

International Public Broadcaster

Benchmarking

Raising Standards by Sharing Performance Measures

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General Conference, Nassau, Bahamas

23-26 January, 2008



Agenda

- Session objectives
- Performance measurement
- International benchmarking
- Next steps
- Discussion and questions

➤ **Session objectives**

- Performance measurement
- International benchmarking
- Next steps
- Discussion and questions

Objectives

- Introduce and outline the benefits of performance measurement and KPIs for broadcasters
- Demonstrate the benefits of benchmarking and sharing information with peer broadcasters
- Outline the ABC's International Benchmarking Group (IBG) as a way of sharing performance information

The Dangers of Change

“...it ought to be remembered that there is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success, than to take the lead in the introduction of a new order of things.”

Machiavelli (the Prince, 1532)



CBA/ABC Initiative

- Promote KPIs and international benchmarking among CBA members

- Three components (to start with):
 - ❑ Article in July CBA Newsletter
 - ❑ KPI and benchmarking pamphlet
 - ❑ Presentation at CBA Annual 2008 Conference

➤ Session objectives

➤ **Performance measurement**

➤ International benchmarking

➤ Next steps

➤ Discussion and questions

Performance Measurement Context

- Process whereby an organisation's activities and outcomes are measured to:
 - ❑ Provide feedback to decision makers to assist them in improving performance
 - ❑ Provide signposts which can identify past, current or potential future outcomes
 - ❑ Attest to whether the organisation is delivering on its commitments

- Must be 'whole of business' focus

- Part of any proper organisational strategy, planning and reporting process

- Critical component of good governance

Key Performance Indicators (KPIs)

- Method by which performance can be best measured
- Generally quantitative data (financial and non-financial) but could also be qualitative
- Measures performance against key strategies, processes or outcomes
- Promotes organisational alignment

Challenge and Risks

- Performance ineffectively/not measured
 - = performance not improved
 - = strategy not executed
 - = ineffective business intelligence
 - = ineffective collaboration
 - = constrained resources
 - = limited operating options/flexibility
 - = results not achieved

ABC KPI Program Experience

- Measure performance across all major Divisions
- Measure effectiveness and efficiency using financial and non-financial data
- Undertaken quarterly and annually
- KPIs are undergoing a refresh

- Session objectives
- Performance measurement
- **International benchmarking**
- Next steps
- Discussion and questions

Views of Benchmarking

“The key is to isolate common metrics in like functions (e.g., manufacturing, engineering, marketing, finance) and compare one’s own business practices with those of organizations that have established themselves as leaders or innovators in that specific business function. The idea of generic excellence make this possible.”

Michael J. Spendolini, *The Benchmarking Book*

“...the focus is on business processes that directly support the organization’s goals by concentrating on the vital few and by incorporating best practices. That is the role of benchmarking.”

Robert C. Camp, *Business Process Benchmarking: Finding and Implementing Best Practices*



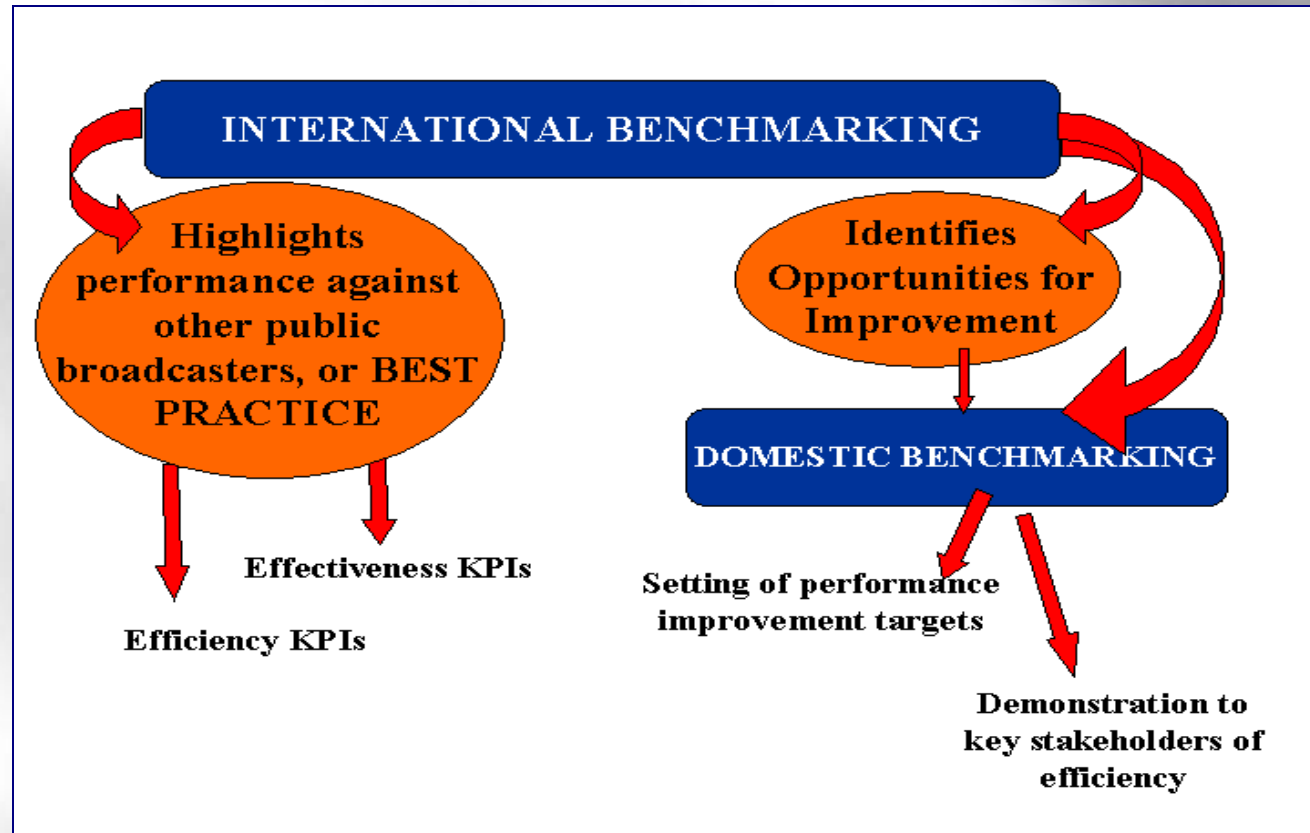
What is Benchmarking

- Sharing comparable metrics on key outputs, functions and/or processes
- Identify like broadcasters and better practices to support process improvement and funding bids
- Looking 'from without' to have a better understanding 'from within'

Sharing Data – the first step

- Is the mechanism by which insights and solutions from outside the broadcaster can be identified
- Common definitions important
- Need a process to easily collect, collate and report to participants

Benchmarking and KPIs – the Link



Practical Example - 1

- **Issue:** TV costs have been rising steadily over the last few years and budgetary constraints are being reached

Illustrative/ made-up data only	2004/5	2005/6	2006/7	International Benchmark	Quartile Ranking
TV broadcast costs	\$100m	\$105m	\$115m		
Cost per broadcast hour	\$11.4k	\$11.7k	\$11.5k	\$10.5k	2nd

- **Insight:**
 - ❑ While TV costs have risen, cost per broadcast hour have remained steady reflecting either higher output and/or lower production value output
 - ❑ However comparison to the benchmark suggests that this broadcaster has room to improve its efficiency assuming average production value/genre distributions are similar – further analysis required



Practical Example - 2

- **Issue:** TV audience have been falling raising concerns from management/Board

Illustrative/ made-up data only	2004/5	2005/6	2006/7	International Benchmark	Quartile Ranking
TV Reach	75%	73%	69%	77%	3rd
Local Content	55%	51%	44%	54%	2nd

- **Insight:**
 - ❑ TV audiences have fallen at the same time as local content which could suggest that audiences have not approved of the switch to overseas content
 - ❑ Comparison with benchmarks would appear to suggest that local content does support higher audiences and that the broadcaster needs to redress this situation to improve audiences and better fulfil its Charter



Practical Example - 3

- **Issue:** TV salary costs have continued to rise and are becoming a budgetary concern

Illustrative/ made-up data only	2004/5	2005/6	2006/7	International Benchmark	Quartile Ranking
TV salary costs	\$22m	\$25m	\$28m		
TV output per employee	20 hrs	17 hrs	14 hrs	23 hrs	4th

- **Insight:**
 - ❑ Rising salary costs are largely being driven by rising staff numbers
 - ❑ The broadcaster's staff output efficiency is well below best practice and needs to be looked at closely – needs further investigation

Practical Example - Summary

Broadcaster Profile:

- Stable cost per broadcast hour (below best practice)
- Higher TV output
- Lower audiences (below best practice)
- Lower local content (below best practice)
- Lower employee productivity (below best practice)

Insight/Action/Impact:

- Improve staff productivity
- To help fund higher local content/output
- Reduce cost per broadcast hour
- Driving higher audiences

International Benchmarking Group

- ABC initiative to share KPI data with other like public broadcasters
- Existing set of defined KPIs
- Supported and hosted by the ABC
- Facilitated by the International Benchmarking Group (IBG) website

IBG Objectives

- Promote best practice
- Promote performance measurement and improvement
- Support public broadcasters in seeking increased government funding

IBG KPIs

Effectiveness	Efficiency
<ul style="list-style-type: none"><input type="checkbox"/> % of National Content<input type="checkbox"/> Reach<input type="checkbox"/> % of Output hours (broadcast) by genre	<ul style="list-style-type: none"><input type="checkbox"/> Cost per production hour<input type="checkbox"/> % of overheads against total expenditure<input type="checkbox"/> Cost per broadcast hour<input type="checkbox"/> Cost per consumed hour<input type="checkbox"/> Cost per viewer/listener<input type="checkbox"/> Utilisation of production resources<input type="checkbox"/> Output per employee

- KPIs cover the mediums of TV and Radio – will need to be expanded to Digital Media

IBG Features/Functions

- IBG website to input data, obtain reports, contact partners and post benchmarking information among other features
- Absolute confidentiality of partner information – login and password protection for partner's data in the IBG website
- Partner results only reported and compared to Group average with a quartile ranking
- Free membership
- Annual data
- ABC hosts the Group and provides resources to assist partners to input and report on data
- Data submitted by agreed timetable

IBG Website – a Tour - Overview

The screenshot shows the 'Contact Partners' page of the International Benchmarking website. The header includes 'International Benchmarking' and navigation links for Home, News, Become A Partner, About Us, and Contact. Below the header is a secondary navigation bar with 'ABC' and tabs for Partner News, Worksheets, Reports, and Contact Partners. The main content area is titled 'Contact Partners' and is organized into two columns. The left column lists Country A (Australia) and Country B, each with a Partner B and contact information for Representative and Email. The right column lists Country E, Country F, Country G, and Country H, each with a Partner and contact information for Representative and Email. The footer contains the copyright notice '© 2007 ABC | Privacy Policy'.

The screenshot shows the 'Partner News' page of the International Benchmarking website. The header includes 'International Benchmarking' and navigation links for Home, News, Become A Partner, About Us, and Contact. Below the header is a secondary navigation bar with 'ABC' and tabs for Partner News, Worksheets, Reports, and Contact Partners. The main content area is titled 'Partner News' and features a prominent announcement: 'International Benchmarking Data Due Now! Please submit your data.' Below this is a news item titled 'ABC delivers paper at Oxford Seminar' with a brief description and a 'Read More...' link. Another news item titled 'ABC Funding' is also present. On the right side, there is a 'Useful Definitions' section with a link to 'Download Definitions (PDF 36Kb)'. The footer contains the copyright notice '© 2007 ABC | Privacy Policy'.

IBG Website – a Tour – Data Input

International Benchmarking

Information for financial year 0304 1 of 9

Broadcaster: **ABC**
Contact: **Colin Prin**
Currency: **AUD**

Confirm email address:
Confirm telephone number:
(inc country and area code)

To print out a list of all questions to be answered, click here [Print Questions](#)

Zoom

International Benchmarking

1. Universality 2 of 9

A) Audience Reach Performance Indicators

What is the total audience reach of your broadcaster?

What is the population of your country?

What is the number of your average weekly viewers? [Help](#)

International Benchmarking

2. Efficiency 3 of 9

A) Cost per Production Hour - Internal

How are the gross TV production costs for internal productions expended between the following genres? [Help](#)

News	<input type="text"/>
Childrens	<input type="text"/>
Drama	<input type="text"/>
Sport	<input type="text"/>
Entertainment	<input type="text"/>
Music and Arts	<input type="text"/>
Factual	<input type="text"/>
Other	<input type="text"/>
Total	\$ <input type="text"/> -

How many first run broadcast hours were produced for internal productions?

News	<input type="text"/>
Childrens	<input type="text"/>
Drama	<input type="text"/>
Sport	<input type="text"/>
Entertainment	<input type="text"/>
Music and Arts	<input type="text"/>
Factual	<input type="text"/>
Other	<input type="text"/>
Total	0

Note: These are TV only input screens. Similar screens exist for Radio.

IBG Website – a Tour – Data Input

International Benchmarking

2. Efficiency (cont.) 4 of 9

B) Cost per Production Hour - External

How are the gross TV production costs for Co-productions or external productions expended between the following genres? [Help](#)

News	<input type="text"/>	News	<input type="text"/>
Childrens	<input type="text"/>	Childrens	<input type="text"/>
Drama	<input type="text"/>	Drama	<input type="text"/>
Sport	<input type="text"/>	Sport	<input type="text"/>
Entertainment	<input type="text"/>	Entertainment	<input type="text"/>
Music and Arts	<input type="text"/>	Music and Arts	<input type="text"/>
Factual	<input type="text"/>	Factual	<input type="text"/>
Other	<input type="text"/>	Other	<input type="text"/>
Total	<input type="text" value="\$"/> <input type="text" value="-"/>	Total	<input type="text" value="0"/>

[Back](#) [Next](#)

International Benchmarking

2. Efficiency (cont.) 5 of 9

C) Percentage of Overheads to Budget

What are the total overheads relating to your TV production costs? [Help](#)

What are the total overheads relating to your New Media production costs? [Help](#)

What are the total overheads of your Corporate and Support costs? [Help](#)

What is the total gross expenditure of your Television division? [Help](#)

What is the total gross expenditure of your New Media division? [Help](#)

What is the total gross expenditure of your Corporate Support division? [Help](#)

[Back](#) [Next](#)

International Benchmarking

2. Efficiency (cont.) 6 of 9

D) Cost per Broadcast Hour

What are the total costs of broadcast (not including transmission costs)? [Help](#)

What are the total number of broadcast hours? [Help](#)

E) Cost per Viewer per Consumed Hour

What are the average number of consumed hours per viewer? [Help](#)

F) Output per Employee

How many employees are employed within the Television production division?

[Back](#) [Next](#)

Note: These are TV only input screens. Similar screens exist for Radio.



IBG Website – a Tour – Data Input

International Benchmarking

2. Efficiency (cont.) 7 of 9

G) Utilisation of Production Resources

What is the amount of labour hours used in production?

What is the total amount of the paid hours of resource staff?

What is the amount of actual facilities hours (studio, OB) used in production?

What is the total capacity hours of production facilities?

3. Quality

A) Percentage of National Content

How many hours of national content were broadcast?

[Back](#) [Next](#)

International Benchmarking

4. Distinctiveness 8 of 9

How are the total TV broadcast hours broken down by the following genres? [Help](#)

News	<input type="text"/>
Childrens	<input type="text"/>
Drama	<input type="text"/>
Sport	<input type="text"/>
Entertainment	<input type="text"/>
Music and Arts	<input type="text"/>
Factual	<input type="text"/>
Other	<input type="text"/>
Total	<input type="text" value="0"/>

[Back](#) [Next](#)

International Benchmarking

Submit Data/Worksheet 9 of 9

You may wish to review your data before submitting it. [Print Answers](#)

Click the 'Print Answers' button to print out your data.

Once you are satisfied with your answers, click the 'Submit' button to send your data.

The following will happen when you click 'Submit'

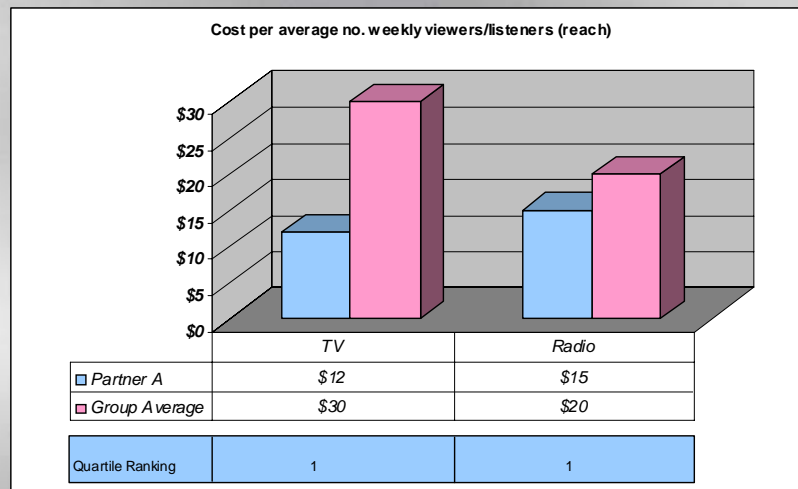
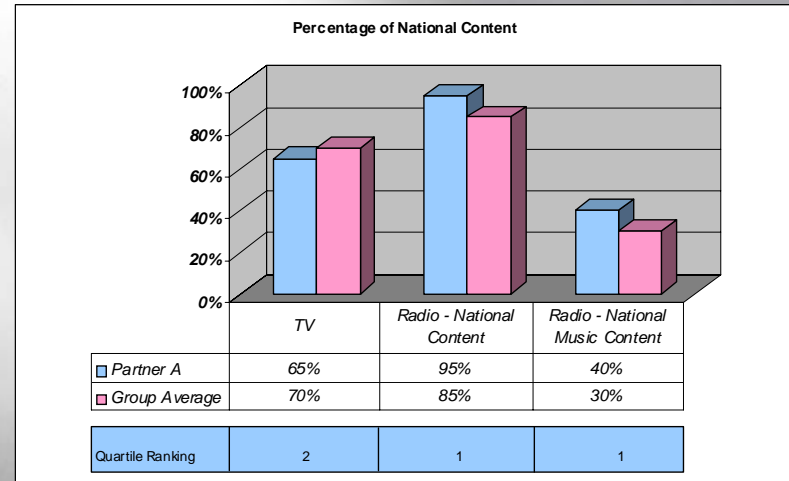
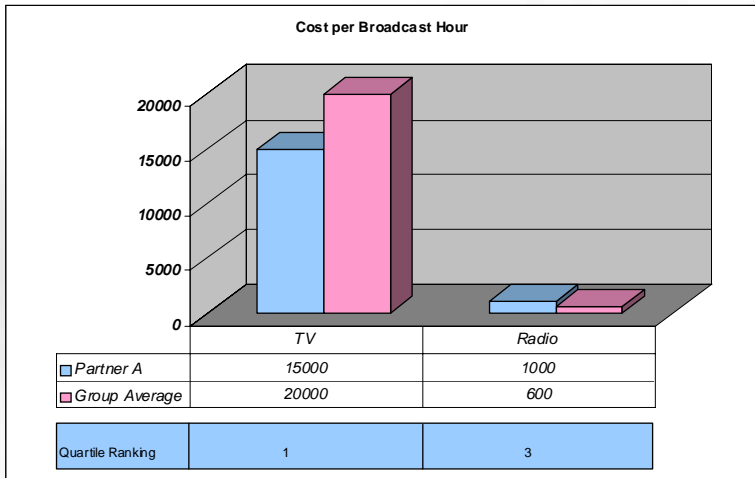
1. Your worksheet will be saved to a new directory on your hard drive c:\benchmarking\worksheets (You should note this location in case you need to find or modify this worksheet.)
2. Your worksheet will be emailed to the ABC. (If you are not connected to the internet your workbook will stay in your 'outbox' until it can be sent.)

[Submit](#)

[Back](#)

Note: These are TV only input screens. Similar screens exist for Radio.

IBG Website – a Tour – Reports



Note: Data in charts is made up and for illustration purposes only. These are a small sample of charts available.



IBG Website – a Tour – Reports

PUBLIC BROADCASTING INTERNATIONAL BENCHMARKING KPIs

Period & currency details				
	Partner A	Group Average	No. of broadcasters in average	Quartile Ranking
Conversion rates to output currency:	Local Currency			
US dollars				

7. Output hours per employee				
TV				
Total TV Broadcast Hours				
Total TV Employees				
Radio				
Total Radio Broadcast Hours				
Total Radio Employees				

8. % of National Content				
TV				
TV National Content Hours Broadcast				
Total TV Broadcast Hours				
Radio				
Radio - National Content				
Radio National Content Hours Broadcast				
Total Radio Broadcast Hours				
Radio - National Music Content				
Radio National Music Content Hours				
Total Radio Music Broadcast Hours				

9. % of Broadcast hours by Genre				
TV				
News				
Childrens				
Drama				
Sport				
Entertainment				
Music & Arts				
Factual				
Radio				
News				
Childrens				
Drama				
Sport				
Entertainment				
Music & Arts				
Factual				

PUBLIC BROADCASTING INTERNATIONAL BENCHMARKING KPIs

Period & currency details				
	Partner A	Group Average	No. of broadcasters in average	Quartile Ranking
Conversion rates to output currency:	Local Currency			
US dollars				

2. Cost per production hour (1st release) by genre				
TV - Total				
Total Gross Production Cost - Internal				
Production Hours (1st release) - Internal				
News				
Childrens				
Drama				
Sport				
Entertainment				
Music & Arts				
Factual				
TV - Internal				
Total Gross Production Cost				
Production Hours (1st release) - total				
News				
Childrens				
Drama				
Sport				
Entertainment				
Music & Arts				
Factual				
TV - Co-Production/External				
Total Gross Production Cost				
Production Hours (1st release) - total				

Note: These are a small sample of tabular results available.



IBG Benefits to Partners

- Fully supported website
- Hosted and supported for partners
- Confidentiality of data assured
- Fully scoped KPIs and definitions
- Annual data – reduced workload
- Work to a set/agreed timetable for data input and reporting
- Access to better practice insights
- Fosters a community of broadcasters dedicated to benchmarking and sharing best practices

Membership Pre-requisites

Ideally...

- Domestic KPI program in place or under development
- Senior management buy-in
- Commitment, systems and resources to meet data input timelines on an ongoing basis
- New partners must be approved for membership by any existing partners

IBG - Future Options

- Enhancing the website further
- Expanding KPIs to Digital Media
- Approaches to further partner dialogue and involvement

- Session objectives
- Performance measurement
- International benchmarking

➤ **Next steps**

- Discussion and questions

Next steps

- Interested broadcasters to liaise with the ABC or CBA about becoming partners
- New partners would submit KPI data for 2004/05, 2005/06 and 2006/07 as soon as they are ready and able

- Session objectives
- Performance measurement
- International benchmarking
- Next steps
- **Discussion and questions**

Discussion and Questions

- I welcome your point of view, comments or any questions now, at or after the conference concerning the ABC's IBG initiative and benefits to your organisation in joining as well as the ABC's internal KPI program
- Feel free to contact me by email at barbuio.fulvio@abc.net.au. Alternatively you may wish to contact Elizabeth Smith by email at Elizabeth@cba.org.uk.