President/CEO Report
BOT Meeting
8 May 2015

FOR ALL THE RIGHT REASONS

Thank your for your leadership!
Fair Winds and Following Seas

VADM Henry Mustin '55, USN (Ret.)
Chair, COCP
BOT Trustee
30/40/50's Decade Rep

Successes

- **Plan 2020 Interim Update**
- **Cyber Building – Public/Private Effort**
- **Model for Engagement**
- **Class Giving**
- **Strong Financials**
- **IT Infrastructure Investment – CRM/Mobile**

Plan 2020 Objectives Overview

🔴 Improvement Needed   🟡 Making Progress   🟢 Meeting Expectations

Board Composition/Diversity
Steadily increase board diversity to reflect makeup of the alumni.

Organizational Development & Alumni Services
Provide services that engage our members in support of the Mission and Vision.
Sustain the Alumni Association as a high performing organization.

Membership: Numbers & Profile
Build and sustain lifelong and meaningful relationships with increasing numbers of alumni, parents, families and friends.

Physical Plant, Facilities
Modern, low maintenance infrastructure minimum cost.

Equipment & Technology
State-of-the-art management and communications technologies to meet the demands of an increasingly IT-sophisticated membership, but not ignoring the needs of older alumni.

FOR ALL THE RIGHT REASONS

Board Composition/Diversity

	CY10	CY13	CY14	MAY 15
Ave Age	66	56	56	56
M/F ratio	28/0	25/3	26/3	23/5

Accomplishments:
- **Trustee demographics improving; Classes represented now includes 3 Trustees from Millennial Generation (McCarthy '00, Lane '02, Cameron '12)**
- **Regional/Chapter Trustee turnover has introduced younger alumni volunteering their service**
- **Female Membership improving (Rogers, Berg, Vernazza, Dooley, Lowndes)**
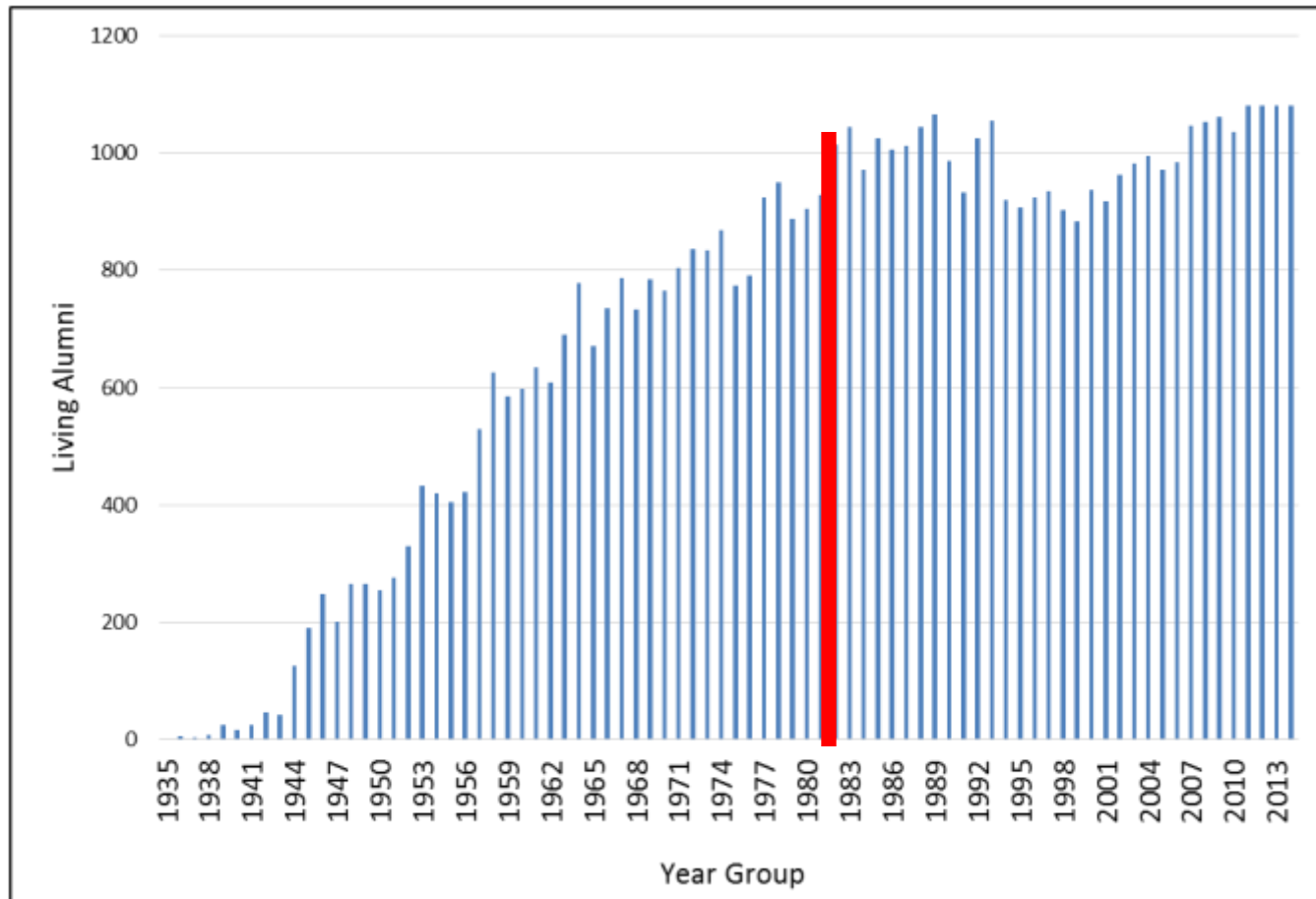
Alumni Demographics

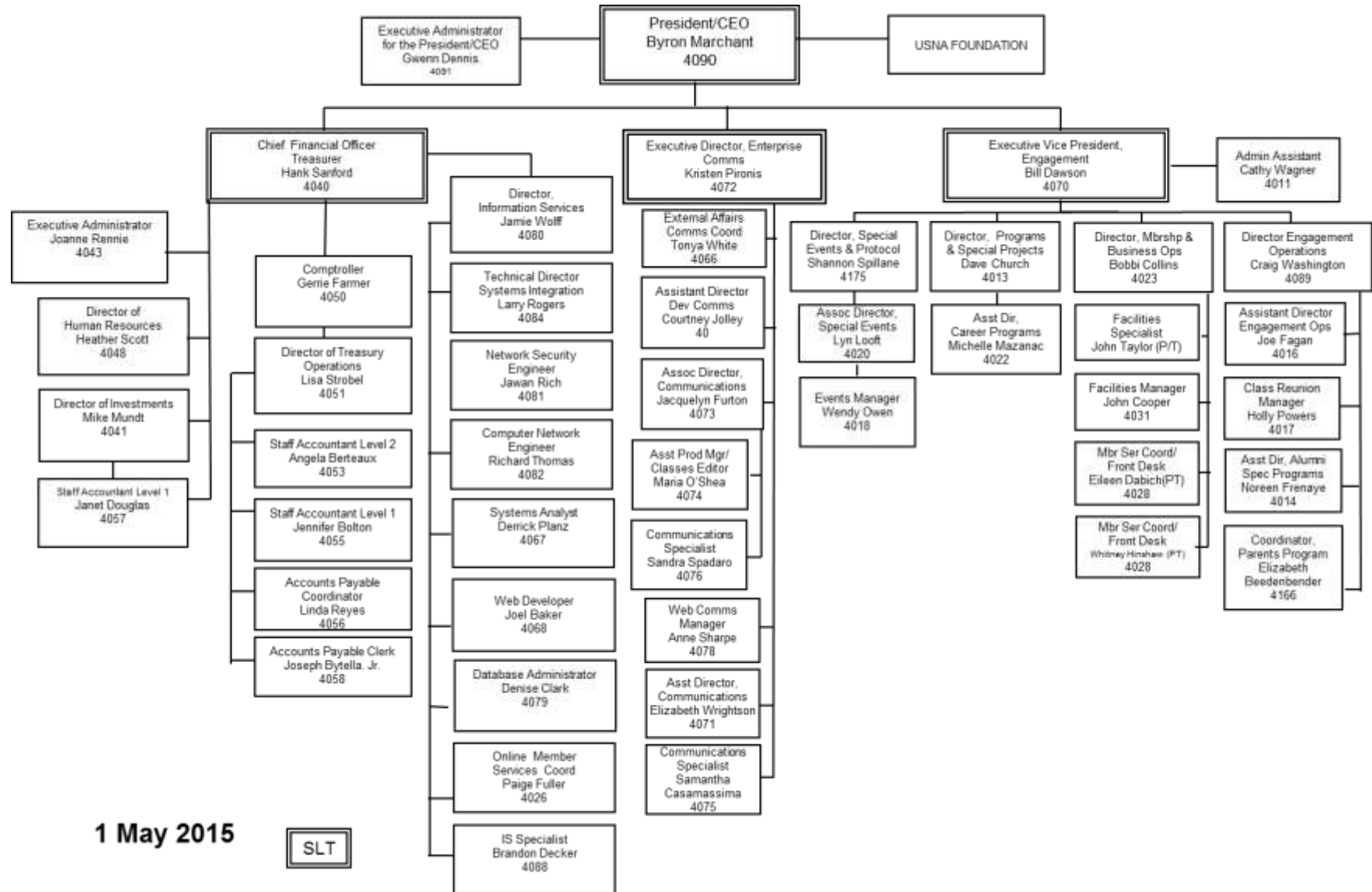|	11/30/14
Total Grads	56,264
Female Grads (1980 on)	4431
% female	7.9%

As of 11/30/14

- **Living Alumni with a Female Classmate (>'80) = 62% alumni**

- **Millennials ('00 and younger)   15212 / 56,264 or 27% alumni population**

- **2014: 302 Women / 1191 = 25% Class population**

Average Age of a Living Grad?

United States Naval Academy Alumni Association Organizational Structure

President/CEO
Byron Marchant
4090

Executive Administrator for the President/CEO
Gwenn Dennis
4091

USNA FOUNDATION

Chief Financial Officer Treasurer
Hank Sanford
4040

Executive Director, Enterprise Comms
Kristen Pironis
4072

Executive Vice President, Engagement
Bill Dawson
4070

Admin Assistant
Cathy Wagner
4011

Executive Administrator
Joanne Rennie
4043

Director, Information Services
Jamie Wolff
4080

Comptroller
Gerrie Farmer
4050

Director of Human Resources
Heather Scott
4048

Technical Director Systems Integration
Larry Rogers
4084

Director of Treasury Operations
Lisa Strobel
4051

Director of Investments
Mike Mundt
4041

Network Security Engineer
Jawan Rich
4081

Staff Accountant Level 2
Angela Berteaux
4053

Staff Accountant Level 1
Janet Douglas
4057

Computer Network Engineer
Richard Thomas
4082

Staff Accountant Level 1
Jennifer Bolton
4055

Systems Analyst
Derrick Planz
4067

Accounts Payable Coordinator
Linda Reyes
4056

Web Developer
Joel Baker
4068

Accounts Payable Clerk
Joseph Bytella. Jr.
4058

Database Administrator
Denise Clark
4079

Online Member Services Coord
Paige Fuller
4026

IS Specialist
Brandon Decker
4088

External Affairs Comms Coord
Tonya White
4066

Assistant Director Dev Comms
Courtney Jolley
40

Assoc Director, Communications
Jacquelyn Furton
4073

Asst Prod Mgr/ Classes Editor
Maria O'Shea
4074

Communications Specialist
Sandra Spadaro
4076

Web Comms Manager
Anne Sharpe
4078

Asst Director, Communications
Elizabeth Wrightson
4071

Communications Specialist
Samantha Casamassima
4075

Director, Special Events & Protocol
Shannon Spillane
4175

Assoc Director, Special Events
Lyn Looft
4020

Events Manager
Wendy Owen
4018

Director, Programs & Special Projects
Dave Church
4013

Asst Dir, Career Programs
Michelle Mazanac
4022

Director, Mbrshp & Business Ops
Bobbi Collins
4023

Facilities Specialist
John Taylor (P/T)

Facilities Manager
John Cooper
4031

Mbr Ser Coord/ Front Desk
Eileen Dabich (PT)
4028

Mbr Ser Coord/ Front Desk
Whitney Hinshaw (PT)
4028

Director Engagement Operations
Craig Washington
4089

Assistant Director Engagement Ops
Joe Fagan
4016

Class Reunion Manager
Holly Powers
4017

Asst Dir, Alumni Spec Programs
Noreen Frenaye
4014

Coordinator, Parents Program
Elizabeth Beedenbender
4166

1 May 2015

SLT

Staffing Update

Welcome:

- **Bill Dawson '82, EVP Engagement**
- **Jamie Wolff'03, Director of Information Systems**
- **Heather Scott, Director of Human Resources**
- **Joe Bytella USMC Veteran (Cpl), Accounts Payable Technician**

Promotion:

- **Kristen Pironis, Executive Director Enterprise Communications**

Farewell:

- **Diana Vickerman, Human Resources Manager – 29 years of service to the Alumni Association!**

Membership Metrics

	11/30/11	11/30/12	11/30/13	11/30/14
Total Members	57,204	58,268	59,520	60,505
Alumni Life	46,480	47,318	48,232	49,031
Total Life	54,976	56,047	57,244	58,221
Widow life	3,924	4,059	4,185	4,283
Friend life	285	287	291	294
Parent life	970	1,107	1,184	1,316
Parent Annual	1,187	1,319	1,457	1,517
Joint	2,488	2,594	2,678	2,765

Parent Membership (2018 vs 2017) up 48%
Total New members Last 12 months = 1784 (1700 goal)
Focus Area... Parents, Grandparents and Friends

Membership Metrics
Average Membership Rate by Decade

1935-1945	49%
1946-1955	67%
1956-1965	67%
1966-1975	62%
1976-1985	88%
1986-1995	99%
1996-1995	97%
2006-Today	98%

Class Giving Rate
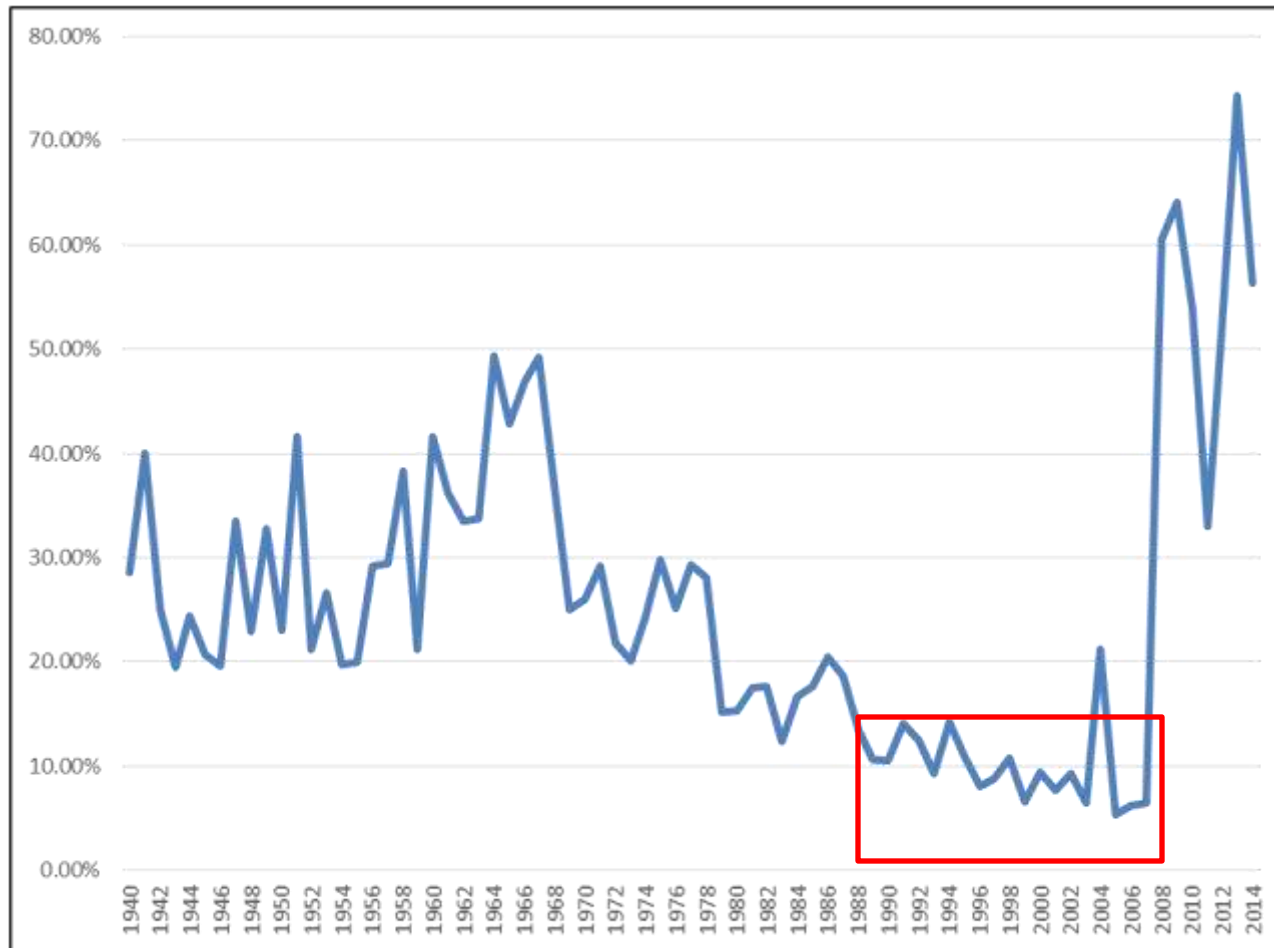
Campaign Challenge – Improving '78 –'00 >25%

Top Class Participation Rate

Class	Rate
2013	74.31%
2009	64.10%
2008	60.47%
2014	56.37%
2010	53.87%
2012	51.96%
1964	49.36%
1967	49.19%
1966	46.94%
1965	42.86%
Average	24.80%

Facilities Investment

- ## Continued infrastructure investment
  - FY13 $89.5K
  - FY14 $99.9
  - FY15 $109.5K
  - FY16 $109.0K

- ## Recent projects:
  - 49 HVAC
  - Ogle Hall historic floors – repair and restore
  - Ogle Hall and exterior electric upgrades
  - Landscaping improvements
  - Brick walkways/driveways/patios
  - 49 House paint and carpet
  - LED light conversions
  - Exterior painting – all areas

Blackbaud Constituent Relationship Management (CRM)

The USNA Alumni Association and Foundation is implementing Blackbaud CRM commercial software system built for **alumni engagement management** <u>and</u> **higher education fundraising** to:

- Improve Engagement Management
- Improve Fundraising
- Add Advanced Analytics
- Make the Website Mobile Ready
- Improve Staff Productivity
- Avoid Technology Obsolescence

Return on Investment: *115% ROI* and payback period of *2-4 years*

FOR ALL THE RIGHT REASONS

CRM Customers in Higher Education

Reach of Online Tools

	FY13	FY14
WaveTops Distribution	47,108	52,485
WaveTops Open Rate	29%	33%
www.usna.com sessions	353,177	336,583
YouTube views	51,645	190,912
Facebook Followers	7,720	11,128
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Mobile App Installs	3,303	14,617

FOR ALL THE RIGHT REASONS

What does an "Engaged" Class look like?

- **Can you reachable classmates?**
  - **Active functioning comms team**
- **Are your Classmates engaged?**
- **ByLaws / Governance in place**
- **Financial planning and gifting**
  - **Active functioning fundraising committee**
- **Voting mechanisms in place / transparent processes**
- **Comms (FB, Web, Shipmate)**
- **Reunion turnout**
  - **Active / functioning reunion committee**
- **Commitment to USNA (Time, talent, resources)**

What does an "Engaged" Chapter look like?

- **Leadership Team that represents our Alumni**
    - **Involved, energetic, inclusive leadership**
- **Carrying forward the USNA message**
    - **Inclusive events: Time/location/message**
    - **Admissions Outreach: BGO Support, STEM, Summer Seminar**
    - **Tuned in to USNA sports and ECA's (home/away)**
    - **Hosting enabling events (SABP, Networking, Founder's Day…**
- **Support the local Parent Club and BGO's**
- **Encouraging membership growth**
- **Good Comms (FB, Web, usna.com)**

What does an "Engaged" Parent Club look like?

- **Continuity of Leadership**
  - **Consistent, inclusive leadership**
  - **Succession planning**
  - **Partnership with local AA Chapter, BGO, …**
  - **USNA Outreach Support**
  - **Support USNA Sports / ECA (home/away)**
  - **Documented processes (turnover)**
  - **Financial stable**
  - **Growing membership (Do you have a committee?)**
  - **Comms (FB, Web, usna.com)**

Cyber Building

New Cyber Center Facility

- 206,000 SF academic space

- SCIF classrooms and lecture space

- Co-located similar majors

- Increased Project Based Learning for all majors

Parking Garage

Financial Update

	FY 2014	FY 2015 (3/31/15)
Total Assets	$248 M	$252 M
Investments	$213 M	$217 M
Liabilities	$29.4 M	$28.4 M
Net Assets	$219 M	$224 M
Contribution Income	$36.4 M	$26.1 M
Annual Fund	$9.6 M	$9.5 M
Support to USNA	$23.2 M	$13.1 M

Fiscal Targets

Metric	Policy Target	FY 14	
Composite Financial Index (CFI)	5-10	9.1	✓
Unrestricted Net Assets	> 18 Months of Operating Expense	15.6 Months	
Operating Reserves	= 25% of Operating Expense	22.4%	

Challenges

- **Alumni Connectivity / Communication**
- **AMP Participation**
- **Campaign**
- **Young Alumni Engagement/Alumni Demographics**
- **Security/Privacy of data vs Access**
- **Class Giving**
- **Class Participation**

Development Operations

Bill O'Connor

Executive Vice President Development

Development Update

- **Class Giving**
- **All Academy Challenge**

Classes Starting Projects During Campaign

Class	Components	Raised (Thousands)	Goal
1958	Larson Leadership Award, AF	$ 108	
1966*	Cyber, Athletics Programs, AF	$ 2,391	🟩
1967	Cyber, Leadership, Athletic Excellence, AF	$ 1,648	
1968	Leadership Instructors, Athletic Excellence, Chapel Doors, AF	$ 567	
1969*	Alumni Mentoring Program, AF	$ 1,599	
1975	Stockdale Center, CAE, AF	$ 668	
1976	Cyber, Athletic Excellence, AF	$ 736	
1977	Leadership, Athletic Excellence, AF	$ 860	
1978	Stockdale Center, STEM, Athletic Excellence, AF	$ 796	
1979	Trident Scholar Program, Athletic Excellence, AF	$ 194	
1986*	Stockdale Center, Mexican Monument, AF	$ 561	🟩

* Fundraising began March 2012

Classes Starting Projects During Campaign

Class	Components	Raised (Thousands)	Goal
1987	Leadership/Ethics, STEM, AF	$ 329	
1988	Cyber, Experiential Leadership Development, Athletic Excellence, AF	$ 160	
1995	International Programs, Athletic Excellence, AF	$ 189	■
1998	Cyber, International Programs, Athletic Excellence, AF	$ 186	
2004	Cyber, AF	$ 105	■
2006	Leadership/Ethics, AF	$ 116	■
2012	First Gift, AF	$ 137	
2013	First Gift, AF	$ 84	
2014	First Gift, AF	$ 54	
2015	First Gift, AF	TBD	
	Grand Total	$ 11,488	

New First Gift Landing Page

FOR ALL THE RIGHT REASONS

Class Projects Boost Participation

- **Overall alumni donor participation – 25.2%**

- **Class Project "first year" participation**
  - **2012 – 34.7%**
  - **2013 – 27.3%**
  - **2014 – 27.1%**
  - **Average – 29.7% - Almost 2,000 additional donors**

Classes Up Next

- **The 9's – '59, '69, '89, '99**
  - **'59 has volunteered to do a 59ᵗʰ Reunion Gift Project**
- **The 0's – '60, '70, '80, '90, '00, '07, '08**
  - **'60 has volunteered to do a 60ᵗʰ Reunion Gift Project**
  - **'08, the inaugural First Gift Class, will select their area of support this year**

First Gift

- **Raised to Date: $170,874.45**

- **Projected through 2018: $300,000**
  (this number assumes 25% loss of allotments)

- **Donor Participation (CY14 to date)**
  - **Class of 2008 – 61%**
  - **Class of 2009 – 63%**
  - **Class of 2010 – 54%**
  - **Class of 2011 – 36%**
  - **Class of 2012 – 52%**
  - **Class of 2013 – 73%**
  - **Class of 2014 – 55%**

Summary of Commitments and Receipts
CY 1999-2014

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
■ Commitments	18.5	32.6	46.4	41.8	40	29.7	33.5	22.7	29.6	27.4	24.4	21.6	13.1	25.3	51.3	41
■ Receipts	11.2	21.3	23.1	30.7	35.3	28.2	37.6	27.9	30.8	26.2	23.3	26.4	16.6	25	37.7	27.8

■ Commitments ■ Receipts
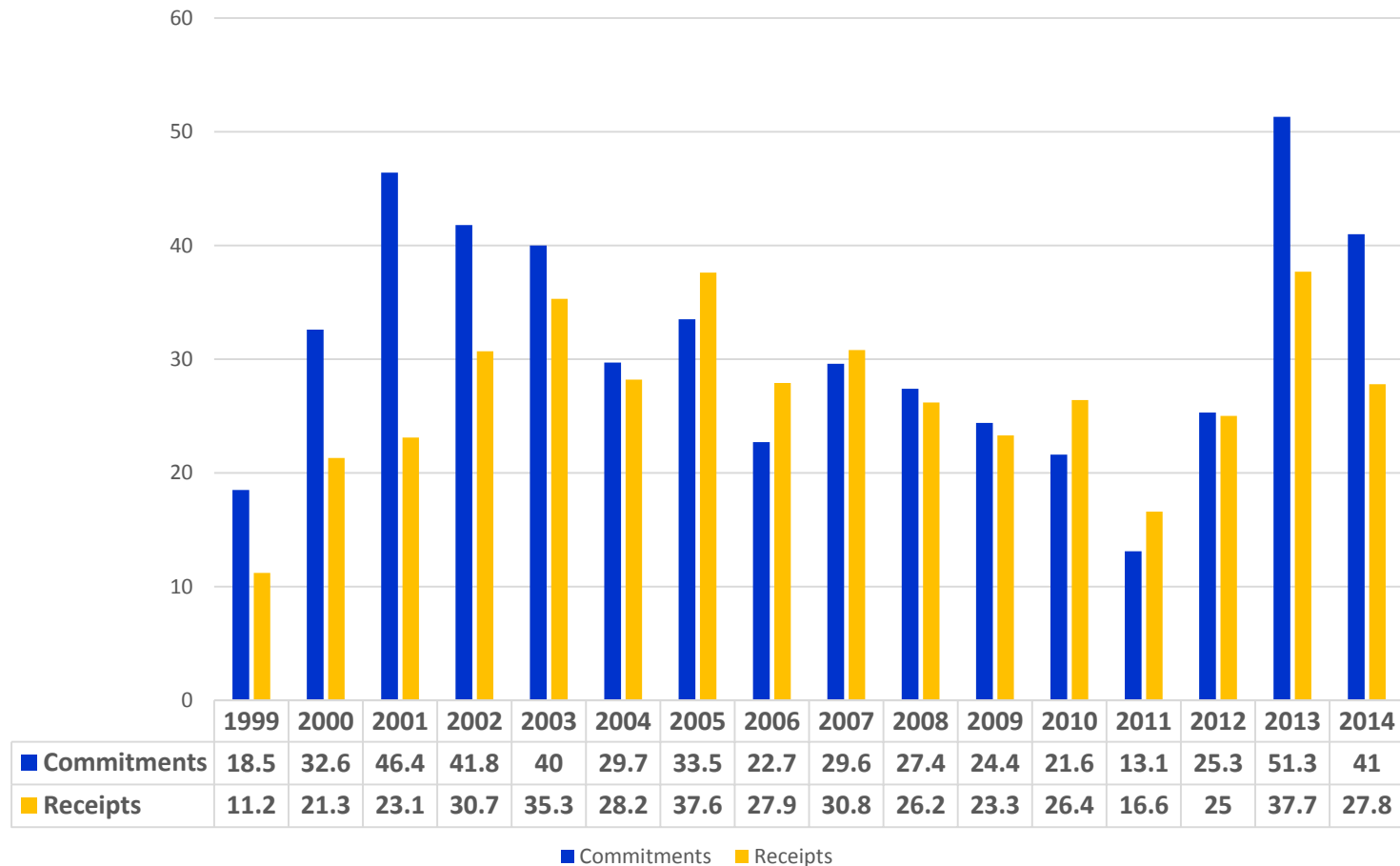
Leaders to Serve the Nation Campaign

FOR ALL THE RIGHT REASONS

2ⁿᵈ Annual All Academy Challenge

- **June 2-11, 2015 alumni participation fundraising competition between Navy, Army, Air Force and Coast Guard**
  - **All gifts greater than $5 to any fund counted; received by any means (online, mail, phone)**
  - **Institution with the greatest alumni participation wins**
- **2014 Results – A Multi-channel, Enterprise-wide fundraising effort that:**
  - **Raised $1.3 M from 1,540 donors (mostly to the Annual Fund)**
  - **Acquired new donors, reacquired lapsed donors, engaged existing donors**
- **Foundation will provide additional 2015 information and details to class leaders to share with classmates**

Alumni Association Communications

Kristen Pironis
Executive Director
Enterprise Communications

Enterprise Communications

On the Horizon

- Campaign Communications

- *Shipmate*
    - Audit and redesign (FY15 & 16)
    - Printer renewal negotiations (FY16)

- www.usna.com
    - Redesign (FY16)

Shipmate
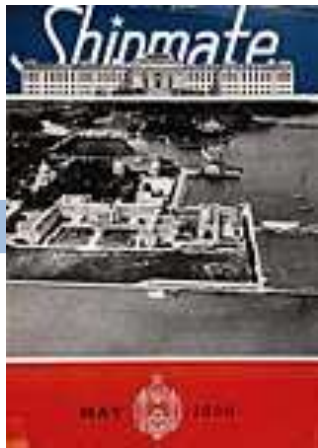
Online Tools

Social Media Tools

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Information Services Update

Jamie Wolff
Director Information Services
USNA Alumni Association and Foundation

IS Department Major Projects
FY 2016

Blackbaud CRM

(Spring/Summer 2016)

PCI 3.0 Compliance

(July 2015)

Website/Shipmate Redesign

Campaign Micro-Site - Joint Effort with Comms

(FY 16)

Operating System and Back office System Modernization

(FY 16/17)

End-User equipment modernization

(FY 16/17)

Improve and Enhance Volunteer Leadership Tools

FY 2016

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CRM Customers in Higher Education

Improve and Enhance Volunteer Leadership Tools

Focus areas to improve volunteer leader tools include:

Website Development

E-mail Management

Alumni Database Management

Event Registration

Continuous Improvement

Alumni Association Operations

Bill Dawson '82

Executive Vice President Engagement

Initial Thoughts

- **As an alum**

- **As a volunteer**

- **As a PC Donor**

- **As a Class President**

- **As a parent**

- **As part of the staff**

What is Engagement?

- ☑ Membership
- ☑ Participation
- ☑ Reachable
- ☑ Communication
- ☑ Giving
- ☑ Volunteers time & talent

"If you can't measure it, it's just a hobby." - Jack Welch CEO GE

2015 Distinguished Graduates

ADM Hank Mauz '59

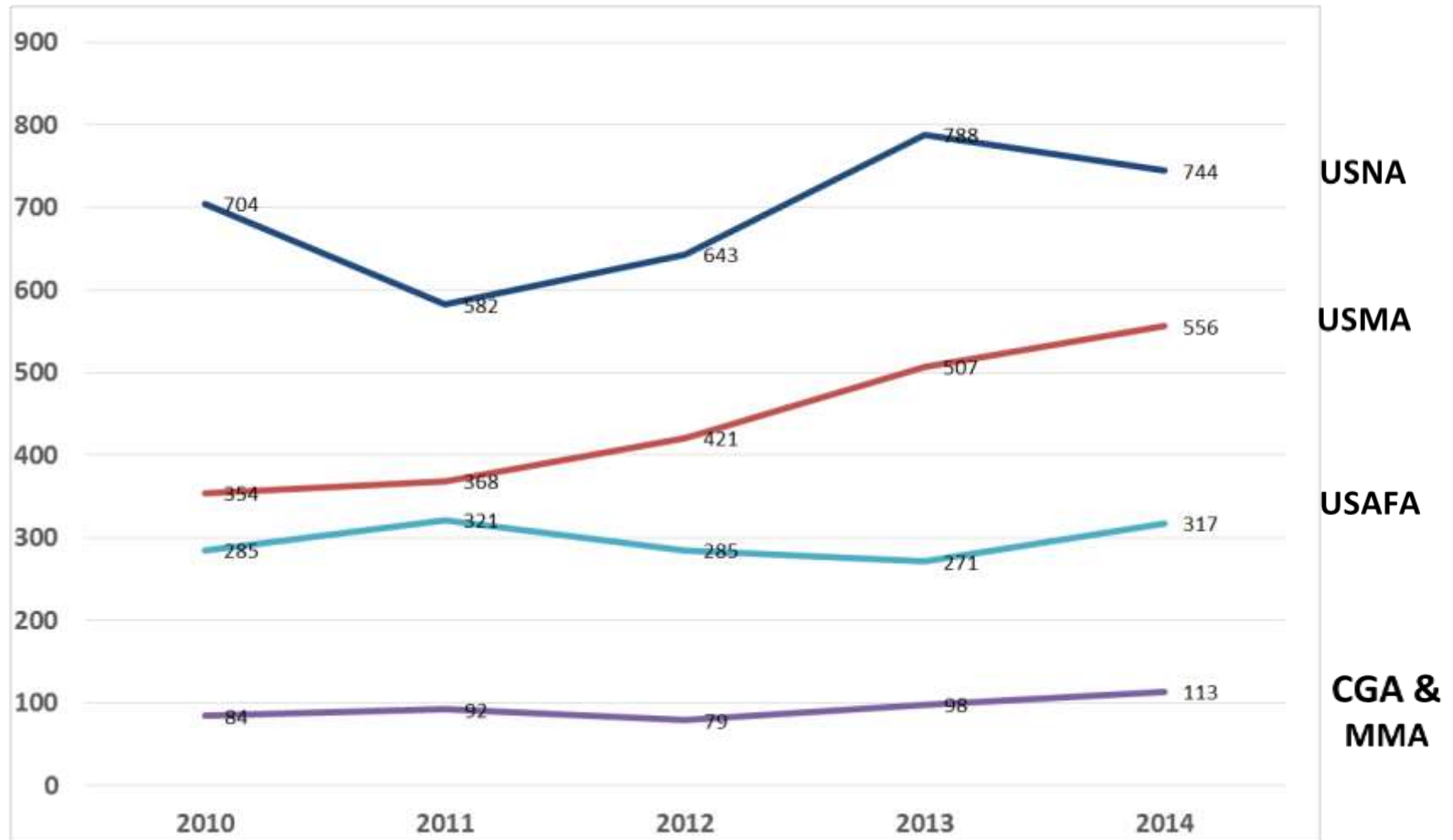ADM Richard Mies '67

ADM James Ellis '69

David Robinson '87

DGA Submissions

- **DGA nominations continue to be extremely competitive**

- **Thank You for the hard work in putting the packages together**

- **Year Groups trending towards 70's and 80's. Very diverse.**

- **Please continue to go the extra mile for our highly deserving alumni**

Career Programs – SACC Attendees

Reunion Data 2010-2014

	2010 Totals		2011 Totals		2012 Reunion Totals		2013 Reunion Totals		2014 Reunion Totals			
Reunion Year	Class	Total	Class	Total	Class	Total	Class	Total	Class	Total	Reunion Year	Ave
75	0	0	1947	48	1937	40	0	0	1939	88	75	44
70	1940	51	1942	102	1943	42	0	0	1945	95	70	73
65	1945	160	1947	200	1947	247	1948	120	1949	101	65	177
60	1950	314	1951	0	1952	240	1953	280	1954	175	60	182
55	1955	361	1956	320	1957	450	1958	477	1959	412	55	386
50	1960	750	1961	737	1962	811	1963	885	1964	886	50	796
45	1965	520	1966	680	1967	695	1968	613	1969	583	45	620
40	1970	776	1971	421	1972	757	1973	817	1974	725	40	670
35	1975	580	1976	550	1977	550	1978	644	1979	540	35	555
30	1980	829	1981	736	1982	730	1983	872	1984	765	30	765
25	1985	928	1986	963	1987	833	1988	444	1989	790	25	879
20	1990	614	1991	1069	1992	557	1993	1200	1994	831	20	768
15	1995	350	1996	240	1997	443	1998	415	1999	496	15	382
10	2000	517	2001	227	2002	277	2003	411	2004	282	10	326
5	2005	125	2006	174	2007	237	2008	427	2009	315	5	213
		6875		6467		6909		7605		7084		

- **How can we improve the process?**

Percent of Class Reachable*
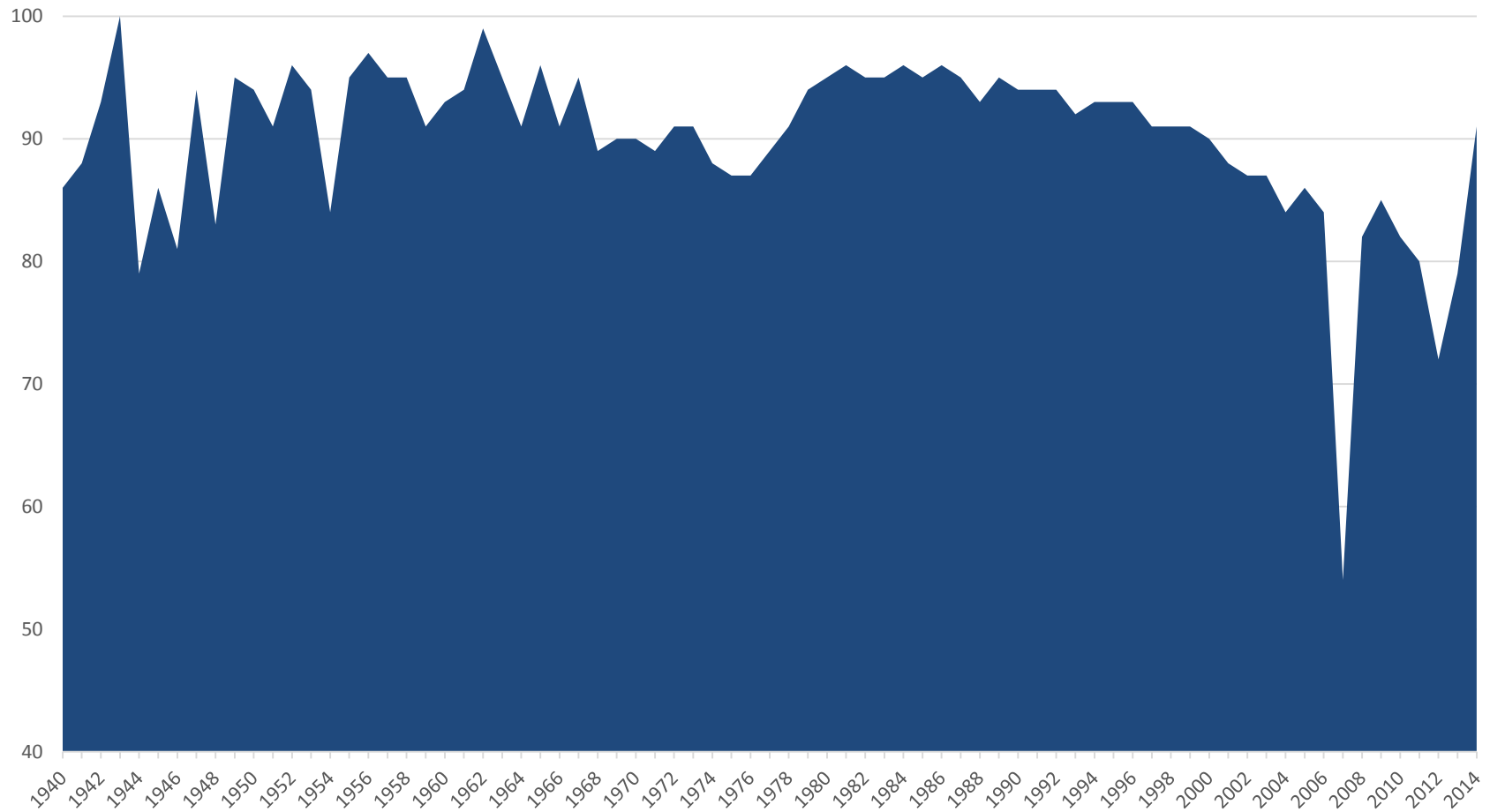
* Good mailing Address

Top 10 Reachable Classes

ClassYear	Percentage
1943	100
1962	99
1956	97
1952	96
1965	96
1981	96
1984	96
1986	96
1949	95
1955	95

Percent of Class with Good Emails
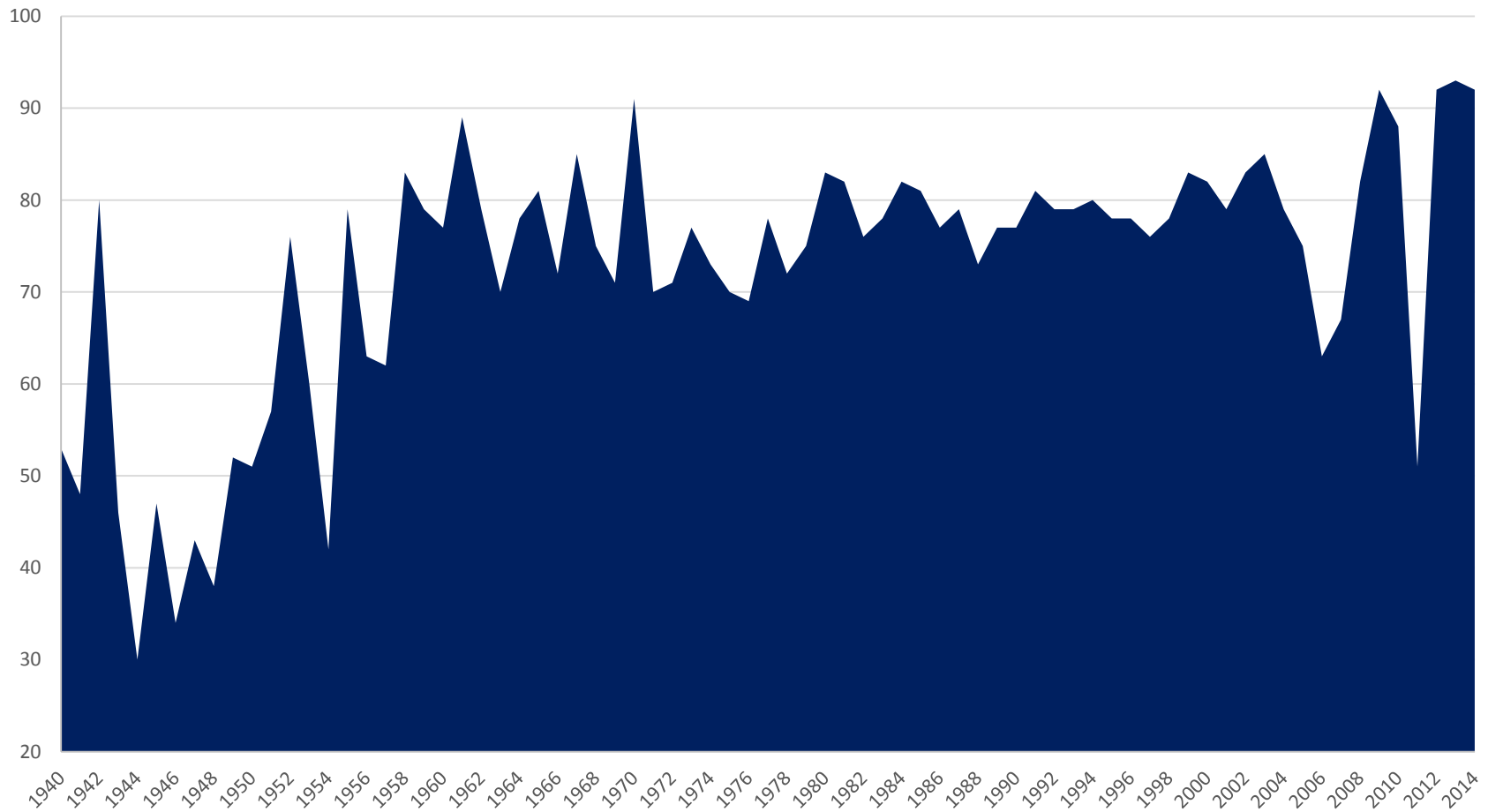
Top 10 Emailable Classes

ClassYear	Percentage
2013	93
2009	92
2012	92
2014	92
1970	91
1961	89
2010	88
1967	85
2003	85
1958, 1980, 1990, 2002	83

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Engagement Challenges

- Improving demographics – Chapters & Classes
- Parent Club Involvement
  - Fleet Parent Value Stream
- Chapter/Club Quality Metric
- Volunteer Metrics
- Alumni Travel

Questions?