



Channel Partner Agreement Task Force

Talking Points as of November 24, 2010

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Advancing Productivity, Innovation, and Competitive Success





2010-2012 Strategic Priorities

Channel Partners

- **Point of Arrival:** Channel Partners use and contribute to APICS products/services to meet or exceed the needs of local members/customers.
- **Goal:** Channel Partners achieve agreed upon measures
- **Objective:**
 - All channel partners have a contractual relationship with APICS by end of 2012.



Process and Timeline - Revised

June 2010

- Chair of the Board assigns a Task Force comprised of a chapter representative from each district plus up to three board 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
- Tony Zampello



Process and Timeline - Revised

July – August, 2010

- Task Force Convenes to:
 - Define stakeholders (e.g. Board, Chapters, etc.)
 - Identify roles and responsibilities for the stakeholders
 - Identify areas of potential risk
 - Finalize Chapter survey
 - Create individual chapter profiles (staff to compile)



Process and Timeline

September 2010

- Task Force Holds Face-to-Face Meeting to:
 - Review survey results
 - Review existing documents (IA and AEP agreements, other comparable document such as franchise, licensing, or dealership agreements)
 - Identify various levels and types of agreement
 - Provide update for October Board meeting



Process and Timeline

November, 2010 – January, 2011

- Based on Feedback from the Board
 - Create draft agreements including terms and conditions for stakeholder review/input
 - Collect input from stakeholders and refine agreements

Please note: the task force is concerned that it would be difficult to get appropriate and sufficient feedback from the chapter leaders prior to the January board meeting and therefore is requesting the board consider extending the this phase.



Process and Timeline

January - March, 2011

- Present draft agreements for Board approval
- Pending Board approval, begin implementation



Task Force Role

- Represent past, present, and future of APICS
- Speak on behalf of your chapter and all similar chapters



Outcomes Desired

The members of the task force reviewed the desired outcomes and agreed that they are an accurate representation of the thoughts of the group

- Transparency
- Clear delineation of stakeholders with inputs and outputs
- A streamlined process that uniformly fits all channel partners
- An agreement that everyone is operating under
- A clear definition of the benefits to chapters and why this project is being undertaken
- An understanding of how enforceability will come about
- All chapters treated equally (or if not a process to change the benefits to a chapter in the case of growth or loss)



Outcomes Desired

- Clearly stating the responsibilities of both sides in the agreement (include accountability) in simple, clear, and concise language
- Positive effect on our customers
- Overcome lack of trust between chapters and between chapters and the corporate office (demonstrate the partnership between corporate and channel partners to address the needs of the customers we all serve)
- CMS as a binding metric and reporting requirement
- Establish territories or boundaries for chapters
- Identified measures and controls implemented



Stakeholders

- Board of Directors
- Customers/Members (current and potential)
- ALL channel partners:
 - Chapters
 - Student Chapters (if handled differently)
- Education Providers (Instructors, Academic Institutions, etc.)
- Multi-site corporations (including Trans-nationals)
- Districts



Stakeholder Roles/Responsibility

	Approve	Inform	Input
Board of Directors	x	x	x
Members (current and potential)		x	
Customers (current and potential)		x	
Chapters	x	x	x
Student Chapters (if handled differently)		x	
Education Providers (Instructors, Academic Institutions, etc.)		x	
Multi-site corporations (including Trans-nationals)		x	
Districts		x	x



Benefits to Chapters

- Exclusivity – *relates to territory – between chapters AND between corporation and chapter*
- New Product Introduction Opportunity, volume discounts, improved test site management, etc.
- Access to resources provided at a corporate level (marketing, legal advice, finance, etc.)
- Clarity of roles between national and chapters (no efforts duplicated, no opportunities missed)
- Dispute resolution between chapters (where code of ethics issues arise)



Benefits to Chapters (continued)

- Level the playing field between chapters
- Financial benefit (revenue or total cost)
- Accountability on both sides
- Consistent excellent customer experience
- Chapters allowed to choose what to focus on (not necessarily membership, education AND certification)
- Sustainability



Benefits to APICS

- Protection of APICS brand
- Clarity of expectations on both sides (consistent and mutually beneficial) and improved relationship
- Consistent and excellent customer experience
- Chapters acting as channels for corporate marketing efforts (promoting events, programs, certification, etc.)
- Chapters able to focus on core competencies with realistic expectations based a chapter's capabilities (different strata based on services provided)
- Financial (revenue and/or cost)
- Legal protection



Relationship between Corporate and Chapters

What is the value of the relationship?

To Chapters?

- Continuity
- Guidance/Advice
- Administrative resources
- Alliances with other organizations/access to knowledge (SCC, ASTL, etc.)
- Subject matter experts
- Corporate office is primarily responsible for providing resources to Chapters to serve the members



Relationship between Corporate and Chapters

What is the value of the relationship?

To Corporate?

- Membership is a key priority of the organization
- Chapters are critical to meeting our membership objectives
- Local engagement for members/Networking
- Passion and commitment
- Distribution channel for education
- Chapters provide the 'Voice of the Customer'
- Chapters, Districts, and the Corporate office must leverage each others' resources to better serve members



Structure and Contents of Agreements

The following is a list of sections currently included in the International Associate and/or Authorized Education Provider agreement.

**sections that are standard to almost any legal agreement and protect the interests of both parties.*

- General – IA/AEP
- Definitions – IA/AEP - review
- Allied Organizations - IA
- Distributor – IA - review
- Reprinter – IA - review
- Exam Promoter - IA
- Responsibilities - IA
- KPI - IA
- Proprietary Confidential Info – IA*
- Assignment and Transfer of Rights – IA/AEP*
- Ethical Standards – IA/AEP*
- APICS Rights and Responsibilities – IA/AEP
- AEP's Responsibilities – AEP
- Designation and License - AEP
- Promotional Activities - AEP
- Performance Measures - AEP
- Payment Issues - AEP
- Term and Termination – IA/AEP - review
- General Indemnification – IA*
- Proprietary Rights Indemnification – IA*
- Warranty – IA*
- AEP Warranties – AEP* - change title
- AEP Indemnification – AEP* - change title
- APICS Indemnification – AEP*
- Limitation of Liability – IA/AEP*
- Confidential Information – AEP*
- Taxes Duties – IA*
- Non-Discrimination – IA/AEP*
- APICS Right to Audit - IA
- Marketing Materials/Support - IA
- Intellectual Property Rights – IA/AEP*
- APICS Link and Logo – IA*
- Independent Contractor – IA/AEP - review
- Entire Agreement – IA*
- Severability – IA*
- Waiver – IA*



Comments from District/Chapter Meetings

- Chapter leaders are eager to see a draft of the agreement
- Chapter leaders would like more opportunities to communicate with their task force representatives



Next Steps

Wednesday, December 8 at 1:00 pm (central).

- Items to be discussed:
- Review common/standard language
- Answers to questions from Great Lakes District
- Tony Zampello will provide a summary of the process so far and the outline of the remaining tasks



Next Steps

Wednesday, December 8
1:00 to 2:00 pm (Central)

Items to be discussed/deliverables:

- Review common/standard language
- Answers to questions from Great Lakes District
- Tony Zampello will provide a summary of the process so far and an outline of remaining tasks



Next Steps

Wednesday, December 22
1:00 to 2:00 pm (Central)

Items to be discussed/deliverables:

- Draft of the agreement template
- Outline of the remaining sections with bullet points of what should be in each
- Basis for metrics



Next Steps

- Provide draft agreements to stakeholders for review and input
- Recommendation to Board