Mozilla Foundation Board Meeting

July 9 + 10, 2019

2019 Board workflow

February	April	July	November	January
Impact Goal + 2019 Budget	Board Elections + MoCo	**Berlin Retreat**	2020 + Strategic Look Ahead	2020 Plan + Budget
Q1	**Q2**	**Q3**	**Q4**	**2020**
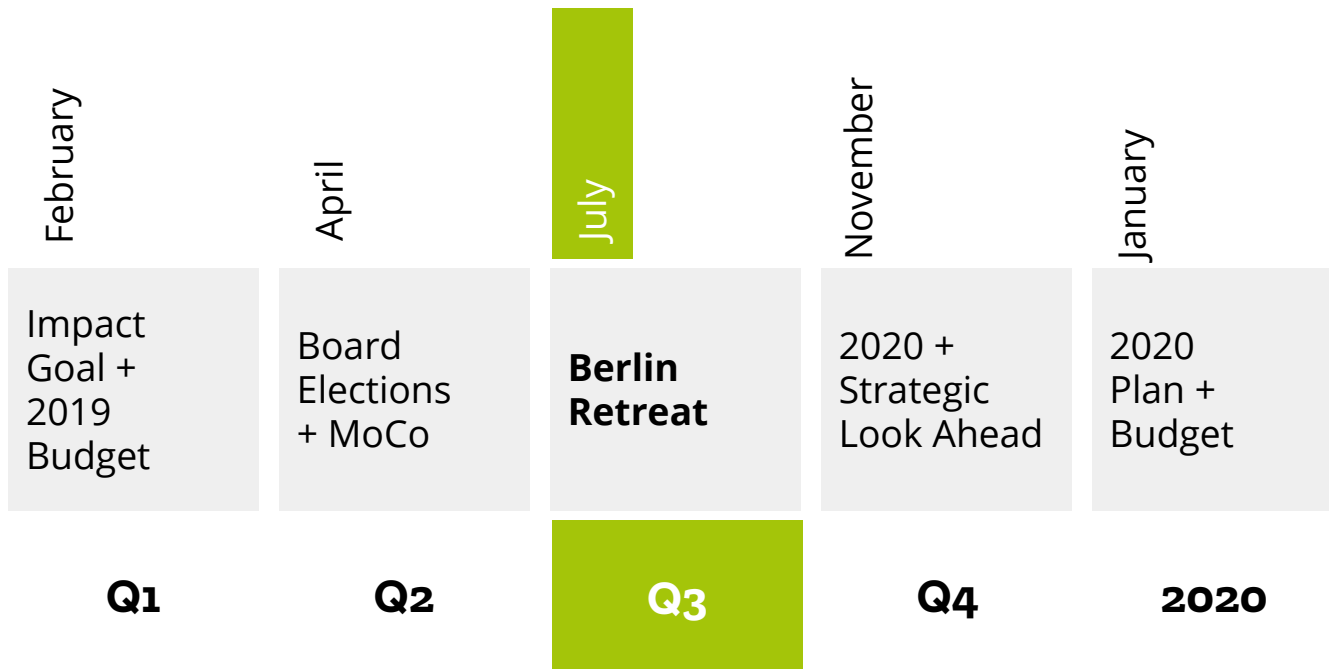
Mid Year Review

(day 1)

update

Reminder:
what we set out
to do in 2019

Our focus *(enduring)*

mozilla Internet Health Report **2019**

How healthy is the internet?

Our 2019 compilation of research and stories explains what's key to a healthier internet across five issues, from personal experience to global concerns.
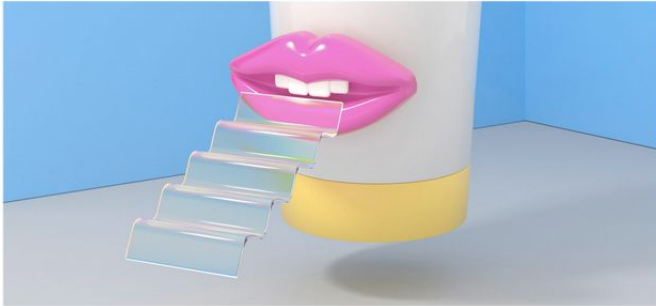
MoFo's overall focus remains, **creating a healthier internet** by supporting a movement of people and allies around the world who share our cause ...

Our focus *(enduring)*

moz://a Internet Health Report **2019**

Spotlight: Let's ask more of AI

… and we're rolling out an **AI theme in 2019 as a way to add focus and momentum** to our overall internet health agenda.

2019 overview *(from Feb board slides)*

Key priority: **grow unrestricted revenue through increased donor engagement and clear wins** related to the impact goal.

This means: increased focus on comms and digital engagement. Raising the profile of fellows and awardees. Leveraging the 10th anniversary of MozFest. Maximizing the reach of the Internet Health Report. And using our influence to add nuance and specificity to the public debate around AI.

We will also focus on growing organizational strength and efficiency to ensure we have the internal muscle needed to increase external impact.

2019 OKRs *(from Feb board slides)*

Objectives		Key Results (examples)
Theme	**Build momentum for better machine decision making** by supporting projects with near-term impact.	60% of program resources focused on better machine decision making.
Revenue	**Grow and diversify revenue** through increased donor engagement.	Grow unrestricted donations by 25%.
Reach	**Strengthen the movement** by increasing the reach of Mozilla fellows and allies.	70% of press mentions fellows/awards/allies/community.
Org Health	**Grow organizational strength and efficiency** to achieve increased external impact.	Increase "execution" score in engagement survey by 20%.

Where we are now

(overview)

2019 progress ...

In the first half of 2019,

Public interest in internet health stories continued to grow,
including increased press and policy maker focus on AI-related issues.

We **increased donor engagement by better linking our work to these stories**.
These efforts nearly doubled engagement and generated $1.08M in donations.

Also, we **shifted attention and resources towards our 'healthy AI' theme**.
Over 25% of the Internet Health Report and 70% of incoming fellowships relate to AI in some way.

... and next steps

In the second half of 2019, we will ...

Run **more issue-based marketing campaigns**. Also, test this content in Firefox channels
to see if it can mitigate fundraising risks created by the upcoming MoCo subscription plans.

Develop **public messaging on healthy AI** through campaigns around specific issues.
Also, use new fellows plus MozFest to move us from 'investment' to 'launch' phase of this work.

Also, use current work on healthy AI to make a **clearer link between programs and impact.** The
'metrics gap' remains a challenge. We have a plan to tackle this in H2.

OKR1:
Healthy AI

OKR1: Healthy AI *(overview)*

Objective **build momentum for** ~~better machine decision making~~ **healthier AI by supporting projects with near-term impact.**

Policy, press and **public attention growing on AI issues**, from discrimination in facial recognition to the role of YouTube content algorithms in misinformation.

Existing work on misinfo and ethical tech education - plus major new investments in AI related fellows - will allow us to **use this momentum to drive our internet health agenda**.

Our biggest challenge: **still working out language and specific impact** (e.g. ethical vs. responsible vs. healthy). But **everyone else is, too**. It's the phase we are all in.

OKR1: Healthy AI *(progress)*

Objective **build momentum for** ~~better machine decision making~~ **healthier AI by supporting projects with near-term impact.**

Key result	Baseline	Progress	Target
60% of program resources focused on better machine decision making	50% of fellows 90% campaigns on 2018 data theme	75% of fellows 25% of IHR on 2019 AI theme	60% of overall resources
Develop theory of change update focused on AI	0	Impact statement drafted	1

OKR1: Healthy AI *(highlights)*

engadget

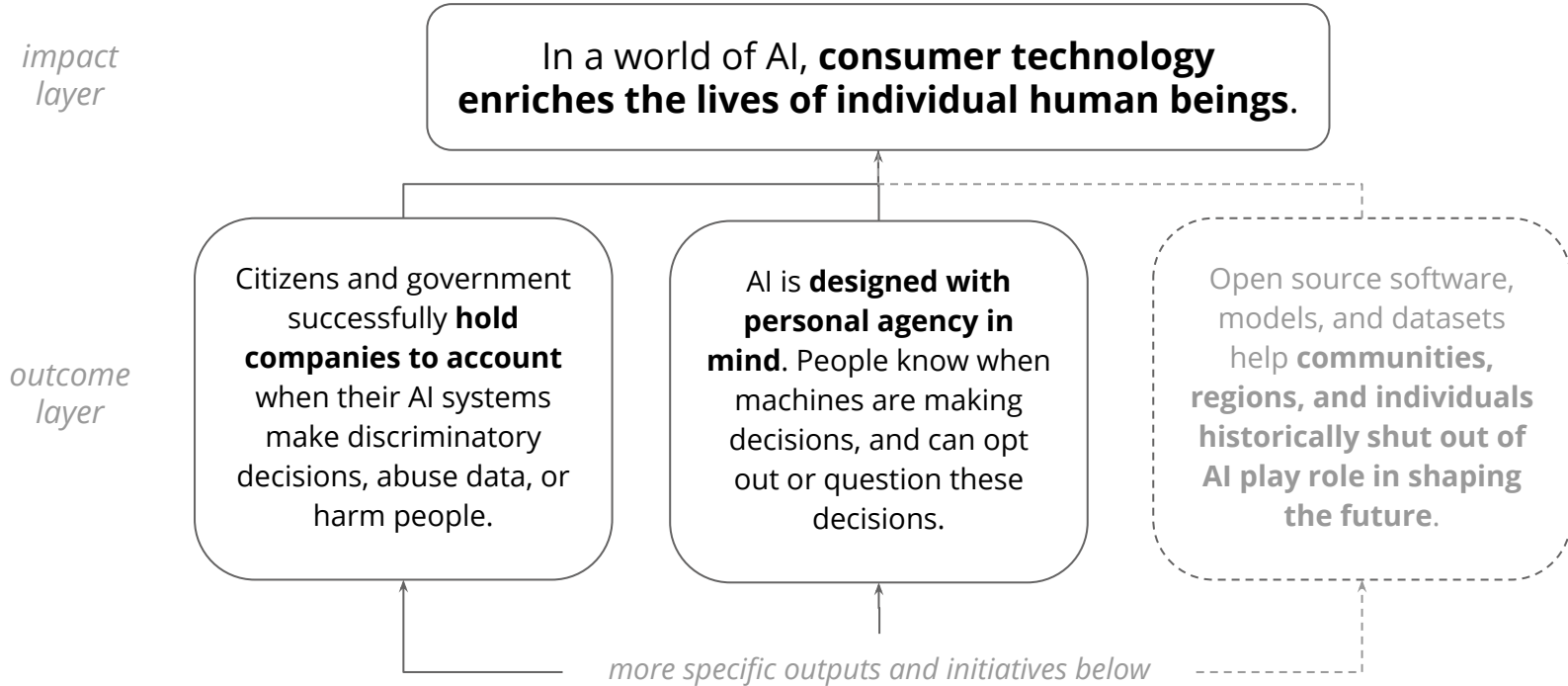**An AR film explores the worst tech companies could do with your face**
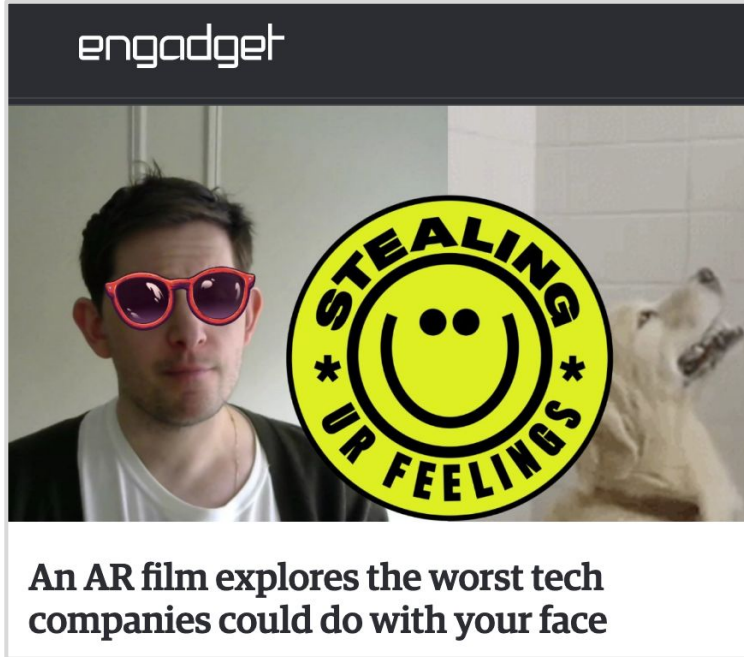
Work by people like fellow Renee DiResta (amplification of misinfo) and awardee Noah Levenson (facial recognition) given us a way to talk about AI-related issues.

Adding fellows with **more concrete projects in H2, including ex-YouTube engineer Guillaume Chaslot** and 10 hosted fellows working on AI.

In 2019, 70% of fellows and the majority of our $7M fellowships and awards spending will focus on AI. This tees us up to play a major role as AI issues gain steam in the coming years.

OKR1: Healthy AI *(proposed theory of change overlay)*

impact layer

In a world of AI, **consumer technology enriches the lives of individual human beings**.

outcome layer

Citizens and government successfully **hold companies to account** when their AI systems make discriminatory decisions, abuse data, or harm people.

AI is **designed with personal agency in mind**. People know when machines are making decisions, and can opt out or question these decisions.

Open source software, models, and datasets help **communities, regions, and individuals historically shut out of AI play role in shaping the future**.

more specific outputs and initiatives below

OKR1: Healthy AI *(next steps)*

In the second half of the year, we will …

Flesh out our **'healthy' AI messaging and theory of change overlay**.
This will fuel communications and 2020 planning.

Kick off more concrete projects with fellows. Also, **dig into partnerships with industry players like Element AI and Partnership on AI** plus coalition of EU orgs working on AI issues**.**

Ramp up public and grassroots engagement, including **YouTube campaign on algorithmic transparency** and an 'ethics and AI' campus recruiting campaign.

OKR 2:
Revenue

OKR2: Revenue *(overview)*

Objective **grow and diversify revenue through increased donor engagement.**

At the start of the year, we set out to **grow unrestricted revenue through increased donor engagement** and achieve clear wins related to our key issues.

We ran a set of **marketing campaigns to test the 'more engagement = more revenue' theory**. They have generated $1.08m and offset some of our snippet losses.

Also, we see **early success with major donors**: $22k / 10 donors in H1 2019 vs. $4k / 4 donors in H1 2018. Caveat: it usually takes three years (2021) to see big results from major gift work.

OKR2: Revenue *(progress)*

Objective **grow and diversify revenue through increased donor engagement.**

| Key result	Baseline	Progress	Target
Grow unrestricted donations by 25%	$2,700,000	$1.08M as of 6/30 vs. $1.07M H1 target	$3,375,000
Grow highly engaged subscribers by 30,000	60K	110k	90k
12 engagement events to nurture donor prospects	2	3	12

OKR2: Revenue *(highlights)*

Engaged Users - H1 2019
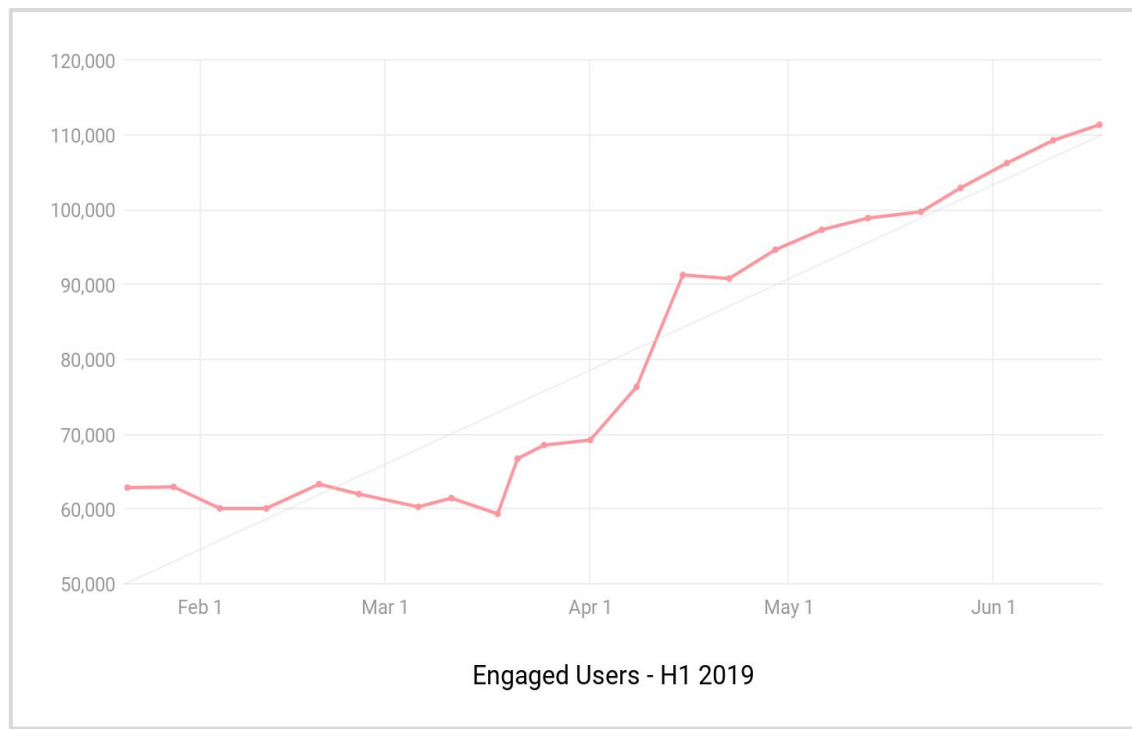
Our strategic bet: increasing number of engaged supporters will lead to increased donations.

Content from our fellows and allies (OKR3) has **people engaging more via email and our site**, leading to ....

OKR2: Revenue *(highlights)*
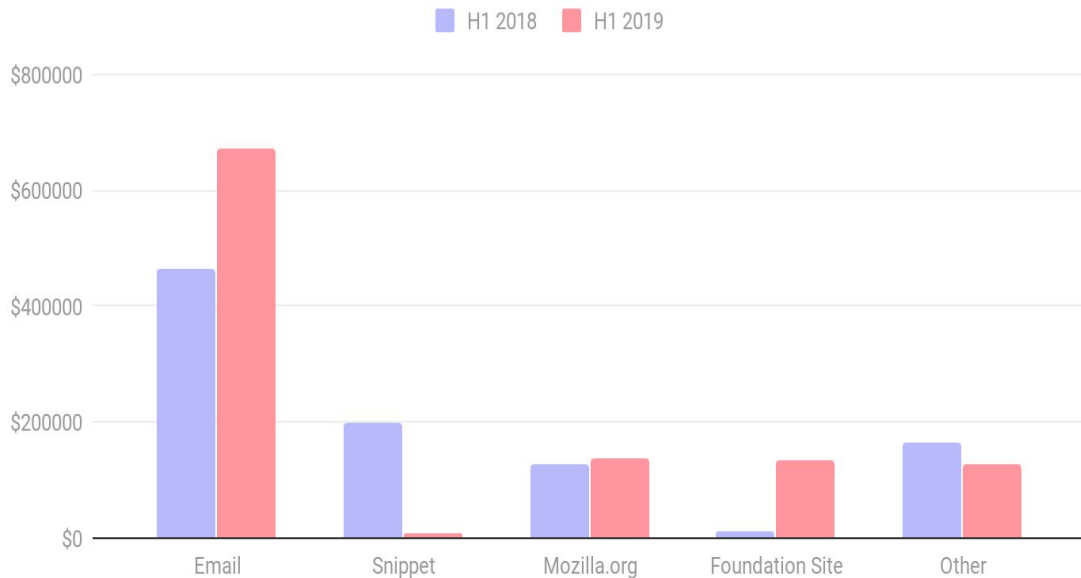
Donations by Channel

...**increased donations from email and site referrals**, growing significantly from this time in 2018.

This is starting to close the gap created by the loss of snippet promotions.

OKR2: Revenue *(next steps)*

In the second half of the year, we will …

Expand the scope of issue marketing campaigns to further drive engagement and donations. Campaigns focus on AI, MozFest and our track record challenging Big Tech.

Build **advocacy campaigns around AI projects by awardees**, like *Stealing Your Feelings (facial recognition)* and *Monster Match (dating algorithms)*. See if this levels up supporters to donors.

Test our **'comprehensive internet health strategy' pitch for major donors**.
Goal: find out if this is more successful than pitching specific issues and programs.

OKR 3:
Reach

OKR3: Reach *(overview)*

Objective: **strengthen the movement by increasing the reach of Mozilla fellows and allies.**

Our other theory was: **stories about the work of fellows and allies will be more compelling** than high-level content about Mozilla programs. It also lifts up the movement.

We built our **engagement campaigns around Renee DiResta's misinfo work and Internet Health Report content** to test this theory. This drove positive results in *OKR2 - Revenue*.

While promoting the work of fellows and allies has helped us engage existing supporters more effectively, we **still need to unlock new and bigger audiences**. This is an H2 goal.

OKR3: Reach *(progress)*

Objective: **strengthen the movement by increasing the reach of Mozilla fellows and allies.**

Key result (examples)	Baseline	Progress	Target
30% increase in foundation.mozilla.org monthly traffic (w/ 10 stories/month about Mozilla and allies)	15K/mo	49.5k/mo 12 stories (avg/mo)	19.5K/ mo 10 stories
10% increase in press coverage (70% incl fellows, awards, allies,community)	1150 stories	446 stories. 55% re: allies	1265 stories 70% re: allies

OKR3: Reach *(highlights)*

A Mozilla-Led Coalition Is Pushing Facebook for Greater Political Ads Transparency in the EU

The groups seek a functional open Ad Archive API by April 1

Increasingly, we're doing collaborative advocacy campaigns -- and using this to build the strength of the movement.

During the recent EU election, we **co-developed guidelines for more accountability in political ad APIs** with European researchers. And then ran a campaign around the results.

This has inspired orgs in the US and Argentina to consider using our work in similar campaigns for upcoming elections.

OKR3: Reach *(next steps)*

In the second half of the year, we will …

Launch AI-related campaigns (e.g. YouTube algorithm transparency) to highlight the work of our fellows and new allies including orgs working on climate change, public health, etc.

Develop a **refreshed Internet Health Report model**. Will focus more on concrete solutions and what can be done. From there, move to more frequent issues with a yearly summary.

Use MozFest House to seed **bigger, longer term AI collaborations with allies**, including data trusts workshop with Element AI and EU + AI work with fellowship host orgs.

OKR 4:
Org Health

OKR4: Org health *(overview)*

Objective **grow organizational strength and efficiency to achieve increased external impact.**

We see a **gap between long-term ambitions** (e.g. healthy AI) **and short-term program outputs** (e.g. AI fellows).

Over the last few months, we worked with consultants to look at this gap. Their initial observation: our **operational OKRs and our theory of change are not well connected**.
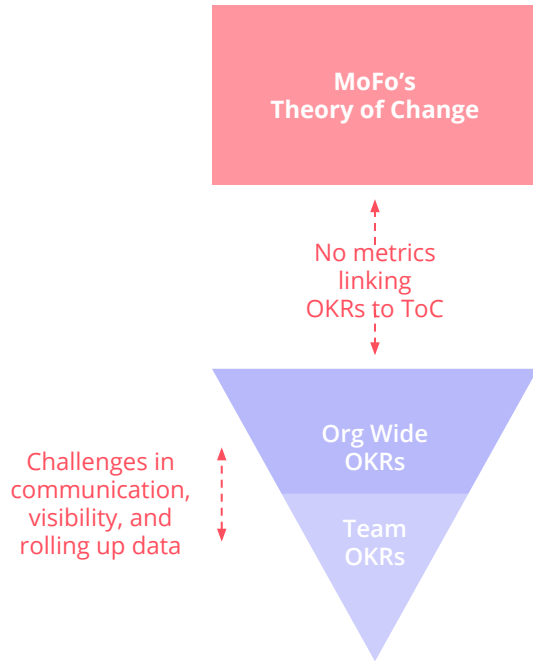
Our plan now is to create a clearer set of metrics to link ambition to execution. This will help us **develop a culture of data-driven decision-making** about program investments.

OKR4: Org health *(progress)*

<div style="background:#d9d9d9; padding:1em;">

Objective **grow organizational strength and efficiency to achieve increased external impact.**

</div>

Key result (examples)	Baseline	Progress	Target
Increase "execution" score in engagement survey by 20%	56%	Survey closes this Friday	76%
Deliver a strategy for measuring org performance and effectiveness that improves agility and transparency around decision-making	0	New KR	1

OKR4: Org health *(highlights)*

MoFo's
Theory of Change

No metrics
linking
OKRs to ToC

Org Wide
OKRs

Challenges in
communication,
visibility, and
rolling up data

Team
OKRs

Key problem: we have not linked both team and organisation-wide OKRs to the theory of change (TOC). This is in part because the activities layer in the ToC was notional.

Working with outside consultants, we now have proposed a plan to fix this gap. We will revise the ToC to a) include core activities we are working on right now and b) include key stakeholders in the ToC. From there, we will rearticulate desired short/long term outputs and outcomes with more nuance.

OKR4: Org health *(next steps)*

In the second half of the year, we will …

Update and expand our theory of change and integrate the AI overlay. Define what should be measured and how. Design solutions to enable measurement and decision-making.

Establish clear metrics to inform evidence-based decision-making.
Use this to inform more distributed annual budgeting and strategic planning processes.

Continue to **devote resources to improving the "execution" score in the staff engagement survey**, focusing on efforts related to transparency, accountability, agility and recognition.

decisions

Board business

(day 2)

Board business

1. Approve April 2019 minutes.

2. MoCo directors process and election.

3. Review proposal to create new Thunderbird entity.

4. VP, Leadership Programs hiring update.

Thunderbird entity

MoFo has served as the fiscal sponsor of the Thunderbird project since 2015. Until last year, Thunderbird was not a significant part of the Foundation's budget. However, **Thunderbird's stream of donations and projected budget have grown dramatically**, with anticipated spending and donations for this year exceeding $1M.

Thunderbird's activity is growing large enough that it could soon be considered a "substantial" activity of the Foundation (over 5% of spending), and we would need to prove to the IRS that the production of Thunderbird qualifies as a charitable activity. **Leaving Thunderbird in MoFo now presents a significant risk to MoFo's charitable status.**

Thunderbird entity

To address these risks, we are proposing that Mozilla Foundation form a wholly-owned subsidiary for the project as soon as possible. Specifically, **we are proposing that we create the subsidiary as an ordinary for-profit California corporation wholly owned by the Foundation and taxed as a C corporation (the same as MoCo).**

The main alternatives would be a) keeping Thunderbird in MoFo and making the case to the IRS that Thunderbird is a charitable activity or b) constraining Thunderbird spending below 5% of MoFo's spending. Neither of these are good options. The idea of a spin out was ruled out for the time being, as all parties would like to maintain the association of Thunderbird with the Mozilla project.

Thunderbird: key considerations

- In the C corp, donations to Thunderbird will no longer be considered charitable or tax deductible. Thunderbird understands it may be harder to get people to donate.
- Thunderbird has expressed a desire to explore commercial revenue streams not possible within MoFo. The subsidiary would allow them to explore these options.
- MoFo wants to make sure that Thunderbird retains access to the money they have already raised. The for-profit structure makes it easy for the Foundation to contribute existing Thunderbird resources (~$2M) into the subsidiary in return for stock.
- Moving Thunderbird to a subsidiary ensures that MoFo is no longer responsible for ensuring that Thunderbird's activities are charitable in nature (a current burden).
- Mozilla (and subsequently, the MoFo Board) may need to provide more oversight of Thunderbird in this new structure.

Appendix:
2019 OKRs

This appendix includes
H1 reporting on our four 2019 OKRs
and updated H2 KRs

H1 OKR 1: Theme

Build momentum for better machine decision making by supporting projects with near-term impact.

KEY RESULT	BASELINE	CURRENT	TARGET
60% of program resources focused on better machine decision making	17/35 fellows 90% campaigns MozFest theme "Data Done Right"	Cataloguing how this is taking shape in our work; Needs metric design	60%
Develop theory of change update focused on AI	0	Refining impact statements	1

H2 OKR 1: Theme

Build momentum for healthier AI by supporting projects with near-term impact.

KEY RESULT	BASELINE	CURRENT	TARGET
60% of program resources focused on pushing AI in a better direction for humanity	17/35 fellows 90% campaigns MozFest theme "Data Done Right"	Cataloguing how this is taking shape in our work; Needs metric design	60%
Further refine ToC focused on AI and use to develop 2020 plan	0	Refining impact statements	1
New comms-related KR TBD			

H1 OKR 2: Revenue

Grow and diversify revenue through increased donor engagement.

KEY RESULT	BASELINE	CURRENT	TARGET
Grow unrestricted donations by 25%	$2,700,000	$1,081,850 as of 6/30 H1 goal is $1,075,000	$3,375,000
12 engagement events to nurture major donor & foundation prospects	2	3	12
Grow highly engaged subscribers by 30,000 (2.5% new/re-engaged donors)	60K	111,000	90k

H2 OKR 2: Revenue

Grow and diversify revenue through increased donor engagement.

KEY RESULT	BASELINE	CURRENT	TARGET
Grow unrestricted donations by 25%	$2,700,000	$1,081,850 as of 6/30 H1 goal is $1,075,000	$3,375,000
12 engagement events to nurture major donor & foundation prospects	2	3	12
Grow highly engaged subscribers by 90,000	60K	111,000	150k

H1 OKR 3: Reach

Strengthen the movement by increasing the reach of Mozilla fellows and allies.

KEY RESULT	BASELINE	CURRENT	TARGET
30% increase in monthly traffic to foundation.mozilla.org (publishing 10 stories/month about Mozilla & allies)	15K/mo	49.5k avg per "28 day active users"	19,500K/ mo
10% increase in press coverage (70% incl fellows, awards, allies,community)	1150 stories	446 press stories 245 (55%): re: fellows + community	1265 stories 885 w/focus
Support 5 events at MozFest House hosted by new allies or festival alumni related to machine decision making	0	3 events confirmed	5

H2 OKR 3: Reach

Strengthen the movement by increasing the reach of Mozilla fellows and allies.

KEY RESULT	BASELINE	CURRENT	TARGET
500% increase in monthly traffic to foundation.mozilla.org (publishing 10 stories/month about Mozilla & allies)	15K/mo	49.5k avg per "28 day active users"	90,000K/ mo
10% increase in press coverage (70% incl fellows, awards, allies,community)	1150 stories	446 press stories 245 (55%): re: fellows + community	1265 stories 885 w/focus
Curate, fund and expand the reach of 10 events at MozFest House hosted by new allies or festival alumni related to AI	0	3 events confirmed	10

H1 OKR 4: Org Health

Grow organizational strength and efficiency to achieve increased external impact.

KEY RESULT	BASELINE	CURRENT	TARGET
Increase "execution" score in engagement survey by 20%	56%	Survey results in mid-July	76%
Complete stay interviews for 50% of all employed staff	10	25	40
100% of budget managers using new financial systems	0	On hold	100%
30% of reccs from Data and Metrics Working Group implemented	0	12%	30%

H2 OKR 4: Org Health

Grow organizational strength and efficiency to achieve increased external impact.

KEY RESULT	BASELINE	CURRENT	TARGET
Increase "execution" score in engagement survey by 20%	56%	Survey results in mid-July	76%
Develop a consolidated strategy for D&I that incorporates internal and programmatic priorities	0	*New KR*	1
Evolve the annual budgeting and strategic planning process to be more distributed	2019 Pilot	*New KR*	2020 budget/ plan approved in Jan
Deliver a strategy for measuring org performance/effectiveness that improves agility and transparency around decision-making	0	*New KR*	1