

2021 – 2023 Business Planning

Prepared for Directors' Quarterly Meeting

February 21st, 2020

2021- 2023 Business Planning Context

2020 – 2022 Business Plan was revised:

- 2020 funding flat for the 4th year
- 1% increase for each of 2021, 2022

Revisions to maintain flat funding included:

- Reduced Professional & Consulting spend to 2017 – 2019 historical levels
- Increased hiring lags to better reflect actual trends
- Requirement for incremental initiatives reduced by \$1.6 million by stretching existing resources to deliver initiatives
- \$2 million of incremental initiatives to be funded on a priority basis as savings materialize

Positioning for 2021-2023

- Any materialized savings will be used to fund prioritized initiatives
- Some work will likely be deferred to 2021
- Continued headcount increases in 2020 to fill vacancies and staff MRP

2021 Considerations

- 1% increase is insufficient to fund existing commitments (collective agreements and IT contract escalations)
- Any net new requirements will have to displace existing funding/work
- Need to consider ALL spending – baseline and incremental for trade-off purposes
- Headcount/resource planning needs to be included in trade-off considerations
- Criteria for evaluating initiatives (similar to capital portfolio) are needed
- Budgeting by initiatives

2021 Planning – New Elements

- Targets set at the onset of the process
- Budgeting by initiatives
- Prioritization criteria
- Cross functional initiatives prioritization and trade-offs for both OPEX and Capital
- BP working group/committee of Directors
- Inclusion of HR in resource planning meetings
- VP presentations prior to submission of final Business Plan