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MESSAGE FROM THE MINISTER OF INNOVATION, SCIENCE AND ECONOMIC DEVELOPMENT



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



Réseau des

SADC +CAE

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

I am pleased to point out the excellence of the work of the Community Futures Development Corporations (CFDCs), the Community Business Development Corporations (CBDCs), the Réseau des SADC-CAE and the Capital Réseau, which is reflected in the Réseau's annual report and is evidence of their deep commitment in their environment.

I am even more thrilled to be able to rely on partners like the 57 CFDCs and the 10 CBDCs that, anchored in their settings, diligently support the development of them and help ensure their prosperity. Their actions aim for a single objective: to strengthen communities' ability to reach their full potential in a sustainable way.

I would like to take this opportunity to highlight the invaluable contribution of the 400 professionals and 1,350 volunteers who give strength to the Réseau. They are its heart and soul. Their unwavering

dedication, their experience and their knowledge of their region's dynamics make them crucial players on the economic development and job creation stage.

Thank you for putting so much passion into the economic development of Quebec's regions and supporting the entrepreneurs in your areas. The companies in your regions are the driver behind our economic growth. They make our communities into prosperous, thriving places where families want to settle and become involved.



MESSAGE FROM THE PRESIDENT AND THE EXECUTIVE DIRECTOR

Daniel Dumas
President



The 2015–2016 year was very intense for the Réseau des SADC et CAE, not only because of the many activities we were involved in, but also because of Quebec’s socioeconomic situation.

The year began with the sixth Community Futures Network of Canada National Event, held by the Réseau and the SADC de Charlevoix in June. The event, which took place at the Manoir Richelieu in La Malbaie, was attended by 767 people from all over the country—members of CFDCs and CBDCs, partners and government representatives. Fruitful discussions, prestigious speakers, field visits and surprise activities contributed to the great success of the event. The Réseau also took the opportunity to celebrate its 20th anniversary and its 20-year partnership with Canada Economic Development.

During the year, many projects were implemented and several partnerships emerged, but the focus of our activities was placed on communications. Because of the profound changes undergone by Quebec’s economic development structures, the Réseau and its members felt we needed to increase awareness of our services to better meet the demands of entrepreneurs and organizations with development projects for their communities.

The 2015–2016 year also marked the end of our contracts with the Government of Canada. Discussions about their renewal with Canada Economic Development had positive results, with the signing of three-year transitional agreements to modernize the Community Futures Program (CFP) with plans for a future five-year renewal. Also included were additional credits to help us provide more support to small businesses in our communities.

In fact, the groundwork was laid to begin, in 2016–2017, a thorough examination of the issues our communities face and the best ways to contribute to the quality of life of our fellow citizens. This analysis, which will be conducted in collaboration with Canada Economic Development, will also be applicable at the national level, at the table where our country’s various CFDC associations meet.

And now, having moved into new offices, the Réseau team is ready to resume its mission of providing members and administrators all the support they need to meet the many challenges that arise.

In this annual report, you will find details about our activities as well as a review of the results achieved in the last five years.

▶ **HAPPY READING!**

MESSAGE FROM THE TREASURER

The Réseau des SADC et CAE's financial situation is characterized by stable revenues, which hasn't changed in recent years.

Raymond Cimon
Treasurer



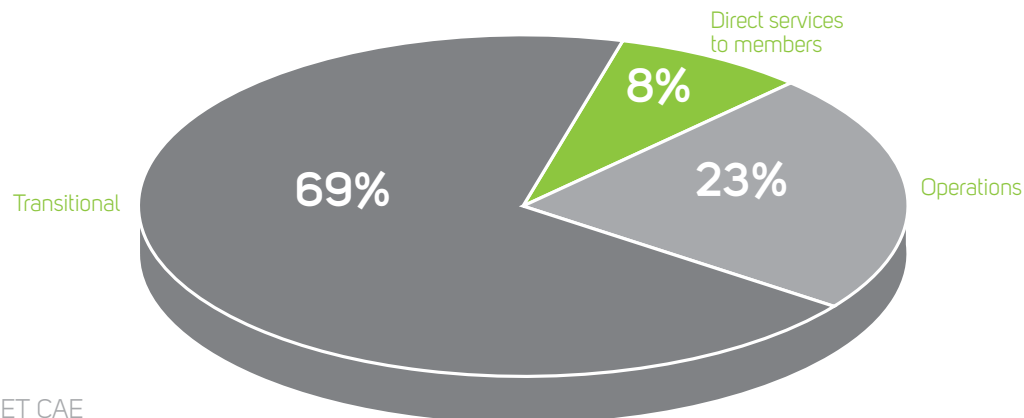
Despite having similar budgets for seven years and through rationalization of expenditure, the Réseau maintained all of its services to members and continued financing new projects.

Over the past five years, the Réseau gave back 77% of its revenues to its members through miscellaneous services (satisfaction surveys, national advertising, tools, etc.) or case-by-case envelopes for local development, communications and internship job initiatives.

The finances for organizing the National Event were also managed rigorously. Instead of the \$500,000 that was budgeted, the event cost \$464,000.

Finally, the agreements signed for the next three years will allow the Réseau's team to maintain and improve its services to members.

Allocation of expenditure over the last five years



ONCE AGAIN, WE ARE MAKING A DIFFERENCE

For five years, Canada Economic Development (CED) has been commissioning a study from Statistics Canada to assess the impact of the Community Futures Program (CFP) on the performance of Canadian businesses. A comparative analysis is made between the businesses that received support from a CF/CBDC and those that did not. The results are based on concrete performance indicators such as employment, survival rate after five years and business growth.

Again this year, the results show without a doubt the importance of our organizations for businesses in the regions. One of the most convincing aspects is the business survival rate after five years. Businesses supported by a CF/CBDC have a 25% higher survival rate than those who are not.

We could also mention annual employment growth in these businesses: last year, the number of jobs grew by nearly 4% in companies that received support from a CF/CBDC, compared to less than 1% for those that did not.

Business growth is another great indicator. The sales volume of businesses supported by CF/CBDCs increased by almost 6% in 2015, compared to 3.7% for those that were not.

**BUSINESSES SUPPORTED
BY A CF/CBDC HAVE A 25%
HIGHER SURVIVAL RATE
THAN THOSE
WHO ARE NOT.**

One more fact worth noting is that the impact is even greater in small businesses. For example, the payroll expense increase of companies with fewer than 20 employees supported by CF/CBDCs is 9.7% annually—more than double that of other companies of the same size (4%).

These excellent results are clear proof of the CFP's positive effect and of how relevant we are!

YOUNG SINCE 1997

The Youth Strategy has matured, and its results are at an all-time high. Since 1997, 29,342 jobs were created and maintained, 7,170 projects were funded (44% of which were business start-ups), 8,662 young entrepreneurs were funded, and \$107 million in loans was handed out, with an average loan of \$12,385. Over the past five years, the average loan value has risen considerably from \$11,316 to \$15,059. The impact of the new conditions quickly became evident.

We should also mention that every dollar capitalized by CED was loaned 5.7 times.

Who are these young people who received support?

▼ **54% ARE AGED 30 TO 35**

▼ **61% OF THEIR
BUSINESSES ARE IN A
SERVICE INDUSTRY**

In 1997, this initiative was created to meet two objectives: promote the acquisition, starting up, expansion or modernization of a business by young people, and promote youth employability and their social, cultural and economic involvement in their community.

The purpose of the Youth Strategy is to halt the exodus of youth to large economic centres. That mission can be considered accomplished, since 94% of young people helped since 2000 say that their business encourages them to stay in their region.

Long-term results also reflect the success of the Youth Strategy. In total, 4,677 entrepreneurs finished paying back their loan, and 72% of them are still in business.

But the Youth Strategy isn't just about figures and granted loans. Much effort is also invested in raising entrepreneurship awareness, which is a must to ensure a strong next generation. Advisors meet with thousands of young people and stakeholders each year to stimulate their potential and entrepreneurial spirit.

YOUNG PEOPLE ARE EVER MORE CONNECTED

To our (and young people's!) delight, the partnership between the Réseau and Industry Canada to offer youth internships was renewed this year. People aged 15 to 30 had the opportunity to work on internships to acquire experience and hone their skills in the field of information and communications technologies (ICT). These internships helped them become more productive and competitive in the knowledge and digital economy, and better understand the local job market and its priorities.

The figures

- ▼ 130 INTERNSHIPS CARRIED OUT
- ▼ 835 ORGANIZATIONS, including 185 NFPOs and 650 businesses

Note also that 90 internships related to business assistance in the field of ICT were conducted across all programs (special initiatives—Student Employment, and Industry Canada's Youth Internship Program).



Student employment at the SADC des Laurentides :

Picture 1 : Mark Murray, video director

Picture 2 : Léon Dupuis, e-commerce project manager

CFDCS AND CBDCS CARRY OUT A RECORD NUMBER OF INITIATIVES

CED partners with the Réseau and its members to encourage special initiatives under three aspects: Student Employment, Shared-cost Communications and Local Development.

This last year was an excellent one for local development projects: the \$1.4 million that was invested led to the completion of 443 initiatives in the regions, which is 49 more initiatives credited to CFDCs and CBDCs than the previous year.

These initiatives, in turn, generate undeniable economic benefits in their communities. For example, the Balades estivales project carried out by the SADC Arthabaska-Érable resulted in a better organization of the region's tourism offering. This promising project consists in 14 tourism businesses that have come together and created three routes with specific packages combining the visit of an attraction with a stay in a hotel or bed and breakfast.

Overview of the last five years

Student employment

- ▼ 307 jobs created
- ▼ \$1.9 million invested

Shared-cost communications

- ▼ 4,908 tools or activities implemented
- ▼ \$1.7 million invested

Local development

- ▼ 2,051 initiatives carried out
- ▼ \$6.9 million invested

Total investments for special initiatives:

\$10.5 MILLION OVER FIVE YEARS

STUDIES THAT PAY OFF!

Year after year, our members conduct studies and research for their region's development. Since 2006, 238 studies, diagnoses and analyses have been completed. These are crucial strategic components.

One proof of this can be seen in the survey of forest biomass on Abitibi-Témiscamingue territory, which was undertaken by the SADC d'Abitibi-Ouest and brought significant economic benefits to the region in addition to creating jobs. An inventory of forest biomass was conducted, and a directory listing the various stakeholders specializing in biomass (from harvesting to processing) was created. Given the importance of this resource for the area, a regional committee was formed to support the various emerging projects.

In the same region, the hydrogeological assessment of pre-operational peatland complexes, which was initiated by the SADC Barraute-Senneterre-Quévillon, also achieved excellent benefits. A peat bog was restarted, enabling the creation of about 40 jobs and an investment of over \$500,000.

In short, these studies help identify local economic development opportunities, and these results stand as proof!

DISCOVERING OUR POTENTIAL FOR SUSTAINABLE TOURISM

This was the theme of the SADC Vallée de la Batiscan's second discussion group to explore possibilities for sustainable tourism on its territory.

This initiative allowed elected municipal officials, entrepreneurs and tourism development partners in the Les Chenaux and Mékinac regional county municipalities (RCMs) to mobilize and lay down the main principles of their emerging collaboration.

The meeting proved that better synergy between tourism stakeholders was possible and that sustainable tourism had many benefits for both businesses and communities.

It was a fine networking event during which the CFDC was able to make itself known and position itself as a key player in an industry as rich with opportunities for economic development as sustainable tourism.

THREE CFDCS ARE BETTER THAN ONE

Regarding initiatives for the next generation, a fruitful collaboration between three CFDCs (SADC de D'Autray-Joliette, SADC Achigan-Montcalm and SADC Matawinie) and several local partners led to the creation of Lanaudière Économique, a not-for-profit organization whose mission is to meet the common challenges of local economic development, more specifically those related to succession and business transfers.

Business transfers are a major stake in the survival of Quebec businesses: 70% of SMEs fail to survive their founder's departure without external assistance. In this perspective, Lanaudière Économique has set up a business transfer service to inform and educate business leaders on the importance of planning this transfer, equip the next generation properly through training and support them throughout the transfer process with consulting services.

This initiative also stems from a desire to maintain local ownership of businesses, which is a key aspect of local economic development.

LUMENUMBRA IN 3D

Picture a family amusement park where visitors are the heroes. How does that sound? It's not always easy to convey a general idea with just words! Fortunately, we have the technology, and CFDCs and CBDCs are there to provide the development funds.

That is how the SADC Maria-Chapdelaine came to assist in the 3D modelling of the future tourist attraction Lumenumbra, with a view to better illustrate the project's feasibility and present it more easily to the Normandin population and to various partners.

The Lumenumbra project, which involves building a fantasy realm where visitors are invited to roleplay, is inspired by the eponymous young adult novel series.

The CFDC is maximizing this unique and promising project's chances of success, thereby potentially improving Normandin's tourism offering and creating jobs in years to come.





THE RÉSEAU AND ENTREPRENEURIAT QUÉBEC COMBINE THEIR TRAINING EVENTS

Two organizations working in the interest of Quebec entrepreneurs holding their training event under the same roof—what a great opportunity to pool our strengths and develop synergy in the field!

And that's what we did at last October's semi-annual. We had a joint conference as well as a "speed dating" event where Réseau and Entrepreneuriat Québec members were grouped by region to get to know each other and make connections. All those groups said they would definitely talk again and continue their joint activities in their respective regions.

In the Haut-Saint-François, Mégantic, Nicolet-Bécancour and Manicouagan communities, the

semi-annual generated new field alliances between the two partners, and their collaborations already directly benefitted entrepreneurs.

It was an excellent networking event, and it definitely achieved its goal of building on our respective strengths and helping us better collaborate for the benefit of entrepreneurs in the regions. We definitely plan on repeating it next year.

THE SALON INDUSTRIEL EVENTS: GUARANTEED VISIBILITY

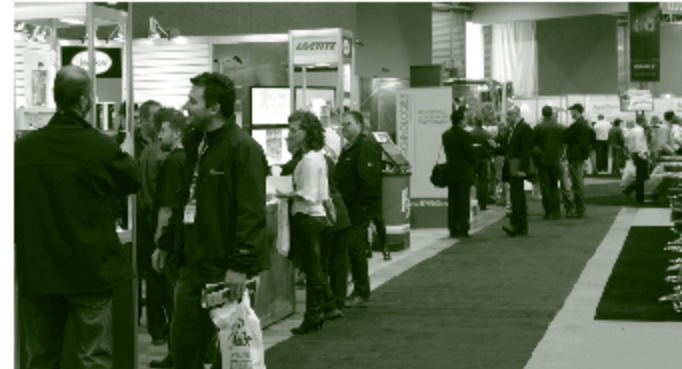
The success of our participation in three Salon industriel events (in Estrie, Drummondville and Rimouski) sealed our partnership with Promotions André Pageau, the promoters of these shows that bring together manufacturing sector stakeholders.

The presence of several CFDC and CBDC clients as visitors and exhibitors justified the Réseau's participation in these events—which the organizers greatly appreciated. The organizers are actually very generous toward us, giving us ever-increasing visibility: choice booth space, advertising in Magazine du Circuit industriel (MCI) and on their website, the opportunity to select and introduce speakers as well as participate and be visible during

press conferences, etc. The great exposure we get from this collaboration puts us at the heart of regional manufacturing activities, which are a source of innovation and job creation.

In short, our green triangle shines brighter than ever! Come see for yourself at the next Salon industriel.

Visit www.promoapageau.com
for a calendar of upcoming shows
in the regions.



BDC + CFDCS + CBDCS = A NEW PROJECT

The Business Development Bank of Canada (BDC) has been a trusted partner for nearly 15 years. This year, our partnership will gain new momentum thanks to a pilot project to facilitate the granting of loans under \$100,000. Around 10 CFDCs and CBDCs will have their procedures for approving loans on behalf of BDC streamlined. This is great news, as it will let us further develop business relationships with BDC regional offices. All the other corporations will continue to benefit from this longstanding partnership.

Total joint loans this year: \$6.9 million

Total loan
amount awarded
in the last
5 years: **\$301 million**
through
2,252
LOANS.

A RENEWED PARTNERSHIP

Our collaboration with the Fédération québécoise des municipalités (FQM) resumed splendidly this year.

Talks between the two organizations earlier this year confirmed the need to collaborate once more, which is justified by the help that the Réseau can provide to local entrepreneurs and organizations in the regions' current economic situation.

This partnership translates into visibility in magazines published by the FQM, including Quorum, which is aimed at municipal officials, and participation in the Table de concertation en développement local et régional, where the Réseau will be able to contribute to the solutions to implement in the regions. This group includes representatives of RCM directors general (ADGMRCQ), CLD general managers, municipal managers and local and regional development professionals.

It's a great opportunity to leverage our expertise in local development and increase our visibility with decision-makers.

ONE FOR ALL, ALL FOR ONE!

The service offering to entrepreneurs is broad and diverse, which can sometimes make it hard to navigate. To facilitate access to the relevant information and efficiently support entrepreneurs in their efforts, a roundtable bringing together 20 organizations was created.

Its name is Espace Inc., and its mission is to contribute to improving the entrepreneurial situation through a coherent offer of tools, products and services for raising awareness, training and supporting current and future entrepreneurs.

**Because together,
we can go ever further!**



At the "Rendez-vous du développement local et régional" organized by the FQM on April 27, 2016.

BACK TO THE TABLE

After the success of the National Event in June, the Réseau resumed its participation in the Community Futures Network of Canada (CFNC)'s board of administrators to carry out the modernization of the Community Futures Program (CFP).

One benefit of this return to the table is that CFDCs and CBDCs from all over Canada now have an advocacy strategy. A document was produced so that the CFNC could enjoy effective representation before the federal government and other partners.

Also, the Réseau des SADC et CAE took on the mission to carry out activities that are essential to the smooth operation of the CFNC. We have taken charge of drafting the annual report and the Flash newsletter in collaboration with the CFNC coordinator.

The table is set, and more fruitful joint projects are sure to follow!

THE HIGH POINT OF THE YEAR

We are of course referring to the new agreements with CED, which are essential to the continuation of our work.

An even higher point is the quality of relations that was maintained throughout the talks with agency representatives.

The new partnership was designed with the shared goal of improving services to communities. It will take the form of a three-year transitional contract to perform an in-depth analysis of the needs of communities so that the necessary changes can be made to the CFP to ensure its proper continuation. During meetings, CED did excellent advocacy work with the new government. These discussions helped introduce and position us properly with Minister Navdeep Singh Bains.

The recently signed agreements bring something new, since CED granted access to the new "Business Support" initiative. This grants us funding to help businesses individually in four focus areas which represent major current issues: sustainable

development and clean technology, business transfer, innovation, and the integration of digital technology in businesses. This will allow CFDCs and CBDCs to position themselves even more precisely with businesses and help them overcome these difficult issues.



60 M\$

MONTANT INVESTI EN MOYENNE
PAR ANNÉE PAR LES SADC ET CAE
DANS LES ENTREPRISES TEL QUE
SCIERIE C. MEILLEUR & FILS

DEPUIS 35 ANS,
aide et financement
pour les entrepreneurs et
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Canada Developpement économique Canada pour les régions du Québec
appuie financièrement les SADC et les CAE

SADC +CAE

RÉGIONS DES
LAURENTIDES ET
LANAUDIÈRE

CFDCS AND CBDCS ARE MAKING THEIR PRESENCE KNOWN!

In order to make our services more widely known, we launched an improved advertising campaign in 2015.

The cascading campaign we orchestrated combines the Réseau's placements with those of CFDCs and CBDCs to achieve an increased annual presence and even greater impact! The ads highlight the positive results of CFDCs and CBDCs such as local development projects (including Circuit motoneige Gaspésie), the excellent survival rate of businesses supported by CFDCs and CBDCs, and the large number of businesses started by young entrepreneurs.

To better reach our target audience despite their changing media habits, we opted for more web ads and oriented placements toward specialized content.

In 2016, the cascading campaign will be repeated with new advertisements highlighting equally impactful new results!

PLAYING A UNIQUE ROLE FOR OUTFITTERS

We've completed the first year of the sustainable development project with the Quebec Outfitters Federation. This pilot project, which is being carried out in partnership with CED, has achieved very encouraging preliminary results.

Midway through the project, we can confidently state that the sustainable development actions of the 18 participating outfitters are better planned out and will be even more so once phase III of the project—the technical analysis phase—is reached. This is the most innovative part, since it brings

together sustainable development experts (green accounting and energy efficiency), outfitters, and CFDCs and CBDCs for the first time. The latter developed a support-oriented approach where environmental and energy efficiency issues take into account economic aspects in collaboration with Marc Journeault, an associate professor at Université Laval's School of Accounting. This balance is a trademark of the contributions made by CFDCs and CBDCs, which is why they have a unique role to play in developing Quebec outfitters.

Also, this project is based on close collaboration between CFDCs and

CBDCs and CED business offices working together to find funding solutions for outfitters.

As business partners of Quebec outfitters, CFDCs and CBDCs are getting good recognition and great visibility that radiates beyond that industry. This project is definitely an excellent platform for CFDCs and CBDCs and will undoubtedly enable them to improve their sustainable development support expertise.

HOW CAN WE GUIDE COMPANIES TO INNOVATION?

This question was one of the priorities that were clearly identified at the Réseau's annual general meeting in June. The Board of Administrators' wish to give centre stage to innovation led to the creation of a working group to explore the world of innovation practices within CFDCs and CBDCs.

A survey of our members resulted in the following conclusion: several CFDCs and CBDCs are already involved in innovation, but they do not work according to a formal strategy. Thus, during an initial two-day meeting on the topic, 42 members representing 28 CFDCs and CBDCs discussed the innovation-related services they offer or wish to offer their clients. A visit of an innovative business and a conference by an innovation specialist were also scheduled. These were very successful days, and they encouraged several CFDCs and CBDCs to make official plans to form a group.

This group now intends to adopt an approach to innovation based on the sustainable development group's winning formula. By starting from a solid foundation, the group will surely be able to put together a toolbox for supporting businesses and leading them to implement innovative practices!

42 members representing 28 CFDCs and CBDCs discussed the innovation-related services they offer or wish to offer their clients.





NATIONAL VISIBILITY

The sixth Community Futures Network of Canada National Event was held from June 3 to 5, 2015, at the Manoir Richelieu in La Malbaie, in the Charlevoix region. Nearly 767 stakeholders involved in community development throughout the country gathered to discuss their everyday work creating jobs, supporting businesses and improving living conditions in their respective regions. This was an event of great importance, since it is a unique opportunity to demonstrate the strength and reach of our organization across Canada.

One highlight of the conference, the entrepreneurs' happy hour, was a venue for 17 Canadian businesses that were financed by CFDCs and CBDCs to showcase their products at a tasting managed by the Manoir

Richelieu's head chef. This nice event was capped off by a speech from Denis Lebel, then Minister of Infrastructure, Communities and Intergovernmental Affairs and Minister of the Economic Development Agency of Canada for the Regions of Quebec.

In addition to inspiring conferences by renowned panelists such as Marc Dutil, CEO of the Canam Group and founder of the École d'entrepreneurship de Beauce, field visits were organized to discover all of the beautiful Charlevoix region's riches and the diversity of its businesses.

Lastly, participants certainly remember the spectacular opening ceremony, during which a choir with children and grown-ups sang the theme song of the 2010

Vancouver Winter Olympics, "I believe." This magic moment was followed by a video showing the impacts of the CF/CBDCs' work in Canada, before the event was officially launched by Marie Lemay, President, CED. The sense of pride was palpable!

767 stakeholders involved in community development throughout the country gathered



THE RÉSEAU 3.0

A breeze of change is blowing at the Réseau in 2016. The employees, archives and furniture (basically everything!) are now good and settled in the new office, which proudly bears the Réseau's new image. The housewarming party was held on April 29. In attendance: many partners, the Standing Committee and the Réseau's board of administrators.

SETTING A COURSE FOR "WARMER" CLIMES

Unfortunately for fans of the tropics, the warmest part of the next congress's location is its name: Baie-des-Chaleurs (roughly, "Warm Bay" in French)! From June 15 to 18, this little eastern Quebec paradise will host the 15th Réseau des SADC et CAE's annual congress, whose theme will be "Dare to Leap!"



BECAUSE IT'S NOT EVERY DAY YOU TURN 20



Indeed it isn't, but it is a sign of great maturity and greater strength. On June 1, 2015, alongside the National Event, the Réseau des SADC et CAE celebrated its own 20th anniversary as well as that of its partnership with CED. With a skillful hosting performance by CED advisor Marouane Abidar and Executive Director of the Réseau Hélène Deslauriers, the evening was an opportunity to remember the two organizations' successes over the past two decades.



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