
BUENOS AIRES – ICANN Business Excellence Update
Wednesday, November 20, 2013 – 10:30 to 11:30
ICANN – Buenos Aires, Argentina

SUSANNA WONG BENNETT: ...Have set for ourselves. Of course I appreciate your input very much. As Fadi said, we need to listen to each other. So I appreciate that very much. If you need to stop us at any time during this hour then we'll chat. With that, first I wanted to remind us all that for FY 14 we've set ourselves four objectives: affirmation of purpose, operation of excellence, internationalization and the multistakeholder model evolution. You're quite familiar with that, I'm sure.

With that, there's been, in addition to the organization aggressive objectives and goals that we set, there's also of course the new gTLD operation. With that it's creating quite a need for globalization and the growth, and with that there comes a lot more complexity than what the organization and the community has seen before.

With that complexity there will be risk, but at the same time, I think the right way to look at it is that it's really creating a lot more opportunities for all of us to take advantage of. I'm going to share with you my background here. Many of you know that I'm Chinese. The words on the board here are from the left. The first two characters on our left is [Chinese 00:01:55] and then the middle two are [Chinese] and the far right is [Chinese]. You can see, interestingly, how these words are connected, right?

Note: The following is the output resulting from transcribing an audio file into a word/text document. Although the transcription is largely accurate, in some cases may be incomplete or inaccurate due to inaudible passages and grammatical corrections. It is posted as an aid to the original audio file, but should not be treated as an authoritative record.

These words mean change, transform and success. It's quite incredible when I thought about it, and I had to share this. The characters are connected with each other and it's very positive, and I truly believe in that. Really approaching the organization excellent and all the changes we make with that kind of mindset. Many of you know about this; actually the combined word [Chinese] is really crisis, however what's important here and what I wanted to show is the opportunity that comes with the danger or the risk.

It's a word in Chinese, a phrase, and J F Kennedy says very well that the Chinese use two brush strokes to write the word 'crisis'. One stands for danger, the other for opportunity. In a crisis, be aware of the danger but recognize the opportunity. So I think that mindset is very important for all of us. Any thoughts from any of you? Okay, thank you. So with all that risk and how we can take opportunity of it, we start looking at what we can use as a basis – a model to use to really drive us to achieve excellence.

I cannot take credit for this. Way before I joined in 2009 the Team looked at various different models and decided on EFQM. The reason is we are already a member, like I said, since 2009, and why did the Team choose this model in particular? There were several models out there of course. Here are the reasons: it's not tied to any one country and it's used in multiple continents. Many ICANN customer stakeholders are already using this model and EFQM is a non-profit organization as well, and non-governmental.

So it's really very much what ICANN is all about, so I think it really credits to the Team that chose this EFQM mode. I'm going to pick on Matthieu

from the earlier conversation that you mentioned that your organization is already using this? Would you like to share a little bit how that works for you?

MATTHIEU CRÉDOU:

Thank you Susanna. Yes, I'm the CEO of AFNIC, the Manager for .fr registry. We have a very similar context with ICANN. First of all, we operate a registry and ICANN has a registry business – especially the IANA function. We operate this in a governance model, which is multistakeholder, and we operate it for the benefit of the public. Therefore there are usually challenges about the way we handle operations, and therefore we chose to focus on an existing framework that provides recognition about what's achieved.

We chose EFQM over traditional standard ISO type of quality management, because it's wider in scope; it focuses on things like leadership, people, processes of course, but not only processes, and it's non-prescriptive. It's not coming with already-bound solutions about what you ought to do in your context. It's a good basis for leading change and transforming an organization and measuring the progress that you're making. That was our reasoning, and we have regular exchanges with Elise about how we are progressing in this journey.

SUSANNA WONG BENNETT:

Thank you very much. It certainly makes us feel much better when we have cooperation from the community. Yes please?

CHRIS JAPLO: Yes, Susanne, thank you very much, and thanks also for expanding the acronym at the bottom. I spent about five minutes earlier in the week, I think, in the opening ceremony, trying to work out what it was, and it wasn't even clear on the organization's own website what EFQM stood for, but anyway...

Just to clarify, you looked at the ISO 9000 as well? Being European myself I have to confess to not having heard of it. Presumably you looked at the ISO 9000 system and looked at this and others, and this is the one you came up with? Thanks.

SUSANNA WONG BENNETT: Yes. Leo?

LEO VEGODA: We have looked at ISO 9000, but not quite in this context. ISO 9000, as I understand it, is more of a standard to meet, sort of like we do IT security auditing, and if you pass all these criteria then you get the tick box and you have your certificate issued. This is a little bit different. We use some of the IT security auditing frameworks and other things like that within ICANN, but for the EFQM model it's not so much about, "Did you tick the box and do the thing?"

It's more about looking at what the opportunities are that you have to excel in. What are you doing really well right now, and what would you be doing if you were truly excellent? Going through an assessment process that looks for opportunities, so it's not quite as black and white as you'll get with a prescriptive standard. That's not to say that those

standards shouldn't be used perhaps in addition to, but it's a separate thing and I can see that [Haagen?] wants to speak.

SPEAKER:

I'm sorry, [Haagen] and then you may speak. I'd like to make sure that everyone knows that both Susanne and I came after EFQM were selected. However – and I asked the same question you just asked – why not ISO, why not Baldrige, why not something else? Leo's answered it very well, as did Matthieu, that it was more of an organizational and it takes into components that ISO doesn't necessarily, like leadership, etc.

My understanding – and maybe [Haagen] will speak to this, is that EFQM has sort of gotten to be just an acronym, and they don't expand so much to the European aspect of it. It started there, but they're now deployed and many different continents are using the EFQM model. Even though it started as European Foundation for Quality Management, they're pretty much using the acronym with less stress on the European aspect of it.

[HAAGEN]:

If you permit I will just add one sentence, fully in support of what you've said. I think you're thinking of it as more of a standard, how to operate. EFQM is much wider, because it generates... Let me brave enough to say it's generating a corporate culture. It's not only guaranteeing that you fulfill certain processes and guarantees, but with the people in the Team you develop enhancing a process, but also to achieve overall excellence, including the human resource, which is involved, it's much wider.

The standards, on our platform we have to do them anyway, but to use EFQM, Baldrige or some others, it's generating a culture, and that's what I think is so important. That's why I'm very much in favor that you've continued to do it. You've earlier chosen EFQM and you could have chosen another one, but Baldrige and EFQM I would say are 98% similar. Some words are different, but it's a good approach to achieve excellence in corporate culture.

SUSANNA WONG BENNETT: Thank you very much [Haagen]. Yes please?

WOLF-ULRICH KNOBEN: I'm Wolf-Ulrich Knoblen. The last four years as a Vice Chair of the [CFO? 00:11:40] Council here. I have a question. I think we have experience in our company, from a German company, and [Haagen] knows... Maybe he was in charge of that in former times when he was an Executive of the company that I was in as well, about the EFQM mode.

My question is related to the question of the model in relation to a non-profit organization. I understand in itself it's not for profit on a governmental membership association, but the model itself...

As ICANN is a not-for-profit organization, and I only have personal experience with the EFQM in profit organizations... What is really the difference here, and how is this model taking care of that and looking into that organization, as ICANN is not-for-profit?

SUSANNA WONG BENNETT: The next few slides will cover directly from the website of EFQM and help to explain some of this. If you look at the slide right now, we have a series of three, and others you can get from the website of the EFQM organization. You can see very clearly that it touches many areas, ranging from customers, employees, and surveying really a sustainable model.

You can see there's the customer or community element, and also developing the capability of the organization. There's innovation, creativity, the leadership with vision and also the people side – quite a bit of focus on the people side, and then on the sustainable results. That's the fundamental concept of EFQM for excellence, and excellent organizations achieved and sustained this outstanding level of performance. That's the concept of EFQM.

Then here is the ever-evolving cycle of EFQM with what's called the radar logic. I think it makes a lot of sense. First it starts with... In several other sessions I heard several other community members talk about that you've got to know where you're going. First, identify what the results are that we want to achieve, then plan and develop how we do it, and then deploy and implement, and then assess again and again.

So it's an ever-evolving cycle to achieve excellence, and it's a very good logic. Here's the framework. [Haagen] was saying to focus on people quite a bit; leadership people, and the strategy and partnership resources and the process. Definitely process is important, but that's a part of it. Then it's about achieving the results in various different areas, including the society result. So the framework really helped to tie the concept together with the radar logic achievement in all these areas.

I encourage you to take a look at the website so you can see a lot more details. Yes, Elise?

ELISE GERICH:

Can I just add...? For a non-profit – and I think that was your question – in the results section it says ‘business results’. We have business results in a non-profit also. We have objectives and goals. They may not be profit and they may not be return on investment, but they’re definitely business objectives and business results. So I think it’s perfectly legitimate for a non-profit to use a framework like this, and there are the same types of achievements and results. It may just be a different set of measures. I don’t know if that answers your non-profit question.

SUSANNA WONG BENNETT:

Yes, go ahead Wolf?

WOLF-ULRICH KNOBEN:

I have a more general question about understanding. We’re talking about the business excellence of ICANN. Are we talking about the company ICANN, or the community, the ICANN community? That means the broader... What are we talking about here? We have the ICANN company with staff, located all over the world, but we have the ICANN community. What is the target here of that – is it the company?

SUSANNA WONG BENNETT:

Very good question. The focus, for example IANA, definitely is ICANN-focused on business excellence. However, IANA’s achievements will touch outside of just ICANN, the impact of it. Then operational

excellence, what my Team are working on, is very much focusing on building the foundation excellence for the ICANN organization, however what we do will support the various pillars of ICANN functions. That will touch the community.

A little bit later in the slide-deck Leo's going to go through the four slides that Fadi showed on the first day, and that will really reach out to the community as well. What we do on an organizational excellence side, the results of that would definitely reach out to the community; the customers and whatnot. You raised a really good question of how we build up excellence among the whole community. I would really like to hear comments from others on how that model could work.

SPEAKER:

All I can say is that AFNIC is not-for-profit, and the interest of this model is that it's designed, from the start, to be adaptable to public and private organizations, and not-for-profits. The EFQM Institute itself is a not-for-profit. Of course it uses its own model.

If you look on the website, under 'Award winners' you'll see organizations that are not-for-profit. I think they had a ceremony recently where there were prizes and awards being given, and a couple of the winners are not-for-profits in the housing sector industries, of course. I don't think there were any public organizations this time.

So it's adaptable, because basically you tailor it. You define what you call business results. If your business result is providing grants to projects that succeed, that's your business result, and it's not the net

profit or the shareholder value that is your business result. It is adaptable for that.

WOLF-ULRICH KNOBEN: Thank you. Well, to make it clear, my question was in that direction. If you look at the results, towards what we expect to come out of that model, my question is will these results or impact just the ICANN organization, as located in Los Angeles and so on, or does it impact the overall ICANN community, including the ICANN structures like the stakeholder groups and all these others. That's my question. What do we expect? Or, are we [open well? 00:21:33] to design that in a way, as we like to do that? What can we expect from it?

SUSANNA WONG BENNETT: Definitely the input from the community would be very, very important, however from my perspective – and I'd like to hear others – how we perform, how the ICANN organization performs, would definitely be a result that would impact the community very, very much. I was just observing this morning the seven o'clock session – we were all there – how from my point of view it's really the epiphany of excellence in the multistakeholder model.

I was getting goose bumps myself doing the meeting, observing how many people came at such an early hour, and there was a very wonderful dialogue that really spoke about the various issues and questions and how to drive forward for a very important cause.

So getting to your question, how we can achieve excellence in the community is a continually evolving thing, and if ICANN would continue

to focus on that in various different areas – not just the IANA piece and not just the operations piece –; engagement, outreach, policy, legal or whatever it is. So the various functions will affect and touch the whole community. Elise?

ELISE GERICH:

Yes, I agree with you Susanne. I just wanted to add that the EFQM leads to a cultural change, and the cultural change may start like a seed within, say, the IANA department, and make changes to the communities that the IANA directly supports like the RIRs, the IETF, the TLDs, but it also makes changes within ICANN to the communities that we work with within ICANN, internally.

That ultimately can make cultural changes that grow within the community itself in a broader way. So I think it's kind of like a seed and then it grows.

SUSANNA WONG BENNETT:

Very good points, both. Thank you very much. At this point I want to hand the mic over to Elise. She's going to share with us what's been happening with IANA.

ELISE GERICH:

Talking about the seed, I'm Elise Gurich, Vice President of IANA and Technical Operations. I know most of you in the room. We did, as Susanna said earlier, the IANA Department selected EFQM, and if you go back to that radar picture we were looking to show that we could demonstrate that we're good at what we do. We started with what our

requirement was, then we started planning, then we did some deployment, and then we got some results. Now we have to assess those and see what other things we'd like to achieve.

Basically, since 2009 until now, we did internal self-assessments, which is part of the mode; that you don't jump right out and try to get accreditation of some sort. We did some self-assessments and then this last January – much to the leadership of Leo, because he's been our point person – we had an external assessment. For an external assessment you go to EFQM and they have assessors that are trained.

They come on-site, we've prepared a document. They go through the document and interview people. But at this point in time, our external assessment was for our Department – the IANA and Technical Operations Department, which is why I said we were kind of a pilot. We were the seed within ICANN to see what we could achieve, if we could demonstrate results and predictable behaviors and some culture change in excellence.

So we did the external assessment. We were quite pleased to get the 'Committed to Excellence Award', which is the first tier in several different tiers of awards you could get. We may not have achieved the home run, which is okay, we're still maturing here, but we were really pleased we didn't get a zero. We got the 'Committed to Excellence Award' and it showed that we'd put in a lot of hard work and that we'd moved from one point to another point on the spectrum of excellence.

I know in school I always liked to get 100%, so any time you have someone come in and grade you you'd like to get 100%, but in excellence that's very difficult because as soon as you hit some level of

the bar the bar raises. That's what we're seeing. We'd set some goals, the requirements to demonstrate that we do a good job.

EFQM agreed in the external assessment that we do a good job, but they set the bar higher for us. Now we have new things to go back to at the top of that radar thing and say, "All right, we hit this level, but that was our target for excellence at that point in time and now we're going to go to the next level." So we are still on the journey.

The part of this journey where the community part came in, was we didn't just set our own requirements and go after them, we said, "We want people to think that we're good at what we do and we will be good at what we do, but we want to make sure we're doing the right things, the things they want us to be doing." So we had several public consultations.

One of the things we wanted, for demonstration, was that we could do performance standards; that we had some measures. We did public consultations with our primary, the IANA Department Primary Community, which are the RIRs, the TLDs and IETF, for performance standards. Based on their input we then deployed some measures, and I'm proud to announce that we have two reports posted about these performance measures, starting in September and October.

So it took us a while to get that feedback, integrate it and put the measures in place, but now we're reporting against those. Another thing that we heard from our community in the consultations is that some of the documentation that we had published was less than helpful. It could have been a lot better, and now we've published, particularly for

the TLD community, a lot better documentation with their feedback and input.

There were reviews with the community, and so now that's published and it replaces some of the old, out of date publications that we had. One of the things people said was they wanted to have more secure notification processes on their requests, because like many people we'd done it for a long time with just email and not necessarily with signed email.

But now we've moved to that and we've gotten their requirements. We've improved some of those communications and we still have a little way to go on that. So we're really, really happy that these were things that worked with the community. They said what would demonstrate things for them, that we were doing a better job of, or a good job, and I'm very happy to announce that those all are in place.

Another way we've done this, other than public consultations, is last year, again under Leo's leadership, he put together a customer survey and sent it out. This is obviously just an artistic representation, but it came back that 80% of our customers thought we did good, or were excellent at what we did. So we were really happy with those results, but there were areas where they did show that we had other things to improve on.

Again, we put that into our requirements. We're coming up with a plan and going through that whole radar cycle again for those things. We've just sent out – and you all may have received this, depending on your community – this year's survey. It's a larger survey and it will segment communities so you can self-select which community you're in. We'll

get those analyzed by a third party. This way, people can be more candid, perhaps, because they won't be talking directly to us.

They'll talk to us through a third party who will then give us the aggregate information, and we will publish it in early 2014. So I'm really excited by everything we've accomplished. Like I said, I started in 2010 so in 2009 the IANA Department had already decided on EFQM. I've come to embrace it. I think it's really done a good job with us, to help us focus on areas for improvement. We don't try to tackle everything at the same time, so we can have targeted areas for improvement.

The first area we targeted was processes and documentation. I think we've made a lot of strides there and now we know we have some other areas and we'll be targeting them in this upcoming year. I will now turn the mic over to Leo, so he can tell you how all this applies to ICANN in the broader sense. [applause]

LEO VEGODA:

We took four years to do what we did by the time we had our external assessment in August. Now I'm re-using Fadi's slides, what Fadi has led, over the last year. This is really very full, so I'm not going to go through everything on the slide, but what I'm going to try and do over these next few slides is show what's been achieved over the last year, since Fadi came on board and set us some new goals and looked at our strategy. It's something that integrates very well into EFQM.

So just going to the top left, where we've got the new gTLDs delegated, on Monday this was 24 but I think we've delegated seven more since then, so already it's out of date. This is looking at the model. This is a

business result for us, and if you're a customer, at least one of these 30-odd customers, then it's a result for you as well. This is driven from strategy, and there are defined processes for doing this.

Particularly... I have to speak from the experience of the IANA Department, this was a success for us in getting a very clean handover from the Team processing the new gTLD applications, and then getting it through our checks, through authorization and into delegation all very swiftly. I think that's a win for the customer and a win for us, and we now have to sustain it.

But it's not just the customers, there's also the public interest. If you go and look at those 477 public interest commitments, they're very clearly society results within the EFQM model, where ICANN is going and looking out for the public interest, and trying to make sure that we perform well for society as a whole, and we're not tearing up the environment.

Similarly, the bottom rung here is all about partnerships and resources, and basically deepening out relationship with our partners and making sure they're sustainable. These are all things that fit well within the EFQM model. Similarly, when we go and look here at operational excellence and the bar on the left, we're looking at management systems.

Going back to the concepts of excellence, that circular diagram, the first one that Susanna talked about, one of the things there is managing with agility, which in the previous version of the model I believe was called managing with facts and processes. Without this sort of thing; the portfolio management system, the travel and expense management

system and all of those things that underpin everything else, we wouldn't be able to achieve a lot of the results that we're actually achieving, for instance, in the previous slide.

This is a foundational piece for everything else, including things like L-Root, where we've got good processes with global stakeholder engagement going out there and talking to people about hosting L-Root, getting the contracts signed, getting the equipment ordered and all the rest of it. We've now got the most instances of a root server in the world, and we're in a significant number of countries in the world. That's clearly a win; both for those new partners, who are the L-Root hosts, and also for society as a whole.

Internationalization, again, is clearly derived from the strategy, and it's very much about strengthening partnerships. A lot of this, going back to what Fadi was saying, is about listening to people and making sure that we understand what they need. This is another piece that's foundational, so that we can work out what we need to do. It goes into our review and refinement, so as we're assessing what we're doing, we're listening to people and we're finding out how we're doing.

Things like customer surveys are an element of this, and ICANN meetings are part of this, and also just going out and meeting people on their home territory. That's also a significant part of this. We want to bring people in, and so things like the Fellowship Program, which is here in the internationalization results, is very much about creating a sustainable future. I think it's reasonable to say that most of the people in this room are 40 or above and were probably not the long-term future.

So the Fellowship Program is really important because if you don't bring new people in then you stultify and drop. I'm not going to spend significant more time on this, but ATRT, as I understand, we got it all done, and that's definitely managing with agility. It's a result for transparency and it's a result for both society as a whole and also for our customers. That makes it better for us.

WOLF-ULRICH KNOBEN: Sorry, one question? Does this also include, let's say the constituencies of ICANN, or is it just focusing on ICANN staff?

LEO VEGODA: Are you talking about the achievement of the implementation of the ATRT recommendations, or are you talking about the general, "Should EFQM be applied to ICANN as a community?"

WOLF-ULRICH KNOBEN: Actually, the Internet can work efficiently only when everybody who's contributing to the Internet is working with business excellence or whatever you call it. That's why I'm asking the question here. When you think about this first priority, and your responsibility is to make ICANN staff follow these rules, since you talk about a multistakeholder model evolution, does it basically include for the long-run...

The constituencies; the ccTLDs and gTLDs and so on, globally, being part of the whole organization, will they be influenced significantly by ICANN's operations?

LEO VEGODA: I personally think that if the ICANN community and the broader community of Internet infrastructure and management organizations, does not continually improve, then it will be replaced. That being said, I don't think it's the role of staff to instruct the community that it needs to follow any particular model. I think it's something that the community needs to agree on itself.

We can try and be an example to the community, hopefully, and perhaps try and influence in a friendly way, but I don't think it's right for us to go and say, "You need to improve," in a way that could be taken the wrong way.

WOLF-ULRICH KNOBEN: I very much support it this way, to influence, potentially, in that direction.

LEO VEGODA: Thank you very much.

SPEAKER: Can I just... Quick follow up? I really support this approach as well. I want to add that it doesn't mean that the community is left out of the framework, and very much the country. There's one aspect of the EFQM that they call the stakeholder map. It's extremely useful within ICANN because of its multistakeholder approach. So it's important that some of the results are focused on what the ICANN organization, corporation, is bring to the different sides of the community.

IANA has already done that for various communities, because you're serving various communities – the ccTLDs, the IETF and so on and so forth, the RIRs and so on. It's going to be the same in other sides of ICANN. There's a bit of complexity here, but it's going to be one of your challenges, but as a community member I expect ICANN to provide a good service to those different sides of the community, and that's a strong expectation that you have to work on. I know that's what you're doing.

LEO VEGODA:

Thank you. Sorry?

WOLF-ULRICH KNOBEN:

Thanks Leo. I'm also in line with that. Looking at your achievements here, it just reflects figures and numbers, so that's one part, the quantitative part. The question is related to the qualitative part here. Just picking out one point, the Fellowship Program, for example. From discussions here, during the meetings, I got the impression that this seems to be very governmental focused.

You have many Fellows coming from governmental administrations, so you cannot see that here from the figures. So in terms of the needs of the border community, how are they reflected in the overall thinking in the achievements? Do you know what I mean? That was my impression. Why is it so governmental-centric, that Program? If you look at the figures and the people coming in as Fellows, there are other needs from the community as regards to bringing in new people as Fellows, maybe?

LEO VEGODA: I didn't realize that... Certainly the Fellows that I've met, I'm not aware of any of them working for a government. Maybe we have a different experience, but I must admit I'm not an expert in the Fellowship Program so I can't answer that myself. This is visible evidence of some of those improvements, and it's on the MyICANN.org website. This is where I hand back over to Susanna again.

SUSANNA WONG BENNETT: Thank you very much Leo. I've just checked the time and we're actually out of time. I have a few more slides to focus on; just the Operations Team. Can you stay another five minutes or so? I can run through that pretty quickly. Okay. Thank you very much. I apologize for running late. I wanted to point out that the operations focus, over the last few months, has been very much regarding operational excellence, of course, and also the efforts of internationalization.

Very quickly, to list the high-level goals, on the right side you can see the ICANN house. Many of you have probably seen this before, and the Operations Team is definitely the shared services of the foundation of the organization. The two operation-relevant goals of the CEO are very much on building the three hubs, and also the process of the operational administrative functions across the hub to deploy all that.

The Operations Team goals are trimestered. T1 is trimester one, and that stretches from after the Durban meeting to the end of this meeting in Buenos Aires. For the Operations Team we focus on reorganizing to achieve the three-hub globalization and improve the process for

efficiency and controls, and also to increase the financial and operation and visibility of making advancements. We also focused on the self and Team advancement, because HR is part of the Operations Team.

So, how we first look at the simple model is to look at the Team structure, and then the Team process and Team performance. All these three are connected to achieve the goals, objectives and also within the budget and on time. If you've been to Fadi's office you've seen this picture here. It's very much plowing the field, making it grow and then reaping the fruits of it.

For the Operations Team, because of various assessments and the operations excellence goals that we set ourselves, we actually went back to the very bottom pieces, and we actually restructured our group to provide a better service to the organization and to achieve the goals. Some of the teams, like PMO, is more mature. It's in the middle section. We're definitely not at the top level. We've not achieved that yet and we're working on that.

So the very first thing we did, like I said earlier, is look at the structure of the team. For Operations Team, the whole team includes Administration, HR, Finance, Procurement, PMO – that's the Project Management Office – the Enterprise Risk Management Team, and also the Meetings Operations Team and also International Real Estate. The major thing that changed is that we split each one into two to have much more focus on HR development.

The Organizational Group, very quickly over the last few years, has very much focused on the technology side and not put many resources towards the people side. It's very, very much needed at this point to

look at team-building, communications, and individual advancement; looking at the Team and organizational advancement... Many areas. So we coughed that out and we have people internally focusing on that and also internationally focusing on that.

Then the operation of HR, what we can call HR management, very much caught the benefit, and the compliance area has been the major focus of HR. So we coughed that out and continued to focus on that to build excellence and make sure we have much more focus on HR development. Chris, do you have a question?

CHRIS JAPLO:

Yes, just a question... I just noticed 'meeting planner, Istanbul'. I'm not aware of a meeting plan for Istanbul and I was just wondering about that.

SUSANNA WONG BENNETT:

I should have gone through the various hub set-up first, so thank you for pointing that out. As you know, we set up three hubs; in America, Los Angeles, and [Amir? 00:50:30] the hub is in Istanbul, and [APEC?] hub is in Singapore. So far we have staffed about five people each in the [Amir and APEC] hubs, and we targeted to grow that to about 15 people each in these hubs towards the end of this year. The goal is that in several years we'll grow that to 50.

The goal is really to not just centrally locate it in LA, but to make sure that we are distributed all over the globe, and of course we have regional offices in Geneva, in Brussels, in LA and in Beijing. In these hubs they'll not just have a couple of teams, there will actually be many, many

teams over there. Right now we have already established a contract compliance team.

In [Amir] we're going to have a contract compliance team, in [APEC], and the meetings person there in Singapore and in [Amir], they will serve the regions. They will serve that time zone. So it's much easier for the teams over in those regions to work with them, instead of all through Los Angeles. Does that help with your question?

CHRIS JAPLO:

Yes, I think I understand it. I've just got a little bit of concern here that the Meeting Strategy Working Group for instance, is as well reporting and is debating whether to have regional calls in the regions or whether to continue more in the way we're doing it at the moment. Is this fait accompli? Is this something happening here in an operational plan, well before the community has expressed opinion on this?

SUSANNA WONG BENNETT:

No-no, this has really tried to fulfill the time zones and also the needs in different areas. I understand what you're saying, that we have a Working Group that's designing the meetings for FY 15 and beyond, and there are many, many ideas. Having people in these regions will help us to facilitate a regional type of approach. I hope that helps. Thanks. Okay.

Then the other one I want to point out is that like Fadi mentioned, we are focusing on the procurement side, and that's very important and we never had a procurement function and much of the purchasing had been distributed among various groups. We see that there's quite a bit of

advantage to certain things we can centralize, to leverage across the organization so that we can have more buying power and have proper procedures and policies in place to have more financial controls.

We're out of time. Let me go through these very quickly. These are the T1 goals and the progress so far. On the financial side we achieved a clean audit for FY 14 and as you know we launched the budget review and the regular financial reporting, as Xavier mentioned earlier. We've also launched quite a few cost control and process improvement in different areas, and I'm very happy to report we've already had quite a bit of cost saving achieved.

For example, in the health benefit area we were able to reduce the yearly increase from 12% to 1.6% for the US... You know, the US is evolving very quickly so we're very happy to achieve that, not jeopardizing the quality of the health plan. That's just based on June 2013 staff level. As the staff level grows the benefit of this achievement will be higher.

We also achieved in various areas other cost reductions, for example in the translation services we actually saved \$207,000 just for the first quarter. The fifth follow up developed is an active dashboard. EDP describes SSAC's dashboard, and the first version. What that is is that we collect the metrics that have been tracked over the years and have continued to be tracked by the Team.

We're collecting all of those into one place, and really the purpose of that is to have visibility, good communication and also to increase efficiency. Version one is collecting what we are tracking already. Version two, that we're beginning, is to review what we are tracking

today, what we're reporting, and seeing whether it's sufficient to achieve our goals; our visibility of increased communication and increased efficiency.

The first review was that no, they are not. There are many other metrics that we do need to track and that's what we're going to develop, beginning with version two, which is beginning in trimester two. Then of course we completed the risk assessment, Enterprise [Y? 00:55:44], and we're building the mitigation plan. There is a lot more work to be done, for example the new gTLD side we've just begun to assess the risk in that particular area, and that's very critical.

We also are very glad to report that we completed a couple of things on the HR side. We completed management competency template and also communication guidelines. We're building a development plan for the staff and we're very glad to be able to roll that out in trimester two. Our trimester two and three focus is on management visibility, defining the key performance indicators, reporting them and using that to improve the organization.

Cost control is a very important area. Process improvement to increase the efficiency. The risk mitigation and staff management and development is a key focus here, and also communication to reduce the silos. Also, getting ready for EFQM assessment. I want to close with an African proverb that Fadi actually identified. He says that if you want to go fast, go long, and if you want to go far, go together.

So I really appreciate you being here today. Thank you for your input. We continually need to collaborate to build the best for our organization. Thank you so much. [applause]

[END OF TRANSCRIPT]