

# **Strategic Plan with an Assessment of Current and Anticipated Future Industry Market Conditions**

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This document was created as a result of an industry review and assessment conducted by the GTA Board of Directors and staff in August 2012. The Strategic Plan was adopted by the GTA Board of Directors on February 13 2013 and approved by the NTEA Board of Trustees on March 4, 2013. This plan will serve as the guiding management document until the GTA Board amends and alters it with subsequent approval by the NTEA Board of Trustees.



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# Five- to 10-Year Planning Horizon Industry Environmental Scan

**Conditions, Trends & Assumptions** statements developed by the Board and staff will help the organization purposefully update its Strategic Plan on an annual basis. Since the outcome-oriented goals that will form the basis of the long-range Strategic Plan will be based on the vision of the future that appears in this section, an annual review of this vision will be an appropriate method of determining and ensuring the ongoing relevancy of the goals.

## Conditions, Trends & Assumptions

### Social Values and Demographics:

1. Consumer and organizational demand for products supporting sustainability and growing preferences for doing business with companies operating in a more environmentally conscious methodology are increasing.
2. Acceptance and awareness of green technology applications is increasing, especially among younger professionals and consumers.
3. Consumers and organizations have become inundated with green messaging.
4. Lack of empirical information and possible misrepresentations or misperceptions of the benefits associated with green technology may be having an adverse effect on its acceptance while increasing the skepticism regarding performance claims.
5. Energy costs are likely to increase as a percentage of consumer and organizational expenditures.

### Industry Dynamics and Business Climate:

1. Reduced fuel consumption and criteria pollutants remains as a primary concern.
2. The industry continues to be hampered by slow growth and recovery, along with general political and economic uncertainty.
3. Adoption by truck buyers is limited by lack of empirical knowledge, product availability, uncertainty regarding benefits for specific applications and general aversion to risk.
4. Poor execution and mismatching of available technology to applications is causing lackluster results and casting doubt on performance claims.
5. Suppliers are migrating from the development phase and reliance on government incentives to fiscally viable deployment of their applications within the industry.
6. Technology pricing will need to continue its downward trend in order to foster widespread adoption.
7. Volatility in petroleum fuel pricing hinders accurate payback and ROI models.
8. Petroleum fuel pricing is expected to increase but price sensitivity appears to be decreasing somewhat.
9. Shifts in gasoline and diesel prices will drive urgency of adoption for the industry.

10. Fueling infrastructure costs are a significant factor in adoption and purchasing decisions for fleets.
11. Lack of fueling infrastructure is limiting adoption for non-domiciled fleet operations.
12. Green applications will become expected and even more fiscally viable.
13. There is increasing need for evaluation tools and more accurate performance modeling to help match technology to the appropriate application.
14. Trucks buyers are increasingly evaluating advanced technology and alternative fuels using life-cycle-cost analysis. In the future, better analysis tools based on more complete drive and duty cycle data will be the basis for supporting life-cycle cost analysis rather than simple purchase price comparison.

### **Politics, Legislation & Regulation:**

1. The United States currently lacks a defined energy policy.
2. Political views and legislative agendas are polarized and, in some cases, incorporate extreme factions.
3. Green technology expansion in trucks has been largely fueled by government incentives.
4. Government appears to be using regulations and incentives to drive adoption and help determine technology winners.
5. Availability of government incentives is expected to decline.
6. The rate of regulation development is expected to increase.
7. Use of government mandates versus financial incentives is expected to increase.
8. New legislation and regulations are likely to be fiscally or technically unrealistic without industry involvement early in the process.
9. As the United States economy continues to recover, focus may shift toward environmental concerns and away from the more immediate economic concerns.
10. There will be increasing pressure to develop global emissions standards.

### **Automotive and Truck Chassis Manufacturing:**

1. Influence from global markets will drive increasing harmonization.
2. High development costs are favoring larger companies.
3. Pace of change is expected to accelerate.
4. Speed of product development is increasing (shorter cycle to market will be important).
5. Consolidation will continue to occur.
6. Vehicle complexity will continue to increase.
7. For trucks, quality expectations for chassis, truck-mounted systems and equipment will become symbiotic.
8. Vehicle design will accommodate increasing options for fuel type.
9. The percentage of automobiles and trucks fueled by means other than gasoline or diesel will increase.
10. Alternative fuel and other advanced fuel saving technologies will be increasingly driven by an improved return on investment to the truck buyer.

# Overarching Objectives

**The following represent the thoughts and outcomes the GTA Board of Directors felt should guide the organization in pursuit of the Strategic Plan**

*The GTA's mission is to promote the development and deployment of strategies to reduce diesel or gasoline consumption while improving the efficiency and productivity of work trucks and the associated environmental impacts.*

## **Trusted Information Resource**

The GTA will be viewed by the industry as the premier resource for tools and insight for evaluating the effectiveness and fiscally viable adoption of green technology applications for work trucks.

### **Objectives:**

1. Increase industry awareness and access to operational results of work trucks deploying green technologies and alternative fuels, and build awareness of newly emerging viable technologies.
2. Build awareness of the tools available to model performance of work trucks in the field and establish baseline and operational models to enable better informed decision-making on technology deployment.

## **Public Good**

GTA activities will result in reduced work truck petroleum usage while contributing to a cleaner environment and a healthier economy.

### **Objectives:**

1. Increase alternative fuel and fuel saving technologies usage in work trucks.
2. Increase use of advance vehicle technologies that reduce or eliminate usage of gasoline or diesel fuel.
3. Educate fleet managers and truck buyers on the positive financial implications of deploying green technologies and alternative fuel applications that are properly matched to their vehicles' operating metrics.
4. Increase government and public awareness of truck-related green technology and alternative fuels through educational initiatives.

# STRATEGIC PLAN

ADOPTED MARCH 2013

The following represents goal areas for the next three to five years. These are areas in which the GTA will explicitly state the conditions or attributes it wants to achieve. Outcome statements define “what will constitute future success.” The achievement of each goal will move the organization toward realization of its vision. Goal areas are not in priority order.

Objectives set direction and focus within each goal area. Objectives are considered in the three- to five-year planning horizon.

As the GTA has finite resources, it has been determined that focusing on top priorities is a critical course of action.

## Goal Area: Outreach

**Goal Statement:** The GTA will leverage The Work Truck Show<sup>®</sup> and Green Truck Summit to engage the industry and promote the effective deployment of advanced green technologies and alternative fuels. GTA activities will promote higher levels of understanding and insight regarding industry issues, and regulatory and environmental implications, along with showcasing fiscally viable deployment of such technologies and fuels.

- Objective (1): Engage all segments of the industry to achieve a higher level of understanding and acceptance of advanced green technologies and alternative fuel options for work trucks.
- Objective (2): Bring visibility to the tools and processes that can allow better decision-making and non-biased comparison of technology and fuel applications.
- Objective (3): Provide an industry forum for the discussion and review of alternative fuel and other advanced fuel saving technology implications for the industry.

## **Goal Area: Leadership**

**Goal Statement:** The GTA will provide the platform for promoting and supporting all viable alternative fuels and advanced green technology applications.

- Objective (1): Be the catalyst to align analytical tools, empirical data and industry experiences to drive a deeper understanding of:
- a. Increased insights into the implications of drive and duty cycles.
  - b. The amplified effects of compounding multiple technologies and fueling options into work trucks.
  - c. Validation of deployment results.
  - d. Actively seek out partnerships with organizations to advance the GTA's objectives.
  - e. Provide suppliers with insight on market trends and conditions.
- Objective (2): Increase the collaborations between the industry and government to streamline the effective deployment of green technologies and alternative fuels.
- Objective (3): Engage the government and regulatory agencies to promote the drafting and adoption of responsible regulations impacting the industry.
- Objective (4): Become more self-funded and increase the level of GTA-dedicated resources that are independent of the NTEA.