



BOARD OF DIRECTORS MEETING

Amelia Island

January 14, 2012, 8 AM – 4 PM

MINUTES

1. Installation

Abe Eshkenazi administered the Oath of Office to Marc Harris, 2012 Chair of the Board. Marc Harris administered the Oath of Office to Bob Boyle, 2012 Chair-Elect and Mondher Ben Hamida, 2012 Secretary-Treasurer, and the remaining Directors.

2. Call to Order

The meeting was called to order by Chair Marc Harris on Saturday, January 14, 2012 at 8:00 AM.

3. Roll Call

Secretary-Treasurer Mondher Ben Hamida called the roll of the Board. The following members, representing a quorum, were present:

Board of Directors:

Marc Harris, CPIM, CSCP
Bob Boyle, CFPIM, CIRM, CSCP, CPA
Mondher Ben Hamida, CPIM, CSCP
Luis Barcon, CPIM, CIRM, CSCP
Bill Bickert
Norman Carmichael, CPIM, CSCP
Bintong Chen, Ph.D.
Rick Donahoue, CPIM, CSCP
Paul Howatt
Vadim Kapustin
Jerry Kilty, CFPIM, CIRM, CSCP
Al Kuebler
Merri Rich, CPIM
Dana Riess, CPIM
David Rivers, CFPIM, CIRM, CSCP
Jason Wheeler, CPIM, CSCP
Tammy Williams, CPIM, CIRM, CSCP

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

Guests:

Robin Russell, PhD, CFPIM, CSCP
Alma Ballard

President, E & R Foundation
Southeast District manager

Staff:

Abe Eshkenazi, CSCP
Colleen Hays
Jeff Blumberg

Chief Executive Officer
Executive Administrator
Chief Financial Officer

Marc Harris initiated a discussion on including the E&R Foundation Board President in APICS board meeting discussions. Robin Russell was asked to leave the meeting room so that board members may speak freely. Discussion continued on the January 2011 APICS/E&R Memorandum of Understanding, past protocol and the possibility of inviting other non-board member individuals to participate in board meeting discussion. Robin was called back into the board room and invited to join board discussion at all board meetings.

4. Approve Consent Agenda

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

- Minutes from the October 21, 2011 and December 19, 2011 Board Meetings
- Committee Reports
 - Conference Content Subcommittee
 - Certification Committee
 - Voice of the Customer (VOC) Committee
 - Academic Subcommittee
 - Corporate Subcommittee
 - International Subcommittee
 - Market Research Subcommittee
 - Professional Subcommittee
 - District Manager Committee
- Old Business

Motion: Tammy Williams moved to accept the Consent Agenda documents excluding the Board Meeting Minutes, Certification Report and VOC Committee Report. Jason Wheeler seconded the motion. The motion was approved.

5. Leadership Team report

Marc Harris reviewed the Chair's Report and also reported on behalf of the Leadership Team, apprising the board that the team met one time since the October 2011 board meeting to discuss the January board meeting agenda. Discussion continued on how board members can add items to upcoming board meeting agendas.

6. Executive Office

Abe Eshkenazi, CEO, apprised the board that since the financials usually close around the 15th of the month, the year-end financial results and an update on achieving the strategic objectives will be reported at the next board meeting. Abe also advised the board that the new apics.org website is currently being tested by select channel partners.

Balanced Scorecard

Abe Eshkenazi presented the Balanced Scorecard; reviewing Financial, Affiliation, Content, Certification and Process Indicators. Board discussion followed on courseware and certification income forecasting, competitor financials, trend analysis, channel partner strategy and development, mapping membership, process and certification indicator changes, reserve/leverage ratios and identifying initiatives.

Governance Document Updates

The proposed amendments to the APICS Board Operating Procedures and Committee Handbook were discussed and Abe apprised the board that the changes were being made to reflect the governance

changes approved in 2011 and to ensure consistency in substance and language between the governance documents. Board discussion followed.

MOTION: Luis Barcon moved to approve the proposed amendments to the APICS Board Operating Procedures and Committee Handbook as presented with minor changes made at the January board meeting. Bob Boyle seconded. The motion was approved.

Channel Partner Agreement Update

Abe Eshkenazi reviewed the history and timeline of the Channel Partner Agreement initiative and the report presented at the December 19, 2011 board meeting on limiting sales of instructor guides.

Due to a conflict of interest, Jerry Kilty, David Rivers, Rick Donahoue and Luis Barcon recused themselves from discussion and voting on limiting sales of instructor materials in North America to Chapters only.

Board discussion followed on chapter charters and material sales, IDP instructors and instructor quality, CMS requirements and non-compliant chapters, chapter dissolution process, estimated loss of sales connected to limiting sales to chapters, corporate sales and the Win Win Win program, limiting sales instructor guides to chapters, CPA rollout and chapter communication plan.

MOTION: Bill Bickert moved to approve removing the exclusivity clause – “APICS will limit sales of Instructor Materials in North America to Chapters only” from the North American Chapter Agreement. Al Kuebler seconded the motion. The motion was approved.

Abe Eshkenazi apprised the board that due to time constraints, the Social Media Report will be presented at the April board meeting.

7. Committee Appointments

The board reviewed committee terms, composition and possible candidates for the Governance Committee, Officer Nominating Committee and Director Nominating Committee. The board also reviewed and ratified committee chairs as presented at the January board meeting.

The following individuals were appointed to serve on 2012 committees:

Governance Committee

- Alma Ballard
- Norman Carmichael
- Marc Harris
- Eric Schaudt
- Karen Schiebout
- Tammy Williams

Officer Nominating Committee

- Bill Bickert
- Rick Donahoue
- Al Kuebler
- Stan Kramer
- Dave Rivers
- Eric Schaudt

Director Nominating Committee

- Eric Schaudt
- Robert Vokurka
- Preston Blevins
- Karl Klaesius
- Bob Trent
- Mondher Ben-Hamida
- Norman Carmichael

8. Finance Report

2011 Unaudited Year End Projection

Jeff Blumberg, Chief Financial Officer, presented the Finance Report which included a review of the November month-end financials and 2011 financial highlights, which include:

- Strong financial performance in 2011 due to APICS products and services contribution
- Budgeted margins on core products achieved
- Long term investment of \$1.6 million authorized by the Finance Committee

2012 Outlook / Cash Flow

Jeff Blumberg also apprised the Board on the financial dashboard, balance sheet and income statement highlights, 2011 Latest Best Estimate, performance indicators and reserve ratios. Board discussion followed on unrealized loss, ERE, 3-year cash flow, APICS investment policy, investment consultants and reserve ratio.

The Sense of the Board was that the Finance Committee will review the current investment policy and objectives to determine the long term priority for the reserve ratio, liquidity and report back to the board in April.

Abe Eshkenazi apprised the board that the Finance Committee has recommended that staff send out a Request for Proposal for the investment advisor.

Audit Committee

Luis Barcon initiated board discussion on the Audit Committee recommendation for the 2011 auditors.

Motion: Bob Boyle moved to approve the Audit Committee recommendation of Blackman Kallick as independent auditors for the APICS 2011 fiscal year independent financial audit. Luis Barcon seconded. The motion was approved.

9. Director-at-Large Qualifications

Following board discussion on the Director-at-Large selection process the board determined and agreed on the following:

2013 Director-At-Large Attributes will contribute to:

- Board diversity
- Marketing acumen
- Global perspective
- Insights into target segments – industries (experience or role within a targeted segment)
- Level of board discussions (VP or C- level position in Fortune 1000 company)
- Representation of the academic community
- Broaden our circle of Influence
- Thought leadership
- Channel partner or distribution channel transformation
- Attracting members sooner in their careers, when they are younger
- Sophistication in our use of social media
- Non-North American representation (reside outside North America)
- Understanding of how information technology can transform APICS
- Attention to risk management as a part of our body of knowledge
- Experience with quality in service management

10. Strategic Direction Committee

Bob Boyle, Chair of the 2012 Strategic Direction Committee, apprised the board of the committee timeline; the first committee meeting will take place March 3, 2012, in Chicago.

The board reviewed the Integrated Planning Process at the Board Retreat and following discussion, developed the following recommendations for the 2012 Strategic Direction Committee to use as the foundation for drafting the organizational priorities for 2013-2015:

Enhancing Stakeholder Value

- Promote higher satisfaction among those affiliated with APICS
- Emphasize “younger / sooner” type affiliation
- Increase “speed-to-benefit” stemming from APICS affiliation, content, and certifications
- Assess current portfolio to ensure all products / services are sustainable, add value, and generate an acceptable ROI

Redesigning Service Delivery Strategies

- Increase use of technology (e.g., for service delivery, channel management)
- Evaluate alternative content / training delivery modalities and methods
- Enhance visibility of all APICS customers to APICS Corporate
- Enhance / improve APICS channel strategy

Broadening / Enhancing Our Vision

- Consider implications of Strategic Plan beyond 3 years (e.g., out to 5 years)
- Identify emerging topics
- Develop bold, creative ideas

11. Pulled Agenda Items

The reports pulled from the consent agenda were reviewed and board discussion followed.

Motion: Jerry Kilty moved to approve the pulled reports: Board Meeting Minutes, Certification Report and VOC Committee Report. Luis Barcon seconded. The motion was approved.

12. New Business

The board discussed the following new business topics:

- Quality Metrics
- Young / Sooner
- Mobile Apps for APICS products and services
- Member Needs Based Analysis
- APICS online Library
- Product/Material Rentals
- Top Three Technologies
- Curriculum Modules
- Analytics and Revenue Modules
- Portfolios
- E commerce and E distribution
- Year in the Life of a Member
- Creating a Deeper Community

- CRM Tool for Leads to Channel Partners
- Channel Partner Development
- APICS Branding
- Technology – Yesterday, Today and Tomorrow

The Parking Lot items from the Board Retreat were also discussed:

- Mission Statement
- APICS Tagline

13. Adjourn

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

15. Next Meeting

The next APICS Board meeting is scheduled for April 28, 2012, in Chicago, IL at the APICS Corporate Headquarters.

ACTION ITEMS:

- Staff will review the code of ethics in the Commitment and Compliance documents to create a scaled down version for committees.
- Staff will create a job description for the Director-at-Large position based on the attributes discussed at the January board meeting.
- Future board meeting agendas and Balanced Scorecards will link main topics or statistics to detailed reports located within the board book PDF.
- A complete marketing and promotion plan for CPA rollout will be developed to include a marketing package, outreach, communication plan, webinars, etc.
- Staff will recommend options for a new APICS Logo / Tagline.
- Staff will draft a proposal regarding a Channel Development Strategy and report back to the Board in July.