



BOARD OF DIRECTORS MEETING
Pittsburgh, PA
October 21, 2011, 9:00 AM – 4:00PM
MINUTES

1. Call to Order

The meeting was called to order by Chair Eric Schaudt on Friday, October 21, 2011 at 9:00 AM.

2. Roll Call

Stan Kramer, Secretary-Treasurer, called the roll of the Board. The following members, representing a quorum, were present:

Board of Directors:

Eric Schaudt, CPIM, CSCP
Marc Harris, CPIM, CSCP
Stanley Kramer
Mondher Ben-Hamida, CPIM, CSCP
Preston Blevins, CFPIM, CIRM, CSCP
Rick Donahoue, CPIM, CSCP
Paul Howatt
Jerry Kilty, CFPIM, CIRM, CSCP
William Lee, Ph.D., CFPIM
Richard Leach, CPIM, CSCP
Chris Moye
Peter Murray, CIRM (late arrival)
David Rivers, CFPIM, CIRM, CSCP
Joe Schriever, CIRM, CSCP
Robert Trent, Ph.D.
Tammy Williams, CPIM, CIRM, CSCP
Jason Wheeler, CPIM, CSCP

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

Staff:

Abe Eshkenazi, CSCP
Bob Collins, CFPIM, CIRM, CSCP
Colleen Hays
Dean Martinez
Diane Mikols
Dominic Longo
Jane Pearson
Jeff Blumberg,
John Stults
Jonathan Thatcher
Lisa Sallstrom
Pamm Schroeder
Sharon Rice Executive Vice President

Chief Executive Officer
Director, Professional Development
Executive Administrator
Senior VP / General Counsel
Director Project Management Office
Director, Corporate Services
Director, Marketing & Brand Management
Chief Financial Officer
Director, Corporate Partnerships
Director, Research
Director, Certification
VP Member Services

Guests:

Al Kuebler
Alma Ballard
Ann Gatewood, CFPIM, CIRM, CSCP
Bill Bickert
Bintong Chen
Bo Li, CPIM
Bob Boyle
Charles Busby
Dana Riess
Eric Somers, CPIM, CIRM, CSCP
Greg Schlegel, CPIM
Humphrey Vernaus
Ione Dykstra, CPIM
Jim Chisholm, CSCP

John Newlyn, CSCP, CFPIM, C.P.M.
Karen Schiebout
Karl Klaesius, CSCP
Luis Barcon, CPIM, CIRM, CSCP
Mark Christensen
Merri Rich
Mike Sheahan, CFPIM, CIRM, CSCP
Norman Carmichael
Peter Black
Robert Vokurka, Ph.D., CFPIM, CIRM, CSCP
Sue Thornton, CPIM
Tim Wilson, CFPIM, CIRM, CSCP
Tom Krupka, CFPIM, CSCP
Vadim Kapustin

Staff and Gallery Guests introduced themselves.

3. High Performance Board – Quality Metrics

Bob Trent presented High Performance Board – Quality Metrics. Board discussion followed on defining quality relating to the APICS Board of Directors as well as APICS, the organization. Discussion continued on possible quality indicators to add to the balance scorecard. Discussion notes and a list of questions crafted at the Board meeting will be forwarded to Marc Harris for discussion at the 2012 Board Retreat.

4. Approve Consent Agenda

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

- Minutes from the July 30, 2011 Board Meeting
- Committee Reports
 - Body of Knowledge (BOK) Committee
 - OMBOK Subcommittee
 - Instructor Subcommittee
 - Conference Content Subcommittee
 - Products & Services Subcommittee
 - Certification Committee
 - Voice of the Customer (VOC) Committee
 - Academic Subcommittee
 - Corporate Subcommittee
 - International Subcommittee
 - Market Research Subcommittee
 - Professional Subcommittee
 - District Manager Committee
 - District Director Nominating Committee
- Old Business

Motion: Bob Trent moved to accept the Consent Agenda documents excluding the Voice of the Customer Committee, Instructor Development Subcommittee, Corporate Subcommittee and District Director Nominating Committee reports. David Rivers seconded the motion. The motion was approved.

5. Leadership Team and Chair's Report

Eric Schaudt thanked the 2011 Board for all of their support over the past year and presented the Chair's Report, which included the Chair's 3rd quarter activity. Eric also presented the Leadership Team Report, apprising the Board that the team met on September 8, 2011 to discuss the October draft agenda, governance change Bylaws motion, consulting engagement for ANSI accreditation and potential issue with certification testing.

6. Executive Office Report

Balanced Scorecard

Abe Eshkenazi, CEO, presented the balanced scorecard to the Board. We are ahead of all key metrics and anticipate concluding the year ahead of most if not all objectives. Board discussion on scorecard indicators included social network and membership growth, North American Regional Conferences and overall financial condition of the organization.

Strategy Map

Abe Eshkenazi presented a draft of the APICS strategy map, which provides a snapshot of the alignment of our three strategic priorities – affiliation, content and certification to activities such as Products/Services, Member/Customer Perspectives, Governance and Learning & Growth Perspectives. Discussion followed on adding a net promoter score for each area to the map, and linking the strategic objectives in the committee reports.

Abe also updated the Board on Aptify and the website redesign. We are on track for roll out by year end and five focus groups will take place during the 2011 APICS International Conference & Expo in Pittsburgh, PA.

7. Finance Report

2011 Results/Outlook

Jeff Blumberg, Chief Financial Officer, reviewed the August financial dashboard YTD, financial results and outlook for the remainder of the year. Net income from operations is significantly ahead of plan, and we anticipate finishing the year considerably ahead of budget as well. Current operating expenses that are less than 1% off of plan and are projected to be at or near plan by year-end. Accordingly, our balance sheet continues to improve with our net assets moving closer to our reserve requirement. Board discussion followed on contingency plans, international courseware pricing and distribution, Intellectual Property rights violations and enforcement.

2012 – 2014 Budget

Jeff Blumberg reviewed the budget process and presented the proposed budget for 2012-2014, including the Budget Dashboards, Revenue & Expenses Proposed Budgets, Proposed Balance Sheet and Key Performance Indicators. The proposed budget allows for increased liquidity and continued growth throughout the three year period.

Stan Kramer apprised the Board that the Finance Committee will discuss investments at their November conference call.

Board Discussion followed on Job Task Analysis, investments and international district expense investment.

Motion: Stan Kramer moved to approve the 2012-2014 Budget as presented at the October Board meeting. Rick Donahoue seconded the motion. The motion was approved.

8. Governance

Motion # 101103, APICS Bylaws revision, was presented by the Governance Committee and Eric Schaudt advised the Board that the proposed Bylaws motion was sent to the APICS Board of Directors and Channel Partner leaders for consideration, pursuant to APICS Bylaws Article XVII.B. Board discussion followed on channel partner communication, policy on removal of directors from the Board with or without cause, possibility of e-membership for North America, maximum number of District Directors on the Board from any one district.

Motion: Paul Howatt moved to approve Motion #101103 as presented at the October Board meeting. Jason Wheeler seconded the motion. The motion was approved.

9. District Manager Nominating Committee Recommendation

Eric Schaudt reported that Bill Clark resigned as District Manager for the Mid Atlantic District. Maryanne Ross has been recommended by the Mid Atlantic District to complete the remainder of Bill Clark's term, which ends December 31, 2012. **The sense of the Board was to accept the district's recommendation to appoint Maryanne Ross to replace Bill Clark as the Mid Atlantic District Manager for the remainder of the term.**

10. Channel Partner Agreements Update

Eric Somers and Abe Eshkenazi presented the changes to the Draft North American Chapter Agreement as recommended by staff and legal counsel. Next steps include execution of implementation plan:

- Confirm timeline
- Define critical dates
- Establish communications plan
- Provide support to chapters, as needed, to become incorporated
- Archive signed agreements

Board discussion continued on limiting sales of instructor materials to chapters only, the IDP Program, corporate sales and timeline for strategic directions.

Sense of the Board is that the Board approves the recommended changes to the APICS North American Chapter Agreement with the exception of deleting "APICS will limit sales of Instructor Materials in North America to Chapters only" from the draft agreement. Staff will work with the District Manager Committee and present recommendations for Board consideration in December.

11. Collaboration Committee

Peter Murray, Collaboration Committee Chair, presented the committee report apprising the Board of the committee's proposed direction, which includes targeting collaboration efforts and key performance indicators centering collaboration efforts on APICS strategic direction. Board discussion followed on tapping Board member expertise, committee input, targeting organizations in line with our strategic direction, internal/external surveys and social networking,

The sense of the Board is that the Collaboration Committee should continue in the proposed direction as outlined at the October Board meeting.

12. Sustainability Discussion Follow-up from SDC Recommendations

Peter Murray presented a report on Sustainability and Supply Chain Management along with the following recommendations for Board consideration:

- Actively take a leadership position for sustainability in operations and supply chain management

- Engage Task Force In Q4 2011with 2012 charter
- Work with all stakeholders to develop approach and critical steps
- Follow-up on recommendation with more depth for a Board committee by June 2012

The sense of the Board was to approve the recommendations as presented at the October Board meeting, which includes appointing a Sustainability Taskforce with Peter Murray as the taskforce chair.

13. Conference Content Subcommittee Update

Pam Somers, Conference Content Subcommittee Chair, presented the Three Year Conference Content Plan, including updates on Professional Objectives, Corporate Objectives, Annual Targets and Risks Related to Implementation. Board discussion continued on international conferences, conferences by invitation only, and research on conference themes and corporate customer needs.

14. 2011 Conference Local Arrangements Team Update

Jim Chisholm presented an update on the work of the Local Arrangements Team for the 2011 APICS International Conference & Expo in Pittsburgh. Jim apprised the Board on the status of plant tours, attendance, programming and Board activities at conference and also informed the Board that Roger Harris will be the Local Arrangements Team leader at the 2012 APICS International Conference & Expo in Denver, CO.

15. Pulled Agenda Items

The reports pulled from the consent agenda were reviewed: Voice of the Customer Committee, Instructor Development Subcommittee, and Corporate Subcommittee and District Director Nominating Committee reports. Board discussion followed.

Motion: Joe Schriever moved to approve the pulled reports: Voice of the Customer Committee, Instructor Development Subcommittee, Corporate Subcommittee and District Director Nominating Committee reports. Tammy Williams seconded the motion. The motion was approved.

16. Other Business

Eric Schaudt thanked the Board for all of their efforts this year and presented Marc Harris, 2012 Chair of the Board, with the Chair's gift. 2011 Board gifts were distributed to all Board members.

17. Adjourn

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

18. Next Meeting

The next APICS Board meeting is scheduled for January 14, 2012, Amelia Island, Florida.

ACTION ITEMS:

- **Rick Donahoue asked about the expense of printing and cost of sales before we went to Gilmore compared to today – Jeff will find out and report back to the bod.**
- **Preston Blevins requested that the Committee Reports include strategy map imbedded in the reports or linked to strategic objectives.**