
Wikimedia Foundation

2012-13 Annual Plan



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Contents and Background



Assumptions

Amounts for 2011-12, 2010-11, 2009-10 and 2008-09 reflect management reporting, not generally accepted accounting principles (GAAP). GAAP amounts are noted where they appear.

Management reporting reflects primarily cash-basis revenues and spending. As such it excludes non-cash items such as in-kind amounts and depreciation and includes total spending for capital items. Revenue projections and plan do not include ancillary revenue such as interest income, speaker fees, misc. income.

Restricted amounts do not appear in this plan. As per the Gift Policy, restricted gifts above 100K are approved on a case-by-case basis by the WMF Board.



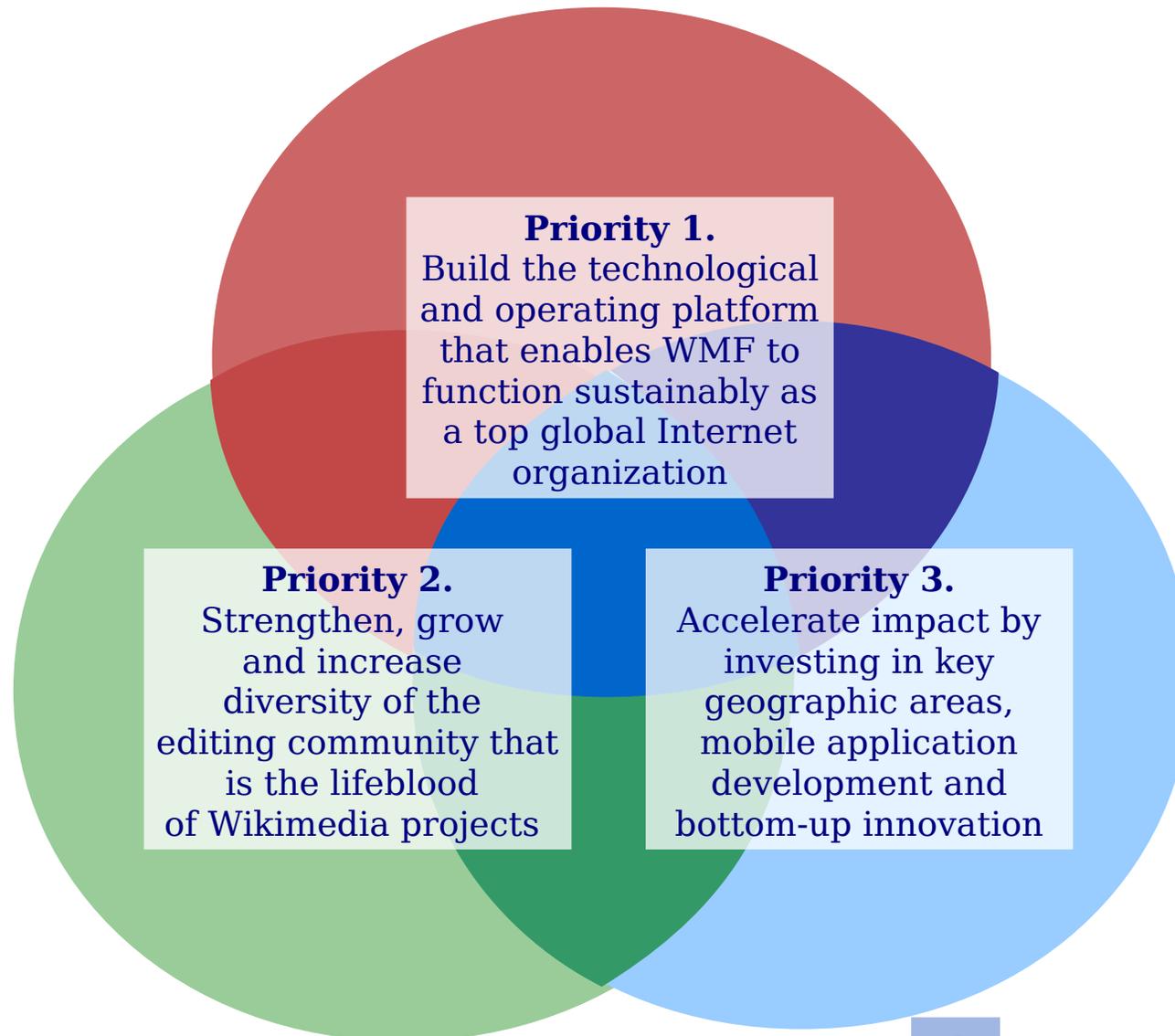
Strategic Context

In 2010-11, the Wikimedia Foundation embarked upon Year One of our five-year strategic plan.

2012-13 is Year Three, which will be the midpoint of the execution phase. Years One and Two were spent capacity-building, conducting research and analysis, and starting work aimed at reaching our targets. In general, we are now making reasonably good progress towards targets, except on the participation issue, where it looks like editor decline has slowed, but not yet been halted or reversed. This is our single biggest challenge.

Strategy Plan Priorities

(for reference)





Strategy Plan 2015 Targets

(for reference)

- 1) Increase the total number of people served to 1 billion.
- 2) Increase the number of Wikipedia articles we offer to 50 million.
- 3) Ensure information is high quality by increasing the percentage of material reviewed to be of high or very high quality by 25 percent.
- 4) Encourage readers to become contributors by increasing the number of total editors per month who made > 5 edits to 200,000.
- 5) Support healthy diversity in the editing community by doubling the percentage of female editors to 25 percent and increasing the percentage of Global South editors to 37 percent.



How are we doing against the 2015 targets?

The strategic plan goals represent "Big Hairy Audacious Goals." More important than hitting the exact 2015 numbers is the answer to the question: Are we making an impact? If not, what needs to change?

1) Readership continues to grow. We've successfully overhauled our mobile experience, increasing mobile page views to 2.08 billion in April 2012, up 187% from 726 million in March 2011. We've established the first "Wikipedia Zero" partnerships to enable mobile access without data charges for millions of people in the Global South. The release of our Android app which has been adopted rapidly positions us well to serve the largest segment of the smartphone market.

Upshot: We're on a good track, but reaching a billion people by 2015 will require breakthroughs in mobile access through programs like WP Zero.

2) Article Growth: The number of Wikipedia articles continues to grow. It has reached 22.3 million articles in March 2012, up from 18.8 million articles in March 2011. The Global Education Program is now the largest-ever systematic effort in the Wikimedia movement to boost high quality content creation, with a projected addition of 19 million characters to Wikipedia through student assignments in 2011-12.

Upshot: We're successfully boosting high quality content creation, but getting near the 2015 target will not succeed without dramatically growing participation.



How are we doing against the 2015 targets? (cont.)

3) Quality: In 2011-12, we've rolled out experimental quality feedback tools for articles in 7 Wikipedia languages. Early research suggests that these ratings can, with caveats, help to predict quality, especially in aggregate. We're continuing to iterate the tools and methodology. We've also commissioned a pilot study by EPIC/Oxford of quality and accuracy of Wikipedia articles in a small set of languages compared with other reference sources.

Upshot: We continue to experiment with different ways to measure quality and can't yet make defensible statements about the quality development of the whole corpus of Wikimedia content.

4) Participation: The number of editors contributing text on a regular basis (≥ 5 edits/month) has continued to decline slightly, from 89K (all projects except Commons) in March 2011 to 85K in March 2012. [*] We've successfully brought in thousands of students through the Global Education Program. Most of them are not counted in the above metric, as they typically make a small number of edits (post or improve a single article) as a course assignment and then leave. We've successfully grown participation in one area: multimedia contributions (also not counted in the above metric). Usability improvements (Upload Wizard, deployed in May 2011) have helped achieve sustained participation growth (18.7K uploaders in April 2012, up 27% from 14.6K in April 2011). Movement-wide initiatives like "Wiki Loves Monuments" have also achieved very high multimedia participation in spike months (22K uploaders in September 2011, when WLM took place, returning to normal levels immediately afterwards).

Upshot: Moving the needle on the sustained number of text contributors is a very hard problem and will require breakthroughs on multiple fronts (usability, community atmosphere, mentoring/support, policy and help complexity, etc.). We can however achieve continued near term growth in multimedia participation and assignment-based participation, and we believe we can achieve editor growth in priority geographies.



How are we doing against the 2015 targets? (cont.)

5) Diversity: We do not yet have indicators that diversity overall has begun to improve. The foundation for increased diversity is being built and the Global Education Program has achieved about 50% female editors as opposed to the community average of 9%. The program also shows some promise in the Global South, though there it is still in the pilot stages. Again, since most of these editors work only on an assignment and then leave, they don't tend to move the needle on the diversity average. Global South work is just starting to reach a point where we can test our ability to catalyze community growth in India, Brazil and the Arabic language region. Also the Wikimedia Foundation has started or supported many community-led initiatives designed to increase diversity, e.g. WikiWomen's History Month and WikiGénero in Argentina.

Upshot: A significant shift in diversity will likely require years of sustained participation building efforts in priority geographies, the growth of a strong "women's movement" within the global community along with improved technological solutions (e.g., mobile/tablet-based contribution) in the Global South.

Recapping 2011-12

2011-12 Plan Targets

(for reference)

- 1) Increase the number of active editors from just under 90K in March 2011, to 95K in June 2012.*
- 2) Increase the number of Global South active editors from approximately 15.7K in March 2011, to 19K in June 2012.
- 3) Increase the number of female editors from approximately 9K in spring 2011 to 11.7K in spring 2012.**
- 4) Increase page-views to mobile sites from 726M in March 2011, to 2B in June 2012.
- 5) Develop Visual Editor. First opt-in user-facing production usage by December 2011, and first small wiki default deployment by June 2012.
- 6) Develop sandbox for research, prototyping, and tools development, with initial hardware build-out and first project access by December 2011, and full access for all qualifying individuals/projects by June 2012.
- 7) Increase read uptime from 99.8% in 2010-11 to 99.85% in 2011-12.

* *Our projections say that active editors will have declined to 79K by July 2012: this target assumes the decline is successfully reversed and new growth begins.*

** *As derived out of the Editor Surveys*

How are we doing against the 2011-12 targets?

- 1) Increase the number of active editors from just under 90K in March 2011, to 95K in June 2012. ^{*}
 - i) 85K in March 2012
- 2) Increase the number of Global South active editors from approximately 15.7K in March 2011, to 19K in June 2012.
 - i) Global South active editors in March 2012 is 13.7K
- 3) Increase the number of female editors from approximately 9K in spring 2011 to 11.7K in spring 2012. ^{**}
 - i) Active female editors in Dec 2011; flat at 9%, therefore 7K of 83.3K. ^{***}
- 4) Increase page-views to mobile sites from 726M in March 2011, to 2B in June 2012.
 - i) Total mobile page views (including tablets) = 2.42 B (March 2012)
 - ii) Total mobile page views (excluding tablets) = 2.08 B (April 2012)

^{*} *Our projections say that active editors will have declined to 79K by July 2012: this target assumes the decline is successfully reversed and new growth begins.*

^{**} *As derived out of the Editor Surveys*

^{***} *9% based on responses to the 2011 Editor Surveys. Note that active editors are seasonally low in December.*

How are we doing against the 2011-12 targets? (cont.)

- 5) Develop Visual Editor. First opt-in user-facing production usage by December 2011, and first small wiki default deployment by June 2012.
 - i) Prototype (without save feature) deployed in December 2011
 - ii) Read/write version with new parser deployed to test namespace on MediaWiki.org in June

- 6) Develop sandbox for research, prototyping, and tools development, with initial hardware build-out and first project access by December 2011, and full access for all qualifying individuals/projects by June 2012.
 - i) Launched in December 2011 for first individuals/projects
 - ii) Full access for qualifying individuals since March 2012

- 7) Increase read uptime from 99.8% in 2010-11 to 99.85% in 2011-12.
 - i) Actual: 99.97 read uptime as of December 31, 2011



Recapping 2011-12 Activities

In 2011-12, the Wikimedia Foundation did its normal work of supporting the continued operations of the Wikimedia projects:

- Maintaining the MediaWiki software and supporting volunteer contributions to it;
- Managing the hosting of the projects;
- Managing trademarks and domain names, and defending the projects against legal threats;
- Managing/facilitating global media and public relations and issues management;
- Giving out funding to other entities and individuals in the Wikimedia movement, to enable work that helps fulfill the mission;
- Maintaining the Wikimedia Foundation's status as a 501(c)3 public charity, and complying with all applicable regulations;
- Fundraising globally to fulfill the above, and to fund a reserve ensuring the projects' continued existence.

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Recapping 2011-12 Activities (cont.)

Additionally, the 2011-12 plan called for us to begin work on the Visual Editor, to conduct new editor engagement experiments, to make permanent and international the work of the Global Education program, to develop a new mobile platform and launch the Wikipedia Zero partnerships program, to launch programs in India and Brazil aimed at recruiting new editors, to create the Wikimedia Labs and launch an internationalization team.

The development of the Visual Editor and increasing new editor engagement are WMF's highest priority initiatives, and are described in more detail on the following slides. In addition:

- Global Ed work is being done in 12 countries, and in eight the work is being driven by volunteers;
- The mobile platform has been redeveloped and Wikipedia Zero launched with new deals with two companies covering 28 countries, and more underway;
- Activity is underway in India and Brazil;
- Wikimedia Labs is launched and exceeding participation targets;
- Internationalization team has made significant improvements, particularly for Indic languages. It has also created new translation tools.

Top priority: Visual Editor

Objective: Eliminate the requirement to learn wiki markup by offering a modern, responsive rich-text editing environment while preserving wikitext as an alternative editing method.

Original goal: By June 2012, we wanted to be ready to deploy Visual Editor as the default editing environment to a small Wikimedia wiki.

Progress: We did not meet our original goal, mostly due to delays in hiring (the team was only completed in June 2012) and some architectural false starts. The team is now complete, and we've set achievable goals for December 2012 and June 2013.

We did ship releases with reduced scope in December 2011 and June 2012. The December 2011 release was the first prototype of the new editing interface, demonstrating the ability to edit wikitext through a visual editor. It lacked the ability to save pages, because the new parser required to do so had not yet been developed.

The June 2012 release was the first to integrate the new parser, and makes it possible to save and edit pages on MediaWiki.org in a restricted namespace. It's still a testing environment, but we're now a lot closer to real-world editing.

Top priority: Editor Engagement

Objective: Increase participation on Wikimedia projects through small, iterative improvements and experiments which increase retention or inflow of new participants.

Original goal: Increase the number of active editors from just under 90K in March 2011, to 95K in June 2012.

Progress: Active editors continued to decline in 2011-12, reaching 85K in March 2012. Through the year, we divided our work into larger, foundational projects vs. small interventions and experiments. Larger projects launched in 2012 include:

- The MoodBar / Feedback Dashboard, a tool for new editors to report problems and frustrations, enabling experienced editors to respond;
- The Article Feedback Tool V5, which enables readers to submit free-text comments to improve articles and enables experienced editors to manage and resolve those comments;
- The New Pages Feed tool, a tool designed to help experienced editors manage the inflow of new page creations, while reducing friction and increasing gratitude expressed towards new users;
- The Teahouse (pilot project), a forum providing help and assistance to new editors.

** Our projections say that active editors will have declined to 79K by July 2012: this target assumes the decline is successfully reversed and new growth begins.*

Top priority: Editor Engagement (cont.)

Progress (continued):

In addition, we completed various research projects and smaller interventions, e.g.:

- We completed the “Summer of Research” launched in the previous fiscal year, a comprehensive research program into editor dynamics;
- We completed a comprehensive study of the effects of different types of warning and welcoming messages on new editor retention;
- We ran first experiments on using e-mail to call back lapsed contributors.

In April 2012, we consolidated what was previously a departmentally split program of developers, researchers and community experts, into two teams: the Editor Engagement Features team (“E2”) and the Editor Engagement Experiments team (“E3”), both organized under the umbrella of the engineering and product department. We also began staffing up the E3 team with developers and design support.

Metrics and learnings associated with each initiative above are beyond the scope of this document. Ultimately the success of this program is defined by our ability to grow the number of active editors, and we have not yet done so. We believe that the consolidated and expanded teams will be able to achieve measurable impact on the active editor numbers in 2012-13, but we've scaled back our targets in light of the difficulty of the task.



Recapping 2011-12 Finances

From a financial perspective, 2011-12 was an excellent year.

In 2011-12, the Wikimedia Foundation planned to increase revenue 24% from 2010-11 projections, to \$29.5 million. We planned to increase spending 53% from 2010-11 projections, to \$28.3 million. The reserve was planned to grow 6% from 2010-11 projections, to \$20.7 million. Our actual results are:

	2011-12 Plan	2011-12 Actual	% Increase or (Decrease)
Revenue	\$29.5M	\$34.8M	18%
Expenses	\$28.3M	\$27.2M	(4%)
Reserve	\$20.7M	\$27.7M	39%



2011-12 Annual Fundraiser

In 2011-12, the Wikimedia Foundation achieved revenue growth during the annual fundraiser by doing significant A/B testing of messaging, as well as via a new relationship with Global Collect, which enabled us to offer 80+ new currencies, local bank transfer in 50+ new countries, an additional new credit card, six new online direct debit options, direct debit in 12 new countries, two new e-wallet products and two new cash products, compared with 2010.

	2010	2011	% Increase or (Decrease)
# of Days	50	46	(8%)
Jimmy Days	36	12	(67%)



Recapping 2011-12 Staffing

In 2011-12, we significantly grew our capacity to hire to plan by bringing in several recruiters, refining our recruiting strategy, putting in place an applicant tracking system, increasing our presence at hackathons and other events, and revamping the jobs site to make it more inviting.

We anticipate a 2011-12 year-end projected staff headcount of 119, which represents an increase over 2010-11 of 53%, and two positions more than the 2011-12 plan target. We elected to grow faster than plan because we saw a need, and were in a position to do it.

Risks Considered in Developing 2012-13 Plan

2012-13 Risks

Editor decline continues to be an intractable problem.

Our projects' success depends on a thriving, diverse, healthy editing community, and yet editor numbers are declining. We believe this is due to insufficient site usability and discoverability of fun stuff to do, an increase in editorial warnings and reversions of new editors' work, declining support, hospitality and appreciation offered to newcomers by the community, as well as a growth in the editorial learning curve for newcomers due to increasing policy complexity. We believe sustained growth in editors will require a mix of small and large initiatives designed to address all these issues.

In 2011-12, the Wikimedia Foundation undertook a first set of initiatives targeting a reversal of the decline. Some, such as the -1 to 100 retention projects and editor recruitment initiatives in India and Brazil, were designed to have near-immediate pay-off, and others, such as the Visual Editor project, were not anticipated to yield results until post 2011-12. Our projections at the end of 2011-12 indicated that without intervention the number of active editors would have declined by March 2012 to 83.14K. Our target, based on the work we had planned, was 94.54K, and actuals for the month are 85.09K. Based on those numbers, it looks like editor decline has slowed, but has not yet stopped or reversed.

In 2012-13 therefore, we plan to redouble our efforts.

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2012-13 Risks (cont.)

In 2012-13, we will continue the Visual Editor project, and expand our recruitment work in India, as well as investing further in Brazil and MENA.

We will also launch projects designed to make contributing and curating multimedia easier, because multimedia is where early usability efforts (UploadWizard), especially alongside programs like Wiki Loves Monuments, have paid off. (Commons is one of the few areas where active editors are growing -- 25% year over year, with a spike to 9.37K from 6.97K in September 2011 due to the WLM competition.)

We will spend significant effort rearchitecting MediaWiki to support a responsive, engaging user experience, including developing a notification/feed system pushing updates to the user, and forming the foundation for a new messaging system. This, because we know messaging (talk pages) represents the other major barrier for new users besides wiki markup, and because virtually all other planned engagement initiatives will require better technological support for engaging directly with users.

Finally, acknowledging the complexity of the problem, and to ensure that we're setting the right priorities with limited resources, we are increasing our investment in small research projects. For example in 2011-12 we ran an experiment e-mailing "lapsed" editors, to see whether such messages can bring them back. We will run experiments like this every week, and what we learn in them will inform other teams' editor retention work.

2012-13 Risks (cont.)

Movement tensions detract from programmatic work.

As anticipated, movement tensions required significant WMF energy in 2011-12. Passionate discussions about how to handle controversial content caused significant strife, as did discussions about fundraising and funds dissemination issues.

On the image filter: In 2011-12, the WMF Board called for an opt-in image hiding feature to be built, but the request met with significant opposition inside the Wikimedia community, and work towards it is currently on hold. This issue is unresolved.

On fundraising and funds dissemination: In 2011-12, many discussions were held on movement roles and fundraising and funds dissemination, and some resolution was achieved, with the WMF Board approving new models for affiliation in the Wikimedia movement (thematic organizations, movement partners, and user groups), approving the creation of a Funds Dissemination Committee designed to empower a volunteer-driven and WMF-supported committee to disseminate money to chapters and movement partners, and putting in place a moratorium on local payment processing for all but four chapters.

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2012-13 Risks (cont.)

New affiliation models and the FDC are welcome initiatives that will increase the growth and strength of the Wikimedia movement, but will also require a significant investment of energy from organizationally-minded community members and from the WMF. We expect that fundraising with the four local-payment-processing chapters will proceed professionally, but the WMF's role in supporting these local efforts will also take time and resources, and a failure by any local payment processor to meet requirements will require additional WMF time, oversight, and resources.

The new models for affiliation and the FDC are unprecedented, and will require from all parties constructive participation as well as innovative thinking, on tight timelines. The entire movement will risk not meeting other goals if we are sidetracked by distractions or challenges on these projects. To mitigate the risk of the FDC failing, our process for building it will involve many experienced organizationally-minded Wikimedians, and will draw on external resources such as Bridgespan and KPMG. To avoid over-loading existing grant-making staff once the FDC is launched, the WMF will be hiring two additional people to support its work.

That said, it is very likely that in 2012-13, the FDC will pull focus from other work for the entire movement. It will be important for all constituencies to be clear-eyed and realistic about what's possible for the FDC's inaugural year, on the understanding that it will evolve and improve over time, and that there is other important time-sensitive work to be done.

2012-13 Risks (cont.)

The international legal context shifts in ways that threaten the Wikimedia projects.

The Wikimedia projects' ability to achieve its mission depends on people everywhere having access to a free and open Internet. Increasingly, this is under attack. We are disturbed to observe around the world, governments and other parties taking steps that could inhibit people's ability to read and/or contribute to sites like Wikipedia. This includes countries such as China, Iran, and Syria, which routinely filter and remove content, monitor usage, and shut down or slow Internet access. Other threats include badly drafted legislation: for example in 2011-12, the so-called wiretap bill in Italy aimed at combating objectionable online content, and in the United States, SOPA/PIPA aimed at increasing protections for large copyright owners. In aiming to achieve those goals, both would have badly harmed people's ability to benefit from sites like Wikipedia. And increasingly, actions taken by governments, Internet service providers and others are resulting in an online experience that is fragmented and distorted due to the user's geographic location. The Wikimedia Foundation does not participate in, or condone, efforts to inhibit people's access to knowledge online: we provide the same, uncensored service for everyone in the world.

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2012-13 Risks (cont.)

In 2011-12, we considered whether to significantly invest in efforts aimed at protecting the free and open Internet through a direct legislative and lobbying program. Ultimately, we've concluded that neither lobbying nor public advocacy is a core area of expertise for the Wikimedia Foundation, nor is it a key part of our mission. We will continue, however, to speak up for freedom and openness online, wherever we see our ability to do our job is threatened, and we will support like-minded organizations who specialize in legislative issues affecting our editors and community.

International expansion results in unacceptable legal risk.

The WMF has supported efforts to promote Wikimedia activities in India, and this year we anticipate opening a branch office in Brazil and establishing a supportive role in the Arabic-speaking world. We have always recognized that activities outside the United States present new risks. As we increase in size and popularity, governments and other authorities may seek to censor our projects or exert unjustified jurisdiction over content and other legal issues. As we speak out in support of free expression worldwide, angry politicians, for example, may seek to punish us. To mitigate, we have developed a strong Global Development team and legal department with significant international experience in these areas, and have structured the activities we are engaged in these geographies in a manner that pro-actively positions us to avoid a range of risk scenarios.

2012-13 Risks (cont.)

Readership begins to flatten or decline.

Readership growth continues to remain on our radar screen. Our unique visitors grew approximately 15% annually, and page views grew at a slightly higher rate at 19%. In April 2012, our % reach (WMF Uniques/Total Internet Uniques) was 32%, and this number has remained relatively stable over time since 2009.

In February-March 2011, we experienced an irregular deceleration of growth in the United States, but our readership growth has since accelerated. It is unclear whether the 2011 deceleration represented an error in measurement or whether there was an actual deceleration of readership, and we may experience similar unexplained fluctuations this year. Internationally, however, there has been consistent growth in unique visitors, and our growth in the second half of 2011-12 has not deviated significantly from the Internet as a whole. Readership in mobile continues to accelerate, with mobile pageviews more than doubling in the first nine months of 2011-12, exceeding their targeted growth.

2012-13 Risks (cont.)

Risk: Wikimedia project readership will flatten or decline due to read-only aggregators of Wikipedia material, and/or the advent of other knowledge projects.

Google, Apple and others spend significant engineering effort trying to shorten the distance between users and information, probably because for them keeping people's cognitive attention translates directly into advertising revenue. Examples of this include Google's Knowledge Graph and Apple's Siri. These services often pull from multiple sources, sometimes including Wikipedia (Google) and sometimes not (Apple), but generally only providing somewhat inconspicuous links back to the sources. This has the potential to reduce reliance on Wikipedia and other Wikimedia projects as reference sources, regardless of whether that is in the user's interest or not. Perhaps more worryingly, it has potential to harm the Wikimedia readership contribution pipeline, because for people reading Wikipedia through other sources, the path to contribution is no longer obvious.

2012-13 Risks (cont.)

Response: We don't know whether these services help or hurt Wikimedia: their impact on readership is unknown. Regardless, because our main goal is to disseminate knowledge, we generally don't aim to control or limit re-use of Wikimedia content: it is better for it to be re-used, than not. More troubling is that Wikimedia's content is not as easily re-usable as other structured/computable knowledge resources (e.g. Wolfram Alpha), which makes it harder for third parties to integrate it into their products. A critical project towards fixing that is Wikidata (led by Wikimedia Germany, supported by WMF), which seeks to make data and facts in Wikimedia accessible in a more structured manner, both for people and computers. This will make it easier for third parties to develop applications that use Wikimedia content.

2012-13 Risks (cont.)

Risk: Proliferation of consumption-focused devices will further erode participation in the Wikimedia projects.

Mobile usage is inherently different from desktop/laptop usage (shorter duration, often while traveling or engaging in other activities), but increased usage of consumption-focused devices with limited text input support and imprecise navigation (like tablets and smartphones) may nonetheless displace usage of production-oriented devices (like laptops and desktops). This could erode participation in the Wikimedia projects.

Response: We can't assume that the iPad of 2015 will share the tradeoffs of the iPad of 2012. Improved software-based input and navigation methods for touchscreens, hybrid touch/keyboard devices, improvements to speech input, and other technological advances will influence user behaviors in ways we can't necessarily imagine today. That said, there is a real risk that user behavior is permanently shifting to distinguish between devices used for "work" vs. "pleasure", and that activities that fall at the boundary of the two (like editing Wikipedia) will suffer as a result.



2012-13 Risks (cont.)

These larger changes in user behavior are outside our control, but we intend to minimize our risk by 1) maximizing the value that can be added to Wikimedia projects through more consumption-focused devices, both by leveraging specific production capabilities that are more prevalent in those devices (e.g., cameras) and by developing microtasks and other activities that are particularly well-suited to them (e.g. change patrolling, categorization), and 2) running projects such as the Global Ed project, designed to recruit editors from user groups that we know will remain engaged with the production-oriented internet (i.e. post-secondary students).

2012-13 Risks (cont.)

External events distract from programmatic work.

One of the likeliest sources of external distraction is media resulting from a reputational issue, such as editorial scandal or perceived organizational impropriety. Risk of editorial scandal can't be eliminated: there is an inherent level of risk that we cannot side-step. Risk of organizational impropriety at WMF is low due to its experienced leadership team and strong controls. The risk is greater within the chapters, particularly those which are young and led by inexperienced volunteers or new executive teams.

To safeguard against reputational challenges we continue to improve our governance procedures at WMF, and, pursuant to the Board request from last year, we have put into place - and continue to do so - stronger financial controls and transparency requirements related to our interactions with chapters. In 2012-13, we will be raising the bar further with the four local payment-processing chapters, which are processing millions of dollars under the Wikimedia trademark. And, we are optimistic that the new Wikimedia Chapters Association will foster best practices and standards for all member chapters.

It should also be noted that for good reasons we may choose, where necessary, to divert limited WMF resources to involve ourselves in unanticipated public issues, such as the community-requested SOPA/PIPA blackout last year.

2012-13 Risks (cont.)

Revenue targets are not met.

The 2012-13 revenue targets are WMF's highest-ever, and it is possible we cannot meet them. Also, in 2012-13 for the first time all chapter spending will be visible to readers and donors, rather than just Wikimedia Foundation spending. This means we risk being perceived as less “shoestring” than we have been in the past, which could hurt people’s willingness to give.

Having said that, the plan calls for a \$7.1 million increase in revenue, which is conservative compared with the \$8.1 million increase we achieved last year.

The Wikimedia Foundation has a track record of conservative planning: every year, we have underspent against budget and exceeded revenue targets. We consider this prudent and responsible: it has enabled us to build a reserve of approximately \$27.7 million by the end of the fiscal year, which we plan to increase by \$4.0 million next year. The Board Treasurer will be immediately notified if reserves vary materially from the plan at the close of any quarter.

2012-13 Risks (cont.)

Revenue targets are met, but at the cost of significant reader, editor and donor goodwill.

This was a concern going into 2011-12, and is somewhat less of a concern today.

In 2011, the Wikimedia Foundation ran a shorter and less annoying fundraiser than in 2010 — the fundraiser ran 46 days down from 50 in the previous year, and featured a wide array of messages featuring editors and staff from around the world, rather than relying as strongly on appeals from the founder as we have in the past. (Jimmy appeals ran for 12 days in 2011, down from 36 in 2010.)

In 2010, the Wikimedia Foundation had observed the fundraiser being gently mocked by media and the general public: we believe we saw less of that in 2011. We believe the 2011 fundraiser struck a good balance: it raised sufficient funds to do our work, while minimizing annoyance for readers. However, it's worth noting that several payment-processing chapters ran longer and more Jimmy-heavy campaigns in 2011, and we do not know how the fundraiser is being received by the media and the public in those countries. There is a risk that the four payment-processing chapters may pursue a more aggressive fundraising strategy relative to the Wikimedia Foundation in 2012, which could result in erosion of goodwill in those countries. Also, there is a risk that increased transparency about the total spending of the movement may deter donors.

2012-13 Risks (cont.)

The shortage of Silicon Valley technical talent hurts our ability to recruit and retain technical staff.

The job market for engineers began heating up in 2010, and is now extremely competitive, particularly in the Silicon Valley area.

In response to the hot market in 2011-12, the WMF brought in an engineering recruiter, increased our recruiting presence at hackathons and other events, and revamped our jobs site to make it more inviting. That, combined with the goodwill and love people have for Wikipedia, enabled us to successfully meet our engineering hiring target in 2011-12.

The 2012-13 target is more conservative than 2011-12, but we will nevertheless take steps to ensure we remain competitive. In 2012-13, we will continue to improve our targeting of markets and institutions, and better leverage social media. An increased presence at hackathons and conferences will build our brand as an employer in technology, and we will improve internal systems to better track candidates and facilitate referrals and follow-ups. We will be very clear about our value proposition: The Wikimedia Foundation is not about monetizing eyeballs, our direction isn't set by fickle investors, and we're financially strong. We offer a professionally-managed, fair, friendly, fun environment for talented engineers who want their individual contribution to have a real impact, making knowledge freely available for a half-billion people around the world.

2012-13 Risks (cont.)

An unforeseen major expense or inability to raise revenues eats up the reserve and cripples the WMF financially.

The likelihood of this happening is small. The Wikimedia Foundation's costs are predictable and we have a track record of conservative planning. We have never in our history faced a major unplanned expense. Our operating reserve is planned to grow during 2012-13 and is not expected to fall below six months of total expenses.

Wikimedia's ability to implement positive change is constrained by actual or perceived lack of community approval.

Our objective is to help the community become stronger, more cohesive, more loving and more fun. Our ability to do that is a function of our social and political capital.

The 2011 Editor Survey found the community believes the WMF is doing a good job. Our strategy is credible because it was developed in collaboration with 1000+ community members. Discussions following the release of the Editor Trends Study and Openness Resolution suggest that many community members are eager for editor retention initiatives such as the Visual Editor.

(more next slide)

2012-13 Risks (cont.)

Having said that, for the Wikimedia Foundation to successfully make change of any kind requires it to expend social and political capital, and our capital fluctuated in 2011-12, falling among some constituencies throughout the year as a result of controversies surrounding the proposed image filter, the India education project and the discussions around fundraising and funds dissemination.

That said, the Wikimedia Foundation also earned some trust and goodwill:

- We supported the community's action against SOPA/PIPA, which helped re-establish that we are friends and partners together, with shared values;
- We've greatly increased frequency of communications through the Wikimedia blog (291 posts in the first 10 months of 2011-12, up 131% from the 126 published in the same period in 2010-11), including the first-ever multilingual blog posts, a public blog calendar, many blog posts written by community members and chapters, etc.;
- We've given community translators vastly improved tools to work with, and have begun publishing all reports (annual and monthly) in six-to-eight languages;

(more next slide)

2012-13 Risks (cont.)

- We've launched a Wikimedia shop with discounts for community members, and have given swag from it to recognize and reward key volunteers and support Wikimedia-organized events;
- We're dedicating 20% of all software developers' time to volunteer code review, and have moved to a pre-commit review model which enables us to rapidly deploy reviewed changes and lower the barrier for committers. We also now deploy core MediaWiki updates every two weeks instead of every 18 months. And, we've created improved training materials and tools for volunteer developers.
- We've improved monitoring and internal awareness-building for key initiatives to ensure WMF staff are able to support the community in a timely fashion;
- We've hosted key community stakeholders such as English Wikipedia's ArbCom and Portuguese Wikipedia's top contributors, in an effort to better understand and respond to issues they're facing;
- The fundraiser was shorter in 2011 than past years, and featured a wide array of contributors from multiple Wikipedia language versions. This responded directly to long-standing community-expressed desires that the fundraiser not be overly aggressive.

(more next slide)

2012-13 Risks (cont.)

Nonetheless, and despite Jimmy's appeal at Wikimania 2011 for editors to embrace experimentation, each new WMF feature roll-out or other change continues to meet with some amount of skepticism and opposition.

In response, in 2012-13 we intend to invest in more thoroughly understanding the non-en-WP communities, and growing our social and political capital. To that end, we will build a team of three community advocates inside the Legal and Community Advocacy department, with the goal of better understanding the non-English language communities, particularly German, Japanese, Spanish, Russian, French and Italian. We will also recruit an additional 5-10 experienced community members as short-term WMF fellows.

We will also continue building on lessons learned in 2011-12, by continuing to hire community liaison roles for major engineering projects.

The 2012-13 Plan



2012-13 Plan Overview

The 2012-13 plan continues our focus on solving editor decline by doing work aimed at **recruiting new editors and better retaining existing editors**. We will do this primarily by **adding engineering resources** for specific initiatives, with some resources also being added for **outreach** work.

We will also continue our emphasis on **mobile**, including the new **Wikipedia Zero** partnerships, aimed at making Wikipedia freely available for mobile users in the Global South.

Also in 2012-13, we will **launch the Funds Dissemination Committee (FDC)**, a volunteer-driven body designed to support the WMF in giving out money enabling qualified Wikimedia entities to do important programmatic work. As a result of the decision to create the FDC, the WMF's plan for the first time reflects total (global) Wikimedia annual fundraiser revenues, as well as an allocation for the FDC.



Strategic Priorities: Key Activities

Priority 1.

Build the technological and operating platform that enables Wikimedia to function sustainably as a top global Internet organization

Priority 2.

Strengthen, grow, and increase diversity of the editing community that is the lifeblood of Wikimedia projects

Priority 3.

Accelerate impact by investing in key geographic areas, mobile application development and bottom-up innovation

Mobile Engineering (mobile infrastructure)

Visual Editor

Multimedia

Internationalization

Site Performance and Responsiveness

Wikipedia Zero (mobile access)

Editor Engagement Projects

Editor Experimentation Projects

Fellowships

FDC*

Grants*

Global South Development*

Wikimedia Labs

India

Brazil

Arabic Initiative

Global Education

* Extends across all three priorities

2012-13 Plan – Key Activities

Mobile Photo Uploading: Develop “mobile photographers” as the first cohort of mobile contributors. “Wiki Loves Monuments” (September 2012) will be the pilot; if successful, we will integrate uploading functionality more deeply into the mobile app/web experience.

Mobile Contributions: Experiment with micro-tasks and simple text manipulation. We can’t assume that full-page editing is the right answer for the mobile format. By the end of Q3 we will start piloting mobile editing/micro-contribution functionality and begin prioritizing successful contribution features.

Multimedia: Support and accelerate growth in multimedia contributions. Implement first media patrolling tools by the end of Q2. Develop significantly improved contribution/display experience by the end of Q4.

Visual Editor: Launch a new default environment for Wikipedia projects that does not require markup. Limited English Wikipedia release for real-world editing in December 2012. Deployed to majority of Wikimedia wikis and ready for default usage by July 2013.



2012-13 Plan – Key Activities (cont.)

Internationalization: Improve user experience for language selection and language tools. Continue development of features designed to enable participation in languages which are currently poorly technically supported. Includes input methods, font delivery, translation, etc.

Editor Engagement Features: Develop a more responsive and engaging user experience. Implement shallow notifications system for user-relevant events by end of Q2. Launch new user-to-user messaging and scalable notifications system by end of Q4.

Editor Engagement Experimentation: Support editor engagement work with rapid experimentation, and directly prioritize the most successful experiments. Conduct a minimum of 15 product and community experiments designed to directly increase new editor engagement and retention.

Wikimedia Labs: Implement multi-stage testing and deployment preparation environment by end of Q2. Support toolserver-style DB replication and access to analytics datasets by end of Q3. Continue to expand access for volunteers.



2012-13 Plan – Key Activities (cont.)

Site Performance and Responsiveness: By end of Q4, reduce response times by 70ms for readers in Asia and West Coast US; reduce rendering times for typical featured articles by 75%.

Wikipedia Zero: Mobile partnerships with operators in the Global South to offer Wikipedia for no data charges to their users and generate interest in Wikipedia.

Fellowships: Short-term opportunities for Wikimedia community members to develop and support structured projects that help advance an important community goal (e.g., the Teahouse project).

India: Catalyze the growth of the Wikimedia community in India to strengthen Indic and English language projects and expand access to Wikimedia's free knowledge resources.

Brazil: Catalyze the growth of the Wikimedia community in Brazil to strengthen Portuguese language projects and expand access to Wikimedia's free knowledge resources.



2012-13 Plan – Key Activities (cont.)

Arabic Language Initiative: Catalyze the growth of the Wikimedia community in the Arabic language region to strengthen Arabic language projects and expand access to Wikimedia’s free knowledge resources.

Global Education: Improve the quality of knowledge in Wikimedia projects by enabling university students to contribute knowledge gained in their course work to Wikipedia.

FDC (Funds Dissemination Committee): Enable effective allocation of the movement’s funds to groups with projects that advance the movement’s mission and strategy.

Grants: Provide financial support to movement groups and individuals for projects, events and travel that advances the movement’s mission and strategy.

Global South Development: Cultivate and support groups and individuals within the community along with like-minded organizations to increase the people and resources available to catalyze community growth in Global South regions and countries.

2012-13 Plan Targets

Stabilize number of active editors (all projects except Commons) to 86,000 by July 1, 2013 from 85,000 in March 2012.

We're currently seeing a 1.5% y-o-y decline in active editors for all projects combined, and we believe reversing the decline will take sustained effort on multiple fronts. In 2012-13, we hope that the following initiatives will contribute materially to growing the community of (text) contributors: editor engagement features, editor engagement experiments, visual editor, internationalization, and site performance improvements.

Increase the number of contributors who make at least one upload to Wikimedia Commons from 18.6K in March 2012 to 25K in June 2013, including 1K mobile uploaders per month (from 0).

There is a huge opportunity to increase the number of people donating images to the projects. The number of contributors to Commons grew by about 25% from March 2011 to March 2012, compared with ~12% in the prior year. We attribute this to two factors: The upload usability improvements made by the WMF (rolled out in May 2011), and the very successful "Wiki Loves Monuments" competition run by a number of chapters in fall 2011. In 2012-13, the WMF will for the first time provide a mobile app to support Wiki Loves Monuments, and will invest generally in mobile uploading and quality control. We will also continue to make usability and integration improvements to drive overall growth.

2012-13 Plan Targets (cont.)

Continue to expand participation in the Global Education Program from 79 to 150 classes with at least 50% female participation, leading to an increase in quality content added by students from 19M characters in 2011-12 to at least 25M characters in 2012-13.

Professors assigning article-writing to their classes is a model that has generated lots of high-quality material for Wikipedia. In 2011-12, the WMF was able to grow the number of classes participating in the program from 33 (spring term 2011) to 79 (spring term 2012), despite spending less than in the previous year. After executing well-documented pilots in India, Brazil and Egypt, our goal now is to use what we have learned from these pilots to establish sustainable programs in all three strategic target geographies by the end of 2012-13, making sure that our growth rate is both ambitious and aligned with the ability of the existing communities to support it. We will also be further supporting the successful programs in the U.S. and in Canada, while preparing to hand over those two programs entirely to the community by mid-2013. We assume that at least 50% of the new contributors (globally) will be women.

2012-13 Plan Targets (cont.)

Increase active editors in priority geographies (India, Brazil and Arabic language region) by 800 active editors with focus on quality contributors that can help build small-to-medium sized projects and add diversity to larger projects rather than pure quantity.

Opportunity: Contribute to the growth of Indian EN:WP active editors from ~1,500 to 1,750 by June 2013; Support five Indic language projects to expand their communities by at least 50% contributing to growth of at least 200 new editors on Indic language projects; Contribute to the growth of AR:WP active editors from ~650 to 1,000 by June 2013; Contribute to the stabilization and growth of the Brazilian PT:WP active editor community from 1,500 to 1,700.

2012-13 Plan Targets (cont.)

Reach 4 billion mobile page views per month by June 2013 with at least 15% from the Global South. Serve 200 million page views/month at no charge via Wikipedia Zero partners in the Global South.

Opportunity: Continue strong growth of mobile PVs worldwide, based on current trajectory. Currently, the Global South represents 12% of total mobile page views; 15% represents accelerated growth in the Global South v. Global North in an environment of high growth across the board. We will initiate and launch partnerships with mobile operators representing 600 million subscribers in 2012/13. 13% of these subscribers have mobile Internet today and we assume 20% would read Wikipedia regularly (slightly lower than our global average WP penetration rate). This results in 15 million readers. Assume 12 pageviews/month/reader based on data from Telefonica experience.



2012-13 Plan Finances and Staffing

	2011-12 Projections	2012-13 Plan	% Increase (Decrease)
Revenue	34.8	46.1	32%
Expenses	27.2	42.1	--
Chapter-retained funding from payment processing	4.4	0.0	--
Total	31.6	42.1	33%
Contribution to reserve	7.6	4.0	(47%)
Reserve at end of year	27.7 (12 months of spending)	31.7 (9 months of spending)	14%
Staffing at end of year	119	174	46%

Notes: All amounts in USD, in millions, except for staffing numbers which represent headcount. WMF total expenses projections for 2011-12 are \$27.20; the \$31.60 is only present to enable an apples-to-apples % change comparing 2012-13 against 2011-12. There is no % change present for 2011-12 expenses against 2012-13 expenses, because with the advent of the FDC, the comparison is not meaningful.



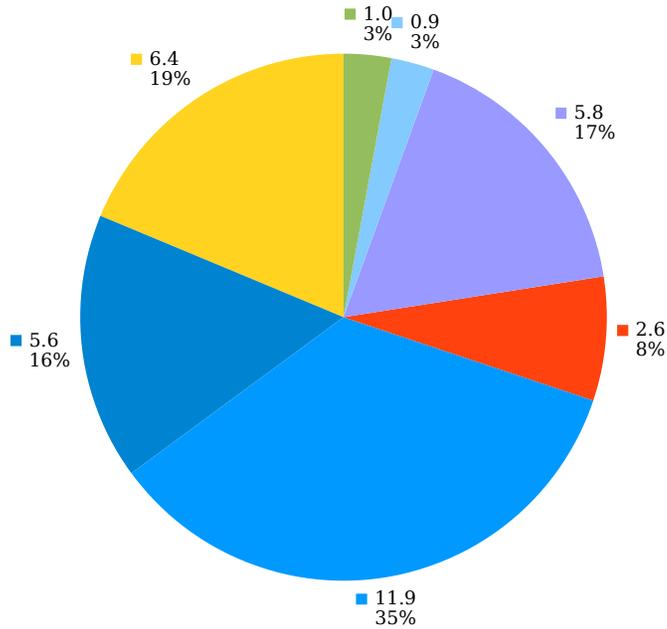
Total Spending Across the Wikimedia Movement

	2011-12	2012-13	% Growth	
Chapters and others in movement				
Chapter retained funding from payment processing	4.4	0.0		Funds retained by the UK, FR, DE and CH from the annual fundraiser.
Funding from FDC	0.0	6.7		Budgeted funding for FDC distribution to chapters.
Funding from GAC	1.0	0.6		GAC funding given to chapters and other movement entities.
Other chapter sources (estimate)	2.0	4.0		Estimate of chapters' other revenue sources - eg., membership fees, earned income and non-Wikimedia originating grants. This estimate is for informational purposes only.
subtotal	7.4	\$11.4	54%	Increase in spending from 2011-12 (projected) to 2012-13 (plan)
<i>percent of annual total</i>	22%	25%		
Wikimedia Foundation				
Planned request from FDC	0.0	4.5		In 2011-12, the WMF did not designate any spending as non-core. For 2012-13, it has designated \$4.5M as non-core. That money will be allocated via the FDC.
Core	26.2	30.2	15%	For 2011-12, this amount includes all WMF spending except allocations made to chapters. For 2012-13, it includes all WMF spending designated by the WMF as core.
Grants	0.6	0.0		The \$0.6M represents the Stanton public policy grant to the WMF.
subtotal	26.8	34.7	29%	Increase in spending from 2011-12 (projected) to 2011-13 (plan).
<i>percent of annual total</i>	78%	75%		
WMF and Chapters TOTAL				
subtotal	34.2	46.1	35%	Includes all spending from all funding sources.
FDC Directed (WMF & Chapters request)	0.0	11.2		Total FDC budget for distribution to WMF and Chapters.
<i>percent of annual total</i>	0%	24%		
WMF & Chapters total excluding other chapter sources	32.2	42.1		
Total WMF projected spending of \$26.2M WMF core and \$1.0M in GAC spending.	27.2			



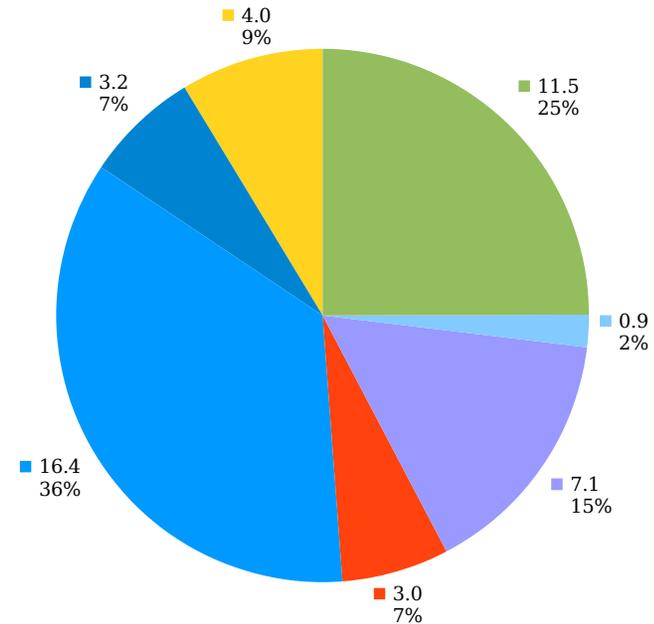
Total Spending Allocations for the Wikimedia Movement

- Chapters
- WMF Engineering
- WMF Legal, HR, Finance and Administration
- FDC or GAC
- WMF Other Programs
- WMF Fundraising
- WMF Management and Governance



2011-12 (Projections)

*“Chapters” is chapters-retained funds from payment processing, and funding from “other chapter sources.” GAC is funding from GAC.
 WMF Core includes all WMF spending except the GAC.*



2012-13 (Plan)

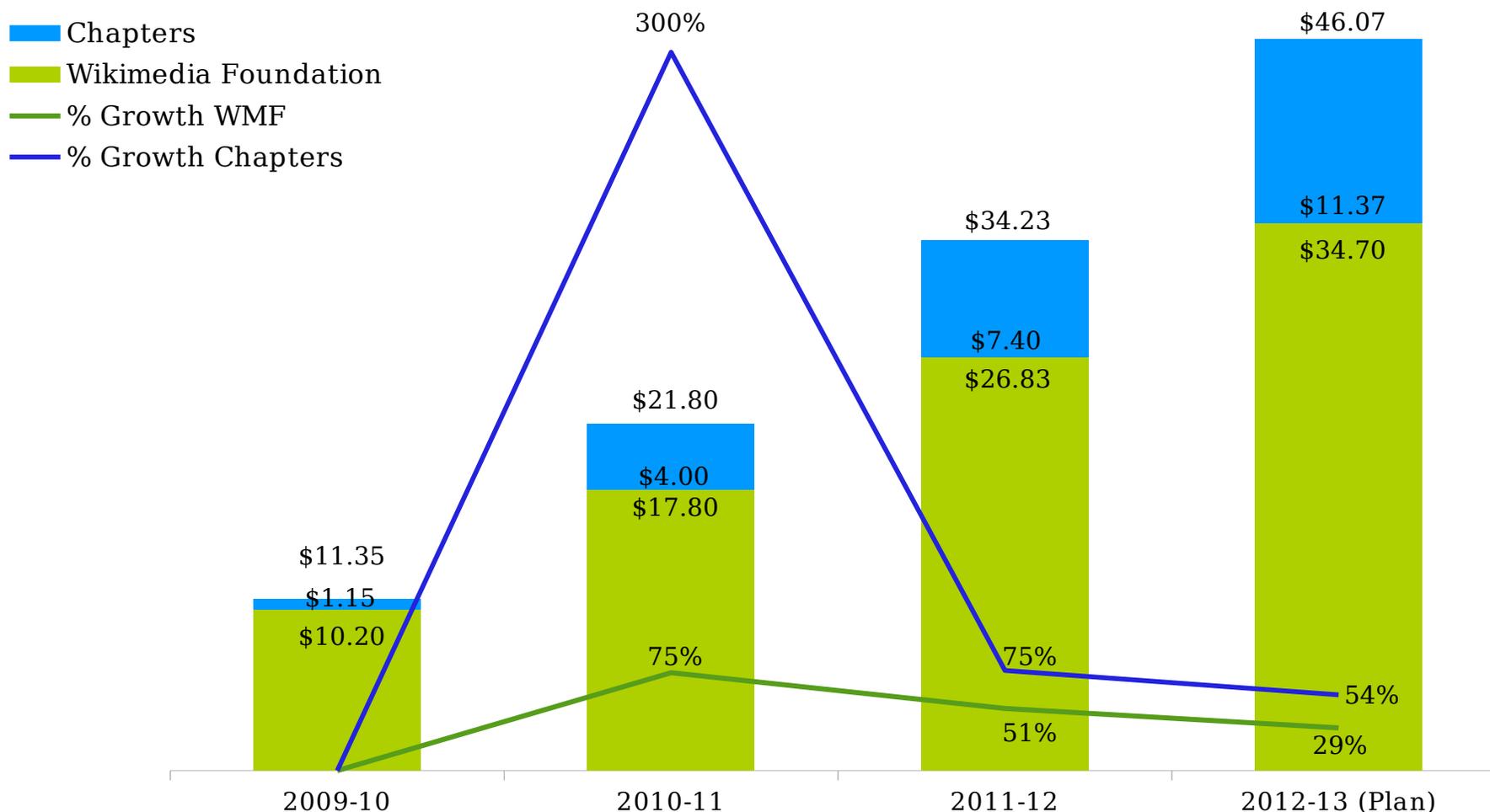
*“Chapters” is funding from “other chapter sources.” FDC is funding from FDC, funding from GAC, and WMF planned request from FDC.
 WMF Core includes all WMF spending except WMF non-core (the planned request from the FDC).*

All amounts USD, in millions. All amounts in a percentage of the whole.

Data for these charts are pulled from the previous slide: Total Spending Across the Wikimedia Movement. Labels used on this slide are consistent with usage on the previous slide.



Chapter Growth in Spending Compared to Wikimedia Foundation



All amounts USD, in millions.

Wikimedia Foundation columns do not include funding provided to chapters.

Chapter spending includes funding from the annual fundraiser and WMF grants, plus an estimate for other revenue sources, such as membership fees and dues, earned income, non-WMF grants, major gifts and so forth.

Estimate for 2009-10 is \$500 thousand, 2010-11 is 2 million and estimate for 2011-12 is 4 million.



2011-12 Spending (Projected)

Compared with 2011-12 and 2012-13 Plans

	2011-12				2012-13			
	Plan	Projections	(1)	(3) (1)%	Plan	(2)	(2)%	(4) VC
Core Site Ops		5,134		18%	5,990	856	17%	14%
Wikimedia Labs		902		3%	1,079	177	20%	3%
Editor Engagement - Features		739		3%	1,066	327	44%	3% aa
Editor Engagement - Experiments*		440		2%	1,204	764	174%	3% bb
Multimedia		226		1%	494	268	119%	1% cc
Visual Editor		419		1%	753	334	80%	2% dd
Site Performance		188		1%	381	193	103%	1% ee
Mobile Engineering		482		2%	1,170	688	143%	3% ff
Internationalization		364		1%	546	182	50%	1%
Analytics		483		2%	774	291	60%	2%
Fundraising Engineering		433		2%	546	113	26%	1%
MediaWiki		497		2%	796	299	60%	2%
Quality Assurance & Code Integration		248		1%	553	305	123%	1% gg
Code Review & Tech Community Building		888		3%	1,604	716	81%	4%
Tech Administration		459		2%	602	143	n/a	1%
Total Engineering	\$11,852	\$11,902	\$50	42%	\$17,558	\$5,656	48%	42%

All amounts USD, in thousands

(1) Variance of 2011-12 projections against 2011-12 plan

(2) Variance of 2012-13 plan against projections

(3) % of Total 2011-12 projections

(4) % of Total 2012-13 budget

2011-12 Engineering Plan project-level detail is not available.

VC= Variance Comments, see slide 60



2011-12 Spending (Projected)

Compared with 2011-12 and 2012-13 Plans

	2011-12					2012-13			
	Plan	Projections	(1)	(1)%	(3)	Plan	(2)	(2)%	(4)
Management & Governance	1,036	959	(77)	-7%	3%	902	(57)	-6%	2%
Finance & Administration	3,076	3,056	(20)	-1%	11%	3,377	321	11%	8%
Human Resources	2,175	1,711	(464)	-21%	6%	2,229	518	30%	5%
Community	935	858	(77)	-8%	3%	0	(858)	-100%	0% ii
Fundraising	2,085	2,664	579	28% g	9%	3,006	342	13%	7%
Legal	965	1,075	110	11%	4%	1,502	427	40%	4%
Community Advocacy	-	-	-	0%	0%	512	512	0%	1%
Global Development Admin	554	487	(67)	-12%	2%	792	305	63%	2%
Communications	574	451	(123)	0%	2%	602	151	33%	1%
Merchandise	355	39	(316)	-89% d	0%	311	272	697%	1% jj
GD Research	366	375	9	2%	1%	324	(51)	-14%	1%
Mobile	647	381	(266)	-41% e	1%	683	302	79%	2% kk
Global Education*	684	472	(212)	-31%	2%	718	246	52%	2%
Catalyst Projects*	1,190	528	(662)	-56% a,b	2%	1,302	774	147%	3% ll
WMF Grants & Fellowships*	1,790	1,355	(435)	-24% c	5%	1,235	(120)	-9%	3%
FDC	-	-	-	0%	0%	11,476	11,476	0%	27% mm
TOTAL	\$28,284	\$27,272	(\$1,012)	-4%	100%	\$42,070	\$15,700	58%	100%

(1) Variance of 2011-12 projections against 2011-12 plan

(2) Variance of 2012-13 plan against projections.

(3) % of Total 2011-12 projections.

(4) % of Total 2012-13 budget.

* WMF Non Core	\$4,459
FDC Budget	\$11,476

*This is included in the FDC allocation, which is a separate line item. It is not double counted.

All amounts USD, in thousands

Variance Comments

2011-12 Spending (Projected) Compared with 2011-12 and 2012-13 Plans

2010-11 Projections vs. 2010-11 Plan – Summary: Spending in 2010-11 was \$1MM (3.8%) below plan.

- (a) Due to the legal situation in India, money could not be expended per plan.*
- (b) Timing delay in beginning operations in Brazil.*
- (c) Issued Annual Plan grants which were not part of plan.*
- (d) Timing delay in starting merchandise store.*
- (e) Delay in hiring due to project timing.*
- (f) Higher payment processing costs, due to higher number and amount of donations.*

2011-12 Plan vs. 2010-11 Projections – Summary: Spending in 2011-12 continues to follow the priorities of the strategic plan; building the technological and operating platform to sustain Wikimedia as a top global Internet organization, strengthening and growing the editing community, and investing in key geographic areas and mobile application/development.

- (aa) Increase due to reorganization of team and the addition of new staffing to focus on the issue of editor retention.*
- (bb) Increase due to integration of team from Community department and addition of staffing to focus on the issue of editor retention.*
- (cc) New hiring to enable making it easier to upload multimedia content.*
- (dd) Additional staffing to support the full implementation of the Visual Editor. Note: Not all resources dedicated to the Visual Editor are reflected here. Resources donated by Wikia are not reflected here.*
- (ee) New hires to support improvements in site performance.*
- (ff) New hires and resources to support mobile uploads, mobile editing and Wikipedia Zero.*
- (gg) New hires and resources for an improved quality assurance process.*
- (hh) New hires and resources to support implementation of Brazil plan.*
- (ii) Community department resources were allocated to Editor Engagement and Legal and Community Advocacy.*
- (jj) Increase results from full implementation of merchandise operations.*
- (kk) Increased staffing to support the expansion and implementation of Wikipedia Zero.*
- (ll) Expansion of staffing and resources to support the Arabic initiative.*
- (mm) Funding for the FDC which includes funding for WMF non-core activities.*



Explanation of core vs. non-core

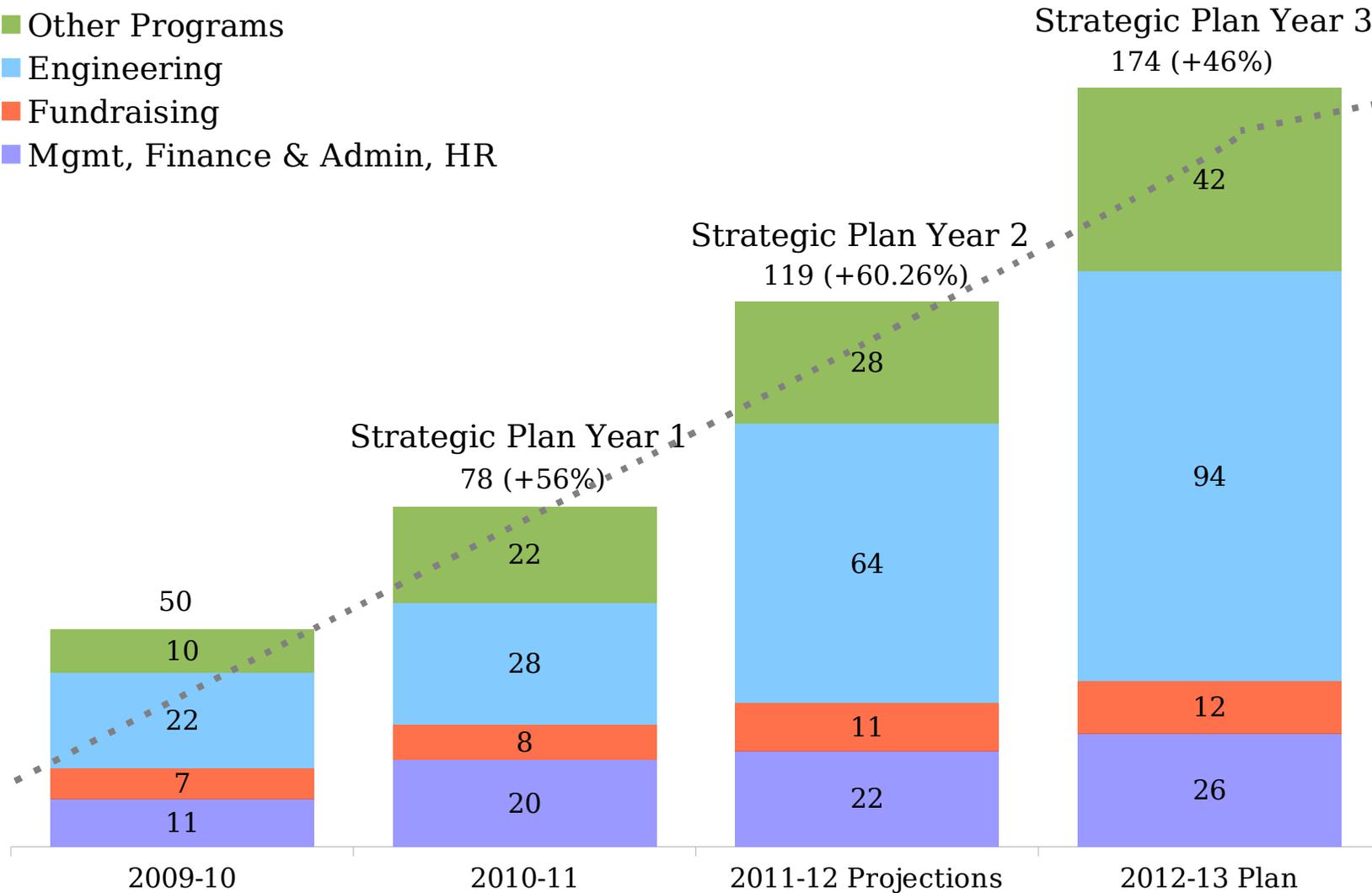
In 2012-13, the WMF will for the first time divide its spending into "core" and "non-core." The purpose of this is to designate some component of the WMF's spending to be allocated by the FDC. This has two purposes: it acknowledges that some WMF spending is highly experimental and would benefit from community review, and it also will help the WMF experience the FDC process from the perspective of a fund-seeker, which will help ensure the process is responsive to fund-seeker needs.

There is no bright line between core versus non-core. In general, "core" is permanent spending required to maintain the sites and organizational infrastructure for as long as the projects are operating. It includes (but is not limited to) servers and bandwidth costs, legal, accounting, HR, management and governance spending, core software improvements, fundraising or equivalent revenue management, communications, activities required to ensure our continued operation as a non-profit, and so forth. Core spending does not mean the rock-bottom costs of operating the sites if we were having financial difficulties: it means the normal costs of operating big sites well.

Non-core is initiatives that are time-based and intended to extend our ability to better serve the mission. It includes the editor engagement experimentations, the Global Education program, the catalyst projects (editor recruitment activities in India, Brazil, and MENA), as well as the WMF fellowships and grantmaking program. Those activities are shaded green on slides 58 and 59, and funding for them will be requested via the FDC process.

Staffing by Functional Area

- Other Programs
- Engineering
- Fundraising
- Mgmt, Finance & Admin, HR



This chart includes only paid staff. Growth expected to level after Year 3.

Board Resolution

Resolution

RESOLVED, that the Board of Trustees hereby approves management's proposed 2012-13 annual plan, which includes \$46 million of revenues, \$42 million of spending (including \$11.4 million in funding associated with the new Funds Dissemination Committee), and a \$4 million increase to financial reserves.

If, during the year, management anticipates the annual reserve at each quarter-end will differ materially from the plan, the Board directs management to consult the Board Treasurer promptly.

Since the plan was developed, both staff and Board have reflected on the scope of our mandate and the associated rate of growth, and how that impacts our ability to focus on the movement's mission. Therefore, we further direct the Executive Director to carry out an assessment of the Foundation's programs and strategic priorities, considering these recent staff and Board discussions. Based on this review, the Executive Director should present options for adjusting the annual plan, potentially reducing or eliminating lower-priority programs and capabilities, by the October Board meeting.

Reference: Management's currently anticipated quarterly breakdown of this approved annual plan.



Quarterly Breakdown of Annual Plan

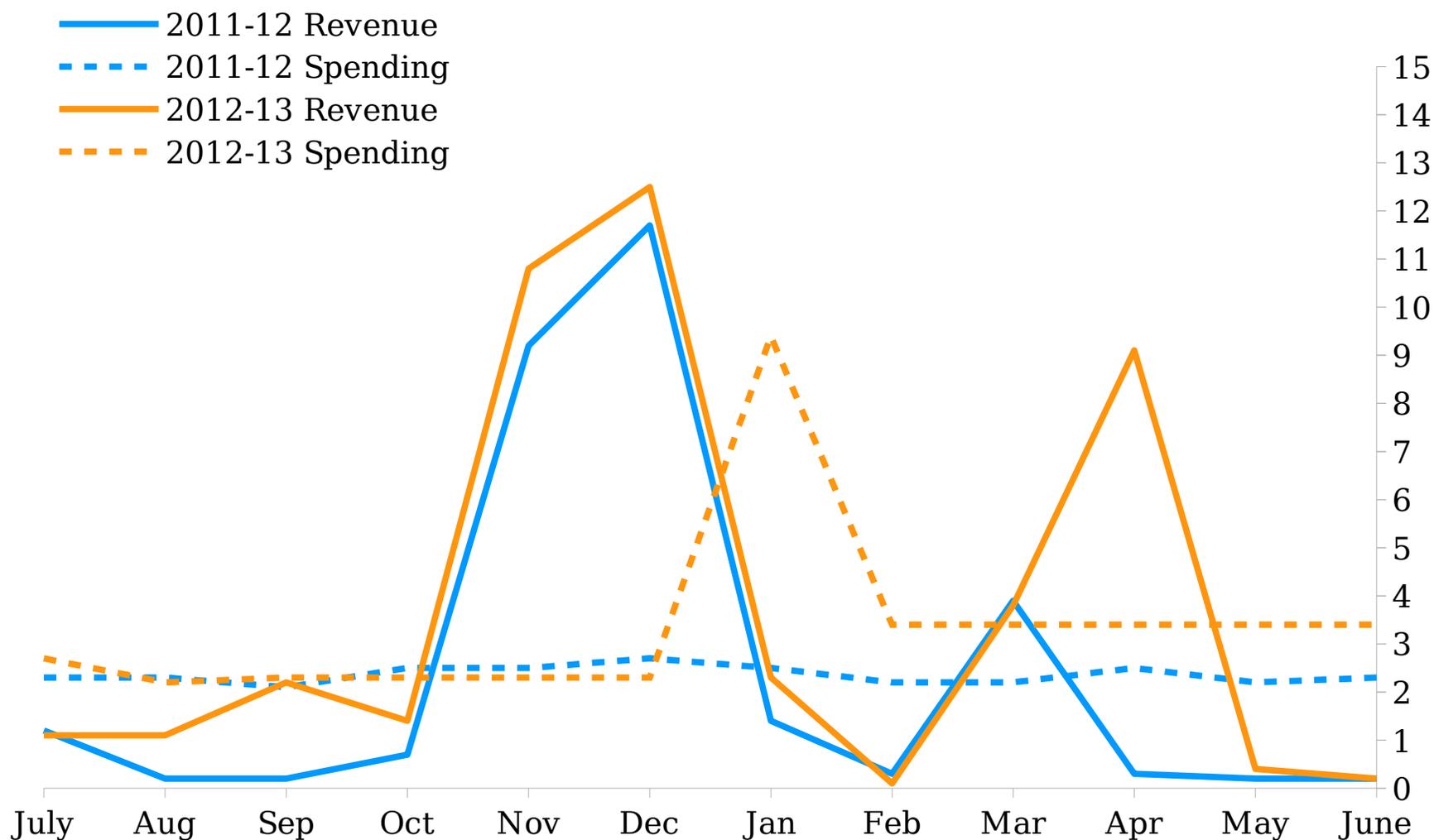
2012-13	Q1 (July-Sept)	Q2 (Oct.-Dec.)	Q3 (Jan.-March)	Q4 (April-June)	Total
Cash Revenues	2.6	25.4	8.2	9.9	46.0
Cash Spending	7.9	8.3	17.6	8.3	42.0
Net	(5.3)	17.1	(9.4)	1.6	4.0
Reserve	22.4	39.5	30.1	31.7	31.7

All amounts in USD, in millions

Appendix

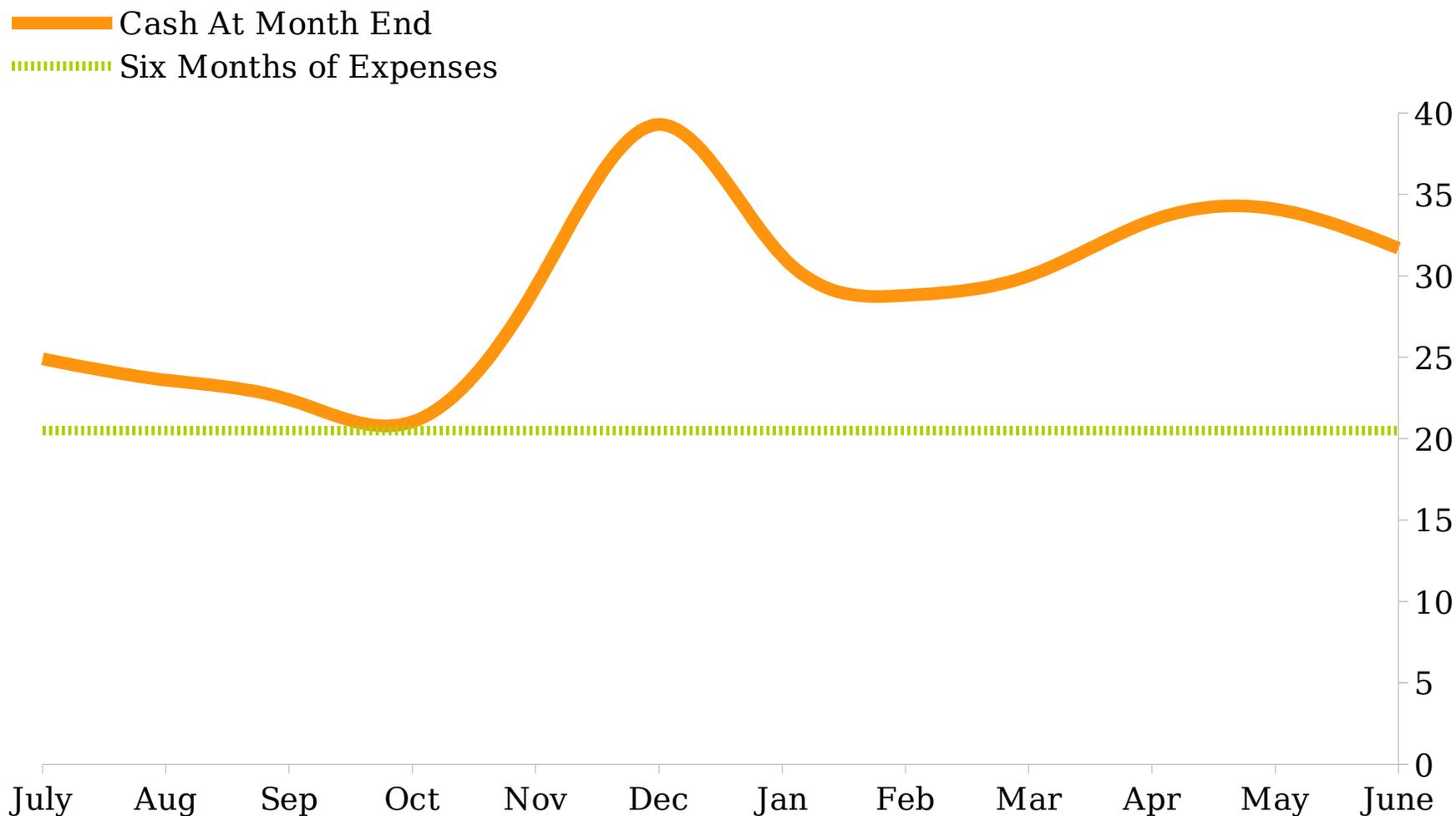


Revenue and Spending Trends 2012-13, 2011-12



All amounts in USD, in millions.

2012-13 Cash Position



All amounts in USD, in millions.



2012-13 Spending by Type

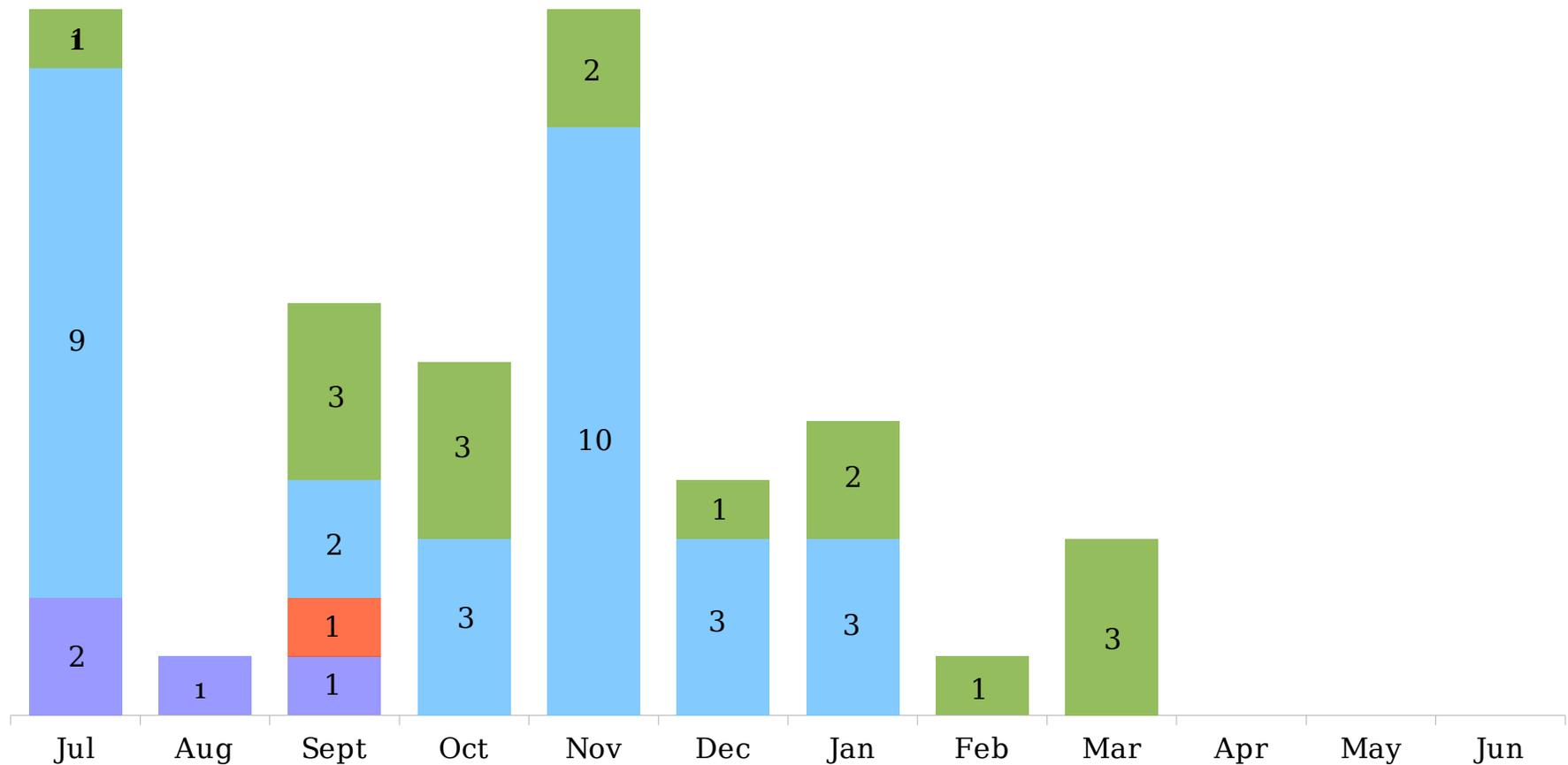
Salaries and wages	\$16,403	<i>Salaries, wages, benefits and recruiting</i>
Internet hosting	3,432	<i>Data centers in Tampa, Virginia, the Netherlands plus additional data center, including bandwidth</i>
Capital expenditures	1,890	<i>Buildout of additional data center and equipment to support audience growth and new functionality</i>
Fundraising exps	1,561	<i>Donation processing fees, charitable registrations, and fundraising support</i>
External contractors	2,801	<i>Technical contractors and writing/design support</i>
Travel	1,766	<i>Travel for staff, Board, Advisory Board and volunteers</i>
Wikimania Travel	255	<i>Travel for staff, Board, Advisory Board and volunteers for Wikimania</i>
Legal and Audit Fees	759	<i>Legal fees including trademark registrations and legal defense fees and audit fees</i>
Facilities and operations	1,046	<i>Office rent, furniture and equipment, supplies and maintenance</i>
Volunteer and staff development	484	<i>Meetings with volunteers and staff, conferences, training, workshops</i>
Merchandise	197	<i>Merchandise for online store</i>
Awards and grants	11,476	<i>New allocation for awards and grants supporting volunteer initiatives</i>
TOTAL	\$42,070	

All amounts in USD, in thousands



2012-13 Planned New Hires by Month

- Other Programs
- Engineering
- Fundraising
- Mgmt, Finance & Admin, HR



This chart includes only paid, in-plan staff. July hires consist primarily of positions to people in the current hiring pipeline.



Planned New Hire Roles by Month

WMF#	Dept	Position Title	Est. Start	WMF#	Dept	Position Title	Est. Start
126	LCA	Paralegal	7/1/12	151	GD	Grants Administrator	10/1/12
127	HR	HR Administrator	7/1/12	152	GD	Grants/FDC Manager	11/1/12
128	Eng	Software Developer	7/1/12	153	LCA	Community Advocate	11/1/12
129	Eng	Software Developer	7/1/12	154	Eng	Software Developer Front-End	11/1/12
130	Eng	Operations Engineer	7/1/12	155	Eng	Software Developer Back-End	11/1/12
131	Eng	Operations Engineer	7/1/12	156	Eng	Software Developer	11/1/12
132	Eng	Operations Engineer	7/1/12	157	Eng	IT Systems Engineer	11/1/12
133	Eng	Interaction Designer	7/1/12	158	Eng	Product Manager	11/1/12
134	Eng	Software Developer	7/1/12	159	Eng	Community Organizer	11/1/12
135	Eng	Software Developer	7/1/12	160	Eng	Senior Platform Engineer	11/1/12
136	Eng	Software Developer	7/1/12	161	Eng	Site Performance Engineer	11/1/12
137	GD	Regional Programs, Arabic Initiatives	7/1/12	162	Eng	Sr. Software Developer	11/1/12
138	HR	Engineering Recruiter	8/1/12	163	Eng	Software Developer Front-End	11/1/12
139	OIT	Open Source Administrator	9/1/12	164	Eng	Engineer	12/1/12
140	Eng	QA Engineer	9/1/12	165	Eng	Software Developer	12/1/12
141	Eng	Technical Event Manager	9/1/12	166	Eng	Partner Support Engineer	12/1/12
142	GD	Brazil Education Program Consultant Arabic Initiatives Education Program	9/1/12	167	GD	Mobile Technical Support Associate	12/1/12
143	GD	Manager	9/1/12	168	Eng	Software Developer Front-End	1/1/13
144	Fund	Creative Support	9/1/12	169	Eng	Software Developer Back-End	1/1/13
145	LCA	Community Advocate	9/1/12	170	Eng	Software Developer	1/1/13
146	LCA	Community Advocate	10/1/12	171	GD	Mobile Marketing Manager/Data Analyst	1/1/13
147	Eng	UI Designer	10/1/12	GD	Arabic Initiatives -Partnerships and Outreach	1/1/13	
148	Eng	Engineering Program Manager (Dev- Ops)	10/1/12	172	GD	Manager	2/1/13
149	Eng	Community QA Manager	10/1/12	173	GD	Arabic Initiatives Communications & Program Support	2/1/13
150	GD	Documentation Manager	10/1/12	174	GD	Brazil Community Relationships - Outreach	3/1/13

*5 positions (3% of overall estimated headcount) is reserved for fiscally responsible, strategically aligned out-of-plan hires.