

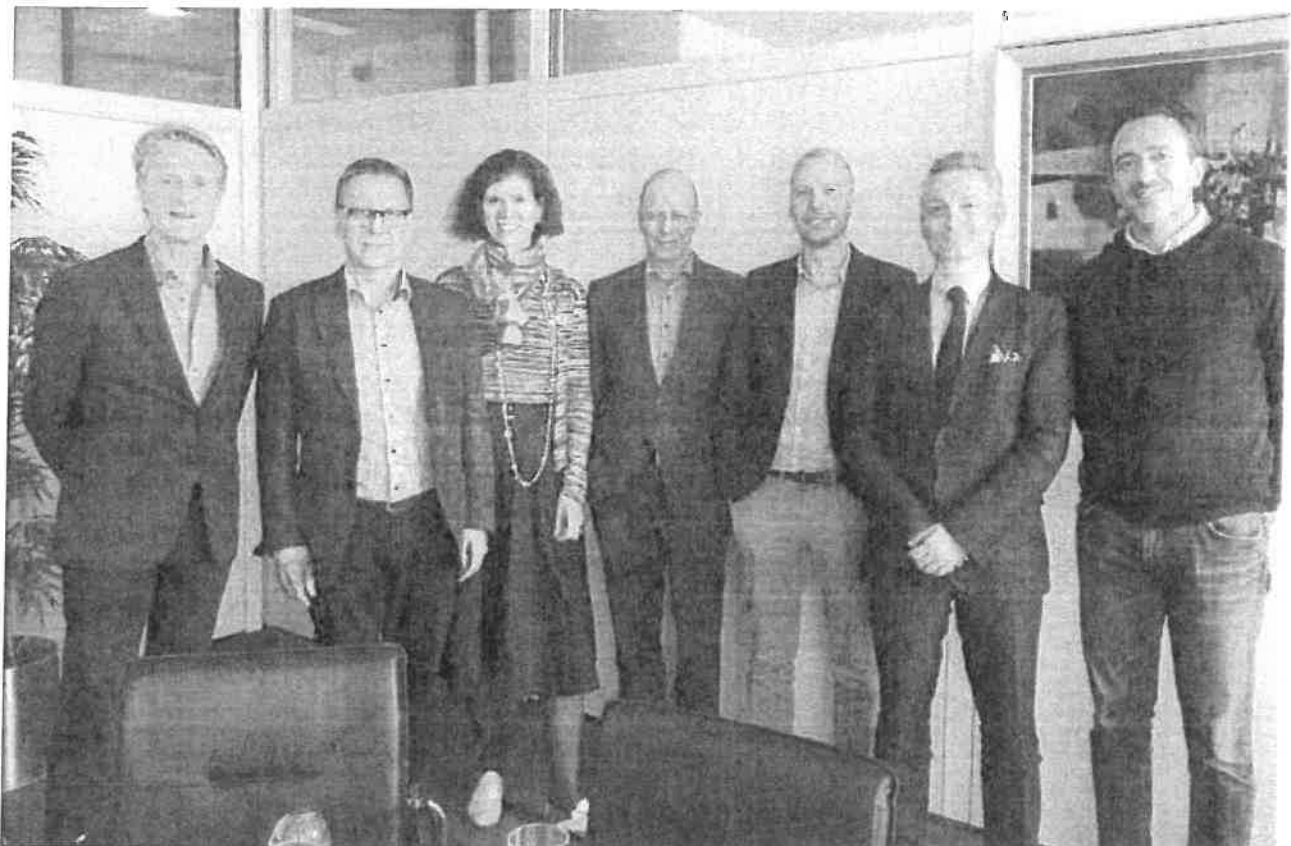
PART 1

EXECUTIVE SUMMARY

RTÉ is a cornerstone of the Irish media landscape. Its content is highly regarded for its quality, trustworthiness, and independence. RTÉ has several great assets upon which it can build: the passion and dedication of staff which identifies with the public broadcaster; a small market with clear borders and a strong identity – RTÉ “serves the Irish soul”; and a high level of creativity and professionalism.

RTÉ is currently at a decisive moment of its history: it is defining its strategy and objectives for the next five years while restructuring its internal organization. RTÉ’s ambition is to transform itself from a fragmented, channel-based broadcaster into a public service media company able to address rapidly changing audience behaviour with an agile, cross-media organization.

The main constraints facing RTÉ lie in its uncertain funding situation and the relatively large number of services it offers, which stretch the organization beyond what is reasonable. Since the funding situation for the upcoming years remains uncertain, adjustments to the organization, cost structure, and finally the offer, will have to be made urgently. The next 5-year plan needs to be built on a strong vision and strategy; tough objectives and priorities will need to be defined and met in order to ensure a sustainable future for RTÉ and to free up resources for new services and innovation.



KEY FIGURES FOR RTÉ

Budget

EUR **337.32** million
(Operating revenue)

Staff

1834
FTE

Number of channels

13

(9 radio stations and
4 TV channels)

Reach vs. national population

71% for TV services (weekly)

52% for radio services (weekly)

In-house production

EUR **192.03** million

(75% of all programming expenditure)

Proportion of independent producers vs. all producers

Broadcasting Act 2009 requires that RTÉ allocate approximately

EUR **40** million to Independent Commissions per year

Number of professional journalists

284

(excluding senior editorial
managers)

Proportion of online consumption in total TV consumption

72% are spent with live TV

12% are recorded TV

16% are other forms of viewing
(on demand, short form, etc)

Proportion of programmes on internet vs. all programmes

**All RTÉ's channels are live streamed on RTE's
website**

**All content available on demand for up to one
month after TV broadcast**

Social media

Facebook **60** (Number of active pages/accounts, approx.)

Twitter **200** (approx.), Instagram **20** (approx.)

MAIN FINDINGS

Although RTÉ has achieved and continues to maintain a “best practices” culture, there are nonetheless certain challenges that need to be addressed. We have chosen to highlight some of these in the executive summary with the intention of assisting RTÉ in articulating an appropriate action plan for tackling them.

VISION/PURPOSE

Several highlights and objectives for the next 5 years have already been defined at the corporate and divisional levels. The overall impression is that the reflections and objectives are the result of specific agendas and priorities - “Bring the Irish language into the heart of everything RTÉ does”, “Audience first”, “Content at the heart of everything”, “Digital First” (News), etc. These objectives and priorities are by no means contradictory, but they need to connect to a single corporate vision to avoid dispersion, lack of coherence, overlap, loss of time and money, and loss of audience.

RTÉ needs a shared and clearly communicated vision for the future (for the next 5 years and the long-term). “*One RTÉ*” is a strong motto, but the staff currently has different understandings of its meaning and implications. A vision (or purpose) is the basis from which objectives and strategy (how to achieve the vision) derive. The re-structuring of RTÉ’s internal organization should be the result of a single, shared vision. An organizational structure that is properly aligned with a vision and objectives facilitates a clearer understanding by the staff and other key stakeholders as well as a smooth and comprehensive implementation of the vision, which has immediate benefits.

RTÉ’s vision also needs to take into account what it means to be a public service media organization today and tomorrow, beyond strict compliance with the requirements of the remit. For instance, RTÉ benchmarks its programmes/content against different elements (cost, level of trust), but not against public service core values, such as diversity (beyond the age of the audience), universality, and innovation. RTÉ is missing an opportunity in this respect.

STRATEGY

RTÉ strives to guarantee the professionalism and ethics of its employees, contributors and board members; it has implemented multiple policies, guidelines and mechanisms to ensure a strong professional and ethical basis throughout the organization. RTÉ also tries to be exemplary in matters of management standards, environment and corporate social responsibility, and as such is a model for other PSM organizations. However it is important that these policies and initiatives remain at the service of the core business (content) from which it must not distract RTÉ, nor generate additional administrative burdens.

In line with RTÉ’s general management objectives, we suggest that RTÉ concentrate on content and on the audience. Even though RTÉ is a leader in Ireland, for both TV and radio in terms of market-share (all channels and platforms combined), the past 6 years show a decline in all types of audiences. Most of RTÉ’s audience is over 45 years old, and RTÉ has a low reach among children and young audiences.

Once RTÉ is clear about its vision, we suggest developing a strategy and organization in the right sequence and order: first audiences and target groups, then services/brands, and last, organization (for further details, see the suggestions in the sub-chapter *Quality of organization*). In other words, the first step is to define the audience needs.

OFFER AND SERVICES

RTÉ plays a crucial role in the Irish media landscape and supports the Irish creative industry (a significant proportion of indigenous production is commissioned by RTÉ). Despite financial issues (see below), RTÉ has succeeded in producing and delivering an impressive amount of high-quality programmes. RTÉ's offer is broad, and mainly channel-oriented, with the exception of News. RTÉ News and Current Affairs seem to be at the heart of RTÉ's identity and reputation, however at the expense of other content genres. As a result, RTÉ's offer suffers from a lack of focus; it is very fragmented, with too many services and platforms, and too many programmes.

RTÉ remains in a leading position in terms of audience and market-share, despite the downward trend. RTÉ is at a turning point: in a world of increased global competition, editorial and technical quality of content is no longer sufficient. Content needs to be attractive, representative of a society's concerns and culture(s), of its expectations and consumption habits. In response to the challenge, RTÉ is in the process of developing a new content strategy that will need to be aligned with the corporate vision and the "One RTÉ" approach.

This implies specific knowledge and understanding of the (existing and potential) audience in all of its diversity and complexity (see above), adjusting the content/programmes offer accordingly, being creative and innovative, but also renewing internal and external (independent producers for instance) talents.

RTÉ offers 25 services, among which 4 television channels and 9 radio stations. We suggest that RTÉ review the identities of these channels/stations to ensure their relevance, in general and against their targeted audience, their market share, and against RTÉ's vision, mission, and strategy for 2018-2022. The same critical exercise should be undertaken for all RTÉ's services. RTÉ needs a portfolio of brands that complement each other in terms of targets, positioning, and schedule. We suggest that RTÉ reduce the number of services to concentrate on the ones which are the most successful and representative of their offer, which should be consistent and complementary, and satisfy the needs of a diverse audience base.

RTÉ needs to rethink its offer for children and the younger generation. Young audiences no longer consume content in the same manner as their parents. The younger generation uses mobile devices, switching easily from one content to another, and from one platform to another, selecting their content spontaneously. RTÉ should think outside-the-box and even assess the legitimacy of a television channel for children as opposed to a dedicated Player for instance (with content libraries, replays, special short and interactive formats, games, etc.).

RTÉ has developed successful online services that respond to a need in addition to meeting the requirements of their public service mandate, such as the RTÉ Player (in the process of being totally rebuilt) and RTÉ online archive platform. They are great illustrations of RTÉ's ability to offer new types of content and new ways for its consumption. And this is where innovation is important: RTÉ needs to think differently and be free of the mind-set of its traditional content offer. We suggest – among other things (see chapter on *Innovation*) – that RTÉ develop a multiplatform innovation team (or several), including people from Technology,

to work on new formats, different modes of interaction with the audience, new types of content, cross-media projects, etc. Innovation is a key element which RTÉ should fully support. It should develop an innovation strategy aligned with its vision and corporate strategy, with defined objectives and processes, and in collaboration with audience research, content producers, technology staff, and all relevant internal and external stakeholders.

Innovation implies “trying”; not everything will prove successful, but that is alright. A “no failure” attitude may sometimes be useful (e.g. in keeping high editorial standards in news), but in trying new content and approaches, it can impede progress.

AUDIENCE NEEDS

RTÉ has implemented a wide range of tools for audience measurement, both internal and external, and quantitative as well as qualitative. RTÉ's Self-Assessment Report highlights the “very significant use” of this data within strategic and editorial decision-making processes, as well as its use by RTÉ's commercial division and marketing teams for brand positioning. Nonetheless, audience research is not used systematically, or sufficiently early, for the conception and development of new programmes.

The data collected is not specific enough to understand the needs and expectations of the Irish population in all its diversity. Most of the criteria relate to age, location, income level and do not take enough account of elements such as ethnic origin, gender, personal and social interests and concerns, nor do they consider the multiple ways to consume media content. RTÉ needs to rethink “Audience Research” and use all of the tools at its disposal (especially audience panels, but also data from the various RTÉ social media pages that is currently largely disregarded) to develop a detailed knowledge of all audiences (not just the loyal ones). This is key to success, as it will provide solid grounds to:

- Set priorities within the portfolio and develop new formats;
- Build a relationship with fragmenting audiences;
- Develop more and more customised services across platforms.

RTÉ took a step in this direction in 2015 with “an innovative research approach on social themes, that was designed to help identify not only topics/themes of importance to the Irish public, but also develop an understanding of the sociological and cultural underpinning to such issues.” RTÉ won 2 awards for this research. Unfortunately, it has not exploited the results of the research, for instance to prioritise impactful content.

STRUCTURE

RTÉ is currently structured according to a segmented (as opposed to integrated) vision of its activities, reflected in the fragmentation of its offer. The structure separates content production based on platform (television, radio, and digital), with the exception of News and Current Affairs, which is an independent business unit, though without a fully integrated newsroom or a formal “digital first” strategy. This structure favours a silo-based environment, meaning there is a lack of cooperation and synergy between business units, unnecessary overlapping, and little sharing of experience. This, in turn, does not encourage innovation and common/cross-media project development.

RTÉ's general management presented the first draft for a new structure in March 2017. The new structure aims at “breaking” the segmented vision of content by proposing a single configuration for all programmes, whatever the platform, under the “One RTÉ” approach, despite there being no cross-media strategy or

cross-media processes in place. However, the new structure has not yet been set out in further detail, and will not be implemented before October 2017.

This is a turning point for RTÉ's organization that reflects an evolving media landscape and should allow RTÉ to better satisfy the needs and expectations of its audiences. We have some suggestions regarding the new structure to ensure its successful implementation:

- The new structure should reflect the vision and strategy for the next 5 years. Therefore, we recommend RTÉ wait until the vision and strategy are clearly defined before developing the new structure further. Members of top management must be aligned and work together to define the strategy.
- If content and audience are at the heart of everything, whatever the platform, then the new structure should be built around content, to fully support content development and production.
- Adhering to the "*One RTÉ*" approach, it is important that divisional sublevels do not reproduce the same silo-based culture that was prevalent in the former structure. In other words, within the "Content" unit there should not be separate departments dedicated solely to radio, television and digital.
- The new structure keeps "News and Current Affairs" separate from the rest of content production. We understand the key role of News and Current Affairs, as well as the need for a separate unit, as it has its own editorial rules and processes. However, RTÉ needs to structure the new News and Current Affairs unit according to a clear "Digital First" strategy, and fully achieve the integration of the Newsroom. This will require a deep change to working processes and mindset.
- The "*One RTÉ*" approach fosters a fundamental change in the way the organization works. It requires a deep review of existing processes relating to content (programming, development, production, purchasing, promotion, audience research input, quality control, etc.) in order to ensure efficiency, encourage cooperation, and avoid overlap.
- The current challenge for RTÉ's general management is to define and map out the new structure in detail. Once completed, the next challenge is its successful implementation. Internal communication is a key element in this respect, and the transformation should be supported by a strong training plan and change management policy. We suggest that RTÉ carefully study how other EBU Members have handled similar changes, and learn from their experiences.

INTERNAL CULTURE

RTÉ's staff are proud to work for the public service media organization, however there is no common "*One RTÉ*" identity beyond this. The internal culture reflects the fragmented organizational structure. People are split into small communities built around units/platforms/programmes. As a result, content makers often value their own work over corporate objectives. This, coupled with years of budget cuts, has generated feelings of frustration, and to some extent, mistrust between departments.

The collective work realised for the Irish Centenary celebrations in 2016 strongly contrasted with the everyday culture. RTÉ's staff took inspiration from working together and sharing knowledge. RTÉ should build on this experience to concretely develop a "*One RTÉ*" approach. The Technology department can serve as a role model: the way it works with the various platforms and units to define their needs and provide tailor-made solutions is exemplary.

Involving staff in the discussions on the re-shaping of RTÉ (through workgroups for instance), listening to their ideas and concerns, would help relieve pressure and uncertainty and encourage staff to genuinely engage with positive announcements. It would help ensure that change is not felt as being imposed top down, or solely implemented to save money rather than to foster creativity and innovation.

A new culture must be established. Boundaries have to be broken down. The first step is to develop regular, direct (and not via emails or videos), and open communication between the top management, namely the Director General, and the rest of RTÉ. When staff feel their concerns are heard on a regular and inconspicuous basis, tensions will ease and trust will be enhanced. Furthermore, we strongly suggest that RTÉ develop a proper change management strategy to bridge the gap between the announcement of its vision and its implementation over the years, as well as to prepare and accompany the staff through the anticipated changes.

FUNDING

A large part of the restrictions and challenges for RTÉ originates in its uncertain funding situation. 54% of RTÉ's 2017 budget comes from public funding, through a licence fee system which does not provide RTÉ with sufficient financial stability and a clear projection from one year to the next. On top of a high degree of licence fee evasion, the final share (of the licence fee) attributed to RTÉ depends on political priorities. (The amount is decided by the Minister for Communications, and in the case of the 5-year review, voted by the Parliament.) As a result, the licence fee has not increased in the last 9 years, nor has it been indexed to inflation. During the same period, RTÉ has suffered from the downfall in the advertising market. Commercial and public funding combined, RTÉ has lost €79 million, compared to projections, over the last 5 years. RTÉ had to implement severe austerity measures that have affected all parts of operations, have limited the influx of new talent, and reduced the capacity of RTÉ to invest in new technologies.

The funding challenge seems in large part beyond RTÉ's control, which means that a degree of ongoing uncertainty is inevitable. RTÉ has proved able to survive uncertain and difficult times. The challenge is to go beyond maintaining the status quo, and to thrive and to take risks and build on successes, to offer a real public service that reflects and inspires all Ireland. RTÉ has the people and the passion to make this happen. And RTÉ is not limited in terms of the commercial revenue it can generate (in fact it has an obligation to generate commercial revenue). However, adequate and stable funding through the reform of the current licence fee system is a prerequisite for an adequate execution of the remit in the future. Lobbying the Parliament and authorities (principally the Minister for Communications) to reform the current licence fee system is essential.

RTÉ could gain more leverage from engaging with potential partners within the Irish society (for example unions, the creative community, and other organizations of the civil society) along the following political message:

1. We defend the identity of Ireland, we contribute to a sound democratic society and we provide the platform for the necessary debate on society issues among the Irish citizens.
2. In order to fulfil our remit we ourselves are doing everything necessary to make ends meet and to get by with the money at our disposal: RTÉ is currently restructuring.

3. On its side, the government should fulfil its obligations and guarantee the sustainable funding of a more efficient RTÉ, as well as the independence of its governance structure.

In 2017, commercial revenue represents 46% of RTÉ income, of which 77% comes from advertising and sponsorship. A more detailed analysis shows that television attracts 76% of advertising and sponsorship, whereas online/digital only 6%. There is room for improvement: according to EBU figures, online advertising in Ireland (all media organizations combined) represented €338 million in 2016, more than television (€325 million) and as much as newspapers and magazines. Although Google and Facebook have absorbed most of the online advertising (representing over 75% of total digital revenues in the Irish market), there is room for RTÉ in this market, especially relating to VoD pre-, mid- and post-roll advertising. This segment saw a 90% increase from 2015 to 2016. We therefore suggest that RTÉ develop a strategy more aimed at the online advertising market.

RTÉ has developed services and content – such as archives, sports rights – that deliver some commercial income when they are used/rented/licensed to commercial organizations. This offers another way to increase its commercial income and RTÉ should go further in that direction.



ACTION PLAN

We suggest that RTÉ concentrate on the following areas:

1. **Vision**

Develop, with the participation of staff, a shared and clearly communicated vision for the future of RTÉ. The “*One RTÉ*” approach offers a strong motto.

2. **Strategy**

Based on this vision, develop a strategy that concentrates on audiences and content: first, audience needs and target groups, then services and brands, and finally, an organization to match the new strategy.

3. **Audience Needs**

Rethink audience research in order to obtain more specific knowledge and understanding of existing and potential audiences. Take into account elements such as ethnic origin, gender, personal and social interests and concerns.

4. **Offer and Services**

Build a new, more focused content strategy based on a portfolio of brands that complement each other in terms of targets, positioning and schedule. Reduce the number of services and concentrate on the ones that are the most successful and the most representative. Apply the “Fewer, Bigger Better” approach. Create new focuses on children and the younger generation.

5. **Structure**

Implement a new organization around audiences and brands, building on the vision and strategy. Organize all contents, whatever the platform, under the “*One RTÉ*” approach to fully support content development and production and to enhance cooperation and synergies between business units.

6. **Internal Culture**

Reconsider project management to bridge the gap between announcing the new vision and its realization over the years. Go for a strong training plan and change management policy. Build on the experience of the Irish Centenary celebrations of 2016 to concretely develop the “*One RTÉ*” approach, for example employing various multiplatform innovation teams. Rethink internal communications – namely between the DG and the rest of RTÉ – as a key element in this process.

7. **Funding**

Counter the weak funding situation with a more aggressive lobbying strategy. RTÉ should engage with potential partners in society along three political messages: (1) RTÉ is crucial for the democratic process in Ireland. (2) RTÉ is rebuilding itself by focusing its services and by restructuring its organization. (3) The government has the obligation to guarantee the sustainable funding of a smaller and more efficient RTÉ. Put external pressure on the government. On the revenue side, reconsider the online advertising market.

To be efficient this action plan needs a roadmap, a clear communication plan, and a five-year implementation plan, beginning now.