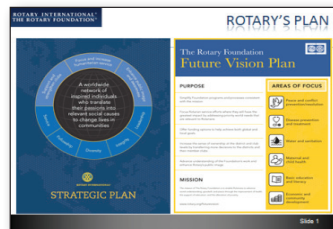
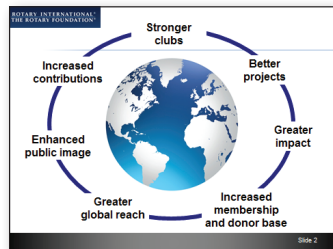


# The Rotary Foundation's Future Vision Plan: Purpose and Benefits

We would like to give you a big picture perspective of The Rotary Foundation's future. You might call this "the view from 30,000 feet." We all refer to it as the Future Vision Plan, but it is bigger than just The Rotary Foundation's plan. It is part of a major strategic shift in Rotary — for both Rotary International and The Rotary Foundation. Through Rotary's strategic priorities, we are taking a hard look at how we can build on our strong history while addressing current and future needs of Rotarians, potential donors, and the communities and beneficiaries that we serve. Rotary's leaders and the Future Vision Committee are strongly committed to seeing the Future Vision Plan meet its intended outcomes.



This idea of an integrated Rotary effort and philosophy has many desired outcomes. With stronger, more innovative, and more flexible clubs, come better brand awareness and public image. With better service projects that are more focused and have a greater long-term impact, comes more interest in joining the efforts of our clubs — through membership, contributions, and collaboration in our service efforts. Ultimately, all these outcomes are a result of the efforts of our clubs and districts to do things a bit differently and keep up with the demand of the communities we serve both locally and globally.



But, first, a brief look back at how this all started. In the early part of the last decade, the Foundation experienced an explosion of Matching Grants. Rotarians had realized the value of our humanitarian programs. The staff was drowning in grant paperwork. We had become the victims of our own success. Under the leadership of Trustee Chairman Carlo Ravizza, the Foundation commissioned the worldwide accounting and consulting firm KPMG to conduct an assessment of our humanitarian programs.

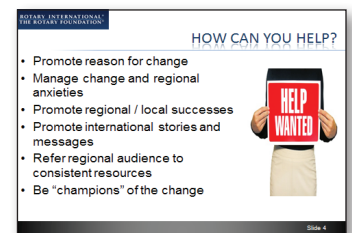
The initial reaction to the report was enlightening, although somewhat troubling, as the Trustees recognized that the existing business model would not be successful in the long term. It was the impetus for the creation of the Future Vision Planning process. The KPMG assessment reported several important findings. I want to highlight two of them:

1. The Foundation was processing smaller matching grants at an approximate cost of US\$1,500 per approved grant — basically the average cost exceeded the size of many grants at that point in time. The Trustees recognized the cost of doing business had to be re-evaluated.

2. The assessment also revealed the need to have a more targeted strategy on the areas of charitable focus the organization desired most. The Trustees recognized a need to satisfy our Rotarian donors but in a way that improved the use of donor funds for greater impact in the communities we serve. The Foundation could no longer be all things to all people.

Based on the KPMG assessment of our humanitarian programs, the Trustees agreed to take a holistic review of our grant-making model and the future of our Foundation. This included a strategic analysis of the Foundation's programs. The Trustees and Future Vision Committee evaluated all of our programs and service projects to see which areas of focus were of most interest to Rotarians. Using program evaluations and surveys of Rotarians, the Foundation created the Future Vision Plan's priorities and its six areas of focus which are the premise of the plan going forward. These concepts have been approved and endorsed both by the Board of Directors of Rotary International and by the Council on Legislation.

So we are coming today seeking your help. We need your help to promote the reason for change, sell the benefits of the plan, and promote the Future Vision Plan as a positive outcome for our Foundation. We recognize the anxieties and fears coming to the forefront regarding this significant change. Change is not easy, but we believe that this change will be for the long-term greatness of our organization. Promote the successes that the pilot districts have already achieved. Talk them up, and highlight their stories. And there are plenty of good stories to tell! Promote use of consistent information and resources for nonpilot districts.



And, finally, we look for all of you to be "champions" of the change for clubs and districts. While you may not agree with all elements of the change, we are asking you to speak in one voice about the positive possibilities of this change.

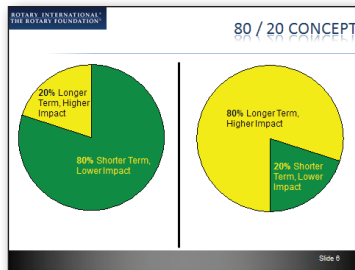
So, let's look at some of the fundamental principles of the Future Vision Plan.

The substantial majority of Rotary projects are conducted by clubs and districts without financial support from The Rotary Foundation. The Foundation only funds about US\$100 million to support these activities annually — just the tip of the iceberg.

Thousands of local and international projects are implemented without support from the Foundation. The value of all projects has been estimated to be between US\$500 million and US\$1 billion annually — but this is almost certainly underestimated.

The Trustees recognized the Foundation's limited resources should be used to fund those projects with the greatest impact in the communities being served and with long-lasting and measurable results.

Early in the planning process, the Foundation engaged in survey work, research, and analysis. One of the first concepts emerging in 2007 was this 80/20 concept. In the traditional programs, 20 percent of the Foundation's annual program budget outside of polio was being spent on grant activities that had a long-term impact, while the other 80 percent was spent on shorter-term activities with unknown or uncertain humanitarian impact to our beneficiaries. The goal was to flip this ratio so that 80 percent of funds would be spent on longer term, higher impact projects. And, this was the basis for the Global Grant/District Grant funding model adopted in the Future Vision Plan.



Again, early in the Foundation's planning process, the Trustees asked Rotarians, "What will our 'new' Foundation look like at the time of the Foundation's centennial in 2017?" Here are just a few of the answers that were key messages in building the plan.



- A world and a Rotary without polio. But, this cuts both ways. On the one hand, the elimination of polio will bring Rotary the success and prestige of eradication. On the other hand, this will also result in declining efficiency statistics because there will be no more large, administratively simple PolioPlus grants.
- Focused, significant service efforts including work with strategic partners.
- Increased giving from a larger donor base.
- Easier access with fewer transactions and quicker response times.

TRF is piloting and evaluating the new model designed to achieve five priorities:

- Simplify programs and processes
- Focus Rotarian service efforts
- Support global and local service efforts
- Transfer more decisions to districts
- Enhance Rotary's public image, particularly in the six areas of focus

This initiative addresses the growing needs and expectations of Rotarians. This has been truly a collaborative project — many have been engaged since its inception in preparing for this significant point in the history of our Foundation. And, as we complete the second year of the three-year pilot, you are critical parts of moving this forward in the years to come!

The Foundation Trustees are closely monitoring the pilot implementation of the Future Vision Plan. First and foremost, we are evaluating the overall satisfaction of Rotarians. We are looking at various aspects, including Rotarian participation in the Foundation's

activities, level of giving, club and district engagement, and overall satisfaction levels of our Rotarians, donors, and grant recipients and beneficiaries.

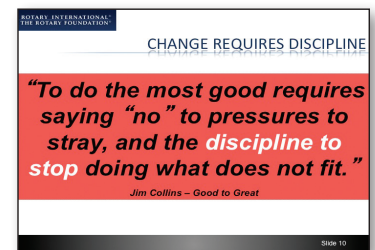
Second, we are evaluating the quality of projects and the fit with the six areas of focus. We must ensure our focused parameters are getting the results intended in the communities we serve and that our projects are sustainable.

Third, our business cycle times are being monitored closely to ensure we are serving grant applicants' requests in a timely manner. Be it through streamlined processes or advancements in grant management software applications, we keep a close eye on how quickly the Foundation supports these requests.

Fourth, we are always keeping a close eye on operational efficiency indicators monitored by nonprofit evaluators and benchmarking agencies. The Foundation wants to be known for being a highly rated charitable organization, a standing that will send positive messages to our donors, partners, and members.

Finally, none of this is done without keeping a strong commitment to the Foundation's fiduciary responsibilities. We all understand the need for stewardship practices to safeguard the Foundation's assets. Your Foundation leaders will continue to balance our goals with appropriate stewardship practices in our grant management.

Many of you may know this author and professor. In *Good to Great*, Jim Collins stresses the importance of discipline in decision making by charitable organization leaders. This is not easy to do, but it can have significant results.



Our leadership has shown tremendous courage and discipline in focusing the organization on the Future Vision Plan. Polio eradication is just one example of a focused, strategic initiative where our success is amazing though yet still to be fulfilled. The Rotary Foundation can achieve even greater success because of our collective commitment in implementing the Future Vision Plan. Rotary needs the continued collaboration of individual leaders like you acting together to help our organization and clubs all over the world realize their capabilities, reach, and impact by focusing on the most critical needs in the world.

We recognize you are valuable resources to promote the plan. We need your help to let others know. Many Rotarians and clubs still do not have any insight into the Foundation's future. Help us get the word out. Promote the basic resources available to all clubs. Reach out to all Rotarians in your zones. We know not all of them are interested in this, but we need them to be aware.

I personally thank you for your support. The Foundation Trustees ask for your commitment and support as the Future Vision Plan continues to be unveiled to the Rotary world.

William B. Boyd  
Chair, The Rotary Foundation Trustees