

New initiative on KPIs by ABC and CBA

Fulvio Barbuio, Head, Corporate Treasury & Performance Measurement, ABC

Public Broadcasters are continually pressured by respective Governments to demonstrate their contribution to public life. Questions continue to be asked about Public Broadcasters' ongoing relevance and sustainability and more importantly whether there is a future for them in broadcasting. The utilisation of Key Performance Indicators (KPIs) allows public broadcasters to objectively demonstrate their value against predefined performance targets and to better meet their accountability requirements for their respective Governments.

The use of KPIs should go beyond just fulfilling accountability requirements of Governments and stakeholders, as they can strengthen strategic planning, resource management and assist in identifying performance improvement opportunities. Benchmarking enhances the value of a broadcaster's KPIs even further, as it facilitates the comparison of performance information against similar entities and can assist in answering the perennial question in KPIs reporting - 'what is good performance?'.

By producing a range of comparable information sourced from similar organisations, good performance is more clearly defined and the efficiency and effectiveness of business processes can be compared amongst the comparison group. Benchmarking allows for the improved understanding of operations and performance and it provides the forum for the exchange of ideas on process improvement. It can help identify business functions within an organisation performed less efficiently to comparable functions in another organisation. The causes of inefficiency can be analysed and brought to the attention of management for future action. Also, benchmarking has the potential to identify functions which are experiencing increased expenditure with no measurable increase in output.

The unique nature of Public Broadcasting operations and objectives creates problems for Public Broadcasters in being able to effectively critically assess their performance using reliable and relevant benchmarks. This is further compounded by in most cases Public Broadcasters not having other public broadcasting operations within their country to benchmark against and difficulties in accessing and using comparative benchmarking data from Commercial Broadcasters.

Benchmarking for Public Broadcasters is not new, however success and benefits to date have been limited due in part to:

- Lack of comparability of data;
- Fears of appearing less efficient than others in the industry;
- The distance between industry members.

The current environment that Public Broadcasters operate within is dynamic with all Broadcasters confronted with similar issues re funding sufficiency, recent and expanding technologies (i.e. digital, online and merging of platforms), legislative requirements and increasing competition. These issues along with others have

continued to place pressure on Public Broadcasters in respect of meeting stakeholder's demands and expectations for quality performance and accountability.

The Performance Measurement Unit within the Australian Broadcasting Corporation (ABC) is responsible for the conduct of performance measurement analysis and reporting using KPIs as well as international and domestic benchmarking for the Corporation. Part of the brief of the Unit has been to benchmark ABC activities against comparable organisations. Due to the unique role of the ABC at a national level it is difficult to do this within the Australian broadcasting landscape and the ABC has facilitated the sourcing of benchmark data from overseas public broadcasters. The International Benchmarking Group was established in 2001 to provide comparable performance information to the participating broadcasters allowing each to benchmark their activities at an international level.

The need to access relevant and comparable Public Broadcasting benchmarking data is a common objective of Public Broadcasters that has seen strong commitment and dedication of resources given in support of this initiative. The success of this initiative for all involved is dependant on the continuation and strengthening of all participants' commitment and desire to succeed. This will also be achieved by expanding the number of participants to deepen and broaden the pool of comparative information. With a high level of enthusiasm shown by all participants of the International Benchmarking Group, it is expected that all will benefit greatly from access to information on the performance of other Public Broadcasters.

The Commonwealth Broadcasting Association welcomes and encourages its members to embrace KPIs and benchmarking and will be developing a capability to progress this with the assistance of the ABC over the coming months. Members are invited to contact the Commonwealth Broadcasting Association in the first instance with any questions or queries they may have and these will be addressed by the Association or the ABC as appropriate.