

Réseau des

**SADC  
+CAE**

Société  
d'aide au développement  
des collectivités et Centre  
d'aide aux entreprises

**AR**

**2018**

**2019**

▼ **THE YEAR IN BRIEF**

▼ COACHING:  
**THE SECRET TO SUCCESS FOR  
INNOVATIVE, PRODUCTIVE  
PROJECTS**

▼ **ECONOMIC PERFORMANCE  
SECTION**

▼ **+ EXCLUSIVE INTERVIEWS**

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## INTRODUCTION

This report highlights the work done by SADC and CAE during 2018–2019 and the targeted actions they have taken to address the major challenges faced by rural communities in Quebec.

Our mission is to coach communities and businesses, particularly those with the greatest need, by providing the technical and financial support they need to complete their development projects. There is little infrastructure in place to support small rural communities, communities that are often declining or remote. And few organizations coach small businesses through the start-up phase or through their first years of growth, even though these businesses face the same challenges as any other, but without the staff and local technical resources. For this reason, our mission is unique.

Thanks to their long history—most were founded at least 35 years ago—SADC and CAE are able to adapt to the many changes occurring in the Quebec economy, find effective solutions and implement fruitful long-term strategies. This report aims to reflect this.

## MESSAGE FROM THE MINISTER

The annual report of the Network of Community Futures Development Corporations (SADCs) and Business Development Corporations (CAEs) provides an overview of the initiatives and achievements of the 1,400 professionals and volunteers who make up the network and who help their communities prosper.

Dynamic and committed, the SADCs and CAEs offer local services that foster economic growth and job creation in their respective regions. Every year, more than 10,000 organizations benefit from the dedication and expertise of the men and women who make up this network.

The partnership that joins Canada Economic Development for Quebec Regions and the SADCs/CAEs fosters Quebec's entrepreneurial ecosystem. It is for this reason that I am particularly pleased with the modernization initiative targeting our agreements with the SADCs/CAEs. On this new basis, the SADCs and CAEs will be able to fully play their role as catalysts for the economic development of rural communities in Quebec.

I remain convinced that the SADCs and CAEs are best placed to meet the challenges facing local businesses and rural communities. The results and successes achieved over the past year and presented in this report bear witness to this fact. If the past is any indication of the future, I can state with full confidence that the economic growth of the regions of Quebec is in good hands.



**Navdeep Bains**

Minister of Innovation, Science and  
Economic Development and Minister  
responsible for CED



## MESSAGE FROM THE PRESIDENT AND DIRECTORS

2018–2019 was a big year for activities and projects. The Community Futures Program (CFP) was fully modernized, bringing about significant changes to the coverage of rural territories in Quebec. We ramped up our actions at the national level, which enabled us to, among other things, improve the terms of the CFP for all SADC and CAE and CFDCs and CBDCs in Canada. All of these efforts also led to the renewal of agreements with the Government of Canada for the next five years. SADC and CAE and CFDCs and CBDCs will now be able to continue working to meet the specific needs of municipalities and businesses in their territories.

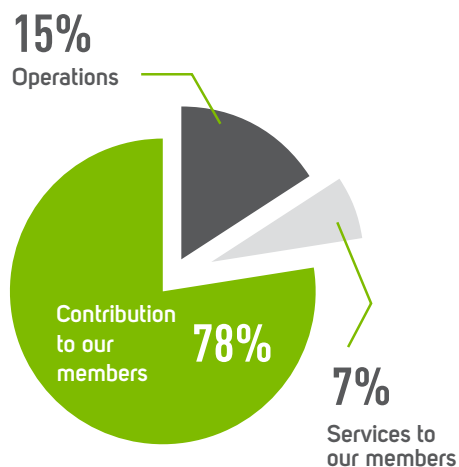


The impact of our members' interventions was confirmed for the eighth year by a Statistics Canada study. Businesses supported by SADC and CAE made faster progress in job creation (three times faster), payroll and productivity per employee, but they really raced ahead of the competition when we look at five-year survival rates: 87% for member-supported businesses versus 53% overall in Quebec. Through the Small Business Support Initiative, created thanks to a contribution from Canada Economic Development, SADC and CAE gave 862 entrepreneurs—and particularly women and Indigenous entrepreneurs—access to specialized expertise to boost their productivity.

These results and successes were made possible by the dedication of SADC and CAE volunteers, the professionalism of our teams and organizations, but also in great measure by the partnership and confidence we share with Canada Economic Development.

**Daniel Dumas**, President  
**Hélène Deslauriers**, General Manager  
**Paul Gauthier**, Executive Director

### RÉSEAU'S REVENUE BREAKDOWN



## FINANCIAL PERFORMANCE



The Réseau and its members are in good financial health. As shown in the chart of the Réseau's revenue breakdown, 85% went directly back to SADC and CAE, either through non-repayable contributions from the Small Business Support Initiative and Special Initiative programs or in the form of services, such as satisfaction surveys, national advertising, tool development, committee meetings, event planning, etc. This figure is 4% higher than last year's numbers and can

be explained by the addition of a new initiative under the Small Business Support Initiative targeting women and Indigenous entrepreneurs.

Though the portion of the budget set aside for operations was below average in comparison to the last three years, we ended the year with a balance between products and expenses, with no impact to the delivery of services to our members. Our sound management practices and vigilant managers helped us overcome our financial challenges.

**Raymond Cimon**, Treasurer



# THE YEAR IN BRIEF

**June 5 to 7:** The **Community Futures Network of Canada (CFNC)** holds their annual conference in Winnipeg.

**June 15:** Canada Economic Development announces a new **financial contribution of \$1.5M** to help SADC and CAE and CFDCs and CBDCs in Canada **better support women and Indigenous entrepreneurs**.



Rémi Massé, Parliamentary Secretary to Minister Bains and Member of Parliament for Avignon-La Mitis-Matane-Matapédia, and Daniel Dumas, President of the Réseau, announce the new financial contribution.

The Réseau des SADC and CAE holds its **Annual General Meeting** at Entourage sur-le-Lac Resort. Manon Brassard, Canada Economic Development President, came and shared with us a message from the honourable Navdeep Bains.



Rémi Massé with Manon Brassard, President of Canada Economic Development and Daniel Dumas at the banquet following the Réseau AGM.

The Réseau meets with inspiring up-and-coming entrepreneurs at the **express workshop** held at the **OSEntreprendre Challenge event**.

Results of the **eighth National Evaluation of the CFP**, conducted by Statistics Canada, reveal a new five-year survival rate of **87%** for businesses supported by an SADC or a CAE.



**September 201-21:** Around 30 participants from all over Quebec attend the meeting of the SADC and CAE **sustainable development group**.



**September 28:** The Réseau des SADC and CAE holds its **strategic retreat**.

**October 2 to 4:** The Réseau and SADC and CAE from Charlevoix and Chaudière-Appalaches take part in the **Quebec Industrial Show**.

**October 3:** Community Futures Network of Canada (CFNC) and the Réseau des SADC and CAE hold the **"Day on the Hill"** event on Parliament Hill to draw lawmakers' attention to the CFP's impact.

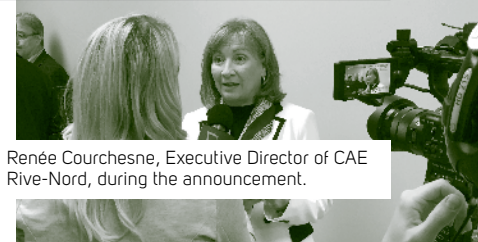


Wendy Smitka, CFNC President, with Rémi Massé and Daniel Dumas, at the "Day on the Hill" event.

**December 1<sup>st</sup>:** The SADC and CAE **Presidents' Meeting** is held in Québec City.

**October 23 to 25:** 185 professionals from SADC and CAE gather in Québec City during the **Réseau's semi-annual networking and training event**. Semi-annual event participants attend a presentation on the labour shortage by Martine Hébert, Senior Vice-President and National French Spokesperson for CFIB.

**October 11:** Canada Economic Development announces new funding to **revitalize the RCM** of Argenteuil territory.



Renée Courchesne, Executive Director of CAE Rive-Nord, during the announcement.

**276**  
CREATED THROUGH  
**2,329**  
LOCAL PROJECTS

**12,096**  
ENTREPRENEURS  
COACHED

**3,078**  
JOBS CREATED IN  
**9,178**  
BUSINESSES

**January 23-24:** The Réseau inspires participants to become entrepreneurs in the regions at Expo Entrepreneurs 2019, the largest assembly of Quebec's entrepreneurial ecosystem.

We launch our new **"Oser pour réussir"** multimedia marketing campaign to spotlight the success stories of entrepreneurs and local economic development initiatives.

Our annual **performance numbers** are released



Several working meetings are held with Canada Economic Development to complete the modernization project and renew contribution agreements.

The Réseau participates in the **Développement économique conference** held by Les Événements Les Affaires.

## RENEWAL OF OUR PARTNERSHIP WITH THE FEDERAL GOVERNMENT

Following intensive efforts to characterize territories in order to gain a better understanding of the socio-economic situation and development potential of each RCM—and municipality—in Quebec, the Réseau des SADC and CAE signed a new five year agreement with Canada Economic Development. This new agreement makes significant changes to the delivery of the Community Futures Program (CFP) in Quebec. The full program will be available in all rural territories, and resources will be distributed based on the needs of each, regardless of the organization's title. New territories will be covered, including the RCM of Caniapiscau and the RCM of Maskoutains. The operating terms will be simplified while maintaining the strict reporting requirements observed by SADC and CAE. In total, \$169M will be earmarked to meet the distinct needs of Quebec's rural regions.

**\$169M**  
FOR  
**QUEBEC'S RURAL REGIONS**



# REPORTS

## COACHING: THE SECRET TO SUCCESS FOR INNOVATIVE, PRODUCTIVE PROJECTS

**SADC DE ROUYN-NORANDA**

### FOCUS ON YOUTH—IT PAYS OFF!

Jocelyn Lévesque took his post as executive director of SADC de Rouyn-Noranda with a mission already in mind: finding a specific area in which the SADC could fill a need.

It didn't take long for Lévesque to identify gaps that needed to be filled: in an economy that relies on the strength of the mining industry, few actors were planning ahead for the future. Citing the cyclical nature of this industry, Lévesque convinced the SADC board that the organization needed to preserve existing businesses, diversify the local economy and, first and foremost, keep young people from leaving the region.

The SADC adopted business succession and transfer to the next generation as a key focus of its strategy. Jocelyn Lévesque explained the move: "Overall, this strategy was primarily intended to position the SADC as a leader, with financing and coaching for young entrepreneurs, and specialize in working with this entrepreneur profile, through assistance with business start-up and succession, particularly with our flagship products, but also our invaluable advice."

"The Youth Strategy—a program set up 20 years ago thanks to a contribution from Canada Economic Development—quickly earned SADC an enviable position with young people who want to become entrepreneurs," he continued. "In tandem with this strategy, we will meet annually with our financial partners and professionals (notaries, accountants, etc.) to let them know that we specialize in this type of financing and encourage them to refer clients to us. In addition to the Youth Strategy, we will offer entrepreneurs coaching, financial support for highly specialized expertise, and our ever popular consulting services."

**"WE ALSO CREATED AN UNSECURED SUCCESSION LOAN FOR UP TO \$50,000 DEPENDING ON RISK, INTENDED TO COMPLEMENT OTHER LOANS. OVER FIVE YEARS, WE HAVE ISSUED AROUND TWENTY OF THEM AND HAVEN'T LOST A SINGLE CENT."**

"The SADC has gone from investing \$500,000 a year in businesses to more than \$1 million a year. Over five years, it issued 61 Youth Strategy loans to young entrepreneurs in 45 businesses—an investment of \$1.3 million with losses of only \$10,000! By focusing on coaching young people and assisting with succession, the SADC has greatly reduced its losses, which has led to considerable asset growth for us."

"Instead of following the crowd," he concluded, "we wanted to find our niche, and funnily enough, that's when our partners—especially Desjardins—started to get to know us better and refer more cases to us, even ones that didn't have to do with young entrepreneurs or succession. And lastly, working with young people is highly rewarding: they're full of energy, eager to be coached and full of great ideas."

Le Trèfle Noir, a Rouyn-Noranda business that has benefitted from SADC coaching.





## CAE RIVE-NORD

# LOCAL ECONOMIC DEVELOPMENT, A CRITICAL SOLUTION

Written in collaboration with Renée Courchesne, Executive Director, CAE Rive-Nord.

The Réseau des SADC and CAE hit a historic milestone this year. For the very first time, a CAE received financing to deliver all the products and services of an SADC in an RCM. For years, economic actors from the RCM of Argenteuil lobbied for access to services such as the Youth Strategy to coach young people who want to become entrepreneurs or grow their businesses, or for local economic development projects. The CAE demonstrated the importance of this access and stressed its genuine desire to get involved. With the support of the CAE and the area's federal MP, Stéphane Lauzon, and a contribution from Canada Economic Development, the project was launched in July 2018. The kickoff event was held in Lachute on October 12, 2018, and a contact person for this area was named on November 5.

## A STRONG SHOWING FROM THE PILOT PROJECT!

In under six months, CAE Rive-Nord achieved its goals for this pilot project.

Several local economic development projects are in progress, made possible by the support of CAE Rive-Nord.

The first of these consisted in analyzing transportation available to businesses in the territory and identifying their needs in terms of labour recruitment and retention. It was concluded that businesses need access to transportation for workers coming from Lachute and neighbouring towns who do not have a vehicle.

The second project entailed developing a feasibility study for the establishment of an entrepreneurship school for executives. CAE Rive-Nord helped carry out this study and will assist in putting together a business plan and financing structure. The support of the Laurentides region's eight RCMs bodes well for the project's success.

In a bid to diversify the RCM of Argenteuil's economy, CAE Rive-Nord is providing financing and technical assistance to develop a regional speciality in film and television production.

Lastly, CAE Rive-Nord is set to complete the very first study on the demographics of workers from Lachute so it can take on local economic development projects that address the needs of the RCM of Argenteuil.

As part of the Youth Strategy, CAE Rive-Nord participated in two activities to raise awareness of youth entrepreneurship: "Dans l'œil du mentor," which attracted about 30 participants, and "Mission commerciale," which brought a delegation of about a dozen young entrepreneurs from immigrant backgrounds to discover the entrepreneurial potential of the region.

Seven applications were analyzed for a \$175,000 loan offered through the Youth Strategy initiative. This initiative has helped two young people start their own business, Isolation Argenteuil Inc. In addition, two Argenteuil businesses received a non-repayable financial contribution through the Small Business Support Initiative to pay for the assistance of a specialist.

**"IS THERE ANY DOUBT THAT THE RCM OF ARGENTEUIL NEEDS THESE PRODUCTS AND SERVICES?" SAID COURCHESNE. "THE RESULTS SPEAK FOR THEMSELVES. AND WE'RE JUST GETTING STARTED!"**



Official photo of the announcement of the new financial contribution to MRC D'Argenteuil.

## SADC DE TÉMISCOUATA

# A CENTRE D'ÉTUDES COLLÉGIALES TO GIVE THE COMMUNITY A BOOST

Written in collaboration with Serge Ouellet, Executive Director, CAE Rive-Nord.

For over 20 years, regional leaders have been turning over the idea of establishing a college satellite campus in Témiscouata to keep young people in the community, without ever going forward with the project. Vallier Daigle, President of SADC de Témiscouata, explained: "In the 90s, a serious study and survey showed that there was simply not enough interest—particularly among young people—to make this a viable project."

But in 2015, all that changed: "The Commission scolaire du Fleuve-et-des-Lacs, the RCM, the SADC and organizations in Témiscouata repeated the exercise with the CEGEPs in La Pocatière and Rivière-du-Loup. The student mentality had evolved, with many expressing interest in pursuing their studies locally. In the RCM of Témiscouata, a unanimous resolution passed by the council of mayors and strong financial backing kicked off a fundraising campaign that brought in over \$500,000 for the project. In response to this support, the Ministère de l'Éducation et de l'Enseignement supérieur, rather than simply authorizing the establishment of a satellite campus, immediately approved the establishment of the Centre d'études collégiales du Témiscouata."

**THE SADC BOARD OF ADMINISTRATORS AND SADC STAFF BELIEVED IN THIS DEVELOPMENT PROJECT FROM THE VERY BEGINNING. BUT THE SADC CONTRIBUTED MUCH MORE THAN MONEY TO THE MAJOR UNDERTAKING.**

With great humility, Daigle acknowledged the participation of all the partner organizations, but also recognized the crucial contribution of the SADC executive director, Serge Ouellet, to the development of the project, by dedicating a great deal of time to mobilizing the community, collecting data, setting up meetings, and preparing and editing documents to orchestrate the fundraising campaign. This project may not have progressed so quickly without the SADC's dedication and perseverance.

In February 2017, Minister Hélène David officially announced the establishment of the Centre d'études collégiales du Témiscouata. The president of the SADC takes pride in this accomplishment, and the results speak for themselves: "The CÉCT, located on the Cabano high school campus, in Témiscouata-sur-le-lac, welcomed 19 students for the 2017–2018 academic year, including several mothers who never finished their college studies and who were proud to be back in the classroom. The school offers programs that align with community needs, such as special education techniques, nursing and humanities. The business services department, launched in 2018, develops the skills of Témiscouata workers. More than 50 students are registered for the fall 2019 semester and the high level of current student satisfaction is a reflection of the project's success. A foundation has also been set up to help bring in students from Témiscouata and elsewhere."

Vallier Daigle concluded: "At the SADC, we're not stopping there. There's still a lot of work to be done, and we're not running out of ideas!"



Vallier Daigle, President of SADC de Témiscouata, Édith St-Amand, Director of the Centre d'études collégiales du Témiscouata and Serge Ouellet, Executive Director of the SADC.



## SADC DES BASQUES

# A DECADE-LONG DEVELOPMENT PROJECT GOING STRONG

Written in collaboration with Philippe Veilleux, Development Officer, SADC des Basques.

The RCM of Basques is a little slice of paradise in the heart of the Bas-Saint-Laurent. Like many regions, it is facing significant sociodemographic challenges: it is one of the fastest aging RCMs in Quebec and is simultaneously facing an exodus of young people. In this context, in 2008, SADC des Basques began revitalization efforts to respond to the region's challenges by offering concrete solutions and visible, tangible improvements for community development. The SADC hoped to accomplish several goals through this work: stimulating entrepreneurial succession; improving the image of and receptiveness to local businesses and services; increasing the appeal of the territory, downtown areas and town cores; mobilizing local actors to pursue a vision of a dynamic, stimulating future driven by achievable actions in the short, medium and long term; improving the buying experience to encourage people to buy local; promoting local pride and vitality; building up investor confidence and many more.

More than a decade in, there are still unanswered questions, particularly how to stand out and attract new families and, like anywhere else, how to attract, bring in and retain new employees (labour). Still, the SADC and its partners have done much to renew the community and instill a culture of continuous improvement, which has led to notable accomplishments such as physically improving living spaces and making space for an entire generation of dynamic, modern, forward-thinking entrepreneurs to succeed. A new service offering that is better tailored to the public's current needs has also diversified the local economic base.



Inauguration ceremony for the new gazebo in the Parc de l'Église in Trois-Pistoles in 2018.

In partnership with municipalities and Desjardins caisses in the territory, the SADC continues to coordinate the Programme d'aide à la mise en valeur des commerces et services. To date, 41 plans have been drafted and almost 40 commercial renovation projects have been completed, with private investments of over \$2 million by local shop and business owners.

Revitalizing city and town cores has also been critical to bringing back a sense of community and fulfillment to the public. This project also set the stage for new initiatives in the business community by reviving the dormant Chambre de commerce de Trois Pistoles/Notre-Dame-des-Neiges, which had been inactive for 15 years. In Trois Pistoles, a major strategic positioning project to adopt a marketing action plan energized community development stakeholders.

These efforts and their success would not have been possible without the sustained support and leadership from SADC des Basques, provided through its local economic development department.

**WHILE THERE ARE STILL CHALLENGES TO OVERCOME AND WORK TO DO, THE PROGRESS MADE OVER THE LAST TEN YEARS HAS BROUGHT RENEWED ENERGY TO THOSE WORKING TOWARD A VISION OF PROGRESSIVE, CONTINUOUS IMPROVEMENT.**

Familiprix in Trois-Pistoles, an example of renovations completed through the SADC revitalization project.





## SADC PIERRE-DE SAUREL

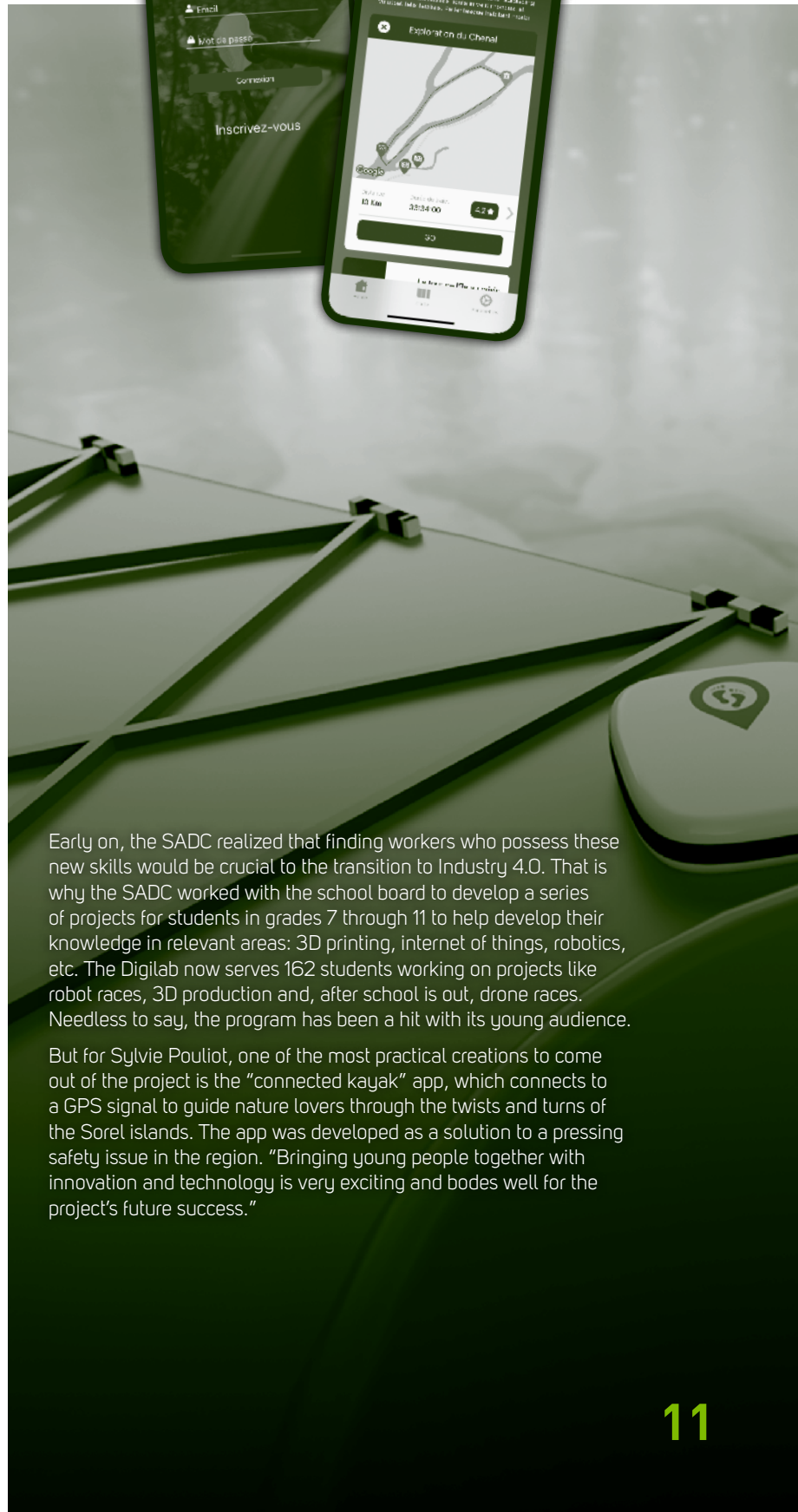
# PROPEL INDUSTRY 4,0

Sometimes seemingly mundane events can lead you to unexpected places. That was certainly the case for SADC Pierre-De Saurel, which found itself swept up in the Industry 4.0 revolution after a 2014 talk given by François Charron on integrating communications technologies into small businesses. It became abundantly clear to Sylvie Pouliot, Executive Director of the SADC, that in order for businesses to survive, they need to innovate, embrace technology and make big changes to their work methods.

The SADC approached Productique, the CCTT at CEGEP de Sherbrooke, to seek out the expertise they needed to coach businesses that want to explore the world of technology.

So what is Industry 4.0, exactly? We asked Sylvie Pouliot to explain: "To simplify a very complex topic, businesses of the future will rely on tools and equipment that connect to each other in real time, which will make production and administration more agile, faster and more efficient." For example: installing sensors on devices and using them to perform a predictive analysis on their operation and identify inefficiencies that can be corrected.

This is exactly what is happening at Technolaser, a company specializing in metal cutting and forming. Based on the results of a technology audit performed by Productique, the company made tangible changes. For example, by running their equipment at a higher capacity, the company was able to eliminate the night shift, move all of their employees onto day shifts, boost their productivity and increase profits as a result. Since then, the SADC has helped establish the information technology HUB at CEGEP de Sorel-Tracy, which organizes informational lectures for entrepreneurs and students that touch on all aspects of the Industry 4.0 revolution to encourage the implementation of similar projects.



Early on, the SADC realized that finding workers who possess these new skills would be crucial to the transition to Industry 4.0. That is why the SADC worked with the school board to develop a series of projects for students in grades 7 through 11 to help develop their knowledge in relevant areas: 3D printing, internet of things, robotics, etc. The Digilab now serves 162 students working on projects like robot races, 3D production and, after school is out, drone races. Needless to say, the program has been a hit with its young audience.

But for Sylvie Pouliot, one of the most practical creations to come out of the project is the "connected kayak" app, which connects to a GPS signal to guide nature lovers through the twists and turns of the Sorel islands. The app was developed as a solution to a pressing safety issue in the region. "Bringing young people together with innovation and technology is very exciting and bodes well for the project's future success."



## ECONOMIC PERFORMANCE

### 21 YEARS OF SUCCESS YOUTH STRATEGY

The Youth Strategy of the SADC and CAE was created in collaboration with Canada Economic Development. It was very useful this year to stimulate entrepreneurship to youth.

Since 21 years, this strategy helps people between 18 and 39 years old benefit flexible founding and follow-up from SADC and CAE counsellors.

Whether it's for start-up, acquisition or business growth projects, this strategy is a winning one for propelling young entrepreneurs towards success!

SADCs and CAEs also develop different activities to encourage young people to stay or return in their regions. This year, there are 670 events bringing together nearly 20,000 young people that have been organized in the different regions of Quebec.

#### THIS YEAR

**\$10M**

INVESTED

**625**

ENTREPRENEURS  
MOSTLY AGED BETWEEN  
30 AND 39

**36%**

OF BUSINESSES THAT  
RECEIVED FUNDING WERE  
START-UPS

**2,828**

JOBS WERE CREATED AND  
MAINTAINED

WITH A LOW LOSS  
RATE OF ONLY

**4.5%**

GENERATING A LEVERAGE  
EFFECT OF

**10.7%**

AND TOTAL INVESTMENTS OF

**\$106M**



## THE SMALL BUSINESS SUPPORT INITIATIVE PROGRAM HELPS SMALL BUSINESSES STAY PRODUCTIVE AND PROFITABLE

Over the course of 2018–2019, some 862 businesses received financial assistance through the Small Business Support Initiative (SAPE), which equips them to boost productivity and profitability and to make sure they survive over time. The numbers speak for themselves: SAPE invested \$270,000 in 952 business innovation projects; \$200,000 in sustainable development measures; \$500,000 in succession initiatives; and over \$1,000,000 in information and communication technology (ICT), to help businesses make the switch to new technologies.

This year, a new measure was implemented to better support women and Indigenous entrepreneurs: \$918,000 was earmarked to create and support projects led by women, and another \$92,000 was injected into Indigenous entrepreneurship initiatives.

The program has had exceptional results. This year alone, it helped maintain 7,669 jobs and create another 610. Companies must contribute at least 10% of all project costs, but they've invested 35% for a total of nearly \$1.7M.

### Since 2016

**1,663** beneficiary businesses

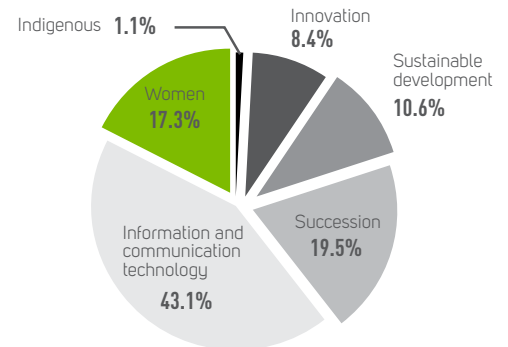
**1,794** projects

**1,620** jobs created and **15,520** maintained

**\$5.4M** in investments by SADC and CAE

Over **\$3.2M** in investments by businesses

### PROJECTS BY COMPONENT



### HIGHLIGHTS

- ▼ New SADC and CAE clients account for **50%** of projects.
- ▼ Since its inception, in 2018, the Women stream has been the third most popular activity.
- ▼ Most projects are in the ICT stream.
- ▼ Most beneficiary businesses are in:

Retail **16%** | Manufacturing **14%** | Entertainment, arts, hospitality and food services **14%**

Manufacturing businesses received **20%** of the total assistance granted, invested almost **25%** of the total amounts and created a third of the new jobs.

They also claimed the most innovation and sustainable development projects.

As **14%** of Quebec businesses are in manufacturing, it is safe to say that this industry is generously represented in the program.

### SPECIAL INITIATIVES

## A BOON TO LOCAL ECONOMIC DEVELOPMENT

Through the Special Initiatives program, SADC and CAE and CFDCs and CBDCs in Canada have been able to actively contribute to major projects in local communities. In the last year, they invested \$2,069,000 in these communities, including thousands of dollars to bolster communication initiatives and to spur and support local economic development.

In this sense, 425 projects have been carried out and 51 students, aged 15–30, have been hired. By all accounts, these opportunities encourage them to stay in, or go back to, their communities and help them integrate into the job market.

### Since 2016

**143** new jobs for young people | **2,700** communication activities  
**1,354** local projects | **\$6M** invested



## PARTNERSHIPS

### PROMISING EVENTS WITH CFDCs AND CBDCs IN CANADA

The Réseau des SADC and CAE continued its involvement with the Canadian network of CFDCs, (the Community Futures Network of Canada [CFNC]), coming together multiple times to promote the Community Futures Program (CFP) and the impact of its 267 organizations across the country.

The “Day on the Hill” event was held in Ottawa on October 3, organized by the Réseau team and sponsored by Rémi Massé, Parliamentary Secretary to Minister Bains and Member of Parliament for Avignon–La Mitis–Matane–Matapédia. Around sixty participants and a number of politicians came out to bring attention to the work SADC and CAE and CFDCs and CBDCs in Canada are doing in rural areas.

The CFNC’s Annual General Meeting brought together economic actors, administrators and directors of SADC and CAE and CFDCs and CBDCs, and representatives from regional development agencies from around the country.

Lastly, CFNC members, including the president and executive director of the Réseau des SADC and CAE, attended meetings of the Standing Committee on Finance in order to show the Cabinet how important our organizations are to the economies of rural regions in Canada.

### A SUCCESSFUL PARTNERSHIP WITH THE FÉDÉRATION QUÉBÉCOISE DES MUNICIPALITÉS

For several years now, the Réseau des SADC and CAE has maintained a fruitful partnership with the Fédération québécoise des municipalités (FQM). This solid collaboration keeps the Réseau abreast of the goings-on of the municipal world and helps it maintain cooperative relationships with key actors involved in local economic development. It is also a first-rate forum for

discussing issues of great interest and promoting the work of its members and the success of initiatives like the carbon credit project. Through the partnership, the Réseau also gains greater visibility and renown; for example, the magazine Quorum, read by municipal elected officials, and the magazine Scribe, for general directors of municipalities, provide an opportunity to spread the Réseau’s success stories, inform readers of Réseau members’ progress on important projects, and, through media placements, reach municipal stakeholders and decision makers. The Réseau is also a part of the local and regional development round table and can leverage this position to spotlight the essential role that SADC and CAE play in the regions.

### EXPO ENTREPRENEURS CELEBRATES THE VITALITY OF THE REGIONS

January 23–24, the Réseau participated in the second edition of the Expo Entrepreneurs event in Montréal, an unparalleled opportunity to highlight the vitality of our regions and raise the profile of SADC and CAE. The Réseau is positioning itself as the support organization for entrepreneurs in the regions. At the event, we met a number of partners and entrepreneurs and helped with facilitation in the area reserved for regional entrepreneurs and the development of entrepreneurial resources.

Every entrepreneur who visited us at the Réseau table was entered for a chance to participate in the Salon Carrefour Affaires held April 25 at the Fairmont Le Manoir Richelieu. The Réseau invited young entrepreneur Michael Charrette from the company BETREE to attend the Salon in La Malbaie to cultivate business relationships.



## THE RÉSEAU SOLIDIFIES ITS COMMITMENT TO OSENTREPRENDRE

The Réseau des SADC and CAE initiated a sustained partnership with the organization OSEntreprendre with the goal of stimulating and encouraging youth entrepreneurship. In June 2018, the Réseau was invited to participate in the OSEntreprendre Challenge's Desjardins Grand Prize Gala, attended by 17 regional finalists from Quebec. The Réseau had a table at the gala to spark conversations, meet with finalists and present the services they can access through SADC and CAE. At the Réseau's semi-annual event, OSEntreprendre helped facilitate a workshop focused on building stronger on the ground partnerships and sharing member experiences.

## SOCIAL ECONOMY PROJECTS: THE DRIVING FORCE OF SADC AND CAE

Over the last year, the Réseau continued collaborating with the organization Filaction, which supports local growth-generating projects across Quebec, primarily in the areas of social development, culture and tourism. Working and discussion meetings are also opportunities for the Réseau to share ideas and points of view, and address important issues affecting regional businesses, such as innovation and social financing. Filaction's values and its entrepreneur coaching methods dovetail with those of the Réseau, and the two organizations want to solidify their partnership, particularly in the area of social financing.

## A MAGAZINE HIGHLIGHTS BUSINESSES IN THE REGIONS

Since 2016, the Réseau and SADCs in Outaouais have contributed to Le Droit Affaires, a monthly French-language magazine that covers the National Capital business community. In every issue, the "Affaires en région" section profiles a business in a rural region to bring attention to the diversity and value of these businesses. Through articles and ads, the Réseau presents financial results and recent achievements of SADCs in the regions and celebrates the vitality of regional entrepreneurs. In the last year, the Réseau contributed four feature articles and two full-page ads.

SADC Pontiac, SADC Vallée de la Gatineau and the Réseau have renewed their partnership with the publication for the coming year.

## THE RÉSEAU AND SADC AND CAE ACTIVELY PARTNER WITH THE QUEBEC INDUSTRIAL SHOW

The Quebec Industrial Show was held at the Centre de foires in Québec City October 2-4. The Réseau and SADC and CAE from the regions of Chaudière Appalaches, Portneuf and Charlevoix teamed up with Groupe Pageau to plan and promote the event. Everyone who attended was able to benefit from the many opportunities for exchange. Entrepreneurs discovered cutting-edge tools; the Réseau and the SADC and CAE took part in first-hand training and networking opportunities to learn about recent technological developments and high-tech sectors. The event enhanced the knowledge of members of SADC and CAE for the benefit of the regions.



Raymond Cimon, president of SADC de l'Amiante and administrator at Réseau SADC et CAE, Thomas Verret, representing federal MP Sylvie Boucher, Michel Lemelin, vice-president of Groupe Pageau, Éric Pageau, president of Groupe Pageau, Jean-Marc Duval, representing federal MP of Beauport-Limoilou Alupa Clarke and Frédéric Boisvert, vice-president of Public Affairs at Chantier Davie Canada.

# THE TEAM

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Estrie

**VALLIER DAIGLE, Vice-President**  
Bas-Saint-Laurent

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Chaudière-Appalaches

**MICHEL PATRY, Secretary**  
Nord-du-Quebec

**CHRISTYNE FORTIN, Administrator**  
Saguenay-Lac-Saint-Jean

**LUC GUÉRIN, Administrator**  
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**DENIS BOULIANNE, Administrator**  
Côte-Nord

**DANIEL GASSE, Administrator**  
Gaspésie-Îles-de-la-Madeleine

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**GUY CÔTÉ, Bas-Saint-Laurent**

**ANNICK THIBOUTHOT, Côte-Nord**

**JOANNE BEAUDIN, Estrie**

**DANIEL GAUDET, Gaspésie-Îles-de-la-Madeleine**

**SYLVIE BOLDUC, Laurentides/Lanaudière**

**SIMON CHARLEBOIS, Mauricie/Centre-du-Quebec**

**NATHALIE DUBORD, Montérégie**

**PIERRE MONETTE, Outaouais**

**SYLVIE DROLET, Chaudière-Appalaches**

**CHRISTINE BOUCHARD, Saguenay/Lac-Saint-Jean**

**ANNIE POTVIN, Nord-du-Quebec**

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General Manager

**PAUL GAUTHIER**  
Executive Director

**JOLIN FERLAND**  
Director, Technology and Training

**CHRISTINE PILOTE**  
Director, Communications

**DOMINIQUE CÔTÉ**  
Director, Capital Réseau

**NATHALIE GAGNON**  
Coordinator, Accounting

**ANNIE POMERLEAU**  
Director, Programs

**PIERRE-OLIVIER COLAS**  
Director, Administration and Development

**MARIE-PIER BÉDARD**  
Administrative Assistant

## CAPITAL RÉSEAU BOARD OF ADMINISTRATORS

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SADC de L'Amiante

**NORBERT POTVIN, 1<sup>st</sup> Vice-President**  
SADC Vallée-de-la-Gatineau

**RÉAL TURGEON, 2<sup>nd</sup> Vice-President**  
SADC de Lotbinière

**GILLES GOULET, Secretary**  
SADC de la MRC de Rivière-du-Loup

**JEAN-CLAUDE LAROCQUE, Treasurer**  
SADC de la Neigette





# CAPITAL RÉSEAU

SADC+CAE

## OUR FINANCIAL VEHICLE TO BETTER MEET THE NEEDS OF COMMUNITIES

CAPITAL RÉSEAU IS A FINANCIAL VEHICLE THAT SADC AND CAE CREATED TO POOL THE LIQUID ASSETS IN ORDER TO ALLOW CONTINUAL ACCESS TO CAPITAL TO BETTER MEET THE NEEDS OF THEIR AREAS. ITS ASSETS TOTALS CLOSE TO \$72 MILLION.

## MESSAGE FROM THE PRESIDENT



Last year was a very special year for us. By the time this report is issued, Capital Réseau will have marked 20 years of economic assistance, solidarity and courage in the face of adversity. Our most recent

achievement is maintaining the Youth Strategy fund interest rebate measure that has given 40 members the opportunity to support young entrepreneurs in their communities.

Also this year, the Board of Administrators was active in responding to a growing transaction volume and reflecting on the new—considerable—challenges before us. I am very grateful for the generous contribution of each and every administrator. Beyond the 16 meetings it held and the high number of requests it processed, the Board also actively explored new avenues to continue optimizing its response to member needs. Two solid examples of the Board's actions are raising the borrowing limit to \$4M in response to requests from members who had reached the \$3M ceiling and providing no-interest financing to corporations that lacked cash flow during the agreement renewal period.

Lastly, remember that we are only able to lend thanks to the investments of our members. I would like to take this time to sincerely thank the members who, year after year, entrust their liquid assets to Capital Réseau. Unfortunately, in the last year, because of an increase in loans, our liquidity has significantly diminished. To continue meeting our members' needs, over the next year, we will have to rise to the challenge of increasing our liquidity. Once again, I urge members to invest their money in Capital Réseau and take advantage of an interest rate that will only improve over the next year. In fact, administrators made the decision to use their own assets to cover the interest rebate for 2020—yet another good reason to mark Capital Réseau's birthday by investing in us.

**Raymond Cimon**, President

## MESSAGE FROM THE TREASURER



During the fiscal year ending in March 2019, the assets of Capital Réseau SADC and CAE totaled \$65.5M, and the organization's loans from the regular and youth funds reached an unprecedented high.

Offering a 2.90% interest rate, Capital Réseau remains a smart solution, and our transaction volume is testament to that fact. Active loans from our two regular funds total \$51.4M, representing an increase in loan volume of \$4M over the prior year. Also last year, 66

loans totaling \$22M were processed and added, and another 47 were repaid, for a net increase of 8% in the number of loans.

Youth Strategy loans, which nosed ahead of the investment fund in terms of number of loans the previous year, increased yet again, demonstrating that the interest rebate measure continues to meet a considerable member need.

Moving on to the special funds. Though in general there was little of note to report over the last year, as there are only seven active accounts remaining, they merit a mention, as they greatly contributed to increasing our assets and, consequently, our cash flow, enabling us to continue meeting our members' needs.

With \$54.1M in member equity, \$11.3M in fund equity and a 2.90% rate of return, Capital Réseau has a strong balance sheet. Its rate of return is 0.62% higher than the market rate for \$500,000 investments over two years.

**Jean-Claude Larocque**, Treasurer

## ACTION PLAN 2019-2020

This action plan puts forward the main activities that Capital Réseau SADC and CAE must carry out in order to fulfil its mandate.

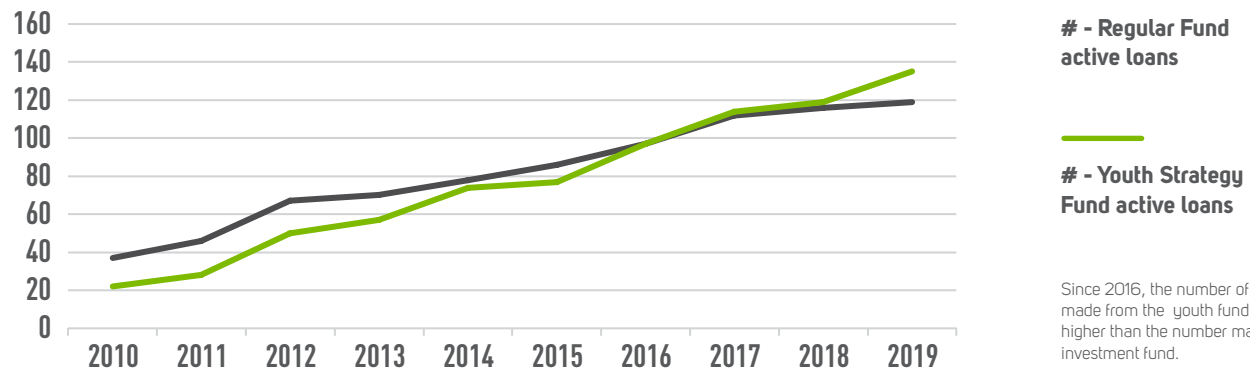
- Continue serving members and improving investment and borrowing conditions
  - Explore new capitalization methods
  - Set new interest rebate terms for the Youth Strategy
  - Continue monitoring the Fund for Succession and Business Start-Ups and the Business Support Fund

- Develop special funds and financial partnerships
  - Set up an endowment fund to finance special projects
  - Ensure satisfactory renewal of agreements

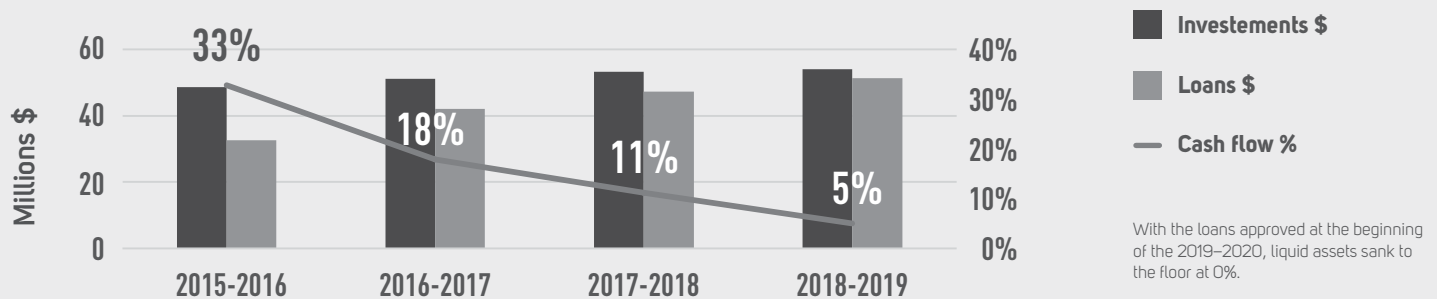


# FUND ASSETS

## EVOLUTION OF THE NUMBER OF LOANS



## EVOLUTION OF LIQUID ASSETS



FUND ASSETS / MARCH 31, 2019	MEMBERS ACCOUNT		NON-MEMBERS ACCOUNTS		TOTAL ASSETS	
	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019
Cash	3,319,054	2,992,622	566,596	919,015	3,885,650	3,911,637
Redeemable saving	0	89,547	2,056,255	6,249,769	2,056,255	6,339,316
Term savings	3,973,042	4,000,000	6,483,398	0	10,456,439	4,000,000
Interest receivable	112,329	66,029	4,627	0	116,956	66,029
Loans to members	47,293,193	51,444,856	3,771,225	190,766	51,064,418	51,635,622
Other amounts receivable	275,434	54,112	2,793,373	5,867,577	3,068,808	5,921,690
Other amounts to be repaid	(1,688,613)	(4,506,000)	(2,688,047)	(1,916,741)	(4,376,661)	(6,422,741)
Provision Pertes sur placements	0	0	(1,752,529)	0	(1,752,529)	0
<b>VALUE OF ACCOUNTS</b>	<b>53,284,439</b>	<b>54,141,166</b>	<b>11,234,898</b>	<b>11,310,386</b>	<b>64,519,337</b>	<b>65,451,552</b>
Dollar change		\$856,727		\$75,488		932,215
Percentage change		1.61%		0.67%		1.44%

ASSETS OF **\$71,854,078**

A RETURN OF **2.90%**

**sadc-cae.ca**

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Canada Economic Development for Québec Regions  
offers a financial support to the SADC and the CAE



Développement  
économique Canada  
pour les régions du Québec

Canada Economic  
Development  
for Quebec Regions