

APICS North American Chapter Agreement

APICS North American Chapter Agreement

Introduction

APICS is an association of members primarily working in the operations and supply chain management profession and has developed and/or obtained rights to educational materials and products.

Comments:

- *Channel Partners or Chapters have obtained rights, not members*

In North America, its members are assigned to chapters. In 2009, the APICS Board of Directors passed a strategic direction to enter into a legal relationship between APICS and each of its North American chapters. Chapters must be legal entities to enter into this agreement.

Comments:

- *In North America, its members select or are assigned to chapters.*
- *So this is now a Chapter agreement, not a Channel Partner agreement.*

The intent of this agreement is to strengthen the whole of APICS [corporate and chapters] by being able to legally share services and to protect the brand and image of the association for all of its current and future customers.

Comment:

- *For better identification and control we would suggest that revisions of the draft and ratified documents be controlled through a revision level, date, and page x of xx stated in the footer.*
- *The development of the CPA is not only for legal purposes, but also for providing a formal structure to the organization for better understanding and efficiency of operations. That should be added to the intent statement.*
- *What is the intended review cycle for the CPA document? Circumstances change over time and a formal periodic review would ensure continuous improvement.*
- *VERY GOOD!*

APICS Key Responsibilities

Comments:

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- *Will the chapters, as independent contractors, be allowed to replace or augment any or all of the above services or materials with their own materials and or other independent contractors without breaking this agreement?*
- 1. APICS will provide services, products and support to Chapters. Appendix A is the current list.

Comments:

- *No Appendix A*
- 2. APICS is responsible for developing, maintaining, distributing and administering the activities for the certification programs and other educational products shown in Appendix A. APICS is responsible for the quality level and the life cycle management of all educational products. APICS will notify Chapters twelve [12] months prior to the end of production of an item.

Comments:

- *Things to keep: 12 month notification of material discontinuation*
- *What does administering mean? Does this include instruction?*
- *We think distributing also needs some additional definition – where do the Chapters fit into the distribution plan or are we now, through this document, conceding that “corporate” (as they have defined themselves) now have the sole right, at their discretion, to open any distribution channel they think will serve them, at any time, regardless of consequence to Chapters --- we could use more clarity on the written here.... or a "good recorded verbal statement of intent from a longtime volunteer and current member of BOD" as to what is the spirit and intent here.*
- *Flowing through the document, I would like to see an expansion and clarification of and some kind of penalty to item 2 under APICS Key Responsibilities. "APICS is responsible for the quality level". There are two distinct areas related to quality that need to be addressed that pertain to the quality of the APICS product that I will relay from feedback received from my instructors. One area is more related to fulfillment functions as has manifested itself in missing instructor content, such as missing accompanying CD's, pages etc. Those happen frequently enough to be of*

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concern. The other area is in the instructional content itself, which requires the instructor to review and correct deficiencies in the educational content, hopefully prior to the class session start. Regardless of the communicated statements whereby APICS is to eliminate these occurrences, they continue and affect the perception of APICS in the students mind during class delivery when they are encountered, particularly if not caught in prior review, but during an education session. In the prior fulfillment situation, correction of the problem was difficult and in some case it was suggested that we buy a new copy and then have to address problems with refunding of prior purchase costs. The time frame to address this from the time of ordering until first classroom use may be in excess of the terms APICS states. There should be some metric established on the number of education content deficiencies per version and based upon some agreements of tiers, rebates to the chapter for content quality issues. For fulfillment issues, there needs to be either a means to obtain corrections and/or an extension to the time under which such issues are discovered, and a better means to obtain corrected copy.

- *Missing Appendix*

3. APICS will manage membership including marketing, enrollment, dues collections and rebates to Chapters, database maintenance and membership administration.

Comments:

- *, and of course obviously sharing all such database and other information with each relevant Chapter---(the "legal reasons" as rationale for not sharing names of Fox Valley Technical College class/course takers the last few years is not seen as the sincere reason as to why their names and contract info has not been shared....some feel it might be kind of an excuse so chapters may not later sell in classroom training to those folks))*

4. APICS is responsible for creating and elevating brand awareness through marketing programs that include the Chapter.

Comments:

- *and/or direct members and external customers, potential and existing, to the Chapters. This chapter is concerned that some of the comments along with this is seen as an endorsement by members of our Association to hire more higher dollar paid staff positions.....that is not the intent in any way from our chapter...in fact we think that extreme care should be made in such...as we assume much member money/funds have*

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been used in some of the staff reductions/downsizings related the move from DC and the 2008 and 2009 very bad financial performance years where much staff reduction was made and our assumption is a large amount of cash left the association toward severance packages--the members who also are chapter leaders do not want to see that happen again

5. APICS will provide volunteer leadership education and training.

Comments:

- *Things to keep: Volunteer leadership and training being provided by APICS HQ.*

6. APICS will establish Chapter rebates on association dues.
7. APICS will establish preferred and volume pricing to Chapters.

Comments:

- *Things to keep: Volume pricing to the Chapters for course materials.*
- *This has been talked about to some extent in the pre-May 31 version and this wording does not address some of my concerns as a solution. This needs to be spelled out more specifically what this preferred and volume pricing to Chapters to consist of. I disagree with prior suggestions made by APICS staff where pricing is reflective of some Chapter metric such as CBar scoring ie those chapters achieving Gold/Platinum receive better pricing opportunities for the same material quantities in an order. My opinion is that all chapters should have access to the same pricing. If a chapter has an off year from a CBar perspective, many times due to issues over which they could exercise no influence, they will be penalized for an extended period of time until that scoring can hopefully be addressed. Those chapters excelling in CBar evaluations having substantial success most likely will have that same level of success at slightly lower material margins because the main components of costs to deliver a course are not materials anyway. The idea should be to help the chapters deliver more education and grow that portion of chapter revenue rather than put impediments in front of them in trying to do so.*
- *We should make certain there is no impedance for anyone to obtain CSCP course materials.*

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- *We request clarification with regard to “preferred”. The last draft alluded to discounting based on chapter performance.*
- 8. APICS will limit sales of Instructor Materials to Chapters only.

Comments:

- *I am concerned that paragraph 3.10 will, in some instances, deny otherwise qualified instructors access to the instructor kits (and updates to same), adversely affecting local availability of cost-effective CPIM training that participants seek. Could result in a reduction of applicants sitting for certification examinations.*
- *based on my experience; the purchase of Instructor Kits has been best left to the instructor.*

Here's what we've found:

- *It becomes a management issue within the chapter as to who physically controls the materials...*
- *The instructor may need the kit even when no formal classes are running...*
- *follow up questions from students in prior classes*
- *Follow up questions from other instructors/instructor list*
- *Revision purchases are offered to owners..instructor, if not the owner, may not get the latest update notices. Instructor has a vested interest in keeping up to date*
- *Should the chapter charge for use by the instructor?*
- *I'm sure there's a number of other issues with this strategy but over the years we've found it 100% cleaner if the owner is the Instructor.*

Perhaps there might be a "authorized user" status developed in the ordering process who in fact is the Instructor where the chapter might be the "authorizing purchaser", but the "authorized user" (and payee) could be the instructor, who retains possession and receives all courseware update notices.

- *Relating to this point, there is a provision to restrict courseware sales to chapters. I see no value to APICS for this. I have taught chapters through my consulting business and/or colleges/universities, in some cases where there have been no functional chapters within a 100 mile radius, and/or the nearest chapter could not or would not provide courses.*
- *In APICS key responsibilities, what is the role and responsibility of corporate and the chapters regarding certifications, maintenance, notifications, re-certifications etc? What about the promotion and development of new products, markets, etc regarding certifications?*

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- *I am completely in favor of the Chapters being the only authorized purchasers of Instructor Material. This puts the chapter in charge of education and not any instructor that wants to be. Instructors can get access to the material they need through the Chapter.*
- *Where are the Metrics to hold APICS against? They need to be defined. APICS says they will do A, B and C but where is their letter of compliance to us?*
- *Things to keep: Chapters as the sole source for selling of instructor kits. Need a mechanism to track and ensure updates get sent out to the instructors.*
- *This fairly recent item, added after or with the May 31 document holds a carrot out to chapters for acceptance, but while the revenue opportunities are significant, I think this is an improper transfer of responsibilities from APICS Corporate and the resources it has to chapters which do not, in a high percentage of cases, have resources to properly manage. The revenue opportunities would be nice but the administration costs for chapters to track to whom sold (presuming this will flow to outside Chapter Instructor ownership), what versions, what updates, who's actively using, etc would be a significant burden. I also think there are copyright law issues regarding subsequent sale of Licensed products that need to be researched. Licensed products (of which the Instructor Kits are clearly categorized) have restrictions on resale by copyright law. Non-licensed materials have no such resales restrictions.*

Related to this item are issues with the existing Instructor Kit License Agreements. Instructor Kits were sold to anyone willing to sign the License Agreement and I do not remember seeing a date limitation or time frame associated with its use. Will existing license agreements become null and void should item 8 be retained in the contract? if not, how would those agreements be transferred to a given chapter?

If the license agreement is to be kept, it would have to be re-written to clearly define the governing language before the CPA could be signed to eliminate the underlying unknowns in the CPA contract.

I would add the following responsibilities starting as Item 10, unless they become part of the itemization outlined under Appendix A related to services even though they may have some relationship to items 3 and 4 as well: APICS surveys need to support mechanisms supporting some form of aggregation or association of answers to applicable chapters. For example, if there are issues solicited regarding chapter performance, that needs to be explicitly extracted as a response, and made available to the chapter. While it may be helpful to more specifically address a problem to identify the respondent, that identification need not be made in forwarding the answer on. This has to be chapter (to the greatest degree possible) addressable, otherwise there is not direct means to address the information - keeping aggregated at the association level helps no one. This

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would apply to member and certification surveys in particular. This has been stated as not possible to do, but I believe each survey provider supports or provides for some identifier that can be used to tie a response to a target, so the relationship can be made with little effort. I think most using these tools at a chapter level would agree.

Now that it is expected that there will be a legal relationship between a Chapter and APICS corporate as business entities, The APICS Privacy policy should be changed to more closely fit the model used by Banking and Insurance industries whereby it is stated that information will be shared appropriately with their partners in marketing goods and services. Since the agreement addresses shared marketing efforts, as partners and dependents on the material materials, marketing information should be part of that sharing.

Once that change is made, I would like to see leads from Bookstore, APICS Webinar and workshop sales to be forwarded to appropriate chapters for review and followup. This information can be used to identify potential new member candidates as well as businesses, education interests for education marketing, as well as certification candidates. This information can be better leveraged locally augmented with APICS corporate marketing materials.

As an additional APICS Key Responsibility, I would suggest a dashboard metric available to the Board as well as membership, that would target a desired trend of a decreasing trend in administrative executive salary costs as a percentage of budget expenditures. With that I would like to see a decreasing trend in the percentage of expenditures to revenues as a measure as well. This would assure membership is receiving the benefits of Association membership in increased products and services that benefit and related to them and are not going to management salaries instead.

- Some of us on Board have expressed concern that paragraph 3.10 will, in some instances, deny otherwise qualified instructors access to the instructor kits (and updates to same), adversely affecting local availability of cost-effective CPIM training that participants seek. Could result in a reduction of applicants sitting for certification examinations.????
- On Page 1, under APICS Key Responsibilities, Item 8 "APICS will limit sales of instructor Materials to Chapters only." brought up several questions that we'd like clarified:
 - Does this mean that APICS will NOT sell Instructor Materials to schools or independent consultants? Does it mean that in N.America, the only ones who will be able to purchase Instructor Materials will be the chapters? Or will APICS still sell Instructor materials to companies who contact APICS directly, or to other APICS customers? Is this a new policy regarding Instructor Materials? We would definitely like clarification on these points. What is the policy going to be for who can purchase Instructor Materials? Will APICS members who are consultants, not

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be able to purchase Instructor Materials anymore? If that is the case, is that limiting competition? We're not sure what all that means, not being lawyers, but we are curious what the intent is for that statement.

- *This is a very good thing. It protects chapters from "renegade" instructors who are not qualified or are not recognized by the chapters. The last draft allowed enterprise members to buy instructor kits. Thank you for removing that.*

Chapter Key Responsibilities

Comments:

- *1. Are these all current requirements to remain a chapter in good standing or goals for a good performing chapter?*
 - *2. I may have missed it, but what happens when a chapter falls out of compliance? Are they supported so that they can recover or are they unable to access APICS services and/or materials?*
1. Chapter will be a legal entity and remain one in good standing.
 2. Chapter will complete a member needs survey or equivalent at least once in every three [3] years to collect member needs.

Comments:

- *What does this mean? Does definition or guidelines currently exist?*
3. Chapter will complete at least three [3] professional development event surveys each year.
- *What does that mean? A PDM evaluation sheet? We do one every time*
4. Chapter will maintain a current website with the APICS logo on the home page with the Chapter name and link to APICS [www.apics.org]. Chapter website will contain key chapter contact information and an overview of its services and activities.

Comments:

- *Chapter website. I think the key point in this requirement is that a presence is created in some form. Possibilities that should be considered are whether APICS can provide some form of chapter sub-domains under APICS.org with key maintenance applications*

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available to maintain content. This should be restricted to page content only but not necessarily backend systems such as web delivered databases etc, although it would be fairly easy to provide access to an extract of My Chapter spreadsheet as a database for query purposes above and beyond what My Chapter provides.

Alternative to what would be considered a normally hosted web site presence, is use of a Linked In group presence to be used as a communication vehicle for announcements, interested subscribers, discussions lists etc. This should be considered as a viable alternative as it also affords branding opportunities with linkages to other APICS discussions etc.

- *I believe that chapters need APICS to take the lead on web sites to ensure uniformity and compliance. Headquarters should be offering this as a service; as part of what we as chapters benefit from this agreement.*
- 5. Chapter will communicate with members via newsletter or its equivalent at least eight [8] times per year.

Comments:

- **WHAT IS THE REQUIRED CONTENT OF THESE COMMUNICATIONS - JUST MEETING ANNOUNCEMENTS OR SOMETHING ELSE?**
- *Not sure this is necessary or desirable particularly when there is a chapter website. I already receive more than enough communication from Corporate. I don't want more. Newsletter every other month or 6 times a year is more than enough*
- 6. Chapter will hold a minimum of three [3] professional development events each year.

Comments:

- *Things to keep: Chapter will hold a minimum of 3 PDM's per year. (I would add FISCAL year to the text)*
- *What is that? A seminar, an education class or a PDM? We can strain for one seminar and they have failed the past 6-7 years. We used to get 100 people or so at public seminars. Seminars require a "Summit" approach*

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7. Chapter will offer at least three [3] and hold at least two [2] APICS Body of Knowledge related educational offerings each year.

Comments:

- *My problem with this is the part about holding at least two offerings per year, assuming that a PDM doesn't qualify. This seems to ignore the realities of a given chapter's area and the state of the economy in a given year. Our chapter offers three educational programs year-round (CPIM, CSCP, Lean Workshop), yet there have been a couple years we have only held one class and struggled to do that. This could have the effect of driving educationally-weaker chapters under or forcing them to make financially poor decisions (taking losses on classes). This also flies in the face of all the previous discussion at District Meetings about the CPA allowing individual chapters to do what they do best if education isn't one of those things.*
- *The Chapter Key Responsibilities include as numbers 3, 6 and 7 the requirement to hold three PDM's, conduct three PDM Event Surveys and offer three and conduct two educational offerings per year. At least one chapter in our district indicated that they hold NO PDMS and only do on-site classes. It would be impossible to do the surveys without the PDMs. We have offered three educational events (I'm assuming this includes the Inventory Management Workshops, though it isn't clear) and been unable to conduct any of them because we couldn't get more than two students to register for any of them. The sample letter of compliance says we would then have to explain why and what we would do to fix the problem - what is there to say other than "try again next year?"*
- **WHAT CONSTITUTES AN OFFERING? CAN IT BE CO-OFFERED CPIM OR CSCP EDUCATIONAL PROGRAMS WITH OTHER CHAPTERS?**
- *Re-iterating the point below as I see no change in the requirement on the most recent draft. At some point, despite all of our efforts to offer education, I see this requirement coming back to hurt us.*

Our chapter had serious concerns with the following minimum standard requirement this year: Did the chapter offer at least three and hold at least two APICS body of knowledge-related educational offerings during the year? While we offered courses numerous times, we failed to draw attendees and actually hold a class in most cases. In current times of decreased training budgets, busy schedules and the appeal of on-line courses, it is a challenge to draw attendees. Offering courses is within our control, but ensuring there are people interested and able to sign up is not in our control. A new approach to the education requirement would be welcome.

- *I agree that offering three BOK classes and conducting 2 might be hard on some chapters. We have had issues with this in the past. I agree with opening IDP*

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Grandfathering backup. A lot of instructors saw no benefit to signing up originally. IDP or equivalent? What is considered equivalent? This needs to be defined.

- *It was said somewhere in the notes that Chapter BOD members did not have to be APICS members because APICS couldn't enforce this on a private entity. I think this will be the same with Instructors eventually. If we deem them qualified, they should be OK.*
 - *Things to keep: Requiring chapters to offer at least 3, and hold at least 2 instructional classes per year. (I would add FISCAL year to the text)*
 - *I have reviewed all the documents and for the most part have no issues with the conditions or the wording. I appreciate the straightforward language of the document. The only area that is of some concern to me is in regards to the number of PDMs and Educational Seminars chapters are required to have/offer. During 2009-and most of 2010 not only did we lose almost half our membership, but we were also unable to hold any classes and had no PDMS, no one would come free or otherwise. A lot of that is directly attributable to what the economy was going through and we are seeing rebound especially with classes. However, PDMs are only now just slowly starting to see involvement. I fear that if we experience another economic situation, those areas will not be in compliance.*
 - *We are a small chapter and will find this to be difficult. We have tried over the past few years to offer more varied offerings, but cannot get the interest from our membership to make the event profitable. We have lost money on some events due to lack of attendance and we have had to cancel some events for the same reason. We do hold 9 PDMs a year, so maybe we could get some credit by offering more than the minimum standard of 3 PDM events.*
 - *Is this the same as 3 PDMs with a speaker? Calling for 3 of these events is not feasible for us. One every 18 months is a maybe in our market One in spring, one in fall. Advertise on e on winter. We can't meet that, I think. Two would be it*
8. Chapter will update a listing of current officers via My Chapter within thirty [30] days of the start of its program year each year.
 9. Chapter will review its bylaws and submit copy to APICS.
 10. Chapter will hold at least four [4] board of directors' meetings each year including one [1] transition meeting.

Comments:

- *What constitutes transitional?*

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11. Chapter board of directors will have a minimum of ~~four [4]~~ three [3] members.

Comments:

- *Item 11 says chapters must have four members on their board. State law requires us to have 3 officers for the corporation why do we need more for APICS? We have four but if we were to lose one, I am not sure we could replace them - the board members we have now have been serving for many years and we have not been able to recruit new volunteers for several years.*
- *Things to keep: Agree that either 3 or 4 board members should be the minimum. 4 seems better, but can accept 3. Would not go below 3.*
- *APICS membership is not required to be on a Chapter BOD, but currently a membership number is required to update the listing of chapter officers in MY Chapter. How will this be resolved?*

12. At least one [1] Chapter board member will attend at least one [1] officer training session per year.

Comments:

- *One officer training session/year. How long and how much?*

13. At least one [1] Chapter board member will participate in the officers electronic discussion list.

Comments:

- *One officer training session/year. How long and how much?*

14. Chapters will only use instructors **for APICS programs** that are actively engaged in the Instructor Development Program **or equivalent**.

Comments:

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- *My only issue with the above is that if APICS is going to go that route, they open the grandfather period for the IDP back up. A couple of our most experienced instructors did not enroll because, like past attempts at this, they figured it would be quickly abandoned or would be essentially meaningless. I suspect that may be the case with other instructors. I personally enrolled, although at the time, there didn't appear to any clear-cut benefit for doing it or a detriment for not.*
- *Concern: How does a chapter know whether an instructor is participating in the IDP program? Can the definition be enlarged to include "or meets equivalent instructional certification standards"? (Is IDP about instructor quality or about a revenue stream?)*
- *One of the biggest issues is number 14 that says Chapters will only use instructors that are actively engaged in the Instructor Development Program. This would eliminate our ability to offer educational programs. As we have no instructors currently accepted in this program, we can't get any new ones in because there are no Lead or Master instructors to recommend them. We certainly can't afford to pay professional instructors to come here and do the required team teaching to get our volunteers started and we can't carry enough classes to maintain the lead certification for each class. The Instructor Development Program brochure mentions grandfathering and refers to the APICS website where there is no mention of it. Also, in a recent survey of non-members asking where their interest lies, the greatest interest was in the Lean Workshop Series. The Instructor Development Application requires the Lean Instructor Workshop Training but I can find no mention on the APICS website mentioning any time since 2008 when that was offered. I would love to have instructors with a lot of experience and actively involved with the IDP but unlike many chapters where they have professional instructors who can meet all these requirements we struggle to get volunteer instructors who do not have the means to meet these demands. We do our best to make sure we have instructors who know the material and can present it well, but that's the best we can do at this time.*
- *We feel that requirements of the Instructor Development Program could impact the future viability of our chapter and perhaps other small chapters like us.*
- *APICS would only sell instructor materials to Chapters whose instructors were part of the Instructor Development Program. I am concerned that this was added by corporate without clarifying what was meant by this portion of the agreement. The interpretation of this point could put the Chapter out of the business of delivering education programs. Our Chapter has very limited funds. If we must expend significant funds to meet instructor requirements, we will not be able to qualify to purchase instructor materials.*
- *Requiring ALL chapter instructors to be in the IDP seems a bit unrealistic. We would like to see the wording changed to: "75% of instructors in a given chapter will be in the IDP program, with preference given to those in the IDP". If requiring IDP, need to start the*

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grandfather clock over again (to enter the IDP) as many instructors in our chapter did not participate as the perceived benefit/value was not clear.

Also very surprised that the entire IP piece is totally gone, considering how much time, effort and page space was spent before. How is the IP piece being addressed now?

- *I have an issue with the requirement of Item 14 - IDP. I would agree to this if chapter customers expressed concerns regarding instructor knowledge or delivery of the material. That should be address though some form of IDP. Short of that, I see no benefit to the chapter in having their instructors enrolled in such a program and look at this as another revenue stream for HQ. From that standpoint, I would wonder why there would be a fees to register someone in the program when the idea should be to make it as easy as possible to have good instructors getting the APICS message out and expand upon the use of the BoK among the chapter customers. This appears to be a means to a different revenue sgtream for HQ. You might ask then who decides what a good instructor is? That should be the most critical evaluator we have - our customers. Along with this, I wonder why there has to be an applicant approval by another fellow lead or master instructor to get into the program? Why would or should that be a requirement? If there is a problem as defined by the customer, I think the District should step in to guide improvements in the education delivery for the chapter.*

Should the requirement for IDP participants only allowed to instruct (in which case I think our chapters instructors would just cease to teach on the principle of the thing after decades of successful and well received as well as measured education delivery to our customers), I would not be able to sign the CPA contract until the issues of IDP Maintenance programs are defined. All areas pertaining to this are supposed to be addressed during 2011 and those requirements would need to be spelled out and in place and evaluated for effectiveness before they could be linked in to the CPA contract.

- *How does an instructor actively engage in the IDP program? Are classes held on a regular basis? This seems to be a gap. This issue is not clearly defined, nor am I aware of an established process to accomplish that objective.*
- *Currently we have no instructors participating in the Instructor Development Program. Our instructors did not see the benefit versus the time and effort. Our chapter standard is that the instructor be certified in the course they are teaching and that they have an instructor evaluation of over 4 (on a 5 scale). Since we run our classes through the local college, they do the evaluations and tabulate the results so the instructor is not involved. As long as the equivalent is how our chapter defines it, I'm OK, but our chapter will be definitely impacted if that changes.*
- *Will back Jack's comments, whatever they are.*
What is involved in this Instructor Development Program? What are the costs? What are the benefits to the instructors and to the Channel Partner/chapter?

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On the Instructor Development Program: We don't need a costly, week long time waster for this. I agree they need to establish some instructor standard, but teaching the knowledge of the material and review of the slides etc. is not it. We can't MAKE an instructor by sending them to Society for "certification". The instructor from any chapter should have such a background that they are not certified at the chapter level unless they have: 10 years in the related field of work; certified themselves; and a demonstrated knowledge of the material through an exam at the home chapter location. Any chapter designated instructor passing those hurdles, would then go to Society for up to two day instructor standards workshop, whatever the standards might be. Might update that every 3 years, no more often. Summary, the instructor a chapter chooses should be technically qualified before they participate in any Society standards setting. We don't pay to send them to Society to BECOME an instructor. This keeps the technical control, selection and approval at the chapter level and the administrative, policy control at the Society level.

- *I feel very strongly, and have the support of the Instructor corps of the Twin Cities Chapter, that as written, #14 is not acceptable. The Instructor Development Program is burdensome and potentially expensive. I understand the need to control the quality, but this seems like an unnecessary load for the chapter and instructors.*

In addition, you are expecting instructors to contribute time, effort, and cost for the privilege of teaching. There should be a simpler way to measure quality of delivery rather than focusing on training instructors at a cost to those instructors.

In addition to my duties as President of the Twin Cities Chapter this year, I also hold the title of Director of Instructors. I have held that title for the past 5 years. I assign the various members of our Instructor corps to their teaching assignments each term. This past year, the Twin Cities Chapter provided more than 8,000 hours of Instruction, 6541 of which were education classes for CPIM, CSCP, and ongoing instruction in other APICS education products. We have 17 highly qualified and professional Instructors who come from various professional backgrounds. The training requirements suggested by Section #14 fall far below the level of educational skill already possessed by each and every Instructor for the Twin Cities Chapter. This Chapter takes very seriously the qualifications of each of our Instructors and assumes full responsibility for the professional quality of the education process of our students. We have our own performance measures and our Instructors are accountable for high performance levels.

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I would be most appreciative to know more information with regard to the justification of this section, and strongly urge you to reconsider including the section, as written, in the final draft. I would be most happy to have further communication on the topic.

- *On Page 2, under chapter Key Responsibilities, item 14 brought up some questions: “14. Chapters will only use instructors that are actively engaged in the Instructor Development Program”. We recognize that this is basically dealing with ensuring that the customer’s experience with a class or seminar is satisfactory and we agree that this is very important. After all, if our instructors are no good, then we won’t get repeat business and our reputation and the APICS reputation will be hurt. Our concerns have to do with what materials are we talking about and who can teach.*

First area is what materials does this apply to, or is for ANY teaching that the chapter does? Is this whole agreement and specifically, this item, referring just to APICS developed materials? What about us holding a seminar and hiring someone who is NOT in the Instructor Development Program to teach a seminar that might cover some of the body of knowledge – such as some lean topic? So does this item refer only to APICS courses? We have definitely hired independent consultants at various times to teach a unique topic that will be of interest to our customers. But this item doesn’t specifically identify what materials are covered.

We would like clarification to see a definitive definition on who is allowed to use/teach using APICS materials. What we read is that "if it is through the Chapter then the Instructor must be in the Instructor Development Program". The prior topic (p.1 Item 8) makes it sound like sales of the materials will be limited to Chapters in North America (maybe). But if offered by an organization/individual other than a Chapter, is there also a restriction on the instructors? How will APICS get compliance?

- *Second area is clarification about what “actively engaged in the Instructor Development Program” means? We have reviewed the Instructor Development program which sets the criteria for someone to become listed on the list of instructors. But there is no measurement of how well an instructor actually teaches. In our chapter, we conduct surveys at the middle and end of each multi-session course or at the end of any 1-day seminar, where we assess how the instructor did. We require our instructors to maintain a “Good” or above rating for any classes they teach. We also require that if they are teaching CPIM or CSCP classes, that they are certified in at least the subject they are teaching, and preferable in the entire program. If an instructor does not maintain their ratings, then we work with them to determine what assistance they need and we will make changes to the instructor mid-way through a course if it is not working out. In the APICS Instructor development program, there is no follow-up on how an instructor does with a real class. We think this measurement is very important.*

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When the APICS qualified instructor program was first announced it was presented as an option, NOT a requirement. The idea, apparently being, that if APICS was contacted by a company in a chapters geographical area, then APICS would have a list of qualified instructors that they could recommend. Now it appears APICS expects all instructors to be qualified by the APICS instructor development program. Although not specifically stated in this agreement, in the past it's been hinted that a chapter without a "qualified instructor" would not be afforded certain rights and privileges (i.e., chapter discounts on materials). Our concern is - At what point, if any, will APICS say that instructors, or consultants, NOT qualified in the APICS instructor development program are not eligible to teach APICS courses?

What is there real intent with all of this? To get more instructors involved in a "qualified instructors' program" or to have a basis for limiting price discounts to chapters? If that is the latter, then possibly specify that "chapter discounts will only be afforded to chapters". That makes it clear that independent consultants and others cannot get chapter discounts.

But any instructor program must also have measurements to ensure that instructors continuously meet the minimum standards. None of that is present in the current Qualified Instructor Program and until some of that is included, we are reluctant to fully participate in that program because we want to still measure our current instructors to ensure that they are doing an adequate job.

It seems that all the items in Chapter Key Responsibilities are part of Chapter Minimum Standards (CMS), except for this number 14. Is this going to be added to CMS? We think that the APICS instructor development program is a good thing and that we should actively promote it for our instructors as part of our instructor criteria. Maybe this is something that could be added to the CMS but until then, it makes it difficult to require this for a chapter to teach the APICS materials.

We recommend a re-write of item 14 in one of two possible ways:

- i. APICS can audit a chapter's programs to ensure that the chapter is meeting minimum standards or*
- ii. Chapters should have a method of insuring instructor quality that is documented and can be verified upon request of APICS.*

- It is not a problem, for our chapter, to have all instructors participating in the IDP, except for timing. We understand the requirement to participate requires them to have TTT with a master instructor and pass the certification exam related to the course that they are teaching. This is the minimum for an associate instructor. We follow this type of*

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approach currently. However, we will need to have more access to the TTT classes. Most of our instructors had TTT before IDP.

We can have this requirement in place in 2012.

We are disappointed that this planned requirement was not explained before the 1/1/2010 change to the IDP requirements. Most of our instructors could have qualified for the IDP before 1/1/2010. We did not understand that not completing this program would harm the chapter. It would be preferable to have this grandfathering to be extended to allow prior instructors to submit now that these requirements have been added to the chapter agreement.

We have requested that society consider to allow use of old TTT classes where they were taught by instructors who are now master instructors. This would handle our immediate issue.

We are concerned that the TTT classes are not held conveniently enough to allow the chapters to move new instructors into the IDP program. This may hamper development of new instructors.

We do not in theory have a problem with being held to a higher standard for chapter instructors.

- *This is an improvement from the previous draft where the term "APICS-recognized instructor" was not explained. We fully support this.*

We ask, however, that all courses offered through APICS be part of the IDP, such as Principles / Fundamentals. This offers objective qualification criteria across all courses.

15. Chapter will provide APICS with a letter of assertion each year from the Chapter board of directors stating that the chapter financial records fairly state the assets, liabilities, revenues and expenditures of the Chapter and that all regulatory filings have been made in a timely manner. Appendix B.

Comments:

- *Need to see a section about financial letter of assertion from APICS HQ to the Chapters. Duplicate #15 for the Chapter section, but require the same thing from APICS HQ to the Chapters.*
- *Where is Appendix B*

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16. Chapter will provide APICS with a letter of compliance each year from the Chapter board of directors. Appendix C.

Comments:

- *Chapter members and volunteers face ever increasing challenges in the workplace, which often translates into longer standard work weeks. The task force should remain sensitive to this as requirements placed upon the chapters are drafted into the CPA. If the leadership of some chapters were to vote to disband their chapters altogether rather than sign the final version of the CPA, neither the best interests of the membership nor the APICS society might be served.*
- *We would suggest combining the financial declaration letter with the annual letter of compliance, so as to have only one document that our BOD should sign. What about the minimum requirements form of the Cbar? We would suggest reducing the number of documents we have to submit and decreasing duplication of items.*
- *I've had a chance to review this and I agree that this is much easier to read, understand, and support. Great job on the revision! My questions are around the appendix. In reading those, it appears that two require signatures of officers. Is this something you expect to begin ahead of the CPA going into effect? If so, when are you hoping these will begin?*
- *References to all related requirements and policies have to be clearly spelled out and any open issue or need for update of those policies and practices have to be completed, agreed upon and in place prior to signing the CPA.*

Those references should be reviewed by all parties of the CPA as part of their fiduciary responsibilities to insure their needs and interests are supported in those linked references. When the revised document is published, there should be separate attachments for each of the referenced Appendices.

- *Where is Appendix C*

Territories/Boundaries

1. There are no formal territories or boundaries for chapters.

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- *We continue to challenge this. We are completely in favor of no formal territories or boundaries as far as membership goes, so that a person can choose to belong to any chapter. However, there are instances, such as incentive programs, where boundaries are required. An example of such an incentive program is Fox Valley College – where chapters are awarded an incentive for any member or customer who enrolls in their programs. It is clear that an incentive for a member goes to the member’s chapter. Issues can arise where a customer (non-member) enrolls – who gets the incentive?*

In addition, CPIM and CSCP leads are forwarded to chapters by Corporate. Who gets the lead for a non-member? Without geographic boundaries, where does a chapter stop its marketing scope so that it is not directly in competition with another chapter?

2. The chapter and APICS agree that whenever an impasse or dispute occurs with another chapter or chapters, they will bring it to the attention of the District Manager who will facilitate a discussion aimed towards consensus resolution.

Terms and Termination

Comments:

- *Are there conditions for termination? Is a chapter or consortium of chapters able to disengage from APICS provided services and/or materials in part to receive services or materials from an alternative supplier or must they break the entire agreement and all access to APICS? It would seem an independent contractor should be able to do what they want. I may have missed it, but what happens when a chapter falls out of compliance? Are they supported so that they can recover or are they terminated?*

Where this type of requirement is included it needs to spell out exactly where and to whom, by name and/or position description (i.e., Acting Board Secretary) the mailing must be directed. I know everyone is trying to avoid legalese, but here, if this is to be a legally binding document, it is unavoidable.

1. This agreement is effective as of the date signed by both parties. It continues in effect until terminated.
2. Termination is effective after either party gives sixty [60] days written notice of its intent to terminate the agreement.

Add language to address “Initial signing needs to show any deficiencies and include a plan of action for correction.”

Independent Contractor

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It is expressly understood between the parties that each is an independent legal entity.

Comments:

- *Does this dissolve all previous working and legal obligations and relationships between the chapters and the APICS organization and/or staff? In other words is APICS choosing to dissolve APICS as a coherent organization and walk away from its history?*
- *We are not Independent Contractors*

General

1. This agreement is governed by the laws of the State of Illinois and the United States.

Comments:

- *We ask again that a Canadian lawyer – in Canada – review this agreement for compliance and applicability with Canadian law.*
- 2. Any dispute that arises between the parties will be settled by arbitration in accordance with the rules for commercial arbitration of the American Arbitrations Association or a similar organization.

Comments:

- *Are we talking about APICS as an independent contractor or APICS as an entity that includes all the chapters? I'm thinking that APICS as a total entity is not established under the law. Anyway the chapters are established under local state law. If a problem arises between APICS and a chapter perhaps it should be resolved under the chapter's locale and state laws (independent contractor). APICS should provide all chapters the foundation and incorporation documents developed with the move to Illinois immediately as they bear on the legal status of the chapters.*

Some concern as those with fiduciary responsibility that the content may have changed but it is unclear if the intent of a different type of business model and different type of relationship (ex: more dictatorial type vs. collaborative partners) has changed much at all. From a due diligence standpoint, we feel the following point needs to be given serious consideration by all involved in the process: "Although the content may have changed, but possibly the intent has not. Technique used in political type approaches is to push something through is "vague it up" --- our volunteer population needs to assess if this tactic/technique might somehow be part of the rationale for his change in

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strategy to a more "innocent" looking document than the clearly more obvious weapon looking document.

- *My general comments are that the chapters are too diverse in size and strength to have these types of specific guidelines. APICS needs to give general guidelines to chapters, lots of support, and focus on educational consistency. The chapters are not like a cookie cutter franchise where the same approach for each one of them will work as long as your niche market is big enough.*
- *We ask again that a Canadian lawyer – in Canada – review this as well.*

American Production and Inventory
Control Society, Inc. (dba APICS, The
Association for Operations Management)

CHAPTER NAME

By: _____
Authorized Signer

By: _____
Authorized Signer

Abe Eshkenazi
Chief Executive Officer

Name of Authorized Representative
Title of Authorized Representative

Printed Name

Printed Name

Date

Date

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General Comments:

- *Boy, did the CPA shrink!! Are you sure that too much detail wasn't removed??*
- *We are in agreement with all other items in the CPA. Requirements are per what is already required in the Cbar. Clarifying the roles, responsibilities, and resource sharing will greatly help in chapter management.*
- *The filename is "APICS North American Channel Partner Agreement Draft May 27", but when opened the title on the page is "APICS North American Chapter Agreement." Is this an agreement for channels or chapters, and what is the distinction?*
- *Did you know that CMS does not require a chapter to have a website? A chapter has an option to use the APICS Online Chapter Locator per the Chapter Minimum Standards (CMS). CMS states:*

Did the chapter maintain a current Web site with APICS trademark logo on home page with chapter name and link to APICS (www.apics.org) or did the chapter provide and maintain key chapter contact information and an overview of chapter services and activities via the Online Chapter Locator (<http://www.apics.org/apics/chapters.aspx>)? (List chapter Web site URL- example: <http://www.apicsphoenix.org>.)

I would suggest that any chapter that does not currently have a website to use the Online Chapter Locator option. This will allow you chapter to meet this CMS criteria for this calendar year.

If you are unsure on how to access this file, or if you need assistance why not contact APICS HQ or your district staff and ask them to assist you with the setup before the end of June. I'm quite sure that they have a chapter service template you could use. All you would then need to enter is your key contact information. It should be a relatively easy and painless effort.

I do think that if your chapter does not have a website that you should seriously make plans to create one before the end of the year. It will let potential customers find you. It's a great marketing tool. If you don't have one its puts your chapter at a marketing disadvantage.

Perhaps APICS HQ can take a proactive approach and recommend an inexpensive resource to help chapters develop their website. This way all chapters could have a viable website by the end of 2011.

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- *Much easier to read and understand. Makes sense now.*
- *I would love to see APICS incorporate something in terms of colleges and universities to have a stronger position in reaching out to our future supply chain and operations management professionals. I firmly believe that if we can get them involved in an early stage of their career development, APICS will have an enhancement on their career. I don't think that necessarily needs to be incorporated into the CPA unless APICS can incorporate it into a chapter benefit as to letting them know contact information at schools and universities to establish and foster student chapters. I really do believe we, as APICS, are missing a big opportunity here which may be contributing to our attrition to some degree.*

Finally, I do believe that the HQ website needs to be reviewed. As I mentioned in the first draft review, in terms of territories and boundaries, I understand there are no firm boundaries, but the website does not cross states even when a chapter is closer to a members location in another state. For example, I signed up two of my colleagues recently who live right across the river from St. Louis in Illinois. When we were on the HQ website signing them up, it brought up the Springfield IL chapter as their closest chapter which is not true. We had to go into the option of selecting our own chapter to select St. Louis. The HQ website should have shown St. Louis first since it was the closest chapter in terms of miles to the member. This needs to be resolved and could be contributing to some of the territory issues.

- *we are ok with these docs.*
- *I have only been a Chapter officer for a year so am relatively new to the legal aspects.*

I have read the Channel Partner Agreement and this is much clearer now. I like the way it follows CBAR requirements. I didn't realize there were no geographic boundaries for Chapters but guess this is due to the volatility of chapter memberships in various areas and the viability of the chapters as well.

So, from my standpoint this looks good.

- **ALL CHAPTERS MUST HAVE THE SAME STANDARD DOCUMENT FOR THIS TO WORK.**
- *As an fyi, this is a change in the proposed latest draft of the agreement: in the future, a website will be required. We feel that today this is not a burden even on the smallest of chapters. It's also another area where corporate can be of valuable assistance.*
- *First of all, my initial response - this is a huge step in the right direction. This is a complete 180 from where we were 2-3 weeks ago. Why we couldn't have started at this point, and saved almost a year of bickering back and forth is beyond me. **The beauty of the process with the open meetings is that we were able to correct our course of***

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action. Z *The chapters have been asking for this for a long time. So what caused such a drastic change? Don't get me wrong, I am glad to see these changes, but am somewhat skeptical / cautious based on the dialogue since last August. I guess APICS HQ has finally listened to the Chapters concerns and wishes. **It's the Task Force that is handling this; there is no influence from "HQ" or the Board.** Z Such a drastic departure from a few weeks ago begs the question of if more stipulations will be placed in the chapter specific addendum / add-ons.*

*So is this the total document which will be presented to the chapters to sign, or will there be addendums (as has been indicated since last November) which we have not seen yet? Will the real meat of the agreement be in the addendum? **What you received is what we intend to present to the Board in July ... pending any tweaking from feedback from the chapters.** Z*

*What are the odds that this gets past APICS HQ legal without going through substantial revisions? **Even though today's news report includes an article about a casino being approved for Chicago, we will refrain from placing odds on this! {a little humor :})** Z*

*I agree that the Chapter KPI measures are good, and in the interest of protecting the APICS brand. I know that Highlands and Rock Valley Chapters will struggle to meet these criteria. Highlands, I know does not offer their own education, does not have their own instructors, and is lucky to have 3 board members. What happens to chapters like them is a topic that needs to be addressed. I would guess that 10 - 15% of the chapters nationally would be at risk of not being able to comply with this agreement. **True; this is something the Board will discuss, I'm sure. Our intent is that any item a chapter cannot meet would be reviewed on a case by case basis between the chapter officers and the District Manager to work out the best solution.** Z*

- *This is a tremendous improvement, I believe there is very little for anyone to disagree with in this agreement. Seems like a fair and two sided agreement that does not cast undue burden on any chapter. The requirements are reasonable for any ongoing concern. If you are not doing these things are you really a functioning chapter.*

I wish we could have started with this version and saved a lot of discussion and valuable time. In the end, I think you have a good document here that accomplishes what I have thought were the two main objectives...that is, have chapters be a legal entity and to more firmly put CMS in place. This is a much more "partner" friendly document.

Thank you for the changes, the 180 degree change is appreciated.

- *I was able to listen in on one of the task force meetings in April where the request was made to write the agreement in plain English. The comment was made then that it WAS in plain English, but the difference between then and now is night and day. I think the version sent out this time is outstandingly concise, well organized and (though lawyers*

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might disagree and find ways to tie it in knots) I think very clear in intent and easy to understand. Great Job!

Unfortunately, there are a few items among the chapter responsibilities that would preclude our chapter from participation. I will mention one item that came out of our District Meeting in April as a general comment but the rest I will keep to our chapter. [PS – comments inserted following relevant section]

I am very curious how many chapters would be forced out of existence by this version of the agreement.

The document listing the Current Chapter Benefits is a little too terse at this point for me to know what some of the mentioned benefits are. Others seem to be no longer in force based on what I found on the APICS website:

Program/Product Discounts

Materials discounts - there are some materials where chapters pay the same price as members, e.g. Inventory Management Workshop materials

Bulk Voucher discount program - the APICS website says this ended last year.

Instructor Development Program - for us this is more a burden than a benefit. It seems more a way to increase revenue to APICS If there are webinars to help instructors improve I couldn't find them on the website.

Administrative

Maintain chapter historical tax and incorporation info - your copies wouldn't replace the documents we must keep on file here.

Group Exemption Program - what is this?

General Liability Group Insurance is cheap, if we could get group discounts on D&O insurance, THAT would help!

Rebate/Award/Incentive programs - great if you are a big chapter, doesn't help much if you are struggling

Communication

Constant Contact - you mean all the spam I get from Abe and about registering for the CSCP exam? CHAPREL no longer responds to chapter presidents, I was told I need to go through District to get a response.

CMS and CBAR

Provide data needed to complete CBAR worksheet - how does APICS provide this data, other than the membership count in My Chapter?

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District Support

Financial Support to attend district meetings - we have indicated we can't afford to attend (especially in Hawaii) and have never been offered any support. If we can drive there, we try to be there.

Chapter Revitalization Strategies

I was told this was available on the District website but could find no trace of it.

- *That's my two-bit's worth. Thanks Task Force for all your work and for your excellent communication!!*
- *Can you clarify my understanding. A chapter could use the on-line chapter locator to comply with CMS for the 2010-2011 and 2011-2012 years. They would then have 3 years to setup a website before they have an issue with CMS (under the current process). Does the 3 year process still apply or will CPA require a chapter to take immediate action for the 2012-2013 year.*

Also, why can't APICS HQ provide immediate, low cost assistance to help any chapter that does not have a website. If they did then this issue could disappear by year end.

- ** correct for sure for 2010-11 since that period ends this month*
** probably for 2011-12 since we'll already be in that year soon*
** current draft calls for annual review of compliance, so there is no 3 year window; this will be worked out during implementation*
** as for what APICS HQ could do now, that's a great question to pose to your District Manager to see what help is available right now.*

Thanks for asking.

- *We have re written our website over the past 3 weeks with a firm and it has been very low cost. I would be glad to recommend a firm that can help any chapter needing it*
Our new website will be up in a couple weeks.
- *We also have a great resource in the northeast that has done many chapters and gives special rates to APICS. Always remember to tell prospective suppliers that you are a non-profit -- places like Constant Contact have special rates for them*
- **“CHAPTER BENEFITS LIST”:**
*Under “Rebate/Award/ Incentive Programs” the first bullet point lists “Fox Valley Rebate Program”. There are two concerns with this: It should be spelled out clearly that this refers to the institution **Fox Valley Technical College** (not APICS Fox Valley chapter) and*

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the online program. This was also a concern because the disbursement of online student rebates is not spelled out in the CPA draft in the "APICS responsibilities" area.

Other concerns:

- *APICS needs to offer more support to chapters for website issues.*
- *What's happening to CMS and CBAR? Seems redundant. Would CMS still be a part of CBAR? This would be redundant since Chapters would have to meet this per the CPA.*

- *It occurred to me as I thought about the meeting today that there is a conflict between "We aren't going to tell Chapters how to run their business (e.g. whether board members must be APICS members)" since the chapters being separate legal entities, and the requirement that chapters hold x number of PDMs or classes or conduct x number of surveys or communicate with members x times per year. In fact, among the chapter key responsibilities, the following numbers are all "telling the chapter how to run their business" that are inconsistent with them being separate legal entities: 2, 3, 4, 5, 6, 7, 10, 11, 12, 13. Number 14 is kind of iffy; if the board and customers are satisfied with the quality of instructors, why can APICS say we can't use them? I understand about maintaining a level of quality, but IDP participation doesn't necessarily do that any better than the local board screening our instructors.*

- *I question setting up the mandatory chapter requirements for all sizes of chapters. Some small chapters may have a problem with meeting these requirements. Has our chapter met everyone of these requirements?*

- *I need to let you know that I am strongly against the proposed changes to the relationship between chapters and the parent organization in Chicago. These changes are just an unnecessary additional amount of paperwork that does nothing to benefit the chapters. I believe it is following a pattern of large government waste. I can find no reason that any chapter should support this change because I believe there is no benefit to the chapter whatever. This provides an additional degree of control to the parent organization that I believe is unnecessary. I have been an APICS member for nearly 20 years and this is making me consider if I should continue or not.*

- My feelings are not directed at you or any other member, but I hope the governing board will withdraw the proposal. Please pass these comments to those who have asked for feedback. I hope our board will carefully consider our position and speak with a unified voice. I also hope other chapters will determine if there is any chapter related benefit to the proposal in question. Chapters should retain as much local freedoms as possible. For me, the local chapter IS APICS.*

- *I echo the opinions of many who responded to the drastic about face from the direction the contract language was taking originally. This is simpler, without the obfuscation of*

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legalese in language, and the implied transfer of specific responsibilities from APICS Corporate to chapters.

There still remains new items that need to be addressed before I can consider signing in my mind as well as some additional suggestions or modifications I would like to make to APICS Corporate responsibilities.

[PS: comments inserted following relevant sections]

While this draft heads towards something acceptable in a partnership relationship between HQ and the chapters, one has to look at intent under the covers. Regardless of the comments by several, when you consider the antagonistic approach in 'non-negotiable' language proffered up in the prior to May 31st versions clearly anti-chapter in tone and constraints, one has to look at this version slightly askance to wonder when the next shoe drops.

I think everyone on the chapter side of the discussion looks to build or reinforce a strong and healthy chapter led organization of members successful in its delivery of the OM message. Those selected to work as volunteers and supporting staff for the project seem to have the same goals. Based upon comments made, posturing, and directed legal input, you have to wonder about the remaining leaders input and intent.

At our meeting last Saturday, it was suggested that a Webex presentation be put together that could go over the language considered and speak to the intent of each point. Speaking to the intent would most likely remove future interpretations of text should an even less friendly set of actions be initiated under the guise of updating the CPA.

Also, as 'simple' as this document appears to be, it should still undergo some form of legal review by/for the chapters in this common document form, to look at protections from the chapters point of view. It will be a contract and should be treated as such. It has been suggested that, against one contract document applicable to all, that chapters could contribute to funding, or APICS HQ should, to support such a legal review for the chapters, a review by non-APICS legal staff.

- *I really like the simplicity of this document and feel this is something our chapter BOD could be able to support. I do have some questions though- [PS: comments inserted following relevant sections]*
- *A question I did have is in the agreement and the supporting docs, I didn't see anywhere, the steps that would be taken if the chapter was not in compliance in any of the areas. I see there is a note that the chapter must provide reasons why the standard is not met*

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and what is being done to meet it, but there is nothing defined as far as what steps are taken if a chapter is not compliant- or maybe I am just missing that.

- *We have put some comments on the attached document. Thank you again for your help in coordinating.*

Deadline was tight for us--and this week especially challenging for me. The other chapter leaders must be better time organizers than me...I find the CPA activities of the last two months hard to keep up with and manage appropriately. ... so apologize for lack of polish to some of the wording.

We will be glad to have a conference call with any readers of this document who might have challenges understanding any of the points on such. It can be a brief conference call and heavily focused on just clarifications.

As a disclaimer,

We from our chapter of course do not accept the premise of Mr. Zampello that all past comments from our chapters and others are now basically legitimately retired as they have been addressed. We are not the project manager of this endeavor and understand it is not our call. We feel it appropriate to call out that we do not accept the comments along those lines to be valid or reasonable. Those of us with more practical PM experience are not accustomed to having 5 or 10 very specific comments answered with 1 very high level comment and then somebody ruling all 5 or 10 of those issues/question to be closed. We are used to a more detailed process for handling issues and questions where an individual response is given to each question/issue before it is considered closed.

- *1. Position of our chapter is still "No lawyers or two lawyers review this latest rev of the document thing before and after it goes to board--and perhaps during". And no "putting the document into Legalese by 1 attorney only" after the board meeting either.*

We think it is an unreasonable expectation for our chapter or other chapters of course to go along with any type of plan where Dean Martinez (and/or his team members) definitely helps one side (HQ)and "kind of" helps the other side (Chapters)..which seemed to be the model during the first several months of the Task Force This formula (1 lawyer strongly representing one side...and "kind of / sort of" helping this other side has clearly been helpful to CSCMP and others who are after APICS market share and mind share in the SCM community but for our APICS Community that cares about the association and its members this approach has proven to be a complete disaster. To ignore such, gloss over, or minimize such is against our core values in our view. You cannot fix a problem until you first admit that it exists.....we know this has

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been a problem...we need to learn from it. (In baseball, the pitcher or batter does not typically serve as an umpire for good reason.....it is not fair to either of them. Our APICS BOD Volunteer Leadership team should assess if it is fair to the paid attorneys on staff at HQ to continue to put them in such difficult/no win situations. It is difficult to understand how any lawyer could navigate this tough spot well.

Of all the "root causes" of things associated with the CPA process that could have net taken a few hundred hours of man hours of time instead taking a few thousand hours of time over the last eleven months, this (the lawyer for only 1 side participating in the development of the documents and accordingly the direction in large part of the task force) is one of the largest contributors to all that non value added time being spent.

There should be a commitment by the Leadership Team of the organization (it does not seem that the task force has been able to address this request) to get a shared lawyer for the chapters before asking BOD members to officially chime in with an opinion or approve anything related to the document or the CPA process. The past position that each chapter can get their own attorney if they would like of several different individuals in a task force participant or oversight role is simply a poor and non responsible position to take when one considers how our model works of the hq entity and the chapter entities --- with regard to how member money could be spent with a situation of 232 lawyers perhaps being engaged vs 2.

We have seen nothing that would qualify for a direct answer to the question of the task force working an initiative to get a "Chapter Centric Legal Specialist" (CLRS) to work on the other side of the table to Mr. Martinez and his team on this document before it gets in front of the Board of Directors or much further anywhere in the process.

2. We would like to see some type of recordable and savable on our local pc's a 2 hour web ex by 2 considered to be "independent" BOD members (maybe two of the following three...Bill Lee, Marc Harris, or Chris Moye) saying point by point what the spirit of each comment is and how things will be different between Chapters and how it will not be in the year 2013 and beyond vs the year 2007 with regard to the that comment. 10 select President's (5 of the ones who have helped give the most input on the proccs combined with 5 randomly selected ones) would be asked to be on this call....which will have a q & a . It will be recorded as well..so there is documentation as to what the intent (or in Marc Harris's words) "the spirit" of each comment is. This will protect a hypothetical (but who could be hired in the next year or two..who knows) overly aggressive HQ centric and chapter disliking lawyer from 2 years from now too easily finding ways to hurt or strong arm chapters with creative use and interpretation of the broad language without his credibility/ethics being called into question--as chapters can clearly point to the web ex to say what the intent of the board was 2 years from now.

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This solution allows for the BOD members to get a little more engaged in some of the details of this document which they asked forand it makes them accountable to members and chapter leaders for how it is interpreted by the paid staff team members in years ahead.

This approach, where Mr. Lee and Mr. Harris might put their personal credibility on the line for years to come ...when they say point by point what is the intent and what is not the intent of each line.....allows me (as Chapter President) to have an easier time selling this document to the rest of my board members --as we would clearly see some "skin in the game" of some key folks who seem to value their credibility much and seem to talk in pretty simple language as well that people can understand and does not lend itself to multiple interpretations.

- *Overall, I believe the CPA is much better. It is clearer and our chapter will not have to hire a lawyer to make sure we are not signing something that is harmful to us.*
- *Thank you once again for the work the CPA Committee has done to develop this agreement, and for the opportunity to again provide our feedback into the revisions of the agreement dated May 27 and distributed May 31, 2011.*

Throughout this process we have fully supported the goals of: 1) protecting APICS copyright educational materials which are the cornerstone of our existence, by enforcing limited access to them; 2) defining and formalizing the relationship between APICS Association, Districts, and Chapters with clearly defined roles, standards, and measurements; and 3) strengthening APICS Chapter volunteer resources to fulfill the APICS Mission, which separates us from other entities.

The revised agreement clearly addresses many of the original concerns expressed by the chapters, is stated in "plain English", and to mirrors the requirements of CBAR section one, Chapter Minimum Standards. We are wondering if it has now become oversimplified to the point of rendering it redundant to CMS, and no longer representing a step forward.

In short, have the original objectives to define the legal relationship between APICS and each of its North American Chapters, strengthen the whole of APICS [corporate and chapters] by being able to legally share services, and to protect the brand and image of the association have been lost?

Specific concerns we feel should be addressed include:

- *Formally recognize, incorporate and/or clarify the impact of this agreement on the terms of all agreements between APICS Association and the Chapters, such as the original Chapter Charters, CBAR, Chapter Liability Insurance and*

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- protection, Membership revenue sharing, etc. to eliminate confusion between the requirements of each.*
- *Specify the requirement for all chapter documents including Articles of Incorporations, Chapter By-Laws, Chapter Strategic and Marketing Plans, and relationship of each to the agreement.*
 - *Develop and state definitive administrative and financial support to chapters in the areas of marketing and lead generation for educational workshops and the development of qualified instructors.*
 - *Clearly define the rights a chapter has lost by failure to comply, a remedial process to assist chapters who have failed to comply, and the dissolution process in the event of chapter failure.*
-
- *Several GLD reps mentioned they would prefer the final CPA to be a one size fits all..... no "customized agreements" once the final agreement is approved.*
 - *The revised CPA is much improved - thank you. Many people have commented on items of interest to them, and I am confident that you will give their comemnts appropriate attention.*
 - *The Charleston Chapter has reviewed the proposal and does not have any feedback. We are satisfied with the language and the content.*
 - *San Fernando Valley chapter has reviewed the 2nd draft of the Channel Partners Agreement with APICS North America at our last Board of Directors meeting. In general, this draft is much clearer to understand, and is much more balanced between APICS and the chapters. We felt we would be much more comfortable signing something like this. However, we do have questions with 2 specific items in this draft.*
 - 1) *The plain language format is clear and easy to understand.*
 - 2) *We would not recommend this agreement as a good one for the chapters. It gives general responsibilities to Society and very specific, measureable and detailed responsibilities to the Chapters. So, it is easy to show that the chapter is in default but almost impossible to show that Society has not met their end of the agreement. Why have such a one sided agreement? Can we have more measurable items on the Society section of the agreement?*
 - 3) *The responsibilities for the chapter are reasonable and not difficult to meet. Except IDP, see below.*
 - 4) *The agreement specifies that there are no chapter boundaries or territories. Combined with the silence on the topic of referrals for class instructors, this seems to show intent to stop the past practice of allowing chapters the first option of holding or*

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instructing any classes being held in their area. This had been a good cooperation between society and the chapters. We would hope it is not being eliminated.

5) We understand that part of this agreement is in response to complaints that chapters are not held to the same standards as other partners. It is important to remember that chapters provide other benefits to the society besides classes alone. They have to perform other duties that can justify being held to different standards that organizations that are providing classes only.

- **General Comments from our previous input dated May 20th, 2011:**

We understand that student chapters will not be signing these agreements. However, we who have affiliated student chapters need to know what will happen, since membership and measurements are different for student chapters. In addition, parent chapters currently have no “power” over their student chapters which can be an issue with this agreement coming into effect. Professional chapters today cannot extend memberships to students at the student rate. Will this change under the new agreement?

This document should be reviewed by a Canadian lawyer for compliance with Canadian law. The findings should be published as an appendix to the agreement or as a separate document.

Will APICS continue to administer and act as ombudsman for computer-based testing? We believe that there should be mention in the agreement or in the Appendices of this service as being provided by APICS.

Will the District structure be preserved? We see great value in being part of Canadian District.

New Suggestion

Date or number the drafts please. This will avoid confusion when referring to a specific version of a draft that was published.