Operations Update

23 June 2015

FY16 Operating Plan & Budget

⊙ FY15 Financials - Overview

⊙ Dashboard

⊙ Organizational Excellence

FY16 Budget: Public comments

1

Summary of public comments received

- 9 Organizations / 85 comments
- Topics: Policy support insufficient, lack of clarity on USG Transition, comments/questions on KPIs

2

Responses to Public comments

- Calls with SO/AC – Board (BFC) – Staff
- Draft responses reviewed by Board members
- Responses published on June 5th

3

Changes to the Draft Budget

- Policy support: INcreased by $0.5m (incl. 2 FTE)
- Language Services: INcreased by $0.6m
- Contingency: DEcreased by $1.1m
- Clarification on impact of USG Transition
- Other language edits or additions

FY15 Financials -Overview

Preliminary forecast resulting from:

- 10 months of actual results (July through April)
- 2 months of forecasted activity (May+June)

Unaudited	Forecast		Budget	Var	%
Revenue	$103.0		$104.0	($1.0)	-1%
Baseline Operating Expenses	(100.5)		(101.3)	0.8	-1%
Initiative (USG Transition)	(7.9)		(6.9)	(1.1)	16%
Other Income/ (Expense)	1.0		0.0	1.0	0%
Net asset change	**(4.4)**	*	**(4.2)**	**(0.2)**	**6%**
Net asset change – Cash impact	**1.6**	*	**1.1**	**0.5**	**47%**
Capital Expenditures	(7.5)		(8.0)	0.5	-6%
Funding from Reserve Fund (USG Stewardship Transition)	1.5		6.9	(5.4)	-78%
Net impact on Operating Cash	**($4.4)**		**($0.1)**	**($4.4)**	**n/a**

*: Net asset change (4.4), removing non-cash expenses (6.0), equal the Cash impact of the Net asset change

Actuals after 11 months

- Actual spend includes legal firms accruals (invoices pending)
- Legal firms spend close to $3m since 1 March.
- Possible excess of spend vs budget

FY15 USG Stewardship Transition Costs

31-May-15

Track	Person nel*	T&M	Prof. Svcs.	Admin	YTD Actual		YTD Budget	Better/ (Worse)		FY15 Budget	Left to Spend
Transition of U.S. Government stewardship of IANA functions	$0.4	$0.7	$2.7	$0.1	$3.9		$2.9	-$1.0		$3.1	-$0.8
Strengthen ICANN Governance & Accountability	0.4	0.3	2.1	0.0	2.9		2.1	-0.7		2.3	-0.6
Post-Transition: Document strengthened relationships with policy and advisory bodies	0.2	0.0	0.0	0.0	0.2		0.7	0.5		0.8	0.6
Maintain security and stability of implementation of root zone updates	0.0	0.0	0.0	0.0	0.1		0.6	0.5		0.7	0.7
Total	$1.0	$1.1	$4.8	$0.1	$7.0		$6.2	-$0.7		$6.9	-$0.1

Dashboard

Goals

Portfolios

Projects

Strategic → Board/ Stakeholder

Directional → Executives/ Global Leadership

Operational → Staff/ Managers
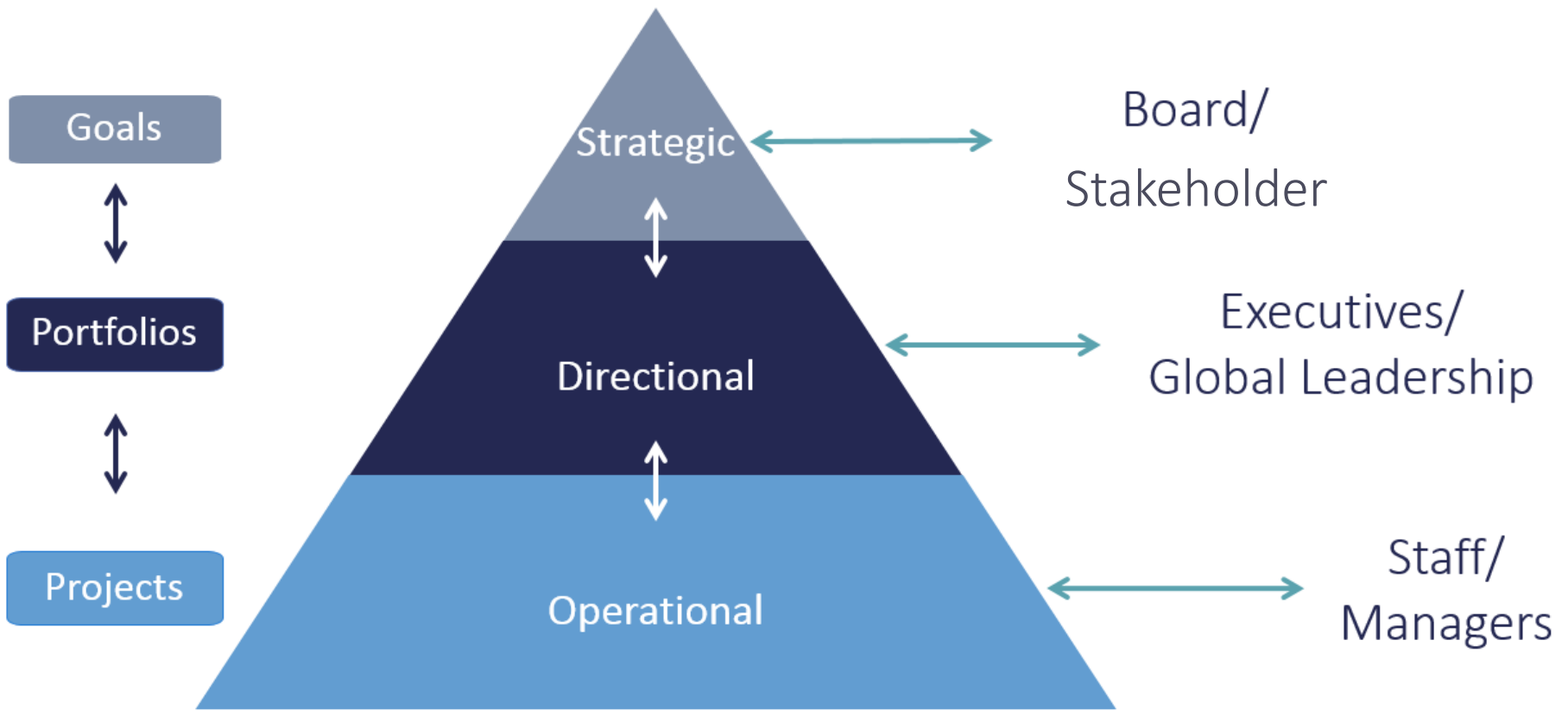
Dashboards to achieve multiple **Purposes** for multiple **Audiences**

Status & Plan

Completed =

- Dashboard structure aligns with Operating Plan

- Project & Portfolio level Dashboard in use & continue to advance

In progress =

- At ICANN 53, previewing Goal-level Dashboard Beta version to engage Board & Stakeholders' input

Next steps =

- Target to release Objective & Goal level "ICANN KPI Dashboard" by August 2015 Quarterly Stakeholder call

- Dashboards will continue to advance

ICANN KPI Dashboard

Objectives & Overall Status

1   Evolve and further globalize ICANN   **76**

2   Support a healthy, stable and resilient unique identifier ecosystem   **...**

3   Advance organizational, technological and operational excellence   **87**

4   Promote ICANN's role and multistakeholder approach   **...**

5   Develop and implement a global public interest framework bounded by ICANN's mission   **81**

How to read and understand the charts :

Problematic
Immediate Actions Required

0-49

Below Target
Corrective Actions as needed

50-84

On Target
No corrective actions required

85-100

The number reflects the weighted score of the dashboard charts per goal.

Beta v1.0

Objective Status

3	Advance organizational, technological and operational excellence	87

Goals Overall Status

—	3.1	Ensure ICANN's long term financial accountability, stability and sustainability	94

Actual to budget reserve fund balance & utilization, and financial performance metrics	🟢
Internal control performance indicators	🟢
% Project completion indices (with emphasis on major projects)	🟢
Comparing actual to target – Staff voluntary attrition trailing 12 month trend	🟡
Comparisons of actual to target enterprise risk management roadmap achievment	🟢
ON-time delivery index of the ICANN Planning process	🟢

ICANN KPI Dashboard
As of March 2015 (FY2015)

Objective Status

3	Advance organizational, technological and operational excellence	87

Goals Overall Status

3.1	Ensure ICANN's long term financial accountability, stability and sustainability	94

KPI Status

Actual to target reserve fund balance & utilization, and financial performance metrics

Revenue/Expenses overall consistent with target.
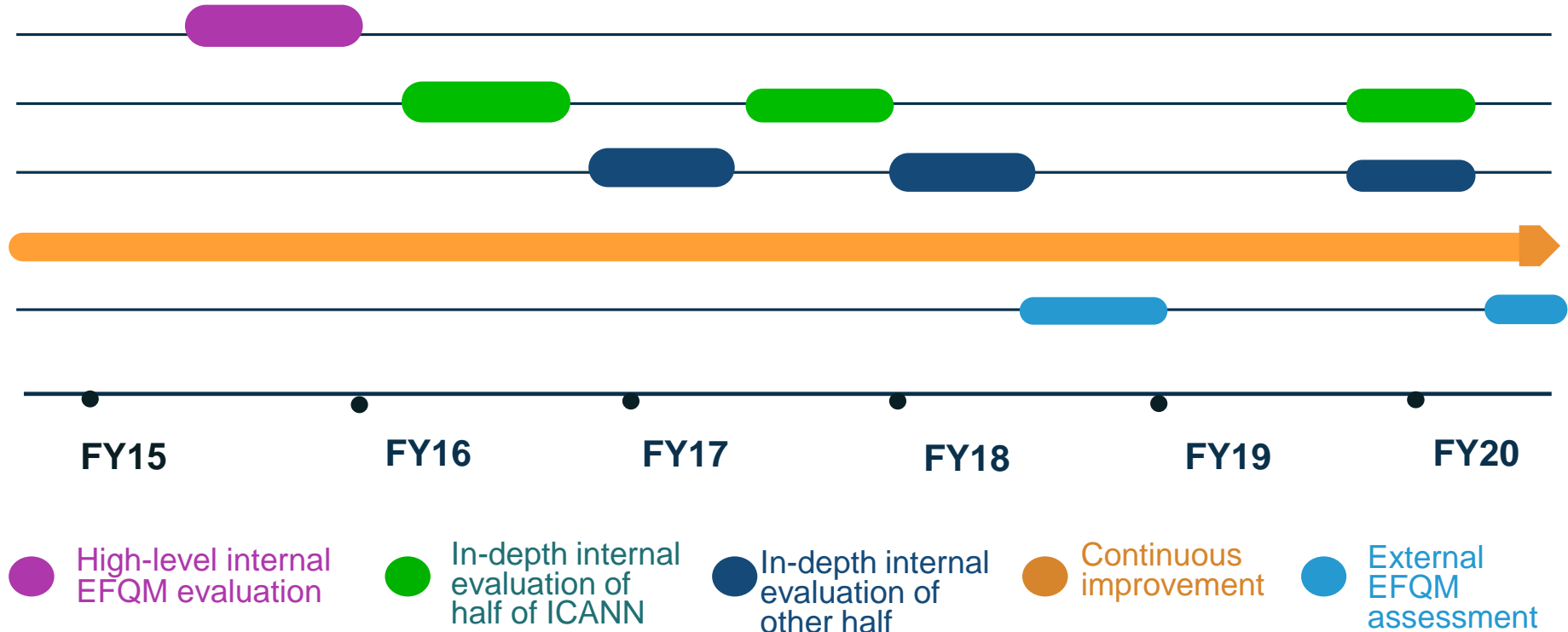Reserve Fund progresses towards target.

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Organizational Excellence

Summary

- ICANN is applying EFQM Excellence Model in driving organization excellence across ICANN
    - Leveraging the experience gained from the IANA Department's EFQM program (started in 2009)

- Progress in FY15:
    - Completed a draft high-level assessment of the organization using EFQM Methodology
    - Identified initial set of improvements
    - Developed roadmap to reach an external assessment by FY18

5-year roadmap

	FY15	FY16	FY17	FY18	FY19	FY20

Legend:
- 🟣 High-level internal EFQM evaluation
- 🟢 In-depth internal evaluation of half of ICANN
- 🔵 In-depth internal evaluation of other half
- 🟠 Continuous improvement
- 🔵 External EFQM assessment

Continuous improvement:
After each evaluation, the groups will work on identified improvements to be ready for the next evaluation

Question & Answer

Management Systems

Strategic Plan

Reporting / Dashboard

Operating Plans

Organizational Excellence

Objectives

Goals

Portfolios

Projects

Enterprise Risk Mgmt.

Budget / Cost Mgmt.

People Performance Mgmt.

Project Portfolio Mgmt.

Phases Key
Strategy
Implementation
Results