



EXECUTIVE DIRECTOR'S REPORT



Mission

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 programs.

Vision

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.

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.

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"The First Man Through the Wall Always Gets Bloody."

From the motion picture *Moneyball*, 2011

Two thousand eleven was a year of tremendous organizational change for Toastmasters. It began in January with District Leader Mid-year Training, including the first-ever official Toastmasters International meetings outside of North America above the district level. Change continued in February with the implementation of an upgraded computer system for the organization. In April, the new *Policy and Protocol* document was released, the culmination of a two-year effort by the Board and staff. The brand refresh – updated visual system, positioning and *Toastmasters: Where Leaders are Made* tagline – was introduced through webinars held from April through July and officially unveiled in August at the International Convention. The way district finances are handled was forever changed with the launch of the new District Accounting System in July. The information that district leaders put into this system will, for the first time ever, properly account for all Toastmasters International income and expense worldwide. And, in October, a dues increase went into effect, providing the organization with the necessary resources to accomplish the objectives of the 2010 Strategic Plan and lay the foundation for the future.

Such broad-scale organizational change is not without its pitfalls, consequences and detractors. There was much discussion among Toastmasters about each of these 2011 projects, some positive and others more evaluative in nature. The sheer scope of these changes, and the resulting challenges, discussion and questions overwhelmed and surpassed World Headquarters' capacity to adequately respond. This resulted in a decline in the service provided. That is not acceptable to the membership, or to the World Headquarters team, and I will not allow it to happen again.

To ensure customer satisfaction now and into the future, we will be publishing World Headquarters' Service Standards. These are the commitments we will make to you regarding response times, shipments and service quality.

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Moneyball is a wonderful movie about change, set in the world of professional baseball. It's about an organization that had the courage to change and took the necessary steps, some of them painful in the short term, to accomplish its long-term objectives.

I am proud and privileged to partner with the Board of Directors, leaders and members around the world as we work together to implement today the changes that are necessary for our organization to succeed tomorrow.

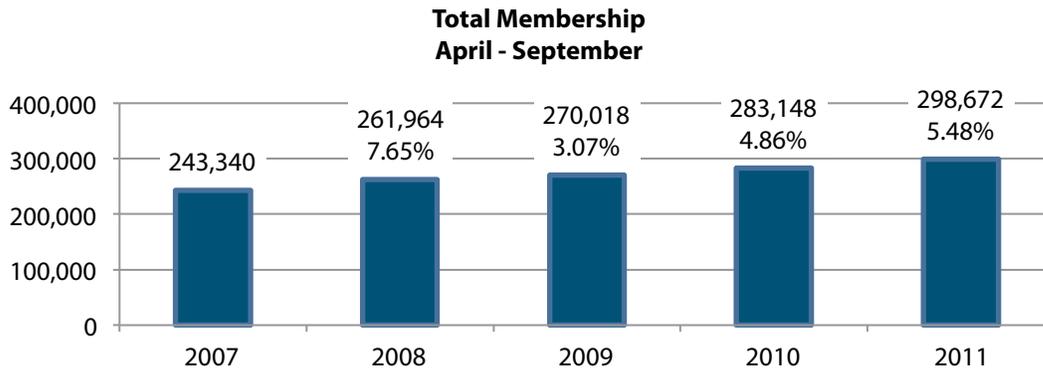
A handwritten signature in black ink, appearing to read "Daniel Rex".

Daniel Rex



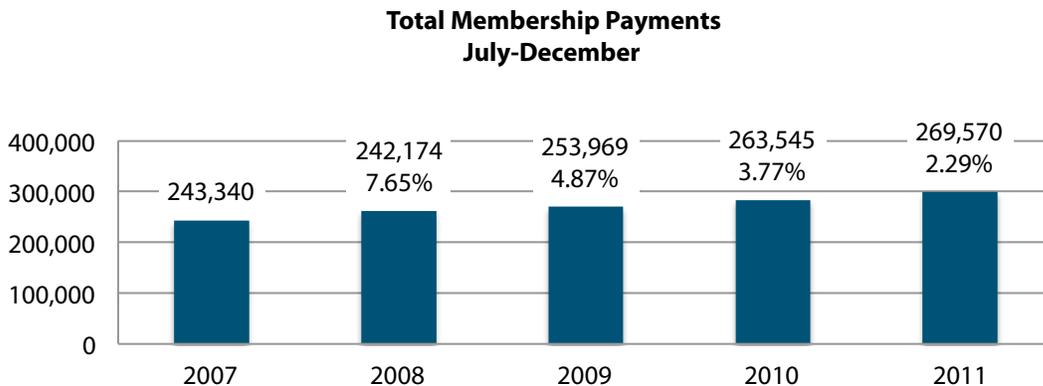
Membership Growth

During the last renewal period (April through September 2011), membership continued an upward trend, going from 283,148 in 2010 to 298,672 in 2011, an increase of 5.48%, and coming within 2,500 members of 300,000 for the first time ever, a significant accomplishment. This chart measures membership as of September 30 and encompasses all membership types.



Membership Payments

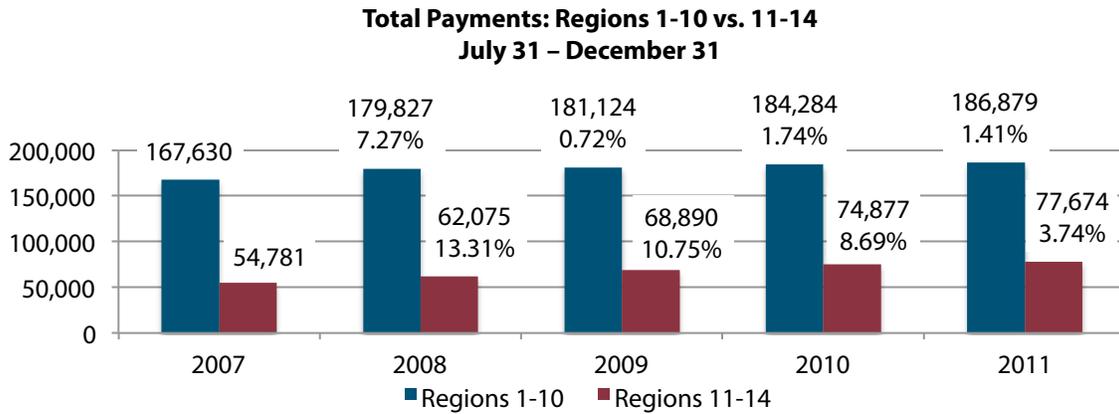
Membership payments for the first half of the 2011-2012 program year (July through December) increased, but at a slower rate than in previous years. As of December, payments received totaled 269,570, only increasing 2.29% from the year before. Of that amount, 52,799 are from new members, 9,874 are from charter members and 206,897 are from renewing members. Historically, the organization has experienced slower growth following a dues increase.



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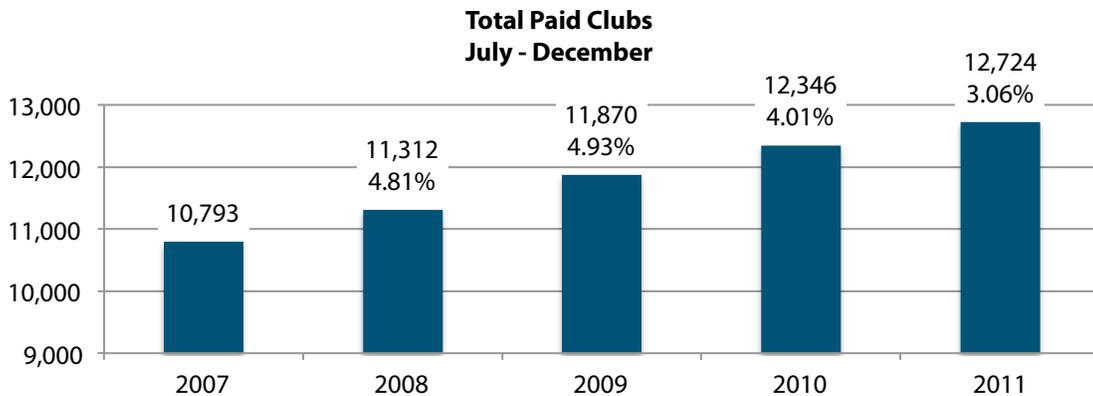


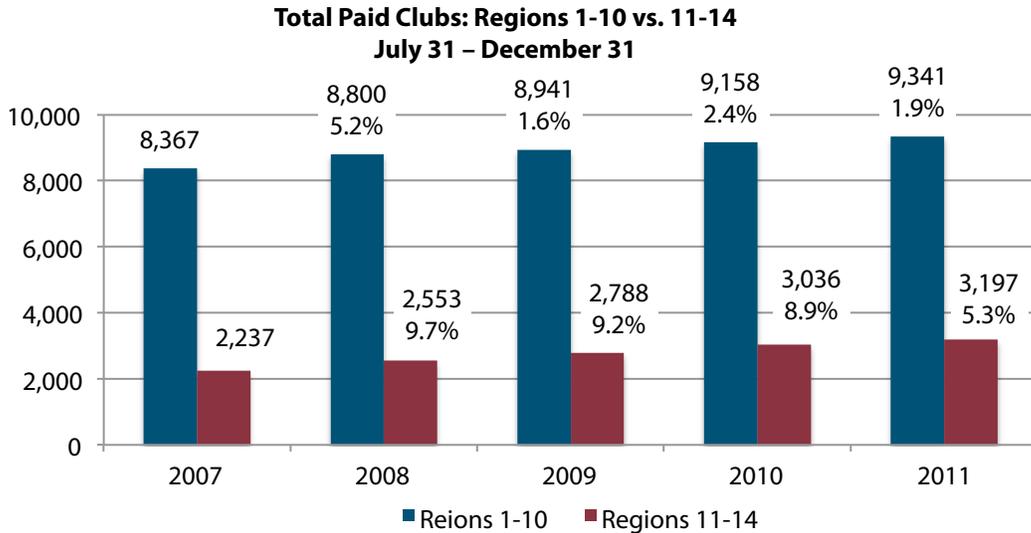
The growth rate for membership payments in districts within North America slipped to 1.41%, while districts outside of North America declined more significantly to 3.74%.



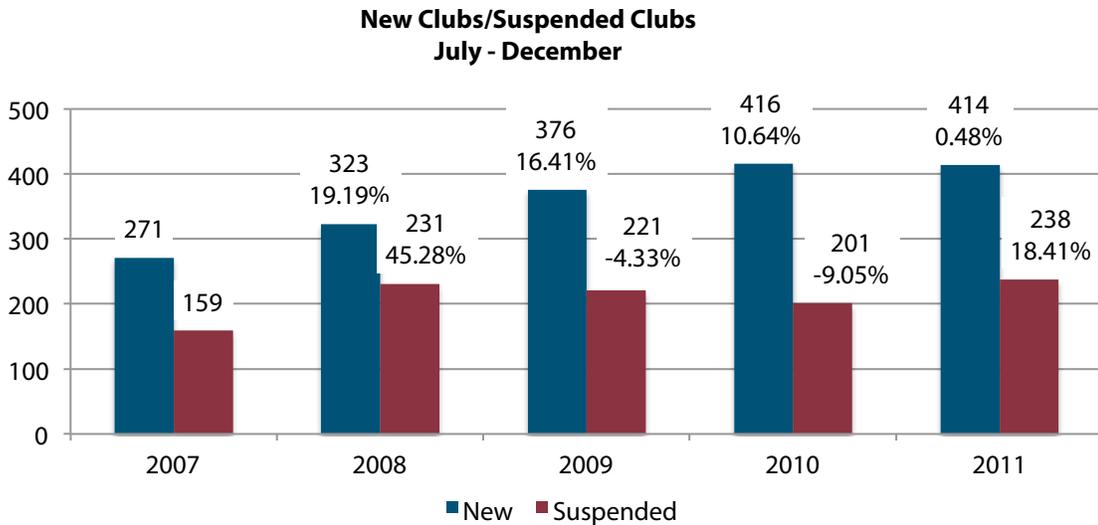
Club Growth

In the first half of the 2011-2012 program year, the number of paid clubs increased by 3.06% to 12,724. Despite the rise in paid clubs, the growth rate is not as high as the previous year.





So far this program year, 414 new clubs have been chartered, a slight decrease from the 416 chartered last year. Two hundred thirty-eight clubs have been suspended compared to 201 in the previous year.



In 2011, corporate clubs increased to 6,407, sponsored by 3,804 organizations around the world. AllianceBernstein, Ministry of Education Malaysia, Disney and Macy's are just a few of the organizations that sponsored new clubs in 2011.



Branding

Toastmasters' new positioning statement and visual system were officially launched on August 17, opening day of the 2011 Toastmasters International Convention. To ensure a successful rollout, nearly 1,000 Toastmasters-branded materials were redesigned, produced and made available to the membership by launch day. The refreshed brand was announced to all members via email from the International President and Executive Director, a national news release was issued and the rebrand was the featured topic of the September issue of the *Toastmaster* magazine.

Initial response to the rebrand, and the tagline in particular, was expectedly mixed, although more positive than anticipated. Today, six months into the rebrand, member acceptance is building, and the organization has received positive feedback from external sources as well. In December 2011, Toastmasters International was honored with the Gold Award in the Brand Refresh category by the MarCom Awards, an annual international competition that recognizes outstanding creative achievement by marketing and communications professionals.

Since the initial rollout, additional resources have been made available to support the ongoing transition: Translated materials are being released as production is completed; new club- and membership-building tools are being released digitally each month via the Virtual Brand Portal; many Brand Ambassadors are working closely with their local clubs to understand the rebrand and successfully make the transition; and districts are incenting its clubs through contests that reward winning clubs with free banners.

However, there is more to do. The primary objective of the brand refresh was to create one consistent identity across clubs, districts and geographies. And while the majority of districts have successfully transitioned to the new visual system and positioning, the greatest area of opportunity lies in working with our 13,500 clubs around the world to complete the transition.



Public Relations

A successful public relations campaign generates momentum that results in frequent and consistent media coverage. In 2011, we built on the successful public relations strategies launched in 2010 and have experienced a significant increase in the quality and frequency of media coverage that Toastmasters has received on local and international levels. From July 1 through December 31, 2011, our efforts resulted in a 30 percent increase in media coverage and exposure over the first half of 2011.

The publicity value of the media coverage and news release pickup garnered throughout the first half of the 2011-2012 program year totaled more than \$900,000, compared with \$375,000 in all of 2010. Total publicity in 2011 exceeded \$1.6 million – an all-time high for the organization.

Toastmasters received coverage in many prominent media outlets, as well as exposure in top-tier publications such as *New York Times Magazine*, *Forbes*, *Global Calgary TV* and the *Wall Street Journal*. These results are attributable to the combined efforts of district public relations officers, club vice presidents public relations and World Headquarters.

Social media is also a valuable tool to generate awareness. As a result, Toastmasters International has profiles on four social networking sites: Twitter, Facebook, LinkedIn and YouTube, with the following results:

- Twitter followers to date total 18,120, up 33% over the previous six months.
- Toastmasters' Facebook Fan Page has 27,837 total "likes," up 163% over the previous six months.
- The Toastmasters Facebook Members-only Group is comprised of 5,098 members, up 40% over six months.
- The Toastmasters LinkedIn Members Only Group now has 21,951 members, up 25% over six months.
- Worldwide views of videos on Toastmasters' YouTube channel exceed 1.5 million.



District Support

Financial Management

The 2011-2012 program year marks the introduction of a new, global district accounting system that is being used by all Toastmasters districts to manage finances and report monthly financial activity to the organization.

The system requires and supports consistency in district budgeting, monthly accounting and reporting. This consistency also enables the organization to synthesize district information, better understand district income and expense, and comply with U.S. Internal Revenue Service (IRS) reporting requirements. These increasingly demanding requirements obligate the organization to provide consistent and detailed information related to district income and expenses.

District Leader Training

In January 2012, district leaders met with peers, region advisors, international directors and the World Headquarters team to review progress, develop strategies and establish plans to enable success during the final five months of the district year. Region advisors and trainers from World Headquarters were the primary training facilitators, while international directors focused on strategic-level information and mentoring. The training program and methods resulted in much positive feedback from many district leaders, who expressed appreciation that many of their suggestions for additional topics and format were implemented.

The training events were held in Santa Ana, California; Bangalore, India; Chicago, Illinois; Sydney, Australia; Atlanta, Georgia; Boston, Massachusetts; and Seattle, Washington. This training marked the second year that all district leaders from around the world received the same training opportunities and consistent training content.



Region Advisors

2011-2012 is the second year for the region advisor (RA) position. The role has grown to encompass much more than marketing – region advisors are a primary support for district governors and local governors.

Furthermore, district leaders, the primary customers of the region advisors, have grown to understand the position and how it differs significantly from the role of international directors.

District Reformation

Membership and club growth have resulted in the need to reform several districts to ensure continued optimal performance:

District	Effective Date of Reformation
85/89	July 1, 2012
47/48	July 1, 2012
17/73	July 1, 2011
20/79	July 1, 2011
27/29	July 1, 2011
82/41	July 1, 2011

Member Support

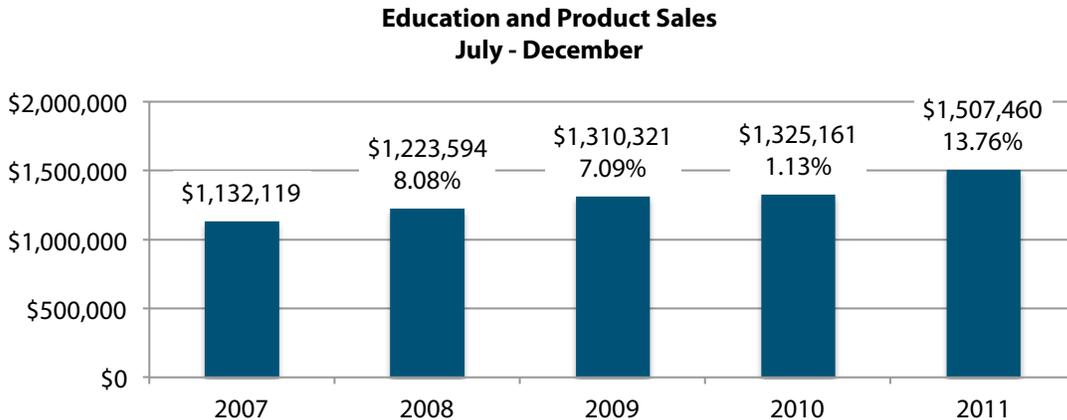
Customer Service

Two thousand eleven was a challenging year from a customer service perspective. As the demand for service dramatically increased, World Headquarters' ability to respond was overwhelmed. A significant capacity-building effort is ongoing, with increased staffing, training, and quantitative and qualitative measurement systems. World Headquarters Service Standards will be published soon, providing the membership with service expectations they can count on.



Education and Product Sales

Sales of educational materials increased 13.76% over 2010, to \$1,507,460. This unexpected result is due in large part to sales of newly branded materials. We anticipate future decreases in product sales revenue as we increase the availability of free and/or less-expensive digital content download options.



Digital Content

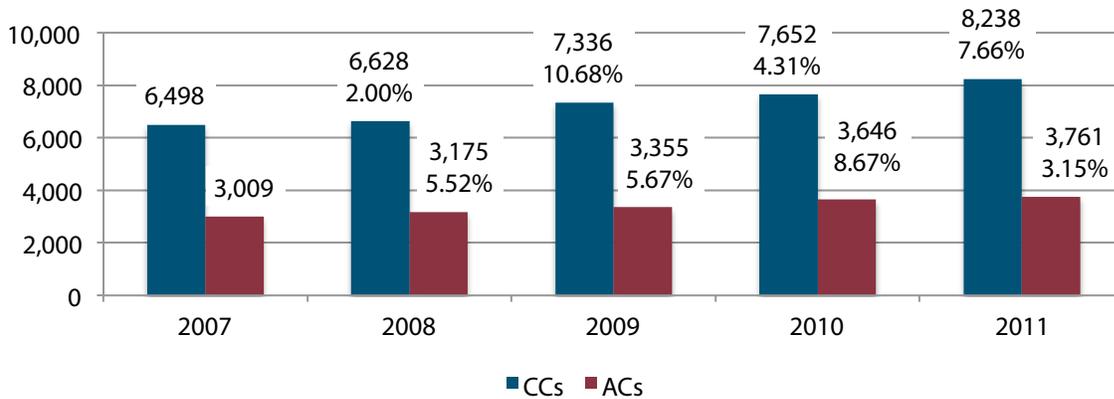
In 2011, many Toastmasters educational materials were made available digitally on the Toastmasters website free of charge. This included the *Better Speaker Series*, *Successful Club Series* and *Leadership Excellence Series*. This process will continue into 2012 and beyond.

Education Awards

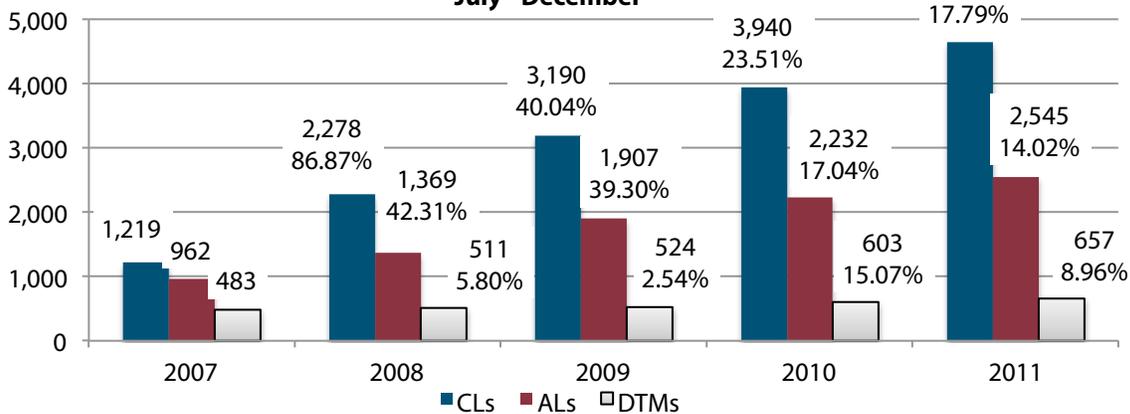
As membership increases, the number of education awards achieved is increasing as well. Every award category grew when compared to the previous year. The number of Competent Communicator awards increased nearly 7.66%, while the number of Advanced Communicator awards slightly increased by 3.15%. In addition, Competent Leader and Advanced Leader awards increased 16.43% and Distinguished Toastmaster awards increased 8.96%.



**Communication Awards
July - December**



**Leadership Awards
July - December**



Conclusion

Toastmasters International is the leading movement devoted to making effective communication a worldwide reality. In a year of immense and often difficult change for leaders at all levels, we grew to nearly 300,000 members. This is a testament to the strength and passion of the organization – and the fact that the Toastmasters club experience is the most effective environment for the development of communication and leadership skills.

As we work together to create the Toastmasters of the future, there will continue to be change. How we manage change is ever-improving. Ultimately, Toastmasters will become stronger, more effective and greater in scope – providing even more people with the skills they need and the courage to change.