Mozilla Foundation Board Meeting

April 20, 2022

Agenda

1. Board Business

2. Mozilla Next Update

3. Annual Meeting

   a. MoCo / MoFo Board Discussion
   b. MoCo Board Election
   c. MoFo Board Election

4. Mark Surman Review

Board Business

Board Business

- Approve February Minutes

- Minor MoCo bylaw change

- Follow up: Kickstarter approval

- FYI: MoFo Dividend

- FYI: 2021 Financials

FYI: 2021 financials *(unaudited)*

- MoFo 2021 books are now closed. The organization is in excellent financial health. **Overall revenue was up by 25% for a total of $30.2M.**

- **Trademark revenue increased by 22% to $19.8M** due to strong MoCo search revenue. Total **restricted revenue was up 112%** to $5.3M due to the addition of four new grants totalling $4.3M that closed in 2021.

- **Unrestricted donations were down $0.7M vs. budget**. This is the result of Q4 technology and staffing constraints, as well as the loss of the snippet mid-year.

- **Total expenditures were $23.1M, $6.1M under budget.** Main drivers of underspend include impact of the pandemic, lower personnel costs, lower MoCo service costs, and a shift in some Fellowship and MozFest expenses from Q4 2021 to 2022.

- MoFo's **investment portfolio gained 9.2% in 2021,** with a total value of $37.2M at EOY.

Mozilla
Next

Overview

- Primary **focus for 2022 is standing up Mozilla Ventures and Mozilla.ai**.

    - Our Q1 efforts have been: refining our narrative and getting started on leadership recruitment for both initiatives.

    - We're also in the midst of extensive listening tours, which include sourcing investments and open source projects to support.

- Later in 2022, we will kick off a **'Mozilla reinvention' comms campaign,** using MoCo / MoFo / new orgs to tell the story of where Mozilla is headed next.

- **Hiring 'apex org' execs deferred**. Mark + consultants will lead this work until we have a clear need and design for a separate 'apex org' team.

- In July: get back to big picture governance topics.

Mozilla Ventures

- Goal (reminder): **invest in Mozilla-like companies to spur innovation**, increase our influence and bring learning back into Mozilla.

- Progress:

  - **General Partner recruitment started** w/ help from Lucid Capitalism.

  - Have **talked to four companies** as we look to invest against initial $10M. Has allowed us to test our mission screen: one security company moving to diligence; one AI company passed the screen but round was closed; one edtech company failed the screen; one media company still being assessed.

- Next: continue to look for GP + opportunistic investments with like minded fund. Develop proposal for full fund ($25M + possible outside funding) once GP in place.

Mozilla.ai

- Goal (reminder): create a home for **open source AI tools and datasets that advance trustworthy AI**, attract talent and grow our influence.

- Progress:

  - **CEO recruitment started** with support from Russell Reynolds.

  - Early candidate interest from a wide variety of corporate and research backgrounds: Capgemini, Google, HP Labs, Vector Institute, Xerox Parc.

  - Encouraging feedback so far from AI experts listening tour. E.g. DAIR (Timnit Gebru), Harvard, MILA, OpenMined, US Census, Wellcome LEAP.

- Next: **review possible pilot / exploration projects** in auditing and privacy enhanced AI. Develop full proposal for Mozilla.ai ($25M) once CEO is in place.

Feedback so far …

- Mozilla Ventures and Mozilla.ai **announced internally** in late March.

  - Deliberate change management approach: be transparent but don't over-signal. Focused on our two main initiatives rather than 'Mozilla Next'.

  - Feedback so far either positive or neutral. **Mostly quiet, which is good**.

  - Continuing to engage with teams that have expressed interest in the work (e.g. MoCo data org / MoFo insights).

- Have also **starting to share externally** with candidates, advisors, etc.

  - General response: **excitement to see Mozilla moving into new areas.**

- Next: continued external testing in Q2. Broader 'Mozilla reinvention' external press campaign starting in Q3, jointly with MoCo and MoFo comms teams.

Budget update

- In January, we agreed on a **$25M start up budget for Mozilla Next** including:

  - Start up teams for apex, Ventures and Mozilla.ai: ~$5M (operating)
  - Initial investments (pre-fund): up to $10M (investment)
  - AI related projects: up to $5M (internal or external)

- $20M dividend to MoFo will be presented for approval at May 10 MoCo Board meeting. This will fund the MoCo portion of the Mozilla Next start up budget.

- We had **spent ~$2.5M** by the end of February, $0.5M in operating (core team) and $2M in investments (Kickstarter).

- **Spending will pick up significantly in Q2/Q3** when Mozilla.ai and Mozilla Ventures leaders are hired, and as initial investments and AI projects come on board.

FYI: Mark Surman 2022 Goals

Objective	Key results
Put **Mozilla Next** plan into action.	Leaders in place for Mozilla Ventures and Mozilla.ai. Full proposals presented to Board.
	MoCo and MoFo 'company confidence' scores 5% higher at EOY.
Put **MoFo Programs** on track for revenue growth.	Updated fundraising narrative developed, tested and rolled out. (H1)
	Updated fundraising model and teams in place, testing growth strategies. (H2)
Help Mozilla become more **open, diverse, and inclusive org**.	MoFo Program Committee expanded to grow community role in program governance.
	MoFo diversity and inclusion engagement score stays above 80%.

FYI: Key Milestones

	Q1	Q2	H2
Ventures	GP recruiting started. Narrative refined (based on board input).	Initial investments from $10M. Meetings w/ other investors.	GP recruited. Full fund proposal to Board. Additional investments.
Mozilla.ai	CEO recruiting started. AI expert listening tour started.	Initial exploratory projects from $5M. Expert tour continues.	CEO recruited. Mozilla.ai proposal to Board.
Comms	Mozilla.ai and Mozilla Ventures announced internally.	Quiet external engagement. External comms firm hired.	External Mozilla 'reinvention narrative' comms campaign.

Appendix:
2022
MoFo
OKRs

OKR1 AI transparency

2022 Objective

Test AI transparency best practices to increase adoption by builders and policymakers.

Key result	*Motivation*
150 builders involved in the creation of the Best Practices Framework *[impact]*	We want to learn from and seed a global community of builders committed to interrogating current practices and championing trustworthy AI within product teams at tech companies.
5 communities use RegretsReporter data as a platform to test its relevance *[impact]*	In 2021 we tested whether data donation was effective in driving policy change related to AI transparency in the EU. In 2022, we'll use RegretsReporter in more regions and with specific communities to test its impact.
25 bi-partisan policymakers endorse one or more aspects of our US platform transparency campaign *[impact]*	We're aiming to grow public awareness about the need for ad transparency and researcher access in the US to spark action by regulators.

OKR2 data stewardship

2022 Objective

Accelerate equitable data governance alternatives as a way to advance trustworthy AI.

Key result	*Motivation*
4 DFL Prototypes reach 20k users, demonstrating solutions to key responsible data governance challenges *[impact]*	We're building on the success of the first DFL prototypes, with a specific focus on data portability and data use license work via the Infrastructure Fund.
60% increase in funding to data governance projects led by historically underfunded communities globally and/or teams in the global majority *[accountability]*	We're investing in projects that have different systems of thought to help redefine "governance," or shift the value of data away from current profit hoarding centers, or shift engineering because of a different notion of collectivism, etc.
Pan-Mozilla common policy position and advocacy narrative published *[accountability]*	Our prototypes push the edges of regulatory possibility and bridge the theoretical gap for regulators. We'll clarify the interplay between policy and product by translating our values and goals into technical and legal product design principles.

OKR3 bias in AI

2022 Objective

Accelerate the impact of people working to **mitigate bias in AI.**

Key result	*Motivation*
50 technologists take part in a Common Voice Inclusion-Performant Automatic Speech Recognition competition *[accountability]*	The size and diversity of the Common Voice platform is one way it supports bias mitigation in the voice technology space. It also serves as an opportunity to developing practical frameworks and new industry norms for assessing diversity in Voice AI training sets.
25% increase in press mentions of open source projects focused on bias mitigation that we have supported *[impact]*	Mozilla Tech Fund grantees plus Senior Fellows representing a mix of disciplines (policy, campaign, builders, etc.) can accelerate this field and provide pathways for future grantmaking for Mozilla and others.
# of contributors to RCS Playbook from India/Kenya/South Africa help us understand bias in new contexts *[accountability]*	The expansion of the Responsible Computer Science Challenge program into new geographies will enable us to diversify the RCS Playbook to include what bias in AI looks like in contexts outside of North America.

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`OKR4` growing across movements

2022 Objective

Partner with diverse movements at intersection of their primary issues and trustworthy AI.

Key result	*Motivation*
We have defined engagement pathways informed by piloting MozFest Plaza platform and data *[accountability]*	We need our tools and technology to support our growth across movements, to make decisions, stay connected with others, comprehend the field, evaluate our impact, fundraise, etc.
In 3 geographies, 4 or more programmatic initiatives are implemented in concert *[accountability]*	By building geographically specific bodies of work that leverage multiple programmatic initiatives, we can be more impactful, signal our commitment and bring meaning to our "global" claim. We'll focus first on Kenya, East Africa, India, South Africa, US, Brazil, Germany and the UK.
100% of CFPs are launched with an accompaniment strategy *[impact]*	Accompaniment is everything we offer beyond the grant that enables our fellows, grantee partners and community members to thrive. It's a way to live our values, grow on-the-ground capacity, and build trust with our partners. In turn, it becomes a reason for folks to invest in us.

OKR5 org effectiveness

2022 Objective

Enhance our organizational capabilities to **support more data-informed decision-making.**

Key result	*Motivation*
MEL framework piloted for RCS and Mradi to enable us to measure and report on their impact *[accountability]*	We need systems to better understand our impact. We'll start by developing Measurement, Evaluation, Learning and Data (MELD) capacity that can be supported by the Movement Building Tech Strategy.
We're tracking donor conversion, growth, and retention in Salesforce on a monthly basis in order to develop strategies for growth *[accountability]*	We need a clearer, more helpful picture of our fundraising health, including how many new donors we acquire, retain, and upgrade each year. This will help us make informed decisions about focused or further investment for fundraising efforts.
20% increase to the engagement survey question, "The technology we use at MoFo helps me do my best work" (58%, Oct. 2021) *[internal impact]*	We want our technology to supercharge our work. Right now it's an active blocker to org effectiveness, revenue growth and staff getting their best work done.

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