

A SPACE FOR US ALL



INTRODUCTION

Nearly 80 years ago, Canada's identity was at risk of being forged by foreign commercial interests rather than our own experiences. So, CBC/Radio-Canada was created to ensure that this country would have a place on its own airwaves. Since then, the national public broadcaster has shared Canadians' stories, provided a platform for homegrown artists and enriched our democratic life. As the country approaches its 150th anniversary in 2017, we have a responsibility to continue that legacy for future generations.

Today's global media environment is no less challenging than in those early days of broadcasting. As the media universe becomes more crowded and more fragmented, Canadians need a space they can call their own. We believe we must continue to be that space.

A space for us all is a strategy to make CBC/Radio-Canada the public space at the heart of our conversations and experiences as Canadians. We want to be a part of daily life. In the home, in the car, at work, and at play – CBC/Radio-Canada will be at your fingertips. We know that the combination of world-class content and more screens is a powerful one, allowing us to reach more and younger audiences than ever before. Today, technology fits in your pocket. Tomorrow, it may be sewn into it.

A space for us all starts with the premise that we must focus our creative energy and every resource at our disposal to play our part in telling Canada's story. This strategy will reduce our fixed costs and shift investments from support services, real estate and traditional broadcast infrastructure, to providing high-impact Canadian content, including news and current affairs, progressively adapting to audience preferences through an even greater focus on digital and mobile across all genres. Working as one company, by 2020, we will be smaller in size but more effective and more focused.

Implementing the strategy will require us to challenge how we see ourselves. The strategy provides a solid framework that will allow us to face new challenges and seize new opportunities. Internally, and for some of our more traditional supporters and fans, it will mean significant change, as we take initial steps to reduce our investment in some areas to support the vision. But I am confident that, come 2020, we will have secured our ability to serve future generations of Canadians, and we will be a model of modern public broadcasting worldwide.

I hope you'll join me, and the thousands of CBCers and Radio-Canadiens across the country and around the world, in creating ***A space for us all***.

Cheers,



EXECUTIVE SUMMARY

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

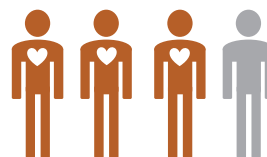
In 2020, CBC/Radio-Canada will be the public space at the heart of our conversations and experiences as Canadians.

A space for us all is about modernizing the public broadcaster to bring it closer to you, its audience. The strategy outlines CBC/Radio-Canada's plans to:

- intensify its relationship with Canadians through the delivery of relevant, distinctly Canadian content and services, offered through modern distribution methods, with an emphasis on digital and mobile services;
- preserve its geographic presence, to be even more local, but at a reduced cost;
- significantly reduce in-house production across the organization – excluding news, current affairs and radio – while continuing to promote acquired or commissioned entertainment content from Canada's independent creative sector;
- lighten its technology and real estate footprint across the country, focusing efforts and resources on content rather than infrastructure;
- become a scalable, adaptable and flexible company with the appropriate tools, resources and people to deliver its strategy; and
- develop long-term, sustainable ways to manage its financial health, and the ability to invest in the future, as market conditions and audience habits evolve.

Key objectives

- By 2020, CBC/Radio-Canada will **have doubled its digital reach**. 18 million Canadians, one out of two, will use CBC/Radio-Canada's digital services each month.
- By 2020, **three out of four Canadians** will answer that CBC or Radio-Canada is very important to them personally.



STRATEGIC CONTEXT: EVOLUTION TO DATE

Within Canada's broadcasting industry, CBC/Radio-Canada operates television, radio and online media services, providing content and over-the-air distribution. The profile of the industry is changing dramatically: availability of foreign content is exploding; technology continues to transform broadcast media as well as the industry structure; and consumer expectations, habits and demographics are also transforming the marketplace.

Public broadcasting continues to play a crucial role in Canada and around the world because, even in the digital age, there is still a need for investment in high-quality original content. CBC/Radio-Canada invests substantially more in Canadian content than the largest private-sector broadcasters in both the English and French markets. The result is the prominence of Canadian programming in its schedules and spending on Canadian content, including programs of national interest (programming designated by the CRTC as a particular priority for the broadcasting system); and support for independent producers. In an increasingly digital environment where it is difficult, if not impossible, to regulate the private sector to create original content, public broadcasting becomes an even more critical public policy tool.

Table 1: CBC/Radio-Canada is driven to do more

As Canada's public broadcaster, CBC/Radio-Canada invests substantially more in Canadian content than the largest private-sector broadcasters in both the English and French markets.

SCHEDULE	CBC TELEVISION	TOP ENGLISH PRIVATE STATION	ICI RADIO-CANADA TÉLÉ	TOP FRENCH PRIVATE STATION
Canadian Content, All Day (6 a.m.-12 a.m.)	93%	60%	84%	68%
Canadian Content, Prime Time (7 p.m.-11 p.m.)	86%	26%	91%	62%
SPENDING				
Canadian Content	\$408.1M	\$190.5M	\$288.7M	\$120.2M
Programs of National Interest (PNI)	\$108.9M	\$30.0M	\$82.9M	\$27.2M
Independent Production	\$87.3M	\$28.9M	\$105.1M	\$58.3M
Expenditures on Foreign Content	\$16.2M	\$315.0M	\$7.6M	\$16.8M

Source: BBM (Broadcast year 2013) and CRTC (Broadcast year 2013)

STRATEGY 2015: EVERYONE, EVERY WAY

In strategy 2015: *Everyone, Every way*, CBC/Radio-Canada committed to being more Canadian, more regional and more digital. Today, despite financial setbacks, the public broadcaster is more Canadian across all platforms; offers improved service and more local presence in 55 communities, with 88 radio stations and 27 televisions stations, from Kamloops to Rimouski; and is more digital, with online offerings like cbcmusic.ca, ICI Musique, and ICI Tou.tv, breaking new ground and reaching more diverse audiences.

KEY BUSINESS DRIVERS

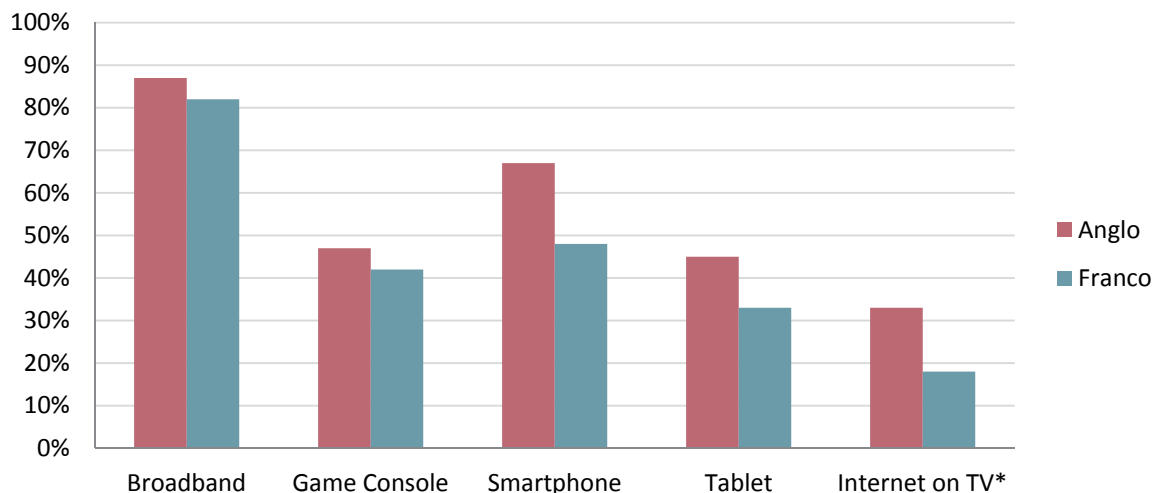
Several key business drivers are likely to shape CBC/Radio-Canada’s operating environment over the next five years. These will be monitored closely and the strategy will be adjusted accordingly. They include:

Technology advances. Technology will continue to evolve dramatically and have a transformative influence on the broadcast industry. The rise of digital and other evolving technology continues to fundamentally change the development, delivery and consumption of media content. The digital world also opens Canada’s borders to new, global competitors, while new platforms for distribution and consumption continue to proliferate. This presents a challenge, as CBC/Radio-Canada is transitioning from a business model founded on conventional broadcasting and the largest legacy broadcasting infrastructure in the world, to a digital future, where content can be created and distributed with a smart phone.

While the challenge is to stay current despite legacy systems and cost constraints, including towers, transmitters, studios and buildings, opportunity exists in rethinking how to work and connect most effectively with Canadians.

Table 2: Technology adoption by language market

The adoption rate of new technologies varies by market.



Source: MTM, Spring 2014 – *Accessed the Internet on a TV set in the past month

Table 3: The digital century demands innovation

Consumer preferences and media technology have changed considerably since the turn of the century.

SERVICE/DEVICE	THEN (2000)	NOW (2013-2014)
Weekly TV Viewing Per Capita	22.6 hours	27.5 hours [^]
Residential TV Subscribers	8.8 million households	11.2 million of Canada's 13 million households
No Regular TV Service ~	-	10%
Specialty/Pay TV Share of Total TV Viewing (All day, Persons 2+)	English: 39.7% French: 26.3%	English: 59.9% [^] French: 48.0% [^]
Weekly Radio Listening Per Capita	20.3 hours	16.5 hours
Broadband Penetration	7% of Canadians	85% of Canadians
Internet Video (including Netflix)	-	77% of Canadians watch Internet video for 6.5 hours/week
Netflix	-	24% of Canadians watch Netflix for 7.4 hours/week
Satellite Radio	-	2.4 million subscribers
Internet Audio (streaming or podcasts)	-	61% of Canadians listen to Internet audio for 7.1 hours/week
Smartphones	-	62% of Canadians
Tablet Computers	-	42% of Canadians
Primary Source for News*	#1 Television (65%) #4 Internet (7%)	#1 Television (46%) #2 Internet (30%)

Source: BBM Canada, Mediastats, MTM, PwC and Sirius XM Canada

* Anglophones only for the year 2001; Canadians for the year 2012

~ No regular television service via a television subscription service (e.g., cable, satellite, IPTV from a telco) or free, off-air television.

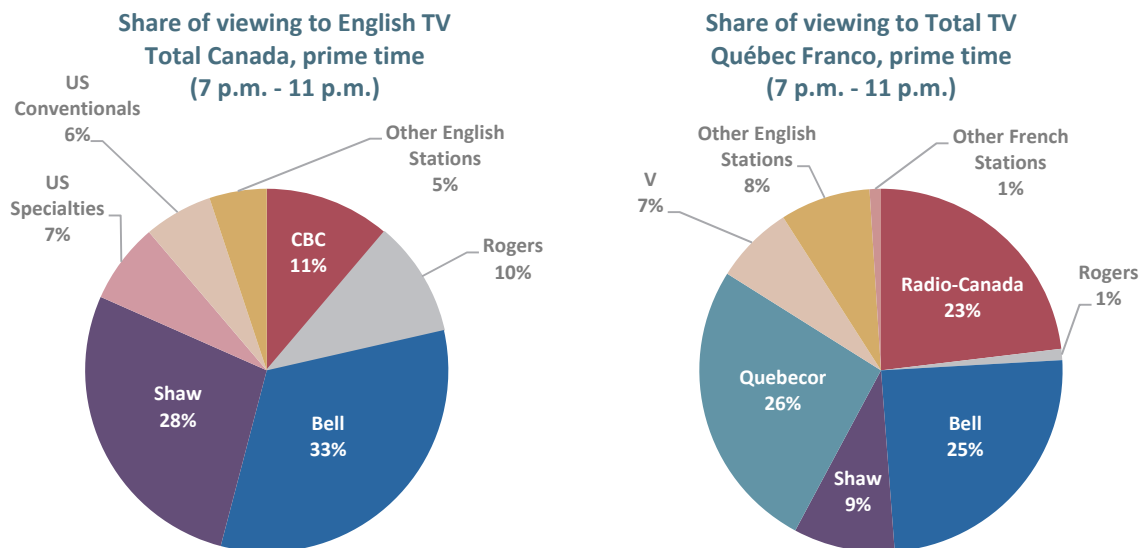
[^] 2013-2014 Broadcast Year-to-date (Aug 26, 2013 – May 25, 2014, excluding Olympic weeks 25-26).

Evolving audience habits and preferences. As technology evolves, consumer behaviour and preferences change as well. The iPad did not even exist four or five years ago. Today, over three in five Canadians own smart phones; over two in five own a tablet computer. More than four in five have access to broadband Internet. With wider availability and faster speeds, three-fifths of Canadians are listening to Internet audio services, and three-quarters watch Internet video. Nearly one-third consider the Internet their primary source for news.

However, even in this digital age, television is still core. Canadians are watching more television than ever. Specialty television has introduced more channel choices and unprecedented audience fragmentation, and viewing has actually grown with more choice: television viewing per capita was almost 28 hours per week in 2013, versus 23 hours per week a decade earlier.

Chart 1 and 2: TV viewing is dominated by a handful of companies

TV viewing is highly fragmented, but the channels are owned by a small number of larger, vertically integrated broadcasters: Bell, Rogers, Shaw, and Quebecor.



Source: CBC/Radio-Canada Research and Analysis (BBM Canada, PPM, 2+, 2013-2014 Broadcast Year-to-date (Aug 26, 2013 - May 25, 2014). Note: Shaw includes viewing to Corus stations.

For CBC/Radio-Canada, monitoring and understanding shifts in consumer behaviour and preferences, and being able to adapt effectively, will be critical to delivering content and services that are relevant to Canadians and that engage them effectively.

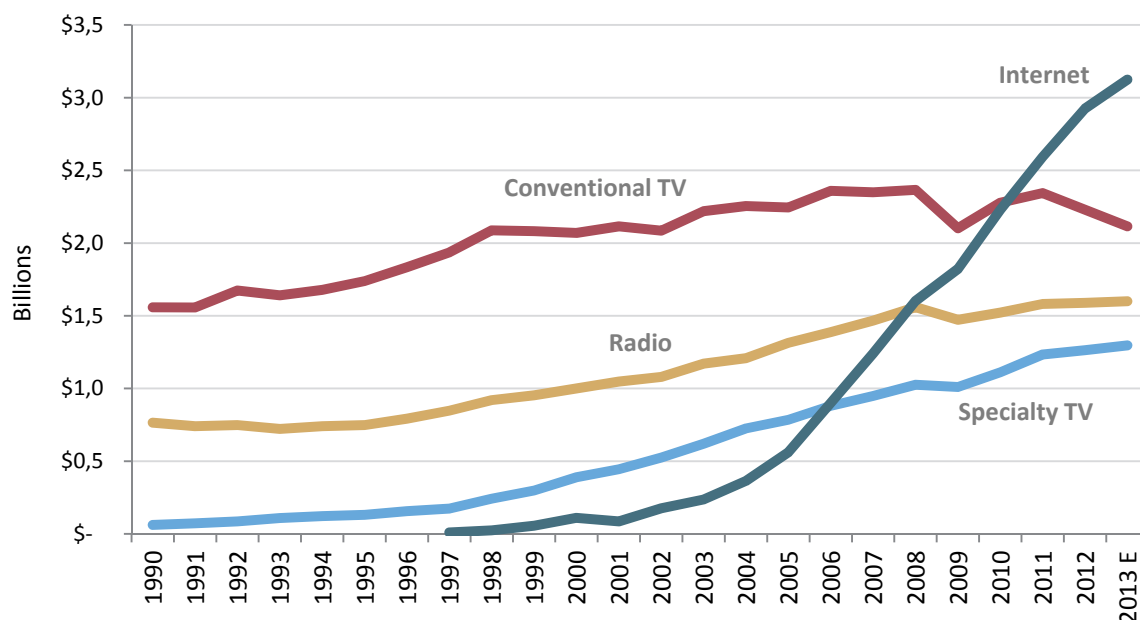
Shifting demographics. The Canadian population is aging, concentrating in urban areas and becoming more diverse. In the past three decades, the median age has risen from 29 to 40 years, according to Statistics Canada. Immigration continues to be the main source of population growth; approximately three in 10 Canadians will belong to a visible minority group in 2031; in major centres like Montreal, Toronto and Vancouver, that figure could be as high as three in five people. In addition, Millennials are exercising more and more influence in the marketplace and are revolutionizing consumer behaviour. The changing composition of Canadian audiences must be taken into account to ensure that services and content meet their needs and expectations.

The changing labour force. The Corporation’s workforce must also continue to reflect the Canadian population. The average age of CBC/Radio-Canada’s workforce is 45 years, with 13 years of seniority – over 20 per cent of employees are eligible to retire between now and 2018. The number of accredited unions with different working conditions also adds complexity. As well, there is a higher rate of turnover with the younger workforce. Being able to attract, retain and engage diverse talent with the necessary skills for the future will be key to long-term success. Encouraging more collaboration with external partners will also be important.

Evolution of the industry revenue model. There are many factors that are straining the financial model of broadcasters everywhere. Television subscription revenues, the largest source of industry revenues, grew strongly for many years. These revenues have slowed recently, however, due to increased competition (e.g., Bell Fibe TV, Telus Optik TV). Traditional broadcast advertising is struggling, as dollars migrate from conventional to other platforms. Internet advertising has grown exponentially in recent years; however, over 60 per cent of Internet advertising is tied to search and classifieds, where broadcasters do not play.

Table 4: Internet advertising is the growth area

Many advertisers are turning to the Internet to spend their marketing dollars, which is affecting the revenues of traditional media.



Sources: Statistics Canada and Internet Advertising Bureau

These industry challenges have an obvious impact on CBC/Radio-Canada. The purchase of all NHL Hockey rights by Rogers, increases the pressure on advertising revenue even more. Compounding the industry weakness is the fact that CBC/Radio-Canada has a financing model that relies on public funding, and which has not kept up with inflation and has been substantially reduced over the years. This financial vulnerability underscores the urgency for CBC/Radio-Canada to develop a long-term, sustainable way to manage its finances.

Public expectations. CBC/Radio-Canada receives approximately one billion dollars from Canadians through its government appropriation. While the original purpose of Canada’s public broadcaster was rooted in a different era, today’s media fragmentation and seemingly infinite global content make the need to have a distinctly Canadian voice more important than ever. CBC/Radio-Canada must continue to evolve to ensure its relevance, value and distinctiveness as Canada’s public broadcaster.

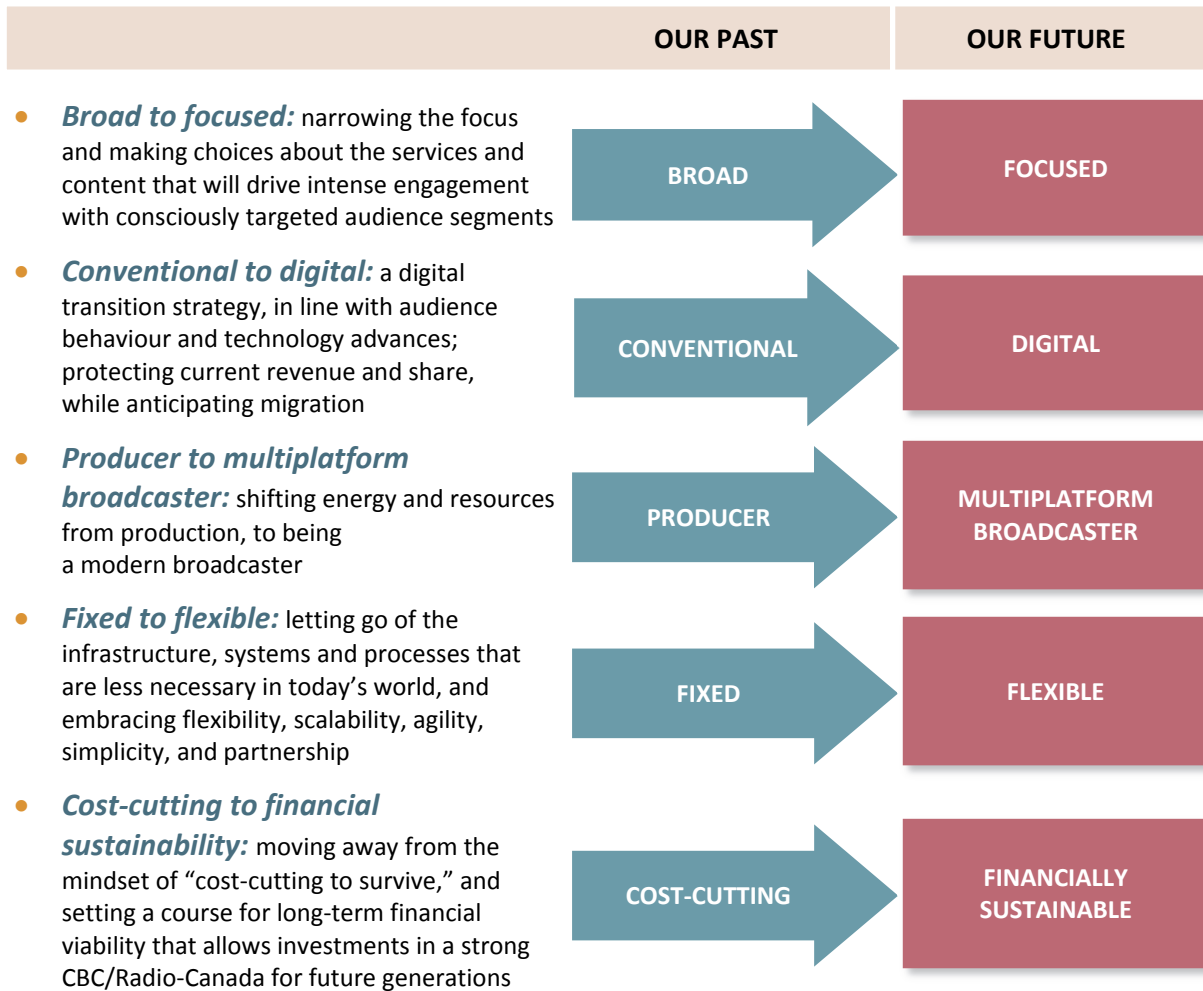
Competitive factors. A generation ago, CBC/Radio-Canada was a giant in the industry. Its total revenues and sources of funds were comparable to entire industry sectors like cable television, private conventional television and radio. The situation today is very different than it was previously. The public broadcaster is, by comparison, a much smaller player in a vertically integrated domestic industry. The likes of Bell, Rogers, Shaw, and Quebecor are the giants, controlling over 70% of the revenues in the broadcasting industry. The Internet has enabled the entry of global competitors, like Apple, Google, Facebook, Amazon, and Netflix, which are bringing new waves of innovation into the media business. In addition, these Internet-created corporations have unprecedented size and access to funds that allow them to make long-term, strategic investments. The space reserved for Canadian voices is more fragmented; the ongoing competition for audience attention puts more pressure than ever on CBC/Radio-Canada to ensure its relevance to the Canadian public.

LOOKING AHEAD

Given the realities of this volatile environment, as a public broadcaster, it is imperative that CBC/Radio-Canada play to its unique strengths and maximize its opportunities. ***A space for us all*** allows us to continue to adapt and keep pace. It is a framework with which the Corporation can make choices, even as market conditions and audience habits evolve. The three priority areas to address are: relevance, organizational agility and financial viability.

STRATEGIC FRAMEWORK

A space for us all is about modernizing the public broadcaster to bring it closer to its audience. It is a challenging and complex transition from its past to its future:



This kind of transformation won't take place overnight, and it will require the public broadcaster to challenge how it perceives itself and defines its relationship with Canadians. The challenge is to be relevant; and to engage Canadians intensely on a one-to-one basis, while modernizing ways of working and ensuring long-term financial sustainability.

MISSION

CBC/Radio-Canada's mission is its core reason for being. It is meant to stand the test of time, regardless of how the business environment may change, and it reflects the role of the public broadcaster as defined by Canada's *Broadcasting Act* (1991):

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

The Mission statement stands alone, but is augmented by the clear mandate as expressed in Section 3. (m) of the *Canadian Broadcasting Act* (1991), that *“the programming provided by the Corporation should*

*(i) be predominantly and **distinctively Canadian**,*

*(ii) reflect Canada and its **regions** to national and regional audiences, while serving the special needs of those regions,*

*(iii) actively contribute to the flow and **exchange of cultural expression**,*

*(iv) be in English and in French, reflecting the different needs and circumstances of each **official language community**, including the particular needs and circumstances of English and French linguistic minorities,*

*(v) strive to be of **equivalent quality** in English and in French,*

*(vi) contribute to **shared national consciousness and identity**,*

*(vii) be made available throughout Canada by the **most appropriate and efficient means** and as resources become available for the purpose, and*

*(viii) reflect **the multicultural and multiracial nature of Canada**“*

VISION

The vision is the aspirational goal. It gives focus to the strategy, and will inform all strategic decisions and activity:

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

The “public space” is a forum for national conversation: a meaningful place for Canadians to engage personally, with each other and their culture. The “public space” evolves with the country as it grows. For CBC/Radio-Canada, being that public space is heavily dependent on effectively driving intense engagement with and between Canadians.

OBJECTIVES

The objectives are *what* the public broadcaster aims to achieve in the next five years through *A space for us all* – to deliver on the mission, achieve the vision and position itself for a future far beyond 2020. The following four objectives will be supported by defined metrics and will inform annual targets:

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

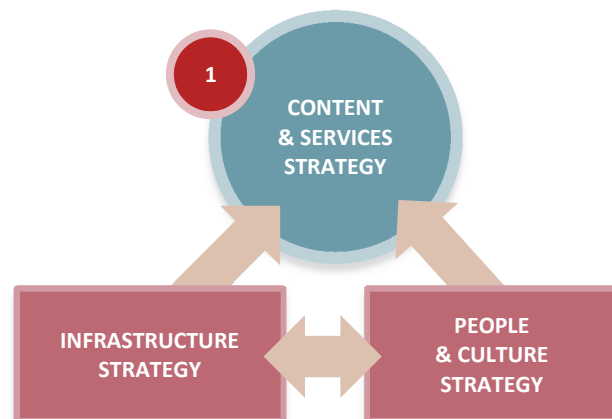
CORE STRATEGIES

Core strategies are *how* the strategic objectives of *A space for us all* will be achieved. Each strategy may contribute to achieving more than one objective, and has initiatives and tactics associated with it that will evolve over time.

CONTENT AND SERVICES STRATEGY

The idea: Start with the audience and focus

CBC/Radio-Canada will identify important target segments, and be intentional about the specific purpose of each service for the respective segment. The focus is to engage target segments intensely with some, but not all, services; to engage Canadians in the public space in a way that is meaningful and personal to the individual. It is not to be all things to all people.



Programming approach

There is a view between English Services and French Services, that programming needs to be contemporary and distinctively Canadian: smart, unique, distinctive from the privates, creatively ambitious, and risky. Specific strategies for both services will reflect market realities and will evolve over time.

English Services

For the initial phase of the strategic plan, English Services' focus will be on investing in high-impact, Canadian content. By 2020:

- At least three dramas will meet the high critical and creative standard of premium cable;
- Scripted comedies will be cutting edge, with character-led focus rather than traditional “sitcom” formats;
- CBC will include more comedic satire and/or sketch comedy;
- CBC will bring the best of the world to Canadian audiences;
- Documentaries will include bold, thought-provoking, point-of-view programs reflecting the most relevant issues to Canadians;
- Factual will focus on revealing and reflecting Canadians to each other, sparking conversation about experiences and contemporary issues; and,
- News and current affairs will continue to drive to more investigative and in-depth reporting – creating the public affairs agenda and continuing to be the news service of record for the country.

In radio, CBC will continue its focus on information talk on CBC Radio One, and music that serves a variety of tastes on CBC Radio 2.

French Services

Over the past two decades, Radio-Canada has built a vigorous and very successful TV/digital offering. Achieving or surpassing the same level of success will require, amongst other conditions, attracting the right talent and partners to deliver a first-in-class offering. Future priorities include:

- Renewing the television prime-time offering: almost 40% of the prime-time schedule is currently comprised of programs that are five years old or more. In keeping with the quality and balance that have been Radio-Canada's trademark, strategic investments in prime time will be directed towards drama series, ideally with one high-end, high-profile series, as well as one that creates a daily appointment with audiences; distinctive cultural events showcasing the best of all talent; high-impact current affairs programming spread across the weekly schedule; and spring and summer programming that contributes to building audience brand loyalty throughout the year;
- feeding and enhancing the multi-genre, multiplatform offering like ICI Tou.tv;
- acquiring content in an increasingly competitive market, comprised of a vast array of buyers, some with important means, others more niche-focused, but all seeking attractive, distinctive content;
- developing a news offering that is not only digital and mobile-first, but succeeds at achieving the in-depth quality of more traditional formats;
- continuing to support and evolve talk radio that is rooted in the community and creates a sense of “being at home;” and,
- driving the music strategy through ICI Musique.

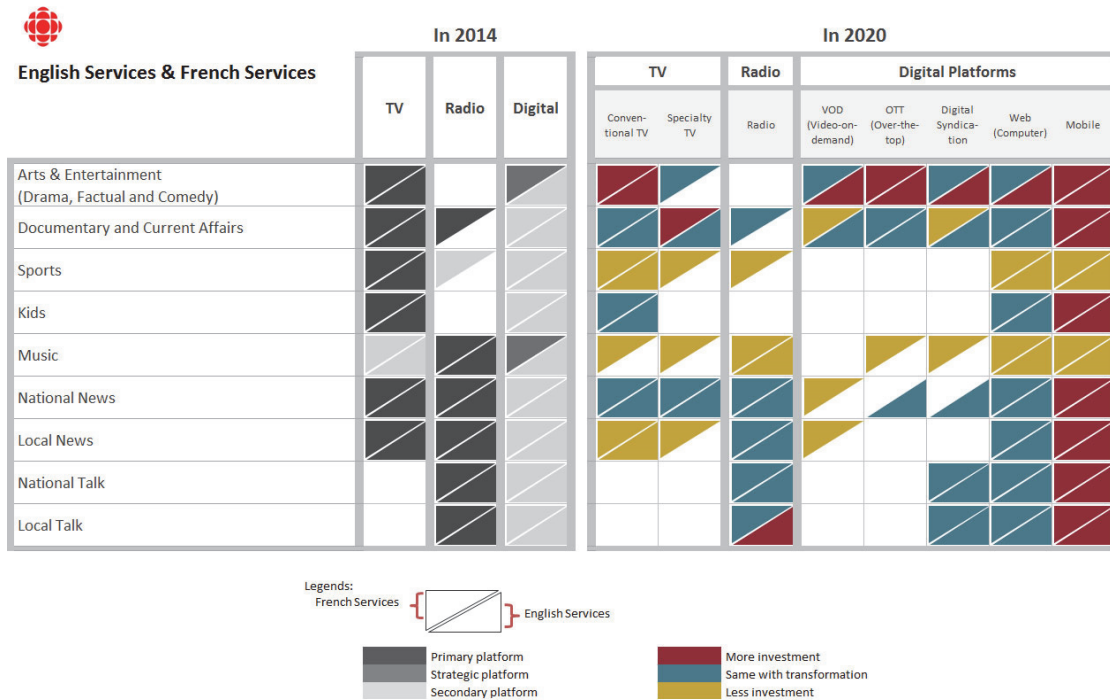
Evolution of core services

Currently, conventional television and radio platforms are the primary focus. By 2020, CBC/Radio-Canada plans to transition services in a way that maximizes engagement and modernizes its offering with the shift to digital, particularly mobile. The public broadcaster will have to be rooted in the present, to support conventional services and the audiences and revenues they currently attract, while stepping into the future to anticipate the migration of audiences and revenue. It will have to make choices about where, how and when it invests, and become bold at recognizing or even accelerating shifts in audience behaviour. It is expected that conventional services will still be an important source of audiences and revenues in 2020, but that there will be a significant shift to mobile and digital platforms in terms of resources, audiences and revenues.

Here’s how the Corporation anticipates its relative resource allocation evolving from now to 2020:

Table 5: The evolution of CBC/Radio-Canada’s resource allocation

This table demonstrates how the Corporation anticipates its relative resource allocation will evolve between now and 2020.



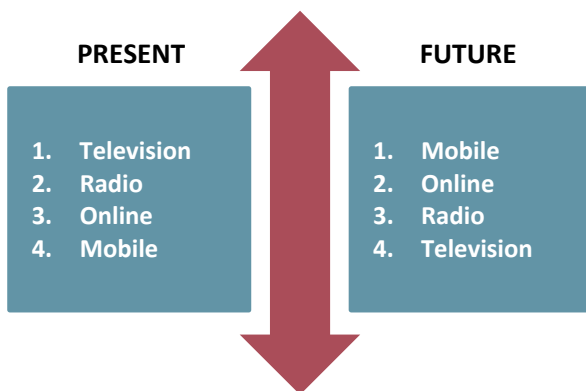
Entertainment content is a significant area of increased investment for both French Services and English Services. Prime-time entertainment titles are the biggest drivers of audience and revenue on conventional television. These titles are the most powerful vectors of culture, fostering Canadian storytelling and sharing Canadian experiences across the country in a way that creates shared national consciousness and identity. They also have the best chance of becoming breakout hits, which build the brand and, in turn, become the strongest drivers of consumption of non-news content on digital screens and devices.

Content for mobile consumption will also be a priority across the board. News services are a core service and a staple of the public broadcaster’s brand. They too, will increasingly tailor their breaking news approach to the needs and preferences of Canadian mobile users.

Local

Local service is at the heart of the public broadcaster’s role and remains a top priority for audiences. Local news, in particular, is prized by Canadians. *A space for us all* reaffirms the importance of a regional presence across the country and commits to being even more local than today, but at less cost.

The strategy aims to maintain existing geographic presence and evolve the Corporation’s service by offering content specific to the needs of each region. Between now and 2020, CBC/Radio-Canada will provide a consistent, core service for all the communities it serves, and it will accelerate the shift to digital and mobile, reflecting and anticipating the changing needs of audiences. Importantly, it is not “one size fits all,” but rather “what size fits best.”



At the heart of the plan is flipping content priorities from a traditional approach to mobile-first. CBC/Radio-Canada will continue to provide a comprehensive, multiplatform news and information offer that includes radio and television, but intends to put more focus on digital, mobile and social media, as a means of connecting Canadians with their public broadcaster and with each other.

To ensure a more consistent community expectation of CBC/Radio-Canada, the strategy provides a core, baseline level of service

consistent with existing conditions of licence in all the communities currently served. The baseline early evening television offer will be reduced, supplemented by enhancements in certain markets and by more frequent updates and newsbreaks to create a “mobile-like” experience. Additionally, some markets will receive enhanced services tailored to their needs. Criteria for enhanced services include: success with audiences, revenue opportunities, mandate, and service to minority language communities.

PRODUCTION MODELS

Commission content from independent producers

Hybrid models – blend of internal and external resources

Consortium / partnership-based model (Olympics)

One company approach (English Services / French Services)

Acquisition

Program production

CBC/Radio-Canada’s production infrastructure was established at a time when only broadcasters had the financial means to both produce and distribute content. Today, when content can be developed by a vast number of independent producers, CBC/Radio-Canada plans to significantly reduce in-house production across the organization, excluding news, current affairs and radio. This transition will commence immediately in English Services. In French Services, streamlining measures, with an emphasis on flexibility, will be examined in the next few months with a view to progressively attaining the objective in the near future. The upside of this plan is considerable: it enables CBC/Radio-Canada to evolve from an internally focused content creator and traditional broadcaster, to that of a modern media company at the heart of a dynamic, independent creative sector. It sets up the public broadcaster to continue playing a significant role in supporting the Canadian content creation/production community, and to continue promoting acquired or commissioned content on many platforms. This provides agility and flexibility without being tied to expensive, fixed means of production. And it will deliver significant savings.

Sports strategy

Since the National Hockey League has sold exclusive broadcast rights to Rogers for the next 12 years, the Corporation’s sports strategy has undergone a major transformation. Effective immediately, CBC/Radio-Canada will:

1. Provide multiplatform sports journalism;
2. Adopt a collaborative partnership approach to bringing the Olympic Games to Canadians, similar to the approach taken for Sochi and Rio de Janeiro;
3. Pursue an Olympic “support sports” acquisition strategy between Games, but always in a fiscally responsible way.

Music strategy

There is little question that music will eventually shift to a digital environment; but CBC/Radio-Canada will time the shift in its services in alignment with audience consumption habits, to protect revenue and share. CBC/Radio-Canada anticipates maintaining broadcast reach while growing digital reach. The focus on music will be to continue to connect Canadian artists with Canadians and, for the duration of the plan, CBC Radio 2 and ICI Musique will remain national services, with distinct market strategies, to maximize audience and revenue opportunities until digital consumption reaches a tipping point.

English Services and French Services are collaborating to build a joint, digital platform and back-end digital service. The focus will be on creating a strong digital future. The Corporation will monitor audience habits, and leverage broadcast reach to push Canadians towards consumption of Canadian music on digital more significantly by 2020.

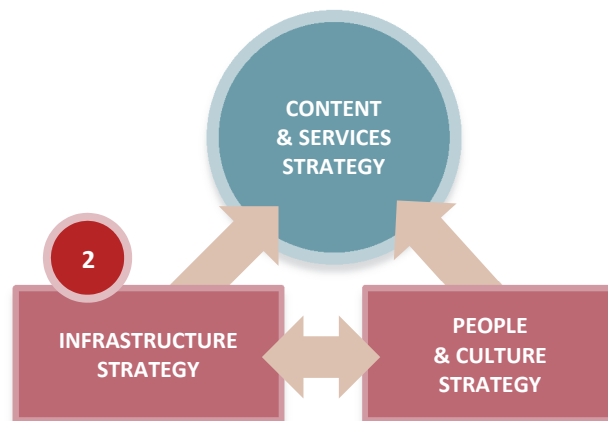
What still needs to be considered

The content and services strategy will be one that allows CBC/Radio-Canada to reprioritize and focus, depending on how the environment evolves. Particular emphasis will be placed on ensuring content strategies keep pace with the demographic changes at national, regional and local levels. Once initial priority content and service areas are launched, additional service reviews will be undertaken, including a review of the Corporation’s management structure, within the first half of the strategy’s five-year horizon.

INFRASTRUCTURE STRATEGY

The idea: Modernize, optimize and scale

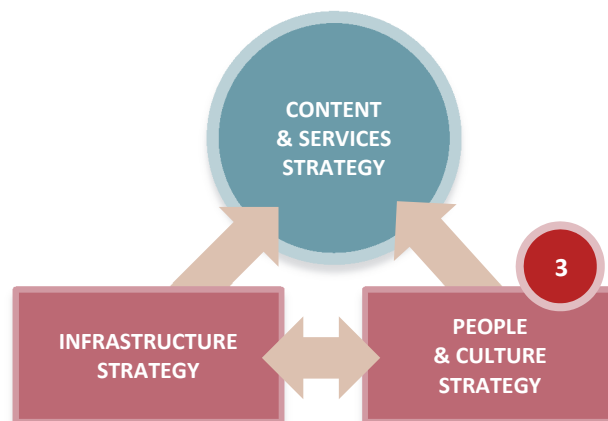
By 2020, CBC/Radio-Canada will have reduced its real estate presence by half, representing approximately two million square feet. The current infrastructure was established at a different time, with different market factors and with a different view of service offerings. The Corporation will reimagine how it works, as well as the tools and infrastructure required, to build flexibility, transfer risk and leverage technology to reduce costs. Infrastructure includes: production facilities and equipment, IT and telecom infrastructure, transmission and distribution infrastructure, real estate, and mobiles. As the Corporation shifts from public broadcaster to public media company, and focuses on partnering to develop content, there are opportunities to reduce, rethink or eliminate aspects of the current infrastructure, such as reducing the technology footprint, reducing in-house production and rethinking bricks-and-mortar locations. This long-term strategy will have a phased implementation.



PEOPLE AND CULTURE STRATEGY

The idea: Simplify, empower, and collaborate

The Corporation must not only be smaller in terms of infrastructure, but also in terms of people. The strategy sets out to simplify every part of CBC/Radio-Canada to increase responsiveness, alignment and empowerment.



Currently, 1,000 employees are eligible for retirement and through attrition, about 300 leave every year. In 2020, the Corporation will have 1,000 to 1,500 fewer employees. This is in addition to the reductions announced to date. Getting there will require careful steps, balancing the needs of a new CBC/Radio-Canada with the impact these changes will have on people. Investments in training and knowledge transfer will ensure that, in this transition, the Corporation develops and retains the skills necessary to succeed in this new era. This is indicative of the magnitude of the transformation that needs to occur to become scalable, responsive and financially viable.

To continue delivering the programs and services Canadians expect, the public broadcaster will open itself to increased collaboration and partnerships. *A space for us all* aims to develop the internal culture, skills and structure needed to continue to be successful. This includes: breaking down silos and enhancing collaboration; being more efficient and simplifying processes; being clear on expectations of leaders and holding them accountable; and having the right talent in the right roles, whether it is internal teams or external partners.

Specific areas of focus to support the achievement of the strategy include:

1. Organization design: Structure follows strategy. As the strategy takes shape, there is the need to challenge and rethink the organization design to ensure that the structure, roles, people, processes, and reward systems support and enable the overall plan. The needs assessment phase will start in July 2014, and will be completed in the first year of the strategy.

2. Workforce planning: Ensuring the people resources are available to deliver the strategy. The goal is to better reflect Canada's diversity in the workforce, and enhance opportunities for partnerships with more Canadians.

FINANCIAL PLAN: ACHIEVING FINANCIAL SUSTAINABILITY

Financial sustainability for CBC/Radio-Canada means creating a viable financial model with a manageable cost structure, an adequate and reliable income stream, and enough free cash flow to invest in the future. The financial plan reflects the decisions made in the strategy with four inherent objectives:

- Reduce the fixed cost base to balance the budget for the foreseeable future.
- Set aside five per cent of commercial revenue to help manage financial risk, or to invest in strategic initiatives.
- Reinvest in line with strategic priorities.
- Diversify revenues and share risks through partnerships.

A detailed review of the proposed savings will soon be completed and, in parallel, the Corporation will embark on the next aspects of financial sustainability: more fully developed investment and revenue diversification approaches. The intent is to finalize a comprehensive, five-year financial plan in the fall of 2014.

MEETING THE FUTURE HEAD ON

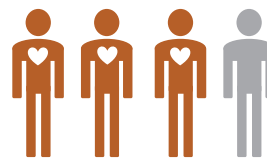
Conventional broadcasting is in flux. Audience behaviours, advertising models and methods of production are shifting more quickly than the industry can adapt. CBC/Radio-Canada will fulfil its mandate post-2020, by accelerating a fundamental transformation that will make it more scalable and sustainable; and in so doing, able to better withstand the challenges that lie ahead and take advantage of opportunities as they emerge.

Any strategy being developed in the fast-evolving media universe must have the inherent ability to evolve and grow with the needs of the audience. It cannot be a rigid blueprint. CBC/Radio-Canada has a vision, and a plan to get there. But it recognizes that it will need to pay attention to the business environment, communicate with its audience, and have the courage and conviction to adjust its plan as the pace of change accelerates.

As the behaviours of the audience change, so will the means to reach them. The transformation will start with an accelerated shift to mobile technology that will provide more one-to-one connections than ever before. Tomorrow's technology will provide even more. Whatever the trend, whatever the means through which Canadians choose to be informed, enlightened or entertained, CBC/Radio-Canada will be there, providing high-impact Canadian content and, in doing so, ensuring ***A space for us all.***

A comprehensive set of metrics will be put in place over the summer of 2014 to track the progress of each component of the strategy. Meantime, the Corporation has set for itself two goals that symbolize the ambition of ***A space for us all:***

- By 2020, CBC/Radio-Canada will have **doubled its digital reach***. 18 million Canadians, one out of two, will use CBC/Radio-Canada's digital services each month.
- By 2020, **three out of four Canadians** will answer that they have a strong attachment** to their public broadcaster.



* In 2013-2014, all of CBC/Radio-Canada's services together reached 87% of Canadians monthly. The number of unique visitors to its digital offering in the same year was 9.1 million – 7.1 million for CBC and 2.0 million for Radio-Canada.

** In a national survey with a representative sample, 75% of respondents will reply 8, 9 or 10 on a 10-point scale to the question, "Is CBC or Radio-Canada important to you personally?" In 2013-2014, the total positive score (6 to 10 on a 10-point scale) was 76%, with 57% replying 8, 9 or 10.