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SINGAPORE – Management Systems Linkage  
Wednesday, March 26<sup>th</sup> 2014 – 15:30 to 17:00  
ICANN – Singapore, Singapore

CAROLE [?]:

Great. Good afternoon everybody. We're going to give a presentation today on Management System Linkages, and I believe we're going to have this recorded, correct? Okay. Today we're going to give an overview, an introduction if you will, of the Management System Linkages. We're going to break it down into different phases of the linkages from strategy to implementation to results, and then give an overview on ICANN accountability frameworks in metrics, which are some results of that effort, and open up to any Q&A.

The purpose of today's session is to give an introduction of some of these core systems, as we've had from time-to-time some enquiries about that process, so we'd like to share that. The second thing we'd like to accomplish today is show how the systems are all linked together to show that they're unified, and we're all using a common frame to work from. Thirdly, we're going to give a little bit of an update of our dashboard effort, as that's the newest systems that we're putting in place.

What makes up the management systems process from our perspective? It's taking the strategic and financial planning and working several of the other systems. The strategic and financial planning inform all of the other systems we use today; from operating plan, to budget and cost management, to project portfolio management, to people performance,

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enterprise risk and executive dashboard. When we go through each one of these I'm going to have different representatives from our organization talk about each one of those. I'm going to start by looking at the very first one, which is strategy, and ask Denise to give a quick overview.

DENISE [?]:

ICANN launched a very collaborative bottom-up multistakeholder strategic planning process in April of last year. That process has continued with a significant amount of community input and work. We're now about ready to post a comprehensive draft, five-year strategic plan that includes a proposed vision mission, reflected in the bylaws, and five focus areas with strategic goals in each of the areas, immediately following Singapore. This would be posted for public comment in April and May.

This is an updated schedule for our strategic planning process. We've extended it to accommodate the recent reports that were published by the four Strategy Panels that would help inform the work of our strategic plan. The key success factors and key performance indicators that will be presented to you today. There is a significant alignment between the ongoing work of staff, and some of the work that will be reflected and addressed in the strategic plan.

So it was very useful to have the foundation of these new KSFs and KPIs to inform the development of the strategic plan as well. As I mentioned, the strategy panels have their reports out for public comment, and that public comment will run through April to give the community ample



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time to review and provide input on these four reports. The public comment for the draft strategic plan will run from April through May.

At that point we'll consider the public comments on the SP reports, the reports themselves, as well of course as the public input on the draft strategic plan to finalize the plan and present it to the Board, scheduled around the June timeframe. This draft strategic plan will service a foundation for fiscal years 2016 through 2020, and will serve as a foundation for the development of the operating plans and budgets for those fiscal years.

Something unique about this new five-year strategic plan is that for the focus area goals in the strategic areas, we'll have strategic details included, including the outcomes that we expect at the end of the five years, and how we're going to measure our progress and success in each of these goals, which relates to the exercise and the elements we're discussing today. Back to you, Carole.

CAROLE:

Great, thanks Denise. As this is a relatively small group, if there's any questions in the chat will you let me know? If there are any questions in the room please feel free to raise your hand and we'll ask them as we go along. The reason I've come back to this slide is because I think it's a really important message that I didn't get a chance to make, and I wanted to re-emphasize it.

As Denise had shared a little bit about the strategic planning, and we added to this the financial planning as well, from a high-level perspective over the five-year window. It does inform a yearly operating plan. What



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are the foundational pieces that link this together are the objectives, the goals, the portfolio and the projects.

The way we've set this up, both in terms of a documentational perspective and the way we visually share it, and the way we tie all the systems together, we're using those same components – the objectives, the goals, the portfolios and projects – so that our financial plans, executive dashboards, portfolio planning and enterprise risk effort is all tied to that same set of structure. Then we have a consistent linkage and approach, and information as they're tied together.

The first page was the strategic. Now we're talking about the implementational phases of this linkage, and what we're saying is that these components are now all tied together, from a structural standpoint, but also information sharing and how the information is crossed across those platforms. I'm going to have Xavier talk about the [ups? 09:30] plan and budgeting, along with the budgeting process, because there's a linkage of that within the implementational piece, and this diagram helps explain that effort.

XAVIER CALVEZ:

Thank you Carole. As we indicated, the structure of the management system between objectives, goals, portfolios and projects, is also the structure that is being used to produce the operating plan information as well as the quantification of that operating plan, which is really the budget. Since last year the process of production of the information for the budget is allowing to break down the operating expenses of the [risation? 10:31] by each of the objective, goal, portfolio, and project, of the same management system.



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It allows of course to understand the budget as per that structure of the data, and also, on an ongoing basis, understand how the actual spend is broken down by the same level of information. Of course it also allows, as part of the process of production of the operational plan, to ensure that there's full consistency between the strategic objectives defining the strategic plan. Also, how these objectives are being delivered through an implementation plan, because for each objective in the strategic plan there's a specific set of projects in the operating plan, which are completely linked. As per the same exact structure.

There's no linkage to do any more of the linkages because the categorization is exactly the same, and that's a tremendous improvement on the challenges that we had in the past. Once the OP and budget have been produced and approved, then we move into the implementation of this OP and budget, and the progress and achievements throughout the year are also captured under the same structure.

CAROLE:

Thank you Xavier. When we talk about the OP and the portfolio and management system, the OP is the foundational document that helps describe what all the work is to be done over a given physical year, and that information is then translated into the budget. Then once it's approved from a budgetary standpoint those projects are then adopted into the portfolio management system.

The way the community would see all that information is tied in MyICANN under the "projects" tab, and we show the portfolio management system structure, we define what is an objective, a goal, a



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portfolio and a project. We then also tie the numbering system and structure to that, and for each one of those within the MyICANN portfolio management system tab, you can see the progress of each one of those as they are implemented throughout the year.

In that system we're tying the structure along with the results and along with the financial data as well, along with the risks. That's all seen. If you go to this link at the top of the screen you can go right into the PMS. Right now it's projecting what we have for FY 14 and then each year it's refreshed and maintained in a continuous manner and we show that progress. I think it's important to know that you can drill within, both from how is the holistic objective being progressed, as well as the goal, portfolio and project.

I'm going to now switch over and I'm going to ask Jacks, who's here with us, to give a little bit of an update on how the enterprise risk management system is tied to this system.

JACKS KHAWAJA:

Jacks Khawaja, Enterprise Risk Director, ICANN staff. Can you please go back to that chart? Enterprise risk within ICANN basically means the risks that are identified and associated to ICANN. Essentially, when risks are identified we assign it to a set criteria where we evaluate the risks and risk interactions and then we prioritize and respond to the risks. As part of that response we identify key success factors and key performance indicators to measure it.

That information actually flows into the executive dashboard, as you can see in this flow process. In addition to that, the risks are tied to the



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different levels within this diagram, where it shows the objectives that goes before the portfolios and projects. When risks are identified we tend to assign projects to remediate those risks. So there's a direct linkage between the ERM program in this flow, throughout the whole organization, to the core.

That's basically how it interacts. On the dashboard side, the results of the risks mitigation basically flow into the projects. The projects, as Carole said, are identified and displayed on MyICANN.org. That's it from me. Thank you.

CAROLE:

Thank you Jacks. I'm going to go back. So, with all of those systems in place, one of the outputs of those systems are the dashboards. All of these are then... Within every dashboard there's a process that we've established to form the dashboard, to make sure that it does cover both the key success factor, as well as the key performance indicators, both at several levels, and we'll talk a little bit about that.

The whole purpose of pulling together a dashboard at this point in time was to very much look at the strategic mission and its critical decisions required a clear understanding of the organizational performance. The second purpose of the dashboards was to organize and present information in an accessible way. If there is a good chart showing a direction of how we're being able to meet, exceed, or not meet a key performance element, it allows the dashboard to show that and allows us to have management decisions to correct that situation.



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So it's a quick visual communication. It's a way to look at the relevant objectives or business processes, and of course enhance and enable management decisions. As one of the element of the linkage within the operating management of all of those linkages, it does allow us to continue to use business excellence as a way to continually improve those parts within the core systems, as well as meet those goals.

The next purpose is, again, measure performance while validate, and model how specific strategic and operational decisions are executed. Lastly, improve accountability, communication visibility and operational effectiveness and efficiency. Dashboards for ICANN are really covering that each dashboard is to achieve multiple purposes and therefore there may be multiple audiences.

So for us, if you look at the dashboards that we're in the process of creating, some we're going to share that are strategic and high-level, some are directional, and some are operational. It's important to know that since we're an open and transparent company we share as many of those dashboards that are relevant to that particular circumstance. But the data that we collect to do that is used in multiple ways.

In order to develop the dashboards, there's a process and cycle we're going through to develop the dashboards. In the communications so far, if we've talked about KSFs and KPIs. A KSF is a Key Success Factor. A KPI is a Key Performance Indicator. So if you look at how we created or built those, we looked at the high-level set of objectives and goals and we did a top-down defining of what the key success factor is for each goal, objective and portfolio. Then we assigned a KPI against each one of those KSFs.





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Also, if you looked at the steps that are shown on this diagram you can see we go from defining to collecting data, to warehousing the data, to creating a KPI or a chart of information that you'd visually display, to looking at the design of that, to make sure it's presented in a clear way to make the strategic decisions. Then, based on those decisions you would continue to monitor, progress, and make the appropriate changes as shown.

Within ICANN, if you looked at FY 14, how many objectives, this is what we've been using and referring to sometimes when we present this as the 4x4 model. These are the four organizational objectives. There are 16 current organizational goals in FY 14, and what we did is, for each one of those goals, we established a key success factor, and then for each one of those, one or two KPIs.

Within those goals there are 58 portfolios, and for each one of those we've been working on the specific key success factors and the goals that correspond to those. This just shows how we've been progressing and building the dashboards and charts. I thought it was important to show an example of what that might look like, and this is just a sample of those. If you actually go on the MyICANN for each goal and objective there is a key success factor noted there, so you can look and correspond to those.

For example, under Affirmation of Purpose, if I'm looking "deliver core Internet functions" then a key success factor for that would be "demonstrate that ICANN is performing core Internet functions in a dependable, transparent and accountable manner", and a KPI for those would have been a percentage of registries or registrars passing the



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audit program, or meeting the number of service level agreements, or the rate of introduction of new internationalized TLDs. Just to show an example of how that corresponds.

Okay? The purpose of this is to share and demonstrate that KPIs... In this case, this is the contractual compliance component looking at different charts and metrics of what has been shared. This is probably being shared elsewhere within the Singapore meeting today, and it's important to show that KPIs can take on many different aspects from a trend showing how we're going to increase to meet customer satisfaction.

For example, if it's greater than 70%, this shows there's a trend of how we would be meeting that or watching to see how it's progressing accordingly, or registrar data escrow compliance, it shows for on a monthly basis how that information is trending and how that does. I'm just here to explain what we're using and some specific examples of what we're actually putting out there today as – if you will – dashboards to show performance.

I know we're a little ahead of schedule but I'm going to stop for a moment and ask if there are any questions before we get into some specifics about accountability frameworks and metrics. Any questions?

SEIGER SPRINGER:

Yes, maybe one question. My name is Seiger Springer of sidn.nl. What is the timeline for implementing all this?



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CAROLE: The answer is we're [drooling? 23:49] out in different efforts and phases. By London we'll have put out a whole set of dashboards for each of the goals, showing the key success factor and some specific KPIs for those goals. As part of our ongoing process we'll continue to add in more and more, at different levels – if you will – of dashboards and charts to correspond to that. It's going to be an ever-growing and continuous process to review dashboards, add to that mix, and add to them.

So I'd think that you'd see more of those charts and dashboards in London, and going forward on an annual basis. You'll certainly see them on some of the quarterly efforts. From a financial you'll see some. So as appropriate you will continue to be added to. Does that answer your question?

SEIGER SPRINGER: Yes, thank you.

CAROLE: Okay, I'm going to pass this over to Denise and Larissa and let you get started on your progress here.

DENISE: The implementation of accountability and transparency metrics and benchmarks are an important element to ICANN's ongoing commitment to accountability. The developing metrics and benchmarks in this area was part of the advice issued by the AOC, Accountability and Transparency Review Teams. In line with that, ICANN, last year, hired One World Trust, an internationally-recognized firm that specializes in



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this area, to help ICANN develop an accountability framework, offer practical suggestions for metrics, and provide some qualitative analysis of our accountability policies and practices.

Also, they were to offer some suggestions of how to develop a future framework to benchmark ICANN against similar international organizations. So this report was published on ICANN's website earlier this month, and we'll be giving you a broad overview. The full report can be accessed and read online. The report and recommendations will be used to develop a pilot project, to take a discrete set of metrics and implement them integrated with the management systems that Carole has just laid out.

After we gather this data we'll do a stop and check and assess whether it's been effective, whether any changes need to be made, before implementing a long-term solution and moving forward with benchmarks. As I noted, there's a great deal of alignment and synergy with the KSFs and KPIs; the metrics that ICANN has planned and Carole has provided an overview of.

The intention here is not to create a separate measurement or metrics exercise, but rather to incorporate the transparency and accountability metrics into our organization-wide management and measurement systems. The questions that we sought assistance in answering are outlined here. How we quantify and measure accountability, how ICANN can improve its accountability over time, how our performance compares to comparable organizations, and especially how we integrate this effort into our organization-wide KSFs and KPIs, to make this a standard operating procedure throughout the organization.



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Again, the very detailed and thorough report that was done by OWT is available through our website, and we outlined here the scope of work that they performed. They examined accountability principles and practices and standard-setting initiatives in ICANN and with broadly similar organizations. They performed a quantitative analysis of ICANN's policies and procedures. They did a significant amount of bench research in addition to engaging and interviewing both Board and staff members.

The interviews of course were informative, but they were augmented by a significant amount of research conducted by OWT. They also consulted with the ATRT, who offered a substantial amount of guidance and input to their work. From this they developed a comprehensive report, and proposed an accountability framework that ICANN could follow, and offered some very specific practical suggestions for metrics in six dimensions of accountability.

On the left side you'll see the six areas of accountability that OWT used to examine and help develop a framework for ICANN – overall strategy for accountability, transparency, participation, responsiveness of our executive body, evaluation and learning and complaints and response. This is an accountability framework that they've used internationally for a significant amount of time. What they've then developed for us is goals, objectives, metrics and benchmarks.

The goal of what you can expect from ICANN in each of these areas, the specific objective of what we plan on achieving, on how we're going to measure our progress, and ultimately, what are benchmarks of good practices in these areas? I'm going to turn over to Larissa Gurnick, who's



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been working closely with OWT and will be working to develop the pilot project in this area.

LARISSA GURNICK:

Thanks Denise. What you see right now is an example of one of the suggested transparency metrics, but it's representative of the approach. The idea here is to walk you through how this information will be applied and expanded on through the pilot process. The goal in this case is easy access to information for the stakeholders to stay informed of ICANN's work, including PDPs. Under that goal, objective number one is by a date – which will be specified as we roll out the pilot – ICANN can demonstrate that it's meeting the translation needs of the community by achieving some specified percentage of language service KPIs.

So obviously the areas that are not spelled out yet will be defined with the appropriate targets set through the pilot process. In this case, KPIs for the language services area is not only a recommendation of ATRT 2 but it is built into the key success factors and KPIs that Carole talked about. The way we'll measure the effectiveness is, after a period of time, the metric will be looking at percentage of language services, KPIs that have been met.

Benchmark really is more of a qualitative measure and will be developed over time, especially as we continue the efforts of benchmarking ICANN's performance to other relevant organizations, which are yet to be defined. The process will be kicked off after the implementation of the metrics, but this gives you an idea of the kinds of qualitative measures that will be included as benchmarks.



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Approaches to sharing information considered different needs of stakeholder, so this is more of a yes or no in this case, but it would be a matter of comparing how ICANN is doing relative to other similar organizations – to answer that question. Next slide please? This is an example within the participation category. In this case the goal is “ICANN creates opportunities for everyone affected by its work to contribute their opinions, collaborate and participate with engagement encouraged from all regions, cultures and sectors of society.”

The objective is, by some date that will be specified through the process, there has been a certain percentage of improvement in the number of participants in ICANN’s meetings, fellowship programs, SOs and such that are from a targeted region. “Targeted region” as well will be defined through this process. The metric of course would then look at the percentage improvement in that level of participation.

This is intended as an illustration. This is not an all-inclusive list of the kinds of participation that we’d be looking at. But this is just representative of where we’d start the process. In terms of looking at the benchmark it will be, “Does ICANN identify which stakeholder groups face barriers to participation and proactively pursue strategies to encourage better participation?” Again, a qualitative benchmark that looks at it from that perspective. Next slide please?

So part of the process of OWT is they looked at how ICANN has performed in the area of accountability. They looked at our policies and practices. Overall, their findings are that ICANN has performed well in comparison with other broadly similar organizations, and of course there



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are several suggestions for improvements that would be appropriate, and they're in line with recommendations of ATRT 2.

The report, you will notice lists a lot more detail and background and rationale for these findings, and here we just summarize several of the findings. In the area of strategic commitment to accountability, OWT is recommending that there be a more explicit, clearly documented commitment to accountability that can be easily understood by all stakeholders. There are some improvements proposed in the accessibility to participation opportunities, and of course some of those you saw in the example that we talked about, in terms of meeting the language and translation needs of the community.

There was also some recommendation in the area of ensuring that ICANN has systematic evaluation and learning, and the process that we're engaged in here is actually the first step in that cycle. It's measuring, it's analyzing the results, it's looking at how those measurements and results should impact decision-making and drive change where appropriate. Learning from that process and iterating and doing it all over again.

Then also there are some recommendations in refinements and complaints and response mechanism that will be considered as well. So, as Denise alluded, we will move this forward into the next step through the use of a pilot approach. This was also part of the recommendation of OWT, to make sure that the system that's being put in place and is implemented is feasible, is reasonable, and addresses the kinds of questions that really speak to how well ICANN is doing in terms of





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meeting its accountability and transparency commitments and obligations.

So several steps are outlined here. First, we will form a Cross-Functional Staff Working Group. These are people that subject matter experts in these areas and will help pull together available data, as well as establish targets based on data that's available. We will take a look at feasibility. Is it possible to gather this data? How useful are the results? Then if the answers to those are not very useful and feasible then obviously looking for alternatives and looking at the kinds of metrics that would be more useful.

So this work will start in April, and it will also consider strategic plan and continue to refine the linkage that you heard about already with the management system, to make sure that the metrics are connected to KPIs, KSFs, and that that process that Carole outlined of gathering data, warehousing information, setting up a process for analysis and drawing important conclusions and making decisions off of it. All of that will be applied to the accountability metrics as part of the overall process.

We plan to have targeted consultations with stakeholders, and an update in London. Based on the feedback we'll redraft and modify the information in the pilot. We'll have another public consultation, which will lead to a longer-term implementation of accountability metrics. The process is intended to be iterative, and as time goes on metrics will be refined, targets will be updated as necessary and this will become an ongoing process.

I think I already covered most of this. That was very visionary of me. I forgot about this slide. Next steps – community briefings and



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discussions happening right now, and so on and so forth. Nothing new here. I will close with this, unless there are questions. This is just an illustration to demonstrate that it is an iterative process. For measurement and analysis to improvement and actions, after we've got some history and some trends of metrics and results we plan to do a benchmarking study.

There we would most likely bring in an outside third party to conduct a benchmarking exercise. Our first step there would be to identify the organizations that would be appropriate and relevant for benchmarking. That would then lead to a refinement of metrics and targets, stakeholder feedback... The loop continues on an ongoing basis. Here are links to the OWT report and the announcement, as well as an email where we'd welcome feedback, ideas and questions on this topic.

CAROLE:

Thank you very much Larissa and Denise for the update. Are there any questions on this information at this time? I'm just going to go back to the beginning for just a moment. Sorry. I'm going to back to the first slide for a moment. I think it's important to note that all the way through all the systems we're using one comment structure. As Larissa demonstrated there's a lot of good thought that's been put through on the accountability and transparency, and how they collect the KPIs and KSFs and all of that.

I would say that internally we've spent, as a management team, a fair amount of time developing our key success factors and key performance indicators at the goal level as a starting point, and have started to move that down to the portfolios and to the projects. I'd also share that we



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have demonstrated and put out metrics before, but now we're using a full linked process to ensure that we look at those charts of performance from before.

We tie them more strongly to goals and objectives, and how we'd indicate performance as well as look at KPIs in a more holistic perspective so that we can study against a target, against an objective, make corrective action and then continue to build that system. I just think that's an important message here, and when you look at the information and how the whole thing is tied together, but it's also how we look at the charts and information, and the dashboards that are being produced.

That's all the information that we have at this point. Are there any questions or anything that anyone would like to ask? Go ahead Chris.

CHRIS CHAPLOW:

Thanks. Sorry, is this – as I understand it – part of a task system? Is this part of the back-end of the system at the moment, but much more sophisticated than what we're seeing at the moment?

CAROLE:

Each of these systems are not all totally linked in terms of a common software or anything like that. Right now in the MyICANN, which is where you look at the portfolio management and where the information of the KPI or KSF is not all there. There is a key success factor written for each one of the goals and objectives that you can find there, but the charts and dashboards themselves are not there.



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They're found in other parts through the website that you can see. But we're going to centralize them and put them out more and more frequently under one place, and they will be on the website when they're available. No, it's not all in MyICANN at "task information" per se. Any other questions? Anything in the remote participation? Okay, then I will say thank you very much for your participation and listening. I appreciate it.

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