

On Growth

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Leading Growth

- **Business Trends** what's happening in the environment with our target audiences?
- **S**trengths**W**eaknesses**O**pportunities**T**hreats – Strategic Analysis
- **Business Objectives → Goals → Strategies → Measures** that
- shape: **Organization / People / Work Process / Systems / Governance**
- **Best practices:**
 - Stretch the organization,
 - Build on current capability,
 - Create sustainable business advantage,
 - Have a realistic time frame,
 - Leverage consumer trends, and
 - Go viral with little effort.
 - Attract members and leaders...

Governance:

At a minimum - the decision authority (and its expression in bylaws, policies and procedures) that creates the framework for Leaders and Managers to conduct business, consistent with legal and financial requirements.

At its Best - enables unmatched business success by integrating Organization, People, Work Process, Systems and Leadership for Competitive Advantage. Governance is a result of Business Strategy, as opposed to Business Strategy being a result of Governance.

Business Trends – Change is Everywhere



Forces for Change

- Work-life balance. Work from home.
- Volunteerism
- 2854 Clubs / 298 Units / 25 Districts
- Online Bridge
- Disposable Incomes
- 50-85+ population growth
- Plethora of leisure activities
- eTechnology, Artificial Intelligence, virtual reality
Smart personal devices
- Social diversity
- Environmental awareness
- Entrepreneurial Spirit
- Trend from Social → Individual entertainment

Forces Resisting Change

- Membership, club tables, clubs in decline.
- Member Demographics weak (age, travel, wealth, energy)
- Poor presence with youth and gamers. Magic, not Bridge; Video Games
- Stakeholder Independence
- Poor business transparency makes fact-based decisions difficult.
- Fair Share vs Reward Success – Entitlement, Not Past Performance?
- Business size discourage spending
- Accurate Business Activity Data Missing – Where's Growth?
- Mistrust and misunderstanding
- Political isolation – clustering by belief/tribalism.
- Decline in Family/Social Game playing

Stakeholder Considerations

Teacher

- Business Goals:
 - Maximize income – more classes, more students, longer student engagement, professional play, publish books.
 - Minimize Effort – standard syllabi. Not share best practice. Low advertising and promotion. Seeks word of mouth/upvotes.
- Competition – Other teachers, books, software, online classes, videos, & play. Club Games & Tournaments.
- Face to face teachers are in a niche market: local classes and nearby prospects. Geography and demographics limit scale.
- On line teachers can scale their classes. Teachers lack skill, content, business savvy, or reputation to succeed online.
- Have to build my own individual prospect list. No help to understand who is out there looking for someone like me and what I offer.
- Social lessons more lucrative than duplicate lessons – higher repeat attendance, few defections, no overhead (private homes and country clubs). No incentive to create ACBL members.
- Not many programs targeting youth because business model unattractive.
- Activity data unavailable and unknowable because self reporting not incentivized.
- No Financial relationship with ACBL except certification – How can ACBL create additional value for Bridge Teachers?
- No Financial relationship with Clubs, Units, and Districts – How can these create additional value for teachers.
- Weak Pricing power, elastic demand.

Club

- Business Goals:
 - Maximize Income – more games, larger games, more frequent repeat play. Consolidate other clubs – merge and acquire.
 - Minimize effort – Fewer sections, few I/N games (too small, not worth it), permanent location where affordable (not set up take down).
- Competition: Other Clubs, Bridge Classes, Online Play, Tournaments, low price clubs
- Bias toward duplicate away from rubber/social bridge.
- Play now learn later – rewarded for table fees, not class tuition.
- Teachers must not conflict with popular playing times.
- If I don't like a teacher they don't teach at my club.
- I promote my club events. Teachers are responsible for their own businesses. I will not share my player lists with teachers because I don't want anyone choosing a class instead of playing here. I don't want teachers annoying my players.
- Weak pricing power, elastic demand.

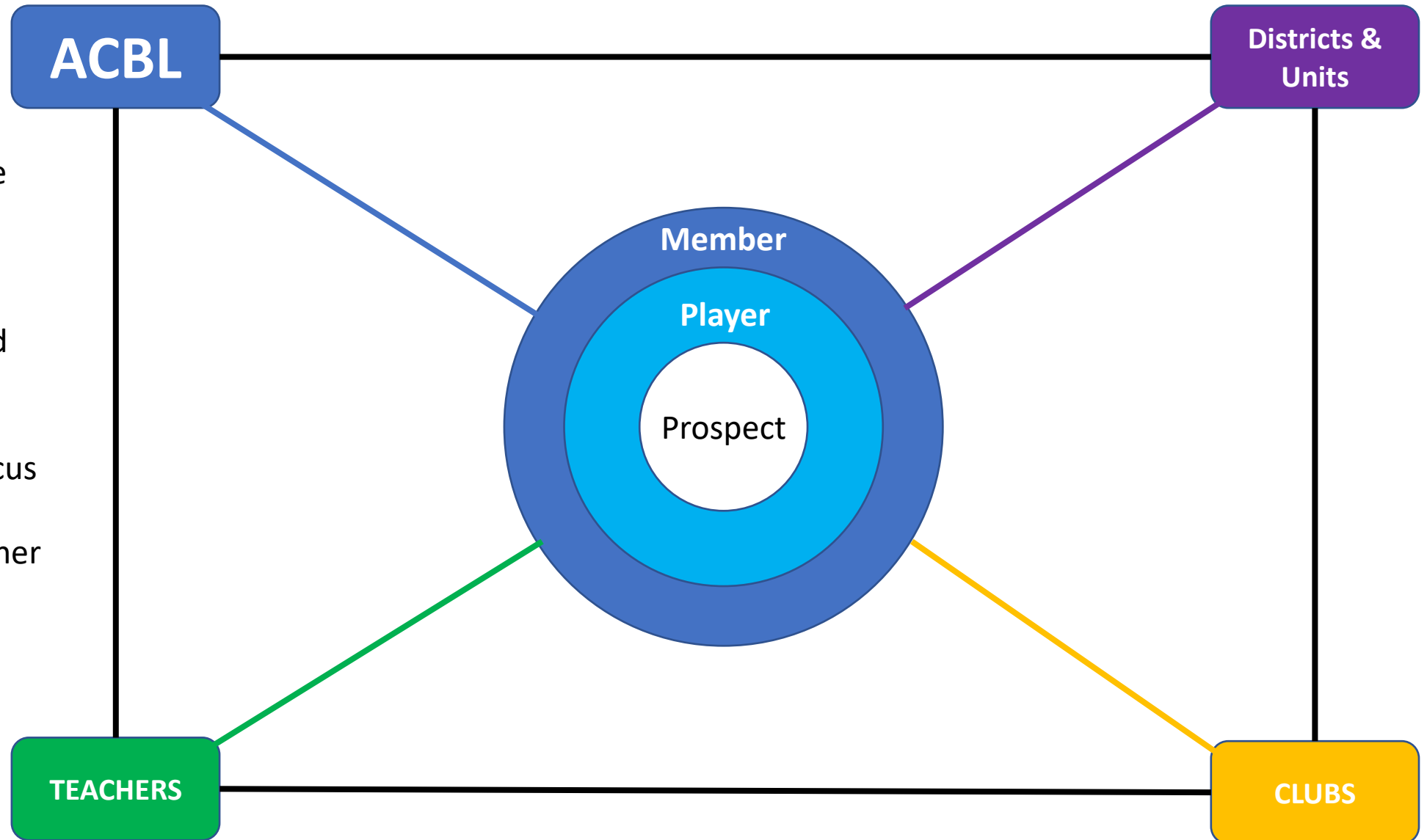
Teachers & Club Owners Perspectives

- **Mixed** desire to grow. Some desire to collaborate. Fiercely independent. I know what's best. Some simply want to milk the cash cow.
- Need for **best in class methods** to grow business. Business skills vary.
- Finding new players & keeping classes fresh is **HARD WORK**. I recruit, train and develop, then the player goes two blocks away to play in the low price game. No way to build a business or equity reward for investment. Not everybody invests in recruiting.
- Distrust of finances and special game sanction fees. Flat pricing preferred to % of income (entry fees) – too complex. **No transparent cost model for ecosystem.**
- Nobody knows the **total player's cost**. Nobody. ACBL's income a small % of total out of pocket spend.
- I can't get **leads on prospects** from the ACBL.
- Nearby **tournaments lose me business**. I get nothing in return for developing their players.
- Districts and Units **do nothing to help**.
- Do volunteers and **non-profits** impede financial success of **for-profit** clubs?
- Between recruiting and promoting games for NLMs, I choose NLMs because I get better returns from my effort. **Focus on immediate earnings limits growth.**
- Little experience/trust in the **knowledge** economy and the role **e-business** can have in bridge.

Ecosystem Vision

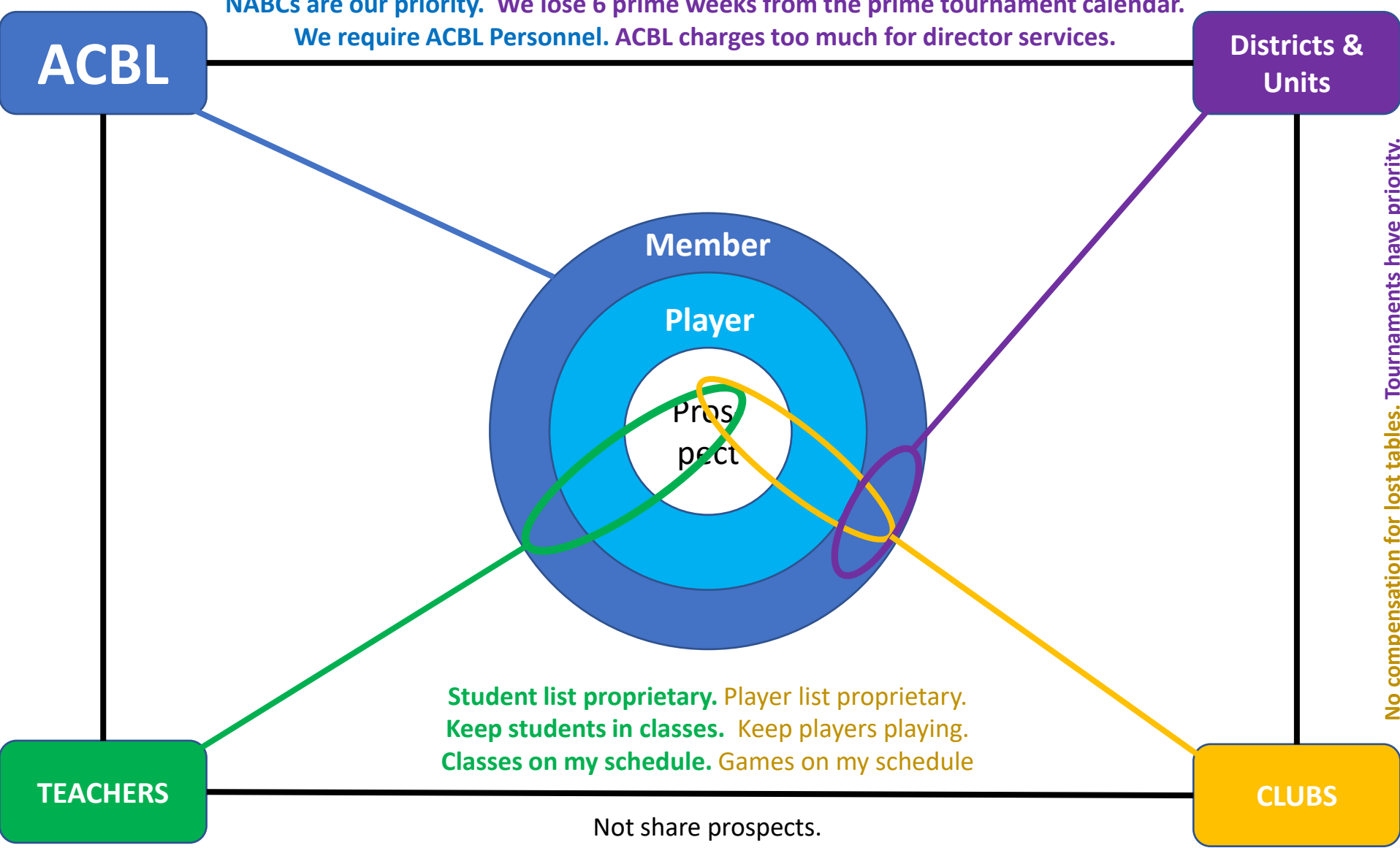
IMAGINE:

Business incentives guide activities toward growth with no internal conflict, friction, internal costs or waste. Collaboration and competition replace zero sum competition and in-fighting. Stakeholders focus on the Prospect/Player/Member. We work together for mutual success.



Ecosystem Friction

What can ACBL do for me? Recruit new members for us.
Finding prospects is hard work. No member contact info shared.
Promoting my classes is expensive. No ads for classes on website or in bulletin
How can I promote ACBL when they give me no publicity? Teachers are independent businesses.
Certification costs money we don't have. We support certification but see flat member growth..



Districts promote tournaments poorly. ACBL doesn't support promotion costs.
Tournament schedule – bylaws & demand. Too many tournaments reduce demand.
NABCs are our priority. We lose 6 prime weeks from the prime tournament calendar.
We require ACBL Personnel. ACBL charges too much for director services.

Student list proprietary. Player list proprietary.
Keep students in classes. Keep players playing.
Classes on my schedule. Games on my schedule

Not share prospects.
Not compensate teachers for new players.

No compensation for lost tables. Tournaments have priority.
No compensation for creating tournament players. No help promoting tournaments.
Units provide no support for my club. Clubs do little to support Unit Games and tourneys
Districts provide no support for my clubs. Clubs do not support District events.

ACBL ↔ Clubs

ACBL

We provide Masterpoints®, Scoring software, website services, communication services, and sanction management for modest fees.

Our members naturally flow to clubs near where they live.

We treat clubs as independent businesses.

We assume no liability for club actions.

CLUBS

Sanction fees continue to rise. We get no incremental benefits. I do not see what I get for the money I send the ACBL.

ACBL does not promote bridge. They don't advertise enough. The ACBL has all this money they are not using to grow bridge. Special games are just a money grab. There are more special games than regular games any more.

ACBL does not help me grow my business. All they care about are tournaments.

ACBL ↔ Teachers

ACBL

We support Teachers as independent businesses
We created and support the Education Foundation
We host Teacher events at the Summer NABC
We publish beginner articles in the Bulletin
We offer accreditation programs for motivated teachers.

TEACHERS

What benefits do I get from the ACBL if I create a new member? Is it worth the effort?
What services does the ACBL provide me for my classes?
How can I advertise to members in my area if I'm not a club owner?
Why aren't bridge classes advertised in the ACBL Bulletin?
Why are ACBL Bulletins made available to prospects for free?
Why is the CAP program limited to \$500 per year? I need more.

Teachers \leftrightarrow Clubs

TEACHERS

Student list proprietary. Player list proprietary.
Keep students in classes. Keep players playing.
Classes on my schedule. Games on my schedule

Not share prospects.

Not Compensate clubs for new students. Not compensate teachers for new players.

Not bring students to clubs. Not share club space for teaching.

CLUBS

Clubs $\leftarrow \rightarrow$ Units & Districts

CLUBS

Districts &
Units

No compensation for lost tables. Tournaments have priority.

No compensation for creating tournament players. No help promoting tournaments.

Units provide no support for my club. Clubs do little to support Unit Games and tourneys

Districts provide no support for my clubs. Clubs do not support District events.

Little Common Ground, even though they serve the same audience.

Teachers ↔ ACBL

TEACHERS

ACBL

ACBL does nothing for me personally? Recruit new members for us.

Finding prospects is hard work. No member contact info shared.

Promoting my classes is expensive. CAP program. Ads for classes on website/bulletin?

How can I promote ACBL when they give me no publicity? Teachers are independent businesses.

Certification costs money we don't have. We certify teachers, but see flat member growth.

I am the ACBL's Sales Force. Teachers are our customers.

I work on growth every day. We have no one working on membership growth.

I created my prospect list. Why should I share it? How can we help if we don't know the prospects?

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ACBL ↔ Districts & Units

ACBL

Districts &
Units

Districts promote tournaments poorly. ACBL doesn't support our promotion costs.

Tournament schedule – bylaws & demand. Too many tournaments reduce demand.

NABCs & Big Regionals are our priority. We lose 6 prime weeks from the prime tournament calendar.

We require ACBL Personnel. ACBL charges too much for director services.

The sponsor org. is responsible for tournament design. Lets schedule as many events / session we can.

ObjectiveGoalStrategyMeasure

Objectives	Goals	Strategy	Measures
Grow Members, Tables, and Classes.	4-8% Membership Growth /yr	Integrate Prospect Mgmt. through Membership Lifecycle.	Yr/Yr headcount ex trial memberships.
	5% Tables Growth / yr		Membership Lifecycle status. # Attracted, # tried # played #joined #renewed. Time.
	5% Classes Growth / yr	Integrate trial offerings at clubs. Financial support for exceptional results.	\$\$ returned to successful recruiters. TOT \$\$/recruit
		Unit and District effort and \$\$ support engaged in recruiting new members	Number of integrated trial offerings meeting best practice standards.
		Eliminate barriers to trial.	#Districts and Units funding tangible membership growth projects. #members recruited.
		Enable Club & Teacher local Promotion and Advertising	Club table and teacher class growth.

Business Metrics

Stakeholder	Information	Comment
Prospects	Contact, Classes Taken, Goals, Learning preference, class experience, standardized class evaluation,	Opt in security to learn more about bridge.
Members	Contact, Games played, Game type, event type and location, Partners, MP Awards, Next Rank, Lifecycle Stage	Opt in security
Teachers	Contact, Classes taught, Students per class, their contact information, Improvement plan, Best Practices, Teaching Hands, teaching games, supervised play, rubber bridge.	Access to prospects contact data in their area for recruiting only.
Clubs	Sessions run. 0-5/10/20 MP sections? Table count. NLM table count. Open Table count. Pairs, Teams, STaCs, Special Games by type, supervised play, rubber bridge, player contact information, Recruiting costs. Club locations(s). Business meta data. Entry fee by game. Business lost to tournaments?	
Units	Recruiting activities, teacher recruitment, Director recruitment, bridge center support, sectionals run, regionals run, members recruited, expense for recruitment, best recruitment practices. Tournament entry fees by session.	
District	Success Stories and Best Approaches – sought and reapplied, funding and volunteer staffing for Clubs and Teacher recruitment. Active support for University Programs. Tournament entry fees per session.	
ACBL	Manage CRM data records to lifecycle. Costs and time to next step metrics known and shared with Stakeholders.	Manage CRM system for Zone GROWTH.

Sustaining Growth

Strategy	Organization	People	Work Process	Systems	Governance
Integrate Prospect Mgmt. through Membership Lifecycle.	Growth Committee Focus on members and their lifecycle. Manage ACBL "Sales Force"	Teachers Club Managers Tournament Chairs	Enrobe prospects in appropriate offerings at all levels. Nat'l & local e-Adv/promotion	CRM - manage full membership lifecycle . Share contact information with vetted teachers and clubs. Choices in real time.	PII policies engaged. CRM service shared. Decide if free or at cost. Share best practice.
Integrate trial offerings at clubs. Financial support for exceptional results.	Focus all membership on growing members or games.	Identify teachers / clubs who recruit to newbie needs.	Define standards of excellence for recruiting and retaining new players Choices in Real Time	Share success stories and best practices. Business analytics identify best in class results.	Reduce price as a barrier to first membership. Reward results, not activity
Unit and District effort and \$\$ support engaged in recruiting new members	Open communication with Units and Districts. Boards engaged	Teachers and clubs identified capable of recruiting by best practice	District & Unit define.	Proposals, programs, results shared with the ACBL. Best in Class methods reapplied.	Tournament Sanctions require membership growth effort.
Eliminate barriers to trial.	What marketing focus on prospects would add value?	Vet Knowledgeable teachers & club managers. Zero Tolerance at Clubs.	Simple quick path to fun.	Best Methods for first 16 classes. Low cost. Low membership cost. Meet friends	Deal actively with failing and nonresponsive clubs & ZT avoiders.
Enable Club & Teacher local Promotion and Advertising	Integrate 2854 clubs and over 8000 teachers. Power of SCALE.	Train e-Advertising and CRM use by vetted clubs and teachers	Share prospect contacts and NLM contacts. Eliminate wasted recruiting effort and rework.	CRM – define if subscriptions are needed. E-Advertising & E-mail campaigns (Pianola).	Report analytics centrally. Provide useful feedback and improvement plans.

Membership Lifecycle – Keys to Success

What: the Newbie wants

When: the Newbie wants it

Where: the Newbie wants it

How: The way the Newbie can do it.

Lifecycle: n.

3 : a series of stages through which something (such as an individual, culture, or manufactured product) passes during its lifetime.

Low Risk offerings - focus on FUN & PLAY

Learning consistent with the student's environment – focused on FUN

Learning consistent with student's peers – FUN

Ways to play & practice

Ways to play at clubs in a welcoming environment

Ways to meet (bridge) peers

Ways to grow

Who does the well today?
How do we know?

Member Lifecycle

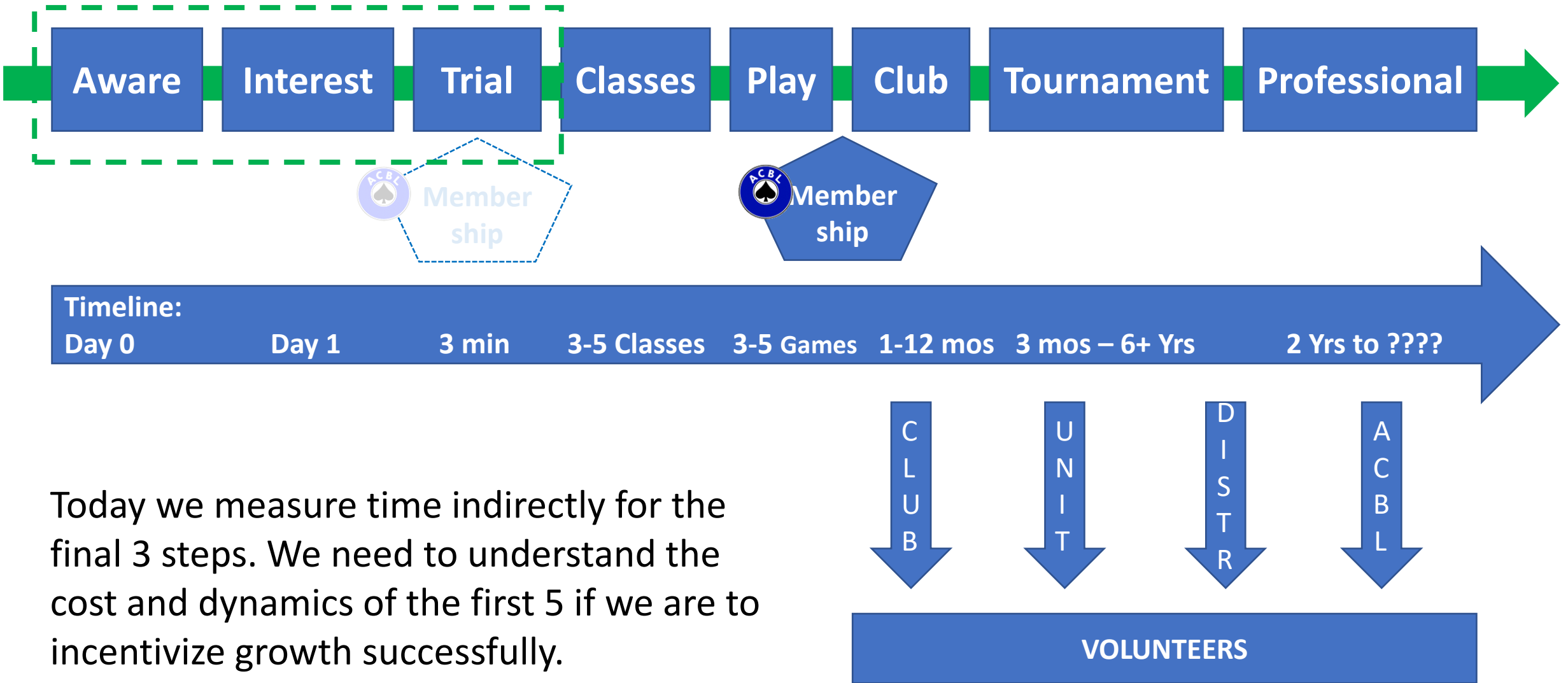
Quantify THIS!

1. “Moments of Truth” at each step along the path
2. People drop out at every stage for many reasons
3. Time and Cost for each individual varies - UNKNOWN



Member Lifecycle

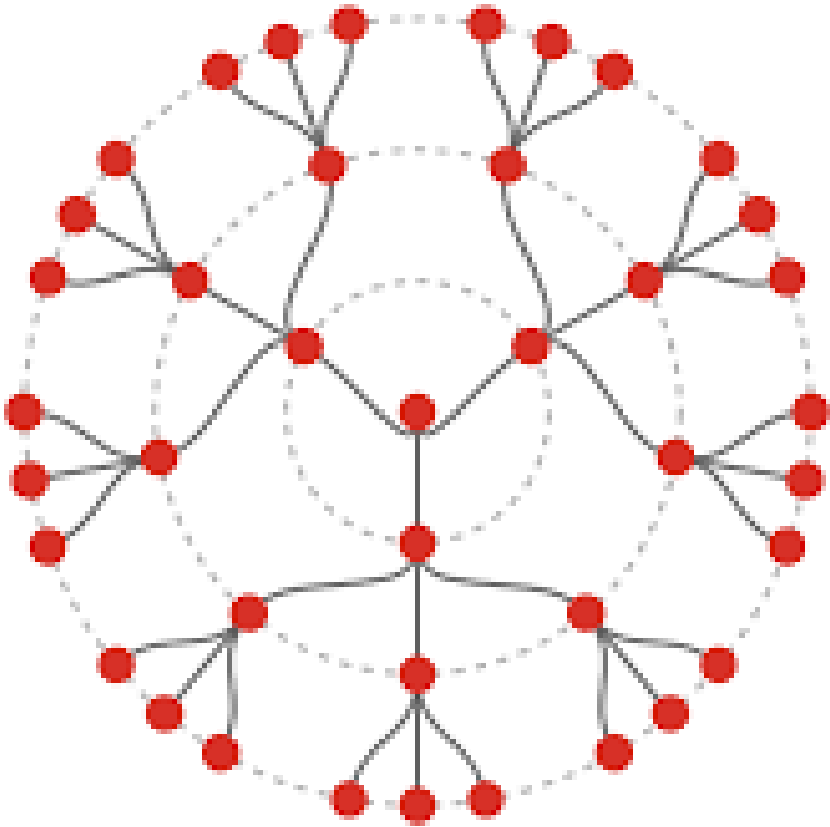
1. “Moments of Truth” at each step along the path
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5 MOMENTS OF TRUTH

1. When the prospect first **hears** about bridge.
2. When the prospect first **acts** to learn how to engage bridge and our community
3. When the prospect **plays** duplicate bridge
4. When the prospect **joins** the ACBL
5. When a member **plays** tournament bridge

Member Propagation – Word of Mouth



- Growth requires active member engagement
- Growth requires touching more than 2 new people every year. (How can this be scaled?)
- Growth requires moments of truth be satisfied with high quality experiences each step of the way.

About ACBL Demographics

United States Census : 2014 National Population Projections: Summary Tables - Table 9

<http://www.census.gov/population/projections/data/national/2014/summarytables.html>

Year	2015	2020	2025	2030	2035	2040	2045	2050	2055	2060
TOTAL	321,369	334,503	347,335	359,402	370,338	380,219	389,394	398,328	407,412	416,795
0 to 9 years	40,428	40,842	41,899	42,525	42,797	43,103	43,620	44,305	45,035	45,672
10 to 19 years	41,682	41,783	41,774	42,242	43,356	44,032	44,347	44,687	45,232	45,938
20 to 29 years	45,213	45,781	45,180	45,478	45,633	46,243	47,481	48,261	48,660	49,064
30 to 39 years	42,005	45,228	48,036	48,776	48,355	48,809	49,097	49,817	51,144	51,996
40 to 49 years	40,995	40,772	42,904	46,191	49,095	49,942	49,638	50,185	50,543	51,317
50 to 59 years	44,123	42,517	40,357	40,283	42,517	45,867	48,848	49,804	49,639	50,288
60 to 69 years	35,187	39,335	41,467	40,196	38,422	38,584	40,936	44,329	47,375	48,469
70 to 79 years	19,626	24,994	30,045	33,843	35,910	35,083	33,876	34,336	36,756	40,055
80 to 89 years	9,681	10,491	12,712	16,484	19,965	22,791	24,408	24,126	23,711	24,458
90 to 99 years	498	649	728	782	940	1,254	1,751	2,141	2,550	2,752
100 years and over	72	89	119	138	154	193	267	387	493	604
Median age (years)	37.8	38.5	39.3	40.1	41.0	41.6	42.0	42.4	42.7	43.0

Putative "Target Group"

Year	2015	2020	2025	2030	2035	2040	2045	2050	2055	2060
TOTAL	321,369	334,503	347,335	359,402	370,338	380,219	389,394	398,328	407,412	416,795
50 to 59 years	44,123	42,517	40,357	40,283	42,517	45,867	48,848	49,804	49,639	50,288
60 to 69 years	35,187	39,335	41,467	40,196	38,422	38,584	40,936	44,329	47,375	48,469
70 to 79 years	19,626	24,994	30,045	33,843	35,910	35,083	33,876	34,336	36,756	40,055
80 to 89 years	9,681	10,491	12,712	16,484	19,965	22,791	24,408	24,126	23,711	24,458
Total Segment	108,617	117,337	124,581	130,806	136,814	142,325	148,068	152,595	157,481	163,270
YoY Growth (%)	100	108	106	105	105	104	104	103	103	104
TOT POP YoY (%)	100	104	104	103	103	103	102	102	102	102

GROWTH

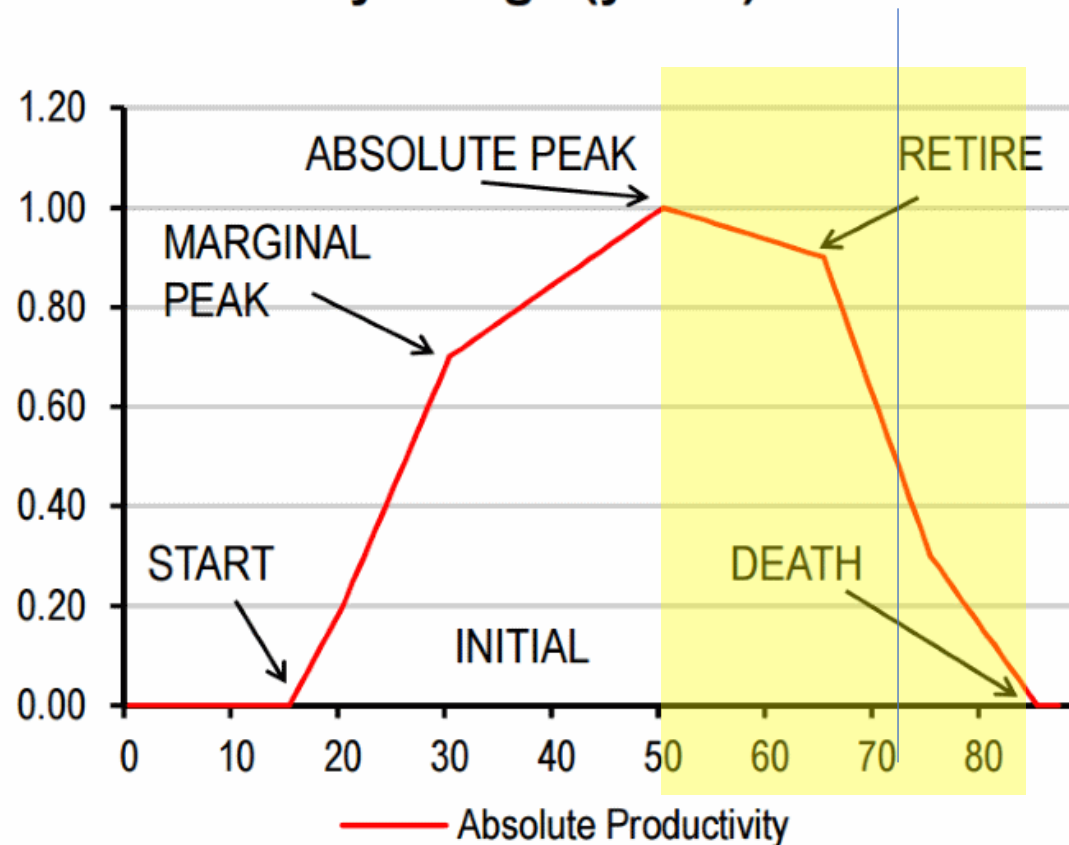
50-89 year olds are projected to grow 4-8 % per annum while the total population will grow 2-4%

<http://www.cincybridge.com/gifs/20150724-2014-US-Census-Population-Projections.gif>

About ACBL Demographics

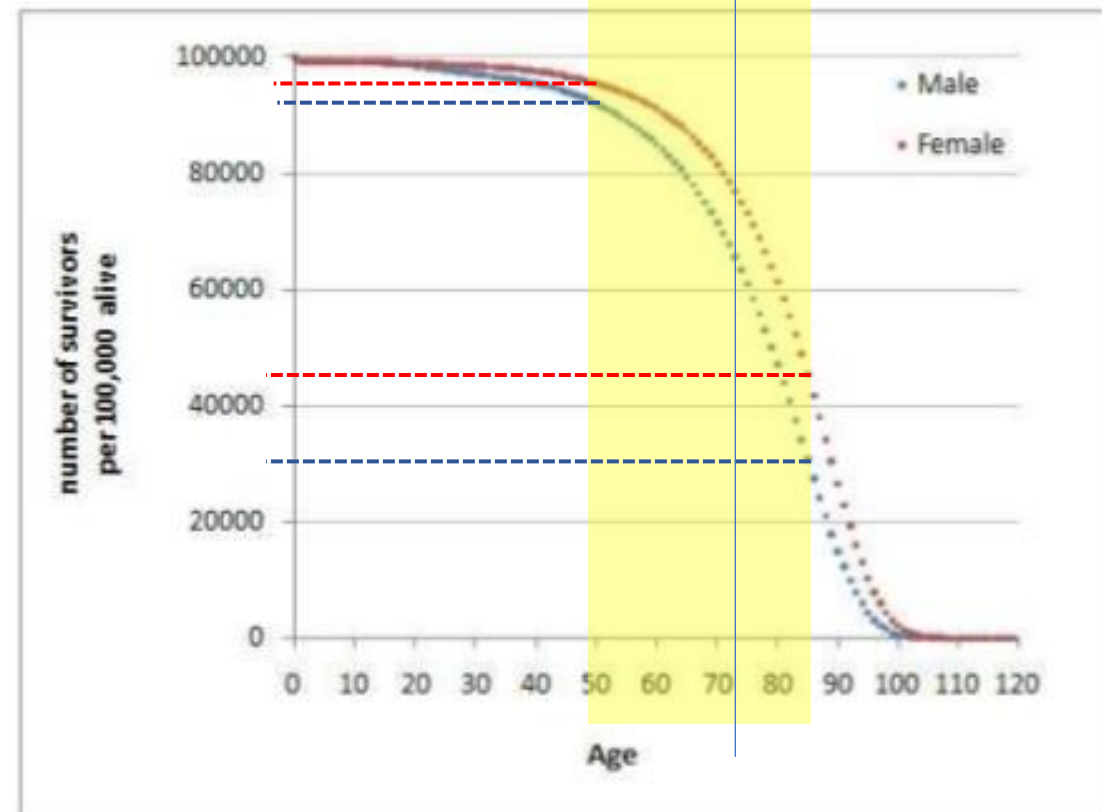
Survivorship vs. Age

6. Productivity vs age (years)



Note: Values here are indicative. The calculations use an absolute peak of 1.0, with the marginal peak at 0.75, in line with theoretical estimates. Productivity defined as contribution to the economy in terms of output.

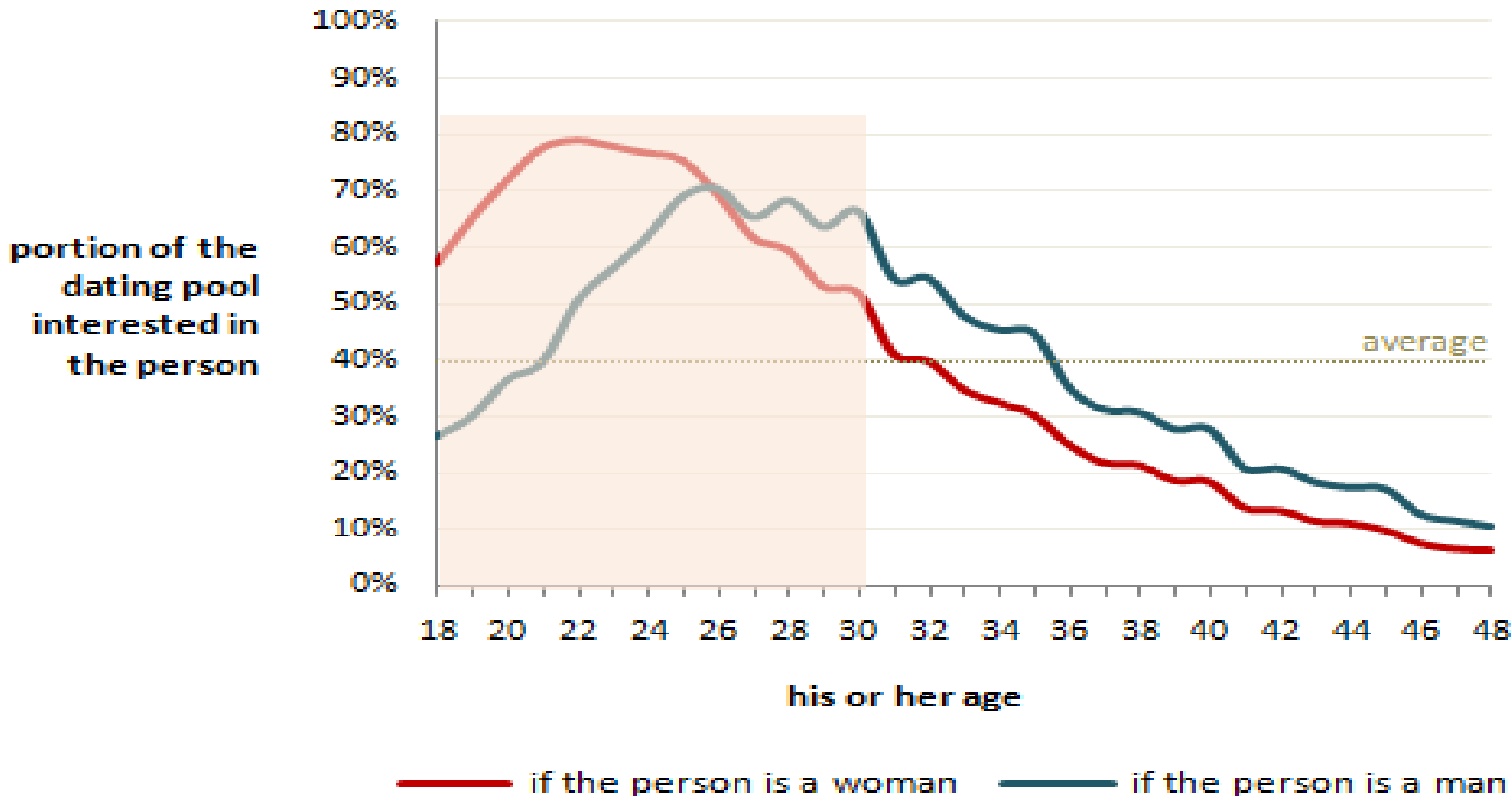
Source: HSBC.



ciences.scienceblog.com/files/2010/08/Aging-Scienceblog-Survivorship-curve-2006-Census.jpg

The Age Gap

How A Person's Desirability Changes With Time



- If we recruit 65.5 yr olds, how old will teachers, sanction owners, directors be?
- When will they start going to tournaments?
- Clubs like the immediate return a 65.5 yr old gives on their investment.
- Units, Districts, and the ACBL can't replenish tournament players at that pace (1-6 year lag?)
- Need two targets
 - Clubs: 50-85+
 - Tournaments: 18-30+

50-85 Demographic

On Costs – Ecosystem Model

Sanction Fees and Entries

Event	Count	Est Tables	Entry Fee	Sanction fee	% of Entry
BBO	NA	935000	\$1	0.25	25%
Clubs	2854	2.25MM	Free - \$33+	0.25 ²	1.67 – 3.5%
Sectionals	1009	151000e	\$9-12+	\$0.77-1.15 ¹	4.2-12.7%
Regionals	138	151000e	\$11-16+	\$0.77-1.10	6.25 – 9%
NABCs	3	33700	\$15-25 (18)	NA	TBD
TOTAL	1150	335700e	\$2.6MM		

One Club Margin

Item	\$	%
Entry Fee	7.00	100
Sanction Fee	(0.25)	3.6
Rent	(3.75)	53.6
Snacks	(1.00)	14.3
Net	\$2.00	28.6

One Sectional & Regional Margin

Unit 124 - 2017	Regional	R%	Sectional	S%
Income	55803	100.0%	6220	100.0%
Expense				
ACBL Fees	11268	20.2%	1252	20.1%
Advertising	968	1.7%	500	8.0%
Director/Caddy	14833	26.6%	1650	26.5%
Facility	5000	9.0%	1049	16.9%
Food/Supplies	2700	4.8%	424	6.8%
SubTotal	34769	62.3%	4875	78.4%
Net Cash Generated	21034	37.7%	1345	21.6%

Sanction Fees and Margins

	Owner	ACBL	Factor
Club games	29%	1.7-3.5%	7 - 17
Sectionals	22%	4.2-12.7%	2 - 5
Regional	38%	6.2- 9%	4 - 6

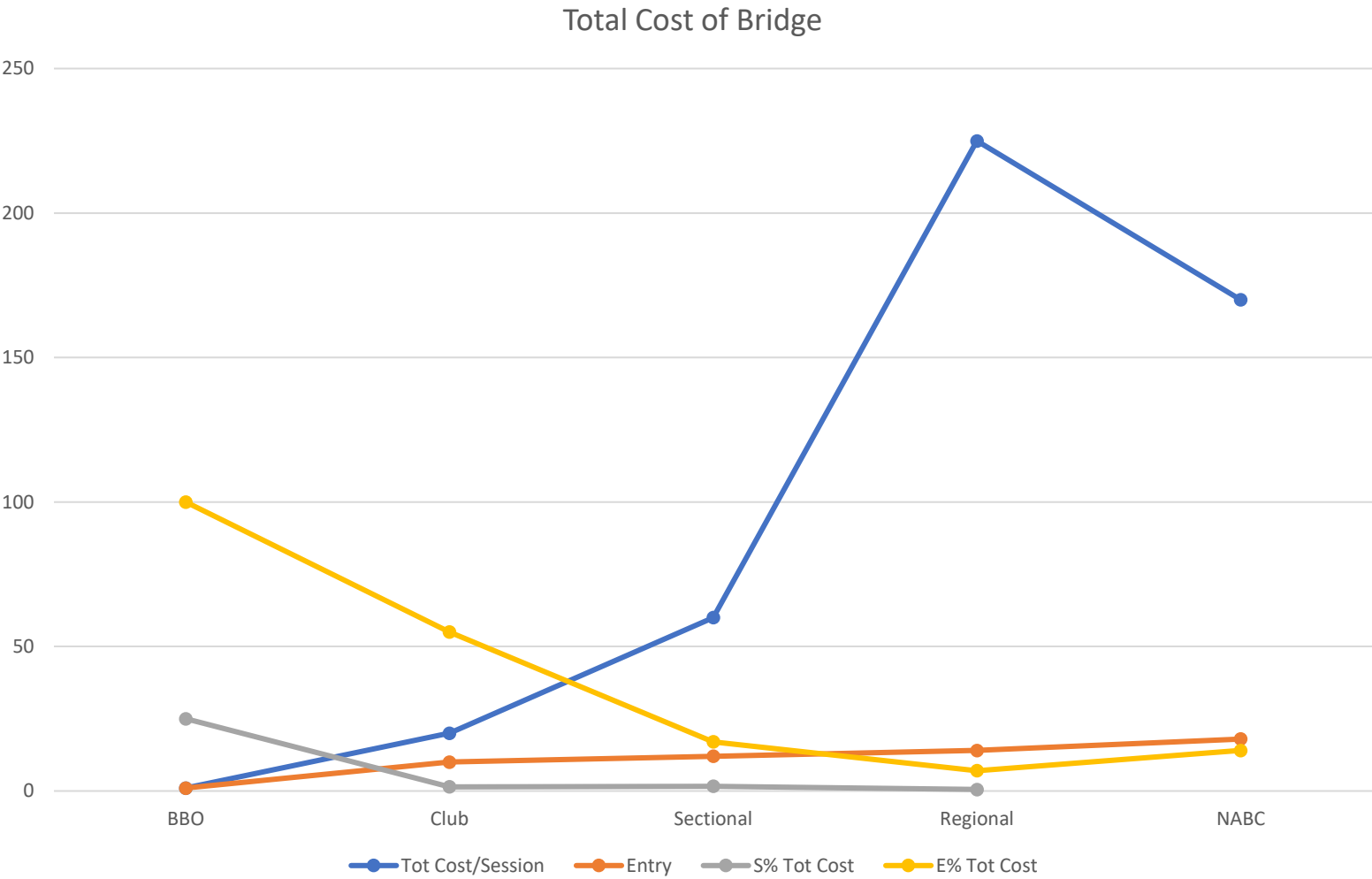
Total Cost of Bridge – Create a Model

**Working
Estimate**

	Entry	Travel	Food/da	Room/da	Sessions	Days	Total	Tot \$/Session
BBO	\$1	0	0		1	1	\$1	\$1
Club	\$7-10	\$10 ²	0		1	1	\$17-20 ¹	\$17-20
Sectional	\$9-12+	\$60 ³	\$20	0	6	3	\$174-192	\$58 - 64
Regional	\$11-16+	\$120 ⁴	\$30	\$130	15	5	\$1080 - 1170	\$216 - 234
NABC	\$15-25	\$600	\$70+	\$250	25	10	\$4175 – 4425	\$167 - 177

	Entry E	Tot \$/Session S	Sanction	S% Entry	S% TOT COST	E% TOT COST
BBO	\$1	\$1	\$0.25	25%	25%	100%
Club	\$7-10	\$17-20	\$0.25	1.67 – 3.5%	1.3 – 1.5	35-58%
Sectional	\$9-12+	\$58 - 64	\$0.77 – 1.15	4.2-12.7%	1.2 - 2	14-21%
Regional	\$11-16+	\$216 - 234	\$1.10	6.25 – 9%	0.47 – 0.5	5-7%
NABC	\$15-25	\$167 - 177		TBD		12-14%

Implications



The player faces higher costs for our premium events, but the ACBL captures a decreasing share of total costs. That's like discounting Bentleys to compete with Chevy's.

What Can We Do?

- Target Markets: 1) 50=85+ yr olds; 2) 18 – 30+ Yr olds
- Enable CRM to track individual prospects & their progress along the **member lifecycle**. Its not just Masterpoints[®] anymore. Are prospects and members growing and engaging?
- CRM Coordinates prospects' contact information and lifecycle status zone-wide. Privacy rules changed to **allow sharing w/clubs & teachers**.
- Establish Business meaningful **Standards of Excellence**
- **Qualify clubs and teachers** who can share in this information for free. They have a proven track record for recruiting, and offerings conducive to trial and retention by newbies.
- Reward **RESULTS** (*not activity*). Make the reward impactful to a business.
- Define a training and participation plan for Districts and Units to provide effort and cash to teachers and clubs for results. Consider **New-Member Committees**, not just Membership Committees.

What Can We Do? II

- Create the necessary **activity based business metrics** so that progress and cost can be estimated at the individual, Unit, District, and ACBL levels. If Teachers and Clubs want support from the Growth Fund, they provide the information. Include the entry fee for a normal game as part of the sanction application (data collection only). Define the cost of promotion activity at Club and Class level. Share same with the ecosystem. We all must be on the same page.
- Identify the zone-wide funding mechanism for the **Membership Growth Fund** where all stakeholders participate fairly. Extend the temp membership to 3 months at \$10. Reduce year 1 Membership to \$19.99 one time. Incentivize 3 or 5 year memberships. Consider a temporary Surcharge on Membership Dues for growth purposes.
- Ask Bridge Professionals to help raise funds for growth. Auction a game with a Pro/GLM, etc.
- Funding Transparency. Disclose all special game income by type. Decide whether the cash flow matches the priority for the ACBL and make appropriate changes. Dispel doubt about how the ACBL spends sanction fees.
- Lead Change **UNANIMOUSLY**, don't just endorse it.

We are in a bacon and eggs breakfast. The Chicken is aligned but the Pig is **COMMITTED**.
WE ALL MUST BE PIGS!

Ideas for Today

- **eAdvertising** (Google Ads, Facebook, Yahoo, etc.) drives contacts to CRM. CRM shares prospect contacts with teachers & clubs nearby. Units provide onboarding support and introductions to area members. Districts provide introductions to tournaments and area volunteer opportunities.
- Classes offered tuned to **newbie learning style and immediate goals**. Support from standard content and media toolkits. Includes a variety of computer based learning tools.
- While learning, students engage **rubber bridge or supervised play** in peer groups at clubs nearby.
- Cost is not a **barrier to trial** for new players.
- Successful completion of classes promotes free play to **0-5, 0-10, or 0-20 games** nearby.
- **NLMs** see tournament and club **opportunities** nearby. Can subscribe to an effective partnership experience. (on-line dating for bridge).
- The **Membership Growth Fund** rewards results with meaningful stipends. Teachers and Clubs define opportunity costs for recruiting new players.
- Units and Districts create Teachers and Club Manager forums for **sharing best practices**.
- Units (Sectionals) and Districts (Regionals) devise **compensation** for clubs and teachers who lose business during tournaments. Not applicable for teachers and sanction holders who close and play at the tournament, only for those holding club games.