



BOARD OF DIRECTORS MEETING

Las Vegas, NV

October 16, 2010, 8 AM – 5 PM

MINUTES

1. Call to Order

The meeting was called to order by Chair Karl Klaesius on Saturday, October, 16, 2010 at 8:00 AM.

2. 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
Eric Schaudt, CPIM, CSCP
Robert Castleman, CPIM, CIRM, CSCP
Preston Blevins, CFPIM, CIRM, CSCP
Robert Boyle, CFPIM, CIRM, CSCP
Paul Howatt
Keith M. Johnson, CPIM, CSCP
Richard Leach, CPIM, CSCP
Chris Moye
Peter Murray, CIRM
Maryanne Ross, CFPIM, CIRM, CSCP
Joe Schriever, CIRM, CSCP
Fred W. Tolbert, CSCP
Robert Trent, Ph.D.
Tammy Williams, CPIM, CIRM, CSCP
Anthony Zampello, CPIM, CIRM, CSCP

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

Staff:

Abe Eshkenazi, CSCP
Bob Collins, CFPIM, CIRM, CSCP
Colleen Hays
Dean Martinez
Diane Mikols
Dominic Longo
Jane Pearson
Jeff Blumberg,
Jennifer Proctor

Chief Executive Officer
Director Professional Development
Executive Administrator
EVP Operations, General Counsel
Director Project Management Office
Director Corporate Services
Director Marketing & Brand Management
Chief Financial Officer
Director Industry Content (Publications)

John Stults
Jonathan Thatcher
Lisa Sallstrom
Pamm Schroeder
Sharon Rice

Director Corporate Partnerships
Director Research
Director Certification
EVP Member Services
EVP Professional Development/Industry Content

Guests:

Ann Gatewood, CFPIM, CIRM, CSCP
Barry McBurney
Bill Clark, CSCP
Bill Lee, CFPIM
Bo Li, CPIM
Christina Tsao
David Rivers, CFPIM, CIRM, CSCP
Don Sheldon, CFPIM, CIRM, CSCP
Elizabeth Kilgour,
Eric Somers, CPIM, CIRM, CSCP
Erin Gibson, CSCP
Genevieve Leblanc
Greg Schlegel, CPIM
Ian Horwich
Ione Dykstra, CPIM
Jacob Blanchard
James Tilton, CPIM
Jason Wheeler, CPIM, CSCP
Jason Yu, CPIM, CSCP
Jennifer Kevlin, CPIM, CSCP
Jerry Kilty, CFPIM, CIRM, CSCP
Jim Chisholm, CSCP

John Newlyn, CSCP, CFPIM, C.P.M.
Lisa Ross
Luis Barcon, CPIM, CIRM, CSCP
Lyndsy Haviland
Marc Harris, CSCP
Mike Sheahan, CFPIM, CIRM, CSCP
Mondher Ben-Hamida, CPIM, CSCP
Natasha Steenberg, CPIM
Nick Testa, CFPIM, CIRM, CSCP
Ore Ajakaiye
Preetha Narayanaswamy
Ramona Memmott, CPIM
Rich Godin, CFPIM, CIRM, CSCP
Rick Donahoue, CPIM, CSCP
Robert Vokurka, Ph.D., CFPIM, CIRM, CSCP
Sarah Hansberry
Seaneth Nomthandazo Ngobese
Stan Kramer
Sue Thornton, CPIM
Tim Wilson, CFPIM, CIRM, CSCP
Tom Krupka, CFPIM, CSCP
Tony Stencil

Staff and Gallery Guests introduced themselves.

3. Approve Consent Agenda

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

- Minutes from the July 24, 2010, Board Meeting
- Committee Reports
 - Body of Knowledge (BOK) Committee
 - OMBOK Subcommittee
 - Instructor Subcommittee
 - International Conference Subcommittee
 - Products & Services Subcommittee
 - Certification Committee
 - Voice of the Customer (VOC) Committee
 - Academic Subcommittee
 - Corporate Subcommittee

- International Subcommittee
- Market Research Subcommittee
- Professional Subcommittee
- Collaboration Committee
- District Manager Committee
- Governance Committee
- Old Business

Motion: Keith Johnson moved to accept the July 24, 2010, Board Meeting Minutes. Maryanne Ross seconded the motion. The motion was approved unanimously.

Motion: Peter Murray moved to accept the Committee Reports, excluding the Collaboration Committee Report, International Committee Report and the Governance Committee Report. Bob Trent seconded the motion. The motion was approved unanimously.

Motion: Bob Boyle moved to accept the Old Business. Keith Johnson seconded the motion. The motion was approved unanimously.

4. Leadership Team and Chair's Report

Karl Klaesius reviewed the Chair's Report and also reported on behalf of the Leadership Team, apprising the Board that the team met four times since the July 2010 Board meeting to discuss:

August 18

October Board meeting agenda

August 31 and September 8

Develop and finalize CEO compensation management framework

October 13

Pre-Board meeting agenda review

5. Finance Report

Bob Castleman, Secretary-Treasurer and Finance Committee Chair, reviewed the focus of the Finance Committee for 2010-2011, financial strategic priorities and the budget process. Board discussion followed. Jeff Blumberg will provide the Board with historic metrics for the following:

- Liquid Net Assets – Net Assets/Total Expenses
- Revenue & expenses per employee –Rev/FTE & Exp/FTE
- Operating Efficiency ratio – Revenue/Total Assets

Bob Castleman requested that all staff and guests exit the meeting room so that the Board could discuss personnel matters or other confidential issues relating to the proposed budget.

Following Board discussion, staff and guests were invited back into the meeting room. Karl Klaesius apprised that the Board reviewed and discussed personnel matters and other confidential issues and no decisions or motions were made.

2010 Results/Outlook

Jeff Blumberg, Chief Financial Officer, presented the August month-end finance report including the income statement highlights, revenue and expense comparisons, and WaterStreet investment report.

Total assets as of August 31, 2010 amounted to \$7,922,000, a decrease of \$2,535,000 over August 31, 2009 totals. Total liabilities amounted to \$6,504,000, a \$2,574,000 decrease over the prior year total of \$9,078,000. Total net assets as of August 31, 2010 amounted to \$1,418,000, an increase of \$39,000 over the prior year August 31, 2009 balance of \$1,379,000.

Jeff Blumberg also presented Income Statement Highlights, Latest Best Estimates for Fiscal Year 2010 and Revenue & Expense Comparisons. Board discussion followed.

2011-2013 Budget

Abe Eshkenazi, Chief Executive Officer, reviewed the budget process noting that the strategic priorities and objectives reviewed and approved at the July Board meeting were the basis for the budget presented.

Jeff Blumberg presented the proposed budget for 2011-2013, including Revenue & Expenses Proposed Budgets, Proposed Balance Sheet and Key Performance Indicators. Board discussion continued on expense/revenue for annual conferences, courseware and certification sales, APICS reserves and Strategic Direction Committee involvement in the budget process.

Board discussion followed and the Board agreed not to accept the 2011-2013 Proposed Budget and the Board further directed the Finance Committee to:

- Develop an alternative budget plan that achieves a Leverage Ratio of 1.0 or better, a Current Ratio of 1.0 or better, a Profit Ratio better than 3.68 by 2011 and determine the impact on products and services, to be completed within 60 days.
- Review risk return on the contingency fund and indicate whether an additional financial advisor needs to be retained.

Motion: Bob Boyle moved to add a Reserve Ratio metric to the Key Performance Indicators presented at the October Board meeting. Tony Zampello seconded the motion. The motion was approved unanimously.

Motion: Bob Boyle moved to approve the following Finance Committee recommendation as revised at the October Board Meeting: The Strategic Direction Committee review pricing product performance against strategic directions on an annual basis for membership,

~~products and services~~ and develop recommendations for the Board by the July Board meeting. Joe Schriever seconded the motion. The motion was approved unanimously.

Board discussion continued on long-term pricing.

Motion: Peter Murray moved to approve the Finance Committee's request that clear outcomes be developed for the District Manager Committee that align with the strategic objectives and the budget. Paul Howatt seconded the motion. The motion was approved unanimously.

Motion: Bob Boyle moved to approve the Finance Committee's recommendation that a review be conducted of all complimentary registrations and related expenses for the annual conference. Keith Johnson seconded the motion. The motion was approved unanimously.

The Board decided to defer the vote on the Finance Committee's recommendation to approve the Financial Priority Metrics and the 2011-2013 Budget until the Finance Committee comes back to the Board with the alternative budget analysis, prior to December 31, 2010.

6. Governance Report

Bob Trent, Director-at-Large and 2010 Nominating Committee member, reported on behalf of Mel Nelson, 2010 Nominating Committee Chair, and reviewed the committee team members, timeline for the process and the 2011 Officer and Certification Committee Chair Nominations. The following individuals were nominated by the committee:

Chair-Elect - Marc Harris, CPIM, CSCP

Secretary-Treasurer - Stanley Kramer

Certification Committee Chair - Ann Gatewood, CFPIM, CIRM, CSCP

Motion: Bob Boyle moved to accept the slate as presented by the Nominating Committee at the October Board meeting. Peter Murray seconded the motion. The motion was approved unanimously.

Bob Trent also presented the Nominating Committee recommendations and reiterated the importance of establishing the Nominating Committee in January as approved at the July Board meeting. Maryanne Ross encouraged the entire Board to participate in the nominating process by recommending candidates. Board discussion continued on Governance Committee recommendations.

Motion: Bob Boyle moved to have the 2011 Governance Committee review Board member qualifications. Peter Murray seconded the motion. The motion was approved unanimously.

Motion: Maryanne Ross moved to have the 2011 Governance Committee review Board member job descriptions. Chris Moyer seconded the motion. The motion was approved unanimously.

7. Professional Development / Industry Content and Committee Updates

Certification Committee

Ann Gatewood, 2010 interim and 2011 Certification Committee Chair, acknowledged the legacy and contributions to APICS of Jim Greathouse, and thanked Sharon Rice and Pamm Schroeder for their assistance with transitioning into her new role.

Ann presented an update of the committee including a review of committee objectives, structure and members, the Chair's background, 2010 highlights, 2011 Strategic Priorities and CSCP Job Task Analysis findings. Board discussion followed and included ECO rewrite and CFPIM and Certification Maintenance points.

Body of Knowledge (BOK) Committee

Don Sheldon, BOK Committee Chair, presented an update of the committee including a review of committee charter, structure and members, the Chair's background, 2010 direction and alignment with Strategic Priorities, Product Lifecycle Analysis and Products and Services. Karl Klaesius announced the latest registration for the 2010 APICS International Conference & Expo in Las Vegas is at 1,914.

Professional Development and Industry Content Division Update

Sharon Rice, EVP Professional Development / Industry Content, reviewed the structure of the division and introduced staff members who presented lessons learned and an update on the activities of each department including Professional Development, Certification, Industry Content, Research and Marketing and Brand Management.

8. Future Leaders

The 2010 Future Leaders introduced themselves and presented a summary of the group's activities over the past year and their group project, the *APICS CPIM Competency Guide*.

2010 Future Leaders

Debbie Chiles (not present)

Erin Gibson

Elizabeth Kilgour

Genevieve Leblanc

Seaneth Nomthandazo Ngobese (Nomthi)

Natasha Steenbergen, CPIM

Simeon Sutton

Christine Tsao

Karl Klaesius, 2010 APICS Chair of the Board, will be the advisor for 2011 and will assist the 2011 Future Leaders with the selection of their project for next year.

2011 Future Leaders were introduced

Ore Ajakaiye

Jacob Blanchard (not present)
Sarah Hansberry
Lyndsy Haviland
Ian Horwich
Bo Li
Preetha Narayanaswamy
Jason Yu (not present)

9. Channel Partner Agreements

Tony Zampello, Channel Partner Agreements Taskforce Chair, presented the CPA Taskforce Update which included process and timeline, desired outcomes and progress of the taskforce. Board discussion followed and the CPA Taskforce will present a broad outline of agreements of principles at the January Board meeting.

The Board approved extending the deadline for providing draft agreements to stakeholders for review/input to the April 2011 Board meeting.

10. Pulled Consent Agenda Items

The reports pulled from the consent agenda were reviewed: Collaboration Committee Report, International Committee Report and the Governance Committee Report.

Following discussion on international growth and allocation of resources, Abe Eshkenazi apprised the Board that feedback from conference participants on future plant tour offerings would be part of this year's conference evaluation.

Motion: A motion was made to approve the pulled reports: Collaboration Committee Report, International Committee Report and the Governance Committee Report. The motion was seconded and approved unanimously.

11. Executive Office Report

Abe Eshkenazi, Chief Executive Officer, called attention to the Executive Office Report in the October Board book.

12. Other Business

Abe Eshkenazi thanked the Board for all of their efforts this year. Karl Klaesius presented the 2011 Chair of the Board ring to Eric Schaudt and the 2010 Board gifts were distributed to Board members.

13. Adjourn

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

14. Next Meeting

The next APICS Board meeting is scheduled for January 28-29, 2011, in Phoenix, Arizona.

ACTION ITEMS:

- Jeff Blumberg will provide the Board with historic metrics for Liquid Net Assets – Net Assets/Total Expenses, Revenue & expenses per employee –Rev/FTE & Exp/FTE and Operating Efficiency ratio – Revenue/Total Assets.
- The CPA Taskforce will present a broad outline of agreements of principles at the January Board meeting.
- Sharon Rice will provide details on the number of leads generated from the Google Marketing Campaign and any conversion information available.