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Wenlin Institute, Inc. SPC **Management Discussion and Analysis** *for the fiscal year July 1, 2018 - June 30, 2019*

Preface

This MD&A (management discussion and analysis) is an official document, prepared by Wenlin Institute, Inc. SPC for the general public as required for Social Purpose Corporations in the state of California. Wenlin Institute's report is due by October 28 each year, 120 days after the end of our fiscal year, which ends on June 30. This document is organized in accordance with California Corporations Code Section 3500(b).

1. Objectives

Wenlin Institute's immediate objectives for fiscal year 2018-2019 included:

- support our published web/desktop software and dictionaries
- enable ongoing collaborative improvement and expansion of the dictionaries
- add software features to enable the addition of glosses in multiple languages
- work on print and web editions of the *ABC Comprehensive Cantonese-English Dictionary*
- raise funds through increased sales, grants and fundraising to support the sustainable growth of the Wenlin ABC project and its contributors
- partner with other educational ventures to integrate Wenlin and ABC with a variety of multilingual tools for education and research
- attract, support and cultivate a large team of skilled contributors comprised of both paid staff and volunteers

2. Actions Completed

We were successful in achieving some of the objectives listed above. We continued to support our published web/desktop software and dictionaries, and to enable collaborative development of the dictionaries and software.

We finished editing and typesetting the first print edition of *ABC Comprehensive Cantonese-English Dictionary* and delivered it to the proofreaders. When we finish proofreading and the final typesetting, the book will be published by the University of Hawaii Press.

We continued collaboration with our network of partners, productively licensing the dictionaries

and *Wenlin CDL (Character Description Language)* technology to a variety of organizations, such as Pleco, Basis, and the Chairman's Bao. We made new contacts with more organizations. We're engaged in ongoing exploration of collaborative opportunities.

We've continued to provide web-based software engineering services on a contract basis, primarily for the Unicode Consortium. The income from this work is making it possible for Wenlin Institute to stay afloat.

Our board of directors had its first face-to-face annual meeting this year. The meeting was held in Montréal and was a great success.

Our plans and efforts to grow our team have yet to come to fruition in a big way. Funding through subscriptions has been minimal. Our traditional sources of income haven't been sufficient to support the growth we envisioned.

3. Actions Planned

We have plans underway to make more sound recordings to be incorporated into the dictionaries.

Having transitioned to relying more on contract work and other sources of income besides software/dictionary sales, licenses, and subscriptions, we're ready for a fresh vision. As it stands, the *Wenlin Dictionaries Wiki* might serve far more people more effectively if it were free of the cost and inconvenience of the subscription model. Whether making the wiki free would actually result in any substantial benefit to Wenlin Institute's economic sustainability, however, is an open question. Likewise, our desktop *Wenlin Software for Learning Chinese* brings in some income but not enough to fund its ongoing development in an ideal way. Our *Wenlin CDL (Character Description Language)* technology is ripe for new applications, if only we had the time, funding, or partners to work on those applications.

One of our main actions this year, therefore, should be the development of a more comprehensive plan, which should be both ambitious and realistic. Regardless of how exactly we manage it, our goals continue to include: releasing new versions of our desktop software, with improvements and new features including integration with the wiki and increased compatibility with the latest operating systems; continuing to update the dictionaries and the wiki interface; growing our team; and empowering our customers, clients, and partners.

4. Decision Making and Evaluation

We've continued to make decisions generally by consensus, through meetings and communication by videoconference, email, and telephone.

The main decisions in this year involved contract negotiations and prioritizing essential tasks.

There were no major fiscal decisions to be made.

5. Expenditures

Total expenditures for the fiscal year were \$161,618.17, categorized as follows:

\$ 69,831.92	Services, Salaries, Commissions
\$ 43,923.37	Taxes
\$ 36,293.78	Royalties
\$ 5,055.93	Internet services
\$ 2,847.00	Accounting services
\$ 2,171.53	Bank charges
\$ 572.74	Office expenses, Hardware, Software, Misc.
\$ 487.55	Transportation, Travel
\$ 366.71	Telephone
\$ 52.94	Advertising
\$ 14.70	Postage, Shipping, Handling

These expenditures were incurred in furtherance of achieving our special purpose objectives, and the total is very close to that of the previous fiscal year.

We estimate that our expenditures over the next three fiscal years will be similar. If there is revenue growth, we hope to use it for improving our products and services to fulfill our educational mission. We hope to allocate funds, generated through contract work, sales, grants and fundraising, to hiring additional workers.

Conclusion

This year we followed through on supporting our customers, clients, resources, and technologies. When some of our plans didn't go as we hoped, we managed to hold together under challenging circumstances. We developed new sources of income from contract work. Our next challenge is to leverage that income, and find ways to continue the new work in parallel with working on our long-standing goals, to attract more users, contributors, and funding, while continuing to improve our services, software features, and educational materials.