



Chapter Partner Agreement Task Force

Saturday, September 25, 2010
APICS Headquarters
Chicago, IL

MINUTES

Attending:

Tony Zampello, Task Force Chair
Wayne Collins
Buck Crouch
John Drzik
Thomas Geraghty
Ron Gilmour
Lyle Henning
Rick Leach
Dave Lehman
Jim Timmons
Elizabeth Hahn

Karl Klaesius

Staff:

Abe Eshkenazi
Pamm Schroeder
Dean Martinez
Henri Wingfield

Call to Order

Welcome and Introductions

The meeting was called to order at 8:05 am (central) by task force chair, Tony Zampello and task force members and liaisons introduced themselves.

Goals for the day – Tony Zampello

Tony outlined the goals for the day: Review stakeholder roles and responsibilities (as defined through conference calls)

During the review a number of topics were raised:

Q: Who exactly to the task force members represent? Chapters in our districts or the ones that are like mine?

A: Both really. You represent your district but you'll be more informed about the ones that are similar to yours in size and focus.

Q: Are non-task force members allowed to attend meetings?

A: Non-task force members may attend the meetings and listen to the discussion but they are not allowed to participate.

Q: What if guests hear information that is confidential or speculative comments that may or may not be valid?

A: We have to keep it open for the sake of transparency. We run the risk of too much information getting out before it's vetted. But the board decided to run the risk.

Outcomes

The following are the outcomes identified by the task force for the day:

1. Verification
 - a. Are agreements necessary?
 - b. Why are we doing this?
2. Address major concerns/skepticism in the survey results
3. How to segment chapters
4. Number and types of agreements [membership/education/certification or any combination]
 - a. 80/20 rule – Where do we focus our first efforts?
5. What are the consequences of not signing?
6. What are the relevant KPIs?
7. What are the consequences/repercussions of not meeting KPIs?
8. Next Steps: Straw schedule if we still think we want to get the recommendation to the board at the January meeting.

Discussion:

Schedule has changed. We're about 3 months behind.

January may be too soon to get the input from the stakeholders on the template. The task force will recommend to the board that the update planned for January be held until April to allow more time to gather stakeholder input.

1. Verification

- a. The task force agreed that the agreements are necessary and that the process should move forward.
- b. There was a great deal of discussion of the question “Why?:”

In addition to the benefits to chapter and APICS already identified in the talking points:

- Survival (enable APICS to be more successful)
- Consistency/Standardization
- Communication
- Protection for Chapters AND APICS
- To meet the requirements for revitalization of chapters that are not meeting CMS. (to execute on existing mandates)
- To provide education on responsibilities and liabilities of the chapters and being an officer of those chapters.
- Sustainability. Knowing what APICS can expect from chapters and what chapters can expect from APICS to sustain growth, etc. rather than just staying alive
- Protect and improve APICS brand name
- Enable chapters to be more successful.
- Provide benefits at a corporate level: legal, marketing, finance, etc.
- Create partnership between APICS and chapters rather than the parent/child type relationship. [savings]
- Establish the path to the services available from APICS.

Review IA/AEP Agreements – Tony Zampello

The group then reviewed the templates of the agreements between APICS and the International Associates and the Authorized Education Providers. Certain sections of the agreements are non-negotiable and those were noted as follows:

International Associate Agreement

1. **General – Discuss**
2. Definitions – not productive to discuss, will evolve from the final agreement
3. **Allied Organizations – Discuss to agree on what is included**
4. Distributor – mostly non-negotiable. Protection of interest. Also, sole distributorship only applies if exclusivity will become part of the agreement.
5. Reprinter – non-negotiable (won't have them in North America)
6. **Exam Promoter – Discuss**

7. Responsibilities – Discuss
8. KPI
9. Proprietary Confidential Info – non-negotiable
10. Assignment and Transfer of Rights - Non-negotiable
11. Ethical Standards - Non-negotiable
12. APICS Rights and Responsibilities – Discuss
13. Term and Termination – May be edited.
14. General Indemnification
15. Proprietary Rights Indemnification
16. Warranty
17. Limitation of Liability
18. Taxes Duties
19. Non-Discrimination
20. APICS Right to Audit – Discuss
21. Marketing Materials/Support – Discuss
22. Intellectual Property Rights – Non-negotiable
23. APICS Link and Logo – Non-negotiable
24. Independent Contractor – Non-negotiable
25. Entire Agreement – Non-negotiable
26. Severability - Non-negotiable
27. Waiver - Non-negotiable
28. General - Non-negotiable

Authorized Education Provider Agreement

1. Definitions – To be determined
2. Designation and License – Discuss
3. AEP's Responsibilities – Discuss
4. APICS' Responsibilities – Discuss
5. Promotional Activities – Discuss
6. Performance Measures – Discuss
7. Payment Issues – Discuss
8. Intellectual Property Rights - Non-negotiable
9. Term and Termination - Non-negotiable
10. AEP Warranties - Non-negotiable
11. AEP Indemnification - Non-negotiable
12. APICS Indemnification - Non-negotiable
13. Limitations of Liability and No Warranty - Non-negotiable
14. Confidential Information - Non-negotiable
15. Non-Discrimination - Non-negotiable
16. Ethical Standards - Non-negotiable
17. Assignment and Transfer of Rights - Non-negotiable
18. Independent Contractor - Non-negotiable
19. General - Non-negotiable

Identify types and categories – Breakout

The task force discussed the ways chapters might be segmented for the agreements:

- Membership + PDM
- Membership + Certification Prep
- Membership + Seminars
- Membership + Education (other than certification prep)
- Any combination
- Membership + Plant Tours
- Membership Count
- Sales Volume
- Certification and Education (but not membership)
- Geographic
- Population

The group felt that chapters providing Membership + Education + Certification Prep would make up 80% of the total agreements.

The full group then broke into two smaller groups to continue the segmentation discussion. They returned the following results:

Group A:

- No segmentation – one agreement
- KPIs based on CBAR and CMS
- Tiered pricing based on volume (revenue)

Group B:

- No segmentation – one agreement that includes the option of all of the core products
- Have to submit KPIs predicting what they'll do at the start of the year, and report throughout the year
- Tiered volume pricing (discounts) on cumulative purchases throughout the year
- Answer to “what if we don't sign” – A number of suggestions were shared including: chapters no longer allowed to use logo, receive dues rebates, or receive preferred/discounted pricing. Members retain their membership and the right to access member pricing.

Following the breakout group reports, there was further discussion of the benefits of the agreements to APICS. The task force was not able to identify significant benefits to APICS and it was agreed that this topic needed to be discussed at

length before any additional work is done on the scope or format of the agreements.

Next steps:

- Tony Zampello will provide the board update at their October meeting.
- The task force will continue to meet per the original schedule.