

TOASTMASTERS INTERNATIONAL

CEO REPORT AUGUST 2017



MISSION

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.

VISION & VALUES

Toastmasters International Envisioned Future

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

Toastmasters Brand Promise

Empowering individuals through personal and professional development.

7 Message From The CEO

8 By The Numbers

- 8 Clubs by Country
- 9 Membership Growth
- 9 Membership Payments
- 10 Members by Country
- 11 Payments by Region
- 11 Club Growth
- 12 District Reformatations
- 13 Paid Clubs
- 14 Education Awards
- 15 Education Awards by Country
- 15 Education & Product Sales
- 16 Social Media
- 17 Focus on Clubs
- 17 Focus on Districts

18 Club Experience

- 18 The Pathways Learning Experience
- 19 Ralph C. Smedley Memorial Fund®

20 Digital Transformation

- 20 Club Central
- 20 District Central
- 20 Magazine Subscription Self Service

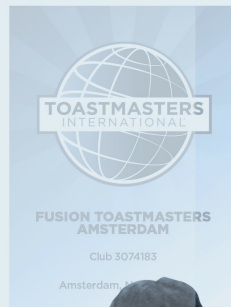
21 Organizational Support

- 21 Online Magazine
- 21 Publicity
- 22 Relocation
- 22 Trade Shows

23 2016 to 2017 Milestones

Toastmasters Envisioned Future

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



FROM THE CEO

Much of this report is focused on quantitative measures of our organization's progress. How many of these measures do we (or don't we) have? Comparisons with previous years are common, showing relative performance for certain areas of focus.

Occasionally, I hear criticism directed at what some people perceive to be an organizational focus on the achievement of numbers. That's always disappointing. I believe it's based on a fundamental misunderstanding of the organization's goals and objectives.

Our 2015 Strategic Plan emphasizes three areas, which are the organization's primary goals:

Club Excellence

Ensure that clubs consistently deliver on the brand promise.

Member Achievement

All clubs deliver a consistent, high-quality member experience regardless of location.

Awareness, Engagement and Participation

Heightened awareness in external target markets resulting in engagement and participation by prospective members.

These goals are the focus of the organization. Achieving these goals is accomplished through programs and systems, which by their very nature are complex and quantitative. In an organization of our size and scope, such systems are necessary to measure the achievement of our altruistic goals.

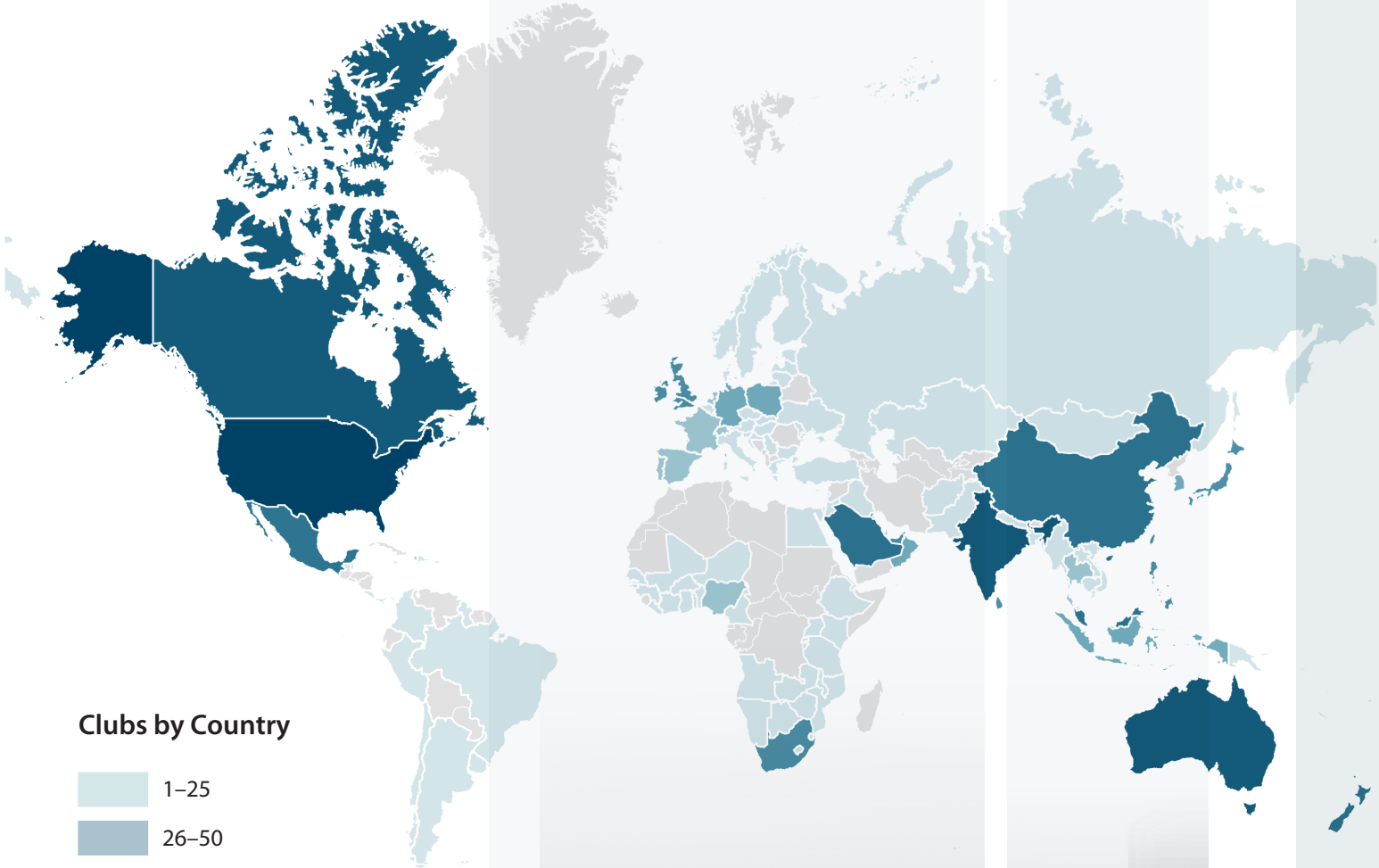
The mistake we sometimes make is to talk more about the programs and systems—like the Distinguished Club Program or the District Recognition Program—than we do about the broader goals. These programs measure progress toward the goals but are not the big-picture desired outcome described as our envisioned future. Yet it's also a mistake to talk about goals without engaging in the programs and systems designed to achieve them. We need both: the pursuit of larger objectives and the data that marks our journey.

Let's work together to focus on club excellence, member achievement and awareness, engagement and participation while leveraging the Distinguished programs to guide our efforts and measure our progress.

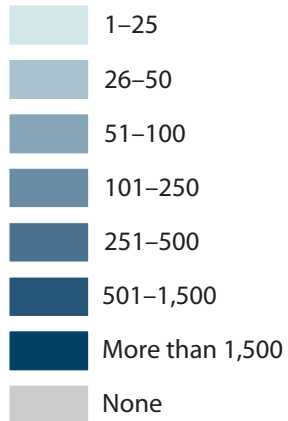


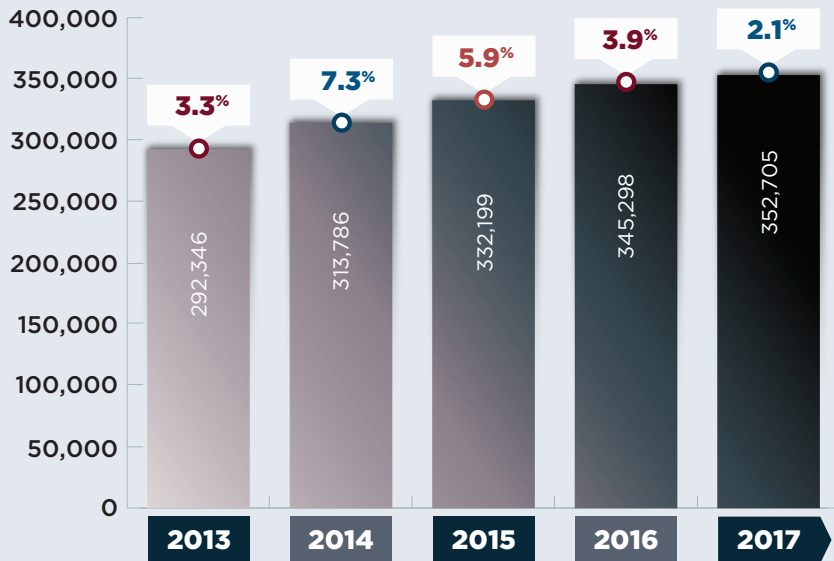
Daniel Rex

BY THE NUMBERS



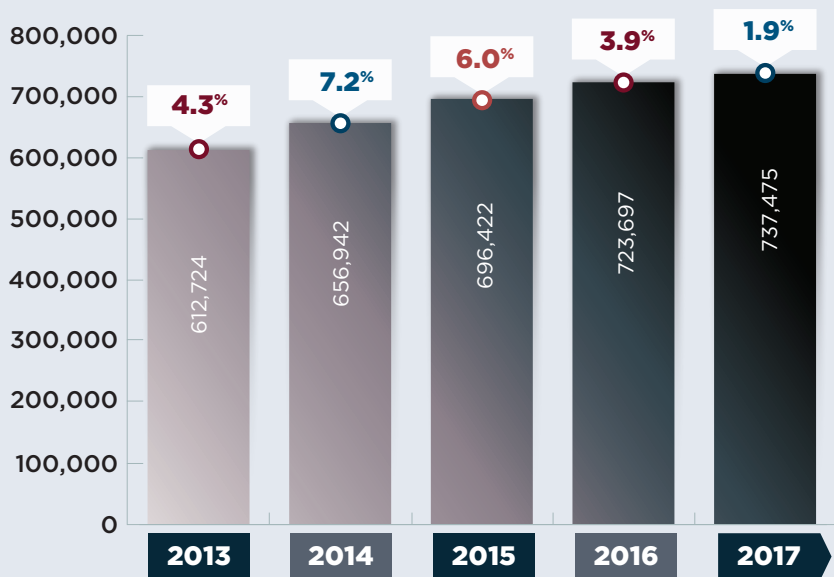
Clubs by Country





Membership Growth

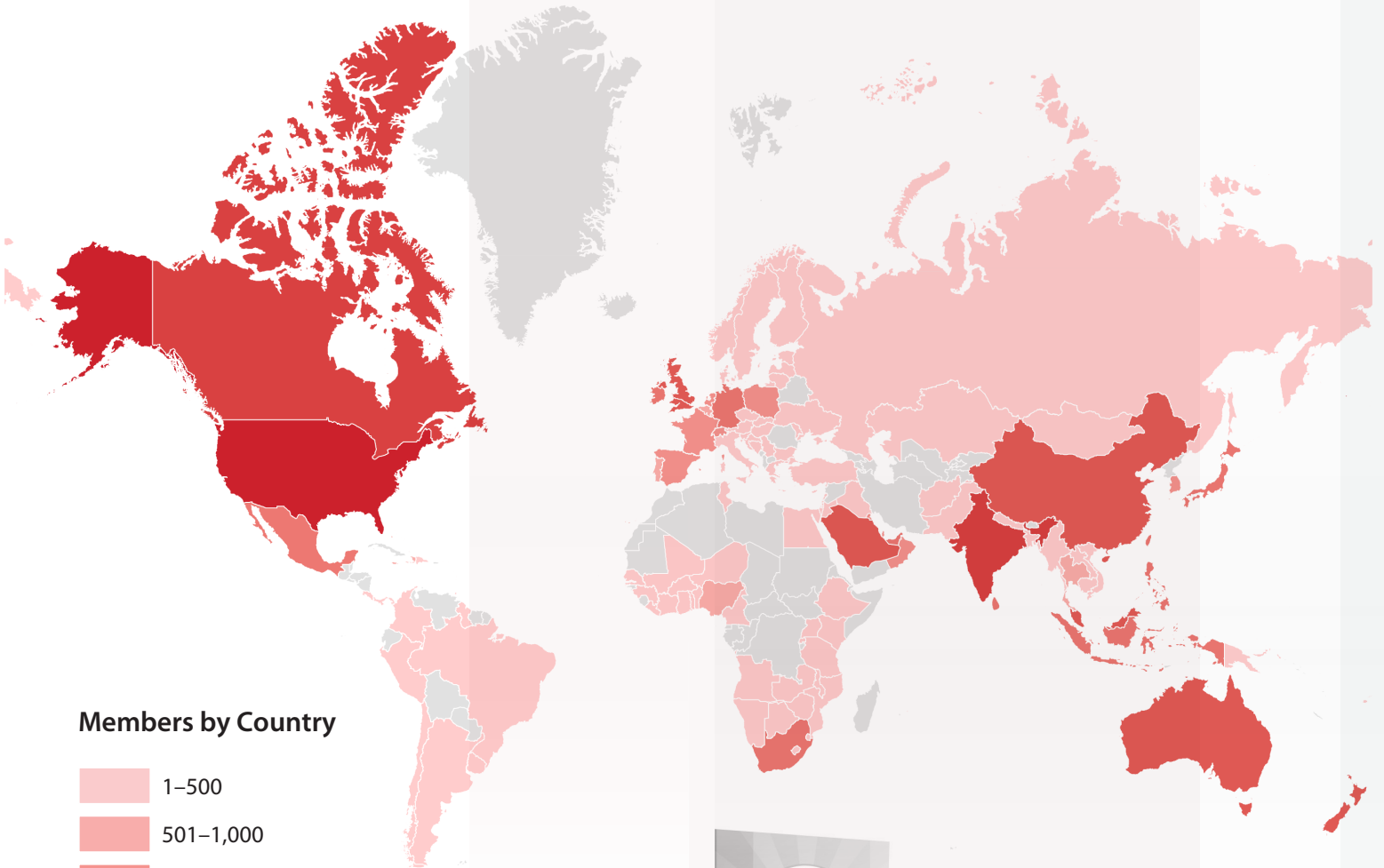
Membership rose during the 2016–2017 program year to 352,705, an increase of 2.1% over the previous year. This increase marks 23 consecutive years of growth. The chart reflects memberships as of March 31, 2017, and includes dual memberships.



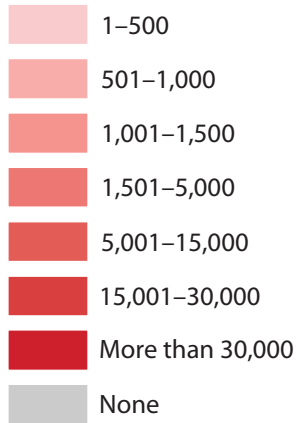
Membership Payments

As of June 30, 2017, the total number of payments totaled 737,475. Membership payments, which includes new, charter and renewal for the entire program year increased by 1.9%.

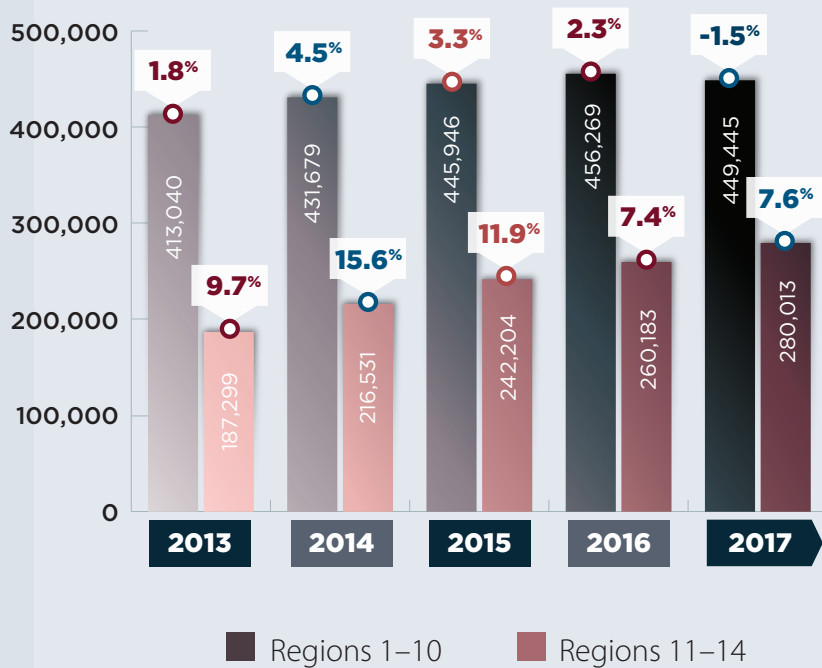
BY THE NUMBERS



Members by Country



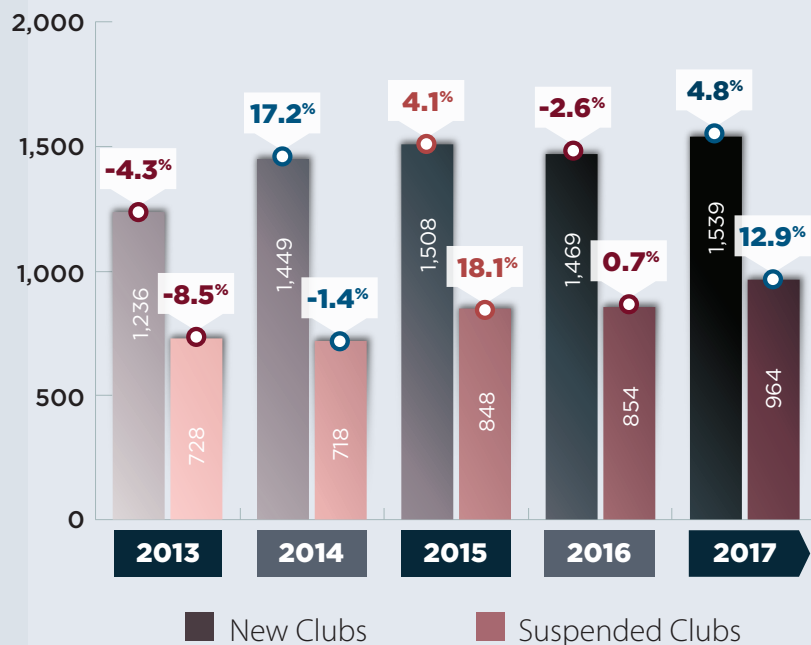
Total Payments: Regions 1 to 10 vs. 11 to 14



Payments by Region

In the 2016–2017 program year, membership payments decreased 1.5% in regions 1 to 10, and increased 7.6% in regions 11 to 14. Regions 1 to 10 represent districts within North and South America. Regions 11 to 14 comprise districts outside North and South America. Region payments do not include undistricted.

New and Suspended Clubs



Club Growth

There were 1,539 new clubs in the 2016–2017 program year. This reflects an increase of 4.8% over last year. Suspended clubs increased to 964, or 12.9%, when compared to the 2015–2016 program year.

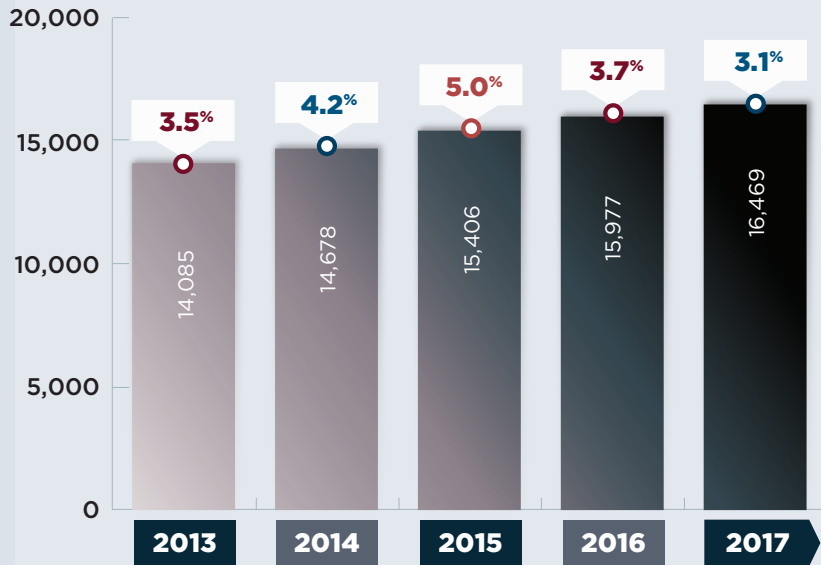
BY THE NUMBERS

District Reformatations

To foster continuing district performance and club support, the districts listed below reformed on July 1, 2017. As a result of sustained growth in membership and clubs, five additional districts will reform soon; districts 6, 34, 72, 59, and 95 are in transition this year and will reform on July 1, 2018.

District	Region	Effective Date
F/100	Southern California (Orange and Los Angeles Counties)	7/1/2017
20/105	Bahrain, Jordan, Kuwait, Lebanon, Oman, Qatar, United Arab Emirates	7/1/2017
30/103	Chicago, Illinois	7/1/2017
79/104	Saudi Arabia	7/1/2017
District	Joining the District — Previously Undistricted	Effective Date
41	Bangladesh	7/1/2017
41	Bhutan	7/1/2017
41	Nepal	7/1/2017
59	Cyprus	7/1/2017
95	Macedonia	7/1/2017
95	Croatia	7/1/2017
	Territorial Council	Effective Date
	East Africa (Ethiopia, Kenya, Rwanda, Uganda, Tanzania)	7/1/2017

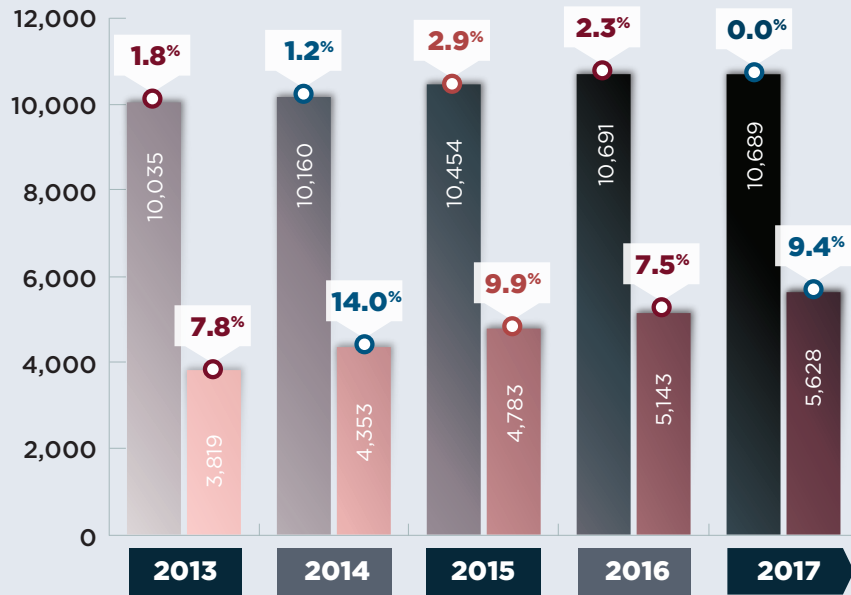
Paid Clubs



Paid Clubs

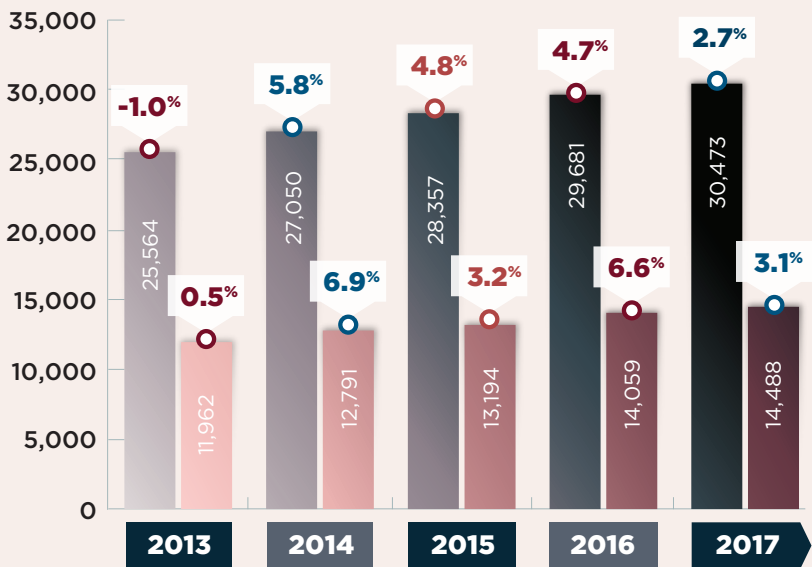
The number of paid clubs also increased in 2016–2017. Total paid clubs climbed to 16,469, a 3.1% increase over the previous program year. In regions 1 to 10, paid club growth was flat with 10,689. For regions 11 through 14, paid clubs increased 9.4% to 5,628. Paid clubs by region does not include undistricted clubs.

Paid Clubs: Regions 1 to 10 vs. 11 to 14



■ Regions 1–10 ■ Regions 11–14

Communication Awards



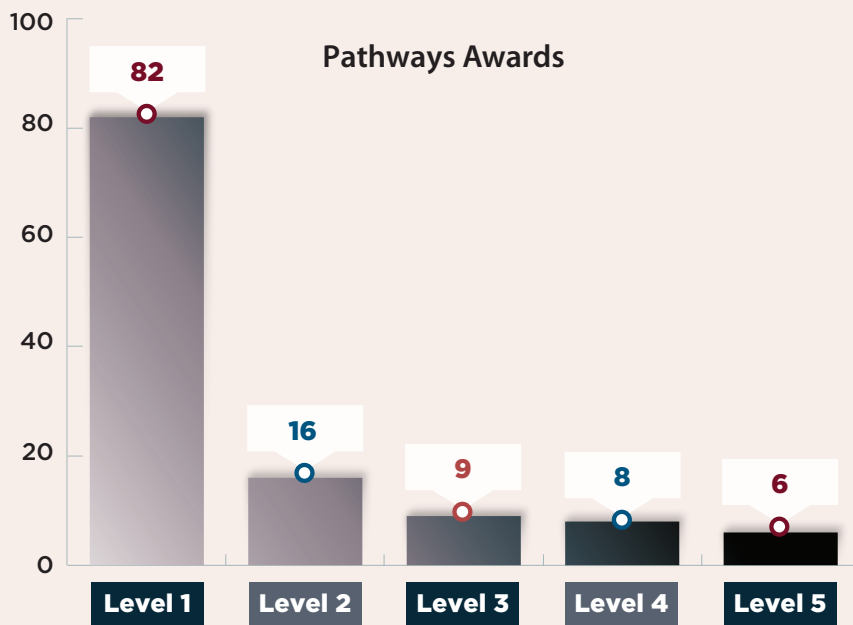
- CC Awards
- AC Awards

Education Awards

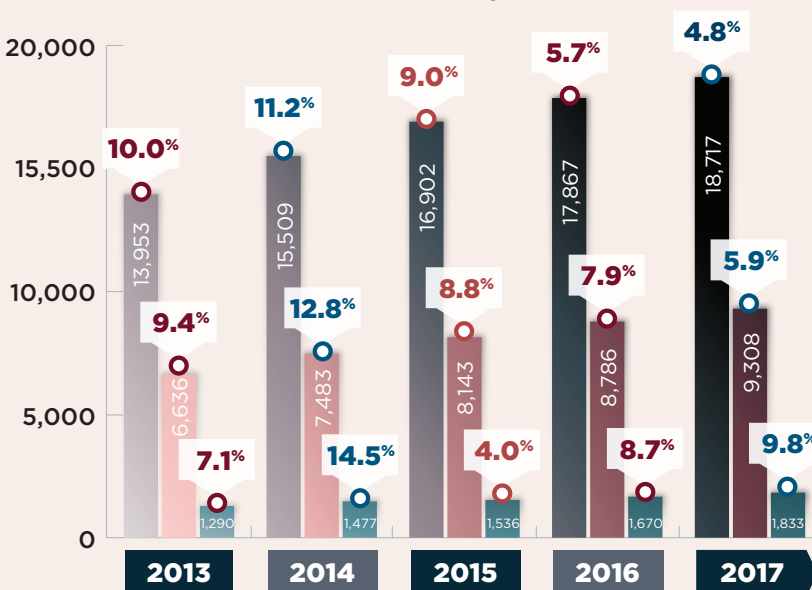
The number of education awards earned by members increased in all categories during the 2016–2017 program year. Competent Communicator awards grew by 2.7% and Advanced Communicator awards increased by 3.1%. All communication awards increased to 44,961, or 2.8%, over last year. The number of Competent Leader awards increased by 4.8%, Advanced Leader awards by 5.9% and Distinguished Toastmaster awards by 9.8%. All leadership awards increased to 29,858 or 5.4%.

During the latter half of the 2016–2017 program year, Pathways was piloted in three districts (57, 27 and 51). As of program year end, 82 Level 1 awards were completed followed by 16 Level 2, nine Level 3, eight Level 4 and six Level 5 awards. Pathways will continue to roll out to new districts throughout the 2017–2018 program year.

Pathways Awards

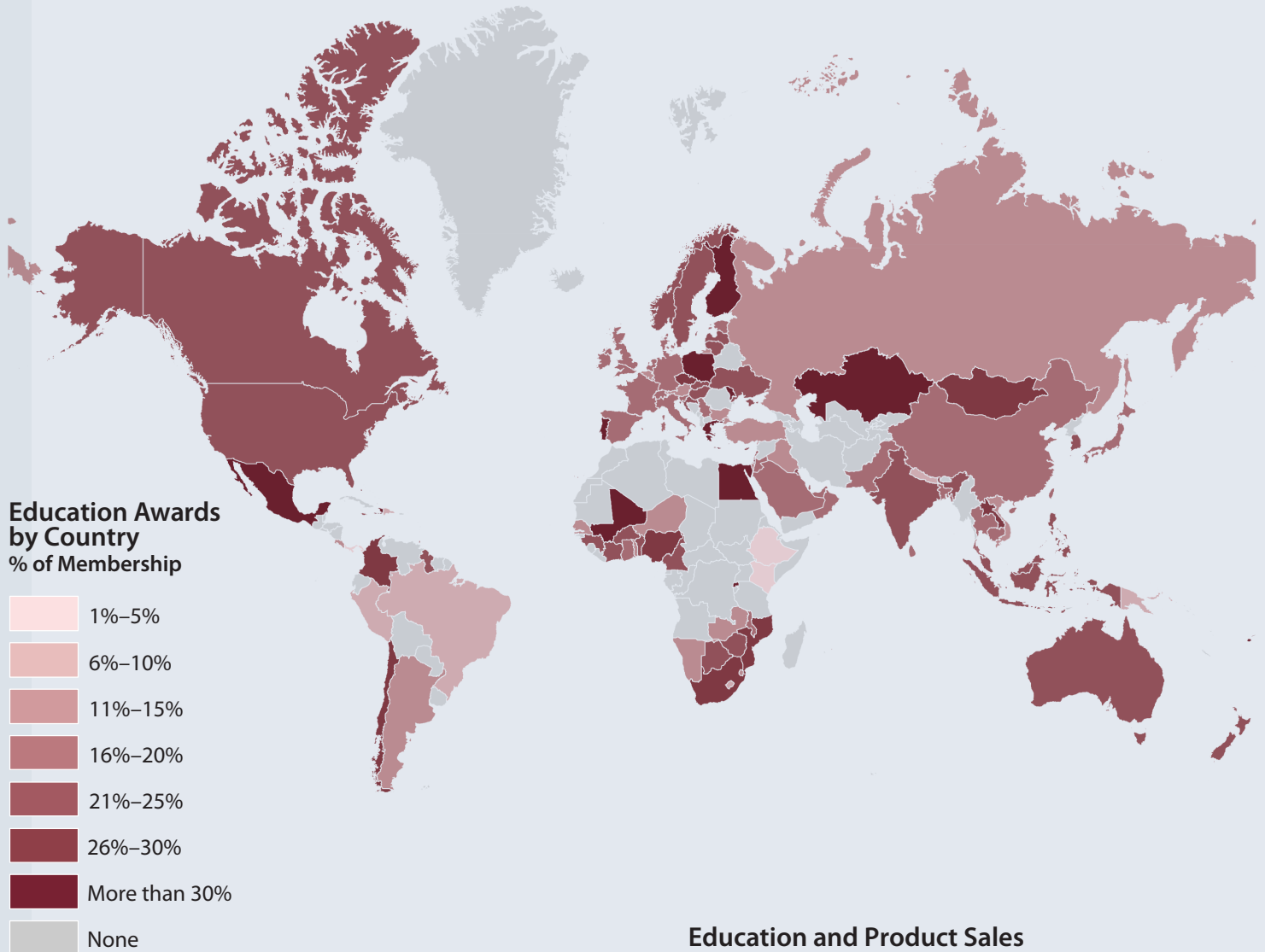


Leadership Awards



- CL Awards
- AL Awards
- DTM Awards

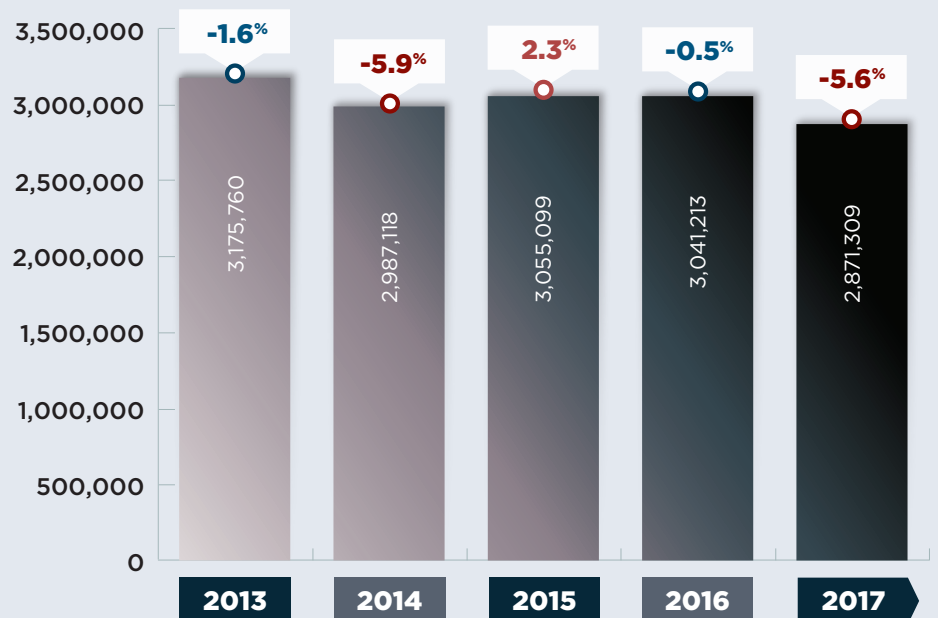
BY THE NUMBERS



Education and Product Sales

Education and Product Sales

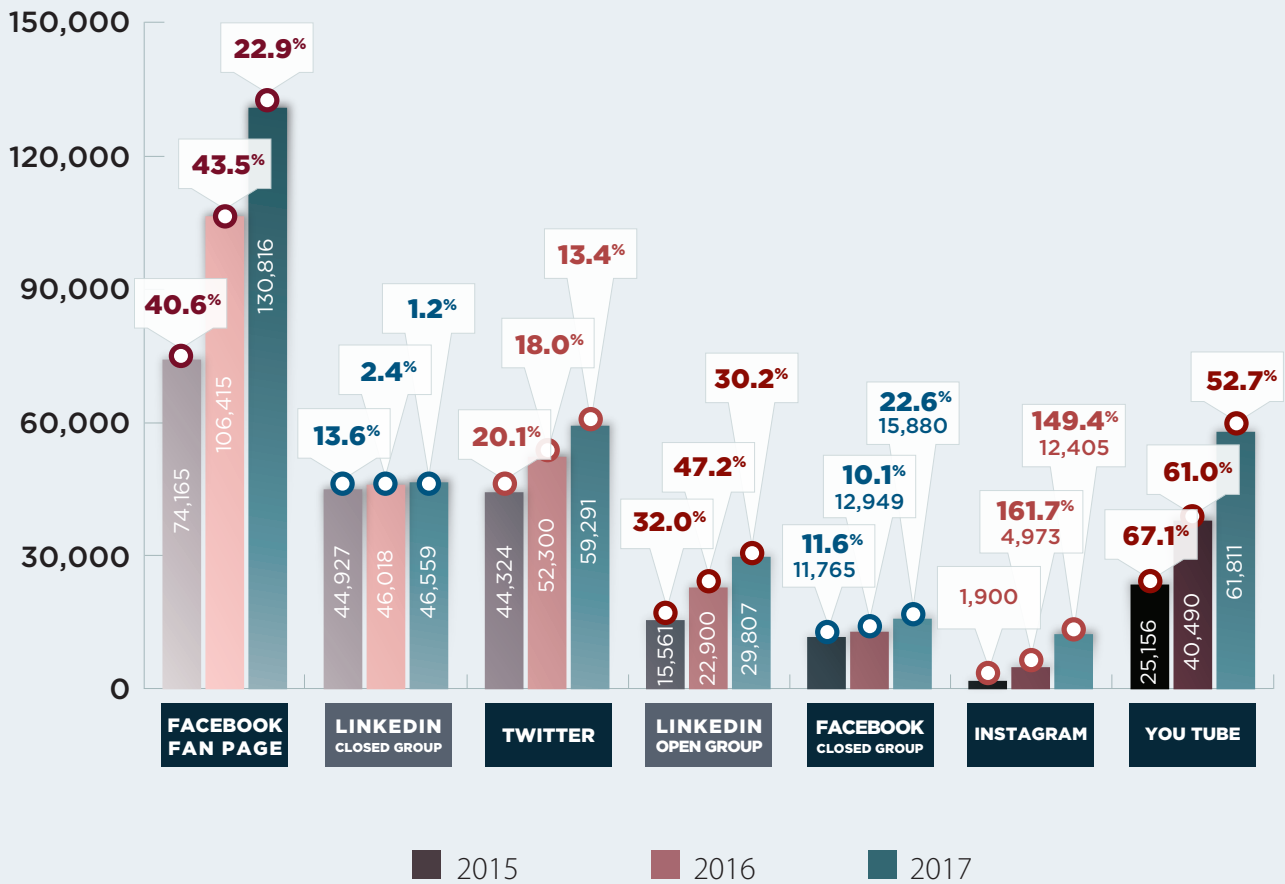
In the 2016–2017 program year, Toastmasters International’s product sales totaled \$2,871,309, a 5.6% decrease over the previous year. Educational materials, as a category, had the highest sales with \$648,426.



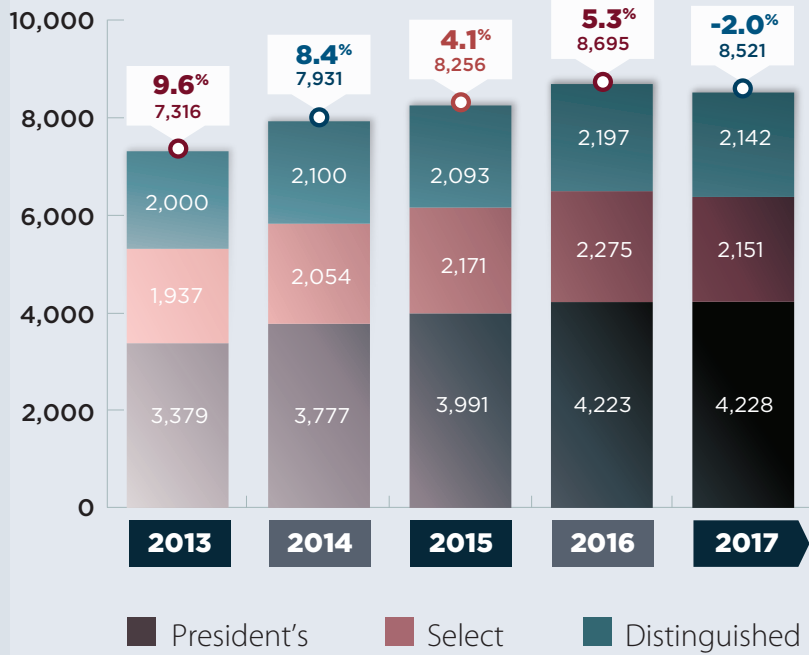
BY THE NUMBERS

Social Media

Toastmasters International maintains a presence on a number of social media sites to increase brand awareness and facilitate conversations among members worldwide. The Facebook fan page has experienced 22.9% growth to more than 130,000 fans. This can be attributed to more consistent and tailored communications. The number of Twitter, LinkedIn and YouTube followers continues to grow steadily and engagement has increased on these platforms. Toastmasters' Instagram profile has 12,405 followers, which is an increase of 149.4% over the last program year.



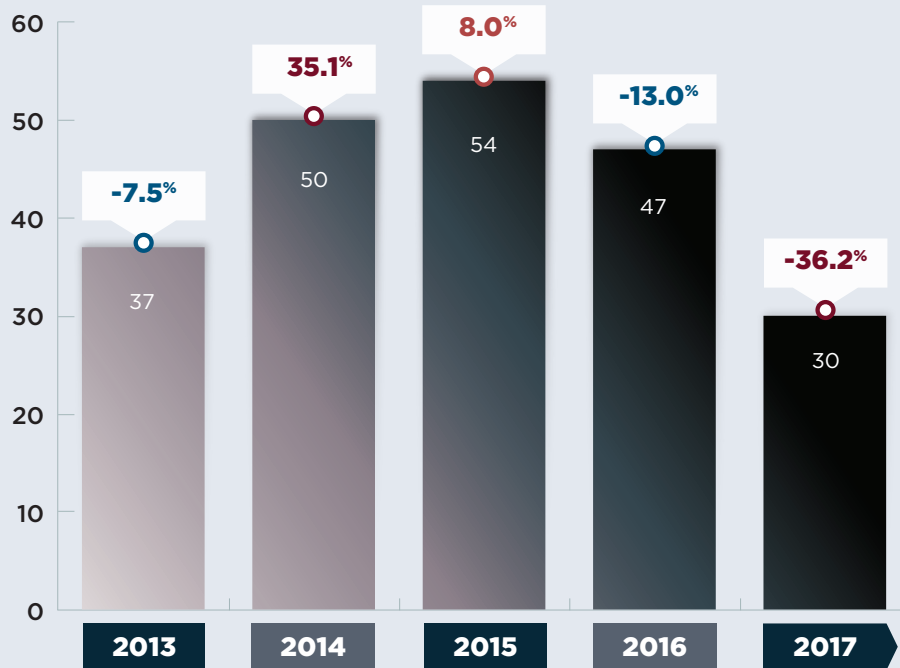
Distinguished Clubs: July to June



Focus on Clubs

For the 2016–2017 program year, 8,521 clubs achieved Distinguished recognition in the Distinguished Club Program (DCP). This represents 51.7% of paid clubs. The total number of clubs achieving Distinguished recognition decreased by 2.0% over last year, relative to the increase in paid clubs.

Distinguished Districts



Focus on Districts

For the 2016–2017 program year, 30 districts achieved Distinguished status or better in the District Recognition Program (DRP) representing 29.4% of all eligible districts. Compared to the last program year, this is a decrease of 36.2%.

CLUB EXPERIENCE

The Pathways Learning Experience

On February 7, 2017, District 57 in Northern California became the first district in the world to have access to the new Pathways learning experience. District 57 was the first of three districts to participate in the pilot test of the new program. District 27 in Washington, D.C., was added to the pilot in March and District 51 in Malaysia became Pathways-enabled in May. The intention of the pilot was to ensure a positive user experience, evaluate the impact to the clubs working in the traditional program and Pathways concurrently, assess the quality of support at the local level and through World Headquarters, and to identify any technical issues prior to region-wide launches.

In each district, the Pathways Guides, Ambassadors and Chief Ambassadors were instrumental to the success of each phase of the pilot. They provided the direct support to clubs necessary for a smooth transition. They also delivered valuable feedback to World Headquarters that improved the training, communication and support for future phases. In addition, several non-critical system bugs were identified and resolved in advance of the first full-region rollout.

On July 26, Region 14 became the first full region to be Pathways-enabled. At the same time, Simplified Chinese, the first of eight translated languages, became available in Base Camp. To date, more than 3,100 Pathways paths are in progress with only 19 requested in print version; the rest of the paths are being taken online.

Region 2 will be the next to become Pathways-enabled. Pathways Guides and Ambassadors are currently conducting club visits in anticipation of an early September launch. Regions 6 and 7 district leaders are now selecting the Pathways Guides who will prepare the clubs for an expected November launch.

Ralph C. Smedley Memorial Fund®

Toastmasters International has received an overwhelmingly favorable response to the Board's plan to generate awareness and raise funds for the Smedley Fund. World Headquarters executed part of the Board's plan by:

- **Enabling online donations**
- **Updating the Smedley Fund webpage to share the Board's vision of the purposes of the Smedley Fund**
- **Hosting an information booth at the International Convention**

The plan also focused on recognizing donors throughout the year and promoting the Smedley Fund through several campaigns. For more information about the Smedley Fund, visit www.Toastmasters.org/Smedley.



DIGITAL TRANSFORMATION

World Headquarters is undergoing a multi-year process that will result in the implementation of a new Enterprise Resource Planning (ERP) software system that will enable the organization to undergo a digital transformation designed to greatly enhance transaction and communication systems between members and officers, and their interactions with World Headquarters. The platform will transform the organization's ability to deliver information, products and services to members and leaders. Toastmasters International's current technology and record keeping system, an Association Management System, has served its intended life.

Club Central

Club Central is the portal that supports club leader transactions and information flow with Toastmasters International. In 2016–2017 these areas of the portal were or are being reengineered: Club Roster, Add Members, Submit Payments, Addendum of Standard Club Options, Club Contact and Meeting Information, Club Officer Information and Submit Education Awards. The revamp provides a significantly improved and responsive interface resulting in better user experience with devices of any screen size.

District Central

District Central is the portal that supports district leader transactions and information flow with Toastmasters International. In 2017–2018 the following areas of the portal will be reengineered: Submit Area Visit Report, District Success Plan, Training Reports, Prospective Clubs, District Awards and List Requests. The revamp provides a significantly improved interface, resulting in an efficient user experience for any screen size.

Magazine Subscription Self Service

Now, every member can easily manage their mailing address and, in the case of dual members, determine where additional issues should be sent. They also can determine if they want to continue to receive a printed copy of the *Toastmaster* magazine or choose to read their issues online.

ORGANIZATIONAL SUPPORT

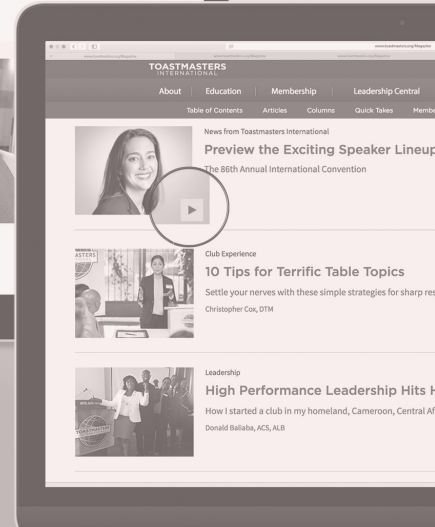
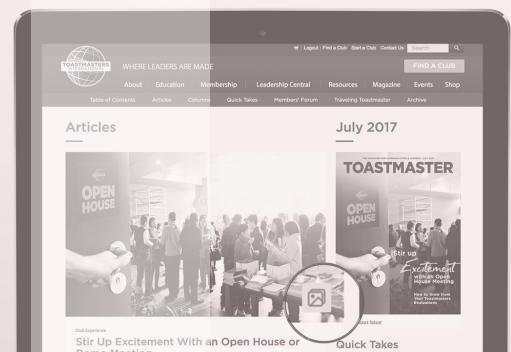
Online Magazine

The web-based edition of the *Toastmaster* magazine, which launched in October 2016, is more than just the print edition online. When members visit the magazine landing page they are greeted with interactive content that can be viewed on any device, at any time. Each online issue offers features not available in the print edition, such as expanded photo galleries, exclusive videos and hyperlinks to outside resources for further educational content.

Web traffic has increased 94 percent since the launch of the online edition, with the help of improved search engine optimization (SEO), optimized copy and image file naming. The online magazine is not only a service to members, but also to the general public, who are finding valuable subject matter expertise on communication and leadership through article sharing, referrals and organic searches.

Publicity

In the last six months, the organization has received high-quality, valuable publicity in major international media outlets, including television, magazines, newspapers, news websites and radio. Prominent examples include *Costco Connection* magazine (circulation 12 million), *BBC World News*, *Business Insider*, *CNBC*, *Forbes*, *Readers Digest*, *Time* magazine, *U.S. News & World Report*, *Yahoo! Finance*, *Saudi Gazette* in Saudi Arabia and *The Hindu* in India. Our prominent media coverage is repurposed on Toastmasters' social networks, helping to drive the number of fans and followers of the organization.



ORGANIZATIONAL SUPPORT

Relocation

The transition process for the relocation of World Headquarters from Rancho Santa Margarita, California, to Englewood, Colorado, has begun. Renovations to the Englewood building are underway with anticipated completion in October 2017. Staff relocation will begin in late 2017 and continue through the second quarter of 2018.

Trade Shows

To drive awareness and generate interest in starting corporate clubs and joining Toastmasters, Toastmasters International hosted an exhibit at the Association of Training and Development (ATD) and Society of Human Resources Management (SHRM) international conferences, the world's largest events for talent development and HR professionals. This effort resulted in consistent booth traffic and qualified leads distributed to districts for follow-up.



2016 TO 2017 MILESTONES





August 2017 CEO Report

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