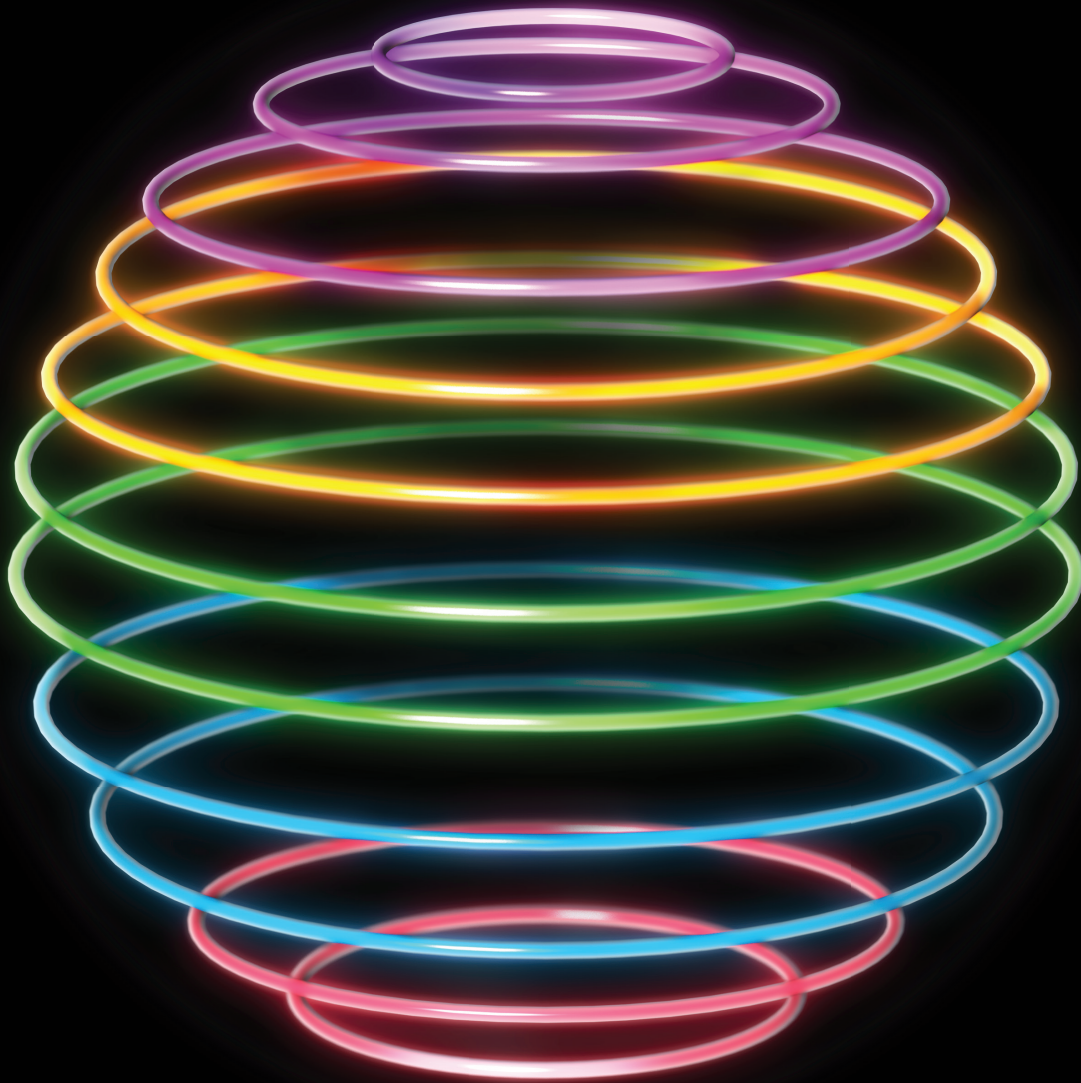


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Turning vision into action

Responding to the pandemic's challenges, leading Canadian businesses are transforming their finance operations in order to thrive

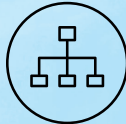
In the first article of this series, we explored what leading finance teams in medium-sized public and private Canadian businesses are doing to help ensure their organizations thrive in a post-pandemic world. Four key transformation measures common to these businesses involve:



Implementing automation and supporting controls



Instituting deliberate, strategic responses to disruptive events



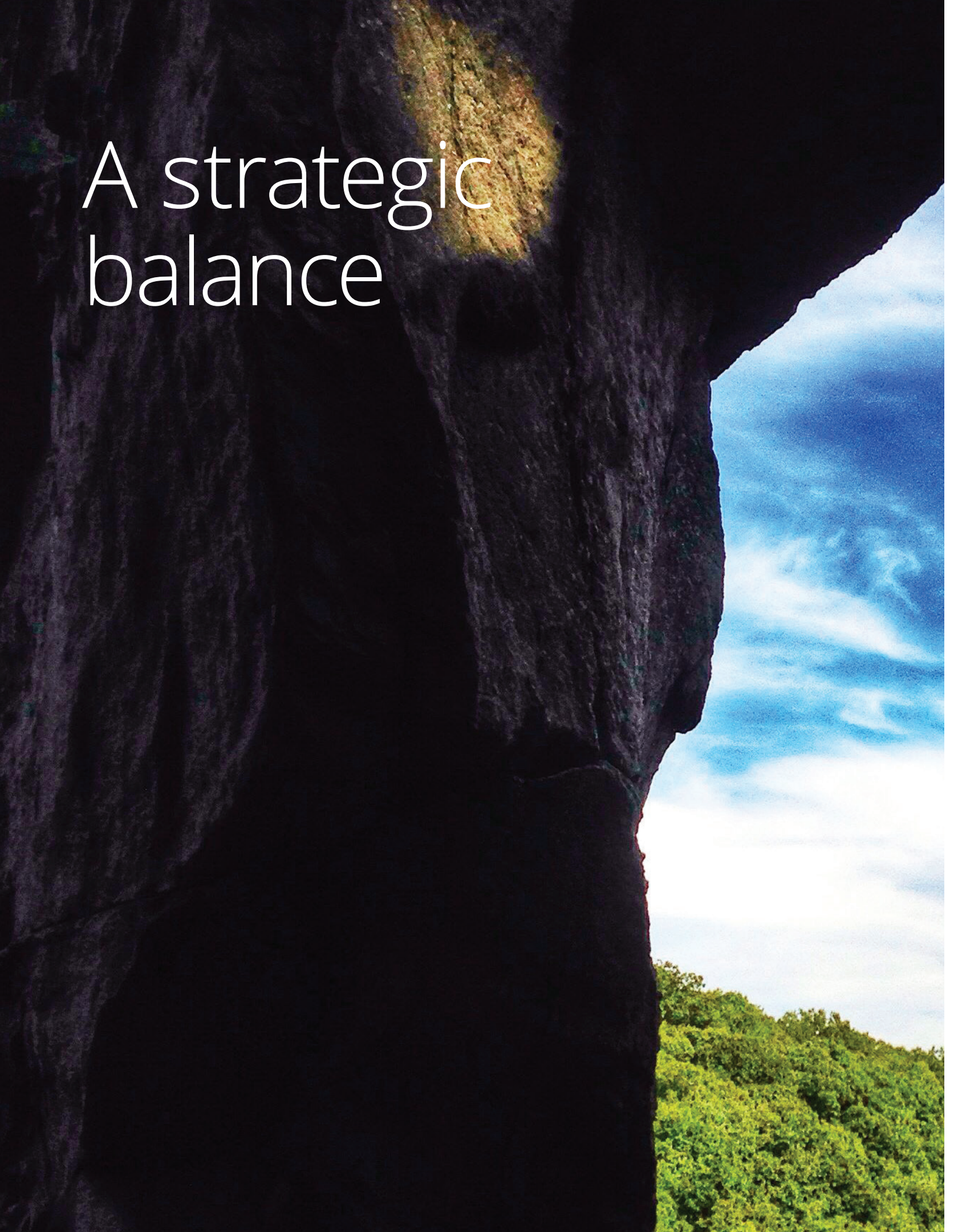
Optimizing organizational structure and skill sets



Improving stakeholder communications and investor relations capabilities

In this next instalment, we showcase two organizations—and their leaders—that have successfully bridged the gap between vision and action. They didn't just hope for the best in the face of challenges—they aspired to something greater and, as a result, are reaping the benefits.

A strategic balance



How staying the course despite disruption helped put Badger Infrastructure Solutions Ltd. in a position to thrive

For several years, Badger Infrastructure Solutions Ltd. (Badger) has seen tremendous growth. To ensure the organization was well positioned to drive continued, sustainable expansion, Badger adopted a deliberate approach to strategic planning and target operating model design—because without a strategy, rapid growth can be messy for any organization, leading to quick, off-the-cuff decisions made without due consideration of the larger, longer-term picture.

Badger is the industry leader in providing non-destructive excavation and related services to North America's critical infrastructure. Founded more than 25 years ago in Red Deer, Alta., the organization has grown to 140-plus locations across North America, with a fleet of about 1,400 proprietary service trucks that it manufactures and maintains.

When CFO Darren Yaworsky joined Badger, he immediately recognized that one of the organization's key strengths was its reputation for consistent, high-quality services delivered to its customers. He also identified several challenges the organization was facing, including:

- Lack of consistency and standardization of processes, particularly regarding support and back-office functions
- Need for greater automation and scalability to manage growth and the resulting increase in transaction volume
- Misalignment between its operating model and its strategic direction and goals

Perhaps the greatest hurdle was addressing these challenges without compromising the entrepreneurial spirit that had made Badger so successful.

“We have a proud history of growing Badger using a decentralized and entrepreneurial approach. Our challenge has been to organize ourselves such that we can efficiently grow without compromising our entrepreneurial spirit.”

Darren Yaworsky | CFO, Badger Infrastructure Solutions Ltd.

Streamlining through a shared-services model

One of the first initiatives Yaworsky undertook to address these issues was to define the target operating model for Badger's finance function in order to ensure this team could effectively manage the organization's growing volume demands and serve as a trusted partner in the business. The new model included developing a shared-services centre, standardizing, centralizing, and streamlining accounting and finance processes from three separate locations into one. This would allow Badger to fully realize the benefits of a key tool for its transformation, the common business platform Oracle, which the organization recently implemented. With these updates to address the organization's major challenges, Badger would be positioned to thrive in the face of any future hurdles and to realize the organization's rapid growth potential.

Having led a similar transformation project at his previous organization, Yaworsky anticipated the strain it would put on Badger's resources and knew it was time to call in help to design a shared back-office services centre. Based on the advice and recommendations from the Deloitte advisory team, Badger embarked on a plan to streamline processes, make people's jobs easier by taking administrative work off their hands, and allow for continued scalability, all while keeping costs down. By February 2020, the first phase of the transformation was ready to roll out—and then COVID-19 hit.

Staying agile and creative to press on through challenges

At this key point, the team took a step back to decide whether it made sense to pursue this project amid the massive disruption of the initial restrictions. Ultimately, grappling with the possibility of longer-term uncertainty, they agreed that the shared-services business model would be of even greater importance than anticipated. The team reasoned that forging ahead would give Badger a leg up, post-pandemic, over organizations that had put off such efforts.

To support the organization in completing the transition, Badger's external advisors increased their emphasis on change management to balance the heightened impacts the new working model would have in this time of exacerbated demands. The plan's success hinged on a people-centric approach, which was a key factor in this model. Also essential was implementing virtual-training and knowledge-transfer activities and, crucially, recording and archiving these sessions in order to develop a training library that could be accessed on demand by the shared-services team.

Badger's journey began with the consolidation of three finance locations into one shared centre. By July 2020, the IT function had been centralized as well. The ultimate goal of the organization's ongoing transformation is to establish a global support centre that provides finance, IT, HR, and all other back-office services from one location.

“Our goal is to accelerate growth while ensuring a consistent customer experience across all of our locations.”

Paul Vanderberg | CEO, Badger Infrastructure Solutions Ltd.

Results that go beyond the financials

The project has so far been a wild success. By centralizing its finance back-office functions, Badger has seen an annual cost savings of \$2 million, which will go a long way in supporting future growth. Further, the human benefits to the organization have far outweighed the financial ones. Morale has increased dramatically as people have seen how much more effective they can be in their jobs. Ensuring the right staff are in the right positions and equipped with the right skill sets has made everyone—from the shared-services team to the various business partners it supports—more self-assured and more valuable to the organization. There's also been a peripheral but important benefit: the finance team's ability and self-confidence to manage complex projects in the face of adversity has grown exponentially.

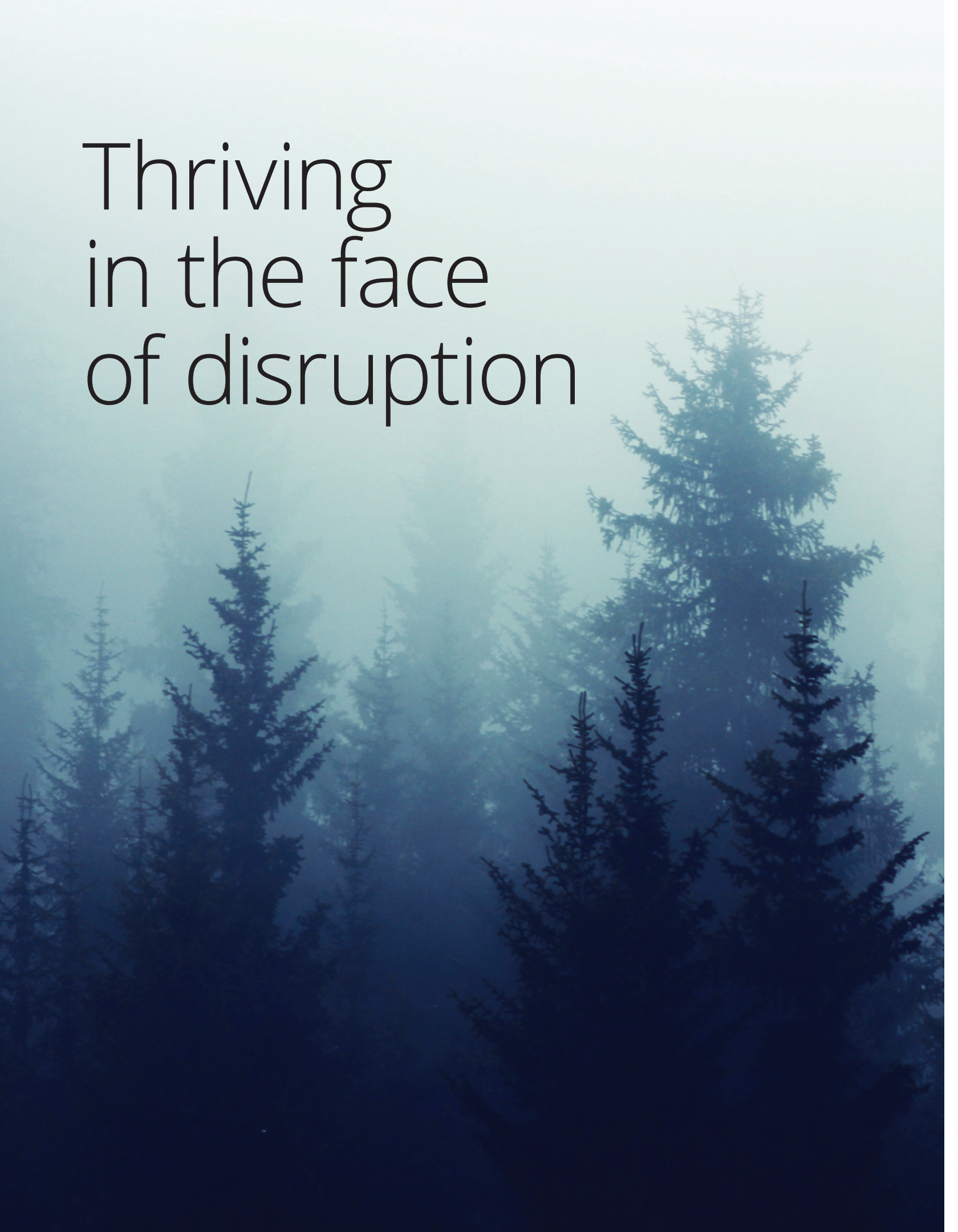
Having demonstrated the foresight and courage to stay the course despite a major disruption, Badger Infrastructure Solutions Ltd. is emerging stronger than ever, with a streamlined, highly efficient, and effective shared-services team that's poised to support its business partners as everyone works to drive even greater success and growth.

“We needed to standardize our processes company-wide in order to ensure consistent service delivery; automate them to ensure scalability and promote cost efficiencies; and limit the impact of these changes on our employees and customers. We had to find a balance.”

Darren Yaworsky | CFO, Badger Infrastructure Solutions Ltd.



Thriving
in the face
of disruption



When the finance team at Crombie REIT faced a multitude of concurrent challenges, they dove in headfirst

East coast-based real estate investment trust organization Crombie REIT (Crombie) had a new story to tell.

The organization had been adjusting its investment mix for the past few years—moving from predominantly commercial, such as malls and grocery stores, to include mixed-use developments such as residential projects—as part of a shift to a growth-focused strategy. As Crombie's operations evolved, so did its finance function. With change coming fast and furious, the team experienced a huge learning curve in undertaking initiatives, from incorporating new information into its internal and external reporting practices to optimizing use of the organization's enterprise resource planning (ERP) system.

As if that weren't enough, the organization suddenly had to navigate a global pandemic. The finance team had to quickly figure out how to handle the complexities resulting from the various government subsidies and rent adjustments/deferrals that were put in place to support tenants—all while dealing with the dramatic transition to working from home.

Although it would have been understandable to shelve extra projects at that point, the team, under the leadership of CFO Clinton Keay and VP of Accounting and Financial Reporting Kara Dort, was determined to press forward. Together they prioritized critical projects to address key pain points—and never considered stopping.

Crombie also recognized its own limitations. The size of its finance team didn't allow for members dedicated primarily to investor relations (IR) or process optimization and transformation. So, to help ensure the organization focused adequate resources on its critical projects, Crombie contacted Deloitte for help.

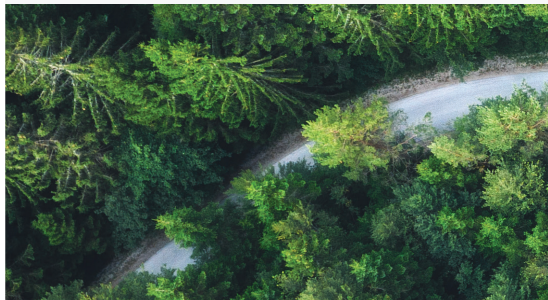
“Now that we've built this solid foundation, we're in position to really optimize the way we work as we ease out of the pandemic.”

Clinton Keay | CFO, Crombie REIT

Aligning an IR approach with an evolving organizational strategy

Crombie embarked on an overhaul of how it communicated with investors, starting with its annual report. Together with Deloitte, the organization rebuilt the focus and crux of the management discussion and analysis (MD&A), thus helping the organization clearly share its changing strategy with others in the real estate investor world.

Another area of focus of the new growth strategy was an expansion of the organization's activity in the environmental, social and governance (ESG) realm, a field that's become increasingly important to investors and consumers alike. As Crombie branched out into building multi-use complexes, its finance team was committed to doing so responsibly, so the team worked with its Deloitte advisors to meet that aim: They developed the organization's ESG strategy, including defining what to measure, how to measure and report it, and how to tell their story of transformation as part of Crombie's broader IR package.



Adapting functions to a crisis

Like many real estate investment trusts during the pandemic, Crombie faced the daunting task of facilitating government regulations and subsidies for tenants, all while continuing to provide an outstanding overall customer experience.

The organization's leaders recognized the complexity of this endeavour, which touched upon defining new policies and protocols regarding client engagement, ensuring flexibility in their approach to working with clients in their times of need, and determining how to allocate the organization's resources to meet these new requirements. Crombie worked with its advisors to put in the extra effort required to reach these goals and to expedite accounts receivable (AR) and collections process improvements. Through strong collaboration with its leasing, communications, and legal departments, Crombie's finance team ensured the accurate application of government subsidies in its portfolio.

Time was of the essence for the organization's clients—and Crombie came through.



Extracting the full benefits of Crombie's ERP system

Crombie's finance leaders appreciated that initial optimization of the organization's ERP system was only the beginning. They'd made a huge investment in the network, and ensuring team members were aware of its functional potential was the key to extracting its full benefits, as was streamlining processes.

Together with its advisors, Crombie assembled a team and collaborated with the organization's ERP vendor to better understand the system and maximize its capabilities. The group targeted key areas to help improve efficiencies, such as automating processes previously completed outside of Crombie's ERP and defining new enhancements or modules that could support the organization's future portfolio of real estate investments. These measures provided the organization's finance leaders with a robust grasp of the system's current limitations and a road map for its potential growth.



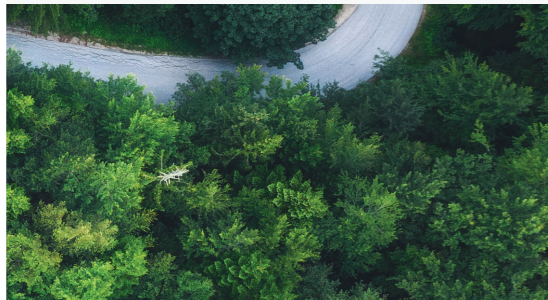
Small hinges swing big doors

The combination of multiple small projects brought about major change for Crombie's finance team. Each endeavour allowed the organization to move further along on its strategic journey.

Instead of pulling back on projects until targeted challenges were overcome, the group forged ahead—which was the best thing they could have done. Transforming incrementally has led to tremendous strides in the finance team's position as a strong, strategic partner in the overall business.

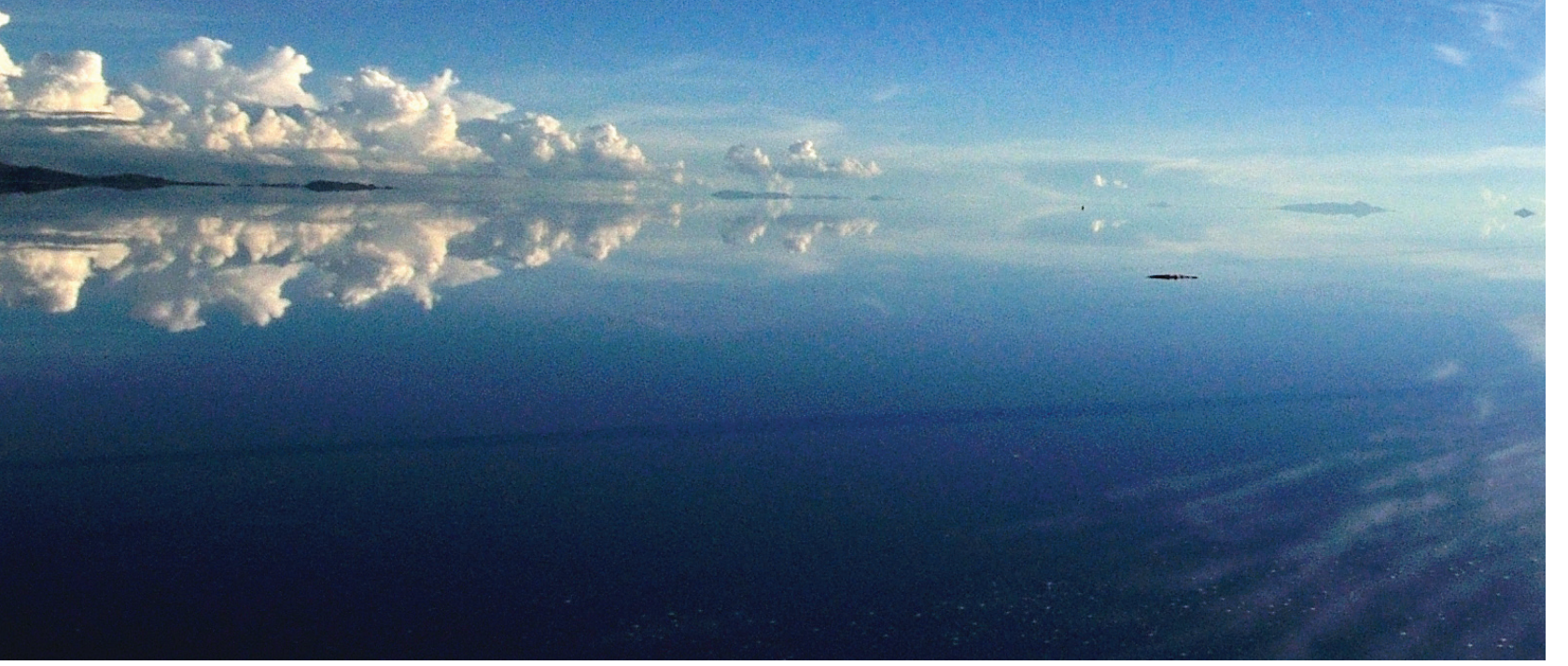
“Not every project is huge, but each one allows us to move along on our strategy.”

Kara Dort | VP of Accounting and Financial Reporting, Crombie REIT



What's next for your company's finance function?

Badger Infrastructure Solutions Ltd. and Crombie REIT are great examples of businesses that aspire to something greater. Their finance leaders have embraced the concept of forward momentum in the face of disruption. They aren't afraid to make big decisions and tackle major transformations, recognizing that investing in their finance functions during a pandemic would ultimately position their organizations favourably among their competitors.



Both organizations instituted **deliberate, strategic responses to disruptive events** and pressed on through evolving strategies, rapid growth, new accounting standards, and other challenges brought about by the global pandemic. They focused on **automation and supporting controls**, not just by implementing ERP systems, but also by optimizing how those systems are used to support their businesses. Badger's approach to creating a shared-services centre helped to strategically reframe and **optimize the organization's structure** and the team's relevant skills. Crombie's revamped annual report and focus on its ESG strategy ultimately went a long way to **improving stakeholder communications and investor relations**.

When disruption struck, these companies could have pulled back and waited for the storm to pass—but instead, they chose to act. They weren't satisfied with just keeping the lights on. They stayed the course, tackled challenges head-on, and optimized both how their teams worked and how they served their businesses. Today, Badger and Crombie are each poised to thrive and to emerge stronger than ever.

The finance function and its leaders are the central command station of any organization and, in a larger sense, are critical to the success of our economy. Top-level businesses are always thinking ahead to next steps. How will you transform your finance team to better support your business and help usher in success?

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