



BOARD OF DIRECTORS MEETING
Toronto, Ontario Canada
October 2, 2009, 8 AM – 5 PM

MINUTES

1. Call to Order

The meeting was called to order by Chair Tom Krupka on Friday, October 2, 2009, at 8:00 AM.

2. Roll Call

Secretary/Treasurer Eric Schaudt called the roll of the board. The following members, representing a quorum, were present:

Board of Directors:

Thomas Krupka, CFPIM, CSCP, Jonah
Karl Klaesius, CPIM, C.P.M.
Eric Schaudt, CPIM, CSCP
Pamela M. Somers, CPIM, CIRM, CSCP
Keith M. Johnson, CPIM, CSCP
Scott Imhoff, CFPIM, CIRM, CSCP
Maryanne Ross, CFPIM, CIRM, CSCP
Anthony Zampello, CPIM, CIRM, CSCP
Mel N. Nelson, CFPIM, CIRM, CSCP
Fred W. Tolbert, CPIM, CSCP
Preston Blevins, CFPIM, CIRM, CSCP
Joe Schriever, CIRM, CSCP
Stephen Crane, CSCP
Karen Alber, CFPIM
Robert Jacobs, Ph.D.
Rachel Thomas

Chair
Chair-Elect
Secretary/Treasurer
Director, Canadian District
Director, Great Lakes District
Director, Heartland District
Director, Mid-Atlantic District
Director, Northeast District
Director, Pacific Western District
Director, Southeast District
Director, Southwest District
Director, Terra Grande District
Director-at-Large
Director-at-Large
Director-at-Large
Director-at-Large

Members Absent:

Kevin O'Marah

Director-at-Large

Staff:

Abe Eshkenazi, CPA, CAE, CSCP
Dean Martinez
Sharon Rice
Pamm Schroeder, CAE
Diane Mikols
Colleen Hays

CEO
EVP Operations, General Counsel
EVP Professional Development / Industry Content
EVP Member Services
Director Project Management Office
Executive Administrator

Guests:

Peter Black, CPIM, CSCP
Bob Boyle, CPA, CFPIM, CIRM, CSCP
Ione Dykstra, CPIM
Arch Fraser, CPIM, CSCP
Paul Howatt
KC Kasserman, CPIM, CIRM, CSCP
Rick Leach, CPIM, CSCP
Barry McBurney
Chris Moye
Peter Murray, CIRM
John Newlyn, CSCP, CFPIM, C.P.M.
Lisa Ross, 2010 APICS Conference Committee Chair
Tony Stencil
Bob Trent
Robert Vokurka, Ph.D., CFPIM, CIRM, CSCP, C.P.M.
Tammy Williams, CIPM, CIRM, CSCP

International Associate
2010 Director-at-Large
District Manager, Heartland District
Australian pics
2010 Director, Canadian District
District Manager, Southeast District
District Manager, Pacific Western District
District Manager, Mid-Atlantic District
2010 Director-at-Large
2010 Director-at-Large
2010 Director, Pacific Western District

District Manager, Great Lakes District
2010 Director-at-Large
2008 APICS Chair of the Board
2010 Director, Heartland District

3. Approve Consent Agenda

The board received the following reports as part of the consent agenda prior to the meeting:

- Minutes from the July 18, 2009 board meeting
- Committee Reports:
 - Professional Development (BOK) Committee
 - International Conference Subcommittee
 - Instructor Subcommittee
 - Curricula and Certification Committee
 - Membership Development (VOC) Committee
 - Professional Membership Subcommittee
 - Academic Membership Subcommittee
 - Corporate Membership Subcommittee
 - International Subcommittee
 - Finance Committee
 - Collaboration Committee
 - District Manager Committee
- Old Business

The July 18, 2009 Board Meeting Minutes, Curricula and Certification Committee, Finance Committee and BOK Committee reports were pulled from the consent agenda by request. Additionally, the Executive Office Report was pulled as well.

Motion: Pam Somers moved to approve the consent agenda, excluding the July 18, 2009 Board Meeting Minutes, Curricula and Certification Committee, Finance Committee and BOK Committee reports. Joe Schriever seconded the motion. The motion passed unanimously.

4. Leadership Team Report and Chair's Report

Tom Krupka reported on behalf of the Leadership Team apprising the board that the team met one time after the July board meeting as follows:

August 20, 2009

- Collaboration Committee Update
- October board Meeting Agenda
- Miscellaneous Items

5. Finance Report

2009 Results/Outlook

Eric Schaudt, Chair of the Finance Committee, reported on the activities of the Finance Committee. The committee met three times via conference call and has reviewed the investments currently being managed by WaterStreet, successfully kicked-off the new District Manager Committee budgeting program and continues to monitor cash flow. The Finance Committee met in Chicago on September 18, 2009, to review year to date results from operation, forecasted year end estimates, and to review the 2010-2012 budget. The board was advised that the 2010-2012 budgets, year to date results of operations and year end forecast are included in the budget book.

2010-2012 Budget

Abe Eshkenazi and Eric Schaudt presented the 2010-2012 Budget Report which included a review of year to date results and year end forecast. Board discussion included the alignment of the Strategic Priorities and Objectives with the Budget, review of the financial KPI's, Conference registration, reclassification of courseware sales, proposal for a comprehensive corporate sponsorship program and Expenses. Further discussion on the format of future APICS Conferences was tabled until New Business discussions.

The Finance Committee recommended the following changes to the APICS Strategic Priorities 2010-2012 as outlined on page 23 of the proposed budget:

2010-2012 Membership

- Objectives:
 - Maintain retention rate at ~~89%~~ **82%** of membership base of the prior year for certified individual members.
 - Maintain retention rate at ~~65%~~ **60%** of membership base of the prior year for non-certified individual members.

- ~~Maintain recruitment at 20% of membership base of the prior year goal.~~ **Recruitment of new members amounts to 10,000 per year.**
 - APICS has a net promoter score for membership of xx% or above by 2012.*
 - Increase the number of international members outside North America to 5,000 by 2012, with at least 60% of these as dual members of local representatives.
- * Conduct survey to establish NPS baseline.

Eric Schaudt requested that all staff and visitors exit the meeting room so that the board could meet and discuss personnel matters relating to the proposed budget. Following board discussion, staff and guests were invited back into the meeting room.

Motion: Eric Schaudt moved to approve the Finance Committee recommended changes to the APICS Strategic Priorities 2010-2012 as outlined in the proposed budget. Pam Somers seconded the motion. The motion passed unanimously.

Motion: Eric Schaudt moved that the board accept the 2010-2012 Budget as submitted by the Finance Committee. Karl Klaesius seconded the motion. The motion passed unanimously.

6. Audit Committee

Abe Eshkenazi apprised the board that on behalf of the Audit Committee request for proposal letters were sent to six audit firms and requested responses be submitted by September 30, 2009. A full evaluation of all proposals will be completed in October by the committee and a recommendation will be made to the board via electronic vote before the end of the year. Abe reminded the board that the auditor reports to the audit committee and Board of Directors and that we are looking for a reduction of fees from the 2008 audit.

7. Governance Committee

Nominating Committee

Maryanne Ross, Chair of the Nominating Committee, presented the following Nominating Committee recommendations:

Individuals nominated to serve as officers on the 2010 APICS Board of Directors:

- Chair-Elect: Eric Schaudt, CPIM, CSCP
- Secretary-Treasurer: Robert Castleman, CPIM, CIRM, CSCP

Individuals nominated to serve as APICS Functional Committee Chair for the 2010-2011 term:

- VOC Chair: Nicholas M. Testa, Jr, CFPIM, CIRM, CSCP, Jonah
- BOK Chair: Donald H. Sheldon, CFPIM, CIRM, CSCP

Prior to the consideration of the Chair Elect, Eric Schaudt recused himself from board discussion and left the meeting room.

Motion: Karen Alber moved to approve the nomination of the 2010 Chair-Elect as recommended by the Nominating Committee. Mel Nelson seconded. The motion passed unanimously.

Eric Schaudt returned to the meeting room.

Motion: Maryanne Ross moved to approve the nominations of the 2010 officers as recommended by the Nominating Committee. Keith Johnson seconded. Following board deliberation, Bob Jacobs moved to amend the motion as follows and was seconded by Mel Nelson: Approve the nomination of the 2010 Secretary-Treasurer as recommended by the Nominating Committee. The amended motion passed unanimously.

Motion: Karen Alber moved to approve the nomination of the Functional Committee Chairs for the 2010-2011 term as recommended by the Nominating Committee. Mel Nelson seconded. The motion passed unanimously.

Maryanne Ross reviewed the committee recommendations to improve the nominating process, followed by board discussion on attracting qualified and diverse candidates, outreach by board members, candidate understanding of position responsibilities, the need to start the process earlier and work closely with outgoing functional chairs to review job descriptions and participate in the interview process.

The sense of the board is that the Governance Committee should review the Nominating Committee recommendations from 2008 and 2009 and report back to the board with their recommendations.

Governance Documents Update

Scott Imhoff, Chair of the Governance Committee, reported that the committee is in the process of reviewing the APICS governance documents and will make recommendations at the January board meeting. Pam Somers and Fred Tolbert suggested that the committee consider recommendations made by the Nominating Committee and Director-at-Large Selection Committee during their review of the governance documents.

8. Distance Learning Task Force

Sharon Rice offered a brief background on the charter of the Distance Learning Task Force and scope of their responsibilities and presented the recommendations from the District Manager Committee and International Subcommittee. Board discussion followed on marketing responsibility, partner rebates and e-learning utilizing synchronous and asynchronous training modalities. Tom Krupka asked for comments from the gallery, KC Kasserian, Tony Stencil, John Newlyn and Peter Murray gave their viewpoints on the subject.

Motion: Bob Jacobs moved that APICS staff create a plan to implement an APICS e-learning platform that delivers synchronous, asynchronous and blended modes. APICS will control the instructional design, content and access to the platform. This system should be accessible to APICS channel partners to deliver APICS education, the business arrangements of which will be defined based on board approval of the plan. Staff will present this plan at the January board meeting. Pam Somers seconded. The motion passed unanimously.

Executive Office Report

Abe Eshkenazi apprised the board of the following Executive Office Report highlights:

- 8+4 forecast for 2009 - Abe reviewed the forecast, advised that the implementation of Phase III of the contingency plan is not warranted for the organization for 2009, and recognized the Finance Committee for all their hard work in this very difficult year.
- Membership - August 2009 Membership increased the first time since March 2008. We are up 600 members.
- Collaboration Efforts - The Leadership Team and Collaboration Committee have been considering opportunities to leverage our relationships with other organizations to enhance our position in the marketplace.
- Fresh Connection Supply Chain Competition – A one-day simulation to test how the game would be received by our corporate clients was held in Chicago in August and Involvement will demonstrate the game at the APICS International Conference and Expo in Toronto. This collaboration should be an excellent opportunity to differentiate ourselves in the marketplace.
- DANTES – An agreement was recently signed with DANTES (Defense Acquisition for Non-Traditional Education Support), which provides all military personnel with access to APICS programs and services at military bases around the world. This has the potential to create a tremendous demand for the organization products and services.
- E&R Foundation - Abe Eshkenazi, Karl Klaesius and Robert Vokurka are working together to reframe the APCIS and E&R Foundation relationship and a plan will be presented to the board in January, which may require Bylaw changes.
- MCI Group Asia Pacific Proposal to APICS on Expansion of APICS Presence in Asia - MCI, currently providing APICS' EMEA presence in Brussels, prepared a proposal for APICS consideration. The proposal recommends a market study to quantify the interest and potential demand for APICS education, certification and membership in Asia. The cost of the study is \$30,000 with 50% credited back if APICS moves forward with MCI as the APICS Singapore office. Board discussion followed.

The sense of the board is that the \$30,000 expense for the MCI proposed market study should be considered by the Finance Committee to be sure the resources are available and the Finance Committee will report back to the board.

Abe Eshkenazi also apprised the board that APICS staff has begun discussions with supply chain teams from large corporations (including DuPont and Coopers) to determine their training needs, how they view APICS, what we can do better to address their future needs and the strategies they took when the recession started. Additionally, a Corporate Conference is scheduled in Dallas for December and following that December meeting staff is hoping to put together a Corporate Advisory Group.

Member Services Update

Pamm Schroeder reviewed the Member Services Division Structure and introduced the team members. An update of each department was presented as follows:

Membership and Customer Service – Tom Foley, Director
District and Chapter Activities – Henri Wingfield, Director
International Business Development – Tracy Cheetham, Director
Meeting Planning and Events – Pamm Schroeder (filling in for Sheila Lomax, Director)

9. Supply Chain Competency Model and Future Leaders Report

Robert Vokurka, 2008 APICS Chair of the Board and Future Leaders and 2009 Future Leaders Advisor presented a summary of the group's activities over the past year and the 2009 Future Leaders presented the Supply Chain Competency Model.

2009 Future Leaders were introduced:

- Andre Alves - US
- Dolores Case - US
- Jennifer Kevlin - US
- Krystal Truesdale -US
- Linda Sithole – South Africa
- Marshall Saluding - Singapore
- Sumanth Nagarathnam -Canada
- Todd Sabin - US

Tom Krupka, 2009 APICS Chair of the Board, will be the Advisor for 2010 and will select the project for the 2010 Future Leaders.

2010 Future Leaders were introduced:

Debbie Chiles – US
Erin Gibson – US
Elizabeth Kilgour – Canada
Genevieve LeBlanc – Canada
Seaneth Nomthandazo Ngobese (Nomthi) – South Africa
Natasha Seenbergen – US
Simeon Sutton – US
Christine Tsao – US

10. Other Topics for Discussion

Pulled Agenda Items

The reports pulled from the consent agenda were reviewed: July 18, 2009 Board Meeting Minutes, Curricula and Certification Committee Report, Finance Committee Report, BOK Committee Report and Executive Office Report.

The changes made to the Strategic Directions referred in item #6 of the July 18, 2009 minutes will be added to the minutes as follows:

Slide 5

Add to paragraph one: (IA's, Chapter, AEP's . . .)

Slide 9

Add: "current and potential" markets our members and customers serve.

Slide 13

Add to bullet point #1: ("eg" APICS magazine and Operations Management Now

Slide 15

Add: (e.g. **Monster, Careerbuilder**. by 2012.

The recommended changes to the District Manager KSIs referred to in item #9 of the July 18, 2009 minutes will be added to the minutes as follows:

Recommended changes:

Outcomes based on the direct deliverables: membership, courseware, conference participation, etc. The DMs should be able to influence what goes into the chapter meeting agendas.

When we talk about branding use and misuse, can that be re-written to be more positive? Possibly discuss the merits of getting everyone compliant.

There should be some consideration as to what constitutes a good quality meeting and metrics assigned.

The DM's should be involved in driving the quality of instructors.

Is it time to re-evaluate CBAR? The strategic priorities should be aligned with CBAR and vice versa.

Motion: Pam Somers moved to approve the pulled reports, July 18, 2009 Board Meeting Minutes, Curricula and Certification Committee Report, Finance Committee Report, BOK Committee Report and Executive Office Report. Joe Schriever seconded. The motion passed unanimously.

New Business

Board discussion followed on the redesign of future APICS International Conference and Expos. **The sense of the board was that staff should take a look at some alternative ideas on future APICS International Conference and Expos, discuss with the International Conference Committee and report back to the board.**

Tony Arnold Honorary Membership Nomination

Pam Somers presented the motion to consider Tony Arnold for an APICS Honorary Membership.

Motion: Pam Somers moved that John Richard (Tony) Arnold, CFPIM, CIRM, be elected to Honorary Membership in APICS the Association for Operations Management. Eric Schaudt seconded. The motion passed unanimously.

Board Member Gifts

Tom Krupka presented the 2010 Chair of the Board ring to Karl Klaesius and the 2009 board gifts were distributed to board members.

NEXT MEETING - JANUARY 23, 2010, SAN FRANCISCO, CA

11. Adjourn

A motion was made and seconded to adjourn the meeting. The motion passed and the meeting was adjourned.

Trust Discussion Follow-up

All staff and guests exited the room so that Karl Klaesius could facilitate a follow-up discussion on trust and communication building.

ACTION ITEMS:

- Pamm Schroeder will communicate the number of company paid vs. individual paid conference attendees for the 2009 APICS International Conference and Expo.
- Abe Eshkenazi will report to the board on certification maintenance as discussed in the Executive Office Report presentation.
- Ongoing items in the Old Business action items list will be rolled over to the next meeting's list until the action items are complete.
- The Governance Committee will review the Nominating Committee recommendations from 2008 and 2009 and report back to the board with their recommendations.
- The \$30,000 expense for the MCI proposed market study will be considered by the Finance Committee to be sure the resources are available and the Finance Committee will report back to the board.
- Staff will take a look at some alternative ideas on future APICS International Conference and Expos, discuss with the International Conference Committee and report back to the board.