

FROM THE PRESIDENT

Let me begin by stating that I am privileged and humbled to serve SPWLA and its members as President for this year. This is the culmination of my 20 years as a member and 10 years serving in a leadership capacity. I have served in the organization at both the Chapter and Board of Directors levels. I do not share this with you out of pride, but as a means to emphasize some points that will extend through this message. I hope that you will bear with me to the end, but if I lose you along the way I want to make sure you hear that I am thankful and gratified to be in a position to serve you.

If you attended the Annual Business Meeting this year you heard Ton Loermans request an accounting of how much money was spent in the attempt to reorganize SPWLA under the Charter Agreement. This effort spanned the previous two Boards of Directors. Any accounting of finances is a legitimate and reasonable request that any member can pose to the Board of directors. If you were present, you may also recall a hasty response, which I ask everyone to kindly forget. I made a pledge to provide accurate accounts of money spent on expenses associated with the Charter effort.

Some of the lack of financial transparency is due to the fact that we stopped publishing our financial statement several years ago because it opened us up to being targeted for fraudulent scams. But this is also partly due to the fact that the recent Boards of Directors (on which I served) have not been entirely informed of our actual finances. The current Board of Directors has already addressed this issue and we are prepared to answer any future financial questions.

Here are the numbers Ton requested, including a full breakdown of legal expenses:

Legal Expenses October 2015 to April 2017

Defining Author Policies	\$1,993.75
Understanding Board Governance	\$4,943.75
Researching a Joint Conference With CWLS	\$1,993.75
Commercializing the SPWLA Mnemonics Database	\$481.25
Starting Up the SPWLA Training Facility	\$3,575.00
Normal Business Legal Issues	\$343.75
Legal Costs Related to the Charter Agreement	\$19,381.25
Total Legal Expenses:	\$32,712.50

Other Expenses Related to Charter

President's Travel Expenses (Mostly used in conjunction with charters but there is no way for us to audit the exact amount)	\$20,000.00
Celebratory Signing Dinner	\$600.00

Since it is not possible to itemize the purpose or time spent

on a given topic during the President's travels, I will ask that you give me some flexibility in estimating that the total expenses related to the Charter reorganization effort is ~\$35,000.00. It is neither as high nor as low as any of the previous numbers discussed. But the legal expenses are considerably over normal levels (~\$1,500/year) and this is the highest amount of travel expenses that have been reimbursed to a Board member to my knowledge.

I invite all comments and concerns regarding these expenses to be addressed to president@spwla.org. I will not promise to respond to all the email I may receive, but I will promise to represent the concerns of the majority of opinions voiced. I have informed the current Board of Directors that there will be no reimbursement of expenses incurred by a Board member during my tenure. I am also committed to bring our legal expenses back to traditional levels (barring any critical legal issues that may arise). If you disagree with these steps I am interested in those opinions too.

Now that this accounting is done, allow me to continue with some editorial, mixed with nonfictional facts:

I see some disturbing trends that need to be addressed. Some trends are within the ability of the Board of Directors to control; some can be influenced by Board actions; and some are controlled by outside influences. In other words you cannot expect the Board of Directors to solve everything but you should have an expectation of what we can attempt to do. So here are the trends.

1. SPWLA is losing money. Because our largest expenses and largest revenues often split into different fiscal years, it is difficult to define exactly how well we do year over year. But the trend is there.
2. Membership in SPWLA is declining. We currently have 2,130 members and 234 senior members. Membership has traditionally been steady near 3,000. A very disturbing fact is that the first 666 students who sign up for membership are fully sponsored by Baker Hughes yet we only have 448 student members. How much is membership worth if we cannot give it away for free?
3. SPWLA has spent more money increasing services to members, chapters, and students. But this investment has not resulted in new or sustained memberships.
4. Industry has stopped or slowed support for many employees to participate in professional activities.

Our Board is going to work hard to bring expenses down. Some actions are easy and some will be hard. Some will be both. An example of this is providing our members with a hardcopy of *Petrophysics*. This expense last year was

\$131,660.75 or 57% of our income from membership dues. While I enjoy having a copy on my desk as opposed to my desktop; I know this is not a sustainable cost at current membership numbers. Eliminating this cost alone would cut our losses considerably.

Many of you may be aware of the SPWLA efforts to enforce a Charter Agreement on our Local Chapters and SIGs. Regardless of what your opinion is on how this effort was carried out, a major objective of this effort was to address the declining membership trend.

SPWLA is the only professional society that does not require members of its chapters to also be members of the parent body. This means that the sum of our parts is greater than the whole. This places SPWLA at a severe disadvantage in a multitude of ways. The worst issue is that this places SPWLA at a competitive disadvantage to our Chapters! As a past Chapter President I know that we operated almost entirely independently of SPWLA and there was little incentive for us to encourage our members to join SPWLA. I suspect little has changed. This is a gap that must be bridged. But as we learned through the Charter approach, building a bridge from just one side of the gap is a difficult way to go. So I implore all of our Chapters and SIGs to work with me to find a way to bring all local Chapter members into SPWLA. These members are a vital part of your organization and they should be a vital part of SPWLA. We need our Chapters and SIGs to actively help.

Beyond our Chapters and SIG's what about you? Yes, you. How many of you know a coworker or a colleague who should be interested in SPWLA but is not a member? In many cases these people do not even know there is an SPWLA organization to join. Our members should be our greatest advocates to grow membership. Are you actively doing this? The best sales pitch is having our members saying how much they get from SPWLA (and this includes the "free" things such as local chapter meetings and events). Membership is what makes all this possible and active participation is what keeps it going. If you have trouble doing this the Board would like to hear your reasons why. Perhaps we can address them.

Our conversion of students to full members is extremely low. We need to find ways to improve this. SPWLA has been increasing investments in student programs, benefits, and subsidies and not seeing a good return. We need to rethink our strategy on how to keep young professionals engaged in SPWLA after graduating.

I close by addressing the final trend and bringing my opening statements back to light. Many of us have seen several downturns during our careers while for others, this is their first one. In my opinion this one downturn is different from all the others. Industry as a whole has cut training, travel,

and professional development budgets as never before. We have seen companies ban participation on all levels. Once again, SPWLA (and all professional organizations) need you to push back. If we do not, the professional organizations will not rebound when the industry does. Talk in the break room is all that is needed to get the point across. It does not need to be a confrontation with your boss. The grumbles add up and keep the conversation alive.

I have been extremely fortunate to have the support of my company through the years. I have been allowed to spend a considerable amount of my time and effort supporting SPWLA because they know it makes me a more valuable asset to the company and because SPWLA supports our discipline throughout the company. Serving as President of SPWLA comes with large demands of time and travel. As I noted above I will not be passing my expenses onto SPWLA. If you have a chance to visit with a ConocoPhillips manager please thank them for their support. Use this example to help your management find ways to support your service.

Regards,
Brett Wendt
2017–2018 SPWLA President

CALENDAR OF EVENTS

August 28, 2017 - September 1, 2017

The 31ST International Symposium of
the Society of Core Analysts
Vienna, Austria

<http://www.scaweb.org/sca-annual-symposium/>

June 2-6, 2018

SPWLA 59TH Annual Logging Symposium
London, United Kingdom
www.spwla2018.com