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Supplementary Information on Quarterly Targets FY2012/13

LIST OF ERRATA

SABC STRATEGIC PLAN 2012-2015 SUBMITTED 7 MARCH 2012	POWERPOINT PRESENTATION	SUPPLEMENTARY INFORMATION
R6.3	<p>SLIDE 88 – (page numbers covered, not visible in hard copy)</p> <p>REASON FOR DIFFERENCE: There was a typo error in the annual amount reflected as R1.2bn, instead of R6.2bn as in budget, and therefore the quarterly targets would have been incorrect.</p>	<p>P2 OF 18 line 1 – A new line was inserted to reflect all the revenue elements.</p> <p>The total effect of this is that all revenues add up to budget of R6.2bn. Total line not included.</p>
P38 – COST MANAGEMENT CORRECTLY STATED	SLIDE 89 – The original stated “ALIGNED” instead of NON-ALIGNED	
P 39 – LAUNCH OF DTT	SLIDE 90 – no annual target included	P4 of 18 – we have included an annual target for 2012/13 for new radio stations
P 39 – LAUNCH OF DTT News and sports is combined	SLIDE 90 – WE SEPERATED these for clarity and started with Sports to meet SMART principles	P5 of 18 –
	SLIDE 91 – IS A DUPLICATION OF SLIDE 90	
	SLIDE 92 – IS A DUPLICATION OF SLIDE 90	

P 39 – MINIMISE AUDIENCE LOSS	SLIDE 94 – we changed the deliverable of 19 radio stations onto DTT	P6 of 18 – we changed the deliverable of 19 radio stations onto DTT
P40 – REPOSITION SABC 3	SLIDE 95 – we changed the target from 12% to 16% (we believe this was unrealistic)	P7 of 18 – we have set an average 14% as the realistic
		P13 AND 14 of 18 – ARE DUPLICATIONS OF P 11 AND 12
P 38 – REVENUE ENHANCEMENT Sponsorship figures – R437	SLIDE 110 – Sponsorship figures – R387 REASON FOR DIFFERENCE: Budgets for 2012/13 were finalised. Therefore based on projections the executive decided that the figure in the Strategic Plan was unrealistic	P 2 of 18 – no change

Performance Indicators Target Date: FY2012/13

Key Performance Areas: Revenue Enhancement							
Strategic Intent:							
Strategic Objectives	Key Deliverables	Indicator	FY12/13	Q1	Q2	Q3	Q4
Restoring SABC liquidity status to that of a going concern by embarking on the implementation of an accelerated turnaround strategy	Meet or exceed the Board approved financial targets, aligned to the Government Guarantee conditions.(Excluding Digital Media platforms)	Other Revenue including Government Grant	R645m	R161.5m	R161.5m	R161.5m	R161.5m
		Advertising Revenue (R14.1bn) (Assuming zero impact from Alcohol Ban)	R4.3bn	R1 041m	R1 187m	R1 314m	R809m
		Sponsorships (R1.4bn) (Assuming zero impact from Alcohol Ban)	R387m	R84m	R104m	R108m	R91m
		TV Licence Fees (R3.01bn)	R920m	R198m	R245m	R265m	R212M
Deliver a Trading and Pricing model that will extract maximum revenue from advertisers in a multiplatform/channel environment: Based on AR trading thus optimising inventory	Improved revenue forecast for SABC on a monthly planning and buying processes for the Sales and Marketing industry	A fully operational 36-month Revenue forecast aligned with the cross-functional/multi-platform 36-month transversal content schedule, by FY2013	Aligned to Revenue Forecast	Conceptual Trading and Pricing Model developed. Critical dependencies include schedule stability. 2012-2013 Pricing Structure finalised	On-going Inventory Optimisation across prime and shoulder time as a cardinal element of the Trading Model	Marketing to Trade Plan	Implementation of a new Trading Model in alignment with progress of SABC multi-channel environment

Key Performance Areas: Cost Management							
Strategic Intent: Putting broadcasting and broadcasters back in the forefront of what the organisation is about and editorial integrity back into the platforms and programmes of the SABC							
Strategic Objectives	Key Deliverables	Indicator	FY12/13	Q1	Q2	Q3	Q4
Manage people cost in line with the approved Operating Model, corresponding Organisational Structure and staff numbers (Sport)	A Cost effective and efficient organisation operating	Align headcount to approved operating model in FY2012/13 at costs of no more than R1 942 956m	Board approved headcount and cost capped at R1 942 956m	Employee costs capped at R476 614m	Implement approved vacancies capped at R488 781m	Monitor and evaluate. Cap costs at R488 781m	Monitor and evaluate, cap costs at R488 781m
			Identify and remove all vacancies not aligned to structure	Non-aligned Vacancies removed	Begin implementation process of 6 layer flat structure	Continue implementation	Review efficiencies for finalisation in 2013.
		Leave and Overtime management	Reduce overtime by 5% and Leave liability by 10%	*Achieve 1% overtime reduction *Achieve 1% leave liability reduction	Achieve 2% overtime reduction *Achieve 2% leave liability reduction	Achieve 2% overtime reduction *Achieve 5% leave liability reduction	*Overtime 100% compliance *Achieve 2% leave liability reduction
Eliminate wasteful, fruitless, irregular and unauthorised expenditure	Implement strategic sourcing initiatives jointly with all Group Executives on shared responsibility	100% elimination of unnecessary spend	100% elimination of unnecessary spend	Current controls assessments completed	Appropriate systems and Mitigation measures implemented. Staff training begun	Staff training completed and new KPI's implemented.	Achieve 75-100% of KPI achieved. Due action taken where indicated.

Key Performance Areas: Audience Attraction and Retention							
Strategic Intent:							
Strategic Objectives	Key Deliverable	Indicator	FY12/13	Q1	Q2	Q3	Q4
Deliver a multi-platform, multi-channel SABC offering informed and driven by audience needs	Launch of SABC DTT	A total of 12 new SABC DTT Channels by FY2015 (Funding dependant)	6 New Channels implemented	SABC 24 hour News services planning completed	Trials of SABC 24 hour News service completed and channel launched. Planning for additional 5 channels begins	Trials for SABC 5 additional channels begin Develop 36 month long term plan for content acquisition	Launch of DTT with minimum 6 channels
		SABC Radio Stations on the DTT Platform by FY2013	19 Radio Stations on DTT	Migration plans begin	Migration testing with first 5 radio stations begins.	Testing continues on full DTT presence	Launch of all stations completed
		4 New Radio Stations on DTT by 2013/14	Business case development for new DTT radio stations	Conduct market demand survey to establish feasible formats for new stations (filling gaps in current market offering): R1,8m	Completion and analysis of feasibility studies	Business case developed and presented to SABC Board	Test broadcasts begin
Deliver a multi-platform, multi-channel SABC offering informed and driven by audience needs	Satellite launch of SABC Sport	SABC Sport Channel on Satellite and DTT	SABC Sport Channel on Satellite and DTT	Develop a comprehensive business plan for approval by the Group Executive Committee, and Board	Submit the business plan to Group, Board for approval Commence with divisional structural alignment for the Sport channel Recruitment of personnel and Test phase for Launch readiness	Recruitment of personnel and Test phase for Launch readiness	Launch SABC Sport Channel on Satellite and DTT
	Satellite Launch of SABC News and Sport	SABC 24 Hour News Channel on DSTV	SABC 24 Hour News Channel on DSTV	Develop a comprehensive business plan for approval by the Group Executive Committee and Board.	Submit the business plan to Group, Board News Subcommittee and Board. Commence with divisional structural alignment for the 24 hour news operation.	Recruitment of personnel and dry runs.	Launch the Channel.
			SABC 24 Hour News Channel on DSTV	Completion of Planning	Trials of News 24 Infrastructure.	Launched dependent on business case and budgetary approval	Workflow refinement and improvement of offering
	Launch SABC TV Programming On Line	SABC TV On Line offering by FY2015	On line strategy development and implementation	Strategy and business case	Business case presented to Group and Board for	Recruitment of requisite skills	Workflow and standards

				development	approval	completed	completed
	Delivery of a SABC Mobile TV Model	A Mobile TV Content offering	Mobile Pilot testing	Mobile testing continues	Mobile and standard selection process and business case development begins	Mobile business case presented to Group and Board	SABC mobile launch readiness tested
	Delivery of a SABC On Line Radio Streaming Model	A full On Line Radio Streaming Content offering	19 Radio Stations streaming	Review current streaming capability on Radios Metro, 5FM, Ukhozi and Good Hope FM	Assess non-streamed stations' capabilities in relation to current IP technology. Business case developed and presented to Group and Board	Launch on 50% of remaining stations	19 Stationsstreamed
Minimize audience losses in a multi-platform and competitive environment	Maintain a 58% average audience TV share by FY2014/15	SABC Share of market of 58% by FY2015	60% share achievement	59% share achieved on current platforms	60% achieved	60% maintained	60% maintained
	Grow current audience share on Sentech Satellite Television Platform by FY2014/15	At least 5 Properties on Satellite Platform by FY2014	Key Channels and Programs on Satellite Platforms	Key Channels & Programs on Satellite platforms	Key Channels & Programs on Satellite platforms	Key Channels & Programs on Satellite platforms	Key Channels & Programs on Satellite platforms

Key Performance Areas: Audience Attraction and Retention							
Strategic Intent:							
Strategic Objectives	Key Deliverables	Indicator	FY12/13	Q1	Q2	Q3	Q4
Minimize audience losses in a multi-platform and competitive environment	Maintain a 58% average audience Radio share by FY2014/15	SABC PBS Share of market of 56% by FY2015	56%	56%	56%	56%	56%
		SABC PCS Share of market of 11% by FY 2015	11%	11%	11%	11%	11%
		SABC PCS Share of LSM 7-10 market of 18% by FY 2015	18%	18%	18%	18%	18%
	Grow current audience share on Sentech Satellite Television Platform by 2014/15	At least 5 Properties on Satellite Platform by FY2014	Key Channels and Programs on Satellite Platforms	Key Channels and Programs on Satellite Platforms	Key Channels and Programs on Satellite Platforms	Key Channels and Programs on Satellite Platforms	Key Channels and Programs on Satellite Platforms
	Gain a stable average audience share on the On line Radio Streaming Platform by FY2014/15	A strong SABC Radio presence online by FY2015	19 Radio Stations streaming	19 Stations	19 Stations	19 Stations	19 Stations

Key Performance Areas: Audience Attraction and Retention							
Strategic Intent:							
Strategic Objectives	Key Deliverables	Indicator	FY12/13	Q1	Q2	Q3	Q4
Deliver a central audience and content-driven TV Intelligence-gathering mechanism	A Television audience and competitive intelligence hub	Regular and accurate data and market intelligence information on demand and on time	TV Audience and competitive intelligence hub established	TV Audience and competitive intelligence hub established	TV Audience and competitive intelligence hub established	TV Audience and competitive intelligence hub established	TV Audience and competitive intelligence hub established
Reposition SABC 3 and align to the changing market conditions and audience needs	A Repositioned SABC 3 implemented with new look and feel for the Channel (Imaging and Branding)	Improved audience share of 14% LSM 7–10 by FY12/13	14%	12%	12%	12.5%	13%

Key Performance Areas: Content Management and Enhancement							
Strategic Intent:							
Strategic Objectives	Key Deliverables	Indicator	FY12/13	Q1	Q2	Q3	Q4
Management of the Cost of Content Acquisition	Limit the cost per minute price increase to 50% of CPI by 2015	Maintain an average cost per minute increase of not more than 50% of CPI by FY2015	50% of CPI Cost Per Minute increase	Manage commission costs to ensure that overall annual CPM increase does not exceed 50% of CPI	Manage commission costs to ensure that overall annual CPM increase does not exceed 50% of CPI	Manage commission costs to ensure that overall annual CPM increase does not exceed 50% of CPI	CPM increase across all genres to not have exceeded 50% of CPI
Improved amortization of stock	Ensure the better utilisation of stock	100% Recoupment by FY2015	R1.56bn (Amortisation of R987m – TV Only)	Manage amortisation to ensure effective exploitation of stock	Manage amortisation to ensure effective exploitation of stock	Manage amortisation to ensure effective exploitation of stock	Annual amortisation budget achieved
Implement a single transversal multi-channel/platform Content Planning, Acquisition and Scheduling Process	A 36 month Cross Platform Schedule and inventory, aligned and concluded, across platforms, by genre.	Long term planning resulting in better decision making, product quality and efficiency achieved in execution	Cross platform content planning	Establishment of cross divisional long term planning mechanism	Establish organisational long term strategy & budget	Implement cross divisional planning in line with organisational long term strategy & budget	Implement cross divisional planning in line with organisational long term strategy & budget

Key Performance Areas: Cost Management							
Strategic Intent: Putting broadcasting and broadcasters back in the forefront of what the organisation is about and editorial integrity back into the platforms and programmes of the SABC							
Strategic Objectives	Key Deliverables	Indicator	FY12/13	Q1	Q2	Q3	Q4
Effective management and reduction of all Sport costs for the broadcasting Sport content (mandate, development and minority sports)	A Long-term schedule of Sport assets acquired, aligned to the 36-month Television Content Schedule and the 3-year Revenue Sales Forecast	Maintain an average of 10.5% of SABC Total Operating Cost by 30 March 2013	Achieve 10.5% of SABC Total Operating Cost by 30 March 2013 (Annual budget) Budget allocated for the year=R647m	Maintain/Achieve 0% budget overrun in Operational budget (allocated budget)	Maintain 0% budget overrun in Operational budget (allocated)	Maintain 0% budget overrun in Operational budget (allocated)	Maintain 0% budget overrun in Operational budget (allocated)
		Maintain 37.5% of SABC amortisation Cost by 30 March 2013 (annual budget)	Achieve 37.5% of SABC amortisation Cost by 30 March 2013 (annual budget) Budget allocated for the Year=R608m	Achieve 0% budget overrun in amortisation budget (allocated budget)	Achieve 0% budget overrun in amortisation budget (allocated budget)	Achieve 0% budget overrun in amortisation budget (allocated budget)	Achieve 0% budget overrun in amortisation budget (allocated budget)
Improve Sports Rights acquisition expenditure	Reduce Sport rights expenditure by 5% across the board on all rights	5% reduction on fees from previous financial	5% reduction on fees from previous financial	Achieve 2% reduction	Achieve 1 % reduction	Achieve 2% reduction	Reduce Sport rights expenditure by 5% across the board on all rights

Key Performance Areas: Upgrade of Technology Infrastructure							
Strategic Intent:							
Strategic Objective	Key Deliverables	Indicator	FY12/13	Q1	Q2	Q3	Q4
Deliver a Sports Payout Centre	Deliver a Digital Sports Payout Centre for a multi-platform offering	A full Digital Centre for SABC Sport Channel, completed FY2014	Capex spend of R15m	Develop a comprehensive business plan for approval by the Group Executive Committee, and Board	*Submit the business plan to Group, Board for approval * Business case signed off	*Develop 36 month long term plan for content acquisition	Test phase for Launch readiness
Studio Upgrade and Digitization	Complete digitization of studio 1 and 2	Studio 1 and 2 digitized by FY 2014 (FY 2012/13 budget R30m)	R30m	* Business case signed off	Approved business case	Delivery as per project plan	Delivery as per project plan
	Production Studios refurbishment	Television Studio 3 and 7 upgraded by 2015 (FY 2012/13 =R57,5m)	R57,5m	*Business case signed off	Contracting with Vendor for delivery	Delivery as per project plan	Delivery as per project plan

Key Performance Areas: Upgrade of Technology Infrastructure							
Strategic Intent:							
Strategic Objectives	Key Deliverables	Indicator	FY12/13	Q1	Q2	Q3	Q4
Embed risk management into the day-to-day activities of the corporation.	Enhancing of Risk Management Tool	Implementation of Risk Management Tool (CURA).	Post Implementation Review of CURA (Governance, Risk and Compliance System)	Implementation of CURA enhancements and controls identified in the review in quarter 1.	Refresher Training for CURA users.	Continuous monitoring and design of mitigation measures	Risk Management tool fully implemented utilised and full risk mitigations implemented
	Risk Management Training and Awareness	Risk Management Training and Awareness	Awareness of risk management instruments (Policies and Framework)	Risk Champions conference on risk management held	Culture change management implemented	Continuous monitoring and mitigations	Performance management reviewed
	Enterprise-wide fraud and corruption risk assessments.	Fraud and Corruption strategy implementation.	Fraud and Corruption strategy implementation	Fraud and Corruption strategy implementation.	Facilitation of annual fraud and corruption risk assessments.	Fraud and corruption awareness programs. Re-launch of whistle Blowers Hotline	Performance management reviewed
Embed risk management into the day-to-day activities of the corporation.	Disaster Recovery Plan (DRP) and Business Continuity Plan (BCP)	Develop SABC comprehensive DRP and BCP	DRP and BCP implemented by end of 2013	Development of a comprehensive DRP and BCP.	Risk Committee and Board Approval of Comprehensive BCP and DRP.	Training and awareness programmes developed and impleted.	Implementati on and monitoring completed
	Monitoring & Remediation	Issue Tracking and remediation		Develop a consolidated issue tracking report to monitor resolution on key issues identified by all stakeholders across business, linked to specific risks that are required to be mitigated.	Integrate Internal Audit results into risks assessments.		Ongoing implementation of Internal Audit results into risks assessments.
	Formalising the risk	Review and enhance	Risk Committee	Communicating the new	Training and	Risk Culture	Feedback, KPI

	management process	<p>Risk Management instruments</p> <ul style="list-style-type: none"> • Risk Management Policy • Risk Management Framework • Fraud and Corruption Policy • Fraud and Corruption Strategy • Whistle Blowing Policy 	and Board Approval of the Risk Management Instruments.	instruments as approved.	awareness programmes developed and implemented	assessment survey covering all divisions and levels across the organisations.	implementation and performance monitoring
Embed risk management into the day-to-day activities of the corporation.	Monitoring and Reporting	Risk Management Oversight	<p>Quarterly risk management reports (Operational Risk Committee & Group Executive Committee)</p> <p>Quarterly provincial reviews</p>	<p>Quarterly risk management reports (Operational Risk Committee & Group Executive Committee)</p> <p>Quarterly provincial reviews</p>	<p>Quarterly risk management reports (Operational Risk Committee & Group Executive Committee)</p> <p>Quarterly provincial reviews</p>	<p>Quarterly risk management reports (Operational Risk Committee & Group Executive Committee)</p> <p>Quarterly provincial reviews</p>	KPI evaluation on set criteria and mitigation implementation

Key Performance Areas: Governance Control							
Strategic Intent:							
Strategic Objective	Key Deliverables	Indicator	FY12/13	Q1	Q2	Q3	Q4
Embedding risk management system into day-to-day operations of the Corporation.	Risk Management Training and Awareness	Risk management embedded as normal business practice	Risk Management Training and Awareness	Awareness of risk management instruments (Policies and Framework)	Risk Champions conference on risk management within the SABC.	Continuous compliance evaluation	Continuous refresher courses
	Enterprise-wide fraud and corruption risk assessments.	Risk assessment results published	Fraud and Corruption strategy implementation.		-	Facilitation of annual fraud and corruption risk assessments.	Fraud and corruption awareness programs. Re-launch of whistle Blowers Hotline
	Risk Assessments		Annual Risk Assessments across the corporation.		Conduct Risk Assessments at Group Exco and Board levels to determine strategic risk profile. (Top Down) Conducting risk assessments at business unit and department level	Conduct Divisional and Provincial risk assessments in accordance with SABC methodology to determine the SABC universal risk profile. (Bottom up Approach)	None

Key Performance Areas: Governance Control

Strategic Intent:

Strategic Objective	Key Deliverables	Indicator	FY12/13	Q1	Q2	Q3	Q4
Embedding risk management system into day-to-day operations of the Corporation.	Disaster Recovery Plan and Business Continuity Plan	Plans documented and approved	Develop SABC comprehensive DRP and BCP	-	Development of a comprehensive DRP and BCP.	Risk Committee and Board Approval of Comprehensive BCP and DRP.	Documented plans communicated and implemented
	Monitoring & Remediation	Updated risk register	Issue Tracking and remediation	-	Develop a consolidated issue tracking report to monitor resolution on key issues identified by all stakeholders across business, linked to specific risks that are required to be mitigated.	Integrate Internal Audit results into risks assessments.	Ongoing implementation of Internal Audit results into risks assessments.
	Formalising the risk management process	Documented risk management process	Review and enhance Risk Management instruments <ul style="list-style-type: none"> • Risk Management Policy • Risk Management Framework • Fraud and Corruption Policy • Fraud and Corruption Strategy • Whistle Blowing Policy 	Risk Committee and Board Approval of the Risk Management Instruments.	Communicating the new instruments as approved.	Implementation of process	Risk Culture assessment survey covering all divisions and levels across the organisation.
	Monitoring and Reporting	Operational risks management reports completed and managed	Risk Management Oversight,	Quarterly risk management reports (Operational Risk Committee & Group Executive Committee) Quarterly provincial reviews	Quarterly risk management reports (Operational Risk Committee & Group Executive Committee) Quarterly provincial reviews	Quarterly risk management reports (Operational Risk Committee & Group Executive Committee) Quarterly provincial reviews	Quarterly risk management reports (Operational Risk Committee & Group Executive Committee) Quarterly provincial reviews

Key Performance Areas: Governance: Control

Strategic Intent:

Strategic Objective	Key Deliverables	Indicator	FY12/13	Q1	Q2	Q3	Q4
Implement a TV Operating Model that will deliver compelling audience-centric programming	A New TV model and fully resourced structure with defined Roles and Responsibilities	A TV Division Structure up to level 6 by FY2013 implemented with the following four functional hubs aligned to each other and the group wide operating model: <ul style="list-style-type: none"> • Strategy, Innovation and Planning • Channels • Content Hub • Operations 	New structure implemented	TV Division structure developed up to level 6	Skills audit conducted to assess current staff skill level to deliver on structure roles	Skills re-aligned to fit new job profiles and staff requirements	New KPI's designed and implemented. Union engagement completed
Ensure operational efficiency so as to drive business performance	Business performance management aligned to the Government Guarantee Targets	Annual performance contracting signed with each Business Unit as part of Turnaround Plan	Contracting completed	Performance monitoring, evaluation and reporting	Performance monitoring, evaluation and reporting	Performance monitoring, evaluation and reporting	Performance monitoring, evaluation and reporting
		Quarterly evaluation	Performance evaluation implemented	Performance Evaluation Conducted Quarterly	Performance Evaluation Conducted Quarterly	Performance Evaluation Conducted Quarterly	Performance Evaluation Conducted Quarterly
	Individual performance management linked to delivery of Government Guarantee Targets	Annual performance contracting and	Contracting completed	Performance contracts for all Executive and Senior Management	-	-	-
		Quarterly Performance evaluation on the delivery of Govt Guarantee	Performance evaluation implemented	Performance Evaluation Conducted Quarterly	Performance Evaluation Conducted Quarterly	Performance Evaluation Conducted Quarterly	Performance Evaluation Conducted Quarterly

		Targets					
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Key Performance Areas: Governance Control							
Strategic Intent:							
Strategic Objective	Key Deliverables	Indicator	FY12/13	Q1	Q2	Q3	Q4
Attraction, retention and development of resources to drive organisational delivery	Recruitment, staff retention and Leadership development programmes implemented	Development & implementation of a Leadership Development Programme	Implementation in line with Work Skills and critical skills retention plans	Identify critical skills areas, organisational skills gaps and develop career path plans	Key staff participating in Leadership Development Programme	Key staff participating in Leadership Development Programme	KPI monitoring of training and mentorship by management.
Implement a Sports Operating Model that will deliver compelling, cost efficient, compliant and commercial sport programming	A new Sports Division model and fully resourced structure with defined roles and responsibilities	A sport Division structure up to level 6 by FY 2013 implemented with four functional hubs aligned to each other and group wide operating model: <ul style="list-style-type: none"> • Sports Channel Management • Programming • Operations • In-house Productions 	Structure implemented by 31/03/2013	*Approval of Sport Operating Model	*Consultation with all stakeholders	*Consultation completed & Sign-off with individuals concluded	Implementation

Key Performance Areas: Governance Control							
Strategic Intent:							
Strategic Objective	Key Deliverables	Indicator	FY12/13	Q1	Q2	Q3	Q4
Implement a Sales Division Model and structure that will deliver revenue on SABC's audience-centric programming offering.	A Sales Division model and fully resourced Structure with defined Roles and Responsibilities	A Sales Division Structure up to level 3 by FY2013 implemented with the following three functional hubs aligned to each other and the group wide operating model: <ul style="list-style-type: none"> • Sales • Marketing • Operations 	Implementation by 31/03/2013	Approval of Sales Operating Model	Consultation with all stakeholders	Evaluation of specific positions	Implementation

A3 TO A4