



BOARD OF DIRECTORS MEETING
San Francisco, CA
January 23, 2010, 8 AM – 5 PM
MINUTES

1. Installation

Robert Vokurka, 2008 APICS Chair of the Board, administered the Oath of Office to the 2010 Board of Directors.

2. Call to Order

The meeting was called to order by Chair Karl Klaesius on Saturday, January 23, 2010 at 8:00 AM.

3. Roll Call

Secretary-Treasurer Bob Castleman called the roll of the board. The following members, representing a quorum, were present:

Board of Directors:

Karl Klaesius, CPIM, C.P.M.	Chair
Eric Schaudt, CPIM, CSCP	Chair-Elect
Robert Castleman, CPIM, CIRM, CSCP, C.P.M.	Secretary-Treasurer
Keith M. Johnson, CPIM, CSCP	Director, Great Lakes District
Tammy Williams, CPIM, CIRM, CSCP	Director, Heartland District
Maryanne Ross, CFPIM, CIRM, CSCP	Director, Mid-Atlantic District
Anthony Zampello, CPIM, CIRM, CSCP	Director, Northeast District
Richard Leach, CPIM, CSCP	Director, Pacific Western District
Fred W. Tolbert, CPIM, CSCP	Director, Southeast District
Preston Blevins, CFPIM, CIRM, CSCP	Director, Southwest District
Joe Schriever, CIRM, CSCP	Director, Terra Grande District
Robert Boyle, CFPIM, CIRM, CSCP	Director-at-Large
Chris Moyer	Director-at-Large
Peter Murray, CIRM	Director-at-Large
Robert Trent, Ph.D.	Director-at-Large

Members Absent:

Kevin O'Marah	Director-at-Large
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Staff:

Abe Eshkenazi, CPA, CAE, CSCP	Chief Executive Officer
Dean Martinez	EVP Operations, General Counsel
Sharon Rice	EVP Professional Development / Industry Content
Pamm Schroeder, CAE	EVP Member Services
Jeff Blumberg, CPA	Chief Financial Officer
Colleen Hays	Executive Administrator

Guests:

Erin Klaesius

Sheila Klaesius

Jeff Randolph

Karen Schaudt

Robert Vokurka, Ph.D., CFPIM, CIRM, CSCP, C.P.M.

President, E&R Board of Directors

4. Conducting Board Business

Director-at-Large Open Position

Abe Eshkenazi apprised the Board that Kevin O'Marah resigned from the APICS Board of Directors and the 2009 Director-at-Large Selection Committee reconvened to discuss next steps. Based on the review of eligible candidates for 2010 the committee determined that only one of the candidates met the criteria. The candidate was contacted to ascertain whether they were still interested in serving. Unfortunately, no response was received. The committee was subsequently apprised and determined that no other candidates met the criteria and recommended that the board be updated accordingly.

Following board discussion,

Sense of the Board was that the 2010 Director-at-Large Selection Committee should meet to recommend a candidate to fill the open Director-at-Large position, if possible. Additionally, the Board directed the 2010 Director-at-Large Selection Committee to search for a candidate with the following attributes:

2011 Director-At-Large Attributes

- Currently or previously worked and lived outside North America
- VP or C Level in F1000 or equivalent
- Academician
- Circle of Influence outside our typical profile
- Experience or role within a targeted segment
- Thought leader
- Experience with channel partner or distribution channel transformation

Emphasis on:

- Global responsibilities
- International representation with a focus on emerging regions
- Has led or participated in a globalization effort

Conducting Board Business:

Karl Klaesius discussed the Chair's role, the process of conducting Board business and Robert's Rules of Order and apprised the Board that he will not appoint a Parliamentarian at this time. Board discussion followed. **Sense of board** was to dispense with Robert's Rules of Order for 2010.

5. Approve Consent Agenda

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

- Minutes from the October 2, 2009 board meeting
- Committee Reports:
 - Body of Knowledge (BOK) Committee
 - OMBOK Subcommittee

- 2009 International Conference Subcommittee
- 2010 International Conference Subcommittee
- Products & Services Subcommittee
- Instructor Subcommittee
- Certification Committee
- Voice of the Customer (VOC) Committee
 - Professional Membership Subcommittee
 - Academic Membership Subcommittee
 - International Subcommittee
- Audit Committee
- Finance Committee
- Collaboration Committee
- District Manager Committee
- Governance Committee
- Director-at-Large Selection Committee
- Nominating Committee
- Old Business

Motion: Chris Moye moved to approve the consent agenda, excluding the October 2, 2009 Board Meeting Minutes, Certification Committee, Finance Committee, VOC, BOK, 2009 International Conference Committee, 2010 International Conference Committee, Instructor Subcommittee, DMC, Collaboration Committee, International Subcommittee, Executive Office and Old Business reports. Rick Leach seconded the motion. The motion passed unanimously.

6. Leadership Team and Chair's Report

Karl Klaesius reviewed the Chair's Report and reported on behalf of the Leadership Team, apprising the Board that the team met three times after the October 2009 Board meeting as follows:

December 21, 2009

- Reviewed January Board meeting draft agenda

January 6, 2010

- Reviewed January Board meeting agenda in response to Board of Director Community of Practice posting

January 11, 2010

- Reviewed and prepared 2010 priorities

7. 2010 Priorities

Abe Eshkenazi presented the 2010 Performance Metrics as recommended by the Leadership Team for the Membership, Channel Partner, Product, Body of Knowledge, Globalization and Awareness priorities. Board discussion followed on the electronic version of the APICS Magazine, Strategic Direction Committee process, translation of APICS materials, awareness, membership and employment ads. Abe will report back to the Board on the number of employment ads requiring APICS certification broken out by region.

8. Governance Committee

Keith Johnson reported on behalf of the 2009 Governance Committee, apprising the Board that the committee met several times in the last quarter of 2009. The committee reviewed the APICS Bylaws and

Committee Handbook; identifying conflicts, inconsistencies and to clean up language. Additionally, the committee reviewed recommendations from the Nominating Committee and Director-at-Large Selection Committee. The following motions were presented by the Governance Committee:

- Motion 011001 – APICS Bylaws revision
- Motion 011002 – APCIS Committee Handbook revision

The proposed Bylaws motion 011001 was sent to the APICS Board of Directors and Chapter Presidents for consideration on December 18, 2009, pursuant to APICS Bylaws Article XVII.B. stating “Notices of proposed amendments or changes to these bylaws shall be mailed to all members of the board and the chapter presidents at least 30 days before the meeting at which such amendments or changes may be voted on.” Board discussion followed on Motion 011001.

MOTION: Tony Zampello moved to accept Motion #011001 as presented by the Governance Committee, with the following exceptions:

- Article VI - Change “chapter presidents” to “channel partners”
“The annual membership dues for each class **and category** of membership shall be set by the board. Notification of a proposed change shall be sent to all ~~chapter presidents~~ **channel partners** at least 60 days in advance of the board meeting at which such proposed change may be voted on.”
- Article XI.B.5.C – District Director term changes not approved
“c. No district director **or district manager** shall serve more than **two one consecutive** term (~~four two~~ years) in the same position. No director-at-large shall serve more than two consecutive terms (two years) in the same position.”

Tammy Williams seconded the motion. The motion passed unanimously.

Board discussion continued on Motion 011002.

Motion: Bob Castleman moved to accept Motion 011002 as presented by the Governance Committee with the following exceptions:

- Section 1.4 (and throughout the document) – Change VOC subcommittee names to remove the word “membership” as follows:
 - Professional ~~Membership~~ Subcommittee
 - Academic ~~Membership~~ Subcommittee
 - Corporate ~~Membership~~ Subcommittee
 - International Subcommittee
 - Market Research Subcommittee
- Section 2.5 – Remove the first sentence in Committee Composition paragraph as follows:
Committee Composition
~~Each district shall select a District Manager for a two-year term, renewable once, who is responsible for the district and chapter operations within that district. The District Manager Committee shall consist of the district managers. The Committee shall be composed of all selected district managers. The members of the District Manager Committee shall select the chair of the committee from the District Managers.~~

- **Section 3.2 – Changes to Certification Committee, Subcommittee and Special Focus Group member terms not approved**

Bob Boyle seconded the motion. The motion passed unanimously.

Following further Board discussion, **Sense of the Board** was that the Governance Committee should review the following and make a recommendation to the Board:

Bylaws

- District Director and District Manager terms
- Define membership categories

Comm Handbook

- Certification Committee, Subcommittee and Special Focus Group member terms (Section 3.2) and include a transition plan for changing the term limits
- Geographic Representation (Section 2.8) and determine needs to achieve three-year plan

9. Finance Report

2009 Unaudited Year End Projection

Bob Castleman, Finance Committee Chair, reviewed activities of the 2009 Finance Committee and recognized Eric Schaudt for his contributions as Chair of the 2009 Finance Committee. Jeff Blumberg, Chief Financial Officer, presented the Finance Report which included a review of the financials as of 11/30/09 and year end forecast and variance analysis.

2010 Outlook

Jeff Blumberg apprised the Board of the 2010 proposed budget revisions. Board discussion followed on reduced revenue and expenses, staff reductions and additions, product profitability management and competitor financials. Staff will also research competitors (CSCMP, ISM, etc) to gain insights into financial bench marks overall. Staff will report back to the Board on both items.

10. Committee Appointments

The Board reviewed committee terms and composition and possible candidates. The following individuals were appointed to serve in 2010:

Governance Committee

Luis Barcon
Paul Howatt
Keith Johnson
Karl Klaesius
Tom Krupka
Virginia Vogel-Polizzi

Director-at-Large Selection Committee

Karen Alber
Keith Launchbury
John Pennington
Rachel Thomas - Chair
Robert Vokurka
Alternates: Karine Bursa & Mike Osterling

Motion: Bob Trent moved to approve the 2010 committee appointments. Maryanne Ross seconded the motion. The motion passed unanimously.

11. Strategic Direction Committee

Eric Schaudt, Strategic Direction Committee Chair, reviewed the committee timeline with the Board, followed by discussion. The following ideas were submitted for the 2010 Strategic Direction Committee consideration at their next meeting:

Focus on:

- Distribution
- Retail
- Healthcare
- Small Companies – (non-APICS traditional e.g. MRO, hospitality/food & beverage distribution)
- Utilities
- New Products (services for non-traditional operations, we may need to expand areas we don't traditionally operate in)
- Re-brand Supply Chain

Strategic Priority Areas:

- Branding Permission
- Adjacent markets for the blue egg
- Business Models - - - conference
- SDP categories – Innovation, Growth
- Value packages/value delivery
- Social networking - - International Chapters
- Build Collaborative Platforms to extract value from relationship
- Business Model – scenarios / channel development, mass customization development
- Competitive landscape – domestic & international
- Pricing strategies - 4 Ps of Marketing - product, price, place (distribution) and promotion
- Certification Relevancy - Scope
- Engage with Global ERP Providers

Eric Schaudt encouraged Board members to continue the strategy discussion via email and the Board Community.

12. Distance Learning

As requested by the board at the October board meeting, staff researched the requirements and associated costs related to developing an in-house learning management system. Sharon Rice, EVP Professional Development / Industry Content, reviewed the process and presented alternatives and recommendations to the Board. Board discussion followed.

Motion: Peter Murray motioned to approve the recommendations presented by staff as follows:

- **Authorize staff to pursue a relationship with FVTC to implement an APICS e-learning platform that delivers synchronous, asynchronous, and blended modes and is accessible to APICS channel partners.**
- **Appoint a taskforce comprised of Board members to review the original recommendations from the International Subcommittee of the VOC and the District Managers presented in October 2009 and make recommendations to the Board as appropriate. These recommendations would be related to the terms and conditions of partner use and possible revenue/expense sharing of the distance learning system.**

Rick Leach seconded. The motion passed unanimously.

Sense of the Board was that Karl Klaesius will appoint a task force to review the original Distance Learning recommendations from the International Subcommittee of the VOC and the District Managers presented in October 2009 and make recommendations to the Board.

13. APICS International Conference & Expo

Pamm Schroeder, EVP Member Services, and Jeff Blumberg, Chief Financial Officer, presented the International Conference and Expo Update which included lessons learned in 2009 as well as updates on improved project management and improved communication. Board discussion followed on future conference commitments, conference sponsors, complimentary registration/expenses, and room block negotiations. Staff will forward additional details of the room block negotiations for the Gaylord Hotel to the Board.

Board discussion continued on the direction of future APICS Conferences and offering an executive session for C-level conference participants. Bob Boyle will forward information on previous executive conference programs to Board members. Eric Schaudt will discuss this topic and how to reach out to the executive C-level individual at the Strategic Direction Committee meeting in March.

Sense of the Board was that Karl Klaesius will communicate to the International Conference Subcommittee encouraging the subcommittee to look at offering an Executive Conference, one day event, at the front end of the International Conference for C-level participants. In addition, Karl Klaesius will appoint a task force to determine if the current APICS International Conference & Expo model meets the needs of APICS members and alternative models that could better meet those needs.

14. Executive Office Report

2009 Year End Review

Abe Eshkenazi, CEO, presented the 2009 Year End Results on APICS strategic priorities:

- Membership
- Products and Services
- Body of Knowledge
- Globalization
- Channel Partners
- Awareness

Special topics included Marketing and Research activities, New Products Update, Chapter and International Development as well as Collaboration efforts. Abe also apprised the Board that APICS has negotiated a two-year Aberdeen membership for our members.

Product Life Cycle Management

Sharon Rice, EVP Professional Development / Industry Content, presented the APICS 2009 Product Life Cycle Analysis. APICS products and services were evaluated in detail by either the Body of Knowledge Committee or the Voice of the Customer Committee in 2009 utilizing the following categories in their review:

- Introduction stage
- Growth stage
- Maturity stage
- Decline stage

APICS products and services were identified in each of the above categories and Board discussion followed. Sharon also apprised the Board that the BOK is reviewing two new courses and staff is working on a process to define capturing new resources into the organization.

15. New Business

Committee Handbook - Section 2.8: Governance Committee

Special Responsibilities

A. the committee will review the geographically based member representation for Board composition as directed by the Board.

Bob Boyle suggested consideration be given to this special responsibility and Board discussion followed. **Sense of the board** was that the Governance Committee should review Section 2.8 in the Committee Handbook (geographic representation), assess the current board representation, consider what is needed to achieve our three-year plan and report back to the Board.

Membership Needs Assessment

Board discussion on the needs of APICS members and customers, significance of gauging over time what is important from the Chapter view point, satisfaction on products, etc.

"Time to Talk" Article

Abe Eshkenazi called attention to the *Associations Now* article "Time to Talk" distributed with the board books and featuring the APICS leadership program.

16. Trust Discussion

Karl Klaesius called attention to the Strengths Finder Themes results included in the Board book and suggested that Board members review and consider the strengths of each individual and the group as a whole.

17. Next Meeting

The next APICS Board meeting is scheduled for April 23-24, 2010, in Chicago, IL at the APICS Corporate Headquarters.

18. Pulled Agenda Items

The reports pulled from the consent agenda were reviewed: the October 2, 2009 Board Meeting Minutes, Certification Committee, Finance Committee, VOC, BOK, 2009 International Conference Committee, 2010 International Conference Committee, Instructor Subcommittee, DMC, Collaboration Committee, International Subcommittee, Executive Office and Old Business reports.

Following Board discussion the following action items will be added to the minutes:

- Staff will re-evaluate CBAR and present DMC metrics at the July Board meeting.
- Old Business – Staff will report on the number of expired CPIMs and make a recommendation at the April Board meeting.

Motion: Keith Johnson moved to approve the pulled reports: the October 2, 2009 Board Meeting Minutes, Certification Committee, Finance Committee, VOC, BOK, 2009 International Conference Committee, 2010 International Conference Committee, Instructor Subcommittee, DMC, Collaboration Committee, International Subcommittee, Executive Office and Old Business reports. Maryanne Ross seconded. The motion passed unanimously.

19. Adjourn

A motion to adjourn the meeting was made by Bob Castleman and seconded by Peter Murray. The motion passed and the meeting was adjourned.

ACTION ITEMS:

- Abe Eshkenazi will contact the individuals appointed to committees at the January Board meeting to determine if they are willing to serve as requested by the Board.
- Instruction on how to use the Communities will be forwarded to all Board members.
- Governance Committee should review Section 2.8 in the Committee Handbook (geographic representation), assess the current board representation, consider what is needed to achieve our three-year plan and report back to the Board.
- Staff will re-evaluate CBAR and present DMC metrics at the July Board meeting.
- Old Business – Staff will report on the number of expired CPIMs and make a recommendation at the April Board meeting.
- Staff will forward additional details of the room block negotiations for the Gaylord Hotel to the Board.
- Bob Boyle will forward information on previous executive conference programs to Board members.
- Eric Schaudt will discuss the option of an executive conference program at Conference and how to reach out to the executive C-level individual at the Strategic Direction Committee meeting in March
- Abe will report back to the Board on the number of employment ads requiring APICS certification broken out by region.
- Staff will break down each membership category for profitability and report back to the Board.
- Staff will research competitors (CSCMP, ISM, etc) to gain insights into financial bench marks overall.
- Karl Klaesius will appoint a task force to review the original Distance Learning recommendations from the International Subcommittee of the VOC and the District Managers presented in October 2009 and make recommendations to the Board.
- Karl Klaesius will communicate to the International Conference Subcommittee encouraging the subcommittee to look at offering an Executive Conference, one day event, at the front end of the International Conference & Expo for C-level participants.
- Karl Klaesius will appoint a task force to determine if the current APICS International Conference & Expo model meets the needs of APICS members and alternative models that could better meet those needs.