

CADSI Annual General Meeting 2016

President's Remarks

March 31st, 2016 14:00, Westin Hotel, Confederation III Ballroom, Ottawa, Ontario

Check Against Delivery

It's a pleasure to be here to address you at my second Annual general Meeting.

Before beginning, I'd like to take this opportunity to thank my Board of Directors for its strategic guidance and those members that are actively engaged in the Association providing advice through committees, attending events and to the many individuals who have come to meet with me over the course of the year. The strength of an Association comes from the engagement of its members and I am grateful for those who have taken the time to provide valuable feedback over the past year.

I'd also like to thank my Team. It takes extraordinary people to do extraordinary things. Last year, we stood up the Canada Pavilion 6 times internationally and travelled far and wide from Brazil to Abu Dhabi to London and through to the United States with a brief stopover somewhere in between with a trade mission to South Korea. I think it might have been less painful for the staff had we just air-dropped copies of your member capabilities on foreign nations like second-world war propaganda. If you can believe it, someone even found time to have his first child during all of this. In parallel, back home, we put on over 12 CADSI and partnered events from coast to coast across Canada including the largest and most global CANSEC ever. We ran a first-ever, large-scale strategic communications campaign which included print and digital media and an overhaul of our corporate brand identity. I'm really proud of what my Team has built with me.

I spent the last year doing an audit of the Association, its policies, its members, its events and as I've been wandering around, I've been listening to members and even non-members tell us where we can improve. I've heard that:

- o We hold some events that you don't believe bring you enough value and so we'll stop doing that; you'll find the calendar of events much more focussed and streamlined this year and to that end we have specifically decided to cancel Securetech which you have expressed does not bring you the value you expect from us.
- o You have told us that CANSEC is the most important thing we bring to you. As such we're focussed on continuing to improve the experience. This year, we're getting rid of those outdoor meeting trailers and opening up meeting space inside. As always, food and dining space outside of the meal events is lacking, so we're creating a larger and more varied outdoor food court venue. Lastly, to encourage growth in foreign delegations we've created an international delegate VIP lounge with prayer facilities. Your membership dues are going directly into continued improvements in the show and rest assured we'll be reaching out through our newly-created Business Development and Member Services Committee to have you help us make CANSEC and all of our events better.

- o You've told us that both advocacy through strategic communications and business development opportunities are other top priorities. To this end, we will be doing more in the coming year on the strategic communications front much of which involves engagement of the new government. About advocacy, well, we have specifically somewhere between 26 billion and 130 billion reasons to be out there talking about Canadian capabilities, using procurement as a way to lever and a delivery mechanism for the innovation agenda and incentivizing and ensuring that high value in-country Canadian work-share happens on major procurements. We cannot afford to miss this window of opportunity as a nation.
- o We'll also be enhancing business development opportunities by re-working our programming of events to add more time in for B2B/B2G and networking and we're developing tools to help small businesses navigate the procurement system and templates/seminars to help SMEs connect with and create the perfect pitch to larger firms.
- o You've told us that our communications to you are too sales-centric. We are not properly explaining our value, opportunities that are available to you through us, nor are you getting proper updates on where we are going and what we've done on your behalf. You are missing the finer elements of outreach. To this end, we're putting in place a more member-centric focus and better member communications and outreach. You should know what tools, advantages and financial benefits the Association has available for you to help advance your business.

It is our intention to expand the spotlight being placed upon this industry, to pivot the narrative to future growth opportunities that the industry brings the Canadian economy from an innovation and high-technology standpoint, to increase opportunities for showcasing our capabilities and to grow the Association in prominence and influence.

To this end, we've taken a lot of steps in 2015 to position us and I'd like to highlight some of those things below as I reflect on the year past.

- o Last year we executed on our first-ever public facing strategic communications campaign designed to raise awareness with political decision-makers, key stakeholders and interested persons across all parties in addition to connecting better with Canadians. The campaign encompasses delivering key messages about our industry not only through face-to-face contact with key political stakeholders, but in speeches, advertisement, web and social media. For the first time ever, Canadian Industry "greeted" people in the Ottawa airport through use of well-placed ads. And while we're proud of this, we absolutely understand that there is a lot of work to do with the new Government.
- o In 2015, our focus for advocacy was on entrenchment of the Defence Procurement Strategy (DPS). In particular, the goal was to ensure that the constructs and policy frameworks for the Requirements Challenge Function, Leveraging (Value Propositions and Industrial and Technological Benefits) and Industry Benchmarking (i.e., Industry studies) were in place before a potential change of Government. The Requirements Challenge function panel included two industry experts--Mr. Martin Gagne and Mr. Dave Caddey--one a CADSI Board Member and the other a CADSI member. Let me take a moment to briefly acknowledge the loss of Dave Caddey this year.
- o We successfully negotiated changes to the ITB policy in collaboration with Industry Canada and the Integrity Framework with Public Works and have been active on the Supplier Advisory including the Sustainment Initiative and Cost and Profit Policy with Public Works and National Defence. I am pleased to say that our work has survived the federal election process. Now, as we say in the Navy, it is the time to ensure we "hold fast" during the next year.
- o 2015 also saw the inclusion of our sector in the Global Markets Action Plan (GMAP) which has brought with it new opportunities for enhanced communications and partnerships with BDC, EDC, CCC and DFATD/GAC and DGIIP. Trade Commissioners and Defence Attachés have been more active in the last year on our files than in the last 10 years or more. There is no doubt we are still out of the norm when we look at other countries' efforts, but we are taking steps in the right direction. We have and we continue to

raise awareness about the importance of support from home governments in reaching export markets and the importance of the export market to defence and a sustainable industry.

- o The Association delivered an unprecedented number of domestic events for members, non-members and stakeholders from the defence and security sectors last year. CANSEC hit all-time highs. Not only did we "explode" out of the EY Centre, but we also hosted 61 international delegations from a record 52 countries and packed the venue with 254 VIPs, 4,200 Government and DND personnel and 6 Cabinet Ministers. We only paused for a brief moment to hold our first ever News Conference to announce that the show contributes \$15M to the National Capital Region's economy.

- o The International program surpassed our expectations. Our strong presence in Abu-Dhabi put us in the local newspapers, the quality of our products and services in Turkey was showcased on CBC's The National CBC News and at DSEI in London we realized our largest international presence ever, 65 companies came with us, up from 20 in 2013, and we stretched onto newly modernized HMCS Winnipeg which was docked alongside thanks to our Royal Canadian Navy. Members, non-members, like-minded associations and government partners have joined in resulting in an expanded footprint under the banner of the Canada Pavilion. At our larger shows some 200-300 Canadians use the Canada Pavilion as home-base for their international BD activities; that's about a half-million dollars if you were to try and go it alone.

- o Organizationally, the Association is transforming. As Mike spoke about, the Board itself is professionalizing and at the management level we've chosen to staff the Association with high levels of expertise moving away from a more "generalist" model. It behooves me to point out Paul Keogh, our new Vice-President of Operations at this time. Not only is the Association strong financially, it is strong from a competency point of view and I encourage you to take full advantage of that.

I believe that you've heard me speak long enough and I feel like you've consumed a sufficient amount of kool-aid. As you all know I'm always happy to chat in private on a variety of subjects.

I'd like to end today with exciting CANSEC news. First, I'm thrilled to announce that CADSI and CAE have just signed a substantial sponsorship agreement and that over the next three years CAE will be CANSEC's premier Platinum Sponsor. This new partnership will go a long way to ensuring the success of CANSEC in the coming years and shines a light on our members' commitment to this main event in the defence industry calendar.

Finally, I'm proud to present to you today the last piece in the puzzle of our corporate re-branding. Over the past year, our team has been tirelessly working towards a new, modern image and story for CANSEC--symbolic of our reputation for excellence and the global reach of both the show and our members.

The inspiration for our new CANSEC brand is two-fold: the shield, symbol of security, pride and forward vision; and the chevrons, symbol of military and police rank, authority and pride. Finally, if you look closely at the logo, you will see hidden inside the letters C and S from CANSEC. Brought all together this crisp and authoritative new logo is now the official symbol of Canada's global defence and security tradeshow.

And with that, I present to you the CANSEC 2016 website. Registration, Ladies and Gentlemen, is now open!