



February 17, 2016

Dear Toastmasters Members,

I'm pleased to let you know that Toastmasters is healthy, strong and growing. This year, more than 330,000 individuals are participating in Toastmasters – the most members ever in a single year. More clubs than ever before are delivering high-quality meetings that enhance and enable a successful member experience.

In August, your Board of Directors introduced the 2015 Strategic Plan. This plan is our blueprint to continue and enhance our efforts related to club excellence; member achievement; and awareness, engagement and participation. The initiatives that support these objectives reflect the needs and wants of our members as well as what is necessary to support and sustain a high-quality, value-driven member experience.

We've made steady progress over the past few years to expand and modernize the member experience by investing in technology, improving the Toastmasters website, increasing our postal standards for the *Toastmaster* magazine to speed delivery time, developing a consistent district leader training and revitalizing our education program. However, there's more work to be done.

At its November 2015 meeting, the Toastmasters International Board of Directors conducted an in-depth review of the organization's financial position as well as a five-year financial forecast. The Board recognizes its fiduciary responsibility to safeguard the organization's finances and to ensure its ongoing financial health while focusing on the member experience and the structures that support clubs.

Although the organization is financially strong and healthy, necessary investments in our education program and technology infrastructure, as well as other increased services, are forecasted to increase annual expenses over annual revenues. Our business model has had to evolve to meet the demands of our current and prospective members – and it will continue to do so. We've come a long way in a short time, yet we still have much to do to catch up and modernize your experience.

Because of these demands, the Board of Directors made the decision to increase individual members' dues to \$45.00 each semiannual period beginning in October 2016. When we last increased dues five years ago in 2011, our members asked for more notice in the future. We're announcing our decision now to give you that advance notice.

Our members demand and deserve a more advanced experience, both educationally and in the way they interact with the organization and each other, and we must continue to invest to secure our future as the leading organization dedicated to empowering individuals through personal and professional development. The revitalized education program is the largest project ever undertaken in Toastmasters' history, yet there are other equally pressing needs. For example, our club leader training must be improved and expanded, and more of it needs to be available digitally; our educational materials, which have been delivered through print manuals, can be dramatically improved and augmented when delivered digitally. In 2016-17 you'll begin to see the results of more initiatives that support these objectives.

- Over the next three years Toastmasters will make significant investments in our infrastructure. For example, the association management system (AMS) we rely on to store all member, club and district

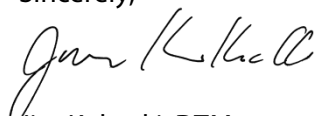
data must be upgraded to scale with our growing organization. The AMS is the backbone of our operations. All transactions are conducted or tracked through this system, and it must be robust, scalable and secure so that members, leaders and World Headquarters staff are able to conduct business easily, seamlessly and safely. Initiatives such as this, and others primarily relating to on-line transactions, have the potential to reduce costs through enhanced member self-service and support.

- The content for the Revitalized Education Program is now being tested in clubs around the world. The preliminary results are very positive and instructive. We will continue to finesse the content and develop the digital delivery systems that will support member participation and achievement as well as integrate with the Distinguished Club Program.
- Toastmasters.org continues to be the primary way new members find a club to join. The current version works fluidly with devices of all sizes and is easier to use than ever before. Coming enhancements will simplify and enhance how leaders and members interact with the site through Club Central and District Central.
- In the first quarter of 2016 we will launch an application for smartphones and tablets that connects directly to the Toastmasters International database and supports the timer, grammarian and ah-counter. Future phases will support virtually all aspects of the club meeting. We do not anticipate that technology will replace club meetings – but digital technology can do much to support member achievement and club excellence. During the next few years our first digital clubs will explore the potential for a virtual Toastmasters experience.
- We will continue to improve the delivery of materials by expediting receipt of the *Toastmaster* magazine in several countries and launching a more user-friendly, web-based delivery system for the electronic version.

These and other initiatives will better position us to meet the needs and wants of current and future members.

Toastmasters continues to be the best value in communication and leadership development and our value proposition is second to none. The Board is committed to providing exceptional value to the members not only today, but long into the future.

Sincerely,



Jim Kokocki, DTM
International President 2015-2016
Toastmasters International