Shaping the Future of AIAA: Why Governance is Important

January 2016
The World is Changing

- Demographics are changing!
  - Boomer generation retiring
  - AIAA not retaining Millennial
- The world has changed!
  - 50 years ago
    - Points of contact communications—face to face, letter or phone call
    - Science drove technology development
    - Strong aerospace technology cross over to other fields
  - Today:
    - Communication is connected and open
    - Non-traditional sciences and technology application increasing
    - Strong non-aerospace technology cross over to Aerospace

The AIAA must evolve or it will stagnate!
The Board Identified the Need to Modernize

The Board chartered a Blue Ribbon Panel (BRP) in 2014 to review the AIAA governance model.

Findings
- Governance model handcuffs the AIAA
- Long-term health of AIAA requires a modernized governance model
  - Drive the Strategic Vision
  - Strengthen engagement with the members
  - Evolve with the non-traditional dynamics facing aerospace
  - Improve operational efficiency
  - Meet the expectations of next generation of members

Institute Decision: Governance Model Must be Modernized
The Board of Directors established a Governance Working Group (GWG) to propose a modernized governance model.

GWG used a “systems engineering” approach:
- Established Governance Model Performance Requirements
- Conducted a “Gap Analysis”
- Developed a governance structure to meet the requirements

The Board has reviewed, modified and approved each step.

GWG Proposed a Performance-based Governance Model
Why this matters to you…. 

• We want to increase engagement opportunities
  ▪ attract and retain members
  ▪ emerging sectors of the industry
• We want to be able to “evolve with the times”
  ▪ how we operate as an Institute can improve by incorporating new technologies
  ▪ “face to face” is now only one way to interact and create communities
• We want to be sure we can capture new opportunities
• We want to be able to react proactively and strategically
  ▪ Better keep abreast of new technologies and trends in Aerospace
  ▪ Identify AIAA’s role in new sectors as they emerge

Our flexibility is limited with the form of the current Constitution.
Governance Elements

Certificate of Incorporation

Legal document that defines the name, purpose and governance doc.

Scope of the Working group Charter

Constitution

What & Why

Should identify high level scope, purpose and principals of the organization.

By-Laws

How

Should define organization and operational parameters of the organization.

By-Laws

Org structure should illustrate how responsibilities and functions are directed towards the achievement of organizational purpose.

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Legal document that defines the name, purpose and governance doc.

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By-Laws

Org structure should illustrate how responsibilities and functions are directed towards the achievement of organizational purpose.
Purpose of the Constitution

- Should contain only the most fundamental provisions not already in the Articles of Incorporation.
- Common provisions should include:
  - Establishing purpose of the organization
  - Establishing and modifying Bylaws
  - Establishment of Board of Directors
  - Procedures for meetings of the whole organization
  - Procedures for amending the Constitution.
Constitutional Changes will be brought to a vote during the 2016 AIAA election Cycle

More information, with detail, will be made available to all members. A website has been established as an information source. It contains background information and FAQs along with presentations. Material related to the Constitutional changes will also be posted here.

https://www.aiaa.org/Governance/

Encourage all members to vote!!!!
Philosophy of Proposed Governance Approach

- **Board of Trustees**
  - Sets the vision
  - Develops the strategy
  - Monitors the progress

- **Membership Driven Committees**
  - Generates ideas to shape the vision & strategy
  - Provides people power
  - Bottoms-up member input (member-driven committees)

- **Board Directed Committees**
  - Creates & executes the plans to implement the strategy and achieve the board’s vision
  - Top-down directed activities (board-appointed committees)

**Coordination and Integration Mechanism**
Proposed Top-Level Organizational Structure

Council of Directors
- Regions and Sections Activities Committee
  - Region 1
  - Region 2
  - Region N
- Technical Activities Committee
  - TAC Group 1
  - TAC Group 2
  - TAC Group N
- Focused Interest Activities Committee
  - FI Group 1
  - FI Group 2
  - FI Group N

Board of Trustees

Board Directed Committees
- Forums Committee
- Committee 2
- Committee 3
- Committee N

Coordination Mechanism
- Bottoms-up Member Input (Member-driven committees)
- Top-down Directed Activities (Board-appointed committees)

Activities
- Forums Committee
  - SciTech
  - Defense
  - Aviation
  - P & E
  - Space
- Committee 2
  - Subcom 2.1
  - Task 1
  - Task 2
- Committee 3
  - Subcom 2.1
- Committee N
Types of Committee Work

- **Board-appointed committees (top down)**
  - Appointed by the Board to carry out specific assignments
  - Executes the AIAA strategic Plan
  - Leverages manpower support from members in the member structure

- **Member-driven committees (bottoms up)**
  - Formed by grass-roots member
  - Approved by the Board
  - Provides a forum for discussion of issues of common interest via meetings, communications pieces, etc.
  - Perform member-driven work
    - Advance the arts, sciences, and technology of aeronautics and astronautics
    - Nurture and promote member professionalism
    - Serve member needs and professional interests
  - Free to self-organize (Resource thresholds set by Board)
Board of Trustees

- The four key activities for the Board:
  - **Strategy and Decision-making**: what the mission, goals and objectives of the organization shall be and decisions regarding the allocation of resources to achieve those organizational objectives.
  - **Oversight**: The oversight role for the Board leadership is to hold itself and other elements of the organization accountable for results as they relate to assigned objectives.
  - **Fiduciary Responsibility**
  - **Policy development**
    - Internal: specifying what the parts of the organization will do and the rules concerning how the parts of the organization will work together.
    - External: determining and communicating the organization’s position on key issues facing the profession it represents.
Current State of the Board of Directors

- Current Make-up of the Board:
  - 32-35 members (depending on the number of “Elects” present)
  - 3 President Positions (President, President Elect, Past President)
  - 7 Regional Directors
  - 7 Technical Directors
  - 23 members are elected to represent constituencies

- Current Board Operation
  - The Board has delegated the development of the strategic vision to other elements of the organization (IDC).
  - The current focus of the Board is often on tactical tasks and management functions.
  - Most Board members have multiple roles in the organization. Many of the Board members have roles leading/representing constituencies. They are overtasked.

- Selection Mechanisms:
  - Nominated by an appointed nominating committee of the board
  - Elected by general vote of the membership (~7%-9% participation)
Proposed Board of Trustees

- Competency Based Board
- Composition of the Board:
  - Five Officers
    - President
    - President-elect
    - Immediate Past President
    - Treasurer
    - Secretary (Executive Director as a non-voting member)
  - Nine Trustees
  - Terms remain the same: President is two years. Trustees are three years. Terms are staggered.
  - Nominated by an Executive Nomination Committee
  - Treasurer selected by the Board
  - President-Elect selected by membership
  - Trustees are selected by the Council of Directors (more on this later)
The Council of Directors (The Council)

- **Specification**: The Council of Directors (The Council) shall provide a mechanism for membership to provide feedback to the Board of Trustees, either through the membership chain or the technical/program chain, or both, and to assure that the vision and strategy of AIAA, as formulated by the Board, provides value to and meets the needs of the membership.

**Council of Directors**

- Regions and Sections Activities Committee
- Technical Activities Committee
- Focused Interest Activities Committee

**Generates Ideas** to shape the Vision & Strategy

**Provides People Power**
Proposed Council of Directors

• The three key activities that the Council of Directors will be engaging in are as follows:
  ▪ Provide feedback from the membership on policies and strategy
  ▪ Represent member concerns to the Board
  ▪ Elect the Nine (9) Trustees to the Board.
• The Council of Directors will be comprised of members of the Regions and Sections Activity Committee (RSAC), Technical Activity Committee (TAC), and the Focused Interest Activity Committee (FIAC)
  ▪ Each member will serve a three (3) year term with only two (2) consecutive terms of service.
  ▪ There will be a chair for each of the RSAC, TAC, and FIAC
    – Appointed as facilitators for the committee
    – Three (3) year term with only two (2) consecutive terms of service.
Selection of the Council of Directors

- A Council of Directors Nomination committee, separate from the Executive Nomination committee and reporting to the Council of Directors, will be responsible for the nominating process associated with Directors for the RSAC, TAC, and FIAC Committees and thus the Council of Directors.

- The number of members in the Council of Directors will be determined by the number of members that serve on the RSAC, TAC, and FIAC. The Chairs of the RSAC, TAC, and FIAC will also be members of the Council of Directors.

- The Council of Directors shall have a “Chair”
  - Nominated by the Executive Nomination committee and voted on by the Council of Directors
  - Three (3) year term with two (2) consecutive terms of service.
The Nomination Committees:

• Board: The Executive Nomination Committee provides the mechanism for electing a competency-based Board of Trustees.

• Council: The Council of Directors Nomination Committee provides the mechanism for electing the Members of the Council of Directors.

• Goals
  ▪ Efficient and effective strategic decision making
  ▪ Provide both appropriate top-down control and bottom-up input
Proposed Executive Nomination Committee

- Executive Nomination comprised of a combination of members appointed by the Board and Council; maximum of 12. Members serve a three year term.
- The committee shall use guidelines regarding competencies as approved, and reviewed from time to time, by the Board and Council, to determine eligibility of candidates.
- The nomination process will include an application and an interview, which could be by phone.
- The immediate past president will be the chair of the Executive Nomination Committee.
- Executive Nomination Committee shall present candidates for Board Treasurer and President-elect
  - Can be contested or uncontested as determined by the committee
  - Board votes for the Treasurer
  - Members vote for the President-Elect
- Executive Nomination Committee shall present a comprehensive slate of candidates for three Trustee Member-at-large positions annually to the Council.
  - Can be contested or uncontested as determined by the committee
  - Council votes for the Members-at-Large
Proposed Council Nomination Committee (CNC)

- The key activity of the CNC is to present a slate of candidates to the membership for the RSAC, TAC and FAIC Directors.
- The CNC shall consist of one member from each region, technical and focused interest group.
- The CNC members shall be appointed by the Directors from that group.
- The chair of the CNC shall be the past Chair of the Council of Directors. The current Chair will serve for the first term.
- Each CNC member will serve a three year term, with only one consecutive term allowed.
Proposed Council Nomination Committee (CNC)

• For the slate to be considered complete, each position must have at least one candidate identified; positions can be contested or uncontested.
  ▪ Regional Directors will be voted on by the members of their geographic region.
  ▪ Technical Directors will be voted on by all members of that technical area.
  ▪ Focused Interest Directors will be voted on by all members of their appropriate community.
Next Step: Modernize the Constitution

• The Board approved a vote on modernizing the Constitution
• Membership approval required
  ▪ Requires 15% of eligible members vote
  ▪ Requires 2/3 of those members voting approve the change
• The proposed Constitution includes
  ▪ Establishing purpose of the organization
  ▪ Establishing and modifying Bylaws
  ▪ Establishment of Board of Trustees
  ▪ Procedures for meetings of the whole organization
  ▪ Procedures for amending the Constitution

VOTE YES!!!
To make a change.....

....any kind of change

• We need to modify the AIAA Constitution
  ▪ Our current structure is specified in great detail in the AIAA Constitution
  ▪ Any change, regardless of what it is, requires a Constitution change
  ▪ Concept is to simplify the Constitution and keep it at a high level (where it should be)
  ▪ Allows greater flexibility in the future
• To change our Constitution 15% of the members must participate in the vote
• Of the people who vote a 2/3 majority “yes” vote is needed

PLEASE VOTE!!! PLEASE VOTE YES!!!!
More information, with detail, will be made available to all members. A website has been established as an information source. It contains background information and FAQs along with presentations. Material related to the Constitutional changes will also be posted here.

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Proposed Changes to Constitution

• ARTICLE I
  - Name
  - Purpose
  - Gender Usage

• ARTICLE II
  - Bylaws
  - Bylaws Amendments

• ARTICLE III
  - Eligibility
  - Definition of Grades
  - Privileges
  - Expulsion/Suspension

NAME AND OBJECTIVE PURPOSE
- Name: Unchanged
- Purpose: Unchanged
- Gender Usage: Deleted, not needed

BYLAWS
- Unchanged
- Changed: Addresses new governance structure

MEMBERSHIP
- Unchanged
- Unchanged
- Unchanged
- Expulsion/Suspension: Bylaws
Proposed Changes to Constitution

- **ARTICLE IV**
  - Sections
  - Regions
  - Technical Groups
  - Student Branches

- **ARTICLE V**
  - Membership Control
  - Board of Directors
  - Corporate Officers
  - Vacancies
  - National Standing, Technical, and Program Committees
  - Secretariat
  - Fiscal Year

**ORGANIZATIONS**
- Bylaws
- Bylaws
- Bylaws

**MANAGEMENT**
- Changed: Reduced content moved some to Bylaws
- Changed: Adjusted for new governance structure
- Bylaws
- Bylaws
- Bylaws and Policies
Proposed Changes to Constitution

• ARTICLE VI
  ▪ Nominating Committee
  ▪ Regional Advisory Committee
  ▪ Submission of Nominations
  ▪ Nomination by Petition
  ▪ Ballots
  ▪ Elections
  ▪ Tenure
  ▪ Restrictions on Benefits

NOMINATIONS AND ELECTIONS
  → Bylaws
  → Bylaws and Policies
  → Bylaws and Policies
  → Policies
  → Bylaws
  → Bylaws
  Unchanged
Proposed Changes to Constitution

• **ARTICLE VII**
  - Business Meetings
  - Special Bus. Meetings
  - Conduct of Meetings
  - Quorum
  - Board Meetings
  - Annual Meeting
  - Additional Meetings
  - Quorum
  - U.S. and Intern. Tech. Meetings

• **MEETINGS**
  - Bylaws
  - Unchanged
  - Changed: exchanged “mail” to “sent”

• **ARTICLE VIII**
  - Const. Amendments
    - Letter Ballots
    - Adoption

• **CONSTITUTIONAL AMENDMENTS**
  - Unchanged
  - Changed: removed the word “letter”
  - Changed: replaced 15% with 10%
In January 2014 a Blue Ribbon Panel (BRP) established by the Board to examine the efficacy of the AIAA Governance Structure, benchmarking it against our peers in the not-for-profit sector, and recommending appropriate improvements to the Board of Directors (Board).

- Reviewed various aspects of the Institute including financial health, volunteer and staff responsibilities and management of the programs/services AIAA is known for.
- Assessed current governance structure’s ability to navigate an increasingly dynamic and complex environment.

The BRP findings showed that FUNDAMENTAL CHANGE was not only necessary but critical to the long-term health of AIAA.
Charting a Course for Success

- The Board of Directors established a Governance Working Group (GWG) composed of a subset of the Board and IDC
  - Jim Vasatka (IDC)
  - John Evans (Standing Committees, IDC)
  - Allen Arrington (Standing Committees, TAC)
  - Nancy Andersen (TAC, Program Committees)
  - Jane Hansen (Regions and Sections)
  - Ben Marchiona (Regions and Sections, YP)
  - Sarah Shull (YP, IDC)
  - Luisella Guielicia (International, TAC, Regions)
- Since Fall of 2014 the GWG has been meeting twice weekly with an outside facilitator
- Retreats held with the Board and IDC every Board meeting since Fall 2014 to discuss progress, collect input and plan forward steps

Institute Decision: Governance Structure MUST evolve
Charting a Course for Success

- Using a “systems engineering” style approach
- GWG, working with the Board of Directors and the IDC, has
  - Established 21 Performance Requirements to improve upon our existing governance model
  - Conducted a “Gap Analysis” on each of the 21 Performance Requirements
  - Developed a recommended governance structure to reconcile the gaps and meet the requirements

- **Guiding Principal:** How to maintain the important member driven energy of the Institute while incorporating strategic planning and flexibility for evolution.

Seeking an outcome that allows the Institute to evolve and be Relevant. Change is necessary to evolve!
Governing Documents

- **Articles of Incorporation:** The primary rules governing the organization. These are public documents filed with the state. Changes require a vote of the membership.

- **Constitution**
  Additional primary rules governing the management of the organization. These are NOT public documents. Changes require a vote of the membership. Should contain only immutable provisions deemed absolutely vital to future of the organization.

- **By-Laws**
  Rules regulating structure and operation of the organization. Typically enacted and modified by the Board of Directors.

- **Policies**
  Documented practices that regulate how the organization operates. Established by each of the various components for themselves and their subornment components.