

February 2009

Highlights – Office of the President & Board of Directors Meetings

1. At its February 2009 Board Meetings, the Office of the President and Board of Directors reviewed ASQ's financial performance and outlook.
 - a) In a challenging economic year through the first six months of the fiscal year, ASQ is exceeding budgeted revenue goals, and holding operating expenses below budget.
 - b) In anticipation of the uncertainty of the economy, last year the Office of the President challenged the organization to reduce expenditures by \$2M before June 30, 2010. Since August 2008 reductions totaling \$1.8M have been enacted. ASQ will extend this effort, and is now challenged to accomplish expense reductions totaling \$3M before June 30, 2010. These reductions are aimed to ensure that ASQ achieves an operating surplus next fiscal year.
 - c) ASQ's Reserve Fund investment practices are guided by policy and expert advice. ASQ maintains an investment ratio of 60:40 Equity/Fixed portfolio diversified through several investment funds. Our advisors and most other associations are "staying the course." The Board is monitoring ASQ's investment performance carefully and acting conservatively in using investment funds for strategic development initiatives, such as the Global Transformation and the ASQ Learning Institute (formerly known as the ETI).
 - d) With a strong cash position and asset base, ASQ is not currently faced with a financial crisis. Society leadership remains dedicated to careful financial stewardship on behalf of its members.
 - e) A newly developed 3-Year Forecast and Liquidity Model, and Sensitivity Dashboard will provide the Board and senior staff with more sophisticated financial modeling capabilities in near- and longer-term business planning, economic forecasting and decision making.
2. The Office of the President and Board discussed and focused action on the trend of declining individual membership retention. A Society-wide retention improvement action plan is underway, led by ASQ President-elect Pete Andres. Results will be carefully monitored. The Board is encouraged by the growth of new individual and site memberships.
3. The Office of the President and Board reviewed the ASQ Business Plan and key strategic operations, and saw positive results or opportunities in many areas, including ASQ's global growth, plans to launch the ASQ Learning Institute in the spring, plans to launch ASQ's Social Responsibility initiative at April events in Milwaukee, and initial results of ASQ brand awareness research. Visits to www.asq.org are at all time highs, and professionals applying for certification is up dramatically, as is on-line learning.
4. The Board annually reviews, and when warranted, makes changes to membership dues levels. In recognition of the tough economy, the Board voted not to increase individual dues next fiscal year, despite the 4% increase recommended by internal policy.