

# Annual Review

LOOKING FORWARD

## A MESSAGE TO OUR MEMBERS

We've *all* heard it before, we've felt it before and we live it every day: Cash is King!

It's the fuel that feeds the thirsty machine, and it can make or break an organization. Though we'll always share with you some great stories and information on how to keep your tank full, we also want to share how we're keeping EO running through this Annual Review.

As a member of EO, you have a vested interest in how this US\$8.5 million organization is run. Just as you keep the pulse of the finances in your own company, we want to provide you with access to the business of EO. It is, after all, your organization, so we want to function transparently to make sure you have the information you want and need. One example of this transparency is the Audited Financial Statement of the organization that is posted on EOnetwork. Another is the Annual Review.

The 2005/2006 Annual Review allows you to see where your dues go, what membership in EO looks like, whether members are satisfied and more. Though the books are always open to our members, this is your chance to take a comprehensive look at what is essentially the balance sheet of the Entrepreneurs' Organization and gather some great information for your own business along the way.

Financially, the EO tank is full, and we are excited about our opportunity to drive this year. As we go, we'll keep a close check on the three gauges we've set for success: entrepreneurs, value and global. By ensuring those are at the proper levels, we hope to deliver the type of experience you expect from this organization.

As always, we need to know what you think, so communicate with us directly or using [theloop@eonetnetwork.org](mailto:theloop@eonetnetwork.org). We might be driving, but in EO, you are the fuel.

Cheers!



Darton Case  
EO Chairman



Troy Hazard  
EO President

- **2006/2007 Strategic Goals:** We will focus on three integral concepts that drive the Entrepreneurs' Organization: Entrepreneurs — Our mission as an organization is to engage leading entrepreneurs to learn and grow; Value — We will invest in enhanced member leader training and improved communications to support the membership; and Global — We plan to expand and improve Global opportunities in leadership, benefits and events outside of the chapter.
- **Service Manual:** We have been working to develop a manual that outlines all of the policies and procedures of each internal EO department. This manual will streamline the innerworkings of the organization. The completed version will be presented to member leaders at the 2007 GLCs. Attendees will be trained on the materials, ensuring that members around the world receive a consistent membership experience.
- **Accelerator Program Launches:** The Accelerator Program, an Entrepreneurs' Organization program presented by Mercedes-Benz Financial, allows business owners whose companies earn between US\$250,000 and US\$1 million to connect to the world's most influential community of entrepreneurs. If you are interested in this program, contact Erik MacKinnon at [emackinnon@eonetnetwork.org](mailto:emackinnon@eonetnetwork.org) or +1.250.391.6035.
- **Advances to EOnetwork:** We continue to improve the aesthetics and functionality of EOnetwork. Newly launched, are the EO Store and EO Groups. The EO Store ([www.eostore.org](http://www.eostore.org)) features special EO-branded merchandise that can be used by chapters and individual members. EO Groups provides an online community that allows members from around the world with similar interests to connect, discuss and relate. For more information on these and other EOnetwork advances, contact [tech@eonetnetwork.org](mailto:tech@eonetnetwork.org).
- **20th Anniversary Planning:** A committee has been formed and plans are underway for the celebration of the 20th Anniversary of the Entrepreneurs' Organization in fiscal 2007/2008. Special events will occur throughout the year, culminating in a huge celebration in Las Vegas that will include EO E-lumni. For more information, contact Courtney Shafer at [cshafer@eonetnetwork.org](mailto:cshafer@eonetnetwork.org) or +1.703.519.6700.

# FISCAL 2005/2006 YEAR IN REVIEW



## July 2005 – Implemented EO Brand

After months of discussion and extensive member input, the Young Entrepreneurs' Organization (YEO) and World Entrepreneurs' Organization (WEO) re-branded to the Entrepreneurs' Organization (EO). The implementation of this brand began at the beginning of the 2005/2006 fiscal year.

## August 2005 – The EO Montreal University

The first official EO University, Montreal University, was a success, with members from more than 20 countries present. Attendees were treated to dinner in the homes of local members and witnessed a private showing of *Cirque du Soleil* called *Cirque a la Montreal*.



## September 2005 – Area Director Summit

In an effort to provide more support to its member leaders, EO held an Area Director Summit to help Area Directors from around the world better understand their roles and goals for the upcoming fiscal year and ensure they are all on the same page, regardless of location.



## October 2005 – Mark Lincoln Becomes Managing Director

With the departure of the CEO, Mark Lincoln, a 12-year member from St. Louis, accepted a request by the EO Global Board of Directors to lead the organization through the 2006/2007 fiscal year without any monetary compensation.



## December 2005 – Relationship With Mercedes-Benz Financial

EO formed a relationship with Mercedes-Benz Financial (MBF) for support of the Emerging Entrepreneur Programs. The EO Accelerator Program, which helps entrepreneurs break the US\$1 million annual revenue mark, is one such initiative this relationship helps to support.

Mercedes-Benz Financial

## January 2006 – Acquired Global Student Entrepreneur Awards

In an effort to reach out to emerging entrepreneurs who might one day become EO members, the organization acquired the Global Student Entrepreneur Awards from St. Louis University (GSEA), which recognize business owners from around the world who are also full-time university students.



## March 2006 – Launched Octane: The New EO Newsletter

In response to member interviews from the previous year, EO launched a revised quarterly newsletter, *Octane*. This publication is presented in a magazine format and offers first-hand stories from EO members and other experts that offer immediate take-away value to readers.



## April 2006 – The EO Marrakech University

The EO Marrakech University sold out less than a month from the official launch of the website. Members came to experience varied learning while embracing the culture of Morocco. Many came early or left late so they might fully appreciate the majesty of Morocco.



## May 2006 – Global Leadership Conferences (GLC)

For the second year in a row, EO held two Global Leadership Conferences, one in Washington, DC and the other in Auckland, New Zealand. These conferences prepared incoming member leaders for the task of leading a chapter.



## ACKNOWLEDGMENTS

### Committee Chairs

**Ellie Byrd** — EO Atlanta  
*Direct Peer-to-Peer Committee Chair*

**Dave Galbenski** — EO Detroit  
*Chapter Development Committee Chair*

**Maria Fee** — EO Houston  
*WEO Committee Chair*

**Chris Kramer** — EO Orange County  
*Leadership Committee Chair*

**Mark Lincoln** — EO St. Louis  
*Standing Finance Committee Chair*

**Mick Mullins** — EO Brisbane  
**Scott Offerdahl** — EO Silicon Valley  
*Governance Committee Chairs*

**Erick Slabaugh** — EO Seattle  
*EO Filter Committee Chair*

**Matt Stewart** — EO Orange County  
*Connections to Experts Committee Chair*

**Dan Turner** — EO DC  
*Once-in-a-Lifetime Experiences  
Committee Chair*

**Outgoing Board Members**  
**Mick Mullins** — EO Brisbane  
*YEO President*

**Scott Offerdahl** — EO Silicon Valley  
*Director At Large*

**Myles Sherman** — EO Houston  
*WEO President*

**Learning Awards**  
**Best Business Development Event**  
*"Growth Explosion"* — EO Las Vegas  
*Learning Chair* — Bill Houghton

**Best Personal Development Event**  
*"Heart-to-Heart"* with Dr. Tun Mahathir  
— EO Malaysia  
*Learning Chairs* — Ai-Ling Wong and  
Cheok Gheen Law

**Best Collaborative Event between  
Chapters and/or "O" Organizations**  
*Toyota Motor Factory Visit* (with EO  
Thailand) — EO Kolkata  
*Learning Chair* — Mohan Goenka

**Best Overall Learning Calendar**  
EO Malaysia  
*Learning Chairs* — Ai-Ling Wong and  
Cheok Gheen Law

**Membership Awards**  
**Bill Trimble Award (Most New  
Members)**  
EO Los Angeles — 48 New Members

**Highest Percentage Growth Award**  
EO Germany — 51%

**Century Award (100 Member Mark)**  
EO Calgary, EO Colorado, EO Montreal,  
EO New Delhi, EO Philippines

**Chapter Fifty (50 Member Mark)**  
EO Brisbane, EO Germany, EO Perth,  
EO Thailand

**ORGANIZATIONAL SNAPSHOT**

(As of 30 June 2006)



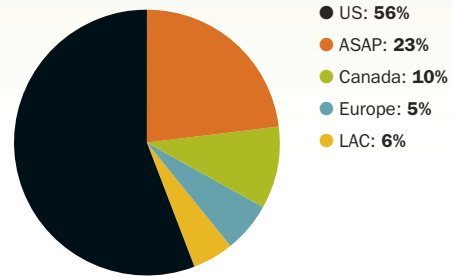
**EO BREAKDOWN BY REGION**

REGION	TOTAL
Asia Pacific	<b>1,495</b>
At Large	<b>37</b>
Europe	<b>306</b>
Latin America	<b>390</b>
North America	<b>4,178</b>
	<b>6,406</b>

**New chapter locations:** Lisbon, Casablanca, Dublin, Dominican Republic

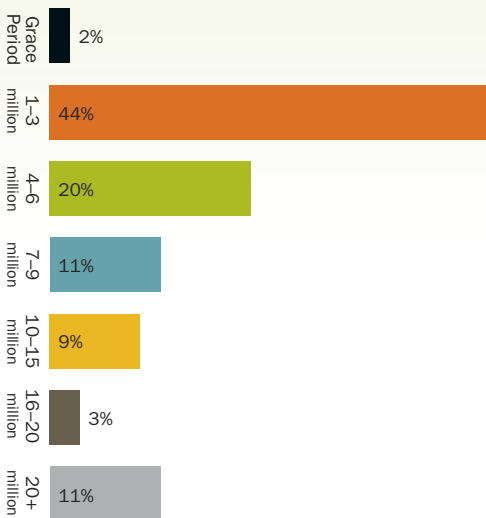
**MEMBERSHIP COMPOSITION BY REGION**

This chart represents the number of EO members found in the various regions of the organization as a percentage of the total membership. Response percentages largely reflect the organization's composition by region.



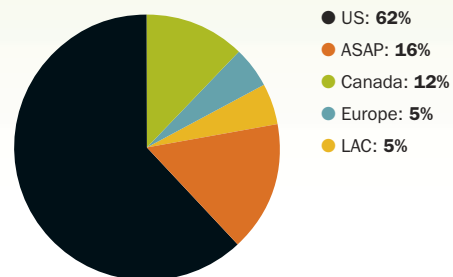
**HOW LARGE IS YOUR CURRENT PRIMARY BUSINESS?**

(Listed in US\$ millions)



**MEMBER SURVEY RESPONSE BY REGION**

The 2005/2006 member survey was sent to all members in April 2006. Responses were collected through 30 June 2006, the end of the fiscal year.

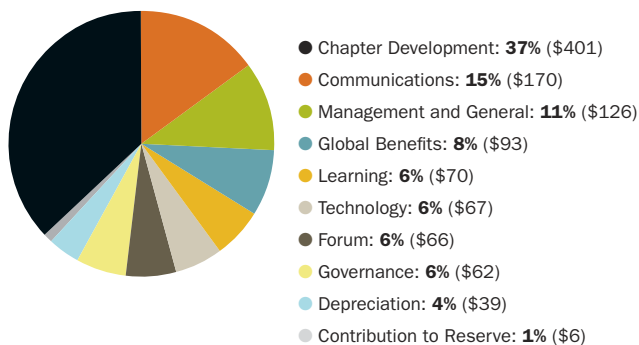


**EO MEMBER SURVEY HIGHLIGHTS:**

- » Our members are invested in their own experience. We received 1,052 responses to the member survey, representing 16.4% of the membership.
- » The Entrepreneurs' Organization delivers an incredible direct peer-to-peer experience. 94% of our members would recommend EO to a peer, while member satisfac-

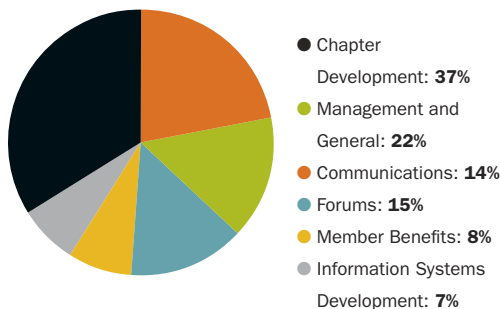
## ALLOCATION OF MEMBERS' US\$1,100 GLOBAL ANNUAL DUES

**83% of Your Dues Go Directly to Chapter Support and Communications:** A detailed breakout of EO's dues allocation appears below. The percentages include overhead (staffing, supplies, etc.) in each area. EO's detailed audit information can be found on EONetwork under "About EO."



## EXPENSES

Like any business, EO has expenses associated with delivering consistent value to its members on a global level. Below you can see the expenses of various aspects of the organization by percent.

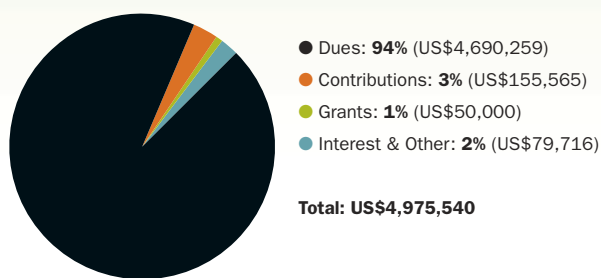


Key Expenses for 2005/2006:

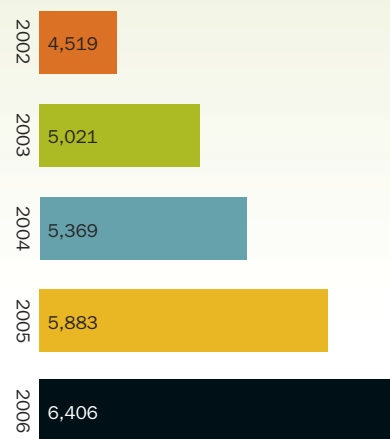
- » New Octane Newsletter
- » Chapter Website Templates
- » EONetwork advancements

## FYE 2005 ORGANIZATIONAL NET REVENUE

Though EO receives support from several other sources, the majority of the organization's revenue comes directly from member dues. This revenue is then filtered directly to support the EO membership experience.



## MEMBERSHIP GROWTH



tion with the quality of fellow chapter members was second only to satisfaction with Forum.

- » Members recognize that we provide compelling value. 90% of our members rate the overall value they receive from being a member of the Entrepreneurs' Organization as a 6 or higher on a 10-point scale.

- » Members are happiest with their Forum experience, Birthing of Giants/Advanced Business Program and EO Universities. The membership rated these benefits 8.1, 7.6 and 7.5, respectively, on a 10-point scale.

- » Our regions are satisfied with their chapter leadership and direction, rating their average satisfaction in this area a 7.1 on a 10-point scale.