

SAIL CHICAGO :: STRATEGIC PLAN UPDATE FOR 2012

INTRODUCTION

In the report we presented to the Board in 2010, we stated that the Strategic Plan needed to be reviewed and updated every year, prior to the budget discussions, in order to ensure that our budget decisions remain in keeping with our short- and long-term goals. This is the second annual review.

Big picture, we had another tremendous year.

- We integrated two new boats into our fleet, one planned, one unplanned.
- While our membership numbers dropped somewhat, we made our projections for instruction and expanded our instructional offerings.
- Individual usage is up in some areas, down in others, but generally greater this year.
- We moved out of our maintenance facility, significantly reducing expenses.
- The downside was the almost complete lack of activity on Erica and a significant decline in Open Racing.
- Achieving 501.c.3 status was continued from the past two years. Thanks to the efforts of a couple of Board members, we prepared and submitted our application and will have to wait a few months for the results.

Two areas stand out that need consideration, **membership** and **fleet composition**.

MEMBERSHIP

Our membership has continued to decline, 16% since 2008, more since the mid-2000s. This could be due to the economy, the general decline in sailing, or the limitations of our volunteers to meet demand for classes, or all three. Regardless, we need to find a way to continue to attract new members, get them hooked on sailing, and integrate them into all of our programs.

PROPOSAL: Create a new temporary membership option that gives potential sailors access to sailing instruction at a lower threshold than our new membership package. This will attract people who just want to check out sailing without making a long-term commitment. Call it “Sail Into Summer” or whatever our marketing team determines.

- * Fee will be \$250, which entitles you to one **introductory** sailing class and provisional membership, but no access to membership benefits such as Tiller Time and MCOs.
- * Curriculum will be the same as Basic Sailing
- * Classes will be held on the Colgate 26 to “put our best foot forward”, 4 member/students per class. Lifejackets will be provided. The class will be organized on a compressed schedule, completed in two weeks (e.g. Saturday and Sunday mornings, two successive weekends, or M-W-M-W in two successive weeks)
- * Members who want to “upgrade” to full New Member Package later in the season must pay an additional \$200.
- * This option is good one time only for new members.
- * We envision creating additional capacity for these classes, not shifting current resources.

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FLEET

On the one hand, our two new acquisitions, Meridian and Priorities, were wildly successful, with significant usage and high demand. On the other hand, usage at Montrose was flat, we saw no expansion of racing opportunities and a marked decline in Open Racing and only a slight uptick in Fleet Racing due to the R19 Nationals. Almost no Open Racing sailors have transitioned to Fleet Racing. This year essentially saw the collapse of sailing on Erica. Both programs have limped along for the past few years; in years past the Board has tasked them to improve participation. To put the facts in sharp relief, usage on Meridian almost equaled usage on Erica AND the four Montrose Rhodes combined!

The reality is that our membership has declined yet our fleet has remained the same size. This past year's experience makes it painfully clear that we must adjust our fleet size and composition to better utilize all our resources. It is timely to "rightsize" our fleet.

PROPOSAL FOR 2012 ACQUISITION: Purchase one Colgate 26, to continue to modernize our Basic Keelboat fleet. Start looking now! Location TBD by Instruction.

PROPOSAL FOR ERICA: Dissolve the Shields program and sell Erica ASAP, in keeping with our goal of eliminating one-of-a-kind boats.

PROPOSAL FOR MONTROSE RACING FLEET:

- Move Open Racing back to Monroe. Open Racing to determine fees (free??).
- Transfer one Rhodes 19 to Monroe to augment the R19 fleet and provide more capacity for Open Racing.
- Keep one Rhodes 19 as spare
- Sell two Rhodes 19s
- Maintenance to decide on which boats to move and/or sell.

PROPOSAL FOR CRUISING PROGRAM: keep Priorities on her slip at Belmont. Rental fees and usage justify this expense, and the boat has equipment needing access to shore power.

PROPOSAL FOR DINGHIES: Our dinghies are an increasing safety liability. Eliminate all but two dinghies at Monroe. Provide additional tender passes for Monroe fleet use, unless Westrec implements universal pass-less plan.

LONG-TERM PLAN: down the road we need to develop a longer-term plan for what we want our programs and our fleet to look like in five years.

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The following pages follow the format of the 2011 update so you can compare the initial goals and our progress each year. The report to the Board contained six specific goals. Following is a review of each goal, our progress or lack thereof, and recommendations for action in 2012. I have included the goals for 2011, added a comment for 2011 performance, and suggested some proposed goals for 2012. Critical to moving the organization forward is to continue with our fleet renewal plans. Acquiring another Colgate 26 has to be our highest priority.

I. Paradigm shift from sailing school to “Come Sail with Us”

2010: Implemented New Member Package (NMP). Modified our initial plan to not require new members take a sailing class. Very successful overall.

Action for 2011: no change

Action for 2012: keep New Member Package, no change in fee.

2010: Implemented free program sails for MCOs and Tiller Times on all boats. Most sails were full all summer. Gained unexpected revenue from group sails.

Action for 2011: increase capacity by getting more members to conduct program sails.

Comment on 2011: setback in 2011 due to reduction in cruising fleet, low participation in Shields program, loss of cruising boat for half of the season. However, there were many new TT skippers.

Action for 2012: high priority to reestablish MCOs, based on recommendations of Tiller Time/MCO committee.

2010: Lower threshold for new members to \$300-\$350: did not implement, but were successful in promoting the idea of joining to check out sailing and take advantage of classes and program sails.

Action for 2011: no change in fee structure.

Action for 2012: add “Sail into Summer” package as described above.

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2. Fleet renewal: modernize fleet, acquire boats that are teaching platforms and capable daysailers. Get out of the boat rehab business.

2010: Purchased two “new” Ideal 18s. Decommissioned 3 Rhodes 19s in poor condition. Ideals are popular among younger members, usage is growing.

Action for 2011: continue fleet renewal, see proposals at end of report and #4 below. Enhance opportunities for members to conduct program sails. Eliminate indoor maintenance facility at end of current lease (fall 2011).

Comment on 2011: we hit a grand slam with the acquisition of Meridian. It is one of our most popular boats now. The unfortunate demise of ER gave us an unplanned opportunity to upgrade our cruising boat. We now have two boats that many members want to sail, and the usage numbers and revenue speak for themselves.

Action for 2012: purchase another Colgate 26, begin to integrate into the Basic Keelboat instruction program. Instruction proposes moving to Colgate 26 as our instructional boat for new members.

3. Fee structure: reduce dependence on new members, raise dues

2010: Implemented dues increase with no appreciable impact on membership or loss in income

Action for 2011: no change in dues.

Comment on 2011: one of our goals has been to shift the burden of costs from our new members/students to our existing membership core. By holding the line on dues and NMP, we need to look to other sources to enhance revenue, including increasing rental fees,

Action for 2012: propose no change in dues or instruction fees.

Raise rental rates across the fleet. There has not been a change in R19 rates since 2004. Members have shown they are willing to pay for access to desirable boats. Rental credits, whether earned through service or by early rental deposit, and access to tender passes provides significant value and offset published rental rates. Suggested rates peak/off peak:

R19: \$40/\$30

Ideal 18: \$40/\$35

Colgate 26: \$65/\$50

Hunter 34: \$130/\$100

Erica: n/a, see introduction and #4 below

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4. Geographic distribution/fleet composition

2010: No action taken. Urgency of 2016 Olympics removed.

Action for 2011: review viability of Montrose racing fleet. Establish goal of reducing “one of a kind” boats and acquiring multiples of any new boat. Evaluate cost/benefit of ER slip. Evaluate cost/benefit of dinghies vs. purchasing tender passes.

Comment on 2011: Both Erica and Open Racing suffered significant declines in participation to the point that neither are viable programs at this point. Priorities usage has been significant and could justify remaining on a slip. **Action for 2012:**

1. **Acquire a second Colgate 26, location TBD**
2. **Decommission Erica**
3. **Dissolve Montrose racing fleet, move Open Racing to Monroe**
4. **Add one R19 at Monroe, keep one spare, sell two R19s.**
5. **Eliminate all but two Monroe dinghies, and purchase extra passes as needed.**

5. Increase flexibility in sailing education and reduce emphasis on “skipper track”

2010: Implemented 3rd level small keelboat class, very successful. Implemented generic Shields class. Made new member package attractive to a variety of skill levels

Action for 2011: focus on teaching a wider variety of sailing skills across the fleet, de-emphasize teaching specific boats. Implement classes on spinnaker, cruising skills, introduction to racing, etc.

Comment on 2011: Added Colgate class, single-handing, spinnaker (racers only) and started a major retooling of cruising education. Intro to Racing class not successful. Instituted seminar series over the winter--bareboating, navigation, weather.

Action for 2012: Continue the progress. In particular, look for ways to better utilize Ideal 18s--spinnaker class, racing, etc. Continue to enhance cruising instruction. Reinstitute port-to-port cruises. Continue to emphasize teaching skill sets, not boats.

6. Capital campaign, presuming we achieve 501.c.3 status.

2010: No progress made.

Action for 2011: achieve 501.c.3 status, establish Capital Committee

Comment for 2011: we achieved major milestone by submitting 501.c.3 application.

Action for 2012: wait for response from IRS.

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A few additional thoughts for 2012 (see comments from 2011 below):

1. We have made a big step in shifting the focus of our instruction from teaching boats to teaching skills by the purchase of the Colgate 26, Hunter 34, and retooling the cruising program.
2. We have made big steps in reducing needs for off-the-water service time. We still need to keep working on getting more members to skipper MCOs and Tiller Times.
3. Recommendations of TT/MCO committee: insert here.
4. Fleet renewal: we have passed the point of no return on fleet renewal. Purchase of another Colgate 26 has to be our highest priority. We must rightsize our fleet if we are to move forward. Savings of reduced fleet size and maintenance facility costs will free up significant resources in the next years.

Comments from 2011:

1. Fleet renewal: we need to begin with what sets of sailing skills we want to teach and let our fleet decisions flow from that, not the other way around.
2. Service time: given our reduced needs for winter maintenance, we need to define and find ways for members to perform useful service time. Make the on-the-water service time opportunities more transparent, i.e. MCO and TT first mate slots via reservation system.
3. We have a general weakness in providing TT and MCO on weekends, particularly on small keelboats. Members still find it challenging to enhance their sailing skills given our somewhat limited offerings.
4. Fleet renewal: we enjoyed a surplus of income over expenses this year despite shortfalls in some areas. Depending on budget discussions on appropriate reserves, it would be a good time to add more boats to the fleet. Initial proposal would be to reduce cruising boats to one (ER) and purchase two mid-size keelboats (Sonar, J-24, Catalina 25, Colgate 26) that can be better integrated into our instructional program.