

Five-year Strategic Plan for the Apache Software Foundation

Our mission is to support the creation and distribution of Open Source software at no charge under the Apache License, as per our Bylaws. To this end we provide project spaces and resources for like-minded communities to flourish, produce and release software under our legal umbrella.

This 5 year plan attempts to quantify the vision and goals for the Apache Software Foundation (ASF) as expressed by the Board of Directors and many of our officers responsible for our corporate operations. The Board intends to update this document on a regular basis.

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Apache Software Foundation (ASF)

Vision

Like-minded communities flourish, produce and release software

Mission

To support the creation and distribution of Open Source software at no charge under the Apache License

Values

Independence: We are strongly attached to our projects' independence from any external influences, be they corporate, organizational or otherwise. This allows us to provide a neutral space for our communities.

Delegation: As a Foundation we do not have a technical strategy, we delegate that to our projects.

Volunteerism: The Foundation is managed and directed by its Members, who are individual volunteers, as opposed to companies or organizations, who cannot be Members of the Foundation nor take a direct role in our projects.

Apache Way: We help our communities understand and practice the Apache Way, a collection of best practices for collaboration and project sustainability that we document and clarify on an ongoing basis.

Best Practices

Collaboration

Sustainability

Documentation

Individuality: Our community members act as individuals and their rights and responsibilities are based their merit, defined by what they individually do in project communities, not on any external affiliation, title, or degree they may have, nor on their contributions to other projects or organizations.

Rights

Responsibilities

Merit

Reliability: We provide very reliable and highly automated core infrastructure services to our projects and encourage them to use some external non- core services in addition to that, based on their specific needs, when that helps keep our own services simple and focused. For durability, all our critical data and services are managed or mirrored on systems that we fully control.

Outreach: Our marketing and outreach is focused on activities that directly support our mission, along with fundraising-related activities that help find and retain the sponsors on which our operations depend.

Branding: We provide legal and brand management services to our projects based on demonstrated needs, and define branding guidelines to help our projects benefit from the strong Apache brand in an appropriate way.

Incubation: We welcome new projects via our Incubator, where experienced Mentors help them learn to operate as an Apache community and project. Incubation is where communities are defined, so we put a strong emphasis on guidance during the incubation phase to preserve our core values as the Foundation grows.

1. Services

Ensure that the services that the ASF offers to project communities are clearly defined and can be reliably delivered in a manner that meets their expectations.

ASF Services Offered To Our Communities ~ The ASF offers a number of important services to our project communities.

1.1. Infrastructure

Encourage more use of externally provided services by project communities.

The ASF currently provides infrastructure services to project communities including mailing list, website and scm hosting, issue trackers and a range of build and deployment tools. Many projects now use GitHub and other "external" providers for some of these services. Infrastructure services overall account for more than 80% of the total ASF expense budget. Increasingly, project communities have infrastructure requirements that strain the capabilities of the ASF. We have, broadly speaking, three choices on how to plan the evolution of ASF infrastructure services: 1. Limit incoming project communities to those with needs that we can already service and plan using a simple growth forecast. 2. Provision for the demands of projects with unusually large needs and increase budget forecasts accordingly. 3. Encourage more use of externally provided services by project communities. We believe that 3. Is the best option, using a simple growth forecast to project expenses and effective governance and mentoring to ensure that using externally provided services does not in any way present barriers to entry to projects or reduce transparency, inclusiveness and diversity in project decision-making. This requires that we make clear to project communities the limitations of the services that they can expect from the ASF and support and enable them to secure necessary infrastructure support externally. We must also ensure that policies and practices for using external services do not result in any loss of independence, transparency or inclusiveness among ASF project communities. The ASF Directed Sponsorship program should be considered as a first option for projects in need of support beyond what ASF infrastructure provides. From an infrastructure budget planning perspective, this means that we can use conservative forecasts, based on simple project-count based models. Moreover, we do not believe that limiting infrastructure expense growth should be a consideration in our strategy for managing inflow into the Incubator. In other words, we do not intend to use Incubator inflow limitation as a strategy for infrastructure cost management.

1.2. Marketing, Publicity & Brand Management

Services in this category are provided both at the foundation level and to individual projects. To date, our focus has been primarily on effectively responding to queries and press events, managing our ASF public presence and supporting projects communities in promoting achievements and events. We can expect the demand for these currently provided services to scale over the next 5 years commensurately with the growth in projects. A challenge that has been identified as critical to our plan is the need to ensure that the communities that we attract and welcome into the ASF really are "like-minded" in the sense that they contribute positively to the evolution of the Apache Way. There are two things that we should plan to do to improve the effectiveness of community marketing and development at the ASF: 1. Move from a mostly passive, "see what comes our way" approach to project community marketing to a more proactive and strategic approach 2. Improve training and communication on the Apache Way These items will require marketing and publicity resources beyond what we have in place today. In addition to continuing strong contribution by volunteers, we should plan, therefore, to increase our investment in ASF marketing and communications. Both of these items will also require more focus from the Board and the ASF membership on developing our outreach, selection and mentoring practices.

1.2.1. Strategy & Proactivity

Move from a mostly passive, "see what comes our way" approach to project community marketing to a more proactive and strategic approach

1.2.2. Training & Communication

Improve training and communication on the Apache Way

1.3. Conferences & Community Development

Conduct conferences

The ASF has traditionally held annual conferences, often on multiple continents. We believe that these conferences contribute to our mission in (at least) two ways. First, they provide a venue for ASF volunteers to meet face-to-face. In some cases, this is the only venue in which ASF volunteers get to meet one another in person. Secondly, conferences can be used to generate interest in Apache project communities.

1.3.1. Venues

Provide venues for ASF volunteers to meet face-to-face.

ASF conferences have had two operational challenges. First, they have generally lost money in recent years. This has contributed to the second challenge, which is that it is difficult if not impossible to run high-quality conferences using all volunteer resources. To put it simply, if the conferences made money, commercial providers would run them for us. They do not make money. We plan to run an experiment in 2018, using ASF funds to remove the profitability constraint from ASF conferences. If this experiment is successful, we may agree on an annual subsidy that VP, Conferences can plan to use to make up the difference between what ASF conferences cost to produce and the revenue that they generate.

Stakeholder(s):

ASF Volunteers

1.3.2. Communities

Generate interest in Apache project communities.

ASF-level conferences are not the only events that our communities use to collaborate in-person. We believe that individual or group project-level events also contribute to our mission and we should support them. In some cases, project communities ask for and receive support from commercial entities for project events. We want to encourage this type of support and we want the process for enabling it to be as simple and easy as possible for both the communities and the sponsoring organizations. Given that not all project communities will be able to find the funds for events that will benefit them, we will agree on an annual budget to cover project-specific community development initiatives. That budget will be administered by the Community Development PMC.

1.4. Legal

Provide legal counsel for advice and representation

The ASF is fortunate to have pro bono legal counsel available that meets most of our legal advice and representation needs.

1.4.1. Trademarks

Develop a strategy and budget for trademarks-related costs

The exception to this is trademarks-related costs, which we are no longer able to acquire as a pro bono service. We need, therefore, to develop a strategy and budget for this expense.

2. Communities

Improve our success for identifying, attracting, welcoming and developing "like-minded communities" that will be successful at the ASF.

3. Operations & Governance

Effectively scale our operations and governance processes in such a way that the ASF continues to be a light-process, light-governance, largely decentralized organization whose central operations serve projects in a manner consistent with the way PMCs are expected to serve their communities.

ASF Processes We Use ~ To fulfill our mission of producing software for the public good, we document and promote certain processes for our projects building software.

3.1. PMC Lifecycle

We believe that the processes for onboarding new communities via the Incubator (or direct to TLP) channels are fit for purpose and can continue to scale. We also believe that the core oversight processes for operating PMCs can continue to serve the needs of the foundation over at least the next five years. Finally, we believe that the Attic provides an effective means for retiring no longer viable projects. In each of these cases, however, we hope to make significant progress over the next 5 years improving our implementation and execution (without necessarily introducing new PMC lifecycle phases or governance processes). Specifically, we hope to:

1. Improve the community mentoring and understanding of Apache Way processes during the incubation process
2. Improve the success rate for podlings entering the Incubator. Here "success" means timely graduation and evolution to become healthy TLPs. We would like to reduce the time podlings spend in the Incubator, as much as possible. Either by graduating them quickly, if they are found to be a good fit for the ASF, or by failing them quickly if they're not a good fit.
3. Reduce the need for Board intervention in PMC affairs As the ASF scales, the ability for the Board and members with long experience to engage with Incubator podlings and TLPs is becoming an effective growth rate limiter. We need to either reduce the growth rate, increase the speed with which new members can become effective mentors, or improve processes and built-in controls so that the objectives above are achieved without depending on increased ad hoc interventions. Our aim is actually to decrease the need for intervention in communities by ASF members not already substantively engaged in those communities. Our planning assumption is that the rate of new projects entering the Incubator will continue to grow according to the trend of the last three years. We do not expect the percentage of initial inquiries that lead to entering podlings to decrease, but we hope to improve the effectiveness of the outreach, intake and incubation processes. In other words, our aim is not to be "œmore rigorous" in allowing podlings into the Incubator, but rather to get a more-likely-to- succeed mix entering the funnel and improving mentoring and access to resources for podlings. We do not intend to artificially throttle the flow into or out of the Incubator, but we will focus on improving mentoring and the availability of active and engaged mentors is likely to become a constraint to the growth rate. Regarding outreach, we believe that investments in planned and structured marketing to help attract good prospective communities is important and our intention is to make these investments.

3.1.1. Mentoring & Understanding

Improve the community mentoring and understanding of Apache Way processes during the incubation process

3.1.2. Podlings

Improve the success rate for podlings entering the Incubator.

3.1.3. Interventions

Reduce the need for Board intervention in PMC affairs

3.2. Governance

Make some changes in how governance works but hold onto the basic model

As the ASF scales, our flat, direct-oversight governance model will continue to face challenges. Over the next 5 years, we expect to need to make some changes in how governance works, but our goal is to, as much as possible, hold onto the basic model that exists today wherein the only recognized organizational entities are PMCs, the Board, the Membership, committers, the Officers and committees responsible for ASF operations. In other words, we do not intend to insert organizational layers such as groups of PMCs or different levels among Directors or within the membership.

3.2.1. TLPs

Encourage TLPs that verge on becoming "umbrellas" to split into multiple projects

We will continue to encourage TLPs that verge on becoming "umbrellas" to split into multiple projects so that PMC members can be expected to provide oversight to full project communities.

3.2.2. Reporting

Scale PMC reporting

We expect the PMC reporting schedule to scale manageably over the next 5 years. The Board currently reviews approximately 80 reports per month today and we expect that number to grow to approximately 100 by 2023. Reviewing such a large number of reports may become difficult for Directors and the amount of time taken in monthly meetings to give attention to reports needing attention will become challenging. We believe that we are already facing challenges giving sufficient time and Director attention to strategic topics. We have been able to scale to our current TLP count through innovations such as the rotation schedule itself, the Whimsy agenda management tool, the shepherd model and improvements in the reports themselves. We are going to need to develop additional innovations to enable us to continue to scale while providing strong oversight and foundation-level governance. Our plan is to focus on process and tooling innovations to enable us to continue to scale, rather than inserting layers or detaching the board from project-level oversight.

3.2.3. Cohesion & Consistency

Improve cohesion and consistency among the Board and the membership

In addition, we hope to improve cohesion and consistency among the Board and the membership in applying Apache Way principles to practical problems. Better definition of the principles, illustrated in examples, will need to be developed to support this objective. The relationship between the Board and the Officers and Committees responsible for ASF operations needs to continue to evolve from direct, sometimes ambiguous, management to strategic direction, oversight and approval of actions requiring approval by the Board.

3.2.4. Roles & Responsibilities

Improve the definitions of roles and responsibilities

We have made progress recently getting roles and responsibilities better defined, but we still have work to do in this area.

3.2.5. Operating Model

Develop a Board - Officers operating model

Over the next 5 years, we expect to develop a Board - Officers operating model that is as well-defined as the Board - PMC model in place today (which will itself evolve and improve). Similarly to the model with PMC Chairs, our objective is for the Board to provide high-level oversight but to delegate operational responsibilities to Officers.

3.2.6. Security, Branding & Trademarks

Improve the definition and management of the relationship between the Board, PMCs and ASF officers responsible for security, brand management and trademarks

The relationship between the Board, PMCs and ASF officers responsible for security, brand management and trademarks needs to be better defined and managed. In some cases, VPs responsible for these areas are empowered to make demands of PMCs on behalf of the foundation. We have not been sufficiently clear what the scope and bounds of this authority are. We will address this ambiguity in 2018 and improve the model over the next 5 years. As a guiding principle, our objective is to communicate (and take input on) PMC requirements effectively so that the need for Officer intervention is rare. Moreover, we aim to limit the requirements themselves to the minimum necessary to ensure that the core interests of the PMCs and the Foundation are protected.

3.2.7. Directors & Officers

Ensure more members have the opportunity to serve in Director and Officer roles

To promote healthy inflow of new ideas and connection with project communities, we will also explore means to ensure that more members have the opportunity to serve in Director and Officer roles.

4. Finances

Ensure the financial soundness of the ASF over the term of the plan and establish the foundation for long-term stability.

Budget and Finance ~ As a non-profit entity that relies on donations, we have plans and goals to responsibly manage our funds.

4.1. Finance Operations

The ASF has effectively outsourced core financial operations to an organization management firm. This has been a key element in our ability to manage our growth and improve the quality and comprehension of our financial controls and reporting without taking on paid staff to manage these functions. The Treasurer role, which had become intractable for a volunteer to execute responsibly, has now become an oversight role that is being effectively managed by volunteers (Treasurer and Assistant Treasurer). We do not anticipate the need to change this arrangement over the next five years.

4.2. Financial Analysis & Planning

The rigor and regularity of ASF financial planning and analysis activities is improving and over the next 5 years, we expect to evolve a set of leading and durable practices. Currently, we have annual processes to determine the coming year's budget and to update the 5-year outlook. We will continue both of these practices. Focus for the next year (FY2019) will be ensuring strategic alignment between both the financial plan and the goals and priorities of the Foundation. The FY2019 budget will conform overall to the 5-year plan in this document, but lines may be modified to reflect consensus on priorities discussions among the membership. Revision of the 5-year plan will begin immediately following finalization of the FY2019 budget and this cadence will continue over the next five years with improvements each year in proactive planning and discussion so that the budget and 5-year plan update processes are less about tactical tradeoffs and debates over individual lines and more about officer analysis and discretion applied to make practical decisions consistent with agreed upon strategies. Starting in 2018, we will also introduce a quarterly financial review, which will extend and deepen the analysis included in monthly Treasurer's reports. This review will be open to the membership and executed asynchronously.

4.3. Fundraising

Invest in fundraising assistance

The financial plan ... shows an increase from the 2017 expense budget of \$1.2MM to \$2.3MM in 2023. This presents a big challenge for ASF fundraising. At the same time, the role, VP Fundraising, is becoming difficult for a single volunteer to handle. Outsourcing fundraising operations to our organization management partner has helped but it is hard to see the current model as sustainable and capable of meeting the increased demands that we anticipate over the next 5 years. Therefore, we are planning to invest significantly over the next 5 years in fundraising assistance. This assistance will take one or more of the following three forms: 1. Additional services provided by our organization management partner 2. Addition of paid fundraising staff 3. Engagement of a partner specializing in fundraising In 2018, our focus will be on exploring the first option and expanding the leverage of Board members and other members in fundraising activities. If by year-end 2018, we are meeting or exceeding fundraising goals and VP, Fundraising has become a volunteer- manageable position, we will limit any additional investment to 1. along with marketing / communications in support of fundraising activities. If by mid-year 2018, we have not achieved the current budget plan and / or the challenges have become intractable,

we will begin exploration of options 2. and 3. In 2017, we made good progress getting better definition on practical and legal aspects of the sponsorship program. We arrived at a set of sponsor benefits that accurately reflect what the ASF can currently provide and what different sponsorship levels entitle sponsors to. We believe that in order to significantly expand the potential sponsor base and to ensure consistent renewals, we need to define some more compelling benefits for ASF sponsors. Several ideas have been discussed in this area, but we have yet to achieve consensus on specific improvements. Defining and implementing these improvements will be a key focus for us over the next several years. At a minimum, we will formally review and consider modifications to the program as part of the strategic plan refresh each year. In 2017, we began a partnership with a company providing digital and payment processing services to promote and manage individual donations. This partnership has been successful. Most importantly, we have the beginnings of an individual donor relationship management system. We expect that as our donor base grows and we better manage communications with individual donors, we will be able to grow individual contributions at a rate equal to or exceeding the growth in revenue from the sponsorship program. This will require continued focus on ASF marketing and communications and effective outreach and management of individual donor relationships. In 2017, we executed one fundraising drive aimed at soliciting individual contributions. In 2018, we will do this at least twice and in subsequent years, we will increase the frequency contacts with existing and prospective individual donors, leveraging our marketing, fundraising and finance operations partners to plan and execute campaigns.

4.3.1. Services

Engage additional services provided by our organization management partner

4.3.2. Staffing

Hire paid fundraising staff

4.3.3. Fundraising Partnership

Engage a partner specializing in fundraising

4.4. External Partnerships

Define at least one new revenue stream resulting from commercially valuable activities

We considered a proposal in 2017 to form a revenue-generating joint venture, managed via a separate legal entity. The proposal was to partner with a commercial company to produce ASF-certified training materials, with a portion of the revenue returned to the ASF. The Board rejected this proposal. It is important to note, however, that we did not conclude that no commercial partnership returning revenue to the ASF could ever be approved. The proposal was rejected because it would in our estimation make misleading use of ASF brands and also "pick winners" inconsistently with our principles. We hope to consider alternative proposals to fairly, honestly and consistently with our principles raise revenue for the ASF. As noted above, conferences have not been a source of positive income for us in the recent past, but they are an example of a commercial activity that can be done consistently with our principles. We hope to define at least one new revenue stream resulting from commercially valuable activities that contribute to our mission over the next five years. The current 5-year financial plan does not include any revenue projections from these activities.

4.5. Financial Plan

Improve the ratio of donations to expenses

In aggregate, we expect expenses to grow from \$1.42MM in FY 2018 to \$2.2MM in FY 2023. Income is projected to grow from \$1.23MM to \$1.91MM over the same period. This will result in our FY18 cash reserve of \$1.77MM being reduced to \$1.16MM by the end of FY 2023. The plan, as currently formulated also does not include the increments in funding suggested above for Community Development, nor does it separate a legal defense reserve. Budget lines currently forecast to have the largest increases are fundraising (515% increase) brand (152%), and publicity (113%). The largest component of our expense base, infrastructure, is forecast to increase by only 34%. The increase in fundraising is justified by the commensurate forecasted increase in income from donations, which is currently forecast at 57%. In absolute terms, the fundraising increment is \$237k per year, which is expected to return (a portion of) the forecasted increase of \$690k per year in total donations. We should be able to improve that ratio.

Administrative Information

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