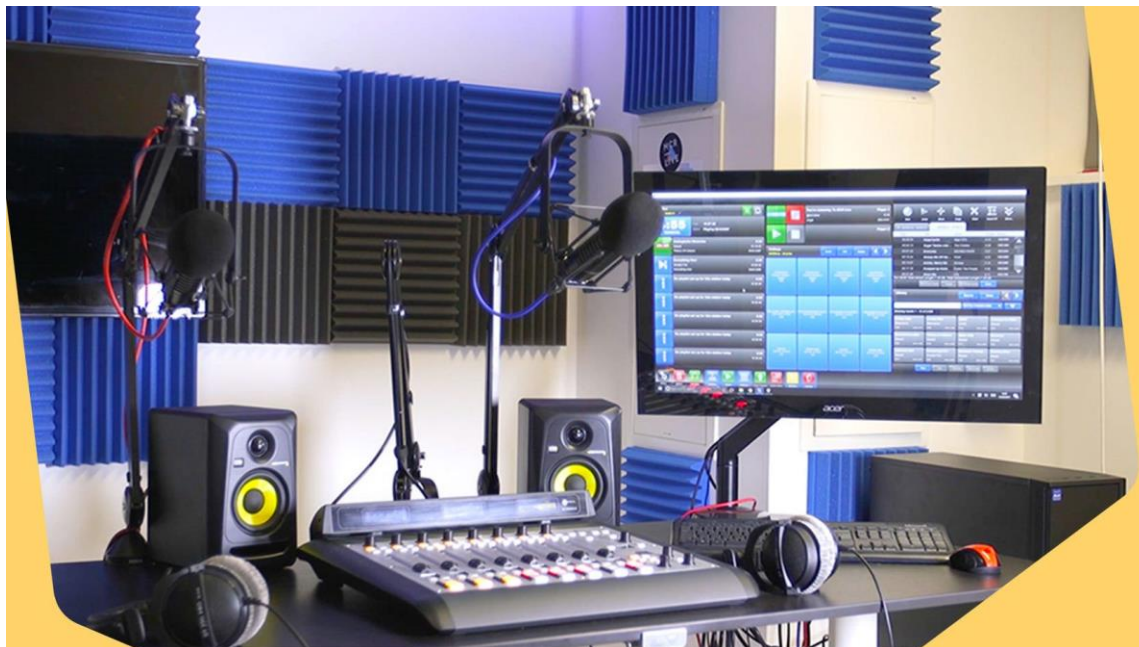


8.3. BUSINESS PLAN



INVITATION TO PRE-REGISTER FOR COMMUNITY SOUND BROADCASTING SERVICES AND RADIO FREQUENCY SPECTRUM LICENCES

**INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA
NOTICE 606 OF 2019**

TRANSITTER NAME: PIETERMARITZBURG

FREQUENCY: 104

APPLICANT: MPUMELELO SPORT AND CULTURE EXPERIENCE

PROPOSED NAME: MIDLANDS 104 FM

SERVICES: COMMUNITY SOUND BROADCASTING

YEAR OF APPLICATION: 2020



EXECUTIVE SUMMARY

Mpumelelo Sport and Culture Experience is a non-profit organization to be referred to as **Midlands 104 FM** in this document, has been operating since 2016, and it is responding to the Independent Communications Authority of South Africa invitation to register to provide a community sound broadcasting services to a geographically founded community in Pietermaritzburg. The interest to register for this purpose was developed through frustration exerted to the community by previous license holders in the area, which was revoked and no communication nor notice was furnished to the community.

Midlands 104 FM has put together a team of enthusiast to facilitate the application of the frequency which has become available following mismanagement of the previous holders. We have put together board of directors who are strong individuals with a mix of media, Law, business development, accountancy, community development and fund-raising skills, who also possess understanding of good governance.

Midlands 104 FM has established relationships with various stakeholders with an aim of not simply broadcasting to an audience, but engage with communities, encouraging participation in making and presenting programmes, by and those communities, and generating a sense of place, identity and pride as well. Midlands 104 FM also aim to use the skills of its staff and volunteers to provide training and pass on those skills to members of the community and especially young people and women. Creating and broadcasting programmes that are well above all entertaining, but also sought to educate, inform and encourage listeners to keep listening to the station will be vital in the early life of Midlands 104 FM.



Our Supporters

MIDLANDS 104 FM like all community radio stations rely on both financial and hands on support of a wide range of organizations and people to deliver its services.

Financial and practical support will come from a number of key organizations and individuals including;

- **Provincial Government** community radio stations are most important platforms that must be used to disseminate information and can be used by provincial government to communicate with ordinary people about the programmes available to better the lives of the people.
- **District Municipality** realizes the importance of a community radio station in the district because it put more emphasis to previously disadvantaged individuals, encourage community participation in their own development and broadcasting.
- **MDDA** plays an integral part in the community media development by supporting community and small media projects
- **Cultural Survival** supports the movement of empowered indigenous people organizing their communities to engage the international processes, national policies, and human rights bodies to respect, protect, and fulfill their rights.
- **Volunteering** will play a vital role in the development of the radio station, their contribution will ensure smooth running of the station, its broadcasting and its show content. In return for their contribution, volunteers will receive training and experience in the radio broadcast industry and all its many and varied facets.



Midlands 104 FM OBJECTIVES

- Create a sense of social identity and pride within a geographically founded community of Pietermaritzburg and surrounding areas
- Offer the community a two-way channel for the exchange of information and ideas, with a particular focus on those groups and individuals who were previously disadvantaged.
- Provide value for money opportunity for local businesses to promote their products and services to the community and therefore increase economic activity.
- To work with and alongside local groups/non-governmental organization, thereby enabling them to meet their social objectives
- To identify and promote local talent through Arts and Cultural activities across the geographically founded community of Pietermaritzburg and surrounding areas
- To develop highly listenable radio programmers that educate, entertain, and inform, and importantly encourage listeners to participate and be part of a dialogue
- To train and develop members of the community in all aspects of the radio industry

VISION

- Is to build community, a loyal and growing audience, engaged and educated citizens by providing the highest quality of free-from programming that broadcasts entertainment, music, news, thoughts, sound, ideas and event listings that support free speech, diversity, and the interests of the local community Midlands 104 FM serves.

MISSION

- Provider and promoter of new knowledge and direct access to new skill as well as assist to protect and promote local knowledge, skills and wisdom for the creation of equitable society and integration Midlands people into the national mainstream.



MIDLANDS 104 FM ORGANIZATION STRUCTURE

Mpumelelo Sport and Culture Experience (MSACE) is a non-profit organization (156-585 NPO) registered on 05 August 2015, operating in Pietermaritzburg with the objective of keeping the local children out of the streets by starting community radio station focusing on developing the local community. The proposed radio station will be called **Midlands 104 FM**. This radio station will provide a mechanism for enabling individuals, groups, and local communities to tell their own stories, to share experiences. It will also act as a vehicle for the community, civil society, agencies, NGOs and citizens to work in partnership with us to further community development aims.

INTERIM BOARD OF DIRECTORS

No	Name & Address	PORTFOLIO	QUALIFICATIONS	IDENTITY NUMBER
1.	Mr Bhengkosi Eric Radebe 10 Oribi Road 3201 Pietermaritzburg	(Risk & Security Management) Chairperson	Bachelor of Laws (LLB) Bachelor of Arts (Police Science) National Diploma in Police Administration	641006 5602 083 South African
2.	Ms Nomvelo Mkhwanazi 10 Jabu Ndlovu Street 3201 Pietermaritzburg	Policy Development Deputy Chairperson	Bachelor of Social Sciences (Legal Studies) Bachelor of Laws (LLB)	940724 0922 088 South African
3.	Ms Mandisa Barlow 1 Skhumbuzon Ngwenya Road 3201 Slangspruit PMB	Secretary	Bachelor of Arts National Diploma in Public Relations	891004 0795 082 South African
4.	Mr Sithembiso Dlamini 3 Copsville 3201 Pietermaritzburg	Station Manager (ex-officio)		750406 5605 085 South African
5.	Ms Nomaswazi Mnisi 850 Unit 18 3201 Imbali PMB	Chief Financial Officer (ex-officio)	Bachelor of Commerce in Finance & Supply Supply Chain Management	920302 0763 083 South African
6.	Dr Bongane Mabaso 11 Boom Street 3201 Pietermaritzburg	Finance and Information Technology	PhD Technology Management Master of Commerce Master of Science Bachelor of Science	730120 5436 087 South African
7.	Ms Nhlakanipo Msimang 19 Hubert Road 3201 Boughton, PMB	Programmes & Marketing	Bachelor of Social Science Honours - Management	830219 0630 089 South African
8.	Mr Nkululeko Mkhize 15 Berg Street 3201 Pietermaritzburg	Human Resource & Skills Development <i>Representing Mpumelelo Sport and Culture Experience</i> (ex-officio)	Bachelor of Commerce in Management and Human Resource	850616 6528 081 South African



The Station Manager and the Chief Financial Officer will be ex-officio members to the Board of Directors and Mr Nkululeko Mkhize will also be an ex-officio member representing MSACE.

The members of the interim Board of Directors are people that are well educated and have a sole interest of developing and uplifting the lives of the local people. These individuals hold various senior and strategic positions in various organisations. The main function of the board will be strategic management of the station, soliciting funds/grants and policy decisions.

The Board of Directors will make sure that the station complies with all relevant laws, regulations and codes of good practice. They approve the policies for the station. Two of our interim board member have Law Degree, and this will assist the station to adhere to the laws of the country and to help with identification of risk areas and performance indicators. The Board will also assist with the development of a corporate code of conduct. The Board will also be responsible for appointing and supervising the Station Manager, approving the appointment of the senior management of the station, monitoring implementation of the Board's plan but most all to support the station manager in fundraising activities through its network.



i. MANAGEMENT

MANAGEMENT COMMITTEE

Directly under the board of directors will be a station manager. The station manager will be the member secretary of the board. The station manager will be authorized to enter into contract with third party organizations. Under him will be different sub-committees and departments namely program department, technical department, administration and marketing department.

The day to day management of the station will be handled by the following management team:

INTERIM STATION MANAGEMENT

No	Name	PORTFOLIO	QUALIFICATIONS	IDENTITY NUMBER
1.	Mr Sithembiso Dlamini 3 Peugeot Terrace Copsville 3201 Pietermaritzburg	Station Manager		750406 5605 085 South African
2.	Ms Nomaswazi Mnisi 3 Copsville 3201 Pietermaritzburg	Chief Financial Officer	Bachelor of Commerce in Finance & Supply Chain Management	920302 0763 083 South African
3.	Mr Thulani Maphumulo 4 Bourne Avenue 3201 Lincoln Meade PMB	Marketing & Communications Manager	Bachelor of Technology in Public Relations Bachelor of Technology in Public Management Senior Teachers' Diploma Advance Certificate in Education (ACE) Travel & Tourism Sales & Marketing Management Certificate	750629 5631 088 South African
4.	Thato Motsepe 17 Boshoff Street 3201 Pietermaritzburg	Studio & Technical Manager	Bachelor of Practical Music Diploma in Sound Engineering	860308 5794 082 South African
5.	Thobeka Ngcobo 22 Burger Street 3201 Pietermaritzburg	Brand & Programmes Manager	Bachelor of Business Administration in Brand Building and Management	951001 0247 087 South African

The team members have necessary skills, qualification and knowledge to take this radio station to the great heights. Our Station Manager has extensive experience in community radio station as he has worked at Radio Pietermaritzburg and Capital 104 FM, and our Marketing & Communications Manager holds a degree in Media Studies and Public Relations and has worked for uMgungundlovu FM and Capital 104 FM. Our Chief Financial Officer holds a Bachelor of Commerce degree in Finance & Supply Chain.



Station Manager and the Chief Financial Officer will be the ex-officio members of the board, and the Station Manager will account to the Board of Directors. The management responsible for daily operations reporting to the Station Manager. The Board of Directors will not interfere with of operations and the daily running of the station.

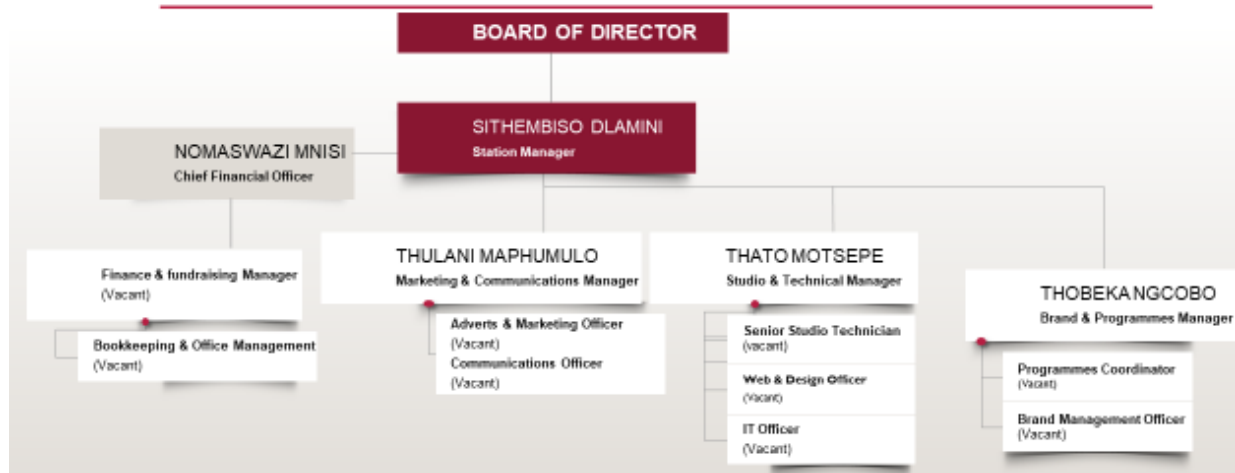
The management team will assist the Station Manager in plan, initiating, monitoring and evaluation of projects to fulfil the mandate of the licensee. Once the licence has been obtained the Station Manager will commence with the recruitment of staff and volunteers including drafting of contract, signing performance agreement, training the staff for sound human relations and operational skills.

The management team once it has been appointed will be responsible for assisting the Station Manager to managing daily operations. The Station Manager will delegate control of other department like programming, sales, marketing, news, music, finance, technical and administration. It will be one of the duties of the Station Manager to instill discipline through written and approved policies that detail corrective actions and procedures, networking and meeting potential clients, funders and donors.

The Station Manager will ensure that the licensee affiliates/signs with the relevant forums such as the National Association of Broadcasters and the National Community Radio Forum.

ii. **PROPOSED ORGANOGRAM**

MIDLANDS FM 104





Human Resource Development

It is essential that the staff of the station should be trained in different aspects of community radio operation. In the first year of operation the station manager and the production and technical team will be provided intensive training on FM radio operation and production of programs. Since Midlands 104 FM does not have its own resources for training, it will seek financial assistance from different donors and program partners. The track record of Mpumelelo Sport and Culture Experience is crucial in this effort. Midlands 104 FM has contacted bodies like Nemisa for the provision for such training to the staff. As such Midlands 104 FM will also approach the NCRF KZN for the assistance. From the second year of operation the older staff of the station will train some of the new staff.

MARKET ANALYSIS

Pietermaritzburg also known as uMgungundlovu is the Capital and second largest city in the province KwaZulu-Natal, with estimated population at over 1 000 000 residents and has one of the largest population of Indians Sout4h Africans in South Africa;

Black African	84.5%	Zulu	76.4%
Coloured	2.02%	English	15.3%
Indians	6.68%	Afrikaans	4.2%
White	6.28%	Xhosa	3.5%
Other	0.5%	Other	6.3%

Pietermaritzburg is predominantly Black Africans, and mostly with IsiZulu speaking population, it is partially influence by English and Afrikaans speaking people, with IsiXhosa and other languages at above 10%.



Pietermaritzburg is under the uMgungundlovu District Municipality which comprises of 7 local municipalities, which are predominantly rural with unemployment and literacy challenges especially amongst the youth and female.

SWOT Analysis

Midlands 104 FM conducted a SWOT analysis and strategic planning workshop of the geographically founded community of Pietermaritzburg and surrounding areas involving different stakeholders. The SWOT analysis revealed that although there are some weaknesses, e.g., inadequate technical manpower, inadequate physical facilities, and low level of participation of common people in the initial stage, to be overcome, Midlands 104 FM will be an able organization to operate the station. Since it will not be the first and the only organization to operate the FM Band in Pietermaritzburg area, there is a great opportunity to make the program successful.

Strengths	Weaknesses	Opportunities	Threats
Mandated organization by the people of Pietermaritzburg to establish and apply for the community sound broadcasting license as per ITA-R by ICASA.	Inadequate physical infrastructure (Building, electricity, telephone and AC)	Competitors in the Pietermaritzburg (uMgungundlovu) area lack vision and not treating Community Radio as that of the community by the community)	Political interferences/power shift.
Community based common information forum	Inadequate human resource (Program production and technology operation)	Priority sector of the government (Location, information)	Possibility of conflict of interest
An organization promoted by NPO which has national and	Less experience to operate radio	Donors are positive for assistance	Poor local market



international links and possess strong experience on organizational management			
An organization formed by committed and active group of people to operate Midlands 104 FM	Poor ownership by the local people	Organization which is directly concerned with people	
An organization possessing basic and necessary skills to operate Midlands 104 FM	Inadequate financial resources		
An organization which has direct working relation with local people			

Guiding Principles

In order to be effective and committed for the sustainability the Midlands 104 FM will adopt following points as its values:

1. Pro-cultural diversity: Midlands 104 FM will respect the cultural differences and design and implemented radio programs to promote social harmony and peace among the population

2. Promotion of gender and social equity: Midlands 104 FM will design and implement programs which will ultimately promote the good relationship between men and women, poor and rich and always try to uplift the backward section of the society and endeavor to address the imbalances of the past through special programs

3. Promotion of local sustainable development and environment: Midlands 104 FM will always in favor of sustainable development and environmental protection. To keep



this value Midlands 104 FM will never conduct programs that are against sustainable development. Similarly, Midlands 104 FM will design and implement programs to promote good social and physical environment

4. Promotion of culture of peace: Midlands 104 FM will always promote the culture of peace by designing and airing programs which can contribute to promote peace in the society

5. Proactive to change: Midlands 104 FM will introduce new concepts, technologies, approaches, knowledge and skills which can help local population to transform the society

6. Peoples right of information: Midlands 104 FM believes that “information” is one of the fundamental rights of people. With this clear stand, the Midlands 104 FM will design and impart information which are important for the population

There are four result areas which Midlands 104 FM envisages to achieve in the first four years of its service, they are as follows; (ref. Annex 1: Strategic Plan of Midlands 104 FM)

- Result 1: Midlands 104 FM strengthen and operational as broadcasting organization
- Result 2: Midlands 104 FM's own marketing system established and resources mobilized to become financially self-reliant
- Result 3: Information and entertainment needs and wants of local people satisfied through Midlands 104 FM
- Result 4: Necessary human resources to operate Midlands 104 FM locally developed

Major stakeholders of the Midlands 104 FM identified during the strategic planning workshop, are the government departments, local bodies, INGOs, and NGOs operating in the umGungundlovu district, people of Pietermaritzburg and surrounding areas,



National Community Radio Forum (NCRF), other community radio stations of the country, and MDDA, etc. We envisage acquiring different level of assistance with these organizations. Mpumelelo Sports and Culture expects both grant and co-partnership relation with selected organizations in the operation of Midlands 104 FM.

Marketing Plan and Strategies

Midlands 104 FM aims to serve the information and entertainment needs of adult male, women, youth and children of Pietermaritzburg of different groups and ethnicity. Different programs will be developed to cater to the information and entertainment needs of these people. After analyzing the appropriate hours for each group of the people, specific time slots will be provided for each of them. Heavy, medium and light users will also be identified and their listening hours planned accordingly.

Programs Offered

The major programs of Midlands 104 FM are music, news (local, national, and international), advertisement and announcements, and different cultural and developmental programs. Specifically, it will address human rights, conflict/peace, corruption, gender, health and education, teachers training, child health, income generation (herbs production and processing, small enterprises, etc), culture and religion. It will promote local music, and culture of the Midlands region. At the same time, it will also give due attention to the promotion of both national local languages. The need assessment workshop (participated by representatives of government departments, journalists, local bodies, NGO/NPO, common people) at Pietermaritzburg and surrounding areas clearly identified the above issues to be dealt by the Midlands 104 FM.

Table no. 1: Areas of interest of listeners



Area of Interest	Frequency	Percentage
News	296	56%
Women	8	15%
Local and Gospel Music	224	41%
Modern and International Music	103	23%
Sports	40	7%
Education	100	25%
Children	12	11%
Literacy	40	15%
Agriculture	100	22%

The table no. 1 indicates that majority of the targeted listeners listen the news followed by local and gospel music. Programs on modern and international music, education and agriculture also draw equal number of listeners. Therefore, these programs have to be aired to attract larger number of listeners. Since these programs are popular among the listeners, Midlands 104 FM will try to sell its air time during these programs. Programs on children and women are less popular in the areas. Therefore, Midlands 104 FM will try to promote these programs for the benefit of the women and children.

Sponsors and Co-producers

In case of radio station, the ultimate customers are the listeners. The uMgungundlovu District covers about 9514.594 square kilometers and constitutes about 10% of the Province of KwaZulu-Natal and it is number two in size after eThekweni Metro. Since it is a community radio station established in a district with majority of population below the poverty line, it does not expect to get return from the listeners by selling its services.

Subsequently, the main buyers of the radio services are the government departments. Specifically, the health department, education department, agriculture department, forestry department, women, and NGOs and INGOs including the bilateral organizations



working in the region who will buy air time of the radio services to disseminate their information to their targeted beneficiaries.

Interaction with these government departments at consultative interventions revealed that these departments are ready to sponsor programs, and co-partner in program development if Midlands 104 FM approach them with specific programs compatible to their needs.

Competition

As a media, the major competition of Midlands 104 FM will be local as well as national radio stations, local newspapers, word of mouth, indigenous public announcement, workshop, training and street drama, etc. However, due to its remoteness and absence of public announcement systems, majority of the population are deprived of these facilities.

Therefore, Midlands 104 FM will have to compete with local radio, national and regional radio stations. But since, these stations do not serve the specific interest of the people of Pietermaritzburg, Midlands 104 FM has virtually a minimal competitor in the region in the field of radio transmission.

Consequently, it is able to serve the needs of the listeners and its customers. Some governmental departments use Imbizos to get their messages to the listeners, but in the present situation, they are also expanding their programs to remote uMgungundlovu District areas. As such Midlands 104 FM can also take this as an opportunity rather than a competition.

Prices

The prices for different products of Midlands 104 FM has been set based on the other community radio's pricing structure. The airtime charge for advertisement and announcement is R412 per 30seconds spot. Similarly, airtime charge for program



sponsorship is R1 200 per hour and charge for production of programs and studio is R2 600 thousand per week.

In the case of coproduction Midlands 104 FM and the second party will compromise on the price. Under this pricing structure Midlands FM is able to financially sustain its operation cost in four hours of transmission from the second year onward.

Market Penetration Strategies

Midlands 104 FM will adopt following strategies in the operation of the station. Mainly the FM will adopt market penetration strategy under which it will try to reach as much population as possible within the coverage area of the station. Under market penetration, Midlands 104 FM will adopt the following strategies:

Relation Building with Stakeholders

Relation building with all types of stakeholders is an important strategy of Midlands 104 FM. In order to sustain the station Midlands 104 FM should build relation with government department, I/NGOs, donors and the community. Community could be an important stakeholder to supply volunteers for reporting and program production. There is various awareness related government programs on health and sanitation, education, forestry, agriculture and women, which can be tapped by Midlands 104 FM. If Midlands 104 FM is able to build working relationship with these government departments/local municipalities both at the district and provincial level, there is a big scope to air government programs. Similarly, the donors are eager to co-produce programs and sponsor programs if Midlands 104 FM approaches them with programs compatible with their needs. Workshop at Pietermaritzburg revealed that the local NGOs are ready to support Midlands 104 FM programs in any way they can. Therefore, if the transmission is unbiased and regular, and Midlands 104 FM maintains good relationship with these agencies, there is a great possibility for getting support from these agencies.



Prepare professional proposals

Professional proposals are crucial for getting support from different government and nongovernment agencies. Since, most of the organizations visited in the process of preparation of this business plan, stressed on the quality proposals for support, therefore, Midlands 104 FM will use the resources of Mpumelelo Sport and Culture or other professional support while preparing proposals. It is critical that the proposals cover specific developmental and other relevant issues of uMgungundlovu District. Midlands 104 FM will approach the sponsors, only when it is fully prepared with sponsorship or co-production plan.

Form listeners club

A Community Survey Indicators data from StatsSA 2016, indicates that only 220 517 of uMgungundlovu District homes has radio. Taken from the uMgungudlovu District Municipality IDP 2018/2019. Midlands envisages servicing the need of some remote areas in the midlands, the number of households possessing FM radio set is expected to be lower compared to the survey figure. Therefore, it will be necessary that Midlands 104 FM organize listeners club at different local municipalities and specific market segments and distribute FM band radio to these groups in the initial stage. It is assumed that these listeners will be ready to buy their own FM band radio set if they find the programs entertaining and useful to them.

Participation of stakeholders

Participation of stakeholders is crucial for program success. Midlands 104 FM will bring in community representatives in decision-making process. Similarly, it will use the local people in reporting and program development as far as possible in volunteer basis. It will air people's voices in its program transmission. It is essential that Midlands 104 FM determine, which time slot is best suited for different segments and air the program accordingly.



In addition, Midlands 104 FM will organize Annual General Meeting (AGM), get together of its listeners and sponsors. This will give an opportunity to its listeners/sponsors to be well acquainted with radio team. Similarly, it will also give them to voice their grievances and suggestions. This type of get together is highly useful for participation of listeners and sponsors in transmission. Midlands 104 FM will also run the campaign on social media hash tag **#KeepCommunityRadioAlive**

Innovate creative programs

To keep the public interest intact in the future, Midlands 104 FM will try to innovate new and creative programs to fit with social changes and demands of changed society. The interest areas of listeners (table no. 1) indicates that majority of the targeted listeners listen the news followed by local and gospel music. Other popular programs are modern and modern and international songs, education and agriculture. Therefore, Midlands 104 FM should try to sell its air time during these programs to disseminate information to larger number of people. Midlands 104 FM will try to promote programs on women and children in order to attract more listeners to these programs.

FINANCIAL PLAN AND ANALYSIS

Financial plan and analysis section in this business plan is prepared on the basis of information gathered in the market survey. Key organizations contacted to gather the information regarding the possibility of selling the air time. On the basis of conservative estimates, the revenue was estimated as indicated in annex 2. The revenue was projected on the basis of increase in the air time transmitted by Midlands 104 FM. The marketing budget was estimated to be R60 000 per annum for initial years and it increased in proportion to increase in the air time transmission.

All other expenses are assumed to increase in the same proportions as increase in air time of transmission.



All the equipment and infrastructure facilities are depreciated at the rate of 10% per annum.

Total capital is estimated to be R1 803 575,03 which comprises total equipment and infrastructure facilities to be installed and pre-operating expenses incurred in different surveys and preparatory works. The total working capital includes the inventory of consumable materials for one month and monthly cash expenses.

Fixed capital R1 955 907,70 Pre-operating costs R209 500 Working capital Total initial capital

The sources of different capital will be grants so far received by Mpumelelo Sport and Culture Experience for Midlands 104 FM in the form the equipment and infrastructure facilities and doing surveys. The rest of the capital is the initial investment from the side of Mpumelelo Sport and Culture Experience. Yonke Imizamo Productions has committed R500 000 and Rumbile Pty Ltd will contribute R120 000 toward rent.

It is assumed that after the pre-operating period Midlands 104 FM came into operation. The operating period of Midlands 104 FM in 2021 is assumed to be a proportion of the year i.e. from the period the license is awarded. It is assumed that Midlands 104 FM will not be able to generate revenue in this year but has to incur expenses. Therefore, it will incur operational deficit of R1 545 407.70.

It is expected that Midlands 104 FM will start generating revenue from the second year of operation after the promotion of the station for six months during the first year. Even in the conservative assumptions the Midlands 104 FM is expected to generate surplus from the second year of its operation. Critical is the Midlands 104 FM should approach different social organizations to sell their air time. This action required business approach to market the air time to the sponsoring organizations.

In order to maintain cash flow of its operation in the first-year grants amounting to R1 545 407.70 is required. Midlands 104 FM should procure the required equipment



amounting to R1 886 618, 70 during the first year to make it ready to increase air time to 9 hours in 2022. Looking at the cash flow position of Midlands 104 FM in 2021 this equipment can be procured from the internal sources and grants amounting to R1 545 407.70. The internal source will be able to cover the rest of the cash requirement.

The pro forma income statement, cash flow statement and break-even analysis show that Midlands 104 FM as a unit will be financially sustainable by the year 2023 onwards. The income statement shows encouraging surplus and cash position is very comfortable to sustain the expenses from 2024.

Midlands 104 FM is expected to break even in the third year and expected to have surplus in the fourth year. Midlands 104 FM will be careful to minimize the fixed costs of human resources.



Annexure 1: FOUR YEAR STRATEGIC PLAN MIDLANDS 104 FM

Vision, Mission and Guiding Principles

Vision
<p>Mission</p> <p>Provider and promoter of new knowledge and direct access to new skill as well as assist to protect and promote local knowledge, skills and wisdom for the creation of equitable society and integration Midlands people into the national mainstream.</p>
<p>Guiding Principles</p> <p>In order to be effective and committed for the sustainability the RKFM will adopt following points as its values</p> <ol style="list-style-type: none"> 1. Pro-cultural diversity: Midlands 104 FM will respect the cultural differences and design and implement radio programs to promote social harmony and peace among the population 2. Promotion of gender and social equity: Midlands 104 FM will design and implement programs which will ultimately promote the good relationship between men and women, poor and rich and always try to uplift the backward section of the society through special programs 3. Promotion of local sustainable development and environment: Midlands 104 FM will always in favor of sustainable development and environmental protection. To keep this value Midlands 104 FM will never conduct programs that are against sustainable development. Similarly, Midlands 104 FM will design and implement programs to promote good social and physical environment



- 4. Promotion of culture of peace:** Midlands 104 FM will always promote the culture of peace by designing and airing programs which can contribute to promote peace in the society

- 5. Proactive to change:** Midlands 104 FM will introduce new concepts, technologies, approaches, knowledge and skills which can help local population to transform the society

- 6. Peoples right of information:** Midlands 104 FM believes that “information” is one of the fundamental rights of people. With this clear stand, the Midlands 104 FM will design and impart information which are important for the population



MIDLANDS 104FM STRATEGIC PLAN

SUMMARY OF PROGRAMMES	INDICATORS	RISK FACTORS	RISK MITIGATION MEASURES
Goal: Midlands 104FM established as powerful means of information to create cultural, social, economic and civic awareness amongst people of uMgungundlovu District			
Purpose: Midlands 104FM as self-reliant broadcasting institution	By the end of the 4year program Midlands 104FM: • Will be able to earn and meet its operational costs • Will have earned and deposited surplus budget to meet operational for additional one year. • Will have enough local human resources developed with all basic skills to operate community radio station	• Financial statement and audit report • Annual progress report of Midlands 104FM	
Result 1: Midlands 104FM strengthen and operational as broadcasting organization Activities: 1.1 Prepare and adopt financial and personnel management manual 1.2 Prepare and implement annual plans 1.3 Develop networks with relevant organizations 1.4 Carry out program supervision, monitoring and evaluation	By the end of 4year program, following elements of institutional sustainability can be observed in Midlands 104FM: • Clear personnel system developed and adopted • Clear and participatory planning process developed and adopted • Two- way organizational communication system developed and functional • A work station with enough spare parts for repair and maintenance stabled	• Institutional operational manual • Financial operational manual • Listeners' survey report • Inventory record	

<p>Result 2: Information and entertainment needs and wants of local people satisfied through Midlands 104FM</p> <p>Activities:</p> <p>3.1 Carry out information and entertainment needs and wants of local people</p> <p>3.2 Design programs according to needs</p> <p>3.3 Produce programs according to design</p> <p>3.4 Develop program implementation action plan and air the programs as planned</p> <p>3.5 Collect feedbacks on and improve programs regularly</p>	<p>By the end of 4 years</p> <ul style="list-style-type: none"> • 90% of Midlands 104FM programs are designed and implemented based local information and entertainment needs and wants. • 40% of coverage population will listen the Midlands 104FM • Regular health checkup by Midlands 104FM coverage area people in health institutions will increase by additional 20% by the year 2022 and additional 20% will increase by the year 2024 • School drop-out rate in the schools of Midlands 104FM coverage area will decrease by additional 15% in the year 2022 and additional 15% will decrease by the year 2024. • School enrolment of students in the schools of Midlands 104FM coverage area increased by additional 15% in the year 2022 and additional 155 in the year 2024. <ul style="list-style-type: none"> • By the end of program, social ills and superstitions* reduced <p>-----* *Social ills and superstitions means:</p> <ul style="list-style-type: none"> • Untouchability • Rape and Child Abuse • Gender Based Violence • Polygamy • Unbalanced food habits • Discrimination between sons and daughters 	<ul style="list-style-type: none"> • Listeners survey report • Program logbook • Annual reports of DOH • Annual report of DOE • Survey report on status of social ills and crime statistics 	<p>Other development activities will be implemented on a regular basis in Midlands 104FM coverage area of uMgungundlovu District</p>	<p>Lobby for regular implementation of development activities</p>																																								
<p>Result 3: Necessary human resources to operate Midlands 104FM locally developed</p> <p>Activities:</p> <p>3.1 Assess and identify human resource needs of Midlands 104FM</p> <p>3.2 Recruit staff</p> <p>3.3 Identify training needs of staff</p> <p>3.4 Provide training to staff</p>	<p>By the end of year 5, Midlands 104FM will have following human resources (HRs):</p> <table border="1"> <thead> <tr> <th>Type</th><th>2021</th><th>2022</th><th>2023</th><th>2024</th></tr> </thead> <tbody> <tr> <td>Program production HRs</td><td>2</td><td>2</td><td>2</td><td>2</td></tr> <tr> <td>Technical operator HR</td><td>2</td><td>2</td><td>4</td><td>4</td></tr> <tr> <td>Engineering HRs</td><td>1</td><td>1</td><td>1</td><td>1</td></tr> <tr> <td>Management HRs</td><td>4</td><td>6</td><td>6</td><td>6</td></tr> <tr> <td>Marketing HRs</td><td>1</td><td>3</td><td>3</td><td>3</td></tr> <tr> <td>News/Informative</td><td>4</td><td>7</td><td>12</td><td>12</td></tr> <tr> <td>Music programme</td><td>2</td><td>5</td><td>5</td><td>5</td></tr> </tbody> </table>	Type	2021	2022	2023	2024	Program production HRs	2	2	2	2	Technical operator HR	2	2	4	4	Engineering HRs	1	1	1	1	Management HRs	4	6	6	6	Marketing HRs	1	3	3	3	News/Informative	4	7	12	12	Music programme	2	5	5	5	<ul style="list-style-type: none"> • Annual progress reports of Midlands 104FM • Decision minutes of Midlands 104FM in relation to HRs 		
Type	2021	2022	2023	2024																																								
Program production HRs	2	2	2	2																																								
Technical operator HR	2	2	4	4																																								
Engineering HRs	1	1	1	1																																								
Management HRs	4	6	6	6																																								
Marketing HRs	1	3	3	3																																								
News/Informative	4	7	12	12																																								
Music programme	2	5	5	5																																								



MIDLANDS 104FM STRATEGIC PLAN

SUMMARY OF PROGRAMMES	INDICATORS	RISK FACTORS	RISK MITIGATION MEASURES
Goal: Midlands 104FM established as powerful means of information to create cultural, social, economic and civic awareness amongst people of uMgungundlovu District			
Purpose: Midlands 104FM as self-reliant broadcasting institution	By the end of the 4year program Midlands 104FM: • Will be able to earn and meet its operational costs • Will have earned and deposited surplus budget to meet operational for additional one year. • Will have enough local human resources developed with all basic skills to operate community radio station	• Financial statement and audit report • Annual progress report of Midlands 104FM	
Result 1: Midlands 104FM strengthen and operational as broadcasting organization Activities: 1.1 Prepare and adopt financial and personnel management manual 1.2 Prepare and implement annual plans 1.3 Develop networks with relevant organizations 1.4 Carry out program supervision, monitoring and evaluation	By the end of 4year program, following elements of institutional sustainability can be observed in Midlands 104FM: • Clear personnel system developed and adopted • Clear and participatory planning process developed and adopted • Two- way organizational communication system developed and functional • A work station with enough spare parts for repair and maintenance stabled	• Institutional operational manual • Financial operational manual • Listeners' survey report • Inventory record	

<p>Result 2: Information and entertainment needs and wants of local people satisfied through Midlands 104FM</p> <p>Activities:</p> <p>3.1 Carry out information and entertainment needs and wants of local people</p> <p>3.2 Design programs according to needs</p> <p>3.3 Produce programs according to design</p> <p>3.4 Develop program implementation action plan and air the programs as planned</p> <p>3.5 Collect feedbacks on and improve programs regularly</p>	<p>By the end of 4 years</p> <ul style="list-style-type: none"> • 90% of Midlands 104FM programs are designed and implemented based local information and entertainment needs and wants. • 40% of coverage population will listen the Midlands 104FM • Regular health checkup by Midlands 104FM coverage area people in health institutions will increase by additional 20% by the year 2022 and additional 20% will increase by the year 2024 • School drop-out rate in the schools of Midlands 104FM coverage area will decrease by additional 15% in the year 2022 and additional 15% will decrease by the year 2024. • School enrolment of students in the schools of Midlands 104FM coverage area increased by additional 15% in the year 2022 and additional 15% in the year 2024. <ul style="list-style-type: none"> • By the end of program, social ills and superstitions* reduced <p>-----* *Social ills and superstitions means:</p> <ul style="list-style-type: none"> • Untouchability • Rape and Child Abuse • Gender Based Violence • Polygamy • Unbalanced food habits • Discrimination between sons and daughters 	<ul style="list-style-type: none"> • Listeners survey report • Program logbook • Annual reports of DOH • Annual report of DOE • Survey report on status of social ills and crime statistics 	<p>Other development activities will be implemented on a regular basis in Midlands 104FM coverage area of uMgungundlovu District</p>	<p>Lobby for regular implementation of development activities</p>																																								
<p>Result 3: Necessary human resources to operate Midlands 104FM locally developed</p> <p>Activities:</p> <p>3.1 Assess and identify human resource needs of Midlands 104FM</p> <p>3.2 Recruit staff</p> <p>3.3 Identify training needs of staff</p> <p>3.4 Provide training to staff</p>	<p>By the end of year 5, Midlands 104FM will have following human resources (HRs):</p> <table border="1"> <thead> <tr> <th>Type</th><th>2021</th><th>2022</th><th>2023</th><th>2024</th></tr> </thead> <tbody> <tr> <td>Program production HRs</td><td>2</td><td>2</td><td>2</td><td>2</td></tr> <tr> <td>Technical operator HR</td><td>2</td><td>2</td><td>4</td><td>4</td></tr> <tr> <td>Engineering HRs</td><td>1</td><td>1</td><td>1</td><td>1</td></tr> <tr> <td>Management HRs</td><td>4</td><td>6</td><td>6</td><td>6</td></tr> <tr> <td>Marketing HRs</td><td>1</td><td>3</td><td>3</td><td>3</td></tr> <tr> <td>News/Informative</td><td>4</td><td>7</td><td>12</td><td>12</td></tr> <tr> <td>Music programme</td><td>2</td><td>5</td><td>5</td><td>5</td></tr> </tbody> </table>	Type	2021	2022	2023	2024	Program production HRs	2	2	2	2	Technical operator HR	2	2	4	4	Engineering HRs	1	1	1	1	Management HRs	4	6	6	6	Marketing HRs	1	3	3	3	News/Informative	4	7	12	12	Music programme	2	5	5	5	<ul style="list-style-type: none"> • Annual progress reports of Midlands 104FM • Decision minutes of Midlands 104FM in relation to HRs 		
Type	2021	2022	2023	2024																																								
Program production HRs	2	2	2	2																																								
Technical operator HR	2	2	4	4																																								
Engineering HRs	1	1	1	1																																								
Management HRs	4	6	6	6																																								
Marketing HRs	1	3	3	3																																								
News/Informative	4	7	12	12																																								
Music programme	2	5	5	5																																								



Annexure 2: FINANCIAL PLAN

CAPITAL

Details	Amount
Donation- Yonke Imizamo Productions	R500 000,00
Donation – Rumble Pty Ltd	R250 000
MDDA- Grant	TBC
Cultural Survival	R150 917,00

OPERATION PLAN

ANTICIPATED	CAPITAL	EXPENDITURE	YEAR 1	YEAR 2	YEAR 3
CAPITAL EXPENDITURE	Broadcasting Equipment	R1 886 618.70	R1 886 618. 70		
	Rent	R12 000	R144 000	R159 000	R176 000
	Licence Fee	R3 289	R3 289		
	Furniture	R66 000	R66 000		
			R1 955 907.70	R159 000	R176 000
OPERATING EXPENDITURE	Telephone	R2 500	R30 000	R33 000	R36 300
	Marketing	R6 000	R6 000	R8 000	R10 000
	Stationery	R20 000	R20 000	R24 000	R30 000
	Salaries	150 000	R150 000	R165 000	R184 000
	Website	R3 500	R3 500	R3 700	R4 000
	Maintenance			R45 000	R22 000
			R209 500	R212 500	R286 300
			R2 165 407.70	R371 000	R462 300

PROJECTED INCOME STATEMENT

INCOME	STATEMENT	2020	2021	2022
	PRE-OPERATING			
SPOTS PER DAY		0	6	9
REVENUE		0	R593 280	R889 920
OPERATING EXPENSES				
Rent		R144 000	R158 400	R174 240
Marketing		R60 000	R72 000	R120 000
Stationery		R3 600	R3600	R3600
Consumables		R2 400	R3600	R5200
Depreciation		R180 357.50	R180 357.50	R180 357.50
Salaries		R150 000	R150 000	R165 000
Total		R540 357.50	R567 957.50	R648 397.50
Surplus/ Deficit		-R540 357.50	R25 322.50	R241 522.50

CASH FLOW STATEMENT

PARTICULARS	PRE- OPERATING	2020	2021	2022
CASH INFLOW				
YONKE IMIZAMO PRODUCTIONS	R500 000			
RUMBILE PRODUCTIONS	R250 0000			
REVENUE		0	593 280	R889 920
ANTICIPATED GRANTS		0	R1 600 000	R150 000
TOTAL CASH INFLOW	R750 000		R2 193 280	R1 039 920
CASH OUTFLOW				
PRE-OPERATING EXPENSES	R150 000			
EQUIPMENT	R1 886 618.70			
CASH EXPENSES		R56 400	R112 800	R112 800
INCREASE IN INVENTORY		R1 200		R2 600
TOTAL OUTFLOW	2 036 618.70	R57 600	R112 800	R115 400
NET CASHFLOW	-R1 286 618.70	-R57 600	R2 080 480	R924 520

PROJECTED BALANCE SHEET

ASSETS	PRE- OPERATING	2020	2021	2022
CASH	0		R593 280	R889 920
CONSUMABLE		R1200	R1200	R2600
CURRENT ASSET		R1200	R1200	R2600
GROSS FIXED ASSET	R1 955 907.70	R1 955 907.70	R1 955 907.70	R1 955 907.70
- DEPRECIATION		R180 357.50	R180 357.50	R180 357.50
NET FIXED ASSETS	1 955 907.70	R1 775 550.20	R1 775 550.20	R1 775 550.20
PRE OPERATING ASSETS	R150 000	R150 000	R150 000	R150 000
TOTAL ASSETS	R2 105 907.70	R1 926 750.20	R2 520 030.20	R2 817 870.20
CAPITAL				
YONKE IMIZAMO PRODUCTIONS	R500 000	R500 000	R500 000	R500 000
RUMBILE PRODCIONS	R250 000	R250 000	R250 000	R250 000
ANTICIPATED GRANTS		R150 000	R1 750 000	R1 750 000
TOTAL SURPLUS/DEFICIT	R1 355 907.70	R1 026 750.20	R20 030.20	R67 870.20
TOTAL CAPITAL	R2 105 907.70	R1 926 750.20	R2 520 030.20	R2 817 870.20

