

Legislation and Policy Update



Preface

Following are the slides with the script that was presented during the webinars. Please note we are still obtaining input; therefore there could be changes.

This presentation differs from the 18 stops across the country. We asked for feedback, input, ideas and this presentation will reflect some of those thoughts. Missing are the two policy changes:

- 1) Opening the membership ranks and
- 2) Relaxing jurisdictional boundaries.

We are all USBC. We need to succeed together!



the state and local associations to a consistent level of providing quality service to the members - no matter where they bowl or to what associations they belong.

In 2008 a Task Force was appointed to look into various areas of USBC. One of those areas was state and local associations. They were to examine the roles of the associations and suggest any reorganization of these two levels to better serve the sport and the bowlers. The majority of the 14 member Task Force was comprised of local and state leaders; there were three staff liaisons and two USBC Board members: Andrew Cain and Tamoria Adams.

Discussions that followed the Task Force, and input from the 18 Legislative Update meetings that we just completed, indicate there is a need to change our business model regarding the state and local associations.

There have been no significant changes in how the associations conduct business in over 30 years. USBC is as strong as the strongest association; but also is as weak as those that are not performing.

Input from the Legislative Update meetings agreed with creating a standard of performance; to bring

Proposed Amendments B2-B4

- The proposals are a series of changes to USBC bylaws that will remove dues cap restrictions from USBC bylaws.

It is important to note that Proposed Amendments B2 - B4 are not asking for a dues increase. The USBC Board is asking that the cap on standard adult dues at the local, state and national levels be removed. This will place the responsibility for establishing dues to support the operations of the association and its future plans with the respective association's board of directors. These are the people who have been entrusted to manage the association.



Proposed Amendments B2-B4

- This proposed legislation demonstrates a trust from USBC's Board of Directors and staff in state and local associations to adjust prices in the best interest of bowlers.
- In return, the USBC Board asks for the same flexibility.



These three Proposed Amendments are asking for confidence in the boards of directors, at all three levels, to make sound financial judgments that will provide for the care and continuance of USBC and its members.

These changes can provide more financial freedom.

As USBC works to provide products that will grow membership, the delivery system of the new products will also change for different demographics as well as the utilization of current technology. For that there is a need for financial freedom and flexibility.

Financial Freedom and Flexibility

- USBC Board and staff are asking for your support and feedback.
- Freedom and flexibility to change the business model to support USBC's Vision:
"Create lifelong bowlers"



lack the freedom and flexibility to address our specific business issues regarding our finances.

We are efficient – we need to become more effective. Efficiency keeps us operating smoothly. Effectiveness is what makes USBC relevant to those who bowl, and makes us, as an organization, viable for both current and future generations.

Responsibility and accountability are key components for our success. But there is a third...we are adding discipline to these key components; discipline to make decisions that are best for USBC and its members.

We have tied our own hands.

These three bylaws proposals offer the opportunity for the top performing associations to grow; to become more business-like; to plan for a better financial future. We cannot achieve success by continuing to cut expenses – we must find a way to grow.

Our vision together is to create lifelong bowlers.

This is the Vision that every association should focus on as the primary target for growth. The USBC Strategic Planning Committee, Chaired by Libbi Fletcher, is responsible for creating our strategic plan and they work with staff on the implementation.

Strategy drives structure but we have largely been operating the other way around...letting the tail wag the dog, if you will. We have a clearer strategy for the future and now it is time to align the structure to meet the need.

B2, B3 and B4 – removal of dues cap at all three levels, recognizes that as responsible leaders you

We have tied our own hands...

- Many associations want to provide more benefits, but lack funding.
 - Dues caps prevent potentially beneficial state programs.
 - Local associations can create more value with local awards.
- USBC leaders at all three levels can't invest in the future under the current dues structure.
 - Long term investment requires funding certainty.
 - There is currently a significant lag to know if funding will be changed.



Associations would have a certainty of funding to determine the programs and services that add value to membership. Is it different awards or categories? Is it coaching for adults and youth? Is it better training for league officers as well as board members? Is it more effective and frequent communication? Could it be a program that works in partnership with our proprietor to mentor new leagues and new bowlers, or a combination of any of these?

It is difficult to plan on future investments when you are not assured of the funding.

At present, a proposed change in dues structure is taken to the appropriate voting body for the next season. Meanwhile, the Board has been working on programs and services they currently provide as well as improvements. Because there is no guarantee that a change in dues will be approved, the Board must also plan and be prepared in the event a proposal is amended or defeated. From the initiation of the proposed amendment to the actual voting can be months.

This structure puts the associations in the situation of dealing with here and now as opposed to future planning. It makes them REACTIVE, not PROACTIVE. Proactive is constructing and implementing a plan to move the association forward; a road map to success. Reactive keeps the associations at status quo.

Business today moves at a far faster pace than 5-10 years ago. I think we can all agree we need to function in today's world if we want to be successful. The business world of today depends greatly on updated technology, and the ability to adapt quickly and fluidly to an ever-changing environment.

Your support is needed

- Remove USBC dues cap at all levels. Local, State and National leaders would have the freedom and flexibility to adjust prices and plan more effectively long-term.
- Leaders at all levels would be trusted to adjust prices in the best interest of their members.



The Board is bringing forth Proposed Amendments B2, B3 and B4 with the understanding that if the first one that will put national dues under the USBC Board is defeated, whether amended or not, the USBC Board will withdraw its SUPPORT of the remaining two: one for the state boards to determine state dues for their association and the proposal that puts the control of local dues into the hands of the local boards. The USBC Board feels strongly that this type of freedom and flexibility is needed for all three levels to manage the finances for short and long-term plans.

The USBC Board discussed options regarding B 2-B4 and felt it was necessary to bring those proposed amendments to the floor of the convention as printed, and to solicit support for the them. This offers everyone – those who support B 2-4, those who wish to amend them and those who believe they should be rejected – the opportunity to discuss and vote.

The proposals are considered as separate actions and each can be amended to include a dues cap or

other provisions. An example is the implementation date could be adjusted to August 1, 2013, not August 1, 2012.

The USBC Board supports giving you the choice of drastically changing the current process. Each board member in every association has the serious duty of watching over the finances of the association. This duty should include having the ability to set the amount of dues that will be needed to provide the chosen programs and services for their members. The dues should reflect the expenses of managing an association, providing quality service and recognizable benefits of membership. One benefit is the ability to participate in our championship tournaments – associations need to be able to promote and encourage their members to compete in an enjoyable event.

How do we know we are on the right track? Here are a few brief examples of some testing in progress, designed to give you a taste of some possibilities for the future. Test #1 deals with a local association providing all awards.

Strategic test programs

- Test #1 – Association determines appropriate membership dues
 - National dues lowered \$3
 - Local association responsible for all awards
- Test #2 – Individual award upgrades
 - Allow bowlers to buy enhanced award packages



Awards are one of the most frequently discussed topics and one in which opinions widely differ. What bowlers in Oregon deem as appropriate tokens of recognition may not be the same in Nebraska. In test #1 we actually lowered the national dues. The local association, those who are the most engaged with the individual member, are providing the entire awards program. Awards could be purchased from headquarters or purchased through a local vendor. Initial results are promising.

Other testing that is currently ongoing is an Upgrade for Awards.

Test #2 is using our current delivery system and membership product, but without awards. Members have the option to purchase their own awards upgrades. As an added bonus, the providing association is receiving a 15% commission on upgrades.

Other testing includes two forms of casual membership.

Strategic test programs

- Test #3 – Casual Membership
 - Offered to open play and league bowlers
 - Sign up through a phone app or online
 - Track scores and receive discount offers
 - Free in some centers, \$.99 in some centers
- Test #4 – Center fee for casual membership plus inspection.
 - Charge the center \$50/lane to offer above.
 - Include a professional lane inspection.



In test #3 the membership is being offered local coupons, e-rewards, etc. Smart phone apps are a largely untapped market for bowling –this is how you begin reaching not only casual members, but the growing youth population that has yet to develop an affinity with bowling long-term.

The other form of casual membership being tested (Test #4) allows for everyone who enters the bowling center and bowls to become a casual member. This price gets bowlers the smart phone app and gets proprietors the professional inspection. Standard adult membership remains unchanged in this model.

Strategic test programs

- Early feedback for no dues cap and locally funded awards is positive.
 - Some test associations felt they could provide a better product for bowlers.
- Feedback indicates individual upgrades for awards is not a viable model.
- Too early for results on casual membership product.



It is important to note that these are tests. Strategic planning will report to the board for future programs and tests. Not everything that is being tested will become a USBC product. Testing gives us insight and information that can be used in the future.

Again, what works in one area doesn't necessarily work in another. Surveys and tests have told us that the current membership product is not working. It is imperative that USBC develops new products for the elite bowlers, the recreational bowlers and the casual bowlers. These products must bring value to the members as well as to the proprietors and association volunteers. Pricing of these products may not coincide with current dues structure.

There are several goals that are essential for USBC to be successful.

Common goals we share...

- Better tools to service our members
- More resources for associations
- More personal contact between HQ and the field
- Increase membership through grassroots growth
- Quality member benefits



in the field at 18 meetings, and are now conducting these interactive webinars.

Customer service is the basis. We want to work toward establishing a culture of knowledge and growth, not purely administration.

Increase membership through grassroots growth – It is critical we increase membership. Bowling is a community based sport; this is something that has not changed throughout history.

We wish to attract a broader, more diverse base of membership and this includes the volunteer leaders. An initiative from the Diversity Committee has been added to USBC's Strategic Plan.

We need to use technology to tap into the younger generations and encourage them to become members, to develop an affinity with USBC.

We want to insure that the member receives his/her benefits in a timely manner and that those benefits are of value.

Better tools to service our members – Definitely, better tools. We heard this loud and clear during the 18 meetings.

We require better software and technology that enhances access. We want our members to be engaged participants – not merely along for the ride. People engage more than ever because of technology.

More resources for associations – Associations lack the resources they need. Knowledge is the key. The more we know, the better we will be in managing our associations and providing quality customer service.

More personal contact between HQ and the field – Questions and concerns need to be addressed. This could be done through technology, but face-to-face contact brings personalized service.

The Regional Manager program is effective – and it is just a start.

National Board visibility – We spent nearly a month

USBC wants to provide its leadership with educational and business training. This has been a dream for years. The associations need this type of resource to move into the business world of today to become more effective.

More hands-on contact between headquarters and the field is desperately needed and this includes USBC Board members. This provides a valuable two-way street of communication. It builds trust.

Not only do we need to work with the proprietors to increase membership; we must work towards retaining our members.

Quality member benefits - We are aware that quality benefits for a member cannot be found in one-size fits all product and that is a basic reason USBC is testing various types of membership products and packages, but this takes money and time. These products will benefit USBC, the state and local associations as well as the proprietors. We have already begun acquiring information on what is perceived as value in membership by different groups.

Each USBC member has different expectations. We must succeed in identifying the level of expectation, and meeting or exceeding that level within the choices we are able to provide. Only then will we make true progress toward our goal of being an effective organization.

What are some items needed to achieve our goals?

To make those goals happen...

- USBC needs to invest and plan long-term
 - Technology and benefits shouldn't be funded or cut year-by-year
 - We need better databases and tools for running tournaments, tracking averages and awards.
 - New ideas such as social networking or virtual leagues for bowlers across the country.
- A wise investment plan requires the ability to fund it



there has to be some type of long-term planning. Smaller businesses may have a few items that they want to plan for while the larger ones have more items; regardless – each needs a plan that is funded.

USBC has priorities for securing the future.

Technology – this is a long-term investment. Continuity and consistency are a must. If we believe we need it, our members and customers certainly notice when we don't have it.

Mobile technology: three things most of us take with us when we leave the house – wallet, keys and cell phone. Now you can find a restaurant, make a reservation, and unlock your car – all with your cell phone.

The world of technology, though confusing for some of us, is a tool we greatly need to bring us into this century. Technology can make our tasks easier, quicker and more accurate. A tournament data base, composite averages, being about to track awards and recognition, virtual bowling with friends across the country – these are just a few things that technology can do for us; but it takes long-term planning and financing. I never said it would be easy...we need discipline to make the changes and to stick to them.

No matter the size of a business – to be successful

USBC Investment Priorities

- Investment to **support the field** is the top priority.
 1. Better processing system
 - Kiosks in centers?
 - Using smart phones for membership applications?
 2. More staff in the field
 - The regional manager program is working.
 - Education and training opportunities for associations



We need to free up the volunteer leader's time – get you into the centers, being visible Ambassadors for USBC. With technology, kiosks could be in the centers and the members/potential members would simply swipe their credit card and their information would be transferred to headquarters and then to the appropriate association. As suggested by a couple of the attendees at the stops – maybe we could buy a multiple year card and simply put a new decal on it each season.

Local leaders are needed in the field to promote bowling and membership. Promoting to the various ethnic groups in this country is vital and is mostly an untapped opportunity; yet we need to give the leaders the tools to do so. It is not enough to say, “Go out and promote bowling”; we need to supply the training for success in this endeavor. We need to be helpful; again, not show the members what we know, but how our knowledge and experiences enhance their membership. We need to simply show we care and we do that by being engaged.

Stronger working partnerships with proprietors are essential. We received a lot of communication on this topic. While we ultimately cannot control the business of a bowling center, we CAN help with better tools and consulting on how to build a better, stronger relationship that is mutually beneficial.

The volunteers who serve bowling are very passionate folks and we are needed to bring in new bowlers.

USBC must become an organization where people want to belong – where they will feel a part of it, passionate about it, and not just along for the ride. For businesses that don't adjust eventually fail.

Businesses that don't adjust... fail

- To be effective a business needs the ability to plan and implement price adjustments as part of an overall strategy.



There is a need to grow revenue; this does not mean profit. What money is left over, once your operating costs and reserves have been addressed, is reinvested back into the association to enhance the membership experience.

Growth is the answer to success; cutting is a reactive process towards long-term failure.

Our goal is to develop a new system that assists the associations to grow.

Our members deserve service

- **240** local associations have not filed Form 990 with the IRS for 3 years.
 - Loss of 501(c)(3) tax-exempt status as a result
 - USBC is in the process of revoking their charters
- About **200** local associations had still not transmitted member data as of Jan. 1.



We are sharing the data to relate that poor performing associations exist across the country, merged and non-merged. From a nationwide perspective, these pockets may seem fragmented, but there is most clearly an issue. There is a need for a caliber of service that is exhibited by all associations, regardless of size or location – this was shared many times during the 18 stops.

If you are part of this webinar, you are engaged. How do we engage others?

We are asking you to continue being top performers, being the best associations. Any situation that causes a loss or disruption of service to members is what all of us want to avoid.

It will take all of us, together, to reach the Vision – “Create lifelong bowlers”.

Thank you!

- We all love bowling!
- We all want USBC to be strong for the next generation!
- We need to change how we do business in order to be successful.



B2-B4 are the beginning of the reorganization of the state and local associations; what does USBC expect and need from them – what do they need from us? To create lifelong bowlers, we need a standardized level of customer service. To have each USBC member receive the same caliber of service no matter where they live and bowl. There is a need for change; how it will occur must be a collective work; so please share your thoughts with Andrew and Tamoria at the e-mails listed.

Share your thoughts...

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