AIAA Re-Structuring Study

Presented by Ken Sanger on behalf of the AIAA Blue Ribbon Panel

6 August 2014
Purpose

• Identify Operational Models that Support Growth and the Mission of the Institute

  ▪ Enables New Opportunities that Impact our Broad Mission-Based Focus
  ▪ Achieves Responsive and Collaborative Governance Structure and Volunteer-Staff Partnership
Blue Ribbon Panel

- Dr. Wanda M. Austin, President and CEO, The Aerospace Corporation
- Dr. John S. Langford, Chairman and CEO, Aurora Flight Sciences Corporation
- Dr. G.P. “Bud” Peterson, President, Georgia Institute of Technology
- Kenneth Sanger, Vice President, 787 Airplane Development, The Boeing Company
Approach

• Review Current State
  ▪ Financial Status
  ▪ Volunteer and Staff Organizations
    – Responsibility, Accountability, and Authority (RAAs);
      Strengths and Weaknesses

• Evaluate Alternate 501(c)(3) Organization Models

• Make Recommendation
Findings

• BoD operates more like a management team and less like a governance team.
• BoD provides limited strategic guidance.
  ▪ Focus is too often on day-to-day staff matters.
• Board members often represent silo interests instead of what is best for the Institute as a whole.
• BoD is considered too big to efficiently govern.
• AIAA is too slow to pursue new opportunities on establishing domain in growth areas, and thus loses out to other organizations.
• BoD lacks true International representation.
  ▪ All but one BoD position are filled by U.S. citizens.
Findings (cont.)

- BoD and staff have been reluctant to sunset legacy activities that are losing value.
- BoD lacks accountability.
  - Bylaws say little about the BoD’s RAAs.
- Staff is engrossed with supporting traditional needs.
  - Insufficient time is spent on new pursuits.
- Staff is too dependent on the BoD to take action on pursuing growth areas.
- Current BoD alignment does not create an environment for another organization to want to merge for concern of losing identity.
Air Force Association Benchmark

- Umbrella organization that includes the Air Force Memorial Foundation, [501(c)(3)], and the AFA Veteran Benefits Association, a [501(c)(19)].
  - AFA Board composed of former military and defense industry senior leaders.
  - AFA Board members do not carry any other AFA activities or RAAs and thus are not encumbered by AFA self interests.
- AFA re-organized to be more inclusive and efficient, while making the BoD more accountable to the membership and more agile in its decision making.
- AFA BoD reduced from 46 members to 19 members; AFA staff organization has reduced from 100 to 78.
- AFA Board positions rotate every 3 years (elected positions) and every year (appointed positions).
  - Members must rotate off the Board for a year before being eligible for another term.
- The decision to reduce the AFA’s Board size was successful, but difficult, taking Board approval to put the re-organization to a vote of the membership.
American Society of Civil Engineers Benchmark

• ASCE recognized that it had lost industry presence and clout on the Hill.
  ▪ Desired to form alliances with other organizations to enable greater public policy influence.
• Previously, ASCE’s BoD had 28 members who were too engaged in day-to-day society activities.
  ▪ Strategic decisions were not being made in timely fashion as the BoD did not understand their RAAs.
• ASCE reduced its BoD size to 14 members, plus 3 positions held by the President, President Elect and the Past President.
  ▪ BoD duties are now policy-based and focused on providing fiduciary, legal and strategic guidance.
• The Executive Director is accountable to the BoD.
  ▪ Responsible for executing the strategic plan, managing society operations, overseeing Staff and working in partnership with the volunteers.
• Today, ASCE is comprised of 8 semi-autonomous [501(c)(3)] Institutes.
Recommended Path Forward

- Need a small (6-12) Institute-wide, strategically focused governing body
- Need to maintain tactical leadership roles as well
- Need more international representation in governance
- Constitution and Bylaw changes will be required
- Establish a working group to identify new governance structure
- External consultant will facilitate task
- Working group to consist of 8 people
  - 2 from IDC
  - 2 Vice Presidents
  - 1 Director—Technical
  - 1 Director—Regional
  - President
  - Executive Director