

TRANSFORMATION PROGRESS REPORT

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

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

Summary B	Budget Reductions/Savings - Forecast as of Q	4 2015/16	Per 5-Year Plan	Variance
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				

NOTE:

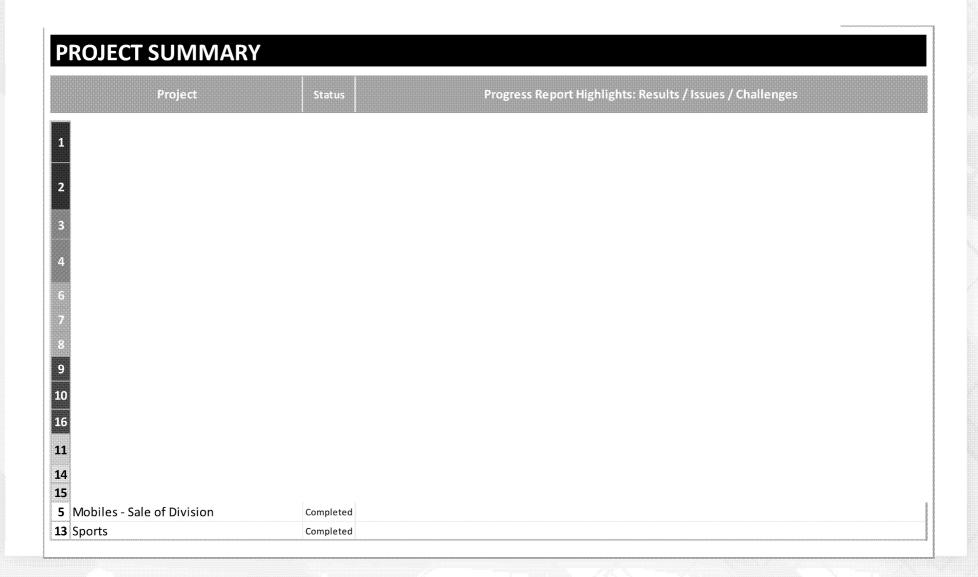


FINANCIAL SUMMARY | EXPLANATION OF VARIANCES

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PROJECT SUMMARY | STATUS & PROGRESS



PROJECT SUMMARY TIMELINES

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

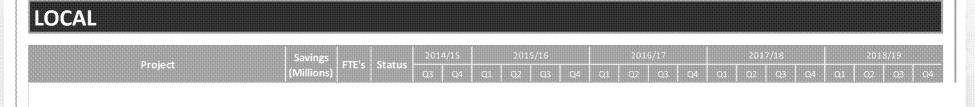
5 Mobiles - Sale of Division Completed
13 Sports Completed



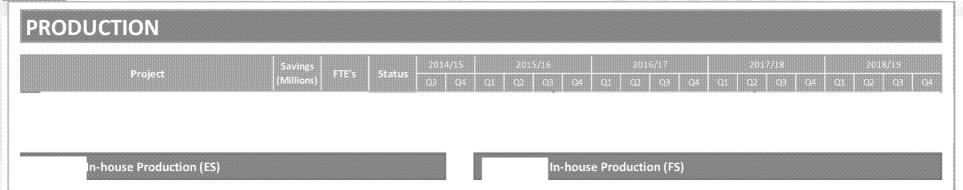
APPENDICES

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



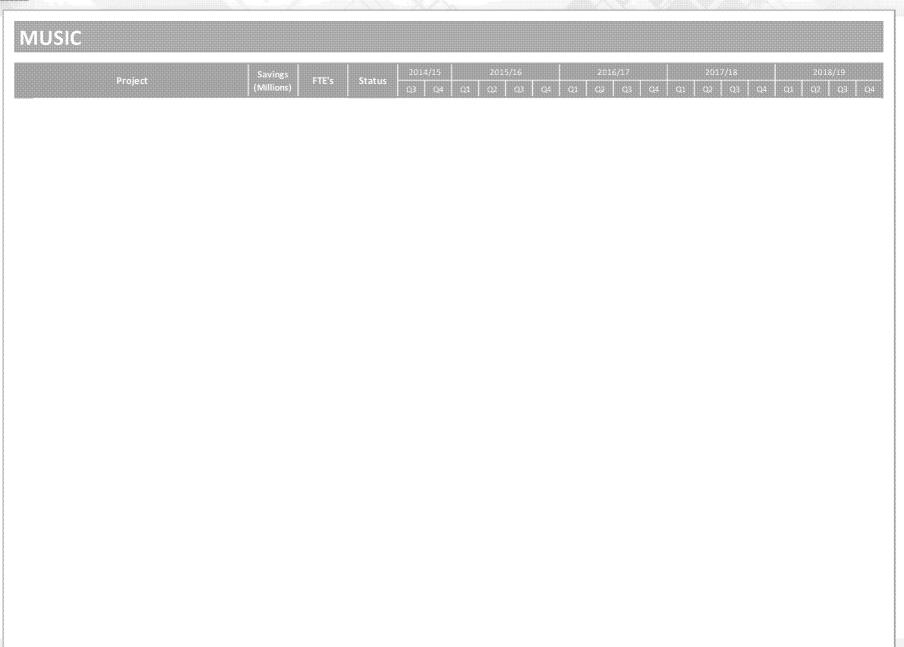








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INFRASTRUCTURE					
Project	Savings FTE's Status	2014/15 2015/16 Q3 Q4 Q1 Q2 Q3	2016/17 Q4 Q1 02 Q3 Q4	2017/18 Q1	2018/19 02 Q3 Q4



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ORGANIZATIONAL DESIGN & IMPLEMENTATION



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REAL ESTATE

Savings 2014/15 2015/16 2016/17 2017/18	
Protect FES Status	
Project FTE's Status	
Project (Saliforn) FLES Status of Carlos of Ca	
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Project (Millions) FIE'S Status Q3 Q4 Q1 Q2 Q3 Q4	01 02 05 04
	61 02 66 64

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).

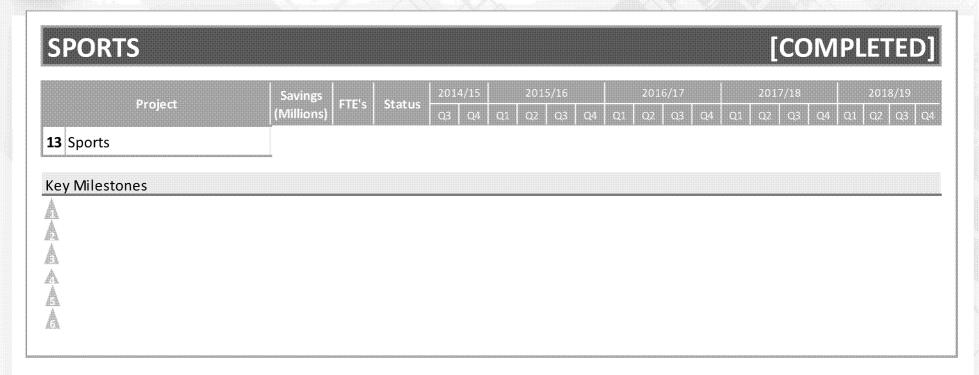
A Construction and delivery (Jul 2019).

Progress Highlights: Results / Issues / Challenges



SALE OF MOBIL	E DIVISION	[COMPLETED]
Project	Savings FTE's Status 2014/15 2015/16	2016/17 2017/18 2018/19 21 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4







APPENDIX B | ENGLISH SERVICES FINANCIAL EFFICIENCIES

En	glish Services Budget		vings - Forec					
	2014/15	2015/16		2016/17	2017/18	2018/19	2019	
<mark>local:</mark> Local - Gross reductions Local - Reinvestments	\$000's <u>FTE</u>	<u>\$000's</u>	<u>FTE \$00</u>	00's FTE	<u>\$000's</u> <u>FT</u>	<u>\$000's FTE</u>	<u>\$000's</u>	<u>FTE</u>
Total Net Reductions / Savings - Local								
Music - Reductions / Savings: Reimagine Radio 2 - Gress reductions integration of digital platforms - Gross reductions Total Net Reductions / Savings - Music								
Production Production - Gross reductions Mobiles Doumentary Production Add back: loss of external prod. Revenues Production - Reductions Loss of External Production Revenues Total Net Reductions / Savings - Production								
Efficiencies and Others:								
- English Services	sh Services - Downsizi		ne Costs - Fo					
- English Services English	sh Services - Downsizi 2014/15	ing and One-Tir ^{2015/16}	ne Costs - Fo	recast as of Q4	2015/16 2017/18	2018/19	2019/20	Total
- English Services English			ne Costs - Fo			2018/19	2019/20	Total
- English Services Englis Expected Downsizing Costs:			ne Costs - Fo			2018/19	2019/20	Total
English Services Englise Expected Downsizing Costs: Local (1)			ne Costs - Fo			2018/19	2019/20	Total
Englis Expected Downsizing Costs: Local (1) Reimagine Radio 2			ne Costs - Fo			2018/19	2019/20	Total
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Englis Expected Downsizing Costs: Local (1) Relmagine Radio 2 Integration of digital platforms Production Efficiencies and others Total - Expected Downsizing Costs Other One-Time Costs: Local Relmagine Radio 2 Integration of digital platforms Production			ne Costs - Fo			2018/19	2019/20	Total
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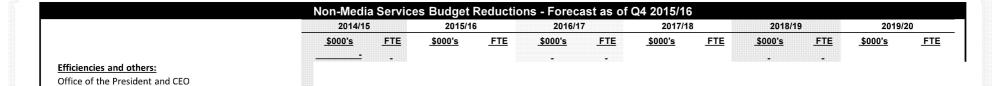


APPENDIX B | FRENCH SERVICES FINANCIAL EFFICIENCIES

	French Services Budge 2014/15	2015/16	20	16/17	2017/18	2018/19		2019/20
	<u>\$000's</u> <u>FTE</u>	\$000's	FTE \$000's	FTE	\$000's F	TE \$000's	FTE \$000's	<u>FTE</u>
<u>cal:</u>								
ocal - Gross reductions ocal - Reinvestments								
otal Net Reductions / Savings - Local								
usic - Reductions / Sevings:								
olution d'Id Musique - Gross reductions								
olution d'Ici Musique - Reinvestments								
olation d'Ici Masique - Net								
egration of digital platforms - Gross reductions								
egration - Reinvestments								
egration - Net								
tal Net Reductions / Savings - Music								
duction								
oduction - Gross reductions								
ditional Cost of Off-Premises Production								
ss of External Production Revenue								
tal Net Reductions / Savings - Production								
ficiencies and others:								
- French Services								
- French Services								
French Services	French Services - Downsi					2018/49	2019/2	Total
	French Services - Downsi	zing and One-T 2015/16		st as of Q4 20	015/16 2017/18	2018/19	2019/20) Tota
pected Downsizing Costs:						2018/19	2019/21) Tota
pected Downsizing Costs:						2018/19	2019/20) Tot
pected Downsizing Costs: cal olution d'Ici Musique						2018/19	2019/24) Tota
pected Downsizing Costs: .al plution d'Isi Musique egration of digital platforms						2018/19	2019/20) Tota
pected Downsizing Costs: cal olution d'Ici félusique egration of digital platforms oduction						2018/19	2019/20) Tota
pected Downsizing Costs: cal olution d'Ici Musique egration of digital platforms oduction						2018/19	2019/24) Tota
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Dected Downsizing Costs: cal olution d'Ici Musique egration of digital platforms oduction iciencies and others tal - Expected Downsizing Costs her One-time Costs: cal						2018/19	2019/21) Tot

APPENDIX B NON-MEDIA FINANCIAL EFFICIENCIES

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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 -

Brand, Communications and Corporate Affairs

Total - Non-Media Services

Shared Services

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Tota
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							

APPENDIX B VARIANCE VS. PLAN

	Summ	nary Budget Red				6	_		Per 5-Year
		2015/16 \$M FTE	2016/17 \$M	FTE	2017/18 \$M FTE	2018/19 \$M FTE	2019/20 \$M FTE	Total Annual Savings by	Total Anni
Strategy (net of reinvestments):		φm FIE	JW	F1	\$₩ FIE	şm FIE	şm FIE		1
Local									
Music									
Production									
Organisational Design									
Efficiencies and others:									
English Services									
French Services									
Non-Media Services									
il - Net Budget Reductions / Savings									
H - Wist Stopger Reobet Only Savings ownsizing Costs per fiscal year									
wnsizing costs recognized in 2014/15									
		Summary Bud	lget Reductions	- Per Five-	Year Plan				
		2015/16	2016/17		2017/18	2018/19	2019/20	Total Annual Savings by	7
Strategy (net of reinvestments):		\$M FTE	\$M	FTE	\$M FTE	\$M FTE	\$M FTE	2019/20 (\$M)	
Local									
Music									
Production									
Organisational Design									
Efficiencies and others:									
English Services									
French Services									
Non-Media Services									
al - Net Budget Reductions / Savings									1
al - Downsizing Costs per fiscal year wnsizing costs recognized in 2014/15									
		Variance	urrent Forecas	i vs Five-Y					
	_							Total Annual by	
	_	2015/16	2016/17		2017/18	2018/19	2019/20	2019/20 (\$M)	1
i - Net Budget Reductions / Savings									
tal - Downsizing Costs per fiscal year									
		NOTE:							



APPENDIX B | WORKFORCE ADJUSTMENT TRACKING

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

ACTION	English Services	French Services	Corporate Services	Organisational Design
ancies abolished			I.	
ntract non-renewal				
assignments and Redeployments				
ner (End of temporary or probationary employment, etc.)				
ub-total - Attrition				
undancy Notices				
offs				
stitutions				
tract non-renewal with severance				
ıb-total - Departures with severance				
be determined $^{ m 1}$				
al Reduction (Headcount) ²				
riance between FTEs and headcount ³				
TAL Reduction (FTE) ²				
pected FTE increase from reinvestments				
et Reduction in FTEs				
ticipated reduction for 2014/15 to 2019/20 presented to the Board in November 2014	4			
wnsizing costs recognized (April 1, 2014 -March 31, 2016)				
nsizing costs estimate at Q4 2015/16				
vnsizing costs estimate per Five Year Plan				
riance				

NOTES:



APPENDIX C | PROJECT OBJECTIVES

	Project Objective
5	Mobiles - Sale of Division
13	Sports