

May 23<sup>rd</sup>, 2019

## **SIMSA's AGM Features Major Updates**

The Saskatchewan Industrial and Mining Suppliers Association's (SIMSA) held its AGM on May 23<sup>rd</sup> in Saskatoon. The event featured the election of 5 new Board members, a major update on SIMSA initiatives, and a keynote presentation by Lawrence Berthelet, VP Capital and Engineering, for the Mosaic Potash Business Unit. And to add even further value to the event, Crystal Steciuk - Director of Strategic Procurement – also attended from Mosaic.

Of special note is that SIMSA's original board was formed in March of 2013 - with the formation of SIMSA. The board memberships were for 2 years for a maximum of 3 consecutive terms; as such, two of the original Board members have hit this limit.

Departing from the Board this year are 2 of SIMSA's founding Board members:

- Dwaine Friesen of AJ Machine
- Francis Nagy of Deca Industries

The SIMSA Board can hold up to 12 seats. The following seven board members carry-over:

- Ken Cenaiko, Croatia Industries – previously Board Chair and became Past Chair after today's AGM
- Rob Tebb, Xtended Hydraulics - previously Vice Chair and became Chair after today's AGM
- Eric Lamontagne, GE Environmental Solutions – became Vice Chair after today's AGM
- Brad Darbyshire, STC Industrial Contracting - 1 year left on current term
- Doug Barker, Park Derochie Coatings Saskatchewan – 1 year left on current term
- Rob Phillips, Commercial Sand Blasting and Painting – 1 year left on current term
- Rory Duncan, Howatt Consulting – 1 year left on current term

There were 10 nominations for the 5 vacant Board seats:

- Adam Logue from JNE Welding
- Darrin Craig from DynaIndustrial
- Jason Burtney from Kova Engineering
- Jeff Burton from AGI (incumbent)
- Jon Materi from Allan Construction
- Kevin Lorenz from Ross Machine/Armour Steel
- Kipp Sakundiak from Prairie Machine (incumbent)
- Ritu Maholtra from March Consulting
- Royan Stewart from Breck Construction
- Scott Longmuir from Threeosix Industrial

The 5 successful candidates – new members to SIMSA's Board - in alphabetical order are:

- Adam Logue from JNE Welding
- Darrin Craig from DynaIndustrial
- Jon Materi from Allan Construction
- Kipp Sakundiak from Prairie Machine
- Ritu Maholtra from March Consulting

SIMSA thanks Jim Rhode and Jeff Burton for their work on SIMSA's Board over the past two-years.

Lawrence Berthelet, VP Capital and Engineering, for the Mosaic Potash Business Unit gave a presentation featuring:

- 1) Corporate update
- 2) Saskatchewan operations update
- 3) K3 Mine Development
- 4) Indigenous Engagement Strategy update
- 5) Partnering with them



*Lawrence Berthelet addresses SIMSA members*

SIMSA's Executive Director – Eric Anderson - noted in his “Executive Director’s Report” released at the AGM that, it has been an exciting year as the Association has;

- 1) firmly established its relevance within the sector and the broader community,
- 2) achieved financial independence, and
- 3) begun a major new set of initiatives to create member value.

He noted that he does not work alone, as he has the assistance, guidance, and vision from the Board; and his Administrative Person – Keri Beebe - who lets him comfortably focus on broad issues, while everything seems to magically happen in the background.

SIMSA's founders created a set of Regular membership criteria which has served SIMSA well:

- 1) Minimum of three full-time staff located in Saskatchewan
- 2) Business registered in Saskatchewan (PST/WCB)
- 3) Permanent physical office space in Saskatchewan

These have made SIMSA unique, by requiring potential members to prove they have "a significant investment in Saskatchewan" to be a member. Even the use of "office space" as a condition points towards that a staging site does not work – they need to be here. Similarly, SIMSA is now requiring ISC Profiles be submitted to prove that the company's global headquarters are located in Saskatchewan to have Board eligibility, and to substantiate that they have a significant investment in Saskatchewan.

SIMSA will always represent Saskatchewan suppliers.

### **Major Update on SIMSA Initiatives**

SIMSA has secured an additional \$294,000 in matching funding (tba), which has enabled it to expand their member-value. This funding will allow for SIMSA to pursue 3 key initiatives:

- 1) Julia Ewing has started as SIMSA's new Director of Business Development; from some select credentials below, it is obvious she will become an invaluable asset to SIMSA and be able to hit the ground running.
  - a) Julia's focus will be generating business for SIMSA members by:
    - i) Marketing the Saskatchewan Supplier Database to projects/companies outside of Saskatchewan including the rest of Canada and Globally
    - ii) Encouraging members to fully complete their profiles on the Database, thus bringing value to the entire Database
    - iii) Recruiting new members to SIMSA, thus expanding the scope of the Database and bringing value to the entire Database and its Procurement users
  - b) Julia's work experience:
    - i) Consultant working on Community Relations for Fort a la Corne diamond development with Rio Tinto and Star Diamond
    - ii) Director, Community Relations – Star Diamond Corporation (formerly Shore Gold Inc.)
    - iii) Manager, Northern Affairs – Cameco Corporation
  - c) Other
    - i) Northern Career Quest – Chair, Indigenous skills development and employment program, 2008 – present
    - ii) Master of Business Administration - University of Saskatchewan
- 2) Saskatchewan Supplier Database marketing
  - a) First as some background: Last year at this time, SIMSA had just begun development of the Saskatchewan Suppliers Database with the support and cooperation of the Government of Saskatchewan, Mosaic, TransCanada, and Nutrien. Since then, SIMSA has added as sponsors; BHP, Husky Energy, SaskPower, and SaskEnergy. SIMSA has

- been in constant contact with the Databases' Procurement users and as such have been constantly revising their user interface to best fit their needs.
- b) Julia's key focus will be marketing the Database, via; Social Media and print marketing, tradeshow attendance, travel, etc.
  - c) Part of Julia's work will be in conjunction with Global Affairs. Global Affairs has requested the various relevant Trade Commissioners stationed in other global mining jurisdictions, to begin compiling a list of their companies' procurement needs. Julia will then use the Database to;
    - i) find suppliers for these needs, compile a presentation package, submit it back to those companies, with hopes of attracting a trade delegation
    - ii) if the suppliers do not currently exist on the Database, as required;
      - (1) add the categories and/or
      - (2) encourage members to consider becoming providers.
  - d) Of great note is that BHP recently asked to review the interface and requested/received revisions. They then connected SIMSA with Hatch/Bantrel, who requested and received training on the Database a few weeks ago, and has subsequently requested a visit to their offices in Mississauga. Also, at April's 2019 Saskatchewan Mining Supply Chain Forum, several potential new SIMSA members visited SIMSA's booth after visiting the BHP booth. These candidates asked for member information, since, as they put it; after asking BHP how to get onto their local supplier list, BHP told them that BHP will be using SIMSA's Saskatchewan Supplier Database as a source of local suppliers. There have been subsequent similar inquiries to SIMSA's office.
- 3) PwC Survey ready to launch
- a) As part of the broad Database marketing initiative, SIMSA has engaged PwC to complete a pre and post marketing survey, to measure the Database marketing's impact
  - b) In addition, the survey, as an example, will;
    - i) Measure the economic impact of local vs. non-local spending
    - ii) SIMSA's members' total charitable giving
    - iii) SIMSA's members' total spending with SaskPower

### **Membership and Finances:**

- Membership – currently 197 members
  - SIMSA's membership has grown by 166% since Eric Anderson began at Executive Director in September, 2016.
  - SIMSA's target membership is 300 by August, 2021.
  - SIMSA's membership now represents over 20,000 employees and \$10-billion in annual revenues
  - SIMSA is focusing on growing its membership, especially; outside of Saskatoon, into the oil sector, and more diverse goods and services.
- Finances
  - As of 2019, SIMSA had attained budgetary self-sufficiency. The new matching-funding program (Julia Ewing hiring, Database marketing, PwC study, etc.), which began April 1<sup>st</sup>, has temporarily made SIMSA dependent upon 3<sup>rd</sup> party funding for 2-years. However, at the end of this 2-year term,

SIMSA will be able to continue the new programs and once again return to budgetary self-sufficiency.

- SIMSA has established the recommended cash reserves to cover 1-year's expenditures.
- Membership fees have not increased since SIMSA's inception, and will not this coming year.

### **Other 2019 Developments**

- 1) Launched a Social Media campaign supporting the resource sectors SIMSA works-in, building a vast amount of good will with the resource producers
- 2) Launched a Social Media campaign to build awareness of SIMSA and its members, generating over 750,000 impressions to date
- 3) SIMSA was asked to develop a "Major Project Procurement White Paper" by SaskPower. SaskPower is now working towards a major event with SIMSA at the end of August. Of interest is, other Associations regularly submit White Papers as lobbying efforts – SIMSA was "asked" to create one. SIMSA will also be creating a "Gold Standard Debriefing Guide" for SaskPower – an outline of what a great bid debriefing would contain.
- 4) SIMSA's event with Nutrien on March 18<sup>th</sup> saw unprecedented attendance and access to their staff, and Nutrien also requested Hatch, Stantec, Worley Parsons, and Wood to attend.
- 5) The Saskatchewan Mining Supply Chain Forum has seen mining-company procurement personal attendance more than double over the past 2-years. SIMSA is working on a Strategic Plan for the event with our partners. SIMSA members historically filled only Hall C of the tradeshow, now members are starting to take-over Hall B as well – and the tradeshow sells-out early!
- 6) Oil company personnel participating at the Saskatchewan Oil & Gas Supply Chain Forum continues to increase
- 7) SIMSA's Board completed a 2019/20 Strategic Plan, will take Board training in June, and will be enacting a full slate of Governance policies in the near future to further strengthen our Association.

- 8) SIMSA has begun a dialogue with Premier Scott Moe. The initial meeting, which was scheduled for 45-minutes, stretched into nearly 90-minutes, and concluded with a request for SIMSA to meet with Cabinet and Premier Moe tweeting the following:



In summary, SIMSA's success is a result of a procurement and Saskatchewan focused Association, working together towards a common goal with the groups they supply – their mutual business success. As such, SIMSA will continue down this road and all will benefit.

## **About the Saskatchewan Industrial and Mining Suppliers Association (SIMSA):**



Saskatchewan Industrial & Mining  
Suppliers Association Inc

SIMSA is the Saskatchewan Industrial and Mining Suppliers Association, representing Saskatchewan based companies who provide goods and services to mining, oil and gas and industrial projects. SIMSA's membership of 197 companies, represents over \$10-billion in annual revenues and 20,000 employees in the province. SIMSA's mandate is to represent the interests and concerns of Saskatchewan industrial equipment and service suppliers, through promotion of its members and the creation of partnerships with industry and other associations.

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