



Motor
Vehicle Sales Authority
of British Columbia

Strategic Business Plan

Fiscal Year 2013-14 through
Fiscal Year 2015-16





Message to the Minister from the Chair and President

February 22, 2013

The Honourable Shirley Bond

Minister of Justice:

On behalf of the Board of Directors, the Registrar, the management and staff of the Motor Vehicle Sales Authority of British Columbia (VSA), it is a privilege to present our Strategic Business Plan for the fiscal years 2013-14, 2014-15 and 2015-16.

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 both 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 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 Motor 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 verbally, in printed materials, and via the internet, to help ensure a fair marketplace and to inform licensees and applicants for licence about requirements of licensees, and
- Administration of the Motor Dealer Customer Compensation Fund pursuant to the Act.



2. Strategic Management Issues

Economy

The motor vehicle sales industry is sensitive to broad economic forces and consumer spending. As a result, licensing and course revenue can see both positive and negative impacts. In order to weather economic conditions that can reduce revenues, the VSA operates with a lean permanent staff contingent, filling short term workload needs with temporary workers. In addition, all licensing fees are recognized over 12 to 24 months to moderate any economic impacts on revenue.

Technology and Business Continuity

As data and electronic systems drive nearly 100% of all operational activities, stable, secure and restorable systems are a necessity. Risk reduction strategies include extensive staff cross-training and distributed information technology skills as well as redundant data storage and system back-ups.

In addition, the growth of internet-based business models, including virtual dealerships, challenge traditional compliance boundaries and regulatory effectiveness. To meet this challenge, the VSA continues to add web-based monitoring and investigation practices.

Succession Planning

As a relatively small, but legislatively complex agency, the VSA has limited resources for employee development and opportunities for advancement. Yet, employee retention is critical to manage costs and quality of service. Succession planning for key roles and cross-training at all levels remain an ongoing commitment to reduce vulnerability in this area.





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	2012-2013	2013-2014 Target	2014-2015 Target	2015-2016 Target
1. Enhanced communications strategies	Baseline	Enhanced industry tools in place	Public and consumer tools enhanced	Overall enhanced effort sustained
2. VSA logo usage		Establish	Enhance	Maintain
3. Website traffic: Industry Consumer	Baseline	+10% +10%	+10% +25%	+10% +10%
4. Favourable participant satisfaction ratings of learning offerings	Baseline	90% or above	90% or above	90% or above

Performance Measure Descriptions

1. Enhance the current communications strategies as measured by:

Year 1: A sustained and effective level of Bulletins, Dealer Alerts and industry stakeholder publication participation

Year 2: A sustained level of effective external consumer activities, interactive online assistance and consumer-oriented communication partnerships

Year 3: The evaluation, modification and continuation of all effective industry and consumer communication activities

2. Develop and implement a plan for the use of the VSA logo by licensed dealers

3. Increase website traffic by consumers and industry through quality permanent content and weekly updates for both audiences

4. Maintain quality certification and professional development 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		2013-2014	2014-2015	2015-2016
Industry Stakeholder Satisfaction and Confidence		Baseline		Survey
Public Enquiry and Complainant Satisfaction			Baseline	

Performance Measure Description

1. Level of dealer, salesperson and industry association satisfaction and confidence in the VSA
2. 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	2012-2013 Baseline	2013-2014 Target	2014-2015 Target	2015-2016 Target
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 inspected every two years	100%	100%	100%	100%

Performance Measure Description

1. 100% of new salespeople compliant with education requirements after 45 days of employment in BC
2. 100% of existing salespeople completing required continuing education after five years of being licensed
3. Every dealer will be inspected 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 manage operating expenses
- Maintain a professional and engaged staff
- Provide exemplary service to licensees and the public

Performance Measures		2013-2014	2014-2015	2015-2016
1. Meet the financial objectives set by the board		On Budget	On Budget	On Budget
2. Employee engagement		Baseline	TBD	TBD
3. VSA service satisfaction survey	(see Goal 2)	Baseline	TBD	TBD

Performance Measure Description

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 our level of service as measured by survey

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		2013-2014 Target	2014-2015 Target	2015-2016 Target
Survey of public confidence in the motor vehicle sales industry		Baseline	+5%	+5%

Performance Measure Description

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



4. Financial Outlook

	2013/2014 Budget	2014/2015 Forecast	2015/2016 Forecast
Revenue			
Dealer Licensing	\$ 2,206,616	\$ 2,206,616	\$ 2,206,616
Salesperson Licensing	<u>1,169,040</u>	<u>1,169,040</u>	<u>1,169,040</u>
Total Licensing Revenue	\$ 3,375,656	\$ 3,375,656	\$ 3,375,656
Administrative Fees, Recoveries & Interest	264,112	268,508	278,833
Course Fees	<u>893,868</u>	<u>816,868</u>	<u>856,868</u>
Total Other Revenue	\$ 1,157,979	\$ 1,085,376	\$ 1,135,701
Total Revenue	\$ 4,533,635	\$ 4,461,032	\$ 4,511,357
Expenses			
Salaries and Benefits	\$ 2,769,485	\$ 2,792,423	\$ 2,844,039
Operating Expenses	<u>1,490,842</u>	<u>1,470,524</u>	<u>1,493,521</u>
Total Operating Expense	\$ 4,260,326	\$ 4,262,946	\$ 4,337,560
Operating Excess (Deficiency)	\$ 273,309	\$ 198,085	\$ 173,797
Capital Asset Fund	\$ (192,289)	\$ (240,847)	\$ (232,986)
Net Consumer Awareness Fund	<u>(71,182)</u>	<u>(74,708)</u>	<u>(57,244)</u>
Total Amortization & Fund Activity	\$ (263,471)	\$ (315,555)	\$ (290,229)
Total Excess (Deficiency)	\$ 9,838	\$ (117,469)	\$ (116,432)



5. Contact Information

Motor 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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www.VEHICLESALESAUTHORITY.com

