LAWRENCE NATIONAL CENTRE FOR POLICY AND MANAGEMENT





Lawrence National Centre for Policy and Management

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When people think of teaching at Ivey, their thoughts immediately turn to classrooms full of HBAs and MBAs. Instilling an understanding of government in students, how it works and how business can work collaboratively is critical to the mission of the Lawrence Centre. However, Lawrence Centre teaching also means helping to prepare senior public servants to tackle the big challenges that face Canadian society. Our Senior Public Sector Leaders Program (SPSLP) offered though Ivey Executive Education does just that.

With two years under our belt and a new cohort beginning in the fall, the SPSLP brings together Assistant Deputy Ministers and Crown Corporation Vice-Presidents for an intense one-week experience in the fall at Spencer Leadership Centre and then for two more days at six and twelve months. Over that time, they are exposed to Ivey's world-class leadership and strategy team, our custom cases in public sector management, and they build valuable networks across federal and provincial officials.

We are already seeing results as SPSLP participants are promoted to the Deputy Minister ranks, to serve as the 'CEOs' of

government departments that deliver critical services to Canadians. I can't help but think that Jack Lawrence HBA '56 and Mitch Baran HBA '59 would be proud of the way their support has contributed to building a stronger professional public service in Canada.

Research activities continue to expand at the Lawrence Centre. We branched out into two important new areas recently with studies on procurement of public infrastructure and outlining a way forward to meet Canada's 2030 Greenhouse Gas Emissions target. Using Ivey's trademark case study method, we examined six public infrastructure projects using either traditional or public-private-partnership (PPP) procurement. From the case studies it was clear that PPP projects generally did a better job of managing risk to tax payers, i.e. coming in on time and on budget.

The way governments manage the climate change file is critical to business and thus, at Ivey, we have a particular interest in finding the most efficient way to make the transition to a low-carbon economy. Our series of three studies on governments and climate change lay the ground work for a constructive, practical discussion among federal and provincial governments on how to tackle the problem.

Notwithstanding our new interests, the future of Canadian manufacturing remains at the core of Lawrence Centre research. In November 2015 we held our second "Future of Canadian Manufacturing" conference. The theme was 'Attracting Global Mandates' and we presented our case-study research on how Canadian subsidiaries of global companies win the intra-firm competition for R&D and production mandates. Not surprisingly to us at Ivey, leadership turns out to play a central role with the Canadian CEO and senior management driving the campaign to win the global competitions that occur within the firm.

Finally, on a personal note, I am stepping down in August 2016 as Director of the Lawrence Centre. My time at the helm has been rewarding and I thank the Lawrence Centre Advisory Council, the staff and all of my colleagues at Ivey for their support and encouragement over the past four years. The Lawrence Centre has never been stronger and I look forward to seeing it continue to fulfill Jack Lawrence's charge to '...help business and government work together better'.

RESEARCH



ATTRACTING GLOBAL MANDATES

In 2014, the Lawrence Centre completed a comprehensive look at the state of Canadian manufacturing called The Future of Manufacturing: Learning from Leading Firms. This series of six reports outlined how Canadian manufacturers could gain competitive advantage, and be successful in a global context. Now the Lawrence Centre is completing Phase 2 of this unique project with the release of Attracting Global Mandates.

Once again using the case method, *Attracting Global Mandates* focuses on the Canadian operations of global firms.

"Our interest is in how Canadian managers succeed in winning the intrafirm competition for production and R&D mandates," says Lawrence Centre Director Paul Boothe. "In addition, we delve more deeply into approaches to investment attraction by best-practice organizations including Pro-Mexico, Select USA and Invest HK in order to better understand the reasons for their success in attracting manufacturing investment to their jurisdictions." The work was the result of the combined efforts of Ivey Professors Paul Boothe, Jean-Louis Schaan, David Sparling and Adjunct Research Professor David Moloney. Ivey Fellow Professor Greig Mordue of McMaster and Lawrence Centre Research Associate Sandra Octaviani rounded out the team. Phase 2 was supported by partners Business Council of Canada (formerly Canadian Council of Chief Executives), Canadian Imperial Bank of Commerce, IBM, Industry Canada and Ontario Ministry of Economic Development, Employment and Infrastructure, who also gave researchers access to key decision makers in case-study firms.

The work was presented at a conference at Ivey's Tangerine Leadership Centre in Toronto on Nov 10, 2015.

Conference participants recommended federal and provincial governments take three practical actions to raise Canada's manufacturing game:

- A commitment to coordinated action when seeking to attract investment.
- Joint development of a business plan for investment attraction.
- Consistent and sustained engagement by political leaders and senior officials in all stages of the investment attraction process.

READ THE SUMMARY REPORT ON THE LAWRENCE CENTRE WEBSITE HERE: HTTP://GO.IVEY.CA/5XCE

Watch for additional studies to be released in 2016.

SEARCHING FOR CANADIAN COMPETITIVE ADVANTAGE

Canadian manufacturing may be facing challenges but there is hope ahead.

The Lawrence Centre collaborated with Siemens Canada on two related projects to help manufacturers gain competitive advantage in the global marketplace.

The first was a partnership on research related to the Future of Canadian Manufacturing project, called *Searching for Competitive Advantage*. The report examines the challenges facing Canadian manufacturers from a global perspective and develops a framework for discussing strategies for competitive advantage using markets, products and technologies as the organizing framework. Here are just a few of the report's recommendations:

- Canadian manufacturers must embrace advances in technology and software to reduce time to market and cost, and to improve quality and customer choice.
- Firms must work with educational institutions and governments to ensure the next generation of workers has the skills to compete in a global labour market.

READ THE ENTIRE REPORT HERE: HTTP://GO.IVEY.CA/5XCF



Joris Myny, Senior Vice-President, Industry Sector, Siemens Canada

STUDENT FORUM

On September 29th 2015, Lawrence Centre Director Paul Boothe and Joris Myny Senior Vice-President of the Industry Sector at Siemens Canada, discussed the paper in a forum for Ivey students, faculty and members of the London, Ontario, business community.

SUBSCRIBE TO THE LAWRENCE CENTRE'S YOUTUBE CHANNEL TO WATCH ALL OF THE CENTRE'S VIDEO CONTENT – HTTP://GO.IVEY.CA/5XCJ



IDEA FORUM

The Lawrence Centre also partnered with Siemens Canada to present the report at an Ivey Idea Forum Sept. 10, 2015 at the Ivey Tangerine Leadership Centre. The Forum featured panelists Robert Hardt, President and CEO of Siemens Canada; Linda Hasenfratz (EMBA '97), CEO of Linamar Corporation; and Jayson Myers, President of Canadian Manufacturers & Exporters (CME).

The discussion and Q&A examined ways Canadian manufacturers could gain a competitive advantage. Watch these videos to gain insights from the panelists:

- Linda Hasenfratz, http://go.ivey.ca/5xCg
- Jayson Myers, http://go.ivey.ca/5xCh
- Robert Hardt, http://go.ivey.ca/5xCi



Linda Hasenfratz, CEO, Linamar

TRACKING ONTARIO MANUFACTURING SUCCESS STORIES

In a collaborative project with the Trillium Network for Advanced Manufacturing, Lawrence Centre Research Associate Bing Feng, and a team of students have conducted more than 30 firm interviews with senior leaders of successful next generation manufacturing firms in Ontario. Interviews and dissemination are a part of an effort to change the public narrative regarding the state of Ontario manufacturing.

TROJAN TECHNOLOGIES

A glistening stream of water discharges continually into the Thames River from a London pollution control plant that sits on a bank of the river. The water has passed through many stages of the waste water treatment plant, becoming cleaner with each step, until it finally reaches the UV disinfection system built by Trojan Technologies, a UV water treatment design and manufacturing leader headquartered in London, Ontario.

"People must have confidence in their water and water treatment processes. That is what we are all about", explains Chief Technology Officer, Linda Gowman. "We bring expertise to treating all sorts of water. We have been shining ultraviolet light into water for almost four decades. Using this experience, Trojan has become an expert in disinfecting microbes in all sorts of water – from very dirty to very clean. In addition, we have engineered very large international installations to destroy micropollutants in water, directly with UV and with the addition of an oxidant like hydrogen peroxide. This lets us destroy chemicals like pesticides in water sources, which is very important with contaminated surface water sources."

READ MORE: HTTP://GO.IVEY.CA/5XCK

GEOMAPPING

Again in collaboration with the Trillium Network for Advanced Manufacturing, Research Associate Omar Fayoumi developed a geomapping program to help researchers and policymakers understand Ontario's manufacturing clusters. The geomapping program will initially be used to help identify potential educational partnerships.

READ MORE ABOUT ONTARIO'S MANUFACTURING SUCCESS STORIES: HTTP://GO.IVEY.CA/5XCN

MABEL'S LABELS

Neither "cute" nor "mommies" are words one usually associates with manufacturing. In the case of Hamilton-based Mabel's Labels, both are defining. The company designs, manufactures and distributes custom labels for children's wayward clothing and accessories. They target the average, my-toddler-just-spilther-milk-the-baby-is-crying-and-there-are-still-17-hours-in-thisday mom.

How did Mabel's Labels discover the perfect product? Twelve years ago, four mothers grew tired of financing the disappearance of their children's belongings at kindergarten and day camps. The markers and masking tape solution had proven unnecessarily unattractive.

READ MORE: HTTP://GO.IVEY.CA/5XCM

JONES PACKAGING

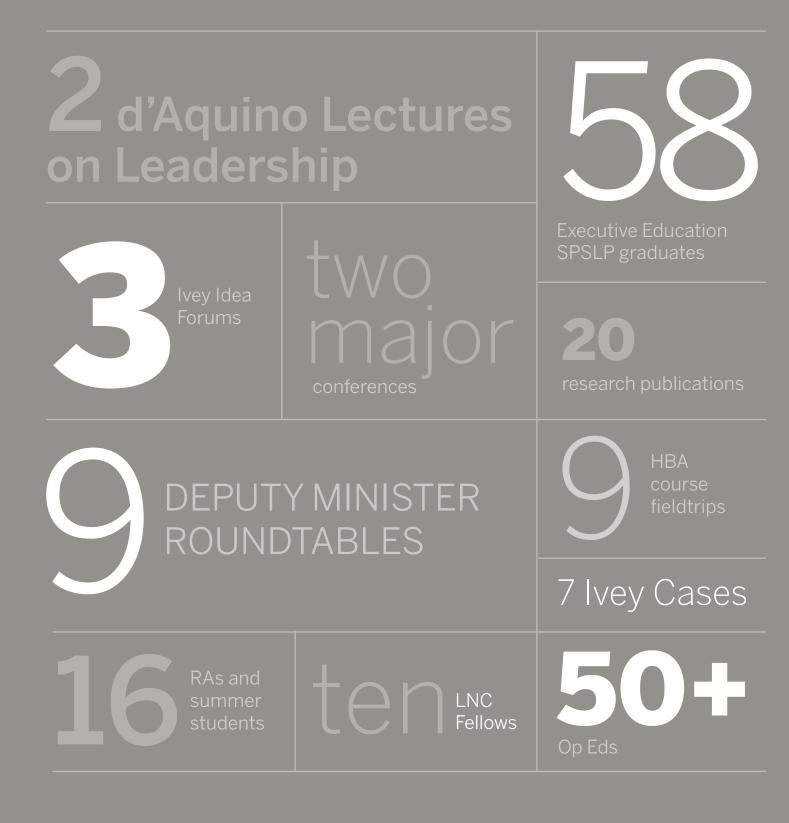
The face of manufacturing has evolved significantly over the last century, and no one is better positioned to attest to this than Jones Packaging Inc. (Jones) – a company whose four generations of ownership and leadership have had the privilege to bear witness to a level of advancement that has taken the business to heights likely unimaginable to its founders. Today, with fourth generation family member Christine Jones Harris and her husband Ron Harris at the helm, history has proven that hard work, continuous innovation, valued partnerships, purposeful investment and flexibility are fundamental to business growth.

The company's history can be traced back to 1882, when Chris's great-grandfather, Henry Jones, founded the business. A prolific entrepreneur, Mr. Jones foresaw the potential of the pharmaceutical packaging market, which has since remained a primary focus of the company's business strategy across all three divisions – Printed Packaging, Contract Packaging and Healthcare.

READ MORE: HTTP://GO.IVEY.CA/5XCL

LAWRENCE NATIONAL CENTRE FOR POLICY AND MANAGEMENT

BY THE NUMBERS, 2012-2015



TEACHING



HELPING PUBLIC SERVANTS MAKE AN IMPACT

THREE GUEST SPEAKERS. THREE FRESH PERSPECTIVES.

Whether it's better understanding the challenges and opportunities in their environment or the impact of their actions on the public they serve, there were many takeaways from the Senior Public Sector Leader Program.

The program is designed for those who have completed at least a year as an Assistant Deputy Minister (ADM) or a crown corporation VP in both federal and provincial governments and who have the potential to assume further responsibility in their career.

This year's guest speakers in the program discussed some key lessons and important outcomes from the course:

BEN WHITNEY, PRESIDENT OF ARMO-TOOL LTD.



As the third generation of the Whitney family to have a leadership role at the toolmaking manufacturing

company founded by George and Ross Whitney in 1969, Ben Whitney knows firsthand how important manufacturing is to the economy. He said he hopes he conveyed the wealth-creating opportunities and encouraged senior public sector leaders to support smalland medium-sized manufacturing firms.

"I hope they realized that most manufacturing today is not dirty, boring, or undesirable. It is the advanced manufacturing that most governments say is a priority. The routine, lowvalue-added manufacturing moved offshore long ago," he said. "Giving senior government people a better understanding of the impact that their actions have on the economy at the ground level is key. By understanding our challenges and opportunities better they can design policies that will have the most impact for the lowest cost."

CHRIS RAGAN, ASSOCIATE PROFESSOR

ASSOCIATE PROFESSOR OF MACROECONOMICS AND ECONOMIC POLICY AT MCGILL UNIVERSITY AND CHAIR OF CANADA'S ECOFISCAL COMMISSION



Ragan made headlines in 2014 when he launched Canada's Ecofiscal Commission, an independent group of economists aiming to determine and

promote fiscal changes that will benefit both the economy and environment. His presentation focused on the power of ecofiscal policies to improve environmental and economic outcomes and the value of de-polarizing debate through use of an independent commission with economic credibility. He said he hoped the SPSL program exposed public servants to new ideas and perspectives for addressing the big issues.

"Senior public servants don't often enough get out of their own professional and institutional silos." As a result, he said, "they often lose track of some really important big issues because they might not be urgent enough to get their attention. In those silos, they also suffer from a lack of exposure to new perspectives. This course is important because it tries to expose them to the big issues and new ideas."

STEVE ORSINI, SECRETARY OF THE CABINET, HEAD OF THE ONTARIO PUBLIC SERVICE AND CLERK OF THE EXECUTIVE COUNCIL



The world we live in and the context in which governments are operating is rapidly changing. Public sector leaders need to understand the challenges and

opportunities a dynamically changing environment brings and prepare for the future. Orsini spoke about the need to develop new and innovative ways to capitalize on emerging opportunities to transform public services and address critical social and economic issues. He said he hopes participants left with tools to create the change their organizations require to meet the needs of a more demanding public in cost-effective ways.

"The increasing demand for better public services cannot be addressed by one ministry or one level of government alone. Now, more than ever, governments need to work across all levels and develop close partnerships with communities to co-design and co-deliver public services that are efficient and relevant to the public and their needs," he said. "This course brings public servants from various levels of government across Canada together to discuss common issues and opportunities for collaboration, and develop strong leadership skills that will help them embrace and inspire change."

BUSINESS 4582: TEACHING THE NEXT GENERATION

Business 4582: The Lawrence Centre's Business and Public Policy HBA2 elective combines guest lectures, field trips, and casebased learning to give students an appreciation of the depth and complexity of public policy issues affecting firms. Now in its third year, the course is taught by Professor Paul Boothe, Director of the Lawrence Centre and a former deputy minister.

WATCH A VIDEO OF HOW STUDENTS TALK ABOUT HOW THE COURSE PREPARES THEM FOR THE REAL WORLD HTTP://

OUTREACH



THE CASE FOR PUBLIC-PRIVATE PARTNERSHIPS

Canada is considered a leader in using the public-private partnership (P3) model to deliver public infrastructure projects. Under the P3 model, the private sector manages the logistics of a public infrastructure project. This contrasts with traditional projects that use the public sector to manage infrastructure projects.

Professor Paul Boothe together with Adjunct Research Professor David Moloney, Fellows Félix Boudreault and David Hudson made the case for public-private partnerships. The work compares P3 with traditionally-delivered public-sector infrastructure projects. Using case studies, the two models are compared in terms of process, costs, risk allocation, and the overall benefits to the public.

The Lawrence Centre hosted an Ivey Idea Forum on Oct. 13, 2015, to understand the debate over P3 projects.

The research was supported by a consortium of nine firms, led by AECON, that work in both traditional and P3 environments. The resulting study looked at six major infrastructure projects in two sectors: hospitals and rapid transit.

Results showed the P3s were more often on time and on budget than the traditional projects and any risks with the P3 projects were transferred from the public to the private sector.

"The due diligence that comes with private financing is worth a lot," said Boothe. "It means the kinds of risks that we're facing actually get costed and mitigated."

A panel of leaders from public, private, and Crown corporations involved in construction and infrastructure development also weighed in on when, why, and how P3 projects should be delivered.

WATCH INTERVIEWS WITH PANELISTS: HTTP://GO.IVEY.CA/5XCT

READ MORE ABOUT THE EVENT HERE: HTTP://GO.IVEY.CA/5XCU

READ THE COMPLETE REPORT HERE: HTTP://GO.IVEY.CA/5XCV



John Beck, Executive Chairman, Aecon Group Inc.; and Geoff Smith, President and CEO, Ellis Don (shown here); plus Bert Clark, President and CEO, Infrastructure Ontario were part of the panel discussion.

IN THE MEDIA

Media coverage in such national publications as *The Globe and Mail, Maclean's Magazine* and *Canadian Business* brought the research and news from the Lawrence Centre to a national and even global audience. There were more than 20 Op-ed contributions by Paul Boothe, Félix Boudreault and David Moloney in *Maclean's*, *The Globe and Mail, iPolitics* and the *Financial Post*. More than 70 unique articles included commentary by Lawrence Centre writers or mentioned the Centre in the story.

Canada is a laggard at attracting investment. Here's how to fix that.

MACLEANS

Maclean's, April 1, 2016

Paul Boothe explains, while Canada has managed to secure some new investment for manufacturing, the country continues to fall behind our competitors both in the United States and in many emerging economies.

READ THE ARTICLE: HTTP://GO.IVEY.CA/5XCW

Climate change and the budget: Big talk meets big money.



iPolitics, March 22, 2016

Bringing the budget focus to climate change in their op-ed for *iPolitics*, Paul Boothe and Fellow Félix Boudreault highlighted the government's commitment to taking action on climate change and reducing greenhouse gases.

READ THE ARTICLE: HTTP://GO.IVEY.CA/5XCX The party is over. Now the hard work begins on climate change.

MACLEAN'S

Maclean's, January 28, 2016

In their op-ed for *Maclean's Magazine*, Paul Boothe and Fellow Félix Boudreault share some basic facts to get the discussion rolling on what Canada can do next.

READ THE ARTICLE: HTTP://GO.IVEY.CA/5XCY

CANADIAN GREENHOUSE GAS EMISSIONS SERIES

Researchers from the Lawrence Centre analyzed the development of Canada's policy to meet the 2030 Greenhouse Gas Emissions (GHG) targets. The series of reports by Paul Boothe, and Lawrence Centre Fellow Félix Boudreault examined the role of provincial governments in setting out Canada's climate change plan.



BY THE NUMBERS: CANADIAN GHG EMISSIONS

In the first study, the authors summarize the basic facts surrounding Canada's GHG emissions and outline the challenge in advance of the first ministers' meeting on the topic.

"Climate change is happening now. It is already painfully evident in Canada's North. While we have a big challenge ahead, we also have the ingenuity we need to meet it. What's been missing is the collective willingness of political leaders to take real action. Hopefully, tomorrow's meeting will show the commitment to real action that we need," said Paul Boothe, Lawrence Centre Director.

READ: HTTP://GO.IVEY.CA/5XCO



SHARING THE BURDEN: CANADIAN GHG EMISSIONS

In the second study, the authors argue that the most difficult issue to resolve in structuring any multi-government collaboration to reduce GHG emissions is burden sharing. Boothe and Boudreault tackle the sensitive issue head-on by testing three possible approaches (egalitarian, historical and efficiency) to burden sharing using Canada's 2020 targets and comparing them to existing provincial targets.

"Our research demonstrates while there may be a wide variety of approaches to burden sharing it doesn't mean it has to be an insurmountable obstacle to progress," says Paul Boothe, Director, Lawrence Centre. "I am encouraged that a combination of burden sharing approaches could form the basis of substantive federal-provincial collaboration."

READ: HTTP://GO.IVEY.CA/5XCP



SQUARING THE CIRCLE

In the final study, the authors examine the "plumbing" needed to underpin federalprovincial collaboration on meeting Canada's 2030 GHG emissions target. It also considers the practical things the federal government needs to do to act as a "systems integrator" – knitting together provincial carbon tax and cap and trade schemes and enacting complementary regulations in areas where carbon pricing is not optimal.

"There are a number of reasons to suggest that trying to impose a uniform approach to tackling climate change would be counter-productive," said Paul Boothe, Lawrence Centre Director. "You simply cannot ignore the diversity of provincial economies, natural resource endowments and capacity for renewable energy generation within each jurisdiction. Actions tailored to regional circumstances are more likely to be effective."

READ: HTTP://GO.IVEY.CA/5XCQ

CANADIAN GREENHOUSE GAS EMISSIONS SERIES: MEDIA COVERAGE

The research reports received extensive media coverage, as sampled here:

HOW OTTAWA AND THE PROVINCES CAN UNITE AROUND CLIMATE CHANGE

Maclean's Magazine

In their op-ed for Maclean's, Professor Paul Boothe; Lawrence Fellow Félix Boudreault; and Chris Frankel, an environmental consultant at F&B Advisors, summarize an appropriate approach for the federal government to take in driving climate change policies.

READ: HTTP://GO.IVEY.CA/5XCR

CARVING UP CANADA'S CLIMATE CHANGE BURDEN

Maclean's Magazine

In their op-ed for Maclean's, Paul Boothe, Lawrence Centre Director, and Lawrence Centre Fellow, Félix Boudreault question who will take responsibility for reducing GHGs and what is the best way to share that responsibility among regions. They also present new Lawrence Centre research on different approaches to sharing the burden for climate change action.

READ: HTTP://GO.IVEY.CA/5XCS

CARBON PRICING IN AUSTRALIA

The Lawrence National Centre for Policy and Management hosted Dr. Martin Parkinson, former Treasury Secretary of the Commonwealth Treasury, Australia, featuring "The Economics and Politics of Carbon Pricing in Australia" on May 13, 2015. Dr. Parkinson gave participants the inside story on the development of Australia's short-lived carbon pricing scheme and drew some important lessons for Canada.



LAWRENCE CENTRE FACULTY, STAFF AND FELLOWS – 2014-2015

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STAFF

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Omar Fayoumi Research Associate

Bing Feng Research Associate

Sandra Octaviani Research Associate

FELLOWS

Félix Boudreault Fellow

Richard Dicerni Adjunct Research Professor and Fellow (on leave)

Andrew Dooner Director, KPMG Canada and Research Fellow

David Hudson Fellow

Dennis McConaghy Fellow

David Moloney Adjunct Research Professor and Fellow

Greig Mordue Professor and Fellow

Jean-Louis Schaan Professor and Fellow

David Sparling Professor and Fellow

David Wood Lecturer and Fellow

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