
Wikimedia Foundation

2009-10 Annual Plan

Covering July 1, 2009 to June 30, 2010



WIKIMEDIA
FOUNDATION



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Notes

Amounts for 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.

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

CONTEXT AND BACKGROUND

This Time Last Year

We had recently completed the move from Florida; the San Francisco office had been open 15 weeks.

We were about to set our first-ever revenue targets, which called for doubling revenues compared with the prior year.

The plan also called for investment in revenue-generating staff. Our priority was growing revenue-generating capacity, while making small essential investments in technology and programmatic activities.



Current State

The Wikimedia Foundation is successfully established in San Francisco.

We've established a revenue-generating team which exceeded 2008-09 targets despite the difficult economy. Spending was successfully reduced from plan in response to the economic downturn.

We've supported a 21% increase in readership, implemented quality improvement and public outreach initiatives, and begun ambitious projects to increase the usability of editing and media uploads.

According to comScore Media Metrix, Wikimedia traffic increased from 261 million unique visitors in May 2008 to 317 million unique visitors in May 2009.

Next Year

In 2009-10, the Wikimedia Foundation will increase revenues by 43% compared with 2008-09, for a total of \$10.6 million.

We plan core operational spending of \$8.1 million (up 53% from 2008-09), and additional spending of \$1.3 million on non-recurring priority projects. Total planned spending in 2009-10 will be \$9.4 million.

This enables us to continue cautiously expanding technology and programmatic capacity, while also funding the collaborative strategy development project, which will be our key initiative for 2009-10.



Increased Spending Will Pay For

More bandwidth and equipment *To support growing audiences*

New technical staff *To support faster problem fixes, improved monitoring and back-up procedures, and faster integration of MediaWiki extensions*

New public outreach “bookshelf” project *A set of core public outreach materials designed to attract and orient new Wikimedia contributors*

New communications campaign *A campaign aimed at increasing understanding of the Wikimedia Foundation and its mission*

New grant-making program *Supporting chapter outreach and quality-improvement activities*

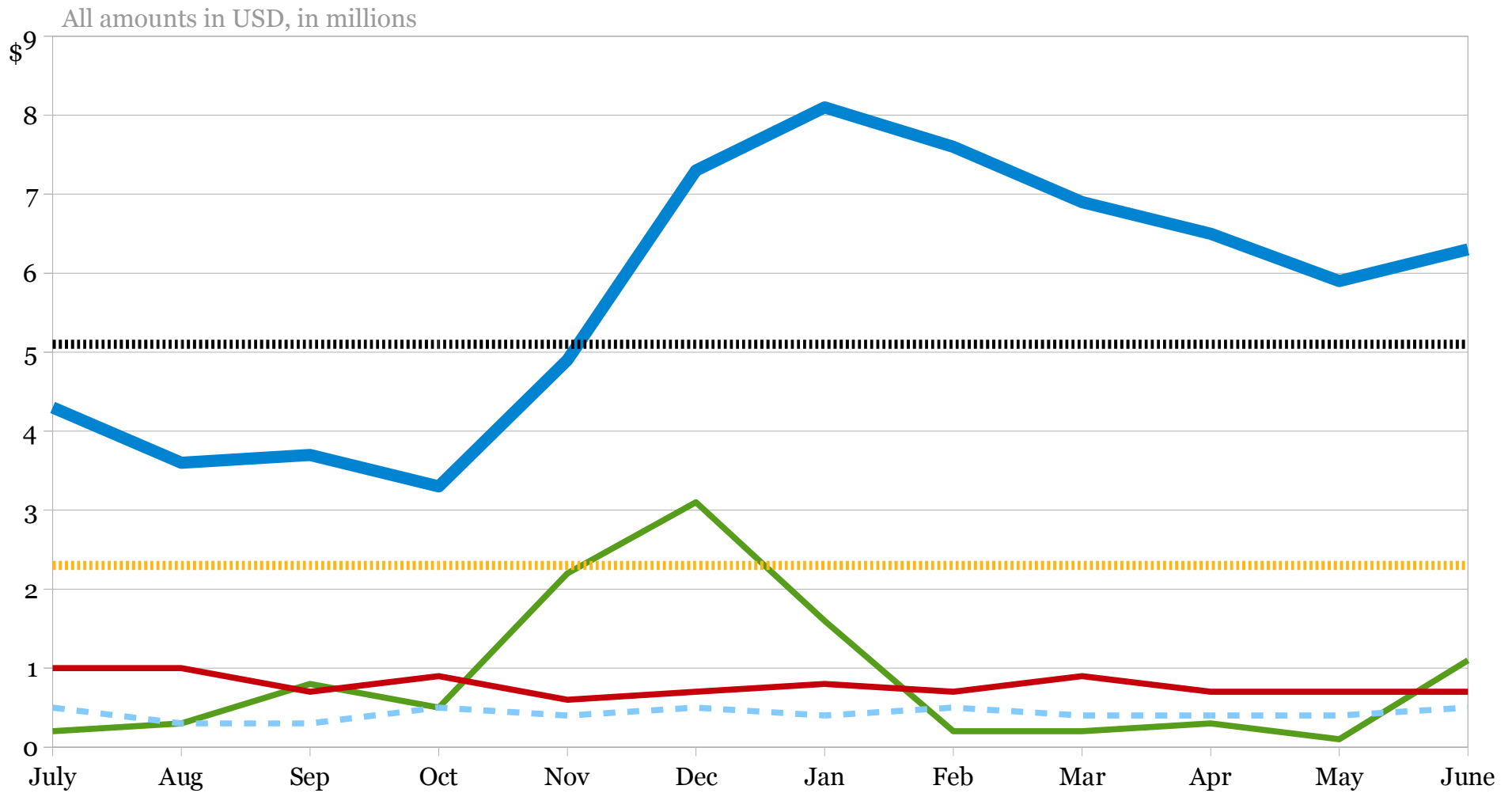
New collaborative strategy development project *A five-year strategy plan guiding the work of the Wikimedia movement*

2009-10 PLAN OVERVIEW



2009-10 Revenue, Spending and Cash Position

Revenue 09-10 Spending 08-09 Spending
Cash At Month End Cash at July 1 Three Months Expenses

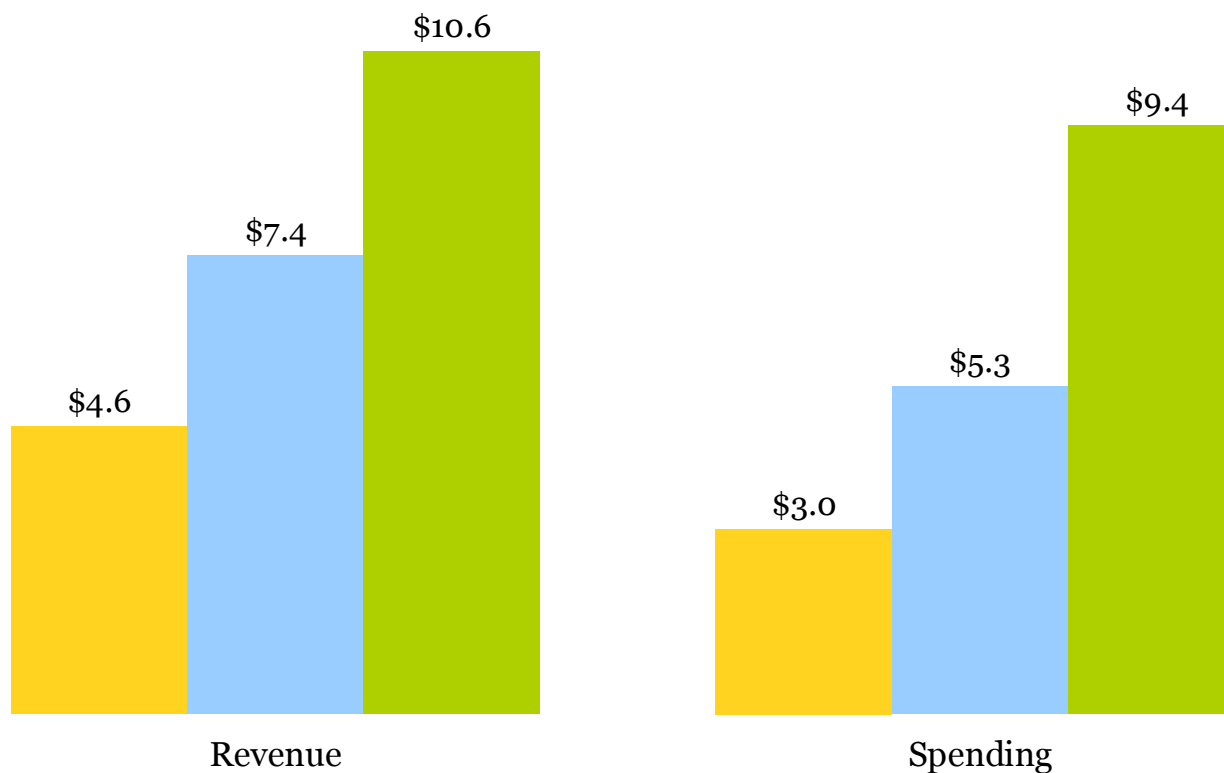




2009-10 Revenue and Spending Compared with 2008-09 Projections and 2007-08 Actuals

All amounts in USD, in millions

■ 2007-08 Actuals ■ 2008-09 Projections ■ 2009-10 Plan

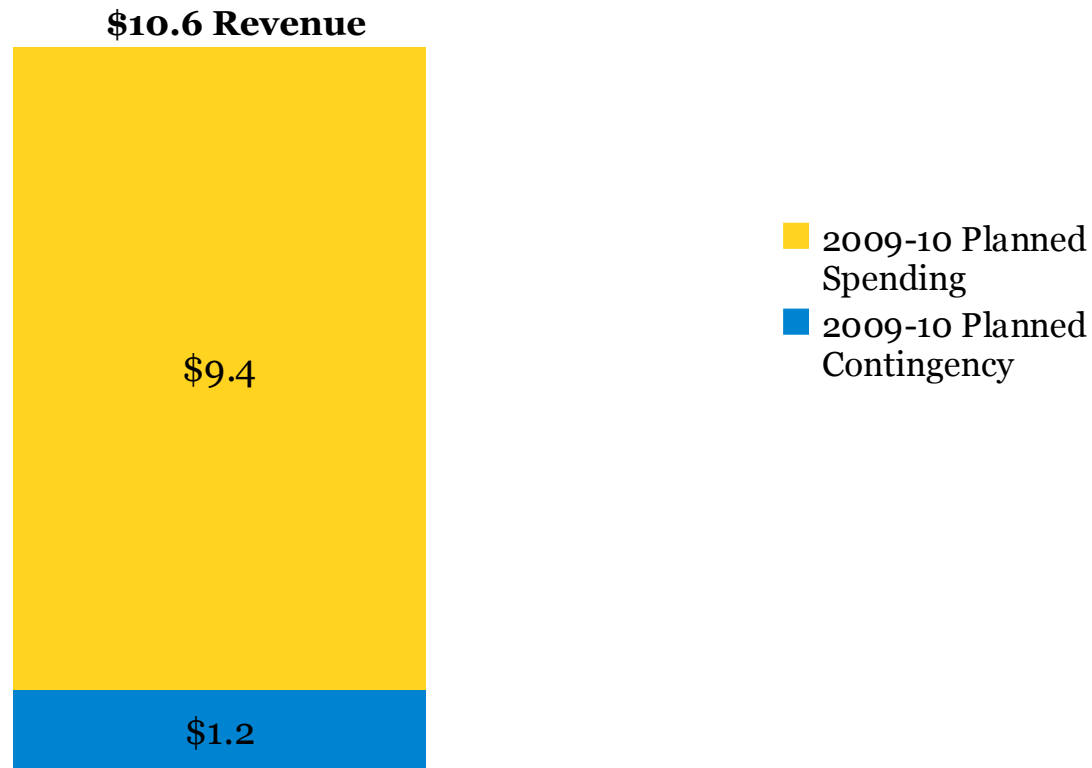


Revenue and spending reflect unrestricted funds only.



2009-10 Planned Spending Overview

All amounts in USD, in millions



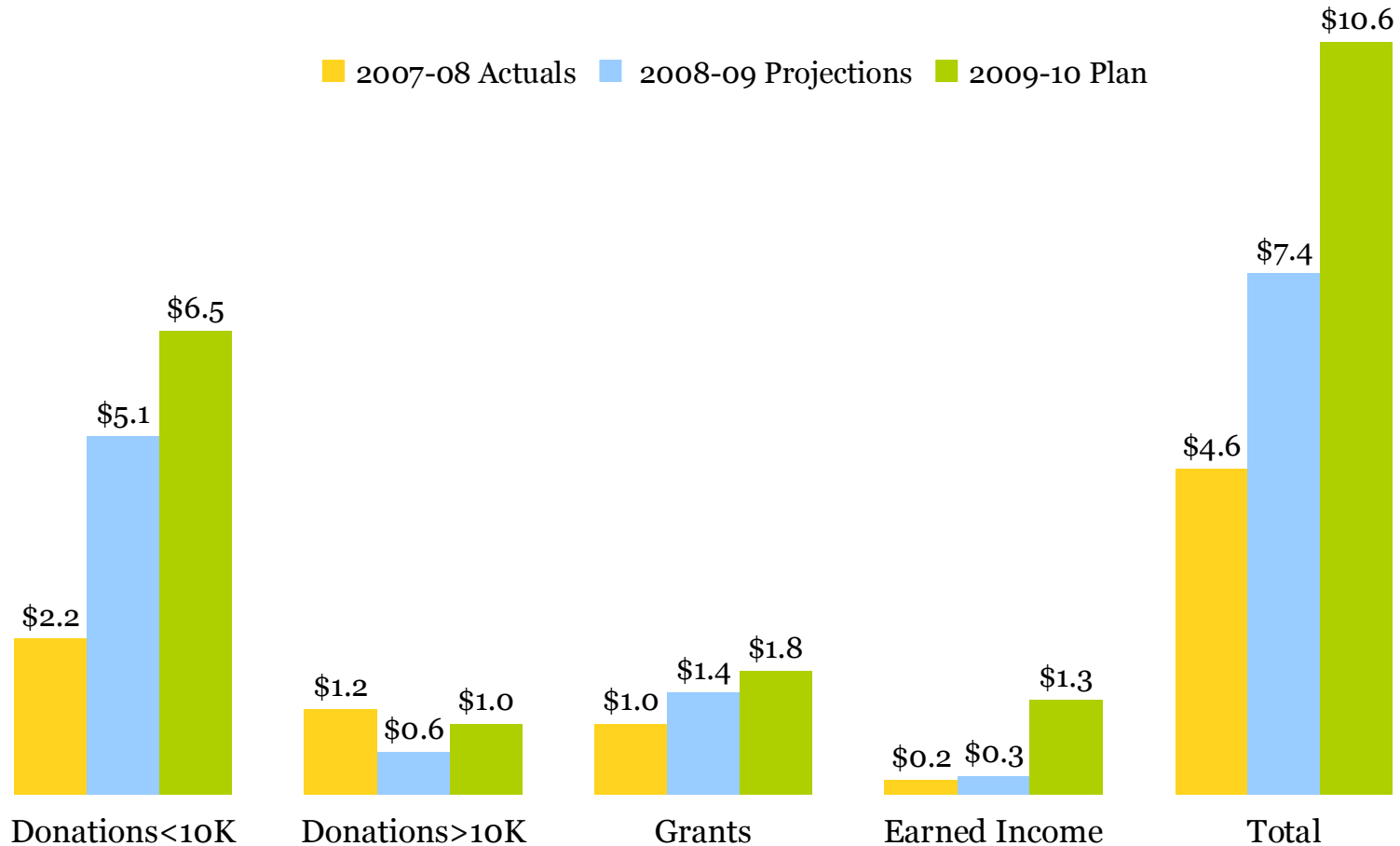
The Wikimedia Foundation's fiscal year 2009-10 is July 1, 2009 to June 30, 2010. Figure based on 2008-09 spending projections, as calculated in May 2009. Amounts do not reflect restricted gifts.



2009-10 Revenues Compared with 2008-09 Projections and 2007-08 Actuals

(Totals, Overlay View, Includes Source)

All amounts in USD, in millions



Targets are for unrestricted revenue only. The Wikimedia Foundation does not set revenue targets for restricted gifts.



2008-09 Spending (Projected) Compared with 2008-09 Plan and with 2009-10 Plan

All amounts in USD, in thousands

	2008-09				2009-10		
	Plan	Projections	Variance \$	Variance % (1)	Plan	Variance \$ (a)	Variance % (2)
Salaries and wages	\$2,156	\$2,036	(\$120)	-6% (a)	\$3,036	\$1,000	49% (aa)
Internet hosting	857	826	(31)	-4%	1,095	269	33% (bb)
Capital expenditures	979	792	(187)	-19% (b)	1,024	232	29% (cc)
Fundraising fees & expenses	180	200	20	11% (c)	288	88	44% (dd)
External contractors	590	523	(67)	-11% (d)	935	412	79% (ee)
Travel	421	233	(188)	-45% (e)	335	102	44% (ff)
Wikimania	100	57	(43)	-43% (f)	43	(14)	-25% (gg)
Legal	180	151	(29)	-16% (g)	130	(21)	-14% (hh)
Facilities and operations	324	311	(13)	-4%	695	384	123% (ii)
Staff & volunteer development	187	130	(57)	-30% (h)	285	155	119% (jj)
Awards and grants	-	-	-	NA	295	295	NA (kk)
Subtotal ongoing spending	5,974	5,259	(715)	-12%	8,161	2,902	55%
Non-recurring spending	-	-	-	NA	1,283	1,283	NA (ll)
TOTAL	\$5,974	\$5,259	(\$715)	-12%	\$9,444	\$4,185	80%

In 2008-09, spending was successfully reduced from plan, in response to the global economic downturn.

Variance Comments

2008-09 Spending (Projected) Compared with 2008-09 Plan and with 2009-10 Plan

2008-09 Projections vs. 2008-09 Plan

Summary: Spending in 2008-09 was \$715K below plan. This is primarily attributable to staff being asked to curtail spending between October and January because of concern that 2008-09 revenues could be depressed due to the global financial crisis.

- (a) Some hiring was postponed due to uncertainty about the economy; also benefit costs overall were lower than projected.
- (b) Lower-than-expected in-kind donations resulted in lower expenditures.
- (c) The annual campaign exceeded its targets, resulting in higher-than-expected donation processing fees.
- (d) Reflects curtailed spending from October through January.
- (e) Reflects curtailed spending from October through January.
- (f) Fewer advisory board members than anticipated attended Wikimania, and more paid their own travel costs.
- (g) Legal defense costs were lower than expected.
- (h) Reflects curtailed spending from October through January.

2009-10 Plan vs. 2008-09 Projections

Summary: Spending in 2009-10 represents cautious growth in most areas and stronger growth in program areas.

- (aa) Increase represents nine permanent staff positions and one temporary staff position.
- (bb) Increased capacity to support anticipated audience growth.
- (cc) Increased capacity to support anticipated growth and new functionality.
- (dd) Investment to achieve higher revenue targets.
- (ee) Increase of \$120K for technical contractors, \$100K for contractors required for the office move and \$23K for business planning support.
- (ff) Reflects staff and Board growth as well as increased allocation for volunteer travel.
- (gg) 2008-09 plan and projections include travel for staff and Board. 2009-10 plan represents travel for staff only.
- (hh) Some HR-related administrative spending has been moved from Legal to Office Manager budget.
- (ii) Includes \$283K for total move costs from 3,000 sf office space to 11,000 sf office space.
- (jj) Reflects staff growth as well as increased allocation for volunteer development.
- (kk) New allocation for awards and grants aimed at supporting volunteer initiatives.
- (ll) Represents the following priority projects: Strategy Plan, Public Outreach Bookshelf, Communications Campaign including temporary project staff.

2009-10 Risks (1 of 2)

Unique collaborative strategy development project risks cost and time overruns. *Response: External strategy firm to support; team to include Wikimedia experience; other failure prevention mechanisms built into the process. If necessary, other activities will be postponed to ensure sufficient resources.*

It may prove impossible to reach revenue targets in current economic climate. *Response: We continue to grow the three smaller revenue streams, increasing diversification. Small individual donations are likely to be relatively insensitive to economic climate. Progress will be monitored monthly, and we will dip into reserves and implement cuts if necessary. Stage-gate holds back 517K of core spending for January.*

Project commitments may exceed organizational capacity, risking delays or failures. *Response: Organizational capacity increases in 2009-10 from 2008-09. Current commitments until April 2010 are understood and manageable; before additional projects are pursued, capacity will be carefully assessed.*

2009-10 Risks (2 of 2)

Usability initiatives risk not achieving transformative

improvements. *Response: Committed deliverables are realistic, and there is strong support from senior staff, experienced MediaWiki contractors and volunteers.*

Public Outreach Bookshelf materials are not useful for their audience, or not accepted by the Wikimedia community.

Response: project team includes both end-user subject-matter experts and Wikimedians, and plan focuses on designing materials ready for localization by chapters and volunteers.

Move to new office space risks distracting San Francisco staff.

Response: Experienced office manager has a clear mandate to find a similar-but-bigger space. Priority is to replicate current functionality: customization will occur later.

Final year of Sloan three-year grant puts pressure on revenue-generating staff for 2010-11. *Response: Continue focus on growing small individual gifts, while additionally seeking unrestricted grants.*



Staffing by Functional Area

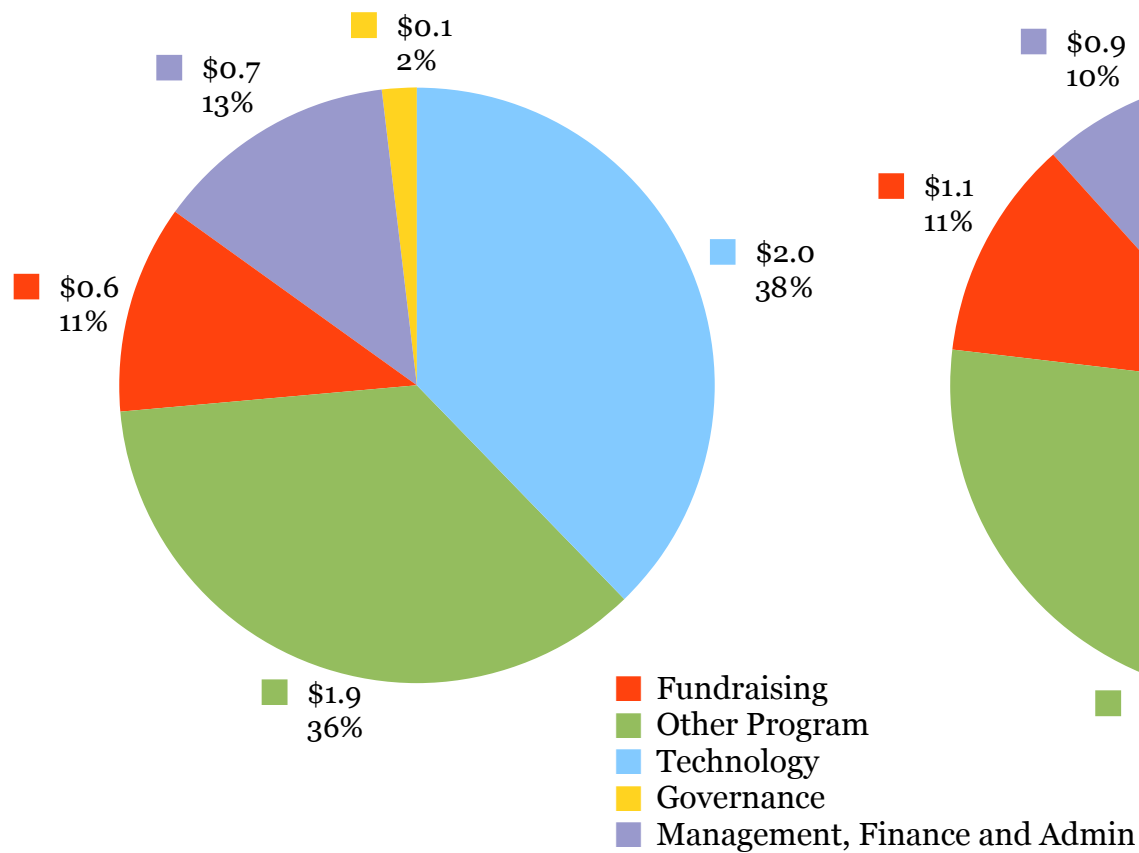
Please note the 150,000+ active Wikimedia volunteers are not reflected here. This chart includes only paid staff.



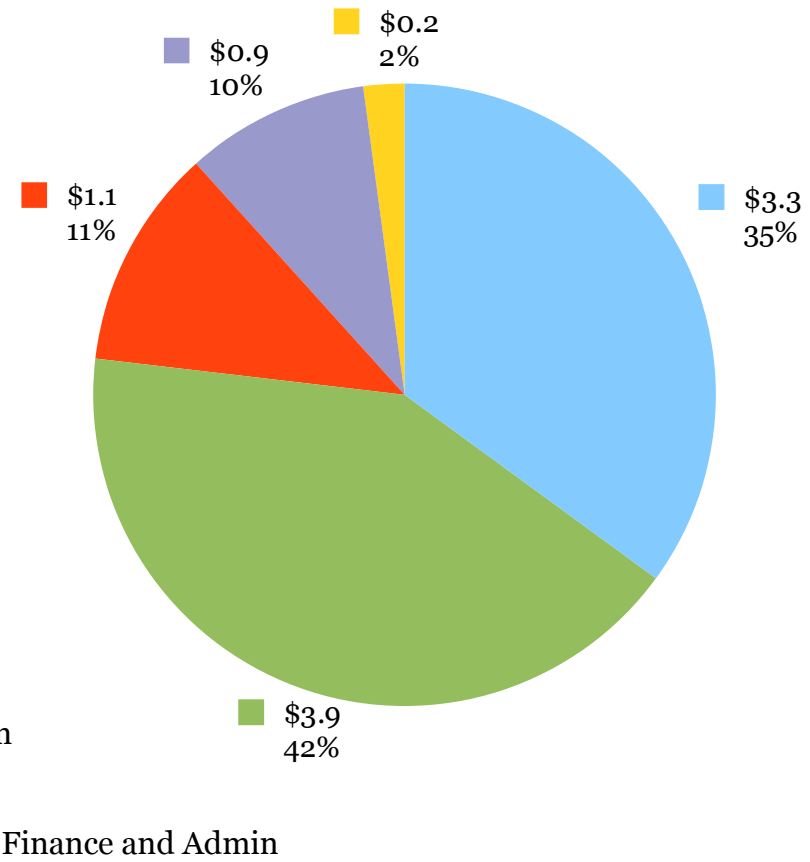
Temporary project staff are those funded out of the WMF core operating budget. Not reflected here are six tech positions funded by restricted gifts.

Spending by Functional Area

2008-09
Spending by Functional Area



2009-10
Spending by Functional Area



All amounts in USD in millions, and as a percentage of the whole

BOARD RESOLUTION

RESOLUTION

RESOLVED, that the Board of Trustees hereby approves management's proposed 2009-10 annual plan of \$9.4 million of spending, \$10.6 million of revenues, and a reserve of \$1.2 million. These amounts do not include restricted gifts to fund additional project work. If during the year management anticipates the annual reserve will differ materially from the plan, the Board directs management to consult the Board Treasurer promptly.

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



Quarterly Breakdown of Annual Plan

All amounts in USD, in millions

2009-10	Q1 (July-Sept)	Q2 (Oct.-Dec.)	Q3 (Jan.- March)	Q4 (April-June)	Total
Cash Revenues	\$1.3	\$5.9	\$2.0	\$1.4	\$10.6
Cash Spending	2.8	2.1	2.4	2.1	9.4
NET CASH RESERVE	\$(1.5)	\$3.8	\$(0.4)	\$(0.7)	\$1.2