

Supply Chain
Powering Canada's Economy

2018/19
ANNUAL
REPORT

TOGETHER
WE ARE
STRONGER



SCMA 2018-2021

Strategic Framework

VISION

Canadian supply chain professionals and organizations are recognized for leading innovation, global competitiveness and driving economic growth.

MISSION

The Supply Chain Management Association provides leadership to the Canadian supply chain community, provides value to all members, and advances the profession.

STRATEGIC PRIORITIES

- Expand learning initiatives to accelerate transformation and growth
- Be the voice of supply chain in Canada
- Engage with the industry to unlock the opportunities for supply chain success
- Continue the collaborative evolution of the Federation to achieve a relevant and vibrant SCMA

GOALS

Expand learning initiatives to accelerate transformation and growth

- Define the knowledge and skill competencies for the profession in Canada
- Position the SCMP Program or Designation as Canada's top professional designation for the supply chain profession
- Invest in and develop continual career-long learning
- Invest in curated information for our members

Be the voice of supply chain in Canada

- Coalesce and unite the end-to-end community from entry level to executives
- Build strong trusting relationships with other organizations within the ecosystem
- Gather, analyze and disseminate information about the supply chain sector
- Give voice to supply chain professionals who can help inform better policy decisions
- Raise the profile of the sector and the professionals within it

Engage with industry to unlock the opportunities for supply chain success

- Deliver programs that engage and support senior supply chain executives
- Develop supply chain tools that support small and medium-sized enterprises
- Collaborate with industry and other partners to lead supply chain innovation
- Recognize and promote industry success and commitment to supply chain excellence
- Develop new membership categories that provide value to organizations

Continue the collaborative evolution of the Federation to achieve a relevant and vibrant SCMA

- Establish shared metrics and coordinated financial and operational data reporting
- Strengthen coordination of resources for efficiency and effectiveness
- Enable transformative growth through central coordination and local execution
- Invest in technology to deliver transformation
- Support transformation with robust project and change management

Message from the Board Chair



“WE CONTINUE TO BE FOCUSED ON OPERATIONAL EXCELLENCE WITHIN SCMAO AND ACTIVELY FOSTERING PARTNER INSTITUTES IN THE FEDERATION COUNCIL TO SUCCEED IN IMPLEMENTING THE STRATEGIC FRAMEWORK WE SHARE.”

Dear Colleagues,

As I close out my tenure as Chair of the Board of Directors, I am happy to leave the association on a strategic path forward that paves the way for future growth and success. The fiscal year 2018/19 was a pivotal year in our history: we celebrated our 100th Anniversary early in 2019 but didn't spend time looking backward.

Instead we focused on member feedback, fiscal responsibility and cultural shifts to better position the association, staff, volunteers and members for optimal value and contribution. We tested new approaches to membership by bundling with purchase and launched new formats and topics for Professional Development events. We also added more volunteer opportunities for members to shape the association beyond the Board positions by adding Volunteer Regional Ambassadors and Advisors. More events. More locations. More opportunities to participate. More access to the CSCMP Designation. We remain committed to enhancing communications with our members, and improving transparency, including outcomes from our Ethics Committee, and our financial data.

We continue to be focused on operational excellence within SCMAO and actively fostering partner institutes in the Federation Council to succeed in implementing the Strategic Framework we share.

We have ambitious plans and with our incoming Chair, Lani Lindsay, the Board and the Association will be well led. Lani Lindsay has over 20 years experience in Logistics, Information Technology and Supply Chain within the retail industry. She is currently Vice-President of Supply Chain and Replenishment at Walmart Canada, accountable for the flow of goods of all merchandise in store and online. Most recently, Lani served as Vice-Chair on the Board and is familiar with the challenges and opportunities we face.

With all the exciting accomplishments and challenges of 2018/19, we are positioned well for a strong year in 2019/2020.

Thank you to each of you who have contributed and will continue to contribute to powering our Supply Chain community in Ontario.

Regards,
Joe Malon
Board Chair

Message from the CEO

“MOST IMPORTANT TO ALL THE CHANGES MADE, WE HAVE EMPOWERED AND ACTIVELY SOUGHT OUT GREATER CONTRIBUTION FROM YOU - OUR MEMBERS.”



The Fiscal Year 2018/19 represented a new era at SCMAO with a great deal of experimentation, new team members and a fresh approach to our future. As many of you may know, I joined SCMAO on July 3, 2018 and embarked on a learning and listening journey. I want to thank all our members and stakeholders for providing me with honest and critical feedback.

Your feedback complimented our commitment and efforts to execute against SCMA's 2018-2021 Strategic Framework – a roadmap that was developed together with our institute partners across the country.

On October 2, 2018 our SCMAO Board approved a revised operational plan that outlined a progressive plan to address:

- Increasing membership growth.
- Expanding accessible Professional Development (PD) offerings across Ontario.
- Launching a robust suite of offerings for Corporations to utilize for in-house training.
- Developing new pathway agreements with post-secondary institutions.

Most important to all the changes made, we have empowered and actively sought out greater contribution from you - our members. We were thrilled and delighted with the response we received to our Volunteer Regional Ambassador Program and we have established the infrastructure and plan to utilize the wisdom of volunteer members to deliver best-in-class member events and PD across Ontario.

While we are proud of our progress in the above stated areas, we recognize there is still a lot of work for us to do with respect to the SCMP Program. We continue to work with our institute partners to deliver on the strategic goal of positioning the SCMP as Canada's most sought after professional designation in supply chain.

The foundational work done in 2018/19 bodes well for a strong performance in 2019/20 and a return to a balanced budget. We invite you to see the impact of all the initiatives in this report and share your ideas and time to help build an even stronger SCMAO.

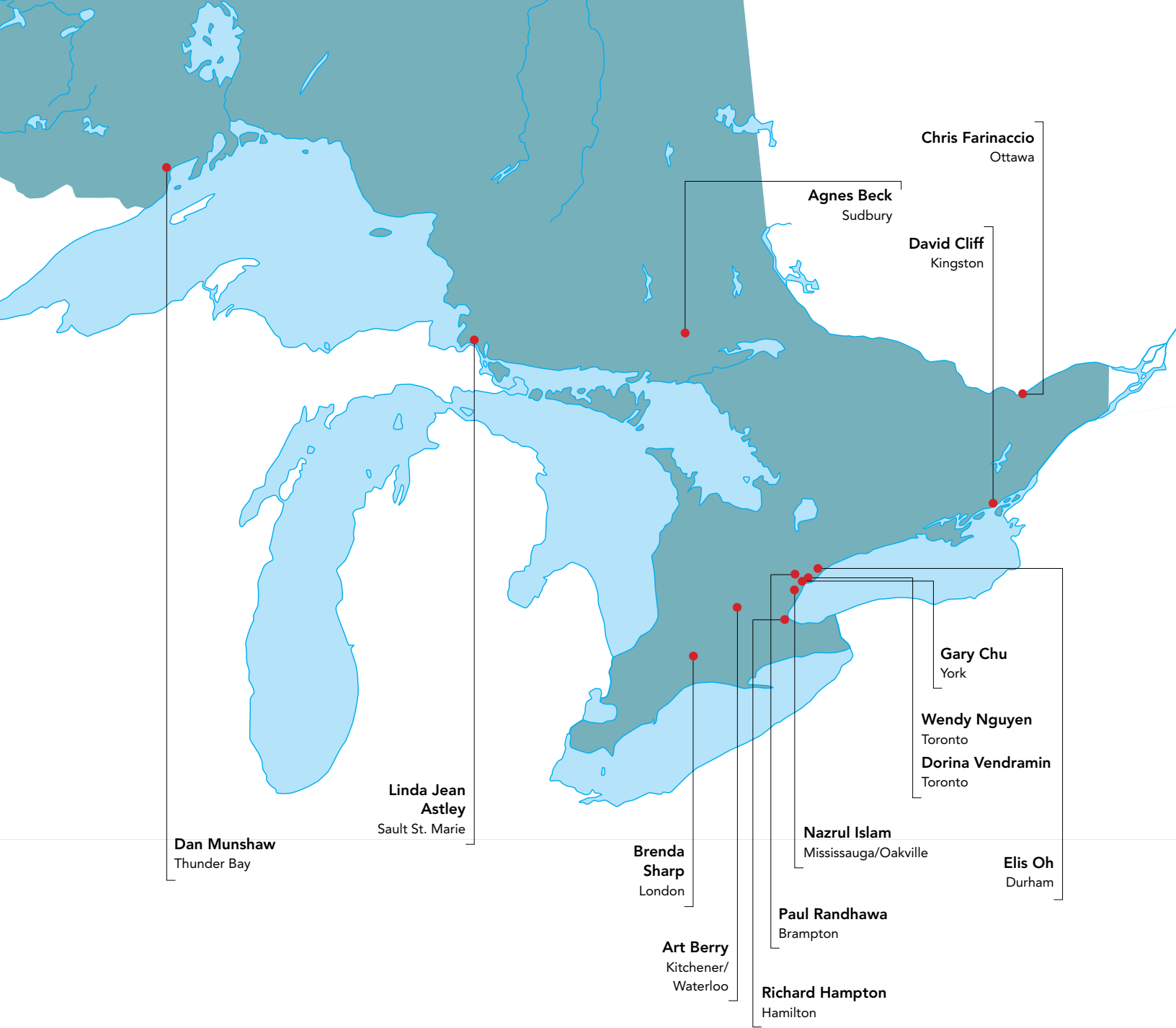
Lastly, my team and I are grateful for the stewardship of SCMAO's board of directors, under the guidance of our Board Chair, Joe Malon. While serving two years as Board Chair, and six years as a board member, Joe has guided SCMAO's evolution and advancement and we thank him for his dedication to the supply chain profession.

We look forward to continuing our trajectory of growth and impact as we welcome our new Board Chair, Lani Lindsay. We have an ambitious strategy – one that cannot be realized without the continued support of our members, staff, volunteers, and partners.

We look forward to a great 2019-2020!

Sincerely,

Al-Azhar Khalfan
President and CEO



Expanding SCMAO's presence across Ontario

A COMMITMENT OF BRINGING SCMAO TO YOU!

The SCMAO team was committed to delivering more events in more locations outside the GTA in 2018/19. Some planned events were cancelled due to low enrollment, which fueled a renewed focus on communicating better about our events and the establishment of the Volunteer Regional Ambassadors (VRAs) and Advisors program. This helped drive increased awareness and participation by members outside the city of Toronto. Thank you to

all the applicants, which totalled 64 applications for VRA and 65 applications for the Advisor role, comprising of 110 unique individuals! The overwhelming interest of our members demonstrates a high level of engagement and interest in collaborating for our success. We will leverage our VRAs and Advisors to bring events to more locales than in 2018/19 with a focus on at least two events per region in 2019/20.

Message from the Audit Chair

“OFFERING NEW TOPICS, NEW FORMATS AND EXPANDING THE NUMBER OF CITIES FOR PD EVENTS PROVED TO BE A SUCCESSFUL EXPERIMENT.”



ADDRESSING OUR FINANCIAL POSITION

SCMAO has been operating under an approved deficit budget for each of the last three fiscal years, including 2018/19. The deficit was driven by a combination of lower enrollment in SCMA core programs as well as a reduction in the number of members.

A FOCUS ON DIVERSIFYING REVENUE

In fiscal 2018/19, Management focused on diversifying revenue sources and increasing membership. Specifically, management increased membership engagement opportunities across the GTA through the establishment of Volunteer Regional Ambassadors and Advisors.

Additionally, new membership formats were tested by bundling memberships with other events such as the annual conference.

Under new leadership, new learnings informed the focus on innovation in member acquisition, social media leveraged into an integrated marketing plan, and a refreshed approach to professional development and events.

Offering new topics, new formats and expanding the number of cities for PD events proved to be a successful experiment. Corporate Engagement opportunities were explored and included onsite training, group purchases for events and PD, as well as sponsorship opportunities.

The resulting financials showed improvement on the original budget and set the stage for a balanced budget in 2019/20.

2018/2019 AUDIT REPORT

SCMAO's auditors conducted the audit for the fiscal year ended April 30, 2019 assessing the statement of financial position, the statement of operations, the statement of changes in net assets and the statement of cash flows and found that the statements presented fairly the financial position of the SCMAO as of April 30, 2019 in accordance with Canadian accounting standards for not-for-profit organizations.

Additionally, the current auditor's contract came to an end at the end of fiscal 2018/2019. SCMAO launched an RFP with several potential audit firms. The selected audit firm will be presented to the members to vote on at the AGM.

A COMMITMENT TO MANAGING SCMAO'S INVESTMENT PORTFOLIO

The Finance and Audit Committee is responsible for the management of SCMAO's investment portfolio. The funds continue to adhere to the investment policy and for the fiscal year delivered a return of 5.77%, which exceeded the target of CPI + 2% or 3.93%

Taras Korec, P. Eng., P. Log.
Finance & Audit Committee Chair

“WE CONTINUE TO WORK WITH OUR INSTITUTE PARTNERS TO DELIVER ON THE STRATEGIC GOAL OF POSITIONING THE SCMP AS CANADA’S MOST SOUGHT AFTER PROFESSIONAL DESIGNATION IN SUPPLY CHAIN.”

Al-Azhar Khalfan
President and CEO

A year of learning & adapting

HIGHLIGHTS OF 2018/19

TOGETHER WE ARE STRONGER

A commitment to executing against the SCMA 2018-2021 Strategic Framework

Think globally, act locally – SCMAO aligned the strategies for success in Ontario to the National Strategic Plan adopted by all Institutes, and piloted the acquisition and growth strategy for all our provincial institute partners.

EXPANDING SCMAO'S PRESENCE ACROSS ONTARIO

A commitment of bringing SCMAO to you

Expanding beyond the Greater Toronto Area – the focus on bringing more events, more professional development and learning to cities across the province was foundational to the launch of the Volunteer Regional Ambassador and Advisors program.

MEMBERSHIP AND EDUCATION GO TOGETHER

A commitment to relationships over transactions

Including Membership with Purchase – Membership was included for non-members who participated in Corporate Onsite Training, purchased a non-member ticket for the Conference, or a Seminar or Workshop for the first time in 2018/19 Fiscal Year.

COLLABORATION FOR A SINGULAR JOINT CONFERENCE AND GALA

A commitment to the best supply chain conference in Canada

Best-in-class Content, Networking and Learning Opportunities - SCMAO hosted their own 2018/19 Conference and also collaborated on a single, larger Conference to allow SCMAO to redirect resources to expand our Ontario specific events in 2019/20. SCMAO delivered 9 Member Networking events in 9 Cities, 12 Professional Development Events in 5 Cities, participated in 12 Partner Events in 4 Cities, and interacted with over 2,031 attendees at our local events.

NEW PROFESSIONAL DEVELOPMENT APPROACH

A commitment to fostering leadership

Launch of the New Leadership Series Professional Development (PD) – this innovative approach to PD includes a focus on new, trending supply chain topics, more speakers and panels, more interaction and networking in a completely new format, with flexible options for attendance.

CORPORATE VALUES ESTABLISHED

A commitment to achieving our mission

Our Values - Defining and publishing our Values was an important step to strengthening an inclusive culture and building a common foundation for decision making and actions moving forward.

MEMBER VALUE

A commitment to offering high quality accessible member-only benefits

Complimentary Webinars, more Volunteer Opportunities, More Events - SCMAO made webinars free for members including access to archives, created and delivered more PD events and networking events, and created more volunteer opportunities to improve access to professional development and CPD.

IMPROVED TRANSPARENCY, COMMUNICATIONS AND AWARENESS

A commitment to raising the profile of the profession and the association in Ontario

SCMAO launched new social media campaigns and integrated direct mail, google ad words, outbound phone calls, and improved the weekly e-newsletter. Experiments with print advertising were also tested to validate the most effective channels for our audience. Open communications with members included enhancing the frequency, messaging through multiple mediums (phone, email, direct mail), and publishing results in applications, nominations processes as well as Code of Ethics Committee outcomes.

DIVERSIFYING REVENUE

A commitment to optimizing all opportunities to bring in new revenue

A focus on innovation in Professional Development events, Corporate Engagement opportunities to deliver onsite training, group purchase offerings for events, and sponsorship opportunities enhanced our revenue.

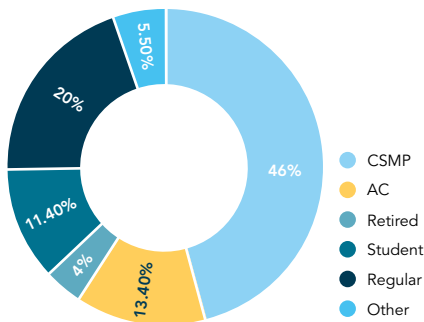
“WE CONTINUE TO BE FOCUSED ON OPERATIONAL EXCELLENCE WITHIN SCMAO”

Joe Malon
Board Chair

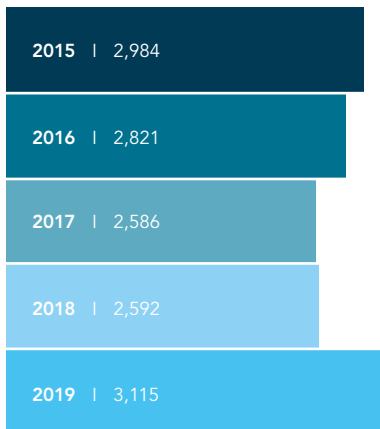
MEMBERSHIP ACCOMPLISHMENTS

A commitment to relationships over transactions

2018/19 Membership Population by Category



Membership Count on April 30 (Fiscal Year End)



In the previous four years, SCMAO Membership headcount and revenue has been on a decline at an average rate of 5% per year. Lapsed memberships were greater than new member acquisition each year. We broke the trend in 2018/19 by adding more new members than lapsed and growing for the first time since 2015! Key elements of the successful strategy were:

- Membership inclusion (bundling) with purchases
- New “deals” on Black Friday, Cyber Monday, and Boxing Week
- Tailored, strategic focus on marketing and communications
- Corporate Engagement – exporting our training to onsite at organizations driving greater profile, member acquisition and growth.

Our CSCMP Designated Members continue to be the largest population of member types within our association by a significant margin. When the ACs (Accreditation Candidates) or those instream for the SCMP Program are combined with the CSCMPs (those that already hold the designation), our membership is 59.4% associated with the SCMP Program.

Regular Members who participate with SCMAO but not with the SCMP Program have become an increasingly smaller percentage of our overall membership, finishing 2018/19 as 20% of total members.

We have two member types that are discounted – Retired and Student Affiliates. Our retired and student members combined comprised 15% in 2018/19, supported primarily by a larger purchase of student memberships by a private college that supplies membership to their students.

OPPORTUNITIES:

1. Focus on local communities and expand on networks.
2. Create compelling packages for corporations and institutions to engage, sponsor and participate.
3. Continue to build and reinforce the value of membership through networking, exclusivity and pricing advantages.

EDUCATION AND PROFESSIONAL DEVELOPMENT ACCOMPLISHMENTS

A commitment to fostering leadership

In 2018/19 SCMAO focused on:

- Higher enrollment for the SCMP Program.
- Stronger pathways.
- Delivering new professional development workshops.
- Expansion into other regions.

In 2018/19 SCMAO revisited all existing pathway agreements to attract new Accreditation Candidates to the SCMP program. All existing pathway agreements are now in place with new terms and conditions being adhered to. We also agreed to new partnerships with Osgoode Professional Development, York University and Schulich Executive Education Center with the agreements focused on member acquisition.

Our SCMP courses have now been opened up to audiences beyond students enrolled in the SCMP Program. There is interest and we are seeing inquiries trickling in.

We launched our new Leadership Series, which was attended by over 200 members and non-members, and attracted sponsorship opportunities. Through the bundling strategy initiative, the leadership series delivered 32 new members. The series has been expanded to a total of four instalments.

We also experimented with sponsored learning and networking sessions. We received very encouraging feedback on these sessions and will look to expand on them in the future.

OPPORTUNITIES:

1. Pursue new pathway agreements to attract more Accreditation Candidates to the designation program.
2. Continue to work with our institute partners to deliver on the strategic goal of positioning the SCMP as Canada's most sought after professional designation in supply chain.
3. Innovate professional development courses to offer more opportunities to earn CPD maintenance points.



139

Enrollment in SCMP Program



96

Total number of educational offerings



2,031

Total number of attendees served by education/professional development offerings



33%

Total percentage of NEW PD offerings



5

Sponsored learning events

THANK YOU TO ALL OUR VOLUNTEERS ACROSS ONTARIO FOR YOUR SUPPORT. YOUR LEADERSHIP, CONTRIBUTION AND DEDICATION TO OUR ASSOCIATION IS GREATLY APPRECIATED.

Ebun Arimah, CSCMP

Joanne Au, CSCMP

Barbara Baca

Anoop Chand Bahuleyan, CSCMP

Tina Barker, CSCMP

Agnes Beck, CSCMP

Patrick Cain

David Cliff, CSCMP

Laura Cocuzzi, CSCMP

Kelly Garmatz, CSCMP

Karen Gilchrist, CSCMP

Everton Graham, CSCMP

Jim Griffin, CSCMP

Richard Hampton, CSCMP

Nicole Harriott, CSCMP

Chris Hasson, CSCMP

Nicola Houston

Anthony Iseyemi, CSCMP

Taras Korec

Lani Lindsay, CSCMP

Jane Long, CSCMP

Richard Lough, CSCMP

Joe Malon

MaryBeth Meszaros, AC

Marilyn Misaljevic, CSCMP

Tim Moore

Andrea O'Reilly

Stefan Patrascu, CSCMP

Tanya Petrovic, CSCMP

Michael Quartermain, CSCMP

Kapil Sachdeva, CSCMP

Lucio Salacata, CSCMP

Brenda Sharp, CSCMP

Amir Shawaf, AC

Niraj Singh, CSCMP

Ray Smale

Lisa Tuomi, CSCMP

Bernie Uhlich

Rashpal Uppal-Assi, CSCMP

Dorina Vendramin, CSCMP

Adriana Villasenor, CSCMP

Lorilei White, CSCMP

SCMAO GOVERNANCE

A commitment to improved transparency, raising the profile of the profession and the association in Ontario



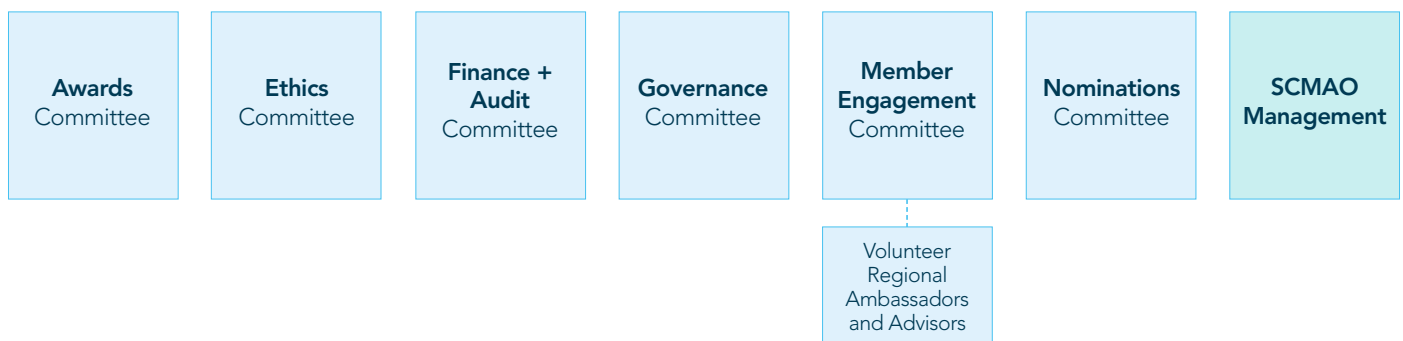
2018/19 BOARD OF DIRECTORS

SCMAO's Board is composed of industry professionals, both members and non-members with diverse backgrounds. Their contribution plays a significant role in helping to strengthen our Association. All Directors and Advisors are independent volunteers.

FROM LEFT TO RIGHT:

- Bernie Uhlich (Advisor)
- Michael Quartermain (Director)
- Andrea O'Reilly (Director)
- Taras Korec (Treasurer)
- Laura Cocuzzi (Advisor)
- Richard Lough (Director)
- Lani Lindsay (Vice Chair)
- Joe Malon (Chair)
- Al-Azhar Khalfan (President & CEO SCMAO)

SCMAO Board of Directors



2018/19

SCMAO Committee Composition

SCMAO AWARDS COMMITTEE

Andrea O'Reilly, *Chair*
Joanne Au
Patrick Cain

The Awards Committee acts as a vehicle for enhancing the SCMAO Brand through the awards framework by engaging with stakeholders to put forward award nominations and to promote the profession, SCMAO and its members. The Committee oversees the SCMAO Awards Program, reviews candidate submissions against award criteria and requirements and provides recommendations to the SCMAO Board of Directors regarding SCMAO Award recipients.

SCMAO ETHICS COMMITTEE

Stefan Patrascu, *Chair*
Rashpal Uppal-Assi
Adriana Villasenor

The Ethics Committee reviews and determines the appropriate response to ethical complaints received regarding SCMAO Members and CSCMP designation holders in accordance with the applicable SCMAO policies and procedures. This includes matters related to the discipline, suspension and expulsion of members and to defending the CSCMP (Certified Supply Chain Management Professional) designation.

2018/19 ETHICS COMMITTEE REPORT HIGHLIGHTS:

Ethics complaints

Two complaints received in March 2019.

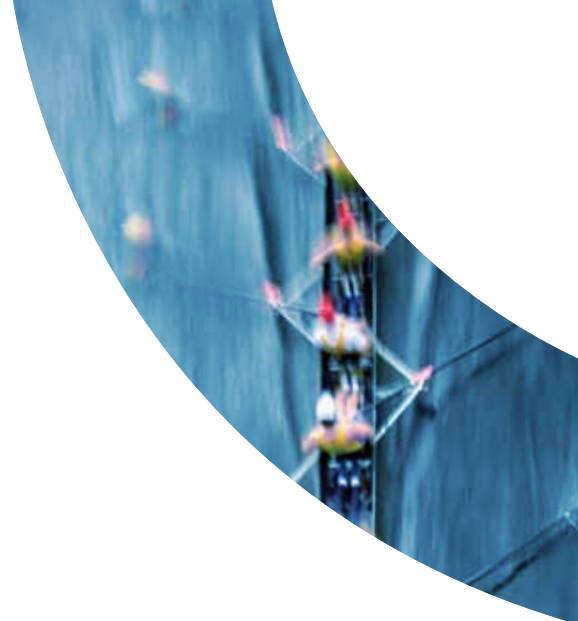
Alleged misuse of the CSCMP designation

Use of the CSCMP designation while still being a CSCMP candidate only - complaint received through the SCMAO staff, from a complainant who wished to remain anonymous. After investigations, a cease and desist letter was issued by SCMAO. The respondent apologized and formally committed to full compliance. Complainant was informed of the outcome.

Alleged misuse of a corporate procurement card

An employer complained about the misuse of their corporate procurement credit card by one of their employees at the time; a current member of SCMAO and CSCMP designation holder.

After an extensive investigation, the Ethics Committee has concluded that the actions outlined in the complaint are in breach of the SCMA Code of Ethics. As a result, the Committee has ruled to suspend the respective membership for a period of five (5) years with a conditional reinstatement to follow at the end of this period. If there will be any additional ethical complaints received against this member, the membership may not be reinstated and expulsion may be considered as an escalated sanction.



SCMAO FINANCE & AUDIT COMMITTEE

Taras Korec, *Chair*
Barbara Baca
Tina Barker

The Finance & Audit Committee assists the Board in fulfilling its obligations and oversight responsibilities relating to financial planning, the audit process, financial reporting, the system of corporate controls and risk management, and when required, to make recommendations to the full Board for approval. The Committee ensures fair presentation of the financial position and results of operations of the SCMAO in accordance with accounting principles and ensures that appropriate financial reporting systems and internal controls are maintained and are operating effectively. The Committee also ensures the protection of SCMAO's assets, provides oversight of SCMAO's compliance with legal, regulatory and contractual obligations and monitors the risk management practices of SCMAO. The Committee is also responsible for the management and reporting of the investment portfolio on behalf of the Board.

SCMAO GOVERNANCE COMMITTEE

Richard Lough, *Chair*
Ray Smale
Lorilei White

The Governance Committee advises the SCMAO Board of Directors on matters relating to SCMAO's governance structure and processes. The Committee also ensures that the Board fulfills its legal, ethical, and functional responsibilities through adequate governance policy development, training programs, monitoring of board activities and evaluation of board member performance.

SCMAO MEMBER ENGAGEMENT COMMITTEE

Bernie Uhlich, *Chair*
Laura Cocuzzi, *Vice Chair*

The Member Engagement Committee ensures that SCMAO develops and successfully executes a plan to achieve membership engagement goals. The Committee advises the SCMAO Board of Directors and provides feedback to Management through the Board on matters relating to SCMAO's approach, ideas, best practices and effectiveness for the delivery and perception of member engagement programs and activities in alignment with the SCMA Strategic Framework. The Committee also acts as a vehicle for enhancing the SCMAO brand and positive member perception of the value of SCMAO membership.

SCMAO NOMINATIONS COMMITTEE

Michael Quartermain, *Chair*
Eburn Arimah
Nicola Houston
Tim Moore

The Nominations Committee ensures that the SCMAO Board of Directors and committees are composed of persons sufficiently qualified and skilled to provide effective leadership to SCMAO. The Committee makes all reasonable efforts to support the strategic and corporate governance objectives of SCMAO, including succession planning for volunteer leadership, Board development and Board skills assessments. The Committee receives Board nominations and recommends a slate of nominees to be presented at the Annual General Meeting.

About SCMAO

Supply Chain Management Association Ontario (SCMAO), along with its National and Provincial partners, constitutes the leading professional association in Canada for supply chain management professionals.

As Canada's leading association for supply chain professionals, our vision is to ensure that Canadian supply chain professionals and organizations are recognized for pioneering innovation, global competitiveness, and driving economic growth. We offer career-boosting learning designed for every level, culminating with the Certified Supply Chain Management Professional Designation (CSCMP) - Canada's most sought after professional designation for those professionals advancing as leaders in supply chain. SCMAO serves supply chain professionals and promotes supply chain leadership through delivering on the initiatives outlined in the approved 2018-2021 SCMA Strategic Framework.

SCMAO'S CORPORATE VALUES

Our values are the fundamental beliefs that guide how we work to achieve our goals and meet the needs of the community we serve.

RESPECT

We value all members, colleagues and stakeholders. We seek to understand others' unique needs and talents. We seek to put people first.

COLLABORATION

We know there is greater power in working together. We consider the impact our decisions have on others. We partner and cooperate with others to serve the community better.

OPEN COMMUNICATION

We are transparent and honest in our interactions. We ask questions, listen to understand, and proactively share information and insights.

ACCOUNTABILITY

We take personal responsibility for our actions and results. We keep the promises we make. We are personally committed to the overall success and well-being of our organization.

CONTINUOUS LEARNING

We are always learning, growing and bettering ourselves and others. We are open to trying new things, taking on challenges, and continually expanding our expertise.

By acting according to these values, and asking our partners and suppliers to act accordingly as well, we will achieve our Mission and provide leadership to the Canadian supply chain community, value to all members and advance the profession.



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