

ANNUAL BUSINESS REPORT

2019



2020



MESSAGE FROM THE CHAIR

As I write my message to you, the world is still struggling through difficult times: The coronavirus pandemic, the anxiety it created, the loss that some have experienced, the devastating economic and financial impact on families and businesses, racial inequality and injustice, to name a few of the things that our world is facing today. However, as challenging as the past six months have been, we have learned so much about ourselves and about our resilience and ability to evolve as we navigate through these uncertain waters.

Despite all our recent challenges, 2020 is proving to be a year of growth, although a different type of growth I would say. We all have had to adapt quickly to the ever-changing world. It was intriguing to see how many business families stepped up during this crisis. Some remained open during the lockdown in order to provide essential services and products to the community, some have changed their operations to meet the needs of our healthcare system, some endured the tough times and reopened strong, but there are also those who unfortunately were forced to close down. This pandemic has proven and will continue to prove the importance of resilient, thriving business families to our economy and to the world.

“We have learned so much about ourselves and about our resilience and ability to evolve as we navigate through these uncertain waters.”



At Family Enterprise Xchange (FEX), we have grown too. We have adapted in many ways to continue building a dynamic peer community for business families and to support them through access to global best knowledge and resources, as well as exceptional learning experiences. The pandemic also proves the value of accredited Family Enterprise Advisors (FEAs) in supporting business families in times of trouble. FEX is here to continue growing a thriving peer community of FEAs who are focused on evolving and advancing the standards of excellence for how professional advisors work with and serve family enterprises.

On behalf of the Board of Directors, I extend my thanks to our community members, for stepping up, for enduring, and for supporting each other. I am also thankful for our Founding, Legacy and Charter members, for their continuing financial support. Finally, I cannot express enough how much I am grateful for the FEX Team, their hard work over the past six months, and their ability to adapt quickly and continue to support the FEX community.

Sincerely,

James A Burton

Chair

FEX Board of Directors

MESSAGE FROM THE CEO

As I reflect back on the last six months, the period when we were isolated from others yet connected with the entire globe at the click of a button and then, more recently, adapting to the slow reopening of businesses and the economy, I realize how this new environment has caused us to think outside of the box and accelerate certain shifts and changes that are aligned with our strategy. A quote often attributed to Winston Churchill in one of his post-war addresses, “Never let a good crisis go to waste,” has guided many during this pandemic, including the FEX Team.

Despite the challenges brought on by COVID-19, the FEX Team remained deeply committed to connecting members with each other, to engaging the community in different ways and to providing access to resources and programs online. We saw resilience among many of our members in face of the challenges and noticed interest in our online presence. We are excited about our “virtual” community and will continue to work on



“This new environment has caused us to think outside of the box and accelerate certain shifts and changes that are aligned with our strategy.”

building our communities, growing our resource library, enhancing our education programs, spreading the word about the FEA designation and facilitating knowledge exchange within the business family and Family Enterprise Advisors’ realm.

Now more than ever, business families and FEAs need the support of a community of like-minded peers, connecting and sharing their knowledge and experiences with each other. FEX is committed to empowering our communities now and in the future, helping them thrive across generations.

Yours sincerely,

Bill Brushett
President & CEO
Family Enterprise Xchange

RESPONDING TO THE PANDEMIC

For many, if not all our FEX community, the COVID-19 pandemic has been the most disruptive health, social and economic event of our lifetime. It interrupted our lives, families and businesses almost overnight, and caused us to adapt and change quickly to survive.

During late 2019 and early 2020, FEX was experiencing strong momentum on many fronts; however, by early March, COVID-19 had disrupted everything!

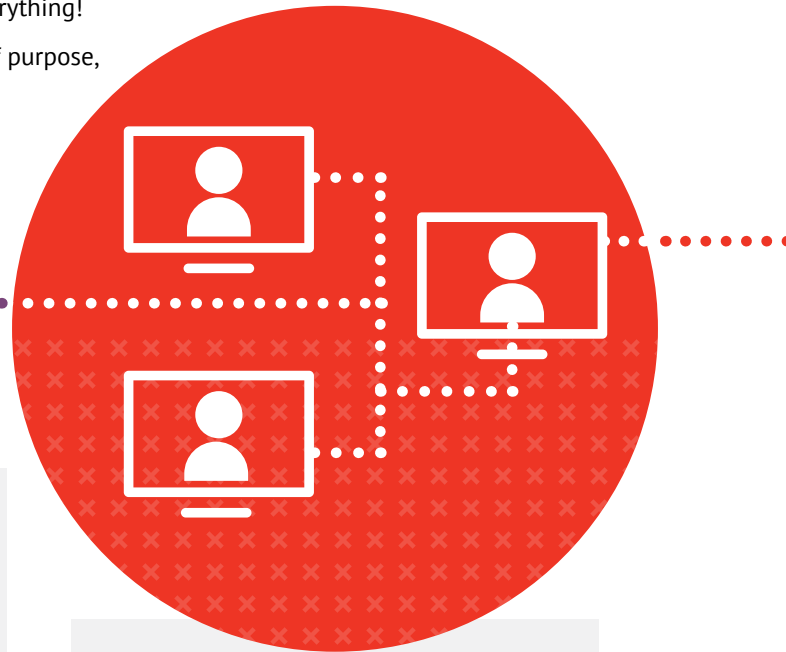
Our team responded to the challenge with a strong sense of purpose, pivoting and adapting to the new reality.



Connecting the Peer Communities of Business Families and FEAs Online

Moving quickly to online platforms ensured our community stayed connected:

- In-person events for families transitioned into **virtual meet-ups**, which strengthened community engagement and birthed several specific-interest groups within our family communities.
- Many **Personal Advisory Groups (P.A.Gs)** continued to meet online while adjusting meeting duration and frequency to suit group members. P.A.G-specific education resources and workshops moved online.
- **FEX's Community Ambassador** program launch maintained momentum by moving orientation sessions and meetings online.
- **FEA Community Calls** were initiated to empower FEAs and help them connect with peers and learn from each others' experiences.
- **FBN family gatherings** were transitioned online featuring unique speakers and intimate conversations.



FEA Program Goes Virtual

- Current in-class FEA Program cohorts transitioned successfully onto a virtual learning platform – in a matter of weeks – while maintaining exceptional quality and enhancing the FEA candidate experience.
- Exciting addition of a full virtual offering of the FEA Program scheduled for October, with strong interest and enrollment from near and far.



Pandemic-Related Knowledge and Resources



A dedicated COVID-19 resource page was created with curated resources from partners and members.



The new FEX website, resource centre and FEA directory launched in June providing FEX members access to more than 1,400 exclusive resources.



Webinars were offered monthly, many of which touched on pandemic-related challenges.



Regularly hosted virtual meet-ups that allowed peers to connect and learn.



We posted over 40 stories on social media highlighting the resilience of business families and how they pivoted during the pandemic.



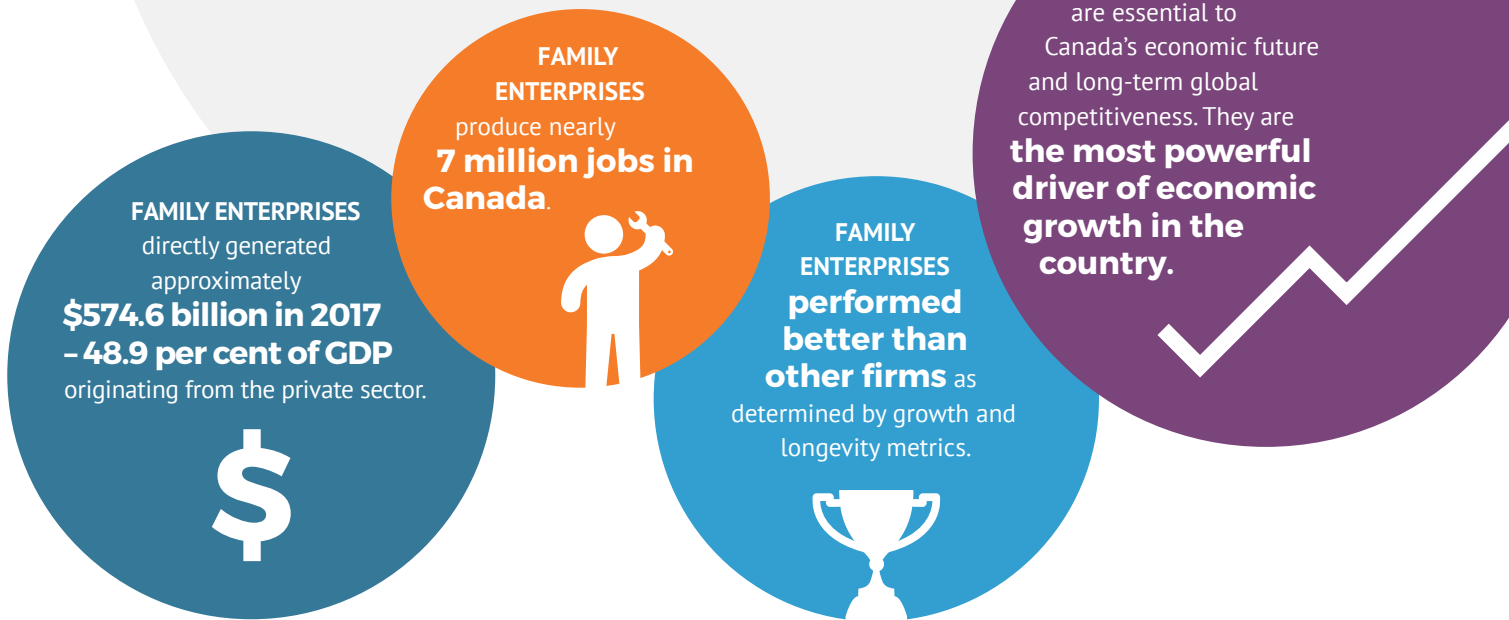
FEX joined the Canadian Business Resilience Network (CBRN), which brings together over 450 chambers of commerce and boards of trade, and over 100 of Canada's leading business and industry associations to focus on providing tools to mitigate the impact of the pandemic.

HIGHLIGHTS AND REFLECTIONS ON THE PAST YEAR

Research and Voice – Family Enterprise Matters

We believe passionately that Canada's economic future can be made stronger by empowering and inspiring family enterprises to greater heights so they can have an even more substantial impact on Canada, enriching our culture, reflecting our values and boosting our economy. Conducting research on family enterprise, and sharing that with our members, the public and Canadian policymakers, are key aspects in fulfilling our mandate to give family enterprise a strong unified voice.

In September 2019, through the Family Enterprise Foundation, we released the results of our research conducted with the Conference Board of Canada which confirmed that family-owned businesses have a significant impact on Canada's economy.



The release of *Family Enterprise Matters* was very successful in elevating the voice of family enterprise in the media.

We remain committed to raising the profile and voice of family owned businesses in the future.



HIGHLIGHTS AND REFLECTIONS (CONTINUED)

Launch of the Ambassador Program

The real essence of every community is the active participation and engagement of its members. FEX Ambassadors are a dedicated and passionate group of members providing active leadership for our communities across Canada. You can find our Ambassadors on page 12.

By building a strong team of FEX Ambassadors, we can work together to grow, inspire and connect the family business community across Canada – empowering dynamic peer communities for families and FEAs.



FEA Program: Stronger Than Ever

- **Strong enrollment** – Through 2019 and into 2020, interest in the FEA designation grew rapidly and momentum in enrollment was strong. By October 2019, the January 2020 cohort was full and had a waiting list.
- **FEA program modules pivoted to a virtual classroom environment** while maintaining rigour and quality of content and candidate experience.

“I want to mention how much I enjoyed the sessions last week. They were packed with incredible information and the presenters were fantastic.”

Peter MacIntosh
Grant Thornton LLP, British Columbia

- **Complete FEA program now being offered virtually**, capturing the energy and interaction of the classroom during live instructional sessions. Enrollment has been strong, and the October 2020 cohort is **almost full!**

“I want to say that I was impressed with the technology today. I do video conferences all the time with my clients, but the way you managed the technology was great.”

Janie Provencher Blais
RBC Wealth Management, Quebec

HIGHLIGHTS AND REFLECTIONS (CONTINUED)

FBN Canada

provides national and global opportunities for multigenerational learning families to thrive and share experiences and ideas with people worldwide who truly understand their reality.



FBN Canada Community Grows

- Since becoming the official Canadian chapter of Family Business Network (FBN), we have seen tremendous interest and engagement in the FBN Canada community.

FBN is the world's leading organization for business families, with over 16,000 active family business members spread across over 65 countries.

[FEXCanada.ca](https://www.fexcanada.ca)

- **New digital platform**—including a new website, member portal and community feed—has gone live! With a fresh look and feel, it is easy to use, full of valuable resources and provides an engaging user experience for our whole community.
- **Features:**
 - An accessible, searchable **Resource Centre** full of family business-focused articles, videos, research and more...
 - **FEA Directory**, making it easier than ever for business families to find certified Family Enterprise Advisors.
 - The unique opportunity to connect with other members through the **FEX Community Feed!**

Bringing together BFF's content-rich platform with our dynamic peer communities will unlock significant value and create synergies that will help our FEA, FEX family and FBN Canada communities thrive.

One Face, One Voice

- The merger between our FEX Foundation and Business Families Foundation (BFF) to create the **Family Enterprise Foundation** is a significant milestone in our journey, positioning us as one face and one strong voice, united in our higher purpose to ensure the success and continuity of family enterprise.



GOVERNANCE UPDATE

New FEX Directors



As promised at the 2019 AGM, the Board has moved forward on its commitment to open up the governance process. On June 1, the Governance & Nominating Committee issued a Call for Nominations for two new Directors to serve on the FEX Board for a three-year term. The Committee was absolutely delighted to see a strong level of interest from the community with a total of 19 nominations received. As a result of the high quality of candidates coming forward, the Committee has decided to recommend an increase in the number of new Director candidates for the Board to six. At this time, the Committee is in the process of finalizing its recommendation on the slate of candidates for election for Board approval and inclusion in the official AGM Notice to be sent to members in August.

New Board Committees

The Board considered changes to its current committee structure in an effort to enhance governance processes and participation from the community. As a result, the Board has approved adding new standing committees to represent our key member communities: FEX families, FEA designates and FBN Canada families. These new committees will be Chaired by a Board Director and include a mix of Directors and non-Board members from the respective communities at large.



New Bylaws



As part of its mandate, the Governance Committee recently undertook a review of the organization's bylaws in consultation with outside legal counsel. As a result, we have identified several revisions or additions to the bylaws that will be put forward to the membership at the AGM. Details on the recommended revisions and the proposed member resolution will be included with the AGM Notice.



A Special Thank You!

All members of the Board would like to express their sincerest appreciation to **Dave Chucko**, who served as FEX Board Director and Chair – Audit & Finance Committee (2016–2020), to **Murray Flanagan**, who served as FEX Board Director (2018–2019), and to **Breanne Ramsay** who served as Board Director (2018–2020).

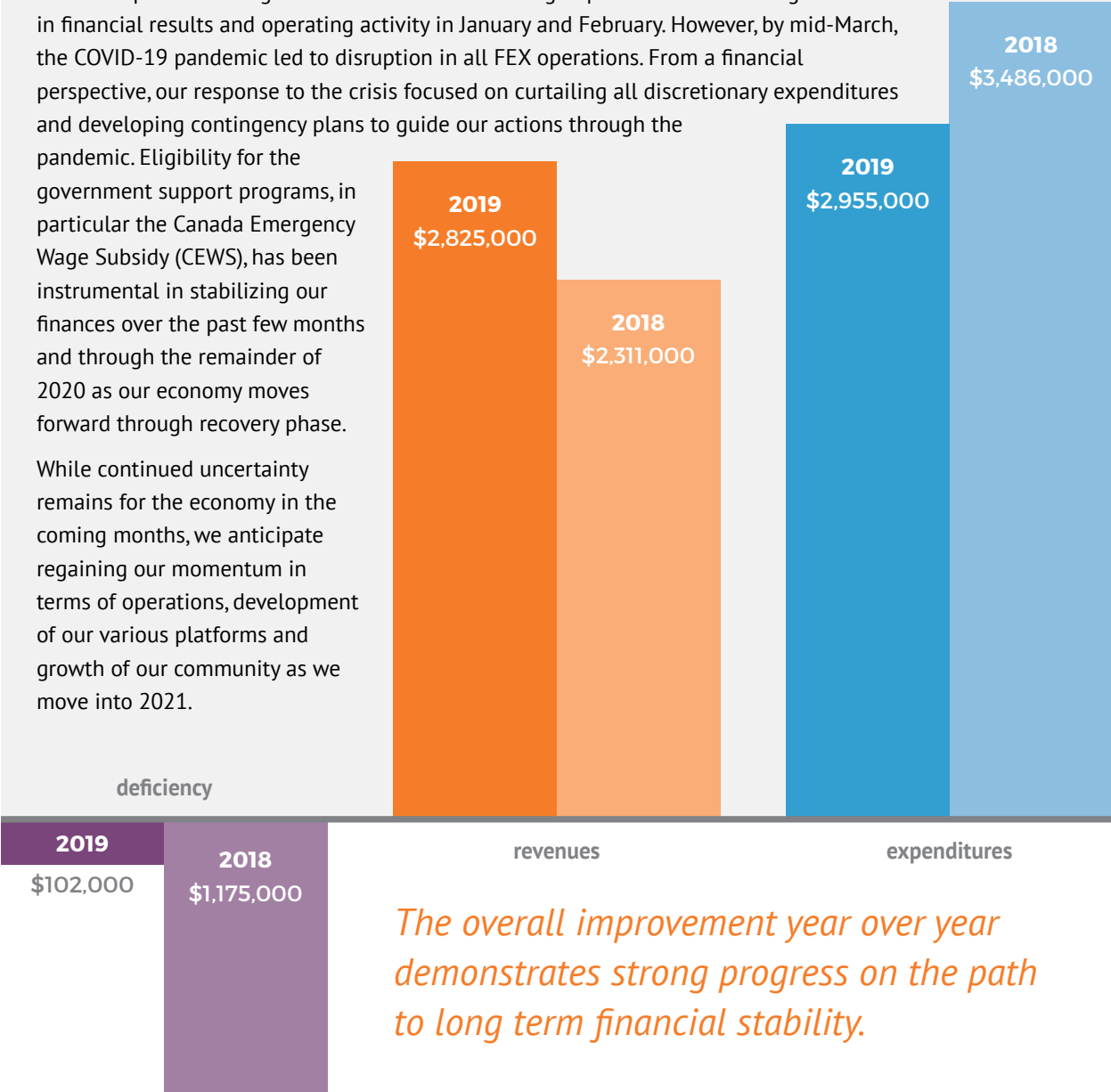
We are very grateful for all their contributions and commitment to our family enterprise community.

FINANCIAL UPDATE

Our fiscal year ending December 31, 2019 showed significant improvement in results from operations compared to the previous year. The deficiency of revenue over expenses for 2019 was \$102,394 compared to a deficiency in 2018 of \$1,174,630. While still incurring a modest deficit, the overall improvement year over year demonstrates strong progress on the path to long term financial stability. Contributing to this reduction of approximately \$1 million was an increase in revenues of \$515,000 (22%) combined with a reduction in expenditures of \$529,000 (15%). The expenditure reduction results from a combination of initiatives including streamlining of operations, restructuring of activities in conjunction with our sister organization, Family Enterprise Xchange Foundation, and a decline in overall investment in organizational capability relative to prior years, reflecting the transition from start-up to ongoing operations.

Our 2020 plan and budget demonstrated a continuing improvement and strong momentum in financial results and operating activity in January and February. However, by mid-March, the COVID-19 pandemic led to disruption in all FEX operations. From a financial perspective, our response to the crisis focused on curtailing all discretionary expenditures and developing contingency plans to guide our actions through the pandemic. Eligibility for the government support programs, in particular the Canada Emergency Wage Subsidy (CEWS), has been instrumental in stabilizing our finances over the past few months and through the remainder of 2020 as our economy moves forward through recovery phase.

While continued uncertainty remains for the economy in the coming months, we anticipate regaining our momentum in terms of operations, development of our various platforms and growth of our community as we move into 2021.



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FOCUSING ON THE FUTURE

Of course, the near-term focus for FEX and our entire member community will be dominated by the continuing impact of the COVID-19 health and economic crisis, including navigating the road to recovery. However, as we look out to the medium to long term, the future of our family enterprise community is so much brighter. It is exciting to see the development efforts and the many investments of the past several years finally come together.



Our Connected Community

Now more than ever, the benefit of belonging to a community of supportive peers is exceedingly valuable and reassuring. Our members rate being part of a connected community as a top priority for them. Within FEX, we have three distinct peer communities today:

- our FEX families, primarily small- and medium-sized business families from across Canada;
- our designated FEAs, multidisciplinary accredited family enterprise advisors who are committed to excellence in serving business family clients; and
- our FBN Canada families, multi-generational business families interested in connecting with their global peers.

True value of community lies in the connections made and relationships created and sustained. As we move forward into 2021, our focus will be on enhancing and improving our community experience, creating and enriching opportunities for community members to connect with each other, share their experiences, their challenges and support each other on their respective journeys. We will continue to connect through various programs and initiatives, including community meet-ups and calls, peer groups (P.A.Gs and FEA Groups), Community Ambassadors, and virtual events (in-person when safe again) such as Symposium, FEYA celebrations and Families Summit of Minds.

Our new and growing community for **Next Gen** deserves special mention. While still in the early stages, this group is very enthusiastic and engaged. In the coming year, we are very committed to supporting our Next Gen members in expanding and developing this new vibrant community.



Recognition of the FEA Designation



Interest in the FEA designation and program continues to grow as both families and advisors understand and embrace the unique skills and insights of FEA designates. Families need more than technical advice in dealing with the complexities and challenges of being a family in business together. Our focus in 2021 is to continue expanding the FEA program, increasing enrollment and growing the brand, while also updating and refreshing the quality content, including developing a full virtual offering for the future.



Building our Content and Learning Platform

While being part of a connected community is a top priority for you, we know that access to excellent resources and best-in-class learning opportunities are also very important. Going forward, we will continue to invest in our content and learning platforms. The new FEX digital systems and tools are foundational to maintaining a robust content platform; however, we are also committed to curating the best resources available and keeping members up to date with information that is relevant to their current needs – topical, accessible and shareable. Leveraging the great resources of the newly merged Family Enterprise Foundation for the benefit of our member community will also be a key initiative in the coming year.



A stronger Voice for Family Enterprise

The global crisis has caused the world to truly embrace the fact that **family enterprise matters!** It is family businesses from across Canada that will lead us to recovery and a return to prosperity, and at FEX we are committed to giving a voice to this community. In collaboration with Family Enterprise Foundation and other like-minded partners, we will conduct research on family business in Canada in support of giving voice to our community. And we will connect with policymakers and other stakeholders to share information on the importance of family enterprise to our economic and social well-being.



James A Burton
Chair
FEX Board of Directors

William Brushett
President & CEO
Family Enterprise Xchange

FEX COMMUNITY AMBASSADORS



“As a family business owner, I believe it is hugely important to be able to connect with other family business members. We need a space to share ideas, explore the unique challenges and issues family businesses face, and support one another. This is why I decided to become an FEX Ambassador.”

Karen Bichin, British Columbia

Ontario

- Adam Carter**
BMO Private Wealth
- Brent VanParys**
BDO Canada LLP
- Christina Clement**
BMO Nesbitt Burns
- Colin Bierbaum**
Bluestone Properties Inc.
- Dan Brintnell**
Overbay Capital Partners
- Debbie Mohr-Caldwell**
Goldie Mohr Ltd.
- Don Reynolds**
Reynolds Custom Machine Inc.
- Eric Toivonen**
North Pole Trim & Supplies Ltd.

British Columbia

- Aaron Berman**
Bermanfalk Hospitality Group
- Gabriel Dhahan**
Bellrock Benchmarking Inc.
- Gary Benson**
Danica Imports
- Grant Conroy**
Genus Capital Management
- Jacqueline Lotzkar**
Pacific Metals Limited
- James Pelmore**
Foundation Wealth Partners
- Jeff Benna**
RE/MAX Real Estate Services
- John Bathurst**
John Bathurst Consulting

- Julia Chung**
Spring Planning
- Karen Bichin**
ABC Recycling Ltd.
- Ken MacLeod**
Legacy Consulting
- Kevin Santos**
Grant Thornton LLP
- Ryan Akhurst**
Akhurst Machinery Ltd.
- Spencer Rolls**
Legacy Family Office/ Assante Wealth Management
- Victoria Brown**
Legacy Family Business



“The FEX Next Gen Community provides a unique support system that has ignited a new family business movement across Canada! Being an FEX member, Next Gen and P.A.G Ambassador has provided me with endless confidence, knowledge and a support system that will aid in my future as an entrepreneur and successor in my family business!”

Jennifer Lahey, Ontario

Ontario (continued)

Glen Way

Scotia Wealth Management

Holly Simmons

Golden-Lasso Business Consulting

Jacob Baribeau

Baribeau Construction

Jeff Noble

BDO Canada LLP

Jennifer Lahey

Predictive Success Corporation

Joanne Creaghan

TotalLeader Solutions

Koel Loyer

Stonegate Private Counsel

Michael Ayres

CIBC Private Wealth Management

Michael Kirkpatrick

Imperial Barber Shop

Monica Clare

Monica Clare Management
Consultant

Murray Flanagan

Flanagan Foodservice Inc.

Promod Sharma

Taxeivity Insurance

Susan Latremaille

SuccessDNA

Susan St. Amand

The Sirius Group Inc.

Sylvie Desmarais

8766 Quebec Inc.

Tammy Buss

Buss Financial Group Inc.

Tom Mathies

BDO Canada LLP

Trevor Lively

Blue Jay Sprinkler Systems Inc.

Prairies

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Family Wealth Group Ltd.

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Propel Insurance & Advisory Inc.

Todd Coleman

BMO Private Wealth

Quebec

Steve Legler

Shift Your Family Business



“It has been a privilege for me to share the Ali Family story through the platforms that FEX offers. My goal as a member, and now as an Ambassador, has always been to drive intentional and purposeful communication within the FEX network to help each other.”

Naim Ali, Prairies

THANK YOU TO OUR SUPPORTERS

To our Founding, Legacy and Charter members, we want to say a very big **Thank You** for your ongoing financial support of our community. Your commitment and dedication to our purpose, vision and strategy has enabled us to invest in building our capability and growing the family enterprise community across Canada. We appreciate the opportunity to continue working with you in the future.

Founding Members



Legacy Members



Charter Members





[FEXCANADA.CA](https://www.fexcanda.ca)