

STEWARDSHIP REPORT

INDIANAPOLIS, INDIANA
October 30-November 2, 2008



Girl Scouts Can Lead Anywhere



Girl Scouts.



2008
NATIONAL COUNCIL SESSION
51ST CONVENTION
Girl Scouts Can Lead Anywhere

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Chair, National Board of Directors
Patricia Diaz Dennis

Chief Executive Officer
Kathy Cloninger

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TO THE MEMBERS OF THE NATIONAL COUNCIL

Dear Girl Scout Member:

What a remarkable triennium it has been for our Movement. It is hard to believe that only three years ago, at our last National Council Session, in Atlanta, Georgia, national delegates initiated the journey of transformation by approving a new vision for our organization, "Girl Scouting is the premier leadership experience in the United States for girls," and a mission statement as well: "Building girls of courage, confidence, and character, who make the world a better place." It was truly a landmark moment.

It is with a great sense of pride that we, on behalf of the National Board of Directors, present this *Stewardship Report* on the 2005–2008 triennium. Our transformational work has continued, and the results to date are inspirational. Building on the courageous direction charted by our national delegates in 2005, we, as a Movement, have made progress that is unprecedented in the nearly 100 years since Juliette Gordon Low's vision of "something for the girls of Savannah, and all America, and all the world" became a reality.



In this report, you, as a member of the National Council, will learn of the progress we have made in implementing our Core Business Strategy, a priority established in Atlanta in 2005, and how it has grown from a concept into actual programs and initiatives that are moving our Movement forward. The report is organized around five strategic priorities: leadership, governance, volunteerism, the brand, and fund development. There are also two additional sections on membership and finance.

Please note that there will be a presentation on the *Stewardship Report* on Friday, October 31.



What a wonderful opportunity it will be for all of us to gather in Indianapolis for the Girl Scout National Council Session/51st convention and take stock of all that we have accomplished in advancing Girl Scouting. We will do so with respect for our past, a commitment to preparing our girls for a lifetime of personal leadership, and the knowledge that "Girl Scouts Can Lead Anywhere."

Patricia Diaz Dennis

Patricia Diaz Dennis
Chair, National Board of Directors

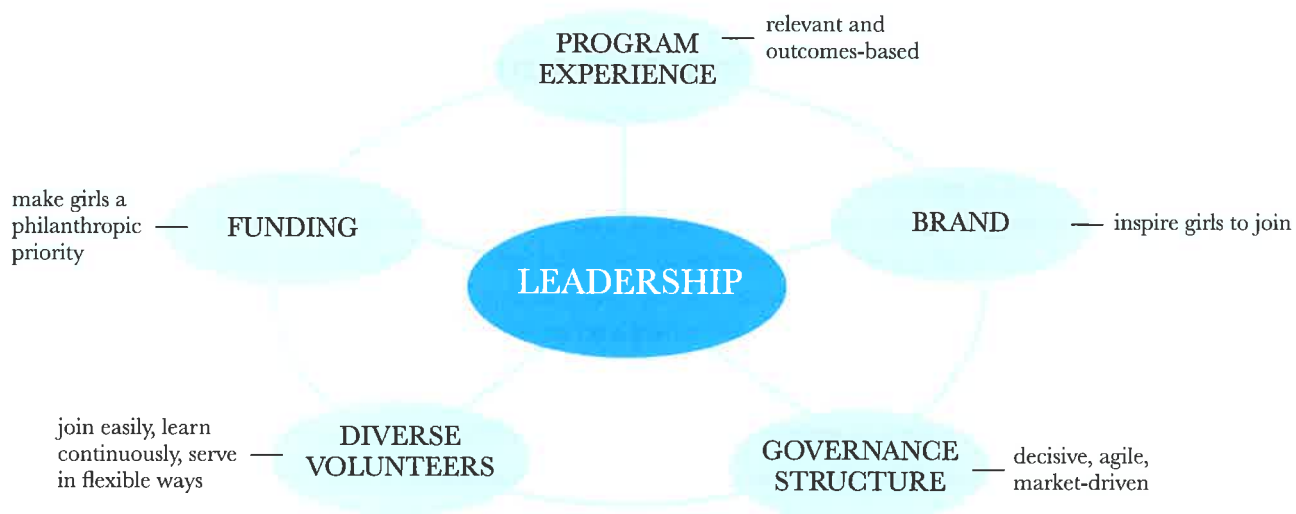
Kathy Cloninger

Kathy Cloninger
Chief Executive Officer

INTRODUCTION

The triennium now drawing to a close has been one of the most exciting and challenging periods in Girl Scouting's long and proud history, a period marked by unprecedented achievement and change that will invigorate and energize what it means to be a Girl Scout in the twenty-first century. The most important developments have been those related to our Core Business Strategy, which was developed in late 2004 by a team that included National Board members, council representatives, and GSUSA. The team engaged in wide-ranging and rigorous analysis of our organization's state of affairs, and the process led to a dynamic new mission that calls on us as a Movement to build "*girls of courage, confidence and character, who make the world a better place*" and a powerful vision of being the premier leadership experience for girls. The inspiring mission and vision served as guideposts in the development of the five strategic priorities at the heart of our Core Business Strategy.

Figure 1. Core Business Strategy: Five Strategic Priorities



Since 2005, we have moved quickly to turn these ambitious priorities into tangible initiatives. In the spring of 2008, for example, GSUSA began showcasing the first series of journeys in the Girl Scout Leadership Experience and piloted the Single-Entry System (SES), an online-supported, comprehensive 10-step approach that helps councils administer the entire volunteer management process from recruitment to reassignment. And the realignment process has led to a consolidation of our councils into a core of high-capacity councils throughout the country that will appreciably increase our membership outreach. Beyond the Core Business Strategy, Girl Scouting continued to seek a membership that is reflective of the diversity of the country, making significant inroads into the Hispanic market by increasing girl membership in this demographic by 19 percent since 2005. These are just a few examples. Many of the changes that we envisioned at the 2005 National Council Session have taken shape in just three years.

The goal of our Core Business Strategy is to serve girls better than Girl Scouting has ever done before. The changes—from programming to council realignment—will enable us to keep growing stronger as America's preeminent girl-serving organization. This *Stewardship Report* tells the inspiring story of how we have worked hand-in-hand to transform our Movement for a new generation of girls.

CORE BUSINESS STRATEGY: THE LEADERSHIP PROGRAM STORY

To build the best leadership experience that defines activities and outcomes, is differentiated by age level, promotes consistency, and offers flexible pathways for participation for all girls ages 5–17.

A New Paradigm for Leadership

Perhaps nowhere is the story of our Movement's transformation brought into sharper relief than in the Girl Scout Leadership Experience. In order to ensure that we are the premier leadership experience for girls, we must have the best leadership development program for girls—and that is what we have sought to create together in the past three years. We are very excited to now begin implementing the Girl Scout Leadership Experience and the process of nurturing and developing the next generation of female leaders in this new and dynamic way.

Indeed, this new paradigm for leadership development will transform what girls do in Girl Scouting, how they do it, and how they will benefit. And we think it can play a role in redefining how all of us, young or old, view leadership. Girls across the country have told us emphatically that the more holistic and inclusive style of leadership at the heart of the Girl Scout Leadership Experience is what they value most.

The Role of the Girl Scout Research Institute

The development of these new materials has been guided and supported by the work of the Girl Scout Research Institute. Its groundbreaking study, *Change It Up! What Girls Say About Redefining Leadership*, surveyed 2,475 girls and 1,514 boys ages 8 to 17 in an effort to understand their perceptions of leadership. According to the study, which was released in March 2008, a majority of girls find the traditional command-and-control style of leadership unappealing. Many girls aspire to a different kind of leadership that is focused on personal principles, ethical behavior, and the ability to effect social change. Sixty-eight percent of girls said they would want to be leaders who stand up “for their beliefs and values,” and 59 percent said that they would like to be a leader “who tries to change the world for the better.”

The research also revealed other key insights into girls and their views and attitudes about leadership:

- Girls, even at a very young age, have definite ideas about what it means and takes to be a leader.
- Promoting leadership in girls is primarily a matter of fostering their self-confidence and providing supportive environments in which to acquire leadership experience.
- To be relevant to and successful with girls, a leadership program must address their aspirational or preferred definition of leadership, their need for emotional safety, and their desire for social and personal development.
- Girls have a range of “leadership identities,” ranging from strong aspiration to outright rejection of the leadership role.

The Girl Scout Leadership Experience reflects the central finding of the GSRI study that the more masculine-oriented command-and-control style of leadership needs to be reconsidered and balanced with an approach that incorporates a greater number of feminine attributes.

Discover, Connect, Take Action: An Outcomes-Driven Program

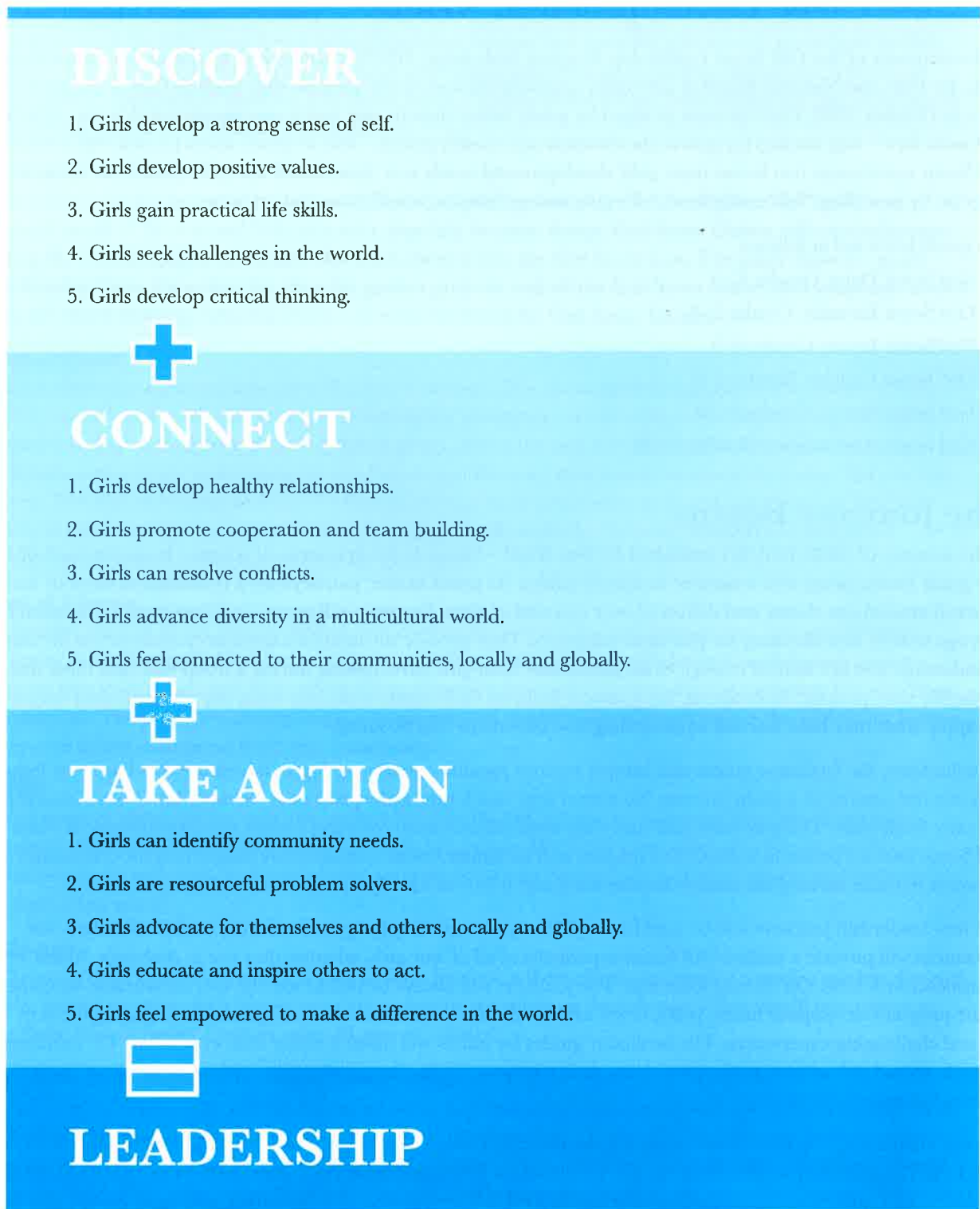
The program is driven by three essential elements of leadership: Discover, Connect, and Take Action. Discover relates to the importance of leadership as an act of self-discovery. Connect focuses on a leader's ability to work in harmony with others. Take Action, meanwhile, acknowledges the primacy of leadership in the service of a greater good and of making the world a better place. These three elements inform every aspect of the program, from activities designed for the youngest Girl Scout Daisies to outcomes for Girl Scout Seniors and Girl Scout Ambassadors.

In the three years since the 2005 National Council Session, work on the new program has been intense. A model for the program was developed that placed Discover, Connect, and Take Action at the center of all activities. Through these activities, or journeys—girl-led, age-appropriate, and action-oriented—girls achieve a range of specific leadership skills, or outcomes. Gauging outcomes is an essential component of the new program to ensure that girls are benefiting to the fullest from their experience in our Movement. The overarching goal is to engender in girls the courage, confidence, and character to make the world a better place.

In developing the leadership outcomes, we drew heavily on the knowledge and insight of youth development experts, girls within and outside the Movement, volunteers, and council and national staff. Some 195 councils participated, 4,500 Girl Scouts and volunteers were engaged in conversation at strategy cafes (informal discussion forums) during the 2005 National Council Session, and council staff members from nearly 20 states provided their thoughts and ideas in focus groups and regional work sessions. The result of the research and input was 15 leadership outcomes, a kind of leadership skill set that the then still-evolving program would seek to develop in each of our Girl Scouts. Clearly delineating outcomes was also essential in order to structure a program whose effect on girls could be measured.

In February of 2008, we unveiled *Transforming Leadership: Focusing on Outcomes of the New Girl Scout Leadership Experience* at the CEO Summit, in California. The 68-page document describes all the elements of the Girl Scout Leadership Experience and defines the 15 leadership outcomes, categorized within the Discover, Connect and Take Action rubric. The distribution to councils of *Transforming Leadership* was a watershed moment, heralding the passage from conceptualization and development of the ambitious project to implementation. Throughout the spring of 2008, we held six conferences, "The New Girl Scout Leadership Experience: A Bold Journey into the Future," to guide teams of council volunteers and staff in implementing the new approach.

Figure 2. The 15 Outcomes of the Girl Scout Leadership Experience



New Membership Levels to Meet Girls' Developmental Needs

As development of the Girl Scout Leadership Program took shape, GSUSA also moved to restructure membership levels. In 2006, the National Board of Directors approved changes to the membership levels in Girl Scouting to take effect in October 2008. Girls are now grouped by grade rather than by age, and a new membership level—Girl Scout Ambassadors—was created for girls in the eleventh and twelfth grades. The six grade levels provide differentiated Girl Scout experiences that better meet girls' developmental needs and lay some of the groundwork for the new program by providing "leadership levels" for girls as they "step forward" through Girl Scouting.

The grade levels are as follows:

- Girl Scout Daisy, Grades K–1
- Girl Scout Brownie, Grades 2–3
- Girl Scout Junior, Grades 4–5
- Girl Scout Cadette, Grades 6–8
- Girl Scout Senior, Grades 9–10
- Girl Scout Ambassador, Grades 11–12

The Journey Begins

In the summer of 2008, GSUSA published *It's Your World—Change It*, the first series of journey books for each of the new grade levels, along with volunteer facilitator guides. As noted earlier, journeys are a coordinated series of activities clustered around one theme and delivered over a period of time. Journeys will serve as an important foundation for each age level in Girl Scouting for girls and volunteers. They provide meaningful experiences centered on the three keys to leadership, and are flexible enough to accommodate both girls participating during a troop year and those involved for shorter time periods. As designed, the journeys build on each other; when one ends, our girls and their volunteers can apply what they have learned to everything else they do in Girl Scouting.

For volunteers, the facilitator guides and sample sessions provide a road map for an adventure that has more impact than any one activity in a given journey. No matter how much time girls spend on a journey, the whole is always greater than any single part. The goal is for girls and their adult volunteers to truly feel a sense of accomplishment when a Girl Scout journey comes to a close. The journey and facilitator books contain many suggestions for ceremonies and reflection to make earning the awards a more meaningful part of Girl Scouting.

The new leadership journeys will be used in conjunction with existing program resources until 2010, when our Movement will provide a unified Girl Scout experience to all of our girls, whether they are in Alabama, Idaho, or Micronesia with USA Girl Scouts Overseas. The journeys will always be tied to specific and measurable outcomes. As the program develops in future years, it will address the developmental needs of girls while engaging them in fun and challenging experiences. The facilitator guides for adults will make it easier than ever before for volunteers to "pick up and go" as they guide our girls on their journeys. Eight councils throughout the country have been piloting the new program.

In conjunction with the Girl Scout Council Evaluation Advisory Committee, which is made up of council CEOs and staff, GSRI launched a baseline study on the 15 outcomes. The study, which was conducted in the spring of 2008, combines both quantitative and qualitative research methods, including an online survey and focus groups that involved some 6,000 girls and 500 adult volunteers. The goal is to provide data on where the new program is most effective and identify where changes may need to be made. GSRI will compile a series of "shining star" case studies to help councils maximize the impact of the new program.

In the end, the New Girl Scout Leadership Experience marks a profound commitment to an evidence-based, outcomes-driven learning experience and a milestone in the transformation of our Movement.

Figure 3. New Girl Scout Leadership Experience Resources

It's Your World—Change It! Series

The first series in the Girl Scout Leadership Experience features one book for girls at each grade level in Girl Scouting. These books place great emphasis on girls taking action on an issue they care about. The books contain stories, inspirational material, Girl Scout history, traditions and values, facts and games, and open spaces for girls to fill in their own ideas and memories.

Welcome to the Daisy Flower Garden

In this journey for kindergarteners and first-graders, gardening meets the Girl Scout Law. The result is a storybook world of flowers and little girls who, together, do great things. Girl Scout Daisies will especially enjoy meeting the colorful global characters who teach them to live the Girl Scout Law. The adult “how-to” guide offers Garden Story Time tips, key ideas for garden projects, and all the Girl Scout history and traditions needed for an adventure starring Amazing Daisy, a new flower friend for Girl Scout Daisies.

Brownie Quest

What are the most important keys for a Girl Scout to own? This quest answers that question in a very special way. The quest has second- and third-graders traveling along two colorful trails—one they can enjoy on their own and one they explore with their Girl Scout group. Along the way, Girl Scout Brownies will meet three new friends and a bright and shining elf in a brand-new Brownie story meant to inspire their own Take Action Projects. The accompanying adult guide offers all the tips needed to create and maintain a sense of fun and mystery along the entire Quest. Instructions for a Brownie Brainstorm, Brownie Team Trade, and other activities ensure a quality and fun time for the girls.

Agent of Change

This journey for Girl Scout Juniors is filled with ceremonies and circles, real-life heroines, and special new characters, including the fashion-savvy spider named Dez. Along the way, girls learn how their own power combines into team power and then moves out to become community power—like Dez spinning her web from the inside out. The journey's centerpiece is a comic story of girl heroines who will inspire the Girl Scout Juniors as they take action to improve their own community.

aMAZE

Life is a maze of relationships, and this journey has Girl Scout Cadettes maneuvering through all its twists and turns to find true friendships, confidence, and even peace. The adult guide offers tips for talking about relationship issues with girls, and pointers for understanding Girl Scout Cadettes' development and creating a safe, welcoming space.

GIRLtopia

Girl Scout Seniors know the world is not ideal. This journey is their chance to imagine a perfect world—for girls. They're invited to create their vision as an art project in any medium they choose. Then they'll take action to make their vision a reality. Leaders, after all, are visionaries!

Your Voice, Your World: The Power of Advocacy

How often have you seen something that really needed to be changed and wondered, “Why isn't someone doing something about that?” This journey gives Girl Scout Ambassadors a way to be that someone—an advocate with the power to start the first flutter of real and lasting change. While creating their own “butterfly effect,” they'll gain an array of skills—such as networking, planning, and learning to speak up for what they believe—that will benefit them as they prepare for life beyond high school.

CORE BUSINESS STRATEGY: THE REALIGNMENT STORY

Create an efficient and effective organizational structure and democratic governance system.

Realignment: How It Began and Why

The success we have enjoyed in council realignment has been truly spectacular. It is a story of courage and commitment, of making difficult but necessary changes for the good of our Movement and, ultimately, for the good of our girls. Reaching our goal of 109 high-capacity councils is essential to everything we are trying to do to transform Girl Scouting; it will be the engine of growth and development for our Movement for generations to come.

The realignment process began in 2005, when our organization had a total of 312 councils, many of them widely diverging in size and effectiveness. In the number of girls served, for example, they ranged from a low of 735 to a high of 62,000, and their annual budgets ranged from \$250,000 to \$10 million. The largest 20 percent served 50 percent of the total number of girls in Girl Scouting; the smallest 20 percent served 5 percent. Nearly 100 councils—some 30 percent—had 2004 operating budgets of less than \$1 million.

In 2005, after considering all the options, the Structure and Governance Gap Team recommended that we create, through a series of mergers, a smaller number of councils, each of which would have the funding and capacity to deliver a consistent, outcomes-based program for girls. In late 2005 and early 2006, a set of criteria were established for evaluating council capacity, based on resources, funding, regional identification, population diversity, anticipated population growth, alignment with transportation patterns, respect for natural geographic boundaries, and the presence of significant media markets. There were also minimum size requirements: to be considered a high-capacity council, an area needed to have at least 100,000 girls aged 5–17, to have at least \$15 billion in total household income and, in most cases, to contain at least one city of 50,000 or more.

With the aid of a team of demographers, we drew up a map based on these criteria and laid it over our existing council structure. Of the 312 existing councils, 29 met the capacity criteria and did not need to merge. The remaining 283 would be realigned into 80 larger councils, for an eventual overall total of 109.

Council leadership has been involved throughout the process. GSUSA worked in partnership with councils to prioritize the criteria and jurisdictional boundaries before demographers created the new map. Once it was created, GSUSA held a national work session with council chief executive officers and board chairs. Ten council groups representing 37 councils volunteered to take the plunge and become “early adopters.”

In August 2006, after every leader of every council had been given the opportunity to submit a proposal and weigh in on the proposed mergers, the National Board approved the new map and set a deadline of October 2009 for completing the realignment. Since then, the realignment process has moved apace. From October 2006 to October 2007, 121 councils merged, and from January 2008 to June 2008, another 64 councils realigned. By September, the number of councils will be reduced from 312 to 171, which means that nearly three-quarters of the mergers will have been completed.

Figure 4. Council Mergers 2006–2009

December 2006	September 2008	December 2009
283 premerger councils	83 premerger councils	0 premerger councils
29 nonmerging councils	29 nonmerging councils	29 nonmerging councils
0 realigned councils	56 realigned councils	80 realigned councils
312 total councils	168 total councils	109 total councils

The Role of GSUSA

Throughout the realignment process, GSUSA has sought to play a strong supportive role. Every council has a GSUSA staff consultant, who meets with council volunteers and staff regularly to facilitate discussions, monitor progress, and serve as a liaison between the council and GSUSA. The firm of Gibson, Dunn & Crutcher is providing pro bono legal consultation to any council that requests it. In addition, the process has been monitored and facilitated throughout by external nonprofit merger consultants.

GSUSA has also provided five realignment training sessions, in which 280 councils participated. Sixty-eight percent of participants rated the training as being either very good or excellent. In addition, 54 percent said that their expectations for the training were “very much met.”

Early Signs of Success

Already, we have begun to see some of the benefits of the mergers. In Minnesota, the merger of five councils into the Girl Scouts of Minnesota and Wisconsin River Valleys in the fall of 2007 has resulted in the availability of seven different camp sessions for thousands of girls and, for the first time, online registration.

In 2008, just a year after five local councils merged in central Indiana to form Girl Scouts of Central Indiana, donations increased more than 25 percent, the number of adult volunteers grew nearly 20 percent, and local girl membership increased slightly. Most important, girls now have access to a wider range of programs and services. For example, the council has a new math and science van for girls in 33 counties, and 40,000 girls now have access to a Purdue University technology workshop that was previously available to just 4,000. In addition, some 15,000 girls in smaller communities now have transportation to and from Girl Scout camps. In many cases, this transportation makes all the difference in a girl’s ability to attend camp.

Lessons Learned

The realignment process has been carefully planned, widely discussed, transparent and, as far as humanly possible, democratic. The results we have seen in the first year and a half have validated our decision to consolidate, but that is not to say that the realignment has been without difficulty for GSUSA or for councils. The process has required substantial sacrifices from council volunteers and staff leadership. Overall, personnel shrinkage has been less than 20 percent, as most staff members from smaller merged councils have found positions in the larger realigned councils. Nonetheless, some colleagues have left Girl Scouting. Indeed, there have been some hard feelings and, in one case, legal action, yet the success of the realignment process stands as a tribute to the courage and determination of council leaders.

In April of 2007, Dovetail Associates interviewed 24 Council Realignment Committee co-chairs from 14 early-adopter councils to gain insight into the process. The frank feedback from the co-chairs helped illuminate some of the challenges councils face in merging separate organizational cultures into one.

Dovetail Associates found that:

- Councils often had to deal with their past relationships with and misperceptions of one another in order to overcome barriers to effective decision making. Council cultures, ways of work, and differing governance and leadership philosophies and practices often proved difficult to resolve in the early stages of the process.
- Council chief executive officers were sometimes placed in highly sensitive and often conflicting roles because their own professional futures were at stake even as they were charged with building the new organization.
- Small and mid-sized councils often felt their input wasn't given the same weight as that of larger councils. And larger councils, often with greater financial resources and bigger membership share, were frustrated by the "one council, one vote" model.
- Sixty percent of co-chairs felt that "managing staff angst" was their greatest management challenge.

Despite the challenges of such fundamental change as realigning a network of 312 councils, we as a Movement have persevered. As of September, there will be only 25 more mergers remaining. In fact, we are poised to complete the realignment process in late 2009. As we near the end of it, we remain firm in our belief that the changes we are making will serve girls today and tomorrow very well, indeed, by forging a network of high-capacity councils that will allow our organization to prosper far into the future.

Governance

In addition to realignment, we have been actively involved over the past three years in helping to implement new governance structures. Indeed, as our Movement seeks to align with the Core Business Strategy, there has been widespread recognition across the organization that council governance will play an increasingly critical role.

Given the importance of council boards of directors in a range of mission-critical duties, from budget oversight to setting priorities and determining the future direction of a given council, GSUSA and council board members and chief executive officers have worked together to develop a new framework for effective governance. In 2006, the GSUSA and council team engaged in extensive research on the best governance practices to develop a new framework for Girl Scouting.

The framework is designed to assist boards of both newly merged councils and those from existing ones to exercise the highest levels of governance. It provides guidelines for council board duties and best practices, including:

- exploring how boards can effectively use strategic thinking in exploration of key issues or ideas on an ongoing basis;
- providing guidance on the structure, size, role, and responsibilities of a council board;
- identifying characteristics of the ideal board;
- emphasizing a board's role in strategic leadership and the development of priorities in consultation with the chief executive officer while moving it away from tactical and operational activities;
- promoting a strong and supportive working relationship between the board and a chief executive officer;
- highlighting open communication and dialogue between the board and constituents through the decision-influencing process, and ensuring an inclusive structure that allows for members to voice their opinions;
- and examining the concept of the Girl Scout Community Leadership Cabinet to maintain Girl Scouting in regions where the corporate headquarters will no longer exist due to a merger.

The framework also introduces the concept of a board development committee to replace what has been known as the nominating committee. As envisioned, the board development committee works collaboratively with a council board to identify talent and address board education and evaluation. Traditionally, the nominating committee has had only one purpose, which is to bring a single slate to the corporate board.

The strategic governing framework was rolled out to both realigning and non-realigning councils throughout 2007, and has been woven into all governance training, including new council chair and board development resources.

The Council Enterprise System

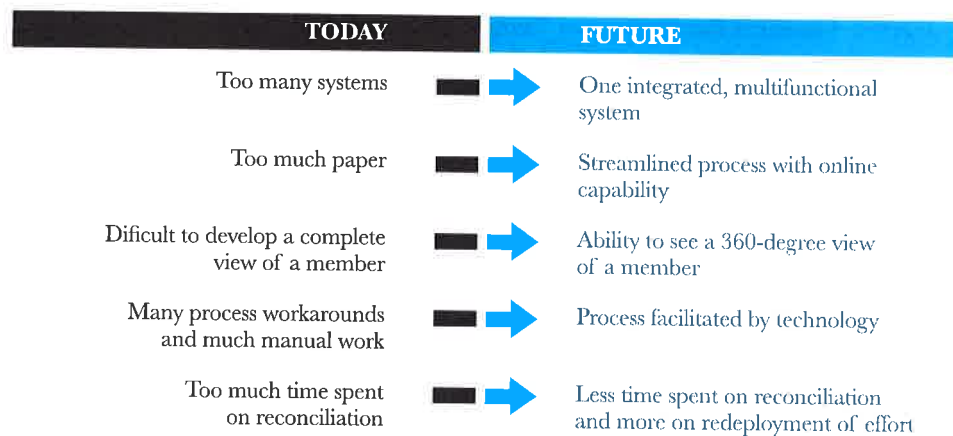
Along with the realignment process and the new strategic governing framework, we also have made substantial progress in harnessing the latest technology to drive increased efficiency. In early 2006, GSUSA initiated the search for a comprehensive membership relationship management solution. Girl Scout councils around the country were using widely varying database and membership registration systems, making the processing and tracking of membership locally and nationally difficult. Moreover, it was vital to provide a system that ensured we were reaching all families interested in participating in Girl Scouting, given changing demographics.

An ideal system would provide girls with an easy way to join Girl Scout activities locally, whether they were registering for a troop, an event, or camp. A business system, not simply a membership system, was needed that would allow full integration of work processes and information across an entire council. This business system would eliminate the need to maintain multiple databases and manual reconciliations of membership information.

The search by councils and GSUSA for a comprehensive, integrated solution resulted in the development of the Council Enterprise System (CES). CES will provide all councils with a range of capabilities, including tracking of troop membership, program and special events, camp registrations, and related financial matters in the first phase of the system's rollout and additional financial, retail management, fund development, and product sales functionality in subsequent phases.

After a rigorous needs assessment and evaluation of vendors, we selected TMA Resources' Personify software application for Phase I. Sixteen councils and various GSUSA members were involved in the selection process. In April of 2007, the first two councils began piloting CES. During the pilot period, 11 councils and GSUSA used Personify as their system of record for membership and program registration.

Figure 5. Benefits of the Council Enterprise System



The pilot period ended in early 2008, and general release began in the second quarter; approximately four councils implemented the new system each month throughout the spring and summer. We expect that all councils will convert to CES by 2010. Subsequent phases will incorporate additional financial, fund development, retail management, and product sales functionality, all in support of the 360 degree view of our members and providing the best leadership experience for girls in the twenty-first century.

Below are some of the functions CES will manage, and subsequent phases will add even more capabilities:

- Membership registration. Councils will be able to process dues summaries and associated girl and adult registration forms as well as new Web-based capabilities for membership registration.
- Troop and organization management. This feature will establish and maintain information about troops, service units, registration areas, councils, and GSUSA.
- Program/event management. This function will enable councils to establish programs in the system and prerequisites for attending them, reserve facilities, allow members and nonmembers to register and pay via the Web, and utilize a waitlist and automated lottery process to manage oversubscribed programs.
- Training management. This function is similar to program/event management, but for training programs.
- Camp management and registration. Councils will now be able to manage camp activities, including establishing sessions, reserving facilities, and assigning staff and campers to sessions. This function will enable members and nonmembers to register and pay for camps, including Web-based registration, and will utilize a waitlist and automated lottery process to manage popular camp sessions.
- Facilities management. This function enables councils to define camp and other facilities used by councils to host programs and events, including hours of availability and capacities, and maintain reservations and availability.
- Marketing and communications. Councils will be able to generate, store, and distribute communications to the Girl Scout community, both via e-mail and hard copy, including confirmation of program and membership registration. This function also includes contact tracking for members and nonmembers.
- Financial management. Councils will now have accounts receivable functionality within the system. This function summarizes financial transactions for posting to an external general ledger.
- Reporting and analysis. The writing capability this function provides will enable councils and GSUSA to generate routine and ad-hoc reports and perform data analysis.
- Volunteer management. Councils will now be able to track information about volunteers, including positions held, completed training, certifications, background and reference checks, and programs attended.

Figure 6. Council Realignment Progress Chart (as of August 1, 2008)

New Council	Legacy Councils
Girl Scouts of California's Central Coast	Monterey Bay Tres Condados
Girl Scouts of Central & Southern New Jersey	Camden County Delaware Raritan South Jersey Pines
Girl Scouts of Central and Western Massachusetts	Montachusett Pioneer Valley Western Massachusetts
Girl Scouts of Central Illinois	Centrillio Green Meadows Kickapoo Land of Lincoln Shemamo Two Rivers
Girl Scouts of Central Indiana	Covered Bridge Hoosier Capitol Sycamore Treaty Line Wapehani
Girl Scouts of Central Texas	Bluebonnet El Camino Heart of Texas Lone Star

New Council	Legacy Councils
Girl Scouts of Colorado	Chipeta Columbine Mile Hi Mountain Prairie Wagon Wheel
Girl Scouts of Connecticut	Connecticut Valley Housatonic Northwestern Connecticut Southwestern Connecticut
Girl Scouts - Dakota Horizons	Black Hills Minn-la-Kota Northwest North Dakota Nyoda Pine to Prairie Sakakawea
Girl Scouts of Eastern Iowa and Western Illinois	Conestoga Little Cloud Mississippi Valley Shining Trail
Girl Scouts of Eastern Massachusetts	Patriots' Trail Southeastern Massachusetts Spar and Spindle
Girl Scouts of Eastern Missouri	Becky Thatcher Area Greater St. Louis
Girl Scouts of Eastern Oklahoma	Bluestem Magic Empire Tiak
Girl Scouts of Eastern Pennsylvania	Freedom Valley Great Valley Southeastern Pennsylvania
Girl Scouts of Eastern South Carolina	Carolina Low Country Pee Dee Area
Girl Scouts of Eastern Washington and Northern Idaho	Inland Empire Mid-Columbia
Girl Scouts of Greater Chicago and Northwest Indiana	Calumet Chicago Drifting Dunes Illinois Crossroads Prairie Winds South Cook County Trailways
Girl Scouts of Greater Iowa	Lakota Moingona Nishnabotna North Iowa Sioux Trails
Girl Scouts of Greater South Texas	Paisano Tip of Texas
Girl Scouts Heart of Central California	Muir Trail Tierra del Oro
Girl Scouts Heart of Pennsylvania	Hemlock Penn Laurel Penn's Woods Scranton Pocono
Girl Scouts Heart of the Hudson	Dutchess County Rockland County Sarah Wells Ulster County Westchester Putnam

New Council	Legacy Councils
Girl Scouts Heart of the South	Mid-South Northeast Mississippi Northwest Mississippi Reelfoot
Girl Scouts of Historic Georgia	Central Savannah River Concharty Middle Georgia Northeast Georgia Savannah Southwest Georgia
Girl Scouts of the Jersey Shore	Monmouth Ocean County
Girl Scouts of Kansas Heartland	Central Kansas Flint Hills Golden Plains Sunflower Tumbleweed Wheatbelt
Girl Scouts - Kentucky's Wilderness Road	Licking Valley Wilderness Road
Girl Scouts Louisiana East	Audubon Southeast Louisiana
Girl Scouts of Louisiana - Pines to the Gulf	Bayou Pelican Silver Waters
Girl Scouts of Maine	Abnaki Kennebec
Girl Scouts Minnesota and Wisconsin Lakes and Pines	Land of Lakes North Pine
Girl Scouts of Michigan Shore to Shore	Crooked Tree Michigan Pine and Dunes Michigan Trails
Girl Scouts of Minnesota and Wisconsin River Valleys	Greater Minneapolis Peacepipe River Trails St. Croix Valley
Girl Scouts of Montana and Wyoming	Big Sky Treasure Trails Wyoming
Girl Scouts of New Mexico Trails	Chaparral Sangre de Cristo
Girl Scouts - North Carolina Coastal Pines	Coastal Carolina Pines of Carolina
Girl Scouts of North-Central Alabama	Cahaba Cottaquilla North Alabama Tombigbee
Girl Scouts of North East Ohio	Erie Shores Great Trails Lake Erie Lake to River Western Reserve
Girl Scouts of Northeastern New York	Adirondack Hudson Valley Mohawk Pathways North Country
Girl Scouts of Northeast Kansas & Northwest Missouri	Kaw Valley Mid-Continent Midland Empire

New Council	Legacy Councils
Girl Scouts of Northeast Texas	Cross Timbers Red River Valley Tejas
Girl Scouts of Northern California	Santa Clara County Konocti Napa-Solano San Francisco Bay Area Sierra Cascade
Girl Scouts of Northern New Jersey	Bergen County Lenni-Lenape Morris Area
Girl Scouts of South Carolina - Mountains to Midlands	Congaree Area Old 96 Piedmont Area
Girl Scouts of Southern Alabama	Deep South South Central Alabama
Girl Scouts - Spirit of Nebraska	Goldenrod Great Plains Guiding Star Homestead Prairie Hills
Girl Scouts of the Northwestern Great Lakes	Birch Trails Fox River Area Indian Waters Lac-Baie Manitou Penninsula Waters Woodland
Girl Scouts of the Texas Oklahoma Plains	Caprock Circle T Five Star NorGen Tex
Girl Scouts of West Central Florida	Heart of Florida Suncoast
Girl Scouts of Western Ohio	Appleaseed Ridge Buckeye Trails Great Rivers Maumee Valley
Girl Scouts of Western Pennsylvania	Beaver and Lawrence Counties Keystone Tall Tree Penn Lakes Talus Rock Trillium
Girl Scouts of Western New York	Buffalo and Erie County Genesee Valley Niagara County Southwestern New York
Girl Scouts of Western Washington	Pacific Peaks Totem
Girl Scouts - Western Oklahoma, Inc.	Red Lands Sooner
Girl Scouts of Wisconsin Southeast	Great Blue Heron Kenosha County Milwaukee Area Racine County

CORE BUSINESS STRATEGY: THE VOLUNTEERISM STORY

Develop a nimble, state-of-the-art model of volunteerism that mobilizes a variety of volunteers committed to the Girl Scout Mission.

One of the most critical elements in the success of the Girl Scout Movement is our volunteers. The hundreds of thousands of women and men who give of their time are the face of Girl Scouting to 2.6 million girls around the world. They contribute in any number of ways, from serving as troop or group leaders and as trainers to venturing into communities to arrange service projects. Because of the essential role volunteers play, it is imperative that our Movement make the best use of their talents and abilities.

In 2005, a gap team focused on the need to streamline what had been a volunteer processing system that was inconsistent, bureaucratic, and time consuming. We are proud to report the progress we have made on this front over the past three years.

The Single-Entry System

GSUSA, in collaboration with councils, has developed the Single-Entry System (SES), a centralized, online-supported approach to managing the volunteer management process. In response to the charge of the Core Business Strategy, we set out to build a volunteer development system that incorporated staffing and volunteer structures, technology, and operational processes that would result in a comprehensive methodology to help councils manage the growing source and changing trends of volunteers. Implemented along with the Council Enterprise System (CES), SES offers our organization a nationally consistent system for managing volunteers through one database.

The comprehensive SES approach helps councils manage the entire volunteer process from recruitment to reassignment. SES is particularly integral to the New Girl Scout Leadership Experience because it helps councils match the right volunteers to the right positions based on the volunteers' interests, competencies, skills, and knowledge. By implementing SES, councils will be better able to recruit and retain more adult volunteers.

SES consists of 10 steps that help guide councils in managing potential volunteers, from the initial application process through screening and orientation to support and training/learning. Similar to the process used by human resources departments to fill positions, the SES approach ensures that all potential volunteers are processed equally through a "single point of entry," allowing one staff member or volunteer to track applications as well as maintain all volunteer information securely and confidentially via the Council Enterprise System. Because CES is a secure database, councils will be able to protect and maintain the integrity of volunteer information and manage the data in a consistent process well into the future as volunteer membership grows.

Figure 7. Single-Entry System



*Steps 1-5 should take no longer than 10 days (on average)

With the aid of 11 pilot councils, GSUSA developed and fine-tuned the comprehensive system in 2006. In the fall of 2007, GSUSA began hosting a series of interactive learning sessions on the SES approach. The first three Webinars alone drew nearly 300 council chief executive officers, chief operating officers, member and volunteer development directors, and other staff members.

SES represents a major step forward in our efforts to impose greater efficiency and national consistency in the volunteer management process and thus engage more volunteers and enhance their Girl Scouting experience. One example is the ability of SES to reduce the time it takes for volunteers in the field to distribute and collect copies of volunteer applications and references, thereby streamlining a process that had been cumbersome and time-consuming.

Girl Scout Pathways for Adults

A second component for developing a state-of-the-art model of volunteerism involves pathways. A pathway is simply the way volunteers (and girls) join Girl Scouting. Throughout our history, the traditional pathway for participation by both volunteers and girls has been the yearlong troop, which features regularly scheduled meetings. Given the changing nature of society and volunteerism, we have been working to make it easier for adults to put their time and talents to best use in ways that go beyond serving as a traditional troop or group leader.

In collaboration with a Pathways Advisory Council, made up of eight councils, we have been developing Girl Scout Pathways for Adults in an effort to give volunteers more flexibility in volunteering. In all, we have received input from more than a thousand volunteers and council staff from across the country on increasing the pathways, and we have also worked closely with the teams developing the Single-Entry System and the Council Enterprise System to tap the power of both solutions in managing volunteers and keeping them engaged.

In the summer of 2007, we hosted nine conversations about Girl Scout pathways with 215 staff from 147 councils in 42 states. Councils shared their own innovative approaches for reaching adults and girls. The information gathered in these conversations helped develop national criteria for the pathways.

The proposed pathways for girls are:

- Camp—Girls participate in day or resident camps with a focus on the out-of-doors and/or environmental education
- Events— Girls participate in events (e.g., career day)
- Special Interest— Girls participate in a series of programs with the same group of girls relating to a specific theme or purpose (e.g., high-adventure teen group, completion of the “It’s Your World—Change It!” journey over a six-week period)
- Travel— Girls plan, earn money, prepare, and participate in regional, national, and international trips
- Troops— Girls participate in a series of programs with the same group of girls over the course of an academic year
- Virtual— Girls participate in interactive, high-quality program activities in a safe, secure, online environment supplemented by live events

In the fall of 2007, we unveiled a proposed Pathways for Adults framework that leveraged the proposed pathways for girls and the New Girl Scout Leadership Experience. As part of the process, GSUSA and the advisory council analyzed how different pathways could be funded, volunteer-supported, and integrated into the Council Enterprise System, as well as how the cookie entrepreneurship program could be incorporated into the new pathways.

The proposed Pathways for Adults include a range of opportunities:

- Direct services to girls. Adults facilitate the delivery of the New Girl Scout Leadership Experience from a variety of volunteer positions (e.g., leaders, advisers, counselors, unit leaders, event chaperones, drivers, treasurers).
- Indirect services to girls. Adults can support girls “behind the scenes” as strategic thinkers, administrators, or interest-, skill- or project-based volunteers (e.g., board members, school organizers, trainers, delegates, national operational volunteers.) This pathway also includes council staff.

- Alumnae participation. Adults maintain individual membership to reconnect with other alumnae, attend events, participate in social networking groups, stay informed about the organization, advocate for girl issues, and donate.
- Participation by parents/guardians/families. Adults stay informed on girl trends and youth development, attend events, connect with other parents/guardians/families, advocate for girl issues, and donate.

The advisory council formalized the pathways and developed criteria for each pathway in early 2008. In the summer of 2008, three councils began piloting the framework for the pathways. The pilot phase involves testing every feature of the framework in conjunction with the Single-Entry System, from staffing and technology to volunteer recruitment and establishing a database that will efficiently match adult members and girls based on interests and other criteria. Results of the pilot work will be shared on an ongoing basis and resources will be developed for the 2009–2010 membership year. A full rollout of the new framework is expected in 2010.

Given the changing nature of Girl Scouting and the different ways girls can now participate, it is clear that volunteers will be needed to provide guidance. Indeed, already one in every five girls participates in Girl Scouting in a nontroop capacity. The potential to increase both girl and adult membership through more flexible pathways is tremendous.

VolunteerMatch Partnership

Finally, in January of 2008, GSUSA signed a preferred partnership contract with VolunteerMatch as part of an effort to collaborate with organizations that offer new sources of potential volunteers. This partnership offers many benefits to councils, from increased exposure and Girl Scout-branded searches to monthly reports and orientation and training. GSUSA has provided the service to councils at no cost.

VolunteerMatch is considered one of the premier online networks for helping people find volunteer opportunities at nonprofit organizations; indeed, it is the top search term entered in both the Google and Yahoo! search engines by prospective volunteers. The site drew eight million visitors in 2007, and has become the preferred Internet recruiting tool for more than 50,000 not-for-profit organizations. To date, some 85 councils have signed on as preferred VolunteerMatch councils.

CORE BUSINESS STRATEGY: THE BRAND STORY

Transform the Girl Scout image with a compelling, contemporary brand that inspires girls and adults of every racial and socioeconomic background to join.

Telling Our Story in an Exciting Way

A thorough transformation of our Movement would not be complete without changing how we position ourselves within the broader culture. A fun, dynamic, and relevant image will not only help us reach ever greater numbers of girls and adult members, but also position us as the leading voice for girls. No other organization in the country knows girls better than we do, and so, as we prepare to roll out the Girl Scout Leadership Experience and other exciting initiatives, a brand strategy that tells our story in an exciting way is central to our overall success.

Three High-Profile Branding Partnerships

We have already begun to build momentum by forming three branding partnerships. In February of 2007, GSUSA entered into a three-year licensing agreement with Minneapolis-based Manhattan Toy that allowed the company to design a spirited and funky line of Groovy Girls dolls. This widely acclaimed family of soft dolls helps girls celebrate personal style, diversity, and the power of friendship. The dolls were inspired by the Girls Scout mission to build girls of courage, confidence, and character, who make the world a better place.

GSUSA also entered into a yearlong partnership with Vanessa and Angela Simmons, daughters of music mogul Rev Run, who began his career with the legendary hip hop group Run DMC. The family stars in the MTV hit reality series *Run's House*. This partnership has helped strengthen our brand relevance among the MTV generation and test our new brand direction on a national level. The partnership is designed to bolster volunteer outreach to 18- to 29-year-old women as potential volunteers, and call attention to our entrepreneurship and financial literacy programs. To kick off the partnership, an episode of the show in November of 2007 featured the two sisters becoming Girl Scouts. GSUSA has provided councils with three print advertisements featuring the Simmons sisters, as well as two public service announcements. There is also a Web page (www.girlscouts.org/vanessanandangela) that includes video clips, exclusive interviews, and other related features. It also allows users to find their local council to join or volunteer.

Our third high-profile partnership was with the Disney Channel on the release in 2008 of *The Cheetah Girls: One World*, a film with a Bollywood-themed story about girls sticking together no matter what the obstacles. Disney shot a promotional video of Girl Scouts visiting the set of the movie in India. The spot debuted on the Disney Channel in June, and councils nationwide held more than 400 official screening parties with the Disney Channel on August 23. Along with promoting fun and friendship, this exclusive partnership allowed us to highlight diversity and culture in a global movement of girls as never before.

A Revamped *Leader* Magazine

Through the years, *Leader* magazine has been a key communication tool with our adult membership. Recognizing the need for an approach that was more in line with the times and inclusive of the mainstream culture, we partnered with SPOT ON media, a custom publisher that works with some of the leading companies and nonprofit organizations in the United States. In the summer of 2008, we published the first issue of the revitalized and expanded magazine. The content-rich 64-page issue featured a cover story on journalist and Girl Scout alumna Lisa Ling, a provocative photo essay on girl culture, articles on healthy living and finance, and much more.

Creating a Comprehensive Brand Campaign

Even as we have moved forward in highlighting a more dynamic and relevant image by forging exciting new partnerships and revamping our magazine, we have also set out over the past three years to lay the groundwork for a comprehensive brand campaign. The first phase involved a thorough assessment of our brand's strengths and challenges. In October 2006, we selected Lowe New York, an advertising agency with a Hispanic marketing arm, Siboney USA. The selection process was extensive and rigorous. GSUSA worked with a gap team to create criteria for a brand agency and reached out to the MarComm Network, a group made up of council communications and marketing directors, to develop a request for proposal.

Lowe began with a thorough research and audit phase to pinpoint the Girl Scout brand's current strengths and challenges. The Lowe team conducted focus groups with girls and caregivers as well as 55 interviews with adults across our Movement, including council chief executive officers, council communications and marketing professionals, National Board members, GSUSA representatives, and funding partners. In addition, volunteers were asked to provide feedback as part of an online survey. The research extended beyond the Girl Scout community to non-Girl Scouts and their parents in an effort to gauge perceptions of Girl Scouts and Girl Scouting and to understand what was important to nonmembers in an organization for girls.

In March of 2007, Lowe completed its data gathering. In its report, Lowe documented many of the cultural and brand assets that our Movement has built over generations. Yet such perceived familiarity with our brand is one of the central challenges in the rebranding effort. Lowe found that though we have virtually universal awareness, many believe there is nothing new to learn about our Movement that would draw their interest. "Our challenge is to spark awakened, active interest in the brand," according to the Lowe report, "moving Girl Scouts into the territory where many of the most beloved, relevant brands live."

In fact, Lowe found that although many people think they know Girl Scouting, our brand is rather amorphous and tied to various misperceptions, including notions that Girl Scouts is only for little girls, that we don't truly have an open-door policy, that we are nice but not necessary, and that we're only about cookies, camping, and crafts. And some mothers said they simply did not know what their daughters would gain from Girl Scouts in comparison with other activities.

Given these findings, the branding campaign will initially seek to make Girl Scouts an irresistible, relevant, and clearly defined organization that girls of all ages and backgrounds want to take part in.

Our goal is to craft a brand image that says:

- Girl Scouting is for girls who want to do something amazing with their lives right now.
- Girl Scouting helps girls find and develop their passions, which is critical to learning and self-development.
- Girl Scouting makes a profound difference in people's lives. Girls create, develop, and execute community service projects that make the world a better place.
- Girl Scouting is for all girls and women, from kindergarten through high school and beyond.

In developing the brand strategy, we are using age 12 as a kind of demarcation line to segment our market. Research indicates that media habits among girls begin to evolve at that age. Once girls reach middle school, they move from Nickelodeon and Webkinz.com to MTV, Facebook, and YouTube. Indeed, there are very few overlapping television networks between those younger and older than age 12.

Planning for the branding campaign has been underway throughout much of 2008, and the full rollout is expected in 2009.

Siboney USA and Outreach to the Hispanic Community

We have also been working with Siboney USA, Lowe's marketing and communications group, which specializes in outreach to the Hispanic market. Hispanic girls are the fastest-growing sector of the girl population in the United States, and our ability to capture increased market share in this demographic is both strategic and imperative. Indeed, by 2010, one out of every five American girls will be of Hispanic descent.

Siboney's extensive research included organizing focus groups with Hispanic Girl Scouts and non-Girl Scouts and their mothers. A major finding was that Hispanic girls and their mothers share an especially strong bond; mothers play a prominent gatekeeper role as it relates to their daughters and their activities. The research also revealed a lack of awareness and knowledge of Girl Scouting, especially among first generation Hispanic girls and their mothers. In some cases, there was wariness of our Movement's openness toward Hispanic girls.

And yet, when asked to describe the ideal organization, both mothers and daughters were open to and interested in an organization where girls can develop skills for life, engage in physical and educational activities, help others, make new friends, and have fun. On learning that their ideal organization was in fact a description of Girl Scouting, many of the Hispanic mothers and girls were pleasantly surprised.

Based on the Siboney findings, the primary audience for the Hispanic brand initiative, which will also be launched in 2009, will be mothers of girls aged 6-14. A secondary target will be the girls themselves. An important element in reaching these girls will be to engage them in a relevant way. Siboney found that although these girls share many commonalities with their Girl Scout counterparts, they clearly identify themselves as Latinas. Their ethnic identity is a source of pride for them, and they appear motivated to want to help further the Hispanic community. A third audience will be the Latino community at large. Our goal will be to forge a brand that says to the Hispanic market: "Girl Scouts is a place for *nosotras*, a place where 'our' girls learn and grow."

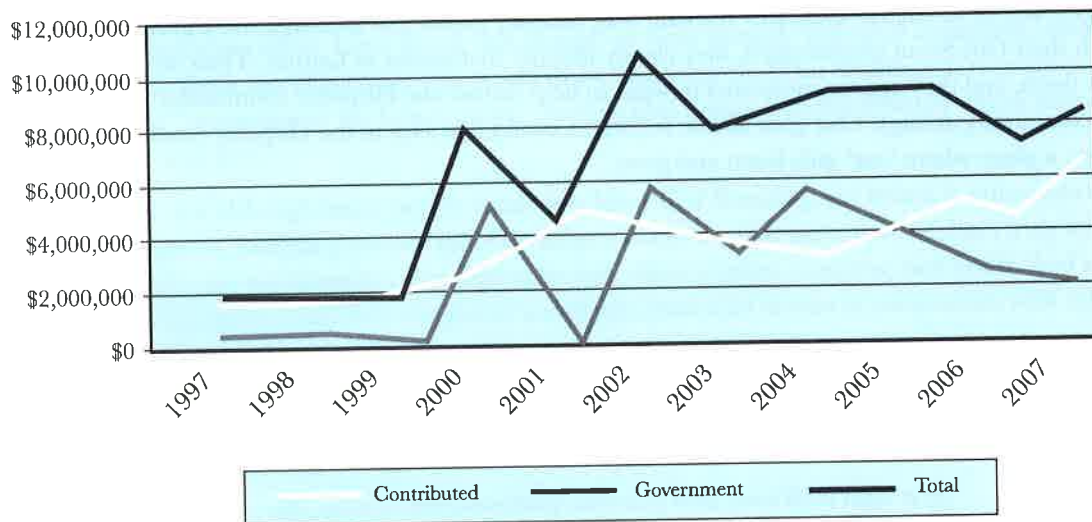
CORE BUSINESS STRATEGY: THE FUND DEVELOPMENT STORY

Substantially increase contributed income to support a vibrant organization.

The Importance of Contributed Funding

A fund development operation that will increase revenue opportunities from external partners and provide our organization with strong and sustained financial resources is the final component of our Core Business Strategy. Throughout our history, we have relied on a self-generating funding system, but the sweeping transformation we are undergoing will not be complete without a focus on contributed funding to increase our overall funding. Over the past 10 years, government funding has been erratic and declining, while contributed funding—from individuals, corporations, and foundations—has been on the rise, as the graph below shows.

Figure 8. Fund Development 1997-2007



We know that other comparable national organizations receive a much larger share of their revenue from contributed funds. Over the last two years, about 13 percent of GSUSA's operating revenue came from contributed funding. Including grants and government awards we expect to receive before the end of the fiscal year 2008, funds raised during the triennium totaled \$25.4 million, of which \$10 million served as grants for councils. We believe that reconnecting with alumnae, leveraging our 100th anniversary, and helping build capacity at councils represents an unprecedented opportunity to increase funding substantially in the years ahead.

A Culture of Philanthropy

Given the importance of increasing fundraising, we can note with some sense of accomplishment the measurable progress we have made over the past three years in creating a new culture of philanthropy that will enable us to meet our fundraising goals by promoting an attitude that integrates philanthropy into every aspect of how we conduct our business. A culture of philanthropy aligns the organization's values with community needs, and develops a process to build relationships with an ever-expanding pool of stakeholders. Much of our work during the triennium has been to shift our funding culture so that councils and GSUSA embrace this new approach together. The result will be increased support through a strategy that produces major gifts.

In response to the need for councils to increase fundraising capacity, we implemented the Culture of Philanthropy and CEO Major Gift Coaching program. The 12-month program was designed to increase understanding of basic and advanced fundraising concepts; promote a philanthropic culture among council staff, volunteers, and boards; develop specific strategies for identifying and soliciting major gifts in local communities; and provide on-the-ground fundraising counsel.

To facilitate this change, we have partnered with the Houston-based consulting firm Dini Partners, whose fundraising experts have been working closely with councils. To date, nearly 20 councils have participated as part of a pilot program. These councils were selected based on their geographic diversity, size, and fundraising history. The councils received extensive coaching and training from Dini that equipped them with the strategies, tools, and mindset necessary to increase their annual and major-gift fundraising capacity.

Girl Scouts Alumnae Association

Tapping the estimated 50 million Girl Scout alumnae for support represents a tremendous opportunity for our Movement. In 2004, a fund development gap team was charged with substantially increasing contributed income by creating new avenues for external funding. Given their number, Girl Scout alumnae were identified as an untapped resource for accomplishing this goal. The gap team hired the consulting firm Brakeley Briscoe, Inc., to determine what would motivate former Girl Scouts to reconnect with our Movement. Shortly thereafter, the National Girl Scout Alumnae Steering Committee was convened to oversee and guide the planning of this new initiative.

Brakeley Briscoe surveyed alumnae at the 50th National Council Session/convention. Their responses were overwhelmingly positive. Not only did the respondents report that Girl Scouting has had a significant impact on their lives, but more than 95 percent said they wanted to be involved in a national alumnae association. In all, more than 600 attendees completed the survey. The alumnae names, sorted by zip codes, were disseminated to councils to assist them in building their alumnae associations.

Brakeley Briscoe then conducted a qualitative study to gain a deeper understanding of what would motivate former Girl Scouts to reconnect with the organization. Focus groups were held in Chicago and San Francisco, and approximately 25 women were interviewed in depth. Two important research findings emerged: alumnae are more interested in supporting girls than in gaining benefits or recognition for themselves, and many former Girl Scouts don't know much about the programs our organization offers girls today.

Given the research findings, the National Girl Scouts Alumnae Steering Committee set the goal of registering one million former Girl Scouts and having them eventually become donors.

In 2006, we created an alumnae page on the GSUSA Web site. Users can register online, share their Girl Scout memories, and send an e-card to family and friends. Also in 2006, we developed an alumnae logo, alumnae logo graphic guidelines, registration cards, FAQs, fact sheets, and other materials for council use. More than 3,000 alumnae have registered by completing the registration cards.

All alumnae data are entered into a central database, and then forwarded to councils to assist them in building their alumnae associations. Councils have also provided GSUSA with their alumnae names in an effort to build a robust database for alumnae information and shared their alumnae best practices with the national office. To date, 15,494 names have been submitted by councils. In turn, innovative "best practices" are shared by GSUSA with councils that are looking for new ideas.

In January of 2008, cultivation of alumnae officially began. All alumnae received a Thinking Day Card in March and the first issue of the revamped *Leader* magazine in June. In addition, alumnae have begun receiving a quarterly e-newsletter.

100th Anniversary

Our Movement's 100th anniversary will mark a significant milestone and a unique fundraising opportunity. We have begun the strategic planning to fully leverage the fund development opportunities of the centennial. A cross-departmental advisory team with significant council representation has been created to lead the process. The advisory team has outlined goals for the 100th anniversary that include showcasing the New Girl Scout Leadership Experience, advancing the brand, raising a substantial amount of money, and increasing membership and diversity.

Initial work is already underway. There will be a signature Community Action Project with an environmental focus. The girl-led project will provide an opportunity to attract financial and community partners. Alumnae, parents, and volunteers will be encouraged to participate.

We have hired the consulting firm Changing Our World, Inc., to conduct the initial planning and assessment study for the 100th anniversary campaign. Girl Scout councils will also play a significant role by conducting their own customized fundraising campaigns. In the first phase, scheduled to begin in the fall of 2008, GSUSA will partner with a group of pilot councils, which will conduct local campaigns with the assistance of Changing Our World. More than 20 councils have already applied to be a part of the pilot.

Figure 9. 2006–2008 Fund Development Highlights

CORPORATE AND FOUNDATION FUNDING FOR GIRL SCOUT INITIATIVES AND PROGRAMS

College Pathways Program

In 2006, the MetLife Foundation provided \$250,000, for a total of \$1,470,000 since 1980.

Council Enterprise System/Virtual Girl Scouting

AT&T has contributed \$1 million to support the integrated technology platform between Girl Scout headquarters and local councils in this triennium.

GirlsGoTech

Funded this triennium by Lockheed Martin Science Exploration Fund—\$625,000 in 2005, with total Lockheed support of \$1.425 million since 1997; Firestone Complete Auto Care—\$800,000 to date; Motorola—\$250,000 in 2007, with total support of \$375,000; and National Center for Women & Information Technology—\$200,000.

Healthy Living

Funded by the PepsiCo Foundation—\$1.130 million to date.

Hispanic/Latina Initiative

The Goizueta Foundation provided \$2.4 million in 2006 and has provided \$3.1 million since 2001.

Include All Girls Initiative

Mitsubishi Electric America Foundation provided \$100,000 to help develop pilot inclusion programs at several Girl Scout councils across the country.

School Success Clubs

A new enrichment program for at-risk middle school girls. The New York Life Foundation contributed \$200,000.

uniquely ME! Self-Esteem

Unilever Foundation and DOVE Masterbrand support is over \$6 million to date.

FEDERAL GOVERNMENT FUNDING

- The Corporation for National and Community Service contributed \$154,000 to assist in the implementation of GSUSA's Single-Entry System at several test councils.
- The U.S. Department of Agriculture contributed \$5,833,000 to support Girl Scouts in Rural Communities, a leadership development project for rural girls.
- The U.S. Department of Health and Human Services awarded \$153,000 to promote good health in the areas of physical activity, fitness, nutrition, and healthy lifestyles.
- The U.S. Department of Justice contributed \$9,322,000 to support:
 - Girl Scouts Beyond Bars
 - Girl Scouts in Detention Centers
 - Project Anti-Violence Education (P.A.V.E.)
 - The Hispanic Initiative (a \$850,000 earmark is expected later this year)

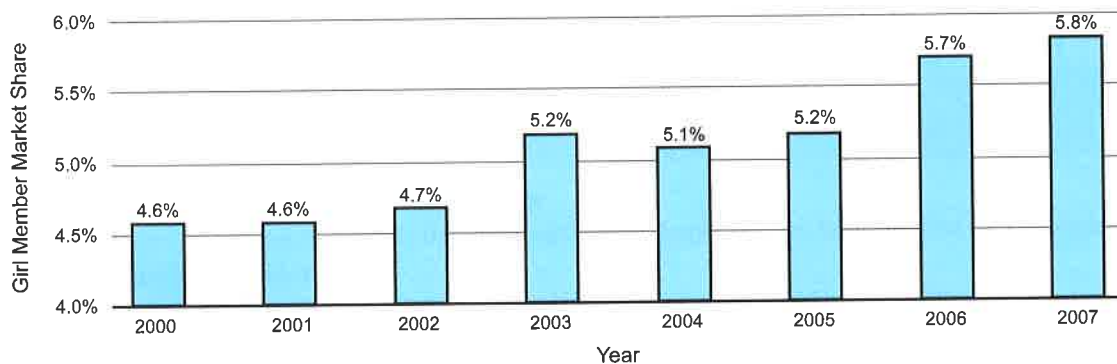
MEMBERSHIP

Diversity Is Our Future

The overall trend in membership highlights the importance of the historic transformation of our Movement through the implementation of the Core Business Strategy. The changes we are putting in place will help drive and sustain membership increases and allow us to capitalize on opportunities that have arisen as a result of demographic changes in the girl population. In fact, one of the most positive developments in recent years has been the growth in membership among Hispanic girls. Driven by a concerted effort to reach out to Hispanics begun in 2000, membership among Latina girls has increased by 63 percent over the past seven years, from 175,170 girls in 2000 to 279,329 girls in 2007.

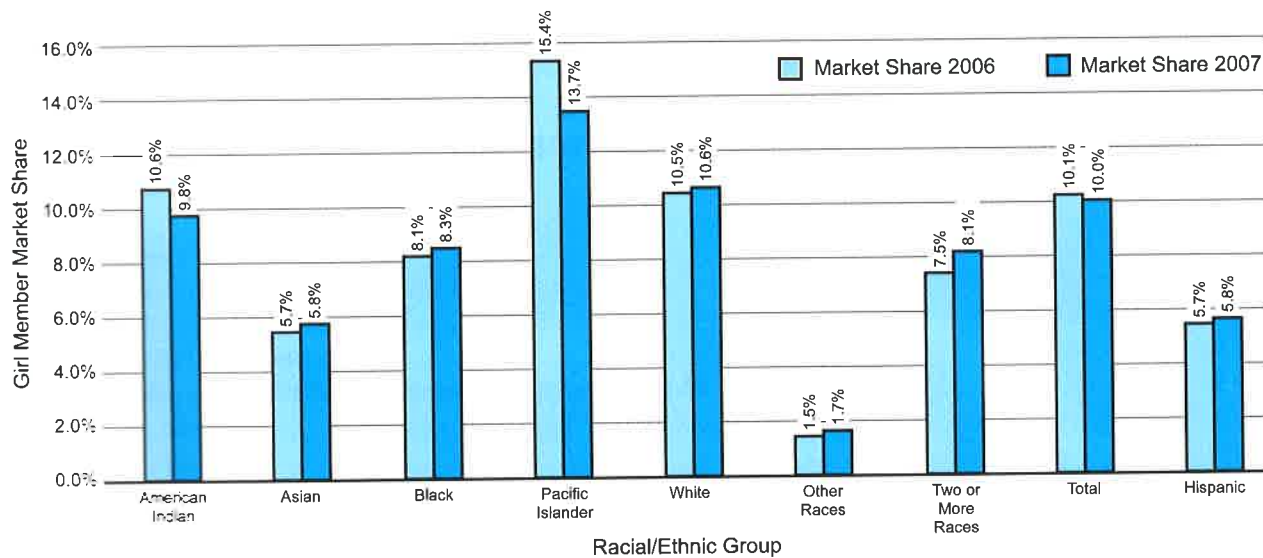
Not surprisingly, our market share as it relates to Hispanic girls has also increased, from 4.6 percent in 2000 to 5.8 percent in 2007. According to projections, Hispanic girls will account for more than 22 percent of the girl population by 2015. Thus, they represent the fastest-growing sector of the girl population, and increasing market share in this demographic will remain a key strategic imperative for Girl Scouting.

Figure 11. Hispanic Girl Member Market Share



In addition to a membership increase in Hispanic girls, we have experienced growth in Asian girls and those from two or more races. Since 2006, Asian girl membership has increased by 3.3 percent, and growth among girls who list two or more races has been 13.1 percent.

Figure 12. Girl Member Market Share 2006–2007 by Racial/Ethnic Group



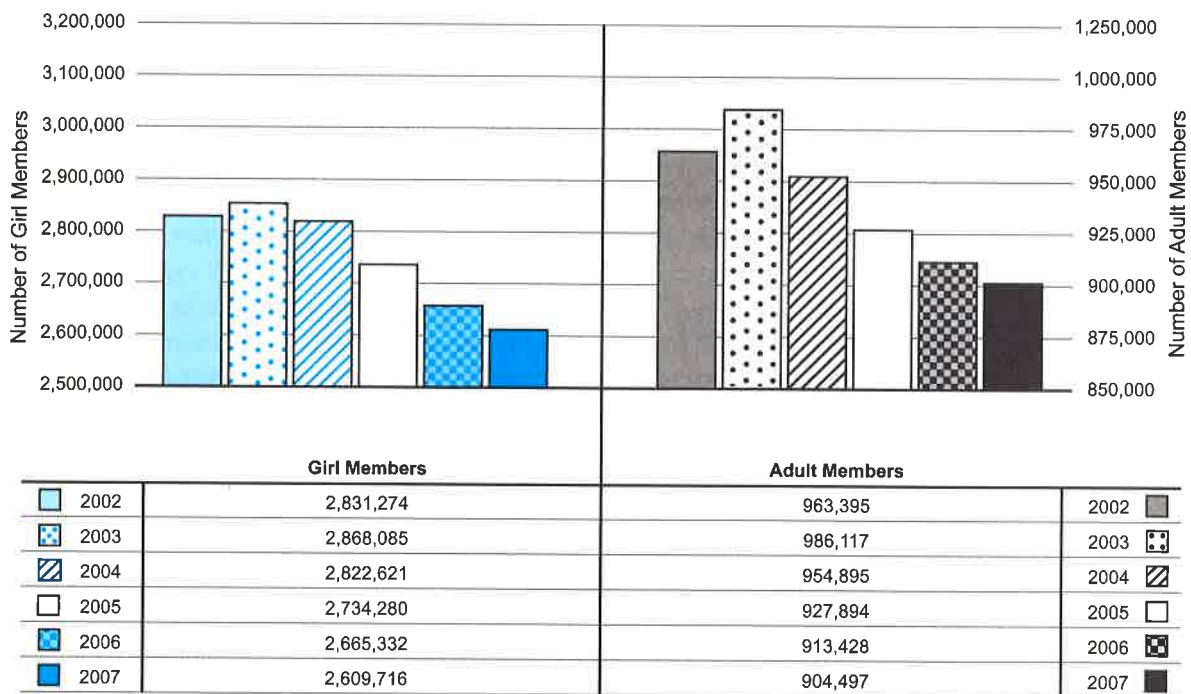
Membership Trends 2006–2008

Overall, girl membership has declined over the past three years. However, membership began to stabilize in 2006. The 1.8 percent decrease in girl and adult membership in 2007 was the smallest in four years. The decline in girl membership is primarily due to a decrease in troops, which began a decade ago. Overall, most national youth organizations are experiencing declines in membership.

When analyzing girl and adult membership trends over the past five years:

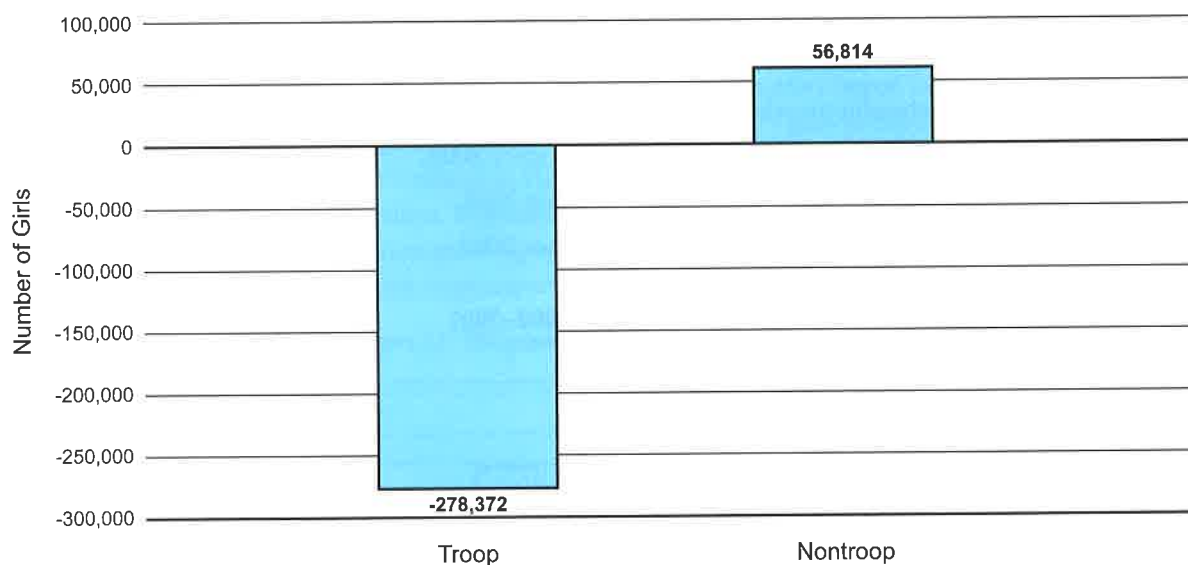
- Total membership in 2007 decreased by –280,456 (–7.4 percent) since 2002.
- Girl membership in 2007 decreased by –221,558 (–8 percent) since 2002.
- Adult membership in 2007 decreased by –58,898 (–6 percent) since 2002.

Figure 13. Membership 2002–2007



One strong trend that has continued throughout the triennium has been the marked increase in the number of girls participating in the Movement outside of traditional troop membership. An analysis in 2007 showed that even within a troop delivery system, there was a departure from the normal troop experience in terms of the duration of the troop, the frequency of troop meetings, and the girl-to-adult ratio within troops. Based on this and other data, we estimate that one-third of all girls are currently being served in a delivery system other than the traditional yearlong troop.

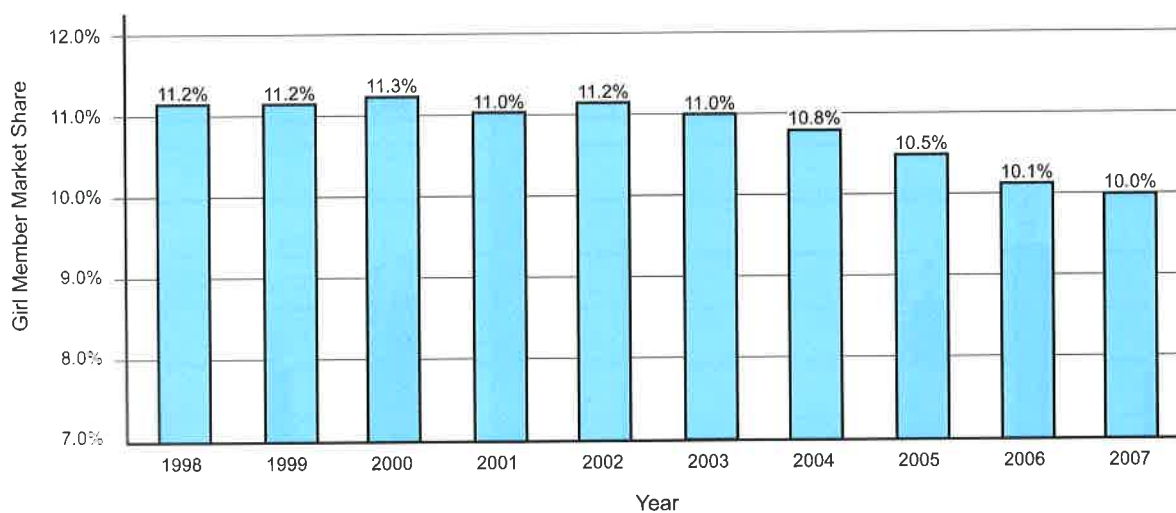
Figure 13. Girl Member Change by Delivery System



Girl Member Market Share

Since 1954, girl member market share has fluctuated within the range of 10 percent to 13 percent. Girl member market share decreased from 11.2 percent in 2002 to 10 percent in 2007. Our 10-year trend shows that a relatively stable market share was maintained during the late 1990s, with a decline beginning in 2001. Over the past three years, market share has decreased by .5 percent.

Figure 14. Girl Member Market Share 1998–2007



The largest percentages of girl members are concentrated in the early grade levels. Approximately 85 percent of all girl members are either Girl Scout Daisies, Brownies or Juniors. The same is true for market share. Although we average about 10 percent of all girls, about 20 percent of girls in the first through third grades are Girl Scouts. Market share decreases considerably for girls in third through sixth grade, averaging 14 percent. Providing girls flexible pathways to participate in Girl Scouting will be an important element in increasing membership among older girls.

In 2007, the single largest decrease in any grade level (more than 12,000 girls) was among those in kindergarten, a decline we believe was due to the discontinuation of our pilot prekindergarten program.

Girl Member Retention

Girl membership retention has remained stable since 2000. In 2002, for example, our Movement retained 58.9 percent of our girls from one year to the next. In 2006, the retention rate was 58 percent. Interestingly, we have good retention rates for the lower grade girls as well as high school girls. However, some of the lowest retention rates are in the middle school grades.

Over the past three years, we experienced an increase in the number of girl members registered without adult volunteers. Instead, these girls are served by paid staff members, who are often funded through a council grant. In 2005, there were 465,922 girls who participated in such programs. In 2007, that figure had increased to 502,441. Most of these programs are short-term in nature.

Adult Membership

Given the organizational priority that adult membership remains, one of the most positive developments over the past three years has been the increase in the number of adult members from racial and ethnic groups. Since 2005, we have experienced growth in American Indian, Asian, Hispanic and black adult membership. In fact, Hispanic adult membership went from 27,411 in 2005 to 50,091 in 2007, a 57 percent increase. There remains, however, even more opportunity for growth in adult membership among underrepresented racial and ethnic groups.. Hispanic girls, for instance, were 11 percent of the total girl membership in 2007, but Hispanic adult volunteers accounted for only six percent of the total adult membership.

Figure 15. Adult Membership 2005–2007

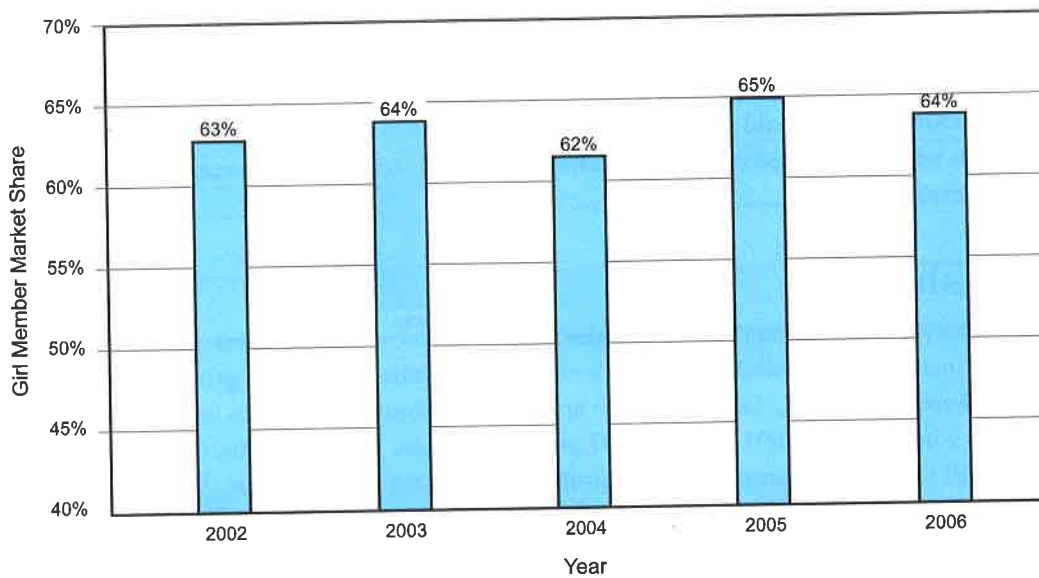
Adult Member	2005	2006	2007	2007%
American Indian	7,287	8,553	13,865	1.5%
Asian	14,067	16,118	17,649	2.0%
Black	42,506	44,660	44,576	4.9%
Pacific Islander	2,532	2,640	2,191	0.3%
White	681,335	710,037	725,365	80.2%
Other Races	11,271	4,504	12,767	1.4%
Two or More Races	3,665	10,918	5,388	0.6%
Race Not Reported	165,231	115,998	82,696	9.1%
Hispanic	27,411	27,104	50,091	5.5%
Total	927,894	913,428	904,497	100.0%

Ninety-nine percent of our Movement's adult members are volunteers. They serve in various positions within the organization, including:

- Troop leaders/adviser (19%)
- Assistant troop leader/adviser (19%)
- Troop committee member (31%)

Overall, the adult retention rate has remained consistent over the past five years. Even though the number of troop leaders has decreased since 2000 (there were 178,758 in 2007, down from 216,568 in 2000), we have increased the overall retention rate among this group from 71 percent in 2000 to 73 percent in 2006.

Figure 16. Adult Member Retention Rate 2002–2006



Adult membership has been more or less stable since 2005. From 2005 to 2006, membership declined by 3 percent, from 927,894 to 904,497. And from 2006 to 2007, the percentage decrease was only 1 percent. It is worth noting that throughout these years, the ratio of one adult to every three girls was maintained.

FINANCIAL MATTERS

Overview

In this triennium, the annual operating budget focused resources on initiatives and activities designed to move the organization toward attainment of our Core Business Strategy priorities. This section summarizes the financial activity of the national organization during fiscal years 2006 and 2007. Financial results for 2008 are not available until after the close of the fiscal year on September 30; however, interim data have been included, where appropriate.

Over the years, GSUSA has had excellent financial success and has built a solid financial position. In the years 2005–2007 the organization experienced both financial success and financial challenges. GSUSA's operating revenue (all funds) grew slightly (3.4 percent), while total expense declined by 0.8 percent in the two-year period since 2005. Fiscal prudence was much in evidence as the organization sought to launch strategic initiatives and maximize results while containing expense in the face of a decline in Girl Scout membership.

Figure 17. Consolidated Revenues, Expenses, and Net Assets (All Funds)

(In \$ 000)			
<i>For the year ended September 30</i>			
	<i>2007</i>	<i>2006</i>	<i>2005</i>
Operating revenue:			
Membership dues	\$ 34,422	\$ 35,046	\$ 35,590
Girl Scout Merchandise (net)	15,494	13,497	13,141
Investment income allocation	7,560	6,374	9,307
Gifts, grants, and bequests	8,434	9,345	6,554
Other	5,149	6,045	4,106
Total operating revenue	71,059	70,307	68,698
Operating expense:			
Program services	60,333	59,591	59,996
Fundraising	1,231	1,655	1,356
Management and general	5,710	6,479	6,460
Total operating expense	67,274	67,725	67,812
Excess of operating revenue over operating expense	3,785	2,582	886
Non-operating revenue:			
Endowment contributions	812	728	988
Change in value of deferred gifts	222	58	58
Investment income in excess of income Allocation	13,397	3,557	7,158
Total non-operating revenue	14,431	4,343	8,204
Change in net assets related to accounting for postretirement benefit costs and liabilities	5,263	5,336	(5,336)
Change in net assets	23,479	12,261	3,754
Net assets, beginning of year	180,960	168,699	164,945
Net assets, end of year	\$ 204,439	\$ 180,960	\$ 168,699

Net Assets

Net assets grew by \$35.7 million from \$168.7 million at the end of fiscal year 2005 to \$204.4 million at the end of 2007. Much of the increase (\$17.0 million) was driven by strong investment markets and solid performance by the GSUSA Investment Portfolio. Investment returns are the primary contributor to growth reflected in the amounts shown below for Capital, Board-Designated, and Temporarily Restricted fund balances. In addition, board-designated funds increased as a result of allocations made by the National Board from earned operating surpluses. See Use of Fiscal 2006 and 2007 Operating Surpluses below. Net assets also benefited by \$10.6 million from the adoption of required changes in accounting for pension costs and a change in additional minimum pension liability.

Figure 18. Net Assets

(\$ 000)	9/30/07	9/30/06	9/30/05
Unrestricted			
Capital Fund	\$ 70,452	\$ 63,437	\$ 61,544
Board-Designated Funds	56,634	43,372	45,201
Properties Fund	33,768	35,161	35,175
Total Unrestricted	<u>160,854</u>	<u>146,970</u>	<u>141,920</u>
Temporarily Restricted	22,418	19,050	17,914
Permanently Restricted	15,904	14,940	14,201
Net Assets Related to Pension Accounting	<u>5,263</u>	<u>—</u>	<u>(5,336)</u>
TOTAL NET ASSETS	<u>\$ 204,434</u>	<u>\$ 180,959</u>	<u>\$ 168,699</u>

GSUSA Investment Portfolio

With a market value of \$144.3 million at September 30, 2007, GSUSA's investment portfolio is the largest asset recorded on the organization's financial statements. Investments are overseen by the Investment Subcommittee of the Finance Committee, and the portfolio comprises investments made on behalf of GSUSA's operating reserve, general funds, and endowment funds. The return for the two-year period ending September 30, 2007, was 15.5 percent, equal to the portfolio's established benchmark. Following five years of positive investment returns, the capital markets have recently experienced losses. For the first nine months of fiscal 2008 (October 1, 2007–June 30, 2008), GSUSA's investment portfolio suffered a net loss of 7.5 percent. As a result of this loss plus payout of investment income at our 5 percent spending rate, portfolio investments at June 30, 2008, had a market value of \$128.8 million, \$15.5 million less than at the beginning of fiscal 2008.

Distribution of assets among various asset classes was reviewed during the triennium and new private equity, hedge fund, and real estate managers were hired to provide additional portfolio diversification. In fiscal 2006, GSUSA revised its spending rate policy to make an annual allocation (payout) of investment income equal to 5 percent (previously 6 percent) of the four-year average market value of the GSUSA Investment Portfolio, which is used for designated endowment and general purposes.

Capital Fund

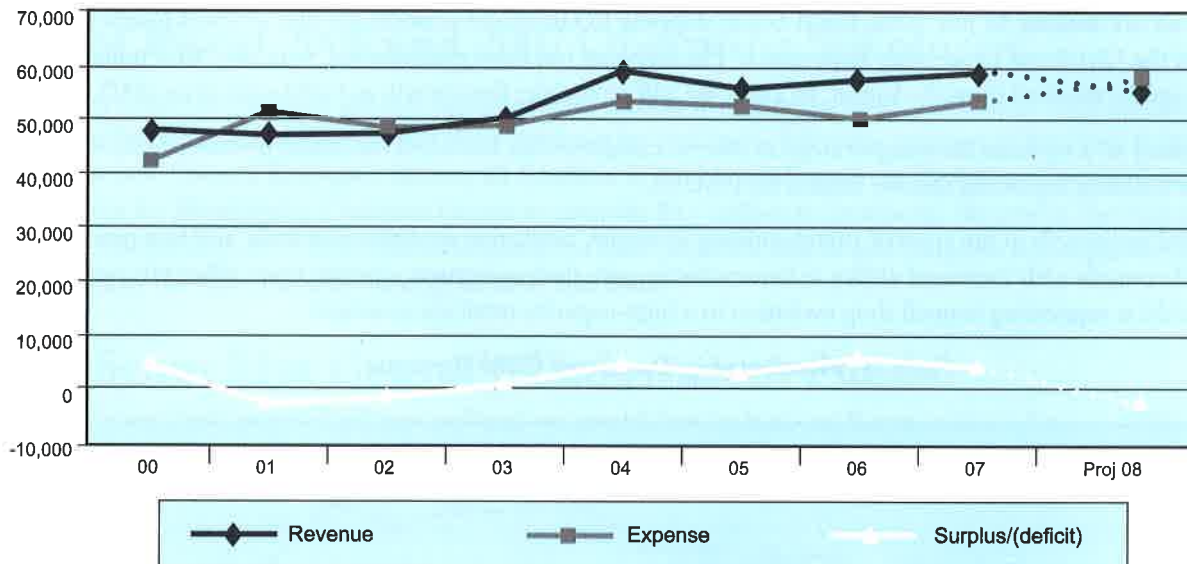
The Capital Fund serves as GSUSA's operating reserve and provides an ongoing source of general operating income. The National Board has set a goal to maintain the Capital Fund equal to one year's cost of operations. The balance in the Capital Fund is impacted by investment earnings. At the start the triennium, the Capital Fund had a balance of \$61.5 million. It grew to \$70.5 million at September 30, 2007, but as of June 30, 2008, it has dipped to \$61.9 million and now stands about equal to one year's cost of operations.

General Operating Fund Revenue and Expense

The General Operating Fund forms the basis for the annual operating budget. It records recurring unrestricted revenue and expense over which the National Board has discretionary control. Included is unrestricted income generated by the following sources: annual membership dues paid by each registered girl and adult member, net income earned on Girl Scout Merchandise (GSM) operations, investment income allocated from the Capital Fund, short-term interest income, and unrestricted contributions.

Membership dues were increased to \$10 in 2004, and surpluses have been earned in each year through 2007. However, operating deficits are expected to occur starting in fiscal 2008. Indeed, the National Board has anticipated deficits and has designated a portion of the surplus earned in 2006 and 2007 to plan for and fund deficits foreseen for 2008 and 2009.

Figure 19. Summary of General Fund Revenue and Expense



General Operating Fund Revenue

Membership dues annually provide the single largest source of revenue to GSUSA. As of September 30, 2007, registered membership was 3,514,216, a decrease of 4.0 percent, or 148,000 girls and adults during the two-year period since 2005. Please see the “Membership” section on pp. 30–34 for information regarding girl and adult membership trends. A solid membership base is key to the Movement’s financial stability. Multiyear strategies that comprise the Core Business Strategy are underway and are designed to create a stronger, more innovative Girl Scout Movement that is better positioned to meet the needs, interests, and challenges of girls today.

Girl Scout Merchandise net profit has rebounded nearly 18 percent in the two-year period since 2005. Although merchandise sales continued to decline (6 percent overall in 2005 and 2006), margins have improved due to better sourcing of product and efficiencies achieved in sales, distribution, and administrative expense.

Over the triennium, Girl Scout Merchandise has focused on two main strategic objectives:

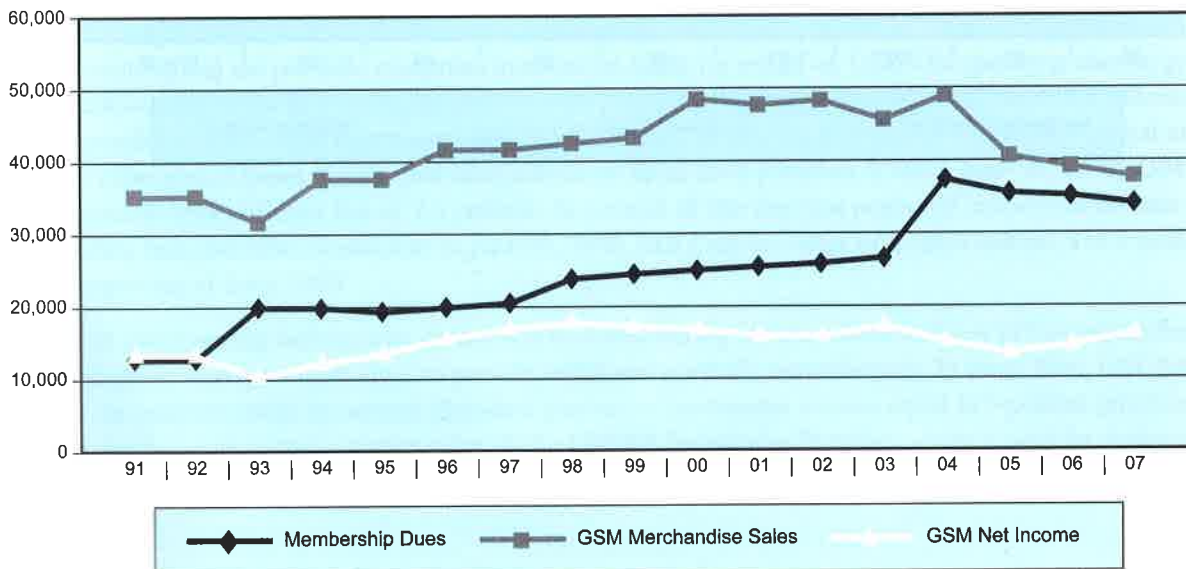
- Enhance the Girl Scout brand, grow GSM income, and impact membership through the development and distribution of contemporary branded products and the execution of a national licensing strategy.
- Partner with councils on the development of council shop sales, and offer support in managing realignment challenges.

This strategy is yielding increased merchandise sales and net income. The successful development of Girl Scout branded product, most prominently in the category of contemporary casual uniforms and sportswear for girls, has offset declining interest in traditional Girl Scout uniforms. Importantly, this new product supports the contemporary brand image we are seeking. In July 2008, GSM began shipping to Girl Scout councils the first series of journeys and awards in the Girl Scout Leadership Experience. The response has been phenomenal, with over \$4.0 million in merchandise orders received through August. In 2008, we will record the first growth in GSM sales since 2003.

The development of a national licensing strategy in diverse categories has furthered the brand presence in new venues, and is building a growing income stream for GSUSA.

Support offered to councils in the areas of merchandising strategies, marketing strategies and tools, and best practices have provided councils with increased ability to communicate with their customers, operate more efficiently, and grow sales. GSM is supporting council shop evolution to a high-capacity retail environment.

Figure 20. Membership Dues and GSM Revenue



General Operating Fund Expense

With the defining of our comprehensive strategy and the creation of an implementation road map, GSUSA has focused resources on initiatives and services designed to enable Girl Scouting to grow stronger. As part of the Core Business Strategy, GSUSA developed a new design for the national staff structure in 2005 to align with the strategic direction of the organization. A voluntary resignation program, implemented in that year, was followed by an involuntary restructure to achieve a new staffing configuration. In 2008, the national staff count stands at 432, as compared to 495 prior to the national staff restructure. The 63-position reduction implemented in 2005 has been maintained throughout the triennium. Management units have been reshaped and the total budget has been aligned in support of the strategic priorities. General Fund expense declined in 2005 and 2006 as a result of the restructure.

The organization's General Fund expense increased in 2007 as the rollout of strategic initiatives gained momentum. Ninety percent of total expenses were for program development (to launch New Girl Scout Leadership Experience resources and groundbreaking research studies); volunteerism (to develop the Single-Entry Volunteer Development System and offer intensive training and council leadership development); support to local councils (primarily to create an efficient and effective organizational structure and a comprehensive membership relationship management system); marketing and communications (to complete a brand assessment and strategy to transform the Girl Scout image); and international activities (to actively participate in the World Association of Girl Guides and Girl Scouts and provide support to American Girl Scouts living in countries around the globe). Supporting services, including management, general, and fundraising, accounted for 10 percent of 2007 expense.

Use of Fiscal 2006 and 2007 Operating Surpluses

GSUSA recorded an excess of general operating fund income over expense of \$5.9 million in 2006 and \$4.9 million in 2007. The National Board directed that these surpluses be used in the following manner: \$2.8 million to develop and deploy the new Council Enterprise System; \$1.6 million to fund needed repairs to the Juliette Gordon Low Birthplace; \$1.5 million for Membership Outreach Grants to councils; \$0.6 million to underwrite the cost of the National Council meeting. The balance, \$4.3 million, was designated to fund projected deficits and complete accomplishment of priorities established by the Core Business Strategy in 2008 and 2009.

Girl Scout 21st Century Endowment Fund

The Girl Scout 21st Century Endowment Fund was established by National Board action in January 1989. Income earned by the fund is to be used to develop, support, and extend the Girl Scout Movement. As of March 31, 2008, the fund's balance totals \$15.9 million, including National Board-designated amounts, donor-restricted contributions, and capital gains that were added to principal. Income from the 21st Century Endowment Fund earned in 2006 and 2007 totals nearly \$1.9 million and has been used to develop and deploy the new Council Enterprise System.