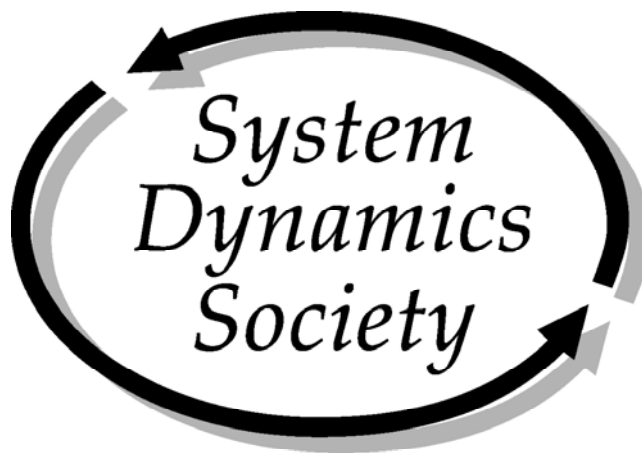


Annual Report on
Home Office Operations



July 2003

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Annual Report on Home Office Operations of the
System Dynamics Society
Summer Policy Council Meeting
July 2003

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Introduction

The home office of the System Dynamics Society is housed at the Center for Policy Research at the University at Albany, State University of New York. The Home office is supported by two full time staff – Roberta Spencer and Jennifer Rowe. Ms. Spencer is the Executive Director of the Society. Additional support comes from graduate students at the University at Albany, most notably Vedat Diker who works on the Society’s web presence and annual conference, and from outside contractors.

New Initiatives

Conference Management

Most conference management tasks have been moved into the routine operations section.

The new web-based reviewer submittal process implemented in 2002 continues to be a huge success! One reviewer wrote “I just wanted to tell you and all involved how great the web-based review system for the conference is. It’s really well done, very easy to use, and is a huge step forward for us. Please let everyone who contributed know. My only suggestions are to allow more than 3000 Characters (e.g. 5000) and to allow the field for the contents to preserve formatting.” We continue to receive many wonderful comments from authors who benefited from the reviewer comments. The web-based method to receive submissions, including author information, the body of work, and supporting material including models, was initiated for the NYC Conference. Only 65% of authors used this new system this year. A small percentage of time saving was achieved and is expected to increase. Final materials to be included on the CD-ROM Conference Proceedings were also submitted on-line.

Web Presence

An on-line Membership Directory is up and running. The cost of outsourcing and maintaining the on-line directory with Memberclicks is \$90 per month, with a one-time set-up fee of \$650.00 for a membership of up to 1000. The monthly price increases to \$120 per month when we exceed 1000 members; we are currently very close to this limit. The total cost for the first year including setup and maintenance will be \$1730. Printing and mailing of the hardcopy directory amounted to approximately \$7000 in 2001.

Benefits of the on-line directory include instantaneous updates for current contact information, ease of use and less hard costs.

Issues with the on-line directory include members continuing to send corrections to this office rather than making the corrections themselves on-line; asking and recording permission to include contact information in the directory; resolving problems with the host, Memberclicks; and resolving accessing/password problems. All of these issues take time.

We continue to maintain the contacts database in addition to the on-line directory. Labor to maintain the on-line directory is not significantly less than labor to produce the hard copy.

Other potential new developments on the website may include a new resources page, and a FAQ page.

New Products

The videotaped Forrester Seminar Series on System Dynamics, conducted by Jay Forrester is now available in DVD PAL format as well as in NTSC VHS videotape format.

The Fireside Chat (featuring Jay Forrester and George Richardson), a plenary session at the Atlanta conference, was recorded on videotape. With some finishing touches, the one hour long videotape will be available for sale soon.

Dennis Meadows has offered to assist the Society in making excerpts of the book *The Electronic Oracle* by Dana Meadows available for sale through the Society. Dennis has received permission from the Sustainability Institute to reprint excerpts of the book. The relevant excerpts, about half the book (approximately 80 pages), could be printed double-sided on 8.5" x 11" paper, coil bound with a heavy paper cover. The estimated cost for 50 booklets would be \$295.

An idea has been raised to solicit new products from members for the Society to sell. Although this is a great idea and would help our sustainability, launching new products is difficult for our office. In addition to investing funds, most time is spent on current activities. Unfortunately, this leaves little time for development. Volunteer assistance to augment our labor is one way to resolve this problem.

Own the Membership Process

All membership information is in our database. In 2002 we processed over 250 membership applications, and this number is growing each year. If the Society owned the membership process, benefits to our membership would include being able to deal directly with the Society office, avoiding confusion and delays in processing paperwork. Benefits to the Society would be more accurate information in a more timely fashion. Since the database is already set up, labor costs to process membership applications would not increase significantly. On the negative side, we would lose a minimum four percent on all credit card transactions for membership payments; we do not incur that loss now. If the Society assumed responsibility for mailing renewal notices, labor and material costs would increase substantially. Since Wiley has assigned Faith Pidduck to our account, membership problems have dramatically decreased. Ms. Pidduck promptly communicates changes in our membership and responds immediately to member problems. Conversations need to continue with Wiley about how to process membership applications and how to solicit renewals.

A committee on membership issues was established at the February 2002 Policy Council Meeting and a report was given on the financial and electronic relationship between the Society and Wiley at the 2003 Winter Policy Council Meeting. This committee is exploring the issues, estimating the cost of the Society doing all membership processes, and negotiating with Wiley a better division of responsibilities and associated sharing of membership dues. Please see more information on membership under Routine Operations, page 5.

Long Term Financial Outlook and Sustainability of Home Office

At the February 2002 Policy Council Meeting, David Petersen and Kevin O'Neill were asked to consult with the home office about transition planning, options for change, financial outlook and sustainability. There is no short-term issue in this area.

Routine Operations

Membership

Membership continues to grow. Please see Attachment III – Membership Statistics, page 13, for full details over time.

Services and Recruitment We currently have about 4700 records of members, non-members and conference registrants who have contacted this office for products or information.

Membership applications processed through this office are increasing as a result of the sponsorship incentive program, membership fee being paid along with purchase of a product, membership fee being paid with conference registration, or familiarity with our office. We routinely include a membership option on the conference registration form and it has been quite successful. Please see page 20 “Conference Registration Fee Structure” showing the differences between member and non-member conference fees.

After our annual conferences, a personal invitation to become a member of the Society is sent to conference attendees who are not members. In addition, in the fall of 2002, letters to members who did not renew were sent out.

	January – June	July – December	Yearly Totals
1998	15	26	41
1999	7	99	106
2000	28	71	99
2001	105	98	203
2002	141	113	254
2003	173		

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Total memberships processed through home office January 1998 – June 2003

Sponsorship Incentive As of June 2003, we have 50 new or renewal members that have joined the Society for the calendar year 2003 as a result of the Society Sponsorship incentive. See Attachment V – Society Sponsor Statistics, page 16, for history. A sponsor receives up to three personal memberships with a sponsorship.

Membership Directory The 2003 membership directory is on-line. For those without web access there have been suggestions to put the membership directory on disk and/or produce a limited number of hard copies.

Sales

Beer Distribution Game, Proceedings, Journal, Bibliography and PhD Seminar Series There is still great interest in the Beer Distribution Game; however, 2003 sales for the first six months of the year are down, vis-à-vis 2002.

In 2002 there was slight decrease in demand for the proceedings and a continuing decrease in demand for back issues of the System Dynamics Review. Access to past journals through Wiley using the Interscience website has influenced the decreased sales of the past issues of the Review. See Attachment IXa – Sales, pages 21, for first six months regarding sales.

Items Sold	1998	1999	2000	2001	2002
Beer Game Boards	839	619	824	1043	876
Past Proceedings	52	101	36	56	45
Past System Dynamics Reviews	54 single/4 sets	25 single/6 sets	29 single/8 sets	13 single/4 sets	8 single/1 set
Bibliographies	24	14	4	8	2
Seminar Series					13 single/14 sets

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Sales 1998 – 2002

Back issues of the System Dynamics Review: A full set of 52 back issues from 1985 to 2002 (Volume 1 – Volume 18) is offered for sale for \$750.00. The full time student member price for the Volume 1 – Volume 18 set is \$325.00.

The System Dynamics Society bibliography: Disks continue to be available and it is downloadable from our website. The bibliography has been updated to include the Italy Proceedings and the System Dynamics Review Volume 19, Number 2 – 2003. New entries are continuously being made, as the bibliography is always a work in progress.

Most importantly, in 2002, the \$68,000 profit from the sales “cost center” helps support the core operations offered by the Society office. This amount is down \$6,000 from last year.

Society Sponsorship

Sponsors receive up to three free annual (personal) memberships. Please see Attachment V – Society Sponsor Statistics, page 16, for a list of sponsors for calendar years 2000 through 2003. This year it is uncertain that we will meet our budget as three sponsors have pledged but not fulfilled their sponsorship.

To date, twenty-five sponsors have made either a pledge, sent in a gift, or traded services for 2003. In addition, we have two new sponsors.

Year	Amount	Budgeted
2003	\$18,000 pd, + \$3,000 pledged	\$21,000
2002	\$19,494	\$21,000
2001	\$28,922 *	\$16,000
2000	\$17,909	\$13,000
1999	\$12,738	\$15,000
1998	\$11,000	\$ 9,000
1997	\$ 4,000	\$ 4,000

*This includes a one-time special \$5000 contribution for the JWF Award and a two-year payment in advance. True amount for 2001 is \$22,922.
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Sponsor Income to the Society 1997 – 2003

The Society office performs a systematic Society sponsorship program contacting all past Society sponsors and conference sponsors, inviting them to continue their support. In addition, we identify and mail out letters to repeat customers, to organizations with numerous members and to other consulting firms owned by members. This mailing is not only to solicit, but to also cultivate a relationship, to involve our members and others in the field. Letters mailed for the 2003 Society Sponsorship Campaign totaled over 328. See page 16 for breakdown of letters mailed. We will continue this program for calendar year 2004 Society sponsors in September and October 2003.

Routine Conference Management

Management of our conferences is a major activity at the Society office. For conference attendance numbers please see Attachment VIII – Conference Attendance Statistics, page 19.

Conference Tasks Responsibilities for conference activities have included:

- Design/produce/mail the call for papers brochures, conference information and registration brochures
- Advertising in related journals
- Contacting conference sponsors including generating new contacts
- Maintaining finances in QuickBooks
- Managing registrations, letters of invitation for visas, assist with roommate contacts, manage other unique site-specific details (i.e. Parking in NYC)
- Organizing meetings
- Receiving electronically, storing and formatting the works, session proposals and workshops
- Improving, developing and managing the review process for submissions on the web
- Producing the printed abstract proceedings and CD-ROM of full proceedings
- Track works
- Manage Dana Meadows Student Prize Award papers
- Event Insurance Coverage
- Design layout of conference sponsor information
- Organize outsourcing for specialty work
- Managing the tentative and final program and session chairs scheduling including room and AV equipment scheduling
- Assisting with all social program items including transportation
- Maintaining the conference website

- Negotiating and working directly with the conference venue
- Organizing all pre-conference and during-conference outside contractor and volunteer labor

Allocation of Effort Conference management consumes a major portion of personnel time, especially in the first 6 months of the year. Time spent on conference management is always a substantial percentage of full year time allocation. Outsourcing is necessary and is a successful way to keep abreast of all the duties. Discussions continue to look at ways to improve conference operations utilizing more of the web technology.

Current Conference Activities At any given moment the Society office is working on at least three conferences. The Society office is working closely with Bob Eberlein, Mike Radzicki, Nicholas Georgantzas, Allen Boorstein and many more volunteers for the 2003 conference. We are providing support to Oxford Conference Team. At this time, we are supporting efforts to define the 2005 conference.

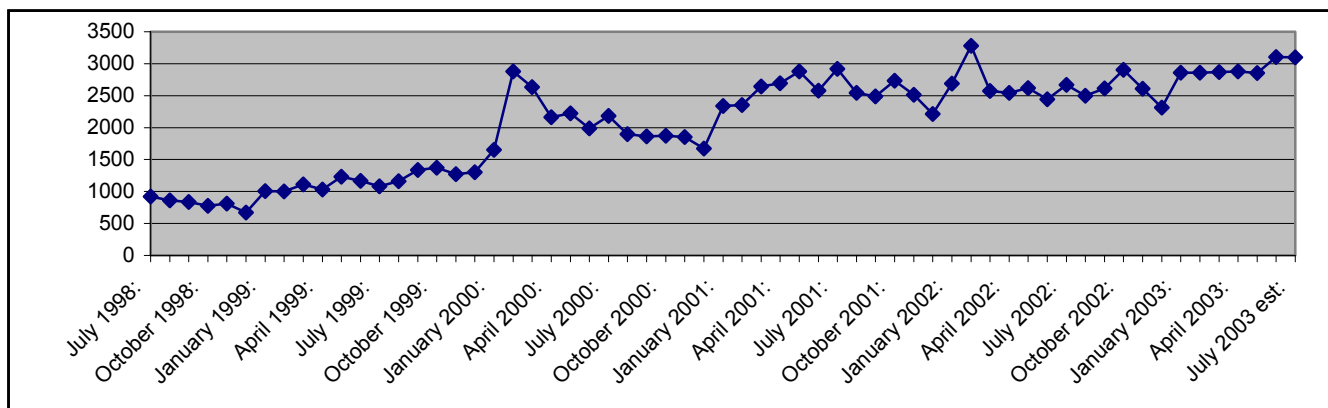
Evaluate Conference Quality Worcester Polytechnic Institute has assumed the task of measuring member satisfaction and service quality for the Society on an on-going basis. Michael Radzicki and his students at WPI have measured attendee satisfaction at the Bergen, Atlanta, and Italy conferences. A summary report of the information received will be a regular agenda item at the summer Policy Council Meeting. The survey represents the Society’s commitment to quality service for our membership and conference population.

The Norway survey was a pilot study. The number of questions on the survey instrument used after Norway has been greatly reduced in response to feedback received. The survey instrument is now better and more stable. Highly correlated questions have been combined and some questions are aggregated. The current survey preserves the dimensions of customer satisfaction at our conference. Measurement of pre-conference expectations will be sampled from a small number of randomly selected attendees. The post-conference perceptions survey will occur every year.

Planning is ongoing for the Oxford 2004 Conference. The dates are July 24 – 29, 2004. See the information sheet in your conference packet.

The Guide Work continues at the Society office to update the Guide to Organizing an International System Dynamics Conference written by Jac A.M. Vennix and Loes H. Bultjes in July 1992. Conference planning, scheduling techniques and organizational tools continue to be refined.

Web Presence



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Website “hits” history by month, September 1998 – July 2003

Our website is a great resource. The Society office website is being maintained at the University at Albany. Jack Pugh, Webmaster, is managing the site with student support. The website continues to be upgraded. To keep abreast of technological advancements, development funding must continue to be placed in the budget for web presence.

Society Finances

The Society is managed around five cost centers: conference, cores operations, sales, publication, and web presence. All bookkeeping files are maintained in QuickBooks. See Attachments IXa through IXh, pages 21 - 29, for all final financial information for 2002 and other related charts and graphs.

Allocation of Effort

Daily time sheets are recorded using five cost centers. During 2002, Roberta Spencer and Jennifer Rowe worked full time, and Vedat Diker was a 50% employee. This pattern continues into 2003. The following table shows how each of these three persons split their time between the various cost centers used by the Society to track staff time usage.

Vedat Diker will leave his graduate assistant position in August 2003 and not be replaced as a cost saving measure.

Roberta Spencer	1998	1999	2000	2001	2002
% of full time	75%	75%	90%	100%	100%
Core Operations	41%	50%	41%	39%	25%
Sales	28%	17%	9%	9%	7%
Current Conference	27%	31%	38%	34%	42%
Next Conference	4%	2%	5%	7%	12%
Past/Future Conference			3%	5%	7%
Publications			3%	5%	4%
Web			1%	1%	3%

Jennifer Rowe	1998	1999	2000	2001	2002
% of full time	50%	50%	60%	60-75%	100%
Core Operations	41%	54%	42%	40%	42%
Sales	35%	21%	20%	13%	10%
Current Conference	22%	15%	33%	33%	34%
Next Conference	2%		1%	2%	2%
Past/Future Conference					
Publications			4%	12%	5%
Web				1%	7%

Vedat Diker	2001	2002
% of full time	50%	50%
Core Operations	1%	2%
Sales		
Current Conference	30%	48%
Next Conference	25%	19%
Past/Future Conference		1%
Publications		
Web	44%	30%

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Allocation of Staff Effort by Cost Center, 1998 – 2002

Attachment I – New Initiatives

New Initiatives <i>Not Routine Processes</i>	Developments	Next Steps
A. Meet with David Peterson and Kevin O’Neill to discuss long term financial outlook and sustainability of home office	<i>Met in April 2002</i>	Arrange follow up meetings. Report to Policy Council in Feb 2003.
B. Make contacts and increase support to Special Interest Groups, Sponsors and Chapters, K–12, Universities, Consultants, Systems Thinking, etc.	<i>Contacts made for sponsorship, conference – more time needs to be invested here to inform these organizations of how we can help them network, and to cultivate relationships. Chapters may need more support at start up or with membership drives.</i>	Expand and perform routinely.
C. Conference management improvements	<i>Web ease, standardize submittal process, improve survey</i>	Make continuous improvements. New web submittal process worked in 2003.
D. Update conference guide	<i>Currently underway, existing guide has been reviewed; all past conference information has been gathered.</i>	Revise continuously as each conference progresses
E. Develop electronic presence	<i>Webmaster Jack Pugh has advanced the web presence. Continued funding will progress this effort. Install on-line directory, add resources page and FAQ page.</i>	On-line membership directory is up, automated review process successful, conference submissions successful, working on registrations, etc.
F. New products to diversify and broaden sales possibilities beyond “Beer Game”	<i>Jay’s PhD Seminar Series Tapes; The Fireside Chat; The Electronic Oracle Solicit donations of products we could sell.</i>	Jay’s tapes are now for sale. Work in progress on other items.
G. “Own” membership process	<i>We currently have all membership information in Access.</i>	Come to mutually beneficial terms with Wiley.

New Initiatives <i>Not Routine Processes</i>	Developments	Next Steps
H. Annual presidential planning meeting	<i>First one held December 2002 with past, current and future Presidents for smooth transition and continuity</i>	Plan every year.
I. Maintain membership retention data	<i>Per request resulting from President's Meeting in Italy</i>	Maintain data.
J. Brainstorm for events that facilitate communication between members.	<i>For example – web cast</i>	Dependent on funding and generation of ideas.
K. Strive for less use of paper and postal services	<i>Electronic receipts were used for conference receipts</i>	Continue to change processes to include more electronic mail.
L. Upgrade equipment and furniture in office	<i>Need new ergonomic workstations and more storage/shelving space.</i>	Done July 2002.
M. Move to electronic newsletter	<i>Our survey showed 37% of responders would like to receive both on-line and hard copy, 44% on-line only and 19% mail only</i>	Done Fall 2002
N. Active job exchange message board	<i>Less than 10 current entries are on our website. SD Career Link Bulletin Board will be posted at the conference. Jim Lyneis has volunteered to take over this project.</i>	Done

Attachment II – Routine Operations – Other Processes

- Help manage and update Society information vehicles, including brochure and website
- Order and market Beer Game
- Inventory and fill orders for back issues of Proceedings
- Inventory and fill orders for back issues of System Dynamics Review
- Inventory and fill order for videotaped PhD seminar Series
- Respond to general member inquiries / member services
- Membership maintenance and recruitment
- Reconcile membership issues/discrepancies with John Wiley & Sons
- Assist PC officers as needed
- Archive Systems: records retention and preservation
- Maintain checking account and accounting for funds with University
- Society sponsorship solicitation
- Maintain on-line membership directory
- Produce and distribute President's Newsletter two times a year
- Manage Administrative Calendar and Processes
- Assist with all aspect of conference management

Attachment III – Membership Statistics

Country	'96	'97	'98	'99	'00	'01	2002	Country	'96	'97	'98	'99	'00	'01	2002
Argentina	4	4	6	8	8	7	3	Korea	4	8	7	12	13	11	12
Australia	17	15	21	31	30	36	28	Kuwait	0	0	0	2	1	1	1
Austria	1	1	1	2	5	3	2	Lebanon	0	0	0	1	1	1	1
Bahrain	0	0	0	0	0	1	1	Lesotho	0	0	0	0	0	0	1
Bangladesh	1	1	1	1	1	1	1	Malaysia	0	6	7	8	2	2	2
Belgium	1	1	2	4	5	6	9	Mexico	3	2	4	6	5	9	9
Bermuda	0	0	0	0	0	0	1	Mongolia	0	0	0	0	0	0	1
Brazil	2	5	7	8	10	10	11	Netherlands	12	18	21	24	30	29	25
Canada	15	23	24	33	28	29	25	Neth Antilles	0	0	0	0	0	1	0
Chile	0	2	2	2	1	1	1	New Zealand	4	5	5	10	8	10	7
China	6	3	4	5	5	6	3	Nicaragua	0	0	0	0	0	0	1
Columbia	4	4	5	5	5	6	5	Nigeria	1	1	1	1	1	1	1
Costa Rica	0	0	0	0	0	2	1	Norway	9	16	22	32	36	31	23
Cote d'Ivoire	0	0	1	1	1	1	0	Peru	1	1	0	0	0	0	1
Croatia	1	1	2	2	2	2	2	Philippines	1	1	3	3	3	2	2
Cyprus	0	0	0	0	0	1	2	Poland	3	4	3	3	4	4	3
Czech Rep	0	0	0	1	2	2	2	Portugal	3	2	4	5	6	6	7
Denmark	4	4	3	3	4	5	5	Puerto Rico	0	0	0	0	0	0	1
Dom. Rep.	0	0	0	0	1	1	0	Russia	0	1	2	2	2	2	2
Egypt	0	0	0	0	0	1	16	Saudi Arabia	0	1	1	1	1	1	2
Ethiopia	0	0	0	0	0	1	0	Singapore	2	1	1	3	3	3	5
Finland	2	2	2	3	7	7	5	Slovenia	0	0	0	1	3	3	2
France	4	5	6	8	10	10	12	South Africa	2	1	1	1	1	2	4
Germany	14	21	23	34	37	39	40	Spain	21	24	22	26	25	25	24
Greece	2	3	4	5	4	5	9	Sweden	6	8	9	10	10	13	14
Hong Kong	0	0	0	2	2	2	1	Switzerland	15	16	17	18	22	24	29
Iceland	0	0	1	1	1	1	0	Taiwan	4	6	7	6	5	8	7
India	2	2	1	2	4	4	3	Thailand	2	1	2	2	2	1	1
Indonesia	4	6	7	15	13	8	4	Tunisia	0	0	0	0	0	0	1
Iran	0	1	1	1	2	2	2	Turkey	1	7	6	17	15	9	4
Ireland	0	0	1	1	3	5	2	UK	44	65	89	104	101	100	90
Israel	2	1	1	2	2	2	3	USA	297	323	386	451	388	425	338
Italy	17	23	28	28	24	24	27	Venezuela	2	1	1	1	0	3	4
Japan	31	33	32	36	39	41	31	Vietnam	1	0	1	1	1	1	0
Kenya	0	0	0	0	1	2	1	Totals	572	680	808	995	946	1002	883*

*Total based on calendar year membership, not directory entries.

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Geographic Distribution, 1996 – 2002, representing 69 countries

Attachment III – Membership Statistics, continued

At June 30 each year:	2003	844	2001	737	1999	655
	2002	761	2000	720	1998	600

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Membership Over Time, First Six Months

Year	Directory	Wiley	Reg/Student	Institutional	EAL
2002	883cdb	885	676/209	129	28
2001	1002	836	659/177	196	
2000	946	779	616/163	200	
1999	995	745	577/168	205	
1998	808	683	547/136	212	
1997	680	579	457/122	224	

Year	Wiley	Reg/Student	Institutional
1995	504	416/43	212
1994	484		197
1993	487		181
1992	406		158
1991	418		112

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Membership Over Time, Full Calendar Year

Year	Unknown	Academic	Military	Private	Public	Other
	%	%	%	%	%	%
2002	6	53	1	35	3	1
2001	12	38	1	46	3	0
2000	13	39	1	43	4	1
1999	16	36	2	43	3	1
1998	22	35	1	39	3	1
1997	22	37	1	38	2	0
1996	22	39	1	37	1	0
1995	23	38	1	34	4	0

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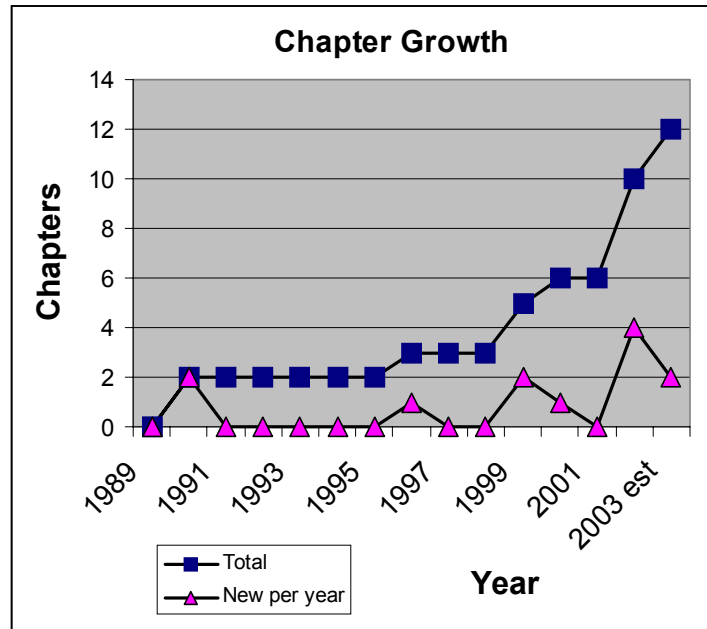
Membership Distribution by Sector
(based on the institution name listed in the membership directory)

	1996	1997	1998	1999	2000	2001	2002
	%	%	%	%	%	%	%
Africa	0.5	0	0.5	0.5	0.5	1	3
Americas	57	54	54	52	47	49	46
Asia	10.5	10	9.5	10	10.5	10	9
Europe	28	33	33	33.5	38	35	38
Pacific	4	3	3	4	4	5	4
# of countries	42	46	49	54	55	62	63

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Membership by Continent

Attachment IV – Chapter and Special Interest Group Statistics



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Chapter Growth 1989 – 2003 est.

Year	Country
1989	
1990	China, Japan
1991	
1992	
1993	
1994	
1995	
1996	Italy

Year	Country
1997	
1998	
1999	United Kingdom, Australia/New Zealand
2000	South Korea
2001	
2002	Student, Latin America, Hellenic, Egypt
2003 est	Brazil & ?

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New Chapters, 1989 – 2003 est.

Special Interest Groups to date:

- Higher Education
- Environmental Dynamics

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 Summer Policy Council Meeting
 July 2003

Attachment V – Society Sponsor Statistics

Organization	2000	2001	2002	2003
A.T. Kearney Inc.	X	X		
Accenture/Andersen Con.	X	X		
Adirondack Oral & Maxillofacial Surgery PC			X	
Amber Blocks, Ltd.	X	X	X	X
Arthur Andersen		X		
BRB Consulting	X	X		
Cognitus Ltd.	X	X	X	
Frank Davidson			X	X
Decision Dynamics, Inc.	X		X	X
Delsys Research Group, Inc.				X
Jay W. Forrester	X	X	X	X
General Motors		X	X	X
Georgia Pacific		X	X	X
Hall, Vasil & Dowd, CPA's	X	X	X	X
Hewlett Packard Company	X	X	X	X
High Performance Systems	X	X	X	X
HVR Consulting		X	X	X
Intel Corporation	X	X		
ITP Consultores			X	X
KBS		X		
Minase			X	X

Organization	2000	2001	2002	2003
MIT System Dynamics Group	X	X	X	X
Mohaseboon Financial			X	X
Nijmegen School of Management		X	X	X
PA Consulting Group	X	X		
Pegasus Communications	X	X	X	X
Powersim	X	X		
Powersim Solutions, Inc.			X	X
PricewaterhouseCoopers	X	X	X	
Project Performance		X	X	X
Proyectos Comerciales		X	X	X
Rockefeller College, Univ at Albany	X	X	X	X
Toshiro Shimada, JSD Chapter				X
Strategic Clarity	X	X		
University of Salford			X	X
Ventana Systems, Inc	X	X	X	X
Ventana Systems UK			X	X
Vestec, AS	X			

*As of June 30, 2003
 source: i:\sds\z rls hard drive\society sponsors\link status\calendar year 2003 society sponsors.doc

Society Sponsors for Calendar Years 2000 – 2003*

	2002	2003*
Past Sponsors – not current	4	4
Conference Sponsors/Not Society	5	6
Last year paying	23	23
Cold Call Universities	103	93
Cold Call Non Mem Non Univ	90	86
Cold Call Members	51	89
Over \$500 Beer Game Sales	35	27
Total letters mailed	311	328

*Campaign begins in Sept. each year
 source: i:\sds\z rls hard drive\society sponsors\link status\calendar year 2003 society sponsors.doc

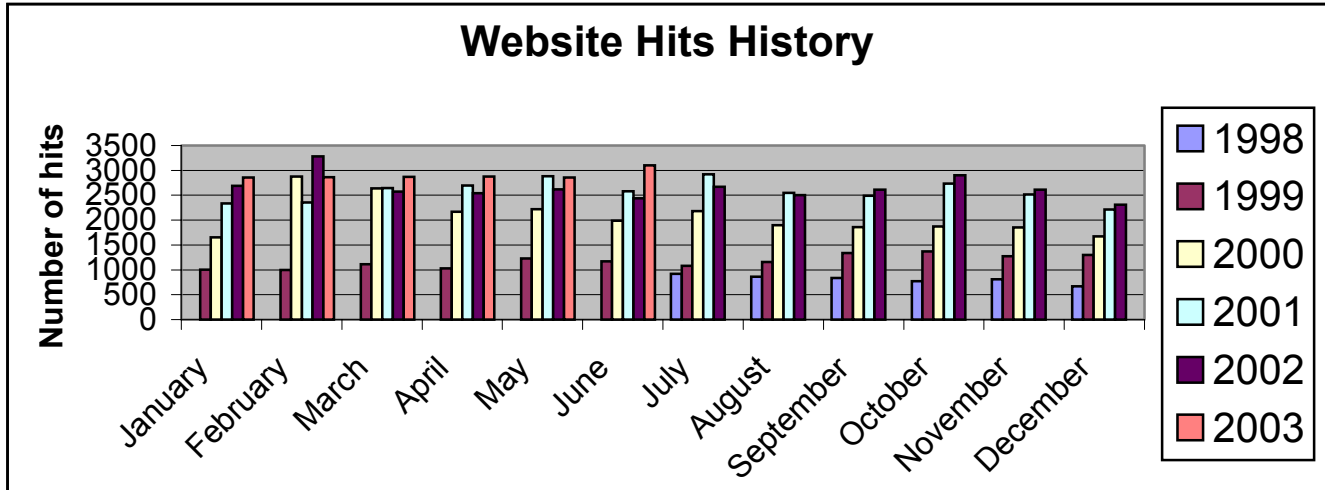
Society Sponsorship Mail-out Campaign

Year	Number of Members (new or renewal)
2003*	50*
2002	59
2001	54
2000	45
1999	34

*As of June 30th
 source: i:\sds\z rls hard drive\society sponsors\link status\calendar year 2003 society sponsors.doc

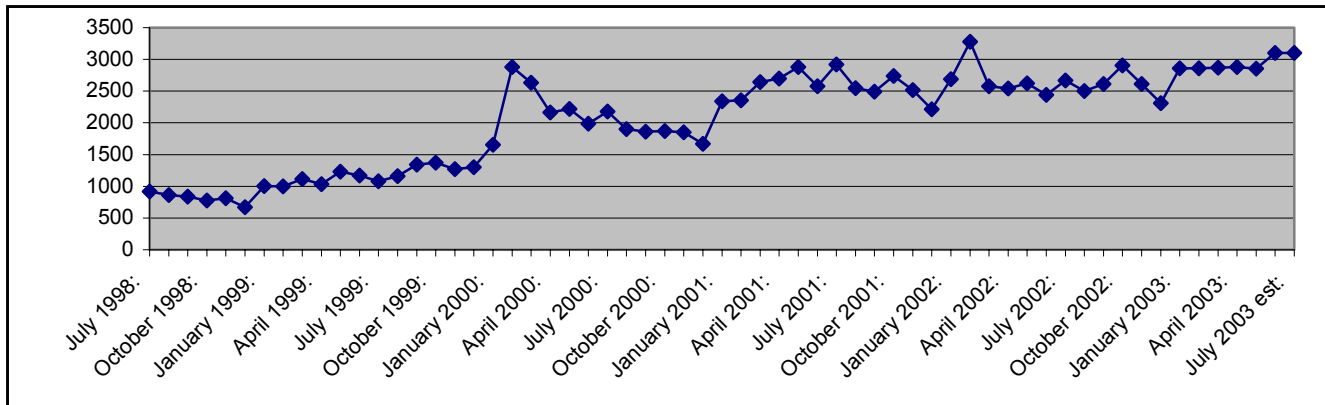
Membership Resulting From Society Sponsorship Incentive

Attachment VI – Website Activity



source: i:\sds\z rls hard drive\statistical information\webhits.xls

Website Hits History, January 1998 – 2003, Monthly Comparison



source: i:\sds\z rls hard drive\statistical information\webhits.xls

Website Hits History, September 1998 – July 2003

Attachment VII – Administrative Processes

Business Processes Tightly Linked to Administrative Calendar:

- Tax Filings
- Manage agenda and follow-up for Winter Meeting of Policy Council (Jan, Feb)
- Manage agenda and follow-up for Summer Meeting of Policy Council at Research Conference
- Manage agenda and follow-up for Fall (?) Meeting of Policy Council
- President's Newsletter (two times per year)
- Manage Nominations and Elections Procedures (October/November)
- Awards:
 - Jay W. Forrester Award Selection Procedure
 - Best Student Paper Award at Research Conference
 - Other New Awards??
- Manage Society Sponsors
- Annual Membership Billing
- Annual Membership Directory
- Manage Conference Site Selection (3-4 years in advance)
- Update Bibliography

- Executive Director's report
- VP Publications report including Editor's Report, Website Report, President's Newsletter, Publisher's Report, etc.
- VP Finance Report
- Notices in journals - for what and when
- Attachment VII – Administrative Processes, continued
- Update SDR – SDS pages

- May 15 Federal (no fee) and State (\$100 fee) review to be filed
- By November 15 - File a list of officers and policy council members with the MA Secretary of State - a one-page form that gives officers and date of annual meeting for the past year. Clerk has to be resident of MA

- Work with Administration Committee to refine processes.
- Who does what/when?
- How often are tasks/issues updated?

Attachment VIII – Conference Attendance Statistics

Year	Attendees	Guests
1983	120	
1984	55	
1985	125	
1986	122	
1987	99	
1988	71	
1989	122	

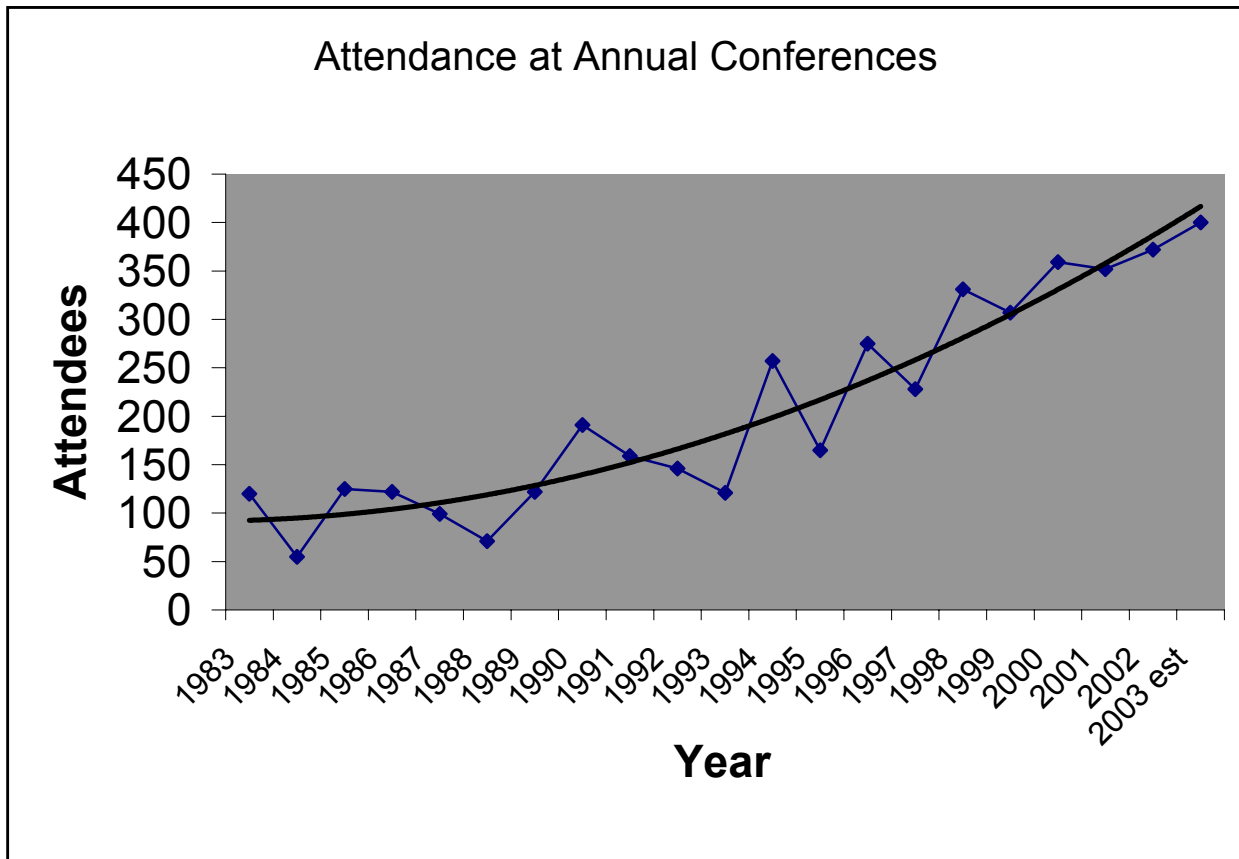
Year	Attendees	Guests
1990	191	
1991	159	
1992	146	
1993	121	
1994	257	
1995	165	
1996	275	

Year	Attendees	Guests
1997	228	
1998	331	51
1999	307	27
2000	359	55
2001	352	22
2002	372	83
2003	402	53

*as of July 2, 2003 (not complete)

source: i:\sds\z rls hard drive\statistical information\attendees.xls\all 1

Conference Attendance Over Time by Year, 1983 – 2003*



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Conference Attendance Over Time by Year, 1980 – 2002

Attachment VII – Conference Attendance Statistics, continued

Attachment VII – Conference Attendance Statistics, continued

	2000 Norway	2001 Atlanta	2002 Italy	2003 NYC*
Paying Members	155	154	160	231
Paying Non-Members	77	63	82	60
Paying Day Passes	7	10	0	0
Paying Students	61	77	73	77
Organizers/Volunteers/Awards	20	13	25	11
Financial Assistance	11	13	6	1
Sponsor Complimentary	28	25	26	22
TOTAL	359	352	372	402

*As of July 2, 2003, not complete

source: i:\sds\z rls hard drive\statistical information\attendees.xls\bypayment

Conference Attendees by Type of Payment/Support, 2000 – 2003

	2000 Norway	2001 Atlanta	2002 Italy	2003 NYC
Member Registration - Early	\$325	\$325	\$435	\$375
Non-Member Registration - Early	\$375	\$350	\$485	\$450
Additional Cost for Membership	\$40	\$65	\$40	\$15
Half year membership	720	737	761	844

source: i:\sds\z rls hard drive\statistical information\attendees.xls\fee structure

Conference Registration Fee Structure 2000 – 2003

	1999 NZ	2000 Norway	2001 Atlanta	2002 Italy	2003 NYC*
	%	%	%	%	%
Africa	1	1	0	4	1
Americas	13	34	66	27	57
Asia	13	12	7	11	8
Pacific	53	4	3	6	4
Europe	21	50	24	52	30

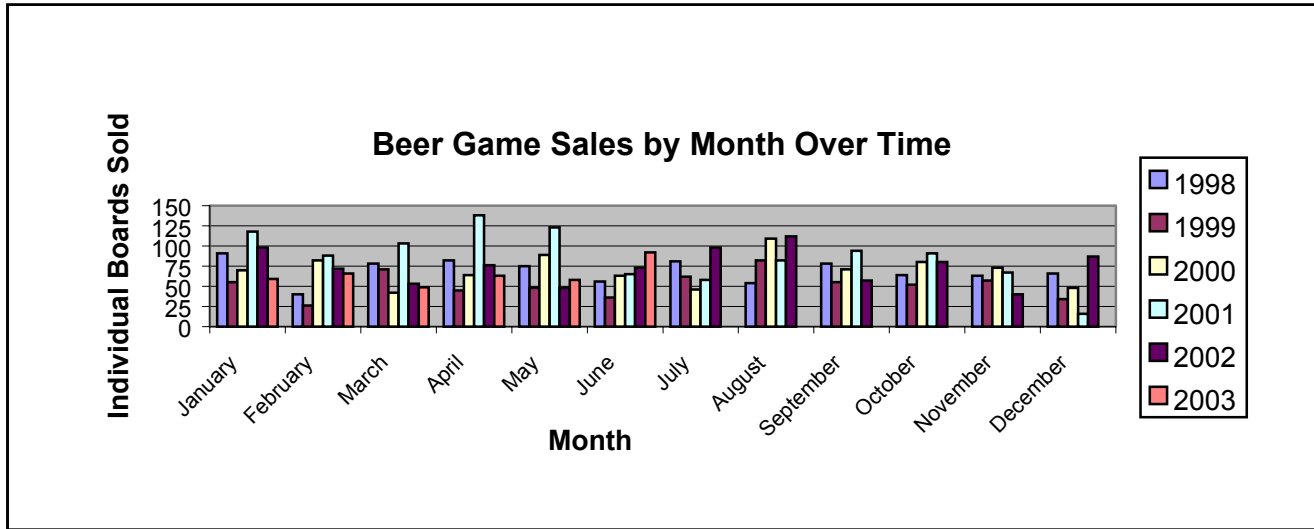
*As of July 1, 2003, not complete

source: i:\sds\z rls hard drive\statistical information\attendees.xls\by continent

Continent Representation at Conferences, 1999 – 2003

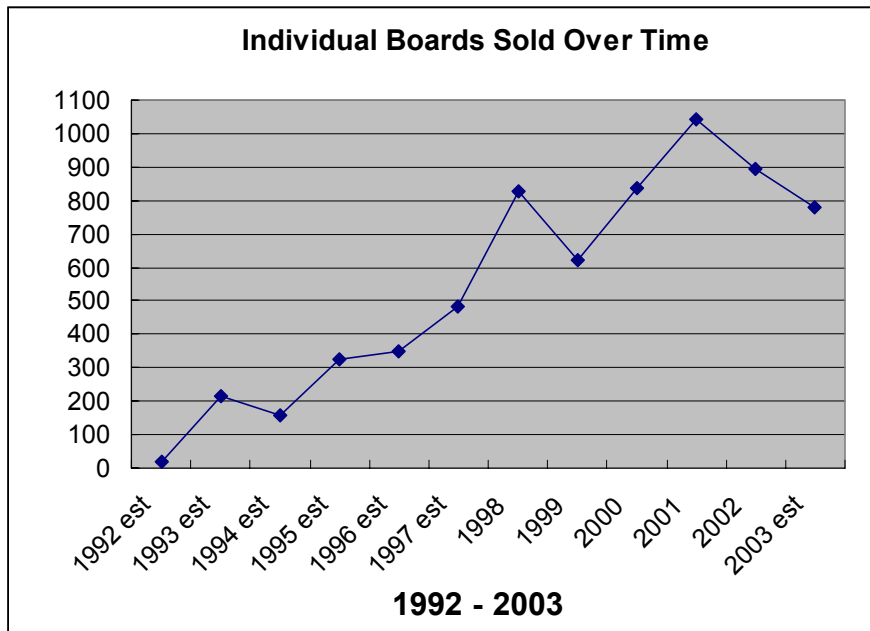
Attachments IX – Financial Details

Attachment IXa – Sales



source: i:\sds\z rls hard drive\statistical information\product sales history\bg-monthly

Beer Game Sales, 1998 – June 2003, Monthly Comparison



source: i:\sds\z rls hard drive\statistical information\product sales history\bg-yearly

Beer Game Boards Sold, 1992 – 2003

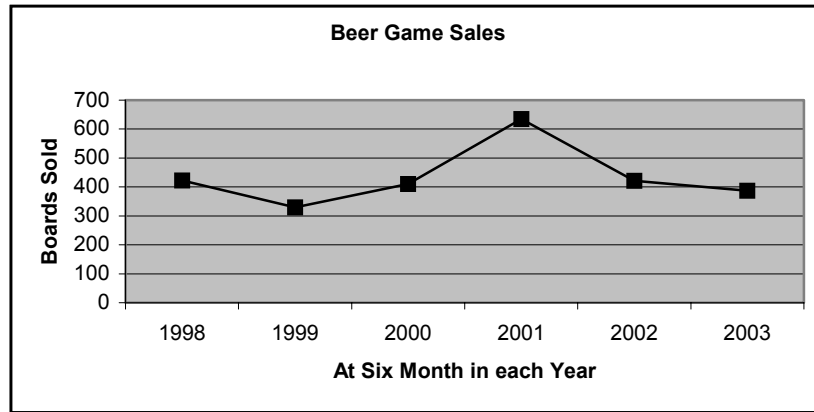
Attachment IXa – Sales, continued

Items Sold	1998	1999	2000	2001	2002	2003
Beer Game Boards*	422	330	410	635	421	387
Past Proceedings	27	22	25	22	6	29
Past System Dynamics Reviews	34 single/1 set	18 single/3 sets	28 single/3 sets	3 singles/3 sets	7 single/0 sets	11 single/3 sets
Bibliographies	17	9	2	4	1	2
PhD Seminar	N/A	N/A	N/A	N/A	1 single/10 sets	19single/7sets

*includes loaner boards, but not refunds

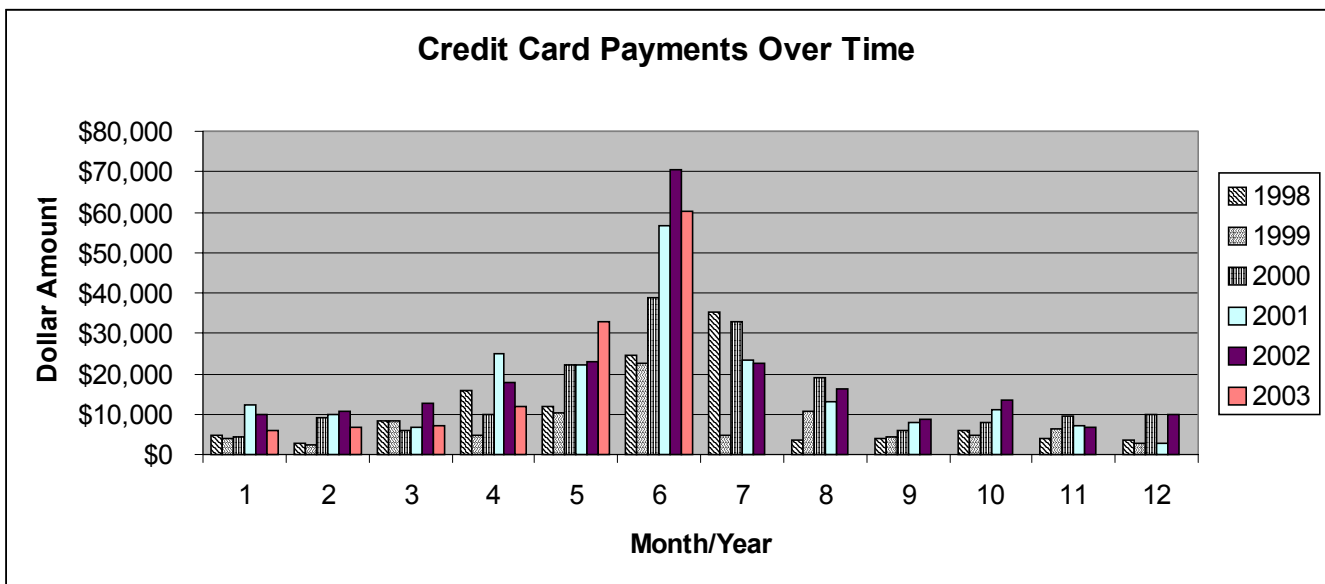
source: i:\sds\z rls hard drive\statistical information\product sales history\sales history.xls\half yr-since 1998

Sales of Selected Items, First Six Months, 1998 – 2003



source: i:\sds\z rls hard drive\statistical information\product sales history\sales history.xls\half yr-since 1998

Beer Game Sales at Half Year



source: i:\sds\z rls hard drive \statistical information\credit cards.xls

Credit Card Sales, 1998 – June 2003, Monthly Comparison

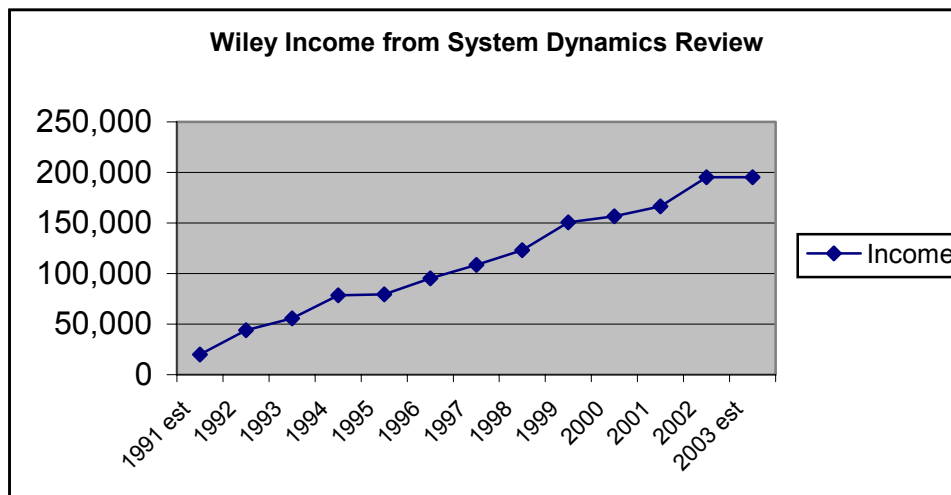
Attachment IXb – Wiley Financial Information

	Royalties Income paid to SDS	Membership Income paid to SDS	% Increase	Wiley Income from SDS	% increase	Regular Membership price	Student Membership price
*1991				22,000			
1992	6000 ('93)	3645		44,083	2.004	\$70	\$35
1993	6000 ('94)	4435	1.217	55,620	1.262	\$70	\$35
1994	7835	4335	0.977	78,349	1.409	\$70	\$35
1995	7993	4825	1.113	79,334	1.013	\$70	\$35
1996	9540	4975	1.031	95,404	1.203	\$80	\$40
1997	10,848	5180	1.041	108,476	1.137	\$80	\$40
1998	12,302	6150	1.187	123,021	1.134	\$80	\$40
1999	15,070	6610	1.075	150,696	1.225	\$80	\$40
2000	15,651	6975	1.055	156,509	1.039	\$80/\$90	\$40/\$45
2001	16,655	7475	1.072	166,548	1.064	\$90	\$45
2002	19,530	7690	1.029	195,295	1.173	\$90	\$45
*2003				195,300	1.000	\$90	\$45

*estimate

source: i:\sds\z rls hard drive \statistical information\wiley.xls\summary

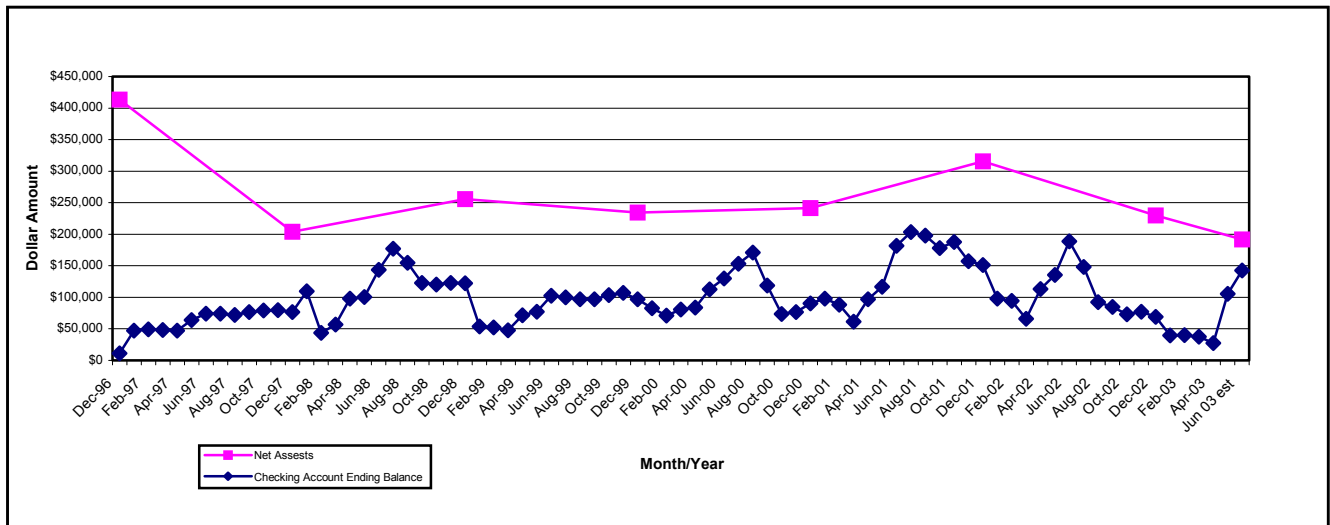
Summary of Financial Information Provided by Wiley to the System Dynamics Society 1991 – 2003



source: i:\sds\z rls hard drive \statistical information\wiley.xls\income graph

Wiley Income from System Dynamics Review

Attachment IXc – Non-Investment and Net Assets Balances



source: i:\sds\z rls hard drive \statistical information\ending balances.xls

Ending Balances for Non-Investment Accounts & Net Assets December 1996 – June 2003

Attachment IXd – Final Balance Sheet 2002

	<u>Dec 31, 02</u>
ASSETS	
Current Assets	
Checking/Savings	
Fleet (Bank Boston)	68,889
Fidelity Cash Reserves	62,413
PaineWebber	94,440
Travel Cash	<u>262</u>
Total Checking/Savings	226,004
Other Current Assets	
Undeposited Funds	<u>587</u>
Total Other Current Assets	587
Total Current Assets	<u>226,591</u>
Fixed Assets	
Equipment	10,396
Accumulated Depreciation	<u>-7,355</u>
Total Fixed Assets	<u>3,041</u>
TOTAL ASSETS	<u><u>229,632</u></u>
LIABILITIES & EQUITY	
Equity	
Retained Earnings	315,457
Net Income	<u>-85,825</u>
Total Equity	<u>229,632</u>
TOTAL LIABILITIES & EQUITY	<u><u>229,632</u></u>

source: i:\sds\qb\reports\memorized reports\company\balance sheet – previous year

Attachment IXe – Final Profit & Loss 2002

	<u>Jan – Dec 02</u>
Income	
Products	100,024
INC Conferences	163,733
Investment Income	-1,184
Membership Dues	24,130
Other Income	28
Shipping and Handling - prepaid	15,936
Publications Sales	3,382
Sponsor Dues and Donations	19,519
Conversion from Accrual to Cash	3,575
Total Income	<u>329,143</u>
Cost of Goods Sold	
Proceedings	4,075
Bibliography Update Expense	373
Management Game	16,091
PhD Seminar in System Dynamics	4,337
Total COGS	<u>24,876</u>
Gross Profit	304,267
Expense	
Awards	5,606
Bank Adjustments (Expense)	2,984
Contract with Univ at Albany	182,550
Credit card fees	9,199
Depreciation Expense	2,208
Electronic Presence Support	131
EXP Conferences	118,476
EX Conference Prepaid	5,000
Journal Expense	11,000
Membership Directory Exp	4,516
Membership Services	2,842
Membership Subsidies	4,320
Miscellaneous Expense	125
Officer Expenses	4,346
Phone, Fax, E-mail Services	21
Printing & Duplicating	1,782
Professional Fees	24,443
Shipping /Postage Expense	9,917
Supplies	626
Total Expense	<u>390,092</u>
Net Income	<u><u>-85,825</u></u>

source: i:\sds\qb\reports\memorized reports\company\profit & loss – previous year

Attachment IXf – Final Profit & Loss 2002, by Cost Centers

	<u>Core Ops</u>	<u>2004 UK</u>	<u>2003 NYC</u>	<u>2002 Italy</u>	<u>Sales</u>	<u>Publication</u>	<u>Web</u>	<u>2001 Atlanta</u>	<u>TOTAL</u>
Income									
Products	0	0	0	0	100,024	0	0	0	100,024
INC Conferences	0	0	5,000	158,733	0	0	0	0	163,733
Investment Income	-1,184	0	0	0	0	0	0	0	-1,184
Membership Dues	7,475	0	0	0	0	16,655	0	0	24,130
Other Income	0	0	0	0	28	0	0	0	28
Shipping and Handling	0	0	0	4	15,932	0	0	0	15,936
Publications Sales	0	0	0	0	3,072	310	0	0	3,382
Sponsor Dues and Donations	19,519	0	0	0	0	0	0	0	19,519
Conversion from Accrual to Cash	-179	0	0	0	3,754	0	0	0	3,575
Total Income	25,631	0	5,000	158,737	122,810	16,965	0	0	329,143
Cost of Goods Sold									
Proceedings	0	0	0	0	4,075	0	0	0	4,075
Bibliography Update Expense	0	0	0	0	373	0	0	0	373
Management Game	0	0	0	0	16,091	0	0	0	16,091
PhD Seminar in System Dynamics	0	0	0	0	4,337	0	0	0	4,337
Total COGS	0	0	0	0	24,876	0	0	0	24,876
Gross Profit	25,631	0	5,000	158,737	97,934	16,965	0	0	304,267
Expense									
Awards	5,071	0	0	535	0	0	0	0	5,606
Bank Adjustments (Expense)	667	0	0	2,297	20	0	0	0	2,984
Contract with Univ at Albany	48,774	4,506	18,566	71,632	13,691	6,737	17,019	1,625	182,550
Credit card fees	2,245	0	0	3,773	3,176	5	0	0	9,199
Depreciation Expense	2,208	0	0	0	0	0	0	0	2,208
Electronic Presence Support	0	0	0	0	0	0	131	0	131
EXP Conferences	0	1,441	4,364	112,671	0	0	0	0	118,476
EX Conference Prepaid	0	0	5,000	0	0	0	0	0	5,000
Journal Expense	0	0	0	0	0	11,000	0	0	11,000
Membership Directory Exp	0	0	0	0	0	4,516	0	0	4,516
Membership Services	0	0	0	0	0	2,842	0	0	2,842
Membership Subsidies	4,320	0	0	0	0	0	0	0	4,320
Miscellaneous Expense	125	0	0	0	0	0	0	0	125
Officer Expenses	4,346	0	0	0	0	0	0	0	4,346
Phone, Fax, E-mail Services	0	0	0	0	0	0	21	0	21
Printing & Duplicating	1,704	0	0	0	78	0	0	0	1,782
Professional Fees	14,079	0	1,092	5,662	3,430	0	180	0	24,443
Shipping /Postage Expense	511	0	0	0	9,406	0	0	0	9,917
Supplies	556	0	0	0	0	0	70	0	626
Total Expense	84,606	5,947	29,022	196,570	29,801	25,100	17,421	1,625	390,092
Net Income	-58,975	-5,947	-24,022	-37,833	68,133	-8,135	-17,421	-1,625	-85,825

Attachment IXg – Balance Sheet Comparison through 2002

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989
ASSETS														
Current Assets														
Total Cash-Fleet checking/savings	\$ 69,738	151,704	91,337	98,359	122,303	76,200	11,379	12,576	5,634	43,755	10,279	3,196	16,417	14,588
MM mutual funds-Fidelity & PW	\$ 130,636	128,598	117,455	110,450	52,927	48,805	131,674	118,038	103,482	89,819	117,279	90,226	283,679	232,539
Marketable securities-Mutual funds	\$ 26,217	30,519	29,080	24,699	79,162	76,829	270,501	275,390	275,519	246,211	201,754	201,735	-	-
Total Current Assets	\$ 226,591	310,821	237,872	233,508	254,392	201,834	413,554	406,004	384,635	379,785	329,312	295,157	300,096	247,127
Fixed Assets														
Equipment	\$ 10,396	9,783	6,516	2,857	2,411	2,411	-	-	-	-	-	-	-	-
Less: Accumulated Depreciation	\$ -7,355	-5,147	-2,959	-1,806	-1,254	-482	-	-	-	-	-	-	-	-
Total Fixed Assets	\$ 3,041	4,636	3,557	1,051	1,157	1,929	0	0	0	0	0	0	0	0
TOTAL ASSETS	\$ 229,632	315,457	241,429	234,559	255,549	203,763	413,554	406,004	384,635	379,785	329,312	295,157	300,096	247,127
LIABILITIES & NET ASSETS														
Sales tax payable	\$ -	-	-	-	-	-	38	149	46	-	-	-	-	-
Due to Creative Learning Exchange	\$ -	-	-	-	-	533	-	-	-	-	-	-	-	-
Total Liabilities	\$ 0	0	0	0	0	533	38	149	46	0	0	0	0	0

source: i:\sds\zrls hard drive\executive director & vp reports\2003\exdir july 2003\ multi yr balance sheet comparison thru 2002.xls

Attachment IXh – Profit & Loss Comparison through 2002

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989
INCOME AND GAINS														
Conferences	\$ 163,733	142,580	140,248	49,913	70,509	35,883	0	4,866	2,000	8,150	4,446	14,571	0	4,320
Investment Income(interest-dividends)	\$ 3,665	7,970	12,410	4,470	6,745	8,467	6,902	6,723	4,292	5,063	4,424	3,895	4,155	3,805
Membership Dues	\$ 24,130	22,626	21,680	18,452	25,058	17,515	470	365	5,330	3,610	10,470	2,939	42,273	44,703
Publications Sales	\$ 3,382	5,411	6,896	10,149	14,613	7,912	15,523	6,804	11,380	11,330	5,427	2,758	5,015	3,495
Shipping/Handling - prepaid*	\$ 15,936	17,926	9,074	8,109										
Products (Bibliog, games, etc.)	\$ 103,599	111,541	90,058	62,902	73,520	41,716	29,511	28,992	14,395	19,255	3,000	0	0	0
Sponsor Donations	\$ 19,519	29,660	22,262	12,910	738	568	5,858	8,000	2,130	10,407	7,324	2,567	615	0
Misc/Other Income	\$ 28	337	79	481	0	468	13	183	10	46	20	0	495	1,685
Gain/loss on securities	\$ -4,849	661		131	272	108	0	0	167	-99				
Restricted Assets released (GB)	\$						2,500	11,584						
Total Gross Income	\$ 329,143	338,712	302,707	167,517	191,455	112,637	60,777	67,517	39,704	57,762	35,111	26,730	52,553	58,008
Cost of Goods Sold														
Forrester PhD Seminar Series	\$ 4,337	7,909												
Bibliography/Management Game	\$ 16,464	20,841	21,923	13,669	14,413	0	13,033	7,517	10,023	9,853	3,331	0	0	0
Proceedings	\$ 4,075	1,056	1,650											
Total CGS	\$ 24,876	29,806	23,573	13,669	14,413	0	13,033	7,517	10,023	9,853	3,331	0	0	0
TOTAL NET INCOME	\$ 304,267	308,906	279,134	153,848	177,042	112,637	47,744	60,000	29,681	47,909	31,780	26,730	52,553	58,008
EXPENSES AND LOSSES														
Awards/Grants	\$ 5,606	6,020	2,066	0	0	2,057	2,064	2,000	3,000	1,000	0	1,000	1,000	1,000
Bank Adjustments/CrCd Fees	\$ 12,182	7,734	7,189	3,763	4,911	425	55	532	11	100	9	40	33	27
Admin/Contract with SUNY	\$ 182,550	111,359	105,293	90,932	92,542	4,274	30,787							
Depreciation Expense	\$ 2,208	2,188	1,153	552	772	482								
EXP Conferences	\$ 123,476	43,256	103,181	30,361	0	1,941	0	0	5,605	2,085	1,626	9,571	0	452
Publications-Journal	\$ 11,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	0	0	0	24,000	12,000
Publications-Other	\$ 1,782	2,392	4,261	6,819	2,842	4,877		1,632	5,140	2,410	3,771	8,810	7,775	10,119
Membership Dir/Mailing Exp/Serv	\$ 7,358	6,777	6,335	14,409	4,824	5,071	1,106	3,384	6,729	306	350	2,892		
Member Subsidies/Incentives	\$ 4,320	6,120	3,865	3,480										
Officer Expenses/Travel	\$ 4,346	5,512	5,567	1,683	2,700	3,412	732	2,574	652	650	0	3,383		
Professional Services Fees	\$ 24,443	18,897	13,379	7,524	4,132	1,865	1,886	1,253	1,293	950	952	5,873	1,623	
Shipping /Postage Expense	\$ 9,917	11,341	6,891	6,466	0	0	797	800	1,529	252	514	566	1,797	962
Supplies/Office expenses	\$ 904	1,282	1,084	549	0	870	1,988	1,096	1,084	1,716	1,605	268	4,342	3,034
Loss on redemption	\$						2,578	61						
Gordon Brown Fund Grant	\$						2,500	11,584						
TOTAL EXPENSES	\$ 390,092	234,878	272,264	178,538	124,723	37,274	56,493	36,916	37,043	9,469	8,827	32,403	40,570	27,594
TOTAL EXPENSES AND CGS	\$ 414,968	264,684	295,837	192,207	139,136	37,274	69,526	44,433	47,066	19,322	12,158	32,403	40,570	27,594
INCREASE/DECREASE IN NET ASSETS	\$ -85,825	74,028	6,870	-24,690	52,319	75,363	-8,749	23,084	-7,362	38,440	22,953	-5,673	11,983	30,414

*Since 1999 S/H not included in product sales

source: i:\sds\lz\hard drive\executive director & vp reports\2003\exdir july 2003\ multi yr profit & loss comparison thru 2002.xls