

BDBC EGM: 16th July 2007

Review of Strategy Proposals from the Board of the EBU

Impact on Busbridge Duplicate Bridge Club and its members

Summary of Proposals

- ♠ Replace EBU annual subscription and Master Point charges with a “Pay to Play” table charge
- ♠ Generate more revenue and membership for EBU by effectively removing the ability for club members to opt-out of EBU membership
- ♠ Add a range of “free” services
 - ♣ Scoring software, ranking, web site hosting

Timetable

- ♠ EBU Timetable
 - ♣ Meetings with counties end July
 - ♣ “Full and considered discussion” at EBU AGM in October 2007
 - ♣ Target introduction date is by April 2010
- ♠ Today’s objective is to agree feedback to SCBA / EBU

Alternative Perspectives

- ♠ Many players have chosen not to join the EBU
 - ♣ EBU costs are too high for what it provides, particularly to the average club or player
 - ♣ The current financial model used by the EBU (subscriptions at £20 per head, plus Master Points) has failed because many players see little value in what the EBU provides
- ♠ The new scheme itself will cost c. £170,000 to introduce, yet there is no evidence presented that it will increase membership
- ♠ The EBU sees the P2P fee as a “Volume Control” with which they can generate required revenues in the future

Financial Analysis

Considered from the following perspectives

- ♠ Overall BDBC contribution to EBU
- ♠ Impact on individual members
 - ♣ EBU member
 - ♣ non-EBU Member
- ♠ Impact on BDBC subscriptions
- ♠ Impact on BDBC organisation

Financial Summary

- ♠ Current EBU Financing
 - ♣ individual subscription of c. £20 per annum
 - ♣ Master Points charges equivalent to 13p per player per session (approx. £7 per member per annum paid out of the £35 BDBC Subscription)
- ♠ Proposed EBU Financing
 - ♣ club affiliation fee (£100 per annum for BDBC, i.e. £1 per member)
 - ♣ Pay to Play (P2P) charge of c. 43p per player per session for EBU members

BDBC Contribution to EBU

- ♠ The combined contribution to the EBU from BDBC and its members increases
 - from £1800
 - to between £2400 and £2800 per annum
 - ♣ mainly as a result of additional payments from non-EBU members
- ♠ “Free” EBU Services
 - ♣ seem to offer little of value to BDBC in return

Current BDBC Membership Costs

	EBU Member	Non-EBU Member
Number of Members	~55	~45
EBU Subscription	£20	£0
BDBC Subscription	£35	£35
- BDBC Costs	£28	£28
- Paid to EBU	£7	£7
Total Cost	£55	£35

Possible BDBC Membership Costs

	EBU Member	Non-EBU Member
EBU Subscription	£0	£0
BDBC Subscription	£29	£29
- BDBC Costs	£28	£28
- Paid to EBU	£1	£1
Per Session Cost	£0.43	? (£0.60)

Impact on EBU Members

Assuming the BDBC subscription is reduced to £29 and the EBU P2P charge of 43p per session is applied directly to each individual player

- ♠ Members playing once per week or less will be better off
- ♠ Members playing much more than once a week will be worse off

Impact on non-EBU Members

Assuming the BDBC subscription is reduced to £29 and the EBU P2P charge of 43p per session is applied directly to each individual player

- ♠ All non-EBU Members will pay significantly more (unless they play less than 10 times a year)
- ♠ Logically ALL such members should either
 - ♣ join the EBU at a one off cost of £5
 - or
 - ♣ look for a non-affiliated club
- ♠ The exact figures cannot be calculated until the non-member P2P figure is agreed

Impact on BDBC Subscriptions

- ♠ Costings
 - ♣ 100% Flat Rate at approx. £52 per annum
 - ♣ 100% Table Money at approx. £1 per session
 - ♣ Any option in between to achieve c. £29 annual fee + 43p table money
- ♠ Structure
 - ♣ proposed scheme leaves the club with little option but to collect Table Money at every session to cover EBU costs
 - ♣ this is likely to force the club away from its current flat rate subscription structure
 - although the Flat Subscription may have been a competitive advantage, Table Money is undoubtedly fairer
- ♠ In any event, membership costs at BDBC will remain low compared to other clubs

Impact on BDBC Organisation

- ♠ Membership Levels
 - ♣ 45% of membership are not in the EBU and are unlikely to welcome significant cost increases
 - ♣ some members may resist 'enforced' EBU membership
 - ♣ any loss of such members (e.g. to non-affiliated clubs) would severely impact the club viability
- ♠ The club may therefore need to consider
 - ♣ disaffiliation from the EBU
 - ♣ splitting into 2 clubs (affiliated and non-affiliated) playing on different days

Draft Feedback to EBU

- ♠ The financial model used to develop these proposals needs more detail, for example in terms of risk analysis and sensitivity to the number of EBU members
- ♠ The proposal is intended to increase EBU membership, but the financial model reflects a flat membership; indeed, the EBU has chosen to add a contingency of c. £100k into its financial plan. This suggests that the EBU has no confidence that the plan will achieve its stated objectives
- ♠ Given that a significant number of members of EBU-affiliated clubs are not themselves EBU members, it is not possible to assess the impact on clubs without having a specific P2P fee proposal for non-EBU members

Draft Feedback to EBU (cont.)

- ♠ A big risk of the P2P proposal is that it will drive non-EBU members away from EBU-affiliated clubs. The EBU itself is largely protected from the financial impact, but the clubs themselves are not
- ♠ The 'Free Services' are of limited practical value to clubs, particularly to those who have already invested in scoring software and web site hosting
- ♠ The new financial model does not fit well with clubs which charge a fixed annual subscription rather than Table Money
- ♠ Given the potential impact of these changes on the club and its members, BDBC would need to seriously examine the option of disaffiliation from the EBU