

## **Distribution Center Oversight Committee (DCOC) Report to the 2019 ABC**

### **Members:**

- Bill D., Chair, Florida
- Jim B., Vice-Chair, Florida

**Inception Date:** April 1986

**Meets:** Weekly on a regular day and time and as needed.

**Website URL:** <https://acawso.org/category/dist-ctr-oversight/>

Email contact: [dcocchair@acawso.org](mailto:dcocchair@acawso.org)

### **Statement of Purpose/Mission:**

As provided for in the OPPM “The purpose of the Oversight Committee is to maintain contact with the office management to ensure that all operations are running smoothly, that policies are being followed, and that the Staff has the resources they need to do their jobs.”

Its function is also to provide fiduciary oversight of the distribution center operation and inventory purchases/sales of the WSO. This committee monitors the business operation of the WSO and acts as a resource to the Board for office related functions.

### **DC Oversight Committee Role**

In April of 1986 the Adult Children of Alcoholics World Service Organization (ACA WSO) was created by changing the name of the Adult Children of Alcoholics Central Service Board, Inc. to the Interim World Service Organization. The IWSO later became ratified as the ACA WSO.

The ACA WSO OPPM states that “A priority of the ACA WSO Board is to provide an accessible office that offers recovery information of the ACA Twelve Step Program to everyone. WSO employs special workers (Staff) who provide a number of services, including, but not limited to the following:

- Answering phone and mail inquiries.
- Providing information for those seeking recovery through attendance at ACA meetings.
- Facilitating the sale and distribution of merchandise and WSO conference-approved literature.
- Distributing information to the therapeutic community and the public.
- Maintaining the list of ACA meetings, Intergroups and other service levels.

- Maintaining files for financial records, contracts and other legal documentation, original copies of WSO literature files, archival information about the fellowship and other important correspondence.
- Ensuring that the proper flow of information happens among appropriate Board members, committees, Staff and vendors.”

### **Significant Accomplishments in 2018**

The work the DCOC committee does by developing procedures and reports is important for the success of the future boards and DCOC committee members to better understand our business operations while also documenting fiduciary responsibilities are met.

One of the best recommendations to come out of the DCOC in 2018 was to significantly increase the purchase quantity for our publications and products. By ordering BRB, YWB and Meditation books in quantities of 10,000 units WSO lowered its per unit cost which allowed WSO to meet the rising costs of inflation without increasing selling prices this past year. It also alleviated more frequent ordering which often resulted in production delays causing out of stock situations.

In our weekly meetings, as well as on an as-needed basis, many issues were addressed in 2018 including the following:

- The DCOC regularly reviews inventory levels at all sales centers and interacts with the management through a board liaison to recommend order levels.
- Research and recommend innovative purchasing strategies.
- In mid-2018 WSO hired Nick Calandrino as its Operations Manager to replace the General Manager who left just before the 2018 ABC.
- 3<sup>rd</sup> Party Fulfillment operational oversight: We have experienced an incredible growth increase of 68% in 2018 over 2017 for Amazon US sales. Amazon UK and Canada are also experiencing good growth in sales. We have had to modify our oversight strategies to accommodate that growth.
- Equipment needs: We recommended the purchase of a forklift for the warehouse, a major capital investment that combined with the pallet racks allowed us to triple the storage capacity in our warehouse.

### **The Evolution of the DC Oversight Committee**

The Primary function of the DC Oversight Committee has changed over the last couple of years from the day to day managers of the office to a role of oversight. This change began when the WSO hired a general manager in 2017 and after she left, hired an operations manager in mid-2018. The managers manage the business operations with the DCOC providing support and fiduciary oversight.

The role of the DC Oversight Committee is to provide a formal method for the board of trustees to perform its fiduciary responsibility of monitoring the assets and performance of the organization by reporting on these items regularly to the board of trustees and membership.

These board reports are prepared by routinely receiving and reviewing sales and inventory reports from management and staff, developing longer term sales strategies in collaboration with the office and board, monitoring the performance of the business and service office, and assisting when needed to develop recommendations for expanding the fellowship services, technology, and publishing business.

The DCOC also reviews and approves inventory transfers and other purchases up to a set amount. It takes requests to the board if they exceed the maximum the committee can approve.

### **Inventory Management**

One item the financial auditors have cited in their two prior audit reports is that WSO needs to improve its inventory management. WSO inventory is currently verified by manual counting on a regular basis at the end of each calendar month. This is a fundamental component of inventory management, but not the only component. The use of the inventory during the month needs to be reconciled against the beginning and ending counts to confirm the inventory is accounted for properly.

WSO currently has two separate reports regarding inventory and sales. One is produced by the office shipping staff. The other one is produced by the accounting staff. The DCOC created a report by combining these two reports to give a more complete picture of the monthly sales. This allows the committee to reconcile what is in stock versus what was sold and shipped in order to provide the final step in inventory management oversight.

To do this a new report called Product Sales and Inventory Reconciliation Report was created to perform a comparison of the beginning and ending monthly inventory counts against the monthly sales and other inventory uses.

### **Looking Forward to 2019 and Beyond**

One issue that has surfaced in the first quarter of 2019 is the issue of taxes on product sales. With recent legislation by many states in the US being passed that allows for internet sales to be taxed by the states where the products are delivered, WSO has found itself in need of a more sophisticated sales tax computation program.

These programs do more than just calculate tax rates in the delivery state, they also calculate the taxes in local and district tax areas, prepare the various tax returns as required by the states, and provide an archive for compliance requirements. We are also looking at

the ever-increasing VAT tax issues overseas. With the board's blessing the DCOC expects to get ahead of this issue by the end of the 2<sup>nd</sup> quarter of 2019.

The oversight committee would like to help develop new reports that can be used by other committees and the board to better understand our sales. The DCOC will also use these reports to evaluate the future trends in the growth of our business side and the product logistical needs of our fellowship. At the appropriate times the oversight committee will make business recommendations to the board for consideration. If they are approved, they can be conveyed to the management through the current channels.

We also want to continue to look at our office to determine whether it will be outgrown anytime in the next 2 to 5 years and if so, work to develop a longer-range plan.

### **Report from the Operations Manager**

*The Signal Hill ACAWSO team is performing at an optimum. Shipments are processed within 24 hours or less. Our offices have been enhanced with a décor befitting a world class organization and Operations Manager Nick Calandrino is optimistic about the future of the program and its ability to aid in saving lives. Together with board liaison David M., and other staff Gloria Delgado, Keara Schneider and Jose Vazquez the WSO Signal Hill office is ready to handle and exceed any challenge.*

### **Call to Action**

In closing of this report the oversight committee wishes to attract people with business and technology experience as well as those with specific marketing and sales experience to serve on the committee. We are continuously looking for people with a global view.

Anyone with a business, marketing, sales, or technology background is welcome to apply to join the committee.

Please feel to contact the committee at [dcochair@acawso.org](mailto:dcochair@acawso.org).