

**TO: U.S. MASTERS SWIMMING BOARD OF DIRECTORS
U.S. MASTERS SWIMMING STAFF
LMSC LEADERS
HOUSE OF DELEGATES**

FROM: ROB BUTCHER

COPY: OTHER INTERESTED PARTIES

DATE: JULY 27, 2009

SUBJECT: SECOND QUARTER, 2009 BUSINESS REPORT

Please find enclosed the second quarter business update for U.S. Masters Swimming that encompasses March 31–June 30, 2009. This report is not considered confidential and may be shared.

D) Membership Services

Registration: As of June 30, 2009, we had 46,489 registered members. For the same period in 2008, we had 41,707 members, so we are seeing an 11 percent increase to date in membership. In the last quarterly report, I outlined some reasons why we believe the growth is occurring. This quarter, I polled our senior staff members for their thoughts on membership growth. These were the four reasons they listed:

- 1) Marketing — We are doing a better job of promoting the U.S. Masters Swimming message. As evidence, they listed our new e-newsletters for the members and coaches. Both are seeing open rates near 50 percent, allowing us to communicate and share valued information with our members more frequently. In addition, we are seeing more coverage for Masters swimming on the Internet and in other media. As examples:
 - a. Many of the industry sites such as swimmingworld.com, swimnetwork.com, floswimming.org, along with club websites and individual Masters sites, are picking up Masters content and event results, allowing the Masters name to continue being promoted.

- b. In addition to frequent online coverage, Masters swimming received mainstream coverage this quarter from such traditional newspapers as the *Fresno Bee*, *Indianapolis Star* and *St. Pete Times*.
- 2) Online event registration — The convenience and ease of online registration has undoubtedly had a positive impact on registration. The “Join/Renew USMS” link is prominent on the home page and throughout usms.org. The staff, registration committee and Club Assistant have a standing conference call every two weeks to address issues with online registration as well as new enhancements to the online service. Thanks too to the efforts of the Marketing Committee, which is canvassing the Internet for club, team and individual sites that have the old USMS logo and requesting that they replace with the new logo, as well as requesting that sites place the “Join/Renew USMS” link.
- 3) Increased Membership Benefits — This quarter we inserted a Membership Benefits page on usms.org highlighting the benefits members can expect to receive. Below are new benefits introduced in 2009:

EXCLUSIVE CONTENT AND INFORMATION	New for 2009
<ul style="list-style-type: none"> Subscription to the bimonthly member publication, <i>SWIMMER</i> magazine 	
<ul style="list-style-type: none"> Subscription to the monthly member e-newsletter 	Yes
<ul style="list-style-type: none"> Subscription to the monthly coaches e-newsletter 	Yes
<ul style="list-style-type: none"> Opportunity to create your own blog on the usms.org website 	Yes
<ul style="list-style-type: none"> Opportunity to share your photo album with the swimming community on the usms.org website 	
<ul style="list-style-type: none"> Opportunity to create a personal usms.org email forwarding address to identify yourself as a member of our aquatic community and protect your own personal email address from spam 	
<ul style="list-style-type: none"> Opportunity to track your fitness activities via our personal online fitness logs 	Yes
<ul style="list-style-type: none"> Opportunity to rent instructional videos from U.S. Masters Swimming video library 	
FITNESS/PARTICIPATION PROGRAMS	
<ul style="list-style-type: none"> Opportunity to participate or compete in the very popular One-Hour Swim; you conduct the One-Hour Swim in your local pool then submit your results for tracking and recognition 	
<ul style="list-style-type: none"> Opportunity to participate or compete in the postal 3000-Yard Swim, 6,000-Yard Swim, 5K Swim and 10K Swim; you conduct any or all of the distance swims in your local pool then submit your results for tracking and recognition 	

<ul style="list-style-type: none"> • Opportunity to participate in popular fitness programs such as Go the Distance and Check-Off Challenge 	
<ul style="list-style-type: none"> • Opportunity to attend U.S. Masters Swimming weekend swimmer development programs such as SwimFest 	Yes
COMPETITION PROGRAMS	
<ul style="list-style-type: none"> • Opportunity to compete in any of U.S. Masters Swimming's more than 500 sanctioned regional and local pool and open water events 	
<ul style="list-style-type: none"> • Opportunity to compete in U.S. Masters Swimming's spring and summer pool national championships 	
<ul style="list-style-type: none"> • Opportunity to compete in U.S. Masters Swimming's open water national championships 	
<ul style="list-style-type: none"> • Opportunity to attend U.S. Masters Swimming's weekend programs such as the high performance camp 	New for 2010
COACHING	
<ul style="list-style-type: none"> • Exclusive access to online weekly workouts provided by select U.S. Masters Swimming coaches 	
<ul style="list-style-type: none"> • Access to coached workout programs in your area 	
<ul style="list-style-type: none"> • Access to more than 800 local Masters clubs and workout groups that provide coached workouts all across the country for when you are traveling 	
<ul style="list-style-type: none"> • Opportunity to receive support, including visits from U.S. Masters Swimming Club and Coach Service mentor coaches, in developing your program 	
RECOGNITION AND AWARDS	
<ul style="list-style-type: none"> • Tracking and archiving your event results on usms.org 	
<ul style="list-style-type: none"> • Recognition and awards if you achieve Top 10 or All-American status 	
INSURANCE	
<ul style="list-style-type: none"> • Liability and excess accident insurance, both medical and dental, while participating in U.S. Masters Swimming insured activities 	
<ul style="list-style-type: none"> • Accidental death and disability coverage while participating in U.S. Masters Swimming insured activities 	
VOLUNTEERISM	
<ul style="list-style-type: none"> • Opportunity to serve in a leadership position within your Local Masters Swimming Committee and U.S. Masters Swimming 	
GRANTS	
<ul style="list-style-type: none"> • Opportunity to access available grants for your local club development through U.S. Masters Swimming Club and Coach Services division 	
SPONSOR DISCOUNTS	
<ul style="list-style-type: none"> • Exclusive sponsor discounts 	Continue to offer new opportunities for members

4) Club and Coach Development — For 2008, we had 590 registered clubs. For the end of Q2 2009, we had 628 registered clubs. This represents a 6.4 percent increase. Neither number represents the number of workout groups, affiliates or satellite programs that offer and promote Masters programs however. Our two biggest LMSCs, Pacific and Southern Pacific, have, for example, both been long time advocates of programs registering as recognized clubs rather than operating as a state conglomerate with local satellites or workout groups. Establishing a recognized club provides the respective Masters program with its own identity, develops pride in the program and demonstrates an emotional investment by swimmers, coaches and the facility alike. The Arizona LMSC is, for example, a geographic area that for years was a one-team state. Under its enthusiastic new leadership, Arizona is now promoting club registration as an option. We have supported Arizona in this initiative with several visits and incubating of new registered programs. The result in Arizona (a state hit hard by the economy) is membership growth is at an all-time high. Our Club Development outreach program has been and continues to be proactive in registering new Masters programs. We have visited North Carolina, New York, Florida, California, Arizona, Texas, Illinois, Indiana, Idaho and Missouri. We have visits later in the year scheduled for Oregon, Alabama and Louisiana. Our goals are fairly simple when making club development visits. We want to encourage and serve as a resource to the leaders of a Masters program, the reasons coaches/programs should support USMS membership and what a Masters coach can expect from us.

Fitness Logs: After months of planning and beta testing, the fitness logs are now available online. Anyone with a My USMS account can sign up. Tied into the fitness logs is the very popular “Go the Distance” program. Go the Distance has nearly 1,000 USMS members signed up, who each day, week and month would email in their yardage. The administration of the program had become a significant time demand for volunteers, so we are pleased to now be able to automate the administration. In the future, we will be enhancing the fitness logs with virtual swims.

Communication Survey: Out of 10,000 members polled, 1,900 responded to the member satisfaction and expectation survey. The results of the survey are being used for strategic direction and communication. Overall, USMS members desire communication and information. As an example, 70 percent said they would like to receive *SWIMMER* magazine on a monthly basis. *SWIMMER* magazine is a significant six-figure line item expenditure, so practically speaking it's not realistic to think we could add another six issues without raising member dues considerably. The survey results also showed, however, that *SWIMMER* is in need of a "shot of energy." An equally high number also said they appreciate receiving the new e-newsletters. With our e-newsletter open rate at near 50 percent, this reaffirms member interest in receiving information.

SWIMMER Magazine Annual Planning: Lynn Hazelwood accompanied Mark Gill, Laura Hamel and me to Richmond for our annual planning with Douglas Murphy Communications. This year we scheduled a two-day planning session. Since this was Laura's and my first planning session, and Mark's first as an employee of USMS, day one was a talk-through of the business points of our relationship. Day two was focused on editorial strategy. Editorially, there will be some changes to *SWIMMER* designed to enhance the member experience and also tie our communication vehicles (usms.org and our e-newsletters) together better. Some examples of the changes are:

- Consistent with Board approval during the branding process that we are known publicly known as U.S. Masters Swimming (not USMS, United States Masters Swimming, etc.), the magazine will simply be called *SWIMMER* magazine rather than *USMS SWIMMER*.
- The cover will continue to refer to the magazine as "The Official Magazine of U.S. Masters Swimming."
- The usmsswimmer.com domain on every page is being replaced with usms.org.
- Some stories in *SWIMMER* will include the tagline "for more information on this topic, please visit usms.org."
- We will use authentic photos rather than stock photos.
- The Executive Address is being removed to make room for more Letters to the Editor.
- New features are being introduced:
 - Volunteer and committee profiles in each issue.

- Guest editorial featured called “Both Sides of the Lane Line.” The intent of this feature is that two members will share their thoughts on an issue designed to stir the emotions of our readers.
- Editor’s Top Picks for Best Open Water Swims, Best Regional Meets, Best Travel Meets, etc.
- An Awards Stand section that will be modeled after *Sports Illustrated*’s “Faces in the Crowd,” highlighting little-known swimmers and their accomplishments.
- Swim Bag is being overhauled and repositioned as a Product Review section.
- We are partnering with ISHOF to develop content for Splashback.
- For the January/February issue, we will be producing and inserting a special pullout poster similar to a concert promotional poster with a calendar that highlights all our national championship events.

II) Club and Coach Services

SwimFest Recap: The goal of SwimFest was to provide a forum where current and aspiring Masters coaches could come together to learn from each other, exchange ideas and take best practices back to their local programs. The Woodlands Masters Swim Team hosted the event. Coaches Whitney Hedgepeth, Susan Ingraham, Kerry O’Brien, Jim Montgomery, Sara McLarty, Mike Collins, Kris Houchens and Mel Goldstein served as mentor coaches. The weekend was broken into three sessions:

- Friday night roundtable Q&A with mentor coaches.
- Saturday pool clinic.
- Sunday open water clinic.

SwimFest was free to any Masters coach wanting to attend; USMS and the Endowment Fund provided financial support to offset travel costs. More than 30 additional coaches attended the event weekend, traveling from states such as Maryland, Florida and Washington. The Saturday and Sunday sessions were \$85 each, and more than 100 swimmers took advantage of the opportunity. On Saturday, each swimmer was able to go through six different stations. On

Sunday, the lane lines were pulled and an open-water course was simulated for participants. Each day included videotaping and analysis for the swimmers as well as the coaches.

Overall, we met our goal of providing an educational forum for coaches. A post-event survey was also conducted, seeking areas in which we can improve SwimFest for both coaches and swimmers. The response from those attending was overwhelming support to continue SwimFest in 2010, for which we are planning.

II) Marketing and Promotion

New Marketing Material: With the new U.S. Masters Swimming logo approved by the Board, we are in the process of designing a new Masters marketing brochure, new stickers and other promotional materials. All of our marketing material will be available to LMSCs and programs that would like to incorporate them into their local marketing efforts at no cost to the LMSC or local program. We will only ask anyone ordering to pay the shipping cost for any orders. All of the new material will be available at the long course nationals in Indianapolis and at convention. In addition, we will be distributing an order form to LMSCs and coaches who would like to have marketing materials sent to them.

New Benefits for our Partners: At short course nationals in Clovis we unveiled new sign benefits for our partners. Every USMS partner received a double-sided, 3 x 4 foot, A-frame poolside sign. In addition, our gold medal partners each received an 8 x 3 foot feather sign. As an investment into the image and experience of our nationals, USMS paid for the signs, paid to have them transported to nationals and placed the signs. At the conclusion of short course nationals, the signs were shipped to SwimFest, where our partners received additional exposure. The signs will next be up at long course nationals in Indianapolis.

Our member e-newsletter and coaches e-newsletter, both distributed once a month, continue to be popular benefits for our members. Our partners also appreciate the new exposure they receive within. We are now including all our partner logos in each e-newsletter and seeking other ways we can provide value to our partners.

III) Other Business

Open Water: Recognizing the potential for open water, the Open Water Task Force has concluded its six-month project. The task force is recommending the development of a new USMS open water tour to be called “No Boundaries.” The goal of No Boundaries is to create an overall open water umbrella program that USMS can use to recruit, sanction and market open water events. While No Boundaries events will be competitive, they will also offer companion clinic opportunities intended to cater to the novice or fitness open water enthusiasts. We are targeting several existing open water events in 2010 for consideration in the No Boundaries tour.

Opening our Headquarters: In May, the City of Sarasota and USMS signed a 10-year lease for us to locate our headquarters in the historic Pagoda building. The lease is public record, but of particular interest is that USMS will be paying the City \$1,066 a month with an annual 3 percent rent escalator. The Pagoda is located in the heart of Sarasota along the bayfront and next to the Sarasota Convention and Visitors’ Bureau. The CVB gets, on average, 100,000 tourists a year, providing us with a tangible marketing and promotion opportunity. We are renovating the Pagoda to meet current and expansion needs. The goal is to receive our certificate of occupancy in July.

Staff Changes: This has definitely been a quarter of staff adjustments. Margaret Bayless has been our contract controller the last six years. In the fall of 2008, Margaret indicated that she would stay on board through June of 2009. Once we knew Sarasota would be our headquarters, we began the candidate interview process for a new controller. We are pleased Nick Florio accepted the offer to become our full-time controller. There has been roughly a six-week overlap between Nick and Margaret. Margaret has been helpful in assisting Nick in getting settled, inviting Nick to Cleveland to transition responsibilities. Since this is an audit year, Margaret will continue to be point on completing our audit while Nick is assuming all other controller-related responsibilities within the organization.

The Charlotte office closed the first week in June. Alli and I moved to Sarasota so I could be onsite to oversee the renovation of the Pagoda. Ashley Gangloff moved to Auburn. She will

continue to serve as our marketing coordinator through long course nationals. Ashley's last full-time day with USMS will be at the conclusion of the long course nationals weekend. She then will begin her Ph.D. program. We have all come to appreciate Ashley's commitment to our mission, her professionalism and enthusiasm. I am pleased she will still be available to USMS in a project contractor capacity.

Ashley wore many hats for USMS, however, including marketing, public relations, writing, coordinating the e-newsletters, and being a sponsor liaison. With USMS placing greater emphasis on our partners and Ashley not being available day to day, we have created an account executive position. The account executive will have primary responsibility for sponsorship sales and sponsorship service. I'm pleased to share that we have hired Kyle Deery for this position. Kyle is a recent graduate of the University of Florida with a degree in advertising. Kyle was a four-year swimmer for the Gators. Kyle's official start date will be August 1 and he will be located in Sarasota.

When Ashley told me she was leaving, it provided an opportunity to align content management of *SWIMMER*, the e-newsletters and usms.org under one person. The natural fit was the editor position. The editor position had previously been a contractor role and has now been elevated to a full-time editor-in-chief position. A job description was drafted and shared with Bill Volckening. After reviewing the job description, Bill decided he did not want to be a candidate and resigned from his contractor editor position. We thanked Bill for his service and began a search for an editor-in-chief. I am pleased that Laura Hamel accepted. Laura has a background in technical writing and previously operated a consulting business helping a variety of clients with their marketing, communication and business strategies. Laura is an active Sarasota YMCA Sharks Masters swimmer and volunteer. In addition, she is a USA Swimming official. Laura's official start date was May 18. She has jumped head first into her new role, digesting information and laying the groundwork for our annual planning.

Lastly, our action plan adopted by the House of Delegates included the addition of a director of business operations. The director of business operations will have primary responsibility for member services, club and coach development and our expanding events model, which includes

sanctioning more events as well as incubating new events such as SwimFest. Mark Gill has accepted this position. His official start date was July 1. Mark is a name familiar to many in the USMS organization as well as in the triathlon world as he is an experienced triathlon/open water event director. Mark was most recently a member of the USMS Board of Directors and vice president of member services. He has resigned both of these volunteer roles so he can join the staff full-time.

For all of the USMS employees, this has been a quarter of transition. I personally thank each of them for their attitude and commitment to our members as we navigate through the many exciting new changes.

Respectfully Submitted,

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

Rob Butcher
Executive Director,
U.S. Masters Swimming