LOS ANGELES – Strategic and Operating Planning
Wednesday, October 15, 2014 – 08:30 to 09:45
ICANN – Los Angeles, USA

CAROLE CORNELL: Good morning and thank you for attending today's session on The Strategic and Operating Plan. My name Carole Cornell and I will be leading the session today. Excuse me while I get the slide clicker. Today we will be going over the following agenda. We will give an update on the planning process. We will discuss where we are with the strategic plan. We will then talk a little bit about the planning framework. Then, we will talk a little bit about the multi-year planning calendar and the roles and responsibilities that correspond. We would love to have an exchange of dialogue so, if you have any questions, please ask us as we go along. Thank you, I'll move forward now.

The planning process consists of the strategic plan, the five-year operating plan, the annual operational plan and budget and we have added to this the achievement and progress reporting. All of this started with the foundation of the vision and mission statement which are incorporated and available inside the strategic plan. This whole process allow us to follow a structure and a common approach to all of those, though the strategic plan feeds the five-year operating plan which feeds the annual operating plan and output and results are then processed and that is validated in terms of results and processed back into the strategic plan. The strategic plan will shape our priorities and inform our budget and drive our activities. We will then report back against these plans via the quarterly stakeholder calls that begin in November.

I'm going to now pass it over to Denise Michel.


DENISE MICHEL:          Thank you Carole. We're in the final phase of instituting a new strategic plan for fiscal years 2016 to 2020. This is a new five-year strategic plan for ICANN. We've spent about 18 months developing it with the community. It's a bottom-up, multi-stakeholder, multilingual, extensive collaboration process that began actually in April 2013 both online and in Beijing with very broad questions about ICANN challenges and opportunities for the future. Through several iterations and consultations and public forums and input throughout many continents, we've arrived at a final draft of strategic plan that the board will be acting upon on Thursday at the ICANN 51 meeting here in LA.

Our strategic plan is intended to coalesce our global community around a new over-arching vision and long-term objectives. The final plan that's pending board approval has a new vision. ICANN's vision is that of an independent global organization trusted world-wide to coordinate the global internets systems of unique identifiers to support a single, open, globally interoperable internet. ICANN builds trust through serving the public interest and incorporating the transparent and effective cooperation amongst stakeholders worldwide to facilitate its coordination role.

Along with the over-arching vision, we have the founding mission which is include in ICANN's bylaws that does not change. The strategic plan also includes five strategic objectives that are listed here; evolve for

globalized ICANN, support a healthy, stable and resilient identifier system, advance organizational, technically and operational excellence, promote ICANN's role and multi-stakeholder approach and finally, develop and implement a global public interest framework bounded by ICANN's mission. Each of these five strategic objectives has multiple strategic goals within them, 16 in all. Each goal has key outcomes as well strategic risks.

Additionally, and we've developed a new and proposed five-year operating plan. This five-year operating plan is intended to be a compliment to the strategic plan. It connects the strategic objectives and goals to ICANN's portfolios of activities and provides much more detailed information about ICANN's activities and where we're going over the next five years. Both the strategic plan and the five-year operating plan will serve as foundation for ICANN's annual plans and budgets. With that, I'll turn it over to Carole for the next item.

CAROLE CORNELL:     Thank you Denise before we move forward, are there any questions about the strategic plan? I see there are no questions at this time so, I'll move forward.

Next we're going to talk a little about the planning framework and calendar. You might be asking, "How does the whole process work?" This is to show you that there is continuity between the five-year strategic plan, the five-year operating plan and the annual operating plan and budget. As Denise mentioned, you've understood what is contained inside the strategic plan. What will be in the five-year

operating plan is that each strategic goal will have their corresponding key-performance indicator, risk dependencies and the five-year phasing and a list of the portfolios in each one of those goals. This is a new element to the planning process and this is done through collaboration just like the strategic plan. We will be putting out the five-year operating plan for public comment and feedback. That will occur after the ICANN 51 meeting. I think it's important to note that we have taken the structure that's in the strategic plan and carried it forward into the operating plan and then we carry it forward one more time into the annual operating plan and budget. As you can see, the stakeholder consultation and input is critical and feeds every one of these plans and that's a very important point at this point to note. Any questions on this process? Okay, I will move forward.

As you can see, we've started to introduce what we would call the multi-year planning. The purpose is to integrate the strategic plan and the five-year operating plan and the operating plan. Just like we've connected it from a structural standpoint, we're now connecting it both in how we plan the work across the year. The planning cycle is very collaborative and so like in the strategic plan where we collect public comment, as I said before, we will collect them in the strategic plan we will also collect them in the annual operating plan. As everyone knows, public comments which is an approximately 45-day process to fit that within the calendar year and to make sure it's not overly burdensome to the community and to make sure that it allows for time to process the information and give good impact, it's important that we connect them in our planning process.

I'm going to go on and talk a little bit about how everyone's roles and responsibilities and how it ties. I hope every can see the visual in front of them. This is a proposed planning calendar and it shows how the strategic plan, the five-year operating and the one-year operating plan all connect. See the dots show approximately within each year, when each person participates and how it works. I think to go to the next slide and talk a little bit about the roles and responsibilities and come back to this area. I would show though that the green dot in this chart is the stakeholder, the yellow dot is the board and the blue dot is the staff.

As you can see here, one of the elements that we try to put out is what each key-activity is , the frequency of it, the supporting elements that would be provided as part of the process and then, what the role is and responsibilities of the staff, the board and the stakeholders. I think the other point to note here is that in the strategic plan, it's about an 18-month cycle to build a strategic plan and this is the process in which we would use to do that. Go ahead, Xavier.

XAVIER CALVEZ:                Just one precision on the slides that we're going through right now, they provide you a picture of information that is going to be released and subject to public comment process and input from the community over the next few weeks and months. This is only a preview in providing an overview of those structural elements that will be submitted for public comment. The document that you are looking at right now is providing roles and responsibilities in the planning process. This is a fundamental, structural definition that we need to be able to exchange input on and obtain community consensus on the ensure we all know what we need

to do during that planning process and we all have the input at the time and the type of input we want to have. The board needs to be very involved, the community needs to be very involved and the staff needs to be very involved. In those roles and responsibilities have never been formally defined in the past. This is the first time that this happens and it's extremely important that it can effectively be the result of a consensus.

CAROLE CORNELL: Thank you Xavier, very good point. So, as you can see, for each one of the three phases, the strategic plan, the five-year operating plan and the annual operating plan and budget we have defined in this tabular format, as I said, each one of the roles and the frequency. I would note that, when we say consult in the first box, it is a collaborative effort between the board, the staff and the stakeholders and it kind of talks a little bit about "consult on key challenges and opportunities in the areas of the strategic importance and that follows very much what Denise just done with the strategic plan over the last 18 months. That's how this form has been set up. I'm going to move forward.

For the five-year operating plan, as I said this is a new element of our planning process, you can see that we're going to be providing a five-year financially model, a more detailed calendar, draft summary of the five-year operating plan for each strategic goal, a list of portfolio of activities, the outcomes or key performance indicators, the strategic risks, the metrics are tied, the dependencies, the phasing over the five years. That document you will be seeing posted as I mentioned before after ICANN 51. Therefore, beside development, there's a consult,

update and approve and this allows us to go through the full process along. Are there any questions at this point about the five-year operating plan? Okay thank you, I'll move on.

The one-year operating plan, I'm going to let Xavier talk a little bit about this and the process here.

XAVIER CALVEZ: The one-year operating plan and budget is obviously, as part of this overall plan, the annual part of the overall plan and of the overall planning cycle. Just like the operating plan, the five-year operating plan will be updated annually. Each year of the five-year operating plan becomes the input into the annual planning process. The structure of the information in the operating plan for the five year and the operating plan for one year are of course, exactly the same making it very clear and a streamline link between strategy, implementation of the strategy and budget. The roles of staff, board and stakeholders are at a high level laid out here. Again, this is a document that will be provided for public comment over the next two weeks and months and the input of the community on those roles and responsibilities will be key. There will separately a more detailed plan and calendar of events for the annual operating plan and budget which is currently being discussed with the board and the community for input and finalization.

CAROLE CORNELL: Thank you Xavier. Are there any questions on the process for creating the annual operating plan? I'll take that as none at this time and I'll move forward.

What's next after we've given you a highlight of the planning process, a little bit about all three documents that will be generated? Let me tell you a little bit about the next steps. We're going to continue like we have through ICANN 51 to communicate and collect feedback on the proposed planning process which we've just given you some highlights on. We will also develop a calendar by October that includes the integration of various activities from the development, the inputs, the public comments, the approval of the five-year operating plan and the annual operating plan which are the next two elements to go through development in this year. Are there any questions on the next steps or anything that we've covered at this time? Please, go ahead Xavier.

XAVIER CALVEZ:    You said you were going to go back over the multi-year calendar and I think that would be of useful interest.

CAROLE CORNELL:    Thank you, for the reminder. I'm going to flip back just a minute to that document. Let's talk a little bit about timing and what this picture shows us. For the strategic plan, you'll notice it's about a two-year process to develop the actual strategic plan. As you can see, we go through a consultation which includes both the stakeholders and the board and then it follows up with a development effort which the staff would put together the document. Then, there would be some continual consultation. Consultation does not necessarily mean public comments. It can be in the ICANN meeting where we sit and meet or have a workshop or a webinar. All of those are good avenues for collecting

feedback or consultation. Ultimately then the approval of the strategic plan would be by the board.

Within the five-year operating plan, we will develop from the strategic plan a draft five-year operating plan and then it would just correspond with the five-year strategic plan. So you can see that we have just started that process now and it show that there's a consultation that's occurring and then update and then ultimately it will also be approved by the board. Then as the strategic plan is held through a five-year duration, the five-year operating plan will be updated on an annual basis. What we will use to update it is events that occur additionally. What is completed within the one-year operating plan from the previous year will then get updated to reflect it in the document and then move forward. However, let's say the document runs from FY 16 to FY 20, the document, the next time that it's produced will be from FY 17 to FY 20, then FY 18 to FY 20 as we update it and maintain that document.

Lastly, the one-year operating plan and budget, you can see it has a heavy consultation involvement as we get the appropriate input based off of the five-year operating plan and then it will build it into a draft which we will then send out for public comment and get consultations at the various ICANN meetings, webinars or what have you. Then, we will have a consult on that process and then end up with the board approval again at the end in June. Any questions on this calendar? Go ahead Jim.

UNIDENTIFIED SPEAKER:     [INAUDIBLE OFF MIC]

CAROLE CORNELL:     The question is "What kind of variables would go into the five-year operating plan which would cause it to change?" As work is completed, it would be taken off of an annual plan. Also, we would update if necessary the key-performance indicators or we might look at the dependencies and risks as well as just basically look at the work load of what we were doing and how it still strives to meet the five-year goal but, use the [USG] transition question, if there were key events that occurred within that we would update it into the five-year operating plan. Go ahead Xavier.

XAVIER CALVEZ:     Because of the five-year operating plan basically defines the milestones the end of each year that lead us toward the completion of the objectives of the strategic plan, every year we need to look at whether that timing, the distribution of the milestones across the five year is still valid based on the progresses that have been made in the past. The year-two is dependent upon the year-one having been completed. If the year-one has been a bit different, then there may be adjustments required to the year-two. It doesn't change the strategy, it just changes the timing and pace at which the objectives are being delivered from this strategic objectives. That's why it needs to be updated on annual basis to ensure that every year when we plan the one-year operating plan and budget; the five-year operating plan has been adequately adjusted to get us to the objectives while looking at the next year's activities that need to be completed.

UNIDENTIFIED SPEAKER:     [INAUDIBLE OFF MIC]


XAVIER CALVEZ:     The question was, "Are there any financial variables that could affect the timing of the operating plan?" Yes, there are. The resources of ICANN in terms of timing could be different on an annual basis than what the five-year operating plan was assuming and therefore, adjustments may need to be made to both revenue projections and therefore, costs projections as well. Your question is allowing me to add that the five-year operating plan is associated with five-year high level financials. They provide a sense of the envelopes of revenue and expenses that are expected to be the result of providing and going through that five-year operating plan. So, those envelopes of expense and revenues would be updated on an annual basis as well. Thank you.


DENISE MICHEL:     Then, I would note that the process overall in part of response to community's request for more insight, more details and a predictable process long-term. An important element of this process and what the five-year operating plan in particular allows us to do is toward the end of each annual period to essentially stop and validate, issue a progress report, allow the community to review and ensure that we're on track or whether adjustments need to be made and to do that through the operating planning process each year.

CAROLE CORNELL:     Great are there any other questions or feedback? Okay, thank you very much. We will be posting this on line as it is recorded and anyone who has any additional feedback, we would love to hear it and we would welcome it. So, we look forward to further dialogue. Thank you.

XAVIER CALVEZ:     Thank you, Carole.

**[END OF TRANSCRIPTION]**