



SHRM State of the Society Speech

Presented at the SHRM Leadership Conference in Washington, DC, November 2010

SHRM Interim President and CEO HANK JACKSON:

Good morning, everyone.

I want to thank Dr. Bill Schiemann and Howard Winkler of the SHRM Foundation and the HR Certification Institute for updating us on the work of their organizations.

We are fortunate to be working with such strong entities, and privileged to call them our strategic partners.

Would all the members of the HR Certification Institute Board of Directors please stand so we can recognize your contribution.

[LEAD APPLAUSE]

And now, would the members of the Board of the SHRM Foundation please stand.

[LEAD APPLAUSE]

The other day we introduced you to the full Board of Directors.

But I also want to recognize the Board Officers here today.

First ... as you are aware, Robb Van Cleave is our Board Chair through the end of the year.



Jose Berrios is Chair Designate.

Sheila Finlayson... is the Director of Board Relations and Secretary to the Board.



And I serve as the Treasurer to the Board.

>>[PAUSE]

I also want to recognize the SHRM Global Leadership Team.

- SHRM's Global HR and Content Integration Officer ... Steve Miranda, SPHR, GPHR;



- Janet Parker, SPHR, is the Chief Global Member Engagement Officer;



- Our Chief of Organizational Programs and Strategic Partnerships is Brian Dickson;

- The Chief Global Communications and External Relations Officer ... Bill Maroni;



- The Chief Executive Officer of India is G. Ravindran - or Ravi;

- Mary Mohney is the chief accounting officer;





- Our General Counsel is Henry Hart.

[PAUSE]

I'm excited to be here this morning because I have an opportunity to share a success story ... **our** success story ... about what all of us are doing to make SHRM and our profession even stronger.

It's a tremendous tale ... because while the economy lagged ... we grew.

While other associations shrunk ... SHRM's membership increased.

And while many associations continue to struggle ...

we go into 2011 stronger and more influential than we have ever been before.

Each and every one of you had a part in creating this success.

[PAUSE]

A year ago, we presented you with SHRM's new, five-year Strategic Plan.

It was bold ...

it was different ...

it promised to transform the image of SHRM and the profession...focusing on our strategic capabilities.

It promised to move SHRM toward the position of "global thought leadership" on anything that involved people management issues.

Essentially ... it gave us a road map for reaching our potential.

Since that time ... we have worked tirelessly to carry out our plan.

There was no time to waste ... with the economy lagging ... and your organizations looking to you for answers about what to do next.

As we implemented the plan, we had to make sure we never lost focus on the number-one priority...

serving you... helping you meet your challenges ... every day.

I think we did it.

The implementation has been successful...

Sure, there were days when our learning curve showed ... but I am proud of what the SHRM volunteers and employees ... accomplished together.

We developed a new ... more robust business platform for SHRM...

one that ensures long-term success for the Society ... and guarantees that you have access to the highest quality information and resources on people management issues every day.

More importantly ... we'll be an even better career partner ... to help you pursue your professional goals.

[PAUSE]

Here's a review for some of you...and an introduction for others:

Our new mission is to ...

- Build and sustain business partnerships to address people management challenges
- Provide a community to share expertise and create innovative solutions
- Be a thought leader on people management issues.
- And ensure that policymakers, lawmakers and regulators are aware of key people concerns in their decision making process.

That is our mission.

Our new vision is to be the globally recognized authority whose voice is heard on the most pressing people management issues.

Everything we do ... everything we consider ... must be aligned with our mission ... fall within our four strategic pillars ... and help us to ultimately realize our vision.

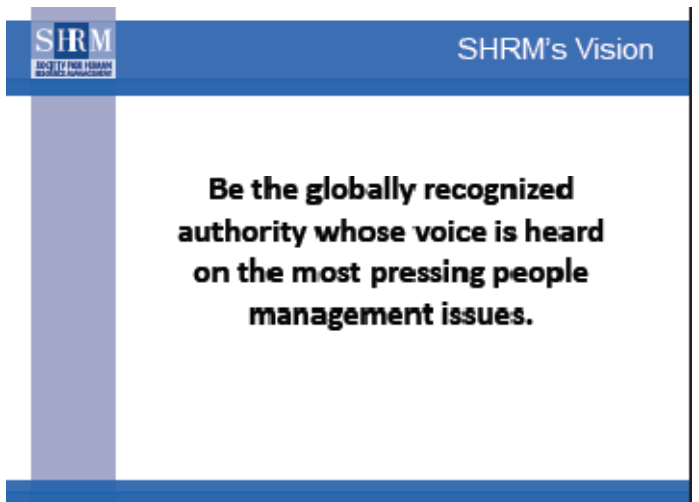
If it doesn't ... we have to ask ourselves why we are doing it.



The graphic features the SHRM logo on the left, which includes the text 'SIRM' and 'SOCIETY FOR HUMAN RESOURCE MANAGEMENT'. To the right, the title 'SHRM's Mission' is displayed in a blue header. Below the header, four bullet points are listed, each preceded by a blue arrowhead. The background is white with blue horizontal bars at the top and bottom.

SHRM's Mission

- ▶ Build partnerships to address people management challenges.
- ▶ Provide a community to share expertise and create solutions.
- ▶ Be a thought leader.
- ▶ Ensure that key groups are aware of people concerns in their decision making process.



The graphic features the SHRM logo on the left, which includes the text 'SIRM' and 'SOCIETY FOR HUMAN RESOURCE MANAGEMENT'. To the right, the title 'SHRM's Vision' is displayed in a blue header. Below the header, the vision statement is centered in bold black text. The background is white with blue horizontal bars at the top and bottom.

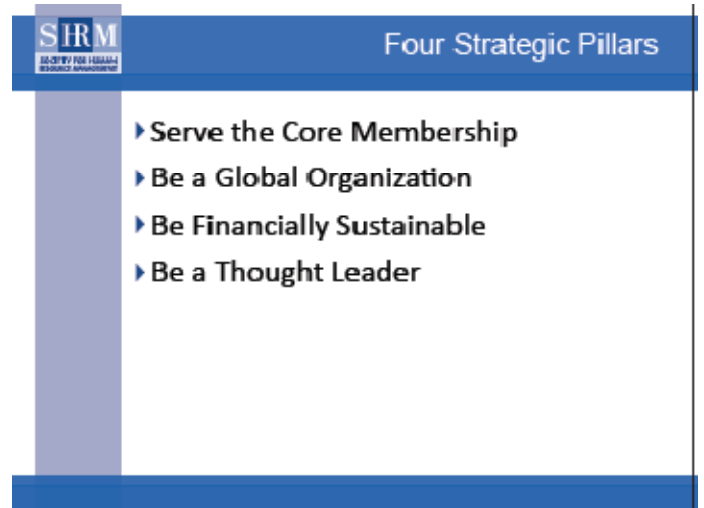
SHRM's Vision

Be the globally recognized authority whose voice is heard on the most pressing people management issues.

So let me tell you about those pillars and some of the exciting things we've been working on this year.

Our four strategic pillars are ...

- Serve the Core Membership
- Be A Global Organization
- Be Financially Sustainable ... and most of all ...
- Be a Thought Leader

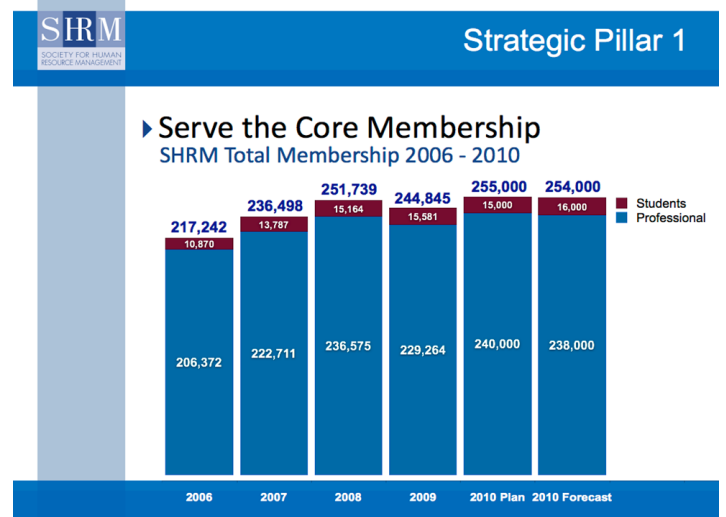


[PAUSE]

By the end of the year ... SHRM will have nearly 254,000 members in 140 countries around the world... 8,000 more members than we had at the end of 2009.

Also by then, our goal is to have acquired 56,200 new members ... and to have renewed 184,000 existing members.

In my view, renewing that many of our members is a measure of how well we're serving you.



These results will ensure that... we remain the largest ... and most influential human resource organization in the world.

But it's not about having the most or being the biggest ... it's about our influence... our ability to speak for you... our ability to serve the HR profession.

Because we are the largest human resource society ...

because we represent the voices of hundreds of thousands of HR professionals...

and, by extension, millions of workers ... our expertise is requested by businesses ... on Capitol Hill ... and in state capitals across the nation.

But our influence doesn't stop at the borders.

Our know-how has been sought after by government officials and business leaders in India ... China... and around the world.

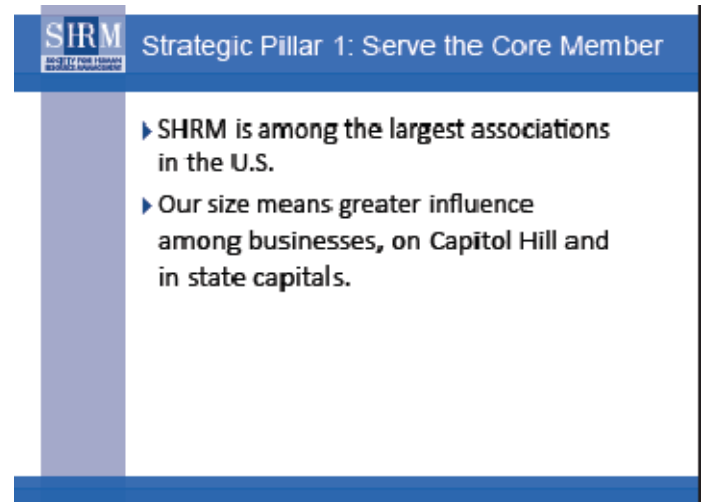
(Pause)

So, as we continue to grow ... we need to look closely at how SHRM is structured.

Are we appropriately serving our chapters?

Do we need more?

Or ... do we need to consolidate?

The graphic features the SHRM logo (Society for Human Resource Management) in a blue box at the top left. To its right, a blue horizontal bar contains the text "Strategic Pillar 1: Serve the Core Member". Below this bar, a vertical blue bar is on the left, and a white area on the right contains two bullet points: "▶ SHRM is among the largest associations in the U.S." and "▶ Our size means greater influence among businesses, on Capitol Hill and in state capitals." The entire graphic is set against a light blue background.

SHRM Strategic Pillar 1: Serve the Core Member

- ▶ SHRM is among the largest associations in the U.S.
- ▶ Our size means greater influence among businesses, on Capitol Hill and in state capitals.

We don't have those answers yet.

However, I do know that it is the strength of SHRM's chapter structure ...

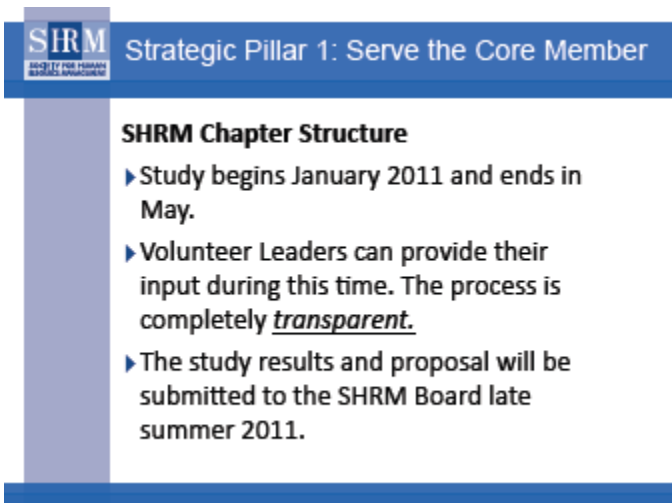
and all of you in this room ... that separates us from other HR organizations.

We want to find out if that structure is optimal for long-term growth... and for serving you most effectively.

In that search for answers, we'll work with all of you to get your input.

It will be a **completely open and transparent** process.

This is an important step...and we want to make sure we get everything right.



The slide features the SHRM logo in the top left corner. The main title is "Strategic Pillar 1: Serve the Core Member" in white text on a blue background. Below this, the section "SHRM Chapter Structure" is followed by three bullet points: "Study begins January 2011 and ends in May.", "Volunteer Leaders can provide their input during this time. The process is completely transparent.", and "The study results and proposal will be submitted to the SHRM Board late summer 2011."

Looking ahead ... we plan to start the study and gather your input in early 2011.

We expect to have that phase completed by May.

Then we'll present our plan to the SHRM Board by the end of next summer.

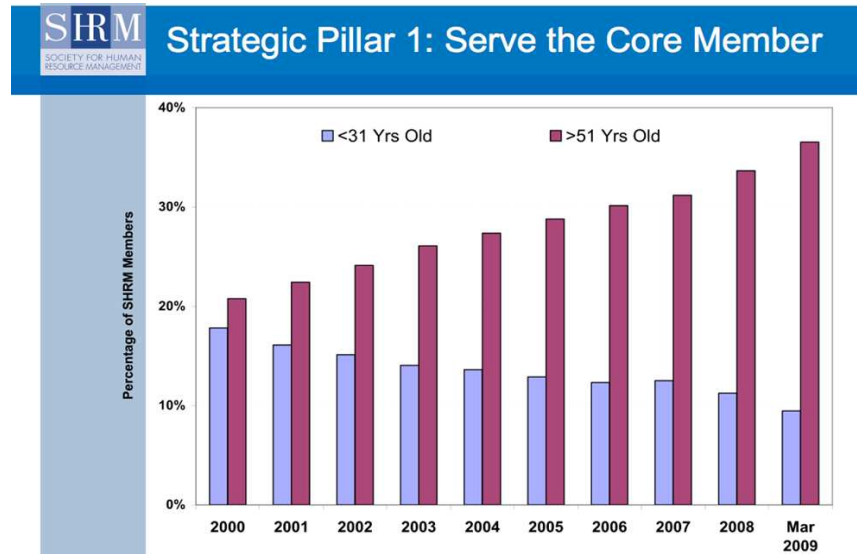
[PAUSE]

Not only are we looking at how we are structured ... but we're also watching closely the demographics of our membership.

For example ... we are reaching out even more to HR professionals under 30.

But we've seen that our number of young professionals has been flat for nearly 10 years.

That's not sustainable.



If we want to stay in business another 62 years ... we need to bring in more young professionals.

So we are reaching out to them...providing them with the tools they want in their jobs.

As a part of that effort, we've hosted young professional events in New York, Chicago, New Orleans and here in Washington, DC. For graduating students new to the HR field ... we are launching the Assurance of Learning Assessment.

It's an exit exam students take to show that they have acquired the knowledge needed ... for an entry-level HR position. Be looking for it on résumés beginning next summer.

Strategic Pillar 1: Serve the Core Member

- ▶ Assurance of Learning
 - Exit exam shows students have acquired a minimum body of knowledge in HR.
 - On résumés the summer 2011.

[PAUSE]

Another group we're reaching out to is the military.

Yesterday we heard from Ray Jefferson with the Department of Labor ...
and we heard from the Employer Support of the Guard and Reserve.

You'll recall at the Annual Conference ... we hosted workshops to help members of the military who are transitioning to the civilian workforce.

And we've met with the U.S. Army's HR Command Center at Fort Knox...
to see if there's any way we can help them train their 4,000 HR professionals.

Under this Strategic Pillar... "Serve the Core Membership" ... we focus on the information ... and the resources... you need to make informed decisions in leading your organizations.

In the comprehensive review that preceded our strategic plan, we came to you for your input... you asked us to be more nimble...to be quicker ... in developing ... and delivering the information you need.

So we made a commitment to you...and you have been seeing the results.

The first test was this past spring when health care reform passed.

We may have been the first large association out of the gate with help for its members.

Literally within hours of the bill being signed ... we had started a flow of information ... helping you ...and your employers...learn what this new law meant for your organizations.

We created an interactive timeline through 2018 ... explaining exactly when each stage of the law would be implemented.

Then ... we sent instructional DVDs to all of your chapters ... we put on regional seminars... and we kept going even **further** to explain what you need to know ... **now** ... to lead your organizations through this maze.

And...beyond just the health care issue... thanks to the hard work of dozens of our staff, we rebuilt our new-product and content development process... to be more responsive to whatever HR issues arise ... so we can ensure that you get exactly what you need... how you need it... and when you need it.

That commitment to giving you what you need also extends to public policy... about ensuring that SHRM advocates your positions on issues facing the profession.

I talked a few minutes ago about our expanding influence on Capitol Hill and in state capitals across the country...

Our voice is stronger than it's ever been... and among the materials you've received here is a summary of what the elections mean for you... and for our profession.

[PAUSE]

Here's another example of serving our members...

How many of you were at Annual Conference this year?

Our members have always loved SHRM's Annual Conference.



There's no other HR event like it on the planet.

Even so ... we knew we could make it better.

Through research, we heard what you wanted at the conference...and we went to work.

We enhanced the lead-up communications about the conference .. we changed the way the conference was organized ...we changed the content, and we gave you your preferred speakers.

The result?

The 2010 conference grew by more than 4,500 attendees over 2009...and it earned the highest rating of any SHRM conference.

And more change is on the way.

Trust me...you have to be in Las Vegas in June.



Strategic Pillar 1: Serve the Core Member



Strategic Pillar 1: Serve the Core Member



Strategic Pillar 1: Serve the Core Member



[PAUSE]

Okay ... let's take a moment now and talk about our Global Strategic Pillar.

Does anyone know what country, outside of the U.S., has the largest number of SHRM members?

Yes...it's India.

When it comes to our global strategy ... our first priority is India.

We have established a for-profit organization called "SHRM India."

We have offices in Mumbai ... and we are opening two more in Bangalore and Delhi.

India's economy is growing at 8.5 percent each year. Believe me ... this will affect all of us. But it also provides an opportunity ... because HR professionals there had a real need for SHRM's resources and expertise.

So ... we stepped in.

Under the direction of SHRM India's Chief Executive Officer... Ravi ...we are establishing a presence.



We're offering seminars, webcasts and certification preparation classes ... we're hosting high-level forums among HR and business professionals ... we're working with students and universities... and we're collaborating with multinational enterprises to serve their HR departments.

To date we have more than 2,000 members in India.

This is just the beginning.

In China ... the economy is growing at 9.5 percent.

And this also will affect all of us around the world.

For political reasons in China ... membership is not a goal there.



So ... we are working with the government and multinational enterprises located there to serve the needs of the HR professionals.

We've just finished our China growth strategy plan through 2014, which will build our brand there in the next several years.

In the rest of the world, we will enter through certification and multinational enterprises.

This will allow us to focus our efforts on what our customers are asking for.

We're reaching out to multinationals all over the world to help them train and certify their **entire staffs** of HR professionals ... to help them meet their challenges, and to provide them with membership in SHRM ... if needed.

That approach is earning us more and more wins... We're making great progress.

Corporate bundled sales is our fastest growing business segment.

[PAUSE]

Next ... let's talk about financials.

Our third strategic pillar requires SHRM to operate as a business ... to be financially sustainable.

So let me put it this way...
(as you can see)
we're doing very well.

We weathered the economic storm.

Our most recent figures show that we are projecting year-end revenues of nearly \$102 million.

Our operating expenses will be about the same.

Additionally, we invested 7 percent from our reserve funds to jump start implementation of our five-year strategic plan.



Financial Results From SHRM Operations

2010 Plan vs. 2010 Forecast

	2010 Year-End Forecast	2010 Annual Budget	Favorable (Unfavorable) Variance \$	Favorable (Unfavorable) Variance %
Revenue	\$ 102,484,743	\$ 100,362,900	\$ 2,121,843	2%
Expenses	97,306,673	97,195,700	(110,973)	0%
Increase to Net Assets from Operations	5,178,070	3,167,200	2,010,870	63%
Reserve Funds Spent on Strategic Plan Implementation	(13,914,100)	(14,667,300)	753,200	-5%
Increase (Decrease) to Net Assets	\$ (8,736,030)	\$ (11,500,100)	\$ 2,764,070	24%

[PAUSE]

As you know, for the first time **in more than 20 years**, we raised professional dues... 20 dollars a year... that's 39 cents a week.

The net financial effect of that decision will help us serve you in 2011 and beyond ... and it was the prudent thing for us to do.

One of the major reasons we increased dues is because the cost of doing business has risen over the last 20 years ... and we've been offering more and more benefits as part of our membership package.

Strategic Pillar 3: Financially Sustainable

- ▶ Annual dues will increase in 2011, from the \$160 to \$180.
- ▶ The increase amounts to about \$0.39 per week ... or about \$1.67 per month.

The cost to serve a SHRM member went from \$174 in 2005... to \$224 in 2009 - an increase of 29 percent.

So a SHRM membership is still a **tremendous bargain** at \$180 ... but we offset additional costs to us with other revenue sources, like advertising ... our conferences and seminars ... and our e-Learning Systems.

The graphic consists of a blue header bar with the SHRM logo on the left and the text 'Strategic Pillar 3: Financially Sustainable' on the right. Below the header is a vertical purple bar on the left and a blue horizontal bar at the bottom. To the right of the purple bar is a list of three bullet points.

SHRM Strategic Pillar 3: Financially Sustainable

- ▶ The cost to serve a SHRM member has gone from \$174 in 2005 to \$224 in 2009 – a 29 percent increase.
- ▶ Business costs have increased over 20 years.
- ▶ We've offered more benefits as part of membership.

However ... to keep these products and services at a reasonable price ... and accessible to all members ... we had to close a small portion of the gap between membership dues and the costs of providing member services.

This will allow us to continue to provide high quality services to you.

[PAUSE]

The graphic consists of a blue header bar with the SHRM logo on the left and the text 'Strategic Pillar 2: Global Growth Strategy' on the right. Below the header is a vertical purple bar on the left and a blue horizontal bar at the bottom. The text 'Thought Leadership' is centered between the purple bar and the blue bar.

SHRM Strategic Pillar 2: Global Growth Strategy

Thought Leadership

Finally...we come to the pillar of Thought Leadership.

To me, this is what will ensure the viability and relevance of SHRM for the next 62 years.

This is the constant ... It's what's needed to continue to serve the profession and engage business leaders ... policy makers and regulators.

In many ways, this is the area where the impact of our strategic plan is the most visible...

it's where you can see that the face and voice of HR is gaining new awareness...
new credibility... new access to decision makers and other thought leaders.

This is why we have a seat at the table.

Here are just a handful of examples:

- Our research reports are following right on the heels of breaking HR issues...

sometimes even in advance of those issues...

and they're being quoted by prominent media outlets around the world...

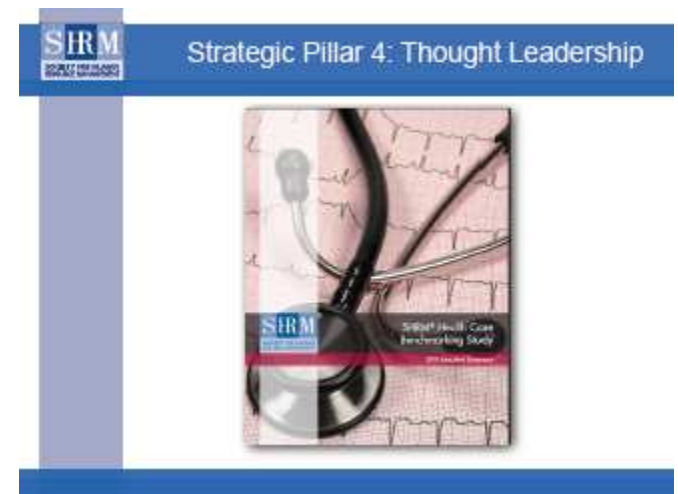
our research is reinforcing that HR is an evidence-based profession, one that has an impact in virtually every corner...of any organization.

- Our strategy of engaging entire corporations ... and government organizations... is working ...
the response has increased every month...

and those partnerships are expanding our influence in ways we've never experienced before.

Our message is being heard...from the White House to the house next door...

...whether it's our advocacy of work-life balance and flexible work arrangements...



our concern over the workforce being adequately prepared for the future... or our commitment to employer-provided educational assistance... whatever the HR issue, our message is being heard.



And, as a profession, we have demonstrated that indeed... we do know next... we anticipate change and adapt to it...we use it to the advantage of our organizations.

...It was right here, a year ago ... that we gave you a first glimpse of our

bold new communications campaign...centered on the theme "We Know Next"...

and that campaign has made us the centerpiece in some high-level settings and discussions.

Our goal is to ensure that we **live up to** knowing Next.

...Through partnerships with influential and like-minded organizations ... such as AARP ... and the Family Work Institute ... as well as very targeted and effective advertising placements... We have hosted events that attracted the participation of business icons... members of Congress ... members of the Cabinet...and even the President of the United States.



Believe me ... they are listening to you.

[PAUSE]

Ladies and gentlemen... my purpose here today was to give you the state of the society.

I am pleased to say that ... we are in a very **good** state... a state where any of us would be proud to live.

As I said at the start...ours is a success story.

Under Robb Van Cleave's leadership, your Society has continued to prosper... continued to lead.

And we've seen already that the same path will be forged by our next leader, Jose Berrios.

I am pleased that they have asked me to add my contributions to the process. And I'd like you to help me.

We've covered a lot of ground this morning and during the conference.

And we know you may have some questions or comments about the information we've provided.

I want to encourage you to please e-mail me at CEO@SHRM.org.

And I promise to get back to each and every one of you.



Thank you for your time this morning and for attending this conference.

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