



Réseau des

SADC +CAE

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

AR

2020

2021

40 YEARS
OF VITAL SUPPORT

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MESSAGE FROM THE MINISTER

The year 2020-2021 was one of a kind, full of challenges and marked by the launch of Canada's COVID-19 Economic Response Plan and the implementation of the Regional Relief and Recovery Fund (RRRF) to support Quebec's businesses and rural communities in the face of pandemic-related issues.

In recent months, I have noted the exceptional work you have done right across Quebec. Thanks to the expertise of your network's 1000 volunteers and professionals and your knowledge of the environment, you are and will continue to be the preferred partners of Canada Economic Development for Quebec Regions (CED) as it fulfills its mandate. For 40 years now, you have supported entrepreneurs in thousands of projects and contributed to our regions' economic vitality and to the creation and maintenance of good jobs within our communities.

CED has been able to count on your collaboration to deliver the RRRF. You were agile in quickly identifying businesses affected by the crisis, recognized needs on the ground in their areas and developed projects. The Government of Canada provided an additional \$28.4 million in funding to assist you in establishing targeted technical support and relief measures.

The results are clear. In a few months, you analysed an impressive number of files. Over 6000 projects received assistance through the RRRF for a total investment of over \$110 million to support businesses and organizations located in Quebec's rural communities. Thank you for taking up the challenge!

For 25 years, CED has been here for you. With the implementation of new relief measures, including support for community infrastructure and an extension of the RRRF, we will be here to work with you towards a strong, sustainable recovery. Together, we will help Quebec's SMEs and communities take advantage of the opportunities that are arising out of the new economic reality that is taking shape.

Long live our partnership!



The Honourable Mélanie Joly,
Minister of Economic Development and Official Languages and Minister responsible for Canada Economic Development for Quebec Regions



Vallier Daigle, President

MESSAGE FROM THE PRESIDENT

Dear members of the Réseau des SADC et CAE and dear partners,

As President of the Réseau for six months, events and activities have followed one another at a frantic pace. The past year has been difficult for all the work teams, the volunteers involved and all of Quebec society, but together we have been able to meet the many challenges.

The crisis we are currently experiencing highlights the importance of the bond of trust that we have been able to establish over the years with our main partner, Canada Economic Development for Quebec Regions (CED). This special relationship has allowed us to be among the first organizations to support the most tried and tested entrepreneurs and communities. Throughout the year, our know-how and our knowledge of the environment have enabled us to deliver with agility and speed the funds granted by CED under the Regional Relief and Recovery Fund (RRRF). Our dynamism and our expertise have enabled us to help entrepreneurs and communities in Quebec meet the large and numerous challenges related to COVID-19. We are already ready to get involved in the economic recovery movement.

Our collaboration with Minister Mélanie Joly, members of her team and federal elected officials as well as our partnership with CED also had a positive impact on our notoriety. Never before has a government recognized and valued the work and impact of the SADCs-CAEs in rural Quebec so much. We deserve this recognition and we will work to maintain it.

In the turmoil generated by the pandemic and a context of distancing, our means of communication have had to rapidly evolve. Teleworking, "Teams" and "Zooms" have become common practices in just a few months. Thank you to the Network team for facilitating the integration of these means into our new ways of doing things. The presence of many partners and members at our videoconference events testifies both to our great capacity for adaptation and our mobilization.

During the year, we also experienced a change in the general management of the Réseau. The departure of Paul Gauthier as general manager has been announced for some time, but it is at the end of June 2021 that he will leave for good. After 27 years of loyal and valuable service within our Network, I would like to warmly thank him and wish him a well-deserved retirement in his native region, the Saguenay.

Since March 2021, Mr. Pascal Harvey has assumed the general management of the Network. I am confident that his knowledge of the organization and his leadership will enable him to meet the challenges of the coming years.

Dear friends, throughout the past year, you have successfully met the challenges imposed on us by this unprecedented health crisis. The solidarity and complicity you have shown have enabled us to obtain remarkable results in terms of involvement, success and notoriety. Professionals and volunteers of the Réseau and of all our organizations, you are kind-hearted people who, through your generosity and your commitment, have made our Réseau truly essential in the socio-economic development of our Quebec communities.

Sincere thank you to all of you, and let us be proud of our successes.



Paul Gauthier,
outgoing General Director

MESSAGE FROM THE OUTGOING GENERAL DIRECTOR

There are so many things I want to say to you in my last message to you as General Director of the Réseau. First of all, I want to highlight all the things we've accomplished, despite the hardships of these trying times. Our communities, our entrepreneurs and our organizations have faced serious challenges, and so have our employees, our directors and our volunteer administrators. The pandemic has affected every industry in our local economies, sparing none. But our teams have worked hard to support new initiatives and entrepreneurs across Quebec who have seized unforeseen opportunities to develop their businesses. Fortunately, this year has moved from uncertain beginnings to looking forward with conviction. For my part, I am finishing my term secure in the knowledge that the Réseau des SADC et CAE is an essential part of Quebec's local economic development ecosystem.

This year, we are celebrating the 40th anniversary of the first SADCs. In those 40 years, we have developed a network with solid foundations. Nowadays, we're getting more attention and recognition than ever from the partners and ministries who want to work with us to help businesses across Quebec get back on their feet for a strong economic recovery. Our network is and will continue to be a partner of choice thanks to its members' expertise, understanding of their communities and close ties to direct community services.

In particular, I want to highlight the importance of the ongoing performance measurements we've implemented with our main partner, CED. These measurements have been a distinctive, growth generating pillar supporting our organizational development throughout the years. While there may be room for updates to modernize it, it remains an essential foundation that must underpin all our efforts to rise to new challenges and opportunities as a network. The performance measurements have deeply shaped our work and will continue to do so, and are why we have been able to develop our digital management tools so much more rapidly.

I also want to mention the publication of Statistics Canada's 10th annual report on the performance of the Community Futures Program (CFP). It indicates, year after year, without exception, that the work of SADCs and CAEs has had positive results for the companies we support.

In the future, as our local economies begin to recover, I believe that the most important issue for our organization will be new blood. Many people, including a number of directors, have left us in the past year for a well deserved retirement after years of dedicated service. These are the people who have grown our network, and I want to honour them for their contributions.

To continue our development, we must make space for the next generation and make this an attractive place to work. I want to welcome everyone who has joined us this year. You will be working for an organization with strong human values, where you can make a difference and help your community develop.

Long live SADCs and CAEs, and long live the Réseau!



Pascal Harvey, new
General Director

MESSAGE FROM THE NEW GENERAL DIRECTOR

For me, the end of the 2020–2021 financial year marks the start of an exciting new professional challenge. When I decided in fall 2020 to put myself forward as a candidate to be Paul Gauthier's successor as General Director of the Réseau des SADC et CAE, I wondered just how many surprises were in store, given that this was happening in the middle of a pandemic. Obviously, the long shot was worth taking, and my bet paid off. The proof of that is this message that I'm writing you now, here in the annual report.

Right from the start, I laid out my priorities for the members of the Human Resources committee and the Board of Administrators: working directly and in total synergy with team members and focusing on the needs of SADCs and CAEs.

Despite the ongoing challenges of remote work and the pandemic's uncertainties, I can tell you that my priorities and my approach are still the same.

From early February on, I saw how effectively my colleagues and Réseau members delivered the RRRF in an ongoing fashion and managed the transition to a year-end with more work and complexity than usual.

Certainly, the fact that I had been affiliated with the SADC Charlevoix for over 20 years helped me get settled in, because I was deeply familiar with the ecosystem and the individuals who make it up. I was able to capitalize on my experience and my personality to build bonds of trust with the internal and external stakeholders with whom we work to make a difference every day.

Since my arrival, I have worked to build a cohesive team and to bring innovative, big picture thinking to the table, especially on the digital parts of our daily tasks, without losing sight of the concerns and experiences of the Réseau's members.

Our group's internal relationships and communication must not be taken for granted. Situations can change fast, and we must be able to be agile and proactive in responding to our communities' needs.

I am slowly but surely establishing a leadership style based on human values and focused on individual well being, and will continue to do so in the coming months.

I will also work to continue our solid and fruitful partnership with the Government of Canada and CED. This strong relationship helps us to rapidly develop useful and effective ways to meet the urgent needs of our communities.



Hélène Deslauriers,
Special Advisor

MESSAGE FROM THE SPECIAL ADVISOR

I am pleased to present you this year with a review whose results speak unequivocally for themselves. We received \$123 million in 11 months from the Government of Canada, thanks to a fantastic joint effort with Canada Economic Development for Quebec Regions (CED) and the support of Minister Joly and her team of professionals. This money was invested and continue to be invested until June 2021, with a great deal of agility and careful rigour, thanks to the hard work of SADC and CAE teams and administrative boards.

There have also been many opportunities to showcase the businesses and projects of SADCs and CAEs during virtual discussions or media events with MPs and ministers. We had been hoping for such a level of awareness for a long time. CED recognizes us as the federal government's gateway for Quebec's economic development in rural communities.

Lastly, Minister Joly spoke with us to learn about our vision for the coming years. The document *The Future of SADCs and CAEs: Building Closer Relationships* has been filed and our words were heeded, since many aspects of our vision have made their way into the federal budget. Various investments and programs are directly related to our work.

Our job is to suggest effective solutions.

COVID-19

THE REGIONAL RELIEF AND RECOVERY FUND (RRRF):

AN EXCEPTIONAL CONTRIBUTION IN AN UNPRECEDENTED YEAR

On April 17, 2020, one month into the public health crisis, the Canadian government announced a number of emergency measures, including a \$962 million Regional Relief and Recovery Fund that would be distributed to Canada's regional development agencies to support SMEs affected by the pandemic.

Of this fund, \$287 million was distributed to SADCs and CAEs and CFDCs and CBDCs across Canada. Quebec received \$71.3 million, of which \$65 million went to Capital Réseau, the funding vehicle for loans to members, and \$6.3 million to the Réseau for technical assistance for businesses. SADCs and CAEs rapidly determined which entrepreneurs were most in need of assistance and unable to access bank assistance measures: self-employed workers, unincorporated or new businesses and those in the most vulnerable sectors that depend on foot traffic such as local services and shops and the tourism, restaurant, culture and events sectors. Between July 1 and August 31, these initial funds were invested in 2,104 businesses and 175 development projects.

It soon became clear that the pandemic would continue. In response to ongoing restrictions and lockdown measures, a new contribution of \$23.3 million was granted in October, and then in January an additional \$19.4 million. Entrepreneurs proved hesitant to go further in debt as the months went on, so \$16.6 million was earmarked for technical assistance and strategic advice.

Overview: 2,682 companies were able to receive 3,424 loans totalling \$95 million. Of those companies, 55% were in the economic sectors most heavily hit by the pandemic: tourism, culture, events, the restaurant industry and local shops and services. Furthermore, 58% were owned or co owned by women entrepreneurs and 33% by young entrepreneurs.

Technical assistance: \$22 million was divided among 3,146 companies, who also had access to specialized expertise, particularly in technical integration (38%) but also in marketing and finance. Once again, the majority of businesses that received this financial assistance came from the vulnerable sectors mentioned above.

IN TOTAL, FROM JUNE 2020 TO JUNE 2021, THERE ARE MORE OF \$ 117 MILLION INVESTED FOR THE REALIZATION OF MORE THAN 6,000 PROJECTS

FARR contributions were also used to start or support collective projects for weathering the economic crisis. There were 355 projects for local economic development funded, including many training companies to help them survive.

Town and village centres were deserted, shops and sites closed and events cancelled, so communities had to scramble to find new ways to stay at least somewhat attractive. The vast majority of the projects started or financially supported by SADCs and CAEs helped to set up buy local campaigns, websites showcasing local businesses, tourism promotion strategies or outreach efforts.

In total, **roughly 6,000 businesses received financial assistance from an SADC or CAE in the past year. This is on top of the hundreds of participants in webinars and training sessions, and also the regular clients who received standard or Youth Strategy loans or were supported in a succession project. Beyond the financial assistance, entrepreneurs particularly appreciated the compassion and caring of the Réseau's professionals.** We received any number of social media testimonials, letters and calls thanking us for our support, and the stories you can read in this report are further evidence.

COVID-19

BUSINESS TECHNICAL ASSISTANCE (BTA)

A NEW PROGRAM IN RECOVERY MODE

In another part of their ongoing efforts to ameliorate the effects of the COVID 19 crisis for rural and semi urban communities, the SADCs and CAEs are offering technical assistance through the BTA program until June 30, 2021.

This effort comes under the umbrella of the Regional Relief and Recovery Fund (RRRF) and aims to be a bridge between the crisis and the economic recovery to follow. The goal is to provide businesses with expert technical support to improve one or more of the processes crucial to smooth operations.

The BTA meets a concrete need that has been expressed by the businesses in our regions that must adapt to the new economy. In February, SADCs and CAEs assessed the technical assistance needs of each of their regions, and found high demand for it. The Réseau presented a business plan to the Economic Development Agency of Canada for the Regions of Quebec in order to nail down how exactly the program would work. Then, the Réseau and its members developed the management tools needed to quickly implement the BTA and deliver reports to CED. The program's rapid turnaround time was possible because of the agility that our teams working in the field have shown since the start of the pandemic, and because of our close collaboration with the federal government.

In total, \$9 million has been dedicated to the program, and more than 500 entrepreneurs across Quebec will be supported by specialists whom the businesses and organizations have worked together to select.

The BTA program has drawn attention because of its practical utility, which strengthens and fleshes out our entrepreneur support line of business. This component of our work has helped us remain a partner of choice for the federal government throughout this period of economic insecurity. You can find examples illustrating the critical importance of our technical assistance work in this annual report's featured articles.

ECONOMIC PERFORMANCE

Our work has had clear impacts on our communities as well as on companies. The projects that we support are helping companies stay stable and grow more competitive and more able to innovate.

This helps to create quality jobs and retain employees and community populations, and thus increases the prosperity of our communities. SADC and CAE assistance has many less tangible effects, as the personal stories in this annual report will attest, but the numbers speak for themselves as well.

We have invested more than 160 million this year in Quebec in more than 11,000 companies or collective projects.

Below are the figures on economic performance.



LOCAL ECONOMIC DEVELOPMENT

For 40 years, we have specialized in executing collaborative development projects with the goal of fostering an environment in which businesses and business projects can thrive. To do so, we leverage the strengths of the community to take on a range of economic challenges, and more so than ever this year, with the new issues that COVID 19 has brought.

For the second year in a row, SADCs and CAEs have collectively reaped the benefits of a special fund for local economic development, the Local Intervention Measure (LIM). Furthermore, to meet companies' urgent needs for technical assistance, the LIM was revised in March 2020. CED and the Réseau agreed to make projects to provide technical assistance to companies eligible for the program.

The local economic development component of the Regional Relief and Recovery Fund (RRRF) was also enormously useful in assisting a variety of collaborative projects, including buy local campaigns, developing platforms to promote businesses, setting up strategies to promote tourism and efforts to keep downtowns vital.

THIS YEAR IN SUM

- **\$ 6.7 million** invested by SADCs and CAEs in more than **2,000 local economic projects.**

WITHIN THE LIM ONLY :

- \$1.8 million invested in 298 collaborative projects for investments totals over \$ 653,118.44

WITHIN THE RRRF ONLY :

- \$4.9 million invested in 355 collective projects

BUSINESS SERVICES

Assistance for businesses is also one of our main services. These businesses are major drivers of our local economies, and we have been very present and focused on their needs in this time of crisis. Many new businesses have also come knocking at our door to avail themselves of our services.

THIS YEAR IN NUMBERS

MORE THAN
11 000 BUSINESS RECEIVED ASSISTANCE

6 571 RECEIVED FUNDING

4 733 RECEIVED FINANCIAL SUPPORT FOR SPECIALIZED TECHNICAL ASSISTANCE, **TOTALLING \$ 12.7 MILLION IN INVESTMENTS BY SADCs AND CAES**

3 940 RECEIVED LOANS, **TOTALLING \$138.2 MILLION**

343,1 M\$ TOTAL COST OF PROJECTS



FOR YOUNG ENTREPRENEURS

Since 1997, the Youth Strategy program has been our most effective tool for assisting young entrepreneurs ages 18 to 39 with their business projects. Young business owners play an important role in our communities and drive the vitality of our regions. We are proud to report that, in its 23 years, the Youth Strategy has provided flexible, tailored funding and personalized coaching to 12,575 young .

In total, the **SADCs** and **CAE** have invested **\$ 165 M** and these investments have made it possible to create and maintain over **44 000** jobs in non urban regions of the province.

Youth Strategy year in numbers :

\$ 10 million invested **584** entrepreneurs supported

1,210 jobs created or maintained

Low loss rate of **4.2%**

\$ 11 generated for every **\$ 1** invested

\$ 92,4 million in total investments

The Youth Strategy was also intended to encourage youth entrepreneurship.

246 awareness activities were held and attended by nearly **7 567 people.**

FEATURED ARTICLES

TECHNICAL ASSISTANCE : AN ESSENTIAL SERVICE FOR BUSINESSES!

SADCs and CAEs are often seen as financiers for small businesses, but in truth they offer three types of services: financial (of course), development and support for collaborative local projects, and technical assistance and support for businesses and organizations in their community.

Support interventions make up a large part of the daily work of Réseau members, and the majority of businesses that use our services do not receive funding. Nonetheless, the technical assistance line of business does not get a great deal of visibility.

This support has intangible results at times, and takes various forms, such as helping with financing packages, reflections on the real needs of a business, searches for partners or successors, or access to highly specialized expertise or to a specific program. Plus, as some of the stories below show, this can include several years of follow ups. When clients talk about our interventions, the word that comes up over and over again is support.

Over the last year, entrepreneurs have been hesitant to take on more debt, but have had an enormous need for specialist referrals and advice. SADCs and CAEs have lent their expertise or contributions to more than 11,000 local businesses and organizations, helping them to connect with experts for help in getting through this financial and public health crisis.

We hope that the stories below will illustrate the extent to which this technical assistance has made, and is still making, a real difference to the lives of businesses.



SADC HAUTE-GASPÉSIE

MARIE 4 POCHEs, BAKERY AND PASTRY SHOP : GROWING WITH THE SADC

Owners :
Marie-Ève St-Laurent and Marie-Andrée St-Pierre

"Marie 4 Poches, bakery and pastry shop, is the work of two young restaurant professionals who have joined their talents and gathered a team of people passionate about baked goods to bring you moments of delicious indulgence at the foot of the Chic Chocs, between the sea and the mountains here in Haute-Gaspésie." That's how this Sainte-Anne-des-Monts business describes itself on its website. Who are these two young professionals? Marie-Andrée St-Pierre, the pastry chef, and Marie-Ève St-Laurent, who handles management, coordination and customer service.

The Marie 4 Poches story begins on a volleyball court. Two mothers were talking together about starting a business. One told the other about assistance she could get, and the other responded, "You see that woman over there? That's Sonia Millette. She's a business advisor with the SADC." They immediately made a connection. Since 2016, that relationship has been going strong. Advice on initial location and marketing, budget estimates, Youth Strategy step up loans, strategic planning, help with growth and relocations,

human resources management—the SADC was there to discuss every decision and project. When the heat in the bakery was untenable, the SADC connected them with a ventilation and heat recovery specialist. A new website let them add online sales and manage orders and inventory. Plus, Marie 4 Poches offers deliveries through Servab, a small business also supported by the SADC, which distributes their products throughout Gaspésie every day. In fact, the bakery has used every method and program available to them.

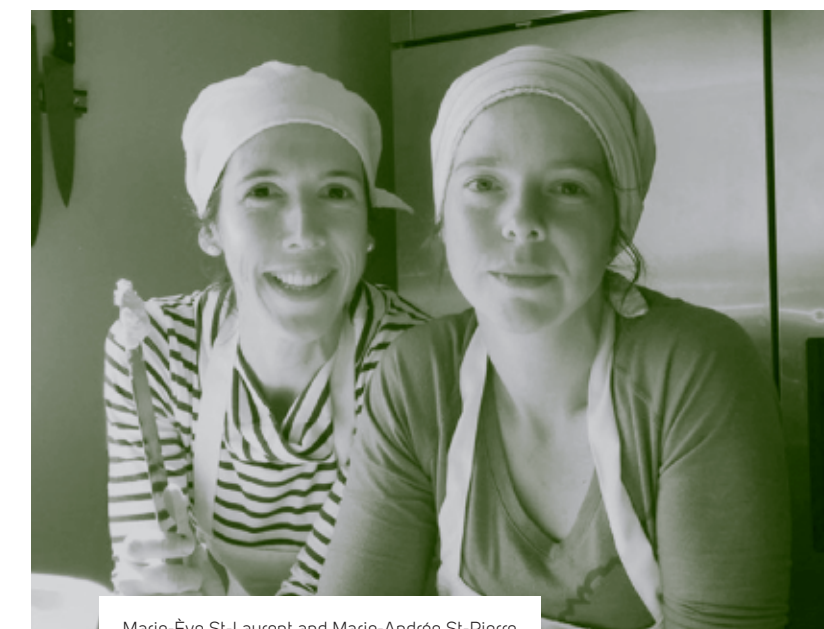
Sonia Millette describes the two young women as model entrepreneurs: creative and determined, with great attention to detail.

"EVERYTHING IS UP TO DATE. THEY FOLLOW ADVICE, IMPLEMENT RECOMMENDATIONS, STICK TO THEIR PLANS WITHOUT LETTING OPPORTUNITIES SLIP PAST AND PLAN FOR THE FUTURE. IT'S A PLEASURE TO WORK WITH THEM."

And the results? From their beginnings on a small rural road, they're now well established in downtown Sainte-Anne des Monts. The business has grown from 2 employees to 20. Their revenue is increasing, and so is demand, so they're discussing an expansion project—all, of course, without compromising on top quality products.

Their story is a great illustration of two aspects of the success of SADCs and CAEs. First, proximity and local knowledge helps them identify entrepreneurs and understand their needs. Second, the direct relationships and human contact between an SADC and its clients means personalized follow up and a swift response to any need for advice, programs or funding.

If you're passing through, make a stop to meet the Maries and taste their products. You might have to stand in line, but it's worth the wait!



Marie-Ève St-Laurent and Marie-Andrée St-Pierre

SADC TÉMISCOUATA

TÉMISCOUATA'S HERITAGE ORCHARD : FORWARD MOMENTUM THROUGH TECHNOLOGY

Owner :
Francine Caron

In 1932, a religious community in Sully, in the Bas-Saint-Laurent region, built a building to house the Maison Notre-Dame-des-Champs agricultural school. The nuns planted 60 apple trees for the new school; some years later, those apple trees were replaced by another 200. In 2012, the Fleuve-et-des-Lacs school board took ownership of the site along with the orchard's 120 remaining trees, now a venerable 80 years old.

Francine Caron, a faculty member at the vocational training centre, had an up close view of the heritage site. She decided to make it into a tourist attraction and, with nearby residents, created the Verger patrimonial du Témiscouata, a social economy enterprise that offers visitors the chance to visit this historic orchard, pick their own apples and buy apple products. But Caron had a larger vision, too. The school has rooms and equipment for food processing. And so, the Petite usine alimentaire project was born: a small food processing plant so that local producers would be able process their fruit, maple syrup and meat without having to go to Saint-Hyacinthe.

In March 2020, the plant project met a roadblock: the pandemic cut back sharply on the number of customers who could access the facilities.

THE SADC TÉMISCOUATA, WHICH HAD STEWARDED THE PROJECT, SUGGESTED TO THE ORCHARD MANAGERS THAT TECHNICAL ASSISTANCE COULD HELP THEM DEVELOP A WEB PLATFORM, SO THEY COULD OFFER VIRTUAL SITE VISITS AND GET AGRICULTURAL PRODUCERS INTERESTED IN USING THEIR EQUIPMENT.

Thanks to this use of technological tools, the plant opened as planned, and contracts have been signed for processing garlic and berries, for example. Plus,



training workshops are offered to anyone who wants to develop products. Online sales are possible too, and there are other projects in the works, such as a mobile market to travel around the area selling fresh local products in rural communities.

In addition to coordinating and funding this project, the SADC Témiscouata was able to use the technical assistance component of the RRRF to act quickly to mitigate the pandemic's impact and help the project survive—which meant not just ensuring the survival of an ancestral heritage garden, but also creating any number of businesses selling agricultural food products.



CAE MONTMAGNY-L'ISLET

VIGNEAULT MONTMAGNY : MAKING A SMOOTH SHIFT TO DIGITAL

Owners :
Fernand and Desneiges Paquette

Vigneault Montmagny, an independent store selling clothing and accessories for the whole family, has a sterling reputation. Fernand and Desneiges Paquette took over ownership of the store in 1987, after managing it for over 20 years. The business has expanded from its original 600 sq. ft. to 4,000 and now 15,600, and its longevity is based on high quality products, top notch service and, above all, its owners' determination and passion for the work. The Paquettes' two sons have also taken on roles in the company, and have been tapped as their parents' successors.

However, with the first wave of COVID 19, the store had to close its doors. Vigneault had never done online sales, but it was now clear that, if the business was to survive, they would have to move online fast. Not only that, but with the successive lockdowns, everything needed to be rethought, from inventory management (previously done manually) to human resources management.

THE CAE MONTMAGNY OFFERED TECHNICAL ASSISTANCE IN TECHNOLOGY INTEGRATION, GIVING VIGNEAULT THE SUPPORT THEY NEEDED TO COPE WITH THE IMPACT OF THE PANDEMIC. AND IT WORKED: THE BUSINESS HAS SEEN AN INCREASE IN SALES DESPITE THE LOSS OF FOOT TRAFFIC AND HAS MAINTAINED MARKET SECTORS, REDUCED EXPENSES AND LEARNED TO USE THEIR HUMAN RESOURCES MORE EFFECTIVELY.

Many companies had never used management or communication technology before the pandemic, but the public health and financial crisis has had a few silver linings. In this time of fierce competition and labour shortages, businesses large and small have realized the importance of technological tools and the key role of specialist expertise in choosing the best solutions for their company's needs.



SADC HAUT ST-MAURICE

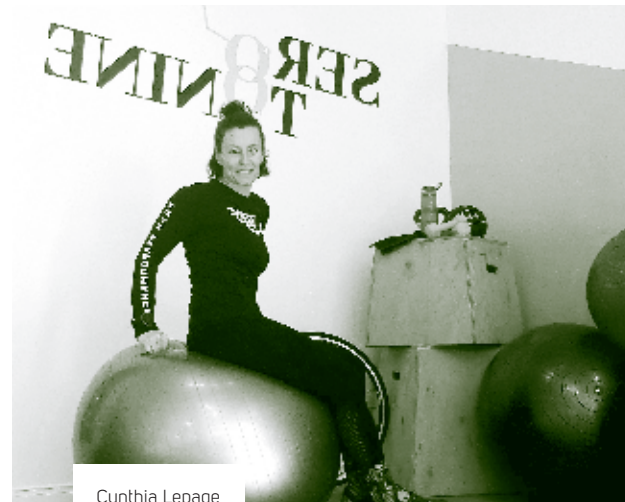
STUDIO SÉROTONINE : LEVERAGING MARKETING TO STAY FINANCIALLY FIT

Owner :
Cynthia Lepage

For many businesses, improving their web and social media presences became a necessity during the pandemic, especially for non-essential businesses, and even more so for businesses offering in person classes to members, which were forced to close their doors.

In many cases, this shift to digital has proven a boon for both companies and customers. That's certainly the case for Studio Sérotonine in La Tuque, owned by Cynthia Lepage. In addition to a gym and clothing boutique, Sérotonine houses a beauty salon and hairdresser, all businesses that have been hit hard by the pandemic. **Thanks to a contribution from SADC Haut St-Maurice, Sérotonine was able to bring in a consultant who provided solid marketing advice and completely redesigned the website so users could stream online group training sessions and record classes to watch later. With so many people stuck at home during lockdown, activities like these have helped many customers keep their spirits up.**

Lepage said she was very happy to have been able to keep in contact, retain her customers and help people stay active. The new website boosted her sportswear sales, and she even sold out of her first inventory. According to Lepage, the SADC's support has been critical in helping her stay open and get through this difficult time.



Cynthia Lepage



CAE RIVE-NORD

LE SAINT-SAU GASTROPUB AND SHAWBRIDGE MICROBREWERY AND CHARCUTERIE. SAINT-SAUVEUR AND PRÉVOST : TECHNICAL SUPPORT THAT MADE A DIFFERENCE

Owner :
Hugues Néron

Founded in 2013, Saint-Sau gastropub enjoys a fine reputation for its excellent homemade gourmet cuisine, musical performances and service. Located in the heart of the village of Saint-Sauveur, the establishment has become a fixture of the Laurentians over the years. The Saint-Sau has grown from 70 seats when it was founded to 100 seats when it first expanded in 2015 and 150 seats in 2019. And its sales grew 600% over the same period.

A big fan of the microbrewed beers sold at the pub, founder Hugues Néron had always dreamed of opening his own brewery. He founded Shawbridge microbrewery and charcuterie in Prévost in 2018. It features a restaurant, a charcuterie plant, a microbrewery and a small boutique that sells local and homemade products. Néron received support from SADC Laurentides when he opened Saint Sau in 2014, and CAE Rive-Nord helped him finance his inventory for Shawbridge in 2019.

Then, on March 16, 2020, the pandemic shuttered restaurants. Néron quickly pivoted and began testing frozen pizzas. He delivered his first products on April 8. One year later, half a million Shawbridge artisanal wood-fired frozen pizzas have been delivered to grocery stores in the Laurentians and Montréal regions.

In July 2020, he opened the P'tit Magasin Saint-Sau, a pastry/gelato production unit in Saint-Sauveur, and a frozen pizza production unit in Prévost. In November 2020, he launched the brand Les Passions du Bon Vivant and the first 500 ml gelato containers appeared on grocery store shelves.

When the COVID crisis hit, SADC Rive-Nord and SADC Laurentides provided technical assistance to redesign Néron's business websites, launch an online reservation system and develop a smartphone application to sell his companies' products in the P'tit Magasin.

According to the owner :

"THESE PROJECTS HAVE HELPED ATTRACT NEW CUSTOMERS TO THE P'TIT MAGASIN, AND THE SKU STORE APPLICATION DEVELOPED BY GROUPE CIS IN SAINT-JÉRÔME WILL HELP US GENERATE MORE SALES THROUGHOUT THE PROVINCE WHILE REDUCING THE LOAD ON SALES REPRESENTATIVES ON THE ROAD. THANKS TO ALL THESE TOOLS AND AN AGGRESSIVE DEVELOPMENT PLAN, WE HAVE GONE FROM 150 TO MORE THAN 400 STORES SERVED ACROSS QUEBEC BETWEEN APRIL 2020 AND MAY 2021."

Technology integration has been at the heart of the technical assistance component of the Regional Relief and Recovery Fund (RRRF) administered by Canada Economic Development, which the Réseau des SADC et CAE benefits from. Technical assistance offered rapidly by consultants—often at a nominal fee—has been key to the maintenance and recovery of many local and retail businesses.



CAE HAUTE-MONTÉRÉGIE

SPA CHAMPÊTRE LA BELLE BLANCHE : A HEARTFELT THANK YOU

Owners :
Annie Duquette and Claude Chouinard

Some stories you just can't make up—just ask business owners Annie Duquette and Claude Chouinard, two young new entrepreneurs who weathered the storm of the pandemic with the help of CAE Haute-Montérégie.

Money and know-how aren't the only keys to success. Compassion, kindness and listening are often just as useful, and sometimes even more so.

Congratulations to these two young people and to the CAE Haute-Montérégie team.



Spa Champêtre La Belle Blanche inc.

We would like to thank the Centre d'aide aux entreprises de La Haute-Montérégie for their invaluable assistance during this pandemic, which has upended many businesses in Quebec. We had no idea the CAE existed before the pandemic, and we can sincerely say that without you and your help we would not have been able to bounce back and reinvent ourselves to keep our business financially healthy.

Thanks to your support, we have been able to find other help and receive much needed technical support in untangling the complex web of reports, forms and contracts required to apply for assistance. You have helped keep us sane. Receiving this support when our young business has been closed for almost nine months out of a whole year has helped us keep our head above water and find the professional help we needed. And, thanks to you, those professionals cost us nothing. We are extremely grateful to you.

The folks from the CAE who handled our case, Ms. Lamarre and Mr. Diabby, were extremely kind and compassionate. We felt that they were truly sympathetic to our situation, and that they had a sincere desire to help us save our young company, which celebrated its second anniversary in the middle of the second wave.

The entire Spa Champêtre La Belle Blanche team thanks you from the bottom of our hearts!

Thank you so much!

Annie Duquette
Annie Duquette
Claude Chouinard
Claude Chouinard

SADC BARRAUTE- SENNETERRE-QUÉVILLON

TECHNICAL ASSISTANCE FOR SMALL BUSINESSES AND NON-PROFITS

Small actions that go a long way

We often underestimate the impact of the assistance provided to companies or organizations. But when the time comes to look back at what's been achieved, the results are sometimes pleasantly surprising.

This is what happened at SADC Barraute-Senneterre-Quevillon. At the beginning of the pandemic, Marc Hardy, a General Director who is very involved in his community, realized that non-profits and very small businesses in his territory were having trouble accessing the many financial assistance measures put in place by the government. With the agreement of his board of administrators, he set aside a portion of the technical assistance funds allocated in the RRRF for these small organizations. At the time, he estimated that the returns would total about \$1 million.

He hired an accounting and bookkeeping firm to help five non-profits and 38 small businesses. These accounting professionals supported the 43 organizations with their claims from claim period to claim period, as salary, rent and other subsidies were extended.

And the results greatly exceeded expectations. In the case of the five non-profits, for an investment of \$43,000, \$360,000 was recovered. According to Madeleine Tremblay, an accountant specializing in non-profits,

"THESE SMALL ORGANIZATIONS DO NOT HAVE THE RESOURCES TO FILL OUT ALL THESE DOCUMENTS AND NAVIGATE THIS COMPLEX PROCESS. WITHOUT THE SADC'S HELP, THEY WOULD NEVER HAVE HAD ACCESS TO THESE FUNDS".

For the Maison de la famille alone, which is still seeking funding to maintain its services, the return will be approximately \$120,000.

As for the 38 businesses, for an \$82,000 investment, the amount recovered, once all the claims are received, will be \$2.2 million. One entrepreneur could not believe his eyes when he received his first cheque! When you do the math, for every dollar invested by the SADC, \$20 was returned to businesses and organizations in the region. It is these small gestures that made a huge difference during this pandemic.



Senneterre Family House Team

SADC DE LA RÉGION DE MÉGANTIC

PAVILLON DE LA FAUNE : NEW OWNERS GRAPPLE WITH THE PANDEMIC BEFORE THEY EVEN GET STARTED

Owners :
François Côté and Éric Longpré

Pavillon de la Faune, located on the shores of Lac Aylmer in Stratford (Estrie), has been a popular tourist destination since 1994. Founder Jean-Luc Couture exhibited fifty-odd species of taxidermized animals. In late 2019 and early 2020, François Côté, an entrepreneur from the region, and contractor Éric Longpré purchased the business with big dreams in mind: exhibits with visual effects, holograms and more. Outside, they planned to build boutiques and—why not?—restart lake cruises. The planned renovations would total \$3–4 million.

In March 2020, the pandemic struck, and the site was closed amid the lockdown. The business owners turned to SADC de la région de Mégantic for help in the hopes of applying for an RRRF loan. The new clients spoke with SADC professionals, who helped them quickly identify areas for improvement in their customer communications. The old, outdated website needed to be redone to boost the attraction's profile, manage attendance and comply with health measures. In addition, the SADC offered them the opportunity to join a web marketing and social media training cohort for the tourism sector, led by Frédéric Gonzalo. The owners found both suggestions very useful. Soon, it became clear that they needed to overhaul their business plan and set priorities. Once again, the SADC drew on its technical assistance budget to help the business get expert advice and prepare to reopen the site to visitors once more.

While financing is often what initially brings people into an SADC or CAE, as this story shows, the real business relationships and tangible impacts usually come from personalized coaching and technical advice provided by experts, tailored to each business regardless of its size, industry or specific needs.



François Côté and Éric Longpré

40 YEARS OF SERVING COMMUNITIES

PIVOTAL MOMENTS IN OUR HISTORY

With the worldwide economic slowdown that came at the end of the 1960s, unemployment rose throughout Quebec. In response, the federal government decided to support community development strategies by funding programs aimed mainly at improving the labour force in struggling regions.

1981–1983

The Local Economic Development Assistance (LEDA) program is launched in Quebec, with a first office in Haute-Gatineau in February 1981, followed by Îles-de-la-Madeleine in March.

1984–1985

30 Local Employment Assistance and Development (LEAD) corporations, dedicated to supporting small businesses, permanently replace LEDA.

Soon, however, participants realize that business development is not possible in a social and cultural vacuum. A holistic view of development and a strategic plan are needed. This dimension will be addressed by CADCs.

1995

The Community Futures Program (CFP) and Community Futures Committees (CADCs) are created. LEAD corporations are included in the new CFP alongside CADCs under the name Business Development Centre (CAE).

Each evolves to meet a specific need: CADCs to address local development and CAEs to provide employment development and business services.

As there is a long-standing relationship between the two organizations, a marriage becomes inevitable. In 1995, the two merge to form Community Futures Development Corporations (SADCs). It is a true joining of forces.

This year, we had the pleasure of celebrating the 40th anniversary of the first two SADCs in Quebec, SADC Vallée-de-la-Gatineau and SADC Îles-de-la-Madeleine. As they say, “you have to know the past to understand the present,” so we are taking this opportunity to look back at the pivotal moments in our history, when the community took back its power and independent local decision making became the norm.

(Only 10 CAEs with no SADC in their territory maintain the name CAE today.)

Thus is born the Réseau des SADC et CAE, which today encompasses 57 SADCs and 10 CAEs.

1997

We develop our Youth Strategy with the goal of encouraging young people to stay in or return to their hometowns in non urban regions. The strategy remains a cornerstone of the Réseau's service offering.

1999

Our organizations create a financial vehicle to pool liquid assets to allow continual access to capital and better meet the needs of their communities.

2019

Local development and the Youth Strategy are indispensable and well established programs. All SADCs and CAEs in Quebec can offer these services, which used to be exclusive to SADCs. In addition, three new declining territories in Quebec are covered by an SADC or a CAE.

2020–2021

SADCs and CAEs receive \$123 million in additional funding via the Regional Relief and Recovery Fund (RRRF) in order to support communities and entrepreneurs impacted by COVID-19, giving new momentum to our organizations to support our regional economies.

NEWS

THE SUSTAINABLE RECOVERY COHORT PROGRAM GETS OFF TO A GREAT START!

SADCs and CAEs are very involved in sustainable development initiatives, as sustainable development is one of our main fields of expertise, and this year was no exception. To help more SMEs and organizations adopt eco-friendly business practices, in February the Réseau launched the Sustainable Recovery Cohort project with financial support from the Fonds Écoleader.

This innovative, province-wide program is already generating interest from regional businesses. In a little over a month, 14 businesses were recruited for the program by SADCs and CAEs. These businesses now enjoy expert coaching to help them develop a diagnosis and action plan for sustainable recovery that includes eco-friendly business practices. Other private partners, such as the Alcoa Foundation and the GoodSpark Fund, also provide financial support for certain projects. New regional businesses will be accepted to the program until August 2022 or until funds are exhausted..

For over ten years now, SADCs and CAEs have been helping companies leverage sustainable development approaches to become more competitive. We have a solidly established network, and our advisors have an unrivalled knowledge of sustainable recovery and green accounting, as well as an unparalleled sensitivity to the new realities of the COVID-19 landscape.

We have supported over a hundred companies to date. The numbers speak for themselves: the businesses we help significantly reduce their environmental footprint and, at the same time, improve their bottom line.

INNO-CENTRE, A STRATEGIC ALLY

Innovation is at the core of our business support strategies. Given the urgent need for entrepreneurs to innovate and reinvent themselves in these times of crisis, we have consolidated our partnership with the largest business development consulting firm in Quebec, Inno-Centre.

Under the Regional Relief and Recovery Fund (RRRF), SADCs and CAEs worked in tandem with Inno-Centre to give 80 businesses access to the services of the centre's multidisciplinary experts. These experts helped the businesses advance their innovation strategies to enhance their productivity, competitive edge and performance in different areas of their businesses. Over half of the projects completed were technical in nature and 43% of companies were run by women.

The partnership continues as we move into the recovery phase. Growth generating interventions adapted to our clients are underway.



THE TEAM

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**CAPITAL
RÉSEAU**
SADC+CAE



**OUR FINANCIAL
VEHICLE**

**\$160 MILLION TO MEET
THE NEEDS OF COMMUNITIES.**

MESSAGE FROM THE PRESIDENT



Fiscal year 2020–2021 was a watershed year in Capital Réseau’s history. In March, in the face of a potential liquidity shortage, administrators had no idea that 12 months later, we would begin a collective reflection process spurred by access to significant cash flow through the RRRF program.

Since the beginning, Capital Réseau has been a strategic tool for its members. With the health crisis that tested the strength of all of our communities and the introduction of the RRRF program to assist businesses facing unforeseen challenges, Capital Réseau has proven its worth once again, but more importantly, it has proven to be a unique tool that has allowed the federal government to reach smaller businesses throughout the regions and in rural communities. Capital Réseau has thus contributed to the positioning of all SADCs and CAEs in Quebec.

This outcome is the result of the tireless hard work of the corporation’s administrators, who met 52 times, according to meeting minutes. The Board met once a week to tackle the challenge of reviewing and processing the 3,500 applications received during this period. Thank you to Nathalie Dallaire, Réal Turgeon, Jean-Claude Larocque and Gilles Goulet for your involvement, your undeniable commitment and your professionalism. And thank you to the Réseau team for its resilience and the support of its administrators, who helped us rise to the challenges of the last year.

Though the pandemic dictated our agenda to a certain extent, Capital Réseau maintained its normal operations throughout the year. Not surprisingly, the pandemic relief funds made available to businesses through special government measures had an impact on the loans issued to members from both the regular and Youth Strategy investment funds. As a result, the trend of members’ assets exceeding loans received that we observed over the previous five years was briefly reversed in 2020.

Raymond Cimon, President

MESSAGE FROM THE TREASURER



In the fiscal year ending March 31, 2021, Capital Réseau’s assets rose to \$160 million as a result of the massive injection of capital into the RRRF. Member equity alone accounts for more than one third of these total assets and reached \$63 million, a significant increase of 7% over the previous year.

The interest rate applied to member investments and loans remained at a very attractive level. Member investments outpaced loans issued, resulting in a decrease in investment income and a rate of return of 2.47%. Nevertheless, Capital Réseau continues to offer a significantly better return than the financial market for term deposits.

The graph of loan numbers over time shows the growth that Capital Réseau had to absorb, and this annual report describes the results of the RRRF program. There were also regular activities such as the interest rebate measure on Youth Strategy loans, which remained a very popular program.

30 members, including three SADCs, benefitted from the RRRF in the last year. In addition, 30 regular loans were issued, for a total of \$6,365,000 (10 loans issued from the regular fund for a total of \$3,800,000 and 20 loans from the Youth Strategy fund for a total of \$2,565,000). Lastly, a special measure of the RRRF allowed 11 members to enjoy the same benefits and issue 25 loans to as many companies. Our external auditor, who worked hard to complete its review, came to a positive conclusion. The large sums entrusted to Capital Réseau were used in accordance with the justified expectations of the members and CED, a partner in the RRRF program.

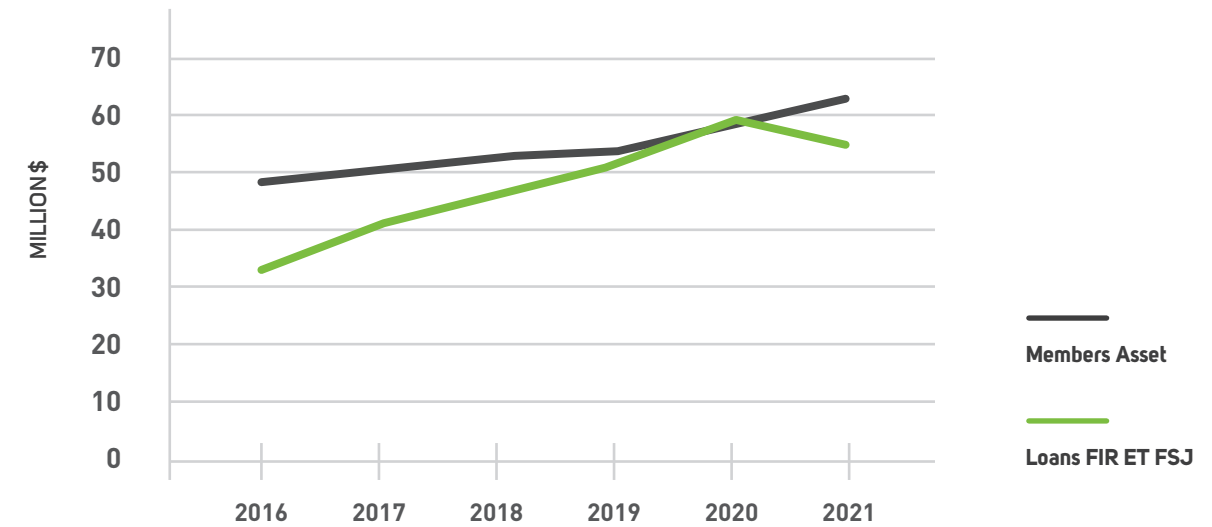
Jean-Claude Larocque, Treasurer

CAPITAL RÉSEAU ACTION PLAN FOR 2021-2022

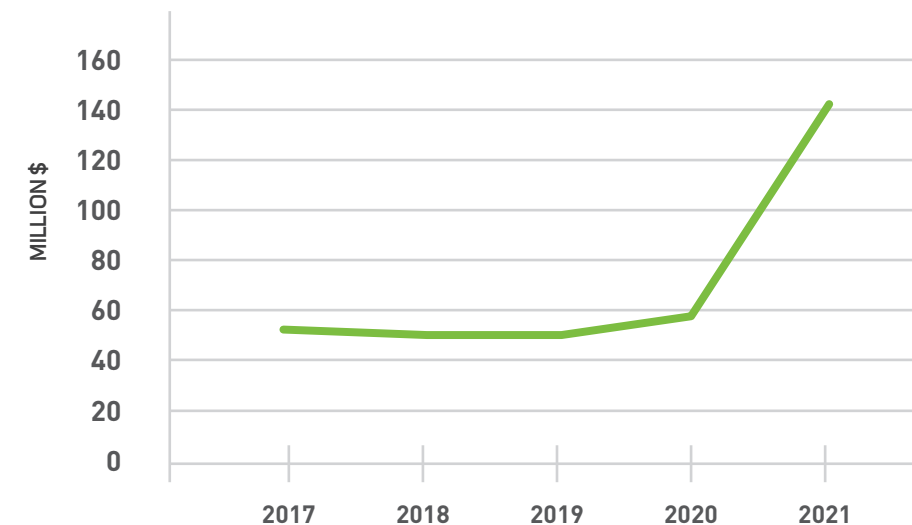
- ▼ Continue delivering and monitoring RRRF components I, II and III
- ▼ Continue developing an RRRF for recovery
- ▼ Continue serving members and improving investment and borrowing conditions
- ▼ Explore new capitalization methods
- ▼ Lead and nourish a collective reflection on the future of Capital Réseau
- ▼ Keep the new interest rebate terms for the Youth Strategy
- ▼ Develop special funds
- ▼ Explore partnerships and develop financial alliances
- ▼ Set up an endowment fund to finance special projects
- ▼ Ensure the proper management of contracts

FUND ASSET

CAPITAL RÉSEAU
MEMBERS ASSET AND LOANS EVOLUTION IN REGULAR INVESTMENT FUNDS 2020-2021



CAPITAL RÉSEAU
LOANS AND INVESTMENTS - EVOLUTION OVER 5 YEARS



**40 YEARS
OF EXPERIENCE**

**67 SADCs AND CAEs
THROUGHOUT QUEBEC**

**OVER
1,000 VOLUNTEERS
AND PROFESSIONALS**

sadc-cae.ca

Canada economic development offer a financial support to the sadc and cae



Développement
économique Canada
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Canada Economic
Development
for Quebec Regions