



World Service Office, Inc.



1997 WSO "At a Glance"

Doing More with Less

The theme for this year's *Annual Report* is a simple one: Accomplishing more with less. For the last three-quarters of 1997, the WSO's complement totaled thirty-six special workers. The last time the office had close to this number of employees was in 1988, when the office had thirty-five workers. To get a better idea of what these numbers mean, let's take a look at our fellowship and at the office's provision of services the last time we had this number of employees.

In 1988, the WSO served just over 15,000 meetings in over forty countries, and the *Newsline* was published only in English and mailed to about 13,000 addresses. In 1988, the Group Services department of the WSO responded to about 250 letters per month and about ten telephone calls per day from members and the public at large seeking information about NA. Similarly, in 1988, non-English recovery literature available from the WSO amounted to a whopping fourteen items—ten IPs and four White Booklets.

In 1997, on the other hand, we were serving nearly 25,000 meetings, in ninety countries. The new *NA Way Magazine* was mailed to over 27,000 addresses, and the magazine is being published in five languages. In 1997, Group Services answered about 275 written requests (including e-mail) each month, while telephone calls have more than doubled to over twenty per day. Today, the WSO offers 336 pieces of translated recovery literature, including fifteen book-length pieces. In 1997 alone, the WSO produced thirty-seven new translated items, including five new book-length pieces, for fellowship use!

While this is only a partial listing of all of the WSO's responsibilities and points of comparison between the office today and a decade ago, it does make apparent one significant observation: The WSO in 1997 is a more efficient service provider than we have ever been in our organization's history. We have achieved a remarkable turnaround from last year's financial crisis with fewer employees than we have had in nearly a decade.

WSO Board of Directors

Fellowship Development Plan Update

The substantive changes which the WSO Board has made to the plan occur in Goal One-A from last year's plan. The first change that the board made was to break out the four parts of last year's Goal One—A through D—into four separate goals, thereby expanding the total number of FDP goals from seven to ten. Last year's Goal One dealt with world services' collective resources as a single area of responsibility, and items A through D simply sub-divided those resources into four separate categories: financial resources, service-related development tools, informational resources, and human resources. This year, the board saw fit to further break each of these resource categories out into its own separate goal.

The board will of course forward all of this information and its further recommendations to the new World Board, should the 1998 World Service conference participants adopt the Transition Group's proposals.

Sales Policy Update

Literature Distribution

At our meeting in November 1997, the WSO Board of Directors discussed a dilemma that has placed us in an increasingly awkward position over the past twelve months. That dilemma concerns the language in our current Sales Policy that prohibits fellowship customers within specific Regional Service Office boundaries from receiving a discount from WSO or purchasing literature from anyone other than their RSO.

There is other problematic language within the sales policy as well, such as that requiring the enforcement of the boundaries between regions prohibiting literature sales from one region's office to customers within another region, prohibiting service offices from opening or operating within one hundred miles of another service office, and prohibiting consolidated purchases for higher purchase discounts. All of these prohibitions are essentially unenforceable and treat fellowship customers in a biased way that is not brought to bear upon non-fellowship customers.

It is our intent to remove the language prohibiting individual, group, and area sales discounts to fellowship entities that exist within local sales office boundaries. We intend to allow across-the-board bulk sales discounts to any and all fellowship customers beginning 1 August 1998. We have also removed the language addressing the enforcement of purchases across regional boundaries, the "one hundred mile" prohibition, and the prohibition of consolidated purchases.

Licensing and Sales Agreements

According to the board's decisions in February 1997, all current sales and licensing agreements will expire by June 1998. In their place, new Sales Policies have been developed for Canada, Europe, Asia Pacific, and Latin America. However, the board and the WSO may decide to create new arrangements with the affected NA communities to ensure that addicts can continue to obtain literature affordably and quickly. Any such new arrangements will be brought into line with the changes that are affecting the rest of our worldwide fellowship. All new arrangements will be made on a community-by-community basis, as driven by our overall objectives described in the sales policy philosophy statement.

Credit Policy

The following change to the WSO Credit Policy was made during 1997: Because the WSO is moving to "invoice driven accounting" practices, all customers should be aware that payment for all credit orders will now be due thirty days from the invoice date for all orders shipped. Moreover, *all discounts applied to credit orders are contingent upon the customer's honoring the 30-day payment requirement. Should any credit order become delinquent beyond this limitation, that order will immediately become ineligible for any and all discounts originally assigned, and will revert to standard retail price.*

We wish to emphasize that this change was enacted in order to bring our credit customer relationships into line with the very restrictions that the WSO itself must abide by with our own suppliers. This change therefore simply reflects the reality that the office is faced with in its own credit relationships.

FIPT

Registering Our Trademarks in Other Countries

Not much has changed in this area since last year's *Annual Report*. During 1997, the WSO spent approximately \$20,000 registering our name and logos in other countries so that they would be protected from trademark infringement. Careful readers will note that this is actually about \$10,000 less than we spent last year, and the reduction is a direct result of the WSO Board's decision to reduce all administrative expenses to the bare bones in light of last year's financial crunch. Unfortunately, WSO management expects that we will still need about a quarter of a million dollars over the next three years to simply stay current with trademark registrations. And, just as we told you last year, we don't know where all that money is going to come from. It is a difficult situation, of course, and, without deliberate action to address this issue, it can only continue to be cause for serious concern.

Recovery Material on the Internet

In spite of many requests to not post our recovery literature on the Internet, some of our members are still using this medium to post our fellowship's properties electronically without the fellowship's permission to do so. While the WSO takes no pleasure whatsoever from having to serve as the "policeman" in this matter, protecting our fellowship's intellectual properties is, at the order of the World Service Conference itself, among the WSO's duties, and one that the office cannot take lightly.

It's true that it would be wonderful to make recovery material freely available to anyone who "stopped in to visit" our respective home pages. However, imagine what would happen if we lost the right to protect our literature from being altered by other people or organizations. Imagine if we lost our ability to protect our message from being changed, misquoted or even produced and sold by outside organizations. Surely, none of us believes that the benefits that might be gained, at this point, by making recovery material electronically available are outweighed by the potential threat such availability might mean to our right to protect our message.

We believe that, upon consideration, you will agree that it is in our fellowship's best interest for all of us to move cautiously into this new and largely uncharted territory. We therefore ask that you refrain, as the WSO itself refrains, from posting literature and other copyrighted materials on the 'net. We hope to protect our fellowship's right to our message and to our literature, and we ask for your assistance in helping us do so.

Vendor Registrations in 1997

Since last year's *Annual Report*, the staff person who had been in charge of maintaining the administrative duties associated with vendor permits was lost during the staff reorganization, and no new staff member has been able to assume those duties full-time. The WSO board has, however, implemented a new policy according to which vendors are required to pay a \$500 registration fee and a \$50 administrative fee in order to obtain a vendor's license. The board made this decision for two reasons:

1. The board heard quite emphatic input from last year's conference participants that the WSO is responsible for the safekeeping of NA's intellectual properties, and that we simply could not give free reign to anyone and everyone who wished to use NA's properties to make money.
2. And, more especially, our membership was not OK with the administration of the vendors' information actually *costing* the WSO money. The board therefore hoped that these fees would help offset the administrative expenses associated with the WSO staff having to keep track of the vendors and their registration requests and general questions.

Since these new fees have begun to be assessed, the number of vendors registered with the WSO has decreased from eighty-five to fourteen. We do not believe that those individuals who have not registered have ceased producing their various products, but we expect to begin to get a better understanding of what these numbers actually mean as the year progresses. In short, we expect that there may be some problems with vendors' compliance with these registration procedures, but it may simply be too early to accurately assess the situation as of yet.

In the meantime, those who wish to register as vendors authorized to manufacture and sell products utilizing any of NA's intellectual properties may do so twice a year, during the months of January and July. Simply contact the World Service Office with your request for vendor registration during either of these months, and through this process you can become a legally authorized vendor of NA-related merchandise.

Committed Motions

WSO Board of Directors' Report on Motion #41

During the 1997 World Service Conference, the following motion was made:

Motion #41. That the WSO Board of Directors eliminate one of the Executive Co-Director positions at the WSO.

During this past conference year, WSO staff and designated members of the board diligently researched the professional organizational management literature published during the past twenty years, focusing on both the for-profit sector as well as non-profit management theory and practice. We also interviewed the current and former co-directors of two non-profit companies—one in Connecticut, and another in Oregon. In addition, we interviewed past Executive Committee members, along with other knowledgeable members of our fellowship, including the regional delegate who made this motion last year. Finally, two independent consultants were interviewed regarding the co-directorship of the WSO as well. As a result of this research, considerable information was presented for the full WSO board's review and discussion at our meeting in late October/early November 1997.

Based upon the above information, the WSO Board of Directors recommends no change, at this time, to the WSO Executive Management. Our management team and strategies are sound; our co-directors' skills complement one another in a way that is beneficial to our organization; the management structure is cost efficient; and during this time of change, we need experience and stability at the helm of the WSO. For the foreseeable future, we have implicit trust and faith in our current co-directors to see us through the impending changes to our service structure and into the next stage of our development.

WSO Board of Directors' Report on Motion #78

During the 1997 World Service Conference, the following motion was made:

Motion #78: To delete the word 'Europe' from the title 'World Service Office-Europe.'

At the conference, participants committed this motion to the WSO Board of Directors. The following is in response to the committed motion. The WSO sent a letter to the maker of this motion in August 1997 asking for clarity on the intent of this motion, but has not received a response. In any case, after discussion, the board has concluded that it is more than willing to find ways to make the word "Europe" less prominent in the title. However, until the board is better informed as to what, exactly, is at issue with the present title, we are unsure as to how we should proceed to rectify the situation.

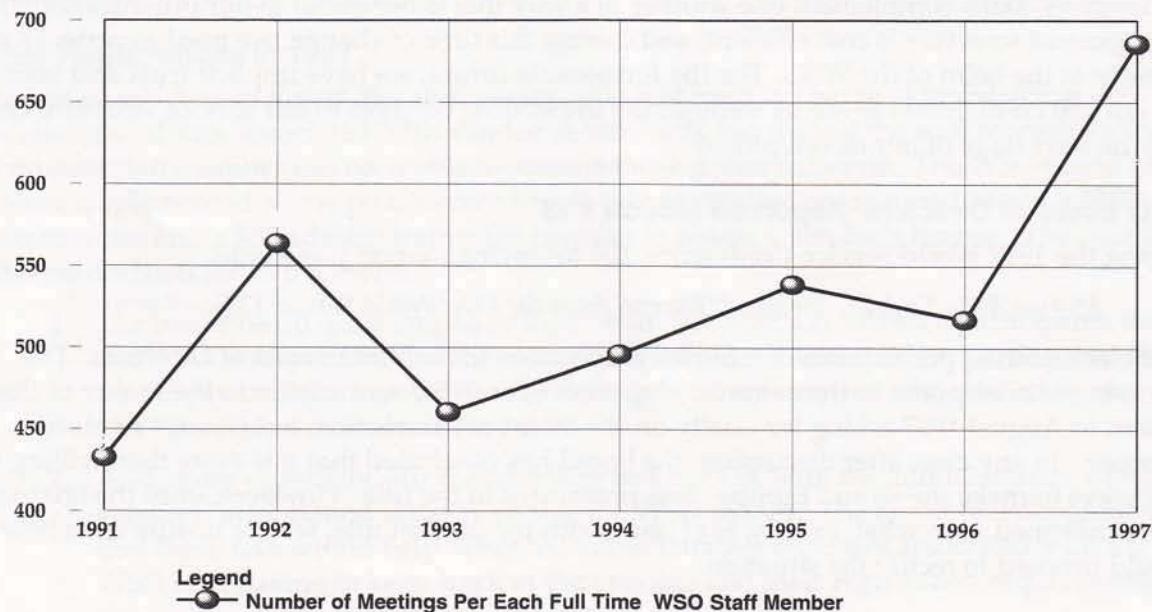
WSO Overview

Co-Directors' Address

We are pleased to report that we have survived the difficulties we described in last year's *Annual Report*, and have even experienced a small overall growth rate during 1997 of about nine percent. We have accomplished this turnaround as the result of implementing some very tough decisions, our members' support, and the increased commitment on the part of those staff who remained after the reorganization. We're running a much tighter ship, and we're doing what amounts to a Herculean job with the limited resources at our disposal. However, we must caution our members—there is much room for improvement still, due especially to a tremendous resource deficit at the World Service Office.

The fact of the matter is, we're not able to provide nearly the kind of service that we would like to be able to offer our membership, because we simply don't have the resources to do so. Where Alcoholics Anonymous' General Service Office is able to devote fully forty percent of their resources to Group Services (such as group registrations, answering local service questions, and so forth), the WSO is able to devote only about twelve percent of our total resources to Group Services activities. Consequently, though we'd like to be able to send five new *NA Way Magazines* to each group instead of only one copy per group, we simply can't afford it. Though we'd like to be able to devote more of our resources to group registration information, again, we have to make do with what we have, though we see how we could be more proactive if we simply had more resources. This lack of resources also greatly affects our response time, and we can't respond to members' requests as quickly as we would like, simply because of the almost constant backlog of other issues, concerns, and correspondence that we try to keep up with daily.

The WSO comes up short in our translations efforts as well. Even though we produced an unprecedented thirty seven new translated items during 1997 alone, that number represents only about one-fifth of the new items awaiting completion and production presently in the translations queue. We also come up short in specialized skills employees such as writing and editing staff, as well as computer support staff. Why? We just simply don't have the resources to augment our work force with these necessary employees. And, as the following chart demonstrates, the number of full-time WSO staff members we have once again fails to keep pace with the growing number of meetings for whom we're expected to provide services. We are losing ground in terms of our ability to simply keep up with our fellowship's growth, let alone provide new services or proactively improve existing services.

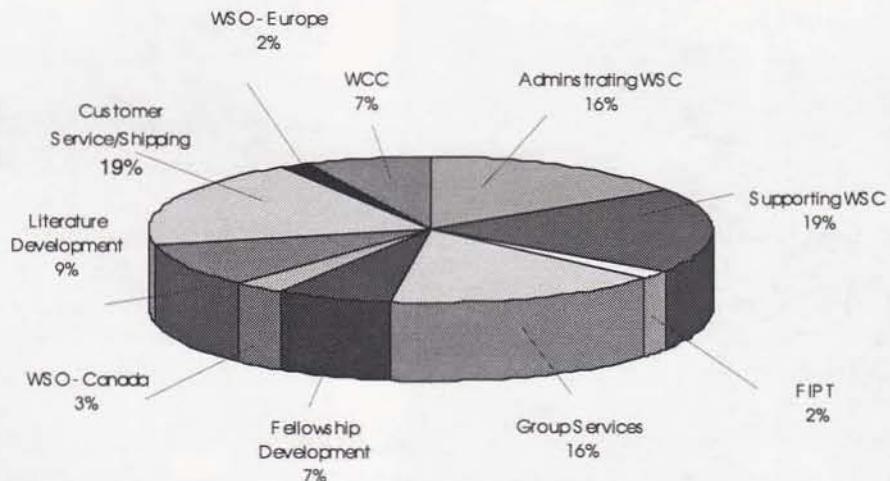


The end result of our shortfall is that we spend more of our time putting out fires than planning how to avoid new difficulties. We spend more of our time being reactive to whatever situation happens to loom largest on any given day, and less time proactively anticipating difficulties and addressing them before they can overwhelm us. We end up being forced to provide services on an as-needed basis, rather than according to what our members would like to see us be able to provide. In essence, because we are short-handed and short-funded, both the quantity as well as the quality of the services we provide suffer.

Service Provision

The following chart, based upon the above figures, offers a visual representation of WSO operational resource allocation by activity or area of service provision. In other words, the WSO allocated 16% of its total operational resources toward providing administrative assistance to the World Service Conference, and 19% of those resources to various kinds of support to the conference and its boards and committees. The other big allocation of resources at 19% went toward providing customer service such as order entry, shipping, and literature sales, while 16% of our resources went toward providing information and guidance to our members and to the general public through group services activities. The other percentages reflect the other kinds of service we provided and how much of our total resources went to fulfilling those responsibilities.

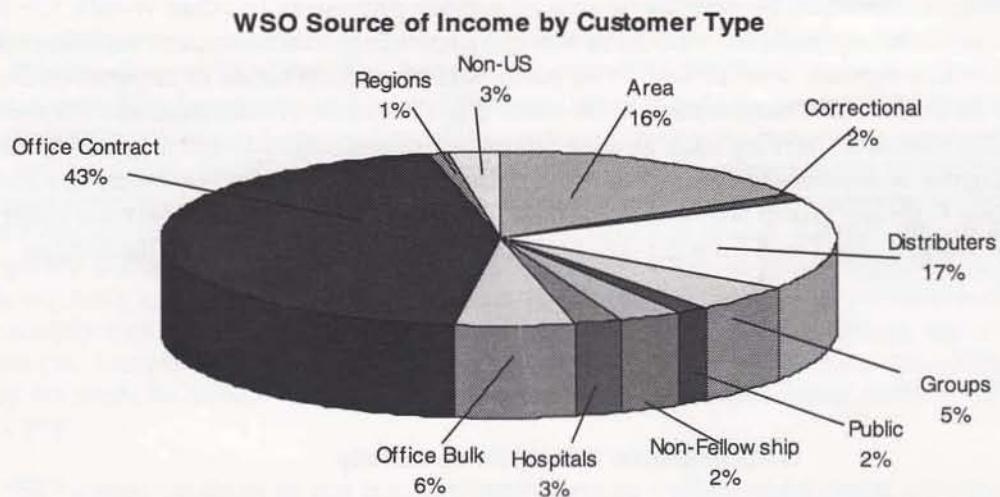
WSO Resource Allocation by Activity



Note: "Administering the WSC" and "Supporting the WSC" are two different functions. For example, securing hotel facilities for trusted servants would be considered "administering," while the cost of providing special workers to assist during the WSC would be considered "Support" services. Thus, 35% of WSO resources were allocated toward assisting the WSC and its activities during 1997.

Good News for The WSO and the Fellowship

The following chart simply shows the sources of WSO income by customer type. As you can see, our reliance on non-fellowship customers such as distributors, correctional purchases, hospitals, and so forth amounts to about 30%, which means that our fellowship is now purchasing nearly 70% of all of the literature sold. This marks an unmistakable trend that clearly shows a decreasing reliance upon non-fellowship sales, which is good news for the WSO, and for the fellowship at large.



Conclusion

We at the WSO are honored to be servants of the fellowship of Narcotics Anonymous, and that honor shows through every day in our commitment to providing service to our members, our service committees, and the general public effectively and efficiently. Through our efforts to streamline the organization, and through your efforts in accommodating the necessary changes we have had to make in recent months to our sales policy, the WSO is headed for solid ground after a very shaky 1996. Counting on our members' support, we pledge to continue to do our best to improve our primary serve center's viability, efficiency, and versatility into the next millenium.

Finally, we also must say "hats off" to our members, to our regional service offices, and to each and every individual, group, area, and region who supported the WSO during 1997. Direct group donations have increased in number by over 160%, and the amount of money groups have donated has more than doubled to over \$8,000 during 1997. We see this as a definite trend—not only in groups adopting the new fund flow system as described in *A Guide to Local Services*, but also as a show of support for world services and the various kinds of efforts we provide to help our fellowship fulfill our primary purpose.

To all of you, we say a heartfelt thank you. You help us to see what a privilege it is to serve the fellowship of Narcotics Anonymous.