

BIRMINGHAM AREA CABLE BOARD

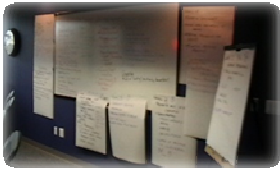


Strategic Planning Session: Birmingham Area Cable Board

November 4, 2009



intellitrends
intelligence. insight. impact.



Strategic Planning 2009

BIRMINGHAM AREA CABLE BOARD

BACB Strategic Planning Session November 4, 2009

Overview

On November 4, 2009 the Birmingham Area Cable Board (BACB) participated in an all day Strategic Planning session facilitated by Intellitrends (Clarkston, MI). The purpose of the session was to explore, and refocus the role of the BACB for the next 5 years. The output from the session was to: 1.) Re-focus and refine the *updated* role of the BACB and 2.) Create a plan with short and long-term goals that would support this new vision.

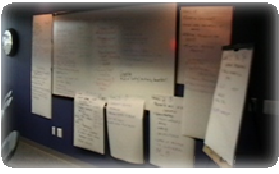
The focus and intent of the meeting was announced to the public via the BACB website which also allowed the public to provide feedback. This invitation was open for three to four months prior to the meeting. To date, no comments have been received from the public. It was felt that this may indicate a lot of uncertainty going forward.

BACB Participants

Those BACB Board Members participating in the Strategic Planning session were:

Present:

1. **Bob Borgon:** Has been with BACB for 16 years. He is currently the Executive Director (1 year), but spent 8 years as the Chairperson is the sole employee of BACB.
2. **John Decker:** A Board Member for the past 5 years. Professional Focus: Attorney
3. **Lew Eads:** A Board member for the past 18 months. Professional Focus: Retired Marketing and Sales Consultant
4. **Jeffrey Heldt:** A Board member for 3½ years. Professional Focus: Attorney
5. **Dave Lurie:** A Board member for approximately 4 weeks. Professional Focus: Magazine Publishing (on-line/digital)
6. **Ken McFadden:** A Board member for 1 year. Professional Focus: Sales, publishing, sports, and aircraft
7. **Elaine McLain:** A Board member for 5 years currently serving as Chairperson. Professional Focus: Consumer Advocacy
8. **Gordon Thorsby:** A Board member since July 2009. Professional Focus: Technology Sales. Prior public service includes the City commission.



Strategic Planning 2009

BIRMINGHAM AREA CABLE BOARD

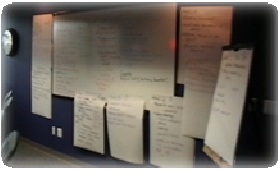
Current Situation

To begin the session, Board Member participants were each given the opportunity to describe their understanding of the current position and role of the BACB, the potential vision and what they wanted to achieve through the strategic planning session:

It was acknowledged by all that the cable industry has changed dramatically in the last 15 years; viewed internally by some as a “hodgepodge” or a collection of many communication options including Internet, mobile phones and other hand-held devices. For many years, BACB has been viewed as a primary leader and advocate for consumers in the quickly evolving cable industry, often receiving calls from multiple communities across the U.S. regarding their effectiveness and resulting successes. With the rapid explosion of communication technologies, coupled with increasing competitive offerings and shifting regulations for communication providers, BACB must now re-focus their role for continued long-term effectiveness.

Desired outcomes of the Strategic Planning Session:

- **To redefine BACB’s direction and/or commitment within their charter**
 - Redefine the inter-local agreement (ILA) with the municipalities
- **To develop a plan that is actionable**
 - Establish five focused goals that collectively support the BACB mission
 - Explore how BACB can address the changing technologies within their role
 - Develop a unified central plan with strategies, new mission statement, and an agreement from the members on the Board’s direction and how to get there
 - Define a new mission that acknowledges changing dynamics
- **To communicate “value” constituency**
 - Continue and improve the complaint resolution process
 - Distribution of PEG funds
 - Continue to proactively seek best ways to serve the public: 1) have these Boards or 2) go back to the public as an educating body
- **To more effectively communicate with providers**



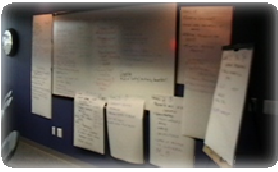
Environmental Scan: Dynamics Impacting the Role of the BACB

In order to focus future possibilities for the BACB, an initial *environmental scan* was completed; a comprehensive assessment of all dynamics that could positively or negatively impact BACB's current role or could provide opportunities for BACB to be more effective.



Government/Political

- Limitations on ILA (Inter-local agreement)
 - Complexity of decisions regarding revenue sharing
 - Uncertainty of length of revenue stream
 - Changing legislation and technology may diminish BACB's voice; BACB has limited authority
- No national organizations to look to support from: The national organizations are crumbling, they have no money to fund any longer
 - Uncertain role, future of NATOA
 - Fragmented/weak industry organizations
- The unknown future of the cable and communications industry with the state increasing their involvement
 - Conflicting legislation at both federal and state level
 - PA480
 - i. Has impacted the potential effectiveness of BACB
 - ii. Is contrary to the best interests of consumers
 - iii. Affects funding by taking away the individual community's ability to negotiate with providers
 - iv. Does not filter down to the consumers
- State government acting slow or being nonreactive to changing trends
 - Restrictive legislation at state level (ability to deal with complaints)
 - Lack of accountability of government to voters
 - Perceived bias toward service providers (no voice to debate with providers)



Strategic Planning 2009

BIRMINGHAM AREA CABLE BOARD



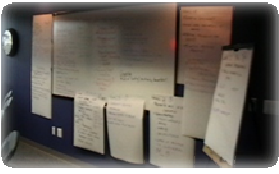
Economic

- Cable prices continue to increase as economy continues to stall
- Increased consumer awareness and concerns regarding price increases
- Impact on those with fixed incomes
- Distribution of BACB funds
 - Complexity of revenue distribution to communities (i.e., police, fire, schools, etc)
- Lack of effective competition



Social/Demographic

- Increasing importance of education but facing decreasing revenue streams (State budget cuts)
- Rapid evolution of technology
 - Ability of consumers to “keep up”
 - Older consumer getting farther behind technologically
- Pressuring demands on community budgets
 - Education (schools, school programming)
 - Public services (Police, fire, library, senior centers)
- Unique needs of key demographic segments (youth, seniors, unemployed)
 - Young people (i.e. teens to 30)
 - Exposure and acceptance of “reality TV” formats, increased desire to voice your opinions/free speech, diverse audiences
 - Desire for Community oriented programming?
 - Cynicism of government – How does this impact future government programming?
 - Young to Middle aged consumers (30-50)
 - Life-stage creates stronger connections to community
 - Strong desire for community oriented information (school athletics, community events, government)
 - Strong involvement/exposure to education (schools, athletics, scholarship programs, learning programs)
 - Middle to older aged consumers (50+)
 - Keeping up with changing technologies/changing providers
 - Minimal growth or fixed incomes against increasing prices
 - Increased complexity of choices



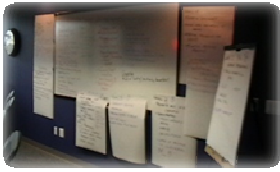
Technological

- Evolving access and delivery modes
 - Internet access news
 - Internet as a primary news/entertainment conduit
 - Hand-held devices
- Unknown road of technology?
 - Far more choices = complexity
 - Innovation (some groups gravitate towards change)
- Fragmented information/fragmented mediums/fragmented audiences
 - Too much information
 - Constantly changing information vehicles (YouTube, Twitter, Hulu, Social networks)



Competitive

- Potential loss of “surfing position” (primary mode that consumers find Channels 15 and 18 – 2006 Community Survey)
 - If absorbed under Comcast, Channels 15 and 18 could become 915 and 918 greatly decreasing their “surfing” viewers
 - U-verse relegates PEG to Channel 99 (outside the basic tier)
- Role of live streaming online?
 - How traditional delivery and live streaming can “co-exist” together
- Production facilities within school systems
 - Defining guidelines to provide grants for program production and equipment, while staying within the BACB mission



Strategic Planning 2009

BIRMINGHAM AREA CABLE BOARD

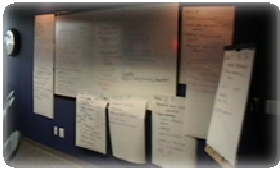
The NEW VISION FOR BACB

BACB's Founding Core Values:

1. Local cooperation (among the 4 communities) for the purpose of sharing resources
2. Advocacy for the citizens of the 4 communities in dealing with cable providers
 - In which areas? Managing the contract relationships.
3. Ensure access to community programming
4. Monitor revenues for effective utilization
5. Develop programming for two TV stations (government and community)
6. Provide PEG

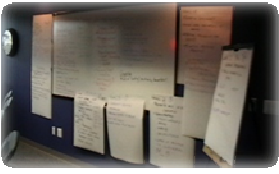
Ensuring Long-term Relevancy:

1. **Community Advocacy** – providing a voice of the community citizens
 - Problem resolution (with 2 providers) at a micro and macro level: Individual level and Government/Community level
 - Segments of citizens need a voice: 1) at the low end-elderly & low tech individuals; and 2) at the high end-HD and iPhone users
2. **PEG Advocacy**– reflect diversity / individuals
3. **Encourage Competition** – encourage an environment that would enable competitive providers to enter into 1 or 2 of the 4 communities.
 - Offer an Open Policy to ensure openness for consumer choice.
4. **Oversee and manage revenue stream** for the benefit of BACB and its communities; and be responsible for its use (good stewards)
 - Funding for those requests that fall within the Mission of the BACB



Revised Mission Statement for BACB





BACB Mission

It is the mission of the Board to advocate for the City of Birmingham and the Villages of Beverly Hills, Bingham Farms, and Franklin and their citizens in order to maximize the quality and value of services of cable and related communications providers and support the delivery of public, education and governmental programming.



Update the ILA (inter-local agreement)

Background:

The ILA is a contract between the four municipalities which allows for economies of scale; confers authority to the BACB to undertake the franchising simultaneously; gives rules for the use and access to channels; and sets the percentages of monies that goes to each community.

Overall, the goal of the ILA is to get the best cable service at the lowest cost.

The original ILA was written in 1982, and includes additional addendums, which were written in 1991 and 2001.

The ILA also allows for the BACB to accept other duties as assigned by the communities.

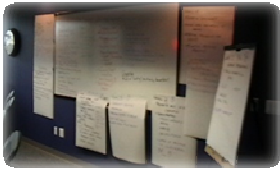
Strategies:

As allowable by “applicable law”, to broaden the scope of the inter-local agreement to include and expand on other communications beyond “cable only”:

- 1. Redefine to include inclusion of internet protocol; DSL; 3G/4G wireless; Broadband and applications for mobile devices**
- 2. Proactively communicate and educate the public on changes to the BACB role**

Next Steps:

- Meeting
- Agree upon items to be included
- Draft the document
- Present to Legal (Tim)
- Legal review
- Present to approving entities



BACB Mission

It is the mission of the Board to advocate for the City of Birmingham and the Villages of Beverly Hills, Bingham Farms, and Franklin and their citizens in order to maximize the quality and value of services of cable and related communications providers and support the delivery of public, education and governmental programming.



Continue to improve upon and streamline the complaint process

Background:

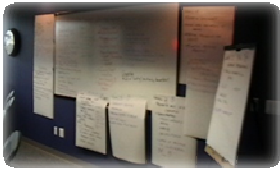
Consumers typically come to BACB when they feel that they are unable to get satisfactory resolution to problems with Comcast. Results from the 2006 Community Survey showed that problems with customer service, pricing and poor problem resolution for major issues for consumers. Complaints are more visible now because of recent technology and provider changes.

BACB is currently the second line of defense for a segment of consumers who are aware of BACB and its role with cable providers. Over the past two years, the complaint process has been improved with the average response time within approximately 24 hours.

Currently, the number of complaints, outstanding, and resolves are addressed with cable providers on a meeting by meeting basis.

Strategies:

1. **Update the 2006 Community Survey to measure the change in communications access (i.e., cable, satellite, Internet) as well as re-measure viewership of Channels 15 and 18 with emphasis on identifying opportunities to increase awareness for programming, production facilities and the role of the BACB**



BACB Mission

It is the mission of the Board to advocate for the City of Birmingham and the Villages of Beverly Hills, Bingham Farms, and Franklin and their citizens in order to maximize the quality and value of services of cable and related communications providers and support the delivery of public, education and governmental programming.



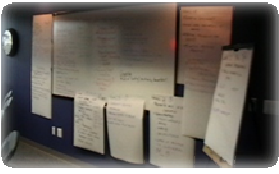
Communications Strategy for Promoting BACB

Background:

The current cable/telecommunications landscape has a plethora of options and choices for consumers. One element of acting as an advocate for the citizens is to provide them relevant, timely, and clear information regarding choices, impacts, limitations, and advantages. Additionally, in order to strengthen the ability of the board to act as an ombudsman for the communities, it is necessary to build support through the citizens, the supported municipalities, state legislators, and federal oversight agencies. This support may consist of meetings, pamphlets, the BACB web site, letters, social media and any other communications channels. Optimal impact can be achieved through networking and interacting with other cable boards within the state to leverage areas of common concern to present a unified voice in areas of public policy and legislation.

Strategies:

1. **Develop Social Media strategy → share broadcasts on YouTube**
2. **Draft a Letter of Progress to subscribers**
3. **Educate the Public → Build relationships to get public advocacy back on track; public outreach**
4. **Promote and influence legislation**



BACB Mission

It is the mission of the Board to advocate for the City of Birmingham and the Villages of Beverly Hills, Bingham Farms, and Franklin and their citizens in order to maximize the quality and value of services of cable and related communications providers and support the delivery of public, education and governmental programming.



Enhance Content Programming to build Viewership (PEG)

Strategies:

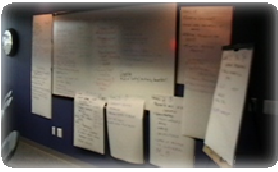
1. Promote quality programming
2. Provide family-friendly content / community highlights
3. Provide more content for the youth market
4. Build a network of PEG programming with other communities

To what degree do we promote PEG?

Driving viewership is a slippery slope: hot topics, controversial; quality over time trumps quantity

With the demise of the local newspapers, PEG becomes the main conduit

*Performing Goal 4 will augment Goal 3



BACB Mission

It is the mission of the Board to advocate for the City of Birmingham and the Villages of Beverly Hills, Bingham Farms, and Franklin and their citizens in order to maximize the quality and value of services of cable and related communications providers and support the delivery of public, education and governmental programming.



Review the Educational Component (will be reviewed while working on Goal #4)

Background

PEG revenue currently comes from consumer fees associated with their cable bills. Determine the optimum distribution of PEG funds that are consistent with the Mission statement.

PEG funds are designated for capital improvements and equipment.

Strategies:

1. **Explore options to increase school involvement using PEG money such as High School broadcast classes which are currently being cut**
2. **Explore additional grant opportunities for schools/students**
 - **Determine programs for grants**
 - **Identify if there is a formal application process**
 - **Review to see if it needs updating**
 - **Review the legal/political implications of potential grants**