

Business Plan of RKFM

Background

Karnali Integrated Rural Development and Research Centre (KIRDARC) is an NGO involved in various development activities in Karnali region. The main purpose of the organization is to uplift the standard of living of the people of Karnali. It is presently working in partnership with four donors. From its inception KIRDARC has been working for peace, human rights, good governance and development for grassroots empowerment, awareness, participation with the support of various program partners in all five districts of the Karnali Zone.

Profile of KIRDARC

Vision: "An improved zone of peace, human rights, good governance and development in Karnali where all people have equal hope and opportunity for basic human survival."

Role: KIRDARC has taken the role of local facilitator, mobilizer, motivator, lobbyist, policy interventionist and empowerment and mainstreaming mediator for the holistic development of the Karnali Zone.

Programs:

- Children basic primary education/ECD – over Karnali region
- Children in armed conflict – Kalikot
- Karnali Highway Support Initiatives for Good Governance – Surketh and Jumla
- Karnali Highway Project for Social Mobilization – Jumla to Kalikot section
- Peace, Human Rights and Development – over Karnali region
- Community Radio Karnali FM 105.2 MHZ – Jumla

Program partners:

- Save the Children/Norway (SCN)
- Swiss Agency for Development and Cooperation (SDC)
- HMG/Department of Road (DoR)
- Danida (HUGO)

Radio Karnali FM (RKFM) 105.2 MHZ as a new social venture of KIRDARC

With more than six years experience of working in Karnali region, KIRDARC has now ventured to enter into media awareness activities. Radio Karnali FM 105.2 MHZ has been established to serve the information need of the people of Jumla. It is a community radio registered under Nepalese National Broadcasting Act 1992 by KIRDARC. The station is also operated by KIRDARC. The FM covers 18 VDCs or half of the households of Jumla.

Presently, the people of Jumla are able to listen to only Radio Nepal, a AM Band and different stations on SW Band for news and entertainment. The national station serves the state interest rather than focusing on the issues relating to a specific district, such as Jumla. As there are so many local issues to be dealt with in a district like Jumla, the national station could not be the proper media. Gaps in catering to the information needs of specific district have widely been recognized more so in the Karnali region. Therefore, there is a strong need of a local station, which can serve the information need of the people of Jumla.

Community radio by its nature aims to serve the information need of the local population and also promote the interest including culture and language of the population served. It is a two-way communication between the station and the listeners. RKFM is a community radio established to cater to the information need of the people of Jumla.

SWOT Analysis

KIRDARC conducted a SWOT analysis and strategic planning workshop of RKFM 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, RKFM is an able organization to operate the station. Since it will be the first and the only organization to operate the FM Band in Jumla, there is a vast opportunity to make the program successful.

SWOT Analysis of Radio Karnali FM 105.2 MHZ

| | |
|---|--|
| <p>Strength</p> <ol style="list-style-type: none"> Licensed organization as per rights guaranteed by constitution of the Kingdom of Nepal Community based common information forum An organization promoted by KIRDARC which has national and international links and possesses strong experience on organizational management An organization formed by committed and active group of people to operate radio FM in Jumla An organization possessing basic all equipments to operate radio FM An organization which has direct working relation with local people | <p>Weaknesses</p> <ol style="list-style-type: none"> Inadequate physical infrastructure (Building, electricity, telephone and AC) Inadequate human resource (Program production and technology operation) Less experience to operate radio Inadequate financial resources Poor ownership of local people |
| <p>Opportunities</p> <ol style="list-style-type: none"> No other competitors in Jumla Priority sector of the government (Location, information) Donors are positive for assistance Organization which is directly concerned with people Traditional and narrow minded society | <p>Threats</p> <ol style="list-style-type: none"> Political interferences Possibility of victimization of conflict Poor local market |

The goal of RKFM is to act as means of information to create cultural, social, economic and civic awareness amongst people of Jumla. Following are the vision, mission and the guiding principles of RKFM.

Vision : Jumla people are free from poverty and backwardness caused by lack of national and international information and knowledge

Mission : Provide and promote 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 Jumla people into the national mainstream

Guiding Principles: In order to be effective and committed for the sustainability the RKFM will adopt following points as its values

1. **Pro-cultural diversity:** RKFM 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:** RKFM 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:** RKFM will always in favor of sustainable development and environmental protection. To keep this value the RKFM will never conduct programs that are against sustainable development. Similarly the RKFM will design and implement to promote good social and physical environment
4. **Promotion of culture of peace:** RKFM 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:** RKFM will introduce new concepts, technologies, approaches, knowledge and skills which can help local population to transform the society
6. **Peoples right of information:** RKFM believes that "information" is one of the fundamental rights of people. With this clear stand the RKFM will design and impart information which are important for the population

There are four result areas which RKMF envisages to achieve during the five years of its service, they are as follows; (ref. Annex 1: Strategic Plan of RKFM 105.2 MHZ)

- Result 1: Radio Karnali FM strengthen and operational as broadcasting organization
- Result 2: Radio Karnali 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 RKFM
- Result 4: Necessary human resources to operate RKFM locally developed

Major stakeholders of the RKFM identified during the strategic planning workshop, are the government line agencies, local bodies, INGOs, working in Karnali region, NGOs and CBOs operating in Jumla district, people of Jumla, Association of Community Radio Broadcasters (ACORAB), other community radio stations of the country, and NEFES, etc. KIRDARC envisages acquiring different level of assistance with these organizations. KIRDARC expects both grant and co-partnership relation with selected organizations in the operation of RKFM.

Marketing Plan and Strategies

RKFM aims to serve the information and entertainment needs of adult male, women, youth and children of Jumla of different caste 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 RKFM 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, Janajati and Dalits, 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 Karnali 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 political parties, journalists, local bodies, NGO/CBO, common people) at Jumla clearly identified the above issues to be dealt by the RKFM.

A recent survey (500 households) conducted by NASA in the three VDCs (Chandannath, Mahat Gaun, and Kartik Swami - relatively accessible VDCs) of Jumla has given following areas of interest in program transmission.

Table no. 1 Areas of interest of listeners

| Areas of interest | Frequency | Percent |
|-----------------------|-----------|---------|
| News | 294 | 58.8 |
| Literature | 66 | 13.2 |
| Folk and dohori music | 204 | 40.8 |
| Modern and film songs | 106 | 21.2 |
| Sports | 25 | 5.0 |
| Educational | 101 | 20.2 |
| Children | 26 | 5.2 |
| Woman | 44 | 8.8 |
| Agricultural | 107 | 21.4 |
| Others | 41 | 8.2 |

Source: NASA Survey, 2004

The table no. 1 indicates that majority of the targeted listeners listen the news followed by folk and *dohori* music. Programs on modern and film songs, 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, RKFM will try to sell its air time during these programs. Programs on children and women are less popular in the areas. Therefore, RKFM 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 area coverage of RKFM is about 18 VDCs covering around half of the total population of Jumla. Since it is a community radio station established in a remote district with majority of population below the poverty line, it does not expect to get return from the listeners by selling its services. Therefore, the main buyers of the radio services are the government line agencies, specifically health, education, agriculture, forestry, 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 agencies at Jumla and Kathmandu revealed that these agencies are ready to sponsor programs, and co-partner in program development if RKFM approach them with specific programs compatible to their needs.

Competition: As a media, the major competition of RKFM will be with local as well as national newspapers, AM and FM band radios, word of mouth, indigenous public announcement, workshop and 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, RKFM will have to compete with only AM and SW band radio stations. But since, these stations do not serve the specific interest of the people of Jumla, RKFM has virtually no competitor in the region in the field of radio transmission. Therefore, if it is able to serve the

needs of the listeners and its customers, it will have the monopoly of listening time. Some of the developmental agencies use street dramas to get their messages to the listeners, but in the present conflict situation, they also are curtailing their programs in remote VDCs. As such RKFM can also take this as an opportunity rather than competition.

Price: Price for different products of RKFM has been set based on the other community radio's pricing structure. The airtime charge for advertisement and announcement is Rs. 400 per minute. Similarly airtime charge for program sponsorship is Rs. 6000 per hour and charge for production of programs and study is Rs. 15 to 20 thousand per week. In the case of co-production RKFM and the second party will compromise on the price. Under this pricing structure RKFM is able to financially sustain its operation cost in four hours of transmission from the second year onward.

Promotion Strategy

RKFM 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, following are the major strategies it will follow.

Build public relation

Relation building with all types of stakeholders is an important strategy of RKFM. In order to sustain the station RKFM should build relation with government agencies, I/NGOs, CBOs, donors and the community. Community could be an important stakeholder to supply volunteers for reporting and program production. There are various awareness related government programs on health and sanitation, education, forestry, agriculture and women, which can be tapped by RKFM. If RKFM is able to build working relationship with these government line agencies, both at the district level and central level, there is a big scope to air government programs. Interview with the head of the district line agencies revealed that although, their annual budget for this year is already prepared, they are ready to allocate some budget for FM radio transmission. Similarly, the donors are ready to co-produce new programs and sponsor existing programs if RKFM approaches them with programs compatible with their needs. Workshop at Jumla revealed that the local NGOs and CBOs are ready to support RKFM programs in any way they can. Therefore, if the transmission is unbiased and regular, and RKFM maintains good relationship with these agencies, there is a great possibility for getting support from these agencies.

Sell KIRDARC track record

KIRDARC has so far maintained its popularity in the Karnali region and the government and donor communities. This is a great advantage for RKFM. RKFM will capitalize on the goodwill of KIRDARC to get support from these agencies. The programs will be neutral and focused on the issues of Karnali region.

Prepare professional proposals

Professional proposals are crucial for getting support from different government and non-government agencies. Since, most of the organizations visited in the process of preparation of this business plan, stressed on the quality proposals for support, Therefore, RKFM will use the resources of KIRDARC or other professional support while preparing proposals. It is critical that

the proposals cover specific developmental and other relevant issues of Jumla. RKFM will approach the sponsors, only when it is fully prepared with sponsorship or co-production plan.

Form listeners club

The NASA survey in the three VDCs of Jumla has shown that among the total 500 households surveyed only 136 have FM radio set. Since RKFM envisages serving the need of remote VDCs as well the percentage of households possessing FM radio set is expected to be very low compared to the surveyed figure. Therefore, it is necessary that RKFM organize listeners club at different VDCs 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. RKFM 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 assumed that one family have one radio set, therefore, it is essential that RKFM determine, which time slot is best suited for different segments and air the program accordingly.

In addition, RKFM will organize get together of its listeners and sponsors in annual basis. 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.

Set up publication of archive

RKFM will develop a library and maintain archive of all programs aired through out the year(s). These programs will be selected and published to introduce Karnali region.

Innovate creative programs

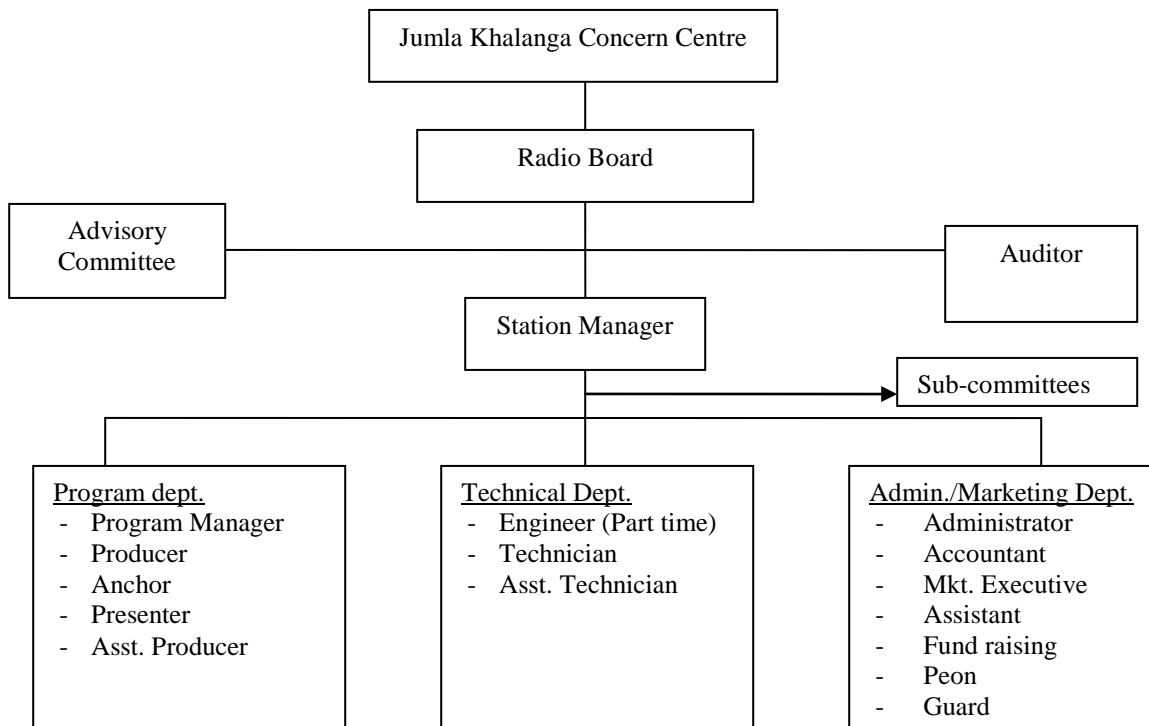
To keep the public interest intact in the future, RKFM will try to innovate new and creative programs to fit with social changes and demands of changed society. The interest areas of listeners (table no. 1) indicates that majority of the targeted listeners listen the news followed by folk and dohori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

Organization and Management plan

KIRDARC is the parent organization of RKFM. A separate RKFM board will be setup for the day to day operation of the station. This board will be accountable to the KIRDARC board. The board will consist of 2 representatives from KIRDARC board of directors, one station manager, one representative each from Dalit, Janajati, and women group. The main function of the board will be appointment of staff and policy decisions.

There will be an advisory board below the RKFM board. The advisory board will comprise of representatives of local bodies, line agencies,,,,

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.



Human resource requirement is estimated based on the capacity utilization of the station. Following will be the human resource requirement from the first year through 5th year. Among the total staff, some of the staff will be on volunteer basis.

| Type | 2004 | 2007 | 2009 |
|---------------------|------|------|------|
| Station manager | 1 | 1 | 1 |
| Program production | 2 | 2 | 2 |
| Technical operator | 2 | 6 | 12 |
| Engineering | 1 | 1 | 1 |
| Management | 4 | 6 | 10 |
| Informative program | 2 | 7 | 12 |
| Educational program | 6 | 10 | 15 |
| Musical program | 2 | 5 | 7 |
| Marketing | 1 | 2 | 3 |
| Total | 21 | 40 | 63 |

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 RKFM does not have its own resources for training, it will seek financial assistance from different donors and program partners. The track record of KIRDARC is crucial in this effort. The Association of Community Radio Station is providing such training to the staff of different communities operating throughout the country. As such RKFM will also approach the association for the assistance. From the second year of operation the older staff of the station will train some of the new staff.

Salary and benefits

The salary and benefits of the staff will be higher than in other community radio due to its remoteness. Majority of the local educated youth migrate to other districts. Moreover, the skilled human resource is concentrated in Kathmandu and other relatively accessible districts. Therefore, it will be difficult to find skilled staff in Jumla. RKFM needs to hire outside staff with compensation package, which is comparable to the other, INGOs and NGOs operating in the district.

The qualification of station manager will be as follows:

- Bachelors in any discipline and at least three years experience in radio transmission or BBS and at least one year experience in radio transmission. This person will be hired in RKFM in full payment of his salary.
- Other staff should have their respective qualification. Most of them are currently associated with KIRDARC on voluntary basis as well as with payment. Their salaries are kept minimum on the basis of air time hour. The increase in their salary is associated with the increase in air time being produced by the RKFM. In this way the salary amount mentioned in the financial statement are enough to cover the salary of all the staff.

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 representatives of many organizations as listed in the annex were 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 RKFM. The marketing budget was estimated to be Rs. 60000 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 equipments and infrastructure facilities are depreciated at the rate of 10% per annum.

Total capital is estimated to be Rs. 3,246,920 which comprises total equipments and infrastructure facilities so far being 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 | 3029920 |
| Pre operating costs | 100000 |
| Working capital | 117000 |
| Total initial capital | 3246920 |

The sources of different capital are grants so far received by KIRDARC for RKFM in the form the equipments and infrastructure facilities and doing surveys. The rest of the capital is the initial investment from the side of KIRDARC.

It is assumed that after the pre-operating period RKFM came into operation. The operating period of RKFM in 2004 is assumed to be six months only i.e. from July 2004. It is assumed that RKFM will not be able to generate revenue in this year but has to incur expenses. Therefore, it will incur operational deficit of Rs. 1,194,492.

It is expected that RKFM 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 or pessimistic assumptions the RKFM generate surplus from the second year of its operation. Critical is the RKFM 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 Rs. 954,000 is required. The cash flow generation is quite impressive from the second year of its operation. The RKFM should procure the required equipments amounting to Rs. 2,404,050 by the end of 2006 to make it ready to increase air time to 9 hours in 2007. Looking at the cash flow position of RKFM in 2006 these equipments can be procured from the internal sources and grants amounting to Rs. 844,050. 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 RKFM as a unit is a financially sustainable by the year 2007 on wards. The income statement shows encouraging surplus and cash position is very comfortable to sustain the expenses from 2007.

The break even position throughout the period seems relatively high because of high fixed costs assigned for human resource. The number of human resource assumed is high in relation to air time planned. RKFM should be very careful to minimize fixed salary expenses. For this purpose, it has to use volunteers and pay the salary as per the time spent by the employees. In addition, the present conservative estimation of revenue could be increased through more professional marketing efforts.

Annex 1: Five year (2004 – 2009) Strategic Plan

Radio Karnali FM 105.2 mz

Vision, Mission and Guiding Principles

Vision

Jumla people are free from poverty and backwardness caused by lack of national and information and knowledge

Mission

Provide and promote 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 Jumla people into the national mainstream

Guiding Principles

In order to be effective and committed for the sustainability the RKFM will adopt following points as its values

- 7. Pro-cultural diversity:** RKFM will respect the cultural differences and design and implemented radio programs to promote social harmony and peace among the population
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- 12. Peoples right of information:** RKFM believes that “information” is one of the fundamental rights of people. With this clear stand the RKFM will design and impart information which are important for the population

Karnali Radio FM 105.2 mz Strategic Plan

| Narrative Summary of Program | Indicators | | Assumptions/ Risk Factors | Risk Mitigation Measures |
|--|---|--|------------------------------|--------------------------|
| | OVI | MOV | | |
| <p>Goal: Radio Karnali FM (RKFM) 105.2 mz established as powerful means information to create cultural, social, economic and civic awareness amongst people of Jumla.</p> | | | | |
| <p>Purpose: Radio Karnali FM established as self-reliant broadcasting institution</p> | <p>By the end of 5 years program RKFM:</p> <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> Financial statement and audit report Annual progress report of RKFM | | |
| <p>Result 1: Radio Karnali FM strengthen and operational as broadcasting organization</p> <p>Activities</p> <p>1.1 Prepare and adopt financial and personnel management manual</p> <p>1.2 Prepare and implement annual plans</p> <p>1.3 Develop networks with relevant organizations</p> <p>1.4 Carry out program supervision, monitoring and evaluation</p> | <p>By the end of 5 years program, following elements of institutional sustainability can be observed in RKFM:</p> <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> Institutional operational manual Financial operational manual Listeners' survey report Inventory record | | |

| <p>Result 2: Radio Karnali FM's own marketing system established and resources mobilized to become financially self-reliant</p> <p>Activities:</p> <p>2.1 Conduct resource survey</p> <p>2.2 Prepare and adopt marketing strategy</p> <p>2.3 Establish marketing units of RKFM</p> <p>1.4 Mobilize resources through donors and selling services/products</p> | <ul style="list-style-type: none"> • By the year 2007, RKFM will reach 40% population of its coverage area • By the year 2009 RKFM will reach 60% population of its coverage area • By the year 2007, 60% of RKFM area households will have their own Radio sets and it will increase to 90% by the year 2009 <p>By the year 2009, following will be income scenario of RKFM:</p> <table border="1"> <thead> <tr> <th></th> <th><u>2004</u></th> <th><u>2007</u></th> <th><u>2009</u></th> </tr> </thead> <tbody> <tr> <td>Volunteer</td> <td>5%</td> <td>20%</td> <td>25%</td> </tr> <tr> <td>Co-production</td> <td>10%</td> <td>20%</td> <td>30%</td> </tr> <tr> <td>Advertisement</td> <td>00</td> <td>10%</td> <td>25%</td> </tr> <tr> <td>Grant</td> <td>85</td> <td>50%</td> <td>20%</td> </tr> </tbody> </table> <p>By the year 2009, following marketing mechanism will be developed and operational</p> <table border="1"> <thead> <tr> <th><u>Mrktg unit</u></th> <th><u>2004</u></th> <th><u>2007</u></th> <th><u>2009</u></th> </tr> </thead> <tbody> <tr> <td>Jumla</td> <td>1</td> <td>1</td> <td>1</td> </tr> <tr> <td>Nepalgunj</td> <td>0</td> <td>1</td> <td>1</td> </tr> <tr> <td>Surkhet</td> <td>0</td> <td>0</td> <td>1</td> </tr> <tr> <td>Kathmandu</td> <td>1</td> <td>1</td> <td>1</td> </tr> </tbody> </table> | | <u>2004</u> | <u>2007</u> | <u>2009</u> | Volunteer | 5% | 20% | 25% | Co-production | 10% | 20% | 30% | Advertisement | 00 | 10% | 25% | Grant | 85 | 50% | 20% | <u>Mrktg unit</u> | <u>2004</u> | <u>2007</u> | <u>2009</u> | Jumla | 1 | 1 | 1 | Nepalgunj | 0 | 1 | 1 | Surkhet | 0 | 0 | 1 | Kathmandu | 1 | 1 | 1 | <ul style="list-style-type: none"> • Profiles prepared by RKFM coverage area VDCs and Jumla DDC • Financial statements and audit reports • Annual progress reports of RKFM | | |
|---|---|-------------|-------------|-------------|-------------|-----------|----|-----|-----|---------------|-----|-----|-----|---------------|----|-----|-----|-------|----|-----|-----|-------------------|-------------|-------------|-------------|-------|---|---|---|-----------|---|---|---|---------|---|---|---|-----------|---|---|---|---|--|--|
| | <u>2004</u> | <u>2007</u> | <u>2009</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Volunteer | 5% | 20% | 25% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Co-production | 10% | 20% | 30% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Advertisement | 00 | 10% | 25% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Grant | 85 | 50% | 20% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Mrktg unit</u> | <u>2004</u> | <u>2007</u> | <u>2009</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jumla | 1 | 1 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nepalgunj | 0 | 1 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Surkhet | 0 | 0 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Kathmandu | 1 | 1 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | | | | |
|--|---|--|--|--|
| <p>Result 3: Information and entertainment needs and wants of local people satisfied through RKFM</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 5 years</p> <ul style="list-style-type: none"> • 90% of RKFM programs are designed and implemented based local information and entertainment needs and wants. • 60% of coverage population will listen the RKFM • Regular health checkup by RKFM coverage area people in health institutions will increase by additional 20% by the year 2007 and additional 20% will increase by the year 2009 • School drop out rate in the schools of RKFM coverage area will decrease by additional 15% in the year 2007 and additional 15% will decrease by the year 2009. • School enrolment of students in the schools of RKFM coverage area increased by additional 15% in the year 2007 and additional 155 in the year 2009 • By the end of program, <i>social ills and superstitions</i>* reduced <p>-----* *</p> <p>*Social ills and superstitions means:</p> <ul style="list-style-type: none"> • <i>Untouchability</i> • <i>No entrance for dalits into temple</i> • <i>Untouchability during menstrual period</i> • <i>Child delivery in Gotha (Cow sheds)</i> • <i>Polygamy</i> • <i>Belief in traditional healers</i> • <i>Discrimination between sons and daughters</i> • <i>Unbalanced food habits etc</i> | <ul style="list-style-type: none"> • Listeners survey report • Program logbook • Annual reports of DHO • Annual report of DEO • Survey report on status of social superstitions and social ills | <ul style="list-style-type: none"> • Other development activities will be implemented on a regular basis in RKFM coverage area of Jumla | <ul style="list-style-type: none"> • Lobby for regular implementation of development activities |
|--|---|--|--|--|

| <p>Result 4: Necessary human resources to operate RKFM locally developed</p> <p>Activities:</p> <p>4.1 Assess and identify human resource needs of RKFM</p> <p>4.2 Recruit staff</p> <p>4.3 Identify training needs of staff</p> <p>4.4 Provide training to staff</p> | <p>By the end of year 5, RKFM will have following human resources (HRs):</p> <table border="1" data-bbox="583 305 1207 561"> <thead> <tr> <th>Type</th> <th>2004</th> <th>2007</th> <th>2009</th> </tr> </thead> <tbody> <tr> <td>Program production HRs</td> <td>2</td> <td>2</td> <td>2</td> </tr> <tr> <td>Technical operator HRs</td> <td>2</td> <td>6</td> <td>12</td> </tr> <tr> <td>Engineering HRs</td> <td>1</td> <td>1</td> <td>1</td> </tr> <tr> <td>Management HRs</td> <td>4</td> <td>6</td> <td>10</td> </tr> <tr> <td>Informative prgm HRs</td> <td>2</td> <td>7</td> <td>12</td> </tr> <tr> <td>Educational prgm HRs</td> <td>6</td> <td>10</td> <td>15</td> </tr> <tr> <td>Musical program HRs</td> <td>2</td> <td>5</td> <td>7</td> </tr> <tr> <td>Marketing HRs</td> <td>1</td> <td>2</td> <td>3</td> </tr> </tbody> </table> | Type | 2004 | 2007 | 2009 | Program production HRs | 2 | 2 | 2 | Technical operator HRs | 2 | 6 | 12 | Engineering HRs | 1 | 1 | 1 | Management HRs | 4 | 6 | 10 | Informative prgm HRs | 2 | 7 | 12 | Educational prgm HRs | 6 | 10 | 15 | Musical program HRs | 2 | 5 | 7 | Marketing HRs | 1 | 2 | 3 | <ul style="list-style-type: none"> • Annual progress reports of RKFM • Decision minutes of RKFM in relation to HRs | | |
|---|--|------|------|------|------|------------------------|---|---|---|------------------------|---|---|----|-----------------|---|---|---|----------------|---|---|----|----------------------|---|---|----|----------------------|---|----|----|---------------------|---|---|---|---------------|---|---|---|--|--|--|
| Type | 2004 | 2007 | 2009 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Program production HRs | 2 | 2 | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Technical operator HRs | 2 | 6 | 12 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Engineering HRs | 1 | 1 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Management HRs | 4 | 6 | 10 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Informative prgm HRs | 2 | 7 | 12 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Educational prgm HRs | 6 | 10 | 15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Musical program HRs | 2 | 5 | 7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Marketing HRs | 1 | 2 | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Operational Strategies

- 1. Local and external mobilization:** RKFM will mobilize necessary resources in local level and outside Jumla. Possible resources are time sponsors, advertisements, joint programming, land for radio station, equipments to be replaced, technical expertise and knowledge and skills to be imparted for local people.
- 2. Networking:** In order to strengthen (technically and program wise) RKFM relationship with other radio FM in Nepal and abroad will be established. To keep network alive, RKFM will – a) Organize national networking seminars occasionally , b) Establish electronic network through webpage, c) Sending RKFM technical and managerial staff to visit and learn from other Radio FMs
- 3. Institutional Capacity building:** Any radio station must adopt modern technologies. Considering this fact RKFM will take initiatives to find out new technologies, introduce new technologies and train staff to operate them. On the other hand staff involved in management of RKFM will also train regularly to meet the challenges and keep up dated with modern management of radio station.
- 4. Community Development Program:** To meet the needs of local people, RKFM will design and air community development related programs.
- 5. Mobilization of Volunteers:** RKFM will identify and mobilize local, national and international volunteers as far as possible.
- 6. Publication of Archive:** RKFM will develop a library and maintain archive of all programs aired through out the year(s). These programs will be selected and published to introduce Karnali region.
- 7. Innovation and Creative Program Development:** RKFM will try to innovate new and creative programs to fit with social changes and demands of changed society.

Annex 2: Financial Plan

| | | | | | | | |
|-----------------------|---------|---------|---------|---------|---------|---------|---------|
| Monthly sales revenue | 219000 | | | | | | |
| Annual sales revenue | 2628000 | | | | | | |
| Sales target | | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| Air time in hour | | 4 | 4 | 4 | 9 | 9 | 14 |
| Sales revenue | 109500 | 1314000 | 2628000 | 2628000 | 5913000 | 5913000 | 9198000 |

Marketing Budget 5000 60000 per year

OPERATION PLAN

Fixed Assets

| | |
|---------------------------|----------------|
| Radio Transmitter | 676026 |
| Radio equipment | 888894 |
| Studio and tower | 775000 |
| Production equipment | 65000 |
| Office building set up | 300000 |
| Logistical cost | 325000 |
| Total fixed assets | 3029920 |

Depreciation

| | | | |
|------------------------|-----|--------|-----------------------|
| Radio Transmitter | 10% | 67603 | |
| Radio equipment | 10% | 88889 | |
| Studio and tower | 10% | 77500 | |
| Production equipment | 10% | 6500 | |
| Office building set up | 10% | 30000 | |
| | | | 22541 per month |
| | | 270492 | |

Consumable materials 30000

Human resources salary

| | | | |
|---------------------|-----------|-------|---------------|
| Station manager | 1 | 30000 | 30000 |
| Program production | 2 | 10000 | 20000 |
| Technical operator | 2 | 2000 | 4000 |
| Engineering | 1 | 25000 | 25000 |
| Management | 4 | 2000 | 8000 |
| Informative program | 2 | 2000 | 4000 |
| Education program | 6 | 2000 | 12000 |
| Musical program | 2 | 2000 | 4000 |
| Marketing | 1 | 2000 | 2000 |
| Total | 21 | | 109000 |

Rate were kept minimum assuming the allocative costs

Annual salary

1308000

Overhead expenses

| | | |
|-----------------------|-------|--------|
| Overhead rent a month | 10000 | 120000 |
| With Depreciation | 22541 | 270492 |
| Total overhead | 32541 | 390492 |

| | |
|-------------------------------|--------|
| Consumable materials | 30000 |
| Direct labour | 109000 |
| Overhead | 32541 |
| Total monthly operating costs | 171541 |

Pre-operating expenses 100000

FINANCIAL PLAN

| | |
|------------------------------|---------|
| Fixed capital | 3029920 |
| Pre operating costs | 100000 |
| Working capital | |
| One month consumable goods | 30000 |
| Cash for one month expenses | 124000 |
| Total working capital | 154000 |
| | |
| Total capital | 3283920 |

Financial Analysis

Income statement

| | Pre-operating | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|--------------------------------------|---------------|-----------------|----------------|----------------|----------------|----------------|----------------|
| | | 4 | 4 | 4 | 9 | 9 | 14 |
| Revenue | | 0 | 2628000 | 2628000 | 5913000 | 5913000 | 9198000 |
| | | | | | | | |
| Expenses | | | | | | | |
| Consumable material costs | | 180000 | 360000 | 360000 | 810000 | 810000 | 1260000 |
| Salaries | | 654000 | 1308000 | 1308000 | 2943000 | 2943000 | 4578000 |
| Other overhead | | 60000 | 120000 | 120000 | 270000 | 270000 | 420000 |
| Marketing expenses | | 30000 | 60000 | 60000 | 135000 | 135000 | 210000 |
| Depreciation | | 270492 | 270492 | 270492 | 270492 | 270492 | 270492 |
| Total expenses | | 1194492 | 2118492 | 2118492 | 4428492 | 4428492 | 6738492 |
| | | | | | | | |
| Operating surplus /deficit | | -1194492 | 509508 | 509508 | 1484508 | 1484508 | 2459508 |
| Accumulate surplus as reserve | | -1194492 | -684984 | -175476 | 1309032 | 2793540 | 5253048 |
| | | | | | | | |

Cash flow statement

| Particular | Preoperating | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|--------------------------------|----------------|---------------|----------------|----------------|----------------|----------------|----------------|
| Cash inflow | | | | | | | |
| Danida/ Hugou | 1379000 | | | | | | |
| CRSC/NEFEJ | 740000 | | | | | | |
| KIRDARC | 910920 | | | | | | |
| Other grants | 100000 | | | | | | |
| Proposed grants | | 954000 | | 844050 | | | |
| Revenue | | 0 | 2628000 | 2628000 | 5913000 | 5913000 | 9198000 |
| Total cash inflows | 3129920 | 954000 | 2628000 | 3472050 | 5913000 | 5913000 | 9198000 |
| Cash outflow | | | | | | | |
| Pre-operating expenses | 100000 | | | | | | |
| Purchase of fixed assets | 3029920 | | | 2404050 | | | |
| Total cash expenses | | 924000 | 1848000 | 1848000 | 4158000 | 4158000 | 6468000 |
| Increase in inventory | | 30000 | | | 37500 | | 37500 |
| Total cash outflows | 3129920 | 954000 | 1848000 | 4252050 | 4195500 | 4158000 | 6505500 |
| Net cash flows | 0 | 0 | 780000 | -780000 | 1717500 | 1755000 | 2692500 |
| Cash balance in the beginning | | 0 | 0 | 780000 | 0 | 1717500 | 3472500 |
| Cash balance at the end | 0 | 0 | 780000 | 0 | 1717500 | 3472500 | 6165000 |

Projected Balance Sheet

| | Pre operating | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| Assets | | | | | | | |
| Cash | 0 | 0 | 780000 | 0 | 1717500 | 3472500 | 6165000 |
| Inventory of consumable materials | | 30000 | 30000 | 30000 | 67500 | 67500 | 105000 |
| Total current assets | 0 | 30000 | 810000 | 30000 | 1785000 | 3540000 | 6270000 |
| Gross Fixed assets | 3029920 | 3029920 | 3029920 | 5433970 | 5433970 | 5433970 | 5433970 |
| Less accumulated depreciation | | 270492 | 540984 | 811476 | 1081968 | 1352460 | 1622952 |
| Net fixed assets | 3029920 | 2759428 | 2488936 | 4622494 | 4352002 | 4081510 | 3811018 |
| Other assets | | | | | | | |
| Pre operating expenses | 100000 | 100000 | 100000 | 100000 | 100000 | 100000 | 100000 |
| Total assets | 3129920 | 2889428 | 3398936 | 4752494 | 6237002 | 7721510 | 10181018 |
| Capital | | | | | | | |
| Grants capitalized | 2219000 | 3173000 | 3173000 | 4017050 | 4017050 | 4017050 | 4017050 |
| KIRDARC initial funding | 910920 | 910920 | 910920 | 910920 | 910920 | 910920 | 910920 |
| Accumulated surplus / deficit | | 1194492 | -684984 | -175476 | 1309032 | 2793540 | 5253048 |
| Total capital | 3129920 | 2889428 | 3398936 | 4752494 | 6237002 | 7721510 | 10181018 |

Break even point in percent

| | Pre-operating | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|----------------|---------------|---------|---------|---------|---------|---------|---------|
| Sales amount | | 0 | 2628000 | 2628000 | 5913000 | 5913000 | 9198000 |
| Variable costs | | 180000 | 360000 | 360000 | 810000 | 810000 | 1260000 |
| Fixed costs | | 1014492 | 1758492 | 1758492 | 3618492 | 3618492 | 5478492 |
| | | | | | | | |
| BEP (FC/S-VC) | | -564% | 78% | 78% | 71% | 71% | 69% |

Profitability

Return on Investment
(ROI)

Net profit/total investment)

#REF! #REF! #REF! #REF! #REF! #REF!

Return on Equity

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Profitability should be excluded for NGO