



8430 West Bryn Mawr Avenue
Suite 1000
Chicago, IL 60631 USA
Tel: (773) 867-1777
(800) 444-2742
Fax: (773) 639-3000
apics.org

Date: April 14, 2011

Dear CPA Task Force,

Background: The CPA initiative began in earnest in 2009, as far as actionable activities are concerned. It is, in my opinion, an outgrowth from the Globalization Priority from our 2009-2011 strategic plans. Please see below, the highlighting is mine:

“Globalization 2009 – 2011 Priority

- **Point of Arrival:** to be a **globally visible**, representative and participative organization.
- **Goal:** to develop regional strategies that meet the needs of members/customers and **global channel partners**.
 - Increase the number of certification exams outside the North American region to 19,174 by 2011.
 - Ensure APICS home office representation is established in each identified International Region by 2011.

Increase representation of APICS with a least one International Associate (IA) in each identified International Territory by 2011”

This is where the idea of Channel Partners began. In the “Point of Arrival” statement we tried to describe what a global APICS would look like and what it meant to be globally visible (inside and outside of our legacy North American boundaries). So this along with its associated goal of regional strategies to meet the needs of the members/customers and global channel partners is where the idea began to emerge.

When we convened the 2010-2012 Strategic Direction Committee the plan was changed and the committee removed the Globalization Priority and replaced it with a Channel Partner Priority listed below, you can see the evolution/refinement of the idea from a globalization goal to the realization that a community of global channel partners working towards a common customer satisfaction objective was actually more appropriate. This is where the specific objective (see below in red) was first added to the plan. It emerged from the discussion about the goal for Channel Partners to achieve agreed upon measures. The board learned, during this discussion, that the international channel partners had agreements with APICS to achieve specific targets (the agreements signed with these partners also included APICS responsibilities to help them achieve their goals) while the North American Channel Partners did not. The board decided, from a global channel partner perspective, and to be fair to our international partners, all channel partners (including North America) should have agreements to achieve agreed upon measures. I think it is also clear why the Task Force decided to use the international agreement as a baseline document to begin discussions on what a domestic version would contain (IMHO - a decision that turned out to be more trouble by the way the process was being perceived external to the Task Force, hindsight being 20/20).

“Channel Partners 2010-2012

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.

Objectives:

- 80% of all APICS Channel Partners (IA's, Chapters, AEP's . . .) meet the agreed upon performance measures and/or minimum standards across the globe by 2012. Current standards may include any or all of the following as appropriate:

Channel Partners 2010-2012 (continued)

- Membership
- Certification Programs
- APICS Products
- Branding and Intellectual Property
- Social Responsibility
- Meetings and Conferences

All channel partners have a contractual relationship with APICS by 2012.

- APICS has a net promoter score for corporate support of xx% or above by 2012 (conduct survey to establish baseline)."

The 2010-2012 plan was approved by the board of directors in October of 2009 and Karl Klaesius (Chairman 2010) chartered the CPA Task Force soon after the January 2010 BOD meeting, with Tony Zampello as the chairperson). The CPA objective currently resides under the 2011-2013 Affiliation Priority, channel partners defined as one of the APICS affiliate bodies.

I think this is the short answer for "Why?" and "Why now?" There is another version of an answer to "Why" that was sent to the Task Force last December 29. It was a message I initially wrote to the Chapter president of the Central Indiana chapter, Jim Malone. He also was struggling to understand the why. He sent me an email after the Great Lakes District meeting last November asking a very similar question like yours. I responded to him. I did not include the evolutionary development of the goal, as I have with you. In retrospect, hindsight being 20/20 AGAIN ☺, I should have also included this, I just didn't think to. At any rate the letter was well received and the thought at that time was to send it to all the chapter leaders. Now that you ask I'm not sure how many received it or internalized it, but now with the team's first milestone rapidly approaching I think many chapter leaders are quickly coming up to speed on the topic. Therefore, since you are not soldiers in the Light Brigade ☺, but APICS professionals and volunteers (every bit as loyal) you deserve an answer and I think it is entirely appropriate to revisit the "Why Channel Partner Agreements and Why now?" questions. Therefore in addition to the explanation above I am including, in its entirety, the December 29, 2010, memo below.

Date: December 29, 2010

From: Eric Schaudt, Chair-Elect
To: Channel Partner Agreement Taskforce

As we move toward year-end I am grateful for your efforts during the past months. On various occasions I have been asked about the Channel Partner Agreements (CPAs) so I thought it would be appropriate to share some thoughts with you.

What is best for APICS?

The Board of Directors is responsible for evaluating the best direction for APICS and exists for that purpose. We are charged with ensuring that APICS stakeholders are being served in a high quality and meaningful manner. Every year through the strategic planning process, we endeavor to set direction and develop plans and strategies to guide the association to achieve its mission. Our objective is to deliver compelling value to the APICS community, members, affiliates and customers. We cannot do it alone. There are many members, channel partners, affiliates, and customers in North America, and internationally who play a role. The CPAs play into this because they enable us to engage in a discussion of how to best deliver value and commit to delivering it across markets and geographies.

How can the association deliver a consistent, meaningful and quality experience?

To continue growing, providing thought leadership and delivering high quality experiences, services and products, we have to think differently about how we run the business of APICS. APICS will celebrate 54 years in 2011. The longevity of the association is an accomplishment and a testament to our APICS predecessors. How are we going to survive another 50 years? What got us through the first 50 is not, in my opinion, going to get us through the second 50. We need to evolve to meet the needs of the market.

We have already started down this path by changing many things in significant ways. We used to be an educational society but now we are a professional association. We changed our name. We hired a new CEO and charged him with running the association like a corporation. We moved our headquarters and have completely re-staffed the organization. We reorganized the volunteer structure (regions to districts, district directors and managers). These are significant changes that have taken place in less than five years. The change process is ongoing; we have improved APICS, but to meet the market need for the next 50 years, we will have to do more.

So what path must we take? What will get us there?

In my mind the CPAs are a vehicle. They are not the only method but they are an important one. APICS needs to strengthen the delivery and service channels to our members, affiliates and customers. The CPAs help us do that by ensuring consistency of service, setting standards for operations, and protecting the brand.

The CPAs are the way to build infrastructure with the chapters. By formalizing the relationships we will build a strong partnership between the chapters and APICS corporate.

How will the CPAs help us achieve our goals?

The CPAs will ensure to all parties that nothing or anyone is taken for granted, and that there will be no assumptions or unrealistic expectations. They will help us identify and establish mutual values, intentions and expectations. We all share a vision; to ensure our stakeholder's needs and wants are realized. I think you may agree the Chapter Minimum Standards are not enough to help us achieve our goal.

As incoming chair I will be responsible for this process in 2011 and will work hard to ensure it is open and transparent as well as collaborative. We can ensure mutual goals and outcomes are achieved. This will work."

Hopefully now the entire thought process and reasoning has been captured and more completely answers the question – Why Channel Partner Agreements and why now? I hope you agree.

Regards,
Eric