



## OUR MOST VALUABLE RESOURCE

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Good afternoon, everyone. Good afternoon.

You know, some of the great creative solutions in history have come about through personal connections — and when people discover a shared passion or interest.

Of course, we are most familiar with the story of Paul Harris bringing together a group of friends and founding Rotary.

And likewise, in the mid-1970s, Steve Jobs and Steve Wozniak figured out that they had a shared passion for technology and set up shop in a garage to build the first prototype for the Apple computer.

But you know, innovation isn't just about technology.

During a coffee break at the 1994 International Assembly, two district governors-elect, Emmanuel Lufadeju from Nigeria and Robert Zinser from Germany, struck up a conversation about maternal and child health. And they soon discovered that they not only shared some of the same goals, but they also enjoyed working together on ways to address these challenges.

Their friendship touched off numerous projects and led to the creation of the Rotary Action Group for Reproductive, Maternal, and Child Health — and a resulting project that reached nearly 1 million at-risk women of childbearing age.

This project in turn inspired Together for Healthy Families in Nigeria, Rotary's second Program of Scale, and it is now working across all of Nigeria to achieve similar results.

And so, in this afternoon's session, we will be talking about using your connections — and your passion — to develop and promote new and innovative ways to better engage Rotary members and to help grow our organization.

Brian King, our director of membership development, will talk about the importance of having a participant-centered experience for our members. And we'll hear some ideas about starting new clubs from Virginia McKenzie, who recently started her own cause-based club.

Now, as district governors, we don't expect you to reinvent Rotary all by yourselves.

As President-elect Stephanie mentioned this morning, our Action Plan demonstrates that through innovation and collaboration, you can play a critical role in helping Rotary grow — especially through the creation of new clubs that offer a new, more attractive experience to their members.

And this need to innovate isn't something recent. Well before taking this job as your general secretary, I remember my dad — who was a very dedicated and longstanding Rotarian — sound the clarion call that our clubs needed to change as he saw the membership of his own club decline sharply over a period of years.

And I can't recall the number of times he would tell me: "You know, John, we're losing members and not attracting new ones because we find it hard to adapt and change. We need to offer people a club experience that meets their needs and expectations."

My dad was right when he said those words 20 years ago, and they continue to ring true today. Because the world is changing fast, and Rotary needs to change with it. We are simply not keeping pace.

Now, here are some surprising data points: In the last five years, 20% of all districts have not chartered a single new club. Not one. Last year, 48% of districts formed no new clubs.

Thirty-four percent of individuals who indicate an interest in joining Rotary on our Membership Leads portal receive no follow-up by district leadership. Of the new members we do bring in, more than 10% leave within the same year of joining. And roughly half of terminations come from members who've been with us for just three years or less.

This is not good. Because members who leave share their negative perceptions with others, and this hurts our brand.

In fact, during the last few years, we have averaged about 150,000 new Rotary members a year — but we have also lost around 150,000 per year. That is not standing still. That is falling behind.

Now, what happens in our clubs isn't just the responsibility of club presidents — it's your responsibility, it's the Board's responsibility, and it's mine and the Secretariat's as well. If a club is floundering, we have to help that club rethink the value proposition and the type of experience that it is offering to new and prospective members.

Even if a club is doing well, there is always room for improvement. The Rotary Club of Naga in the Philippines is a great example. It has been around for 69 years and is viewed as a model club in the district. It remains active in its community and consistently receives recognition for its work. And a major reason why? The club challenges new members to suggest ways to improve the club experience.

It uses strategic planning to set long-term goals — and conducts membership surveys to find out what's working and what isn't. It reviews what other clubs are doing and

borrowed their best ideas. On service projects, the club pairs members with different skill sets that complement each other.

And away from club meetings and service projects, members find time to socialize with one another, deepening their connections and showing prospective members that they can live balanced lives and still get great value out of their club membership. This is how great clubs stay great — they find room for continuous improvement.

And here's how a newer club becomes great — it innovates. The Rotary Club of Luren Ica in Peru tried something different when it came to membership recruitment. To get accepted into the club, prospective members first had to lead a service project. Now, that might sound counterintuitive — if you are trying to expand membership, why would you make it harder to join?

Because in that community, that approach works. And so far, the results have been remarkable. The club had 35 members at the start of this Rotary year. Today, membership has grown to 57. And because these new members are already deeply engaged in their club's work, even before they join, that makes them even more active and committed Rotarians.

Now, these are just two examples that are working in the Philippines and Peru. The innovations and approaches that work in your district will likely be quite different. That's why your leadership is so important. It's up to you to foster a spirit of innovation and to help club leaders discover and implement creative solutions that work for them.

In regions where we are losing members — where we have clubs that are struggling or stagnant — we need to break from tradition and focus on creating new and innovative club models that are appealing to the type of member we wish to attract to our great organization.

Of course, our core values can never change: The Four-Way Test, the focus on service and fellowship, ethics and integrity. But everything else? It's all possible. How often you meet, whether you ring a bell or sing a song — if these work to support, sustain, and grow your club, great. But if they don't, then let them go and replace them with something better.

Now, sometimes the best solution is to pull together a list of good ideas and just try them all out. The Rotary Club of Chicago Citywide Service functions as a passport club, has hybrid meetings and multiple meeting locations, and they are constantly doing a variety of high-visibility service projects in and around Chicago.

Sometimes, the best solution is to make things easier for everyone. Often there are individuals who can't or aren't interested in attending scheduled and structured meetings but are passionate about engaging in service projects.

And companion clubs are a great way to attract these sorts of people to Rotary. These clubs are — as their name suggests — companions to an existing, traditional club.

Companion club members pay full dues to the existing, traditional club, but they aren't required to attend meetings. Instead, companion club members only take part in service projects — that is why they join Rotary, to do service. These companion clubs don't comply with all the rules, but they are thriving.

And there are now many examples of companion clubs that have become a magnet for young professionals interested in weekend service projects. In fact, attrition in these clubs is roughly half – half – of that of traditional clubs. So, there is no lack of options and possibilities out there. And it's within your power, as Rotary leaders, to create the Rotary of tomorrow right now.

So here is my call to action to you: As district governors, you need to think of what you can do to charter new clubs — and even break the rules a little when doing so.

Earlier I mentioned that 20% of districts formed no new clubs in the last five years. And last year, 48% of districts formed no new clubs. This must change with you because new clubs provide us our best opportunity to expand our reach.

So, consider reaching out to corporations to see if there's an opportunity to form clubs within them. Think about new ways to engage with the newly retired — a great potential source of new member growth. You can form clubs around hobbies or other social activities.

Be receptive to new ways to connect people, and have regular discussions with others in your district about new club ideas. And remember that our path forward to growth is not just forming new clubs — we also need to encourage clubs that are struggling to find better ways to engage their members and to deliver an experience that provides real, meaningful value for members.

But most importantly — just as Robert Zinser and Emmanuel Lufadeju did in 1994 — use this International Assembly to connect and share ideas.

So let me leave you with a quote from Steve Jobs, who not only helped found Apple, but he left and then came back when Apple was on its knees, when a lot of people in the tech industry thought the company's best days were over.

He knew that innovation was the only way to save Apple. He said: “The cure for Apple is not cost-cutting. The cure for Apple is to innovate its way out of its current predicament. ... Our belief was that if we kept putting great products in front of customers, they would continue to open their wallets.”

The imperative to innovate was true for Apple back then, and it is equally true for Rotary right now.

Thank you, and enjoy the rest of the IA.