Enterprise Portfolio Management and Coherence Program

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Placement within the Organization

- The Enterprise Portfolio Management (EPM) program is part of the Enterprise Statistics Division which is part of our Industry Statistics Branch under the Economic Statistics Field.

- The program works closely with the Macroeconomic Accounts Branch, Statistical Register Division and Collections and Regional Operations Branch.
EPM Program (aka LCU)

- The Enterprise Portfolio Management (EPM) program has existed since 1997.
- The focus and key activities have remained consistent from year to year.
- The selection / updating of firms is done every 2 years.
Coherence Analysis

- A key activity is to ensure there is no duplication in reporting.

- **For example:** In RY2017, a retailing unit reported total revenue = $1, a manufacturing unit belonging to the same enterprise reported total revenue = $10. Since the manufacturing unit has historically reported $1M in revenue and the retailing unit has a profiled revenue of $400K, recommendations were made to the program areas for a possible manual correction.
## Scope of the program

| 52% | Although complex enterprises represent just 1% of all businesses in Canada, they account for ~ 52% of total business income. |
| 270 | EPM Program works with ~ 270 of the largest and most complex enterprises in Canada, representing a significant part of GDP. |
| 10  | The program has a dedicated staff of 10 Enterprise Portfolio managers. |
Enterprise Selection Criteria – Complexity Metric

Industrial Complexity

- the number of different industries in which they operate;

Geographic Complexity

- the number of regions where they have operations;

Relative Size

- relative importance to the industries and regions in terms of size, which is calculated based on revenue and employment

Judgement

- feedback from program staff who may identify specific complex enterprises that are creating measurement issues
Enterprise Selection Criteria – Complexity Metric

Measuring the Complexity and Importance of Businesses in Order to Better Manage our Data Collection Efforts
Serge Godbout and SungJin Youn (2009)

- Business A has only 1 establishment so its complexity estimate is 0.
- Business B has 2 establishments with activity equally split between the establishments.
- Business C has 5 establishments with a high concentration of activity in one establishment.
- Business E has five establishments with activity equality distributed across all five establishments.
The Team - Enterprise Portfolio Managers

Workload
- 10 managers responsible for approximately 30 enterprises each
- Assigned enterprises cover similar activities.
- 7,500+ contacts each year

Skill Set
- Accounting, negotiation, and organization skills;
- Project manage autonomously
- Strong interpersonal skills.

Partnerships
- Organize visits and include subject matter staff.
- Work closely with both subject matter and infrastructure areas.
## What is working well?

### Coherence Analysis and Resolution

- New tools to communicate and track incoherence during collection have put power in the hands of analysts, helping ensure coherence adjustments are applied to data in a timely manner.

### “Relationship capital”

- The mutual trust and confidence that builds up with respondents over time is important "relationship capital" – a valuable resource for the agency.
- Staff have been able to leverage their "relationship capital" and company knowledge to facilitate special projects on behalf of Statistics Canada.

### “Trust Center”

- Because issues are dealt with quickly and the EPMs are responsive they have been able to build trust.
- This trust has allowed the agency to move forward in a number of areas including obtaining confidentially waivers from a number of firms.
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Challenges / Opportunities

- Maximize use of alternative data and special reporting arrangements
- Using machine learning and data science to better maintain and update structures
- Better understand client data needs in order to create ‘win-win’ situations
- Include global production arrangements as a component of the firms selection criteria.

- Can we envision a state where the enterprises see Statistics Canada as a strategic partner supplying them with aggregate economic data critical for their business while continuously reducing our response footprint?
THANK YOU!

For more information please visit, www.statcan.gc.ca

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