



# Business Development Plan

January 2021 – December 2023

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## Chair Statement

As the Chairman of the Board of Directors of Public Service Media, I present to you, the Public Service Media's Business Development Plan for 2021 to 2023. With rapid changes in both technology and audience, the landscape of the broadcasting industry has helped shape this plan. Our core values - Dedicate, Entrust, Leverage, Inform, Value, Empower and Relate; are used to guide our priorities stated in this plan.

As for being the official State Media in the Maldives, we are obligated to provide television, radio and online media services to the general public and create media personnel. Our primary responsibility is to create awareness among the public by providing up-to-date news and fact-based shows for infotainment. The Maldivian traditions, culture, ideology and values are the factors that shape our services. We strive to provide an outstanding experience to the public by sustaining the spirit of unity, peace and harmony in society.

It is an honor and a privilege to serve our nation. My heartfelt thanks go to colleagues across the Media network for their unwavering commitment to the public that benefits from our work. Your energy and hard work are always valued and inspiring!

We look forward to continuing working with the public, partners and stakeholders in the coming years and contributing to helping them understand their rights and responsibility and the tools to transform their lives!

(signature)

Ibrahim Hilmy, Chairperson



## MD Statement

This 3-year Business Plan is essential for us to carve our future and ensure a smooth journey to attain our common goal. It is necessary for us to have a framework to move in the right direction through production, performance, and sales targets.

Our vision for formulating this plan is to create a company that is functioning and adhering to the governance stipulated by the government and the Parliament of Maldives.

In accordance with our mandate, we will be focusing on creating audience-driven imaginative content to inform, educate and entertain the public. We have made new developments to work alongside, other broadcasters and local and international associations, NGOs, organizations, institutions, and smaller communities within the society.

It is important for us to continue, adapting and changing with the times whilst adhering to our core values and serving the public. Our content should reflect the ideas and sentiments of the shared community and give hope to a better, more unified future.

As Public Service Media, our main priorities for the coming three years will focus on the following,

- Foresee industry and technological changes and adapt and innovate to provide a high-quality service,
- Increase the accessibility of our services
- Create content that is creative, thought-provoking and appealing to the tastes of our ever-changing audience to facilitate a greater dialogue within society
- To be a reputable and trusted source of news and information that all Maldivians will be proud of.

Through the guidance of this Business Plan, we foresee a more balanced and content-oriented Public Service Media that continues to pioneer and support the broadcast and media industry as well as support and amplify the voices of communities, game-changers and role models.

This plan sets out the challenges and opportunities we see over the next three years and provides details on the measures we will take to maintain PSM's values and its essential place in Maldivian life.

(signature)

Ali Khalid, Managing Director





# 1. Executive Summary

Public Service Media (PSM) is the largest media company in the Maldives, with 8 channels, online and print media, and an OTT platform and a teaching institution. As the official state media of the Maldives, PSM provides essential public service to the people of the Maldives and represent the country on an international and regional platform.

PSM's Channels encompass the entire population of the Maldives as its demographics with content catering to all ages and all genres. In addition to this, through its OTT platform and application, PSMConnect, we are able to go beyond traditional media and reach audiences through the newer innovations of technology. PSM's teaching institution, Maldives Media Institute (MMI) provides the public with courses ranging from those directly involved in broadcasting, such as journalism and editing, to indirect courses such as dressmaking.

This business plan is divided into four main sections.

1. The Market Analysis and Plan
2. Human Resource Management and Plan
3. An Overview of the Technology and Infrastructure, and
4. Financial Plan

These four sections will look into different aspects of PSM and PSM's place in the Maldivian economy. PSM's role is unique as we are the pioneers of television and radio broadcasting and the largest broadcasters in the industry. There is great potential for diverse revenue streams through creative uses of all of the components under the PSM umbrella.

The business plan also has a complete analysis of PSM's strengths and weaknesses and the potential threats and the various opportunities that can be seized to increase return. Based on these, we have developed several future business scenarios along with the potential risks and how to solve them.

Lastly, the financial plan summarizes the major components of our business plan and quantifies how our goals can be achieved. This section details the various sources of income, the potential revenue that can be generated through our channels and other creative sources and shows the overall growth of PSM as a company.



## 2. Business Summary

### 2.1. Company

Public Service Media is a public service company established under the Public Service Media Act (9/2015) on 28<sup>th</sup> April 2015. PSM is the state media of the Maldives and operates in both Radio and TV Building.

<b>Radio Began</b> DRA 89.0 MHz FM DFM 91.0 MHz FM DA 90.0 MHz FM	29 <sup>th</sup> December 1962
<b>Television Began</b> Television Maldives PSMNews YESTV	29 <sup>th</sup> March 1978
Maldives National Broadcasting Corporation formed	22 <sup>nd</sup> December 2009
Maldives Broadcasting Corporation as the public broadcasting service	14 <sup>th</sup> February 2012
PSM was established	28 <sup>th</sup> April 2015

Figure 1 - Timeline of PSM

**Mission:** A National Media dedicated to invigorate an informed, civilized and unified society through awareness, education and entertainment.

**Vision:** Lead the nation via information, education and entertainment to build an enriched society

#### Our Values

- **Entrust** We entrust our credibility in our audience.
- **Inform** We inform via facts and truth, unbiased.
- **Enrich** We enrich the lives of our audience and stakeholders with value, culture, knowledge and information
- **Innovate** We innovate our services to the nation and its citizens
- **Relate** We incorporate stakeholder and nation's needs in our services.





## 2.2. Governance and Management

PSM is overseen by a board of directors selected by the Privatization & Corporatization Board (PCB) to govern Public Service Media within the framework of PSM Act (9/2015)

The PCB selects a Managing Director and Deputy Managing Director who are responsible for the management and the operational functioning of the company. Each department is led by a Head of Department who reports to the Managing Director and Deputy Managing Director.

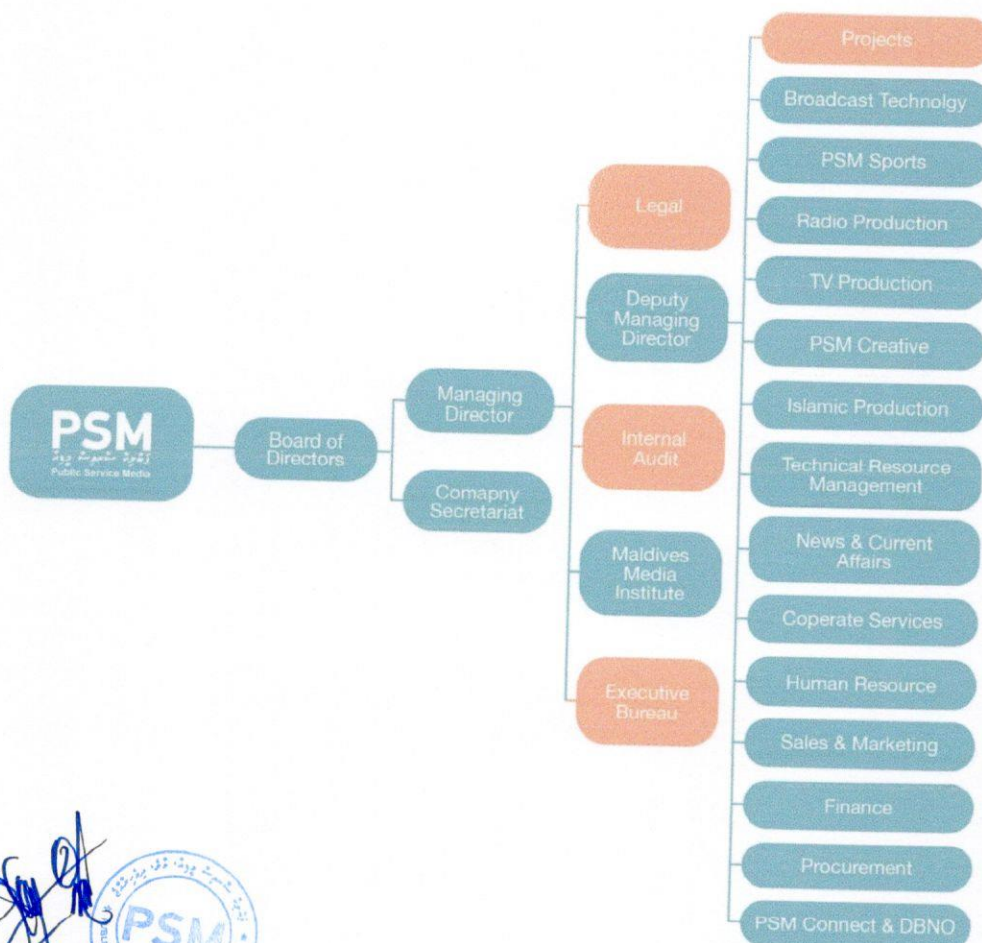


Figure 2 Management Structure (existing structure in review by HR)

The respective departments operate under the management framework and the internal policies approved by the board of directors.

These internal policies include the Procurement Policy, Editorial Guideline and Accounts management set by international best practices.

Various internal and external content monitoring bodies regulate the programs/shows that are broadcasted through Public Service's Media's Television and Radio Channels. The external bodies include the People's Parliaments, Broadcasting Commission, Maldives Media Council and the citizens of Maldives. These are the bodies that have a direct say and power to regulate and change the content which the company broadcasts. The Internal monitoring bodies include the content committee, which follows specific policies, editorial guidelines which we have to follow while broadcasting the content.

### **2.3. Products and Services**

Under the Public Service Media Act 9/2015 under the 45<sup>th</sup> article in Haa (✓), PSM is obligated to provide the following services.

1. Television Maldives as a Television service,
2. Dhivehiraajjeyge Adu as a Radio service,
3. PSMNews.mv as a website, and
4. Maldeeb as print media service.

In addition to this, to meet audience requirements, to add more value, and to generate revenue PSM operates multiple channels across TV and Radio as well as an OTT platform (PSMConnect), and a media institute (MMI).





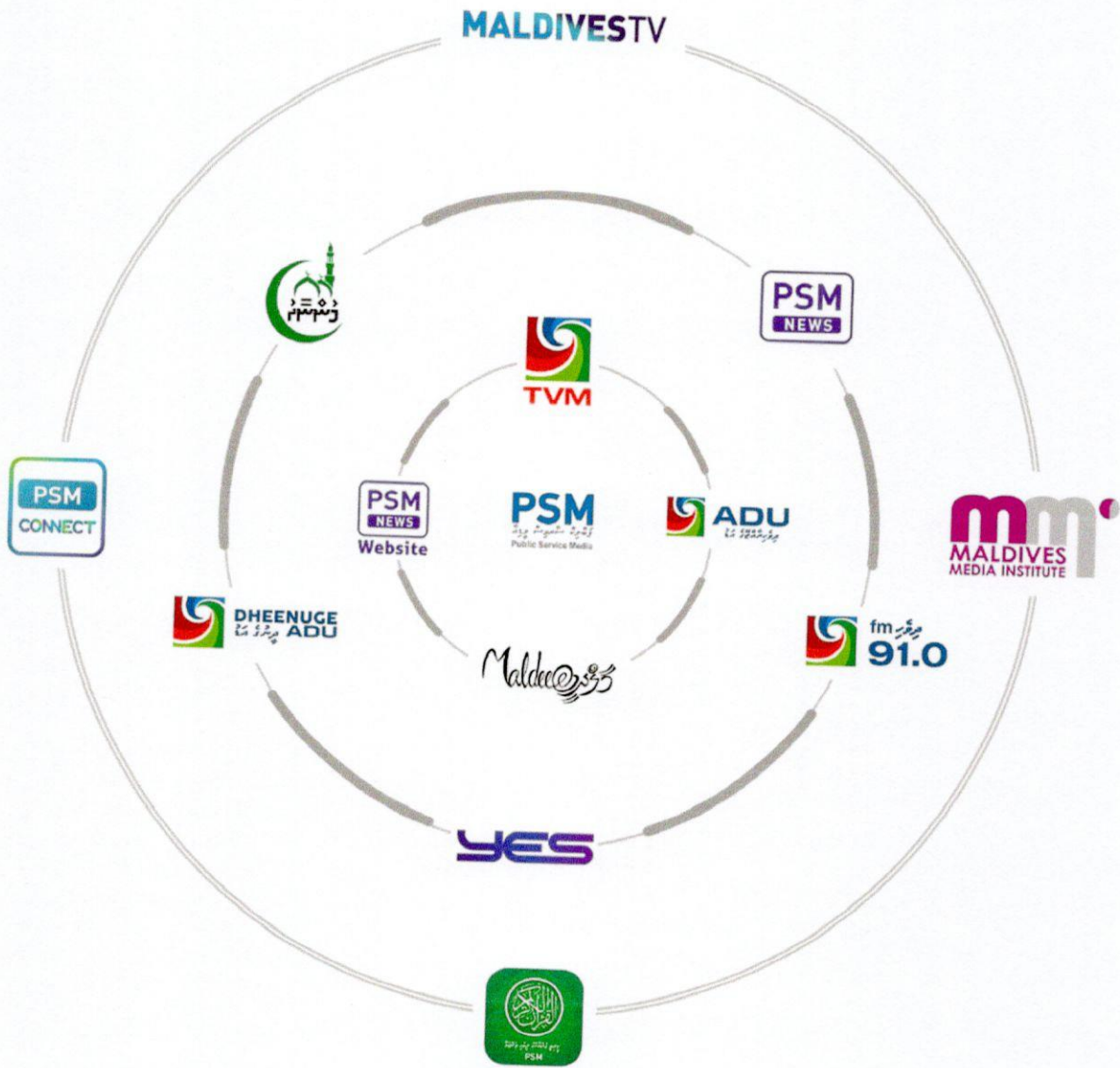


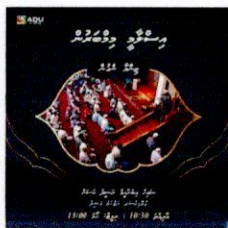
Figure 3 – Products



### 2.3.1. News and Programs

One of the main mandates of PSM is to provide Information, Education and Entertainment through our various channels.

In order to meet this criterion, PSM produces several programs in-house and procures local and international content.



- Heyyambo
- Hendhunu Hendhunaa
- Mendhurufas
- Meekaaku
- Emme Aligadha Thari
- School kudhinge lava mubaaraiy



- Established the 2pm, 8pm news tradition of the Maldives



- Baajjaveri Hendhuneh
- Rakkaavethibiyya Dhathuru
- Adhuge Raajje
- Quran Mubaaraaiy
- Kuruvaahaka Mubaaraaiy
- Roadha Kuru Kurun
- Drama
- Bokifathi
- CD Harugandu

TV and Radio on-air allocation is divided into four seasons, comprising of three months each with the exception of Ramadan which has its own unique schedule.





Each season is given a theme that correlates to the avenues of life skills, values, and morals, mandated by the government to be covered by our channels.

In addition to this, notable and special local and international days are celebrated on air on our channels in accordance with the categories defined by the board of directors.

### **2.3.2. Live Coverage and Sports Events**

Public Service Media provides live coverage of significant events of public interest hosted and organized by the government and associations and institutes. In addition to this, PSM, in its capacity as the State Media broadcasts major events attended by the President and Vice President of the Maldives and all public Parliament Sessions and Court proceedings.

Public Service Media has been at the forefront of providing the latest sports coverage and entertainment, from local tournaments to international events.

From the national pastime football to new and upcoming sports in the Maldives, major national sports events are covered by PSM and broadcast on our TV and radio channels. PSM has also supported local sports through media partnerships and special sports coverage packages at discounted prices for community-level sporting events.

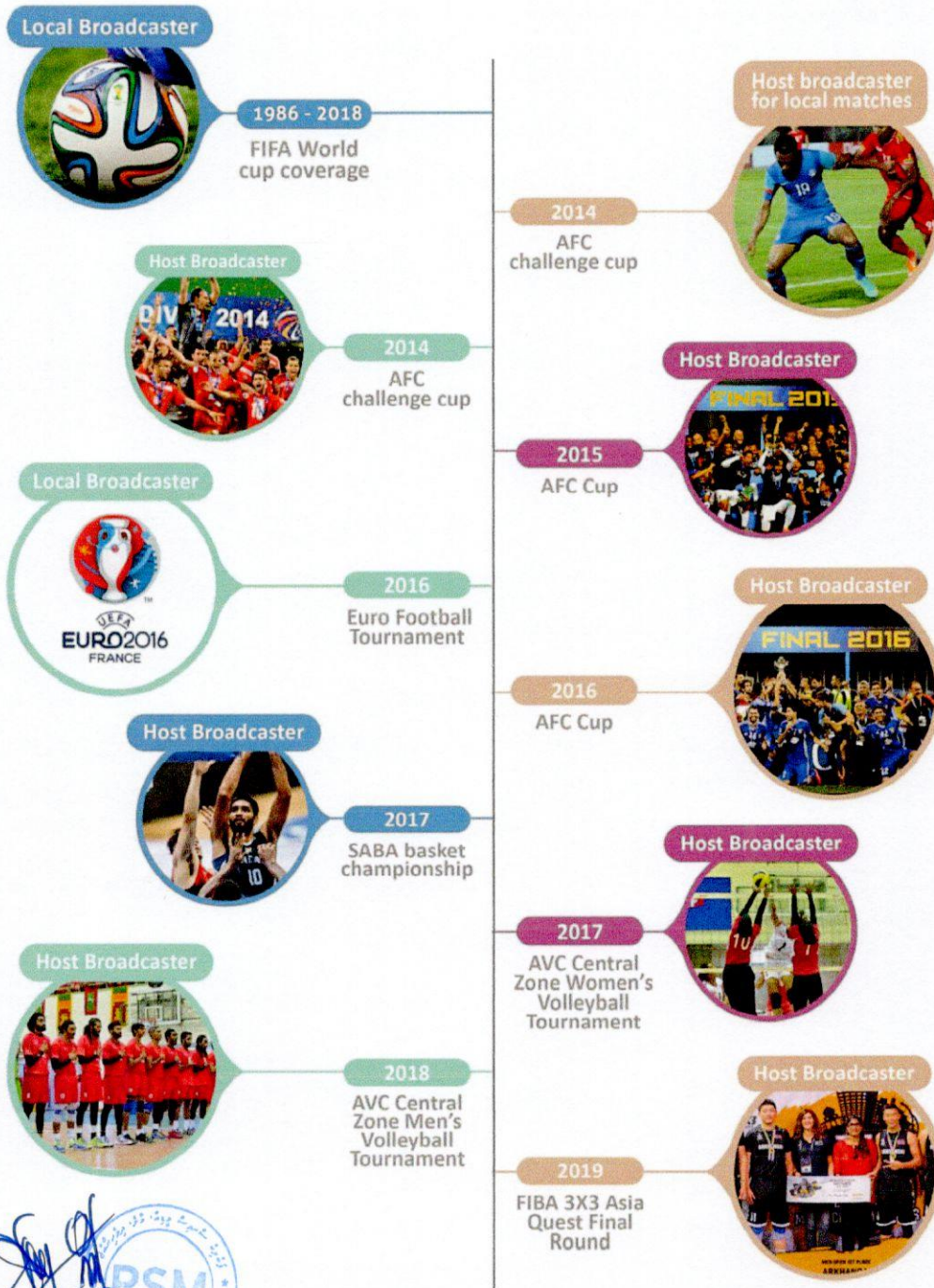
Every major regional sports tournament where the Maldives participates is covered by PSM. Of significant note is the 2008 SAFF Championship, where the Maldives was the host country.

Besides these, regional sports tournaments such as the AFC Cup, Euro and SABA Basket Championships have also been significant media partnerships by Public Service Media.

On a global level, Public Service Media has broadcasted, partnered and provided coverage for FIFA World Cup 2014, World Cup and Asian Cup qualifying matches throughout the years and the Olympic Games.



## Major International Events



Handwritten signature and official stamp of the PSM (Persatuan Sepakbola Malaysia) organization.



Figure 4 - Major International Events covered by PSM Channels

### 2.3.3. Franchises



**Maldivian Idol:** Maldivian Idol was a franchised Dhivehi version of the British show Pop Idol created by Simon Fuller's 19 Entertainment and developed by Fremantle Media. The first season premiered on 22nd January 2016. On 2<sup>nd</sup> May, the first Maldivian Idol was announced

Two more successful seasons of Maldivian Idol continued the following years.



**MasterChef Maldives:** PSM Launched the international franchise MasterChef in the Maldives officially on 18th January 2020. Set to be broadcast in 2022, MasterChef Maldives is already set for the potential of commercial success as 5 sponsors have already signed on.



## 3. Market Analysis Summary

### 3.1. Industry Background

Broadcasting in the Maldives began 48 years ago in 1962 via Dhivehiraajjeyge Adu (DRA). The next significant development came sixteen years later in the form of television service with the establishment of Television Maldives in 1978.

While publishing newspapers and magazines were open for private parties from the beginning until 2006, broadcasting was limited to the government only, and a historic media milestone was reached in 2007 when private broadcasting was opened in the Maldives.

In 2011 Maldives Broadcasting Commission commenced its work to regulate and develop the broadcasting sector in the Maldives under the Broadcasting Act, which serves as the regulatory body of broadcasters and re-broadcasters in the country. So far, a total of 47 broadcast licenses have been issued to 26 broadcasters, and currently, there are 34 TV channels, 12 radio channels, and 111 re-broadcasters in the Maldives.

In 2015 with *Public Service Media Bill*, PSM was made the official state media body, and today the state body operates alongside private broadcasters to provide consistent and reliable content to the public.





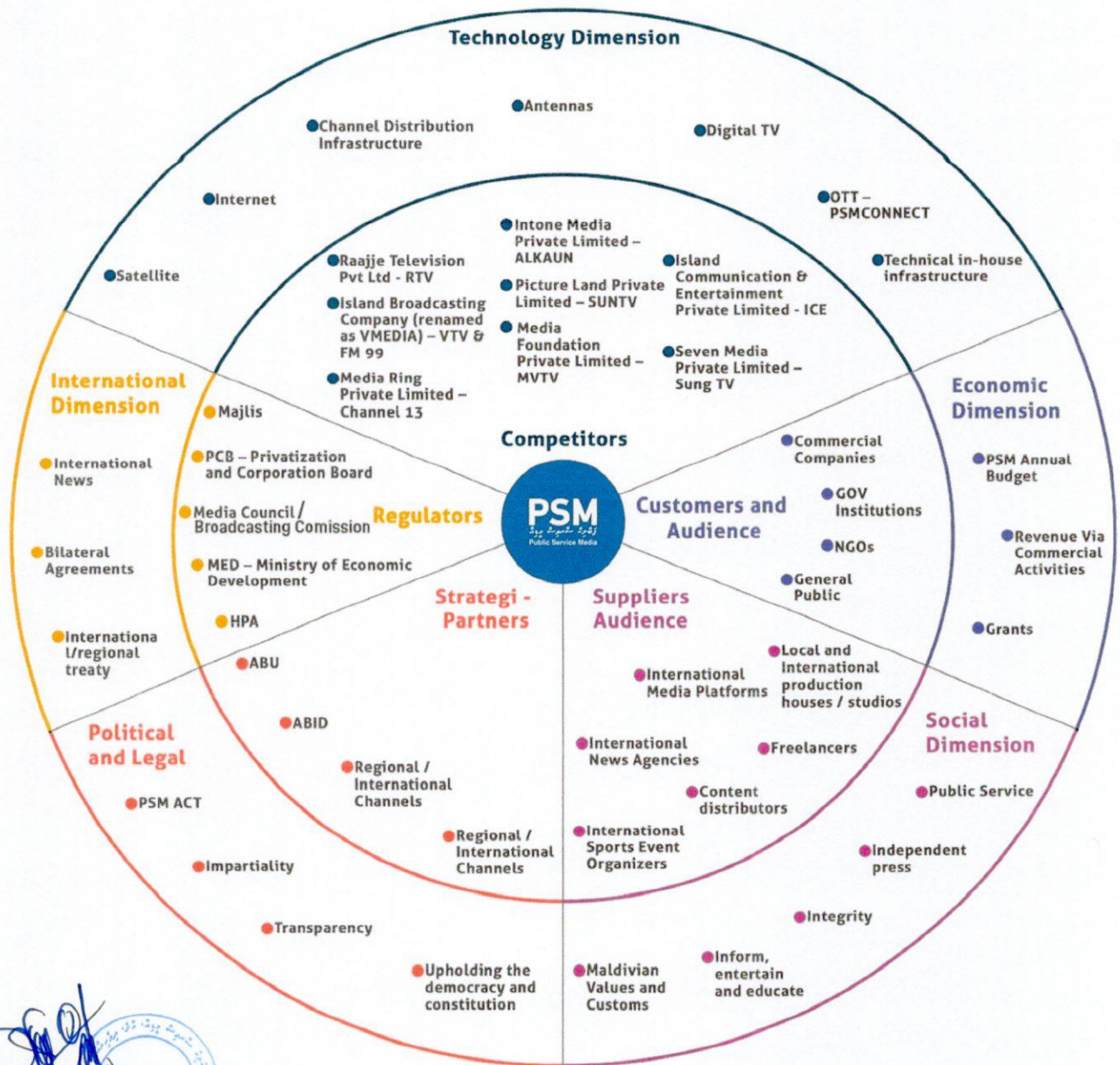


Figure 5 - PSM and the Media Environment

## 3.2. Market Analysis

The broadcasting industry is heavily dependent on content from the industries operating in the Maldives. We need to identify the potential opportunities in our current economy to optimize these industries resources to build our content.



Figure 6 - Market Map



### 3.2.1. **Telecom Industry:**

There are two major companies under this sector and are currently one of our loyal clients and have been part of sponsoring and advertising across our channels. We will continue to focus on supporting this sector and provide our platform for both clients.

### 3.2.2. **Tourism Industry:**

Tourism is the key economic sector in the country, driven by strong demand from tourist arrival of 1.7 million in 2019 and expected to grow exponentially for the next three years. We need to focus on ways to incorporate this sector in our content and provide a platform for them to invest in and be featured. With MALDIVES TV being one of the potential channels solely based on promoting the Maldives as a destination, will become a strong medium to boost content based on this sector.

### 3.2.3. **Construction Industry:**

According to MMA, this sector saw a modest improvement in the final quarter of 2019. The real estate business also falls under this sector which has been booming, and we have an opportunity to approach these clients for sponsorship on shows that align with their industry. We expect to acquire 30% of clients in this market within three years.

### 3.2.4. **Banking & Finance:**

From past experience, the banking and finance sector mostly prefers to have their content pushed during current affairs and given the pandemic, they have picked on promoting their special schemes in the media. We have the opportunity to approach and expected to acquire 50% of this sector for our news and floating slots.

### 3.2.5. **Wholesale-Retail Industry:**

The majority of our clients are from the Wholesale-Retail industry, with many small and large-scale businesses willing to promote their brand with us. We intend to optimize this opportunity to grow our client base in this sector further and continue to provide our platform to boost their business. We currently have approximately 50% of the market clients, and we expect to secure 70% of clients.

Broadcasting is undoubtedly one of the key marketing aspects for any sector, and with the above analysis of the main industries in our community, we have strong opportunities to broaden our horizons in terms of potential new clients.





### **3.2.6. Online Platform**

With the growth of social media and streaming platforms, we have a broad online spectrum to incorporate our content into. Today, the online medium is the driving factor for all industries; hence, we need to ensure our corporate is making the optimum use of this platform.

Currently, with our presence on key social media apps, we push our client's content under social media benefits. In addition, PSMConnect is available for the public to subscribe to and receive our streaming services.

As the public service media, PSM aims to pursue distribution of local content to online streaming services such as Netflix, Amazon Prime and Hulu, thus creating avenues of revenue generation for PSM and other broadcasters in the industry.

## **3.3. Impact of Covid-19**

The coronavirus outbreak has hit the Maldivian economy hard, as travel restrictions and other preventive measures affected several industries.

Significantly, the lucrative tourism industry is the largest contributor to state revenue and foreign reserves. The travel restrictions have affected the import industry heavily, and as a result, the construction sector, the wholesale-retail sector, has faced major regression this year.

According to the World Bank, revenues fell by an estimated 23.4 % in the first quarter of 2020 as tourist-related revenues shrank. Construction, the other main driver of growth, also slumped due to logistical difficulties and repatriations of foreign workers following COVID-19 outbreaks.

The Covid-19 Pandemic has set back the economy; hence, many of our clients have suffered substantial financial restrictions, and so has PSM. Currently, it is anticipated that the industry will go into recession and might take over a year to recover.

However, the situation also provided the opportunity for the broadcasting industry and PSM in particular to be on the forefront of disseminating the latest accurate information, leading public awareness campaigns, and broadcasting the Covid related press conferences live directly to the homes of the people.

## **3.4. Porter's Five Forces Analysis**

### **3.4.1. Competitive Rivalry**

The competitive rivalry is significantly high within the industry as private broadcasters are providing similar services as PSM. PSM being the state media providing unbiased news and programs, leaves a gap in the market for audiences of non-central political alignments, which are an opportunity for private broadcasters. Therefore, the audience and the client base are more likely to switch between network channels. Given the current political influence, the probability of switching is increased regardless of our





services. In order to retain our audience, we need to provide unique programs, and our service offerings need to be more approachable and affordable. In the long haul, we need to focus on offering programs for specific segments and differentiate our services.

#### **3.4.2. Power of Suppliers**

With multiple suppliers in the broadcasting industry operating alongside PSM, we have limited power over the supply as clients have the leverage to choose from multiple service providers. This increases their bargaining power as they are not constrained to only a single medium for broadcasting. In order to gain the upper hand on supply power, we need to differentiate our other services. Focus on ways to provide services that our competitors do not specifically offer, which will leave our clients with the option to choose us for that service.

#### **3.4.3. Buyer Power**

Buyer power is strong in this industry as they have access to multiple platforms and other private broadcasters that offer similar services as PSM. The possibility of negotiating and substituting with lower rates for advertising and production services are high in this competitive market. Apart from private broadcasting channels, marketing and advertising firms offer ad production services that add to their bargaining power.

#### **3.4.4. Threat of Substitution**

Due to high competition in the market, the clients have access to private channels and other mediums to substitute and meet their requirements. With online platforms, they have more options to run their promotions and advertisements for free. For example, while PSM operates the sole radio channel with the popularity of podcasts and social media for advertising, clients now have easier access and affordable ways to promote their products. They have more options to choose their preferred advertising rates among PSM and our competitors. While we do have more substitutes in the industry, PSM channels are free across the nation and for example, choosing to advertise on TVM during headline news, the same feed is available on PSMNEWS, which gives our clients an additional benefit of more exposure.

#### **3.4.5. Threat of New Entry**

The threat of new entrants is low in the Maldives broadcasting industry as one cannot establish a broadcasting channel without specific permissions and license. While this threat is limited as PSM is a government body, we offer our channels to be broadcasted in other cable networks under our policies.





## 3.5. Demand

### 3.5.1. TVM

TVM is the longest-running free to air channel covering 80% of the Maldives. Hence, TVM is the most popular channel in the Maldives.

Maldivian Idol is the most successful and well-received franchise in the nation by engaging across all demographics through multiple platforms.



Figure 7 - Maldivian Idol Social Media Statistics

### 3.5.2. Dhivehiraajjeyge Adu

Dhivehiraajjeyge Adu is the first radio broadcaster in the Maldives that is free to air across the country and is still the only radio channel available to the public.

### 3.5.3. PSMNews Website

Available in both English and Dhivehi, the PSMNews website makes the latest, reliable and unbiased news accessible for all.

### 3.5.4. Maldeeb

Maldeeb is Public Service Media's first initiative under print media services. Maldeeb aims to bring its readers a wide variety of content in both Dhivehi and English. Maldeeb magazine was easily available in public places such as ferry terminals, clinics, government offices, and board Maldivian flights. Physical magazines were being printed at a 100 units per week. Maldeeb could also be read online on [issuu.com](http://issuu.com)

### 3.5.5. PSMNews

PSMNews is the go-to source for the latest unbiased news. As it is the state media, PSMNews' reliability is unrivalled by its competitors





### 3.5.6. **YESTV**

YESTV is the go-to TV channel for sports, music and entertainment with a youth-oriented flair. We have observed at least 60% of the population tune into the channel.

### 3.5.7. **Munnaaru**

Munnaaru channel provides religious and spiritual programs that are aligned with our beliefs to strengthen our faith and Islamic knowledge

### 3.5.8. **DhivehiFM**

DhivehiFM is the first and longest-running FM radio channel in the Maldives. Famous radio personalities take you on a ride through music and entertainment youth-oriented shows. DhivehiFM has a significant loyal fan base with an official fan club comprising of youth in all walks of life throughout the Maldives.

### 3.5.9. **Dheenuge Adu**

Dheenuge Adu provides religious content and spiritual shows for the community. As per our findings, the majority of the audience consists of senior citizens throughout the Maldives.

### 3.5.10. **MALDIVES TV**

MALDIVES TV is the first international TV channel in the Maldives, giving you an insight into the travel & tourism industry.

### 3.5.11. **Quran Tharujamaa Application**

The first official Dhivehi Quran translation mobile application. It is one of the most downloaded local apps nationwide, with a total of 10,722 downloads of the app on both Android and IOS.

### 3.5.12. **PSMConnect**

PSMConnect gives easy access to local and international TV channels by providing modern ways to watch TV channels on multiple screens for our tech-savvy generation. Our PSM package is free with 7 local channels; our basic package has over 22 channels with 11 local channels.





Figure 8 - PSMConnect customer base

As of now, we have a total of 44,146 customers on PSMConnect with 1,293 subscribers from May to Nov 2020.

	2020	2021	2022	2023
Registered Customers	44,146	20% of 2020	30% of 2021	50% of 2022
Subscribers	1,293	20% of 2020	30% of 2021	50% of 2022

Table 1 - PSMConnect Customers and Subscriber Forecast





### 3.5.13. MMI

Established to train staff-base and provide media training to enhance the broadcasting sector, MMI provides short- and long-term courses for media professionals and potential individuals interested in joining this industry.

Over the last five years, MMI has seen an increasing number of enrollments, and from 2018-2019 there was a 93% increase. Moreover, to date from Nov 2016 to Oct 2020, we have 1,053 certificates issued, including repeat students and lecturer certificates.

#### STUDENTS ENROLLMENT FROM 2015-2019

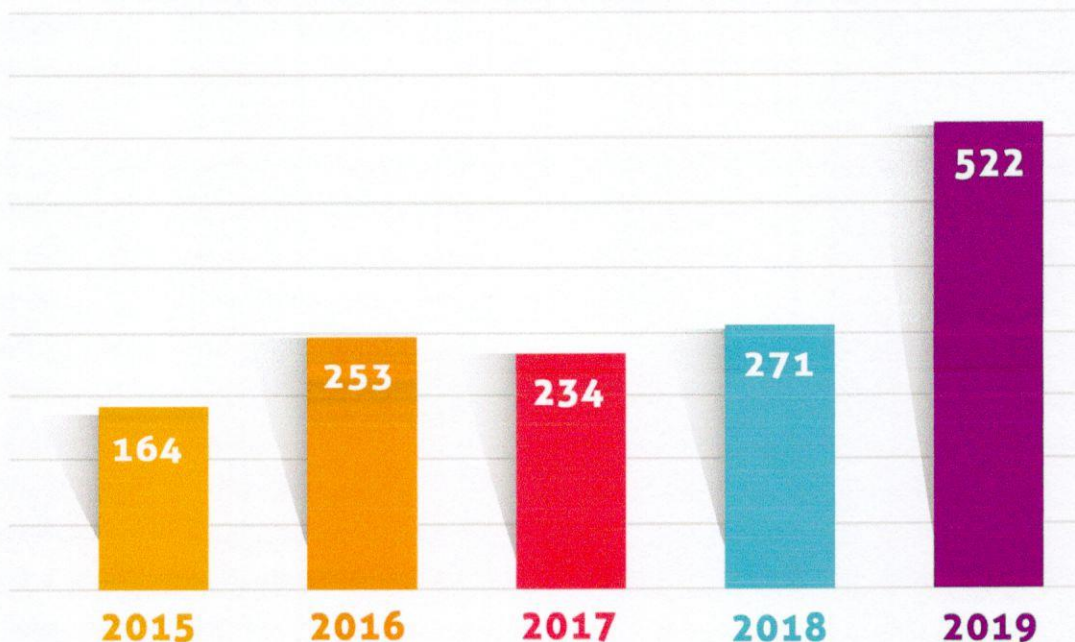


Figure 9 - Student Enrollment from 2015 - 2019

Among all our courses, this year, we received the greatest number of applicants on Film editing and Shooting online workshops.

Based on the current growth, we expect a 20% increase in student enrollment from 2021 and 2023.

We currently have new courses planned for the upcoming year and will be undertaking the hybrid mode with theory sessions online and practical sessions at the institute by social distancing.



### 3.5.14. Other Services

PSM's resources and facilities create a demand from government and private parties for the production of ads and other services, which gives us the advantage to increase our client base for our advertising on our channels.

## 3.6. Supply

We aim to provide the most reliable news and innovate and produce promising programs with our competent team that will ensure that we meet and deliver our 'audience' expectations.

### 3.6.1. TVM

Television Maldives (TVM) is the main and the most prominent outlet of PSM, which brings in a variety of shows, programs and current affairs news. The television channel has successfully brought in three successful seasons of the country's first international reality franchise show, Maldivian Idol, producing a total of 85 shows in three seasons.

### 3.6.2. Dhivehiraajjeyge Adu

The first broadcasting platform for the audience began with DRA, and till today it is the only Radio channel operating across the country providing radio programs. The following are the most popular and long running programs on the radio:

- Baajjaveri Hendhuneh
- Rahkaave Thibiyya Dhathuru
- Adhuge Raajje
- Kuru Vaahaka Mubaarai
- Roadha Kuru Kurun
- Drama

### 3.6.3. DhivehiFM

DhivehiFM is the first and longest running FM radio channel with many interactive talk shows, music programs and entertainment shows. Veteran shows such as 'Raajje Hendhunaa', 'Bokifathi' and 'Lava akah fahu Lavahaeh' still draw in a number of listeners

### 3.6.4. YESTV

YESTV, the country's first channel, solely targeting youth and entertainment. The channel focuses on enhancing youth talent, work, and skills, and focuses on broadcasting entertaining programs. Notable





programs include live coverage of all Dhivehi League Matches 2020, community-level sports coverage, 'Kulhivaru Vindhu', local movies and games shows.

### 3.6.5. **Dheenuge Adu**

Dheenuge Adu is a 24-hour radio channel by the Public Service Media of the Maldives, established on the 29th December 2015. With a target audience of all ages and gender, Dheenuge Adu is aimed at delivering content that would strengthen

### 3.6.6. **Munnaaru TV**

The Islamic television channel, Munnaaru, focuses on enhancing the Islamic knowledge of the viewers and strengthening their faith. We target to develop the content further and offer a variety of Islamic programs in order to make the channel a 24-hour broadcaster. Following are the popular shows on Munnaaru,

- Muhammad Rasoosulullah (Dubbed in Dhivehi)
- Salaahudheen Ayyoobi (Dubbed in Dhivehi)
- Sermons by locals and international scholars

### 3.6.7. **PSMNews**

PSMNews, the 24-hour news channel of Public Service Media (PSM) has covered major live events, disasters, celebrations from around the country and abroad is the most up to date channel and favorite news of the public.

- Current Affair News:
  - 10:00, 14:00, 20:00, 00:00 (Local Language)
  - 19:00 (English Language)
- Breaking News
- Raajje Miadhu
- Dhuniyeyge Kalhi
- People's Majlis coverage
- Investigative Journalism documentaries and reports
- Public court proceedings
- Live Events

### 3.6.8. **MALDIVES TV**

MALDIVES TV, the first international channel in the Maldives, targeting to showcase the Maldives to an international audience. The channel produces contents mainly through travel shows and promotional reels targeting tourists who wish to explore the beautiful archipelago and experience the rich culture of the Maldives.



### 3.6.9. Other Services

Operating broadcasting studios and facilities, with multiple broadcasting studios, PSM has the right amenities for events from private and government bodies to conduct events such as lucky draws, competitions, press conferences and recordings. This is part of our other services under leasing opportunities, such as Seneco Maalam, which is now open for leasing.

Currently, we use our studios to produce television and radio programs. From game shows, reality shows, dramas and variety show programs, we have rich content in our archives and production.

In addition to producing programs, we transmit our content to affiliated broadcasting channels other than PSM channels. Such as providing feeds of special events and ceremonies, events held on important days and feeds of events that other media may not be permitted to.

At PSM, we also provide consultancy and advertising advice to our clients to help them choose the most suitable and effective advertising options and packages. We create advertising campaigns that include special event ad productions for our clients and separate video and audio production with multiple options to choose from. Such as dramatized ads, scripted ads written by our team or just recording facility. We will arrange and provide all the necessary help to produce the desired advertisements.





## 4. SWOT Analysis

A SWOT analysis was carried out throughout public service media by engaging all relevant team members and departments. The following table depicts the outcome of those sessions.

	Strengths	Weaknesses
Internal	<p>S1. Past reputation and reliable source</p> <p>S2. Partially funded by government</p> <p>S3. International news subscriptions</p> <p>S4. Experienced team with 400+ staff</p> <p>S5. Human resource sharing within PSM</p> <p>S6. Large archive of content</p> <p>S7. Wide coverage</p> <p>S8. Strong brand image</p> <p>S9. Large technical capacity</p>	<p>W1. Content is perceived to be biased to some extent due to government funding</p> <p>W2. Management changes restrict long-term strategic decision making</p> <p>W3. Lack of trained/educated staff in some job roles</p> <p>W4. New content creation is low</p> <p>W5. Overall staff engagement is low</p> <p>W6. Organizational structure needs to be updated</p> <p>W7. Budget limitations in obtaining the latest technology</p> <p>W8. High operating costs with little return on some components of PSM</p> <p>W9. Lack of content variety, quantity and same content aired to fill schedule gaps</p>
	Opportunities	Threats
External	<p>O1. Forming strategic corporate and business partnerships</p> <p>O2. Exploiting regional and international alliances</p> <p>O3. Increasing demand and audience engagement</p> <p>O4. Attracting different businesses in different areas to advertise via PSM</p> <p>O5. Utilizing training opportunities provided for PSM</p> <p>O6. Penetrating new media such as social media</p> <p>O7. Acquiring and developing high-rated content</p> <p>O8. Increasing revenue via the different components of PSM</p> <p>O9. Removing public perception of being biased towards government</p>	<p>T1. High competition for TV channels from local and international channels</p> <p>T2. High substitution for TV and radio channels</p> <p>T3. High competition for PSMConnect from local and international platforms</p> <p>T4. Differences in opinion regarding political and religious issues</p> <p>T5. Difficulty in retaining staff due to better offers from competitors</p> <p>T6. Fragmentation of the audience between different mediums</p> <p>T7. Creative limitations and difficulty in capturing the full attention of the radio audience</p> <p>T8. New distribution technologies (ISDBT)</p> <p>T9. Other educational institutions introducing similar courses to MMI</p>



## Business Strategy

BS1. Forming strategic corporate and business partnerships and exploiting regional and international alliances to expand the business.

BS2. Acquiring and developing high-rated local and international content and channels for business innovation.

BS3. Increasing individual components demand and audience engagement by tailoring content according to audience behavior and needs.

BS4. Increasing clients and revenue by creating customized packages for different market segments in different areas.

BS5. Utilizing training opportunities for staff for capacity building and skill development.

BS6. Improving efficiency in core HR for facilitating organizational structure changes and creating a multi-talented workforce.

BS7. Building a great place to work for an agile and responsive workforce.

BS8. Enhancing distribution platforms and integrating efforts across multiple mediums to increase the audience (channel, website, social media).

BS9. Establishing an efficient work environment for broadcast and corporate services by investing in the latest technology, systems and processes.

Table 2 - SWOT

Based on the SWOT Analysis, business strategies were developed to meet the objectives of the business plan, improve the managerial and operations efficiency, identify gaps, and evaluating the revenue opportunities.





## 4.1. Gap Analysis

Gap Identification	Performance Gap	Profit Gap	Product/Market / Audience Gap	Manpower Gap
Priority Status	High	Medium	Low	

OBJECTIVE/TASK	CURRENT STATE	DESIRED STATE	GAP IDENTIFIED	GAP DESCRIPTION	CORRECTIVE ACTIONS	PRIORITY
Increase annual revenue	16 Million	28 Million	Profit Gap	Lack of sales and service strategy targeting for ministries, SOEs and Statutory bodies.	Establish a way to implement service request mechanism.	High
Profitability must be at least 10% on sales	8%	15%	Profit Gap	Need to differentiate Public Services, Free of Charge services and CSR services.	Allocate budgets and strategies to implement and provide those services to relevant parties.	High
Reduce Cost of Operation by 10% each year	High operational leakage		Performance Gap	Excess use of utilities. No strong procedure or practices to reduce electricity, water usage, etc. Lack of planning and need to understand the technical requirement.	Utility Requirement should be identified. Do technical and IT requirement analysis and pre-plan the upgrading of equipment's and studios	High
Improving public perceptions of PSM and the brand image	Public see PSM as politically biased Company	Need to build public trust and ensure	Product/Market / Audience Gap	Slowly improving	Need to bring more contents and that are targeting to co-cultures	Medium





		impartial ity			within the society	
Need to expand Strategic corporate and business partnerships, and alliances.	Have close relationship with very few international alliances	Need to have more presence within regional and internati onal broadcas ting and content industry	Performance Gap	Due and unclear payments and lack of participation in the activities organized by these parties.	Should take lead in activities that are relevant to Maldives such as climate, democracy, inequalities.	Medium
Providing an outstanding audience experience with distinctive content that matters for all			Performance Gap			High

Table 3 - Gap Analysis



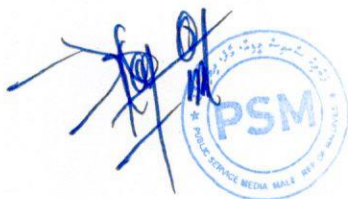


## 4.1. Strategies to fill the identified gaps

One of the main weaknesses of PSM is that the public perceives the content to be biased in favor of the government. This is true to some extent as PSM is partially funded by the government, but this weakness can be overcome through improving and shaping the public perceptions about PSM. Also, priority can be given to provide an outstanding audience experience with distinctive content that matters for all. To increase the variety and quantity of content, and reduce the filling of schedule gaps with repeated content, a few strategies can be utilized. One such strategy is to preserve and secure audio-visual archive assets for effective usage. Another is to curate, acquire and manage the rights of the content and produce programs that engage with more people.

Another major weakness is the high operating cost of some components of PSM with little return. This can be offset by building revenues and profits from a number of different sources. Investing in marketing, branding and business innovation is also important to be able to compete effectively in a VUCA world. Moreover, PSM can create possibilities to increase the audience by enhancing distribution platforms and save costs in the long run by establishing an efficient work environment for broadcast and corporate services through investing in technology. The budget limitations in obtaining the latest technology can be combated by forming strategic corporate and business partnerships and alliances.

Human resources are the vital component in the success of any venture, it is important for the core HR to be efficient, change with the times, and be flexible, especially with a diverse workforce. As such, organizational structure changes need to be made to better reflect the capacity of the departments and their staff. By building a great place to work for an agile and responsive workforce, overall staff engagement would rise, and outputs such as new content creation would increase. Also, trained/educated staff is important for some specific job roles for this to be true as the whole team can be impacted due to a few bad fits. In addition, policies need to be put in place so that management changes do not impact the long-term strategic decisions of PSM.



## 5. Marketing Plan

### 5.1. Evaluating the PSM Content

Our main source of content consists of long-running successful programs and shows our own in-house production. Some of these programs are still ongoing with the same concept and production style. Programs such as 'Heyyambo', 'Mendhurufas' and 'Filmy Udhares' are some of the key shows that are part of the PSM brand. Even today, programs like 'Hedhunu Hedhunaa' and 'Baajjaveri Hendhuneh' are popular among the public and are valuable for clients, companies and industries to promote their events and news.

However, it is important to acknowledge the fact that today some of these shows don't hold the same value they once did for the public and the number of audiences tuning in to watch these shows has dropped significantly. Therefore, we need to carry out a market survey to determine the said statistics of our audience to get a clearer picture of where we need to improve and what we can do to enhance our content.

While in recent years, we have introduced new show concepts, the majority of our schedule gaps are filled with repetitive content of the same shows, which results in a lack of varieties across our channels. Therefore, one of the major areas we have identified in the gap analysis is the shortage of distinctive programs that can cater to all segments. In addition, the increased availability of substitutes in the industry is another factor that influences our stance in the market.

Hence, we need to set and change our strategies to focus more on the audience needs and produce content that is rich in creativity and more compelling. PSM has a large archive that can be optimized in content creation and acquire high-rated content.

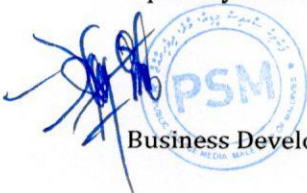
### 5.2. Setting the Objectives

Aligning with the business plan objectives, we have set our marketing plan objectives as follows.

- Establishing PSM and subsidiaries as a high-quality, trustworthy brand
- Use innovative marketing and business techniques to approach a broader audience and increase clientele
- Creating a network of international and local partnership and alliances

### 5.3. Marketing Mix

Based on our SWOT and gap analysis, as discussed, PSM needs to introduce new content and improve our existing concepts in order to tackle the issue of repetitive content. Using the existing resources and the capability to invest in and come up with shows will enhance audience experiences.





### 5.3.1. Product Policy

Our products are the inhouse programs we produce which currently have the potential to be improved. One of the major components we need to focus on is innovation. PSM has one of the most creative workforce and producers who has the ability to produce innovative shows. For instance, we need to create local franchises that will intrigue our audiences. Inspired by international shows, we have the opportunity to create something new.

We need to incorporate new formats and concepts targeted to diverse segments to increase audience engagement. This can be achieved through tailored content that is in line with the audience behavior, characteristics and needs of the targeted segments. For instance, with the current global pandemic, kids lack enthusiasm as their daily lives and routines have changed. We need to center our children's programs based on their current mindset by exploring concepts that will be intriguing and beneficial for them in this situation.

Furthermore, we need to incorporate new production styles in our shows to boost audience interest and engagement with our programs. By exploring the possibilities of different techniques and methods to deliver and base our shows on, we have the right platform to implement effective changes and increase the number of local contents and a variety of programs.

### 5.3.2. Price Policy

In broadcasting on satellite and cable, the most common revenue streams are subscription and advertising. Our services, as discussed, include the production of advertisements, advertising packages across all our channels and leasing opportunities with PSMConnect subscription offers. In order to cater to different market segments in different industries, we need to offer affordable prices that are applicable and beneficial for all.

Hence, introducing more options in our pricing policy will allow clients from any spectrum to apply for our services. With other broadcasters in the industry, it gives more buyer power to the clients, which results in choosing the more affordable and convenient option. In addition, ad production and marketing firms are other substitutes for clients to acquire ad creation service. As most PSM clients are wholesalers and retailers, we need to create packages that will tick off and fit into all their requirements.

At PSM, we are offering advertising opportunities in addition to ad production, meaning clients can receive two services at one place, however, this adds to cost. We need to explore possibilities and ways to minimize their cost while maintaining our client line.

Moreover, we are in the process of drafting a credit and discount policy to cater to a more diverse array of clients.

### 5.3.3. Place Policy

With modernization, broadcasting has extended to other platforms that have become more accessible and easily available to the audience. Under this, PSMConnect is a major step taken by PSM to place our content





more conveniently reachable to our audience. In addition to this, we have to take more initiative in pushing our content to other platforms such as social media and other distributors.

We need to focus on enhancing distribution platforms and integrating efforts across multiple mediums to achieve the strategy to improve audience engagement and content availability. Currently, we have a regular, up to date social media presence. While Facebook has the majority of our content, there is still room for improvement on Twitter and Instagram. We need to update and maintain these social media platforms and create campaigns to engage the audience and clients.

We need effective social media to plan to push the relevant content suitable for each channel based on the platform's audience and requirements. For instance, Facebook has more range in age while Instagram and Twitter consist more of the youth demographic and each of these platform's layout and content varies.

As for distributing content on a website, the PSM online website layout needs to be easy to navigate and should have access to all the necessary information. In addition, we need to identify the appropriate platforms and set up corporate accounts to utilize trending platforms.

#### **5.3.4. Promotion and Exploitation Policy**

In order to strengthen our promotional foot, we need to create compelling propositions for sponsors and clients by providing a high level of personalized services to premium and loyal clients in addition to strategic partnerships and alliances.

By forming strategic partnerships with ministries and government institutions on functions and events, we can strengthen media corporation stance with them. Further, to maintain the image of PSM, we need to take part in public shows and events as a media partner and present PSM channels and programs.

To promote our corporation internationally, we need to look into corresponding with potential regional/global alliances and participating in global conferences/fairs and webinars as it's important in improving PSM's standing in the global landscape.

#### **5.3.5. Segmentation and Positioning Strategies**

The broadcasting industry has the opportunity to tap into all different areas and segments of the market as our products are programs. We have the ability to produce programs that can reach every segment and meet our audience requirements. In order to fully efficiently cater to all segments, we need to dissect these segments and recognize their specific needs and behavior.

Some of the segments we need to base our show concepts on include demographics such as elders, youth - young adults, millennials, children - kids, pre-teens and teens, to detail a few. We also consider audiences from the political spectrum, music and entertainment, documentaries and education as areas we can base our program formats on.

Hence, what we need is diversification across all shows to promote variety and reach to specific segments. This will effectively contribute to increasing new content creation and producing unique programs.





## 6. Operations and Efficiency

Public Service Media is a cooperate company providing the latest reliable news with long-running successful shows. Under the umbrella of PSM, it operates all outlets with our corporate services Finance, Sales and Marketing, HR, Engineering and Information Technology. Along with our productions, we supply this content to our audience.

Production of PSM operates under the transformation process with production departments and social media team. These are the key teams responsible for the supply of Radio, TV and Social Media contents targeting to reach the demand of the audience.

The output consists of all the channels targeting different market segments delivering news and current affairs, entertainment, sports, and religion.

Before the advent of PSM, Television and Radio broadcasting was two separate entities. The merging of these two institutions formed a holistic public broadcasting company to operate government-funded state media.

Public service broadcasting company (MNBC, MBC, PSM) was obliged to manage and operate by the corporate governance system. Under the PSM Act, PSM was registered as a public service company overseen by the Privatization and Corporatization Board of Maldives (PCB).

Hence, to strengthen our internal operations and work environment, we need an established and efficient framework for the production and supply of PSM. Therefore, we propose the following workflow

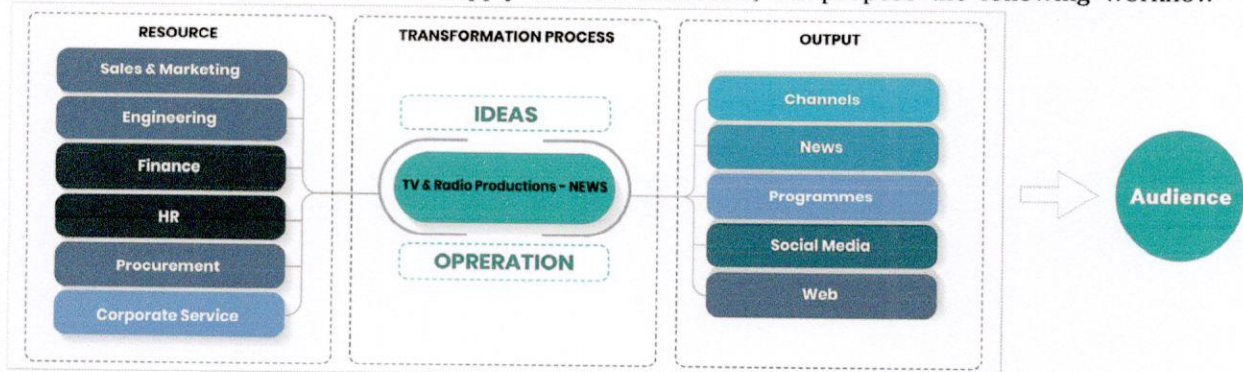


Figure 10 - Proposed Operation Flow for PSM

This framework was developed based on the above SWOT and Gap Analysis done to understand the competitiveness and efficiency of Public Service Media.

## 7. Human Resource Management and Planning

### 7.1. Overview

The workforce of PSM consists of several different professionals ranging from business management to technical, creative and raw talent. The greater diversity of the workforce creates unique demands on work processes, policy and procedure.

### 7.2. Current Status

At the moment, there are 412 staff residing at PSM in several different positions. The overall age demography of the organization shows an ageing workforce. This resembles that the workforce has a high experience.

Staff count: 412

Age group	18 - 25	26-45	46-65
Staff count %	23%	57%	20%

Table 4 - Staff Demographics

The formal education statistics show that a few percentages of staff have acquired further education at PSM. In addition, most of the staff residing in management positions 'haven't achieved any further education.

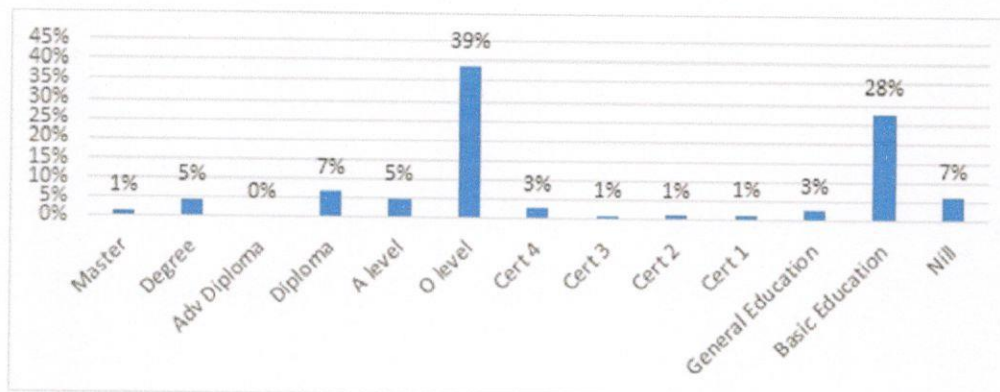


Figure 11- Staff Education Statistics





### **7.3. Changing Environment**

The Constantly changing environment in technology, economic, political, social, legal, and environmental factors greatly impact the workforce. Hence it is a challenge to maintain consistency on policy, procedure and workforce orientation.

### **7.4. New Directive**

- To build a great place to work for an agile and responsive workforce.
- Improving efficiency in core HR
- Developing a multi-talented workforce (Merging work functions towards a pool of talent working simultaneously within the productions)
- Reviewing and implementing a new organizational structure to right-size the organization for maximum performance & efficiency.
- Enhance HR Administration within the organization
- Creating and executing HR compliance system (new policies, guidelines and procedures and updating current ones, improvement in the existing legal framework to protect the staff and company rights)

### **7.5. Attract and Retaining Talent**

A constantly changing environment puts huge stress on maintaining and attracting talented staff to take up the challenges and perform. Since PSM focuses on raw talent, the qualification of the job candidates or a mere interview cannot filter the best fit for the organization. The following measures should be established to ensure a better recruitment process;

- Strengthen the need assessment process (ensure there is no surplus or deficit of employees in any part of the organization)
- Implement a competency-based recruitment system (ensure the best fit for skill-based jobs)
- Redundancy process (retain new staff to work long term and to provide an honorable exit for the aged workforce)
- Establish an assessment center (constantly assessing current workforce and potential candidates)

### **7.6. Engagement**

Motivating staff can make a huge difference in achieving organizational goals. HR plays a pivotal role in ensuring this reality. To become a catalyst in creating a positive work culture by increasing employee engagement and recognition. The following is to be executed to ensure an engaged workforce.

- Employee engagement surveys and take relevant measures



- Recognition program (financial and non-financial means)
- Opportunities to perform in several platforms (local and foreign)

## **7.7. Performance Management**

Performance management goes hand to hand with the recruitment process; after hiring an employee, the consistency in performance will enable the organization to develop staff further and retain them in the organization, which results in overall organizational performance.

The performance standards shall be reviewed with the changes in the environment and internal strategic decisions. Currently, a new policy has been established, and this should be reviewed accordingly.

Adopting an assessment center will enhance the performance management process, further ensuring increased productivity.

## **7.8. Compensation and Benefits**

The new directives demand to increase the current capacity of the staff via learning and development and job improvements. Thus, to retain them and keep them motivated through the change, a review of compensation and benefits is necessary. To attract new talent, the same is required. The following are some of the compensation and benefits packages that the company could adopt.

Compensation and benefits packages (health insurance / corporate loans etc.)

- Health insurance
- Corporate loans
- Sales bonuses
- Annual bonus etc.

However, these compensation and benefits packages can only be established with regard to the productivity and financial capacity of the organization.

## **7.9. Learning and Development**

The capacity of the staff defines the quality output of the product and services. Therefore, the following measures are crucial;

- Transform into a learning organization
- Conduct TNA (training need analysis)
- Review training policy
- Training evaluation framework
- Business partnerships with training institutes





Managing human resources in the 21st century is the key to the success of any organization and its strategic directions. As mentioned above, the HR plan integrated with the business plan will become a driving force for the business by maintaining the overall climate of the organization and rooting to its future endeavors.

A handwritten signature in blue ink is positioned to the left of a circular blue stamp. The stamp contains the letters 'PSM' in the center, with text in Malayalam script around the perimeter.

## **8. Technology and Infrastructure**

The key objectives focused will be on workflow improvement, infrastructure development and transmission penetration

### **8.1. Upgrading required hardware and licensing existing applications.**

We will be doing a need analysis of both broadcast and corporate hardware, software, applications, and plugins. Once the requirement is identified, the upgrading and licensing will be done by the end of 2020

The key objectives focused will be on workflow improvement, infrastructure development and transmission penetration

### **8.2. Establishing an automated workflow environment for corporate and broadcast services and deploying a fiber backbone within the company**

We will be working on setting a paperless work environment in PSM. The plan is to have an ERP developed in the next 2 years. The output will be an efficient and continued workflow in the PSM. And deploying a fiber network within the company would increase the overall efficiency of PSM.

#### **8.2.1. Upgrading and enhancing internet and IP base service platforms**

The redesigning of the corporate website would be completed by the 2nd quarter of 2021. PSMConnect website will be upgraded in the 4th quarter of next year. We will be working on merging PSMCONNECT VOD services with the PSM corporate website as well as news website which would be completed by the end of 2021

### **8.3. Harnessing Social Media and Digital Technologies to improve digital presence.**

We would be doing a need analysis of digital resources and after which we would develop a social media management system by the end of 2022.





#### **8.4. New Building in TVM**

To make the workplace more efficient and cost-effective and to bring down recourse duplication a new building at TVM to be completed by the end of 2023.

#### **8.5. Establishing an Audio-visual digital archive library system**

Creating a central archiving system and preserving old materials into digital formats while making it easily accessible within the company.

#### **8.6. Enhancing MW radio transmission to Digital Radio Service**

This will provide a clear signal to radio audiences via a digital radio service that would be commenced by the 2nd quarter of 2021. Moreover, to enhance the service, datacasting would be implemented by the 4th quarter of 2023.

#### **8.7. Establishing a Terrestrial Digital TV network**

Terrestrial digital tv network, work to be commenced on 1st quarter of 2021, and we will be switching on digital transmission by the 4th quarter of 2022.

#### **8.8. Upgrade existing studios, control rooms and other facilities.**

A requirement analysis for all broadcast facilities in both the stations and drawing up a plan will facilitate the future of transmission signal and production.



## 9. Future Business Scenarios

TVM	<p>Television Maldives is the longest-running TV channel in the Maldives. Currently, the channel is unable to meet the demand for diverse content. There is very similar and repeated content which makes it unattractive for the audience to watch the channel.</p> <p>The future scenario for the channel should be to focus more on creating various content in different genres—such as, making TVM exclusive documentaries about social issues, true crime, and other topics of public interest.</p> <p>A reason why audience members choose to consume a competitor's media is they create content relevant to current issues that the public is interested in.</p>
PSMNEWS & ONLINE	<p>PSMNews and PSM online news are two platforms that only focus purely on news content. There are many competitors in online news platforms that are more popular and audience engagement than our channel, which explores controversial and, taboo topics. The public is more attracted to these types of content.</p> <p>The future scenario for PSMNews, online and TV, should be to bring news content without partiality. Have more investigative journalism pieces covering more controversial topics and host debate-style shows with politicians and public figures.</p> <p>This will engage the audience in turn, make the channel popular, bringing in more advertisers.</p>
MUNNAARU	<p>Currently this channel does not have a wide reach nor is it popular. There is however, great potential for a channel purely dedicated to Islamic content. To make the channel more successful, there needs to be more diverse and rich content that is targeted to all demographics. These include cartoons, lectures, quiz shows and documentaries.</p>
YESTV	<p>Targeted to the youth market, the channel at this moment has a very small audience. The channel has potential but lacks content, and there are repeated shows of very old shows which were broadcasted on TVM. YESTV in the coming three years should be able to make a considerable amount of youthful content related to sports, music, arts and culture.</p>
PSMCONNECT	<p>OTT platforms are booming all around the world. The international platforms are familiar among Maldivians, but there is still a struggle to make local platforms popular among the audience. PSMConnect is one of the first local OTT platforms to be introduced to the Maldives. There are only very few other platforms. Currently, PSMConnect is not as popular as it lacks original content.</p>





	In future, to be successful, PSMConnect should invest in bringing in new local movies and series to the platform, which will increase the subscribers to the application.
DRA	Radio channels like Dhivehiraajjeyge Adu used to be one of the most popular modes of entertainment until recently. The rise of digital media has had an impact on Radio Broadcasting everywhere. Even though the 'channel's popularity has decreased, there is still a wide range of audience, particularly in the Islands and the older generation. In the future, Dhivehiraajjeyge Adu should adapt and change its way into the digital age, by creating online streaming means to capture different demographics.
DHIVEHIFM	DhivehiFM, was one of the most popular radio channels around the country, but even this channel faced negative impact as media got digitalized. DhivehiFm channel is the music channel focused more on youth. Currently, the channel has a very small audience since the age group the channel is focused on is more prone to find entertainment elsewhere, such as social media platforms. However, there is still a demand for this channel In the future, DhivehiFm also needs to adapt to digital platforms, such as having podcast-style shows. Keeping the latest music available will also increase the audience tuning in. Making shows relevant to the youth these days is very important to get that target audience interested in the channel.
DHEENUGE ADU	Dheenuge Adu is a sub radio channel run under Dhivehiraajjeyge Adu, which is solely focused on Islamic content. Currently, the channel is not well known nor has a wide audience reach. However, there is a target market, especially in the older demographics. The channel in future should try to make relevant and new content and not repeat old content. Target to the youth as well. Bring programs in English as well, which will cater to the interests of a younger audience.
MALDIVES MEDIA INSTITUTE (MMI)	Maldives Media Institute (MMI) is currently still relatively unknown in the education sector. Now the institute is running only certificate level courses. There are some challenges due to the unavailability of full-time lecturers of media-related subjects and even other resources. In three years, MMI should run diploma level courses related to Journalism and Media Industry. Also, to make MMI a focal point for individuals interested in entering the Media and Journalism Industry. Moreover, to focus a lot more on training and having courses for citizens living in other islands.

Table 5 - Expected Scenarios for PSM Products



## **10. Risk Analysis**

### **10.1. Competition**

Each year television channels and online news channels enter the broadcasting market since there is little barrier to entry into the industry. This causes a considerable market loss and a divide in our viewership. One thing that could help bring in more viewership and advertisement is unbiased journalism in a political stance of view because this is what is lacking in the Maldivian Broadcasting Industry right now.

### **10.2. Partiality with Government Changes**

After every presidential election, there is an inevitable management change, and with this, there is a change of perception in the audience, which leads them to believe the channel bias towards the government and ruling party, hence with this change, there is a loss of viewership in them changing to other alternatives to seek political talk shows. This could be potentially improved by giving equal numbers of slots to opposition political members and ruling party members.

### **10.3. Digital Media Taking Over Broadcasting Industry**

This risk can be turned into an opportunity and advantage if we can change with the rapid pace technology is evolving. Focus a bit more on engaging our audience on social media and online news and how we can take it to the next level. However, the truth of the matter is that more and more people, are choosing digital platforms for news and entertainment, especially the younger generation, which is an inevitable risk. Advertisers choose to market their businesses on social media platforms for this reason and opting out of television and radio advertisements every day.

### **10.4. Economic Crisis (Natural Disasters, Pandemic, Financial Crisis)**

With every downfall or slightest effect in an economic crisis, businesses think twice before investing in advertising costs since there are now cheaper alternatives to television and radio, which can reach a large number of audiences. For example, this recent COVID-19 pandemic has forced the advertisers to opt out of television and radio advertising and opt for only social media marketing for cost-cutting reasons that have affected the broadcasting industry heavily.





## 11. Financial Plan

### 11.1. SOURCES AND USERS OF FUNDS

#### 11.1.1. Sources of funds

Source Funding is the act of providing financial resources, usually in the form of money, or other values such as effort or time, to finance a need, program, and project, usually by an organization or company. Sources of funding include credit, venture capital, donations, grants, savings, subsidies, and taxes

Mainly there are two types of found sourcing

#### 11.1.2. Internal Sources of funding

Internal sources of finance refer to money that comes from within a business. There are several internal methods a business can use, including the owner's capital, retained profit and selling assets.

Mainly PSM sources of funds would be sales collection and government income support

#### 11.1.3. External Sources of Funding

In addition to the government finance sources, PSM uses external funding sources such as

- Bank Loan
- Bank OD facility
- Supplier Credit
- Differ of expenses

Since PSM receiving sufficient financial support from the government to operate the business, we do not have a plan to go for main DEBT finance sources such as Bank Loan or Debentures issues

#### 11.1.4. Users of Funds

This represents how we are going to allocate the funds in the next three years. Below we have categorized the next three years forecast expenses under main three headings

- Operational Activity
- Investment Activity
- Finance Activity



Details	2021	2022	2023
	MVR	MVR	MVR
Cash flow from operational activity			
Cash collection form current year sales	17,017,156	19,823,364	26,365,074
Cash collected from previous year sales	13,100,654	13,158,115	14,928,445
Government Budget Contribution	70,000,000	70,000,000	70,000,000
Payment of staff salaries	(67,625,457)	(53,785,803)	(55,212,613)
Payment of other operational expenses	(24,578,469)	(26,445,111)	(28,969,919)
Net Cash flow from operational activity	7,913,884	22,750,566	27,110,987

Table 6 - Next Three Year's Cash Flow forecast for Operational Activity

Cash flow from Investment Activity	2021	2022	2023
	MVR	MVR	MVR
Grant from Government for Purchase of Fixed Assets	25,500,000	8,154,658	8,475,944
Purchase of fixed assets			
Purchase of IT Related Hardware	(2,098,820)	(1,143,560)	(1,351,780)
Purchase of Office Equipment	(258,710)	(149,810)	(149,810)
Purchase of Air Condition	(631,701)	(348,158)	(348,158)
Purchase of Furniture	(95,000)	(107,500)	(137,500)
Purchase of Software	(3,491,302)	(3,249,842)	(3,236,016)
Purchase of Machinery & Equipment	(18,924,467)	(3,155,788)	(3,252,680)
Grant from Government for New Office Building	45,500,000		
PSM New Building	(45,500,000)	-	-
Aid from Foreign Grant	47,570,232	37,277,000	
Foreign Grant Project Investment	(47,570,232)	(37,277,000)	-
Net Cash flow from Investment Activity	-	-	-

Table 7 - Next Three Year's Cash Flow forecast for Investment Activity

#### Finance Activity Next Three year's cash flow forecast

There are no financial activities forecast for the next three years since we do not have a plan to use external debt financing sources as well as repayment of existing loans





## 11.2. Sales Forecast

2021 sales forecast based on the key sections are as follows

Category	%	Amount-MVR
Advertising		
TVM	59%	16,816,590.00
PSMNEWS	22%	6,249,000.00
ADU	7%	2,077,285.00
DhivehiFM	1%	317,550.00
YESTV	3%	709,800.00
MMI	3%	748,262.00
SMS Income	1%	425,000.00
Facility Rental Income	1%	200,000.00
PSM_Connect	3%	718,440.00
Website Income	0%	100,000.00
<b>TOTAL</b>		<b>28,361,927.00</b>

Table 8 - Sales Forecast for 2021

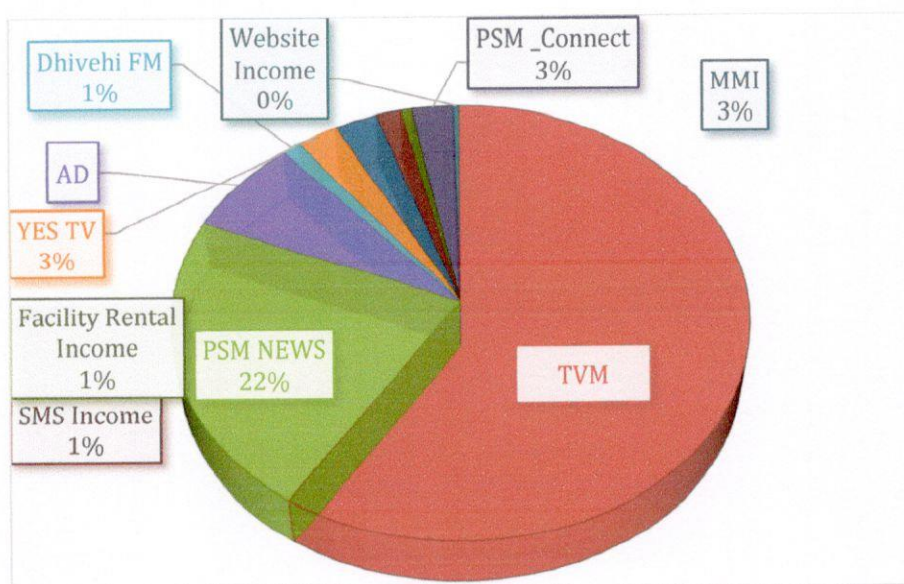


Figure 12 - 2021 Sales Breakdown



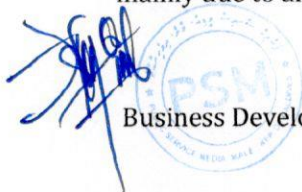
Category	2021	2022	2023
Advertising			
TVM	16,816,590	17,408,738	23,153,621
PSMNEWS	6,249,000	2,250,600	2,993,298
ADU	2,077,285	1,594,197	2,120,282
DhivehiFM	317,550	1,115,202	1,483,219
YESTV	709,800	866,250	1,152,113
MMI	748,262	3,999,006	5,318,678
SMS Income	425,000	701,250	932,663
Facility Rental Income	200,000	524,700	697,851
PSMConnect	718,440	4,509,698	5,997,898
Website Income	100,000	69,300	92,169
<b>TOTAL</b>	<b>28,361,927</b>	<b>33,038,940</b>	<b>43,941,790</b>

Table 9 - Next Three Years Sales Forecast



Figure 13 - Annual Sales Forecast Chart

As per the above chart, we can observe that in 2022 sales has been increased 64% when compared with 2021, mainly in advertising in the TVM category. 2023 total sales increase 33% when compared with 2021 mainly due to an increase in advertising in the TVM category.

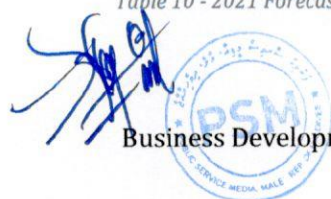




### 11.3. Pro-Forma Income Projection (Profit and Loss Statement)

Revenue	28,361,927
Cost of Sales	(5,540,671)
Gross Profit	22,821,256
Other Income: Budget Support from Ministry	70,000,000
Less: Expenses	
Salary Expenses	(67,625,457)
Staff Redundancy expenses	(3,000,000)
Staff welfare Expenses	(632,202)
Travelling Expenses	(504,000)
Utility Expenses	(27,000,000)
License & Registration Fees	(1,824,860)
Repairs and Maintenance	(900,000)
Office Admin and General Expenses	(1,375,295)
Selling and Distribution Expenses	(36,000)
Total Expenses	(102,897,815)
Profit / (Loss) before Tax	(10,076,559)

Table 10 - 2021 Forecasted Income Statement



	NOTE			
Revenue	1	28,361,927	33,038,940	43,941,790
Cost of Sales	2	(5,540,671)	(6,607,788)	(8,788,358)
Gross Profit		22,821,256	26,431,152	35,153,432
Other Income: Budget Support from Ministry		70,000,000	70,000,000	70,000,000
Less: Expenses				
Salary Expenses	3	(67,625,457)	(53,785,803)	(55,212,613)
Staff Redundancy expenses		(3,000,000)	(3,000,000)	(3,000,000)
Staff welfare Expenses	4	(632,202)	(663,812)	(697,003)
Travelling Expenses	5	(504,000)	(718,200)	(754,110)
Utility Expenses	6	(27,000,000)	(28,352,022)	(29,769,523)
License & Registration Fees		(1,824,860)	(1,916,103)	(2,011,908)
Repairs and Maintenance	7	(900,000)	(945,000)	(992,250)
Office Admin and General Expenses	8	(1,375,295)	(1,444,060)	(1,516,263)
Selling and Distribution Expenses	9	(36,000)	(37,800)	(39,690)
Total Expenses		(102,897,815)	(90,862,800)	(93,993,360)
Profit / (Loss) before Tax				

Table 11 - Income Statement for the next three years



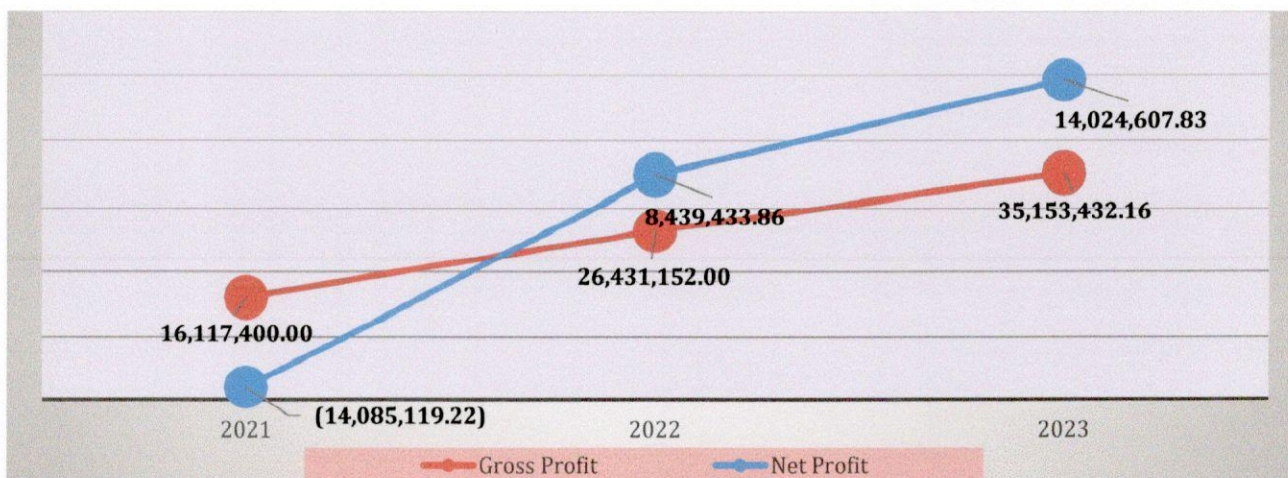


Figure 14 - Gross Profit and Net Profit Changes in the last three years

#### Observation

- Gross Profit increase 16% when compared with 2021 and further increase by 33% when compared with 2022
- Net Profit increase significantly when compared with 2021 155% mainly due to an increase in revenue and decrease in salary expense, and it increases further by 100% due to increase in revenue and decrease in expenses

Note: details for the income statement are as follows

Category	2021	2022	2023
Advertising			
TVM	16,816,590	17,408,738	23,153,621
PSMNEWS	6,249,000	2,250,600	2,993,298
ADU	2,077,285	1,594,197	2,120,282
DhivehiFM	317,550	1,115,202	1,483,219
YESTV	709,800	866,250	1,152,113
MMI	748,262	3,999,006	5,318,678
SMS Income	425,000	701,250	932,663
Facility Rental Income	200,000	524,700	697,851
PSM_Connect	718,440	4,509,698	5,997,898
Website Income	100,000	69,300	92,169
TOTAL	28,361,927	33,038,940	43,941,790

Table 12 - Revenue Details



Expenses Type	2021	2022	2023
Revenue	28,361,927	33,038,940	43,941,790
Assume 20 % of the revenue would be cost of sales expenses	(5,540,671)	(6,607,788)	(8,788,358)

Table 13 - Cost of Sales

Department	2021	2022	2023
Board Members	1,385,309	1,414,113	1,414,113
Executive bureau	1,025,517	1,105,904	1,111,404
Corporate Service	8,138,785	5,551,376	5,730,990
Human Resource	1,681,751	1,224,382	1,242,902
Internal Audit	283,932	283,932	283,932
Finance	867,599	751,821	774,863
Legal	445,799	371,330	377,580
Sales & Marketing	3,071,668	2,078,402	2,118,777
PSMConnect and DBNO	1,686,409	1,040,482	1,071,273
Procurement Department	874,888	734,474	765,807
MMI	1,308,564	1,048,412	1,061,454
Projects	525,001	-	-
TV Production	4,166,175	3,534,589	3,632,547
PSM Sports	1,167,239	614,399	621,732
Broadcast Technology	10,868,547	7,884,083	8,131,166
News & Current Affairs	7,562,414	5,863,132	6,052,048
PSM Creative	2,055,311	1,905,973	1,959,848
Radio Production	5,360,411	5,270,569	5,431,278
Islamic Production	285,432	279,432	279,432
Technical Resource Management	12,752,355	10,707,650	11,030,116
HUT Salary	384,000	384,000	384,000
Finance Staff	1,608,350	1,617,350	1,617,350
Media Centre Cleaning Staff	120,000	120,000	120,000
<b>TOTAL</b>	<b>67,625,457</b>	<b>53,785,803</b>	<b>55,212,613</b>

Table 14 - Forecasted Salary Details for the next three years





Expenses Type	2021	2022	2023
Medical Insurance	90,000	94,500	99,225
Local staffs Visa Fee	90,000	94,500	99,225
Staff Welfare Expenses	300,000	315,000	330,750
Staff Recruitment Expenses	-	-	-
Foreign staff expenses	12,000	12,600	13,230
Scholarship and Training	90,000	94,500	99,225
School and Training-Local	50,202	52,712	55,348
School and Training-Foreign	-	-	-
Staff subscription to their professional bodies	-	-	-
Staff welfare Expenses Total	632,202	663,812	697,003

Table 15 - Staff Welfare Expenses

Expenses Type	2021	2022	2023
Travelling Expenses	540,000	567,000	595,350
Business Travel (Local)	144,000	151,200	158,760
Business Travel (Foreign)	-	-	-
Travelling Expenses Total	684,000	718,200	754,110

Table 16 - Travelling Expenses

Expenses Type	2021	2022	2023
Electricity Expenses	20,400,000	21,420,000	22,491,000
Water Charges	600,000	630,000	661,500
Communication Expenses - Repeat	-	-	-
Telephone Expenses	6,000,000	6,300,000	6,615,000
Internet Expenses	-	-	-
Utility Expenses Total	27,000,000	28,352,022	29,769,523

Table 17 - Utility Expenses

Repair & Maintenance Expenses	2021	2022	2023
Estimated Amount	900,000.00	945,000.00	992,250.00

Table 18 - Repair and Maintenance Expenses



Expenses Type	2021	2022	2023
Audit Fee - External	46,260	48,573.00	51,001.65
Printing and Stationery	600,000	630,000.00	661,500.00
Stationary printing (Letter heads, vouchers, etc..)	42,000	44,100.00	46,305.00
Office Cleaning	4,574	4,802.67	5,042.81
property Insurance	500,000	525,000.00	551,250.00
Bank Charges	2,461	2,584.47	2,713.69
General Expenses	180,000	189,000.00	198,450.00
Office Admin and General Expenses Total	1,375,295	1,444,060	1,516,263

Table 19 - Office Admin and General Expenses

Selling and Distribution Expenses	2021	2022	2023
Estimated Amount	36,000.00	37,800.00	39,690.00

Table 20 - Selling and Distribution Expenses





## 11.4. Pro-Forma Cash Flow Statement

Item	Note	2021	2022	2023
		MVR	MVR	MVR
Cash flow from operational activity				
Cash collection form current year sales	1	17,017,156	19,823,364	26,365,074
Cash collected from previous year sales	2	13,100,654	13,158,115	14,928,445
Government Budget Contribution		70,000,000	70,000,000	70,000,000
Payment of staff salaries	3	(67,625,457)	(53,785,803)	(55,212,613)
Payment of other operational expenses	4	(24,578,469)	(26,445,111)	(28,969,919)
Net Cash flow from operational activity		7,913,884	22,750,566	27,110,987
Cash flow from Investment Activity				
Grant from Government for Purchase of Fixed Assets		25,500,000	8,154,658	8,475,944
Purchase of fixed assets				
Purchase of IT Related Hardware		(2,098,820)	(1,143,560)	(1,351,780)
Purchase of Office Equipment		(258,710)	(149,810)	(149,810)
Purchase of Air Condition		(631,701)	(348,158)	(348,158)
Purchase of Furniture		(95,000)	(107,500)	(137,500)
Purchase of Software		(3,491,302)	(3,249,842)	(3,236,016)
Purchase of Machinery & Equipment		(18,924,467)	(3,155,788)	(3,252,680)
Grant from Government for New Office Building		45,500,000		
PSM New Building		(45,500,000)	-	-
Aid from Foreign Grant		47,570,232	37,277,000	
Foreign Grant Project Investment		(47,570,232)	(37,277,000)	-
Net Cash flow from Investment Activity		-	-	-
Finance Activity				
Bank Loan receipt		-	-	-
Repayment of loans		-	-	-
Net Cash flow from finance activity		-	-	-
Net Increase / (Decrease) of the cash flow		7,913,884	22,750,566	27,110,987
Cash balance at beginning		(1,773,321)	6,140,564	28,891,129
Cash balance at the end		6,140,564	28,891,129	56,002,117

Table 21- Cash Flow Statemen





Revenue	2021			2022			2023		
	Amount	%	Cash Sale	Amount	%	Cash Sale	Amount	%	Cash Sale
Advertising									
TVM	16,816,590	60%	10,089,954	17,408,738	60%	10,445,243	23,153,621	60%	13,892,173
PSMNEWS	6,249,000	60%	3,749,400	2,250,600	60%	1,350,360	2,993,298	60%	1,795,979
ADU	2,077,285	60%	1,246,371	1,594,197	60%	956,518	2,120,282	60%	1,272,169
DhivehiFM	317,550	60%	190,530	1,115,202	60%	669,121	1,483,219	60%	889,931
YESTV	709,800	60%	425,880	866,250	60%	519,750	1,152,113	60%	691,268
MMI	748,262	60%	448,957	3,999,006	60%	2,399,404	5,318,678	60%	3,191,207
SMS Income	425,000	60%	255,000	701,250	60%	420,750	932,663	60%	559,598
Facility Rental Income	200,000	60%	120,000	524,700	60%	314,820	697,851	60%	418,711
Commercial Income	718,440	60%	431,064	4,509,698	60%	2,705,819	5,997,898	60%	3,598,739
Website Income	100,000	60%	60,000	69,300	60%	41,580	92,169	60%	55,301
TOTAL	28,361,927		17,017,156	33,038,940		19,823,364	43,941,790		26,365,074

Table 22 - Cash Collection from Daily Sales





Revenue	2021			2022			2023		
	Amount	%	Credit Sales	Amount	%	Credit Sales	Amount	%	Credit Sales
Advertising									
TVM	16,816,590	40%	6,726,636	17,408,738	40%	6,963,495	23,153,621	40%	9,261,448
PSMNEWS	6,249,000	40%	2,499,600	2,250,600	40%	900,240	2,993,298	40%	1,197,319
ADU	2,077,285	40%	830,914	1,594,197	40%	637,679	2,120,282	40%	848,113
DhivehiFM	317,550	40%	127,020	1,115,202	40%	446,081	1,483,219	40%	593,287
YESTV	709,800	40%	283,920	866,250	40%	346,500	1,152,113	40%	460,845
MMI	748,262	40%	299,305	3,999,006	40%	1,599,602	5,318,678	40%	2,127,471
SMS Income	425,000	40%	170,000	701,250	40%	280,500	932,663	40%	373,065
Facility Rental Income	200,000	40%	80,000	524,700	40%	209,880	697,851	40%	279,140
Commercial Income	718,440	40%	287,376	4,509,698	40%	1,803,879	5,997,898	40%	2,399,159
Website Income	100,000	40%	40,000	69,300	40%	27,720	92,169	40%	36,868
TOTAL	28,361,927		11,344,771	33,038,940		13,215,576	43,941,790		17,576,716
Previous Years due Balances	14,856,537	50%	7,428,269	13,100,654	50%	6,550,327	12,280,173	50%	6,140,087
Expected collection from this year sales	11,344,771	50%	5,672,385	13,215,576	50%	6,607,788	17,576,716	50%	8,788,358
Total collection			13,100,654			13,158,115			14,928,445

Table 23 - Cash Collection from Credit Sales



PAYROLL EXPENSES	2021	2022	2023
Salary Expenses	(67,625,457)	(53,785,803)	(55,212,613)

Table 24 - Payroll Expenses

OPERATIONAL EXPENSES	2021	2022	2023
Cost of Sales	(5,540,671)	(6,607,788)	(8,788,358)
Staff Redundancy expenses	-00	-00	-00
Staff welfare Expenses	(632,202)	(663,812)	(697,003)
Travelling Expenses	(504,000)	(718,200)	(754,110)
Utility Expenses	(27,000,000)	(28,352,022)	(29,769,523)
License & Registration Fees	(1,824,860)	(1,916,103)	(2,011,908)
Repairs and Maintenance	(900,000)	(945,000)	(992,250)
Office Admin and General Expenses	(1,375,295)	(1,444,060)	(1,516,263)
Selling and Distribution Expenses	(36,000)	(37,800)	(39,690)
<b>TOTAL OPERATIONAL EXPENSES</b>	<b>(37,813,029)</b>	<b>(40,684,786)</b>	<b>(44,569,105)</b>
YEARLY CASH ALLOCATION	65%	65%	65%
<b>OPERATIONAL EXPENSES TOTAL</b>	<b>(24,578,469)</b>	<b>(26,445,111)</b>	<b>(28,969,919)</b>

Table 25 - Operational Expenses





## 11.5. Breakeven Analysis

Break-even point shows the income level required to cover the total expenses.

Based on the forecasted details, break even revenue calculated for next three years are as follows:

Year	Note	2021	2022	2023
Revenue		28,361,967	33,038,940	43,941,790
Government Support		70,000,000	70,000,000	70,000,000
Total Income		98,361,927	103,038,940	113,941,790
Cost of Sales		(5,540,671)	(6,607,788)	(8,788,358)
Gross Profit		92,821,256	96,431,152	105,153,432
GP Margin	1	94%	94%	92%
Total Indirect Expenses	2	(102,897,815)	(90,862,800)	(93,993,360)
Sales Required Break Even	3	109,039,947	97,089,026	101,848,999

Table 26 - Breakeven Revenue for the next three years

$$\text{Gross Profit Margin} = (\text{Gross Profit} / \text{Revenue}) * 100$$

Equation 1- Gross Profit Margin Calculation Formula

Category	2021	2022	2023
Salary Expenses	(67,625,457)	(53,785,803)	(55,212,613)
Staff Redundancy expenses	(3,000,000)	(3,000,000)	(3,000,000)
Staff welfare Expenses	(632,202)	(663,812)	(697,003)
Travelling Expenses	(504,000)	(718,200)	(754,110)
Utility Expenses	(27,000,000)	(28,352,022)	(29,769,523)
License & Registration Fees	(1,824,860)	(1,916,103)	(2,011,908)
Repairs and Maintenance	(900,000)	(945,000)	(992,250)
Office Admin and General Expenses	(1,375,295)	(1,444,060)	(1,516,263)
Selling and Distribution Expenses	(36,000)	(37,800)	(39,690)
Total Expenses	(102,897,815)	(90,862,800)	(93,993,360)

Table 27 - Total and Indirect Expenses Calculation Details

$$\text{Breakeven Sales} = (\text{Total Indirect Expenses} / \text{GP Margin})$$

Equation 2 - Sales Level Required for Breakeven Formula

Calculation	=	102,897,815	90,862,800	93,993,360
		94%	94%	92%

Table 28 - Calculation of Breakeven Sales Levels for the next three years



## 11.6. Financial Assumptions

### 11.6.1. Income Statement

- We have assumed revenue will be increased by 05% from the 2021 forecasted details in 2022 & 2023
- Cost sales we have assumed 20% of the total sales in line with previous years for within these three years
- Salary expenses will change as per the workforce plan by the HR department
- All other expenses will be increased every year by 05% in line with sales

### 11.6.2. Cash Flow Statement

- Cash Sales

We assume that the following percentages of revenue are expected to receive through sales activities.

Item	2021	2022	2023
Revenue	60%	60%	60%

*Table 29 - Cash receivables for the next three years*

- Credit Sales

We assumed that we would collect each year 40% of the respective year's credit sales and 50% from the previous year.

- Government grant within the period itself should be received without any delay.
- The list of expenses that will be paid 65% annually are as follows:
  - Direct Production Expenses
  - Production Payroll Cost
  - Admin Payroll Cost
  - Payment of Utilities, Training & Repair Expenses
  - Finance Expenses
  - Selling & Marketing Expenses

