

Strategic and Business Planning Update

July 2013

This document is confidential and is intended solely for the use and information of the client to whom it is addressed.



Board's Strategic Guidance (Confirmed April BOT meeting)

Advance ISOC as a leader on Internet policy/governance, technology, and development on a global, regional and local basis, achieved through

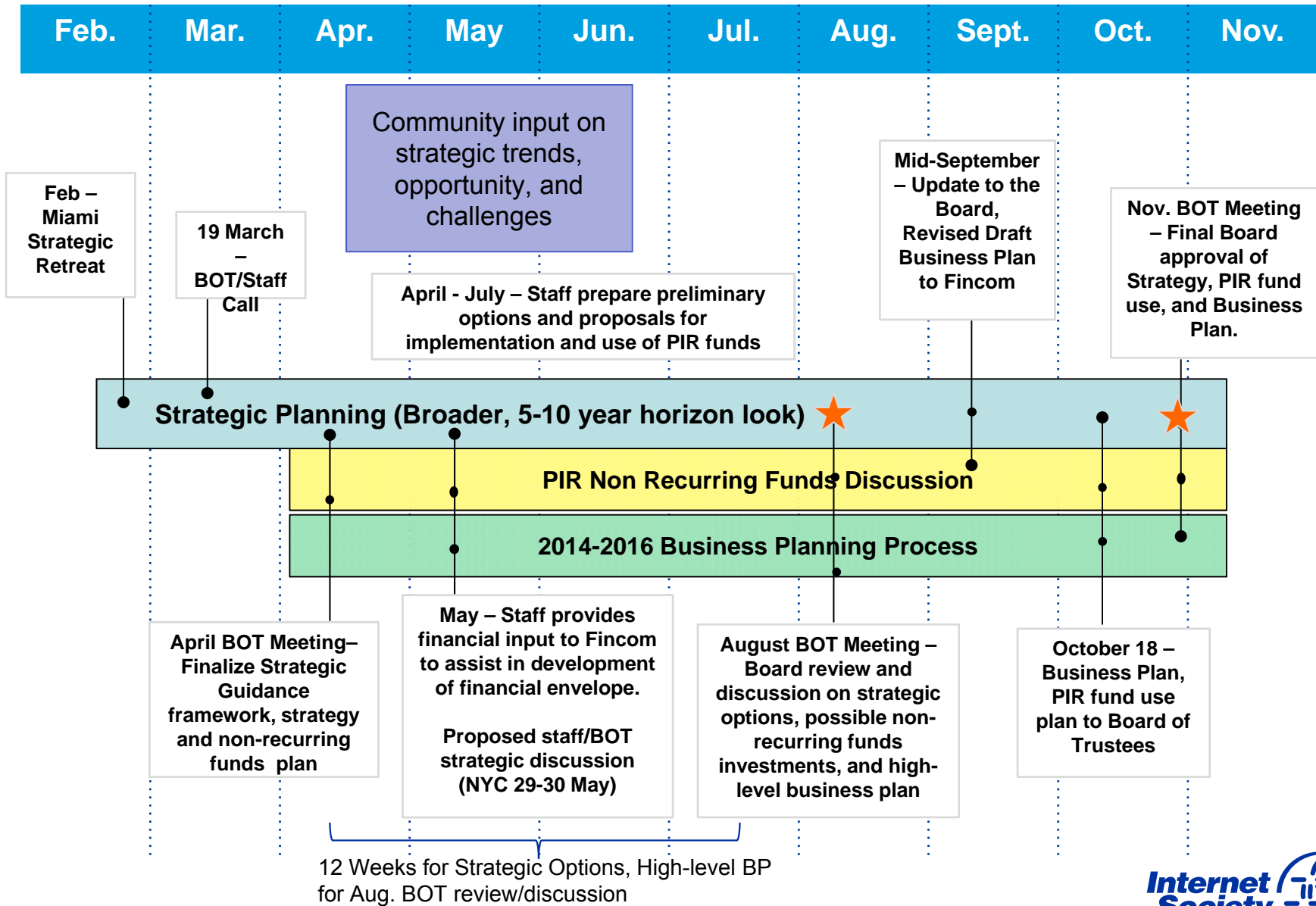
- Strengthening and defending the open development and evolution of the Internet, including open Internet standards, technology & infrastructure development, deployment and innovation
- Advancing the open, participatory (Multi-stakeholder) model of Internet governance and policy approaches that support Internet principles and user-centricity.
- Bridging the digital divide by growing Internet connectivity and capabilities throughout the world, with special emphasis on developing regions.
- Advocating for the open, global Internet for all the world's people

The Board also indicated that the overall thrust of ISOC's current vision, mission, values and principles needs to remain relevant to the organization today and provide a useful grounding for the organization and its strategy going forward.

Strategic Planning Key Objectives (Confirmed April BOT Meeting)

- Identify key trends likely to impact the future of the Internet over the next 5-7 years, and possible implications on ISOC's work and mission
- Within that longer-term context, identify options for how ISOC can deliver the most impact on its mission into the future, including identifying potential gaps, new opportunities, and strategic choices
- Using the Board Strategic Guidance and long-term trends as context, engage with the Board to define key impacts and related goals for the organization
- Propose to the Board strategic options and alternatives for achieving key impacts
- Based on the overall financial envelope, recommended high level-resource allocations to implement strategic options, including potential use of non-recurring funds (outside of basic operations)
- Provide input into Board thinking on and the development of recommendations for the strategic use of the \$10m non-recurring PIR funds
- Incorporate robust community consultation into the process

Accelerated Timeline



Strategic Planning Process: Overview of 12 week process in Identifying Positioning and Options Recommendations for BOT



OBJECTIVES:

- Identify **long-term trends and implications**
- Build 4 potential “external” **scenarios** of the future
- Prioritize **challenges** of stakeholders in the scenarios
- Identified **key assets and capabilities** required to meet future challenges
- Began to map the needs onto **board strategic guidance**

OBJECTIVES:

- Engage **community** to gain insight on future challenges, key capabilities, and roles
- Assess ISOC’s **core competencies** for gapping against future-looking needs / current capacities
- Understand **capabilities and roles** from various perspectives
- Determine **focus and positioning of ISOC** based on inputs

OBJECTIVES:

- Determine **actions** for ISOC to build positioning and its capabilities
- Assess **potential ideas** for impact, feasibility, financial impact, etc.
- Determine **portfolio of recommendations** and investments best for future impact

Output of work provided to BOT August Meeting for review and decision.

OBJECTIVES (Pending on Board review/evaluation of recommendations in August):

- Conduct further financial detail and evaluation of ideas
- Assign teams to develop specific actions
- Finalize 2014 Budget and Business Plan
- Identify immediate next-steps for execution
- Create **ownership** for project plans for accountability

Key Drivers for Strategy and Change

External Drivers for Change

- The Internet landscape continues to change at an accelerating pace, creating new challenges to and opportunities for advancing the Internet
- With the changing industry, Internet-related organizations are adapting and changing their roles to better fit the future
 - Peer organizations are redefining their strategies with an impact on ISOC's mission and relevancy
 - Grassroots organizations are responding to needs locally/regionally and partnering with ISOC's peers to tackle their local/regional challenges
- On-boarding of communities with broader diversity of viewpoints to the internet has started heightening regional and local sensitivities and needs
- As consumer and social-centricity rise and the Internet becomes a commodity, many influencers and the world at large need to be made aware of the role of ISOC, its mission, and unique role in the Internet Ecosystem

Internal Drivers for Change

- ISOC is seeing an increasing need for bottom-up enablement to address unique policies and issues at the local and regional levels in addition to the need for coordinated guidance and thought leadership from a global viewpoint
- There is an increasing need to fund new programs to tackle emerging challenges while balancing the need to diversify sources of revenue
- ISOC needs to prepare a foundation for a transitional year with a new CEO



Identify ISOC's future role and positioning in the ecosystem to prepare the organization to successfully tackle future challenges



Input garnered from various stakeholder sources for thoughts on potential future roles, capabilities, and challenges

STAKEHOLDER	METHOD	TAKEAWAYS (summary/indicative)
Peer / Similar Organizations	<ul style="list-style-type: none"> • Interviews • ISOC materials • Research 	<ul style="list-style-type: none"> • Increasing number of organizations involved in the community • Their roles are continuing to evolve as well with some overlap and convergence potentially with ISOC
External (I* community & ROW)	<ul style="list-style-type: none"> • Interviews • Web survey 	<ul style="list-style-type: none"> • 6 roles stood out across inputs: global org for collaboration, government partner, empowerment of individuals, advocate for change and the Internet, information provider and educator, and policy organization • Themes across the roles include being a collaborator/convener, pushing dialog and communication, providing access to the best information, and being a leader for change
Organizational Members	<ul style="list-style-type: none"> • Group discussion 	<ul style="list-style-type: none"> • ISOC has a great asset in its diversity of expert contacts and chapters worldwide, which could even be leveraged more to enhance reach and impact • build depth by creating deeper, more engaging relationships with new and existing partners • Existing strength in technology and policy needs to be leveraged to grow such expertise/capacity for developing nations.
Internal and Chapters (staff & chapters)	<ul style="list-style-type: none"> • All Staff meeting • Group discussion • Web survey 	<ul style="list-style-type: none"> • Roles surfaced included: neutral convener/voice for dialog, promoter of core principles of the Internet, trusted source of evidence-based information and resources, capacity builder and trainer • Believed ISOC's expertise and knowledge as well as its efforts in development have contributed to ISOC's success
Leadership (SMT & RBD)	<ul style="list-style-type: none"> • Interviews • Workshop sessions • Surveys 	<ul style="list-style-type: none"> • Identified every potential role to address future challenges • Believe ISOC can be a steward for the Internet and the multi-stakeholder model by being a partner, promoter, channel provider, agenda setter and convener • Other potential roles include educator/trainer, information purveyor, thought leader, researcher, and fosterer of innovation



ISOC Core Competencies as Identified by Stakeholders

Convening Capability (and Community Building)

Ability to play the role of a trusted and credible party to convene multiple stakeholders around Internet issues

Subject Matter Expert Recruitment and Retention

The ability to attract and retain Internet subject matter experts who build ISOC's reputation and add credibility as a respected voice

Technology, Policy, & Development Integration

Integrated and synergistic focus on technology, policy, and development that allows for translation of technical language and building of informed perspectives.

Ecosystem Partnership and Relationship Network

Network of long-standing relationships with key organizations and individuals in the broader Internet ecosystem

Internet Technology Expertise

Deep, differentiated, recognized and trusted knowledge and thought leadership regarding the Internet's past, current and future technical architecture, systems, infrastructure and operational challenges

Public Policy Presence

Sustained presence at the table that enables ISOC to be seen as a respected authority in discussing, shaping and review of policy, legislation and regulation

Strategic Capacity Building

Ability to enable organizations and individuals to take an active role in Internet technology, policy and development issues for making informed choices

Global Footprint

Broad group of individuals and entities worldwide giving global credibility to ISOC; surfacing and sharing a diverse set of view points on Internet issues

ISOC's Positioning & Core Assets Required for Success

The Internet Society is a global voice and leader for the Internet of today and the future. In achieving this positioning, the organization will be differentiated through building and deepening its best-in-class capabilities in the following areas:

Networked Expertise

The ability to develop and manage networked expertise spread internally and externally across ISOC's global network

Strategic Partnerships and Alliances

The ability to create outcomes-driven, long-term relationships, partnerships and alliances that commit partner resources to drive scale and extend ISOC's mission impact

Global Engagement Platform

The ability to engage, connect and empower individuals and organizations by creating, aggregating and disseminating information, insight and best practices through a decentralized, multidirectional communications platform that advances ISOC's mission

Non-Recurring Fund Use Proposals

- Based on the Key Future Challenges identified in the strategic planning process, ISOC staff will be delivering to the Board 6 projects for consideration for use of a portion of PIR Non-Recurring funds
- At the August Board meeting, we will be seeking Board views on the concepts that should be pursued in further detail, as well as other board input.
- At a high level, the 6 projects include the following:

Global Internet research lab to promote collaboration and advance Internet technical evolution, research, and technical expertise	Identity registry/infrastructure for the exchange of identity attributes while maintaining privacy
Internet development institute to be the pillar of Internet best practices, policy approaches, training, and capacity building supporting developing and emerging economies.	Comprehensive programme for building ISOC's internationalization and regionalization strategy
Global Internet "observatory" to aggregate, develop, interpret and display key data and information related to the health and growth of the Internet and promote evidence-based Internet decision-making.	Global Internet learning platform as a vehicle for stakeholders to learn about "all things Internet."



Each Non-Recurring Fund Proposal will be delivered to the BOT with information covering the following areas

Vision for Programme/Project

- Overview of the vision/description of Programme/Project

Strategic Impact/Success Criteria

- The intended strategic impact of the programme/project on the Internet. Description of what success looks like and general criteria for measuring success

Why ISOC?:

- Description of ISOC's role and why ISOC well positioned to advance the concept, and the value the programme/project will bring to ISOC strategically.

Resources / Partnerships:

- Resources, (including expertise) and/or partnerships would be required to make the project successful.

Forward Looking Sustainability:

- Information on how the work will become sustainable/fundable beyond an initial investment of non-recurring funds.

Success Imperatives and Risk Mitigation

- Insert any key criteria for making the project successful and/or how risks would be managed or mitigated.

Draft Implementation Timeline:

- Overview of the general envisioned timeframe for the project to reach success.

Budgeting for 2014

- In line with the boards Strategic Guidance and strategic planning work, staff will develop the 2014 budget based on the following guidance from the Finance Committee:

1 – Generally keep things "steady state" (status quo) until a new CEO is in place, after which it is fair to expect that the budget will be re-assessed over some period of time as the new CEO comes up to speed.

2 – No increase in the number of employees or contractors (unless the contractors are directly due to / required by a particular grant).

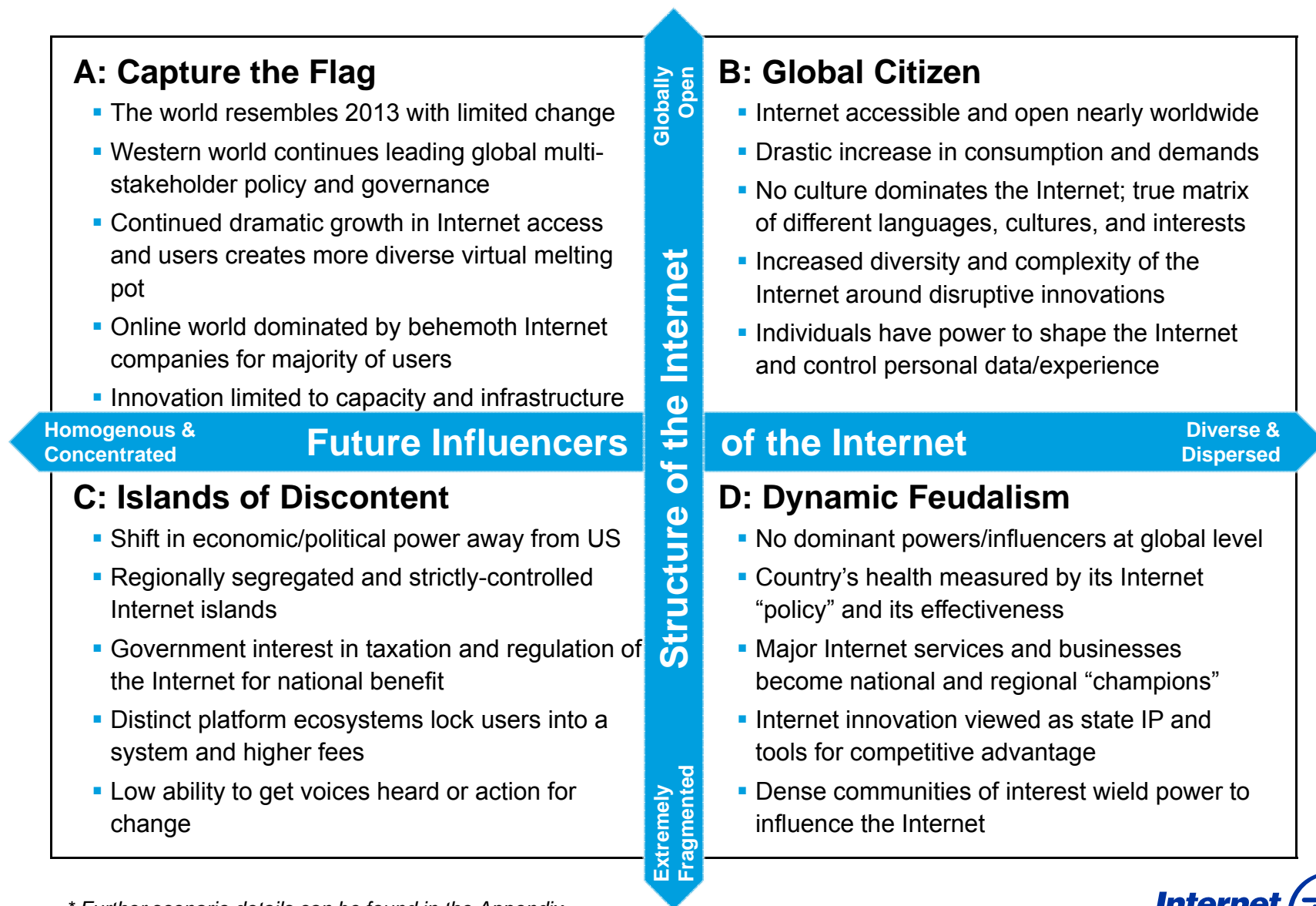
3 - Limited growth in employee compensation, not to exceed the rate of inflation in the US and EU (or other region where the employees are located).

4 - No increase in spending of ISOC programs/projects (unless due to / required by / paid for a particular grant).

Appendix

Background scenario exercise, challenges identified by stakeholders and relationship between ISOC core competencies and future looking core capabilities.

Future Scenarios: Planning for Challenges 5-7 Years Out.



* Further scenario details can be found in the Appendix



Future External Challenges of Stakeholders Mapped to Board Guidance (based on Stakeholder Input and Scenario Planning)

Technology	Policy	Development
<ol style="list-style-type: none"> 1. Development and deployment of technologies, tools, and techniques in the interest of the Internet 2. Need for interoperability due to multiple standards, governance models, and infrastructure 3. Need for education and engagement to enable greater participation in Internet technical development 4. Need for grass roots and small business innovation to occur despite dominance/ control by big players or entities 5. Need for access to data & research 6. Need to stimulate development and innovation of technology 7. Need for solution for operators to deal with increased bandwidth demand and increased demand for services 	<ol style="list-style-type: none"> 1. Need of key stakeholders for proactive coordination to discuss and determine shared perspectives that inform decision making which impacts the Internet ecosystem 2. Need of policy makers and shapers to be aware of and understand models, standards, principles, and technology to create well-informed policy and/or keep pace with change 3. Need of users (private sector and individuals) for a voice and channel to influence policies and regulations 4. Need of knowledgeable stakeholders for a resource with trusted/credible information and coordination ability relevant to the decisions they are trying to make 	<ol style="list-style-type: none"> 1. Need for people to take an active role in diverse Internet capacity, policy, and infrastructure roles 2. Need of stakeholders for continued capacity building and knowledge transfer of changing/new technologies, standards and policies to make informed choices about Internet development and bridge gaps
Universal		
<ol style="list-style-type: none"> 1. Ensure sustainability and adoption of fundamental Internet principles 2. Need to address challenges to collaborative, multi-stakeholder model 3. Small and medium businesses need the ability to fight against high barriers to entry, high failure rates due to dominance by big players, and high costs to play / compete / serve 4. Need for privacy, trust, and security 		

* Consolidated and prioritized from >300 stakeholder challenges elicited through scenarios



Key Challenges Voiced by Stakeholders

Technology	Policy	Development
<ul style="list-style-type: none"> 1. Development and deployment of technologies, tools, and techniques in the interest of the Internet 2. Need for interoperability due to multiple standards, governance models, and infrastructure 3. Need for education and engagement to enable greater participation in Internet technical development 4. Need for grass roots and small business innovation to occur despite dominance/ control by big players or entities 5. Need for access to data & research 6. Need to stimulate development and innovation of technology 7. Need for solution for operators to deal with increased bandwidth demand and increased demand for services 	<ul style="list-style-type: none"> 1. Need of key stakeholders for proactive coordination to discuss and determine shared perspectives that inform decision making which impacts the Internet ecosystem 2. Need of policy makers and shapers to be aware of and understand models, standards, principles, and technology to create well-informed policy and/or keep pace with change 3. Need of users (private sector and individuals) for a voice and channel to influence policies and regulations 4. Need of knowledgeable stakeholders for a resource with trusted/credible information and coordination ability relevant to the decisions they are trying to make 	<ul style="list-style-type: none"> 1. Need for people to take an active role in diverse Internet capacity, policy, and infrastructure roles 2. Need of stakeholders for continued capacity building and knowledge transfer of changing/new technologies, standards and policies to make informed choices about Internet development and bridge gaps
Universal		
<ul style="list-style-type: none"> 1. Ensure sustainability and adoption of fundamental Internet principles 2. Need to address challenges to collaborative, multi-stakeholder model 3. Small and medium businesses need the ability to fight against high barriers to entry, high failure rates due to dominance by big players, and high costs to play / compete / serve 4. Need for privacy, trust, and security 		

* **RED** text refers to the top challenges as identified from surveys



Other Drivers for Strategy Alignment and Change

External Drivers for Change

- The Internet landscape continues to change at an accelerating pace, creating new challenges to and opportunities for advancing the Internet
- With the changing industry, Internet-related organizations are adapting and changing their roles to better fit the future
 - Peer organizations are redefining their strategies with an impact on ISOC's mission and relevancy
 - Grassroots organizations are responding to needs locally/regionally and partnering with ISOC's peers to tackle their local/regional challenges
- On-boarding of communities with broader diversity of viewpoints to the internet has started heightening regional and local sensitivities and needs
- As consumer and social-centricity rise and the Internet becomes a commodity, many influencers and a broader set of stakeholders need to be made aware of the role of ISOC, its mission, and unique role in the Internet Ecosystem

Internal Drivers for Change

- ISOC is seeing an increasing need for bottom-up enablement to address unique policies and issues at the local and regional levels in addition to the need for coordinated guidance and thought leadership from a global viewpoint
- There is an increasing need to fund new programs to tackle emerging challenges while balancing the need to diversify sources of revenue
- ISOC will need agility and flexibility to address a fast paced, changing environment
- ISOC needs to prepare a foundation for a transitional year with a new CEO



Identify ISOC's future role and positioning in the ecosystem to prepare the organization to successfully tackle future challenges



Capabilities to Address Future Challenges:

In order to advance an agile, globally diverse organisation with the capacity to meet evolving Internet challenges, we need to leverage our current core capacities towards 3 main capabilities.

PRESENT



FUTURE

