

A complex network graph composed of numerous small, semi-transparent blue dots connected by thin white lines, forming a dense web-like structure.

DRAFT

**5-Year Operating Plan Update and
FY17 Operating Plan & Budget Planning
Kick-off**

22 September 2015



ICANN

Agenda

- FY16 Process Review – Lessons Learned
- Five Year Operating Plan Update and FY17 Operating Plan and Budget Process
 - Planning Cycle
 - FY17 Challenges/ Key Success Factors
 - Changes to FY16 process
 - FY17 Process and Timeline
- USG Stewardship Transition
- Next Steps
 - Workshop @ ICANN 54

FY16 Process Review – Lessons Learned

FY16 Process – Lessons Learned

What we should continue:

- ✓ • Annual Operating Plan and Budget (OP&B) 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 else???

FY16 Process – Lessons Learned cont.

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

?

- What else???

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

Planning Cycle

Planning Process



1

USG Transition?

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

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

2

New CEO?

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

5

Tight timeline?

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

3

Operating / Strategic plan update?

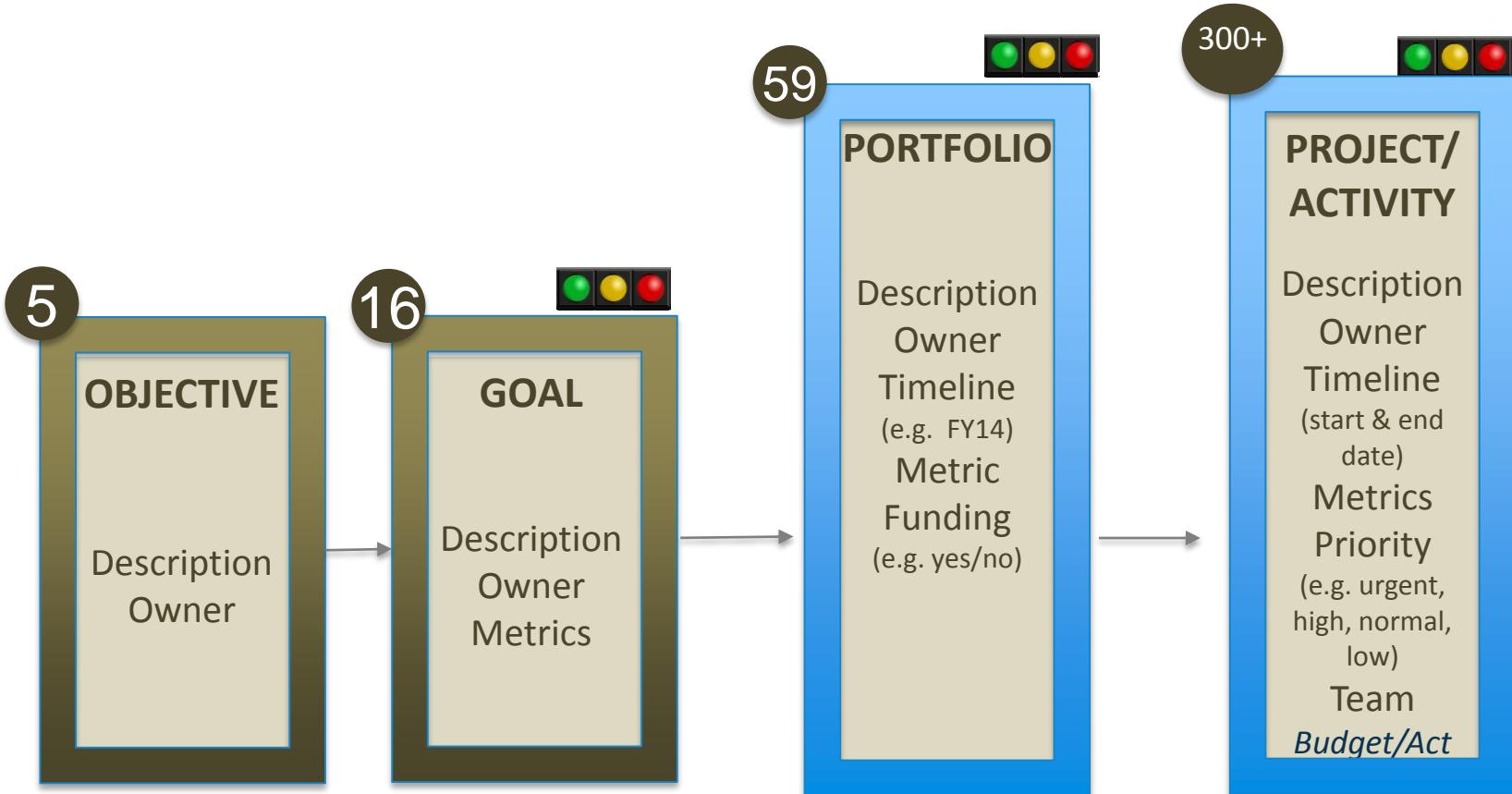
- New and additional step in the process
- Planning and communication required

6

Resource limitation?

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

Portfolio Management Structure



Five-Year Operating Plan – Objective Focus

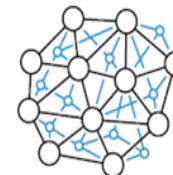
1 Evolve and further **globalize** ICANN.



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



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

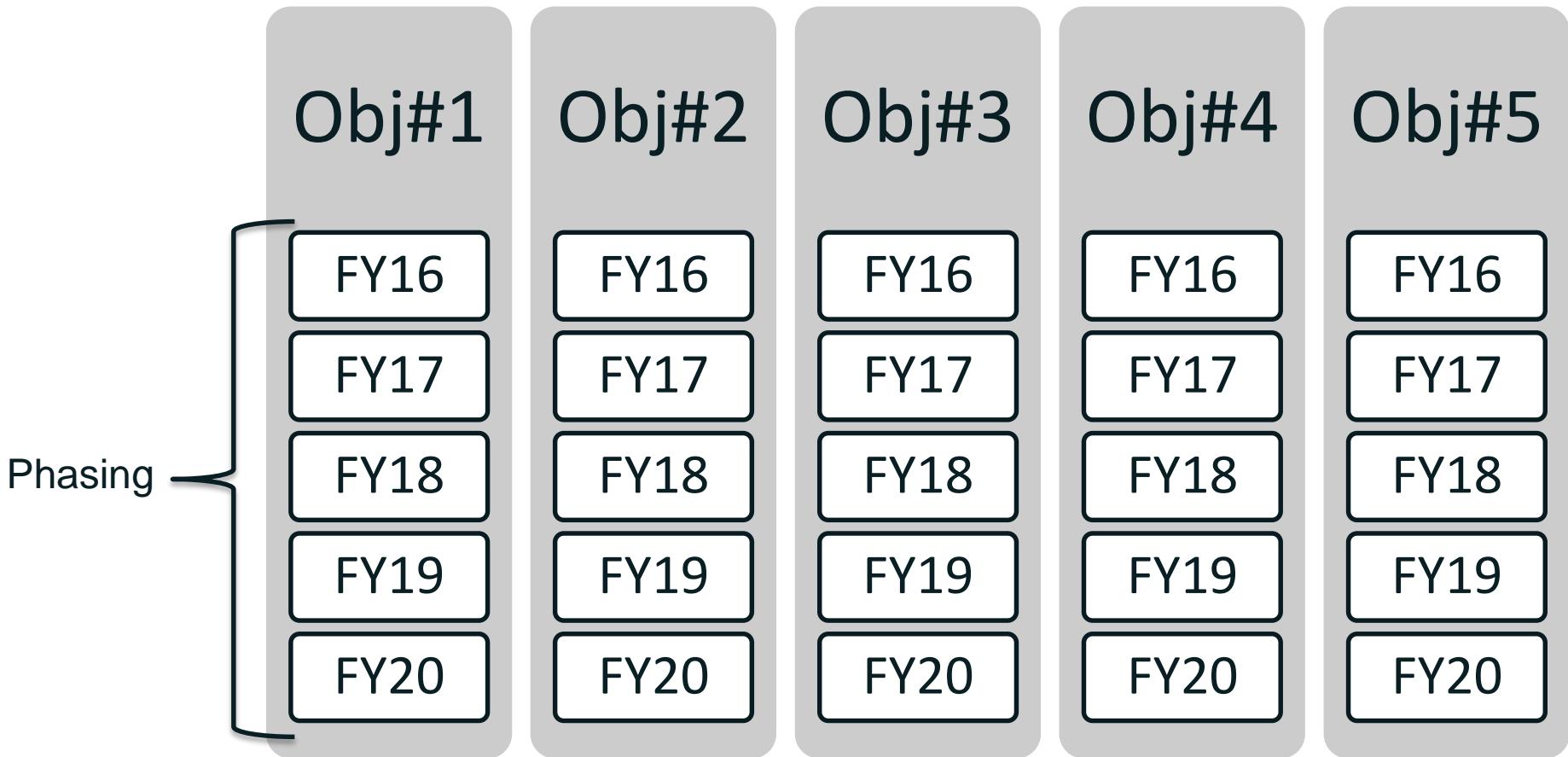


4 Promote ICANN's role and **multistakeholder** approach.

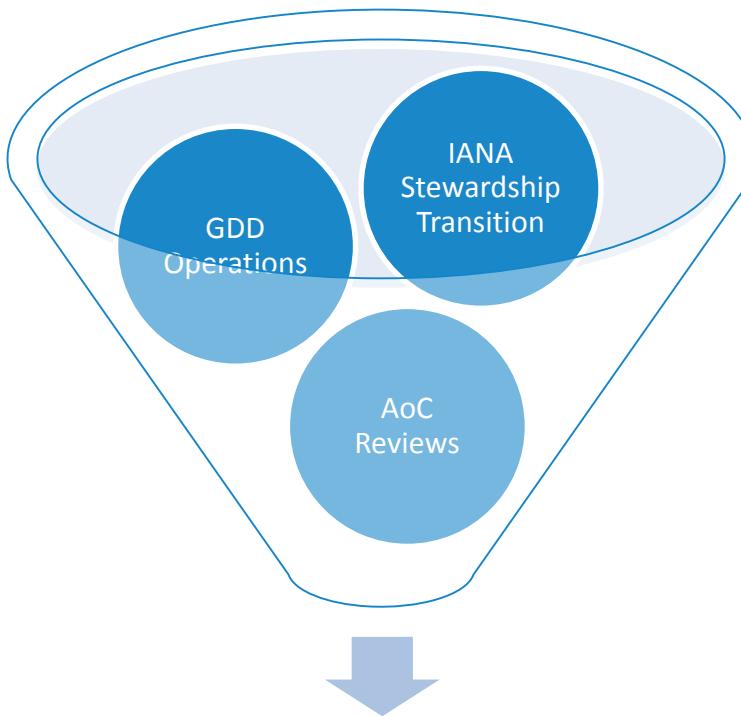


5 Develop and implement a **global public interest** framework bounded by ICANN's mission.

Five-Year Operating Plan - Phasing



Five Year Operating Plan – FY16 Changes



Deviation from FY16
Operating Plan

Five Year Operating Plan – FY16 Changes

	Obj#1	Obj#2	Obj#3	Obj#4	Obj#5
Changes	FY16	FY16	FY16	FY16	FY16
Impact on Five Year Ops Plan	FY17	FY17	FY17	FY17	FY17
	FY18	FY18	FY18	FY18	FY18
	FY19	FY19	FY19	FY19	FY19
	FY20	FY20	FY20	FY20	FY20

FY17 Operating Plan Development

Obj#1

Obj#2

Obj#3

Obj#4

Obj#5

- Consider inputs from 5-Year Operating Plan
- Document FY17 planned deliverables by Portfolios
- Update KPIs based on deliverables
- Manage cross functional dependencies
 - What do you need from other functions?
 - What do they need from you?

Process Overview & Draft Timeline

2015		ICANN 54 18-22 Oct				ICANN 55 5-10 Mar		2016		ICANN 56 27-30 Jun	
SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN		
5-YEAR OPERATING PLAN UPDATE AND FY17 OPERATING PLAN & BUDGET ROADMAP (FOR INTERNAL USE ONLY)											
4 Sep +											
GLs to discuss guidance on 4 Sep for 5-YOPU & FY17-OP&B, then align with B.O.s of each GL team											
TBD											
Community consultations on 5-YOPU and FY17-OP&B process											
26-28 SEP											
Ops Staff to present finalized 5-YOPU and FY17-OP&B process to BFC/ Board to obtain approval for publishing to Stakeholders											
30 SEP - 6 NOV											
5-YOPU and FY17-OP&B kick-off - Ops Staff and GLs to define high level revenue and expense (run rate) targets											
GLs/B.O.s to consult Stakeholders on the potential updates to 5-YOPU and the draft scenarios & cost estimates for FY17-OP&B											
19-22 OCT											
At ICANN 54 - Stakeholder consultation on prelim 5-YOPU and FY17 revenue/expense/Initiative assumptions											
13 NOV											
GLs & Ops Staff to communicate final scenarios and targets to B.O.s											
16 NOV - 11 DEC											
B.O.s to draft V1 of 5-YOPU and FY17-OP&B (in Workfront, WORD & EXCEL) & review with GLs											
12 DEC - 8 JAN											
B.O.s to refine 5-YOPU and FY17-OP&B based on GL feedback and submit V2 to Ops Staff for consolidation & review											
11-18 JAN											
GLs to review V2 of total ICANN 5-YOPU and FY17-OP&B, including reconciliation of the two and identify adjustments to be made											
19 JAN - 15 FEB											
B.O.s to refine V2 based on GL feedback, submit V3 to Ops Staff for consolidation											
Ops Staff to draft 5-YOPU and FY17-OP&B documents											
TBD											
BFC/ Board to approve draft 5-YOPU and FY17-OP&B doc's for public posting											
5 MAR											
Ops Staff to post draft 5-YOPU and FY17-OP&B											
5 MAR - 30 APR											
Public comment period, Stakeholder calls, public comment responses published											
01-30 MAY											
Staff to refine 5-YOPU and FY17-OP&B per public comments											
TBD											
BFC to approve FY17-OP&B changes											
TBD											
Board approval & adoption											

Draft – Dates are tentative

5-YOPU =
 5-Year Operating Plan Update
 GLs = Global Leaders
 FY17-OP&B =
 FY17 Operating Plan & Budget
 B.O.s = Budget Owners
 FP&A =
 Financial Planning & Analysis

A large, abstract network graph is visible in the background, composed of numerous small white dots connected by thin white lines, forming a complex web-like structure.

USG Stewardship Transition

USG Stewardship Transition: planning

1

FY16 Initiative costs

- Budgeted envelope: \$7m
- Includes both transition and implementation costs
- Shared monitoring of legal advice cost
CWG/CCWG/ICANN

2

Status of proposals

- ICG and CCWG proposals being finalized
- PTI budget is one of the items under discussion
- PTI/ICANN budget dependent on implementation details of the PTI structure.

3

ICANN Planning process

- Planning timeline designed for published draft OP&B early March
- Timeline requires finalized PTI/Accountability budget impacts by January 2016
- Preliminary estimates of USG Transition impacts to be

Implementation team

- Organizes interaction with Community for implementation
- Produces the successive versions of USG Transition budget (PTI/Accountability) in collaboration with Community
- Full integration/coordination with ICANN budget process

4

USG Stewardship Transition: planning



Next Steps

Planning workshop at ICANN 54

- Schedule:
 - Sunday 18 October, at 17h to 20h, local time
 - Between 10 and 20 participants is ideal
 - Remote participation possible,
 - Light dinner provided (and drinks...)
- Objectives: define assumptions, brainstorm ideas/solutions
- Suggested/possible topics:
 - ICANN Revenue: transactions numbers, FY15 Actual vs FY15 Budget vs FY16 Budget (Staff: DNS Industry – Cyrus Namazi / Finance – Becky Nash)
 - USG Transition implementation: PTI/Accountability (Staff: Trang Nguyen)
 - 5-Year Operating plan update (Staff: Carole Cornell)
- Any other item?