

OPERATION GUIDE

STRATEGIC MANAGEMENT SECTOR
BOARD OF DIRECTORS

September 2005

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VISION AND MISSION STATEMENTS

Vision

To be the focal point for the identification, capture and transfer of knowledge that will support ASME's strategic planning and the development of Society-wide initiatives to address ASME's strategic priorities .

Mission

- a. To support the development and on-going implementation of an effective system to identify strategic issues, opportunities and knowledge for ASME.
- b. As directed by the Board of Governors and in collaboration with other Society units, to leverage the intellectual property, skills and competencies of ASME to plan, develop and implement Strategic Initiatives that further ASME's strategic priorities.
- c. In collaboration with other Society units, to leverage the intellectual property, skills and competencies of ASME to plan, develop and implement new market-focused products and services that create new revenue streams while advancing the art and practice of engineering.
- d. To keep ASME's stakeholders informed on matters of public policy through its interactions with government entities; provide guidance and aid in developing strategies, testimony and position papers; identify points of contact representing members; and facilitate programs and interactions on issues at the state and federal levels of interest to ASME.
- e. To provide a voice for industry within ASME.
- f. To keep the society informed on strategic issues, opportunities, trends and initiatives.

1. ORGANIZATION

A. Purpose

The Strategic Management Sector Board of Directors (SMBOD) under the direction of the Board of Governors, is responsible for the activities of the Society relating to identification, capture and transfer of knowledge that will support ASME's strategic planning and the development of Society-wide initiatives to address ASME's strategic priorities. The units of the Sector include the Board on Government Relations, the Industry Advisory Board, the Strategic Initiatives and New Products Committee and the Strategic Issues, Opportunities and Knowledge Committee. This Operation Guide defines the voting members, election of Sector leadership, committee duties, meetings and records.

B. Authority

The authority granted to the Strategic Management Sector is defined by the Delegation of Authority from the Board of Governors consistent with the limitations imposed by the Constitution, By-Laws, and Society Policies. This Operating Guide is not intended as a compilation of By-Laws or Society Policies applicable to the Sector.

C. Membership

1. Voting Members of the Strategic Management Sector Board of Directors:

Senior Vice President of the Sector
Vice President, Government Relations
Chair, Industry Advisory Board
Chair, Strategic Initiatives and New Products Committee
Chair, Strategic Issues, Opportunities and Knowledge Committee

2. Non-Voting Members of the Strategic Management Board of Directors:

Senior Vice President-Elect (during the period beginning with their appointment by the Board of Governors until their term as Senior Vice President begins); Vice President-Nominee/Elect of Government Relations (during the period beginning with their nomination by the Nominating Committee until their term as Vice President); Chair-designees for Industry Advisory Board, Strategic Initiatives and New Products Committee, and Strategic Issues, Opportunities and Knowledge Committee; Managing Director, Strategic Management; Managing Director, External Affairs; Director, Government Relations; Director, Strategic Initiatives; and Director, Strategic Issues, Opportunities and Knowledge.

3. A voting member of the SMBOD may request that a proxy for - his/her vote be granted to a specified person in their absence. All proxies must be presented to the SMBOD at least two weeks prior to a Board meeting, and must be approved by a two-thirds majority vote at or before the meeting.

4. Only the Board of Governors is authorized to appoint a replacement for an elected Vice-President who

cannot complete an elected term. Whenever possible, the SMBOD shall provide recommendations to the Board of Governors regarding a replacement.

D. Governance

1. Senior Vice President

The Senior Vice President, Strategic Management shall be appointed by the Board of Governors, acting upon a recommendation of the SMBOD. The Sector's recommendation shall be made in accordance with Society by-law B5.7.1.3, which reads: The incoming Senior Vice President, Strategic Management shall be nominated by the SMBOD from among its present or past volunteer members for appointment by the Board of Governors for a term of three years. In the event that a past or present volunteer member is not available from the SMBOD, then the SMBOD shall defer to the Board of Governors for the selection. A Vice President who has been elected to a term that extends more than one year into a new term of the Senior Vice President, Strategic Management is not eligible to become the Senior Vice President.

The term of office shall be three years, commencing at the second Business Meeting of the fiscal year. The Senior Vice President may serve one term. The Senior Vice President shall act as Chair of the Board of Directors and may vote only to break a tie. The Senior Vice President calls special meetings of the Board and executive sessions of the Board. The Senior Vice President shall represent the Sector to the Board of Governors and the Sector Management Committee whenever required. A Position Description for the Senior Vice President, Strategic Management, appears in Appendix I.

Should the Senior Vice President be unable to complete his/her term of office, the SMBOD shall recommend his/her successor to the Board of Governors to fill the unexpired term.

2. Chair Pro-Tem

A special election will be held to elect a Chair Pro-Tem to conduct the meeting in the event that the Senior Vice President is unable to be present at a scheduled meeting.

3. Nominations

The SMBOD will nominate the Senior Vice President, Strategic Management at the second Business Meeting of each fiscal year preceding the expiration of incumbent Senior Vice President's term. Procedures for selecting the nominee for Senior Vice President, Strategic Management appear in Appendix II.

The SMBOD shall approve appointments of members of Boards and Committees that report to the SMBOD at the second Business Meeting of each fiscal year. Recommendations for these appointments are expected from the respective Boards and Committees for positions that begin the following fiscal year. The SMBOD will nominate representatives to those outside organizations assigned to the Sector through the Assignment of Duties and for appointment by the Board of Governors at the second Business Meeting of each fiscal year. The Chair of the Committee on Sector Operations shall recommend candidates for open positions and any voting member of the SMBOD may make

recommendations for additional candidates.

The Strategic Management Sector will have a minimum of two voting members on the ASME Nominating Committee. One voting member will represent the Board on Government Relations and one will represent the Strategic Management Sector. Voting members will serve two-year terms. Nominees for the positions must be proposed, reviewed and approved by the SMBOD during Executive Session at the Congress prior to the year in which their terms begin. Each year at Congress two alternates will be selected by the same process. Alternates serve one-year terms and may serve more than one term. Recommendations for the voting member and alternate representing government relations are expected from the Board on Government Relations.

For nominations requiring Board of Governors approval, a Form must be completed and sent to the Committee on Organization and Rules for review of compliance with existing Society Policies. For appointments made directly by the Strategic Management Board or Senior Vice President, letters of appointment with, if appropriate, a copy of Society Policy P-15.7, "Ethics" and P-15.8, "Conflicts of Interest" will be sent from the Senior Vice President.

2. BOARDS AND COMMITTEES

A. Boards and Committees

The following Boards and Committees report directly to the SMBOD and the Chair of each is a member of the SMBOD. The chairs of these Boards and Committees serve three-year terms and may serve one full three-year term plus any partial term for which they may have been initially appointed. The sitting Senior Vice President appoints or reappoints a chair no less than six months prior to expiration of the incumbent chair's term. Each Board shall have its own Operation Guide that is reviewed periodically by the SMBOD. Each Board and Committee shall make recommendations on items of major activities to the SMBOD for approval. Each Board shall formulate and finalize its yearly goals and activities at or before the International Mechanical Engineering Congress and shall report on accomplishments and program evaluations at the second Business Meeting of each fiscal year.

1. Board on Government Relations, which is responsible for development of programs for interaction between the Society and government at all levels. The Board on Government Relations shall recommend policies and procedures, and supervise activities that involve Society interaction with government entities.
2. Strategic Initiatives and New Products Committee, which is responsible for providing insight through internal and external sources for initiatives and new products and services that further ASME strategic objectives
3. Strategic Issues, Opportunities and Knowledge Committee, which is responsible for providing insight through internal and external sources to support environmental scanning, competitive intelligence and benchmarking, and keep the Society informed on strategic issues, opportunities, trends and initiatives.
4. Industry Advisory Board, which is responsible for providing a voice for industry within ASME through the communication and advocacy of industry needs.

B. Other Standing Committees

The following standing Committees shall serve under the direction of the SMBOD. The Chair and all members of each standing Committee are voting members of that committee and will be appointed by the Senior Vice President. Their terms expire concurrently with the term of the Senior Vice President making the appointments. The Committee Chair will serve as an ex-officio member of the SMBOD if not a current member of the Board. The committee members need not be members of the SMBOD.

1. Committee on Sector Operations, which shall be responsible for review and making recommendations to the SMBOD on the Assignment of Duties, By-laws and Operation Guide. In addition, this Committee shall develop nominations for open Sector positions and appointments within and outside of ASME for consideration at SMBOD nominating sessions.
2. Committee on Honors and Awards, which shall be responsible for certificates of appreciation, the Roy V. Wright Lecture and assisting in the identification of candidates for the Dedicated Service Award and Fellow nominations.

C. Ad Hoc Committees, Task Forces and Project Teams of the SMBOD

The Senior Vice President may appoint ad hoc committees, task forces and project teams as needs arise. The scope, composition, and terms of such groups shall be specified in the charter at the time of appointment. The group's Chair will serve as an ex-officio member of the SMBOD if not a current member of the Board. The group members need not be members of the SMBOD. The term of each group expires concurrently with the term of the Senior Vice President appointing the committee.

D. SMBOD Representation to other ASME Groups

The SMBOD shall provide representation to other ASME groups as needed. Terms of the representatives shall be determined by the sponsoring group. Each representative shall be required to provide a written report to the SMBOD at least annually.

E. ASME Representatives to Outside Groups

The SMBOD shall submit to the Committee on Organization and Rules for review of compliance with existing Policies ASME representatives to outside organizations as assigned to the Sector by the Assignment of Duties for approval by the Board of Governors. Terms of representatives shall be three years.

3. MEETINGS

A. Frequency

The SMBOD will normally meet at the International Mechanical Engineering Congress and Exhibition and at the second Business Meeting of each year. An outgoing Senior Vice President in a given year will carry out the duties through the close of the respective year. Special meetings of the SMBOD may be called at any time by the Senior Vice President or upon written request of any of the voting members of the SMBOD.

Such special meetings may be dependent upon adequate funding prior to calling the meeting.

B. Notice

Notice of regularly scheduled meetings of the SMBOD shall be provided at least one month prior to the meeting and shall be sent to all members. Also, at least two weeks prior to the meeting, an agenda of items for discussion and approval of the SMBOD shall be distributed. Any member who wishes to include an item on the agenda should submit it to the Senior Vice President or the Managing Director, Strategic Management at least one month prior to the meeting.

Notice of a special meeting of the SMBOD will include an agenda or a statement of the purpose for the special meeting. This should be sent at least two weeks prior to such a meeting.

C. Quorum

A quorum for a meeting of the Sector shall be a majority of the voting members. The quorum is required to conduct any official Sector business.

D. Rules

Roberts Rules of Order Revised, shall govern the meetings of the SMBOD. There shall be no conflict with the Society Constitution and By-Laws. The SMBOD, however, may adopt special rules and procedures to govern deliberation of items of business, if approved by a majority of voting members.

E. Executive Sessions

Meetings of the SMBOD shall be open to all members of the Society. The presiding officer may, however, declare the SMBOD to be in Executive Session when items that may be confidential are being discussed. Attendance at an Executive Session is limited to voting members of the SMBOD and such other individuals as the Senior Vice President may request to attend. The Senior Vice President shall appoint one of the attendees at the Executive Session to record the minutes if such is deemed necessary.

4. RECORDS

Records of the SMBOD shall be comprised primarily of approved minutes of the SMBOD.

All records of the SMBOD, with the exception of minutes written during Executive Sessions, shall be open to any member of the Society.

The approved minutes shall be the written record of the actions of the SMBOD. The Managing Director, Strategic Management, shall be responsible for preparation of the minutes and shall maintain a permanent file of the minutes. The draft minutes may be approved at the next regular meeting or by ballot when circulated. A simple majority shall be required for approval.

In addition, the SMBOD shall review each year, the "Assignment of Duties to the Strategic Management Sector from the Board of Governors" in accordance with Society Policy and shall make recommendations to the Board of Governors regarding the Assignment of Duties as needed.

5. FINANCE

The SMBOD is responsible for planning, proposing and carrying out the budget (subject to review by the Committee on Finance and Investments and approval by the Board of Governors) for all the operations, activities and programs under the SMBOD. The proposed budget for the next fiscal year should be reviewed and approved at or before the preceding International Mechanical Engineering Congress.

The Vice President and Chairs of Boards and Committees reporting directly to the SMBOD, working with staff, shall have the responsibility for the budgets covering the activities and programs under their respective units.

Proposals for new programs and financial modifications to existing programs by Sector Boards and Committees should be provided to the SMBOD prior to the International Mechanical Engineering Congress for preliminary incorporation into the budget. If the proposals and/or modifications are subsequently approved by the SMBOD, they shall be included in the Sector budget, subject to availability of funds in the Sector's budget approved by the Committee on Finance and Board of Governors.

6. BALANCED SCORECARD PERFORMANCE

The SMBOD shall utilize the Society's Balanced Scorecard (BSC) for:

1. Developing Sector objectives and activities;
2. Monitoring progress against objectives;
3. Providing the Board of Governors with updates on performance and inputs regarding BSC objectives.

7. CERTIFICATES OF APPRECIATION

Certificates of Appreciation from the SMBOD shall be awarded during the second Business Meeting of each fiscal year to outgoing Committee Chairs that report to SMBOD, and to members of the SMBOD who have completed a term (even if they continue in the same position) .

Persons representing the SMBOD to other ASME Boards and Committees should receive Certificates of Appreciation from the Board or Committee on which they serve. The outgoing Senior Vice President and Vice President, Government Relations are awarded Certificates of Appreciation from the ASME during the second Business Meeting of each fiscal year at a special VP Luncheon.

Certificates of Appreciation from the SMBOD shall be awarded to Strategic Management Sector representatives to outside organizations that have calendar year appointments at the Congress.

Certificates of Appreciation from the SMBOD shall be awarded to persons deemed worthy for special service to the Sector at whichever time is appropriate for the recognition.

8. DEDICATED SERVICE AWARD

Each year of office, the Senior Vice President and the Vice President, Government Relations are entitled to

present one Dedicated Service Award (DSA) each. Suggestions for this award are encouraged from members of the SMBOD and its units.

The incoming Senior Vice President and Vice President, Government Relations may make their first DSA nominations anytime after taking office at the second ASME business meeting of the fiscal year through the next calendar year. This allows 18 months for the first DSA , for example, if a meeting takes place in June of the incoming year through December of the following year. The outgoing Senior Vice President and Vice President, Government Relations may make their final DSA nominations through December following their retirement at the second ASME business meeting of the fiscal year.

9. AMENDMENTS TO THE SMBOD OPERATING GUIDE

Proposals for amendments to this Operating Guide may be approved by a simple majority vote of SMBOD members. If approved by a simple majority vote, the amendment(s) shall be approved by the Committee on Rules and Organization in accordance with 4.12 and immediately become part of the Operation Guide.

Appendix I

Position Description Senior Vice President Strategic Management

1. **Role Within the ASME Governance:**

The Senior Vice President, Strategic Management is an officer of the Society and represents the Strategic Management Board of Directors (SMBOD) at meetings of the Board of Governors, the Committee on Finance and Investment and the Sector Management Committee whenever required. The Senior Vice President is the prime channel of communication between the SMBOD and the Board of Governors and the other Sectors of the Society.

2. **Role Outside ASME:**

The Senior Vice President, Strategic Management is expected to interact with government, business and academic leaders as required to further the goals of the Society. The Senior Vice President authorizes statements of the SMBOD in accordance with Society Policy P-15.1, and may be appointed to represent ASME in other organizations or in joint activities with other groups.

3. **Role Within the Strategic Management Sector:**

The Senior Vice President leads the Strategic Management Sector in conducting its programs to accomplish the goals specified in ASME's strategic plan. The Senior Vice President has the executive decision-making authority to foster the goals of the Society within the framework of the Society Constitution, By-Laws and Policies, and the constraints of the Sector's budget authority.

The Senior Vice President:

- a. Is the senior officer of the Strategic Management Sector and chairs the SMBOD meetings;
- b. Works closely with the Vice Presidents and chairs of the various boards and committees within the Sector to achieve their missions in support of the Society and in the development of the plans and metrics to assure the best use of Society resources;
- c. Works closely with the Managing Director, Strategic Management to execute successful programs, and is the volunteer leader who is responsible for budget requests and budget management;
- d. May call special meetings and executive sessions of the SMBOD.

4. **Required Attendance at meetings:**

The Senior Vice President is expected to:

- a. Attend and chair regular and special meetings and retreats of the SMBOD.
- b. Represent the Strategic Management Sector at meetings of the Board of Governors, the Committee on Finance and Investment, the Sector Management Committee, and other groups as needed.

5. **Financial Commitment:**

The Senior Vice President may receive travel expense contributions from ASME as described in Society Policy P-4.5, Travel Expense Contribution, within the constraints of the Sector's approved budget for travel.

Appendix II

Procedure for Selecting the Nominee for Senior Vice President, Strategic Management

1. Any member of the Board of Directors may propose one eligible person for nomination.
2. Proposals shall be submitted to the current Senior Vice President, Strategic Management by May 20 preceding the summer meeting of the Board of Directors at which the selection will take place. Proposals shall use Nominating Committee (NC) format except that picture, and speakers are not required. Letters of support will be limited to one, to be prepared by the nominator. An employer letter of support (or equivalent as provided in the NC rules) will be required. Proposals will be assembled and sent to members of the Board of Directors as soon as possible after all are received.
3. An executive session will be held at the summer meeting of the Board of Directors for the purpose of selecting a proposed nominee.
4. The following rules will apply to the executive session:
 - A. By attending the session each participant agrees that the proceedings will be held in strict confidence.
 - B. The Senior VP will preside and will have a vote in all selection ballots.
 - C. All voting for selection of the nominee will be by secret ballot. Votes on procedural matters will be by show of hand or secret ballot at the discretion of the Chair.
 - D. Proposed Nominees (PNs) who are eligible to vote will be excused from the room during presentations and discussions of other PNs but will return to cast ballots or to participate in procedural votes and will remain until the results of each ballot is determined.
 - E. Notwithstanding Section C3 of the SM Operating Guide there will be no proxy votes allowed.
 - F. If there are more than five (PNs) there will be an immediate ballot to select four PNs for further consideration. In the case of a tie there will be further balloting among tied positions to select the final four. This round of selection will be done on the basis of personal knowledge of PNs and the written proposals. There will be no discussion of PNs prior to or during the initial selection.
 - G. The final group of PNs will be interviewed for a period not to exceed 15 minutes including a presentation by the PN which shall not exceed 10 minutes.
 - H. After all presentations, questions and discussions are completed there will be balloting until one PN receives a majority of the votes cast. During this balloting PNs will be dropped from further consideration when they receive less than $m/(n+1)$ votes, where m is the number of votes cast and n is

the number of PNs being considered.