

MDRT ALL STAFF MEETING SUMMARY

January 30, 2020

MDRT Headquarters

Park Ridge, Illinois, USA

An all-staff meeting of the Million Dollar Round Table was convened by CEO **Steve Stahr** on January 30, 2020, at 9 a.m. Stahr announced a great year for MDRT in 2019.

CHINA UPDATE

Stahr traveled to Shanghai in early December to meet with a) a possible cooperation partner about temporary activities and a Professional Supervisory Unit (PSU) to establish a Representative Office (RO); b) the Shanghai Chamber of International Commerce (CIC); and c) the Shanghai China Council for the Promotion of International Trade (CCPIT). He signed an agreement with the Shanghai CIC allowing companies to conduct activities and meetings promoting MDRT and membership, using our name and logo for a four-month window, January through April. AIA will conduct four meetings; others are interested. Once the Chinese New Year ends and some temporary activities have been conducted successfully, we will discuss a potential agreement with the Shanghai CCPIT to serve as our PSU to establish a RO. The Beijing Financial Office also expressed interest in working with MDRT as a PSU. MDRT will meet with both organizations once it is safe to return to China to begin negotiations. We may have two ROs – a financial center in Shanghai to serve member companies and a political center in Beijing to develop contacts. We will proceed once we have the go-ahead and membership increases are expected to resume. Meanwhile, members can join online and MDRT is in a good position with a sufficient reserve until numbers increase again.

MID-YEAR MEETING

The Mid-Year Meeting will be February 23 to 26 at The Breakers in Palm Beach, Florida. The focus will be on strategy for the 2021 organizational year. MDRT First Vice President **Ian Green**, **Dip PFS**, is looking at committees. The half-day meetings will be more high-level and strategic and will allow time for participant networking. Stahr will report on the Mid-Year Meeting at the

March All Staff meeting. He thanked Meeting Planner **Anne Dignan**, who worked with Executive Assistant **Gina Fadin** to complete the agenda book and all other requirements, and thanked everyone who touched this meeting in some way.

NOMINEE

Stahr welcomed **Gregory B. Gagne, ChFC**, of Exeter, New Hampshire, as MDRT's 2020 Nominee to the Executive Committee. Mr. Gagne will become Secretary on September 1, 2020. A 20-year member with four Court of the Table and 11 Top of the Table qualifications, Gagne is a Global Council Member, Top of the Table Chair and Platinum Knight of the MDRT Foundation, and has served on the Foundation's Board of Trustees. Gagne is excited about the nomination, while mindful of the magnitude of his new role. Stahr and Gagne will go through an orientation with staff at the April 24 Executive Committee meeting and will continue to work on the agenda: Stahr asked all executive staff to be in the office. Gagne will attend the May and July Executive Committee meetings to observe and learn.

NEW ENTITIES

Stahr updated staff on MDRT Global Services, led by MDRT Global Services Manager **Julie Langlie**, and MDRT Business Services, Inc., led by MDRT Business Services Manager **Mary Lake**. Both will become part of the Executive department (third floor, south) effective February 3, 2020. New Administrative Assistant **Michelle Sweeney** will support Langlie, Lake and MDRT Academy Manager **Tammy Johnson-Peón**. Staff leadership, primarily responsible for the three entities and MDRT's outward-facing offerings, also includes Stahr and MDRT Managing Director **Barbara O'Connor**; however, all staff members are on the team, working together to enhance MDRT's value proposition and position MDRT as the globally dominant, go-to-association in our space. The new entities will work with three that already are up-and-running, with MDRT at the center, the MDRT Academy as the new member pipeline and MDRT Foundation as MDRT's charitable arm. MDRT's mantra is "Four Entities: One Mission" 4E:1M.

MDRT Global Services

Established September 2019 as a separate 501(c)(6) business league, MDRT Global Services functions as an individual group/member association for insurance and financial services industry "influencers" and as a means to bring non-traditional offerings or those with the potential for risk or liability to market to protect MDRT, its assets and brand reputation. MDRT will involve influencers deeply in its culture, benefits and brand; expose them to Academy offerings; and

provide tools to help them improve personally and professionally. While we don't yet know who audiences will be, MDRT Global Services will target influencers among producers who are eligible for membership, including affiliated professionals who manage or work with producers. MDRT's Executive Committee will serve as Executive Committee for Global Services, with MDRT's CEO as ex officio member. Staff leadership will include Langlie and staff from existing departments, with a dedicated staff team in the future.

MDRT Business Services, Inc.

Established in September 2019 as a separate, legal, for-profit C-corporation owned by MDRT as the sole shareholder, MDRT Business Services, Inc. will offer a means to carry on substantial unrelated business activities with corporate income taxes paid on revenue generated by such activities. Its main benefit is preservation of MDRT's tax-exempt status by providing a clear line between association-related activities and unrelated business activities that would create an unrelated business income tax (UBIT) liability for MDRT. The audience will be current MDRT members; non-MDRT members; financial services companies, agencies and organizations; and both endemic and non-endemic companies and professionals. To satisfy a legal mandate for separateness from the Executive Committee as the governing body, MDRT's three most recent Past Presidents and MDRT's CEO will serve as the Executive Committee, with staff leadership to include Lake and staff from existing departments, with a dedicated staff team in the future.

"Strategy" Sessions

Sessions will be March 2 and March 3 for MDRT Business Services and MDRT Global Services, respectively, to finalize business and strategic plans. The respective Executive Committees, staff teams, Heidrick & Struggles and Loyalty Research Center (LRC) will attend each meeting to get everyone on the same page with a shared understanding of strategy, vision and future state. In preparation, team meetings in February will work on drafts of the plans and review relevant research to determine what to add or keep and identify what is missing. To be successful, we will need input from all staff and participation from every department.

Cycle of Sustainability

The interaction of new and existing entities and how they will work together will lead to Global Domination. MDRT, at the center of the cycle, will position itself as the globally dominant, "go-to" association for resources and best practices by owning every aspect of the space, not just those who qualify for MDRT. Business Services will attract those who want to participate in the brand but who are not yet able, and will bring revenue through pursuit of sponsors and "partners;" the

Foundation will provide funding and expertise; the Academy will offer expertise for aspiring members; and Global Services will pursue influencers. Although MDRT will focus on “Better” and “Faster,” speed to market is picking up as we get more revenue, contributing to high value/low price. Leadership of the two entities will change annually, and there will be a “roll-on” of executives. Although sponsorship will reside within Business Services, MDRT will decide over the next three years where it ultimately will fit.

MEMBERSHIP

Director, Member Processing and Research **Tom Ensign** compared 2020 vs. the prior year. Membership as of January 30, 2020, vs. 2019 is 6,970 vs. 14,603, a 109 percent decrease. Factors include: a) uncertainty in China, although there is optimism about how it will play out, and b) timing of the Chinese New Year; since the holiday operates on a three-year rotating schedule, year-to-year comparisons may not be comparable. Other reasons for optimism include: a) the success of the Big Data project model in predicting membership and its predicted 78,000 members this year; and b) Automatic Member Processing (AMP) now offers the capability of taking data files from companies with all member information at one time, facilitating approval all at once rather than one by one.

Of 10 companies invited to take part in the AMP pilot test, four submitted applications by this date in 2019, resulting in a negative year-to-date comparison; however, all are expected to exceed 2019 totals and numbers should climb significantly as the company files arrive. Other measures include: a) invoices companies needed in order to process payment (despite five fewer invoices in 2020, at least \$600,000 more was invoiced); b) payments received to-date (although 2020 payments to-date are down vs. 2019, the six companies included in both years generated about \$86,000 more in 2020); and c) applications requested (despite uneven comparisons with the timing of the Chinese New Year, MDRT is optimistic about the time we have to catch up). Ensign expects to see 2020 membership numbers ramp up and last year’s numbers become stagnant based on the shifting timing of the holiday.

DUBAI UPDATE

Meetings Manager **Phyllis Coneset** said the 2020 Global Conference is on target with registration and aligned with the Annual Meeting. Priority registration begins March 3; advance registration, March 17. The first team meeting will be February 6; Coneset asked staff to contact Meetings Coordinator **Molly Kaz** if they did not receive the meeting notice. The Meeting

Services team will travel to Dubai at the end of February. PGA Directors and Chairs also will be meeting in Dubai. This will be the only visit for the team, which will be working with partner MCI. Coneset emphasized the importance of “asking the right questions” for anyone seeking information about goods and services in Dubai and asked that they contact her; Manager, Meeting Services **Jeanne Malone** or Meetings Manager **Joanne Jensen**, all of whom have a good understanding of this process. She introduced new Meeting Planner **Kristin Rencher**, who will manage MDRT EDGE.

HUMAN RESOURCES UPDATE

Human Resources Generalist **Naadia Chaudhry** introduced staff who joined MDRT in January – IT Support Analyst **Marco Aguillon**, Meeting Planner **Kristin Rencher** and Member Relations Associate **Michelle Mangia**. Human Resources Associate **Mehvi Akbar** announced three open positions: Front-End Web Designer (Emerging Media), Meeting Coordinator and Social Media Coordinator (Marketing and Communications). Chaudhry reported on the Market Compensation project; HR has engaged with benefits and compensation resources to ensure MDRT is competitive in the marketplace and has evaluated all positions across the organization. Consultants met with every department director and HR is reviewing findings. Overall, MDRT is paying competitively, and will adjust where necessary. Consultant recommendations about career paths also will be evaluated. Member Relations launched an overnight contact center that will run Sundays through Thursdays, February 2 through March 2. Member Relations Associate **Laurie Romanazzi** and Member Relations Manager **Kristin Mikrut** are training staff and Romanazzi, Chaudhry, Mikrut and Senior Director Human Resources **Laura Good** will share overnight shifts with three to four overnight temps. Chaudhry relayed Mikrut’s thanks to Romanazzi and the Human Resources team, as well as to Director, Emerging Media **Wayne Schmeiser** and Web Content Coordinator **Adam Espino** for launching “livechat.”

IT UPDATE

Senior Director, Information Technology **Jim Unander** updated staff on the following:

a) IT Project Prioritization

Unander reviewed three options to evaluate and prioritize projects (do everything requested; evaluate each request for feasibility, viability and ROI; or use a formal project scoring matrix). He is reviewing a new Technology Scoring Matrix model with the Executive team that will help evaluate project impact in terms of revenue and critical support issues and get at reasons for doing the project, such as to address gaps or streamline efforts for leaders.

The final score will help compare and rank projects to identify those with the biggest impact. IT will post results of all potential project evaluations once the SharePoint site is active. The process, which is meant to be more transparent about the project list, helps explain why certain projects get priority and others are waiting. The main objective is to support every department and focus on the right projects and priorities.

b) Microsoft Office Upgrade and SharePoint/OneDrive Roll-out

All is online now with a full complement of features. Each user is allowed five copies of the software and one terabyte of storage, and staff members can download software on their personal laptops, iPads and other devices with a simple click as long as they remain on staff at MDRT. The SharePoint upgrade has many collaborative features that allow sharing with others inside or outside the organization, plus editing features and auto-save. IT will offer training for each department to explain all nuances and tools. There are several options for sharing documents and folders that will be covered in the training. The team will map out IT first, then work with Professional Development and Meeting Services the week of February 3 before other meetings begin. Unander asked staff to check with him regarding any questions.

New devices are installed in conference rooms and access is easier. Zoom now defaults to these for camera, speaker and microphone so users no longer need to dial in for conference calls. Unander warned about scams and urged staff to remain vigilant.

MENTORING

Senior Director, Strategic Engagement **Pam Brown** thanked everyone who participated in the Strategic Engagement-hosted open house and make-up session, January 24 and January 29, respectively, in conjunction with National Mentoring Month (NAMEMO). She cited Program Coordinator **Suzanne Henn** for her research, coordination and implementation that took the Mentoring program as an effective way to engage members and recruit new members to such a high level. Brown also thanked Database Programmer/Systems Administrator **Kris Flaga**; Senior Web Developer/Architect **Don Wood**; Media Relations Coordinator **Giang Ngo**; Administrative Assistant **Linda Reamer**; Project Assistant **Maureen Gallagher**; Marketing Coordinator **Emily DiAna**; Content Specialist **Elizabeth Diffin**; Director, Emerging Media **Wayne Schmeiser**; Senior Director, Information Technology **Jim Unander**; and Director, Marketing and Communications **Don Noverini** for their help in bringing the project to fruition.

FOUNDATION UPDATE

Executive Director **Michele Stauff** announced grant awards for two main programs, Worldwide and Quality of Life grants, awarding a total \$1 million to 177 grant requests. One-third of all grants were sponsored by members *outside* the United States. Stauff quoted from an email from a member in the United Kingdom, who applied for a Foundation grant for the first time. In his email to Grants Coordinator **Angela Allegretti**, he thanked everyone who helped them get the grant on behalf of Mad Anthony's Children's Hope House, which helps families of seriously ill children. The member said he was "in awe of the organization" for helping to make grants to organizations "close to members' hearts a reality." Stauff will post the quote on Yammer.

2020 MDRTargets

Stahr reviewed targets needed for MDRT success in 2020, a comparison to last year's targets and 2019 results. Total revenue from 2020 targets (including operating revenue from all sources) is \$56.3 million. Total 2019 income of \$59.3 million exceeded MDRT's 2019 target by \$7.4 million. 2019 was a windfall year for MDRT, with a record \$23.6 million in net income. Stahr thanked everyone for the record year, for handling everything with grace and professionalism and for getting it done. MDRT is positioned for new challenges this year. As we keep adding and doing more with so much on the table, there is opportunity for growth. Staff celebrated the record achievement with staff with a specially designed cake by Program Support Associate **Traci LoBello**.