



DATE: September 3, 2018
TO: USMS House of Delegates
FROM: Dawson Hughes
SUBJECT: **CEO Report**

The core culture of U.S. Masters Swimming and the quintessential membership experience have always taken place on pool decks and in the water around the country. Whether they engage at a practice, meet, or open water swim, USMS members in general are health and fitness oriented. Some are competitive, most enjoy the social aspects of USMS clubs and events, and a few have such passion for the sport that they volunteer locally or nationally to support its growth in the U.S. and beyond.

In the coming years, USMS can transform into a more widely accessible and recognized option for fitness and competition. That transformation doesn't mean we must change our culture or traditional products of swimming clubs and events. USMS members have incredible support on a day-to-day basis, which is driven by coaches, event directors, and local volunteers, and that will always be the case. Our mission remains to support health, wellness, fitness, and competition for adults through swimming.

But healthy organizations change to meet the needs and expectations of their customers and potential customers. The [USMS Strategic Plan](#) was updated in 2016 to support the USMS mission in a rapidly changing environment. That environment includes numerous and expanding health, wellness, fitness, and competitive event alternatives for adults; greater pressure on organizations to rapidly provide accurate and relevant information; changing consumer preferences; and more access to technology that improves communication, processes, and efficiency.

In the current environment, USMS membership has declined, primarily due to a drop in the number of *new* members that USMS attracts and retains annually. In early 2016, USMS was forecasting a 2.5 percent to 3 percent decline in membership. Fortunately, we quickly put together a robust marketing campaign around the Summer Olympics and it generated a late spike in membership. We were able to end that year up 2.7 percent and capture many of those new members for 2017 with the Year-Plus membership.

In 2017, a trend started to become more apparent. With lower numbers of new members joining and without the excitement generated for swimming from the Olympics, our membership declined 2.7 percent. Although our renewal rates continue to be at all-time highs, the trend of fewer new members continued in 2018, compounded by a low renewal rate from those that initially joined during the 2016 Olympics campaign. That leaves us where we are today, forecasting around 60,500 members at the end of 2018.

Several new initiatives that were developed from the updated Strategic Plan to address these challenges are underway. The most visible initiative is the [USMS 3.0 digital transformation](#) in the form of new software systems, including website and member management platforms. The digital transformation will be addressed later in this report, with more description in [Annual Meeting materials](#) and during a workshop. One of the first results has been the ability to analyze our membership data and identify trends that might need focus. The key membership trends identified thus far relate to age demographics and event participation. This chart shows those findings:



Age	New (First-Year) Member Retention Rate		Current Member Retention Rate		Total by age demo
	Event Participant	No Event Participation	Event Participant	No Event Participation	
18-29	46%	36%	72%	52%	46%
30-49	59%	45%	83%	66%	60%
50-69	66%	54%	92%	79%	75%
70+	73%	59%	94%	83%	83%
Total, by event participation	57%	45%	87%	73%	

These statistics, coupled with a [30-year history of membership trending older](#), suggest that it's past time that USMS find new and creative ways to attract and retain new members, target younger demographics, and provide benefits and value that entice members to renew after their first year. It's important to note that targeting younger potential members doesn't change our core mission, nor does it detract from providing the products and services that are enjoyed by our loyal, longtime members.

The remainder of this report will focus on what USMS is doing to tackle these challenges. For some, these new initiatives represent significant change and will require adjustment. But it's important to remember that our own personal perspective and interests don't necessarily align with all the various segments of USMS membership or those we want to attract to take up swimming as a fitness endeavor. Each of these initiatives touch on all facets of the [Strategic Plan](#) (Membership Value, Brand Clarity, Innovation, and Partnerships—both internal and external) so it's important to consider them in that context.

Club Marketing Initiatives

Due to recent membership trends, attracting new members to USMS and our member clubs has been a focus since the strategic plan was updated in 2016. Numerous difficulties were encountered in attempting to clarify the messaging and marketing around USMS programming. Simply put, our regional club–local club–workout group structure is confusing. To easily connect potential members with USMS programs and events, we began using “club” as a generic term for all USMS swimming workout programs, rather than using the strict organizational definitions from the Rule Book. Once swimmers become members, USMS can then engage and provide information to them on USMS structure, competitions, team scoring, volunteerism, etc.

In addition, we've found that many local adult swim programs are using our Masters Swimming brand without being registered USMS clubs. In these cases, a swimmer may believe the program is registered solely on the fact that it uses our branding, yet we're unable to communicate with these programs or the swimmers participating in them. We're also limited in our ability to protect the USMS brand and to reduce our liability exposure.

Lastly and perhaps most importantly, USMS spends financial, staff, and volunteer resources on marketing. Previously, that marketing included promoting Places to Swim to prospective members as a tool to find USMS clubs near them. Many swimming facilities in Places to Swim are not USMS clubs and often the listings are outdated. Couple that with many USMS clubs and workout groups (about two-thirds) that don't require USMS membership, and we can't accurately track our



marketing return on investment or our success meeting the mission of our organization. Without trackable metrics, we often don't know whether our resources are being appropriately allocated.

So, our goals became: 1) create a simple and concise message to guide prospective members, using the new [USMS Club Finder](#) as a hub and connection point to local USMS clubs, 2) build incentives for clubs that provide the benefits and services proven to create the best experience for our members, and 3) utilize modern technology to efficiently market our clubs and events and identify the ROI of our marketing initiatives.¹

We've developed the following to match each of these goals:

Club Finder

The purpose of [Club Finder](#) is to assist prospective members in finding the USMS programs closest to them, connect them with the programs as seamlessly as possible, and get them to start swimming.

All USMS clubs and workout groups must be registered with USMS to be listed in Club Finder to ensure that we can provide accurate club details for prospective members and the USMS National Office can provide geographical information and marketing as desired. Workout groups will be listed and referred to as clubs for the purposes of marketing our programs in Club Finder. Because regional clubs are typically not physical USMS programs that provide a location where their members train, they will not be listed in Club Finder. All programs using the Masters Swimming brand to promote their programs must be registered as USMS clubs or workout groups. Local clubs may list multiple workout locations if applicable.

Club Finder also includes a direct communication channel to the club contact and/or coach so that members and prospective members can connect with the club to get more information. Since April, we've seen nearly 4,000 direct emails to coaches and club contacts, with nearly 10 percent of those resulting in new USMS memberships.

Gold Club Designation

USMS [Gold Clubs](#) set the standard for providing members with the best Masters Swimming experience possible. This starts with a USMS-certified coach. Certified coaches help swimmers reach their goals by providing technique instruction, structured workouts, encouragement, and ample opportunity to participate in both fun and fitness-based events and competitive events if desired.

Gold Clubs are identified in [Club Finder](#) with priority placement and an insignia to let members and potential members know that those clubs are highly qualified and ready to help them meet their swimming goals. Other benefits to Gold Clubs include additional marketing support from the National Office, discounts on education courses, and full insurance coverage for USMS-approved activities.

Club 2.0 (to begin Oct. 1)

Although Club Finder and the Gold Club designation were rolled out in April, they were planned as works in progress to be finalized in advance of 2019 club registration. Until now, Club Finder data and Gold Club applications have both been handled through Google Forms and manually entered in our website. In fact, until we rolled out Club Finder, the only information we collected during club registration was a club contact, email address, and club description. We were missing important

¹ These strategies have no effect on the competitive structure of USMS or event scoring as defined in the USMS Rule Book.



details on our clubs and the information that was in Places to Swim was out of date in many cases. This is all information that we should be displaying to members and potential members.

Based on input from users, we've made significant upgrades to the Club Finder filtering and search capabilities, and continued to add clubs as information was provided. More importantly, we've planned and developed Club 2.0, which integrates capturing the data needed for Club Finder and Gold Club designation and gathering greater detail about clubs (including coaching staff, locations, areas of focus, etc.) within the registration process. This update will include a new design and will allow multilocation clubs to combine their locations into one club listing.

Beginning Oct. 1, clubs will have a new experience when registering for 2019 and updating their club information throughout the year. Potential members looking for information on USMS clubs via www.usms.org will see greater detail and experience further improvements in the filtering and search capabilities as soon as clubs are registered.

College Club Swimming

In 2017, USMS officially launched the [College Club Swimming](#) program. Since the launch, USMS has signed up 126 clubs comprising more than 4,500 swimmers. The 2017-18 season concluded with the inaugural national championship meet, attended by more than 2,100 swimmers representing 116 clubs. CCS is administered by the National Office, similarly to other programs such as our ALTS instructor and coach certification programs.

As you may remember when we launched CCS, the program wasn't intended to add to USMS's individual memberships, but rather to develop USMS members for the future. With the initial success and projected growth of College Club Swimming, we are exploring other avenues to provide additional value to CCS members and effectively transition them into USMS membership.

A recommendation being considered at this year's Annual Meeting is to offer this group a discounted USMS membership while they are registered members of CCS. It is important that we cultivate the relationship with these swimmers as one of the strategies to address our demographic challenges over the long term. This recommendation includes short-term benefits for USMS and our event directors by potentially increasing the number of swimmers eligible to participate in USMS-sanctioned events. But the biggest benefit is cultivating this pipeline of future Masters swimmers, coaches, officials, event directors, and volunteers.

Fitness Series

Event participation is a key driver of USMS membership and retention. Historically, 70 percent of our membership doesn't participate in USMS competitive events, yet those that renew their membership at significantly higher rates. To innovate our event structure, provide simple and cost-effective events for clubs and coaches to execute, and add a convenient entry-level event in which members can participate, we started the [SmartyPants Vitamins USMS Fitness Series](#) in 2018. These events provide a goal for fitness swimmers; a connection to the national organization; a fun, team-oriented activity; a fundraising opportunity for the USMS Swimming Saves Lives Foundation or local fundraisers; and a bridge to ePostal National Championships or other USMS events for those swimmers who might not be ready to tackle a long-distance event, swim meet, or open water swim.

The 2018 SmartyPants Vitamins USMS Fall Fitness Challenge won't take place until November, but the results from the first two events have been encouraging. With an average of more than 1,000 participants, nearly \$12,000 in net proceeds to SSLF, and an additional \$6,000 in donations to SSLF per event, we're pleased with the inaugural year of the Fitness Series. As word has



spread about the benefits of these events, we plan to add greater engagement (e.g. tracking of personal results) and to continue working with clubs and coaches to grow participation. With this new marketing opportunity, we were able to generate a new corporate partner. SmartyPants Vitamins saw the value in our fitness initiatives, the USMS brand, and our members, and decided to make a significant investment in USMS that would not have happened without the creation of the Fitness Series.

2018	Winter Fitness Challenge	Summer Fitness Challenge
# of clubs represented	269	190
# of swimmers affiliated with a club	1049	719
Unattached Swimmers	224	129
Clubs that hosted a swim	65	59
Male swimmers	425	297
Female swimmers	848	561
Grand Total	1273	848
Registration fees	\$13,906	\$9,314
Additional funds raised for SSLF	\$7,646	\$5,044

City of San Diego Masters

The time and resources necessary to start a new USMS club are more than most volunteers, volunteer coaches, or part-time coaches can manage. When weighing the return on investment (both time and money), many potentially successful programs likely never make it past the idea stage.

By matching quality coaches who are interested in developing new clubs with facilities that are devoid of USMS programming, we hope to make an impact by providing more options for adult aquatic fitness and competition. We can also help support coaches by providing administrative and marketing support, allowing the coach to focus on quality programming for our members. Ancillary benefits include testing of new programming; integration of data points between clubs, LMSCs, and National Office (e.g., attendance); and inclusion of annual USMS membership in club dues structure.

In May, City of San Diego Masters was formed in partnership with (you guessed it) the City of San Diego. The City's Recreation Department manages 16 pools, none of which had Masters programming. Although the City had the desire, it didn't have the resources or knowledge to start a club.

We identified a great pool location, hired a coach, rented lane space, and established the club website. What's unique about [City of San Diego Masters](#) is that the monthly club dues are inclusive of USMS membership. Once swimmers join, they're automatically USMS members and don't need



to renew annually if they stay members of the club. We worked with Club Assistant to ensure the liability waiver requirement is met and integrated our databases to ensure the process is seamless for members and for USMS.

To date, CSDM has 10 members, which we hope to double by the end of the year. With 20 members we'll begin to recoup the investment to start the club and can evaluate expanding the number of workouts offered. Among the many benefits of this program is the ability to test new ideas and initiatives to provide best practices for the rest of the organization.

Based on progress thus far, we've placed a second investment in local programming in the proposed 2019 budget. Our goal is to partner with an LMSC on the start-up costs with a shared interest in the success of the program and membership growth and revenues.

Regional Program Developer

In March, we hired our first contract Regional Program Developer. This position was designed to be a local resource for LMSCs, help drive club and coach development at facilities that should have Masters programming, and build relationships with current USMS clubs to support membership growth. The results so far have been promising. A positive relationship has developed with the LMSC representatives, seven new clubs have been established, and numerous facilities are in the pipeline to continue to work toward establishing more options for Masters Swimming.

As with the CSDM example above, we're bullish on this position helping to grow and support Masters programming at the local level. It provides efficiency over the current structure that requires our chief operating officer and a contractor to handle a national sales effort on top of countless other duties. We're optimistic that by mid-2019, we'll have the metrics to provide confidence in adding another position, perhaps in partnership with an LMSC or group of LMSCs.

USMS 3.0 Digital Transformation

A high-level overview and some background will be provided here but greater detail can be reviewed within the [Annual Meeting information](#) and will be provided during the USMS 3.0 Digital Transformation Workshop.

In 2017, the Board of Directors approved a plan to update our IT infrastructure over a three-to-five-year timeframe and a budget was approved during the 2017 Annual Meeting to begin the work. Realizing a shift in the manner that small businesses manage their software needs, USMS adopted a new approach to technology: utilize off-the-shelf, [software-as-a-service](#) products with external experts for specific projects whenever possible, rather than building customized software that requires unsustainable levels of technical staff and hardware purchases.

Once complete, USMS staff members will no longer carry the burden of performing software upgrades, maintenance, and security patches, allowing us to focus our resources on our core mission. This change doesn't eliminate the need for technical staff and contractor support, but our extensive research suggested that this approach will be a more efficient use of resources, both financial and human.

To implement this transformation, a roadmap with three phases was built.

Phase 1



Launch a new marketing-driven, [mobile responsive](#) web platform to improve our efforts to attract new members. Our site had close to 7,000 content pages so it wouldn't be feasible to move everything over to the new platform at one time, nor did we feel all the old site's content needed to be copied over. We prioritized pages with the greatest number of impressions—those with revenue and membership implications and new-member recruitment potential. Although the top priority was not placed on the current member experience, included were numerous ancillary benefits for current members including [mobile responsiveness](#) throughout the site, customization of content based on location and interests, and simplified navigation. We also planned to implement [Club Finder](#) and the [Gold Club](#) initiative.

Phase 2

Continue to build on Phase 1 (e.g., moving web pages from the old site to the new platform, fine-tuning search and filtering capabilities) but with the focus turning to membership value. Although this isn't a comprehensive list, Phase 2 projects include the following:

- Simplified and more secure [authentication](#) to login to My USMS
- Updated [email marketing system](#) (to allow for more personalization of content, an integration to our membership database and preferences, and keeping pace with ever-changing spam and privacy regulations)
- Greater integration with technology partners to simplify event registration and improve fitness logging, through the use of [APIs](#).
- A standardized [website](#) template that could automatically provide content specific to LMSCs
- Digital membership cards for Apple and Android devices
- Modern online [community](#) that would replace the outdated and not secure discussion forums and improve communication both internally (for volunteers) and for members
- Move our entire infrastructure to a [cloud server environment](#), eliminating the need to purchase, maintain, and secure servers.

Phase 3

Evaluate options to modernize our membership database, event sanctioning, and event results databases in the form of a [customer relationship management](#) system. [CRM](#) will give us the ability to learn from and be significantly more responsive to our current and potential members.

In April, we rolled out the new website and accomplished our established goals for Phase 1. We've also been able to complete two key components of Phase 2 earlier than expected by moving to the cloud (eliminating the need for servers) and establishing the new My USMS login process (i.e., [authentication](#)). These two components vastly improve the security of our system and our members' personal data. An update on our progress thus far posted on the [Annual Meeting page](#) and I recommend review by anyone planning to attend.

Phase 1 didn't come without its challenges. For example, the forums and @usms.org email forwarding addresses, which utilized third-party software, proved too outdated to bring into the new environment. Plans are underway to modernize those functions in the coming months. Moving to the [cloud](#) had unexpected impacts on some of the back-end admin functions of the old platform (e.g., sanctioned event document links, font size, a few reporting tools). These were examples of antiquated technology not transitioning seamlessly to the new cloud environment. Yet we prioritized and completed fixes accordingly. There were some links to information that didn't work because they were housed in unknown areas of the old servers. We brought those over quickly and work continued throughout the summer to move necessary pages from the old environment to the new.



Because usms.org would be spanning two different software platforms, we knew that the site search capabilities would be impacted in the short term. We've since built new functionality that allows for search across both platforms. This functionality will continue to be fine-tuned until all our content is moved onto the new platform. The event results database was a challenge to present in a [mobile responsive](#) format. In the [legacy system](#), the format of event results had been tweaked to be usable on mobile devices but the structure of that data didn't allow for a truly responsive experience. We've since made improvements that have made results much more viewer friendly on smartphones and tablets.

As the front door to USMS, the new [website](#) is the most visible component of our [digital transformation](#). However, it's simply a modern website and a component of the larger transformation of our IT infrastructure and processes to modernize USMS systems for the future. I encourage anyone interested in more information about the future of this project to review the USMS 3.0 materials on the [Annual Meeting page](#) and attend the workshop.

Other Updates from 2018 to date:

- Implemented electronic funds transfers for LMSC funds distribution from the National Office, eliminating time and expense of writing and mailing checks.
- Added two new partners (SmartyPants Vitamins and TropicSport) that helped exceed advertising and sponsorship revenue targets.
- In partnership with the Championship Committee and the local host, we held our largest Spring Nationals ever.
- Electronic membership cards (for Apple and Android devices) — more information will be available at the USMS 3.0 – Digital Transformation Workshop!

2019 and Beyond

Over the last two and a half years, USMS has innovated the services and benefits we provide to complement our traditional core products. USMS has embarked on significant modernization projects including the USMS 3.0 digital transformation, College Club Swimming, greater support for USMS clubs and coaches as the day-to-day connection for our members, partnership strategies with USA Swimming and other relevant NGBs, integrated marketing initiatives to attract new members and capitalize on periods of increased interest in swimming, the creation of new events to appeal to a greater percentage of our members, and championing adults learning to swim as an organizational cause-marketing initiative. This was all accomplished while also transitioning several new staff members into the National Office.

We've just begun to see the results of these initiatives and the impact they'll have over time. We all know there isn't a silver bullet answer to our challenges. Demographic and cultural changes require creative and innovative approaches to keep USMS relevant as a health, wellness, fitness, and competition option into the future.

We've also heard from our members for years about more flexibility in membership offerings. Options such as automatic processing of renewals, multiyear membership choices for clubs and individuals, and segmented membership based on interest (e.g., coach, triathlon, fitness, event, and open water) all have value. The expectation for these options is created based on our members' experiences with other organizations. And although plenty of research and discussion must happen to determine the right approach for USMS, our only hurdles to offer new options for our members are long-standing structure and processes built before technology created more efficient methods.



**U.S. MASTERS
SWIMMING**

With the right strategies and execution, we have an opportunity for incredible exposure in 2020 with our 50th anniversary happening in an Olympic year. 2019 can be transitional and set us up for success in 2020. We must allow recent changes to take shape, consider new initiatives to overcome challenges, and make sure we're providing benefits and services that keep our members coming back year after year, whether it's their first time renewing or their 50th.

Change can be difficult for organizations—particularly ones such as ours—with structured decision-making processes and a highly engaged and tenured volunteer leadership. Many of our processes were built for a time when paper and the post office were required for USMS membership and event registration. Instant communication tools were not the norm and expectations from consumers were lower. Innovation for the future health of USMS will require change to some of our long-standing processes, adjustment in our approach to the business guardrails in our Rule Book, shifts in the technology we use and how we use it, updates to our marketing and branding, and transition in how we administer and structure the business side of Masters Swimming.

What won't change are the daily interactions enjoyed at pools with teammates, coaches, and competitors; the health benefits realized through a regular swimming routine; the motivation provided by USMS events; or the need for passionate volunteers to help operate events, support members and programs locally, and provide perspective and input on how USMS can best engage with the numerous segments of its membership.

As we look to the future, a key ingredient of our success will be the ability of volunteers and staff to work as a cohesive team to clearly promote USMS and build value in our offerings. On behalf of the National Office, we look forward to continuing to work together with you to provide the best possible swimming experiences for our members.

Updated: 9/17/2018

1751 Mound Street, Suite 201 • Sarasota, FL 34236 • (941) 256-8767 • usms.org