



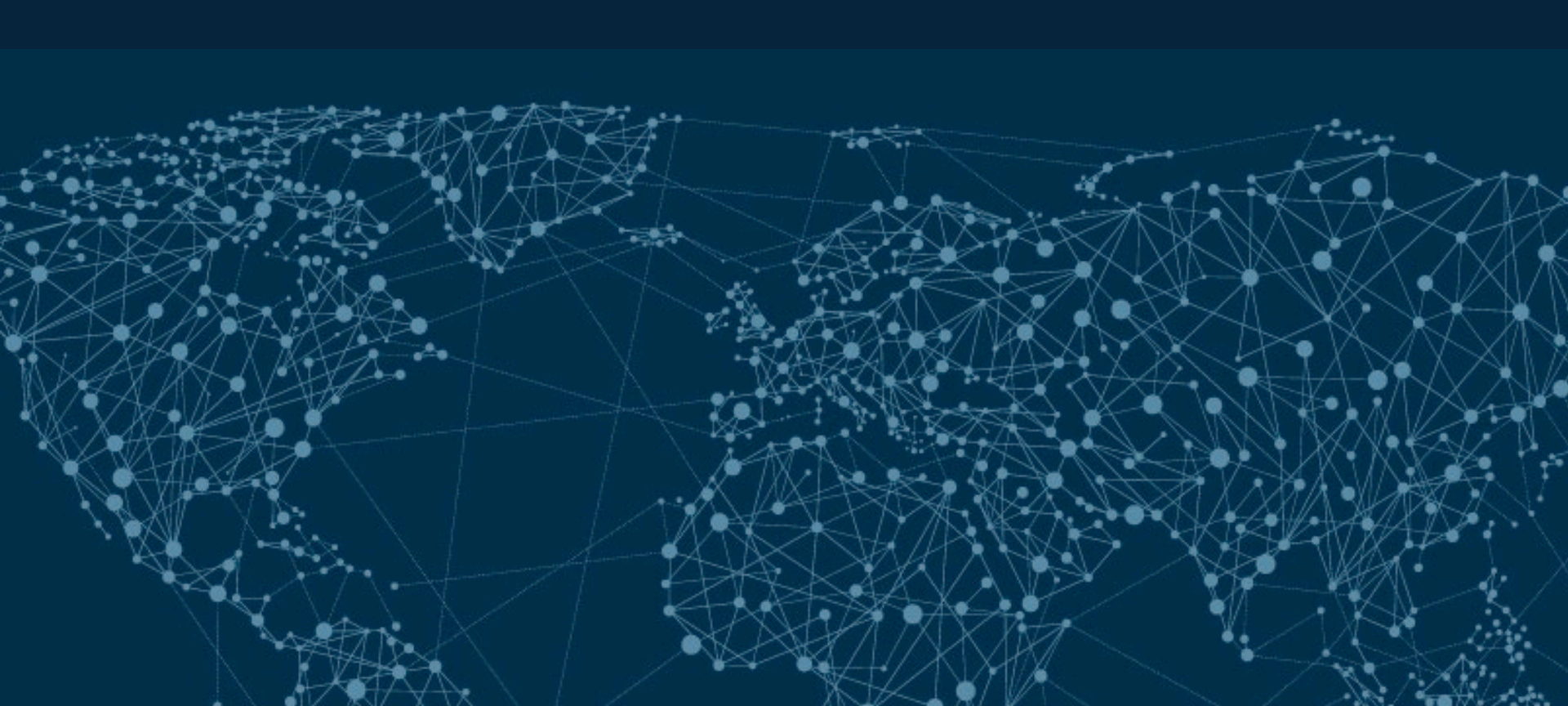
ICANN | 54

Dublin



18-22 OCTOBER 2015





Operations Update

| Dublin | 21 October 2015 |

Agenda

1

Financials
Overview

2

FY17 Operating Plan
& Budget and Five-
Year Operating Plan
Update Process

3

Enterprise Risk
Management

4

KPI Beta
Dashboard.

5

Organizational
Excellence

Financials Overview

Financial Transparency and Accountability

1

Quarterly Stakeholder Calls (QSC)

FY15 Q4 call held on 20 August. FY16 Q1 call held on 6 October. Due to the timing of the call, ICANN provided estimates for FY16 Q1.

2

Quarterly financial package

Continue publishing more detailed quarterly financial package, including IANA function costs and USG Stewardship costs.

3

FY17 OP&B Process

Consistent with the FY16 process, the commencement date for FY17 Operating Plan and Budget was moved up (3 months earlier than FY16) to allow for even more time for planning and interaction between the community and staff.

FY16 Q1 Resource Utilization Estimate

ICANN OPERATIONS

Net excess for Q1, mainly due to timing differences.

	Q1 Estimate	Q1 Budget	Var	Q1 LY	Var	FY16 Budget
Revenues	\$ 26	\$ 26	\$ 0	\$ 23	\$ 3	\$113
Baseline Expenses (Operating*/Capital)	-21	-25	4	-20	-1	-113
Initiatives Expenses	-4	-4	0	-1	-3	-13
Net	\$ 1	-\$ 3	\$ 4	\$ 2	-\$ 1	

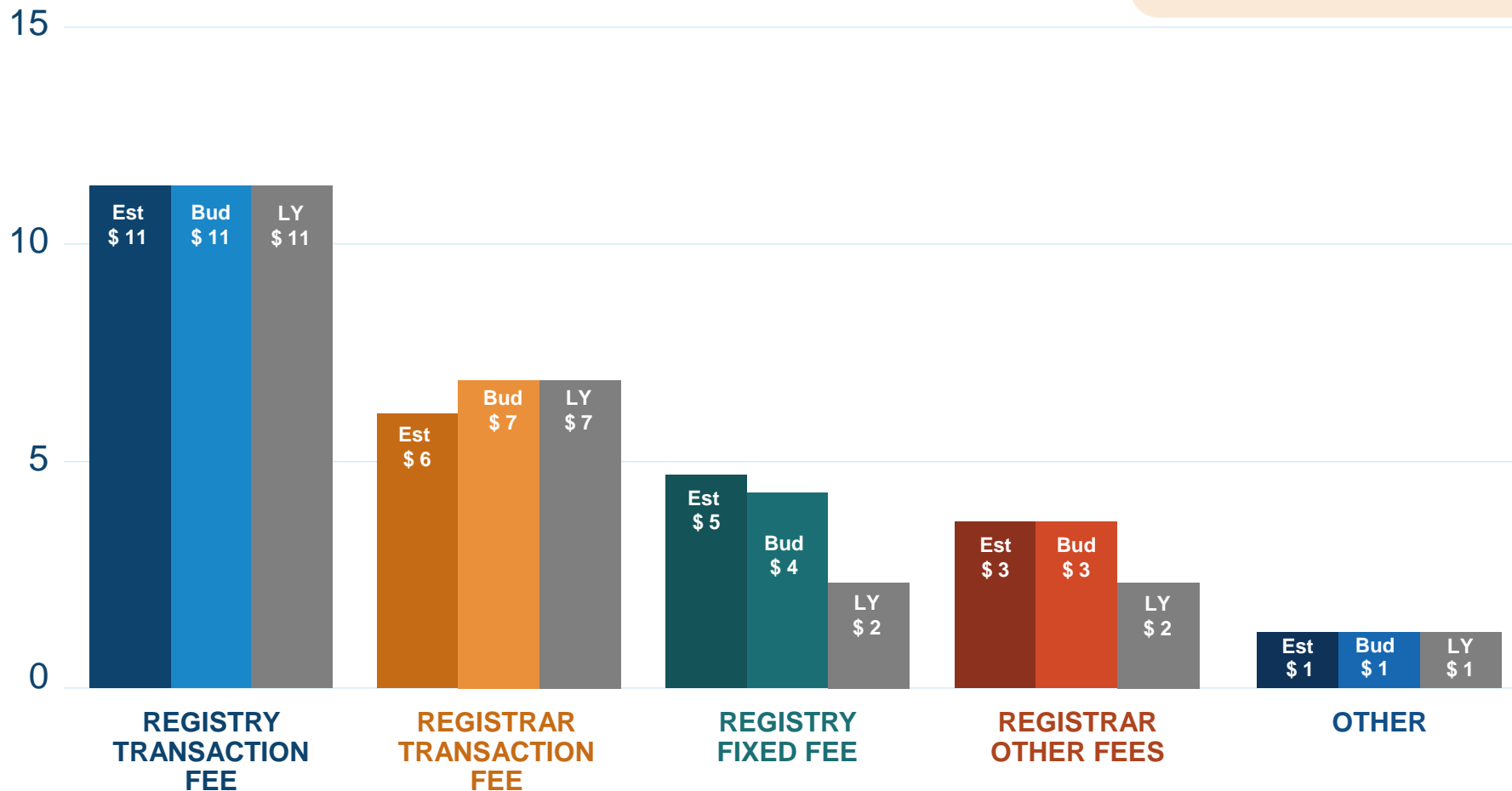
*Excludes bad debt and depreciation

Q1 QSC – Revenue Estimates

ICANN OPERATIONS

Revenues on target.

Estimate: \$ 26
Budget: \$ 26
Last Year: \$ 23

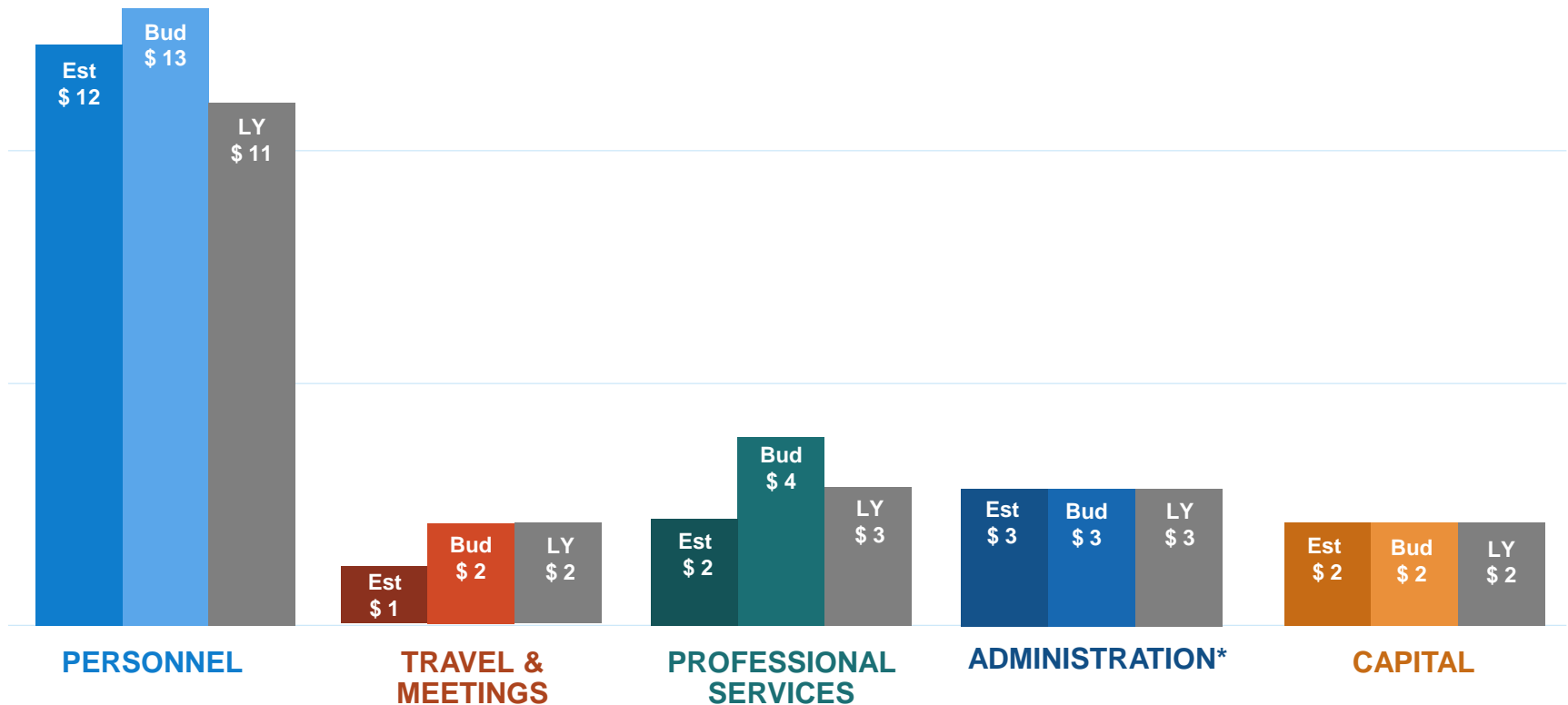


Q1 QSC –Baseline Operating Expenses and Capital Estimates

ICANN OPERATIONS

Timing differences of projects vs. plan and slower hiring than budgeted.

Estimate: \$ 21
Budget: \$ 25
Last Year: \$ 20



*Excludes bad debt and depreciation

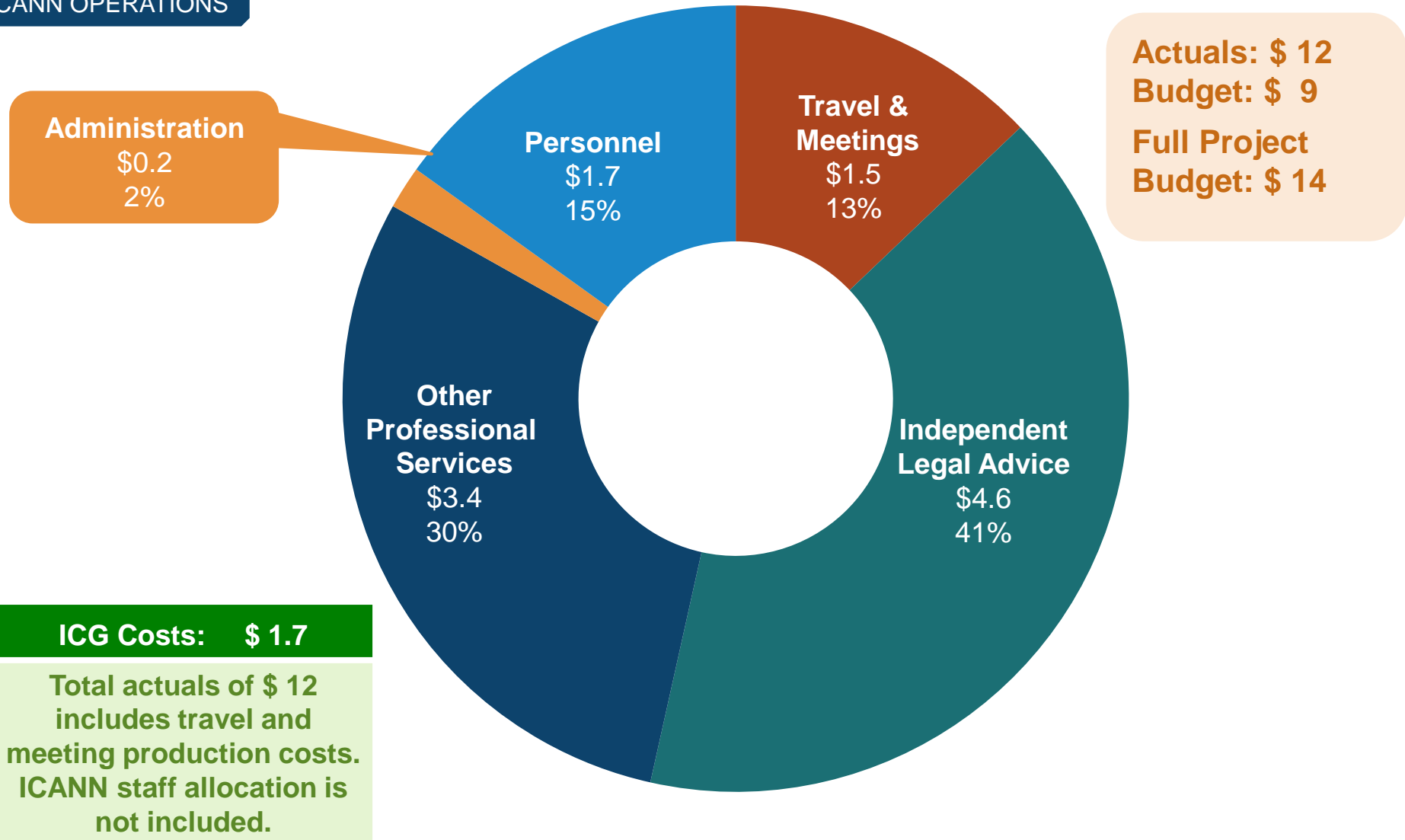
FY16 Q1 Initiatives Estimates

ICANN OPERATIONS

	Q1 Estimate	Q1 Budget	FY16 Budget
USG Stewardship Transition	\$ 2.8	\$ 1.8	\$ 7.0
Public Responsibility	0.3	1.1	2.5
Hardening Critical IT Infrastructure	0.4	0.5	2.5
New gTLD - Next Round Assessments & Preparation	0.1	0.1	0.5
Implementation of Reviews Recommendations	0.0	0.1	0.3
Total Initiatives	\$ 3.6	\$ 3.6	\$ 12.8

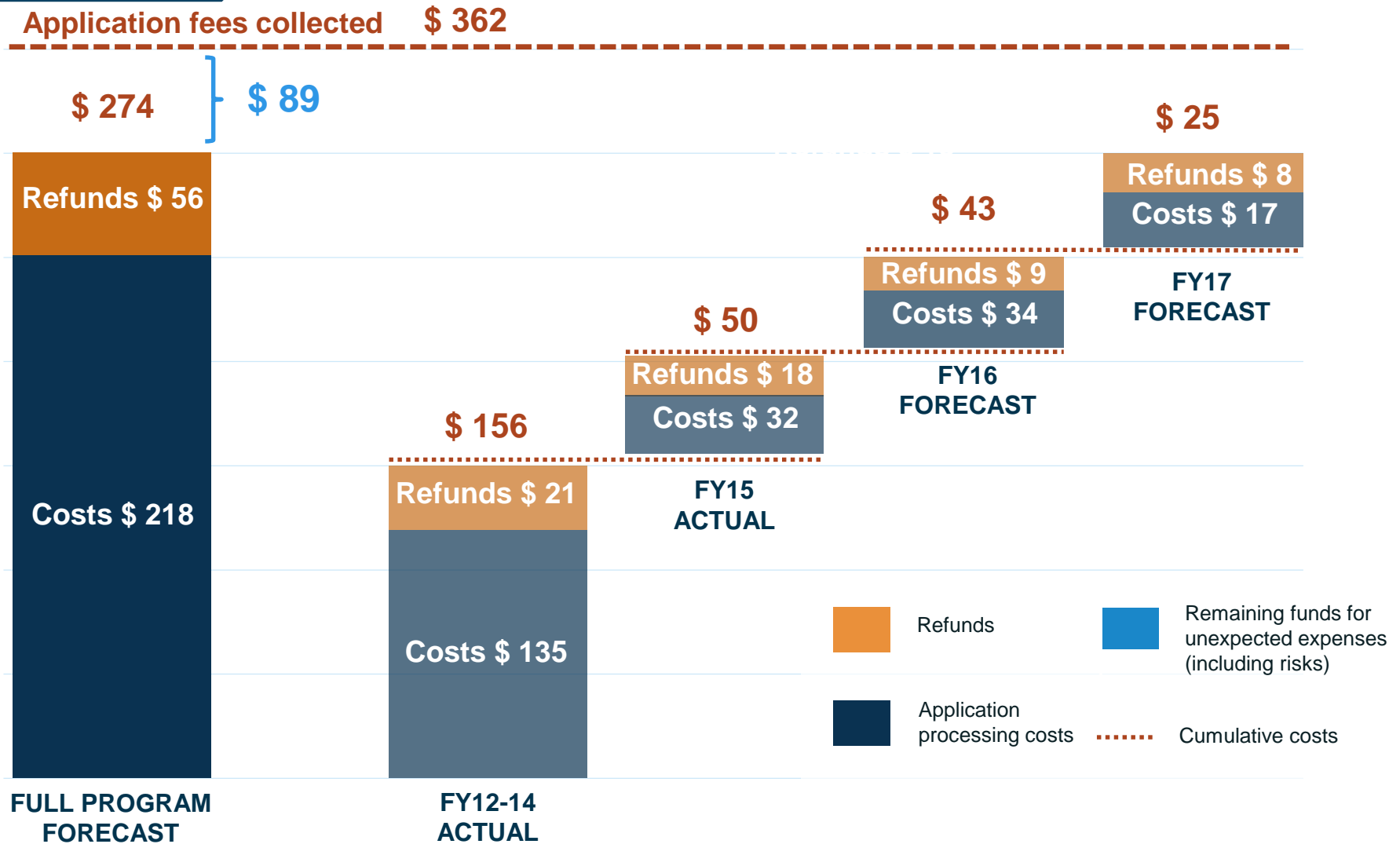
FY15-16 USG Stewardship Transition – Project to Date

ICANN OPERATIONS



New gTLD Program – Multi-year Forecast

New gTLD PROGRAM



FY16 Q1 Funds Under Management Estimates

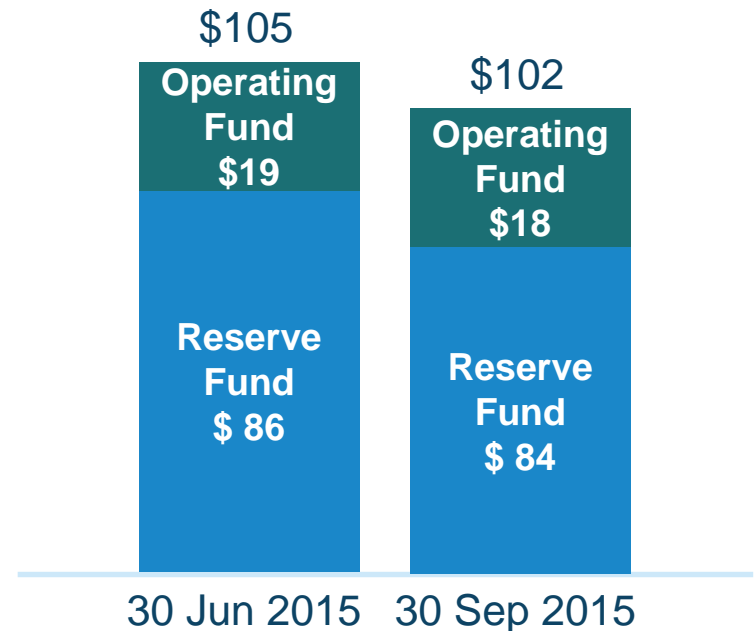
FUNDS UNDER MGMT.

Total Funds: \$318
Program-related: \$216
ICANN Operations: \$102

New gTLD Program New gTLD funds/Auction proceeds



ICANN Operations Operating and Reserve Funds





**FY17 Operating Plan and Budget
and
Five Year Operating Plan Update
Process**

Planning Cycle

Planning Process



FY17 Challenges ↔ Key Success Factors

1

USG Transition?

- Coordinate assumptions with Staff – Board – Community
- Communicate extensively
- Monitor costs closely

2

New CEO?

- Draft completed/published by new CEO arrival
- Detailed briefing at arrival
- Increase contingency

3

Operating / Strategic plan update?

- New and additional step in the process
- Planning and communication required

4

Functional & SO/AC budgets?

- Identify functional areas of ICANN for which budgets should be clearly defined
- Develop model for defining budget by SO/AC group

5

Tight timeline?

- Early information/communication
- Clear/comprehensive calendar
- Discipline

6

Resource limitation?

- Marginal revenue increase
- New gTLD allocation “coming back”
- Reserve Fund “replenishment”
- Require more planning, including long term.

FY16 Process – Lessons Learned

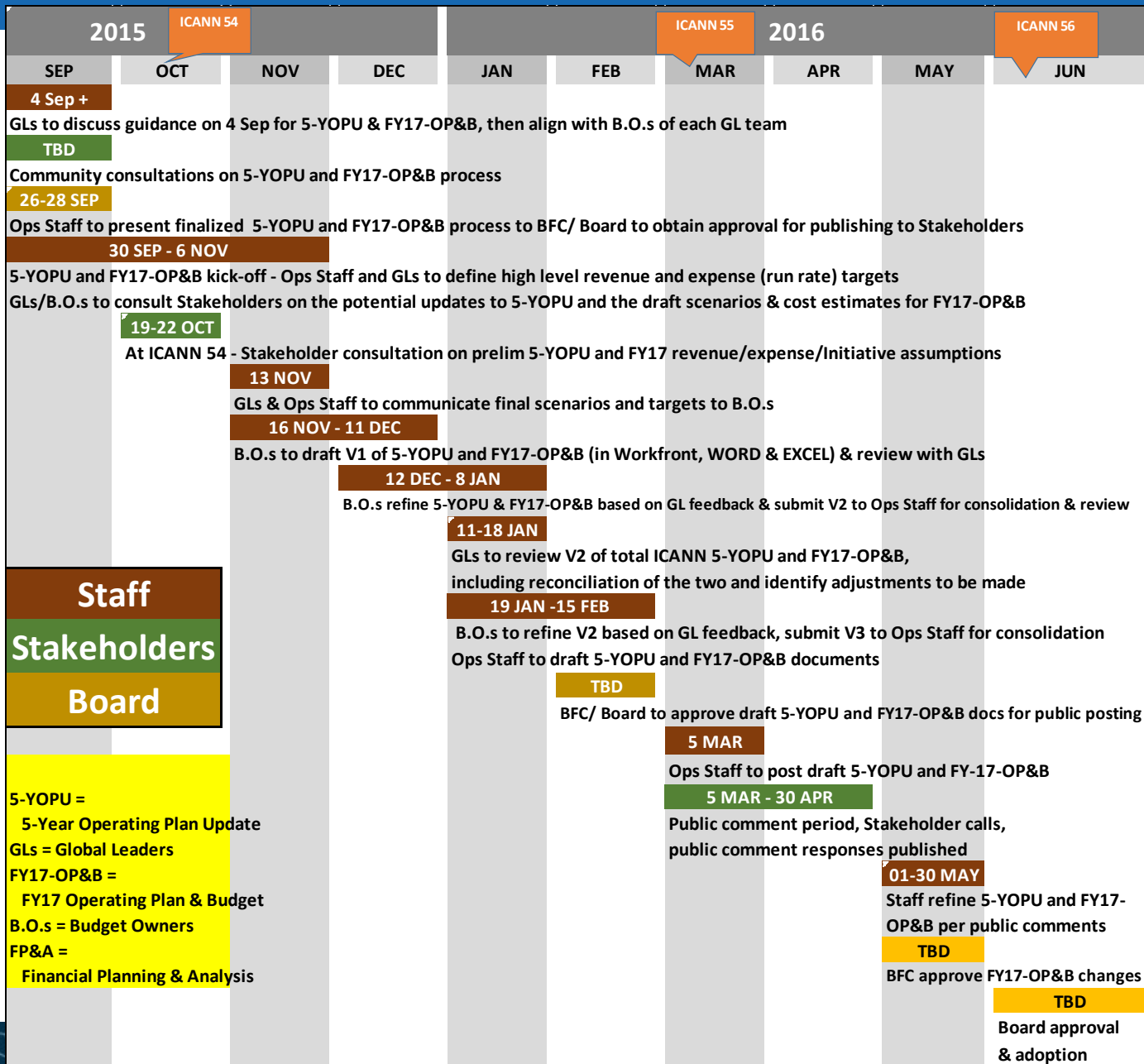
What we should continue:

- ✓ • Annual Operating Plan and Budget derived from the 5-Year Operating Plan
- ✓ • Advanced scheduled: earlier start, earlier Community/Staff interaction, earlier public comment period
- ✓ • Interactive engagement: F2F working group session
- ✓ • Improved communication on public comments and draft responses
- ✓ • Involvement of Board in public comment process, improving Board accountability

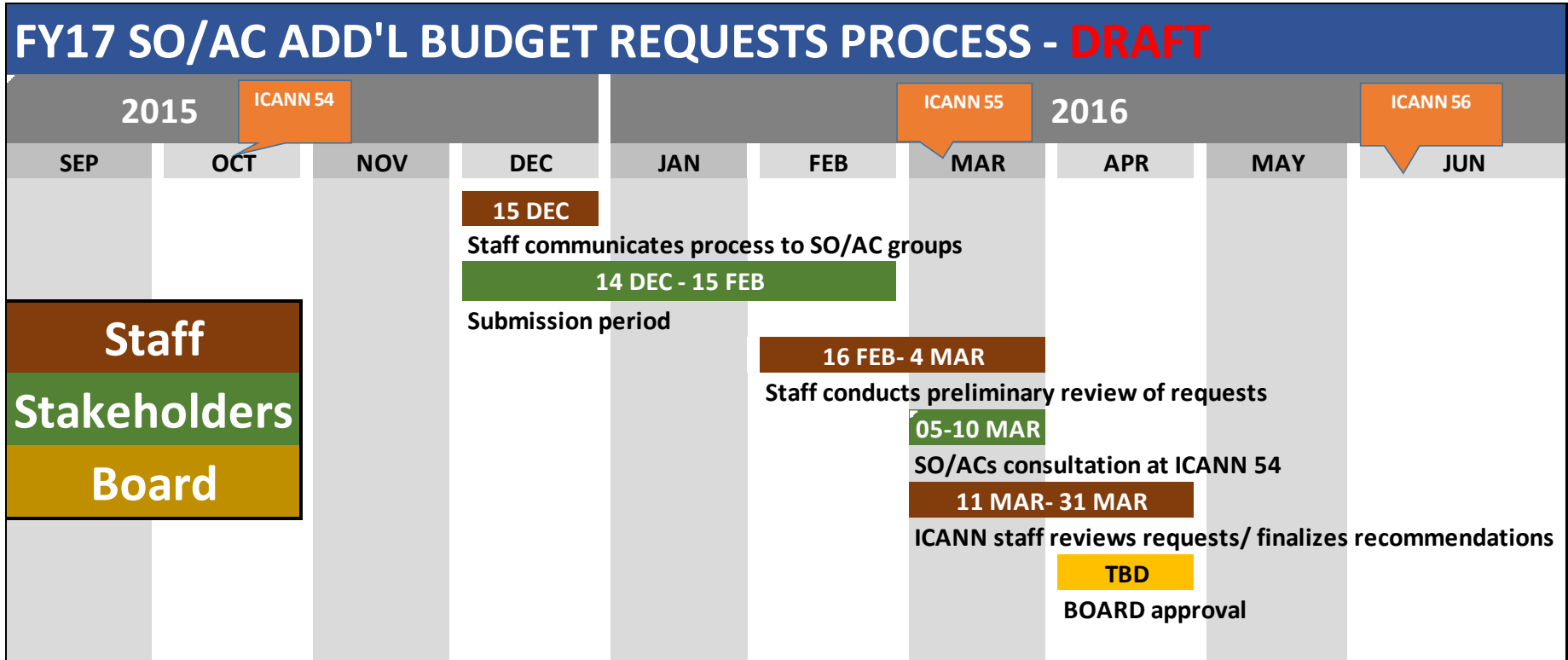
What we should improve:

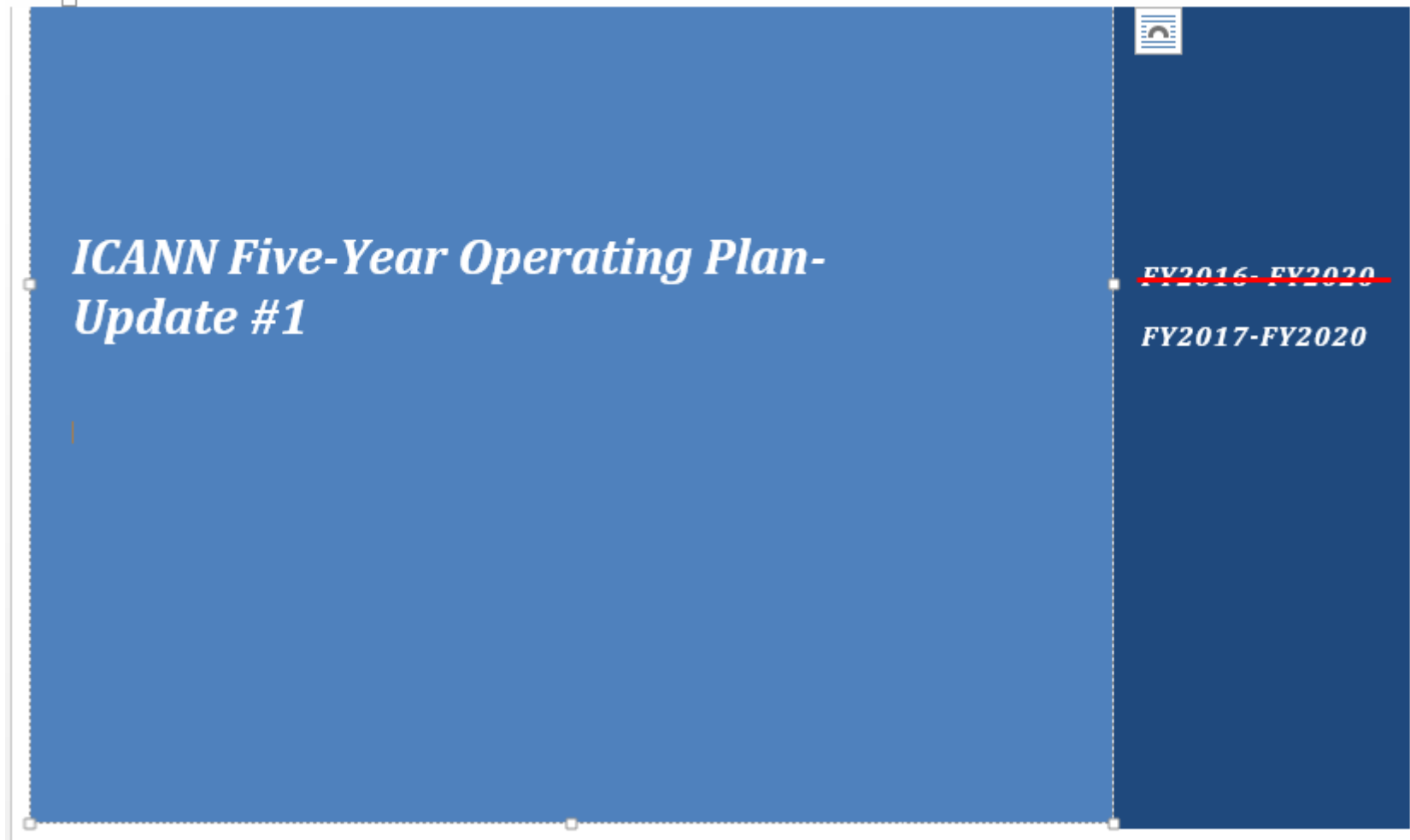
- ↪ • Interaction with community was limited to SO/AC members = Need to expand participation
- ↪ • Communication on the USG transition project monitoring and costs
- ↪ • Integrate more and better the KPIs into the planning process

Process Overview & Draft Timeline (1 of 2)

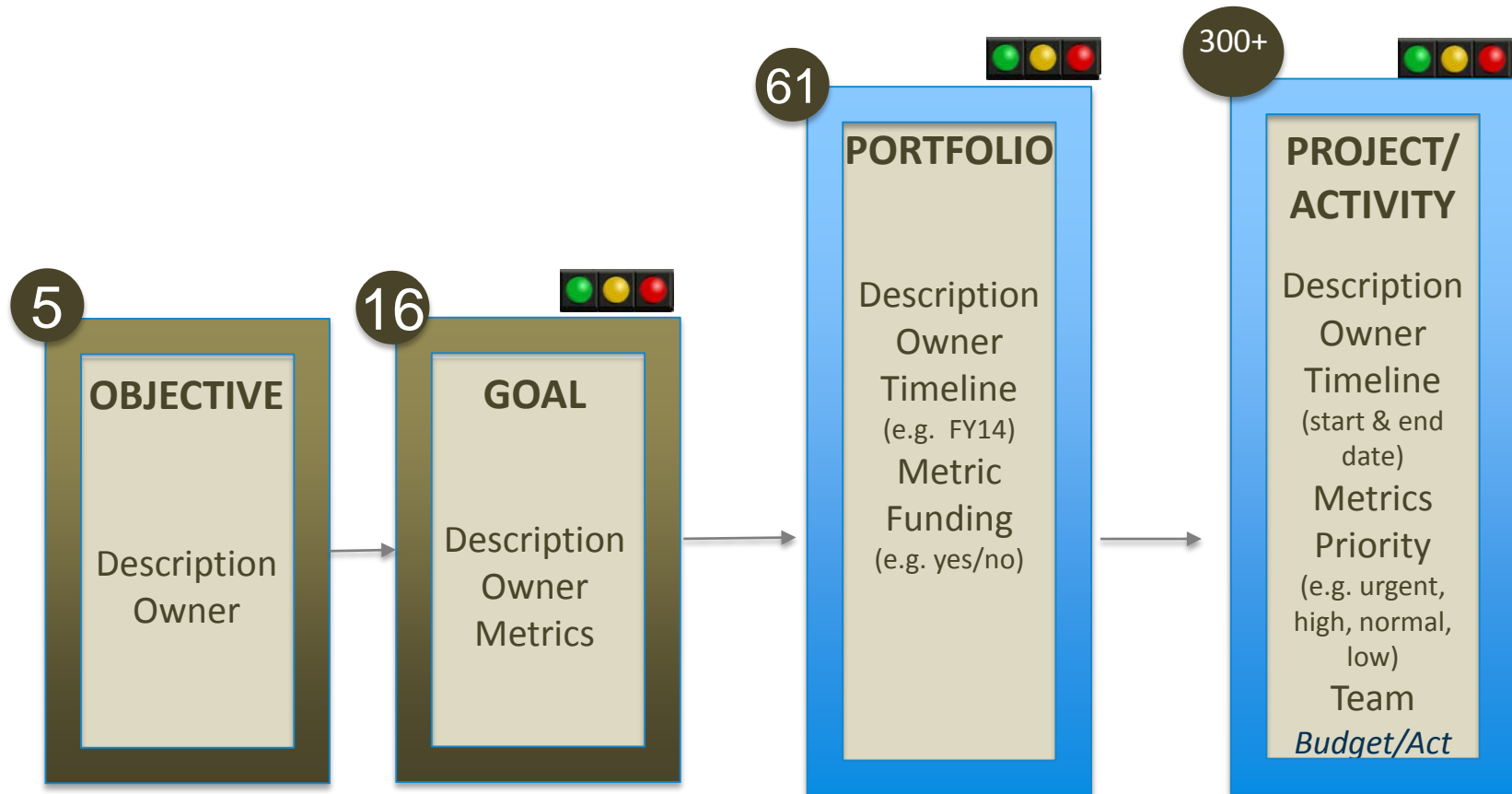


Process Overview & Draft Timeline (1 of 2)





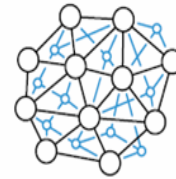
Portfolio Management Structure



Five-Year Operating Plan – Objective Focus



1 Evolve and further **globalize** ICANN.



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



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

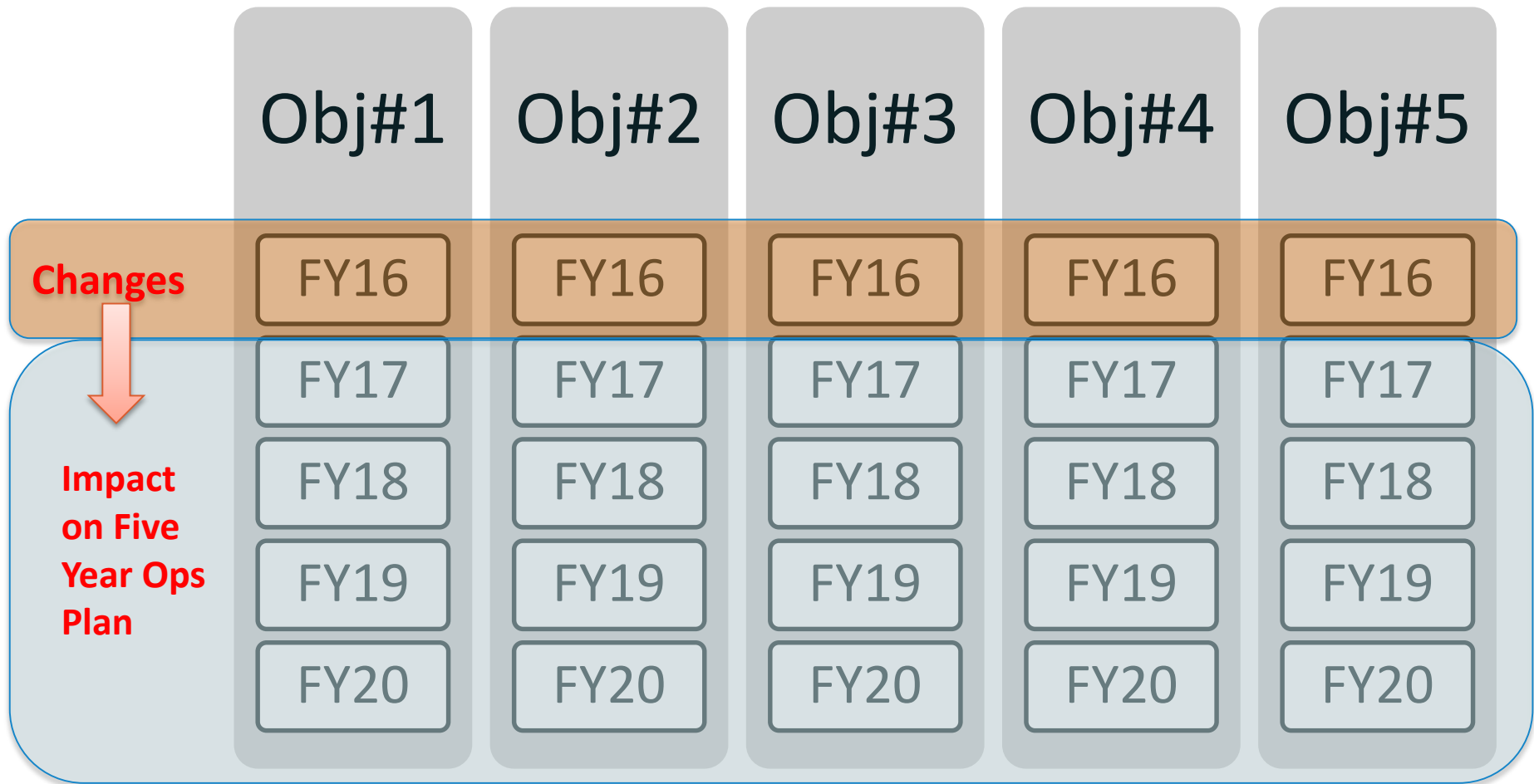


5 Develop and implement a **global public interest** framework bounded by ICANN's mission.



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

Five Year Operating Plan – FY16 Changes



Update Sample Page



Strategic Objective 1 - Evolve and further globalize ICANN.

Strategic Goal 1.1 Further globalize and regionalize ICANN functions.

Portfolios: **Review and edit as needed**

1. Raising Stakeholder Awareness of ICANN Worldwide
2. Engagement Planning

Key Performance Indicators (Metrics): **Review and edit as needed**

- Stakeholder engagement index (e.g., Fellowship (new/alumni/coach/mentor); ICANN language services – timeliness, effectiveness and efficiency; Language Localization; Meetings Statistics (current statistics on newcomers, by stakeholder group); Tracking newcomers; Regional participation in SO/AC groups (data provided by Policy team - GAC data provided by Government Engagement); Stakeholder Engagement Heat map)
- **XX** % of ICANN organizational functions performed across ICANN

Dependencies: **Review and edit as needed**

1. Sufficient funding for media tracking and communications activities to understand success in globalizing ICANN
2. Communications needs may increase/Global Stakeholder Engagement (GSE) focus may shift in event of additional round of new gTLDs during the Five-Year Operating Plan

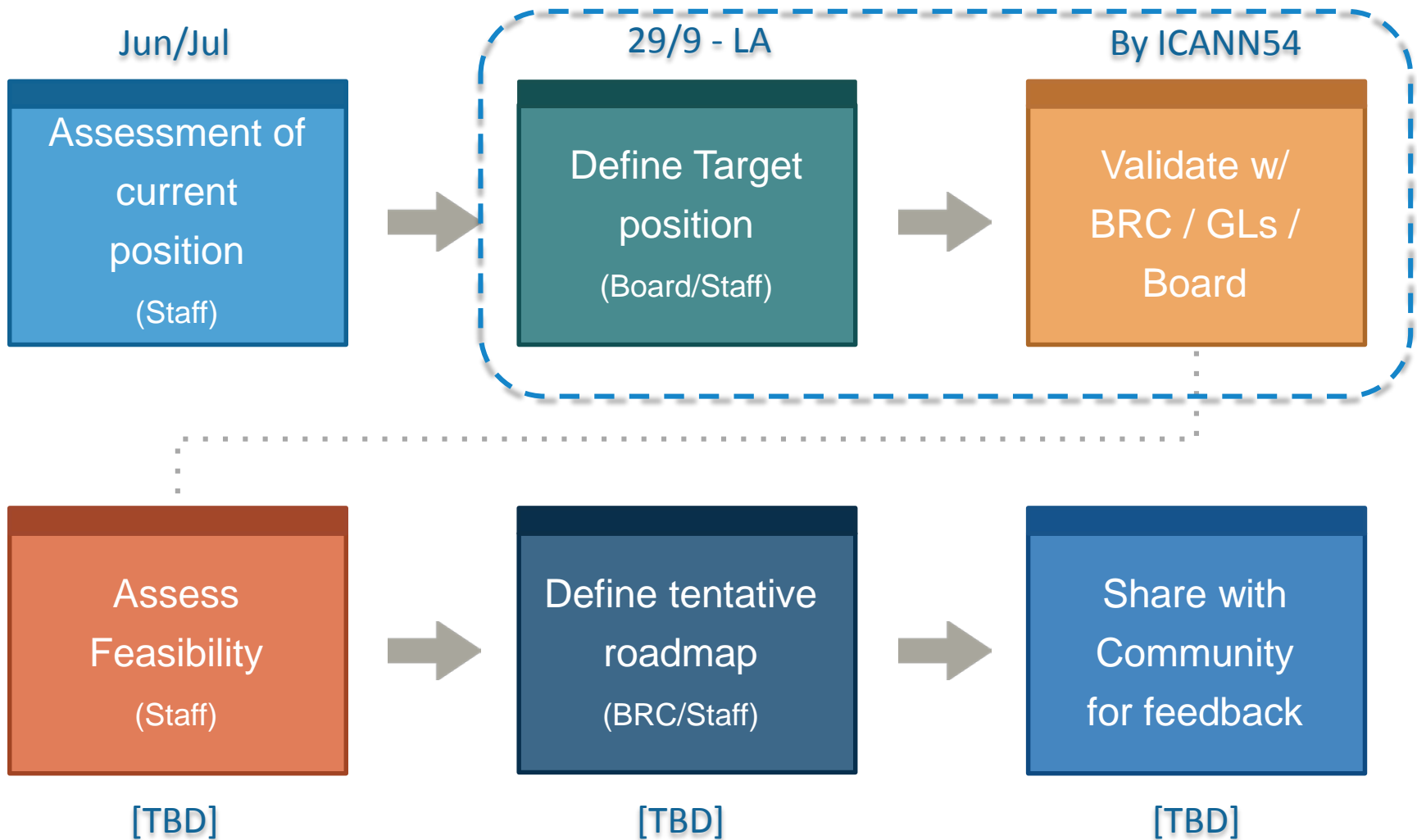
✚ Phasing: **Remove FY16 and edit as needed FY17-20**

FY16 Delete	<ol style="list-style-type: none">1. Integrate global and regional communications strategies.2. Comprehensive regional engagement plans and strategies covering most ICANN regions.3. Further distribute ICANN functions at hub offices.
FY17 Edit	<ol style="list-style-type: none">1. Sustain implementation of communications strategy.2. Wide awareness raising and educational effort if supporting ICANN with another new <u>gTLD</u> round.3. Examine how hubs and engagement offices are supporting ICANN globalization.
FY18 Edit	<ol style="list-style-type: none">1. Reevaluate communications strategy, refresh social media tools and reevaluate ROI from existing platforms.2. Conduct mapping of community to regional engagement; implement recommendations resulting from examination of ICANN hub office and engagement site support of ICANN globalization.
FY19 Edit	<ol style="list-style-type: none">1. Implement integrated global and regional communications strategies in support of ICANN strategies.2. Implement improvements for global stakeholder engagement (GSE) based on community mapping in FY18.
FY20 Edit	<ol style="list-style-type: none">1. Conduct holistic evaluation of ongoing integrated global and regional communications strategies.2. Survey community on GSE engagement and support of community engagement at high level.3. Implement improvements on review of GSE web, CRM tools from 2019.

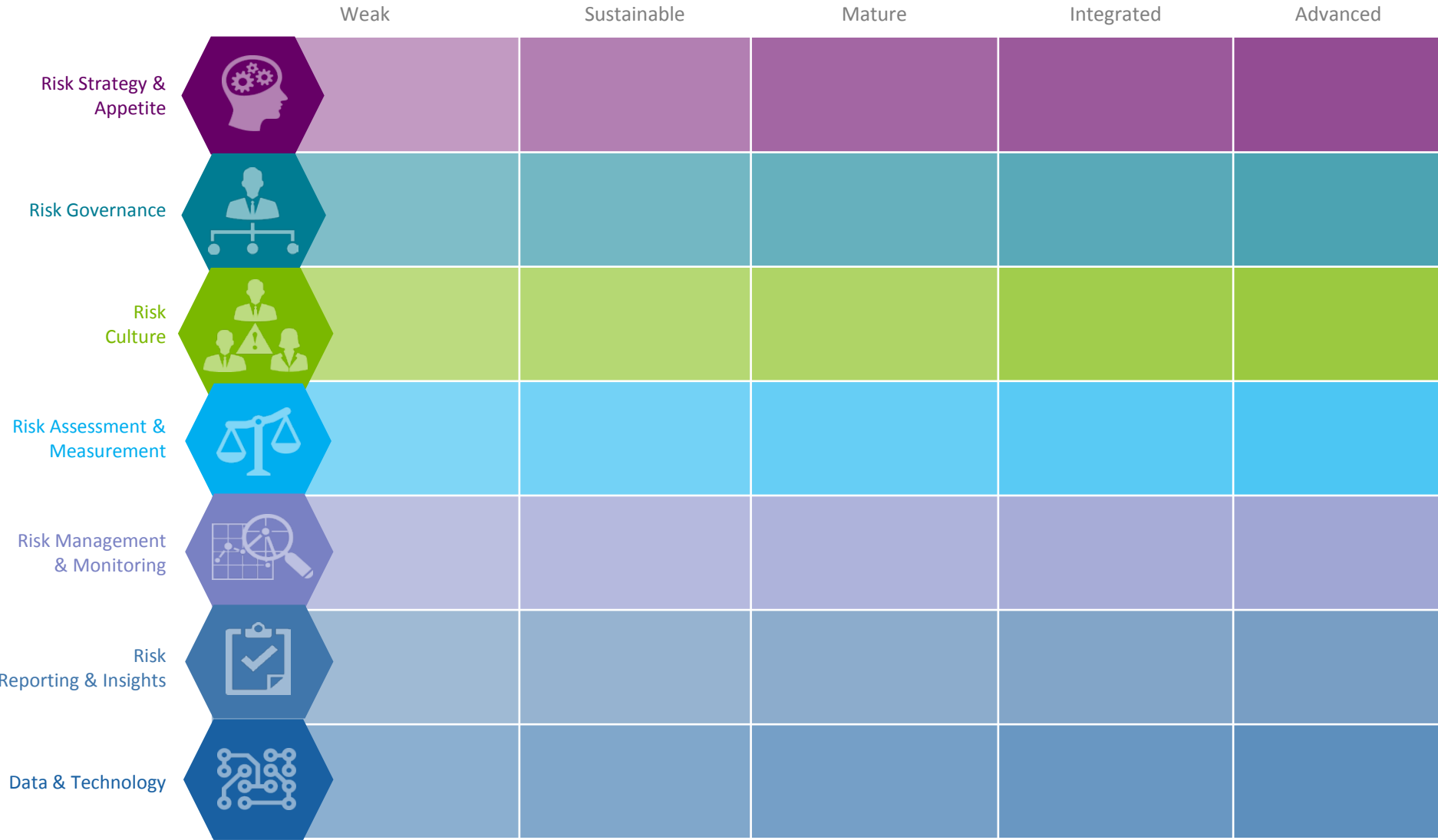
The background of the slide is a solid orange color. Overlaid on this is a stylized world map. The map is formed by a network of small white dots connected by thin white lines, creating a mesh-like structure that outlines the continents. The text "Enterprise Risk Management (ERM)" is centered horizontally and vertically over the map.

Enterprise Risk Management (ERM)

ICANN ERM – Strategy roadmap



ICANN's ERM target: sample model



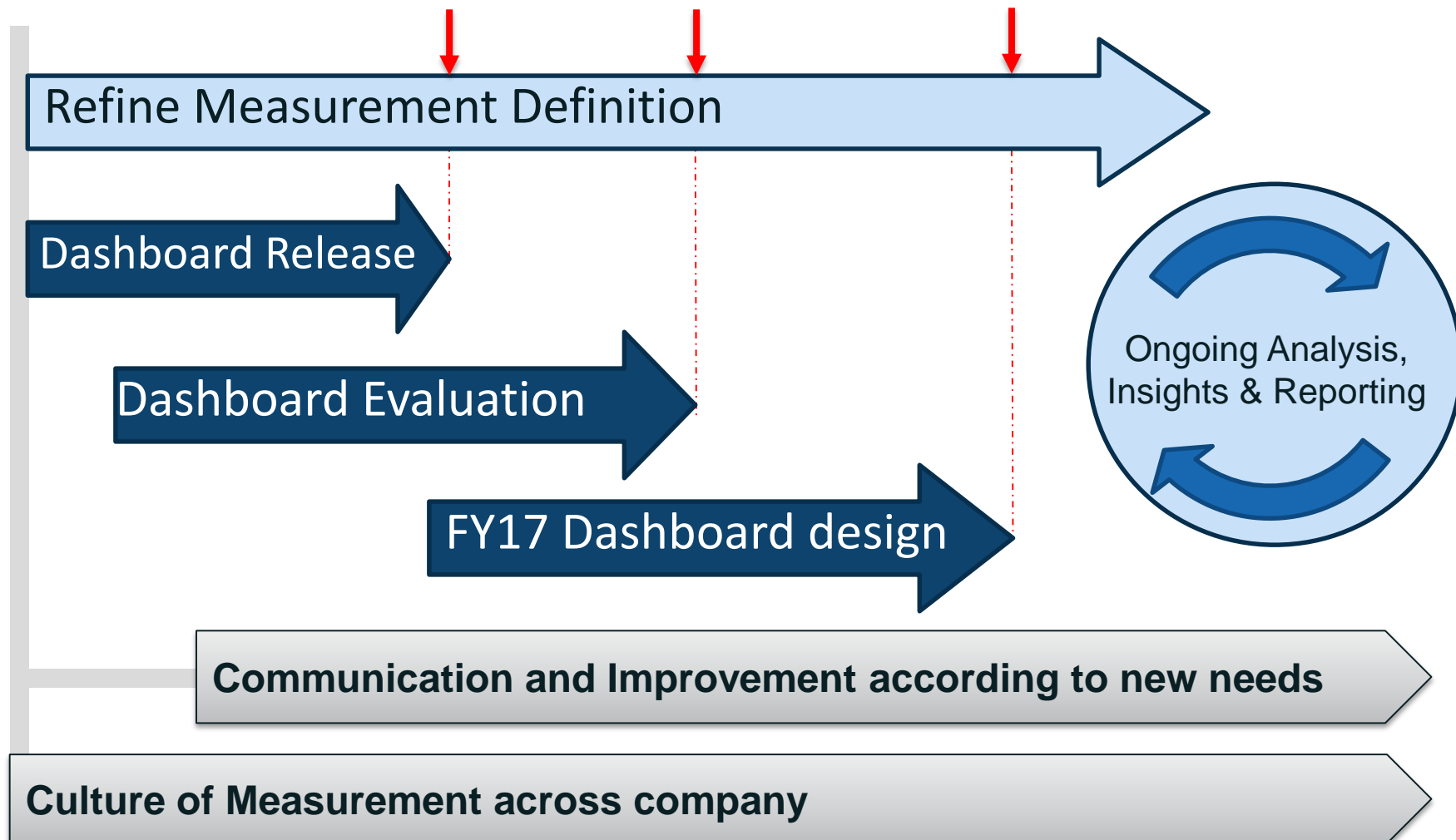
KPI Beta Dashboard

Dashboard Development – FY16 Roadmap

Oct-2015 ICANN
54th Dublin

Mar-2016 ICANN
55th Marrakech

Jun-2016 ICANN
56th LAC (tbd)



- **Dashboard Live with monthly updates**

- KPI Beta Dashboard Published in September 2015
- Dashboard structure aligned with Portfolio System
- All ICANN functions engaged in collecting relevant data and evolving targets
- Culture of data-driven decisions

- **Ongoing Review, Analysis & Reporting**

- Monthly review meeting with Senior Management Team
- Review session with Board (Board meeting)
- Review session with stakeholder (quarterly Stakeholder call – Oct 7th)

Beta KPI Dashboard - August

Objectives & Overall Status

- ▶ **1 Evolve and further globalize ICANN**
- ▶ **2 Support a healthy, stable and resilient unique identifier ecosystem**
- ▶ **3 Advance organizational, technological and operational excellence**
- ▶ **4 Promote ICANN's role and multistakeholder approach**
- ▶ **5 Develop and implement a global public interest framework bounded by ICANN's mission**

75

66

88

86

74

How to read and understand the charts:

0 - 49

Tracking significantly short of target
Immediate corrective action needed

50 - 84

Tracking short of target
Corrective actions as needed

85 - 100

Tracking to target
Stay the course, no corrective action needed

Beta KPI Dashboard:
<https://www.icann.org/progress>

2.1 KPI

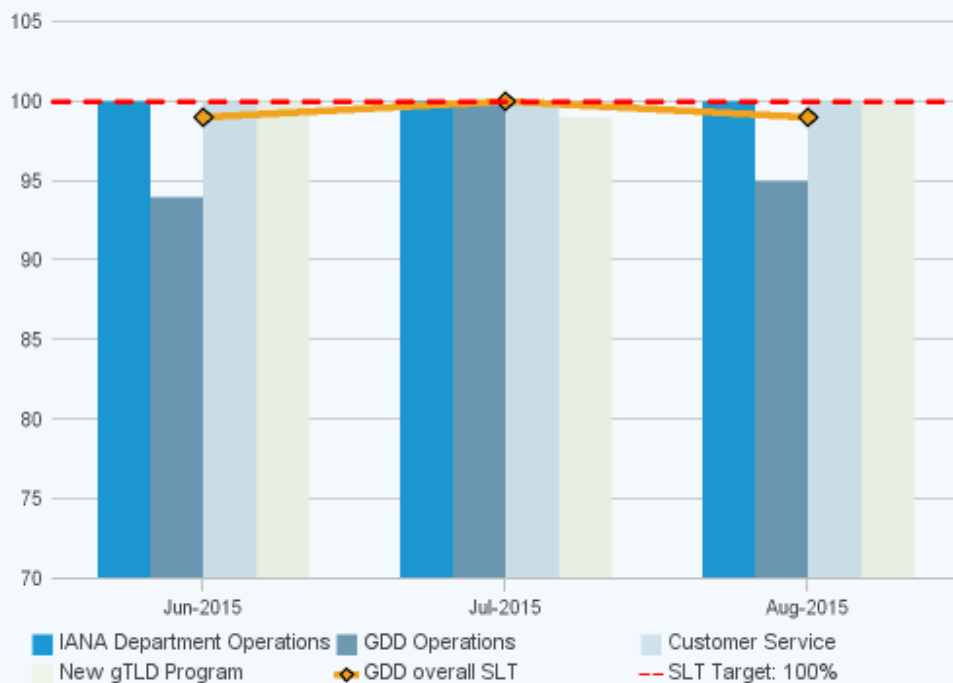
2.1 Foster and coordinate a healthy, secure, stable, and resilient identifier ecosystem

99



Akram Atallah, President, Global Domains Division

GDD Overall SLT Performance



The scores represent the aggregate of SLTs measured for the following areas: IANA operations, GDD operations, Customer Service and New gTLD Program.

3.1 KPI

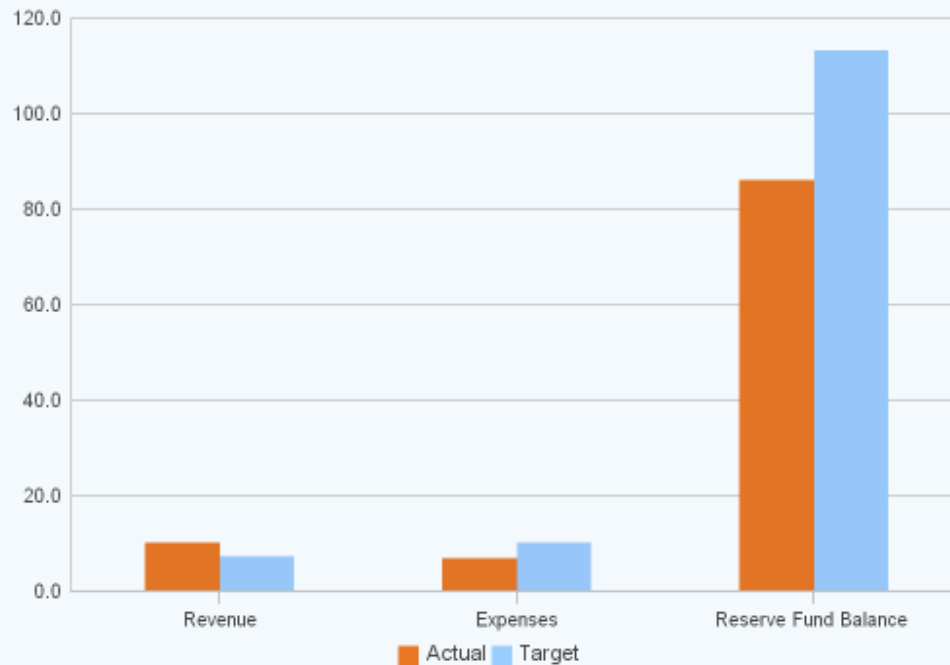
3.1 Ensure ICANN's long-term financial accountability, stability and sustainability

86



Susanna Bennett, Chief Operating Officer

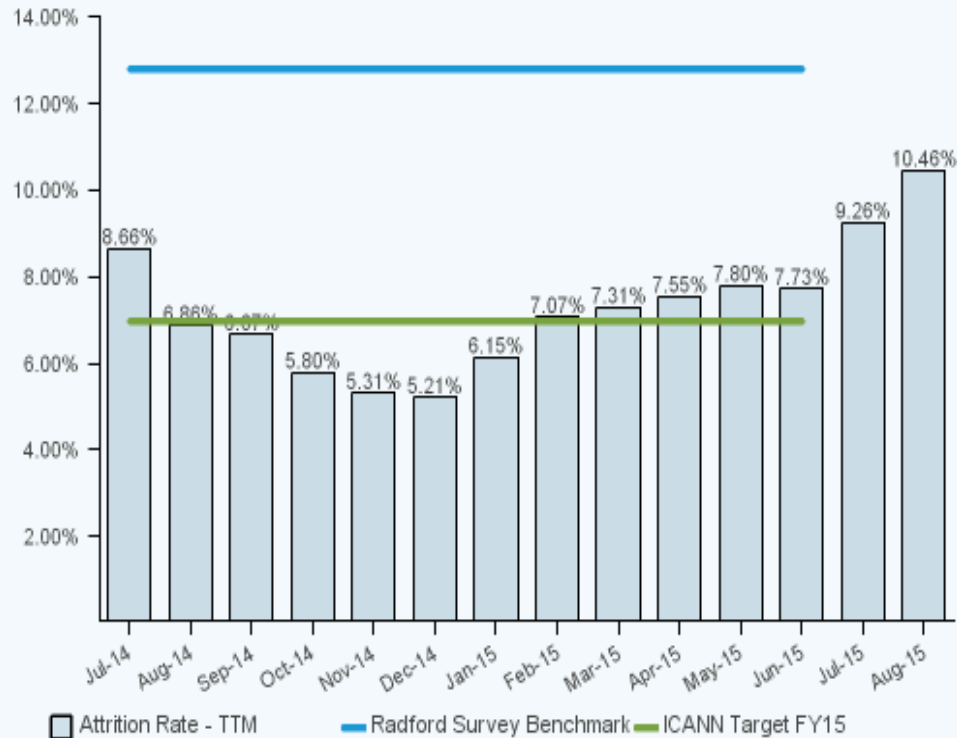
Financial accountability (unaudited) - July 2015



Expected decrease of the reserve fund over the current fiscal year to support strategic projects.

3.1 KPI

% of staff voluntary attrition trailing-twelve-month trend (TTM) - August 2015

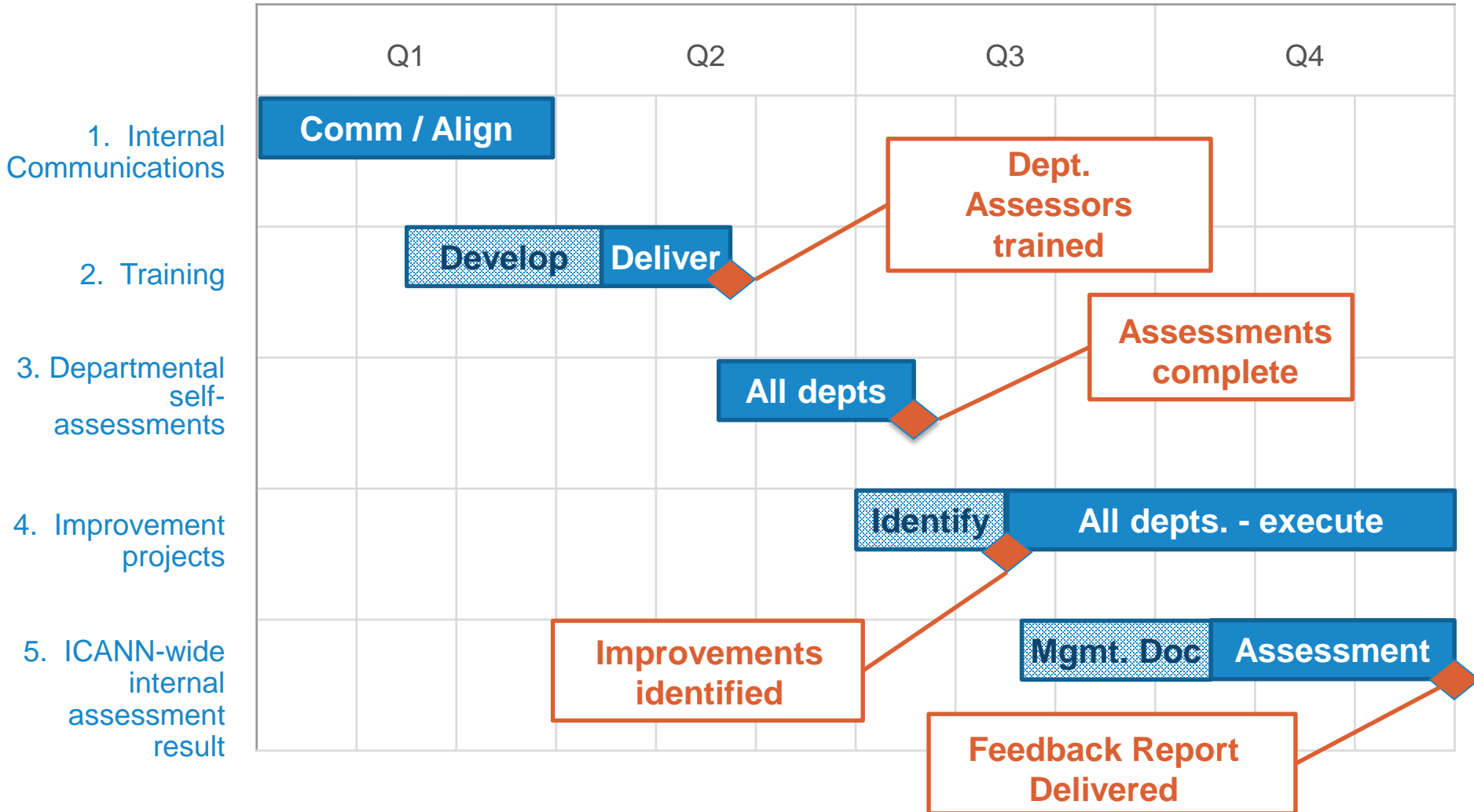


The trailing 12 month attrition rate is the total voluntary terminations of full-time employees during a 12-month period divided by the average full-time employee headcount during that period.

Benchmark source: Radford Trends Report Technology Edition – Global

Organizational Excellence

Organization Excellence FY16 Timeline



A world map where the continents are defined by a complex network of white dots and thin white lines, resembling a social or data network. The background is a solid teal color. The text "Q&A" is centered over the map.

Q&A