

2020 Association Report - September

Financial Metrics Based on August 2020 Financial Statements and Membership Report

Topics	Comments	Status
Financial Metrics		
Revenue	Generated \$697K in Revenue, up 371K or 114% vs revised Budget. \$250K Pledge commitment from John Shadden, \$100K of Gowrie sponsorship money not budgeted in August driving the significant \$ variance vs plan	Green
Expense	Savings this month 10.3% or 66K vs new revised expense budget. Mainly associated with 34K of lower travel costs & 32K less spending in Coaching and instructors due to less activity associated with COVID	Green
Net	Surplus of \$118K vs a budget to lose money in the month of August. We lost \$540K in Aug of 2019 - Year over Year Aug performance improved by \$658K	Green
Membership & Retention Goal (Revised): Revenue – \$2,099,956 (flat from 2019) Retention – 68%	39,543 (8/20) vs. 44,133 (8/19) Revenue: <ul style="list-style-type: none"> • For August - 5% decline- \$171,140 (8/20) vs \$178,880 (8/19). • YTD – .7% growth - \$1,416,459 ('20 YTD) vs \$1,405,871 ('19 YTD) Retention: 61.1%	Red Yellow Red

CEO Summary – Jack Gierhart

This month, we are presenting an abbreviated report due to the shortened period between board calls. Closing out the summer and beginning the transition to fall continues to look very different. We decided not to bring back our staff to the Bristol office until January 2021. Currently, there are 10 staffers from various departments who will remain working in the office but the majority will continue to work remotely. With the remote landscape and stresses of the new normal, we are trying to make it as comfortable and productive for our staff. We have begun working with our HR consultant, Karyn Rhodes, on performance management. We want to ensure our staff has clear objectives and a clear pathway for feedback while we are not able to meet in-person. She is assisting the directors to build a better roadmap to get these accomplished.

Membership activities are focused on acquisition, retention and re-acquisition. While membership numbers are declining because of event cancellations, relative to other NGBs, we are experiencing only half or a third of the decline they are seeing. The cash-in from membership purchases whether that is upgrading membership levels or adding a donation continues to exceed the numbers from last year. For example, we were 29K ahead of cash received in August compared to that of last year. We are extremely thankful to our loyal and generous members who continue to support us.

The majority of new member sales are driven by John's work promoting Skill Up. Over the last two months, there were approximately 150 youth memberships processed. Retaining our current member base is essential to our ongoing operations. West Marine launched as a new member benefit in August. To draw further attention to this benefit, we are sending members a standalone email about how to access the digital coupon. Three of the retention emails are being modified to target Keelboat and One Design sailors' interests. The theme of these messages developed by Marketing and Betsy is to highlight member benefits such as West Marine, provide information on access to sailing by directing members to One Design Central and Where to Sail, and informing our members on further educational opportunities. Re-acquisition of lapsed members continues each month. We are leveraging existing Helly Hansen inventory to encourage renewals.

New member acquisition has declined due to lower course and regatta registrations. This change in our business presents a void of new members which greatly affects our overall number of active members. In Q4, we will launch a member acquisition campaign asking influential people representing the sailing industry, organizations, and partners to speak to what sailing and US Sailing has meant to them, challenges our sport currently faces and invite sailors to join as members. This approach leverages our existing relationships to create spokespeople who are respected and aligned with US Sailing's mission. Their personal stories will encourage sailors to join US Sailing. The branding for this campaign will build upon US Sailing Foundation's Year End Appeal theme of "Together We."

An offer has been made for the Chief Development Officer role. We are in the process of negotiating the offer package and are excited by the opportunity of welcoming a new member to the team. The Year End Appeal is underway – with lead emails being sent to various segments. Our core segments for the appeal are youth, women, access, Olympics and where most needed. This year, we have spent a lot of time tactically segmenting our donor list so the various communications will speak to their interest directly. We will weave these stories together in a newsletter that will hit mailboxes mid-November.

During these challenging times, it is important to remember our mission and continue to focus on how to provide valuable service to our members. To help provide focus, we are currently pushing forward on three large organizational projects - Strategic Operating Planning, Program Review and Olympic Sailing Strategy, Project Pinnacle - that will help situate US Sailing to better serve our members and team.

The Strategic Operating Planning working groups have been meeting over the past couple of weeks to hash out and build out the tactical steps and key initiatives that are to be initiated over the next year. The first draft is to be completed by Friday, September 18th. The E-Team will be reviewing these drafts to ensure they are feasible, impactful, and timely. The goal is to strike the right balance between what is needed to be accomplished and what can be accomplished with our available resources of people, time, and money. This will segue into our 2021 budget process which will start mid-October.

Last week the Steering Committee for Project Pinnacle held its first workshop. The objectives of this first discussion were to hear the perspectives of the 70+ interviews from athletes, coaches, and experts on what it will take to win and must change items that will create a competitive advantage. The work is ongoing and the next meeting will focus on partnership/marketing, funding, logistics and the future value-added to the organization.

Lastly, our US Sailing Team athletes had a strong performance at the 2020 Kiel Week Regatta with Steph Roble and Maggie Shea finishing 2nd in the Women's 49erFX fleet and Charlie Buckingham finishing 4th in the Men's Laser fleet. In the Men's 49er fleet, Andrew Mollerus and Ian MacDiarmid finished 22nd overall and had several strong races throughout the week, including multiple top-10 results. After months of no racing, it was great to see these athletes back on the water competing. The HPP for 2021 was submitted to the USOPC. We continue to engage with our high-performance team there and expect funding decisions to be made in October.

We are extremely grateful to our members, for your continued support and dedication during these tiring times. I look forward to furthering our conversation during Monday's board call.

Best,
Jack Gierhart