



Knowledge Network Corporation

SERVICE PLAN 2009/10 TO 2011/12



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# Message from the Board Chair to Minister Responsible

On behalf of the Board of Directors of Knowledge Network Corporation, I am pleased to present the Corporation's 2009/10 to 2011/12 Service Plan.



After a lengthy period of transition, **Knowledge** will embark on its first year as a fully transformed media service in 2009/10. This is significant as we can now develop **Knowledge** to its full potential.

In the previous fiscal year, strategic steps were taken to ensure **Knowledge** had a strong foundation from which to build. In July 2008, **Knowledge** was established as a Crown corporation by the provincial government, reflecting our importance to the social and cultural fabric of BC. In September, **Knowledge** received its first seven-year broadcast license from the Canadian Radio-television and Telecommunications Commission in over 10 years. Also in September, **Knowledge** re-launched as a 24/7, all-digital, re-branded media programming service, on television and the internet.

Digital conversion is key to our new strategic direction. It enables **Knowledge** to meet the growing demand for educational content on internet and mobile platforms, enabling the service to remain competitive. It also prepares **Knowledge** for federally mandated digital conversion in August 2011. Most importantly, it offers British Columbians new programming experiences along with greater accessibility.

We are greatly appreciative of the commitment and support received from the Minister of Advanced Education and Labour Market Development and his team at the Ministry throughout this demanding year.

The changes at **Knowledge** reflect our unique role in British Columbia, and our plans over the next three years build on our commitment. We have moved forward on three of our five strategic goals: Branding, Revenue Generation, and Team Recruitment and Development. We will now begin implementation of the remaining two of our five strategic goals: Expansion of Original Programming on Television and the Internet, and Expansion of Independent Production Partnerships. The degree to which we will engage in these activities is dependent on new funding.

In support of our strategic goals, **Knowledge** will launch a new interactive corporate website in 2009/10. Through wholesale transformation of our existing web properties, **Knowledge** will deliver digital content over the internet, and connect British Columbians to new resources and to each other. Utilizing the power of social networks we will reach new demographic cohorts.

There are many opportunities to build on our success. There are also significant risks that we have identified. The creation of Canadian digital content continues to be a challenge as the future of the Canadian Television Fund (CTF) is debated at the federal level. **Knowledge**, as part of the Association for Tele-Education in Canada (ATEC), will continue to champion equitable access to the CTF for British Columbia's independent production sector.

The current global financial crisis has the potential to negatively impact our charitable donations. It is still too early to predict how significant the impact may be. However, we are mitigating the risks by extending our on-air pledge campaigns and diversifying our donor base through relevant programming.

The 2009/10 to 2011/12 Knowledge Network Corporation Service Plan was prepared under the Board's direction in accordance with the Budget Transparency and Accountability Act and the BC Reporting Principles. The plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of the plan, including the selection of performance measures and targets.

All significant assumptions, policy decisions, and identified risks, as of January 2009, have been considered in preparing the plan. The performance measures presented are consistent with Knowledge Network Corporation's mandate and goals, and focus on aspects critical to the organization's performance. The performance targets in this plan have been determined based on an assessment of Knowledge Network Corporation's operating environment, forecast conditions, risk assessment, and past performance.

We are proud of the recent significant accomplishments of **Knowledge**, and look forward to new opportunities over the next three years. We are confident our stakeholders will find the new **Knowledge** to be transformative and inspiring, and that they will take what they discover and "pass it on" to their fellow British Columbians.

Yours truly,

A handwritten signature in black ink, appearing to read 'Dr. Ron Burnett', with a stylized flourish at the end.

Dr. Ron Burnett  
Chair, Knowledge Network Corporation Board of Directors

# Organizational Overview

Knowledge is British Columbia's public educational media service. Through television and the internet, we provide all British Columbians with a trusted alternative for the commercial-free exploration of life, connecting them to the world.

## Enabling Legislation

**Knowledge** is a Crown Corporation created in July 2008 under the Knowledge Network Corporation Act. The purpose of the Corporation, as outlined in the Act and the Shareholder's Letter of Expectations, is to:

- carry on the business of broadcasting and communications to provide unique, quality educational programming to British Columbians,
- promote lifelong learning in British Columbia by providing quality educational programming,
- inform and educate British Columbians about their province and about issues that are relevant to them,
- provide British Columbians with a unique television experience, and
- collaborate with the independent television and web media production sectors in British Columbia.

## Benefit to British Columbians

Engaged and informed citizens participate in the economic, social and cultural growth of the province.

**Knowledge** is a key destination for British Columbians to connect with information and resources that make a difference in their lives and communities. We do this by:

- offering a safe, trusted educational environment for young children, both on-air and online,
- researching, filtering, licensing, and packaging content from British Columbia, Canada, and around the world that supports lifelong learning,
- distributing commercial-free, educational digital content to all British Columbians through television and the internet, and
- supporting economic development through new independent productions in British Columbia.

## Values

Staff and management of **Knowledge** worked together to develop our five corporate values:

### Trust

We serve the public interest and deliver on our brand promise.

### Integrity

We work to the best of our abilities, engaging in principled decision-making and ensuring independence in programming.

### Respect

We demonstrate due regard for everyone and strive to reflect diverse points of view.

### Accountability

We are open, responsible and transparent in the conduct of our business.

### Quality

We strive for excellence in the selection, presentation and distribution of our programming and in our interactions with all those we serve.

## Principal Partners, Clients and Stakeholders

As a public educational media service, **Knowledge** serves all British Columbians. Our key stakeholders include the Government of British Columbia, our 26,000 Partners In Knowledge, the independent production community, and the Canadian Radio-television and Telecommunications Commission (CRTC).

## How We Deliver Services

**Knowledge** delivers educational content to British Columbians via television through mandatory carriage on cable and direct-to-home satellite services, and via the internet at Knowledge.ca and Knowledgekids.ca.

## Location

Knowledge Network Corporation is located at:  
4355 Mathissi Place  
Burnaby, British Columbia  
V5G 4S8

## Core Business Areas

Our core business areas are defined through our management structure below. Over the past year, **Knowledge** continued to restructure the organization in support of our strategic direction. In 2008, the Knowledge Network Corporation Act came into effect.

**As of January 2009, Knowledge had 47.8 full-time equivalent positions.**

<b>Minister of Advanced Education and Labour Market Development</b> Honourable Murray Coell						
<b>Board of Directors</b> Dr. Ron Burnett, Chair						
<b>President and Chief Executive Officer</b> Rudy Buttignol						
<b>Director of Finance</b> <b>Jeffrey Lee</b> Payroll, Facilities, Purchasing, Accounting	<b>Director of Human Resources</b> <b>Tracey Balogh</b> Recruitment and Training, Compensation, Employee Relations	<b>Creative Director</b> <b>Murray Battle</b> Programming and Presentation, Independent Production, Branding, Promotion	<b>Director of Business and Content Management</b> <b>Sarah MacDonald</b> Production Management, New Media, Media Partnerships, Business Affairs	<b>Director of Government and Public Relations</b> <b>Glenna Pollon</b> Government Affairs, Regula- tory, Research, Communica- tions	<b>Director of Development</b> <b>Claudia Steeves</b> Partners In Knowledge, Endowment Fund, Major Gifts	<b>Director of Broadcast Operations and Information Technology</b> <b>Oliver Eichel</b> Broadcast Operations, Corporate Technology, Engineering

# Governance

The corporate status of **Knowledge** is governed by the Knowledge Network Corporation Act of British Columbia.

The shareholder is the Province of British Columbia as represented by the Minister of Advanced Education and Labour Market Development. **Knowledge** holds two other designations that inform our organizational and business decisions:

1. **Knowledge** is licensed through the Canadian Radio-television and Telecommunications Commission (CRTC) to broadcast educational programming in British Columbia.
2. **Knowledge** is a registered charity, engaging in fundraising activities through our Partners In Knowledge program. Funds raised support the acquisition and production of educational and entertaining content from British Columbia and around the world.

## Board of Directors

The Board of Directors of **Knowledge** are appointed by the Lieutenant-Governor in Council. The Ministry is responsible for policy direction while the Board is responsible for operational policy and setting the strategic direction of the organization. The Board also monitors performance based on the Province's planning and reporting principles.

The Board delegates responsibility for the day-to-day leadership and management to the President and Chief Executive Officer. The Board has systems in place to ensure that their operations and decision-making processes are consistent with the Board Resource Development Office Guidelines. The Board's Best Practices resource document is almost complete and will be available on our website next year. Sections of our governance practices and Board biographies are available at [Knowledge.ca/whoweare/index.html](http://Knowledge.ca/whoweare/index.html).

As of January 2009, the Board of Directors at **Knowledge** are:

Dr. Ron Burnett (Chair)  
Nini Baird (Vice Chair)  
Beth Haddon (Secretary)  
Sinclair Mar  
Rick Buchols  
Patricia Sollars  
Dave Calder  
Mitchell Taylor

## Committees

There are three standing Committees that support the role of the Board in fulfilling its obligations and responsibilities.

### Audit Committee

The purpose of the Committee is to ensure that the audit process, financial reporting, budgets and risk management systems are reliable, efficient and effective. Members: Rick Buchols, Sinclair Mar, Mitchell Taylor

### Governance Committee

The purpose of the Committee is to ensure that **Knowledge** develops and implements governance objectives and policies. Members: Sinclair Mar, Patricia Sollars

### Strategic Planning Committee

The purpose of the Committee is to ensure **Knowledge's** strategic direction meets the public policy objectives identified in the Knowledge Network Corporation Act. Members: Nini Baird, Beth Haddon, Mitchell Taylor

## Strategic Context

As a federally licensed broadcaster and a provincially mandated public service, Knowledge operates in a very dynamic environment. Our strategic plans support both our federal and provincial commitments, and identify the opportunities and risks we face moving forward.

We have a number of strengths that will help us achieve our goals and fulfill our mandate. **Knowledge:**

- is consistently ranked No. 1 in weekly audience ratings for children's programming in British Columbia (BBM Nielsen Media Research Fall 2008),
- averages a 3% share for our primetime schedule (**Knowledge** ranked No. 5 out of over 200 conventional and specialty stations in the BC market in winter 2008, BBM Nielsen Media Research),
- has secured a seven-year broadcast license renewal from the CRTC and is in good standing with the Commission,
- operates using a state-of-the-art digital platform,
- maintains strong, productive relationships with the independent production community in British Columbia and Canada,
- has extensive experience in researching, licensing and packaging educational digital content,
- has dedicated staff with unique skills and expertise that support our strategic direction, and
- generates revenue through donations from 26,000 loyal Partners In Knowledge, our endowment fund, and media partnerships.



## Strategic Direction

**Knowledge's** mission is to provide a trusted alternative for the commercial-free exploration of life, connecting British Columbians to the world through television and the internet. We have five strategic goals that direct the organization's work in support of this mission.

**Knowledge** has moved forward on three of these strategic goals: Branding, Revenue Generation, and Team Recruitment and Development. We will now begin implementation of the remaining two goals: Expansion of Original Programming on Television and the Internet, and Expansion of Independent Production Partnerships. The degree to which we will engage in these activities is dependent on available funding.

Each year, the senior management team at **Knowledge** conducts a risk analysis process to determine the main factors that will affect our ability to achieve intended results. The following table outlines the primary risks, opportunities and mitigation strategies that we have identified.

## Risks, Opportunities and Mitigating Strategies

Area of Risk	Risk Factors and Sensitivities	Opportunity	Mitigating Strategies
<b>Canadian Television Fund</b>	The CTF represents a public/private partnership between broadcasters, including <b>Knowledge</b> , the CTF and the independent production sector. A proposed new funding formula may diminish our ability to access funding for independent production activity.	<b>Knowledge</b> can strengthen our relationships with BC's independent production sector. We are exploring new funding sources, and will continue to champion equitable access to the CTF.	<ol style="list-style-type: none"> <li>1. Ongoing dialogue with CRTC, Heritage Canada and the independent production sector.</li> <li>2. Participation in CRTC public hearings.</li> <li>3. As a member of the Association of Tele-Education in Canada (ATEC), collaborate with other educational broadcasters for the development of common positions and regulatory policy.</li> </ol>
<b>Revenue Generation</b>	Economic uncertainty may negatively impact charitable giving in BC.	<b>Knowledge</b> can diversify its donor base.	<ol style="list-style-type: none"> <li>1. Target a new donor base by engaging a younger demographic through relevant programming and interactive offerings.</li> </ol>
<b>Advanced Technology</b>	New technologies continue to fragment audiences and challenge traditional business models of broadcasting. To stay competitive, broadcasters must invest in new technologies.	<b>Knowledge</b> can diversify its audience base and program offerings by utilizing new technology to engage British Columbians.	<ol style="list-style-type: none"> <li>1. Create a stronger presence for <b>Knowledge</b> on the internet.</li> <li>2. Secure content rights for programming on the internet.</li> <li>3. Establish a timeframe for securing a high definition broadcast license.</li> <li>4. Utilize our new digital facility to provide broadcast distribution to third-party services. (i.e. other broadcasters)</li> </ol>
<b>Business Continuity</b>	A broadcast operations failure due to seismic acts or power interruption could impair our ability to distribute our broadcast signal as well as critical electronic data.	<b>Knowledge</b> can continue to improve efficiencies by investing in information technology.	<ol style="list-style-type: none"> <li>1. Develop a disaster recovery plan identifying the process, policies and procedures for restoring our media services, including regaining access to data, communications and other business processes.</li> </ol>

# Goals, Strategies, Measures and Targets

Our strategic plan is based on five key goals: Branding, Revenue Generation, Team Recruitment and Development, Independent Production Partnerships and Original Programming on Television and the Internet. Over the past 14 months, we have been implementing plans to support the first three goals.

The degree to which we will engage in our remaining two goals - Independent Production Partnerships and Original Programming on Television and the Internet - is dependent on available funding. We continue to initiate (prelicense) BC and Canadian independent productions. We also have recently initiated new commissions to BC independent producers that will air on **Knowledge** in 2010/11. The targets we have selected are feasible, as they match our expected funding to the cost of commissioning independent producers.

## Benchmarks

There are five public educational broadcasters in Canada - each operating under different business models based on their respective relationships with their provincial governments and the conditions of their broadcast licenses. Consequently, **Knowledge's** performance is benchmarked internally against past performance. We continue to explore opportunities to incorporate external benchmarks.

**Knowledge** has 10 performance measures supporting our five strategic goals. Using industry standard broadcast measurement tools (including audience ratings and broadcast inventory, scheduling and reporting software), we have now established internal benchmarks for all of our performance measures.

## Adjustments

We have adjusted our performance measure for goal number 4 - Independent Production Partnerships - to align it with our business model which includes expanding BC independent production partnerships. Our new measure, which is framed in terms of amounts leveraged, better reflects the unique role **Knowledge** plays within the independent production community in British Columbia. This measure includes digital content produced for the internet. Our strategy continues to focus on collaboration with independent television and web producers in British Columbia to develop, co-finance and produce original content.

### Previous Performance Measures and Targets for Goal #4

Performance Measures	Targets				
	2006/2007 Actuals	2007/2008 Forecast	2008/2009 Target	2009/2010 Target	2010/2011 Target
New Economic Independent Production Activity (Original Documentaries)	N/A	N/A	\$750,000	\$1.9M	\$2.55M
Amount Leveraged from Independent Production Activity (Original Documentaries)	N/A	N/A	\$563,063	\$1.46M	\$1.91M

### Revised Performance Measure and Target for Goal #4

Performance Measures	Targets				
	2007/2008 Actuals	2008/2009 Forecast	2009/2010 Target	2010/2011 Target	2011/2012 Target
Knowledge Funding + Other Co-funding Sources			\$1.00 + \$1.00 =	\$1.00 + \$1.07 =	\$1.00 + \$1.15 =
Economic Development Through New Independent Productions in BC	N/A	N/A	\$2.00	\$2.07	\$2.15

# Goal #1 Branding

## Importance Of Measures

The measures in this section focus on our success in connecting British Columbians to content that supports lifelong learning.

### Average Weekly Reach

We measure average weekly reach across our entire broadcast schedule for four broadcast seasons using data from BBM-Nielson Media Research, the national provider of TV, radio and consumer information. Average weekly reach is the unduplicated number of people aged two years or more viewing at least one minute of programming in British Columbia.<sup>1</sup> BBM-NMR's estimates are based on 95% confidence interval.

### Brand Awareness

We conduct research each spring using Ipsos Reid's BC Reid Express Omnibus Surveys to measure awareness of **Knowledge** in British Columbia.<sup>2</sup>

### Knowledge Web Usage

We measure **Knowledge** web usage in British Columbia each fiscal year using Google Analytics. We track visits or sessions to our website, defined as a period of interaction between a visitor's browser and a particular website, ending when the browser is closed or shut down.

## Strategy

1. Brand **Knowledge** as British Columbia's only independent, digital, commercial-free educational media service that reflects the province's diversity and supports the lifelong pursuit of knowledge.

Performance Measures <sup>1</sup>	Targets (Projections Based on 2006/2007 Actuals)					
	2006/2007 Actuals	2007/2008 Actuals	2008/2009 Forecast	2009/2010 Target	2010/2011 Target	2011/2012 Target
Average Weekly Reach Spring	1,114,000	1,213,000 7.8% <sup>3</sup>	1,159,560 4%	1,180,840 6%	1,203,120 8%	1,225,400 10%
Average Weekly Reach Summer	1,045,000	1,037,000 -1.7%	1,065,900 2%	1,086,800 4%	1,107,700 6%	1,128,600 8%
Average Weekly Reach Fall	1,190,000	1,221,000 1.6%	1,237,600 4%	1,261,400 6%	1,285,200 8%	1,309,000 10%
Average Weekly Reach Winter	1,186,000	1,220,000 1.8%	1,233,400 4%	1,257,160 6%	1,280,880 8%	1,304,600 10%

Performance Measures	Targets				
	2007/2008 Actuals	2008/2009 Forecast	2009/2010 Target	2010/2011 Target	2011/2012 Target
Percentage of British Columbians Aware of Knowledge as a Public Broadcaster	N/A	25%	30%	40%	50%
Knowledge Web Visits in British Columbia	580,000	585,000 1%	597,000 3%	609,000 5%	620,600 7%

<sup>1</sup> Targets are based on 2006/2007 actuals

<sup>2</sup> 2007/08 actual is based on Spring 2007 Knowledge Segmentation Study conducted by Ipsos Reid  
1,716 surveyed with margin of error of  $\pm 2.4\%$  (at 95% confidence level)

<sup>3</sup> Writer's Guild of America strike contributed to a significant increase in audience viewership for Knowledge in Spring 2007/2008

## Goal #2 Revenue Generation

### Importance Of Measures

The measures in this section focus on **Knowledge's** loyal and generous donor base as well as our new opportunity for media partnerships. Increasing our Partners In Knowledge donations will support the acquisition of programs from BC, Canada and around the world. Increased donations will also increase support for prelicensing of British Columbian and Canadian programming. **Knowledge's** access to large audiences across the province presents opportunities for organizations that have relevant information in the public interest. We will provide access to these audiences through media partnerships.

### Partners In Knowledge Donations

We measure this activity by tracking Partners In Knowledge gross revenues through our financial software system and donor database.

### Endowment Investment Revenue

Our measurement for investment revenue follows an investment strategy based on an average return of 4% going towards growing capital in the endowment and 4% going towards annual programming needs.

### Media Partnerships Revenue

We measure this activity annually by the revenue generated through schedule underwriting and sponsorship initiatives.

### Strategies

1. Build on charitable donations from Partners In Knowledge.
2. Build on an endowment fund to support long-term revenue growth.
3. Establish media partnerships by offering the network's airtime, in exchange for revenue or in-kind consideration, for public service-oriented campaigns such as tourism and public health issues.

Performance Measures	Targets				
	2007/2008 Actuals	2008/2009 Forecast	2009/2010 Target	2010/2011 Target	2011/2012 Target
Partners In Knowledge Donations	\$2.17M	\$2.15M	\$2.2M	\$2.25M	\$2.30M
Endowment Investment Revenue	\$15,000	\$20,000	\$25,000	\$30,000	\$35,000
Media Partnerships Revenue	N/A	\$100,000	\$125,000	\$150,000	\$175,000

## Goal #3 Team Recruitment and Development

### Importance Of Measure

**Knowledge** is committed to the training, professional development and performance management of staff. We provide an environment that fosters individual contribution and growth in the achievement of the corporation's goals and objectives.

### Percentage of Staff Participating in Training and/or Development Opportunities

We measure this activity by tracking the percentage of staff who participated in training and development opportunities annually in support of our goals.

### Strategy

Recruit and develop a team with the necessary skills to provide a trusted alternative for the commercial-free exploration of life, connecting British Columbians to the world through television and the internet.

Performance Measures	Targets				
	2007/2008 Actuals	2008/2009 Forecast	2009/2010 Target	2010/2011 Target	2011/2012 Target
Percentage of Staff Participating in Training and/or Development Opportunities in Support of Knowledge Goals	33%	50%	75%	100%	100%

## Goal #4 Independent Production Partnerships

### Importance Of Measure

This measure focuses on the unique role **Knowledge** plays within British Columbia's independent production community. As a distinguished contributor of BC-generated digital content, **Knowledge** supports economic development through new independent production partnerships in British Columbia.

### Leveraging Factor

Our measure for this activity is framed in terms of amounts leveraged: **Knowledge** funding + other co-funding sources = economic development through new independent productions in BC. For example, in 2009/10, every \$1 of **Knowledge** funding will leverage \$1 in funding from other sources, resulting in \$2 of economic development through new independent productions in BC.

### Strategy

Collaborate with independent television and web producers in BC to develop, co-finance and produce original content.

Performance Measures	Targets				
	2007/2008 Actuals	2008/2009 Forecast	2009/2010 Target	2010/2011 Target	2011/2012 Target
Knowledge Funding + Other Co-funding Sources			\$1.00 + \$1.00 =	\$1.00 + \$1.07 =	\$1.00 + \$1.15 =
Economic Development Through New Independent Productions in BC	N/A	N/A	\$2.00	\$2.07	\$2.15

## Goal #5 Original Programming on Television and the Internet

### Importance Of Measures

The measures in this section focus on our commitment to providing British Columbians with a unique television and internet experience. Increasing the number of new programs will nurture diversity of voices and provide content that is relevant and engaging. Increasing BC content will give British Columbians a window to their world—their communities, histories and cultures— while also providing a world view on current issues that are shaping our future. Working with independent partners, we plan to find new ways of reaching existing audiences and connecting with new audiences through the internet.

### Number of New Program Hours

We measure the number of new program hours annually using customized reports generated from our broadcast inventory software. Long-form programs, fifteen minutes or more, will be measured during the 6 p.m. to midnight viewing period.

### Percentage of Broadcast Schedule that Contains BC Content

We measure BC content annually using customized reports generated from our broadcast inventory software, during the 6 p.m. to midnight viewing period.

### Strategies

1. Create new children's characters to enhance the daily connections **Knowledge** makes with young children and their parents, while promoting diversity and early childhood learning.
2. Create a live weeknight arts and culture program that reflects local, regional and international issues that are relevant to British Columbians.
3. Expand internet content by developing new corporate and Partner In Knowledge websites, to engage new audiences and donors.

Performance Measures	Targets				
	2007/2008 Actuals	2008/2009 Forecast	2009/2010 Target	2010/2011 Target	2011/2012 Target
Number of New Program Hours (Broadcast Annually)	779	815	850	885	920
Percentage of Broadcast Schedule that Contains BC Content (6pm to Midnight) <sup>1</sup>	16%	12%	13%	14%	15%

<sup>1</sup> 2007/08 Actuals include BC content from our discontinued in-house production model. Our new business model supports the generation of BC content through commissions. Due to the time required to commission new content to delivery of the final product, we anticipate airing less BC content in 2008/09. The targets for this performance measure are also tied to available funds.

# Shareholder's Letter Of Expectations

Below are the specific directions outlined in the Shareholder's Letter of Expectations and our plans moving forward.

Specific Direction To The Corporation	Knowledge Action Plans
Carry on with making the <b>Knowledge</b> brand clear and memorable as the province's only independent, digital, commercial-free educational media service that reflects British Columbia's diversity and multiculturalism and supports the lifelong pursuit of knowledge.	<p>Increase content on television and internet with a unique emphasis on BC and its world view.</p> <p>Build on our new schedule architecture and branded strands to grow diverse audiences in BC.</p> <p>Continue to build on new corporate branding, specifically the "Knowledge: Pass It On" campaign.</p>
Carry further <b>Knowledge</b> 's recent successes at increasing self-generated revenue by establishing media partnerships with public and private sector organizations and enterprises, and by increasing individual philanthropic donations through expanding the memberships of Partners In Knowledge.	<p>Target a new donor base by engaging a younger demographic through relevant programming and interactive offerings.</p> <p>Continue to grow our endowment fund, supporting long-term revenue growth through strategic fund development activities.</p> <p>Continue partnership with Western Media Group, a BC-based advertising agency, to generate revenue through media partnerships.</p>
Continue staff development activities to sustain a team with the skills to work effectively in a digital environment and to engage the independent production sector in collaborations that will provide British Columbians with a unique television experience.	Continue to offer <b>Knowledge</b> employees training opportunities to improve their skills and adapt to the changing media environment.
Collaborate with British Columbia's independent television and internet-content production sector through public-private partnerships.	Engage BC's independent production sector, through commissions and prelicenses, to develop content that is meaningful and relevant to British Columbians.
Initiate a major expansion of original local and regional television and internet programming that informs and educates British Columbians about their province and engages them in daily issues relevant to their lives.	Expand regional content on television and the internet, with a unique focus on BC's diverse arts and cultures.
<p>Include in television and/or internet programming content that reflects:</p> <ul style="list-style-type: none"> <li>the spirit of Act Now BC;</li> </ul>	<p>Continue to acquire content for television and the internet that educates children and adults on healthy living.</p> <p>Engage in media partnerships with organizations that have public interest campaigns supporting healthy lifestyles.</p>
<ul style="list-style-type: none"> <li>BC's role as the gateway between Canada and the Asia Pacific;</li> </ul>	Strengthen our East Is East branded strand, acquiring content from the Asia Pacific region.
<ul style="list-style-type: none"> <li>the promotion of literacy, including early learning initiatives and adult literacy;</li> </ul>	<p>Through Knowledge Kids, including our new characters Luna, Chip and Inkie, continue to acquire content that supports cognitive, social, emotional, and creative development in young children.</p> <p>By showcasing documentaries that reflect local, regional and international issues, <b>Knowledge</b> will continue to engage British Columbians on issues relevant to them.</p>



Specific Direction To The Corporation	Knowledge Action Plans
<ul style="list-style-type: none"> <li>Aboriginal communities, culture and issues;</li> </ul>	<p>Support aboriginal filmmakers in BC and Canada through prelicenses, commissions and acquisitions.</p>
<ul style="list-style-type: none"> <li>Climate change awareness and education on ways to preserve the planet for future generations;</li> </ul>	<p>As a commercial-free broadcaster with must-carry status in BC on cable and direct-to-home satellite, <b>Knowledge</b> uses its airwaves to educate British Columbians on climate change and sustainability. We will do this in two ways:</p> <ul style="list-style-type: none"> <li>through compelling and informative documentaries on environmental issues;</li> <li>through media partnerships that broadcast messages in the public interest to encourage British Columbians to make positive changes in their lives</li> </ul> <p><b>Knowledge</b> is aware of our obligations and has developed a Climate Change Action Plan, focusing on two key activities:</p> <ol style="list-style-type: none"> <li>1) indirect emissions from office paper purchases - we are planning to reduce office paper usage over the next three years, and will be purchasing paper that has a higher percentage of recycled material.</li> <li>2) procurement - we are updating our procurement processes to ensure energy-efficient protocols are in place for purchased goods and services.</li> </ol> <p>As a new Crown Corporation, <b>Knowledge</b> will continue to find new ways to reduce our carbon footprint on our environment. Updates to our plans will be posted on our website.</p>
<ul style="list-style-type: none"> <li>The experiences and interests of all age groups including young children, youth and seniors; and</li> </ul>	<p>Our broadcast schedule architecture consists of:</p> <ul style="list-style-type: none"> <li>Knowledge Kids: all day every day</li> <li>Family Time: early evening every evening</li> <li>Arts and Culture: all night every night</li> </ul> <p>We provide programming for everyone at some point in time during our 24 hour schedule.</p>
<ul style="list-style-type: none"> <li>The 2010 Olympic and Paralympic Winter Games.</li> </ul>	<p>Picture BC, developed in partnership with the UBCM and the Ministry of Tourism, Culture and the Arts, will be a great resource to support tourism during the Olympics.</p> <p>Media partnerships may be another opportunity where <b>Knowledge</b> can inform and educate British Columbians about the 2010 Games.</p> <p><b>Knowledge</b> continues to offer support to the 2010 Games; however, like other Canadian media companies, <b>Knowledge</b> is restricted by the exclusive broadcast and internet licenses granted to CTV Globemedia.</p>
<p>Where appropriate, work with the public education system to facilitate the production and coordination of educational programming.</p>	<p><b>Knowledge</b> continues to meet with representatives of BC's post-secondary system to discuss working together to support lifelong learning.</p>

## Key Assumptions and Financial Risks

Knowledge operates on a commercial-free basis, funded through a provincial grant combined with self-generated revenue. The largest portion of our revenue is provided through our grant from the Ministry of Advanced Education and Labour Market Development, with Partners In Knowledge donations and media partnerships revenue contributing to one-third of our overall budget.

In 2008/09, **Knowledge** completed three significant activities reflected in our Summary Financial Outlook:

1. Restructuring business operations, including a 25% staff reduction
2. Building transfer of 4355 Mathissi Place to BCIT, with a tenant agreement in place
3. Completion of \$2.7M digital conversion

**Knowledge** has submitted a revised Strategic Plan that focuses on our two remaining strategic goals: Expansion of Independent Production Partnerships and Expansion of Original Content on Television and the Internet. Our financial outlook does not include these new activities, as **Knowledge** may face challenges in fully implementing all strategic goals due to the availability of funding. **Knowledge** management has identified revenue generation as a key risk over the next three years.

The current global financial crisis may negatively impact charitable giving in British Columbia, as well as our ability to sell airtime to organizations with messages in the public interest. It is still too early for us to determine how significant this risk may be. We have identified mitigation strategies to minimize the impact on our business operations during this challenging period.

### Future Financial Outlook

Our strategic direction is based on new business opportunities and partnerships to support the creation of BC-generated digital content for television and the internet. This includes expanding our donor base through Partners In Knowledge and our endowment fund, and growing our media partnerships base. Changes to **Knowledge**'s business model have placed us in a stronger position to weather the current financial crisis. Close attention is being paid to the trends in our industry as well as to our business areas that generate revenue. We will have more information available in April 2009 to determine the extent of the impact on our overall budget.

### Subsidiary/Operating Segment Summary Information

Knowledge-West Communications Corporation (KWCC) was incorporated in 1981 and is wholly owned by Knowledge Network Corporation. KWCC has been inactive since 1990, and will be wound-up by March 2009.

# Financial Summary

		2007/2008 Actuals	2008/2009 (Forecast)	2009/2010 (Budget)	2010/2011 (Forecast)	2011/2012 (Forecast)
Operating Grants	Note (1)	7,904,604	7,716,499	6,409,506	6,504,466	6,600,000
Capital Grant		1,664,703	1,230,297	0	0	0
Partners In Knowledge and Corporate Donations		2,197,271	2,300,000	2,200,000	2,250,000	2,300,000
Partners In Production Funding	Note (2)	293,139	104,000	0	0	0
Royalties, Sale of Broadcast Rights		88,038	50,000	50,000	50,000	50,000
Deferred Revenue (or Work in Progress)		(165,464)	502,027	0	0	0
Deferred Contribution for Depreciation		85,203	469,468	0	0	0
Miscellaneous Revenue	Note (3)	928,745	1,015,290	40,000	40,000	40,000
Schedule Underwriting & Airtime		0	200,000	125,000	150,000	175,000
<b>Total Revenue</b>		<b>12,996,239</b>	<b>13,587,581</b>	<b>8,824,506</b>	<b>8,994,466</b>	<b>9,165,000</b>
Arts & Culture Live	Note (4)	0	0	tbd	tbd	tbd
Web-Originated Content	Note (5)	0	0	0	0	0
Branding		0	507,500	100,000	50,000	50,000
Acquired Content		1,345,377	2,709,182	1,080,506	1,300,466	1,471,000
Original Content		1,738,116	1,117,623	950,000	950,000	950,000
Business & Content Management	Note (3)	1,049,141	1,867,047	738,000	738,000	738,000
Revenue Development		933,763	1,106,799	1,119,000	1,119,000	1,119,000
General Manager's Office		37,673	0	0	0	0
Programming and Presentation		985,863	947,324	955,000	955,000	955,000
Gov't Relations, Research, & Communications		550,676	471,061	485,000	485,000	485,000
Broadcast Operations & IT		1,863,333	1,719,608	1,971,000	1,971,000	1,971,000
President's Office and Board		325,055	318,959	323,500	323,500	323,500
HR, Finance & Facilities		1,111,420	1,041,713	1,046,500	1,046,500	1,046,500
Depreciation		160,203	394,468	0	0	0
Transition & Other	Note (6)	1,095,844	6,000	6,000	6,000	6,000
<b>Total Expenses</b>		<b>11,196,465</b>	<b>12,207,284</b>	<b>8,774,506</b>	<b>8,944,466</b>	<b>9,115,000</b>
<b>Total Net Income or (Deficit)</b>		<b>1,799,774</b>	<b>1,380,297</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>
<b>Total Debt</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Retained Earnings (or Fund Balance)</b>		<b>1,080,000</b>	<b>1,080,000</b>	<b>1,080,000</b>	<b>1,080,000</b>	<b>1,080,000</b>
Capital Expenditures	Note (7)	1,799,997	1,380,297	50,000	50,000	50,000
Budgeted Full-Time Equivalent Positions		57.4	47.8	44.1	46.1	46.1

## Notes:

- (1) 2008/2009 one-time additional \$1.4 million. 2009/2010 and onward assume \$6 million operating grant plus negotiated framework funding.
- (2) This activity will be discontinued after 2008/2009.
- (3) Includes PictureBC revenues and expenditures.
- (4) Implementation of these goals will be challenging due to the availability of financial resources.
- (5) Web-Originated Content now included in Original Content.
- (6) 2007/2008 results include re-alignment of costs in support of strategic goals.
- (7) Capital expenditures relate to digital upgrade of our broadcast plant.

## Knowledge:

### Contact Information

More information about **Knowledge** is available at:

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