



2019-2020 ANNUAL REPORT

CAFCONNECTION.CA





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CEO

MESSAGE

With our 2017-2020 Corporate Strategy coming to a close, CFMWS continued to work on delivering on the four strategic objectives in 2019-2020.

- CFMWS will design and deliver best-in-class programs and services, as directed by the CAF leadership and required by our community.
- CFMWS will implement a sustainable, risk-managed resource strategy in order to grow and diversify revenue generation, manage costs and best leverage both NPP and public funding frameworks.
- CFMWS will continuously reinforce our capability and credibility as the MW provider of choice to our community.
- CFMWS will acquire, develop, retain and manage our talent effectively.

While delivering on the last year of the 2017-2020 Strategy, CFMWS worked internally and through stakeholder research on developing a longer-term visionary document to guide CFMWS through the next decade.

A new 10-year visioning strategy — Healthy Members, Strong Communities was endorsed by the Non-Public Property (NPP) Board and approved by the Chief of the Defence Staff in March 2020. Our new Corporate Strategy is designed to deliver more value to our members and to have a greater impact at the individual and community level. It introduces a new mission, vision and values and solidifies our united voice and common purpose.

Foundational work across our three new strategic priorities: Improved Member and Employee Experience; Business Maturity and Innovation; and Financial Sustainability, also began in 2019. CFMWS moved from a fragmented business model to one that is synchronized at a strategic level. Several multi-year enterprise-wide initiatives began this year, including risk management,

data management, performance measurement, digital transformation and the shift from a product-centric to an employee and member-centric focus.

Recognizing that our employees are critical to delivering an excellent member experience, CFMWS hosted two important forward-thinking Employee and Member-Centric Experience Workshops for leaders across the organization to collaborate on our shared vision for our members and organization, as well as discuss our member-centric approach and digital transformation.

CFMWS closed out the 2019-2020 fiscal year with the turmoil of the COVID-19 global pandemic that affected our workplace and program/service delivery. Our prudent investment strategy was born out of CFMWS managed investments in the CFCF, the SISIP Financial Insurance reserves, and the Staff of the Non-Public Funds, Canadian Forces (SNPF, CF) pension funds that experienced lesser losses than their market benchmarks.

While the last part of March 2020 saw a significant market upturn, this year's fiscal results show a loss across all investment funds. In response to the requirement to close physical locations, CFMWS spent much of March 2020 developing extensive virtual programming that was launched in April as a means of helping our Defence community maintain their wellbeing.

**A NEW 10-YEAR
VISION STRATEGY
NAMED "HEALTHY
MEMBERS,
STRONG
COMMUNITIES"
WAS ENDORSED.**

COVID-19 impacted local NPP services dramatically and CANEX retail operations on Bases and Wings. At the peak of the lockdown, only 20 CANEX stores were open, reflecting how essential their services are to the military community. Regrettably, it was a poor fiscal year for CANEX due to a declining Gross Profit Margin and the impact of COVID-19 on sales. CFMWS will redouble efforts over the coming year to ensure the success of CANEX.

The health and safety of our employees and members remains my top concern and priority moving forward. I am proud of our achievements and in our ability to meet challenges as they arise and adjust as needed. I have every confidence in CFMWS' ability to remain the provider of choice to the CAF and our CFOne community, today and into the future.



Sean N. Cantelon

Managing Director, Non-Public Property
CEO, Staff of the Non-Public Funds,
Canadian Forces





**BY THE
NUMBERS**

CFMWS' ongoing commitment to serve those who serve is demonstrated in our achievements throughout the year.

Here are just a few notable ones:

- PSP hosted the fifth International Congress on Soldiers Physical performance in Quebec City in February 2020, with over 700 delegates from 28 countries. This was the largest Congress yet, and offered an incredible opportunity to showcase PSP research in the Human Performance, Research and Development field. Local PSP staff in attendance had the benefit of hearing first-hand from international researchers and their experience will no doubt have an impact on their practices and interactions with their colleagues and CAF members.
- The Messes across Canada generated \$22.3 million in revenue and offered a variety of morale and welfare services/activities to over 100,000 memberships (including associates). Eighty-eight Messes have provided over 15,000 activities, events and functions.
- During CANEX's CFOne day on July 31, 2019, local events, exciting promotions and exclusive member-only pricing contributed to more than \$1.5 million dollars in sales. This accounted for the highest level of member engagement with 15,000 completed transactions across all CANEX stores demonstrating that CANEX remains an important service for our members.
- The Military Spousal Employment Network grew to serve over 3,000 military family members and saw 420 spouses engaged in employment support. This service meets the unique lifestyle conditions of family members who relocate frequently and must change jobs and careers repeatedly.
- Support Our Troops, the Canadian Armed Forces' official charitable cause, managed by CFMWS, ensured that:
 - » 1,358 ill and injured members received a Soldier On camp grant or received a grant for equipment.
 - » \$78,350 in scholarships were disbursed to 42 youth.
 - » 972 members and families received loans to prevent financial stress.

**SERVING THOSE WHO
SERVE IS DEMONSTRATED
IN OUR ACHIEVEMENTS
THROUGHOUT THE YEAR.**



**DESIGN AND
DELIVER
BEST-IN-CLASS
PROGRAMS
AND SERVICES**

STRATEGIC OBJECTIVE #1

CFMWS remained dedicated to improving the design and delivery of morale and welfare programs and services in support of emerging member needs. Our efforts this past year were focused on adapting and enhancing existing programs, delivering new products, programs and services and improving partnership opportunities to benefit our members. **In the final month of fiscal 2019-2020, the organization quickly moved to remote services.**

- CFMWS led the CAF Sports Program, coordinating the CAF's presence at the Military World Games. One hundred countries and 6,000 athletes participated in the Military World Games from October 18-27, which fostered esprit de corps, self-discipline and leadership skills among the 168 CAF participating athletes.
- PSP also focused great effort on increased health and fitness of CAF personnel to enhance operational readiness, through the release of the Canadian Armed Forces' BALANCE Physical Performance Strategy, which focused on P4 behaviours (Physical activity, Performance nutrition, Preventing injuries and Proper sleep).
- PSP Community Recreation earned \$11.2 million in revenue by offering 9,896 instructional classes (from arts to aquatics, basketball to bocce, dance to decorating, first-aid to fitness, golf to gardening, painting to Pilates, sports camps to school break programs, and tennis to Tai Chi) on Bases/Wings to 76,599 participants. This reflects a 14 per cent increase in programs from last year. Another 1,468 Defence team members were put on waitlists for programs that were full. On average, this saved military families 15 million dollars annually on the costs of fitness, sports and recreation fees, in comparison to the average costs of municipal, private and other nonprofit service providers.
- Over 250,000 readers in 16 communities relied on Canadian Armed Forces Newspapers to report on operations, morale and welfare programs and the community at large. Collectively, they offer a total circulation of 85,000 copies per edition. Last year, they contributed \$ 2.5 million in revenue.
- Of the 35 special interest activities across Canada (Golf (14), Curling (6), Campgrounds (5), Yacht (7), Saddle (4), Rod & Gun (3), \$14 million in revenue was generated, offering morale and welfare services/activities to over 350,000 participants within the CAF and surrounding communities.
- Military Family Services (MFS) developed and implemented the Healthy Relationships Campaign on behalf of the CAF to help educate families on how to improve intimate partner relationships and prevent family violence.

DESIGN AND DELIVER BEST-IN-CLASS PROGRAMS AND SERVICES

STRATEGIC OBJECTIVE #1

There were 1,200 web visits to the Relationship Continuum chart and 3,000 page views to the campaign webpage on CAFconnection.ca.

- MFS further developed a Crisis Response Protocol for families located in the United States in the event of an emergency or crisis. MFS also implemented online programming to offer a better family experience, as well as better case management with the adoption of the Penelope Case Management software.
- The Family Information Line provided 307 virtual emotional support sessions.
- 2,422 patients from 1,099 military families in communities across

Canada gained access to family physician care through Calian's Military Family Doctor Network, making it a little easier to integrate into their new communities when posting. This represents a 39 per cent increase.

- The Veteran Family Program was accessed by 3,000 family members of medically-released CAF members and were provided more than 800 support interactions this year.
- Support Our Troops provided funding to support the participation of 182 children with special needs in PSP-led summer camp programs. This reflects a 58 per cent increase from last year where 115 children attended. This program helps support families who deal

with uncertainty and changing circumstances as they move from one community to another.

- CANEX introduced more than 100 new military products this past year, which included badges, boots, caps and berets, making it easier for our community to find everything they need in one place. This accounted for \$3.4 million in sales and \$1.3 million in gross profit. Increased sales provides increased returns to each Base/Wing, which directly supports more local activities and events for the military community.
- CANEX Rewards program engaged with over 19,000 members across all CANEX stores, which resulted in \$524,670 redeemed towards purchases. Our members continue to earn points towards their personal purchases with proceeds going back directly to the CAF community.
- CANEX hosted the fourth annual CANEX Championship Gaming Series from October 25-27, where 137 players participated in live-streamed tournaments. Both players and spectators benefited from healthy competition amongst one another, entertainment and the chance to win \$8,000 worth of prizes. Participation rate increased for this event by 8 per cent this year.
- CANEX's first "Gift of Giving" 12-day campaign in December generated \$16,466 from nearly 6,000 members while shopping. This went to Support Our Troops in support of our CAF community's

2,422 PATIENTS FROM 1,099 MILITARY FAMILIES IN COMMUNITIES ACROSS CANADA GAINED ACCESS TO FAMILY PHYSICIAN CARE.

wellbeing and where financial assistance was required most.

- 20 CANEX stores stayed open through COVID-19, with most of those located in smaller communities that had fewer purchasing options. In communities like Shilo, Suffield and Goose Bay, CANEX became one of the main sources of food and essential supplies for military families in those communities. Our CANEX staff were incredibly resilient, providing those communities a safe environment to shop. Being defined as an essential service reflects CANEX's original mission, to ensure that military families have access to necessary services available to other Canadians.
- The Affinity Program was responsible for \$4.86 million in

DESIGN AND DELIVER BEST-IN-CLASS PROGRAMS AND SERVICES

STRATEGIC OBJECTIVE #1

revenue, exceeding combined annual targets of \$4.75 million. Our members continue to reap the benefits of the Affinity Programs (i.e. Canadian Defence Community Banking, The Personal Insurance, and CFAppreciation discounts, rewards and offers) with annual savings of \$65 million. This represents a 20 per cent increase in savings.

- In December 2019, CFMWS signed a ten-year extension of its partnership with BMO Bank of Montreal. With the extension, BMO continues to be the Official Bank and exclusive provider of banking services and financial products to members of the Canadian Defence Community, including free banking, no annual fee credit cards, flexible mortgage terms, as well as the ability to check credit score for free and the OnGuard Identity Theft Protection Service at no cost.
- SISIP Financial saw more than 67,000 client interactions and provided information and awareness about financial security.
- SISIP Financial continued to provide unique life insurance tailored for the military lifestyle insuring 140,422 serving CAF Members, Veterans and their partners. \$59.7 million in claims were paid out to insured members. This was a decrease from the previous year. SISIP Financial insurance programs remain one of the best run and fiscally secure group insurance plans in Canada.
- In January 2020, CFMWS reached out to 1,016 Reservists at 28 units of the 4th Canadian Division for a fun evening of CFMWS Trivia. The event was a resounding success, with 80 per cent saying they had fun playing the game, 81 per cent saying they had learned something new, 81 per cent saying they would play again and 91 per cent preferring this virtual format over in-person briefings. This proved to be a cost-effective and engaging way to reach out to Reservists, and a formula to be repeated given its huge success.



A man with short brown hair, wearing clear safety glasses and a white zip-up hoodie over a dark shirt, is leaning over a workbench. He is wearing blue nitrile gloves and appears to be working on a wooden surface. The background is a blurred workshop or factory setting with various equipment and materials.

IMPLEMENT A SUSTAINABLE, RISK-MANAGED RESOURCE STRATEGY

STRATEGIC OBJECTIVE #2

CFMWS committed to sound stewardship by implementing a sustainable risk-managed resource strategy to grow and diversify, manage costs and best leverage both NPP and public funding frameworks. CFMWS remained vigilant throughout this past year through ongoing evaluation of our capabilities and resource management.

- CFMWS generated revenue from real property investments maintaining less than 5 per cent vacancy rate at Queensway Corporate Campus, which was significantly less than the 8 per cent market average. Revenue generated from real estate is part of Canadian Forces Central Fund's (CFCF) revenue, which in turn forms part of the contribution CFCF makes to CFMWS.
- Corporate Services dedicated its efforts to build more collaboration with Bases and Wings over the last year. This was achieved through CFMWS Corporate Environment Officer representation in the Department of National Defence's ADM (IE) working groups, local Base/Wing Environment Officers and Military Personnel Command (MPC) network. Senior Advisor Real Property also represented CFMWS at ADM (IE) working groups, Real Property Operations (nationally and locally), MPC and Inside Edge Properties. CFMWS' efforts to coordinate and collaborate with Bases/Wings in this way is a necessary component of real property and environmental compliance across all locations.
- CFMWS Information and Technology Strategy 2019-2020 was released in

INFORMATION SERVICES DIVISION ESTABLISHED A BEST-IN-CLASS PROJECT MANAGEMENT FRAMEWORK.

September 2019. The strategy best positioned CFMWS as a digitally enabled, member-centric social enterprise capable of delivering a better member experience.

- IS Division also established a formal Information Management/ Information Technology (IM/IT) project management framework based on industry-leading best practices. This consistent and measurable project management process ensured optimal use of NPP resources.
- PSP generated \$2 million in sponsorship and stewarded hundreds of relationships with Corporate Canada to enable CAF programming that received partial NPP or Public support and/or no support at all.
- An upgrade to PSP's BookKing Operations Management Software and the standardization of Daily Sales Reports was implemented at Base/Wing recreation centres.

IMPLEMENT A SUSTAINABLE, RISK-MANAGED RESOURCE STRATEGY

STRATEGIC OBJECTIVE #2

This initiative improved services for members and reduced administrative functions. Annually, more than \$5.2 million transactions are processed through BookKing.

- MFS secured \$810,000 for a dedicated family service delivery team to enable the delivery of enhanced support to units that face high operational tempo.
- CFMWS published a revised Corporate Risk Profile with an enhanced Risk Management Framework. Successful

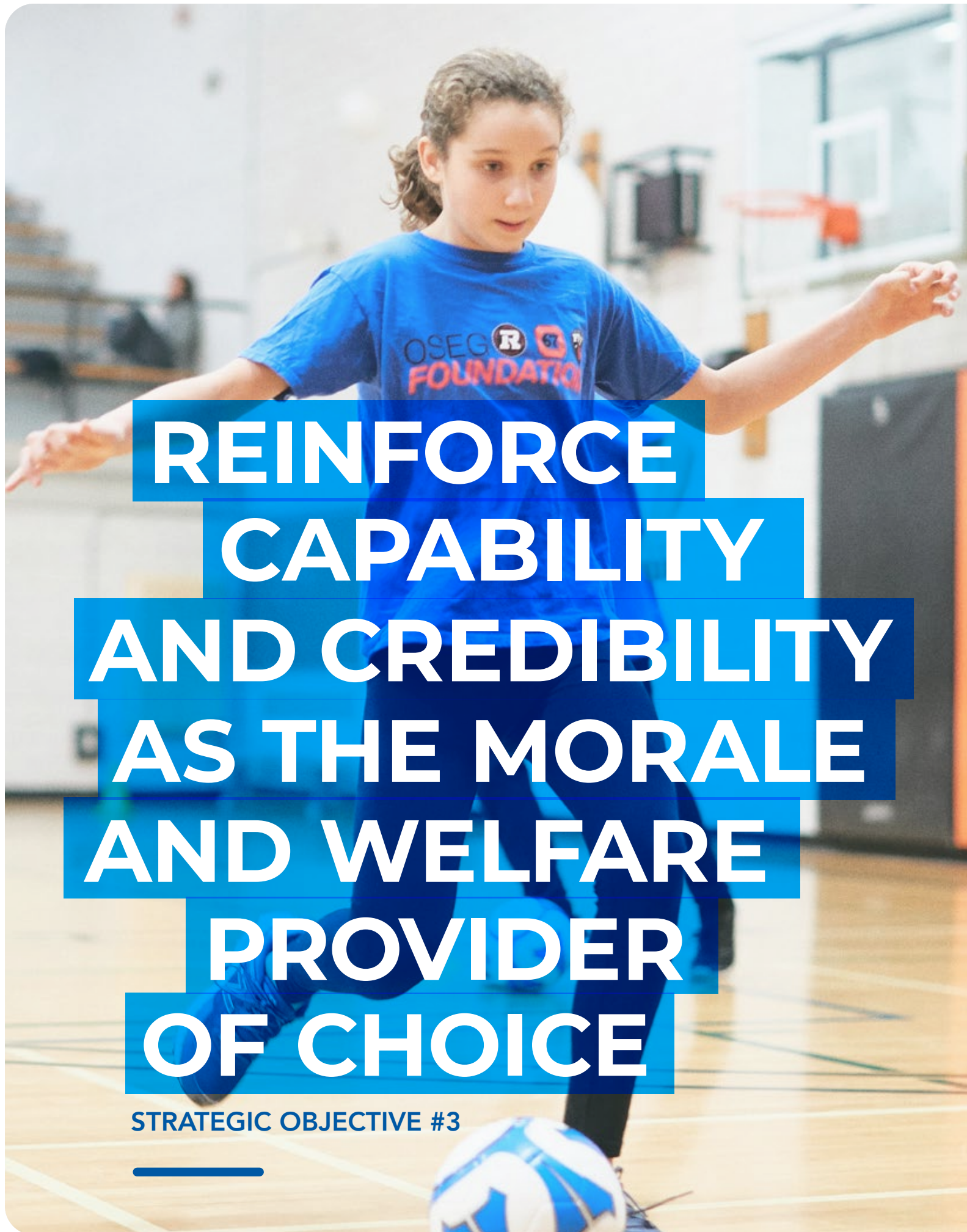
risk management activities included numerous initiatives to address Cybersecurity and Data Protection.

- In response to an increase in CFMWS network attacks, the IS Cybersecurity Team enhanced cyber-reporting metrics and revised controls around email protection, while also introducing multi-factor authentication (MFA). Added security to the NPP Network allows CFMWS to better mitigate

risks posed by network breaches, protect information assets and the valuable data of CFMWS members.

- At the onset of COVID-19 in February 2020, global markets experienced significant volatility resulting in an investment return of -1.9 percent on CFCF's investment portfolio this past fiscal (compared to a benchmark of -3.9 percent and 6.14 percent in fiscal year 2018-2019). The loss was limited by an earlier change in investment strategy from passive to active investment management.
- Given the investment loss suffered by CFCF, any NPP entity with an interest distribution option tied to the CFCF rate of return received no interest for fiscal year 2019-2020; however, **CFCF preserved its capital.** NPP entities choosing other interest options received interest as normal.

MFS SECURED
\$810,000 FOR
A DEDICATED
FAMILY SERVICE
DELIVERY TEAM
TO ENABLE
THE DELIVERY
OF ENHANCED
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FACE HIGH
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**REINFORCE
CAPABILITY
AND CREDIBILITY
AS THE MORALE
AND WELFARE
PROVIDER
OF CHOICE**

STRATEGIC OBJECTIVE #3

CFMWS spent the last year reinforcing its capability as the morale and welfare provider of choice to our community, working towards **promoting an improved understanding of CFMWS as a social enterprise**. This approach helped educate and enable military leadership at all levels in executing their NPP responsibilities.

- Senior Advisor Real Property conducted Base/Wing visits to educate managers in the execution of their NPP responsibilities as it relates to real property compliance. After-action reports assisted local Divisional Managers in the execution of their NPP responsibilities related to real property compliance.
- CFMWS worked diligently this past year to improve the environmental management of NPP programs. Efforts to communicate legislative and reporting requirements as they relate to environmental compliance were presented during Base/Wing visits, quarterly meetings and posted on CFMWS' Environmental Compliance web page.
- CFMWS hosted its annual Base/Wing Commander Forum helping 53 senior leaders in the CAF understand their NPP responsibilities and how CFMWS supports their operational readiness at Bases, Wings and Units and during deployed missions.
- CFMWS continued to address priorities established in the CFMWS Corporate Communications Marketing and Stakeholder Relations Strategy (2018-2021).
- CFMWS hosted its first Employee and Member-Centric Experience

Workshop in Ottawa from September 4-5, 2019. It brought together 113 employees across all divisions and locations to develop a shared vision for our employees and members. To build on the work from the September workshop, a second Employee and Member-Centric Workshop was conducted from February 19-20, 2020, with 124 employees gathered and building on the momentum of the work they began in September 2019.

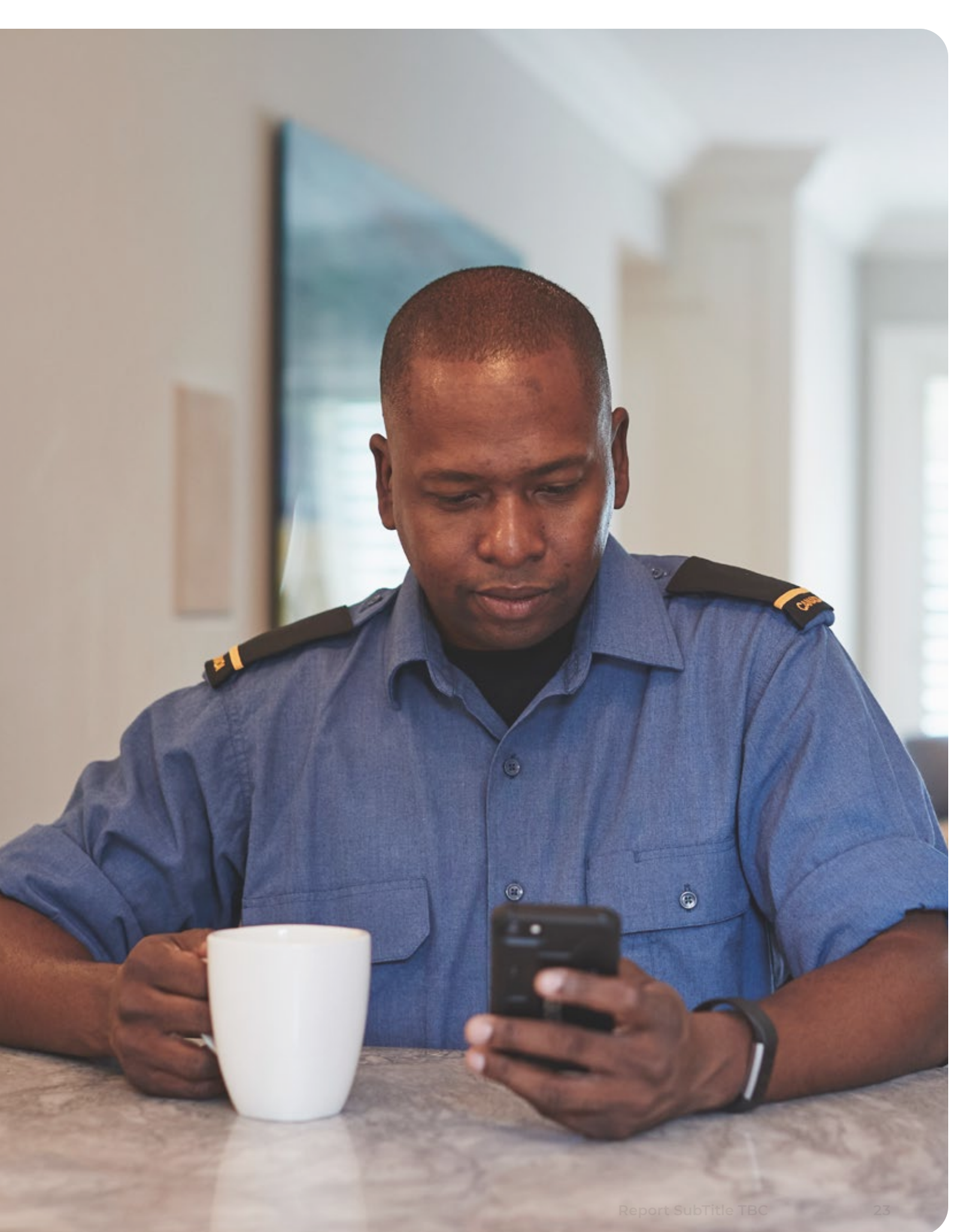
- CMFWS introduced a monthly newsletter to inform our CFOne members of the variety of CFMWS programs and services available without inundating them with multiple messages. Currently, over 250,000 CFOne members subscribe to the newsletter.
- A Member Experience sales training program was introduced to all CANEX retail employees across Canada to ensure service skill development that best supports the military community CFMWS serves.
- SISIP Financial developed and implemented business planning and management practices to improve client services and deepen advisory accountability. These efforts enhanced financial education, marketing of services and service delivery to meet the needs of our members.
- PSP sponsorship also developed a new Service Level Agreement with the RCAF to provide sponsorship support to the RCAF Run, RCAF Ball and RCAF centennial activities over the next five years.

The PSP Sponsorship team now sits on the planning committee of Army, Navy and Air Force signature fundraising events.

- The PSP Amenities Team shipped weekly deliveries of national amenities and seasonal support to CAF members deployed to 50 locations worldwide.
- The Deployment Support team successfully delivered seven CAF Show Tours reaching 2,200 CAF members deployed to missions and operations, including Izmir-Turkey, Camp Adazi-Latvia, Rota-Spain, CFS Alert, Mali-Africa and Ali Al Salam Air Base-Kuwait.
- Part of PSP support for deployed CAF members is to provide a PSP retail operation when required. Since the beginning of Operation REASSURANCE in Latvia, CFMWS has operated a PSP retail store, which provides some food, Tim Horton's coffee, toiletries, souvenirs and other supplies. More importantly, all gross profit remains at this mission and are re-distributed to Sending Nations and Framework Nation members. Last fiscal year, the PSP retail store generated \$2.6 million in sales, which provided over \$715,000 of profit distribution for NATO troops to further enhance their morale and welfare activities.
- To help CAF members with much needed respite during their deployment, Deployment Support Travel Services arranged over \$8 million in airfare to facilitate leave travel from designated mission areas for over

3,400 CAF members deployed to 20 operational missions around the globe.

- MFS stood up a GBA+ Working Group to develop procedures that ensure our policies and services conform to the Government of Canada's standards, considers all members' identities and realities, and protects vulnerable populations.
- The development of CFMWS Virtual Programming became critical in response to and during the COVID-19 pandemic. Bolstering virtual offerings was a way to maintain engagement with our community and enabled our members to continue training and staying fit, as well as access retail, financial and social support. From March 18 and onwards, CFMWS began to deliver virtual content and gradually began offering 12 hours of virtual fitness classes each day and 14 hours of Health Promotion classes per week. A total of 540 hours were available to our community as of April.





**ACQUIRE,
DEVELOP,
RETAIN AND
MANAGE TALENT
EFFECTIVELY**

STRATEGIC OBJECTIVE #4

This year CFMWS continued to focus on **Human Resources planning processes to hire and develop talent to deliver excellence**, maximize employee engagement and to ensure programs and resources are in place to **support the wellbeing** and interests **of our staff**.

- In 2019-2020 CFMWS continued to offer flexible work arrangements, leave options, training and development opportunities, subsidies, allowances, bonuses and fringe benefits to both attract and retain a results-oriented employee base and improve our Employee Value Proposition. Effective April 1, 2019, a market adjustment was applied to pay bands to ensure our wages remain competitive with the external labour market.
- Several improvements were also made to the employee benefits plan over the past year. Including increasing the maximum for mental health benefits to \$1,500 per person; adding psychotherapists and social workers to the list of eligible care providers; and eliminating the \$40 per visit maximum for paramedical.
- An updated shared competency model was launched in November 2019 with behavioral indicators and associated skills and abilities. The updated model supports talent management working towards a performance-driven culture.
- With a focus on workplace wellness, the Human Resources Division expanded the Be Well, Work Well section of our CFMWS website, hosted National Wellness Fairs,

embedded elements of healthy and respectful workplace in our shared competencies and increased promotion of the Employee and Family Assistance Program (EFAP).

- On March 11, 2020, the World Health Organization declared a pandemic with the outbreak of COVID-19 across several countries. CFMWS responded by supporting the CDS and maintained critical services wherever services were needed. This involved using a blend of CFMWS employees on site, with as many as possible teleworking where not required on location.
- In partnership with the Champion network, CFMWS continues to build a diverse and inclusive workforce and workplace with various initiatives such as the Self-ID campaign that took place in October 2019, the creation of a diversity wall with employee messages from coast-to-coast-to-coast and providing overall awareness to reflect the importance of respect and inclusion in our workplace.

CFMWS CONTINUES TO BUILD A DIVERSE AND INCLUSIVE WORKFORCE AND WORKPLACE.

ACQUIRE, DEVELOP, RETAIN AND MANAGE TALENT EFFECTIVELY

STRATEGIC OBJECTIVE #4

- PSP trained a total of 63 new morale and welfare candidates over the course of two training sessions in Kingston, Ontario. From our overall pool of qualified candidates, PSP deployed 17 candidates to support Operation IMPACT in Kuwait and Iraq, 41 candidates to Operation REASSURANCE in Latvia, and three Fitness, Sports and Recreation (FSR) Coordinators onboard HMCS OTTAWA, HMCS REGINA and the replenishment vessel, NRU ASTERIX. In addition, PSP deployed multiple Recreation Coordinators to facilitate six Third Location Decompression (TLD) sessions for Operations IMPACT, PRESENCE, ADDENDA and SOPRANO.
- The IS Division dedicated its efforts this past year to ensuring it had the right skill sets to excel at digital transformation. To this end, 76 per cent of IS employees took part in 145 training events to upgrade or develop a new technical skills and business proficiencies. IS Division also worked towards implementing an integrated learning and development plan designed to build digital dexterity for all CFMWS employees. To support this, the division provided Microsoft Office (MS) courses to all divisions, with 141 business-wide course completions. Of note, 121 of these courses were deemed critical to digital dexterity. This was extremely helpful as much of our workforce moved to working from home in March 2020 with the onset of the COVID-19 pandemic.





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SERVING THOSE WHO SERVE



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