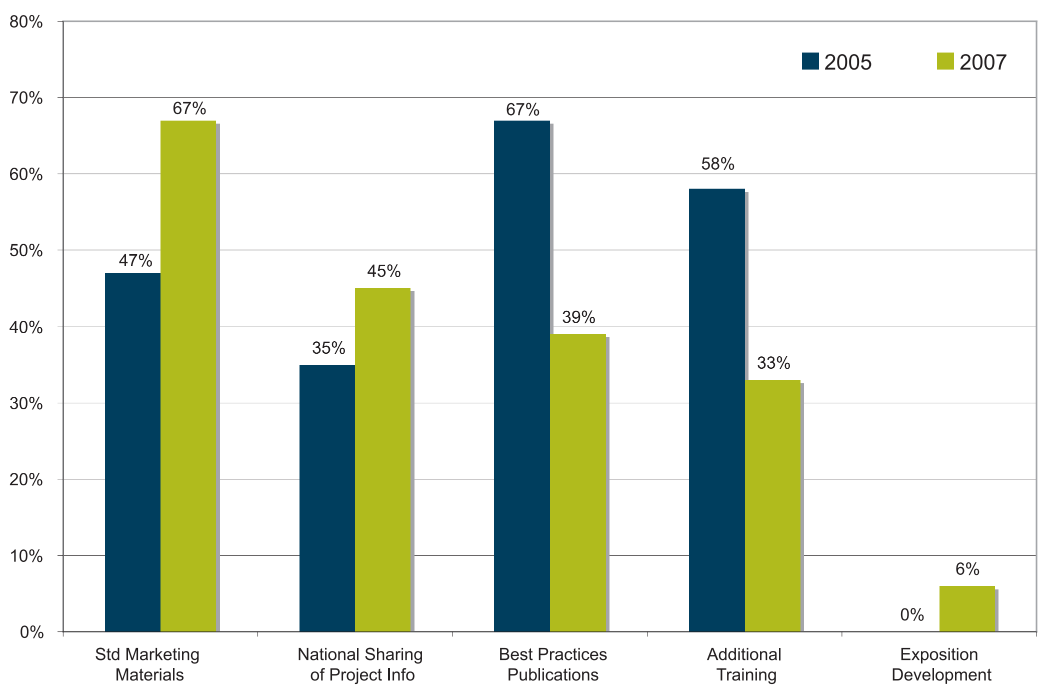
Which IBEE Services have you used within the past 24-months?



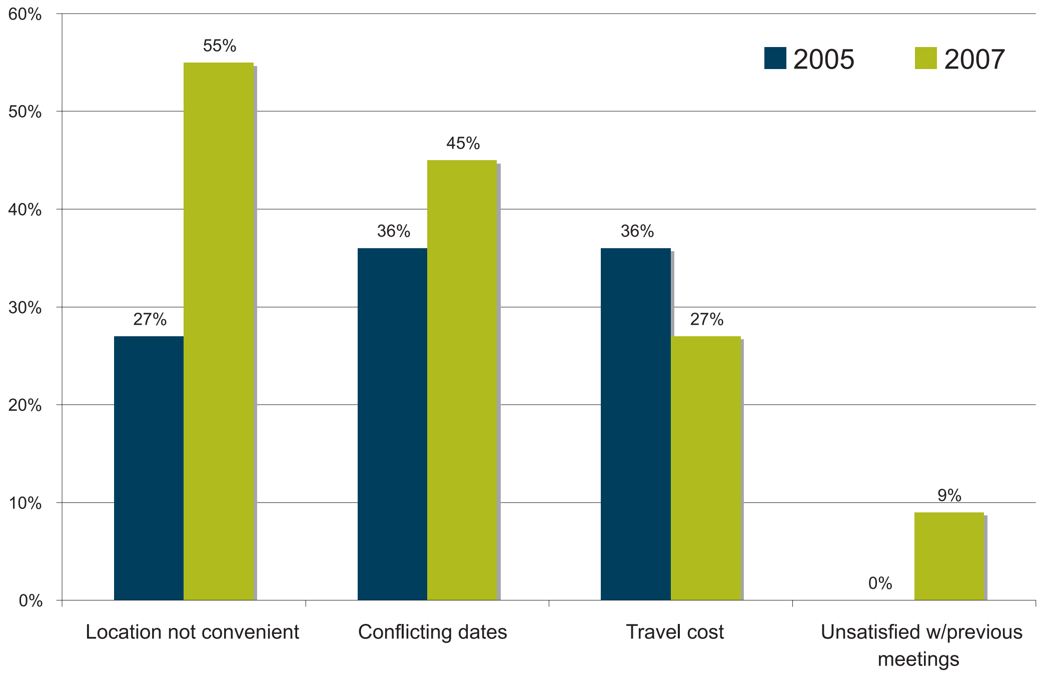
Member use of IBEE Affinity Programs - last 24-months



What services would you like to see IBEE implement over the next 12 to 24 months?



Why haven't you attended an IBEE Meeting?



Conclusion:

Historically, the IBEE membership has been comprised of small, localized organizations with lean operating budgets and fairly stable membership numbers. However, in recent years the membership has increasingly divided between well-funded organizations pursuing a vigorous growth agenda and those with fewer resources struggling to maintain market-share.

While the vast majority of IBEE members still serve fewer than 1,000 members, over a third now operate with a budget in excess of $1 million, compared with less than a quarter in 2005. This trend mirrors conditions in the construction industry overall as companies with fewer resources lose competitive ground and mergers with larger entities becomes more commonplace.

Such polarity creates disparity between service needs and expectations for IBEE members and the individual industry members they serve, particularly since the “average” Exchange membership has historically consisted of small to mid-sized companies with larger firms eschewing local services in favor of regional and/or national coverage. Member-based organizations, including IBEE, face increasing pressure to offer services that meet the needs of both ends of the size spectrum.

IBEE and its members face an even greater challenge in finding a balance between the cost of dues and the perceived value received for each dues dollar. When inflation is taken into account, it appears that Exchanges now charge less for their services than they did 10 or 20 years ago despite offering more member benefits. In addition, IBEE members now rely heavily on a single service – the electronic project news – for a large percentage of their revenue. Based upon their written responses, IBEE Members share concerns about the financial health of their organizations if changes in technology and/or the construction bid process render this service less relevant.

Overall, IBEE members express the greatest concern about the future of this vital service, citing increased competition by on-line plan rooms, declining use of plan room services to facilitate the bid process and resistance from architects and owners to provide bid documents as primary concerns. These issues have magnified in frequency and intensity in recent years and Exchanges will need to marshal their long history of creativity, ingenuity and adaptability to combat them.

In appears that IBEE members are gearing up to meet the challenge and they expect IBEE to support their efforts. According to the 2007 survey results, more Exchanges are employing marketing personnel, trying new marketing techniques, launching affinity programs and seeking collaboration with their fellow members to counter competition and diversity services. In addition, more IBEE members are taking advantage of staff training, and strategic planning services designed to help executives and their Boards plan for the future.

It is worth noting that as independent operations, Exchanges are remarkably adaptable and resourceful, adjusting quickly to changes in the industry in order to remain viable. Given their long history and reputation for service, Exchanges are generally well established and respected in their local marketplace and enjoy substantial goodwill from the local construction community at the grass-roots level. These assets will be invaluable in helping Exchanges shape their future.

The following is list of trends that may be beneficial to IBEE members as they evaluate strategies for retaining their competitive edge:

Trend Projections

Construction Industry Trends:

- Unionized construction is rapidly declining, representing about 11 percent of the total construction industry at present.
- The construction workforce is declining with more workers leaving than entering the industry, indicating a clear need for attracting, training and retaining qualified manpower.
- The construction industry is burdened with high regulatory requirements and increasingly hostile legislation, consequently the industry needs training that will minimize liability, i.e. safety training.
- The construction industry has a high failure rate, attributed to poor capitalization and weak business management skills on the part of those who open such businesses. It is estimated that three out of every five start-up companies will fail within five years, indicating a need for assistance at this level.

Population-at-Large Trends:

- The population at large is shifting with projections indicating that Western Europeans will no longer represent the majority population by the year 2012, rather Hispanics, Eastern Europeans and African-Americans will dominate the population. The construction industry has not devised methods to attract and retain these groups.
- Traditionalists and Baby Boomers will be leaving the workforce in large numbers over the next ten years, with projections calling for shortfalls in the required number of qualified workers.
- Generation X workers (born 1963-1979) are less inclined to join organizations and less likely to volunteer personal time to attend meetings, events, etc. outside of regular business hours.
- Gen X and Echo Boomer (born 1979-1994) workers are technologically sophisticated and have higher expectations from service providers, i.e. Return on Investment is measured carefully against cost of service.