

Date: July 20, 2018
To: USS Board members
From: Bruce Burton, President
Subject: July 2018 President's Report



Dear USS Board members,

This is an uncharacteristically busy time for your president. As reported last month, the staff and organization are in full swing as our summer months are at peak season. During this period the Board activity slows down as we allow the staff time to complete their projects and attend regattas. We go sailing, they keep to the grindstone. In my case, I am in the same boat as the staff! This is what has kept me on the go since our last meeting:

Over the Transom US Sailing Foundation

For the past two months I spoke of our need for nominations for directors and trustees for the Foundation. This is **my second round of reminders** to you to please contact Georgia McDonald, Jack Gierhart or me if you have a nomination for director or trustee. Thank you!

World Cup-Miami

As reported by Jack Gierhart and me, separately, we will exceed the budgeted loss approved by the US Sailing Board unless World Sailing provides requirement relief specified in the contract. As a result, the Olympic Sailing Committee (OSC) recommended/supported Jack's firm response to World Sailing when they told us they would not provide requirement relief. Jack wrote a letter and spoke to the World Sailing CEO, I wrote the WS president and many of us spoke to WS board members. The net effect of these appeals has been that it now appears that we will receive the requirement relief we requested.

Many thanks to Jack, Cory Sertl, Meredith Brody, Malcom Page, Gary Bodie, John Craig, Gary Jobson and many other for their indefatigable efforts to resolve this, allowing us to remain a World Cup series country for 2019. There is no guarantee that we will have a World Cup regatta in 2020 because our contract expires and WS has not protected the calendar to ensure that all classes can attend the regatta.

Jack will provide the details of the negotiation if necessary, along with the requirements relief received.

Chief Marketing Officer

Peter Glass and I were able to meet in Bristol July 16th, his first day on the job. I met him by phone before his official start date so it was nice to place the face with the voice. My emphasis for him was to use his talents to help us "grow our revenue and membership." Peter comes from Ski and Snowboarding, so he knows marketing and growing a business that has both a membership and Olympic component. He understands that marketing must lead to growth and improved customer satisfaction/awareness, so we are off to an aligned start on my expectations.

One of Peter's first initiatives is to improve the commercial sponsorship program for the Sailing Team. We are frustrated by our lack of progress in securing sponsors and Peter will be personally involved in sponsorship meetings with our contractor, Degan Media, to close contracts. Degan, who you met via phone last month, has made a significant number of contacts, all of which have not led to revenue. Peter intends to resolve these contacts, one way or the other.

We are failing our athletes when we are unable to find commercial sponsorship.



Olympic Sailing Committee (OSC)

Staffing

You will receive a verbal report in Executive Session on the progress we are making to replace Jim Campbell.

Fundraising

As reported last month we are closing in our Aarhus campaign \$2.5M goal. An important element of the plan is the “one design challenge” which has been very successful. This is the first time that we have engaged one design sailors on a large scale and asked for their support. These are the key activities that we are pursuing to achieve that goal:

Week of 7/9 – Aarhus Digital Newsletter

- Update from Malcolm
- Athlete & Coach Interview
- Meredith/logistics Story
- Update on Funds received and what they purchased

Week of 7/16 - Focused Last-Ask Email

- Message from new Donors (3 – Medalist, Mid-Level, Small)
Why they’re supporting the team
- Message from a Coach – the impact they’ve witnessed, what more funding would do
- Call to Action – let’s show our Team we’re behind them

Week of 7/23 – Thank You – Impact Beyond Aarhus

- Thank you video(s) to Medalist donors (individualized)
- Thank you videos to the One-Design Classes (individualized)
- Your impact reaches beyond Aarhus – your support takes our Team Tokyo

The one design component of the campaign has provided this level of funding:



Summarized, it is:

Cash-In	\$121,580.00
Pledge Balances	\$179,000.00
Total Raised	\$300,580.00
Promises Outstanding	\$56,000.00
Projected Total Raised	\$356,580.00

Our goal is \$300,000.

NGB Board Chairman Summit

USA Triathlon organized a “first ever” summit meeting of all Olympic sport NGB chairmen, held in Denver on July 17 and 18. I attended with about half of the other NGBs. I was so impressed with these leaders and what their sports are doing. Of course, I wanted to know how “US Sailing stacks up against the rest of them.”

There are many opportunities to share “best practices.” For example, US Equestrian significantly grew their membership in a few years. I hope to learn more on how they did that now that we have a connection to their leadership.

This was one of the best events that I have attended since being on our Board and I highly encourage us to continue to participate.

These are some of the notes I took during the meeting:

1. The USOC has a crisis about every 10 years: Salt Lake bribery/tickets, Doping, now sexual abuse.
2. All NGBs are short of money-regardless of Tier (see attached for tier breakdown).
3. The NGB Board should have a director with a legal background.
4. The USOC relies on the NGB for athlete pipeline development: our ODP is so important for that.
5. 12% of USOC budget is for fundraising. 6% is for salaries of management.
6. We, USST, should make sure that our athletes know all the services the USOC has available to them.
7. SafeSport
 - a. All the NGBs want SafeSport to be implemented the same-give us the cookbook on how to do it.
 - b. Gymnastics now requires all parents to take Safe Sport Training to register their athlete.
 - c. NGBs want clubs to be “certified as safe” meaning that they have been certified as passing a training program as a club.
 - d. 400,000 people have taken the online training.
 - e. USOC contributes 2X of what NGBs contribute to SS.
 - f. \$2.5M from Department of Justice to support SafeSport.
 - g. 1,500 cases in front of SS now.
 - h. The average case comes to closure in 79 days.
8. Board Policies
 - a. USA Water Polo requires each director to donate \$25,000 annually to be on the Board.
 - b. Most Boards meet face to face twice a year.
 - c. Very few Boards have monthly calls.
 - d. Chair terms:

- i. Most Board chairs have two or four year terms.
- ii. Only one other had a three year term.
- e. Director Terms
 - i. 2 to 4 years
 - ii. Many without term limits
 - iii. Hockey has 90+ on Board
 - iv. Most directors are now independent, not affiliated with an athlete, sponsor or have another title within the organization.
9. Some sports biggest selling points=reason for membership=insurance and athlete safety
10. It is very hard to get athlete reps on the Board (we know that from the OSC).
11. 50 is the total number of NGBs.
12. USOC has a standard customer survey, something like we do with the net promotor score.
13. Think "no margin, no mission" when thinking about services offered. Use our Filter!
14. Crisis planning is important-be prepared beforehand.

I left the summit feeling that we are well above the median in governance and process control. That is balanced against what I believe is a pretty big shortfall in potential revenue generation and membership. I believe that Jack and the staff have good plans to close those gaps and our strategic plan will go a long way to help lead us there.

Over the Bow

Things that I will focus on this month:

1. Staff meetings while east.
2. Support revenue generation planning and execution. Support hiring Jim Campbell replacement.
3. Transition of leadership to Cory Sertl over the next three months.

Thank you for your continued support,



Bruce J. Burton,
President

2 Revenue segments help identify NGBs with similar operational priorities

Primary Revenue Source	Tier 1	Tier 2	Tier 3	Tier 4	Segment Description
Membership	<ul style="list-style-type: none"> US Equestrian Federation US Figure Skating USA Gymnastics USA Hockey USA Swimming 	<ul style="list-style-type: none"> USA Cycling USA Rugby USA Triathlon USA Water Polo USA Wrestling 	<ul style="list-style-type: none"> USA Boxing USA Judo USA Taekwondo 	<ul style="list-style-type: none"> USA Badminton American Canoe Association USA Climbing USA Synchronized Swimming USA Table Tennis 	<p>Many NGBs focus on growing the sport to drive membership. Generally Tier 1 and 2 NGBs attract members through a unique value proposition while Tier 3 and 4 gain members because membership is necessary to compete</p>
Events	<ul style="list-style-type: none"> US Tennis Association USA Volleyball 	<ul style="list-style-type: none"> USA Fencing USA Field Hockey 		<ul style="list-style-type: none"> USA Pentathlon 	<p>NGBs face little competition in the events space from other organizations</p>
USOC Funding			<ul style="list-style-type: none"> USA Bobsled & Skeleton Federation USA Curling USA Diving USA Luge US Speedskating 	<ul style="list-style-type: none"> US Biathlon Association 	<p>Half of these NGBs are categorized in the USOC's Gold or Silver HP tier; all of these NGBs have smaller staff and revenue and rely on this funding to operate and develop programs</p>
Sponsorship/Licensing	<ul style="list-style-type: none"> USA Golf USA Track & Field 	<ul style="list-style-type: none"> USA Basketball 			<p>NGBs capitalize on their strong brand presence to secure sponsorship and licensing deals</p>
Grants/Donations/Fundraising	<ul style="list-style-type: none"> US Ski and Snowboard Association 	<ul style="list-style-type: none"> US Sailing USA Shooting 	<ul style="list-style-type: none"> USA Archery 	<ul style="list-style-type: none"> USA Team Handball 	<p>NGBs generate revenue from specific parties who are devoted to the sport</p>
Certification/Education			<ul style="list-style-type: none"> USA Weightlifting 		<p>NGB differentiates by selling educational products in the marketplace, expanding offerings beyond members</p>