

With new beginnings come opportunities.



While it is bitter sweet to say good-bye to summer; it is also a good time to look ahead at what is to come in the next year. And for our Chapter, it is a lot. Between another strong program line-up, sponsor-driven events and, of course, the annual conference in our region, it is sure to be a year of growth and relationship building for the Chapter and for each of us individually.

So let's begin with the program. Florian Meyer, and his committee have a few surprises up their sleeves this season with, among other things, the Chapter's first ever beer tasting event in November. Our fourth WFEN event is scheduled for October, thanks to Line Trudeau and her tireless efforts with this initiative. In fact, register early for this one and receive a copy of *Define your brand, Imagine the future - Reinventing YOU* by author Dorie Clark. See the Upcoming Events page for more information about the program line up.

Thank you to Tom Evans and the Sponsorship Committee we are welcoming a new sponsor to the Chapter. As with all of our current sponsors, who continue to bring new and meaningful content to our members, we look forward to building a lasting relationship with Navigo Financial Solutions.

It isn't just the sponsorship that is growing. In the past year, we've had seven new

members join the Chapter. This is a testament to the programming, the sponsorship engagement and, most importantly, the members. This group is about professional growth, ideas sharing and, most importantly, building relationships that feed back into these two areas. *Thanks to all of you and your ongoing participation the chapter, we deliver on these benefits and more.*

In fact, this year, we're looking for even more member engagement. We have the incredible opportunity to host FEI Canada members from across the country in our region with the 2014 Annual Conference in Niagara Falls. Chaired by Bob Rollwagen, the Conference Committee is well underway with planning. And we need you, our members, to get involved with the break-out committees to bring fresh ideas, a different perspective and your valued time to help it all come together.

So, as you can see, we have a big year ahead. And I'm excited at the possibilities.

Coming together is a beginning,
staying together is progress,
and working together is success.
— Henry Ford

Our next dinner meeting is September 19 at the Burlington Golf and Country Club. I hope to see you all there!

~ Elysia Estee,
Chapter President

Niagara 2014, Leadership Beyond Finance

**Get involved!
Join a
conference
committee.**

When I evaluate the ROI of my annual FEI Membership, I see 300%. My fee is fully returned in the saved cost of Breakfast, Lunch, Dinner and Socials I attend. I then see a saving in cost of Quality, Continuing Education programs focused on the CFO and Leadership equal to or more than the annual fee and finally I see a saving in cost to do business and solve problems resulting from the network I have within FEI that is greater than the fee. 300% is being conservative. All of this revolves around being involved with the Governance of the Society and attending the annual conference to maintain the National scope of my Network. Honestly, the return on my investment in FEI has made hundreds of thousands if not millions for the CEO's, Shareholders and clients I have advised over the past 40 years of my business career. This is why I will be in Niagara in June, 2014. This is why I am glad that the conference is in my region again. This is why I hope you will think seriously about participating in and attending at the leading National Conference about CFO's and what is expected of them in the 21st Century. See you there.

~ *Conference Chair, Bob Rollwagen*

Save
the
Date June 4-6, 2014
Leadership Beyond Finance



Financial Executives International
Canada 2014 Annual Conference
Niagara Falls, ON June 4-6, 2014

Please save the date! The 2014 FEI Canada Conference will be held June 4th - 6th, 2014 at the Marriott Gateway on the Falls, located in Niagara Falls, Ontario.

Scan the code for more information!



Join a 2014 Annual Conference Committee

We're still looking for members to get involved in planning for the 2014 Annual Conference in Niagara. With the conference in our region, it is even more important to fully engage in the planning as a Chapter to make it the best conference yet.

Please contact Conference Chair, Bob Rollwagen at bobrollwagen@gmail.com or Chapter President, Elysia Estee at elysia.estee@softchoice.com

Rising to Canada's productivity gap challenge How "overconfident" firms can play a key role



If "overconfident firms" in Canada boosted their investment in productivity-improvements to the median for their size and sector, it could close the Canada-U.S. productivity gap by 29%. And that's something that would benefit every Canadian.

Overconfident firms are companies that believe they're investing more than their peers on improving their business – but they're actually investing less than the median for their size and sector.

Our research suggests that more than one in three Canadian companies (36%) fits this profile.

We believe that if we can change how Canada's overconfident firms see themselves, we can spur them to take action and invest more in improving productivity.

Gathering competitive intelligence

The good news is that these overconfident firms have many of the same qualities that make Canada's more dynamic companies so successful:

- They have a high tolerance for risk.
 - They're big believers in innovation.
- They feel upbeat and optimistic about the Canadian economy.

The only thing missing is a clear understanding of how their investments *really* compare to those made by their peers.

Addressing this could be comparatively easy to achieve, though. Companies will need to gather competitive intelligence much more actively, and leaders will need to benchmark themselves against their industry and their competitors to make smarter business decisions. Much of the necessary information to do this is already out there – companies just need to access it. Government programs and support could help in this area, of course. But the investment needed would be small, compared to current spending on R&D incentives and other support for productivity investment.

Preferring comfort to risks

We've spent a lot of time exploring Canada's productivity problem with executives, entrepreneurs, legislators and ministry staff. We discovered a commonly held belief that many Canadian business leaders come to prefer comfort and security to growth and its inherent risks and challenges. In other words, these leaders become "satisfied" with what they've achieved and settle for modest success.

But is it true? That's what we wanted to find out. Earlier this year we surveyed 884 senior business leaders – decision makers at firms across Canada – to better understand Canada's chronic underinvestment in productivity. We focused our analysis on those companies that were investing less on R&D, machinery, IT and other equipment than the median for their size and sector peer group.

"Satisfied" firms

Contrary to popular belief, there aren't nearly as many satisfied firms as some think. These firms have the following characteristics:

- They are often found in local and niche markets.
- They are investing less than their peers, and they know it.

They also tend to have low tolerance for risk, little interest in innovation, and little competitive pressure to make improvements.

Yet only 14% of Canadian firms with 10 or more employees fit this profile. It was obvious that we couldn't lay all the blame for Canada's productivity gap at their doorsteps.

The Canada-U.S. gap

Canadian companies still lag behind the U.S. and many other countries when it comes to productivity-improving investments.

In many sectors, our investment disparity with the U.S. is actually growing wider. Business R&D spending in 2010 was 1% of the Canadian GDP – less than half of what U.S. companies spend. On a per worker basis, Canadian companies spend 65% as much as U.S. firms on new machinery and equipment, and 53% as much on information and communication technology.

Not surprisingly, this situation has baffled policymakers, industry watchers, economists, academics and others. And since 2010, Deloitte has tried to discover why Canada's productivity gap remains – and why Canadian companies don't make the investments they need to grow and thrive.

[Learn more about Deloitte's 2013 report on the future of productivity.](#)

~ Jesse McWaters

Canadian companies still lag behind the U.S. and many other countries when it comes to productivity-improving investments.

Be Careful How Close You Get: The risks of a non-unionized company becoming too closely connected to a unionized company

LERNERS

LAWYERS

The *Labour Relations Act, 1995* (“LRA”) governs labour relations in Ontario including union certification and termination rights. The Ontario Labour Relations Board (“the Board”) is a tribunal that adjudicates labour relations matters under the LRA. Under section 1(4) of the LRA, the Board has the authority to find two corporations or operations as one entity for purposes of unionization of the entities’ workforce. Through a section 1(4) designation, a non-unionized company can, unintentionally through close connections to another company end up with a unionized workforce. Section 1(4) specifically provides:

Where, in the opinion of the Board, associated or related activities or businesses are carried on, whether or not simultaneously, by or through more than one corporation, individual, firm, syndicate or association or any combination thereof, under common control or direction, the Board may, upon the application of any person, trade union or council of trade unions concerned, treat the corporations, individuals, firms, syndicates or associations or any combination thereof as constituting one employer for the purposes of this Act and grant such relief, by way of declaration or otherwise, as it may deem appropriate.

Put more plainly, if the Board is convinced that:

1. there is more than one corporation, firm, etc., including divisions of the same corporation;
2. associated or related activities or businesses are carried on; and
3. their activities/businesses are under common control or direction;

the Board can find under s.1(4) of the LRA that the union representing an existing workforce and the associated collective agreement applying to that workforce also apply to the other entity. For a business entity that does not want a union, this can be a significant risk. As in other areas of risk, knowledge and prevention can assist to reduce or manage risk.

Often times, the first stage of the test is met.

As for the second stage of the test (ie. associated or related activities or businesses that are carried on), the Board looks at whether the two entities are:

- of the same character;
- serve the same general market;
- employ the same mode and means of production;
- use similar employee skills; and
- carried on for the benefit of related purposes.

For the third stage of the test, in assessing whether there is common control and direction of the two entities, the Board looks for signs of:

- common ownership or financial control;
- common management;
- inter-relationship of operations;
- representation to the public as a single integrated enterprise; and
- centralized control of labour relations.

All the facts are looked at collectively. The Board wants a firm sense of control and direction coming from one source. Some of the following specific features of the operation of business entities may be taken into account by the Board as suggesting a single source of control and direction:

- common premises
- common equipment
- common sales staff
- interchange of employees
- common facilities
- common telephone
- common supervision
- common solicitors
- common directors and officers
- common labour relations and personnel policies
- similar work performed by employees of the different entities
- common and inter-related sales techniques
- functional integration and inter-dependence of operations
- common cheques issued to all employees

*...knowledge
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Be Careful How Close You Get...

cont'd **LERNERS**
LAWYERS

- common office
- common bookkeeping and accounting facilities
- presence of signs indicating associated existence

It is never possible to guarantee that a section 1(4) designation would not be made by the

Board to an otherwise non-unionized company but businesses can pay close attention to their operations to try to avoid the above features to reduce the risk of unintentionally having a unionized workforce.

~ Jennifer L. Costin, Leners

Expand your horizons with the U.S. Dollar Registered Plan - And Save on Currency Conversion Costs



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www.doolteam.ca

Global diversification is one of the golden rules of investing - it helps you reduce risk and enhance return potential. In the past, diversifying globally within a Registered Retirement Savings Plan (RRSP) or Registered Retirement Income Fund (RRIF) often meant incurring currency conversion costs. Now with the U.S. Dollar Registered Plan, you can diversify globally with U.S.-based investments, while avoiding U.S./Canadian dollar currency conversion costs and reducing the impact of unfavourable exchange rates.

A first for globally minded Canadians

RBC Dominion Securities is the first full-service investment firm to make U.S. Dollar Registered Plans available to its clients.

With the U.S. Dollar Registered Plan, you can buy, sell and settle U.S. dollar-denominated securities such as stocks and bonds in U.S. dollars. This makes purchasing U.S. securities much more cost-efficient within your RRSP, RRIF, Tax-Free Savings Account (TFSA) or other registered plan.

Previously, you had to pay currency conversion charges twice: once when you converted Canadian dollars to U.S. dollars to purchase U.S. dollar-denominated securities, then once again when you converted U.S. dollars to Canadian dollars to settle a sale.

Dual currency capabilities

You can still convert between U.S. and Canadian dollars within the U.S. Dollar Registered Plan, but now the choice is yours completely, giving you much greater control over any currency conversion costs.

For example, in the past, if you sold an investment denominated in U.S. dollars, the sale would automatically settle in Canadian dollars at the prevailing foreign exchange rate. Now with the U.S. Dollar Registered Plan, you can settle in either U.S. dollars (without currency conversion costs) or Canadian dollars (with currency conversion

costs), depending on your needs.

As before, you can contribute Canadian dollars, then convert to U.S. dollars when you're ready to purchase U.S. securities. In addition, you can now contribute in U.S. dollars and receive a contribution receipt in Canadian dollars for filing your income tax return - without actually converting to Canadian dollars.

Key highlights

- **Putting you first:** It's the first and only dual currency registered plan available to full-service investors in Canada.
- **Choice:** Contribute, buy, hold and settle in U.S. or Canadian dollars.
- **Cost efficient:** When trading U.S. securities, you can choose to settle in U.S. dollars to avoid currency conversion costs.
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This article is supplied by Paul Speziali, Financial Planner & Associate Advisor - The Dool Team, RBC Dominion Securities Inc., Member-Canadian Investor Protection Fund.

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RBC Dominion Securities is the first full-service investment firm to make U.S. Dollar Registered Plans available to its clients.

Childcare Obligations Protected Under “Family Status” - so says Federal Court *But what does this mean for employers?*



Most human rights legislation in Canada prohibits discrimination in employment on the basis of “family status.” However, the scope of this protection and, in particular, whether it covers standard childcare obligations has been unclear due to considerable divergence in the case law. Moreover, the recent trend in family status case law has left some employers fearing that each and every conflict between work and childcare must be accommodated. This is not accurate.

The Federal Court’s decision in *Johnstone v. Canada* represents the latest judicial pronouncement on the issue. While the decision determines that parental childcare obligations fall squarely within the protected ground of ‘family status’, the Court made it clear that not every tension that arises in the context of work-life balance can or should be addressed by human rights jurisprudence, and that *process* is as important as result.

Ms. Johnstone’s complaint

Initially heard by the Canadian Human Rights Tribunal, Ms. Johnstone alleged her employer, the Canadian Border Services Agency (“CBSA”), discriminated against her on the basis of family status by failing to accommodate her parental childcare obligations. Both Ms. Johnstone and her husband worked irregular rotating shifts as CBSA Officers. After the birth of their children, Ms. Johnstone wished to retain her full-time status, but requested she be scheduled on fixed day shifts asserting she would otherwise be unable to arrange suitable childcare.

CBSA refused Ms. Johnstone’s request relying on its unwritten policy that fixed daytime shifts were limited to part-time employees. Ms. Johnstone was offered part-time employment on a fixed-shift basis, but this meant she would no longer be eligible for certain benefits extended only to full-time employees. She rejected the offer and filed a human rights complaint, alleging CBSA had failed to meet its duty to accommodate.

The Tribunal ruled in Ms. Johnstone’s favour, finding CBSA’s refusal to accommodate her scheduling request prevented her from taking advantage of various employment opportunities and amounted to ‘family’ status

discrimination.

The Federal Court clarifies matters

CBSA asked the Federal Court to review the Tribunal’s decision, arguing the protected ground of family status did not include standard childcare obligations, and even if it did, Ms. Johnstone’s childcare issues were the result of choices she and her husband made despite their understanding that CBSA employees served a 24-hour, 7-day-a-week operation requiring irregular rotating shifts. These choices included: (i) the family’s decision to move to a small city a significant distance from the workplace; (ii) the decision that Ms. Johnstone’s husband continue working on rotating shifts; (iii) the preference to have their children only in their own care, or the care of family members; and (iv) the decision not to pay for live-in childcare.

The Federal Court upheld the Tribunal’s decision and in doing so made two key findings, important for employers to appreciate.

First, as a matter of law, the Court held that “not every tension that arises in the context of work-life balance can or should be addressed by human rights jurisprudence”. An employer’s duty to accommodate a request based on childcare obligations will only be triggered where the obligation is “one of substance” and the employee has made an effort at self-accommodation by trying to “reconcile family obligations with work obligations.”

Second, as a matter of fact, the Court found the CBSA’s protocol in responding to Ms. Johnstone’s request for accommodation was solely lacking because it dismissed the request out-of-hand. That is, instead of considering Ms. Johnstone’s circumstances and whether her request could or should be accommodated, the CBSA inflexibly relied on its unwritten policy to deny the request. Having not considered the request on its merits therefore, it was difficult for the CBSA to justify its decision before the Tribunal. It was for this latter reason, the Court found for Ms. Johnstone.

...not every tension that arises in the context of work-life balance can or should be addressed by human rights jurisprudence.

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Childcare Obligations Protected Under “Family Status” - so says Federal Court *But what does this mean for employers?*



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Tips for employers

In light of the Court's decision in *Johnstone*, and as the issue of family status accommodation continues to evolve, employers are well-advised to consider the following tips:

- **Take childcare-based requests seriously.** Because parental childcare obligations fall within the protected ground of 'family status', ignoring or trivializing these requests may lead to a finding your organization has run afoul of human rights legislation.
- **Consider each request for accommodation on its merits.** Applying a workplace rule without regard to the individual circumstances of the employee seeking accommodation will increase the risk of a finding of discrimination. Accordingly, while it is acceptable (indeed advisable) to have and apply a carefully thought-out workplace policy, remember that in doing so each case must be considered on its own merits.
- **Talk to employees about self-accommodation.** An employee has an obligation to make efforts to accommodate him or herself. Therefore, canvass with employees what efforts *they* have made to reconcile work and childcare responsibilities and take notes of these efforts.
- **Involve employees and think creatively.** Family status accommodation can take a multitude of forms and employers should not feel confined to 'traditional' accommodation measures. Involving employees in the brainstorming process may facilitate 'outside the box' thinking and the creation of a solution with which everyone can live. Collaboration may also unveil reasonable options neither party had explored or realized even existed.
- **Don't get too caught up in legalities.** Regardless whether your *legal* duty to accommodate has been triggered, there may be sound business reasons to accommodate childcare-based requests. Supporting employees in their quest to balance work and family obligations, where it's reasonably

feasible to do so, fosters positive employee relations and can stave off costly human rights litigation.

- **Conduct a review of your current workplace policies.** Proactive steps on your part to ensure workplace policies and practices are compliant with human rights legislation may prevent a complaint from ever arising. Policies should be reviewed at regular intervals as well as whenever a shift in the law has occurred.

To learn more and/or for assistance reviewing, preparing and implementing an accommodation policy tailored to your organization, please contact a member of Sherrard Kuzz LLP.

Ashley Brown is a lawyer with Sherrard Kuzz LLP, one of Canada's leading employment and labour law firms, representing management. Ashley can be reached at 416.603.0700 (Main), 416.420.0738 (24 Hour) or by visiting www.sherrardkuzz.com.

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**An employee
has an
obligation to
make efforts to
accommodate
him or herself.**

Uncover Yourself and Develop Your Personal Brand

Personal branding is the only free, do-it-yourself product that empowers you to control what people perceive about you. Understanding personal branding starts with uncovering yourself.

Join the SGH Chapter's *Women's Financial Executive Network* at an exclusive pre-dinner reception on **October 17, 2013** from 5-6 pm with special guest, Naireen Lowe, president of MCI Strategies. We encourage you to bring your daughter, your friend or another woman to share this event and have the opportunity to evolve their personal brand!

Space is limited and separate registration for the pre-dinner reception is required to

secure a spot at this exclusive *Women's Financial Executive Network* event. Remember to register yourself and your guest for the dinner if you want to attend as these are separate events.

Register before **September 30, 2013** and you will receive a free copy of the book "Define your brand, Imagine the future - Reinventing YOU" by author Dorie Clark.

**This offer has been made possible by the generosity of B. Olfati, SVP - Adult Trade Books and S. Manos, Director Finance at Indigo Books and Music.*

Upcoming Chapter Events

SGH Chapter Dinner – September 19, 2013

Modernization of the Finance Function

Speaker: John Wallace, IM&AT Toronto, Senior Manager, Deloitte Burlington Golf and Country Club

SGH Chapter WFEN Event - October 17, 2013

Personal Branding

Speaker: Naireen Lowe, President of MCI Strategies
Oakville Conference Centre

SGH Chapter Dinner - October 17, 2013

Motivational Speaker

Speaker: Scott Kress, Summit Training & Frontier
Oakville Conference Centre

SGH Chapter Dinner - November 14, 2013

Featuring Creemore Springs

SGH Chapter Dinner - December 5, 2013

Economic Update

Speaker: Drummond Brodeur, CI Institutional Asset Management

SGH Chapter Dinner - January 16, 2014

Advantages of Restructuring Legislation - How can it help a company get back on its feet?

Speaker: Dom Magisano, Lerners

And stay tuned for more information on these events:

SGH Chapter Dinner - February 13, 2014

SGH Chapter Dinner - March 20, 2014

To receive notification of these events via email, contact fei.sgh@gmail.com.

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About our Organization

Welcome to the Southern Golden Horseshoe Chapter of Financial Executives International Canada.

Our chapter provides a great forum for peer networking by CFOs and other senior financial executives who want to meet quality people and share with others solutions to the crucial issues that confront them daily. Our FEI dinner meetings, professional development seminars and informal outings focus on the highest quality speakers and entertainment to facilitate the flow of new ideas, perspectives as well as sound career and business decisions.



southern golden
horseshoe chapter

Financial Executives International—Canada's pre-eminent association connecting financial executives through networking, knowledge exchange, advocacy and ethical leadership.

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