

ANNUAL REPORT

DIGEST EDITION

APRIL 1992

Greetings from the board and staff of your World Service Office. To make our report accessible to more NA members, we've prepared a "digest" version as a supplement to the *WSO Newslines*. Please feel free to copy and distribute this digest as widely as you would like. If you wish to have a copy of the complete annual report, or if you have any questions about your World Service Office, just write us. On behalf of the WSO Board of Directors, thank you for allowing us to be of service.

*Bob McDonough, Chairperson
WSO Board of Directors*

KEY BOARD ACTIONS

New executive director, new administrative approach

In April 1991, after ten months without an executive director, the WSO board hired Joe Gossett for that position. The years of executive experience in other nonprofit organizations that Joe brought with him have served us well, helping us distinguish more clearly between *policy*, which trusted servants must develop, and the *administration* of policy by our special workers. This understanding resulted in a much more productive relationship between WSO staff and the conference boards and committees they work with.

Summary of financial status

In 1991, for the second year in a row, the World Service Office suffered a significant financial loss, expenses exceeding income by slightly more than a quarter-million dollars. The single largest factor contributing to that loss was, once again, a decline in Basic Text sales. We sold 254,661 copies of the hardback text, 9.21% fewer than in 1990. That alone resulted in a \$217,648 drop in revenues.

WSO 1991 SALES INCOME, EXPENSES

Gross sales	\$4,290,597
Less discounts	<992,022>
Less cost of sales	<1,357,185>
Net sales	\$1,941,390
Less total expenses	<2,196,527>
Net income <loss>	\$<255,137>

Figures shown are in US dollars and reflect combined WSO-Van Nuys, Canada, and Europe income statements for 1991.

We were able to continue operating only by stretching out payments to our suppliers.

The box in the lower left hand corner of this page shows a summary of our income and expenses for the year. Though we sold almost \$4.3 million worth of literature, 23% of that was eaten up by discounts, with costs of merchandise taking another 32%. Of almost \$2.2 million in expenses, a study attributes 82% to fellowship services rendered by the WSO: staff support for conference committees, the trustees, literature development, fellowship communications, new groups, and the like.

Price increase

Last year was not an easy one for the WSO board and staff. The shortage of funds forced us to take steps to cut our expenses and increase our income. Even after we'd taken such steps, our income still didn't cover our expenses. Late in 1991, the WSO Board of Directors was faced with the choice of either closing down portions of your World Service Office or raising our retail prices across the board for the first time ever. After much consideration, the WSO board decided to raise prices by 10%, effective February 1, 1992. Given the added revenues from the price increase and the hope that additional new products will be available for sale this summer, we now have confidence that World Service Office, Inc. will be operating in the black by the third quarter of 1992, provided we keep a tight belt.

Sales policy

In light of our financial condition, the WSO board gave special attention to our sales policies last year. The discounts we allow certain customers for purchasing large quantities of literature and the special sales agreements we've made with some NA communities outside the USA have had their effect on our income. At this year's WSO meeting, we will discuss the possibility of changing our sales policies. In the months following the conference, we will be seeking as much input on the sales policy as we can get. Any changes to be made will be finalized at the November 1992 meeting of the WSO Board of Directors.

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Personnel policies

In 1991, the WSO Board of Directors employed thirty-five special workers, not nearly enough to fully staff each department. The shortage of employees, a direct product of our financial crunch, made it especially important that we consider new ways of increasing their productivity. Each employee's duties were carefully evaluated, and performance standards were established. We are now approaching maximum efficiency. If the WSO is given more work to do in the future, we will have to hire more special workers.

In 1992, if finances allow, we plan to allocate more funds for staff training. Additionally, we will look at the possibility of creating a retirement program to help us retain the employees we still have.

Unauthorized Basic Text distribution

Despite settlement of one major lawsuit last January, a number of members continue to print and distribute their own version of your Basic Text without the fellowship's authorization. Unauthorized publication of your literature

threatens the fellowship's copyright on the Basic Text, thus compromising our common welfare. We have asked these members to stop, but have not yet taken legal action against them. However, we believe the only sure way to stop the unauthorized production of NA literature is for NA members to *stop buying it*. We encourage our fellow members to examine their conscience and consider the common welfare of *all* members before buying unauthorized Basic Texts.

Communications

The WSO board took several steps last year to communicate more effectively with the fellowship. A monthly "work plan" report, sent to RSRs, described departmental activities. The chair of our board maintained weekly contact with the WSC and trustee chairs. And we began development of a long-term plan for the WSO that, upon completion, NA members will be able to review and input. We look forward to continuing these activities and further expanding communications in 1992.

DEPARTMENTAL REPORTS

Shipping and Receiving

Limited funds in 1991 forced us to reduce floor-stock levels, meaning that customers could not always get what they ordered right away. We hope that, with the price increase and an anticipated rise in sales in the second half of 1992, we will be able to restore our inventory levels and process customer orders in a more timely manner.

Order Entry

Our Order Entry Department was overwhelmed in 1991, with only one entry operator and insufficient funds to hire additional help. The turnaround time on an average order went from three to eight days by the end of the year. Again, we are hoping that increased income in 1992 will allow us to resolve this situation by hiring additional staff.

Accounting

For nine of the twelve months of 1991, this two-person department was operated by one special worker. Nonetheless, accounting records were maintained in the condition necessary for us to pass our annual audit.

Data Services

Our Data Services Department maintains the computer database that allows us to mail the *Newsline*, various WSC reports and newsletters, and other materials to the fellowship. This department's single greatest challenge in 1991 was to maintain accurate information. Groups, areas,

and regions can help by sending current contact information to the WSO Data Services Department and updating that information when members rotate out of trusted servant positions.

Data Services also helps the WSO Tape Review Panel with its work. NA speaker tapes received at the WSO are forwarded to panel members for an exhaustive evaluation before being included in the WSO inventory. Of 104 tapes submitted this year, only twelve were approved for sale. Any NA member wishing to serve on the panel, and anyone wishing to submit a tape for review, should contact the Data Services Department.

Production

The WSO Production Department is responsible for the technical aspects involved in publishing virtually all the NA literature we sell. This year, our Production Department prepared NA books, booklets, and pamphlets in six languages, including: the Spanish and Portuguese editions of the Basic Text; *For Those in Treatment*, the new *Introductory Guide*, the Basic Journal, and two new public information IPs in English; Portuguese drafts of *The Group Booklet* and *Behind the Walls*; and thirty-nine IPs in translation. Production also prepared each issue of *The NA Way Magazine*, *Reaching Out*, the NA Loner Group's *Meeting by Mail* newsletter--all in English--and the French, German, Portuguese, and Spanish editions of the *Conference Digest* for publication.

Hospitals and Institutions

The WSO Hospitals and Institutions Department provides administrative support for the conference H&I committee. In addition to helping the committee with reports and logistical planning, the department handled an average of 201 pieces of correspondence each month last year, an increase of 30% over 1990. However, for five out of twelve months in 1991, the department had only a coordinator and no support staff, resulting in a tremendous backup of correspondence. Thankfully, we were able to hire additional help for H&I in November, and the department is slowly catching up.

Literature

Our Literature Department helps the WSC Literature Committee with its correspondence, filing, and reports. The department had much to do in providing support for the committee's three major projects last year: the daily book, material on the Twelve Steps, and *In Times of Illness*.

Translations

The WSO Translation Department provides administrative and technical support for the World Services Translation Committee, created at WSC'91. The department assisted in the completion of a variety of projects this year: the Spanish and Portuguese Basic Texts, sixteen different pamphlets and booklets in four languages, three language editions of the new *Conference Digest*, and group readings and posters in two languages. Works still in progress include seven pamphlets and booklets. Items that have had initial work and are awaiting local committee action include twelve pamphlets and booklets in six languages and the Basic Text in three additional languages.

Conference Services

The assistant director of our Fellowship Services Division provides support for the WSC Administrative Committee, the Joint Administrative Committee, and the new Interim Committee created at WSC'91. Last year, this department's assignments included preparation for committee meetings, compilation of detailed funding requests for consideration, and coordination of one or two conference calls per month. Staff has also prepared discussion material and coordinated weekly conference calls between the chairpersons of the WSC, WSB, and WSO board.

General services to the fellowship provided by this department during the past year included monthly mailings to WSC participants, responding to requests for tax status information, and providing information about corporations. The assistant division director also functions internally as a supervisor for WSO's other project coordinators.

The Fellowship Services Division assistant director and his staff also worked directly with the WSC Policy Committee in 1991. Staff assisted the committee in conducting two major project surveys, coordination of conference calls, and routine communication with area and regional committees.

Trustee Support

Last year saw a considerable increase in the duties of the WSO Trustee Support Department. As the trustees took a more active role in world services, staff was called on to provide the World Service Board with extended support, arranging meetings, preparing minutes and board mailings, maintaining regular contact with WSB leaders, assisting in correspondence, drafting papers, and consulting in the trustees' discussions of long-term development.

The WSO Trustee Support Department staff also handles a variety of fellowship queries, most particularly those pertaining to the traditions. The coordinator for the trustees also handles Group Services, since there is a tremendous overlap in questions and concerns from members and groups in their efforts to resolve problems.

Group Services

Our Group Services Department handles roughly two-hundred letters each month, not to mention an average of twenty to thirty phone calls each day. Group Services inquiries cover a wide range of subjects: starter kit or information packet requests, phoneline updates, requests for sample guidelines, and requests for assistance in resolving member or group conflicts. Most of the remaining phone calls are requests for meeting information or local helpline numbers. Many of these calls are from areas where no formal helpline service exists, or where the local helpline is out of service.

In an effort to provide accurate meeting information, the Group Services Department has intensified its efforts to obtain current meeting directories from all areas and regions. With seventy-four regions and 684 areas registered, this makes for quite a task. Nevertheless, communication between world services and local service committees seems to be improving. If receiving minutes from fifty regions and 138 areas is any indication, we have indeed come a long way toward our goal of better communication.

Of course, communication is a two-way street. In the Group Services Department, our main concern is to help our fellowship's trusted servants perform their duties in as productive a way as possible. We accomplish this by copying and distributing vast amounts of resource material and informing trusted servants of service publications available from WSO. Most of all, we encourage our members to arrive at their own resolutions to their own problems by utilizing the Twelve Steps, the Twelve Traditions, and good old-fashioned common sense. In our efforts to have adequate resource material available, we are asking that areas and regions send the WSO Group Service Departments copies of minutes, service and/or subcommittee guidelines, and any additional information they may have on how they have resolved problems within their local NA communities.

NA Loner Group

The World Service Office provides direct administrative support for the NA Loner Group, a program that puts addicts who are geographically isolated or unable to attend NA meetings in touch with one another and with loner "sponsors." The group "meets" bimonthly through its newsletter, *Meeting by Mail*. Currently, the group has 217 loner members and 1,108 supporting members. In addition to publishing *Meeting by Mail*, WSO staff answers individual queries about the Loner Group and maintains records of group members' recovery dates, commemorating anniversaries with keytags and medallions.

Public Information

The WSO Public Information Department served a number of functions in 1991, providing staff support and coordination to the WSC PI Committee, disseminating information to local, area, and regional PI and phonline subcommittees, answering inquiries from the fellowship at large, and facilitating fellowship communication with the general public—all this, even though departmental staff was reduced in 1991 from three members to only one. Staff also provided research, editorial, and production assistance for publication of the biannual *PI News*, two new pamphlets (*NA—A Resource in your Community* and *PI and the NA Member*), and the first issue of *NA Update*, a professionals newsletter first published late last year.

The NA Way Magazine

The NA Way Magazine, our fellowship's international journal, is published once a month for subscribers by the WSO. The magazine focused its attentions in 1991 on two areas: restoring its subscription base and improving both the quality and quantity of the stories it published. A group subscription drive conducted at the end of the year promises to bring several hundred new subscribers, and a new network of magazine supporters was created to hunt down original material for publication in *The NA Way*. (More on these subjects appears in the April 1992 *WSO Newslines*.)

Special Projects

The Special Projects Department was involved in four major writing projects in 1991: the steps, the traditions, the daily meditation book, and the Twelve Concepts portion of the *Guide to Service* project. Their involvement in these projects ranged from providing composition and editorial assistance to coordinating committee mailings, reports, and input routing. Despite staff changes during the year, all projects were on schedule at the end of 1991.

Special Projects was given editorial responsibility for all the periodicals published by WSO in 1991, with the exception of *The NA Way Magazine*. These included the *Conference Report*, the *Conference Agenda Report*, *Reaching Out*, the *PI News*, and *Meeting by Mail*. With adoption of the motion creating the *Conference Digest* in April 1991, the department's workload was increased further. The department also provided composition and copy-editing services to various WSC committees and boards on a routine basis throughout 1991.

WSO-Europe

The three primary functions of World Service Office-Europe are literature distribution and sales, group services and information, and administrative support to the European Resource Group and the European Conference and Convention. In addition, we published the *European Newslines* three times during the past year. Income from sales at WSO-Europe increased by 60% in 1991, and the forecast for 1992 is for a continued increase. Although we are still a couple of years away from having a self-supporting European operation, the sales figures coupled with strong support from the European NA community made 1991 a year of great progress.

Our location in London provides a number of logistical difficulties with storing our inventory and shipping to the Continent. We will seek a more convenient London location in 1992 with an eye toward moving to the Continent in 1993.

We lost a valuable staff member at World Service Office-Europe in 1991. Fortunately, we were able to find replacements for the post who helped us maintain operations.

WSO-Canada

WSO-Canada, a small warehouse facility located outside Toronto, fulfills all our Canadian customer orders, and 1991 was its best year to date. There seems to have been an upsurge in the growth of the fellowship in Canada, growth that showed itself in the number of orders fulfilled by World Service Office-Canada. We are still refining our stocking procedures for WSO-Canada, but in 1991 we started to print Canada's English and French IPs and White Books locally. This substantially improved our ability to process Canadian customer orders quickly and inexpensively. The only major problems in WSO-Canada operations for 1991 arose from WSO's overall cash crunch, which resulted in floor stock shortages similar to those experienced at the main office in California.

When WSO-Canada first opened in 1990, we expected it would take at least two years before it became self-supporting. In fact, Canadian orders paid for WSO-Canada operations before its first year was done. All in all, World Service Office-Canada has been and continues to be one of our most successful operations.

World Convention Corporation

Last year was a difficult one for the World Convention Corporation, which faced a severe shortage of funds. Understaffing forced members of the WCC Board of Directors to become personally involved in many corporate functions ordinarily handled by special workers. In 1990 and 1991, the WSO paid \$54,834.22 on WCC's behalf which the convention corporation will repay in the next couple of years. The WCC expects that income generated by the Toronto convention this year will help alleviate the corporation's immediate cash-flow problems, and that income from WCNA-23 (Chicago) and WCNA-24 (Baltimore) will completely resolve them, giving the World Convention Corporation the resources it needs for the 1995 convention to be held in Europe.