



Vehicle Sales Authority
of British Columbia

Strategic Business Plan

For Fiscal Years
2017-18 to 2019-20





Message to the Minister from the Chair and President

February 21, 2017

The Honourable Mike Morris

Solicitor General and Minister of Public Safety

On behalf of the Board of Directors, the Registrar, the management and staff of the Vehicle Sales Authority of British Columbia (VSA), it is a privilege to present our Strategic Business Plan for the fiscal years 2017-18 to 2019-20.

Originally established as the Motor Dealer Council of British Columbia, the VSA was formed in 2004 as a delegated administrative authority to legislatively and administratively regulate the motor dealer industry by delivering public services for consumers and administering the *Motor Dealer Act* and the *Business Practices and Consumer Protection Act*, as it relates to the retail sale of personal-use motor vehicles.

This three year plan supports our mission to build confidence in the motor vehicle sales marketplace through consumer and industry education, meaningful stakeholder engagement and compliance with the Acts. The plan also reinforces our ongoing commitment to accountability and fairness in all our operations, including financial performance.

Past performance, the current operating environment and significant future risks have been considered in the development of this plan and the performance targets have been set based on a realistic assessment of our financial and human resource capacity.

Sincerely yours,

Graeme Roberts
Chair

Jay Chambers
President

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1. Corporate Overview

The Vehicle Sales Authority of British Columbia (VSA) is a regulatory agency authorized by the provincial government to administer and enforce the *Motor Dealer Act* and portions of the *Business Practices and Consumer Protection Act*, as it relates to the sale of personal-use motor vehicles.

As a not-for-profit organization, the VSA is led by an eleven-member Board of Directors of vehicle sales industry representatives, government appointees and members of the general public. Incorporated under the Society Act of B.C. in July 2003 as the Motor Dealer Council of British Columbia, the agency operates under a delegation agreement with the provincial government.

Vision

A professional motor vehicle sales industry serving responsible consumers

Mission

Continuing to build a successful motor vehicle sales marketplace through education and compliance

Values

INTEGRITY
RESPECT
TEAMWORK
EXEMPLARY SERVICE
ACCOUNTABILITY

Government Expectations

Responsibility for Consumer Protection

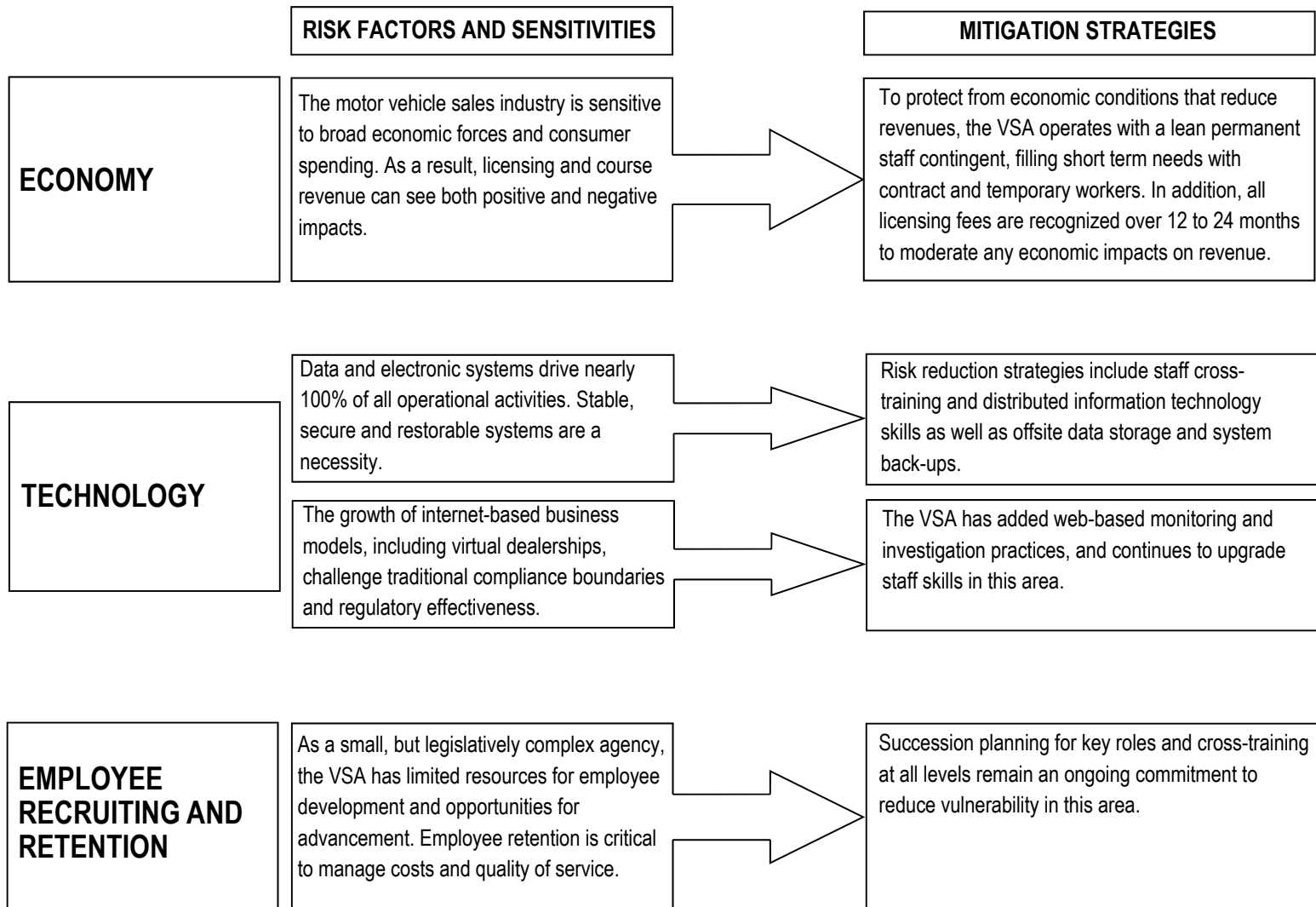
The primary responsibility of the VSA is to maintain and enhance consumer protection and public confidence in the motor vehicle sales industry.

Core Business Functions

The VSA's administrative functions are as follows:

- Registration and licensing of dealers and salespeople in the motor vehicle sales industry by a Registrar of Motor Dealers
- Inspection and investigation of Motor Dealers for compliance with the *Motor Dealer Act* and its regulations, and other consumer protection statutes on behalf of the Registrar
- Provision of information and assistance, including the voluntary and impartial mediation of disputes, to consumers and Motor Dealers regarding their rights and responsibilities under the Act and any other applicable consumer protection statutes
- Consumer education initiatives that provide information verbally, in printed materials, and via the internet, to raise consumer awareness of their rights and responsibilities when purchasing or leasing vehicles
- Motor vehicle sales industry education initiatives that provide information to help ensure a fair marketplace and to inform licensees and applicants about the requirements of licensees
- Administration of the Motor Dealer Customer Compensation Fund pursuant to the Act.

2. Risk Management





3. Goals, Strategies and Performance Measures

Confidence in the Motor Vehicle Sales Marketplace

Informed &
Educated
Marketplace

Stakeholder
Engagement

Compliant
Marketplace

Accountability
& Fairness

Stakeholders

Informed & Educated Marketplace	Stakeholder Engagement	Compliant Marketplace	Accountability & Fairness	Confidence in the Marketplace
A marketplace where both the public and motor vehicle industry are informed of their rights and obligations during the purchase and sale of a motor vehicle	Maintain confidence in the VSA with all stakeholders	A marketplace where motor vehicle transactions are completed in an open and transparent manner	Operate the VSA in a fair and fiscally responsible way while fulfilling our mandate	A marketplace where the public overwhelmingly chooses licensed motor dealers rather than other sources for vehicle purchases



Goal 1: Informed & Educated Marketplace

A marketplace where both the public and motor vehicle industry are informed of their rights and obligations during the purchase and sale of a motor vehicle

- Enhance existing strategies for public awareness, including partnerships with industry and other consumer agencies
- Increased visibility of the VSA in the marketplace
- Continue existing licensee certification and continuing education programs

Performance Measures	2016-2017 Forecast	2017-2018 Targets	2018-2019 Targets	2019-2020 Targets
1. Enhanced communications <ul style="list-style-type: none"> • Industry • Consumers 	Over 40 Bulletins, Alerts + Reminders T.V., print + online campaigns Planning 10 Pilot	Enhanced effort sustained Sustain Planning 10 Phase I	Enhanced effort sustained Sustain Planning 10 Phase II	Enhanced effort sustained Sustain Planning 10 Phase III
2. Website <ul style="list-style-type: none"> • Unique combined visitors per month • Unique combined views per month • Weekly website additions 	6% growth 8% growth 6.1% 25 topic fact sheet library added	+5% +5% 8% Design review Additional self-help features	+5% +5% 9% Update as needed	+5% +5% 10% Design review Update as needed
3. Very good and good participant satisfaction ratings of professional development offerings <ul style="list-style-type: none"> • Certification courses • Continuing Education • Combined 	Webinar and CE platform updated 94.8% 73.4% 90.0%	Wholesaler course to be introduced 90% or above for all formats	90% or above for all formats	90% or above for all formats

Performance Measure Descriptions

1. Enhanced communications strategies as measured by a sustained level of effective external consumer activities, online self-serve assistance, consumer-oriented communication partnerships and the continual improvement of industry communication
2. Increased website traffic by consumers and industry through quality permanent content and weekly updates for both audiences
3. Maintain quality certification and continuing education programs with favourable participant evaluations of 90% or higher



Goal 2: Stakeholder Engagement

Maintain confidence in the VSA with all stakeholders

- Engage in projects and initiatives that advance stakeholder confidence in the VSA

Performance Measures	2016-2017 Actual	2017-2018 Targets	2018-2019 Targets	2019-2020 Targets
1. Industry Stakeholder Satisfaction* <ul style="list-style-type: none"> Salesperson 57% in 2014 Dealer 48% in 2014 	65% 60%	No survey planned	No survey planned	+5% +5%
2. Public Enquiry and Complainant Satisfaction <ul style="list-style-type: none"> Abandoned file survey** Completed case file survey 	75% Testing	80% Full implementation	80% TBD	80% TBD

*Top 3 box rating of 8, 9 or 10 on a ten point scale in a 2014 Ipsos Customer Satisfaction Survey

**Top 3 box rating of 8, 9 or 10 on a ten point scale in an ongoing internal email survey. Very limited sample size.

Performance Measure Descriptions

- Level of dealer, salesperson and industry association satisfaction and confidence in the VSA
- Level of public, complainant and claimant confidence in the VSA

Goal 3: Compliant Marketplace

A marketplace where motor vehicle transactions are completed in an open and transparent manner

- Continue to have trained and knowledgeable salespeople
- Implement a continuing education program
- Continue to monitor dealers to ensure compliance

Performance Measures	2016-2017 Forecast	2017-2018 Targets	2018-2019 Targets	2019-2020 Targets
1. % new salespeople compliant at 45 days	100%	100%	100%	100%
2. % of participants in continuing education as required	100%	100%	100%	100%
3. % of dealers visited every two years or more frequently as required under risk-based inspection methodologies	100%	100%	100%	100%

Performance Measure Descriptions

- Percentage of new salespeople compliant with education requirements following the issue of a Conditional Licence
- Percentage of existing salespeople completing required continuing education after five years of being licensed
- Percentage of dealers visited every two years to initiate proactive compliance action and strategies, if needed



Goal 4: Accountability and Fairness

Operate the VSA in a fair and fiscally responsible way while fulfilling our mandate

- Effectively managing operating expenses
- Maintain a professional and engaged staff
- Provide exemplary service to licensees and the public

Performance Measures	2016-2017 Forecast	2017-2018 Targets	2018-2019 Targets	2019-2020 Targets
1. Meet the financial objectives set by the Board	Forecast to exceed budget	On Budget	On Budget	On Budget
2. Employee Engagement	Action taken on opportunities identified in survey*	Survey staff	Action taken on opportunities identified in survey	Action taken on opportunities identified in survey
3. VSA Service Satisfaction (see Goal 2)				

*Based on a 2014 Ipsos Employee Engagement Survey

Performance Measure Descriptions

1. Meet the financial objectives as set by the board and government, including net income projections as well as all accounting and government audit requirements
2. Employee engagement as measured by survey
3. Licensee and public satisfaction in VSA service as measured by survey (see Goal 2)

Goal 5: Confidence in the Motor Vehicle Sales Marketplace

Increase the confidence of the buying public in the regulated vehicle sales marketplace

- Enhance consumer and licensee education
- Ensure industry compliance

Performance Measures	2016-2017 Actual	2017-2018 Targets	2018-2019 Targets	2019-2020 Targets
Confidence in the vehicle sales industry 67%*	68%*	No survey planned	No survey planned	+5%

*Recent vehicle buyers in BC reported scores of seven or above on a ten point scale in the 2013 and 2016 Ipsos Public Confidence Surveys

Performance Measure Descriptions

A marketplace where the public overwhelmingly chooses licensed motor dealers rather than other sources for vehicle purchases due to confidence.



4. Financial Outlook

	2015/2016 Actual	2016/2017 Forecast	2017/2018 Budget	2018/2019 Forecast	2019/2020 Forecast
Revenue					
Dealer Licensing	\$2,313,424	\$2,314,200	\$2,314,200	\$2,314,200	\$2,314,200
Salesperson Licensing	<u>1,365,037</u>	<u>1,365,000</u>	<u>1,365,000</u>	<u>1,365,000</u>	<u>1,365,000</u>
Total Licensing Revenue	\$3,678,461	\$3,679,200	\$3,679,200	\$3,679,200	\$3,679,200
Administrative Fees, Recoveries & Interest	\$355,159	\$355,500	\$355,500	\$355,500	\$355,500
Course Fees	<u>1,006,260</u>	<u>1,006,000</u>	<u>1,006,000</u>	<u>1,006,000</u>	<u>1,006,000</u>
Total Other Revenue	\$1,361,419	\$1,361,500	\$1,361,500	\$1,361,500	\$1,361,500
Total Revenue	\$5,039,880	\$5,040,700	\$5,040,700	\$5,040,700	\$5,040,700
Expenses					
Salaries and Benefits	\$2,752,766	\$2,857,377	\$3,069,265	\$3,130,650	\$3,193,263
Operating Expenses	<u>1,449,287</u>	<u>1,514,154</u>	<u>1,579,712</u>	<u>1,522,338</u>	<u>1,396,695</u>
Total Operating Expense	\$4,202,053	\$4,371,531	\$4,648,977	\$4,652,988	\$4,589,958
Operating Excess	\$837,827	\$669,169	\$391,723	\$387,712	\$450,742
Capital Asset Fund	\$97,403	\$107,057	\$103,527	\$190,723	\$269,567
Net Consumer Awareness Fund	<u>8,011</u>	<u>73,958</u>	<u>73,000</u>	<u>73,000</u>	<u>73,000</u>
Less: Total Amortization & Fund Activity	\$89,392	\$181,015	\$176,527	\$263,723	\$342,567
Investment Loss (Business Prop. Acq. Fund)	(36,979)				
Total Excess (Deficiency)	\$711,456	\$488,153	\$215,196	\$123,989	\$108,175



5. Contact Information

Vehicle Sales Authority of BC
208 - 5455 152 Street
Surrey, British Columbia
V3S 5A5
Phone: 604-574-5050
Fax: 604-574-5883

Consumer enquiries
consumer.services@mvsabc.com
Phone: 604-575-7255 or toll free 1-877-294-9889

Motor dealer enquiries
licensing@mvsabc.com
Phone: 604-575-7253 or toll free 1-866-400-3529

Salesperson enquiries
salespersonlicensing@mvsabc.com
Phone: 604-575-7256 or toll free 1-866-400-3529

Certification and professional development courses
training@mvsabc.com
Phone: 604-575-7254 or toll free 1-866-400-3529

Motor Dealer Customer Compensation Fund
compensationfund@mvsabc.com
Phone: 604-575-7255 or toll free 1-877-294-9889

Communications
communications@mvsabc.com
Phone: 604-575-6171 or toll free 1-877-294-9889





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