



Crown Corporation

B U S I N E S S P L A N S

FOR THE FISCAL YEAR 2007–2008

Trade Centre Limited
Business Plan 2007–2008

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Mission

***To create economic impacts
by bringing people together
in Halifax and Nova Scotia.***

Link to the Corporate Path

Trade Centre Limited's corporate priorities are linked to and consistent with the directions and priorities of the province's Corporate Path in a variety of ways, as described below.

Creating Winning Conditions

Globally Competitive Business Climate and Connections

As a leader in the hospitality and events sector and as a member of the international World Trade Centre organization, TCL is accustomed to operating in a globally competitive business climate. This year, TCL intends to target the European market, now more readily achievable with the announcement of Iceland Air's scheduled air connections between Halifax and Europe and discussions are under way with Convention Centres of Canada to pool resources in Europe.

One of TCL's corporate priorities is to work with government and other stakeholders to establish a facility plan to ensure adequate

infrastructure to host major national and international events. We are currently waiting for the final results of a feasibility study to expand the Convention Centre and construct a new multi purpose sports and entertainment facility.

Globally Competitive Connections

World Trade Centre Atlantic Canada (WTCAC) "makes trade happen" by introducing its members to new customers through a powerful network of 275 world trade centres in 83 countries. Over 750,000 companies worldwide belong to the largest not-for-profit organization in the world dedicated to creating trade opportunities—the World Trade Centres Association. Locally, the WTCAC supports its members through trade education, video conferencing services, market research, and networking opportunities. These services help Atlantic Canada's businesses thrive in the emerging global economy.

Seizing New Economic Opportunities

Leader in Information Technology

TCL officially launched Ticket Atlantic in November 2005—a new service that brought to Halifax and Atlantic Canada one of the most sophisticated ticketing systems available in North America. It gives customers immediate online information and ticket purchasing and printing capabilities. This system continues to be upgraded to improve operating efficiencies and expand system capabilities.



The Ticket Atlantic system is physically housed at Trade Centre Limited but is available to any event or venue in Atlantic Canada that seeks broader access to new customers and the reliability of a recognized ticketing operator. It addresses a major operational aspect of event delivery for organizers.

Building for Individuals, Families, and Communities

Healthy, Active Nova Scotians

Events, sports, and recreational activities taking place in TCL's facilities are major contributors to the health and well-being of our citizens. These activities engage Nova Scotians in the social and business aspects of the community and province, thereby contributing to healthy bodies and healthy minds.

With nearly one million individuals attending our events annually, and many more who take advantage of the recreational opportunities offered within our facilities, TCL is very supportive of the province's priority related to healthy, active Nova Scotians.

Accessible Services

TCL events cater to many different audiences at different price points and in a variety of venues, providing opportunities for all Nova Scotians to access events that meet their interests and economic situation. Our events cater to a broad range of interests and the online ticketing system

helps to broaden ticket access to all Nova Scotians.

With respect to our venues, all TCL facilities are wheelchair accessible, and upgrades to physical accessibility are ongoing.

Vibrant Communities

TCL's mission is to create economic impacts by bringing people together in Halifax and Nova Scotia. To that extent, our events bring people together within our facilities and our community. Our entertainment and sporting events, conferences, meetings, conventions, and trade and consumer shows add significantly to the cultural dynamics of the city and province and make an important contribution to the overall quality of life in Nova Scotia.

Working in collaboration with other TCL business units and strategic partners in the community, Events Halifax continues to attract new major events for the province. This success is a testament to the abilities of the core staff to bring the necessary partners together and work with event organizers at every step of the process. The results have been stronger alliances within the community, incremental increases in the hosting capacity of our communities, and economic impacts that translate into further growth of the industry, and of the city and province in general.

Exhibition Park is an integral part of the community with a focus on trade and consumer shows. It continues to grow in its popularity as a venue for social gatherings

such as weddings and private dinners. While the physical plant is aging, our attention to customer service continues to motivate our clients to choose this facility over others in the region. It attracts more than 150,000 attendees at more than 100 events each year. The Maritime Fall Fair, a long-established event in Nova Scotia held at Exhibition Park, continues to attract large numbers of attendees. It brings together both those who are interested in a fun-filled and exciting family entertainment event and those who participate and are interested in a serious competition and agricultural showcase.

The World Trade and Convention Centre consists of approximately 50,000 square feet of convention and exhibition space and is also home to Windows at the World Trade Centre, a full-service restaurant and event venue. The convention centre hosts approximately 600 events annually, which attract about 150,000 people from around the province and around the world. Renovations carried out in 2006 have upgraded the facility to provide a more inviting and comfortable environment for our customers.

Integrated with the World Trade and Convention Centre complex, Halifax Metro Centre, which is owned by Halifax Regional Municipality, plays a valuable part in any type of convention, meeting, or exposition, functioning as an exhibit floor and auditorium for major conference events.

Planning Context

The event and hospitality sector operates in a highly competitive global environment. Competition for conferences, trade and consumer shows, concerts, and sporting and entertainment events is fierce. As competitive venues continue to upgrade their facilities and build new ones, promoters, event planners, and patrons have an ever-increasing choice of venues. Competition in the local and regional market has increased with the opening of the Cunard Centre in Halifax and as other Maritime cities position themselves to compete in the industry. While customer expectations continue to grow, there is little recognition of the business relationship and commitment to the industry. Event cancellations and/or reductions in numbers of attendees are common in the industry and have a direct negative impact on our profitability. The mix of events in any given year has a direct impact on the profitability of our operations.

The economy continues to be strong in Halifax and nationally; however, our secondary market and most lucrative opportunity, the United States, will prove to be a challenge for Halifax, and indeed Canada, in the upcoming years. Canada has seen a substantial decline in tourism, meetings, and conventions in recent years. Many factors contribute to this downturn, including the new passport requirement in 2007, the declining buying power of the



U.S. dollar, a pending recession on the horizon, and the ongoing war against terrorism, which has subdued spending by many U.S. corporations. The announcement of Iceland Air's scheduled air connection to Europe is a very positive message and will provide increased access to European markets.

TCL operates the office tower, the Convention Centre and Windows, Ticket Atlantic, Halifax Metro Centre, and Exhibition Park. The Halifax Metro Centre (HMC) is owned by Halifax Regional Municipality and operated by Trade Centre Limited under a management agreement. Therefore, all operating deficits or surpluses accrue to the municipality, and all capital improvements are funded by the municipality. For purposes of the plan, HMC is referenced occasionally as it relates to the operation of Trade Centre Limited. With the ongoing maintenance and renovations to the Convention Centre and Halifax Metro Centre, a renewed pride has evolved in our properties, helping to rejuvenate employees' enthusiasm for our product. However, the office tower and Exhibition Park lack modernization and pizzazz. Exhibition Park is a remote property with a group of aging buildings. The office tower is not supported by the normal TCL business structure. If government support were to fail and provincial tenants leave for other accommodations the tower would be seriously challenged. In addition, as fuel and utility costs continue to rise, they

increasingly have a negative effect on operating budgets.

Changing labour market conditions, including competitive market forces and a resulting decreasing labour supply, create pressures on our ability to attract and retain qualified professional staff and part-time employees. Large events require large numbers of people to set up and tear down, and serve customers.

TCL is fortunate to have many long-term employees who provide consistent service and are highly appreciated by our customers. A low turnover of staff means that they have intimate knowledge of our product and physical plant. Our employees take pride in what we do, and our customers tell us regularly that they appreciate the high-quality service they receive in all of our venues.

Impending retirements could create a knowledge and experience drain on TCL, and with more than 50 per cent of our employees eligible for retirement by 2016, the organization must put in place an aggressive succession plan. Meeting the specific needs of various generations in the workplace places significant demands on management. Furthermore, constraints on wage increases and market positioning deters TCL from offering competitive compensation packages compared to the private sector, placing further pressures on the organization's ability to continue to deliver high-quality customer service.

TCL has a proud history of generating significant economic activity in the Halifax Regional Municipality (HRM) and the Province of Nova Scotia and will continue to do so in the coming year. We will continue to work with our partners to focus on attracting high-profile sporting and cultural events, conferences, and trade and consumer shows and identify new opportunities by targeting new markets.

The events industry is a high-risk industry, and by setting aggressive targets, there will be a higher risk to the bottom line. Ongoing investment is imperative to allow us to invest in our people, operations, and facilities, which in turn will allow us to take full advantage of growth opportunities. These opportunities will support both achievement of our long-term sustainability and continued contribution to the economic well-being of the province in a very significant way.

With proper investment the future looks bright. As an important contributor to the provincial economy, TCL looks forward to 2007—2008 with much enthusiasm and anticipation.

Strategic Goals and Corporate Priorities

In support of TCL's mandate as an economic engine, our mission is to create economic impact by bringing people

together in Halifax and Nova Scotia. As part of the TCL strategic plan, the organization set out three supporting directives that serve as a guide for annual business planning:

1. Generate increased revenues sufficient to permit increased investment in our people, operations, and facilities, allowing TCL to take full advantage of long-term growth opportunities.
2. Deliver great events through our ability to innovate, assess risk, and mobilize resources and partnerships.
3. In partnership with government and other stakeholders, establish the infrastructure necessary to host major national and international events.

Within these three strategic goals, TCL has established a number of corporate priorities for the 2007–2008 fiscal year. As in the past year, these priorities have been organized into four distinct categories—economic and financial, stakeholders and customers, operations, and people.

Economic and Financial

Fulfil our Mandate as a Community Economic Driver

In 2007–2008, we will target to achieve a direct economic impact of \$90 million from our events. TCL measures direct economic impacts each year, and this target is based on the last 10-year average. The model that has been in use is being redeveloped in the coming year, and we expect it will provide



more precise results than those we have been able to collect in the past.

Our events, conferences, and trade shows draw significant attendance from within the province but also from across the country and around the globe. Many attendees who come from outside the province come early or stay after the event. The economic spinoff from our events is substantial and is felt around the province as these tourists travel outside HRM to take in attractions and events in other communities.

Inherent in our business is a parallel relationship between attracting major events and the financial and operational risks associated with them. These risks are never taken lightly and are carefully considered from all perspectives before a decision is made to pursue an event. In our experience, the resulting economic impact for the province often justifies a well thought-out, calculated risk.

Maximize Revenue and Operational Efficiencies

Our financial goal in the next fiscal year is to maximize revenue potential and operational efficiencies in all our business units.

Our total revenue projections are \$13.3 million. This, however, will generate an operating deficit of \$253.3 thousand for Trade Centre Limited.

All of our revenue-generating units are expected to achieve a positive contribution

in 2007–2008 with the exception of the World Trade and Convention Centre and Exhibition Park, which are forecasting a loss. Accessing new markets and customers will continue to be our priority and will be enhanced through development of a number of key partnerships. Events Halifax is expecting to break even.

At the same time, the Convention Centre remains the largest economic generator of all our facilities. The value proposition of convention centres across the country is that they are typically not considered profit centres but rather their real value is in the positive economic impact generated for their communities and provinces.

Stakeholders and Customers

Contribute to the Vibrancy of our Province

TCL has been part of the global economy since 1984. Our venues attract people from many countries to a variety of events that contribute to the cultural diversity and overall quality of life in Nova Scotia. We market the city and the province around the world. When delegates attend our events, they are exposed to the province, our culture, and our lifestyle; and at the same time, the local population is exposed to many different cultures and peoples from around the world.

In the next fiscal year, we intend to measure the impact and contribution of the many diverse events TCL hosts to the

overall vibrancy of the Province. This is a new measure, and we will determine the most appropriate manner in which to develop and represent the outcomes. At this time, we expect that the measurement may include the following: types of events, countries represented by convention/conference delegates, numbers of delegates, and community participation, including the number of volunteers and percentage of local population attending events.

Our events build local pride and confidence, contribute to the provincial immigration strategy, and strengthen our partner relationships.

Expand Markets through Strategic Partnerships

Our plans for 2007–2008 include an expansion of our markets by engaging in strategic partnerships with both local and regional partners and partners in key markets. Through a combination of joint marketing and promotions and co-operation on a number of key events, we expect to make inroads into new markets, particularly the European market, and attract new customers in existing markets. Success in new markets may not be measurable in the next fiscal year, but by working collaboratively with partners in markets where they may already have a presence, we expect to achieve a quicker return on our marketing investments than if we were to approach those markets on our own.

We believe that by leveraging each other's strengths, the partners can meet not only their own objectives but collaboratively contribute significantly to the overall well-being of the province.

Enhance our Customers' Overall Experience

TCL prides itself in providing outstanding customer service and, through a combination of new service offerings, a broad range of event offerings, and a number of new initiatives, we will provide our customers with an overall enhanced experience in their relationship and interaction with TCL. New service offerings will provide our customers with greater convenience and a greater variety of service options and, at the same time, allow us to expand our customer base. Our events reach a large and diverse audience, and continuing analysis will ensure that we cater to the widest possible customer base.

A new customer recognition program, ongoing infrastructure improvements to all our facilities, and advocacy on behalf of our customers will round out our plans for the next fiscal year to allow us to provide our customers with truly memorable experiences.

Operations

Carry Out Renovations and Upgrades

From an operations perspective, our focus in the coming year will be on continuing to upgrade and improve our facilities. Our



priorities for the next fiscal year will include the ongoing capital projects in the office tower and infrastructure upgrades at the Exhibition Park facility. We expect to complete at least three projects within a \$3.3-million budget in the next fiscal year in the office tower. We will scope out the upgrades required at Exhibition Park to determine options, resources, and funding necessary to bring the facility to a state where it can compete more successfully against similar facilities in the region. Other improvements will include cosmetic upgrades to washrooms and safety upgrades for catering outlets at Exhibition Park, ongoing improvements to the Halifax Metro Centre, some equipment replacements, and improving accessibility in all our facilities.

People

Priorities in the People area are described in some detail in the Human Resources Strategy chapter of this business plan. The primary areas of focus for 2007–2008 will include employee recruitment, employee issues resolution, and succession planning, described below.

Enhance New Employee Recruitment Process

Attracting both hourly and professional employees is becoming more challenging in an increasingly competitive labour market. The peculiarities of the event industry demand that often very short

turnaround times are required from time of posting to hiring. In addition, recruitment for professional staff requires operating in a global marketplace. To ensure that Human Resources is able to provide the necessary support to the TCL management team, additional resources and process efficiencies will be put in place.

Implement Employee Issues Resolution Process

In our ongoing efforts to create a fair and equitable workplace, TCL will implement an employee issues resolution process to allow for appeals and peer involvement. This will support consistent and unbiased decision making in resolving employee issues. With a commitment to budget for program development and training, we expect to implement the program by the end of fiscal year 2007–2008.

Develop a Succession Planning Model and Program

Our goal in the coming year is to develop a succession planning model, policies, processes, and plan in three key areas: career planning, replacement planning, and leadership planning. Career planning will ensure that our employees are provided the opportunity to consider their career opportunities with TCL; replacement planning is intended to develop a process to replace knowledgeable and experienced employees; and leadership planning will address replacement of key leadership positions in the organization.

We expect to develop the program by the third quarter and roll out the career planning portion by the fourth quarter of 2007–2008. Replacement and leadership planning will be rolled out in subsequent years.

Human Resources Strategy

Rapidly changing external influences are exerting increasing pressure on today's work environment—be it qualified labour supply, decreasing unemployment rates, demographics, or a positive growth forecast for the city and province. Within Trade Centre Limited this translates into challenges with recruitment and retention, especially for professional part-time workers; conflicting expectations of a multi-generational workforce; impending retirements; increasing costs; succession gaps/risks within the next 7–10 years; heightened expectations of work-life balance; and higher expectations for salaries, wages, and benefits. As well, the events-hosting industry demands flexibility, shift-work, and just-in-time staffing. This creates challenges in how we can build employee engagement and loyalty with over 90 salaried employees, 75 core hourly employees, and 350 part-time employees from across our seven business units and seven corporate units.

Trade Centre Limited's human resource strategy must address these needs to help the organization maintain a competitive advantage within the events-hosting industry. In the past few years, through education and awareness, we have begun a shift in our culture around the importance of rewards and recognition at the management and supervisory level. In the past fiscal year we focused on training more than 50 managers and supervisors in rewarding and recognizing their employees, launching a diversity program pilot, and expanding feedback through performance appraisals to include part-time core employees. We have completed an annual employee survey to ensure that we can track and measure our employee satisfaction. In 2006–2007 we made progress, but there is still much work ahead.

In the coming year, our human resources efforts will focus on three key areas. We will concentrate increased resources on attracting and retaining employees in a very competitive labour market. Investment in this area will be targeted to provide increased recruitment support to operations. We will review existing recruitment practices and policies and the roles and responsibilities of Human Resources staff in meeting the needs of our internal customers with regard to recruitment, selection, and retention.

To help build employee involvement, Human Resources will develop a process of employee issues resolution to allow for an



appeals process and peer involvement. This will promote a decision-making process that is fair and consistent across the organization.

We will also begin a process of mapping out career paths and replacement planning at all levels within the organization. As well, we will begin management education in succession planning and decision making to ensure that we keep an eye to the future to support our ability to take advantage of growth opportunities.

Budget Context

TCL faces unique challenges from a funding perspective, in that our facilities were created as economic generators for the province and not as profit centres. For a period of time TCL was successful in achieving surpluses; however, they were not sufficient to support all annual capital needs. In the past several years, we have experienced deficits, and our forecasts indicate a continuation of that trend. The majority of this loss results from the operation of our largest economic generator, the Convention Centre.

To remain competitive, TCL must invest in the business for the long term. This means that investments in marketing, human resources, facilities, and enhanced and new service offerings are critical. These investments must be both tactical and strategic in nature. Without these

investments, TCL will quickly lose market share which will negatively impact our contribution to the economic well being of the province. TCL strives to manage its resources responsibly and achieve the maximum return on each of its investments.

TCL operates a number of event driven business units that depend solely on the number of attendees and the level of spending per attendee, which in turn drives the organization's revenues and expenses. The business units generate economic benefits for the Halifax Regional Municipality and the province by bringing people together from within the region and around the world. Attracting attendees from outside Nova Scotia generates additional tourism revenues for the province through pre and post delegate travel expenditures. TCL's level of economic return to the province far exceeds the revenue shortfall and the need for support from the province.

We expect to end the current fiscal year on a high note with a shortfall of \$170.7 thousand for TCL. In 2007–2008, we expect to generate revenues of \$13.4 million, necessitating an investment of \$253.4 thousand from the Province of Nova Scotia.

Operations Budget Summary 2007–2008

For the year ended March 31

	Estimate 2006–07 (\$)	Forecast 2006–07 (\$)	Estimate 2007–08 (\$)
Revenues	10,985,890	12,707,248	13,373,007
Expenses			
Event operations	4,221,616	5,666,529	5,512,475
Salaries and benefits	2,811,645	2,895,235	3,596,095
General operations	3,201,075	3,296,843	3,487,810
Taxes and insurance	1,025,000	1,051,826	1,060,000
	<u>11,259,336</u>	<u>12,910,433</u>	<u>13,656,380</u>
Income (loss) before other items	(273,446)	(203,185)	(283,373)
Other income	20,000	30,000	30,000
Income (loss) before depreciation	(253,446)	(170,685)	(253,373)
Depreciation	1,650,000	1,519,648	1,650,000
Income (loss) for the year	(1,903,446)	(1,690,333)	(1,903,373)

Note: Revenues and expenditures for the Halifax Metro Centre are not reflected in this budget. Halifax Metro Centre is a facility owned by the Halifax Regional Municipality and operated by Trade Centre Limited under a management agreement. All operating deficits or surpluses accrue to the municipality, and all capital improvements are funded by the municipality.

Forecasts for 2006–2007 are as at time of preparation.



Outcomes and Performance Measures

Strategic Goals and Corporate Priorities

Economic and Financial

Outcome (immediate or inter-mediate)	Measure	Data: Base Year 2006-07	Target: Year 2007-08	Strategic Action to Achieve Target
Priority: Fulfill mandate as a community economic driver				
Economic impact from TCL events on HRM and Province of Nova Scotia	Direct economic impact	No base year for this measure. Average direct economic impact over the past 10 years is \$90 million	\$90 million	<ul style="list-style-type: none"> Each of the business units has plans to support this priority Develop economic impact model
Priority: Maximize revenue potential and operational efficiencies from all our business units				
Maintain deficit as a percentage over (estimate) last year's expense budget	Deficit as a percentage of expenses.	Deficit as a percentage of expenses is 2.2%	2.2%	<ul style="list-style-type: none"> Operational unit sales, marketing, operations, and HR plans

Strategic Goals and Corporate Priorities

Stakeholders and Customers

Outcome (immediate or inter-mediate)	Measure	Data: Base Year	Target: Year	Strategic Action to Achieve Target
		2006-07	2007-08	
Priority: Contribute to the vibrancy of our province				
Build local pride and confidence	Measures may include: <ul style="list-style-type: none"> types of events 	No base data	Under development	<ul style="list-style-type: none"> Define criteria Engage partners and stakeholders Examine current data Collect data
Expose Nova Scotia and HRM to the world	<ul style="list-style-type: none"> delegate countries numbers of attendees 			
Strengthen partner relationships	<ul style="list-style-type: none"> community participation (# of volunteers and % of local population attending events) 			
Priority: Expand markets through strategic partnerships				
Expanded customer base	New partnership initiatives	No base data	5 new partnership initiatives throughout the year, which may include joint marketing program, promotion, and/or events	<ul style="list-style-type: none"> Engage partners Identify collaborative opportunities Develop plan to pursue opportunities Increase bookings
Strengthened and/or new partnerships				
Priority: Enhance our customers' overall experience				
Consistency in process across TCL for customer satisfaction measurement	<ul style="list-style-type: none"> Complete customer satisfaction measurement Understanding of customer satisfaction through formal mechanisms on a regular basis 	Not available	Customer surveys for all TCL venues Consolidated results for TCL	<ul style="list-style-type: none"> Develop surveys for remaining venues and consolidate into TCL results New service offerings through WTCAC Expand Ticket Atlantic outlets Analysis of existing customer base



Strategic Goals and Corporate Priorities *Operations*

Outcome (immediate or inter-mediate)	Measure	Data: Base Year	Target: Year	Strategic Action to Achieve Target
Priority: Carry out renovations and upgrades				
Renovations and upgrades to the Convention Centre completed according to plan	Project completion on time and on budget	Completed 12 projects within \$3.7 million budget. Exceeded plan by 1 project within planned budget	Complete 3 projects within budget of \$3.3 million	<ul style="list-style-type: none"> • Obtain Province of Nova Scotia approval • Develop renovation plans, tender, and award contracts
Deliver an infrastructure plan for Exhibition Park with both short- and long-term goals with capital funding	Completion and approval of plan for long/short-term infrastructure improvements	Not available	Seek partner commitment Board approval	<ul style="list-style-type: none"> • Scope and resource the long/short-term plan initiative • Develop the plan • Board presentation

Strategic Goals and Corporate Priorities *People*

Outcome (immediate or inter-mediate)	Measure	Data: Base Year	Target: Year	Strategic Action to Achieve Target
Priority: Enhance new employee recruitment process				
Employee recruitment process meets TCL needs	Create terms of service agreements for key positions Create effectiveness and efficiency measures	No base data	Meet terms of service agreements for key positions Establish and report on 3 key measures	<ul style="list-style-type: none"> • 35% increase in budget • Dedicated HR resources • Review and enhance recruitment process • Develop service agreements • Define key measures and reporting process
Priority: Implement employee issue resolution process				
Employee issue resolution process implemented	Program developed and implemented	No base data	Implementation by March 31, 2008	<ul style="list-style-type: none"> • Management commitment • Research and recommend new process • Commit budget for set up and training
Priority: Develop a succession planning model and program				
Succession planning model and program developed, including <ul style="list-style-type: none"> • career planning • replacement planning • leadership planning 	Succession planning policies, process, and plan developed and approved Career planning under way in all operational units	No base data	Policies, process, and plan developed and approved by Q3 Career planning under way by Q4	<ul style="list-style-type: none"> • Ensure initiative is resourced • Develop and execute the plan for moving forward • Seek board approval