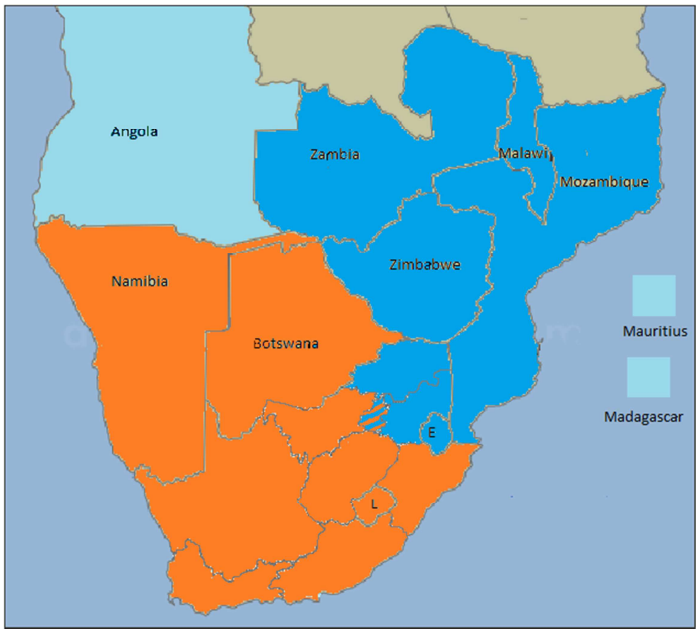
District 74

Reformation Proposal
July 2021

EXECUTIVE SUMMARY

District 74 has proposed to reform the District into two Districts (herein referred to as District A and District B).Technically, as District B includes Johannesburg Toastmasters – the oldest club in District 74 – it will remain District 74, while District A will receive a new number based on the next available as per Protocol 7.

The proposed Districts are indicated below with District A encompassing Angola, eSwatini, Madagascar, Malawi, Mauritius, Mozambique, Zambia, Zimbabwe as well as the South African provinces of Limpopo and Mpumalanga and the north east portion of Gauteng province in South Africa. District B is proposed to include Botswana, Lesotho and Namibia with the South African provinces of the Eastern Cape, Free State, KwaZulu Natal, North West, Northern Cape, Western Cape and the south west portion of Gauteng province.



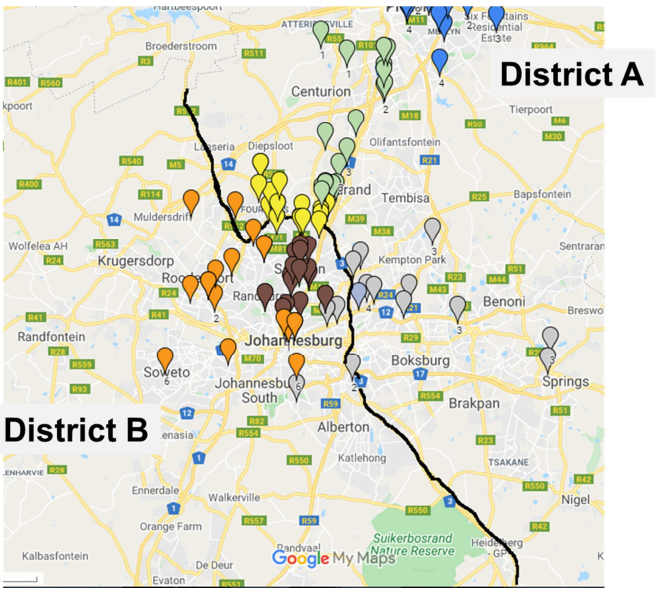
District A

District A (new to D74 1 July 2021)

District B

Gauteng clubs are allocated to the new Districts based on a geographic boundary created by the N3-N1 ring-road around Johannesburg.The proposed boundary runs from the Mpumalanga border with Gauteng along the N3 north to the Buccleuch interchange, then the N1 south to Malibongwe Drive, then north along Malibongwe Drive to the North West border with Gauteng.

This “apportionment” of Gauteng is required because of the large number of clubs in Gauteng (almost half the District) whereas it would not be appropriate to form a District in Gauteng alone due to the disparity in travel costs relative to the rest of District.



BACKGROUND

District 74 (before July 1 2021) consisted of nine countries: Botswana, eSwatini, Lesotho, Malawi, Mozambique, Namibia, South Africa, Zambia and Zimbabwe. Historically South Africa has been dominant in District 74, in particular the province of Gauteng, but growth outside South Africa has been a key element in the success in District 74 in the past ten to twelve years.

In Table 1 the population of each country is provided as well as the economic data (based on World Bank calculations for economic output adjusted for purchasing power parity). This is shown against the membership and club numbers in each country as at 30 June 2020 – the last official values used in the analysis for the reformation project.

Table 1 – Statistical data for countries in District 74

Country	Provinces	Population (2020)	Popul-ation (%)	GNP (PPP $, 2019, million)	GDP (%)	Clubs June 2020	Members June 2020	Membership June 2020 (%)
Botswana		2 309 697	1.6	39 492.6	4.0	8	200	4.8
eSwatini		1 148 130	0.8	9 290.0	0.9	1	21	0.5
Lesotho		2 125 268	1.4	7 086.5	0.7	1	28	0.7
Malawi		18 628 747	12.6	20 126.6	2.0	5	119	2.8
Mozambique		30 366 036	20.5	39 846.2	4.0	4	128	3.0
Namibia		2 494 530	1.7	24 397.8	2.5	6	108	2.6
South Africa		58 558 270	39.5	741 738.2	75.2	168	3139	74.6
	Gauteng	15 488 137	10.5	256 270.0	26.0	106	2100	49.9
	KwaZulu Natal	11 531 628	7.8	117 708.0	11.9	15	240	5.7
	Western Cape	7 005 741	4.7	101 353.4	10.3	32	547	13.0
	Eastern Cape	6 734 001	4.5	56 300.4	5.7	6	110	2.6
	Limpopo	5 852 593	4.0	53 000.3	5.4	1	9	0.2
	Mpumalanga	4 679 786	3.2	55 046.9	5.6	4	81	1.9
	North West	4 108 816	2.8	47 566.9	4.8	3	40	1.0
	Free State	2 928 903	2.0	37 043.9	3.8	1	12	0.3
	Northern Cape	1 292 786	0.9	15 454.1	1.6	-	-	-
Zambia		17 861 030	12.1	63 616.4	6.5	7	129	3.1
Zimbabwe		14 645 468	9.9	40 125.2	4.1	17	336	8.0
TOTAL		**148 137 176**		**985 719.6**		**217**	**4 208**	

The prevalence of the Gauteng province – economically and in Southern African Toastmasters – is clear from the data. Gauteng membership makes up half the total membership in District 74 as at June 2020. This is marginally lower than the case in June 2011 where membership in Gauteng was 57,3% of that in District 74. The growth in other regions since 2011 has exceeded that in Gauteng indicating the success in broadening the reach of Toastmasters in the past ten years which was the strategy adopted by the District leaders at the time. The aim of this strategy was to see District 74 at 250 clubs by 2016, sufficient to trigger a reformation of the District.

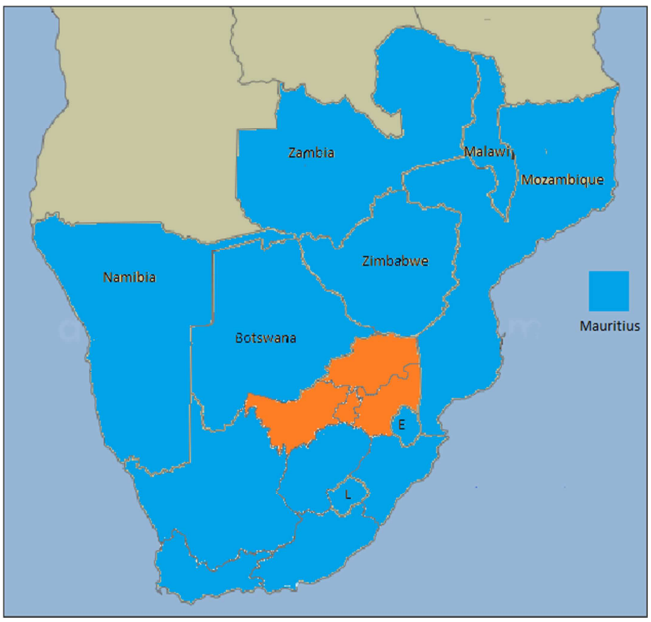
The District Council meeting in September 2019 passed a motion to recommend the reformation process to the Board of Directors. At the time the growth trajectory suggested District would meet the 250 club target within two years. Obviously the lockdowns imposed by governments in response to the coronavirus pandemic has impeded that growth, but it is possible that after the lifting of these lockdowns the growth would continue. The additions of clubs from Angola, Madagascar and Mauritius to District 74 from 1 July 2021

further strengthen the logic of reformation for Toastmasters Southern Africa.

OPTIONS FOR REFORMATION

The Reformation Committee, formed in June 2020, undertook extensive consultation with members of District 74, including virtual town-hall meetings to gather input and considerations from members before formulating a proposal. Arising from these inputs the Reformation Committee considered three broad proposals (as well as variations around these) for a potential reformation.

Figure 1 – Map of Southern Africa indicating Plan Alpha allocation



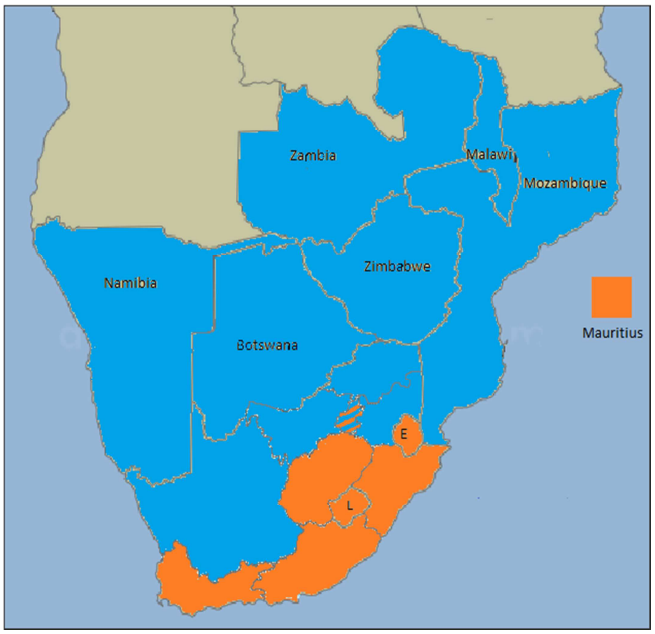
"Plan Alpha"

Given that Gauteng province is almost half the membership and clubs in District 74, one of the options would be to create a District in Gauteng, with the remainder of District 74 forming the second District.

One of the issues with this approach is the disparity in travel between a geographically concentrated Gauteng District and a geographically spread District encompassing the rest of Southern Africa.

A number of variations for this option were proposed including combining Mauritius and Gauteng, thus providing for travel from the furthest flung part of District with the concentrated Gauteng region.

Figure 2 – Map of Southern Africa indicating Plan Bravo allocation

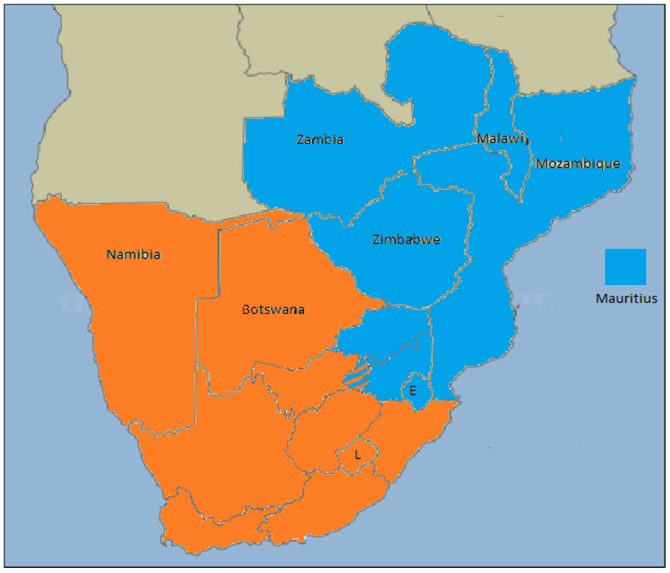


"Plan Bravo"

A proposal considered by the Reformation Committee involved a "north-south divide" with the southern provinces of South Africa (as well as eSwatini, Lesotho, and Mauritius) forming one District and the remaining forming the other.

Gauteng province would have to be included in both Districts. With the exception of Plan Alpha above (and its variations), all the plans require that Gauteng, having half the clubs in District, would have to be apportioned to both Districts.

Figure 3 – Map of Southern Africa indicating Plan Charlie allocation



"Plan Charlie"

A third option was to create a north-east District and a south-west District – with District A (the north-east) including eSwatini, Malawi, Mauritius, Mozambique, Zambia, Zimbabwe and the South African provinces of Limpopo and Mpumalanga (and a portion of Gauteng). The south-west (District B) would include Botswana, Lesotho, Namibia and the South African provinces of Eastern Cape, Free State, KwaZulu Natal, North-West, Northern Cape and Western Cape, as well as the remaining portion of Gauteng.

In order to arrive at a single proposal the Reformation Committee undertook a multi-criteria decision making process considering each of the three proposals above, as well as the variations. The criteria that were considered were:

- Growth potential, where the strong preference was for a proposal that ensures both Districts can grow similarly. The metric here used the average growth rates in each country and province over the past 9 years and projected that three years into the future;
- Leadership base, which considered the number of past District leaders in each country and province that were still active at the time of the analysis. The premise of this metric was that areas that had in the recent past produced District leaders could continue to do so, and that the active past leaders also provided mentors to new leaders from these areas;
- Financial viability, assessing the net effect of geographic impact on the District, in particular the net revenue from membership after deducting travel costs in the proposed Districts.

In all three criteria the metric reflected the absolute difference between the outcomes in each proposed District.

Having applied a partial value function (described in Appendix A) to each of the metrics in each plan the average of the criteria score (with each criteria weighted equally) then indicated the preference score for each plan.

Table 2 – Scoring of alternative plans

	Differences in Finances	Differences in Leaders	Differences in Growth	Finances Score	Leaders Score	Growth Score	Average Score
Plan Alpha	47%	13%	4%	15.6	50.2	79.4	48.4
Plan Bravo	14%	5%	7%	65.1	80.6	64.0	69.9
Plan Charlie	2%	2%	7%	95.9	90.3	64.0	83.4

Plan Charlie, as the highest scoring option, was selected as the proposed reformation for District 74 and proposed to the District Council on 8 May 2021. This was approved at the Council.

PROPOSED REFORMATION

The original Plan Charlie included Mauritius in the analysis as it was expected at the time that Mauritius would be part of District 74 from July 2021. It was only after the assessment that the decision to include Angola and Madagascar in District 74 was announced. The additional four clubs (three in Angola, one in Madagascar) did not alter the decision. Thus the proposed reformation, including the new countries in District 74, is:

- District A (to be allocated a new number by the Board of Directors): Angola, eSwatini, Madagascar, Malawi, Mauritius, Mozambique, Zambia, Zimbabwe; the South African provinces of Limpopo and Mpumalanga and the north east portion of Gauteng
- District B (to be the new District 74): Botswana, Lesotho and Namibia; the South African provinces of the Eastern Cape, Free State, KwaZulu Natal, North West, Northern Cape, Western Cape and the south west portion of Gauteng.

The "partition" of Gauteng to balance the number of clubs between the new Districts was complicated by a search for a geographically consistent boundary which is independent of club numbers. In the end the geographic boundary was chosen based on the "ring-road" of the N1-N3 around Johannesburg. Clubs to the north-east of this would form part of District A, and those south-west would be part of District B.

Figure 4 – Map of Gauteng with proposed District boundary

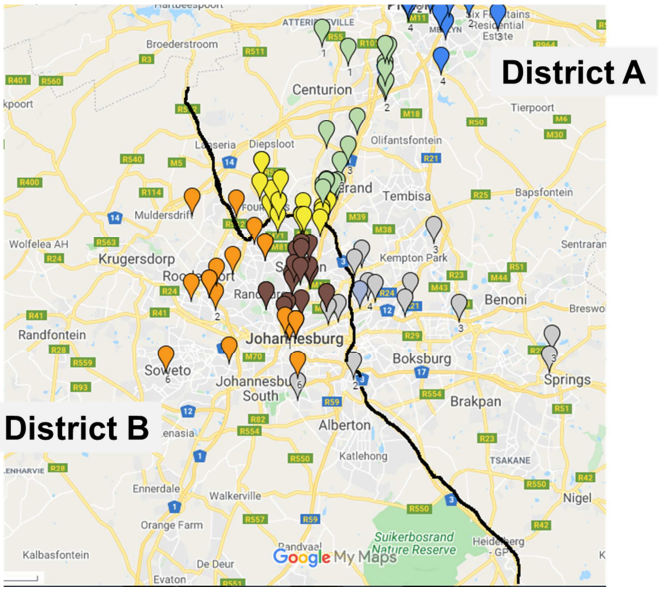
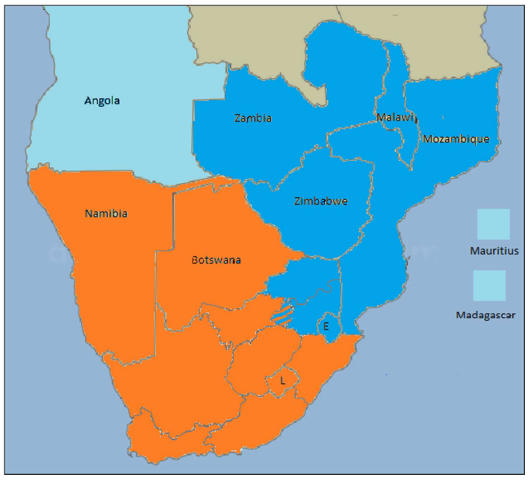


Figure 5 – Map of Southern Africa with proposed Districts



District A

District A (new to D74 1 July 2021)

District B

English is the official language, or one of the official languages, in nine of the countries in District 74 (Botswana, eSwatini, Lesotho, Malawi, Mauritius, Namibia, South Africa, Zambia and Zimbabwe), whereas Angola and Mozambique both have Portuguese as the official language. French is one of the official languages in Mauritius and Madagascar. Thus Angola and Mozambique are both allocated to District A along with Mauritius and Madagascar.

GROWTH PROSPECTS

The analysis of growth trends over the past nine years – captured in the figures below – indicate the strong growth in a number of areas, particularly Zimbabwe and Botswana. In the past three years this growth has been replicated in many more countries. These successes have arisen due to specific interventions by District leaders and establishing a core of leaders in each country that have taken the reins and continued, and often accelerated, this growth.

Figure 6 – Growth in clubs in countries in District 74

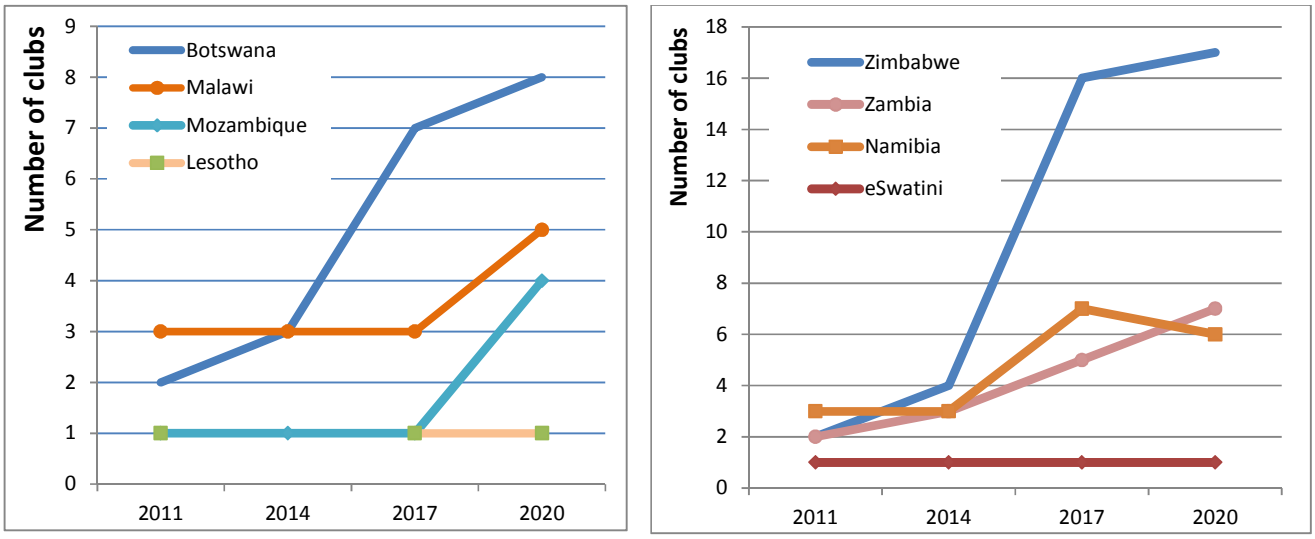
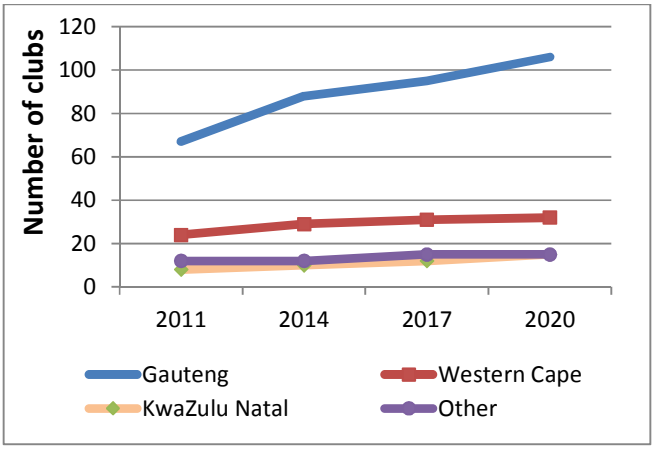


Figure 7 – Growth in clubs in provinces of South Africa



The impact of the coronavirus has been felt in Southern Africa. It is difficult to assess how the future will unfold with regard growth in the region, but on the assumption that the growth rates of the recent past can be sustained, it bodes well for opportunities in the new Districts.

Table 3 – Club growth in new Districts

Country	Provinces	District A			District B		
		Clubs June 2020	Clubs June 2021 (latest report)	Clubs June 2023 (projected)	Clubs June 2020	Clubs June 2021 (latest report)	Clubs June 2023 (projected)
Angola		3	2	4			
Botswana					8	7	12
eSwatini		1	1	1			
Lesotho					1	1	1
Madagascar		1	1	1			

Country	Provinces	District A			District B		
		Clubs June 2020	Clubs June 2021 (latest report)	Clubs June 2023 (projected)	Clubs June 2020	Clubs June 2021 (latest report)	Clubs June 2023 (projected)
Malawi		5	5	6			
Mauritius		11	16	20			
Mozambique		4	5	6			
Namibia					6	7	7
South Africa		53	59	73	115	105	128
	Gauteng	48	53	63	58	55	63
	KwaZulu Natal				15	12	17
	Western Cape				32	26	35
	Eastern Cape				6	7	7
	Limpopo	1	3	4			
	Mpumalanga	4	3	6			
	North West				3	3	4
	Free State				1	1	1
	Northern Cape				-	1	1
Zambia		7	8	10			
Zimbabwe		17	22	31			
TOTAL		**102**	**119**	**152**	**130**	**120**	**148**

Given the long history of Toastmasters activity in Gauteng and the Western Cape it is not surprising that both provinces indicate a high number of clubs relative to their economic contribution to the region. If the same level of exposure and commitment is provided for other areas, it is not inconceivable that Toastmasters in Southern Africa could see 500 or more clubs over the next ten years (or less).

Figure 8 below indicates the relative economic strength of each country or province in Southern Africa. Assuming exactly 250 Toastmasters clubs in Southern Africa and distributed according to the economic output of the country or province, the graph shows how the clubs would be situated. Taking Gauteng for example, which is 25% of total Southern African economic output, would provide 64 clubs. Since it actually has 106 clubs (as at June 2020) this suggests that the same effort and continued growth could see the region grow to close to 500 clubs. As with previous analysis this excludes Angola, Mauritius and Madagascar which would only increase the opportunities for growth.

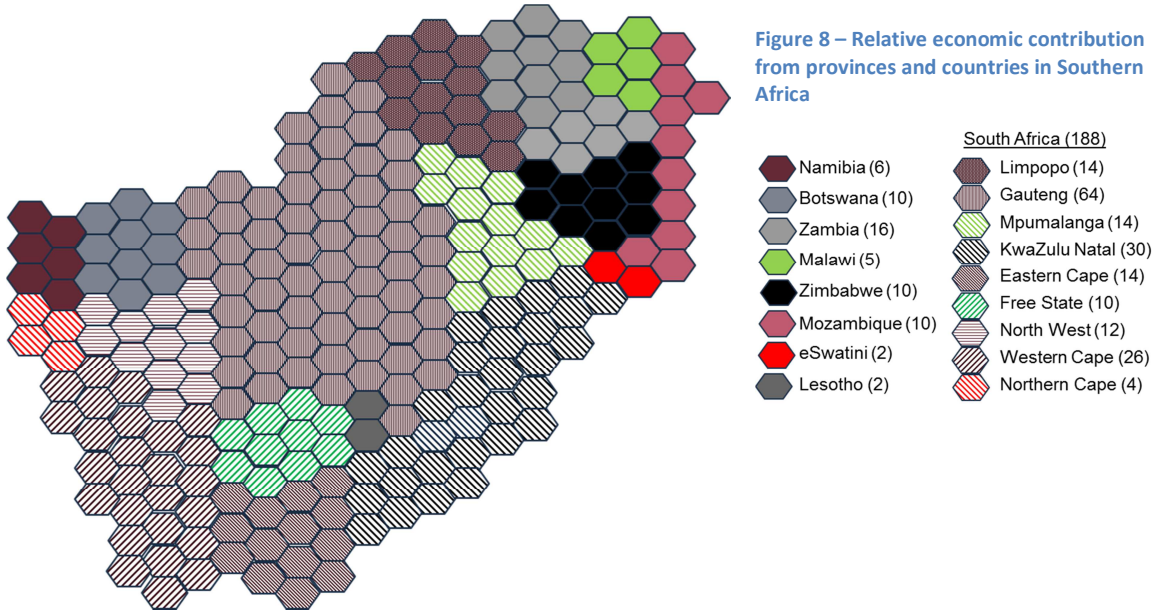


Figure 8 – Relative economic contribution from provinces and countries in Southern Africa

SUCCESSION PLAN AND LEADERSHIP OPPORTUNITIES

The two proposed District have a fairly equitable allocation of areas where District has attracted strong leaders. Apart from establishing a pool of future leaders it is important that the mentorship capabilities exist in both District.

Table 4 – Recent District leaders per region

Country	Provinces	District A Recent District leaders	District B Recent District leaders
Angola			
Botswana			5
eSwatini			
Lesotho			
Madagascar			
Malawi		7	
Mauritius			
Mozambique		2	
Namibia			6
South Africa		66	133
	Gauteng	60	69
	KwaZulu Natal		17
	Western Cape		37
	Eastern Cape		5
	Limpopo	5	
	Mpumalanga	1	
	North West		4
	Free State		1
	Northern Cape		-
Zambia		5	
Zimbabwe		22	
TOTAL		**102**	**144**

DISTRICT FINANCIAL VIABILITY

The two most significant determinants for the financial viability of a District – especially when considering the geographic spread resulting from the Reformation - are the membership revenue (which would be dependent on the relative strength of clubs in each of the Districts); and the travel expenses associated with the new District.

Table 5 – Estimated District budget for new Districts

Revenue and expenses (US$)	District A	District B
Membership Revenue	46 645	40 578
Expenses	31 551	23 236
Non-geographic expenses	21 391	18 609
Travel & Lodging Expense	10 160	4 627
Net Income	15 094	17 342

Notes:

1. The membership revenue is based on the June 2021 membership numbers, not taking into consideration any growth.
2. The non-geographic expenses are based on the 2020/21 provisional D74 outcome of approximately $40 000 and apportioned to the District in proportion to the revenue in each District.

3. The travel expenses were calculated based on the costs of flights from each of the countries and provinces to OR Tambo airport in Johannesburg (still the travel hub for Southern Africa and thus for both Districts). The assumption was based on the expected number of Area and Division Directors in each country and province based on the number of clubs (assuming four clubs per Area and 12 clubs per Division).

ANNEXURE A – MULTI CRITERIA DECISION MAKING

Making choices with multiple criteria

For the purposes of the District Reformation a decision needed to be made regarding the preferred structure of the two new Districts. This decision could be influenced by a number of criteria, some of which could be conflicting, but which would guide the ultimate decision. In this context the Reformation committee created a structure for weighing and valuating each of these criteria in order to determine the preferred structure.

This methodology is borrowed from TJ Stewart (Decision Science Services) which provides a mathematical construct for the assessment of possible reformation proposals in order to reach a consensus on the preferred proposal. The methodology uses a value model that transforms various metrics into a value associated with each proposal in order to determine preferences.

Utilising value models

Typically a value model operates in the form $V(a) = \sum_{i=1}^{m} w_i \, v_i(a)$ with an assumption of *preferential independence* (criteria independent of each other). The development of each partial value function $v_i(a)$that makes up the value model is critical. These must satisfy an interval, preferably a non-linear scale; while weights (w_i) must be related to a range of outcomes and not anchored to preconceived notions from past experience.

A series of steps outlined below are followed to develop the value model:

1. Determine the criteria:

The objectives for the Reformation proposal must be identified, in particular specifying on which criteria we would evaluate a "good" plan. Examples for criteria, as proposed in the town hall meetings would be:

1) The difference in District finance outcomes (%);
2) The difference in leadership pool (%);
3) The difference in growth prospects (%)

2. Constructing the partial value function:

Each criterion should have a "partial value function" that indicates how we transform the outcomes in each criterion into a value that can be associated in the value model. Thus a 4% differential in the leadership pool, for example, can be associated with a higher ranking, relative to a 15% differential.

- For this we require two reference points $z_i^0 \; and \; z_i^*$, such that $v_i(z_i^0)$ = 0 and $v_i(z_{i\,i}^*)$ = 100.
- Though there is a temptation to linearize the partial value function, the outcomes are sensitive to the shape of the partial value function and the models suggest a linear shape is not suitable for such functions.
- Simulation studies suggest piecewise linear approximation with four segments is sufficient for robust results

3. Assign important weighting to the criteria:

- Consider swing trade-offs between criteria
- Start by focussing on hypothetical worse-case in which $z_i = \; z_i^0 \; \forall i$
- Construct m hypothetical criteria in which performance in each criteria shifted from z_i^0 toz_i^*
- Select most preferred of these, say corresponding to criteria k that implies $w_k \geq w_i$for all $i \neq k$
- Fix $z_k = z_k^*$ and repeat the process for remaining criteria
- This eventually establishes an ordering of the weighting criteria

By applying the methodology above the Reformation committee constructed partial value functions for each criteria (growth potential, leadership base and financial viability). The weighting of the three criteria was also selected to be identical so no single criteria dominated over the others.