

Budget for Bridge Canada

Proforma Budget

The first step in developing a budget for Bridge Canada was to develop a draft high level budget which would demonstrate whether it appeared that a separate bridge league is viable. Because there are still many decisions to make about the nature of such a league it was necessary to make a number of assumptions. The case used for this purpose basically assumed the status quo that is, the services provided and fees collected would be similar to those of the CBF and ACBL today. There was one notable exception. We assumed that the fees collected were the same fees collected by the ACBL, except that they were in Canadian dollars. As a result there was more than a more than a 1/3 reduction in charges and therefore in revenue. Two versions of this draft budget were developed. Dick Anderson provided a first pass and Linda Lee developed a second draft which documented the major assumptions. Both budgets are attached in Appendices 1 and 2. The result of both draft budgets was to demonstrate that it appeared that we could more or less duplicate the functions of the ACBL and CBF with this revenue stream.

How Can We Do It?

Commonsense would suggest that we could not deliver the same quantity and quality of service as the ACBL at a lower fee and without the economy of scale that is available to the ACBL. There are a number of reasons why we actually can achieve this:

- 1) Goods and services in Canada cost substantially less than in the U.S. -- often as much as 1/3 less.
- 2) We have assumed that many activities which are funded or partially funded by the ACBL remain essentially volunteer services in Canada. For example, there is essentially no money budgeted for supporting the Board of Directors. The CBL Board is expected to play a more minor role than it does in the US and to continue to operate largely through email and teleconference. The Junior Administrator and other similar positions are budgeted to receive at most a small per diem.
- 3) We do not expect to have significant real estate holdings or other infrastructure.
- 4) We looked at ways to provide services in an economical way. For example, we budgeted for a magazine but only planned on 8 issues per year. We assumed that the magazine could be put together without paying for contributions and with an editor who received an honorarium.

Major Assumptions

The major job of Bridge Canada is to support an Education program, Junior program, Charity program, Canadian teams, sanction tournaments and clubs, build membership and support members, provide a magazine, support a masterpoint program and promote bridge in Canada.

The following is a list of the major assumptions made in the budget. More details are contained in the budget in Appendix 2:

Revenue

1. The membership stays at the same level as today. The fees collected from tournaments and clubs are at the same level as today except that they are in Canadian dollars.
2. Fees collected from members are substantially reduced but there is no further reduction for first year members or life masters. Units do not get a portion of the fees.
3. Fees collected for the Junior Program, Canadian teams are the same as today. We have ignored these programs (and the Charity program) for the most part and simply assumed that they are self funding.

Expense

1. Tournament directors will not be employees of Bridge Canada. Existing ACBL employees are the ACBL's responsibility. Bridge Canada will contract out tournament duties. Tournament directors are assumed to be self-supporting
2. The ACBL will initially provide support for a masterpoint program at a reasonable fee (or Bridge Canada will provide the same support at the budgeted fee).
3. While there will be a small central office; most of the most staff will work from home offices and will be stationed across the country. This is important so as to provide regional support and representation.
4. We assumed that the start-up money will be borrowed (and fees for supporting this debt have been budgetted).

Conclusion

It appears that Bridge Canada could perform its important duties with the current revenue stream with reductions which recognize the Canadian cost of living and exchange rate.

Other Budget Models

There has been much discussion about other approaches in providing a Canadian bridge league. For example, if we took the approach that everyone who plays at a sanctioned club must be a member of the league (as in France for example) then we would likely have many more members. We have also discussed providing greatly expanded services. These might include special services for social players, significantly more promotion of bridge, more local services for members and clubs, magazines geared to different classes of membership, magazines distributed to the clubs. These ideas would undoubtedly have a profound effect on both expense and revenue. In doing some what-if analysis it seems that most of these concepts could be implemented. However, it might

be necessary to phase in changes of these type or raise some start-up fees since they are likely to add expense before they produce significant revenue.