



FEDERATION OF  
**MASTER  
BUILDERS**

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# FMB STRATEGIC PLAN 2022-2025

## 'Building for Success'

January 2022

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## THE FEDERATION OF MASTER BUILDERS

The Federation of Master Builders (FMB) is the largest trade association in the UK construction industry representing over 7,000 small and medium-sized (SMEs) construction companies in England, Scotland, Wales, and Northern Ireland.

For eighty years the FMB has championed continuous improvement in the building industry. The FMB also has its own insurance company, FMB Insurance Services Limited, which provides a key benefit to its members. It is a wholly owned subsidiary of the FMB.

**“The FMB is a not-for-profit organisation  
which is run by its members for the members.”**

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## BACKGROUND

The FMB has a long and proud history from its humble beginnings at the time of the London Blitz in 1941 to the devastating impact of the Coronavirus pandemic in 2020. Throughout the last eight decades the FMB has strived to provide the services that SME construction companies need to thrive as well as giving them a strong united voice to speak up for their interests and to uphold the highest standards in the building industry. Supporting SME building companies has always been at the core of what the FMB seeks to do to create a better and more diverse building industry.

The changes over the coming years are as great as those faced by the founding members in 1941. The need to tackle climate change and create a zero carbon economy is arguably the biggest challenge that our industry faces. The need to build zero carbon homes and retrofit our existing buildings present challenges but also enormous opportunities that our industry needs to embrace. To succeed this will require a transformation in the delivery and training of the workforce to ensure that the industry has the skills required to deliver a low carbon built environment. FMB members need to be ready to embrace

these changes and to be supported by the FMB. Against this background the FMB will be focusing on standards to help ensure that Master Builder companies are acknowledged by both industry and consumers as the best in the building industry.

The UK's departure from the European Union and the ongoing impact of the Coronavirus pandemic also mean that the building industry will have to be agile to respond to the new challenges over the coming years as the UK economy adapts to the new economic landscape. We know that taxes are likely to increase over the next years but fortunately the UK Government remains committed to investing in housing and infrastructure which will help the building industry. A strong dynamic and vibrant SME industry is essential if the Government is to succeed in its objectives and this is the message that the FMB can relay. Indeed, the FMB is well placed to do so with its strong political connections in all four home nations and to be the recognised voice of the SME building industry.

Working within the newly revitalised Construction Leadership Council (CLC)

the FMB is strengthening its influence and credibility on a range of policy issues affecting the SME construction industry, most notably the retrofitting of the existing homes and the need for greater diversification in the supply of new homes. Over the coming years the FMB can build on this work to become the go-to organisation for both government and industry for issues affecting the SME construction sector.

In addition, the FMB recognises the need to review its own standards and services to ensure that it remains relevant to the needs of the building industry now and in future years. The emphasis of the new three-year strategy will be very much on underpinning the need for credibility – the main reason why building companies join the FMB. This means that over the next three years the FMB will be examining its entry criteria and ongoing monitoring of members to ensure the FMB is the best membership organisation for building companies wanting to demonstrate standards; receive excellent services in support of their business activities; and given the opportunity to be part of the wider FMB members' network and voice.



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## FMB VISION

Over the next three years the FMB Vision will be:

**“The FMB is the go-to organisation for all who value building quality”.**



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## FMB MISSION

The FMB’s mission over the next three years in support of its vision will be to focus on five key strategic objectives:

**Standards** - to ensure our standards can be verified and measured.

**Services** - to ensure our services to members are relevant to their needs.

**Voice** - to ensure our voice is effective and widespread within government, industry and the media.

**People** - to ensure that staff are trained and supported to deliver the FMB’s business objectives.

**Commercial** - to develop the commercial offer in support of the FMB’s business objectives.

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## FMB VALUES

The FMB’s strategic objectives are underpinned by a culture that recognises certain core values. These include:

**Integrity** - a commitment to ensuring the highest standards and to do the right thing.

**Commercial** - to act in a way that provides good financial value for all business and work activities.

**Positive** - to be proactively engaged and solutions focused.

**Collaborative** - the commitment to work together as one team.

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## STRATEGIC PRIORITIES

FMB activities will focus on five key strategic priorities for the period 2022-2025.

### Standards

Standards must be at the heart of what the FMB is all about. The tragedy of Grenfell in 2017 has fundamentally changed the policy landscape within which our members operate. The Construction Leadership Council (CLC), of which the FMB is a member, has identified building safety as a key priority in the years ahead. Although the current focus is on the construction supply chain there is a recognition that there needs to be a change in the culture throughout the construction sector and that there should be a 'golden thread' throughout all aspects of the construction industry including those companies who work in the domestic sector.

There is a plethora of accreditations, certifications and membership organisations within the building industry. However, the fact remains that anyone wishing to call themselves a builder can operate within the

domestic building sector without the need for any registration or licensing. It is against his background that building companies join the FMB because of its credibility. We know this from surveys we have conducted over several years. The FMB is seen to be the benchmark for quality and high standards in the building industry. It is from this strong foundation that we need to secure the FMB's future growth.

The FMB has for a long time been an active champion for the introduction of mandatory licensing of construction companies. In 2018 the FMB commissioned independent research conducted by Pye Tait which set out a proposed model for how a licensing scheme might operate. The growing public and political interest to reduce carbon emissions to deliver a low carbon built environment is prompting questions both within the industry and government about how best the construction industry can play its part as well as its competence to do so. These concerns are also coupled with growing political interest about the need to protect

consumers from rogue traders. The FMB will therefore press ahead for its call for the introduction of licensing of construction companies.

Going forward within the FMB we will need to define more accurately what we mean by standards and communicate this more effectively to builders and consumers. The focus must be twofold. First, we need to ensure that our entry criteria remain as relevant and robust as any other membership organisation. Secondly, we need to ensure that members are monitored throughout the duration of their membership to ensure they meet the FMB's stated standards.

The commitment to more robust monitoring of standards will have a resource implication which will need to be assessed. However, given that credibility is the primary reason for why companies join and remain within the FMB it is arguably imperative that this is achieved over the next three years. In fact, it is essential to get the 'membership offer' right because

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all the other issues will radiate out from this. For example, consumers will know that employing an FMB member is the best choice in the market; members will be more inclined to say that they are a Master Builder company; the FMB will be the ‘go-to’ organisation.

## Services

Members joining the FMB do so primarily because of credibility as evidenced by the Simon-Kucher research carried out in 2021. In practical terms credibility means allowing our members to stand out from their competitors; the ability for them to win work; greater consumer awareness; and the ability for members to gain recognition more quickly with clients. In addition, members are also seeking services that will enable them to run their businesses more efficiently and profitably. They are also seeking a voice to protect their interests.

Going forward we need to ensure the membership offer remains attractive. We know that members value the requirement to have an inspection as a condition to

**“Since its creation in 1941, the FMB has always recognised the value of having a strong and independent voice.”**

join and remain in membership. However, they want consumers to know about the FMB and what it means to be a Master Builder company. A greater emphasis on digital marketing and media is therefore needed to raise the profile of the FMB amongst consumers. We will ensure this by assessing the services that are currently being provided and asking our members what new services would be helpful to meet their changing business needs. In particular, the FMB will be investing more in digital marketing; providing a strong focus on inspections; and building up the Find a Builder service.



The findings from the Simon-Kucher research revealed that 87% of members believe the FMB is good value. We need to build on this core membership which is essentially the micro building companies typically employing fewer than ten people. Consideration needs to be given to whether the current flat membership fee is the best model. For example, we may want to create a tiered membership to enable members to pay for additional services. Consideration will also be given to whether we should create a new Associate membership.

## Voice

Since its creation in 1941, the FMB has always recognised the value of having a strong and independent voice. Indeed, giving our members a voice to influence policy outcomes, is part of our member value proposition. Over recent years, the FMB has gained considerable influence, credibility and profile through the work it does with governments, media and industry. The FMB is unique in the SME construction sector in having representation in all four home nations of the UK which gives it a

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wider platform with which to speak with authority. This is evidenced, for example, through the quarterly State of Trade Surveys which are considered by the Bank of England Monetary Policy Committee; the invitation to sit on government consultative bodies in each of the home nations; and frequent appearances before parliamentary committees. The FMB's role on a strengthened Construction Leadership Council (CLC) has also given us and our members more opportunities to work across the construction sector particularly with regard to the repair, maintenance and improvement sector, the SME housebuilding sector, and product availability.

Going forward the FMB will work on this solid foundation to increase its influence and media reach. In addition, the FMB will boost its digital marketing to raise brand awareness, amongst consumers and builders, and work on more personalised, targeted member communications to ensure more members are aware of FMB activities and given the opportunity to get involved. The development of the CRM will

allow greater member segmentation which will help improve the services provided to members and thereby improve retention still further.

## People

The FMB has a proud record of creating a positive working environment for its staff as evidenced by its Investors in People (IiP) status. To create high performing teams it is important that staff are trained and developed to ensure that they are fulfilled and best placed to carry out the functions required of them in support of the FMB's business objectives. The workplace has always been a changing environment, but this is especially true during the pandemic when staff have been working from home.

High performing staff are also requiring more than just a job. They are seeking a career which will enable them to gain wider experience. The FMB is well placed because of its long-standing commitment to staff as demonstrated by the Investors in People accreditation.



However, the workplace continues to evolve and the FMB needs to be reviewing its working practices and the support it provides if it wants to retain and recruit the very best people.

The FMB has shown leadership in its provision of mental health awareness and training throughout the organisation and to members. Areas that need addressing over the coming years include a greater commitment to equality, diversity and inclusion (EDI); a commitment to flexible working; a demonstration that the FMB cares about wider societal issues such as climate change and is seen to be doing something practical in support.

**“The FMB has a range of commercial partnerships which are chosen in support of the FMB values.”**



## Commercial

Given the prominence and standing of the FMB there are opportunities to increase commercial income and reduce reliance on membership subscriptions. The economic future over the next few years remains uncertain but given the UK Government's commitment to invest in infrastructure and housing this is a positive sign that the construction industry will continue to be supported. The repair, maintenance and improvement market is currently very buoyant but if homeowners' income and/or the housing property market starts to fall this may have implications for many of our members over the next year.

Against this background there is need for the FMB to review and revise its commercial approach and develop a new commercial strategy to ensure it is best placed to take advantage of new commercial opportunities in support of the FMB Group. As part of this review there is a need to better understand the profile of our members' companies. The new FMB database (CRM) offers us the opportunity

to understand better the make up of our membership. By collecting more data on our members in terms of turnover, number of employees, principal trade, etc., the FMB will be better placed to improve its communications and provide offers that are better suited to members' needs.

The FMB is a not-for-profit organisation so any surpluses generated are reinvested for the benefit of the membership. However, within the FMB Group is the separate company called FMB Insurance Services (FMBIS) which provides a range of insurance products both to our members and those who work in the construction sector. The FMBIS has its own strategic plan but there is a need to embed further the FMBIS within the FMB's marketing and promotional activities.

The FMB has a range of commercial partnerships which are chosen in support of the FMB values. These partnerships provide important support to the FMB Group and need to transition into long standing relationships to ensure greater retention. There will be a recognition

that commercial partnerships are distinct from reputational relationships which need to be organised and recognised in a different way.

Given the FMB's commitment to standards the commercial review will need to consider the merits of creating a separate inspection company. The FMB currently employs two external bodies to carry out its inspection function. There is an opportunity for the FMB to explore whether to create its own inspection company which could deliver a wider range of services to its members. Consideration needs to be given to the cost benefit analysis of such a proposal.

Finally, the FMB is fortunate to have an extensive freehold property portfolio across the UK which is used for staff offices and let commercially. The changing property market following the Covid-19 pandemic offers the FMB the opportunity to review its property portfolio and to assess what changes might be needed over the coming years. An independent audit will be carried out to inform future decisions.





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## RESOURCES

The three-year strategic plan will be aligned to the budget planning process to ensure objectives are capable of being delivered within the budget envelope.

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## EVALUATION

KPIs will be developed to monitor each of the strategic objectives and reported back to the FMB Board.

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## FUTURE DIRECTION

The three-year strategic plan will be reviewed and revised as and when needed. It will consider any changes in the markets in which our members work, and strategic objectives will be amended accordingly.

**“The Federation of Master Builders is the largest trade association in the UK construction industry representing the interests of small and medium-sized building companies and lobbying for members at both national and local levels.”**