

**CEO REPORT  
Honolulu, HI  
September/October 2006**

To: ACBL Board of Directors

cc: Linda Mamula  
Peter Rank

From: Jay Baum, CEO  
ACBL

Date: October 31, 2006

**FINANCIAL RESULTS:**

The second trimester results were released last month and showed an eight-month profit of \$343,000 versus a \$257,000 loss for the same period in 2005. This profit was also favorable to the budgeted profit of \$145,000. Management hopes to finish the year at break-even.

**MEMBERSHIP STATISTICS:**

Active Membership for 2006 has grown by a net total of 1,067 year-to-date. October 31, 2005 versus October 31, 2006 reflects a net increase of 1,375. New members are up by 227 versus 2005. This is a very good trend, and we are especially optimistic in view of the increase in paid members.

[ActiveMembershipChart.doc](#) (Attachment 1)

**TOURNAMENT TABLES:**

Participation at 2006 sanctioned tournaments has been very strong. Regional tables are +3.37% with three fewer tournaments. Average tables per regional are up by 54 per regional.

Sectional tables are running 2.64% ahead of 2005 due in part to 17 more tournaments, however, the average table per sectional has a slight increase. We estimate sectionals to end 2006 with a 3,500+ increase in tables due to a total increase of 22 sectionals.

STaCs have a year-to-date increase of 1.83% in tables despite five fewer tournaments. We have a table per tournament average increase of 120 tables year-to-date. In spite of

December being our largest STaC month, we estimate the total STaC tables to decrease, based primarily on six fewer total tournaments.

[2005\\_2006tc.xls](#) (Attachment 2)

**CLUBS/MEMBER SERVICES:**

Club game renewals for 2007 have been mailed to each club. You may also view the Fall Club Managers newsletter on-line at:

<http://web2.acbl.org/documentlibrary/clubs/ClubManagerNewsletter/CMN-Fall06.pdf>

The Units have been sent (via e-mail to each Unit Electronic Contact) their annual unit roster of members, the third quarter QUIP report, the Mini McKenney and Ace of Clubs quarterly update and reimbursement report. We will continue sending the QUIP reports on a quarterly basis. Programming has been completed for item 062-33 from the Chicago meeting. ACBL Board of Directors, Chairman of the Board of Governors, unit and district board members or officials and club managers may obtain free electronic list of members appropriate to their positions and needs. This service is now available on the My ACBL portal page.

**SHOOP SCHOLARSHIP FUND:**

The situation involving the Shoop Pre-Teen Scholarships was resolved in August. The basic disagreement was whether ACBL was authorized by the ACBL Educational Foundation to award these. The total amount awarded with interest, amounted to \$17,163. Additionally, another award for \$5,000 was due this year.

After much research, no one was able to determine if these awards were with or without authority from the Educational Foundation. Management felt that the best interest of both organizations would be served if this were resolved. ACBL sent funds of \$8,581.50 (1/2 of the deficit) and \$2,500 (1/2 of the current year award being claimed). The ACBL and the ACBL Educational Foundation have agreed to share the cost of any of the six remaining awards when they are claimed.

**INTERNATIONAL BRIDGE:**

I have been asked to make sure we all understand the relationship that exists between the WBF and the ACBL. ACBL is the zonal authority for Zone 2. ACBL IS NOT a member of the WBF. The WBF membership is comprised of National Bridge Organizations (NBOs) only. In Zone 2, we have the Canadian Bridge Federation (CBF), United States Bridge Federation (USBF) and the Mexican Bridge Federation (MBF). The ACBL elects to pay the dues for these Federations from general fund revenues.

At the Board of Governors meeting in Chicago, a proposal was made to fund these NBOs from general funds to insure their viability and cover many expenses related to international competitions.

Management believes it is time to look seriously at how we want to proceed in the future. While the vast majority of ACBL members may be unconcerned with international competitions, we need to determine our responsibility to the NBOs given that our mission is to promote and sustain the game of bridge. We think discussion needs to take place and the responsibility for international competition defined and supported.

**BRIDGE BULLETIN:**

There were some problems with a handful of October issues, mostly bad trimming at the printing plant that apparently went undetected. The printer is investigating and asking for samples of the mangled magazines to help find out what happened. All who called (35-40 in mid-October) have been sent.

**BARON BARCLAY:**

The sale of the Product Store to and licensing agreement with Baron Barclay was finalized in September.

**NABC MID WEEK PAYMENTS:**

At the Chicago meeting a motion to eliminate mid-week fundraising games passed. Some questions were raised regarding disbursement of these funds. Accounting and Bridge Administration did a very thorough review of games held from 2001 – 2006. They found that some of the funds were not transferred to the appropriate accounts. This was corrected with checks being issued to the Charity Foundation in the amount of \$3,117 and to the Educational Foundation in the amount of \$849.

The method of disbursement has been adjusted to make certain all funds from NABCs are apportioned correctly.

**NEW REPORTING REQUIREMENT BY INTERNAL REVENUE SERVICE:**

On August 17, the President signed the Pension Protection Act of 2006. The new law contains numerous changes to the tax law provisions affecting tax-exempt organizations. One of the provisions may affect our Units, Districts and some Clubs.

Beginning in 2008, exempt organizations with gross receipts under \$25,000 must file an annual notice. Information on how to comply with these provisions will be available on the IRS web site soon.

## ACBL STRATEGIC PLAN 2005 – 2009

### Objective #1: Sanction Tournaments

1.01 Continue sanctioning of regional, sectional, club and special event games.  
Bridge Administration (BA) will begin testing a more streamlined sanctioning and tournament staffing protocol in the 1<sup>st</sup> Quarter of 2007. A successful testing process will eliminate much of the time consuming manual redundancy that exists when BA deals with tournament coordinators, tournament sponsors, tournament directors and field supervisors.

1.02 Continue and expand the sanctioning of online club games.  
Currently three online play sites offer ACBL sanctioned club games. They are Bridge Base, OKbridge and Swan Games. World Winner (aka e-bridge) ceased operations September 29. While this club generated over 7000 tables as recently as August, Management believes much of the loss will be made up with growth from the other large online clubs.

OKbridge does not yet offer sanctioned games during the evening hours, yet their participation is approaching 4000 tables per month. They plan to expand their schedule during the fourth quarter. Bridge Base continues to offer games throughout the day and continues to show table growth each month. The Swan Games offering continues on a limited basis.

A new online play site, jBridge.net, is currently available for free play. This java-based application makes online play available to all computer users. The site may be a successful landing spot for Macintosh and Linux users. Site owners are exploring the possibility of offering ACBL sanctioned games.

1.03 Develop a pilot program for online sectional and regional tournaments.  
Both OKbridge and Bridge Base continue to discuss with management opportunities to offer new events and greater masterpoint awards to their patrons. An Interclub Championship type format is being discussed with our online clubs. No specific action can be taken until masterpoint awards are increased for online games.

1.04 Develop a “World Open Tournament” with Rubber Bridge and SAYC as the main event.

Undeveloped.

1.05 Develop club sanction that does not require strict adherence to Laws of Duplicate Contract Bridge.

Discontinued based on club feedback.

## Objective #2: Provide Quality Member Services

### 2.01 Address complaints, problems and questions within one business day.

Most are addressed in one day. Some, due to research, take longer.

### 2.02 Develop web site to include more quizzes, games and learning.

We welcomed Rick Grady as the new ACBL webmaster. New features on the web site include a searchable news archive similar to newspaper archives where we can retain announcements of major events and activities. Marketing now is working on introducing a new home page to reflect members' interests as identified through search terms and page visits.

We also introduced a new service for members to request renewal notices via e-mail. In just three months, nearly 1300 had signed up for this service. Over time, electronic services such as this will result in significant savings in postage.

We have been researching new ways to reach out to non-member bridge players through the Internet, particularly through a social network as now popularized by such sites as MySpace. We have identified a firm eager to work with the ACBL for advertising profit shares and plan to present a beta site to the board in November. The site would be similar to bridgeiscool.com in terms of its upbeat design and blog capabilities. Mike Develin's blog continues to be popular with 1326 visits in August during the Junior Championship. The site was down for a period of time in September due to technical difficulties.

### 2.03 Bridge Bulletin available electronically through the Member portal.

We have added the Bridge Bulletin's Conventional Wisdom and Bidding Toolkit features online and numerous mini-lessons and Celebrity Speaker lectures. The news page is updated weekly to include interesting features about the game from newspapers, entertainment media and other sources. We are relying on development of the online Bridge Bulletin a year early (2007) to incorporate an interactive "It's Your Call" and other features as available.

### 2.04 Develop ranking system based on current performance.

Our ACBLscore programmers are testing several models for a current ranking system, or a tournament ranking system. They have worked to bridge the 'language' barrier between our field and in-house hardware systems to make all available information accessible. One popular idea being tested establishes a player rating based on tournament masterpoints won per tournament session played. We will continue to explore options in this area and bring options to the Board of Directors in 2007.

**Scheduled for start up in 2007 with completion in 2008.**

2.05 Survey ACBL membership on an annual basis.

Annual surveys are conducted through the Internet for ACBL members and for ACBL teachers and club officials. We completed the annual membership survey in June. The Club & Teacher survey was completed in October.

Objective #3: Expand Awareness of and Participation in Bridge

3.01 Develop a comprehensive, long-range marketing plan, directed at 50+ age group.

Expect a full report on our activities at the upcoming AARP Life@50+ National Event and Expo when we meet in Hawaii. We will exhibit and conduct lessons, social games and the tournament over the three-day convention. Featured speakers include Linda Goldan, Chris Larsen and Fred Gitelman. We will meet there with AARP officials to discuss future plans. Our focus will continue to be AARP members and Senior Expos.

3.02 Market ACBL web site as THE source for teaching bridge online.

Given that we do not have the software capabilities to teach online, the ACBL instead acts as a resource, including providing the popular Learn to Play Bridge software and e-mail and web site links for our teachers. We have concentrated on development of teaching materials, including the new Major Suit Raises 1 & 2 and Modern Notrump Bidding and, of course, the complete revision of the Club and Diamond texts and related materials.

**Scheduled as an ongoing activity.**

3.03 Develop product placement in movies, novels, television, and news.

No significant activity.

**Scheduled for start up in 2007 with completion in 2008.**

3.04 Develop sponsorships/partnerships for major events and activities.

**Scheduled as an ongoing activity.**

3.05 Develop more methods to grow youth bridge.

We are expanding our efforts with the grassroots youth organizations to bring visibility to the game. Plans for the remainder of this year and next are included in Attachment A of the Marketing report. We also are developing a relationship with the Gates-Buffett initiative. Linda Granell met with them in Omaha, then later in New York with Sharon Osberg and representatives of The League, a foundation that will implement the program. Attachment B of the Marketing report is one of the web pages explaining the League.

The strategy is in place and continues to expand through the combined efforts of the School Bridge Lesson Series Program, the BridgeisCool.com web site and the Youth Bridge Initiative that supports our relationships with groups that can

promote our efforts, such as the National Council of Teachers of Mathematics and Middle School Association. A report on the latter is included in the Journal. We also have a collaborative relationship with the League, which will implement the Gates-Buffett initiative.

**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 newsletter for unit and district officials is complete and distributed twice a year.

**Scheduled as an ongoing activity.**

- 4.02 Develop quarterly electronic communications to NBOs and international bridge organizations.

After much consideration, this should be abandoned. While occasionally there have been discussions with other NBOs, there is no need for regular communication, except to continue to notify the ACBL NBOs of items from BoD meetings that have an impact on them.

**Scheduled as an ongoing activity.**

- 4.03 Evaluate and revise all materials for clubs, units and districts.

**Completed in 2005/2006.** Due to be reviewed in 2007.

- 4.04 Track and monitor trends and pursue appropriate opportunities.

Options of outsourcing are being studied and evaluated. Models of a restructured ACBL are being formulated for Board consideration.

**Scheduled as an ongoing activity.**

Objective #5: Provide Professional Development for Teachers and Directors

- 5.01 Develop education for teachers and directors online.

An ACBLscore for Windows course will be completed by year end. This will be added to "Ruling The Game" and "ACBLscore for Beginners".

- 5.02 Require continuing education and retesting of TDs.

Training sessions for Tournament Directors are held at NABCs. A continuation of this program, in a more modest form, will be conducted in 2007. TD.EDU, a testing program for junior staff members, was well received during the first half of 2006. This program is currently in hiatus, with hopes of re-starting it in a more

expanded fashion in January 2007. Retesting on the Laws of Duplicate Contract Bridge (open book test) will begin in 2007. These will be unannounced.

5.03 *Develop new teaching materials.*

See Strategic Plan #3.02 “Market ACBL web site” as THE source for teaching bridge online.

**Scheduled for completion in 2007.**

5.04 *Implement a comprehensive strategy to expand youth education in bridge.*

Combined with 3.05 “Develop more methods to grow Youth Bridge”.

**Scheduled for 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.*

There has been huge progress here with the sale of the Product Store. See also 4.04.

6.03 *Develop a succession plan for key ACBL employees.*

Undeveloped.

6.04 *Require all sanctioned club games to use ACBLscore.*

Completed.

6.05 *Commit to long-range planning with annual updates.*

Ongoing.