

**VISION**

As the region's university-based public broadcaster, Capital Public Radio's vision is to be a valued, vital and vibrant service that is indispensable to listeners' lives, inspires people to look at the world in different ways and capitalizes on emerging opportunities to serve our listeners and communities.

**MISSION**

To provide a trusted source of information, music and entertainment for curious and thoughtful people in efficient, sustainable ways that meet their needs while strengthening the civic and cultural life of the communities we serve.

**PROCESS**

Capital Public Radio has been guided by a three-year strategic plan adopted in 2010. Recognizing that most of the objectives set forth in that plan had been achieved by the end of 2011, the Strategic Planning Committee of the board of directors began the process of developing a new strategic plan to guide the organization from 2013 to 2016.

In March of 2012, the management team of Capital Public Radio conducted a facilitated retreat at which staff identified key issues and initiatives they felt the board should consider in drafting a new strategic plan. Those issues and initiatives were summarized and presented to the Strategic Planning Committee to help inform the process. The Strategic Planning Committee decided to make vetting this process the central focus of the board retreat.

The annual board of directors' retreat was held in Squaw Valley in October of 2012. To further illuminate the strategic planning process, NPR's new President, Gary Knell was the keynote speaker. Mr. Knell shared the process and outcome from NPR's own strategic planning. That helped set the stage for a lively and productive retreat. The board utilized the services of the same facilitator who had led the staff strategic planning retreat which added continuity to the process.

Having summarized the deliberations from the board retreat, the Strategic Planning Committee drafted an outline of a new Strategic Plan. That draft included a revision of the vision statement of Capital Public Radio. The revised vision statement acknowledges the affiliation with Sacramento State and the attendant obligations to the university which differentiates Capital Public Radio from community-licensed public broadcasters. The draft outline was approved by the board of directors at its annual meeting in January 2013, and the 2013-2016 Strategic Plan was approved in March 2013.



## STATE OF THE STATIONS

Capital Public Radio is a strong, growing, stable organization, delivering high quality public radio experiences to our communities; and through our Capital Public Radio Network, to most of California and beyond. As new delivery systems have emerged, Capital Public Radio has evolved into an organization that provides dynamic content across new platforms that reach well-beyond the confines of traditional terrestrial radio signals. These emerging technologies present tremendous opportunity and challenge as the pace of change accelerates for “traditional media”.

Our most valuable and productive content delivery system continues to be our terrestrial broadcast signals. Most Americans (93%) still listen to radio every week. The amount of time spent listening and the occasions of listening are slowly declining as listeners have more options. Fortunately for public radio, the weekly audience for NPR continues to grow. With growth in audience comes growth in listener support, which in turn helps drive growth in business and foundation support. Unfortunately for public radio, our most prevalent music formats (classical and jazz) are not growing. This presents a stiff challenge for Capital Public Radio as three of our seven stations program classical and jazz.

In spite of the 30+ years of operation, Capital Public Radio still suffers from an awareness gap. Research has shown that among the most likely listeners to our news and information programming, more than 30% have no, or low awareness of our stations. This would indicate a significant growth opportunity if we can successfully close that awareness gap. We are also in the process of relocating our principle classical/jazz transmitter location, which will expand our signal into several new markets, creating yet another marketing opportunity.

As an auxiliary unit of Sacramento State, Capital Public Radio has long operated as a very independent organization; so independent, in fact, to have been estranged at times from the university, often to the detriment of both institutions. The board of directors and staff of Capital Public Radio have been working closely with Sacramento State to improve the operating relationship and leverage the considerable assets of both organizations to improve our service to the greater community.

The human resources of Capital Public Radio are comprised of a talented staff of very professional and experienced broadcasters and volunteers. Many of the key staff members are nearing retirement age. All of the staff is being challenged to improve its skill set as the wave of technological change sweeps over the industry. A thoughtful, systematic approach to staff development and succession planning will help insure the continued success of the enterprise. Likewise, the board of directors needs to have a development plan that delineates an outline for succession that assures an improved diversity of voices, involved and engaged community leadership, and meaningful guidance and fiduciary stewardship of the public trust.

## Finance

**Goal:** Assure financial growth and sustainability of our primary products and services (news, information, music and cultural content)

Context

Capital Public Radio enjoys significant financial support from our listeners, community business, charitable foundations and the Corporation for Public Broadcasting. In spite of operating deficits in the '06/'07 fiscal year, we have increased revenues steadily since FY '08, and now generate a comfortable operating margin of nearly one million dollars in the last fiscal year (14% of revenue) and projecting over one million dollars in the current fiscal year. Our Community Services Grant from the Corporation for Public Broadcasting represents approximately \$550,000 annually in revenue. It has remained at that level for the last several years. There have been many threats to reduce or eliminate federal funding for the Corporation for Public Broadcasting, from which the Community Services Grant originates. While the current funding is relatively safe, it is prudent to plan for its eventual reduction. We have adopted a new policy of contributing 10% of our annual operating surplus to a reserve fund that could help defray the loss of the Community Services Grant.

Ownership consolidation, deregulation, fragmentation of audiences caused by disruptive technologies and a difficult advertising environment have conspired to create a very challenging situation for commercial broadcasters. As pressures mount on their business model, those broadcasters have reduced much of their locally-produced public service programming offerings. Their audiences have been dwindling, creating new opportunities for public radio to step into the void. While we are uniquely positioned to expand our programming, and improve community service, we must be diligent in identifying those opportunities that assure our continued high standards, and which will drive sufficient financial support to assure the long-term sustainability of the enterprise.

Implementation Steps

- Develop a growth plan that fulfills the mission
  - Target a growth in membership (active members and revenue) of 15% by June 30, 2015
  - Create a set of criteria by which to evaluate growth opportunities including station acquisitions, additional services, and new technology-enabled opportunities
- Create a fundraising strategy by the 2013 board retreat to support new content requirements including reporters, shows, technology, physical plant, etc.
- Develop a three-year operating budget and capital expenditure plan that assures continued growth of operating reserves while funding the necessary capital projects.

## Marketing

**Goal:** Execute a strategic marketing plan that leverages multiple platforms to expand our audience, fulfill the needs of our existing audience, and fully engage them in a way that compels them to become financial supporters.

Context

Marketing, particularly advertising, has traditionally been negligible in public radio. Several of the larger stations have recently become much more aggressive and NPR itself has just launched a \$750,000 advertising campaign in four select markets.

Capital Public Radio has a number of marketing opportunities to expand awareness and consumption of our services in new and existing markets. The first is for our classical and jazz station KXPR.

Sometime in 2013, we will move the transmitter location for KXPR which will significantly improve its signal to much of the greater Sacramento market. It will also allow us to provide new service to many communities in the eastern portions of our area that currently receive very poor or no reception. Marketing to those currently underserved areas should provide an excellent opportunity for meaningful growth in listenership and support for our music station over the next several years.

Perceptual research conducted over the last several years reveals a significant number of likely, potential listeners and supporters of our news and information services have little or no awareness of Capital Public Radio. This awareness gap is even more pronounced in demographic groups that are somewhat less inclined to listen to our style of news radio. A sustained and well-executed marketing plan should provide an opportunity to close the awareness gap, increase listenership, and subsequently increase support. It is very clear that expansion of our news and information programming and awareness is our greatest opportunity for sustainable growth for the foreseeable future.

Emerging technologies have given us numerous options for expanding our service offerings and widen distribution of our programming across multiple new platforms. No longer shackled by the confines of terrestrial signals, we can now provide our product to consumers anywhere in the world! These new services like *Classical Stream* and *Jazz Stream* create additional marketing opportunities and challenges, not to mention competition for resources.

Establishing a marketing plan that carefully prioritizes allocation of those resources to maximize return on investment will be critical.

### Implementation Steps

- Improve unaided awareness of Capital Public Radio by 15% in the next three years
- Establish success metrics for our digital assets and set deliverable growth objectives
- Enlist board assistance in conducting an on-going community engagement program that includes outreach to our various elected officials.
- Develop and deliver a three-year marketing plan by the board of directors' retreat in 2013.

## Programming

- Goal:** Strengthen programming in our core? areas by continuously adapting our content and delivery mechanisms to changing demographics in order to sustain and grow our audience and resources.

### Context

Music, primarily classical and jazz, has been at the core of Capital Public Radio since its inception. It wasn't that long ago that support for music programming made our news and information programming possible. But listenership to, and support for our music programming has been relatively flat for the last five years. Classical and jazz are not gaining new audience in most markets in America. New competition from satellite radio and streaming options online are further fragmenting that listenership. We program classical and jazz on three of our seven terrestrial radio signals, so it is incumbent upon us to make certain we are maximizing those important assets.

News and information programming continues to drive steady and significant growth in community service, listenership, individual support, corporate support, and foundation funding. It is also a format that is suffering decline in the commercial radio world. The Capital Public Radio brand of long-form, in-depth, sound-rich, fact-checked, high-quality journalism continues to enjoy growing respect and support. Our statewide Capital Public Radio Network continues to expand in numbers of affiliated stations and underwriting support. The recently-developed documentary unit, *"The View from Here"* continues to garner industry accolades. As we have begun offering these documentaries to other stations on our network, we are finding strong demand for this programming and an emerging opportunity for growth.

Audience research has identified a desire for us to expand our coverage of economic and business issues. Education is also an important topic to our listeners and we are currently developing funding sources to expand our coverage in these key areas. We are also expanding our news coverage geographically, having recently hired a part-time reporter in Stockton and part-time reporter in the Truckee/Tahoe/Reno area.

Increasingly, the community is turning to Capital Public Radio for breaking news coverage in addition to the longer form news we have traditionally provided. There is an opportunity before us to re-imagine the scope of news and information service we provide and expand into the void being created by commercial radio.

Implementation Steps

- Establish criteria to identify growth alternatives for music programming and take steps to exploit those opportunities by January 1, 2014
- Develop a new three-year plan for growth of news and information programming by September 30, 2013
- Create a three-year growth plan to address the “digital shift” by September 30, 2013

California State University, Sacramento

**Goal:** Build and leverage a strong partnership with Sacramento State

### Context

Capital Public Radio operates as an auxiliary of California State University, Sacramento (Sacramento State). Organized as a separate 501(c)3 non profit, Capital Public Radio manages the stations licensed to the university on the university's behalf. Capital Public Radio occupies a state-of-the-art broadcast facility on the Sacramento State campus. It was built to suit by Sacramento State and Capital Public Radio pays the debt service.

As an auxiliary of Sacramento State, Capital Public Radio is committed to support and promote the university's mission. We are also responsible for providing instructionally-related activities on behalf of the students. As the State Capital's university, Sacramento State provides programs and activities of significant interest and benefit to the entire region. Capital Public Radio benefits from the access to these programs and the intellectual resources of the university. There is an opportunity to gain even more benefit by nurturing a closer relationship between the entities.

Capital Public Radio operates a number of radio stations outside the immediate Sacramento area. It is important that Capital Public Radio strikes the proper balance of service to all of our communities, while maintaining our commitment to Sacramento State.

### Implementation Steps

- Develop a plan to both increase support from within the campus community; and provide support to the mission of the University
- Engage in activities integral to the educational mission of the university, including partnering with other auxiliaries and/or departments on at least two internship programs every year
- Present at least two new partnership opportunities to Sacramento State annually



## Succession Plan

- Goal:** Create and execute an organizational development plan that includes a succession plan for staff (by March 31, 2013) and for the board of directors by the 2013 board retreat.

### Context

Capital Public Radio is well-established and mature in its development. Many key employees are nearing retirement age. Several have been with the organization most of their careers. It is important that the institutional knowledge and experience these individuals possess does not retire with them.

The rapidly-shifting demographics of the region present an opportunity to diversify our staff to more closely resemble the communities we serve. This is also an opportunity to improve the skill set of our staff to align with increasing responsibilities and also to master new technologies and best practices.

The Capital Public Radio Board of Directors has performed well, and represents a wide cross-section of community leaders. But like the staff, the board has not had a formalized organizational development and succession plan. The composition of the board is evolving, but still lacks the variety of voices one would expect in such a diverse community. This is an opportunity to clearly define the roles and expectations of the board and its members, and to plan for continuity of leadership and orderly transition.

### Implementation Steps

- Identify up to ten staff with potential for greater responsibility up to and including succeeding their supervisor.
- Create and implement a staff development program that includes education and individualized training and make that program available to all.
- Develop specific plans to achieve greater diversity in our voices, our staff, and our board members.