

# The System Dynamics Society

December 28, 1987

Dear Officers and Members of the Policy Council,

I would like to bring you up to date on the affairs of the Society. A number of important things are happening and we need your vote on two items of business. Please fill in the ballot and return it to the office as soon as possible.

## Meetings of the Policy Council:

The Policy Council is composed of people from all over the world and it is difficult to meet as a group. Often important items of business are brought up at meetings during the annual international conference. During 1987 logistics were even more difficult than usual because the conference was held in China and a number of officers and Policy Council members were not able to attend. Most of the administrative activity of the Society continues to take place in and around the Boston area. The concentration of effort here is by default rather than design. The critical concentration of officers and active members in this area simply facilitates the sharing of ideas and tasks. I realize that some members are rightly sensitive to the apparent geographic dominance. I hope that the degree of concentration will diminish as the Society grows and matures. Next year when Eric Wolstenholme takes over as President, the decentralization trend should begin.

In the meantime, meetings are held approximately once every two months at the MIT System Dynamics Group. Minutes of these meetings will be distributed to all officers and Policy Council members. Major issues will be voted by mail ballot. The people who regularly participate in the meetings are:

President: Nathan Forrester  
Past President: Dennis Meadows  
Secretary: Robert Eberlein  
VP for Publications: David Andersen  
VP for Finance: Alexander (Jack) Pugh  
Policy council Members:  
Alan Graham  
John Sterman  
Nancy Roberts  
Society Members:  
George Richardson  
Jay W. Forrester

The eight officers and Council members constitute a quorum under the by-laws of the society (requiring at least 6 members of the Policy Council including 2 officers to be present). Major changes, however, will be submitted to all members for vote. The next meetings of the Council are scheduled for January 11, March 7, and May 2, 1988. If you can come, all are welcome; if you can not attend, please notify me of any special concerns or issues that should be discussed or submitted to vote.

## Items Submitted to Vote:

Composition of the Nominating Committee. The Nominating Committee will present a slate of candidates for the offices and Policy Council vacancies opening January 1, 1989. Dennis Meadows, as Past President, is ex officio chairman of the Nominating Committee and Eric Wolstenholme, as President Elect is an ex officio member of the committee. The Policy Council must approve or reject additional members of the committee.

The slate of candidates selected by the Nominating Committee will be sent to all Society members. Additional nominations can be made with the signatures of 10 members in good standing. Uncontested offices will be filled by the nominated candidates. Contested offices will be filled by the winner of a separate vote conducted by paper ballot mailed to the entire membership.

Dennis has submitted the following names for additional committee members to the approval of the Council:

- Roger Hall \*
- Erik Mosekilde
- Erich Zahn \*

\*= Acceptance Pending

Executive Editor of the *System Dynamics Review*. Eric Wolstenholme will be stepping down as Executive Editor of the *System Dynamics Review* as he is preparing to become President next year. Eric has done an excellent job first launching *Dynamica* and then continuing on as Executive Editor of the *Review*. David Andersen, as Vice President for Publications, has nominated George Richardson to replace Eric. The nomination must be confirmed by the Policy Council. George has worked long and hard over the last three years as VP for Publications to see that the *Review* is published in a manner appropriate to the Society. I hope you will support his appointment. If you have any doubts or questions, feel free to disapprove the appointment on the ballot or contact me for clarification.

#### **Nominations for Officers and Policy Council Members**

If you would like to suggest possible nominees to the Nominating Committee, please communicate with Dennis Meadows directly or with me. The offices to be filled are:

- President Elect
- Vice President for Member Activities (3-year term)
- Vice President at Large (3-year term)
- Policy Council (Four Members) (3-year term)

#### **Change in the Fiscal Year**

In the past the Society has had a fiscal and membership year beginning on September 1 and continuing to August 31 to coincide with the academic year in northern latitudes. The US Internal Revenue Service objects to nonprofit organizations with fiscal years that do not correspond with the calendar year. As of August 31, 1987 the Society has been operating on a fiscal year that runs from January 1 to December 31. Officially the Society will file a short year tax return for the period from August 31 to December 31, 1987. Starting January 1, 1988 we will report on a calendar year basis.

For some time the September-August membership year has been a source of problems and confusion. Some membership years have had no conference, others have had two. Volume 2 of the *Review* for one year has gone out in the succeeding year. Members have been confused about the period their dues were paid for. In order to clear up these problems and to conform with the new fiscal year, memberships will now run from January 1 to December 31.

Members who paid dues covering the period from September 1, 1986 to August 31, 1987 will automatically have their memberships extended through December 31, 1987 and will receive Volume 3 No. 1,2 of the *Review* as scheduled. All members joining or renewing after September 1, 1987 will be paid up through December 31, 1988 and will receive Volume 4

No. 1,2 of the *Review*. Because the *Review* is published in late winter and late summer, the change in fiscal year does not affect the number of issues members will receive.

If you have questions or problems with the change in fiscal and membership years, please contact me.

### **New Executive Director**

Over the past two years we have wrestled with the problem of obtaining adequate administrative support to Society operations. A number of proposals have been considered including hiring an administrator, contracting with an agent to maintain records, and dividing the tasks up amongst various organizations represented by the officers. In the past, budget limitations have precluded hiring anyone or taking other dramatic steps. But all that has changed!

Starting on January 1, 1988 the System Dynamics Society will have, for the first time, an Executive Director. Julia Spear Pugh has graciously accepted the position of Executive Director without remuneration. Julie will be responsible for administrative oversight previously ~~been~~ provided by the System Dynamics Group at MIT and Pugh-Roberts, Associates. Amongst the duties Julie has agreed to accept are: maintaining membership and financial records, coordinating activities of the officers, and maintaining discipline in the Society's calendar of events. We have long needed to concentrate responsibility for the details of Society business in a single person. Julie's volunteer effort should greatly improve the Society's work. The Society will reimburse her for direct expenses including travel to the international conference.

### **New Computer Database for the Society**

I am developing a new computerized database for the Society. The system is being developed in Double Helix II for the Apple Macintosh computer. The system will integrate member records, subscriptions, and accounting in a single system. As the system evolves, it should streamline the Society's business functions significantly. Eventually the system will be available to officers, Council members, conference organizers and others with a need access to member information.

I will arrange for the loan of Macintosh equipment to the Society for the short term. We will need a permanent system shortly, however. If you or your organization could donate a Macintosh(Plus or 512K), 20MB+ hard disk drive, or 800K external disk drive, or software to the Society, please contact me immediately!

### **Jay W. Forrester Award**

A new committee for the Jay W. Forrester Award will be appointed shortly, details later. Nancy Roberts has spearheaded the drive to have the official award medal struck. By the time you get this we should have the sample. The award was not given in 1987. The award will be given in 1988 at the conference in La Jolla. If you would like to nominate a work dealing with system dynamics published during the past five years, send a copy of the work along with a description of the contribution it makes to the principal office.

### **Stationery and Brochure**

George Richardson is having new stationery printed. He has also redesigned the Society brochure. You should be getting an allocation of both soon. If you need more, write the principal office.

## Finances

I will try to provide you with a detailed look at the Society's finances in another mailing but will give you a quick overview here. We spend approximately \$20,000 to 22,000 per year on the *Review*. Other expenses such as legal fees, the JWF Award, postage, and supplies constitute another \$5,500 in outflow. Publication of the *Review*, therefore, accounts for approximately 80% of the expenditures of the Society.

Memberships account for approximately \$20,000 in income (roughly 350 members x \$60/member/year). The remaining income comes from institutional subscribers, sale of conference proceedings, net return from conference operations and sponsors.

We are barely able to publish the *Review* for the current number of members/subscribers. The cost of publishing the *Review* are almost independent of the circulation, and revenues are almost directly proportional to the number of members/subscribers. If we are to continue publishing a quality journal while keeping dues within reach of many who would like to be members, the number of members must increase.

## Membership

In light of the need to increase membership I solicit any and all ideas on how to:

- 1) Publicize the Society
- 2) Buy mailing lists or otherwise find prospective members.
- 3) Increase circulation of the *Review* to institutional subscribers
- 4) Improve services provided by the Society to attract/hold members
- 5) Generate more ideas to go on this list

## Sponsors

During the past year a few contacts have been made with potential sponsors of the Society. The yield has been surprisingly high from personal contacts with individuals and organizations that already have an interest in system dynamics. The contributions of sponsors make a big difference in permitting a quality job on the *Review*. Contributors are broken down into two categories: Sponsors (\$1000+) and Affiliates (\$500-1000). Both sets of contributors are recognized in the *Review* and other appropriate places. If you, your organization, your clients or friends might be interested in helping to support the Society's activities, please let me know. You are encouraged to make the contacts yourself or to forward information to the office so that one of the officers can initiate the contact. Until we have succeeded in raising the membership, sponsors are critical to the ongoing operation of the *Review*.

## China Conference

Due to an unfortunate delay in transmitting payments made at the conference to the treasurer, finances for the China conference have not yet been cleaned up. The Shanghai Institute of Mechanical Engineering is still due approximately \$2900 from registration fees paid directly to the Society. Of this total \$1000 is due Robert Eberlein as payment for a computer sold to SIME. Correspondence from Qifan Wang has raised questions as to how payment to SIME should be made. Jay Forrester expressed concern that we have an authorization signed by an appropriate official (preferably the chief financial officer of the SIME) stating how the \$2900 should be distributed before payment is made by the Society.

A number of letters have been exchanged over proceedings from the conference. Currently no copies of the proceedings are available for sale from MIT offices. SIME has proposed that the MIT office act as an agent for SIME collecting and remitting money to Shanghai for shipment of proceedings from China. This arrangement is not acceptable to the Society which expects all copies to be delivered to the principal office for distribution for the Society which owns the copyright to the proceedings. A request has been sent to SIME requesting that 100 copies be sent to the MIT offices.

### **Conference Policies**

The annual international conference is expected to generate approximately \$5000 (roughly \$50/participant) net return to the Society. Jack Homer will budget for this at his conference in La Jolla in 1988. The 1987 conference in China did not generate this much revenue.

Starting with the 1988 conference the organizers of the international conference will print at least 100 copies of the proceedings beyond the number needed for registrants. All copies of the proceedings remaining after the conference will be delivered to the Society's principal office. The proceedings will be advertised and sold by the Society. All revenues from the sale of proceedings except to registrants will accrue to the Society. The conference organizers will deliver the originals used to produce the proceedings to the Secretary or the Secretary's designee at the time of the conference to be archived at the principal office. Jack Homer is planning to ship approximately 100 copies of the proceedings to the MIT offices after the 1988 conference.

The conference fee for the 1987 China conference included the society membership renewal fee for 1988. Future conferences shall not bundle membership fees with conference fees. Bundling membership fees with conference fees has proved to be excessively confusing.

### **Late Payment of Membership Dues**

In the past we have occasionally shipped issues of the journal to members whose dues were in arrears for fear that the Society's records were not properly maintained or because renewal notices had been sent out late. This policy will be discontinued as the record system is improved.

Members who have not paid their 1986-87 dues as of the time that Volume 3 No 2 of the System Dynamics Review is sent out should not receive a copy. Members who do not respond to the current renewal notification and subsequent reminders by the time that Volume 4 No. 1 of the Review is sent out (approximately March 31), will not receive a copy.

### **President's Letter**

Starting immediately the President of the Society will distribute the "President's Letter" semi-annually to all members as an additional form of communication. The contents of the letter may include: announcements, Society business, and other items of interest to the system dynamics community. The first issue will appear in January 1988.

Sincerely,

Nathan B. Forrester  
President

Enclosures: 1988 Officers & Council Members  
Important Addresses  
Policy Council Ballot  
Charter & Bylaws (Separate Cover)