



# Elevate the Expectation July 2010 Update



*Advancing Productivity, Innovation, and Competitive Success*





# APICS Mission

APICS builds knowledge and skills in operations management professionals to enhance and validate abilities and accelerate careers. APICS helps its members and their organizations to successfully compete and to build a stronger global economy.



# July Board Meeting Summary

- Reviewed current financial reports and investment update.
- Received report of the Strategic Direction Committee. Revised mission statement and approved the 2011-2013 objectives.
- Approved slate of 2011 Directors-at-Large.
- Approved minimum qualifications for Board members, district director preferred qualifications and district director nominating committee recommendations.
- Approved Conference Rethink Taskforce recommendations.
- Reviewed Channel Partner Agreement process and timeline.
- Received update on the VOC Committee.
- Received update on the Member Services Division.
- Received report on the United Nations Global Compact Leadership Forum.



# Financials

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## Balance Sheet Highlights

(\$000 Omitted)	June 2010	June 2009	Increase (Decrease)	Variance %
<b>Current Assets</b>	<b>1,959</b>	<b>2,530</b>	<b>(571)</b>	<b>(22.6)</b>
<b>Total Assets</b>	<b>7,927</b>	<b>10,915</b>	<b>(2,988)</b>	<b>(27.4)</b>
<b>Current Liabilities</b>	<b>5,913</b>	<b>8,721</b>	<b>(2,808)</b>	<b>(32.2)</b>
<b>Total Liabilities</b>	<b>6,230</b>	<b>9,182</b>	<b>(2,952)</b>	<b>(32.1)</b>
<b>Net Assets</b>	<b>1,696</b>	<b>1,733</b>	<b>(36)</b>	<b>(2.1)</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>7,927</b>	<b>10,915</b>	<b>(2,988)</b>	<b>(27.4)</b>



## 6/30/10 Income Statement Highlights

<b>(\$000 Omitted)</b>	<b>June 2010 YTD Actual</b>	<b>June 2010 YTD Budget</b>	<b>Variance Positive/(Negative)</b>
Revenue	8,428	8,202	226
Operating Expenses	8,328	8,311	(17)
Net Income from Operations	100	(109)	209
Unrealized Gain/(loss)	(95)	-	(95)
Change in Net Assets	5	(109)	114



# 2011-2013 Strategic Directions

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# APICS Mission Statement

## **Current:**

APICS builds knowledge and skills in operations management professionals to enhance and validate abilities and accelerate careers. APICS helps its members and their organizations to successfully compete and to build a stronger global economy.

## **Newly Approved:**

APICS builds and validates knowledge in supply chain and operations management. We enable our community of members, affiliates and customers to lead in the global marketplace.



## 2011 - 2013 Priorities

- Affiliation
- Content
- Certification



## 2011 - 2013 Affiliation Objectives

- Increase our market penetration (sales) within targeted corporate segments.
  - Action Items by 12/31/10:
    - Segments defined
    - Sales by segment (current)
    - Projected Increase
- Increase dues-based membership from 2010 baseline by 1% in 2011, 2% in 2012 and 3% in 2013.
- Increase LinkedIn participation by 5% over the 2010 baseline each year between 2011 and 2013.



## 2011 - 2013 Affiliation Objectives (cont'd)

- To develop a strategy to leverage social media by the end of 2011.
- Develop relationship with strategic partners that create meaningful long-term revenue as determined by the leadership team.
- Channel partners have a contractual relationship with APICS by the end of 2012.
- Codify and enhance long-term relationship with E&R by January 1, 2011.



## 2011 - 2013 Content Objectives

- Increase total sales of core products\*\* and services each year by 5% without eroding the gross margin through 2013.
- All certification courseware will be updated annually by year-end to align with the exam content manuals and maintain a high level of quality.
- Create an online repository of robust content (articles, research reports, case studies and best practices) that further APICS.org as a destination for operations and supply chain management professionals by the end of 2012. The Body of Knowledge Committee will continue to govern the private or public access.

*\*\*Core products include books and materials (courseware), conference registrations, exhibits, publications, and certifications (indicate certification vs. conference revenue for reference)*



## 2011 - 2013 Content Objectives (cont'd)

- 80% of member and non-member respondents agree or strongly agree that APICS core products are relevant to them by 2013.
- By the end of 2011, develop a portfolio of products, services and information for the top 5 APICS job titles. The portfolio will include a competency model, job description, recommended path of study and certifications and career survey results tailored to that job title.
- Develop an online professional competency assessment survey that provides data on how certified members are applying APICS BOK on the job by the end of 2012.



## 2011 - 2013 Certification Objectives

- Increase the number of certification exams by 3% annually through 2013.
- Starting in 2011, implement a regular schedule for performing job task analyses to ensure that APICS exam content manual and certifications are reflective of the knowledge and skills required in the workplace.
- The VOC will assess the market need for measuring and certifying corporate compliance with appropriate standards in our BOK (e.g. divisional scorecard) by year end 2011.



# Governance

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# Attracting New Leaders/Board Members





# Minimum Qualifications for All Board Members

- The candidate must be a voting member of the association (APICS member).
- Minimum of a four-year college degree plus 4 years related work experience, or at least 8 years of related managerial experience in supply chain or operations management.
- Three years in a position of cross-functional responsibilities.
- Demonstrated ability to work in a team environment.



# District Director Preferred Qualifications

- Professional certification.
- Six years of managerial experience.
- Experience with financial management and budgeting.
- Ability to formulate objectives and priorities, and implements plans consistent with the long-term interests of the organization in a global environment.
- Ability to take a long-term view and build a shared vision with others; acts as a catalyst for organizational change.
- Influences others to translate vision into action. Applies global perspective, considers broad impacts of decisions.
- Ability to lead people toward meeting the organization's vision, mission, and goals. Inherent to this qualification is the ability to provide an inclusive workplace that fosters the development of others, facilitates cooperation and teamwork, and supports constructive resolution of conflicts.



# District Director Nominating Committee Charge

- Identify and solicit candidates
- Articulate expectations of District Directors
- Interview candidates
- Participate in qualification review discussion and vote



# Officer Nominating Qualifications and Process

- No change recommended for qualifications.
- Enable / Encourage Board and Nominating Committee to actively solicit candidates.
- Allow the Board to select Nominating Committee at January meeting.



## Recommended Actions

- Approve Minimum Qualification for all Board Members
- Approve Preferred Qualifications for District Directors
- Approve Change to the District Director Nominating Committee
- Approve Change for the Nominating Committee for Officers and Functional Chairs



## 2011 Directors-at-Large

	Title	Company
Chris Moye (2 <sup>nd</sup> year)	Managing Director and National Supply Chain Lead	Alvarez & Marsal, LLC
Peter Murray (2 <sup>nd</sup> year)	Global Supply Chain Development and Innovation Lead	DuPont
Robert Trent (2 <sup>nd</sup> year)	Professor of Management and SCM Program Director	Lehigh University
Mondher Ben-Hamida	Vice President, Strategic Advisory Services	E2open, Inc.
William Lee	Emeritus Professor and Associate Dean of Executive Education	Rice University



# Governance Taskforce Approved Recommendations

- Attracting New Leadership
- Minimum Qualifications for all Board Members
- District Director Preferred Qualifications
- District Director Nominating Committee

*To be implemented in 2011*



# Conference Rethink Taskforce

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# Conference Rethink Taskforce Approved Recommendations

## Recommendation #1:

- Divide the current conference committee responsibilities into two separate groups:
  - Conference Content Subcommittee
  - Local Arrangements Team



# Conference Rethink Taskforce Approved Recommendations (cont'd)

## Recommendation #2:

- Commission the VOC Committee to examine the career development needs of specific groups of members/customers (across APICS target geographies) and determine how these needs can be met by participating in the APICS Conference.



# Conference Rethink Taskforce Approved Recommendations (cont'd)

## Recommendation #3:

- New opportunities for conferences (e.g., new geography, new topic, new audience) should be subject to the same project financial analysis process as other new offerings.



# Channel Partner Agreements

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# Channel Partner Agreements Taskforce Members

- Canada – Ron Gilmour
- Great Lakes – John Drzik
- Heartland – Lyle Henning
- Mid-Atlantic – Thomas Geraghty
- Northeast – Jim Timmons
- PacWest – Elizabeth Hahn
- Southeast – Dave Lehman
- Southwest – Buck Crouch
- Terra Grande – Wayne Collins
- Board of Directors - Rick Leach and Tony Zampello



# Channel Partner Agreements

- Taskforce will meet on a bi-weekly basis.
- Present draft channel partner agreements to the Board for approval at the January Board meeting.
- Implementation will begin pending Board approval.



# Other Updates

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# Membership

- Total membership for the end of 2nd quarter is slightly down from the 2009 year-end.
- Year to date retention numbers are positive with renewals and reinstates outnumbering suspensions by the widest margin since 1st quarter 2008.
- New member total as of June 30th is 5,271, 52.7% of recruitment goal for the year.
- Current total members outside the US is 3,184 (increase of 327 over the 2009 year-end total.) 697 of those members are dual members (21.9%)



## Career Center

- Results from our Career Center continue to indicate increases for the following areas:
  - Total Revenue (68% of budget thru June)
  - Number of New Employers



## Supply Chain Sustainability - UNGC

- In June, APICS participated in the Leadership Forum of the United Nations Global Compact.
- The UN Global Compact is the world's largest corporate citizenship and sustainability initiative and includes over 7,700 participants - over 5,300 businesses in 130 countries.
- Focused on improving social and economic performance and good governance to build bottom line profitability and stock holder value.



## Supply Chain Sustainability – UNGC (cont'd)

- Opportunities for APICS include developing knowledge and practice standards that make the ideals of the UN Global Compact actionable.
- Board approved moving forward with documenting sustainable supply chain business practices and becoming a recognized signatory to the UN Global Compact.



## Content

- Courseware sales are continuing their upward trend. At the end of Q2 2010, books and material sales equaled \$2.6 million as compared to our budget of \$2.4 million.
- The 2010 Best of the Best Conference in June exceeded the paid registration goal of 200 by 20 registrations. Over 270 individuals participated - a significant recovery from 2009.
- The *Customer Focused Supply Chain Management: For Professionals Who Interact with Supply Chain Management* was released in May and was received extremely well. Media pick-up has been encouraging and is likely to exceed pick-up for the release of the APICS OMBOK Framework.



# Certification

	Jan-May 2007	Jan-May 2008	Jan-May 2009	Jan-May 2010 Actual	Jan-May 2010 Budget
<b>CPIM Domestic</b>	5531	5968	4927	4356	4369
<b>CPIM Int'l</b>	4271	4043	3819	3542	3434
<b>CPIM TOTAL</b>	<b>9,802</b>	<b>10,011</b>	<b>8,746</b>	<b>7,720</b>	<b>7,803</b>
<b>CSCP Dom</b>	493	471	504	736	736
<b>CSCP Int'l</b>	137	179	235	265	282
<b>CSCP TOTAL</b>	<b>630</b>	<b>650</b>	<b>739</b>	<b>1,001</b>	<b>1,018</b>



# Certification

- Certification sales at the end of May 2010 are at \$1.9 million compared to our budget of \$1.7 million.
- We are ahead of budget even though we are not ahead of plan on the number of registrations thus far in 2010; primarily because we are selling more exams at a higher fee outside North America and corporate registration sales (group tests).



## 2010 APICS International Conference & Expo

- The devastation that hit the Nashville area impacted our ability to hold the Annual Conference at the designated hotel. The Gaylord Opryland was forced to cancel our agreement.
- Staff and volunteers worked exceptionally well together to identify an alternative site for the conference – Wynn Las Vegas, Las Vegas, Nevada.
- Registration for the event is currently tracking well against 2009. There are 616 paid registrations; last year at this time we were at 414, approximately 33% ahead of last year.



# Upcoming Events

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**Save the Date**

## **2010 APICS International Conference & Expo**

**October 18-20, 2010**

**Wynn Las Vegas, Las Vegas, Nevada, USA**

**Registration Is Open!**

- Featured Speaker  
*General Russel L. Honoré*
- Learning Paths  
*Global Supply Chain*  
*Operations Planning and Control*  
*Lean*  
*Professional Advancement*



Excellence in **the New Normal**

2010 APICS International Conference & Expo  
October 18-20, 2010 • Las Vegas, Nevada, USA

Visit [apicsconference.org](http://apicsconference.org) for more information.



# Other Information

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# 2011-2013 Strategic Priorities

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# APICS Mission

APICS builds and validates knowledge in supply chain and operations management.

We enable our community of members, affiliates and customers to lead in the global marketplace.



## 2011-2013 Affiliation

- Point of Arrival:  
Affiliation with APICS, as the most trusted supply chain and operations management organization, enhances individual and organizational effectiveness.
- Goal:  
Deliver compelling value by providing access to both the APICS community and related products and services.



## 2011-2013 Affiliation Categories

- Individual (members or customers)
- Corporations (transnational, enterprise, customers)
- Channel Partners (Chapters, IA's, AEP's)
- Strategic Partners (Collaboration, Sponsorship,)
- Academic Institutions



## 2011-2013 Affiliation Objectives

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- To develop a strategy to leverage social media by the end of 2011.



## 2011-2013 Affiliation Objectives (continued)

- Develop relationship with strategic partners that create meaningful long-term revenue as determined by the leadership team.
- Channel partners have agreements with APICS by the end of 2012.
- Codify and enhance long-term relationship with E&R by January 1, 2011.



## 2011-2013 Content

- Point of Arrival:  
APICS is regarded as the leading source for thought leadership and the standard in the field of supply chain and operations management.
- Goal:  
Have a relevant, robust portfolio of products and services in supply chain and operations management recognized by members, affiliates, and customers.



## 2011-2013 Content Categories

- Courseware and Educational Material
  - Certification Courseware
  - Non-certification courseware
- Customized Products (e.g. translation, training materials)
- Reference Publications
- Research Reports
- Proceedings and Presentations (conferences, webinars, speeches)
- Periodicals (APICS Magazine, P&IMJ, OMNow)
- Career Services (Competency Model, Job Board)



## 2011-2013 Content Objectives

- Increase total sales of core products\*\* and services each year by 5% without eroding the gross margin through 2013.
- All certification courseware will be updated annually by year-end to align with the exam content manuals and maintain a high level of quality.
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*\*\*Core products include books and materials (courseware), conference registrations, exhibits, publications, and certifications (indicate certification vs. conference revenue for reference)*



## 2011-2013 Content Objectives (continued)

- 80% of member and non-member respondents agree or strongly agree that APICS core products are relevant to them by 2013.
- By the end of 2011, develop a portfolio of products, services and information for the top 5 APICS job titles. The portfolio will include a competency model, job description, recommended path of study and certifications and career survey results tailored to that job title.
- Develop an online professional competency assessment survey that provides data on how certified members are applying APICS BOK on the job by the end of 2012.



## 2011-2013 Certification

- Point of Arrival:  
APICS certifications are globally recognized and valued credentials in the field of supply chain and operations management.
- Goal:  
APICS certifications elevate individual and organizational performance.



# 2011-2013 Certification Categories

- Individual (CPIM, CSCP)
- Corporate (site/process specific)
- Customized
  - Industrial
  - Non-Industrial



## 2011-2013 Certification Objectives

- Increase the number of certification exams by 3% annually through 2013.
- Starting in 2011, implement a regular schedule for performing job task analyses to ensure that APICS exam content manual and certifications are reflective of the knowledge and skills required in the workplace.
- The VOC will assess the market need for measuring and certifying corporate compliance with appropriate standards in our BOK (e.g. divisional scorecard) by year end 2011.



# Governance Taskforce Report

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# Governance Committee Alternatives – April Board Meeting

- Desired State
  - Board members should represent the future of APICS (where we're going vs. where we've been).
  - Board member qualifications should be tied to strategic directions.
  - Qualifications for all Board members (District Directors and Directors-at-Large) should be consistent
    - e.g. Qualifications for District Director should be equal to that of Director-at-Large.
  - BOD must have a global perspective and awareness.
- **The committee recommends this action.**



## Board Motion – April 2010

- Chair appoints a task force to review:
  - Qualifications for all Board members (District Directors and Directors-at-Large)
  - Qualifications for Officer positions
  - Selection & nomination process for Officers and District Directors



## 2010 Governance Taskforce Members

- Keith Johnson
- Paul Howatt
- Maryanne Ross
- Joe Schriever
  
- Staff Liaison: Abe Eshkenazi



# Attracting New Leaders/Board Members





# Foundations for Success

- Transition to future state is critical and does not need to be done all at once, it should be phased in.
- Minimum qualifications should be the same for all board members.
- Recommendations to be implement in 2011.



# Governance Taskforce Report: Qualifications For All Board Members

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# Minimum Qualifications for All Board Members

- The candidate must be a voting member of the association (APICS member).
- Minimum of a four-year college degree plus 4 years related work experience, or at least 8 years of related managerial experience in supply chain or operations management.
- Three years in a position of cross-functional responsibilities.
- Demonstrated ability to work in a team environment.



# District Director Preferred Qualifications

- Professional certification.
- Six years of managerial experience.
- Experience with financial management and budgeting.
- Ability to formulate objectives and priorities, and implements plans consistent with the long-term interests of the organization in a global environment.
- Ability to take a long-term view and build a shared vision with others; acts as a catalyst for organizational change.
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- Ability to lead people toward meeting the organization's vision, mission, and goals. Inherent to this qualification is the ability to provide an inclusive workplace that fosters the development of others, facilitates cooperation and teamwork, and supports constructive resolution of conflicts.



# Director at Large Qualifications - 2011

- Defined by Board, January 2010:
  - 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



# Governance Taskforce Report: Nomination Process for District Directors

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# District Director Nominating Committee

- Committee Composition and Terms
  - District Nominating Committee will be comprised of five members: two Chapter Presidents selected by Chapter Presidents, the outgoing District Director, plus 2 current Board members (excluding officers).
  - All terms shall be for one year , and members may not exceed two consecutive terms.
  - If current District Director is running for 2<sup>nd</sup> term, a third Chapter President from that District shall be added.
  - Require 4/5 vote to recommend to Chapter Presidents for a yes/no vote.



# District Director Nominating Committee Charge

- Identify and solicit candidates
- Articulate expectations of District Directors
- Interview candidates
- Participate in qualification review discussion and vote



# Governance Taskforce Report: Qualifications for Officer Positions

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# Officer Nominating Qualifications and Process

- No change recommended for qualifications.
- Enable / Encourage Board and Nominating Committee to actively solicit candidates.
- Allow the Board to select Nominating Committee at January meeting.



## Recommended Actions

- Approve Minimum Qualification for all Board Members
- Approve Preferred Qualifications for District Directors
- Approve Change to the District Director Nominating Committee
- Approve Change for the Nominating Committee for Officers and Functional Chairs