

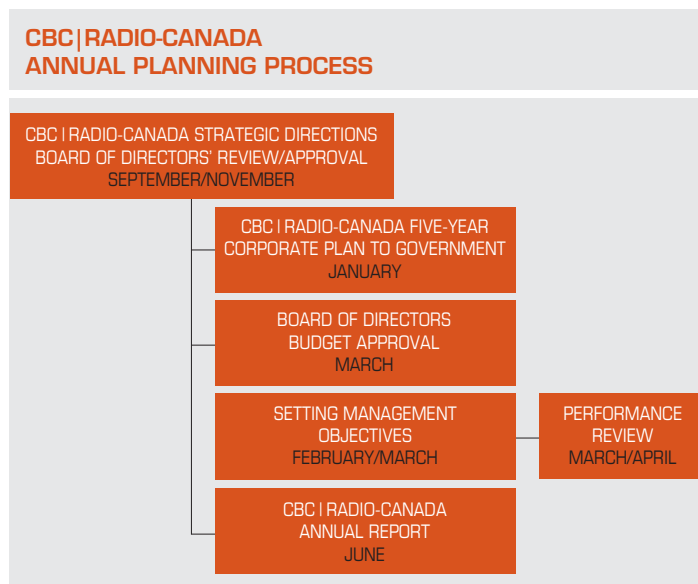


2. CORPORATE PLANNING AND STRATEGY →→

2.1 THE PLANNING PROCESS

The diagram opposite depicts the various components and timing of CBC|Radio-Canada's annual planning process.

The November Board of Directors meeting represents the high point in CBC|Radio-Canada's planning process. The strategic directions approved by the Board at that time form the basis of the Corporate Plan and provide the key assumptions necessary to develop each media's operating and capital budget. The Corporate Plan is approved by the Board in January and then filed with Government. Finally, prior to the start of the fiscal year, the Board approves each media's operating, capital and working capital budgets which have been drawn up to reflect the strategic priorities as approved by the Board in November.



2.2 CORPORATE PRIORITIES

CBC|Radio-Canada's mission is:

To create audacious, distinctive programming, programs designed to inform, enlighten and entertain, programs that reflect Canadians and Canada's regions, programs that help tie the country together and explain great national and international events, programming in all genres with emphasis on News and Current Affairs, drama and culture; and not forgetting our special responsibility to children.

In order to achieve this mission, we must have a culture driven to achievement, to excellence and to quality, recognising creativity, risk-taking, courage, and adaptability. Creative organisations must be in a continuous state of renewal. We must always be conscious of the audience we serve and we must strive both from external sources and by internal management to optimise our finances in order to put the finest programming on the air.

In order to achieve this mission on a day-to-day basis, we pursue the following eight strategic thrusts.

HIGH-QUALITY DISTINCTIVE CANADIAN PROGRAMMING →→	1. Ensure distinctive programming of the highest quality on all delivery platforms. 2. Recognise the importance of regional reflection and of the changing face of Canada. 3. Ensure the sustainability of CBC Radio-Canada's Canadian schedules.
EFFICIENCY →→	4. CBC Radio-Canada must be a well-managed company and generate cash flow to re-invest in programming.
CREATIVE AND HUMAN RESOURCES →→	5. Strengthen CBC Radio-Canada's commitment to all its employees – to those who create and those who support them.
STRATEGIC PARTNERSHIPS →→	6. Position CBC Radio-Canada to enhance its ability to fulfil its mandate through selective alliances and partnerships.
COLLABORATION →→	7. Reinforce the capacity of CBC Radio-Canada to work as one integrated company.
STRONG STAKEHOLDER RELATIONS →→	8. Enhance/strengthen CBC Radio-Canada's stakeholder relationships.

The focus of these priorities is the delivery of high-quality distinctive Canadian programming to Canadians, and they have been central to the Corporation's planning process for each of the past five years. They were most recently approved by CBC | Radio-Canada's Board of Directors in January 2006.

In order to further enhance the planning process and in response to the recommendations of the Auditor General's 2005 Special Examination of CBC | Radio-Canada, the Corporation developed a series of performance measures that will allow it to better assess its progress in meeting its Corporate priorities.

appropriate. The incorporation of these performance indicators into the Corporation's planning process began in 2006 and they will be fully integrated into that process within two years.

While data collection and measurement commenced April 2006, data for two measures, content and stakeholder relationships, is already available and is reported in Appendix D. By April 2007, data for all measures will be available and will be reported in next year's Corporate Plan. By April 2008, the performance indicator system will be fully operational and it will then be possible to examine annual performance results, performance against targets, as well as performance trends.

These changes have already enhanced the planning process and, in the longer term, should significantly increase the effectiveness of the Corporation's overall operations.

CBC | Radio-Canada has enhanced the strategic planning process by developing performance indicators for each of our Corporate priorities and linked them to the Corporation, as a whole, or to individual media operations, as appropriate.

2.3 MEASURING PERFORMANCE

The Auditor General of Canada's report on the Special Examination of CBC | Radio-Canada, released in 2005, suggested improvements in the ability of the Corporation's Board of Directors, the Government and the public to assess CBC | Radio-Canada's performance on a year-to-year basis. As a result, we have enhanced the strategic planning process by developing performance indicators for each of our Corporate priorities and linked them to the Corporation's main Television and Radio services, or to individual media operations, as

An overview of CBC|Radio-Canada's Corporate performance indicators is set out below.

HIGH-QUALITY DISTINCTIVE PROGRAMMING	
<p>CONTENT</p> <p>is measured by</p> <ul style="list-style-type: none"> • Canadian content; • Number of awards; • Distinctiveness. 	<p>CREATIVE HUMAN RESOURCES</p> <p>is measured by</p> <ul style="list-style-type: none"> • Commitment to training and development; • Employee satisfaction.
<p>REGIONAL REFLECTION AND CHANGING FACE OF CANADA</p> <p>is measured by</p> <ul style="list-style-type: none"> • Programs produced in regions for regions; • Programs produced in regions for network; • Visible minority staff; • Overall usage by visible minorities (18+). 	<p>STRATEGIC PARTNERSHIPS</p> <p>is measured by</p> <ul style="list-style-type: none"> • Joint ventures/partnerships.
<p>SUSTAINABILITY OF CANADIAN SCHEDULES</p> <p>is measured by</p> <ul style="list-style-type: none"> • Television advertising revenue; • Expenditures on Canadian programming. 	<p>COLLABORATION</p> <p>is measured by</p> <ul style="list-style-type: none"> • Expenditures on cross-media programming; • Extension of News integration and consolidation.
<p>EFFICIENCY</p> <p>is measured by</p> <ul style="list-style-type: none"> • Self-generated revenues; • Programming expenditures. 	<p>STRONG STAKEHOLDER RELATIONSHIPS</p> <p>is measured by</p> <ul style="list-style-type: none"> • Canadians' satisfaction levels; • Opinion leaders' overall impression of CBC Radio-Canada; • Opinion leaders' general impression of CBC Radio-Canada as being an essential service; • Relevance to stakeholders.

CBC|Radio-Canada's main Television and Radio networks use further programming indicators to assess performance against targets, all of which are reported in Appendix E.

2.4 BROADCASTING SERVICES

CBC|Radio-Canada's strategic objectives for the Corporation as a whole, as well as for its individual

divisions and broadcasting services, are shaped by its Corporate mandate and Corporate priorities, as well as the external factors discussed in Section 1 – The Operating Environment. Our conventional Radio and Television services continue to form the core of CBC|Radio-Canada's broadcasting activities, and planning for these activities is

done by our English services and French Services.

While CBC|Radio-Canada serves many different audiences, all of CBC|Radio-Canada's services have one common objective, which is to enrich the democratic and cultural life of Canadians.

2.4.1 CBC TELEVISION

CBC Television encompasses CBC Television, with 16 conventional, over-the-air stations across the country, as well as the wholly owned Specialty Services, CBC Newsworld and CBC Country Canada.

Main Network

Over 16.5 million Canadians spent some time watching CBC Television each week of the 2005–2006 broadcast year. This is consistent with previous years where CBC Television's reach has repeatedly demonstrated the broad range and appeal of its programming. Providing programming that is of interest to all sectors of the Canadian public is a key element of CBC|Radio-Canada's mandate and the breadth of CBC Television's reach is clear proof that it is succeeding in this area.

While CBC Television has had remarkable success at meeting the overall needs of Canadians, it faces a much greater challenge when it comes to consistently drawing mass audiences to its programming during prime time. Unlike its private sector counterparts which rely primarily on US programming during prime time, CBC Television's prime-time schedule is overwhelmingly Canadian. In 2005–2006, 80 per cent of CBC Television's prime-time schedule was comprised of Canadian programs, as compared to only 29 per cent for CTV and 28 per cent for Global.

While CBC Television may not often win the prime-time ratings game against US programming, it does succeed at delivering audiences to Canadian

programming. In 2005–2006, seven of the 10 most popular Canadian drama/comedy series were aired on CBC Television, including such household names as *The Rick Mercer Report*, *Royal Canadian Air Farce*, *This Hour Has 22 Minutes*, and *Just for Laughs*. In addition, CBC Television has continued its record of critical acclaim with over 200 award-winning shows in 2005–2006 including, from the 53rd Columbus International Film and Video Festival, *The Passionate Eye – Who Shot My Brother* (Best of Festival); *the fifth estate – Tsunami: Untold Stories* (The Silver Chris); and *On The Road Again – Dog Lovers* (Bronze Plaque). As well, CBC Television received 42 Gemini Awards in 2006.

CBC Television's Strategic Objectives

CBC Television operates in a unique broadcasting environment in that the Canadian English-language television market is the only market in the world where the viewing of foreign programming far exceeds the viewing of domestic programming. This is due to the overwhelming abundance of US programming and the dependence by Canada's private English-language television networks on the advertising revenue generated through simultaneous substitution. This leaves CBC Television as the only broadcaster able to deliver an overwhelmingly Canadian schedule reflecting Canada's culture, values, lives, history, and humour each week throughout the year. This is especially true in today's rapidly evolving and highly competitive environment in which Canadians can increasingly gain access to video content when, where and how they want to.

This situation, in which indigenous content is overwhelmed by foreign, primarily US content, is not unique to television. The feature film industry finds itself in a similar situation. This overwhelming predominance of foreign video content is a crucial cultural issue facing English-speaking Canada. Given this environment, CBC Television will focus on two important areas during 2007–2008: programming and platforms.

CBC Television's vision is to be:
 The source of the best, most informative, enlightening and entertaining programming by, for and about Canadians, and to provide it to them when, where and how they want it.

And CBC Television's strategy to accomplish these goals involves the following:

PROGRAMMING – OVERALL OBJECTIVES	<ul style="list-style-type: none"> → Offer its audiences programming that is not only intelligent and engaging, but also entertaining and enjoyable. → Maintenance of the traditional breadth of program offering: performing arts, in-depth journalism, professional and amateur sports, dramas, and comedies.
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CBC TELEVISION MAIN NETWORK	<p>Grow audiences to CBC Television by:</p> <ul style="list-style-type: none"> → Designing a new promotion and presentation strategy to maintain viewers across the program end breaks and through day parts. → Expanding the program development process to the remainder of the schedule for drama, documentary and factual entertainment programming, News, and sports. → Managing program pilot production, program testing and program evaluation centrally from the Network Programming Office. <p>Enhance the entertainment offer by:</p> <ul style="list-style-type: none"> → Maintaining for 2007–2008 the 243 hours of entertainment programming achieved in 2006–2007, in the categories of drama/comedy, arts/music/variety and factual entertainment. → Making the schedule more predictable for viewers. → Producing more series with full season runs. → Airing more factual entertainment series and daily lifestyle programs in 2007–2008, and creating a dedicated “Doc Zone” in prime time to showcase a move to more accessible and popular documentary programming. <p>Regional commitments</p> <ul style="list-style-type: none"> → Continue to evolve regional strategy begun late in 2006–2007 (half-hour lifestyle show, interstitials throughout the day, one hour local evening newscast) so that CBC Television better connects with Canadians from all regions. → Utilise regional programs as testing ground for potential network programs. → Vancouver incubator project: Television, Radio, Web integration. → Model for future News gathering nationally and locally in the future. <p>News and Current Affairs</p> <ul style="list-style-type: none"> → Implement recommendations arising from the CBC News Study, diversification of content segments (e.g., health, “working life”, family matters, etc.) to provide a wider forum in which to debate the key issues facing Canadians. <p>Sports</p> <ul style="list-style-type: none"> → Find replacement for Canadian Football League (CFL) games (hours of programming and revenue) when those rights expire after 2007. <p>Children</p> <ul style="list-style-type: none"> → Increase Canadian content of children's programming in 2007–2008 to 90 per cent. → Continue “We're partnering with parents” segments. → Strengthen brand through initiatives such as “Kids' CBC Days” in local communities and promotional displays at airports and malls.
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OTHER PRIORITIES*CBC.ca* (News and information)

- Increase traffic by concentrating on core programming strengths: important and popular.

CBC.ca (children and youth)

- Create a “youth zone” in which entertainment content can be created and shared.
- Build brand loyalty through the partnership with Invest in Kids (www.investinkids.ca).

CBC Newsworld

- Pursue mandatory carriage regulation to protect distribution.
- Renew relationships and partnerships with BDUs to protect wholesale fee.

CBC Country Canada

- Develop new programming focus and re-brand accordingly.

The Documentary Channel

- Regulatory approval received for change in effective control. Proceed with transfer of operations to the Canadian Broadcasting Centre in Toronto from Corus Entertainment.

New online entertainment service

- Focus on drama/comedy, factual entertainment, documentary, sports, and children's content, as a complement to News and information focus of *CBC.ca*.

2.4.2 CBC RADIO

CBC Radio operates three English-language audio platforms: CBC Radio One, CBC Radio 2 and CBC Radio 3. CBC Radio also cooperates with Radio de Radio-Canada to produce CBC North/Radio-Canada Nord programming for broadcast to Northern Canada in English, French and eight Aboriginal languages.

CBC Radio One is CBC Radio's flagship News, information and entertainment network with 37 stations across the country, 18 of which are offered via the FM band. CBC Radio One service is rooted in the regions, offering a mix of local, regional and national programs that explore different perspectives, opinions and events. All of CBC Radio One's stations are available to listeners over the Internet. CBC Radio One is also available over Sirius Satellite Radio.

CBC Radio 2 is CBC Radio's culture and music network with 14 stations across the country, all of which operate on the FM band. While CBC Radio 2 has long been recognised as the home of classical music in Canada, its low awareness and audience, which has skewed 60+ years old, has led to discussions on how the service might be redeveloped.

CBC Radio 3 has been developed by CBC Radio to meet the needs of younger listeners, while taking advantage of new delivery platforms. CBC Radio 3's blend of cutting-edge contemporary music is streamed over the Internet, is a podcasting service, and is one of the services offered by Sirius Canada.

Nearly 3.8 million Canadians, aged 12-plus, listened to either CBC Radio One or CBC Radio 2 each week during BBM's latest Fall survey. In the Fall 2006 survey, CBC Radio captured a combined share of 13.0 per cent, which matched the previous record from

Spring 2002. CBC Radio One's share of 9.3 per cent in Fall 2006 is its highest Fall share on record. CBC Radio 2's share of 3.7 per cent is its highest since Spring 2001.

Audience fragmentation continues to represent the single greatest challenge to CBC Radio. The increasing number of audio choices available to Canadians makes it extremely difficult to maintain, let alone enhance, the profile and listener base of CBC Radio's services. CBC Radio is responding to these challenges by developing a presence on as many new platforms as possible and by coordinating and cross-promoting its programming on all of these delivery channels.

The other major challenge is the growing diversity of the Canadian population. It has become increasingly difficult to appeal to all types of listeners, given the growing disparity in the interests and values of Canadians as the population both ages and changes in ethnic mix.

CBC Radio's Strategic Objectives

CBC Radio has a unique vision for each of its three major platforms.

- CBC Radio One should be recognised and valued as the definitive source for Canadian News, information and entertainment.
- CBC Radio 2 should be Canada's leading cultural platform in all genres, the place where creativity finds a home.
- CBC Radio 3 should be a driving force in contemporary music, identifying and promoting leading-edge Canadian talent.

Building on these three platforms, CBC Radio intends to meet listeners on their own terms – in respect of both time and place – broadcasting over-the-air, via the Internet, podcasting, and adapting to new distribution channels, such as satellite radio and mobile devices, as opportunities become available.

CBC Radio has identified four key strategic objectives:

- Expand program development across the CBC Radio 2 schedule and to other platforms;
- Increase direct engagement with Canadians so that CBC Radio continues to be the authentic voice of the community;
- Develop new platforms such as podcasting to deliver content when, where and how our audiences want it; and
- Strengthen the presence of CBC Radio One by expanding local service to the five million Canadians who lack it.

With respect to regionalism, CBC Radio has developed and begun to implement a plan to extend service to a significant number of Canadians who do not have access to a local CBC Radio One service.

Markets covered by this plan include:

Kitchener	Red Deer	Hamilton
Barrie	Kingston	Nanaimo
Kelowna	Chilliwack	Saskatoon
Peterborough	Cranbrook	Kamloops

It is important to note that while we believe that extending our local Radio service to more Canadians is critical in order to properly fulfil the Corporation's mandate, CBC Radio requires additional funding if this plan is to be fully implemented.

CBC Radio 2 Development

The CBC Radio 2 redevelopment process that was announced in 2006 and is to be implemented, beginning in 2007–2008, involves:

- Broadening of the range of music broadcast to be more representative of the musical community in Canada and more relevant to Canadian listeners:
 - Strong commitment to core classical and jazz audience remains;
 - Addition of adult-oriented singer-songwriters, complementary adult vocal performers and adventurous contemporary non-pop compositions of relevance to adults aged 35–49;
 - Strong orientation to new Canadian talent not exposed elsewhere;
- Inclusive and accessible content and presentation style;
- Day-to-day consistency to address listener needs at time of day.

These are the three measures of success for this redevelopment process. It is expected that a redeveloped CBC Radio 2 will appeal to a broader age cohort of the population, more reflective of the distribution of Canada's adult population. A service with a broader appeal should reach more Canadians and translate into an increase in the network's share of all radio listening.

Nearly 3.8 million Canadians, aged 12-plus, listened to either CBC Radio One or CBC Radio 2 each week during BBM's latest Fall survey. In the Fall 2006 survey, CBC Radio captured a combined share of 13.0 per cent, which matched the previous record from Spring 2002.

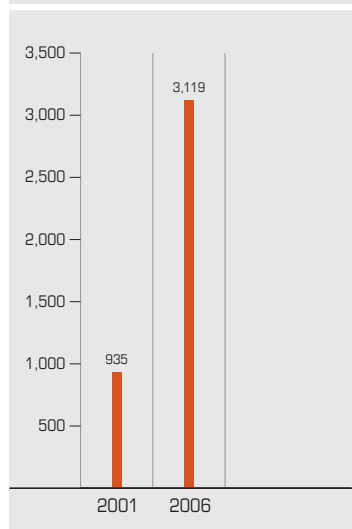
2.4.3 CBC.CA

The Internet has become an integral part of the lives of most Canadians and, as such, represents an increasingly important platform for CBC|Radio-Canada. On the English side, *CBC.ca* operates in an extremely fragmented and competitive environment, with competitors ranging from traditional Canadian broadcasters with an online presence (e.g., *CTV.ca*, *Canada.com*), to new social networking sites (e.g., *myspace.com* and *Youtube.com*), to high-profile search engines and portals (e.g., Google, Yahoo!).

More than three million Canadians visit *CBC.ca* each month from home, making *CBC.ca* the third most popular News and information website in Canada. In the five-year period of 2001 to 2006, usage of *CBC.ca* has more than tripled.

USAGE OF CBC.CA AT TWO POINTS IN TIME

Canadians 2+, at home
(in thousands)



SOURCE: comScore Media Metrix
Note: These averages are based on the months of September, October and November.

Within this environment, *CBC.ca*'s vision is to be: **Canada's most important and popular media website.**

CBC.ca Strategic Objectives

In pursuit of this vision, *CBC.ca*'s plans for 2007–2008 are to:

- Increase *CBC.ca* traffic by continuing to focus on core strengths: important and popular programming.
- Implement Web 2.0 and the Media Player.
- Increase revenues.
- Support the development and implementation of a multi-platform strategy.
- Increase site stability and reliability.

2.4.4 FRENCH SERVICES

All of CBC|Radio-Canada's French-language media lines (Television, Radio and New Media) report to the Executive Vice-President for French Services. This integrated approach facilitates the development of a global vision for French Services that recognises the individual strengths and distinctive character of each media line while promoting the overarching goal of improving the quality of the democratic and cultural life of the citizens of Canada.

CBC|Radio-Canada's French Services' key strength is its content, which is widely recognised as being:

- credible, reliable and accessible at any time;
- civically oriented and inclusive;
- varied and of high quality;
- distinctive and innovative.

This section begins with a review of the performance of each service in the past year and is followed by the overall plan for French Services.

Télévision de Radio-Canada

Télévision de Radio-Canada includes Télévision de Radio-Canada, with eight conventional, over-the-air stations, and the specialty News and information service, Réseau de l'information de Radio-Canada (RDI).

Main Network

Ninety-six per cent of Francophones tuned to Télévision de Radio-Canada each week throughout the 2005–2006 broadcasting year. Télévision de Radio-Canada has managed to retain this very high level of usage, even as the French-language television marketplace has become more fragmented with an increasing number of broadcast services and an increased level of video content available on alternative platforms, especially the Internet.

In 2005–2006, Télévision de Radio-Canada continued its initiative to refocus its activities on public service values and to strengthen its regional presence.

These programming initiatives have been very well received by audiences, with Télévision de Radio-Canada continuing to receive about one-fifth of all viewing by Francophones in prime time.

Canadian programming dominates the prime-time schedule of Télévision de Radio-Canada, and has done so for the past five years. In 2005–2006, 88 per cent of Télévision de Radio-Canada's prime-time programming – 24.8 of 28 hours – was Canadian.

Not only was Télévision de Radio-Canada's prime-time schedule overwhelmingly

Canadian, but its programs were among the most popular aired on French-language television in Canada. The network will continue to build an expanded presence as the venue for entertaining, socially relevant Canadian programming of the highest quality and greatest appeal.

Looking to the future, Télévision de Radio-Canada intends to continue its leadership in HDTV production. Since Fall 2005, high definition programs produced principally in prime time increased from 25 hours to 600 for the 2006–2007 season. Five sectors were prioritised: drama, entertainment, Current Affairs and documentaries, sports, and News. In 2006–2007, Télévision de Radio-Canada aired 14 regular programs and three specials in HD.

While Télévision de Radio-Canada's place in programming for adult audiences is extremely strong, it is recognised that work needs to be done to revitalise its programming for children. Two new daily shows were successfully introduced this year – *Kif-Kif* and *Les pieds dans la marge*. In 2006–2007, Télévision de Radio-Canada also introduced new youth programs in order to regain its leadership role in this important area of broadcasting.

Finally, with respect to News, Télévision de Radio-Canada, in 2006–2007, revamped *Le téléjournal* at 10:00 p.m., launched a new *Téléjournal* at 8:00 a.m. and returned to the 6:00 p.m. time slot with a full regional newscast.

Radio de Radio-Canada

Radio de Radio-Canada includes three main audio platforms: Première Chaîne, Espace musique and *bandeapart.fm*. Radio de Radio-Canada is also responsible for the operation of

Radio Canada International (RCI), CBC | Radio-Canada's international service and the new multilingual Web Radio service, RCI viva. This new Web Radio service will play a pivotal role for immigrant communities in Canada and will provide a gateway for all new and prospective arrivals to the country. In addition, Radio de Radio-Canada cooperates with CBC Radio in the production of CBC North /Radio-Canada Nord, which broadcasts to Northern Canada in French, English and eight Aboriginal languages.

Première Chaîne, with 20 production centres and 14 regional News bureaux across the country, is the most comprehensive French-language News network on radio in Canada. Première Chaîne is available to 98 per cent of Canada's Francophone population.

Première Chaîne's key achievements in 2006–2007 included the return of *Christiane Charette*, a new format for *Désautels*, a revamped *Dimanche magazine*, a new anchor for the afternoon *Radio journal* newscasts, and an enhanced regional programming line-up.

Espace musique, launched in Fall 2004, provides a distinctive music service reflecting the breadth of Canadian diversity and musical genres. It is available to Francophones from coast-to-coast with a local presence in each provincial capital. Its mandate is to develop and promote French-language Canadian talent and music of all genres (classical, jazz, world music, and emerging music) for Francophone Canadians.

In Fall 2006, Radio de Radio-Canada captured 15.2 per cent of French-language radio listening among Francophones in markets served by the Corporation. Première Chaîne attracted an

audience share of 13.3 per cent in Spring 2006 and 12.3 per cent in Fall 2006. Taken together, Première Chaîne and Espace musique reached 1,216,000 listeners each week in Fall 2006.

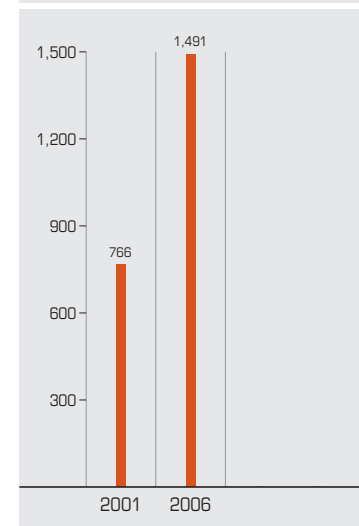
Radio-Canada.ca

Radio-Canada.ca provides Francophones with high-quality content complementing the programming offered by Télévision de Radio-Canada and Radio de Radio-Canada. Radio-Canada reporters now post their blogs on the *Radio-Canada.ca* website.

According to comScore Media Metrix, almost 1.5 million Francophones visited *Radio-Canada.ca* in Fall 2006. Usage of *Radio-Canada.ca* has almost doubled since 2001.

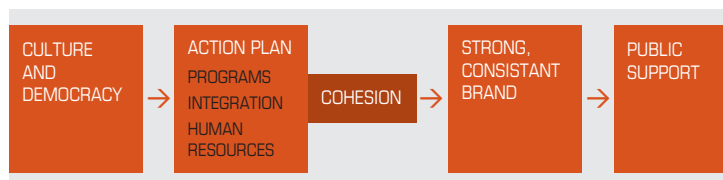
USAGE OF RADIO-CANADA.CA AT TWO POINTS IN TIME

Francophones 2+, at home
(in thousands)



SOURCE: comScore Media Metrix
Note: These averages are based on the months of September, October and November.

FRENCH SERVICES' OVERALL PLAN →→



CULTURE AND DEMOCRACY

In the 21st century, enriching the democratic and cultural life of Canadians requires a different paradigm.

ACTION PLAN – 2007–2008 DIRECTIONS

INTEGRATION	→ Complete the integration of French Services.
	→ Conduct a comprehensive study of the Radio-Canada brand image.
	→ Consolidate workspace to reflect the new reality.
	→ Launch an image campaign in February 2007.
	→ Effectively manage team cohesion.
PROGRAMS	
<i>The French Services' Group</i>	→ Overall strategy to boost ratings.
	→ Plan to expand regional roots and network contributions.
	→ International strategy.
	→ Strong News brand.
	→ Consolidation and strengthening of sports.
<i>Television</i>	→ Boost continuous hours tuned to in evenings.
	→ Increase number of big-draw programs in prime time.
	→ Produce more episodes for key series.
	→ Enhance national productions shot in the regions.
	→ Enrich children's programming (for children aged 2–11) aired during the day time and develop new programs targeted to teens (aged 12–17).
<i>Radio</i>	→ Strengthen Première Chaîne's leadership position.
	→ Increase Espace musique's impact.
	→ Produce more investigative reports.
	→ Entrench RCI viva in cultural communities.
<i>New Media</i>	→ Clarify <i>Radio-Canada.ca</i> 's offering and positioning.
	→ Make content more interactive and accessible to a general audience.
	→ Develop a meeting place for youth and young adults on <i>Radio-Canada.ca</i> and News platforms.
	→ Be a leading catalyst for New Media development.
	→ Help define the new economy in audiovisual rights.
<i>Regional Strategy</i>	→ Strengthen regional roots.
	→ Make better use of regional expertise on all network programming.
	→ Improve our signal distribution.
HUMAN RESOURCES	→ Workforce training and mobility.
	→ Succession planning.
	→ Cultural diversity.
	→ Internal communications strategy.
	→ Integrated HR approach in the regions.
	→ Union involvement in our efforts to promote the public broadcaster.

STRONG, CONSISTENT BRAND

The Radio-Canada brand is more than a company name and logo. It is an entity that creates programming and ensures our future success by securing public support. The sum total of what people see and feel regarding Radio-Canada is its programs, services and employees.

The Radio-Canada brand is our most valuable asset:

- It clarifies our offering.
- It influences our audience's loyalty.
- It distinguishes us from our competitors.
- It drives our ratings performance.
- It guides the future development of our programs.
- It allows us to confidently tackle new markets.
- Our future growth depends on the value and strength of our brand.

PUBLIC SUPPORT

Public support is to Radio-Canada what profits are to private enterprise:

- There can be no public service without the public.
- Audiences are an essential indicator of our level of support.
- Public support is gauged by:
 - Ratings.
 - In-house surveys.
 - Focus groups.
 - Public endorsements by opinion leaders.
 - Favourable media coverage.

2.5 CBC | RADIO-CANADA: LEADING NEW PLATFORM DEVELOPMENT

New technologies are providing consumers with the ability to choose when, where and how they receive audio and video content – via the Internet, video-on-demand (VOD), podcasts, cell phone networks, satellite radio, and other new technologies. And, consumers are demanding that broadcasters adapt to these new technologies or face being left behind.

CBC | Radio-Canada is an acknowledged leader in the use of emerging technologies and broadcasting platforms.

CBC | Radio-Canada makes its audio content available over every platform available to consumers in Canada. Canadians can listen to over-the-air Radio or tune into CBC Radio One, CBC Radio 2, CBC Radio 3, Première Chaîne, Espace musique, and *bandeapart.fm* over the Internet. They can download podcasts to MP3 players and iPods or get audio clips over their cell phone. They can listen to Galaxie on DTH and digital cable systems or they can tune into any one of six CBC | Radio-Canada channels on Sirius Canada's satellite radio service. On the audio front, CBC | Radio-Canada has been and remains a leader on almost every platform.

CBC | Radio-Canada's English- and French-language Television services are also distributing their programming over multiple new platforms. For example, CBC Newsworld and RDI are part of the package of services distributed by cell phone companies in

Canada, and CBC Television's programs are also available across Canada via BDUs that offer video-on-demand (VOD) services. Select Television programming is also available over the Internet via *CBC.ca* or *Radio-Canada.ca*.

CBC Radio 3 launched its podcasting service in June 2005 and is the number one listened-to music podcast in Canada with approximately 200,000 downloads per week as of December 2006.

In terms of the Internet, CBC|Radio-Canada has been a Canadian pioneer of this new medium and continues to be an industry leader. *CBC.ca* and *Radio-Canada.ca* are among the most popular News and information websites in Canada. In addition, the Corporation has created specialised niche services, such as CBC Radio 3 and *bandeapart.fm*, which are in the vanguard of the use of such new technologies as podcasting. CBC Radio 3 launched its podcasting service in June 2005 and is the number one listened-to music podcast in Canada with approximately 200,000 downloads per week as of December 2006. While CBC Radio 3 offers 100 per cent Canadian content, half of its downloads originate from outside of Canada – a fact that demonstrates the importance of the Internet for extending CBC|Radio-Canada's global reach. The most popular podcasts are *Quirks and Quarks*, *Ideas* and *As It Happens*.

2.6 OPERATIONAL EFFICIENCIES

CBC|Radio-Canada is continually reviewing its business approaches and production technologies to identify savings and leverage assets for reinvestment in programming.

The Real Estate Division, created in 2000, manages CBC|Radio-Canada's Real Estate portfolio of more than four million square metres and generated \$23 million in increased revenues, cost savings and cost avoidances in 2005–2006 while also winning recognition for its environmentally friendly practices (i.e., Building Owners and Managers Association (BOMA) Go Green certification in Montréal and Vancouver, BOMA Environment Award (Québec and Canada categories) for Maison de Radio-Canada in Montréal, and BOMA Certificate of Building Excellence for the Canadian Broadcasting Centre in Toronto). Other achievements include obtaining approval for the redevelopment of CBC|Radio-Canada's Vancouver operations and the consolidation of the St. John's locations.

On the technology side, CBC|Radio-Canada implemented new telecom and broadcast technologies for an initial annual savings of \$1.4 million. It also increased revenues through space rentals on towers, sites and buildings. New remote production methods generated significant savings for the broadcast of such activities as the 2006 Torino Winter Olympics.

CBC Television hopes to generate higher programming revenues by means of the newly created Video Syndication Unit and create savings by outsourcing the Promotion and Design department. French

Services achieved efficiencies by consolidating News and regional operations under a single general manager, consolidating Television, Radio, technical support services, the research and strategic planning group, and creating a media committee to examine projects involving multiple media lines. It also completed the implementation of the Vision Project.

CBC|Radio-Canada's Merchandising Division has taken advantage of the fact that CBC|Radio-Canada is one of the most recognised brands in the country by providing Canadians with the opportunity of buying their favourite CBC|Radio-Canada products either online or in a CBC|Radio-Canada shop. During 2005–2006, the Merchandising Division generated \$6.5 million in revenue – an increase of one million dollars over 2004–2005. The Division also opened a boutique in Montréal and a kiosk in Ottawa and released a record number of home videos for sale to the public.

CBC|Radio-Canada is a founder and a partner in Sirius Canada which provides satellite radio service across Canada. CBC|Radio-Canada supplies six channels of content to Sirius Canada, thereby extending the Corporate brand to a new platform, as well as throughout the United States where four of those channels are also delivered by the US partner, Sirius Satellite Radio. As of the end of 2006, Sirius Canada had exceeded its subscriber projections and achieved subscription levels well ahead of its competitor, XM Canada.

Overall, efficiency initiatives are now generating \$75 million annually in cost savings and increased revenue.

Strategic Objectives

CBC|Radio-Canada continues to try to improve the efficiency of its operations and leverage its assets and expertise in order to generate new revenues.

On the Real Estate side, the Corporation expects to close the sale of excess density in its Vancouver property, thereby generating revenues of around \$37 million in the 2007–2009 timeframe. Studies of possible opportunities in Montréal and Toronto should be completed in 2007 and action initiated if a reasonable business case exists. Similarly, a study of the possible consolidation of the Halifax operations should be completed in 2007 and action taken, if appropriate. Review of certain international operations will also be undertaken, as well as a large number of capital, non-cyclical maintenance and renovation projects.

The Corporation intends to add two HD studios plus HD post-production facilities in Montréal and to complete one HD studio in Toronto in 2007–2008. The Desktop Radio technology will be rolled out to all locations and new technologies will be implemented to deliver audio and video via CBC|Radio-Canada's websites. A permanent post-production facility will be established in Toronto in order to facilitate HD production of remote sporting events such as the Beijing Summer Olympics and the FIFA World Cup.

The operations of CBC Music and CBC Records/Les disques SRC will be regrouped to improve efficiencies, and Galaxie anticipates developing new commercial services to enhance its revenues. The Merchandising Division intends to expand its retail operations in low-risk locations such as Montréal, Toronto, Ottawa, and Edmonton.

Corporate administration will continue the implementation of strategic sourcing contracts to achieve better terms for the procurement of products and services. The economies of scale available to CBC Shared Services in transaction-intensive areas of administrative services will produce measurable and ongoing cost reductions.

2.7 HUMAN RESOURCES

CBC|Radio-Canada has a highly creative workforce of 9,800 employees spread across the country. Ninety per cent of the Corporation's employees are unionised, belonging to one of seven Unions.

In 2005–2006, CBC|Radio-Canada appointed its first Director of Organisational Health and Wellness and hired an ergonomist as part of its health and wellness initiative. The Corporation also conducted a survey of employees' psychological well-being. The results of this survey are being assessed jointly by Management, the Unions and employees in order to determine ways to address issues which may arise.

A major initiative in 2005–2006 was the restructuring of French Services into a single division. This required significant human resources support in order to ensure its successful completion.

The Corporation concluded agreements with six of its unions in 2005–2006: STARF, SCRC, SCFP, UDA, CMG, and APS.

Strategic Objectives

The Corporation will continue to foster an environment that promotes leadership and accountability across all levels of the organisation while ensuring an environment that is conducive to employee well-being and fulfilment. Further initiatives resulting from the 2004–2005 Wellness Study include the creation of special quiet rooms, the organisation of stress management seminars and the development of respect and recognition workshops, in consultation with Union representatives.

The Corporation hopes to conclude agreements with a number of Unions and guilds, including AR, SPACQ, SARTEC, WGC, AF of M, and ACTRA.

2.8 STRATEGIC PARTNERSHIPS

Strategic partnerships have assumed greater importance over the years as CBC|Radio-Canada has sought to increase the reach of its programming on new platforms and to mitigate the risk associated with undertaking new ventures. Examples of partnerships include Sirius Canada's satellite radio service, new mobile wireless services delivered by Canada's cellular service providers and CBC News/RDI Express. CBC|Radio-Canada recently renewed its in-flight service with Air Canada and continues to work with its private sector partners in the specialty television services, ARTV and The Documentary Channel.

CBC|Radio-Canada, along with its partners, Sirius Inc. and Standard Broadcasting, introduced the Sirius Canada satellite radio service to Canadians in late 2005. Public interest and acceptance has been very high, as evidenced by the fact that subscriptions to Sirius Canada have exceeded original forecasts. CBC|Radio-Canada supplies six channels to Sirius Canada.

CBC|Radio-Canada is Canada's largest broadcaster and offers services from coast-to-coast-to-coast in English and French and eight Aboriginal languages.

CBC|Radio-Canada is also working with each of Canada's three main cellular service providers to offer content over their mobile wireless services. The initial focus has been on News, weather and sports clips, but is expected to expand into other forms of "mobisodes".

Strategic Objectives

CBC|Radio-Canada is reviewing all of its partnership agreements in order to determine if there are opportunities to improve those agreements in ways that enhance the Corporation's position.

CBC|Radio-Canada has extended a three-year contract with Clear Channel at Toronto Pearson International Airport for CBC News/RDI Express and is attempting to negotiate other agreements so that these services can be extended to airports across the country.

CBC Television expects to conclude a distribution agreement

with MobiTV for the broadcast of CBC Newsworld over the Internet to wireless devices. It is also negotiating arrangements with AOL, Google, Yahoo!, iTunes, Rogers, Telus, and Bell Mobility. On the sports side, CBC Television is exploring a partnership with Insight Sports to create an Internet sports portal and is also investigating potential partnerships to distribute FIFA coverage via video-on-demand and mobile wireless devices.

CBC|Radio-Canada expects to continue to work on documentary co-productions with international partners such as *The New York Times*, S4C, and ZDF. Such co-productions extend the CBC|Radio-Canada brand and offer additional high-quality distinctive programming to Canadians.

Finally, the Corporation continues to assess whether it would be appropriate to continue its affiliation arrangements with independent television stations that are currently CBC|Radio-Canada Television Affiliates.

2.9 WORKING TOGETHER

CBC|Radio-Canada is Canada's largest broadcaster and offers services from coast-to-coast-to-coast in English and French and eight Aboriginal languages. While specialisation is necessary to take advantage of each media's special characteristics, working together creates efficiencies, as well as synergies.

In 2005–2006, French Services underwent a major reorganisation, integrating all services under one office. This reorganisation builds on the successful re-positioning of Télévision de Radio-Canada while addressing the challenges of a multi-platform environment and

has led to development of such cross-media projects as *Le 11 septembre, cinq ans après...* (9/11 Five Years Later), Foreign correspondents' week, the Kent Nagano event, *La semaine verte* and *L'heure de gloire*.

The CBC News Integration Project continued to roll out throughout 2005–2006. This initiative has resulted in the substantial sharing of information, ideas and resources across CBC Radio, CBC Television and *CBC.ca*.

The consolidation of the Corporation's operations in single locations in Ottawa, Québec City and Edmonton has also encouraged employees within CBC|Radio-Canada's English and French Radio, Television and New Media services to work more closely together, as has the creation of CBC Shared Services, which consolidated all of the Corporation's internal services in Information Technology, Human Resources, and Financial Administration into a single entity.

In all of these areas, CBC|Radio-Canada is seeking to build on its strengths across all media to capitalise on the associated synergies and economies of scale.

Strategic Objectives

Specific initiatives to promote increased collaboration within CBC|Radio-Canada for 2007–2008 include:

- further consolidation of staff and facilities within a single building in various CBC|Radio-Canada locations across the country (e.g., Vancouver, Halifax and St. John's) to increase the opportunity for employees to work more closely together.

2.10 STAKEHOLDER RELATIONSHIPS

CBC|Radio-Canada has developed important relationships with its stakeholders, including Government, Parliament, the CRTC, and the Canadian public. The maintenance of strong relationships with all of these stakeholders enhances the Corporation's ability to achieve its objectives.

CBC|Radio-Canada has developed strategies to work effectively with each of these groups that involve promoting ongoing dialogue. One such initiative was "Listening to Canada's Leaders" which involved one-on-one meetings with

520 leading Canadians across the country. The Corporation also conducted a survey of key stakeholders and public opinion leaders to assess overall perceptions of CBC|Radio-Canada.

Strategic Objectives

Specific initiatives to promote strong stakeholder relationships in 2007–2008 include:

- annual follow-up survey of key stakeholders and public opinion leaders;
- target information sharing with key stakeholders and opinion leaders regarding core issues and initiatives;
- providing important mandate and industry information to Members of Parliament to support CBC|Radio-Canada as Canada's national public broadcaster; and,
- generating confidence in CBC|Radio-Canada's long-term vision with outreach activities promoting, for example, the Corporation's license renewal strategy.

