



# 2017 ONPHA Conference and Trade Show

Shaping  
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Future

609

Business transformation: Future proofing the social housing sector

**PRESENTED BY:**

**Shayne Ramsay**, CEO, BC Housing/Chair, Housing Partnership Canada

**Jim Steele**, General Manager, Windsor Essex County Housing Corp.

**Wayne Tuck**, COO, Toronto Community Housing Corporation

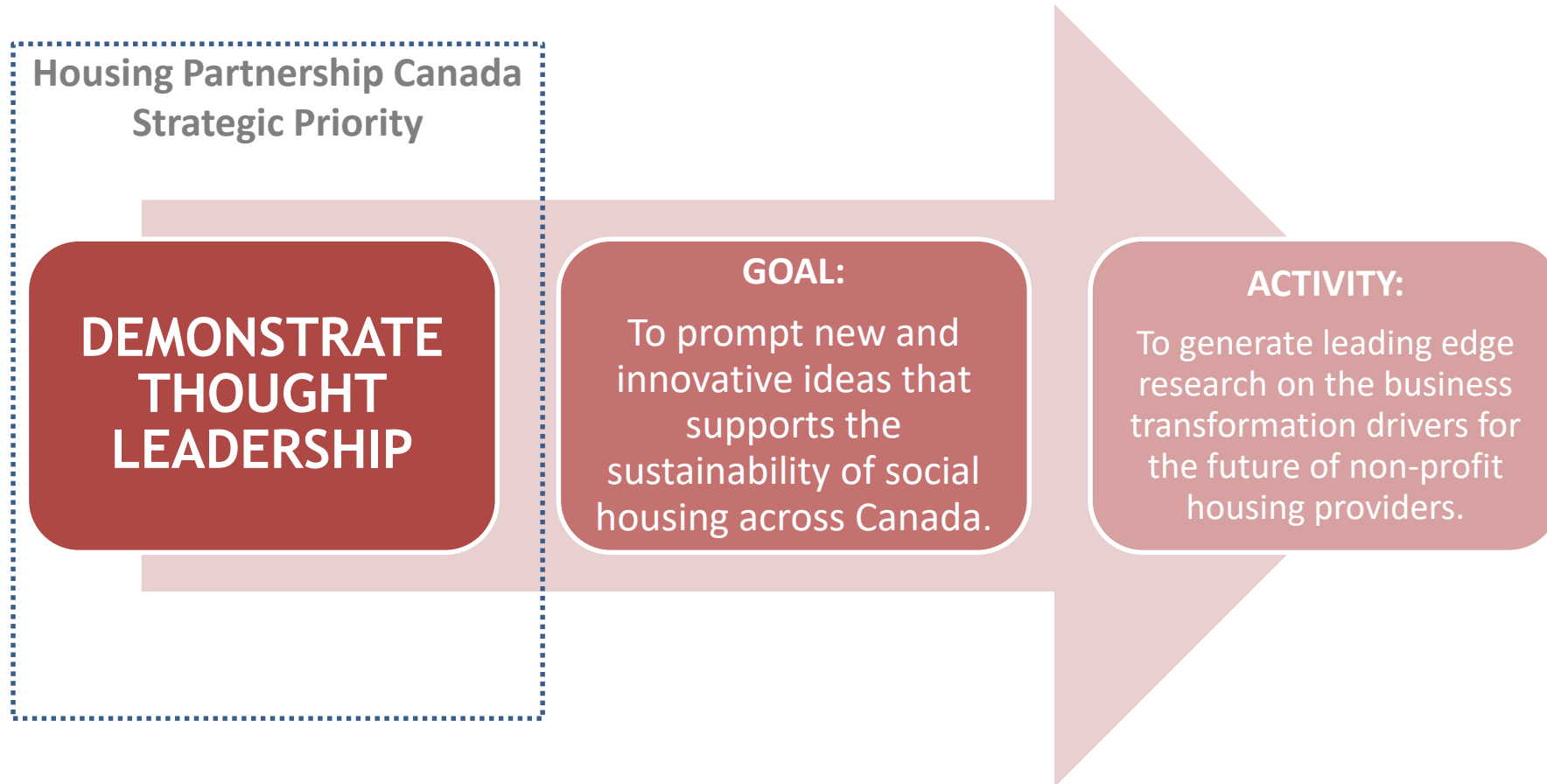
**Kerry Hobbs**, Director, Housing Operations, Housing York (moderator)

# Business Transformation II

Skillsets and Core Competencies  
for Business Transformation in the  
Housing Sector

Preliminary Findings

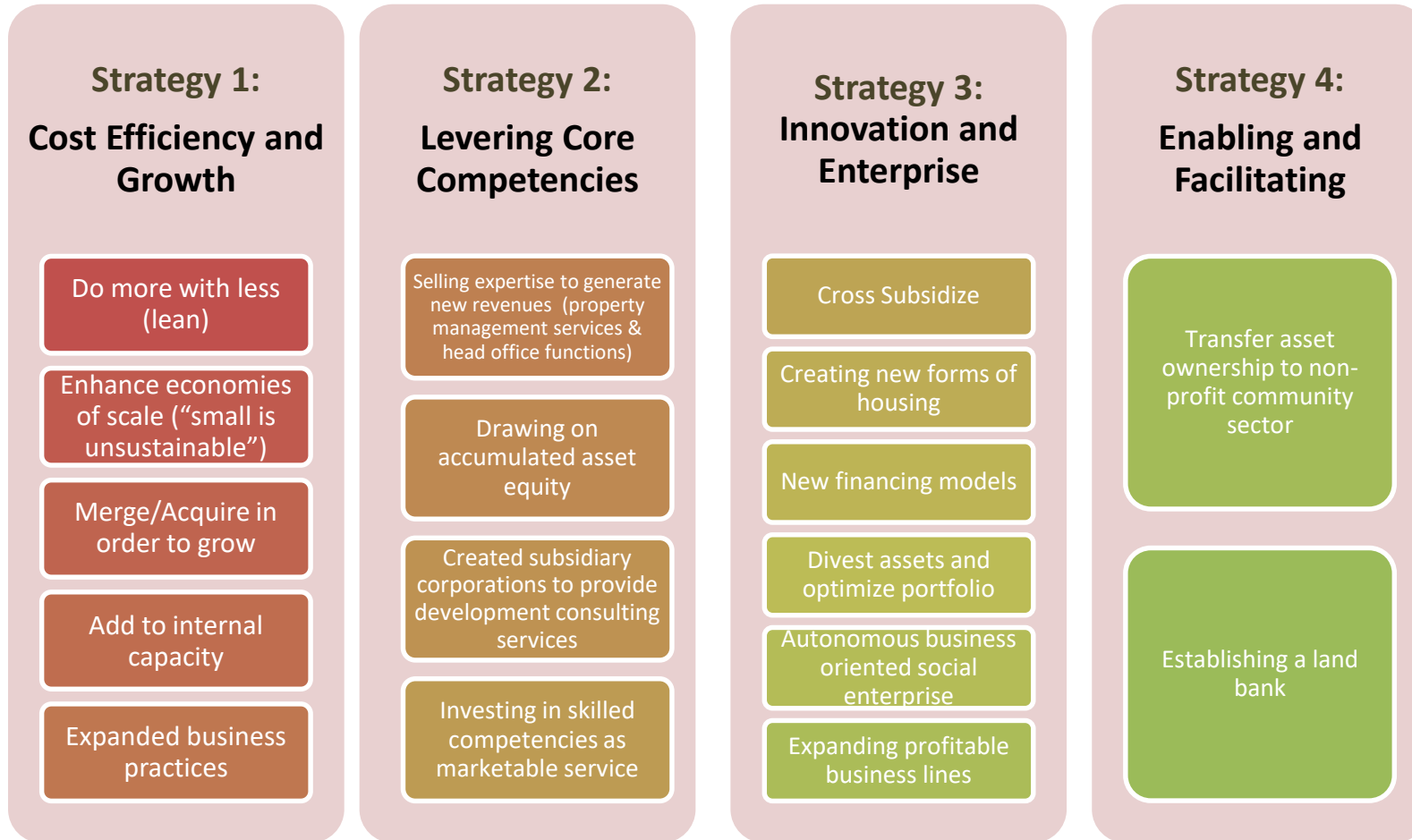
# Background



## Business Transformation I :

- Commissioned by HPC in 2015 to conduct a cross-Canada study on the strategies that support **business transformation of the housing sector** to ensure long term viability.
- Final Report “Business Transformation: Promising Practices for Social & Affordable Housing in Canada” captured key attributes of organizations undergoing sector transformation.
- Provided case studies of organizations that are expanding into new activities
- Available at: <http://www.housingpartnership.ca/resources-1/>

# Key Findings: Business Transformation I Study



## Business Transformation II :

- Building on this first study, HPC is currently completing a second business transformation investigation
- BTII Study to explore factors that drive business sustainability.
- Objectives to better understand :
  - the skillsets and core competencies required of the non-profit sector in changing operating environment
  - Governance and internal organizational capacities for sustainability
  - Organization's appetite for risk

## Business Transformation II : Why?

- Sector is beginning to apply a capacity lens to the delivery and administration of housing.
- Recognition that the social, political and environmental issues they operate in are changing.
- The regulatory landscape has been a driver for many organizations' change
- To achieve long-term business sustainability, they must address organizational dynamics (leadership, strategy, business scale, & human resources) within their internal environment.

## Business Transformation II : Why?

- Study is intended to:
  - Share and support housing organizations to successfully transform their business,
  - inform government and the non-profit sector about the changing needs of housing providers



## Business Transformation II :

First study of its kind in Canada to obtain a diverse and large-scale survey response from the sector.

Methodology:

- Interviews of 21 non-profit housing organizations
- 213 individuals completed the online survey

Research provides an 'insider' perspective on how organizations are responding to their changing opportunities and responsibilities

## Key Findings:

Three broad categories of change were identified:

	Renewing	Diversifying	Corporatizing
Key Changes	<ul style="list-style-type: none"><li>• Modernizing practices</li><li>• Succession for staff</li><li>• Board renewal</li><li>• Revised job descriptions</li><li>• Different skills for CEOs</li><li>• Leveraging assets</li></ul>	<ul style="list-style-type: none"><li>• New processes</li><li>• New staff skills &amp; management levels</li><li>• New partnerships</li><li>• Maintaining strong board &amp; governance</li><li>• Diversifying sources of funds/financing</li></ul>	<ul style="list-style-type: none"><li>• Corporatizing structure</li><li>• Adding more staff</li><li>• Private sector skills</li><li>• Creating development group/capacity</li><li>• Private sector board membership</li><li>• Financing alternatives</li></ul>

## Four Key Themes of Change

1. Human resource strategies;
2. Digitization and information technology;
3. Governance and boards; and
4. Alternative revenue generation or financing.

# 1. Human Resources Strategies

- Most commonly reported change made to all organizations
- Key changes:
  - Development of new plans or strategies
  - Changes in mission and visions in response to changing sector (i.e. EOA)
  - Senior management role and competencies reviews, developing succession planning
  - Changes to staff recruitment, including changes in desired skills sets
  - Use of external expertise or outsourcing.

## 2. Digitization & IT

- Second most commonly reported change; 30% of participants are investing in new IT systems.
- Challenges noted were:
  - Lack of dedicated IT staff
  - Unintegrated IT systems for different operational areas
  - Pace of change has been rapid and difficult to master

All participating organizations noted that their organizations wanted to develop more IT skills but few had the staff or staff positions to support that goal.

### 3. Governance & Boards

- One-third of participating organizations have made changes to their board membership or board priorities as a method of business transformation.
- Key factors included:
  - Changes to specific expertise and skill sets required of board members
  - Increased focus on board recruitment from the business community

## 4. Alternative Revenue Generation or Financing

- Over 50% of participants reported making changes to explore alternative revenue generation opportunities.
  - Joint ventures, collaborative development approaches
  - Pooling of resources with partners
  - Diversification into new housing products or services
  - Transfer of assets from other organizations
- A key trend is the emergence of separate development and financing entities

# Future Proofing your Organization

- Fostering culture change and staff buy-in
- Addressing requirements of funders (performance reporting)
- Clear understanding and tolerance of risk at the board, staff, partners and government funders levels
- Recruiting and retaining senior staff with financial, business and real estate skills sets, or developing partnerships with private sector to access these types of expertise
- Ability to access financing, free up stranded equity in property
- Board expertise



## Concluding Remarks

Study highlights that the non-profit sector is transforming the way it learns, manages talent, and modifies business practices.

Change is slow and there are parameters within which the housing sector can and is defining its destiny.

A key challenge for the housing sector will be how to respond to the with the need for a broader range of skills and knowledge sets.

The LTAHS Refresh and the National Housing Strategy need to address organizational support if they want to see an expanded role for housing providers

## Discussion Questions:

Do these results resonate with you?

How is your organization responding to changes in the operating environment?

What types of skills and competencies do you think are required to future proof your business?

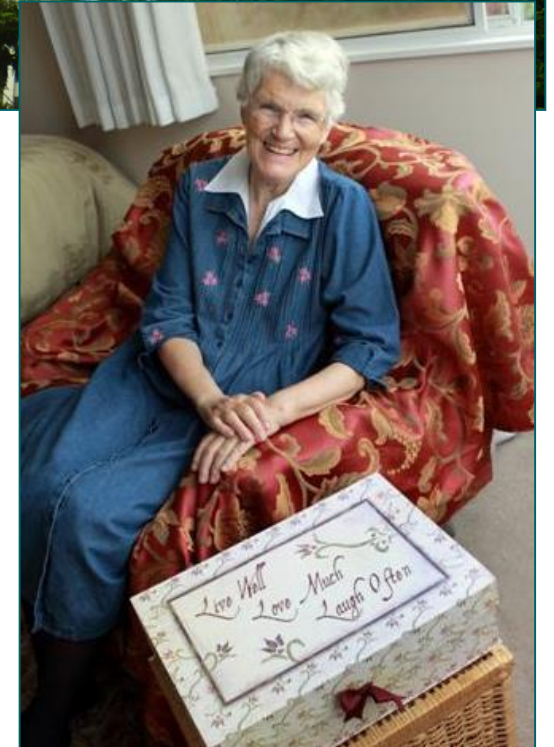
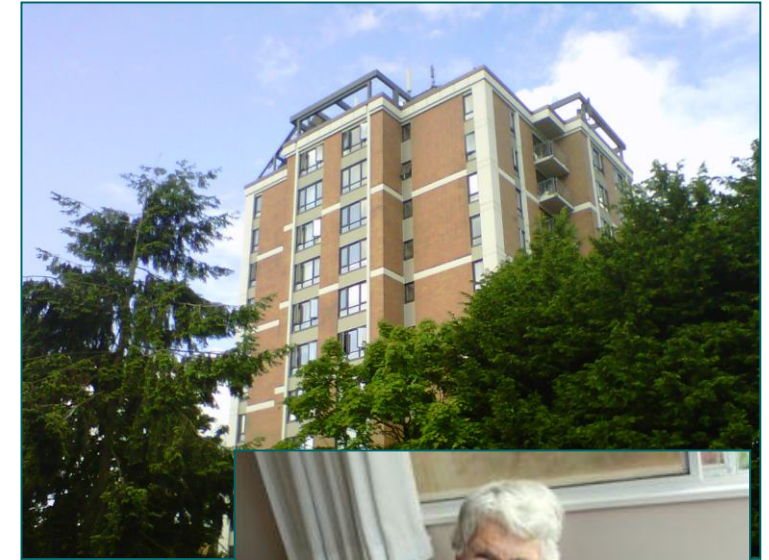
# Business Transformation: Future Proofing of the Social Housing Sector

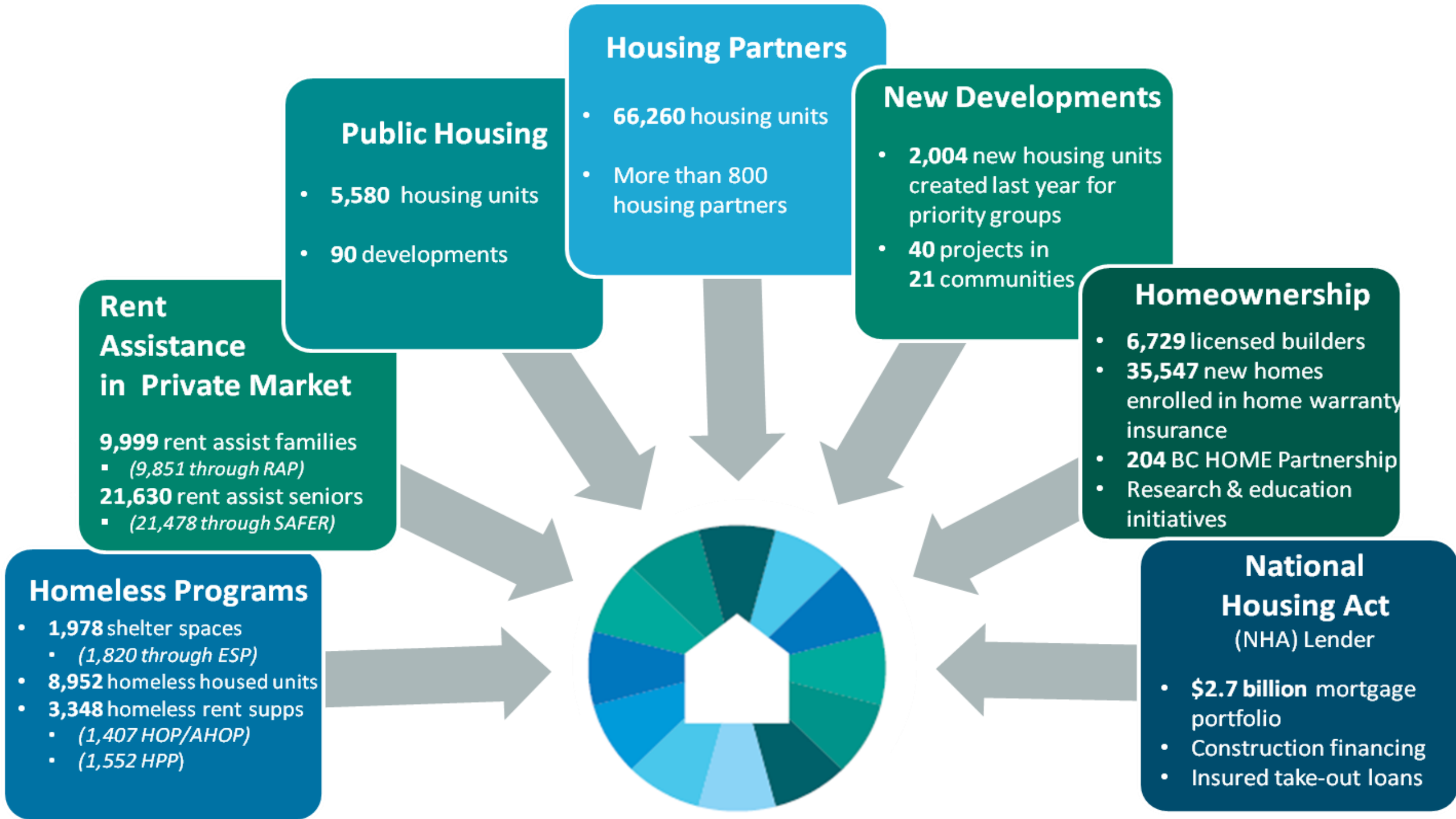
ONPHA Forum

Shayne Ramsay, CEO, BC Housing

# BC Housing Overview

- Develops and administers social housing and programs across the housing continuum, from shelters to affordable home ownership
- Responsible for builder licensing, education, home warranty insurance and consumer protection
- Approximately 700 employees
- 2017/18 budget is \$935 million
- Help approximately 107,650 households







# Current Context in B.C.

- Housing affordability
- Budget constraints
- Aging infrastructure
- Expiry of operating agreements



# Business Transformation Strategies

Cost Efficiency  
and Growth

Levering Core  
Competencies

Innovation  
and Enterprise

Enabling and  
Facilitating

# Enabling and Facilitating: BC Housing's People Strategy


- Foster excellence in the leadership and management of people
- Support staff in their continual professional development and performance improvement
- Provide and build on our healthy, safe, inclusive workplace in which respect and diversity are recognized assets
- Enhance our people processes to support BC Housing business delivery





# Digital Strategy & Managing Risks


- Improve website user experience
- Deliver second phase of strategy: service delivery to clients and partners
- Enhanced services on website
- Support through social media promotion
- Culture of reasonable risk-taking
- Strategic risk categories reviewed regularly



## Licensing & Consumer Services

**Quick Links**

<a href="#">Builder Licensing</a>	<a href="#">Owner Builder Portal</a>
<a href="#">New Homes</a>	<a href="#">New Homes Registry</a>
<a href="#">Owner Builder</a>	<a href="#">Education Registry</a>
<a href="#">Compliance and Enforcement</a>	<a href="#">Consumer Complaints</a>
<a href="#">Public Registry of Licensed Residential Builders</a>	<a href="#">Dispute Resolution</a>
<a href="#">Licensed Residential Builders Portal</a>	<a href="#">How to log CPD video</a>

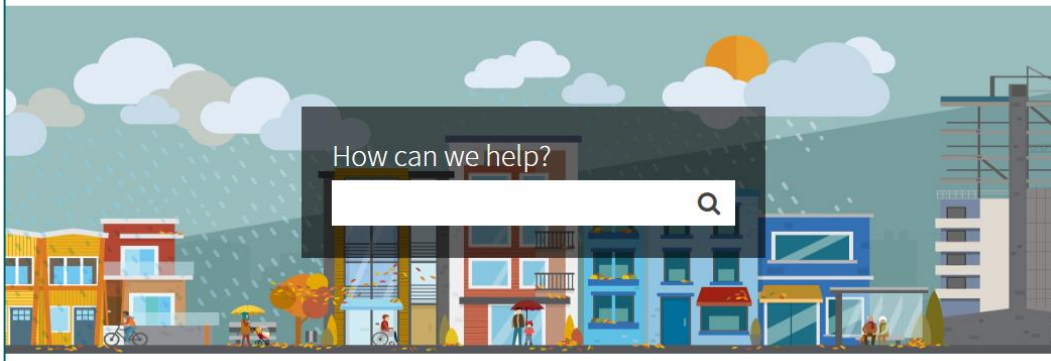


BC HOUSING

Find a shelter space »

Housing Assistance   Partner Services   **Licensing & Consumer Services**   Research Centre

How can we help?



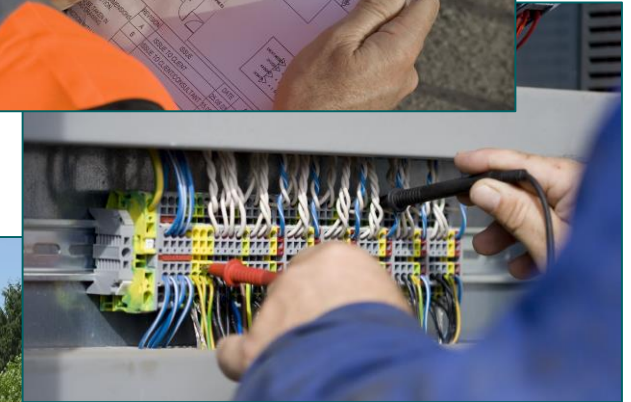
# Support the Creation of New Affordable Housing

- *National Housing Act* lender
  - Financing and capital grants, low provincial government interest rates
  - CPI, creating mixed tenure models
- Partnerships with housing sector
  - P3 agreements - SRO Renewal Initiative
  - Joint ventures, memoranda of understanding (MOUs), collaborative development approaches and/or models
- Local government partnerships
  - Securing land and development approvals



# Support a Strong Non-Profit Sector

- Capital planning and asset management
- Repairs, energy retrofits, ESCOs
- Operational review, governance
- Transfer of projects or land to Non-Profits
- Joint research projects (EOA Planning Guide)
- Modernizing and reforming housing programs
- Skillsplus, HUB



# Questions?



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Business Transformation

Future-proofing the social housing sector

PRESENTED BY:

Wayne Tuck

Chief Operating Officer, Toronto Community Housing

# Session Learning Goal

- As Toronto Community Housing seeks to become more tenant-centric and responsive to tenant needs, how is the organization approaching business transformation?
- How can you leverage and apply what is being done at the country's largest landlord and social housing provider in your own business?





# TCHC – Change by the numbers

- 6 CEOs in past 8 years:
  - Executive staff since 2009 have generally lasted 2 years each
- Several external reviews, starting in 2011:
  - 5 Auditor-General reports; 2 Ombudsman investigations, 1 Service Manager review, 1 Mayor's Task Force
- Facilities condition index – 10.0% in 2013 to 16.6% in 2017
- Building capital investment – \$60M in 2013 to \$250M in 2017
- Subsidy dropped from \$304 million in 2012 to \$230 million in 2015 and rose to \$242 million in 2017



# TCHC – Change as a constant

- TCHC has been the subject of much attention since inception; most of it has been negative
- Change has generally been in response to the negative, or the perception of the negative
- Change is a constant, but has as a consequence, instilled a resiliency and adaptability
- It's time to leverage the power of change, shifting from the negative to the positive and taking advantage of the resiliency and adaptability as productive benefits to transformation





# Focus on Building a Tenant-centric Brand

- Clear mandate – What will we do?
- Clear purpose – Why will we do it?
- Population focus – Who will we do it for?
- **Tenant-centric approach to Customer Service – How will we do it?**
- Secured funding – Who will pay for it?



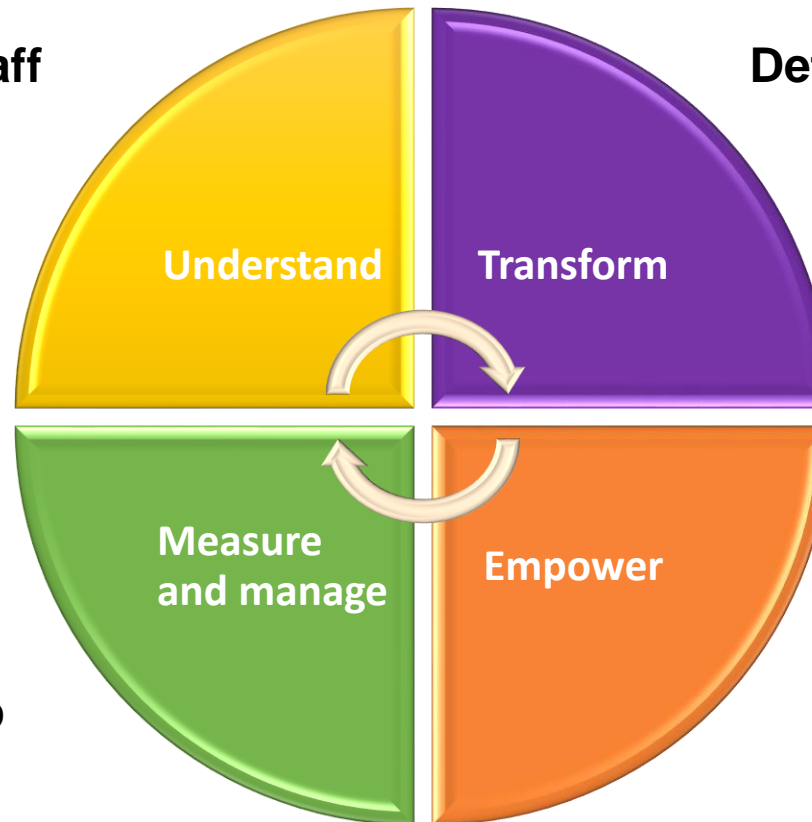
# Tenant Service Strategy Framework

## Listen to Tenants and Staff

- Engage Tenants
- Engage Staff
- Gather feedback
- Focus on continuous improvement

## Manage performance

- Complete relational and transactional surveys
- Leverage complaints
- Performance manage to standard



## Define a customer service vision

- Establish/enhance *Service Integration & Delivery*
- Develop/update standards
- Enhance information technology to support

## Empower staff to make a difference

- Communicate/reinforce the vision, mission, values
- Implement standards
- Train – Customer service
- Reward and recognize



# Questions?