MANAGEMENT REPORT

To: ACBL Board of Directors

cc: Richard Anderson

Peter Rank

From: Robert Hartman, CEO

ACBL

Date: July, 2013

MEMBERSHIP:

As of the end of June, ACBL Membership stands at 167,232. This year, we have netted 824 additional Members.

Full membership statistics can be found at: Active Membership Statistics.pdf

TOURNAMENT DIVISION:

After a slow start to the year, tournament table count improved in the second quarter.

Regionals

Through the end of June, year-over-year total Regional table count decreased by 8%, while average Regional table count increased by 4%. As predicted, there are fewer Regionals scheduled in 2013 as compared to 2012. Through June, 59 Regionals were held this year as compared to 67 held last year.

Sectionals

Total Sectional table count increased by 2% with 11 more Sectional tournaments held this year (479 vs. 468). Average Sectional table count is flat (178.4 vs. 178.3).

STaCs

Total STaC table count increased by 10% with three additional StaCs held this year as compared to last year (37 vs. 34). Average StaC table count increased by 1%.

For more detailed tournament counts: 2013TC.pdf

STRATEGIC UPDATE:

2013 strategic project work plans and costs are being reviewed and updated. Work is begging on 2014 strategic planning. In addition to the continuing phases for online learn to play bridge, mobile device availability for the online partnership desk, TD training, recruiting and development, ACBLscore+, other projects will be considered. Projects for 2014 will leverage

the 2013 data centralization and web development tools implementation and may include credit card processing, expanding game results and mobile web capability.

Further possibilities are being culled from ideas submitted at an all-staff meeting at Horn Lake on July 10. The meeting was video taped and will be shared with Field staff to solicit their input. Ideas are also being continually sought from Members and other ACBL stakeholders.

Strategic Project Status (through mid-July)

Online learn to play bridge

Testers are able to enter content, play hands and robot play.

Online partnership desk

Website screens (member profile, selection of club/tournament, selection of event, selection of multiple partners) have been reviewed with IT for database definition. TourneyTrax database will provide Member, club and tournament information.

<u>Understand why people choose to leave ACBL and identify ways the ACBL can best retain our Members</u>

Research firm has provided preliminary questionnaires for both populations of interest - lapsed and current Members. These surveys have gone through an initial review by the Director of Marketing.

<u>Develop a vision of an ideal new Tournament Director structure and identify path to this</u> structure

Three focus areas identified -- effective TD communication (2013), recruit TDs, develop TD staff

Strategic Committee recommendation: Management is to develop a contingency plan for staffing tournaments if a significant portion of the TD staff (particularly senior level) retires earlier than anticipated.

ACBLscore+

Nicolas Hammond has requested a change in the deliverables in Phase 4 and Phase 5. We have inserted three checkpoints in Phase 4 to closely monitor progress. Contract amendment pending signature.

Implement better web development tools

Able to read any current game file.

Mobile capable hand record viewer designed.

NABC pages and NextGen Bridge (previously Youth4 Bridge) designed.

Centralization of data

Empowering headquarters staff to quickly and easily find information. Training headquarters staff to use data screens established for Members, clubs, districts, units, tournaments, NABCs, accounting, education and marketing

CLUB & MEMBERSHIP SERVICES:

Streamlining Procedures

The Club department staff has continued to streamline procedures for notifications to clubs regarding the handling of delinquent financial and masterpoint reports each month. This has resulted in less time and hassle for both the club manager and ACBL.

Club Tables

Through June, face to face club table count is down 3.6%. The overall table count for club games for the first half of 2013 is 1,576,300 of which 462,910 were from on-line games. Total tables have decreased 1.45% compared to the first half of 2012.

FINANCE:

June Financials

The June financial results are complete and have been reported to the FC. Year to date, net income from operations totals \$302,193, \$491,241 better than budget and \$172,704 better than last year.

2012 Federal Tax Return

Final review of the 2012 Federal Tax Return, Form 990, is complete. It has been filed and posted on the Board of Directors forum board.

Retirement of A/P Coordinator

Gail Kiggans, Accounts Payable Coordinator, has retired after 22 1/2 years of service. The job will be posted soon and hopefully a replacement will be identified quickly.

HUMAN RESOURCES:

Youth Protection and Abuse Prevention Policy

Extensive review with ACBL Management and input and review by counsel (League and Employment) has been completed and a final draft of the policy will be presented at the 2013 Summer NABC. The policy's focus is to ensure young players are protected from any type of abusive behavior. Implementation will be two-phased. The policy effective date for ACBL employees is November 1, 2013. A board motion will be presented at the 2013 Fall NABC that will apply to a broader group of ACBL stakeholders. Should the motion pass, the new policy will be effective January 1, 2014.

<u>Updated Drug and Alcohol Policy</u>

The ACBL's policy on drug and alcohol screening and abuse prevention was reviewed. A compliant draft policy has been completed and will be implemented after the Summer NABC. Please note that the ACBL already conducts pre-employment drug screening and will continue to do so. The ACBL anticipates expanding its Employee Assistance Program (EAP) to all employees, including Field Staff, at the same time.

New HR Employee

Kathy Byford joined the ACBL in July as an HR Generalist. Kathy brings more than 15 years of experience in HR with technical focus in payroll and benefits administration.

ADP Implementation

As the ADP payroll system continues to be rolled out, the focus for 3rd quarter will be management reporting, enhanced time reporting for all employees (including detailed financial reports), and enhancing the employee portal on the ADP website.

On-Line Compliance Training

Three web-based vendors have been reviewed. We anticipate a vendor to be chosen by the end of August. The program is expected to rollout by the end of the year for all employees in both the US and Canada.

Facilities Review - Maintenance Vendor Costs

The facilities team has begun a review of vendors providing various contracted services. The goal is to assess and determine the need for going through a rebidding process.

Facilities Office Environments

As our Marketing and IT Departments are staffed and leadership in place, a review of the teams' work areas is in process to ensure we maximize space and provide an effective work space and to accommodate any additional hires.

BRIDGE ADMINISTRATION:

Field Supervisors

Weekly conference calls with Field Supervisors have been very beneficial for both Horn Lake staff and the eight Field Supervisors. Discussion topics are a wide range and include the implementation of TourneyTRAX, to revised criteria for advancement, and performance review process, and the preferred process for handling score corrections.

Staff Changes

Nancy Boyd was promoted to National Director and became the interim Field Supervisor for the West Coast in June. Matt Koltnow and Brian Russell have been promoted to Associate National Directors. Other rank advancements: seven LTDs to ATD and seven ATDs to TD. Also, three employees moved from hourly to salaried.

Dan Plato has joined Bridge Administration, working from his home in Atlanta. His focus, so far, has been TourneyTRAX training and support and developing better, more systematic approaches to club and tournament administration.

One of the first things Dan has put into place is a model to utilize various TDs to provide Member support outside the basic tournament functions they normally perform. Pilot programs include the utilization of the field staff to enter tournament schedules into TourneyTRAX and

asking a cross-section of newer TDs to draft responses to "Ruling the Game" questions. Both of these activities serve at least two main functions -- TD training and development and delegation of tasks to a wider work force. We are very happy with the initial activities in this area.

NABC

Hotel room nights booked for the Atlanta NABC are as expected and we anticipate a successful tournament. McKenzie Meyers will be acting as crew chief for the Tournament Services team, replacing Martin Ware who retired from the Services team in St. Louis.

INFORMATION TECHNOLOGY

ACBLscore+

We are in phase 4 (of 6) and working on advanced scoring. Nicolas is pulling everyone's code together in one program in order to have a version for people to see in Atlanta. We are 2-3 months away from automated testing and getting TDs involved with feedback and testing.

TourneyTrax

Our new employee Ian Drake continues to do a great job of resolving issues and making programming enhancements. We are getting ready to release an updated version with many changes and improvements on July 24th. Support for STAC, GNT and NAP games is being worked on.

Data mining

As we centralize our databases, we continue to implement new capabilities within our new data mining software tool. Headquarters has been trained and IT continues to work with staff as data requests come in. This allows us to tailor the software for quick and easy access to information in our databases.

Game File Uploads

In Atlanta we will be testing a one-step upload process which will take game information from an individual computer and automatically upload it to our centralized results database. All pair games have been the central focus to date. This is part of our centralization of data strategic initiative. This process is rather complicated and we hope to roll this out later this year.

Results web pages

We continue to learn and work with our new web development tools to be able to present results, hand records and traveler information in a easy to use and flexible format. This would include the ability to view them with a mobile device (phone or tablet) in a native and easy to read format. This process reads the information from our centralized database created with the game file upload process mentioned above. This is part of our better web development tools strategic initiative. We hope to roll this out later this year.

Standard web pages

We are working with our newly installed Content Management System (CMS) web software which will be the development platform for a new look and feel to our acbl.org web pages. This

will allow content to be managed and updated directly by content owners within headquarters and allow data to be read directly from our centralized database (such as game file results). This is part of our better web development tools strategic initiative. You will start seeing new pages later this year.

Knockout Seeding process

For Atlanta we have finished programming the final knockout seeding processes (Wagar and Spingold). Seeding points are now calculated based on rules tables and team shuffling is quick and easy. In the future we will create a web process for the TDs to follow while at the event location.

MARKETING:

Publicity

A total of 20 articles have been published about the ACBL and bridge since the Spring 2013 NABC. Articles range in topics from youth play and brain training to investing and friendship. There were an additional 36 searchable articles/news stories about ACBL clubs spurred by their involvement in The Longest Day.

Click here to view the most recent news clippings.

The Longest Day

192 teams participated, including clubs and tournaments, by holding special games and raising funds on June 21, 2013 to support The Longest Day. 382 sessions, 4,476 tables and 12,145 boards were played. 16,789 ACBL members participated along with 1,148 non ACBL members.

As of July 19, 2013, \$451,228 has been donated to the Alzheimer's Association by the clubs and tournaments. Another \$22,000 (estimate) in sanction fees collected will be donated. When these totals are combined with the \$50,000 grant the ACBL Charity Foundation made to the Alzheimer's Association, a total of \$523,228 has been raised by the ACBL for the charity. Canadian clubs participating in The Longest Day sent their raised funds to the CBF Charitable Foundation who is turning the funds over to the Alzheimer's Society in Canada.

The earned media clubs and bridge received as a result of The Longest Day was overwhelming. The current media reports show 36 unique print placements that are searchable on the Internet. Broadcast media hits included coverage with 20 news stations in 16 cities across 14 states. Many stations aired the story on multiple broadcasts. Total ad value of the earned media was \$91,129.94.

Amnesty Campaign

The amnesty campaign concluded on June 30, 2013. A total of 1,325 players reinstated their membership during the amnesty period. 952 targeted lapsed members and 361 not targeted elected to renew. With 12,750 lapsed members in the targeted audience, the response rate is 7.5%. This exceeds the average response rate of 3.4% as stated by the Direct Marketing Association in their 2012 report.

GolinHarris

Since the Spring NABC, public relations agency GolinHarris has secured many earned media placements in both print and broadcast outlets. Many of the placements were The Longest Day related.

- Secured media opportunity with FOX26 in Houston on 3/19 in response to press release announcing ACBL & Alzheimer's Association partnership.
- Secured local calendar listings in several markets including Big Canoe, St. Paul, Deerfield, Charlottesville and Birmingham regarding TLD
- Secured news broadcast placements with 6 of the 10 target markets for TLD. Other broadcasts were likely generated from the publicity toolkit GH assisted in creating for participating clubs.
- In addition to securing mention of ACBL and an interview with Donna Compton in the *USA Today* piece, GolinHarris leverage its relationships to finesse additional national coverage such as the specific mention of TLD in Philip Alder's *The New York Times* bridge column, *CNN Espanol* and *American Urban Radio*. *CNN Espanol* and *American Urban Radio* are network radio stations which led to the placement running in hundreds of their radio affiliates.
- Secured feature story with *South Charlotte News* and arranged an in-person interview with the reporter and Jackie Keys and sight impaired players for Thursday, May 16; Story ran in print Wednesday, June 5.
- Secured online feature with *Atlanta Journal Constitution* covering the YNABC, NABC, Learn Bridge In A Day? and Atlanta Junior Bridge.

For a complete report of GolinHarris's accomplishments related to The Longest Day, click here.

Collateral

Bridge Life, the newest marketing collateral targeted toward nonmember players in scheduled to begin mailing by the end of July. Additionally, it will be made available for order to all clubs and teachers to use as a member recruitment tool.

Click here to view *Bridge Life*.

Cooperative Advertising Program (CAP)

For the first six months of 2013 (through June) a total of \$78,047 was distributed to 167 advertising campaigns. This compares to 161 subsidies given for the first six months of 2012.

Year-over-year advertising subsidies increase by 6 1/2.

Click here to view CAP Report-CoopReport2013.pdf

Education

A total of 16 TAPs were scheduled and/or completed in 2013. This is more than double the number of TAPs completed in 2012 (seven TAPs were held last year).

Remaining 2013 Teacher Accreditation Program Schedule

TAP Schedule									
Start	Date	End	Date	City	State	Type	TAP Trainer		
7/31/	2013	8/1/	/2013	Atlanta	GA	Summer NABC	Pat Harrington		
9/21/	2013	9/27/	/2013	New York	NY	Regional at Sea	Bryan Delfs		
11/29/	2013	12/1/	/2013	Phoenix	ΑZ	Fall NABC	Peg Cundiff		
12/1/	2013	12/6	/2013	Miami	FL	Regional at Sea	Bryan Delfs		

2013 Accredited Teacher Stats*

TAP Accredited	4,915
Better Bridge Accredited	893
Easybridge! Accredited	1,025
School Bridge Teachers	743

^{*}Note that teachers may be accredited under more than one program.

Collegiate Championships

Marketing and Education are reorganizing the college program to make it easier for colleges to start programs in their school. A webpage dedicated specifically to colleges will be created, and with a new step-by-step process being developed. This will be available in time for the 2013/2014 school year. In 2014, Marketing and Education will work with the appropriate committees of the Board of Directors on new ideas to revamp the entire program, which will include a significantly increased scholarship award for the winning team.

Intermediate-Newcomer Program @ NABCs

There will be two free bridge lessons held during the St. Louis NABC and two Learn Bridge In a Day? (LIBIAD) seminars.

Audrey Grant will be teaching the free lessons and Patty Tucker will be running the LBIAD events. The two LBIAD seminars will serve as a good test to judge whether they should be run at future NABCs.

Youth4Bridge Website

Education, Marketing and IT are revamping the Youth4Bridge website. Changes are already in the works, which will include a social media component with the ability for Juniors to communicate with each other.

Additional items include a map with all schools and colleges that have a non-campus bridge program, a calendar listing all youth events worldwide, and more interactive polls/surveys. ACBL Membership will be required, offering an additional member benefit while attempting to create the safest environment possible for our young players.

Youth NABC & World Youth Open Bridge Championships (WYOBC)

The Youth NABC has roughly 120 pre-registered participants. The WYOBC has roughly 80 participants from North America.

School Bridge Program

Graduates from the ACBL-funded School Bridge Program has grown by 7% from 2011 to 2012. From 2012 to 2013, we anticipate a growth of another 6.5%.

School Bridge Statistics (2009-2013)

	S09	F09	S10	F10	S11	F11	S12	F12	S13	F13	
College	4	5	2	6	3	5	3	4	3		
High	42	25	28	25	41	43	45	49	44		
Middle	85	74	95	83	85	104	86	91	81		
Elementary	28	46	68	60	45	51	58	60	62		
Other	0	0	0	0	0	0	0	0	0		
Total Classes	30)9	30	57	377		396		241		
Total Graduates	2,764		2,9	2,970		3,331		3,564		2,169	
Total US Teacher Stipends	\$47	,105	\$43,890		\$54	,940	\$71	,657	\$40	,600	
Total Can. Teacher Stipends	\$36	,000	\$34,590		\$36,750		\$37,450		\$25,710		
Grand total for Stipends	\$83	,105	\$78,480		\$91,690		\$109,107		\$66,310		

YOUTH AND JUNIOR MEMBER STATS BY DISTRICT

(The chart reflects paid members only. Previous Total is from Fall 2012 NABC CEO Report.)

		Prev.			
District	Total	Total	Diff.	Youths	Juniors
1	17	22	5	11	6
2	40	33	7	18	22
3	50	40	10	42	8
4	27	25	2	12	15
5	9	7	2	7	2
6	85	69	16	59	26
7	213	172	41	172	41
8	16	18	-2	10	6
9	93	75	18	81	12
10	51	101	-50*	38	13
11	64	48	16	45	19
12	18	15	3	8	10
13	37	38	-1	12	25
14	39	38	1	24	15
15	20	29	-9	12	8
16	81	97	-16	46	35
17	34	33	1	23	11
18	8	7	1	2	6
19	32	31	1	17	15
20	17	17	0	10	7
21	118	83	35	88	30
22	42	41	1	36	6
23	28	29	-1	16	12
24	57	51	6	33	24
25	48	52	-4	30	18
99	31	30	1	18	13
Total	1275	1201	74	870	405

^{*}The drop in 50 Junior/Youth from District 10 is likely the result of the School Bridge Program that was pushed heavily in the Horn Lake MS area. When the new school year begins, some of these will renew and other new ones will join.

Junior Membership Counts (2011-2013)

2011 Summer NABC Management Report: 1154 Total Junior/Youth Members 2012 Summer NABC Management Report: 1240 Total Junior/Youth Members 2013 Summer NABC Management Report: 1275 Total Junior/Youth Members

Year over year, there is an average increase of 5.1% in Junior/Youth Membership. We will continue to track this statistic as we roll out additional opportunities for Junior/Youth Members.

2013 Intermediate/Newcomer Report

The Intermediate/Newcomer Program was started in 1984 for 0-50 players under the direction of Edith McMullin. This program enabled players who knew little about the game of bridge the opportunity to play at the NABC. This program has grown to include games for all players from those with no master points to those with less than three hundred master points. The program consists of nine elements which help encourage new players to advance to the open games. The tenth element (special handout with analyses) was eliminated at the request of the players. It was found that the 299ers prefer to play the same hands as the rest of the players so that they may compare their play with their friends.

The nine I/N elements are:

- 1. Games each session for 0-5, 0-20, 0-50, 0-200 and 0-299 (games may be stratified)
- 2. Trophies for each overall winner of each strata
- 3. A separate room/area for the IN Games
- 4. Directors experienced in working with newcomers
- 5. A Celebrity Speaker Program
- 6. Special Events
- 7. Pictures of the Winners
- 8. A New Player Services Program
- 9. Flyers to invite the players and guarantee partners

In 2010, a new event (Gold Rush Games) was initiated. Limited to players with fewer than 750 master points and stratified at 300 and 750, this has proven very popular for the under 300 player seeking gold points. It is a two-session game which awards gold points for overalls and section tops in the 300-750 strata. These games are listed in the IN Schedule but are not counted as IN Tables. This educates newer players as to what is available at the tournament and encourages them to "play up" and compete against better players. The Gold Rush Pairs serves as a bridge to help these players move toward open games -- one of the main goals for the IN program.

1st Friday
1st Saturday
1st Sunday
Monday
Tuesday
Wednesday
Thursday
2nd Friday
2nd Saturday
2nd Sunday

				GOLD	RUSH PA	IRS				
	Phi	iladelphia		Sar	Francisco)	St. Louis			
	Tables by Strat. 300-750 0-300		Total	Tables by Strat. 300-750 0-300 Total		Total	Tables by 300-750	y Strat. 0-300	Total	
y	20.5	34.5	55.0	21.5	43.5	65.0				
ıy							33.0	16.0	49.0	
ıy										
ıy	25.5	41.5	67.0	33.5	40.5	74.0	36.0	22.0	58.0	
ıy	37.0	43.0	80.0	38.0	68.0	106.0				
ıy	11.5	17.5	29.0				36.0	22.0	58.0	
ıy	35.5	44.5	80.0	30.5	40.5	71.0				
ıy	20.0	28.0	48.0	31.5	41.5	73.0	13.0	20.0	33.0	
ıy										
ıy										
			359.0			389.0			198.0	

Philadelphia - Summer 2012

The Philadelphia NABC has the lowest percentage of I/N players since such records have been kept. The volunteers were some of the best. The room was decorated with Ben Franklin flying kites and other symbols of freedom. There were special pictures holders for all the winners. The committee also had lots of promotional items including flashlights, notebooks, and buttons.

The 199er National event had 25 tables. The total NABC table count was 11,913. The total I/N table count was 775 (with 973 total participants).

I/N STATISTICS (2012 Philadelphia NABC)

Number of players that played in ONLY the FREE games	59
Percent of players that participated in ONLY the FREE games (of all those who played	
in the FREE games)	51.3%
Number of players that played in FREE and non-Free games	56
Number of times that players who played in FREE games, played in non-Free games	131
Average number of times that a player who played in FREE games, played in non-Free	
games	2.34
Total players that participated in any of the FREE games	115
Number of participants in ANY I/N game (0-300)	973
Half-Price Coupons issued	613
Half-Price Coupons redeemed	82
Percent of Half-Priced Coupons redeemed	13.4%
Total I/N tables	775
Total NABC tables	11913
Percent of NABC tables in I/N area	6.5%
Number of new ACBL memberships sold in I/N area	52
Number of players that played in I/N games AND OPEN games (games held outside the	
I/N room)	328
Percent of I/N players that played in OPEN games	33.7%
Average number of times "I/N Players" participated in OPEN games	1.64
Total OPEN tables represented by I/N players	537

San Francisco - Fall 2012

This I/N program holds the record for the largest at a Fall NABC. The Gold Rush games did impact the attendance in the IN Room.

The free games were all very large with 23 tables Saturday, 15 tables Sunday, and 24 tables Monday. The teachers for those lessons were Audrey Grant, Jerry Helms, and Barbara Seagram.

The committee chose not to decorate except for a photo board. They did have lots of freebies for the players.

There were 33 tables in the National 99ers game. The total NABC table count was 13,411. There were 1,398 I/N tables with 1,536 participants.

I/N STATISTICS (2012 San Francisco NABC)

Number of players that played in ONLY the FREE games	77
Percent of players that participated in ONLY the FREE games (of all those who played	
in the FREE games)	47.5%
Number of players that played in FREE and non-Free games	85
Number of times that players who played in FREE games, played in non-Free games	190
Average number of times that a player who played in FREE games, played in non-Free	
games	2.24
Total players that participated in any of the FREE games	162
Number of participants in ANY I/N game (0-300)	1536
Half-Price Coupons issued	876
Half-Price Coupons redeemed	82
Percent of Half-Priced Coupons redeemed	9.4%
Total I/N tables	1398
Total NABC tables	13411
Percent of NABC tables in I/N area	10.4%
Number of new ACBL memberships sold in I/N area	60
Number of players that played in I/N games AND OPEN games (games held outside	
the I/N room)	605
Percent of IN players that played in OPEN games	39.4%
Average number of times "I/N Players" participated in OPEN games	1.61
Total OPEN tables represented by I/N players	974

St. Louis – Spring 2013

The St Louis NABC contended with St. Patrick's Day Parade and more than one bad storm.

The committee decorated with spades, clubs, hearts, and diamonds. They had a cutout to have pictures taken of the king and queen of spades. There were door prizes given out each day.

The total NABC table count was 9,661. There were 715 I/N tables with 724 participants.

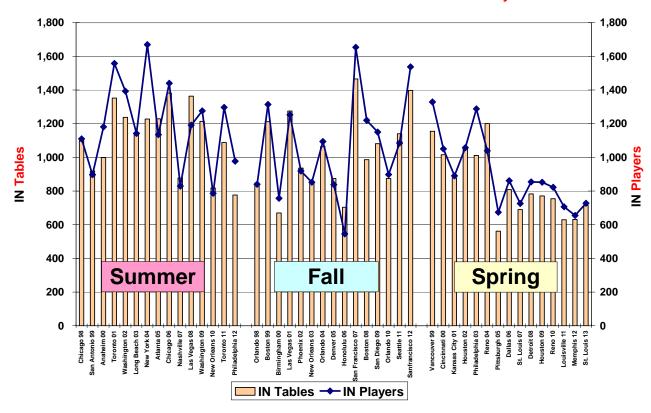
<u>I/N STATISTICS (2013 St. Louis NABC)</u>

Number of players that played in ONLY the FREE games	43
Percent of players that participated in ONLY the FREE games (of all those who played	
in the FREE games)	44.3%
Number of players that played in FREE and non-Free games	54
Number of times that players who played in FREE games, played in non-Free games	143
Average number of times that a player who played in FREE games, played in non-Free	
games	2.65
Total players that participated in any of the FREE games	97

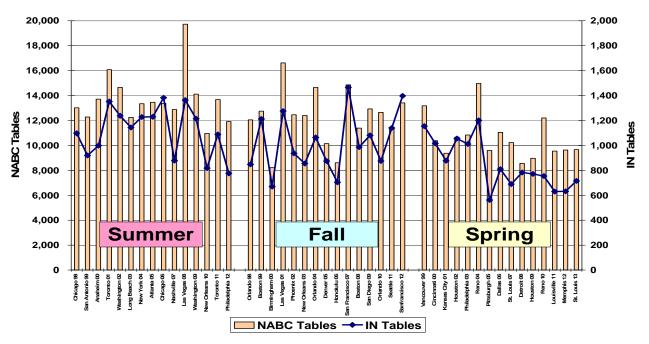
Number of participants in ANY I/N game (0-300)	724
Half-Price Coupons issued	523
Half-Price Coupons redeemed	126
Percent of Half-Priced Coupons redeemed	24.1%
Total I/N tables	715
Total NABC tables	9661
Percent of NABC tables in I/N area	7.4%
Number of new ACBL memberships sold in I/N area	31
Number of players that played in I/N games AND OPEN games (games held outside	
the I/N room)	361
Percent of I/N players that played in OPEN games	49.9%
Average number of times "I/N Players" participated in OPEN games	4.85
Total OPEN tables represented by I/N players	501

<u>I/N NABC Statistics (1998 – 2013)</u>

Intermediate/Newcomer Tables vs Intermediate/Newcomer Players



Intermediate/Newcomer Tables vs Total NABC Tables



Intermediate/Newcomer Tables as % of Total NABC Tables

