

**TO: U.S. MASTERS SWIMMING BOARD
U.S. MASTERS SWIMMING STAFF**

FROM: ROB BUTCHER

COPY: OTHER INTERESTED PARTIES

DATE: JANUARY 9, 2009

SUBJECT: FOURTH QUARTER, 2008 UPDATE

Within two weeks completion of each quarter, in addition to the quarterly financial report that is provided to the board, I will be submitting a staff quarterly update of U.S. Masters Swimming business. The reports will cover our three business units and then any other general business.

I) Membership Services

Registration: We closed the 2008 membership with 48,302-members. This is a 9.45% increase from 2007. For 2009 renewal/new membership, the chart below provides November/December comparison registration numbers for the last four years. We believe 2009 renewal/new membership registration increase is due to several contributing factors; (a) continued swimming awareness from the Olympics/Michael Phelps factor, and some of our own promotional efforts via www.usms.org, LMSCs and club websites (b) for November/December renewal/new membership registration of 2009, LMSC registrars registered 515 clubs vs. 435 for the same period in 2008 (as I believe we are all aware, a club needs to be registered and input into the online system by the registrar for a member to register with that club or the member registers with another club, registers unattached, or does not register), (c) online member registration making the process convenient for renewals/new member registration, (d) greater acceptance and confidence in the online registration system, and (e) with online registration, registrars are able to effectively communicate with LMSC members on items such as membership renewal reminders. All

that said, we are keenly aware that January is historically the largest membership registration month so we will be watching the January results to compare vs. previous years.

	Registrations	Percentage Gain Year Over
November/December 2008	18,777	15%
November/December 2007	15,967	2.4%
November/December 2006	15,593	1.8%
November/December 2005	15,313	

Tracy Grilli is the staff point person in our Club Assistant relationship. She works closely with George Simon, Jim Matysek, Esther Lyman, Margaret Bayless, and Leo Letendre on issues related to Club Assistant. We are on a regular call basis (every 7 to 14-days) with Club Assistant to improve the service and address issues. Tracy has also drafted a club registration membership option that is being tested.

New Member Newsletter: With the addition of Ashley as our Marketing Coordinator, we are able to introduce this exciting new member benefit. Once a month, beginning in January of 2009, the membership will receive a content driven e-newsletter with such topics as dry land training, open water/triathlete tips, nutritional information, and some fun stuff such as “the cool team website of the month” and “spirit picture of the month.” We received several price bids for the e-newsletter project and are partnering with Constant Contact to deliver the service. In addition, a separate Masters coaches e-newsletter will be distributed once a month. This content driven piece will focus on the business dynamics of Masters coaching, as well as other valuable information. Anyone who registered online and provided their e-mail address will receive the member e-newsletter. There will also be an e-mail request link on www.usms.org for those registered by paper and would like to receive the e-newsletter. The e-newsletter will have an opt-out for anyone who desires not to receive this member benefit.

Video Library: The service of the video library has successfully been transferred to the Charlotte office. The information page has been updated to reflect this change. You may preview it at www.usms.org/coach/videos.php.

Fitness Logs: Jim Matysek has been working diligently to migrate programs such as Go the Distance to the MYUSMS section of the website. The online fitness logs are currently in testing with a projected January, 2009 launch.

USMS.org Features: Writing of the home page Features have been fully transferred to staff, in particular Ashley. In the fourth quarter, we wrote and published to USMS.org a new Feature every Monday and Thursday. The highlight was an eight-week series titled "Why Join USMS." Each new Feature was also distributed to LMSCs and the Streamlines distribution list for promotion to the membership.

II) Club & Coach Services

Club Visits: In the fourth quarter, Mel Goldstein, Ashley Gangloff and myself visited with more than 50-Masters programs in states/LMSCs such as Arizona, SPMA, New England, Florida, North Carolina, New York and Iowa. Our grass outreach approach has been very welcomed and provides us a tremendous opportunity to listen directly to our members, coaches and volunteers. The information we receive is incredibly valuable as it allows us to understand the challenges, uncover opportunities we can better serve and share how we are serving.

Club Outreach: In 2008, 96-new clubs registered as USMS clubs. Mel Goldstein has made it a goal to personally outreach by phone to the coach of every new club introducing them to USMS, sharing how they can get the most out of online registration and the resources available within USMS. This type of support and outreach, in addition to the service provided by LMSCs and local registrars, is an investment that we believe is showing dividends in the early renewal registration increase.

Coaches Committee: Chris Colburn, Chair of the Coaches Committee, Mel Goldstein and myself went to Ft. Lauderdale to meet with John Leonard, CEO of the American Swimming Coaches Association (ASCA). The last update to Masters certification was 1997 and admittedly, promotion of coaching Masters has not been a focus for either ASCA or USMS. So, we decided rather than merely update the ASCA Masters coach certification, we found ourselves asking the question of “Why would someone want to coach Masters, and how could they make a living at it.” We developed a series of grounded answers and the Coaches Committee has been tasked with developing a program with the theme of “The Business of Masters Coaching.” Our expectation is this will be a long-term project that would include both a written and video component. ASCA will serve as a partner in the development process along with a promotional partner of the Business of Masters Coaching when the program is ready.

SwimFest '09: SwimFest is an inaugural event in 2009. The Woodlands Masters team in Shenandoah, TX has agreed to host the three-day Friday, Saturday and Sunday event. We believe SwimFest is in line with two of our key objectives:

- a) promote the business of Masters coaching and offer mentorship to any coach wanting to attend
- b) create additional member opportunities for the fitness and open water/triathlon segments

A full-page ad for SwimFest will be placed in the March/April issue of Swimmer magazine and online registration will be available at www.usms.org/swimfest.

III) Marketing & Promotion

Sponsorship: We have collected all of the 2008 contracted sponsorship revenue. Mel and I have been able to renew all of our 2008 corporate partnerships with only two renewals still awaiting contract signatures. We have also added and signed agreements with six new sponsors to the family for 2009; Liberty Mutual, BullFrog, Icy Hot, Gold Bond, blueseventy and a newly signed Gold Level partner to be announced in early February. We expect to exceed the sponsorship revenue in our 2009 budget.

New Logo Development: We have successfully completed the brand logo project. An accompanying style guide has been created. Alston Bird out of Atlanta has agreed to do a trademark search and subsequent registration pro bono of their time with USMS responsible for the search and registration filing costs. Once we receive their OK, we will move forward with the unveiling of our new brand logo that will replace the old logo on USMS.org and be available for download by LMSCs, member clubs, sponsors, licensees and other partners at www.usms.org/logos.

Partnerships: Ashley and I attended the Golden Goggles. We were able to meet with a number of people interested in partnerships with USMS. The interest for partnerships vary from athletes/athletes representatives wanting to develop businesses opportunities with USMS, organizations interested in promotional partnerships, and some are vendors wanting to offer their services to us. We continue to listen and educate ourselves on opportunities and how they can best fit our action plan with the resources we have available.

IV) Other Business

Headquarters Search: A USMS headquarters information document was drafted in September and distributed to communities that could be a potential fit for our headquarters **and** had a Masters champion(s) within the community willing and able to devote energy towards developing a proposal. Seven communities initially expressed

interest; Charlotte, Shenandoah (TX), Indianapolis, Ft. Myers, Daytona Beach, Raleigh/Durham, and Sarasota. I have personally visited six of the seven communities, some of them multiple times, meeting with their leaders educating them on USMS, what we have to offer, what they have to offer, and how a win/win partnership could be established. We expect three or possibly four of the communities will submit proposals. We have asked to have all proposals in the Charlotte office by January 21, 2009 so they may be distributed in advance of the February 6-8 mid-year board meeting. At the mid-year board meeting, we will ask the board to vote a permanent selection for our new headquarters.

YMCA Masters Nationals: In principal, both USMS and the YMCA Championships Committee believe a partnership is in our future. Their Committee is addressing several policy issues as well as looking at potential locations for 2010. We have indicated this event must be USMS sanctioned for us to participate. With nearly 93% of event attendees already USMS members, we are hopeful this won't be an issue and further if it was we believe the operational support, marketing/promotion support and online registration benefit would compensate for the potential loss of a 7% gap. The Committee hopes to know where the 2010 YMCA Masters Nationals will be hosted sometime in the spring giving us each time to define responsibilities and identify potential resources needed should we forge a partnership for the event.

Institution of Weekly Staff Calls and Staff Gathering: Every Monday, the staff and our contractors have a weekly call. The week of November 10th, most of the team flew to Charlotte for employee reviews and to discuss business. This was the first time outside of convention or meets that we've been able to gather together. We covered a number of important topics and discussed strategies, and activation plans to move forward our responsibilities. One such example was the Postal business model recommendation we drafted and submitted to the EC. Being together in a centralized location is something we are all eagerly looking forward too as it will create efficiencies, allow for improved communication and taking advantage of opportunities in front of us.

New Staff Responsibilities: The following adjustments to the staff and contractors titles formally take effect January 1, 2009. These organizational changes will allow us to better meet our responsibilities within our three business units:

- Tracy Grilli, Membership Coordinator
- Ashley Gangloff, Marketing Coordinator
- Mel Goldstein, Club & Coach Services Coordinator

Respectfully Submitted,

A handwritten signature in blue ink that reads "Rob Butcher".

Rob Butcher
Executive Director,
U.S. Masters Swimming