

*Sharing the Passion
for
Retail Excellence*

2010 ANNUAL REPORT



AGENDA

Tuesday, May 31, 2011

- 1:00 pm Welcome
- 1:10 pm Annual General Meeting Call to Order
- 1:15 pm Approval of Minutes of the 2009 AGM
- 1:20 pm Chair's Report
- 1:30 pm President's Report
- 1:45 pm 2010 Audited Financial Statements
Appointment of Auditors for 2011/2012
- 2:00 pm Determine the number of Directors for the 2011/2012 term
Election of Directors
- 2:15 pm Other Business
- 2:30pm Adjournment

The following members have agreed to let their names stand as Directors for the 2011/2012 term.

The following Directors are incumbents to be re-elected for a two year term:

Misti Mussatto, Toy Jungle Enterprises

"Shelfspace means everything to me. We could not be where we are today as a retail company with out Shelfspace. I am fortunate enough to be part of the amazing group of people who helped define what our new, evolved association is all about. I would strongly urge people to check out our values--if this is you, then you need to be a part of our community."

Diane Thomson, Diane's Lingerie & Loungewear

"You can be a sales associate, a manager, a business owner – whether it's lingerie, ready-to-wear, appliances, whatever. It's whatever you choose, what your niche is, what your passion is. You can become an entrepreneur. And you can help others."

Steven Wilson, Eyes On Optical

"Shelfspace is my reference and research resource. It assists me with connections to my peers and colleagues with whom I can network, share ideas and issues, learn from, and against which I can measure the success of what I do. "

Marvin Shung, KMPG LLP

"Shelfspace is a forum for leading entrepreneurs to share ideas and drive innovation – to help drive growth in the retail sector."

Rick Amantea, Park Royal Shopping Centre

The following Directors have one year left of their two year term:

Michael Battler, Chair, Civilian Design Merchants

"Shelfspace means connecting with a community of people and resources that make me a better retail professional. It is also a place that I can give back to an industry that has been a great career for me."

Kristina Egyed, LaLa's

"Shelfspace has brought professionalism to LaLa's. As a team, we participate in workshops, panel discussions, and planning committees - all of this helping to connect to one another and our peers. Personally, Kristina enjoys being on the Board of Directors as her passion to increase the perceived professionalism of the retail sector has a voice. Of course, Shelfspace is a Ton of Fun too!"

Dai Manuel, Fitness Town Inc.

"Shelfspace, The Association for Retail Entrepreneurs, is the hub within our industry sector. To me it's a place where retailers can exchange ideas freely, network with one another, as well as align themselves to force change by way of lobbying and focused social media."

Bob Ianson, Heirloom Linens Ltd.

"The one thing I miss about my past careers is the ability to bounce ideas and comment off other like-minded people. As independents, we are somewhat "insulated" and I miss the camaraderie of other retailers."



SHELFSPACE

The Association That Means Opportunity



For anyone in business and especially those attached to Retailing – this past year was full of excitement, change, challenge and for the first time since the recession started the beginning of real optimism of better things to come. The excitement and momentum around the Olympics was a boost not only for our country, but also for us as individuals and the retail community as a whole. It was (and continues to be) amazing to witness individual national pride distilled down to how people interact one on one at an event, on the street or in a store.

As a result of Retail BC and Retail Alberta merging almost 2 years ago into Shelfspace, the Association for Retail Entrepreneurs, the transformation into an organization that is the choice to meet the needs of the retail community has not been without its challenges and rewards. One of the key challenges is our community recognition and understanding of who we are today vs. years gone by. Who are we today? This is the organization for retail professionals committed to excellence. We are a community made up of entrepreneurs at every level of retailing, from owners, regional and district managers, store managers, front line associates and staff throughout Western Canada. In addition, we also embrace those who serve the retail industry and offer products and services that support retail excellence. We have evolved to become an inclusive, connecting and engaging place for people passionate about retail excellence.

Even though the rewards have been a slow build, they are also very encouraging around key areas such as the Passion for Retail annual event, PEAK Training & Development and Advocacy initiatives. As a board member, staff, community leaders and individuals, we are working very strategically to improve what is most important to the retail community: why we are relevant; how to deliver what is most important; how do we adapt to new realities; and how to innovate with limited resources. Our goal is to accomplish this by creating a Shelfspace that through connecting people, will deliver the programs and services that fill real needs with relevancy and credibility while creating added value for members and the retail community.

If you have visited our website, read any of our messaging or connected with us recently, positive changes have already begun. Given the amount and rate of change in business, technology and the world - retooling and building on our foundation continues to be some very heavy lifting. The good news is that there are some very meaningful initiatives in store for the future such as our advocacy, events and online programs that we are very excited about delivering.

On behalf of Shelfspace, I would like to extend a Big Thank you to everyone that has connected or engaged with us this year, big or small. Your support as a member, committee member, board member, staff or friend – is why we exist and we appreciate your valuable time and commitment. As we share our passion for retail excellence, I encourage you to engage and connect with your Shelfspace community so that we may all learn and prosper in the years to come.



Michael Battler,
Chairman of the Board, Shelfspace
Owner, Civilian Design Merchants

A YEAR IN PERSPECTIVE



If I could roll everything I learned about retailing in 2010 into one observation, it would be that the new competitive reality has inspired retailers who are passionate about what they do to be even better. Against the backdrop of an economically and politically volatile world, stagnant retail sales, sky-rocketing energy and business input costs, and a bombardment of technological advancements; retailers in pursuit of excellence proved every day that they are the epitome of the entrepreneurial spirit.

It is in this hyper-competitive environment that the Shelfspace team continues to implement the transformation of your trade association to make it better for our long-term loyal members and the next generation of retail entrepreneurs. To this end, Shelfspace is in the midst of evolving from a traditional, exclusive member-based model to a dynamic, collaborative and inclusive community.

This change has been difficult for many of our members who joined us for the sole purpose of saving money by taking advantage of one or more of our many business cost saving programs such as payment processing, gasoline purchases, group life and health benefits, gift cards, store insurance, long distance and more. In the old days when Shelfspace was the only provincial association offering these cost-saving benefits, retailers joined in the hundreds.

A membership in Shelfspace still offers retailers the chance to save money, but we're hearing from independent retailers that they want Shelfspace to be more than a source for cost-savings. They want Shelfspace to be at the center of a community of passionate retailers who are seeking the knowhow to be successful in a rapidly changing and complex world. They want Shelfspace to be the voice for retailers who aspire to make a difference in this world; both for the people who work for them and the communities in which they do business. They also want Shelfspace to help attract more customers to their locations and online.

While Shelfspace continues to implement a new model that promotes the engagement of passionate retail entrepreneurs, many of our traditional cost-saving products have become commoditized and in some cases are available without the requirement that retailers be a member of an association. Our response has been to seek improvements to all of our cost-savers, while we focus on developing new partnerships to provide members with the opportunity to be more successful in the art and science of retail.

We have also turned our energy to aggressively advocate for changes that have been threatening our industry for years. The best example of this is the success in promotion of creating the Code of Conduct for the Payment Industry. After several years of rate increases, Shelfspace finally said, "Enough is Enough" and we joined forces with Canada's national retail trade association, Retail Council of Canada, to fight back against the credit card companies, payment processors and banks. We continue to advocate for retailers regarding employment standards, labour code, property tax increases, parking tax increases, HST and changes to statutory holidays.

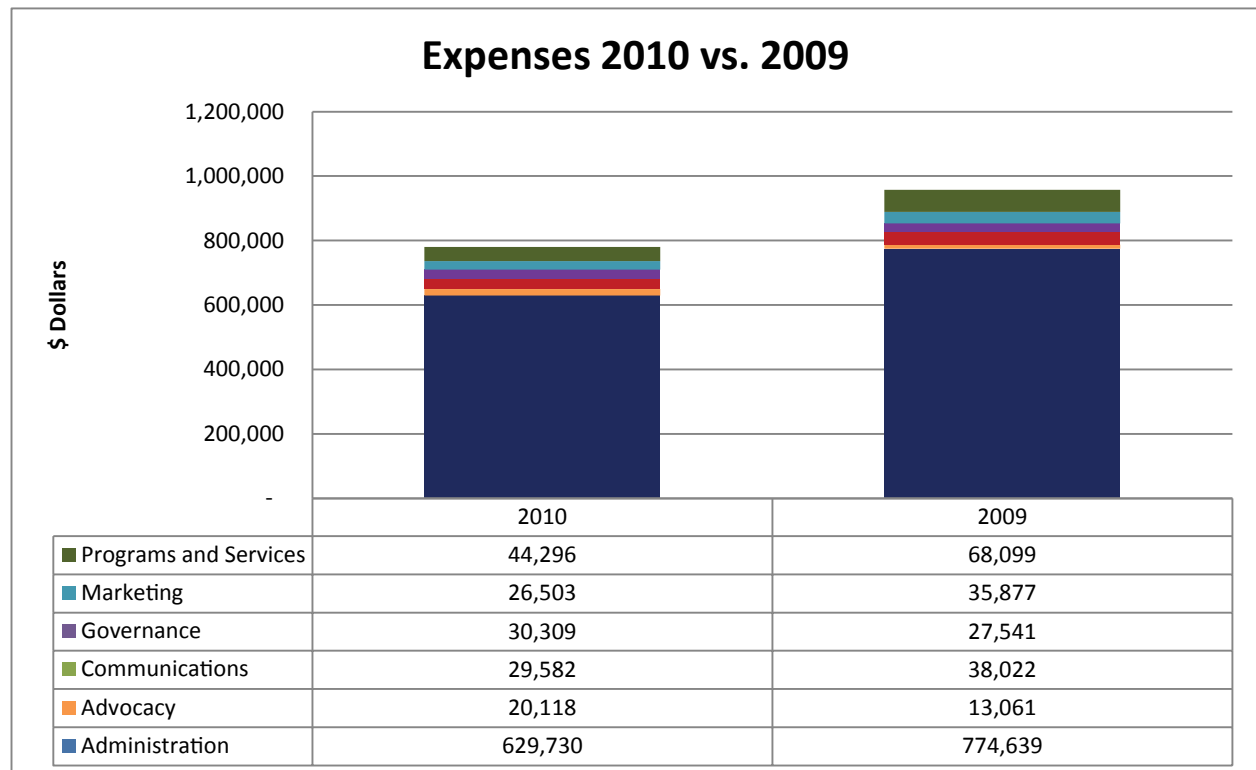
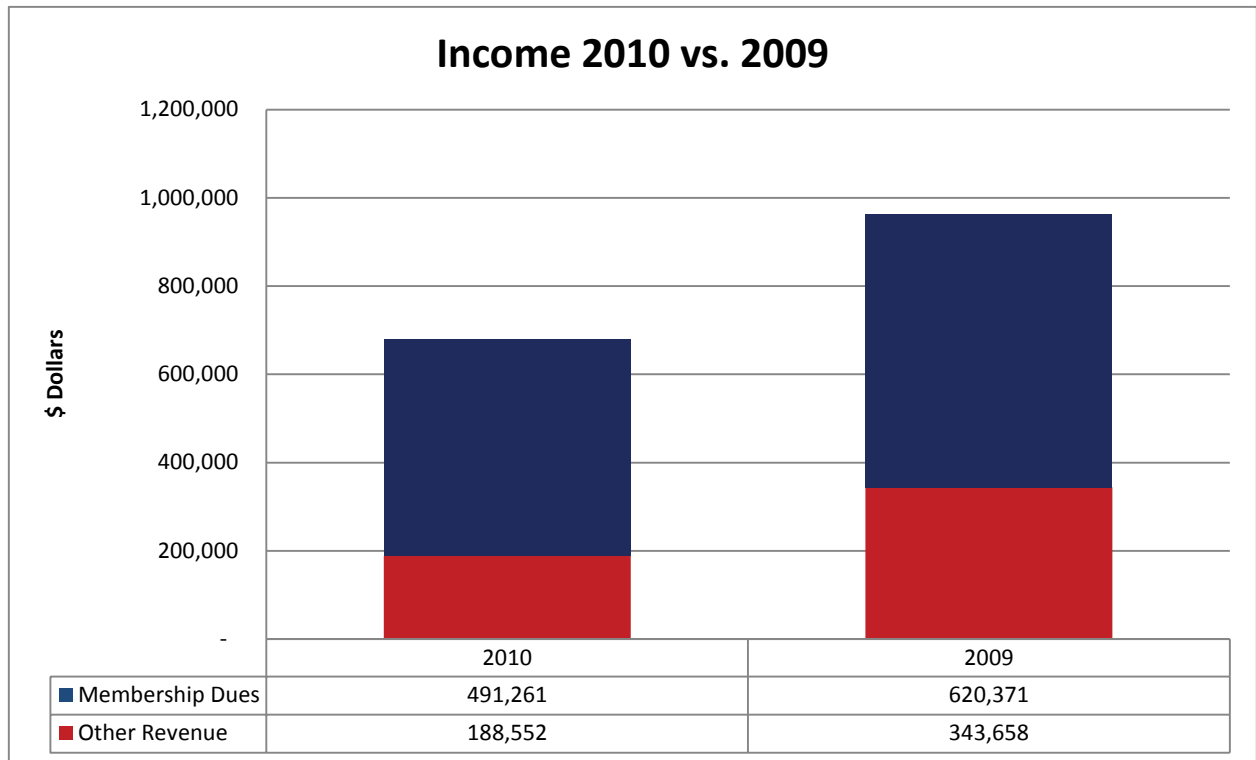
Our exclusive training program, PEAK was expanded in 2010 and a record number of aspiring retail trainees attended workshops. Our goal is to develop an on-line version of PEAK in late 2011.

I passionately thank the Shelfspace staff: Sonja Kennedy, General Manager (currently on maternity leave); Glenda Beau-lieu, Community Development Manager; Donna McKinnon-Heide, Member Services Administrator; Max Kullberg, Marketing Specialist; Angie Chubb, Alberta Representative and, of course, Ursula MacLeod, Bookkeeper (who has completed her 24th year as bookkeeper with Shelfspace).

I would also like to thank our volunteer board of directors: Michael Battler, Chair, Civilian Design Merchants; Misti Mussatto, former Chair, Toy Jungle Enterprises; Diane Thomson, Diane's Lingerie & Loungewear; Steven Wilson, Eyes On Optical; Marvin Shung, KMPG LLP; Rick Amantea, Park Royal Shopping Centre; Kristina Egyed, LaLa's; Dai Manuel, Fitness Town Inc.; and Bob Ianson, Heirloom Linens Ltd.; who have worked tirelessly to steer Shelfspace forward to achieving the ultimate goal of being the most relevant trade association serving independent retailers.



Mark Startup,
President & CEO, Shelfspace



Moving Forward 2011

Current Initiatives Driven By Our Vision

ADVOCACY

Shelfspace has been active on issues like HST, minimum wage, statutory holidays, payment processing, cross border shopping and commercial property taxes. We strive to get to the heart of your concerns and in doing so, we have one voice that is heard at all levels of government.

COMMUNICATIONS

Based on your feedback, we're developing relevant content on the latest trends and communicating in the format that works best for you and your business. We've updated Retail Connections, Topshelf News, Retail Watch and our online blog. You can even find us on Facebook, Twitter and LinkedIn.

COST-SAVERS

Every dollar counts and so we are re-mixing our cost-savers to find you competitive rates for both traditional offerings as well as new products and services such as technology and mobile programs.

EVENTS

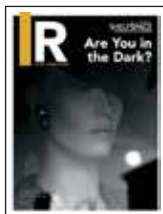
Passion for Retail will have a modern twist in 2011 to meet the demands of our changing landscape. This year it will be held in October to coincide with Small Business Month and will discuss the latest realities we face as retailers. We've partnered with some great organizations to showcase Retail Excellence.

PARTNERSHIPS

In order to strengthen our community, we are partnering with organizations like the BC Ministry of Energy to deliver the LiveSmart BC: Small Business Program. To make it easier for you, we will help you improve your bottom line by reducing your energy costs. This is just one of many partnerships to come.

PERFORMANCE

We want you to maximize your time and investments so that you can achieve optimal performance. Empowering staff is key to that success and we have developed PEAK Training which is specifically for retailers. We are also developing metrics for you to benchmark your business against others in the community.



Thank You!

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