STRATEGIC PLAN

STRATEGIC PLANNING COMMITTEE RECOMMENDATIONS SUBMITTED TO
THE USA TRIATHLON BOARD OF DIRECTORS 08/12/2008

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I. INTRODUCTION

In January, President Rob Kasper appointed a strategic planning committee that included a broad and passionate representation of our organization. This committee was charged with putting the plan together.

The planning committee had several tools to work with, including a membership analysis study and a business plan compiled by TSE Consulting. The planning group also had the notes from the board of directors and staff planning sessions and the analysis of a constituent survey that was completed by over 14,000 USAT annual members. This unique process involved a virtual 360 degree analysis of all key stakeholders.

This compelling information was coupled with a series of informative conference calls and an offsite retreat that resulted in the strategic plan. The plan that follows is a living, breathing document that will guide and direct the work of the organization for the next five years. It is dynamic and will change to meet the needs of the organization.

Rose Snyder of Rose Snyder Consulting, LLC has been our facilitator throughout the process and continues to be an invaluable advisor to the committee.

As in all strategic plans, this one is meant to undergo periodic assessment of progress and re-evaluation of the goals in order to keep them relevant.

Respectfully submitted,
Eric Averill, Chairman - USAT Board of Directors Strategic Planning Committee

II. STATEMENT OF PURPOSE

A. Mission Statement

"Our mission is to encourage, support, and enhance the multisport experience in the United States"

B. Vision

"To engage every American in the multisport lifestyle"

C. Core Values

- We value our members, and other constituents
- We value safety, fairness, motivation and achievement in competition
- We value fitness and health through exercise, the spirit of competitiveness and the pursuit of excellence – the multisport lifestyle

D. Competitive Advantage

We are recognized as the National Governing Body of Triathlon by the United States Olympic Committee, the International Triathlon Union and the United States Congress. We provide regulation, encouragement and support for race directors, coaches, officials and athletes.

We are sustained by annual and one-day license fees from our members and from those who enter our sanctioned races. We also are supported by sponsorships, grants from the United States Olympic Committee and by corporate and individual donors. As a regulatory body, we legislate and enforce competitive rules and procedures. We offer education and certification for race directors, coaches and officials.

We bring together our members' needs and wishes to form a consensus for the course of multisport and of our federation into the future.

E. Organization-Wide Strategies:

- Maintain streamlined, representative, responsive governance.
- Institute the highest standards of support to all our constituencies
- Deliver the highest quality educational programs and services
- Perform continuous evaluation and adjustment of our Strategic Plan

F. Customer Groups:

CUSTOMER GROUPS	NEEDS AND CHARACTERISTICS
USA Triathlon Membership	Over 110,000 members want regionally based education in training, performance and nutrition. They are somewhat diverse and have individual motivations to compete.
USAT Race Directors	1,200 Race Directors who want assistance in maintaining and improving race standards, venue preservation, risk management, insurance protection, fair officiating, and business management skills.
Pro Triathletes	400 professional/Elite racers need the resources to maximize performance. Support for cost of living, ability to attend and race successfully in International events.
Other Multisport Organizations and Disciplines	The International Triathlon Union, the World Triathlon Corporation, XTERRA, North America Sports, USA Cycling, USA Swimming, USA Track and Field all need better understanding of the core values and goals of USAT.
USAT Officials	Officials need the resources to expand in number and in quality. They need proper compensation, and assistance in recruiting
USAT Coaches	Coaches need more available resources for training their clients; local sources for continuing education, protection from liability, business management training and a voice in USAT affairs.
USAT Sponsors	A variety of companies and organizations that benefit USAT by giving direct financial or value in-kind support and receive return on investment from USAT by association with its various constituent groups. They want increased exposure to USAT members.
USOC	Provides regulation and leadership to all National Governing Bodies in Olympic and Pan American Sport. Wants USAT to be fully compliant with its standards.
Volunteers	USAT National Board of Directors, Regions, Committees and the Ambassador Program are comprised of individuals who have chosen to give back to the sport of triathlon through their time and talents. Because much work is done through the effort of dedicated volunteers, they need positive reinforcement, appreciation and structure.
USAT Youth Membership	25,000 youth members need inclusion in the multisport lifestyle, age-appropriate outreach, education in rules, training, and encouragement to adopt the sport for long term. They need to have fun.

III. Strategic Objectives

A. Enhance the Quality of Multisport Events Strategic Objectives & Organization Goals

Strategic Objective

- Improve the quality of events by promoting the education and enhancing the skills of race directors.
- Advance the Race Director Certification Program and develop enhanced marketing services for race directors.
- Establish a pilot program of random on-site drug testing of age group athletes.
- Establish standards of race venue sustainability.
- Facilitate the creation of a USAT Race Director's Association with social networking and business benefits for members.
- Expand quantity and quality of USAT owned races.
- Encourage and assist in development of duathlon, aquathlon, winter triathlon and other multisport events.

B. Enhance the Value of Membership

Strategic Objectives

- Manage membership growth with goal of 200,000 members.
- Create membership categories more relevant to our constituents.
- Develop a program for athletes under the age of 19 that is supported and driven by age-appropriate skill competencies and youth/junior specific education of parents, athletes and coaches.
- Secure and implement modern information technologies to allow members, staff and other constituents efficient intercommunication.
- Create a Multisport University, with capabilities for educating athletes, officials, race directors, coaches, governance volunteers and other constituents.
- Advance the inclusion and development of the physically challenged.

C. Improve International Relationships

Strategic Objectives

- Strive for increased USAT involvement in ITU governance.
- Open direct lines of communication, responsibility and authority with ITU.
- Strive for a global rulebook.
- Pursue and make progress on a common protocol to eliminate use of performance enhancing and other illegal drugs in multisport.
- Facilitate global philanthropy toward better relations with multisport federations in all countries.
- Join with ITU on international initiatives such as coaching enrichment programs and other educational outreach.

D. Restructure Governance

Strategic Objectives

- Increase stability of governance.
- Provide for greater continuity of governance.
- Formulate an organizational succession plan.
- Reconfigure Regional/National Board system into a single entity with sole responsibility for governance.
- Bring outside expertise to governance.
- Enhance Governance and Nominating Committee with expanded responsibilities.
- Create an ethics committee to review matters impacting the integrity of USAT.
- Form a working group to further study and make specific recommendations for restructuring governance.

IV. Plan Implementation

The following are actions we will take to implement the strategic plan on an ongoing basis:

A. Establish responsibility for implementation
B. Hold owners of action plans accountable
C. Review progress annually
D. Reassess and revise strategies annually

V. Appendix

I. Strategic Planning Committee Membership Survey

Early in 2008, USAT contracted with Peak Research to conduct a comprehensive membership survey. The full report can be found on our website at http://assets.teamusa.org/assets/documents/attached_file/filename/3274/USAT_Membership_Survey_Report_-_Final.pdf

Executive Summary - Michele Slattery, Peak Research

USA Triathlon has been engaged in a long-term, visionary, strategic planning process for the past year. This report documents one of the final steps in the process – reaching out to the entire membership with an online survey to gain a better understanding of attitudes, opinions, experiences, and needs so that USAT may serve them better.

Asking members to help us understand who they are, how they participate, what they value, and what they need to keep successfully pursuing the multisport lifestyle accomplished two objectives. It provided insight into the issues that may define the future of USAT programs and services, and it built community among the membership. Many respondents commented that they appreciated being asked.

USA Triathlon could be described as a beginner or novice organization, with 75 percent of members reporting that they have been a part of the organization for one to four years. This high level of new memberships demonstrates the explosive growth of the sport. It presents both an opportunity and a threat to the organization as new members have unique needs that must be met or retention may decline.

In keeping with the majority of members being relative novices to the multisport lifestyle, it's not surprising that requests for information and services on nutrition, training, coaching, and "racing 101" were substantial.

More than a quarter of members (26 percent) said that they would like to get involved with the leadership and governance of the organization. This is a high level of interest in volunteer leadership. It presents another area of opportunity for USAT.

According to members, the "multisport" lifestyle is one that could very quickly become unaffordable, regardless of level of fitness, talent, or desire. If members can't afford to race, the membership will decline. Requests for "free" or "discounted" information, programs, and services dominated write-in responses. While membership fees were considered "reasonable" by 81 percent of members, the perceived value of the membership could be increased by providing additional discounts to offset the costs of participation. One way to achieve this, frequently cited by members, was to offer more local and regional races and clinics to offset the costs of travel.

USAT must provide value to members beyond the one-day race fee savings to increase its relevance and ensure its continued growth. For now, members are mostly satisfied with USAT. Significant improvement may be achieved by focusing on meeting the substantial needs of newer members to keep growing the sport.

Increasing the perceived value of the memberships will also improve the image of USAT. The sport and the organization have the potential to grow together. Asking members to share their two cents is a good start. USAT should share the summary results of the survey and the outcomes of the strategic planning process that are built upon these results, engaging members even more.

II. USA Triathlon Membership Program Analysis - Conclusions

In 2007, USAT in partnership with the USOC, contracted with TSE Consulting to evaluate our current membership program and offer suggestions for improvement. The full report can be found on our website at http://assets.teamusa.org/assets/documents/attached_file/filename/3275/TSE_Evaluation_of_USAT.pdf

1. Membership Categories

- Retain a three-tier membership program, but seek to lessen the number of available items within the upper two levels by prioritizing limited edition merchandise (quality over quantity)
- Emphasize conversion of companies that provide merchandise within the membership program to USAT sponsors that make direct cash payments
- Consider re-titling the Bronze membership level – which includes the vast majority of USAT members – to “Athlete Member” or “Competition Member” so that there is not the connotation of an inferior membership category to the premium levels

2. Membership Retention

- Retention of membership should be recognized as a key successful performance indicator
- Retention rates should be compiled on a monthly basis and trends within the year – positive or negative – should be periodically reviewed and assessed to determine whether intervention is warranted
- Retention rates should be compared on a monthly basis to previous years to measure progress toward established goals

3. Membership and Charitable Giving

- USAT should not view former and current members as charitable giving “targets,” but instead look to a small, focused group of sport devotees who have been intimately involved with the sport and the organization
- USAT should view the USOC as a preferred resource partner for the establishment of a charitable giving program
- USAT development efforts should be established in conjunction with its sponsorship procurement efforts, recognizing the differences in motivation between charitable giving and corporate marketing

4. Membership and Insurance Considerations

- Recognize that insurance coverage is the single most important member benefit; make every effort to expand coverage; and, provide differentiation from competitor organizations
- Target the five largest non-sanctioned races (four of which are conducted in California) for conversion to USAT races

- Continue to make risk management and conduct of safe races the highest possible priority
- Expand efforts with race directors of sanctioned races to demonstrate the importance and impact of a USAT sanction

5. Membership and the "Race Experience"

- Continue efforts to increase the quantity and quality of race directors, because membership growth is contingent on numerous well run races
- View race directors as the primary "customer" of USAT, rather than individual members, and respect them accordingly
- Provide the necessary tools and motivation for race directors to seek to improve their skills and capabilities
- Provide ways to simplify the process of athletes securing one-day race licenses and to improve the technology for confirmation of USAT membership
- Seek ways to provide increased member benefits at races, focusing on a consistent, high-quality race experience
- Ensure that race directors have access to the "gold standard" insurance coverage at lower cost than real or potential competitor organizations or businesses

6. Membership and Club Development

- Clubsare most numerous where membership is greatest, and USAT should consider ways to stimulate the development of new club programs in under-served areas that have consistent demographics with the USAT membership
- USAT should prioritize club development through enhanced coach education programming
- Collegiate programs have shown significant growth, and these efforts should receive continued encouragement and funding
- USAT should consider employment of a small number of staff members with regional responsibilities for club development of existing clubs and start-up efforts where clubs have the best chance to flourish

7. Membership and Rankings

- Continue to develop operational efficiencies within the current rankings program and invest in the development of technological capabilities to allow it to meet increased demands in the future
- Recognize that the rankings program is a critical competitive advantage for USAT and ensure its continued vitality, utility, and support

8. Membership and Technology

- USAT should invest heavily in technology that creates an enhanced member experience
- Automatic membership renewal should be implemented as an attractive option to ensure greater retention of members
- Implement technological enhancements that assist race directors with verifying membership and improving the on-site race registration procedures
- Contact one-day license holders quickly and systematically with a message from USAT that expresses its appreciation, explains its services, and invites continued involvement in the sport
- Utilize technology enhancements to reinforce the uniqueness and the competitive advantage enjoyed by USAT and serve as a powerful barrier to entry for others
- Continue to create multiple and frequent opportunities for member feedback and be prepared to initiate change in response to it

9. Youth Membership

- Regardless of the membership fee and financial impact, youth participation should be a significant emphasis for USAT
- The USAT website and magazine are not geared toward young competitors, and USAT needs a communications approach that reflects their unique needs
- The $5.00 membership fee should be evaluated and revised, with cost of service, both current and potential, used as a measuring stick
- There needs to be more emphasis on development of youth membership and programming by the regions

10. Membership and One-Day Licenses

- Although counter-intuitive to membership growth, promote and encourage one-day licenses
- While the dual nature of one-day and one-year licenses/memberships appears to be incongruous, both categories are showing significant increases. If one-day licenses were going up and annual memberships declining, there might be strong rationale for change. Because the opposite is operative – both are growing precipitously – there appears little rationale to provide less choice and diminished variability
- Continue to recognize that excellent race experiences, enhanced USAT contacts with one-day license holders at major races, and superior services and programs are the most important components of an environment of membership growth
- Simplify the procedures for race directors regarding issuing one-day licenses as well as the ability to check the USAT database regarding annual memberships
- Regard all USAT race participants as members who value the quality of the race experience and do not regard one-day licensees as inferior in any way. Above all, there should be no "A" team and "B" team philosophy, with all triathletes entered in a race viewed as valuable to the sport's growth and the organization's vitality

11. Membership and Cost of Service

- The cost of service ratio for membership is an important decision-making criterion that should be provided to the USAT Board on an annual basis
- Each of the various categories of membership should be analyzed for possible inequities
- USAT staff leadership should commit to a ratio of revenue to expense which is between 60 and 75 cents on the dollar, depending on a variety of internal circumstances
- Continued understanding that protection of the USAT business model is paramount, and this entails concentrated expenditure in member services, recruitment of new members, and retention of current members

12. Member Service and Sport Promotion by Regions

- Coordination of USAT mission and goals related to membership development and promotion of the sport at the regional level should be paramount
- Attention should be given to establishing a system that allocates USAT funds to regions on the basis of measurable accomplishment of goals, not purely on the number of registered athletes
- Member services need to have a higher priority for regions, with both mandatory and voluntary provision of programs within certain categories
- Youth and junior membership development and programming need to have a priority within regions that is equivalent to a membership group that includes 20 percent of all USAT members, including the mandatory provision of programs and services

- Greater consistency among region activities and programs should be encouraged, and all should be measured against common goals that are adjusted for differences in population and other demographic criteria
- Promotion and public relations need higher prioritization with region goals
- USAT needs to provide more significant investment in regions, with higher levels of performance expectation and measurement, than is currently reflected in the USAT annual budget

13. Capacity for Membership Growth in Regions

- Increased financial investment in regional operations
- Employment of USAT staff as full- or part-time employees within the regional offices, or employment of regional liaisons who work at the USAT National Office
- Establishment of performance goals and a measurement instrument related to provision of member services
- Targeted membership growth – through support encouragement to race directors, in particular – in areas where membership levels do not meet demographic expectation
- Revision of programmatic expectations for regions under the USAT funding formula, specifically to encourage additional member service capacity and prioritization

III. USA Triathlon Business Plan Analysis

In 2008, USAT in partnership with the USOC, contracted with TSE Consulting to evaluate our business plan, USAT's basic operations and offer suggestions for improvement. The full report can be found on our website at: http://usatriathlon.org/content/index/818

1. Summary of Analysis

USAT occupies an important position within the hierarchy of the USOC NGB family, and as a new sport on the Olympic program, as well as one in which the United States has been successful in international competition, it is significant to the future success of the USOC in Beijing, London, and onward. USAT has pioneered the sport internationally, has contributed significant leadership in the adoption of viable sport rules, and has established a vibrant, successful organization that embodies the highest ideals of the sport.

Management provides regular and detailed reports to the Board of Directors, and there is a sound budgeting process and financial accountability. There is regular communication between senior staff and Board leadership, as well established linkage among volunteer committee chairs, staff liaisons, and Board members. The respective roles of staff and Board are well understood and consistently applied.

TSE examined the core services of USAT, as well as the service delivery mechanisms, and recognized that the sport utilizes substantial volunteer resources to accomplish its mission. Its 10 Regional Federations are active and committed, and in 2006, USAT membership included more than 85,000 athletes and 500 clubs, while sanctioning more than 2,000 competitive events. Athlete membership, as well as athletes purchasing one-day competitive licenses, has grown substantially, and athletes enjoy secondary accident insurance coverage and a wide variety of services and programs.

USAT financial performance was matched against a set of 10 critical success indicators that were specifically designed to evaluate NGBs. Key positive findings include:

- Revenue growth was an impressive 75.37 percent over the past four years.
- Administrative overhead was 7.29 percent, demonstrating fiscally responsible management practices in the allocation of financial resources.
- USOC support was an important revenue source for USAT, but the organization has a high level of diversified revenue.

- Membership growth was a phenomenal 110.39 percent over the past four years, the fastest rate of membership development of any NGB in the USOC family.
- A comparison of budget to actual results indicates sound planning, reporting, and decision making.

Critical success indicators that revealed areas of concern or the need for added attention include the following:

- Net revenue margin over the past four years showed no increase in reserve funds over the past four years, and unrestricted reserve funds would provide less than three months of annual operating expenses.
- Governance expense is at higher levels than nonprofit organizational and NGB norms.
- Earned income sources, particularly relationships with private sector companies, need to be stimulated.

Because it is essential that NGBs compare themselves not only to the best-managed sports organizations in the United States, but also to exemplary nonprofit organizations not associated with sport, TSE performed rigorous analysis in nine competency areas, comparing current procedures and activities within USAT with the "gold standard" of nonprofit entities. While USAT fared extremely well in this comparison, there were several areas that were identified for further review in anticipation of potential change. The nine competencies included: governance; human resources; financial management; strategic planning; collaborations and alliances; outcomes and quality management; information technology management; fundraising; and, marketing and communications.

A comprehensive "best practices" comparison was performed, enabling USAT leadership to identify organizational strengths and weaknesses, as well as potential opportunities and threats that it faces. Several changes in organizational governance are recommended for consideration by the USAT Board of Directors in an effort to align USAT with other high-performing national nonprofit organizations. USAT rated high in the most important management functions, including financial management, human resource development, and membership programs and services, in particular. USAT has developed a sound base for utilization of information technology, including an excellent website, and it has made plans to substantially upgrade future hardware and software applications.

Likewise, TSE was favorably impressed with the planning effort for all of the departmental and service areas within USAT, including individual staff member and departmental goal setting and strategic marker identification, as well as their integration into the High Performance Plan.

An assessment of membership growth and an analysis of the demographics of the USAT membership demonstrated the increased interest in the sport and the attraction of the multi-sport lifestyle. In addition to annual membership, triathletes have the option of purchasing one-day competitive licenses. The number of high-quality races, combined with strong program of instruction and certification for race directors and coaches, has helped to stimulate an exemplary membership program.

Alliances and partnerships were reviewed in detail. The partnerships currently in place should be supplemented by increased efforts on college/university campuses, within community-based organizations, and in parks and recreation settings. Additionally, there was recognition of the important role that the three component-sport NGBs (swimming, cycling, and track and field) could play in the growth and development of organizational resources.

Scrutiny of the financial records of USAT allowed application of a variety of indicators that are used in private sector contexts to measure financial stability and growth. Of particular interest were analyses of governance and administrative overhead expenditures, indicating fiscal responsibility in professional staffing and a continued high reliance on volunteer support and resources. USAT has not yet created a charitable giving program, and fundraising will be an increasingly important component of revenue development over the next five years.

Areas of potential operational efficiencies that could result from enterprise-wide resources were identified. TSE suggested some potential alternatives for consideration, primarily through collaborative efforts with other NGBs and the USOC. Under review were traditional and non-traditional ways to provide more resources for prioritized athlete development programs and National Team activities. The ten enterprise areas included: insurance and risk management; database management; marketing; development and charitable giving; media relations; accounting and financial services; human resources; event development and production; information management and technology solutions; and, legal services. TSE suggests prioritization of effort within marketing, development, and information technology, with various suggested avenues for USOC involvement and participation.

TSE was favorably impressed with the performance of the USAT professional staff, as well as the substantial benefits to the sport and the organization that is derived from the dedicated volunteer sector. USAT has a highly successful record of accomplishment and this report suggests potential pathways to improved results in critical areas within a five-year horizon.

2. Concluding Remarks

This analysis is partially a business plan and partially a performance measurement tool. USAT should be encouraged by the recognition of how much it does well, while simultaneously analyzing certain aspects of its business practices that might produce increased efficiency. Via this report, USAT and the USOC have measurement data by which it can monitor results and motivate businesslike practices in the future.

Throughout this document, TSE has used standard and consistent information for 2006 because it is the most recent year in which there is an independent audit. However, because this consulting project was initiated and completed at the conclusion of 2007 and the beginning of 2008, TSE recognizes that some of its observations and recommendations are "dated" due to substantial progress in several critical areas that been accomplished by USAT in 2007. These include, but are not limited to the following:

- Meteoric rise in athlete registrations from 85,000 at the conclusion of 2006 to 102,000 at year-end 2007.
- Substantial increase in sanctioned competitive events from slightly more than 2000 at the conclusion of 2006 to more than 2300 at year-end 2007.
- Positive financial results, including a $1.2 million surplus (unaudited) in 2007, enabling USAT to increase its reserve funds by approximately $500,000 and to address an area of concern expressed elsewhere in this report.

Recommendations are included in various sections of this report, and there is a summary of suggested action in the "Conclusions and Recommendations" section. TSE recognizes that some of its suggestions are provocative and "push the envelope." This is deliberate and intentional. It is our hope that this analysis causes thoughtful consideration and determined action, with acceptance of some items, and modification or rejection of others. Hopefully, the process of internal review will be worthwhile in establishing future direction for USAT.