



Strategic Plan 2011-2016

Approved April 29, 2011

Coast Guard Auxiliary Association, Inc. Strategic Plan 2011-2016

Mission: The overarching mission of the Coast Guard Auxiliary Association is to provide for the fiscal health of the U.S. Coast Guard Auxiliary. We pursue creative long- and short-term policies to generate the income required to sustain all present and future program needs of the U.S. Coast Guard Auxiliary by developing diverse income-producing sources and enhancing fundraising initiatives to make the Association a self-sustaining dynamic organization.

General Plan: This strategic plan prioritizes the Association's direction based upon a review of our current state, our best projections on the future outlook for our business environment, the desired state we wish to attain, and the objectives to arrive at a successful end state that fully achieves our stated mission.

BUSINESS ENVIRONMENT: The Coast Guard Auxiliary Association exists to provide capital and income for internal and external functions of the U.S. Coast Guard Auxiliary that the U.S. Coast Guard does not financially support. This includes the day-to-day expense of Association and Auxiliary operations as well as significant portions of the Auxiliary's Recreational Boating Safety (RBS) activity.

The Association is a non-profit 501 (C) (3) corporation. It operates as a small business to support U. S. Coast Guard Auxiliary programs.

The Coast Guard has minimal interest in the day-to-day operation of the Association, as long as the Auxiliary and the Association are sufficiently separated. Its oversight is limited to the legal issues pertaining to the relationship of the Auxiliary to the Association. However, the Coast Guard's budget in supporting the Auxiliary program directly impacts the Association's funding efforts.

Over the last ten years the Association has been moderately successful in producing revenue mainly through Auxiliary educational products sales, effective use of membership dues and through other sales within the Auxiliary's materials system. However, the down turn in the economy and the Auxiliary's mission shift in response to surge requirements necessary to support the Coast Guard in meeting

their higher operational tempo in homeland security missions has resulted in a phenomenal Auxiliary response that significantly increased the number of members and hours involved in operations and other Coast Guard mission support. Naturally with the increased involvement of Auxiliary members in assisting the Coast Guard during the unprecedented increase in operational tempo following events of the past ten years has created a downturn in recreational boating immediately and a corresponding decrease in boating education activities which traditionally generated a significant share of funds used to support the Auxiliary programs. The trend of more Auxiliary members involved in Coast Guard missions is likely to continue as many newer members joined the organization to participate in such activities. The adverse impact of fewer members involved in traditional Auxiliary educational activities adversely impacts revenue generation for the organization.

Historically, public education (PE) courses provided significant revenues to Association and to individual Auxiliary units. Textbook sales provided revenues to the organization as a whole and course fees provided revenue to individual Auxiliary units. Over the past ten (10) years public education sales revenue have declined impart due to increased competition from state initiatives to provide boater safety education directly to students. States use grants and tax monies to provide educational materials, with courses being essentially free to the student. In addition, the economic recession caused boaters to reduce their boating activities as well as their pursuit of boating educational courses.

The advent and continuation of mandatory state education requirements have also had an impact on the Association's income and results. Mandatory education provides an opportunity and a limitation with regard to this market change. The opportunity is self-evident: thousands of new students who MUST get educated if they want to boat. A limitation is a lack of Auxiliary capacity to meet the new demands. That is, the current delivery method of choice and experience, namely classroom teacher-delivered courses, is not keeping pace with the increase in student demand nor reaches the modern technology savvy students. Exacerbating this is the continuing shift of Auxiliary resources from traditional RBS efforts to Operational and Maritime Homeland Security support.

The increase in potential students has attracted more competition into the boating education market. As noted above, this is reflected in the greater intrusion of state-delivered boating education. However, more commercial entities have entered the market as well—either as producers of textbooks or providers of boating courses. There has also been an increasing competitive push to use non classroom-delivered education, such as web-based or home study training and testing.

Technology makes it possible for boaters to get the necessary basic (often mandatory) education on-line or via home study, take the state test, and receive a completion document, all without any personal interaction with a teacher or organization. The Auxiliary developed (in partnership with the United States Power Squadrons [USPS]) *America's Boating Course*TM to serve as a conventional course and also to compete in the self-instruction market proved successful. There remains a need to continue adding new products to meet the demand for online/self-study course marketing.

The recent economic downturn with its impact on job losses, bank failures, the decline of investment and retirement fund values, housing foreclosures, and reduced spending by consumers has resulted in a reluctance of people to spend their limited funds on non-essential needs. As this belt-tightening continues the market for boating safety educational courses and recreational activities in general will be adversely impacted.

The Association's revenues are falling far short of expectations and currently defined needs. The potential market for Association products and services is believed to be large and expanding. But competition is also increasing. These challenges and opportunities require new strategies by the Association to fulfill its mission.

Goal I: *Generate needed revenue to sustain current and future funding needs.*

Current State – The primary income sources are internal to the Auxiliary organization. They include but are not limited to the national level membership dues paid by the volunteers, sale of educational products to Auxiliary districts and flotillas, sale of uniform accessories and items including operational materials required for Auxiliary facilities and units to perform their authorized activities, and logo or other products of interest to Auxiliary members. The Auxiliary’s materials system marks up most product sales within their respective districts that further contribute to the financial burden on the individual Auxiliary members and the flotilla level of the organization.

Desired State – Income from external sources that share and support a common goal of providing for the fiscal health of the U.S. Coast Guard Auxiliary programs and providing the volunteers the resources to achieve their “Worthy Mission, Proud Tradition” as the premier organization of volunteers in maritime safety and homeland security serving the nation and its local communities.

End State – Establishment of associations, partnerships, beneficial relationships, and arrangements with organizations, businesses, and philanthropic interests that generate the funding needed to meet the mission of the Association.

Objective 1: Fully engage partnership with Coast Guard Foundation to expand donor base with goal of \$50K return on investment within one year and a \$1M return within five years. ***{Lead: Director of Development}***

- Conduct semi-annual ROI reviews of campaigns in November and May.
- Attain \$100K ROI for operating income through fundraising campaigns, excluding grants and pass through donations, annually by December 2012
- Create Planned Giving Program by October 31, 2013 targeted to enroll 100 donors within one year and annually thereafter.
- Reassess the boat donor program by December 2011 that provides vessels for use by Auxiliary flotillas/divisions as well as accepts boat donations to generate income for the Association to support Auxiliary programs.

Objective 2: Determine from Auxiliary National Executive Committee (NEXCOM) funding levels required to meet Auxiliary program needs. ***{Lead: President}***

- Obtain from USCG Aux NEXCOM and specify all Coast Guard program and mission requirements for the Auxiliary including designated funds committed to those requirements and any inhibitors to their accomplishment by June 1st annually
- Redefine annual budget requests from the Auxiliary leadership to identify all funding requirements and priorities for missions/programs not fully supported by U.S. Coast Guard funding by June 1st annually
- Determine Association costs to support the Auxiliary's programs and services then provide complete funding requirements to the Fiscal Committee by June 15th annually
- Direct Fiscal Committee to identify shortfalls between budget and desired state by July 15th annually
- Request from Auxiliary NEXCOM that the Districts report on their states' budgets and the impact of decreased state provided funds to Educational Programs provided by those states by June 15th annually
- Quantify revenues expectations and currently defined needs by July 1st annually

Objective 3: Fully explore grant opportunities available to support Association's mission. ***{Lead: Director of Development}***

- Identify and provide a list of grant programs offered by various entities including government, corporations, foundations, etc. by September 2011
- Continue partnership with Coast Guard Foundation to provide grant writer services and determine feasibility based on costs, potential income, and ROI by August 2011
- Continue to explore internal grant writer capabilities

- Determine grant projects requirements by July 31, 2011 to fulfill Auxiliary program needs for such materials as VSC and other RBS program decals, pamphlets, brochures as well as various programs' outreach efforts
- Develop database for list of requirements and prioritize
- Institute a system to provide Auxiliary leadership information on grant opportunities and the process for applying for such grants by August 2011

Objective 4: Enhanced the partnership with Pentagon Federal Credit Union through marketing/sales plan to increase member participation and use of products to increase financial return to the Association

{Lead: VP Internal Division}

- Create a targeted information campaign to Auxiliary/Association membership by June 30, 2011 on value of the PFCU membership and Association credit card program including its benefits in supporting Auxiliary programs financially and simplify the card application process
- Target specifically District Commodores, their Boards and staff; all National Staff member; and the National Association of Commodores to obtain by August 2011 and encourage the use of the Association's infinity credit card for at least all official Auxiliary travel/procurements
- Increase monthly income from Association's card program by increasing to at least 5,000 cardholders by December 2011

Objective 5: Increase Auxiliary Center income through sales of educational materials and other goods by 10% annually through October 31, 2016. ***{Lead:***

Executive Director}

- Annually assess inventory to ensure maximum turnover and ROI by November 30th
- Establish both wholesale and retail pricing annually by December 31st commensurate with desired ROI and providing reasonable price to members/flotillas

Goal II: *Provide facilities, staff and services necessary for financial management, product support and services to fulfill Auxiliary program requirements.*

Current State – The Association maintains an office and warehouse (Auxiliary Center) to conduct the business in supporting the Auxiliary program. The facility also serves as the Association’s office/headquarters. The facility is leased on a five-year basis with the Association responsible for interior maintenance and the landlord responsible for the facility structure and external maintenance. All Auxiliary educational course materials are obtained, stored and distributed through the facility as are the various other products that facilitate the needs of the Auxiliary program and its members. A staff of five (5) full time employees and one (1) part-time employee provide for the day-to-day operations of the facility and the conduct of the Association’s business. The paid staff works hand-in-hand with the elected and appointed officers of the Association who are volunteers. The volunteer elected and appointed officers of the Association along with the paid staff located at the Auxiliary Center/Association Office comprise the organizational structure that facilitates the Association’s business.

Desired State – Provide modern facilities, dedicated and qualified staff, and services required to accomplish all management and support requirements in fulfilling the stated mission of the Association.

End State – Maintain modern facilities with dedicated staffs organized to efficiently and effectively manage the Association’s business in providing the support and services to achieve the mission’s requirements.

Objective 1: Reassess facility’s space, equipment, and working conditions needed to support mission requirements.

{Lead: Executive Director}

- Review the role and services of the Auxiliary Center by October 2011
- Reassess facility requirements by June 2011
- Reassess benefit of leasing versus facility ownership by July 2011

Objective 2: Annually assess Association's organizational structure to facilitate efficient and effective management of the Association's business. ***{Lead: COO}***

- Assess the Association's organizational structure by October 31st annually to determine best alignment of officers and staffing to facilitate effective functional management of the Association's business
- Assess paid staff requirements to facilitate day-to-day management and performance of services of the Auxiliary Center/Association Office by September 2011

Goal III: *Provide superior educational courses and products to enhance boating safety and security.*

Current State – Auxiliary educational courses, materials and products are obtained through various sources by the Auxiliary Center then organized and distributed through the Auxiliary’s material system. Course curriculum is developed by the Auxiliary’s Education Department who works in conjunction with the Auxiliary Center, printer(s) and publishers on finalize requirements and procurement of the materials. All products are assembled at the Auxiliary Center then distributed through the Auxiliary district materials system. The Auxiliary Center facilitates the printing of some course and materials through a printing firm while other courses are purchased from publishers of the textbooks used in conjunction with a course.

Desired State - Provide quality, state-of-the-art educational courses and products promoting boating safety and security for the U.S. Coast Guard Auxiliary enhancing its recognition as the premier boating safety and security organization.

End State – Auxiliary courses and products branding as superior products sought not only through Auxiliary venues but internationally by boating safety and security organizations at all levels of the educational spectrum.

**Objective 1: Provide Auxiliary public education program with superior products
{*Lead: VP Education*}**

- Determine life cycle of current course/products offered by June 2011
- Research market for new trends/requirements by October 2011 and develop new courses/products/delivery medium to meet educational needs as well as public and private demands for boating safety, homeland security and domain awareness knowledge

**Objective 2: Establish Auxiliary educational courses/materials as the premier brand
{*Lead: VP Education*}**

- Increase marketing of Auxiliary educational courses/products to the public by December 2011

- Establish agreements with other boating safety oriented organizations to promote Auxiliary courses/products by September 2011
- Become the primary provider of boating safety and security courses/products to commercial, governmental (Federal/State/Local) and boating organizations entities by May 2012

Objective 3: Establish the Association as a leader in boating safety and security.

{Lead: VP Education }

- Participate directly with other boating safety and educational entities in promoting safety, security and education programs by July 2011
- Develop grant program to fund targeted educational efforts in boating safety, domain awareness and security, and, educational programs for Auxiliary units by September 2011

Goal IV: Develop branding image, function and purpose for the Coast Guard Auxiliary Association and its public services in supporting Auxiliary programs and missions.

Current State – The Association’s current image does not effectively communicate its purpose or its mission as an organization. Many members of the U.S. Coast Guard Auxiliary as well as the U.S. Coast Guard do not understand why we have an Association and how it supports the mission and programs of the Auxiliary. This is complicated internally as many members believe that the Coast Guard provides the necessary funding to support most facets of the Auxiliary programs including the National Auxiliary Board and Staff, promotional brochures/information relating to the Auxiliary organization and its programs. However, outside income sources are required for such things as National Board meetings and National Training programs; RBS program decals, manuals and materials, facilitate non-profit grants/donations for Auxiliary units and programs, and other key functions of the organization. The Association was established as a 501(C) (3) non-profit corporation to help manage the fiscal affairs of the U.S. Coast Guard Auxiliary National Board as well as provide a mechanism to obtain additional sources of income to fund Auxiliary program needs not funded by the Coast Guard. Likewise, externally many of those who receive Auxiliary services or groups and organizations that deal with the Auxiliary do not fully understand why the Association exists or how it is a mechanism to provide funding needed to support the Auxiliary and its programs.

Desired State – A single image for the U.S. Coast Guard Auxiliary and the Coast Guard Auxiliary Association that enhances public recognition of the Auxiliary and its services to the nation and the local community that also provides a transparent transition to the Association and its role in supporting the Auxiliary.

End State – A vibrant Association image specifically entwined with the U.S. Coast Guard Auxiliary image that simplistically and clearly defines the Association’s purpose and mission.

Objective 1: Establish precise Association image for external and internal audiences that fully defines the organization and how it benefits the nation and local communities through supporting USCG Auxiliary volunteers performing their missions of safety, security, education and community service. ***{Lead: VP External Division}***

- Develop a simple approach for external and internal customers that focuses the Association's image on how it provides support for Auxiliary missions and programs by July 2011.
- Develop image marketing materials for the Association for review of the Executive Board by October 31, 2011 that includes production cost estimates, quantities needed and a planned distribution system.
- Develop image-building techniques system to market the Association's image internally and externally by January 31, 2012.
- Perform reviews by May 31st annually to ensure a viable image and update as needed for current and forecasted environments at the time of such reviews.

Objective 2: Establish a marketing plan that uses the organizations' image to further the Association's brand within the Recreational Boating community as well as emphasizes the broad base missions of the Auxiliary and the support the Association provides in accomplishing those missions.

{Lead: VP External Division}

- Identify specific outlets and mechanisms within the recreational boating community for targeting Auxiliary and Association services and needs by December 30, 2011
- Explore grant resources for marketing projects and identify cooperative efforts with educational institution's thesis study programs in developing marketing plans and conducting marketing research studies.

- Develop measures to effectively gauge promotional efforts including targeted goal of each promotion, investment costs, successes in obtaining desired results and cost-benefit achieved by August 31, 2011.
- Nurture partnerships that may expand the Association's ability to reach the widest possible audiences in obtain needed funds to support Auxiliary program needs by March 31, 2012.

Required Officers' Actions: Lead personnel designated in this Strategic Plan shall use the goals, objectives and strategic imperatives identified above to develop their Tactical Plans and submit the plans to the Chief Executive Officer (CEO) and Chief Operating Officer (COO) by June 1, 2011. Each Tactical Plan shall include a tracking system that provides a quarterly status to the COO commencing June 30, 2011 on each element of the plan and their accomplishment. The COO shall provide an overall quarterly update on the plan to the Board of Directors commencing July 31, 2011.