



Joint CPA Canada/CVCA paper offers insight into creating shareholder value in today's challenging economy

TORONTO, October 15, 2014 – A new research paper issued by Chartered Professional Accountants of Canada (CPA Canada) and Canada's Venture Capital & Private Equity Association (CVCA) explores how to successfully create shareholder value in today's unsettled marketplace.

The paper titled *Strategies for creating shareholder value in a low growth environment* was authored by Howard Johnson, a leading expert on the topic, and looks at companies that have outperformed the market. Through interviews with executives and a review of publicly available information from four diverse and accomplished Canadian companies – Birch Hill Equity Partners, Cineplex Inc., Constellation Software and GoodLife Fitness Club – the paper offers valuable insight to better understand their strategies.

Johnson found that by developing entrepreneurial work environments, these companies have been able to execute on their core business strategies such as acquisitions, capital discipline, operational excellence and innovation to drive shareholder value including superior returns on invested capital — the essence of shareholder value creation.

“There is no one size fits all solution to creating shareholder value,” stresses Carol Raven, principal, CPA Canada. “The research provides guidance to organizations, corporate finance practitioners and other advisors on different approaches that can be utilized to create shareholder value in challenging times.”

The paper outlines six elements that can contribute to an entrepreneurial environment within an organization:

- fostering a strong management team who adopt open and frequent communication
- promoting an organizational culture grounded by employees who are passionate about their jobs
- being attentive to customer needs
- having a progressive approach to risk management
- using debt in moderation within the capital structure
- implementing a long-term perspective for creating shareholder value

“It's important to note that these six elements are all linked,” says Mike Woollatt, CEO, CVCA. “They need to all work together and in parallel with the organization's business strategies to be effective.”

Strategies for creating shareholder value in a low-growth environment is available for download on the CPA Canada and CVCA websites today (www.cpacanada.ca/shareholdervalue & www.cvca.ca/resources/research_report.aspx).

A corresponding video has also been released and can be viewed at <http://youtu.be/6jsitSY3n4U>.

About CPA Canada

CPA Canada is the national organization established to support unification of the Canadian accounting profession under the Chartered Professional Accountant (CPA) designation. It was created by the Canadian Institute of Chartered Accountants (CICA) and The Society of Management Accountants of Canada (CMA Canada) to provide services to all CPA, CA, CGA and CMA accounting bodies that have unified or are committed to unification. As part of the unification effort, CPA Canada and the Certified General Accountants Association of Canada (CGA-Canada) are working toward integrating their operations this year. Unification will enhance the influence, relevance and contribution of the Canadian accounting profession both at home and internationally. www.cpacanada.ca

About CVCA

The CVCA is the voice of Canada's venture capital and private equity industry. The CVCA's members manage the vast majority of private capital that is designated to grow Canadian businesses. The CVCA fosters professional development, networking, communication, research and education, and represents the venture capital and private equity industry in public policy matters. The CVCA was founded in 1974.

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