

Company analysis: UA: Regions

Capstone Project Report

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Executive summary

This Capstone project shall provide an analysis of the current state of the UA: Regions company and the key strategic initiatives planning and implementation.

UA: Regions company is a part of the National Public Television and Radio Company of Ukraine, which unites the oldest Ukrainian TV channels and radio stations. Public service broadcaster is a joint-stock company, 100% of the shares of which belong to the state represented by the Cabinet of Ministers. The Company is subsidized from the state budget of Ukraine.

One of the goals of public broadcasting companies is to elevate society, make people more informed, form realistic perceptions in politics and social issues. The public broadcasting company is a benchmark for journalists' standards and provides an opportunity for the viewer to receive relevant content.

Since 2014 the Company has been undergoing a period of transformation with a change in the form of the ownership, the business model, and rebranding. The main optimization activities were regarded as the organizational and functional structure of the local branches.

For now, the Company faces the challenges of increasing market share, which could be achieved in two ways: entire market coverage and attracting customers from competitors. These two ways are covered in detail in the paper.

The external and internal analyses were made with the help of different instruments and models. The determining competitive advantages will be applied by the Company for enhancing its positioning on the market.

The Company's weaknesses were analyzed by the root-cause analysis and the main initiatives in the people and content dimensions were developed, such as content acquisition, local content production, Talent incubator school, and Internal turnover ensuring.

The Total budget of the initiatives is 58 632 000 UAH that is 10% of the total budget of the UA: Regions. The initiatives' financing would be covered by the revision of the Company's costs.

Section I: DIAGNOSTICS

1. Existing business model description

1.1. Company description

Public service broadcaster in Ukraine is an independent institution established based on former state television and radio channels. Public service broadcaster is a joint stock company, 100% of the shares of which belong to the state represented by the Cabinet of Ministers.

The mission of the Public Broadcaster is “To protect freedoms in Ukraine. To provide society with reliable and balanced information about Ukraine and the world, to establish a public dialogue, to strengthen public trust, to develop civic responsibility, the Ukrainian language and culture, personality and Ukrainian people”.

The budget of the public broadcaster is 0.2% of the general fund of the state budget of Ukraine. In 2021, this amount is 2.2 billion hryvnias. Funding is provided by the state programme “Financial support of the public broadcasting”. The main media assets of the Public broadcaster are:

3 Nation-wide TV channels - UA: PERSHYI, UA: KULTURA, UA: KRYM

3 Nation-wide Radio channels - UA: Ukrainian Radio -1, UA: Radio “Promin”, UA: Radio “Kultura”

News site- www.suspilne.media

Network regional TV channel - UA: Regions.

UA: Regions is a division in the structure of the Public Broadcaster which consists of 22 separate branches in the regions that broadcast over the region's territory and staff in the central office that includes Kyiv regional team. UA: Regions reflect the diversity of the region and all corners of Ukraine, learn the region along with the histories of places, people, and nationalities.

The goal is to unite a diverse country, increase the interest and awareness of all about the uniqueness of each part of the country's identity.

Each of 22 branches and central offices produces news and evening talk shows for each region. In general, the branches are located in their premises with a total area of 100 thousand square meters. Each unit consists of a news team of 30 people: a technical support team of 18 people, 9 employees in administrative and financial direction, 3 Producer's team. A total of 60 people for each branch and 120 employees in the central office of the Company. The total budget for the maintenance of the UA: Regions division is about UAH 500 million.

1.2. Analysis of a Business Model based on Canvas Business Model

Key partners:

- governmental: the National Council of Television and Radio Broadcasting of Ukraine;
- business: cable TV-providers, terrestrial digital television operator “Zeonbud”, service companies, marketing agencies, local productions, movies, and TV series copyright holders, informational agencies;
- non-governmental: Faculties of Journalism in Ukrainian Universities, opinion leaders, European Broadcasting Union.

Key activities: Product development, Data analysis.

Key resources:

- physical resources: equipment for broadcasting, equipment for production, recording studios' premises
- human resources: journalists (all-Ukrainian network), cameramen, producers, technical staff, financial staff, regional managers,
- Intangible resources: T2 license, video archive since 1950.

Value proposal: unbiased content, regional news, local community-oriented content, non-toxic advertising, independent platform for debates, limited volume of advertising.

Customer relationship: News ombudsman, communication in social networks and on corporate websites.

Customer segments: people older than 55 years who live in towns (Towns 20K+ in cable TV networks or with the coverage area of T2). Please refer to visualization [4.1.9. The News channels distribution by gender and age](#)

Channels: Media Holding Channels: UA: Ukrainian radio, UA: KULTURA, UA: PERSHYI; outdoor advertising; newspapers (TV programmes)

Cost structure:

UA: Regions is a value created by the company that focuses on creating more value in the product itself, meanwhile not producing the product at the lowest possible cost.

Salary: 72%

Service for in-house production (transport, sign language translation, etc.):

Services (cleaning, security, etc.): 9,5%

External production: 7,1%

Distribution: 3,1%

Procurement of content: 3%

Inventory: 2,7%

Utility: 2,2%

Revenue streams:

Government support, advertisement, rent, donor's support (grants).

Please refer to visualization [4.1.1. Business Model Canvas](#) in Section 4: Supplements.

1.3. Analysis of Operating Model based on POLISM canvas

The Operating model demonstrates how the value of the Company is delivered to customers based on 6 elements: Processes, Organization, Locations, Information, Suppliers, Management (POLISM canvas).

Process element. The main actions of delivering value to the customers are the following:

1. Research
2. Content creation
3. Programming
4. Marketing
5. Broadcasting.

Suppliers element. The supporting steps of the value chain are carried out by:

1. Terrestrial digital television operator “Zeonbud”
2. Manufacturers/landers of equipment
3. Recording studios' premises owners
4. Transporting agencies
5. Faculties of journalism
6. Distributors of content rights
7. Broadcasting companies
8. Advertising Agencies
9. Information agency, media
10. Local production, movies, and TV series copyright holders

Location element. The actions of the Process element are to be held in the head office in Kyiv and the offices in regional directorates in Ukraine.

Organization element. The following people will implement the actions:

1. Head of the Company
2. 23 News teams
3. 23 Tech support teams
4. 23 Producers
5. Programming Director's office
6. Marketing Director
7. Technical director
8. Morning show team

Information element. The following software applications will be needed to support main actions:

1. vMIX - broadcasting software
2. Adobe Premier
3. Planning Producing software system - Suspilne 2.0
4. MS Office.

Management element. The following processes will be needed to ensure value delivery to the customers.

1. Annual strategy meeting
2. Annual budgeting meeting
3. Semi-annual meeting for new TV season planning

4. Quarterly procurements of contents meeting
5. Weekly Marketing meeting
6. Everyday producing News meeting
7. Daily quality control

Please refer to visualization [4.1.2. POLISM Operating Model](#) in Section 4: Supplements.

1.4. External macro environment factor

External macro environment factor analysis was performed based on **PESTEL** framework that covers 6 factors (Political, Economical, Social, Technological, Environmental, and Legal).

Political

- Political influence on the National Council of Television and Radio Broadcasting of Ukraine. This may lead to biased decisions and influence the Company's work
- Unstable government policy. The Company's budgeting depends on the political view of the Verkhovna Rada.
- Interference with the management activity by the administrative resources.

Economic

- GDP growth. Due to the fact that the Company is financed from the state budget, positive GDP growth would ensure its stability. Ukraine's nominal and real GDP in UAH shows constant growth. The forecasts for 2021 are also positive which points to the growth of the economy and promotes the environment to do business, despite COVID-19 influence.
- Inflation rate. For the period from 2016, the inflation rate declined from a high level in 2017 (14.43%) to a low level in 2019 (4.8%). For now, it shows a slight increase and demonstrates economic recovery.
- Exchange rate. Taking into account that the foreign content and equipment are bought in USD and euro currency, a stable exchange rate makes it possible to plan purchases.

Please refer to the detailed data for 2016-2021 period [4.1.3. Macro Indicators](#) in Section 4: Supplements.

Social

- Number of population. Since the main customer is the Ukrainian TV viewer, the population growth rate plays an important role in a long-term perspective. For the period since 2016, the population growth rate shows a slight decline.
- Number of the population over 60 years old. The main viewers of the UA: Regions are people over 55 years old, thus the positive growth of this indicator ensures the increase of the volume of customers.
- Generations Y and Z attitude towards TV watching. People born in the late 90s prefer the Internet to the TV.
- New consumption patterns. Consumers increasingly watch what they want at times, in settings, and on devices they want. Facebook, Amazon, Netflix, Google, and Apple (called FANGA by some) have emerged as asymmetric competitors in the Media and Entertainment sector and are creating challenges for publishers and broadcasters all over the world. One challenge is that these global digital giants are giving consumers something to do with their pastime. Another challenge arises from the superior way in which FANGA uses data. Amazon and Netflix are able to make personalized recommendations that vastly increase the popularity and usefulness of their services.

Because of these new methods for delivering content and ads to audiences, the old methods have lost some of their relevance. The imperative now is to understand users' identities, interests, and near-term purchasing intentions, which can be done by analyzing their online activities and using the right approach to data analysis. FANGA is way ahead on this front. Traditional media companies, therefore, have no choice - they must radically improve the way they manage and use data. [7, 8]

- Availability of the TV in households. According to the research of the Television Industry Committee, 10% of Ukrainian householders have no TV that shrinks the potential audience. (See exhibit [4.1.5. TV viewers of Ukraine](#)) [11].

Technological

- Digitalization. There are new technologies such as on-demand and cloud-based services and new big data algorithms and analytic techniques; new delivery systems, including mobile; and new consumption patterns, among them social media adoption, cord-cutting, cord thinning, and gravitation to the simple and streamlined offers of over-the-top (OTT) providers. Digital is changing how and where people consume and create content.

Based on the BCG analytics traditional media companies are losing market share to digital and should transform their technologies to meet digital demands [10]. See exhibit [4.1.4. Digitalization trends](#)

- Development of the mobile industry. Year by year mobile devices improve cameras' quality and could serve as a shooting camera.
- Lack of frequencies of broadcasting by the multiplex complex for digital broadcasting T2. Due to T2 that has a capacity for only 32 channels, the households get access to the nation-wide channels free of charge. For the moment, the only position in the multiplex is empty after sanctioning Medvedchuk's media and switching ZIK TV channel off.
- Satellite encoding. Since January 2020 more than 20 TV channels have been encoded by the common decision of 4 media groups thus, access to the TV channels is available only for subscribers.

Environmental

- COVID-19. Pandemia of Covid-19 has increased line TV consumption during the quarantine period in Ukraine by 14% [13] and by 45% worldwide [14]. With people spending more time at home, there are more entertainment hours to fill, and in a time of doubt, the public relies on trustworthy news outlets and their digital services.

Although consumption is up, revenue is down. Monetization in the Media and Entertainment sector predominantly depends on advertising, which has seen a major contraction. Overall ad-spend is determined by the performance of the sectors like fast-moving consumer goods, e-commerce, automotive, financial services, and real estate, all of which currently face their own challenges and could therefore take time to recover.

Thus, the COVID-19 crisis pushes on to look for innovative ways to produce and repurpose content and to find new ways to access additional content rather than just advertising.

Legal

- Legislative restrictions. The Company is more regulated than non-governmental broadcasting companies:

- Advertising. According to the Law of Ukraine "On Public Service Television and Radio Broadcasting of Ukraine" [12] the company has only 6 min of advertising per hour in 2021 and will have 3 min per hour from 2022. For comparison, non-governmental broadcasting companies have 9 min per hour. Also, advertising of certain types of goods (alcohol) is restricted as well.

- Budgeting. The budget for governmental companies is adopted for 1 year. All procurements must be conducted in accordance with the Law of Ukraine “On Public Procurement”.
- Regulator support. National Council of Television and Radio Broadcasting of Ukraine ensures that the Company's TV channels are included in the Universal programme service (the set of channels of the cable TV that are broadcast for free).

1.5. Internal analysis

The analysis of the Media and Entertainment segment was done based on the Porter's model. **Porter's Five Forces** is a simple but powerful tool for understanding the competitiveness of the business environment, and for identifying the strategy's potential profitability. The following five undeniable forces play a part in shaping every market and industry in the world: Threat of new entrants, Bargain power of suppliers, Bargain power of customers, Threat of substitute products, Rivalry among the existing competitors.

Threat of new entrants

The seriousness of the threat depends on the barriers to enter a certain industry. The enter barriers to the Media and Entertainment segment are relatively high due to the high entry costs and the absence of the terrestrial frequency resource thus, the threat to the existing players is low and the barrier of new entrants is **relatively high**.

Rivalry among the existing competitors

This force is determined by the number of existing competitors and what each competitor is capable of doing. Rivalry is high because there are a lot of competitors in the Media and Entertainment segment with a high level of the product's diversity [15].

Also, local TV channels in some regions are strong players and occur as competitors for the UA: Regions.

With the development of Video On Demand platform in Ukraine, new players entered the market. For the first time, the media group “Ukraine” lost a tender for showing sports broadcasts of the UEFA European Championship to VOD-platform Megogo. [9]

Moreover, the industry is continuing to grow and there are quality differences that also ensure a **high** impact of this force.

Bargain power of suppliers

This force analyzes how much power and control a company's supplier has over the potential to raise its prices or to reduce the quality of purchased goods or services, which in turn would lower an industry's profitability potential. Among all suppliers that were mentioned in section 1.1.3. only operator “Zeonbud” has a monopoly on the terrestrial digital television broadcasting that allows it to freely set tariffs for the broadcasting companies. Also, copyright holders may name the price of their products. All other suppliers work in competitive markets.

Despite the fact that there are more than 60 Universities from which journalists graduate, there are only a few of them that ensure qualified specialists. Thus, the industry experienced a deficit for journalists and related professionals: layout designers, cameramen, and sound engineers [17].

Therefore, the bargaining power of suppliers is **middle** and an industry's profitability potential is high.

Bargain power of customers

This force analyzes to what extent the customers are able to put the company under pressure. Considering that the number of customers is high, access to view the TV channels is free or is

provided upon subscription for a list of specific channels, customers have an ability to substitute, so the bargain power of customers is **relatively high**.

Threat of substitute products

The existence of products beyond the realm of the common product boundaries increases the propensity of customers to switch to alternatives. In the Media and Entertainment segment, the substitutes for the customers may be reading papers, using the Internet, social media, listening to music, using game consoles, and even sports. Thus, the threat of substitute products is **high**.

Please refer to visualization [4.1.6. Porter's 5 forces](#) in Section 4: Supplements.

Marker review

According to the Nielsen Global Media research, the TOP-10 Ukrainian channels by **the volume share** is as follows:

1. Ukraina - 13.39%
2. ICTV - 7.85%
3. 1+1 - 7.75%
4. Inter - 6.84%
5. STB - 5.74%
6. Novyi - 4.02%
7. 2+2 - 3.57%
8. NTN - 2.51%
9. TET - 2.27%
10. Pryamiy - 1.4%

Please refer to visualization [4.1.8. TOP-10 Channels in 2020 with the audience](#) in Section 4: Supplements.

Actually, the Ukrainian TV market is controlled by 4 big media groups:

Starlight Media: Novyi Kanal, STB, ICTV, M1, M2 (owner: Viktor Pinchuk) - 19.8% of market share.

Media group Ukraina: Ukraina, Ukraina 24, NLO-TV, Indigo, Football 1, 2, 3 (owner: Rinat Akhmetov) - 15% of market share.

1 + 1 media: 1 + 1, 2 + 2, Plus-plus, TET, UNIAN (owner: Ihor Kolomoyskyi) - 14.4% of market share.

Inter Media Group: Inter, Mega, Pixel, NTN, e-film, K1, K2 (owners: Serhiy Lyovochkin, Dmytro Firtash) - 13.3% of market share. [16]

Channels linked to Viktor Medvedchuk (ZIK, 112, NewsOne) were shut down on February 3, 2021, due to the sanctions imposed by President Zelensky.

The TV channels are diversified by the **type of content**: general, niche, news, entertainment, movie, kids, learning, musical, sports, cultural and TV shops. UA: Regions is referred to as the news type.

The TOP- 5 News channels in 2020 among viewers 18+:

1. Pryamiy - 1.4%
2. ZIK - 1.26%
3. 112 - 1.09%
4. NewsOne - 1%
5. Espresso - 0.68% [16]

According to the internal Company's research, the niche of news channels was 2 % and for the moment it grew up to 8 %

The TOP-5 News channels in 2021 according to the Nielson panel among viewers 18+ after sanction on 112, NewsOne, ZIK:

1. Pryamiy -1.33%
2. Nash - 1.23%
3. Espresso - 0.84%
4. 5 - 0.68%
5. 24 - 0.3%

Wherein, due to the absence of the local channels in the Nielson panel it is impossible to measure its share.

One of the factors of TV viewing is the **trust index**. According to the internal research the trust index to UA: PERSHYI is 29.9, and it is 10 points higher than the one competitors have. For the moment the index of UA: Regions was not measured yet. (Please refer to visualization [4.1.14. Trust indexes](#) in Section 4: Supplements).

1.6. Value Chain Analysis

With the help of Value Chain Analysis, it is possible to break down the Company's processes to reveal the value of a service and uncover competitive advantages over rival companies.

We have split the chain into two levels in order to hold value chain analysis - primary activities and support activities.

The primary activity is anything that is directly involved in product creation and delivery to customers. These activities include:

- Research

At this stage, the Company carries out face-to-face surveys once a year, conducts focus group analysis regularly, and analyzes the Nielsen Global Media TV panel data regularly.

- Content creation

This stage is very important for the Company's performance. The Company creates the content in 3 ways: in-house production, purchasing from independent producers, content rights acquisition for broadcasting movies and TV series.

The product is news and evening talk shows, and in order to ensure the highest quality and following the mission and vision of the Company, it is produced in-house.

The other content is acquired from the content right holders or outsourced from independent producers, and since 2019 the Company has held open competitions for local production.

The main challenge at this stage is to determine the right balance between the acquisition of the content rights and outsourcing from producers.

- Programming

TV programming is the formation and distribution of content in the broadcast network. The main task of the programming is to maximize the channel's audience by forming and filling the programme grid according to the audience's requests and taking into account the capabilities of

the TV channel. The network formation is implemented based on the results of marketing research.

- Marketing

The marketing is performed by advertising the TV channel, TV projects, and presenters by means of UA: Ukrainian Radio, UA: KULTURA, UA: PERSHYI, and external advertising.

- Broadcasting

The Broadcasting or delivery of the service to the customer includes the following activities: Technological choice for signal transmission, Decoding technologies, and TV screening.

The second level, support activities, take into account as follows:

- Company infrastructure

UA: Regions is a part of UA: PBC Holding and supports activities like general management, planning, financing, accounting, legal, government affairs tech, and quality management which are centralized to ensure the cost cutting.

- Human Resource Management

HRM consists of activities involved in recruiting, hiring (and firing), training, development, and compensation for all types of personnel. HRM influences the competitive advantage through its role in determining the skills and motivation of employees and the cost of hiring and training them.

Recently the Company has implemented a clear pay grading system for its employees.

- Technology

Technology development activities are grouped into efforts to improve the product and the process. To improve the process the Company has introduced News production automatisation system, for process improvement - IP signal delivery to the transmission companies.

- Procurement.

All procurements must be conducted in accordance with the Law “On Public Procurement”. The main objects of procurement are content, equipment, utilities, and office services.

Wrapping up. To increase the profit the Company could apply 2 ways: cut costs for support activities and gain competitive differentiation by creating more value in our product by improving activities in Content creation and Marketing.

Please refer to visualization [4.1.10. Value Chain Analysis](#) in Section 4: Supplements

1.7. VRIO analysis

The VRIO matrix was applied with the aim to find the sources of competition, to assess the Company's resources and the value proposals.

All resources/value proposals were passed through 4 evaluation dimensions: Value, Rareness, Imitability and Organization.

Thus, we have determined that

Unbiased content,
Video archive since 1950,
Donors support.

have a **sustainable competitive advantage**.

Wherein, Production of local-oriented content,
Non-toxic advertisement,
Independent platform for debates,
Limited volume of advertisement,
All-Ukrainian network of Journalists,
Regional news

have a **temporary competitive advantage**.

Competitive parity:

T2 license
Regional news

Please refer to visualization [4.1.11. VRIO Analysis](#) in Section 4: Supplements

1.8. SWOT analysis

We have used SWOT analysis to assess internal and external factors that have a profound impact on the Company's performance. The name is an acronym for the four parameters the technique examines: Strengths, Weaknesses, Opportunities, Threats.

Strengths

Based on the value proposals described above, we consider the following characteristics advantages over other competitors:

- Unbiased content. The Company produces content that is free from political and commercial influence.
- Local news. In-house production is oriented on the local news, not all-Ukrainian.
- Local community-oriented content. The Company focuses on the local heroes, history, and peculiarities.
- Non-toxic advertising. The advertisement of alcohol is restricted by the law.
- Independent platform for debates. During the election period, UA: Regions is a reliable source of information.
- Limited volume of advertising. The company has only 6 min of advertising per hour in 2021 and will have 3 min per hour from 2022. For comparison, non-governmental broadcasting companies have 9 min per hour
- Video archive since 1950. The valuable unique asset.
- Donors support. Only public broadcasting companies have the access to this source of financing.

Weaknesses

We regard the following characteristics as the Company disadvantages in respect to others:

- Internal over-regulated processes. There are plenty of policies and instructions for a governmental company.
- Reputation based on the heritage of governmental TV. It is still perceived as a governmental company influenced by the local authorities' content.
- Unsatisfied customers with content quality. In comparison with the All-Ukrainian companies, the quality of the video materials is low.

- Not all possible distribution channels are used for broadcasting. The Company covers 5 among 6 existing distribution channels.

Opportunities

Based on the PESTEL analysis and Porter's Five Forces we have identified external factors that may influence the Company's performance positively:

- Development of the mobile industry. Mobile phones could serve as cameras and dictaphones.
- COVID 19. Pandemia of Covid-19 has increased line TV consumption during the quarantine period in Ukraine by 14% and by 45% worldwide.
- Vacant TV niche due to sanctions (112, NewsOne, ZIK). The Company could take the part of share.
- Digitalization. The ways of information delivery are changed. VOD-platforms appear.

Threats

Based on the PESTEL analysis and Porter's Five Forces we have evaluated the elements in the environment that could harm the Company:

- Unstable government policy. The Company's budgeting depends on the political view of the Verkhovna Rada.
- Political influence on the National Council of Television and Radio Broadcasting of Ukraine. This may lead to biased decisions and influence the Company's work.
- Interference with the management activity by the administrative resources.
- High costs of new equipment. Replacement of equipment at the expense of capital costs, but this direction has not been financed for the last 3 years.
- Competitive market. There are a lot of competitors on the national and local levels.
- Generations Y and Z attitude towards TV watching. People born in the late 90s prefer the Internet to the TV.
- New consumption patterns. Consumers increasingly watch what they want at times, in settings, and on devices they want.
- Legislative restrictions (advertising, budgeting). the Company is more regulated than non-governmental broadcasting companies (the Law of Ukraine "On Public Service Television and Radio Broadcasting of Ukraine", the budget for governmental companies is adopted for 1 year. All procurements must be conducted in accordance with the Law of Ukraine "On Public Procurement").

Please refer to visualization 4.1.11. SWOT analysis in Section 4: Supplements.

1.9. Conclusion. Problem Definition. Areas for improvement.

Based on the conducted analysis we came to the following conclusions.

The Media and Entertainment industry in Ukraine has a high entry barrier. The media market in Ukraine is controlled by oligarchs, and the media industry is considered not as a business project but as a political force and the way of influence on government and parliament by means of the people's mindset formation.

Changing media behavior and digital competitors are some of the factors that pull the customers to their side.

The Company's value proposition and competitive advantage cover the content that is generated by the Company itself or purchased. Wherein, human resource is a significant factor in high-quality content production but is a short supply.

The reputation which is based on the heritage of governmental TV outlet still has a bad impact on the perception of the Company as the one free from commercial and political pressures.

The transformation period of the Company began in 2014 with a change in the form of the ownership, the business model, and rebranding. The main optimization achievements were regarded as the single TV programmes and supporting activities.

Instead of 23 different TV schedules, now only one is created. Thus, there is no need for the local branches to create their TV schedules. They can use the common one and insert their news in local programmes.

Supporting activities like financing, accounting, legal, government affairs tech, and quality management are centralized and ensure the cost optimization to sustain them.

We consider the possibility of cost optimization on the next deeper level that would concern optimization in value or value stream creation.

Wherein, there are still **strategic goals** that should be achieved primarily.

One of the goals of public broadcasting companies is to elevate society, make people more informed, form realistic perceptions in politics and social issues. The public broadcasting company is a benchmark for journalists' standards and provides an opportunity for the viewer to receive relevant content.

Focusing on the Company's strengths and weaknesses minimization may ensure the increase of the market share and the mission accomplishment.

High quality and interesting content would be the determining factor for choosing the channel by the customer.

In addition, the high-quality content may become a valuable asset and generate new revenue streams.

2. Key initiatives

2.1. Goals

For goal setting the SMART method was applied. It was determined following strategic goals:

1. Increasing market share from 0,3% to 1.2% in 3 years (first year - 0,7%).
2. Establish the trust index on a level not less than 20 points

2.2. Root-cause analysis

For identifying the underlying causes for **low market share** the Root-cause analysis was applied. The impact for obtaining this goal is made in three dimensions: Product distribution, Lack of content, and Talents.

Distribution

The peculiarity of the TV product distribution is the channels' connections. There are 6 types of signal reception: IPTV, satellite, digital cable, analog cable, digital terrestrial, analog terrestrial. The Company distributes its product by 5 of them. To learn how the core audience 55+ receives the service through distribution channels please refer to visualization [4.1.16. Audience distribution by signal reception](#).

The Company covers not all possible means for **content distribution**. The satellite distribution channel is covered only by UA: ZAKARPATTIA due to the specific landscape of the region. Though all our main competitors are represented in this type of distribution due to the obligatory coding, it is losing its popularity. Thus, UA: Regions have access to the households through 5 types of signal distribution that constitutes 62% in the towns with inhabitants less than 50 thousand and 93% in the towns with inhabitants over 50 thousand. (Please refer to visualization [4.1.7. Dynamics of distribution by types of signal](#) in Section 4: Supplements). The broadcasting cost by satellite costs 2.3 mln per year for each channel.

UA: Regions is part of a universal programme service that requires cable operators to be included in mandatory channels. However, **placing** on the best slots is by the providers' decisions and making it difficult to find the channel. Please refer to visualization [4.1.15. Channel numbers in the TV list](#) in Section 4: Supplements

The **market share** of UA: Regions channels is **not measured** yet, but it is going to be included in the Nieson panel from April 2021. According to the Company's internal data the market share is 0.3-0.4 %.

Lack of content

As it was mentioned above, there are 3 ways of content obtaining: 3 ways: in-house production, purchasing from independent producers, content rights acquisition for broadcasting movies and TV series.

The main challenges that in-house production faces are people and equipment. **Outdated technical equipment** inherited from state television. Replacement of equipment is to be done at the expense of capital costs, though this direction has not been financed for the last 3 years. The company is currently raising donor funds for technical upgrades.

The Company started the procedure of open pitching of ideas for locals productions in 2018. Thus, the Company purchases the content and the rights for its further use. But now we can state that the **market of local productions** is still underdeveloped so far.

The Company did not have a budget to purchase the rights to show series and movies until 2021. The channel showed films and TV series that were shown on UA: PERSHYI and for sure it did not support the **viewer's retention**.

Main principles of the programme schedule of Ukrainian news channels. We have analysed the schedule of the following channels: Pryamiy, NewsOne, 112, Espresso, Nash, 5, 24.

Morning infotainment is present on most news channels except 5.

The most popular format of news is short (10-15 minutes) hourly blocks at the beginning of each hour for all channels.

Prime time is for talk shows, big interviews, and breaking news for all channels.

Most channels adhere to the purely informational and political direction in programming.

Opposition channels Pryamiy, Espresso, 5, and 24 are active in the genre of political humor/satire.

Channel 5 gives a lot of documentaries.

Please refer to visualisation [4.1.17. News channels' programme schedule](#) in Section 4: Supplements.

Talents

The net profit optimization in 2018 led to the 60% downsizing, and through saved funds, the salaries were increased and the clear grading system was implemented. At the same time, the part of employees still resists work according to new policies and the Company's mission.

With the achievement of the high professional level, the journalists **relocate** to the capital where their incomes would be more than twice as big.

At the same time, the industry has a **deficit** for journalists and related professionals who have **graduated from the institutes**: layout designers, cameramen, and sound engineers.

Also according to the internal researches the level of **trust to the presenters** is low. Viewers do not believe in the incorruptibility and impartiality of a presenter in respect to the information objectivity.

Please refer to visualization [4.1.12. Root-cause analysis](#) in the Section 4: Supplements

2.3. International benchmarks

We studied the experience of the Public Broadcasters of Poland and Italy that are relative by the structure and mission to the Company.

Poland: TVP 3 brings together a network of 16 local broadcasters and has branches in Bialystok, Katowice, Lodz, Rzeszow, Bydgoszcz, Kielce, Olsztyn, Szczecin, Gdansk, Krakow, Opole, Warsaw, Gorzow Wielkopolski, Lublin, Poznan, and Wroclaw.

Content features many projects about the agricultural sector and farmers, programmes about Catholicism, regional news, foreign series.

In 2016, there was a reduction of the joint programme network on TVP3, the release of more author's content through regional channels. [19]

As of April 2020, TVP3's share was 1.2% in 4+ [20]

Italy. Rai 3 is the third channel of the Italian National Public Broadcasting company "Rai" with information and cultural profiles. The channel also shows content targeted at regions. Rai 3 is not a network of regional channels. Rai is a standalone channel with 24 newsrooms. Content features journalistic investigations, journalism, social projects, foreign series. [21]

In August 2020, the share of Rai 3 in the audience of 4+ was 5.97% [22]

2.4. Conclusion. Key optimization initiatives

Increasing market share could be achieved in two ways: entire market coverage and attracting customers from competitors.

The first option could be solved by distribution over the satellite. Let's assume that the number of people in Ukraine over 18 years old is 35 mln., the target audience is 13 mln, the UA: Regions market share is 0.3%, the audience distribution in the satellite is 24.4%, thus satellite would give us access to 2.44 mln viewers and 39 th. of adepts. But the costs for satellite distribution would be 52.9 mln per year. Thereby one satellite viewer would cost 1400 UAH per year.

Another decision without product changing is channel replacement instruction providing like a social advertisement. Unfortunately, digital broadcasting T2 gives the opportunity to place the channel in a particular place without the possibility of its change. Cable operators also arrange channels based on their technical capabilities without any sorting.

To attract customers from our competitors we differentiate the following activities aimed at people development and content creation.

The content creation issues could be resolved through the acquisition of content rights (movies and TV series) and by local content production. The main challenge at this stage is to determine the right balance between the acquisition of the content rights and outsourcing from producers.

Until 2021, the Company did not have a budget to purchase the rights to show series and movies and now the other issue is to be challenged: to choose the right content that would attract the target audience.

Since 2019 the Company has held open competitions for local production. But in spite of the efforts, the market is still underdeveloped that could not ensure competition and high quality among the suppliers.

Acquisition of rights to films and series and increase of own production will significantly change the TV schedule. Morning broadcast starts with a live informational and educational morning show of own production. We inform about the event happening around, inspire to have a new working day, support in difficult situations, and explain changes related to the audience's daily life. Day slot comprises feature films, documentaries, and TV series. Evening prime is made of talk shows, journalistic programmes, programmes about the region, we talk about the most current affairs with local politics, experts, NGOs, etc. Post evening prime comprises feature films, cultural programmes. Night broadcasting is presented by programme archives. News are broadcast from 6 a.m to 9 a.m. and from 3 p.m. to 7 p.m. - every hour, and 20:40 - flagship news of the region.

People development could be categorized on the work with the existing employees and on the talent management of new ones. To solve this problem we consider the following initiatives: launching talents incubator school, promoting hosts' self-building, enhancing the expertise in politics, economics, and social issues, ensuring turnover in the company.

Please refer to visualization [4.1.13. Initiatives prioritization](#) in Section 4: Supplements

Section II. PLANNING

1. Content creation issues.

1.1. Description

To determine the viewers' preferences, the Company held the All-Ukrainian complex research made of 3 methods: Face to face - 8000 respondents, Computer-assisted telephone interviewing - 9600 respondents, 22 - focus groups. The territory of research is Ukraine, except part of the Donetsk and Luhansk regions and the Crimea.

It is expected that regional broadcasters should be close and accessible to local residents, show their problems, achievements, events, excursions, interesting facts, etc.
To a greater extent, local channels are considered as informative but also the entertainment component, something catching, that keeps the audience, is expected.

Although the audience over 55 is mostly interested in the news, local programmes are interesting to the audience of different ages.

The **target audience** of the local news programmes is

By Geographic segmentation characteristics: Ukraine

By Demographic segmentation characteristics:

Age: over 55 years old,

Gender: males,

Occupation: full-time job and/or retirees,

Family size: children, grandchildren,

Income: Low, below 7 thousand UAH

By Psychographics (lifestyle) segmentation characteristics:

Spend much time watching TV

Interested in politics

Strives to know the answers to all questions

Own apartments, dacha, a non-expensive car, garage, savings “for children and grandchildren”

Interested in gardening, car, and devices repairing

Health issues

Low mobility. Rest in Ukrainian sanatorium, spend vacations at the seaside with children and grandchildren in Ukraine.

Poorly adapt to new technologies.

Wherein, with the aim all other content should be built around an audience over 35 years old that are more socially responsible than the younger generation and still consume content from TV than Internet.

Their portraits:

By Geographic segmentation characteristics: Ukraine

By Demographic segmentation characteristics:

Age: over 35 years old,
Gender: males, females
Occupation: full-time job/ individual entrepreneurs/maternity leave,
Family size: married, children,
Income: Middle, 10 thousand UAH

By Psychographics (lifestyle) segmentation characteristics:

Interested in politics
Interested in social life
Interested in history, culture
Strive to know the answers to all questions
Own or rent apartments, may live with their parents, have a non-expensive car
Interested in children development
Settled in their towns,
Travel along Ukraine and spend vacations at inexpensive resorts.

Thereby the content that the rights are acquired for (movies, TV series) should meet the preferences of the target audience 35 + described above and correspond to the mission of the Company being a source of enlightenment in cultural, historical and cognitive areas.

And the content that is purchased from independent producers should meet the preferences of both target audiences and be aimed at the inhabitants of the regions, their achievements, be focused not only on the historical facts, but also on the current issues, creating the sense of the community belonging.

Create with Suspilne is an open pitching of ideas from local productions.

In 2019, the Company selected and produced 9 projects, a number of applications were 51, the total budget was UAH 2.5 mln. in 2020, the Company selected and created 20 projects, application's number were 70, the total budget was UAH 7.5 mln. in 2021 the Company has begun to produce 74 projects selected among 200 application. The total budget for 2021 is UAH 36 mln. The directions of the topics for idea's pitching in 2021 were:

- the hidden history of the Soviet-era region;
- life and way of life of remote cities of the region;
- health in the region;
- cultural and educational life of the region under the slogan "Lifelong learning";
- deindustrialization of the region;
- rights, equality, and accessibility in the region
- local investigations [18]

Thus, we see a growing supply from local producers, but unfortunately we cannot measure the market share for the moment. Against the background of received applications, we see good ideas which were not entirely finalized for production launch. In this way, professional development can contribute to solving this problem.

1.2. Timeline and Acceptance criteria

Content acquisition

The content acquisition process could be defined on the four stages: Conducting research, Existing marketing analysis, Content purchasing, and Content adaptation. Considering that the

first stage has been already fulfilled the other stages would be carried out till the end of August 2021 that ensures the autumn schedule planning with the purchased content.

The acceptance criteria for the project final results would be:

1. Signed contract on the right to broadcast

The contract is signed based on the procedure of the Law of Ukraine “On Public Procurement” and allows to show content no more than 2 times.

2. Broadcast-adapted content

Since this content could be provided in the original language, it is required to be adapted before broadcasting.

For detailed information please refer to [4.1.18. Content acquisition project plan](#)

Local content production

The local content production process could be split in eight stages: Preparatory, Ideas preselection in the regions, Defence of ideas in the Central office, Budgeting & Procurement, Production, Incubator, Second wave projects procurement.

The process will begin in September 2021 and will continue till October 2022.

The acceptance criteria for the project final results would be:

1. Produced content by the agreed requirements.

The Company's representatives supervise the fulfillment of each stage and approve the correspondence to the agreed requirements that have a positive influence on the deadlines and expectations meeting.

2. Fair conduct of the competitions

Fair and transparent competition for the local content production ensures trust to the Company and attracts new participants.

For detailed information please refer to [4.1.19. Local content production project plan](#)

1.3. Resources required for project implementation

Content acquisition

Financial: internal fund. Total budget for content acquisition is 15 mln UAH.

Relational: supplier relationships, customer relationships.

There are only a few suppliers on the Ukrainian market. Good relationships with them allow us to get relevant information about products quickly.

Good customer relationships allow us to gather relevant focus groups in a short period of time.

Informational: customer, supplier, product, industry.

This type of information ensures quality process performance.

Human: programme director, sociological research specialists, survey specialists, content procurement specialists, content adaptation specialists, lawyers

Local content production

Financial: internal funds

Total budget for content acquisition is 36 mln UAH.

Relational: supplier relationships

Honest and transparent competition gives the opportunity to receive high-quality content and sets trust from suppliers.

Good supplier relationships allow to monitor process flows easily and productively.

Informational: customer, supplier, product.

This type of information ensures quality process performance.

Human: Producer's team in the Central Office, producers in the regions, programme director, procurement specialists, lawyers, financial specialists, instructors.

2. People development

2.1. Description

The company currently has about 1 400 employees. The company has a vertical management system with partly matrix organizational structure.

Since the company has been state-owned for a long time and most employees have been working for 20-30 years, the Company faces the challenges with the motivations. This issue is being resolved by applying the goal-setting, reinforcement, and equity theories of motivation. A grading system and a clear, transparent bonus rewarding for KPI achieving are applied.

The company supports the development of human capital. Heads of departments encourage employees to improve their skills constantly. For example, in the annual assessment of top management, UA: PBC Supervisory Board requests a report on the number and quality of additional training courses. Suspilne Holding has established Public Media Academy. It is a training center for employees, and it organizes events for external audiences to develop the broadcaster's corporate social responsibility.

The Academy holds 5-7 events per month, including seminars and training for journalists (data verification, mobile journalism, filming, and editing), for presenters (storytelling, gender-sensitive journalism, economic journalism, etc.), soft skills training, HR training, team building sessions, media management training, SMM, digital project workshops, study tours to European public broadcasters and US public broadcasters, English language courses, strategic and facilitation sessions, consultations of European media experts, etc.

The Academy implements training programmes with the participation of coaches of European media schools, European Broadcaster Union, etc.

Wherein, the staff turnover in Kyiv is observed. Every year about 100 professionals leave the Company and shift to the other TV channels in Kyiv (15% of them remain in the holding).

The employees grow in their skills and competences and become attractive for the capital market. It signals that development of human capital does not perform properly.

The idea is to develop the career development path for professionals of content creation teams that establish clear rules and demands for the transfer to the Kyiv office.

This practice is applied by the Japanese national broadcasting company NHK. It requires working experience in the industry in other regions of Japan that ensures the understanding of the mentality and specifics of cultures in different regions.

Taking into account the cultural and historical diversity in Ukraine this approach would help to enhance the professional level and ensure the opportunity for changing environment and travel for the employees.

The second approach is related to the low level of the graduates of the journalistic specializations and the necessity of additional resources for their professional growth. We consider the talent incubator school to be a good instrument in resolving this issue.

The incubator school will take place once a year, the most motivated applicants will be invited. There will be 12 online lectures from the Company's best practitioners, that will introduce the values of the Company, expectations to the journalists, tips in finding and handling information, presentation information in various genres skills, catching texts writing, requirements to the journalistic ethics. The study will result in the coverage of the topic based on the journalists' standards. The best students will be offered jobs. And the graduates will have advantages in applying for the vacant positions.

2.2. Timeline and Acceptance criteria

Talent incubator school

The talent incubator school process could be split into four stages: Courses creation, Students recruitment, Learning, Hiring graduates.

The process will begin in May 2021 and will continue till the end of October 2021.

The acceptance criteria for the project final results would be:

1. School graduates.

One of the criteria confirming the process fulfillment is the graduates of the Talent incubator school. It means that the recruitment, selection and learning processes are done properly.

2. New employees are hired.

This criterion demonstrates the quality of the process and confirms that selection criteria and the content quality have met the initial requirements and people got the required job

3. Expansion of the talent pool.

In case there are no vacancies, the talented graduates get to the pool and will be offered the job first.

For detailed information please refer to [4.1.20. Talent incubator school project plan](#)

2.3. Resources required for project implementation

Internal turnover

For this project fulfillment financial resources and oinus system optimization are required. The application order will be approved and bonus rules will be changed to cover partial rent expenses 2000 UAH / monthly for 50 employees. New policies will be provided into day-to-day work of the HR.

Talent incubator school

Financial: internal funds

Physical: equipment for making video lectures, place for shooting, page in the Internet

Relational: relationship inside the firm

Good relationships inside the company would ensure highly professional lecturers are attracted to the project.

Human: project manager, PR specialist, videographer, lectures, mentor.

Section III: IMPLEMENTATION

1. Financial analysis

In order for the initiatives not to impact the Company's revenue but only the market share the projects' budgets are following:

Content acquisition

The total budget is 15,173,000.00 UAH, of which 15,000,000.00 UAH is the cost of content that would be defined as intangible assets that should be fully depreciated after the second performance.

Considering that the average selling price for 1 hour is 8400 UAH. This project could cover 1800 hours per year, nearly 5 ethereal hours per day.

The acquired content should increase viewing share two times.

For detailed information please refer to the [4.1.21 Content acquisition budget plan](#)

Local content production

The total budget is 43,220,000.00 UAH, of which 36,000,000.00 UAH is the cost of content that would be defined as intangible assets that should be fully depreciated in five years after production.

It is expected that 74 projects would be funded. This project could cover 180 premiere hours per year and could be showed countless times.

The acquired content should increase viewing share two times.

For detailed information please refer to the [4.1.22. Local content production budget plan](#)

Talent incubator school

The total budget is 239,000.00 UAH. It is assumed that the lecturers and the mentors would be the best Company's practitioners and would perform their work free of charge.

All required equipment is also available in the Company and additional investments are not needed.

The costs would have only indirect character.

It is expected that one third of the students would be hired after the completion of the Talent incubator school. Thus, the cost for the talent recruitment will be 23900 UAH.

The additional benefit is the social part and the drawing public attention due to the free of charge courses.

For detailed information please refer to [4.1.23. Talent incubator school budget plan](#)

2. Implementation plan including risk assessment

3.2.1. The list of risks, risk segmentation (Impact/Probability)

3.2.2. To prepare Mitigation Plan for High Impact and High Probability. Prepare screening tools for medium Impact/Probability risk

3.2.3. To assign an owner of each high Impact and High Probability risks and identify resources needed to mitigate them

3.2.4. Project implementation plan (What? When? Who?) (example: Gantt chart)

3.2.5. Interdependencies and project implementation control activities (regular progress review solutions)

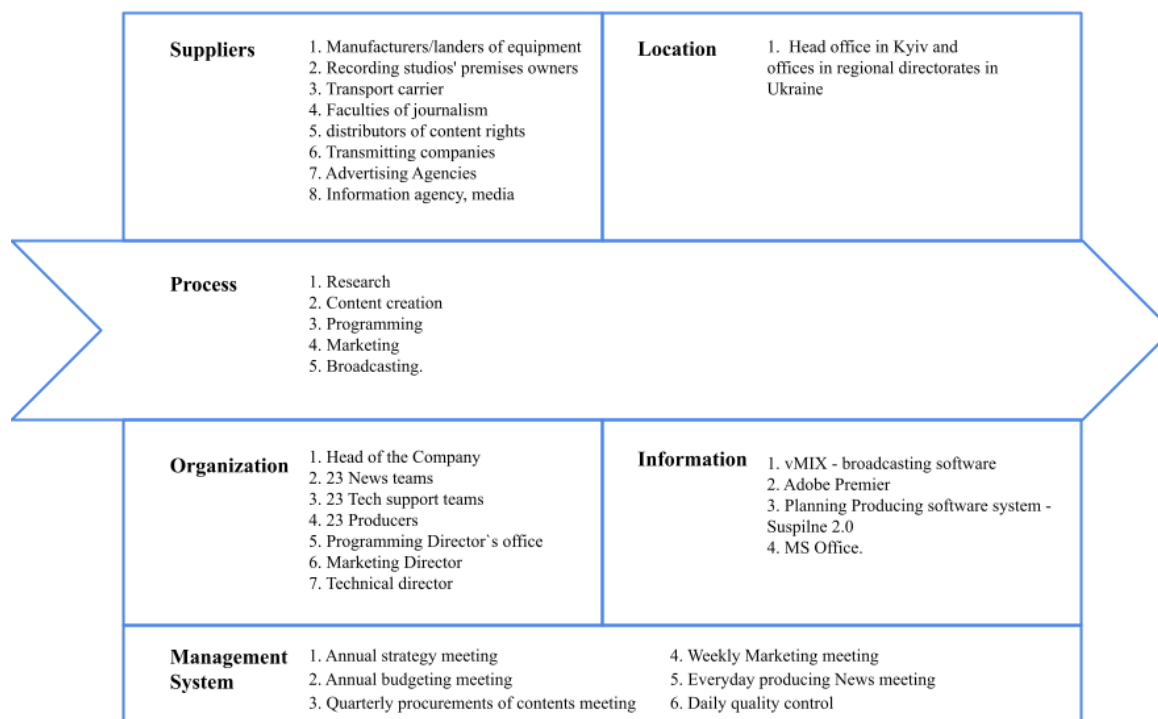
Section 4: SUPPLEMENTS

1. List of diagrams and pictures

4.1.1. Business Model Canvas

Key Partners	Key Activities	Value Proposition	Customer Relationships	Customer Segments
<u>Governmental</u> : National Council of Television and Radio Broadcasting of Ukraine; <u>Business</u> : Cable TV-providers, terrestrial digital television operator “Zeonbud”, Service companies, Marketing agencies, Local production, movies and TV series copyright holders; Informational agencies <u>Non-governmental</u> : Faculties of Journalism in Ukrainian Universities, Opinion leaders, European Broadcasting Union.	Product development Data analysis.	Unbiased content, Regional news, Local community-oriented content, Non-toxic advertising, Independent platform for debates, Limited volume of advertising	News ombudsman, Communication in social networks and on corporate website.	People older than 55 years who live in towns (Towns 20K+ in cable TV networks or with coverage area of T2)
	Key Resources		Channels	
	<u>Physical resources</u> : Equipment for broadcasting, Equipment for production, Recording studios' premises <u>Human resources</u> : Journalists (all-Ukrainian network), cameramen, producers, technical staff, financial staff, regional managers <u>Intangible resources</u> : T2 license, video archive since 1950.		Media Holding Channels: UA: Ukrainian Radio, UA: KULTURA, UA: PERSHYI; Outdoor advertising; Newspapers (TV programme)	
Costs Structure			Revenue Streams	
Salary: 72% Service for in-house production (transport, sign language translation, etc.): 2,4% Services (cleaning, security, etc.): 7,5% External production: 7,1% Distribution: 3,1% Procurement of content: 3% Inventory: 2,7% Utility: 2,2%			Government support, advertisement, rent, donor's support (grants).	

4.1.2. POLISM Operating Model

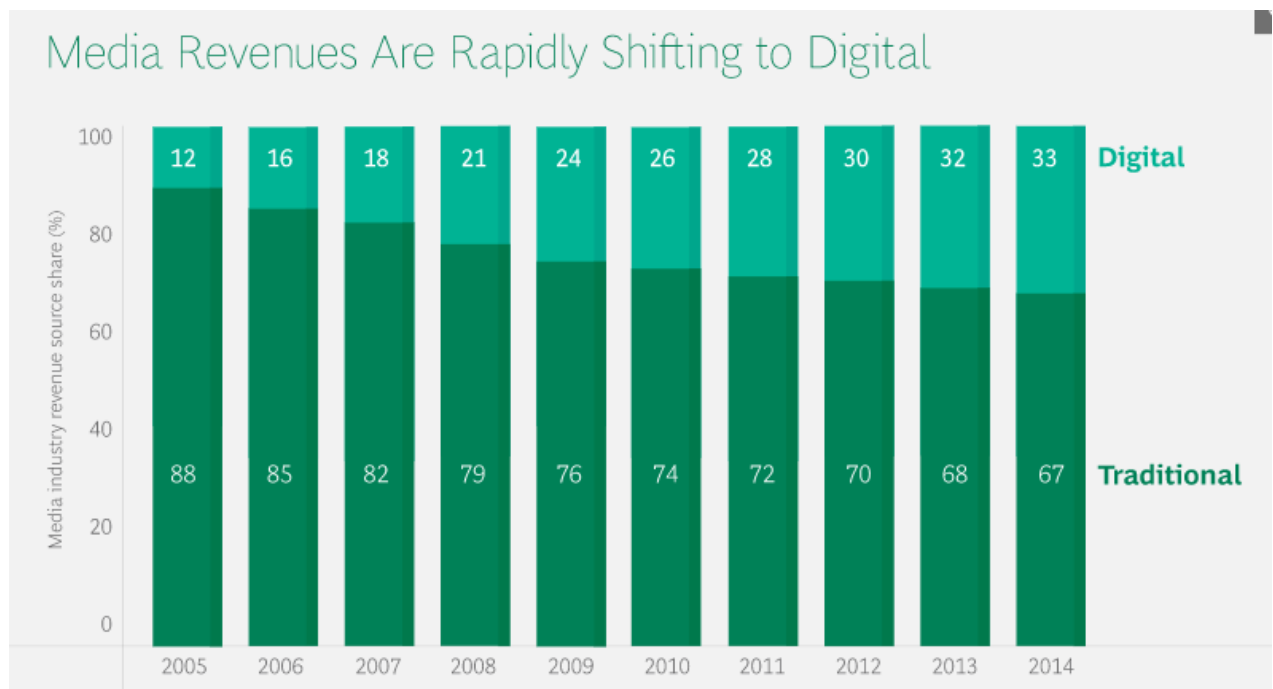


4.1.3. Macro Indicators

Macro indicators	Units	2016	2017	2018	2019	2020F	2021F	CAGR	:
Nominal GDP	Billions, UAH	2,385	2,984	3,561	3,978	4,079	4,505	14%	
Real GDP	%	2.44	2.53	3.40	3.20	-4.40	4.60	14%	
Inflation rate	%	13.91	14.43	10.70	4.8	5.90	8.60	-9%	
Population	Millions	42.42	42.22	42.05	41.87	41.70	41.37	0%	
Population (60+)	Millions	9.42	9.55	9.70	9.83	10.00		2%	
Exchange rate		27.19	27.95	27.69	23.69	28.27	28.00	1%	

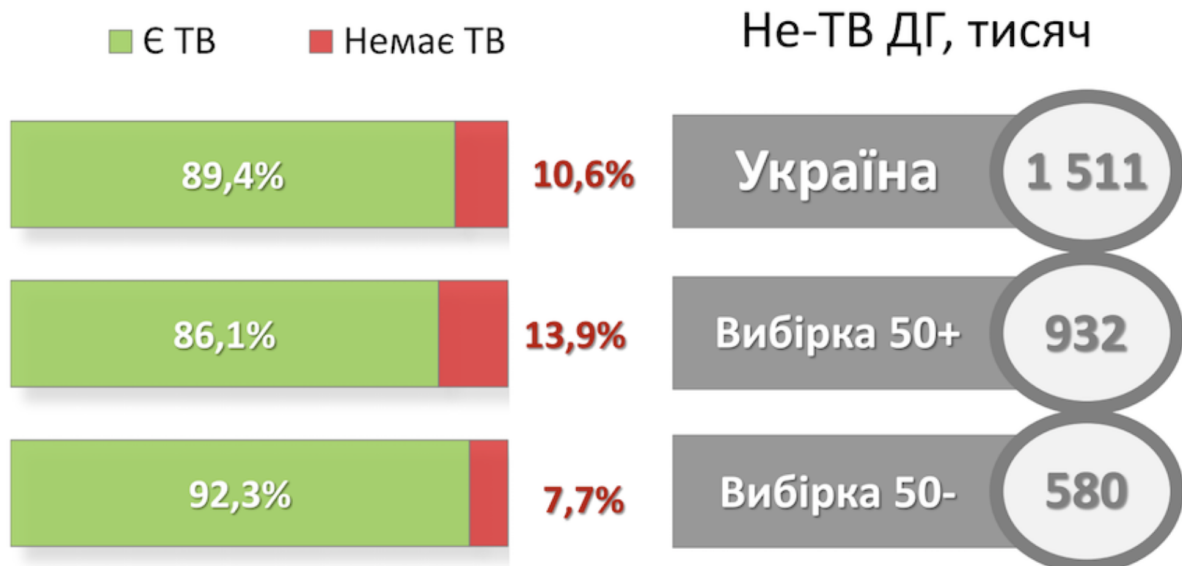
Sources: International Monetary Fund [1, 2], National Bank of Ukraine [3, 6], State Statistic Service of Ukraine [4], Ministry of Finance of Ukraine [5].

4.1.4. Digitalization trends



Source: [10]

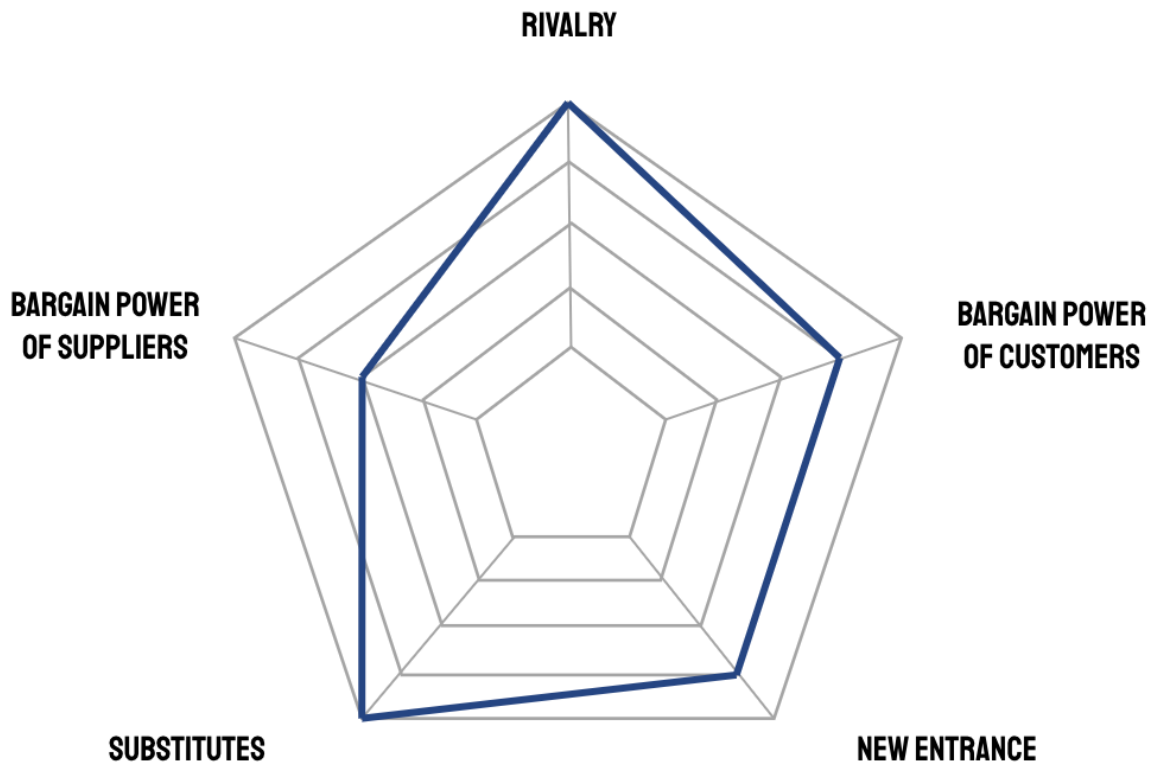
4.1.5. TV viewers of Ukraine



Скільки телевізорів у робочому стані, які Ви використовували / вмикали хоча б один раз за останні 3 місяці, знаходиться постійно у Вас вдома?
 N (Вся Україна) – 4 413
 N (Міста 50+) – 2 406
 N (Міста 50-) – 2 007

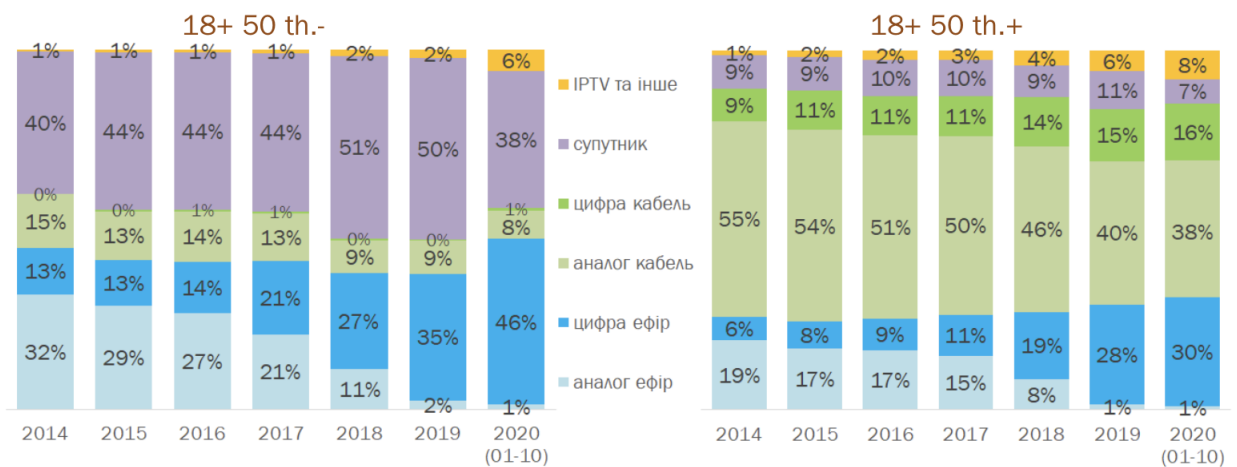
Source: [11]

4.1.6. Porter's 5 forces



4.1.7. Dynamics of distribution by types of signal reception

Dynamics of distribution by types of signal reception, Total TV



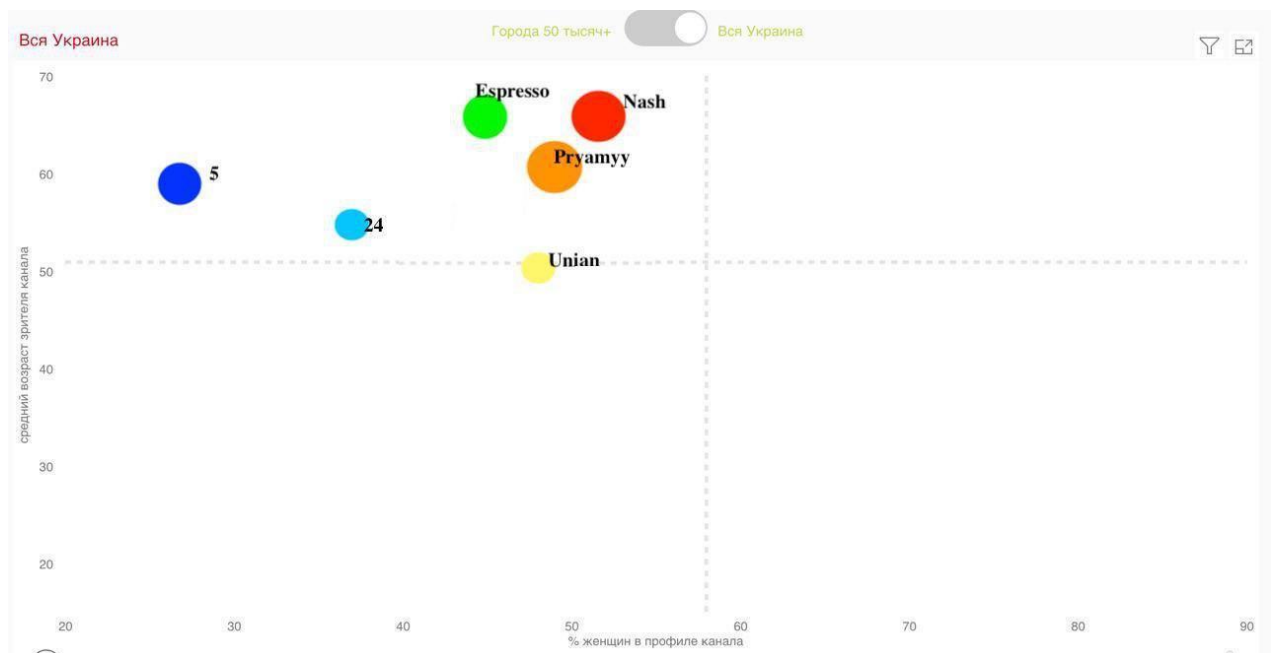
4.1.8. TOP-10 Channels in 2020 with the audience 18 +



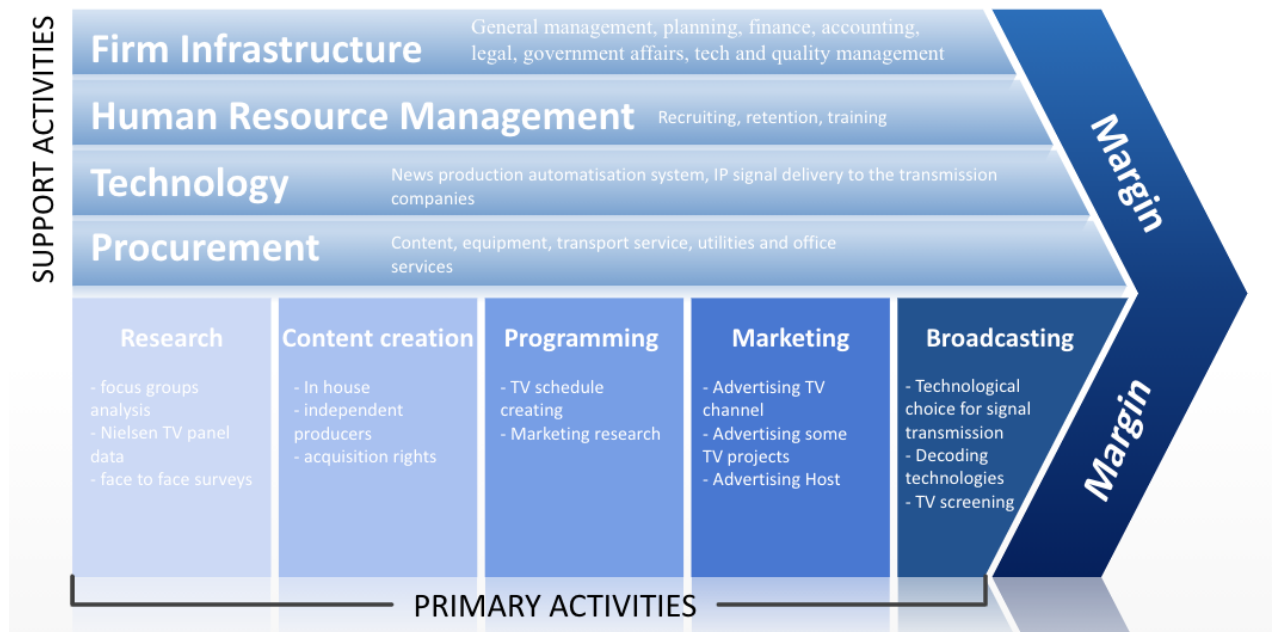
Джерело: Nielsen Ukraine 2020, ЦА 1: Всі 18+, ЦА 2: Всі 18+ 50K+



4.1.9. The News channels distribution by gender and age



4.1.10. Value Chain Analysis



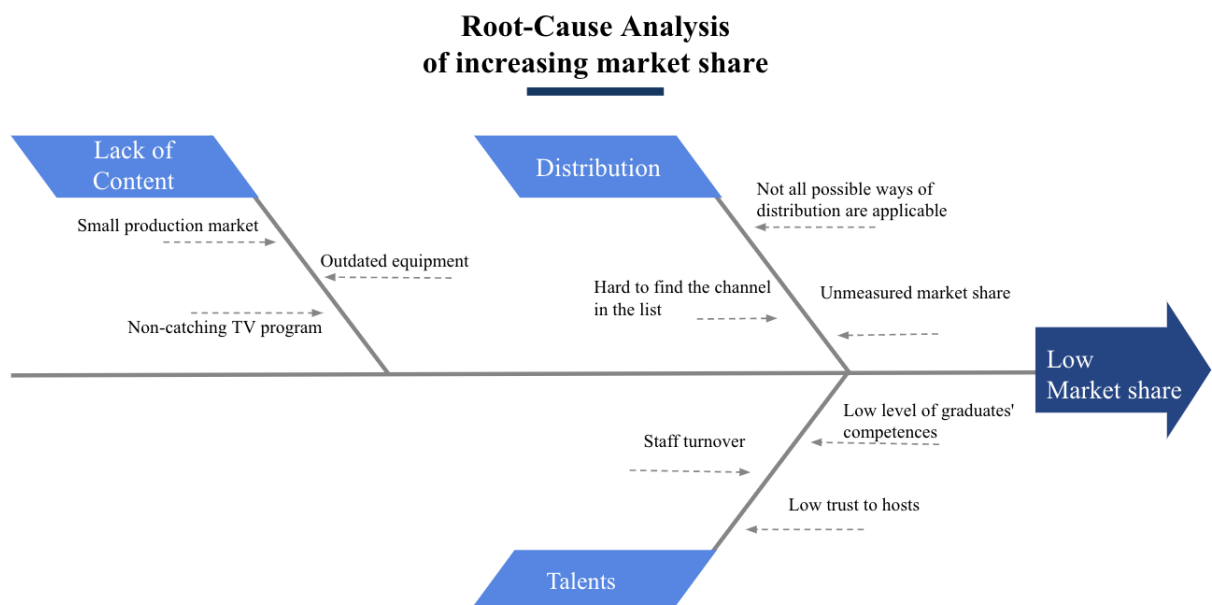
4.1.11. VRIO Analysis

Characteristics	V	R	I	O	Conclusion
Unbiased content	+	+	+	+	Long-term advantage
Video archive since 1950	+	+	+	+	Long-term advantage
Donors support	+	+	+	+	Long-term advantage
T2 license	+	-	+	+	Competitive parity
Production of local community-oriented content	+	+	-	+	Short-term advantage
Non-toxic advertising	+	+	-	+	Short-term advantage
Independent platform for debates	+	+	-	+	Short-term advantage
Limited volume of advertising	+	+	-	+	Short-term advantage
All-Ukrainian network of Journalists	+	+	-	+	Short-term advantage
Regional news	+	-	-	+	Competitive parity/ short-term advantage

4.1.11. SWOT analysis

Strength	Weaknesses
Unbiased content, Local news, Local community-oriented content, Non-toxic advertising, Independent platform for debates, Limited volume of advertising, Video archives since 1950 Donors support	Internal over-regulated processes, Reputation based on the heritage of governmental TV, Unsatisfied customers with content quality, Not all possible distribution channels are used for broadcasting..
Opportunities	Threads
Development of the mobile industry, COVID 19, Vacant TV niche due to sanctions (112, NewsOne, ZIK). Digitalization.	Unstable government policy Political influence on the National Council of Television and Radio Broadcasting of Ukraine Interference with the management activity by the administrative resources. High costs of new equipment Competitive market Generations Y and Z attitude towards TV watching New consumption patterns Legislative restrictions (advertising, budgeting)

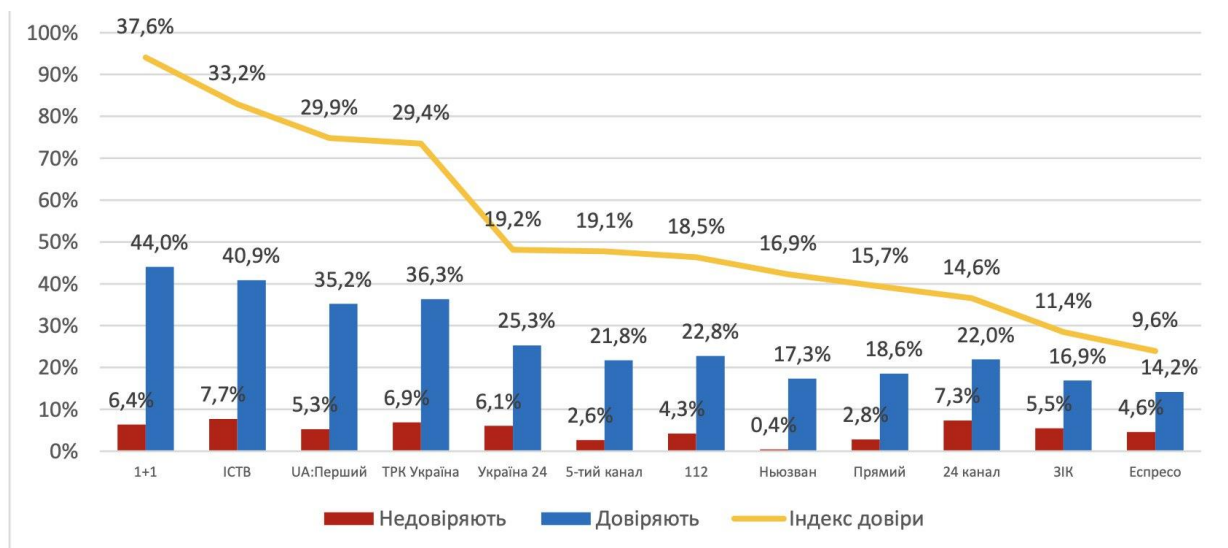
4.1.12. Root-cause analysis



4.1.13. Initiatives prioritization

Problem	Initiative	Influence	Success probability	Priority
Non-catching TV programme	To increase the volume of content rights on movies and series purchasing	9	7	63
Low level of graduates' competences	Talents incubator/school	3	9	27
Small production market	To promote market development	4	6	24
Low trust to hosts	To promote self-brand building	4	5	20
Staff turnover	To ensure the turnover inside the Company's branches	2	8	16
Outdated equipment	To conduct modernization	2	5	10
Hard to find channel in the list of channels of the cable TV	Channel replacement Instruction	2	2	4
Not all possible ways of content distribution are applicable	To conduct the content distribution through satellites	3	1	3

4.1.14. Trust indexes



4.1.15. Channel numbers in the TV list

	Lanet	Volia	Triolan
UA: Regions	43	38	2
Espresso	13	19	23
5	15	8	19
Nash	55	167	22
24	14	21	21
Pryamiy	12	28	18

4.1.16. Audience distribution by signal reception

	Analogue	Digital T2	Analogue Cable	Digital Cable	Free Satellite	IPTV
55+	1.4%	40.6%	23.7%	6.6%	24.4%	3.3%
M55+	1.4%	40.1%	21.8%	6.4%	26.8%	3.5%
W55+	1.4%	40.9%	24.9%	6.8%	22.9%	3.2%

Source: ITK data

4.1.17. News channels' schedule's programming

	Pryamiy	Zik	112	Espresso	NewsOne	Nash	5	24
Morning show	+	-	+	+	+	+	-	+
Every hour news	+	+	+	+	+	+	+	+
Talkshow	+	+	+	+	+	+	+	+
Documental film	-	-	-	-	-	-	+	-
Info-marathon	+	+	+	+	+	+	+	+
Hardtalk	+	+	+	+	+	+	+	+
Political humor	+	-	-	+	-	-	+	+
Concert	+	-	+	-	+	+	+	-
Movie	-	-	-	-	-	-	-	-

4.1.18. Content acquisition project plan

Project name:	Content acquisition	
Task	Start date	Due date
Stage 1: Conducting research		
Questionnaire development	Done	
Selecting people for a focus group	Done	
Conducting focus groups	Done	
Analysis of results	Done	
Milestone 1: Report		
Stage 2: Existing market analysis		
Analysis of the product of the copyright holders	01/05/21	16/05/21
Product selection	16/05/21	06/06/21
<i>Buffer</i>	06/06/21	13/06/21
Milestone 2: List of content to purchase		
Stage 3: Content purchasing		
Negotiating procedure in accordance with the Law of Ukraine "On Public Procurement"	13/06/21	27/06/21
<i>Buffer</i>	27/06/21	04/07/21
Milestone 3: 1. Files with video content 2. Signed contract on the right to broadcast		
Stage 4: Content adaptation		
Voicing	04/07/21	15/08/21
Subtitling	04/07/21	15/08/21
<i>Buffer</i>	15/08/21	29/08/21
Milestone 4: Broadcast-adapted content		
Project acceptance criteria: 1. Signed contract on the right to broadcast 2. Broadcast-adapted content	01/05/21	29/08/21

4.1.19. Local content production project plan

Project name:	Local content production	
Task	Start date	Due date
Stage 1: Preparatory		
Define rules and directions of contest	19/09/21	03/10/21
Create a competition content committee	03/10/21	10/10/21
Announcement of contest	10/10/21	17/10/21
<i>Buffer</i>	17/10/21	24/10/21
Milestones 1: 1. Competition committee, 2. Competition rules, 3. Announcement of competition		
Stage 2: Ideas preselection in the regions		
Advertising of competition in regions	17/10/21	07/11/21
Acceptance of applications	17/10/21	14/11/21
Analysis of applications	14/11/21	21/11/21
Preselection of ideas in regional branches of UA: Regions	21/11/21	05/12/21
<i>Buffer</i>	05/12/21	12/12/21
Milestone 2: Long list of ideas		
Stage 3: Defence of ideas in the Central Office		
Analysis of long list of ideas	19/12/21	26/12/21
Defence of ideas by authors	26/12/21	23/01/22
<i>Buffer</i>	23/01/22	30/01/22
Milestone 3: 1. List of projects for production 2. List of projects for incubator		
Stage 4: Budgeting & Procurement		
Approval list of projects by Head of Division	30/01/22	06/02/22
Budgeting of projects	06/02/22	20/02/22
Procurement procedures	20/02/22	06/03/22
<i>Buffer</i>	06/03/22	13/03/22
Milestone 4: Signed contracts with authors of idea for productions		
Stage 5: Production		
Control over the implementation of the contract, compliance with production deadlines and quality of content	13/03/22	02/10/22
<i>Buffer</i>	02/10/22	09/10/22
Milestone 5: Produced content		
Stage 6: Incubator		
Create team for Incubator	30/01/22	06/02/22
Training for authors of idea	06/02/22	20/02/22
Defence of ideas by authors	20/02/22	27/02/22
<i>Buffer</i>	27/02/22	06/03/22
Milestone 6: List of project for production		
Stage 7: Second wave projects procurement		
Procurement procedures	06/03/22	20/03/22
<i>Buffer</i>	20/03/22	27/03/22

Milestone 7: Signed contracts with authors of idea		
Stage 8: Second wave projects procurement		
Control over the implementation of the contract, compliance with production deadlines and quality of content	27/03/22	02/10/22
<i>Buffer</i>	02/10/22	09/10/22
Milestone 8: Produced content		
Project acceptance criteria: Produced content Fair conduct of the competition	19/09/21	09/10/22

4.1.20. Talent incubator school project plan

Project name:	Talent incubator school	
Task	Start date	Due date
Stage1: Courses creation		
Design courses	01/05/21	15/05/21
Lecturers and schedule arrangement	15/05/21	31/05/21
Requirements to final project development	01/06/2021	14/06/21
<i>Buffer</i>	15/06/2021	31/06/2021
Milestone1: Developed courses		
Stage2: Students recruitment		
Marketing campaign development	01/05/21	07/05/21
Advertising development	08/05/21	22/05/21
Advertising of courses	23/05/21	13/06/21
Students admission	14/06/21	28/06/21
<i>Buffer</i>	29/06/21	07/06/21
Milestone2: The list of students		
Stage3: Learning		
Learning process	07/07/21	08/09/21
Project defences	09/09/21	16/09/21
<i>Buffer</i>	17/09/21	24/09/21
Milestone 3: Cohort graduation		
Stage4: Hiring graduates		
Job offer for best graduates	25/09/21	02/10/21
Contract sign	03/10/21	17/10/21
<i>Buffer</i>	18/10/21	25/10/21
Milestone 4: New employees are hired		
Project acceptance criteria: 1. School graduates 2. New employees are hired 3. Expansion of the talent pool	01/05/21	25/10/21

4.1.21 Content acquisition budget plan

	Units	Number of specialists	Costs per month	Project period (month)	Engagement percentage	
Direct costs						
Content value	UAH					15,000,000.00
Total direct costs	UAH					15,000,000.00
Indirect costs						
Sociological research specialists	UAH	1	20,000.00	1	1.0	20,000.00
Survey specialists	UAH	2	20,000.00	2	1.0	80,000.00
Content procurement specialists	UAH	2	30,000.00	1	0.2	12,000.00
Content adaptation specialists	UAH	2	20,000.00	1	0.2	8,000.00
Lawyer	UAH	1	25,000.00	1	0.2	5,000.00
Program director	UAH	1	40,000.00	4	0.3	48,000.00
Total indirect costs	UAH					173,000.00
TOTAL	UAH					15,173,000.00

4.1.22. Local content production budget plan

	Units	Number of specialists	Costs per month	Project period (month)	Engagement percentage	
Direct costs						
Local production						36,000,000.00
Total direct costs	UAH					36,000,000.00
Indirect costs						
Chief producer	UAH	1	50,000.00	12	0.8	480,000.00
Producers in the regions	UAH	23	30,000.00	12	0.8	6,624,000.00
Programme director	UAH	1	40,000.00	2	0.2	16,000.00
Procurement specialists	UAH	1	20,000.00	1	1.0	20,000.00
Lawyers	UAH	1	20,000.00	1	1.0	20,000.00
Instructors	UAH	4	15,000.00	1	1.0	60,000.00
Total indirect costs	UAH		175,000.00			7,220,000.00
TOTAL	UAH					43,220,000.00

4.1.23. Talent incubator school budget plan

	Units	Costs per month	Project period (month)	Engagement percentage	
Indirect costs					
Project manager	UAH	30,000.00	6.00	1.00	180,000.00
PR specialist	UAH	20,000.00	2.00	0.50	20,000.00
Videographer	UAH	25,000.00	1.00	1.00	25,000.00
Technical support	UAH	20,000.00	1.00	0.20	4,000.00
Advertising campaign	UAH				10,000.00
TOTAL	UAH	95,000.00			239,000.00

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