

BUILDING & MAINTAINING MEMBERSHIP TODAY

123RD INTERNATIONAL CONVENTION

ANAHEIM, CA – JULY 3, 2011

LIVE

Good morning! It is a privilege for me to have the opportunity to stand before you today to talk about the most essential resource in our fraternity, that being membership. Before doing so, I would like to introduce to you the members of the Moose International Membership Department staff who are tasked with providing efficient, quality service day in and day out to our members.

LIVE – SEATED ON STAGE AND WILL RISE AS NAME IS CALLED

The department has three primary functions:

- Recognition and Member Services, which is managed by Assistant Director Kim Thompson;
- Programs and Activities, under the direction of Assistant Director Scot Baikie;
- And Promotion and Marketing, headed up by Assistant Director Chris Ecker.

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Our clerical staff continues to handle tasks related to the “25 Club”, the Moose International “5 Club”, Life Memberships, Charter efforts and our fraternal programs. Several of our staff members are here this week working at the Membership Department display area or in the Moose gift store. If you have an opportunity, I ask you to please express your appreciation to them for their willingness to assist whenever and however they can.

LIVE – STAFF MEMBERS WILL APPROACH STAGE AS NAME IS CALLED

It is now my pleasure to introduce to you our team of Regional and Assistant Regional Managers who are responsible for providing a high level of leadership, guidance and service to the Lodges and members in their respective territories.

- Serving Alaska, Alberta and British Columbia, Jim Reid;
- Arizona/New Mexico, Bill Cavanaugh;
- Arkansas, Louisiana and Mississippi, Tom Dupree;
- California/Nevada, Charlie Lopez – assisted by Gail Marlatt;
- Colorado and Wyoming/Western Nebraska, Frank Garen;
- Illinois, Austin Howard;
- Indiana, Mike Beery;
- Iowa/Eastern Nebraska, Kansas, Missouri and Oklahoma, Dave Meyer – assisted by Jim Smardon;
- Kentucky and Tennessee, Dominic Tallarico;
- Maryland/Delaware/D.C. and West Virginia, Jim Hale;
- Michigan, Dave Coffey;
- Minnesota and Wisconsin, Gary Beck;
- North and South Carolina, Victor Hyatt – assisted by Joe Zollinger;

- Ontario, Robert Longchamps;
- Texas, Ron Trygstad;
- And finally, serving Virginia, Matt Grove.

It now gives me great pleasure to introduce the seven men who qualified for the distinction of Top Regional Manager as a result of their efforts during the 2010-2011 fiscal year.

- Serving Alabama and Georgia, Top Regional Manager Dave Smoot
- Serving Connecticut, Massachusetts/Rhode Island and the Northeast, Top Regional Manager Scotty Fiske;
- Serving the Dakotas and Montana, Top Regional Manager Greg Hanson;
- Serving Florida/Bermuda, Top Regional Manager Jerry Monk
- Serving New Jersey and New York, Top Regional Manager Tom Wood and Top Assistant Regional Manager Bill Winder
- Serving Ohio, Top Regional Manager Dwaine Brown
- And serving Pennsylvania, Top Regional Manager Stan Adams

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Two of our Regional Managers are unable to be with us this week – Oregon Regional Manager Duke Snyder and Quebec Regional Manager Pierre Chalifoux – both of who recently underwent medical procedures. But I am pleased to report that both are home, resting comfortably and recovering nicely.

There is one more person who has purposely been omitted for a special introduction. This gentleman is currently the longest serving member of the Membership Department field staff, having assumed his position on August 15, 1987 after the retirement of former Regional Director Harold “Tiny” Wallace. In March, I was informed that he had decided to retire as of the end of July after nearly 24 years of service. Would you please welcome to the podium, the Regional Manager for Idaho/Utah and Washington/Northern Idaho, Dick Surry?

DICK’S COMMENTS

How about a nice round of applause for the entire Membership Department field staff?

May 1, 2011 was a much-anticipated day in the Membership Department for a number of reasons. First, we would have all of the final figures from the 2010-2011 fiscal year and would find out how well we had done with all of the membership incentives that had been offered to our sponsors. The opportunity for members to earn free dues, the addition of the no application fee promotion on February 1st and the introduction of the “Platinum Opportunity” program for March and April provided sponsors with more incentives at one time than possibly at any other time in our history.

As you heard Friday night during the joint grand opening, after all of the information was gathered, the Loyal Order of Moose ended “The Time is Now” Campaign 6,606 members short of showing an increase in active membership. However, we had accomplished

something that we discussed during last year's convention in Nashville. We mentioned that, due to the great number of members we were losing annually, we needed to slow our losses so that we could identify our primary issues and be able to address them so that we could put a stop to losses altogether and begin to experience gains. Based on our average losses per year, we were still pleased with the degree to which we were able to close the gap.

Another reason that we were excited about May 1, 2011 was the fact that we would be introducing the annual membership campaign for the 2011-2012 fiscal year on day one rather than waiting to introduce it during the International Convention. This would give all of our members an additional two full months to promote and utilize the campaign in an effort to increase the membership strength of our Lodges and the fraternity.

POWER POINT SLIDE #1

The theme of this year's membership campaign is Moose: **Create Some Interest**. If you look closely at the campaign logo, you will notice that the letters C.S.I. stand out within the word "Moose". Many of our campaign awards and short-term program incentives will be based on the popular C.S.I. television programs, as well as other mystery and spy television shows and movies. You will also notice a thumb print within the campaign logo, which is meant to indicate the mark that we, as Moose members, can leave on the lives of others through our fraternal efforts.

POWER POINT SLIDE #2

Let's talk about the awards associated with the annual campaign, which are based on applications sponsored from May 1, 2011 – April 30, 2012. As in previous years, a sponsor will receive a campaign lapel pin once his first application has been reported and accepted.

POWER POINT SLIDE #3

A supply of these bright silver finish lapel pins was shipped to each Lodge and should be appropriately presented to each sponsor. Lodges should contact their respective Regional Managers to order additional pins once the initial supply has been depleted.

POWER POINT SLIDE #4

Our two-member award will once again offer a valuable incentive of a year's free dues to those members who fulfill their obligation to strengthen the membership of the Order. When a member sponsors his first two applications during the **Create Some Interest** Campaign, he will receive a free year's dues, once those applicants have been added to the membership rolls. The applicants must be reported as enrolled by 10:00 PM Central Time on April 30, 2012.

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With that fact in mind, Lodge Officers should start planning now to make sure that any special meetings needed to enroll members prior to the end of the fiscal year are scheduled, and that proper notification is sent to members based on the parameters outlined in the General Laws.

Upon analyzing the final statistics from “The Time is Now” Campaign, we saw a tremendous spike in the number of members who sponsored one and two applications during the year. 50,981 men sponsored one application last year, compared to 38,180 during the previous year. 23,794 of those men sponsored two applications, compared to only 13,884 in 2009-2010. We strongly believe this was due to the opportunity to earn a free year’s dues that was placed before our membership. Of those 23,794 that sponsored two members, 20,487 received free dues and another 727 life members earned their two-member award as a result of their applicants being reported as enrolled by 10:00 PM Central Time on April 30, 2011. That is just over 89 percent. We intend for this incentive to continue as part of our annual program, which means that members who sponsor at least two applications each year will receive free dues and will **NEVER PAY DUES AGAIN**.

POWER POINT SLIDE #5

For our sponsors who are already Life Members, we have found an item to reward those who sponsor two applications in lieu of a year’s free dues. For the **Create Some Interest** Campaign, we have selected an electronic key finder that would do any secret agent proud.

POWER POINT SLIDE #6

Sponsors of at least four members during the **Create Some Interest** Campaign will have a chance to win a trip for two to one of the cities where the CSI television series are based. There will be three winners drawn and the trips will be awarded in the same order in which the shows were released. The first winner will head to Las Vegas, the second to Miami and the third to New York City. Trips will include airfare for two and hotel accommodations. Each sponsor will have one entry in the drawing for every four applications they sponsor prior to April 30, 2012.

POWER POINT SLIDE #7

When members qualify for this year’s Moose International “5 Club”, by sponsoring five applications between May 1, 2011 and April 30, 2012, they will receive their personalized “5 Club” wallet card, as well as a 2011-2012 “5 Club” window decal to proudly display. In addition, “5 Club” qualifiers will receive a gift for their outstanding efforts courtesy of their respective State and Provincial Moose Associations, who will provide the funds to make these awards possible. Our 2011-2012 “5 Clubbers” will receive a deluxe paring knife and vegetable peeler gift set from American Made Cutlery with the words “Moose International 5 Club” engraved on the handles of each item and the 5 Club logo laser engraved on the knife blade.

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There are no changes to report regarding the Moose “25 Club” or the Director General’s Circle of Distinction recognition program for the coming year.

As we do every year at this point in the report, we would like to pay tribute to our top five active sponsors in the Loyal Order of Moose.

POWER POINT SLIDE #8

Continuing to comfortably hold on to the honor of top active sponsor is Charles Smith of Batesville, Arkansas Lodge 1839. Charlie sponsored another 54 applications in 2010-2011, bringing his lifetime total to 2,808.

Also comfortable in his current position as the number two active sponsor in the fraternity is Ed “Porkey” Strong of Chelsea, Massachusetts Lodge 736. “Porkey” sponsored 86 applications last year and now has 1,909 applications to his credit lifetime.

Remaining in third place is Laurence Salinger, a member of General Assembly, who has sponsored 1,667 applications in his Moose career. Rapidly approaching this number are our fourth and fifth place lifetime sponsors. Currently in fourth place is Jack Rafool of Daytona Beach, Florida Lodge 1263. Jack sponsored 15 applications during “The Time is Now” Campaign, bringing his lifetime total to 1,660. And right behind Jack is William Price of Salisbury, Maryland Lodge 654, who sponsored 37 applications last year and now has 1,642 lifetime. Congratulations to our top five active sponsors and a special “thank you” to each of you for continuing to lead by example in strengthening our Defending Circle.

POWER POINT SLIDE #9

In conjunction with the **Create Some Interest** Campaign, we will see the continuation of the Mooseheart Centennial watch incentive. This program, which was introduced with “The Time is Now” Campaign at last year’s International Convention, recognizes those members who sponsor 25 applications between June 1, 2010 and July 31, 2013 with a custom-made Skagen wristwatch for their outstanding effort. The watches feature a black face with the Mooseheart Centennial logo emblazoned in bright silver. These beautiful commemorative items will only be available to sponsors who qualify during the three-year period. The watch incentive will conclude during the actual week of the Mooseheart Centennial celebration.

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To date, 111 men’s watches have been awarded to qualifying sponsors. I have the privilege today to recognize one of those qualifiers. It is always extremely gratifying to recognize one of our leaders when he or she earns incentive awards, as it is proof that they are leading by example and doing the same things that are asked of any other member. I call to the podium our Director General Bill Airey.

Bill, it is an honor for me to present to you the following items, which you earned during “The Time is Now” Membership Campaign:

- First, your wallet card and window decal for earning membership in the 2010-2011 Moose International “5 Club”.
- Next, as a result of sponsoring 25 members during the fiscal year, you qualified for membership in the Director General’s Circle of Distinction, which seems awkward to say because you are the Director General. In any case, you qualified for your Circle of Distinction and will attend your event to dine with you and your

wife prior to the 25 Club show on Tuesday night. You have also earned the new Circle of Distinction necktie.

- In addition, because you have sponsored 25 members since June 1, 2010, you have earned the Mooseheart Centennial commemorative watch. On behalf of the Membership Department and those present, we say “thank you” for continuing to uphold your oath to strengthen the membership of our Order
- And finally, I am also pleased to inform those in attendance that you have qualified for the 2011-2012 Moose International “5 Club”, and I would like to present you with your wallet card, window decal and you deluxe paring knife and vegetable peeler gift set.

During last year’s membership campaign, we began developing short-term membership incentive programs in an effort to assist in generating applications. The incentive programs are packaged with incentive awards and associated promotional materials.

POWER POINT SLIDE #10

One of the more popular short-term programs was the “Race for the Winner’s Circle”, which was held during November and December 2010. The program gave sponsors an opportunity to win a trip to the 2011 Daytona 500, including airfare, hotel accommodations, transportation to and from the track, two tickets to the Sprint Fan Zone and two tickets to watch the race from the Sprint Tower, as well as \$500 in Visa gift cards courtesy of U.S. Bank.

POWER POINT SLIDE #11

The winner of the trip was Scott Norberg of Montesano, Washington Lodge 1210. The fraternity won as well, as 12,971 applications were generated during the incentive period, an increase of 716 applications over the same months during the previous year.

LIVE

This year, there will be four quarterly incentive programs that will all tie in to the **Create Some Interest** Membership Campaign. Each incentive program will be a mission for our agents of L.O.O.M. to accept and to see through to successful completion.

POWER POINT SLIDE #12

Mission One, which was introduced along with the annual campaign on May 1, is entitled “Tune In to Membership”. This mission rewards sponsors of two members between May 1st and July 31st with a Moose: CSI spy pen radio.

POWER POINT SLIDE #13

Mission Two is “Mission: Possible”, and will run from August 1st through October 31st. Sponsors of two members during Mission Two will receive a Lynx 12-function multi-purpose pocketknife, which includes scissors, a saw blade, a bottle opener, a can opener and a corkscrew. Promotional posters for “Mission: Possible” will be mailed to Lodges in mid-July. Electronic material is already available through Moose Press Service on the Moose International website.

LIVE

All sponsor credits earned during the short-term incentive programs will count toward awards that are part of the **Create Some Interest** annual membership campaign, as well as lifetime sponsor recognition programs.

Building membership does not begin and end with the annual campaign presented by the Membership Department or any additional short-term incentive programs. Associations and Lodges have goals of increasing active membership, and that's because they understand the benefits to having more resources to promote and support our programs and initiatives. In order for them to realize those goals, they must find ways to draw prospective members and to motivate current members to extend that invitation to friends, relatives and associates to join with us.

POWER POINT SLIDE #14

If you look at our structure of operation, we of course have the Lodge as the foundation. Lodges comprise Districts. Districts comprise Associations. And Associations, along with the membership of General Assembly, comprise the Loyal Order of Moose. At first glance, this may seem to be like a pyramid set-up. Utilize the annual International membership campaign and the benefits of adding new members trickle down to the subsequent units. That may be true if you view membership building as moving in one direction. In our fraternity, that is simply not the case.

POWER POINT SLIDE #15

Building the membership of the Loyal Order of Moose works best when the flow works in multiple directions. In addition to the International campaign strengthening the efforts of Associations, Districts and Lodges, incentives at the Lodge level will bolster the District, the Association and the Loyal Order of Moose. Multiple incentive programs working together should do nothing but energize our current members to increase their drive to bring others into our active membership.

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Incentives at the Lodge level obviously start with the Lodge's Membership Committee. If your committee is not operating or has a chairman in name only, you are allowing a disservice to your Lodge and to the Order to take place. As with any other committee of a Lodge, those that are well organized, have solid leadership and utilize the talents of multiple members rather than operating as a committee of one will be the most successful. The major difference from other committees is that a strong Membership Committee could be the difference between a Lodge thriving or merely surviving.

POWER POINT SLIDE #16

A successful Lodge Membership Committee should focus on four "R's":

- Recruitment – Implementing programs designed to attract new members and to motivate sponsors
- Reception – Having committee members at the door, at Lodge events or in the Social Quarters to welcome members and to be the frontlines of making your Lodge "The Friendliest Place in Town"

- Recognition – Presenting awards to qualifying sponsors in a timely manner and in appropriate venues, as well as planning the Lodge’s annual Preferred Member party in May of each year, and
- Retention – Actively contacting members prior to their dues expiring to encourage renewal, as well as working arrears lists to bring dropped members back into active membership

LIVE

Additionally, Associations that develop and utilize membership programs tend to find greater success than those that do not. It is no coincidence that most of the top ten Associations in membership production last year had an Association campaign that ran concurrently with “The Time is Now”. Each year, many of our Associations come up with their own catchy themes, incentive awards and promotional materials, and they reap the rewards of investing in their futures.

While many Associations do a great job, I would like to give special recognition to the California/Nevada Moose Association for deviating from the ordinary in creating their programs during the last two years. For example, last year the Association made a dedicated effort to focus on increasing active membership in each Lodge, thus showing an increase in the Association. We have, I’m sure, all heard the request to simply increase our active membership each year by just one member.

POWER POINT SLIDE #17

Well California/Nevada put a twist on that request, telling their Lodges, “Up Yours...by one”.

LIVE

That creativity has come through again this year for a membership production campaign. We all realize how the economy has been for the past several years, especially the fluctuation and seemingly never ending increases of the price of gasoline. Sure there have been membership promotions before that offered gas cards as incentives to sponsors, but I’m sure they have never been promoted quite like this.

POWER POINT SLIDE #18

You’d expect it from beans or chili, but this year in California and Nevada, it’s the California/Nevada Moose Association that gives you gas.

LIVE

Brothers, on behalf of the Membership Department, I thank you for your continuing support of our fraternity and your continuing efforts to strengthen its ranks. Building our membership will continue to be our top priority, but now building membership will mean more than producing new member applications. Retaining current members has moved from the back burner to equal ground with membership production.

Our Regional Managers have now been given goals for active membership in their respective Associations in addition to the goals provided for membership production.

Research showed that during the last five years, we have lost an average of 20,000 members per year throughout the fraternity. It is our job to bring those losses to an end so we can talk at future conventions about average gains per year. Take this year for example. What would happen if every Lodge ended April 30, 2012 with the exact same number of members they had on April 30, 2011? We would not have a gain in membership, but we would have eliminated the loss of 20,000 members based on those five-year averages, which in essence means we gained 20,000 members that otherwise would not have been there.

Methods for paying dues have been a concern for members in the past. Some members have wanted the capability to pay multiple years at one time. Others have wanted the ability to pay Lodge dues at one time and Moose Legion dues at another time. There have been some recent updates to the Quick Pay system for paying dues online, and Director of Information Systems Eric Vonhoff will provide you with details during his report later in this session.

As part of the effort to attempt to uncover the reasons that members are not renewing their membership dues, we have continued to send emails to delinquent members for whom we have an email address on file. In addition to offering the delinquent member the opportunity to pay his dues by mail or online using the Quick Pay system, the email message also gives the member an opportunity to send a response explaining why he has chosen to drop.

Our department has again tracked these responses in an effort to identify trends, common concerns for the fraternity and issues specific to State and Provincial Associations.

POWER POINT SLIDE #19

Here are the top 10 reasons delinquent members have given for not paying their dues, which have not changed very much since our 2010 International Convention in Nashville:

- 10 – Member had not been reported as deceased
- 9 – Health issues
- 8 – Member is unemployed and can't justify the expense
- 7 – Lack of time to participate
- 6 – The Lodge increased annual dues
- 5 – The smoking situation in the Lodge home
- 4 – Member moved out of the area
- 3 – Current state of the economy
- 2 – No longer interested in holding membership
- And the number one reason delinquent members gave for not renewing their dues continues to be that members are not happy with the way their Lodge is being managed, and it continues to be number one by a wide margin

LIVE

This number one concern is one that must be addressed at the Lodge level. Only the members of the Lodge can make the Lodge home inviting and attractive. Only the members of the Lodge can create an environment that draws a crowd and is friendly and

comfortable to members and their guests alike. Only the members of the Lodge can plan, organize and implement activities that will appeal to fellow members and convince them to choose a trip to the Lodge over the numerous other options that they may have. Only Lodge officers and members can assure that the operation is being managed responsibly, profitably, ethically and honestly.

Think about the list we read. Members aren't dropping their dues because they don't like helping children in need; they aren't dropping their dues because they don't want to support our senior members; they aren't dropping their dues because they aren't interested in their communities becoming better places in which to live and to raise families. The great majority of members drop their dues because their experience at the local Lodge is not what they were promised when they joined.

Interestingly, about half of the responses we receive to our email state that the member has paid their dues, often at the Lodge home. If they have paid and are still showing as expired, this means that the Lodge has not remitted the member's dues payment to the dues processing center. While we prefer that members pay directly to the lockbox, if they make payment at the Lodge home, these funds need to be remitted promptly to assure that the member's status is updated accurately. Holding funds and not remitting a dues payment promptly only adds another potential reason for a member to find displeasure or dissatisfaction with his Moose experience.

As we mentioned earlier in this report, there were an incredible number of opportunities in place at the end of the last fiscal year to bolster membership production and drive new members into our Lodges. By all accounts, those efforts were successful. During February, March and April, 49,779 applications were generated, representing yet another crop of new members eager to see what Moose membership will bring to them and their families. I'm willing to bet that the decision they make one year from now will be based primarily on what they see and experience at the Lodge home. Our programs helped to bring these new members to your door; now it is your job to make sure they want to stay.

If I seem overly emotional or passionate about the membership of our fraternity, it's because I care very deeply about our future. When you hear the stories or read the emails about Lodges that have failed or are on the brink of failure because of discontent between officers and members, personal agendas or using the Charter of a Moose Lodge to run an operation that the Board of Officers has no intention of being anywhere near fraternal, I take it personally. Maybe I shouldn't, but I do.

I'm old fashioned in my beliefs. I believe that when you raise your hand and take an oath, whether it is the obligation of membership or the oath of office in a fraternal unit, you are making a promise – a commitment. You have standards to which you should be held. You have expectations that you are obligated to meet. And if you simply raise your hand and repeat those words to “get this over with”, if you are dishonest in your practices or turn the other cheek when someone else has been, or if you ignore the laws and procedures that are in place for your protection because they conflict with your desires or because “they'll never find out”, it is a slap in the face to every member of this

fraternity who truly believes in the mission of the Loyal Order of Moose and our commitment to those entrusted to our care.

This fraternity has a long honored history, and many outstanding individuals have paved the way for our Order to have sustained for 123 years.

POWER POINT SLIDE #20

I'm sure many of you here today remember Paul O'Hollaren, who is a Past Supreme Governor and Past Director General. I did not have the good fortune to ever meet him, but I have read a great deal of the things that he said during his tenure in the Moose. In light of the concerns we have had regarding membership for a great number of years, as well as the economic downturn we have experienced since 2008, I was interested to find similar situations reflected in his address to the 1993 International Convention in Chicago. In his comments, he recounted the words he had heard 34 years prior from another giant in our fraternity's history, Paul Schmitz.

POWER POINT SLIDE #21

O'Hollaren said, "The time my mind returns to this afternoon is somewhat more of a personal milestone. It was 34 years ago – 1959, when I was a brand-new Moose member, and the brand-new Governor of a newly chartered Lodge, at East Portland, Oregon. I came to my first convention, in Pittsburgh that year, and sat out where you're sitting now, and listened closely as a truly great man delivered the Director General's report from this lectern – a giant whom we have lost just this past year, Paul Schmitz."

"It may surprise many of you to learn that Paul Schmitz really had very good reason to be concerned, even fearful for his fraternity, at that '59 Convention. In the five and a half years since he had become Director General, Moose membership had dropped, alarmingly – from more than 900,000 to just barely 800,000. And it may also surprise many of you younger delegates that we were coming out of a fairly stiff recession in 1959, too. Many tens of thousands of men were fearful for their jobs then, too – the villain then was not foreign competition, but rather the looming electronic culprit called "automation".

"But – did Paul Schmitz stand at that lectern wringing his hands and talking about our fraternity having to resign itself to some sort of 'new age of limits'? HE DID NOT! I shall always remember the firm determination in his voice as he leaned out over the microphone and said simply, 'My Brothers, we have a job to do!'"

"Now – do we have tough challenges facing us? You bet we do. But – they are certainly nothing greater than the problems that this resilient Order has tackled in the past, and triumphed over! Again, looking at the state of the fraternity at my first convention in 1959: That situation didn't turn itself around overnight, either; the truly tough problems rarely do. But through concerted, well-coordinated effort, through faith in the great worth of our programs, things did turn around, and our fraternity enjoyed the most successful period of sustained growth in its history!"

“So let me repeat Paul Schmitz’s blunt words of a generation ago. My Brothers, we have a job to do.”

LIVE

And now the responsibility to provide the effort, to promote and support our programs, and to turn our membership situation around falls to us. Let’s continue the legacy that was forged by our predecessors and carry the fraternal torch so that it may be passed on to future generations of Moose.

My Brothers, **WE** have a job to do.