

# Canadian Supply Chain Sector Council



# Annual Report

Fiscal Year 2009  
April 2008 to March 2009

The Year in Review





**Canadian  
Supply Chain  
Sector Council**

**Conseil canadien  
sectoriel de la chaîne  
d'approvisionnement**

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Executive Director: Kevin A. Maynard, CAE

The CSCSC is funded by the Government  
of Canada's Sector Council Program.

**Canada**

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# Message From the Chairman

Is the glass half empty or half full? This is the proverbial question regarding the formulation of a positive or negative outlook for any situation. For many, the glass could well be half empty and becoming more empty by the minute – the result of missed opportunities and events out of their control. For others, the glass is indeed half full and slowly filling – the result of using the current economic times as a catalyst for making bold decisions regarding operational changes and investments. Those that can visualize the improving future will become increasingly successful. At the Canadian Supply Chain Sector Council, we have taken the view that the glass is indeed half full and must be replenished. We have energetically pursued the completion of our projects to support a sector that is key to both personal and corporate success in these tough times.

As you review this annual report, you will see the range of activities and results accruing to the benefit of our stakeholders over the past year. Our goal is to have resources, including programs, information and ideas, available to supply chain practitioners that will help them emerge from this cycle with a renewed desire to be leaders in our sector. There is no doubt that the effects of recent business failures and cutbacks have been painful. However, we know that we will come back better and bigger if we prepare to be breakaway leaders.

The CSCSC has completed a year of energetically promoting careers in our sector as a real and viable future for all entrants and incumbents. We have attended career fairs, distributed career-focused information, and worked with high schools and colleges. You will see from our report that we are seeing huge increases in our website activity month after month. The interest is there! We are setting up a project that will focus increasingly on sector recruitment and retention, including engaging the mature, experienced worker to stay in the labour force. Our economic recovery will bring us back to the days of not being able to find good workers, if we do not remain proactive in this matter now.

As you review the section on our Virtual HR Department, you will discover a program that will assist small and medium-sized organizations to work better with their employees. We want to support increasingly productive, competent and safe teams that are engaged in our sector. We continue to work with our stakeholders on an education accreditation program to develop a method of recognizing educational courses that meet standards set by the Council and its stakeholders. Along the same line is a new project to address material handler skills and standards. Both workers and employers will benefit from the recognized competencies that can be measured, trained to, and recruited to.

The engagement of our Board continues to be exemplary. As you can see from the Board listing, we have a wide range of volunteers who diligently attend our meetings and provide guidance for our projects. We continue to have active representation from the pillar associations and from individuals who believe in the sector council's mandate. Working with this Board is indeed a pleasure, as we are all focused on meaningful results. To the same point, our staff, as led by our Executive Director, Kevin Maynard, continues to initiate and support the many activities that create value for our sector. I thank the Board and our staff for their hard work. We continue to receive great support from our sponsor, our federal government.

Next year will continue to yield meaningful results for you as a stakeholder in what we are doing. As an individual, you are encouraged to get involved on one of our industry-focused committees. We would value your input and support as we go forward.

*Don Borsk*  
*Chief Operating Officer, Metro Retail Supply Chain Solutions*

# Message From the Executive Director

Over the course of the last year the Canadian Supply Chain Sector Council and all of its key stakeholders have been rocked by the turbulent economic conditions that came to a head in the last quarter of 2008. As a result, many firms, institutions and individuals have had to rethink their activities and indeed their day-to-day operations to meet changing business conditions. Tenacity and resiliency are trademarks of firms and individuals that have been able to survive, and some say thrive, in these times.

The Canadian Supply Chain Sector Council has not been immune to the dynamic factors affecting our economy, and the impact on the people engaged in supply chains across all sectors, both public and private. Through it all, we have concentrated on the strategic issues affecting our sector and the human faces of the people involved within it. Activities this year have remained focused on the key strategic areas identified in the 2005 Human Resources Study of the Supply Chain Sector:

- Supporting collaboration within the sector, using the CSCSC as the forum for action in HR development and as a provider for relevant labour market information;
- Assisting in the development of a learning culture that supports professional development at all levels across the functional elements of the sector;
- Marketing the sector and the “profession” by raising career awareness amongst young people, newcomers to Canada, Aboriginal and First Nations peoples, women and other under-represented groups and mature workers, including those in transition;
- Communicating perspectives to assist in identifying and influencing policy that affects supply chain operations at all levels: international, federal, provincial/territorial and local; and
- Improving human resources practices, both for sector-wide application and for small and medium-sized organizations.

A review of the products and services initiated by the Council and outlined in this Annual Report provides further detail around the specific areas of activity.

Upon reflection, it is evident that our strategic plan has withstood the test of time, and has enabled the Council to act on issues that will have a positive impact on key stakeholders, both in these current recessionary times and in the coming months, as the economy improves. It is imperative that we remain focused on activities that will impact on our sector in the short term, as well as over the longer term. Businesses, and organizations that support them, must deal with the immediate challenges that they face; however, we must continue to think beyond tomorrow. One fact remains, despite the current economy. People continue to age, transactions continue to occur, and global supply chains continue to link suppliers with customers. Our role remains steadfast in that global evolution, to ensure that the supply chain sector has appropriate skilled people to be prosperous, efficient and globally competitive and to support Canadian industrial development.

Recognizing that our work is focused on people, I want to thank all of those that have contributed to our work in the past year: my colleagues at the Council who have worked tirelessly to deliver results on time, under stressful conditions; our countless stakeholders who have participated in focus groups, trade shows, working groups and committees; our associates within the professional associations that make up the supply chain; and, our directors. Together, we do make a difference!

Thank you!

*Kevin A. Maynard, CAE*  
*Executive Director*

# Overview

## The Supply Chain Sector in Canada

### Facts and Figures

- As of 2008, there were approximately 738,500 people working in the supply chain sector within Canada (excluding truck drivers).
- The annual revenue growth rate of the supply chain sector was 2.3% from 2001 to 2008.
- Overall, the supply chain sector labour force is expected to grow annually by approximately 1.7% as a result of new job creation. Additional supply chain sector employees will also be required to fill existing positions that are predicted to become vacant as a result of retirements and turnover.
- The sector added about 15,000 new jobs a year between 2001 and 2008. As well as an anticipated continuation of growth in new jobs, the sector is expected to face a vacancy rate of more than 80,000 jobs a year due to retirements and turnover.

### Definition of Supply Chain

The Canadian Supply Chain Sector Council uses the definition of “supply chain” created by the Council of Supply Chain Management Professionals.

Supply chain management encompasses the planning and management of all activities involved in sourcing and procurement, conversion, and all logistics management activities. Importantly, it also includes coordination and collaboration with channel partners, which can be suppliers, intermediaries, third-party service providers, and customers. In essence, supply chain management integrates supply and demand management within and across companies.

Supply chain management is an integrating function with primary responsibility for linking major business functions and business processes within and across companies into a cohesive and high-performing business model. It includes all of the logistics management activities noted above, as well as manufacturing operations, and it drives coordination of processes and activities with and across marketing, sales, product design, finance and information technology.

## Council Profile

The Canadian Supply Chain Sector Council is an all-stakeholder, not-for-profit organization responsible for the human resources strategy for the supply chain sector in Canada. The CSCSC is funded by the Government of Canada's Sector Council Program.

## CSCSC Mission Statement

The Canadian Supply Chain Sector Council brings together partners in the sector to develop solutions to the human resource challenges faced by stakeholders. Recognizing the vital role of the supply chain to Canada's economy, the Council is committed to enhancing the sector's ability to attract and retain workers at all levels and across the full range of functions, and to advancing the skills of those workers.

## Sector Council Program

The CSCSC is one of 32 sector councils funded by the Government of Canada's Sector Council Program. Sector councils are permanent organizations that bring together representatives with different perspectives from key stakeholder groups in an industrial sector. Sector councils deal with human resources issues and share a commitment to identify and act on the skills needs that are most important to a given sector. By acting as a bridge between firms, and permitting collaboration and collective action on skills issues, sector councils promote economies of scale in addressing human resources challenges, which benefits all industry partners. The Government of Canada supports these initiatives as a facilitator, helping these groups come together and take ownership of their human resources issues. This sectoral approach is also an important platform for industry to engage the learning system on a national level, ensuring that the skills being developed are responsive and relevant to the needs of employers. More information about the Sector Council Program can be found at [www.hrsdc.gc.ca/en/hip/hrp/corporate/init\\_sector.shtml](http://www.hrsdc.gc.ca/en/hip/hrp/corporate/init_sector.shtml).

## The Alliance of Sector Councils

The CSCSC is a member of The Alliance of Sector Councils (TASC), a forum for sector councils. Information about TASC is available at [www.councils.org](http://www.councils.org).

# The Year in Review

## April 2008 to March 2009

### Projects

With numerous projects on the go through fiscal year 2009, the Council had a busy and productive year. Significant stakeholder input in each project has been a critical factor in the Council's ability to produce meaningful results that respond to the sector's needs.

#### *Completed Projects*

- Labour Market Information Phase II Project
- LMI Update/NOC-Awareness Project
- Virtual HR Department Project

#### *Continuing Projects*

- Education/Certification Phase II Project
- National Occupational Standards Project
- Education/Sector Council Partnership Project

#### *New Projects*

- Material Handler Skills Upgrading Project – as of February 2009

### **Labour Market Information Phase II Project and LMI Update/NOC-Awareness Project**

Through these two projects, the Council created an LMI toolbox for the supply chain sector. In this one convenient source, stakeholders can access:

- Up-to-date information on employment trends in Canada's supply chain sector
- Data from around the world
- A discussion forum – Perspectives From the Trenches – for the sharing of information and ideas, problem-solving tips and more
- Information on how to put LMI to use on the job
- Ideas about turning labour market information into labour market "intelligence"
- A host of HR tips and strategies for the use of data in decision making
- Workforce-planning tools

### **Virtual HR Department Project**

The Council's VHRD, designed for small and medium-sized companies, contains the tools and information an employer needs to attract, retain and develop its workforce. The VHRD is a strategic business-management tool to help SMEs in the supply chain to efficiently and effectively manage their human resources. Using the VHRD's tools enables the owners and staff of SMEs to focus mainly on their core business by spending less time dealing with HR issues.

The VHRD comprises eight sections, of which six are focused on distinct functional areas of HR management. Policy samples and templates, how-to procedures, forms and other useful tools are provided in the following sections:

- Section 1: Training and Development – complimentary section
- Section 2: Employment Policies
- Section 3: Managing Performance
- Section 4: Reward and Recognition
- Section 5: Recruitment and Selection
- Section 6: Compensation and Benefits
- Section 7: Additional Tools and Info
- Section 8: Resources and Links – complimentary section

One-year access to individual sections can be had for \$100 per section. A one-year full subscription, providing access to all sections, is \$500 – a savings of \$100 on the cost of purchasing each of the fee-based sections individually.

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Because the Council's other projects are ongoing, information about them can be found in The Year Ahead section, starting on page 12.

# The Year in Review

## April 2008 to March 2009

### Communications

New communications materials developed in FY2009 are as follows:

- Pocket folder and cut sheets with information about the Council and its products
- LMI Toolkit brochure
- National Accreditation Program brochure
- Case Study: New Tires
- Handouts:
  - Current projects
  - Career and education information
  - Working in Canada information

In addition, the Council provides information to stakeholders on a regular basis through:

- [www.supplychaincanada.org](http://www.supplychaincanada.org)
- Newsletters
- Press releases

# The Year in Review

## April 2008 to March 2009

Website visits continue to rise on a year-over-year basis.

Summary by Month					
Month	Monthly Totals				Year-Over-Year Percentage Increase in Visits
	Visits	Pages	Files	Hits	
March 2009	4,727	16,440	39,492	62,899	81%
February 2009	4,302	13,034	30,861	52,766	56%
January 2009	4,338	10,708	28,216	52,426	45%
December 2008	3,671	9,790	22,699	38,502	23%
November 2008	3,866	10,074	25,849	42,238	29%
October 2008	4,124	11,720	29,569	48,984	59%
September 2008	3,901	11,395	27,234	47,278	91%
August 2008	3,926	9,585	26,156	48,691	95%
July 2008	3,691	10,811	27,800	52,441	58%
June 2008	3,784	10,210	23,455	42,970	79%
May 2008	4,105	9,724	22,842	42,792	150%
April 2008	3,691	8,914	23,023	42,372	123%

# The Year Ahead

## April 2009 to March 2010

### Projects

#### **Education/Certification Phase II Project**

This project is slated to be completed in August 2009. Through the project, the Council has created the National Accreditation Program (NAP) to recognize educational programs and courses that meet the standard established by the Council in partnership with the Canadian Standards Association and with significant input from the sector's stakeholders.

An Accreditation Review Panel will review all submissions on a quarterly basis. Submissions received by August 1, 2009, will be processed at no fee through the NAP's pilot program. Subsequent to that date, programs and courses will be reviewed for \$750 and \$100, respectively.

Accredited programs will be identified in the Council's online supply chain education compendium.

While programs accredited through the NAP may not be superior to others that are not accredited, they are proven. This recognition will give those making education decisions – whether they're students, guidance counsellors or employers – a means to identify high-quality programs with relevant course content.

#### **National Occupational Standards Project**

By the time this project is wrapped up in September 2009, the Council will have developed, again in partnership with the Canadian Standards Association, 14 national occupational standards for the supply chain sector. (A 15th standard is being developed through the Council's Material Handler Skills Upgrading project.) While the norm for development of an individual occupational standard ranges from three to four years, the Council's standards will have been developed concurrently in only 18 months, using a fast-track, best-practices approach.

With finalized standards ready in the summer of 2009, the Council will undertake a campaign to promote their use by employers and educators. A case study is to be developed to show how the standards have been used by a Toronto-based warehousing and distribution company in their writing of new job descriptions. Information from the case study will be presented to illustrate just one of numerous potential uses of occupational standards in the workplace.

For educators, the obvious use of occupational standards is in curriculum planning. In addition to knowing that they'll thereby meet industry's needs, education providers have an extra incentive to use the new standards in the development of course/program content: accreditation through the Council's NAP will, to some degree, be based on their provision of education/training that addresses the skills requirements identified in related occupational standards.

A proposal for funding of a second phase in this project, which would result in the development of another 10 to 15 occupational standards, has been submitted to HRSDC.

### **Material Handler Skills Upgrading Project**

Through this project the Council will standardize the certification requirements for forklift/reach-truck operators in the sector. Upon completion of the project in the fall of 2010, the Council will have:

- Completed a review of apprenticeship frameworks for occupations consistent with material handlers from other sectors;
- Developed essential-skills requirements for material-handling occupations;
- Identified existing training providers and matched training curricula to skill requirements;
- Established an accreditation framework for training providers; and
- Promoted the accreditation program within the sector.

### **Education/Sector Council Partnership Project**

The Council is working with the Toronto District School Board and Lakeshore Collegiate Institute in Etobicoke, Ont., in an education/sector council partnership designed to build students' and parents' awareness of supply chain careers, initiate courses and programs that are focused on the supply chain sector, and develop a model for industry/education partnerships that can be adapted for application anywhere in the country. Also involved in this partnership is the Canadian Automotive Repair and Service Council (CARS). Together, the two sector councils aim to provide real-world information and experiences to youth as they make critical decisions about their future paths.

As an early step in this initiative, a tour was held at Supply Chain Management Inc. and OK Tire on April 15 for a group of Lakeshore CI teachers, parents and students to showcase the many occupations involved in the installation of new tires. A case study that defines those occupations and the skills required to perform them can be seen at [www.supplychaincanada.org/assets/u/CaseStudyNewTires.pdf](http://www.supplychaincanada.org/assets/u/CaseStudyNewTires.pdf). The tour brought to life the roles identified in the case study.

# The Year Ahead

## April 2009 to March 2010

Students and teachers on the tour gained a "deeper understanding of occupations in the supply chain sector," according to Beth Butcher, principal of Lakeshore CI, as well as "more respect for the process and people involved" in supply chain operations. They learned, too, of the many job opportunities available in the sector.

Ms. Butcher believes that both students and industry stand to benefit greatly from partnerships that bring schools and employers together. By embedding supply chain, auto-repair and essential-skills components in the school's curriculum, Lakeshore will be equipping students to successfully enter jobs, giving hope to the students and meeting employers' needs for better-prepared labour-force entrants.

The Education/Sector Council Partnership Project is about the development of a model that can be replicated across the country. Our goal is to develop a grass-roots initiative that responds to the unique needs, and available resources, of stakeholders at the community level. The current initiative focuses on the development of a local advisory group to identify needs at the school level and match them to the vast array of resource options at the firm level. As a result, the project is sustainable, and is owned by the local education, employer and employee communities. The Council acts as a facilitator, sharing knowledge, contacts and resources. Interest in the model is growing in communities across Canada. The project is just one way that the Council is raising the level of career awareness of one target group, and forging collaboration amongst our communities.

### **Proposals for Project Funding**

The Council has five proposals being considered by HRSDC this year for funding. They are:

1. Sector Recruitment and Retention Strategy
2. Mature Workers Engagement Survey
3. Outreach Program
4. Occupational Standards Phase II Project
5. Mastering Aboriginal Inclusion Project

### **Communications**

The Council's Marketing and Communications Committee is actively engaged in the development of a communications plan that will provide strategic and tactical direction for the Council's communications activities this year. With the benefit of this plan, and because of the existence now of Council products to be promoted, communications efforts by the Council are expected to be more focused this year than in the past.

The Council will continue to participate in career fairs and industry events across Canada to build awareness of supply chain career opportunities and Council products.

# Board of Directors

<b>Name</b>	<b>Organization</b>	<b>City</b>
Jim Bergeron	Lafarge Canada Inc.	Calgary, Alta.
Don Borsk (Chair)	Metro Retail Supply Chain Solutions	Concord, Ont.
Darren Christle <sup>1</sup> (Vice Chair)	Manitoba Infrastructure and Transportation	Winnipeg, Man.
John Gauvreau	Government of Quebec	Quebec City, Que.
Fergus Groundwater	Export Development Canada	Ottawa, Ont.
Dwayne Hihn (Vice Chair)	Paltainer Freight Forwarders Ltd.	Mississauga, Ont.
Frances Humphreys	Wilfrid Laurier University	Waterloo, Ont.
Flavia Iuston-Blair <sup>2</sup>	Panalpina Inc.	Mississauga, Ont.
Susan Krausz <sup>3</sup>	Humber College Institute of Technology & Advanced Learning	Toronto, Ont.
Maria Lindenberg	Chevron Global Downstream LLC	San Ramon, Cal.
David McCormick	Pivotal ACTION FORCE Industrial Staffing Solutions	Mississauga, Ont.
Richard Moore	Halifax Employers Association	Halifax, N.S.
Hervé Pilon <sup>4</sup>	Cégep André Laurendeau	Montreal, Que.
Ken Rawson*	Supply Management Group Inc.	Calgary, Alta.
Lesley Smith	Wal-Mart Canada Corp.	Mississauga, Ont.
Pam Somers <sup>5</sup>	APICS – The Association for Operations Management	Waterdown, Ont.
<i>Observers:</i>		
Sonia Gauthier	Human Resources and Skills Development Canada	Gatineau, Que.
Philippe Richer	Industry Canada	Ottawa, Ont.
<i>Ex officio:</i>		
Kevin Maynard	Canadian Supply Chain Sector Council	Mississauga, Ont.

1. representative of CITT

2. representative of Canadian International Freight Forwarders Association

3. representative of Supply Chain & Logistics Association Canada

4. representative of Association of Canadian Community Colleges

5. representative of APICS – The Association for Operations Management

\*Representative of Purchasing Management Association of Canada during the fiscal year. His term on the Board has since expired and he is to be replaced by PMAC.

# Financial Statements

## Balance Sheet

As at March 31	2009	2008
<b>Assets</b>		
Current		
Cash	\$ 162,018	\$ -
GST receivable	18,312	14,976
Prepaid expenses	8,890	8,143
	<b>189,220</b>	23,119
Capital assets	<b>33,016</b>	29,358
	<b>\$ 222,236</b>	\$ 52,477
<b>Liabilities and Retained Earnings</b>		
Current		
Bank indebtedness	\$ -	\$ 9,919
Accounts payable	142,468	2,846
Due to Human Resources and Skills Development Canada	33,847	-
Deferred HRSDC contribution	10,506	8,143
	<b>186,821</b>	20,908
Deferred HRSDC capital contribution	<b>33,016</b>	29,358
Net assets (deficit)	<b>29,367</b>	29,179
	<b>249,204</b>	\$ 79,445

To see a full copy of the Council's audited financial statements for FY2009, including notes, contact the Council office.

# Financial Statements

## Statement of Operations

Year ended March 31	2009	2008
<b>Revenue</b>		
HRSDC contribution	\$ 1,226,819	\$ 467,007
Other contributions	1,000	3,872
Interest	16	92
Amortization of deferred capital contributions	11,930	10,842
	<b>1,239,765</b>	481,813
<b>Expense</b>		
Accounting and data support	30,542	29,510
Amortization	11,930	(16,126)
Bank charges	1,078	1,208
Communication	87,667	71,710
Facilitation	68,378	1,000
GST expense	18,269	7,925
Hospitality	10,642	8,185
Meeting-room rental	9,756	2,481
Office	22,480	9,283
Occupancy	27,797	26,759
Printing	9,912	4,796
Project consultants	282,047	37,920
Project coordinator	85,274	28,250
Professional fees	12,287	7,715
Salaries and wages	371,445	153,555
Translation	24,058	9,968
Travel	161,965	64,575
Training and development	4,050	3,851
	<b>1,239,577</b>	452,565
Excess (deficiency) of revenue over expenses for the year	188	29,248
Net assets (deficit), beginning of year	29,179	(69)
Net assets (deficit), end of year	29,367	\$ 29,179