



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 | SCOPE OF SAVINGS

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PROJECT SUMMARY | STATUS & PROGRESS

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PROJECT SUMMARY | TIMELINES

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APPENDICES

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



APPENDIX A | PROJECT SNAPSHOTS

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LOCAL

Project	Savings (Millions)	FTE's	Status	2014/15		2015/16				2016/17				2017/18				2018/19			
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4



APPENDIX A | PROJECT SNAPSHOTS

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PRODUCTION

Project	Savings (Millions)	FTE's	Status	2014/15		2015/16				2016/17				2017/18				2018/19			
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4

In-house Production (ES)

In-house Production (FS)



APPENDIX A | PROJECT SNAPSHOTS

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MUSIC

Project	Savings (Millions)	FTE's	Status	2014/15		2015/16				2016/17				2017/18				2018/19			
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4



APPENDIX A | PROJECT SNAPSHOTS

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INFRASTRUCTURE

Project	Savings (Millions)	FTE's	Status	2014/15		2015/16				2016/17				2017/18				2018/19			
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4



APPENDIX A | PROJECT SNAPSHOTS

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REMOTE CONTROL ROOMS

Project	Savings (Millions)	FTE's	Status	2014/15		2015/16				2016/17				2017/18				2018/19			
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4



APPENDIX A | PROJECT SNAPSHOTS

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ORGANIZATIONAL DESIGN & IMPLEMENTATION

Project	Savings (Millions)	FTE's	Status	2014/15		2015/16				2016/17				2017/18				2018/19			
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4



APPENDIX A | PROJECT SNAPSHOTS

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REAL ESTATE

Project	Savings (Millions)	FTE's	Status	2014/15		2015/16				2016/17				2017/18				2018/19			
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4

14 Maison Radio-Canada

Project Status

Key Milestones

- ▲ Proponent's proposal preparation and submission.
- ▲ Consortium's offer rejected on May 7, 2015.
- ▲ 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



APPENDIX A | PROJECT SNAPSHOTS

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SPORTS

[COMPLETED]

Project	Savings (Millions)	FTE's	Status	2014/15		2015/16				2016/17				2017/18				2018/19				
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
13 Sports																						

Key Milestones

- ▲
- ▲
- ▲
- ▲
- ▲
- ▲



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:

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APPENDIX B | ENGLISH SERVICES FINANCIAL EFFICIENCIES

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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	FTE	\$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							
	2014/15	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 Budget Reductions/Savings - Forecast as of Q2 2015/16											
Forecast as of Q2 2015/16											
2014/15		2015/16		2016/17		2017/18		2018/19		2019/20	
\$000's	FTE	\$000's	FTE	\$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:											
Evolution d'ici Musique - Gross reductions											
Evolution d'ici Musique - Reinvestments											
Evolution d'ici Musique - Net											
Integration of digital platforms - Gross reductions											
Integration - Net											
Total Net Reductions / Savings - Music											
Production											
Production - Gross reductions											
Additional Cost of Off-Premises Production											
Loss of External Production Revenue											
Total Net Reductions / Savings - Production											
Efficiencies and others :											
Total - efficiencies and others											
Total - French Services											

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French Services - Downsizing and One-Time Costs - Forecast as of Q2 2015/16							
	2014/15	2015/16	2016/17	2017/18	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

	Forecast as of Q2 2015/16											
	2014/15		2015/16		2016/17		2017/18		2018/19		2019/20	
	\$000's	FTE	\$000's	FTE	\$000's	FTE	\$000's	FTE	\$000's	FTE	\$000's	FTE
<u>Efficiencies and others:</u>												
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 Services - Downsizing and One-Time Costs - Forecast as of Q2 2015/16

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total
<u>Expected Downsizing Costs:</u>							
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							
<u>Other One-Time Costs:</u>							
Infrastructure -							
Total - Other One-time Costs							
Total Downsizing and Other One-Time Costs							



APPENDIX B | VARIANCE VS. PLAN

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Summary Budget Reductions/Savings - Forecast as of Q2 2015/16											
	2015/16		2016/17		2017/18		2018/19		2019/20		Total Annual Savings by 2019/20 (\$M)
	\$M	FTE	\$M	FTE	\$M	FTE	\$M	FTE	\$M	FTE	
Strategy (net of reinvestments) :											
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

Summary Budget Reductions - Per Five-Year Plan											
	2015/16		2016/17		2017/18		2018/19		2019/20		Total Annual Savings by 2019/20 (\$M)
	\$M	FTE	\$M	FTE	\$M	FTE	\$M	FTE	\$M	FTE	
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											

Variance: Current Forecast vs Five-Year Plan											
	2015/16		2016/17		2017/18		2018/19		2019/20		Total Annual by 2019/20 (\$M)
	\$M	FTE	\$M	FTE	\$M	FTE	\$M	FTE	\$M	FTE	
Total - Net Budget Reductions / Savings											
Total - Downsizing Costs per fiscal year											

NOTE:



APPENDIX B | WORKFORCE ADJUSTMENT TRACKING

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Tracking to Plan - 2014/15 to 2019/20				
at Q2 of 2015/16				
ACTION	English Services	French Services	Corporate Services	TOTAL ¹
Vacancies abolished				
Contract non-renewal				
Reassignments and Redeployments				
Other (End of temporary or probationary employment, etc.)				
Sub-total - Attrition				
Redundancy Notices				
Layoffs				
Substitutions				
Contract non-renewal with severance				
Sub-total - Departures with severance				
To be determined ²				
Total Reduction (Headcount) ³				
Variance between FTEs and headcount ⁴				
TOTAL Reduction (FTE) excl. Org Design ³				
Organisational Design				
TOTAL Reduction (FTE) incl. Org Design				
Expected FTE increase from reinvestments				
Net Reduction in FTEs				
Anticipated reduction for 2014/15 to 2019/20 presented to the Board in November 2014 ¹				
<i>Downsizing costs recognized (April 1, 2014 - September 30, 2015)</i>				
Downsizing costs estimate at Q2 2015/16 ¹				
Downsizing costs estimate per Five Year Plan ¹				
Variance				
NOTES:				



APPENDIX C | PROJECT OBJECTIVES

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Project	Objective