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Better Men for a Better World

Executive Summary

Presenter:

Steven A. Ramos, Chief Executive Officer

April 12, 2011



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CEO Focus

Observations and Direction

- CEO Roundtables
 - Qualitative Discussion
- Strategic Goal Focus
 - Looking out 3-5 Years
 - What are we doing to achieve these goals
- Fee Discussion
 - Fee Analysis



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CEO Roundtables

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Top Issues / Concerns / Opportunities for Improvement

1. Alumni - Central

- Connection with the alumni to help the students
 - Mentoring
 - Education
 - Assistance / direction with housing
 - Jobs
 - Events and activities
- The students feel that many of their concerns can be addressed if they have a strong alumni support structure

2. Financials - Central

- Cost of Annual Fees
 - Cheaper fees or more scholarships to help with the cost
 - Initiation and Chapter dues can amount to \$1,000 for the year – Very high for most students
 - \$410 Initiation, Insurance \$235, Chapter \$300
 - What do the fees and insurance go too?
 - Provide a pie chart of where the money goes
 - Assist with dues collection using a one financial model
 - Provide a discount for fees paid before initiation
 - Bill reminders come electronically
 - Chapter reports setup and provided weekly, monthly



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Top Issues / Concerns / Opportunities for Improvement

1. Support Structure - West

- Lack of Support structure to form a chapter – help is needed for colonies
- More detail / cookbook to assist
 - Step by step
 - Example – need help on Hawaii

2. Recruitment assistance - West

- Quality deliverables
- Technology with a repository of best practices deliverables and tools
- Student lists – how to get, can we provide
- Brand at an early age



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Top Issues / Concerns / Opportunities for Improvement

1. National staff - South

- We need better interaction with National
- Telling us how to do stuff but not showing us directly by being on campus. More face time and rolling up the sleeves to do the work side by side with the chapter
- More interaction on campus
- Aaron's Teke in a Week is excellent – we want more
- The Blueprint is also great. Each chapter needs this
- Promptness in response to requests for pins, materials
 - Set up a Help Ticket environment to track requests
 - Requires technology but is fairly easy to implement, more difficult to adopt by all

2. Technology - South

- Set up a repository for sharing information between chapters and headquarters
 - Web based system to collect best practice real examples of:
 - Recruitment flyers, materials that can be tweaked and printed
 - T-shirt, sweatshirt – designs and pictures
 - Red Carnation Ball invitations, etc.
 - Etc. etc.
 - The chapters can help to design
- Chapter web site
 - Too much to do and too complex
 - Have to send a memo to everyone to enter their name in the directory. Should have admin access to enter all at one time
 - Strengthen “admin” access to chapters for content updates
 - More ease of use as well



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Top Issues / Concerns / Opportunities for Improvement

1. Finance - East

- High costs of Initiation Fees and AMF
 - What do the dollars go for
 - High initiation is tough to sell
 - What can we do to lower these rates
 - Can HQ collect the money and then put in chapter account? Centralize A/R
- Can we improve the Teke For Life (TFL) one time fee process at \$695
 - Some don't know it is an option as the chapter signs up the person
 - Better to have the individual sign up and pay directly
 - If you paid the \$410 how can you still opt to pay a modified one time fee and pay less?
- Chapters are not happy about having to pay AMF for non members
 - There must be an opt out at semester end versus only annually
- Chapters want to see the annual report and how the money is spent

2. Quality chapter development versus expansion - East

- Improve the quality of the experience
- All chapters need the Blueprint.
- How can we roll Blueprint out to all quickly



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Top Issues / Concerns / Others

1. Risk Management
 - Better training
 - Awareness
2. Housing
 - Help with financials
 - Help with maintenance
3. Communication
 - More frequent
4. Improve Relations with University



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Focused Improvement

- Improvement on quality time and education on campus from headquarters (HQ) staff
- Faster response time from HQ in addressing your needs
- Selection of a national financial tool to assist with fee collection (100+ chapters are already using)
- Adjustment of membership fees to align with other fraternities. New member fees will go down, AMF will go up, but for current members we'll provide some trade-off options. We'll also introduce a chapter fee.
- Assistance from St. Jude Children's Research Hospital to all chapters to help develop fundraising
- Improvement on risk management training and delivery of a new Crisis Communications Plan
- Implementation and communication of technology to assist with sharing and chapter website improvements
- Improvement in marketing materials and media to assist in recruitment of new members
- Re-engage our alumni in focused areas that support the chapters, the community, the foundation and the brotherhood



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Strategic Goals and Fees

Presenter:
Steven A. Ramos, Chief Executive Officer
March 18-19, 2011



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Strategic Goals

TKE Strategic Goals

Strategic goals are a 3-5 year objectives that are reviewed annually

1. Create a World Class Fraternal Experience for All Members
 - Current TKE Grade "D"
2. Provide a Life Long Fraternal Experience
 - Current TKE Grade "D-"
3. Be a Dominant Presence on All Campuses Where TKE is Active
 - Current TKE Grade "C-"
4. Encourage Positive Involvement in Members Families Communities and Work Places
 - Current TKE Grade "C"

Note: This is a very candid assessment by the TKE staff on where we are today setting a baseline for future achievement.



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Fee Structure Review



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TKE Fee Structure Analysis

New Member

Current New Member Fee Structure

Top Fraternities	New Member Fees				Total Undergrads
	pledge fee	Initiation Fees	Total Fees	Rank	
Kappa Sigma	\$45	\$150	\$195	1	12,156
Lambda Chi Alpha	\$65	\$170	\$235	2	10,602
Sigma Chi	\$90	\$175	\$265	3	14,401
Sigma Phi Epsilon	\$0	\$275	\$275	4	15,608
Pi Kappa Alpha	\$0	\$280	\$280	5	14,336
Phi Delta Theta	\$65	\$235	\$300	6	9,850
Sigma Alpha Epsilon	\$85	\$225	\$310	7	11,905
Sigma Nu	\$90	\$220	\$310	8	9,502
Beta Theta Pi	\$119	\$239	\$358	9	6,758
Tau Kappa Epsilon	\$125	\$285	\$410	10	10,444

Proposed New Member Fee Structure

Reduce Initiation fees by: \$110

Top Fraternities	New Member Fees				Rank
	pledge fee	Initiation Fees	Total Fees	Rank	
Kappa Sigma	\$45	\$150	\$195	1	
Lambda Chi Alpha	\$65	\$170	\$235	2	
Sigma Chi	\$90	\$175	\$265	3	
Sigma Phi Epsilon	\$0	\$275	\$275	4	
Pi Kappa Alpha	\$0	\$280	\$280	5	
Tau Kappa Epsilon	\$90	\$210	\$300	6	
Phi Delta Theta	\$65	\$235	\$300	6	
Sigma Alpha Epsilon	\$85	\$225	\$310	8	
Sigma Nu	\$90	\$220	\$310	9	
Beta Theta Pi	\$119	\$239	\$358	10	



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TKE Fee Structure Analysis

Annual Membership Fee

Proposed Active Member and Chapter Fee Structure

Increase Chapter Fees by: \$780

Increase AMF by: \$35

Current Active Member and Chapter Fee Structure

Top Fraternities	Annual Fees				
	Member AMF	Rank		Chapter Fees	Rank
Beta Theta Pi	\$45	1		\$870	5
Sigma Phi Epsilon	\$105	2		\$0	1
Sigma Nu	\$110	3		\$700	4
Tau Kappa Epsilon	\$115	4		\$0	1
Kappa Sigma	\$120	5		\$1,600	8
Phi Delta Theta	\$125	6		\$0	1
Lambda Chi Alpha	\$129	7		\$2,291	9
Sigma Chi	\$130	8		\$2,860	10
Pi Kappa Alpha	\$200	9		\$1,400	7
Sigma Alpha Epsilon	\$250	10		\$1,175	6

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	Member AMF	Rank		Chapter Fees	Rank
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TKE Fee Structure Analysis Recommendation

New Discussion on Adjusting New Member Fees to Come In Line With Competition // See TABS:
Fee One and **Fee Two** for details

	\$640/\$40	\$780/\$35	\$920/\$30	\$1200/\$20
New Member Fees \$300	Option 1	Option 2	Option 3	Option 4
Chapter Assessment	\$160,000	\$195,000	\$230,000	\$300,000
Increase AMF	\$280,000	\$245,000	\$210,000	\$140,000
Total Shift	\$440,000	\$440,000	\$440,000	\$440,000
Divide by 4000 Initiates	4000	4000	4000	4,000
Reduce New Member Fees	\$110	\$110	\$110	\$110
NEw Member Fee = \$300	\$300	\$300	\$300	\$300
AMF	\$155	\$150	\$145	\$135
Chapter Assessment	\$640	\$780	\$920	\$1,200
Per Person impact / 40 man	\$16	\$20	\$23	\$30
Per Person impact / 20 man	\$32	\$39	\$46	\$60

No net increase in revenue just a shift in balance.

Note: Overall chapter assessment must be less than 50% of the AMFs