

2016 BGES Investors' Report

A Summary of the Year Past and the Coming Year

Happy new year my friends and colleagues—the year has zipped past and at the same time dragged with maddening frustrations complicated by personal challenges. Being a small organization with a small staff the demands of personal life are always factors and they certainly were this year—indeed a summary intended to be quarterly is now the first direct communication in over 13 months. I beg your pardon and assure you we have taken steps to fix this in 2017 and beyond. I will address that in due course but first let us celebrate a year of success and preview what is coming in 2017.

The year dawned bright with the release on schedule of our 4th book with the National Geographic. ***The Civil War, A Traveler's Guide*** went on sale February 16th, and while national distribution was disappointingly irregular, the book has gotten off to a solid start with approximately 7,000 sold in the first 4 ½ months. Members reported sales in Costco and on line with Walmart; however, the book failed to appear in most National Park Service bookstores before October and even now distribution is irregular—I didn't see a copy on sale until November when I was in Barnes and Noble in Williamsburg. One member reported that on a tour in Tennessee taking in a majority of the significant Civil War sites the book was unknown and not being offered anywhere he saw. That led to a hard discussion with National Geographic in early October and now the situation is improving.

This report is important because this was BGES' first and perhaps last joint financial venture with the Nat Geo. With nearly \$120,000 in cash tied up in the project we expected a solid and substantial return on investment both in cash royalties and new membership. The former will happen in due course—just not as fast as we expected (our first return for a partial royalties period was just under \$6,000), the later has yet to materialize. Distribution and sales will be key to this. Fortunately, this is a timeless goal in that the wider the distribution the more people are exposed to us and the more books that are sold the more member prospects we will produce.

Our discussions with National Geographic led to a loosening of the retail agreement and we now have a limited license to wholesale the book to retail outlets. ***You can participate in this opportunity by letting us know what you see and think.*** Let us know when and where you see the book on sale and where you expected to see the book on sale but didn't (a tip--also look in the travel books section—we think it will sell better on the Civil War shelf). If you believe the outlet may be a genuine prospect for retail sales please let us know the name of the location, the name of the acquisitions manager and the address and phone number of the same. We will send them a review copy and wholesale ordering instructions. This can work at historic sites—particularly state, county and city or town parks with steady visitation and a book store; historical societies, active Civil War roundtables, Lincoln Forums,

tourism bureaus, hotels and bed and breakfasts that cater to Civil War traffic as well as independent bookstores in towns and on college and university campuses.

This initiative is potentially very lucrative as BGES would realize approximately \$5 on every book placed or sold. Given our royalty averages \$1.40 per book, you can see the potential of the investment if you are willing to be a BGES advocate.

BGES' relationship with National Geographic goes back to 2002 when we agreed to work together on our first book, ***Fields of Honor*** that was published in 2005. That best seller has fielded over 60,000 copies with sales remaining steady 12 years later. Our second book, ***Receding Tide*** released in 2010 has sold approximately 11,000 copies. We have royalty interests in both books. ***Shiloh 1862*** published in 2013 was not a royalty deal and so estimated sales of approximately 30,000 are only capitalized by sales of our special leather edition of the book.

Overall the investments have paid off. BGES has realized far more cash return from direct sales, special edition sales and royalties than the actual cash outlay. In 11 years we have put more than 110,000 books in readers' hands worldwide. **In all, save the fourth book, our primary investment was intellectual capital.** We have edited and provided managerial and historical input to the society. In doing so we have networked to a level that gives us access to contacts in the book publishing and distribution network, technical expertise in cartography, social media marketing and the reflected glow of having our organization touted in the books themselves. *That we have been able to negotiate and earn this partnership with one of the world's truly great brand names is a true contribution to historic preservation and education.*

Work progresses on our 5th book with ***National Geographic. The Revolutionary War, A Travelers Guide*** is well advanced with narrative text completed and a scheduled release date of February 2018. Playing off of our earned good will, BGES proposed the book, offered Bert Dunkerly as the author, helped negotiate the contract and is fully integrated into the content and layout of the book. We learned some painful lessons in the Civil War effort and this time we abandoned the use of travel writers and contracted a historian to write the text. We have also focused significant attention on the layout to avoid imbalance issues that nicked the Civil War book—issues we intend to address in the second edition of the Civil War book in the future.

The major issue dominating the Revolutionary War book is sponsorship. *The slow return on the Civil War book and the yet unrealized growth of our membership has led your board to withhold its authorization to raise and invest \$100,000 in this book.* In as much as the book industry has changed significantly and National Geographic Society was purchased by the Rupert Murdoch Media Empire *several questions were begged.* First could we do business and contribute funds to a joint venture project with a "for profit" corporation which National Geographic became at the end of 2015 (the Society was split into two organizations which Murdoch funded--the

nonprofit exploration that we all know them to be famous for remains nonprofit and has been endowed with approximately \$1B of Murdock's funds. The remainder—the magazine, travel, television and media division are now “for profit” and have been renamed National Geographic.)? **The answer is yes** we can use nonprofit funds and partner. *The second is should we?* **In as much as we have not achieved our stated goals for the Civil War Guide book there is genuine concern that this would not be a good use of your funds.** This does not mean that the book will not happen or that we would not get credit for what we have done intellectually. *The question is will NG be able to find other financial backers for the work?* They believe they can and will. **Time will tell and we will keep you posted.**

We are also moving ahead with a really exciting project in Washington, DC at Fort McNair. Some of you may remember we restored the flags adorning President Lincoln's box at Ford's Theater during the restoration of the theater. We are now engaged in the completion of the restoration of the courtroom that witnessed the trial of the Lincoln Conspirators and their execution site. Both are on Joint Military Base Meyer/McNair in the Military District of Washington. These bases house the senior military leadership of the United States and the most senior Professional Leadership schools for general officers.

The kernel of the idea began with a BGES tour led by BGES Membership Coordinator Gloria Swift who knew of the work of Barry Cauchon and John Elliot. They have been able to do stereoscopic analysis of the photography of the execution and using known points of reference precisely located the gallows, walls of the prison and the spot where each convict dropped and was initially buried. They have worked closely with the military curators on the base and helped them restore the courtroom to its 1865 appearance. Work remains to be done and interpretative materials developed.

The scope of the work has been identified and Gloria is working with BGES member Ben Buckley who was Chief of Staff, as an army colonel, at Fort McNair, Cauchon, Elliot and Fort McNair personnel. The required materials have been enumerated and are being priced. **BGES will start fundraising within the next three months and sponsorship opportunities will be available.** You can look for a more extensive mailing detailing the project and the items of expense. I hope you will be as enthusiastic about this as I am.

A third project in 2017 looks like it will unfold at Raymond, Mississippi. This marvelous battlefield has been orchestrated and presented by Parker Hills and the Friends of Raymond. The cannon line was featured in our travel guide—the photograph being quite stunning. We also featured the Grand Gulf-Raymond Scenic byway. This much forgotten road has been elevated to state wide recognition and is integral to General Grant's march to the siege of Vicksburg.

As you may remember BGES members supported the majority of the cannon restorations on the battlefield representing more than \$40,000 in member support.

We also did a scholarly monograph with the late Warren Grabau. The 96 page publication, ***Confusion Compounded***, is still available from BGES and in the Vicksburg National Military Park. That publication is the longest treatment of the battle at Raymond in print. HOWEVER, the work done by Hills includes archeology that has revealed secrets that were unknown at the time Grabau wrote. With the acquisition of more land and the deterioration of existing signs there is discussion about partnering with the Friends group to redo the site signage and update the interpretative message. Those too will provide sponsorship opportunities.

We like action oriented agencies. While we would certainly work with other groups, if asked, the Raymond battlefield is a going concern that has consistently and steadily revealed the battle and its lessons for the edification of future generations. We do not want to see them slow down until they are done. Stand by.

We have previously mentioned some other projects that I will not enter into now; however, they are not progressing as rapidly as we hoped and there are no initiatives on the table at this time. We are always talking to folks and other projects are being considered but most would not trigger before 2018.

In case you didn't know BGES will start its 24th year of operations on April 19th, 2017. In January, we will announce a "Member Appreciation" event for the fall. This will be followed by a 25th Anniversary event in April 2018. These events will be free to members with details to follow.

Another BGES program is ready to undergo a change. For the past 11 years we have been in partnership with the Yellow Ribbon Fund based in Bethesda, Maryland. We have planned and conducted day tours for Wounded Warriors undergoing rehabilitative care—more than 70 tours have been conducted. Created in response to the massive influx of wounded soldiers and their families it was based at the Army's primary intake facility at Walter Reed Army Medical Center. About 5 years ago, all services were consolidated at Bethesda Naval Hospital and the joint facility was renamed Walter Reed National Military Medical Center.

As you are aware, the wars were drawn down and more than 100,000 soldiers withdrawn from the war zone. Thankfully the number of wounded entering Walter Reed has fallen dramatically and other soldiers have passed through the system either returning to duty or awaiting medical board evaluation, disability determinations and discharge or medical retirement—indeed I will be going to a soldier's retirement ceremony on January 14th. This has reduced the demand for Yellow Ribbon Services at Walter Reed. To trim their budget they asked us to cut our tours back to five from eight in 2016. We ended up conducting just two—no soldiers participated out of Walter Reed.

The time has come to take separate paths and we are going to do that. Fort Belvoir wants us to continue the tours as they have two battalions of Wounded Warriors that are in the later stages of their processing. We are going to offer four tours in

the spring and add additional ones if there is sufficient demand. We will absorb the entire cost of the program that was previously shared with the Yellow Ribbon Fund. We have some sponsors within our ranks and we will evaluate what our needs may be once we see if this modified offering will be popular with the soldiers and their families. We will update you in due course.

On a personal note—in the 23 years of BGES nothing has been more meaningful than this program. It is the living embodiment of Lincoln's Second Inaugural Address. These warriors are truly America's best—an inspiring collection of men and women who have given so much in remote and foreign lands to preserve our freedom and to give people they know not the opportunity for freedom. Please support warrior charities—they are bountiful.

We have completed and posted our 2017 Field University and Weekend Warrior programs. We have created a great new series of programs that are fresh, innovative and probing—anyone who participates will be rewarded intellectually and culturally. I have included a summary of the offerings that commence in February. If you have been on a program you will know that what I promise is true. If you are new to the organization or have just not yet been able to travel, this year is a great one to get your feet wet. The majority of our programs are Civil War themed and are conducted using 15 passenger vans. This facilitates access to remote locations and lets us run with low registration—sometimes as few as 4 or 5 people. They are as close to private tours as you can experience.

We also offer related programs for many of our long-standing members who have finished their Civil War field studies. We are doing a couple of Revolutionary War programs in the Philadelphia area near Valley Forge. We also offer western themed and Indian War programs that help us understand the Manifest Destiny of the United States and the heartbreak of the Indian experience. *They also show us what happened to the Civil War veterans and leaders.* This year the 75th Commemorative Events of World War II have drawn our attention—you will see overseas opportunities to learn the essentials of this war that truly established America as the *Arsenal of Democracy*. This year we are doing the "***Battle of the Atlantic***" that includes a themed cruise on the **Queen Mary 2**.

We have good early registration for most of these programs. If you are interested in these dynamic educational products please look them over and let us know which ones you might want to participate in. All the programs have details and can be registered for on line at www.blueandgrayeducation.org. We can also mail you details and registration forms.

Our 2016 schedule was completed in November and we generally enjoyed an uptick in participation. Registration receipts were notably higher—a combination of higher rates but also the participants' validation of the value of the offer. One notable action supporting this program was the purchase of a 2014 Econoline Van.

Ford recently changed their van designs and we found that the new designs were not tour friendly—there was no place for speaker systems or even a cooler. Poor design also reduced visibility and traveler comfort. We had the opportunity to purchase a \$39,000 van for \$18,300 from a company going out of business so we jumped on it. Our cost benefit analysis showed it would pay for itself by 2019. We have replaced the carpet with vinyl for ease of cleaning, recovered the seats in gray leather for comfort and removed the rear bench seat to allow us to travel with luggage, coolers and other support materials. We are going to put the BGES decal and contact information on it and modify it to improve our communications capability. With relatively low mileage it should support us far into the future.

You also know that we hired Gloria Swift, a talented and capable historian, to be our membership coordinator. It is hard to adjust from one way of life and integrate your lifestyle into another. We have had some adjustments but she has taken on membership renewals and stewardship. She has a good handle on that and we have had productive meetings and have agreed on the membership support (Stewardship) functions. I am not going to steal her thunder but we have agreed on a number of things that will be implemented throughout 2017.

I have already mentioned the Annual Membership Appreciation Event. We are going to do the first one in the fall most likely for the Bermuda Hundred Campaign which will include a boat ride from City Point to the docks of Richmond and an analysis of the campaign interpreted by 43 of your signs. The weekend will include food events, bus tour and boat tour along with a general membership meeting. We are a small organization and we think that 20-40 people may show up—we will welcome more but that is what we think. Thus it would be a robust tour. Donations and sponsorships will be accepted but are not expected.

We will follow this with a 25th Anniversary Celebration in mid April 2018. Subsequent membership events will take place in mid April each year. I really hope you will seriously consider and make a special effort to be there. This is a great organization with great people. It is time that would be well spent—educational and fraternal.

We are also going to increase the communications with you. Gloria will be doing a quarterly on line newsletter soon to be named. The first edition will be out in mid January. This is an e-newsletter; BUT, for those who are not on line, a print copy will be provided to you. We need to reconcile some databases to get this done and hope the loose ends will be resolved by the April edition.

The previous print newsletter, *In Camp on the Rappahannock* will be revived and delivered as a full color publication twice a year—the first edition is planned for September 2017. In 2002, we did a prototype to celebrate our interpretative project at South Mountain. The content will be interesting and meaningful. Like the CWT and Shenandoah Valley Battlefield Foundation publication it will also convey organizational information.

You will continue to receive email notifications in the form of numbered “Executive Proclamations” and “Special Orders.” They are real time notifications of things that we want to share with you. Executive Proclamations are typically calls to action or general information. Special Orders are structural announcements to let you know something is officially on our calendar such as the tour schedule, hotel selection, registration forms going on line etc.

Gloria and I will be sitting down in January to reconcile our email lists for mass mailings and to allow her to communicate en mass with you when she needs to. Clearly we can provide you more information at no cost and within a matter of seconds using email. The past few years our email list has grown dramatically and over 3000 email addresses sit in our database—with about 500 members active and inactive we, like the Museum of the Confederacy, have far more clients and customers than members. A BGES email blast is opened by about 700 people on average. The efficiency of this free communication is demonstrated by the number of non members and or past due members who contribute to on line fund raising appeals, to purchase books or register for study tours. ON THE OTHER HAND, we are aware that having an email doesn’t ensure that this is a primary source of information for you. You have to help us know how we are to communicate with you. That will be a key objective of this reconciliation as Gloria and I establish the email and snail mail lists that will support the BGES’s friends and membership.

We recently invited an experienced National Geographic senior editor to review and evaluate our website and social media. The fresh look insights and recommendations she gave are clearly valuable and we will be revamping our website to be more interesting but also functional for our users.

I would also like to direct your attention to other robust forms of communication that we have or are trying to develop. BGES’ Facebook is a multi-dimensional form of information sharing that permits an interactive sharing of information related to BGES’ and other nonprofit educational organizations’ activities. Sharing photographs of events, products and other real time items such as field lectures at a site allow subscribers to not only participate with the participants; but, also allow folks far afield to be a part of the organization where it is impractical to join us in person. We have interactions with people in Norway, England, Australia and Canada as well as more senior members of the organization.

Recently Facebook’s founders have changed the means and range of communications and feedback. In addition to liking and commenting on activities there are other options. This is an important and free channel to not only help us inform you and give you a sense of the group you are a member of and support, it is also a means of communicating and sharing BGES with others. A shared posting with an encouraging or supportive message from you to your friends will have more impact that you may know. If you are on Facebook we request you add us as a friend and like the site. In addition when you see our posts let us know you approve

by hitting the “like” key. It is the only real feedback we get and it will encourage us to work harder on the inputs. We are not going to bombard you with dozens of daily postings—indeed we may only average 4 or 5 a week, but it does tell us the content is reaching you. To us a “like” is a check off that you have read it—a “share” means you like it and you wanted your friends to know. The potential of the later is practically limitless. If Facebook is a part of your life then please give us a chance to be a part of it as well.

Twitter and Snapchat are two other forms of communication that we do not have a significant presence on. Of course Twitter came into its own during the last election. Our consultant recommended we get into that media and we do have a Twitter account that Gloria manages. *It is a community in which we actually hope to penetrate other more mature Civil War and Preservation users with “re tweets.”* If you are into Twitter you are a fan—if not we are not asking you to join.

I am really encouraged by the progress we have made in 2016. Some years are more tangible in terms of achievements; but, when you keep in mind that we are really just me, and Gloria (part time) and Al Stevens and a couple of family and other volunteers—the achievements are pretty remarkable. That we have been doing this since 1994 is even more remarkable—it is thanks to you.

We are ready to mature further. I am very enthusiastic about 2017 and beyond. I certainly have not told you everything—much of this belongs to Gloria and she will share in due course. We laid out the annual calendar a couple of weeks ago. *Come February we will have a spring logo merchandise sale—since we do not maintain a large reserve of merchandise it will be an annual opportunity to purchase summer wear that shows your affiliation and pride in being a BGES member.* Gloria will unveil other perks of membership over the course of the next year.

Thank you for understanding that we have personal lives as well. While what we do is important—nothing is more important than family. When the inevitable crises of life boil over, the work of BGES often has to be set aside. Still to realize that when this was started I was 40 and now I am 63 shows what a great organization this has become and continues to be. I have and continue to learn a great deal. I have and continue to make great friends. Life is good! In 1995 I use to stand in front of early audiences and welcome them to my Walter Mitty dream...could one imagine doing this and getting paid for it? *I love this as much today as I did when it started as a concept in 1992.* I wish you the very best for 2017 and beyond.

Len Riedel
Executive Director

