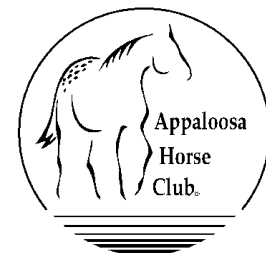


ApHC Strategic Planning Committee Report

June 30, 2011



Strategic Planning Committee Members

- Dennis Dean – Facilitator
- Steve Taylor
- Chuck McWhirter
- Frank Larrabee
- Laura Lyon
- Connie Taylor
- Diane Rushing
- Steve Bennett



Assignment

- Begin the process of developing a strategy for the ApHC
- Bring a progress report to the Board in July



Progress Report

- Strategic Committee first meeting was April 4th.
- A set of strategic planning questions was provided to the committee to evaluate the Board's perspectives.
- During the period between the last Board meeting and now, some committee membership assignments were changed.
- A facilitator was assigned on June 3rd to aid in the committee's direction and productivity.



ApHC Strategy & Business Plan

Background

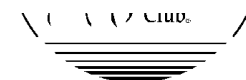
- Members, directors and staff all have a stake in the future of the Appaloosa Horse Club. Each group can have a different set of needs and expectations, but everyone should agree that a vibrant, engaged membership base drives all ApHC programs and services. One of our challenges as “servant leaders” is to continuously monitor, evaluate and implement effective customer service. And, we should be willing and able to try new things, stop doing what doesn’t work and try another new thing. At the same time, we need to identify and improve those things that truly provide real and/or perceived value for members. Our opinions are important, but only if they reflect honest consideration of what will be good for the organization, not just the people we hear from or happen to agree with.
- We know the equine industry has changed. Special interest groups are having an impact on our perceived value as a breed registry. Part of our logic says that a documented pedigree is an asset for anyone who wants to improve their chances of owning a horse that can do what they want it to do. Some buyers, however, have a short-horizon view and only consider today’s activity.
- Our assumptions about the value and necessity of breed-specific shows, trail rides, races and other events have crashed into a wall we’ve built for ourselves over the years. We’ve heard the suggestion that today’s horse owners “just want to have fun with their horses.” Maybe that can be translated to mean that not as many people want to spend a fortune to perhaps win a ribbon or buckle. They still want the ribbon and buckle, but their commitment level depends on affordability, flexibility and available time. Members increasingly want a greater return for their dues investment (which happens to be a small amount compared to what else they spend to participate in our activities).



ApHC Strategy & Business Plan

Background

- We've said that our marketing target includes women, non-pro's and youth. Do we attract them with what we've got or do we make the effort to learn more about what they want? Is it enough to keep adding classes so that everyone feels "comfortable?" Do we really understand how to deliver the personal and social payoffs that people seek?
- Our regional clubs and international partners seem frustrated and confused about their relationship with the Appaloosa Horse Club. We are equally frustrated. They want the ApHC to help them and the ApHC wants them to help the organization. Can we do a better job of defining what each partner would like to see happen? More "guidelines" and rules may not fix anything. More and better communication from the ApHC is essential. A sense of community can develop if we talk more about shared responsibility and shared rewards. Part of the conversation might also need to be about restructuring the regional club system. How many do we need? How do we define an effective regional club? What can we do to better serve and motivate international partners?
- "Marketing" the Appaloosa brand means lots of different things. As an organization, it's about recruiting members, raising awareness of our breed attributes, promoting the benefits of registration, selling horses and generating publicity for our members' successes. Marketing means public relations – utilizing an array of communications platforms and vehicles to create a positive image that is ultimately sustained by momentum at the grassroots level. Advertising tells what we hope is true. Person-to-person marketing becomes the reality of who we are and how we do our job.
- Our vision for the future can be realized if we commit to doing the right things right.



Introductory comments

- ***Strategy Planning Note:*** *This document represents a blend of existing ApHC strategy statements, recommendations from group discussions at the March, 2011, Board of Directors meeting and subsequent work of the appointed strategy team. Even in its final form, a plan is subject to ongoing evaluation and review and is meant to be used as a guide when considering priorities, resource allocation and program activity.*



ApHC Strategy

OUR VISION

- The ApHC will be a leader in member services, member loyalty and breed association excellence. Members will thrive in a positive climate for marketing Appaloosa horses, for making connections and for an enjoyable membership experience.

OUR MISSION

- To preserve the heritage and promote the future of Appaloosa horses while supporting members' business and recreational pursuits.

OUR VALUES

- We intend to serve our members with respect, fairness, integrity, professionalism, fun and open communication.



ApHC Strategy

OUR OBJECTIVES

- Increase adult and youth membership renewals by 10% within three years.
- Increase the registration rate of eligible horses by 10% within three years.
- Increase non-pro and youth participation in ApHC activities by 10% within three years.
- Increase awareness of the Appaloosa brand and enhance our position as the international breed registry for Appaloosa horses.
- Develop a more streamlined and effective governance/communication system for the ApHC, regional clubs and international partners.

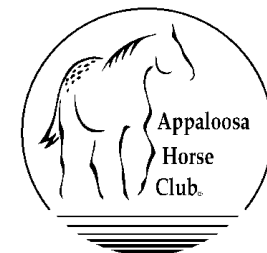


Six Key Strategic Focal Points

OUR STRATEGIES

1. **MEMBERSHIP: Determine what drives people to join/stay as ApHC members.**

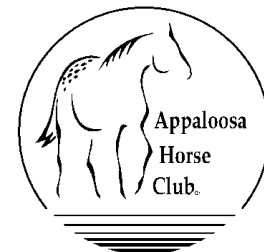
- a. Increase the range of prospect targets and offer customized invitations to join and renew.
- b. Develop more “attractive” and simplified membership marketing material, including a general brochure, online and paper forms.
- c. Add “Associate Member” category.
- d. Offer more frequent reminders of membership value.
- e. Expand social media opportunities for members; provide a forum for special interest communities within the membership ranks – and beyond.
- f. Consider a special category of new-member incentives and discounts (first transfer or registration, first ApHC show or activity, additional online credit, etc.).
- g. Limit rule changes; communicate changes more effectively (in plain language) and provide clear rationale.
- h. Sport Horse market?



Six Key Strategic Focal Points

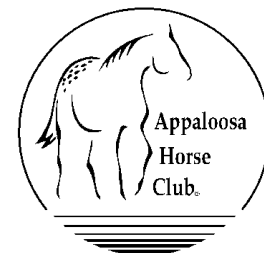
2. **REGISTRATION: Promote the value of registration papers.**

- a. Participate in industry-wide campaign (advertising and editorial) to communicate value-added opportunities for registered horses.
- b. Work to streamline the registration process.
- c. Develop a compelling message to encourage buyers and sellers to follow through with transfer paperwork.
- d. Keep breeding and registration rules consistent with industry and breed standards, but always consider appropriate and necessary adjustments for the sake of clarity and in the best interests of the membership.
- e. Work with international partners and registries to encourage registration with the ApHC.
- f. Research the value of a combined registration/animal identification system and service as an option for members.
- g. Evaluate member interest in expanded DNA-testing options that could be provided on a voluntary basis.



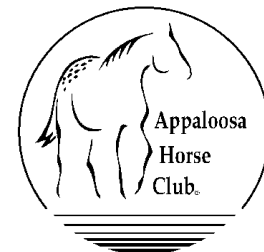
Six Key Strategic Focal Points

3. **REGIONAL CLUBS: Develop a mutually beneficial business and marketing relationship between the ApHC and regional clubs/international partners.**
 - a. Improve communication – to and from regional clubs.
 - b. Evaluate guidelines and requirements for regional club charter and active status.
 - c. Provide a variety of options for regional club shows and events.



Six Key Strategic Focal Points

4. **NON-PRO/YOUTH: POSITION THE ApHC AS THE BEST PLACE FOR ENTRY-LEVEL EXHIBITORS AND FOR YOUTH LEADERSHIP DEVELOPMENT.**
 - a. Encourage and support regional clubs in their efforts to provide entry-level classes and activities for non-pro target market.
 - b. Advertise and otherwise promote current ApHC Non-Pro program components, with the specific goals of simplifying the message and positioning the ApHC as a preferred program.
 - c. Add Non-Pro walk/trot classes – waive ownership requirement at regional shows, but not at ApHC-sponsored shows.
 - d. Develop a more formalized leadership development program within Appaloosa Youth Association structure.



Six Key Strategic Focal Points

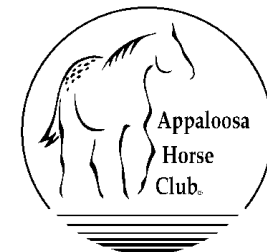
5. **MARKETING: INCREASE AWARENESS OF AND ELEVATE THE STATUS OF THE APPALOOSA BREED.**

- a. Continue efforts to establish the appaloosa.com Web site as the magnetic portal to the breed.
- b. Provide user-friendly templates and tools for use by all members in our “guerilla” marketing effort.
- c. Encourage Appaloosa owners/exhibitors to participate in both ApHC and non-ApHC events, shows, clinics, expos, and other activities. Get our horses out there in front of members and non-members alike!
- d. Share editorial, images and feature-story ideas with a larger variety of industry and non-horse publications.
- e. In all portrayals of the Appaloosa horse, be sure to use images that are readily identifiable as Appaloosas.
- f. Promote the fact that solid-colored Appaloosas play a role in ApHC breeding programs (lower-risk, no “throwaways”).
- g. The ApHC Board and staff will adopt and actively implement a customer service philosophy that supports the goal of becoming the “friendliest breed association in the equine world.”



Six Key Strategic Focal Points

6. **GOVERNANCE: DEVELOP POLICIES AND PRACTICES TO FACILITATE THE WORK OF THE BOARD.**
 - a. Reaffirm the principle that the ApHC is a membership driven association and that governance is derived from the members.
 - b. The Board of Directors, as the elected representatives of the membership, creates the vision and establishes policies and direction in accordance with ApHC Bylaws and rules.
 - c. ApHC staff carries out Board directives and provides association and membership services under the direction of the CEO.
 - d. Enhance the orientation process for new directors.
 - e. Develop a “governing mission” for the Board of Directors.
 - f. Document governance and management practices/guidelines for board and staff that will benefit the members, the breed and the organization.



What we need from you.

- Accept our work thus far.
- Confirm that ALL actions taken by this Board must be in alignment with this strategy.
 - If they do not, don't do them.
 - This must be our priority.
 - This strategy is a living document to be reviewed annually.
- The job is not done. Provide direction for the continuation of this assignment.
 - Detailed tactical items need to be identified and assigned to committees for action.
 - Development of tactical objectives will take until the next Board meeting.

