

*Celebrating our 10th Anniversary  
2006 - 2016*



## 2016 Annual Report



Savings | Choice | Service

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# Mission, Vision, Values

Our strategic plan is shaped by our strong belief in our mission, vision, and values. These guide our actions and demonstrate who we are and what we do. Collaboration is the foundation of our business, enabling us to build a bridge between customers and supplier partners to foster [an exceptional customer experience](#).

## Our Mission

Our strategy starts with a mission that explains why we exist. It shapes our today.

Generate savings to support excellence in education by unlocking the potential of collaborative strategic sourcing.

## Our Vision

Our vision is how we want to be perceived by our customers. It is our tomorrow.

Be the premier customer-driven supply management partner for Ontario's education sector.

## Our Values

We can prepare for tomorrow if we believe in our values. Our values decide what we do and how we do it. At OECM, each of us is accountable for ensuring that his or her actions are aligned with our values.

**Collaboration:** We are committed to working together to achieve common goals.

**Responsiveness:** We deliver on our promises in a timely way.

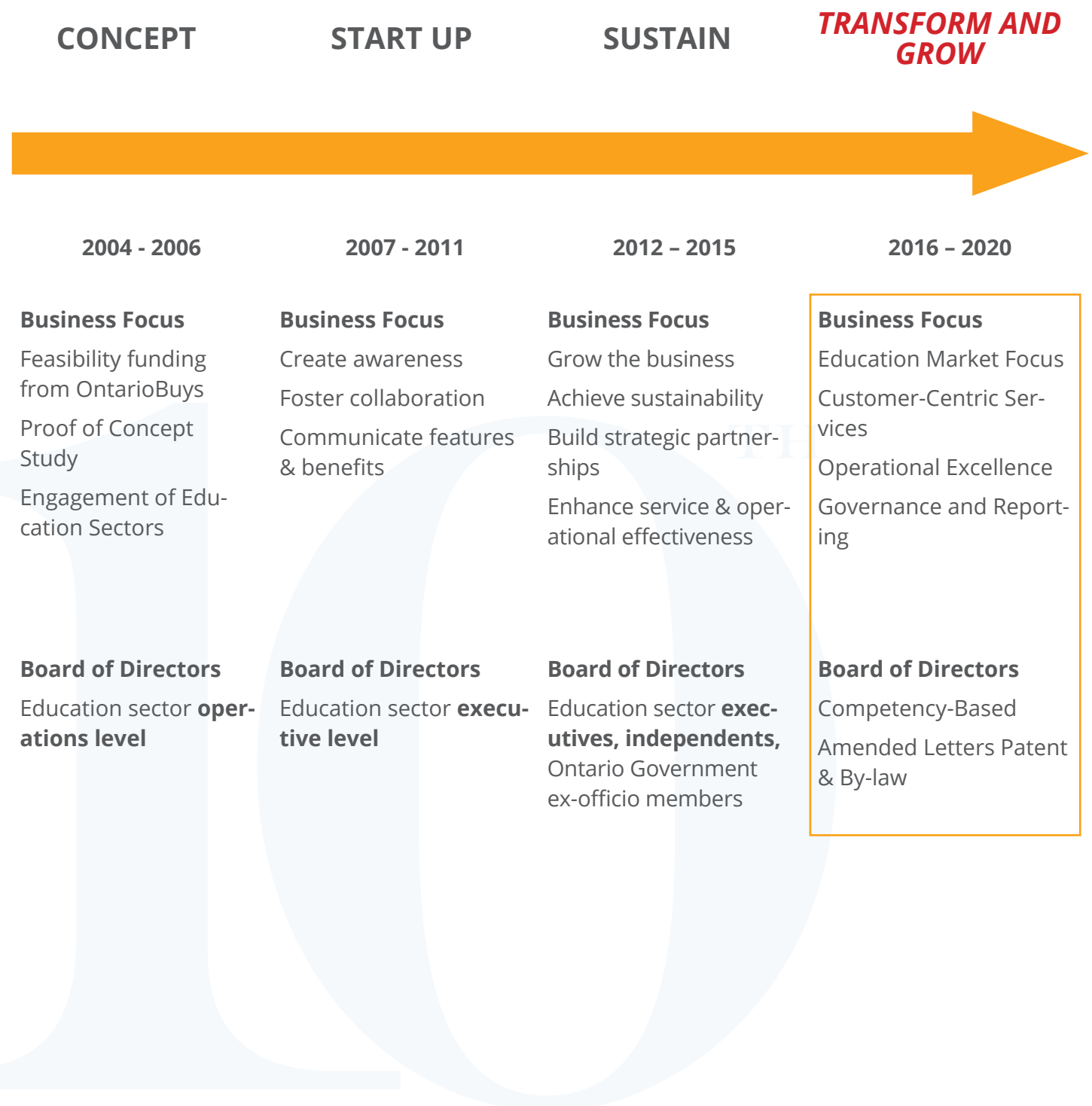
**Integrity:** We are open, honest, and accountable.

**Innovation:** We pursue creative solutions to foster an exceptional customer experience.

**Respect:** We listen to and value everyone's ideas and opinions in a fair, open, and attentive way.

*At OECM, we offer our customers savings, choice and service.*

# OECM's Business and Governance Evolution 2006-2016



# Message from the Past Chair of the Board



2016 marked OECM's 10th anniversary. Looking back, I am amazed by how much we have grown over the past decade.

In March 2008, I was asked to help set-up the Ontario Education Collaborative Marketplace (OECM), a group procurement organization (GPO) dedicated to the education sector, much like the shared services model that had been previously set-up for Ontario's health services sector. Since then, OECM has played a pivotal role in delivering savings and efficiencies to Ontario communities. Much of the credit goes to retiring President and CEO, Terry Kyritsis, a founding member of OECM, who was appointed as President and CEO in 2011.

During his tenure, Terry guided OECM to self-sustainability, and ensured a solid foundation for future growth and sustainability, with steadfast leadership and dedication.

After Terry announced his retirement in 2016, John Sabo was appointed President and CEO. John will be the prime agent and catalyst for leading OECM's ambitious transformation agenda, over the next several years, with the goal of ensuring revenue growth, ongoing financial sustainability, added value for our customers, and continued service excellence.

As my term as Chair of the Board comes to an end, I would like to thank the out-going Board of Directors for their dedication and support, as we worked to meet aggressive business targets and strengthen our foundation for growing and sustaining our revenue model.

Now as I too retire, I am pleased with the appointment of Arnold Strub as my successor. I have had the pleasure of working closely with him and the other Board of Directors for the past eight years, and so I am confident in his ability to lead the new Board of Directors through transformation and growth.

I see a bright and exciting future on the horizon for OECM, and I look forward to seeing the organization continue to grow and thrive under its new leadership.

In the words of Dale Evans, "Happy trails to you, until we meet again."

A handwritten signature in black ink that reads "Georgina Steinsky".

Georgina Steinsky

# Message from the Current Chair of the Board



It's a great honour to serve as OECM's new Chair of the Board of Directors.

I would like to thank Georgina Steinsky for her outstanding leadership. Her dedication as Chair of the Board over the past eight years helped shape OECM's future. Additionally, her passion advanced OECM's positive reputation within Ontario's public sector procurement landscape.

I would also like to thank Terry Kyritsis for his staunch commitment to guiding OECM to success during his term as President and CEO. Under his leadership, OECM went from start-up to self-sustainability in 2015, and a strengthened revenue model.

In addition to thanking Georgina and Terry, I would like to express my gratitude to OECM's out-going Board of Directors, for taking a bold step in renewing its corporate governance model and approving a new competency-based Board of Directors. The new governance model is a critical first step in building the foundation for OECM's Vision 2020 strategy and transformation road map.

With a focus on ensuring the success, sustainability and best interests of OECM's customers, the new Board is particularly excited about embedding OECM's strategic priority of "customer-centric services" at the Board level, by establishing a Customer Council Committee (CCC) – a new Committee of the Board that will include Board members and customer representatives. This will provide OECM customers with a direct channel for engagement and influence at the executive level, as pertaining to OECM's service delivery and enhanced customer experiences.

Exciting times are ahead for us all and I thank you for your confidence in me. Let's celebrate our past successes and seize our future opportunities, together.

A handwritten signature in black ink, appearing to read "Arnie Strub".

Arnold (Arnie) Strub





# 2015-16 Board of Directors

## (January to November, 2016)

OECM thanks the previous Board of Directors for their leadership in launching a business transformation initiative to develop our Vision 2020 Strategic Plan and transformation road map, in order to focus and guide OECM's journey, over the next several years.

### School Boards Sector (representing 72 institutions)



#### **Leslie Miller**

Superintendent, Business Services Hastings and Prince Edward District School Board  
October 2013 - January 2016



#### **Brian Jeffs**

Superintendent, Business Services Simcoe County School Board  
May 2014 - January 2016



#### **Carla Kisko**

Associate Director, Finance and Operations, Toronto District School Board  
June 2016 - November 2016



#### **Jacquie Davison**

Superintendent of Business London District Catholic School Board  
June 2016 (continues)

### Colleges Sector (representing 24 institutions)



#### **Steven Parfeniuk**

Senior Vice President, Finance and Administration  
Sheridan College  
May 2014 - August 2016



#### **Deborah Brown**

Vice President, Corporate Services Mowhawk College  
May 2015 - November 2016

### Universities Sector (representing 22 institutions)



#### **Caroline Davis**

Vice-principal, Finance and Administration Queen's University  
September 2011 - November 2016



#### **Jim Butler**

Vice-president, Finance and Administration Wilfrid Laurier University  
September 2011 - November 2016

### Independents



#### **Georgina Steinsky (Chair)**

March 2008 - November 2016



#### **Arnie Strub**

Chair, Audit and Resources Committee, Vice Chair, Board of Directors  
September 2011 (continues)



#### **Debbie Fischer**

Chair, Governance and Human Resources Committee  
September 2013 (continues)

### Ontario Government Ex-Officio Members



#### **Carol Strachan**

Representing David Carter-Whitney, Ministry of Advanced Education and Skills Development  
October 2014 - November 2016

#### **Vacant**

Ministry of Education

The following news release provides additional information about OECM's new governance model and competency-based Board of Directors.

## ***OECM Establishes New Board of Directors at its Annual General Meeting***

**December 8, 2016, Toronto, Canada** - OECM's outgoing Board of Directors took a bold step in renewing its corporate governance model by approving a new competency-based [Board of Directors](#), eight independents and four with sector experience, at its AGM on November 29, 2016. The new governance model is a critical first step in building the foundation for OECM's Vision 2020 strategy and transformation road map. OECM will continue to create and sustain value for its customers over the next several years, to help save Ontario taxpayers money.

*"I want to thank the previous Board for their leadership in endorsing a new governance framework, following leading edge governance practices that will ensure OECM continues to stay focused on creating and delivering value for our customers, and generating savings that will benefit students in the Ontario education system," said Georgina Steinsky, outgoing Chair of the Board.*

*On November 29th, Arnie Strub and Jacquie Davison were elected as Chair and Vice Chair, respectively. In addressing the first meeting of OECM's new Board of Directors, Mr. Strub stated: "OECM's new [Board of Directors](#) will be focused on ensuring the success, sustainability and best interests of OECM's customers through robust strategy, planning and performance."*

*Mr. Strub also took the time to acknowledge the long-time valuable contribution of outgoing Board Chair, Georgina Steinsky. "Georgina's passion has continued to advance OECM's positive reputation within Ontario's public sector procurement landscape. Her dedication over the last eight years, as Board Chair, has been instrumental in helping to shape OECM's future."*

*The new Board is particularly excited about embedding OECM's strategic priority of "Customer-Centric Services" at the board level, by establishing a Customer Council – a new Committee of the board – that will include both Board members and customer representatives. Customers will now have a direct conduit for engagement and influence at the executive level, as pertaining to OECM's service delivery and enhanced customer experiences.*

*John Sabo, OECM's President and CEO thanked the previous Board for their encouragement and support in starting OECM on the journey of initiating OECM's Vision 2020 business directions and transformation road map.*

*"OECM's management and staff look forward to working closely with the [new Board](#), over the next few months, to help shape and transform all facets of OECM's business over the next several years," said John.*



# 2016-17 Board of Directors

OECM established its first “competency-based Board” at the Annual General Meeting on November 29, 2016. This was a critical first step in supporting OECM’s Vision 2020 business transformation journey. The new Board is focusing on the big picture – the vision of the value that OECM can create and deliver to our customers, through robust strategy, planning and performance to guide and support OECM through its transformation journey.



## **Arnie Strub**

### **Chair, Board of Directors**

Arnold Strub was originally appointed to the OECM Board of Directors in 2011, and previously served as Board Vice-Chair and Chair of the Audit Committee. He was reappointed on November 29, 2016 and elected as Chair of the Board.



## **Jacquie Davison**

### **Vice Chair, Board of Directors**

Jacquie Davison was originally appointed as a member of the OECM Board of Directors in June 2016, serving as a member of the Governance and Human Resources Committee. She was reappointed on November 29, 2016 and was elected Vice-Chair of the Board.



## **Farzad Alvi**

### **Chair, Audit and Finance Committee**

Farzad Alvi was appointed to the OECM Board of Directors on November 29, 2016, and serves as the Chair of the Audit and Finance Committee.



## **Eitan Dehtiar**

### **Member, Audit and Finance Committee**

Eitan Dehtiar was appointed to the OECM Board of Directors on November 29, 2016, and serves as member of the Audit and Finance Committee.



## **Rani K. Dhaliwal**

### **Member, Customer Council Committee**

Rani K. Dhaliwal was originally appointed to the OECM Board from May, 2008 to July, 2010. She was reappointed on November 29, 2016, and serves as a member of the Customer Council Committee.





### **John T. Dinner**

#### **Member, Governance and Human Resources Committee**

John T. Dinner was appointed to the OECM Board of Directors on November 29, 2016, and serves as a member of the Governance and Human Resources Committee.



### **Debbie Fischer**

#### **Chair, Governance and Human Resources Committee**

Debbie Fischer was originally appointed to the OECM Board of Directors in 2013, and was previously Chair of the Governance and Human Resources Committee. She was reappointed as the Chair of the Governance and Human Resources Committee on November 29, 2016.



### **Kevin Kobus**

#### **Chair, Customer Council Committee**

Kevin Kobus was appointed to the OECM Board of Directors on November 29, 2016, and serves as Chair of the Customer Council Committee.



### **Kathy Pozihun**

#### **Member, Customer Council Committee**

Kathy Pozihun was appointed to the OECM Board of Directors on November 29, 2016, and serves as member of the Customer Council Committee.



### **Anne-Marie Renaud**

#### **Member, Governance and Human Resources Committee**

Anne-Marie Renaud was appointed to the OECM Board of Directors in November, 2016, and serves as member of the Governance and Human Resources Committee.



### **Andrew Szende**

#### **Member, Audit and Finance Committee**

Andrew Szende was appointed to the OECM Board of Directors on November 29, 2016, and serves as member of the Audit and Finance Committee.



### **David Yundt**

#### **Member, Governance and Human Resources Committee**

David Yundt was appointed to the OECM Board of Directors on November 29, 2016, and serves as Member of the Governance and Human Resources Committee.

# Message from Past President & CEO and Current President & CEO

After almost four decades in the public sector, including a decade of service to OECM, Terry Kyritsis retired on May 31, 2016.



Terry Kyritsis  
President & CEO, OECM  
(May 2011 - April 2016)

As a founding member of OECM and President and CEO from May 2011 to April 2016, Terry was instrumental in establishing strong relationships with education partners and suppliers in Ontario, developing networks with other group procurement organizations across Ontario, Canada and the US, and is recognized as a leader in the public procurement sector. Under his leadership, OECM grew to provide services to 114 education institutions, and more than 200 broader public sector entities across Ontario.

*"My passion has always been collaborative ventures and transformative initiatives, as well as OECM'S contribution to Ontario communities. I am proud to leave OECM with a solid foundation on a strong path to continued success in providing excellent service to our customers, and substantial savings to Ontario taxpayers," said Terry.*

Terry is now embarking on the next chapter in his life – spending more time with his family. The OECM Board of Directors and OECM staff thank Terry for his passion and commitment, and wish him well in his retirement.



John Sabo joined OECM as President and CEO on May 2, 2016.



John Sabo  
President & CEO, OECM  
(May 2016 - Ongoing)

Prior to assuming the role of OECM's new President and CEO, John served as Associate Director, Corporate Services and Treasurer of the Board at York Catholic District School Board, where he provided executive leadership and facilitated the coordination and collaboration of the procurement, finance, human resources, information technology, plant, transportation, planning and environmental teams.

John has always focused on collaborating “beyond his school board” by playing key leadership roles with several public sector Boards of directors, such as the Ontario Municipal Employees Retirement System (OMERS) Board (13 years), Southlake Regional Health Centre Hospital (since 2014), Ontario School Boards Financing Corporation (OSBFC) and the Catholic School Board Services Association (CSBSA).

He was also the founding member and first chair of the Council of Senior Business Officials of Ontario (COSBO).

*“I am honoured to be selected as OECM’s President and CEO, to provide executive leadership in the successful execution of OECM’s Vision 2020 Business Transformation Strategy,” said John. “I look forward to continuing to work closely with all my colleagues in the K-12 sector, and will be reaching out to establish new relationships with colleges and universities,” he added.*

A black ink signature of John Sabo, consisting of stylized, overlapping letters.

John Sabo  
President & CEO, OECM  
2016 (ongoing)

A blue ink signature of Terry Kyritsis, written in a cursive style.

Terry Kyritsis  
President & CEO, OECM  
2011 - 2016





# Our People

At OECM, [our people](#) are at the root of our success. They are talented individuals with a shared passion for achieving results through team work and collaboration.



***Over the past year, OECM staff raised close to \$10,000 to benefit Ontario charities.***

All OECM team members enthusiastically join forces to provide our customers with exceptional savings, choice, and service, in partnership with our trusted suppliers. What's more, our caring and supportive staff members are always ready, willing and able to assist our customers through the business challenges and successes of each and every day.

Get to know [our people](#), and find out how [our values](#) are demonstrated in a responsive and customer-focused way.

# 2016 Highlights

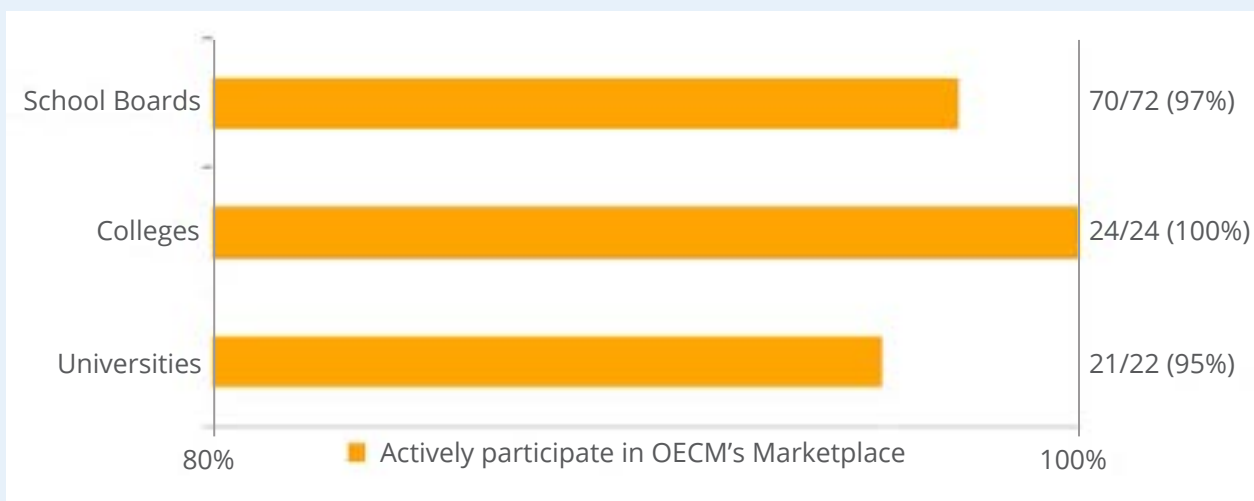
- We provided more choice of products and services, expanding our marketplace to align with our customers' needs.
- We awarded eight (8) new categories of products and services and issued one retender in 2016.
- We provided seven (7) knowledge-based webinars in alliance with our supplier partners, as well as eight (8) webinars to introduce the newly awarded categories of products and services and help our customers make more informed buying decisions. We are planning even more webinars in collaboration with our supplier partners, in 2017.

## Growth in customers using OECM's Marketplace

Ninety seven percent (97%) of Ontario's education sector institutions continued to use OECM's Marketplace.

## Who's participating in the education sector?

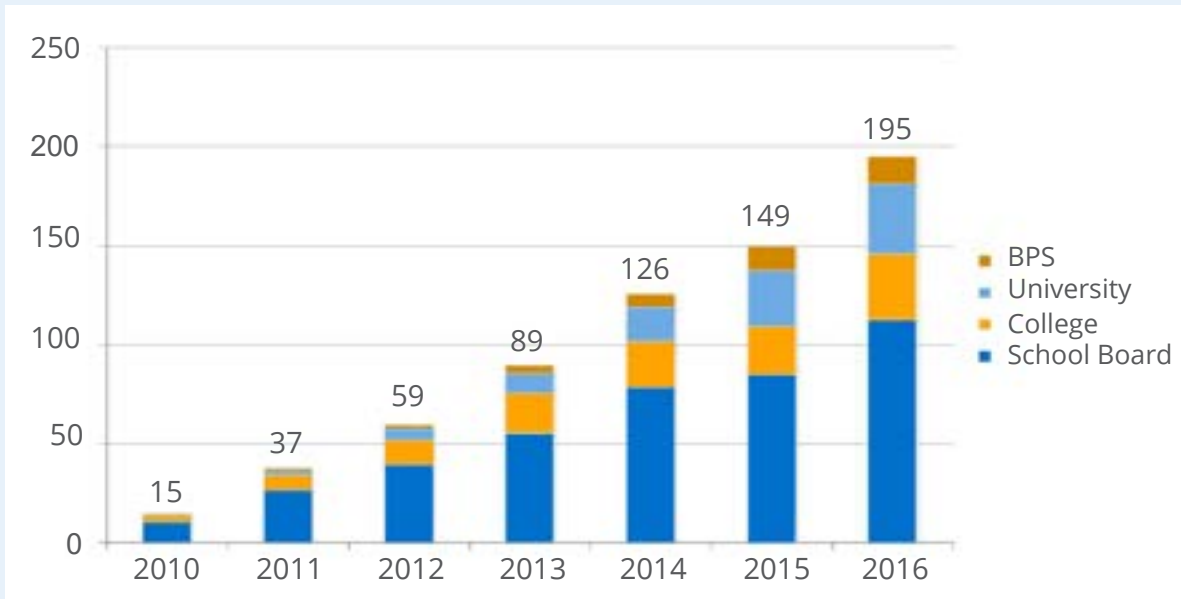
### Education Sector Participation





### Collaborative spend (from 2010)

We experienced over 33% growth in customer spend through our Marketplace: \$195 million, compared to \$146 million in 2015.



### Our top 10 categories and who is buying them

TOP 10 Products & Services	Universities	Colleges	School Boards	Other Broader Public Sector (BPS)
<u>End-user Computing (EUC) Devices and Services</u>	✓	✓	✓	✓
<u>Office Supplies</u>	✓	✓	✓	✓
<u>Custodial Supplies</u>	✓	✓	✓	✓
<u>Multi-functional Devices (MFDs)</u>	✓	✓	✓	✓
<u>Fine Copy Paper</u>	✓	✓	✓	✓
<u>Networking Switches &amp; Routers</u>	✓	✓	✓	✓
<u>Classroom Furniture</u>		✓	✓	
<u>Chrome Devices and Services</u>	✓		✓	
<u>Software Licensing</u>	✓	✓	✓	✓
<u>Toner Cartridges and Related Services</u>	✓	✓	✓	✓

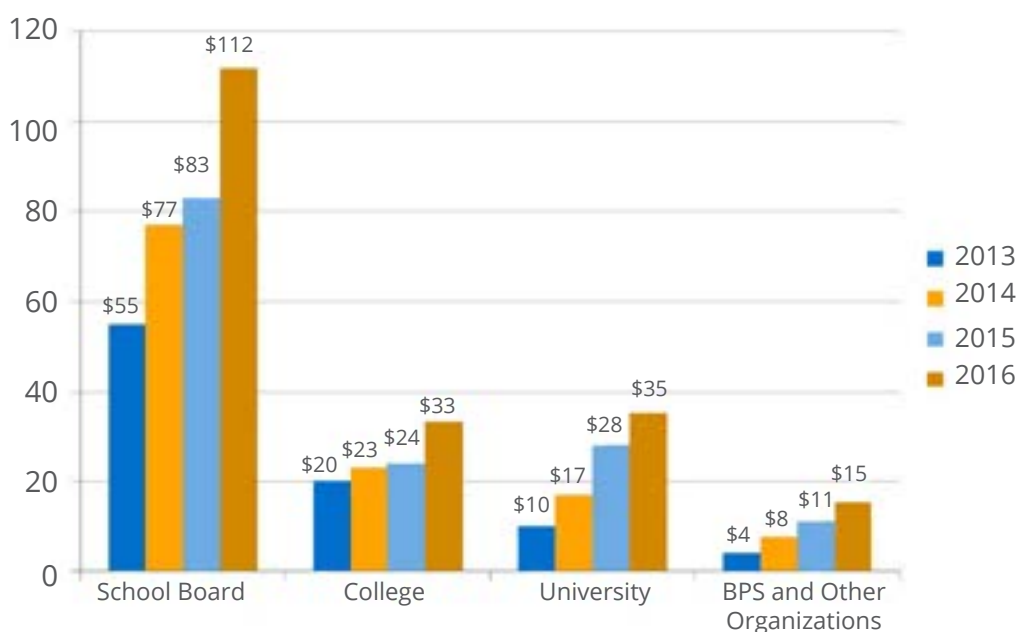


### Increase in customer commitment to buying through OECM

Although the education sector remains our key area of focus, we saw a 39% growth in procurement from other broader public sector (BPS) organizations, and a positive trajectory from other not-for-profit organizations.

OECM's agreements are widely available to organizations such as school boards or authorities, colleges, universities, shared service organizations, not-for-profit organizations, municipalities, hospitals and other health care agencies, as well as any other public sector agencies and boards or commissions not specifically mentioned here.

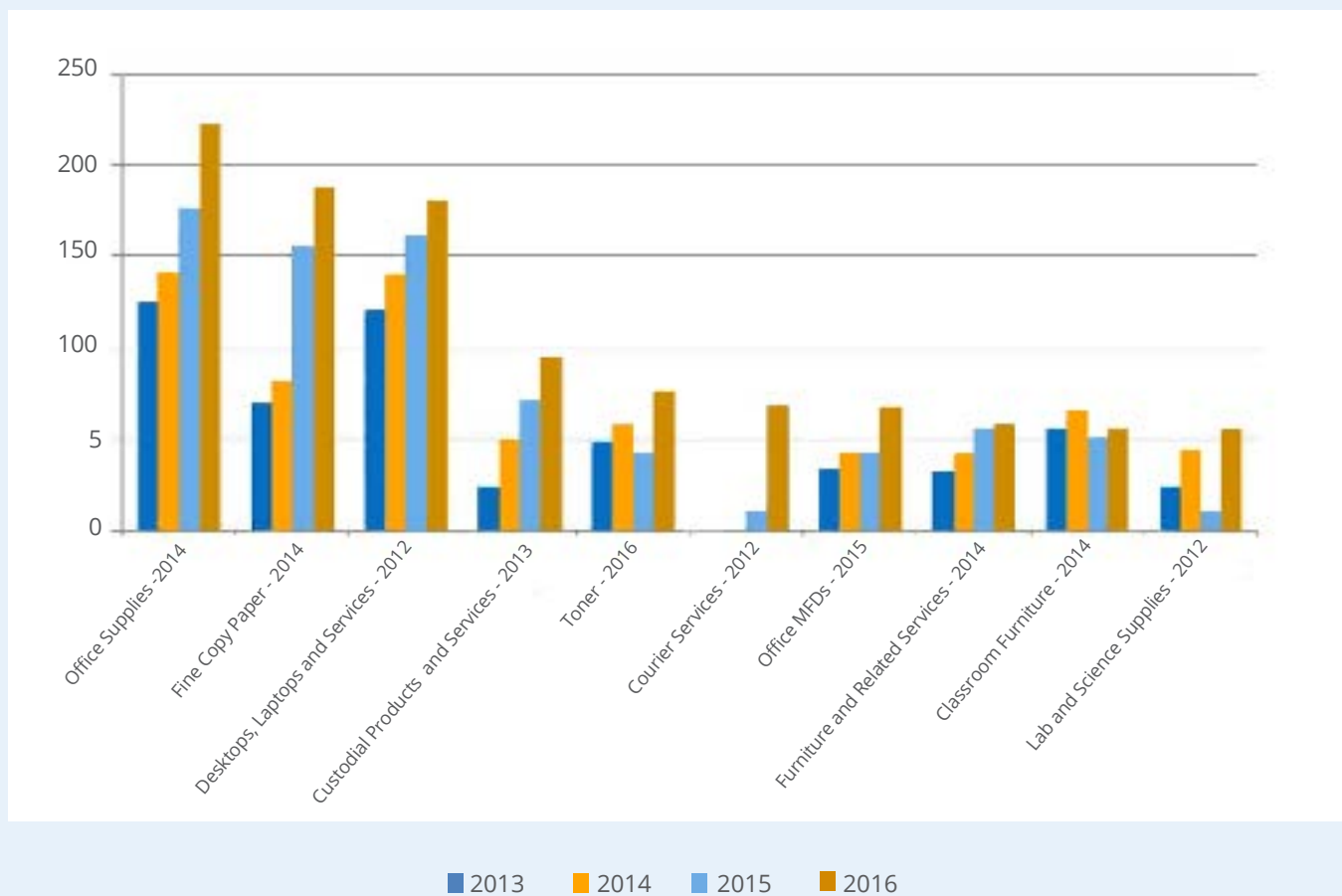
Year over Year Sub-sector Spend



## Customers buy a wide range of products and services

We offered a total of 57 categories of products and services through 142 supplier partners.

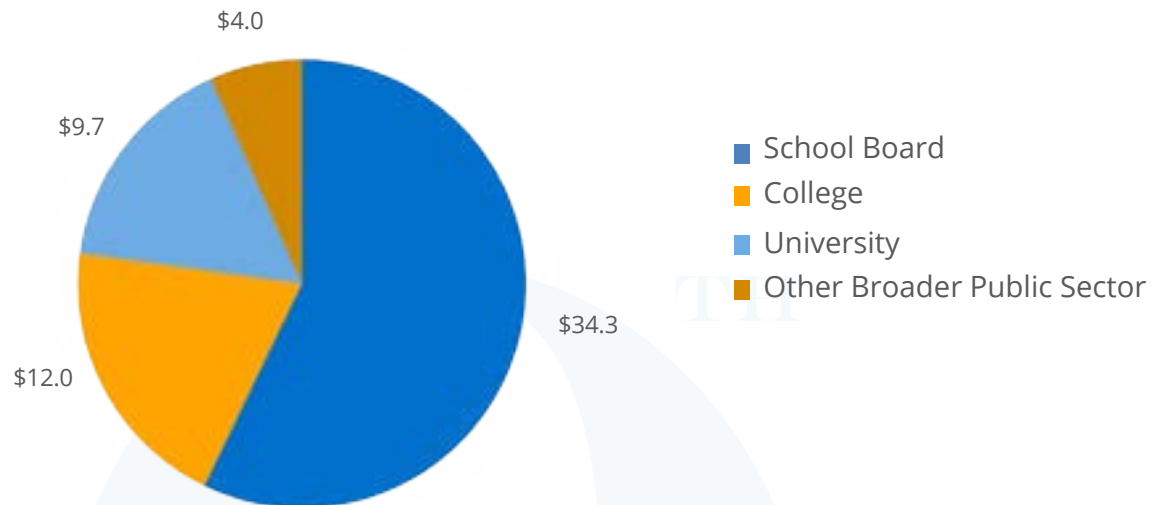
**Number of Organizations Participating on Contracts**



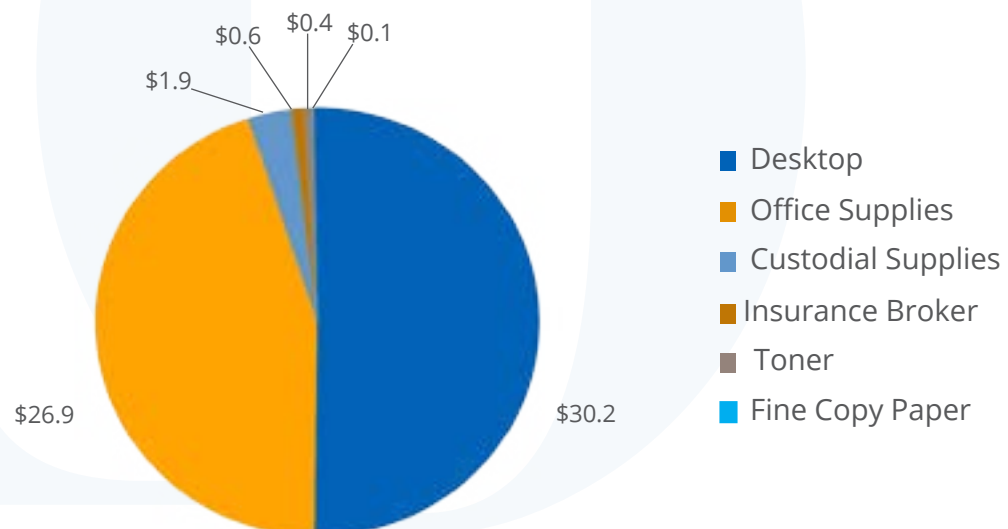
### Customers achieved savings of more than \$60 million\*

Our mission is to generate savings on products and services used by our customers, to support excellence in education and administration. OECM had validated savings of \$45 million on only six products and services, between 2010 and early 2015, and an additional \$15 million of estimated savings from mid-2015 to end of 2016.

**Breakdown by Sector  
(\$60 m)**



**Breakdown by Product  
(\$60 m)**



\*Product costs on six products and services, only, from 2010 to 2016.

OECM offers extensive choice of Capital, Consumables and Services, and generates savings through collaborative partnerships between our customers and suppliers.

	Types of Spend			
	2016		2015	
	\$M		\$M	
Capital	108,989	56%	77,347	53%
Consumables	79,601	41%	65,837	45%
Services	6,694	3%	3,032	2%
	<b>195,284</b>	<b>100%</b>	<b>146,217</b>	<b>100%</b>

# 2016 Financial Results



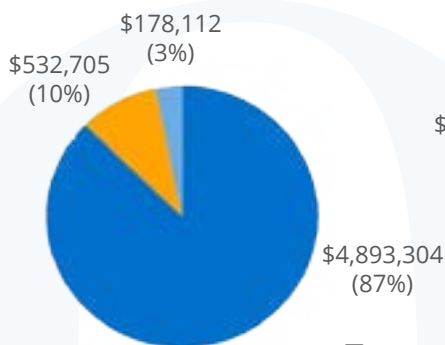
OECM's primary source of revenue is earned as Ontario's institutions\* purchase goods and services through OECM's contracts. The supplier of goods and services will remit a cost recovery fee to OECM, based on the amount of spend generated by these institutions.

As a not for profit organization, all revenues are reinvested in OECM to create additional benefits for Ontario's institutions.

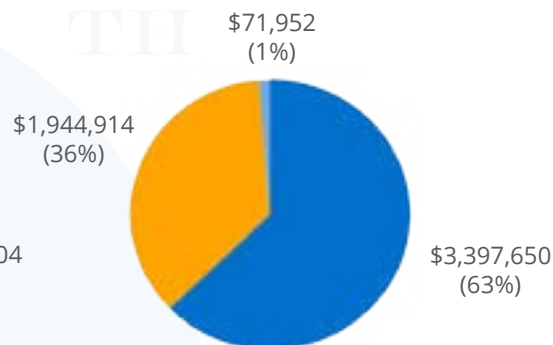
*Note: OECM does not receive ongoing financial support from the province of Ontario. However, from time to time, OECM may receive funding from the province, for projects that will create additional benefits for Ontario's publicly funded institutions.*

## Revenues

**2016**  
\$5,604,121

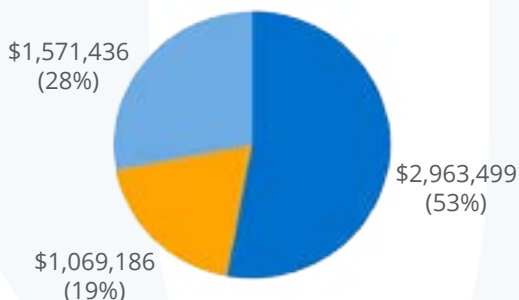


**2015**  
\$5,414,516

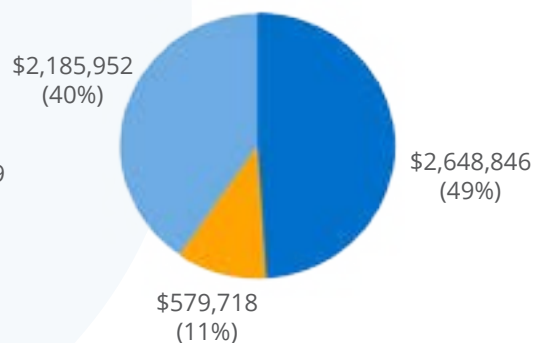


## Expenses

**2016**  
\$5,604,121



**2015**  
\$5,414,516



The 2016 Audited Financial Statements were approved by the Board of Directors at the May 10, 2017 Annual General Meeting and are available upon request.

\*School Boards, Colleges, Universities and Other Broader Public Sector organizations.



# Vision 2020



In August 2016, OECM began implementing our Vision 2020 strategic plans, including a new governance model, an updated financial model, and a five-year business transformation plan, as follows:

- Refocused customer-centric service delivery;
- Attracting and retaining top talent who are passionate about contributing to excellence in public sector administration, by providing their collaborative sourcing, procurement, and supplier partnership management expertise;
- Acquiring and embedding technology to improve the customer experience and supplier management required to create, deliver and capture value for customers;
- Ensuring a sustainable financial model by gaining customer commitment and improved organizational capacity.

## Our Transformation Journey Supports our Mission and Vision with Four Areas of Focus



# Looking Ahead in 2017

We will continue to seek new opportunities and refine our strategies to create value and drive savings to help our customers meet their business needs, by focusing on the following:

## Implementing the OECM Customer Council Committee – the “Voice of the Customer”

OECM has recognised the need for strong service governance to ensure the voice of the customer plays a significant role in overall governance of OECM. The newly established Customer Council Committee will provide a direct “Voice of the Customer” pipeline to OECM and the Board. Customers will have a direct conduit for engagement and influence regarding OECM’s services and how they are delivered. Customers will receive a greater degree of transparency, accountability and reporting on business performance related to business results, customer-centric performance metrics and service delivery, to help ensure OECM delivers the right services to the right customers at the right times, and through the most appropriate channels.

## Creating a focus on Service Excellence

OECM’s goal is to gain a closer relationship with our customers and embed a customer-centric culture of innovation, supported by a modern service organization that knows what unique customer insights are needed to drive customer-centric decision making, obtains customer insights and knows when and how to use the insights to make business decisions that are focused on value creation. To that end, OECM will begin implementation of our customer-centric service delivery framework. As initial priorities OECM will:

- strengthen our organizational capacity in service management, customer analytics and account management;
- make improvements to our web presence to deliver a high quality customer experience;
- streamline our procurement processes through technology and innovation;
- continue to build a robust supplier relationship management program, critical for the delivery of savings on high quality products and services for our customers.



### Expanding the choice of products and services through strategic partnerships

OECM's commitment to become customers' preferred sourcing partner drives us to create and deliver unmatched value to our customers. With that in mind, we will continue to actively engage with sector leaders, and committee and association partners to identify key sourcing initiatives that respond to customers' emerging business priorities.

### Working together in partnership with our customers, to achieve common goals through fostering collaboration



Not only do we want to be your partner in fostering collaboration, we also want to be your partner of choice. We want you to think of us first, when it comes to procurement.

*When it comes to collaborative procurement,  
always think of OECM as your preferred  
sourcing partner.*

# 10

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**Contact us at:**

(416) 847-0698

[info@oecm.ca](mailto:info@oecm.ca)

[www.oecm.ca](http://www.oecm.ca)

**Our offices are located at**

2 Lansing Square, Suite 200  
Toronto, Ontario, M2J 4P8



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