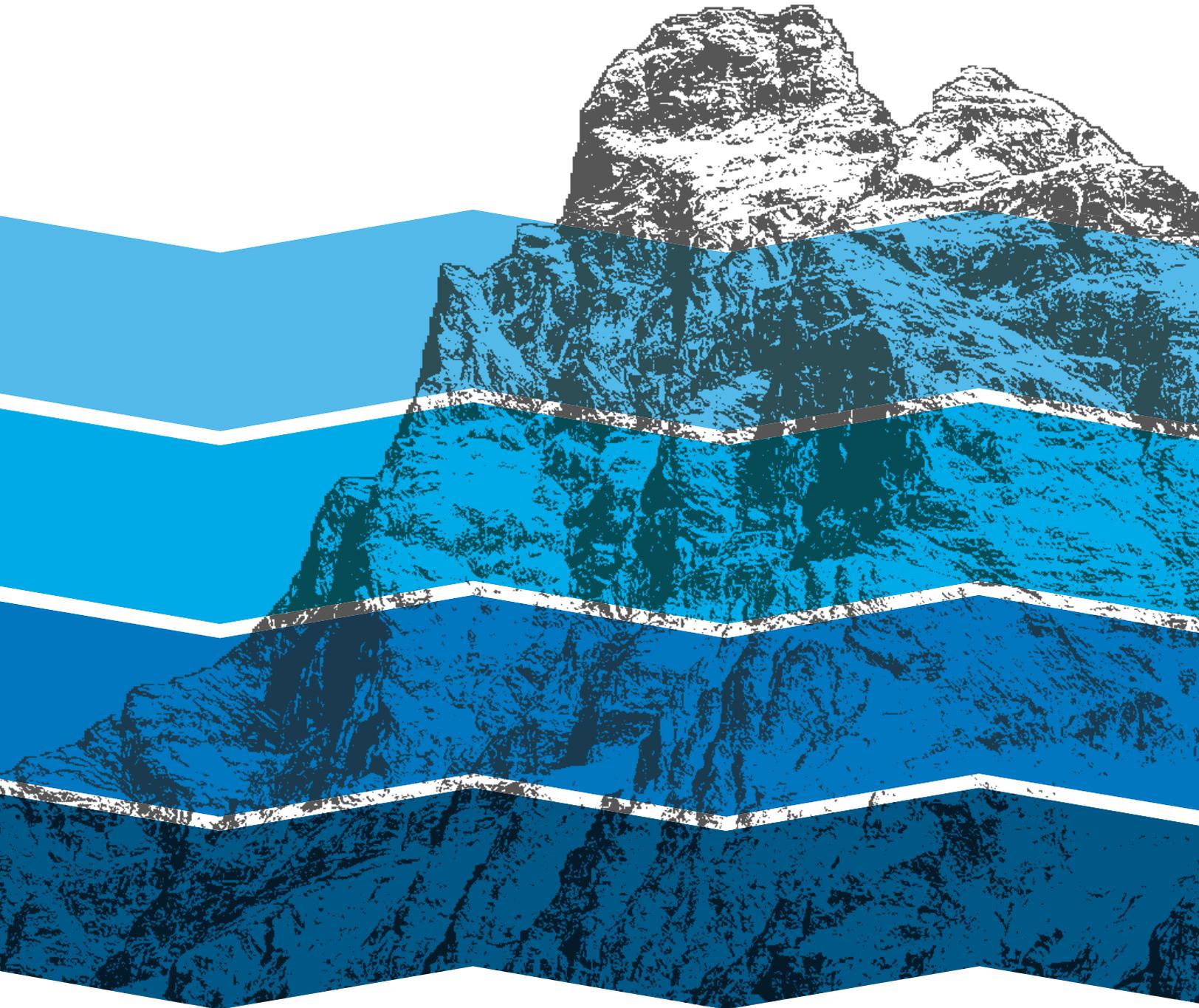


THE NEW AGE OF SUPPLY CHAIN LEADERSHIP

APICS 2017 ANNUAL REPORT



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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.



Letter from APICS CEO and Chairman of the Board

The pace of innovation continues to accelerate. Regulatory requirements are growing increasingly complex. New technologies require businesses to continually change their processes. And customers expect their packages delivered overnight or, even, that same day. The dynamic nature of supply chain demands persistent re-evaluation and evolution from all sides, whether you're an individual, business or association.

This environment has ushered in a new age of supply chain leadership, one that requires a very different kind of talent. It necessitates thinking that is strategic and progressive, with broad-based knowledge that extends across the enterprise. Developing new, advanced management skills is key.

Against this backdrop, APICS has intensified its focus on helping people develop the knowledge and skills they need to succeed. Every APICS research, education and certification program is designed to develop and advance this new generation of business leaders, and elevate the profession to a strategic driver within the enterprise.

In 2016, APICS created "The Rise," an exploration that used futurecasting to identify the global factors that are shaping supply chain's future. The study explored the impact of issues such as the rise of women in the workforce, changing demographics, technology, and the availability and transparency of information, and it concluded there are multiple futures and opportunities for APICS.

Because of what we learned, APICS developed the following strategic imperatives for 2018:

- **Membership** - Capitalizing on the changing nature of socialization.
- **Delivery** - Customer expectations require reconfiguration of the channel.
- **Content** - Open source content is becoming the norm, requiring a re-evaluation of access to online materials.
- **Train and Test** - Overcoming the instructor shortage that is creating capacity issues.
- **The APICS brand** - Conveying the new age of supply chain leadership as it pertains to individuals and organizations.

Meanwhile, we are exploring new growth opportunities and partnerships for APICS that include online learning programs, benchmarking and data services and more.

We have a close eye on the future to ensure that APICS continues to deliver maximum impact and effectively convey the knowledge and skill sets that are imperative in this new age of supply chain.

Best Regards,



William Householder
Chair, 2018 APICS Board of Directors



Abe Eshkenazi, CSCP, CAE, CPA
Chief Executive Officer

THE 2018 APICS BOARD OF DIRECTORS

Chair

William Householder

Chair-Elect:

Keith Connolly

Treasurer-Secretary

Ginny Youngblood, PhD, CSCP, CPIM, SCOR-P

Scott Ehram, CSCP

Antonio Galvao Costa, CSCP, CTL, CLTD

Mark Holmes, CTL

Radha Krishna, PhD, CFPIM

Pamelyn Lindsey, CSCP

Paul Pittman, PhD, CFPIM, CSCP

Shari Ruelas, CPIM, CSCP, CLTD

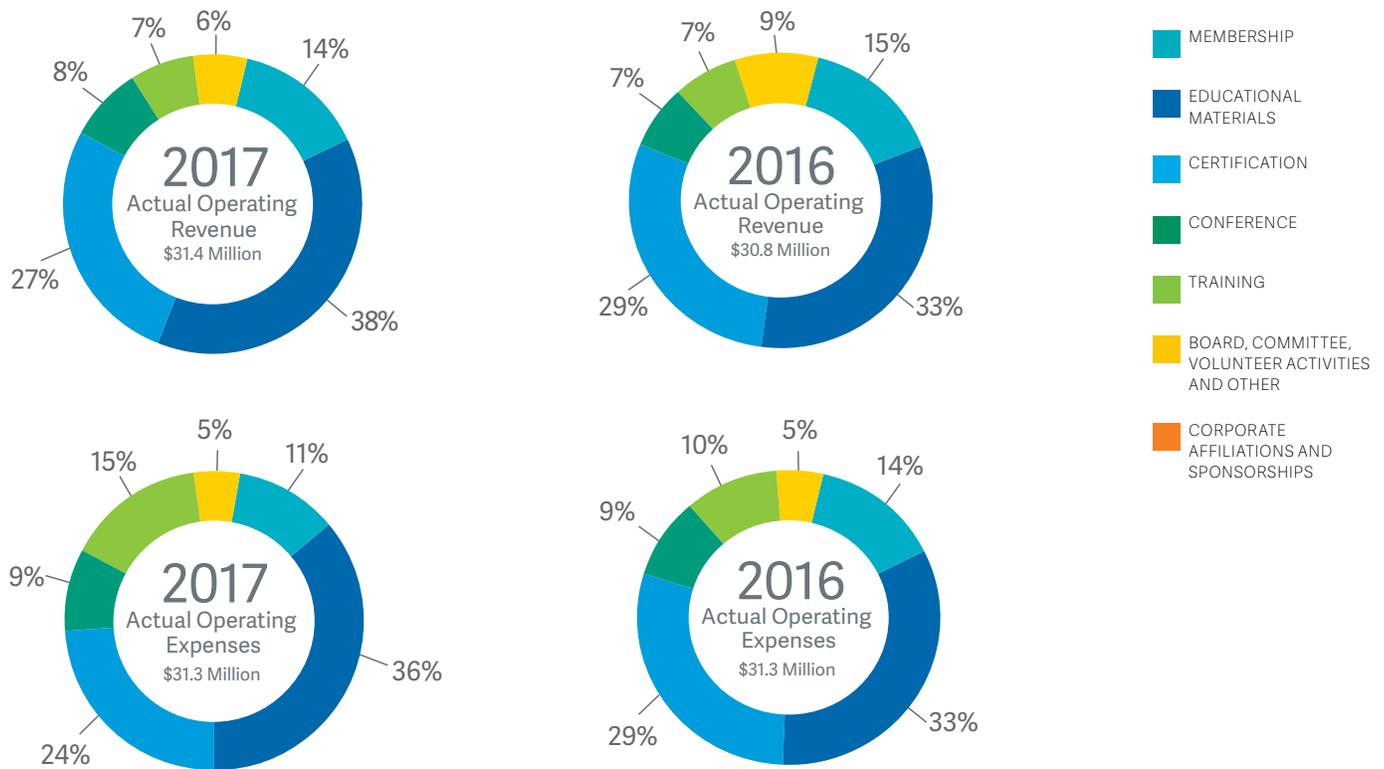
Michael Wasson, CSCP

George Yarusavage, CPIM, CTL, C.P.M., DLP

FINANCIAL REPORT

APICS is financially well positioned to invest in opportunities that ensure long-term sustainability.

APICS's actual operating revenue in 2017 was \$31.4 million, up 2 percent from 2016. Operating expenses in 2017 were \$31.3 million, remaining the same as they were in 2016. Revenue and expenses fall into the categories of membership, educational materials, certification, conferences, training and board/committee/volunteer activities/other.



Source of Financial Information

The information above has been summarized from the audited financial statements. An unqualified opinion was issued by Plante Moran, APICS's independent auditors.

THE YEAR IN REVIEW

APICS provides supply chain professionals and organizations with the knowledge, education and certification programs they need to elevate supply chain innovation, resilience and excellence.

CPIM 6.0: Faster and Easier for Busy Professionals

In 2017, APICS introduced CPIM 6.0, a redesigned and streamlined version of the Certified in Production and Inventory Management credential that makes it more accessible to busy professionals who want to advance their careers. Beginning in mid-2018, following a period of overlap with the existing program, CPIM certification will require two longer exams instead of five exams. Also, in response to customer requests, the two exams will be available on demand throughout the year instead of only on specified dates.

The new CPIM configuration delivers the same knowledge and skills in a focused program that is faster and more accessible, yet upholds the body of knowledge and integrity that has kept CPIM at the forefront of supply chain education.

The changes are based on feedback from individual and corporate customers. APICS created a task force of individuals from the certification and courseware committees, corporate clients, instructors, chapter leaders and international partners to review the CPIM business model; evaluate its strengths and weaknesses and make recommendations to the APICS board of directors.

CPIM is the most recognized and respected professional credential for internal supply chain business operations. Since its introduction in 1973, nearly 110,000 professionals have earned the CPIM.

APICS Logistics Credential Quickly Surpasses 1,000 Certifications

In October 2017, the 1,000th person earned the APICS Certified in Logistics, Transportation and Distribution (CLTD) credential, just 15 months after the launch of the program. The rapid growth signifies that CLTD has been accepted as the industry standard, and is sought after by both individuals and employers.

APICS developed the CLTD credential to help supply chain professionals advance their knowledge of modern logistics, transportation and distribution management. The certification sets its holders apart as the highest echelon of professionals who have gained a mastery of logistics principles. It indicates to employers that an individual is ready to function in a strategic role with knowledge that extends across the field.

At the same time, businesses are using CLTD courseware to train their teams to improve supply chain performance. The CLTD designation fills the need for a comprehensive logistics certification based on a single, universal body of knowledge. APICS worked alongside subject matter experts to ensure the CLTD certification reflected the most important and current knowledge necessary to pursue or advance a dynamic career in logistics, transportation and distribution.

Certification by the Numbers

Following are the aggregated ever-certified individuals whom have earned APICS certifications.

CPIM –109,332

CSCP –25,112

CLTD –1,217

APICS connects with more than 1 million supply chain professionals around the world.

Women and Millennials in Supply Chain

APICS is dedicated to attracting, promoting and retaining women in supply chain, and in 2017 it continued to take steps to address this issue. In partnership with Deloitte and the Manufacturing Institute, APICS published a report, [“Women in Manufacturing: Stepping Up to Make an Impact that Matters.”](#) Based on the responses of more than 600 women working in manufacturing and nearly 20 executives, the report looks at efforts to recruit and advance women, and explores different strategies to help close the gender gap in supply chain.

In addition, the first-ever Women in Supply Chain Forum was held at APICS 2017 in San Antonio. It included a panel discussion, an overview of new research on the topic, a case study of AT&T’s diversity efforts, and roundtable discussions. The forum included conversations about what companies can and have been doing to attract and retain women, as well as women’s own experiences working in supply chain. Many valuable pieces of advice were shared, including the motto “Make change your best friend,” which came from Valerie Young, vice president of global supply chain services and operations at 3M.

Both the report and the forum help to encourage and advance women in the industry while identifying actions that individuals and organizations can take to help close the gender gap.

A new [Millennials in Supply Chain](#) report issued in 2017 found that this critical segment of the workforce (defined here as those between the ages of 22 and 37, born between 1980 and 1995), isn’t your average group of slackers. Based on the responses of 676 millennial supply chain managers, the survey found millennials in supply chain to be focused, engaged, enthused and committed to working in the field. To them, supply chain represents a sought-after, dynamic, and rewarding long-term career choice.

Seventy-five percent of the millennial respondents began their careers in supply chain management, in contrast to the Gen X and Baby Boomer generations, many of whom didn’t plan to work in supply chain. For previous generations, supply chain was a field they found themselves in, having landed there as they evolved from previous roles in engineering, finance, planning or management.

APICS worked with Peerless Research Group, Supply Chain Management Review (SCMR) and the American Productivity & Quality Center (APQC) to conduct the survey.

APICS FOR BUSINESS

SCOR 12.0

The new [Supply Chain Operations Reference \(SCOR\) 12.0](#) model made its debut at APICS 2017. The latest version of the profession's most widely used framework incorporates emerging technologies like omnichannel, metadata and blockchain that are increasingly being used. Other updated features better enable talent development solutions; digital terminology and current best practices; new cost and agility metric hierarchies for more accurate benchmarking; new process workflows that ensure accurate data mapping; and more.

APICS corporate and professional members have exclusive use of the SCOR framework, which links business processes, performance metrics, practices, and people skills into a unified structure.

Executive Summit

The annual [APICS Executive Summit](#) is an invitation-only event for Corporate Enterprise members that brings together industry visionaries for in-depth discussions of some of timely topics. The event inspires, informs and paves the way for new relationships and a strengthened sense of community.

The program focuses on enterprise-level best practices with leadership presentations from an economic and leading global trends perspective. Several separate topics are explored, each presented by a subject matter thought leader and followed by smaller roundtable discussions.

Among those attending the 2017 APICS Executive Summit:

- 3M
- AbbVie
- Amgen, Inc.
- AT&T Corporation
- Avnet, Inc.
- B2i Technologies
- BASF Bulgari
- Carlisle Interconnect Technologies
- Chevron Products
- Cicero Group
- Ciena Corporation
- Cisco
- CMC Rescue, Inc.
- DBI Network
- Edgewell Personal Care
- Ericsson AB
- FCA Group
- FLEX
- GDL Consulting & Training Company
- GE Oil & Gas
- Idaho Asphalt Supply, Inc.
- Intel Corporation
- ITT Goulds Pumps Inc.
- Jabil
- Johnson & Johnson
- Kelly Services, Inc.
- Mallinckrodt Pharmaceuticals
- McCormick & Company
- Merck KGaA
- NCR
- Northrop Grumman Corp.
- Nova Chemicals
- OPS Rules
- Pacira Pharmaceuticals
- Plamex - Plantronics
- PwC
- SAP
- Sonoco
- Stauber Performance Ingredients
- Stryker
- VSP

CONFERENCES AND EVENTS

Best of the Best Celebrates 10 Years

The Best of the Best S&OP Conference has earned a reputation as the leading global education and networking event for the brightest minds in the field, and 2017 marked its 10th anniversary. APICS, in partnership with the Institute of Business Forecasting & Planning, welcomed supply chain professionals from around the world to Chicago in June. Educational sessions explored topics such as exploiting analytics to support broader operational planning, enhancing collaboration across business functions and managing and mitigating risk. Laurence Wolfe, senior vice president of operations at Heineken USA, delivered the keynote address.

APICS 2017

More than 2,000 supply chain professionals from over 50 countries convened for three days in San Antonio in October. They attended impactful educational sessions, went on plant tours, and heard insights from keynote speakers John Mackey, CEO of Whole Foods, and Derreck Kayongo, founder of the Global Soap Project. Attendees browsed the APICS Expo with more than 50 exhibitors including educators, technology companies and supply chain solutions. Plus, they connected with peers and industry experts from all over the world.

In 2017, conference attendees had the opportunity to be matched with a student through the “Mentor a Scholar” program. Mentors were matched with students prior to the start of the conference, attended a welcome reception together and connected for at least an hour a day during the conference to share their experiences and perspectives.

Awards and Student Team Case Competition News

Two organizations, Johnson Controls and Mallinckrodt Pharmaceuticals, were honored as 2017's corporate winners of the prestigious APICS Awards of Excellence. APICS recognized the companies for superior performance and dedication to advancing the field of supply chain management. Johnson Controls received the 2017 APICS Corporate Award of Excellence in Education. This award recognizes an organization's commitment to productivity and advancement based on the effective and ongoing application of educational concepts, competencies and best practices from the APICS body of knowledge.

Mallinckrodt Pharmaceuticals received the 2017 APICS Corporate Award of Excellence in Transformation. This award recognizes an organizational transformation that elevates the business and its overall supply chain performance as a result of a supply chain assessment leveraging the APICS body of knowledge or the APICS Supply Chain Operations Reference model.

APICS also honored four standout supply chain professionals as winners of the 2017 APICS Awards of Excellence in the inaugural Individual category. The honorees were recognized in four categories:

- Supply Chain Leader: Sabine Simeon-Aissaoui, Head of Supply Chain – Europe, Schindler Group
- Diversity and Inclusion Champion: Samer Majdi Al-Madhoun, CSCP, CLTD, SCOR-P, MUHAKAT Institute and Trax Consulting
- Corporate Social Responsibility Catalyst: Stephen Bernard, Senior Sustainability Manager - Supply Chain, AT&T Inc.
- Emerging Supply Chain Leader: Michael Morand, CFPIM, CSCP, CLTD, Senior Manager, Distribution Operations & Capabilities, Johnson & Johnson

APICS also continued its rich tradition of student team case competitions, and in 2017, Loyola University Chicago was the winner of the fourth annual APICS and TFC International Student Team Competition. The goal of the student case competitions is to expose college and university students to the inner working of supply chain and to career opportunities in the field.

During the year, APICS districts held several student case competitions, sending winning teams to compete at the APICS conference each fall. On site, teams receive a supply chain problem to solve using a computer simulation game. Teams spend two days developing their solutions and then present their work to a panel of judges. The following teams completed the 2017 challenge: Binghamton University, Harvey Mudd College, Loyola University, McGill University, University of Houston, University of Nebraska - Lincoln, University of Pittsburgh, Western Washington University, University of Puerto Rico - Bayamon, University of Economics in Bratislava, HEC Montreal, National School of Applied Sciences Agadir, University of Sao Paulo and Indian Institute of Management Lucknow.

THE YEAR AHEAD: 2018 EVENTS

Every APICS event is designed to provide professionals with access to new ideas, proven best practices, and respected industry experts who convey original, unbiased thinking.

To view the full lineup of upcoming conferences, seminars, workshops, training sessions and executive briefings, visit apics.org/events.

APICS 2018

September 30–October 2, 2018 | Chicago, IL

The flagship event from the association for supply chain management

The Best of the Best S&OP Conference

June 14-15, 2018 | Chicago, IL

Renowned as a global gathering of the brightest minds in the industry.

APICS Seminar Series

APICS seminars and workshops take place across North America, and many are eligible for maintenance points toward APICS certification.

- Principles of Sales and Operations Planning
- Sales and Operations Planning Workshop
- Principles and Practices of Demand Management
- Principles and Practices of Material Requirements Planning
- Principles of Distribution and Logistics
- Supply Chain Risk Management
- Principles of Inventory Management
- New! Managing for Supply Chain Excellence Workshop

Webinars

Convenient, online educational events about supply chain management, inventory accuracy, change management, kaizen and other important and trending topics are available at apics.org.

ABOUT APICS

APICS is the association for supply chain management and the leading provider of research, education and certification programs that elevate supply chain excellence, innovation and resilience. The APICS Certified in Production and Inventory Management (CPIM); APICS Certified Supply Chain Professional (CSCP); APICS Certified in Logistics, Transportation and Distribution (CLTD); and APICS Supply Chain Operations Reference-Professional (SCOR-P) designations set the industry standard. With more than 45,000 members and approximately 300 channel partners, APICS is transforming the way people do business, drive growth and reach global customers.

For more information, visit apics.org.

