

**CEO REPORT
ATLANTA GA
JULY 2005**

To: ACBL Board of Directors
ACBL Board of Governors

cc: Peter Rank

MEMBERSHIP:

At the end of June, active members numbered 156,808, an increase of 773 versus the end of June 2004. Paid members continued their small increase in June while active unpaid life members continued to grow at a fast pace. (Exhibit 1)

Kudos to District 9 for gaining the greatest number of new members the last 12 months (1,123) and to District 7 for the largest percentage gain (9.44%).

New member retention remains strong (65.48%). Congratulations to District 12 for leading the way with 70.66% retention of first-year renewals.

Our average age is 67.28.

TOURNAMENTS:

Regional tables had some mild improvement in May and June due to an increase of five additional tournaments versus 2004. Total tables lag by 5% but we expect to finish the year with a table increase due to the increased number of tournaments. Year-to-date tables per tournament are 100 less than 2004 YTD, and basically flat with 2004 year-end totals.

Sectional tables are also running 5% behind YTD with tables per tournament lagging by 8.

STaCs continue to be popular and are running +4.76% YTD with an equal number of tournaments versus 2004. Tables per tournament are up by 54 tables.

(Exhibit 2)

STRATEGIC PLAN PROGRESS

1.02 Continue and expand the sanctioning of online club games.

Online tables – 108,000 versus 69,200 through June.

In the last year we have seen a 5% increase in members that play online and a 7% increase in members that play for masterpoints online.

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

The development of a club sanction that does not require strict adherence to the Laws of Duplicate Contract Bridge has been drafted in two different forms and will be discussed further here in Atlanta.

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

We have not yet reached our goal of addressing complaints within one business day. This is a challenge for most departments in the ACBL, but we feel with some modifications of personnel duties it can become the norm.

Customer service numbers for the 2nd quarter were: 1338 phone calls and messages were distributed during the 63 business days. 677 e-mails were distributed to various departments. Member Services and Clubs continue to receive the most activity.

The IVR automated phone system received 13,825 calls during the quarter. This enables members to check MPs or the status of their dues. Calls to this service have been steadily decreasing due to the ability of members to access this information through “MY ACBL” portal.

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

We have added a “News Archive” and scheduled additional “playful polls.” Other additions are under way as a result of member suggestions from the 2005 survey, as described below.

2.05 Survey ACBL membership on an annual basis.

The 2005 survey was conducted by Equation Research using a random sample of the ACBL database with a response rate of 20%.

A comment from one member showed how important these surveys are to our efforts:

“I think you are positively heading in the right direction simply by asking us our opinions.”

The validity of the survey continues to be reinforced with the consistency of certain numbers. For example:

How did you first learn about the ACBL?

	2005	2003
Friends/Family:	28.6%	29.6%
Bridge teacher:	12.0	13.0
Bridge club:	45.6	50.5

Advertising:	0.8	0.5
Internet:	1.5	1.0
School:	2.2	1.6

Note the gains, slight as they are, in advertising, Internet and school.

Satisfaction with ACBL Features

Percentage of members somewhat and very satisfied:

	2005	2004
Recognition for rank advancements:	91.5%	
Affordability:	86.0	86.0
Web site:	93.0	91.0
Portal:	91.0	
Marketing:	86.3	82.0

We added a “Do Not Use” choice this year. Of those members with internet addresses, only 12% do not use the web site, and only 32% do not use the portal — strong support for our services in these areas.

Rank Changes

Respondents who were not satisfied with rank advancement recognition were asked for suggestions and comments. The original intent of this was to learn whether they wanted more “stuff” as recognition. This was not the way members interpreted the question. Many commented on the need for a “current rank” classification. Here’s an example:

“When masterpoints are supplemented with an annual batting average, then we will have something we can rank.” This is addressed in item 2.05 of the ACBL Strategic Plan: “Develop ranking system based on current performance” (2007-08).

Several members also suggested that recognition be at the club level.

Recommendation: Ask clubs how they recognize rank changes (done) and post suggestions in newsletter.

Web Site/Portal

Members were asked to suggest additions to the web site and portal. A frequent suggestion was the masterpoints needed for next rank.

Recommendation: Add to portal. (Done)

Another frequent request was for a better search engine. We know that ours needs improvement, particularly because it cannot search our vast document library in PDF format.

Recommendation: The IT team now is looking into alternatives.

There were dozens of requests for information about conventions and lessons.

Recommendations: The popular Conventional Wisdom columns have been placed online. The appendix of Commonly Used Conventions has been edited for online production and will be posted shortly. We also can look into archiving the Hand of the Week. The Education Department is researching teachers who conduct online lessons to add this information to their profiles.

One capability for which we received frequent requests was the ability to look up other members' masterpoints. We consider this a violation of our members' privacy and will not include this feature on the site.

Many members asked for items that already are on the site, such as the Lee Edwards convention card editor. We do not see the addresses of the respondents and are unable to get back to them. However, the comments reinforce the need to update the home page to make it easier to find the pages we know our members use most. We will work on this over the summer.

How satisfied are you with the ACBL Bridge Bulletin magazine?

97% are somewhat (25.4%) or very (71.7%) satisfied with the magazine compared to 95% last year. Only 2% of our members do not read the magazine — again, a strong endorsement.

Satisfaction with ACBL representatives

Percentage somewhat and very satisfied.

	2005	2003
Headquarters:	94.4%	90.3%
Tournament Directors:	95.2	94.1
Club Directors:	93.4	90.9
Unit Officials:	90.4	88.7
District Officials:	88.4	87.0

We added a category "I do not have contact with these representatives" to the question. It should come as little surprise that 52% of our members have never had contact with Memphis. 50% have not had contact with district officials, and 40% have not had contact with unit officials. Only 13% and 9% have not had contact with tournament and club directors respectively.

How likely are you to renew your membership?

Extremely likely has gone from 83.3% in 2003 to 85.7% in 2005. 69.8% of members of less than a year are extremely likely — that number shoots to 88.5% for members 4-10 years.

For the first time, we asked members about how they would like to be reminded to renew membership.

E-mail reminder to renew online:	52.7%
Mail reminder to renew online:	9.6
Mail reminder to renew by mail:	37.7

How would you prefer to renew your ACBL membership?

Online:	54.0%
Mail:	33.5
No preference:	12.5

When would you prefer to receive your first renewal notice?

3 months prior:	12.1%
2 months prior:	47.8
Month of expiration:	40.1

Recommendations:

1. We will program the portal to remind members of renewal. Those who do not renew online within 30 days will receive a mail reminder.
2. We will begin mailing the first reminder two months prior.

Fee increases

Members were very clear that they would prefer fee increases to be in tournament sanction fees (46.5) or dues (38.6) and not club sanction fees (14.9).

Education

76% of our members have at least a four-year college degree.

Income

68.6% of our members earn at least \$50,000 a year. (Only 11.3% did not answer the income question compared to 25.1% in 2003.)

ACBL Product Store

The 2005 survey asked several questions regarding your interest in purchasing bridge supplies. We are working to improve the awareness of ACBL products and services. You will see a newly designed product guide in the fall and a new look on the web site in the future.

How does the survey data match up with membership statistics?

We compare survey data to our data to help gauge validity. They match up pretty well. For example:

How many masterpoints do you have?

	Survey %	Actual %
0-50	22	33
51-300	29	28
301-1000	27	24
1001-2500	15	9
2500+	6.8	3.3

If you have any questions or comments about the survey, contact the ACBL Marketing Department.

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

We are in the first stages of determining an RFP for a firm/consultant to assist in the marketing of the 50+ age group.

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

We have added a free teacher manual for the Modern Notrump Bidding Play course. Marketing of the site is a challenge. We will continue to reciprocate with links to and from the online masterpoint sites.

3.05 Develop more methods to grow youth bridge.

The marketing status report includes a report on activity with Simpson Communications.

4.01 Develop e-publications similar to Marketing Matters for distribution to units and districts on a regular schedule.

The Unit and District Officer e-newsletter was developed and distributed this month. This publication will be sent in January and July annually.

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

We currently have revised four different handbooks and have put them on our web site: President, Membership Chair, Intermediate/Newcomer Coordinator and Education Liaison.

5.01 Develop education for teachers and directors online.

The first online course will be ACBLscore for beginners. It is scheduled to be available by August 1. This will be free for our members. The Club Directors Update course will follow.

5.02 Require continuing education and retesting of TDs.

Formal TD training sessions are scheduled for Atlanta, Denver and selected regionals. Methods for retesting are in the early development stages.

5.03 Develop new teaching materials.

We hope to have two new textbooks to offer as teaching aids. Our very popular “Learn to Play Bridge” will become a hard copy text; “SAYC by the ACBL” is in the early stages of writing.

HUMAN RESOURCES:

Dave Smith accepted the associate editor job in the Editorial Department and joined the staff of the Bridge Bulletin July 5. Dave has experience with regional daily bulletins and last year covered the women's team trials for the Bridge Bulletin. His duties will include working on Daily Bulletins at NABCs.

Stanley Katz, a Diamond LM and experienced managerial accountant, has been hired as our new accounting manager, replacing Cherie Turman, who has decided to pursue other interests. Stan has an MBA and over 25 years of experience in CFO, controller and office manager positions, including managing departments, budgeting and financial reporting. His move from Chicago will take place around the end of July.

ACBLscore:

The first ACBLscore windows version is being tested locally this week with more clubs to be included in August.

ITEMS FOR CONSIDERATION

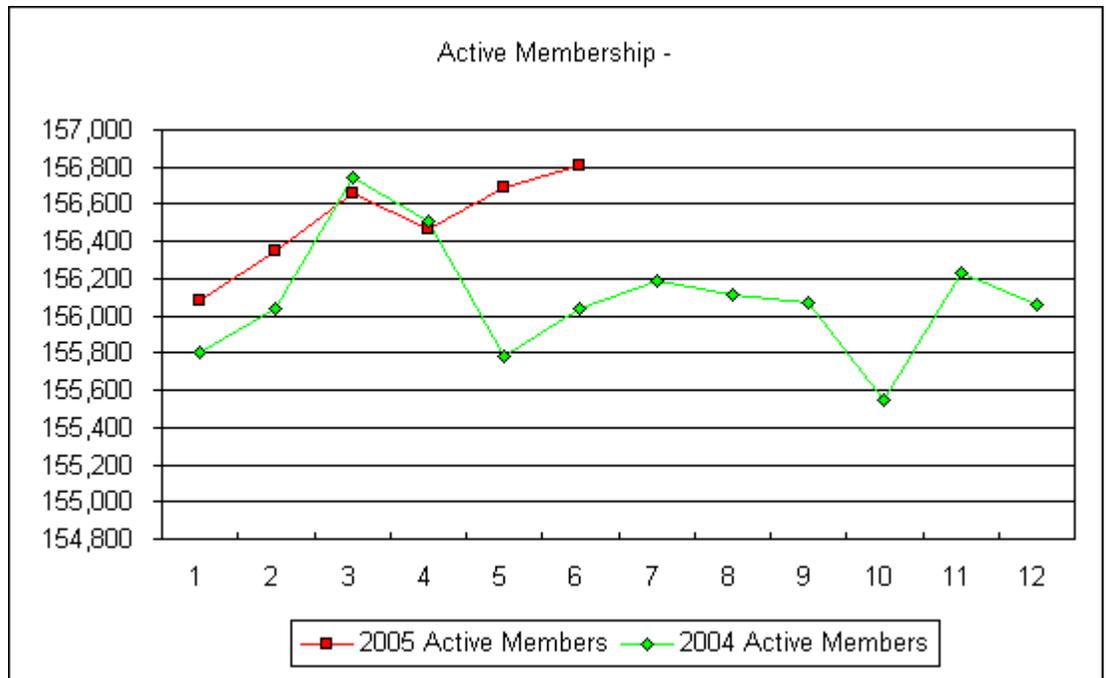
1. Management requests that the Board of Directors have all the reports currently included in the journal that do not require any legislative action be incorporated into the CEO/Management report. This would include: Marketing, Education, Bridge Administration and the annual Intermediate/Newcomer status reports.

Because these reports are submitted over a month before the actual Board meeting, Management feels the Board would benefit more from timelier reports. This could also include the CFO and the League Counsel reports.

2. We have received a number of calls in recent weeks that have asked about the penalties ACBL has in place to discipline pairs that are in collusion (cheating) at the table. The CDR does have references in 4.1.8(a) and 4.1.8(c). These take all ACBL masterpoints and titles away from the pair and also provides for titles and masterpoints won in events in which the offenses occurred be forfeited by teammates and partners.
3. The ACBL has no formal definition of the relationship between clubs, units and districts with ACBL.

ACTIVE MEMBERSHIP RENEWAL STATISTICS June

Member Category	2005	2004	Change	%
Life Masters	46,230	45,662	568	1.2%
Non-Life Masters	104,414	104,702	(288)	-0.3%
Paying Members	150,644	150,364	280	0.2%
Active Unpaid LM	6,164	5,671	493	8.7%
Active Membership	156,808	156,035	773	0.5%
New Members (YTD)	5,823	5,985	(162)	-2.7%



	REGIONAL							SECTIONAL							STaC						
	2003		2004		14,000.6 2005		%+/-	2003		2004		2005		%+/-	2003		2004		2005		%+/-
	#	TABLES	#	TABLES	#	TABLES		#	TABLES	#	TABLES	#	TABLES		#	TABLES	#	TABLES	#	TABLES	%+/-
JAN	10	13,444.0	10	15,986.0	9	13,386.5	-16.26%	55	12,354.5	52	11,216.5	63	13,608.0	21.32%	9	6,301.0	5	3184.5	10	5373.5	68.74%
FEB	10	15,618.0	10	18,923.0	10	14,355.0	-24.14%	75	14,756.5	89	17,876.0	75	13,852.0	22.51%	7	12,193.0	13	16391.5	8	12787.0	-21.99%
MAR	1	261.0	2	1,276.0	4	5,050.0	295.77%	102	19,120.0	82	14,979.0	59	10,572.0	29.42%	6	6,269.5	3	1319.5	4	3248.5	146.19%
APR	9	19,708.0	10	19,888.5	4	14,272.5	-28.24%	71	11,836.0	76	13,494.5	97	15,775.0	16.90%	3	2,904.0	4	3147.5	3	2836.5	-9.88%
MAY	13	16,167.5	14	18,990.0	17	20,394.5	7.40%	72	12,571.5	78	14,146.5	83	14,909.0	5.39%	4	8,919.0	5	10327.0	3	8442.5	-18.25%
JUN	15	20,627.5	12	17,481.0	15	20,465.0	17.07%	68	11,138.5	66	9,536.5	63	8,625.5	-9.55%	13	15,070.5	13	14432.0	15	18435.0	27.74%
JUL	8	10,246.0	7	8,713.0				43	8,354.5	45	9,034.0				3	2,391.0	3	2813.0			
AUG	21	31,033.0	13	19,585.0				79	13,808.0	74	11,596.5				4	4,081.5	7	11133.0			
SEP	6	6,778.5	12	17,836.5				91	15,009.0	87	14,017.5				4	4,533.5	2	1833.0			
OCT	11	12,067.5	12	16,118.5				100	16,199.5	123	20,689.5				2	924.0	7	4709.0			
NOV	6	7,500.0	5	5,441.0				81	15,684.5	60	12,023.0				12	9,598.5	7	3784.0			
DEC	5	6,848.5	9	12,452.5				24	5,520.5	23	4,551.0				8	18,160.5	9	21536.5			
YTD 2004/2005			58	92,544.5	59	87,923.5	-4.99%			443	81249.0	440	77,341.5	-4.81%			43	48802.0	43	51123.0	4.76%
AVG				1,595.6		1,490.2					183.4		175.8				1,134.9		1188.9		
YEAR	115	160,299.5	116	172,691.0	59	87,923.5		861	156,353.0	855	153,160.5	440	77,341.5		75	91,346.0	78	94,610.5	43	51123.0	
AVG		1,393.9		1,488.7		1,490.2			181.6		179.1		175.8		1,217.9		1,213.0		1188.9		