



Profile of the Manitoba Learning Resource Centre

The Manitoba Learning Resource Centre (LRC) is responsible for providing Manitoba schools with educational learning resources and related products to support teaching and learning and to support the goals and objectives of Manitoba Education and Training by ensuring the availability of all department-recommended learning materials.

Vision and Mission

Under the authority of *The Education Administration Act* and *The Public Schools Act*, LRC's mission is to support Manitoba schools, both public and private, in accessing curriculum-matched educational learning resources while maximizing purchasing power through recognized excellence in acquisition, distribution, and billing services. LRC's vision is to be the educational community's first choice for learning resources, recognized as an essential link to publishers and product creators.

LRC's vision and mission define its role:

- To maximize the purchasing power of Kindergarten to Grade 12 schools by providing the benefits of bulk purchasing and centralized ordering, billing, and distribution
- To provide the Department of Education and Training with information regarding how grant funds are used
- To ensure the availability of department-recommended learning resources

LRC plays a vital role in supporting the goals and objectives of Manitoba Education and Training by allowing all Manitobans equitable and ready access to quality recommended learning resources and related products that are curriculum matched.

LRC's vision and mission are supported by the following operating principles:

- **Service Quality:** We strive to provide our customers with the right products for the best price as quickly and easily as possible.
- **Flexibility:** We take initiatives to supply our customers with what they want, when they want it, where they want it, and how they want it.
- **Co-operation:** We invest in developing lasting, mutually satisfactory business relationships with our customers and our suppliers.
- **Communication:** We constantly listen, share, and learn from each other, our customers, our suppliers, and our partners. We are dedicated to keeping channels of communication open and offering transparency in all of our business activities.



- **Integrity:** We work with our associates and partners to ensure, to the best of our ability, that students and teachers have access to the learning resources they want. We view our primary customer, Kindergarten to Grade 12 schools, as our shareholder.
- **Respect:** We are sincere and professional in all of our interactions.
- **Competence:** We are continuously learning, exploring, and building new skills. We pursue excellence in all that we do.

Operating Like a Business

LRC's current staff complement of seven full-time personnel provides complete support to its clients, who comprise over 880 schools in Manitoba, the Department of Education and Training, and other clients across Canada. From its office in Souris, LRC provides clients with learning resource materials to meet their requirements at the lowest possible cost and strives to develop lasting, mutually satisfactory business relationships.

LRC's primary clients are also considered direct shareholders and reap the benefits of increased business volumes with discounts or rewards. The primary clients are Kindergarten to Grade 12 schools and school divisions in Manitoba, whether public, private, or federally funded, as well as home-schooled students.

Individual clients want easy and convenient access to a broad range of products, flexible order and delivery options, as well as accurate and reliable service. Administrators want systems that simplify their internal record processing and assist with facilitation of purchasing controls.

Secondary clients include the broader educational community within Manitoba. Within this community are parents, the four faculties of education, post-secondary institutions, adult upgrading programs, the Department of Education and Training, and educational functions within public service organizations.

Tertiary clients include the educational community within a national and international context.

Manitoba Education and Training identifies new learning resources that are congruent to Manitoba curriculum frameworks of outcomes. This review process allows teachers to acquire learning resource materials that have been evaluated and identified as recommended or approved.

Manitoba Education and Training provides to public and funded independent schools in Manitoba a \$60 per-pupil Curricular Materials Grant, \$30 of which has to be spent through LRC with schools having the option of spending the remaining \$30 either through LRC or any other source (this amount is known as the discretionary grant). Non-funded independent schools are provided a \$60 per-pupil Curricular Materials Grant that has to be spent through LRC.



LRC lists Manitoba-reviewed learning resource materials in the English and French catalogues and on its website (www.mtbb.mb.ca).

Combined French and English, LRC has over 13,500 stock titles covering subject areas of mathematics, English language arts, French, physical education, science, social studies, art, business education, health, home economics, music, vocational, and Native studies.

LRC's services fall into two main categories: (1) Stock Orders and (2) Special Orders.

The advantages of having one central government agency serving all schools include the following:

- a. LRC receives a greater minimum discount from educational publishers.
- b. Rates for in-bound freight are significantly reduced based on annual volumes generated through LRC.
- c. LRC establishes prices so that all schools pay the same, regardless of location or size of school. This ensures that schools in rural and northern locations have the same access to quality and up-to-date materials as schools in the larger urban areas.
- d. LRC procures and supplies Manitoba-reviewed learning resource materials, which are curriculum matched, and maintains a listing of all designated materials.
- e. LRC generates efficiency by procuring learning resources for the entire province and by avoiding redundancies that could occur if multiple warehouse operations were to be maintained by the various school divisions (e.g., warehouse space, staff, computer systems, etc.). Schools and school divisions avoid the problems and expenses associated with sending hundreds of separate orders out to different suppliers. Using LRC also saves them the time and expense of following up on undelivered items, keeping track of and paying suppliers' invoices, returning unwanted or incorrectly delivered items, making claims for damaged or short-shipped materials, and absorbing the costs of stamped books, which cannot be returned to publishers.
- f. LRC ensures that department-produced documents, such as curriculum support materials, policy documents, and curriculum documents, are available to schools for the life of the document.
- g. LRC facilitates special projects, such as production of Manitoba-specific learning resources to meet defined needs that are not currently being met by publishers, or administration of special projects on behalf of all school divisions.



Chief Operating Officer's Message

It is with pleasure that I present the 20th Annual Report of the Manitoba Learning Resource Centre (LRC). This report provides an overview of LRC and outlines the operations during the past year.

Our continued success is greatly dependent on the satisfaction of our clients, our ability to focus on improving services, streamlining administration, cooperating and working closely with our customers, and maintaining the continued commitment of our employees.

LRC sales were lower than budgeted by 6.5%. Total administrative expenses were 5.0% lower than budget. The discretionary grant spending at LRC decreased in 2015/2016 to 18.2% compared with 21.1% in 2014/2015.

The educational publishing industry as a whole continues to see a decline in sales as the use of technology to deliver the resources to the classroom evolves. LRC will continue to explore and develop its role to facilitate cost savings through consortium purchasing of both electronic and print resources.

In 2016/2017, LRC will continue to promote to its customers the efficiencies and benefits of ordering online.

LRC will continue to build on its strengths and focus on increased marketing activity and continued improvement in web services and web technology.

The staff and management should be commended for their commitment, hard work, and dedication.

Original signed by

Brenda McKinny,
Chief Operating Officer



Message de la chef de l'exploitation

C'est avec plaisir que je présente le vingtième rapport annuel du Centre de ressources d'apprentissage du Manitoba. Ce rapport donne un aperçu des activités du Centre et des réalisations de celui-ci au cours de la dernière année.

Notre succès dépend beaucoup de la satisfaction soutenue de la clientèle, de notre capacité à améliorer continuellement les services, de la rationalisation des procédures administratives, de la collaboration étroite que nous entretenons avec nos clients et de l'engagement continu de nos employés.

Le chiffre des ventes et le total des dépenses administratives du Centre ont été inférieurs aux montants prévus de 6,5 % et de 5 % respectivement. Le montant discrétionnaire des subventions dépensé auprès du Centre a baissé à 18,2 % en 2015-2016 alors qu'il s'élevait à 21,1 % en 2014-2015.

L'ensemble de l'industrie de l'édition scolaire continue de voir ses ventes diminuer en raison de l'évolution de l'utilisation de la technologie pour offrir les ressources d'apprentissage aux écoles. Le Centre continuera d'étudier et de développer son rôle afin de réaliser des économies de coûts au moyen d'achats en commun tant des ressources imprimées qu'électroniques.

Au cours de l'exercice 2016-2017, le Centre continuera à promouvoir l'efficacité et les avantages des commandes en ligne auprès de sa clientèle.

Le Centre continuera également à miser sur ses points forts et à mettre l'accent sur l'augmentation des activités de marketing et sur l'amélioration continue des services et de la technologie Internet.

Les membres du personnel et la direction méritent des éloges pour leur engagement, leur travail acharné et leur dévouement.

La chef de l'exploitation,

Original signed by

Brenda McKinny



Structure of Operations

Advisory Board

The purpose of the LRC Advisory Board is to provide advice and direction on short- and long-term strategic planning, reporting, and management, and on issues of concern to its clients and stakeholders in both the private and public sectors. The Board Chairperson reviews LRC's Financial Reports as well as its Business Plan, Annual Report, and any planned changes to the Agency Charter.

Historical Perspective

The Manitoba Learning Resource Centre (LRC) was created in 1931 as a branch of the Department of Education under the name Manitoba Text Book Bureau (MTBB). It was established to achieve economies of scale and reduce the cost of learning resources for schools in Manitoba. LRC continues to play an important role in supporting the goals and objectives of the education system by providing Manitoba schools with recommended learning resource materials and related products that are curriculum matched.

In November 1994, the office component was relocated to Souris as part of the Decentralization Initiative. The warehousing and distribution function located in Winnipeg was contracted out to private industry from April 1, 1994, to March 31, 2002. Beginning on April 1, 2002, to present, warehousing and distribution services have been returned to government via a contract with Materials Distribution Agency.

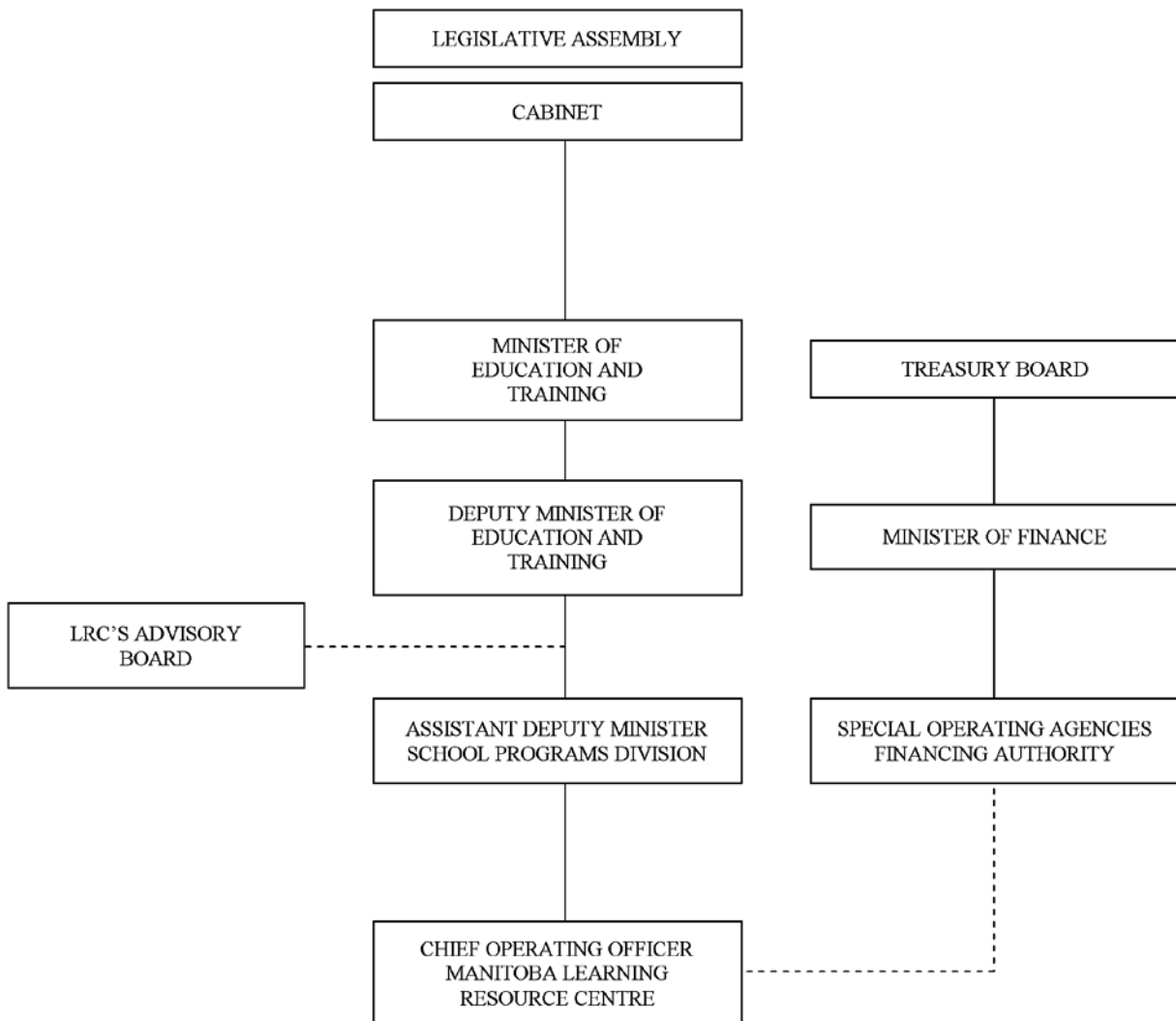
Effective April 1, 1996, the LRC was designated as a Special Operating Agency under *The Special Operating Agencies Financing Authority Act*, Chapter S 185, C.C.S.M. and operates under a charter approved by the Lieutenant-Governor in Council. As an SOA, LRC is accorded more direct responsibility for results and increased management flexibility where necessary to reach new levels of performance. LRC accomplished service delivery improvements by clearly defining operations, by setting demanding goals, and by applying and adapting the best private and public sector management techniques.

In December 2015, under *The Statutes Correction and Minor Amendments Act*, the name was officially changed to the Manitoba Learning Resource Centre (LRC). The new name better reflects its role in acquiring both print and electronic resources, a broader mandate, and more modern services.



Accountability Structure

LRC is an organization within the Department of Education and Training and is held accountable to the Deputy Minister and Minister for operational and financial performance. LRC operates outside the Consolidated Fund under the Special Operating Agencies Financing Authority (SOAFA), which holds title to LRC's assets, provides financing for operations, and is responsible for its liabilities. The accompanying chart portrays LRC's accountability within the established structure.





Operating Objectives and Results

In order to keep on track with its mission and to move towards its vision, LRC identifies in its business plan key objectives that are critical to its success.

The objectives identified in the 2015/2016 plan were updated and modified during the current year to reflect progress made and to reinforce what is important to LRC's future success.

Operations

For the year ended March 31, 2016, LRC achieved sales of \$7,214,619 compared to \$7,096,654 for the year ended March 31, 2015, an increase of \$117,965 or 1.7%. However, sales were \$503,785 lower than budgeted or -6.5%.

The most significant change in sales in 2015/2016 compared to 2014/2015 is the 5.7% increase in stock order sales (\$240,530).

Actual administrative expenses for 2015/2016 were \$925,669 compared to \$925,148 in 2014/2015, an increase of only \$521 or .1%. Total administrative expenses were lower than budget by \$48,374 or -5.0%.

The overall result generated a net loss of \$8,889 for the period. This is lower than the budgeted net loss of \$22,596. This is a direct result of

- rising transportation costs related to both the restocking of inventory and to filling school orders (Consideration to minimum order charges may have to be given in the future.)
- reduced supplier discounts for larger purchasing as a result of the publishing industry struggling with its own profitability (Industry as a whole is seeing a decline.)
- evolution to digital (There has been a slowdown in school spending as the industry finds the balance between print and digital distribution.)
- foreign exchange costs due to the fluctuating Canadian dollar and the increased amount of publishing materials located in the USA (sole source vendors)
- increased administrative costs outside LRC's control (attempts to reduce office occupancy costs and to avoid an anticipated rate hike by downsizing were not successful; centrally negotiated labour and benefits contracts continue to rise; and central government computer service costs outweigh the actual benefit to LRC as an SOA).



LRC will focus on improved web information and service, electronic format offerings, and working with departmental and school division personnel to improve sales in order to address the deficit situation.

LRC set out to ensure that the Inventory Obsolescence factor during the 1998/1999 fiscal year and subsequent years would not exceed 2% of the inventory value. For 2015/2016, the write-down in value amounted to \$18,614 or 0.8% (0.5% – 2014/2015) of total inventory. The continued ability to provide discount pricing and “sales” via the website will assist to reduce the obsolete inventory.

LRC has a partnership agreement with Materials Distribution Agency (another special operating agency) for the provision of warehousing and distribution services to LRC. The similarities between the two agencies have allowed LRC to maintain operating costs and improve services to clients.

Marketing

LRC continued to provide an online catalogue and ordering service via the Internet during 2015/2016. New product information and price changes are periodically updated. The online orders increased slightly over the past year. LRC’s website address is www.mtbb.mb.ca.

LRC’s website has proven to be convenient for customers and provides administrative cost savings to the agency. The average number of orders received per month at the LRC website was 346, up from the previous year’s monthly average of 343. LRC is continuing to develop a new web store that contains more information and is more user-friendly. This web store is anticipated to be launched by the end of 2016, at which time marketing efforts will be increased.

Human Resources

Success in any year of continuous change must be attributed to each and every member of the staff. Through their hard work and dedication, LRC faces many challenges to achieve its operating goals. The professionalism and enthusiasm demonstrated by all staff members are to be commended. Despite all else, the needs of the clients are always at the forefront.

Together with teamwork and management’s commitment to grow, build, and change, LRC will continue to strive to meet its targets and provide a valued service to the educational community.

Customer Service

During 2015/2016, 99.6% of orders were correctly filled and sent to customers by LRC’s contracted warehouse and distribution provider, Materials Distribution Agency (MDA).



Performance Framework

LRC developed a performance framework, identifying outcomes in finance, operations, service delivery, and human resources.

The table below shows LRC's detailed performance indicators.

PERFORMANCE FRAMEWORK – March 31, 2016

OUTCOMES		BASELINE/STANDARD	TARGETS – 2015/2016	2015/2016 RESULTS
Increased sales volume	<ul style="list-style-type: none"> Sales volume by client category 	<ul style="list-style-type: none"> Public \$5,639,492 Private \$571,001 Other \$1,328,735 	<ul style="list-style-type: none"> Public \$6,441,162 Private \$627,242 Other \$650,000 	<ul style="list-style-type: none"> Public \$5,846,421 Private \$538,692 Other \$829,506
	<ul style="list-style-type: none"> Gross sales volume 	<ul style="list-style-type: none"> Total \$7,539,228 (2004/2005) 	<ul style="list-style-type: none"> Total \$7,718,404 	<ul style="list-style-type: none"> Total \$7,214,619
	<ul style="list-style-type: none"> % of \$30 discretionary grant used at LRC 	<ul style="list-style-type: none"> 15.8% (\$3.15) of \$20 discretionary grant used at LRC in 2004/2005 	<ul style="list-style-type: none"> 31.3% (\$9.38) of the \$30 discretionary grant used at LRC 	<ul style="list-style-type: none"> 18.2% (\$5.47) of the \$30 discretionary grant used at LRC
	<ul style="list-style-type: none"> Unexpended curriculum material grant balances (\$30 portion of the \$60) 	<ul style="list-style-type: none"> Unexpended curriculum material grant balances at June 30, 2005 = \$1,730,343 	<ul style="list-style-type: none"> Maintain or decrease unexpended curriculum material grant balances. Measured at end of June 30 	<ul style="list-style-type: none"> Unexpended curriculum material grant balances at June 30, 2015 = \$470,344 (June 30, 2014 = \$392,049)
Efficient operations	<ul style="list-style-type: none"> % of operating cost to sales 	<ul style="list-style-type: none"> % of operating cost to sales 2004/2005 = 13.3% 	<ul style="list-style-type: none"> % of operating cost to sales 2015/2016 = 12.6% 	<ul style="list-style-type: none"> % of operating cost to sales 2015/2016 = 12.8%
	<ul style="list-style-type: none"> % of annual sales from June to September 	<ul style="list-style-type: none"> 55.7% of annual sales sold from June to September in 2004/2005 	<ul style="list-style-type: none"> 49% of annual sales sold from June to September in 2015/2016 	<ul style="list-style-type: none"> 39% of annual sales sold from June to September in 2015/2016
	<ul style="list-style-type: none"> % of special order sales to total sales 	<ul style="list-style-type: none"> 33.2% of total sales are special order sales in 2007/2008 	<ul style="list-style-type: none"> Maintain or decrease % of special order sales to total sales 	<ul style="list-style-type: none"> 37.4% of total sales are special order sales in 2015/2016 (39.8% in 2014/2015)
Effective warehouse & distribution	<ul style="list-style-type: none"> # of orders filled correctly to total orders 	<ul style="list-style-type: none"> 99.7% was achieved in 2004/2005 	<ul style="list-style-type: none"> 100% 	<ul style="list-style-type: none"> 99.6% of stock orders were filled correctly to total stock orders in 2015/2016