

Transcription ICANN Buenos Aires Discussion with CEO Sunday 21 June 2015

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Jonathan Robinson: If we could close the doors at the back. Those of you getting lunch if you could do so as quietly as possible. And I'd like to welcome ICANN CEO Fadi Chehadé to join us in a session as part of our GNSO working session, an opportunity we always welcome and enjoy to have direct interaction and so welcome, Fadi. Thank you very much for joining us, again.

And you - to be fair to you it seems we only very recently gave you the questions that we possibly should have transmitted to you yesterday. But thank you for agreeing to deal with them at short notice in any event. So just to remind those of you that we discussed them yesterday. There were three questions we talked about. I think they may even be up on the slides here so if we could move to the next slide.

And here are some thoughts to aid the discussion, Fadi, so over to you. You may want to make some other remarks, well let me hand over to you.

Fadi Chehadé: Thank you. Thank you for welcoming me back to the GNSO and bon appetite. Sorry that I'm interrupting your lunch but we'll make this hopefully fun and interactive.

Look, there are many things I could have done better or done differently, there is no question. And while I'm happy to answer the question, and I'll try to point out a few things, some of them very obvious, some of them maybe just deeper into what I did in the last three years, I must tell you that what would make the next CEO do less mistakes and be more effective would be a very, very good preparation and orientation for this person as they come into this job.

Now this is not to take a dig at anyone or my board who's coming in a few minutes here, that they could have done better. But the reality is of course, ICANN has changed and the context in which we work has changed, so there was a lot of change.

Having said that, spending about 7 minutes with the prior CEO before I took this job is not something I would recommend for the next person. This is a very complex job and a very, very layered role. And I had no orientation to speak of really.

And therefore the poor soul that will come and do my job, if he or she is not someone who knows this community then they better have a lot of orientation. Because I made many, many mistakes along the way because I really didn't understand many things.

And because my nature is to keep going, because I'm a - my nature as a starter, someone who's just not going to sit and wait until I understand everything before I move, which maybe not the right kind of CEO for the future, so I'm a starter; I get things going. So I didn't stop until I understood everything. And in the roads I hit many walls and I fell but I stood up again and continued.

So if we can reduce the number of these for the next person then I think we all benefit a lot, especially, frankly especially the community. So yesterday in

my private session with the board to brief them on the succession plan, I not only begged them but I told them, please let's take the time to make enough overlap between myself and the next person.

And given the timing it may be difficult so I committed to them that if after I leave in March there is a need for me to dedicate some of my time for a number of months just as a service to the community and to you all to continue just making sure this person understands everything, then I'm happy to do it to the extent I can be helpful.

I made many mistakes along the way, three is a very, very conservative number. You know, let me start with the TMCH, right, I mean, I meant well. I intended well but I broke every process in the system when I did it. So I didn't know. And I really didn't really realize that I didn't until later.

Another big mistake I did is that I didn't understand that these are really three jobs, it's not one job. And when I didn't understand there are three jobs it took me a while to get all three jobs right. I am the CEO of an organization that today, is very different from (unintelligible), you know, we spend \$150 million a year. That's huge. When I came it was \$63 million, \$65 million, so this is a huge spend.

Three hundred fifty people very shortly here in a couple of months in 30 locations around the world. Very complex to manage that. And I'm not a real CEO, I mean, in the sense that I've been CEO since I'm 28. You come in, you look at the issue, you make decisions. That's not. So the nomenclature, CEO, is the worst thing you could give the next person but I'm sure you will. But I'm not a CEO.

And so it took me a while to realize actually I'm not the CEO. And that's difficult to get and to appreciate. It's, you know, there are types of CEOs and this is a servant CEO job. And until you get that you keep hitting walls because you don't understand.

The second job I have is to really - whether I like it or not, I became a politician. I had to go visit with people I didn't - I've never met with. But yet I'm a politician without a flag. You know, I'm a politician without armies. I show up often, I got strip search in Canada before I went to meet the Minister.

So I'm not a regular politician, I'm not a country representative but yet I have to go deal with ministers and presidents. And so it's a very strange role in many ways. And so I'm a politician. I'm a political appointee in many ways. And the politics of the Internet are thick and heavy right now. And everybody wants ICANN to carry a burden that is not really ours. The politicians want us to carry burdens that are not ours.

And the third job I have is of course I'm a community facilitator. And this is the best place I've learned to do that is in my church, right, where you have to learn to bring people together and to see things together. And these are jobs that require very different human beings, very different skilled people.

The CEO servant is very different from the political appointee, very different from the community facilitator. And these are three very different jobs. And I'm not good at all three of them.

The thing I was good at is that I embrace them and I went at them in the most energy I can and I hit all the walls across three of them and I made many mistakes along the way.

The thickest biggest mistake I regret was that it took me a long time to understand that my third job, which I just listed, should have been my first role. It took me a while.

I must tell you the - some of you who don't know all the stories but one day - one day if I ever have the time, because I don't think I will, but I will - I want to remember the moment where I learned certain things. And the moment I

learned the community role should have been my first role took a major clash with you leading up to Istanbul, as you remember, where I was insisting on certain things about accountability track versus rest of the tracks. And we were really all of us fighting hard.

And my board chairman took me out of this and told me, you are missing the point about what the community is looking for here. And it was a very hard moment with Steve, very, very difficult moment. And I think since then I've understood things I didn't and I stepped back and I embraced this role.

Who was with me at the SO AC SG RALO dinner a few days ago? Some of you, Jonathan, right? Compared to our dinner a year and a half ago in Singapore where we almost killed each other, this was a different time and a different place because we stepped back and we understood how to word with each other. I had to do this, this is not about you, this is about me. So I've learned a lot. And I hope I can take the time.

I told me performance review board committee, they reviewed me today to decide if they'll pay me my bonus for this past period. I told them that I finally, for the first time, feel like I get this job and I'm leaving. But it took me three years. I finally get all the parts of this job. It's a very complex job.

But it's a beautiful job. It is a fantastic job. It is better than any job I've ever had or will ever have I think. It is amazing. Lucky is the person who'll take my place because it's fun, it's actually incredible fun, and incredible - it's an intellectual, spiritual, in every way it's an amazing role to be ICANN CEO. So lucky is the person who will take it.

And I hope you will all contribute in finding a person who will serve you will from day one, not like me, who from day one will arrive understanding all the parts of this and put their heart and their mind and their soul and their energy without stopping to serve this community.

I really - I will do my part to help. I was asked if I want to be on the search committee for my replacement. I of course said no, it's not appropriate for me to be on the search committee, but I will support the search committee and I will support you until the last day I'm here. I am committed to this.

GNSO Council - so sure are there questions about my mistakes?

Jonathan Robinson: So, Fadi, thank you for that very characteristic candor and openness. I think it reminds me of something like when you come to sell your house and all those things that have been bothering you, you finally managed to fix up and you end up selling a fixed house to the next person's so hopefully you're delivering a fixed up house for the next person. But are there any questions or comments on this first bullet point?

So I see a hand up from Bret and Volker so let's hear from you in response to all.

Bret Fausett: Thank you. You said it was the best job you could imagine having, the best job you've ever had and you finally figured it out. So it just begs the question why are you leaving?

Fadi Chehadé: Because the next phase of ICANN requires a different person. Don't go we hire Fadi. You don't need another Fadi. I was there for a purpose for a time. And, you know, as I'm sure you've read, many of you the famous Harvard Business Review article about the types of CEOs, I am a classic change agents the CEO. I come in, I either buildings from scratch because I'm not afraid to make mistakes and hit walls and get up again, or I transform things.

ICANN doesn't need this now. I think we came -- remember, operationally when I arrived, I don't know if you all remember, we were dealing with, you know, Digital Archery. I mean, this is where we were operationally. We did not fully appreciate what is coming at us, what the GNSO is bringing here.

People, issues at ICANN were still very very foundational. And so I came to build every part of ICANN. And the last part I just announced was the technical part of ICANN which have been traditionally weak. Now we strengthened it and it's now - so the framework and the journey for ICANN to become an institution that is able to deal with the growth it's facing is in place.

Now what you need is a different person. I mean you've built a home, I'm sure, Bret, I've built a home. And you know that different teams come at different times to finish the house. This was the framing team. We framed the house. It's standing. And it's solid. It's a solid house. Now we need people to come and finish and it's a different CEO. I'm not that kind of CEO.

So in all honesty I had to face that and say well I serve ICANN best by staying or by leaving? I think by leaving but by making sure that the person coming to finish the house with you is someone who knows all the things I learned hopefully on day one or at least on month one or on year one comment not three years in to understand, for example, the complexities of dealing with our board.

Because our board -- just like I mistakenly called the CEO, our board is not a board. It is not a board. It is a board part of the time when it makes decisions like a board of directors. But there is another aspect to our board that is closer to my father in law's tribal council in the villages of Lebanon. Our board is a bit of a tribal council as well and it functions like a tribal council.

And our board is also very differently a political body in many ways. We need to embrace that. It took me a long time to understand that. So I keep coming up to the board meeting prepared like I'm dealing with my IBM board, and it doesn't function this way, right?

So all this understanding that took me a while and made me make a lot of mistakes and my hope is to hand not a guidebook but to actually take the time. And finally I want to say something very important, very important. We

built a lot of trust capital for ICANN. We're not quite there, there's a lot more trust to be dealt. But we did built a lot of trust capital.

That trust capital must be transferred from a person to ICANN, and not just to the new leader, to the institution. And so I'm spending the last 10 months of my work making sure that the depth of the ICANN team, the depths of the ICANN community, the depth of the board and is exposed to all the channels of work I've had, and there are many of them. So I'm going to do that to the best of my ability so when I leave I don't take away anything; quite the opposite, I hopefully leave more than I've taken.

Jonathan Robinson: Thanks. Which to some extent speaks to the third bullet. I've got James then Marilyn, then Marilia. James.

James Bladel: Thanks. I thought Volker was - did you lower your hand, Volker?

Volker Greimann: My question was already answered so I...

James Bladel: Okay. Well I think you teed it up nicely there, Jonathan. This is James speaking for the transcript. Hi, Fadi. So you mentioned that the third job you discovered was actually the hardest are the most important. How can we compress the learning cycle then for the next CEO so that, you know, aside from, you know, chiseling back into the door about your office how do we make sure that that message is taken on board and that that person that comes in with their eyes may be a little, you know, wide open but they're taking on and what they're getting themselves into?

Fadi Chehadé: Well first, we need to take the time to explain this to them first. Every CEO reports to the board. So you come in, your instinct is -- what do they do in the first three months of my job? I spent an enormous amount of time talking to the board members. I met with them one-on-one, I spent time to understand them, to appreciate their backgrounds. I should have done this with the SO AC leaders instead in the first three months.

Frankly, I would have avoided a lot of mistakes had I spent the time with you all, with the GNSO Council understanding where the policy comes from, where this community strength comes from, who it is.

So but it's natural, if you're a CEO you don't start with, quote unquote for customers or the community or whatever; you start with the board. You also start with the staff. And I think that the staff we had didn't have the depth we have today. You know, we needed to - so I think we just need to take the time.

I urge you, you, when the new CEO comes, take him out for a two-day retreat or her. Take them out for a two-day retreat, invite them to a two-day retreat. Spend two days with them. Chat with them. Explain to them. I will do the same with them but you should too.

And if, God willing, there is time overlap between me and the new person, I want to promise you, James, and given the understanding I did with you also from day one, that I will take him or her around to each of you and explain the role you play and the importance of what you do as compared to everything else they have to deal with.

And I'm hoping that after the transition, the reason I spent a chunk of my time on the road talking to politicians, will go away. Because I tell my team what will (Axel Lumier) in France want to meet me about after the transition? Hopefully nothing.

I mean right now because all the focus is on the transition. So once the transition finishes hopefully the political part of this job goes away or reduces to something staff could manage at the lower level. But right now we've had to deal with it and I hope this passes as well, James. So did I answer you, James?

James Bladel: I thought it was good, thank you. And of course we'll help out what we can. We have a vested interest in that process as well so...

Fadi Chehadé: Yeah.

Jonathan Robinson: Thanks, James. Thanks, Fadi. Marilyn.

Marilyn Cade: Thank you. My name is Marilyn Cade. Fadi, thank you for those candid comments. I'd like to add perhaps a dimension that I think is already inherent in your thinking but I'm going to elaborate on it. When you - you were very correct to point out that we were at a very different scope and scale when you joined ICANN but in terms of our work challenges, our external challenges, our internal operational excellence challenges and the number of staff and the number of community participants. So things have changed a lot in this three years.

But we also have ahead of us - I want to add perhaps an additional term to your second category because when you refer to politicians you are referring to one part of the governmental entities. But that is not necessarily covering also the government agencies and ministries who must be involved in ICANN on an ongoing basis and who should stay involved and become even more perhaps interested and involved as ICANN continues in its path forward of fulfilling its mission. So just wanted to draw that distinction.

And to do that before I go on to say we have a lot of new staff. Learning the lesson that - lessons that you're sharing with us is something that I struggle a little bit with on how we the community help to bring the staff into a deeper, richer understanding of what this multistakeholder model, why it is so precious and why they have perhaps - and we have both ways - lessons to learn in this period.

And because of the transition, as the top position, I think that staff challenge perhaps needs to have some attention as well to make sure that we're paying

attention to it and also it's being paid attention to on the other side because that is probably our greatest ongoing vulnerability. Do we come together on understanding and implementing this multistakeholder bottom up model?

Fadi Chehadé: Simply to thank you, Marilyn, because you've helped me also understand that but you're extending the issue that we have a deep - a large staff and we need to make sure they appreciate these things. So let's do some practical things.

ICANN staff has 46 people that we call executive management, 46 people. People in that group have been assigned to that group because they either have big budget responsibilities but people responsibilities or frankly just executive responsibilities. There's 46 of us. I spent half a day with them here on Wednesday.

I think what we may want to do, and I'm happy to at least start with that group, I know you're thinking of the big group as well, but let's have an interaction with them, maybe we can organize something around Dublin before I leave, where you, the community, addresses these 46 people who really have the pulse of ICANN, the budget of ICANN, the responsibility of stability of the institution.

I'm happy to arrange for that so I'll take that as an action. And it will be a good dialogue and not necessarily to lecture them but to actually share with them the fact. And I'll lead with you on that to make sure they understand this is not just the community telling them, this is me telling them too, and you joining me in that messaging. So let's take the opportunity to do that, okay?

Jonathan Robinson: That's not the first time. Thank you, Marilyn and Fadi. I've got two other questions and I think then we're probably out of time. And it's helpful that we've effectively touched on the succession planning via your descriptions of senior staff team and so on. I guess we might struggle with the second bullet

point, although in some ways it wouldn't be a bad idea if we took that one over into our meeting with the board since it partly impacts them.

Marilia, go ahead.

Marilia Maciel: Thank you very much, Jonathan. This is Marilia Maciel speaking. Actually I have to quick questions for Fadi. The first of them is I would like to turn this question around and ask you what do you think are your main positive legacies as a CEO of ICANN? And the second question is you talked about operational challenges and how they require a different CEO, what about the political challenges that ICANN faces today?

You mentioned an increased trust and I agree with you. And ICANN occupies today a different place I think in the ecosystem, a respected place, a place of influence. And whether we agree or not with particular decisions that were made I think that this place is an asset for the organization. And how do you feel that the political challenges that we have ahead with the WCIT and the moving pieces and the global Internet governance ecosystem, what are the challenges, how the next CEO could deal with them and how do we make sure that we do not have an abrupt transition in this political aspect? Thank you.

Fadi Chehadé: Marilia, allow me to answer your first question in Marrakesh before I leave. I think this is not the time to discuss my legacy; this is the time to get a lot done so let's stay focused. And I, you know, we'll have many times to chat between now and Marrakesh. But I'm still here and I'm here and I'm working very hard. Believe, me, I was in China for five hours last week; I was in India for 17 hours last week. I'm running around doing exactly the things you expect me to do day in day out until I leave.

So as to your question on the political environment and it's how fragile is ICANN in that environment, let me tell you: you compare when I arrived,

September 19 was my first day as CEO in 2012. And the next week I get an invitation from Hamadoun Toure to speak at the opening of the WCIT.

And I don't know who's Hamadoun. I don't know what is the ITU. And certainly what is the WCIT. And so my board comes together and they say, what are you going to do? You have an invitation from Hamadoun to speak at the WCIT. I said, well yeah, that's great. It's an invitation so I'm going to go. No, no, no, let's talk about this. You can't just go to the WCIT and speak. This is a complicated matter.

And I'll tell you, it became so obvious to me how fragile is ICANN as an institution in the - in this environment. We were fragile. We were constantly going into these places feeling that we have to be defensive and defend who we are. And today we are in a different place. We're not defending ourselves against the ITU. They're trying to figure out how to be who we are today.

We're not defending ourselves in major governments. We don't have China, we don't have Brazil, we don't have any of these governments questioning who we are anymore; quite the opposite they're all here. And I have a big surprise for you also tomorrow, there will be one more major government doing what China did back in London. So we are in a different place geopolitically.

Now, as I learned in politics, unlike in business, nothing is stable. No system is stable forever. But our existential political fragility, in my opinion, as soon as the transition is done, will be changed from existential political fragility to performance political fragility because after the transition everybody who have sat at the table, all these big governments, and said, okay we're going to give ICANN a shot, we're going to give the multistakeholder model a shot. Now we have to perform.

We're in a big fishbowl now. Even bigger fishbowl. Everybody will be watching this model. And I think when we deliver the proposal to Mr.

Strickling later this year we will be in a triumphant mode because whether the US government accepts it or not that's up to the US government. But we, the multistakeholder community, must finish our work, must deliver a full proposal. That will give us further stability politically. But I think we're okay. We're in a much, much better place. We're in a less defensive place. We're in a desired place.

And the last thing I want to say on this issue, because you're very close to it, as part of getting our independence and clarity of purpose to these governments done, we also need to finish the remaining part which is for them to understand what is we don't do.

Because what happened certainly in our engagement in NETmundial and other things is that there has been a confluence a little bit as to what is it we are responsible for, what is it somebody else should be doing. And as part of finishing my work, I also plan not just to focus on the transition but to also clarify that we don't do at ICANN.

Now to do that you need to make sure you have other viable places where people can go away from us. I will be working on that too so that we can - when I leave, at least from my perspective, one of the key things I'd like to make sure I would have checked is not only did we make our layer and our business legitimate and clear but we also have made it clear what we don't do and what we shouldn't be involved in. And that's going to take some work still. Ten months to go. Let's choose everyday well. So thank you.

Man: Mr. Chairman...

((Crosstalk))

Man: ...is with you.

Jonathan Robinson: ...the board. It's five minutes until that time.

Man: Can we spend the last five minutes here before the board starts in five? Is that okay with you?

Man: Sure.

Man: Okay, it's yours.

Jonathan Robinson: So we'll deal with those last five minutes with two questions. These are final two questions, coincidentally from the Registrars, so we've got Volker and then Michele and then we'll draw a line on it. Those board colleagues joining us now please come in. And if any colleagues around the table can make as much effort to create some space around the table so we can be joined by our colleagues.

Man: There are seats here.

Volker Greimann: Fadi, you have set the good ship ICANN so to speak, on a new course. And you've committed to showing your successor the nooks and crannies of that ship, how to steer it good and well through the course that lies ahead. What would you think are the storm clouds or reefs ahead that your successor still has to circumvent that you didn't get to tackle during your captaincy so to speak?

And the second question is, with regard to your officers, your first officer, a lot of friends and colleagues that have joined ICANN since you came aboard, who you knew before, do you expect them to stay on board or to jump ship at a certain point?

Fadi Chehadé: These are two big questions. On the second one, there is clearly going to be some departures. That's normal. Any CEO comes or leaves, departures happen. What is more important is to make sure, as CEO, for me to actually

start planning the succession in areas where I believe people may be potentially a flight risk.

We did not have at ICANN succession planning as a function before I came. We now have a fully-fledged succession planning function at ICANN very similar to what I did at IBM. Of course at IBM it was six layers deep; at the top here we're only three deep. But we know right now if any global leader is hit by a bus today what we will do.

And more importantly, we know if a global leader is going to leave in a year or two who is in the succession, what is that person missing to be ready, and we have development plans for these people.

So you should know that we have a steady layer of succession planning that is already on the move with development plans already in place. So if people leave, and people might leave, it's okay. It's fine. We have a deep bench and we have a plan for that bench.

And the first question you asked is a more difficult question, what is my personal prediction of difficulties ICANN will face so that if the next CEO will ask me this question. I'm sure he or she will ask, what should I be prepared for?

It is very hard to answer your question before we get through the transition. But let me tell you, the most difficult reefs ahead, in my opinion, will be if the transition fails. If the transition fails you need a different CEO than if the transition succeeds which in itself adds a burden on the board because they have to figure out what kind of person is needed for the next phase of ICANN. And I think it's a slightly different - possibly quite a bit different person if the transition fails from if the transition succeeds. So these - to me this is going to be a major burden forward.

The second burden this person will have is to make sure that they can dial down - dial down ICANN into its remit carefully. Now we dialed up ICANN because there were some geopolitical things we had to do to protect ICANN. But now that these things are behind us largely, and the transition is moving into safe territory, I hope, then that person needs to reset ICANN where it belongs.

And, for example, in my opinion, I'm going to be quite direct here, ICANN in a year's time, for example, or in a period of time, as I leave, maybe should withdraw from places like NETmundial, right? Because that's it. We went to the front, we created these things that support the multistakeholder model we believe in so we tell people that's where you go solve issues. But we're coming back and settling to our remit.

But these will be delicate things to be done calmly and carefully because there was a reason we did these things that some people frankly don't see. But these things were done to protect ICANN. Now ICANN needs to equally remeasure its participation to protect ICANN as well.

But that shift, I can't be here for it but I will share everything I know about what led us there so that the next person can dial down carefully. If they dial down badly or if - furthermore if they dial up, then they will hurt ICANN.

Jonathan Robinson: Fadi, thank you very much for your candor and comprehensive answers. That was great. So let's call that session to a close. If we can stop the recording on that session.

END