

**2024-2026 BUSINESS PLAN**

# **Our Journey Forward in Business Transformation**

# Introduction

The world continues to change at a rapid pace. Financial constraints driven by an ongoing slowdown in the construction sector challenge us to rethink how we manage our organization and find opportunity in constraint. We engage our Strategy to evaluate emerging challenges and opportunities and leverage our agile business planning model to test hypotheses, scale the solutions that produce value, and pivot quickly when circumstances change.

In 2024, our Strategy will guide our business transformation in a way that produces real value for our clients, our organization, and the safety system. We will accomplish this by managing our financial sustainability, investing in our people, and improving how we support those who work in the safety system.

2024 will be an important year for Technical Safety BC. We have invested significant resources into our business transformation project and have successfully launched the certification product of the new Information Technology (IT) system. In 2024, we will be using, improving, and maximizing value from certification while we prepare to release the next module (licensing) and begin to plan for the development of the final phase in permissions.

## Our Vision and Values

The 2024-2026 Business Plan is a roadmap for the short-term execution of our Strategy—one that allows us to adapt quickly to change, while maintaining focus on our core work and values. This plan outlines a set of organization-wide priorities where we intend to build value over the next three years. Each of these priorities support us in extending the reach of our business transformation efforts beyond the implementation of a new IT system. We are working towards objectives that will support us in fostering confidence in a safety system and improving the wellbeing of British Columbians. We will prioritize our work towards that vision in the following areas:

- 1. Shared Responsibility Model** – helping safety partners hone better Safety Behaviour through awareness of their roles and responsibilities. This is a foundational component of our Risk-Based Oversight focus.
- 2. Digital Transformation** – rooted in growing our Safety Information Ecosystem focus.
- 3. Certification Value Improvement** – supporting Client Success and the Sustainability of the safety system by making it easier to obtain and renew certifications.
- 4. Financial Sustainability** – a critical component of our overall Sustainability focus, ensuring we can provide uninterrupted and valuable services as a technical regulator to British Columbians, and invest in improvements to the safety system.

# Planning Context and Key Strategic Issues

The development of the 2024-2026 Business Plan was guided by three significant strategic issues.

Firstly, provincial and national economies remain uncertain, with inflationary pressures, increased borrowing costs, and a continued possibility of recession which may impact Technical Safety BC and our clients. This context requires careful management of financial commitments and the sustainability of the safety system. Additionally, we must be prepared to implement our Business Plan in the context of increased resource constraint.

Secondly, 2023 was another year of rapid change within Technical Safety BC and our employees are seeking greater certainty and continuity. Our Strategy and Business Plan continue to serve us well in navigating change and we remain confident in the direction we set at the end of 2022. We believe we will be most effective by building on the priorities established in our previous business plan.

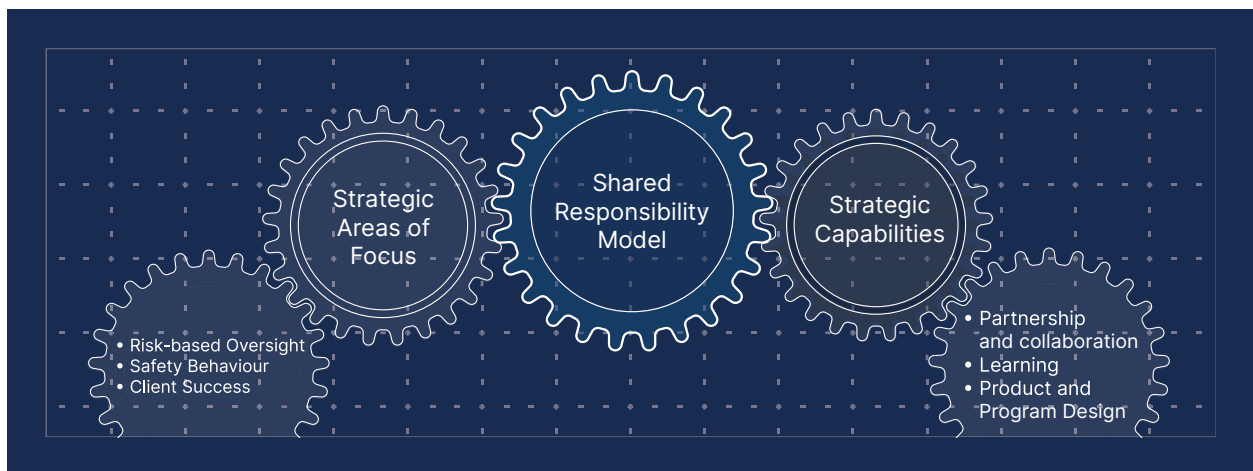
Finally, our investment in the replacement of our core IT system and digital products is at a critical juncture and requires the attention of our entire organization to maximize its value.

# Goals, Objectives, Strategies, and Performance Measures

We formulated four priorities for the 2024-2026 Business Plan. Each of these priorities build on work already completed as part of the 2023 Business Plan and support our business transformation efforts.

## 1. Shared Responsibility Model

Technical Safety BC has a Strategy for oversight of the safety system that envisions all participants playing a role in maximizing the safety of technical equipment and systems. We believe that British Columbia will be safer if those who work directly with technical systems and equipment understand and are responsible for assuring the safety of the work they do and the equipment they work with. We can foster that kind of safety system by focusing more of our resources on influencing the behaviour of regulated individuals and companies (duty holders). By doing this, we empower those duty holders and “scale” our impact on the safety system.



In 2023, we took steps toward improving the foundational tools and systems needed to affect safety at scale. We focused on improving the quality of data that we rely upon to make decisions. This data guides how our resources are allocated and aligned to varying risks associated with technical equipment or work. We will continue to improve data quality in 2024.

Another foundational component needed to effectively scale our impact on safety is the participation of our partners—the duty holders who perform regulated work. In 2024, we will develop a deeper understanding of how each duty holder can and should contribute to the success of the safety system. This clarity will enable us to help duty holders understand that

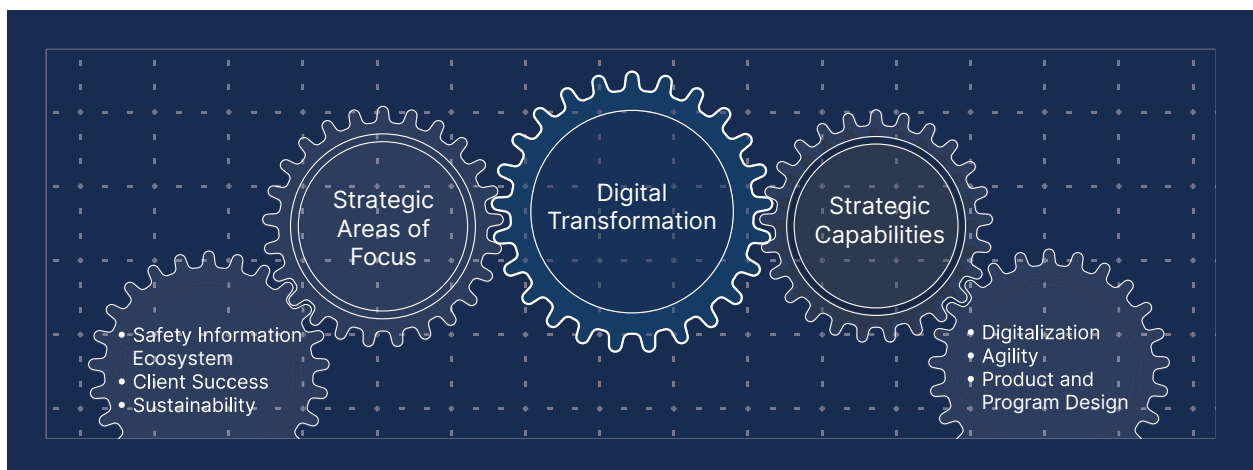
safety is a shared responsibility with areas where the primary responsibility for assuring safety lies with them.

**Three-Year Intended Outcome:** By the end of 2026, most duty holders will understand and take responsibility for their role in keeping British Columbia safe. We will have shifted more of our focus toward assessing duty holder performance, and away from simple quality control. We will be transparent and fair in how we use risk and technology to decide how and where to provide oversight. We will have a safety system risk program which includes leading indicators and allows us to prioritize our risk treatment resources.

**2024 Goal:** We will be able to explain our vision for the safety system to our safety partners, including roles and responsibilities of each participant at each stage of the equipment life cycle. We will identify gaps between our current state and our future goal for the safety system. We will help safety system participants to better understand their role in the safety system and support them so they can effectively meet their obligations.

## 2. Digital Transformation

In 2019, Technical Safety BC set out to transform our business processes by replacing core IT systems, digitalizing business transactions, and improving client and employee experiences. Central to this transformation is the implementation of a modern customer relationship management (CRM) platform, Microsoft Dynamics 365. The first application, focusing on compliance and enforcement activities, was launched in 2021. From 2021-2023, we focused on digitalizing and simplifying certification processes, launching these capabilities in 2023.



Our goal in 2024 is to launch online capabilities for the licensing product.

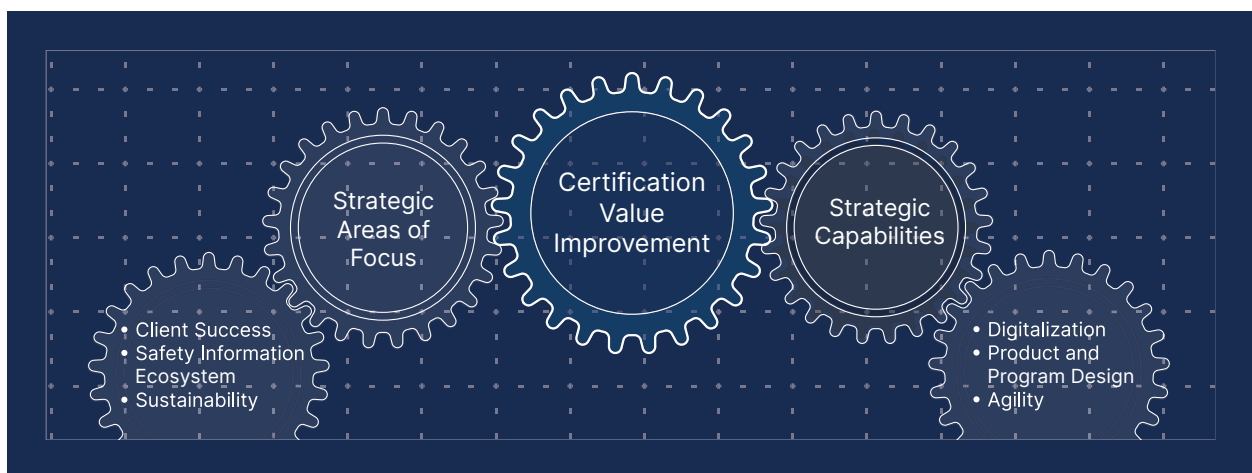
As well, we will prepare for the development of the systems needed to support products and processes related to permissions (including permits) and assessments (including inspections), with the ultimate goal of transitioning all our core products to operational teams for maintenance and continuous improvement. For clients, the completion of this work will make it quicker and easier to transact with Technical Safety BC online in all areas where they interact with us.

**Three-Year Intended Outcome:** By the end of 2026, we will have advanced safety at scale by transitioning our core safety products from legacy systems to Ursa. Maintenance and continuous improvement of those products will have transitioned to operational teams, and we will be evaluating opportunities to improve our business using newly available software functionalities.

**2024 Goal:** By the end of 2024, we will have launched our new licensing product with a simplified client experience, greater ease of use for employees, and the ability to use licensing data to support safety at scale. We will begin to understand what changes are needed for our permission (permit) and assessment products to work better for our employees, our clients, and the safety system.

### 3. Certification Value Improvement

Ursa certification launched in 2023 and we shifted support for the certification product from development to operational teams. Now, we will concentrate on drawing value that was intended from this work. To make it easier for clients to interact with us, and to improve efficiency for our client-facing employees, we will invest in the effective management of our certification product. We will build the processes and tools needed to maintain, continuously improve, and maximize the impact of both the certification software and the certification product.



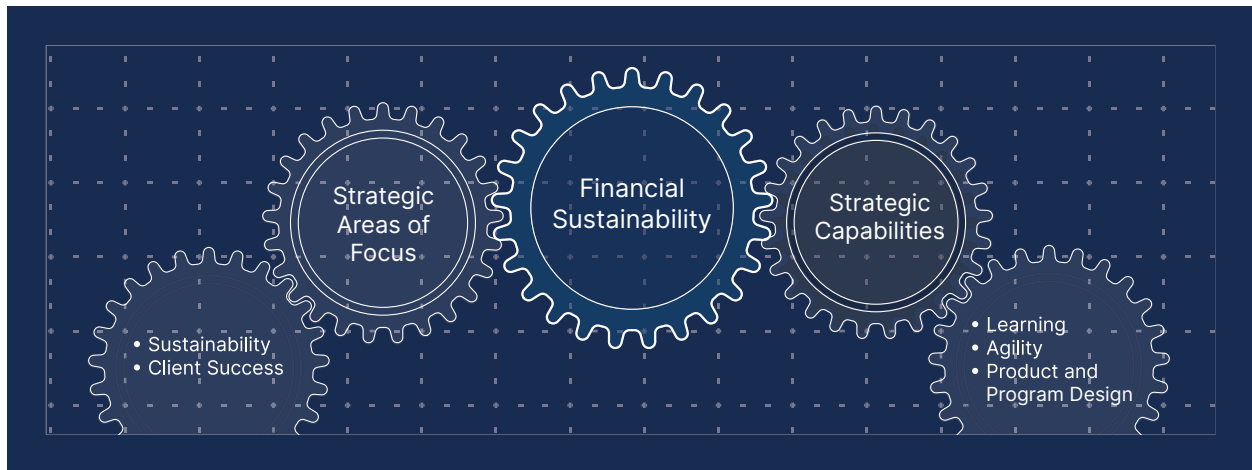
Following the launch of the licensing and permissions products, the capabilities we build through the certification product will be applied to these products. This will support us in maximizing the value of our business transformation project for all participants in the safety system.

**Three-Year Intended Outcome:** By the end of 2026, we will have end-to-end product management strategies for certification, licensing, and permissions, with the processes, tools, and capabilities needed to effectively maintain and continuously improve each of these products over time. Our clients will interact with us more easily, demonstrating improved safety behaviour as a result. By automating more tasks, we will have improved our efficiency and capacity to deliver safety at scale.

**2024 Goal:** In 2024, we will build the processes, tools, and capabilities needed to obtain value from Ursa certification. By developing effective end-to-end management of the certification product, we will make it easier for our clients to meet their obligations and increase efficiencies for client-facing employees so they can better support clients.

## 4. Financial Sustainability

Over the past several years, rapidly changing economic and financial circumstances have challenged us to adapt our approach to business operations, including budget and resource trade-off decisions. Last year, we sought to meet our budget, while focusing on increasing the value of our products for clients, safety partners, and our organization.



Over the next three years, we will enhance short and long-term financial sustainability by focusing on our business transformation and finding new opportunities to scale our impact on the safety system. We will increase understanding of cost and value, so that our financial choices will increase value for clients and safety partners. In 2024, we will continue to manage financial resources to meet the budget and improve our financial data and insights so we can make prudent resourcing and future fee setting decisions.

**Three-Year Intended Outcome:** By the end of 2026, we will be using the capabilities of the new IT system to start building our financial reserves after a significant investment in business transformation and digitalization initiatives. We will have implemented a new fee schedule which aligns fees with client value and will be routinely using what we know about the cost of our resources to make efficient resource allocation decisions which support safety at scale.

**2024 Goal:** In 2024, we will continue to manage our financial resources to meet budget. We will better understand the cost of our resources and where they are used and will be able to leverage that information to support resource allocation and fee setting decisions.

## Investing in our Foundation – Our Employees

To achieve the priorities of the 2024-2026 Business Plan, we will require effective engagement from our employees. Employees must be committed to the Strategy and understand how it connects to the work they do every day. Leaders need the tools and capabilities to support that understanding, and to lead their teams in advancing Strategic Capabilities. While investing in our employees is always a priority, the changes in the world around us along with the introduction of URSA require us to pay particular attention to what our employees need to be successful in the years to come. We will do this by:

- Supporting the growth of leadership capabilities by identifying our future needs. We will provide leaders with tools to effectively lead both their teams and the advancement of our Strategy.
- Helping employees connect their daily work with priorities identified in the 2024-2026 Business Plan and the goals in our Strategy. Each organizational team will identify how their own work supports one or more priority areas. Team and individual goals will be set to support the advancement of our Strategy.

## Financial Outlook

The 2024 budget aims to increase financial sustainability while investing in transformational priorities to support and deliver the Business Plan and the Strategy. Revenues are based on recent forecasts of market conditions and the results of planned initiatives. The expenses budget was prepared using a structured, top-down approach, where available resources were allocated using our Strategy and the 2024-2026 Business Plan to advance toward our aspiration of building confidence in a safety system that improves the wellbeing of British Columbians.

We are budgeting a \$1,500,000 surplus of revenue over expenses to increase our financial reserves allowing continued investment in our multi-year business transformation projects.

All statements about the future in this report involve risks and uncertainties. Actual financial or operating results may differ.



(\$000's)	BUDGET 2024	FORECAST 2025	FORECAST 2026
<b>Services and Related Fees Revenue</b>	84,380	89,500	93,100
<b>Other and Investment Income</b>	2,710	2,960	3,070
<b>Total Revenue</b>	<b>87,090</b>	<b>92,460</b>	<b>96,170</b>
<b>Expenses</b>			
Salaries and Benefits	61,094	63,900	65,800
Information Systems	5,298	5,500	5,700
Amortization	5,088	5,500	5,600
Building Occupancy	4,048	4,200	4,400
Contract Services	2,344	2,400	2,500
Office and Business	1,897	1,800	1,900
Audit, Legal and Insurance	1,193	1,240	1,290
Travel	1,021	1,050	1,080
Other Operational Expenses	3,607	4,870	5,900
<b>Total Expenses</b>	<b>85,590</b>	<b>90,460</b>	<b>94,170</b>
<b>Excess of Revenue Over Expenses</b>	<b>1,500</b>	<b>2,000</b>	<b>2,000</b>

