

**“The Future is Upon Us” – Bigger, Stronger and Better**

**TCA’s Strategic Plan – 2007-2011**

**TORONTO CONSTRUCTION ASSOCIATION**



**Approvals:**

<b>Long Range Plan Committee:</b>	<b>December 21, 2006</b>
<b>TCA Executive Committee:</b>	<b>January 18, 2007</b>
<b>TCA Board of Directors:</b>	<b>January 18, 2007</b>
<b>TCA 2006 Annual Meeting:</b>	<b>January 30, 2007</b>

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## **TCA'S Strategic Plan – 2007-2011**

### **Background/Context**

When the TCA was formed in February, 1867, Canada was still a British Colony. The General Builders' Society as we were known at the time, was comprised of just over 50 tradesmen. Today, almost 140 years later, TCA is one of the oldest and most established industry associations in North America with upwards to 300,000 members (2,243 member companies). We have a new President, a new Executive Vice President, an extremely capable staff and a host of new products and services. Moreover, our voice in the industry is stronger now than ever before and there is compelling evidence that our Association is genuinely making a difference.

Fortunately for the membership, we are also enjoying an unprecedented industry boom. Current estimates have global construction activity at some 3.2 trillion U.S. dollars, and Statistics Canada is forecasting that domestic construction for 2006 will top \$183 billion. Put another way, despite the labor shortage, construction spending accounts for just shy of 12% of Canada's Gross Domestic Product (59% of which is in the ICI and engineering sectors) and economists are bullish about a sustainable growth in ICI construction for 2007-2011.

On the local front, the Provincial Government is finally spending some money, on energy and infrastructure in particular, and we are seeing some interesting new procurement methodologies ... some good (AFP for example) and others bad (reverse auctions etc.). Sadly for local constructors, Ontario remains extremely competitive and margins are typically thinner here than elsewhere in Canada. We are also competing with Vancouver and Calgary for skilled labor and further challenged by the Federal Government's aggressive immigration strategy. And with Alberta engineering projects accounting for two thirds of our total domestic spend and an ICI sector premium in Calgary running at about 40%, Ontario constructors are often challenged to staff local projects.

### **New Management**

As you know, Tim Harris retired after 18 years at the TCA helm and has joined Vanbots as Vice Chair. Tim was replaced in January of this year by John Mollenhauer, an industry veteran with 30 years of development and construction experience. John is joined on the management team by Kim McKinney, TCA's new Executive Vice President, who replaces Bill Gohn after 25 years with the Association. We also have a half dozen or so new faces in the TCA and MCA offices. Feedback from the membership, however, has been very positive this year and it is apparent we have succeeded in a seamless management transition.

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Sadly, we have also had to cope with tragedy this year with the sudden and unexpected passing of Lisa Manchester. The Association has, however, raised in excess of \$60 thousand for the establishment of a post-secondary educational trust fund for 7 year-old Katie Manchester, for which we are very grateful.

### **Long Range Plan Committee**

TCA's 2006 Long Range Planning Committee is a formidable group of industry veterans, which we think was evidenced by the quality and content of the discussion during our 3-day retreat. The Committee's Chair, Greg Andrushko, is an industry leader and a longstanding active TCA member. Messrs. Andrushko, Maxwell, Antidormi, Stainton, McKinney, Dossett and Lesurf represented our mainstream construction members and Messrs. George, Kueneman, Ackerley, Wills and Welsh ably represented our Allied and MS&S Divisions. Brian Foote and Tom Howell from the General Contractors Section participated, as did Messrs. Mollenhauer and McKinney from TCA. Mary Thorburn and Evelyn Kilcullen from TCA provided the much needed co-ordination and facilitation.

### **Mandate**

TCA last completed a 5 Year Strategic Plan in September of 2002. Larry Myers chaired the process which culminated in a Long Range Plan for 2003-2007 entitled “Building the Future” which the TCA Board approved on September 17, 2002.

The Association takes its industry role seriously and undertakes a rigorous process of review, catharsis and forward planning every 5 years. This is in fact the fifth such strategic plan since the notion of setting strategic plans to paper began in late 1987. “The Future is Upon Us” (2007 – 2011) was preceded by “New Directions” 1988 – 1992, “Towards 2000” 1993 – 1998, “The Next Generation” 1999 – 2003, and “Building the Future” – 2003-2007.

This is a particularly important long range plan for several reasons, namely:

- The Association has new senior management
- TCA is bigger and more diverse than ever before, and
- Procurement methodologies are rapidly changing

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### **Members of the 2006 Long Range Planning Committee**

<b>Greg Andrushko (Chairman)</b>	<b>Andrushko Construction Services Ltd.</b>
<b>Glenn Ackerley</b>	<b>WeirFoulds LLP</b>
<b>Bruno Antidormi</b>	<b>EllisDon</b>
<b>Christopher Dossett</b>	<b>Compass Construction Resources Ltd.</b>
<b>Brian M. Foote</b>	<b>General Contractors' Section</b>
<b>Tom Howell</b>	<b>General Contractors' Section</b>
<b>Michael George</b>	<b>Trisura Guarantee Insurance Co.</b>
<b>Geoff Kinney, Jr.</b>	<b>Duron Ontario Ltd.</b>
<b>Dave Kueneman</b>	<b>ECE Group d/o CRA</b>
<b>Craig Lesurf</b>	<b>Vanbots Construction Corporation</b>
<b>Richard Maxwell</b>	<b>Tonbridge Environmental Ltd.</b>
<b>Matt Stainton</b>	<b>PCL Constructors Canada Inc.</b>
<b>Christopher Welch</b>	<b>Halsell Associates Limited</b>
<b>John Wills</b>	<b>George Brown College</b>
<b>John Mollenhauer</b>	<b>Toronto Construction Association</b>
<b>Kim McKinney</b>	<b>Toronto Construction Association</b>
<b>Mary Thorburn</b>	<b>Toronto Construction Association (Coordinator)</b>
<b>Evelyn Kilcullen</b>	<b>Toronto Construction Association (Coordinator)</b>

### **Venue/ Format**

The 2006 Long Range Planning venue was The Kingsbridge Centre north of Toronto, which as it turns out was ideal for strategic planning. Our facilitator, Lisa Cooke, had an eleventh hour conflict which created a minor setback. Fortunately TCA's Evelyn Kilcullen and Mary Thorburn stepped up to the plate and combined to manage the process exceptionally well.

In the interest of furnishing much needed context for the discussion, each of LRP Committee members was furnished with a binder of background information on a variety of subjects including the Heritage Fund, the electronic plans room, The Construction Institute and technology/communication. Several guest speakers were included to furnish more detailed context on specific subjects, specifically:

- ❑ Geoffrey Goad from Raymond James respecting investment strategies
- ❑ Les Wojcianiec and David Newton from Wade-Tech on electronic plans rooms
- ❑ Phil Bliss from Dthree Inc. regarding website technology/communication
- ❑ Charles Ivey from Open Text respecting integrated voice/data communication, and
- ❑ Shaul Swartz and Michelle McIver from NI Solutions Group re I.T. hardware/software alternatives

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**Approvals**

The attached Long Range Plan will be presented to the Executive Committee and the TCA Board of Directors for approval on January 18, 2007, and shared with the membership at large at the Annual General Meeting on January 30, 2007.

## Executive Summary

### “The Future is Upon Us” Bigger, Stronger and Better – 2007 – 2011

The 2007-2011 Long Range planning process resulted in the following key initiatives, which in no particular order include:

#### 1) Enhance Strategic “Financial” Planning

##### Context

When TCA sold Sparks Street in 1995 and relocated to its present facility at 70 Leek Cr. in Richmond Hill, the net proceeds from the sale/acquisition were used to create what has become known as the “Heritage Fund”. The initial principal was \$500,000.00

TCA's Board mandated conservative investment with a view of creating a “rainy day” fund to mitigate the lost revenue risk of a sudden and unexpected market downturn. As a result, CIBC has invested the funds largely in Government of Canada bonds. On August 31, 2006, the principal and interest in TCA's Heritage Fund was \$713,000.00.

The value of TCA's largest asset, 70 Leek, has appreciated considerably, and is today conservatively valued at \$2.5-2.8MM.

#### **Goal: Solicit on-going professional investment advice and become more pro-active in long range “financial” planning by:**

- Commissioning the services of an experienced and qualified financial advisor.
- Slow and steady portfolio diversification to ensure the “buying power” of the Heritage Fund is not diminished over time relative to the cost of living.
- Undertake strategic “asset management” and create a Finance Committee for reporting purposes (currently a committee of one) – revisit original mandate to preserve the \$500,000.00 threshold.

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### **2) Create a “Provincial Plans Room”**

Context:

TCA and MCA have physical plans rooms which are particularly popular with our trade and MS&S members. For nearly 7 years, TCA has also been in the electronic plans room business via the Internet.

TCA is on its third generation EPR and currently posts approximately 1,000 jobs annually. The original EPR was launched in February 2000. Our EPR service provider is Wade Tech, with whom we have an excellent working relationship. Our most significant competitor is MERX.

**Goal: Establish TCA as an industry leader in the electronic plans room business by:**

- ❑ Leading the charge regarding the proposed Provincial Plans Room (PPR), working closely with COCA, Wade-Tech, and other in-province construction associations who support the notion of a provincial EPR.
- ❑ Grow the business as a cost effective revenue generating facility recognizing the added benefit of ultimately keeping membership fees affordable.
- ❑ Investigate the feasibility of a strategic partnership with the EPR service provider, Wade-tech, to exploit “win-win” opportunities.

### **3) Renew our Commitment to The Construction Institute and Establish TCA as the Industry's Education Leader**

Context:

TCA established The Construction Institute in 2003. OGCA and CCA were committed to supporting TCI as strategic partners. The Institute currently offers a wide range of industry specific programs, courses, and seminars. At present, costs exceed revenues.

CCA's Gold Seal program, which was established in 1981 and was exclusively targeted at project managers, estimators and superintendents, has recently been expanded and restructured. Notwithstanding the proposed restructuring, the TCA Board continues to unanimously support The Institute.

**Goal: Expand the Institute's continuing professional development curriculum, develop strategic partnerships, and re-affirm TCA as the industry's education leader by:**

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- ❑ Offering programs, courses and seminars with tangible benefits for the industry practitioners who participate, and solicit employer feedback to ensure sustainable value-added courses for their employees.
  - ❑ Develop new strategic partnerships within our borders ... Vancouver and Calgary for example, with the long-term view of ultimately creating a national institute. It is important that The Construction Institute be an independent and strategic partner of Gold Seal and not confused as a competitor.
  - ❑ Pursue strategic international reciprocity agreements with the Chartered Institute of Building (CIOB) and The American Institute of Construction (AIC), among others, to ensure long term international recognition for member practitioners.
- 4) Establish TCA as an Industry Technology and Communication Leader

#### Context:

Relatively little has been invested in TCA's in-house technology in recent years, in large part to offer new management maximum flexibility going forward. As a result, much of our hardware ... servers, workstations, and related IT equipment ... is fast becoming obsolete.

The “TCANetworks” website was designed initially to be “content rich”, which in layman's terms means it includes an extraordinary volume of information. The intent was to diminish the frequency of “information related” telephone and email enquiries. The consequence, however, is that site navigation is predictably complicated.

#### **Goal: Re-establish TCA as an Industry technology and communication leader by:**

- ❑ Researching appropriate and affordable technologies and invest in upgraded hardware/software to ensure effective communication and information processing
- ❑ Solicit professional help to establish new and improved electronic communication. At a minimum, new websites are required for TCA, MCA, and likely TCI. Domain name revisions may also be advised.
- ❑ Research aggregate costs for alternative technologies and devise a plan for how best to cash flow the expense.

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### **5) Develop New Marketing/Sales Initiatives**

Context:

The products and services offered to the TCA membership are predictably as diverse as the membership itself. The notion of “different strokes for different folks” is very germane at TCA, which presents a challenge from a marketing perspective.

Among the TCA benefits common to members is the TCA Discount program. Long Range Planning Committee members were enthusiastic about one of the proposed new initiatives; specifically a TCA Membership Advantage Card intended to better communicate our discount program.

**Goal: Enhance TCA's profile as a “value” opportunity and exploit the TCA “advantage” in new marketing/sales initiatives by:**

- ❑ Moving forward with the proposed TCA Advantage Club Card program to increase awareness of the benefits of the Association's bulk purchasing discounts.

**NOTE: Reinforce to the members that the ACC program is truly beneficial, unique and financially rewarding.**

- ❑ Developing other marketing and or sales initiatives that reinforce the value of a TCA membership with the “TCA advantage” as a recurring theme.

### **6) Enhance Cross-Pollination between the Four TCA Membership Divisions**

Context:

TCA's four divisions comprise Allied, Trades, General Contractors and Manufacturer, Supply and Services, all of which have Chairpersons who are members of our Board. In some cases, Vice Chairpersons of these divisional committees are also Board members.

TCA also has a plethora of standing committees with very different agendas. In accordance with our Constitution, the Chairs of these standing committees are also typically Board members. In some cases, however, the mandate of these standing committee is not crystal clear. Moreover, most standing committees are not represented by all four divisions.

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**Goal: Move to integrate divisional representation at the standing committee level and cultivate enhanced “cross fertilization” and focus by:**

- Evaluating the “raison d’etre” of each and every committee and eliminate committees with insufficient grounds to rationalize their existence.
- Ensure committee membership includes vertical integration ( ie: representation from all four divisions) to promote “cross fertilization” and meaningful output with the greatest possible universal benefit.