

A blue-tinted photograph of four students walking up a set of stone stairs towards a building entrance. The students are wearing backpacks and casual attire. The building has a brick wall on the left and a glass door on the right. The overall mood is academic and forward-moving.

# 2017

## ANNUAL REPORT



Savings | Choice | Service









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# ABOUT OECM

OECM is a trusted not-for-profit collaborative sourcing partner for Ontario’s education sector, broader public sector, and other not-for-profit organizations. We contract with innovative, reputable suppliers to offer a comprehensive choice of quality products and services, and generate significant savings for our customers.

We are shaped by our mission, vision, and values, which 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 amongst and between our customers and supplier partners.

## OUR MISSION

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

## OUR VISION

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

## 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.



# SAVINGS

*By unlocking the power of collaborative sourcing, OECM provides opportunities to minimize costs, and generate savings and efficiencies on products and services they buy through OECM's Marketplace.*



# CHOICE

*OECM offers a wide range of collaboratively-sourced and competitively-priced products and services, provided by over 100 (and growing) supplier partners, through OECM's Marketplace.*

# SERVICE

*OECM promises to deliver service that is consistent, accessible and responsive, supporting a customer-centric service delivery model.*





# CHAIR'S MESSAGE



**Arnold (Arnie) Strub**

Chair, Board of Directors

The Board of Directors has a continued focus on ensuring the success, sustainability and best interests of OECM's customers and are committed to supporting the strategic planning and performance of the organization. As a result, OECM exceeded its goals for growth and institutional spend in 2017.

To ensure continued growth and sustainability, the Board endorsed and guided the implementation of a number of successful initiatives in 2017, including the establishment of a Customer Council Committee (CCC) to represent the communities OECM serves. To date, we sanctioned the selection of 12 representatives from the education sector, to serve as a direct conduit for customer engagement at the executive level. The CCC will act as the voice of our customers, while providing their subject matter expertise in the development and implementation of various strategic plans, including collaborative sourcing opportunities for our customers.

To further embed customer-centricity on an organizational level, the Board, and particularly, the Governance and Human Resources Committee, successfully completed the strategic review and development of OECM's new, formalized "People Strategy" framework. The new strategy includes the revitalization of OECM's rewards and compensation strategy, new staff training and development plans, talent management programs, and more.

In 2018, the Board will continue the robust governance required to meet our goals and objectives. With our newly-appointed Customer Council Committee ready to swing into action, we'll focus on strengthening our customer-centric service delivery framework, while overseeing the implementation of OECM's business priorities, to help maintain financial self-sufficiency and shape a promising future for our customers.

I would like to thank the Board of Directors for their ongoing support and confidence in me. Together, we continue to serve the best interest of Ontario's education sector, and the broader public sector.

A handwritten signature in black ink that reads "Arnie Strub". The signature is stylized with a long horizontal line extending from the end.



# CEO'S MESSAGE



**John Sabo**

President and Chief Executive Officer

2017 marked the first full year with our new Board of Directors. I would like to thank the Board for their efforts and support over the year. 2017 also marked the introduction and recruitment of education sector advisory members on the new Customer Council Committee (CCC) of the Board. I look forward to working closely with the CCC over the coming years.

I am very proud to report that as of 2017 we now have 100% (all 116 Ontario educational institutions) participating and collaborating in one or more of OECM's agreements. We at OECM expanded our Marketplace to provide our customers with the choice of sixty-four categories of products and services and facilitated collaborative spend of \$245 million, which was a 26% increase over 2016, and the highest ever in OECM's history.

To serve our customers better, we focused on strengthening our customer-centric workplace culture, beginning with our staff. Accordingly, I'm thrilled to announce that over the past year, working with our Governance and Human Resources Committee, we developed a new, formalized "People Strategy" framework. The new strategy was unanimously approved by our Board of Directors in December 2017, for implementation at the start of 2018.

OECM is a Strategic Collaboration Organization (SCO) and as such OECM staff is committed to facilitating collaboration amongst and between our education sector partners, with the goal of assisting our partners in leveraging and directing resources in support of student achievement.

The Auditor General of Ontario in her 2017 Audit Report referenced OECM on multiple occasions and emphasized the need for educational institutions to leverage the opportunity for collaboration as a way to assist in reducing the costs of goods and services. The Auditor General also reported on the School Board sector engaging OECM to explore opportunities to develop school bus rider safety videos and on-site school bus safety training modules, which led to the launch in September 2017 of OECM's School Bus Rider Safety Program.

OECM continues to build on customer engagement through multiple meetings with representatives of Ontario's education sector, as well as the broader public and not-for-profit sector, to heighten awareness of OECM and the collaborative sourcing opportunities we offer. OECM will continue our customer outreach in 2018, with a series of presentations planned with sector leaders.

Looking ahead, OECM has a number of remarkable plans to facilitate and encourage collaboration, including adding more categories of products and services to OECM's catalogue, launching of our Accelerate to Market initiative and establishing OECM as the Education sector innovation procurement thought leader.

To our staff, customers, supplier partners, Board of Directors and friends – I thank you for your continued commitment to OECM. Here's to another strong year of even more growth.

A handwritten signature in black ink, consisting of a stylized 'J' followed by several loops and a horizontal line at the end.



# BOARD OF DIRECTORS

For more information about OECM's Board of Directors, visit <https://oecm.ca/about-us/governance/board-directors>



## Arnie Strub

### Chair, Board of Directors

Chief Operating Officer, Canadian Centre for Food Integrity. Elected Chair since November 29, 2016. OECM director since April 2011.



## Debbie Fischer

### Chair, Governance and Human Resources Committee

Executive in Residence, Rotman School of Management and Corporate Director. OECM director since September 2013.



## Jacquie Davison

### Vice-Chair, Board of Directors

Superintendent, Business & Treasurer, London District Catholic School Board. Resigned in December 2016.



## Kevin Kobus

### Chair, Customer Council Committee

President and CEO, Kevin Kobus and Associates Ltd. Associate, Promeus Executive Search. OECM director since November 29, 2016.



## Farzad Alvi

### Chair, Audit and Finance Committee

Visiting Scholar at Schulich School of Business. OECM director since November 29, 2016.



## Kathy Pozihun

### Member, Customer Council Committee

Vice-President, Administration and Finance, Lakehead University. OECM director since November 29, 2016.



## Eitan Dehtiar

### Member, Audit and Finance Committee

Strategic Development Consultant and Interim Chief Financial Officer. OECM director since November 29, 2016.



## Anne-Marie Renaud

### Member, Governance and Human Resources Committee

Advisory Board Member, Farinart. Certified Executive Coach, ACC. OECM director since November 29, 2016.



## Rani K. Dhaliwal

### Member, Customer Council Committee

Senior Vice-President, Planning & Corporate Services, & CFO, Humber College. OECM director since November 29, 2016.



## Andrew Szende

### Member, Audit and Finance Committee

Governor, University of Toronto. OECM director since November 29, 2016.



## John T. Dinner

### Member, Governance and Human Resources Committee

President, John T. Dinner Board Governance Services. OECM director since November 29, 2016.



## David Yundt

### Member, Governance and Human Resources Committee

President & CEO, Plexxus. OECM director since November 29, 2016.



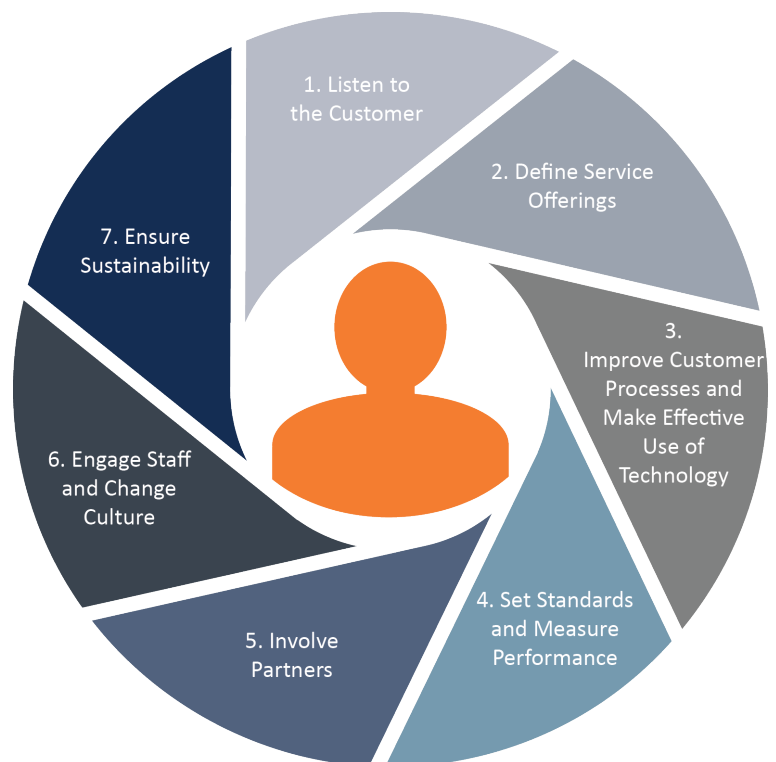


# CUSTOMER-CENTRIC SERVICE DELIVERY FRAMEWORK

The Customer-Centric Service Delivery Framework (CCSDF) supports OECM's strategic priority of focusing on customer-centric services by delivering unparalleled services to position OECM as a Premier Collaboration Partner.

This framework has seven key elements, which are being used to drive high levels of customer satisfaction, loyalty, and advocacy in delivering accurate, consistent, high-quality solutions to our customers.

In 2017, OECM began implementation of the Board-approved CCSDF, including the establishment of OECM's new Customer Council Committee.





# VOICE OF OUR CUSTOMERS

## YOUR CUSTOMER COUNCIL COMMITTEE

As part of our Customer-Centric Service Delivery Framework, OECM is proud to introduce our newly-established [Customer Council Committee](#) (CCC). The CCC is comprised of twelve (12) senior leaders from OECM's education sector customer communities (Colleges, School Boards & Universities), and four (4) Board member representatives. The committee will provide strategic input to OECM, regarding our customer-centric services, products and services, service delivery strategy, customer and supplier relationship management, and more.



**Arnie Strub**  
**Board Member Ex-Officio**  
**Chair, Board of Directors**  
Chief Operating Officer, Canadian  
Centre for Food Integrity.



**Tariq Al-Idrissi**  
**University Sector Representative**  
Associate Vice President, Information  
Technology, Trent University.



**Kevin Kobus**  
**Board Member Representative**  
**Chair, Customer Council Committee**  
President and CEO, Kevin Kobus and  
Associates Ltd.



**Carol McAulay**  
**University Sector Representative**  
Vice-President, Finance and  
Administration, York University.



**Rani K. Dhaliwal**  
**Board Member Representative**  
Senior Vice-President, Planning  
& Corporate Services, & CFO,  
Humber College.



**Marina Piao**  
**University Sector Representative**  
Executive Director, Corporate Services,  
and Treasurer, Council of Ontario  
Universities (COU).



**Kathy Pozihun**  
**Board Member Representative**  
Vice-President, Administration and  
Finance, Lakehead University.



**Kyle Robinson**  
**University Sector Representative**  
Director, Facilities Services and  
Sustainability, Ryerson University.



**Tony De Sciscio**  
**College Sector Representative**  
 Manager, Purchasing, Risk Management and Printing, Georgian College of Applied Arts and Technology.



**Stephen Case**  
**School Board Sector Representative**  
 Manager, Procurement and Risk Services, Waterloo Region District School Board.



**Emily Eyre**  
**College Sector Representative**  
 Manager, Purchasing Services and Sustainability, Humber Institute of Technology and Advanced Learning.



**Daniel Del Bianco**  
**School Board Sector Representative**  
 Superintendent, Planning and Operations, Dufferin-Peel Catholic District School Board.



**Julia Kravca**  
**College Sector Representative**  
 Director, Information Technology Services, Sheridan Institute of Technology and Advanced Learning



**Carlene Jackson**  
**School Board Sector Representative**  
 Associate Director, Operations and Service Excellence, Toronto District School Board.



**David Neale**  
**College Sector Representative**  
 Executive Director, Campus Services, Seneca College of Applied Arts and Technology.



**Dino Miele**  
**School Board Sector Representative**  
 Chief Information Officer (CIO), District School Board of Niagara.





Together, OECD staff raised in excess of \$25,000 to benefit Ontario charities.

## OUR PEOPLE

### OECD's New People Strategy

At OECD, 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. In 2017, OECD received approval on our new People Strategy by the Board of Directors. The new People Strategy aims to accelerate the development of our team, grow and strengthen our leadership capabilities, and enhance our performance through strong engagement. By establishing a People Strategy, our goal is to attract, motivate, and retain superior talent, while fostering a workplace culture of excellence, to facilitate the delivery of exceptional customer service. The five defining pillars are:

**Total Rewards** Create and maintain an effective and competitive total rewards program that ensures OECD can attract and retain the right talent in the right roles.

**Leadership and Talent: Acquisition and Development** Attract, develop, retain and motivate a high performing workforce.

**High Performance Culture of Excellence** Define and develop all processes that contribute to developing and sustaining OECD's core values and ensuring a high performing culture of workplace excellence.

**Workforce Planning** Ensure continuity of the right talent for the short and long term success of the organization.

**Operational Excellence** Ensure HR policies and systems are developed, maintained and applied to contribute to a transparent, safe and equitable work environment.

## OECM Senior Executives left to right

### Len Scavuzzo

Vice President, Corporate Services  
and Chief Financial Officer (CFO)

### Pooja Nagra

Director, Business Relationship  
Management

### John A. Sabo

President and Chief Executive  
Officer (CEO)

### Karen Owen

Vice President, Supply  
Management and Customer  
Relations

### Dan McCowell

Director, Customer Service and  
Engagement

### Rupa Gill

Director, Sourcing Solutions



## Changes in Organizational Structure

To support our Board of Directors and move closer to a customer-centric framework, OECM organized into the following divisions, working with the Office of the President and CEO:

### *Supply Management and Customer Relations Division*

Led by Karen Owen, the Supply Management and Customer Relations division was reorganized to consist of the Sourcing Solutions Group, Business Relationship Group, and a newly-established Customer Service and Engagement Group. Under the leadership of our new Director of Sourcing Solutions, OECM identified ways to streamline our planning processes and successfully launched 15 new agreements in 2017. The Customer Service and Engagement Group, led by our new Director of Customer Service and Engagement, was established in 2017 to focus on providing enhanced customer experiences.

### *Corporate Services Division*

Led by Len Scavuzzo, the Corporate Services Division includes Human Resources, all Financial Services related functions, Business Intelligence, and Information Technology.

## Staff Engagement

At OECM, we pride ourselves on the diversity of our team members, which reflects the diversity of our customer communities. This continues to allow us to relate to our customers and connect with our communities, partly through our participation in various outreach initiatives across the province.

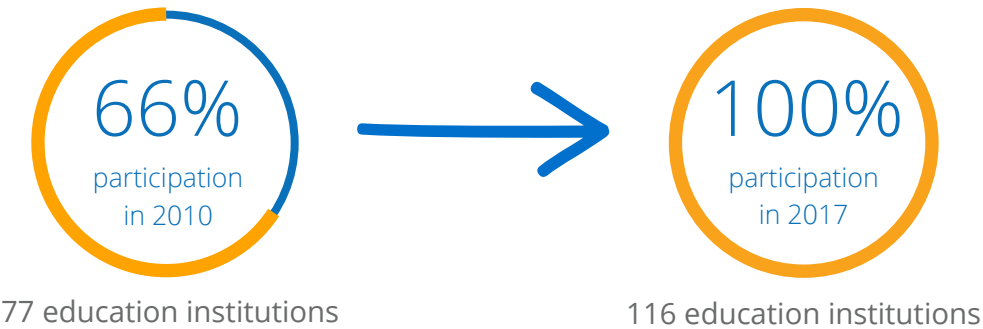
We celebrate our staff through many staff engagement and celebratory events. OECM staff also participate in many charitable events, including the United Way CN Tower Climb, Curling for Cystic Fibrosis and the Run/Walk for Southlake Regional Health Centre. Over the past 2 years we have raised in excess of \$25,000 to benefit Ontario charities.



# 2017 BUSINESS HIGHLIGHTS

## Increased Growth in our Customer Base

In 2017 we expanded our customer base to reach **100%** of Ontario’s education institutions, now using OECM’s Marketplace, compared to 65% of education institutions in 2010.



In addition to our education sector customers we now have more than 400 other Broader Public Sector and Not-For-Profit organizations using OECM’s Marketplace.

## Increased Year-over-Year Growth (2017 vs. 2016)

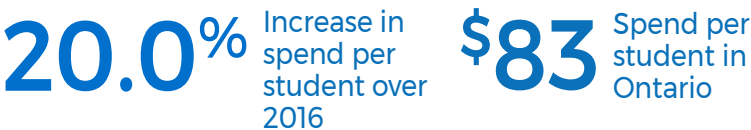
2017 was another exciting year of growth and innovation for OECM. Together, we expanded our reach with new projects, introduced a record number of new products and services, hosted our largest number of webinars, and grew our OECM family with more customers than ever before.

### Collaborative Spend (2017 vs. 2016)

Collaborative spend provides the ultimate measure of participation and support of OECM by its customers. In 2017, OECM had a total of \$245.3 million in collaborative spend, a record-breaking increase of \$50.0 million over 2016, or 25.6%.



Per student spend in the Education sector totalled \$83 per student, an increase of \$14, or 20%, from \$69 per student in 2016.



### Customers (2017 vs. 2016)

OECM is a customer-based organization to whom we provide savings, choice, and service. In 2017, we had an increase of 78 customers, up 17.2% from the previous year to a total of 553 customers.



### Products & Services (2017 vs. 2016)

OECM offers products and services that can be facilitated best through collaboration. In 2017, we saw a 16.4% increase in the categories of products and services, with a major focus on facility-based agreements.



## School Bus Rider Safety Training

OECM launched the [School Bus Rider Safety Training Videos](#) in August 2017 in response to a need raised by the Auditor General. Funded by the Province of Ontario, three videos were executively produced by OECM, with input from the Ontario Association of School Business Officials (OASBO) Transportation Committee and the Ontario School Bus Association, targeting school bus riders of various age groups. All school boards in Ontario can access the videos through OECM's [Marketplace](#). In 2018, OECM looks forward to the introduction of standardized on-site training sessions for the 2018-19 school year.

With nearly 15,000 collective views\* of the videos, this proved to be a highly-successful collaborative venture.

*\*View count as at December 22, 2017*



## CETA/CFTA Compliance

In 2017, the Canadian government announced two new Trade Agreements that affect procurement processes within Ontario's Broader Public Sector ("BPS"). OECM's procurement processes now align not only with Ontario's Broader Public Sector (BPS) Procurement Directive, but also with the Canadian Free Trade Agreement (CFTA), effective as of July 1, 2017, and the Comprehensive Economic and Trade Agreement (CETA), effective September 21, 2017. For more information on CETA/CFTA compliance, view OECM's [Frequently Asked Questions](#).

OECM continues to collaboratively source in a fair, open, transparent, and competitive manner.

## Webinars

When it came to leading the conversation about key industry trends and innovations, 2017 proved to be another successful year for OECM. With a total of nearly 400 industry professionals in attendance, OECM hosted 19 Knowledge-Based Webinars, in collaboration with our supplier partners, as well as 16 Information Sessions, to introduce our newly awarded categories of products and services. As OECM continues to grow and provide our customers with more savings, choice, and service, in 2018, we look forward to offering more webinars and information sessions, to provide our customers with the information needed to meet their organization's business goals and objectives.

**19** Knowledge-Based Webinars

**16** Introductory Information Sessions

## Supplier Relationship Management

In 2017, OECM worked towards transforming public procurement by unlocking the power of supplier relationship management. Working collaboratively with key suppliers, OECM built a comprehensive program to effectively manage suppliers, drive innovation, and deliver continuous improvement. The supplier relationship management program seeks to maximize the value of supplier relationships and provide creative solutions to tackle challenges, improve supplier performance, and manage difficult suppliers.



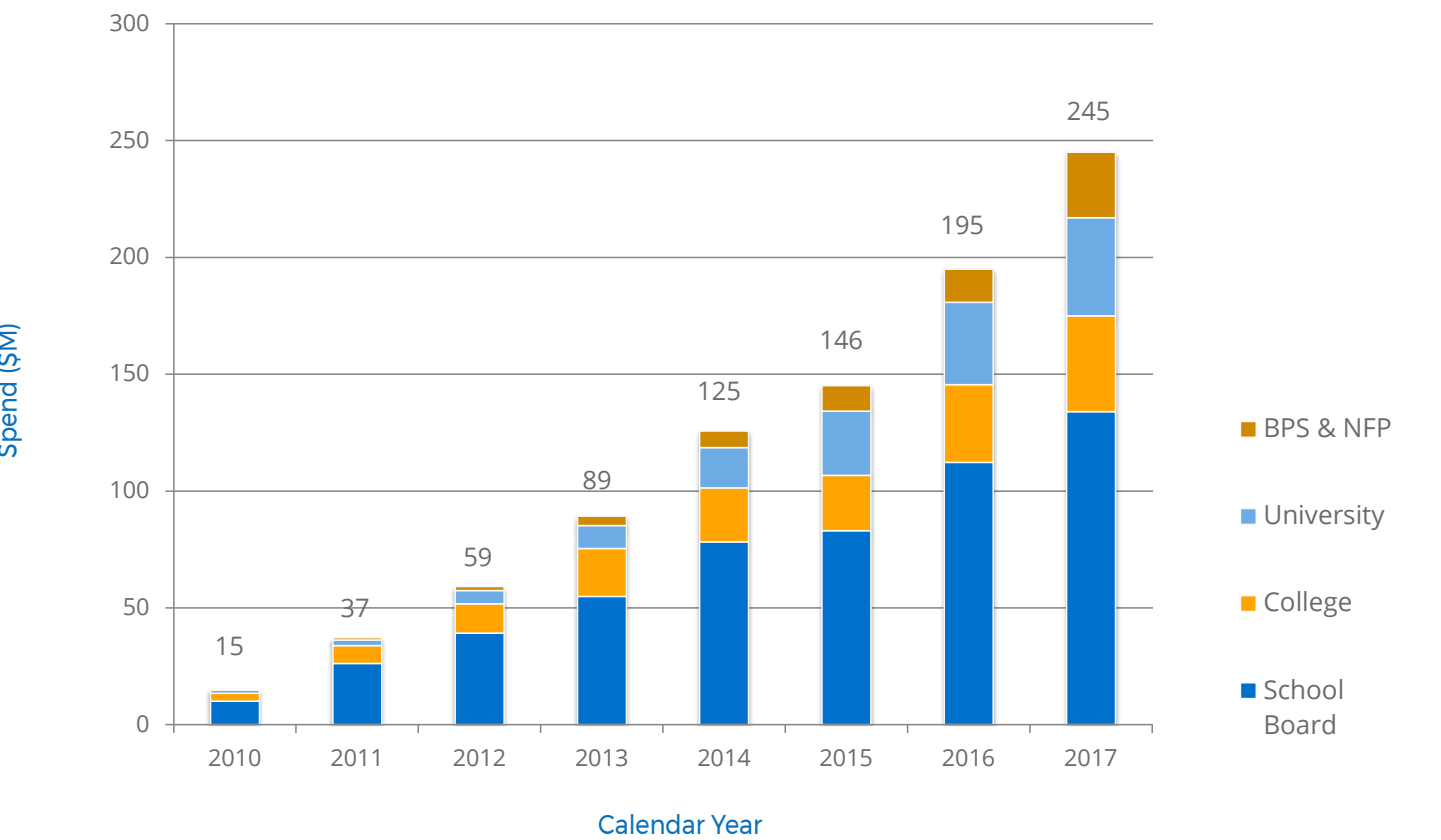


# FINANCIAL HIGHLIGHTS

## Collaborative Spend

In 2017, there was an increase in customers using OECM's Marketplace. Ontario's 116 publicly funded education sector institutions combined with broader public sector (BPS) and not-for-profit (NFP) organizations spent \$245.3 million on products and services through OECM contracts, showing growth of 26% compared to \$195 million in 2016. In 2017, we reached 100% participation from Ontario's education sector institutions that use OECM's Marketplace, while participation by other BPS and NFP organizations grew by 30%.

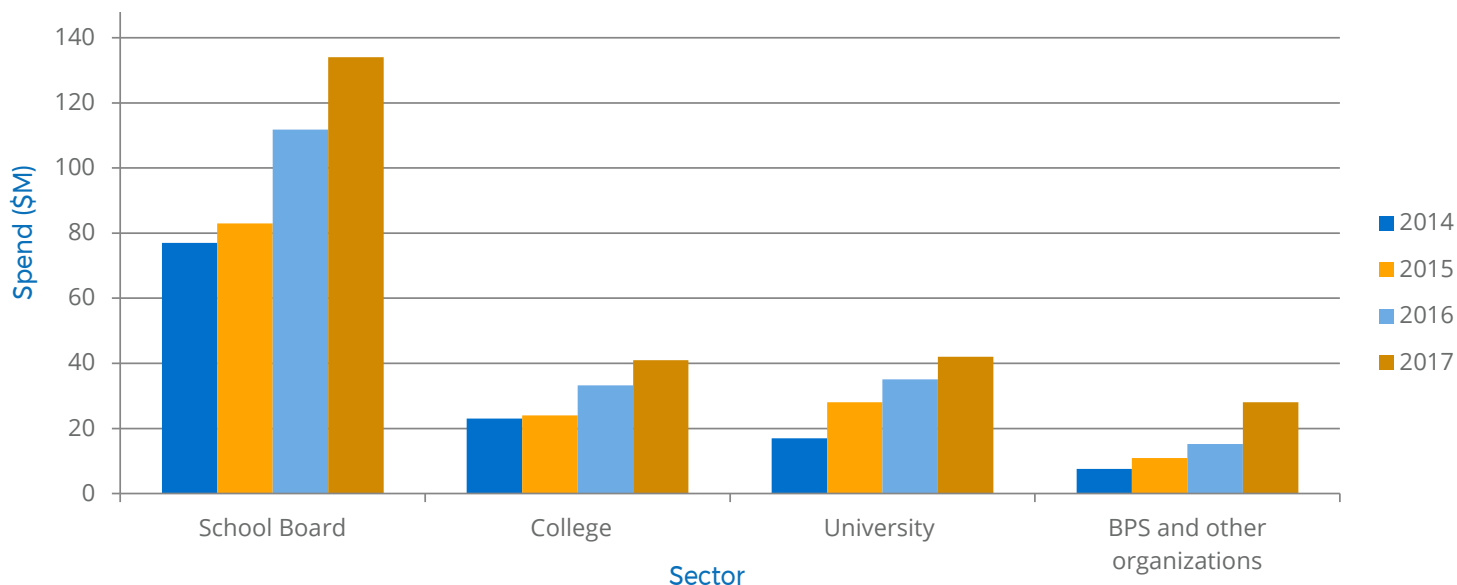
COLLABORATIVE SPEND



## Year over Year Sector Spend

While the education sector remains a key area of focus, there was an 86% growth in procurement from other BPS and NFP organizations, with sector spend of \$28 million in 2017 compared to \$15 million in 2016.

### YEAR OVER YEAR SECTOR SPEND



## Participation by Sector on all Products and Services

OECM's total collaborative spend is driven by our customer participation across 64 categories of products and services. In 2017, OECM's achieved total collaborative spend of \$245.3 million through 2652 Client-Supplier Agreements (CSA), with the greatest participation from the school boards sector, followed by the Universities, Colleges, and BPS & NFP sectors.

### PARTICIPATION BY SECTOR ON ALL PRODUCTS & SERVICES

Sector	Spend (\$)	CSA
School Boards	\$134,051,424	1,006
Universities	41,405,269	335
Colleges	41,188,816	420
Broader Public Sector (BPS) & Not-For-Profit (NFP)	28,609,295	891
<b>Total</b>	<b>\$245,327,244</b>	<b>2,652</b>



## Top 10 Products and Services and Participating Supplier Partners

In 2017, the top ten agreements based on collaborative spend had significant participation from leading supplier partners. For a detailed list of all categories of products and services offered, visit the [OECM Marketplace](#).

### Top 10 Products & Services and Participating Supplier Partners

#### End-User Computing Devices & Services



#### Office Supplies



#### Custodial Supplies and Equipment



#### Multi-Function Devices



#### Fine Copy Paper



#### Networking Switches, Routers, Firewalls, & Related Services



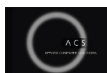
#### Chrome Devices & Services



#### Classroom Furniture



#### Software Defined Wide Area Network



#### Software Licensing



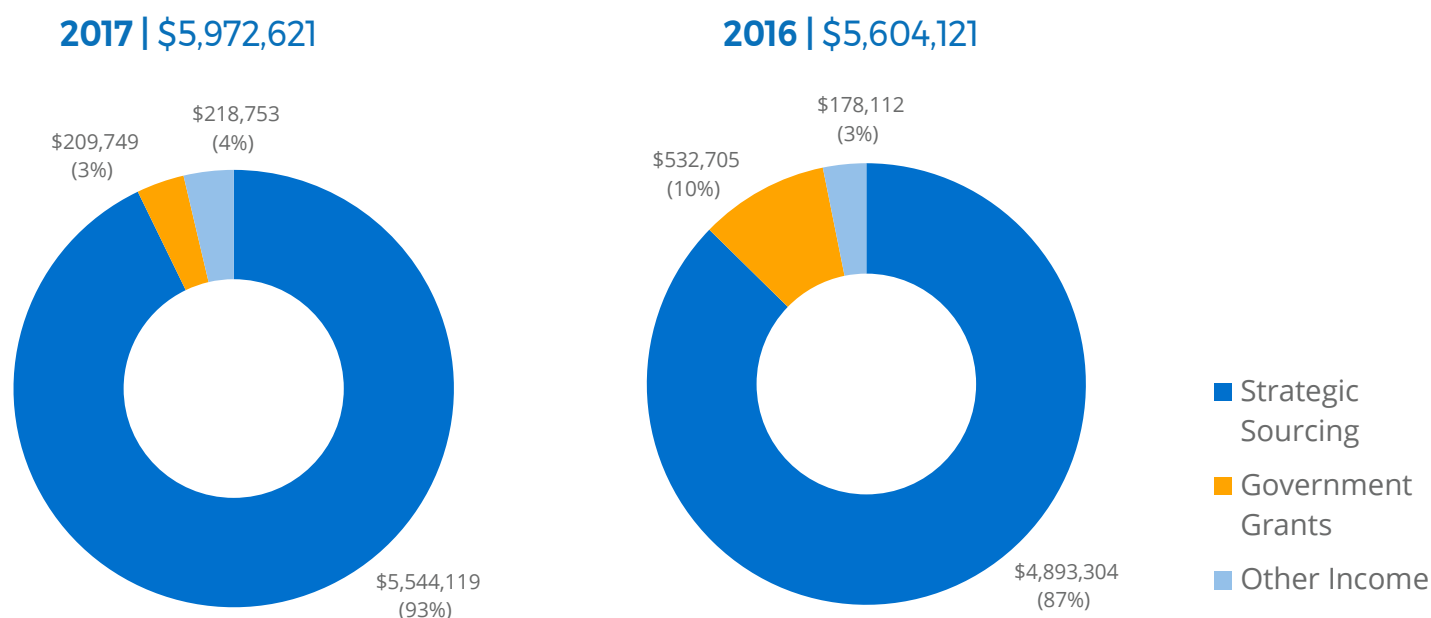
## Revenues and Expenses

OECM's primary source of revenue is earned as Ontario's institutions (School Boards, Colleges, Universities, and other BPS and NFP organizations purchase goods and services through OECM's Marketplace. The supplier of goods and service will remit a cost-recovery fee to OECM, based on the amount of spend generated by these institutions.

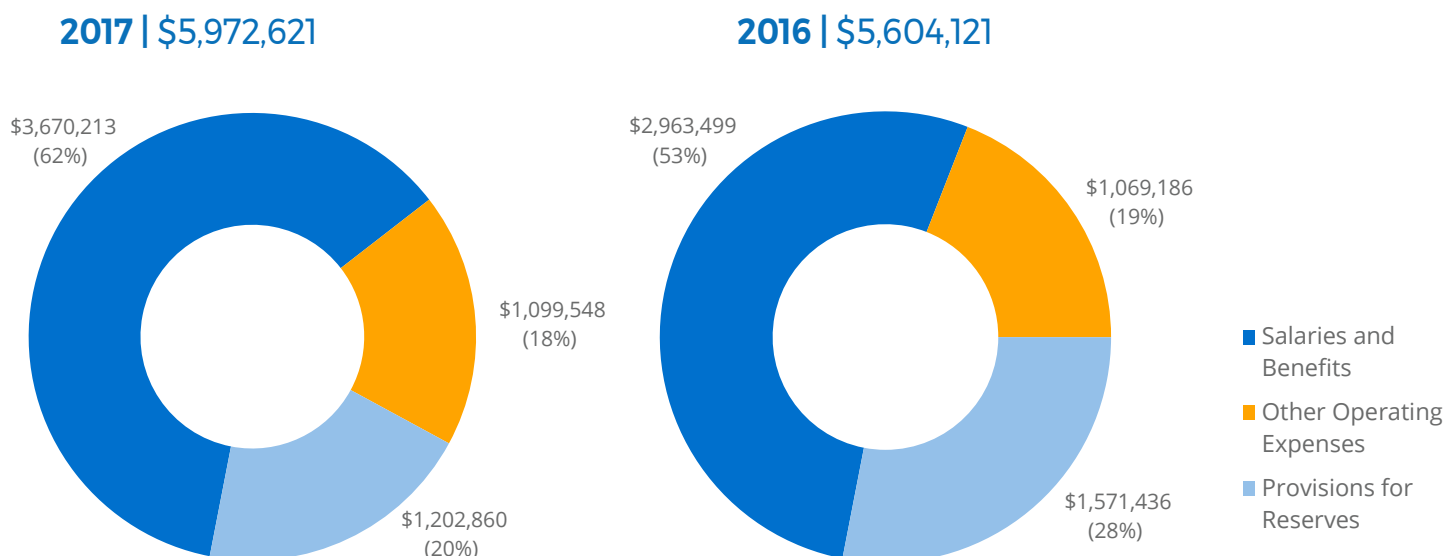
As a not-for-profit organization, all revenues are reinvested in OECM to create additional benefits for Ontario's institutions. Although OECM has maintained financial self-sufficiency since 2015, there is, on occasion, provincial funding received for projects that will create additional benefits for Ontario's publicly funded institutions, such as our School Bus Rider Safety Training Program and our upcoming Accelerate to Market initiative.

The 2017 Audited Financial Statements are subject to approval by the Board of Directors at the May 30, 2018 Annual General Meeting and will be available upon request.

### REVENUES



### EXPENSES





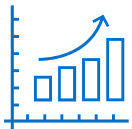
# LOOKING AHEAD

## INVESTING FOR THE FUTURE

OECM is committed to being the leader in facilitating collaboration amongst and between our customers and arranging collaborative sourcing to assist our customers in meeting their business needs. Looking ahead in 2018, we will focus on four areas of business, all of which will be supported with the investment of new resources. Investing in technology resources such as a Customer Relationship Management (CRM) and Supplier Relationship Management (SRM) systems will enable OECM to further enhance the customer experience. As OECM works towards the development of a Centre of Excellence, we will continue to invest in many areas of business operations including new technology, process improvements, and our People Strategy, all in support of achieving our goal of serving our customers and fostering collaboration.

## FOUR AREAS OF BUSINESS FOCUS FOR 2018

### Grow the Business



The primary focus for business growth in 2018 will be to go wider and deeper by expanding OECM's Marketplace with more products and services, and attracting and retaining new customers. At the same time, OECM will also focus on driving sector engagement for increased participation from customers within the education sector on existing products and services.

### Enhance Customer Engagement



As part of a multi-year approach to implementing a customer-centric service delivery framework, OECM's focus for 2018 will be to define and strengthen OECM's customer service strategy by focusing on segmentation to better define our customers and implement analytics and technology to strengthen our ability to respond to customer needs. Working closely with the Customer Council Committee, OECM will focus on defining our products and services offerings to identify value-added services to better serve the needs of our customers.

### Develop Centre of Excellence for Collaborative Supply Management Innovation



Plans are underway to transform OECM's solid sourcing practice into a recognized Centre of Excellence for collaborative supply management innovation. In 2018, with funding from the Ministry of Government and Consumer Services, OECM will continue to streamline procurement processes, increase the use of collaborative technology tools and introduce innovative value based practices in order to bring access to more relevant, high quality, priority products and services faster.

### Boost Talent Development



The Multi-Year People Strategy will continue to gain momentum in 2018 as OECM begins its implementation to deliver value to staff with emphasis in total rewards, leadership and talent development, workplace culture, and talent acquisition.



**Contact Us:**  
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[info@oecm.ca](mailto:info@oecm.ca)  
[www.oecm.ca](http://www.oecm.ca)

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Toronto, ON M2J 4P8



Savings | Choice | Service