

September 25, 2018

Will the Emperor Have Any Clothes?

The undersigned have all sailed either their best or last race, which means they have been around this sport for a long time. They love it and have given back to it each in his own way. While they have not always agreed with one another over the years on every issue, they all believe strongly that all sailors, particularly Category 1 sailors, a/k/a “Weekend Warriors,” should be vitally interested in the fact that under World Sailing’s Constitution it is obliged to release financial information 21 days prior to its Annual Meeting to be held on November 4 in Sarasota.

The reality is that most sailors have given this matter no thought at all.

The 2017 Financial Presentation to the Council reported millions of dollars of operating losses for 2016 and 2017 and projected operating losses through 2020.

World Sailing recently moved its offices to London and increased its annual rent dramatically from \$107,900 to \$481,000 pursuant to a long term lease in the face of uncertainty about whether its historic principal source of income, the IOC, will keep Sailing in the Games. This expensive move and London salaries of well over \$2 Million annually are justified by Kim Anderson by “Plans” to create new income streams from sponsorships that will purportedly come by making our sport more TV friendly.

There are many reasons to suspect that the new sponsorships projected to keep 2018 losses to a few Million Pounds did not materialize and are not likely to materialize in the projected increasing amounts over the next few years needed to stem the “red ink” and put World Sailing back on a stable operating footing.

There is good cause to believe that World Sailing is gambling the “prudent reserves” saved by decades of Officers of World Sailing (and its prior names) for a “rainy day,” such as the year, if ever, our sport falls out of favor with the IOC, in essence to cover millions of dollars of operating losses for the last two and next few years in the hope of creating more “media friendly” variations of our sport to secure sponsorships to provide income to pay their millions of dollars of salaries and fancy London rent.

This is in substance a commercial enterprise/gamble funded with our savings. Watching AC-72’s scream across San Francisco Bay is understandably more interesting to the average, non-sailing TV viewer than 12 Metres tacking 20 times on a weather leg on Narragansett Bay in 10 knots of breeze, but how many real dues paying sailors have ever sailed on an AC-72 or for that matter want to do so? As Gary Jobson said recently at the Opening Ceremonies of the J-70 World Championship, having just raced the prior weekend on *Courageous* with Robbie Doyle, “I wonder how many of the current America’s Cup Boats will be racing against one another 40 years from now?”

Anyone who ever visited one of the Volvo Ocean Race “Villages” quickly perceived that the “Village” had little, if anything, to do with the mainstream of our sport. But if you wanted to buy a car or a big truck, all the answers to your questions were there.

What if the new entrepreneurs of World Sailing fail to break even as they seem to be doing? What if World Sailing is forced into bankruptcy by its creditors in a year or two? Where does that leave the vast majority of sailors for whom World Sailing was created in 1906 and whose benefit should be its principal objective?

One of the greatest attributes of our sport is that it enables lifelong friendships among ordinary people that live all over the world. While this is diminishing among the Olympic classes as some Olympic Classes have World and Continental Championships attended by few sailors, if any, with years of time in the Class and day jobs, it certainly remains true of the Finn (385 competitors at recent Masters Worlds) and it is overwhelmingly true of International Classes such as the Snipe, Lightning, Dragon, Flying Dutchman, Etchells, J-24, J-70 and Star Classes. While each of these (and many other) classes are and have long been blessed with strong class organizations, the need for an international governing body of the sport cannot reasonably be disputed. When we all come together to race and learn about each other’s countries and cultures in ways that ordinary tourists never can, we need a set of uniform international racing rules to point to but one example of a need for an international governing body of any sport.

Weekend Warriors need World Sailing to survive much more than the so-called professionals do.

Section 68(c) of the World Sailing Constitution states that the Board “shall supervise the work of the Chief Executive Officer and Executive Office and *has final responsibility* for the corporate and *financial affairs* of the Federation.” (Emphasis added.) Perhaps if sailors in general paid more attention to the financial affairs of World Sailing they would communicate their views based upon their experience managing real companies and households to Board Members representing them and thereby heighten the Board’s collective sensitivity to their fiduciary duties. Grass roots sailors necessarily understand the need to live within one’s means. They do it every day.

Whether World Sailing can survive financially is a serious question that has been shrouded in what can be most kindly described as a conscious lack of disclosure to sailors generally. It is a subject worthy of serious public examination and discussion at the AGM and because of its importance ordinary sailors should be encouraged to attend the AGM so that they can become better informed about World Sailing’s prospects for survival absent a serious course change soon.

World Sailing exists for sailors and not for its employees. For years it was substantially managed for sailors by sailors, who gave their time freely out of their love for the sport. There are plenty of people of such character still around without their hand out. If events show that World Sailing has to really tighten its belt to survive, the existence of such volunteers could be

the one thing that saves it, because the London Lease is certainly not cancelable without economic consequences.

In short, Sailors of all categories need to start paying attention to the financial affairs of World Sailing and stop simply assuming that all is well. For them to be able to do so, World Sailing needs to become much more transparent about its financial condition and current results of all of its operations on a consolidated basis.

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