

When first elected as President in early 2010 I identified three things that had to be addressed before the RHBAA could move forward. First was the financial stability, second the perception and/or reality of crookedness, and third the defining and differentiating of our product. I would often hear what were meant to be suggestions such as “you just need to increase the membership”, “you need to increase the number of Saturday night horse shows for Racking horses”, “you need to increase the two horse trailer participation”. We can all agree that we want membership to increase, we want more places to show our horses, and we want more participation in the two horse trailer folks as well as the Trail and Field and the Speed and all other segments of our organization. These are all good thoughts but in and of themselves they are nothing more than wishful thinking. These things we all desire are in reality the end result of lots of proper planning and execution, they are the fruit. In order to take fruit from the tree, or vegetables from the garden, there first has to be a disturbing of the ground, sowing of the proper seed, fertilizing, watering, and weeding. We cannot enjoy the fruits for the RHBAA unless we first address and correct the three points previously mentioned. The three points represent a three legged stool. Leaving one out will result in failure. The entire process is lengthy, tiresome, frustrating, and challenging, but in spite of all those things, or perhaps because of those things, the correction has to be employed with determination, consistency, purpose, and done so methodically. The process will not be started or completed by accident, it will not be accomplished half heartedly. It will only be done with great effort and on purpose. Going forward, those that would serve as President and those that would serve on the board must recognize the foundation that has been laid, must have a clear vision to see the task now at hand and the way forward, and they must possess or drum up the internal fortitude to see it all through. Without these things the RHBAA will not reach its full potential.

Plowing the ground, disrupting the norm, is usually the most dreaded and the least rewarding part of the process, but that is where it must start. These were tackled immediately and unashamedly. Though there was some push back in all three categories and though there is still more ground to plow, we are now on a little better footing and it will only get better if this same path is continued.

1. The financial stability..... Just prior to my becoming the President in early 2010, the RHBAA sold the arena and property. With that sale there was a fair amount of proceeds deposited into the account. There was a lot of discussion and some amount of pressure to put that money back into the hands of the membership by increasing benefits and or to spend it on the promotion of the breed. I resisted the pressure because there still remained a lot of unanswered questions around the long term financial stability of the RHBAA. The biggest question I had was, “could this organization run a positive cash flow (make it) on its previous or current business model?”. Making it difficult, or near impossible, to answer this question was that there was no budget in place, the record keeping was inadequate at best, and as to the identifiable business model, well, there was none. In fairness to previous leadership, the challenges and financial drain on the RHBAA

associated with the ownership of the property was all consuming both in mental energy and in finances. Nonetheless, in spite of the few records that existed it was very apparent that it could not survive if left alone or as is. In fact a rough draft budget was quickly put together and it was determined that we needed a significant amount more in revenue per year to just maintain our current status. Without drastic change the additional money needed would have to come from the money that was netted from the sale of the property. With this current trajectory, at the end of 5 years the RHBAA would be out of business.

With that information, adjustments on the revenue side as well as on the expenditure side were scrutinized, we had just hired new personal that we felt would give this the utmost attention, and changes in other areas were starting to be employed that would have a longer term financial benefit. To assist in financial decision making I made a personal commitment that the money market account not be touched except for "have to" scenarios (when reelected as President for the 2nd term I made the same commitment for the second year). I felt we had to have some history behind us, something to evaluate, in order to know where we were or what we could do before being able to make any major plans or changes. This had to be done before simply throwing money at the wall and hoping enough of it stuck to pay off. Though the numbers of 2010 was hard to use as it had several thousands of dollars in carry over account payables from the previous year, and though 2011 had a huge loss of revenue because the Spring Show was canceled due to the devastating tornadoes that came through, with some adjustments we have at least a history of 2 years to study. With the adjustments in mind and with the cash flow needs on the table as the next item to be corrected, I now feel reasonably confident that with continued efforts we are headed in the right direction. This is one leg of the three legs to the stool that has to be in place before attention can be given to education and promotion of our breed.

2. The perception and/or reality of crookedness..... Whether it is all perception, all reality, or any combination of the two, it must go. At any level, crookedness or the appearances of such, has to be viewed with low tolerance and high priority. It is the thief that robs the RHBAA of its dignity, of any respect among the horse industry and the community at large, and ultimately it robs the RHBAA of the fruit it should be producing, thus jeopardizing its ability to remain a breed and an organization. This stance has to start with the President and the board, and then to the judges, to the trainers, horse owners and exhibitors, touching all aspects of the organization. Most of you know that I waded in head first on this subject from the very beginning, announcing that crookedness or such activity after February 2010 would be viewed as an enemy of the RHBAA. Without getting into

detail, there has been a lot of headway made in this category. With simply letting the new stance be known, willing to follow through on statements made, seeing the implementation of the polygraph testing, willing to be ostracized and shunned in certain circles, being dogmatic on this subject in spite of the pushback, we have seen the pendulum swing slightly in the right direction. It's called, "forming, storming, and norming". When change is made, especially from new leadership, it is reasonably well received by the majority. The change and the initial reception is called "forming". In almost all cases there will then be varying levels of resistance as we realize what first sounded like a good idea now is touching us, or someone we know, in some way that on the surface seems to be negative. Our independent human nature pushes back in an attempt to discover where the boundaries actually lay or to see if we can move the boundaries. In some cases we will attempt to undermine the change and remove the boundaries altogether. This process is called "storming". Once individuals go through that process and see that the leadership and/or the change is not going to move, they adapt to it and the new benchmark, the new expectation, then becomes the norm, hence "norming". I'm not moving from my view points on this subject or from the desire to change the culture and reputation of this organization. I'm not changing from the push to see and to maintain as the "new norm" that it is not okay to participate in such alleged unscrupulous behavior. Though there are a few that still want the "old norm", I have seen and heard a lot of encouraging evidence that the "new norm" is being appreciated and accepted. Most folks now agree that some headway has been made in this area. Correcting this problem will put a second leg on the three legged stool and assist in success.

3. The third category is defining and differentiating our breed. One of the first and most basic things taught in business and marketing classes is, "you have to have a differential product". In other words, the best and most sure way to success is offering something that no one else is offering. The shortest distance between two points is a straight line and the shortest distance between where we are now and to success is tightly defining our product, our service, and our culture. In so doing we must contemplate and include what makes our breed and organization different, stand alone, and easily identifiable. By doing these things we are creating a "differential product". Here again as it relates to our breed, we are entering the "forming, storming, and norming" process as I discussed this topic throughout 2011 starting at Winter Meetings and opened it up for discussion at the World Celebration when we had access to a larger number of folks. The "forming" wasn't done hap hazardously, on the spur of the moment, but rather has had a lot of thought put into it. Surveys have been taken, lots of random individuals have been talked to for their thoughts, and

large numbers of folks have intentionally pulled me to the side to share their thoughts on this subject. One on one and by survey, 19 to 1 state that we have allowed too lose a definition in most all our divisions and need to pull it back in to some degree. Our window of acceptance has gotten so wide that we've created mass confusion and with that comes frustration, anger, hurt feelings, and contributes to the revolving door on participation and interest. Properly defining our breed, our service, and our culture may cause temporary pain, but the net result will be a people that know what is expected, can better prepare, and an environment with lack of confusion. With that we can then produce the fruit and success we all desire. By having a "differential product" to offer we will then have the third leg in place to the three legged stool that will help in creating stability and thus allowing us to move forward with a good degree of certainty.

4. Education and Promotion..... The reason this category was not mentioned as something that needed addressing immediately is that the first three had to be addressed and going in the right direction before education and promotion could be considered. Think about the difficulty in trying to promote our breed and organization without addressing the three problems mentioned herein. Think about how much easier it will be to promote our breed and organization if we have the three problems corrected. With an continued efforts and progress in these areas, education and promotion can soon be on the table.

It is my expectation that this organization create the reputation of an organization that is financially on very solid footing and runs like a well-oiled machine, has gained the respect from all others in the horse industry and the public at large as an above board organization that does not tolerate any hint of less than honest behavior, and that truly knows and loves their breed. I ask for you to come along side me in person, in spirit, in attitude and see this through.

Thank you,

Chris P. Walker

President of the RHBAA