

Report Prepared

For

**The benefit of New Zealand Bridge, Regional
Committees, Affiliated Bridge Clubs and
interested bridge players.**

Subject: Consultation and Information Sharing

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Introduction

We wish to thank, in particular the Regional Committees for facilitating the meetings. We appreciate the timing of this consultation round was far from ideal. Nevertheless we were able to have wide reaching dialogue that provided sufficient commentary and views to provide a base and framework for the future. We also want to thank the Board, Staff and volunteers for their openness, provision of information and constructive comment. Undeniably everyone that we spoke to is concerned and only want what is in the best interests of bridge.

Consultation extended beyond the Regional Committees, Clubs and Players to members of the Board, Staff and many volunteers of New Zealand Bridge. In total we engaged with 40 clubs and over 200 individuals from Otago/Southland right through to Auckland/Northland. Unfortunately due to time constraints dictated by the forthcoming Board elections we were unable to reach out to everyone. For this we apologise but hope the conclusions of this report resonate with you.

The origins of this review stemmed from a concern of a potential rift within New Zealand Bridge, following correspondence, emails and discussions about possible changes to the structure of the organisation. There was concern that if the situation was allowed to fester then there was a real risk that the development of bridge in New Zealand would be set back many years.

The report is not intended to be a treatise, but a focus on the key issues that require attention by the Board. We set out a series of recommendations, which we hope will be accepted and adopted by the Board.

Over recent weeks the Board has released a series of reports and papers- The Arrowside Report; draft Rationale statement; confirmation that the Board would not take any pre-emptive action and any change would be left to the incoming Board; advise that the Chair would not be standing for re-election. All of these reports and papers added significantly to the knowledge of the wider bridge community and made this review a lot easier.

We are hopeful that Clubs will be better informed and that they can make a considered decision when exercising their vote at the forthcoming election.

Objectives of the Review

To provide the bridge community with information about the future direction of bridge in New Zealand, that in turn will allow the community to constructively discuss the future direction of the game and what is important to the many stakeholders.

To provide a future path that will provide the incoming board with direction for the next 12 months and beyond.

Caveats

Review is not binding but hopefully NZB will listen to the wishes of the bridge community.

That the findings of the review will be published and shared with Clubs, Regional Committees and the Board, no later than the 1st week of February 2017.

Issues that led to this Review

The board was initiating a step change programme, however there was a divergence of views at the board table, primarily around the cost of change and financial sustainability. The breakdown within the board ultimately resulted in an open letter being written by Alan Turner. That open letter then generated views being shared on social media. The board was slow to respond as it was bound by the obligation to consult with staff before embarking upon wider consultation.

The issues can be summarised as:

1. Governance v Operations.
2. Business Improvement programme.
3. Engagement of a Chief Executive.
4. Cost of Change
5. Difference and conduct at the board table.
6. Trust breakdown.
7. Lack of communication.
8. Lack of consultation.
9. Clubs feeling isolated and powerless

Additional issues were highlighted through the process of consultation.

1. Needs of the Club player
2. Growing membership and promoting the game
3. Player development.
4. Helping clubs in crisis
5. Relevance of master points
6. Upgrading the website
7. Greater transparency

Commentary and Recommendations

Part 1- Background

A review in 2015 (The Arrowside Report) concluded that although the Board had a clear growth strategy and business plan it did not have the organisational structure to implement that strategy. The report went on to say that under the present structure the composition and skill sets available to the Board to undertake its task is totally vulnerable to the electoral cycle.

Throughout 2016 the Board spoke about a three-step, change programme.

1. Shifting the focus of the Board from operations to governance.
2. Appointment of a Chief Executive
3. A Business Improvement Programme.

Clearly there was not unanimity within the Board about the change programme, resulting in a breakdown in the operation and effectiveness of the Board. Whilst there appeared to be tacit agreement as to the principles, there was a divergent view as to affordability and whether the changes would put the organisation in financial peril. Ultimately an open letter was released and social media became very active.

Reference has been made to the “tight five” versus Alan Turner. This reference is totally inappropriate and misleading. In the case of the change management and business improvement programme the majority of the Board is aligned with what they believe is required to take the organisation forward. Two strong personalities were and are at play, both believing what they are proposing to be the right way forward. Rather than focusing on the issues the conversation unfortunately got personal.

In giving effect to the change programme the Board is required under New Zealand employment law to consult with its employees. The delay in undertaking consultation added to the suspicion that the Board had a secret agenda. The confirmation by the Board that it will take no further action and that any decision regarding the change programme or any part of it will be left to the incoming Board has in many parts diffused the angst within the bridge community.

Part 2- Findings

It is apparent that the Board failed to communicate and consult with its membership. Had it been more communicative and consultative then the core business improvement programme could have and probably would have been given effect. Throughout our discussions with Clubs and Players there has been no resistance to the principles of implementing a business improvement programme. There is a clear recognition that we must use technology to our

advantage and if that results in freeing up capacity to focus on more strategic issues then that is a good thing.

Shifting the focus of the Board from operations to governance is not a bad thing for a variety of reasons.

1. The current cost of running the Board is exorbitant at about \$36,000 a year.
2. Within the current economy and demographic, reliance on volunteers might not be sustainable.
3. Engagement of skilled staff to deliver on strategy and administrative tasks will deliver more certainty, better quality, and better outcomes.
4. Individuals willing to offer themselves, as a Board member or as a volunteer might be a challenge in the future, as people become increasingly time poor.

At the moment the Board acts as a management committee supported by two full time employees. As a consequence the Board is heavily focused on operational matters rather than fully executing the strategy and business plan. In addition to the Board and staff there is a chief director reporting to the Board with delegated responsibilities set out in the constitution; regional committees who are the conduit between the Clubs and NZB; a large number of volunteers and committees.

The proposal to engage a Chief Executive created angst, largely about the prospect of incurring an unsustainable cost. Clause 14 of the NZ Bridge constitution contemplates the appointment of a Chief Executive. The reality is the constitution comes up short in this area. The debate should not be about a title but about having people with the required skills to undertake the required function. In reality if you size the job that is contemplated as part of the business improvement programme then you are probably considering the appointment of a general manager, not a Chief Executive.

Over the last two years the relationship with employees has deteriorated, primarily due to a lack of taking the staff on the business improvement and reform journey. Nevertheless employees and volunteers have all expressed a commitment to the wellbeing of the organisation and want to be a major contributor going forward.

The organisation is not broken. It has some challenges but all of these are fixable. It has to be recognised that the current culture has evolved over many years. It needs to change, which might be painful in the short term. There are many things that the Board is doing well. This is no better illustrated with the beginner lessons and work being done by Jane Stearns to reinvigorate clubs.

Part 3- Issues and Recommendations

Set out below are the issues concerning the bridge community and our recommendations for consideration by the board of NZ Bridge In many respects these are either mechanical or behavioural and are not difficult to give effect to.

Priority 1

Undeniably the call for better and more regular communication is the demand from all, followed by greater consultation and transparency.

Issue	Recommendation
<p>Lack of Communication The failure to communicate with Clubs and Players on the step change programme has been a major shortcoming. The lack of communication has fuelled distrust; a belief that a hidden agenda was being pursued resulting in personal and vitriolic comment. The Board has also failed to communicate appropriately with employees and volunteers.</p>	<p>We recommend that the Board adopts a communication strategy with a clear purpose of keeping its constituency base well informed.</p> <p>We recommend the adoption of a monthly newsletter from the Board.</p> <p>We recommend that the Board puts in place a communication framework with staff and volunteers. This latter point should involve regular contact and engagement.</p>
<p>Lack of Consultation The Board has assumed it had a mandate and authority to carry out change. The mood of the Clubs and Players dispute this point. For many, the Board may have had the power but lacked the mandate.</p>	<p>We recommend that the Board consult with the wider membership when it is contemplating any significant or strategic change.</p> <p>Should the incoming Board decide to proceed with the step change programme we recommend that they develop a comprehensive business case and consult with clubs, regional committees, employees, players, and volunteers’.</p>
<p>Lack of Transparency Transparency failure has resulted in a theory that decisions had already been taken and the Board had no</p>	<p>As part of a revamped communications strategy we recommend that the Board adopt an open transparent programme.</p>

<p>intention to consult. There is a culture of “telling as little as possible”. The minutes of NZB disclose no or very little detail/information. Members are unable to determine what is going on within NZB.</p>	<p>We recommend that the Board revisit how it records and advises what is going on (more descriptive minutes).</p>
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Priority 2

These issues deal with the step change programme.

Issue	Recommendation
<p>Business Improvement There was little opposition to the principle of reviewing processes and seeking more efficient and cost effective ways of doing things. There was large acceptance that gains could be achieved by better use of technology and adoption of leaner processes. The business improvement programme has three objectives - doing things more efficiently and effectively; controlling and/or reducing cost; creating capacity within the resource to focus on strategic initiatives. A question was asked whether the board had investigated the merits of joining with Australia. It was noted that Canada now relies on the United States for the delivery of services.</p>	<p>We recommend that the Board submits a comprehensive business case proving that the change programme will deliver value, a better service and, is financially sustainable.</p> <p>We recommend that as a good employer that the Board consult and seeks input from employees and key volunteers’. If current employees (and volunteers) do not have the skills to deliver on the programme then employees (volunteers) to be provided with training so they are sufficiently competent to provide the required service. If an employee elects not to participate in the change programme or is unable to deliver the service following training then a separate conversation should take place.</p> <p>That the board consider the merit of joining forces with another organisation (eg Australian Bridge Federation), with the intent of securing an improved, and more comprehensive service including operational efficiencies.</p>
<p>Governance v Operations The Arrowside report identified in the sport management domain, governance is considered to be one of the most influential elements for the success of a non-profit organisation, no matter the size. The key</p>	<p>We recommend that the board revisit its governance and operational structure.</p> <p>We recommend that the board more clearly identifies what tasks it expects management to undertake and the</p>

<p>responsibilities of a Board to deliver on strong governance are around forward visioning and strategic focus of the board, and the monitoring and accountability functions. The board at present is focused on operational matters.</p> <p>The Arrowside report noted there was overwhelming agreement that the maintaining of standards, Masterpoints and general administration is done well. However, in reality this does not help most of the clubs, make a difference to membership numbers or move the game forward in anyway.</p> <p>Clubs, regional committees and the Board are comprised of volunteers elected from the membership. An organisation dependent on volunteers carries risk, as it is reliant on attracting a diversity of skills and knowledge, a time commitment, and the need to deliver management and support to ensure the volunteers are resourced and focused to deliver to strategic outcomes. Volunteer reliance can create continuity issues', demographic imbalance and the driving of personal agendas can derail strategic direction. The ability to recruit able volunteers to these committees, from a clearly defined pool of eligible candidates, is expected to become more difficult, as indicated by findings overseas on the changing expectations and availability of volunteers, as people become time poor, work longer and have higher expectations of return on their time. Further, the increasing expectations of the New Zealand Companies office, the Charities Commission and changes to the Incorporated Societies Act around responsibilities and duties will have an impact on the available pool. The Chair, the Board and</p>	<p>tasks the Board will continue to provide.</p> <p>We recommend that the board has a reporting structure that provides quality information contributing to informed decision making and a regime that facilitates appropriate oversight.</p> <p>We recommend that the board utilise available skills and services to assist with the development of strategy and execution.</p>
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<p>volunteers devote many hours per week to the running of bridge in New Zealand. Anecdotally the chair spends 25 to 30 hours a week, with the remainder of the board contributing significant hours.</p> <p>Notwithstanding it is hard to envisage total separation of Governance and Operations. It is inevitable in the short to medium term that the board will continue to have an involvement in the delivery of operational services. It is our view that a blended model is required in the short to medium term. Nevertheless there is merit in the board shifting to a more robust model around operational leadership, management and staffing.</p> <p>There are many members who have experience in business and change management. Many have offered their services.</p>	
<p>Appointment of a Chief Executive The constitution contemplates the appointment of a chief executive. The prospect of engaging a chief executive carries with it a belief of significant cost. The Board has stated that it believes \$60,000 in savings is available to pay for the additional service. The draft rationale for change released by the board on 10 January sets out a proposed job description. The role is best described as a general manager, with a correspondent cost. The board needs to demonstrate via the business case that the engagement of a “chief executive” is justifiable and affordable.</p>	<p>We recommend that the board undertake a full cost benefit analysis and demonstrate that an appointment of a “chief executive” is in the best interests of NZB.</p> <p>We recommend that board reviews the title of CEO with a view to ensuring any title is reflective of the scope and cost of the position.</p>

Priority 3

This section deals with issues important to Clubs

Issues	Recommendation
<p>The Club Player There is an overwhelming view that the club player is receiving very little from being a member of NZB. Many players do not value master points. Players are avoiding playing events so their ranking doesn't change. Players are concerned about becoming "open" and having to play at a level beyond their ability. Over the years the board has ignored requests to amend the masterpoints system to reflect the concern of club players. A high percentage of players are not interested in the Association. They only want to play bridge and enjoy a social environment.</p>	<p>We recommend that the board review the services it offers to the grass root club player.</p> <p>We recommend that the board revisit the current ranking system and develops a framework where it can regrade players.</p> <p>We recommend that the board investigates the benefit of introducing a handicap system and looks at running concurrent events.</p>
<p>Disempowerment of Clubs Many clubs feel disempowered and have no voice. The only formal way to connect is via the regional committee and annual regional conference. Clubs feel they lack a direct conduit to the board.</p>	<p>We recommend that the board investigate ways to better connect with members and give them a wider voice.</p>
<p>Education There is a broader call for greater education at all levels.</p>	<p>We recommend that the board look at how it can deliver an education programme across all levels of player, maybe working in-conjunction with the Foundation.</p>
<p>Growing the Game Clubs are looking for help to grow the game at the club level. The board is looking at ways it can grow tournament participation. The bridge development officer and a number of volunteers are trying very hard and progress is being made.</p>	<p>We recommend that the board put in place a think tank to look at what initiatives could be adopted to assist clubs grow and finding ways to achieve greater tournament participation.</p>

<p>Service Provision Clubs are interested in how NZB could leverage the scale of the Board to provide services more cheaply and/or efficiently. For example bulk purchasing or technology administration.</p>	<p>We recommend that the board investigate and review how and where scale may benefit clubs.</p>
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Priority 4

This deals with the constitution.

Issue	Recommendation
<p>Constitution There was a significant call for a review of the constitution.</p>	<p>We recommend that the board initiate a review of the constitution and consult with Clubs and players.</p> <p>In the interim, pending any constitutional review and change, we recommend that the Board considers processes that may address some of the concerns- eg. Special General Meetings and Remits.</p>

Appendix- Summary of Correspondence

Over 55 letters and emails were sent to New Zealand Bridge by regions, clubs and individuals. These represent an important viewpoint but we need to acknowledge the majority of clubs have not written or communicated. Some of those who feel most negative towards the current board have made their views known to other clubs and have encouraged those clubs to write. We have been made aware of regions and clubs who are supportive of the board but have only made those views known verbally.

70% of the correspondence received was against any changes being made to the structure without key concerns being addressed. There were a few calls for the board to resign; threats to withhold levies and talk of disaffiliation.

The key themes were:

1. Consult with clubs and regions (30)
2. Provide rationale and benefit (26)
3. Concern over cost (25)
4. Lack of transparency/secret agenda (16)
5. Delay until after elections (13)
6. Need for better communication (9)
7. Delay the process/more time required (8)
8. Board needs to deliver on values (3)
9. Support for current staff (3)

Then there was questions or comments relating to confidence in the board; need for change; support for Alan Turner; accountability; whether the board had a mandate; why change to governance role; over reaction by some; poor processes; need for risk assessment; future proofing the organisation.