

in the final analysis

“If plan A fails, remember there are 25 more letters.”

—Chris Guillebeau

In the Coronavirus era, I admit that TMS has had a lot of Plan A fails. Ditto many Plan Bs, Cs, Ds, . . . and Zs, right into the Greek alphabet like the Atlantic hurricane season. Adjust though we did, the tendrils of COVID-19 impacted every aspect of TMS operations and business initiatives in a generally negative fashion, suffocating events, publications, membership, strategic initiatives, grant acquisitions, volunteer engagement, advocacy, and . . . you get the idea. Financially, the year would have ended with an operating deficit were it not for a record TMS2020 immediately prior to the Coronavirus explosion and the opportunism of the Society to apply for and receive a sizeable but forgivable loan from the U.S. Government.

Today, we are in the upswing of widespread vaccine distribution and the shape of normalcy is on the not-too-distant horizon. We are not there yet, but COVID-19 seems likely to diminish before we reach 2022—but *when* and by *how much*? To develop a 2021 budget, we needed crystal balls, not spreadsheets. Lacking the former, we built the 2021 budget predicated on “normalcy” returning by mid-year. Of course, normalcy in this context does not mean back to normal. We need time to recover physically, emotionally, and psychologically; to become comfortable with interacting and traveling again; to re-engage on work that may have been slowed or paused since March last year; and to re-adopt to the routine of getting proper haircuts.

During my service as Executive Director, I had never submitted a net negative budget for approval by the volunteer leadership. I can’t say that anymore. Operations are budgeted to come up about \$600K short in 2021. Red ink notwithstanding, I’m proud of our collective work. What TMS has experienced, and continues to experience, is much more a function of a “black swan” event than poor business practices. We can recover. We will recover.

For context, our pre-Coronavirus revenue expectation for 2020 was \$9.2M. Throw COVID-19 into the mix, and our 2020 revenue will be about \$7.7M. For 2021, as the pandemic continues, we are budgeting \$6.3M in revenue. Then the corner is turned: For 2022, we project revenue to rebound to \$8.3M; by 2023, we should be back to \$9M.

How do we sustain ourselves until the rebound? Well, we are cutting expenses. That’s a given. We are doing this with prudence. I know that many of you are concerned for the TMS staff; be assured that they are all retained in the 2021 budget. We need their talent, experience, and expertise now more than ever. We are also investing to more fully engage our volunteers and members through virtual tools and experiences. We expect the “Zoom” culture to only grow and that presents an opportunity for us to grow with it. Most importantly, TMS is a beneficiary of a financial vision engineered by volunteer and staff leadership over the decades—an operating reserve built by accumulating annual surpluses from operations, revenue from the sale of the TMS headquarters building, and income from investments. By TMS policy, the reserve is, in part, “to help ensure the long-term stability of TMS and to provide funds for use against severe economic conditions and other unanticipated events.” As of the end of 2020, we project about \$4.5M of unrestricted assets to reside in these reserves. We have the headspace to endure a bad year.

Will our Plan A work? Candidly, I’m optimistic that we will outperform our expectations. You can help by renewing your membership, recruiting a colleague to join or volunteer, registering for TMS2021 or MS&T21 or a specialty meeting, taking a short course, publishing a paper in a TMS journal, . . . any form of engagement lifts the Society, benefits your career, and enhances the materials science and engineering community. That’s a “win-win-win.”

If Plan A doesn’t work, I’m prepared through Plan Iota. After that, I’m open to suggestions!

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