**Executive Summary**. For our 2021 Summer Board Meeting, I want to provide a short, high-level assessment of where I believe we are against several key organizational topics. I have added “Retail Assessment” since our last meeting. Let me first make sure you understand how this assessment is organized: There are four columns. The left most column is the topic or focus area; the next column entitled “Winter February 2021” is where I assessed the area at our last meeting, the third column entitled “Summer August 2021” is where I think we are today, and the final column is a 6-12 month forecast. My assessments are to the point and not pulling any punches as I believe it important that we all understand the current and future projected health of MCA.

Focus Area

* **Membership**. (**RED**) Membership remains red and not where desired in terms of total number of members. Current membership has remained at 51,000 and just as I reported this past Winter. The MCA staff has been working diligently to keep it at this level even in the face of lingering impacts of COVID-19 and our inability to gain consistent access to Marines at schools and other training locations such as east and west coast Schools of Infantry, The Basic School, SNCO Academies, and other training institutions. The Professional Development Membership Awards Program (“PDMAP”) was rolled out during this past year and has had some good early results; albeit not yet where the staff would like in terms of numbers.
  + Outlook (**YELLOW**). Together with the CEO, I do see recovery and growth with a focus on schools of Marine Corps University, and Training Command as well as some coordination we are doing with MCCS to work to get back into the recruit depots at Parris Island and San Diego. The staff recently met with the new CG of Education Command/MCU BGen Field and has meetings set up during August with the new CG of Training Command, MajGen Alford, and of TECOM LtGen Iiams. They have also recently met with SES Cindy Whitman-Lacy and her MCCS staff exploring potential opportunities together. The area of membership will continue to be a priority area of focus for the incoming President and CEO consistent with Strategic Plan.
* **Retail Performance**. (**YELLOW**). Overall retail performance is assessed as YELLOW and continues to be impacted by COVID-19-related less foot graphic in The Marine Shop and less Marine Corps officers purchasing dress uniforms. That said, business is picking up and we have a significant number of recent requests for mess dress.
  + Outlook (**YELLOW**). We will hear more about all things retail during the board meeting including from Col Reinwald and her aggressive efforts already underway to make necessary changes in Retail side. On the ecommerce side, sales continue to grow due to more aggressive marketing and advertising and increased focus on ad words on Google, Chrome and other top search engines as well various sales and preparations for a renewed MC Birthday Ball season.
* **Insurance**. (**GREEN**). Initial indications are that ending our long-term relationship with AGIA and choosing a new insurance partner, Pearl Insurance, was the right decision. We are already seeing some uptick in revenue. Pearl Insurance is leveraging our magazines and social media as well and joined as one of our corporate sponsors.

* + Outlook. (**GREEN**). While it is still too early to predict complete success, I believe this will continue to move in the right direction.
* **Advertising**. (**GREEN**). You heard me talk about COVID and impacts on advertising at our last board meeting. It has also impacted advertising in both print and on-line digital products. The market tendency remains as advertisers continue to move away from print in favor of digital, and the MCA&F staff is pursuing future opportunities in this regard with more digital advertising. That said, hard work and constant communications and engagement has continued to move this effort in the positive and it is on track.
  + Outlook (**GREEN**). Same as above. Good news story here.
* **Corporate Sponsorships**. (**GREEN**). Overall, this area is meeting expectations. Sponsors are eager to get back to “business as usual” including attending events and engaging with Marines and senior Marine Corps leadership. They also deeply value networking opportunities associated with our awards dinner events. Our overall # of sponsors is continuing to grow and LeeAnn Mitchell and her team’s aggressive work in maintaining contact throughout is paying off.
  + Outlook (**GREEN**). I have confidence that the CEO and staff will continue to work hard to keep current corporate sponsors and gain new ones in 2021. Our new role in Modern Day Marine doesn’t hurt in this regard either.
* **Foundation Donations**. **(GREEN**). Foundation donations are on track for this time of year and just above budget. I know that the CEO and staff will discuss this in more detail together with Col Mundy as the VP of our Foundation but good news story here.
  + Outlook. (**GREEN**). Outlook is bright for Foundation donations for the remainder of the year and into 2022.
* **Investments Performance**. (**GREEN**). We are pleased with the continued maturation of our relationship with Merrill Lynch as our Investment Fund Manager. Results to date are right at benchmarks and we will hear more about this from the Finance Committee.
  + Outlook. (**GREEN**). Although there is always market uncertainty, I am optimistic about the near future and comfortable with our portfolio, its management with Steve Young and Merrill Lynch and our outstanding internal board oversight from the Finance Committee.
* **Overall Cash Flow**. (**GREEN)**. The $827K PPP obviously was outstanding and helped us get through a difficult time in the midst of the pandemic. Also on the positive, the CEO and staff thought they would have had to draw down the Loan Management Account by now but that is not the case due to hard work to keep expenses at a low rate, growth of corporate sponsors, and unanticipated revenue through last year’s Virtual MDM Expo.
  + Outlook. (**GREEN**). I see no real change over one over the next year and although we do not know how much revenue this September’s MDM will bring in, it will definitely give us a cash boost. This, coupled with initiatives related to membership give me every reason to be optimistic in the near term.
* **Retail Committee Assessment**. (GREEN). In support of Goal 5, Objective f. in our Strategic Plan, an assessment is underway, led by LtGen Zilmer and the Futures Committee, looking at all current MCA Retail-related lines of effort to determine way ahead for the MCA retail enterprise. We will hear more about it during the board meeting.
  + Outlook. (GREEN). We anticipate presenting the board a recommendation for decision then moving ahead with implementation within the next 6-12 months.
* **Modern Day Marine**. (**GREEN**). The MCA Staff together with the Marine Corps League continue to work to strengthen the relationship with HQMC for Modern Day Marine. Planning is ongoing for a “live” MDM this September aboard MCB Quantico. Together with our MDM co-host, discussions between the CEO and National Commandant of the Marine Corps League are ongoing in support of the next version of the contract/agreement with Emerald Expos.

* + Outlook. (**GREEN**). For this year’s MDM in September, we have full endorsement and support of the Commandant and his senior leadership. As an indication of his embracing MDM and the Expo, General Berger laid the groundwork to get the Deputy Secretary of Defense, Dr Hicks, to be a keynote speaker. The challenge will be planning for the May 2022 MDM at the Washington Convention Center concurrently with this year’s Expo. Additionally, within the next 6 months, we are planning to hire a new Exec VP and an planner to specifically focus on the MDM Expo...this is how important this will be to MCA’s future.

* **Foundation Program Delivery**. (**YELLOW**). You know the challenges we experienced in 2020 especially as the impacts of COVID wiped out a large part of our Commanders’ Forums program.  Battlefield studies and staff rides were not possible and that contributed to less program delivery expense to Marines even though we still supported close to 60,000 Marines across the Corps with our other programs.  The good news is, 2021 seems to be a rebound for us and we’ve been able to support several large, multi-day staff rides as part of the Commanders’ Forums program.  We’re also getting more active duty Marines to our professional dinners, and their attendance is provided as part of program delivery.  Still not at 6/30 projected budget levels.
  + Outlook. (**YELLOW**). Although we do forecast improvements in program delivery throughout the rest of 2021 and into 22 we don’t see it making up the difference.
* **USMC Senior Leader Support**. (**GREEN**). I have assessed this as Green and meeting expectations” although there is linkage to membership. Make no mistake though...the relationship of the CEO to CMC, ACMC, SMMC, Deputy Commandant’s, and others is superb.
  + Outlook. (**GREEN**). The outlook remains GREEN we are very excited with a new President and CEO who already has positive relationships from his very recent time on active duty. I expect him to leverage this relationship to assist with increases in membership.
* **Strategic Plan Execution**. (**GREEN**). I remain pleased with our 5-year Strategic Plan and want to encourage all board members to look for opportunities to refresh your knowledge of the goals and objectives when you get a chance. We will discuss in more depth during the board meeting and I look forward to hearing updates from the MCA Staff. I encourage board members to ask questions during the updates.
  + Outlook. (**GREEN**). A major agenda item for future board meetings this year, next and beyond will be the MCA Staff providing updates on where they/we are relative to goals and objectives stated in the Strategic Plan. We need to do a better job assessing status with established Measures of Effectiveness and Performance.
* **Relationships w/ Sister NFEs**. (**GREEN**). Relationships with sister service professional associations including AUSA, AFA and USNI and Navy League have never been better. Gen Faulkner has established personal and professional relationships that are already paying dividends through information shared with us to assist in planning for the upcoming Modern Day Marine Expo. Across the Marine Corps, the same applies to relationships with CEO relationships with the Heritage Foundation, University Foundation, Scholarship Foundation, Marine Corps League, to name the major ones. That said, there remains little appetite for merging of organizations or missions at this point. This may change in the future perhaps with MCA&F’s future designation as a National Military Association, engagement with Modern Day Marine, and working closely with CMC and HQMC, etc.
  + Outlook. (**GREEN**). Same as above as relationships will continue to strengthen under the new President & CEO’s leadership.
* **Digital Presence / Social Media**. (**GREEN**). The MCA&F Staff has done some terrific work on our public facing website, especially on the professional development page, as well as other social media feeds such as Facebook and Twitter. The overall quality and clarity continues to get better and better.
  + Outlook. **(GREEN**). Same as above.
* Board Succession Planning. (**GREEN**). We continue to incrementally improve in this area and I feel pretty good about where we are. That said, this year we have some work to do looking at each of our committees and when the incumbents will rotate out and who may be in line to step up into the leadership position. I also know that LtGen Toolan and his Governance Committee has been working this hard over the last few months individually engaging board members.
  + Outlook. (**GREEN**). With some additional work by the Executive Committee and all board members, I see us addressing this in more detail over the next several months and being in a better position this before this time next year.
* NMA Designation. (**YELLOW**). You will recall that OSD gave MCA the equivalent of “conditional approval” of our request to be designated a National Military Association. Specifically, we were required to conduct 2 x Annual Meetings / Conferences in order to display that this is our future intention, THEN we were to resubmit our request for consideration/award of the NMA. Recall that the first of the two Annual Meetings was conducted this past last year where General Berger was the Guest of Honor. The second will be on September 21st conducted in conjunction with Modern Day Marine aboard MCB Quantico. It will be a breakfast meeting and again this year, the Commandant will be the Guest Speaker. I encourage as many board members as possible to attend as it is important to visibly display board member participation.
  + Outlook. (**GREEN**). As for the outlook, once our breakfast meeting is complete, we plan to immediately resubmit with the new President & CEO’s signature, a request with both the Commandant of the Marine Corps’ and Secretary of the Navy’s Endorsement to OSD for consideration. We are optimistic that our request will be approved as we have General Berger’s full support and we will grease the skids to ensure the incoming SecNav provides the same. We can talk more about the NMA during the board meeting.
* President & CEO Succession. (**GREEN**). I want to thank Jay Holmes, LtGen Toolan and all board members who comprised the recent CEO Selection Committee for your efforts. As everyone is aware, LtGen Chuck Chiarotti will complete a turnover with General Faulkner the end of this month and then begin full-time as our new President and CEO on 1 September.
  + Outlook. N/A