

Executive Director's Report



August 2013



“Far better it is to dare mighty things,
to win glorious triumphs
even though checkered by failure,
than to rank with those poor spirits
who neither enjoy nor suffer much
because they live in the
gray twilight that knows neither
victory nor defeat.”

– Theodore Roosevelt



Mission, Vision and Values

Toastmasters International Mission

We empower individuals to become more effective communicators and leaders.

District Mission

We build new clubs and support all clubs in achieving excellence.

Club Mission

We provide a supportive and positive learning experience in which members are empowered to develop communication and leadership skills, resulting in greater self-confidence and personal growth.

Toastmasters International Envisioned Future

To be the first-choice provider of dynamic, high-value, experiential communication and leadership skills development.

Toastmasters International Values

- ▶ Integrity
- ▶ Respect
- ▶ Service
- ▶ Excellence

Table of Contents

Executive Director's Report.....	4	Global Support	13
By the Numbers.....	6	2012–2013 Milestones	19

Executive Director's Report



It's easy to change a program. It's difficult to change a culture.

In August of 2010, when the Board of Directors finalized the requirements for the new District Recognition Program, it was clear that significant cultural change would need to take place at the district level. The new program shifted from a single focus—growth—to a dual focus: growth and quality.

Growth—Clubs and Membership

The primary growth goal is new clubs—and district leaders have direct control over club building in their district. Membership growth follows club growth—each new club charters with 20 members. District leaders can influence membership growth in existing clubs, but ultimately it is each club's responsibility to grow itself.

Quality—Distinguished Clubs

Recognizing districts when a certain percentage of clubs in the district reaches Distinguished or better is a significant change in culture. The Distinguished Club Program (DCP) provides a framework to help clubs improve their performance. The program measures indicators (including education awards achieved) of a club's effectiveness in creating an environment that produces a rewarding, successful experience for its members.

Achieving and maintaining quality requires a shared understanding of, and belief in, a set of measurable goals such as the ones outlined in the DCP. Those goals are met through a series of actions, processes and best practices that in Toastmasters we call The Moments of Truth.

Influencing the culture of each club so that members acknowledge, accept and work toward these objectives takes observation, reflection, evaluation, communication and action. Who can help us foster this culture? A team of engaged, motivated and eager area governors, properly supported by engaged, motivated and eager division governors, Lt. governors and a district governor.

Let's each remember how we influence culture—and consciously recognize our obligation to do so positively.

Sincerely,



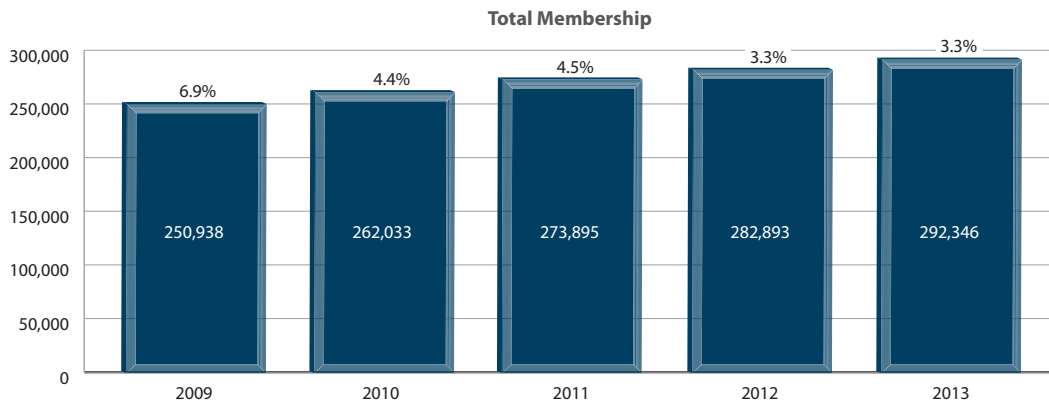
Daniel Rex

Executive Director

By the Numbers

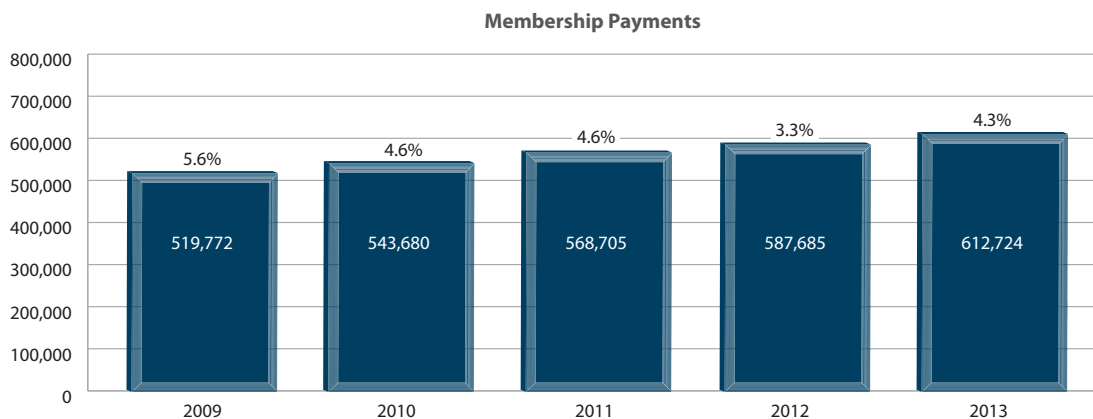
Membership Growth

During the 2012–2013 program year, membership rose to 292,346, an increase of 3.3% compared to the previous year. The organization continues to experience an upward trend, however at a pace slower than the 5.5% annual growth established in the 2010 Strategic Plan. This chart reflects membership as of March 31, 2013, and includes all membership types: new, renewal, charter, reinstated and dual.



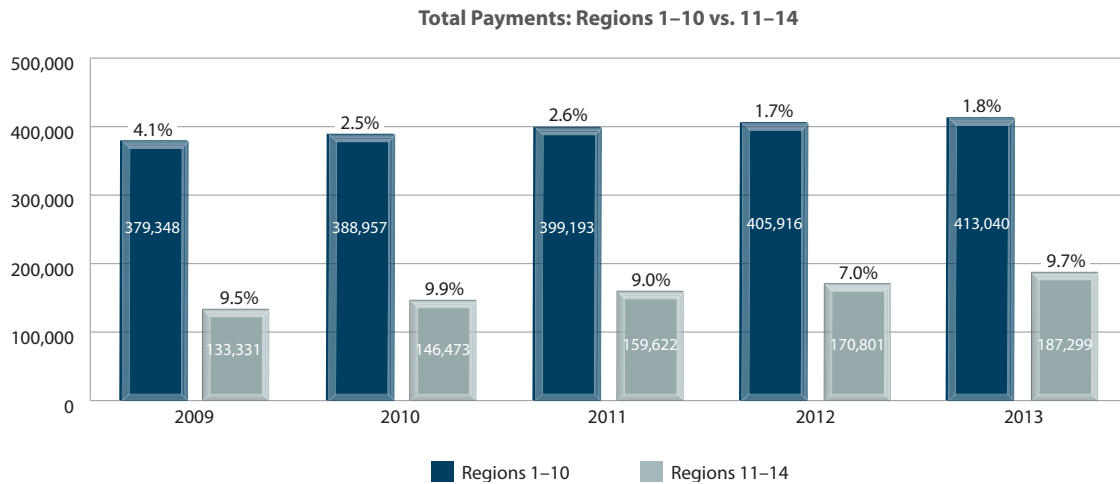
Membership Payments

During the 2012–2013 program year, membership payments increased by 4.3%, or 25,039, to 612,724. Membership payments are one of the primary measures of the District Recognition Program. Each year, total membership payments progress is measured between July 1 and June 30.



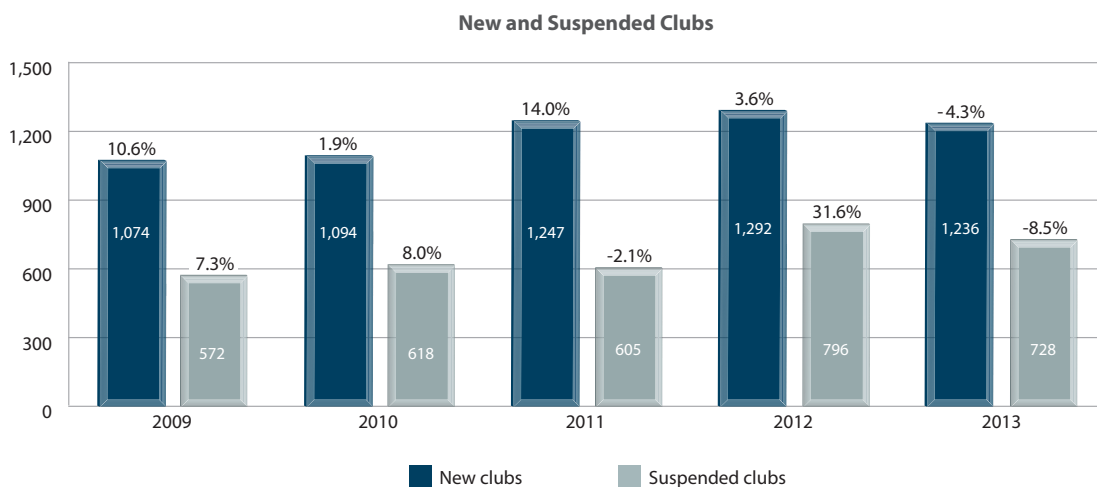
Payments by Region

Regions 1–10 are composed of districts within North America and regions 11–14 are districts outside of North America. In the 2012–2013 program year, membership payments increased 1.8% in regions 1–10 and grew 9.7% in regions 11–14.

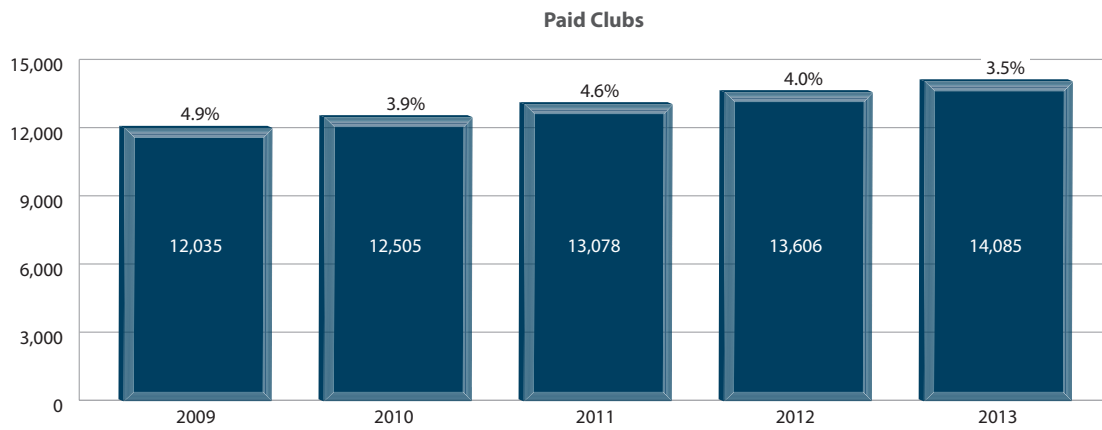


Club Growth

In the 2012–2013 program year, 1,236 new clubs were chartered. This number is down 4.3% from the previous year. The annual growth goal defined in the 2010 Strategic Plan is 5.5%.



The number of paid clubs grew to 14,085, a 3.5% increase.



District Reformatations

To foster continuing district performance and club support, District 14 reformed on July 1, 2013. As a result, District 44 was formed in northwestern Georgia. Continued growth in membership and clubs has resulted in the need for four additional districts as well; districts 21, 59, 71 and 82 are in transition this year and will reform on July 1, 2014.

DISTRICT	EFFECTIVE DATE OF REFORMATION
14/44	July 1, 2013
21	July 1, 2014
59	July 1, 2014
71	July 1, 2014
82	July 1, 2014

Revitalized Education Program

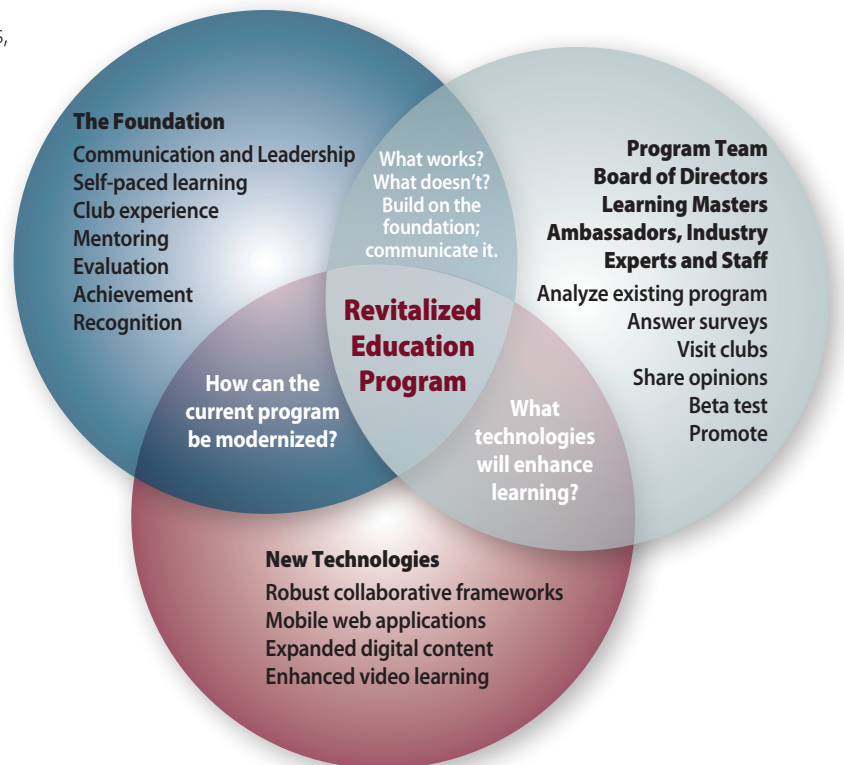
As the world changes, Toastmasters International is changing with it. To that end, the organization is revitalizing its education program to give members more opportunities to learn and grow. This project, one of the organization's most significant in recent memory, will culminate in the second half of 2014 with the launch of a new education program.

The first step of this journey began with the Board of Directors' 2010 Strategic Plan, which called for a renewed focus on leadership and a modernized communication program. Since then, the existing program has been thoroughly research and analyzed, surveys have been conducted with current and former members, and Board committees have focused on identifying the skills, competencies and attributes learned through the education program, and helped to guide a project plan for the updated program.

The revitalized program will offer a clearer path for achieving education awards. In addition, a greater emphasis will be placed on developing relevant, real-world communication and leadership skills in a globally evolving marketplace. The traditional core of our education system will stay firmly in place. Achievement and recognition remain at the heart of the process; however, the organization is taking the learning experience to the next level.

Technology will become a powerful tool. The revitalized program will marshal and refine online resources to boost self-directed learning.

Core Elements at-a-Glance



Over the next year there is a tremendous amount of work to be done to ensure that the program meets the goals and objectives of all members and remains true to the foundation of the organization. After an extensive search, a curriculum development and instructional design vendor was selected to assist Toastmasters in designing new, interactive education content by synthesizing the work previously conducted.

To ensure that the revitalized education program meets members' needs, complements the club experience, exceeds expectations and remains authentic to the culture of the organization, more than 1,800 members have volunteered to participate in the project.

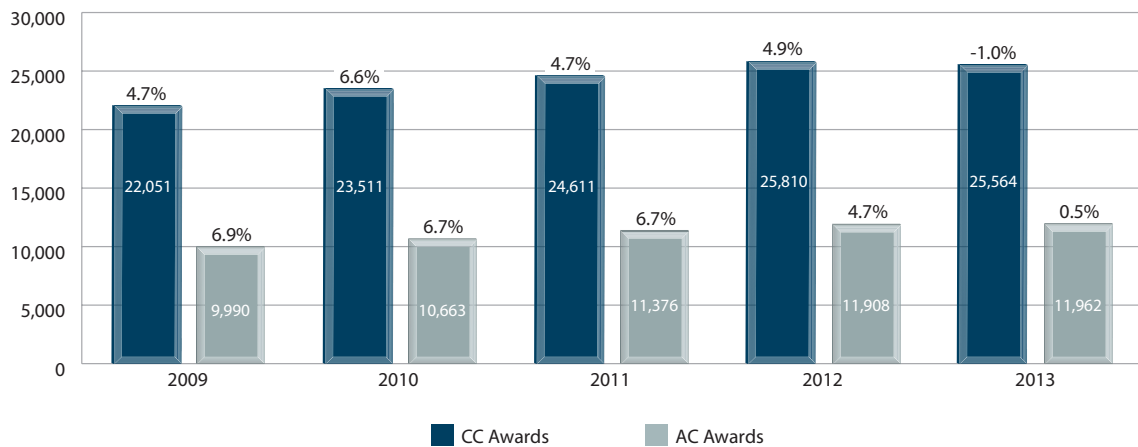
Learning Masters are a group of 280 members who bring their experience and provide input into the program while keeping it grounded in the time-honored Toastmasters traditions of delivering prepared speeches at club meetings, giving and receiving evaluations, and recognizing achievements.

More than 1,500 members will serve as Ambassadors. One Chief Ambassador represents each district and oversees one Ambassador for every 10 clubs within the district. Chief Ambassadors lead their teams in educating members about the revitalized program, providing progress updates, explaining the program's enhancements and benefits, and visiting clubs to spread the word and answer member questions. Ambassadors will provide updates to club members on a regular basis throughout the year.

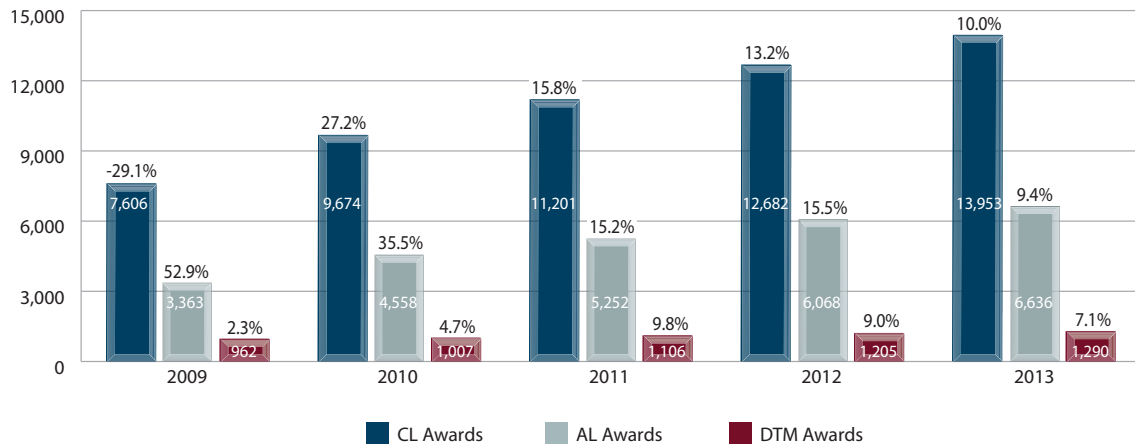
Education Awards

Overall, the total number of each type of educational award earned in the 2012–2013 program year increased from the previous year, with the exception of the Competent Communicator, which decreased 1%. The number of Advanced Communicator awards achieved increased 0.5% and the number of Competent Leader awards increased 10% over the previous program year. The number of Advanced Leader awards earned rose by 9.4% and 1,290 Distinguished Toastmaster awards were earned—a 7.1% increase from the previous year. The total number of all awards increased from 57,673 to 59,405 or 3%. This percentage does not meet the 7% annual growth goal from the 2010 Strategic Plan.

Communication Awards: July–June



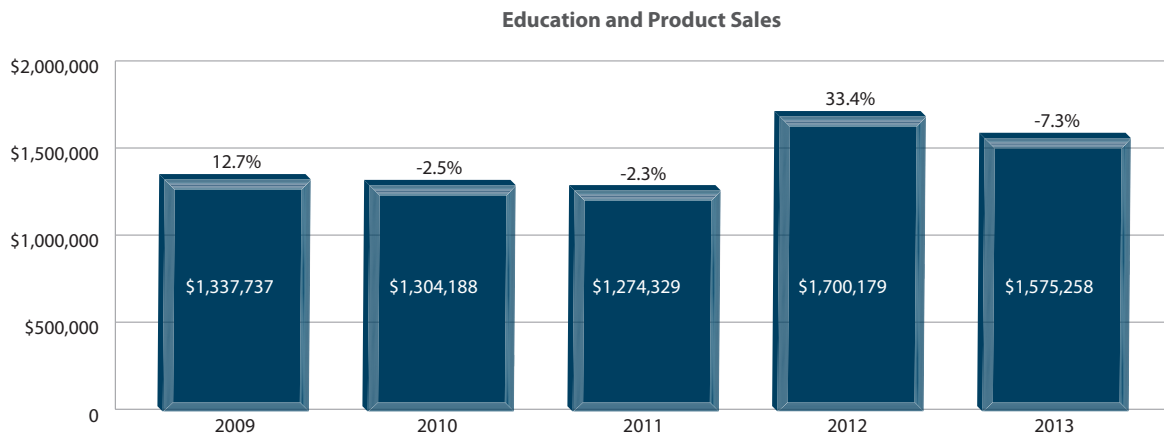
Leadership Awards: July–June



Education and Product Sales

In the 2012–2013 program year, the organization’s education and product sales totaled \$1,575,258, a 7.3% decrease from the previous year. This is lower than the 7% annual growth goal from the 2010 Strategic Plan. Every day, hundreds of members visit Toastmasters International’s online store to purchase education and marketing materials, club and district banners, lecterns and trophies.

This past year, the organization streamlined the Toastmasters product line. Products were evaluated for quality and value to the member, club and district experience. The result is a smaller, but more valuable offering.



Global Support

Focus on Club Quality and the Member Experience

During the 2012–2013 year, the organization maintained its focus on improving the member experience, and extended its efforts to enhance the delivery of the member experience through the club environment.

Club quality is the most influential element of the member experience; the quality of the club directly impacts a member's satisfaction. To better understand specifically how club quality impacts the member experience, Toastmasters did the following:

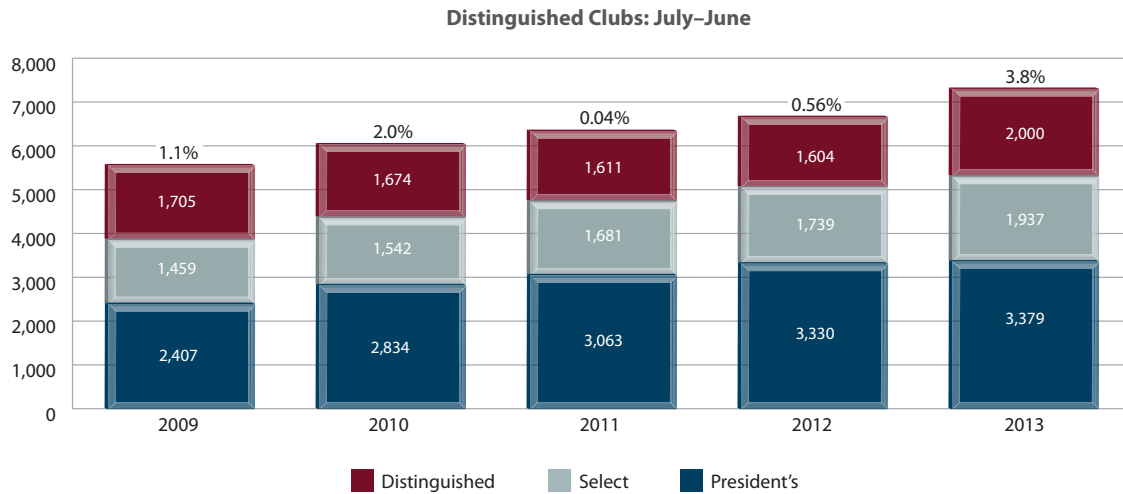
- ▶ Identified the factors that create a successful member experience via the club environment.
- ▶ Defined the role of the member in creating a successful member experience, and considered how the role of the member is communicated to the member and how expectations are enforced.
- ▶ Determined the reasons why members join and what makes them stay.
- ▶ Evaluated existing club standards and minimums to determine if there was a need for clarification/expansion—and reviewed how the standards are communicated and enforced to determine if any changes are needed.
- ▶ Evaluated how the organization can publicly identify quality clubs and determined if quality rankings should appear on the Toastmasters website.



The organization continues to focus on understanding and supporting the factors that positively influence club quality and the member experience. This year, members can expect to see changes in programs, products and policy that support this initiative.

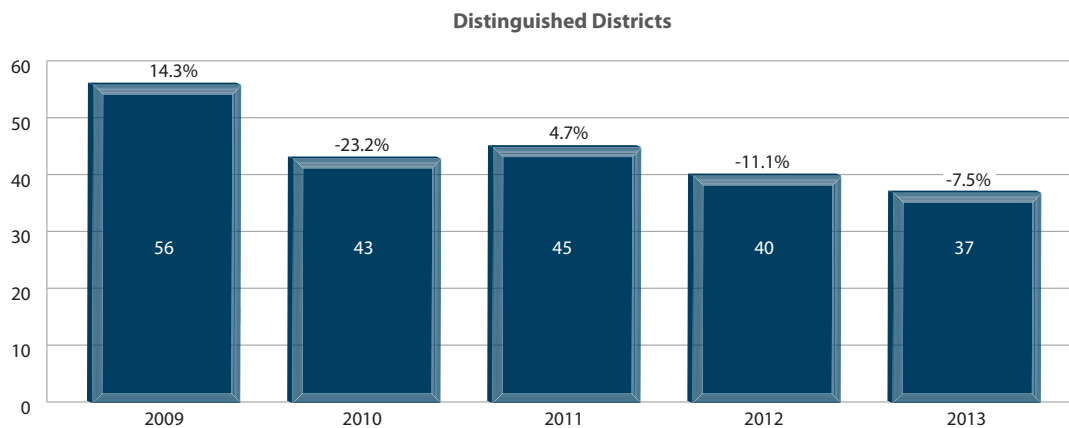
Focus on Clubs

In 2012–2013, 7,316 clubs received Distinguished recognition—this was an increase of 3.8% percent over the previous year, and higher than the 3% annual growth goal from the 2010 Strategic Plan. This signifies an important shift in culture and is attributable to an increased focus on the club and member experience in the District Recognition Program.



Focus on Districts

June 30, 2013, marked the completion of the first year of the revised District Recognition Program (DRP). The DRP aligns the Distinguished Club, Area, Division and District programs. Using the Distinguished Club Program as its foundation, the DRP focuses on growth, club quality and member satisfaction. The new recognition program helps areas, divisions and districts to develop and support quality clubs and enhance the experience for each member, thereby improving member retention. In its first year, the districts' performance in the new DRP exceeded expectations, with 37 districts achieving Distinguished status or better.



District Leader Training

In August 2012, district leader training was updated and improved by using the input of current and former district leaders and region advisors. The training focused on how district leadership teams should support members and clubs in everything they do. Specifically, district leaders were encouraged to use one another as resources, to share ideas and best practices. In January 2013, Mid-year Training for all district governors and lieutenant governors was again conducted in seven locations around the world. This provided another opportunity for district leaders to share best practices. The August 2013 training has received a thorough update—combining the best sessions and topics from previous trainings with new material developed to help district leaders succeed.

Global Logistics and Distribution

A significant objective for the 2012–2013 program year was the development of a plan to ensure that members, regardless of location, can purchase quality branded products at a reasonable cost and receive their items within a reasonable timeframe. The organization identified areas for improvement and partnered with a logistics and distribution firm to facilitate alliances with international vendors and fulfillment houses. The plan will be completed in the third quarter of 2013 and executed in 2014.

Digital Publishing

The organization will embark on its first foray into digital publishing with the September 2013 release of *The Toastmaster* digital magazine. Long a staple of the member experience, the official magazine of Toastmasters International has been distributed in print since 1933. Now, members around the globe will have instant access to monthly editions of *The Toastmaster* via an app that's downloadable on their tablets and mobile devices. The digital version of *The Toastmaster* is far more than an online version of the print magazine. It will be enhanced with multimedia interactivity, videos, links and more. Readers can more easily share the content with other members, friends and colleagues.



Translations

To extend the educational opportunities for non-English-speaking members, Toastmasters has expanded its offering of translated materials. The six top-selling manuals from the *Advanced Communication Series* were translated in 2012 and 2013 into seven languages: Arabic, Simplified Chinese, Traditional Chinese, French,



German, Japanese and Spanish. These manuals are *The Entertaining Speaker* (Item 226A), *Speaking to Inform* (Item 226B), *The Professional Speaker* (Item 226G), *Persuasive Speaking* (Item 226I), *Storytelling* (Item 226K) and *Humorously Speaking* (Item 226O).

Branding

Nearly two years have passed since the organization unveiled its refreshed brand. Today, the majority of districts have embraced the brand, strengthening the organization's global identity and positioning. Through brand campaigns, contests and social media announcements, brand awareness is improving at the club level as well. In the coming year, new contests, incentives, tools and resources will be available to help all clubs completely transition to the refreshed brand by the end of 2014.



Global Legal, Tax and Regulatory Compliance

Toastmasters continues its quest to ensure that the organization is in compliance with applicable laws, regulations and business rules in the countries where it has a significant presence, by identifying legal obligations, and developing and implementing control measures to deliver or improve compliance. This will enable club and district leaders to conduct activities while complying with regulations and maintaining an appropriate legal structure.

Marketing and Communications

In the past year, a variety of marketing materials, such as posters, club fliers and brochures, were created and updated to support club- and membership-building efforts. Given the success of the tips videos first launched in 2011, the



organization has continued to develop and release new videos each quarter. Toastmasters also exhibited at several tradeshows, which created awareness of the organization and generated new club and member leads. The 1+1 membership-building program, conceptualized by International President John Lau, contributed to 5,295 new members over a seven-month period.

Public Relations

Through the combined efforts of the World Headquarters' PR team and Vice Presidents Public Relations and Public Relations Officers around the world, Toastmasters received unprecedented media coverage. Since January 2013, the organization has received more than \$1.1 million in publicity value. This is a significant increase over the same period in 2012. This improvement is attributable to two factors: greater focus at the club and district level, and better reporting tools to measure impressions, frequency and value. Media successes include interviews with prominent news outlets such as *Martha Stewart Living Radio*, *CBS MoneyWatch*, *SELF magazine*, *Woman's Day*, *Real Simple* and the *Wall Street Journal*.

Recognition Reporting

In July 2013, a new version of the online interactive dashboard was launched that is flexible, reliable and accurate. The dashboard is a critical resource for club and district leaders to gauge their performance against their goals. This upgraded dashboard system offers:

- ▶ Compatibility with the most widely used browsers
- ▶ Mobile access
- ▶ An intuitive user interface
- ▶ Greater performance

Enhancements and improvements to the new dashboard will continue in the coming months.

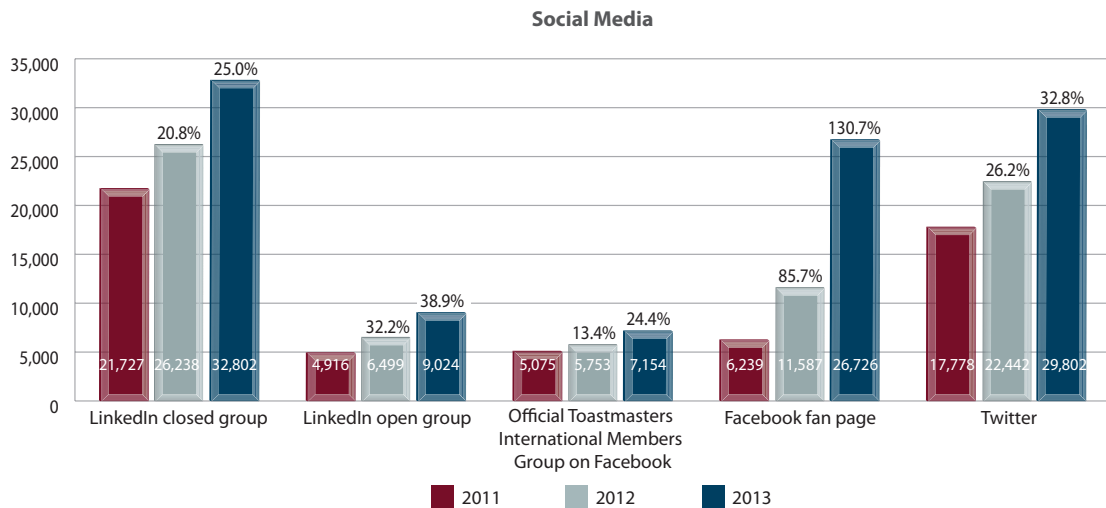


Research

This year, Toastmasters conducted extensive global studies using surveys, focus groups (in-person and online) and innovative data gathering techniques in support of Board committees and strategic initiatives. The studies gathered both quantitative and qualitative data to better understand the unique needs of members, clubs and districts around the world. Findings from this research will be used to enhance the member experience, strengthen club and district leader training and bolster developed and developing market strategies.

Social Media

The organization's total social media presence has increased approximately 25% from the previous program year. The social media site with the highest engagement is the Official Toastmasters International Members Group on Facebook, which has more than 7,100 active participants, a 24% increase from the previous program year. The organization's Twitter presence engages more than 29,000 followers, many of whom use this platform to promote Toastmasters leadership and communications messages to the world. When members use the Toastmasters social network sites, such as Facebook, LinkedIn and Twitter, they are able to connect, communicate and share best practices.



2012-2013 Milestones



AC Awards
11,962



Members
292,346*

*as of March 31, 2013



Leadership Awards
21,879



Distinguished Districts
37



Active Clubs
14,382



CC Awards
25,564



Countries
122



Distinguished Clubs
7,316

