

## Finance Council Meeting 12 April 2014

### Strategic Plan

This paper is the Chief Executive's outline of a Strategy. Whilst it is not a Board product and therefore arguably premature for Council's review, it synthesises the strategic context, ambition and priorities affirmed in Board meetings since October 2013, as well as those established by predecessor Boards and the Long Term Strategic Plan 2007/2008<sup>i</sup>. A small number of concepts are also included from the Strategy's companion document, the Chief Executive's Transformation White Paper (C20.16), and are so marked. The set of four strategic initiatives describe the direction in which we are headed and is therefore particularly useful when considering the 2014/15 budget proposal (C20.14) and related decisions on the Agenda. The four strategic initiatives are:

1. **Improve financial management and office performance<sup>ii</sup>**
2. **Compete in the Olympiad, European Team Championships and Youth Olympiad with the best teams that funds allow<sup>iii</sup>**
3. **Correct shortfalls in secondary schools, women's and seniors' chess<sup>iv</sup>**
4. **Improve governance<sup>v</sup> and transform<sup>vi</sup> to enable:**
  - a. **Charity funding of charitable activities<sup>vii</sup>**
  - b. **Commercial practices and major sponsorship of English Chess<sup>viii</sup>**
  - c. **Access to funds dedicated to promoting sport<sup>ix</sup>**

Council and the ECF's general membership are invited to comment publicly online prior to 12 April, when both the Board and the Council will discuss it in their sequential meetings. From the ECF website home page, select 'About' and 'Consultations'.

## **Outline of a Strategy<sup>x</sup> for the English Chess Federation**

### *What is chess?*

- A sporting pursuit, a recreational activity, an academic discipline, a pedagogical tool and a feature in British culture

### *Who are we?*

- Members who play, officiate, organise, teach and celebrate chess<sup>xi</sup>
- Volunteers organised under Company Law, partly supported by charities<sup>xii</sup>
- The national governing body in England

### *What is our mission?*

- Inspire and develop exemplary chess in sport, education, recreation and culture<sup>xiii</sup>

### *What is our vision?*<sup>xiv</sup>

- The Great British Public perceiving chess as:
  - A symbol of intellect, strategy, beauty, tradition and credibility
  - An enjoyable social activity that develops analytical skills, resilient character and mental health
  - A legitimate sport
  - Readily accessible to everyone
- The English chess community:
  - Proliferating 'grassroots' chess in village fetes, schools and clubs
  - Organising successful and financially secure congresses and leagues
  - Striving to raise standards of hospitality, learning and technological innovation
  - Associating closely with the ECF
- The English Chess Federation:
  - Operating as a professional organisation and major force driving chess forward<sup>xv</sup>
  - Inspiring players to vigorously compete for domestic championship titles and the privilege of representing England in international championships across all FIDE-recognised forms and demographics
  - Supporting the development of the most promising players in the recognised forms and demographics<sup>xvi</sup>
  - Correcting chronic shortfalls, as today with low female and teenage participation, too few arbiters and the North-South divide
  - Recognising excellence in tournament organisation, volunteer service, literature and cultural expression
  - Engaging constructively with Government, domestic and international organisations<sup>xvii</sup>
  - Maintaining mutually-beneficial relationships with commercial sponsors

- Fulfilling its role as the national governing body<sup>xviii</sup>, cognizant of all significant national activity, confidently leading, following and cooperating, as appropriate<sup>xix</sup>

*What are our resources?*<sup>xx</sup>

- Goodwill of the chess community, punctuated by star players such as Nigel Short, Michael Adams and Jovanka Houska, and an 'English Chess Heritage' of long standing congresses
- 9300 members, expertly talented volunteers, paid staff, independent providers
- Exclusive access to FIDE, ECU, CCA, BICC, Sport and Recreation Alliance<sup>xxi</sup>
- Official grading, championship titles, events, recognition and endorsements
- Centrally-placed website and calendar
- £600,000<sup>xxii</sup> recurring annual income from membership fees, game fees, investments and recurring charitable grants
- Trophies, equipment, leased office space and the National Chess Library
- Council and Board meetings in which strategic decisions may be taken<sup>xxiii</sup>

*What do we do and where are we going?*<sup>xxiv</sup>

- Core activities
  - Uphold the Laws of Chess and when asked, settle disputes
  - Set standards and regulations for arbiters and coaches<sup>xxv</sup>
  - Organise or outsource The British Championship and ECF championships
  - Measure the relative strength of players via the Grading Database
  - Maintain the ECF website, including the community calendar
  - Provide organisational leadership affiliated organisations, primarily by coordination
  - Engage effectively with FIDE and other relevant international bodies
  - Select and support players and teams to represent England in official championships
- Strategic initiatives
  1. Improve financial management and office performance
  2. Compete in the Olympiad, European Team Championships and Youth Olympiad with the best teams that funds allow
  3. Correct shortfalls in secondary schools, women's and seniors' chess
  4. Transform and improve governance to enable:
    - a. charity funding of charitable activities
    - b. commercial practices and major sponsorship of English Chess
    - c. access to funds dedicated to promoting sport

*How are we advancing our strategic initiatives and improving core activities?*

- Initiative 1: Improve financial management and office performance
  - Clear backlogged financial records and overhaul accounting practices
  - Replenish the financial reserves to £100,000<sup>xxvi</sup>
  - Consolidate various investment instruments<sup>xxvii</sup>
  - Conduct a general office review with a view to moving it to a more accessible location<sup>xxviii</sup>
  - Expand the role of the former office manager and accept internships<sup>xxix</sup>

- Initiative 2: Compete in the Olympiad, European Team Championships and Youth Olympiad with the best teams that funds allow
  - Commit funds early enough to allow Open and Women players to train as teams months prior to competing<sup>xxx</sup>
  - Explore programmes to develop a team exceeding Elo 2700<sup>xxxi</sup>
  - Establish a training programme for promising juniors<sup>xxxii</sup>
  - Establish a qualified coaches programme<sup>xxxiii</sup>
  - Invigorate donations<sup>xxxiv</sup>
  - Press forward to persuade Government to recognise chess as a sport
- Initiative 3: Correct shortfalls in secondary schools, women's and seniors' chess
  - Organise secondary school team tournaments
  - Form a Women's Committee to address chronic issues
  - Rejuvenate tournaments for women and girls; establish a girls' squad
  - Organise tournaments for seniors
- Initiative 4a: Transform and improve governance to enable charity funding of charitable activities
  - Establish, fund and begin grant applications to The Chess Trust<sup>xxxv</sup>
  - Seed it from the Permanent Invested Fund
- Initiative 4b: Improve governance and transform to enable commercial practices and major sponsorship of English Chess
  - Integrate a professional commercial director
  - Align ECF director responsibilities by function, not by age or geography<sup>xxxvi</sup>
  - Authorise financial payments to directors and other officials responsible for maintaining relationships with sponsors, delivering events and member services<sup>xxxvii</sup>
  - Build an English Chess product
    - Re-brand and upgrade the website
    - Assemble independent tournaments and leagues, particularly the largest (e.g., UKSCC, 4NCL, e2e4) and those with long traditions in 'English Chess Heritage' (e.g., Hastings, British Rapidplay, Scarborough) who wish to contribute and benefit from this community enterprise
    - Provide central services (e.g., publicity, online registration, digital broadcast of top boards, anti-cheating technology) in exchange for their promotion of the sponsors' and the ECF
  - Sell English Chess to two headline sponsors
    - A major UK media outlet to publicise chess and carry the ECF brand; offer partnerships with the Welsh, Scottish and Northern Ireland federations
    - A major sponsor willing to invest in chess in return for access to our growing market
- Initiative 4c. Transform and improve governance to enable access to funds dedicated to promoting sport
  - Lobby Parliament for sports designation
  - Review Sport England governance standards
  - Consider joining the British Olympic Association
- Improvements to core activities
  - Renew the awards programme<sup>xxxviii</sup>

- Improve external communications<sup>xxxix</sup>
- Improve membership processes and phase out game fees<sup>xi</sup>
- Integrate magazines into the membership drive<sup>xli</sup>
- Explore chess for wounded veterans, the disabled and prisoners<sup>xlii</sup>
- Develop anti-cheating measures and code of ethics or conduct<sup>xliii</sup>
- Update policies for child and data protection<sup>xliv</sup>
- Lead a new dialogue with other national organisations involved with youth chess<sup>xlv</sup>

### *Are we fit for purpose?*

- No. The community is not organised for the vision offered above. Neither is the community's Federation. Chess itself is underdeveloped as a sporting pursuit, a recreational activity, an academic discipline, a pedagogical tool and a feature in British culture. There is wide respect for the self-sacrificing volunteers, partially paid organisers and young talents who choose the love of chess over more financially rewarding pursuits. That respect should extend to serious consideration of choices presented in this Strategy and the Chief Executive's Transformation White Paper (C20.16).

Phil Ehr, 3 April 2014

### Endnotes

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<sup>i</sup> The Long-term Strategic Plan 2007/2008 ([http://www.englishchess.org.uk/wp-content/uploads/2010/02/ltsp\\_oct07.pdf](http://www.englishchess.org.uk/wp-content/uploads/2010/02/ltsp_oct07.pdf)) remains a source of important detail.

<sup>ii</sup> Although financial accounting and running an office are core functions, improving them is our top priority. Our professional *pro bono* financial controller, company secretary and temporary office manager is delivering these core functions. Improving office performance is not adverse commentary on present staff; reconfiguration and more staff are required.

<sup>iii</sup> Council Resolution, April 2013: "Council believes that the Federation should aim to have the strongest possible England teams competing in the European Team Championships (Open and Women's), the Olympiads (Open and Women's) and the World Youth under 16 Chess Olympiad (Open and, when established, Girls). We believe this is in the long term interest of English Chess." Due to uncertain ECF income and donor funding, the Board adopted priorities for the 2014 Olympiad: "Top priority is that we should enter teams in both the Opens and Women's section for the Olympiad. Second priority that we should enter a Women's team and fully fund the Opens team. Third priority we should enter fully funded teams for both the Opens Section and the Women's section." See also the vision statement below.

<sup>iv</sup> Note budget increases for women's and seniors. Note the attempt to form a Women's Committee to address chronic issues. Note the spread of the secondary school activity.

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<sup>v</sup> Projects include Council’s guidance in October 2013, Resolution 1: “The Board should investigate the appropriate balance of voting and decision making powers between direct members and affiliated organisations and report back accordingly to Council with 24 months”. Additional projects include attempts to improve the rigour and delivery of Board minutes; adherence to previous Boards’ policies until properly amended (e.g., stability of championship titles, tendering, bidding, sponsorships, selection policies); development of new standard Board operating procedures, anti-cheating measures and sanctions (Council Resolution 4, October 2013), a code of conduct or ethics, a complaints procedure, and implementation of the recent code of conduct for juniors representing England abroad; updating policies for child protection and qualification of arbiters and coaches, register of chess interests (or conflict of interests), and membership and game fee processes.

<sup>vi</sup> See the Chief Executive’s Transformation White Paper (C20.16).

<sup>vii</sup> The Chess Trust enables progress of this priority. See C20.15.

<sup>viii</sup> The intention is to attract two headline sponsors for all English Chess--one media sponsor and one financial sponsor--where independent organisations may opt in.

<sup>ix</sup> Reference the Sport & Recreation Alliance representative’s report of October 2013 (C19.7.5.4), reporting that changes to governance are required by Autumn 2014 to take advantage of Sport England funding. The Board also embarked on a project to lobby Parliament to designate chess as a sport. That project has stalled due to the president’s resignation; however, advocacy by Chess in Schools and Communities with Members of Parliament for chess in education may expand to sports.

<sup>x</sup> Classic strategy addresses ends, means and ways. The series of questions in this outline is intended to interactively convey an understanding of where we are going, what we have to get there and how we are proceeding. A strategy is not a plan, yet crucial in any serious endeavour. For background, read Professor Sir Lawrence Freedman’s *Strategy; A History* (Oxford University Press, 2013), or watch his tutorial ([https://www.youtube.com/watch?v=A0NYsmm\\_f8c](https://www.youtube.com/watch?v=A0NYsmm_f8c) or <https://www.youtube.com/watch?v=-R7kjNT8hkl>).

<sup>xi</sup> ‘Members’ refers to individuals and affiliated organisations.

<sup>xii</sup> Principal charities are The Chess Trust (C20.15) and the John Robinson Youth Chess Trust.

<sup>xiii</sup> The mission statement attempts to succinctly describe our purpose. It replaces, “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.” Deleted concepts are captured in the vision statement.

<sup>xiv</sup> This vision describes the ‘ends’ in the classic model, ends = means + ways. It states an aspiration five years hence. Vision statements also serve as a set of goals that are not presently fulfilled.

<sup>xv</sup> This contrasts with a competing vision to purposefully restrict the ECF’s role and influence. That case can be made, but most member conversations and most Council proceedings indicate frustra-

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tion at the ECF falling short of expectations. Agreeing a comprehensive vision (large or small role) is critical to fulfilling expectations.

<sup>xvi</sup> Priority support for chess in the various forms (standard, rapid and blitz; individual and team competitions) and demographics (open, women, youth, seniors, amateurs) will evolve in ways to be determined. See below for the present priorities.

<sup>xvii</sup> Effective engagement with FIDE and the ECU (possibly through change in its leadership) are also envisaged. Issues include 'zero tolerance', rating fees, requirements for FIDE trainer qualification at FIDE youth championships, direct access rights for FIDE academies and other issues in the FIDE and ECU presidential campaigns.

<sup>xviii</sup> Linked with the first ECF vision bullet, "operating as...a major force...".

<sup>xix</sup> An example of ECF appropriately following is Chess in Schools and Communities' engagement with Parliament and the Government regarding chess in education.

<sup>xx</sup> Resources are the 'means' in the strategic construct of ends = means + ways.

<sup>xxi</sup> Regulated access is fundamental to the international system. This is manifested in official FIDE and ECU championships where national federations, rather than individuals, must register players. Membership in the British Olympic Association is being considered.

<sup>xxii</sup> This figure is a rough order of magnitude, half of which are payments for children to compete in international championships that require fees to be paid by national federations.

<sup>xxiii</sup> Time and opportunity are useful in a list of resources.

<sup>xxiv</sup> Core activities and strategic initiatives could also be called, 'strategic objectives'. They are the 'ways' in the strategic construct of ends = means + ways. They are not expressed with quantifiable measures, which are normally left to plans that support the strategy. The essential points are that objectives should drive plans and level of effort (time, talent, budget); and that everyone should keep an eye on the vision. Both should evolve with the ECF's expressed will.

<sup>xxv</sup> Arbiter Regulations are well established. This Board inherited the intention to establish a qualified coaches programme.

<sup>xxvi</sup> See the Finance Report (C20.7).

<sup>xxvii</sup> There is room to consolidate or simplify some, but not all of the following independent community resources: Chess Centre, Ltd., the Permanent Invested Fund (PIF), PIF2, The John Robinson Trust, The John Robinson Youth Chess Trust, the BCF Youth Chess Trust, British Chess Educational Trust, Friends of Chess and the proposed new Chess Trust.

<sup>xxviii</sup> A functional review of the office is underway in parallel with a view to either relocating the office north of Central London or operating a virtual office. A decisive move is expected before the October Council meeting.

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<sup>xxxix</sup> The Chief Executive has accepted the voluntary services of a foreign intern from August to October 2014.

<sup>xxx</sup> Item 8 on Council's agenda relates.

<sup>xxxi</sup> The Board received an ambitious proposal from a generous recurring donor. The proposal is in an early conceptual stage.

<sup>xxxii</sup> This is an ambition awaiting volunteers and a plan, to be coordinate between the junior and international directors.

<sup>xxxiii</sup> This Board inherited the intention to establish a qualified coaches programme.

<sup>xxxiv</sup> Greater effort from Council and Board members to raise donations is respectfully requested.

<sup>xxxv</sup> See C20.15 and BCF C18.6.

<sup>xxxvi</sup> This is a concept from the Chief Executive's Transformation White Paper (C20.16), therefore an option to discuss in Agenda Item 16.

<sup>xxxvii</sup> This is a concept from the Chief Executive's Transformation White Paper.

<sup>xxxviii</sup> The Board met with the new Awards Committee Chairman. Restoration of some lapsed awards should follow.

<sup>xxxix</sup> Elements of a communications strategy have been discussed. Modest progress is evident. Significant progress is expected when a commercial director is engaged. Meanwhile, a group of relevant directors are considering action to upgrade the website and logo coincident with Council's approval of the charity.

<sup>xl</sup> These result from a membership review and relate to Council agenda items 10 to 13.

<sup>xli</sup> Commercial negotiations are underway with British Chess Magazine and CHESS.

<sup>xlii</sup> Note the recent appointments of new volunteers in the relevant posts.

<sup>xliiii</sup> Anti-cheating measures may be introduced at The British Championships 2014. The Code of Conduct and related projects are in work in the Governance Committee.

<sup>xliv</sup> A non-executive director review was completed. Board action is pending.

<sup>xlv</sup> A request was received for the ECF to coordinate or lead discussion among the other national organisations involved in youth chess to improve coordination of major projects. They include primary school championships and girls' chess (with EPSCA), coordinated development of national teacher qualifications for teachers in line with ECF coaching qualifications (with CSC) and player development (with UKSCC/UKCA).