



Guidelines on Mission-Driven Development within TMS

MISSION-DRIVEN DEVELOPMENT AT TMS: Mission-driven development is the pursuit of new altruistic products, services, or initiatives by the society staff and volunteers with the goal of generating a benefit for the society based on an activity better serving the global materials science and engineering community without the expectation of a substantive return using the metrics conventionally tracked via the business-development process (i.e., net gains in revenue, membership, and/or reputation). This is a project that must be done because it is too important to go undone.

MISSION-DRIVEN DEVELOPMENT CRITERIA: TMS staff and volunteers may engage in mission-driven development activities provided that such activities satisfy the following criteria:

1. They are in compliance with existing TMS articles of incorporation, bylaws, policies, practices, and procedures.
2. They are in support of the TMS mission statement: “The mission of TMS is to promote the global science and engineering professions concerned with minerals, metals, and materials.”
3. They are ethically and legally forthright and are mindful of compliance with anti-trust laws.
4. They are absent of any organizational, regional, national, and international biases.
5. They do no harm to the brand of TMS as an unprejudiced, impartial, and eminent representative of the materials science and engineering community.
6. They represent the interests of an existing or desired TMS member-volunteer constituency and/or are relevant to the execution of the TMS Strategic Plan.
7. They are likely to be successfully executed based on the resources (staff, volunteer, funding, etc.) that the society can bring to bear.
8. They do not prohibit the society from meeting its annual budgetary goal of being self-sustaining and generating a modest cumulative financial surplus.
9. They cannot be funded in full from other sources.
10. They allow for metrics of success to be articulated.

APPROVAL OF MISSION-DRIVEN DEVELOPMENT INITIATIVES: As the society’s ability to provide funding for projects that are not naturally sustainable is extremely limited and potentially places a burden on other resources, the decision to add a strictly mission-driven project is the sole purview of the Board of Directors.

THE ROLE OF MISSION PROJECT PLANS: Any new mission-driven initiative must be described in a mission project plan that articulates the scope of the project, the rationale for undertaking it, the metrics of success, and the relevant timeline.

THE ROLE OF FINANCIAL RETURN: In crafting the annual budget and operating plan, the staff and volunteers use the Board-mandated guideline that society operations must be self-sustaining *and* generate a modest cumulative financial return (called “excess revenue”) of at least 1%. Not all society programs contribute equally toward achieving this return. Many programs, in fact, operate at a loss and must be subsidized by the success of other programs so that the annual budget can be balanced and the cumulative return target achieved. Many of these projects can be considered as “mission-driven.”

Mission-driven programs and activities that operate at a deficit include, but are not limited to

1. Student activities
2. ABET accreditation participation

3. Professional registration participation
4. Honors and awards programs
5. Public and governmental affairs

Programs and activities that generate a return capable of subsidizing deficit programs include, but are not limited to

1. Professional membership
2. *Journal of Electronic Materials*
3. *JOM*
4. *Metallurgical and Materials Transactions*
5. Knowledge products
6. TMS Annual Meeting and Exhibition
7. Materials Science & Technology (MS&T) conference
8. Specialty meetings
9. Short courses
10. Outsourcing of meeting services resources
11. Road mapping (convening the community)
12. Investments

Once society revenues and expenses are balanced for the year, the surplus that remains is divided roughly evenly between distribution to the Reserve Fund and distribution to staff via a bonus and incentive pool.

While a mission-driven project does not have to make enough money to offset the expense of running it, an offsetting contribution from either fees, donations, grants, or other contributions, is highly desirable.

ABOUT THE RESERVE FUND AND DEVELOPMENT BUDGET: The Reserve Fund is a safeguard for the society as a cushion against severe economic conditions and unanticipated events as well as to provide a resource from which the Development Budget can be built to support new product, service, and initiative development. The minimum Reserve Fund amount is 25% of the operating revenue in the Annual Operating Plan. For the 2000s, the Reserve Fund has averaged roughly 36% of the operating revenue. The delta (an average 11 points) equates to the amount of money that can be spent via the Development Budget for emergent initiatives (provided that the initiative has the support of the Board of Directors). TMS does not have an upper threshold that defines the maximum amount that should be in the Reserve Fund. Based on research of other society practices, this number is typically 50% or greater as compared to the TMS baseline (25%).

ABOUT ANTI-TRUST: In the United States, antitrust laws are set forth in the Sherman Act and a host of other statutes. These laws prohibit combinations of competitors in restraint of trade, attempts to monopolize, and other anti-competitive activities. Since most association activities involve intermingling groups of competitors, the opportunity to unlawfully restrain trade is always present, specifically when the association's actions further the interests of certain groups to the exclusion of others. Notwithstanding the nebulous nature of the antitrust law, penalties for violating them, both civil and criminal, are severe, including fines and imprisonment. Notable example: The National Society of Professional Engineers had its Engineering Code of Ethics struck down in the 1970's for encouraging the constraint of trade (it has since been rewritten to remove anti-competitive language).

ABOUT BUSINESS DEVELOPMENT OPPORTUNITIES: The process for the development of business opportunities are described in the document "Guidelines on Business Development within TMS."