



CEO Report (September 2017)

October 5, 2017

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More Cleanup, Big Ideas

- ♥ Staff identified and organized a list of ideas and problems. Each area committed to addressing several items. We completed more than 30 projects during September.
- ♥ At the same time, staff completed preparing ten “Big Idea” proposals.
- ♥ Staff shared the proposals with the Board, incorporated Board feedback, and then shared them with the Board of Governors, District officers, staff and all ACBL members.

Preparing for San Diego

- ♥ Staff has started preparing for the San Diego meeting:
 - ♣ Get final ranking input from the Board of Governors and Board on the ten ideas.
 - ♣ Aggregate feedback and summarize the views of ACBL stakeholders.
 - ♣ Prepare motions on a variety of operational issues.
 - ♣ Submit all motions and idea summaries by October 16th deadline for motions.

35 September Projects

| Area | Projects |
|--------------|-----------|
| Finance | 5 |
| Governance | 11 |
| Marketing | 8 |
| Operations | 5 |
| Technology | 6 |
| Total | 35 |

- ◆ Employee and legal issues are included in “Governance.”
- ◆ Staff continued to respond to questions and to handle all other “normal” activities.

Finance Projects

- ♣ Reduced time to cash checks by 1-2 days.
- ♣ Started budget process.
- ♣ Continued shift towards charging and paying in Canadian dollars.
 - ◆ Notified Canadian clubs in August that we would soon take and give payments in \$CDN.
 - ◆ Began payments to Canadian Units in \$CDN in October.
 - ◆ Will begin accepting membership payments in \$CDN in October.
 - ◆ Will begin paying TDs in \$CDN in November.

Finance Projects

- ♣ Reviewed attrition risks for San Diego and other NABCs. Introduction of new hotel reservation cancellation policy has minimized this risk.
 - ◆ Cancellation policy came into effect on September 25.
 - ◆ We are 100% booked at all main hotels except the Hyatt.
 - ◆ 3,700 room nights cancelled in time.
 - ◆ If we had fallen 100 room nights below our attrition limit, it would have cost us \$14,000
 - ◆ Few complaints to date regarding the policy change.

Finance Projects

- ♣ Analyzed District financials. Initial conclusions:
 - ◆ Districts fall into two groups—those who run Regionals and those who delegate to Units.
 - ◆ Districts who run their own Regionals appear to be running as a group at breakeven or a small loss. Districts who delegate their Regionals appear to generate a small aggregate profit.
 - ◆ There are major variations in the amounts spent on different expense categories in percent of net revenue and per member terms.

--Details are attached--

Finance Projects

Summary of District Financials

| | Overall | Districts That Run Regionals | Districts That Give Units Regionals |
|--------------------------|-------------------|------------------------------|-------------------------------------|
| # of Districts | 25 | 17 | 8 |
| Number of Members | 165,948 | 121,503 | 44,445 |
| 2016 Regional Tables | 161,329 | 116,753 | 44,576 |
| Est. Regional Revenue | \$ 7,743,768 | \$ 5,604,120 | \$ 2,139,648 |
| Net Regional Revenue | \$ 339,560 | \$ 235,452 | \$ 104,108 |
| Other Income & Rev. | \$ 63,412 | \$ 49,248 | \$ 14,164 |
| Total Net Revenue | \$ 402,972 | \$ 284,700 | \$ 118,272 |
| Governance | \$ 177,945 | \$ 144,461 | \$ 33,485 |
| Publications | \$ 121,157 | \$ 99,090 | \$ 22,067 |
| Education/Youth | \$ 43,588 | \$ 29,331 | \$ 14,257 |
| Depreciation | \$ 14,556 | \$ 14,556 | \$ - |
| Other Expenses | \$ 40,702 | \$ 29,958 | \$ 10,744 |
| Total Expenses | \$ 397,949 | \$ 317,396 | \$ 80,554 |
| Investment Income | \$ 9,003 | \$ 8,352 | \$ 651 |
| Net Income (Loss) | \$ 9,003 | \$ (24,344) | \$ 38,369 |

Finance Projects

Per Member Average and Percent of Net Revenue

| | Overall | | Districts That Run Regionals | | Districts That Give Units Regionals | |
|--------------------------|----------------|--------------|------------------------------|--------------|-------------------------------------|--------------|
| | Avg / Member | % of Net Rev | Avg / Member | % of Net Rev | Avg / Member | % of Net Rev |
| Net Regional Revenue | \$ 2.05 | 84% | \$ 1.94 | 83% | \$ 2.34 | 88% |
| Other Income & Revenue | | 16% | | 17% | | 12% |
| Total Net Revenue | \$ 2.05 | | \$ 2.34 | | \$ 2.66 | |
| Governance | \$ 1.07 | 44% | \$ 1.19 | 51% | \$ 0.75 | 28% |
| Publications | \$ 0.76 | 30% | \$ 0.82 | 35% | \$ 0.57 | 19% |
| Education/Youth | \$ 0.26 | 11% | \$ 0.24 | 10% | \$ 0.32 | 12% |
| Depreciation | \$ 0.09 | 4% | \$ 0.12 | 5% | \$ - | 0% |
| Other Expenses | \$ 0.25 | 10% | \$ 0.25 | 11% | \$ 0.24 | 9% |
| Total Expenses | \$ 2.43 | | \$ 2.61 | | \$ 1.88 | |
| Investment Income | \$ 0.05 | 2% | \$ 0.07 | 3% | \$ 0.01 | 1% |
| Net Income (Loss) | \$ 0.05 | 2% | \$ (0.20) | -9% | \$ 0.79 | 32% |

Finance Projects

Please note there are many caveats and problems with this analysis. For instance:

- ◆ Districts report their results in a variety of formats. For instance, some districts report gross tournament revenue and tournament expense, while others report only net tournament revenue.
- ◆ In some cases we had data for 2015 or earlier instead of 2016. Not all districts use a calendar fiscal year.
- ◆ Each district has different categories for its expenses.

Finance Projects

We plan to recommend the Board ask all Districts to use a common format for their financial reporting.

This would raise the quality of our analysis and help:

- ◆ **Improve the ACBL's strategic plan.** The \$7MM to \$8MM per year generated by District operations is a significant part of ACBL's activity. In order to coordinate District and HQ financial strategies, we need standard reporting.
- ◆ **Define "best practice" ratios for District operations.** For instance, spending on Education & Youth ranged from zero to \$2.15 per member.
- ◆ **Identify trends and cost-reduction opportunities.**

Governance Projects

- ♠ Began review of Privacy Policy.
- ♠ Introduced new National Recorder to our staff and systems.
- ♠ Started asking affiliates to license use of Masterpoint® trademark.
- ♠ Started interviews for PR Coordinator.
- ♠ Helped Competition & Conventions Committee deliver their new charts.
- ♠ Began search for more developers.

Governance Projects—cont.

- ♠ Started interviews for Customer Experience Manager.
- ♠ Moved Bridge Administration and Tournament Scheduling to Operations
- ♠ Designed program to improve player memo handling. Began update of on-line forms.
- ♠ Reviewed D&O insurance for Districts and Units.

Governance Projects—cont.

- ♠ Conducted HQ employee survey:
 - ◆ Staff would like us to add the new skills we need and hard workers. Bridge knowledge should not be required.
 - ◆ Need more communication from managers to staff. Need better chairs. (Note: we are starting an ergonomics study this month.)
 - ◆ Big Ideas are interesting. Advertising and teaching are the favorites.

--Details are attached--

Marketing Projects

- ♥ Supported hurricane relief (raised >\$65,000).
- ♥ Restructured education track at San Diego NABC.
- ♥ Analyzed NABC survey results (see attached).
- ♥ Prepared plan for NABC robot games.
- ♥ Loosened Longest Day[®] rules. Games can be held any day of the week.

Marketing Projects—cont.

- ♥ Continued work on new CRM.
- ♥ Tested upgraded club support system.
 - ♣ Tested support from TDs who were not assigned to a tournament during Tunica Regional. Upgraded phone system.
 - ♣ Starting in October, we will offer clubs an 800 number. The number will allow support (Central Time) from 5:00 p.m. to midnight p.m. on weekdays and from 11:00 a.m. to 7:00 p.m. on weekends.

Marketing Projects—cont.

- ♥ 30 college coaches/teams already signed up via the *Collegiate Initiative*
- ♣ 18 districts have recruited a college.
- ♣ 2018 Bridge Bowl in Atlanta will now be open to up to 16 teams.
- ♣ We have emailed all districts, clubs, and teachers. We are doing outreach to members who have .edu email.
- ♣ Need help from districts and units to get more teams

Operations Projects

- ♣ Created videos on Laws changes for field staff and club directors.
- ♣ Supported roll out of electronic ticket purchases (at site and in advance)
- ♣ Supported testing of KO and Swiss team results display technology.
- ♣ Worked on 12 tournament improvements suggested by Tournament Task Force.

Operations Projects—cont.

♣ Problems faced by field team:

- ♥ ACBL TDs work hard but haven't had enough training opportunities. Many experienced TDs are preparing for retirement.
- ♥ Field Supervisors and Managers had an average of 17.5 direct reports. They did not have time to effectively schedule, manage, direct, and train.
- ♥ TDs are not evenly spread. Some get too much work—others have to travel too much and this creates a cost problem for sponsors
- ♥ Based on our field force survey, TDs find the hourly pay structure we adopted in January cumbersome and demotivating.

Operations Projects—cont.

♣ Sought a Solution:

- ♥ Three month Labor Force Balance Project. Reviewed 2016 schedule/work data. Interviewed all key members of Field operations and many TOCs.
- ♥ Defined “Areas” based on schedule needs and transportation opportunities.
- ♥ Determined need for each area, what skills we had available, and what skills were missing.
- ♥ Looked for opportunities to create high-skill staff positions to manage training and “bridge governance” issues.

Operations Projects—cont.

♣ Restructured Field Team:

- ♥ Created Bridge Operations, Training, and Bridge Governance roles. Plan to add “second in command” so that Gary can continue spending time in the field.
- ♥ Created 7 Area Manager roles. Offered full time TDs “mentor” role for part time TDs and TAs in their Area.
- ♥ Scheduling will shift to HQ. Area Managers and TDs will provide training for part time TDs and TAs, with support from Training Manager.
- ♥ Bridge Operations and Bridge Wisdom will identify and resolve problems with awarding points, game management, etc.

--Details are attached--

Technology Projects

- ◆ Tested electronic entry purchase.
- ◆ Tested new approach to handling Swiss teams and KO results display.
- ◆ Began testing of new version of ACBL Score to allow 4.0 point max for clubs.
- ◆ Completed development of hand play (using BBO routines) of ACBL Live results.
- ◆ Launched internal help desk system.

Technology Projects

- ◆ Began process for certifying scoring and other bridge technologies.
 - ♠ Identified five programs that could be used instead of ACBL Score.
 - ♠ Identified two products that could automated Swiss and KO score display.
 - ♠ Upgraded game results gateway, hand record tracking, and masterpoint engine.
 - ♠ Set up process for certification (scoring example attached).

Technology Projects

- ♠ Clubs and tournaments may use any certified product.
- ♠ If a club or tournament wants to use a non-certified product, it should ask permission from HQ IT.
- ♠ HQ IT can then either suggest a different product or ask the club or tournament to help test and certify the product.
- ♠ No non-certified product should be used unless it is part of an approved test.