

TRANSFORMATION PROGRESS REPORT

TO:	Board of Directors
MEETING:	November 25, 2015
FROM:	Judith Purves, Executive Vice-President and Chief Financial Officer
PURPOSE:	Quarterly Update Report on the Five-Year Strategy Implementation Plan
DATE:	November 14, 2015



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STRATEGIC FRAMEWORK

MISSION:

CBC/Radio-Canada expresses Canadian culture and enriches the life of all Canadians, through a wide range of content that informs, enlightens, and entertains.

VISION:

In 2020, CBC/Radio-Canada will be the public space at the heart of our conversations and experiences as Canadians.

5-Year Objectives

- 1. Through our distinctive content, increase and deepen our engagement with Canadians; inspire them to participate in the public space
- 2. Change our infrastructure to allow increased simplicity, flexibility/scalability, and collaboration.
- 3. Build a culture of collaboration, accountability, boldness, action and agility, with a workforce that reflects the country.
- 4. Achieve sustainable financial health, including ability to invest for the future.

5-Year Strategy Themes

- 1. Content: Start with the audience and focus
- **2. Infrastructure**: Re-imagination and continuous improvement
- **3. Culture**: Simplify, empower, and create urgency
- 4. Financial: Financial sustainability

Content Statement: "Our programming needs to be contemporary and distinctly Canadian: smart, unique, distinctive from the privates, creatively ambitious, and slightly risky."



FINANCIAL SUMMARY | FORECAST AS OF Q2, 2015

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No significant change in the forecast since the last report.



PROJECT SUMMARY | STATUS & PROGRESS



PROJECT SUMMARY | TIMELINES



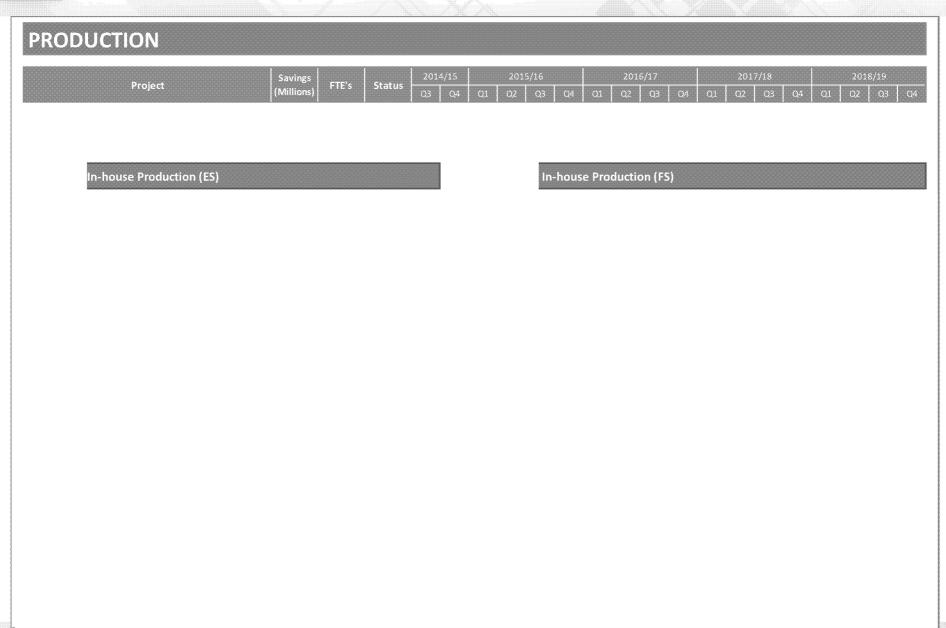
APPENDICES

- **A** PROJECT SNAPSHOTS
- **B** FINANCIAL EFFICIENCIES
- C PROJECT OBJECTIVES



LOCAL					
1 - 1					
Savings	FTE's Status 2014/15	2015/46	2016/17	24177.13	
Project (Millions)	03 04	01 02 08 04	01 02 08 04		0. 02 0.







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MUSIC	
Project Savings (Millions)	FTE's Status 2014/15 2015/16 2016/17 2017/18 2018/19 2



INFRASTRUCTURE		
Project	Savings (Millions)	2016/17 2017/18 2018/19 Q1 Q2 Q3 Q4

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REMOTE CONTROL ROOMS

Project (Millions FTE's Status	
Project (Millions) FIE's Status	
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Q3 Q4 Q1 Q2	0.3

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ORGANIZATIONAL DESIGN & IMPLEMENTATION

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REAL ESTATE

14 Maison Radio-Canada

Project Status

Key Milestones

Proponent's proposal preparation and submission.

Consortium's offer rejected on May 7, 2015.

A New plan for alternatives in preparation:

- Brokers selected (Done).
- Alternate offers analysis and recommendation (Mar 2016).

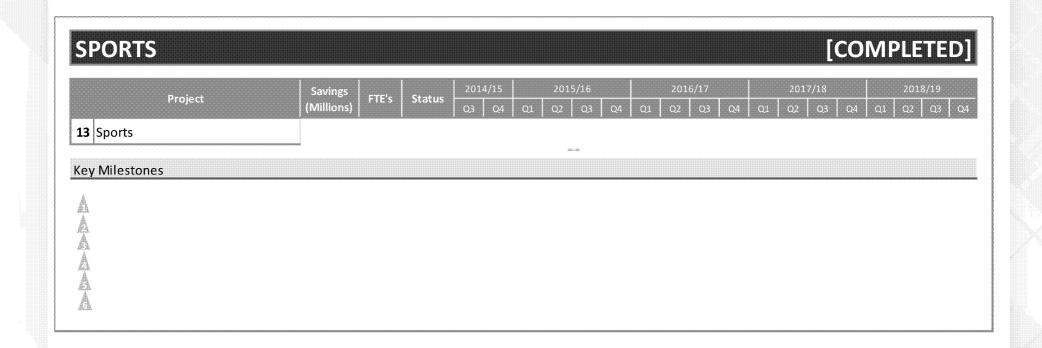
Treasury Board Approval (Mar 2017).

🛕 Closing (Jul 2017).

Construction and delivery (Jul 2019).

Progress Highlights: Results / Issues / Challenges

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The *Transformation Progress Report* includes the financial and FTE reduction information previously reported in the *Reduction Plan Progress Report*. This brings all strategic plan reporting into one report, and allows for the elimination of the *Reduction Plan Progress Report*, which had previously tracked:



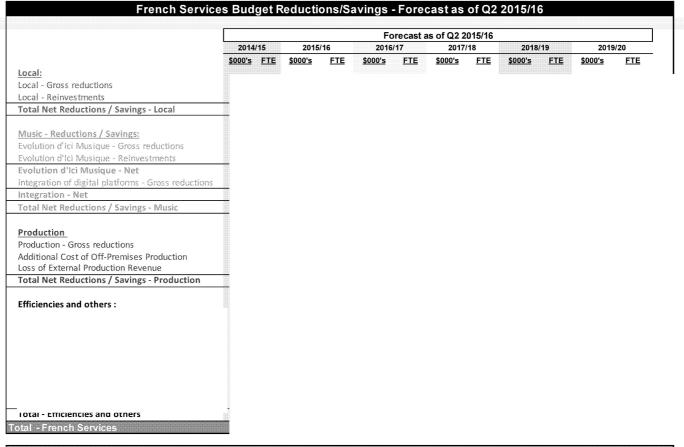
APPENDIX B | ENGLISH SERVICES FINANCIAL EFFICIENCIES

English Services Budget Reductions/Savings - Forecast as of Q2 2015/16 2014/15 2015/16 2016/17 2017/18 2018/19 2019/20 \$000's FTE \$000's \$000's FTE \$000's FTE \$000's FTE \$000's FTE Local: Local - Gross reductions Local - Reinvestments **Total Net Reductions / Savings - Local** Music - Reductions / Savings: Reimagine Radio 2 - Gross reductions Integration of digital platforms - Gross reductions Total Net Reductions / Savings - Music Production Production - Reductions Loss of External Production Revenues **Total Net Reductions / Savings - Production Efficiencies and Others: Total - Efficiencies and Others** Total - English Services

English Services - Downsizing and One-Time Costs - Forecast as of Q2 2015/16 2015/16 2016/17 2017/18 2018/19 2019/20 Total **Expected Downsizing Costs:** Local Reimagine Radio 2 Integration of digital platforms Production Efficiencies and others **Total - Expected Downsizing Costs** Other One-Time Costs: Local Reimagine Radio 2 Integration of digital platforms Production Efficiencies and others Total - Other One-time Costs **Total Downsizing and Other One-Time Costs**



APPENDIX B | FRENCH SERVICES FINANCIAL EFFICIENCIES



French Services - Downsizing and One-Time Costs - Forecast as of Q2 2015/16 2017/18 2014/15 2015/16 2016/17 2018/19 2019/20 Total **Expected Downsizing Costs:** Local Evolution d'Ici Musique Integration of digital platforms Production Efficiencies and others **Total - Expected Downsizing Costs** Other One-time Costs: Local Evolution d'Ici Musique Integration of digital platforms Production Efficiencies and others Total - Other One-time Costs Total - Downsizing and Other One-Time Costs

APPENDIX B NON-MEDIA FINANCIAL EFFICIENCIES

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Non-Media Services Budget Reductions - Forecast as of Q2 2015/16

			Fore	cast as o	f Q2 2015/16				
2014/15	2015/16	6	2016/1	7	2017/18		2018/19	2019	20
\$000's <u>FTE</u>	<u>\$000's</u>	<u>FTE</u>	<u>\$000's</u>	FTE	<u>\$000's</u>	FTE	\$000's <u>FTE</u>	<u>\$000's</u>	<u>FTE</u>

Efficiencies and others:

Office of the President and CEO

Brand, Communications and Corporate Affairs

Shared Services

Finance and Administration

Corporate Research

Media and Enterprise Technology Services

Legal and Real Estate Services

People and Culture

Training and Development

Infrastructure - Satellite transponder savings

Infrastructure -

Total - Non-Media Services

Non-Media Se	ervices - Down	sizing and O	ne-Time Costs - Fo	ecast as of Q	2 2015/16		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total

Expected Downsizing Costs:

Brand, Communications and Corporate Affairs

Shared Services

Finance and Administration

Corporate Research

Media and Enterprise Technology Services

Legal and Real Estate Services

People and Culture

Training and Development

Total - Expected Downsizing Costs

Other One-Time Costs:

Infrastructure -

Total - Other One-time Costs

Total Downsizing and Other One-Time Costs

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APPENDIX B VARIANCE VS. PLAN

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Summary	Budget Re	ductic	ns/Savings	- Fore	cast as	of Q2 2015/	16		
	201	5/16	2016/17	201	7/18	2018/19	201	9/20	Total Annual
	\$M	FTE	\$M FTE	\$M	FTE	\$M FTE	\$M	FTE	Savings by
Strategy (net of reinvestments):									2019/20 (\$M)

Local

Music

Production

Organisational Design

Efficiencies and others:

English Services

French Services

Non-Media Services

Total - Net Budget Reductions / Savings

Downsizing Costs per fiscal year

Downsizing costs recognized in 2014/15

* Under review

Sı	ımmary Bu	dget F	Reductions -	Per Fi	ve-Yea	ir Plan			
	201	5/16	2016/17	201	7/18	2018/19	201	9/20	Total Annual
	\$M	FTE	\$M FTE	\$M	FTE	\$M FTE	\$M	FTE	Savings by
C++									

Strategy (net of reinvestments):

Local

Music

Production

Organisational Design

Efficiencies and others:

English Services

French Services

Non-Media Services

Total - Net Budget Reductions / Savings

Total - Downsizing Costs per fiscal year

Downsizing costs recognized in 2014/15

Varia	ince:	Curre	ent Forecast vs	Five-Year	Plan		
	2015/16		2016/17	2017/18	2018/19	2019/20	2019/20 (\$M)
	\$M	FTE	\$M FTE \$M	FTE	\$M FTE \$N	1 FTE	

Total - Net Budget Reductions / Savings

Total - Downsizing Costs per fiscal year

NOTE:



APPENDIX B | WORKFORCE ADJUSTMENT TRACKING

Tracking to PI	ang.					
ACTION	English Services	French Services	Corporate Services	TOTAL ¹		
acancies abolished				•		
Contract non-renewal	I					
Reassignments and Redeployments	I					
Other (End of temporary or probationary employment, etc.)	1					
Sub-total - Attrition	⅃					
Redundancy Notices	1					
ayoffs	1					
ubstitutions	1					
Contract non-renewal with severance	4					
Sub-total - Departures with severance	1					
o be determined ²						
otal Reduction (Headcount) 3						
/ariance between FTEs and headcount ⁴	Ť					
OTAL Reduction (FTE) excl. Org Design ³						
Organisational Design						
OTAL Reduction (FTE) incl. Org Design						
	<u> </u>					
expected FTE increase from reinvestments						
Net Reduction in FTEs						
Anticipated reduction for 2014/15 to 2019/20 presented						
o the Board in November 2014 ¹						
	+					
Oownsizing costs recognized (April 1, 2014 - September 30, 2015)						
	1					
	.					
Downsizing costs estimate at Q2 2015/16 ¹	1					
Downsizing costs estimate per Five Year Plan ¹						
/ariance	1					
NOTES:					And the second	



APPENDIX C | PROJECT OBJECTIVES

Project	0	bjective	