



GO PRODUCTIVITY ANNUAL REPORT

2018

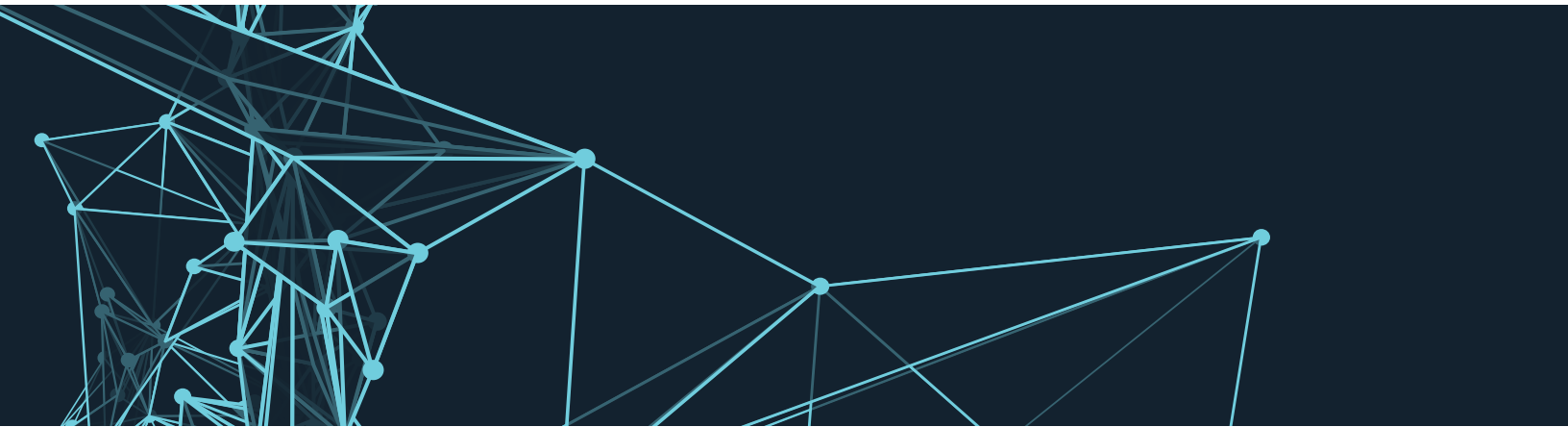
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ABOUT GO PRODUCTIVITY

GO is about growth and optimization.

GO Productivity is an industry-led not-for-profit organization with a mandate to support productivity improvement, increase innovation, and build a skilled workforce to improve competitiveness and economic sustainability. Our model is to work with companies to build capacity within their organization. We take a coaching and facilitating role to work with them to reach their goals. We endeavor to find the best system to work with core business processes and help scale a company's system to meet their strategic objectives.



GO History

In 2009, the Government of Alberta initiative, known then as Productivity Alberta, was started to help Alberta's construction and manufacturing sectors be more productive, more competitive and more profitable. Early efforts focused on firm level productivity assessments, and Lean Six Sigma training.

The program was so successful that in 2011 Productivity Alberta transitioned out of government into a Non-Profit Social Enterprise. As SME interests in productivity and innovation capacity for competitiveness grew GO adapted again. This time it expanded into a nationally incorporated Not-for-Profit and re-branded as GO Productivity. The "GO" stands for Growth Optimization and now it is nation-wide offering firm-level advisory services to SMEs in productivity assessment, road-mapping customized

productivity and innovation goals and finding the skills and other resources needed to reach those goals. GO Productivity now works on improved productivity, innovation capacity building and project performance in the industrial construction space.

In the GO - PAAD initiative (Project Alignment and Delivery) collaborative Demonstration/ Implementation projects are developed and deployed to help enhance on-time, on-budget project performance. Next efforts for PAAD involve industry uptake of Best Practices throughout supply networks in project execution but also adding innovative approaches to risk-sharing, workforce competency, technology adoption in maintenance and operations of existing facilities.

CEO's WORDS



GO Productivity has marked another year of growth in bringing productivity and innovation programs and services to businesses and their supply chains in Alberta and across Canada. My team and I are pleased to be able to provide highlights and financial details from this year's strong performance.

Demand for GO Productivity's services increased as businesses of all sizes and sectors, working through a couple of years of limited economic growth, began to dig deep to look at what they have within their own control, and work towards business improvements to be sustainable and competitive. This has included looking at their processes, their innovation systems and the leadership and management to lead them into the future.

Similarly, GO Productivity embarked on a rather ambitious 3-year growth plan to ensure sustainability into their future. This meant refining our business model, ensuring all our resources are being utilized effectively, and continuing to bring new and improved value to our clients in innovative ways. It also has meant pursuing a partnership model to continue to build on this success.

Our ARC and ARC+ services (assessment, roadmap and coaching) were refined and expanded and we continued to build out our range of delivery expertise through our "Executives in Residence" model. This allows companies to tap into deep experience and expertise and yet still ensure that cost for small and medium sized businesses (SME's), is not a barrier. As we focused on our own continuous improvement, our Productivity Assessment Tool was enhanced and within in the assessment, three new categories were incorporated: strategy, customer service, and project management.

I was pleased to partner with Alberta Women Entrepreneurs and the Institute of Governance that saw our collaborative paper published in the 2018 Best Practices in Competitiveness Strategy, and distributed at the Global Federation of Competitiveness Council's Global Innovation Summit in Argentina, September 2018. We continue to be identified as leaders in competitiveness thinking, tools and leadership.

And with the focus of sustainability and building of relationships, GO Productivity is entering into a strategic alliance agreement with NAIT's Industrial Solutions Initiative and their new Productivity and Innovation Centre. Discussions are underway to see how we might maximize our strengths and pursue greater opportunities together – all to see greater value for our business clients. Our board has been deeply engaged in this process and is committed to the possibilities of the path ahead.

To achieve what GO Productivity has been able to do over the past year is only possible through a committed board and an amazing team of talented and passionate individuals, who have gone beyond duty to ensure that our clients and partners are valued and well served. My greatest thanks - is to my team.

Lori Schmidt

CHAIRMAN'S WORDS

This has been a year of strong growth and increased efficiencies for GO Productivity, as we continue to fulfill our commitment to our mandate to improve the competitiveness of Canadian organizations.

Globalization continues to impact and influence the competitiveness of our client firms. No longer can we remain laggards. Other countries strive to improve competitiveness through improved performance of their products, processes and intellectual capital. The leaders infuse innovation into everything that they do.

GO Productivity has continued to refine its service offerings and continues to be recognized nationally and internationally for our contribution to productivity and competitiveness, through our expertise and tools to help support growth oriented, scale up business in Alberta and across Canada. And as GO Productivity continues to build awareness for opportunities for SME growth, they have been able to build strong relationships and partnerships that create stronger value to support businesses to grow more effectively and become more efficient.

In particular, the growth in demand for the GO ARC and ARC+ services (assessment, roadmap and coaching), providing affordable and incremental steps to build a culture of productivity and innovation, has been significant. We are thankful for the strong relationships we have continued to nurture with the Government of Alberta, Western Economic Diversification, NRC-IRAP, academic institutions as well as industry associations. Collectively we are able to make a difference to the businesses we serve.

Although focused on small and medium sized enterprises, the opportunity for GO Productivity to help facilitate efficiencies and innovation throughout value chains has continued to emerge. This work started with the PAAD (Project Alignment and Delivery) initiative, but is now a model considered for various sectors. New opportunities have emerged to bring the ARC and ARC+ programming to customers and suppliers – together – to improve overall competitiveness. GO Productivity plays a significant role in facilitating the business improvement conversations, working with the individual firms to improve the competencies and capabilities of these clients – to improve their sustainable growth.

In a very dynamic, changing global economic environment, GO Productivity has led new initiatives around emerging technologies awareness, and this will continue to be a focus in the year ahead.

GO Productivity continues to strive to be sustainable and scale up itself. A strategic partnership is being developed with NAIT through their new Productivity and Innovation Centre and Industrial Solutions initiative. Both organizations see many opportunities where our combined expertise, tools and offerings can bring even greater value to help business succeed in turbulent times. This is a unique opportunity and will require change, but ultimately will result in a stronger value proposition to our stakeholders, partners, and those we serve.

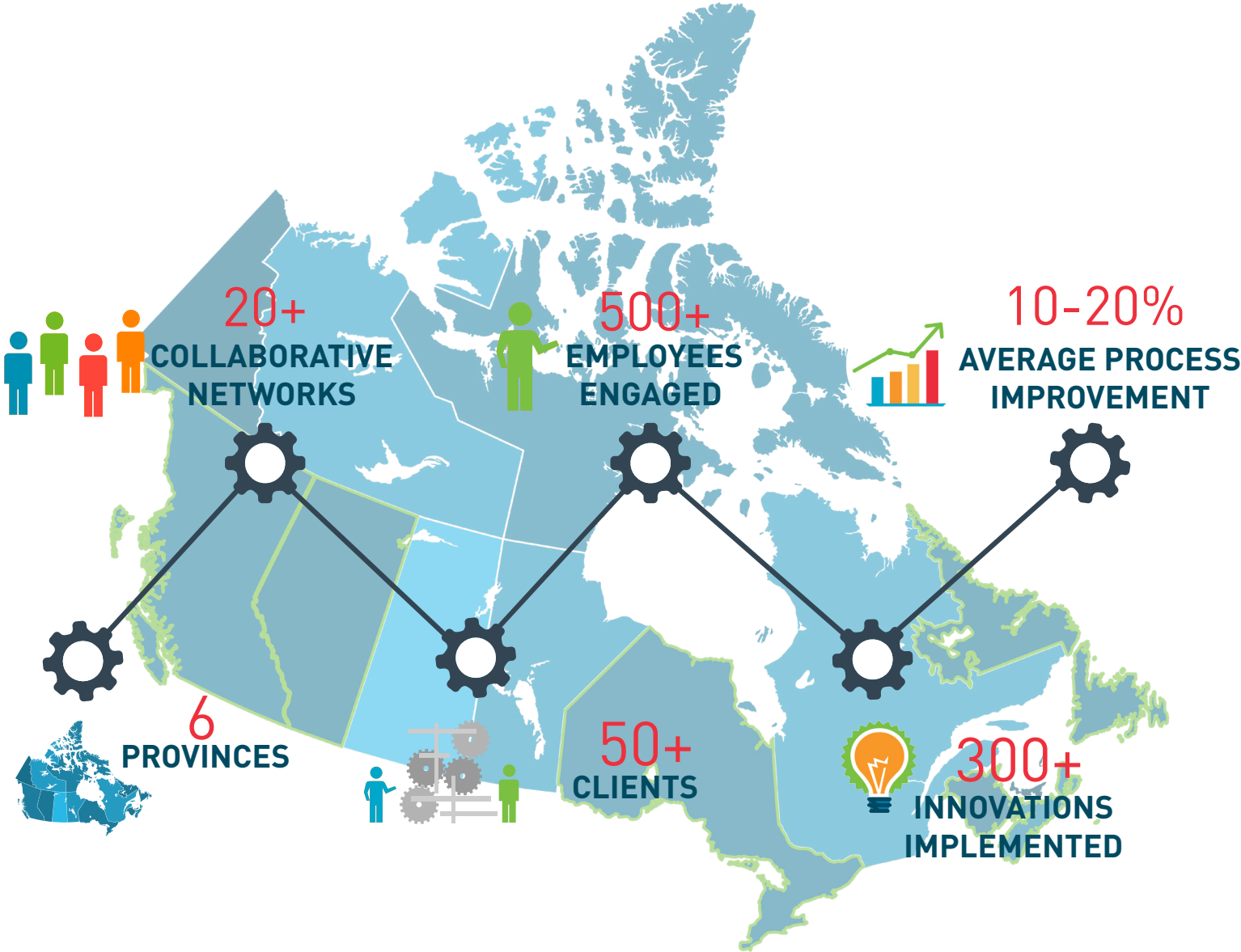
It is important for me to take the time to recognize and thank my board colleagues and the GO Productivity team for their hard work, commitment and dedication that saw great new initiatives and tremendous success.



David Janzen FCPA FCA

GO ACROSS CANADA

GO Productivity continues to build on the momentum already established by previous projects and has expanded its scope of the ARC initiative to include companies across Canada.



MEET OUR BOARD OF DIRECTORS

GO Productivity Chair



David Janzen
Chief Financial Officer,
Fountain Tire Ltd.

GO Board Secretary



Linda Wood Edwards
President
LUE-42 Enterprises



Jason Collins
President
Collins Industries Ltd.



Brenda Galonski
Controller,
Eagle Energy Trust



Mike MacSween
Executive Vice President
Major Projects Suncor



James Rajotte
VP Government Relations
Rogers Communications Ltd.



Liz Stretch
Vice President Strategy
ATB Financial



Karen Thompson
President
Haver & Boecker Canada

MEET OUR TEAM



Lori Schmidt
Chief Executive Officer



Erin Allan
Accounting & Human
Resources Lead



Tom Lieu
Managing Director,
Finance and Business Strategy



Caitlin López
National Project Manager



Kevin Nguyen
Office Research Coordinator



Scott Penner
Technical Director, Operational
Excellence, Productivity &
Growth Services



Ron Subramanian
National Director



Pamela Thompson
Relationship Manager,
Marketing & Communications

EXECUTIVES IN RESIDENCE



Ken Chapman



Riphay Al-Hussein



Nasser Awada



Jitendra (JT) Badani



Peter Dimmell



Jeff Griffiths



Karen Hanes



Lesley Galgay



Doug Junor



Andrew Simpson



Paul Gregory Wiest



David Wilcott

THE ARC PROGRAM

ARC = ASSESSMENT - ROADMAP - COACHING

The Productivity ARC helps companies at any stage of their productivity journey. It is designed to help a firm build an innovation program, and improve their competitiveness and profitability.



Our entire company is now focused on fire, and poised to achieve our goals

Rachel Ro



ASSESSMENT

We use our Productivity Assessment Tool to work with your team to grade your company's productivity engine on the pillars of Innovation, operations, leadership, project management, strategy and customer service.



ROADMAP

After a thorough analysis of the assessment results, GO Productivity utilizes several different tools to help you and your team construct the productivity roadmap. The resulting plan is embedded with buy-in from your team with clear accountabilities and time lines set.



COACHING

Following the ARC, we provide ongoing support and accountability to ensure a successful execution of the roadmap and the foundation in place for building a culture of continuous improvement.

CLIENT TESTIMONIALS

Jandel Homes, AB



"The ARC has helped us develop a formal structure around our innovation process so we can accelerate future growth and profitability."

Jordan Iverson - Jandel Homes

Kaymor, AB



"GO Productivity helped us realize nearly \$100,000 dollars in annual savings, a 6% reduction in inventory costs, and a 15% reduction in non-productive time."

Robert Stegmeier, Kaymor


Genaire Ltd, ON



"Our ARC with GO Productivity was humbling and eye opening and involving people at all levels of our organization was pivotal in it's success. The processes we learned in the ARC continue to help us. We started a new innovation committee and continue to identify lots of small ideas and larger projects that will provide value for us in the future."

Melissa Warner, CEO - Genaire

D-Pace, B.C.



"On a collaborative basis with all staff, we were able to more definitively articulate our direction over the next five years, and we were provided with tools and techniques to: (i) self-assess, (ii) determine areas of improvement, and (iii) implement positive change. In fact, we left the workshop with two initial action plans for positive change, one of which we were able to implement the following Monday."

Morgan Dehnel Ph.D., P Eng. - D-Pace



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ARC & ARC+ METRICS

Actual reported results from ARC & ARC+ companies.



RAW MATERIAL

"We saved \$150,000 on raw material costs."



PRODUCTION

"Our daily production capacity has increased by 13%."



LOST TIME

"We've had a 15% reduction in non-productive lost-time."



PROCESS IMPROVEMENT

"Substantially improved a key process and gained 70% increase in efficiency and time reduction"



COMMUNICATION

"The staff love the new level of interaction with our senior leaders"



NET INCOME

"The ARC+ identified a defect reduction plan resulting in \$100,000 of annual savings"

ARC & ARC+ METRICS

"The most valuable thing to come from the Productivity ARC was the identification of firm things to look at from a strategic standpoint, and what tactics we can take to make the improvements happen."

Justin Hogeterp - Fluid Media Technologies



INVENTORY COSTS

"We had a 6% reduction in inventory carrying costs."



PROCESS IMPROVEMENT

"Our Invoice process improvement project has seen a annual savings of \$75,000"



AVERAGE IMPROVEMENT

The average improvement in ARC firms range between 10 - 20%.



STRATEGY

"We are now re-thinking our business Model in light of new competition"



JOBS CREATED

"Six new jobs have been created as a result of our ARC."



IDENTIFIED

"We have identified 9 key areas for improvement"

GO LEAN SIX SIGMA TRAINING



"Great Course, well presented and feels set up for success"
Ben Avery - SHAW

"Great job Scott, I gained a lot of insights in regards to my position and applying the principles to my current position at work"
Desmond Clarke - Goodfish Lake Business Corp.

"I definitely see the benefit of taking the course in the classroom with students in other business situations, and an instructor with a good real world experience"

James Braun - S3 Air Systems



DEFINE



MEASURE



ANALYZE



IMPROVE



CONTROL

400+

LEAN SIX SIGMA
GRADUATES

700+

OVER 700
COMPANIES
SERVED

97%

CLIENT
SATISFACTION

GO PRODUCTIVITY

\$40+

MILLION

Our estimated
economic
impact since
2011

GO FINANCIAL POSITION

GO Productivity Statement of Financial Position *As at September 30, 2018*

	2018	2017
Assets		
Current		
Cash and cash equivalents (Note 3)	6,467,841	5,861,069
Accounts receivable	188,649	369,650
Inventory	-	8,053
Goods and services tax receivable	-	2,609
	6,656,490	6,241,381
Capital assets (Note 4)	-	44,885
	6,656,490	6,286,266
Liabilities		
Current		
Accounts payable and accruals (Note 5), (Note 12)	572,335	232,639
Goods and services tax payable	2,778	-
Deferred contributions (Note 6)	5,052,780	5,099,754
	5,627,893	5,332,393
Commitments (Note 8)		
Economic dependence (Note 9)		
Subsequent event (Note 12)		
Net Assets		
Unrestricted	1,028,597	908,988
Invested in capital assets	-	44,885
	1,028,597	953,873
	6,656,490	6,286,266

Approved on behalf of the Board

signed "David Janzen"
Director

signed "Brenda Galonski"
Director

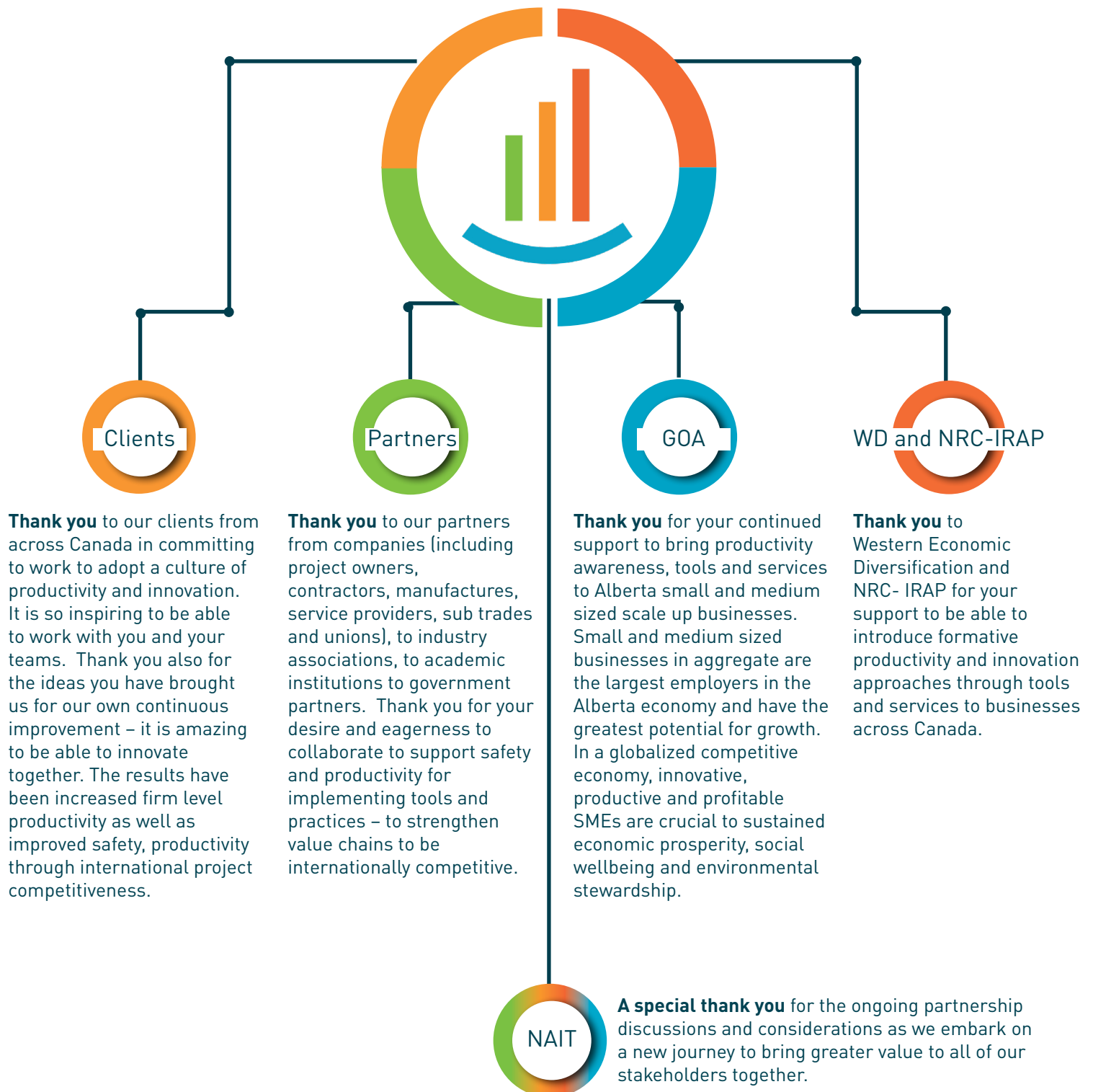
GO FINANCIAL OPERATIONS

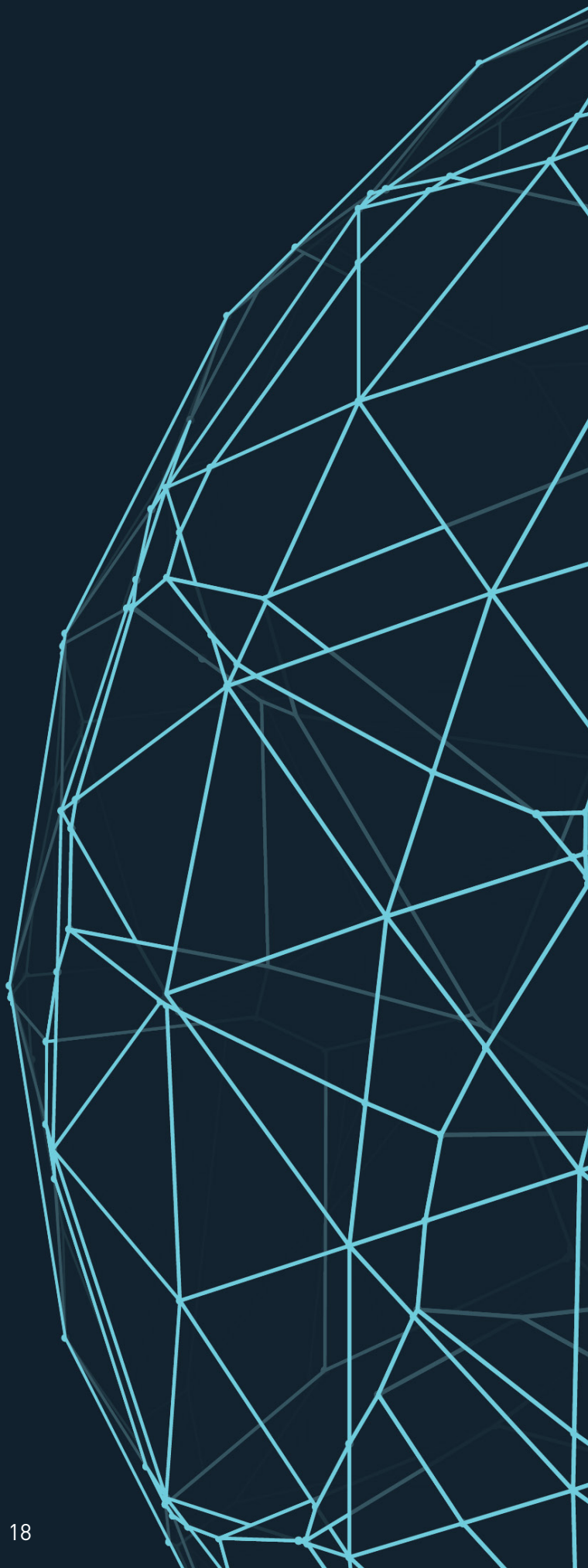
GO Productivity Statement of Operations For the year ended September 30, 2018

	2018	2017
Core funding - Government of Alberta	1,187,500	1,579,200
Other revenue		
Program development and licensing	371,699	97,650
Advisory and coaching services	327,706	241,351
Lean Six Sigma training	254,434	122,019
Workshops and other	35,500	9,000
Project Alignment and Delivery program (Note 10)	35,000	254,286
Miscellaneous	24,369	26,809
Events	-	475
	1,048,708	751,590
Total revenue	2,236,208	2,330,790
Expenses		
Salaries and benefits (Note 12)	972,531	784,367
Contracts - programs, tools and services	889,988	743,634
Travel	60,398	94,404
Professional fees	56,390	23,886
Computer and website	47,323	80,345
Rent	26,381	207,441
General and administrative expenses	22,739	26,087
Amortization	17,907	48,881
Insurance	12,180	18,088
Marketing communications	8,068	23,593
Staff training	6,871	7,230
Telephone	6,679	11,894
Membership fees	3,800	5,653
Interest and bank charges	1,105	1,398
Events	-	1,206
Total expenses	2,132,360	2,078,107
Excess of revenue over expenses before other items	103,848	252,683
Other items		
Writedown of inventory	-	(36,240)
Loss on disposal of capital assets (Note 4), (Note 12)	(29,124)	(83,060)
	(29,124)	(119,300)
Excess of revenue over expenses	74,724	133,383

GO ACKNOWLEDGEMENTS

GO Productivity has been blessed to partner with many organizations. Building collaborative relationships speaks to our culture and brings greater value to all those we seek to assist in their productivity journey.





THE FUTURE IS WHAT
MATTERS THE MOST,
AND WE'RE EXCITED
ABOUT WHAT COMES
NEXT.

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