



TO: Executive Committee, Board

FROM: Rob Butcher

DATE: August 22, 2008

RE: USMS Vision and Action Plan Document

Before you read further, please ask yourself the following questions:

- a) The USMS annual non-renewal membership rate the last five years is consistently 35% per year. Are you satisfied with this level of member non-renewal?
- b) Below is the USMS annual membership growth rate the last 10-years. Are you satisfied with this level of growth?
- c) Do you believe the USMS membership is satisfied with its membership experience?

Year	Total	Growth	Year	Total	Growth
1999	37,522	-----	2004	42,134	-.8%
2000	38,802	3.4%	2005	42,788	1.6%
2001	40,645	4.7%	2006	43,552	1.8%
2002	42,170	3.8%	2007	44,221	1.5%
2003	42,490	.8%	2008	*46,006	4%

**this is a projected number based on year to date registration)*

If you answered “yes”, then you need not read further. This is the path of USMS and it would not have been necessary to hire me or anyone else to continue it.

If however you answered “no”, then in the following pages the vision and action plan for USMS is outlined. The vision and action plan comes from the input from each of you, and most importantly the 2006 USMS membership research study in which 3,756 USMS members responded (nearly 10% of the membership which is statistically representative).

This vision and action plan document is not intended to be all encompassing. Rather, it builds on the existing foundation to provide the road map and qualities we must possess to move forward, and, equally important, allows for flexibility to take advantage of opportunities. If we act upon the vision and action plan, I can promise you opportunities will arise that none of us may have predicted and that will be favorable to membership and our mission. If we do not act upon the vision and action plan, we have history to show us what we can expect.

In poker terms, I’m professionally and personally “all in” on USMS. I see what we can be 5, 10, and 20 years down the road. But I can’t do it without you. I ask for your support in helping to deliver this vision and action plan. We owe it to the membership whom we passionately serve. The membership has entrusted us with its time and its annual financial commitment, and in turn expects LMSCs, Clubs, Coaches, and USMS to deliver on its membership experience.

TO: Finance Committee

FROM: Rob Butcher

DATE: September 4, 2008

Both the Executive Committee and Board had an opportunity to review the budget draft and contents of this document. This page, page 2, has been drafted post their review and is a reflection of their overall comments. As of the drafting of this document, USMS does not have the infrastructure to support this plan. USMS has relied on volunteers and an overworked/"piece meal" staff. Additionally, we are extremely inefficient with staff living in different parts of the country and for the most part are in a reaction mode rather than proactive approach. This is not a criticism of the staff or volunteers, just an honest assessment. All have demonstrated dedication and without their service, USMS would not be to this point. If USMS though is to move forward and accept responsibility for this action plan, it must invest itself in four key areas:

- a) Centralization – Bringing together of the staff into one location will begin to develop the necessary infrastructure to allow for efficiency, increase productivity, foster staff communication, identify opportunity, and create accountability
- b) People – Volunteer and even staff fatigue has set in, and is a common complaint. USMS is transitioning from a volunteer run organization to an administration charged with execution. I have presented an Organization Chart which lays out the key new areas and personnel we will need to accomplish this plan
- c) IT – As USMS focuses on Membership Services, Coach and Club Services, and Marketing & Promotion, we must invest in our most visible platform and communication vehicle USMS.org. USMS.org is functional but is in need of a commitment to vibrancy, freshness, content, and service which will require keeping the best parts and integrating into a new platform, with the proper safeguards, so we can implement the plan
- d) Marketing & Promotion – The USMS name has equity but in need of an updated look that captures the important ingredients of the "Who We Are" vision. Simply redeveloping a brand is not enough. We must then promote externally using all resources available such as USMS coaches, clubs, sponsors, events, and supported with strategic advertising such as placement in Google and Yahoo search engines. More than a financial commitment, this will require a commitment to marketing and promotion as outlined in the budget

The delivery of this plan is subject to approval of the budget and suggestions with this document. Failure to do so will significantly impair our ability to deliver this plan.



Who We Are

United States Masters Swimming (USMS), a non-profit member association, is comprised of 52-Local Masters Swim Committees (LMSC) that serve more than 500-member clubs. USMS clubs and its network of coaches and instructors serve more than 45,000 individual members. Together we promote the benefits of adult wellness, health, fitness, and competition through aquatics.

Through the network of local clubs, we provide life enriching adult programs such as learn to swim, fitness programming at community pools, fitness challenges, clinics, education, and pool and open water competitions.

We additionally promote aquatic instructor and coach certification so the member fitness experience can be safe, and socially, mentally, and physically rewarding.

Why This is Who We Are

Only 25% to 40% of our membership in any given year is competitive be it pool competitions, open water, or virtual meaning 60% to 75% of the membership is a member for other reasons. It's a given that the 25-40% who are competitive will renew its membership each year because they need to in order to compete. But unlike USA Swimming or USA Triathlon, which has 90% or more of its membership as competitive, USMS membership is a choice. If a coach or club does not require USMS membership for its swimmers, then we must provide such compelling value that he/she will choose to be a member and subsequently renew membership.

If we are to retain and grow membership, we will continue to support the competitive experience and also promote opportunity outside the competitive box. We must continue to develop member benefits, member programming, support coach and instructor development, and create an experience that appeals to the 60-75% non-competitive membership audience.

USMS Core Business

- USMS membership sales and membership service through LMSCs, clubs, and workout groups, and coaches/instructors
- Development and promotion of USMS Club & Coach Services such as certified aquatic instructors and coaches
- Development and promotion of non-competitive adult aquatics programming such as Learn to Swim, Basic Aquatics Fitness, Intermediate Aquatics Fitness, Advanced Aquatics Fitness, and Triathlete Programming for community pools, YMCAs, Fitness Chains, etc.
- Sanction and promotion of pool, open water, other virtual type competitions, and clinics
- Development and promotion of competitive adult aquatics programming such Competitive Masters Swimming, Open Water competitions, and virtual competition events
- Development and promotion of adult aquatics content such as workouts, nutrition, stretching, and other types of information to be distributed to membership, or sold as an added benefit
- Sponsorship and Advertising



Our Customers

- USMS members
- Anyone interested in adult wellness, health, fitness, or competition through aquatics
 - Beginners, Intermediate, and Advanced, Competitive Swimmers, and Triathletes
- Coaches and Instructors that teach adult aquatics
- Local Masters Swim Committees (LMSC)
- Swim clubs and workout groups that promote USMS membership
- Local community pools, YMCAs, Fitness Chains, etc.
- Events that are sanctioned with USMS
- Sponsors & Business Partners

The Expectation of Coaches

- The first ambassador and often the most important person in the member experience
- To be excited, responsible, and knowledgeable
- To seek USMS Coach & Instructor certification opportunities
- To serve its swimmers, and serve with its Club, LMSC and USMS in promotion of membership
- To promote the Who We Are vision

The Expectation of USMS Clubs, and Workout Groups

- To serve its swimmers, coaches, and serve as a partner with its LMSC and USMS in promotion of membership
- To offer and promote the very best aquatic programming services to its swimmers
- To promote USMS Coach and Instructor certification
- To promote the Who We Are vision

The Expectation of LMSCs

- To serve its members, USMS clubs/workout groups, coaches, and serve as a partner with USMS in promotion of membership
- To develop and promote its own benefits to members who are part of its LMSC
- To promote USMS Coach and Instructor certification
- To promote the Who We Are vision, and implement the action plan

The Expectation of USMS Headquarters

- To serve USMS members, LMSCs, USMS clubs/workout groups, and coaches
- To promote the Who We Are vision
- To offer and promote existing and new member benefits
- To promote USMS Coach and Instructor certification
- To develop and promote best programming practices to LMSCs, USMS clubs, workout groups, and coaches

I) MEMBERSHIP SERVICES

a) Key Membership Measurements for our Future Success

- 1) We will strive for an 80% annual membership renewal rate
 - We will enhance membership benefits to offer more compelling value
 - We will make membership renewal easier for individuals and clubs
 - We will support and be a resource to those coaches and instructors wanting to grow and develop USMS programs
 - We will educate and promote to registrars, clubs, workout groups, coaches, and instructors the benefits of membership, and how they will benefit
- 2) We will grow membership 8% annually

I am asking for your support and commitment to no less than an annual 8% growth rate of membership. If we are able to accomplish this goal, using 45,000-as our starting point, in 10-years USMS membership will double to more than 90,000-members and a compounded 100% membership growth rate.

b) Membership is Everyone's Responsibility; USMS Expected to Deliver More Value

Membership is the lifeblood of USMS, LMSCs, Clubs, Workout Groups, Coaches, and Instructors. It's to everyone's benefit that membership grows as it indicates revenue opportunity for all, increased commitment of resources to our mission, sense of pride amongst members, and signifies healthiness to our mission.

- Current benefits of a USMS Membership:
 - 6-issues per year of USMS Swimmer magazine
 - Excess accident and liability insurance coverage while participating in a USMS coached practice or competition
 - Opportunity to participate in USMS sanctioned events
 - Recognition in the Top 10 and/or when setting a USMS World Record
 - Additional benefits from the local LMSC and Club
 - Exclusive sponsor discounts
 - Bank of America Affinity Card
 - Liberty Mutual Insurance Company
 - Hertz Rental Car
 - Opportunity to serve in the House of Delegates, Executive Committee, Board of Directors, or other office

c) New Benefits We Will Develop and Deliver to USMS Membership

New Member Benefit	Anticipated Date of Addition
<p>Strive to develop comprehensive partnerships with Dara Torres, Rowdy Gaines, Gary Hall and other Olympians who fit the USMS value system. The goal is to raise the profile on USMS, develop exclusive member content, access to their other marketing partners, special appearances when possible, use of likeness and imagery in promotion of USMS, promotion of USMS through business initiatives, and other promotion integration</p>	<p>2009, 2010 and as opportunities are available</p>
<p>Enhance and add additional resources to Coach and Club Services such as the opportunity for a Club Mentor to visit a coach/club, develop and make downloadable information on how to start/grow a club, recognition for those coaches/clubs showing growth, and window stickers that can be affixed to facility doors with the message “Adult Swimming Offered Here” with the USMS logo <i>(similar to a AAA sticker on doors of hotels/restaurants)</i></p>	<p>We have incubated this concept with one contractor position that expires end of 2008; we are asking for a renewed commitment and additional resources outlined in the budget</p>
<p>We will develop out our sponsorship program to be visual and more compelling; the Executive Director will head this program and become more active in sales activity to pursue additional sponsor discount programs, sponsor promotion, sponsor activation, and USMS activation of sponsor benefits</p>	<p>We have a foundation of roughly five endemic sponsors, <i>(some of whom need renewal)</i>; we have a goal to add one or two new sponsors each year</p>
<p>We will encourage the endowment fund to support initiatives that show the tangible benefits of adults aquatics so we can take the findings and serve as a voice to politicians and other leaders on important health issues, which will help in promotion and awareness of USMS</p>	<p>USMS must make a commitment to this entire process, including promoting the benefits through online and traditional media</p>
<p>Enhancements to online registration and renewal</p>	<p>We will dedicate IT resources to create more efficiency, and public relations resources to create awareness</p>
<p>Redevelopment of USMS.org and our digital platform to be of more value to membership</p>	<p>As outlined in the proposed budget, we will need additional IT and marketing resources to accomplish this goal</p>

Development of an exclusive Members Only area to access to content such as workouts, nutrition, stretching, and training tips and regularly update with fresh and compelling information	As the new USMS.org site is developed, this benefit will be included and will require an annual budget commitment to be successful
Development of aquatics programming models and clinics such as Learn to Swim, and Open Water which will be made available to coaches and clubs; time sensitive information will be part of USMS.org and other information could be available in hard format	Only with personnel resources will we be able to formulate this plan and be able to share
Develop a USMS Coaches and Instructors certification program, and annually commit to updating and continuing to make relevant	We will work with ASCA in 2009 to develop the curriculum and introduce as soon as possible
USMS to become a meaningful co-operator and promoter of our National Championships, and develop an opportunity for participation with the NCAA Championships and USA Swimming Olympic Trials	Only with personnel resources can we accomplish this goal which would begin with the 2011 Short Course Nationals
We will additionally listen to and explore new opportunities for member benefits	As we have the resources to add

d) Cohesive Communication

In 2008, \$440,000 or more than 30% of USMS annual budget will be spent on production and delivery of USMS Swimmer magazine. In comparison, USMS will spend approximately \$145,000 or roughly 10% of our entire budget on website operations. Today's Internet age has changed the way consumers receive and digest information. Everyday we continue to read of a major print, be it newspaper or magazine publication, which is scaling back its print and going towards digital. This is because the Internet allows for greater flexibility of content delivery, customized delivery of content, the migration of advertising dollars from print to digital, and its cost and ROI effectiveness. We will consolidate USMS Swimmer and our website operations into a unified communication platform including migration of USMSSwimmer.com into USMS.org. Time sensitive information and content will be moved from USMS Swimmer magazine to USMS.org allowing for the print piece to focus on features, techniques, questions & answers, living a health lifestyle, showcasing of successful coaches and clubs, and other information that does not become outdated in a few weeks or months. USMS.org will become the home therefore of news, positive press stories, time sensitive stories, promotion and coverage of events, records, exclusive member content, places to swim, interactive video, etc.

A cohesive communication platform will allow us to combine the resources and budgets of both our print and website operations to better deliver information and value to USMS members and our business partners.

e) **Opportunities for Membership Growth**

As highlighted on the opening page, USMS conducted an extensive survey in 2006 of member preferences. More than 3,700-members responded to the survey and were categorized into five groups depending on their participation level:

- Serious Swimmers who are Competitive
- Serious Swimmers though Non-Competitive
- Non-Serious though Competitive
- All Event Participants
- Triathlete

The report revealed a key and significant ingredient; all five groups responded that Coached Practices is the most important thing they are seeking. We therefore will take the membership expressed expectation and develop a Coach and Club Services division of USMS.

II) **COACH AND CLUB SERVICES**

a) **Coach Development**

The USMS coach certification program has not been updated in more than a decade. USMS will reinvent and develop a relevant USMS Coach and Instructor certification program. We will promote certification and create a reward recognition program for certified coaches and instructors. I envision the certification program will be administered through American Swim Coaches Association (ASCA), with a long term commitment to its success from both ASCA and USMS. Having USMS certified coaches and instructors will do the following;

- Bring professional credentials to being a USMS coach/instructor
- Introduce the USMS coach/instructor career opportunity to ASCA's 10,000-members
- Promote USMS coach/instructor skills and knowledge
- Recognize USMS coach/instructor for their achievements
- Demonstrate the coach/instructor commitment to USMS
- Enhance the image of coaching an USMS program

The key components to a USMS coach and instructor certification program will focus on:

- How to financially and operationally develop an USMS program
- How to work with your local community pool
- How to promote USMS membership
- How to work with your local USA Swimming club
- How to engage your local USMS membership as a resource
- How to incorporate the resources and support of the LMSC and USMS in developing and promoting a club or workout group
- How to create programming that caters to different adult aquatic markets



- Learn to Swim
- Health & Fitness only
- Competitive
- Triathletes
- Open Water

b) Develop Sense of Pride with USMS Coaches and Instructors

As agreed, coaches are our best ambassadors in the member experience. It is incumbent upon USMS to develop a sense of pride amongst and energy amongst our coaches. As our new brand is developed, we will make available to Coaches and Instructors as a means of promotion USMS branded premium items such as shower towels and back packs. We will additionally develop a USMS branded sticker which can be put on the door, in the locker, etc. of facilities which says, “Adult Swimming Offered Here”.

c) USMS Club & Workout Group Development

USMS and our LMSC’s serve more than 1,200-masters swim clubs and workout groups. Clubs and the coaches at these locations are vital partners to us growing membership. It is imperative we continue to be a valued resource, promote the benefits of USMS membership, and incubate new USMS club and workout group programs. USMS is funding a pilot Club & Coaches services program for the last six months of 2008. The response has been tremendous, and as expected overwhelming. We will continue and expand the Club & Coach Services group by adding an additional coordinator, and resources such as the Coach & Instructor certification program. The Coach & Club Services division will be responsibility for promoting membership by:

- a) Serving as a liaison and resource to LMSCs, USMS masters clubs, workout groups, and USMS coaches thereby gaining valuable “on the ground” intelligence that we can use to better be of service
- b) Proactively reaching out and having a relationship with USA Swimming Clubs to promote the benefits of a USMS club/workout group relationship with its team
- c) Proactively reaching out and educating collegiate swim programs on the value of USMS and how graduates may continue their swimming experience through USMS
- d) Identifying pools and other facilities that could host a USMS club or workout group program
- e) Assisting in starting/incubating new USMS clubs and/or workout groups
- f) Promoting USMS Coach & Instructor certification

III) MARKETING SERVICES

a) USMS Brand Identity

Consistent with our Who We Are vision, we will embark on a brand project to better define the look, feel and public image of USMS. This brand project will take place immediately and set the foundation for the development of the cohesive communication platform.

b) Promotion and Public Relations

We must become proactive in promoting the Who We Are vision. If an opportunity to secure Dara Torres, Rowdy Gaines, Gary Hall, or other Olympians who fit the USMS value system as a spokesperson is available, we will take advantage. USMS by relationship with Dara, Rowdy, or Gary will have an opportunity to expand our brand to new audiences, provide an extended lifestyle platform to share our message, and also provide benefit back to membership. I will also caution that today's successful Olympic athletes are represented by agents. Agents have a responsibility to drive value and revenue opportunities for their clients. Athletes we seek to align our brand most likely will want some type of guarantee compensation, and additionally expect USMS to develop a marketing/advertising/activation plan around the promotion. It will not be enough to simply have an athlete as a spokesperson. We must also be willing to commit financial resources to activating and advertising the relationship beyond our core message capability.

We must raise our expectations visually in the collateral we produce. We will activate our message with a high level of enthusiasm and appearance for the USMS brand, which is an important part of our identity. Enthusiasm in our appearance and message are necessary as it will breed excitement and natural attraction from external outlets to our compelling stories and Who We Are vision.

Closer to what we control, we will encourage the USMS Endowment to fund medical research projects that demonstrate the tangible benefits of health, fitness, and wellness through aquatics. As positive results are made known, we will become the leading voice in promoting to the medical community, political community, and health community. This type of PR will have long term meaningful positive impact for all of us.

More practically, and something we have began and will continue to do, I and the USMS team will avail ourselves in every possible opportunity to LMSCs, clubs, workout groups, and coaches as promoters of USMS and membership. Some examples would include:

- Appearances at LMSC championships
- Appearances at LMSC coaches meetings
- Taped messages to LMSCs, and its coaches
- Easier to find tools and resources on USMS.org

We will additionally seek out promotional and joint venture partnership opportunities with organizations such as USA Swimming, the USA Swimming Foundation, USA Triathlon, Armed Forces, AARP, and the NCAA with each to be determined on its requirement of resources, and potential for success.

c) Championships

Some may be aware that USA Swimming has been "selling" and is getting buy in from the NCAA to combine NCAA Swimming Championships into an annual swimming festival. The NCAA swimming festival would most likely be six or seven days. On the drawing board is the inaugural NCAA swimming festival to kick off as early as 2011. The date though will be early Spring and is still being determined, along with other business points.

While some USMS host clubs could argue the "fundraising" benefits of hosting the SC Championships, it would absolutely be in USMS global best long term interest to be part of the annual event by hosting our championships at the same location before the event. Consider the benefits:

- With the number of collegiate swimming programs being discontinued, demonstrates and shows USMS support of collegiate swimming
- Brings USMS closer (first hand that is) to collegiate swimmers – a market we need to tap and integrate
- Brings USMS close to collegiate coaches & club coaches
- Would raise the enthusiasm level & buzz on our championships
- The NCAA has a television contract so we ride that wave
- The amount of media that covers the NCAA championships would have an overflow effect on USMS championships (something we could never buy or have gotten on our own)
- Offers an opportunity for our membership to stay after and support/watch/cheer for the NCAA's

Regardless of how we feel, the annual swimming festival concept is happening (much like the Trials moving from a natatorium to the Qwest Center). I have made known to Chuck Wielgus that USMS has an interest in becoming part of the NCAA Swimming Festival for which Chuck believes would be a homerun. I have likewise informed the Championship Committee that this is an avenue we'd like to pursue. I anticipate when Chuck returns from the Olympics, we will pick up the dialogue and get a better understanding of the opportunity as a whole at which time we will be able to better update the details.

III) REVENUE OPPORTUNITIES

a) Sponsorship & Advertising

USMS currently sells a tiered Gold, Silver, and Bronze package that range from \$25,000 to \$7,500 and highlighted by such benefits as advertising in USMS Swimmer magazine, opportunity to use the member list, and display at events. We will enhance our sponsorship and advertising program to include new opportunities such as title of events, and ownership of content in the digital space. I also must be realistic in our sponsorship and advertising expectation. Absent mass membership numbers (mass being defined as 100,000 or greater) and major TV/Internet media to drive impressions, we won't experience robust sponsorship numbers that other NGB's are seeing. Currently, our 2009 sponsorship budgeted is \$162,500. My belief is as new sponsorship

opportunities are developed we will approach the \$200,000 sponsorship and advertising level by 2010, and look to increase that number by \$50,000 per year in new sponsorship and licensing revenue thereafter.



Secondly, we will look to partner with companies who can and will provide meaningful member benefits and support its marketing partnership with activation of USMS.

b) Our greatest potential for new revenue will come from the following;

- Increased membership because we are committed to the Who We Are vision
- Digital content that can be monetized through online advertising
- Development and “upsell” of additional member benefits such as online fitness/training tracking, nutrition measurements, and personalized coaching
- Development of a Swim Tourism model that would include specialized destination clinics
- USMS becomes proactive in hosting national championships
- Partnering with USA Swimming and past Olympians on joint marketing and business initiatives such as an annual NCAA Swimming Festival, USMS participation at the Olympic Trials, or swim schools
- Grants from private, public and government that support the promotion of the Who We Are vision
- Movement of virtual events and competition such as the postal challenge online

USMS Membership Increase will be Necessary

For 40+ years, USMS has operated with volunteers and support from a few staff members. This structure has gotten USMS this far. As USMS enters its next stage and we see opportunity and new initiatives to grow the business such as online member registration, new member benefits, coach and club support, increased promotion, and the shift from a volunteer operated organization to an administration being asked to lead and serve, a dues increase is necessary. We will ask the 2008 HOD to approve a \$2 per year USMS membership increase beginning in 2010 and continuing through 2018. The use of proceeds will be used for the following:

- a) develop and build the necessary infrastructure to serve current membership expectations
- b) develop and build the necessary infrastructure to serve the new membership benefits
- c) add necessary staff and contractor positions
- d) potential cost of operating a headquarters (depends on what concessions are offered from a host city)
- e) replenish our reserves so we can take advantage of new opportunities that will arise

While some might have pause with the concept of an increase, it is worth noting that in 2008 the membership dues went from \$20 to \$25, a \$5 increase. 2008 membership compared to 2007 membership is tracking at roughly a 4% increase so it would not appear the membership increase has had a negative effect. Some might also have pause with the concept of a dues increase for an eight year period and suggest we take it year by year. No doubt, the need for additional funds will be necessary so we can serve while also preparing for additional opportunities. Recognizing the

need will exist in future years, I would suggest that asking for an eight-year commitment is not an indefinite increase and allows for everyone to best plan. Our members have indicated in the 2006 preference report that they expect more in return for their financial commitment. For us to provide more and meet their expectations, a modest and consistent \$2 per year dues increase through 2018 will be necessary to fund adding of those benefits. Calculating the math out to 2018 would indicate a USMS membership would be \$41 per year and in

line with today's USA Swimming membership of \$44 per year and USA Triathlon's \$39 per year annual membership, both of which will have increased themselves by 2018.

Most important though, if we do our job and implement this action plan the value of USMS will increase significantly to individuals, coaches and clubs that membership will be more than compelling to offset the increase.

Obstacles to Growth

- Ourselves, and not buying into the “Who We Are” vision
- We ignore the non-competitive opportunities for growth
- Lack of commitment by everyone to an 8% a year membership growth plan
- Lack of commitment by everyone to reduce non-membership renewal to no more than 20% a year
- Lack of allocation of resources to the necessary infrastructure development
- Lack of commitment and allocation of resources to Coach and Club Development
- We hire the wrong people
- Failure to pass a dues increase so we may take advantage of the outlined membership initiatives
- Unforeseen negative press associated with swimming and aquatics

2009 – 2012 P&L Projections

A consistent question I've asked many is “how big do you think the USMS membership can be?” The answers vary and as I draft this today, even I don't know. But I am absolutely confident if we implement this plan, and act with a servant attitude to our membership, our membership will and can grow beyond what we might think possible. Our membership will give us the keys and tell us what more it wants and reward all of us; coaches, clubs, workout groups, LMSCs, and USMS.

That said it is though prudent for me to provide you financial guidance. Knowing that 2009 will be a deficit year against the revenue we bring in, I believe it is important I offer to you a forward looking financial performance model that demonstrates fiscal accountability. The P&L model takes into consideration the following key variables;

- a) 8% a year membership growth, achieving 48,000 members in 2009
- b) \$2 per year membership increase starting in 2010 and continuing forward
- c) Growing sponsorship and advertising growth \$50,000 per year starting in 2011
- d) Development of new revenue streams such as moving virtual events online, and driving revenue from Coach Certification



I additionally anticipate as we further investigate we will discover areas of efficiencies in the expense side.

2009 USMS P&L		2010 USMS P&L	
Major Revenue Sources		Major Revenue Sources	
Members	48000	Members	51840
Membership	\$1200000	Membership	\$1399680
Club Fees/One Event	\$72000	Club Fees/One Event	\$100000
Sponsorship	\$173450	Sponsorship	\$200000
Swimmer Mag Advertising	\$51764	Swimmer Mag Advertising	\$55000
Bank Interest	\$43000	Bank Interest	\$35000
Events	N/A	Events	\$25000
Coach Certification Program	N/A	Coach Certification Program	\$25000
Miscellaneous	\$49513	Miscellaneous	\$50000
Total Revenue	\$1589727	Total Revenue	\$1889680
Estimated Expenses	\$2063758	Estimated Expenses	\$2000000
Net Income (Loss)	-\$474031	Net Income (Loss)	-\$110320

2011 USMS P&L		2012 USMS P&L	
Major Revenue Sources		Major Revenue Sources	
Members	55987	Members	60466
Membership	\$1623629	Membership	\$1874451
Club Fees/One Event	\$100000	Club Fees/One Event	\$100000
Sponsorship	\$250000	Sponsorship	\$300000
Swimmer Mag Advertising	\$55000	Swimmer Mag Advertising	\$60000
Bank Interest	\$35000	Bank Interest	\$35000
Events	\$40000	Events	\$50000
Coach Certification Program	\$35000	Coach Certification Program	\$45000
Miscellaneous	\$50000	Miscellaneous	\$50000
Total Revenue	\$2188629	Total Revenue	\$2514451
Estimated Expenses	\$2100000	Estimated Expenses	\$2250000
Net Income (Loss)	\$88629	Net Income (Loss)	\$264451

- *Club Fees jump in 2010 as USMS recognizes workout groups and charges \$20 to 500+ workout groups for registration and recognition in Club Assistant*
- *Events include moving virtual challenges online in 2010, and in 2011 & 2012 USMS participating in the financial reward for national championships*
- *Miscellaneous revenue includes meet sanction charges, patch sales, merchant income, and magazine subscriptions*