

Executive Director's Report



August 2012



**“Our past prepares us to
meet the
challenges
of the future.”**

– Dr. Ralph C. Smedley



Mission, Vision and Values

Toastmasters International Mission

Vision

Values

Toastmasters International's core values are integrity, dedication to excellence, service to the member, and respect for the individual. These are values worthy of a great organization, and we believe we should incorporate them as anchor points in every decision we make. Our core values provide us with a means of not only guiding but also evaluating our operations, our planning, and our vision for the future.

Toastmasters International empowers people to achieve their full potential and realize their dreams. Through our member clubs, people throughout the world can improve their communication and leadership skills, and find the courage to change.

Toastmasters International is the leading movement devoted to making effective oral communication a worldwide reality. Through its member clubs, Toastmasters International helps men and women learn the arts of speaking, listening, and thinking—vital skills that promote self-actualization, enhance leadership potential, foster human understanding, and contribute to the betterment of mankind. It is basic to this mission that Toastmasters International continually expand its worldwide network of member clubs, thereby offering ever-greater numbers of people the opportunity to benefit from its program.

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Executive Director's Report



Shift: A change in direction. *Merriam-Webster*

While a single shift typically doesn't have a great deal of impact, a series of shifts has the potential to significantly influence outcomes.

Take for example, some of the Toastmasters shifts we've experienced over the past twelve months:

- ▶ A refreshed branding visual system
- ▶ Mid-year district leader training focusing on actions rather than theory
- ▶ A new, global district accounting system
- ▶ Revamped area and division governor training materials
- ▶ Enhanced club leader reference and training materials
- ▶ Area Governor visits re-focused on club quality and the Moments of Truth
- ▶ A new Area, Division and District recognition system that emphasizes club quality as well as growth.

These small shifts, when combined, comprise significant refinements and improvements in the way we support the member experience. They also add to our current growth, which you see represented in the pages of this report, and help prepare us for the Toastmasters of the future.

In August 2010 the Board of Directors finalized the five-year 2010 Strategic Plan. Since then, much progress has been made. Some of the initiatives have been large, while other supportive elements pave the way for additional strategies.

In the next year, the Board of Directors and the World Headquarters team will continue to execute the plan. Primary strategies include developing a new leadership development program, modernizing the communication program and developing leading-edge tools to support the member experience.

We approach each strategy with these principles in mind:

- ▶ A commitment to focus resources on the individual member's experience
- ▶ An acknowledgement of and faithfulness to the Toastmasters legacy
- ▶ A realization that flexibility is paramount in a world of immeasurably rapid change

Dr. Smedley's Toastmasters movement continues to grow and thrive. Let's work together to improve the ways we support the member experience while being true to his vision.



Daniel Rex

Toastmasters' Year in Review

For the year ending June 30, 2012, we had record achievements in membership, clubs and education awards. Our membership continues to become more diverse and increasingly stronger inside and outside of North America. The markers used to indicate the health of the organization include total membership, membership payments during the 12-month period, number of clubs and number of clubs by region as well as education awards earned.

Continued growth increases the need for more and better support for Toastmasters' members, club leaders and district leaders around the world. During the 2011–2012 year, the organization has invested time and resources in areas that will strengthen the member experience while building systems and processes to address the needs of a more global, yet more connected membership.

The following highlights key markers and the significant activities conducted during the year to continually enhance member satisfaction.



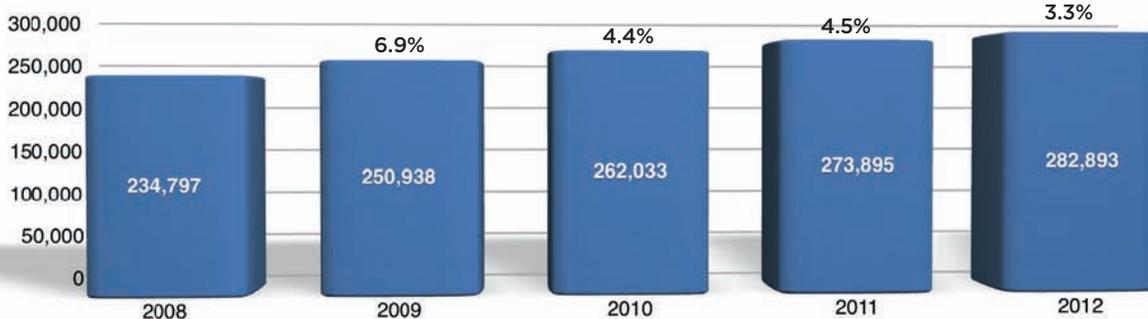
By the Numbers

Membership Growth

During the 2011–2012 year, membership grew by 3.3%, to 282,893. This represents a smaller percentage of growth compared to the previous year. Historically, the organization has experienced slower growth following a dues increase; however, despite the dues increase that went into effect on October 1, 2011, the rate of growth reflects a continuing upward trend. This chart measures membership as of March 31, the final day of the October semiannual period. It includes all membership types: new, renewal, charter, reinstated and dual.



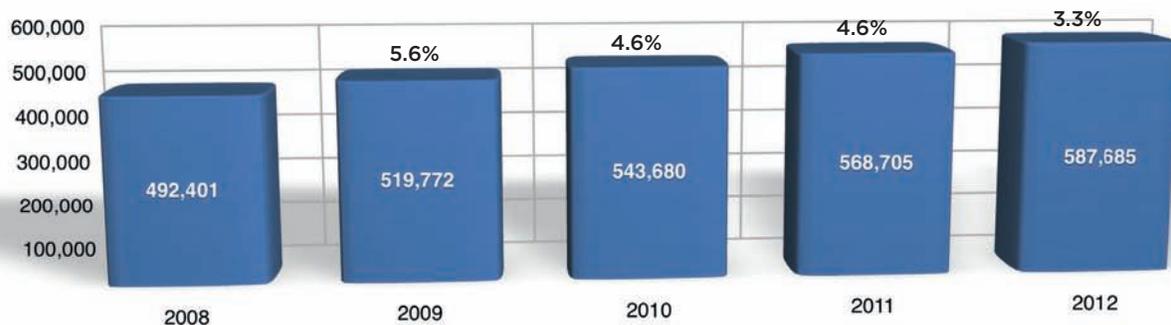
Total Membership



Membership Payments

During the 2011–2012 program year, membership payments increased by 3.3%, or 18,980, to total 587,685. The annual growth goal in the 2010 Strategic Plan is 5.5%. This category is one of the four critical success factors of the Distinguished District Program. To measure membership payments progress, the organization totals membership payments between July 1 and June 30.

Membership Payments

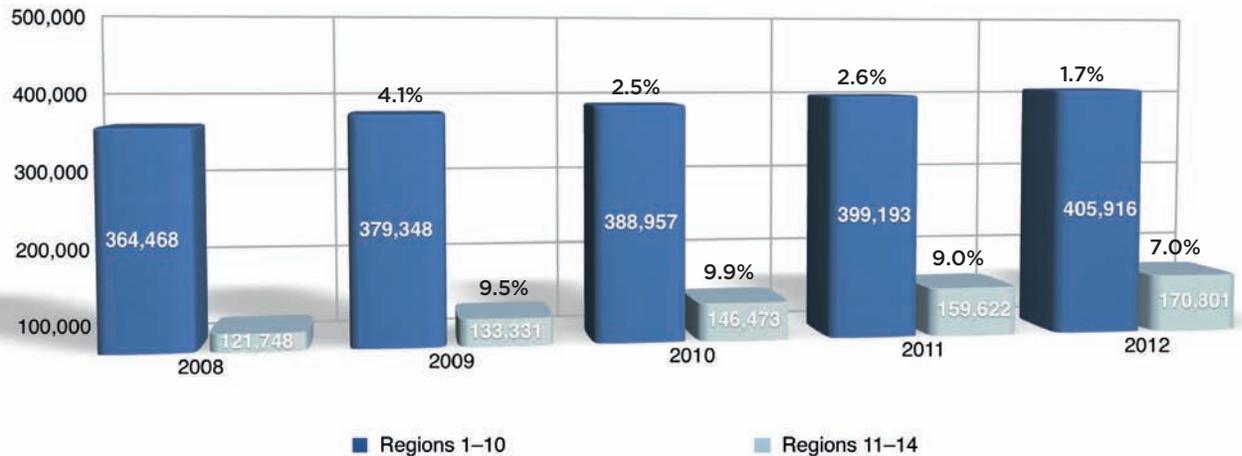


Payments by Region

Regions 1–10 represent districts within North America and regions 11–14 comprise districts outside of North America.

In 2011–2012, membership payments increased by 1.7% in regions 1–10 and 7% in regions 11–14.

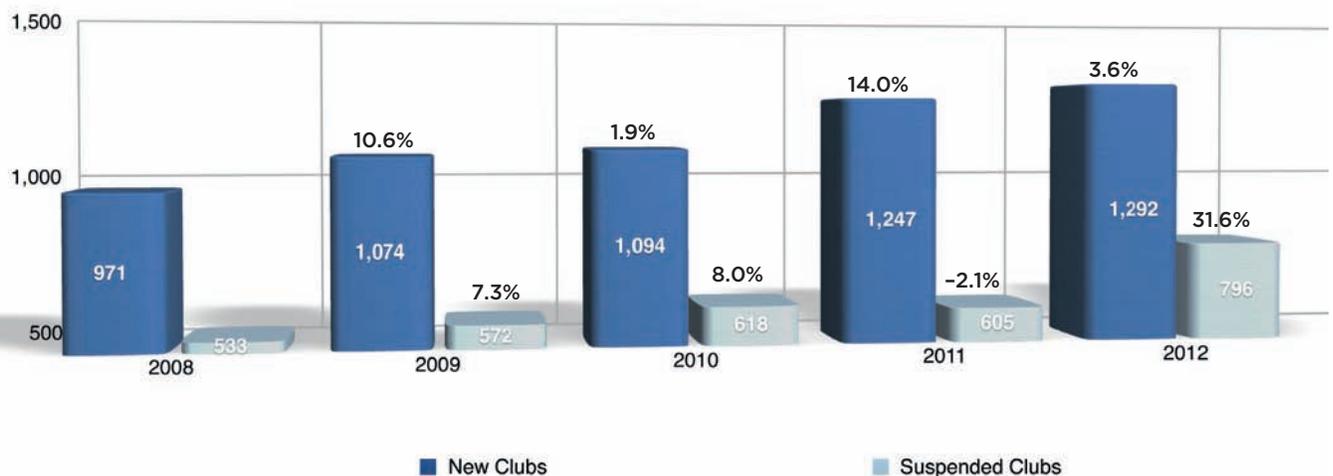
Total Payments: Regions 1–10 vs. 11–14



Club Growth

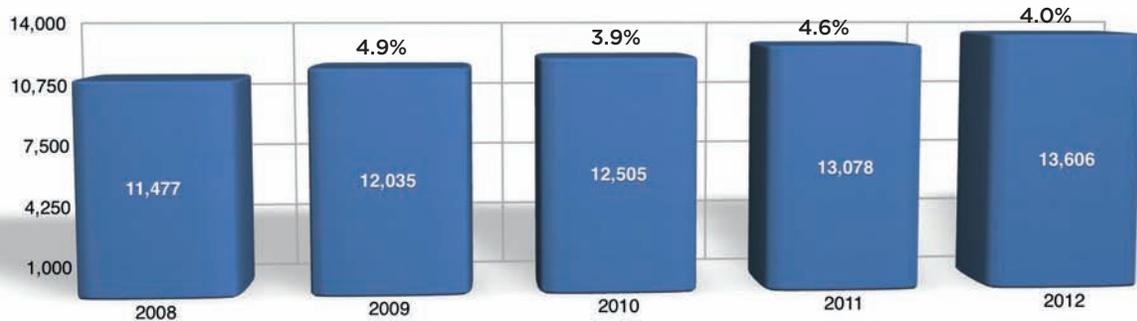
This year, 1,292 new clubs were chartered, a record high for the organization. The number of paid clubs increased as well, to 13,606, representing a 4% increase over the previous year. The annual growth goal in the 2010 Strategic Plan is 5.5%.

New and Suspended Clubs

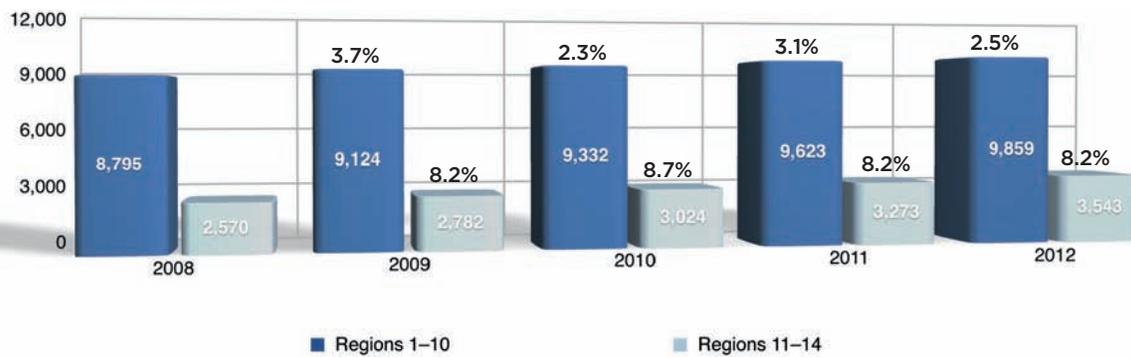


Similar to member growth, paid clubs outside North America (regions 11–14) are increasing at a higher rate of growth than clubs within North America (regions 1–10). In 2011–2012, regions 11–14 increased 8.2% compared to 2.5% growth in regions 1–10.

Paid Clubs: July–June



Paid Clubs: Regions 1–10 vs. 11–14



Corporate Clubs

The popularity of Toastmasters' corporate clubs continues to surge. As of June 30, 2012, 537 corporate clubs were chartered — a 71% increase over the same period in 2011. Out of the 13,872 Toastmasters clubs, 6,578 (nearly half) are corporate clubs, representing 4,127 companies throughout the world.

District Reformations

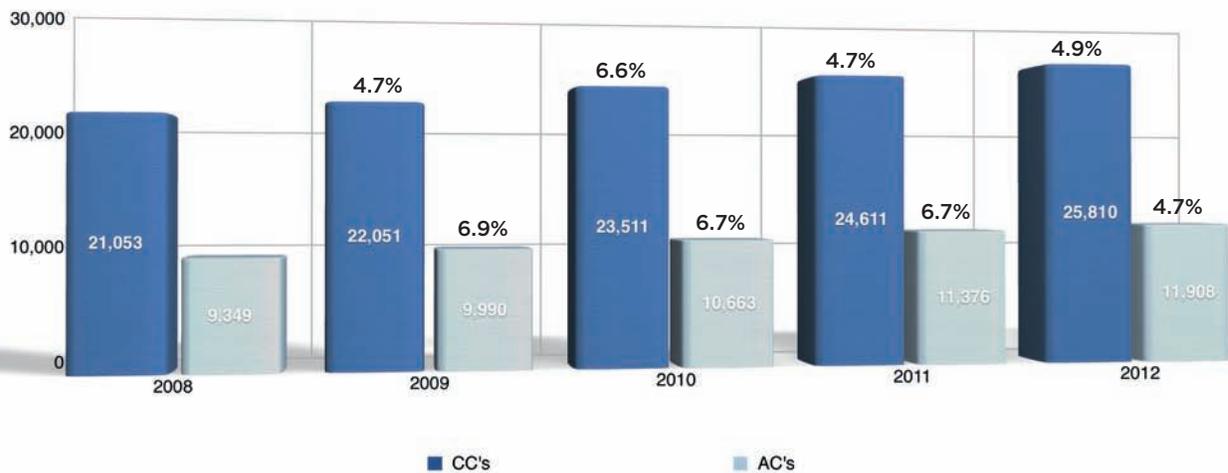
Continued growth in membership and clubs has resulted in the need for several districts to reform to ensure optimal performance and club support. On July 1, 2012, two districts reformed: District 47 (Southern Florida and the Bahamas) and District 85 (China). District 14 is scheduled to reform next year.

DISTRICT	EFFECTIVE DATE OF REFORMATION
47/48	July 1, 2012
85/89	July 1, 2012
14	July 1, 2013

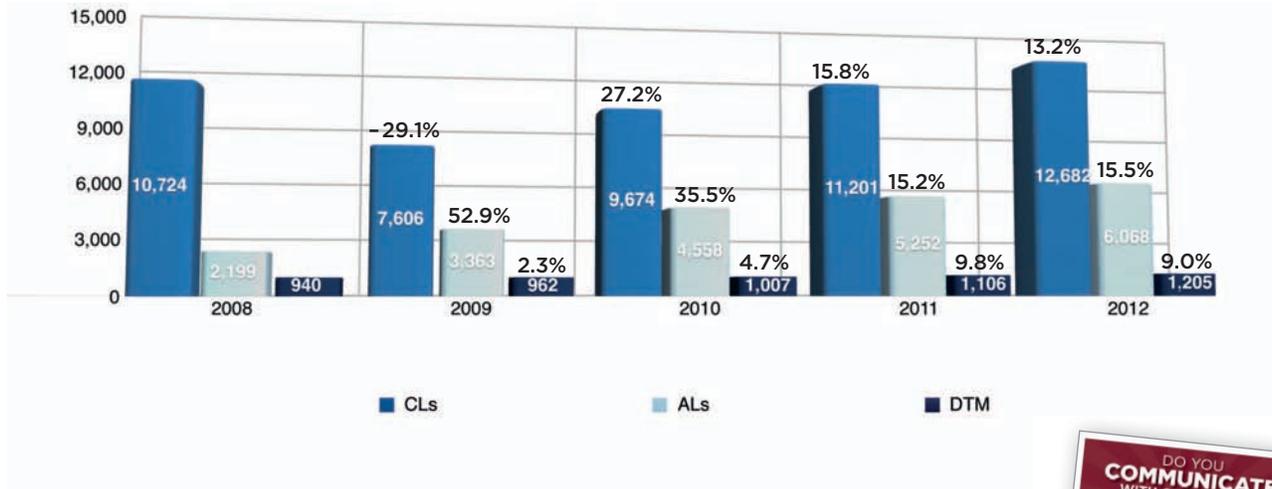
Education Awards

As membership grows, more educational awards are achieved. All award categories grew in comparison to the previous year. The number of Competent Communicator awards earned grew nearly 4.9%, while the number of Advanced Communicator awards achieved increased nearly 4.7%. In addition, achievement of both the Competent Leader and Advanced Leader awards increased 14% and the number of Distinguished Toastmaster awards earned grew by 9%. The annual growth goal in the 2010 Strategic Plan is 7%.

Communication Awards July-June



Leadership Awards July-June

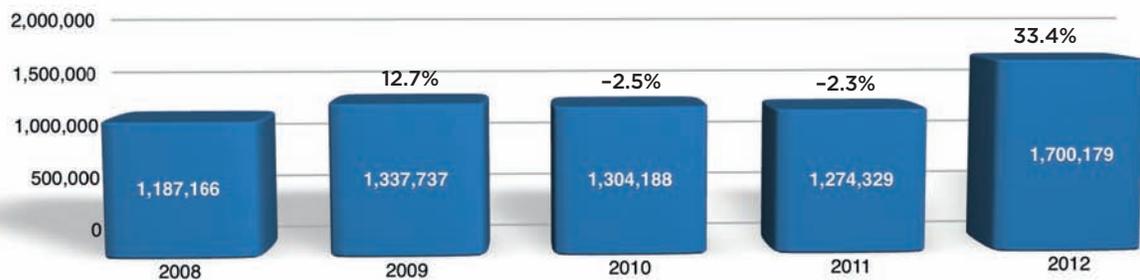


Education and Product Sales

Through the online store and annual Convention, the organization sells approximately \$1.3 million in educational, marketing and promotional products to members around the world annually. To maintain the branding efforts and unify clubs, select items such as badges, club banners, lecterns and posters have been made customizable. As a result, the organization's total product sales increased by 33.4% from the previous year.



Education and Product Sales



Global Support

Focus on the Member Experience

During 2011–2012, the organization placed its focus squarely on the member. This concentration on the individual and the quality of their experience is core to fulfilling the mission and vision of Toastmasters International, its clubs and districts. The following are highlights:

Member Support

In 2011–2012, the Member Services team implemented new service standards to better support members' needs. Such standards include a maximum 2 business-day turnaround time in answering members' emails and phone calls. To ensure that all transactions are addressed in a timely manner, staff has been added to Member Services, including the creation of the Tracking team, whose role is to improve delivery, locate lost shipments and provide status of shipments already en route.

To better support members around the world, Member Services has extended its hours of operation, and now provides phone support from 6 a.m. to 7 p.m. Pacific Time.

Translations

To encourage the growth of non-English-speaking clubs, Toastmasters has expanded its offering of translated materials. Key manuals — *Competent Communication*, *Competent Leadership* and the *Club Leadership Handbook* — were translated in 2012 into seven languages: Arabic, Simplified Chinese, Traditional Chinese, French, German, Japanese and Spanish. In addition, to better enable non-English-speaking members to achieve Advanced Communication awards, the organization will translate the six most-popular Advanced Communication manuals into the seven languages. These manuals will be available by the end of August 2012.



Focus on Clubs

In 2011–2012, 48% of clubs received recognition, a slight increase over 2010–2011.

Distinguished Clubs July–June



In the 2010 Strategic Plan, the Board of Directors developed several strategic directives to increase club quality and enhance the member experience. This year, Toastmasters accomplished the following:

- ▶ The creation of Club Services, a department focused on developing and implementing club-quality strategies and programs, as well as supporting the activities of club leaders around the world.
- ▶ Board committee was formed to address improving club quality and consistency, by identifying consistent, universal club-quality standards and evaluating how these standards are communicated and enforced.
- ▶ A new District Recognition Program was developed, effective July 1, 2012, that places greater emphasis on club quality and the member experience.

Area and Division Governor Training

For the first time, area and division governors receive materials in the same convenient format used for district leader training. The new training materials were developed with input from Distinguished area and division governors.

Updated training on topics such as enhancing club quality and how to thrive in the new District Recognition Program are in line with the Toastmasters Moments of Truth. The six interactive learning sessions are all designed to provide area and division governors with the practical knowledge they need to succeed in their leadership roles throughout the year.

Area Governor's Club Visit Report

The revised Area Governor's Club Visit Report guides area governors to evaluate clubs and assess them using the *Moments of Truth* quality standards. For example, area governors look at such things as whether a club is making a positive first impression on guests, and whether it is using branded materials.

Club Officer Training E-learning

Club officers are critical to the organization's continued growth and success. When club officers are prepared for their roles and responsibilities, club quality is created and sustained, thus providing a positive member experience. To that end, club officer e-learning will be made available for the first time ever, ensuring a high-quality, consistent foundation for all club officers. This e-learning is intended to supplement, not replace, face-to-face club officer training around the world.

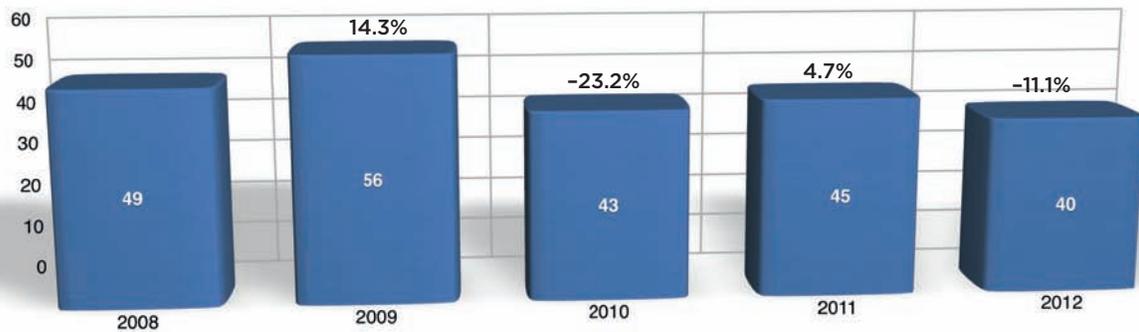
The beta test of this program has been completed, and the new e-learning will be available in November 2012.



Focus on Districts

In 2011–2012, Toastmasters International experienced an 11% decrease in the number of districts that earned Distinguished recognition.

Distinguished Districts



Although the number of Distinguished Districts is lower than the previous year, a positive change took place with regard to the recognition system. This year marked the end of the existing Distinguished District, Division and Area programs; the new District Recognition Program began July 1, the first day of the 2012–2013 year.

Recognition Program

The process of change began in August 2010, when the Board of Directors approved revisions to the area, division and district recognition programs. The new District Recognition Program (DRP) aligns the Distinguished Club, Area, Division and District programs. Its foundation is the Distinguished Club Program, which focuses on club quality and member satisfaction.

Among other improvements, the DRP:

- ▶ Maximizes leadership opportunities and provides tools for district leaders to be successful.
- ▶ Is easy to understand.
- ▶ Makes goals more meaningful and attainable.

- ▶ Removes the limit to the number of areas, divisions and districts that can achieve Distinguished, Select Distinguished and President's Distinguished recognition. This encourages participation at all levels and provides expanded opportunities for achievement and recognition.

The new recognition program helps areas, divisions and districts to develop and support quality clubs. Helping clubs provide the best possible member experience improves member retention, the primary goal of all areas, divisions and districts.

Global District Accounting System

In July 2011, the Finance department implemented a new, global district accounting system for districts to manage their finances and report their monthly financial activity to the organization. The system provides a more consistent and efficient way of documenting district financial information and enables the organization to comply with external reporting requirements for audit and tax purposes. The accounting system has been a resounding success and helped in supporting Toastmasters' 2011 audit. The new system provides Toastmasters with more district finance information than ever before, and in the process creates a strong infrastructure to allow district leaders and World Headquarters to work together to manage district finances.



District Leader Training

In August 2011, district leader training was updated and improved by using the input of current and former district leaders. The training focused on how district leadership teams could engage the teams they led, and develop and execute the strategies and tactics to accomplish district goals. In January 2012, Mid-year Training for all district governors and lieutenant governors was conducted in seven locations around the world. This provided another opportunity for district leaders to share best practices.

For the August 2012 training, the organization developed a comprehensive program with a renewed focus on club quality and a positive member experience. Each session was developed to provide district leaders with the tools and resources they will need to successfully carry out their responsibilities throughout the year.

Region Advisor Support

The 2011–2012 program year marked the second term for the region advisor (RA) position and reinforced how vital the RA role is to the organization. Supporting district leaders throughout the world, region advisors serve as an important link between the Board of Directors and World Headquarters by:

- ▶ Providing guidance with district operations, such as district success planning
- ▶ Helping districts to identify marketing strengths and opportunities within the district
- ▶ Developing and mentoring future district leaders
- ▶ Facilitating district leader training



In the past year, the process for transitioning incoming and outgoing RAs has improved significantly. There is a four-month period of overlap (March through June) when the terms of outgoing RAs are ending and those of incoming RAs are beginning; all of the RAs worked together closely to make this a smooth transition. District leaders have also embraced the RA role, having gained a clearer understanding of how the role helps them lead their districts toward success.

Digital Content

To better serve clubs and districts, Toastmasters made many of its printed marketing, education and speech contest materials available online free of charge. Digital content is a quick and cost-effective solution that meets members' needs worldwide. The success of this initiative is clear: thousands of members have downloaded these valuable materials.

Organizational Support

Branding

One year has passed since the updated visual system and brand position were unveiled. Toastmasters around the world have embraced the rebrand to help strengthen and unify the organization. Today, nearly 100% of districts are using the brand and more than 5,000 new club banners have been purchased. The organization is continuing with its effort to ensure that all clubs make a successful branding transition.



E-Voting

In 2012 the organization will use an electronic voting system at its Annual Business Meeting. This new system will quickly and accurately calculate votes, thus reducing the meeting time.

During the three-day credentialing process, each delegate will receive a handheld wireless keypad instead of the traditional stack of paper ballots. Each keypad will be linked to the delegate's member number to ensure the correct number of ballots is assigned to each voting member. Prior to the Annual Business Meeting, each delegate will have an opportunity to be trained to operate the keypad.

Global Legal, Tax and Regulatory Compliance

In 2011, Toastmasters began researching international standards and regulations to ensure that districts and clubs are able to be compliant with local requirements. With a presence in 116 countries, Toastmasters is positioning itself to provide the necessary information and resources. Beginning in January 2013, these resources and information will be available to clubs and districts through the Toastmasters website.

Marketing and Communications

To spark the interest of potential members and provide tools for members to progress in their development, the organization developed a series of Time-Tested Communication Tips on video. The videos are a quick resource for anyone to learn about communication basics or brush up on their skills.

Through the organization's main website, members can easily download free educational and marketing material, such as brochures, manuals and fliers. With such a wide variety of material available online, members have a cost-effective and convenient resource to help support their goals.

The *Toastmaster* magazine and flipbook (an electronic version of the magazine) have been redesigned to appeal to a broader audience. Advantages of the flipbook are that it is reader-friendly and provides many viewing options.

Public Relations

Toastmasters International continues to build on the public relations and media relations foundation established in 2010. Since October 2011, the organization has received prominent news coverage, including articles in *New York Times Magazine*, *Forbes Magazine*, *U.S. News & World Report*, *The Associated Press*, the *Calgary Herald* and *British Airways Business Life Magazine*, among many others.

This coverage is the result of the hard work of many individuals, including the Vice Presidents Public Relations and Public Relations Officers around the world, as well as staff. This successful partnership has garnered the organization more than \$594,706 in publicity value, a 26% increase over the same period in 2011.

Recognition Reporting

With the new District Recognition Program starting this year, Technology Services has developed an innovative reporting tool to help members chart their progress in meeting education, membership and club goals. An online, interactive "dashboard" enables members to access information about the District Recognition Program and track their club, area, division and district recognition achievements.

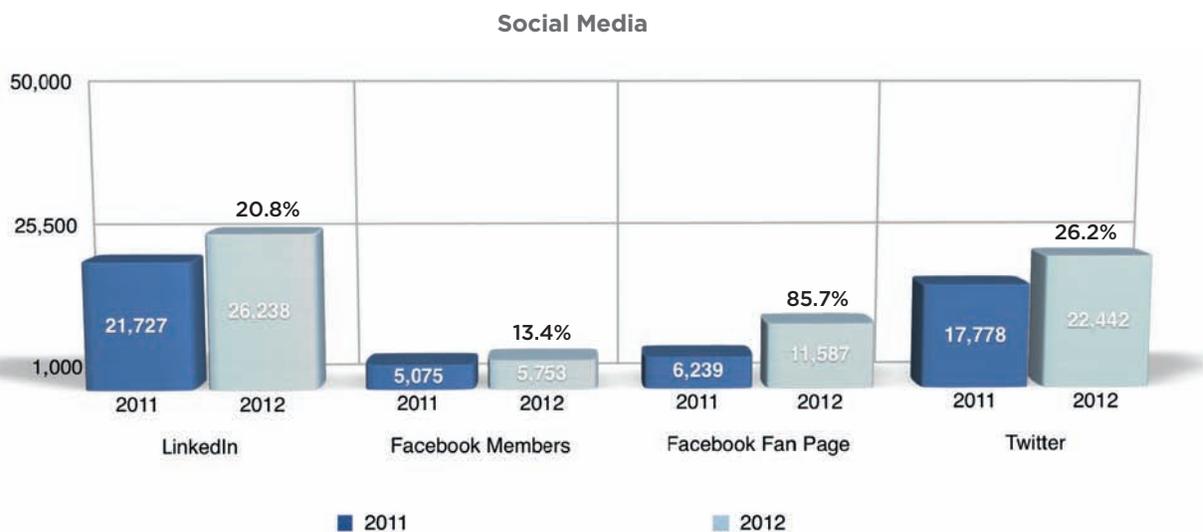
The dashboard quickly connects members to valuable resources. A major benefit is that the data is updated daily. This allows club and district leaders an easily accessible view of their goals and gives members a simpler, more effective way of understanding how to meet the Distinguished requirements.

Research

To better understand our growing membership, the strengths of the organization and opportunities for improvement, extensive research has been conducted throughout the year. The information collected from focus groups and member surveys provides valuable insight. Beginning in September 2012, live focus groups will be held in 12 locations around the world.

Social Media

In 2012, the organization's social media presence significantly increased from the previous year. Through valuable social networks such as Facebook, LinkedIn and Twitter, we are able to strengthen the organization by bringing together members from around the world.



Summary

The efforts of thousands of leaders and hundreds of thousands of members have created another successful year for Toastmasters International. The organization is preparing itself for a strong, impactful future in which it stands prominently as a globally recognized and respected provider of communication and leadership skills development.

2011-2012 Milestones



Members
282,893*

*as of March 31, 2012



Active Clubs
13,872



Countries
116



Distinguished Districts
40



CC Awards
25,810



AC Awards
11,908



Leadership Awards
19,955

