

**PMI Board of Directors Meeting
Summary of Formal Session
16-17 October 2008
Denver, Colorado USA**

Virtual Community Project (Tab 2)

A motion passed unanimously to transition of SIGs and colleges from chartered components into fully integrated communities within PMI as defined in the design of the Virtual Communities Project. The Board directs the CEO to work with the existing boards of the respective SIGs and Colleges to facilitate dissolution of SIGs/Colleges and removal of all associated charters, so as to allow for their full integration into PMI's structure and operations to be completed no later than 31 December 2010.

The Board further directed the CEO to work with the Secretary/Treasurer to ensure that all governing documents are in alignment with this Resolution and/or will be amended at the appropriate time to reflect these changes and any such amendments will be presented to the Board for prior approval.

A motion failed to suspend for six (6) months the process of transitioning of virtual communities into the PMI corporate structure, as is defined within the GOC VCP Deliverable Pkg. of 07/08/08 and the VCP Memorandum of Understanding (Draft) of 07/23/08.

The intent of the above motion was to use the six months to establish a coalition of SIGs and Colleges of a determined representation of their Chairs/Presidents to facilitate the recognition and consideration of the concerns and recommendations of all SIGs/Colleges in the final VCP implementation plan. The coalition wanted to evaluate stated concerns of the PMI BOD, GOC, and SIGs/Colleges and develop a new Business Case that defines an alternate VCP solution, which address PMI BOD VC concerns and satisfy the GOC, BOD, and SIGs/Colleges needs.

Strategic Planning and Program Alignment (Tabs 3-5)

The PMI Board of Directors approved the following motions to modify language in the PMI Strategic Plan. The Board requested that a communication to stakeholders should note that the motions approved were to refine the wording of the current strategic plan and that no significant changes were made.

Modify Strategic Principle #5 to read: 'In responding to diverse stakeholder needs, PMI shall primarily focus on activities/offering that advance the practice of project management'.

Modify Strategic Principle #6 by adding the word "careers" hence: 'In responding to practitioner needs, PMI shall endeavor to enhance the careers, skills and knowledge of practitioners'...

The addition of the following Strategic Principle #7 as: '7. In responding to organizational stakeholders, PMI shall support organizations to create an environment that enables project management to accelerate the implementation of strategy and achievement of the organizations' objectives'." Motion passed.

Revise the original Strategic Principle #7 to read as follows: 'In striving to support our envisioned goal, PMI must be creative, adaptable and flexible in accommodating the needs of stakeholders around the globe'.

Replace the original Strategic Principle #10 'While it is important for PMI to seek continued viability in the marketplace in a way that allows the Institute to thrive as it serves the profession, PMI shall seek to develop partnerships with organizations, including project management organizations that support the further development and recognition of the profession in a manner that is aligned with PMI's strategy' with: '*PMI shall achieve its strategic goals through collaborative and or competitive efforts, as appropriate*'.

Authorize that the first time project management appears in the strategic plan, a sentence should be added to define it as meaning project, program and portfolio management. Hence the core purpose will now read: '*To advance the practice, science and profession of project management throughout the world in a conscious and proactive manner*'.

Authorize to remove the words 'strategic alliance' in the second bullet of Value Proposition, hence: 'PMI establishes a reputation as the preferred partner for the advancement of the profession and its successful practice'.

Authorize to modify Vivid Description 1 to change the word unique to core, hence: 'Project management is a core competency for organizations'.

Authorize to delete the wording In the Tecker model (page 3) this is described as the 'Big Audacious Goal'. PMI has chosen to retain this intent but change the name to 'envisioned goal' based on stakeholder feedback.

Remove all unnecessary references and acknowledgements to consultants and books be deleted. Hence: The Acknowledgement 'The development of this Working Strategic Plan was facilitated with the assistance of Tecker Consultants, L.L.C. PMI acknowledges that this plan incorporates some of the approaches presented in the Tecker Model'. PMI also acknowledges that portions of the Tecker framework were adapted from the writings of Collins and Porras in the book '*Built to Last*' will be deleted.

Authorize to change the verbiage under Goals, Objectives and Measures (page 10) to read: 'The following thinking represents PMI's long-range strategic guidance for the next 3-5 years'. Progress towards the goals is measured consistent with the strategy map below.

Directed the CEO to engage appropriate resources to develop and deliver a business plan, for action by the Board no later than December 2008, to address the strategic position statement: 'To become more relevant at all levels within organizations, PMI must transform the way it serves the market, supported by the profession, through the delivery of sustainable and comprehensive offerings'.

(Administrative Note: The above motion will replace the motion approved by the Board in May 2008 regarding the strategic position statement.)

Authorize to add the following as a Strategic Principle in order to address the social networking mega issue identified at the December 2007 strategic retreat: 'PMI considers the users of technology-based forms of congregation and communication a strategic market. PMI will be a leader in the project management field for this market segment'.

Authorize to add the following to the Strategic Principles: 'PMI shall take actions and make decisions in a socially and environmentally responsible way'.

Board Development Program (Tab 7)

The Board concurred with the revised Board Development Program (September 2008), thanked the task team for its work, and directed that the Governance Committee reviews the program annually and makes any changes it deems appropriate annually.

Board Model Assessment Task Team (Tab 8)

The PMI Board of Directors agreed with the recommendation of the Board Model Assessment Task Team to sunset the External Relations and Volunteer Involvement Committee (ERVI) effective December 31, 2008 and that paragraph 6.5.6 d) should be deleted from the PMI Board Standing Committees and Subcommittee Rule of the Board.

The PMI Board of Directors approved the Vice-Chair position assuming the role of Strategic Planning and Program Alignment Committee (SPPA) Chair and that paragraph 6.5.6 b) of the PMI Board Standing Committee and Subcommittee Rule of the Board be revised to state that 'The Strategic Planning and Program Alignment Committee is chaired by the Vice-Chair'.

The PMI Board of Directors agreed with the recommendation of the Board Model Assessment Task Team that the 2009 Governance Committee be comprised of only the Chair, Vice-Chair, Secretary-Treasurer and President and CEO.

The PMI Board of Directors accepted the Board Model Assessment Team's recommendation and directs the 2008 and/or the 2009 Governance Committee(s) to review, discuss and implement (as they feel appropriate) the below recommendations given their responsibility for "effective functioning of the PMI Board:".

1. Transfer any remaining strategic deliverables in the ERVI Charter to the SPPA and/or POC Charters *if* deemed appropriate to do so.
2. Elevate ERVI's Subcommittee, the Appointee Qualification Subcommittee (AQS) to the Board "Other" Committee Level
3. This action is consistent with ERVI's AQS Implementation Plan.)
4. Consider renaming Board "Other" Committees to "Board Support Committees".
5. Revisit Core Values in the strategic plan, particularly separating community and volunteerism based on the questions identified as a result of the BMATT exercise that mapped the Board Program of Work against the Bylaws, Rules, Strategic Plan and Charters.
6. Request that the 2009 SPPA charter include the questions raised as a result of the BMATT mapping exercise for their consideration and awareness in future strategic planning discussions.

Secretary's Note: The Board requested that the Board Model Assessment Task Team draft a communication plan explaining the structure changes to stakeholders. Further,

the Chair requested that SPPA and POC update their 2009 committee charter for approval in Mid November 2009.

2009-2010 Program Plan and Budget (Tab 9)

The PMI Board of Directors approved the 2009-2010 Program Plan and Budget, which includes a USD \$132.0 million operating budget for 2009.” Motion passed.

The PMI Board of Directors suspended Rule of the Board 13.1.3 for the 2009 Program Plan and Budget which states:

‘The Annual Contribution to the reserve shall be 5% of annual audited revenue if the reserve is less than the Targeted Reserve. If the Targeted Reserve is achieved in a given year, the requirement for the Annual Contribution is waived.’

PMI GOC is recommending this waiver for the 2009 Program Plan and Budget, only, due to the unusual decline in the market value of the PMI investment portfolio and the uncertain current and future conditions of the financial markets. By way of example, this waiver will allow PMI to continue providing products and services to our stakeholders at the current level of investment as well as invest in areas such as Regional Development, VCP and Organization Market Development.

Ethics Sanctioning Guideline (Tab 10)

That the PMI Board of Directors approved the implementation of the attached PMI Ethics Sanctions Guidelines for the immediate use by the Ethics Review Committee and the Ethics Appeals Committee in determining the imposition of sanctions against a person found in violation of the PMI Code of Ethics and Professional Conduct.

Consent Calendar for Approval

The PMI Board of Directors approved the Consent Calendar for Approval that contained the following items:

July 24, 2008 Board Meeting Minutes

President & CEO Annual Objective Setting, Performance Evaluation & Compensation Adjustment Process

Code of Ethics and Professional Conduct Implementation (CIAC) Code Translation Policy

Board Leadership Continuity Principles as a PMI Directional Document

2009 Ethics Appeals Committee Charter (EAC)

2009 Ethics Review Committee Charter (ERC)

2009 Code of Ethics and Professional Conduct and Implementation Advisory Committee Charter (CIAC)

2009 Certification Governance Council (CGC)

2009 Global Accreditation Council (GAC)

2009 Nominating Committee Charter (NomCom)

2009 Volunteer Appointment Charter Committee

AQS Other Board 2009 Committee Appointments (Secretary’s Note: The Board waived Rule of the Board 12.1.1. (10) Board Member’s Code of Conduct so that Al Zeitoun can serve on the NomCom and Volunteer Appointment Committee in

2009)
2009 PMIEF Board Appointments for 2009-2011
2009 Code of Ethics and Professional Conduct Implementation Advisory
Committee Appointments.

Respectfully submitted,

Eugene (Gene) Bounds, PMP
2008 Secretary-Treasurer/POC Chair