

## **Executive Director's Report to the USA Field Hockey Board of Directors- November 26, 2011**

*Math is not an opinion*-an Italian proverb (it is ironic in that the Italians have obviously not followed their own proverbial admonition in reference to their economy).

An examination of the US economy can be a macro look at our own. As we have done our own USA Field Hockey *math* through the examination of our programs, we have discerned that we *currently* are unbalanced in the allocation of resources. The investment in long term growth areas for revenue production is not securely in place. Our investment in High Performance consumes the lion's share of our revenue development, and, as we found this year, USOC investment can be a little squirrely as paradigm shifts are being made. And, we have not seriously invested in the future through youth and umpire development.

We have recognized those issues and are working on many fronts. Our staff has developed concepts and is headed toward diversifying revenue streams and expanding new properties. Gradually we will see a shifting of revenue streams into a more traditional flow as we see in other NGBs (e.g. membership should eventually become the largest revenue driver). The principals we are employing are to drive revenue in all manner to underwrite programs that are breakeven as well as those that are loss-leaders, and continue to enhance our revenue drivers as premium services. Ultimately we want to be in a position that proper revenue is in the till to provide a full spectrum of NGB services to all NGB constituents. This includes high performance, youth-umpire-coach development, the provision of more places to play through the creation of more events, and the development of clubs throughout the USA. All of those strategies are as identified in our Strategic Plan. Our final goal is to eventually have in place a reserve that equals half of our annual operating budget in the event of the evitable existential rainy day.

Through the staff driven proposed 2012 budget currently being examined by our Finance & Audit Committee, and soon to be reviewed by you, we have reallocated resources into areas of growth and also a major infrastructural area (umpire development) to assure future growth and premium officiating services. In doing so, we have taken certain calculated risks associated with fund raising and predict increases in revenue. Those have been shared with you in previous memos. The budget proposal you will be examining was developed in many program areas through constituent participation on a number of task forces that met throughout 2010/11. The recommendations from the task forces are foundational elements for the various areas of development mentioned above. This is a good budget. I will Obama you and ask that *You pass this budget!*

As we look back over the past two years, collectively we have accomplished a great deal. In review, three major task forces have scrutinized our programming in club development/event production; U12 development; and *Futures*. Many recommendations have been made and most are incorporated in the 2012 proposed budget. In 2010, we realized a \$190K plus net; and in 2011 we project a \$180K plus net. The *profits* generated are legitimately needed to create a reserve for the eventual rainy day. We continue to find efficiencies and ways to save whilst still providing premium services. The staff has created new events; new qualifiers; and expanded age group participation in the new events as we monitor customer receptiveness to the events. We will continue down that path as we strive to develop more opportunities to play. Our staff is creating better ways to monitor membership and achieve assurances that all members of USA Field Hockey Clubs are USA Field Hockey members. This is a continuing struggle although we have experienced success as we have had 10% growth in membership both in 2010 and 2011. We have created a new sanctioning program for privately run events to provide insurance coverage for participants, and we are headed in a direction to develop a national ranking system. The sanctioning program will be launched in 2012. Laura, et al, have cleared the decks in the *Futures* program by seeking efficiencies in personnel (less doing more), and have provided upgrades in *Futures* (e.g. the *Futures Academies*). And, our women's national team qualified right out of the gate at the first opportunity for the London Olympic Games, and our men's national team qualified to compete for Olympic participation in one of the FIH Olympic Qualifiers.

The past two years have been productive and with the new programs coming into place, contingent upon budget approval, we should be able to forge ahead despite the global economic conditions we are continuing to witness.

It is a privilege to serve with you.