
BUENOS AIRES – CEO Succession Process

Thursday, June 25, 2015 – 12:45 to 13:45

ICANN – Buenos Aires, Argentina

GEORGE SADOWSKY: Good afternoon, ladies and gentlemen.

Please take your seats. We're about to start.

You are in the meeting regarding the CEO search and selection criteria.

My name is George Sadowsky. I'm a member of the board of directors. Seated up here with me are some members of the selection committee, the search committee who we'll be referencing in just a minute.

Our purpose here -- our purpose here in having this session is, first of all, to inform you, the community, of the CEO search process and to share with you the very rough framework we have for search criteria.

But, more than anything else, to solicit community opinion at this session. What do you think about aspects of the search process, of the qualifications of this new CEO that we'll be eventually choosing? There are a variety of options that we'll give you to provide your opinion, certainly at this session, which are structured very much like an open forum with a microphone in which you can provide us with your opinions and how you can help the process. So let us know what you think.

Note: The following is the output resulting from transcribing an audio file into a word/text document. Although the transcription is largely accurate, in some cases may be incomplete or inaccurate due to inaudible passages and grammatical corrections. It is posted as an aid to the original audio file, but should not be treated as an authoritative record.

We need to establish a pool of candidates who are excellent, who can do the job, and to select the best one to replace Fadi. It will not be an easy task, but it's a task that has to be done. And we have a time schedule for doing it.

The Board has established a CEO search committee at its meeting on last Sunday.

And the names of the members of the committee are in front of you -- Rinalia Abdul Rahim, Cherine Chalaby, Steve Crocker, Chris Disspain, Markus Kummer, Ram Mohan, Ray Plzak, and myself, I'm the chair.

So I'd like to talk a little bit about the timeline that we have tentatively established. This is preliminary. It's a draft. It is an optimistic timeline, but I'm optimistic that we can fulfill it.

The bottom line, of course, is the most important one. Fadi has announced that he'll be leaving ICANN after the meeting in Marrakech. And that's about mid-March. And we want to be sure that we have the ability to have the new CEO in place well before then so there can be a significant period of overlap between the two.

So working back -- what we've done as a committee is work back from that. And the schedule that you see on the screen is the results of that. We would like to have the criteria, the job description, essentially, the requirements of the job and the qualifications of the applicants done by mid-July. And we will engage search expertise -- we're in the process of doing that now -- to help us.

We plan to accept candidate applications between the middle of July and the middle of September.

And we plan to have all those applications go through a uniform process as we did in 2011 through the search committee to the members of the ICANN members of the -- sorry -- through the search consultant to the members of the search committee.

We'll then go through a funneling process where we take the applicants who have come in to us and reduce them first significantly then in batches. And we'll be doing more, intensive interviews along the way. And finally, we will present a panel, a short list to the entire ICANN board for in-depth interviews, reference checks, discussions, and finally selection.

We hope to do that by the beginning of December. And then leave the next several weeks for negotiation with the candidates, arrangement of a contract, timing, details, et cetera, and then finally give the community a Christmas present with the name of the new CEO.

So let me see what we've got here.

So we want this to be an inclusive process. We welcome input from everyone. We welcome input during this session. We welcome input by email to the search committee. And there's an email address on the screen right now, ceo-search-cmte-only@icann.org.

The information that you send to this email address will go only to the search committee. It will not be available publicly. You can, of course,

choose to make it available publicly. But that's the decision of the sender of the email.

The reason we have done this is that we feel -- as opposed to making it a public comment process is that we feel that people in the community may not wish to have their views known publicly for all kinds of reasons but would really like to have the search committee benefit from whatever insights they have. And that is -- that's why it's a private list.

Comments are welcome on all aspects of the process, but the most important thing for us is to make sure that we understand what the job is that needs to be done and what the qualifications of the people should be who we believe are capable of doing the job. Whoops. Sorry, wrong button.

So a couple of points to consider: ICANN is -- this is an understatement. ICANN is not a typical for-profit or not-for-profit organization. It's a hybrid. And this has caused some concern. In the past when we were doing the 2011 search, one of the things we were -- we had some difficulty with was understanding the difference between ICANN and not-for-profits on one side and for-profits on the other.

The role has some aspects of an entrepreneurial CEO and some aspects of what you might call an executive director or head of a secretariat, a secretary general. We've got a spectrum of challenges today that are new, we've never faced before.

No one person is going to be able to fill this job really, really well in all of its dimensions. And in the search process my experience has been that, when you eliminate people who you think can't do the job and you're looking at actual individuals, it's more the profile of the individuals that matter than the overall excellence, the overall judgment of how the person fits the profile that's been set up.

So we want to know which characteristics are the most important? What are the necessary characteristics? What are the sufficient characteristics? And what distribution of strengths along that profile make the most sense for ICANN?

So we've got four dimensions here that are of value, we feel.

First of all, we need somebody who has the capability to understand or already understands what ICANN's primary mission is; that is, names, numbers, security and stability of the Internet.

As important is the sense of the person, the ability of the person to understand this ICANN -- the ICANN community and the ISTAR environment. It's both political and technical. And it includes not only ICANN, but it includes ICANN's relationship with the other organizations that make up this ISTAR ecosystem and that are responsible for the success of the administration of the Internet up to this point.

And we clearly need somebody with management and leadership skills. We have 120 million budget, forgetting for the moment about the new gTLD program. We have 350 people. And we're all over the

world. We're in diverse cultures. We use different languages. And that globalization is something that we value and we want to make sure can be led appropriately.

And then something somewhat more intangible but absolutely essential, what should the CEO's personal skills and values be? And how do we determine that? How do we -- how do we decide whether those skills and values match ICANN requirements and are consistent with those of the ICANN community?

There's a little bit more on search here.

We don't plan to split the president and CEO role. That is, we are looking for one person. I suppose we could decide otherwise if the evidence showed that that would not be possible. But this -- our plan is one person, president/CEO, with the complex job description that reflects both the entrepreneurial and the management aspects of the job.

There are no a priori decisions on an insider versus an outsider. We're going to keep this confidential. We will share as much as we can with the Board and community about the process that we're going through.

We will maintain as absolute confidentiality as we can with regard to the people involved. It's -- that's really important.

And we want to make sure, to the extent we can, to protect this overlap time between the new and the departing CEO.

That's all I have to say. I'd like to ask if any of my fellow committee members who are on stage would like to add anything to that. When they're done doing that, we're going to go into open mic and hear your comments. Does anybody want to add anything to this? Okay. Excellent. So there is a microphone. We'd like to hear what you have to say. Don't all rush.

LORI SCHULMAN:

Hi. I'm a little short for the microphone, but bear with me.

My name is Lori Schulman, for the record.

I am the representative from the International Trademark Association to the ICANN. And I'm also a member of the IPC.

I notice you have four criteria. And I would offer a fifth, that the person you look for has business branding acumen. I think we've seen over the years that, while ICANN is very much about the names and the numbers, that the policies and issues surrounding the allocation and delegation of names raised considerable concerns, particularly in the area of trademark and -- I'm sorry -- consumer protection and trademarks and how they relate together. And I think it would be very beneficial for the next CEO to have some depth of experience in this area on the consumer protection side as well as the trademark side. Thank you.

GEORGE SADOWSKY:

Thank you.

JAY DALEY: Hello. Jay Daley from .NZ. Five minutes into this I'm already extremely impressed. Thank you. I think this is going very well.

GEORGE SADOWSKY: Oh good.

JAY DALEY: Of the four dimensions, the community one would I suggest really needs to include knowledge of the multistakeholder process. In fact, deep familiarity with the multistakeholder process. Because, as we were reminded by Fadi in the opening ceremony, that was the thing that took him longest to get. And that's where potentially much of the friction came from.

GEORGE SADOWSKY: Thank you very much.

SEUN OJEDEJI: Yeah. This is Seun Ojedeji from Nigeria.

One of my comments is actually a follow-up to what has just been said by the person that just spoke right now.

I think it's important that whoever the next CEO is going to be, it's someone who actually is aware of the current happenings of ICANN

right now. I think it's important that we keep the current history alive post-transition.

So, in view of that, I suggest that you really consider thinking internal. Maybe on the Board, from the community, or existing staff, because they have the history right now. And it's important to actually keep that alive once we have independence.

My second comment is in relation to I suggest that we should actually consider looking for a team leader and not a team builder. I think currently Fadi has done a great job in actually building a team. They are quite knowledgeable people, and there's no need to actually build more team by recruiting more people but actually to lead the current ones and achieve what needs to be achieved.

One final thing is a question to you. Can you clarify what you mean by the search expertise will be engaged? Does that mean it's not this committee that actually reviewed the applications? We're going to engage an external body to do the job or work? Thank you.

GEORGE SADOWSKY:

Let me clarify that. We are engaging a search firm. It is Odgers Berndtson, the people who helped us last year -- last -- four years ago. And the reason for engaging a search firm is that to broaden the search as widely as possible. This is a firm that has offices on all continents except Antarctica in various locations. And the search for candidates has to be as inclusive as possible. We're not looking only in one continent or in one country. And we're not looking for a

particular kind of person. We want the best qualified people. And it has to be a global search.

They can help us do this. You can help us do this, by the way, also. Because this is a global community.

And the kinds -- the people whom you know and the local knowledge you have may lead us to a candidate; whereas, the search firm might not know about that candidate.

So, Seun, you consider yourself part of this search process, please. Thank you.

ANDRES PIAZZA:

This is Andres Piazza. I'm with LACNIC. I just wanted to write for something that's already mentioned in one of the mentions that you are using this criteria. The community mentioned it was mentioned by many people in the community and by Fadi himself. It was really hard for him to understand the commonality of the relationship between the different actors in this very unique community.

So just wanted to reinforce. It's not that it's preferable to have an insider over an outsider. I believe that any candidate could be good as long as he understands or she understands this particular uniqueness. Thank you.

GEORGE SADOWSKY:

Thank you.

ELLIOT NOSS: Hello. Elliot Noss with Tucows. I'm going to make a comment that this will be the fourth time now that I will have made this comment. And each time I feel that I need and want to reiterate it to put it in your heads as the search committee as deeply as possible before you embark on this no doubt difficult and important decision.

I think that the most important criteria for the next ICANN CEO is that you choose someone who deeply understands the Internet, that understands the role that the Internet plays in culture, in society, in business, that this person appreciates most importantly that it's not about trying to fit the Internet into the world that we have but about trying to help the Internet change the world to what it can be. Thanks.

[Applause]

GEORGE SADOWSKY: Thank you, Elliot.

JOHN BERARD: Hello, George. John Berard, member of the B.C., an independent consultant from the United States, and speaking on the basis of my own track record of hiring and firing people.

Three bits. The first one is as you look for a candidate that you not be seduced when you come across someone who presents as a philosopher king and look more for someone who can be, as Elliot has suggested, an empathic engineer.

The second bit is don't limit your listening to the list of attributes that you've described. You may discover that someone presents a totally new and important aspect.

And the third bit is how long do you think you are hiring the next CEO for? Is it a two-year term? Is it a ten-year term? Because the strategic implications have significant influence over whatever decision you might make.

Thank you.

GEORGE SADOWSKY:

Thank you. Just with regard to your second bit, I think you're spot on, that once you get down to a limited number of people, then you find combinations that you didn't expect. And there is a lot of value there that you could not have predicted if you hadn't seen the person.

Thanks.

KLAUS STOLL:

Klaus Stoll, NPOC and NCSG. A comment in form of a question.

I think that the job description of the new CEO will be depending on if the IANA transition is going forward or not. And giving your timeline, how do these two influence each other?

GEORGE SADOWSKY:

It's the question that we are asking ourselves. It's a very good question, Klaus, and it's one that we will be discussing.

The committee was just formed, I should say, three days ago, four days ago, and we are -- we're having discussions about that and a bunch of other things which you might expect. But thanks for raising that and making it explicit.

RAM MOHAN:

Klaus, thank you for that. This is Ram Mohan.

I just want to point out -- I mean, the IANA transition is a really important point in time for this organization and for our community, but it is one of several factors. And, really, I think the attributes that we should look for is somebody who's got experience dealing with change, with significant and rapid change.

EDUARDO DIAZ:

Good afternoon. This is Eduardo Diaz from ALAC. I have a question, and this is a hypothetical question. What happen if by the end of March we do not find a CEO appropriate for this organization? What's the plan there?

GEORGE SADOWSKY:

Yeah, that's right. This actually happened during the 2012 transition. Chris Disspain and Ray have reminded me of this, that Akram Atallah served as the interim CEO until Fadi came in roughly sometime mid-September, I think, and Rod Beckstrom had left at the end of June. So that's less of a worry than it might appear.

We have a very solid and well functioning, very senior staff. The top of the staff of ICANN, as well as the other layers, are well positioned and quite able to handle the interim period.

Ray.

RAY PLZAK:

Yeah. Also, I know Fadi several times this week has mentioned the fact that there's been extensive succession planning in ICANN. And, therefore, the continuity is a very strong thing to be concerned about.

And so, you know, the real simple fact is if the CEO was to drop dead today, we still would be looking for a CEO in the middle of a transition.

GEORGE SADOWSKY:

Cherine.

CHERINE CHALABY:

And another point is that Fadi said that even after Marrakech, he will make himself available for as much as we want for a period of time to help with the transition with succession to somebody else. So he's not going to disappear into thin air.

Thank you.

GEORGE SADOWSKY: Yeah. Our schedule is optimistic, and -- but if we have to slip, we will. We will go for quality rather than for speed. I hope we can do both simultaneously.

Any other comments from people on the panel?

Oh, is there somebody in the queue? Not yet. Okay. We're patient.

Please.

LORI SCHULMAN: Can you hear? Oh, hello. It's Lori Schulman again. This time I'm actually speaking in my capacity as a woman. I think it would be refreshing and wonderful to see ICANN really focus on finding a qualified female CEO. I think it would send a very, very strong message to the world.

I know that a few weeks ago I attended the WSIS conference and there was a lot of focus on the participation of women and girls in the name space and in Internet governance, and I would see this as a wonderful opportunity for ICANN to send a very supportive and positive message to women who are active in the name space.

GEORGE SADOWSKY: Thank you. And we --

[Applause]

We -- Take it.

STEVE CROCKER:

Lori, thanks for that.

We, too, would be delighted to have a woman at the helm. No problem.

First and foremost, we need competence and knowledge, irrespective of gender.

What you can do, and, indeed, everyone who is interested in this, is help find a strong set of candidates. Please do.

GEORGE SADOWSKY:

Anybody else on the panel want to make a comment on that?

I second what Steve has said.

Yes, Ram reminds me of something that you probably should know, that there's no one on the Board who is applying for this job. All board members have signed statements in effect saying they're not interested and they won't even serve if they're asked to. So we have -- This is a level playing field for external candidates.

If there are no more questions, I'm not sure what to do. I think we may be done. Sort of a last chance. Who would like to comment? Anybody?

I think there's somebody approaching here, from a distance.

CHRIS DISSPAIN: We should have music to accompany you coming down there.

AVRI DORIA: Hi. Avri Doria. I think -- It was wonderful that the idea of a female president was mentioned and then I just noticed that you didn't happen to have any of the women from the board on the search panel. Which -- There is one? She's just not there.

GEORGE SADOWSKY: Rinalia is on the search panel.

AVRI DORIA: Okay. Thanks. I got here late so I missed that. I'm glad to hear that.

And as I say, I got here late and I was able to hear what you said about the role being one of more like secretariat, more like executive director.

Now, I did a little looking, and I'm not a lawyer, on California corporations, and what you're required to have is a president.

Now, that president happens to be the chief executive officer, but that's little "C," little "E," little "O." And I wonder if you've given any consideration to just looking for a president? Because -- And, yes, that person would be a chief executive officer, but normally when you're looking for CEOs, you're looking for someone that comes with vision, with someone that comes with that grand view of what they want to make the corporation into, what they want to turn the business into.

And in this case, I'm wondering whether it's better to really focus on the function of president as a executive director, as a secretary, and sort of leave the vision thing to the folks here. And -- you know, as filtered through you all, and sort of make a point of not looking for the vision-thing person.

Thanks.

GEORGE SADOWSKY:

Thank you, Avri. I think there are two components of what you're saying. One is the optics. If you advertise for a CEO, people who want to be big CEOs in big companies and be very important are going to apply, whereas if you advertise for a president it's a more limited set of functions.

The other is how we write the job description and how we choose the candidate. How the candidate sees the job is really important. And one way we can help that is to write the description in such a way that mirrors what we want.

And part of this is a self-examination: Who are we as an organization? What do we want to be? What is our mandate? What isn't our mandate? And that has to be very accurately transmitted to a candidate in order to determine whether he or she is a good fit for the job.

But thank you very much very much for the suggestion.

Brad, do we have any remote people who would like to talk?

BRAD WHITE: George, we don't have any questions, but we do have a comment from Tariq that just came in.

"I suggest that the Board consider these attributes as important in selection of CEO: organization size, experience managing an organization of this size, nonprofit experience, number of locations managed, relevant community experience, and prior experience as a CEO, perhaps the most important."

And he says thank you.

GEORGE SADOWSKY: Thank you very much. Who put in the comment? It didn't show on the transcript I don't think.

BRAD WHITE: Tariq, T-a-r-i-q.

GEORGE SADOWSKY: Thank you.

Are there any other comments from anybody in the room, either on the panel or in the audience?

Steve.

STEVE CROCKER:

Let me respond to both this last comment and also part of what Avri said.

I think the interpretation of the term CEO might vary, so we'll -- I don't want to speak to the label, but with respect to attributes, there is a undeniable requirement for actual management experience. We're talking about a substantial number of people and a substantial amount of money and an awful lot of moving parts.

So it's not everything, but it's not something -- this is something that became very clear to us in the previous search and I think we'll carry it forward, that there may be some issues about vision, there may be some issues about inside versus outside or there may be some issues about, you know, how -- what sort of CEO in terms of change versus stability, and so forth. But a prerequisite to all of this is somebody who can manage with a firm hand an operation that has more than \$100 million of revenue and expense each year, more than 300 employees.

And the importance of it is only learned when we don't do it and we get -- it's easy for organizations to go out of control.

So this is just a prerequisite, a kind of floor. But it is a strong requirement, and we will be looking for people who do have the appropriate level of management experience.

GEORGE SADOWSKY:

Cherine.

CHERINE CHALABY:

ICANN is not a very old organization. In fact, it's a very young organization founded in 1998, and it's natural that in the early years, and what are we in now? 17? 18 years? It has changed management and management style in terms of the CEO several times. That is a normal process.

The current CEO, Fadi, we're very lucky to have him because he's a change agent type of CEO, and I would say that he has changed the organization and took it to a different level, albeit the mission is still the same.

I think post the transition and post Fadi we need a different type of CEO, someone who is really a manager, whereas we need a period of calmness, a period of consolidation and a period where we have someone who is focusing on the tasks. And as someone said, leave the rest to the community for a period of time.

So we need to do that. We need to find that different type of CEO. We can't replicate what Fadi was. We have to find someone different.

Thank you.

GEORGE SADOWSKY:

Thank you, Cherine.

So let me close with the following, that you ought to consider yourselves all an extension of the search process and help us. You can help us in several ways. You can help us by writing any comments you

have to the email address that is on the screen. You can help us by understanding what we need and by identifying candidates to contribute to a strong pool. We're very -- we will be very grateful for your support and your help in those ways. And give us feedback. We'll try to tell you as much as we can. We'll try to do a good job, and we'll try to get an excellent candidate. We have a high bar to cross, and we're going to do our work as best we can to find somebody who will lead ICANN to yet another -- another stage of maturity in its existence.

Brad?

BRAD WHITE:

George, we've got one comment. You sort of covered this earlier, but you may want to reiterate it. From the ISOC chapter in Gambia.

"Aside from personal qualities for a CEO, what qualifications do you expect from interested candidates?"

GEORGE SADOWSKY:

That's a good question. I'm going to turn to the panel for that one.

RAY PLZAK:

I'll answer that very quickly. That's why we are going to put together a list of criteria and qualifications and that's why we're soliciting input from the community to do so.

So if this particular group has particular qualities they would like to see, they should definitely input to the email address.

GEORGE SADOWSKY: Okay. The question is, as I understand it, what other criteria, what other qualifications are you going to expect.

UNKNOWN SPEAKER: We don't know yet.

CHRIS DISSPAIN: We don't know yet, is the answer.

GEORGE SADOWSKY: Cherine wanted to....

Anybody else?

Fine. Thank you -- okay. Brad.

BRAD WHITE: This is from Luc Seufer. Crazy idea, what about a European CEO for a change? ICANN is saving on the registrar liaison in the EU so we could use this budget to have a CEO from this region.

GEORGE SADOWSKY: What about an Asian CEO? What about an African CEO? There's nothing wrong with any of those.

CHRIS DISSPAIN: I think we can say one thing for sure. They'll definitely be from earth.

GEORGE SADOWSKY: Probably.

Thank you all very much. The next session in this room is the open forum, and it starts when? 2:00? 2:00.

STEVE CROCKER: Yes. And we're going to start promptly, partly because we have what apparently will be a nice break here, and because we have a tight schedule toward the end of the day.

So 2:00. Bring friends; come ready.

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