



## **MEDIA STATEMENT**

### **THE SABC LAUNCHES ITS TARGET OPERATING MODEL**

**Johannesburg, Thursday, 11 June 2020** - The South African Broadcasting Corporation (SABC), has launched its new Target Operating Model and commenced consultations with key internal and external stakeholders. The new model has been developed in response to new business requirements and market conditions, compliance with the National Treasury's Bailout Preconditions, as well as the need to effectively implement the approved Turnaround Strategy. This strategic renewal initiative is aimed at overhauling the SABC into a fit-for-purpose public broadcasting service that is financially sustainable, self-sufficient and appropriately capacitated to execute its mandate effectively.

The SABC's operations have been severely impacted by the ongoing economic downturn, ever-changing consumer needs and content consumption patterns as well as rapid technological advancements. The COVID-19 pandemic has now added further complexity and has accelerated the need for the Corporation to act with urgency in ensuring that crucial business fundamentals are preserved as the trading environment continues deteriorate.

The newly-developed target operating model enables the SABC to reinvent itself, review its business model and revenue portfolio, and to holistically reassess its input costs as well its resource capacity. This is to ensure alignment between the public broadcaster's operational responsibilities and its sustainability imperatives. The model further provides an ideal business template to create and support the long-term viability of the SABC.

Once implemented, the target operating model will give the Corporation essential capacity to fulfil audience needs and preferences, meet market demands in a more competitive and efficient manner, whilst allowing for flexibility to respond timeously to perpetual dynamics in business environment. It addresses all critical elements that are key to achieving public mandate obligations and attaining strategic goals. Furthermore, the target operating model will be used as the foundation to develop optimal, fit-for-purpose organisational structures for various operations of the Corporation. Accordingly, the outcome of the skills audit process that is under way, will be used to assist and support decision-making in the matching of skills to tasks and in guiding training and development interventions.

The SABC has started engagements with employees, labour representatives and other key stakeholders, outlining the unavoidable and urgent need for this strategic renewal initiative. The Corporation's Group Chief Executive Officer, Mr Madoda Mxakwe, says, "We fully acknowledge that this is a journey that requires level-headedness, collective consideration and cooperation. This process is aimed solely at ensuring the long-term existence of a resilient and sustainable public broadcaster that will continue to comprehensively and diligently serve millions of South Africans who rely on it for education, information and entertainment. We have an obligation to re-create an SABC that will outlive us, an SABC that will survive another 84 years and serve several generations to come."

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