BOARD OF DIRECTOR MEETING MINUTES

**Monday February 22, 2016**

**Ritz Carlton Bachelor Gulch**

**Berg Boardroom**

**8:00-11:30 AM MST**

The meeting was called to order by 2016 Chairman of the Board Steve Davis at 8:00 A.M MST.

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|  | Directors Present Steve Davis, Chairman  Bill Anderson, Immediate Past Chairman  Tim Buskey, Vice Chairman  Patty Fishman, Sec/Treasurer  Patrick Spear, GMDC CEO  Mike Bloom  Rick Cicero  Mark Ciccone  Tom Duffy  Peter Fahrenkopf  Dan Figus  Dave Jones  Mike O’Shell  Dan Sullivan  Dave Sutton  Mitch Terry | Also Present  Neil Kuenn, GMDC Legal Counsel  Trey Holder, Co-chair Strategic Innovation Committee  Ann McConnell, GMDC  Keith Wypyszynski, GMDC  Mike Winterbottom, GMDC |
| Administrative Subjects  Operational Subjects  Financial Subjects  Board Reports | Chairman Davis called the meeting to order, and began with a review of the agenda, including a list of invited guests. CEO Spear then began with a review of the Sunday Long Range Planning meeting, focused on the theme of “The Common Challenge” and requested feedback regarding the learnings and opportunities that emerged from the Jim Niekamp and Marcus Whitney facilitated meeting sessions. A discussion ensued, with suggestions that GMDC find ways to utilize Jim Niekamp at future conferences and events, with a focus on providing “Customer for Life” training for smaller companies in the GMDC ecosystem. Such training could be utilized by GMDC members looking to develop high-potential individuals within their organizations. CEO Spear was tasked with working with Niekamp to develop potential training programs and venues.  Chairman Davis then provided an update on the Executive Committee meeting held on 2/20/16. Following a brief discussion, legal counsel Neil Kuenn provided the board with an update on legal issues involving the industry. Kuenn discussed the pending lawsuit between Woodman’s Stores and Clorox, and the litigation involving Johnson & Johnson and Costco. Finally, he provided insights regarding the U.S. Fifth Circuit, and their historic approach to issues involving anti-trust questions.  CEO Spear and Chairman Davis then provided the provided the board with a Nominating Committee Report, and a recap of the discussion from the 2/20/16 Executive Committee meeting. Board members were encouraged to give thought to potential candidates for the 2017-2018 term, and to submit any nominations to the committee prior to the 2016 HBW Conference in late September.  GMDC Chief Member Officer Keith Wypyszynski then provided an update on membership numbers and YTD trends, along with a review of strategic plan AIPs. He then updated the board with information on two new retailer/wholesaler applicants, with a request to approve Fred’s Inc., and Park City Group. Following a brief Q&A, Chairman Davis requested a motion to approve the new member applications. A motion was offered, duly seconded, and following a vote of the attending members, the motion carried.  CEO Spear presented an update on the new B2B Video Exchange platform, and requested that the board members and their organizations show support for the platform by participating in upcoming category review events. A brief discussion and Q&A followed.  Chief Technology Officer Mike Winterbottom then presented the Conference Follow-Up Tool website application that is currently under development for piloting at the 2016 GM Conference. Discussion occurred around how best to create more actionable follow-up between retailer/wholesaler members and suppliers, as post-conference commentary has long focused on the lack of specific follow-up from both sides of the membership. This tool is designed to streamline the process, with features and functionality that will enable easier communication and dashboard metrics. A brief Q&A ensued, with particular focus on whether GMDC can provide results from industry surveys on the platform to enable better conference preparation.  CEO Spear provided an update on GMDC branding initiatives, public relations, and media strategies to enable greater industry awareness and more robust member recruitment.  Vice President McConnell provided an update on 2016 insurance coverage limits, and a brief discussion ensued. She then provided an overview on GMDC 2015 investment performance, while CEO Spear presented an update on investment allocations based on the GMDC Investment Policy Statement. A brief discussion and Q&A ensued.  Spear then presented the 2015 unaudited 8 month financial statements for review, and a brief discussion ensued. Chairman Davis requested a motion to approve, which was duly seconded, and following a vote, the motion carried.  Spear and McConnell presented the 2016 Operating Budget, with specific focus on 2016 revenue projections through member growth, and 2016 expense projections, focused on material variance vs. 2015 actual results. A lengthy discussion ensued, with specific questions around the GMDC budgeting process and confidence levels in the projected numbers. Chairman Davis then requested a motion to approve the 2016 Operating Budget, which was duly seconded, and following a vote, the motion carried.  CEO Spear then introduced HBW Advisory Board Co-chair, Dan Figus, who provided the board with an update on current HBWAB activities. Figus focused on 2016 board objectives, and provided an overview on the three working sub-committees which have been established to advance the work of the advisory board; Beauty & Personal Care, Health & Wellness, and Conferences & Events. Specific discussion ensued around the issue of timing of future HBW Conferences, and whether GMDC should consider moving the HBW Conference to the first quarter, once existing hotel contracts have been honored (GMDC is currently under contract for both conferences through 2018).  GM Advisory Board Co-chair Peter Fahrenkopf presented an update on the activities of the GM Advisory Board, and provided the board with an overview of the two working sub-committees which have been established to advance the work of the advisory board; Membership and Conferences. Fahrenkopf also updated the board on registration numbers for the 2016 GM Conference, and initiatives underway to increase registration numbers to hit budgeted projections.  CEO Spear then introduced Membership Advisory Board Co-chairs Mike O’Shell and Dave Jones, who provided an overview on the activities of the MAB, and the two working sub-committees that have been established; Recruitment and Retention. Specific objectives of each sub-committee were reviewed, along with process specifics that have been established to ensure the MAB maximizes the potential to achieve its objectives. Discussion ensued around how the board can assist with recruitment efforts, and how a Board Member Playbook should be developed to facilitate greater board engagement in member recruitment. Board member Dave Sutton also suggested that GMDC should consider hosting business sessions at wholesaler shows, including the upcoming Valu Merchandisers Show in 2016. GMDC Chief Member Officer Wypyszynski also reviewed YTD progress against strategic plan Annual Improvement Priorities, with a request for all board members to assist in identifying strategic member prospects, and contacts within larger retailer/wholesaler and supplier organizations.  CEO Spear, on behalf of Educational Leadership Council Co-Chairs Karen Bakewell and Tom Duffy, presented an overview of the work of the ELC. Spear presented an update on the three strategic pillars of the ELC; Why GM Matters, The Health & Wellness Minded Consumer, and Why Center Store/Front End is Essential to the Total Store. Broad support for the work of the ELC and its leadership was expressed by the board, and encouragement was provided for all board members to use the findings and research of the ELC as a means to drive business results and foster greater C-suite engagement within member companies.  Mark Ciccone and Trey Holder, Co-chairs of the Strategic Innovation Committee, presented an update on the work of the SIC. The goals of the SIC were introduced, as were the five strategic action items of the SIC. Ciccone and Holder then provided a comprehensive overview of innovation accelerators, and how recruitment of organizations dedicated to the development of new product innovation can benefit the entire GMDC membership, and serve as a meaningful differentiator vs. other associations. Ciccone then described the opportunity for GMDC to develop Executive Immersion programs designed to create greater connectivity and support from member company executives. Holder also presented the idea of GMDC forming regional marketplace communities (pods) with GMDC members acting in ad-hoc fashion to foster greater member/prospect connectivity. He also described how GMDC can develop tools and partnerships to enable new-to-market entrants to be “market ready” through the establishment of certification tools that would inspire confidence from retailer/wholesaler members looking to find/develop/source new product and service innovation. Finally, Ciccone and Holder discussed the use of the GMDC Connect and B2B Video Exchange platform as a means for conducing innovation “demo days.”  The next scheduled Board meeting was announced for June 12th 2016.  **THERE BEING NO FURTHER BUSINESS THE MEETING OF THE BOARD OF DIRECTORS WAS ADJOURNED AT 11:35 am MST.** | |