

APICS Board of Directors Meeting Update

April 2016



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APICS Vision and Mission

APICS Vision Statement

APICS—the world’s leading community for end-to-end supply chain excellence.

APICS Mission

Fostering the advancement of end-to-end supply chain management through a body of knowledge, innovative research, systems and methods to create value for customers, members and organizations.

Topics

- Approved motions
- Financial update
- Strategic priorities
- APICS updates

April BOD Meeting: Motions Approved

The Board approved the following motions:

- Consent agenda/old business, acknowledged receipt and approved
- 2015 auditors report, acknowledged receipt
- Board retreat, affirmed the direction
- Digital strategy, affirmed the intent
- International – China Strategy, accepted the recommendations as presented

APICS's Future: Outcome of Board Retreat

APICS must expand the definition of *who we serve* and *how we serve* in order to fully support the *why we serve*.

Aggressive Inclusion

- Traditional supply chain professionals
- Developing workforce
- Business leaders
- Public/Government

Enhanced Focus on Supply Chain Data and Technology

- Support the development of emerging technology to influence decisions and to support supply chain decisions
- Lead data-based supply chain transformation

To achieve this, we must become a digital company!

APICS's Future: Outcome of Board Retreat

APICS must expand the definition of *who we serve* and *how we serve* in order to fully support the *why we serve*.

Aggressive Inclusion

We must expand our market beyond traditional supply chain professionals. Our efforts need to address wider audiences to include those that influence and direct supply chains and their companies, including

- Developing workforce – students all ages, underdeveloped workers
- Business leaders – CEOs, finance, HR, IT, marketing executives, entrepreneurs
- Public/Government – Growing interest and concern about supply chain, product pedigree (responsibly sourced, fair labor practices, sustainable procurement, etc.)

APICS's Future: Outcome of Board Retreat

Enhanced Focus on Supply Chain Data and Technology

Supply chain organizations will be fully leveraging emerging technology and supply chain data to make decisions and influence others. APICS must become the definitive enabler of supply chain data and data-related services. We must

- Support the development of emerging technology to influence decisions and to support supply chain decisions (e.g. artificial intelligence, robotics)
- Lead data-based supply chain transformation – issues include supply chain transparency and trust

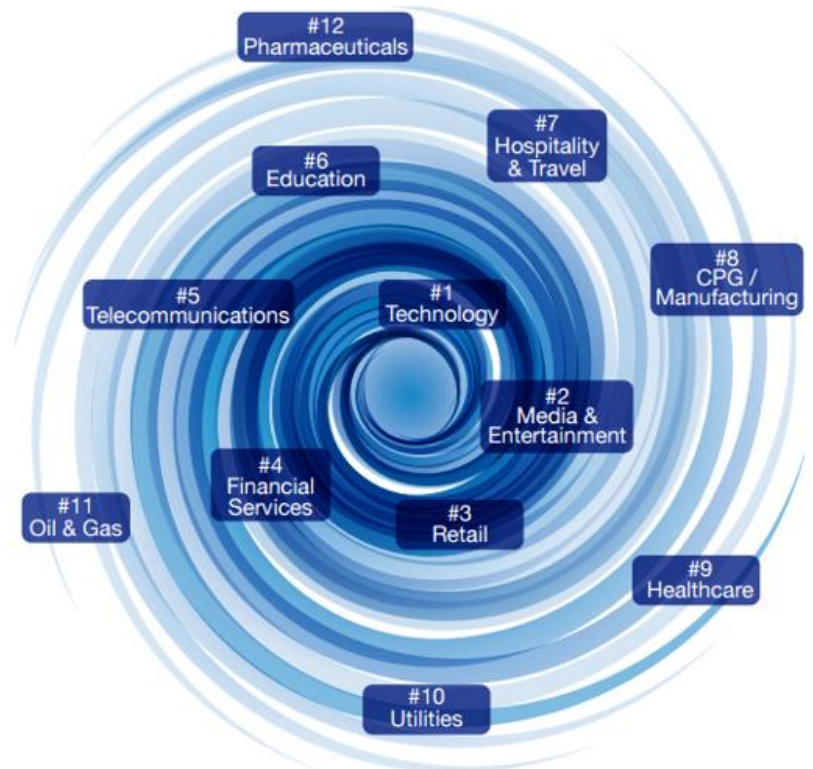
To achieve our goals and secure our future, we must first become a digital company!

Think digital first!

Digital Vortex

The industries charted are most likely to experience the most disruption by 2020.

The *Digital Vortex* is the inevitable movement of industries toward a “digital center” in which business models, offerings, and value chains are digitized to the maximum extent possible.



Supply chain professionals will be impacted across all these industries.

Strategic Mandate for Change

The current APICS business model, while still effective, is not well positioned to take advantage of opportunities presented by the digital economy of the future.

- Our focus is **geo-centric** and our viewpoint primarily Western.
- Engagement with both our individual and corporate customers is very **transactional**.
- Our **decision-making is slow** and the product development time is lengthy.

Tenets of Digital Business Strategy

APICS needs to change the way we operate. We need to:

- Disrupt ourselves by recognizing that our business is in a constant state of transformation
- Take risks, but fail small and fast
- Fundamentally change our value chain
- Employ analytics at every stage of the new value cycle
- Engage in social media across the business (products, research, marketing, content, etc.)
- Leverage mobile to the max
- Recognize that digital technology is a capacity that the entire organization, including our partner organizations, needs now

Digital Business Means...

Enable customers to get *what they want* how
and when and in *the way they want it*.

Digital Business Means...

We must be open to ongoing, fundamental, organizational change that impacts everything—our customer value proposition, our revenue model, and ultimately our culture.

International - China Strategy

- There continues to be tremendous opportunity for the expansion of APICS professional and corporate business in China.
- Improving supply chain and logistics efficiency is increasingly important to the government and to private businesses expanding globally.
- APICS engaged with a consultant to determine next steps in the Chinese market and has based the 2016-18 expansion plan on their recommendations.

International - China Strategy

In order to improve our penetration, we must:

- Develop a relationship with a Chinese organization that can create opportunities for APICS to contribute to Chinese workforce development and meet the supply chain education needs of China-based domestic and transnational corporations
- Expand the number of partners representing APICS products and services to both individuals and corporations
- Translate key education and certification products into Simplified Chinese
- Leverage the expertise and reach of local marketing and events management services to build brand awareness and develop a pipeline for sales
- Offer APICS products and services at a competitive price without putting our financial stability at risk

Financial Update

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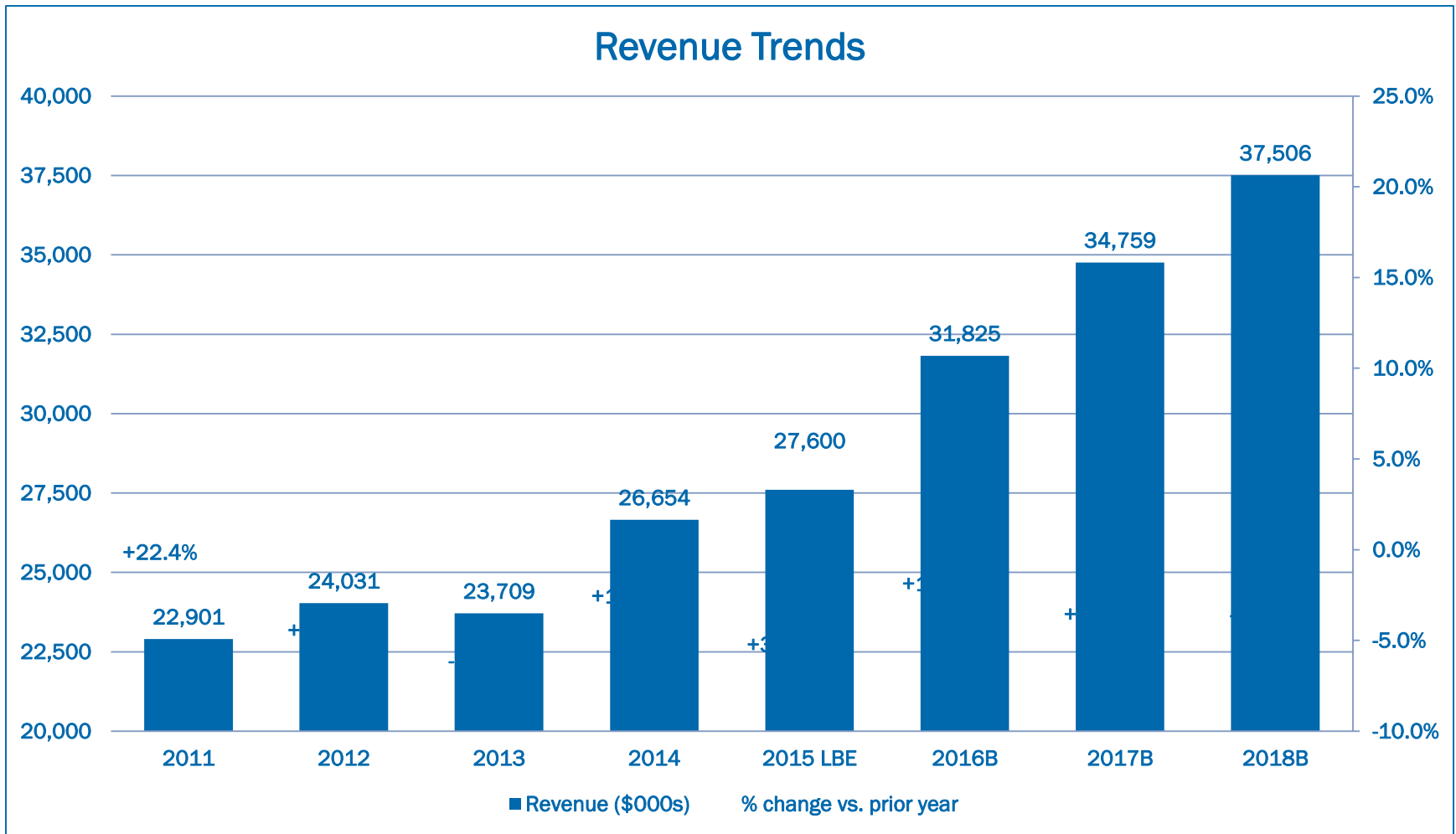
2015 Results

\$000s Omitted	FY15F (used for 2016 budget)	FY15 (final)	Variance Favorable/ (Unfavorable)	Change %
Revenue	27,600	27,661	61	(n/m)
Operating Expenses	28,877	28,435	442	1%
Net Operating Income (Loss)	(1,277)	(774)	503	4%
Unrealized Gain/(loss)	(432)	(565)	(133)	(31%)
Change in Net Assets	(1,709)	(1,339)	370	22%

YTD Mar-16 Results

\$000s Omitted	YTD Mar-16	YTD Mar-16B	Variance Favorable/ (Unfavorable)	Change %
Revenue	5,647	6,370	(722)	(11%)
Operating Expenses	6,577	7,267	689	9%
Net Operating Loss	(930)	(897)	(33)	(3%)
Unrealized Gain/(loss)	(7)	0	(7)	n/a
Change in Net Assets	(937)	(897)	(40)	(4%)




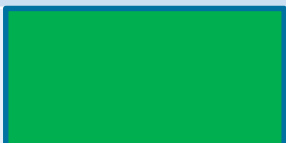
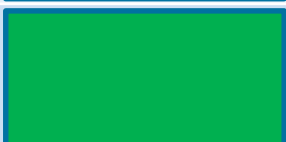
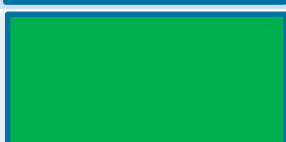
2011-2018 Revenue Trends



APICS Strategic Priorities Metrics



2015 Strategic Priorities

Priority	Status	Met
Workforce Development		Complete (operationalized)
Membership		Ongoing in 2016
Corporate		Ongoing in 2016
Millennial		Complete (operationalized)
North American Channel		Ongoing in 2016
International		Ongoing in 2016

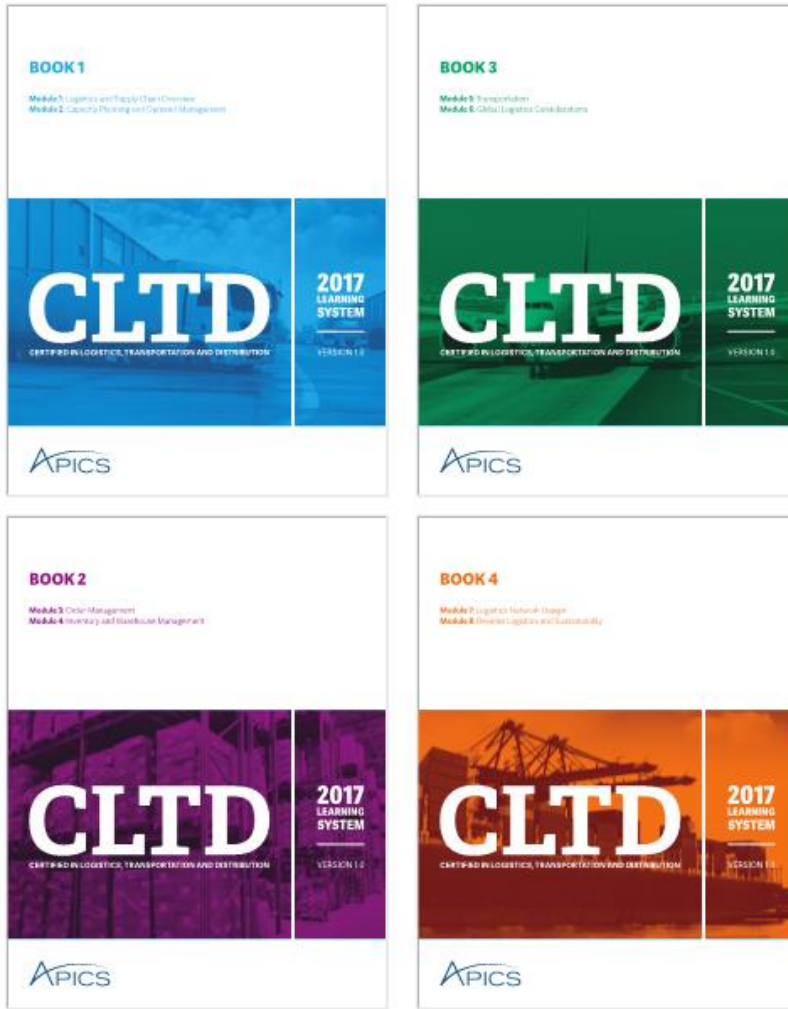
2016 Strategic Priorities

1. Enhance capabilities to sell to corporations
2. Apply new membership model to achieve goals
3. Launch new CLTD designation
4. Continue international market growth strategy
5. Create and implement a comprehensive Digital Strategy
6. Continue execution of NA chapter model strategy

APICS Updates



CLTD: July Launch Preparation



CLTD is Coming!
Interest in the new certification is extremely high.



- Email sent to 3,762 CLTD leads
- Open rate 53%
- Leads are now at 4569!

APICS Customer Success Stories

The APICS website has several case studies that detail corporations' successful implementation of APICS education and training. It includes stories from

- BASF
- GE Oil and Gas
- Ingersoll Rand
- McCormick & Co
- ExpressPoint

Customer Success Stories







Business is better with APICS.

Businesses turn to APICS as the industry authority that guides them in establishing organizational best practices through training and certification programs and value chain frameworks that define processes and measure performance.

Whether implementing an employee development program tied to key performance indicators, or striving to keep the organization and workforce at the forefront of supply chain and operations management – APICS sets the industry standard.

To learn about how to advance your supply chain organization, contact the [APICS for Business team](#).

Learn how APICS customers elevate the performance of their complex supply chains and deliver measurable results.

	Ingersoll Rand Case Study		ExpressPoint Case Study
	Intel SCMR Case Study		BASF Case Study
	GE Oil & Gas Case Study		McCormick Case Study

Many are accompanied by videos!

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Thank you!