

FOODSERVICE CONSULTANTS SOCIETY INTERNATIONAL

BOARD OF DIRECTORS MEETING

MINUTES

**October 13th and 14th, 2009
Marrakech, Morocco**

In Attendance

Officers

*Mr. John Radchenko, FCSI
President
(Van Velzen + Radchenko Design)*

*Mr. Ian Hopper, FCSI
Secretary/Treasurer
(MTD (Qld) Pty.Ltd.)*

*Mr. Kühnel, FCSI
Immediate Past President
(Luxenburger und Partner)*

Staff

*Mr. Scott D. Legge
Executive Director*

*Mr. Wade Koehler
Director of Sales and PR*

Directors

*Ms. Rosemary A. Osbourne, FCSI
(Rosemary Osbourne Consultancy)*

*Mrs. Clara Pi, FCSI
(PYNEH, HK Hospital Authority)*

*Mr. John E. Cornyn, FCSI
(The Cornyn Fasano Group)*

*Mr. Christopher Bigelow, FCSI
(The Bigelow Companies, Inc.)*

*Mr. Gérard Wolbert, FCSI
(Kloosterhuis Adviseurs)*

Allied Representatives (Non-Voting)

*Greg O'Connell
(Moffat)*

*Mr. Tim Gamble
(Monika)*

Regrets

*Mr. Robert Geile
(Hobart-Traulsen)*

Tuesday October 13, 2009

1. Call to Order and Opening Remarks

The meeting was called to order 9:02 a.m. local time and the President noted that a quorum was present. President Radchenko welcomed the board to Marrakech. John welcomed Greg O'Connell and Tim Gamble as two of our three allied member guests of the board. Rob Geile had sent his regrets.

2. Approval of Minutes of WW BOD meeting 13 & 14 June, 2009 Dusseldorf

It was moved to accept the Minutes of the board meeting held in Dusseldorf Germany, June 13 & 14, 2009 as presented. The motion was seconded and approved unanimously without discussion.

3. Approval of Membership Report of 30 September 2009

It was moved to accept the September 30, 2009 Membership Report as presented. The motion was seconded and approved unanimously without discussion.

4. FCSI Asia Pacific Division Report

The APD board of trustees would like to suggest that the next WW Conference to be held within Asia Pacific be located in either Tokyo or Singapore. Suzuki-san is conducting some preliminary research for Tokyo and/or other cities in Japan (such as Kyoto or Osaka)and when details are available they will be forwarded to Scott.

APD would like the WW Board to consider formally designating consultant members as either 'Design' or 'MAS' to help clarify each member's specialty. Members should be encouraged to fill in more information in their on-line directory listing including the selection of 'Design', 'MAS' or both and insertion of biographical details. Concern was expressed in that currently there are no qualitative criteria to separate specialties – members merely self-designate and many members regularly provide services with elements of both design and management advisory services. This would be solved by advancing into testing and certification in specialty competencies.

Clara Pi presented annual division plan for 2010 covering many events throughout Asia Pacific including the annual division conference to be held in conjunction with FHA in Singapore April 2010. Noting close proximity of the conference dates to the WW conference, Scott reminded all three divisions to submit local event dates ahead of time for future planning and coordination.

Clara also presented proposed governing documents aimed at establishing the first chapter within the Asia Pacific Division. Bylaws and an Affiliation Agreement were signed by a newly elected board for FCSI – Australia New Zealand Chapter (ANZC) in September but in order to complete the process the WW President needs to sign the agreement.

It was moved to authorize the President to endorse the Affiliation agreement to formally establish the FCSI Australia New Zealand Chapter (FCSI ANZC) effective immediately. The motion was seconded and when put to a vote passed unanimously.

FCSI President John Radchenko then formally signed the Affiliation Agreement.

5. FCSI Europe – Africa – Middle East Division Report

Tony Galvin has been elected to be the next Chair of FCSI EAME at the last board meeting and will take over the Chair position in Marrakech.

The BoT agreed that there is a need to have a proper strategy and budget for marketing in the non-aligned area. An advertisement and an article will appear in the October 2009 issue of Hospitality Magazine Middle-East.

The BoT decided unanimously to go to the Host exhibition this year to assess opportunities for significant involvement at the show in 2011. A similar approach is being planned for the Gulfood show in Dubai

FCSI Switzerland has been granted 2000€ for their Marketing plan. A report of the progress will be presented at the next EAME Board meeting.

Rosemary Osbourne gave a presentation about FCSI EAME at the EFCEM Business Meeting on the 26th and 27th of June in Berlin.

The Kitchen Design book has been very successful and a second edition is planned to be launched in 2011. The next edition is intended to include more international content and projects. A management book, written in Dutch by an Emeritus member of FCSI, and a German book on Bar design/operations are also being looked at for translation and publication by EAME.

The Masters Degree in International Hospitality Consulting has been launched in the UK and 22 of 25 available placements have already been filled for the start in January 2010.

In October 2009 the Swedish Board of SKBF (a Swedish Consultants Society) would like to make a presentation to their members concerning the possibility of SKFB members joining FCSI. Information for the presentation has been provided to Peggie Ulle FCSI, who will be doing that presentation.

There is concern over the misuse of the FCSI logo by allied member companies. FCSI EAME believes that WW should adopt an "Allied Members Code of Conduct" like that already in place in the UK & Ireland. The "Actively Supporting FCSI" logo is the one allied members should be using – not the primary FCSI logo which or division/local unit variations thereof. SL and WK will review the current 'actively supporting FCSI'

logo/signage and issue a formal announcement to all Corporate and Individual Allied members globally, prepare this information for issue to all new allied members as well as post the proper information on the web site. We also need to expand on the current 'logo usage policy' identifying how misuse will be dealt with. The first line of defense should be the local unit or division here a problem is first identified. If the matter cannot be resolved locally then it needs to be escalated to WW HQ.

6. FCSI Educational Foundation Report

The board entered into Executive Session to discuss the current situation relative to the FCSI Educational Foundation. As an outcome of that closed door discussion the following is reported:

- FCSI WW needs to establish a formal 'Affiliation Agreement' with the board of the FCSI Educational Foundation – SL was asked to prepare an initial draft for further consideration
- The FCSI EF intends to designate a portion of their current funds for use in each of FCSI's three divisions. However, each of the divisions will also be encouraged to hold fund raising events that will add to the EF's pool of funding for both divisionally organized programs and the primary EF global fund
- The FCSI WW Board would like to be involved in the approval of a communiqué from the EF Board to the FCSI membership relative to the EF's current financial standing.
- Each division of FCSI has been asked to nominate a representative to the EF Board of Directors as soon as possible. The divisions are asked to elect individuals with experience with foundations/fund raising and/or investment strategy so as to help the board with their primary functions
- There is also a need to nominate an allied member to the EF Board
- John Cornyn FCSI will continue to represent the WW Board on the EF Board until March 2010 when that position will be re-evaluated

7. 2009 Financial Report

Wade Koehler presented the current Sales Report noting a downturn in advertising sales when compared to budget, but all agreed that the Consultant magazine has not been hit nearly as hard as most other industry publications during the current global economic crisis.

Ian Hopper and Scott Legge presented the most recent financial reports as of 30 September 2009 and the Variance Report as of the same date.

It was moved to accept the financial statements as presented. The motion was seconded and following brief discussion the motion passed unanimously.

8. Future WW Conferences

Scott asked the board for any further comments on the document distributed prior to the Dusseldorf BoD meeting in June – specifically outlining FCSI WW’s requirements for the bi-annual WW conference, whether planned and executed by WW or by the hosting division. CP reported APD’s acceptance of the document. RO indicated that she would resend comments from EAME. TAD representatives asked that the document be resent with the intent of providing comments back by mid November.

Divisional conference planning for 2011 indicates:

- FCSI EAME is looking at Stockholm, Göteborg or Istanbul
- FCSI TAD plans to hold three Super Regional events
- FCSI APD is looking at the possibility of going to Shanghai

For the 2012 WW Conference, to be held within EAME, staff have researched several locations including Abu Dhabi, Dubai, Rome, Venice and Paris with no clear fit based upon costs and accommodations. Staff did receive good proposals from Dublin, however the EAME board does not believe that location to be appropriate. Staff was directed to look at Amsterdam, Istanbul and St. Petersburg (and revisit Rome if multiple hotels can be found in close proximity).

For the 2014 WW Conference, to be held within APD, the board suggests that options should be researched in Tokyo, Singapore, Kuala Lumpur, Hong Kong and Seoul.

9. Branding and Promotion

FCSI Web Site Updates/Improvements

Staff asked the Board to establish a standing committee that would concentrate on the FCSI web site, providing guidance to management as well as divisions/local units/chapters with regard to content, navigation, look/feel, functionality, etc. The current web site has been in operation for just over 3 years, and there remain concerns over the primary intent of the site - Is it directed at members/potential members or is it supposed to be aimed at marketing the profession and membership to the greater industry?

Each of the divisions was asked to nominate two member representatives to the new FCSI Web Site Standing Committee as soon as possible. Staff support will be provided to the committee as well, beginning with development of a statement outlining the role/responsibilities of the committee as well as BoD expectations.

Elimination of separate Local Unit web sites

SL reported that progress was underway to migrate the FCSI – Italia web content to the main web site. An e-mail was received from FCSI Switzerland while in Marrakech indicating movement on that part of the site as well. A meeting is scheduled with FCSI UK & Ireland while in Marrakech also. SL has not had any contact from FCSI France as yet.

Logo Usage by Divisions/Local Units/Chapters

SL is in the process of updating all variations of the logo and will forward the relevant graphic files to all concerned as they are completed.

Trademark Registration beyond the USA

Following board correspondence during the summer months an inquiry had been made as to the estimated cost of registering the FCSI marks in China and the EU. SL asked if the board wished to act on any of those projects.

It was moved that the FCSI logo be registered in China to assist with marketing the Society in the People's Republic of China at an estimated cost of \$2,500US. The motion was seconded and following discussion, when put to a vote, the motion passed with two abstentions.

SL will direct legal counsel to proceed with the registration process for mainland China only, based upon CP's advice that registration in China should provide a deterrent to anyone trying to take liberties with the logo in Hong Kong, Taiwan and Macau where additional fees would otherwise apply.

FCSI in the Larger World

SL spoke to the report files by Betty Sinclair indicating that there does not appear to be a viable way for FCSI to gain a significant presence with the global players like the World Health Organization, etc. Gérard Wolbert thanked Betty for her efforts on this project.

Member Years of Service Pins

SL presented a proof of the proposed pin – but noticed that there remains a reference to the Americas Division from the original design. Staff will arrange for a correction to the design to enable use globally and finalize the order quantity needed.

It was moved to proceed with the Years of Service pins provided that the initial order price during the current fiscal year does not exceed \$1,000US. The motion was seconded and when put to a vote passed unanimously.

Social Networking

WK had been asked to establish social networking groups on Linked-in, Facebook, etc. He advised the board that it is not practical for him to establish those groups for the various divisions and local units because the person who starts the group then is required to verify and accept each person who applies to join – and someone in each unit should be performing that function. It was suggested that the new Web Site Standing Committee should be asked to consider options for social networking. WK also asked board members to approach local professional associations to include FCSI's on-line Consultant Magazine website address in their e-newsletters in order to increase

readership and number of hits on the site to attract more sponsorships and advertisement.

10. FCSI – The Americas Quarterly magazine

- A contract has been signed with Gill Ashton Publishing
- The magazine was named 'FCSI – The Americas Quarterly'
- The division created a 'Founding Sponsor' designation for early adopters/sponsors who will receive continued recognition in every issue
- Several premium ad locations have already been sold for 2010 issues
- The inaugural edition is expected to hit the streets during the first week of February 2010
- A free printed subscription will be provided to each FCSI member in the Americas
- Free electronic subscriptions will be offered to FCSI members in APD and EAME
- 4000 printed copies are planned for during the first year with magazines offered to various alphabet user groups from Gill Ashton's FER mailing list
- Start-up cost is \$15,000US of which ½ is due immediately and the second ½ due January 1, 2010

The meeting was recessed at 5:18 p.m.

Wednesday October 14, 2009

The meeting was reconvened at 9:01 a.m.

11. FCSI Academy Task Force

Task Force Chair Kornelius Kirsch, FCSI joined the meeting to make a presentation to the Board.

It was moved that the FCSI Academy project be considered a standing project with ongoing funding as approved by the Board of Directors. The motion was seconded and following discussion, when put to a vote, the motion passed unanimously.

It was moved that the full budget presented by the FCSI Academy Task Force for 2010 be approved less the amount identified for a second face-to-face meeting during the year (\$30,000US). The motion was seconded and following discussion, when put to a vote, the motion passed with one opposed.

12. 2010 FCSI Conference

- Sponsorship has been budgeted at \$200,000US of which \$31K is already in the bank and an additional \$31K has been committed
- The budget is based upon an overall attendance of 300 people, with 200 as fully paid registrations
- The budget was prepared based on room block commitments and F&B minimum order amounts established by the agreement with the Hyatt hotel
- Conference Planning Committee members are making calls to corporate members to promote sponsorship opportunities with follow up by Stella Sytnik.
- Registration is now available on line with 54 people registered thus far, although most of those are board members, committee members and speakers
- The conference web site is in place with further development planned
- SL was asked to send a broadcast e-mail to all members globally to promote attendance/registration
- The Conference Grant program was discussed. SL noted that 7 such applications had been received at WW HQ. CB will verify whether any additional applications had been received at TAD HQ so that all such applications can be diverted to a single location for processing
- The CPC has expressed confusion over which awards are intended to be presented by WW in Minneapolis. SL will coordinate with the CPC.
- When asked about 'partners programs' CB noted that he is not aware any such partner programs have been planned – which may impact the number of attendees from EAME.

13. FCSI - The Americas Division Report

Chair John Cornyn, FCSI reported on recent events/initiatives:

- 'Lost Sheep' Initiative offered during September/October has resulted in 14 prior members who have rejoined
- TAD held a joint conference with MAFSI in Toronto in late September which resulted in no cost to the division – MAFSI wish to continue holding joint events on an annual basis which the division is evaluating

Management Contract

- The management contract with Association Headquarters has not gone well
- In June 2009 the BoT was notified by AH that they were projecting a \$93,000 budget deficit for 2009 – this was the first financial report that the BoT received following transition from FSA in 2008
- One month later the projected deficit was estimated at \$209,000
- AH had proposed a part-time Executive Director but TAD had asked for a full-time ED
- During the first 8 months of the year TAD BoT had been forced to remove two Meeting Planners and AH was is now on their third Member Services Coordinator
- AH never produced a comprehensive action plan

- AH issued a letter to TAD leadership on 01 September 2009 advising that they were terminating the contract at the end of 2009 and demanding that TAD pay all amounts due to them
- All requests made by TAD were viewed by AH as extras to their contract
- The Americas Division approached Legge Executive Group Inc., FCSI WW's management company, and one other firm in early September to ask for proposals for the provision of management services as of 01 January 2010 or earlier
- A proposal was received on schedule from LEG, however the other proposal was delivered late and incomplete
- TAD is essentially broke as of today but hoping that incoming funds from 2010 Conference sponsorships and advertising sales for the new Quarterly magazine will permit payment of all 2009 commitments in the short term
- The financial crisis was partially helped by the loan offered by FCSI WW earlier this year
- The division's BoT believe that they can climb out of the financial hole over the next few years
- The cost of transitioning away from AH has not yet been quantified
- FCSI – The Americas is formally asking FCSI WW to provide a line of credit of up to \$100,000US to permit the division to continue to operate (in addition to the previous loan of \$75,000US)
- Anticipated revenues from the new magazine are estimated at \$100,000US in 2010
- Anticipated outcome from the 2010 Conference is a small surplus
- There is an active campaign to attract new members to increase dues revenue

The Board of Directors went into Executive Session with the two Directors representing FCSI – The Americas excused from the room

The Board decided to confer with FCSI legal counsel to obtain advice relative to the requested line of credit and intends to establish conditions which must be met in order to ensure such monies, which are the property of the worldwide membership, are secure based upon appropriate principles of stewardship.

The Board of Directors went into Executive Session with staff excused from the room to discuss the proposed management agreement between LEG and FCSI – The Americas

14. FCSI WW Board Activity/Schedule for 2010

SL pointed out to the board that no planning had been set in place for meetings in 2010 as of the current date. The historical pattern had been for the board to meet face-to-face three times during the course of a calendar year – in January/February, May/June and

September/October at the biannual conference. As this year's conference is in March a new schedule needs to be decided upon.

JC/CB noted that the Americas Division is anticipating the presence of the WW Board at the Minneapolis Conference and has scheduled two days of meetings for the BoD (March 17th/18th). It was noted that the division is counting on the BoD using a portion of the room block guarantee that the division is obligated to fill. The Americas Division BoD is expected to meet in Minneapolis Sunday March 21st.

SL noted that the primary purpose of the January/February BoD meeting is to review the programs and events anticipated for the operating year and finalization of the annual budget to suit those programs. Waiting until mid March to establish the annual budget was deemed to be too late. As such the board decided to meet in January and again in March. SL was asked to research the relative cost of a BoD meeting January 15th/16th in Las Vegas or the week of January 23rd/24th in Amsterdam, Brussels, Lisbon or Barcelona.

As there is no WW conference scheduled to be held in the fall of 2010 when the current Executive Committee terms are scheduled to be completed the passing of the gavel may need to occur at a fall board meeting with little fanfare.

SL was asked to investigate the cost of holding the third meeting of the year in conjunction with the Fine Foods Australia show in Melbourne, September 13th to 16th, 2010. There was some preliminary thinking that the board would undertake a strategic planning exercise during 2010 but an isolated venue without other business distractions is deemed necessary for this to succeed. It was suggested that this could take place in Melbourne with FCSI member Toni Clarke facilitating.

15. FCSI WW Budget Preparations for 2010

SL asked the board to provide input as to what events, travel, programs and committee work is being considered in 2010 so that he and Secretary/Treasurer Ian Hopper can begin to develop a first draft budget for 2010.

- There will not be a need for an EAME Administrator's meeting in 2010
- If the BoD is travelling to Melbourne in September there would not be a need for the President and/or ED to attend the APD event in Singapore
- The funding previously approved for the FCSI Academy TF needs to be included
- Branding/Marketing should be included in the budget

It was moved that the board budget \$34,000US in 2010 for the FCSI Academy Task Force. The motion was seconded and following discussion, when put to a vote, the motion passed unanimously.

16. Membership Classifications

The Americas Division had a task force operating during the past year to examine the membership classifications currently in place and make recommendations for clarification/improvement. A document was issued by JC outlining their proposal.

- Consultant members are assumed to be 'on track' to achieve Professional member status within a defined period of time
- It is recognized that some Associate members will never achieve Professional status, and those individuals are dealt with differently
- Consultant member categories (PR, SA & A) would be required to earn CEUs
- Dues rates proposed would be increased by 3.5% for 2010 based upon a decision by the Americas BoT
- The 'Affiliate' category would be renamed 'Educators/Operators'
- It is proposed to eliminate the 'Lifetime' member provision which is not codified in any of the Society's governing documents. Those currently enjoying the benefit of not paying dues would be asked to voluntarily return to paying dues – no one else would be provided 'Lifetime' status going forward
- There is a stated intention that all consultant members currently working in the supply side of the industry will be removed or reclassified to an allied member type
- Corporate memberships would be based on each brand rather than the holding companies that may have several brands
- There would be an elimination of the four tier dues scale based upon sales volumes
- Individual Allied memberships would be used only for additional personnel from a Corporate member company

It was moved to authorize the Americas Division to proceed with their proposed membership category clarifications effective with the 2010 membership dues cycle with the proviso that existing naming conventions are maintained. The motion was seconded and following discussion, when put to a vote, the motion passed unanimously.

17. FCSI Council for Professional Standards

CPS Chair Nicolas Elshof, FFCSI joined the meeting to make a presentation to the Board.

- The CPS recommends to the BoD that a web site standing committee be established (which was already approved by the Board earlier in this meeting)
- The CPS is actively progressing with efforts to properly define the FCSI WW Awards programs complete with entry requirements, judging criteria and application forms
- The CPS wishes to recommend a change to the Continuing Professional Growth program including a change from a 3-year cycle to an annual cycle, requirements for Senior Associate and Associate members (in addition to the requirements for Professional members already in place) and a change in the number of CEUs

required. The CPS recommend that Professional members be required to earn 12 CEUs per year, 6 CEUs annually for Senior Associate members and 3 CEUs annually for Associate members

It was moved that the recommendation of the CPS to move to a 1-year cycle with 12/6/3 CEUs earned annually by Professional/Senior Associate/Associate members be established beginning January 1, 2010. Further that members earning more than the required number of CEUs be permitted to roll over 6/3/1 of those extra credits to the next year. The motion was seconded, and following a lengthy debate, when put to a vote, the motion passed unanimously.

18. Old Business

There was no old business raised at this meeting of the Board

19. New Business

Formation of WW Committees/Task Force Groups

It was moved that when the WW Board forms a new task force or committee that any requests to populate such task forces/committees be directed through the division Chairs. The motion was seconded, and following discussion, when put to a vote the motion failed with three in favour and four opposed.

FCSI Council of Fellows

SL asked the board to consider the current situation relative to the FCSI Council of Fellows, reporting that it is apparent that there has been virtually no communication among the Fellows for several years now. SL admitted that during his Presidency he had apparently maddened some of the Fellows by declining to invite their incoming Chair to be a guest of the Board at that time. SL had attempted to reinvigorate some level of activity among the Fellows three years ago when Robert Pacifico FFCSI (PP) assumed the position of Chair of the CoF, but shortly thereafter Bob passed away. James Little FFCSI then became Chair but aside from participating in the evaluation of new Fellows there has been no activity of any kind since.

SL asked the board to consider whether the CoF should have a specific role in the life of the Society or if it should be an honour bestowed on worthy members with no other expectations or involvement.

Meeting adjourned at 5:45 p.m.

Meeting minutes recorded by S. Legge