

To: Policy Council of the System Dynamics Society

From: David Andersen, VP Finance
Eliot Rich, Associate VP Finance

Subject: VP Finance Narrative Report—Part III
OR

A New Legacy Campaign and Roberta Spencer's Two Years of Half-Time Employment

Date: 10 July 2017

***Summary:** Material contained in this third part to the VP Finance's annual report was initially folded into a larger Part II that had a primary focus on how the Society will finance its transition from UAlbany to Cap Hill. This part of the report focuses on the recent creation of a new Legacy Campaign to support the field of system dynamics and proposes that income from this campaign be used to support Roberta Spencer's two years of part time employment. The Administrative Committee suggested that this material be separated from the other material in Part II because the transition can move forward without a Legacy Fund and the Legacy Fund is in concept separate from the transition. That is, these are complementary, but not necessarily linked ideas.*

This is the third of three parts to the VP Finance Report. The first part describes what happened in 2016. This second report, focused on budgets for 2018 and 2019 and a discussion of how designated assets will work to get us through this transition and into the future. This third part of the report focuses on the relatively recent creation of a Legacy Campaign and proposes that income from this campaign be used to support Roberta Spencer's two years of half time employment.

A New "Legacy Campaign" for the System Dynamics Society. This year during the banquet at our annual conference, the Society will launch with some fanfare its new Legacy Campaign. We expect that over the next several years, this campaign could add up to several hundred thousand dollars of assets to be used by the Society for designated purposes (much the same as some designated assets support the PhD Luncheon, others support the Forrester Award, and yet others support the Field Development Fund). Where did this Legacy Campaign come from? Whose idea was it to have a Legacy Campaign anyway? What precisely are the goals of the Legacy Campaign? The answers to these questions came from the serendipitous combination of three streams of activity:

1. The home office did not initially intend to set up a Legacy Campaign. Rather when working with Cap Hill on a bridge contract for 2017, the home office was seeking some help in contacting potential conference sponsors for the 60th anniversary conference. Brian Buff, one of the Society's new staff brought on board because of the 2017 bridge contract suggested that the original task of working on a single year's conference sponsors be broadened to include doing ground work to set up a more significant and multi-year Legacy Campaign. Hence, in late spring of this year the notion of trying to set up a Legacy Campaign came to be.
2. On the day before Jay Forrester's memorial service at MIT, Roberta Spencer, Deborah Andersen and David Andersen had lunch with Jack and Julie Pugh in Concord. These long-time friends and colleagues share many experiences in common. Julie Pugh was the Founding Executive Director of the System Dynamics Society while Roberta Spencer is the

Current Executive Director of the System Dynamics Society. Jack Pugh was the Founding VP Finance of the System Dynamics Society and David Andersen is the Out-going VP Finance. Deborah Andersen has served as VP Publications. These five former officers of the Society agreed to pledge \$40,000 as a way to jump-start a Legacy Campaign with the stipulation that these funds be designated for the purposes of the Legacy Campaign. But what would be the purpose(s) of such a campaign?

3. For several years before his death, Jay Forrester had been the host to a series of luncheon meetings at his residence in Concord. Roberta Spencer and David Andersen had volunteered to coordinate the agendas for these luncheon meetings. One of several items on the agenda was an on-going discussion on the future of the field of System Dynamics and what could be done to promote a better future for our field. Participants in these discussions included Judy Forrester, Jack Pugh, Ken Cooper, Jim Lyneis, Bob Eberlein, Khalid Saeed, and George Richardson among others. Jay challenged those present over several meetings to create a formal System Dynamics model that would capture the essence of these discussions and plot a strategic pathway forward for our field. Real progress was made when GP Richardson took up the challenge and created the first cut at such a model. Richardson published his model as a small paper entitled “*Drawing Insights from a Small Model of the Growth of a Management Science Field.*” The results from this small model were presented to and discussed by the Policy Council at one of its recent meetings and was a special focus of the Presidential Address that year. Richardson noted that work on this model and paper benefited from comments and insights from John Sterman, Jack Homer, Kim Warren, John Morecroft, and Peter Hovmand in addition to insights from the initial focus group led by Jay Forrester. The Legacy Campaign has loosely defined its “core founders” as those senior members of the field who had some role in framing Richardson’s model.

It soon became clear that the purpose of the Legacy Campaign should be to further refine and to implement the strategies in Richardson’s model drawn from a process led by Jay Forrester, making this perhaps the first ever such campaign that has a dynamic hypothesis as its leading vision. A one page brochure describing the Legacy Campaign is presented in Attachment 9. A diagram of Richardson’s basic feedback structure in his model is contained in Attachment 10¹.

Roberta Spencer’s 2-Year Part Time Role Managing Special Projects. Recall that this whole multi-year transition process from home office operations at UAlbany to Cap Hill was touched

¹ The formally Designated Purposes of the Legacy Campaign are the following: “Income from the Legacy Campaign is intended by specification of the campaign’s core founders to be designated for use in support of the goals of the Campaign: Specifically, the Campaign will promote the long term growth of the field of System Dynamics by focusing on four goals:

- a. Promote high quality work in the field
- b. Promote the discovery and exploitation of high impact domains for System Dynamics work
- c. Recruit and encourage project champions with a vision to promote System Dynamics work
- d. Encourage global dissemination of System Dynamics work

As discussed above, these goals are part of a dynamic hypothesis articulated by GP Richardson in his paper “Drawing Insights from a Small Model of the Growth of a Management Science Field”, presented at the 2014 ISDC. This model was commissioned as a challenge by Jay Forrester, who actively participated in the discussions that led to the creation of the model. The Legacy Campaign’s core founders are those persons who participated in the development of this small model at the discussions hosted by Jay Forrester as well as several senior members of the field who contributed insights to the model.

The Legacy Fund will work to implement those goals by:

- a. Promoting a select series of special projects aimed at one or more of the Fund’s goals
- b. Supporting a small secretariat that can convene practitioners in our field to focus on and refine these goals.”

off by Roberta Spencer’s letter in late 2015 indicating that after she steps down as full time Executive Director she extended the offer to the Society leadership to work half time on special projects, especially projects that build their own resource base. While it is indeed a good idea to have Roberta continuing to be involved and working toward the “overall good of the field,” no one had a concrete idea of exactly that might mean. What exactly would she be doing? How would who pay for it?

When Eliot Rich and David Andersen were working on building the overall transition budget for the Society in May, June, and July of 2017, they had the idea that Roberta Spencer’s half-time employment beginning on or about September 1 2018 and extending for the next two years might very well be to create the “small secretariat that can convene practitioner in our field to focus on and refine [the Legacy Campaign’s] goals”, an alignment of the recognized need to build a base for our future growth as a field and the time-sensitive nature of our upcoming anniversary conference.

This idea for Roberta’s two years of half time employment has a number of good features to recommend it:

- It is work that is for the good of our field, but is also focused on resource development—just the kind of work that Roberta was seeking in her letter of late 2015.
- Roberta Spencer said that she would very much enjoy working on a Legacy Campaign.
- This arrangement could continue for more than two years, if Roberta were interested. This could be good for Roberta and good for the Society, and one for which she was uniquely qualified after her many years of relationship building as our Executive Director.
- Using the mechanism of asset designations, it would be easy to get such an effort up and running (as opposed to doing something such as setting up a separate 501(c)-3 organization, which would delay the start of the campaign well past this year’s conference sessions).
- This use of asset designations could be revised or even “undone” by a future vote of the Policy Council because that is how asset designations work as a legal matter in New York State (with the realization that funders of the Campaign could then stop funding the Campaign and seek some other way to achieve their intended goals for the field of system dynamics).

Table 2 below presents budgeted income and expenditures from the budgets presented in Attachment (7) relating to the Legacy Fund, indicating projected zero net impact on the Society’s budget from this arrangement.

	2017	2018	2019	Total
Inc - Legacy Campaign		\$15,696	\$47,090	\$62,786
Exp -R Spencer Salary for Special Projects		(\$15,696)	(\$47,090)	(\$62,786)
Net Impact on Society Budget		\$0	\$0	\$0

Table 2: Budgeted Income to and Expenditures from Legacy Fund Indicating Projected Zero Net Impact on Society Budget

Attachments:

- (1 through 6)** Reports for the year 2016 contained and described in Part I of VP Finance Report
- (7 and 8)** described in Part II of the VP Finance Report
- (9)** Legacy Campaign Brochure
- (10)** Main Feedback Structure in GP Richardson's Model of Growth of a Management Science Field



ANNOUNCING

the SDS Legacy Campaign

60 YEARS OF PROGRESS...

HELP US SECURE THE SYSTEM DYNAMICS LEGACY FOR GENERATIONS TO COME.



- PRESERVE OUR HERITAGE
- ADVANCE THE FIELD
- FOSTER IMPACT

2017 marks the 60th Anniversary of the founding of the field of System Dynamics — and this milestone year presents an important opportunity to look back at our past while securing a bright future for the field through the ongoing mission, outreach, programming, and member achievements of the System Dynamics Society.



HOW CAN I BE A PART OF THE SDS LEGACY CAMPAIGN?

You can make:

- A donation as a single gift or multi-year pledge.
- A bequest to ensure the future of SDS.
- An unrestricted gift that offers SDS the flexibility to use your funding where it is needed most.
- A specific gift that is directed for support of a particular program or initiative.

SDS is a 501(c)3 charitable organization, so your donation or bequest is deductible as allowed by law.

Help us reach out to those who believe in System Dynamics and whom you think are in a position to help us secure the future.

WHO WE ARE

The System Dynamics Society is an international, nonprofit organization devoted to encouraging the development and use of System Dynamics and system thinking around the world. We provide services to all levels of educational institutions, faculty, students, consulting firms, private and public sector practitioners, researchers, software companies, and members worldwide.



YOUR GIFT ADVANCES OUR WORK

Your support of the Legacy Campaign will assist SDS in further promoting and advancing the field through a wide variety of initiatives, including our: Scholarship Program, PhD Colloquium, K-12 Education Program, Forrester Internship Program, Summer School, Chapters and Regional Conferences.

THE SYSTEM DYNAMICS SOCIETY'S VISION FOR THE FIELD

System Dynamics will transform society by making improvements to decision-making in government, commerce and other organizations.

Powerful examples of its impact will be widely known amongst the general public, and people with authority will be aware of how System Dynamics can raise the effectiveness of the organizations they lead.

Organizations will employ or seek support from large numbers of experienced professionals with deep skills that are defined, recognized and valued. Those professionals will emerge from universities and other training institutions that provide high-quality training, drawing on an extensive resource of accessible and rigorous teaching materials. The topic will be understood and respected in the academic community. System Dynamics will feature in all parts of the education system, leading to public understanding and demand for better policy-making throughout society.

We welcome a conversation. If you would like to learn more about the SDS Legacy Campaign or would like to schedule a call or visit to discuss this opportunity, please contact:

Roberta L. Spencer, Executive Director at (518) 442-3865 or office@systemdynamics.org

(10) Main Feedback Structure in GP Richardson's Model of Growth of a Management Science Field

