

The User's Guide to Strategic Underwriting AudiGraphics

Hyperlinks embedded throughout this guide take you directly to the information you seek. You can also print the guide for off-line reading and reference.

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What Is Strategic Underwriting AudiGraphics?

Strategic Underwriting AudiGraphics augments existing management systems in the following ways.

- It provides a central repository where monthly sales information can be stored and readily reviewed by anyone on the station's management team.
- It creates sales reports within seconds using high quality color graphics.
- It establishes standard performance baselines that can be compared across time and across peer stations.
- It facilitates realistic goal setting by placing future performance goals in the context of both past performance and audience.

- It creates sales projections from realistic performance goals within seconds using high quality color graphics.
- It puts underwriting data in a form that makes sense for strategic planning.
- It places underwriting spots and sales in the context of the audience to which the spots are exposed.
- It estimates certain public service costs of underwriting.

Your AudiGraphics website puts this information and this power at your fingertips from any computer connected to the Internet – whenever you want – without the delay or intervention of any third party.

How It Works

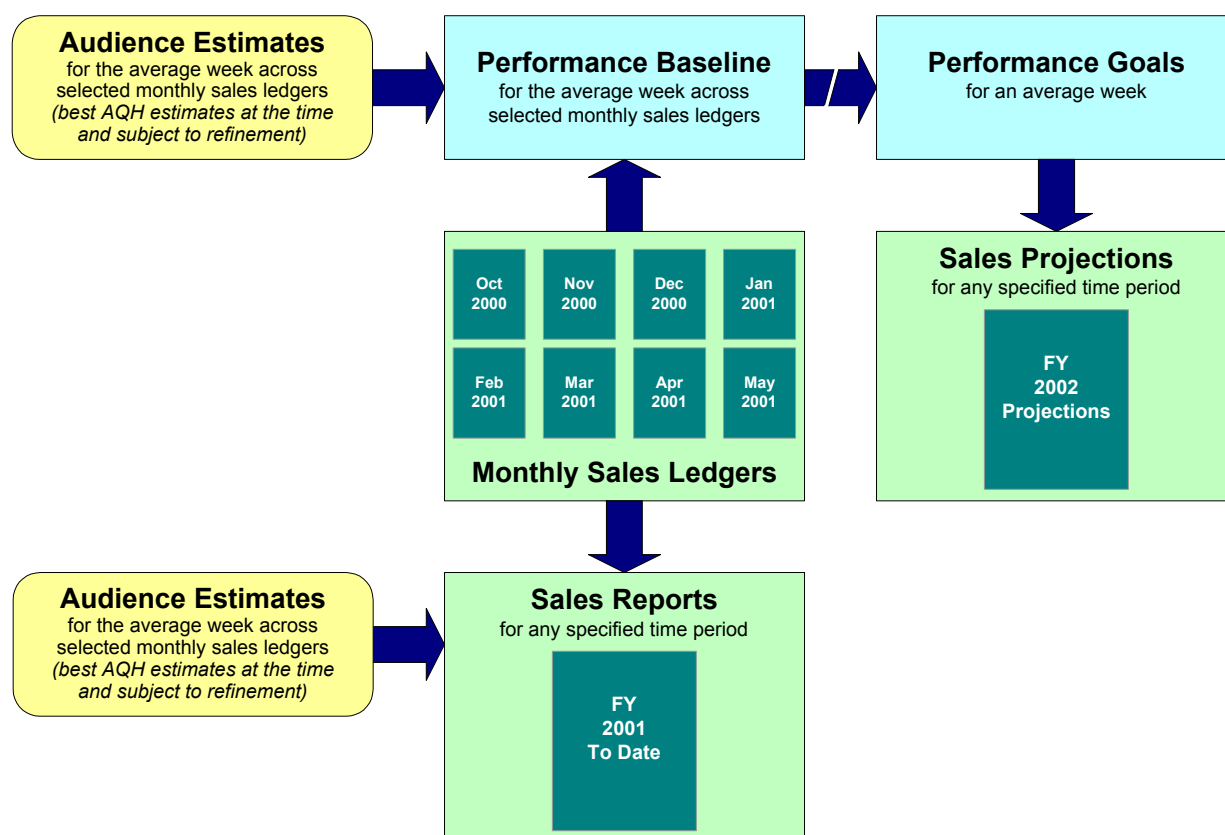
Strategic Underwriting AudiGraphics stores your actual sales information in **monthly sales ledgers**. You can combine sales ledgers into **sales reports** for any period you choose. You can also create sales reports for any peer with whom you've arranged to share underwriting information via your AudiGraphics website.

Using past sales to establish a **performance baseline**, you can set **performance goals** that reflect a new level of ambition for your

sales effort. Performance goals are set at the average week. You can project this new level of performance to create **sales projections** for any future period.

Strategic Underwriting AudiGraphics automatically calculates all audience estimates from available Arbitron data.

These steps are detailed on the following pages. The diagram below shows the whole system at a glance.



ENTER MONTHLY SALES DATA

The starting point is the actual sales data you enter into your monthly sales ledgers. Monthly sales ledgers contain actual sales data, not projections or goals, based on the **broadcast calendar**.

All monthly sales ledgers are protected by a single password. If you are keeper of these ledgers, keep this password private to protect your sales data of record from unauthorized changes or deletion.



RUN A SALES REPORT

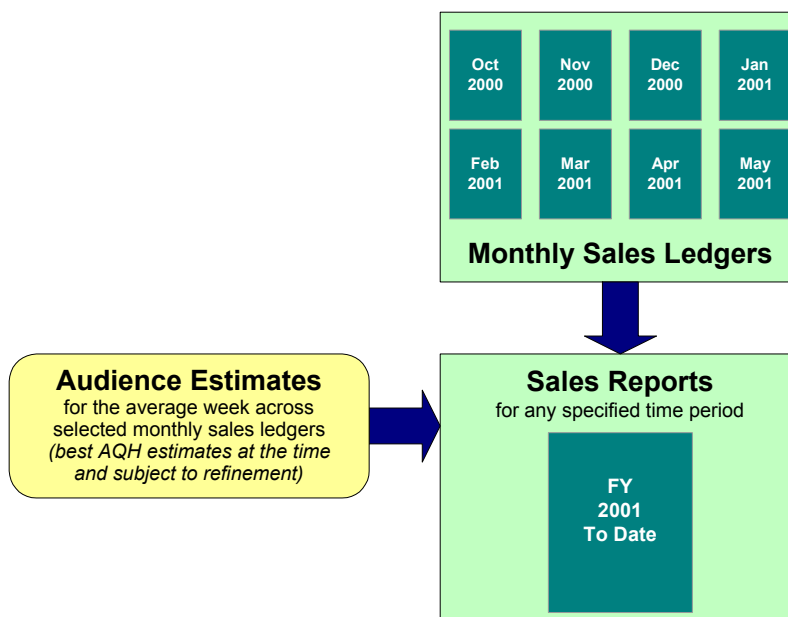
You can run a **sales report** across any contiguous set of months for which you have actual sales data. The report is printed in a high quality PDF document that you can print, save to a file on your computer, e-mail to colleagues, or paste into presentations.

The sales report shows not only actual numbers across the entire period, but also numbers for the average week (used to set new performance levels at the next step).

You can run a sales report for any of your broadcast services or for any peer with whom

you've arranged to share underwriting information. Because a large part of the report is normalized to the average week and controls for audience, it offers a benchmark that is directly comparable across stations and time.

When audience data for the period of the sales report are not available, ARA computes the best AQH audience estimates possible given the Arbitron data on hand. These "working estimates" are updated when new Arbitron data arrive. Sales reports that use working estimates are clearly marked and should be re-run after all Arbitron data are in.



SET NEW PERFORMANCE GOALS

Using past sales to set a **performance baseline**, you can adjust the spots sold and the amount billed during each daypart, and set minimums for the percent of inventory sold and the revenue per impression across all dayparts.

Your tweaking results in **performance goals** that reflect your new level of ambition. You will use these goals to create sales projections in the next step.

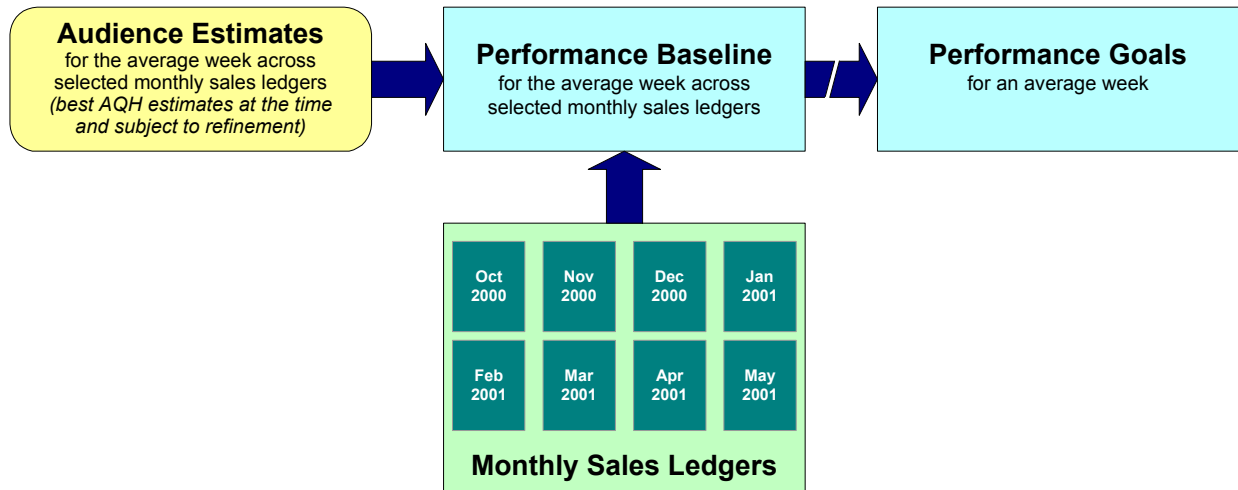
You set your performance goals at the weekly level and store them in **performance goal ledgers**. You can maintain any number of goal ledgers on your AudiGraphics website.

Each goal ledger is protected by a password of your choosing and can be seen only by

you (or anyone with whom you share the password). No goal ledger is available via your AudiGraphics website to peers at other stations.

Performance goals are always established against an actual **performance baseline**. In this way performance levels that you've achieved in the past always inform your goals.

However, performance goals exist independently of the baseline against which they are set. This allows you to compare your goals against multiple baselines (the most recent quarter versus the same quarter last year, for instance). It also allows you to update your goals with more recent sales and/or audience information.



RUN SALES PROJECTIONS

You use your new **performance goals** to create **sales projections** for a future month, quarter, fiscal or calendar year, whatever. You can also apply these goals to the past, to see how you might have done had you performed at these new levels.

Sales projections, like sales reports, are printed in high quality PDF documents that you can print, save to a file, e-mail to colleagues, or paste into presentations.

Sales projections use the AQH estimates that performance goals inherit from their base-lines. (Since they project to the future no audience estimates are as yet gathered.) ARA computes the best estimates possible given the Arbitron data on hand. These “working estimates” are updated when new Arbitron data arrive. Sales projections based on performance goals that use working estimates are clearly marked, and should be re-run after all Arbitron data are in.

