



# **LONG-TERM STRATEGIC PLAN**

**October 2012**

ECF Mission Statement

*“To promote the game of chess, in all its forms, as an attractive means of cultural and personal advancement. To foster the highest level of achievement in the game. To make chess available without discrimination on grounds of colour, creed, disability, impairment, occupation, race, religious or political affiliation, or sexual orientation; and to promote equal opportunities in a positive manner.”*

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# ECF Long-Term Strategic Plan

## 1. INTRODUCTION

### A. BACKGROUND

This Long-Term Strategic Plan (LTSP) forms a key part of the ECF business planning cycle. Its purpose is to record the long-term strategy of the ECF and to provide the basis of the strategic choices made. More importantly, the LTSP serves a critical role in explaining the direction of the ECF to its members and stakeholders. This encourages transparency and debate, helping to ensure that the organisation's strategy reflects both the needs of the market and the wishes of the ECF's constituents.

Strategy is built upon three distinct elements:

- (1) *A thorough understanding of the current position.* This is considered in **Section 2**. Included in **Appendix 1** is the previous detailed review of risks, issues and opportunities, written in 2009.
- (2) *A clear vision of the desired future.* This was documented in 2009, reproduced here in **Appendix 2**.
- (3) *An evaluation of the possible action plans available to bridge the gap between (1) and (2).* This is set out in **Section 3**.

The final result of the strategic analysis should be the selection of a realistic but ambitious plan, which takes the organisation in the desired direction while achieving the most appropriate balance of risk and reward. Of particular importance is that the plan is 'resource-based'; in essence, an organisation must be able to access the necessary resources to execute the agreed strategic objectives.

The process of strategic planning tends to be one of evolution rather than revolution; as such, some areas might be the same as – or similar to – previous plans. A detailed *Strategic Review* was last completed in August 2009 by the Strategic Planning Officer, which formed the basis for the Long-Term Strategic Plan in October 2009. This was reviewed in 2010 and again in 2011 and, whilst some areas were refined to reflect changes in the landscape, much of the strategic vision from 2009 remains relevant in 2012.

### B. CURRENT POSITION

Since the ECF exists to support and promote the playing of chess, it is useful to begin this report by noting that last year's increase in the number of graded players (+2.1%) – the first for several years – has continued and, indeed, accelerated (+4.3%). The statistics also show a marked increase (+9.5%) in the number of graded results, and confirm rapid games now account for 29% of results – up from 25% in 2009/10. As an organisation, it is important that we are cognisant that the chess landscape is evolving.

<b>Executive Highlights:</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2011/12 v 2010/11</b>	<b>2010/11 v 2009/10</b>
Number of players in Grading list	11,627	11,873	12,381	+4.3%	+ 2.1%
Number of graded results	273,291	281,787	308,600	+9.5%	+ 3.1%
% of standard results	75%	73%	71%	-2%	-2%
% of rapid results	25%	27%	29%	+2%	+2%

The Membership scheme, including its conception, development, agreement and implementation, has been a long-term organisational change. At a macro level, this member-generated income provides financial

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independence from the Government and/or commercial sponsorship - to provide support, infrastructure and event organisation.

The work towards splitting ECF into two distinct bodies – one charitable, the other not – continues to make progress. The ECF has received encouraging feedback from the Charity Commission on the planned application for charitable status: a further update is to be provided at the AGM (Oct-12).

After the cessation of the DCMS grant (£60k) in Mar-11, which necessitated a cost reduction programme (saving c. £35,000 per annum, with headcount reduced by 40%), the current management focus has been to consolidate the efficiency savings achieved. The use of IT and Internet technologies remains of central importance in the achievement of this.

A more detailed appraisal of the current situation is contained in the Achievement Report 2011/12.

## 2. SITUATIONAL ANALYSIS

Before deciding upon a strategy for the future, it is essential to have a clear understanding of the position from which one is starting. As organisations do not operate in a vacuum, it is important to assess this from both an external (i.e. factors outside the direct control of the ECF) and internal perspective.

### A. EXTERNAL ANALYSIS:

As a not-for-profit national federation, the ECF does not compete in a commercial sense this being said, an understanding of the commercial chess landscape remains important. As such, it is essential to remain cognisant of shifts in national, regional and/or global trends, as well as significant changes in the landscape itself.

- i. The dramatic, almost inexorable rise in the prominence of online chess websites has continued: these are powerful, global chess brands – some with millions of registered users. There is an argument that these provide an attractive substitute to classical ‘over the board’ chess (OTB), offering the convenience of 24/7, real-time tournaments, without the need for travel, etc. Conversely, they can also be considered as a hunting ground for new ECF members, where we seek to actively migrate users from online only, to online and OTB.
- ii. The recent AGON commissioned YouGov report into chess trends revealed some interesting statistics for the ECF – albeit at the UK level, not the England level – including: [a] 70% of the adult population has played chess at some point during their lives; [b] 12% of adults currently play chess (either weekly, monthly or during the past year); [c] 6 million people in the UK are playing regularly; and [d] more than half of regular players are aged 18-34 (note: the full press release is available online, see: <http://www.chessbase.com/newsdetail.asp?newsid=8392>).
- iii. In addition to the ECF managed British Chess Championships, and a range of other tournaments, a number of other chess entities exist. These include: London Chess Classic, bringing top-class chess to the capital along with a festival of events for all levels; an increasing number of FIDE-rated events, provided through e2e4 congresses and the 4NCL, among others; the UK schools chess challenge (Michael Basman); and Chess in Schools and Communities (Malcolm Pein). A number of prominent players also operate commercial and/or not-for-profit activities, which, in conjunction with the aforementioned entities, results in a somewhat complex market place.

### B. INTERNAL ANALYSIS:

For the purposes of this report, the internal analysis is presented in the following sub-sections: (a) Organisation and Governance; (b) Income and Expenditure; (c) Products and Services; and (d)

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Marketing and Communications. These should be considered as ‘highlights’ as opposed to an in-depth appraisal of the entire organisation. A more detailed appraisal of the current situation, including a status update from each of the Directorates, is contained in the Achievement Report 2011/12.

## **i. ORGANISATION AND GOVERNANCE**

At a macro level, the approved Membership scheme provides member-generated income to fund the support, infrastructure and event organisation. At the same time, the work towards splitting ECF into two distinct bodies – one charitable, and the other not – continues to make progress. After the cessation of the DCMS grant (£60k) in Mar-11, which necessitated a cost reduction programme (saving c. £35,000 per annum, with headcount reduced by 40%), much of the remaining management focus has been to consolidate the efficiency savings achieved.

As an organisation with a significant reliance on volunteers, it is important to note there is a finite level of resource. If the ECF is to achieve its potential, it is vital that this resource is channelled in constructive directions. There are still several vacancies for voluntary positions and a number of key individuals have announced that they are stepping down in October 2012. In a similar vein, demanding times tend to exacerbate the impact of the variable availability of Board members, who frequently have a day-job to manage as well. Most management teams have face-to-face contact as a matter of routine; the structure of the ECF means that this is only rarely the case.

At present, there is a relative paucity of ‘management information’ [up-to-date information about present activities], for internal and external purposes. For example, management accounts are not produced and no ‘per month’ Key Performance Indicators are available. From an operational standpoint, this makes informed decision-making more challenging, time-consuming or even impossible. Often, the source data are available, but they are not routinely analysed and resource constraints mean that they are often impractical to access when needed.

## **ii. INCOME AND EXPENDITURE:**

The starting point of the 2009 assessment remains valid: “Lack of funding is the most significant practical constraint on the ECF’s progress.” Since 2009, however, there have been several important developments:

- The £60K DCMS grant has ceased entirely;
- A review of the Management Services function and other activities was completed and enabled the ECF to reduce its costs by some £45K;
- Prior to the above events, the run of annual deficits was halted in 2009/10 and a surplus generated in 2010/11. The latest financial year shows signs of further consolidation, the ending of the DCMS grant notwithstanding;
- The new membership scheme has been approved and implemented;
- A reorganisation to break up the ECF into two bodies, one charitable and one non-charitable, is in preparation.

Like any major change, the implementation of the membership scheme brings with it a number of risks and uncertainties. The extent of take-up is unknown, although early signs are encouraging, and the pricing of the Game Fee alternative means that, all other things being equal, there is no adverse

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financial impact from low-take-up (the reverse, in fact). The most significant threat to income would be a substantial reduction in the number of players or the withdrawal from the ECF of parts of leagues and/or county associations. At the time of writing, there were no signs of such a development.

## iii. PRODUCTS AND SERVICES:

A board-brush definition of products and services has been used, simply to ensure that the main *offerings* are considered as part of the strategic planning process. As a result, this includes a brief review of revenue-generating and free *offerings*.

- **Membership:** This is, of course, the life-blood of the ECF. The recent shift to a Membership scheme, in the post-DCMS grant era, still requires ‘embedding’ into the organisation; the success of this is of critical importance.
- **Grading and Rating:** In the eyes of many players, this is the most important service provided by the ECF. For some, it *is* what the ECF does. The value of grading and rating services in enhancing the chess player’s enjoyment of his sport is well established.
- **Certificate of Merit:** CoM continues to deliver mixed results. If demonstrated at events, it receives positive feedback from younger users; in commercial terms, though, sales are disappointing – at best, and if we ignore the *opportunity cost* of volunteer time and the capital investment, the product is break-even. Taking into account the original investment, this has been a loss-making project to date.
- **Diary:** This is a relatively simple printed product, with a modest print run (c. 600 copies).
- **Year Book:** This is a relatively comprehensive product, offering a snapshot of the year’s activities; it has a modest print run (c. 600 copies)
- **Websites:** The main websites – EnglishChess.org.uk and ECFGrading.org.uk – are of sufficient size to be ‘monetized’. In Jul-12, EnglishChess.org.co.uk attracted 44.1k total visitors (15.0k unique visitors), and ECFgrading.org.uk attracted 39.9k total visitors (13.6k unique visitors) – with combined traffic of 655.5k total page views (367.5k unique page views).
- **Chess Moves:** This is the members-only digital magazine, published 6 times per annum; it has a limited readership. At present, the majority of content is recycled from the website.

## iv. MARKETING AND COMMUNICATIONS:

- In absolute terms, the ECF as an organisation has probably been more communicative in the last two years than at any other time. This being said, the various controversies following the 2011 British Championships led to a worsening of the relationship between the Board and the wider chess community. Given the regrettable oversight when it came to disclosing the decision to take the CAS legal action against FIDE, some will conclude that transparency also took a step back in 2011/12.
- In these matters, the ECF Board has endeavoured to be open and honest; but, more work is needed to re-build trust. On a more positive note, there has been a continual effort to consult – and be seen to consult – on important issues, e.g. the development of proposals for future ECF funding, charitable status, etc. The inclusion of several major consultation papers at the 2012 Finance Council meeting and the long dialogue with members over the funding proposals are evidence for this.
- The EnglishChess.org.uk website and its associated Facebook and Twitter accounts continue to provide regular bite-sized updates. The ECFgrading.org.uk website receives hundreds of grading

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enquiries a day and remains an invaluable resource in the dissemination of grading information. In terms of communication, interaction is actively encouraged through Facebook and Twitter. In addition, the contact details of officials are published online, to enable dialogue – on an as needed basis. A link remains between the (entirely independent) English Chess Forum, and about half of ECF Board members post there: this being said, such participation is at the sole discretion of the individuals

## 3. STRATEGY

### A. Current Strategy: as published in Oct-2011

The current strategy was first approved by Council in October 2009. It was reviewed a year later and retained without further amendment. At the AGM in October 2011, a further review resulted in the removal of an objective relating to the Chess for Schools programme but otherwise no changes.

Described as a “Slow Build” strategy, it accepts the need for a longer timetable for achievement of the long-term vision, using the time to build a sound financial platform on the back of membership growth. It includes 7 strategic objectives, as follows:

1. Short-term focus on improving the ECF’s value to members and the English chess community as a whole;
2. Early prioritisation of action to improve the ECF website significantly so that it becomes a generator of value and an attraction to non-members;
3. Action to address existing communication and organisational issues;
4. Cost/benefit review of activities and services to create capacity for revised focus;
5. Continued delivery of current range of services and activities;
6. Longer term focus on organisational change (e.g. membership scheme) once the perceived value of the ECF is enhanced;
7. Preparatory work to allow medium-term investment in chess development with a greater chance of sustainable success.

### B. Strategy Appraisal: is the current strategy still valid?

- a. Given the combined prominence of the EnglishChess.org.uk and ECFgrading.org.uk websites, and the importance of social media activities, it is proposed that the wording of strategic objective 2 (above), should be adjusted to read, ‘*Early prioritisation of action to improve **all ECF websites and social media channels** significantly so that **they** become a generator of value and an attraction to non-members*’;
- b. After the cessation of the DCMS grant (£60k) in Mar-11, which necessitated a cost reduction programme (saving c. £35,000 per annum, with headcount reduced by 40%), the focus has been to consolidate the efficiency savings achieved. The remaining cost base is considered relatively lean and, going forward, it is improbable that significant further savings (capacity) can be identified. (The one exception to this relates to cost savings within the office as a result of the online membership system. It is expected that these will offset the cost of the system and more.) Consequently, the ongoing drive for such efficiencies can be considered part of normal day-to-day duties – and **strategic objective 4 should be removed**.
- c. As discussed in the Achievement Report, progress has been made in other areas, such as communication, website enhancements and improved member value et al. Despite this, it seems

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perfectly appropriate to retain these elements in the plan as-is to reflect the need for continuing attention.

- d. The most significant area for change will be the proposal to seek charitable status will result in a change in the ECF's range of activities and stated goals. Some of its current goals – international chess; the British Championships – will shift to a new organisation. It would only be natural for the charitable organisation to change its focus, priorities and approach as a consequence. The “culture” of a charity tends to be distinct from other forms of organisations, and this will inevitably need to be reflected in the strategy. The proposed organisational changes raise questions about the appropriate governance of the new organisation.

## C. Proposed Strategy

Taking into account the recommendations set out in section B above, the revised summary of the Long-Term Strategy is as follows:

1. Short-term focus on improving the ECF's value to members and the English chess community as a whole;
2. Early prioritisation of action to improve all ECF websites and social media channels significantly so that they become a generator of value and an attraction to non-members;
3. Action to address existing communication and organisational issues;
4. Continued delivery of current range of services and activities;
5. Longer term focus on organisational change (e.g. membership scheme) perceived value of the ECF is enhanced;
6. Preparatory work to allow medium-term investment in chess development with a greater chance of sustainable success.

## D. Future Strategy: Ideas for future development

In preparing this strategic review, the Strategic Planning Officer undertook an evaluation of the ECF's current activities and considered ideas for future exploration. These were developed further through consultation with members of the ECF Board. The ideas are presented here as an indication of proposed directions for further exploration and action over the short to medium term.

For the purposes of this report, the ideas for future development are presented in the following sub-sections: (1) Organisation and Governance; (2) Income and Expenditure; (3) Products and Services; and (4) Marketing and Communications.

### 1. Organisation and Governance:

- a. The Membership scheme, including its conception, development, agreement and implementation, has been a long-term organisational change: its success remains of critical importance.
- b. The re-organisation of the ECF into charitable (English Chess Federation) and non-charitable (Chess England) organisations remains crucially important to future progress. This is a complex change, with issues to resolve in respect of taxation and funding (particularly of the non-charitable body dealing with professional chess). Appendix 3 provides an overview, as first written in Oct-2011, since which time the ECF has received encouraging feedback from the Charity Commission on the planned application for charitable status. A further update is to be provided at the AGM (Oct-12).

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## c. Resources

- i. Micro-volunteers. The attraction and retention of volunteers is a challenge; here the principle of ‘micro-volunteers’ could be explored; this breaks up a large project into bite-sized task-based opportunities. These are time-controlled so people can volunteer for X hours on a one-off basis.
- ii. Alumni. In conceptual terms, we should see FIDE titled players as ‘graduates’ of the English Chess Federation ‘academy system’. There is no harm in asking all GM/IM/FM titled players, that are also ECF members, to annotate a game, write an article on an opening – or similar, as a micro-volunteer.
- iii. Ambassadors. In the age of social media including - Facebook, Twitter and YouTube, etc. – dozens of ECF members are, in effect, acting as unofficial chess Ambassadors. We should proactively support these individuals: a simple starting point would be a list of ECF members’ YouTube channels, chess-related Facebook / Twitter accounts, etc. – this can also be positioned as a Member benefit. If, in return, we can harness their collective reach, this could increase ECF membership.

## d. **Measurement**

- i. It is proposed that **measurement and the production of management information** becomes a strategic goal, going forward. Simply put, the objective is to ‘*measure what is measurable, and make measurable what is not.*’ (Galileo). The more we know about our ‘audience’ – over and above the fact they play chess – the greater their inherent value becomes. The more we understand about our organisation, and its products / services, the easier it becomes to make informed decisions.
- ii. SMART objectives. As far as is possible, all objectives and actions should be **Specific, Measurable, Achievable, Relevant and Timed** – simply put, determining whether aims, objectives and actions have (or have not) been achieved becomes easier, if they follow the SMART principle when defined.

## 2. **Income and Expenditure**

### a. Income

- i. The production of a comprehensive Rate Card (note: linked to Measurement) covering Internet advertising (i.e. banners, buttons, etc), and adverts in Diary, Year Book, etc., should be given attention. Once a rate card exists, there should be a concerted effort to contact prospective clients (and re-contact lapsed ones).
- ii. It would seem logical to explore some basic merchandising: simple products, like key rings, mugs, clothing etc. A number of websites exist enabling merchandise to be created, simply by uploading a graphic design. These services produce the merchandise on an on-demand basis, and handle all the logistics (production, shipping, invoicing, customer services, etc.), so there is no need to purchase stock.
- iii. The monetization of websites through revenue-generating widgets (e.g. adsense, amazon affiliate programme, etc.) represents a no-risk way to create a residual income. This is straightforward, requires minimal resources, and no expenditure – it is something that should be done as a matter of urgency.

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- iv. The strategic goal of generating of revenue from external, non-member [and non-grant, non-bequest, non-donation] sources, should be given more prominence. There are numerous avenues to generate income, some of which are suggested in this section.
- v. Our database of members should be considered as an asset, which we can increase in value; in time, this can be leveraged to generate revenues. In 2012/13 there needs to be a concerted effort to collect email addresses and ensure the relevant 'opt in' permissions are secured.
- vi. A more ambitious version of merchandising would be to consider licensing the ECF brand, to chess-related product manufacturers. In essence, creating ECF branded (or approved) thingamajigs. This might be one for the future, but it is worth keeping in mind as a long-term goal.

b. Expenditure:

- i. The migration of Year Book from print only, to a print-and-electronic offering (through a service provider, such as Lulu.com), should be considered; if this is viable, it might yield savings and/or increase margin.

### 3. Products and Services

- a. Certificate of Merit. We need the market to tell us the Product's upsides/downsides and help determine its future direction. If we do want to proceed with market analysis, one idea is a giveaway in conjunction with the National Schools; another would be free CoM access for ECF members. The critical component of any such free promotions would be capture feedback on the current product, and use this to make informed decisions. If we do not do this, there seems little value continuing as is; given the minimal sales activity, we should, within a reasonable timeframe, consider some form of *managed withdrawal* (e.g. close, divest, license to 3<sup>rd</sup> party, etc).
- b. Diary: No major changes foreseen.
- c. Year Book. As noted under the expenditure section, a print-and-electronic offering (through a service provider, such as Lulu.com), should be investigated.
- d. Websites:
  - 1. The EnglishChess.org.uk website needs much more emphasis on attracting new members; there is almost no information to encourage people to join the ECF. In essence, just as Trip Advisor provides information about Hotels from real people, we – as the ECF – could provide information about Congresses from real people, information about clubs, ratings, and time controls et al, even to the extent of documents to teach aspects of chess.
  - 2. The main EnglishChess.org.uk gets consistent, respectable levels of traffic (visitors, page views, etc.). The issues to address are ones of 'retention' and 'engagement', because, at present, 70+ % of users leave the site: [a] without doing anything; and/or [b] within 2 minutes of arriving. A no cost / no risk option would be to trial some 'widgets' (a 'widget' is a small piece of code, that displays a function/feature from another website).
  - 3. To present a unified approach to social media, it would be logical to add ECF Facebook / Twitter widgets to the EnglishChess.org.uk website. This will also

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provide real-time content updates, and another reason for people to stay on the website for longer, etc.

4. The process of improving ‘content management’ should continue; this ensures important documents, announcements, articles et al., become ever easier to find, access, download, etc. This is work in progress, and is an evolutionary, iterative process.
- e. Chess Moves: a much ‘slimmer magazine’, with reduced pagination, 75% fresh content, etc. The resources to provide the content would come from micro-volunteers, alumni and ambassadors (C.1.c.i – iii). If this is considered unachievable, then CM – in its current form – should be used as a promotional tool (i.e. as the ECU uses its e-zine); this means, it would become free to members and non-members to download.

## 4. Marketing and Communications

- a. Interaction and Engagement. One method to engage / interact with an online community is through an X of the Y concept. For example: Game of the Week, Club of the Month, Junior of the Quarter, Volunteer of the Month, Tip of the Day, Website of the Week, etc. This is more of a ‘spotlight’ – to raise awareness, and give recognition – as opposed to a physical award / prize, etc. This has 3 distinct benefits; these being, [a] engagement with the community; [b] generation of original, useful content (for website, Chess Moves); and [c] the person, website, club covered in the article – etc, is going to feel ‘special’. It could easily be combined with the *Alumni* and *Ambassadors* concepts.
- b. Value Statements. We should publish on the website some ‘things of value’ that the ECF does [or can do] for other 3<sup>rd</sup> parties including: Clubs, Tournament directors, Schools, Websites, etc. If I use Schools as an example, the list might include: [a] a free list of ECF accredited coaches; [b] a dedicated juniors section on the website; [c] free advice on setting up a School chess team; [d] discounted rates for under 18s, etc., etc. This could even be extended to include Volunteers, Directors, etc., to explain the benefits of being involved.
- c. e-Newsletter. A frequent ‘digital’ newsletter should be created – this enables us to ‘engage’ with our members on a more regular basis and, if successful, might open up advertising opportunities. This should start with a monthly email newsletter and, depending upon interest and resources, could then increase the frequency to fortnightly, weekly, etc. If we publish more up-to-date information, on a more regular basis, it also positions the ECF as having ‘its finger on the pulse of chess’.
- d. There has been a dramatic rise in the prominence of online chess websites: these are powerful, global chess brands – some with millions of registered users. Such websites can be considered as a hunting ground for new ECF members, where we seek to actively migrate users from online only, to online and OTB. To get the ball rolling, the ECF should begin creating a ‘footprint’ [a ‘digital presence’] – registering an account, posting on the forum, submitting articles for publication, etc. In due course, there is nothing to prevent us from exploring deeper relationships with these websites, such as negotiating special access / rates.
- e. The 100<sup>th</sup> British Chess Championships in 2013 represents a marketing opportunity to generate awareness of, and interest in, chess – over and above the tournament itself.

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- f. The ECF has limited funds for marketing and, as such, future activities will continue to be somewhat restrained. This being said, a marketing plan can still be constructed using a combination of the following elements:
1. Search Engine Optimization. In short, much more can be done in this area to tweak web content (inc. 'meta data') and word-press itself, to gain higher rankings in search engines. This will lead to higher traffic and, in turn, a greater scope to monetise our user base – and charge for advertising.
  2. Cross-posting of articles onto external chess websites. This compliments the concept of creating digital footprints on large, global chess websites. It can also be used to forge relationships with other chess federations.
  3. Extension of Social Media activities, including the development of a YouTube channel. Once again, a simple idea – continue towards the goal of achieving a unified brand, begin to use Facebook/Twitter as a first-line for communications. In all cases, try to do things that 'interact and engage' (e.g. quizzes, competitions, polls, etc.) – social media is for two-way communication.
  4. Harness free Press Release services. There are an increasing number of these; press releases can be used to support tournaments, events, recruitment, etc.
  5. Possible use of Chess Moves as a promotional tool (see Products and Services section, above).
  6. The value of time spent on posting to the English Chess Forum, often dealing with a vocal minority, some of whom may be unrepresentative of the general populous, should be considered; each post has an *opportunity cost*.

## 4. CONCLUDING REMARKS

Inevitably, perhaps, the above summary of strategic priorities is couched in somewhat general terms, with a strong emphasis on the 'what' rather than the 'how'. This reflects a degree of uncertainty pending the voting at the 2012 AGM and the achievement of charitable status.

The focus in the coming year will be to continue the successful implementation of the membership scheme, the achievement of charitable status for the ECF and the establishment of the new non-charitable body. In addition, the importance of measurement, resources and the various products / services cannot be ignored; all of these are critical success factors, if we – as an organisation – are to grow our income streams.

In the meantime, Council is invited to consider this long-term strategic plan as a statement of intent.

## APPENDIX 1: RISKS, ISSUES AND OPPORTUNITIES (JUNE 2009)

*The following analysis of the risks, issues and opportunities facing the ECF was written in mid-2009 and presented to Council in October of that year. It has not been amended to reflect subsequent developments. The Situational Analysis (section 2 of the Long-Term Strategic Plan) provides a commentary on changes since 2009 and assesses their impact.*

### 1. ECF

#### 1.1 Organisation and Governance

- The reliance upon unpaid volunteers for much of the ECF's work greatly reduces costs but creates several risks:
  - Continuing difficulty finding new/replacement officers and directors;
  - Succession planning (currently being addressed in part through the nomination of Alternate Directors) is problematic;
  - Directors and officers have insufficient time available for ECF work;
  - Lack of levers with which to motivate directors and officers and to raise standards.
- The relative infrequency of face-to-face contact between Board members may result in sub-optimal teamwork.
- The composition of the Council is broadly akin to the Annual General Meeting in other organisations. The decisions taken by Council, however, are at a level normally made by an Executive Board. There is a mismatch between the nature of the decision-making body and the relatively fine detail of the decisions it is sometimes asked to take. The frequency of Council meetings also suggests confusion between high-level oversight and management.
- The fact that much decision-making occurs at the six-monthly Council meeting creates the risk that the Board is unable to respond promptly to opportunities which arise in the interim.
- Only a minority of English chess-players are ECF members. There is therefore considerable opportunity for growth.
- By the same token, there is currently a risk that ECF may be seen as unrepresentative. The fact that Direct Members do not have a vote on the major issues affecting the Federation is likely to exacerbate this risk.
- There are indications that members feel detached from the organisation, which leads many to question the value of membership. In an economic downturn, this creates the serious risk that member numbers will drop sharply, as players review their expenditure priorities.
- There is a clear perception among Northern counties that the ECF is biased in favour of the South. Whether based on truth or not, this has a detrimental effect upon the development of the game nationwide and on the financial position of the ECF. It needs to be addressed as a matter of priority.
- The opportunity of seeking the financial benefits of charitable status remains.

#### 1.2 Current Activities

- The ECF does not communicate its activities and achievements clearly enough. Members (and potential members) too often misunderstand how their money is used, most often in the case of Game Fee, which is widely believed to be solely a charge for grading games.
- Top players consider that they receive insufficient support from the ECF. Conversely, the average player typically believes that the ECF spends too much money on supporting England's international players and juniors.

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- There is an opportunity for the ECF to demonstrate value through an extension of its activities, e.g. the organisation of member-only congresses (possibly as part of a funded Grand Prix – for which sponsorship was obtained in the past) or the provision of coaching events to affiliated clubs and other organisations.

## 1.3 Funding

- Lack of funding is the most significant practical constraint on the ECF's progress. Reserves are already materially below the minimum considered appropriate. At the rate of loss seen in 2007-9, the ECF's general reserve would be exhausted within four years.
- Each of the ECF's sources of finance is at risk to some degree:
  - The economic situation is placing considerable pressure on Government spending. The DCMS grant has not increased in recent years and is not expected to do in the foreseeable future. Although inflation is relatively low, this is still slowly eroding the value of the grant.
  - Dissatisfaction with the rapid rise in Game Fee may lead to an increase in 'opting-out', as events or organisations choose not to register with the ECF. Falling numbers in games played may also reduce income from this source.
  - If the membership trend reported by the NCCU is reflected in the ECF's Direct Member numbers, this will also reduce income.
  - In the case of both Game Fee and Direct Membership, the financial benefit of increases is likely to be offset in whole or in part by reduction in volumes as a result of disaffection.
  - Sponsorship remains hard to find, although there have been some successes in recent years.
- Experience overseas would suggest that mandatory membership (e.g. through affiliation schemes) offer a more reliable and substantial financial platform. However, the ECF's experience indicates that this would prove politically difficult to implement, even if Council approval could be obtained.
- The pricing and positioning of the Direct Membership scheme is inconsistent. There is a risk that income is being adversely affected through incorrect pricing or unclear promotion. If it is intended that the Full Membership category should incorporate an element of patronage, this should be made explicit. This may in turn prompt a review of the voting rights that Full Membership might provide. A review of Membership benefits to enhance the package's attractiveness or its financial viability would be justified.
- The opportunity to appeal actively for bequests from chess enthusiasts appears to have been under-exploited. To succeed, this would need to be combined with clearer communication of the ECF's activities, i.e. how the funds would be used.
- In some countries (and, in the past, occasionally in English chess), funds have been raised by direct appeal for donations. This is feasible when a specific objective is in mind, such as sending a team to the Olympiad, which gives potential donors clarity about the cause they might be choosing to support.
- The opportunity to obtain the benefits of charitable status remains unexploited.
- The proportion of the ECF's income spent on "administration" (which is how the activity of the ECF office is commonly classified) is subject to challenge. In percentage terms, it is comparable with similarly sized charitable organisations, but central costs are often difficult to defend. Possible actions:
  - Initiate a review of the office activities and working practices to identify potential efficiency savings and/or work which could be done differently or not at all;
  - Enhance the ECF's on-line capability so that manual tasks could be automated, e.g. membership fee collection;
  - Allocate an appropriate proportion of office cost, based on time/activity, to the specific Directorships set out in the ECF accounts reported to Council. This would have the benefit of making the true

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financial cost of each service clear and would significantly reduce the apparent cost of simple ‘administration’;

- A mandatory membership affiliation scheme would significantly reduce the cost of collecting and administering the current mixture of Game Fee and Membership schemes.

## 1.4 Communications

- There is a lack of IT expertise in the organisation. This affects the day-to-day operations of the ECF office and the design and management of the website.
- The ECF website is, in effect, its ‘shop window’. It is both a demonstration of value for existing members and other users and a hook with which to attract potential new members. As it stands, the website is functional without coming close to meeting its potential.
- A comparison with other chess federation websites suggests a number of opportunities to improve the ECF’s online presence (detailed in the *Strategic Review*)
- The English Chess Forum was previously linked prominently to the ECF site. The link remains, but now it is only accessible from the Grading section and is far from obvious to the visitor. Regardless of the validity of the rationale for removing/de-emphasizing the link to the Forum, the absence of an on-line communications channel on the ECF site is a serious weakness. There is an opportunity to correct this, albeit in a suitable form (moderation; legal caveats).
- Feedback received during the preparation of this report indicated that there have been instances when approaches to the ECF, including expressions of interest in advertised vacancies and offers of assistance, have been ignored (not even acknowledged). While such cases may be rare, their impact is disproportionately large, and the risk is that negative word-of-mouth spreads as reports of such behaviour are passed on.
- There is insufficient attention paid in communications to the impact of silence in the face of delays. When a scheduled or expected item (e.g. a press release or the publication of the British Championship details) is delayed, it is essential to acknowledge the delay as soon as possible, with as clear an explanation as possible. The risk that the ECF takes with its current approach is that silence will be filled with negative speculation. In some cases in the recent past, this has happened to such an extent that the eventual statement is simply not believed.

## 2. THE ENGLISH CHESS SCENE

This Strategic Plan is centred on the ECF. For this reason, the previous section, relating to risks, issues and opportunities within the Federation, was necessarily detailed. It would be possible to analyse the issues facing the wider English chess scene in similar detail, but this would stretch the scope of the Plan beyond the practicable. The following is, therefore, only a brief summary of the major points. It attempts to focus particularly on those aspects which the ECF could most promisingly seek to influence.

1. The success of the British Land UK Chess Challenge (BLCC) has created a widespread awareness of the game among schoolchildren. Currently, the vast majority of these children abandon the game in the later years of secondary education or soon thereafter. Few of the junior players join the ECF. The BLCC is happy to operate independently and, given its success, is right to do so. There could be an opportunity for the ECF to seek a means of making a stronger connection to the BLCC to the benefit of the competition, the players and, ultimately, the Federation. (It is understood that past approaches have been rejected.)
2. The pool of active adult chess-players is slowly diminishing. This needs to be addressed.
  - a. Developing chess in schools is the most obvious means of increasing the ‘pool’. The Holloid Plastics scheme provides an unprecedented opportunity to place chess on schools’ agenda. The quality and

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effectiveness of the follow-up stages, most notably the availability of suitable coaches and club organisers, are critical to the exploitation of the opportunity. There is a material risk that the project's success will be undermined by inadequate follow-up.

- b. Consideration needs to be given to the challenge of maintaining the interest of young and middle-aged adults in the game. Identifying family- and work-friendly mechanisms for playing the game are essential.
  - c. Similarly, work could be done to understand better what draws people back to the game. Experience suggests that it is not exclusively the result of retirement. The better this is understood, the better the ECF can develop ways of increasing or accelerating the flow of returning players. Part of the challenge is to ensure that clubs, congresses and the ECF website are as welcoming as possible.
  - d. The opportunity to increase take-up of chess among older people is also considerable. Scientific research on the benefits of mental activity (particularly of a non-repetitive nature such as chess) in reducing the likelihood and impact of conditions such as Alzheimer's is currently thin but positive. There is scope to package the game in a way that makes it attractive to this market.
  - e. The very large number of Internet chess participants is another potential market. Appropriately promoted, the attractions of face-to-face chess could draw many more people into the chess club and congress circuit. Even if this were not successful among some demographic groups, it could sow essential 'seeds' for a later interest in the face-to-face game.
3. The declining numbers at chess congresses present a risk to the game and to the financial position of the ECF. Some congresses are notably more successful in attracting and retaining players than others. There is an opportunity to use a combination of the Grading Database and congress information to develop a robust understanding of the critical success factors for a congress. This in turn could be applied in an added-value service from the ECF, sharing this research with congress organisers so that they can make the most of their events.
  4. There is an opportunity to be creative in the organisation of chess events, offering ancillary attractions to draw and retain players of all ages. It is an obvious but critical point that there is no value in seeking to bring more people into the game if the 'product' is dull and unattractive. It is not a question of finding one thing to please everyone but rather of offering a menu of attractions to appeal to a range of tastes.
  5. The poor financial rewards for the would-be professional player create the risk that England will continue to decline as a global chess force. Addressing this is self-evidently very difficult. Funding is a key priority, and this needs to be built up first. In the interim, there is a risk that without selective prioritisation the decline of English results will accelerate.

## **APPENDIX 2: LONG-TERM VISION (FIRST PUBLISHED IN OCTOBER 2009)**

In order to establish strategic direction, it is essential that the long-term objectives should be clear. These may be split into two parts: the vision for English chess as a whole and the desired state of the ECF. Since the ECF's function is to serve the interests of English chess, it is appropriate to define the broader vision first.

### **The Desired Future of English Chess**

With regard to international chess success, one easy, if perhaps flippant answer to the question, "What is the desired future of English chess?" is simply: the 1980s. After a period of rapid development – the result of financial backing and the determined efforts of many individuals – English chess blossomed in the early 1980s into a boom period not seen before or since. This culminated in a sequence from 1984 to 1988, during which the English men's team came 2<sup>nd</sup> in three consecutive Olympiads. Success continued into the first half of the 1990s, albeit – with the one shining exception of the 1997 European Team Championship (which England won) – at a slightly lower level of success. At the amateur level, chess congresses and league competitions were better attended than now; on the other hand, there were no events to match the success of the British Land UK Chess Challenge and the 4NCL.

It would be easy to argue that, having achieved this level once, the feat could be repeated. In practice, this is very unlikely. The break-up of the Soviet Union led to the creation of multiple strong chess nations, where previously there was one. For England to regain second place in the chess world would require a dramatic upsurge in the number of top-class players in the country.

With this cautionary note in mind, the following sets out a picture of English chess which would meet the goals of the ECF:

#### **1. International success:**

- a. Strength in depth sufficient to achieve top 10 finishes consistently in international team competition;
- b. Well-sponsored international open and women's teams;
- c. At least one major star, i.e. top 10 player in the world ranking list;
- d. At least three successful, strong international events in England (the London Chess Classic, Hastings plus one other);
- e. An increase in the number of FIDE-rated events in England.

#### **2. Professional chess:**

- a. Chess should be a viable full-time profession for at least the top 10 English players;
- b. A thriving British Championship, which consistently attracts more than half of the top 30 English players.

#### **3. Junior chess:**

- a. A chess club in every school;
- b. A suitable coach available to every school and to each strong junior who requires one;
- c. A year-on-year increase in the number of junior players continuing with the game into adulthood;
- d. Recognition of the educational benefits of chess for young people;
- e. An enhanced image of the game that attracts and retains the interest of the young;
- f. A year-on-year increase in the number and quality of juniors playing in international events.

#### **4. Women's chess:**

- a. Year-on-year increase in the number of female chess players, including a narrowing of the gap between the proportion of male and female players;
- b. Chess clubs and events consistently seen as attractive to players of both sexes;
- c. Increased female participation in all chess events;
- d. International women's team success to match that of the open team.

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## 5. Amateur chess:

- a. A year-on-year increase in the number of active, graded players;
- b. A choice of congresses across the country (including an improved London congress schedule) on every weekend of the year;
- c. A consistent level of chess organisation which delivers events attractive to every age group and all levels of chess ability;
- d. A year-on-year increase in the number of games played in local league competitions;
- e. Year-on-year growth in internet, e-mail and correspondence chess;
- f. Chess recognised as a health benefit for older people;
- g. A well-sponsored Grand Prix which encourages participation in congresses at every level;
- h. A successful, multi-level County competition;
- i. Increasing support for chess for disabled players;
- j. A programme to promote the benefits of chess in prisons.

## 6. Chess in general:

- a. Some form of chess TV programming, accessible to strong and weak players alike;
- b. Maintenance of a respected, successful chess publishing industry in the UK;
- c. Lottery funding;
- d. Consistent use of the benefits of charitable status;
- e. An image of chess which is true to the traditions of the game and which does not suggest barriers in terms of intelligence, gender, age, class or ethnicity.

## The Vision for the ECF

The ECF is a means to an end, the end being the improved state of English chess (see above). The desired vision for the organisation should, therefore, be the one which maximises the chances of achieving the broader success of the game.

This vision includes an organisation which:

- Communicates openly with its members and is trusted by them;
- Is clear about its objectives and how it spends the money it raises;
- Provides value for money to members through a combination of tangible benefits, services and investment in ensuring that chess prospers in the future;
- Is built upon a solid financial platform derived from a broad membership base and chess activity;
- Generates its own funding for its ongoing member services, leaving it free to attract and apply increased state funding to elite success and the wider development of the game;
- Follows policies reflective of the democratic wishes of the membership;
- Is structured to allow its directors and officers sufficient independence to act effectively throughout the year;
- Attracts high-quality individuals to serve as directors and officials, backed by robust succession planning;
- Operates a robust Grading system for all English players;
- Supports chess organisers and organisations throughout England in a constructive way which facilitates consistency of standards without stifling creativity and independence.

## APPENDIX 3:

### HIGH-LEVEL VISION ON CHARITABLE STATUS (FIRST PUBLISHED IN OCTOBER 2011)

This appendix summarizes the proposed re-organisation of the ECF.

In principle, the concept is to split the ECF into two distinct bodies, one charitable, the other not. This is a complex change, with issues to resolve in respect of taxation and funding (particularly of the non-charitable body dealing with professional chess). This appendix is as first written in 2011, since which time the ECF has received encouraging feedback from the Charity Commission on the planned application for charitable status.

A further update is to be provided at the forthcoming AGM (Oct-12).

#### (1) Charity (“ENGLISH CHESS FEDERATION”)

The first key point to note is that the promotion of sporting success is NOT in itself a charitable aim, and, in order to qualify as a charity, an organisation must have **exclusively** charitable aims. The significance of this is that the new ECF will not be directly seeking to achieve national success or a thriving professional game.

Instead, the goals of the new ECF should emphasise the following elements:

- The development, facilitation and promotion of **amateur chess**;
- The development and training of **young players**;
- Inclusiveness, i.e. making chess as **accessible** to as many people as possible and encouraging participation among all sectors of the community;
- Promotion of the **mental health benefits** of chess.

The new ECF’s charitable nature should have an impact on its general approach as follows:

- Increased focus on **opportunities** to play chess in every form, including online and correspondence/e-mail chess as well as standard and rapid play events;
- Increased focus on **reinvestment and long-term development**, with a high level of transparency in how funds are spent;
- Increased focus on **value for money**, i.e. maximising the percentage of funds raised invested in the game and ensuring that expenditure on administration is kept to the necessary minimum;
- Increased focus on **targeted fund-raising activities**, i.e. specific campaigns to support development programmes or events;
- Increased emphasis on **promoting the benefits** of the game and of membership in order to create the widest possible constituency and to raise the profile of the game.

Specifically, it should be expected that the new ECF’s aims will be expressed in terms of:

- Quantity of junior players, tracked by age band;
- Percentage of schools with chess activities;
- Number of opportunities for juniors to compete in national and international competition;

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- Quality of junior players, as evidenced by grade/rating and performance in international competition;
- Quantity of graded/rated chess played overall;
- Quantity of chess clubs and of graded players;
- Demographics of graded players;
- Membership satisfaction.

### **(2) Non-charity (“CHESS ENGLAND”)**

The new non-charitable body will have a much narrower focus than the current ECF. Its principal aims will be:

- International chess success at individual and team level;
- Increased international chess activity in England;
- A strong, representative British Championship;
- An increase in the rewards available to professional chess players.

To this end, its strategic priorities will inevitably be centred on:

- Identifying financial sponsorship for teams and events;
- Organisation of a financially successful British Championships;
- Establishment of an infrastructure of support for the continuing development of the top junior players, over and above what the new ECF will provide.

*NB. It should be possible for the new ECF to make grants to Chess England specifically to support amateur chess activities within the British Championships without endangering the new ECF's charitable status.*

Operationally, Chess England should seek to be as “lean” as possible. This is not an organisation which should require significant administrative support.

- In terms of governance, Chess England should again seek to be lean. Given the nature of its activities, it would arguably be unnecessary for the widespread membership and voting rights currently in place in the ECF.