



# THE ROAD FORWARD

AGRICULTURE FINANCIAL SERVICES CORPORATION  
STRATEGIC PLAN 2023-2028





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## Land Acknowledgment

In the spirit of reconciliation, we acknowledge that AFSC is located on the traditional territories and gathering places of many First Nations, as well as the Métis and Inuit whose footsteps have marked these lands for generations. We express gratitude and respect for the land we use and commit to advancing reconciliation.

# Who We Are

Agriculture Financial Services (AFSC) provides Alberta's farmers and agribusinesses with loans, crop insurance and farm income stabilization.

We've been partners in the ag industry for over 80 years and we are working alongside producers to build a strong, growing and diverse industry.

Working together,  
we grow and sustain  
the agriculture  
industry in Alberta.

## Our Values

Respect, Trust, Integrity, Accountability and Excellence are at the forefront of everything we do. We strive to live our values each and every day.



### RESPECT

We strive for equity and foster a welcoming, inclusive environment in which everyone is safe, valued, and heard.



### TRUST

We empower and assist one another. We communicate openly as we honour our commitments.



### INTEGRITY

We behave ethically and are honest and fair.



### ACCOUNTABILITY

We are responsible for our actions and for contributing to the effectiveness of AFSC.



### EXCELLENCE

We promote diversity to support innovation, utilizing collaboration and continuous improvement to achieve our goals.



## Message from the Board Chair

AFSC is the financial foundation of Alberta's agriculture industry.

As a rancher myself, I am reminded daily of the valuable programs we offer to support an industry that is integral to the Alberta economy, an industry that feeds the world, and the industry I am passionate about. As Board Chair, it inspires me to consider how the diverse members of our AFSC team are guided by a singular purpose - working together to grow and sustain agriculture in Alberta.

The Road Forward (2023-2028) positions AFSC to focus on operational excellence, making it easier for clients to do business with AFSC. The emphasis on the digital-first ambition is supported by my board colleagues as it acknowledges the changing needs of clients who seek flexibility and independence to handle their transactions, while ensuring access to our knowledgeable AFSC team members for guidance.

Throughout the plan, there is emphasis on ensuring AFSC is preparing for the future so we can continue to offer the stable access to relevant risk management products that the industry has come to rely on – while always considering the individual needs of clients.

I am encouraged by the advisory role that AFSC plays in the Sustainable Canadian Agricultural Partnership (Sustainable CAP) discussions, thoughtfully representing the needs of Alberta producers. There is no doubt in my mind that this strategic plan will help us provide solutions for our clients that help them do what they do best – build, grow, and succeed for generations to come.

Kelly Smith-Fraser



## Message from the CEO

As we began the strategic planning process for the upcoming year, I reflected on the last few years, since I became CEO at AFSC. I am inspired as I consider the resilience of our clients and our people, as collectively we navigated some extreme weather and global events.

My prevailing vision is to “make AFSC easy to do business with” for our clients, and within this plan we challenge our team to focus on operational excellence, running the business of AFSC as effectively as possible. This means we can offer the highest value to our clients by:

- providing the right products and services at the right price
- specializing in focused product lines, with deep expertise in our chosen areas of business
- focusing on managing costs, driving efficiencies and handling volumes effectively

Over the past year, the Executive Leadership Team has added three new members to the team. This new team has been tasked with working together to build the AFSC of the future.

For example, within this plan you will find a commitment to our digital ambition – which provides direction to the organization on the future state we are developing to best meet the expectations of our clients and team members. This ambition is anchored to the concept of digital first – meaning we will use technology and automation to deliver the best experience for our clients.

However, it does not mean digital only, as we know our clients will select the delivery channel that suits them best, depending on their circumstance. In an effort to empower our teams and expedite internal processes, we have developed digital ambition principles to better inform decision making at all levels, guiding our teams to consider how they can design a future where AFSC is easy to do business with.

While elements of this plan are focused on strategic future initiatives, we recognize that the daily work of many of our team members is focused on delivering our programs for our clients: supporting them to grow and sustain their operations. Ensuring AFSC is engaging with industry and policy makers to offer relevant risk management programs is a key priority to support this work.

Within this plan, you will note AFSC is poised to expand our understanding of environmental, social and governance (ESG) issues, and an acknowledgment that we need to pay attention to climate risk. As we retain and attract new talent, we remain focused on promoting diversity, equity and inclusion, and creating opportunities for experiences, growth and development to keep our team members engaged.

As I reflect on my third year as CEO, I recognize I am privileged to meet with leaders from across the industry who share how AFSC can support their unique opportunities and challenges, as well as individual producers to hear about the impact AFSC has had on their operations. I am proud to lead an organization that is so important to growth and sustainment of agriculture. The effort and commitment of our team members across the province contribute to the impact AFSC has, and I appreciate how they are passionate advocates for the clients they represent.

Darryl Kay





## Strategic Objectives

Through this plan, we will strengthen AFSC's position in the industry - when Albertans think agriculture, they will think of AFSC as their trusted partner. This strategic plan allows AFSC to continue focusing on pursuing the greatest value for our clients, the Government of Alberta (GoA), and the industry we serve. To generate this value over the ensuing years and to ensure relevance, we have identified the need to create organizational capacity to enhance the experience for our clients, focusing on operational excellence, anchored to five compelling objectives:

- Enable success for digital business optimization
- Prepare for our workforce of the future
- Deliver an exceptional client experience
- Inspire innovation in our products and how we conduct business
- Maximize value to the Government of Alberta, AFSC stakeholders and all Albertans



# Enable success for digital business optimization

Digital business optimization means we will focus on the foundational part of the digital journey, streamlining processes and ensuring standards are in place as we modernize technology, in order to improve our current business model to best deliver our products. This strategic objective places emphasis on scalability and removing bottlenecks, better preparing the organization to handle surges in volume to get money into clients' hands faster. The foundational nature of this objective positions us towards successfully achieving our digital first ambition.

## Digital First Ambition

We are optimizing into a digital-first organization, using digital technology to improve our operating processes and business models. Improved digital experiences offer our clients flexibility, independence, and a low effort experience when managing their business. Integral to this experience is using information and data to improve our decision making. Focusing on operational excellence related to digital ambition creates time for teams to focus on building stronger relationships that offer our clients more support and value to achieve their goals.

## Digital Ambition Principles

We use an MVP\* approach to develop new functionality, recognizing we can improve it with client feedback in the future. Quality is important, but we will not design for every scenario (80/20 rule).

We focus on the digital delivery of our programs before creating manual work processes, and we promote digital as the primary channel.

Protection of data, and security controls must take priority to maintain client trust – we will work within AFSC-defined risk tolerances.

We will use data and risk-based analysis over anecdotal experience to make all decisions.

We will move away from customized approaches and unique processes towards industry standardization and best practice.

\*MVP = Minimum Viable Product



In 2023-2024, AFSC will focus on three strategic priorities, instrumental to **enabling success for digital business optimization**:



Continuing work on establishing a data governance practice and operational framework in preparation of a future state where we can take advantage of automation opportunities and advanced analytics to augment decision making.



Refining our approach to records information management, privacy and cybersecurity to maintain and grow digital trust with clients and stakeholders.



Beginning the foundational work to implement a modern insurance platform, enhancing integrated processes and systems related to the management of our AgrilInsurance programs.





# Prepare for our workforce of the future

Our people are our most important asset. Everyday AFSC team members come together to make a positive difference in the lives of Albertans who work in the agriculture industry and together fulfill our purpose. We work to build our teams so we can build our business. Attracting and retaining top talent who possess a combination of diversified skills that enhance agricultural, business and technical acumen is a critical requirement to prepare for our workforce of the future. As we adapt our operational support models to support the digital ambition and review our current organizational design, our team members remain a priority. In addition to upskilling or reskilling individuals where required, we will work to develop an environment that fosters a growth mindset, improving engagement and well-being through meaningful workplace opportunities. As we focus on operational excellence, we are driving towards a performance culture.

In 2023 – 2024, AFSC will focus on three strategic priorities, instrumental to **prepare for our workforce of the future**:



Leveraging the development of the inclusive staffing model in Fiscal 2022/23, we will continue our efforts through evaluating and aligning roles and functions within all areas of AFSC to consider current and future business needs, and begin to align our staffing accordingly. To ensure flexibility and preparedness, we will focus on establishing development plans to support succession planning for leadership, critical and vulnerable roles.



We will take a top down approach to build a performance culture. We will work with our executive to clearly frame our culture and align leadership behaviors to that culture. From here we will shape our leadership development programs to elevate our leadership capabilities in performance conversations and overall talent management.



Using our Diversity, Equity and Inclusion (DE&I) strategy, we will continue efforts to strengthen employee engagement, better reflect our workforce in leadership, intentionally focus on developing inclusion activities to remove barriers, and improve the quality of the AFSC experience for our people. We will also continue our focus on mental health and wellness and encourage a psychologically safe environment.



## Deliver an exceptional client experience

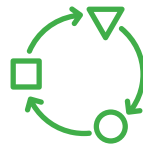
We know our clients benefit when we excel at operational excellence, run our organization as efficiently and effectively as possible, and keep the vision of making AFSC easy to do business with top of mind. Serving clients IS our business, and the daily work of the majority of the organization is focused on this effort.

Our clients are sophisticated, and they are rapidly adopting technology and innovation in their operations. We must continue to provide an exceptional client experience, offering products and services where, when, and how our clients want. As we move towards our digital ambition, we are aware that clients will choose different channels to engage with us, depending on their preference. As such, we must continue our focus on building relationships with clients and staying abreast of their changing needs and expectations.

Over the next five years, AFSC will address three strategic priorities that are instrumental for us to **deliver an exceptional client experience**:



By continuing to shift our service delivery model from transactional service to relationship building, we will provide expert, knowledgeable and reliable service, and we will use emerging technologies to enhance our digital delivery channel.



We are committed to agriculture for the long term – offering stable delivery of the programs important to sustaining the industry.



We will leverage technology to drive efficiency and automate routine tasks, while maintaining program integrity.



# Inspire innovation in our products and how we conduct business

At AFSC, we know innovation is critical if we are to remain relevant to our clients, our people, our government stakeholder and the industry we serve. As an organization with over eighty years of experience in agriculture, we know what works, and much of what we do today was largely built on incremental change. However, we have the potential to transform our environment into a more creative and digitally-led organization. Our client engagement and our network of partners allow us to use our understanding of the industry to innovate our products and processes and develop new products that meet the industry needs of the future.

Over the next five years, AFSC will address three strategic priorities that are instrumental to **inspire innovation in our products** and how we conduct business:



We will seek innovative ways to support government in program development. Through our consultation with Alberta producers and industry, we liaise proactively with government on program development. In addition, we have an opportunity to collaborate with other jurisdictions on items such as operational benchmarking, joint research and inter-jurisdictional co-development of solutions.



We will pursue opportunities to innovate with external stakeholders, seeking agreements to collaborate and access current trends with traditional partners in other jurisdictions, financial services and in educational settings, along with non-traditional partners. Partnering with educational institutions provides us with a mutually beneficial opportunity to develop research and innovation opportunities.



We will cultivate an organizational innovation mindset, fostering innovation through risk-taking pilots and challenging our people to contribute novel ideas.



# Maximize value to the Government of Alberta, AFSC stakeholders and all Albertans.

As a Crown corporation, AFSC delivers valuable programs and services to agricultural producers and agri-businesses in Alberta, ensuring the viability of one of the most important industries to the provincial economy. Fiscal restraint while supporting economic development and job creation are commitments the Government of Alberta made to Albertans. AFSC is dedicated to contributing to these commitments and maximizing value to the Government of Alberta in the process.

Societal interest in environmental social and governance (ESG) issues is accelerating around us. Given the federal and provincial government's commitment to ESG, along with the increasing discussion with our clients on ESG matters, AFSC will further integrate the ESG lens into our strategic planning to guide decision making. Over the past few years, we have advanced when it comes to the "S" and "G" pillars, and in the coming years we have the opportunity to do the same with respect to the "E" pillar. As a Crown corporation, AFSC will follow the lead of our government stakeholders, as they develop their ESG strategies, while also cultivating an understanding of developments within the financial services industry.

Over 2023-2024, we will focus on developing an integrated approach to ESG and climate risk to **maximize value to the Government of Alberta, AFSC stakeholders and all Albertans:**



Broadly, we will establish a structure to allow for a holistic approach to addressing the ESG pillars at AFSC.



Specifically, we will be determining the best way to approach a climate risk management plan integrated across the organization and into the corporate strategy. This year, our focus is on conducting further research, educating ourselves, and doing baseline analysis.



We will further support the Ministry of Agriculture and Irrigation in policy development related to the Sustainable Canadian Agricultural Partnership (S-CAP).