



# TRANSFORMATION PROGRESS REPORT

<b>TO:</b>	<b>Audit Committee</b>
<b>MEETING:</b>	June 21, 2016
<b>FROM:</b>	Judith Purves, Executive Vice-President and Chief Financial Officer
<b>PURPOSE:</b>	Quarterly Update Report on the Five-Year Strategy Implementation Plan
<b>DATE:</b>	June 10, 2016



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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 Q4, 2015/16

s.18(b)  
s.21(1)(b)

There have been no changes to the financial targets in Q4.  
Remaining cost reductions are on track to be completed as planned.

Summary Budget Reductions/Savings - Forecast as of Q4 2015/16	Per 5-Year Plan	Variance
<b><u>Strategy (net of reinvestments) :</u></b>		
Local		
Music		
Production		
Organisational Design		
<b><u>Efficiencies and others:</u></b>		
English Services		
French Services		
Non-Media Services		
<b>Total - Net Budget Reductions / Savings</b>		
<b>Downsizing Costs per fiscal year</b>		
<b>Downsizing costs recognized in 2014/15</b>		

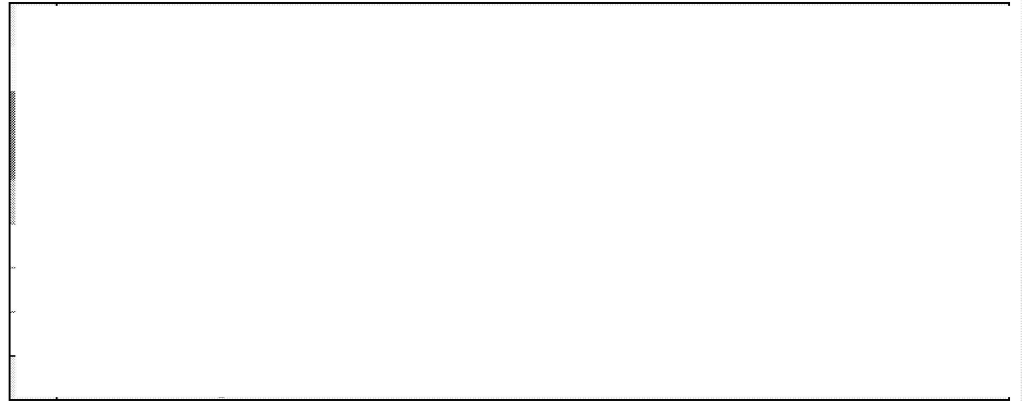
**NOTE:**





# FINANCIAL SUMMARY | EXPLANATION OF VARIANCES

s.18(b)  
s.21(1)(b)





# PROJECT SUMMARY | STATUS & PROGRESS

s.18(b)  
s.21(1)(b)

## PROJECT SUMMARY

Project	Status	Progress Report Highlights: Results / Issues / Challenges
1		
2		
3		
4		
6		
7		
8		
9		
10		
16		
11		
14		
15		
5 Mobiles - Sale of Division	Completed	
13 Sports	Completed	



# PROJECT SUMMARY | TIMELINES

s.18(b)  
s.21(1)(b)

There are no changes to overall timelines since the last report.

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<b>5</b>	Mobiles - Sale of Division	Completed	
<b>13</b>	Sports	Completed	



# APPENDICES

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



# APPENDIX A | PROJECT SNAPSHOTS

s.18(b)  
s.21(1)(b)

## 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

s.18(b)  
s.21(1)(b)

## 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

s.18(b)  
s.21(1)(b)

## 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

s.18(b)  
s.21(1)(b)

## 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

s.18(b)  
s.21(1)(b)

## 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

s.18(b)  
s.21(1)(b)

## 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

s.18(b)  
s.21(1)(b)

## 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 (mid-May 2016).
- ▲ Closing (Jul 2017).
- ▲ Construction and delivery (Jul 2019).

#### Progress Highlights: Results / Issues / Challenges



# APPENDIX A | PROJECT SNAPSHOTS

s.18(b)  
s.21(1)(b)

## SALE OF MOBILE DIVISION

[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





# APPENDIX B | ENGLISH SERVICES FINANCIAL EFFICIENCIES

s.18(b)  
s.21(1)(b)

English Services Budget Reductions/Savings - Forecast as of Q4 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
<b>Local:</b>												
Local - Gross reductions												
Local - Reinvestments												
<b>Total Net Reductions / Savings - Local</b>												
<b>Music - Reductions / Savings:</b>												
Reimagine Radio 2 - Gross reductions												
Integration of digital platforms - Gross reductions												
<b>Total Net Reductions / Savings - Music</b>												
<b>Production</b>												
Production - Gross reductions												
Mobiles												
Documentary Production												
Add back: loss of external prod. Revenues												
Production - Reductions												
Loss of External Production Revenues												
<b>Total Net Reductions / Savings - Production</b>												
<b>Efficiencies and Others:</b>												
<b>Total - Efficiencies and Others</b>												
<b>Total - English Services</b>												

English Services - Downsizing and One-Time Costs - Forecast as of Q4 2015/16							
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total
<b>Expected Downsizing Costs:</b>							
Local (1)							
Reimagine Radio 2							
Integration of digital platforms							
Production							
Efficiencies and others							
<b>Total - Expected Downsizing Costs</b>							
<b>Other One-Time Costs:</b>							
Local							
Reimagine Radio 2							
Integration of digital platforms							
Production							
Efficiencies and others							
<b>Total - Other One-time Costs</b>							
<b>Total Downsizing and Other One-Time Costs</b>							

Note:







# APPENDIX B | NON-MEDIA FINANCIAL EFFICIENCIES

s.18(b)  
s.21(1)(b)

Non-Media Services Budget Reductions - Forecast as of Q4 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
<b>Efficiencies and others:</b>												
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 -												
<b>Total - Non-Media Services</b>												

Non-Media Services - Downsizing and One-Time Costs - Forecast as of Q4 2015/16							
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total
<b>Expected Downsizing Costs:</b>							
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							
<b>Total - Expected Downsizing Costs</b>							
<b>Other One-Time Costs:</b>							
Infrastructure -							
<b>Total - Other One-time Costs</b>							
<b>Total Downsizing and Other One-Time Costs</b>							



# APPENDIX B | VARIANCE VS. PLAN

s.18(b)  
s.21(1)(b)

Summary Budget Reductions/Savings - Forecast as of Q4 2015/16											Per 5-Year Plan	
	2015/16		2016/17		2017/18		2018/19		2019/20		Total Annual Savings by	Total Annual Savings by
	\$M	FTE	\$M	FTE	\$M	FTE	\$M	FTE	\$M	FTE		
<b>Strategy (net of reinvestments):</b>												
Local												
Music												
Production												
Organisational Design												
<b>Efficiencies and others:</b>												
English Services												
French Services												
Non-Media Services												
<b>Total - Net Budget Reductions / Savings</b>												
<b>Downsizing Costs per fiscal year</b>												
<b>Downsizing costs recognized in 2014/15</b>												

Summary Budget Reductions - Per Five-Year Plan											Total Annual Savings by 2019/20 (\$M)
	2015/16		2016/17		2017/18		2018/19		2019/20		
	\$M	FTE	\$M	FTE	\$M	FTE	\$M	FTE	\$M	FTE	
<b>Strategy (net of reinvestments):</b>											
Local											
Music											
Production											
Organisational Design											
<b>Efficiencies and others:</b>											
English Services											
French Services											
Non-Media Services											
<b>Total - Net Budget Reductions / Savings</b>											
<b>Total - Downsizing Costs per fiscal year</b>											
<b>Downsizing costs recognized in 2014/15</b>											

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

**NOTE:**



# APPENDIX B | WORKFORCE ADJUSTMENT TRACKING

s.18(b)  
s.21(1)(b)

Workforce Adjustment  
Tracking to Plan - 2014/15 to 2019/20  
at Q4 of 2015/16

ACTION	English Services	French Services	Corporate Services	Organisational Design	TOTAL
Vacancies abolished					
Contract non-renewal					
Reassignments and Redeployments					
Other (End of temporary or probationary employment, etc.)					
<b>Sub-total - Attrition</b>					
Redundancy Notices					
Layoffs					
Substitutions					
Contract non-renewal with severance					
<b>Sub-total - Departures with severance</b>					
To be determined <sup>1</sup>					
<b>Total Reduction (Headcount) <sup>2</sup></b>					
Variance between FTEs and headcount <sup>3</sup>					
<b>TOTAL Reduction (FTE) <sup>2</sup></b>					
<b>Expected FTE increase from reinvestments</b>					
<b>Net Reduction in FTEs</b>					
<b>Anticipated reduction for 2014/15 to 2019/20 presented to the Board in November 2014</b>					
<i>Downsizing costs recognized (April 1, 2014 -March 31, 2016)</i>					
Downsizing costs estimate at Q4 2015/16					
Downsizing costs estimate per Five Year Plan					
<b>Variance</b>					

NOTES:



# APPENDIX C | PROJECT OBJECTIVES

s.18(b)  
s.21(1)(b)

Project	Objective
5 Mobiles - Sale of Division	
13 Sports	