**Executive Summary**. For our 2022 Winter Board Meeting, I want to provide a short, high-level assessment of where I believe we are against several key organizational topics. These topics were last assessed during our summer meeting, and I believe help to track progress in some if not all areas. 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 “Summer August 2021” is where Mark and George assessed the area at our last meeting, the third column entitled “Winter Meeting 2022” is where I think we are today, and the final column is a 6-12 month forecast. I make this assessment hopefully to inform, but also to demonstrate what I believe may be areas that are not fully in alignment with our strategic plan. Overall, I believe we are in good shape—at least in the near term.

Focus Area

* **Membership**. (**RED**) Membership remains red and is not where we desire in terms of total number of members. Current membership has decrease to 47K this number continues to decline year over year. The MCA staff has been working diligently to stop the downward spiral---unfortunately, no end is insight. Despite rolling out several initiatives, we have been hard-pressed to add numbers to our overall membership. 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 (RED). We have more work to do on the membership front. Membership for the Association continued to decline across the year following a downward spiral over the last several years. We have begun to see a consistently declining membership base across multiple years. Historical trend since 2016 indicates that we have lost ~20K members from ~68K in 2016 to ~48K in 2021. Many factors can explain this decline. Declining membership can be an indicator of how we are seen across the Marine Corps, or more than likely, an indication of the value that members and partners see in their professional association. Changing demographics and shifting interest from hard copy to digital/social media can be another contributing factor. Regardless, we are examining how to best address this problem. This trend is not unique to MCA, rather it is a trend that has manifested itself across many member-based associations, and it is a constant topic that has been examined during industry forums. Presently, no easy solution is at hand. In the coming year, declining membership will be one of my highest priorities to address and continues to be an area of greatest concern.
* Retail Performance. (**Red**). Overall retail performance is assessed as Red and continues to be impacted by COVID-19-related less foot traffic 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. We have not fully grasped the impacts to a force shaping efforts resulting from Force Design, supply chain impacts, inflation, and cost of goods increase on our profit margins.
* Outlook (**YELLOW**). 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. We continue to take nearly 75-80% of all accessions from Naval Academy classes, NROTC, and WOBC. Our team has moved mountains to posture TMS, both our brick and mortar store and our ecommerce segment, to be more competitive in the coming years. We have established realistic sales goals and tailored projections to meet actual customer demand. I remain optimistic that we will be able to right the ship and turn our retail business into a profitable endeavor. Time will tell.
* Insurance. **(Yellow)**. Initial indications are that ending our long-term relationship with AGIA and choosing a new insurance partner, Pearl Insurance, was the right decision. However, we have not yet realized our expected returns. Some of this can be attributed to impacts from COVID, other, awaiting final resolution of our terms of agreement between MCA and USAA. Previous agreement with USAA did not allow for us to entire into third party agreements with same product providers. This basically, halted all efforts to press Pearl Insurance to pursue agreed upon projections. We are now in the process of re-establishing our direction to them to initiate sales. I foresee that they will, be able in the coming years increase their performance and as a result increase our revenues.

* + 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**). Although COVID has redefined how we do business in some areas of advertising, we continue to do exceptionally well across all fronts. Our team has adapted well and continues to generate new and exciting advertising content and new business.

* + Outlook (**GREEN**). Same as above. Good news story here.
* Corporate Sponsorships. (**GREEN**). Overall, this area is exceeding 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**). 2022 will see an increase in the number of events that we have planned. We will also press to reach locations/areas outside of our normal comfort area – NOVA. We plan on taking our events to Chicago, Hawaii, Japan, and Germany. We seek to restart all efforts to reach Marines stationed around the globe – bring them the same level of engagement as we have in NOVA. Additionally, we will co-host the first ever Modern-Day Marine at the National Convention Center in Washington DC. We have already seen a significant number of partners, vendors, etc.… sign up for this event.
* Foundation Donations. **(GREEN**). Our donor base continues to deliver. Foundation donations are on track for this time of year and just above budget.
  + Outlook. (**GREEN**). Outlook is bright for Foundation donations for the remainder 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)**. We are in a positive position with regards to our cash flow. We do not carry over any debt which requires servicing and we are able to make monthly operating expenses with existing cash balances.

* + Outlook. (**GREEN**). I see no real change over the next year and although we do not know how much revenue this May’s MDM will bring in, it will 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 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 May, we have the 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. (**GREEN**). The Marine Corps Association’s supporting Foundation had another great year in 2021.  Program delivery was challenged by COVID, however, we came close to meeting projections for the year. You are aware of the challenges we experienced in 2020 especially as the impacts of COVID wiped out a large part of our Commanders’ Forums program.  2021 saw us slowly returning to pre-COVID levels of activity.  The good news is, 2022 seems to be headed in the right direction for us and we will be able to support several large, multi-day staff rides as part of the Commanders’ Forums program.  We also plan on getting more active duty Marines to our professional dinners, and their attendance is provided as part of program delivery.
  + Outlook. (**GREEN**). We see the above continuing over the next 6-12 months.
* 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. Our relationship with. MCL is of added benefit as we face MDM in May and beyond. We also look to join ranks with existing NFE’s from other services to explore opportunities to affiliate and expand our reach and opportunities. That said, there remains little appetite for merging of organizations or missions at this point.
  + 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 continue to get better and better.
  + Outlook. **(GREEN**). Same as above.
* Board Succession Planning. (**GREEN**). N/A
  + Outlook. (**GREEN**). N/A
* NMA Designation. (**Green**). Action complete.
  + Outlook. (**GREEN**). Action complete.
* President & CEO Succession. (**GREEN**). N/A
  + Outlook. N/A