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AUGI 2009 - Recent History and Events

By David Kingsley

1999: A Vision

I served on the AUGI Board of Directors from 1999 through 2004. During that time, a lot of good people on the Board developed a vision for the future of the organization and launched major operations to bring it to fruition. We soon realized that we were not qualified or able to develop and run the AUGI that we envisioned. The Board is a completely volunteer staff. Obviously, most Directors come from an engineering background of some sort. The skills we needed; web development, publishing and advertising sales, and the amount of labor required to create what we envisioned, were just not available to us.

2000: AUGI Stumbles Forward

We were a working Board, meaning that we ran everything and usually did 90% of the work. AUGI had about 5,000 members then. We charged annual dues to be an AUGI member. Autodesk underwrote us with tens of thousands of dollars every year. In exchange, they expected us to perform certain tasks for them in the realm of end user relations. Because of our shortcomings, we failed on a few occasions. We had the beginnings of a web site, but it was nothing compared to the current augi.com. We published PaperSpace, which evolved into today's HotNews. Back then it was a self produced technical newsletter in basic hard copy black and white. David Harrington was the driving force behind PaperSpace in those days. The writing, technical editing, and publishing tasks were performed by AUGI members.

Once or twice every year the Board met with Carol Bartz, then the CEO of Autodesk, and now the CEO of Yahoo. In 2001, she strongly advised us to radically revise our approach, to become less of a working Board and more of a mouthpiece for the user community. In addition, she told us that Autodesk would be providing less funding and labor support in the future. We were essentially kicked out of the nest.

We were soon approached by Solidvapor, a professional management firm that worked within the Autodesk sphere. In retrospect I'm pretty sure that it was arranged by Ms. Bartz. Solidvapor (SV) was the publisher of "a" magazine. That was the name of the publication, a big red lower case "a" in the official Autodesk font. SV had also done some significant web development work on contract for Autodesk.

Rich Uphus of (SV) offered AUGI the solutions it needed. The "a" magazine was soon converted into AUGIWorld. It was a ready-made publication with an advertising revenue base. With some rebranding it was directed at a new demographic, AUGI members. SV would do the heavy lifting to produce, publish and deliver AUGIWorld. AUGI Members would author and edit the technical content.

Some Autodesk funding provided to AUGI was paid to SV to cover some startup costs. SV invested significant amounts of its own capital to cover the majority of expenses.

2001: AUGI Inc. Established

In 2001, AUGI was legally established as a non profit corporation. Annual dues were soon discontinued.

Many members still assume that AUGI is run by Autodesk, but that is not the case. AUGI is a financially independent organization. Autodesk is now a sponsor of AUGI, just like HP, Lenovo, and other companies that want to advertise to our members.

2003: Current AUGI Web Site Launched

The website you now enjoy was launched in the summer of 2003. Free membership including a free subscription to AUGIWorld was the recipe that caught on like wildfire in 2003. AUGI membership grew to 50,000 that year. SV contracted experienced professionals to perform website development in collaboration with AUGI. I personally led the forum implementation and made the first posts to the AUGI forums.

2004: Formal Agreements and Expansion

In 2004 AUGI and SV signed a formal agreement. For ten years, SV would have exclusive rights to the data contributed by AUGI members. SV would invest their own capital to build, and would retain ownership of, the databases and web code, the digital framework that makes it all work. SV would be the exclusive agent for advertising sales in AUGIWorld and the AUGI web sites.

SV invested significant capital to create a large user group web site template. The code was written in such a way that with a reasonable effort, the site can be duplicated, stripped of raw data, and rebranded for use with another organization. The value of this now refined working model is in the realm of \$300k-\$500k. The current AUGI Board believes, contrary to the contract, that they own this data model, even though they have never invested in it.

The following years saw AUGI grow steadily in membership and member services. Using the revenue generated from sponsorship sales, SV expanded the website into 11 country chapters and six languages. CAD Camps were introduced and in 2008 over 40 CAD Camps were held in six countries. In 2007, the total attendance of CAD Camps exceeded that of Autodesk University. AUGI related annual gross revenues (not profits) grew to exceed \$2 million.

From 2004 through 2008, SV never billed AUGI for any service. Zip, zero, nada. Until 2009, AUGIWorld and the web sites were provided to us free of charge in exchange for the use of the AUGI name and the technical content provided by the members. This was the realization of the vision and agreement that we jointly wrote and signed in 2004.

2008: Dissolution of Contract

http://augi.typepad.com/augi_news/2008/08/augi-news.html

The downturn in the economy is not the cause of AUGI's current financial problems. In September 2008, AUGI President Mark Kiker announced that AUGI had terminated its agreement with SV, effective December 15 2008. There was no call for it from the members, nor was there any public discourse with the Board before or after the decision to explain or justify the termination. There was one teleconference with the current Board, past AUGI Presidents and Autodesk personnel which I did not attend. It was reported to me that the current Board was strongly encouraged to not pursue the direction they described.

Ultimately, the decision to end the contract was totally internal to the Board, and to this day they have not provided a satisfactory explanation for it. As a result, as of December 15, 2008, AUGI had no cash flow, no sales relationships with sponsors, and significant expenses to cover if they were going to attempt to appear anything like the organization they were in 2008.

It became apparent in late 2008 that AUGI would soon be facing some fundamental changes in its operations. In the first week of December at Autodesk University, I asked current Board members directly and discovered that since the September announcement only three RFP's (Request For Proposal) had been written. This fact concerned me greatly considering that AUGI needed to raise over \$150,000 a month starting in January 2009 to publish a magazine, fund 2009 CAD Camps, and pay a web service provider to run a site available in six languages serving eleven countries world wide.

Since January 2009 there has been a running discussion in the forums about why this obviously successful contract was terminated. Today I don't think anyone yet understands it.

2008: AUGIWorld Print Run Ends

AUGIWorld's print version ended with Autodesk University 2008 as its final issue. This was not because of a conscious decision made by the Board to take AUGIWorld electronic. It happened because AUGI ended its contract with the publisher. It is fortuitous for them that an electronic version is favored and cheaper to produce. Any discussion about reviving the print version, or launching a new print magazine, is highly speculative. There is currently no date set for the first issue of the proposed "AEC Edge" magazine announced months ago.

2009: ATP On Hold

ATP is the AUGI Training Program and is one of the oldest and most popular programs AUGI has. There are several instructors and staff who have not been paid for months. The ATP staff is wary of committing to the next phase of courses because they cannot be assured that the instructors will be paid, or that they will be paid. One AUGI staff member has reportedly paid ATP instructors with personal funds.

2009: AUGI Web Sites

Since the contract with SV formally ended on December 18, 2008, the AUGI Board inherited the expense for the web service provider contracted by SV. AUGI has consistently been delinquent in payment. They have contested the agreed upon fees. AUGI has simultaneously initiated legal proceedings against the web service provider contesting the terms of the 2003 contract.

It should be easy to understand from this that the AUGI web sites are in peril. There is a distinct possibility that in this economy, the web service provider will need to cut his losses soon. Yes, this means that augi.com could go dark. It will not happen suddenly or without public notice, but if the bills aren't paid, it will happen.

2009: CAD Camps On Hold

There are currently no CAD Camps scheduled for 2009. There is no one currently contracted to perform these services. Each CAD Camp requires an average of \$40k investment and 12 weeks to plan and promote. In case you doubt the \$2 million in annual revenues, just multiply 40 events (CAD Camps in

2008) times \$40k each and you'll get \$1.6 million. Consider the labor and skill required to coordinate the vendors, speakers, attendees, lodging, travel, literature, etc..

2009: Special Election On Hold

http://augi.typepad.com/augi_news/2008/12/2009-augi-board-of-directors-election-results.html

Another running discussion in the forums is the upcoming Special Election. The results of the regular 2008 Election for new Directors resulted in no one getting elected. The logic of this escapes many people and I won't attempt to explain it here. As a result, a special election must be held. To handle this task, the Board extended for 90 days the terms of two Directors who were not re-elected. This was done to meet the bylaw requirements that a minimum of six directors sit on the Board. At this point the legitimacy of the Board is highly questionable. In the seventeen years that I have been involved with AUGI, it has successfully held an election every year. At this writing, there is no date set for the special election, there are no candidates, and there has been no call for candidates. There are no Election Committee meetings scheduled.

Speak up! Get informed! Vote!

<http://forums.augi.com/forumdisplay.php?f=1025>

<http://forums.augi.com/forumdisplay.php?f=1030>

Many involved and informed parties are baffled and curious to see how the AUGI Board will navigate itself through these waters. No one outside the Board has a clear idea of AUGI's direction. If this Board has a plan, it has never been discussed publicly or published for review. There are many concerned members asking legitimate questions in the forums.

I have made every attempt to be objective and factually accurate in this column. I encourage all members to get active and pay close attention to the events of the next few weeks. Read the forums thoroughly. Go back to January if you are really interested in learning what has happened recently.

Speak up! Get informed! Vote!