



OVERVIEW

The Board of Directors and key staff of the Appaloosa Horse Club (ApHC) gathered March 28-29, 2014 at the organization's headquarters in Moscow, Idaho. A primary purpose of the meeting was to review the organization's operations and strategic plans through a two-day session themed "Rising to the Occasion."

SITUATION

- **All breed trends:** Membership and registration trends for all organizations and breeds indicate a substantial decline over the past 10 years. It is an industry issue and not unique to Appaloosas or ApHC.

The decline in horse organization membership and registration is driven largely by socio-economic trends. Baby Boomers (born 1946-1964) who are approaching retirement tend to become less active in the horse industry. Meanwhile, Generation X and Millennial populations have an abundance of lifestyle and recreational opportunities and less financial flexibility, which is driving lower participation in the horse industry.

Organizations like ApHC need to maintain the career and professional Appaloosa enthusiast as well as attract and retain more recreational interests to stabilize the decline in membership and registration.

The decline does not appear to have subsided.

- **ApHC Trends:** Membership has been on a downward slide from 28,000 members in 2003 to less than 13,000 members in 2013. Registrations have dropped from more than 9,000 to 2,654 in the same timeframe. The organization's revenue has followed suit, with \$5.4 million in 2003 to an expected \$3.5 million in 2014.

The organization's staff has been reduced accordingly, from 49 in 2003 to about 21 full-time equivalents in 2013.

- **U.S. Horse industry overall:** Despite negative trends, the horse industry is still substantial. There are 9.2 million horses in the U.S., with 2.0 million people owning horses, 4.6 million people involved in the horse industry and about 0.46 million full-time jobs provided by the horse industry.

Horse activities center on: recreation (42%), showing (29%), racing (9%) and other (19%). Other includes farm and ranch work, rodeo, carriage, polo, police and informal competitions.

Seventy percent of horse owners live in communities of 50,000 or fewer.

- **Opinion poll findings:** An opinion poll was conducted in advance of the meeting to provide qualitative insights (that is, providing general trends and insights but not statistically projectable information). Key highlights follow:

The poll included input from 16 national leaders, 38 regional leaders, 23 staff and 175 members. Each was considered a separate population for purposes of evaluation. Practically all participants were very or somewhat familiar with ApHC. Over the past two years, about 90 percent had held membership and read the Appaloosa Journal. About 80 percent registered a horse while 60-80 percent had shown a horse.

Overall, about 60 percent felt that organizational improvements could be made, whereas 40 percent of participants felt the ApHC was doing an excellent or satisfactory job.

When asked about the most important function of ApHC, the predominant answers surrounded registrations and shows.

About 60 percent of participants felt ApHC's fee structure was similar to other organizations, whereas about 10 percent thought it was lower, about 10 percent thought it was higher.

When asked whether ApHC could change the trend of declining memberships and registrations, about 75 percent believe it could, with the balance split between answering no or don't know. Multiple ideas were offered to influence the trend, including better promotion, adjusting fees, adjusting registrations and adjustments in member services and shows.

Participants were asked about the tradeoffs of increasing fees versus cutting services or forming partnerships. Compared to cutting services, about 50 percent preferred fee increases; about 25 percent preferred cutting services and about 25 percent didn't know. Compared to partnering, about 30 percent preferred fee increases, about 60 percent preferred partnerships, and about 10 percent didn't know.

When asked about possible partnership or alliance candidates, respondents most frequently mentioned the American Paint Horse Association, Pony of the Americas, a color breed alliance, American Quarter Horse Association, Pinto Horse Association of America and similar organizations.

Participants were provided a list of more than 350 verbatim comments provided by those who completed the opinion poll. Those comments were used to help brainstorm key initiatives.

MISSION

Discussion: Participants decided to shorten and simplify the mission statement to reflect a more inclusive and positive purpose for ApHC.

- **New mission statement:** *The Appaloosa Horse Club (ApHC) honors the heritage and promotes the future of the Appaloosa horse.*

Previous mission statement: *The Appaloosa Horse Club (ApHC) is the international breed registry serving ApHC members and Appaloosa enthusiasts by recording and preserving the horses' heritage and history, and by providing services that promote, enhance and improve the Appaloosa, a breed defined by ApHC bloodline requirements and preferred characteristics, including coat pattern.*

VALUES

Discussion: Participants agreed upon the following six values to guide the ApHC and its decision-making. They also encouraged principles of resourcefulness, long-term planning and partnership to help guide ApHC's day-to-day operating management.

Organizational Integrity

- We work together as a whole and complete organization to honor the Appaloosa horse. We keep our word and carry out our plans.

Animal Care

- We are committed to the humane and proper treatment of all animals.

Involvement

- We embrace the entire family of Appaloosa enthusiasts beginning with people taking their first ride. We encourage widespread presence of Appaloosa horses, bloodlines and participation.

Positive Experiences

- We strive to honor the breed by creating positive, enjoyable experiences for members, guests and the community at large.

Meaningful Achievement

- We honor and recognize meaningful achievement of the Appaloosa and ApHC members.

Inclusiveness

- We value everyone working together in the spirit of partnership to achieve a bright future for the Appaloosa community and the broader horse community.

KEY INITIATIVES

Discussion: Keeping in mind the newly articulated mission and values and more than 350 verbatim comments provided through the opinion poll, the ApHC leadership developed and prioritized 18 initiatives that surfaced in small group breakout discussions. The top five were considered of utmost importance and were assigned a staff and board sponsor. For each, an implementation plan is expected to be presented for consideration to the board sometime during the second quarter of 2014. The board expressed its willingness to call special meetings as necessary to keep these initiatives moving forward expeditiously.

1. Registration Initiative	Consider eligibility guidelines for expanding the registry; aggressively market to owners of currently unregistered Appaloosas. Evaluate and establish appropriate criteria such as DNA testing and requiring resulting offspring to be bred to an Appaloosa stallion.
2. Program Review	Complete an organized review of all programs and activities to identify areas that can be eliminated or improved. Eliminate or streamline programs, and place more energy in growth areas.
3. Online Initiative	Make a substantial upgrade to the website that showcases the Appaloosa, automates more services such as registrations, fosters regional club interaction and builds a deeper sense of community.
4. Point System Refinement	Revisit the point system structure to encourage and recognize more participation at the regional level. Develop recommendations for adjustments to the overall structure of ApHC shows; evaluate the impact of combining shows with other breed groups and specialty events.
5. Regional Club Toolkit	Provide regional clubs with tools and templates that make it easier for them to establish good structure and governance, easily access services such as awards and insurance, include certain classes that attract participation, and actively market the Appaloosa to people in their area.

These projects are considered a matter of urgent attention given the negative trends affecting the horse industry in general. Upon their conclusion or implementation, additional projects will be considered and prioritized, or in some cases implemented through the organization's normal course of business.