

ANNUAL REPORT

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APRIL 1994

WSO MANAGEMENT OVERVIEW

The staff of your World Service Office is in crisis.

Until 1983 the office was a nomadic enterprise offering a few pamphlets and other materials for sale and providing very limited group services. Once the Basic Text was published our WSO had sufficient income to lease a service center and hire a staff. By 1989 WSO had forty-three employees. Two straight years of reduced sales in 1990 and 1991 produced net income losses forcing staff reductions without any corresponding reduction in service demands. By 1992 the WSO was down to thirty-five seriously overworked employees, unable to maintain the same level of services, always behind on meeting service demands and always rushing to move tasks off their agenda whether they were completed well or not. Morale suffered; employee stress rose and employee illness became more frequent.

The downward income trend was turned around by a combination of cost-cutting measures and the publication of two new fellowship-approved books, *Just for Today* in 1992 and *It Works* in 1993. Increased income allowed WSO management to begin hiring new staff, but one crucial problem remained: Time was needed to train these new special workers and to reorganize the service systems that had disintegrated during the lean years. Unfortunately, WSO commitments to staff world service projects does not leave the time necessary for these rebuilding activities.

During the coming conference year there will be many demands on the World Service Office. Of course we must meet the ongoing demands of WSO administration. Less obvious but equally important to WSO's survival, we must take time out during the coming year for staff redevelopment and the retooling of basic services. *Staff redevelopment* will include management training, new staff recruiting, job orientation, team integration, and support. *Basic services administration and redevelopment* includes: literature production and distribution; registration and address updating for groups, service committees, and trusted servants; group services; fellowship communications; and NA world public relations.

This coming year we must focus substantial WSO staff energies on recovering from the stresses we've suffered in recent years; if we do not, we will collapse. We cannot provide any additional assistance this coming year to NA's

world bodies. In fact we are asking the NA Fellowship in general and NA's World Service Conference in particular to start thinking in concrete terms about how to reduce demands on our staff rather than increasing them.

WSO MANAGEMENT CHANGES

In January 1993 the WSO Board of Directors had extensive talks concerning the performance of the WSO executive director and the future management of the office. Five months later, the board decided to terminate the executive's employment rather than drag out the separation process any further.

The board decided not to look for a new executive director right away. World services had just begun a comprehensive inventory process that the board hoped would help more clearly identify the direction in which to develop office management. In the meantime the board empowered the two division directors to run the office as a team with direct involvement from the WSO Executive Committee. At this writing, that arrangement seems to have worked satisfactorily for almost nine months, with morale and productivity on the upswing among our staff.

EARTHQUAKE RECOVERY

In the early morning darkness of Monday 17 January 1994 the largest earthquake ever recorded in Los Angeles history struck our World Service Office facilities and staff. Remarkably, damage to the WSO itself was less than \$2,500, and the office was reopened less than a week after the main strike. The impact of the Northridge quake on our special workers was far greater than on the office facilities. Thankfully there was no loss of life and all WSO employees are well on the way to recovery from the disaster.

This is a summarized digest of the WSO annual report for activity from 1 January through 31 December 1993. If you would like a copy of the complete annual report, just ask us for one. Please photocopy and distribute this digest as widely as possible, or contact us for additional copies. Care to comment? Write to the WSO Board of Directors, Box 9999, Van Nuys CA 91409 USA, fax (818) 785-0923, or telephone (818) 780-3951.

FINANCIAL SUMMARY

In 1993, your World Service Office posted a net gain for the second year in a row. This allowed us to increase our floor stocks of NA books, pamphlets, keytags, and medallions by more than fifty percent, ensuring our ability to quickly fill customer orders. Our end-of-year fund balance was restored nearly to the level seen in 1988, two years before the disastrous net income downturn that so depleted our reserves.

Below, you will find a table showing various key financial comparison data for the last twelve years. The figures were derived from data contained in WSO, Inc. annual reports. These US dollar figures reflect all activity of WSO, Inc. for each year, including activities at USA headquarters and the Canadian and European branches. Keep in mind that the inventory value figures reflect conditions at the end of business on December 31 of each year, while figures shown for operating income, expense, net gain or loss, and fund balance reflect cumulative activity from January 1 through December 31 of each year. *Operating income* is sales income after discounts less cost of merchandise; *operating expense* is personnel expense, general and administrative expense, and other income and expense.

| YR | INVENTORY VALUE | INCOME | OPERATING EXPENSE | NET GAIN (LOSS) | FUND BALANCE |
|------|-----------------|-----------|-------------------|-----------------|--------------|
| 1982 | 17,000 | 85,489 | 75,308 | 10,181 | 35,375 |
| 1983 | 16,158 | 201,087 | 119,933 | 81,154 | 116,529 |
| 1984 | 59,158 | 610,979 | 389,692 | 221,287 | 337,816 |
| 1985 | 149,818 | 894,762 | 773,071 | 121,691 | 459,507 |
| 1986 | 181,899 | 1,481,852 | 1,286,652 | 195,200 | 654,707 |
| 1987 | 136,995 | 1,750,539 | 1,609,096 | 141,443 | 796,150 |
| 1988 | 241,156 | 1,935,679 | 1,772,178 | 163,501 | 959,651 |
| 1989 | 395,911 | 2,356,859 | 2,210,882 | 145,977 | 1,105,628 |
| 1990 | 237,508 | 2,024,285 | 2,388,439 | (364,154) | 741,474 |
| 1991 | 143,130 | 1,931,902 | 2,182,732 | (250,830) | 490,644 |
| 1992 | 299,796 | 2,372,072 | 2,217,720 | 154,352 | 644,996 |
| 1993 | 476,551 | 2,698,805 | 2,402,663 | 296,142 | 941,138 |

Personnel

Your World Service Office went into 1993 with thirty-nine special workers. At this writing we have forty-two full-time employees on the job in Van Nuys, one full-time and two part-time special workers in Brussels, and one part-time staffer in Toronto. Salary ranges for the forty employees on staff 31 December 1993 in Van Nuys were as follows:

| NO. OF STAFF | SALARY RANGES |
|--------------|---------------|
| 3 | \$44-63K |
| 7 | \$32-44K |
| 16 | \$25-33K |
| 14 | \$14-27K |

Salaries and contract labor expense for 1993 totaled \$1,289,571, up 7.5% over the previous year. The WSO paid an additional \$285,460 in 1993 for employee health and disability insurance, employer payroll taxes, employer contributions to individual employee retirement plans, and employee recruiting and moving expenses. Combined, these personnel costs amounted to 65.5% of WSO operating expense last year.

General, administrative expenses

The next five largest expense categories in 1993 came under the heading of general and administrative costs:

| ITEM | AMOUNT | % OF TOTAL EXPENSE |
|----------------------------|-----------|--------------------|
| Rent, utilities, telephone | \$260,008 | 10.8% |
| Travel | \$85,022 | 3.5% |
| Depreciation | \$79,872 | 3.3% |
| Office supplies | \$65,049 | 2.7% |
| Postage | \$55,150 | 2.3% |

The remaining 12% of operating expense was distributed among thirty-one lesser expense categories.

WSO-EUROPE

Operations at our European branch office in Brussels went quite well in 1993, with two major developments helping stabilize activity there. As a response to requests of delegates from the NA communities in Europe, in June 1992 the WSO board authorized the creation of an advisory committee to assist in the management of WSO-Europe. The European Branch Operations Committee began operation early in 1993. The committee is composed of two WSO board members, four European NA members selected at the European Delegates Meeting, and up to four WSO employees.

The second development in Brussels occurred in December 1993 when the WSO was able to place a full-time manager at our European branch. With these two developments the staff of WSO-Europe looks forward to providing more consistent group and literature supply services to NA communities in Europe.

WSO-CANADA

The Canadian branch of NA's World Service Office is located outside Toronto, Ontario in Mississauga. WSO-Canada is a very simple, very efficient distribution operation, filling WSO's Canadian orders for NA literature, keytags, and service materials. Sales overall dropped at WSO-Canada in 1993, but we expect sales to increase in 1994, even with the new USA/Canada sales policy eliminating sales at par in Canada.

TRANSLATIONS STATUS SUMMARY, 1DEC93

| LANGUAGE | PUBLISHED | IN PROGRESS |
|--------------------------|------------|-------------|
| American Sign Language | | 1 |
| Brazilian (Portuguese) | 7 | 8 |
| Finnish | | 5 |
| French | 23 | |
| German | 25 | 2 |
| Hebrew | 1 | |
| Japanese | 9 | |
| Norwegian | 4 | 4 |
| Portuguese (Continental) | 25 | 2 |
| Spanish | 26 | 1 |
| Swedish | 1 | |
| Totals | 121 | 23 |

FELLOWSHIP SERVICES TEAM

The Fellowship Services Team has five primary assignments:

- * Group services, handling requests for new-group starter kits and information on how NA groups work;
- * Data services, including NA group registrations and address listings for NA service committees and trusted servants around the world;
- * Tape review coordination, assisting the WSC-elected panels that evaluate speaker tapes submitted for addition to the WSO inventory--thirty-eight talks were added last year;
- * Administrative support for the World Service Board of Trustees and its working committees; and,
- * Translations, including administrative support for the World Services Translation Committee.

During 1993 the Fellowship Services Team faced serious challenges to its ability to carry out these assignments. Those challenges came from three sources: support demands of the world services inventory, adjustments to computer upgrades, and staff shortage problems compounded by personnel turnover and medical leaves.

Fellowship Services has three key goals for 1994: cross training to ensure even coverage of team responsibilities; extra attention on team development; and file integration. The files Fellowship Services is particularly concerned about integrating are its group services and translations files. New-group registrations and correspondence from young NA communities often lead directly to calls for new translations of NA literature and the interaction of WSO staff and World Services Translation Committee members with a new NA country. Group services and translation file integration would help not only with predicting the need for translation assistance but with actually delivering the translation services needed by an emerging local fellowship.

IS NA SHRINKING? NO--BUT GROUP REGISTRATIONS ARE

Though we have never had total confidence in the accuracy of the number of NA meetings shown in the WSO database, it became especially clear last year that our group registration program was not working very well. We have seen a general correspondence over the years between the growth of the fellowship and the growth of WSO meeting listings, increasing by 23% in 1991 and by 11% in 1992. *However, the number of registered meetings dropped in 1993 by 14% worldwide.* Does this mean that Narcotics Anonymous is shrinking? We think not. We believe this decline in meetings shown on WSO records says, simply, that we must take the importance of NA group registration more seriously, both at the WSO and in the fellowship.

Reliable information on NA growth helps us make credible presentations to people in government, medicine, and other helping professions around the world who can help carry our message to still-suffering addicts in their countries. Complete group contact information also ensures that world services can keep the NA Fellowship informed of matters affecting all of us.

If you would like to help update the WSO's group registry and meeting directory, use the forms that appear in the May 1994 *Newsline* included in this mailing, or send your group's mailing address and meeting times, location, and other pertinent information to WSO Group Registrations, Box 9999, Van Nuys CA 91409 USA.

CONFERENCE SERVICES TEAM

The WSO Conference Services Team provides support in four primary areas:

- * Administrative support for WSC Administrative, Outreach Ad Hoc, Policy, Hospitals and Institutions, Public Information, and Literature Committees
- * Information and referral to local subcommittees in related fields of service
- * WSC annual meeting and "quarterly" event coordination, including minutes, and *Temporary Working Guide to our Service Structure* updating
- * *Conference Report* and *Conference Agenda Report* compilation

The Conference Services Team faced two major challenges in 1993. The first was its transition from multiple departments to operating as a single team. This was especially difficult in areas where the separate departments had developed particularly successful work routines. The extended illness of a key staff member forced cross-assignment and cross-training among team members, which served as a better demonstration of the value of team cooperation than any contrived exercise could have done.

The second major challenge the Conference Services Team faced was its involvement in the world services inventory project, which demanded an enormous investment of time from that team. The team was able to accomplish the tasks set forth by the world services inventory plan, but the team's ability to provide WSO basic services and support to the conference suffered as a result. Guideline and comprehensive history information for WSC committees was successfully compiled for the world services inventory project. WSC Literature Committee correspondence and mailings were continued. H&I letters and publications schedules were maintained. Conference publications were coordinated. Basic services for the WSC Policy Committee were provided.

However, *PI News*, *NA Update*, and WSC outreach projects received virtually no staff time during CY 1993-94. In addition, no time was spent on cross-training team members for work with WSC Administrative Committee,

WSC Literature Committee, or WSC PI Committee basic services.

WSO correspondence (calls and letters) from the fellowship received less attention than in any of the previous five years. Inquiries that in the past have received a thorough response, usually involving four to six hours of research and development, were often simply acknowledged. Staff time for consultation with committee leaders and members was virtually nonexistent during the last conference year.

The team is hopeful that in the coming year staff training and team development will be a priority, allowing us to be more successful in our contribution to the overall mission of the World Service Office in the years to come.

PUBLISHING TEAM

The WSO Publishing Team has an extensive range of primary assignments:

- * Intellectual property management, including fellowship trademark and copyright registration, infringement protection, and use permission
- * Copy editing and production of the *Conference Report*, the annual *Conference Agenda Report*, the H&I *Reaching Out* newsletter, and the *PI News*
- * Complete editorial services for the *Conference Digest* and *WSO Newslines*
- * Management of *The NA Way Magazine* and related product development
- * Support for the NA Loner Group and its bimonthly newsletter, *Meeting by Mail*
- * Typesetting of all NA recovery literature

In 1993 three of the Publishing Team's seven members—including the team leader and senior editor—were also assigned to provide primary administrative and communications support for the world services inventory project. This made continuing team development very difficult, hampering a major communications study undertaken by the team and severely limiting the management of which support team members could avail themselves.

On the plus side, the Publishing Team successfully completed the transition from use of a managing editor to run the *NA Way* operation to cooperatively managing the magazine through a division of responsibility among team members. The team has also brought a new desktop publishing system on line to replace an obsolete typesetting system, vastly increasing the team's graphic capabilities.

SHIPPING TEAM

Despite its name, the WSO Shipping Team does a great deal more than just pack literature into boxes and send it. The six members of the Shipping Team are responsible for a variety of tasks:

- * Facilitating the production of our literature by negotiating with vendors and printing brokers;
- * Arranging for stock placement among the various branches of WSO;
- * Printing the various reports, minutes, and periodicals published by WSO;
- * Handling bulk mailings for both the office and the WSC;
- * Copying audio tapes and printing several handbooks as well as some recovery literature in translation; and,
- * Serving as purchasing agent for WSO, ordering and arranging for the delivery of all office equipment.

The team's most pressing concern this year has been floor space--or the lack of it--in the warehouse. The Shipping Team is also concerned with the disproportionate amount of time it spends filling small orders, with shipping clerks devoting sixty percent of their time to orders that represent only ten percent of WSO sales.

ACCOUNTING TEAM

The WSO Accounting Team is responsible for customer order entry, customer account management, and customer service. The WSO receives an average of over fifty customer orders each business day. In the past year we were able to process all customer orders within two business days of receipt, and most were processed the same day.

The Accounting Team is also responsible for the internal accounting systems of the World Convention Corporation, the World Service Conference, and the World Service Office, including WSO-Canada and WSO-Europe. In addition the Accounting Team performs and supports WSO payroll and human resources functions.

This year the Accounting Team has had to replace two employees who've left the office, a lengthy medical leave of one employee, and a staff reduction of one employee with the elimination of the position of travel assistant. The travel support functions are now processed through an outside travel agency, and the inside office functions related to travel have been dispersed throughout the various WSO teams.

The computer system in Van Nuys was upgraded in October 1993, making it possible for us to use a better computer accounting package for WSO-Europe. This will allow us to begin having detailed financial reports for that office.

An annual cycle was completed using the new software purchased for processing WSC financial activity. Although there are some modifications needed in the applications, the process has been successful. Even with the new computer program, conference financial services have been very time-consuming. We have tried reassigning WSC financial processing to someone besides the Accounting Team leader, but we have not been able to find the time and resources to train anyone else in related procedures.