



A Report to Canadians 2002/2003



CANADIAN BLOOD SERVICES

A Report to Canadians is issued by Canadian Blood Services for the period between April 1, 2002 and March 31, 2003, and is published in accordance with the provisions of CBS By-Law No. 1, Section 6, Annual Meetings, and Section 57, Reports.

ISSN 1488-6367

1000102359

Charitable Number: 87015 7641 RR0001

To order additional copies call:

(613) 739-2300 or toll free 1 888 2 DONATE

Internet version: www.bloodservices.ca

On-line ISSN 1488-6375

Aussi publié en français

Publication and Distribution

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GOING THE DISTANCE

THE THEME OF THIS YEAR'S ANNUAL REPORT, *A Report to Canadians*, FOCUSES ON CANADIAN BLOOD SERVICES' EFFORTS AT *going the distance* OVER THE PAST YEAR. WE SELECTED A MONTAGE OF CANADIAN LANDSCAPES FOR OUR COVER TO SYMBOLIZE THE ROLE CANADIAN BLOOD SERVICES PLAYS IN THE LIVES OF CANADIANS FROM COAST TO COAST.

THE COVER ALSO DEPICTS THE DIVERSE GEOGRAPHY OF THE COUNTRY. THROUGHOUT THIS PAST YEAR, WE LAUNCHED INITIATIVES AIMED AT BRINGING AN ENHANCED AND CONSISTENT LEVEL OF SERVICE TO ALL PARTS OF THE COUNTRY. AT THE SAME TIME WE CONTINUED TO EXPAND OUR REACH TO BLOOD, PLASMA AND BONE MARROW DONORS IN ALL THE DIVERSE REGIONS OF CANADA. TOGETHER THESE MEASURES WILL HELP US CONTINUE TO *build a better blood system* FOR CANADIANS.

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CANADIAN BLOOD SERVICES

Blood. It's in you to give.

2003-09-03

The Honourable Colin Hansen
Minister of Health Services
Province of British Columbia
Lead Provincial/Territorial Liaison Minister
Council of Provincial/Territorial Ministers of Health
Victoria, British Columbia

Dear Minister:

On behalf of the Canadian Blood Services Board of Directors, I have the privilege of submitting this Report to Canadians, together with its audited financial statements, for the period of April 1, 2002, to March 31, 2003.

Respectfully submitted,

Verna Skanes
Interim Chair, Board of Directors

A Message to Canadians



IN THIS, OUR FOURTH YEAR, WE SELECTED *going the distance* AS THE THEME FOR OUR REPORT TO CANADIANS. THIS WAS THE YEAR IN WHICH WE MOVED FROM INTENT INTO ACTION TO SET IN MOTION THE STRUCTURAL AND SYSTEMIC CHANGES WE HAD PLANNED IN PREVIOUS YEARS TO TRANSFORM AND MODERNIZE THE BLOOD SYSTEM. IT WAS ALSO THE YEAR IN WHICH WE RECOGNIZED THAT THE CHANGES WE HAD PLANNED WERE EXACTLY WHAT WE NEEDED TO GIVE US THE FLEXIBILITY TO RESPOND SWIFTLY AND DECISIVELY TO UNANTICIPATED THREATS THAT WE SUDDENLY FOUND OURSELVES FACING – INCLUDING WEST NILE VIRUS (WNV) AND SEVERE ACUTE RESPIRATORY SYNDROME (SARS).

The challenge was whether we could do it all – implement the planned organizational re-design that we knew was necessary to prepare the blood system for the future – while at the same time conduct “business as usual,” create and implement the safety measures and contingency plans that would reduce the risk to Canadians of these emerging pathogens.

With the significant amount of work required by our staff to protect the blood system from WNV, they did an outstanding job of rising to these challenges, both those anticipated and those unanticipated. However, every organization has

capacity limits that cannot, and indeed must not be exceeded. As such, we at Canadian Blood Services remain vigilant about the need to prioritize our efforts, at all times ensuring the safety and adequacy of the blood system while continuing to pursue our *Transformation* journey.

THE ORIGINAL PLANS

When the year began, we had completed the necessary stabilization and planning phases of our first three years and we were ready to begin transforming Canada’s blood system, based on a new model. Highlights of the year included:

- the roll-out of MAK PROGESA, the database and information system that would replace numerous manual processes with a single, national, automated system to improve safety, inventory management, customer service, and much more;
- the development of three national consolidated testing laboratories to permit greater capacity and improved safety;
- the consolidation of our Saskatchewan operations to create a new, streamlined model for the blood system;

- the creation of our National Contact Centre to improve our customer relationships and ultimately assist us in bringing in and retaining more blood donors;
- the implementation of a new information system to modernize the Unrelated Bone Marrow Donor Registry;
- the restructuring of our purchasing agreements for fractionated plasma and recombinant blood products in order to improve security of supply;
- the requalification of approximately 10,000 litres of plasma collected in Thunder Bay and Charlottetown so they could be sent for fractionation;
- the resolution of inconsistent employee pension enrollment that had been inherited from the old blood system; and
- the establishment of the Canadian Blood Services Foundation and the search for an executive director to assist us in raising funds for research and development and special projects.

By year-end, we had either fully implemented every one of the above initiatives, or were well under way with their implementation. Each initiative represented an enormous commitment of time and effort on the part of our staff, as well as the many advisors with whom we work.

LESSONS LEARNED WHEN PLANS DON'T GO SMOOTHLY

While the above projects were successful, not all of our plans proceeded as well as we had hoped. The less-than-smooth launch of our new Human Resources/Payroll system had a negative impact on

our staff's morale, as that roll-out resulted in serious, unforeseen problems, still being fixed as the year came to a close. We were reminded of the huge impact that change can have on an organization – and particularly on the people on whom it depends. Certainly we learned that change can be awkward and difficult for people. It requires understanding, acknowledgement of both efforts and mistakes, and, ultimately, a commitment to identify the root causes of the problems that inevitably arise in the face of sweeping change. Finally, there must be a determination to ensure that there are lessons learned from each situation that arises, and that the lessons are applied to changes that are still under way or being contemplated for the future.

THREATS, CHALLENGES AND REVIEWS

The year 2002/2003 was a year of unforeseen threats, including the first human case of variant Creutzfeldt-Jakob Disease (vCJD) in Canada in April 2002 (a case which is believed to have been imported from Britain), the identification of a donor who had lied during the donor screening process in mid-summer 2002, the discovery in late summer 2002 that WNV is transmissible through blood transfusions, and the emergence of SARS in March 2003. We cannot recall a year where so many important and challenging safety issues emerged in the field of transfusion medicine.

WNV is arguably the most significant challenge Canadian Blood Services has faced to date, in that it represented a real, measurable threat. Once we learned that WNV could be transmitted through blood transfusions, we began a mobilization at Canadian Blood Services that was unprecedented in the history of the blood system. We brought together a multi-disciplinary

task force to develop an action plan, which included a precautionary withdrawal of plasma products that had been collected in Ontario during the summer of 2002, and the stockpiling of frozen blood products during the early months of 2003. As the fiscal year ended, the implementation of a WNV test was our number one priority, with the objective to have it in place on or about July 1, 2003. The introduction of such a sophisticated test for blood donor screening in such a short time frame has never before been accomplished in Canada. One of the important achievements in this process was the very high degree of collaboration between the commercial manufacturer of the test, the Regulator (Health Canada), and ourselves as operator of the blood system.

In the past year, Canadian Blood Services also underwent an independent performance review commissioned by the provinces and territories. We welcomed the review and worked closely with the review team to ensure it had all the information it needed to draw conclusions and make recommendations. Most gratifying for us, was the recognition of the improvements to the system made over our first four years, and the fact that the review team did not recommend stopping any of our plans to transform the blood system. Furthermore, over half of the review's recommendations were already being addressed by measures we had previously put in place.

A WORD OF THANKS

Clearly, it has been a busy year, in which we have faced many challenges and yet accomplished much. In the end, Canadian Blood Services was successful in *going the distance*, thanks to our belief in the benefits we would realize by implementing

our plans, the determination of our staff to never waver from our commitment to safety and quality, a flexible approach to management that was open to shifting priorities if necessary, and an honest acceptance of problems when they arose, along with a fierce commitment to learn from the problems, fix them and prevent them from happening again in the future.

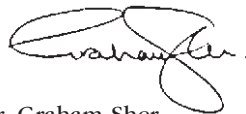
Great accomplishments are never made without the time and effort of people. *Going the distance* along with us were some extremely dedicated people, including our Corporate Members (the Provincial and Territorial Ministers of Health), our advisory committee members, and all of our staff and volunteers across the country.

This year we welcomed several new members to the Board of Directors: Dr. Bernadette Garvey of Toronto, Frank Jones of Edmonton, Kenneth Wayne Ezeard of Prince Edward Island, James Kreppner of Toronto and John Dawson of Vancouver. We wish to extend our appreciation to Gary Chatfield for the significant contribution he made to Canadian Blood Services as Chair of the Board of Directors. We would also like to thank our five departing Board Members – Linda Rankin, Dr. Mark Minden, Frederick Hyndman, Rod MacLennan and Dr. Harvey Schipper – for their guidance and devotion to the blood system.

Our Executive Management Team was also strengthened this year by the addition of Dr. Eleftherios (Stephen) Vamvakas as Executive Vice-President, Medical, Scientific and Research Affairs and Kathryn Butler Malette, Vice-President, Human Resources. We extend our thanks to the exceptional people who acted on the Executive Management Team on an interim basis when they were so very much needed.

Our thanks must also be extended to the many Canadians who took action by rolling up their sleeves to give blood – and by encouraging others to do the same. We would also like to recognize the corporate and community partners who answered our call for social change by promoting and supporting the need for blood donations in our communities.

The transformation of the blood system is an ongoing journey. This year, we moved beyond intent to take action, culminating in enormous planned changes. The changes we have made give us the flexibility to respond rapidly and aggressively to the unanticipated threat of emerging pathogens such as WNV. It is clear to us that the options available to us now did not exist at any time in the past. It has been gratifying to realize that the years of planning have been well spent and the decisions we made were the right ones to permit us to continue *going the distance* as we endeavour to build a better blood system that Canadians value and trust.



Dr. Graham Sher
Chief Executive Officer



Verna Skanes
Interim Chair, Board of Directors

Introduction

It has now been more than four years since Canadian Blood Services was given responsibility for the blood system. Over the past few months, we have re-designed our approach to our business strategy and corporate plan to provide a framework that ensures the finite resources available to us are aligned with clearly established priorities, in a manner in which organizational performance can be measured over time. This new framework ensures that the budget planning process aligns with our strategic planning and provides clear articulation and communication of Canadian Blood Services' business strategy. This year's annual report was structured to report on the four key objectives of our business strategy: Greater Employee Satisfaction, Improving Safety and Quality, Enhancing Customer Service and Increasing Cost Effectiveness.



GOING THE DISTANCE

Greater Employee Satisfaction

SANDRA WEISS

VANCOUVER, BRITISH COLUMBIA

Working in the Research and Development (R&D) division as a research technician, Sandra's role is primarily aimed at improving the quality of blood products. She began her career at Canadian Blood Services five years ago in Regina where she worked in the production laboratory, separating blood into components like platelets, plasma and red blood cells. When the opportunity came to work in R&D two years ago, she jumped at the chance.

"It's so rewarding to know that the work we are doing in the labs is helping to improve the blood system, making it safer for everyone."



FOR CANADIAN BLOOD SERVICES, *going the distance*, MEANS STRIVING TO PRODUCE THE SAFEST BLOOD PRODUCTS POSSIBLE, USING COST-EFFECTIVE METHODS AND PRACTICES. IT ALSO MEANS DELIVERING SUPERIOR SERVICE TO CANADIAN BLOOD SERVICES' KEY CUSTOMERS – DONORS, HOSPITAL CUSTOMERS AND THE CANADIAN PUBLIC. NONE OF THIS WOULD BE POSSIBLE WITHOUT A WORK FORCE THAT EMBRACES CHANGE AND IS EMPOWERED WITH THE TOOLS AND SKILLS TO MAKE CHANGE HAPPEN.

Fostering Innovation and Creativity

Canadian Blood Services fosters innovation and creativity and encourages employees to challenge the value of existing practices and investigate new and better solutions. Making employees the source of change makes embracing change more likely. Creativity is sought and recognized at all levels.

RESEARCH AND DEVELOPMENT

There is perhaps no more obvious an example of innovation and creativity than the work conducted by research and development (R&D) teams at Canadian Blood Services. When Canadian Blood Services was created in 1998, it made a commitment to conduct and support R&D to advance transfusion science. In 2000, the



organization's first R&D action plan was launched and work began to build the infrastructure required for an effective R&D program. Still a "work in progress", Canadian Blood Services is recruiting and training researchers with the skills needed to advance transfusion science. Now with more than 26 scientists and affiliated researchers across Canada and more than 100 support staff and trainees, Canadian Blood Services is fostering an innovative scientific community. The diverse expertise these scientists bring to the area of transfusion science is propelling Canadian Blood Services into a new era of research excellence.

In 2002/2003, Canadian Blood Services' R&D group conducted research in areas critical to the future of Canada's blood system. Canadian Blood Services' scientists have focused on:

- aspects of blood donation;
- the preparation and storage of blood products;
- the development of substitutes to replace donor-derived blood products;
- the effects of blood transfusions on the recipient;
- blood safety;
- the function of plasma proteins, blood cells and stem cells used for the treatment of disease and improving health outcomes;
- health-policy research related to blood products.

These research projects have been financially supported by competitive peer-reviewed grant programs at Canadian Blood Services and at national peer-reviewed biomedical research funding agencies such as the Canadian Institutes of Health Research, the Heart and Stroke Foundation, and the Canada Foundation for Innovation. In 2002/2003 this research effort generated more than 90 full-length scientific publications, dozens of abstracts and eight patents or patent applications.

An example of one such grant is the Kenneth J. Fyke award, given to an individual or individuals conducting promising research that supports policy development related to the blood system. This award honours the first Chair of Canadian Blood Services' Board of Directors.

Canadian Blood Services has made it a priority to ensure that blood products are used effectively, correctly and to the greatest benefit of patients. To this end, Dr. Irwin R. Walker, a Hamilton, Ontario, physician and researcher, was awarded the Kenneth J. Fyke Award in March 2003. Dr. Walker will use the funds to advance his work in tracking the use of coagulation factor concentrates by people with hemophilia through the use of personal digital assistants (PDAs). The PDAs allow patients to keep a "bleed diary" to track the use of their medication. The award will provide Dr. Walker with a \$50,000 grant to help advance this critical research.

Conducting research and development is important, but communicating about it is also necessary. In particular, employees are inspired by the excitement surrounding this work and the recognition it rightly receives within the organization and from the public. The value to the blood system and the public of the R&D work itself is unquestionable, and the resulting culture of innovation and creativity generated throughout Canadian Blood Services benefits the entire blood system.

EXTERNAL RECOGNITION

Innovation and creativity are not the exclusive domain of the R&D group. The West Nile Virus contingency plans, for instance, could not have been drafted without different departments working cooperatively and "thinking outside of the box." Likewise, the smooth implementation of the various

projects being undertaken to transform the blood system, such as the MAK PROGESA information system, could not have occurred without a creative, problem-solving approach.

The creativity of Canadian Blood Services' employees was formally recognized by a number of respected external groups in 2002/2003. Several programs and products earned awards, providing opportunities for feedback and measurement of success.

Information Technology Award

The Information Technology Division and Operations Division of Canadian Blood Services were finalists for ITX Awards ("IT Excellence"), which are sponsored by CIO Canada, an information technology magazine, for the Event Scheduling System (ESS) launched in 2001. ESS is a Web-based tool used for planning, managing and implementing blood donor clinics.

Awards to Scientists

On January 15, 2003, Dr. Dana Devine, Executive Director, Research and Development, was presented with a Commemorative Medal for the Golden Jubilee of Her Majesty Queen Elizabeth II in recognition of service to fellow citizens, the community and the Canadian Crown.

Canadian Blood Services Adjunct Scientist Nancy Heddle won two prestigious awards: the *Canadian Journal of Medical Laboratory Science* Scientific Writing Award and the 2002 Ontario Premier's Award for Health Sciences.

Marketing and Communications Awards

The Marketing and Communications groups received a variety of industry awards recognizing excellence in planning, creativity and strategic development, including awards for the Canadian Blood Services Web site, which won seven awards in a number of categories, the Intranet, which won two awards, the Report to Canadians 2001/2002, which won four awards for writing and design and the Honouring Our Lifeblood video which received three awards including an Award of Excellence by the Communicator Awards.

Other communications tools that won awards included the Bone Marrow Donor Information Package, the internal corporate news bulletin, *On Target*, the Fourth Anniversary CEO video, and an article on transforming Canadian Blood Services which won a Best in Canada Galaxy Award.

Forums for Sharing Ideas

Canadian Blood Services believes that encouraging staff to share ideas and best practices with their peers provides tremendous benefits to the blood system. It enables staff to compare current techniques and find new ways to improve safety and quality, increases cost effectiveness, and enhances customer service. In keeping with this philosophy, Canadian Blood Services promoted a number of activities in 2002/2003 to inspire open and active discussions among employees and external peers.

ELECTRONIC INFORMATION FORUM

In 2002/2003, the Canadian Blood Services R&D group initiated a new site on the Canadian Blood Services Intranet called "Science?", where all staff can go to ask questions about current practices or emerging issues in transfusion science. This electronic information forum encourages staff to ask questions and promotes the use of evidence or data to support workplace and manufacturing practices.

ASSOCIATION OF DONOR RECRUITMENT PROFESSIONALS CONFERENCE

In May 2002, Canadian Blood Services hosted the Association of Donor Recruitment Professionals' (ADRP) annual conference in Toronto. The ADRP is an international organization committed to education and the development of donor recruiters. The conference gave front-line donor recruitment employees, as well as marketing and communications professionals, a forum in which to discuss current issues, challenges and developments in the field of donor recruitment.

During the five-day event, a number of Canadian Blood Services employees made presentations, participated on panel discussions and attended pre-conference workshops.

INTERNATIONAL SOCIETY OF BLOOD TRANSFUSION 2002

In August 2002, Canadian Blood Services co-hosted the 27th Congress of the International Society of Blood Transfusion (ISBT) in Vancouver, British Columbia. Founded in 1935, the ISBT is a scientific society of blood-transfusion professionals from more than 100 countries. The Congress gave many Canadian Blood Services staff members the opportunity to participate both as delegates and in organizing the prestigious meeting; several scientific papers were given by Canadian Blood Services researchers. A large number of staff from Canadian Blood Services in Vancouver also worked as Congress volunteers.

The conference was attended by more than 1,800 participants and covered topics such as genetic testing, quality management, blood group antigen biochemistry, transfusion immunology, platelet transfusion, platelet storage, pathogen reduction/inactivation, stem-cell biology, computerization in transfusion medicine, problems in developing countries, leukoreduction and red cell biology.

CONSENSUS CONFERENCE ON VARIANT CREUTZFELDT-JAKOB DISEASE TESTING

Through regular consultations with the public on matters affecting the blood system, Canadian Blood Services ensures that it continues to operate the blood system in an open and transparent manner.

In addition to previously holding a national forum and two national consensus conferences, Canadian Blood Services co-hosted with Héma-Québec the March 2003 consensus conference on testing for variant Creutzfeldt-Jakob Disease (vCJD). The purpose of the conference was to discuss issues concerning testing and screening for vCJD with Canadian and international lay people and experts. A consensus statement is being finalized.

Motivate and Prepare the Work Force

The transformation of the blood system involves a period of profound change, not only for Canadians who rely on the system, but also for the employees of Canadian Blood Services. During this period, it is essential to help employees remain positive and motivated by equipping them with the tools and resources to manage the impact of change. Employees are the cornerstones of the blood system. Recognizing this fact, Canadian Blood Services implemented a number of programs to assist employees in dealing with operational changes and preparing for the journey forward.

TRAINING AND EDUCATION

In 2002/2003, Canadian Blood Services worked to ensure that staff received adequate preparation to effectively carry out their job functions, while also working to equip employees with the knowledge and skills they will need to manage and implement the significant changes ahead for the blood system.

Web-based Training for MAK PROGESA

The logistical challenge of building a training environment for an application as complex as MAK PROGESA (described on page 12) led the project team to consider alternatives to traditional instructor-led classroom approaches. It was determined that Web-based training would offer a more consistent, cost-effective delivery of training that was available 24-hours-a-day, seven-days-a-week, allowing staff to use it when time permitted.

Feedback for training offered in Halifax during 2002/2003 was positive. The Web-based training provided staff with the opportunity to experience the use of MAK PROGESA through various simulations built into the program. It also enabled employees to complete lessons at their own pace. Overall, staff found the Web-based training experience to be enjoyable and beneficial.

University Partnerships

In collaboration with their colleagues at the University of British Columbia (UBC), Canadian Blood Services researchers received a grant from the Canadian Institutes of Health Research and the Heart and Stroke Foundation of Canada

for a research training program. The program will support UBC's Centre for Blood Research, a unique centre in Canada dedicated to research in transfusion science. Canadian Blood Services is a partner with the university in this initiative and the Canadian Blood Services' R&D hub in Vancouver is housed on the UBC campus.

Grant monies will support educational programs for research trainees at the pre-doctoral and post-doctoral levels. It will also include an "exchange" component permitting trainees to work at Canadian Blood Services' laboratories in Edmonton, Toronto and Hamilton, as well as Héma-Québec and the Puget Sound Blood Center in Washington State. The amount of the grant is \$1.8 million over six years. This training grant is a key piece of the development of this new centre, which is currently building and equipping new research laboratories on the UBC campus.

This is just one example of the successful partnerships that Canadian Blood Services is forming to support its research hubs in Vancouver, Edmonton, Hamilton, Toronto and Ottawa.

CUSTOMER SERVICE EXCELLENCE TRAINING PROGRAM

Canadian Blood Services provides its staff with the tools and training required to achieve excellence in customer service through a training program that profiles best practices and examples of exemplary customer service.

More than 510 Canadian Blood Services' staff, at seven Canadian Blood Services locations, participated in facilitated Customer Service Excellence training sessions during the first

quarter of 2002/2003. Since the launch of the program in early 2001, more than 1,800 employees have participated in these sessions.

To provide all locations with even greater flexibility to offer staff opportunities to participate in customer-service training initiatives, a self-study program was developed and launched across Canadian Blood Services in December 2002. The training kit includes an implementation guide, training video, participant workbook, facilitator's guide and evaluation forms. The self-study program provides participants with the option of following the training program on their own or in a facilitated environment.

CAREER BRIDGING PROGRAM

In December 2002, Canadian Blood Services announced the launch of its Career Bridging Program to assist employees affected by *Transformation* changes, support managers implementing change, and to minimize the loss of people and talent while meeting ongoing and future business needs. The program will ensure a consistent approach to managing employee transition.

WELLNESS PROGRAM

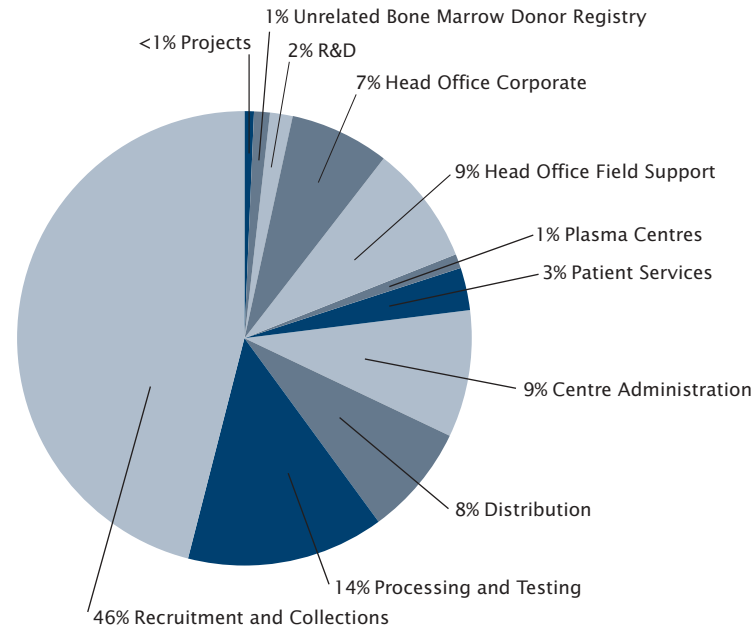
Times of change and uncertainty can lead to added workloads and additional stress for employees. Canadian Blood Services operates a wellness program as part of a healthy and balanced work environment that assists employees in dealing with these issues. As part of this program, health and wellness committees have been established at Canadian Blood Services locations across the country.

During the past year, a survey was conducted to identify the wellness issues of greatest importance to employees. Response to the survey indicated that employees wished to have opportunities for on-site exercise, stress-reduction techniques and information on nutrition. Some of the year's initiatives included exercise programs, healthy snack breaks, lunch-and-learn sessions, smoking cessation, Registered Retirement Savings Plan planning, women's heart health and massage therapy.

Canadian Blood Services Work Force

Percentage of Employees by Key Function

As of March 31, 2003, there were 4,634 employees at Canadian Blood Services, of which 66.75 per cent were unionized. There are currently 30 collective agreements in force at Canadian Blood Services. Almost half of the work force is dedicated to the functions of recruitment and collections.



PENSIONS

During the year, Canadian Blood Services employees were given an opportunity to make past service pension contributions for periods of time during which they had been entitled to participate in the Red Cross Pension Plan, but were not permitted to do so. Of the 2,075 individuals who were entitled to buy back pension entitlements, 1,161 (56 per cent) elected to do so.

VOLUNTEERS

Canadian Blood Services recognizes that volunteers play an essential role in keeping the blood system connected to communities. By promoting blood donation in their communities, introducing new donors to the blood system and contributing to a positive environment within clinics, volunteers make significant contributions to meeting the growing need for blood.

Among the nearly 14,000 volunteers registered with Canadian Blood Services, thousands contributed approximately 265,000 hours to Canadian Blood Services in 2002/2003. They spoke to groups to raise awareness about the need for blood and blood donation, promoted and organized community clinics, and participated in clinics where they acted as guides throughout the donation process or served refreshments afterwards. Canadian Blood Services benefited from the support of approximately 800 community groups, clubs and associations that helped plan, promote and organize clinics.

Enhanced Technology

Canadian Blood Services has made it a priority to transform the manual, labour-intensive system of the past into a system that leverages the benefits of enhanced technology. Reduced reliance on manual procedures provides employees with better tools to effectively carry out their jobs, to apply their valuable skills and to contribute more fully to building a better blood system. In essence, it makes their jobs more interesting and the system safer. Implementing this new model requires an ongoing investment in the professional development of employees to provide them with new skills and a more interesting and challenging work environment.

MAK PROGESA

One of the most significant changes Canadian Blood Services is making to the blood system is replacing many of its paper-based processes and a number of obsolete information systems with a single, integrated blood-information management tool known as PROGESA from MAK Systems Incorporated. PROGESA profoundly changes the way the blood system operates and what it can do.

Expected to be complete by the end of fiscal year 2003/2004, the implementation of PROGESA at all Canadian Blood Services locations will result in a single, national donor database.

The implementation of PROGESA will improve Canadian Blood Services' ability to follow blood donations from the donor, through production and testing, to the hospital. Through the elimination of multiple systems, PROGESA will extend automation into areas that to date have been manual or semi-automated, such as component production and testing. It will automate key processes such as labelling of blood components and standardize processes, resulting in increased cost-effectiveness and enhanced customer service. It will also allow for significantly enhanced levels of functionality, safety, control and record-keeping in the blood collection, manufacturing and inventory management processes.

During the year, Canadian Blood Services moved forward with a number of key steps in preparation for the national implementation of PROGESA, including the customization of the PROGESA software, the creation and adaptation of standard operating procedures, the development of a Web-based training application, the development of a disaster recovery plan, system validation and testing, and user acceptance.

In March 2003, Canadian Blood Services successfully implemented PROGESA in Halifax, Nova Scotia. The initial implementation was carefully monitored and will be used as a model to ensure smooth and successful implementation across other Canadian Blood Services' locations. The highly successful implementation was due largely to Health Canada's cooperation

in facilitating the approval process and to the unified efforts of employees who worked in tandem to ensure a smooth transition from the systems being replaced.

PRISM TECHNOLOGY

After originally announcing its intention in 2001/2002, Canadian Blood Services began using PRISM technology in its Toronto testing laboratory in March 2003. PRISM, developed by Abbott Diagnostics, was selected to perform transmissible disease testing and is used for the routine testing of multiple viruses including hepatitis B and C, HIV 1 and 2 (the viruses that cause AIDS) and Human T-Cell lymphotropic virus HTLV-I and II.

The primary benefits of PRISM include the ability to test large volumes at once while automating a number of functions that are currently performed manually, thereby improving process control. Not only is the blood system's capacity increased, but, with its automated screening capabilities, PRISM improves testing quality.

The increased capacity and quality provided by PRISM have allowed Canadian Blood Services to consolidate the number of testing laboratories (transmissible disease testing laboratories) it operates, as well as to handle the sudden increases in collections that are occasionally required during emergencies. These benefits will ultimately contribute to a safer blood system as increased product safety, reduced product loss/recall and greater cost-effectiveness are realized.

In March 2002, PRISM was first installed in Toronto. The installation involved two PRISM instruments to ensure that a back-up instrument is always available and ready, should one of the instruments fail. In January 2003, the purchase of three additional PRISM instruments was announced, to be installed in the Calgary and Halifax locations. The purchase was made possible, in part, by a grant approved by Health Canada in 2001/2002 to assist Canadian Blood Services in responding to a large influx of donors similar to what was experienced in the wake of the September 11 2001 attacks in the U.S.

HUMAN RESOURCES/PAYROLL PROJECT

In May 2001, as an important component of its *Transformation* initiatives, Canadian Blood Services launched a project to redesign its Human Resources (HR) and Payroll processes. The objective of the HR/Payroll Project was to implement more consistent and efficient HR, time and payroll business processes across the country, and to put an end to a number of problems with the old system that created risk in Canadian Blood Services' largest expenditure – payroll. These process changes, complemented by a new system, were intended to enhance Canadian Blood Services' ability to manage its human resources.

After the June 2002 implementation, numerous problems materialized relating to system configuration and business processes. The effects of these issues have had negative impacts on staff and on morale. The gravity of the issues was immediately recognized by management, which made considerable efforts to explore the issues, identify root causes and implement corrective actions. A subgroup within the HR/Payroll team was established to focus solely on identifying, resolving and responding to employee questions and issues.

Although the development of an integrated system remains the objective of the project, management is committed to correcting the system and learning from the issues that followed this particular implementation to ensure that similar issues can be avoided in the future.

QUALITY MANAGEMENT SYSTEM

Over the last several years, the regulatory environment in which Canadian Blood Services operates has undergone significant change, and it will continue to do so. Canadian Blood Services' ability to respond effectively to changing dynamics in the health sector is continually scrutinized by both the public and Health Canada. Regulatory bodies around the world are widening their scope of interest in these changing times by the application of new regulations to ensure safety. Health Canada itself is expected to release new National Standards on Blood Safety which Canadian Blood Services is expected to meet, by the first quarter of 2004.

One of the regulatory requirements for the blood system is that every change made in the manufacturing environment must be actively evaluated and its implementation carefully managed. For example, when Canadian Blood Services changes a process or introduces a new system, procedure or piece of equipment, the change must be validated, a standard operating procedure developed, and staff trained to execute the new procedure and monitor the impact of the change once it has been implemented. During the 2002/2003 fiscal year, Canadian Blood Services proposed, on average, more than 200 changes per month. To effectively manage such a large

volume of changes requires an effective automated solution. This automated system is a critical component of Canadian Blood Services' quality management system.

Canadian Blood Services has identified Change Control and its essential dependent systems as a critical element in improving and managing the blood system. A Change Control System is a standardized process to identify, address and minimize the risks that arise when organizations make changes to business procedures. The risk represented by change is particularly important to manage in the blood-manufacturing field, where safety is paramount. Each change must not only be evaluated thoroughly in isolation, but also in regard to the affect of the change on other processes and areas of the organization. While this evaluation work is ongoing and will be completed by the spring of 2004, an interim, simple, automated system was developed internally to track change requests. This interim solution provides a tool to ensure that changes are evaluated thoroughly and that duplication and potential conflict between numerous proposed changes are eliminated.

Adopted on September 30, 2002, the Canadian Blood Services Change Control System currently concentrates on preventing conflict between projects, primarily by eliminating duplication. It will continue to evolve and grow.

UNRELATED BONE MARROW DONOR REGISTRY INFORMATION SYSTEM

Patients who require bone marrow transplants, but for whom a related donor could not be found may rely on the Unrelated Bone Marrow Donor Registry to help coordinate the search for matching donors. Canadian Blood Services collects blood from potential donors and conducts HLA (human leukocyte antigen) typing for matching. At the end of 2002/2003, some 223,724 Canadians had joined the Registry with the potential of being donors in the future – a group comparable to the population of a small city. Coordinating the donor search and work-up functions for a Registry of this size represents a significant challenge.

In June 2002, the Registry implemented a new, more advanced, internally developed information system to help improve search and workflow capabilities. The system enables Canadian Blood Services to store more precise donor-typing information, used in the matching process, than was previously possible, and significantly streamlines the search process. It automates a number of manual processes and provides an improved interface between the many different functional areas that must work together to operate the Registry, including case managers, donor centre staff and laboratory staff. This information system will significantly enhance the Registry's ability to serve its customers by accelerating the process of finding donors for patients in need of transplants.

Standardize, Integrate and Make Business Systems More Responsive

The operation of a national blood system is dependent upon effective communication between locations and employees. To promote standardized practices and procedures at locations across the country, it is imperative that systems be integrated. In 2002/2003, Canadian Blood Services took a number of steps to align efforts and integrate key functions across the organization.

PROJECT INTEGRATION

Organizational change, while necessary and beneficial, can involve disturbances in the day-to-day operations of any business. A special function, called Project Integration, was created in 2002/2003 to support the coordination of the major key projects under way to move the blood system forward, to ensure that activities are integrated to the greatest degree possible and that change is implemented in a manner that maximizes benefits and minimizes disruptions to ongoing operations. It is essential that project planning and implementation do not occur in isolation, but in relationship to other initiatives under way in the organization.

The risk of disrupting ongoing processes is highest during times of project implementation. One of the ways Canadian Blood Services increases the chances of success for each project is to ensure effective governance and direction at all times. The office of Project Integration is responsible for facilitating a continuous exchange of information between project teams and employees throughout the implementation of complex, interrelated projects. It also ensures that where competition

for resources exists between projects, a coordinated approach can be taken to manage resource allocation.

SYSTEM LIFE CYCLE METHODOLOGY

Information Services developed and implemented a System Life Cycle Methodology in 2002/2003 to assist employees with the development and maintenance of quality computer systems that satisfy business requirements and industry and regulatory standards. The methodology is based on best practices and has been tailored to Canadian Blood Services' unique needs.

The System Life Cycle Methodology includes project management activities and deliverables for the development and maintenance of computer applications. It ensures that the plan is comprehensive and that all aspects of the application are taken into consideration in advance. It includes tools and templates to monitor progress and to identify problems early. By establishing set standards, the methodology ensures omissions are avoided and internal and the Health Canada reviews are completed more quickly.

This methodology saw one of its greater benefits during the preparation for West Nile Virus testing. Set standards and templates have ensured that Test Results Reporting, a program that works in conjunction with the actual testing system, met regulatory requirements quickly and efficiently.

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PRISM is either a trademark or registered trademark of Abbott Diagnostics.



SGT. MICHAEL LABOSSIERE, RCMP
VANCOUVER, BRITISH COLUMBIA

Michael made his first blood donation in university and has kept up the tradition ever since. Working for the Royal Canadian Mounted Police (RCMP), Michael has seen first-hand the value of blood donation. He took his commitment one step further two years ago, getting the RCMP involved in the Life Link program. As Life Link members, the RCMP partners with Canadian Blood Services to promote the importance of blood donations.

“Donating blood is the right thing to do and it makes one feel good to help save lives. You never know when you or a loved one may need it.”

Improving Safety and Quality

MAREN TUNISON

REGINA, SASKATCHEWAN

Within 24 hours of being born, Maren needed plasma to survive. Born 11 weeks premature and weighing just 3 lbs. 6 oz., she would require two additional transfusions while spending 62 days in the neonatal unit. After each transfusion, her parents noticed that she would “pink up” right away. Now 18 months old and weighing 26 lbs., Maren is thriving.

“Without the blood system, I wouldn’t have the opportunity to see Maren grow up, or teach her to drive, or see her get married. In short, without Canadian Blood Services, I wouldn’t have her.”
– Steve Tunison, Maren’s father



DURING THE 2002/2003 FISCAL YEAR, THE SAFETY OF THE BLOOD SUPPLY CONTINUED TO BE A PRIMARY FOCUS FOR CANADIANS. WHILE TRUST IN THE BLOOD SYSTEM HAS CONTINUED TO INCREASE, THE EMERGENCE OF WEST NILE VIRUS (WNV) RAISED CONCERNS ABOUT SAFETY. CANADIANS CONTINUED TO PUT THEIR TRUST IN THE SYSTEM BUT WANTED TO KNOW IF REAL CHANGE HAD OCCURRED.

Canadian Blood Services has created a vastly improved blood system equipped for *going the distance* by offering the highest possible level of safety and operating with a firm commitment to openness and transparency. Today's blood system is one that is better equipped to deal with the day-to-day business of supplying the country with blood products and to respond rapidly and decisively to any threats to the safety of that supply.



Addressing Safety Challenges

WEST NILE VIRUS

In late summer 2002, it was discovered in the U.S. that WNV infection could be spread by blood transfusion. Within weeks, Canadian Blood Services was advised of Canada's first possible transfusion-related case.

An investigation was initiated immediately to identify those donors whose blood or blood components had been transfused to the patient. At least one donor was found to have WNV antibodies.

Canadian Blood Services responded quickly to the reports of probable and confirmed WNV cases by forming a West Nile Virus Task Force bringing together staff from all disciplines, including experts in infectious diseases, testing, medicine, research and development, blood-system operations, and communications. The mission of the group was to look at any and all possible WNV strategies, to develop an action plan for moving forward, and to communicate regularly with stakeholders and the public. Created in early fall 2002, this task force met weekly throughout the remainder of the fiscal year, guiding the organization's efforts to fine-tune and implement its action plan to protect the blood system – and the recipients of blood and blood products – from WNV.

The ultimate goal of the WNV action plan was to introduce a screening test on or about July 1, 2003. Normally, it takes years to develop and implement a new test to screen blood donations for a particular pathogen. Recognizing the seriousness of the WNV situation, Canadian Blood Services began working with a commercial manufacturer and Health Canada in early 2003 to ensure that a test could be available to Canadians for the 2003 summer season. This entailed a massive amount of effort to build appropriate laboratory facilities, install and validate test equipment, write work instructions, and train staff. To support the colossal effort, the Executive Management Team reviewed its priorities and committed to delay other unrelated initiatives, if required. With its firm belief in *going the distance*, the staff of Canadian Blood Services rose to meet the challenge.

THE WEST NILE VIRUS ACTION PLAN

Donor Information

The first level of risk reduction in the WNV action plan involved ensuring that the donor felt well at the time of donation. Donors were also advised to contact Canadian Blood Services if they began to feel sick in the period after their donation, so their blood could be withdrawn and destroyed.

Donor Tracking

In Fall 2002, public health authorities began to report the names of patients with probable or confirmed WNV to Canadian Blood Services. Their names were entered into the donor database to determine whether any had donated blood recently so their blood could be withdrawn and destroyed. If the patients had received blood recently, searches were conducted to trace the blood they had received and remove any potentially contaminated blood components from the system.

Precautionary Withdrawal of Blood Products

In December 2002, Canadian Blood Services requested that all hospitals withdraw remaining frozen blood-products collected in Ontario during the months of June, July, August, September, and October 2002.

Operation Stockpile

In January 2003, when the risk of WNV was extremely low, the organization began stockpiling blood components that can be frozen and stored for up to one year.

Red Blood Cell Reserve

While stockpiling frozen blood products was possible early in 2003, red blood cells could not be stockpiled until closer to the time they would be used, due to their 42-day shelf life. The WNV action plan identified the need for a national appeal to create a reserve of red blood cells. While this initiative was planned in 2002/2003, it was not actually launched until May 20, 2003.

Rapid Implementation of a Test

The final step in the action plan was the implementation of a commercial screening test on or about July 1, 2003 – before the height of the mosquito season. Once implemented, the commercial test would be used to screen every unit of donated blood for WNV using the same highly-sensitive Nucleic Acid Amplification Testing (NAT) technology already in use for detecting the hepatitis C and AIDS viruses.

Work began in the last quarter of 2002/2003 by the Canadian Blood Services Research and Development team on the creation of an internally developed test that might be ready for use prior to the commercial test. This would also use NAT technology and would be used primarily to screen platelets which, because of their five-day shelf life, could not be included in the stockpiling initiatives.

FIRST CASE OF vCJD IN CANADA

WNV was not the only pathogen requiring rapid response in 2002/2003. In August 2002, officials from the Regional Health Authority (Saskatoon area), Saskatchewan Health and Health Canada confirmed that a case of variant Creutzfeldt-Jakob Disease (vCJD) had been identified in Saskatchewan. This case was thoroughly investigated by Health Canada which concluded that this patient acquired vCJD while living in the United Kingdom for extended periods of time during the 1980s and 1990s.

While the risk of contracting vCJD from a blood transfusion is considered remote, Canadian Blood Services fully investigated this case. There was an even more remote, theoretical risk that vCJD could be spread by medical equipment, even after it had been thoroughly disinfected, since the agent that causes the disease may not be susceptible to traditional sterilization procedures. Because the patient had undergone a medical procedure earlier in 2002, Canadian Blood Services conducted an investigation to identify whether any patients exposed to the same medical equipment – in this instance endoscopes – were also blood donors.

Canadian Blood Services learned that 71 people had been exposed to the endoscopes before they were withdrawn. Upon obtaining the names of these people, Canadian Blood Services conducted an investigation, concluding that 12 were blood donors and that one had made a donation during the period in question. The plasma portion of the donation was discarded, but the red blood cells had been transfused. While the risk to the blood recipient was considered extremely low, the

patient was notified and will continue to be closely monitored. All 12 persons were permanently deferred from donating in the future.

PARTICULATE MATTER IN BLOOD COMPONENTS

In early 2003, the American Red Cross conducted an investigation into the appearance of white particles in some units of its red blood cell products. There was an initial concern that the particles were from contaminated blood bags. The particles were later identified as clumps of normal blood components: platelets, white blood cells and fibrin strands. The U.S. Food and Drug Administration reported that blood centres in the U.S. that remove white blood cells from their blood during pre-storage (in a process known as leukoreduction) had not reported particulate matter in their red blood cell products. Canadian Blood Services increased its own surveillance as a result of the U.S. reports and found a small number of red blood cell components that appeared to contain white particulate matter. These components were sent to Canadian Blood Services' Research and Development laboratory, where a thorough investigation was carried out. The results of this investigation indicated that the particulate matter was composed of normal blood lipids and presented no risk.

SIMIEN FOAMY VIRUS

In June 2001, Canadian Blood Services was informed that some Health Canada employees in Ottawa might have contracted Simian Foamy Virus (SFV) through exposure to laboratory monkeys. Simian Foamy Virus is a retrovirus that is asymptotically present in almost all non-human primates. At the

time of the Health Canada discovery in 2001, it was not known if SFV posed any risk to humans. However, if there was a risk, it was believed to be small. Health Canada raised concerns over the safety of the blood supply and asked infected employees not to donate blood.

In May 2002, Health Canada advised Canadian Blood Services that SFV posed minimal risk to the blood supply and, as a result, there was no need to defer donors who might carry the virus.

NEGLIGENT MISREPRESENTATION: JOHN DOE

To ensure the optimum safety of the blood supply, Canadian Blood Services employs stringent donor-screening criteria. In the summer of 2002, an anonymous individual contacted Canadian Blood Services via the Internet claiming to have lied on the Record of Donation questionnaire, the list of questions asked of each person before making a blood donation. Canadian Blood Services filed an action for negligent misrepresentation against John Doe and sought a court order to obtain information from his Internet service provider. The service provider cooperated fully, and Canadian Blood Services was able to identify the individual and take measures to protect the safety of the blood supply.

SARS

In early 2003, an outbreak of Severe Acute Respiratory Syndrome (SARS) was reported in Asia, Europe and North America. The respiratory illness infected thousands of people and caused hundreds of deaths. Although there were no reports of SARS transmission through blood transfusion, to reduce the theoretical risk of transfusion transmissibility, precautionary measures were taken to protect the

blood supply. In March 2003, Canadian Blood Services began the process of making changes to its donor-screening and deferral policies by including questions regarding SARS quarantine, contact and diagnosis.

National Focus on Key Functions and Activities

Canadian Blood Services' ability to address issues such as West Nile Virus is directly traceable to its ongoing, long-term commitment to safety. This is why, even during a year characterized by multiple, pressing demands, Canadian Blood Services remained resolute in its determination to prepare for tomorrow by moving forward with its agenda to transform the blood system.

One of the most important elements of this agenda is the national consolidation of testing, manufacturing and telemarketing. Through consolidation, Canadian Blood Services is building a blood system that will be capable of quickly adopting best practices and technologies and applying them across the country. The standardization that comes from consolidation gives Canadian Blood Services the flexibility to react quickly to emerging threats and also streamlines its management of the blood system on a day-to-day basis.

CONSOLIDATED TESTING

In April 2002, as part of an overall restructuring of the blood system, Canadian Blood Services announced plans for centralizing all of its transmissible-disease testing in three consolidated

testing laboratories in Calgary (Western Canada), the Greater Toronto Area (Central Canada) and Halifax (Atlantic Canada). The consolidated laboratories replace 11 laboratories located across the country.

The consolidated laboratories will be outfitted with state-of-the-art PRISM technology. The automated capability of PRISM allows for a reduction of product losses and recalls, improved quality and safety, and an increased capacity to ensure Canadian Blood Services can easily meet its increased collection targets.

The consolidated infrastructure will make it possible to adopt new technologies and capabilities – such as tests for new pathogens – quickly and cost effectively across the entire country. In fact, without consolidated testing, it would likely not have been possible to introduce a test for West Nile Virus in time to reduce the risk in 2003.

Canadian Blood Services announced plans for the development of a Nucleic Acid Amplification Testing (NAT) laboratory in its existing Calgary location. It is anticipated that the Calgary NAT laboratory will be completed in summer 2003.

RESTRUCTURING OF OPERATIONS IN SASKATCHEWAN

As part of its ongoing effort to design a more efficient national blood system, Canadian Blood Services, in October 2002, consolidated the Regina and Saskatoon operations to eliminate unnecessary duplication within the province. While both locations continue to operate as collection sites, Regina now assumes responsibility for production, storage and distribution for all of Saskatchewan.

The streamlining of the Regina and Saskatoon sites has created a benchmark for customer-focused, efficient and cost-effective operations. Since the consolidation, Canadian Blood Services has maintained the same high-quality service to its hospital customers while also achieving significant cost savings.

NATIONAL CONTACT CENTRE

Canadian Blood Services took an important step towards the streamlining of its telerecruitment efforts with the announcement that its National Contact Centre (NCC) would be operational by spring 2003.

The NCC Director was appointed in October 2002 and a site was chosen in Sudbury to house the facility. The transformation of the site from a former grocery store to the NCC was completed by March 2003. Additional steps completed in 2002/2003 included the development of an organizational structure for the NCC, job descriptions, staff recruitment, training, all Standard Operating Procedures and a Service Interruption Recovery Plan.

Located in Sudbury, it will operate 24-hours-a-day, seven-days-a-week, in English and French, handling functions such as recruiting donors, booking donation appointments, answering general questions from the public and addressing eligibility inquiries.

Consolidation of its telerecruitment activities into one location will guarantee Canadian Blood Services a consistent telerecruitment system capable of delivering national messages and operational support. It will also provide a platform for Customer Relationship Management, with clear benefits for donors, as well as for the blood system.

Process Efficiencies

Canadian Blood Services undertook a number of measures during the year to increase efficiency to better improve quality. These measures further reduced the organization's rate of blood-product discards by minimizing product deviations and standardizing processes to meet regulatory requirements. In 2002/2003, organization-wide continuous improvement teams and a number of focused initiatives have resulted in notable improvements.

IN-DATE DISCARDS

In-date discards refer to units of blood products that must be destroyed prior to distribution to hospitals and before their expiry dates. Losses can occur for a large number of reasons, such as equipment failure, transportation issues or when donors contact clinics with information that makes their blood unfit for use. Improving upon in-date discard rates is one of Canadian Blood Services' measures of improved process efficiency.

In 2002/2003, Canadian Blood Services reduced the number of red blood cell in-date discards by 10 per cent, from 7.3 per cent to 6.5 per cent. This translates to 7,236 units that did not have to be discarded. The number of in-date plateletpheresis discards decreased by 20 per cent, from 3.5 per cent to 2.8 per cent, translating to 147 units that did not have to be discarded.

OUT-DATE DISCARDS

Another measure of performance is the out-date discard rate. Out-date discards are blood products that expire before they can be transfused and are therefore destroyed. For example, platelets (just one of the components produced from blood) have a shelf life of five days from the date of donation. If they are not used within this period, they are outdated and must be discarded.

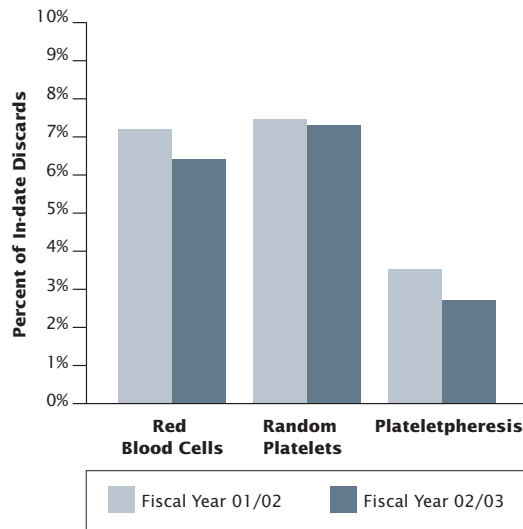
The best way to reduce out-date discards is to improve product and donor management. By

moving blood effectively between areas of the country Canadian Blood Services is able to avoid discards in high-volume areas while ensuring a continuous supply to areas that do not collect enough blood for local needs.

At the same time, Canadian Blood Services can manage donor appointments so that the right products are collected at the right time in the right place – again, reducing the need to discard any collected blood products.

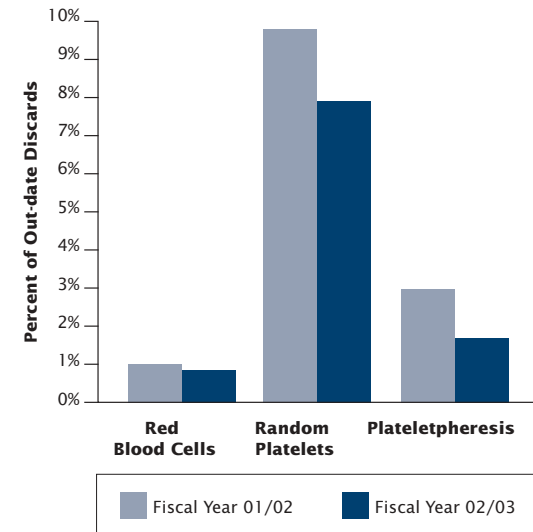
Number of In-Date Discards

In-date discards refer to units that must be destroyed prior to distribution to hospitals and before their expiry dates. In 2002/2003, Canadian Blood Services reduced the number of red blood cell in-date discards by 10 per cent and the number of plateletpheresis in-date discards was reduced by 20 per cent.



Number of Out-Date Discards

Out-date discards refer to products that expire before they can be shipped to hospitals. In 2002/2003, Canadian Blood Services reduced the number of random platelet out-date discards by almost 20 per cent and the number of plateletpheresis out-date discards by 40 per cent.



In 2002/2003, Canadian Blood Services reduced the number of random platelet out-date discards by almost 20 per cent and the number of plateletpheresis out-date discards by 40 per cent. While the ultimate goal is a zero out-date discard rate, Canadian Blood Services can expect to see ongoing out-date discards for rare and specialized products such as platelets because their short shelf-life requires a surplus to meet demand.

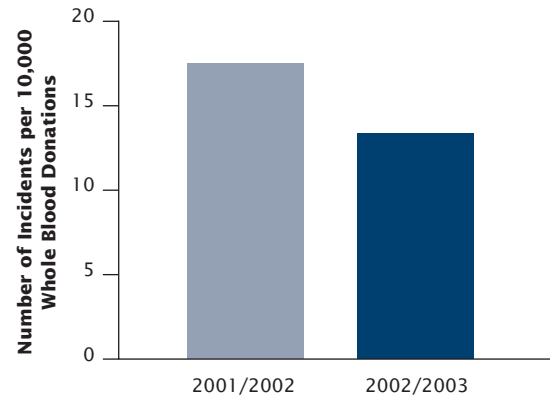
BIOLOGICAL PRODUCT DEVIATIONS

The number of product deviations is another indicator of the quality of Canadian Blood Services' end products and the efficiency of the manufacturing process. Product deviations refer to any divergence or digression, usually unforeseen or unexpected, in the current standards, regulations or specifications applicable to the blood-manufacturing environment.

The most frequently reported product deviations in our manufacturing processes are related to incorrect or missing labels and incorrect issuing information, which accounted for 56 per cent of all product deviations reported to Health Canada in 2002/2003. With the implementation of the MAK PROGESA information system across the blood system, most incorrect labelling and issuing will be eliminated.

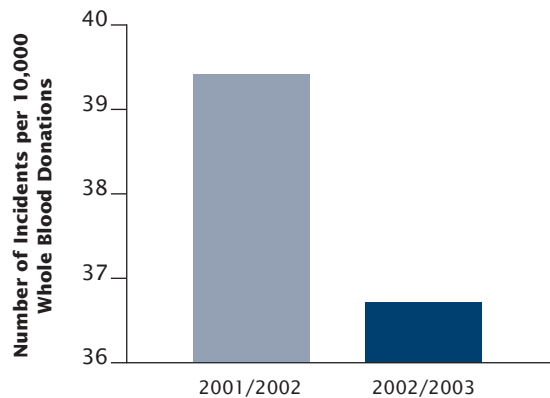
Biological Product Deviations Reported to Health Canada

In 2002/2003, the number of reported biological product deviations was 13.3 per 10,000 whole blood collections as compared to 17.6 per 10,000 whole blood collections in 2001/2002, representing a decrease of 24.4 per cent.



Post-Donation Information Deviations

In 2002/2003, the number of post-donation incidents was 36.7 per 10,000 whole blood collections as compared to 39.3 per 10,000 whole blood collections in 2001/2002, representing a decrease of 6.6 per cent.



Post-donation information deviations occur when information is provided by a donor or other source following a donation.

Other deviations occur when Canadian Blood Services does not receive sufficient notification from suppliers regarding changes in commercial products. For instance, if a supplier of blood bags was to make a change in the composition of its bags, Canadian Blood Services would require adequate notice to ensure the bags were suitable and approved for use before using them. If the change in the bags was identified only after they had been used, it would be necessary to recall the products until they could be properly validated and approved. This could include a recall of blood products already distributed to hospitals.

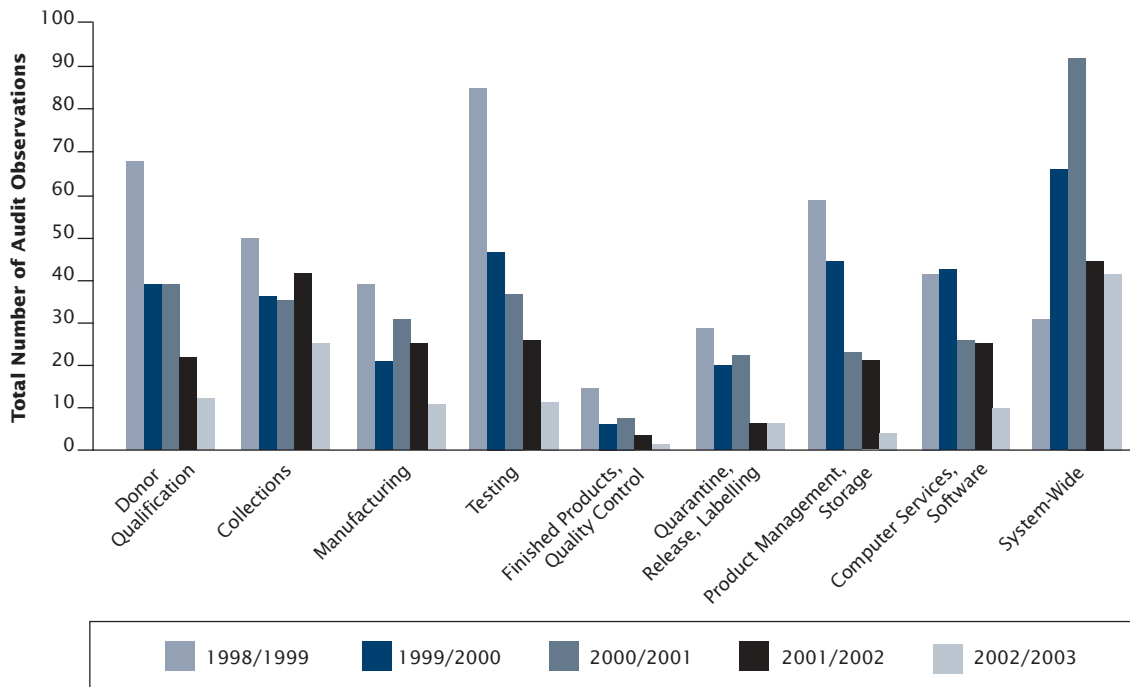
In 2002/2003, Canadian Blood Services worked very closely with its suppliers, instituting a supplier-audit process to ensure they meet Canadian Blood Services' standards and reduce the number of product deviations related to supplier notification.

HEALTH CANADA AUDITS

Canadian Blood Services is subject to audits by its regulator, Health Canada. These audits concentrate on the effectiveness and quality of Canadian Blood Services' process-management systems. In 2002/2003, the number of Health Canada audit observations (observed deviations from established processes) decreased by 43

Health Canada Audit Observations by Functional Area

Canadian Blood Services has seen a reduction in audit observations throughout the organization, with decreases in the number of observations across all production-based functional areas since fiscal year 1998/1999.



per cent compared to the previous year. Since its establishment, Canadian Blood Services has seen a 71 per cent decrease in audit observations throughout the country, highlighting the progress the organization has made in streamlining, refining and standardizing its processes and procedures. All Health Canada audit reports are routinely posted on the Canadian Blood Services Web site.

PROCESS EFFICIENCY INITIATIVES

Over the course of the year, Canadian Blood Services launched several initiatives designed to study or secure an increase in its process efficiency.

ISO Certification of the HLA and Serology Laboratories

ISO certification provides customers with the assurance that products and services conform to international standards for quality, safety and reliability. The work necessary to achieve this certification is significant. Each process is carefully reviewed, adjusted for optimization and documented to ensure that the products and services offered are second to none. The Head Office Serology and HLA laboratories have been working to achieve ISO certification for a number of years. Much of the work was completed in the year 2002/2003 to be ready for a successful application early in the next fiscal year.

The Serology Laboratory serves as a reference laboratory for complex serologic problems related to red blood cells. For example, if a patient has multiple antibodies or a very rare blood group, it can be extremely difficult to find compatible blood for the patient. This is where the Serology Laboratory can provide support in finding a suitable solution. To provide this service, this laboratory manufactures a number of reagents (chemical substances used for antibody identification). Knowing that these reagents are manufactured in an ISO-certified laboratory will give Canadian Blood Services and its customers the assurance that the reagents are of the highest quality available in the marketplace today.

The HLA Laboratory performs the blood group typing for donors registered on the Unrelated Bone Marrow Donor Registry. HLA typing, or typing of antigens found on whole blood cells, is increasingly complex as the number of factors to be identified grows every year. The Canadian Blood Services HLA Laboratory also produces the kits or trays necessary for serologic typing.

PERFORMANCE IMPROVEMENT PROJECT IN TORONTO

In 2001/2002, Canadian Blood Services pledged to take innovative steps to improve collections in the Greater Toronto Area – a region characterized by a large and diverse population base served by 58 major hospitals, with a high demand for blood and blood products. In an effort to increase collections and improve efficiencies without increasing costs, Canadian Blood Services' staff in Toronto launched a 36-week Performance Improvement Initiative in fall 2002. The Toronto staff were assisted by an independent company that has worked with more than 35 blood centres in the U.S. with excellent results.

The activities of the Performance Improvement Project covered a wide range of operations including loss/waste reduction, production planning, clinic-model development, new-donor development and the creation of key performance indicators.

The most significant impact up to March 31, 2003, has been a dramatic increase in collections, resulting in an overall rate of 100 per cent of collection targets being met during the last six months of the fiscal year. Additionally, clinic labour costs were reduced by almost 20 per cent leading to a savings and cost avoidance of \$5 million during 2002/2003.

PLATELET INVENTORY MANAGEMENT

Inventory management for platelets can be difficult due to the short shelf life (five days) of the products. The challenge exists in balancing the need to produce enough products to meet demand with ensuring that an excess is not created that might become outdated and then discarded.

In 2002/2003, research was conducted to develop policies and computer software to help optimize inventory management and reduce unnecessary waste. The study is a collaborative effort involving Canadian Blood Services, the Queen Elizabeth II Health Sciences Centre and the IWK Health Centre, both in Halifax, and a team of scientists and engineers from Dalhousie University.

The research team completed a one-year data-collection process that identified the movement of every platelet collected, produced or transfused in the province of Nova Scotia. This information enabled the team to determine the platelet-inventory level across the entire province, for all of 2002, allowing them to determine the demand for platelets on a day-by-day basis, and permitting increased accuracy in ordering and maintaining inventory.

NETWORK CENTRE FOR APPLIED DEVELOPMENT

In 2002/2003, the R&D group in Vancouver created the first site in Canadian Blood Services' Network Centre for Applied Development (NetCAD). To conduct research on blood products or to evaluate new manufacturing processes, Canadian Blood Services must be

able to modify existing processes or create new ones. Experimental science cannot be conducted in a blood centre where products must be manufactured according to sound manufacturing practices.

NetCAD was established as the mechanism to enable ongoing development, evaluation and troubleshooting work to be done in a facility that is basically a scaled-down blood centre. The NetCAD site consists of a small blood-donor clinic and production laboratory. To do its work, NetCAD requires donated blood. However, to maximize the amount of blood available for Canadian patients, Canadian Blood Services must minimize the use of transfusable blood for R&D purposes. NetCAD addresses this problem by accepting donors who are ineligible to donate for patients but for whom donation presents no personal risk. An example of such a donor is the long-time blood donor who has been permanently deferred from donating blood because of travel to Britain exceeding three months.

Even before moving into their permanent facilities, the staff involved with the NetCAD project conducted an evaluation of automated extractor equipment for the production of blood components. This automation initiative enhances the quality of blood products by bringing increased process control to the production of components and enables the production of a better quality platelet product through the use of an alternative production method known as buffy coat.

CONTRACT FRACTIONATION SERVICES AND COMMERCIAL FRACTIONATION PRODUCTS

Canadian Blood Services purchases contract fractionation services and commercial fractionation products (plasma derivatives or recombinant proteins). Under the contract fractionation services, recovered plasma and source plasma collected by Canadian Blood Services are further manufactured to produce Intravenous Immune Globulin (IVIG) and albumin. “Commercial products” are manufactured by fractionators from plasma collected or acquired by the fractionators.

The multi-year agreements for contract fractionation transferred to Canadian Blood Services from the Canadian Blood Agency at the time of the transfer of activities in 1998 expired on March 31, 2003. A Request for Proposal (RFP) was issued by Canadian Blood Services in November 2001.

A broad-based Selection Advisory Committee (SAC) was established to evaluate the various proposals received and to provide advice to the Executive Management Team on the selection of companies for the provision of fractionated services and commercial products. The process was led by Canadian Blood Services.

Héma-Québec had three senior participants on the SAC. The Canadian Hemophilia Society, the Association of Hemophilia Clinic Directors of Canada (AHCDC) and the Canadian Immunodeficiency Patients Organization (CIPO) were also represented. An expert consultant was hired to provide specialized expertise. Canadian Blood Services was commended in the Canadian Hemophilia Society’s Report Card of Canada’s Blood System for this consultation.

As a result of this comprehensive review process, Bayer Corporation was awarded the contract for the provision of contract fractionation services. Negotiations were concluded in September 2002 and the new contract was in place for the beginning of the new fiscal year. Bayer Corporation and Baxter Corporation were awarded contracts for commercial recombinant factor VIII and IVIG. Contracts for various other commercial products were awarded to a number of manufacturers based on the recommendation of the SAC. The total value of the contracts awarded by Canadian Blood Services amounted to approximately \$390 million (CAD) per year. These contracts provide the means to secure the supply of these important products for the hospitals served by Canadian Blood Services.

PLASMA RE-QUALIFICATION

Re-qualification of plasma from donors who had donated prior to the implementation of Nucleic Acid Amplification Testing (NAT) was completed in 2002/2003. Until this time, all donations collected at the plasma-collection centres in Charlottetown and Thunder Bay subsequent to the introduction of NAT for HIV and hepatitis C had been frozen and held in storage until the donors could be tested. In 2002, a total of 20,188 plasma donations – approximately 10,000 litres – from 1,790 donors were re-qualified, ensuring the stored donations met the same quality standards and underwent the same processes as all other blood collected by Canadian Blood Services since the introduction of NAT. This permitted Canadian Blood Services to ship the stored donations for fractionation. The re-qualification process represents \$4.9 million worth of quarantined plasma that was added to Canadian Blood Services' fractionation yield for 2002/2003. All plasma collected now at the two sites is routinely tested using NAT technology.

IMPROVEMENTS TO FACILITIES

Facilities are a key component of Canadian Blood Services' ability to achieve regulatory compliance as they affect process controls and workflow. Facilities for collections sites also have major impacts on donor satisfaction in terms of convenience of location, availability of parking and overall space in the clinic. In keeping with its mandate to improve quality and efficiency across the blood system, Canadian Blood Services evaluated a number of its facilities and identified those needing renovation or replacement.

Canadian Blood Services determined that the building that currently houses the Ottawa blood clinic and manufacturing staff no longer meets the organization's needs. A new manufacturing facility was selected with renovations beginning in late 2002. At the close of fiscal year 2002/2003, a collections site had yet to be located although relocation is expected by Fall 2003.

Additional facility improvements include renovations to laboratories in Toronto and Calgary, to accommodate the implementation of a West Nile Virus test, and laboratories at Canadian Blood Services' head office for West Nile Virus and other transmissible-disease testing.

THIRD-PARTY ENDORSEMENTS

In 2002/2003, Canadian Blood Services underwent a performance review commissioned by the provinces and territories. When Canadian Blood Services was set up, provisions in the Memorandum of Understanding stated that a review would be conducted by the corporate members within five years. This was welcomed by the organization, which gave the review team its full cooperation. The review team conducted an exhaustive examination of documents and held in-depth interviews with the Board of Directors, staff and external stakeholders. The review team also conducted a survey of hospital personnel, reviewed research reports and conducted an international benchmarking exercise.

The review focused primarily on financial and operational issues, including the following eight key areas:

- governance;
- regulatory guidelines;
- management structure, staffing and service delivery;
- transformation;
- financial;
- information services;
- operational performance; and
- risk management mechanisms.

Canadian Blood Services was formally recognized in the final report for its efforts and accomplishments to improve the blood supply system. In a news release to mark the public release of the report, the Honourable Colin Hansen, Minister of Health Services for the province of British Columbia and the lead provincial and territorial minister responsible for Canadian Blood Services, stated: “This review confirms that Canadian Blood Services has come a long way in its first four years to developing a strong, committed and respected organization. The blood system in Canada is now as safe as any in the world. Board members and staff are to be congratulated.”

The final report included 104 recommendations – more than half of which were already being addressed through the *Transformation* projects. It is noteworthy that the review did not recommend stopping any of the organization’s ongoing projects.

In response to the review, Canadian Blood Services created a Response and Action plan to detail how it would proceed with each of the recommendations. Each response and action was assigned to specific members of its Executive

Management Team. Quarterly reports will be provided to the Corporate Members on the progress in implementing the recommendations from the review.

In November 2002, the Canadian Hemophilia Society published its Report Card on Canada’s Blood System. Canadian Blood Services was given an “A” for Safety Measures, Surveillance of Adverse Reactions and Supply of Factor Concentrates. The Report Card also commended Canadian Blood Services for the precautionary approach taken to introduce the deferral policy to reduce the risk of vCJD, the speed with which NAT for HIV and hepatitis C was implemented, and for resisting pressure to relax donor-eligibility requirements.



IRIS BONAISE
LITTLE PINE FIRST NATION,
SASKATCHEWAN.

Determined to make a difference in her community, 16-year-old Iris has spent the past six years touring schools to educate aboriginal children on the importance of supporting the blood system.

“My goal is to break down the barriers that can prevent First Nations people from donating blood. When I speak to students I try to educate them on how their contribution can make a difference to sick children who need blood. I encourage them to volunteer and think about donating when they are old enough. It doesn’t take much to help save a life.”



GOING THE DISTANCE
Enhancing Customer Service

JERRY PAQUIN

SUDBURY, ONTARIO

After his daughter was diagnosed with leukemia, she required over 1,000 units of blood during her treatment. She is now in remission and Jerry has continued to give back to the blood system that helped save her. He is a dedicated donor and volunteer who will do anything from flipping pancakes to public speaking just to have the chance to thank all donors for saving his daughter.

“Giving blood is like making an investment in someone else’s future. I wish others would realize how important blood donation is and not wait until something drastic happens to their family.”



CANADIAN BLOOD SERVICES IS RESPONSIBLE FOR ENSURING AN ADEQUATE SUPPLY OF THE SAFEST POSSIBLE BLOOD FOR CANADIANS. INHERENT IN THAT STATEMENT ARE TWO MAIN CUSTOMER GROUPS. ONE, THE OBVIOUS CUSTOMER – THE PEOPLE IN CANADIAN HOSPITALS (HEALTHCARE PROFESSIONALS AND BLOOD RECIPIENTS) WHO USE AND RECEIVE THE PRODUCTS CANADIAN BLOOD SERVICES MANUFACTURES. AND TWO, THE PEOPLE TO WHOM CANADIAN BLOOD SERVICES DIRECTS ITS MARKETING EFFORTS – THE DONORS WHO ACTUALLY SUPPLY THE RAW MATERIAL (BLOOD) SO THE ORGANIZATION’S PRODUCTS (BLOOD AND BLOOD COMPONENTS) CAN BE MANUFACTURED.

Both customer groups are equally important to Canadian Blood Services’ commitment to *going the distance*. Maintaining strong, open and accountable relationships with both is necessary to ensure that Canadian Blood Services provides the right product at the right place, at the right time.

This means attracting the right mix of blood donors to increase donations so Canadian Blood Services continues to meet demand, and working with donors to ensure they are motivated to continue giving. It also means working with hospitals to better understand their issues and needs. In a nutshell, it’s all about customer service.



Canadian Blood Services recognizes the relationship between providing good customer service and its ability to achieve its objectives. Through its active pursuit of customer service excellence, Canadian Blood Services will ensure that the demand for a safe and secure supply of blood and blood products for all Canadians is met.

Collection Results

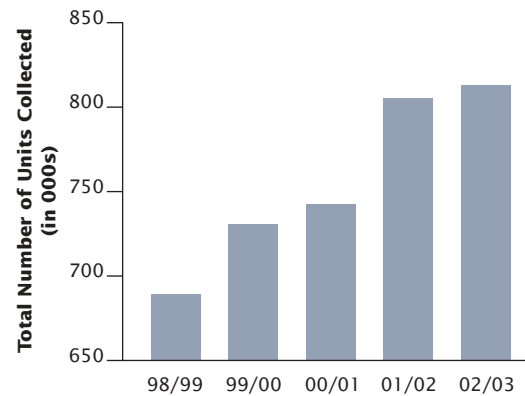
For Canadian Blood Services, collection results are a measure of customer service. Meeting collection targets helps meet hospital demand.

The 2002/2003 collection year showed encouraging results. While Canadian Blood Services did not achieve its whole blood collection target of 837,767 units, it surpassed the 803,625 units collected in 2001/2002 (a year marked by a surge in donations in the wake of the September 11 tragedy in the U.S.) and finished the year at 809,883 units collected.

Since 1999, Canadian Blood Services has not increased its plasmapheresis collections significantly and, in fact, experienced a small decrease during 2002/2003. In spite of this, Canadian Blood Services was able to meet its target for shipment volume of plasma for fractionation, in large part because of the effort to re-qualify the plasma collected in Thunder Bay and Charlottetown. As part of its efforts to stockpile plasma in preparation for the 2003 West Nile Virus season, Canadian Blood Services implemented a new plasmapheresis program in Newfoundland. However, because this program started late in the fiscal year, the impact will be evident only later in the new fiscal year.

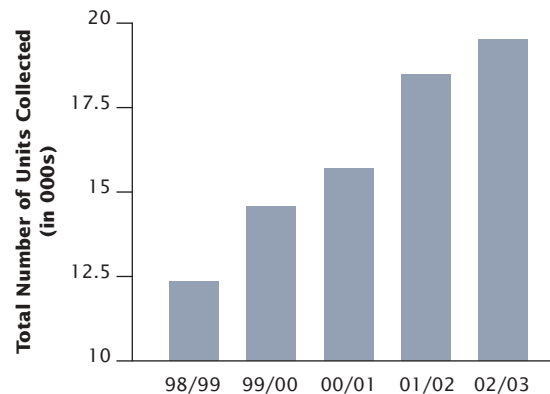
Total Whole Blood Collections

Since 1998, Canadian Blood Services has increased its whole blood collections by almost 18 per cent, from an annual total of 687,556 to a total of 809,883 in 2002/2003.



Total Plateletpheresis Collections

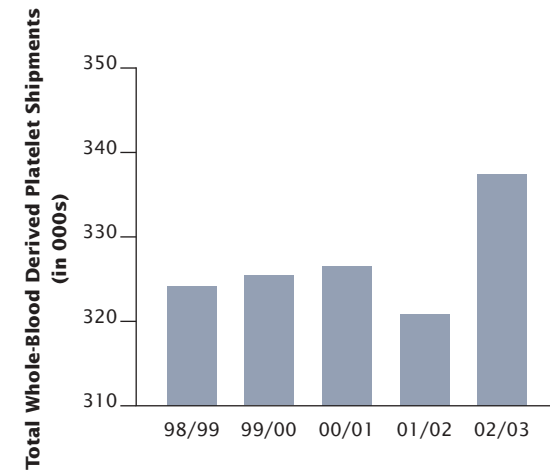
Since 1998, Canadian Blood Services has increased its plateletpheresis collections by 56 per cent. This increase was achieved by opening new programs in several Canadian Blood Services locations across the country.



Most of the platelets provided to hospital customers continue to be derived from whole-blood collections, although there has been an increase in the proportion of shipments of platelets from apheresis collections. Given that one unit of platelets collected by apheresis is equivalent to five units of platelets derived from whole-blood in terms of its clinical use, almost 20 per cent of the total platelets shipped in 2002/2003 were from apheresis collections compared to 16 per cent in 1998/1999.

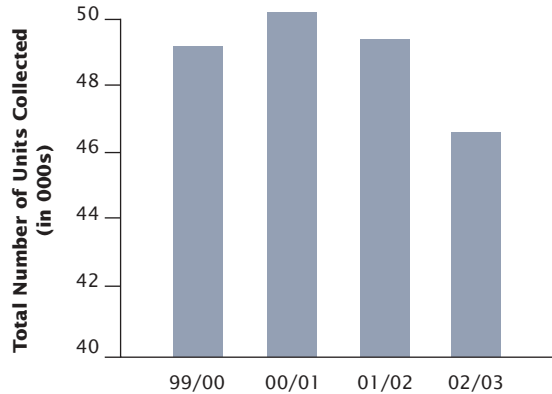
Total Whole-Blood Derived Platelet Shipments

Canadian Blood Services has also increased its manufacturing of platelets derived from whole-blood collections by almost four per cent since 1999/2000.



Total Plasmapheresis Collections

Since 1999, Canadian Blood Services has not increased its plasmapheresis collections significantly and, in fact, experienced a small decrease in 2002/2003.



Donor Recruitment

CALLING FOR SOCIAL CHANGE

Donor recruitment is essential to ensuring an adequate supply of blood and blood products for Canadians. On its third anniversary in September 2001, Canadian Blood Services issued its *Roll up your Sleeves, Canada!* challenge aimed at increasing the percentage of eligible Canadians who donate blood from 3.5 to five per cent.

On its fourth anniversary in 2002, Canadian Blood Services built upon its *Roll up your Sleeves, Canada!* challenge by calling for profound and permanent social change, emphasizing the importance of making the responsibility of blood donation part of the collective social conscience of all Canadians. The objective is to create communities in which individuals accept their personal responsibility

to take action and donate blood, and in which community leaders and groups actively recognize, facilitate and reward the efforts of blood donors.

In 2002/2003, Canadian Blood Services asked employers, schools, community groups, religious groups, governments and even the media to become more involved in supporting blood donation. A number of partnerships were cultivated throughout the year, including collaborations with CTV, the Canadian Armed Forces, World Youth Day organizers and religious leaders from many diverse faith groups, to name just a few. Each of these groups contributed significantly towards this social change by working with Canadian Blood Services to increase awareness of the ongoing need for blood.

As part of its effort to educate Canadians about their role in blood donations, Canadian Blood Services has taken steps to address the significant lack of sociological and psychological research into blood donation in Canada. Canadian Blood Services is sponsoring research about donors that differs from its ongoing marketing research initiatives. Through its research and development program, Canadian Blood Services is supporting the development of a donor research network to link Canadian scientists who are interested in conducting research into this important area.

CTV Blood Donor Day

In June 2002, national television broadcaster CTV and Canadian Blood Services partnered in a campaign to increase awareness of the need for blood during the summer with the third annual CTV Blood Donor Day. In addition to airing public service announcements during the month of June, at no cost, CTV provided televised celebrity updates throughout the broadcast day. As a result, more than 1,600 units were collected, helping to meet the demand for the Canada Day weekend.

Operation Roll Up Your Sleeves, Canada!

In conjunction with the Canadian Forces, Canadian Blood Services launched a national campaign, *Operation Roll up your Sleeves, Canada!*, which ran from October to November 2002, inviting members of the public to support the Canadian Armed Forces by donating blood. An internal campaign for the Canadian Armed Forces and their families was also held from November 2002 to January 2003, resulting in 1,640 participants.

Editorial Board Meetings

There may be no group with more influence on Canadians than the media. With that in mind, Canadian Blood Services embarked on a round of meetings with the editorial boards of the country's major daily newspapers. Driven by the need to enlist all community leaders in the call for social change, and aware that West Nile Virus season would result in extensive media interest, the Chief Executive Officer of Canadian Blood Services used these meetings to increase the media's understanding of the complex issues and challenges facing the blood system.

NEW ADVERTISING STRATEGY

According to research conducted by Ipsos-Reid in April 2002, Canadians are quite willing to donate blood once they understand the need. The outpouring of support after the September 11 terrorist attacks in 2001 clearly demonstrated Canadians' willingness to help. At the time of the poll, eight out of ten Canadians believed that there was a shortage of blood in Canada, yet seven out of ten agreed that if they needed a blood

transfusion they were confident that the blood they needed would be there for them. It was obvious that public education was required about the potential consequences of blood shortages. Clearly, despite their understanding of the growing challenge to collect enough blood, most people did not understand that they could be directly and negatively affected themselves, should Canadian Blood Services be unable to meet demand.

As a direct result of the public opinion research, Canadian Blood Services launched a new aggressive advertising campaign in September 2002, including bold television and radio ads. With an emphasis on the consequences of blood shortages, the new advertising strategy urges eligible Canadians to move beyond intention into action – from thinking about donating blood some day, to actually donating and becoming regular blood donors.

Since its launch, the new advertising strategy has had a significant impact. As of March 31, 2003, Canadian Blood Services has observed the following increases:

- 8.1 per cent increase in weekly collections;
- 6.5 per cent weekly increase in new donors and
- 10.9 per cent increase in weekly appointments.

HOLIDAY CAMPAIGNS

Each year, Canadian Blood Services issues challenges at the beginning of summer and during the winter holiday season, to promote the need for blood during these busy times. Ironically, it is often during the holidays when a drop in donations can occur because of everyone's hectic schedule, that a stable supply of blood is most needed.

Canadian Blood Services' Summer 2002 campaign resulted in the collection of 227,967 units of blood, representing 93 per cent of the campaign target. Canadian Blood Services' holiday initiative, which ran from November 2002 to January 2003, surpassed its collection target by collecting 101 per cent of the target with a total of 124,825 units of blood.

Donor Retention

It is not enough to focus activities on the recruitment of new donors. Canadian Blood Services strives to retain its regular donors by fostering a customer service environment focused on continuously improving the services provided to donors (a regular donor is one who gives blood two or more times each year). In December 2002, research by Ipsos-Reid indicated that 88 per cent of donors are satisfied with the donation process and 25 to 40 per cent of donors are very satisfied. This has been accomplished in large part because Canadian Blood Services recognized that each person's donation experience is an opportunity to build a lasting relationship that will encourage Canadians to become regular blood donors.

To ensure customer service is part of its culture, Canadian Blood Services introduced a customer service training program in 2002/2003, providing valuable tips and techniques to employees and volunteers. Telerecruitment and donor clinic staff, as well as volunteers, are often a donor's first point of contact, underscoring the importance of having well-trained front-line staff to meet donors' customer service expectations. They are the people the donor meets and remembers and, as such, have great power to affect how donors relate to and think about Canadian Blood Services and the donation experience.

Beyond customer service training, the National Contact Centre, which was launched just after 2002/2003 ended, provides telerecruiters with additional tools to improve the service offered to donors. The National Contact Centre will make donor recruitment more rigorous, but the greatest gain will result from the built-in Customer Relationship Management capability, enabling people representing Canadian Blood Services on the phones to get to know donors in a way they never could before. The resulting personal relationships with donors will further strengthen the already strong bonds donors have with clinic staff and volunteers.

The importance of good relationships cannot be underestimated, but donors have made it clear that convenience plays a significant role in their participation in the blood system. In 2002/2003, Canadian Blood Services adjusted clinic hours to fit better into donors' busy lives, encouraged donors to book appointments to avoid waiting, and maintained a 24-hour, seven-day-a-week toll-free line to facilitate appointment bookings. In 2002/2003, 80 per cent of all blood donations were made by people who had booked an appointment.

The implementation of the MAK PROGESA information system will also address the issue of convenience. The resulting enhanced service delivery model, more automated processes and ongoing efficiencies will improve the speed with which donors can move through the donation process.

Finally, after the donation has been made and the blood has been processed, shipped, and transfused, there is still room to affect the donor's experience. Canadian Blood Services recognizes the importance of providing consistent and appropriate recognition to its dedicated donors. In 2002/2003, the donor recognition program was revised to include the introduction of 50-time and 150-time donation certificates. The message to donors is that every donation and every donor is invaluable. After all, donors are the lifeblood of Canada's blood system.



DEWLETT CHARLEMAGNE

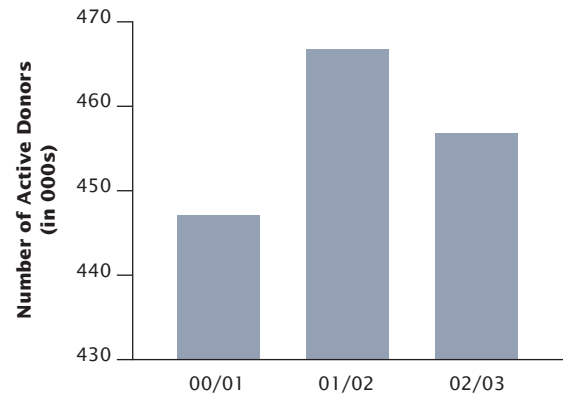
SUDBURY, ONTARIO

Dewlett has worked for the blood system for over 22 years. As a customer service representative responsible for product distribution, she ensures that blood products shipped to hospitals are packaged properly and arrive on time. Dewlett knows how critical her job is to the patients who receive the product and is often rewarded with an update that a patient survived because of the blood or blood product he/she received.

“At work I try to imagine how I would feel if one of my family members needed blood. This motivates me to do the best job I can.”

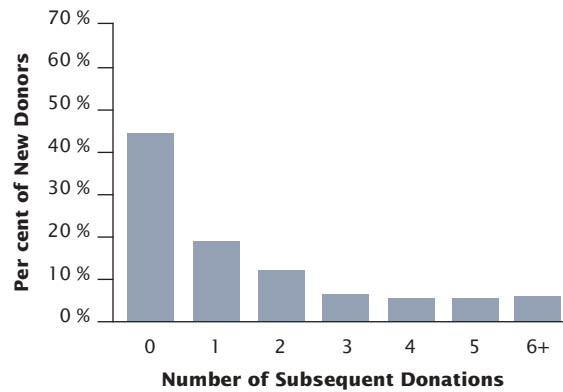
Number of Active Donors

In 2001/2002, Canadian Blood Services saw a large increase in the number of active donors (donors who have made at least one donation in the last 18 months), reflecting the surge of people who donated during September and October 2001 as a result of the September 11 terrorist attacks. Some of these donors did not return in the 18 months since their donation and Canadian Blood Services did observe a decrease in the number of active donors in 2002/2003 when compared to 2001/2002. However, the number of active donors increased by two per cent in 2002/2003 when compared to 2000/2001.



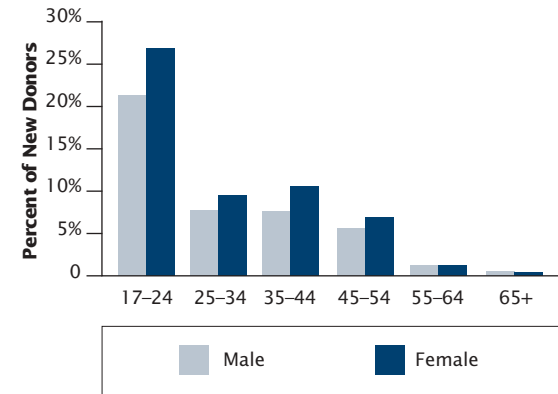
New Donor Retention

Every year, new donors join the system and become active donors, donating at least once every 18 months. However, almost 45 per cent of new donors never return to donate after their first donation.



New Donor Profile

Most new donors are between 17 and 25 years of age.



Hospital Customers

Donor recruitment and retention strategies enhance Canadian Blood Services' capacity to meet the customer service expectations of hospitals by meeting their blood product demands.

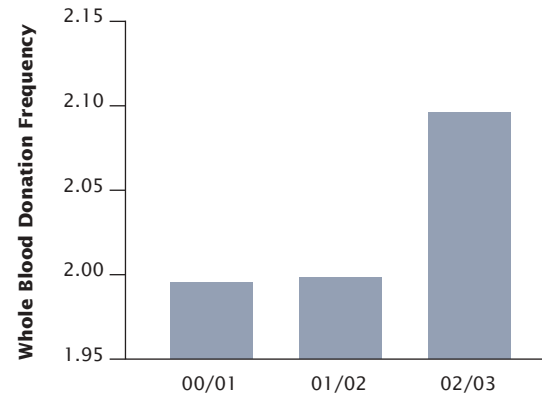
Customer service initiatives designed to enhance its services to blood donors have resulted in increased collections of whole blood, plasma and platelets for Canadian Blood Services. Increased collections translate into enhanced service for its customers.

In 2002/2003, red blood cell shipments to hospitals increased by 3.1 per cent, whole-blood derived platelet shipments increased by 5.2 per cent and shipments of plateletpheresis increased by 7.7 per cent when compared to the previous year. Canadian Blood Services noted significant variance in the increase in shipments of red blood cells when comparing the data for each province, for example:

- Ontario received 14,043 more units (3.8 per cent increase);
- Manitoba received 2,858 more units (7.3 per cent increase);
- British Columbia & Yukon received 1,985 more units (1.8 per cent increase);
- Nova Scotia received 1,341 more units (4.6 per cent increase); and
- Alberta received 1,124 more units (1.2 per cent increase).

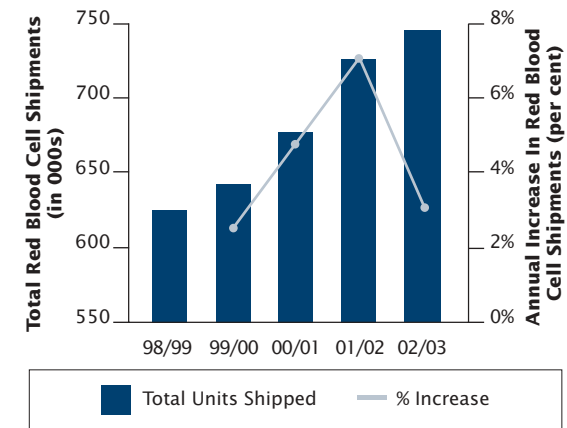
Whole Blood Donation Frequency

As shown below, the overall donation frequency of whole blood donors increased quite significantly in 2002/2003 when compared with the previous two fiscal years. Based on roughly 400,000 donors donating annually, the increase in frequency translated into an additional 38,000 units during 2002/2003.



Red Blood Cell Shipments to Hospitals

Overall, red blood cell shipments increased by 22,486 units (3.1 per cent) in 2002/2003 as compared to the previous fiscal year. This is a smaller increase than what was observed in the previous period and may indicate a slowing in the rate of increasing demand for red blood cells from hospitals. Since 1998/1999, red blood cell shipments to hospitals have increased by more than 18 per cent.



Two initiatives to increase shipments to hospitals were launched in 2002/2003, involving the recruitment of specialized donors who are able to give more of their time than regular, whole blood donors. The plateletpheresis and plasmapheresis programs permit donors to donate more frequently than does the whole blood program.

In June 2002, a new plateletpheresis clinic opened its doors at Canadian Blood Services' Oak Street location in Vancouver. Through plateletpheresis Canadian Blood Services can collect the same amount of platelets from one donor as the amount of platelets processed and pooled from five whole blood donations. The result is also a better quality product.

A plasmapheresis program was established in St. John's, Newfoundland and Labrador, in March 2003. The program, which includes three plasmapheresis machines, yields double the plasma as that collected from a whole blood donation. The program was originally established as part of *Operation Stockpile*, assisting in the preparation for the possible re-emergence of West Nile Virus in Canada in 2003. However, it is expected to continue as a permanent program in that province.

NATIONAL TECHNICAL WORKING GROUP ON BLOOD AND BLOOD PRODUCT UTILIZATION

Utilization of fresh blood components and blood products has been rising in Canada. This has been most notable with the plasma derivatives, especially intravenous immune globulin (IVIG). In addition to rising utilization, the "per unit price" has also been increasing, resulting in substantial cost increases year after year. It was determined that an initiative to assess and help improve utilization of blood products would provide a valuable service to hospitals.

The National Technical Working Group on Blood and Blood Product Utilization was formed in May 2002. This advisory group makes recommendations to provincial governments, assisting in the identification and designing of cost-effective utilization management initiatives for the optimization of patient care. Membership is made up of medical and technical experts appointed by the Provincial and Territorial Ministers of Health with representation from Canadian Blood Services.

One of the first priorities of the group is the development of recommendations for core blood products, which include IVIG, given the implications of its high cost.

Recipients

PATIENT NOTIFICATION SYSTEM

Everything that Canadian Blood Services does, from recruitment to collections and from testing to distribution, is done with patients in mind. In March 2003, Canadian Blood Services officially launched the Patient Notification System (PNS), a confidential communications system created specifically for people who rely on plasma and recombinant blood products. The primary benefit of the PNS is the availability of timely and accurate information on the status of product recalls in the event of a manufacturer withdrawing or recalling products. Patients who decide to register with the PNS are notified within 24 hours of a plasma-derived or recombinant product withdrawal or recall. As of March 31, 2003, there were approximately 200 registrants in Canada.

UNRELATED BONE MARROW DONOR REGISTRY

There are currently more than 223,000 Canadian donors who have registered with Canadian Blood Services' Unrelated Bone Marrow Donor Registry (UBMDR). In addition, Canadian Blood Services works jointly with more than 50 international registries that allow access to more than eight million donors worldwide. These international relationships are critical to Canadian patients since many of them receive bone marrow from international donors.

In 2002/2003, UBMDR activities increased by almost 30 per cent when compared to the previous year. Currently, over 300 searches are conducted for Canadian patients and almost 600 searches for international patients. In 2002/2003, more than 40 searches were conducted for umbilical cord stem cells (cord blood).

In 2002/2003, 194 bone marrow transplants from unrelated donors were performed; 40 of these were for pediatric patients. Of these transplants, 52 of the patients received bone marrow from a Canadian donor and 142 received their marrow from an international donor. In addition, 40 Canadian donors provided a bone marrow donation to international patients.

In 2002/2003, customer service was further enhanced through the addition of a Search Analyst position to the UBMDR team. This new position allows the UBMDR to very closely review the more difficult searches and to provide expert advice to Canada's transplant centres and international registries as required. This new service has also been an enormous asset in responding to patients or parents requesting information about their particular search.

PUBLIC INVOLVEMENT

One of the most important steps in enhancing customer service is tied to rebuilding Canadians' trust in the blood system. Canadian Blood Services has learned that, historically, when trust erodes, the donor base plummets. In fact, when Canadian Blood Services was created in 1998, it turned around a 10-year decline in donations.

Since then, a commitment to openness and transparency has led to increased public involvement in the blood system. There are many ways the public can become involved in the operation of the blood system, such as attending biannual open board meetings, participating in consensus conferences, sitting on a liaison committee, sharing opinions through the donor advisory panel, writing letters or e-mails, or simply calling the toll-free phone number. The best way to participate in the blood system is to donate blood or become a volunteer.

Liaison Committees

Canadian Blood Services has a number of liaison committees with which it consults regularly – one at the national level (the National Liaison Committee) and several at the local level (Community Liaison Committees). These committees consist of people with an interest in the blood system, whether they are blood donors, blood recipients, representatives of patient groups, volunteers or members of the medical or hospital communities. The purpose of the committees is to provide input on blood system issues, ensure special interests are brought to the attention of Canadian Blood Services and build effective relationships with stakeholders.

By inviting those with an interest in the blood system to participate, Canadian Blood Services is gaining a better understanding of the issues that arise in various communities across the country. This feedback helps guide policy decisions and provides another way for Canadian Blood Services to participate in dialogues with its stakeholders. The committee members also become ambassadors to their communities, sharing what they are learning about Canadian Blood Services so more people can learn and understand how the blood system works.

Following the successful pilot in 2001/2002 of three Community Liaison Committees in London, Winnipeg and St. John's, an additional three committees were launched in 2002/2003 in Vancouver, Calgary and Halifax. Canadian Blood Services now has a total of six local committees across Canada to complement the National Liaison Committee. The summary notes from the meetings are posted on the Canadian Blood Services Web site.

Donor Advisory Panel

Canadian Blood Services expanded its Donor Advisory Panel in 2002/2003 from approximately 5,000 to more than 8,500 members. The panel is a group of donors who have agreed to respond to periodic questions from Canadian Blood Services about the blood system, usually over the Internet. The panel allows Canadian Blood Services to quickly probe the attitudes of blood donors on emerging issues facing Canada's blood system, test and measure the awareness and effectiveness of its communications efforts, and monitor people's satisfaction with the donation experience.

In 2002/2003, Canadian Blood Services conducted two full Internet surveys of panel members and held a series of focus groups across the country to test advertising concepts, determine the best location for a new donor clinic in Ottawa, and understand donor attitudes towards West Nile Virus and the safety of Canada's blood supply.

The panel is an important mechanism that provides donors the opportunity to communicate with Canadian Blood Services on a number of fronts. For example, through these surveys, Canadian Blood Services has learned that donors continue to be satisfied with the services they receive. Other findings include measurements on donor perception regarding safety issues. For example, 88 per cent of donors surveyed reported that they trust Canadian

Blood Services to do what is best for the blood system and to balance the need to protect recipients with the need to serve donors. Canadian Blood Services also learned that 97 per cent of donors surveyed recall Canadian Blood Services' tagline, "Blood. It's in you to give." And more than half of donors also recall Canadian Blood Services' 1 888 2 DONATE toll-free number (53 per cent in July 2002 compared to 17 per cent in July 2001). The information gained from these donor surveys is used to guide Canadian Blood Services' decision making and helps to measure its progress.

KEEPING THE PUBLIC INFORMED

In the wake of so many events affecting the blood system during 2002/2003, Canadian Blood Services made it a priority to communicate information to the public as soon as it became available. When West Nile Virus and SARS emerged as potential threats to the blood system, Canadian Blood Services worked with the media to provide the public with up-to-date information on the steps taken to protect the blood system. When the Provinces and Territories released a performance review of the blood system, Canadian Blood Services made it available by posting it on its Web site and advised its National Liaison Committee and Community Liaison Committees. And when the RCMP announced its charges regarding the operation of the blood system during the Canadian blood tragedy, Canadian Blood Services welcomed the media's interest in telling Canadians how different today's system is from the one of the past.

Throughout the year, Canadian Blood Services conducted hundreds of media interviews and responded to thousands of letters, e-mails and phone calls from the public. Additionally, a number of surveys of its donors and of the general public were conducted to monitor views of the blood system and awareness of the risk posed by the emergence of West Nile Virus (WNV) in Canada. Results showed a slight decrease in the number of donors and members of the general public who believe that receiving blood transfusions is safe, when compared to results from previous years. This decrease was associated with awareness of WNV, which was very high among respondents – in December 2002, 87 per cent of respondents had heard of WNV.

In spite of their concerns about WNV, results of the surveys show that donors and the general public continue to agree that the blood system is safer today than it was five years ago.

The importance of continuing efforts to keep the public informed is illustrated by the finding that 68 per cent of the respondents from the general public say that knowledge of Canadian Blood Services' Research and Development efforts would make them more confident in the safety of the blood system.

With new viruses affecting the blood system and decisions being made to protect the system, Canadian Blood Services has maintained its commitment to openness and transparency by consistently working with its stakeholders, its partners in the media, and the Canadian public to share information and news.

Safety of Receiving Blood

When respondents were asked how safe they thought receiving a blood transfusion was, two in three said they thought it was safe (63 per cent in December 2002 compared with 75 per cent in April 2002).

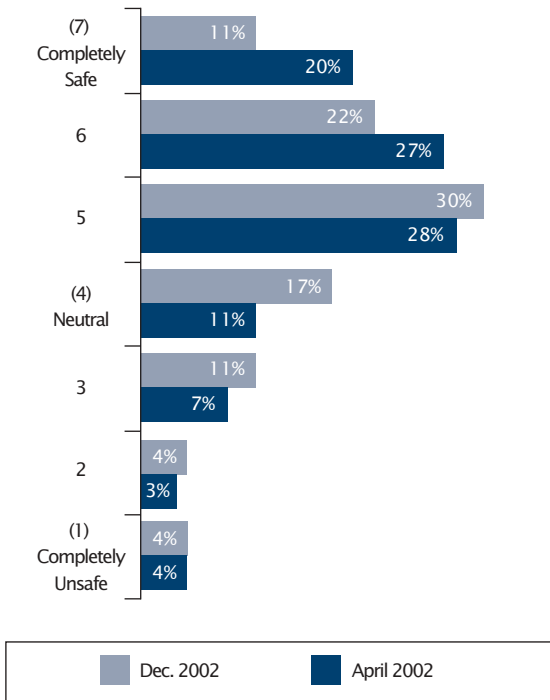
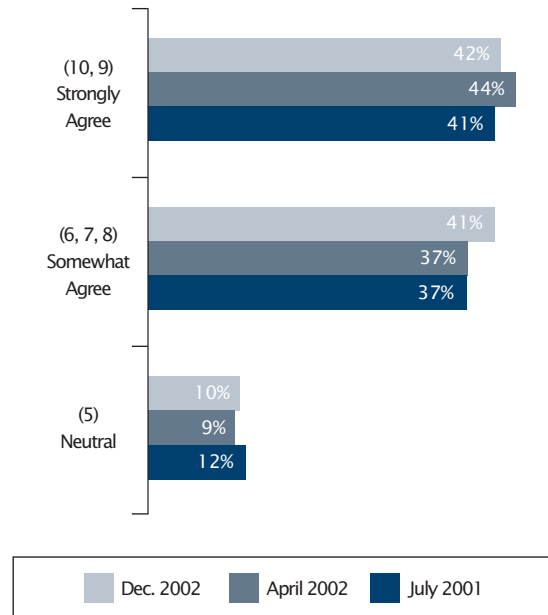


Chart data on this page provided by Ipsos-Reid.

Perceived Safety of Blood System

In December 2002, when asked if they agreed or disagreed that the blood system in Canada was safer today than it was five years ago, a majority of respondents agreed with this statement (83 per cent compared with 81 per cent in April 2002 and 78 per cent in July 2001).



BRIAN LANDRY

CHARLOTTETOWN,
PRINCE EDWARD ISLAND

Following a routine blood test, doctors discovered that Brian had a liver disease, auto-immune hepatitis, that would require a liver transplant. In the months leading up to his surgery, he lost weight, was very fatigued and suffered from jaundice. During the transplant, Brian received between three and four units of blood. Hospitalized for only 10 days, Brian made a quick recovery and today enjoys excellent health.

“All of the critical pieces of the puzzle came together for me, beginning with the donors and the availability of the blood. I was extremely fortunate and will always be grateful.”