

2017 Objectives - December 2017

Financial Metrics Based on November 2017 Financial Statements and Membership Report

Goal	YTD/Status
Financial Metrics – by 12/31/17	
2017 Surplus: \$25,519 without Olympics \$1,332,765 deficit with Olympics	YTD 11-17 Surplus without Olympics \$532,386 Deficit with Olympics (\$186,86
Membership: 47,000	45,691 (11/30/16) vs. 45,220 (11/30/17) -1.0% decrease
Development (budget): \$2,466,500 – Foundation and ancillary contributions to US Sailing	
US Sailing General - \$690,000	USSA plus USSF Cash and Pledges - \$1,734,559
Olympic Program - \$1,766,500	Olympic Program Cash and Pledges - \$1,296,219
Strategic Programs - Status	
Youth	
Design and Launch Sailor Development Framework	Input on the Youth Development Model diagram and skill matrix was solicited from National Faculty and National Coaching Symposium this fall. In early 2018, the focus is on beginning to spread awareness of the Model, and creating and promoting Level 1 lesson plans and cue cards. There will be an introductory presentation at the Sailing Leadership Forum.
Develop Recreational Pathway	Jen Guimaraes will begin employment on January 3rd as the new Youth Recreational Sailing Manager, focusing on promoting Smallboat Instructor Courses, Reach, Community Sailing and access to sailing for all youth.
Adult	
Promote USS Education brand and implement proactive marketing to grow core programs	First Sail marketing push during the second half of 2017 through Scuttlebutt has provided a steady stream of new First Sail locations. 2018 program for keelboat marketing to be developed in January with Marketing and CCOMM. Data collection from US Powerboat survey is complete. Findings being analyzed before USPB meeting in St. Pete. USPB marketing plan for 2018 to follow that proved for SAS in CW magazine February issue.
Launch and Grow Safety at Sea 2.0	10 Chapter Safety at Sea Offshore Online Supplement is now in-house testing. On track for roll out to public on January 1, 2018. Working with CCA, Storm Trysail and Navy on solving longstanding and existing issues on implementation and policy with group meeting scheduled for January 5, 2018.
First Sail Growth and Promotion	First Sail moving forward. On track to double locations by year end. Highlights of several FL First Sail locations successes will be presented at SLF.
Competitive Services and Support	
Complete UCS (Universal Certificate System)	Development of the UCS continues for the IRC rule however is slightly delayed for issuing IRC certificates for January 1, 2018 by about two weeks as the SAP team and the IRC developer complete the integration between the two systems. We expect the UCS to be the principal source for IRC, ORC and ORR for certificate issuance for the majority of the 2018 rating season.

Develop and Launch New RM Education Offerings	<p>Initial proposal for a Race Management Instructor Training program presented to Race Management Committee at December meeting. Committee expressed support and formed a small working group to pursue planning.</p> <p>Work on RC 201 continues; planned for beta testing Spring 2018.</p>
Olympics	
Initiate a transformation of our Olympic Program	<p>Performance – many new initiatives are underway and progressing well. And results both on and off the water are being produced. Main focus is on engaging world-class coaching. Then excellent progress on the Innovation R&D front with aligned connection to the San Francisco Bay area tech community and others. The leading indicators are positive and promising. The #1 constraint is the funding needed to keep the system building process in motion.</p> <p>Business - establishing of Olympic Resource Bank (ORB) is underway with a focus on providing needed fundraising, facilities and filling gaps in order to build a system for the professionalized sport. An array of projects is underway as part of the SYSTEM build such as the Olympic Research project, the College Alignment Program and the Career Pathways Program as well as the Athletes Playbook and all the associated coordination points. The ORB has over 45 people actively engaged across this virtual organization that represents all net new activity from previous Quads. The ORB works closely with the Performance leadership to ensure the work being done is aligned and integrated. The work is sequenced in order to generate optimal impact and value to our athletes and the results that they produce.</p>
Marketing & Communications	
Improve member satisfaction – 20% increase in value, satisfaction and understanding	Launched Membership Engagement “This is What We Do” Video. 8,600 views first 3 days. Focus on “here to help” and SLF.
Implement Effective Communication Capability – broaden distribution, increase awareness	Developing more sophistication around FB advertising, creating “custom audiences” and re-targeting certain web page traffic. FB campaigns for membership and SLF registration utilized those tactics. Adobe Spark pages now standard in many of our email messages allowing us to leverage photography to greater extent.
Administration	
Complete move to RWU	Completed September 15, 2017
Improve processes and efficiencies	With our new online store, we are making improvements to how we collect payment and the quantities of products that are ordered and stored at our warehouse, Allied. We have already reduced our storage costs so that we are charged \$2.10 for bins instead of pallets at \$12.50 a month.

Association Report

CEO - Jack Gierhart

It is hard to believe the end of another year is upon us. A full one to be sure: a new organizational structure implemented; new office; revamped Olympic department and strategy; a strategic plan; a Foundation that is revamped and up and running; and many new faces. We celebrated the Holidays last week at our annual Holiday dinner at the Clarke Cookehouse. President Burton joined us and we recognized Meredith Brody, Jessica Servis and Bryan Donovan for 5 years of service, and Nathan Titcomb, Tina Kent and myself for ten years. A great evening was had by all, and owner David Ray continued his generous hospitality towards US Sailing.

Over the next two weeks we will be refining the budget, and will share with the budget committee the first week of January. We will provide the final budget - Association and Olympics - to the Board by the third week of January for discussion and a vote during the Board meeting on January 31, 2018 in St Pete. We have an abridged report this month (no departmental updates beyond the summary pages) as most of this past month we have focused on planning and budgeting. The departments were also working on supporting the year end message to members, the Annual Report, and preparation for the Sailing Leadership Forum.

A few additional highlights:

- Our Youth Worlds Team, under the leadership of Leandro Spina, and coaches Steve Keen and Rosie Chapman, brought home three medals from the 2017 Youth World Sailing Championships in Sanya, China that ended last Friday: Gold I420 Women; Gold Laser Radial Women; and Silver I420 Men. [Click here](#) for the full story.
- We continue our discussion with SAP on our partnership extension. We are also in 2018 pricing discussions with the ORA for ORR certificates. WE learned earlier this month that Christian Bragdon has decided to move to a new role at a naval architecture firm, and we are now searching for his replacement. Christian has done a great job supporting Nathan in the modernization of the Offshore office, and we wish him all the best in his new role.
- Year-end means inventory check, and we are rethinking our approach to production runs, inventory storage, fulfillment and payment terms to improve efficiencies and reduce costs. This is a multi-departmental initiative that will continue into 2018.
- Mike has been working with the various departments on requirements for our next generation CRM (customer relationship management system/member data base). We believe there are dramatic improvements we can make to improve data collection and analysis about our members, the purchase process, membership product design, and the various workflow and business critical applications that are currently complex and labor intensive to maintain and modify.
- The Education and Youth departments hosted a successful coaches round table and advanced coaching clinic after Thanksgiving that was very well received. Stu and John did a great job bringing together top coaches from the Olympic and ODP community, and engaging almost 100 coaches from across the country and a variety of disciplines. We created a brief video that recaps the 3-day event. You can find this and other useful youth news in the [Youth Racing News](#).
- The US Sailing Foundation continues to gain momentum. We recently complete a multipage brochure that presents all the key areas of investment. The website is up and running, with online donations available (<http://www.ussailing.org/ussf-home/ussf-donate/>). This look and

feel will be updated along with the rest of the Association's website. The Annual Appeal is in full swing and returns so far are in-line with expectations. The last week of the year is the big push. Please visit the website and make your donation today!

- Our team continues to make major strides for the launch of a new site, including: Content consolidation and refinement along with major strides in on-page SEO; Responsive designs for desktop, mobile and tablet layouts have been developed and thoughtfully planned; Programming and styling of the site within WordPress is well underway and content is being migrated into the test site; Special accommodations within the WordPress backend are being developed for content that appears in multiple locations allowing for updates in one location that populate to all occurrences of that content. This will be highly beneficial in creating and maintaining a staff directory, resource library, Olympic Team profiles, course listings, and more. This will be a fully mobile-enabled site, compatible with any type of computer, phone or tablet. The website is slated for a soft launch for end of January encouraging user testing and feedback during the Sailing Leadership Forum. We have attached a couple of screenshots to show the direction we are going.
- Our progress on sponsor acquisition is going well, with many of the sales tools in place to facilitate productive conversations with prospective sponsors. Dan Egan has been working on opening as many doors as he can, and we are well on our way in stepping through many. We are in discussions with Yanmar, Bermuda Tourism, Goslings, Rockport, Accenture, and BMW, with more coming down the pipeline. We have also cultivated strategic media relationships with Sailing World, The Weather Channel, and Univision (for the World Cup Series Miami) to help build our marketing value and connect with additional brands. We are in discussions with a Presenting Sponsor for Miami, brought to us through the Univision relationship, which will help us grow the festival that we are creating around that regatta. Year 2 of our Helly Hansen partnership begins in 2018, and we will be working with Harken and McLube to renew that contract in early 2018.
- Finally, we have our two major events right around the corner: World Cup Series (<http://miami.ussailing.org/>) in Miami January 23-28 (racing); and the Sailing Leadership Forum in St Pete Beach, February 1-3 (<http://sailingleadership.org/>). The US Sailing Board and some committees will be meeting the day before, January 31. We look forward to seeing you in Florida this January and February.

2017 has been a year of implementing a great deal of change that was planned in 2016, and we look forward to fine tuning and filling gaps in 2018. Thanks to everyone - the Board, Division and Committee chairs, and volunteers - involved who gives so generously of your time, expertise and other resources. I would also like to thank the incredible staff we have in Bristol and across the country who I have the honor and pleasure of working with, and who are committed to serving our members and building a strong future for sailing. As I shared on Thursday evening at our Holiday celebration, the task in front of us is really difficult; we are working to change a sport and culture that has existed for decades, and it will continue to take hard work. I know this entire group however is up for it, and US Sailing would not be making the progress and impact we are, without you. We wish you all a happy holiday and a great New Year.

Cheers,

Jack and the US Sailing Staff

Finance Report

Director of Finance - Donna Kane

We have in the final round of reviews of the 2018 budget and will have a draft budget to present to the Budget Committee the first week of January.

Overall there is a \$186,211 deficit at the end of November against a budgeted deficit of \$1,867,930 for a positive variance of \$1,681,720. Revenue is a head of budget by \$1,296,500 and expenses are \$385,219 under budget. We are \$114,762 ahead of the prior year.

	YTD 11-17 Actual	YTD 11-17 Budget	YTD Budget Variance	YTD 11-17 Actual	Prior YTD 11-16	2016 vs 2017
Revenue						
Membership	1,886,426	1,970,006	(83,580)	1,886,426	1,827,274	59,152
Public Support	1,193,449	1,042,723	150,726	1,193,449	1,361,810	(168,361)
Sponsorship	1,364,241	1,188,333	175,908	1,364,241	1,695,367	(331,126)
Program Revenue	1,847,648	1,711,479	136,170	1,847,648	1,808,046	39,602
USOC	841,614	858,150	(16,536)	841,614	1,073,675	(232,061)
Investment	356,329	91,208	265,121	356,329	144,346	211,983
Grants	616,512	25,000	591,512	616,512	232,678	383,834
Sales	614,814	608,705	6,109	614,814	541,764	73,050
Misc. Income	230,352	159,281	71,072	230,352	12,934	217,418
Total Revenue	8,951,385	7,654,884	1,296,500	8,951,385	8,697,894	253,491

Expenses						
Salaries & Benefits	3,795,942	3,733,770	(62,172)	3,795,942	3,396,513	(399,429)
Operating Expenses	5,062,319	5,539,576	477,258	5,062,319	5,460,506	398,187
Cost of Goods Sold	279,335	249,468	(29,867)	279,335	141,848	(137,487)
Total Expenses	9,137,596	9,522,815	385,219	9,137,596	8,998,867	(138,729)
Surplus/Deficit	(186,211)	(1,867,930)	1,681,720	(186,211)	(300,973)	114,762

Variance analysis for Association financials including the Olympic Department

Revenue

Overall membership revenue is \$84K below budget and \$59K ahead of the prior year. We over-budgeted membership for this year but will continue to be ahead of the prior year. In January 2017, membership rates were changed, and the revenue was budgeted at the new higher rate. On the cash basis revenue is recognized when it comes in but on the accrual basis the membership revenue is spread across twelve months, it will not be until January 2018 that all the membership revenue will be at the new rates. The 2018 campaigns for Organization memberships was just rolled out and should bring in more revenue going forward.

Public support is \$150K ahead of budget and \$168K behind the prior year; the prior year includes a \$550 pledge. No pledges for future years have been entered into the accounting system yet, they will be entered for December.

Sponsorship consists of cash in the door and VIK. We are ahead of budget (\$98K) in cash sponsorships. The VIK is booked as we use it; we are slightly behind budget (\$14K). This year the SAP VIK is being booked at \$25K a month for a total of \$300K for the year instead of at the end of the fiscal year. The unbudgeted Olympic program VIK for coaching of \$92K is offset by the Coaching VIK expense.

Program revenue is \$136K ahead of YTD budget in New Certificates (\$36K), Registration Fees (\$112K) and Application Fees (\$32K). The following lines that are under budget will stay under-budgeted for the year: Sail Numbers (\$20K), Fees (\$25K), Charter Fees (\$8K) and Revalidation (\$17K).

There is a positive variance of \$265K is in investment earnings. Revenue from investments was budgeted for \$99K for the year.

Grants has a positive variance of \$591K. The Coast Guard of \$363K was not budgeted; \$79K of this is from the prior year deferred revenue. The is a \$250K grant that was funneled through the USOC for the Olympic Department.

Combined sales are ahead of budget by \$6K.

Unbudgeted sales of boats in miscellaneous income has put the category over budget. Revenue from the Foundation has been recognized at \$170K as of November; \$11K ahead of budget.

Expenses

Overall salaries and benefits are \$62K above budget contributed to temporary services which is at \$67K, we have used temporary employees to fill some open positions until permanent staff can be hired. There are variances in each department with the moving of staff to different departments.

Operating expenses are \$477K below budget.

The largest positive variances that will stay under budget for year-end are: Printing and Stationery (73K), Travel (\$91K), Non-Staff Travel (\$332K), Charter Fees (\$116K) and Coaching Fees (\$78K). The largest negative variances are Registration Fees (\$170K), which is partially offset by the positive variance of \$112K in Registration Revenue and Consulting Fees (\$92K) which is the Strategic Planning process, the new website and database.

Membership Report

Director of Operations – Lauren Cotta

- We're heading into the end of the year with above 45,000 active members.
- November and December were focused on acquisition campaigns and organizational renewals.
- In 2016, we held seven campaigns gaining a total of 1,055 additional members.
- In 2017, we increased our membership marketing efforts around joining and renewing. Over the past year, we ran eleven offers and achieved 1,753 members. The increased traffic from more Facebook advertising and creative emails with enticing incentives provided the opportunity to convert interest in US Sailing into new members of our community.
- This was a year of transition for how we approach our membership acquisition and retention efforts -- from a centralized membership department to a matrix model. We believe we know how to accentuate the successful acquisition campaigns while addressing and areas of challenge for us in 2017.
- As we look to 2018, the local sailing organizations have steadily been renewing their memberships. We are excited to continue to build on the potential of our new organizational structure by communicating the importance of individual, youth and family US Sailing memberships through our organizational members.