ITEM

45. Call to Order
46. Adoption of Agenda
47. Announcements
48. Report on Executive Sessions
49. Discussion Items
50. Approval of Budget Targets
51. Approval of SMC Cross-Sector Initiatives
52. Items for Receipt
53. Items for Action
54. Dates of Future Meetings
55. Contingency Time
56. Adjournment
LIST OF APPENDICES

I. Update on Move/Sublease
II. Global Strategy Update – Focus on Latin America
III. Sector Management Committee – Potential Cross-Sector Growth Initiatives
IV. K&C Reorganization Update
V. Financial Update
VI. ASME.org Update
VII. Pathway 2025 Update
VIII. Impact Investment
IX. Sector Management Committee Report
X. Membership Model Update
XI. COG Update
XII. Appointments
XIII. By-Law B5.1.8 for First Reading
XIV. By-Law B5.2.5.2 for First Reading
XV. By-Law B5.2.6.1 for First Reading
XVI. Society Policy P-4.8 Annual Reports by Sectors and Committees Reporting to the Board of Governors
XVII. Society Policy P-7.2 Staff Employment Guidelines
XVIII. Society Policy P-2.12 The Conduct of International Business
XIX. COFI Dues Adjustment Recommendation
XX. Pension Plan Contribution - Cash Transfer
45. **Call to Order:**

On April 18, 2013, a meeting of the Board of Governors of the American Society of Mechanical Engineers was held at ASME Headquarters, Two Park Avenue, New York, New York. A quorum being present, the meeting was called to order by the President at 2:03 PM Eastern Time. Attendance was as follows:

**Board of Governors**
- President: Marc W. Goldsmith
- Immediate Past President: Victoria A. Rockwell
- President-Elect: Madiha Kotb

**Other Officers**
- Senior Vice Presidents: Kenneth R. Balkey, Standards and Certification
  Robert E. Grimes, Institutes
  Karen Ohland, Knowledge and Community
  Cynthia M. Stong, Student and Early Career Development
  William J. Wepfer, Public Affairs and Outreach***
- Secretary and Treasurer: Warren R. DeVries
- Executive Director: Thomas G. Loughlin
- Deputy Executive Director: June Ling (also Second Assistant Treasurer)
- Assistant Secretary: John Delli Venneri (also General Counsel)
- Assistant Treasurer: William Garofalo

**Board of Governors Elect**
- Stacey E. Swisher Harnetty
- Andrew C. Taylor
- William M. Worek

**Corporate Counsel**
- John Sare
Other Guests
Harry Armen Past President, 2004-2005
Antony Bugg-Levine** Guest Speaker
James Coaker Member, COFI & Director, ASME Foundation
Lynden Davis Director, ASME Foundation
Amos Holt** Past President, 2009-2010
Nate Hurt Past President, 1991-1992
John Parker* Past President, 2000-2001
Thomas Pestorius Facilities Task Force Chair
Richard Rosenberg* Past President, 1987-1988
Amip Shah ECLIPSE Intern to BOG, 2012-2013
Robert Simmons Past President, 2010-2011
Keith Thayer Past President, 1997-1998
Justin Young Chair, VOLT Academy
Sam Zamrik Past President, 2007-2008

Staff
Roy Arbeit Managing Director, Marketing and Sales
Benedict Bahner* Editor/Reporter, Electronic Publishing
William Berger Managing Director, Standards
Ty Booker* Program Manager
Shekhar Chandrashekhar Managing Director, Programs
Michael Cowan Director, Public Information
Philip DiVietro* Managing Director, Publishing
Noha El-Ghobashy Director, Engineering for Global Development
John Falcioni Editorial Director
Marian Heller* Senior Program Manager, Global Communities
Peter Hess Director, Marketing
Michael Ireland Managing Director, Engineering Research & Technical Development
Phyllis Klasky* Director, Events Management
John Koehr Managing Director, Technology & Personnel Certification
Michael Kreisberg Director, Membership Development
Elio Manes* Director, Communities and Services
Thomas Meehan* Controller
Michael Merker Managing Director, Conformity Assessment & Publishing
Reese Meisinger** Managing Director, Strategic Initiatives & Public Affairs
Michael Michaud Managing Director, Global Alliances
Susan O’Neill** Website Consultant
Thomas Perry* Director, Education
Tatyana Polyak* Director, Student & Early Career Programs
Allan Pratt Director, Strategic Issues
Laurel Raso Managing Director, Human and Capital Resources
Karen Russo** Executive Assistant
Matt Schatzle* Executive Director, ASME Foundation
David Soukup Managing Director, Governance
Petr Spurney* Director, ASME Foundation
Gemma Tansey Director, Strategy Management Office
Roger Torda* Manager, Communications Projects & Initiatives
46. **Adoption of the Agenda:** The Board

VOTED: to adopt the agenda as circulated on April 4, 2013.

47. **Announcements:**

The President welcomed all to the meeting and recognized Past Presidents Harry Armen, Nate Hurt, John Parker, Richard Rosenberg, Robert Simmons, Keith Thayer and Sam Zamrik; and took a moment of silence in memory of the Boston bombing victims and the victims from the Texas explosion.

48. **Report on Executive Sessions**

There was a report given by Marc Goldsmith on the February 14, 2013 Executive Session of the Board of Governors held after the last meeting. The following was reported: (1) Enterprise and Executive Director’s Performance for Q2; (2) EDESC Summary of the Executive Director’s Performance; (3) and the Board received a report from the Corporate Counsel.

There was a report given by Marc Goldsmith on the April 18, 2013 Executive Session that was held earlier in the afternoon. The Board heard updates and discussed: (1) Enterprise Report; (2) Incentive Compensation; (3) The Standards and Certification Senior Vice President Candidate; (4) and the Board received reports from Corporate and General Counsel.

49. **Discussion Items:** The Board

VOTED: to move into open session, as if in the Committee of the Whole.

The Board heard reports concerning and discussed the following items:

Report on Sector Management Committee by Madiha Kotb (Agenda Appendix 4.1.2 and Minutes Appendix IX); Update on Move/Sublease by Thomas Pestorius (Agenda Appendix 2.4.1 and Minutes Appendix I); Global Strategy Update – Focus on Latin America by Michael Michaud and John Sare (Agenda Appendix 2.4.2 and Minutes Appendix II); Sector Management Committee – Potential Cross-Sector Growth Initiatives by Madiha Kotb and Ken Balkey (Agenda Appendix 2.4.3 and Minutes Appendix III); and K&C Reorganization Update by Karen Ohland and Robert Grimes (Agenda Appendix 2.4.4 and Minutes Appendix IV).

The Board recessed at 4:00 PM until 8:30 AM, April 19, 2013, whereupon the meeting resumed and the Board heard reports concerning and discussed the following items:
Financial Update by Warren DeVries (Agenda Appendix 2.4.5 and Minutes Appendix V); ASME.org Update by Roy Arbet and Susan O’Neill (Agenda Appendix 2.4.6 and Minutes Appendix VI); Pathway 2025 Update by Marc Goldsmith and Thomas Loughlin (Agenda Appendix 2.4.7 and Minutes Appendix VII); and Impact Investment by Antony Bugg-Levine (Agenda Appendix 2.5.1 and Minutes Appendix VIII).

Following the close of the Discussion Items, the Board

VOTED: to move into formal session.

50. **Budget Targets**

VOTED: to approve the budget targets as presented.

51. **SMC Cross-Sector Initiative**

VOTED: to endorse the SMC Cross-Sector initiatives and request COFI to assure funding for new initiatives in the budget plan subject to sufficient business planning.

52. **Items for Receipt:**

The Board

VOTED: to receive the following items: (1) Treasurer’s Report; (2) Sector Management Committee Report (Agenda Appendix 4.1.2 and Minutes Appendix IX); (3) Membership Model Update (Agenda Appendix 4.1.3 and Minutes Appendix X); and (4) COG Update (Agenda Appendix 4.1.4 and Minutes Appendix XI).

53. **Items for Action:**

The Board

VOTED: to approve the following items: (1) Minutes from the Meeting on February 14, 2013; (2) Proposed Appointments (Agenda Appendix 4.2.3.1 and Minutes Appendix XII); (3) First reading of the revision of By-Law B5.1.8 (Agenda Appendix 4.2.3.2.1 and Minutes Appendix XIII); (4) First reading of the revision of By-Law B5.2.5.2 (Agenda Appendix 4.2.3.2.2 and Minutes Appendix XIV); (5) First reading of the revision of By-Law B5.2.6.1 (Agenda Appendix 4.2.3.2.3 and Minutes Appendix XV); (6) Proposed Revision to Society Policy (P-4.8 Agenda Appendix 4.2.3.3.1 and Minutes Appendix XVI); (7) Proposed Revision to Society Policy (P-7.2 Agenda Appendix 4.2.3.3.2 and Minutes Appendix XVII); (8) Adoption of Society Policy (P-2.12 Agenda Appendix 4.2.3.4.1 and Minutes Appendix XVIII); (9) COFI Recommendation on Dues Adjustment (Agenda Appendix 4.2.4 and Minutes Appendix XIX); and (10) Pension Plan Contribution (Agenda Appendix 4.2.5 and Minutes Appendix XX).
54. **Dates of Future Meetings.** The Board approved meeting dates and times as follows:

<table>
<thead>
<tr>
<th>DATE</th>
<th>DAY</th>
<th>TIME</th>
<th>LOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 23, 2013 (a)</td>
<td>Sunday</td>
<td>9:30 AM – 11:00 AM</td>
<td>Indianapolis, IN</td>
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<td></td>
<td></td>
<td>Executive Session</td>
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<tr>
<td></td>
<td></td>
<td>11:30 AM – 4:00 PM</td>
<td></td>
</tr>
<tr>
<td>June 26, 2013 (b)</td>
<td>Wednesday</td>
<td>10:00 AM – 11:15 AM</td>
<td>Indianapolis, IN</td>
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<tr>
<td></td>
<td></td>
<td>Executive Session</td>
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<tr>
<td></td>
<td></td>
<td>11:30 AM – 3:00 PM</td>
<td></td>
</tr>
<tr>
<td>September 25, 2013 (b)</td>
<td>Wednesday</td>
<td>TBD</td>
<td>Rio de Janeiro, Brazil</td>
</tr>
<tr>
<td>November 16, 2013 (b)</td>
<td>Saturday</td>
<td>8:30 AM – 10:00 AM</td>
<td>San Diego, CA</td>
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<tr>
<td></td>
<td></td>
<td>Executive Session</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>10:30 AM – 4:30 PM</td>
<td></td>
</tr>
<tr>
<td>February 13, 2014 (b)</td>
<td>Thursday</td>
<td>12:00 PM – 2:00 PM</td>
<td>Web Conference</td>
</tr>
<tr>
<td>April 17, 2014 (b)</td>
<td>Thursday</td>
<td>12:00 PM – 1:30 PM</td>
<td>New York, NY</td>
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<tr>
<td></td>
<td></td>
<td>Executive Session</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>1:30 PM – 5:00 PM</td>
<td></td>
</tr>
<tr>
<td>April 18, 2014 (b)</td>
<td>Friday</td>
<td>8:00 AM – 1:00 PM</td>
<td>New York, NY</td>
</tr>
</tbody>
</table>

(a) 2012-2013 Board of Governors (b) 2013-2014 Board of Governors

55. **Contingency Time**

The following item was discussed during contingency time: (1) The Board Members to be aware of the By-Law B5.2.5.2 which states a change of one position on the Committee on Executive Director Evaluation and Staff Compensation from an ASME member who served on the Board of Governors or as a Past President to an ASME member with knowledge and expertise of Board Governance, Board Operations and Compensation Practices; and (2) the June 23, 2013 Board Meeting time has been extended.

56. **Adjournment:** The meeting was adjourned on Friday, April 19, 2013 at 12:28 PM.

Warren R. DeVries  
Secretary
ASME Board of Governors
Agenda Item
Cover Memo

Date Submitted: March 28, 2013
BOG Meeting Date: April 18 – 19, 2013

To: Board of Governors
From: Tom Pestorius
Presented by: Tom Pestorius
Agenda Title: Update on Move/Sublease

Agenda Item Executive Summary:

An update on the transition from Three Park Avenue to Two Park Avenue will be discussed.

Proposed motion for BOG Action:

None.

Attachments:
Slides.
Update on the Move/Sublease

Tom Pestorius

2 Park Ave Construction
The project was successfully completed on time and on budget.
General construction was completed in early December.
New furniture and communication equipment were delivered and installed in mid-December.
Information sessions on the new phone systems were conducted with staff in early January.
Staff visited the new space the week before the move.
The physical move took place over the Martin Luther King Jr. holiday weekend, with operations commencing at our new 2 Park Headquarters on Tuesday January 22nd.
Representatives from each Sector assisted with the move which helped make for a smooth transition.

The installation of display and exhibit material is on-going and is scheduled to be completed later this year.
The lease termination at 3 Park Ave is 9/30/13. Additional expenditures may be needed for such things as the removal of obsolete furniture and equipment as well as any unanticipated costs.
Project Teams continue to meet on a regular basis to address open items.
ASME Board of Governors
Agenda Item
Cover Memo

Date Submitted: March 28, 2013
BOG Meeting Date: April 18 – 19, 2013

To: Board of Governors
From: Michael Michaud
Presented by: Michael Michaud
Agenda Title: Global Strategy Update – Focus on Latin America

Agenda Item Executive Summary:
Overview of ASME’s footprint in Latin America in Preparation for ASME BOG Retreat in Rio de Janeiro, Brazil Sept 22-26, 2013

Proposed motion for BOG Action:
None.

Attachments:
Attached
Global Strategy Update: Focus on Latin America

BOG Meeting
April 18, 2013

Governance

Adopted Balanced Scorecard
Strategic Markets: Europe, China, India
Strategic Themes: Global, Energy, Workforce
Global Impact Index

2000 '01 '02 '03 '04 '05 '06 '07 '08 '09 2010 '11

Consortia in China: CSCA Office 2005
China Office (Asia Pacific LLC) 2007
India Office (Technova) 2008
Launched Public Training in Europe

Global Milestones

Brussels Office (MCI) 2005
ASME Conformity Assessment Milestone: Non-US Surpasses US
Next Steps

1. Maintain Current Focus in Key Markets
   Grow Impact and P/L

2. Define the Approach for New/Developing Markets

Latin America

- Brussels Office (MCI) 2005
- Launch Public Training in Europe
- China Office (Asia Pacific LLC) 2007
- India Office (Technova) 2008
- ASME India Office 2012

3. Develop Platforms to Streamline Business Operations Regionally or Globally

Live Demonstration during the BOG Meeting

www.GAPMINDER.ORG
The GII tracks: Web visits, ASME Membership, Conference Registrants, Training Course Participants, S&C Committee Volunteers, and Certified Manufacturers.
These 10 Countries represent 95% of ASME’s footprint in Latin America.

The GI tracks: Web visits, ASME Membership, Conference Registrants, Training Course Participants, S&C Committee Volunteers, and Certified Manufacturers.

Sales by Product Category by Country

* Represents 75-80% of ASME Sales. Does not include sales through 3rd parties.
Latin American Sales
from top 5 markets (est. 80%)

Includes: Revenue from direct C&S and publishing Sales, Conformity Assessment, Training and Development, Membership and Conferences.
Does Not include 3rd Party/Reseller Sales.

Next Steps

- Teams engaged in:
  - Analyzing External Market Data
  - Mapping Current ASME Footprint
  - Identifying Decision Making Framework for future Business Planning

- Updates in June and August
- BOG Retreat in Rio de Janeiro
  - Sept. 22-26, 2013
### BOG Retreat Outline

<table>
<thead>
<tr>
<th>Sun Sept 22</th>
<th>Mon, Sept 23</th>
<th>Tues Sept 24</th>
<th>Weds Sept 25</th>
<th>Thurs Sept 26</th>
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</thead>
<tbody>
<tr>
<td><strong>Day 1</strong></td>
<td><strong>Day 2</strong></td>
<td><strong>Day 3</strong></td>
<td><strong>Day 4</strong></td>
<td><strong>Day 5</strong></td>
</tr>
<tr>
<td>8:00</td>
<td>AM Arrivals</td>
<td>10:00</td>
<td>BOG Pipeline 2013</td>
<td>12:00</td>
</tr>
<tr>
<td>10:00</td>
<td>Retreat</td>
<td>10:00</td>
<td>BOG Meeting</td>
<td>12:00</td>
</tr>
<tr>
<td>12:00</td>
<td>Lunch</td>
<td>2:00</td>
<td>Site Visits</td>
<td>4:00</td>
</tr>
<tr>
<td>2:00</td>
<td>Sight Seeing</td>
<td>4:00</td>
<td>Optional</td>
<td>6:00</td>
</tr>
<tr>
<td>4:00</td>
<td></td>
<td>6:00</td>
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<td>6:00</td>
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<tr>
<td>8:00</td>
<td>Group Dinner</td>
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<td></td>
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<tr>
<td>8:00</td>
<td>Group Dinner</td>
<td></td>
<td>Petrobras Reception</td>
<td></td>
</tr>
</tbody>
</table>

*Note: Flights to/from US are night flights
Dates should facilitate those choosing to spend extra vacation time*
ASME Board of Governors
Agenda Item
Cover Memo

Date Submitted: April 2, 2013
BOG Meeting Date: April 18 & 19th, 2013

To: Board of Governors
From: Sector Management Committee / Madiha Kotb

Agenda Item Executive Summary:

The SMC has identified six possible cross-sector growth initiatives using a structured evaluation process. The initiatives were presented to COFI on March 28th. The SMC seeks guidance on possible funding and organizational alignment.

The presentation is for information only.

Proposed motion for BOG Action: (if appropriate)

Information and Discussion only

Attachments:
Two
ASME Sector Management Committee –
Potential Cross-Sector Growth Initiatives

Madiha Kotb
Chair, ASME Sector Management Committee

Ken Balkey
Vice Chair, ASME Sector Management Committee

ASME Board of Governors
April 18 & 19, 2013
New York, NY


OBJECTIVES
1. Learn more about each SMC member from a personal perspective
2. Learn more about each of our respective ASME sectors – organizational, positive developments, and challenges
3. Change the paradigm of how we work together with a strong focus on creating, defining, implementing and overseeing potential cross-sector growth initiatives that are aligned with the ASME BOG Roadmap to 2025
Define and Evaluate Potential Cross-Sector Growth Initiatives

Process

• Brainstorm on possible external and internal cross-sector growth initiatives
• Define Criteria and Weightings to Evaluate Possible Growth Initiatives
• Apply Cause and Effect Matrix to Rank and Prioritize Possible Growth Initiatives
• Select Diverse Set of Possible Growth Initiatives for Further Development
• Prepare White Papers (or Pre-Proposals) to Define the Growth Initiative, Required Tasks & Funding, and Business Case
• Review with ASME COFI and ASME BOG for Further Guidance

Cause and Effects Matrix Results

<table>
<thead>
<tr>
<th>Cross-Sector Growth Initiative</th>
<th>Total Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Pipelines</td>
<td>669</td>
</tr>
<tr>
<td>2. Student – EC Retention</td>
<td>648</td>
</tr>
<tr>
<td>3. Advanced Manufacturing</td>
<td>644</td>
</tr>
<tr>
<td>4. New Nuclear Safety Construct</td>
<td>644</td>
</tr>
<tr>
<td>5. Mini – Talks</td>
<td>635</td>
</tr>
<tr>
<td>6. Branded Certifications</td>
<td>630</td>
</tr>
</tbody>
</table>
White Papers (or Pre-Proposals) for Potential Cross-Sector Growth Initiatives

- Background
- Proposed Effort
- Lead (ASME Organization / Person)
- Internal Funding
- Stakeholders
- Market

Key Actions and Decisions Needed by ASME COFI and BOG to Support Initiatives

- Fund from Sectors or From Special Account for Cross-Sector Initiatives
- Organizational Alignment Needed to Execute Initiative
- Information to Be Reviewed by Leaders of Impacted Sectors
Appendix

Cause and Effects Matrix Process Used to Evaluate Potential Cross-Sector Growth Initiatives

Potential Cross-Sector Growth Initiatives

<table>
<thead>
<tr>
<th>General Topics</th>
<th>Energy Grand Challenge</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Advance Manufacturing</td>
<td>8. Strengthen Energy Initiatives</td>
</tr>
<tr>
<td>2. Expand ASME Congress</td>
<td>9. Energy market</td>
</tr>
<tr>
<td>3. Mini-Talks</td>
<td>Global Impact</td>
</tr>
<tr>
<td>5. Pipelines</td>
<td>11. UNESCO-Africa</td>
</tr>
<tr>
<td>6. Expertise Finder</td>
<td>Workforce Development</td>
</tr>
<tr>
<td>7. Major Technical Challenges</td>
<td>12. Student EC Retention</td>
</tr>
<tr>
<td>b. Aging Infrastructure,</td>
<td>14. New Technology, Virtual, etc.</td>
</tr>
<tr>
<td>Particularly for Energy Sector</td>
<td>15. Branded Certifications</td>
</tr>
<tr>
<td>c. Forging New Nuclear Safety</td>
<td>16. Expand Education Efforts</td>
</tr>
<tr>
<td>Construct</td>
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</tbody>
</table>
Evaluation Criteria
[Weighting in Cause and Effect Matrix]

[4] Level of Difficulty
[4] Available Competency (staff / volunteers)
[9] Draws in Qualified Content Contributions
[9] Level of Risk
[9] Address a Market Need
[4] Breadth of User Community (demographics – career path, countries, etc)
[4] Availability of External Funding / Resources (including philanthropic)
[9] Level of Investment
[4] ASME Competitive Advantage
[9] Sustainability / Product Lifecycle
[9] Revenue Potential
[9] Potential Margin

Cause and Effect Matrix Format
New Pipelines Collaboration

Background
The Standards & Certification (S&C) sector develops, supports, and disseminates numerous technical standards and associated certifications across a broad range of technologies and industries. The Energy & Environmental Standards Advisory Board (EESAB) is tasked with identifying potential standards and/or other needs in energy technology areas.

The Pipeline Systems Division (PSD) of the International Petroleum Technology Institute (IPTI) concentrates primarily on technical programming and workshops for both land-based and offshore pipelines in North America and internationally, with the following portfolio of events at present:

- International Pipeline Conference (IPC) – Calgary
- India Oil & Gas Pipeline Conference – Jaipur
- International Offshore Pipeline Forum – Houston
- International Pipeline Geotechnical Conference – Cartagena
- Banff Pipeline Workshops – Banff
- Pipeline Equipment Conference – Belgium

These events often include training and/or short courses run by IPTI's Continuing Education (CE) team. This team was recently merged into ASME’s Training and Development (T&D) team in headquarters, which was heretofore focused primarily on training associated with S&C. This merger is fortuitous timing for evaluating cross-sector training in the area of Pipelines between S&C and Institutes. If S&C intends to potentially grow their presence in the Pipelines area, it makes sense for the PSD leadership to be consulted and included in the discussions. The combined potential offerings from both sectors to the industry is likely to be greater than the sum of their separate, individual sector efforts; synergies should be realized for a more complete offering while better managing expenses. Also, it should result in less confusion to practitioners in the pipeline industry which might otherwise be solicited simultaneously from two different sectors of ASME with similar offerings.

Proposed Effort
A reasonable starting point would be to convene a webinar type virtual meeting with key representatives from the PSD-EC, S&C, associated staff, and the IPTI CE staff to accomplish the following:

1) Provide overview presentations for each group to inform and educate each other on activities, strategies, and directions that both groups undertake on behalf of the Society.
2) Discuss markets and particular geographies that are of interest to each group, looking for commonalities that might suggest joining efforts to reach a new or underserved market.
3) Discuss continuing education courses that could better serve these industry segments, and discuss the match between one or both sectors in potentially meeting these market needs.
4) Summarize the findings and recommend next steps, based on the findings of this group, report back to the SMC.

**Lead**
Coordinate the initial scoping meeting between the PSD-EC and S&C, including Training & Development. Once greater clarity and understanding of the potential collaborative efforts are achieved, this group may recommend a leader to the SMC to drive the new initiative on behalf of both sectors.

**Internal Funding**
Some modest ASME internal funding (TBD) may be required to initiate the above efforts, primarily for travel to attend the scoping and planning meetings. Once collaborative efforts are agreed upon, they will be designed to deliver new products and/or services which should drive new revenue that generates net surplus to support the overall mission and vision of The Society.

**Stakeholders**
(TBD)

**Market**
(TBD)
STUDENT – ECE RETENTION

Background
The retention rates of engineering students, in general, are much lower than they should be. Of particular concern is the fact that women and underrepresented minorities are not only recruited in small numbers, but their retention rates are also low. Only 14% of undergraduates in U.S. postsecondary institutions are studying science, technology, engineering and mathematics. Moreover, after the first year, 40% of those enrolled in these disciplines switch majors. As a result, while overall college-graduation levels have grown by nearly 50% over the past two decades, the annual number of engineering graduates has virtually stagnated at around 120,000. One of the critical factors to retaining engineering students is providing them with opportunities that connect their classroom learning with real-world opportunities while providing much-needed financial support. More than 65 companies have already committed to doubling their 2012 summer engineering internships—with Intel, GE and DuPont alone making an overall $70 million investment in providing students with invaluable hands-on experience. Additionally, engineering deans from some of the nation’s top universities—including Georgia Tech, the University of California at Berkeley and the University of Michigan—have developed gold seal standards of excellence for colleges of engineering focused on improved retention and graduation rates.

Retention of Early Career Engineers follows a different trend as shown in the table below.

| RETENTION IN SPECIFIC ENGINEERING FIELDS |
|---------------------|---------------------|---------------------|---------------------|---------------------|
|                     | CHEMICAL | CIVIL & ARCHITECTURAL | ELECTRICAL & COMPUTER | MECHANICAL |
|                     | Males     | Females               | Males     | Females               | Males     | Females               |
| 2000-2005           | 71.4%     | 59.5%                  | 83.6%     | 83.1%                  | 80.5%     | 66.1%                  | 76.2%     | 78.6%                  |
| 1995-1999           | 48.8%     | 53.8%                  | 73.2%     | 73.2%                  | 67.4%     | 58.1%                  | 66.3%     | 62.3%                  |
| 1990-1994           | 43.3%     | 52.8%                  | 71.6%     | 85.3%                  | 51.0%     | 41.7%                  | 54.7%     | 48.2%                  |
| 1985-1989           | 45.3%     | 34.6%                  | 65.9%     | 69.2%                  | 46.4%     | 54.0%                  | 56.3%     | 31.4%                  |

A survey conducted by Harris asked engineers, those with jobs related to engineering and those no longer working as engineers about equitable treatment at their workplaces. For example, among women employed as engineers, those in the civil and architectural engineering field were most likely (at 47.7 percent) to indicate that conditions were equitable. Women mechanical engineers, by contrast, were the least likely, with only 32 percent reporting equitable conditions. Another part of the survey asked men and women engineers who were employed, but not in engineering or an engineering-related field, why they were no longer engineers. The major differences between men and women who had completely left engineering are that men were more likely than women to have left for “better opportunities for advancement in another field” or “better salary.” Nearly 40 percent of men reported one of those responses, versus just 13 percent of women. Women, on the other hand, were more likely than men to indicate that they left for a “more family-friendly work environment”—11 percent of women said this, compared to 2 percent of men. The top reason, though, for both women and men was
that they were pursuing more interesting work with 33 percent of men and 47 percent of women reporting this reason.

So some key questions need to be answered by an organization interested in improving retention of students and early career engineers are:

1. Is there a need to develop programs that will connect their classroom learning with real-world opportunities?
2. What is the sustainability of such programs?
3. What is the expected outcome and impact of launching such programs?

Proposed Effort

The SECD strategic plan is focused on developing and delivering new programs that will not only support the improvement of the retention rates but also deliver excitement to the audience. Some of the key programs being developed include:

1. Leveraging technology and crowd sourcing to increase engagement
2. Delivering content that can be used by the students and early career engineers to improve technical skills?
3. Providing hands on experience in new competitions that will highlight the practical uses of engineering.
4. Partnering with other programs like standards development, public policy development to emphasize the impact engineers can have in the world.
5. Pairing students and early career engineers with experienced mentors in their field of interest. Providing opportunity to work face to face with experienced engineers.

Lead

Coordinate via ASME Sector Management Committee (SMC) and ASME Workforce Strategy Execution Team (SET). The SMC, working with the Workforce SET, will designate an individual to take the lead in the coordination activity.

Internal Funding

Some modest ASME internal funding (TBD) is likely required to initiate the above efforts.

Stakeholders (TBD)

Market (TBD)
ADVANCED MANUFACTURING CONSTRUCT

Background

For over three years ASME has played a significant role in the development of the nation’s manufacturing initiative. One of the original architects of President Obama’s Advanced Manufacturing Partnership (AMP) was ASME Federal Fellow Dr. Sridhar Kota, who served as Assistant Director for Manufacturing in the Executive Office of the President. Since that time, two additional ASME Federal Fellows have served in the White House and one additional Fellow now serves in the Manufacturing National Program Office (NPO), the center of gravity for the US manufacturing initiative. Current ASME White House Fellow, Dr. Thomas Kurfess, is the author of the National Network for Manufacturing Institutes which was announced by the White House in February, 2013.

The ASME Industry Advisory Board (IAB) has also been quite active in this area. In 2012, the IAB held two webinars with the Assistant Director of the National Institute of Standards and Technology (NIST) and the Director of the Manufacturing NPO in order to brief members on the AMP. The second was held with representatives of the President’s Council of Advisors of Science & Technology (PCAST) as a precursor to the December IAB meeting which focused on Advanced Manufacturing. The IAB has also updated ASME’s position statement on this topic which will be released to the Administration/Congress this spring.

In an effort to identify issues and opportunities in Advanced Manufacturing, the Manufacturing Engineering Division (MED) conducted two timely workshops on the topic. The first was held at MED’s June 2012 Manufacturing Science and Engineering Conference at Notre Dame, IN and the second at ASME’s Congress in November 2012 in Houston, TX. It was the intent of the Manufacturing Engineering Division to engage a broader ASME community on advanced manufacturing at Congress. Topics of interest that emerged from both workshops were: Advocacy/Communications; Workforce Development/Education; and Knowledge Dissemination Products.

Proposed Effort

A core group of volunteers and staff from Public Affairs (including the IAB) and the Engineering Research and Technology Development (ERTD) have begun to work together to serve as a coordinating cross sector focal point for all of the following activities:

1. The first meeting of the ASME Cross Sector Manufacturing Working Group held on Feb. 15, 2013

2. ASME Congressional Noontime Briefing is scheduled for April 24, 2013

3. IAB-ERTD-Public Affairs to complete and issue ASME Position Statement: Strengthening the U.S. Manufacturing Sector
4. Public Affairs to place additional Fellows in Congress, White House and/or NIST National Program Office to focus on manufacturing

5. Public Affairs staff has convened a new coalition of organizations/universities to work together in Washington in the effort to spur the concept of an AMP 2.0

6. ASME Cross Sector Manufacturing Working Group to serve as Advisory Committee to the manufacturing track(s)/plenary at the November 2013 ASME International Congress (theme: Advanced Manufacturing)

7. Conduct at least one Washington Visitation with the Working Group and other interested parties to meet with Congress and the Administration regarding proposed efforts in manufacturing and ASME’s possible role

8. Finally, the ASME Cross Sector Manufacturing Working Group will review/act on the following recommendations from the December IAB Meeting:

   Building off the three pillars identified in the July 2012 PCAST Steering – 1) Enable Innovation, 2) Secure the Talent Pipeline; and 3) Improve the Business Climate – the Board made the following recommendations to ASME:

   ASME has the capability to expedite the development of emerging technologies and new, advanced manufacturing processes through its knowledge dissemination capabilities (webinars, courses, publications, briefings, technical conferences, etc.).

   Standards & Certification

   ASME should position itself as a leader in the overall Standardization process, particularly in addressing gaps that may exist in standards for supporting commercialization of advanced manufacturing technologies and streamlined regulatory process.

   Workforce Development

   PCAST recommendations addressing the need to “secure the talent pipeline” fall well within ASME’s current core capabilities. The Society should take a lead role in convening principals from the two-year community college arena and technical training to identify opportunities/strategies to fill the skills gap.

   ASME should explore the development of a personnel certification partnership with the U.S. Department of Defense to establish a technical training program to tap the talent pool of returning veterans.

   Public Awareness
The Society should take a lead role in developing a PSA-like [define this term] national branding campaign. By partnering with the National Association of Manufacturers and others, the initiative could highlight industry’s need, career opportunities, and role AMP has in supporting national competitiveness.

Public Policy

ASME should fully leverage the current slate of Public Policy programs to promote the tenants of the AMP initiative as vital to the nation’s security and critical to its economic infrastructure to policymakers. This effort could include federal and state fellow placement in the Office of Science and Technology (OSTP), Executive Office of the President, as well as other key offices/agencies; engage with the Congressional White House Manufacturing Caucus; develop position statements, conduct Congressional visits, and/or provide testimony, as appropriate; and continue to lead ad hoc Working Group on development of AMP 2.0.

Lead

Coordinate via ASME Cross Sector Manufacturing Working Group. ERTD staff will take the lead with significant support from Public Affairs staff.

Internal Funding

Some modest ASME internal funding (TBD) is likely required to initiate the above efforts. However, they should be designed so that they will help develop new ASME products and services that will drive new revenue that generates net surplus to support overall mission and vision of The Society

Stakeholders (TBD)

Market (TBD)
NEW NUCLEAR SAFETY CONSTRUCT

Background
An ASME Presidential Task Force on Response to Japan Nuclear Power Plant Events was formed in 2011 to (1) review events that occurred and subsequent activities taken in Japan and U.S., (2) develop and disseminate its perspective on the impact of these events on the future of the nuclear power industry, and (3) make recommendations on ASME’s role in addressing issues and lessons learned. The Task Force published a report titled, “Forging a New Nuclear Safety Construct,” in June 2012 and conducted a major workshop in early December 2012 in Washington DC with 120 top leaders from industry, government, and regulatory agencies from 20 countries around the world to address the above objectives. At the conclusion of the workshop, there was full support by the participants that a New Nuclear Safety Construct needs to be globally developed. The Construct would represent a set of planned, coordinated, and implemented systems ensuring that nuclear plants are designed, constructed, operated, and managed to prevent extensive social disruption caused by radioactive releases from accidents, using an all-risk approach.

Proposed Effort
While leaders of the Presidential Task Force will continue to work with senior ASME leaders to transition the lead for the development and ownership of the New Nuclear Safety Construct (NNSC) to a respected, internationally recognized industry organization, ASME complementary efforts can be done in collaboration with this global nuclear industry initiative. Such possible activities include:

1) Generate and issue needed publications related to NNSC developments (e.g., technical papers, articles) [ASME Publications Lead]
2) Conduct workshops, technical forums, webinars on NNSC focus areas [ASME Knowledge & Communities (K&C) Lead]
3) Perform technology development or research in critical technical areas to support the NNSC, as necessary [ASME K&C Lead]
4) Modify or develop new standards and training courses related to NNSC [ASME Standards and Certification Lead]
5) Advise legislative bodies, as appropriate [ASME Public Affairs & Outreach (PA&O) Lead]
6) Develop education materials on NNSC for high school, colleges, continuing education, and public-at-large [ASME PA&O Lead]

Lead
Coordinate via ASME Sector Management Committee (SMC) and ASME Energy Strategy Execution Team (SET). The SMC, working with the Energy SET, will designate an individual to take the lead in the coordination activity.
**Internal Funding**
Some modest ASME internal funding (TBD) is likely required to initiate the above efforts. However, they should be designed so that they drive new revenue that generates net surplus to support overall mission and vision of The Society.

**Stakeholders**
Nuclear power plant owners, regulators, government agencies and international bodies worldwide; legislators worldwide; high schools and colleges worldwide; media outlets to reach the public-at-large.

**Market**
All countries with nuclear power plant programs or planning to build nuclear power plants. The market for ASME products and services should be able to obtain revenues of at least XX $ per year for the next YY years.

[Note: This potential cross-sector initiative depends on the next step of having the World Association of Nuclear Operators (WANO) assume the global lead on Forging a New Nuclear Safety Construct and ASME partnering with this effort per a meeting of worldwide industry and regulatory leaders on Thursday, March 14, 2013 in Washington DC. A meeting with WANO on this effort is expected to occur in the 2nd quarter of 2013. More information can be provided after the meeting with WANO.]
Mini-Talks

Background
In an effort to connect early career engineers with their peers, other senior level engineers as well as the industry leaders, Early Career Engineer Social Meetup (?) was launched at the ASME International Mechanical Engineering Congress & Exhibition (IMECE) in Orlando, Florida (2009). The social gave early career engineers the opportunity to meet in an informal setting for networking with other engineers with similar interests prior to the conference. This was also an opportunity for them to learn and share information about what their peers are working on, their career plans and their expectations for the conference. Along with the social aspect, this event also presented an opportunity for various engineering schools to sponsor a table-top to exhibit information about their graduate school programs and entry-level job openings. The event usually attracts around 150 participants. In 2012, the “mini-talks” were included in the event program.

Mini-Talks are 10-minute presentations covering specific topics selected for their relevance for early career engineers. Mini-talks are delivered at the event and also are recorded, edited and posted on asme.org for future online distribution. All participants are required to sign a release/agreement providing ASME with their permission to do so prior to the talks.

Plans for FY14 and the future
FY14 - Conduct a “Mini-Talks” event at the 2013 IMECE in San Diego, CA and distribute the recorded content online. We are planning to identify and pursue collaboration with other ASME communities and sectors to identify topics, speakers and funding support.

FY15+ --- We’d like to expand the mini-talks event to regional meet up events. This could be an opportunity for students and early career engineers to meet up around the world hosting these mini-talks and social events. These events can also be recorded and made available for online distribution.

Project Outcome
• Enlighten early career engineers about humanitarian projects which require mechanical engineering and related expertise
• Guide them in acquiring professional skills needed for a successful engineering career in a changing world
• Highlight volunteering opportunities impacting engineering knowledge development
• Present an alternative career path which may lead to new life opportunities
Audience / Market
Primary target audience for this program is early career engineers 2-3 years out of school as well as graduate and undergraduate students.

Stakeholders
In developing this program further, we will explore different avenues within ASME to broaden our depth of partnerships and collaboration across the society on a sustainable level. This effort could involve contacting local section of IMECE and Technical Divisions for assistance in finding technical speakers, local career development speakers, and local schools and industry that want to participate in the recordings and event exhibit.

Lead
This program is supported and lead by the Committee on Early Career Development.

Internal Funding
The program is supported by the Committee on Early Career Development operation budget and is currently allocating $3500 for the ECED Social Meetup program. Additional funding will be needed to expand this program and invite external speakers to the event. The revenues from the table-top fees and collaborative support by other ASME Sectors will help in the program expansion.
BRANDED PERSONNEL CREDENTIALING

Background

The three main types of personnel credentialing typically available to technical professionals include licensure, personnel certification, and certificates, defined as follows:

- **Licensure**\(^1\): the granting of a license by a governmental or regulatory body to an individual. Licensure is a non-voluntary process which grants permission to an individual to engage in an occupation. ASME does not offer licensure.

- **Personnel Certification**\(^2\): independent assessment and attestation of an individual's level of qualification, which is the possession of knowledge, skills, and abilities necessary to perform a specific job or task. Personnel certifications are generally non-governmental and voluntary. Unlike licensure, certification is not a permission to act. ASME offers credentials through Personnel Certification programs.

- **Certificate**\(^3\): confirmation that an individual participated in a series of learning events (e.g., training) and achieved the learning objectives. Training and assessments are both developed and administered by the certificate issuer. ASME offers credentials through certificate programs.

ASME Standards & Certification (S&C) has maintained an infrastructure and competency for initiating and managing product and personnel certification programs for years. Currently, S&C administers approximately a dozen certification programs based on requirements contained in ASME standards, which generate a total of $30M in revenue annually, and are projected to increase that total each of the next three years. Included are three Personnel Certification programs; Geometric Dimensioning & Tolerancing Professionals (GDTP), Certification for Municipal Solid Waste Combustion Facilities Operators (QRO), and Certification of High Capacity Fossil Fuel Fired Plant (Boiler) Operators (QFO). Two new programs under development and expected to launch in FY14 include ASME Non-destructive Examination and Quality Control Personnel (ANDE) and Nuclear Quality Assurance Auditors. Over 2,800 individuals hold ASME personnel certification credentials. Personnel Certification program fees contribute approximately $500K in revenue per year.

ASME Certificate programs include Nuclear Certificate and Pipeline Operators, with programs under development for Engineering Management and Bolted Flange professionals. These programs are developed, maintained, and administered through the ASME S&C Training and Development (T&D) Organization.

The growth of professional testing, licensure and certification programs in recent decades reflects the increasing reliance of the business ecosystem on expertise in critical fields like teaching, engineering, cyber security just to name a few. The purpose of the certification proves to potential employers,

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1 Ref. Draft National Council of Examiners for Engineering and Surveying (NCEES) white paper, “What is the Difference Between Licensing and Certification for Engineers?
2 Ref. ISO/IEC 17024:2012, Conformity assessment – General requirements for bodies operating certification of persons
3 Ref. ASTM E 2659-09 Standard Practice of Certificate Programs
governmental agencies, and general public that the individual has attained specific qualification in their respective field as attested to by an independent, authoritative and reputable professional or otherwise knowledgeable body.

- For some employers, certification of professional staff provides a way to communicate in a crowded marketplace their commitment to excellence, or at least safety, e.g., Professional Engineering (licensure) Registration, Teacher certification, certified public accountancy or financial planning.
- For employees, individual licensure and certification provides credentials that support employment mobility in an increasingly fluid job market, e.g., PMP certification.
- For customers, whether businesses or consumers, certification provides assurance that the corporation or individuals have been approved to apply their knowledge and skills to maintain the repositories of information and techniques that lay at the core of each profession, e.g., TL 9000 certification.

The importance of certifications, and the exams that support them, should mean that the methods and processes by which tests are created are highly refined, uniform and rigorous. The investment is, therefore, substantial. So some key questions need to be answered by an organization interested in launching new certification programs.

1. Does the potential new program align with ASME mission and priorities?
2. Is there a market need (in a particular industry, country or region) for such a certification program?
3. What resources are needed to develop, launch, and operate the new program?
4. What is the sustainability of such programs?
5. What is the expected outcome and impact of launching and sustaining such programs?
6. What business structure and risk/reward models would be the most advantageous for entry and persistence in the market?
7. What are the major decision milestones for the program development plan?
8. What is the exit criteria/plan if such a “business” needs to stop functioning?

Proposed Effort

This initiative would expand upon current credentialing activities administered by S&C, but would primarily address programs based on criteria contained in documents other than ASME-developed standards. Given the thrust in globalization and the hyper-connected society, the international certification space, in particular, is drawing a lot of attention. Although most agree the United States has the biggest credentialing market, determining who the other major players are, and why they’re busily getting credentials, depends on whom you ask. Given the big uncertainty in this space it is critical that ASME develop complete market intelligence, and capabilities assessment, before developing a plan for program development and execution. Hence the work plan should include:

1) Carry-out a thorough market research both primary and secondary to identify the key disciplines, industries and the geographic regions that require – or have a compelling need for -- such credentialing
One possible approach: start with the market research in three or four key areas to identify specific personnel credentialing needs: Aging Infrastructure, Complex System Failures, New Nuclear Safety Construct, and Advanced Manufacturing. These would build on existing ASME expertise but they also have the flexibility to grow such ASME branded certifications into new markets.

2) Based on the information gathered, develop a business model supported by a well-articulated business plan to penetrate specific markets including a well thought out market strategy.

3) Launch a pilot to validate assumptions.

4) Complete launch in the targeted industry and/or geography.

Lead

Processes and guidelines are in place within ASME S&C for evaluation and development of new conformity assessment programs. The Personnel Certifications (PERC) and the T&D departments should remain as the lead groups for development of relevant new personnel certification and certificate programs, respectively. This responsibility includes any necessary budgeting as part of normal operations. ASME Sector Management Committee (SMC) and ASME Workforce Strategy Execution Team (SET) may serve a vital advisory role on identification and evaluation of potential needs and ideas for relevant new programs. SMC and W-SET could also assist PERC with market analysis, and recruiting of volunteer subject matter experts, and solicitation of sponsors to help develop the program criteria, job task analyses, and assessment exams.

Internal Funding

Some modest ASME internal funding (TBD) is likely required to initiate the market research component of the above efforts. However, they should be designed so that they drive new revenue that generates net surplus to support overall mission and vision of The Society

Stakeholders (TBD)

Market (TBD)

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## Cause And Effect Matrix

**rev. 2.4.13**

### Rating of Importance to Success

<table>
<thead>
<tr>
<th>Initiative Categories</th>
<th>Level of Difficulty (1 hard 4 mod 9 easy)</th>
<th>Technical Feasibility</th>
<th>Available competency(staff/volunteer)</th>
<th>Draws in qualified content contributors</th>
<th>Level of risk (1 high 4 mod 9 low)</th>
<th>Address a market need</th>
<th>Breadth of user community (demographics - career path, countries, etc.)</th>
<th>Availability of external funding/resources (includes philanthropies)</th>
<th>Level of Investment (1 high 4 mod 9 low)</th>
<th>ASME Competitive Advantage</th>
<th>Time to Market (1 &gt; 1 year 4 1 year 9 - months)</th>
<th>Sustainability/Product lifecycle</th>
<th>Revenue potential (1 - thous 4 - millions 9 &gt;10million)</th>
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<td>6 Expertise Finder</td>
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<td>9</td>
<td>1</td>
<td>4</td>
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<td>401</td>
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<td>9 Energy Market (sub of 8)</td>
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</tbody>
</table>

| Total                  | 424                                      | 1800                   | 1366                                   | 1099                                  | 1728                               | 680                             | 376                            | 1098                               | 448                               | 344                                 | 1980                                  | 675                             | 711                           |
Date Submitted: March 29, 2013  
BOG Meeting Date: April, 2013

To: Board of Governors  
From: (Sector/Unit/Task Force/Other) 
Presented by: Karen Ohland, Bobby Grimes, Ed Seiders, Bernie Hrubala, Mike Ireland  
Agenda Title: Update on K&C/ Institutes Reorganization Task Force Activity

Agenda Item Executive Summary: (Do not exceed the space provided)

The team will provide an update of the newly appointed Knowledge Task Force (combining Divisions and Institutes) and Community Task Force. The task forces met together and then separately in February in Houston. Based on feedback from the Board last year, and the direction set by the BoG in “Pathway 2025,” the task forces drafted high-level strategic principles to guide the reorganization efforts. The team will present these guidelines to the Board to ensure that they are proceeding in the proper direction before further fleshing out existing skeletal structures.

Proposed motion for BOG Action: (if appropriate)

None

Attachments:

To come
Knowledge & Institute Task Force
Update for BOG
by
Karen Ohland & Bobby Grimes

2 Park Ave, NYC, NY
April 18-19, 2013

Agenda
• History and BOG feedback
• How drivers change the old model
• Review proposed principles for any reorganization
• Discussion & guidance on drivers & principles.
History

- Began reorganization almost three years ago.
- Last presentation in June 2012.

Board Feedback

- As both are separate businesses/operations, agree with separation of K&C. Include Institutes.
- Focus on intended customer, value proposition, and business model with clear performance metrics
- Incorporate ASME’s prerogatives: strategy, asme.org and membership
- Eliminate risk of apparent authority, particularly where a volunteer acts on behalf of the Society outside the US
- Leadership needs to impose increased discipline
- Align staff to the model and define roles.
Board Feedback

• In conclusion, it is the view of the Board that the proposal does not contain enough detail; clarity of purpose; value proposition or intended outcome to be considered further at this time, and the motion will be tabled

• Constructive steps forward:
  1. Establish a supporting advisory task force of select BOG member and ED/Senior staff
  2. Legal review
  3. Revised proposal for consideration at future BOG meeting.

Regrouped in February, 2013

• Delayed by resignation of Senior VP and criticality of consolidated banking project and ASME 990
• Created oversight group including BOG members
• Simultaneous work on Knowledge and Communities by separate task forces; kicked off in Houston, TX weekend of February 23-24
• New reorganizational principles based on:
  – Board Feedback
  – Pathway 2025
  – Internal ASME Environmental Scan.
Volunteers and Staff

- **Oversight**
  - Ed Seiders, ASME Board
  - Bernie Hrubala, ASME Board
  - Karen Ohland, K&C Senior VP
  - Bobby Grimes, Institutes Senior VP
  - Mike Ireland, Managing Director, ASME staff

- **Knowledge**
  - Dick Williamson – task force Chair (current VP – IPTI)
  - Lee Langston – (treasurer - IGTI board)
  - Ken Hall (current VP – IGTI)
  - Luc Geraets (current VP Technical Communities)
  - Rick Marboe (current VP Programs & Activities, former Technical Group Leader)
  - Jared Oehring (current VP Financial Operations, former chair Information & Communications Comm.)
  - Randy Reagan – Staff
  - Tim Graves – Staff (IPTI Director of Operations)
  - Brian Gin – (rep from new S&EC sector)

- **Communities**
  - Marianne Chan – task force Chair (current chair K&C Representation and Governance Comm.)
  - Kc de la Garza – (current VP – Affinity Communities)
  - Eduardo Barrientos – (incoming VP – Affinity Communities)
  - Richard Bunce – (current VP – Global Communities)
  - Rick Marboe (current VP Programs & Activities, former Technical Group Leader)
  - Jared Oehring (current VP Financial Operations, former chair Information & Communications Comm.)
  - Elio Manes – Staff
  - Marian Heller (Staff)

Driver: Need to consider broader reorganization

Old: Current/Previous practice with K&C

New: Include Institutes in examining alternative reorganizational options
Driver: Clearly define customer and value proposition

Old: Customers were other volunteers and value was supporting them

New: Customer is providing subject matter, market expertise and local connections to the Society

Driver: Need for new business model with clear performance metrics including helping Society bottom-line.

Old: $4m subsidy with growing custodian funds.

New: Business model that is financially self sufficient with full costs allocated to units and addresses issues with custodian funds.
Driver: One ASME. Create an organizational structure that supports a managed approach

Old: Bottom up structure with all units thinking and acting independently, with own business objectives.

New: Empowered Sector Board(s) governing in alignment with BOG and in collaboration with other sectors, imposing increased discipline on units from the top down.

Driver: Mitigate Risk of apparent authority and unchecked volunteers

Old: Each unit had own Bylaws and titles.

New: Empowered Sector Board(s) establishes uniform governing documents in consultation with Legal and COR for approval by BOG.
Driver: Encourage virtual engagement as the common organizational pathway.

Old: Each unit had its own website. Networking is almost exclusively face-to-face.

New: ASME.org will be the primary nexus for all communities; some groups will have additional means of engagement.

Driver: Place more value on increasing number of engaged members and content providers, particularly in areas that align with BOG strategy and priorities.

Old: Membership growth for growth’s sake with little value for members or ASME beyond dues revenues.

New: Train, develop and enable qualified active content contributors, who provide value to customers and multiple sources of revenue for ASME.
Driver: Support the Society and better utilize resources

Old: Unclear roles of staff and volunteers. Redundancy in programs and products between units and enterprise.

New: Clear roles of staff (business logistics) and volunteers (subject matter and market expertise). Coordination with programs and project owners across the Society.

Organizing Principles

- Empowers and engages individuals and groups
- Market-focused yet allows for meeting member mission-based motivations
- Leverages investments in .org, facilities and staff
- Positions us for growth to support Pathway 2025, with improved financial performance and transition to end subsidies
- Managed approach to finances and strategic intent
- Financial model that supports the growth of the units and ASME
- All products (e.g. conference business) professionally managed, with roles for staff and volunteers clearly outlined
- Any change is going to be resisted, we will get less buy-in from the current units who are more autonomous and/or subsidized
- One ASME. Fewer independent units. Less of “us vs. them.”
Next Steps

We are not asking for a vote, but rather for concurrence and guidance:

• Is the Board in agreement with the drivers?
• Does the Board support the principles which will guide the reorganization?
• If so, do we have concurrence to develop proposals to bring forward to the Board that meet these criteria?

Remember, any change will be contested. There will NOT be 100% buy-in from all units. It will take all of us collectively to make it happen.

It matters!

“When you come to a fork in the road...take it.” Yogi Berra

“Alice came to a fork in the road. 'Which road do I take?' she asked. 'Where do you want to go?' responded the Cheshire Cat. 'I don't know.' Alice answered. 'Then,' said the Cat, 'it doesn't matter.'
Date Submitted: March 28, 2013
BOG Meeting Date: April 18 – 19, 2013

To: Board of Governors
From: COFI
Presented by: Warren DeVries
Agenda Title: Financial Update

Agenda Item Executive Summary:
Warren DeVries will provide an update on the status of the managed budget process, consolidated banking, member dues and a budget discussion.

Proposed motion for BOG Action:
To approve the budget targets as presented on April 19th

Attachments:
None, will be presented at the meeting.
Board of Governors
Financial Update

April 19, 2013

Agenda

I.  Budget Targets
II. 990 Filings Update
III. ASME Membership Dues: 2013-14
IV. Consolidated Banking
Budget Timeline

- 1/25/13: COFI/SMC meeting to discuss business objectives
- 3/15/13: COFI discussed and approved budget target recommendations
- 4/19/13: COFI recommends budget targets to BOG for approval
- 6/23/13: COFI to recommend detailed budget to BOG for approval

Budget Targets

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<td><strong>General Fund</strong></td>
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<td>Revenue</td>
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<td>98,006</td>
<td>105,491</td>
<td>110,884</td>
<td>119,145</td>
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<tr>
<td>Expenses</td>
<td>81,126</td>
<td>89,899</td>
<td>96,968</td>
<td>105,184</td>
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<td>(927)</td>
<td>(7,178)</td>
<td>(7,976)</td>
<td>(3,544)</td>
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<tr>
<td><strong>Restricted</strong></td>
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<tr>
<td>Revenue</td>
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<td>10,028</td>
<td>9,410</td>
<td>11,899</td>
<td>12,879</td>
<td>13,019</td>
<td>14,479</td>
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<td>Expenses</td>
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<td>11,228</td>
<td>11,400</td>
<td>11,720</td>
<td>12,800</td>
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<td>Operating Net</td>
<td>440</td>
<td>1,160</td>
<td>96</td>
<td>621</td>
<td>1,479</td>
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<td>Revenue</td>
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<td>106,407</td>
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<td>Operating Net</td>
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<td>7,650</td>
<td>(830)</td>
<td>(6,507)</td>
<td>(6,440)</td>
<td>(2,535)</td>
<td>1,889</td>
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</table>
Budget Targets / General Fund

($) millions

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<tr>
<th>General Fund w/ Proposed Changes</th>
<th>Actual FY10</th>
<th>Actual FY11</th>
<th>Actual FY12</th>
<th>Actual FY13</th>
<th>Forecast FY14</th>
<th>Forecast FY15</th>
<th>Forecast FY16</th>
<th>Budget FY14</th>
<th>Budget FY15</th>
<th>Budget FY16</th>
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<tr>
<td>General Fund Beginning Balance</td>
<td>46.4</td>
<td>48.4</td>
<td>71.1</td>
<td>60.1</td>
<td>57.9</td>
<td>53.9</td>
<td>54.1</td>
<td>57.9</td>
<td>53.9</td>
<td>54.1</td>
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<tr>
<td>Net Operating Results</td>
<td>0.8</td>
<td>6.5</td>
<td>(0.9)</td>
<td>(7.2)</td>
<td>(8.0)</td>
<td>(3.8)</td>
<td>0.2</td>
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<tr>
<td>Investment Returns *</td>
<td>8.4</td>
<td>14.5</td>
<td>0.7</td>
<td>6.0</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
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<tr>
<td>Accounting Adjustments</td>
<td>(7.2)</td>
<td>1.7</td>
<td>(10.8)</td>
<td>(1.0)</td>
<td>-</td>
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</tr>
<tr>
<td>Ending General Fund Balance</td>
<td>48.4</td>
<td>71.1</td>
<td>60.1</td>
<td>57.9</td>
<td>53.9</td>
<td>54.1</td>
<td>58.3</td>
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</table>

*Note: Investment income in FY14-FY16 assumes a 5% return on $80m in assets

Budget Targets – General Fund Reserve

General fund reserve projected to fall below 60% threshold

[Graph showing General Fund Reserve over time]
# Budget Targets - Custodial Funds

Custodial Funds growth continues, but doesn’t help the General Fund

(\$ millions)

<table>
<thead>
<tr>
<th></th>
<th>FY 10</th>
<th>FY 11</th>
<th>FY 12</th>
<th>FY 13</th>
<th>FY 14</th>
<th>FY 15</th>
<th>FY 16</th>
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<tr>
<td>Custodial Funds</td>
<td></td>
<td></td>
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<tr>
<td>Beginning Balance</td>
<td>12.4</td>
<td>14.4</td>
<td>18.7</td>
<td>18.6</td>
<td>21.3</td>
<td>23.8</td>
<td>26.1</td>
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<tr>
<td>Net Operating Results</td>
<td>0.4</td>
<td>1.2</td>
<td>0.1</td>
<td>0.7</td>
<td>1.5</td>
<td>1.3</td>
<td>1.7</td>
</tr>
<tr>
<td>Investment Returns *</td>
<td>1.6</td>
<td>3.1</td>
<td>(0.2)</td>
<td>2.0</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
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<tr>
<td>Ending Custodial Funds Balance</td>
<td>14.4</td>
<td>18.7</td>
<td>18.6</td>
<td>21.3</td>
<td>23.8</td>
<td>26.1</td>
<td>28.7</td>
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</tbody>
</table>

*Note: Investment income in FY14-FY16 assumes a 5% return on $20m in assets

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# Budget Next Steps

- April/May - Detailed budgets to be created based on targets
- May - Detailed budgets to be reviewed/approved by COFI
- June - COFI presents detailed budgets to BOG for approval
COFI recommends approval of the revenue and expense budget targets for the general fund and restricted funds as presented.

II. 990 Filings Update
990 Timeline

- **April 19th**: Draft 990 returns for ASME Corp, MERI and Group (consolidated) will be available for review on a secure website.

- **April 19th - May 3rd**: Period for BOG comments and questions.
  - [http://committees.asme.org/governance/bog/restricted](http://committees.asme.org/governance/bog/restricted)

- **May 15th**: Due date for return on extension.

III. ASME Membership Dues: 2013-14
The ASME Constitution states:

C9.1.1 Any changes to the dues must be approved by at least two-thirds of the voting members of the Board of Governors.

A dues increase shall be limited to the change in the Consumer Price Index since the previous dues increase. A dues decrease shall not be limited.

C9.1.2 Any proposed dues increase beyond the limit contained in C9.1.1 must be submitted to the corporate membership for approval by letter ballot.

### Proposed Membership Dues (2013-2014)

<table>
<thead>
<tr>
<th>Calculation</th>
<th>CPI</th>
<th>ASME Dues</th>
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</thead>
<tbody>
<tr>
<td>October 2012 Dues</td>
<td></td>
<td>$144.87</td>
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<tr>
<td>January 2013 CPI</td>
<td>230.280</td>
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</tr>
<tr>
<td>January 2012 CPI</td>
<td>226.665</td>
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</tr>
<tr>
<td>Inflator (Jan 13 CPI + Jan 12 CPI):</td>
<td>1.0159</td>
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<tr>
<td>Maximum allowable dues as per C9.1.1</td>
<td></td>
<td>$147.18</td>
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<tr>
<td>(Round down as per Society Policy 14.5)</td>
<td></td>
<td>$147.00</td>
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</tbody>
</table>

https://data.bls.gov/page/programs/cpiau

CPI: All Urban Consumers, NSA
Comparison of ASME Dues to Other Societies

Professional Membership Dues

Student Membership Dues

Distribution of Membership Dues Paid

<table>
<thead>
<tr>
<th>Membership Segments</th>
<th>Base Dues</th>
<th>Member Count (at 1/31/13)</th>
<th>Approx. Dues Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member, Fellow, Affiliate</td>
<td>$144</td>
<td>58,363</td>
<td>$7,688,144</td>
</tr>
<tr>
<td>Member out of School 4 years</td>
<td>$122</td>
<td>1,451</td>
<td>$162,365</td>
</tr>
<tr>
<td>Member out of School 3 years</td>
<td>$100</td>
<td>1,756</td>
<td>$162,004</td>
</tr>
<tr>
<td>Member out of School 2 years</td>
<td>$79</td>
<td>2,033</td>
<td>$145,162</td>
</tr>
<tr>
<td>Member out of School 1 years</td>
<td>$57</td>
<td>7,352</td>
<td>$153,078</td>
</tr>
<tr>
<td>Retired</td>
<td>$72</td>
<td>2,722</td>
<td>$193,681</td>
</tr>
<tr>
<td>Life</td>
<td>$0</td>
<td>18,961</td>
<td>$122,642*</td>
</tr>
<tr>
<td>Student</td>
<td>$25</td>
<td>22,094</td>
<td>$416,040</td>
</tr>
<tr>
<td>Free Members (Freshman Free, Complimentary, Honorary, Unemployed, etc.)</td>
<td>$0</td>
<td>19,398</td>
<td>$0</td>
</tr>
<tr>
<td>Total</td>
<td>134,130</td>
<td>$9,043,116</td>
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* A segment of life members pay a $36 service fee
COFI recommends approval to increase October 2013 dues to $147.00

IV. Consolidated Banking Update
Consolidated Banking Timeline

<table>
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<tr>
<th>Announcement</th>
<th>Officer Training</th>
<th>Due Date</th>
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<td>Sept '12</td>
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<td>Oct '12</td>
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<td>Oct '12</td>
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<td>May '13</td>
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<tr>
<td>May '13</td>
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<td>June '13</td>
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</table>

Key Consolidated Banking Statistics

- 158 of the 162 of Affiliates signed the transition
  - Exceptions are South Texas – Material Handling, Panama City, Chattahoochee and Gator Section
- 156 of the 158 completed the 990 information
  - Assets = ~$3.9 million
  - Restricted Assets (scholarships) = $103k
  - Liabilities = $33k
- All 32 Divisions responded
  - 28 indicated that they have no external accounts
  - 4 have external that have moved or will be moved by FY end
- 154 Officers have been trained to date via 23 webinars or at special session after LTC
  - 105 of the sections have had at least one Officer attend the training
- 36 sections have fully or partially transferred funds totaling $341k
Key Consolidated Banking Statistics (continued)

For Fiscal Year 2012

<table>
<thead>
<tr>
<th>Income Statement</th>
<th>Balance Sheet</th>
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<tbody>
<tr>
<td>Fundraising events</td>
<td>Cash $ 2,948,874</td>
</tr>
<tr>
<td>$ 66,448</td>
<td>Scholarships in the U.S. $ 103,155</td>
</tr>
<tr>
<td>Member contributions</td>
<td>Securities $ 686,220</td>
</tr>
<tr>
<td>$ 73,521</td>
<td>Other miscellaneous $ 159,976</td>
</tr>
<tr>
<td>Merit funding</td>
<td>Total Assets $ 3,898,226</td>
</tr>
<tr>
<td>$ 373,138</td>
<td>Accounts payable/Accrued expense $ 32,730</td>
</tr>
<tr>
<td>Contributions and gifts from others</td>
<td>Total Liabilities $ 32,730</td>
</tr>
<tr>
<td>$ 29,250</td>
<td>Net Assets $ 3,865,496</td>
</tr>
<tr>
<td>Engineering-related seminars</td>
<td></td>
</tr>
<tr>
<td>$ 407,365</td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td></td>
</tr>
<tr>
<td>$ 19,543</td>
<td></td>
</tr>
<tr>
<td>Other miscellaneous</td>
<td></td>
</tr>
<tr>
<td>$ 74,626</td>
<td></td>
</tr>
<tr>
<td><strong>Total Gross Revenue</strong> $ 1,043,896</td>
<td></td>
</tr>
<tr>
<td>Investment management fees $ 1,685</td>
<td></td>
</tr>
<tr>
<td>Advertising and promotion $ 4,452</td>
<td></td>
</tr>
<tr>
<td>Information technology $ 8,827</td>
<td></td>
</tr>
<tr>
<td>Other office expenses $ 25,181</td>
<td></td>
</tr>
<tr>
<td>Conference conventions $ 369,362</td>
<td></td>
</tr>
<tr>
<td>Student assistance in the U.S. $ 164,103</td>
<td></td>
</tr>
<tr>
<td>Other grants or assistance $ 25,565</td>
<td></td>
</tr>
<tr>
<td>Travel $ 24,513</td>
<td></td>
</tr>
<tr>
<td>Direct expenses of fundraising $ 44,745</td>
<td></td>
</tr>
<tr>
<td>Other miscellaneous expense $ 213,155</td>
<td></td>
</tr>
<tr>
<td><strong>Total Gross Expenses</strong> $ 881,592</td>
<td></td>
</tr>
<tr>
<td><strong>Revenue Less Expense</strong> $ 162,303</td>
<td></td>
</tr>
</tbody>
</table>

Thank you!
ASME Board of Governors
Agenda Item
Cover Memo

Date Submitted: March 29, 2013
BOG Meeting Date: April 18, 2013

To: Board of Governors
From: (Sector/Unit/Task Force/Other)
Presented by: Roy Arbeit and Susan O’Neill
Agenda Title: ASME.org Phase 2 Update

Agenda Item Executive Summary: (Do not exceed the space provided)

An update on the status of ASME.org Phase 2 will be provided including information about the timing of the Private Preview and the Public Launch.

Proposed motion for BOG Action: (if appropriate)
None.

Attachments:

PowerPoint Slides.
PHASE 2 UPDATE

- March/April activities:
  - Final integration and QA testing
  - Group content clean-up and review

- Four-week Private Preview scheduled to start the week of April 22
  - Invitation only
  - Provides active members and volunteers an early opportunity to register, create profiles and explore the new community features
  - Old ASME.org site will remain available during this timeframe

- Target date for Public Launch: Late May
  - The new site will be made available publicly
  - Old ASME.org site will be retired
SUPPORTING MARKETING & COMMUNICATIONS ACTIVITIES

- Private Preview e-mail campaign
  - Alert – week of April 15
  - Invitation – week of April 22
  - Reminders – throughout the Private Preview period

- Group leader webinar – available week of April 15
  - Provide group leaders with more details about what is changing and what they should do

- Wide variety of marketing activities planned for 2013 in support of the Public Launch
  - Build awareness
  - Encourage registration and participation
  - Foster interaction and community activities
  - Linkage to key content initiatives (e.g., Energy Forum webinar series)

CURRENT ACTIVITY UPDATE

- We are seeing significant growth in traffic and usage of ASME.org
  - See graph on next page

- We will build on this with Phase 2 and be able to gather more intelligence about our users:
  - Participants and their activities on the site
  - Level of online engagement
Total Unique Visitors By Month
(FY13 -- Comparison vs. Year Ago)

<table>
<thead>
<tr>
<th>Fiscal Month</th>
<th>FY13 (Actual Results)</th>
<th>FY12 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul</td>
<td>282,179</td>
<td>221,960</td>
</tr>
<tr>
<td>Aug</td>
<td>341,215</td>
<td>267,192</td>
</tr>
<tr>
<td>Sep</td>
<td>418,915</td>
<td>366,339</td>
</tr>
<tr>
<td>Oct</td>
<td>507,334</td>
<td>445,021</td>
</tr>
<tr>
<td>Nov</td>
<td>460,322</td>
<td>333,000</td>
</tr>
<tr>
<td>Dec</td>
<td>438,772</td>
<td>297,011</td>
</tr>
<tr>
<td>Jan</td>
<td>516,049</td>
<td>284,478</td>
</tr>
<tr>
<td>Feb</td>
<td>532,946</td>
<td>384,784</td>
</tr>
</tbody>
</table>

OVERALL SITE TRAFFIC:
+43% YOY
+72% YOY
+45% YOY
+93% YOY
+81% YOY
+23% YOY
+38% YOY
+87% YOY
ASME Board of Governors
Agenda Item
Cover Memo

Date Submitted: April 4, 2013
BOG Meeting Date: April 18 – 19, 2013

To: Board of Governors
From: (sector/Unit/Task Force/Other)
Presented by: Marc Goldsmith
Agenda Title: Pathway 2025 Update

Agenda Item Executive Summary:
A discussion regarding Pathway 2025.

Proposed motion for BOG Action:
None.

Attachments:
Slides
ASME Pathway 2025

Update Report to the BOG
(Revised 4.4.13)

Marc W. Goldsmith
Thomas G. Loughlin

Today’s Task

• Define the boundaries and the guideposts for Pathway 2025 at the Board Level:
  – Financial
  – Organizational
  – Policy and Process
Agenda:

- Board of Governors...M. Goldsmith
  - Background & Purpose/Benefit
  - Direction & Strategy
  - Core Questions/Discussion:
    - Where is the destination?
    - What does the road look like that will take us there?
    - Review/Discuss differing needs/roles for Pathway:
      - Board, Sectors & Staff
- Operational Issues/Discussion...T. Loughlin
- Appendix...other background material

Background:
Pathway 2025: Plan for the Plan:

- BOG Generative Discussion @ Retreat 7/12
- BOG Strategic Discussion/Actions
  - 9/12...est. aspirational Pathway goal of $500 million by 2025
  - 11/12...review discuss challenges & request "Plan for Plan"
  - 1/13...Rough Plan submitted
  - 4/13...Review/discuss plans; challenges & next steps
Pathway 2025: Benefits of Effort:

Conversation has been revealing:
– ASME is Oriented to Preserve Status Quo
– Enables the Re-Framing of Current Efforts
  • Website, Member Model, Banking & Finance, etc..
– Challenges to Growth:
  • Cultural Conflict/Ambiguity & Inertia
  • Limited Capacity & Organization
  • Governance Limitations
  • Lack of Discipline in Business Planning
  • Lack of True Market Focus
– Declaring a Growth Objective is Not Nearly Enough!

Board Direction & Strategy

• Lead the organization toward a common future
• Define the future through Pathway 2025

Factors of Leadership
- Situation
- Communication

- September ‘12: Generative Discussion & Establish $500 Million/2025 Aspirational Goal
- November ‘12: Revisit Goal & Call for a “Plan for a Plan”
- April ‘13: Review Status & Discuss
Back to Fundamentals:

BOG Vision and Leadership (in a change environment)

+ Growth Strategy
+ Enabling Competencies

= Agility, Vitality & Growth

Detailing the Pathway: Financial – Net Income

- Ultimate Revenue Target $500M in 2025
  - Do we want to revisit?
- Growth factors - % revenue, %net income?
- Expense Targets?
  - % increase/decrease over time
- Revenue Diversification Target(s)?
  - Reduce risk from S&C IBR (Incorporation by Reference) to other product line(s)
  - Reduce risk to Publishing from Open Access by moving to other product lines
Detailing the Pathway: Financial - Reserves

- How much reserve is enough in a growth mode?
- Do we need, should we require a balanced budget including capital as now presented in the managed budget format?
- Currently, reserves are set at a 60% of annual operating expense level, should it stay the same in a growth mode, grow or decline?

Detailing the Pathway: Financial – Expansion Capital

- How much capital do we want for expansion and growth?
- Trade against reserves?
- Acquisition requirements definitions in cash terms? How much capital at risk?
- Decision process?
Pathway 2025 Definition

• What defines the Pathway adequately for all the Stakeholders?
• What is the endpoint or destination?
  – The endpoint for this Pathway which is the launching point for the next is the ability to do more good work per the mission of improving the quality of life for humankind and advancing the art and science of engineering
  – Taken in monetary terms it is to grow the ability by a factor of 5 by 2025 to an aspirational goal of $500 million.

Key Focus Areas Outside of the BOG

Detailed plans will need to be coordinated across key areas:
• Organization – Align and implement organizational shifts to support plan.
• Markets – Assure true market orientation in all decision-making.
• Financial – Integrate financial systems and reporting.
• Global – Assure ASME’s path to becoming truly global.
• Alliances – Synthesize existing and build strategic alliances as needed.
• Content – Assure ASME becomes truly content (knowledge) centered.
Detailing the Pathway: What next?

• Report back with details in June
• Team for the Board is:
  – Charla Wise
  – Rich Laudenat
  – John Elter
• Team for Staff is:
  – Tom Loughlin
  – XXXX
  – XXXX

Questions
Appendix

• Definitions of Pathway

Defining a pathway

• The Board needs to provide sufficient detail to the pathway that clearly defines the outcomes while not impeding creative ways to reach the outcomes.
• Maps or pathways come in varying levels of detail.
• The Board needs to decide on the level of detail.
  – Does it want some guideposts or all the lefts and rights hand turns and distances possible on the path or something in between.
  – Is the path described only financially or only in terms of good and additionally in terms of implementing people
Defining the Pathway

There are several financial key elements to the Pathway.
- How much money is available to grow good? (Net income = Revenue - Expense)
- How much reserve? (Reserves = % of net income added to existing reserves). Do we maintain the same levels or use for growth?
- How much reinvested in growing the organization and the capability to do good? (expansion capital = net income - reserves)
- How much to new programs and efforts? (new program capital = expansion capital - threat reduction capital)

How is the pathway defined?

The Pathway could be defined in many ways and will be defined differently by different stakeholders.
The Board wants to define the path adequately for implementation by others
The initial thought was a monetary target that created a growth mode was enough.
In retrospect it does not provide enough of the path to make all comfortable.
Detailing the Pathway: Organizational Structure

• Multiple Paths not mutually exclusive
  – Leave it to the ED
  – Use Sector Management
  – Use SET teams
  – Divide by Products and Services P&L and let the P&L team do it
  – Create new mechanisms for growth delivery

Detailing the Pathway

• Is this sufficient definition for the pathway to get to the destination?
• Does it leave the drivers room for creativity and innovation?
• Is it enough stretch, a reasonable stretch, measurable and deliverable?
• Does it provide the Board the comfort that it set the direction for the future in conjunction with its’ other efforts in Vision, Mission and Strategic Intents?
• Is there a clarity in the organizational roles and responsibilities?
• Does it take us through the barriers to success?
Detailing the Pathway: aspiring to $500 Million in 2025

• The framework of the pathway detail is the goal today.
• The actual detail will be developed based on today’s discussion and the efforts between now and the June Board meetings
• The following slides ask the questions:

Detailing the Pathway

• Available to do good: How much?
  – Requires staff, infrastructure, competencies
  – Net income means that the safety codes generated revenue along with the other revenue exceeds the expenses necessary to accomplish the safety and engineering good enabled by the revenues
  – This requires growth in products and services
  – This requires a disciplined growth in both the revenue generating and in the doing good expenses
  – Net income enables growth
**Detailing the Pathway – Net Income**

- Two potential pathways
- Percentage period growth (i.e., 3 year period)
  - Percent Revenue growth
  - Percent Expense growth
- Net income = revenue – expense (in $)
- Do we specify a growth rate or a dollar amount?

**Detailing the Pathway - Expense Restrictions**

- Do we want to limit the growth rate in expenses to X % of the revenue growth rate?
- Do we want to shift certain costs from one program or product to another?
Detailing the Pathway - Reserves

- How much is enough in a growth mode?
- Do we need, should we require a balanced budget including capital as now presented in the managed budget format?
- Currently reserves are set at 60% of annual operating budget, should it stay the same in growth, grow or decline?

Detailing the Pathway – Revenue Diversification (Threat Reduction)

- The majority of revenue is from Codes and Standards and publishing
- Two major threats identified of varying severity:
  - Incorporation by Reference (IBR) on codes and standards
  - Open Access on publishing
- Should we be investing more in these areas or in areas that diversify revenue into the other revenue streams?
Detailing the Pathway – Expansion Capital

- Expansion capital is that capital necessary to grow the infrastructure, human resources and other factors necessary to grow the net income in order to do greater good.
- Expansion capital is necessary to acquire (buy) other resources, human resources, improve or upgrade equipment to handle additional products and services.

Detailing the Pathway -- Guidance

- Revenue Growth
  - % yoy, or three year target
  - $  
- Diversification of revenues
  - Yes
  - No
- Expense growth rate target
  - Yes
  - No
  - Human resource growth
- Net Income target –separate from growth in revenue or expense
Detailing the Pathway -- Guidance

- Reserves
  - Current 60%
  - Variable depending on needs and risks?
  - Other number?
- Expansion Capital
  - Net income – reserve = expansion capital
  - % of Assets
  - Other measure
  - Based on opportunity

Pathway 2025: Plan for the Plan:

- Build foundation to meet growth objective:
  - Identifies barriers to growth and begins to addresses them
  - Team approach: establish cohorts of highly qualified individuals with clear mandate and leads
  - Recognize that several BIG enterprise level projects are underway that are foundational to future growth & scale.
  - Build on existing efforts & organizational adjustments (SET, .org, banking, etc)
  - Establish performance metrics that capture both impact and revenue objectives (using emerging standards such as Impact Reporting Investment Standard - IRIS and Global Impact Investment Network - GIIN)
  - Requires organization to build capacity & competency
  - Work effort will accelerate over time (including additional teams) with new capability established
  - Will create growth trajectory
Pathway 2025: Plan for the Plan:

• Assemble/Coordinate Kick-off “Pathway” Teams:
  – Team Areas:
    • 1. Program Model
    • 2. Energy Product/Programs
    • 3. Operational Capability
  – Build business & project plans that include:
    • Schedules & Deliverables
    • Investment & net returns including timing (results to be rolled up into wedge diagram)
    • Multi-year delivery blocks
  – Project Management:
    • Submit written report for each BOG meeting with coordinated reports out 2x per year.
    • Teams to be comprised of knowledgeable and qualified individuals (QCC, etc) and led by qualified staff.

ASME as a “Control System”:

Feedback loop: Monitor operations/activities/programs and synthesize/rationalize operating experience with external factors and adjust.
The Imperative for Change:

“The traditional association operating model – one that’s dependent on direction and decision making by volunteers and supported by members – isn’t working as well as it once did. Most associations are tradition driven, slow, and risk averse. They are characterized by offerings of a broad range of programs, services, products and activities. The model is tied to face-to-face interaction through meetings, conferences, conventions and seminars. And although this is changing, most associations still rely heavily on print for publications, communications, and information delivery.”

- Race for Relevance, Harrison Coerver and Mary Byers, CAE

ASME: Now and Future…

ASME is [reactive]…
- Lacks some discipline
- Saturated (Markets & Resources)
- Collegial
- Successful
- Under threat
- Organic Growth
- All things to all people

ASME will be [proactive]…
- Market Driven/Facing
- Mission/Market Centric
- Agile & Flexible
- Intentional
- Successful/sustainable growth will be at the nexus of products and programs.
- Under threat
- Focused
The chart below illustrates ASME’s CAGR over the past 25 years (3 year period = 8.3%; 5 year period = 7.3%; 25 year period = 5.5%).

$28m
$106m

3 YR CAGR = 8.3%
5 YR CAGR = 7.3%
25 YR CAGR of 5.5%

The chart below illustrates a $200m shortfall based on an 8.3% CAGR which represents the highest growth average for ASME over the last 3, 5, and 25 year time periods (8.3%, 7.3%, and 5.5% respectively).

ASME would require a 13.1% CAGR based upon existing revenue to hit revenue targets of $500m in 2025.
The chart below illustrates ASME obtaining $200m in incremental revenue in 2025 by implementing new revenue streams that have $2m in revenue in 2015 and have a CAGR of 59%.
ASME will need to find additional revenue sources to reach the incremental $200 million in revenue based upon an estimated organic CAGR of 8.3%.
Current Notions Being Evaluated

- Energy Event
- ASME.org Sponsorship
- International Membership Model
- New Standards
- Training Programs
- Personal Certification
- Global Market Growth:
  - Asia
  - Latin America

Notions for the Future

- Digitalization of Intellectual Property
- Acquisitions
- New Products
- New Conferences
- New Training
- New Certifications
- Digital Delivery
- Global Humanitarian Efforts
Date Submitted: March 19, 2013
BOG Meeting Date: April 19, 2013

To: Board of Governors
From: Michael Cowan
Presented by: Antony Bugg-Levine, CEO, Nonprofit Finance Fund
Agenda Title: Impact Investing

Agenda Item Executive Summary: (Do not exceed the space provided)
Tom Loughlin will introduce Antony Bugg-Levine, the CEO of the Nonprofit Finance Fund and one of the leading thinkers and pioneers in the field of impact investing. The presentation will provide an overview of impact investing, an area that’s revolutionizing nonprofits, investing and social enterprises alike.

Proposed motion for BOG Action: None

Attachments:

1. Bio, Antony Bugg-Levine
Antony Bugg-Levine, CEO, Nonprofit Finance Fund

Antony Bugg-Levine: CEO

Antony Bugg-Levine is the CEO of Nonprofit Finance Fund, a national nonprofit and financial intermediary dedicated to mobilizing and deploying resources effectively to build a just and vibrant society. In this role, Mr. Bugg-Levine oversees more than $225 million of capital under management and a national consulting practice, and works with a range of philanthropic, private sector and government partners to develop and implement innovative approaches to financing social change. Mr. Bugg-Levine writes and speaks regularly on the evolution of the social sector and the emergence of the global impact investing industry. He is the co-author of *Impact Investing: Transforming How We Make Money While Making a Difference* (Wiley, 2011).

As a Managing Director at the Rockefeller Foundation, Mr. Bugg-Levine designed and led the Foundation's initiative, Harnessing the Power of Impact Investing, and oversaw its program-related investment portfolio. He is the founding board chair of the Global Impact Investing Network, and convened the 2007 meeting that coined the phrase “impact investing.”

Previously, Mr. Bugg-Levine was the Country Director for Kenya and Uganda for TechnoServe, a nongovernmental organization that develops and implements business solutions to rural poverty. Earlier in his career, as a consultant with McKinsey, he advised Fortune 100 clients in the financial services and health care sectors and helped develop new frameworks for incorporating social dynamics into corporate strategy. A native of South Africa, he served in the late 1990s as the acting communications director at the South African Human Rights Commission and as a speechwriter and media strategist for the African National Congress's 1999 election campaign. He is an associate adjunct professor in the Social Enterprise Program at the Columbia Business School. He lives in New Jersey with his wife, Ahadi.

http://nonprofitfinancefund.org/
The ABCDs of Impact Investing and Social Enterprise

Posted: 11/29/2012 11:05 am

Around the world, inspiring pioneers are demonstrating that business and investment can be a morally legitimate and economically effective way to tackle social challenges. But how will we move beyond these inspiring anecdotes to harness the potential of the social enterprise and impact investing movements? Asking four fundamental questions can help steer our path. Are we:

• Asking the right question?
• Building the systems?
• Considering the context?
• Deepening our sense of obligation to each other?

Asking the Right Questions

If we orient around the question "where can we find investments that generate social good?" we limit the power of our work. What we should be asking instead is: "What are the social issues we want to address and how can we best contribute to their solution?"

This is more than mere semantics. The Nonprofit Finance Fund has been making impact investments for more than 30 years. In 2009 we set up a program to lend to social service agencies in the City of New York to help them weather the fallout of the financial crisis. We set out asking, "Where can we find credit-worthy borrowers in the social service sector?" But many of these organizations were no longer healthy enough to take on debt in the face of first payment delays and then budget cuts from the City of New York. We could not lend to them.

But when we changed our question to, "What part can we play to ensure that New York has a viable safety net?" we realized that we needed to combine debt, loan guarantees, and grant money for advisory services to help these organizations reposition themselves for long-term sustainability. So by focusing on what we could do to help solve the problem confronting these organizations, we came up with this approach we now call "Complete Capital." We believe many of the most powerful social solutions will employ "Complete Capital" approaches bringing donors together with government, investors and the strategic advisory services necessary to transform these organizations in a way that allows them to thrive in this new operating context. That's just one example of how asking the right question can change the way your approach your work.

Building the systems

As important as asking the right question is, it's not enough. Without the systems to support our work, it will be harder than it needs to be, and the frustrations will drive many people away. Legal systems, educational systems, and measurement systems all support activity that is either purely charitable or purely profit-seeking, but what happens for those of us working in the middle? How do we create laws and regulations that incentivize impact investors without creating an easy-way for people to falsely claim impact intentions in order to avoid taxes? How do we train a new generation of professionals who want the market savvy a business school offers and the social insight our policy and social work schools currently offer? And how will we measure the success of our social enterprises and impact investments that generate a blended value of social and financial return?

The great thing about systems change is that it creates a role for everybody. You can participate in changing the educational system by the questions you ask your professors. You can participate in changing the legal systems through your vote and the way you engage with lawmakers. In measurement, you can become a more savvy consumer of the information that is available to those who care about social outcomes. Our systems are not handed to us; we create them everyday through our actions.

Considering the Context

Too many social enterprise and impact investing discussions ignore the context in which we work. We talk a lot about amazing innovations, but we don't talk enough about how they apply to the great challenges of our time. In the West over the next decade, we need to figure out: how will we secure and expand the social safety net so that it endures as government retreats? In emerging markets, we need to determine: how economic growth can reach more and more people? Our work as social entrepreneurs and impact investors need to contribute to the answers to those fundamental questions. If we continue to have conferences and conversations and businesses that ignore this operating context we will never reach our potential.

Deepening our Connections

http://www.huffingtonpost.com/anton-y-bugglevine/the-abcds-of-impact-investin...
Given our focus on business and markets, we often understate how important basic human compassion is to our work. At some point, the fuel that allows any of our ventures to succeed is a recognition that we all need to take care of each other. This commitment motivates many social entrepreneurs. It motivates impact investors. And it motivates governments and philanthropists to buy our services directly or help provide income to our clients to pay for them.

I worry that this sense of mutual obligation is in retreat. In the West, macroeconomic pressures are causing too many people to hunker down and protect their own narrow interests. And in fast-growing emerging markets, a generation is grabbing an opportunity to attain unimagined wealth for themselves even while leaving others behind. If we don't reignite the sense that we have an obligation to each other, then the fuel that runs this whole machine is eventually going to run out.

My grandfather Yudel Levy was born around the turn of the 20th century in Germany. He was orphaned as a young boy and quit school to work. After a few years he found work in a textile factory. When my grandfather was a young adult, the factory owner gave my grandfather money to start his own factory in another town. Now that man did not call himself an impact investor, but his investment embodied the spirit of impact investing. He didn't believe that the only purpose of investing was to make money. And while he felt a sense of obligation to my grandfather, he did not give him charity. Instead he offered my grandfather start-up capital and told my grandfather to pay him back when his company became profitable.

I suspect that everyone in this room today got here because at some point in your family line, someone supported you or your forebears out of a similar recognition that we have an obligation to support each other. If we don't reinvigorate that spirit, then not only will our work be much harder, but we could will ultimately not contribute to realizing the world we want to see.

So I will leave you with a quote from my favorite political philosopher, Bruce Springsteen:

“Where are the eyes, the eyes with the will to see? Where are the hearts that run over with mercy? Where is the work that will set my hands, my soul free?”

If you have the eyes with the will to see what's going on around you, if you have the hearts to connect the work you do to a sense that we have an obligation to one another, then this is the work that will set your hands and your soul free.

This post was originally the keynote address at the Wharton Social Impact Conference.
Date Submitted: March 28, 2013
BOG Meeting Date: April 18 & 19\textsuperscript{th}, 2013

To: Board of Governors
From: Sector Management Committee

Agenda Item Executive Summary:

The report updates the BOG on SMC activity and is for information only. There is no action required.

Proposed motion for BOG Action: \textit{(if appropriate)}

No Action

Attachments:
One
SMC OPERATIONS

Budget Process

The budget process continued, with Sectors reviewing their FY14-16 budgets and establishing targets. A COFI/SMC teleconference was scheduled on March 28th.

Draft Initiatives

The SMC held a workshop on January 25 & 26. During that time the group identified 15 possible initiatives that could involve cross-sector support. Based on the rankings of the draft initiatives the top six were designated to be expanded for further review.

- Pipelines
- Student – EC Retention
- Advanced Manufacturing
- New Nuclear Safety Construct
- Mini-Talks
- Branded Certifications

White papers have been drafted by the lead for each initiative for review with the BOG. Areas to be explored include the scope of each initiative, stakeholders, internal/external funding and the market where information is available.

Upcoming Workshop

The SMC will hold a facilitated workshop with VOLT leadership on April 18th. The purpose of the workshop will be to explore alignment between SMC and VOLT leaders on the best ways to be sure we have solid leaders ready to occupy significant positions of responsibility across the Organization and what is the role of VOLT to support this endeavor.

I. SECTOR UPDATES

Standards & Certification – Ken Balkey, Bill Berger

QUARTERLY HIGHLIGHTS

- The Council on Standards and Certification met on January 30, 2013 at the new ASME Headquarters at 2 Park Avenue. Some highlights are among the items reported below.

- Laura Hitchcock, Senior Standards Specialist for The Boeing Company was selected as the Council’s nominee for Senior Vice President, Standards and Certification (2014 -2017), BoG consideration forthcoming.
• Efforts continue to increase use of standards-related material in engineering curricula. Ken Balkey, Senior VP, S&C, and Jackie Oppenheim, Director, Training & Development attended the 2013 International Mechanical Engineering Education Leadership Summit and presented on an S&C pilot program where a number of schools are using current ASME standards-related assessment based courses for extra credit or as part of class assignments; an S&C web page is in development that would provide standards-related information geared to students; and an update of an introductory educational S&C brochure for students that contains case studies developed by S&C volunteers on real-life use of standards has been issued.

• S&C Staff leadership met once again with staff of the Dept. of Transportation/Pipeline and Hazardous Materials Safety Administration (DoT/PHMSA) to discuss issues related to implementation of Section 24 of P.L. 112-90, Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011. Dialogue continues on potential actions to facilitate continued referencing of ASME standards in pipeline regulations. Efforts also continue to seek legislative action with regard to the terms of Section 24.

• The first ASME certificate was issued under the new Bioprocessing Equipment product certification program.

• The second Verification & Validation Symposium has been scheduled for May 22-24, 2013.

• ASME Standards Technology, LLC has issued an update to the Multinational Design Evaluation Program (MDEP) Nuclear Code Comparison Report to include comparison of the Russian Code against ASME BPV Section III (Report STP NU-051-1).

UPCOMING ACTIVITIES/WHAT’S ON THE HORIZON?

There is nothing to report at this time.

Knowledge & Community – Karen Ohland, Michael Ireland

QUARTERLY HIGHLIGHTS

K&C Sector

• The 2013 Leadership Training Conference (LTC) was held in St. Louis, MO, and was attended by over 250 volunteer leaders and ASME staff. Both of the tracks—Select and Premier—offered delegates over 15 hours of instruction, plenaries, and interactive workshops covering areas from leadership, news on asme.org Phase 2 and ASME’s strategic intents. Section treasurers or their representatives were also invited to training on consolidated banking, in which they had hands-on opportunities to learn how to use their new bank account and systems.

• K&C is undergoing reorganization in order to best meet the needs of members and address the goals ASME has set. A workshop was held to kick off the work of the Knowledge and Community reorganization and included participation from staff and volunteers in the Institutes and Student and Early Career Development Sectors as well as a representative from the BOG. The new structure will be flexible and will help make internal connections easier as well as fostering community.
The K&C Board is providing support for ASME’s transition to the consolidated banking system, with a focus on transparency, accountability, and ease of compliance. As of this report, 97.5% of US Affiliates (Districts, Sections, and Technical Chapters) have completed the Transition Statement, and 100% of Divisions have officially responded to discuss their external accounts. Roy Hogan has been selected to succeed Hamid Hamidzadeh as the representative from the K&C Sector to the Events Committee.

Affinity Communities

- All Affinity groups had a delegate at LTC, and 8 out of 10 of the representatives came from outside the United States; most are new volunteers eager to help ASME grow in their countries.
- The Affinity Communities Merit Based Funding form has been reviewed and updated. After approval from the Affinity Communities Operating Board (ACOB), it has been posted for the Affinity groups to use in the coming year. The new form includes a section for “Advancing ASME Strategic Initiatives.”
- A Women in Engineering focus group has been created in collaboration with the Diversity and Inclusion Strategy Committee in order to address important issues of how to leverage the Women in Engineering Affinity group to provide relevant content for women and how can we utilize virtual tools or outreach and engagement of this important demographic.

Technical Communities

- The Technical Communities Operating Board (TCOB) met monthly this quarter, with meetings on January 15 (telecon), February 19 (telecon), and March 2 (in person)
- The Congress of Divisions was held in St. Louis on March 1-2, 2013; it took place concurrently with LTC and received 101 registrants.
- The first Division Boot Camp was held in St. Louis on March 3, 2013 and had 79 registered participants.
- TCOB has not accepted the proposal from the Board on Technical Knowledge Dissemination (BTKD) for a permanent structure of Interdisciplinary Engineering Center (IEC) to house matured interdisciplinary entities such as the Nanoengineering Council (NEC) and other units. Further work on this proposal is now being done.
- The new Journal on Micro- and Nano-Manufacturing (Technical Editor Jian Cao) is forthcoming in March/April.
- The draft version of the Division Leaders Handbook has been issued.
- The 2013 2nd Global Congress on NanoEngineering for Medicine & Biology (NEMB) was a great success—around 400 attendees came to Boston February 4-6 for 8 technical tracks. Planning for 2014 is already underway.
Global Communities

- Global Communities has been focused on moving US-based, local Global Communities operating units into the consolidated banking structure.

- District Leaders have been holding repeated teleconferences and personal telephone calls with local leaders to explain the need for the consolidated banking change and the procedures for making it.

- Staff partners have been very supportive of the consolidated banking effort by providing representatives to all teleconferences, nearly all of which were after normal business hours.

- All local units, except three relatively inactive local Sections that are in the process of being sunset in Southeast District F and a technical chapter that folded back into the parent Section, have or are in the process of completing the required documentation for consolidated banking.

- The Global Communities Operating Board (GCOB) sent a consolidated FY14 budget request to the Knowledge and Communities Sector Financial Operations Committee. This is the first year that the District Leaders took a very active role in developing the budget plan.

Programs & Activities

- The Programs & Activities Operating Board (PAOB)'s Training Committee supported LTC 2013.

- P&A is supporting an ad hoc K&C training committee examining options for delivery of future LTC-type training to reach more international members with reduced travel costs. Lessons learned from the LTC are being recorded to help with this planning. The value derived from a face-to-face training opportunity like LTC was noted by most participants.

- Lynden Davis released the criteria for year 2 of the Global Communities Outstanding Program Awards in the categories of facilities tours, social events, professional development, and technical presentations, plus a draft program for similar awards for the Affinity Communities. Submissions are due by July 15, 2013.

- An update was released to the Global Communities units on the ASME Speakers Bureau program after it was discussed at LTC. It provides the current speaker directory plus information on speaker registration and program funding.

Communications

- The Committee on Information & Communications (CIC) supported presentations on Communication at LTC—CIC member Twish Mehta presented Communications on the Select level, and CIC Chair Tim Ganger co-presented Advanced Communications on the Premier track.

- CIC manned a booth at LTC’s Idea Mart and had the opportunity to speak to a wide range of ASME volunteer leaders.

- Thanks to recruitment efforts, CIC has grown its membership by four people.
• The winter edition of the K&C Leadership News was released in February.

**Financial Operations**

• In January the Financial Operations Board held a preliminary budget meeting for FY14.

**Center for Research and Technology Development (CRTD)**

• CRTD hosted the ASME Industrial Demineralization (Desalination) Best Practices and Future Directions Workshop in late January. The workshop had the goal of identifying, evaluating, documenting, and disseminating best practices for the use of Industrial Demineralization technologies to meet water needs in various types of industry across the nation.

**UPCOMING ACTIVITIES/WHAT’S ON THE HORIZON?**

**K&C Sector**

• LTC-style training events will be held in conjunction with District Operating Board meetings in District G (Asia-Pacific) on April 6-7 and District H (Europe) on May 24-25.

• A District Leader orientation is planned for the ASME Annual Meeting, focusing on providing guidance to the District Leaders, particularly related to the transition around the K&C realignment.

• ASME.org Phase 2 is currently scheduled to become available in Q4 of FY2013 and will give K&C an opportunity to communicate within the Board and to members at large more effectively. Board members are encouraged to be on the front lines of participation.

**Affinity Communities**

• Most planned future initiatives are on hold while defining the future of the K&C Sector.

• The Pre-college Education Affinity group has a new champion who attended LTC and is very eager to kick off many exciting initiatives in collaboration with the Pre-college Education committee.

**Technical Communities**

• As noted above, the permanent structure of IEC is being worked on in order to house matured interdisciplinary entities like NEC.

• There are several technical conferences coming up, including:
  
  o **2013 Joint Rail Conference (JRC)**, April 15-18, Knoxville, TN
  
  o **ASME 2013 International Manufacturing Science and Engineering Conference (MSEC2013) collocated with the 41st North American Manufacturing Research Conference (NMARC41)**, June 10-14, Madison, WI
  
  o **ASME 2013 11th International Conference on Nanochannels, Microchannels, and Minichannels (ICNMM 2013)**, June 16-19, Sapporo, Japan
• ASME 23rd Annual Conference on Information Storage and Process Systems (ISPS 2013), June 24-25, Santa Clara, CA
• ASME 2013 Summer Bioengineering Conference (SBC 2013), June 26-29, Sunriver, OR

• Efforts continue in order to update By-Laws and Operating Procedures for Divisions, Committees, and Boards.

• ASME representation in external organizations is being continuously updated.

Global Communities

• GCOB is taking an extremely active role in organizing the Student Professional Development Conferences in support of the Student and Early Career Sector volunteers and staff this spring in an effort to ease the transition of these conferences to the new Sector. Events are taking place as follows:
  o District A
    o Worcester, MA at WPI, April 19-20
    o Westbury, NY at NYIT, April 19-20
  o District B
    o Toronto, Ontario hosted by three schools, March 22-23
  o District C
    o Brookings, SD at South Dakota State, March 21-22
  o District D
    o Lacey, WA, April 19-20, including an Early Career Technical Conference
    o Long Beach, CA, April 26-27
  o District E
    o Salamanca, Mexico, March 21-23
    o Tulsa, OK at Oral Roberts University, April 4-6
  o District F
    o Charlottesville, VA at University of Virginia, March 21-23
    o Tuscaloosa, AL at University of Alabama, April 5-7
  o District G
    o Preliminary Competitions, Pakistan
    o Preliminary Competitions, India
    o Final Competitions, Malaysia
  o District H
    o Brescia, Italy at Brescia University, May 2-4

• Most Global Communities Districts will be hosting a local leadership conference this spring. In Districts G and H these meetings will include LTC-style

Programs & Activities

• The Training Committee will continue to work within K&C to restructure LTC offerings for a more regional format and multiple delivery methods.
• PAOB will continue to examine ways to utilize ASME’s web development efforts to increase customer engagement with K&C products and services. K&C leader unit functional training is likely to be one of the first efforts.

Communications

• The spring edition of the K&C Leadership News will be released in May.
• CIC is in the process of succession planning for the leadership.

Center for Research and Technology Development (CRTD)

• In collaboration with the Emerging Technology program, CRTD will host ASME’s Integrated/Sustainable Building Equipment & Systems (ISBES) Open Research Forum on Wednesday, April 24. The goal of the first forum is to develop a concept paper/action plan highlighting 3-4 relevant challenges and to identify solutions in the buildings community that can be effectively addressed by the interdisciplinary knowledge and expertise of mechanical engineers and the larger buildings community, as well as leading to new ASME products and services.

Institutes – Bobby Grimes, Michael Ireland

QUARTERLY HIGHLIGHTS

• The IGTI Board unanimously approved changing the name of the Early Career Award to the Dilip Ballal Early Career Award. It will be awarded the first time at Turbo Expo in San Antonio.

• The IGTI Board approved the formation of the Organic Rankin Cycle (ORC) Power Systems technical committee

• The IGTI Board held a strategic planning meeting March 10 & 11 in Atlanta.

• Produced a 4-set DVD which contains all of the Turbo Expo papers from 1956-2012.

• The Petroleum Division hosted its annual Gas Lift Workshop in Stavanger, Norway, February 4-8, 2013.

• The Pipeline Systems Division hosted the ASME India Oil & Gas Pipeline Conference in Jaipur, India, on February 1-2, 2013.

• Subsea Tieback Continuing Education courses held in San Antonio.

• Numerous Institutes personnel participated in the kickoff meetings for the two new K&C task forces in Houston on February 23-24, 2013.

UPCOMING ACTIVITIES/WHAT’S ON THE HORIZON?

• A Gas Turbine Training Week will be held at Georgia Tech in April.
• Turbo Expo will be held in San Antonio on June 3-7. Anticipate 1045 final papers which will make it the largest North American Turbo Expo; in addition, 8 workshops will be held in conjunction with the conference.

• Turbine Blade Tip Symposium and course week to be held in Hamburg Germany in September, 2013.

• The ORC Conference will be held in October, 2013 in Rotterdam.

• The Offshore Technology Conference (OTC) will be held in Houston on May 6-9, 2013, it is expected to be another very successful event.

• The Banff Pipeline Workshop will be held in Banff, Alberta, Canada.

Public Affairs & Outreach – Bill Wepfer, Shekhar Chandrashekar

QUARTERLY HIGHLIGHTS & UPCOMING ACTIVITIES/WHAT’S ON THE HORIZON?

Public Affairs – Board on Government Relations

Open Access

• Government Relations and publishing staff recently attended a meeting in Albany, New York with Assemblyman Andrew Hevesi and State Sen. Marcellino regarding the “Taxpayer Access to Publicly Funded Research (TAPFR)” act which was introduced in the NY state legislature in early January. The bill would require the final manuscripts of peer-reviewed, private-sector journal articles reporting on research supported by New York State funding, be made freely available worldwide through New York State agency websites no later than six months after publication in journals. The legislation parallels federal legislation entitled the Federal Research Public Access Act (FRPAA), but applies to New York State funded research which grants about $50 million annually in research grant. The bill is available to review at http://open.nysenate.gov/legislation/bill/A180-2013. The Assemblyman was receptive to our concerns about the bill and will contact us before moving forward with any legislation.

Congressional Briefing

• ASME and IEEE, in partnership with the Congressional Research and Development Caucus, recently hosted a briefing on Capitol Hill entitled "New Nuclear Technology: Small Modular Reactors." The briefing, moderated by ASME President Marc W. Goldsmith, highlighted how government, utilities, industry, universities, and manufacturers must to work together to leverage their collective R&D assets to expand the technical knowledge needed to advance the design and safety of nuclear power plant technology. The briefing featured speakers from several prominent SMR developers, including Michael Richard, Director, Government and International Affairs for the Westinghouse Electric Company; Michael S. McGough Chief Commercial Officer for NuScale; and Frank Helin, Vice President of Product Development for Power.
Position Statements

- ASME joined with hundreds of organizations during the discussions about sequestration to send position statements and action alerts to Congress urging them to oppose budget cuts to engineering and scientific research and education programs, but instead to develop a balanced approach to deficit reduction that does not include further cuts to non-defense discretionary programs. Position statements are available at [http://www.asme.org/about-asme/advocacy-government-relations/position-statements](http://www.asme.org/about-asme/advocacy-government-relations/position-statements)

Federal Fellows Program

- The BGR Fellows committee reviewed applications for the 2013/14 Fellow Cycle and selected seven candidates to interview on Sunday, April 21st, in Washington, DC, in conjunction with the Engineering R&D Symposium. The committee is selecting Fellows for four positions: US State Department, USAID, and two Congressional positions.

- Dr. Tom Kurfess completed his ASME Foundation Swanson Fellowship at the Office of Science and Technology Policy (OSTP) on February 20th. Discussions are ongoing with OSTP regarding their needs for a future ASME Fellow. ASME is currently sponsoring the following Federal Government Fellows in the Executive and Legislative Branch:

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<tr>
<th>Name</th>
<th>Position</th>
<th>Agency</th>
<th>Start Date</th>
<th>End Date</th>
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<tbody>
<tr>
<td>Noël Bakhtian, Ph.D.</td>
<td>Senator Jeanne Shaheen (D-NH)</td>
<td>STEM Education &amp; NASA</td>
<td>Sep. 2012-Aug. 2013</td>
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<tr>
<td>Steven Schmid, Ph.D.</td>
<td>ASME Foundation Swanson Fellow</td>
<td>Manufacturing &amp; Energy</td>
<td>June 2012-May 2013</td>
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<td></td>
<td>National Institute of Standards &amp; Technology</td>
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Engineering Public Policy Symposium

- ASME will once again serve as the lead in organizing the annual Engineering Public Policy Symposium which has been scheduled for Tuesday, April 23, 2013 in B338-339-340 Rayburn House Office Building on Capitol Hill, Washington, DC. Thirty seven engineering societies confirmed they will cosponsor the Symposium which will be attended by the President, President-Elect and Executive Director from each society. ASME President Marc Goldsmith will provide opening remarks to approximately 130 attendees. We are also coordinating the Symposium in conjunction with the National Academy of Engineering Convocation and American Association of Engineering Societies which will be convened on April 22-23, 2013.

Upcoming Activities/What’s on the Horizon?

Society of Women Engineers (SWE)

- As SWE’s policy representative in DC, ASME Government Relations is organizing the 3rd annual “Diversity and Inclusion Fuels Innovation in STEM” Capitol Hill Day on March 20-21, 2013 on behalf of SWE. Currently, thirty-five STEM and diversity organizations, including ASME, are co-sponsoring
the event. We are expecting over 75 attendees. Three ASME leaders, including two current members of the ASME Diversity and Inclusion Strategy Committee, will be in attendance.

**Industry Advisory Board**

- The Industry Advisory Board is meeting March 14-15 in conjunction with the Engineering Education Summit in San Diego, CA. Continuing a dialogue that started with the MEDH community two years ago, the Board and MEDH Executive Committee will meet to focus on the compelling issues faced by newly graduating engineers in terms of workforce readiness as they enter industry. The Board will also receive a briefing on the Penn State University Engineering Ambassadors Program.

Upcoming webinars:
Tuesday, April 30th @ 12noon EDT – topic: Administrations FY14 Budget
Tuesday, June 18th @ 12noon EDT – topic: TBA

**ASME Cross-sector Working Group on Advanced Manufacturing**

- Public Affairs, in conjunction with ERTD, has established an ASME Cross-Sector Working Group on Advanced Manufacturing. The working group will serve as a coordinated cross-sector focal point for the following activities:
  - Complete and issue ASME Position Statement: Strengthening the U.S. Manufacturing Sector
  - Serve as an advisory committee to the manufacturing track(s)/plenary at the November ASME International Congress (theme: Advanced Manufacturing)
  - Conduct at least one Washington Visitation with the Working Group and other interested parties
  - Review and act on the recommendations from the December 2012 IAB Meeting
  - Work with DC-based Manufacturing Coalition Group as appropriate
  - Address the future of ASME Fellows in Advanced Manufacturing, specifically the encouragement and placement of Fellows from Industry

**Innovation Committee**

- Ten semi-finalist teams have been selected for the 7th Annual ASME IShow, scheduled for Saturday, June 22nd, in conjunction with ASME Annual Meeting in Indianapolis, IN. A volunteer review group assessed 38 applications – a record high for the program – that included international applicants from India, Sweden, Denmark, Ireland, and the United Kingdom. The following teams will compete in June:
  - Bournemouth University (Epidural Needle Insertion Simulator)
  - Brigham Young University (Shot Coach)
  - Harvard University (Theratech)
  - Johns Hopkins University (AccuRIGHT)
  - Massachusetts Institute of Technology (Coriolis Centrifuge)
  - Massachusetts Institute of Technology (HeatWare)
  - Massachusetts Institute of Technology (OneBin)
  - Tufts University (Uji)
  - University of Michigan (Turtle Cell)
  - Washington University @ St. Louis (Low-Cost Spirometer)
Strategic Issues Committee

- Environmental Scan 2012-2013 - The Strategic Issues Committee is reviewing the topic of the environmental scan for this period.

Issue Briefs

- The latest issue brief was distributed in February on Opportunities for Engineering Innovation for the World's Aging Populations.

Diversity & Inclusion Strategy Committee

- The committee is continuing to review and define how to collect data on diverse ASME members and working on:
  - How to address a request from the MET Department Heads on how to increase women in engineering, bias training information and a list of resources.
  - Working with Market Research and K&C to collect data on women and underrepresented minorities within the sections and districts.
  - Participating in SWE's Day on the Hill
  - Reviewing STEM education and diversity position statements
  - Looking into an Affinity Group Diversity Forum
  - Looking into the possibility of an ASME Congressional/Executive Fellow to focus on Diversity and Inclusion/ Engineering Life Cycle

Outreach

Board on Education


- February 7-8, 2013 – Invited participation of an ASME Education delegation to an IMechE (UK) issues/strategy workshop on Education & Skills for Manufacturing. The outcome of the discussion of issues in the UK pointed very significantly along many of the lined of the Board on Education Vision 2030 issues and actions and recent ASME discussions on advanced manufacturing. The delegation consisted of Mo Hosni, ASME Vice President, Education, Karen Thole, Chair, ASME Mechanical Engineering Department Heads Executive Committee, Scott Danielson, Chair, ASME Vision 2030 ME Education project, and Thomas Perry, ASME Director, Education.

- ME Education Research – Why Women Choose Engineering and Why They Stay? The early-stage indicators of this research will be presented as a brief at the ASME International Mechanical Engineering Education Leadership Summit in San Diego, CA. The focus is on ME female undergraduate students, a population that has increased 39% in the past five (5) years, compared to a 29% increase in men in undergraduate ME study in the US. As of this report about 230 women have contributed to the survey. This research will continue into a full report to be present in November 2013 at a session during ASME 2013 International Mechanical Engineering Congress & Exposition. The principal effort of the work is to give collective voice to the over 13,000 women
studying in ME departments, to learn more about the aspects of mechanical engineering (and their education) they regard as most valuable, the careers they aspire to, and the advice they have for girls in middle and high school (and their teachers) about preparing for engineering studies. The principal investigator is Aisha Lawrey, Manager, Engineering Education.

• The major target areas for Pre-College Education were advanced during Q3:
  o Engineering Ambassadors Network project: Field assessments continue with 18 universities who targeted in the initial stage of program standard setting and network formation. Survey results and interviews are almost complete. Additional data will be gathered and the program presented at the ME Education Leadership Summit in San Diego. Feasibility study due in May. (Innovation funding $50K)
  o A report is targeted for April exploring feasibility of an ASME platform (or employing an existing platform) for micro grants to teachers who need classroom supplies to do hands-on engineering projects. DonorsChoose.org is one of the models / organizations being considered. (Innovation Committee funded, $45K)
  o A business plan (supported by $50K in ELT support via Workforce Strategic Execution team (WSET)) was completed and presented for to develop multi-platform Engineering Apps for Middle School Students (E-APPS). Development of this set of games, built around age-appropriate learning goals, will be part an effort to lead, convene, collaborate and establish standards for high quality materials in the arena of “learning through play” in Pre-College Engineering. An additional $175K (FY13) of funding was allocated by the ASME Foundation to engage appropriate designers and developers with an aim to an initial product by the end of FY’13.

Upcoming Activities/What’s on the Horizon?- Outreach Board on Education

• March 14-16, 2013 - ASME International Mechanical Engineering Education Leadership Summit, San Diego, CA. In addition to the Department heads and deans who are the core audience of the Summit, the ASME Industrial Advisory Board will also participate again this year. New this year, we will have the Engineering for Global Development committee meeting take place as well. AS of this report, the total Summit participation is 135 of whom 37 (27%) are women. In addition, among the 42 speakers and facilitators featured in the program 19 (45%) are women.

• Inspire Innovation Teacher workshops are being planned for April 13 at NASA Ames (in conjunction with ASME/HPVC West) and in Atlanta June 22 (as part of ASEE K-12 day). In addition, events at University of Connecticut and Houston Independent School District in April and May are under discussion.

• April 25 26, 2013 – the annual ASME Booth and other activities at finals of the FIRST Robotics Competition, Saint Louis, MO

Engineering for Global Development/Engineering for Change (E4C)

• The EGD Committee added a new member representing the industry perspective, Mr. Robert Hauck, Chief Engineer at GE Healthcare

• The EGD committee held an in-person meeting on March 14 at the ME Department Heads Summit and is holding a meeting with the IAB to discuss opportunities for industry engagement with EGD
• The EGD case studies pilot program has launched in partnership with ASME Tech Pubs. The title of the publication is ASME Global Development Review and the first issue is slated for August 2013. $50,000 was secured from the ASME Foundation to support the development and production of the first issue. The intended audiences of this publication are both engineers and development practitioners and as such, we’re designing this publication to be a hybrid between a magazine and journal, both in print and in digital format. The engineering and development rigor will be managed through the peer-review process of an editorial review board while the accessibility and consume ability of the content will be architected by our ASME editors. 5 editorial review board members have been identified and invited.

• A proposal was made to include an EGD forum at the upcoming 2013 ASME IDETC conference in Oregon. The proposal was accepted and the EGD committee is now working to develop the forum program. This will include a keynote talk as well as 4-5 TED-style talks by noted researchers in the global development space. This forum will serve as a model for additional programming at ASME division/research based conferences.

• EGD is collaborating with the ASME Workforce development team on the inaugural think-tank summit scheduled to take place April 17th in NYC. The title: Decision Point: Is Engineering Ready for the Global Market (title subject to change). This event will be videotaped. The core content will be leveraged to develop a portfolio of end products.

• The E4C ASEP program is well under development. A new member has been added to the steering committee to provide the business development perspective to the appropriate solutions review: Mr. Pieter Verhagen, deputy program manager of TNO’s Innovation for Development program.

• A meeting took place between ASME, the Women’s Energy Network (WEN) and E4C, facilitated by past-president, Vickie Rockwell. The purpose of the meeting was to identify potential points of engagement. WEN is interested in engaging their membership with E4C. A webinar is being planned for WEN members.

• E4C held its meeting with Society sponsors on January 15. Participants included IEEE, ASCE, SWE, ASHRAE, EWB-USA and ASABE. The dialogue underscored continued interest in E4C but a need for a clearer engagement model for the sponsorships.

• Kasmore Rhedrick, E4C’s staff content and community manager has moved on to another opportunity. His last day was March 8. Hiring for his replacement will commence shortly.

Upcoming Activities/What’s on the Horizon? – EGD & E4C

• This event has been postponed to July-- E4C is partnering with Makeshift to host an E4C Connect event in New York City. This event will feature 3 speakers from NY’s community of Global Development practitioners discussing their respective work and will highlight E4C’s role in advancing that work. The expected attendance is ~100 invited individuals representing E4C’s key target segments.

• Negotiations and meetings are still taking place with UNESCO to finalize scoping of a pilot NGO Fellows program.
Organizational activities

- The SECD council is getting ready for its strategic planning retreat which will take place in NYC on Apr 21-21, 2013.
- Board on Career Development, Board on Student Programs and Board on Leadership & Recognition are working on their respective list of programs to consider for SECD strategic plan.
- Individual committees had continued their regular meeting schedule working towards planning and execution of the respective programs.

Programmatic / Operational activities

Student Programs

- The 2013 round of regional Student Professional Development Conferences had already started. The first event was held in Peshawar, Pakistan on Feb 22-24.
- 105 students participated in the SPDC, and SDC and Old Guard Competitions. – A record participation from Pakistan
- HPVC Latin America was held in Caracas, Venezuela on Feb 22-24, 2013.
- 43 participants from 6 countries had participated in design, innovation, speed racing and endurance events.
- HPVC Pakistan planning is in progress. This is the first time the competition will be held following ASME rules. With ASME trained Judges and under the ASME Banner
- A Pilot Student Design Expo planning has been completed with one of the elite Tier 1 institutions in India. The Technical festival draws students globally

Career Development

- Early Career professional development video series was launched on Feb 12 with the first posting on Sustainable Energy Storage on ASME.org site. This video was followed by the High Value of the Entrepreneurial Skill Set. The production and posting of the content is going according to the production timeline and supported by the promotional emails and social media announcements.
- March issue for ME Today was produced following publication schedule. The ME Today newsletter is going through a redesign process to bring the content to its readers in a more dynamic and timely manner. Staring from May 2013 the content on ME Today will be published weekly or by-weekly.
Leadership & Development

- The review process of the applications submitted for Diversity Action Grant was successfully completed and the grants are being mailed to recipients.

UPCOMING ACTIVITIES/WHAT’S ON THE HORIZON?

Organizational activities

- The SECD council is planning to have a retreat in April to finalize its strategic plan and get ready for its implementation.

Programmatic / Operational activities

- Planning for 2 HPVC events: HPVC West and HPVC East in April.
- Planning for HPVC Pakistan in April underway
- Student Section Strategy, detailing the role of Student Sections on the campus, and the ME Department Head’s role in support of the Student Sections is in the process of being vetted by the ME Department Heads
- Preparation are underway for the rest of 2013 SPDCs

II. VOLT ACADEMY – PROGRESS REPORT SUBMITTED BY JUSTIN YOUNG /DAVE SOUKUP

QUARTERLY HIGHLIGHTS

- The VOLT Senior Leadership Committee reviewed requirements for the positions of President and Board of Governors with the Nominating Committee on February 5.
- A Nominating Committee (NC) Briefing was held February 13. This briefing included the Sector Senior Vice Presidents. The briefing served as a vehicle to provide the NC members an overview of the open Vice Presidential positions, the necessary qualifications of applicants and current background information on the sectors.
- The selection of the nine 2013-14 ECLIPSE Interns, representing the largest class ever, was completed. There are interns assigned to the Board of Governors, all five sectors, the VOLT Academy, the ASME Foundation, and Center for Research and Technology Development.
- The Leadership Training Conference was held February 28-March 3, 2012 in St. Louis, MO. There were 299 registered attendees (this includes staff, LTC Planning Committee and other attendees.) The attendees represented 28 divisions, 82 sections (this number includes all delegate attendees) and 9 Affinity Groups. There were 10 Early Career Engineers and 15 incoming and outgoing ECLIPSE Interns. The non-US attendees represented 17 countries.
The incoming and outgoing ECLIPSE Interns attending LTC were invited to a reception and dinner on Friday, March 1. SVP Karen Ohland and Past Governor Bill Cousins were special guests. The interns also attended an intern focused workshop on Saturday, March 2. This workshop was facilitated by the ECLIPSE Intern Program Committee chair.

UPCOMING ACTIVITIES/WHAT’S ON THE HORIZON?

- The Sector Management Committee and VOLT Academy representatives will be participating in a joint workshop on April 18 to scope the volunteer training needs within the sectors. The workshop will be facilitated by Robert Goldberg of Organizational Insight, LLC.

- The Board of Governors Candidate Briefing is scheduled for May 2 from 12:00 noon – 1:30 pm. This briefing is for any volunteer seeking a seat on the Board of Governors, and will highlight the specific position requirements and operational duties.

- The Presidential Candidate Briefing is scheduled for May 23 from 8:00 am – 2:45 pm. This briefing will include the PET and the sector Managing Directors. The briefing is designed to give candidates a real-world overview of the office of the ASME President along with details on the position responsibilities.

- A VOLT Leadership Workshop titled “Communicating with Diverse Personalities” will be conducted on June 22 and repeated on June 23 at the Annual Meeting. The workshop is free and open to all volunteers attending the Annual Meeting.

- The first VOLT Online Training Module is on track to be ready for use by the end of FY13. The topic is Communication Skills – The Art of Breaking Down Barriers. This module will be the first of a growing library of VOLT online training content.

- The VOLT E-Learning Committee is also working on a pilot program with K&C Global Communities to develop ASME Section-specific online training including Recruiting Future Leaders and Succession Planning and Conducting a Webinar.

III. EVENT COMMITTEE (EC) – PROGRESS REPORT SUBMITTED BY JIM COAKER/RANDY REAGAN

QUARTERLY HIGHLIGHTS

The Event Committee has reviewed and approved the following events:

- 2013 ASME Plant Engineering and Maintenance Trade Show - Approved 1/16/2013
- 2013 Gulf Coast Solids Handling and Processing Show - Approved 2/12/2013
- 2013 Organic Rankine Cycle Conference - Approved 1/30/2013
- 2014 ASME 2014 Pressure Vessels and Piping Conference - Approved 2/15/13
• 2013 11th ISHMT / ASME Heat and Mass Transfer Conference, Kharagpur, India - Approved 2/20/13

• 2014 Bath/ASME Symposium on Fluid Power & Motion Control - Approved 3/1/13

• 2013 1st Annual ASME/FDA Frontiers in Medical Devices - Approved 3/4/13

**UPCOMING ACTIVITIES/WHAT’S ON THE HORIZON?**

• EC continues dialog and formulation of a proposal to better classify, characterize and approve events proposed by divisions where the divisions have no financial involvement. These events are often referred to as “Technical Co-Sponsorship” where the division makes a strong technical contribution but partners with a non ASME organization who assumes financial responsibility for the event. A specific proposal to highlight approval criteria in P12.1 and to outline an application process for evaluation for this class of event is forthcoming.

• Importance of previous event performance history / financial data is progressively emphasized more by the EC. Staff is involved in a concerted effort to closing events, providing historical data, and to record recent event financial data as a basis for proposal evaluation.

• The Event Planning and Execution Guide (EPEG) for both staff and volunteer use is in the final stage of draft review. Our intent is to address practical business guidance for proposal preparation / evaluation, particularly in “unique” areas not specifically addressed by policy text.

• Terms for 2 of 5 voting members cycle in June, 2013. Appropriate Sector SVPs have been advised.

• EC planning a face-to-face meeting planning in late spring.

• Staff support continues to be top shelf
Date Submitted: March 29, 2013
BOG Meeting Date: April 18, 2013

To: Board of Governors
From: Roy Arbeit
Agenda Title: Membership Model Update

Agenda Item Executive Summary: *(Do not exceed the space provided)*
The report updates the BOG on the work effort to launch and test a new membership model and is submitted as a consent item for receipt.

 Proposed motion for BOG Action: *(if appropriate)*
None

Attachments:
Memorandum to: Board of Governors  
From: Roy Arbeit, Managing Director Marketing & Sales  
Date: March 29, 2013  
Subject: Membership Model Pilot Update

This memo serves as a brief update to reports submitted previously. A more in-depth briefing on the launch of the pilot will be given at the June Board Meeting.

Background
Based on market research findings combined with our collective experience, a proposal was presented to the BOG to develop and pilot-test a tiered model designed to attract and connect with large numbers of engineers and technical professionals.

The purpose of this pilot is to test the strategy and implementation of the new membership model construct in India and Peru – two international markets well suited for growth and active engagement, where cannibalization of existing members presents low risk and where ASME already has some in-country infrastructure / relationships.

Key Objectives
As a reminder, the key objectives for the pilot are as follows:

- Measure level of accelerated growth in number of individuals “connecting” with ASME
- Quantify revenue risk due to cannibalization
- Determine market perception of new member model
- Determine required investment in marketing & operations to maintain growth
- Determine ability to deliver operationally on expanded volumes

Overall Project Plan Status – On Track
Overall, the project remains on track for launch at the end of FY’13. We have developed an alternative implementation plan focused on building awareness and creating relationships with local partner organizations, thus enabling us to begin the pilot on time. This approach mitigates a delay in technical integration and build of the new member model features, which will be pushed into the August timeframe due to the delay in launching asme.org Phase 2.
**New Product/Service Definition and Development – On Track**
The product/service definition phase of this work stream effort has been completed. As an outgrowth of this work, a prioritization of all product and service development efforts has been created so that key elements of the offerings (i.e. SmartBrief e-Newsletter, Digital ME Magazine) will be ready as we move to technical integration. Longer term product/service development efforts are continuing and will be introduced during the pilot (i.e. Enhanced Job Board/Career Center).

**Web Integration -- User Experience, Business and Technical Requirements – Delayed**
As noted in the previous BOG update, the work effort to identify the business requirements for each of the test model product and service offerings has been completed. A high-level technical assessment regarding the actual work and cost associated with completing the technical requirements has also been completed. In terms of user experience, approximately 80%-90% of the analysis has been completed but there is a need to do some more detailed work, taking us beyond our original task completion date (no impact on project).

As a result of the delay in Phase 2, the final set of technical requirements has been delayed and will be completed in the coming weeks. The integration and build of the new member model features now have a targeted completion date in the August timeframe. However, as noted above, we have developed an alternative plan that allows us to launch the pilot on time.

**Marketing Strategy – On Track**
Market intelligence data collection for India and Peru was completed in the fall, giving us a more robust understanding of and sensitivity to the local landscape including potential partners, channels, activities and the need for local market resources. Given the clear need for local partners with significant experience, insights and know-how, we completed a thorough RFP process, retaining the MCI Group and EnginZone, the first key step in our strategic marketing approach. We have already started working with them to develop an overall strategic marketing plan for both pilot countries and locally relevant promotional activities.

Please see the attached chart for an overview of the project plan.
<table>
<thead>
<tr>
<th>Membership Model Pilot Test Development &amp; Launch</th>
<th>FY’13 Q1 July-Sep</th>
<th>FY’13 Q2 Oct-Dec</th>
<th>FY’13 Q3 Jan-Mar</th>
<th>FY’13 Q4 Apr–Jun</th>
<th>FY’14</th>
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<tbody>
<tr>
<td><strong>New Product/Service Definition &amp; Development</strong></td>
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<tr>
<td>Product/service definition</td>
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<td>Build products/acquire content/negotiate partnerships</td>
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<td>✓ ✓</td>
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<tr>
<td><strong>Web Integration</strong></td>
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<td>Define user experience</td>
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<td>✓</td>
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<td>Identify business requirements</td>
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<td>✓ ✓</td>
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<td>Technical assessment/scope/cost</td>
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<td>✓ ✓</td>
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<td>Develop technical requirements</td>
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<td>Build/integrate</td>
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<tr>
<td><strong>Marketing</strong></td>
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<tr>
<td>Market intelligence</td>
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<tr>
<td>Strategic marketing plan development</td>
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<tr>
<td>Marketing tactics &amp; materials execution</td>
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</tbody>
</table>

**Pilot Launch**

Evaluation of the results 9 months from launch followed by expansion of the new membership model to broader set of markets
ASME Board of Governors
Agenda Item
Cover Memo

Date Submitted: March 21, 2013
BOG Meeting Date: April 18 & 19, 2013

To: Board of Governors
From: (Sector/Unit/Task Force/Other) Committee on Governance
Presented by: Richard Benson
Agenda Title: Update of COG Activities

Agenda Item Executive Summary: (Do not exceed the space provided)
As stipulated in the ASME By-Laws, this report is an update of the ongoing activities of COG consistent with its charge:

Training, orientation and leadership development
- Roe lecturer for June 2013 meeting has been secured
- A list of potential future speakers has been developed and is constantly updated
- Took a closer look at the BOG communications boot camp; its importance and its goals
- Discussed how to help the Nominating Committee’s Search Assurance Subcommittee to attract BOG nominees
- Considered potential questions for the Nominating Committee to use during the BOG nominee interview process
- Possible future BOG Webinar topics added
- Began to evaluate Governor Briefings/Orientations to eliminate redundancies and areas that need elaboration

Communication of newsworthy and meeting topics of interest to the larger organization
- Discussed the ASME.org Phase 2 and received a sneak peak of what committee webpages will look like

Proposed motion for BOG Action: (if appropriate)
None

Attachments:
None
Date Submitted: March 28, 2013  
BOG Meeting Date: April 18 - 19, 2013

To: Board of Governors  
From: (Sector/Unit/Task Force/Other)  
Presented by: COR  
Agenda Title: Proposed Appointments

Agenda Item Executive Summary: (Do not exceed the space provided)

Proposed appointments reviewed by the COR on March 12, 2013 and on March 26, 2013.

Proposed motion for BOG Action: (if appropriate)

Approve the proposed appointments.

Attachments:

Appointment listing.
### April 2013

**PROPOSED APPOINTMENTS TO ASME UNIT**

<table>
<thead>
<tr>
<th>Internal Unit</th>
<th>Nominee</th>
<th>Appointment Position/Title</th>
<th>Appointment Term/Category</th>
<th>Appointment Type</th>
<th>History</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council on Standards &amp; Certification</td>
<td>Sam Korellis</td>
<td>Vice Chair, Strategic Initiatives</td>
<td>June 26, 2013 – June 2014</td>
<td>Initial</td>
<td>Chair - Energy &amp; Environmental Standards Advisory Board, PTC 100</td>
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<td>Vice Chair – Board on Strategic Initiatives</td>
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<td>Member – Council on Standards and Certification; Boards</td>
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<td>on Hearings and Appeals, New Development, Standardization &amp; Testing;</td>
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<td>BST Strategic Planning Committee; Performance Monitoring Committee; PTC</td>
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<td>39 Contributing Member – various PTC Committees</td>
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<tr>
<td>Council on Standards &amp; Certification</td>
<td>Richard Black</td>
<td>Member-at-Large</td>
<td>July 2013 – June 2014</td>
<td>Reappointment</td>
<td>NOTE: Mr. Black is currently a member-at-large but is being reappointed</td>
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<td>for a one-year term to complete the term of Mr. Korellis, who will be</td>
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<td>vacating member-at-large position to assume Vice Chair position.</td>
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<td>Member – Council on Standards and Certification; Board</td>
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<td>on Hearings and Appeals; JCNRM SC Planning, Implementation, Interface &amp;</td>
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<td>Interpretations; JCNRM SCPIII Working Group on Planning; CNRM SC Planning,</td>
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<td>Implementation, Interface &amp; Interpretations; CNRM SC-PIII Working</td>
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<td>Group on Planning</td>
</tr>
<tr>
<td>Council on Standards &amp; Certification</td>
<td>David Douin</td>
<td>Member-at-Large</td>
<td>July 2013 – June 2016</td>
<td>Reappointment</td>
<td>Member – Council on Standards and Certification; Board on Hearings and Appeals; Boiler and Pressure Vessel Conference Committee; Boiler and Pressure Vessel Technical Oversight Management Committee</td>
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<tr>
<td>Council on Standards &amp; Certification</td>
<td>Laurent Fabry</td>
<td>Member-at-Large</td>
<td>June 26, 2013 – June 2016</td>
<td>Initial</td>
<td>Council on Standards and Certification member-at-large, June 2010 – June 2012. Laurent has also been serving as a member of the Board on Strategic Initiatives Task Group the past two years.</td>
</tr>
<tr>
<td>Council on Standards &amp; Certification</td>
<td>Dongil Kwon</td>
<td>Member-at-Large</td>
<td>July 2013- June 2016</td>
<td>Reappointment</td>
<td>Member – Council on Standards and Certification; Board on Hearings and Appeals; BPV Committee on Materials (II); SG on International Material Specifications (SC II); Korea International Working Group (BPV SC III)</td>
</tr>
<tr>
<td>Council on Standards &amp; Certification</td>
<td>Philippe Malouines</td>
<td>Member-at-Large</td>
<td>July 2013 – June 2016</td>
<td>Reappointment</td>
<td>Member- Council on Standards and Certification and the Board on Hearings and Appeals</td>
</tr>
<tr>
<td>Committee on Finance and Investment</td>
<td>Victoria Rockwell</td>
<td>Member</td>
<td>July 1, 2013 – June 30, 2016</td>
<td>Initial</td>
<td>Current: Board of Governors Past President, Chair EDESC, Member Committee of Governance. Past: President Board of Governors, Chair Sector Management Committee, Representative of COFI, Strategic Management Sector Senior Vice President</td>
</tr>
<tr>
<td>External Unit</td>
<td>Nominee</td>
<td>Appointment Position/Title</td>
<td>Appointment Term/Category</td>
<td>Appointment Type</td>
<td>History</td>
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ASME Board of Governors
Agenda Item
Cover Memo

Date Submitted: March 28, 2013
BOG Meeting Date: April 18 – 19, 2013

To: Board of Governors
From: (Sector/Unit/Task Force/Other)
Presented by: COR
Agenda Title: By-Law Revision B5.1.8, First Reading

Agenda Item Executive Summary: (Do not exceed the space provided)

The Committee on Organization and Rules requests changes to B5.1.8. The committee reviewed this By-Law at its March 26, 2013 meeting.

Proposed motion for BOG Action: (if appropriate)

Revise B5.1.8 as attached

Attachments: Word document
B5.1 SECTORS, BOARDS/COUNCILS, AND COMMITTEES

B5.1.8 Periodically, throughout the fiscal year, Prior to the end of each fiscal year, each sector and each committee reporting to the Board of Governors shall submit to the Executive Director, for delivery to the Board of Governors a written report of its work activities.
ASME Board of Governors
Agenda Item
Cover Memo

Date Submitted: March 28, 2013
BOG Meeting Date: April 18 – 19, 2013

To: Board of Governors
From: (Sector/Unit/Task Force/Other)
Presented by: EDESC
Agenda Title: By-Law Revision B5.2, First Reading

Agenda Item Executive Summary: (Do not exceed the space provided)

The EDESC requests changes to B5.2.5.2 clarifying the type of EDESC committee consistency. This By-Law was approved by the Committee on Organization and Rules on March 26, 2013.

Proposed motion for BOG Action: (if appropriate)

Revise B5.2.5.2 as attached

Attachments: Word document
B5.2 SECTORS AND COMMITTEES REPORTING TO THE BOARD OF GOVERNORS

B5.2.5.2 The Committee shall consist of the President, the President-nominee/elect, the Immediate Past President, three current Board members at-large (serving staggered terms on the Board), and one member-at-large who shall be an ASME member with the knowledge and expertise of Board Governance, Board Operations and Compensation Practices (who served on the Board of Governors or as a Past President of ASME). The President-nominee/elect and Immediate Past President are ex-officio members of the committee with vote. The President is an ex-officio member of the Committee, without vote. The Immediate Past-President shall be the Chair. Although the ASME Treasurer, the Executive Director and the Managing Director, Human and Capital Resources, are not members of the Committee, they will be available to the Committee for consultation as needed.

The term of each of the current Board members at-large expires when his/her Board term expires. The term of the at-large member is for one year, based on an appointment by the President, is not eligible for reappointment and ends at the close of the second society-wide meeting, on a schedule established by the Committee on Executive Director Evaluation and Staff Compensation.
ASME Board of Governors
Agenda Item
Cover Memo

Date Submitted: March 28, 2013
BOG Meeting Date: April 18 – 19, 2013

To: Board of Governors
From: (Sector/Unit/Task Force/Other)
Presented by: EDESC
Agenda Title: By-Law Revision B5.2.6.1 First Reading

Agenda Item Executive Summary: (Do not exceed the space provided)

The EDESC requests changes to B5.2.6.1 updating the number of members for the Pension Plan Trustees. This By-Law was approved by the Committee on Organization and Rules on March 26, 2013.

Proposed motion for BOG Action: (if appropriate)

Revise B5.2.6.1 as attached

Attachments: Word document
B5.2 SECTORS AND COMMITTEES REPORTING TO THE BOARD OF GOVERNORS

B5.2.6.1 The Pension Plan Trustees, under the direction of the Committee on Executive Director Evaluation and Staff Compensation, shall have responsibility, as specified in the American Society of Mechanical Engineers Pension Plan, for the investment and ultimate distribution of the funds and may also act as Plan agent for the service of legal process.

The Pension Plan Trustees shall consist of up to seven members: the Treasurer of ASME; the Assistant Treasurer, and three to five at-large members recommended by the Committee on Executive Director Evaluation and Staff Compensation for appointment by the Board of Governors.

The terms of the at-large members shall be three years ending at the close of the second Society-Wide Meeting on a schedule established by the Committee on Executive Director Evaluation and Staff Compensation. Except as provided in this section, a Pension Plan Trustee who is a member-at-large may serve no more than two consecutive full terms. To be eligible for a third consecutive full term, a member-at-large must be nominated by the Committee on Executive Director and Staff Compensation upon a finding by the Committee that specifies exceptional circumstances warranting the third consecutive term, and a written statement of such findings must accompany the nomination when it is communicated to the Board of Governors by the Chair of the Committee. The nominee may then be appointed only upon the affirmative vote of two-thirds of the entire Board of Governors.
ASME Board of Governors
Agenda Item
Cover Memo

Date Submitted: March 28, 2013
BOG Meeting Date: April 18 – 19, 2013

To: Board of Governors
From: (Sector/Unit/Task Force/Other)
Presented by: COR
Agenda Title: Revision to Society Policy P-4.8

Agenda Item Executive Summary: *(Do not exceed the space provided)*

The Committee on Organization and Rules requests changes to Society Policy P-4.8 Annual Reports by Sectors and Committees Reporting to the Board of Governors. The revisions to this policy align with current practices. This policy was approved by the Committee on Organization and Rules at its March 26, 2013 meeting.

Proposed motion for BOG Action: *(if appropriate)*

Revise Society Policy P-4.8 as attached

Attachments: Word document
ANNUAL REPORTS BY SECTORS AND COMMITTEES REPORTING TO THE BOARD OF GOVERNORS

I. PREFACE
   A. By-Law B4.1.4.1 provides, “An Annual Report shall be prepared for the fiscal year ending on June 30.”
   B. By-Law B4.1.9 provides in part, “Each committee shall keep a record of its acts and proceedings and shall report thereon to the Board of Governors whenever requested to do so.”
   C. By-Law B5.1.8 provides, “Prior to the end of each fiscal year, each sector and each committee reporting to the Board of Governors shall submit to the Executive Director, for delivery to the Board of Governors a written report of its work.”

I.II. PURPOSE

This Policy contains guidelines for the annual reports which are submitted to the Executive Director by the Sectors and by Committees reporting to the Board of Governors.

The purpose of this policy is to promote uniformity in the content of annual reports by the Sectors, committees reporting to the Sector Management Committee and committees reporting to the Board of Governors. It is important that each annual report have in it a summary of the activities of that unit in a form which satisfies the requirement of accountability. The summary should be as brief as possible consistent with completeness.

III. POLICY

   A. Sectors and the committees reporting to the Sector Management Committee (SMC) must submit the following information that will submitted as part of the SMC Report to the Board of Governors at each Board of Governors meeting
      1. Shall submit an update highlighting activities it is working on.
      2. Shall submit upcoming events/what’s on the horizon
      3. Shall submit pertinent updates relevant to the Balanced Scorecard
   B. Committees Reporting to the Board

       Committees reporting to the Board of Governors shall submit a report as defined in its Operation Guide on activities since its last report. Information may include accomplishments, activities, objectives and recommendations.

IV. PROCEDURE

   A. The reports are included in the agendas of the Board of Governors meetings
   B. The reports provide content for the Society’s Annual Report

II. FORMAT

   A. The cover sheet of the report should have on it:
1. The title of the report.
2. The date of submittal.
3. The name of the chair and incoming chair (when applicable) of the subject unit.
4. The signature of the chair and incoming chair (when applicable) of the subject unit.

B. The report shall contain a minimum of seven sections with titles as follows:

1. Executive Summary.
2. Key Results of Sectors.
3. Accomplishments on Objectives for Year of Report.
4. Other Activities in Year of Report.
6. Objectives for Next Year.
7. Recommendations.

III. CONTENT

A. The Executive Summary should contain a brief overview narrative of the highlights (both successes and failures) of operations during that year. In no case should it exceed one page in length. The order of the narrative should conform to the order of the Objectives to make it easy to find information pertaining to a specific item.

B. The Key Results section should be submitted for sectors only. This section should list the Key Results, which are shown in the ASME Focus on the Future document, that the sectors have selected to address. Each sector should list the measures and metrics that it developed to assess its progress in meeting the Key Results.

C. Accomplishment of Objectives for Year of Report should list the objectives for the unit which were adopted for that year, with a statement on the degree of success reached for each objective. For the sector reports, these objectives whenever possible should be tied to the Key Results and measures and metrics.

D. Other Activities in Year of Report should detail activities carried out, but which were not included in the Objectives.

E. A financial report should be submitted for sectors only.

F. Objectives for Next Year for the unit should be listed with target dates for their accomplishment. As far as possible, objectives should be listed in quantitative terms. The objectives should be stated in specific terms of expected, achievable results, and the intended methods of achieving them should be indicated. For the sector reports, these objectives whenever possible should be tied to the Key Results and measures and metrics.
G. Implementation of Society Policy P-4.9: This section should contain the results of a study of sub-units and recommendations for their continuation, modification, or elimination as specified in and required by Society Policy P-4.9.

H. Recommendations: This section should include all recommendations for modifications and/or clarifications, organized into subdivisions with the following titles, where applicable:

- Society By-Laws
- Society Policies
- Assignment of Duties
- Operating Procedures
- Appointments
- Utilization of Volunteers
- Staff Support
- Other Related Issues

_________ Where there is no recommendation that should be stated.

Responsibility: Committee on Organization and Rules

Adopted: November 21, 1985

Reaffirmed:

Revised: September 17, 1987  
(EDITORIAL CHANGES 8/88)
June 22, 1989  
(EDITORIAL CHANGES 4/89)
November 16, 1995
March 17, 2001  
(EDITORIAL CHANGES 6/1/05)
ASME Board of Governors
Agenda Item
Cover Memo

Date Submitted: March 28, 2013
BOG Meeting Date: April 18 – 19, 2013

To: Board of Governors
From: (Sector/Unit/Task Force/Other)
Presented by: EDESC
Agenda Title: Revision to Society Policy P-7.2

Agenda Item Executive Summary: (Do not exceed the space provided)

The EDESC requests changes to Society Policy P-7.2 Staff Employment Guidelines. This policy was reviewed and approved by the Committee on Organization and Rules on March 12, 2013.

Proposed motion for BOG Action: (if appropriate)

Revise Society Policy P-7.2 as attached

Attachments: Word document
I. PREFACE

ASME is an Equal Opportunity Employer.

II. PURPOSE

Provide a Society Policy confirming the fair and impartial treatment of ASME employees.

III. POLICY

A. ASME will abide by the Equal Employment Opportunity regulations for the U.S. Government, and with state and local equal opportunity laws.

B. ASME will ensure that recruiting, hiring, promotion and transfer decisions are based solely upon candidates' job-related qualifications and abilities, without regard to race, color, religion, sex, age, national origin, citizenship status, or disability, and in compliance with state and local equal employment opportunity laws. ASME will provide reasonable accommodation to otherwise qualified individuals with a disability, consistent with the law.

C. ASME will ensure that all other human resource policies and practices, including, but not limited to, compensation, benefits, discipline and terminations, layoffs, ASME-sponsored training, tuition assistance, social and recreational programs, are also administered on a nondiscriminatory basis, in compliance with federal, state and local equal employment opportunity laws.

ASME has been, and will continue to be, an Equal Employment Opportunity employer. The continued success and growth of The American Society of Mechanical Engineers depends on a talented, well-motivated work force drawn from diverse backgrounds. The Society's human resources policies and practices with respect to terms and conditions of employment are administered without regard to race, color, religion, sex, national origin, age, citizenship status, disability, covered veteran or military status, and in compliance with state and local equal employment opportunity laws.

ASME will provide reasonable accommodation consistent with the law to otherwise qualified individuals with a disability and to employees or prospective employees with needs related to their religious observance or practices. What constitutes a reasonable accommodation depends on the circumstances and thus will be addressed by ASME on a case-by-case basis.

Recruitment, selection, promotion and transfer decisions made by ASME supervisors are based solely on candidates' job-related qualifications and abilities, without regard to race, color, religion, sex, national origin, age, citizenship status, disability, covered veteran or military status, and in compliance with state and local equal employment opportunity laws. ASME recruitment sources are instructed to refer to the Human Resources Department (HRD) all qualified persons.
Other human resources policies and practices, including, but not limited to, compensation, benefits, discipline and discharge, layoffs, ASME sponsored training, tuition reimbursement, social and recreational programs, are also administered on a nondiscriminatory basis, in compliance with federal, state and local equal employment opportunity laws.

This policy also prohibits conduct that constitutes or could lead or contribute to harassment based on any of the above-listed characteristics or any other characteristic protected by law. Examples of such conduct are racial or ethnic slurs and threatening, intimidating, or hostile acts directed at a particular sex or religion or directed at an individual because of his or her national origin or color. Harassment does not require an intent to offend. Thus, when unwelcome by the recipient, certain conduct meant as a joke, a prank, or even a compliment can lead or contribute to harassment.

Any employee who has EEO-related questions or feels that he or she has been subjected to any conduct of the type prohibited by this policy should immediately contact his or her supervisor, or the supervisors' superior or a member of the HRD (whomever the individual feels most comfortable contacting under the circumstances). An employee should report the conduct regardless of the offender's position at ASME and should also report the conduct even if the offender is not employed at ASME (for example, a vendor, volunteer, or "temp"). Individuals who have information about inappropriate conduct directed toward others are also encouraged to report the relevant facts pursuant to this policy. Prompt reporting is very important so that ASME can take action to stop the conduct before it is repeated. All such reports will be investigated promptly, with an effort made to keep the source of the report as confidential as possible. Where a violation of this policy has occurred, corrective action will be taken where appropriate.

Any ASME supervisor or other employee who violates this policy will be subject to disciplinary action, up to and including termination.

Any supervisor who has been approached by an employee with an EEO-related problem must immediately contact the HRD.

ASME’s continued success depends heavily on the full and effective utilization of all qualified persons. For this reason, and in compliance with our status as a federal government contractor, ASME has developed written Affirmative Action Programs to cover all ASME locations for: (1) minorities and women, (2) disabled individuals (3) and covered veterans[1].

The support, commitment and participation of every employee is needed to ensure the success of this policy. Supervisors and managers have a special responsibility to foster a work environment that reaffirms this policy. The Managing Director, Human Resources, is responsible for developing and maintaining the Affirmative Action Programs, ensuring compliance, and advising management of problem areas and the need for corrective action.

Employees who are disabled, or covered veterans, who would like to identify themselves as such under the Affirmative Action Program are invited to do so. Please refer to ASME’s “Voluntary Self-Identification Survey Form,” which is available on the Intranet and also available in the HRD.

Elements of the Affirmative Action Programs are available for inspection through the HRD by employees and applicants for employment during normal business hours.
The Executive Director fully endorses this policy and will continue to review the results of our Affirmative Action Programs. The Executive Director needs the full cooperation of all employees to ensure the success of this policy.

It is against ASME policy for any retaliatory action to be taken or threatened against an individual who reports or provides information about a possible violation of this policy or who participates in a related proceeding or exercises any other right protected by the equal opportunity laws. In the event you believe that you have been retaliated against for such an action, you should use the reporting procedures outlined in this policy to report the pertinent facts promptly. ASME will investigate and take appropriate action in the manner described above.

[1] In accordance with the Job for Veterans Act, the term "covered veteran" means any of the following veterans: (i) Disabled veterans; (ii) Veterans who served on active duty in the Armed Forces during a war or in a campaign or expedition for which a campaign badge has been authorized; (iii) Veterans who, while serving on active duty in the Armed Forces, participated in a United States military operation for which an Armed Forces service medal was awarded pursuant to Executive Order No. 12985 (61 Fed. Reg. 1209); (iv) Recently separated veterans.

Responsibility : Board of Governors
The Committee on Executive Director Evaluation and Staff Compensation (EDESC)

Transferred from the Committee on Staff to the Board of Governors: June 1, 2005

Transferred to The Committee on Executive Director Evaluation and Staff Compensation (EDESC)

Adopted: June 18, 1975

Reaffirmed: September 12, 1999
June 1, 2005

Revised: June 10, 1983
June 22, 1989
September 11, 1994
June 6, 2001

April June-19X, 2013
ASME Board of Governors
Agenda Item
Cover Memo

Date Submitted: March 28, 2013
BOG Meeting Date: April 18 – 19, 2013

To: Board of Governors
From: (Sector/Unit/Task Force/Other)
Presented by: COFI
Agenda Title: Proposed New Society Policy P-2.12

Agenda Item Executive Summary: (Do not exceed the space provided)

COFI recommends adopting Society Policy P-2.12 The Conduct of International Business. This policy addresses how the Society expects its personnel and independent representatives acting on behalf of ASME while conducting international business. This policy was reviewed and approved by the Committee on Organization and Rules on March 26, 2013.

Proposed motion for BOG Action: (if appropriate)

Proposed new Society Policy P-2.12 as attached

Attachments: Word document
SOCIETY POLICY

THE CONDUCT OF INTERNATIONAL BUSINESS

I. PREFACE

A. Article C2.1.1 of the Constitution lists, among others, the following purposes of the Society: "Promote the art, science and practice of mechanical and multidisciplinary engineering and allied sciences to diverse communities through the world"; "Broaden the usefulness of the engineering profession in cooperation with other engineering and technical societies."; and "Promote a high level of ethical practice". A variety of Society activities directed toward realization of these purposes are carried out through inter- and multi-society committees with ASME representation.

B. By-Law B3.3.1 provides:

"Any member who has been found guilty of a charge of violating the Constitution, By-Laws or Code of Ethics of the Society, may be expelled by the affirmative vote of seven members of the Board of Governors after being given the opportunity to be heard."

C. By-Law B4.1.5 provides, in part:

"Any Officer of the Society or member of any sector, board, committee, or other unit of the Society appointed or elected by the Board of Governors or by any unit of the Society may be removed or suspended from such office or membership by the Board of Governors for cause."

D. By-Law B4.1.9 provides, in part:

"Any action required or permitted to be taken by the Board of Governors or any special committee thereof may be taken without a meeting if all members of the Board or the committee consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consent thereto shall be filled with the minutes of the proceedings of the Board or the committee."

E. By-Law B4.4.1 provides:

"All funds received shall be directed to the office of the Assistant Treasurer for proper recording and deposit in authorized bank accounts."

F. By-Law B5.8.5 provides:

"No officer or other member of the Society acting under B5.8.1 through B.5.8.4 shall espouse, support or endorse any position on behalf of the Society, or otherwise bind the Society in any manner, except (a) in accordance with Society Policies; or (b) to the extent previously approved by the Board of Governors."
II. PURPOSE

A. To address how the Society expects all its own personnel (officers, volunteers and employees), wherever located, and independent representatives (e.g., local agents or consultants) of ASME and any representatives acting on behalf of ASME will comply with all applicable laws and regulations and will maintain the highest ethical standards in conducting its international business.

B. To abide by the Foreign Corrupt Practices Act of 1977 (FCPA), which prohibits corrupt payments to foreign officials for the purpose of obtaining or keeping business.

C. For purposes of this policy, the term "foreign government" includes any non-U.S. government, international governmental organization, entity owned or controlled by any non-U.S. government or international governmental organization, non-U.S. political party or party official; the term "foreign government official" means any employee, representative or agent of any unit or instrumentality of any government at any level; and candidate or prospective candidate for public office; and the term “thing of value” means any item that has more than nominal value.

III. POLICY

A. Society personnel or representatives shall not promise, offer, authorize the giving of, or give cash or any other thing of value (whether directly or through intermediaries) to any foreign government official to obtain, retain or direct business or secure any other improper advantage. ASME’s personnel and representatives need to take special care to avoid making any payment or offering any other valuable item that is, or may be perceived to be, improper or illegal under applicable law.

B. Society personnel and representatives shall not pay any cash to a third party unless such payment is clearly, completely and accurately documented as a cash disbursement with an appropriate explanation. Society personnel and representatives shall not write any check to “cash” or “bearer,” and Society personnel and representatives shall not pay anyone who does not have a written contract with ASME or who does not have some other documented business relationship with ASME. Society personnel and representatives shall not make any payment outside the country of the principal place of business of the recipient without the prior written approval of ASME’s Assistant Treasurer.

C. Society personnel shall not retain any representative (including any agent or consultant) unless such representative has first been provided with a copy of this Society Policy and has acknowledged in writing that he or she understands and will comply with this policy at all times.

D. Society personnel and representatives shall not make any political contribution or loan to any foreign government or foreign government official. If any Society personnel or representative desires to make a personal political contribution or loan to any foreign government or foreign government official, the purpose, amount, timing, and method of such contribution or loan shall be approved in advance by ASME’s Assistant Treasurer.
E. Society personnel and representatives shall have the proper authorizations for each business transaction or payment by ASME. Society personnel and representatives shall not create, have or keep any secret, private, or unreported fund or account for ASME. Society personnel and representatives shall not create, have or keep any third-party account for ASME except in the name of ASME.

IV. PROCEDURE

A. Issues related to this policy concerning employees of ASME are covered in ASME’s Employee Handbook.

B. Society personnel and representatives shall document any offer to reimburse the expenses of any foreign government official. In any such case, the amount and purpose of the reimbursement must be reasonable and must relate directly to the promotion, demonstration, or explanation of products or services of ASME with a government, government agency, or government-owned or government-controlled enterprise. Where appropriate, Society personnel or representatives shall consult with ASME’s General Counsel to determine the propriety of any such proposed reimbursement before making any offer.

C. In specific cases, Society personnel or representatives may make certain facilitating payments to government officials if approved in advance by ASME’s Assistant Treasurer. “Facilitating payments” are small payments to a government official needed to expedite or obtain routine and non-discretionary governmental action, such as to obtain official documents or certificates, customs clearances, or postal, telecommunications or utility services. For avoidance of doubt, a “facilitating payment” does not include any payment, regardless of amount, made to secure or retain business for ASME.

D. Society personnel and representatives shall record each transaction or payment in ASME’s books and records in a clear, complete and accurate manner as to its amount, date, purpose, accounting period and classification, including any other information required to convey a clear, complete and accurate explanation for auditing purposes. Society personnel and representatives shall not make any false or misleading statements or entries in ASME’s books and records.

E. Society personnel and representatives shall respond promptly, clearly, completely and accurately to any inquiry from ASME’s internal or independent auditors or General Counsel and shall not withhold or conceal any information that may be material for a clear, complete, and accurate response to such an inquiry.

F. If any Society personnel or representative is approached by any foreign government or foreign government official, customer or supplier representative or any other person and is asked, directly or indirectly, to make a questionable payment or gift, such approach shall be promptly and fully reported to ASME’s Assistant Treasurer. In no case should any such questionable payment or gift be made by ASME personnel or representative without prior approval by the Assistant Treasurer.
G. If any Society personnel or representative fails to comply with this policy or any other applicable policies of ASME, they may be subject to disciplinary action, including, where appropriate, immediate termination of membership or employment.

H. Society personnel or representative may be subject to individual civil or criminal legal penalties. In such cases, ASME reserves the right to withhold or deny indemnification or other responsibility for such individual penalties in accordance with applicable law.

I. If any Society personnel or representative has a question about this policy or wishes to report any request, activity or conduct that appears to violate these policies, such questions or reports should be directed to ASME’s General Counsel.

Responsibility: Committee on Finance and Investment

Adopted:
Date Submitted: April 4, 2013  
BOG Meeting Date: April 18 – 19, 2013

To: Board of Governors  
From: COFI  
Presented by: Reginald Vachon  
Agenda Title: Member Dues Increase

Agenda Item Executive Summary:

COFI has voted to recommend that the Board of Governors approve a dues increase.

COFI supports a recommendation to increase dues to $147.00 to the Board of Governors.

Proposed motion for BOG Action:

COFI recommends approval to increase October 2013 dues to $147.00

Attachments:
ASME 2013-2014 Membership Dues Calculation
ASME 2013-2014 Membership Dues Calculation

October 2012 Dues $144.87
Jan 2013 CPI 230.280
divided by: January 2012 CPI 226.665
equals: Inflator 1.015948647
October 2013 Dues allowable under ASME Constitution and By-Laws C9.1.1 $147.18

Recommended October 2013 Dues (Rounded down) $147.00

CPI: All Urban Consumers NSA
ASME Board of Governors  
Agenda Item  
Cover Memo

Date Submitted: 3/15/2013  
BOG Meeting Date: 4/18/2013  

To: Board of Governors  
From: COFI  
Presented by: Reggie Vachon  
Agenda Title: Defined Benefit Pension Plan Contribution - Cash Transfer

Consent Item Executive Summary:

The BoG will be asked to approve the disbursement of $3.5 million from the ASME general fund to the ASME Defined Benefit Pension Plan. This $3.5 million has been reviewed and endorsed by the COFI, has been reviewed and approved by the Pension Plan Trustees. To satisfy ASME Accounting Controls and Procedures it is requested that the BoG specifically approve the movement of funds.

Proposed motion for BOG Action: (if appropriate)

To approve the disbursement of $3.5 million from the ASME general fund to the ASME Defined Benefit Pension Plan.

Attachments:
Board of Governors Consent Item

$3.5 million Defined Benefit Pension Plan contribution

MOTION:

To approve that the $3.5 million Defined Benefit Pension Plan contribution disbursement to the ASME Defined Benefit Pension Plan be executed by ASME Accounting staff.

COFI recommends that the $3.5 million pension plan contribution disbursement to the ASME Defined Benefit Pension Plan be approved by the Board of Governors.

The Pension Plan Trustees have approved this contribution.

The $3.5 million Defined Benefit Pension plan contribution is an item that is not incremental to the 2014 budget as the expense for the accrual of pension plan liabilities is included in the operating budget. This consent will give the ASME accounting staff the authority to execute the $3.5 million contribution from general fund assets to the pension plan in July, 2013.