

SaskCentral Initiatives

Working toward clear, verifiable objectives is a key part of SaskCentral's planning and evaluation process. Each year, SaskCentral's business plan describes specific quantifiable targets as measured by a variety of evaluation tools. These targets are each listed under one of four strategic focus areas: Strategic, Credit Union, Financial, and People. Where applicable, specific initiatives – other than those that are simply day-to-day operations – are carried out under one of these focus areas. The following lists the initiatives undertaken that meet the strategic objectives within each focus area.



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Strategic

Demonstrate leadership in delivering transformational change nationally to position credit unions for success.

Objective: Address evolving developments to clearing and liquidity structures

SaskCentral participated with other provincial centrals to formulate a Canada-wide group clearing solution, made necessary by federal Bill C-43. Part of this solution required the passing of new provincial legislation which was achieved during the year following close consultation with the Saskatchewan Ministry of Justice. *The Credit Union Central of Saskatchewan Act, 2016* defines the business powers of SaskCentral and names Credit Union Deposit Guarantee Corporation (CUDGC) as the regulator for SaskCentral.

Objective: CCUA integration

Integration of SaskCentral's trade services into the Canadian Credit Union Association (CCUA) ensures our credit unions are able to leverage the collective national voice and expertise, avoid duplication of services, and access a broader scope of products and services while retaining a presence in Saskatchewan.

In 2016 SaskCentral became the first Central in Canada to integrate employees and dues-related services in Member Experience, Government Relations and Governance and Compliance areas into the CCUA. SaskCentral

will continue to work with CCUA around opportunities for further consolidation of services and to finalize operational post-transition details.

Objective: Support strategic investee's alignment to the national mandate

SaskCentral's target for this objective was the development of a payments solution that would align CUPS with the National Payments Strategy. This was largely achieved with board approval for the transfer of Saskatchewan payments assets to a national stand-alone payments company.

Credit Union

Facilitate wholesale product and service expertise to support credit unions nationally.

Objective: Develop a national product and service model for Peer Group 3 credit unions

SaskCentral recognizes its discretionary fee-for-service products and services must evolve in order to remain relevant and sustainable for Saskatchewan credit unions as they continue to evolve.

Provincially, SaskCentral carried out extensive research, on behalf of Saskatchewan Peer Group 3 credit unions, into alternative credit union service organization (CUSO) delivery models. This research was well received and

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assists Saskatchewan credit unions in determining their future.

Nationally, SaskCentral engaged in collaborative discussions with Central 1 to explore opportunities to leverage each organization's discretionary fee-for-service products and services. These discussions identified significant opportunities for collaboration and many complementary products and services. SaskCentral, with the support of Saskatchewan credit unions, agreed to pursue integration of these discretionary functions with Central 1 under an initiative called the CU Solutions Partnership. The goal is to build a sustainable and scalable national product and service offering for small and medium sized credit unions across the country while ensuring local service delivery remains for Saskatchewan credit unions. The project is scheduled for completion in 2017.

Financial

Maintain a position of financial strength to enable the achievement of our strategic objectives.

Objective: Maintain financial strength

Financial strength is achieved through maintaining interest margin and core earnings in a rapidly evolving regulatory environment. SaskCentral continues to efficiently manage the balance sheet.

Core Earnings

Core earnings target was \$3.3-\$4.3 million. Actual for 2016 was \$4.7 million.

Interest Margin

Interest margin target was 0.44%-0.51%. Actual for 2016 was 0.48%.

People

Maintain an engaged workforce with the competencies required to facilitate the achievement of our strategic direction.

Objective: Sustain employee engagement and cultural alignment

SaskCentral undertook a number of proactive human resource activities to support the structural changes required to achieve its long-term national strategic objectives.

A customized change and career management program was initiated and delivery to all management and employees began in the second half of the year. The full delivery will be completed in Q1 of 2017. The program provides foundational change support tools and information, addresses how individuals can best prepare personally for change, and supports SaskCentral through change using career management. Participants indicate a greater confidence to accept and lead change, and have spoken very favorably about the proactive approach.

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In 2016, SaskCentral was again named as one of the Best Workplaces in Canada by the Great Place to Work® Canada Institute, coming in with an overall ranking of #23 for medium-sized businesses. At the same time, the company ranked #15 for Best Workplaces for Women among companies of any size.

The annual Organizational Effectiveness Inventory (OEI) survey measuring employee engagement was completed by 97% of employees and resulted in an overall score of 89.7%, the highest in SaskCentral's history.

Human Resources worked with the executive team to identify key talent necessary to achieve the organization's strategic objectives, a risk assessment of the loss of the talent, identification of alternative options, and retention strategies currently in place for those employees. The exercise resulted in a clear picture of who the key talent are and confidence that appropriate risk mitigation strategies have been developed or are currently in development where necessary.

To reinforce the desired change behaviours a new recognition program was developed in 2016 that provides people leaders with tools to easily recognize employees who go above and beyond and act as change champions.