

MESSAGE FROM GAVIN SCHUTZ

SMPTE FINANCIAL VICE-PRESIDENT

This month, I would like to address several financial aspects of SMPTE operations. The Society begins the new millennium in a very good financial position. During 1998 and 1999, our overall financial situation has steadily improved—mainly as a result of fiscal decisions made several years ago. I am happy to report that the outlook for the future is good.

SMPTE is a non-profit organization. It exists for the benefit of you—the members. Because of this, the financial structure of the Society is directed towards breaking even rather than making a profit. Income is derived from three main sources:

- Individual and Sustaining Membership Dues
- Annual Conferences and Tutorials
- The sale of standards and other technical publications

SMPTE Membership

Individual memberships are the largest single source of revenue. Over the last several years, we have found it necessary to increase membership dues to cover the cost of running the Society and building it into the motion picture and television industry's most respected standards-making organization. This responsible but difficult decision has allowed us to stabilize the overall financial condition of the Society and position ourselves strongly for the future. Current individual membership stands at about 10,000, and has been relatively static over the past several years. Advantages of Society membership include discounts on conferences, books, and other publications, as well as access to the *Journal*. SMPTE membership today represents one of the best value-for-money propositions in the industry.

Two thirds of the income from membership dues comes in the form of individual dues; the remaining one third is from sustaining members. Because of this, sustaining memberships are an important part of our financial health. Headquarters staff and Sustaining Membership Chair Roy Brubaker devote a considerable amount of time and effort to recruiting sustaining members.

There are many benefits to becoming a sustaining member, and we should all be on the lookout for new opportunities. If the company you are working for now is not a sustaining member, it should be. Information on the many advantages of Sustaining Membership can be obtained from Marketing Manager Linda Alexander or Marketing Associate Bryan Nella at SMPTE headquarters.

Conferences

The second largest source of revenue for the Society is our annual conferences. The Advanced Motion Imaging Conference, the Annual Fall Conference, the NAB Seminar, and, last year, the Film Conference all provide our members with state-of-the-art knowledge and tutorial information. Conference Coordinator Ilisha Stier has been responsible for our successful return to the exhibit business in 1998 and 1999. These conferences have provided a forum for members and manufacturers to interact with each other. They also provide a basis for financial growth for the Society. We expect increasing growth in this area over the next five years and are planning to provide increased exhibit space at these annual events. Additional revenues are generated as a result of our relationship with IBC.



Engineering

The overall emphasis of the Society is on motion picture and television engineering, and it is from this perspective that we have seen the most growth over the last few years. Under the guidance of Bill Miller, (Engineering Vice-President), Merrill Weiss (Engineering Director for Television), and Ioan Allen (Engineering Director for Motion Pictures), the engineering activities have achieved self-sustaining financial status for the first time in history. Income from these activities completely covers all costs of developing

Standards, Recommended Practices, and Engineering Guidelines, as well as our participation in liaison activities with other national and international standards organizations.

Infrastructure

In the past year, capital has been appropriated for the purchase of a server and other necessary equipment that enables the work of the engineering groups to be conducted in a network-based environment. This provides a much more efficient overall technical infrastructure for sharing engineering work product and helps cut costs associated with paper-based distribution. SMPTE Engineering Director Carl Girod has played a critical role in the procurement and deployment of this network, and, with Staff Engineer Mark Hyman, is responsible for the increase in overall efficiency of engineering operations at headquarters. Availability of the standards library on CD-ROM has made a major contribution to revenues.

On the expense side, Executive Director Fred Motts has done an outstanding job of controlling costs. Administrative expenses have risen only incrementally over the last three years. In 1999 several capital projects were completed, a new phone system was installed, major repairs to the headquarters building were completed, and additional computers were purchased for the engineering and publications departments. Looking forward to this year, monies have been allocated for the upgrade of administration computers and the overall network. Provision for capital has been made to implement electronic commerce—enabling better service for our members worldwide and bringing us firmly into the Internet age.

In summary, the financial position of the Society is strong and the future is bright. We are operating within our financial limitations—the reserve fund is strongly capitalized and costs are under control. This year promises to be one of growth for the Society in particular and our industry in general. We are in a good position to meet the challenges of the next few years.

Acknowledgment

On a personal note, I would like to thank every member of the Headquarters staff for their dedication and commitment to the SMPTE membership, the Board of Governors, and the Executive Committee. There are only 21 employees at headquarters. Together they provide the complete range of member services—from publishing the *Journal*, setting up and administering the conferences, handling all standards activities, liaising with other professional organizations, to managing all administrative and support services. They are the means by which we provide the services and support to our most important customers—you.

—Gavin Schutz