

Candidate for At-Large Director

Dr. Mike Babuin, PG

A Leader for the Membership



Purpose of This Presentation

This presentation provides a glimpse of things which I believe USA Table Tennis does well, as addition to things that need improvement and reconsideration.

Disclaimer: The views presented here are solely mine based on many years of experience as a member of the organization and as a previous Board member and Chairman of USA Table Tennis (USATT). By viewing this presentation it is hoped that you will be able to identify and agree upon areas which desperately need improvement in our organization. These are key things needing attention which I believe I can help improve.

Things USATT Does Well (*But...*)

Development of Cadet and Junior Athletes – We have some of the **BEST** cadets and juniors in the world. But – no professional career track exists for them once they finish High School.

Officiating – This may surprise many, but USATT has some of the absolute **BEST** umpires and Referees in the world. But we provide paltry expense reimbursements to them and do not show our appreciation properly.

Amazing Base of Volunteers – USATT has so many amazing members dedicated to the sport. Sadly, we don't tap into that resource well as an organization. We **MUST** change this!

Coaches – The United States is indeed fortunate to have very talented people to perform coaching at elite training centers and top clubs. Many of these coaches are past world class athletes from China and other countries. Sadly, **many high level coaches living in the USA are summarily ignored by USATT and not utilized at all** - which is sheer madness.

Things USATT Does (*Not so Well*)

1 of 5

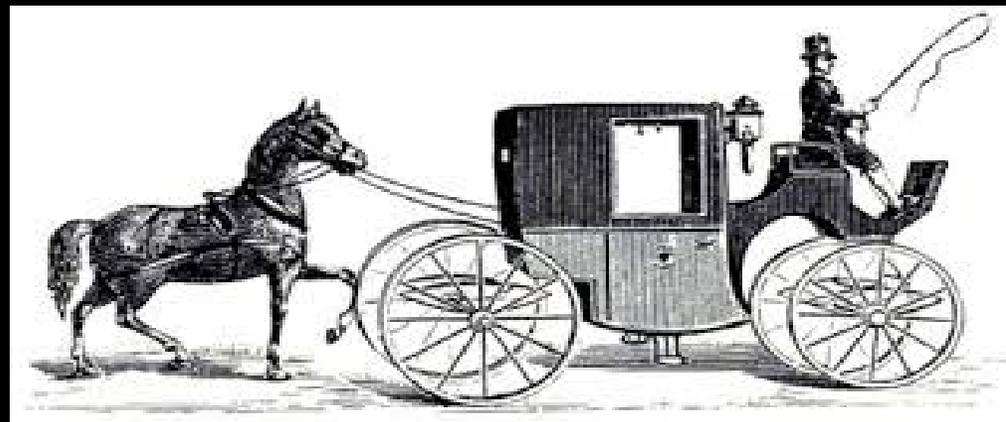
- **Serving the Needs of the Membership** – In recent years the organization has severely reduced member services across the board. The average member receives virtually no consideration by its leaders – despite many being in denial over this.
- **Marketing** – USATT has an annual budget that hovers around \$1 million USD/year. Consistently our net assets have **decreased** – resulting in the organization dipping into our reserves and borrowing from the USTTA Foundation.
- Take a close look at USATT's **IRS Form 990's** available online or on the USATT website to reveal more insight into the where the money goes. Look for 'net assets'.

Things USATT Does 'Not so Well'

(2 of 5)

Holding Itself Accountable for Budget Control – The Board reviews and approves an annual operating budget (*prepared initially by the National Office staff*).

But after its approved, there typically is no follow-through Board action **for tracking expenditures to budget line items on a monthly basis** to ensure the National Office (*and the Board itself*) are staying on course. In fact, there is no mention in any of the posted Board meeting minutes held in 2018 that discuss budget accountability and tracking in any manner whatsoever. Its like...the budget is a pesky 'after-thought'. That in itself is shocking. The 'cart leading the horse' – and apparently, the cart is unconcerned as well.



Things USATT Does 'Not so Well'

(3 of 5)

- **Borrowing Money From the Foundation:** In 2015, the USATT Board went to the Foundation to ask for a \$145k grant to cover various operating expense 'shortfalls'. They received it and the foundation deemed it to be multi-year advances of the annual interest allocation.
- **However**, this situation that led to this, should never have happened. USATT needs to develop and approve annual operating budgets that do not borrow money or touch the Foundations funds.
- **USATT Cash Reserves:** The next slide shows over an eight year period what has happened to USATT reserve funds. Example: these assets were at \$571,201 in 2013 (*the year Mike Babuin served as Chairman*). By 2016 the reserve fund was drained to \$164,419 – that is a **\$406,782 drop in 36-months!**
- This is **not** a loss from investments – this is a loss from the Board spending cash reserves that should have been saved - not touched.

USATT Financials as Taken from the IRS Form 990's

Key Trends to Recognize 2009 - 2016

	<u>Reconciliation of Net Assets</u>	<u>Approx. Salaries at National Office</u>
2009	\$603,662	\$338,406
2010	\$597,288	\$354,028
2011	\$595,807	\$369,640
2012	\$553,983	\$388,197
2013	\$571,201	\$397,707
2014	\$490,711	\$377,840
2015	\$306,883	\$471,932
2016	\$164,419	\$524,033

Red = Loosing financial trend; **Green** = Gaining/improved financial trend. **Blue** = Saved \$20k in salaries at National Office from previous two years due to creative staffing initiatives set in-place by Chairman Babuin in year **2013**

Note: 2013 Was a good year for USATT. Mike Babuin served as USATT Chairman of the Board in year 2013.

Net Assets of USATT

Based on the previous chart compiled from IRS Form 990's filed by USATT. Today there exists only \$164k in remaining funds. Many people would regard this as an organization which is a functionally bankrupt entity.

Clearly USATT is in financial crisis with little to no financial health.

As of January 1, 2019 = the minutes posted on the USATT website **confirm the absence of any discussion whatsoever by the Board on tracking the progress of expenditures in our operating budget!** In other words, the USATT Board has met monthly the entire year (*through at least October**) without even a thought on how we are doing financially, much less tracking the financial activities at the National Office. This is most disturbing and quite astonishing.

* As of January 1, 2019 the November and December 2018 minutes of the Board are not published on the USATT Website

Things USATT Does 'Not so Well' (4 of 5)

COACHES

In the USA we have **at least four coaches** (*all from China*) who speak English well and who were either *past world champions, past world ranked contenders*, or who served as *elite athletes on the Chinese National team*. Amazingly, **NONE** of these four individuals are on the "USATT National Coaching Team" – *what an incredible waste of unique talent and resources*. So sad for USA.

Likewise, we have other past world champions and National team members from other countries who also live in the USA who are not part of our elite coaching team. **WHY? USATT should be embracing these amazing coaches with open arms!**

Instead of a deep coaching pool of top, elite coaches, USATT has gravitated to a closed door, subjectively selective policy catered to a select few individuals. Multiple promises and assurances related to expanding the National Coaching Team pool with more elite coaches never materialized.

Things USATT Does ‘*Not so Well*’ (5 of 5)

Relationship Nurturing with the ITTF

Relationships in life are so important – both family/personal and professional. USATT has at best, an *average* relationship with the ITTF. It is clearly **not** stellar and not what it should be, *or could be*. **WHY?**

Because with respect to ITTF, we do things ‘backwards’ compared to the rest of the world. First off, we have consistently established a ‘revolving door’ of representatives from year-to-year from the USA that never is able to establish long-term trust and relationships.

The USATT Board has made a grave error by delegating authority to our CEO for representation to the ITTF Board of Directors and General Meeting of the ITTF. This is severely frowned upon by other countries who view us as ‘diluting representation’ and not sending the person in authority to represent the USA (i.e., a Board Member). These are critical and crucial mistakes that we continue to make. Now our CEO has left USATT and USATT will once again have to select yet another ITTF representative. This is a perpetual and ongoing error in judgement.

Whether you agree with this or not – it is a fact and is a ***real perception by others at the international level.***

Changes in the Wind Are Coming Yet Again

ITTF will be taking on a new, more active role in activities in North America in 2019. More on this will be announced later – however, *extreme care* must be given by USATT to not give away the **only** thing that we do well which brings us revenue – which is running large tournaments. As an example, the US Open and US National Championship are usually revenue producers for the organization (*however, maybe not the 2018 US Open this year...*).

Moving forward, we must be extremely diligent to not lose control over these two key, premiere events, in order to not eliminate a vital revenue stream.



'USATT – please don't throw out the baby with the bathwater'

Deplorable Member Services

USATT today embraces a philosophy which allows many of the most difficult decisions to be delegated to the National Office (CEO) rather than being addressed by the Board directly. While having some merit, this trend has gone way too far. It's high time the Board takes ownership to key decision making, instead of taking the path of least resistance. The 'horse should pull the cart' – not vice versa.

This approach is typically defended by saying that the Board should be only focused upon 'strategic issues' whereas the National Staff is responsible for the details of the operation of the organization. Sorry, but I disagree to a very large extent. The experience of table tennis people is the 'heart and soul' of the sport. While minor details can be indeed delegated, large changes which affect the membership require and demand Board intervention and involvement along with a public, membership vetting process.

So when sweeping changes come forth abruptly and members 'scratch their heads' in disbelief, it is because the National Office while having good intentions, are not composed of lifelong, endemic table tennis people, and often times, are newcomers to the sport as a whole. A recent example of this is the **major format overhaul at the US Open in Orlando, Florida which permanently neutered and purged all rating events. This was done WITHOUT any consultation or vetting through our Tournament Committee! Incredible!!**

No more rating events?...and only ~500 people registered...? It doesn't take a brain surgeon to quickly connect the dots. There was no prior vetting with the membership, or to our Tournament Committee (*I asked them*). Thus we the average member received, no representation, and no consideration to the needs of the membership to which the organization is tasked at serving.

And we wonder why membership stagnates and declines...?

Deplorable Member Services (cont.)

- **Membership Growth through Added Value** – **FACTS**: A few years ago this was the 'mantra' from USATT. Unfortunately, that equated to eliminating the hard copy of our national magazine; firing the editor (who did a brilliant job); increasing the membership dues; cutting back on prize money at the US Open and US National Championship; removing rating events; and removing most coverage of club activities in our digital media newsletter - focusing more upon international activities for elite level events globally.
- *So where is that 'Added Value'*? Maybe we missed it somehow...

General Things Which Outrage Members

- Changing the format and costs associated with the US Open and US National Championship; (*as for Las Vegas – will we ever go back there? Or is that relationship forever ruined...?*);
- Taking something (*anything*) that worked fine and making it more complicated and less user friendly (*Example ‘new’ Ratings Page*);
- Perpetually ignoring things which beg to be improved (*ex: USATT Rating system*);
- Enacting major decisions that affect the membership without involving the committees and the general membership in ADVANCE of decisions being made;
- Continual and consistent drop in membership value;
- Increase in fees across the board;
- Lack of knowledge, availability and involvement of Board Members;
- Unresponsiveness of communication to members from National Office;
- General feeling of ambivalence and disregard of Board and National Office to members.

Specific Things Which Outrage Members

- **Increasing Costs** at the OPEN and US Nationals while eliminating events without public vetting;
- **Extraordinarily Expensive 'Special Rate' Hotel Costs** at USATT events – members often do much better shopping for their own hotel rooms;
- **Late Notice for Annual US Assembly at US Open**. Only 25 people bothered to attend this year – due largely to 'ninja like', last minute member notification. No agenda for the Assembly published so the purpose of Assembly had no meaning to the average member. Finally, only a few USATT Board members bothered to be present for it as needed to interact with the membership.
- **Eliminating the National Magazine** and editor in favor of a cheaper digital alternative prepared by National staff that has little knowledge of the sport or its history. Digital version has less applicable content, and, content present is often riddled with spelling errors, typos, and often times - inaccurate information resulting from no edits taking place by a knowledgeable table tennis person;
- **Posting Notice For Board Elections Too Late** resulting in a late February 2019 election date knowing full well (*all year long*) that terms of some board members expire in December at year end. This is either political maneuvering to keep votes by old board extended into the new year, or, simply ambivalence to following the by-laws. Classic example of how the organization has little regard for its members.

The Biggest Problem of All

USATT Still Has Does Nothing to Capture the Huge Recreational US Table Tennis Market

As it used to be, we could comment on why USATT focuses on the 10,000 members in the organization instead of the **18 -20 million** recreational table tennis enthusiasts that exist in the United States. However, today, we cant even say that. Today USATT focuses primarily upon the dozen or so members that are on the National Teams - and as mentioned earlier, despite this, our elite athletes still do not get much support from the organization - with no sign of a career path in the sport after High School.

So yes – the bigger problem is money. So then – **WHY** does USATT not address the 18 million table tennis players in the USA to create a new, lucrative revenue stream?

Back in 2013, I presented a detailed powerpoint presentation on how to get this done which most board members liked – only to subsequently see it dismissed by a former Chairman of the Board. As mentioned earlier, the problems with having a Board of non-endemic table tennis people, confirm the difficulties of getting initiatives discussed and ultimately approved that can make significant and sustainable differences.

Sadly, USATT has become mechanically sterile and lacks a heart and soul at its highest level.

The 13 Root Problems with USATT Summarized

1) **By-Laws Need a Complete and Total Overhaul**

As the by-laws currently stand you the member get to choose only **TWO** of the nine positions by a vote – therefore, seven of the nine board positions, you the member have virtually no say-so in terms of voting representation whatsoever.

2) **Member Services Have Severely Diminished**; Some would call this ‘Deplorable’

3) **Developing an Operational Budget that Does Not Deplete Future Assets** (*and*) Restoring Depleted Assets;

4) **Tapping into 18 Million Recreational TT Players in the USA** (*‘super’ revenue source*);

5) **Expand Coaching Pool** with World Class Coaches Currently Being Ignored;

6) **Improve Our Long-Term Relationship with ITTF**;

7) **Consistent Financial Tracking of the Budget** (*monthly*) by the USATT Board (*Has Not Happened*);

8) **Holding CEO Accountable for Performance Objectives** - Has Not Happened;

9) **Holding the USATT Board Accountable** for Increased Revenue Generation and Membership Services;

10) **Embracing New Initiatives** Which Will Help Us Market USATT in the USA and Globally;

11) **Development of a Professional League** to Create a Career Path for Our Elite Athletes;

12) **Lay the Groundwork for Building a Sustainable National Training Center** in the USA;

13) **Embracing the USATT Membership** as a Unique, Valuable Asset that Can Help All of the above points.

This is Why I am Running for the Board

To put **your voice** 'back in the spotlight' and do my very best to represent the needs of the USATT membership as priority #1 - using a common sense approach based upon experience.

USATT Board positions are non-paid volunteer positions that create a lot of headaches, and have little to no recognition by our general membership as to the many problems encountered. Despite this, I love the sport enough to volunteer my time and skills to our combined greater good.

I NEED YOUR SUPPORT, YOUR HELP, AND YOUR TRUST. WHEN CHOOSING YOUR AT-LARGE DIRECTOR – MAKE IT COUNT!

Please also talk with your friends who are USATT Life Members or General Members in good standing and ask them to vote for me in the general election as the At-Large Director in February, 2019.

Please help me, look after the needs of ALL of the members in our association.