



EISENHOWER
FELLOWSHIPS

Business Plan for 2010 Meeting the Ongoing Challenge

2009 SUMMARY

Key Program Facts - 2009	
MNP Fellows	23
CIP Fellows	15
USA Fellows	8
TOTAL FELLOWS	46
ALUMNI NETWORK	
Alumni Associations	34
EF Day Events	21
Paris Conference	250 Participants

While unprecedented global uncertainty made 2009 a difficult period around the world, including for Eisenhower Fellowships, we ended the year in a strong position from both programmatic and financial points of view. We inducted strong, although somewhat smaller, cohorts of Fellows in the Multi Nation, Common Interest and USA programs. Alumni activity remained vibrant, with 34 alumni associations chartered or in the process of chartering, more substantive Eisenhower Day of Fellowship events, and a “formidable”

conference in Paris, organized (and largely financed) by Eisenhower Fellows from Western Europe.

Financially, the results were quite strong. The net draw on the endowment was 3.23%, well below the 4.5% target. We made important strides in cost containment, including staff reductions (three positions) and a temporary suspension of subsidized travel for spouses of Fellows for the fall program. We reduced staff by a net three. We reduced Fellow headcount from 53 (2008) to 46 (2009). Fundraising was modestly above the target and the multi-year funding base remained firm. The European Fellows’ tenacity in fundraising allowed us to save substantially on the payment guarantee we had in the budget as a contingent liability.

FINANCES - 2009	
Program Outlays	\$2,867,000 (79%)
Total Outlays	\$3,626,081
Contributions	\$2,374,346
Endowment Value	\$37,025,347
Draw on Endowment	3.23%

The endowment grew 19.3% over the course of the year, although it remains over 21% below its September 2007 peak.

SECTION 1: Performance on 2009 Priorities

1. Provide a cost-effective Fellowship experience that yields concrete outcomes in the short term and lifelong engagement with the worldwide EF network in the long term.

To contain costs, we trimmed the international program length by reducing time in Philadelphia for opening and closing seminar. Program travel was reduced to just over five weeks, vs. six weeks in the past. We designed the opening seminar to build an esprit de corps among the Fellows and to develop a common set of core questions that the Fellows ask during their individual appointments. We also initiated a new focus on leadership, which we will continue to build upon in 2010.

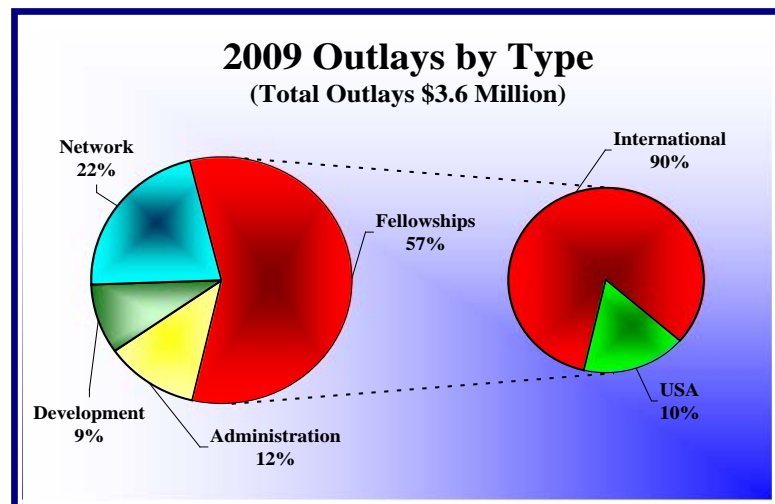
In both spring and fall, we focused Fellows on the need to generate “outcomes” that tangibly impact their work when they return home. At the end of each program, Fellows submit an Action Memo which describes their immediate plans. We extract the salient elements of these and post them on our website. In addition, we use our one-year and five-year post-Fellowship surveys to track Fellows’ outcomes.

We did not launch the fall Fueling Growth program in Philadelphia as usual, but instead used the Paris Conference on Energy Security and the Environment to expedite the orientation process for the Fellows and expose them directly to the power and vibrancy of the alumni network.

In the USA program, we established specific “terms of reference,” including term limits, to guide Steering Committees. We revised the selection process to force competition among hubs, a change which yielded more and better candidates for limited fellowship slots. We also made further progress in linking the new USA Fellows systematically to the new international Fellows to form a seamless network. USA Fellows play important facilitating and host roles for the international programs.

To improve the quality of the applicants, we revamped the guidelines and strengthened procedures for the overseas nominating committees. We now conduct headquarters phone interviews of nominees prior to final selection to verify records and connect them quickly to EF.

We focused considerable energy on our China programs. This includes new working arrangements with the Central Party School, Chinese Academy of Governance (former National School of Administration), and the China Entrepreneurs Club. Executive Committee Chairman Governor Christie Todd Whitman went to Beijing in December to reinforce the EF Board’s commitment to a deeper partnership. Education Vice Minister Hao Ping (EF ’99) indicated that his ministry and our government-designated partner, the China Education Association for International Exchange (CEAIE), will play a more



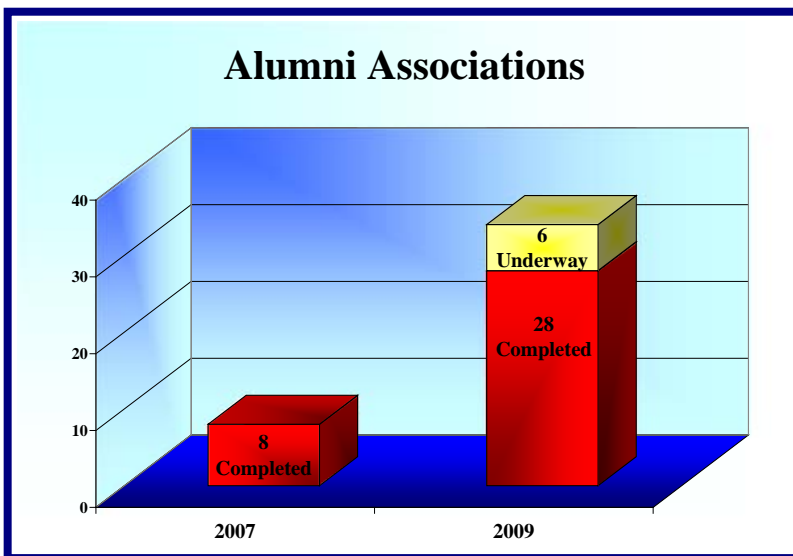
supportive role and opened the possibility of a significant, government financial contribution starting in 2011.

New Fellowships accounted for \$2.1 million in 2009 outlays, 57% of the operating budget. Ninety percent of this funded international Fellows, 10% funded USA Fellows. Spending on new Fellows was \$349 thousand lower than the approved budget. This reflected a number of propitious developments across the year and a concerted effort by staff to identify all possible cost-savings measures, while ensuring a high quality experience to Fellows. Air fares fell, airlines did not collect posted baggage charges, hotels discounted aggressively, and we switched Fellows from the government per diem reimbursement rate to actual costs for hotels. In the fall, we suspended reimbursement for spouse travel. On an annual basis, we achieved modest savings by eliminating three staff positions; although because EF self-insures for unemployment compensation, mandatory payments limited the impact in CY 2009.

2. *Strengthen the global framework of the alumni network to generate a sustainable and cost-effective menu of opportunities for alumni activities.*

Fellows held twenty-three EF Day events, of which eleven were new for the location. Several of these (RTNC, Singapore, Korea, and Sri Lanka) were outcome-oriented events. There was continued momentum as well in forming alumni associations; 28 are established, and 6 are in process. Our redesigned web-site generates regular positive feedback, and we are now getting enough news from Fellows to update the news section of the site more than weekly, rather than monthly as we had in the past.

The new interactive, online Directory, launched in the fourth quarter of 2008, significantly increased our capacity to contact Fellows by having the Fellows keep their own contact information



current. In its first 15 months of operation, slightly more than 50% of Fellows who use email have logged in and updated their data. In addition, we continue to test social networking platforms, including popular ones such as Facebook and Twitter, in a program to identify alternative means to mobilize Fellows.

At Paris we initiated discussions with Fellows in Europe/ME and Southeast Asia to encourage creation of sub-regional networks that may form a basis for

sustainable engagement similar to the Latin American Women's Network. This latter group assembled Fellows at events in Buenos Aires and Lima in 2009.

The October 2009, Paris Conference on Energy Security and the Environment drew 250 Fellows, sponsors and guests from over 40 countries. Speakers included cabinet ministers, heads of international organizations and business leaders from Europe and the US. The conference

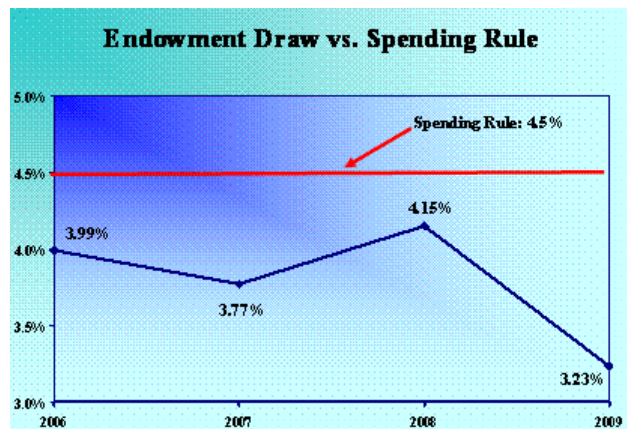
organizing committee included representatives from six European countries who raised €155 thousand (including €75 thousand from Italy, where EF activities had been largely dormant). At its meeting in Paris, the Alumni Advisory Council provided useful commentary on plans to stimulate additional regional mechanisms and endorsed the Kirdar Alumni Fund.

The alumni network program accounted for \$790 thousand in 2009, 22% of the operating budget.

3. *Stabilize the multi-year funding base and attract new individual and institutional donors to compensate for a lower capital endowment.*

Despite the generally unfavorable climate for private philanthropy, the multi-year funding base actually increased slightly in 2009 to reach \$1.7 million accounting for 41% of operating revenue. The bulk of these contributions are from Trustee and President's Advisory Council members, although the total includes a small number of miscellaneous multi-year pledges, such as the USAID funds for the Mongolia program.

On general fundraising, we slightly exceeded the \$625 thousand target set by the Executive Committee. This included contributions from corporate donors and new Trustees. In addition, Trustees responded generously to a special appeal launched at the 2009 Annual General Meeting in response to an expected operating budget deficit. As the year progressed, it became clear that we would realize a budget surplus and offered these donors an opportunity to modify their intent. Donors specified that \$55 thousand be maintained as 2009 revenue and \$29 thousand be applied to the 2010 budget.



Alumni have become substantially more involved in fundraising efforts. This is beginning to yield results. At Nezir Kirdar's initiative, Fellows started a small Alumni Fund that generated \$6 thousand from 62 Fellows. In addition, the Malaysian Fellows made a \$10 thousand contribution. USA Fellows assisted in procuring foundation grants for the USA program.

We initiated negotiations with the Chinese Government to provide program support for the cost of China programs. We hope to conclude the discussion in 2010, and to begin receiving contributions in 2011.

Eight Trustees resigned from the Board and two passed away. Two new Trustees joined the Board, which currently numbers 71 members.

Development operations cost \$330 thousand in 2009, 9% of the operating budget.

4. *Operate a world-class organization that meets high standards for management of finances, physical plant, and personnel.*

In addition to the efforts of Program staff to hold Fellow-related expenses down, the entire staff reduced budgeted administrative expenses such as printing, website design, mailings and supplies by nearly \$70 thousand.

At the end of 2009, EF initiated a project to revamp the proprietary software package used for scheduling Fellows' programs. The original designer of our program scheduling software, "Mamie," has begun to customize the scheduling platform, ACT, to meet EF's enterprise wide needs. We expect the ACT platform will enhance EF's ability to operate from a single (with access differentiated by need) database that enhances our ability to use information more productively, including in outreach.

Previously scheduled work on the house (refurbishment of the doors and trim painting) were finished in 2009. Major roof repairs were deferred following consultations with experts.

The lawsuit with Merion Contracting was settled on favorable terms.

2009 Year End & 2010 Budget Preview

	2009		2010 Budget	
	Budget	YE Projection	8 Back/4 Forward	12 Trailing
Total Operating Income	4,081,056	4,112,019	3,908,849	4,028,290
Total Contributions	2,338,383	2,374,346	2,279,000	2,279,000
Interest & Endowment Income	1,742,673	1,737,673	1,629,849	1,749,290
Total Expenses	4,234,923	3,626,081	4,050,572	4,050,572
Operating Net	(153,867)	485,938	(141,723)	(22,282)
Fellow Headcount Total	48	46	51	51
Total Draw/Spending Rule Average		3.23%	4.88%	4.78%

* Budget for 2010 prepared showing historic spending rule, and new proposal by Admin/Finance Committee to account for volatile market impact on endowment in past several years.

SECTION 2: Organizational Goals for 2010

1. *Provide a cost-effective Fellowship experience that yields concrete outcomes in the short term and lifelong engagement with the worldwide EF network in the long term.*
2. *Strengthen the global framework of the alumni network to generate a sustainable and cost-effective menu of opportunities for alumni activities.*
3. *Stabilize the multi-year funding base and attract new individual and institutional donors to compensate for a lower capital endowment.*
4. *Operate a world-class organization that meets high standards for management of finances, physical plant, and personnel.*

SECTION 3: 2010 Implementation Plan

1. *Provide a cost-effective Fellowship experience that yields concrete outcomes in the short term and lifelong engagement with the worldwide EF network in the long term.*
 - Select 51 new Fellows, including 9 USA Fellows, in 2010 and reinstitute the offer to fund spouse/partner travel for half the length of a fellow's program.
 - With respect to nominations, expand "at-large" approach to ensure the highest caliber candidates possible and maximum number of countries participating in nominations process.
 - Drive the concept of EF as a lifelong identity among new Fellows during their program period and encourage them immediately to engage in network activities.
 - Substantially increase emphasis on leadership component of the fellowships, focusing on one/several key leadership elements (e.g. conceptualizing and managing change) in the opening and closing seminars as well as during fellowship travels and at Grand Canyon mid-program retreat.
 - Actively engage trustees and sponsors in fellowship programs by soliciting their input and assistance to obtain meetings for Fellows with key leaders in U.S.
 - Ensure pilot program with China's Central Party School fully matches EF standards of success. In the Women's Leadership Program this fall, complement individual fellowship activities with group activities focusing on leadership challenges and opportunities for women.
 - Fully implement a policy of pooled selections for USA Fellows; none of the four hubs will be guaranteed a Fellowship in 2011 in order to make the process more competitive

- Send a trio of women USA Fellows from two hubs (Philadelphia, New England) to travel together for a substantial part of their program and encourage them to collaborate on a project upon their return.
 - Further expand and upgrade the USA hub Steering Committees, including the Agriculture Steering Committee, to increase the diversity and quality of applicants.
- 2. *Strengthen the global framework of the alumni network to generate a sustainable and cost-effective menu of opportunities for alumni activities.***
- Encourage Fellows to build Eisenhower Day of Fellowship events into purpose-driven outcomes, concentrating a selected group of 10 locations, including one USA hub, which are most likely to achieve this if given appropriate support.
 - Promote the Matching Grant program early in 2010 to assist additional countries to host EF Day of Fellowship events.
 - Support efforts of recently created alumni associations, including in the USA hubs, to become fully operational and assist the formation of new associations. Assist associations in identifying specific activities which will be of interest to the members.
 - Reach targets for getting current Fellows who use email to update their contact info (75%) and upload a CV (50%).
 - Support substantively and operationally the May 2010 seminar on reconciliation in Ireland, the October 2010 Jordan conference on Entrepreneurship in the Arab Middle East.
 - Sponsor a November 2010 conference in Philadelphia on Innovation and Change Management, drawing on specific outcomes from the Women's Leadership Program and examples of Fellows' results from other countries.
 - Modernize the website by incorporating other types of content, such as video and audio. Revise the system for archiving Fellow information from 2007 onwards.
 - Manage efforts to create new organizational structures within the network, such as a European Alumni Association and regional EF Women's Networks, the latter building on the 2008 Latin American Women's Network.
 - Support a spring 2010 event bringing EF Agricultural Fellows together with Nuffield Fellows in Washington and Gettysburg.
- 3. *Stabilize the multi-year funding base and attract new individual and institutional donors to compensate for a lower capital endowment.***
- The target for new revenue, both Trusteeship and Non-Trusteeship is \$785 thousand.

- Canvass donors in the contributions base early in year to obtain early warning of potential shortfalls in the 2010 contributions projections.
 - Seek targeted increases for corporate sponsors keyed to identified complementarities between our programming and their corporate and CSR priorities.
 - Continue to develop funding sources outside the US and in the USA Program hubs. Enlist EF alumni in identifying and procuring operating funds.
 - Use the November 2010 conference as a fundraising tool with Philadelphia donors.
- 4. *Operate a world-class organization that meets high standards for management of finances, physical plant, and personnel.***
- Continue close monitoring of the marketplace to assess cost-saving opportunities.
 - Use preventive maintenance to mitigate normal wear and tear.
 - Complete a mural for the front entrance hall. We are in conversation with Mural Arts (Director Jane Golden EF '03) to identify an artist and have a committee of Fellows and Trustees who will advise us. While the project in any event would be a capital project, we will use donations by alumni fellows, plus several individual contributions to fund this lasting tribute to the alumni association.
 - Implement the “Mamie 2.0” upgrade in three phases: 1) initiation spring 2010 for the MNP programming; 2) implementation for development/Executive functions spring/summer; 3) software refinement in fall 2010. We will have two rounds of training to ensure all staff is familiar with the mechanics and capabilities of the platform. We expect also to replace aging computer desktop equipment and to initiate use of the newest versions of Windows and Office. Current computers are now out of warranty.
 - Institute a single, enterprise-wide look with a single logo, a common stationery package (including letterhead, envelopes, business cards, mailing labels, and folders) and a common format for external document and promotional items. Modify the website to make it consistent with this look.
 - Review the overall benefits package. This includes in particular ensuring our 403 (b) plan is cost competitive, and consistent with all Federal requirements. Changes would be targeted for implementation in CY 2011.

SECTION 4: Budget Tables

	2009		2010
	Budget	YE Projection	Approved Budget
Total Contributions	2,338,383	2,374,346	2,279,000
Interest & Endowment Income	1,742,673	1,737,673	1,629,849
Total Operating Income	4,081,056	4,112,019	3,908,849
Expenses			
Programs	1,713,438	1,398,093	1,532,194
Paris Conference Off-Set	-	(152,647)	-
Personnel	1,933,374	1,886,584	1,947,609
Professional & Other	167,398	125,375	173,546
Administration	122,516	94,894	108,643
Building & Maintenance	216,884	218,066	208,088
Special Events & Other	81,313	55,716	80,493
Total Expenses	4,234,923	3,626,081	4,050,572
Operating Net	(153,867)	485,938	(141,723)
Fellow Headcount			
Spring	23	23	20
China Pilot	-	-	2
Fall	16	15	20
USA	9	8	9
Total	48	46	51
Total Draw/Spending Rule Average		3.23%	4.88%

	2009		
	Budget	YE Projection	Variance
Expected - Revenue for Operations	1,713,383	1,669,593	(43,790)
Target Fundraising	625,000	649,753	24,753
Trustee Special Appeal	-	55,000	55,000
Total Contributions	2,338,383	2,374,346	35,963
Total Interest & Endowment Income	1,742,673	1,737,673	(5,000)
Total Operating Income	4,081,056	4,112,019	30,963
Per Diem (Govt.Rate)	517,932	403,193	(114,739)
Room/Board Over Per Diem	1,650	520	(1,130)
Program Travel Expenses	505,862	373,458	(132,404)
Seminars/Conferences	321,585	400,651	79,066
Room/Board Guests	6,255	6,566	311
Photo/Tours & Other	14,302	10,983	(3,319)
Meals/Entertainment	126,096	64,153	(61,943)
Selection	3,003	815	(2,188)
Insurance	17,217	8,157	(9,060)
Communication & Supplies	25,348	34,800	9,452
Program Support	80,635	48,967	(31,668)
Program & Network Events	93,553	45,830	(47,723)
Total Programs	1,713,438	1,398,093	(315,345)
Offset for Paris	-	(152,647)	(152,647)
Salaries (Staff)	1,448,139	1,456,645	8,506
Employee Benefits	485,235	427,475	(57,760)
Temporary office help		2,464	2,464
Total Personnel	1,933,374	1,886,584	(46,790)
Audit & Consulting	31,500	30,000	(1,500)
Legal	19,000	7,954	(11,046)
Computer	51,488	52,550	1,062
Investment & Other Fees	1,600	1,062	(538)
Finance & Administrative Services	17,919	17,196	(723)
Design & Printing	21,836	12,212	(9,624)
Web Design, Maintenance & Hosting	6,060	1,093	(4,967)
Other Professional Services	17,995	3,308	(14,687)
Total Professional & Other Svc's	167,398	125,375	(42,023)
Mail/Delivery & Equipment	25,270	14,713	(10,557)
Communications	24,950	16,155	(8,795)
Office Supply & Equipment	56,579	49,186	(7,393)
Publications & Subscriptions	5,000	4,633	(367)
Registration/Taxes/Other	10,717	10,207	(510)
Total Administration	122,516	94,894	(27,622)
Utilities	21,360	16,131	(5,229)
Repairs & Maintenance	37,487	78,382	40,895
General Insurance	31,771	29,774	(1,997)
City/Community/Other Tax	1,217	-	(1,217)
Depreciation	125,049	93,779	(31,270)
Total Building & Maintenance	216,884	218,066	1,182
Adm/Dev Annual & Other Events	23,279	17,834	(5,445)
Adm/Dev Travel (Staff)	29,887	15,808	(14,079)
Adm/Dev Meals & Entertainment	13,147	13,622	475
Adm/Dev Contingency & Other	15,000	8,452	(6,548)
Total Special Events & Other	81,313	55,716	(25,597)
Total Expenses	4,234,923	3,626,081	(608,841)
Operating Net	(153,866)	485,938	639,804
Total Fellows	48	46	2
Total Spouses	14	12	2
Total Fellows & Spouses Headcount	62	58	4

	2009 Year End	2010 Approved Budget	Variance
Expected - Revenue for Operations	1,669,593	1,465,000	(204,593)
Target Fundraising	649,753	785,000	135,247
Trustee Special Appeal	55,000	29,000	(26,000)
Total Contributions	2,374,346	2,279,000	(95,346)
Total Interest & Endowment Income	1,737,673	1,629,849	(107,824)
Total Operating Income	4,112,019	3,908,849	(203,170)
Per Diem (Govt.Rate)	403,193	497,653	94,460
Room/Board Over Per Diem	520	2,000	1,480
Program Travel Expenses	373,458	501,315	127,857
Seminars/Conferences	400,651	251,806	(148,845)
Room/Board Guests	6,566	4,620	(1,946)
Photo/Tours & Other	10,983	7,455	(3,528)
Meals/Entertainment	64,153	70,300	6,147
Selection	815	2,468	1,653
Insurance	8,157	10,916	2,759
Communication & Supplies	34,800	36,345	1,545
Program Support	48,967	60,656	11,689
Program & Network Events	45,830	86,660	40,830
Total Programs	1,398,093	1,532,194	134,101
Offset for Paris	(152,647)	-	152,647
Salaries (Staff)	1,456,645	1,399,066	(57,579)
Employee Benefits	-	125,000	125,000
Temporary office help	427,475	413,543	(13,932)
	2,464	10,000	7,536
Total Personnel	1,886,584	1,947,609	61,025
Audit & Consulting	30,000	31,500	1,500
Legal	7,954	3,000	(4,954)
Computer	52,550	92,550	40,000
Investment & Other Fees	1,062	1,000	(62)
Finance & Administrative Services	17,196	18,056	860
Design & Printing	12,212	12,740	528
Web Design, Maintenance & Hosting	1,093	3,500	2,407
Other Professional Services	3,308	11,200	7,892
Total Professional & Other Svc's	125,375	173,546	48,171
Mail/Delivery & Equipment	14,713	16,920	2,207
Communications	16,155	18,578	2,423
Office Supply & Equipment	49,186	56,564	7,378
Publications & Subscriptions	4,633	5,328	695
Registration/Taxes/Other	10,207	11,253	1,046
Total Administration	94,894	108,643	13,749
Utilities	16,131	18,551	2,420
Repairs & Maintenance	78,382	37,487	(40,895)
General Insurance	29,774	31,771	1,997
City/Community/Other Tax	-	-	-
Depreciation	93,779	120,279	26,500
Total Building & Maintenance	218,066	208,088	(9,978)
Adm/Dev Annual & Other Events	17,834	19,289	1,455
Adm/Dev Travel (Staff)	15,808	22,220	6,412
Adm/Dev Meals & Entertainment	13,622	14,984	1,362
Adm/Dev Contingency & Other	8,452	24,000	15,548
Total Special Events & Other	55,716	80,493	24,777
Total Expenses	3,626,081	4,050,572	424,491
Operating Net	485,938	(141,723)	(627,661)
Total Fellows	46	51	(5)
Total Spouses	12	20	(8)
Total Fellows & Spouses Headcount	58	71	(13)