

Finance & Administration Tuning Session Q4 FY20-21



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F&A

	Q1	Q2	Q3	Q4
Financial Management & Compliance	↗	↗	↗	✓
Business Operations Improvement	↗	↗	↗	↗
IT Process Improvement: Onboarding	↗	↗	→	✓
Working Environments	↗		↗	→
Enterprise Risk Management	↗	↗	↗	↗
Annual Plan		↗	↗	→
Internal Enterprise System Improvement		↗	→	→
Business Continuity / Data Destruction		↗	→	↘
Organizational Efficacy: Working Environment		↗	↗	

Finance & Administration

*Organizational
Efficacy
&
Resilience*



Focus for Q4 FY20-21

- Financial Management & Compliance
- Business Ops Improvement
- OnBoarding Improvements
- Our Working Environment
- Annual Planning

Appendix Items: ERM, Internal Enterprise System Improvement & Business Continuity

F&A

Financial Management & Compliance



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Financial Management & Compliance

Objective:

Manage our financial resources to enable the Foundation to achieve our programmatic objectives in compliance with all regulatory filing requirements to satisfy our tax exempt and charitable status.

Budget management: Preliminary financial results for the year

- Exceeded our overall revenue target by 43%
- Met our expense target of within 5% of budget
- Programmatic ratio expected to be on budget at 74%*
- Mid-year budget 'recalibration' enabled us to: Increased hiring speed leading to a net increase of 59 staff (to a total of 472), and make an additional \$4.2M in programmatic investments above our budget
- Total cash & investments balance increased to \$225.2M (+25% YoY)

Regulatory Filings: We met our target for our regulatory filings for the quarter.

- We filed sales/use tax filings in 21 jurisdictions, increase from 18 in Q3
- We coordinated with Namely to file payroll tax filings in 34 active jurisdictions, increase from 29 in Q3

Target quarter for completion: Ongoing

Financial Management & Compliance



Key Results

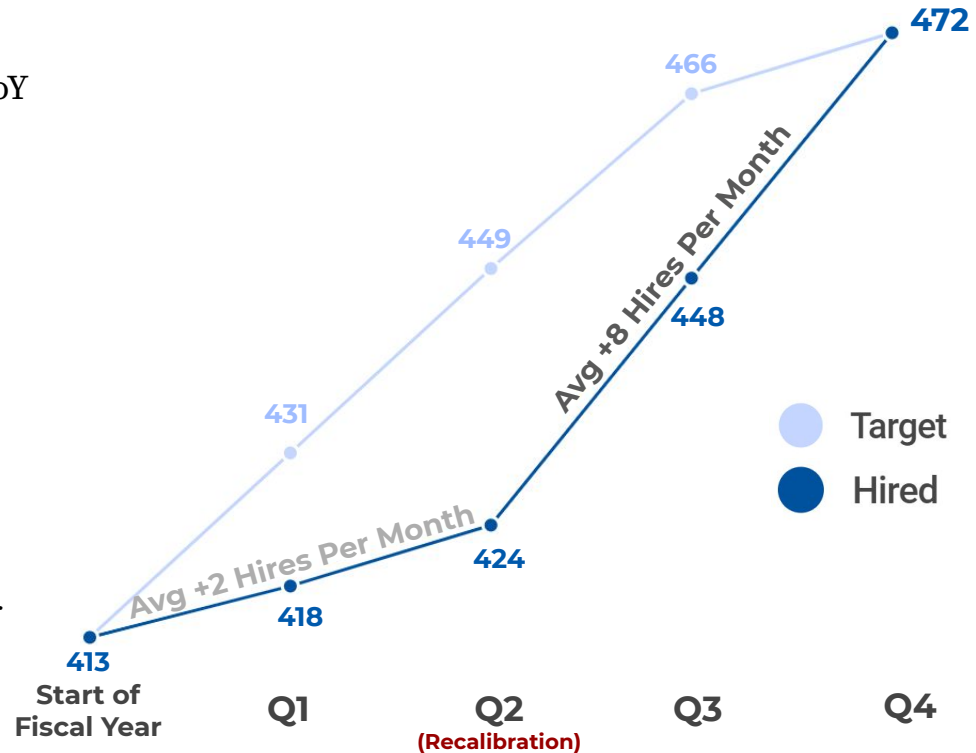
	Year Goal	Q1 Status	Q2 Status	Q3 Status	Q4 Status
<p>Annual actual expenses for the Foundation are within 0 to (-5%) of the budget by Q4.</p> <p>Baseline: Prior year variance was +1%</p>	0 to (-5%) budget variance	(-4%) ✓	(-2%) ✓	(-4%) ✓	<p>+4% ✓*</p> <p>Note: underrun was (-2%) before making the decision to add \$6M in grants and endowment contrib.</p>
<p>*Achieve a clean audit with zero deficiencies and material weaknesses by Q1.</p> <p>Baseline: In the prior year we had zero deficiencies and material weaknesses</p>	Clean audit with 0 deficiencies	✓	N/A	N/A	N/A
<p>Meet 100% of our regulatory filing obligations</p> <p>Baseline: In the prior year, 100% of our regulatory filing obligations were met</p>	100% of filings met	✓	✓	✓	✓



Staffing growth and hiring efforts

Staffing growth

- We ended the year at **472** staff, a **+14%** growth YoY
 - We have hired **163** total new personnel*: 97 new permanent staff, 11 term to perm staff conversions. 44 contractors, 11 fellows
- Mid-year recalibration process allowed us to reassess our financial position and enabled an increase in our hiring pace.
 - Out of 163 total personnel, **105 (63%)** were hired in the second half of the fiscal year
 - Lesson learned: It took a full **6 months to 'catch up'** with our original hiring plan after increase headcount at recalibration



* Total personnel included all headcounts regardless of status. Onboarding processes for contractors, fellows and conversions are different, but similar hiring efforts are required.

Year-end expense overview

We have ended the fiscal year with a total of **\$112M** in operating expenses, and it is **4%** above the annual budget.

- Using the opportunity presented by the overperformance in revenue, we:
 - made an additional **\$5M** contribution to the Endowment to support the long-term movement
 - Made \$1M in additional grants to support the movement immediately
 - Approved future growth in staffing
- We increase our staff growth rate in the second half of the fiscal year to achieve our total target of **472 staff** and exceeded our programmatic personnel budget with by **1%**
- Event cancellations led to a **\$1.9M** underrun for movement and staff events due to due to COVID-19
- **\$2.4M** increase in donation processing fees as a function of exceeding the revenue target
- Lastly, our programmatic ratios is maintained at **74%**, with Fundraising remained at **13%** and General & Administration at **13%**.

EOY Financials Update

A Revenue: We have exceeded our Fundraising target for the fiscal year. Note that fundraising has lowered in Q4 compared to the prior quarter due to several campaigns being postponed or shortened.

B Personnel Expense: Personnel expenses slightly exceeded our budget due to higher amount of staff being hired outside of the United States (particularly in the European regions) and the adjustment of our compensation ranges.

C Grants: Due to exceeding our revenue target, the board approved a \$5M contribution to the Wikimedia Endowment and \$1M in additional grants to support the mission that were not originally budgeted.

		(April - June)	(April - June)	EOY Actual compared to Budget		YoY Actual compared to FY19-20	
		Q4 Act	Q4 Var (%)	FY21 Act (\$)	FY21 Var (%)	FY20 Act (\$)	YoY Var (%)
Financials (\$M)	Total Revenue	13.6	30%	157.5	A 43%	124.8	26%
	Programmatic	29.9	26%	82.8	5%	85.2	-3%
	Personnel Exp	16.2	11%	56.4	B 1%	45.3	24%
	Services & Travel	3.3	-15%	8.7	11%	9.4	-7%
	Grants	7.9	212%	9.6	C 102%	17.7	-46%
	Data Center Exp [1]	1.2	1%	4.1	-4%	3.7	11%
	Others & Oppo.Fund [2]	1.4	-16%	3.9	-34%	9.1	-57%
	Fundraising	2.9	5%	14.5	14%	12	21%
	General & Admin.	4.4	-2%	14.7	-12%	15	-2%
	Total Expense	37.3	20%	112.0	4%	112.2	0%
Change in Net Assets	(23.8)	-	45.5	-	12.6	-	

	JUN Act	JUN Var (%)	MAY Act	APR Act
# of Headcounts	472	0%	458	451

F&A Business Operations Improvement



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Business Operations Improvement



Objective: Continue to improve and maintain efficient and effective business and operational workflows to maximize the return on investment, mitigate risks, and reflect org values.

- Established a documented organizational baseline of 31 primary general and administrative workflows
- Documented and diagrammed the Accruals Process including validating and updating roles and responsibilities and developing a Risk and Controls Matrix
- Documented and diagrammed approval chains for workflows supported by Coupa to ensure technical enhancements align with controls

Increased ability to response to business operations requests + increased user education on business operations

- Reduced business operations requests resolution time from 11 days to 3 days
- Reduced staff response input from 60% to 20%
- Developed and delivered

Business Operations Improvement



Key Results

As measured each quarter, average turnaround time from request to signed contract will be at or below the following targets: 5 business days for low risk arrangements; 7 business days for medium risk arrangements.

Baseline: Low risk: 5 days, medium risk: 7 days

By Q1, identify an appropriate standard metric for evaluating user success in the Business Arrangement workflow and the quality of business arrangements produced. By Q3, increase this measure by 5%.

By Q1, identify one new workflow to integrate with our enterprise business operations systems to improve efficiency and efficacy. By Q3, increase success measure (in KR 2) by 5% and decrease turnaround time by 5%.

Year Goal	Q1 Status	Q2 Status	Q3 Status	Q4 Status
Low risk: 5 biz days, Medium risk: 7 days	-	Low risk avg - 2 days Medium risk avg - 7 days	Low risk avg - 2 days Medium risk avg - 4 days	Low risk avg - 4.6 days Medium risk avg - 8.5 days X
Establish metric and improve by 5%	✓ metric defined	✓ metric implemented	Begin collecting data	✓ Both quality measures achieved >95% ((score of 4 or 5)
Identify 1 project and improve success by 5%	✓ several projects initiated	✓ several projects initiated, including ticketing, and contractor workflow improvements	Upwork contractor feedback score 4.88/5 or +2% Y-o-Y --- Reduced temp contractor processing time by 1.85 days Y-o-Y or -22% for US and -57% non-US based	Biz ops ticketing - reduced resolution time from 11 days to 3 days, reduced staff response input from 60% to 20% ✓

F&A

Onboarding

Improvements



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ITS Process Improvement: OnBoarding



Objective:

Reduce internal resource activity by 25% by Q4. Measured by a reduction in ticket requests the monitoring time for OnBoard/OffBoard activities and engagement survey.

Findings after new workflow implemented:

- After implementation of new workflows (Q3/4) and an increased need to perform “forwarding funds” for resources based in ‘difficult to procure’ regions, what surfaced is challenges around the workstream itself, causing attrition

To solve for this:

- Re-examine procurement process of the OnBoard process
- Consult teams (Accounting + Procurement) to understand current state

Conclusion

- Although the final stats allowed us to achieve our goals, unfortunately attrition overrode our achievements
- Restructure OnBoard workstreams to ensure activities are delegated to the appropriate team member
- Engage with Partners based abroad to facilitate deployment of equipment within International Regions (Emerging Markets)

Target quarter for completion: Q4 FY20-21

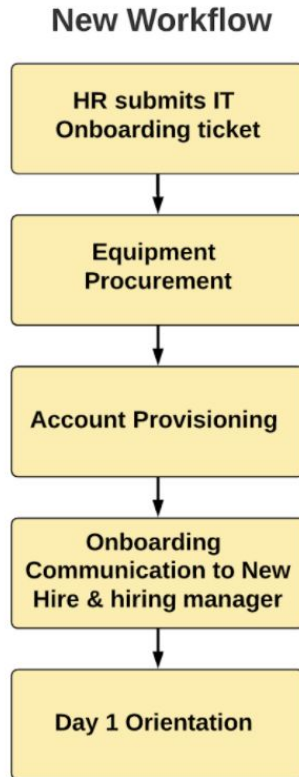
ITS Process Improvement: OnBoarding

Key Results

	Year Goal	Q1 Status	Q2 Status	Q3 Status	Q4 Status
By Q2 document and analyze ITS onboard workstream, defining roles and responsibilities. Baseline: none	100%	✓	-	-	-
By Q3 leverage existing enterprise tools to access necessary data to trigger ITS workflows in a timely manner Baseline: none	100%	10%	50%	50%*	✓
By Q4 develop curriculum to consolidate and deliver training material accessible 24/7 Baseline: none	100%	10%	10%	30%	✓



ITS Process Improvement: OnBoarding



Major Changes:

- New ITS Orientation Presentation Deck
- Onboarding tickets are now escalated to only Josephine & Peter via Round Robin tag
- Updated Standard Laptop Builds (M1, Engineer builds)

Drill Down: Process Improvement: OnBoarding



The situation

ITS is solving for challenges in procuring equipment in hard to purchase regions. Although initiated procurement timeline is at an earlier phase of the OnBoard process, there are situations where US based payment is not accepted.

The impact

As we work to ensure staff are fully operational on day one, we understand that the deployment of equipment may cause delays. Moreover, equipment that needs to be procured in regions that do not accept US funds makes it impossible to satisfy the OnBoard SLA.

The recommendation

- Track countries where procurement is difficult and set guidelines to ensure communication is clear with HMs/Recruiting/T&C.
- Work with Consultants and Internationally based Vendors to improve international deployment of laptops.

F&A Working Environment




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Working Environments



Key Results

	Year Goal	Q1 Status	Q2 Status	Q3 Status	Q4 Status
<p>Baseline: New Hire survey results from Q1 and Q2 [need to get]</p>	50% improvement	Calibrate and adjust to "remote first" service and business continuity service adaptation due to pandemic.	-	[insert Pilot statistics from slide 17]	(Detail not received from HR)
<p>We have adapted and implemented a comprehensive virtual engagement program with tool kit guidance that supports self service as well as content, timezone and a/v engagement support for the new medium of fully remote offsites and team building events.</p> <p>Baseline: zero</p>	100%	25%	50%	75%	100%
<p>Baseline: zero</p>	100% 	20%	40%	50%	60%

Annual Planning



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Annual Plan



Objective:

Facilitate the Foundation to develop an impactful Annual Plan that moves us toward our Medium-term Plan and Strategic Direction.

Based on feedback collected from the delegates, C-levels, and budget managers following last year's Annual Planning Process (APP), and our assessment of the planning opportunities and challenges of the organization we:

- Led a strategic pre-planning phase as 'Phase 1' that defined our strategic intentions for the year in a concise “Planning Directive” summary that focused our year on Thriving Movement, Platform Evolution, Thriving Foundation
- Leveraging the strategic thinking behind the Planning Directive to define our highest priority Objectives and Key Results (OKRs) in those focus areas and in all of the other important work being prioritized
- Facilitated the development of a \$150M budget in services of those focus areas and priorities.
- Received approval on schedule from the Board of Trustees and Audit Committee of the Board, incorporating their suggested revisions - particularly in the areas of resourcing other parties of the movement
- Worked with Communications to facilitate a robust two month sharing process with Foundation staff in June and the wider community in July (in progress)

FY21-22 Annual Plan Highlights



Thriving Movement

Ensure Wikimedians have the systems and tools they need to succeed.

- Operationalize a ratified UCoC enforcement protocol
- Movement strategy - governance reform & leadership support
- Better system than the public display of IP addresses
- Help contributors protect the reliability of their content
- Better movement communications

Thriving Movement



Become more welcoming to diverse contributors with systems encouraging global growth.

- New community grants strategy with a substantial increase in the financial support we invest in our communities.
- Strengthening networks of volunteers for on the ground safety support
- 3 community growth pilots focused on newcomer participation
- Reading Wikipedia in the Classroom - training & implementation
- Translation support

A landscape photograph showing a train with several orange and white locomotives pulling a long line of red cylindrical tank cars. The train is moving across a dry, brown desert plain. In the background, there are large, dark mountains under a clear sky. The overall scene is arid and expansive.

Platform Evolution

Provide technical systems to support equitable, global growth of our content and movement.

- A Product/Platform Strategy
- Improving the Resilience of our Platform
- Modern and Inclusive Software Practices

Thriving Foundation

Create a diverse workforce and inclusive workplace informed through data for continuous improvement.

- Global Diversity, Equity and Inclusion 3 year refresh strategy
- Racial equity trainings
- Organization-level business metrics to measure social return on investment (SROI)
- New data dashboarding
- Employer of Record Transition
- Core skills development for staff
- Learning cohorts & Talent Retention strategy
- Improved internal communications strategy

Annual Plan



Key Results

	Year Goal	Q1 Status	Q2 Status	Q3 Status	Q4 Status
<p>Deliver a Medium-Term Plan aligned Annual Plan by Q4 that includes at least one impact metric for 100% of the objectives defined</p> <p>Baseline: TBD</p>	<p>100% of the objectives are aligned to MTP or ERF</p> <p>100% of Objectives have at least one 'impact' metrics</p>	N/A	N/A	N/A	<p>100% of objectives defined and aligned.</p> <p>78% KR's have impact metrics. Remaining 22% are milestone or activity based</p>
<p>90% of Annual Planning delegates report that they collaborated effectively with other teams and departments in the Foundation to develop their Annual Plan. (Q4)</p> <p>Baseline: N/A</p>	<p>90% reporting effective collaboration</p>	N/A	N/A	N/A	<p>To be measured next quarter</p>



Enterprise Risk Management




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Enterprise Risk Management



Objective:


Complete the rollout of workflows and systems necessary to monitor and treat foundation-wide financial, strategic and operational risk.

- The GRC platform has been fully configured and implemented in our ver. 1.0
 - Members of Security, HR and [CV-19 Risk owners](#) are oriented to the tool, and have entered data to inventory and categorize risk.
 - CV-19 Risk owners expanded to include legal and data center representation.
 - CV-19 RO team responded to (5) risk requests and applied framework by defining and applying controls;
 - Essential travel and risk and health questionnaire developed and utilized
 - Two Risk training sessions were given at All hands June 2021 and attended by 23 staff
- Board Engagement
 - ERM Year to date activities ([ERM slides only here only](#)) presented within deck for Audit Committee meeting in June 14, 2021
- Applied lessons learned from Q3 and Q4
 - APP for FY 21/22 integrated and developed ERM OKR's that were deferred, outlined goal of building holistically engaged ERM Program utilizing the implemented GRC tool.
 - Engaged with ERM Programmatic Risk Training Consultant to evaluate our program and make recommendations (NRMC)
 - We are continuing the engagement for FY 21/22 with the goal of GRC data improvement
 - Recruitment for ERM Principal (IC8) reporting to the  bring elevated expertise to organization, on target for October 2021 hire. .

Enterprise Risk Management

Operationalizing ERM



Key Results	Year Goal	Q1 Status	Q2 Status	Q3 Status	Q4 Status
Design and implement a fully functioning and robust governance risk and compliance (GRC) tool and enable 100% of risk owners to catalog and track newly-identified risks in the GRC by the end of Q1. Baseline: Zero	100% GRC	40% done on GRC tool	-GRC tool implemented - 100%	Identified user groups for tool usage: Security, HR, CV-19	3 practice sessions in GRC w/ HR, and CV-19 members 25% users 100% on Tool Completion
Create and draft a enterprise-level risk management philosophy for adoption by the C-team (or for the Audit Committee's approval by end of Q3, with the risk management philosophy including the derivation of the Foundation's risk capacity, defined as the maximum potential impact of a risk event that the Foundation can accept. Baseline: Zero	100%	Not yet started	Not yet started-	Not completed, (Integrated KR into FY 21/22 Annual plan)	Not Completed (Integrated KR into FY 21/22 Annual plan)
Develop a recurring process for allocating additional resources and expertise to the mitigation of emerging, discrete highly-rated risks by end of Q3	100%	Not yet started 	See Annual Plan	50%	100% (Identified support for additional resources)

Internal Enterprise System Improvement



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Internal Enterprise System Improvement



Objective:

Strengthen enterprise systems to better manage, support and enhance a globally distributed workforce.

Systems Assessment

- Identified single points of failure of onsite services
 - VPN (controls access to phones & file server)
 - LDAP (controls account access)
 - Back Ups (redundant backups removed, focusing on refining)
- Explored cloud services to replace services
 - Fileserver
 - VoIP (phone systems)
 - Completed - Fully replaced in Q3 by RingCentral
 - IaaS (Identity as a Service) & DaaS (Directory as a Service)
- Ensure automated power on/power off protocols are fully functional
 - Completed - Fully implemented, tested, and documented

Target quarter for completion: <Q4 FY20-21>



Department: Finance &
Administration

Internal Enterprise System Improvement

Key Results

	Year Goal	Q1 Status	Q2 Status	Q3 Status	Q4 Status
KR1: Enhance reliability and IT manageability, by transitioning core on-prem services (VPN/VoIP/LDAP) to the cloud by Q3 Baseline: 0%	85%	10%	50%	85%	85%
KR2: Reduce internal resource activity by 25% by Q4. Measured by a reduction in ticket requests the monitoring time for OnBoard/OffBoard activities and engagement survey Baseline: 0%	100%	10%	50%	75%	✓
KR3: By end of Q3, 90% of staff will fully adopt implemented internal communication tools and policies associated, measurable by tool dash and engagement surveys Baseline: 0%	100%	10%	50%	50%	75%



Business Continuity/Data Destruction



Objective:

Ensure our business operations to be compliant and resilient in the event of a security breach or a disaster.


- While operations remained to be 100% we were able to closely monitor the needs of data access
 - Define whether information was onsite (files server) or cloud based (Enterprise tools)
- We continue to examine data backup and destruction process
 - Completed backup workflow improvements (leveraging AWS + Bacula for encrypted deep storage back ups)
- This fiscal year (and the pandemic) has given us the opportunity to test and operationalize BC/DR work we've done up to this point.
- Operationalizing the data destruction policy, a less critical result, was not able to be achieved.
- The organization's mission critical business systems and data can be accessed and utilized by staff within hours of major business disruption.



Business Continuity/Data Destruction



Key Results

	Year Goal	Q1 Status	Q2 Status	Q3 Status	Q4 Status
<p>By end of Q1, identify tools and resources in order to prepare enterprise systems for configurations towards business continuity testing and adherence to current dd&r policy.</p> <p>Baseline: 50%</p>	100%	✓	✓	-	-
<p>By end of Q3, Implement systems' integrity tests to establish business continuity plan is sound and relevant and execute the automation scripts to perform dd&r activities compliant with</p> <p>Baseline: 100%</p>	100%	In progress	In progress	on pause	-
<p>By Q4, 100% of managed data will adhere to dd&r policy annually and systems integrity testing are executed on a quarterly basis.</p> <p>Baseline: 100%</p>	85% 	In progress	In progress	on pause	on pause

Department:
Finance & Administration

Drill Down: Business Continuity/Data Destruction

The situation

Completed discovery and design of Business Continuity and Data Destruction process, adhering to policies. Currently the process is manual, our goal is to automate. In order to automate ITS is required to update outdated tool (LDAP).

The impact

Replacement of the LDAP systems will modernize our systems in order to facilitate integrations and automations. Automation of Business Continuity and Data Destruction activities will ensure accountability of data (security).

The recommendation

- Replace LDAP systems in order to integrate with Enterprise systems (Google Enterprise) to begin automation of back ups and data destruction
- By end of Q4 (FY20-21), project plan and design will be documented. Resources, project committee and stakeholders will be identified to begin work Q1 (FY21-22). (PROJECT name: Directory Replacement)

Acronyms

Have any acronyms you're using in your deck? Please add and define here so that all staff can understand and interpret content.

APP: Annual Planning Process

GH: Greenhouse - Recruiting database

VE: Virtual Events

KRI: Key Risk Indicator

ERM: Enterprise Risk Management

