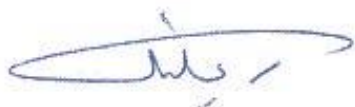


PROPOSED 2019-2021 Budget

International Council of Management Consulting Institutes (CMC-Global)

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Submitted for Approval



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1. BACKGROUND

The 2018-2019 and 2019-2020 budget proposals in Milan were based on the CMC-Global strategy and the 2016-2017 work of the Strategic Funding Taskforce. For the approved 2019 – 2020 budget there was no increase in membership fees, and it continues to be the same for the 2020-2021 proposed budget.

The approval of the previous budgets was an important step towards establishing the stability of the organization. With the 2020-2021 proposed budget, we follow the same philosophy of relying on variable income for our strategic initiatives. We intend to slightly increase core Secretariat expenses, but this will not reflect in an increase to Membership Fees. We will build growth through the flexible revenue part of our budget, especially with having some flexible revenue projects turn into becoming part of our fixed revenue due to their maturity and stability of revenue for the past three years. An example on those is the contributions from the ICMCI events. Next year, more of such activities will be evaluated and may be reallocated. This is consistent with our intentions to create variable revenue sources and nurture them until they can become ongoing, fixed revenue sources for ICMCI.

This proposed budget covers two fiscal years as has been the practice for the past few years.

2. STRATEGIC POSITIONING

Our new strategic plan is part of the papers to be presented at the annual meeting, you will notice that the plan focuses on main objectives and goals and restates the vision of our organization as well as highlighting its mission.

Input from all IMCs was gathered towards finalization, and it was presented at our hub meetings. The plan emphasizes on the KPIs for the duration of the implementation phase while annually revisiting them for evaluation.

The plan provides us with a global, mutually agreed way forward, together with the requirements to bring our vision closer to reality. Like the previous plan, it is based on extensive collaboration and input of our board members, volunteers on the committees and taskforces, the secretariat, and most importantly that of the national IMCs. This allows us to build on previous successes and incurring more.

With your approval of the 2018-2020 budget we can confidently implement many aspects of the services and programmes envisioned. This created programmes and services that are generating additional revenue for both the IMCs and the global organization through the co-sharing schemes that took effect once the CMC-Firm and the CMC-Directory were launched.

3. DRAFT BUDGET 2019-2021 WITH COMPARISONS

On the following pages, we present:

- The approved 2018-19 Budget
- The actual 2018-2019 Revenue and Expenses
- The approved 2019-20 budget (approved at Milan Annual Meeting of Delegates).
- The proposed 2020-21 budget.

The budget is presented in the format we have been using for the past several years, with a separate section for Fixed Revenue; Flexible Revenue; Core Costs; and Variable, Non-core Expenditures for ease of comparison. As advised last year, some changes took place in changing some services from being flexible to fixed due to maturity and consistency of revenue.

CMC-Global Institute Draft Budget 2018/2019 - 2019/2020

In Euros

	Approved 2018-19	Actual 2018-19	Approved 2019-20	Proposed 2020-21
Fixed Revenues				
Application Fees	1,000	0	4,500	4,500
Membership Fees	142,700	144,998	142,700	142,700
Total Annual Membership Dues	143,700	144,998	147,200	147,200
Miscellaneous Revenue				
Contribution Congress / Conference	7,500	10,310	7,500	10,000
Pin Sales and signed CMC Certificates	2,500	1,625.00	2,500	2,000
Miscellaneous Revenue	1,000	1,006	1,000	1,000
Total Miscellaneous Revenue	11,000	12,941	11,000	13,000
Interest Revenue	500	-	500	-
Total Fixed Revenues	155,200	157,939	158,700	160,200
Flexible Revenues				
ICMCI Projects				
CMC-Firm	7,500	2,600	7,500	7,500
CMC-Directory	-	500	2,500	10,000
ISO 20700 licenses and training	-	8,125	8,000	20,000
ICMCI Brokered Projects	-	-	500	-
Secretariat Services	-	9,000	8,500	9,000
Total ICMCI Projects	7,500	20,225	27,000	46,500
Total Flexible Revenues	7,500	20,225	27,000	46,500
TOTAL REVENUES	162,700	178,164	185,700	206,700

	Approved 2018-19	Actual 2018-19	Approved 2019-20	Proposed 2020-21
Core Expenditures				
Core Secretariat Expenses				
Salary & Benefits	80,000	78,148	88,000	96,500
Travel & Accommodation costs	6,000	6,458	8,000	8,000
Dues & Subscriptions	2,000	1,193	1,500	1,500
Postage and Delivery costs	1,000	-	200	150
Stationary - Purchase	500	-	500	500
Printing and Reproduction (Pins)	1,000	111	1,000	1,000
Telephone & Fax	1,000	-	200	150
Other	1,700	-	500	150
Total Secretariat Expenses	93,200	85,909	99,900	107,950
Core Board and Governance Expenses				
Chairperson's Costs	5,000	5,203	10,000	10,000
Face-to-face Board Meeting	6,000	5,887	6,000	6,000
Total Board and Governance Expenses	11,000	11,090	16,000	16,000
Core Assessment & Re-assessment Expenses				
Assessment Expenses (Assessor Travel Expenses- Provisional applications)	-	-	-	2,000
Re-assessment Expenses (Assessor Travel Expenses)	12,000	8,125	10,000	10,000
Total Re-assessment Costs	12,000	8,125	10,000	10,000
Core Marketing & Communications				
M&C General costs	4,000	-	4,000	4,000
Newsletter	1,500	-	1,500	1,200
Other Marketing Expenses	500	-	500	500
Total Marketing & Communications	6,000	-	6,000	5,700
Core Internet/Website				
Development cost	-	-	-	-
Annual Maintenance Support	2,300	-	2,300	2,300
Operational Maintenance (including Hosting)	5,000	3,250	5,000	5,000
Total Internet/Website	7,300	3,250	7,300	7,300
Core Treasury Expenses				
Bank & Credit Card Costs	1,200	1,340	1,500	1,500
Monthly Service Charge - Online Payment	-	215	-	250
Swiss Lawyer/Tax Expert/Insurance	3,000	5,011	3,000	5,000
Other Professional Support	2,000	-	-	1,000
Annual Audit	2,000	2,569	2,500	2,500
Swiss VAT	5,000	1,694	5,000	3,000
Total Treasury Expenses	13,200	10,830	12,000	13,250
Total Core Expenditure	142,700	119,203	151,200	160,200

	Approved 2018-19	Actual 2018-19	Approved 2019-20	Proposed 2020-21
Variable, non-core Expenditures				
CMC Directory	2,500	316	1,750	1,000
CMC Directory: Co-Sharing Credit to IMCs	-	125	750	2,500
Global Status (Consulting report)	2,000	526	2,000	2,000
CMC Firm	2,500	2,466	5,500	1,000
CMC-Firm: Co-Sharing Credit to IMCs	-	240	2,000	2,000
AMCC	-	-	2,000	2,000
Outreach	5,000	-	10,000	10,000
ISO Development Costs	2,000	2,544	5,000	5,000
Admin Support				6,000
Trademarks	2,000	-	2,000	10,000
Other Expenditures	1,000	500	500	500
Total Non-Core Expenditure	17,000	6,716	31,500	42,000
TOTAL EXPENDITURES	159,700	125,919	182,700	202,200
RETAINED NET REVENUE				
From Fixed Revenue - Core Expenses	12,500	38,735	7,500	-
From Flexible Revenue - Non-Core Expenses	(9,500)	13,509	(4,500)	4,500
TOTAL NET REVENUE	3,000	52,244	3,000	4,500

4. NOTES TO THE PROPOSED BUDGET

1. Revenue

Fixed Revenue: Even with the slight increases over the past 3 years, we have met the recommendations of the taskforce and reached the equation of fixed revenue covering fixed costs. This was an increase in the revenue from application fees and miscellaneous revenues. The same was applied for 2019-2020 with no increase in Membership fees, the same will continue for 2020-2021.

However, it is important to note that invoices between institutes will vary depending on the number of IMCs, as well as the numbers of CMCs, and ACPs for each country as provided in the membership survey.

In the fixed revenue section, the assessment and re-assessment fees are combined with the membership fees to mirror the report of the auditors. In our accounting systems we record the assessments and re-assessments in separate accounts taking all the different adjustments into consideration for full reporting during the year. Looking at our accounting system, you will note that there are:

- a. Membership fees
- b. Provisional Application fees, and those cover the provisional assessment
- c. Full membership application fees, and those cover the full membership assessment
- d. Re-assessment fees

Since we did not have any provisional or full application fees for 2018-2019, we will present this separation next year to provide the necessary detail.

As indicated in the introduction, the revenue generated from the contributions towards hosting the conference/meetings of ICMCI now shows in the fixed revenue of ICMCI as it demonstrated steady and reliable income over the past 3 years.

Flexible Revenue: both the 2019-2020 and 2020-2021 budgets focus on the four main activities:

1. The CMC-Firm: despite initial delays, the programme is now fully finalized and full implementation started resulting in a total of 11 CMC-Firms. First annual invoicing took place in July. The Firm directory is also launched, and this might create more interest among your member firms hoping you would support in the promotion.
2. The CMC-Global Directory: The CMC-Global directory is launched and demonstrated some income and expenses, especially with the co-sharing scheme, hoping it will pick up among your CMCs and provide revenue during the first year of launch to cover the directory development expenses and start providing a steady revenue the year after for both the Secretariat and IMCs.
3. The ISO 20700: the revenue is based on the training being delivered for the CMC-Global Checklist which grew extensively especially with the agreement signed with EBRD and the agreement being finalized with FCSI. Also, training among IMCs gained momentum especially with having 21 IMCs accredited to deliver the course. The generated revenue is exemplary and demonstrates to the IMCs the value they would gain from providing this training to their CMCs and MCs.
4. Secretariat Services: this covers the revenue generated from delivering our secretariat services to the Global Institute. This service is based on a service agreement renewed annually.

We anticipate that additional services and products will be added over time. For example, next year we expect to add the Accredited Management Consulting Course (AMCC) after the testing phase is finalized and the business proposal and process are ready for implementation.

2. Expenditure

Core Expenses: this section focuses on our global operational expenses which cover the secretariat, board, treasury, and marketing efforts.

The Secretariat now consists of an executive director and an executive secretary, with a fund for travel for the secretariat office as well as costs related to operations. Previously the fund only covered the ED travel expenses. In 2019-2020 we proposed to increase that in order to cover the travel expense of the ES to the annual events and the same is being proposed for 2020-2021. The salaries have an increase in order to cover the annual increase to our current secretariat, as part of our Secretary services are being recovered through the provision of services to GI.

Dues and subscriptions cover virtual conferencing. Starting January 2019 we began using Zoom as a platform, which proved to be at a lesser cost (two-year subscription for the cost of one with WebEx) and with better features. This line also covers the QuickBooks subscription, which is our accounting system, and the ICMCI Full membership with CoNGO.

The governance and board expenses still cover the Chair travel expenses and the face-to-face board meetings and continue to be at the same amounts as the approved budget of 2019-2020.

This year, all the assessments that took place followed the new procedures and is reported accordingly.

Bad debts are not part of the budget anymore and are reported in the treasurer's report and the audited statements.

Core Marketing and Communications is an important part of the budget and with the projected increased activity of the committee we may re-visit allocated budget for the coming years. For the 2020-2021 budget, we remain at the same average amounts with less budgeted towards the newsletter as this remained unused from previous years.

Core Internet / Website include the maintenance and operational costs as all development has been finalized, and any development related costs would be against the services that would be launched via the website included in the non-core section.

Core Treasury Expenses are straight forward and reflect only the requirements of increased activity. Reallocation of budget took place between the Swiss Lawyer/Tax Expert/Insurance and Swiss VAT after looking at the past 3 years. Also, a line was added to reflect the online payment expenses as a monthly service charge, and as per the last two years, the annual audit has been added as a recurring expense in the core treasury.

Variable Expenses: Assuming €46,500 of flexible revenue, we would incur expenses for the budgeted amount of € 42,000 in the following areas:

- **CMC-Directory:** This budget line covers expenses for the implementation of the CMC-Directory to cover expenses that will result from its growth and future support for platform maintenance. The directory was launched end of June and it already generated revenue from subscriptions and it also generated credit to IMCs in the co-sharing item line. This reflects the activity vs. the revenue item line for the service itself.
- **Consulting Report (CRI):** This budget line covers expenses directed towards the consulting report. Last year the budget was used to purchase data that was needed for the index, this encourages us to maintain the budget during 2020-2021 as it is planned to expand the scope and research activities and that might include further purchasing of data for this project.

- The CMC-Firm project now has an on-line directory, launched at the end of June. The allocated budget will cover the maintenance of the website and any incurred expenses with growth. A budget line was included last year to cover the credit to IMCs to reflect the co-sharing scheme. This reflects the activity vs. the revenue item line for the service itself.
- The Outreach budget line reflects our increased efforts to enhance our outreach activities. This budget line offers us the flexibility to manage specific promotional events to enhance our visibility globally, and supports the budget allocated to the marketing committee. This budget was not used last year while it was properly utilized in 2017-2018 to celebrate the launch of the ISO20700 and shed light on ICMCI's role.
- ISO 20700 that was launched two years ago and proved a successful service this year, as after launching the Checklist training and gaining all the traction, and signing agreements with organizations, ICMCI are looking into addressing further needs to satisfy consulting firms as well, and this budget line addresses any expenses that might arise from the business proposal to be presented by the taskforce.
- Admin Support: this is a new budget line, and we consider this a variable expense, as it would address contracting an admin support to cover the increase in secretariat work based on the increased number of hours needed to address the several revenue generating services inquiries. The admin support will provide the support to the secretariat in carrying the related day-to-day tasks.
- We are working on protecting our trademarks, the Treasurer started this exercise, and we project to finalize during this year and next year, that is why the proposed budget was increased to reflect the initial proposals received.

3. Net Revenue

We have budgeted for a modest €4500 of Net revenue to stay in line with the previous years in order to continue to build our reserves. However, this year we rely on the flexible revenue to build this reserve in order to assure fixed revenue covers all core expenses even with the growth of ICMCI.

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