

APICS The Association for Operations Management

# 2010

## Annual Report



# *Mission Statement*

APICS builds and validates knowledge in supply chain and operations management. We enable our community of members, affiliates, and customers to lead in the global marketplace.

## *Core Values*

- Trust
- Make Data-Driven Decisions
- Focus on Innovation
- Demonstrate Teamwork
- Personally Meaningful
- Focus on Customer Satisfaction
- Accountability

# Letter from APICS Leadership



Eric Schaudt, CPIM, CSCP  
Chair, 2011 APICS Board of Directors



Abe Eshkenazi, CSCP, CPA, CAE  
Chief Executive Officer

Dear APICS members,

At the conclusion of 2010, we realized the global economy may be at a turning point. In contrast to the previous year, it appeared that momentum was building—not just for the association and its members—but also in markets around the world. While the future is uncertain, given the geopolitical unrest and environmental and economic challenges that abound, APICS achieved notable growth last year that continues into 2011.

APICS experienced a significant number of positive outcomes and activities last year, including:

### Membership growth

Membership numbers exceeded objective with overall membership growing by 1.4% in 2010. This is the second increase of membership in the past three years.

### Strong financial results

The financial results have exceeded budget. The year-end net income from operations was in excess of \$200,000.

### Successful APICS International Conference & Expo

The annual conference in Las Vegas attracted 1,465 paid registrants, which resulted in revenue exceeding projections by 35%. Satisfaction with the conference was also high, with 88% of respondents indicating it met or exceeded expectations.

### Milestones for APICS Certification

The APICS Certified in Production and Inventory Management (CPIM) rewrite, initiated in 2008, was completed and released on time. In addition, APICS CPIM and Certified Supply Chain Professional (CSCP) exams were each accredited with either two or three hours of baccalaureate credit hours by the National Program on Non-collegiate Sponsored Instruction (PONSI).

Last year, APICS also benefited from dedicated volunteers and professional staff focused on positioning APICS and its members for sustainable success. As a result, at the beginning of 2011, the APICS mission statement was updated to reflect a new, globally-focused direction that explicitly includes supply chain management as part of the mission.

### The APICS Mission

APICS builds and validates knowledge in supply chain and operations management. We enable our community of members, affiliates and customers to lead in the global marketplace.

In 2010, APICS proved it is a resilient organization with members who are well positioned to meet the demands of the marketplace today. Our intent continues to assist our members, customers and partners to become better prepared for the future. I hope that you will continue to stay engaged and involved in APICS in the coming years.

Best regards,

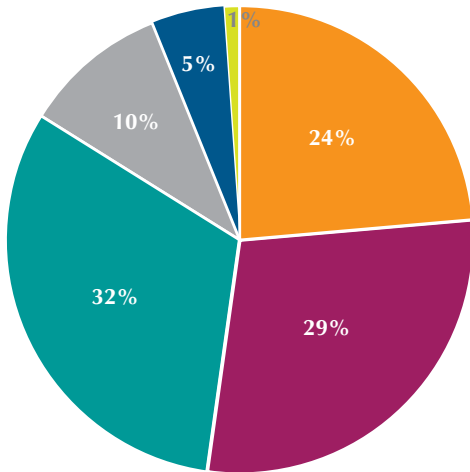
Eric Schaudt, CPIM, CSCP  
Chair, 2011 APICS Board of Directors

Abe Eshkenazi, CSCP, CPA, CAE  
Chief Executive Officer

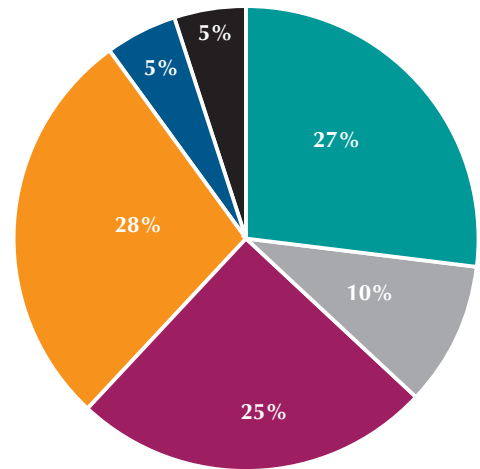
# Financial Overview

APICS completed 2010 in a strong financial position with a net operating income of approximately 1.2 percent, or \$230,000, and achieved its goal of growing revenue in support of its mission.

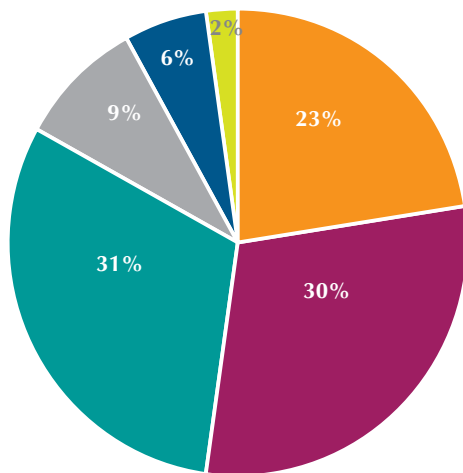
2010 Actual Operating Revenue



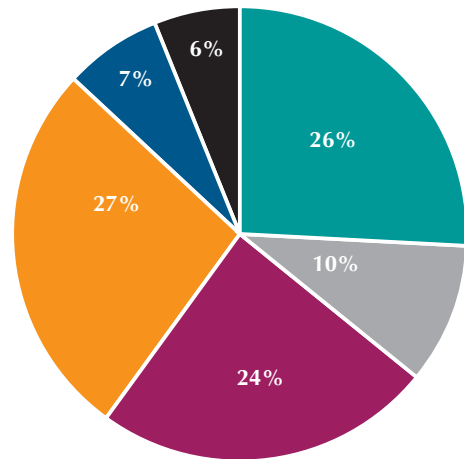
2010 Actual Operating Expenses



2011 Projected Operating Revenue

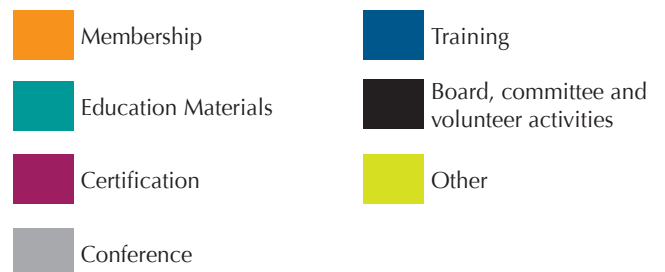


2011 Projected Operating Expenses



### Source of Financial Information

The information above has been summarized from audited financial statements. An unqualified opinion was issued by Blackman Kallick, LLP, APICS independent auditors. For a copy of the report, please telephone 1+773-867-1764, or write to APICS, Finance Department, 8430 West Bryn Mawr Avenue, Suite 1000, Chicago, IL, 60631-3439.





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June 1, 2011

## Statement of Financial Responsibility

We, Eric Schaudt and Abe Eshkenazi, certify that:

- 1) We have reviewed the annual financial report of APICS The Association for Operations Management.
- 2) The financial information included in this report is, to the best of our knowledge, accurate and does not contain any untrue statements.
- 3) The financial information included in this report, to the best of our knowledge, fairly represents the financial condition, results of operations, and revenue of APICS The Association for Operations Management.
- 4) The annual financial report has been fully disclosed to the APICS board of directors.
- 5) The information in the annual financial report has been audited and approved by the independent registered public accounting firm of Blackman Kallick.

A handwritten signature in black ink, appearing to read "Eric Schaudt".

Eric Schaudt, CPIM, CSCP  
*Chair, 2011 APICS Board of Directors*

A handwritten signature in black ink, appearing to read "Abe Eshkenazi".

Abe Eshkenazi, CSCP, CPA, CAE  
*Chief Executive Officer*

# APICS Membership Rebounds

APICS experienced a reduction in membership during the recession. To ensure continued growth, APICS increased its efforts to improve membership recruitment and enhanced its retention initiatives with good results. As the economic recovery began, APICS members understood the value APICS brings to their work and careers.

In addition, APICS continued its international growth by increasing membership around the globe. International members grew by 27 percent with notable progress in Malaysia, France, and Italy.

**In 2010, APICS membership increased for the second time in three years with an overall growth of 1.4 percent. This included exceeding the new-member recruitment goal of 10,000.**



## Career Services Expand

APICS added career development tools and enlisted Gary Capone, a subject matter expert and career coach, to offer white papers reports, members-only career webinars, and an online advice column. This initiative helped drive a 163 percent jump in employer job postings, with 66 percent more employers seeking qualified individuals from the APICS community to fill open positions.

# APICS Products Reach New Milestones

## APICS CPIM and CSCP Programs

In 2010, APICS strengthened its core products and launched new programs, further increasing the value of membership. Both the APICS Certified in Production and Inventory Management (CPIM) and the APICS Certified Supply Chain Professional (CSCP) exams were accredited with baccalaureate credit hours by the National College Credit Recommendation Service.

Since its introduction, more than 95,000 professionals have earned the APICS CPIM designation across the globe.

The three-year rewrite of the APICS CPIM program was completed and ensured the continued relevance of the designation. Now, more than 95,000 professionals have earned the APICS CPIM designation across the globe. The APICS CPIM is the most recognized certification program in this area and is growing in its impact internationally as more transnational corporations offer it to their employees.

The APICS CSCP program continues to fulfill its early promise as the most accepted and recognized professional certification. Revenue from the APICS CSCP Learning System reached a record \$3.025 million (6,203 units) in sales, a 19.5% increase over last year, contributing to another strong year.

# Educational Program and Industry Content Expansion

## APICS Principles of Operations Management

Updated and redesigned the APICS Principles of Operations Management (formerly called the APICS Fundamentals program) began in 2010. The program will meet the growing need for entry-level operations and supply chain management education. The first module—APICS Principles of Inventory Management—was released—and the remaining four modules will be released in 2011 and 2012.



## Customer-Focused Supply Chain Management

APICS also unveiled the new Customer-Focused Supply Chain Management program. The course provides a one-day summary of best practices and theory for both supply chain professionals and their colleagues.

Through this product, APICS channel partners will be able to more effectively engage company leaders who value integration among supply chain teams and the teams that interact with them, including marketing, finance, product development, and engineering.



**As part of the objective to develop more environmentally conscious delivery methods for courseware and publications, APICS expanded electronically accessible products and programs.**

- The first annual “green” issue of the APICS magazine focused on sustainable practices and was delivered electronically to conserve resources.
- New interactive learning programs and PDF downloads of publications enabled candidates and instructors to gain access to materials and interact without commuting or shipping costs, saving fossil fuels and commuting time.



# Enhanced Delivery of the Supply Chain and Operations Management Body of Knowledge

## Events and Conferences



### **APICS International Conference & Expo**

More than 1,400 operations and supply chain professionals attended the 2010 APICS International Conference & Expo in Las Vegas, Nevada, USA. The attendee experience was extremely positive, as indicated by an 88 percent satisfaction rate. In addition, registrations exceeded projections by 35 percent. Conference general session speakers included Lt. General Russel Honoré and Bert Jacobs, founder of the Life is Good® company.

Originally planned to be held in Nashville, Tennessee, USA, extensive flooding in May 2010 required relocating the conference to Las Vegas, Nevada, USA.



Conference general session speakers included Lt. General Russel Honoré (pictured left) and Bert Jacobs, (pictured right) founder of The Life is Good Company.

### **Best of the Best Sales and Operations Planning (S&OP) Conference**

Once again, APICS teamed with the Institute of Business Forecasting and Planning to hold the Best of the Best Sales and Operations Planning conference in Chicago, Illinois, USA. More than 200 professionals attended. This successful partnership continued in 2011 and will be held again in 2012.



Attendees at the Best of the Best S&OP conference, June 17-18, 2010.



# Globalization and Awareness

## Global Growth

Exams taken outside North America are growing rapidly. New offices in Singapore and Brussels, Belgium enabled APICS to better serve the APICS Europe, Middle East, and Africa (EMEA) region and the APICS Asia-Pacific (APAC) region.

## Readership of APICS publications outside of North America grew by nearly 50 percent.

Though no APICS International Associates were added in 2010, organizations in Japan and Germany were signed in early 2011. Authorized education providers were added in Australia, Vietnam, and Indonesia.

Publications enjoyed a significant growth in 2010. APICS created a common experience of the important news for the profession through its serial publications. Readership outside North America grew by nearly 50 percent.

## Increased Awareness

Coverage of APICS by industry publications increased in 2010. The number of references to the *APICS Operations Management Body of Knowledge (OMBOK) Framework* grew by 10 percent, meeting the annual goal. There were also 22 stories not related to the *APICS OMBOK Framework* published in 2010, exceeding the target by 12 placements.

**The global influence of APICS increased in 2010. APICS representation grew regionally, the number of affiliates increased, and the readership of APICS publications and global influence expanded.**

## APICS Partners



# Research and Industry Content: New Offerings

## Research

In 2010, APICS continued to build an extensive reservoir of data relating to the supply chain and operations management profession, including the "APICS Career Pathing Survey," the "Operations Management Employment Outlook," and the "Social

Media Survey." These surveys provided information that the APICS research department translated into valuable e-publications for members and used to inform association and volunteer leaders about members' product and service needs.

*Based on research results and extensive work by volunteer subject matter experts, APICS developed e-publications for the benefit of its members and the profession. These include:*

### Supply Chain and Materials Manager Competency Models

These models guide individuals considering careers in supply chain management, supply chain professionals seeking to advance their positions, and human resource managers.

### Operations and Supply Chain Management Career Paths and Patterns

These publications incorporate professional experiences of nearly 8,000 operations and supply chain management professionals.

### "Operations Management Employment Outlook"

These surveys feature year-to-year comparisons and trend analysis.

**The 2010 "APICS Member Needs Assessment Survey" showed that the majority of APICS members see *APICS Operations Management Now* as a valuable resource that is relevant to their jobs.**

- *APICS Operations Management Now* is a weekly e-column that discusses a news story each week relating to the global economy and its interplay and relevance to the supply chain and operations management body of knowledge.
- In 2010, subscriptions rose by 64 percent. *APICS Operations Management Now* is an extremely popular publication. APICS members who, along with other subscribers, read the newsletter more than 600,000 times in 2010.

*APICS Operations Management Now* was opened more than 600,000 times in 2010.



- The *Production and Inventory Management Journal*, edited by Vincent Mabert, Ph.D., who is The John & Esther Reese Professor at Indiana University, published volume 46, numbers one and two which included a special issue focused on project management.

*The Production and Inventory Management (P&IM) Journal was revived with two editions published in 2010 (pictured left)*

# 2011 APICS Board of Directors

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Director, Heartland District

## APICS PROFESSIONAL STAFF LEADERSHIP

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Executive Vice President

Dean Martinez  
Senior Vice President / General Counsel

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Chief Financial Officer