



President's Message

*International System Safety Society President
Robert Schmedake*

State of the International System Safety Society

Our Conference in St. Louis, Missouri has come to a close and by all measures it was a success. We had good speakers, excellent technical papers, opportunities for training on timely topics and great social events that afforded excellent networking opportunities. It was profitable for the Society. These are important measures of success for the Society and its membership. We come together each year to present new ideas, to learn and develop professionally, and to build relationships within our industry that help us all succeed.

The Society's financial success also matters. Without the income from membership and conferences, the society cannot do its work. We cannot produce the *Journal of System Safety*, we cannot develop a body of knowledge that benefits our members, we cannot build chapters, we cannot foster professional development and we cannot promote this discipline called system safety. Our financial health suffered with the sequestration and conference ban of the U.S. government. Last year, we had our first financial loss at a Conference in many years, and with fixed expenses, we had to dig into what was a healthy reserve. We are not yet to the point of rebuilding that reserve and, as a matter of fact, we are still outspending our income by a modest amount. As a result, our Executive Committee has taken steps to improve the financial health of the organization through appropriate budget cutting, and by increasing the dues that we all pay. These dues have been stable for a number of years, but in light of our financial situation, we found it necessary to increase our dues from \$100 (U.S./Canada/Mexico) and \$120 (outside U.S./Canada/Mexico) to \$130 for all members. We have also offered free membership to any student, but we will now offer undergraduate student membership at 25 percent of the regular membership rate and a graduate membership rate at 50 percent of the regular membership rate. This will help better cover costs associated with the publication and Society overhead, and will also ensure we have a sustainable professional society into the future.

This was not the only change made by the Executive Committee in our last session. We have been dealing with the challenge of a lack of continuity in our officer positions. Specifically, the president, executive vice president, treasurer and secretary each serve two-year terms. All directors serve four-year terms. No officer or director may run for the same office in consecutive terms. A challenge for the officers is to get up to speed in their responsibilities; then, by the time they get up to speed, it is time to leave office. In our last Executive Committee meeting, we made a change in our Society's bylaws to change the term of the treasurer and secretary to four-year terms. The other change we made is to stop electing presidents. In the future, the person elected to the position of executive vice president will serve their two-year term and then automatically become the president for the next two-year term. This will allow a president two years to learn the job before taking the office. We believe that these changes will establish a stronger organization by building better continuity. These changes will go into effect for the next election of the executive vice president, the treasurer and the secretary. We will hold an election for president during this next election since it would not be right to assume the presidency under these new rules, based on rules that were not in effect when the current executive vice president was elected.

The business of running the Society has been my No. 1 priority since taking office. Too often in the past, decisions were made without considering their effect on the business. I have heard from members who do not understand why the government's cut-backs have impacted this Society so deeply. Candidly, in 2011, our Executive Committee voted to sign a four-year contract (beginning in 2013 and ending in 2016) committing the Society to conference venues with attendance numbers around the numbers we

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were seeing from 2009 to 2011. The benefit, we believed, was in commitments from hotels to lock in *per diem* rates on lodging and a percentage on room nights back from the hotel. Unfortunately, this decision was made before sequestration was announced, and its impact was the potential for severe penalties for not meeting these numbers. We have worked closely with these hotels, and we were able to minimize these impacts in Boston, St. Louis and San Diego. The lesson we have learned needs to be clearly understood by all future Society officers, directors and chapter presidents. It is not in our interest to make commitments on Conferences so far into the future. As a result, we have revised our approach to contracts, and we are strengthening our financial controls across the board. This decision could have easily ruined the Society, and if it were not for the hard work of the past two years of Conference com-

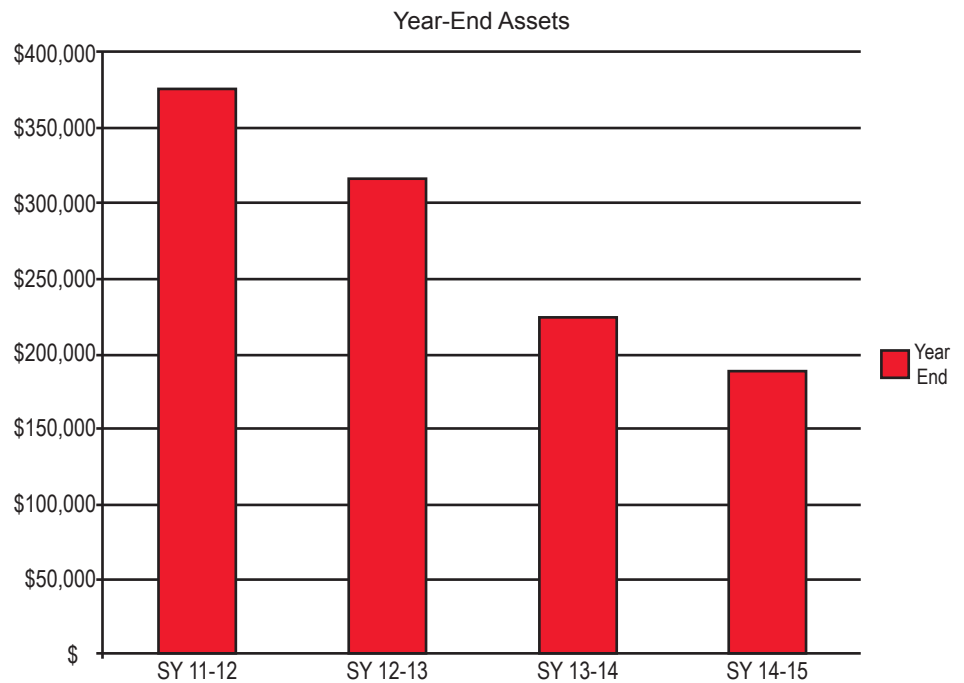


Figure 1 —Year-End Assets from Society Year 2011 to 2015.

mittees, the officers and directors, and a host of volunteers, it would have put us out of business.

We are not out of the woods yet, but we are improving. This graphic provided shows our financial condition and, while it may not be obvious, the rate at which we are dipping into reserves is slowing. I ex-

pect that after we are out of the four-year contract period, these reserves will grow again. It is critical that our Executive Committee understands the financial realities facing this Society, and it is our responsibility to the membership to be good stewards of a Society that promotes a discipline as important as safety. 🛡️