

CEO REPORT

FEBRUARY 2006

To: ACBL Board of Directors

cc: Linda Mamula
Peter Rank

From: Jay Baum, CEO
ACBL

Date: February 24, 2006

MEMBERSHIP:

Up to date data to be presented in Dallas.
(See addendum)

TABLE COUNT:

Up to date data for 2006 regional, sectional and STaC tables to be presented in Dallas.

Final Club table results for 2005. (Exhibit 1)

UNIT REBATES

A few people have asked about financial details of the Unit Rebates. Attached is a breakdown by district (units are available) of the amounts paid to units and the number of new members generated in each specific district. (Exhibit 2)

SPECIAL GAMES

We have a contradiction of a motion that needs to be addressed. In February, which is designated as Junior Fund month, we are holding an ACBL-wide International Fund game and an ACBL-wide Senior Pairs game. In September, designated as Intentional Fund month we hold the ACBL-wide Instant Matchpoint game. We need to consider moving these games to months that are not reserved for "Special Games."

RISK MANAGEMENT:

Management has done a preliminary review of a number of issues which are creating increased risk to ACBL. We have not addressed whole programs which are basic and vital to the League's mission and purposes, such as the sanctioning of tournaments,

the administration of the masterpoint program or the operations of NABCs. The following areas are among those which could be reviewed and analyzed for possible risk reduction by means of amendment or elimination.

1. Affiliated or controlled organizations. The ACBL Charity Foundation and the ACBL Educational Foundation are examples of separate corporate organizations over which the League exercises sufficient control, influence and administrative support that it would be included in all lawsuits arising from their activities.
2. Assistance to unrelated entities. Bridge at Schools and the Mahaffey Scholarship Fund are examples of activities which the League has assisted because of their worthwhile purposes. Even though the League exercised no control over Bridge at Schools, the League has been sued because our District Directors were influential parties in Bridge at Schools and because the League as a courtesy acted as pass-through payer for some of that corporation's obligations.
3. Use of ACBL logo. In the School Bridge and Scholarship Programs, the ACBL name and logo are prominently displayed on all materials, and in the School Bridge Program (SBL) the League pays the teachers for their activities. In the Coop Advertising Program, the League supports teaching programs by paying for advertising and requiring that the logo and/or ACBL name appear. Scholarship Programs which the League does not control are advertised on the front end as ACBL programs on the Bridge Is Cool site.
4. Activities Involving Underage Participants. Bridge Camps involve underage participants with difficult supervisory demands on volunteers with sometimes unclear responsibilities. In the past there have been incidents at tournaments involving caddies which involve employer-employee responsibilities. Underage caddies and players at tournaments may involve unexpected responsibilities for the League, such as protection from known or unknown predators. The SBL program has no background checks nor safeguards.
5. Districts and Units as Separate Entities from the ACBL. Many of the League's activities tend to diminish the long standing effort to separate Districts and Units from the League for the purposes of liability: (a) District and Unit legal standing, name, articles and bylaws often blur this separation (a good risk reduction step is the current effort of the Bylaws Committee to define the relationship of Districts and Units in relation to the League and to propose standards which include the encouragement of incorporation and the use of form bylaws); (b) The form of the unit rebate seems to establish a relationship between Units and the ACBL which conflicts with our statement that Units and ACBL are independent organizations; (c) ACBL rules and regulations sometimes tend to treat the organizations as one; and (d) Districts and Units tend to sign contracts as if they are signing as an agent for the ACBL.
6. Club Activities. ACBL oversight of club disciplinary proceedings may increase liability which results from disciplinary proceedings at clubs.
7. Unfair competition issues. There are several Units which operate not for profit clubs. When there is a competing for-profit club, the Unit club may have an unfair advantage resulting from its relationship with the ACBL in that the Unit receives funds from ACBL. In addition, when a unit owns a clubhouse and operates

games in its clubhouse, it is difficult for a private individual to start a game or games in competition.

ACBL STRATEGIC PLAN 2005 – 2009

Objective #1: Sanction Tournaments

1.01 *Continue sanctioning of regional, sectional, club and special event games.* The sanctioning of games continues to be stable. The fully computerized sanctioning process should be finished and tested by the end of 2006. **Scheduled as an ongoing activity.**

1.02 *Continue and expand the sanctioning of online club games.* We had a nice increase (35%) in 2005 of total online tables (212,949). Online sanctioning continued with Bridge Base Online and World Winner. MSN has dropped sanctioned games, but we expect OKBridge to return with five to seven games per day. Anticipated start for those games is May 1. **Scheduled as an ongoing activity.**

1.03 *Develop a pilot program for online sectional and regional tournaments.* Online tournaments remain undeveloped but concepts are in place. Some variation of the Inter Club Championship games (ICCG) idea may be tested in 2006. **Scheduled for start up in 2005 with completion in 2007.**

1.04 *Develop a “World Open Tournament” with Rubber Bridge and SAYC as the main event.* Management does not feel this is feasible at this time, however, the possibility of adding Rubber Bridge or home-style games to regional tournaments may allow ACBL to expand its reach to non-duplicate players. This could result in this type of Open event held in conjunction with an NABC. **Scheduled for start up in 2006 with completion in 2008.**

1.05 *Develop club sanction that does not require strict adherence to Laws of Duplicate Contract Bridge.* Management found that clubs will not agree on any one set of “Relaxed Rules” and desire to run their games as they feel necessary for the enjoyment of their specific clients. Intrusion by ACBL into their business is not what club operators see as a function of ACBL. **Scheduled for start up in 2005 with completion in 2007.**

Objective #2: Provide Quality Member Services

2.01 *Address complaints, problems and questions within one business day.* While management and staff attempt to answer all member concerns within 24 hours, we are not able to reach 100%. We respond to a minimum of three out of every four concerns within 24 hours, however, volume and solution difficulty does not allow us to reach this goal. **Scheduled as an ongoing activity.**

2.02 Develop web site to include more quizzes, games and learning. A number of additions to the site have proved popular to our members. Conventional Wisdom and the Bidding Tool Kit are the newest additions. Playful Polls will return and we continue to add mini-lessons. **Scheduled for start up in 2005 with completion in 2006.**

2.03 Bridge Bulletin available electronically through the Member portal. The Bridge Bulletin currently has some articles appearing on the web site. The transition to make the Bulletin available through the password protected portal is projected to be possible prior to 2007. This will result in options for how members receive the magazine and reduce costs to ACBL. **Scheduled for start up in 2005 with completion in 2008.**

2.04 Develop ranking system based on current performance. One of the most requested items from the membership remains the restructuring of the masterpoint system to reflect performance ability based on something other than lifetime masterpoints. Management continues to look for models that are logical and doable, while maintaining the all-time lists. We will continue to investigate all alternatives. **Scheduled for start up in 2007 with completion in 2008.**

2.05 Survey ACBL membership on an annual basis. Our annual survey will be conducted in June. **Scheduled as an ongoing activity.**

Objective #3: Expand Awareness of and Participation in Bridge

3.01 Develop a comprehensive, long-range marketing plan, directed at 50+ age group. A formal long range marketing plan specific to the 50+ age group has not been formulated. In lieu of that, our efforts have been focused toward an alliance with AARP. These efforts are showing positive results. (See Marketing Status Report). **Scheduled as an ongoing activity.**

3.02 Market ACBL web site as THE source for teaching bridge online. In addition to the many features on the web site, we have linked to numerous online teaching programs and noted their web site addresses in the Find a Teacher profile. **Scheduled as an ongoing activity.**

3.03 Develop product placement in movies, novels, television, and news. No programs have been put in place to develop bridge placement in the entertainment industry. **Scheduled for start up in 2007 with completion in 2008.**

3.04 Develop sponsorships/partnerships for major events and activities. Development of sponsorships/partnerships for major events has not progressed. We have a possibility for minor participation in Chicago. **Scheduled as an ongoing activity.**

3.05 Develop more methods to grow Youth Bridge. The Marketing Status Report outlines a series of numerous programs that have started and are ongoing. The increase in the Collegiate Tournament is very encouraging as well as the growing interest by

education associations to consider presentations at their annual meetings. **Scheduled as an ongoing activity.**

Objective #4: Position ACBL as the Authority on Bridge in North America

4.01 Develop e-publications similar to Marketing Matters for distribution to Units and Districts on a regular schedule. The Unit/District Officer eNewsletter has been distributed and well received. The correspondence will continue with issues every January and July. **Scheduled as an ongoing activity.**

4.02 Develop quarterly electronic communications to NBOs and international bridge organizations. We have correspondence with NBOs but as yet have not started a regular communication vehicle with them. Communication with International Organizations has been sporadic and on an as needed basis. We are considering meaningful information that can be shared with them on a regular basis. **Scheduled as an ongoing activity.**

4.03 Evaluate and revise all materials for clubs, units and districts. The following have been revised and put on the web site. **Scheduled as an ongoing activity.**

I/N Programs
Unit Officer Hand Books
New Player Services
How to Work With Volunteers
Education Liaison Description
Club Director Handbook
Mentoring Programs

4.04 Track and monitor trends and pursue appropriate opportunities. We are looking at how ACBL can partner with other “Brain Games” to increase attendance and interest. The latest bridge innovation, Bridgemate, will be previewed at the Dallas Board meeting. **Scheduled as an ongoing activity.**

Objective #5: Provide professional development for teachers and directors

5.01 Develop education for teachers and directors online. In conjunction with SyberWorks, ACBL now offers two courses, ACBLscore for Beginners and Ruling the Game. The third course, Proprieties, will be available later this year. **Scheduled as an ongoing activity.**

5.02 Require continuing education and retesting of TDs. As noted in the Tournament Division Report, there are sample problems for TDs to consider and solve at TD.Edu. This has been very popular and a benefit for many of our TDs. **Scheduled for start up in 2005 with completion in 2007.**

Other continuing education is in the form of mentoring and “shadowing” of many directors by senior staff members.

A retesting format has not been completed.

5.03 Develop new teaching materials. The Club and Diamond Series are in revision along with the associated teacher manuals and materials. This freshened series will be available in 2007. **Scheduled for start up in 2005 with completion in 2007.**

LTPB textbook has not yet been started. Initial writings will begin when text is transferred from the program.

Two new books remain in production: SAYC by ACBL and Major Suit Raises will be completed and available this year.

5.04 Implement a comprehensive strategy to expand youth education in bridge. ACBL's School Bridge Lessons has over 450 classes for 05/06. A nice increase. (Education Status Report). ACBL has investigated options for a World Bridge Camp or North American Camp in conjunction with the summer NABC. In addition, we continue to promote bridge activity to traditional camps throughout North America. **Scheduled for start up in 2005 with completion in 2006.**

Objective #6: Maximize Organization Effectiveness and Efficiency

6.01 Review and adjust as appropriate the structure of ACBL and its policies, functions and activities. The organizational chart and internal structure has been modified to increase productivity and communication between departments. Policies for employees at NABCs have been changed to insure accuracy and diminish paperwork and accounting functions. **Scheduled for start up in 2005 with completion in 2006.**

6.03 Develop a succession plan for key ACBL employees. Key positions lack succession by in-house staff in many areas. Where possible, training has been taking place to insure a sound transition. Bridge-related areas remain the major challenge and in many cases must be filled by outside personnel. This continues to be a challenge, with off-site outsourcing a possible solution. **Scheduled as an ongoing activity.**

6.04 Require all sanctioned club games to use ACBLscore. ACBLscore has been converted to a Windows format and we are seeing an increase in the number of users. We hope that this requirement will have no negative effects. **Scheduled for start up in 2005 with completion in 2006.**

6.05 Commit to long-range planning with annual updates. A review and updating of the Long-Range plan will take place in Dallas. **Scheduled as an ongoing activity.**