

Finance & Administration Tuning Session Q2 FY20-21



WIKIMEDIA
FOUNDATION

Finance & Administration

*Organizational
Efficacy
&
Resilience*



Presenting 3 OKRs that
reflect important
progress and
opportunities for future
“Tuning”

- Financial Management & Compliance
- Business Operations Improvement
- Working Environment
 - Onboarding

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: Expenses for the first half of this year.

- We are within our target with an expense variance of (-3%) year-to-date (YTD).
- The biggest negative variance YTD remains Services and Travel at (-31%).
- The biggest positive variance YTD was fundraising expenses at +14%.

Budget management: Recalibration and Projection for the second of this year.

- We led the Foundation through a process of updating our Annual Plan at the mid-year point which we call 'Recalibration'.
- In addition, we followed our normal quarterly process of refinements of existing Annual Plan activities for the remainder of the year.
- We'll share the results of these in following slides

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

- We filed sales/use tax filings in all required jurisdictions
- We coordinated with Namely to file payroll tax filings in all active jurisdictions
- We finalized all W2s for 2019 for distribution to current and former US staff and coordinate with Namely to file with the IRS

Target quarter for completion: Ongoing

Department:
Finance & Administration

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%) ✓	-	-
<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	-	-
<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	✓	✓	-	-



Our approach to recalibration

Context of recalibration

- We had a built in process step in our Annual Plan this year to calibrate our annual plan and budget according to the results of our fundraising season
- We initiated this process in mid-November earlier than originally planned. Early positive fundraising results, and our planning process allowed us to move quickly and with agility

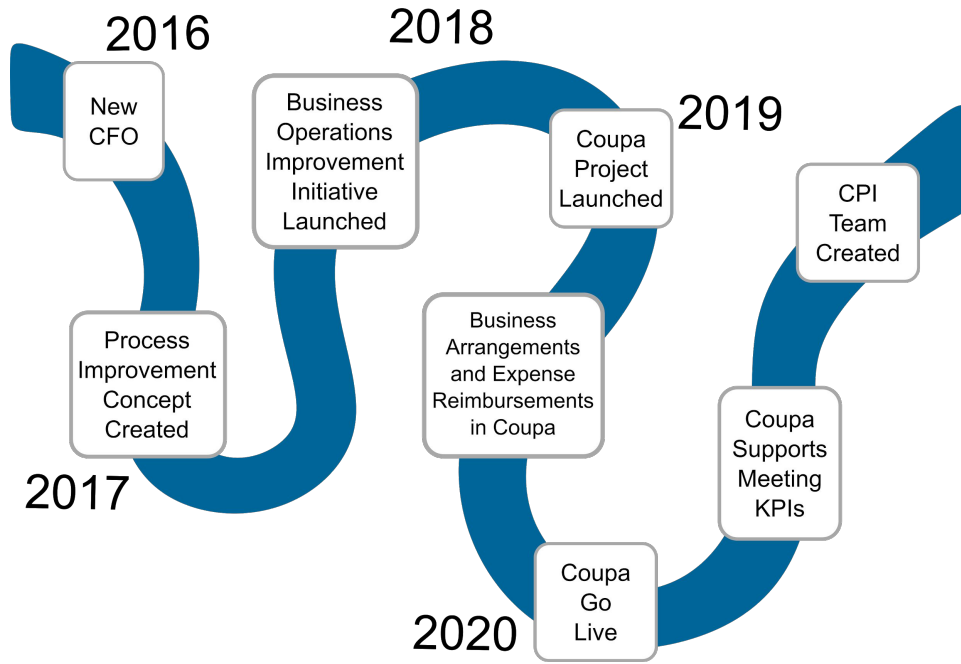
Our recalibration goals were:

- Focus on the supporting the impact that we had defined in the OKRs of this year's Annual Plan allowing us to expand capacity or reactivate work that had been deferred
- Evaluate and address the capacity feedback that we have received from staff
- Take a cross-fiscal year perspective to resources planning. Allowing us to define and begin to move forward on a staffing plan that will extend into Q1 of next year
- Surface cross-functional interdependencies and plan for them

EOY Financial Report

		YTD Act. (\$)	YTD Bud. Var (%)	Q3 & Q4 Proj. (\$)	Q3 & Q4 Bud. Var (%)	EOY Proj. (\$)	EOY Var (%)	EOY Ratios (%)
Financials (\$M)	Total Revenue	123.2	37%	16.5	-19%	139.7	26%	
	Programmatic	34.9	-4%	42.2	-3%	77.0	-4%	74%
	Personnel Exp	26.0	-3%	30.1	1%	56.1	-1%	
	Services & Travel	2.7	-31%	4.8	20%	7.5	-16%	
	Grants	1.3	32%	2.1	-45%	3.4	-29%	
	Data Center Exp	2.0	-3%	2.2	-2%	4.2	-2%	
	Other	2.8	11%	3.0	-20%	5.8	-8%	
	Fundraising	8.7	14%	5.0	-2%	13.7	8%	13%
	General & Admin.	6.6	-11%	7.3	-6%	13.9	-2%	13%
	Total Expense	50.1	-2%	54.5	-4%	104.6	-3%	100%
	Change in Net Assets	73.1	-	-38.0	-	35.1	-	

Business Operations Improvement



Our Biz Ops Journey

Outcomes of our last initiative

In December 2019 we completed the full implementation of enhanced workflows and a new system to manage contracts, procurement and expense reimbursements. As a result of that we have achieved:

- **6-10 day reductions** in end-to-end contract and procurement workflow for requests classified low and medium-risk. In fact, our low risk requests are now processed in 2 day on average
- **6-8 day reductions** in processing time for expense reimbursements
- Automated Purchase Order matching
- Significantly expanding the amount of our expenses that are backed by Purchase Orders

Business Operations Improvement



Objective:

Continue to improve and maintain efficient and *effective business and operational workflows*¹ to maximize the return on investment, mitigate risks, and reflect org values.

We are continuing to optimize and enhance our Business Arrangements workflow and system

- Implemented Legal and Financial Quality Standards metrics
- Monitoring efficiency metrics (see KR's in next slide)
- System enhancements - Conflict of interest management, legacy contract loading, improved invoice approval routing
- Conducting third party testing and assessment of risk control activities designed in the workflow - **LAUNCHING IN JAN '21**

We have been investing in building out our teams and developing our support structures.

- Reconstituted the Business Operations Steering Committee
- Established a Continuous Process Improvement team - we've added two staff and are recruiting a third

We have are expanding our improvement efforts to other areas of Business Operations:

- Contractor off-boarding and renewals **COMPLETE, resulting in 100% on-time contractors renewals and off-boarding**
- Redesigned the Budgeting and Financial Reporting System **-IN PROGRESS**
- Proactive education initiative - **LAUNCHING IN JAN '21**
- Current State Analysis project to document all primary workflows - **LAUNCHING IN JAN '21**

Business Operations Improvement



Key Results

	Year Goal	Q1 Status	Q2 Status	Q3 Status	Q4 Status
<p>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.</p> <p>Baseline: Low risk: 5 days, medium risk: 7 days</p>	<p>Low risk: 5 biz days, Medium risk: 7 days</p>	-	<p>Low risk avg - 2 days Medium risk avg - 7 days</p>	-	-
<p>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%.</p> <p>Baseline: N/A</p>	<p>Establish metric and improve by 5%</p>	<p>✓ metric defined</p>	<p>✓ metric implemented</p>	-	-
<p>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%.</p> <p>Baseline: N/A</p>	<p>Identify 1 project and improve success by 5%</p>	<p>✓ several projects initiated</p>	<p>✓ several projects initiated</p>	-	-

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.

Discovery:

- Reached out to Stakeholders, Procurement, FP&A & HMs to note and document pain points
- Staff type clarified (reqs, intl reqs, consultants, contractors, vendors, fellows, interns and volunteers)
- Procurement process for staff in hard to reach areas mapped and identified (ongoing)
- Re-assessment of on/offboard process, leveraging existing tools and account matrix

Research:

- Consult technical agencies regarding support (equipment deployment + support)
- Consult direct vendors regarding equipment deployment
- Delve deeper into existing enterprise tools' features

Analysis:

- Eliminate redundant steps (1-2 weeks)
- Leverage enterprise tools to unify back-end access deployment

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%	-	-
By Q4 develop curriculum to consolidate and deliver training material accessible 24/7 Baseline: none	100%	10%	10%	-	-

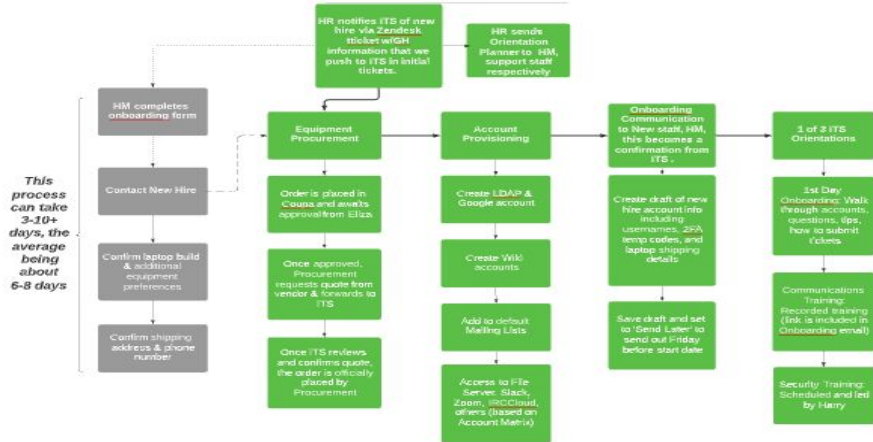


ITS Process Improvement: OnBoarding



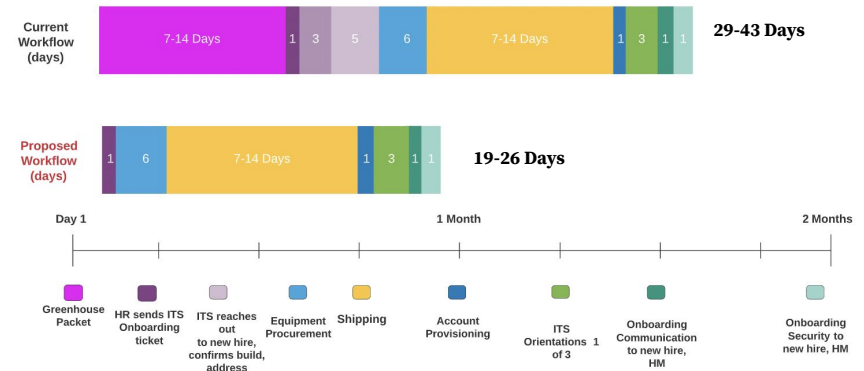
Proposed ITS On-boarding Workflow

Dec 2020



ITS Onboarding Time Cycles

Peter Kang | January 15, 2021



Identified the ability to reduce cycle times by eliminating redundant and manual steps at initial stages of ITS' onboard workstream. This elimination will gain an 8+ day lead time in order to execute procurement and shipping stage earlier.

*Detail is not meant to be discernable in high level visuals



Drill Down: Process Improvement: OnBoarding



The situation

As we continue to scale ITS is tasked to **ensure new users have access to their tools to begin work on day one**. In order to meet this goal, ITS has focused on identifying and resolving the gaps/obstacles exist in the process between the moment of hire and start date. The following have been identified in Q2:

Push Data: ITS accesses needed information manually which delays workstream triggers, including purchasing requests

The impact

By partnering with onboard workflow owners and leveraging enterprise tools to access necessary information, ITS will be able to execute their workflows earlier, reducing the delay of access and equipment.

The recommendation

- Propose a standard build for equipment based on job duties and vendor availability. By solidifying a standard build, we will be better positioned to mitigate equipment deployment delays
- Continue with a phased approach improving this process.
 - Phase 1, our workstream with HR Ops operationalized (detailed in previous slide)
 - Phase 2, perform discovery of tools which will allow us to automate repetitive steps

Questions



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F&A

Efficacy and Resilience

OKRs

Appendix



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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.

The APP team focused Q2 on collecting and analyzing feedback from the prior Annual Planning cycle.

In Q3 we will be designing the planning process and commencing several of the pre-planning steps.



Annual Plan



Key Results

Deliver a Medium-Term Plan aligned Annual Plan by Q4 that includes at least one impact metric for 100% of the objectives defined
Baseline: TBD

90% of Annual Planning delegates report that they collaborated effectively with other teams and departments in the Foundation to develop their Annual Plan. (Q4)
Baseline: N/A

	Year Goal	Q1 Status	Q2 Status	Q3 Status	Q4 Status
Deliver a Medium-Term Plan aligned Annual Plan by Q4 that includes at least one impact metric for 100% of the objectives defined Baseline: TBD	100% of the objectives defined	N/A	N/A	-	-
90% of Annual Planning delegates report that they collaborated effectively with other teams and departments in the Foundation to develop their Annual Plan. (Q4) Baseline: N/A	90% reporting effective collaboration	N/A	N/A	-	-



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 to go live.
 - Risk tooling to determine - Risk Severity, Inherent and Residual Risk and Remediation Plans
 - Risk Ownership aligned to our leadership and budgetary accountabilities
 - The most current inventory of risks have been migrated from our google sheets to the platform
- We see good adoption by Staff of the risk framework with teams continuously reaching out to Security
 - Several key threats to or resulting from were evaluated using the risk framework: - **COVID-19 - Offices, Staff Travel, Community Events; US Election related to - disinformation, DOS, Staff, Community; Wikimania**
 - Monthly attendance and participation in the ERM Steering committee sessions has been 100% from the C-team, VP cohort and key directors
- Board Engagement
 - Quarterly Audit Committee Chair briefed
- Prioritizing our time investment toward the different ERM objectives continues to be a **learning experience**
 - New threats require urgent responsiveness, which has impacted the roll-out of the GRC



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 implemented - 100% of risk owners not enabled	✓ -	-	-
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-	-	-
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		



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 mailserver and account access)
 - Back Ups (design needs to be streamlined, currently executing redundant backups)
- Explored cloud services to replace services
 - Fileserver
 - VoIP (phone systems)
 - IaaS (Identity as a Service) & DaaS (Directory as a Service)
- Ensure power on/power off protocols are fully functional
 - replaced UPS
 - replaced depreciated servers

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
Enhance reliability and IT manageability, by transitioning core on-prem services (VPN/VoIP/LDAP) to the cloud by Q3 Baseline: 0%	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%	In progress	In progress	-	-
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%	In progress	In progress	-	-



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 (fileserv) or cloud based (Enterprise tools)
- We continue to examine data backup and destruction process
 - Implement back workflow - deep storage leveraging encryption practices via AWS
- 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 organizations 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	-	-
<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	-	-

Department:
Finance & Administration

Organizational Efficacy: Working Environment

Objective:

To maintain and improve the productivity of the foundation's internal IT systems and physical office facilities("working environment") in service to the Wikimedia Foundation mission and annual plan.

Key Results for FY 20/21

- 1. Increase the productivity of our internal IT systems and physical office facilities by a measurable level.**
- 2. Integrate new virtual engagement tools to support varied types of organizational meetings and conferences.**
- 3. Refine shared service SLAs and working environment allocation of current discretionary resources.**



Organizational Efficacy: Working Environment

Key Results	Year Goal	Q1 Status	Q2 Status	Q3 Status	Q4 Status
<p>Increase the productivity of our internal IT systems and physical office facilities (or amenities) by a measurable level.</p> <p>Baseline: New Hire survey results from Q1 and Q2 [need to get]</p>	50% improvement	Achieved 25% of working environment goal (Remote first) We have four areas of working environments.	Reduced days by at least 25% from prior deployment time average in IT Systems. -	-	-
<p>Integrate new virtual engagement tools to support varied types of organizational meetings and conferences.</p> <p>Baseline: zero</p>	100%	25%	50%	-	-
<p>We have accurate shared service SLAs and working environment allocation of current discretionary resources.</p> <p>Baseline: zero</p>	100%		-	-	-



Acronyms

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

Example:

APP: Annual Planning Process

GH: Greenhouse - Recruiting database

HM: Hiring Manager

