Future Business and Technology Strategies for Public Media

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Major media shifts → disintermediation

**Consumer Experience:** Audiences are using different media on new platforms

**Demographics:** Younger audiences are not aging into public media and do not give in the same way

**Technology:** Increasingly complex, accelerating change and a drive to digital upends everything

**Distribution:** Increasing number of distribution outlets is diluting broadcasting audience

**Content Providers:** Landscape changing dramatically with many new providers and content formats

**Major Shifts Occurring In Media**

- **Content Creation**
- **Publishing**
- **Devices**
- **Consumer**

**Disintermediation**
At 50 years old, public media is needed now more than ever

96% of the Public Media GMs surveyed agree public media has the opportunity to play a pivotal role in a healthy democratic society.

“I have no intention of sustaining. I want to grow and be a market leader. I want to be the undisputed market leader in these three areas: news and public affairs, education programming, and community arts and culture” — GM
Radio Total Revenue

Total Revenue in Billions (Excluding Top 2)

- 2012: $0.94
- 2013: $1.00
- 2014: $1.05
- 2015: $1.08
- 2016: $1.10
Revenue Growth FY12-FY16

LESS THAN $3 MILLION REVENUE (316 GRANTEES)
- 55%

MORE THAN $3 MILLION REVENUE (90 GRANTEES)
- 80%
Revenue by Grantee Size: Radio

Total Revenue By Grantee Size (Excluding top 2)

- **< $3 MILLION (316 Grantees)**
  - 2012: $329
  - 2013: (Data not shown)
  - 2014: (Data not shown)
  - 2015: (Data not shown)
  - 2016: $328

- **> $3 MILLION (90 Grantees)**
  - 2012: $616
  - 2013: $616
  - 2014: $616
  - 2015: $750
  - 2016: $750
Private Funding: By Grantee Size

Less Than $3 million Revenue Grantees

- Foundation: $17, $22, $42, $45, $91, $83
- Business: $11
- Individuals: $13
- Maj. Giving: (not shown)

More Than $3 million Revenue Grantees (excluding top 2)

- Foundation: $57, $77, $116, $132, $218, $239
- Business: $132
- Individuals: (not shown)
- Maj. Giving: $40, $68

<$3 million Revenue (316 Grantees)

>$3 million Revenue (90 Grantees)
By 2020, the System Faces a $355 Million Gap between estimated equipment needs and available resources. Public Radio Represents $105 Million of this Gap.

System-wide Cumulative Financial Gap Between Estimated Total Expenses and Available Funds* ($ millions)

Cumulative Gap Between Estimated Total Expenses and Available Funds for Radio ($ millions)

* These numbers have been updated to reflect the impact of the spectrum repack on transmitter replacements.
Is Public Media ready to serve the audience in a digital future?

Cognizant is conducting a comprehensive capacity assessment of the overall state of public media’s digital infrastructure. The goal is a set of executable recommendations around technical infrastructure improvement.

STATION SURVEY
- digital maturity
- local infrastructure
- station digital collaborations
- capacity/staffing
- needs/challenges
- flexibility to meet future needs
Digital Overview - Stations’ Digital Maturity

- **Emerging** - 37% of stations
  - Lack a clear roadmap on improving digital
  - Building station website
  - Email and social marketing (Facebook, Twitter, YouTube, Vimeo)

- **Growing** - 44% of stations
  - Have a distinct strategy in mind but room for growth
  - Digital-first content production for OTT platforms
  - Station mobile app development, social media engagement
  - Streaming and archiving on-demand content

- **Mature** - 19% of stations
  - Staff focusing on current digital strategy
  - Using analytics tools to measure success and plan for future
  - Providing tailored content and predictive programming preferences
  - Monetizing digital opportunities
The greatest implementation challenges ahead

**Funding / Finances (#)**
- “Limited capital”
- “Funding is a real challenge”
- “With no money, you stay where you are”

**Culture (#)**
- “Changing culture at stations and in system”
- “Abandoning sacred cows, in structure, practice, service”

**Training (#)**
- “Retraining workforce for change”
- “Lack of training”
- “Skill sets”

**Staff (#)**
- “Staff limitations”
- “Finding and hiring competent, experienced people is an ongoing challenge”

Source: Dynamic Inquiry, Strategy& Analysis

Note: scale for “funding,” “staff,” and “culture” is 2x for illustrative purposes
Culture as an impediment

Identifying largest obstacles
Business Strategies

What’s Working Now?
What will work in the Future?
How Does Change Happen in the Public media System?
Guiding Principles

1. Encourage local presence, mission orientation and an entrepreneurial culture
2. Addressing local community issues = connection
3. Strengthen local/national partnership
4. Pursue mechanisms to reduce unnecessary costs
5. Greater scale to maximize programming and tech investments
6. Advance/align public media technical capabilities
7. Prioritize proven initiatives
8. Build from existing strengths and strategically select new capabilities to develop
We must have clearly defined strategies in these areas in order to successfully grow.
Executive Leadership Working Group

- Managers with demonstrated commitment to innovation
- Managers who are new in their position
- Managers facing crisis that necessitates change
CPB Conducted the Unprecedented System Technology Assessment, and is Moving Forward in Three Focus Areas

**Phase I**
- Collect System-wide Production & Broadcast Equipment Data
- Perform System-wide Technology Assessment

**Phase II**
- **Shared Purchasing**
  - Help stations leverage shared strengths to buy needed equipment with shrinking budgets
- **Targeted Case Statements**
  - Use the Assessment data to support stations’ strategic planning and funding efforts
- **Knowledge Building**
  - Identify ways to address key knowledge and skills gaps
Shared Purchasing Can Benefit the System in Many Ways

**Increase Savings**
- Get a better deal on needed equipment on price, quality, capabilities, service agreements
- Paired with planned replacement, shared buying can help avoid last-minute negotiations on key items that result in unfavorable pricing

**Increase Capacity**
- Free up some station resources currently used to identify, select, buy, process payments, etc.
- Provide a possible avenue of expertise as more procurements shift to service-based models

**Increase Consistency**
- More effective operations, as engineering staff are able to share knowledge across similar equipment and services
- Ability to share scarce personnel across stations to support comparable systems
- Greater ability to share spare parts and recycle equipment between stations
Stations May Have Shared Purchasing Opportunities in both Equipment and Services

Service example: Stations’ broadband spending (and need for access) will increase, as over 80% of radio respondents anticipate migrating to IP over the next 5yrs

Equipment example: Stations plan a significant number of production control room replacements worth a collective $44m

Projected replacement schedule in production control room
(# of pieces of equipment)

- 2017: 334
- 2018: 952
- 2019: 394
- 2020: 559

Projected financial need in production control room
($ millions)

- 2017: $13
- 2018: $13
- 2019: $10
- 2020: $8

<table>
<thead>
<tr>
<th>Year</th>
<th>Radio reported replacement schedules</th>
<th>TV responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$9</td>
<td>$4</td>
</tr>
<tr>
<td>2018</td>
<td>$9</td>
<td>$4</td>
</tr>
<tr>
<td>2019</td>
<td>$6</td>
<td>$4</td>
</tr>
<tr>
<td>2020</td>
<td>$2</td>
<td>$6</td>
</tr>
</tbody>
</table>
We are Exploring Frameworks Within which the System Could
Move Forward on Shared Purchasing:
How Can this Focus Best Support Your Work?

How can the proposed benefits of shared purchasing make sense for your station?
DIGITAL INFRASTRUCTURE ASSESSMENT
Public Media Digital Infrastructure Assessment

Current State

- Fragmented technology
- Uneven investments
- Limited audience impact
Public Media Digital Infrastructure Assessment

**Future State**

- Interoperable services
- Necessary investments
- Supports the model and mission
DIGITAL INFRASTRUCTURE OPPORTUNITIES & THREATS

Opportunities

Better serve our audience on station, system, and third party digital platforms

Strengthen interconnections between content and data

Maximize engagement and station member services

Realize greater economies of scale while supporting diversity of goals

Threats

Losing touch with audience expectations

Disintermediation by major digital media platforms

Limiting connections that underpins relationships

Younger audiences don’t perceive content connection to delivery brands

Inability to replicate the success of membership model
## Digital Infrastructure Assessment Framework

### Content Management and Distribution
- CMS
- Distribution Platforms
- Content Delivery Mechanisms
- Rights Management
- Metadata Standards

### Digital Revenue Models
- Donation Forms & Pmt Processing
- CRM & Membership Databases
- eMarketing Systems
- Member-Exclusive Benefits
- Alternate Revenue Streams

### Consumer Experience
- UI / UX
- Identity Management
- Personalization
- Social Media Platforms

### Analytics and Business Intelligence
- Data Collection
- Data Warehouse
- Analytics Tools
- Reporting
- Data Analysis

### Digital Technology and Infrastructure
- Federated API Gateway
- Hosting & Infrastructure
- SEO
- Federated Search
- Architecture Governance

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**Collaboration, Organization & Governance**
By investing in three key foundational, centralized digital infrastructure projects, public media can help ensure sustainability in its donor model.

Source: Apigee website: Why API Platform
Next Steps

- Focus first on an Identity Management Solution
- Evaluate current system Identity Management efforts
- Develop project plans, cost estimates, and business cases for developing the service
- Identify funding sources
DIGITAL CULTURE ACCELERATOR
Created to assist three public media CEOs

Digital Culture Accelerator

- Three pilot stations
- Intensive program
- Expert digital team - QCatalyst
Each Station Receives Support in These Areas

**Discovery**
- Readout
- Survey
- Education
  - Landscape / Competitor Overview
  - Human Centered - working session
  - Business Model Canvas (part 1 of 3)
  - Content
  - Social
  - Video
  - Metrics
  - Design/UX

**Hands On**
- Vision / Strategy
- 8 Week Pilot Program Design
- Staffing / Budgeting
- Business Model Homework (part 2)
- Partnerships
- 1-1 Coaching
- Mentoring - Digital Lead

**Final Deliverables**
- 8 Week Pilot Program
- Business Model VC Pitches (Part 3)
- Digital Strategy and Budget Development
- Ongoing Coaching and Support
- CMNH Partnership Development
- Program Transition Planning
1. Our digital vision is apparent both inside and outside the organization.

2. I feel that we have a well formulated digital strategy.

3. The executive team supports our digital strategy.

4. We have clear and measurable goals for determining the success of our digital strategy.
## WBHM/Competitive Data

### Distribution/Marketing Channels:

<table>
<thead>
<tr>
<th>Platform</th>
<th>Facebook</th>
<th>Instagram</th>
<th>Twitter</th>
<th>Pinterest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Likes</td>
<td>4.7k</td>
<td>1.4k</td>
<td>7.9k</td>
<td>80</td>
</tr>
<tr>
<td>Posts per day</td>
<td>1.65</td>
<td>0.09</td>
<td>3.46</td>
<td>No recent activity</td>
</tr>
<tr>
<td>Reactions per post</td>
<td>8.79</td>
<td>1.26</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comments per post</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
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* Snapshot taken from June 30 – July 31, 2017*
Competitive Data

WBRC 6 – FOX Affiliate

Overview: WBRC 6 is a Fox-affiliated television station licensed to Birmingham, Alabama. WRBC provides local, regional and national news coverage.

Size of Audience: WBRC.com attracted approximately 557k unique users last month.

Distribution/Marketing Channels:

<table>
<thead>
<tr>
<th>Facebook</th>
<th>Instagram</th>
<th>Twitter</th>
<th>Mobile Apps</th>
</tr>
</thead>
<tbody>
<tr>
<td>355k likes</td>
<td>27k followers</td>
<td>136k followers</td>
<td>WBRC News, Weather &amp; Sideline Apps</td>
</tr>
<tr>
<td>Average 26 posts per day</td>
<td>Average 2.6 posts per day</td>
<td>80 tweets per day</td>
<td></td>
</tr>
<tr>
<td>Average 105 likes per post</td>
<td>Average 34 comments per post</td>
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</tbody>
</table>

* Snapshot taken from June 1 – June 30, 2017 unless otherwise noted
Summary & Overview
Questions and Comments