

# Multi-Year Plan

2014/15 – 2016/17

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## Executive Summary

TVO is moving forward with a focused plan and delivering greater value to the people of Ontario than ever before. We are not alone in this... All media are responding to the changing realities of multi-platform content distribution, new business models and financial constraints.

Technology continues to be a driver of innovation and quality educational content at TVO. We are increasing our impact by providing all Ontarians opportunities to learn on every screen.

The following multi-year plan sees the organization deliver on the new five-year strategy: growing our role as Ontario's delivery and innovation partner for digital education inside the classroom, outside the classroom and abroad; leveraging our brand of Ontario-perspective in-depth current affairs to increase citizen engagement; and empowering our people to deliver our strategy and to thrive in an organization that embraces continual change.

Last year, TVO absorbed a major reduction in our annual transfer from the province. This led to an even greater focus on strengths, and on diversifying revenue sources, including major gifts philanthropy, digital partnerships, and exporting our successes to other jurisdictions.

## TVO's Mandate, Mission and Vision

### Mandate

TVO was founded as a result of the Ontario Educational Communications Authority Act to provide commercial-free, educational programming. In accordance with Section 3 of the Ontario Educational Communications Authority Act, the objects of TVO are:

- a) to initiate, acquire, produce, distribute, exhibit or otherwise deal in programs and materials in the educational broadcasting and communications fields;
- b) to engage in research in those fields of activity consistent with the objects of the Authority under clause (a);
- c) to discharge such other duties relating to educational broadcasting and communications as the Board considers to be incidental or conducive to the attainment of the objects mentioned in clauses (a) and (b); and
- d) to establish and administer distance education programs.

The Act serves to establish the Ontario Educational Communications Authority as a non-profit corporation overseen by a nine-member Board of Directors.

### Mission

TVO is Ontario's public educational media organization and a trusted source of interactive educational content that informs, inspires and stimulates curiosity and thought.

### Vision

Empowering people to be engaged citizens of Ontario through educational media.

TVO uses its media resources to support the following policy priorities of the Ontario Ministry of Education:

- contribute to school readiness and help kids to be successful learners;
- increase the involvement of parents in their children's education;
- support student success and diploma achievement; and
- encourage active citizenship and public engagement.

## Overview of Existing Programs/Activities

TVO has transformed from a single TV station to a multi-platform digital media organization, thanks to the government's capital investment in digital technology. TVO exists to make Ontarians smarter, more aware and more informed. It's a high calling that contributes to a stronger education ecosystem and to the cultural and economic success of the province. TVO addresses a market failure by offering unduplicated content that is not provided by commercial players.

### **Digital Education: Transforming Learning**

For more than four decades, TVO has built a reputation based on trust and quality as the technological extension of Ontario's public education system. Today, TVO creates leading digital resources to support learning inside and outside of the classroom.

Digital technology is transforming learning. TVO is at the forefront of this revolution with multi-screen experiences designed for 21<sup>st</sup>-century learners including videos, games, printables and apps – all helping children become successful learners in key curriculum areas (literacy, math, science.) With TVO, Ontario students, parents, teachers and lifelong learners enjoy smart and trusted, digitally enabled content for television, classroom, desktop or mobile devices.

### **TVOKids: Learning Experiences on Every Screen**

TVOKids is unique in the marketplace. Unlike other children's media providers, each piece of kids content starts with a learning objective from the Ontario school curriculum, helping to improve kids' success at school, and in life. TVOKids provides learning experiences on every screen with educational content that helps children develop the skills they need to be successful in school and in life.

TVO's Educational Blueprint process ensures that TVOKids content is developed with teachers and tested in classrooms, and supports the Ontario school curriculum—one of the reasons why Ontarians rate TVO the “most trusted” and “most educational” kids media brand. (Ipsos Reid, 2011.)

TVO's expertise in digital media helps to improve learning outcomes. For example, Homework Zone on TVOKids.com is an online on-demand resource designed to improve kids' test scores and prepare kids for EQAO testing. It focuses on EQAO priorities including reading, writing and math scores, and offers a suite of homework resources including videos, and games, printable resources and other activities.

### **ILC: Digital Learning Solutions for Adult Learners**

TVO delivers digital learning solutions that help learners of all ages achieve academic success, providing a pathway to postsecondary admissions, and ultimately to career opportunities.

Ontario's designated provider of distance education, the ILC, serves Ontarians who want to earn secondary school credits, gain an Ontario Secondary School Diploma (OSSD), get their high school equivalency credentials by writing the GED, or upgrade their skills for employment, apprenticeship or post-secondary entry.

The ILC provides high school courses to more than 20,000 students. Of the student population, 73 per cent are under 25 years of age and 46 per cent hold a high school diploma. Last year, more than 4,600 ILC students received the GED high school equivalency accreditation.

ILC's new next generation courses incorporate active learning to improve student experience and provide learners with assessment. Recognizing that asynchronous independent study can be isolating,

the ILC developed a more inclusive approach with new courses engaging students through interactive online learning opportunities. The next generation model allows students to access any lesson in the course, and engage with enhanced video and audio.

### **Homework Help: Math Support for Elementary & Secondary Learners**

TVO's Homework Help service supports students in grades 7-10 by providing live online math tutoring as well as asynchronous digital resources to every English language school board in the province. Homework Help is staffed by certified Ontario teachers, who in the past year, helped to provide over one million learning interactions online.

### **Current Affairs: Engaging Citizens of Ontario**

TVO's flagship current affairs program *The Agenda with Steve Paikin* provides an Ontario perspective on the big issues of the day, empowering Ontarians to be engaged citizens through in-depth analysis and thoughtful debate. Every year, *The Agenda* produces more than 500 interviews and debates as well as complementary online content.

### **TVO's Strategic Directions 2014-2019**

TVO's new strategic plan builds on the organization's strengths in education and current affairs. As experts in digital media and educational content, we provide teachers with resources that support learning in the classroom, and platforms to engage in meaningful knowledge sharing and exchange that builds on best practices. Our current affairs and documentaries provide an Ontario perspective in a globalized world—no other Canadian media organization provides the depth of analysis and debate on Ontario current affairs that is the hallmark of TVO.

TVO's strategy is focused on three key pillars: to grow our role as Ontario's delivery and innovation partner for digital education inside the classroom, outside the classroom and abroad; to leverage our brand of in-depth current affairs from an Ontario perspective to increase citizen engagement; and to empower our people to deliver our strategy and to thrive in an organization that embraces continual change.

The following performance goals reflect TVO's strategy and operating plan.

### **Performance Goals**

TVO's performance goals are based on five effectiveness areas: Public Engagement and Quality Educational Experience; Great Place to Work; Innovative and Strategic Growth; Operational Effectiveness; and Financial Sustainability.

#### **1. Public Engagement and Quality Educational Experience**

- TVO will become the Government of Ontario's non-school board digital education partner
- TVO will grow digital education services outside the classroom
- TVO will support and grow 21<sup>st</sup> century digitally enabled blended learning services and resources in the classroom
- TVO will become an exporter of Ontario digital education services, in Canada and abroad
- TVO will actively support Ontario's ed-tech industry by providing a one stop offering of digitally enabled learning services
- TVO will continue to build its comprehensive current affairs brand by expanding the dissemination and reach of its current affairs programming
- TVO will exploit the new journalism value chain to support sustainable new content creation, reach, and impact

- TVO will support lifelong learners with rich and unique content across all platforms
- TVO will introduce described video for content listed on all websites to comply with requirements of AODA

## 2. Great Place to Work

- TVO will proactively work with its people to create a flexible organization that is capable of adapting and thriving in the digital age
- TVO will ensure that all staff are given clear direction and specific responsibilities for strategy implementation
- TVO will leverage staff engagement and formally recognize achievements to reinforce a high performance culture
- TVO will promote actions that drive innovation within the organization
- TVO will develop a diverse workforce that reflects the cultural make up of Ontario

## 3. Innovative and Strategic Growth

- TVO will investigate and apply new technologies for education and current affairs
- TVO will provide teams across the organizations with tools and training to assist in developing solutions that incorporate digital technology
- Enabled by digital technologies, TVO will identify and leverage opportunities to increase reach and revenue or decrease costs
- TVO will repackage TVO content in new and innovative ways
- TVO will develop partnerships to increase reach or reduce costs of developing or entering markets

## 4. Operational Effectiveness

- TVO will simplify business processes and maximize efficiencies to support organizational changes and be more productive, making a greater impact with every dollar
- TVO will institute a product development framework to increase TVO's productivity, responsiveness to audiences and nimbleness in execution
- TVO will institute a product management framework to be responsible for individual products, making incremental improvements and managing the audience community
- TVO will optimize Digital Tapeless Workflow and further leverage digital platforms
- TVO will ensure technology infrastructure remains high performing and reliable
- TVO will continue to manage ILC and Homework Help, looking for opportunities to further share overheads and improve integration

## 5. Financial Sustainability

- TVO will increase its self-generated revenues as a percentage of total revenues from 34.9% for F2013/14 to 36.5% by F2016/17.
- TVO will increase self-generated revenues through export, partnerships, geo-fencing and new services
- TVO will increase annual giving (donations) focusing on monthly donors
- TVO will execute a comprehensive major gifts strategy
- TVO will expand its legacy giving program with efforts placed on attracting transformative gifts
- TVO will develop new sponsorship relationships that align with TVO's mission

## Financial Plans

TVO is working to increase self-generated revenues, while nurturing existing revenue streams and exploring new sources.

(\$000's)	Budget	Multi-Year Plan		
	2013/14	2014/15	2015/16	2016/17
<b>TVO Operating Revenues</b>				
EDU Operating Grant	38,446	38,446	38,446	38,446
EDU Capital Grant	1,600	1,600	1,600	1,600
AODA website compliance Funding	-	1,000	400	400
<b>Total TVO Provincial Funding</b>	<b>40,046</b>	<b>41,046</b>	<b>40,446</b>	<b>40,446</b>
<b>TVO Self-Generated Revenues</b>				
ILC Revenues	13,406	13,416	13,416	13,441
Philanthropy & Sponsorship	6,151	6,252	6,756	7,200
Other TVO Revenue	1,908	2,262	2,408	2,559
<b>Total Self-Generated Revenues</b>	<b>21,465</b>	<b>21,930</b>	<b>22,580</b>	<b>23,200</b>
<b>Total TVO Operating Revenues</b>	<b>61,511</b>	<b>62,976</b>	<b>63,026</b>	<b>63,646</b>
<i>Self-Generated as a % of Total</i>	34.9%	34.8%	35.8%	36.5%
<b>TVO Operating Expenditures</b>	<b>61,511</b>	<b>62,976</b>	<b>63,026</b>	<b>63,647</b>
<b>Net Operating Surplus (Deficit) – Cash Basis</b>	-	-	-	-

## Financial Sustainability

TVO is focused on building a sustainable financial model while carefully managing expenses.

During the six-year period ending fiscal 2012-13, TVO absorbed more than \$3 million in salary inflation costs, almost \$3 million in annual pension funding (including funding of TFO retirees in the combined plan prior to the separation of TVO/TFO), and approximately \$500k in premises rent increases.

TVO's compound growth rate of expenses is less than 1 per cent over the past five years, which is under the rate of inflation.

In November 2012, TVO restructured its operations by decreasing its cost base. This was accomplished through the elimination of broadcast programs, *Saturday Night at the Movies*, *Allan Gregg in Conversation* and *Big Ideas*, and by reducing the number of production units from two to one. Despite a reduction in government funding in 2013-14, TVO remains committed to delivering on AODA compliance and providing described videos on all websites.

## Philanthropy and Sponsorships

Philanthropy and sponsorship are fundamental to TVO's financial sustainability and offer the best opportunity to continue a sustainable financial model.

In 2013-14, TVO explored philanthropic models and found success in a new Gala event as a tool for developing both new long-term donors, and in cultivating legacy giving, bequests and major gifts. While the environment for charitable giving remains competitive, thousands of Ontarians demonstrate their belief in TVO's vision and mission through donor support.

### **Bequest Revenue**

TVO is grateful to receive bequests, and to those who entrust the organization with transformative gifts.

Proceeds will be utilized towards larger strategic projects or initiatives within TVO's mandate, including digital educational content creation, current affairs content, and key projects important to the delivery of TVO's mandate such as the TVO Media Archives Project that involves describing, transferring and digitizing our historic content. Transformative gifts of more than \$100,000 will be segregated from TVO's general revenues. Bequest revenue deferred due to spending restrictions imposed by the donor has been included in the year the matching expenditures will be incurred. This results in estimated total bequest revenue of \$600k per year for the MYP period.

Utilization of transformative gifts which are restricted and/or unrestricted is to be approved by TVO's Board of Directors. This internal discipline reassures potential donors that gifts will be utilized for projects that make a difference thereby encouraging future gifts.

Unrestricted bequest revenue from transformative gifts has been included in the year of receipt.

### **AODA Compliance**

TVO has completed an assessment of its obligations under the AODA (to provide audio and video files on its websites for those with hearing and visual impairments) which resulted in the identification of significant incremental costs related to compliance, beginning January 1, 2014 and beyond. TVO must also retroactively add described video and closed captioning to website content posted from January 1, 2012 to December 31, 2013 when such websites are updated in 2014-15. TVO's associated costs are: \$1M (for fiscal 2014-15); \$400,000 for 2015-16; and \$400,000 for 2016-17.

### **Risk Identification**

TVO manages a variety of risks through planned processes.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls. In addition, TVO provides an Annual Risk Assessment to the Ministry that documents risk management tools.

### **Looking Ahead**

TVO is well-positioned as the technological extension of Ontario's public education system. TVO believes that technology provides an opportunity for students to gain knowledge, anytime and anywhere, and provides choice in both the tools students use and the ways students can demonstrate learning. TVO's future includes new products and services that will help deliver additional value and deep educational experiences, while empowering Ontarians to be engaged citizens.