



**Board of Trustees  
2009 President & CEO's Report  
Presented by Lynn St.Amour, President and CEO  
March 2009**

## **I. Executive Summary**

2008 was a transformational year for the Internet Society. We achieved our goal to create a properly structured, global organization that is fully and appropriately engaged with our members, chapters and partners.

Having laid the critical groundwork last year, the Internet Society is well-positioned in 2009 to “change opinions and instigate actions”. We are approaching 2009 as a year of globally visible actions and major impacts. To achieve this, it will be critical to have strong and complete alignment across the organization. And, working with our Chapters and all Members will be even more critical to our collective success than in past years. This will be achieved by focusing on clarity of messaging and the importance of collaboration across all of ISOC. The linkage between our operating functions, strategic initiatives and member efforts will be our 2009 Strategic Objectives. We are committed to establishing effective processes, proactive actions, and strong, responsive operational readiness. This collaboration will also create an efficient platform on which our strategic plans will be built for the next several years.

ISOC has gone through many transitions over the last several years and each has led to increased success. However, this transition is the most significant yet, and we fully and confidently expect 2009 to be a “watershed” year for ISOC. Much of this report focuses on organizational wide imperatives and alignment, and builds up to the 2009 Strategic Objectives. This reflects the current growth stage in ISOC, and it is one of the most critical success factors for 2009. Strategic reviews of other activities such as the Strategic Initiatives, Business Development and Chapter/Member efforts are covered elsewhere in the Board book.

Finally, much of this report will serve as the basis of our organization-wide alignment efforts and messaging. It encompasses Trustees, staff, members and chapters. A fully aligned, properly supported, “on Mission” organization is key to ISOC’s maximizing its impact.

## **II. ISOC Vision and Mission**

While there have been significant structural and operational changes, the Vision and Mission of the Internet Society have not changed.

ISOC’s Vision has always been at the core of our efforts. It describes the ideal future state if we successfully deliver on our Mission; essentially our end goal.



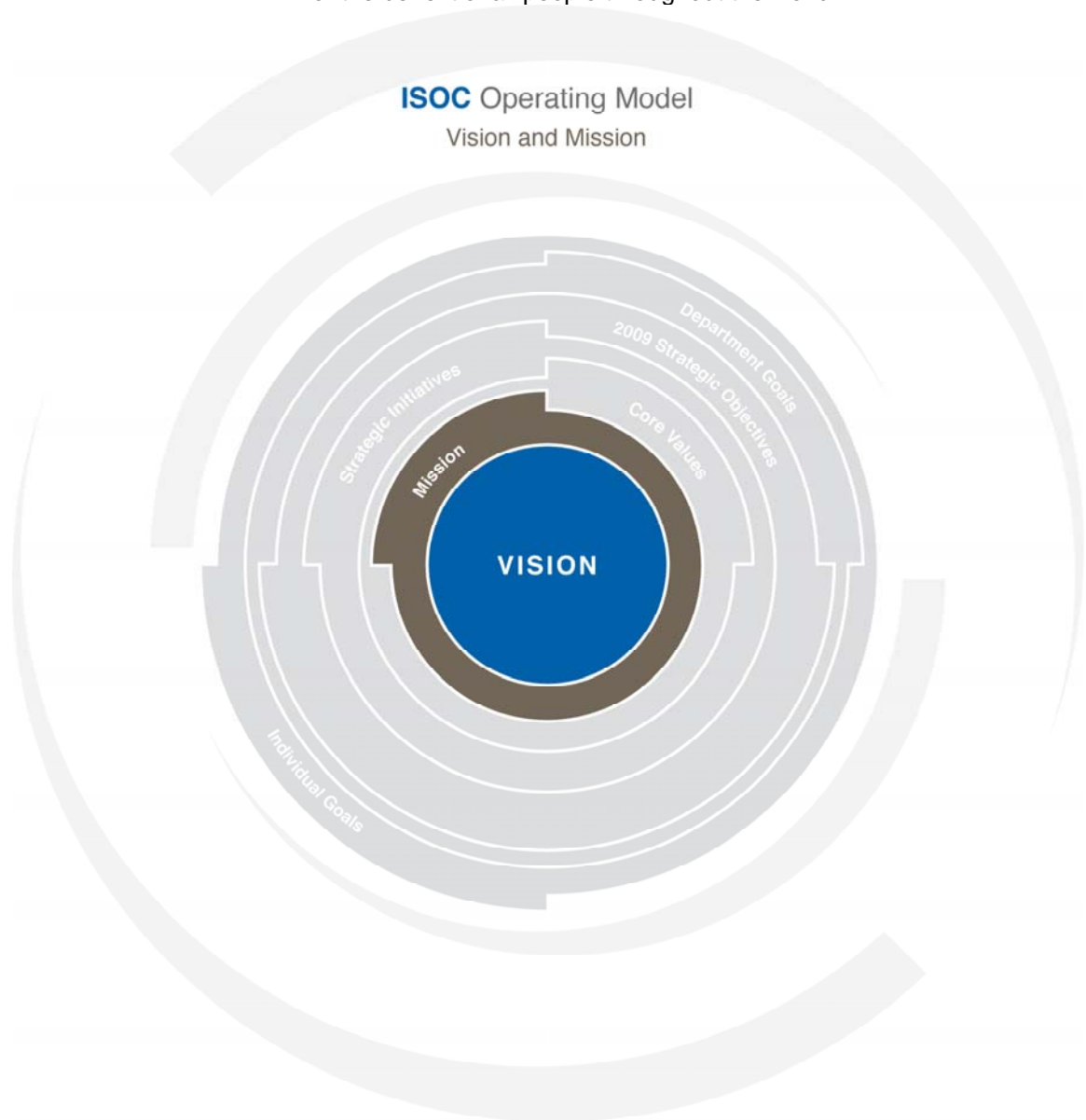
**Vision**

The Internet is for everyone.

ISOC's Mission captures the fundamental purpose of the organization and the way in which our Vision will be achieved.

**Mission**

To promote the open development, evolution, and use of the Internet for the benefit of all people throughout the world.



ISOC's Vision and Mission form the foundation on which our organization operates today and well into the future. This is what holds us together as an organization - across geographies, across cultures and in our varied roles.



### **III. Core Values (from ISOC Strategic Operating Plan - <http://www.isoc.org/isoc/SOP.pdf>)**

Our Core Values are the fundamental principles that guide all Internet Society activities. These are the beliefs and commitments on which our mission is based.

- 1) The quality of life for people in all parts of the world is enhanced by their ability to enjoy the benefits of an open and global Internet.
- 2) Well-informed individuals and public and private policy makers are the essential foundation of an open and global Internet society.
- 3) The genius of the Internet is that its decentralized architecture maximizes individual users' power to choose (or create) and use the hardware, software and services that best meet their needs, and if the Internet is to continue to be a platform for innovation and creativity, its open, decentralized nature must be preserved.
- 4) Enduring and sustainable progress toward our vision is best achieved by a combination of global initiatives and activities at a local level that engage people in their home regions.
- 5) Technical standards and Internet operating procedures should be developed and asserted through open and transparent processes, with minimal barriers to participation or access to information.
- 6) The social, political and economic benefits of the Internet are substantially diminished by excessively restrictive governmental or private controls on computer hardware or software, telecommunications infrastructure or Internet content.
- 7) Rewarding and productive use of the Internet depends on the ability to trust critical services.

### **IV. ISOC Team Operating Principles**

ISOC's Core Values describe the key tenets that guide our activities. Many of them are shared by the other Internet organizations with which we collaborate. In early 2009, ISOC recognized the need to update our internal Team Operating Principles. As advocates of an open and accessible Internet, ISOC is an organization with a geographically-dispersed staff and with members, chapters and partners around the globe. Our Team Operating Principles are designed to bridge these geographical distances and cultural differences. They provide a cohesive set of principles that guide the organization's relationships with our employees, members, and external stakeholders, regardless of position, location or cultural diversity. As the organization continues to grow, these principles will ensure we all recognize and respect interdependencies and operate within a common set of principles.



### ISOC Team Operating Principles

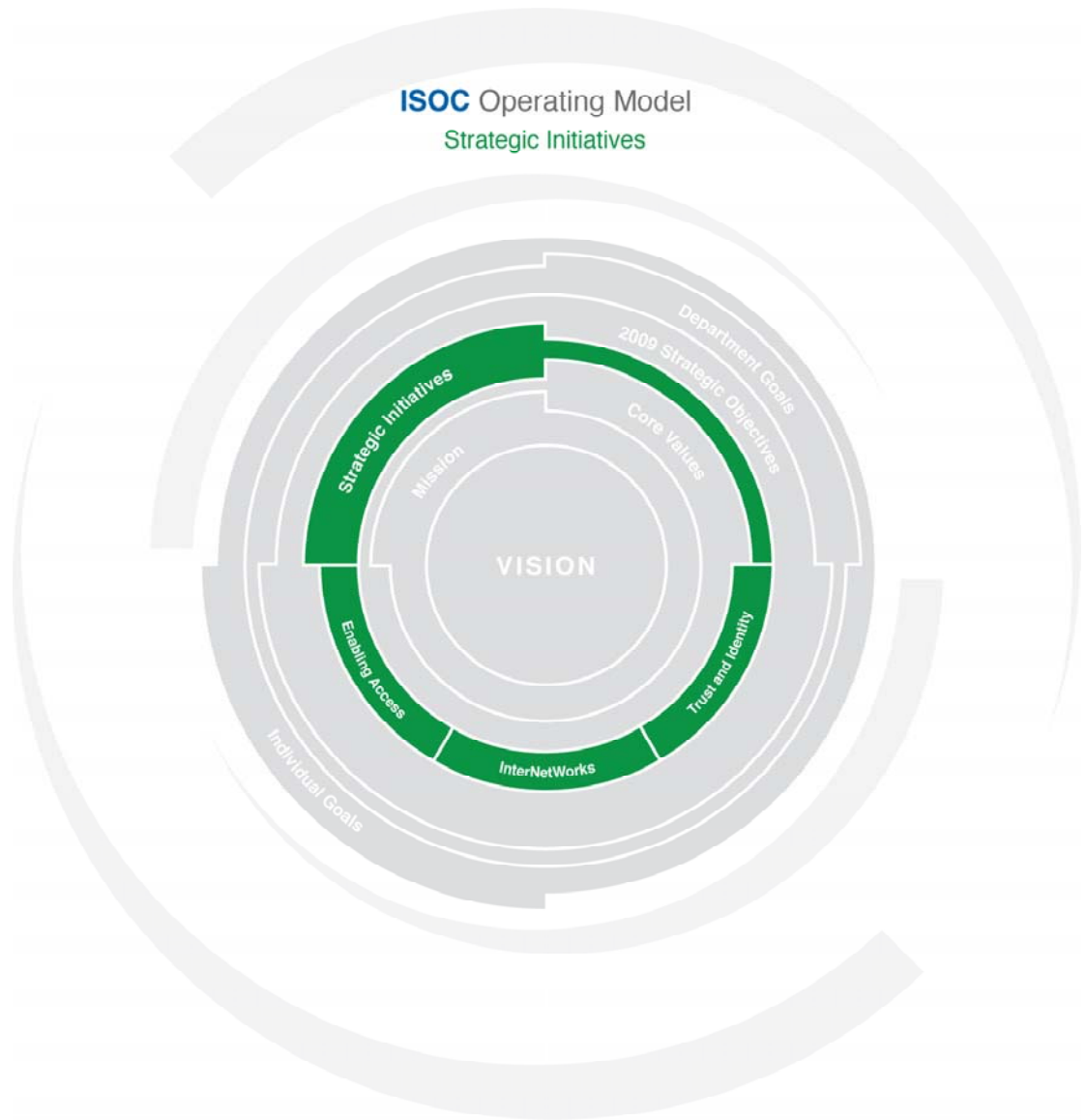
The Internet Society is dedicated to deliver on its Vision and Mission. To do that, we must, individually and collectively, guide our organization with these Team Operating Principles:

- We are passionate about the difference the Internet Society makes in the world.
- We are humble and embrace diverse opinions.
- We promote respectful interaction and recognize individual and organizational boundaries.
- We openly share and communicate information with the team with timeliness and relevancy.
- We will respect and support decisions of the team.
- We thrive on ingenuity and innovation
- We are each accountable for our actions and collectively responsible for the organization's success

## V. Strategic Initiatives

To ensure the organization was structured to effectively deliver on our Vision and Mission, in late 2007, ISOC introduced three (3) Strategic Initiatives that are designed to focus the organization's mid-to-long term efforts over the next several years.

- I. **Enabling Access:** Regional and Local Access programs addressing the fundamental impediments to Internet growth and usability, through education and policy-related activities, to promote the expansion and reach of the Internet on a national and global basis.
- II. **InterNetWorks:** Focuses on the continued evolution of the global Internet to ensure it remains an open end-to-end platform with all the associated technological, policy, social and business benefits
- III. **Trust & Identity:** Initiatives to ensure the Internet provides channels for secure, reliable, private communication between entities which can be clearly authenticated in a mutually understood manner.



These strategic focus areas form the cornerstone of ISOC's mission and are the framework on which each year's Strategic Objectives will be developed.



## VI. 2009 Operational Roadmap

With the Strategic Initiatives anchoring our mid-to-long term strategy, we developed an operational roadmap for 2009 during several executive planning sessions in late 2008/early 2009. Given our significant growth and restructuring, a key objective of this year's roadmap was to create a high-level alignment across members, chapters, departments and individuals in support of the organization's 2009 priorities.

- The 2009 Strategic Objectives are meant to provide a strategic platform for our activities and, perhaps most importantly, cohesive messaging organization wide. They answer the question: "What is Most Important to us in 2009?"
  - I. **Internet Model.** Develop a concrete and concise definition of the Internet Model and implement a comprehensive communications plan to embed in users/served markets.
  - II. **Health of the Internet.** Advance and be seen to be advancing the Health of the Internet.
  - III. **Future Leaders.** Grow and strengthen the pipeline of Internet leaders to enhance the base of support for the Internet Model and Internet development principles.
  - IV. **Alternative Revenue Sources.** Develop additional funding sources to accelerate and diversify ISOC's revenues and reach in pursuit of its Mission.
  - V. **Chapters & Members.** Strengthen our Chapter and Member Structure to enable partnerships across ISOC that strengthen and enhance our ability to deliver our Strategic Objectives and ISOC's mission.
- In addition, these Strategic Objectives combined with other key Goals for 2009 form the basis of each employee's 2009 Goals and Objectives. They are the basis of mine as well.
- Created an HR and management infrastructure to track our 2009 Strategic Objectives. This platform captures goals, promotes alignment, measures progress consistently and tracks accomplishments for teams and individuals.
- Set up processes to ensure consistent communication and delivery of information throughout the organization as well as recognition for member, chapter, individual and team contributions.

**ISOC Operating Model**  
2009 Strategic Objectives



ISOC's 2009 Strategic Objectives form the roadmap that guides this year's priorities.



## VII. 1<sup>st</sup> Quarter 2009 – Globally Visible Actions

While it is still relatively early, the tone of 2009 has already been set, and a significant set of key activities are being implemented. We continue to see a tremendous amount of energy and momentum to broaden the scope, scale and reach of our Chapters, Bureaus and Members. 2009's Operational Roadmap established the necessary infrastructure by which this year's Strategic Objectives will be achieved. We began delivering on these goals in Q1, creating strong tailwinds that will propel us through the rest of the year.

- We are well underway on several fronts to increase support for and to extend the global Internet Society community. We have again increased our Chapter support and empowered our Regional Bureaus by giving them a more pronounced role in directly supporting ISOC Chapters and members within their geographic areas and by creating a transitional direct reporting relationship to the COO. Additionally, we have been building a repository of materials that supports ISOC's participation in various policy and technical forums, and which our Chapters and members will leverage in their own activities.
- In support of our InterNetWorks and Trust & Identity initiatives, we continue to be strongly engaged with organizations that are setting direction on key technical areas. In particular, we have recently been provided a board seat on the Liberty Alliance. Membership is an interim step taken in support of a new membership organization (often referred to as IDTBD) which will provide a framework for projects and educational efforts across a broad range of identity technologists, privacy experts, and potential deployers of identity management solutions. We have increased our participation in forums that engage important segments of providers of Internet infrastructure and continue to be strongly supportive of and engaged with the IETF.
- We continue to promote the Internet Model within policy-setting circles, as we believe this to be absolutely critical to the Internet's future success. We have participated in international forums such as ICANN, ITU, OECD and the UN. We have expanded our engagement with UNESCO and the OECD ICCP. We have also been successful in promoting the Internet Society's profile within geographic areas such as Washington, D.C., Geneva, and Brussels to name but a few.
- We continue to seek grant funding to broaden our resource base. Our efforts have already resulted in the awarding of a substantial Grant, and we are confident about meeting all business and revenue targets for the coming year.
- We are well underway in implementing new and improved HR processes and systems to ensure our coordination and agility as we grow. Among these are a management system that will help employees more effectively work together across departments, and provide direct linkage between individual goals and organizational objectives. We have begun the implementation of the Association Management System and have already launched more robust processes for our communications efforts such as event planning, media/press outreach and web content.



## VIII. Summary

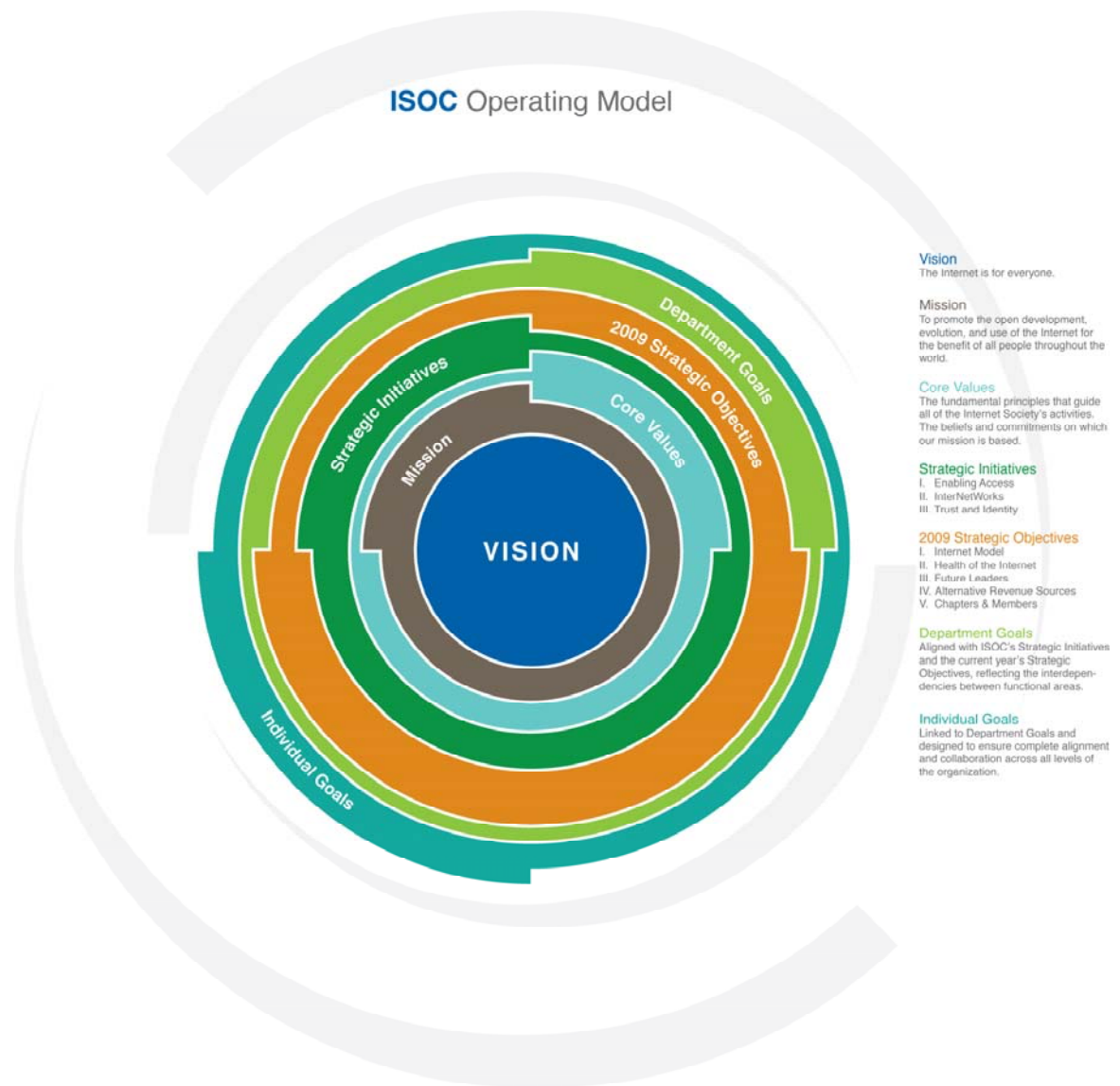
In 2008, the Internet Society completed its transformation into a solidly resourced organization and we are now very well-positioned to deliver robustly on our Vision and Mission and to effectively engage with our internal and external stakeholders around the globe. The efforts we have made to ensure clarity of direction and messaging around priorities will help drive alignment across the organization as we all work together to execute against the three (3) Strategic Initiatives that guide the organization's strategy over the next several years.

2009's Strategic Objectives established the roadmap by which we will focus our efforts in the current year while driving toward the mid-to-long term goals of the Strategic Initiatives. Additionally, we have created a performance infrastructure that allows us to set departmental and program goals that are aligned with ISOC's Strategic Initiatives as well as the current year's Strategic Objectives and that reflect the interdependencies between functional areas. These departmental and program goals will be cascaded down into individual goals to ensure complete alignment and collaboration across all levels of the organization.

As we conclude the first quarter of 2009, we are well underway in ensuring 2009 is a year of globally visible actions and major impacts. Although it is early in the year, ISOC is on target to meet its organizational and staffing needs, while remaining within the budget commitments (including the IETF "reserves") in its 2009 Budget submission (see Appendix for the summary of the 2009 Budget adopted in November and the current hiring status).


As mentioned in the introduction, the more in-depth strategic reviews of the Strategic Initiatives, Business Development and Chapter/Member efforts are covered elsewhere in the Board book.


We are all excited by the energy brought to us by the new staff, new focus, and new programs, and I look forward to working with all of you to make this the most exciting and successful year ISOC has ever had.




ISOC's Operating Model comprises the components that form the foundation of our organization. Each component plays an integral role and collectively, these elements work in concert to achieve

## Appendix - 2009 Budget

Internet Society 2008 Revenues			
	2009	2008	
	Budget	Actuals	Change '09 from '08
<b>Revenues (excluding IETF)</b>			
Organization Membership/Platinum Sponsorships	\$ 1,300,000	\$ 1,171,565	\$ 128,435
Individual Member Dues & Donations	8,000	7,000	1,000
NDSS Registrations and Sponsorships	100,000	97,915	2,085
Sponsorships and Grants (including Postel; excluding IETF)	300,000	100,000	200,000
PIR Contribution to ISOC	15,000,000	11,500,000	3,500,000
<b>Total Revenues (excluding IETF)</b>	<b>16,708,000</b>	<b>12,876,480</b>	<b>3,831,520</b>
<b>IETF Revenues</b>			
Registration Fees	2,481,900	2,084,235	397,665
Sponsorships	870,000	616,700	253,300
Hotel Commissions	155,200	226,889	(71,689)
Other Revenue	115,000	15,608	99,392
<b>ISOC Sponsorships to IETF</b>	<b>3,622,100</b>	<b>2,943,432</b>	<b>678,668</b>
<b>Total ISOC Revenues</b>	<b>\$ 20,330,100</b>	<b>\$ 15,819,912</b>	<b>\$ 4,510,188</b>

Internet Society 2009 Budget			
		<b>2009 Budget</b>	
<b>ISOC Revenues</b>			
Revenues from ISOC Activities		\$ 16,708,000	
Revenues from IETF Activities		3,622,100	
<b>Total Revenues (including IETF)</b>		<b>20,330,100</b>	
<b>ISOC Expenses</b>			
<u>Departmental Expenses (Including Core Projects)</u>			
<i>Operations Group</i>			
COO & Support Functions (formerly Primary Support)		849,342	
Education		1,178,183	
Public Policy (Includes Bureaus in 2008)		1,452,924	
Regional Bureaus		618,294	
Organization Members		1,112,321	
Chapters and Individual Members		1,176,375	
IT (Includes Technical Support Expenses formerly in G&A)		1,289,393	
<i>Subtotal Operations Group</i>		<u>7,676,831</u>	
<i>Strategic Group</i>			
Standards and Technology		1,370,364	
Major Strategic Initiatives		844,964	
Strategic Global Engagement (formerly in Primary Support)		770,375	
Communications		2,396,581	
<i>Subtotal Strategic Group</i>		<u>5,382,284</u>	
Total Departmental Expenses		<u>13,059,116</u>	
<u>External Program Expenses</u>			
Enabling Access Initiative		1,359,000	
InterNetWorks Initiative		285,000	
Trust & Identity		198,500	
Other Programs/Projects (NDSS, Postel, Grants Research)		160,000	
<i>Subtotal - External Program Expenses</i>		<u>2,002,500</u>	
Total ISOC Expenses (excl IETF)		<u>15,061,616</u>	
Total IETF Expenses		5,076,000	
<b>Total Expenses (including IETF)</b>		<b>20,137,616</b>	
Other Revenue (Expense)		180,000	
<b>ISOC Surplus (Loss) or Change in Net Assets</b>		<b>\$ 372,484</b>	
<b>Surplus (Deficit) (Excluding IETF)</b>		<b>\$ 1,826,384</b>	
<b>ISOC's Contribution to IETF (incl \$260K Capital Exp)</b>		<b>\$ (1,713,900)</b>	

## Appendix - 2009 Personnel Additions

Internet Society 2009 Staff Additions through March						
<u>Department/Position</u>	<u>2009</u>		<u>2009</u>		<u>Comments</u>	<u>Outstanding Positions - 2009</u>
	<u>Q1 New Hire Budget</u>	<u>Q1 Net New Hires</u>	<u>Full Year New Hire Budget</u>	<u>Full Year New Hire Budget</u>		
<i>Operations Group</i>						
COO and Support Functions	0.5	1	0.5	0.5	FT Geneva Admin staff vs. PT budget	
Education	0.5	0	1.5	1.5		Director (PT Dir. Remains); Manager
Public Policy/Bureaus	0	0	1	1	Replaced Policy staff moving to SGE	Senior Manager (Q2)
Organization Membership	2.5	1.5	2.5	2.5	Grants activity being outsourced	Grants Manager
Chapters	1	1	1	1		
IT	1	1	1	1		
<i>Subtotal - Operations Group</i>	<u>5.5</u>	<u>4.5</u>	<u>7.5</u>	<u>7.5</u>		
<i>Strategic Group</i>						
Standards & Technology	0	0	0	0		
Strategic Global Engagement	1	1	1	1		
Major Strategic Initiatives	1	1	2	2		
Communications	1.5	1	1.5	1.5		Research Writer/Analyst PT Writer (Q2)
<i>Subtotal Strategic Group</i>	<u>3.5</u>	<u>3</u>	<u>4.5</u>	<u>4.5</u>		
<i>Other Positions</i>						
IAD	0	0	0	0		
General & Administrative	0	0	1	1		Admin Assistant - Reston (Q2)
<b>Grand Total</b>	<u><b>9</b></u>	<u><b>7.5</b></u>	<u><b>13</b></u>	<u><b>13</b></u>		