



# **CBC/RADIO-CANADA**

Board Strategic Planning Discussion  
**The Big Issues**

May 14, 2014



## INTRODUCTION

The purpose of this document is to provide the Board with a window onto the work and thinking in progress around the strategy and invite their feedback and counsel at this stage.

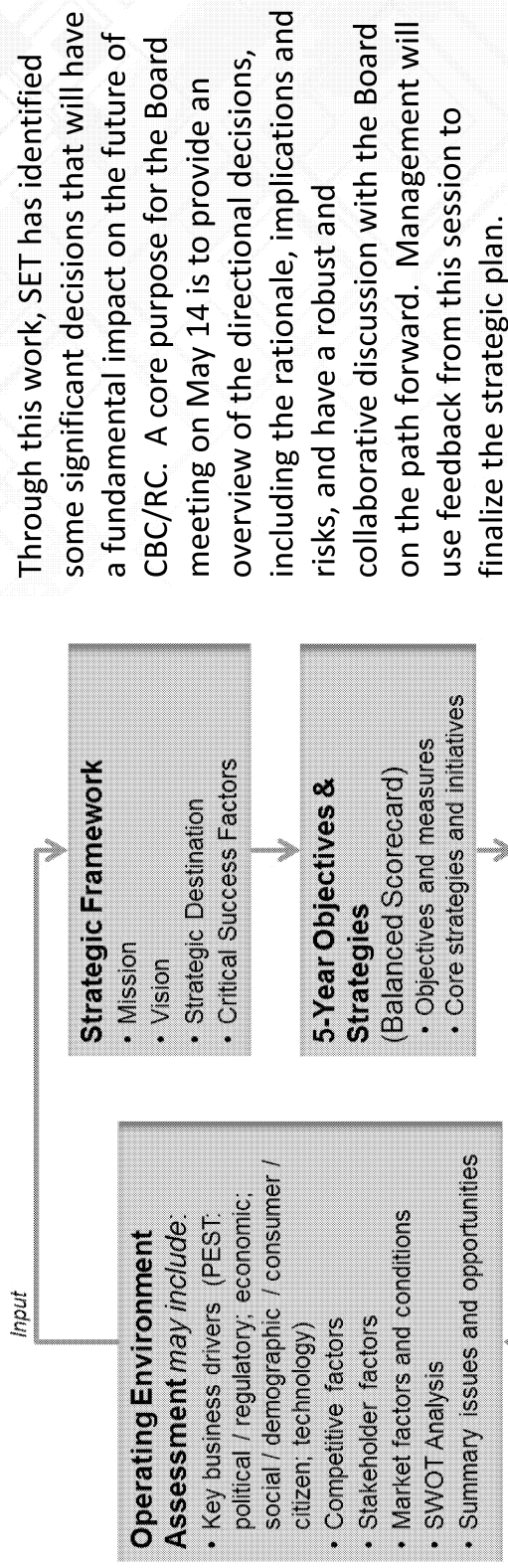
As you will see, it focuses largely on what services CBC/Radio-Canada will offer Canadians in the future. These are not decisions but the state of management's deliberations at a moment in time. In the background, a vast amount of work is being done to analyze the financial, mandate, operational and audience implications of each.

This meeting is an opportunity for the Board to get its collective mind around the scope of potential change and flag the risks and opportunities that they will want clearly addressed when it comes time for approval.



# INTRODUCTION

Following the review of the Strategic Framework with the Board on March 27, Management has been focused on further developing the content strategy – *to reduce and reposition our services / programs in context of audience needs in a more deliberate way to increase and deepen engagement in the public space* – as the cornerstone for strategic decisions.





# BOARD STRATEGIC PLAN INPUT – MEETING AGENDA

Time	What
12:30	Introduction
12:40	<b>DISCUSSION AND FEEDBACK:</b> Core Services Strategic Decisions and Direction <ul style="list-style-type: none"><li>• Evolution of Critical Services</li><li>• Regions</li><li>• Production</li><li>• Music</li><li>• Sports</li><li>• Future focus: <i>Implications of public space</i></li></ul>
3:40	Organizational Implications <ul style="list-style-type: none"><li>• Infrastructure</li><li>• People</li><li>• Financial</li></ul>
4:40	Next Steps
5:00	Meeting End



# **DISCUSSION AND FEEDBACK**

## **Strategic Framework**

### **Criteria for Services Decisions**

#### **DISCUSSION: Services Decisions**



# STRATEGIC FRAMEWORK

<b>MISSION</b> CBC/Radio-Canada expresses Canadian culture and enriches the life of all Canadians, through a wide range of content that informs, enlightens, and entertains.	
<b>VISION</b> In 2020, CBC/Radio-Canada will be the public space at the heart of our conversations and experiences as Canadians.	
<b>Draft 5-Year Objectives</b>	<b>Draft 5-Year Strategy Themes</b>
1. Increase and deepen our engagement with Canadians; <i>inspire them / move them to participate in the public space</i>	1. <b>CONTENT: Start with the audience and focus</b> 2. <b>INFRASTRUCTURE: Re-imagination and continuous improvement</b> 3. <b>CULTURE: Simplify, empower, and create urgency</b> 4. <b>FINANCIAL: Financial sustainability</b>
2. Migrate our infrastructure from “traditional broadcaster” to “public space activator” [host / promoter / facilitator (“animateur”)]	
3. Build a culture of personal accountability, urgency, interdependence, inventiveness, and alignment	
4. Achieve sustainable financial health, including ability to invest for the future	

# CRITERIA FOR SERVICE DECISIONS



In January, SET established 8 criteria to conduct an initial assessment of services re. future importance for CBC/RC

## Criteria

- Public service value
- At the heart of the mandate
- Strategic imperative
- Financial Contribution
- Financial Significance
- Unique/ distinctive
- Reach
- Level of impact on brand

This effort helped SET narrow its focus on specific services that require assessment and re-imagination to determine what role, if any, they will play in CBC/RC in 2020 in the context of relevant and compelling content, and financial sustainability. **Specific areas of focus included:**

1. Overall evolution of services
2. Regional offering
3. Production
4. Sports
5. Music

*Note: Detailed genre strategy is being considered in the context of the overall evolution of services.*

**Directional decisions made on the 5 areas listed above took the following factors into consideration:**

- Contributes to financial sustainability (e.g. cost transformation)
- Supported by trends / data
- Has a positive impact on audience engagement (depth / breadth)
- Aligns to mandate and strengthens brand positioning and distinctiveness as public broadcaster
- Helps transform CBC/RC cultural mindset from “producer” to “broadcaster”
- Implementation plan, timing, barriers to be addressed



## **DISCUSSION**

### **1. EVOLUTION OF CRITICAL SERVICES**





# DISCUSSION: EVOLUTION OF CRITICAL SERVICES

## BACKGROUND

In the context of the Mission and Vision, CBC/RC feels strongly that the content and services strategy is the cornerstone of the strategic decisions for *Beyond 2015*. The market / audience 5-year objective – *to increase / deepen our engagement with Canadians* – inspired the audience-focused content strategy: to reduce and reposition our (remaining) services / programs against the audience in a more deliberate way to increase and deepen engagement in the public space.

To achieve a service offering for Canadians that both maximizes engagement and is financially sustainable, CBC/RC has to determine both *what* services should be offered, and *how* they should be offered.

Management set out to identify what is essential for CBC / RC's success in 2020, considering:

- Current performance
- Projected audience / technology / revenue trends
- What would be critical by 2020 to attain the Vision, considering trend and financial data and the following criteria: differentiation; intensity with the audience; contribution to synergies within CBC/RC; partnership opportunities
- What level of asymmetry would be required to meet different market needs

The charts on the following pages show the proposed evolution of services.



## English services

# Resource allocation

In 2014



Legend:  
 ██████████ Primary platform  
 ██████████ Secondary platform

This is a work in progress.

Scoping out the actual budget shifts in the context of our expected available funds through the coming years is the essential next step.

In 2020



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# Allocation des ressources



## Services français

En 2014

	Télé	Radio	Num.
Art et divertissement (dramatiques, culture et variétés)			Tou.tv
Affaires publiques et documentaires			
Sports			
Jeunesse			
Musique			Ici.mu
Information nationale			
Information régionale			
Radio parlée nationale			
Radio parlée régionale			

**Légendes:**

- Plateforme primaire
- Stratégie multiplateforme
- Plateforme secondaire

This is a work in progress.

Scoping out the actual budget shifts in the context of our expected available funds through the coming years is the essential next step.

En 2020

Télévision      Radio      Plateformes numériques



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# DISCUSSION: EVOLUTION OF CRITICAL SERVICES

	2014	2020	Comments
<b>Services</b>	<ul style="list-style-type: none"><li>• Focus of services and resources is our Conventional Television and Radio “Platforms”</li><li>• Digital has been priority for investment but still significantly lags Conventional in resources, audiences and revenues</li></ul>		
<b>Financial</b>	<ul style="list-style-type: none"><li>• TBC</li></ul>		



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# DISCUSSION: EVOLUTION OF CRITICAL SERVICES

Risks

Risk Mitigation



# **DISCUSSION: EVOLUTION OF CRITICAL SERVICES**

## **Next Steps:**

- Financial validation
- Genre strategy



## **DISCUSSION**

### **2. REGIONAL OFFERING**



# DISCUSSION: REGIONAL OFFERING

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## BACKGROUND

The local regional offering is a key driver of Canadians' engagement with CBC/RC. Our regional offering also carries a large cost structure

Local service is a critical component of delivering on CBC/RC mandate, and at the heart of our role as a public broadcaster. Research tells us local news is Canadians' top priority for CBC/RC. We are expected to know their communities, and to be a source and place for accuracy, for things to share, for originality. In 2020, CBC/RC intends to be present more often, in more places, and in more ways – in essence to be **more local but at less cost.**





# DISCUSSION: REGIONAL OFFERING

## BACKGROUND CONTINUED

To deliver on our mandate while addressing the financial sustainability aspect, Management has taken a bold view of how to reimagine our local service delivery while **preserving our existing geographic footprint**. We are envisaging a baseline level of service for all local markets, based on commonly held principles across French Services and English Services; and additional services above baseline to be delivered to some markets, again based on shared criteria. As different markets have different characteristics, there will be asymmetry in the delivery of local services.

FS and ES are taking a common approach to re-imagining regional service, with shared view to become more local at less cost:

1. **Transform the local offer to become “mobile first”**
2. **Introduce a selective content offer across the country**
3. **Reframe our identity to local as the front door**
4. **Treat community as a fifth platform of engagement**
5. **Measure and grow by market intensity, income opportunity**



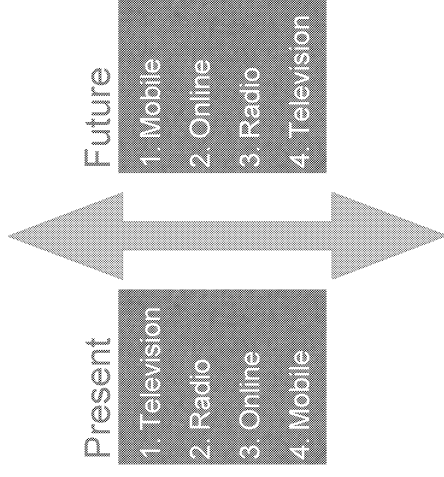
# DISCUSSION: REGIONAL OFFERING

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## SUMMARY STRATEGY UNDER CONSIDERATION

Deliver principle-based “baseline” service to regions, with incremental services in some markets based upon defined criteria.



## Alternatives

1. Baseline service delivery model with incremental services based on agreed upon criteria.

## Rationale

- Lower cost; higher engagement; more aligned to how audience consumes news and information
- Common criteria for principle-based implementation
- Scalable

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# DISCUSSION: REGIONAL OFFERING

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**Defined criteria for market enhancements/incremental programming  
in specific markets**

Category	Qualifying provisions	Sunset provisions

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# DISCUSSION: REGIONAL OFFERING – ENGLISH SERVICES

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PLATFORM	PRESENT	FUTURE	FUTURE
TV			
Radio			
Online			
Mobile			

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# DISCUSSION: REGIONAL OFFERING – FRENCH SERVICES

PLATFORM

PRESENT

FUTURE

FUTURE

TV\*  
(Excludes  
Montreal)

Radio

Online

Mobile

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# DISCUSSION: REGIONAL OFFERING – ENGLISH SERVICES

## FINANCIAL IMPACT

FY2015	FY2020

## RISKS AND RISK MITIGATION

Risks	Risk Mitigation

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# DISCUSSION: REGIONAL OFFERING – FRENCH SERVICES

## FINANCIAL IMPACT

**FY2015**

**FY2020**

- FS regional budget is 97.5M

## RISKS AND RISK MITIGATION

**Risks**

**Risk Mitigation**

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# DISCUSSION: REGIONAL OFFERING

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## NEXT STEPS

- Service mapping by market, with financial and change assessment
- Business case development and review for option 1 and option 2 including service mapping by market with financial and change assessment, with full risk assessments for each

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## **DISCUSSION**

### **3. PROGRAM PRODUCTION**



# DISCUSSION: PROGRAM PRODUCTION

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## SUMMARY STRATEGY UNDER CONSIDERATION

1. Phase out internal production (excluding news, current affairs, radio).

# DISCUSSION: PROGRAM PRODUCTION

## IMPACT

	2014	2020	Comments
<b>Services</b>	<ul style="list-style-type: none"><li>• Mixture of self-produced and commissioned content</li></ul>		
<b>Infrastructure / People</b>	<ul style="list-style-type: none"><li>• Fixed staffing</li><li>• Owned production space</li></ul>		
<b>Financial</b>	<ul style="list-style-type: none"><li>• Under review</li></ul>		



# **DISCUSSION: PROGRAM PRODUCTION**

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# DISCUSSION: PROGRAM PRODUCTION

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## RISKS AND RISK MITIGATION

Risks	Risk Mitigation
Resource availability /	<ul style="list-style-type: none"><li>• Business case assessment underway</li></ul>
Market driven rates	
Culture change / change resistance	
Other?	



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# DISCUSSION: PROGRAM PRODUCTION

## Next Steps:

- Build detailed business case, including:

Timeline and plan for implementation

Risks and risk mitigation



## **DISCUSSION**

### **4. MUSIC**



# DISCUSSION: MUSIC

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## SUMMARY STRATEGY UNDER CONSIDERATION





# DISCUSSION: MUSIC

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## IMPACT

	2014	2020	Comments
<b>Services</b>	<ul style="list-style-type: none"> <li>Radio 2 and Espace are multi genre with duplications of resource in classical</li> <li>Operate separate digital music services</li> <li>March 2014 Business Plan budget for Music in 2015-2016 is estimated at \$20,7M (\$10.0M ES and \$10,7M FS)</li> </ul>		
<b>Financial</b>	<ul style="list-style-type: none"> <li>Under Review</li> </ul>		



# DISCUSSION: MUSIC

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# DISCUSSION: MUSIC

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# DISCUSSION: MUSIC

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## Next Steps:

- Clarify some aspects of the plan, including:

Validate financial assumptions

Confirm timelines



## **DISCUSSION**

### **5. SPORTS**



# DISCUSSION: SPORTS

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## BACKGROUND:

Sports has already gone through significant review and restructuring with the change in HNIC contract.



# DISCUSSION: SPORTS

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# DISCUSSION: SPORTS

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# DISCUSSION: SPORTS

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# DISCUSSION: SPORTS

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# DISCUSSION: SPORTS

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## **DISCUSSION**

### **6. IMPLICATIONS OF PUBLIC SPACE**



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## **DISCUSSION: IMPLICATIONS OF PUBLIC SPACE**

**BOARD FEEDBACK**



# STRATEGIC IMPLICATIONS



# STRATEGIC IMPLICATIONS

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**IMPLICATIONS AND NEXT STEPS – For Discussion with Board**