

*He saved a
symphony; now
he takes on
national and
community
challenges*

BY PAUL KNOWLES

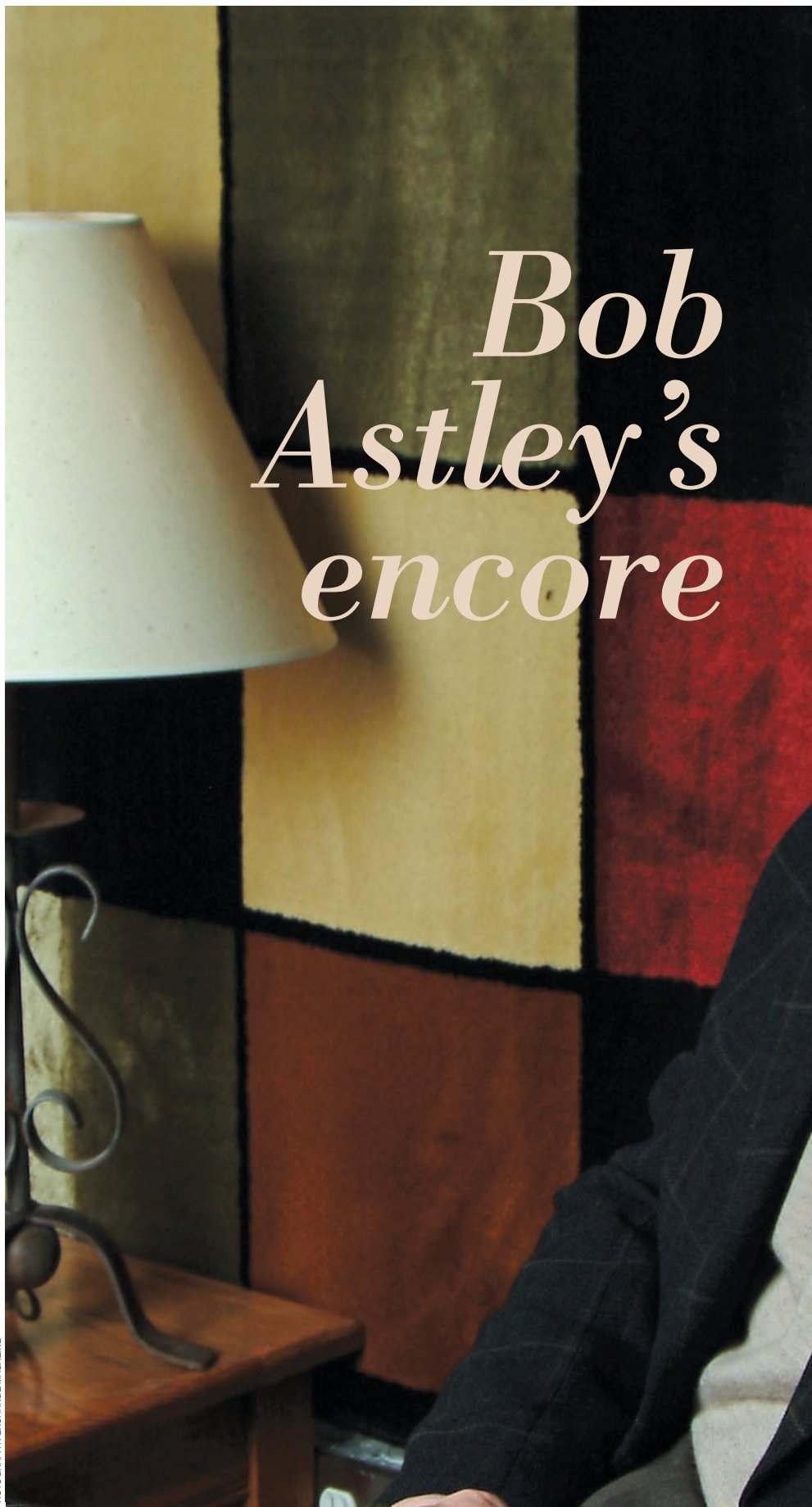
After you have conducted the rescue of a major symphony orchestra, what do you do for an encore? Well, if your name is Bob Astley – quite a lot, actually.

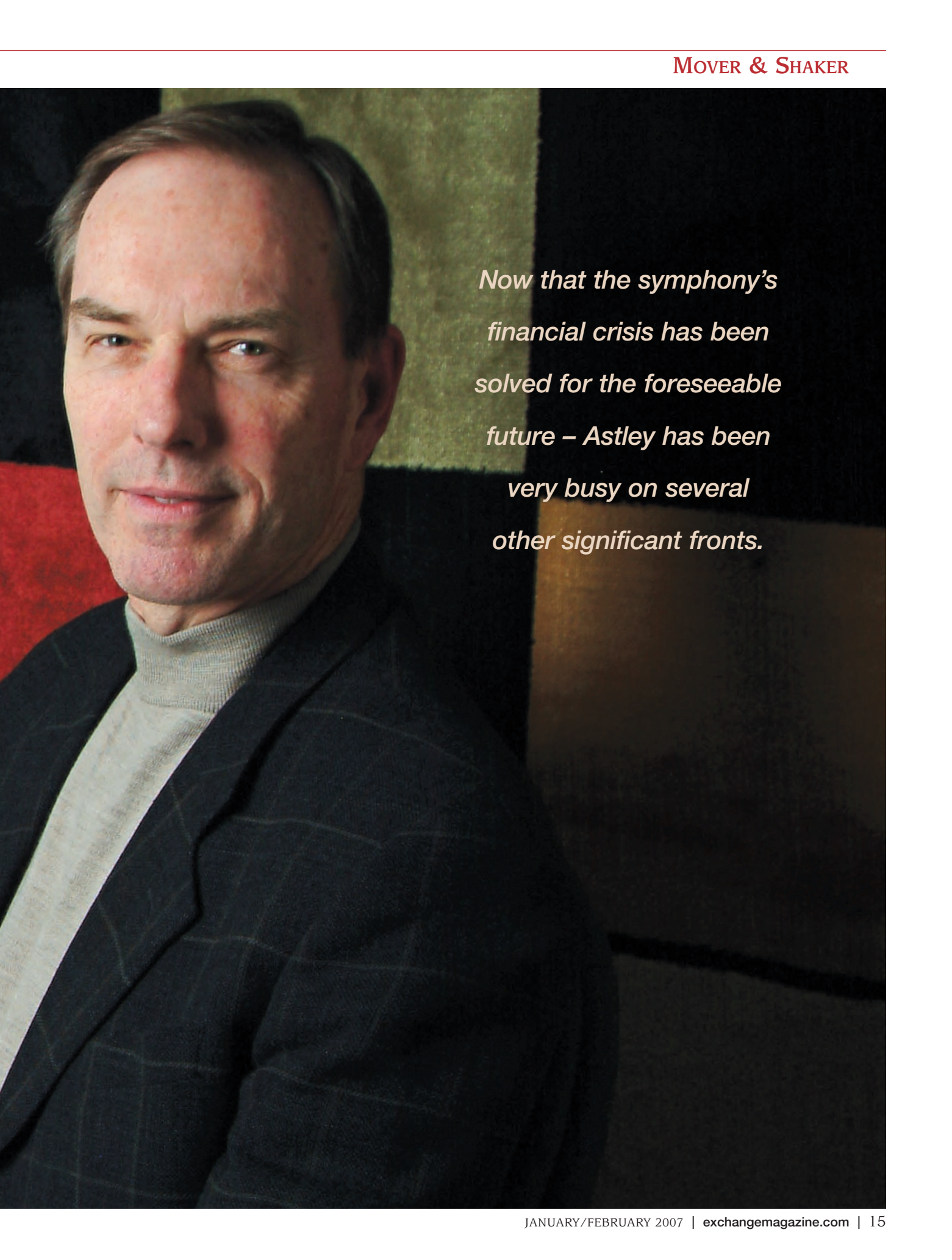
Astley's name was in the news often in the last few months, as chairman of a Kitchener-Waterloo Symphony that was threatened with imminent bankruptcy. His comments, his actions, and his decision to put his chequebook where his mouth was, all drew considerable attention.

But meanwhile – and now that the symphony's financial crisis has been solved for the foreseeable future – Astley has been very busy on several other significant fronts. He and his wife, Judith and their two children have founded a charitable foundation. And, Astley has joined the board of a \$100 billion dollar investment organization – which is investing money that relates directly to the retirement plans of each and every Canadian. In September, after a long vetting process that involved the Canadian minister of finance and every provincial government, Robert Astley joined the board of the Canada Pension Plan Investment Board.

Bob Astley's encore

PHOTOGRAPHY: EXCHANGE MAGAZINE





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MOVER & SHAKER

Financial expertise

Astley certainly brings the goods to the CPPIB table. He is the former CEO of Clarica, the company that brought him to Kitchener-Waterloo, 33 years ago. He was born in Winnipeg, and earned an honours degree in science from the University of Manitoba.

He joined the company in 1966, when it was known as Mutual Life. Except for a three-year stint as a pension consultant, based in Toronto, he spent his entire career with Mutual and its successors. In

1989, he was appointed President and COO. He became CEO in 1993.

Astley was at the helm in 1999, when Mutual was transformed into Clarica Life Insurance Companies through a process of demutualization, initial public offering and corporate name change. Clarica was the first of the four major mutual life companies to become a public corporation. That major change was followed, in 2001-2002, with the combining of Clarica and Sun Life Financial Services of Canada; Astley was President of Sun

Life from May 2002 until his retirement in September 2004.

Today, at age 62, Astley serves as a director of the Bank of Montreal. He has

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previously been a member of the Boards of CI Funds Inc., Perigee Inc. and Electro-home, as well as the Clarica and Sun Life Boards. And he is clearly excited by the opportunity presented by the appointment to the Canada Pension Plan Investment Board.

He sees this as an important responsibility, in which he is in some sense accountable to every Canadian. This Board manages "the money all of us have been contributing to over the years," he told Exchange.

Astley joined the CPPIB in September, 2006, after a lengthy approval process. He notes that while the members of the board are appointed by the federal minister of finance, the board is independent in its actual decision-making and operations; there is no "interference from government."

Astley's previous career was not entirely without controversy. The former Sun Life CEO is currently involved in a lawsuit and counter-suit involving Robert Verdun, who was most recently in the news as an unsuccessful candidate for the position of Regional Chair in the Region of Waterloo. The lawsuits arise from a dispute that reaches back to the demutualization of Clarica, and subsequent situations at annual meetings of corporations including the Bank of Montreal. Astley comments very little about the lawsuits, noting only that nothing new has developed since he counter-sued in May of 2006, and agreeing that his appointment to the CPPIB board was thoroughly investigated and approved by

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Bob and Judy Astley (right, standing and seated) and their children have launched the Astley Family Foundation. The Astley family includes, (front, left to right) Derek Astley, his son Ryan and Derek's wife, Yoo-Mi (centre); (back, left to right) Darrin Kinsey and his wife Jennifer Astley-Kinsey. The Foundation is focused on helping disadvantaged young people; annual grants will reach \$200,000 a year by 2008.


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the federal and all provincial governments. The Board and the political leaders "made appropriate inquiries to satisfy themselves," he says.

That process culminated in Astley joining the Board in September. He describes his role: "One is really there to provide overall governance to the organization." He says that includes ensuring the strategic plan is properly implemented, monitoring the performance of management, and "ensuring you have the right management in place."

The result, he says, must be achieving "a superior rate of interest without undo risk of loss"... a maxim that is easily stated but which presents an ongoing challenge. Astley rather modestly suggests that he was invited to join the Board "because of my background in finance."

He has become a firm believer in the success of the Canada Pension Plan. "This is something that is not well understood by the Canadian public," he says. Fears are often expressed that the tidal wave of baby boomers may threaten the future of the CPP, but this does not reflect

reality, says the new director. "The CPP is very soundly financed. It is really a model for state pension plans around the world. It's a great success story."

Astley points out that the CPPIB is determined that the contribution level – 9.9% – be maintained. He also notes that the funds are invested globally; in fact, "we're investing more and more outside the country just because the fund is so large." Large, indeed – it's \$100 billion. CPP funds are invested in the US, in Europe, in Asia and to a lesser extent in other world markets.

The former Clarica CEO is clearly excited by his new national role. But he is equally thrilled about his family's venture into community development.

Volunteer roles

Astley's contributions to his adopted community have earned him many accolades, including an Honourary Doctor of Laws degree from Wilfrid Laurier University, in 1996. Most recently, his voluntary role as chair of the K-W Symphony has placed him in the spotlight. But odds are, in coming years, it will be the impact of the Astley Family Foundation that makes the difference in Water-

loo Region.

The Foundation was formed in 2005, and made its first grants in 2006. It is truly a family affair – the four directors are Astley, his wife Judy, and their children, Derek, 34 and Jen, 32. The purpose of the foundation is articulated on the back of a business card which names Astley as "Chairman of the Board": "The Robert and Judith Astley Family Foundation supports innovative projects, primarily in Waterloo Region, that encourage personal development of troubled youth, to aid in the prevention of abusive behaviours."

This is not Astley's first involvement in community volunteerism. In addition to serving as Chair of the KW Symphony, he completed a six-year stint on the Board of Governors of the Stratford Festival of Canada. He's

also been a member of the Dean's Advisory Council for the School of Business and Economics at Wilfrid Laurier University. He's a former Chair of the Board of Governors for Laurier, and was Chair of the Dean's Advisory Council.

But it may be that none of those roles hold the personal, emotional enjoyment of the new family foundation, which involves all four members of the Astley family.

"For Judy and me," he says, "giving back to our community is very important." They have lived in Kitchener and Waterloo for 33 years; "we're very fortunate to enjoy the benefits of living in this community."

Asked if the Astleys' contribution is a model for other business leaders to follow, he is modest: "Every individual will have their own priorities... but there are many others that share this kind of value. We're seen many others in this community sharing their time and financial resources."

The Astley Family Foundation is specifically aimed to "support troubled youth," he says. That support will be significant – while smaller grants were distributed in 2006, 2007 will see grants of \$100,000, with \$200,000 a year in grants anticipated for each year from 2008 on. The four members of the family have the final say in granting decisions, but Astley notes that "We'll be getting lots of advice from different people in the community."

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Back in tune

Now that the KW Symphony has been rescued from its financial swamp, there has been a lot of talk about getting the organization on a more solid, business-like footing. Astley agrees – with caution. He points out that the symphony is, first of all, an arts organization, and insists, “Arts organizations live a precarious life. They are so dependent on three legs of the stool: ticket sales, government grants, and fundraising.” He notes that a symphony orchestra is “quite an expensive operation,” and that ticket sales raise “less than half” the money needed. But he quickly adds that “the symphony is not a spreadthrift,” and he points to the larger contribution the symphony makes to the community, both as a key cultural attraction, and as the professional musicians teach young music lovers. “The musicians themselves have a tremendous impact on the community as individuals.”

He looks back to his experience on the board of the Stratford Festival. “I have a lot of admiration for Richard Monette,” he says. Monette will complete his tenure as the longest-serving

Artistic Director at Stratford at the end of next season. “And I’m a huge fan of Antoni Cimolino,” who has served as Executive Director, and will now head the Festival when Monette leaves. Between these two men, the Stratford Festival “was really turned around financially” in the past 10 to 12 years.

Astley believes that, while the recent, \$2.5 million fundraising campaign has put the KW Symphony on a solid financial footing, the organization needs its own “Richard Monette.” “We have high hopes for our next music director,” he says. That person should be appointed within the first quarter of 2007. “In the last 10 years,” he admits, “the KW Symphony has not had that kind of exciting leadership on a sustained basis.”

The recent history of the symphony is well known – the turnover in music directors, as first Chosei Komatsu and then Martin Fischer-Dieskau came and went; dissension among board members; and loss of supporters were all factors in what could have been a disaster. The problems led to a loss of revenue – ticket sales have dropped, and government grants shrank. In the end, the sym-

phony was in real danger of shutting down. “There was no doubt that bankruptcy was a real threat. We came perilously close to not having the money to meet our obligations.”

Now, “we have to sell tickets,” says Astley. “That is our biggest challenge going forward.” He therefore calls for the symphony to think creatively. “We’re out to take the symphony to new places,” and that includes real, physical locales. When the people aren’t coming to the symphony, the symphony will go to the people.

And he recognizes that there may need to be new approaches to ticket sales. The traditional method of season subscriptions may be less effective in a world where “people find it harder and harder to plan ahead.” Single ticket sales may be more appealing than subscriptions, and he admits that “we may not have caught on to that shift early enough.”

Astley guarantees that the Fall, 2006 Save Our symphony appeal will not be repeated. (He and his family donated more than \$100,000 to the cause). But he notes that “we do need to continually



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"Having a high quality cultured life is important to attract people to the region."

be fundraising, soliciting corporations for sponsorship support."

He sees this as entirely reasonable: "Having a high quality cultural life is important to attract people to the region... doctors, business people, high tech experts."

"What has to be done"

He admits that when he joined the symphony board, and especially when he became Chair, he "wasn't really expecting to get into that kind of hot spot. But you do what has to be done."

One of the things that was done was to reduce the income of the symphony's musicians – notoriously not the highest-paid artists, in the best of times. Astley says that agreement was not well understood. In fact, under agreement with the musicians' union, the 15% decrease in salary for this season only will be repaid during the course of the current four-year collective agreement, if the symphony maintains a solid financial footing.

Cutting musicians' salaries was not an easy decision, he says. "Nobody was happy about that requirement." But it was an element in saving other beleaguered orchestras across the country, "and the Board

believed it was essential."

Solid footing?

While he embraces the artistic realities of a cultural organization like the symphony, Astley's business acumen is never far below the surface. As the symphony moves ahead, "It is always necessary to live within our means," he says, "to ensure that we raise the revenue to support the expenses of running our operation. We can't run deficits on a regular basis."

He adds, "If that's what some people think of regarding running the symphony on a business basis – yes." But he reminds people that the heart of the matter is still the music. "The symphony must be a symphony." And he knows that "the symphony's issues will never be solved to the point where we can forget about it."

But the immediate crisis is indeed solved, thanks in large part to Astley's leadership. Now, he says, there is "some time to put the symphony on the right path, with a new artistic director." And with continued leadership from the board, which will be headed by Bob Astley for at least one more year.

Unlike many of his colleagues on the board, he has never been a musician, not even as a young person. Maybe not – but Bob Astley managed to conduct the most important work the KW Symphony performed in 2006, while still playing a role in managing the nation's retirement funds, and launching an important new community resource. Quite a performance.





*What would you like
to see in your closet?*

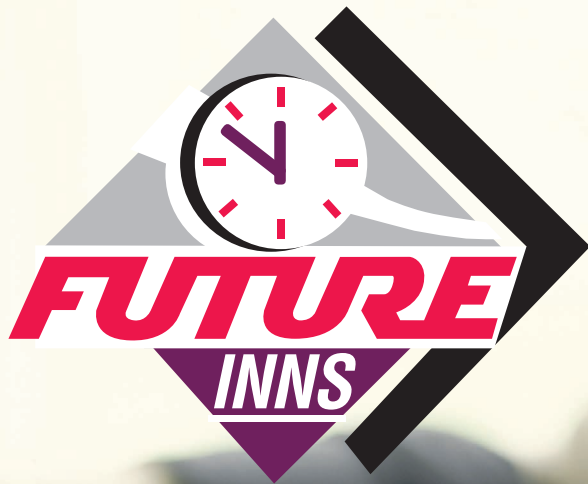
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