

# PPPC ANNUAL REPORT 2019





## A MESSAGE FROM THE CHAIR

"Life is like riding a bicycle. To keep your balance, you must keep moving." - Albert Einstein.

Sage advice from a brilliant human being, and one that bears our persistent adherence. We continue to press forward in our strategic partnerships with SAGE and PPAI with so many other exciting initiatives designed to deliver a more positive experience to the member/owners of PPPC. By moving our Natcon from February to September, it has now allowed us to better anticipate and accommodate the attendance of member/owners and their customers. This move has garnered so many positive comments on the timing from both Suppliers and Distributors alike. Make sure you don't miss out this September, from the 14 - 17 at the International Centre!

To start off 2019, many of our members attended the PPAI Expo in Las Vegas. PPPC also moved its TOPS+ shows from the fall to the New Year with stops in Vancouver, Calgary, Toronto and Montreal. These shows in early 2019 became highly sought-after from a supplier booth perspective, followed by great and enthusiastic attendance in each city by distributors and their end-user customers.

We continue to look for great benefits for our members, such as PROLINK, our preferred insurance provider. This PPPC Advantage Partner and others can be found under our member benefits section on the PPPC website.

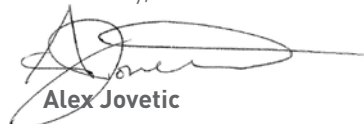
As we continued to pedal forward throughout the 2019 fiscal year, I am pleased to say that we were ahead of 2018 booth sales for our TOPS Shows, as supplier members are seeing the value in meeting with the distributor members where they live. As an association, we continue to look for ways to drive better results and expectations from all shows. Importantly, we as a board, are pleased to announce a SURPLUS on the fiscal bottom line for 2019, and big recovery from our recent past records. I am proud of the efforts of the board and head office in managing our financial affairs toward the accomplishment of this great feat!

We have embarked on the start of a number of task forces populated not only by dedicated volunteer board members, but also by well-respected and passionate volunteer members. These volunteers are wonderfully engaged and representative of a broad spectrum of both distributor and supplier members. The board is grateful for their participation! These task forces are looking for ways to modernize, simplify and refresh the Image Awards to encourage greater participation through the entry process, which will now be done online. This same online tool will also help manage the PPPC Scholarship application and decision process, making it easier to have a wider participation rate across the country. We are also working with another task force to launch the "Promotional Products Work! Week" and "Get In Touch" campaign, with our unique Canadian spin, as we create a spotlight on our industry along with PPAI, the Australasian Promotional Products Association and the British Promotional Merchandise Association. It will be a global effort from May 4 - 8, 2020.

The board continues to keep focused on "balancing" all the issues of importance in our ride throughout 2020, and the tasks and goals before us to make you proud of your association and your continued place within it. We will soon begin the discussions and development of a NEW and CURRENT strategic plan beginning in February. It is necessary and completely relevant to who we are now and who we want to be.

To keep our balance, we must keep moving!

Sincerely,

  
**Alex Jovetic**  
Chair of the Board





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**Alex Jovetic**  
Chair of the Board



# 2019 MEMBERSHIP BREAKDOWN



**1,033**  
DISTRIBUTORS



**229**  
SUPPLIERS



**17**  
ASSOCIATES



**17**  
MLRs

**1,296**

**TOTAL MEMBERS 2019**



# PPPC TRADE SHOWS

## NATCON 2019

Natcon 2019 was held at the International Centre in Mississauga from September 10 - 12. The three-day event started with a variety of professional development sessions and a well-received Opening Party. The buzzing show floor held 168 exhibitors in over 275 booths. Natcon 2019 welcomed over 2,500 attendees excited to experience the latest trends and innovations in the industry. Fashion Biz was awarded with the Best Booth Award, while Get Sauced was given the prize for Most Creative Booth. With the show's new two-day format, there was an overall increase in daily traffic by almost 40% compared to Natcon 2018 statistics.

To view the full Natcon recap, [click here](#).

## TOPS+ 2019

TOPS+ 2019 delivered record-breaking attendance numbers for the traveling trade show. The show floors were buzzing in Montreal, Toronto, Vancouver and the newly added Calgary and even produced a higher-than-budgeted surplus! Between the four-city tour, almost 2,000 distributors and their clients were in attendance; compared to only 1,300 attendees in 2017. Throughout the four shows, thousands of new products and technologies were presented and hundreds of business deals were closed, resulting in a highly beneficial and successful event, and Q1, for all involved.







## IMAGE AWARDS

The 39th Annual Image Awards ceremony took place on September 11, 2019 welcoming over 300 attendees for an evening of entertainment and well-deserved awards. Hosted by Debco's Alex Morin, the evening was full of entertainment, sentiment and admiration. Debco was awarded with the Supplier of the Year award, while Genumark took home the Nation Distributor of the Year award. For a full list of award winners, [click here](#). The evening was very well-attended and is always a huge hit with members.

# PPPC AWARDS

## HUMANITARIAN AWARD



The Humanitarian Award is presented to one extraordinary PPPC member that is highly involved in volunteering and is committed to making their community a better place. Graeme Dawes, MAS of Elite Promotional Marketing was honoured with the PPPC Humanitarian Award at the Image Award ceremony in September. Although Graeme was unable to attend, his award presentation and acceptance speech were delivered passionately by Carol de Ville, MAS and David Plummer, MAS. Graeme believes that, "Volunteering has validated who I am as person, father, husband and a business owner" and knows that he has truly received more than he has given in his 25 years of volunteering.

## MOMENTUM AWARDS

Seven outstanding individuals were recognized with PPPC Momentum Awards at the Image Awards ceremony. Momentum Awards are given to recognize the industry's most dynamic innovators who are continuously challenging and improving conventional methods. The recipients are driven, unique, passionate and are paving the future for the promotion products industry. The following PPPC members were presented with Momentum Awards, receiving gifts from Bulova, iSM Line and Cutter & Buck:



Jennifer Bedwell - *Silver Star Swag/The Branding Company*

Daniella Dubinski - *St. Regis Group*

Domenic Falso - *Starline*

Melanie Langille - *St. Regis Group*

Shaun Lichtenberger - *Brand Blvd.*

Heather Strecheniuk - *BrandAlliance*

Jessica Surette - *BIC Graphic*

## PPPC SCHOLARSHIPS



In 2019, PPPC continued to support students aspiring to join our industry. PPPC was able to grant 10 students enrolled in business, marketing or a related program with \$1,500 scholarships in 2019. We are proud to say that PPPC has now awarded 121 students with \$181,500 in PPPC scholarships thanks to our many generous supporters. PPPC would like to thank JAE Associates Ltd., Genumark, Talbot Marketing, and WEE for their support of providing full scholarship funding to our recipients.

The silent auction on the show floor at Natcon also raised over \$1,100 for the scholarship fund. Thank you to P.I. Incentives for the silent auction prize donations.





## BOARD OF DIRECTORS

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Top Row: Sandra Harssar, Sharkie Tarakjian, MAS, Paul Wieleba, Shane Brett, Danny Braunstein, Roxanne Conley, MASo

Bottom row: Jenny Le Bricon, Alex Jovetic, Heidi Reimer-Epp, CAS, Tracey Clingen, Max Baer



# MEMBER ENGAGEMENT

## PROFESSIONAL DEVELOPMENT & NETWORKING

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Members are presented with many opportunities over the year to network, learn and share within the promotional product industry. At TOPS+ Toronto 2019, Paul Bellantone, CAE and Anne Stone presented the well-attended Introduction to The Strategic Foresight Playbook. At Natcon, attendees had the opportunity to attend eight professional development sessions varying on topic from building partnerships to leadership.

Member and chapter events have also been an excellent way to get involved in the industry. In 2019, PPPC hosted a social media course in BC, many golf tournaments, wine tastings and much more. The Women's Empowerment Event, at Hockley Valley Resort in Ontario, hosted an incredible group of women to plan for the future of our industry.

## COMMUNICATIONS & PUBLICATIONS

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PPPC communications continued to be the leading source that members relied upon for current association and industry news. The PPPC Weekly content varied from upcoming PPPC events, to industry news and updates, to articles of interest to members and was widely viewed by members. The average open rate stayed strong at 31% throughout 2019, compared to an industry average of only 19%. The Weekly's average click-through rate was 13%; almost double the industry average of only 7%. Other communications coming from the PPPC head office included letters from the Chair, event updates and reminders, in memoriam notices and other various reports



## STRATEGIC PARTNERSHIPS

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In June 2018, PPPC joined forces with the Promotion Products Association International (PPAI) and SAGE, the industry's leading technology provider, to deliver a comprehensive and cohesive membership experience for our members. Since then, we have partnered together on many endeavors; one of which was Expo 2019 and the first annual reception for the Canadian industry. This event was wildly popular among our Canadian attendees and was a booming success. We will continue to embark on joint events and opportunities for PPPC members in 2020.

As a result of our strategic partnerships, PPPC gained around 450 new distributor members in 2018. In total, PPPC's total membership number increased by 24%!





# 2019 FINANCIAL STATEMENTS

## NOTES ON THE STATEMENTS

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Promotional Product Professionals of Canada (PPPC) is fully accountable for the integrity and objectivity of the financial information contained as presented in the Annual Report. KPMG LLP has audited PPPC's financials and has issued a clean audit opinion, which means that the financial statements present fairly, in all material respects, the financial position of the association at year end (October 31, 2019).

The 2019 PPPC financial statements differ drastically from previous years' statements. Thanks to many efforts, PPPC has generated surplus for the first time in since 2015. The amount of accounts receivable is reduced significantly due to an effort to collect outstanding receivables from prior years throughout 2019. Cash is increased from 2018, since amounts in investments were moved into operations to cover several years of losses. However, with the surplus in 2019, we are left with a large cash balance at year end.

Revenue increased by \$298,090 due to increases in membership revenue, increased attendance and revenue from both TOPS+ and Natcon, as well as through our strategic partnerships with SAGE and PPAI.

As for expenses, direct expenses were slightly higher than in 2018, leaving an excess of revenue over direct expenses of \$853,051 (\$146,861 less than the prior year). Administrative expenses decreased by \$316,503 compared to the prior year, leaving the association

with a surplus of \$37,412. These expenses decreased significantly due to the transition of the association's management to Strauss event & association management services. In 2018, PPPC incurred costs related to wrapping up operations in Montreal and management fees to Strauss during its transition period. There were also a few legacy costs left in 2019 that will decrease further in 2020.

The financial outlook for 2020 is optimistic, as the association moves towards further growth. PPPC is projected to incur a small surplus in 2020; the financial position of the association is only projected to improve in future years. We are committed to the financial stability of the association; the board and staff are committed to continue to work together to ensure our sustained success. We are already forecasting a small surplus for the current year while, at same time, making additional investments in the association and the success of our industry.



# STATEMENT OF FINANCIAL POSITION

Assets	2019	2018
<b>CURRENT ASSETS</b>		
Cash	\$ 531,719	\$ 177,752
Accounts receivable	35,787	163,716
Prepaid expenses	421,181	294,327
Current portion of investments	5,000	249,876
	885,671	885,671
Investments	—	—
Capital assets	—	9,012
Intangible asset	—	—
	<b>\$ 993,687</b>	<b>\$ 894,683</b>

## Liabilities and Net Assets

<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued liabilities	\$ 117,283	\$ 223,415
Deferred revenue	545,736	378,012
	663,019	601,427
<b>NET ASSETS</b>		
Invested in capital assets and intangible asset"	—	9,012
Unrestricted	(196,270)	(242,694)
Internally restricted	526,938	526,938
	330,668	293,256
	<b>\$ 993,687</b>	<b>\$ 894,683</b>

# STATEMENT OF OPERATIONS

	2019	2018
<b>REVENUE MEMBERSHIP</b>	\$ 1,000,223	\$ 875,452
National convention	584,461	607,015
TOPS	435,541	304,350
Partnership Revenue	104,259	11,660
Education	77,998	47,685
Other	68,979	30,663
Image News	24,857	44,839
Interest	4,593	3,416
Idea Book	1,550	65,479
Membership directory	—	10,483
Change in unrealized fair value of investments	—	1,969
Information technology	—	1,360
	<b>\$ 2,302,461</b>	<b>\$ 2,004,371</b>
<b>DIRECT EXPENSES</b>		
Technology	635,853	—
National Convention	349,655	403,683
TOPS	274,790	205,028
Education	104,660	63,588
Membership	58,317	56,638
Membership directory	9,294	14,286
Image News	8,363	11,690
Professional Development	6,160	—
Idea Book	2,318	30,087
SAGE	—	82,830
Information technology - transition costs	—	62,525
Rewards program	—	33,561
Information technology - information and training	—	29,543
Information technology - product sourcing	—	11,000
	<b>\$ 1,449,410</b>	<b>\$ 1,004,459</b>
Excess of revenue over direct expenses	853,051	999,912
Operating expenses	64,626	525,376
Administrative expenses	751,013	1,067,516
Deficiency of revenue over expenses	<b>\$37,412</b>	<b>\$ (592,980)</b>

[For the full financial statements, click here.](#)





[www.pppc.ca](http://www.pppc.ca)

386 Broadway, Suite 503 | Winnipeg, Manitoba | R3C 3R6