

2009

COMPENSATION SURVEY

How is the profession faring in these stormy economic times? Not badly at all, the figures show P. 18

Going for the gold P. 26



SMEs set to increase international business P. 6

Good show: Hamilton host of advice P. 6

The best way to respond to an angry client P. 7

Organizing the Olympics may not be a sport unto itself, but it still takes buckets of sweat. Meet the CAs behind the Games

By Roberta Staley

Going for GOLD

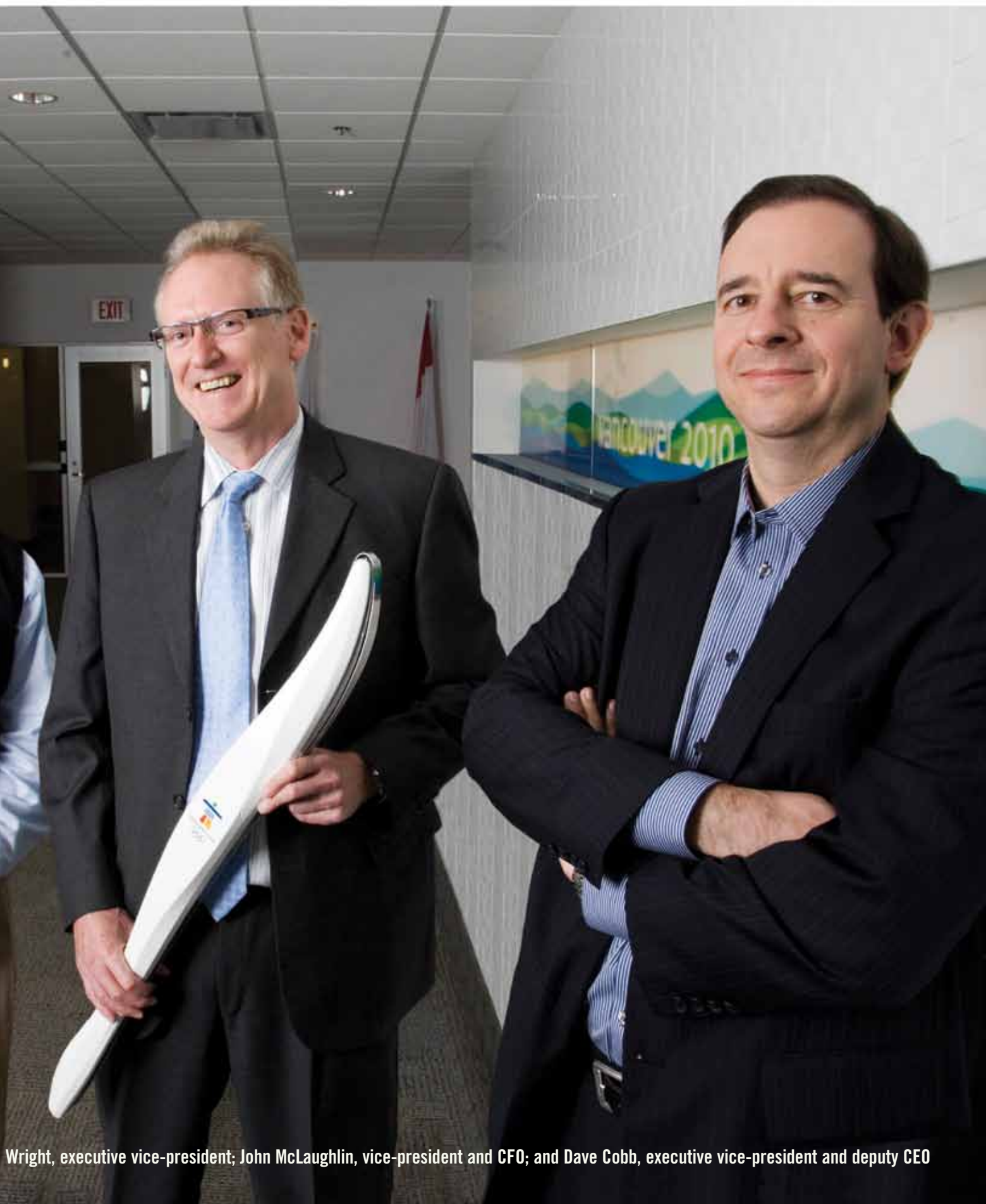
Of the gazillion things clamouring for Terry Wright's attention, the one topping today's list is food — lots of it — enough for 1,200 hungry athletes at a time, three times a day, every day, for more than two weeks. Wright, a CA and the executive vice-president of services and games operations for the Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games (VANOC), is snowed under a daily avalanche of to-do lists. With a day as tightly wound as a Victorian lady's corset, timing is everything and, at this moment, food has top priority.

The dining room at the athletes' village, located on the Vancouver waterfront, is set up, the kitchen is firing, and the VANOC executive team is coming down for a gourmet test run. They will be served an evening meal in the exact proportions the athletes will receive in February.

Photography by DARRELL LECORRE/KLIXPIX



VANOC's trio of CAs (from left): Terry



Wright, executive vice-president; John McLaughlin, vice-president and CFO; and Dave Cobb, executive vice-president and deputy CEO

The meal will have been analyzed and approved by the International Olympic Committee (IOC) to ensure it meets nutritional standards. It will be BC-ized, says Wright, and contain fresh, local ingredients. It will cater to cultural culinary nuances to suit the unique palates of the athletes, who hail from more than 80 countries.

And that's just one item on Wright's heaping plate. "These are big operations," he says with understatement.

The services, supplies and manpower needed to run the upcoming, \$1.76-billion Olympic and Paralympic Games are mind-boggling. It takes a team of professionals — with the stamina of a biathlete and the fearlessness of a ski jumper — to help plan for and orchestrate this colossal quadrennial winter sporting event, which runs 17 days from Feb. 12 until Feb. 28 in Vancouver and Whistler, then resumes March 12 for 10 days of Paralympic events.

As legendary NCAA basketball coach John Wooden once said, "Sports do not build character. They reveal it." And there is no shortage of character — the sort that inspires sportscasters to throw out words like heart and grit — shown not only by

40 trips to Toronto in the past few years to sign more than 50 national sponsors such as General Motors and Cold-fx. He is also VANOC's go-to communications guy, giving journalists from around the world the latest updates during interviews and media conferences.

Until about a year ago, it was mainly good-news reporting. Then, in late 2007, the subprime mortgage crisis shook the US. The ripple effect, felt first in the residential real estate market, lapped onto the financial and retail sectors, triggering a worldwide tightening of credit. VANOC found itself facing a multimillion-dollar shortfall, and the sweet, endearing smiles of Olympic and Paralympic mascots Quatchi, Miga and Sumi seemed, suddenly, slightly naive.

Six months before the Games were to begin, the IOC, based in Lausanne, Switzerland, had signed only nine international sponsors due to the recession. Eleven sponsors had been budgeted for. VANOC's share of each sponsor was \$15 million, leaving it \$30 million short, Cobb says. VANOC had also failed to sell \$12 million worth of billboard advertising it had bought up.

Cobb, McLaughlin and Wright had to overcome great challenges for the 2010 Olympics to go ahead with a pomp and pageantry that belies the fiscal prudence forced upon them by the global economic crisis

Wright, but by two fellow chartered accountants who are part of VANOC's 10-member senior management team.

Wright and CAs Dave Cobb, executive vice-president, revenue, marketing and communications and deputy CEO, and John McLaughlin, vice-president and CFO, have shown that, while organizing the Olympics may not be a sport unto itself, the endeavour can have as many heart-stopping moments as a gold-medal match between long-standing rivals. It is due in large part to Cobb's, McLaughlin's and Wright's ability to overcome great challenges that the 2010 Olympics are going ahead with a pomp and pageantry that belies the fiscal prudence forced upon them by the worst global economic decline since the Second World War.

The men's composure in the face of such fiscal trial and tribulation has not gone unnoticed. As president of the Canadian Olympic Committee (COC) and VANOC board member Michael Chambers says, the three CAs have always remained calm and settled and resolute. "It takes a trained disposition and focus to have gotten through all this. The education, training and experience of McLaughlin, Wright and Cobb lent great assistance to the board. When a question was asked, you got the straight goods," says Chambers, a former athlete and a law partner at Maclaren Corlett LLP in Ottawa.

Cobb, indeed, appears unruffled as he sits in his glass-walled office at VANOC's four-storey building on the outskirts of east Vancouver, sipping coffee from a mug as white as Whistler snow. He is the organization's marketer and deal-maker, having made

But it was in Cobb's nature to remain coolheaded. The 47-year-old, who sports a beguiling gap-toothed grin, is tall with an athlete's slender build — testimony to his days as a centre back in 1982 to 1983 with the Vancouver Whitecaps reserve soccer team. Sports has always been a part of Cobb's life; he attended Simon Fraser University on a soccer scholarship, working with KPMG shortly after graduating, then joined the Vancouver Canucks management team in 1992, where he rose to the position of chief operating officer, which he held from 1999 to 2004. So when VANOC's shortfall increased, Cobb fell back on his athlete's training: rally the team and work out a new plan of attack.

VANOC reduced full-time positions and made a plea to the private sector to lend about 1,500 full-time employees to supplement VANOC's operations, a move echoing previous Olympics, which have relied extensively on volunteers. Then, late last summer, in a move that caused VANOC staff to heave a collective sigh of relief, the IOC announced (without giving a specific dollar figure) that it would assist financially if there was a budget shortfall. The IOC, says Cobb, has no contractual obligation to pay the money related to the shortfall in international sponsorship, but it recognized that VANOC was left holding the budgetary bag. "The IOC committed to help us out and that should eliminate the gap that we have in our budget now," says Cobb, who starts his 11-hour days at 7 a.m. The promise "to help us at the end if we're short gives us quite a bit of confidence on the revenue side," he adds.

Cobb acknowledges the situation could have been worse. When he started in August 2004 as executive vice-president, after

VANOC CEO John Furlong convinced him to join the management team, Cobb bolted out of the starting gate. "We had success early and rode the wave of interest and excitement early and secured the majority of our revenues before the recession hit," he says. "We were very fortunate." Furthermore, VANOC avoided the scandal afflicting past Games, such as the 2004 Summer Olympics in Athens, Greece, which saw overruns climb into the billions of dollars due in large part to frenzied last-minute construction. Cobb says VANOC worked "really hard learning what we could do about previous Games, what went well and what didn't go well, doing everything we could not to repeat the mistakes previous organizations had made."

Construction of new facilities and upgrades were completed one to two years before the start of the Games, at a cost of \$580 million, a tab that was picked up by the BC and Canadian governments. Finishing early saves you money, says Cobb. "You're not paying overtime and you're not vulnerable to the market to get things done."

Having the facilities ready early also had two other big advantages, says Cobb. Not only did it allow time to train the people who will be operating the facilities, but it gave the Canadian athletes the opportunity to train where they will compete, giving them home field advantage. This complements the national Own the Podium 2010 strategy to see Canadian athletes win a record number of bronze, silver and gold medals. The target is 35 medals, projected to place Canada in the top three participat-

ing nations. At the last Winter Games in Turin, Italy, in 2006, Canucks brought home 24 medals, seven of them gold. Canada's performance as a host nation, however, has been tarnished; gold eluded our athletes at both the 1976 Montreal Summer Olympics and the 1988 Calgary Winter Games.

Staying focused and training hard to secure an Olympic medal has certain similarities to trying to balance the Olympic budget. Every improvement in performance, every progression, is the result of buckets of sweat. "When the economy turned in the fall of 2008 it was a big change for us," says Cobb. "We are fighting for every dollar. Delivering on a balanced budget is our commitment, but it has become a much bigger challenge so we have to work much harder for every dollar than we used to."

The IOC allowed VANOC to make a few changes in response to economic pressures, but nothing that "was defined when we put our bid in was compromised," says McLaughlin, who was the chief architect of the Bid Corp.'s financial plan, drawing upon his experience helping balance the books at Vancouver's 1986 World Exposition on Transportation and Communication world fair (Expo 86), as well as MUSIC '91 and the 1994 Commonwealth Games.

McLaughlin's light and airy office, like Cobb's, has glass walls that sport the VANOC motif, graceful intermingling waves of pale blues and greens. Seated straight-backed at a table, McLaughlin muses that a huge part of the challenge he and his team faced came from the lack of flexibility in putting on the Games. In



Top financial talent is always your best investment.



Call today for your FREE 2010 Salary Guide.

Accountemps, Robert Half Finance & Accounting and Robert Half Management Resources are the leaders in specialized financial and accounting staffing for temporary, full-time and project placement, respectively.

1.800.803.8367
accountemps.com

1.800.474.4253
roberthalffinance.com

1.888.400.7474
roberthalfmr.com



other words, the show must go on — ready or not. Adaptability, imagination and compromise have been key to ensuring the planning for the Games has gone as smoothly as it has, he says.

McLaughlin, 53, has relied upon a top-notch finance department, including 10 “flexible, smart and hard-working” CAs to handle revenue and costs, as well as any tax peculiarities that have arisen since he became vice-president in 2004. “We’re doing some things nobody has really done before,” says the blue-eyed, bespectacled McLaughlin. Managing VANOC’s elaborate lattice-work ledger means falling back on his solid CA training, while using his imagination and ingenuity to adjust to anomalous circumstances. VANOC, McLaughlin says, has 30 very different revenue streams, including income from merchandise and ticket sales and contributions from broadcast rights and sponsorship.

Sponsorship is especially complex; it entails contributions in kind — products and services as well as cash to VANOC — in a complicated form of barter. For example, General Motors is donating vehicles, while Petro-Canada is providing fuel. “You have to have good internal controls so you know where the money is coming from and how it is coming,” says McLaughlin. “Then we have to make sure that we collect what’s owing us.” And there is nothing straightforward about the GST, he adds, with some of the supplies for the games falling under the “temporary importation” category. This refers to foreign goods brought into Canada for use only for the Games, then immediately returned to the owner. Because some importers are not registered for the GST

and cannot claim credit for GST paid, certain remission orders reduce the payable taxes, he says.

Alan Peretz of Deloitte, the official supplier of professional services at this year’s Games, is the firm’s lead client service partner for Deloitte’s sponsorship of VANOC. Peretz has worked closely with McLaughlin on various financial aspects of the Games, including risk. Late in 2008, as the world economy was crashing and burning, McLaughlin was understandably concerned about the ability of sponsors to deliver on promises, says Peretz, director of operations for Deloitte’s enterprise practice in BC. Peretz helped McLaughlin analyze three key risk queries: was the sponsor financially viable? Could sponsors deliver by the opening ceremonies? How secure were their suppliers? General Motors was closely eyeballed. As at other North American auto giants, record-high gasoline prices had battered vehicle sales at GM and the company was seeking government bailouts on both sides of the border. And a Tennessee company that was the supplier for a key product — tents — was also scrutinized. “We used publicly available information to make an assessment,” says Peretz.

VANOC found things were in pretty good shape on the supply side and where there were some questionable areas, good dialogue and good action plans were put in place, says Peretz, who gives kudos to McLaughlin for keeping the ride as smooth as possible over the bumpy road. “He is a great team builder; he gave the team responsibility and accountability and let it do its job.”

UBC DAP

The gateway to accounting

Accelerate your future with the Diploma in Accounting Program (DAP) at the University of British Columbia.

If you are a university graduate seeking a professional accounting designation, you can fast-track your education through the UBC Diploma in Accounting Program (DAP). UBC DAP's curriculum is recognized by the Chartered Accountants School of Business (CASB) and satisfies most of the program requirements.

APPLICATION DEADLINES

May start: Feb 1 (International applicants)
Mar 1 (Domestic applicants)

Sep start: Jun 1 (International applicants)
Jul 1 (Domestic applicants)

Find out how DAP can accelerate your future: www.sauder.ubc.ca/dap



Opening Worlds

THE UNIVERSITY OF BRITISH COLUMBIA

CAs HAVE LONG INSISTED — unconvincingly to some — that there is a fun side hidden behind their earnest public demeanour. Wright, a man perpetually wired on his own enthusiasm, certainly repudiates the cliché, sitting poised on his office chair like a snowboarder ready to launch from the starting gate. “We’re a bit busy,” he beams, as if catering to the needs and whims of heads of state, members of the British Royal Family, 5,500 athletes and team officials and 10,000 members of the media is as thrilling as winning a gold medal.

Wright, 52, is responsible for “the big functions.” These include the Olympic village where the athletes will reside, as well as transportation, logistics, accommodation, snow management, cleaning and waste management, press and broadcast operations, temporary construction, secondments and, of course, food services. He must make sure all the athletes are well fed and well housed. There must be controls in place to ensure the athletes arrive on time to their events, which are scattered across 10 venues in Richmond, Vancouver, Cypress Mountain in West Vancouver and Whistler, 120 km north of Vancouver along the Sea to Sky Highway.

Oh, and pray for snow.

Nothing that Wright can't handle. "I have a lot of energy and I love this work," says the CA, who worked at Expo 86 after he finished articling, acting as the bridge between finance and operations and entertainment.

Keeping the VIPs happy and the athletes well fuelled is a cakewalk in comparison to the problem of transportation — long Vancouver's bane. As any commuter will attest, traffic is a never-ending headache, with bottlenecks at key linkages between the urban centres that make up the Greater Vancouver Regional District, with its 2.2 million population. "We have to get 30% of the cars out of downtown Vancouver," says Wright, who stays at a Vancouver apartment during the week and takes the 40-minute flight home to Victoria on weekends. Commuters into downtown will be encouraged to telecommute, walk, cycle or take public transit to work. Not an easy pill to push in February when Vancouver is soaked by bone-chilling winter rains.

This is but another minor hillock in the mountain range of challenges that Wright has scaled in the past dozen years. Tourism Vancouver first approached him in 1997 to do a feasibility study on the potential for Vancouver and Whistler to host a Winter Olympics. He prepared a business plan for the domestic bid committee and, in 1999, was contracted to lead the development of the technical aspects of the bid while overseeing the bid's finances. At the time, Wright's now 19-year-old son was in Grade 2. After such a lengthy gestation period, do the Vancouver Olympics feel like Wright's baby? "It kinda does — and I want it to be delivered," he says.

Now that VANOC is in the home-stretch of Games preparation, Wright has the luxury of looking back at a journey that he compares to trekking the Himalayas. "One of the challenges on a project as big and as complicated as this is that you get to the top of the mountain that you slogged your way up to get something done and before you can celebrate you look ahead and you see a bigger mountain," he says.

It's hard for Wright to believe that the Olympics — once only a dream — are mere weeks away. It has been a long haul for him, McLaughlin and Cobb. But when given accolades by men such as Chambers, the three downplay their contributions, preferring to deflect credit onto the VANOC team and the host of

volunteers. Nothing will make these men happier than to see the Games go ahead without a hitch, allowing the athletes to finally take centre stage.

While it may be time for the athletes to shine, it can also be said that the commitment, ingenuity and endurance of Cobb, McLaughlin and Wright show that the spirit of an Olympic champion rests not only with the athletes, but with those who have worked to ensure the Games are an unforgettable experience for participants and viewers alike.

Roberta Staley is a freelance writer based in Vancouver

ACOMBA
ACCOUNTING SUITE

GET INTO THE COMFORT ZONE
www.acomba.com/editionconfort
1 800 862-5922 OPTION 5

COMFORT EDITION

RELAXE
ACOMBA ACCOUNTING SUITE
General Ledger, Accounts Receivable
and Accounts Payable Modules

RELAXE
PERSONALIZED ONE-HOUR SETUP ASSISTANCE
Installation, configuration and basic training

RELAXE
15-MONTH UNLIMITED TECHNICAL
SUPPORT AND UPDATES

RELAXE
WEB TRAINING
ACOMBA Environment

RELAXE
BUSINESS FORMS
50 Customized cheques
Customized invoices
Self-adhesive envelopes
Business cards