

# APICS Board of Directors Meeting Update

July 18, 2009



## Executive Summary

Economic challenges continue to impact our members, their companies, APICS and its partners. During the July meeting, the board received a number of significant reports on operations and from various committees.

On the following pages please find:

- 2010-2012 Strategic Priorities and Objectives
- 2010 Directors at Large
- District Key Service Indicators
- Board Meeting Discussion/Decisions/Recommendations

## ***Updates, Activities, and Accomplishments***

Although we are experiencing declines in revenue, we are engaged in a number of activities that will position us well when the economy rebounds both in the short and long term. These include:

- The successful launch of CSCP computer-based testing enabled us to open an additional CBT window in August/September. We are currently projecting 300 exam registrations for this additional window).
- Limited-time price reductions in Lean Enterprise and Global Sourcing courseware and enhanced sales support.
- Enhanced member and customer connection to the organization through *APICS Operations Management Now* resulting in 68 memberships or renewals, nearly 120 purchases, and nearly 1,000 requests for exclusive APICS reports such as the “Seven Sorry Suppositions about S&OP” and the “Operations Management Employment Outlook” reports.
- Agreement with the Defense Activity for Non-Traditional Education Support (a U.S. Department of Defense organization created to help members of the military pursue their educational goals and earn the degrees or certifications they deserve while continuing to serve their country.) Through DANTES, we will be able to promote our certifications to more than 240,000 service members and their dependents.
- Promotion of new member types to engage young and non-North American professionals. A lower cost option to bring in new members will give us the opportunity to engage them early, get them started on the certification track, and keep them involved.
- Outreach into non-traditional industries for operations management professionals including distribution, retail, and healthcare.

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- Focus on developing the Asian market for CPIM and CSCP. Leaders and staff have travelled to China and Singapore to create a relationship for future efforts in membership and product sales.
- Collaborations with Supply Chain Council, American Society for Transportation and Logistics, and Association for Manufacturing Excellence to increase the value of membership. AME and AST&L offer reciprocal student memberships. The enhancements to student memberships and the introduction of the young professional e-membership will increase the potential of membership in the future.
- Promotion of the tangible benefits of membership through social networking tools.
- Agreement with Institute of Operations Management as an international associate in the United Kingdom. IOM not only provides more coverage for our products and services in the UK but also has extensive relationships in China.

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## 2010-2012 Priorities and Objectives

### *Membership*

**Point of Arrival:** to be an organization that inspires both current and prospective members to belong and participate.

**Goal:** to focus on segmenting our market to provide the value that members and prospective members are seeking to improve on-the-job performance, advance in their careers, and thrive as operations management professionals.

### **Objectives:**

- Maintain retention rate at 89% of membership base of the prior year for **certified** individual members.
- Maintain retention rate at 65% of membership base of the prior year for **non-certified** individual members.
- Maintain recruitment at 20% of membership base of the prior year goal.
- APICS has a net promoter score for membership of xx% or above by 2012.
- Increase the number of international members outside North America to 5,000 by 2012, with at least 60% of these as dual members of local representatives.

### *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.

### **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:
  - 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).

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## **Products**

**Point of Arrival:** to be the recognized global leader in providing consistently high quality and relevant education programs, certification, publications and other services that meet the needs of operations management professionals throughout their careers and the organizations they serve.

**Goal:** to manage the portfolio of products and services and ensure that it is current, market relevant, and serves to make our current and prospective members/customers more successful.

### **Objectives:**

- Total annual sales of core products will reach \$18 m by 2012, with 1.5% coming from new products. Core products include books and materials (courseware), conference registrations, exhibits, publications and certifications (indicate certification vs. conference revenue for reference).
- In response to the voice of the customer, APICS will change/modify the delivery of its products and services to a more globally convenient, accessible, and environmentally conscientious manner by 2010.
- APICS has a net promoter score for products of xx% or above by 2012. (Conduct survey to establish baseline).
- 80% of North American users and 70% of non-North American users agree that courseware, exams, conferences and publication content is current and relevant to the practice of operations and supply chain management in their market by 2012.
- The number of Certified Supply Chain Professionals across the globe will double (12,000) by 2012 (5,884 as of May 28, 2009).

## **Body of Knowledge**

**Point of Arrival:** to be the recognized leaders in defining the operation management body of knowledge and its global application to operation management.

**Goal:** to expand the APICS body of knowledge to address the needs of the current and potential markets our members and customers serve.

### **Objectives:**

- The number of references to *OMBOK Framework* in external publications will increase 10% annually through 2012.
- The VOC, BOK and C&C committees will work together each year to determine which new or emerging issues should be added to the body of knowledge and reflected in appropriate products and services.

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## **Globalization**

**Point of Arrival:** to be a globally visible, representative and participative organization.

**Goal:** To be globally recognized leader in operations and supply chain management.

### **Objectives:**

- Increase the number of certification exams outside the North American region to 20,257 (5% increase) by 2012.
- Ensure APICS home office representation is established in each identified International Region by 2012.
- Increase representation of APICS with a least one International Associate (IA) in each identified International Territory by 2012.
- Increase the percentage of non-North Americans accessing APICS serial publication content (e.g. *APICS* magazine and *Operations Management Now*) by 100% (6,000) by 2012.
- Increase the number of non-North Americans attending APICS hosted or sponsored conferences and events to 5,000 by 2012.

## **Awareness**

**Point of Arrival:** APICS is perceived as a valuable worldwide organization, enhancing member and corporate effectiveness.

**Goal:** to increase awareness of APICS and consistently communicate its value.

### **Objectives:**

- Ensure placement of at least 6 different (non-OMBOK Framework related) stories/interviews in major media outlets in the North American region on an annual basis as well as 2 different stories/interviews in industry press outside of the North American region by 2012.
- Increase the number of employment ads as a percentage of all ads for supply chain or operations management positions that indicate a preference or requirement for APICS certification by 10% annually in postings, e.g. Monster, Careerbuilder, etc. by 2012 as a percentage of all ads (excluding APICS career center).
- Develop a web presence in each region and content relevant to that region by 2012.

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## 2009 Directors-at-Large

### Director-at-Large Attributes

*(as determined by the Board in April 2009)*

- Global responsibilities
- Currently or previously worked and lived outside North America
- International representation with a focus on emerging regions (non North American)
- VP or C Level in F1000 or equivalent
- Academician
- Circle of Influence outside our typical profile
- Experience or role within a targeted segment
- Thought leader

### Director-at-Large Qualities

*(as determined by the Board in April 2009)*

- Tax exempt BOD role experience
- Diversity
- Promote APICS
- Experience within "Sea Change"
- Familiarity with various modes of learning
- Trustworthy
- Strategic thinking
- Understands current BOD practices and values
- Team commitment

## Recommendations

Name	Title	Company
Robert Boyle	Director	Deere & Company
Chris Moye	Managing Director and National Supply Chain Lead	Alvarez & Marsal, LLC
Peter Murray	Demand Management Process Owner	DuPont
Kevin O'Marah	Chief Strategy Officer	AMR Research
Robert Trent	Assoc Professor of Management & Supply Chain Mgmt Program Dir	Lehigh University, College of Business & Economics

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## 2009 Priority: Gross and Net Revenue

Based on un-audited financial statements for May 31, 2009, net income from operations is negative \$996 thousand, which is a \$166 thousand negative variance over the negative year-to-date contingency plan of \$830 thousand.

### **Revenue**

Total revenue from operations is approximately \$6.7 million. This is \$806 thousand lower than the year-to-date contingency plan of \$7.5 million. The decrease in Program Fees (on-site training) and material sales were the main drivers of lower than expected results.

### **Expenses**

Total expenses from operations amounted to approximately \$7.7 million versus a contingency plan of \$8.3 million. This is a positive variance of \$640 thousand. Combined savings from personnel costs, professional fees, and printing make up most of the positive variance.

YTD APICS conference and meetings expenses were \$510 thousand. Most of the meetings expenses were from governance committees (\$164k), districts (\$154k), and on-site training (\$58k). The annual conference meeting expenses will be a prepaid expense until the conference takes place in October 2009.

### **Balance Sheet**

Total assets at May 31, 2009 are \$10.4 million, a decrease of \$3.8 million when compared with the May 31, 2008 assets. Accounts Receivable Certification and Accounts Receivable Trade (material sales, on-site training, and magazine advertising) decreased by \$289 thousand over the prior year. Short-Term investments decreased \$722 thousand from May 31, 2008. Long-term investments decreased to \$5.3 million from the May 31, 2008 balance of \$8.0 million, a decrease of \$2.7 million.

### **Contingency Plan**

After reviewing cost centers with Budget Managers, the 2009 Contingency Plan revenue is \$20.0 million compared to a \$23.8 million approved budget, which results in a \$4.2 million negative variance. A reduction of membership dues, material sales, lower conference attendance, and lower certification revenue makes up most of the variance.

The 2009 Contingency Plan expenses have a \$4.2 million positive variance. Expenses are approximately \$20.0 million compared to an approved budget of \$24.2 million. The combined savings from personnel cost, professional fees, printing, and meetings expenses makes up most of variance.

2009 Contingency Plan net income from operations is a negative \$372 thousand. This is the same net income from operations as the 2009 approved budget.

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## 2009 Forecast

Staff recently completed a 5+7 forecast for 2009; using May 2009 month-end data, year-end results were projected.

Total projected revenue at year-end amounts to \$18.7 million compared to our contingency plan estimate of \$19.6 million, a further reduction of \$946 thousand. Significant decreases are noted in corporate sales, certification revenue, and advertising sales. This decrease in revenue is offset by additional cost savings of \$946 thousand; forecast total expenses amount to \$19.0 million compared to the contingency estimate of \$20.0 million. Significant changes include reduced professional fees, offset by higher than anticipated publications and postage/shipping and telephone/IT costs. Overall, we are projecting net loss from operations of \$372 thousand which is on track with the contingency and original budgeted loss of \$372 thousand.

Based on the forecast, Phase III of the contingency plan is not currently planned. It was also noted that conference registrations will be a major factor in whether we are required to go to the next level in the contingency planning.

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## Key Service Indicators for APICS District Managers

***Key Service Indicators: Tracked and reported quarterly to the Board.***

### Financial

- Expense reports are submitted for reimbursement within four weeks of approved events.
- Meet BOD approved budget.

### Chapter Management

- XX% of chapters meet the minimum standards (CMS).
- XX% of chapters participate in the chapter benchmarking and reporting (CBAR) program.  
*Percentages to be determined.*

### Operational

- Provide quarterly report to DMC chair and APICS corporate office.

### Strategic Planning and Leadership Recruitment

- Ensure district (manager and director) elections are held per established guidelines and report results by September 15 of each election year as required.

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## 2009 Priority: Product Development

### *Product and Services 2009 – 2011 Priority*

**Point of Arrival:** to be the recognized leader in providing consistently high quality and relevant education programs, certification, publications and other services that meet the needs of operations management professionals throughout their careers and the organizations they serve.

**Goal:** to manage the portfolio of products and services and ensure that it is current, industry relevant, and serving to make our current and prospective members/customers more successful.

- Total annual sales of core products will reach \$19.9m by 2011. Core products include books and materials (courseware), registrations, exhibits, publications and certifications.
- 80% of member and non-member respondents agree or strongly agree that APICS core products are important to them by 2011. (Based upon annual membership survey and course evaluations)
- 75% of member and non-member respondents agree or strongly agree that they are satisfied with APICS core products. (Based upon annual membership survey and course evaluations.)
- Develop/revise a product (series of related products) to meet the needs of targeted segments in 2009.

### *Body of Knowledge 2009 – 2011 Priority*

**Point of Arrival:** to be the recognized leaders in defining the operation management body of knowledge and its global application to operation management.

**Goal:** to expand the APICS body of knowledge to address the needs of our members and customers.

- OMBOK Framework will be reviewed (updated and further developed as necessary) on no less than an annual basis starting in 2009.
- Release of OMBOK Framework will be covered in 5 external publications upon first year of release and the number of references to OMBOK Framework will increase 10% annually through 2011.
- OMBOK Framework version 2 will include information on operations management in targeted segments by year end 2009.

### *Certification*

The March CSCP CBT pilot was a success with 193 candidates and 10 sites participating. There were 0 exam day incidents reported and 91% of the candidates surveyed indicated they were satisfied or very satisfied with the CBT experience. CSCP CBT rollout plans for the remainder of 2009 include a June-July event for International markets and August/September and December/January events worldwide.

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Some improvements to the group testing process have been implemented, making scheduling and administration more efficient and flexible. Improvements include:

- Enhanced candidate registration forms with online, updatable PDFs.
- Elimination of the four group tests per year per chapter limit.
- Notification of group testing coordinators when score reports are being sent to candidates.

A bulk voucher discount purchase program was introduced to help channel partners drive more revenue by bundling the cost of certification exams with course registration fees. This program is available until September 30, 2009 and provides the following discounts on both member and non-member vouchers:

- 5 – 15 = 10% discount
- 16 – 25 = 15% discount
- 26+ = 20% discount

The 2009 CPIM BSCM Reprints are available from the APICS bookstore and a June item writing workshop is scheduled to be held in Toronto with a very large expected turnout of 40 participants.

Group site participation in Q2 of 2009 included the following

- 14 sites for the April administrations.
- 7 sites for the May administrations.
- 10 sites for the June administrations.

Q2 2009 group test numbers (539) are above results from the same period in 2008 (457) by 18%.

The following is a summary of exam numbers for first quarter of 2009 as compared with previous first quarter results:

	<b>Exam Registrations Jan-June 2006 Actual</b>	<b>Exam Registrations Jan-June 2007 Actual</b>	<b>Exam Registrations Jan-June 2008 Actual</b>	<b>Exam Registrations Jan-June 2009 Budget</b>	<b>Exam Registrations Jan-June 25 2009 Actual</b>
CPIM Domestic	7094	6917	7119	7585	5478
CPIM Int'l	7030	7899	7545	8480	7169
<b>CPIM TOTAL</b>	<b>14124</b>	<b>14816</b>	<b>14664</b>	<b>16065</b>	<b>12647</b>

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	Exam Registrations Jan-June 2006 Actual	Exam Registrations Jan-June 2007 Actual	Exam Registrations Jan-June 2008 Actual	Exam Registrations Jan-June 2009 Budget	Exam Registrations Jan-June 2009 Actual
CSCP Dom	873	1088	1382	984	1271
CSCP Int'l	268	338	489	327	579
<b>CSCP TOTAL</b>	<b>1141</b>	<b>1426</b>	<b>1871</b>	<b>1311</b>	<b>1850</b>

	Certification Maintenance Jan – June 25 2009 Applications	Certification Maintenance Jan – June 2009 Revenue
Budget	1111	\$200,000.00
Actual	1259	\$108,035.00

	CFPIM Certification 2Q2009 Applications	CFPIM Certification 2Q2009 Revenue
Actual	15	\$100

Marketing campaigns for the CBT pilot and CSCP exam eligibility and registration were executed in Q2. Certification maintenance e-mails and postcards were sent to CPIM designees. In addition, we have signed an agreement with the Defense Activity for Non-Traditional Education Support (a US Department of Defense organization created to help Service members pursue their educational goals and earn the degrees or certification they deserve while continuing to serve their country.) Through DANTEs, we will be able to promote our certifications to over 240,000 service members and their dependents.

## ***Professional Development***

### **Updating CPIM Courseware**

Status: Ongoing

The goal of this project is to continue to update the current CPIM instructor-led courseware. This is the second year of the three-year plan, which was presented to the Board in July 2008.

Last year the primary focus was on rewriting the BSCM and creating standards for the updated CPIM courseware. This year the primary focus is on rewriting the DSP and SMR courseware. DSP and SMR are being revised this year since substantial changes have been made to the ECMs by the exam committees, and candidates generally have more difficulty passing these exams than they do the other three. In 2010, there will be major rewrites of MPR and ECO.

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In 2009, our plan related to CPIM courseware is as follows:

- All Courses
  - Address gaps between the courseware and the current Exam Content Manual.
  - Correct errors and omissions based on new instructor log input.
  - Correct issues based on instructor log survey, instructor log “needs research” items, and overlap analysis.
  
- DSP & SMR
  - Rewrite DSP and SMR based on exam committee ECM changes and standardized courseware model used in 2008 for BSCM to:
  - Improve participant content.
  - Ensure appropriate level of interactivity.
  - Design new graphics.
  - Address overlap with other courses.
  - Incorporate high-priority Content Breakdown Structure (CBS)-based revisions for DSP, and all CBS-based revisions for SMR.

The rewrite for the DSP and SMR modules will be completed by late November 2009. The complete rewrite and redesign of CPIM will be finished in 2010.

During Q2, a CPIM demo was created and was posted online July 1. A lead capture form was created to identify prospects for the program and provide a follow up device for both individual and corporate marketing channels. A new fact sheet and ad were created. The CPIM program was included in new brochures created to market to the individual, partner, and corporate sales channels.

## **Updating CSCP Learning System™**

Status: On Time

This minor upgrade to the APICS CSCP Learning System and the Instructor Kit will:

- Align the Learning System with the new Exam Content Manual
- Continue the update of language for international understanding and relevance
- Address reported issues from the instructor logs
- Add or increase content on Supply Chain Risk, Green Supply Chain, Lean Supply Chain and Global Supply Chain issues.

The CSCP update is due to be completed by APICS and Holmes Corporation in late November 2009.

In Q2, e-mail marketing campaigns were conducted in support of the program. More than 1,500 leads were collected for the APICS CSCP program through a “Win a Free Learning System” promotion. The CSCP program was included in new brochures created to market to the individual, partner, and corporate sales channels.

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## **Developing a New Instructor Development Program**

Status: Ongoing

The Instructor Development Program has been promoted to the Instructor's Discussion List and has seen over three dozen applications so far.

## **Replacing Learning Dynamics for Instructors**

Status: Ongoing

The updated program is now available for Beta classes. One successful Beta class has been held and at least three more are scheduled for the remainder of 2009.

## **The 2009 APICS International Conference & Expo**

Status: Ongoing

The 2009 APICS International Conference & Expo will be held October 4-6, in Toronto, Ontario, Canada. The conference was marketed through a bi-fold mailer and e-mail marketing campaigns in Q2. For more details see the International Conference Committee Report.

## **APICS and IBF Best of the Best Sales and Operations Planning Conference**

Status: Complete

APICS and IBF held another Best of the Best S&OP Conference on June 18-19, 2009, in Chicago, Illinois. Approximately 170 total participants attended. The conference was marketed through direct mail, e-mail, and Google ad campaigns. There were approximately 125 paid attendees at the conference compared to about 220 last year. APICS and IBF staffs are currently reviewing the event to make a recommendation regarding the future of this conference.

## ***Industry Content***

### **Operations Management Body of Knowledge (OMBOK) Framework**

Status: In Process

The OMBOK Framework will be updated in time for the 2009 APICS International Conference & Expo, following its annual update schedule. The 2009 version will include indices for the following job titles tying the position knowledge and technical competencies to OMBOK subject areas:

- Materials Management Director/Manager
- Supply Chain Director/Manager
- Distribution/Logistics Director/Manager
- Master Scheduler
- Buyer/Planner
- Demand Planner
- Master Scheduling Manager
- Purchasing Director/Manager

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- Warehouse Manager
- Lean Operations Facilitator
- Supply Chain Analyst
- Capacity Planner (Internal and External)

The project scope and methods were approved by the OMBOK subcommittee on April 10, 2009.

Marketing for the publication is ongoing. Links in the new Operations Management Now column (see below) are consistently driving downloads of the publication.

## **APICS Dictionary, 13<sup>th</sup> Edition**

Status: Initiating

The process for development of the APICS Dictionary has been reviewed and improved based on input from the chairs of the VOC, BOK and C&C committees. APICS is currently in negotiation with John Blackstone, Ph.D. and the University of Georgia to continue to support this process.

## **APICS Magazine**

Status: Ongoing

APICS published its second “green” magazine in March/April 2009, and the subject matter included lean data inventory, energy efficiency, and green strategies to improve brand image. While the “Bottom-Line Green” conference was cancelled due to economic limitations, APICS did move forward with a Bottom-Line Green Webinar series, utilizing many of the speakers and magazine contributors who would have delivered presentations at the live conference. APICS magazine editors also provide the content for the APICS Bottom-Line Green blog, <http://bottomlinegreen.typepad.com/blg/>.

Amy Mansfield’s S&OP department, which premiered in the November/December 2008 issue of the magazine, continues to receive high praise. Mansfield spoke at the APICS/IBF Best of the Best Conference in June.

## **Operations Management Now**

Status: Ongoing

APICS launched a new, weekly e-newsletter from the CEO in February this year. The publication conversationally touches on a wide variety of timely issues and puts them in the context of APICS resources. Subject matter has included inventory management, global sourcing, supply chain management, risk management, and more.

Because of the electronic nature of the publication, APICS staff is able to directly track those purchases, membership renewals, and clicks to the magazine that originate from the new publication. To-date, *APICS Operations Management Now* has resulted in 68 memberships or renewals, nearly 120 purchases, and nearly 1,000 requests for exclusive APICS reports such as the “Seven Sorry Suppositions about S&OP” and the “Operations Management Employment Outlook” reports.

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## APICS Webinars

Status: Ongoing

The following online education events were conducted in Q2 of 2009:

- Top 25 Supply Chains, Kevin O'Marah
- Lean Supply Chain Series, Simon Ellis and Ron Crabtree

Third quarter webinars include:

- Now What? What to Do When the Unexpected Happens in Your Career, Peter Rice
- Six Sigma, A Case Study, Jack Kahler

In addition, we continue to offer regular Web events at no charge, such as instructor training, vendor webcasts (for which APICS is paid a fee), APICS magazine's APICS Extra Live, and corporate updates.

## Research

In Q2, the following activities were conducted by the research department:

- Completed the first Operations Management Employment Outlook report with the University of North Carolina at Wilmington with invaluable assistance from APICS marketing, communications, and Counsel. Additionally, we successfully launched the third quarter 2009 survey.
- Job Title OMBOK indices project to research the integration of the OMBOK Framework to 12 job titles - this project will index the OMBOK Framework to 12 selected job titles in order to help create new business opportunities for APICS.
- Completed non-member OMBOK Industry Relevance Survey with LinkedIn – generating responses from Distribution, Utilities, Health Care, Retail, Hospitality, and Manufacturing industries.
- Completed OMBOK Job Role survey to APICS members. Both this survey and the Non-member OMBOK Industry Relevance Survey combine to show the amount of relevance by job role and industry to each OMBOK major section.
- Completed the ASAE Decision to Give Survey in conjunction with 12 other associations and the ASAE. It revealed that APICS members are relatively generous in charitable giving but do not anticipate donating funds to APICS itself.
- Completed APICS Member Lean Survey with the University of Arkansas and the Sam Walton School of Business. The survey established an APICS Member baseline relative to all other responders in determining how lean their organizations are.
- Updated Global Inventory project with Cambashi, a third-party research company to become a Conference Panel due to lack of available financial sponsorship at this time for formal research.
- Started OMBOK Customer Satisfaction survey to research customer use, satisfaction, and suggestions to the OMBOK Framework. This information will assist future update plans to the OMBOK Framework.

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In addition, having performed due diligence of the OS Index (OSI) proposal from Dr Paul Polzin at the Bureau of Business and Economic Research with the University of Montana, we determined that at this time APICS would not gain sufficient benefit relative to the cost of proceeding with the proposal. Annual operating costs to maintain a panel of respondents were high and the resulting data collected would not significantly differ from other data sources.

However, the purpose and concept of the OSI remain important. Efforts to reduce operating cost and create more unique data from the OSI continue.

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## 2009 Priority: MEMBERSHIP

### *Membership 2009 – 2011 Priority*

**Point of Arrival:** to be an organization that inspires both current and prospective members to belong and participate.

**Goal:** to focus on segmenting our market to provide the value that members and prospective members are seeking to improve on-the-job performance, advance in their careers, and thrive as operations management professionals.

- Maintain retention rate at 78% of membership base of the 2010 goal
- Maintain recruitment at 20% of membership base of the 2010 goal.
- 80% of responding members agree or strongly agree that APICS membership provides value.
- 80% of responding members agree or strongly agree that APICS has or is helping them advance their careers.
- Execute a membership segmentation plan and supporting marketing plans for all targeted segments.
- Increase the number of international members outside North America to **10,000** by 2011, with 60% of these as dual members of local representatives.

### *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.

### *Membership*

As of June 30, 2009 the membership total is 34,271. This represents a decrease of 4,626 (11.9%) from the January 1 baseline.

### **Membership Statistics**

#### 2008/2009 Quarterly Membership

The following table details year to date monthly activity for all membership categories, compared to baseline and the same period in 2008.

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	Year 2008	Change From Start Total	Change from Previous Qtr	Year 2009	Change From Start Total	Change from Previous Qtr	Change From Previous Year
<b>Annual Start Total</b>	<b>43,159</b>			<b>38,897</b>			
<b>1<sup>st</sup> Quarter End Total</b>	44,017	1.99%	1.99%	36,699	-5.65%	-5.65%	-16.62%
<b>2<sup>nd</sup> Quarter End Total</b>	43,160	0%	-1.95%	34,271	-11.9%	-6.62%	-20.6%
<b>3<sup>rd</sup> Quarter End Total</b>	41,839	3.06%	-3.06%				
<b>4<sup>th</sup> Quarter End Total</b>	38,897	-9.88%	-7.03%				

Breakdown by Membership Class - The following is a breakdown by membership class (type).

	Prof. (All Individual Mbrs)*	Stdnt Mbrs	Enterprise Mbrs (Individual)	Intl Members (Associates/ Intl Members @ large)	Young E-Prof. Mbrs.	Intl E-Prof. Mbrs	Enterprise E-Prof. Mbrs	New Total**	Enterprise Companies
2008 Year End	29,255	2,331	5,470	1,841	N/A	N/A	N/A	38,897	1,094
1 <sup>st</sup> Qtr 2009	27,795	2,596	4,465	1,828	0	0	15	36,699	893
2 <sup>nd</sup> Qtr 2009	25,285	2,447	4,518	1,743	12	22	244	34,271	726

\* Professional Members Include Professional, Life, Honorary, Honorary Chapter, Retired, & Academic

\*\*Does not include Enterprise Companies

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## 2009 Quarterly Comparison

	New/Adds	Reinstates	Suspend	Renew
1st Quarter(YTD)	2,475	1,434	6,080	4,960
2nd Quarter(YTD)	2,286	1,746	6,994	4,270

## International Membership Report

	IMAL	Africa Joint	Asia Joint	South America Joint	Europe Joint	Middle East	Oceania Joint	New Total
2008 Year End	1,656	79	0	85	520	0	1	2,341
1st Qtr 2009	1,696	99	0	72	613	0	0	2,480
2nd Qtr 2009	1,773	101	0	24	522	1	0	2,421

NOTE: Membership numbers in this table are reported by region and not by category as presented under the membership priority. Therefore, it includes individuals with professional, academic, or student memberships who are located outside North America.

### ***APICS Exit Survey Results Summary***

In May, APICS sent an electronic survey to 7,610 of the individuals whose membership lapsed between June 1, 2008 and January 31, 2009. The survey had a 21.3% e-mail open rate and 8% click through rate. 211 individuals completed the survey.

Overall, former members were satisfied with APICS education, products, and service. APICS exceeded or met expectations for over 60 percent of the respondents. Finances, (personal or employer) were the strongest influencer of the decision to renew membership.

The top three reasons to not renew membership (defined by high ratings of Most Important and Important) were: APICS membership is too expensive, did not receive the expected value to justify the cost of the dues, and Personal/Financial reasons.

The exit survey will be e-mailed to individuals one month after their membership lapses. Summaries of the results will be compiled quarterly and shared with chapter leaders through Leadership Central.

### **Student Membership**

#### ***Student Web Enhancements***

In May, staff reorganized and updated the content on the student benefits section of the APICS Web site, which is now called APICS Student Central. Further enhancements are planned for later this year with the entire site re-design.

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## ***Dual Student Memberships with AST&L & AME***

Effective January 1, 2009, APICS entered into an agreement with the American Society of Transportation and Logistics (AST&L) to provide all APICS student members with dual membership. APICS entered into a similar agreement beginning July 1, 2009 with the Association for Manufacturing Excellence (AME).

## **APICS Career Center**

### *Current Site Statistics*

Searchable Jobs - 54  
Searchable Resumes – 1,397  
Registered Employers – 6,835

## ***Customer Service***

### **APICS Shipping Chargeback Updates**

Last November, during the transition to its new distribution partner, APICS announced plans to change its shipping policy. Effective July 1, this plan was implemented and orders placed moving forward will be charged shipping and handling fees. Shipping and handling fees will not be charged on orders for marketing materials.

Throughout the month of June, board members, chapter leaders, members, and customers were notified of these changes through various message postings online in the Volunteer Resources, C-BOX, and Bookstore sections of the APICS Web site. Details were also provided in Leadership Central and APICS Connection.

## ***District and Chapter Activities***

### **Field Staff Deployment**

In addition to general administrative duties and chapter relations, the field staff worked with chapters to implement the components of the Partner Stimulus Program. More than 40 chapters have registered courses with the leads generation tool.

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## Volunteer Leadership Workshop - Toronto

The VLW subcommittee, lead by Tony Stencil, finalized the program. Tom Krupka and Sharon Rice will be the keynote presenters.

### Key Service Indicators

At their April meeting, the board of directors approved a set of KSIs to measure staff performance in key areas. The following results will be reported to the board and other volunteer leadership quarterly.

Key Service Indicator	Metric	Status (as of June 30, 2009)
<b>Customer Service</b>		
Call center wait time	Average 30 seconds or less	First quarter: 44 seconds Second quarter: 52 seconds (two additional staff members added to call center in late June)
Order fulfillment	95% or more of all orders will be fulfilled accurately	Return postcards included in all orders beginning June 14, 2009. Results will be reported beginning with October update.
<b>Member Services</b>		
Month-end chapter reports	Posted to My Chapter by the 10 <sup>th</sup> day of the following month	First quarter: Metric achieved Second quarter: April - achieved May - 5/12 June - 6/12
Enterprise renewal invoices and letters	Mailed by the 15 <sup>th</sup> of each month	April – Mailed 4/17; May – achieved June - achieved
New member kits	Ship within 5 business days of receipt of membership application	For second quarter: 75% - 7 days 17% - 8 days 8% - 9 days
Renewal cards	Ship within 5 business days of receipt of dues payment	For second quarter: 75% - 7 days 17% - 8 days

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		8% - 9 days  Working with mailing house to change from weekly to bi-weekly mailings.
<b>International Services</b>		
Response to joint membership submissions	Processed within 1 business day (less than 30) 2 days (30) 3 days (60), etc.	Achieved
<b>District and Chapter Services</b>		
Verification of CBAR and CMS submissions	Updated within 2 days of receipt. DMC notified within 10 days of receipt of all chapter data.	CBAR and CMS submissions due to District Managers on July 31, 2009. No submissions received at corporate for current awards year.
<b>Meetings and Events</b>		
District meeting contracts	Contracts executed and returned to internal staff, hotel and DM within two business days	Achieved.  APICS' general counsel to review of small meeting contracts.
<b>Professional Development</b>		
Instructor applications	Response within 4 business hours and notified if any further action is needed. Completed applications to IDP committee within 3 business days. Reviewed by the IDP within 10 business days of receipt.	Response to receipt of application – within 4 hours – Achieved Further action needed – within two days (takes more time than anticipated) Application to IPD review committee and reviewed within 10 days - Achieved

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## ***International Services***

### International Certification Exams

Final international exam administration numbers for Q2 are not yet available. Below are the registration numbers for the June CSCP and CPIM administrations and the actuals for the April CPIM administration.

April CPIM exams taken–455  
June CPIM registered–3350  
June CSCP registered–344

Q2 international exams are estimated to be 4% below 2008 Q2 results but may be up 11% from the Q1 variance of 15%.

Year	2005	2006	2007	2008	2009
Q1				4,629	3,948
Q2				4,237	4,100 (est)
Q3				4,396	
Q4				4,804	
TOTAL	14,763	15,460	15,978	18,066	7748

*\*Note: includes corporate exams.*

Our new test sites in the first half of the year performed well. (Wroclaw; Cairo; Moscow). We anticipate the opening of one new test location each of the following for the remainder of 2009:

- Poland
- Greece (CSCP CBT only)
- Israel (CSCP CBT only)
- Great Britain
- France
- Morocco
- Nigeria

Our Brussels office has completed the first set of APICS administered international exam sites in Dhahran - Saudi Arabia, Dubai – United Arab Emirates; Cairo – Egypt; Moscow – Russia.

The International Associate contract with Institute of Operations Management (IOM), based in the United Kingdom, has been completed. They have been appointed as the IA for Great Britain (excludes Northern Ireland). Northern Ireland remains included in the territory of IPICS. IPICS will continue to administer the London exam site until end December 2009. IOM begins the administration of this site in January 2010. IOM however, begin to conduct CBT roll-out tests in London for the remainder of 2009. IOM will also explore the potential of opening a new test location in the Scotland area to provide more accessibility to APICS candidates from the north.

With a long standing history of APICS education delivery Hilf Supply Chain Consulting has been appointed as is recognized as the first AEP for Great Britain.

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## Establish APICS EMEA Regional Office, Brussels, Belgium

The major activity for the Brussels office for the second quarter has been preparing and conducting the first APICS administered international exams, including the CBT roll-out. This was followed by visits to partner events in the region and scheduled meetings to discuss the implementation of KPIs and negotiate the targets.

## International Market Development

The international sub-committee identified United Kingdom and Germany as the target territories for 2009.

United Kingdom: Successful conclusion of the appointment of an IA for United Kingdom, closely followed by the appointment of an Authorized Education Provider (AEP).

Germany: No further progress on the identification of a potential suitable international associate.

## APICS Channel Partner Performance Measures.

APICS Brussels office intends to finalize five International Associate KPI agreements in the third quarter. The focus is on including the KPIs (Key Performance Indicators) in the contracts of the non-profit International Associates in the EMEA region.

APICS HQ has begun the implementation of Minimum Performance Requirements with all AEPs. These consist mainly on instructor qualifications and participation in APICS Instructor Development Activities and Membership programs. It also includes a minimum number of students on certification courses within a twelve month period.

Two APICS run TTT and LDI instructor development sessions are being held in international locations in July. Approximately 25 participants in these sessions combined is a good start to providing Instructor Development activities internationally were our AEPs are bound by the terms of their agreement to ensure instructors participate.

The communications and deadlines for the implementation of the minimum performance standards have been well received and the agreements are in the process of being received for Phase 1 of this project. These include responses from: Turkey; Poland; Morocco and Jordan.

A more pro-active approach is needed to ensure that APICS International Channel partners participate as equals in APICS channel partner recognition programs.

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## 2009 PRIORITY: BRAND AWARENESS

**Point of Arrival:** APICS is perceived as a valuable worldwide organization, enhancing member and corporate effectiveness.

**Goal:** to increase awareness of APICS and consistently communicate its value.

- Develop and implement an effective brand awareness campaign establishing APICS' leadership positioning in the marketplace, as well as its leadership role in forming coalitions on a global scale by 2011. 50% implementation of brand development plan by 12/31/09.
- Ensure placement of at least 6 different stories/interviews (non - *OMBOK Framework*) in major media outlets in the North American region on an annual basis as well as 2 different stories/interviews in major media outlets outside of the North American region by 2011.
- Increase the number of employment ads preferring or requiring APICS certification by X% in postings on APICS career center, Monster.com, Careerbuilder.com, TheLadders.com as well as other senior executive sites (i.e. CareersinAssociations.com) by 2011 (Y/E Baseline) as a percentage of all ads. Baseline must be established before performance metrics can be calculated.
- Develop a web presence in each region and content relevant to that region by 2011. (Regions: North America, EMEA, Asia Pacific, Central and South America) Establish a Web presence in two of the identified regions by 12/31/09.

### **Media Relations**

Press releases announcing agreements with the Supply Chain Council and the Institute for Operations Management in the UK and promoting the APICS CPIM Pearson VUE Jumpstart Scholarship program were developed in Q2. The SCC and IOM releases were picked up news outlets in the USA and England. A new press release distribution system was identified and implemented.

### **Brand Awareness**

The general brand awareness campaign is on hold for budgetary reasons, but a new online campaign will generate leads and revenue for chapters and APICS corporate through local course marketing and Industry Content and Research product placement.

### **P&IM Journal**

The first issue of the re-launched *Production and Inventory Management Journal* was available in print and online in May. It featured a wide-array of subject matter, including critical chain analysis and using radio frequency identification in Chinese coal mines. The second issue for 2009 currently is in production, with an expected release date of November 2009. APICS staff members have submitted the journal for ABI/INFORM database consideration, and staff members are awaiting further instructions from that organization.