



CEO Interim Report

FEBRUARY 2014



**WHERE LEADERS
ARE MADE**

“Excellent firms don’t
believe in excellence –
only in constant
improvement and
constant change.”

– Tom Peters, author of *In Search of Excellence*



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

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CEO's Report



I recently became acquainted with the retired CFO of a large corporation who was attending a conference at which I was speaking. At the conclusion of my presentation he immediately stood up and came directly to me.

After introductions and handshakes, he recounted his personal history of Toastmasters, a story that began decades ago. He, along with other newly hired college graduates at his accounting firm, was urged by a senior member of their organization to join Toastmasters. He joined, participated for a time and continued his career.

He shared with me that Toastmasters, more than his knowledge of accounting and finance, was responsible for his regular promotions, success as a manager, and gaining the skills he needed to successfully get to the top finance role in his corporation. He thanked me, as a representative of Toastmasters, for changing the course of his career and life.

More recently, a disgruntled Toastmaster shared with me this opinion: "Dan, the District Recognition Program and the Distinguished Club Program are all about money. It's just grow, grow, grow, get more clubs and members." I thought back to my friend, the retired CFO, and took a deep breath.

Organizations use metrics to attract attention and focus effort. Our Distinguished programs are a reflection of each member's club experience. So far this year, club growth, membership growth and educational achievements are very positive—in some categories we're reaching levels not experienced in recent memory.

To me, that means each week at club meetings around the world, Toastmasters members' lives are changing for the better. That's the true measurement of our success.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel Rex". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

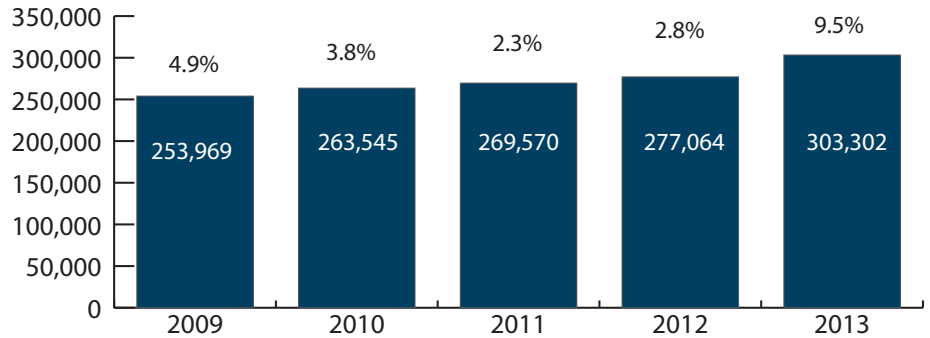
Daniel Rex

By the Numbers

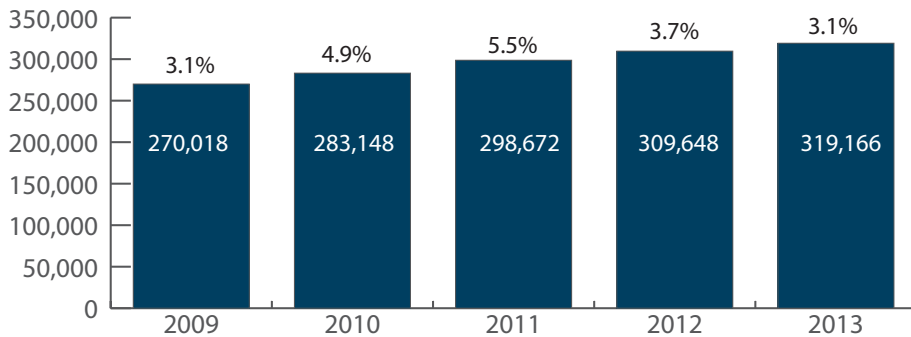
Membership Payments

Membership payments increased significantly in the first six months of the 2013–2014 program year (July through December), growing by 9.5% over payments in the same period of 2012–2013. As of December 31, payments totaled 303,302.

MEMBERSHIP PAYMENTS



TOTAL MEMBERSHIP

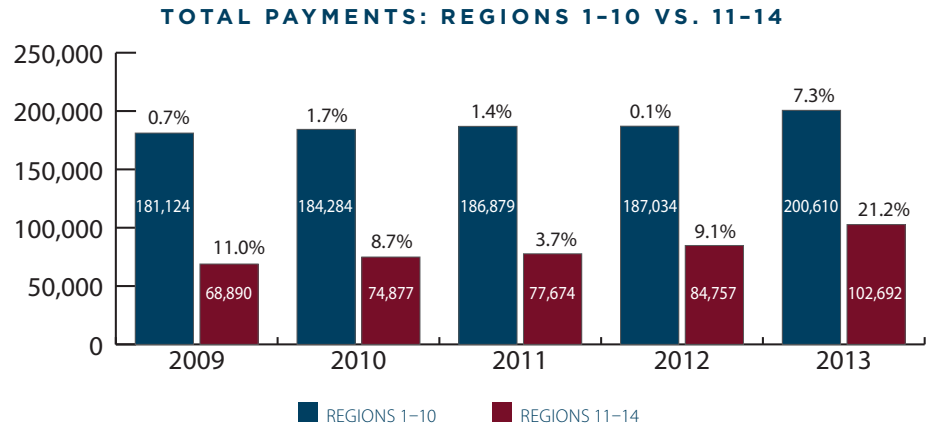


Membership Growth

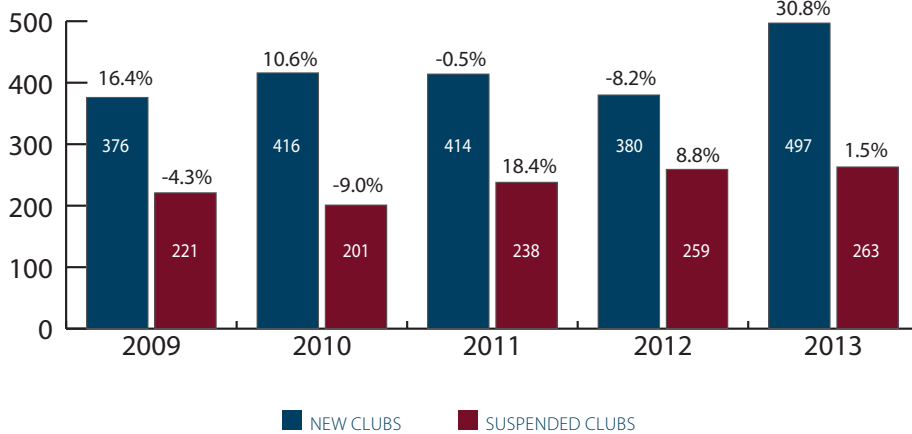
The organization's membership growth remains steady. During the last renewal period (April through September 2013), membership grew by 3.1%, to 319,166. The percentage of growth is slightly lower than in April–September 2012. This chart measures membership as of September 30 and includes all membership types.

Payments by Region

Regions 1–10 represent districts within North America and regions 11–14 comprise districts outside North America. In the first half of 2013–2014, membership payments increased by 7.3% in regions 1–10 and by 21.2% in regions 11–14.



NEW AND SUSPENDED CLUBS



Club Growth

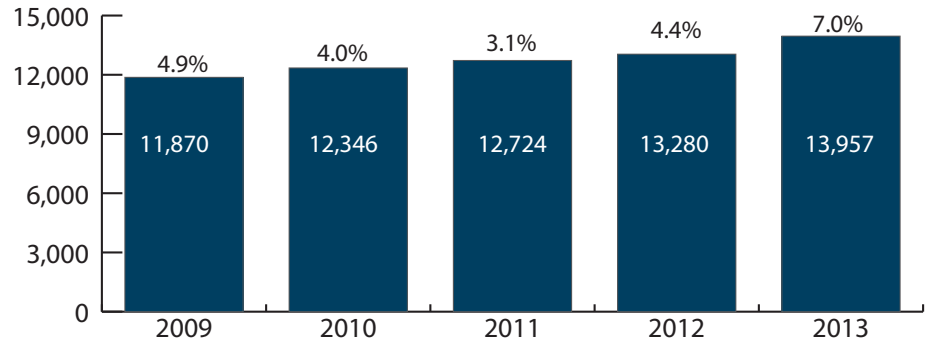
Toastmasters is experiencing a surge in new clubs. After a decrease from 414 new clubs in the first half of the 2011–2012 program year to 380 in the first half of the 2012–2013 program year, club growth has rebounded, with 497 new clubs opened between July and December 2013—an increase of 30.8% over the previous period. The number of suspended clubs has not increased significantly despite the increase in new clubs.



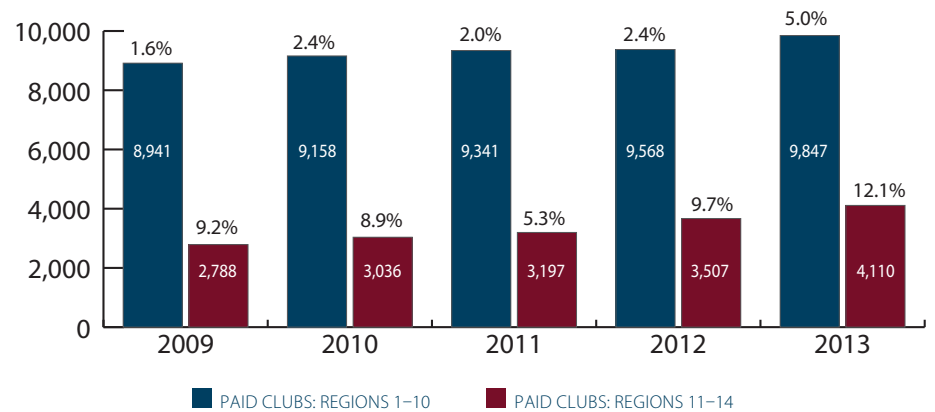
Paid Clubs

The number of paid clubs also increased in the first half of 2013–2014. Total paid clubs climbed to 13,957—a 7% increase over the previous program year. In regions 1–10, paid clubs increased by 5%, to 9,847, and in regions 11–14 the number increased by 12.1%, to 4,110.

PAID CLUBS: JULY–DECEMBER



PAID CLUBS: 1-10 VS. 11-14



The District Reformations

In August the territorial councils of Korea and West Africa were granted Provisional District status and are now provisional districts 93 and 94, respectively. Districts 21, 59, 71 and 82 are in transition and will reform on July 1, 2014.

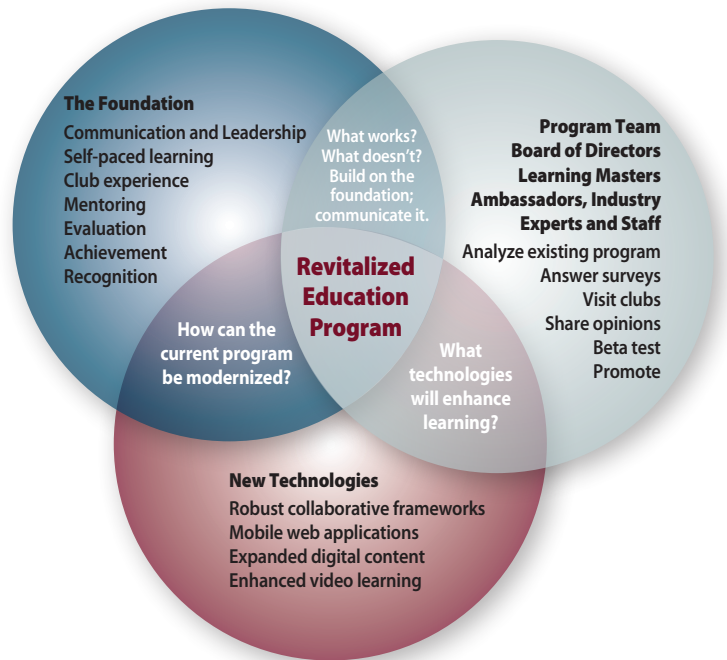
DISTRICT	REGION	EFFECTIVE DATE OF REFORMATION
93 / 94	Korea / West Africa	July 1, 2013
21	British Columbia	July 1, 2014
59	Europe	July 1, 2014
71	United Kingdom	July 1, 2014
82	India and Sri Lanka	July 1, 2014

Core Elements at-a-Glance

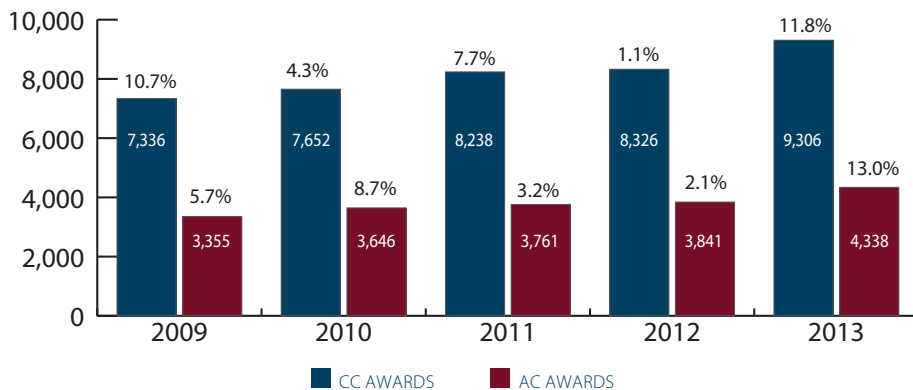
Revitalized Education Program

The revitalized education program will provide members with many benefits, including tailored learning to meet personal and professional goals, communication and leadership skills relevant to real-world experiences, and a streamlined, clearer path for achieving education awards.

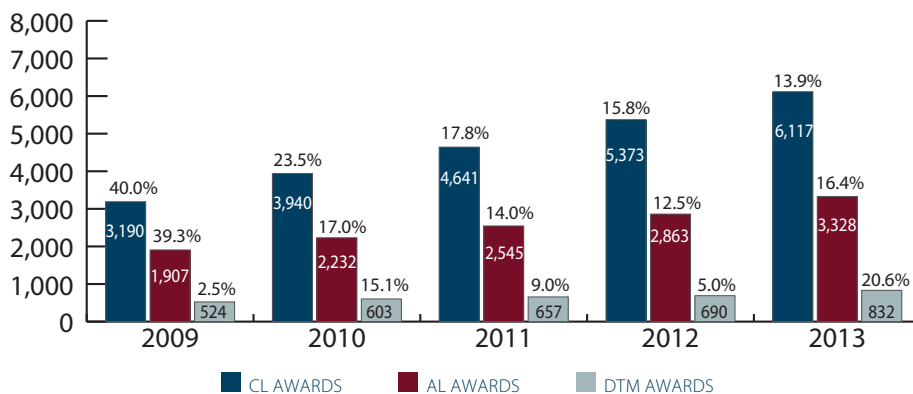
Since last year's announcement about the revitalization project, much of the foundation for the program has been laid. Member volunteers—Learning Masters, Ambassadors and Chief Ambassadors—have been chosen and are working with staff. The learning paths and program content are being developed now. In the coming months, Learning Masters will continue to contribute to this development, and Ambassadors will visit clubs as the program nears its launch in the second half of 2014.



COMMUNICATION AWARDS: JULY-DECEMBER



LEADERSHIP AWARDS: JULY-DECEMBER



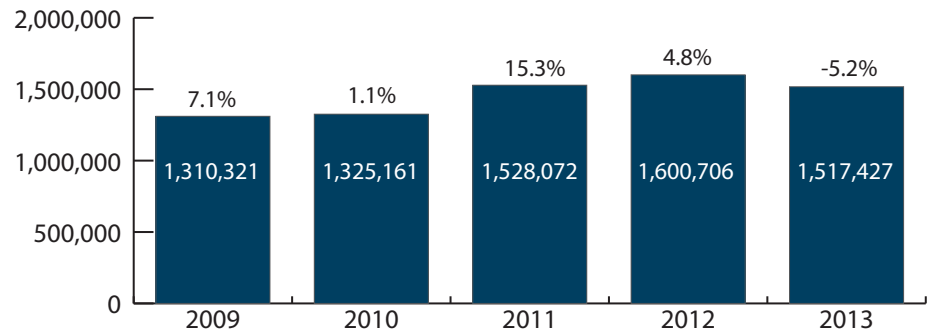
Education Awards

The number of education awards earned by members increased significantly in all categories in 2013–2014. Competent Communicator awards grew by 11.8%, while Advanced Communicator awards increased by 13%. Competent Leader awards increased by 13.9%, Advanced Leader awards by 16.4% and Distinguished Toastmaster awards by 20.6%.

Education and Product Sales

Through the online store, World Headquarters store and the annual Convention, Toastmasters makes education, marketing and promotional products available to members around the world. In the first half of 2013–2014, product sales totaled \$1,517,427, a 5.2% decrease from the same period in 2012–2013.

EDUCATION AND PRODUCT SALES



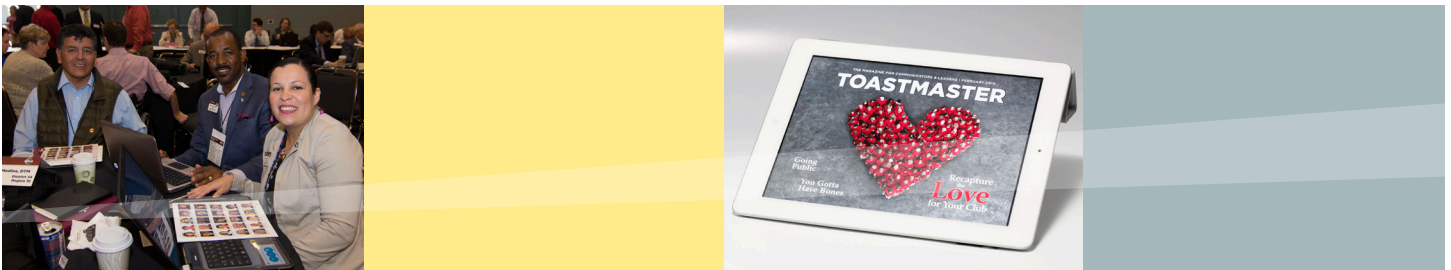
Global Support

District Leader Training

In August 2013, all district governors and lieutenant governors gathered in Cincinnati, Ohio, to evaluate their progress, make adjustments and build on skills necessary for a successful year. District leaders met again in January 2014 for Mid-year Training, held in six locations around the world. The sessions provided resources, inspiration and information to help district leaders improve the member experience and quality of clubs. Region advisors, international directors and World Headquarters staff partnered to facilitate the trainings.

Global Logistics and Distribution

The organization continues to focus its efforts on developing a long-term solution that will reduce the costs and delivery time of Toastmasters' branded products. The rollout of a new distribution program is planned for August 2014.



Digital Publishing

The organization launched the *Toastmaster* digital magazine in September 2013, giving members around the world instant access to monthly editions of the *Toastmaster*. The magazine is downloadable via a free app on iPad, Android and Kindle Fire tablets. The digital edition is enhanced with interactive elements such as video, web links and photo slideshows.

The Meeting Room

The Meeting Room is an online community created exclusively for members. In the first half of 2013–2014, beta testing began on this exciting tool, which will enable Toastmasters around the world to communicate and share ideas online.

Feedback and data collected during testing will be used to make improvements before The Meeting Room is officially launched for all members.

Website 2.0

The organization has embarked on a major website redesign to make our site more interactive and easier to use—both for members and non-members. Data and information has been collected from surveys and web analytics, and a structural design has been developed.

Website 2.0 will improve our site's look and feel, enhancing the process by which individuals search for content as well as make transactions.



Translations

During the first half of the 2013–2014 program year, the following education materials were translated into seven languages: *High Performance Leadership*, *Moments of Truth*, *Evaluate to Motivate*, *Giving Effective Feedback*, *Club Leadership Handbook*, and *Distinguished Club Program and Club Success Plan*. The seven languages are Arabic, Simplified Chinese, Traditional Chinese, French, German, Japanese and Spanish. In addition, for the first time, the *Club Leadership Handbook* and the *Distinguished Club Program and Club Success Plan* were translated into Portuguese. The revitalized education program will eventually be available in all eight of these languages.

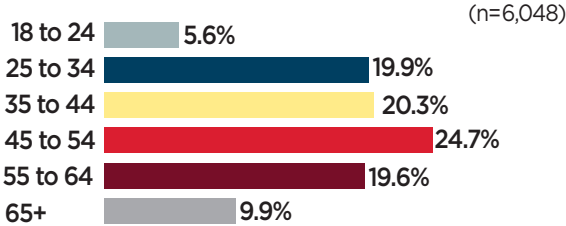
In February 2014, Toastmasters launched the Translation Review Program. This program will help ensure the quality and effectiveness of our translated materials by involving members in the process. For each of the languages that Toastmasters materials are translated into, member review teams will be formed; these teams will ensure that all translated materials correctly portray Toastmasters customs and practices regardless of language.

Publicity

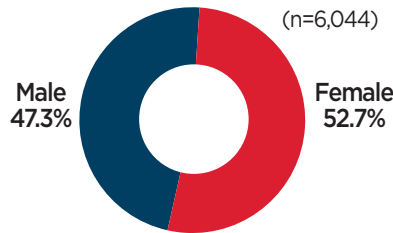
In the last six months, the organization has received high-quality, valuable publicity in major media, including television, magazines, news websites and radio. Prominent examples include the *New York Times*, National Public Radio, ABC News Tonight, Southwest Airlines *Spirit* magazine, *Investor's Business Daily*, and *Global Times* in Beijing.

Member Demographics

AGE



GENDER



LANGUAGES

Hello!
94%
English

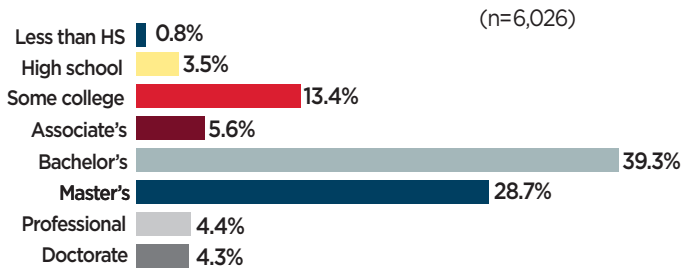
iHola!
8%
Spanish

Bonjour!
6%
French

नमस्ते!
(namastē)
5%
Hindi

你好
(Nǐ hǎo)
5%
Chinese
(Mandarin)

EDUCATION



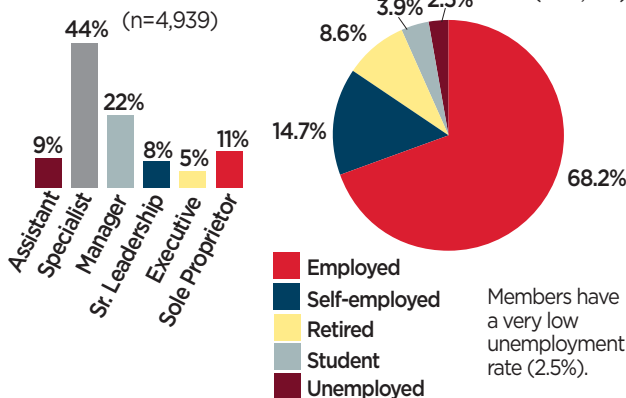
Highly Educated

Toastmasters members are a highly educated population. Over 80% have at least an associate's degree or higher, and nearly all members (95.7%) have attended college.

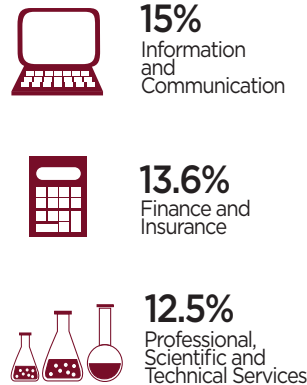


EMPLOYMENT

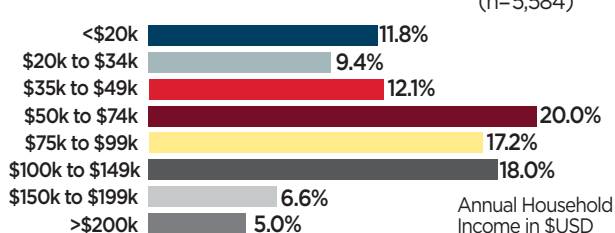
Position



Industry



INCOME



High Earners

Approximately 30% of members earn \$100,000 or more and nearly half (47%) earn more than \$75,000 per year.



Multilingual

Approximately 28% of members speak more than one language proficiently. (n=5,849)

15% Survey Response Rate

93 Countries Participated

2.7 Average Household Size

Sampling

A simple random sampling method was implemented to select a representative sample of Toastmaster members for the online survey.

A total of n=6,095 members completed the survey, giving the results a +/-1.2% margin of error with a 95% confidence interval.



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