

SADC

Société
d'aide au développement
des collectivités

VALLÉE-DE-LA-GATINEAU

2018-2019 ANNUAL REPORT

Canada

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

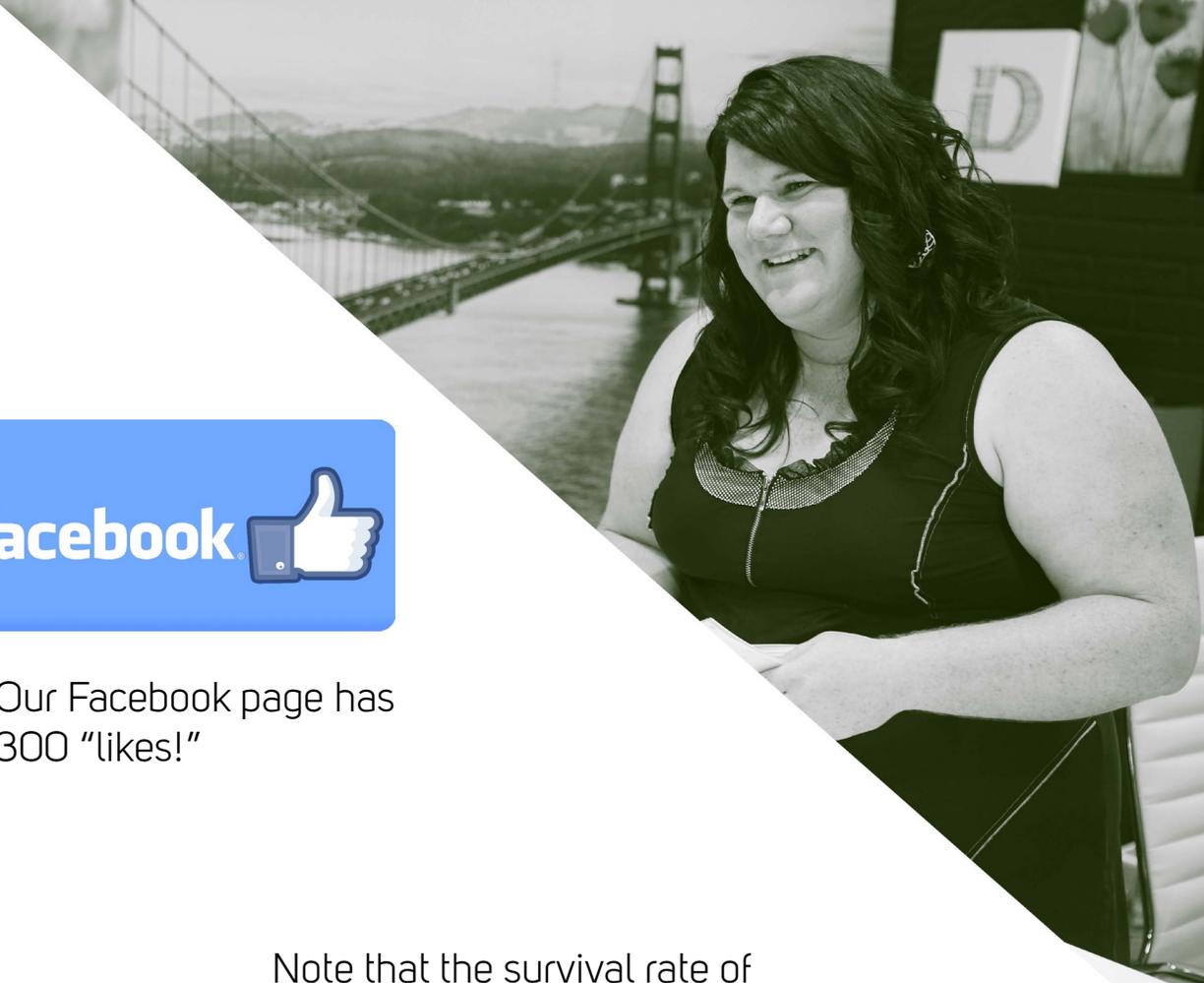


SUMMARY

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Our Facebook page has 300 "likes!"



According to Statistics Canada, businesses dealing with a SADC or a CAE in Quebec have a better survival rate, create more than **twice as many** jobs and raise their wages and sales more quickly.



Note that the survival rate of businesses after 5 years grew by seven percentage points this year to **87%** among our clients, as compared to 53% among the other companies in the control group.

In the past several years, the idea of doing more business within the rural and urban sectors of the Outaouais came to us following our entrepreneurial profile survey, which was repeated by the other two SADCs in the Outaouais. These surveys prompted us to reflect on this issue and pursue avenues to increase the economic development of our rural RCMs.

These surveys yielded several observations as to the portrait of our businesses, and of course, their owners.

For starters, most of the companies are concentrated in five sectors: 1. construction, 2. retailing, 3. accommodation and restauration, 4. service, and 5. agriculture and forestry.

The vast majority of our companies are small (5 and fewer employees), autonomous and independent, and are not part of a franchising network, under a banner and/or an association. They are described as artisans, i.e., they are very knowledgeable and competent in their areas of activity. We have also learned that a significant percentage (33%) of them are planning to retire in the next few years.

Since most of the businesses consist of just 1 or 2 employees, this retirement phenomenon (27%) presents both a succession and a start-up opportunity, because retirement, in many cases, will mean that the company will simply close its doors.

As a result, we are not only confronted by the challenge of keeping and maintaining our business mix regionally but also increasing it. In the next few years, we will be communicating and promoting the potential and business opportunities that exist on our territory for those wishing to take up the challenge.

Pierre Monette,
General Manager



André Galipeau,
President

Word from the President and the General Manager

Word from the President and General Manager (continued)

Based on these descriptions and observations, it appeared clear to us that better integration of our territorial economies through exchanges within the Outaouais will have a bearing on the development of our territories.

The Outaouais is a special region in that there are 3 rural RCMs that are similar socially and economically (Papineau, Pontiac and Gatineau Valley) and an urban centre (with a nearby RCM – des Collines), which has social and economic characteristics totally different than those encountered in a rural setting.

The Outaouais is often described as a paradox with two realities – one rural and the other urban. As we see it, the time has come for us to take on the task of stimulating economic exchanges and demonstrating the potential our respective territories have, which will help close the rural-urban economic gap.

We in the Gatineau Valley SADC will be planning a series of actions and strategies, which include market and/or sectorial studies, a targeted communication plan, the organization and participation in urban events, etc. Our objective is to demystify our RCM and change the image and perceptions that urban dwellers have of our territories. Business potential (start-ups, succession, expansion, growth, etc.) does exist on our territories, and it behooves us to increase the awareness and ultimately the development of these opportunities.

Although we have identified a variety of short-term courses of action, this orientation will have to involve several local and regional actors over the course of several years. The actions aimed at developing economic exchanges within the Outaouais stem from an actual willingness of socioeconomic actors to bring the project to fruition. Our task therefore will be to work with business people and show them all the business and economic potential our territories possess. We want to bring about investment and generate growth, by taking advantage of our strengths, distinctions and differences.

It is certainly in the interest of territories in the Outaouais and their business communities to learn more about one another and intensify their exchanges by taking advantage of their relative proximity. As a rural region, we have a responsibility to establish closer ties with a major urban centre that is strong and economically stable. For far too long, we have thought that the upper echelons of government would find solutions to our needs. To ensure our development, we must take the reins, forge ahead and develop relationships with other communities, particularly the Ottawa-Gatineau CMA.

Word from the President and General Manager (continued)

Chantier relève

Entrepreneurial succession and human resources in companies pose another challenge.

The Chantier relève project is the end result of several years of observations and reflections. Based on the findings of our surveys¹, we came to the realization that succession-related issues are a topic of current import. These challenges are further magnified by a shrinking job market coupled with a growing economy, issues that have complexified the day-to-day management of our entrepreneurs. We must provide them our support by coming up with solutions tailored to their needs.

A few years ago, we dealt specifically with entrepreneurial succession with these promoters. This year, we focused on HR succession in companies. With our socioeconomic partners on our territory, we dedicated two days to this issue with specialists dealing with various HR aspects in companies..

This year, we will continue mobilizing and organizing actions relating to aspects of Chantier relève. For starters, we will continue working with entrepreneurs planning on retiring (vendors) not only to make sound preparations and successfully develop their personal retirement plan but also plan their transfer (with purchasers) to ensure a smooth transfer and the continuation of their company. The success of a transfer is not only limited to the retirement of a vendor but also to the success associated with the handover to the purchasers, who must continue the operations of the company and keep playing an economic role on our territory. We will therefore focus our attention and work on the human aspects of a handover, which are all too often ignored and subsequently undermine the success of the handover. The technical aspects of a handover, be they financial, accounting, legal, and so on, are often the only things addressed during a transfer, both for the vendor and the purchaser.

A company is far more than these technical elements. It is imperative that all human aspects of a business – partners, human resources, suppliers, competitors, etc. – be part of plans to sell a business.

If our aim is to ensure successful handovers and the continuation of our businesses, we must include strategies and actions relating to the human aspects of handovers.



Word from the President and General Manager (continued)

As a first step, we will prepare a guide that explain what the transfer process really involves. Of course, we will cover the technical aspects but we will focus on the human aspects. This guide will open the door to the business owners we will target to help them along in the process and increase their chances of making a successful handover.

Secondly, we will organize meetings either one on one or in small groups and discuss issues pertaining to human resources in companies. These get-togethers will deal with specific issues relating to attraction, recruitment, retention, work-life balance, etc. and will have specific objectives with solutions adapted to the realities of various companies on the territory.

Once again, we will be targeting and directly soliciting promoters to have them attend these workshops/get-togethers.

¹ *Entrepreneurial Profile Survey (November 2015)*

Business Workforce Survey (December 2018) Enquête de main d'œuvre auprès des entreprises (décembre 2018)





CHANTIER RELÈVE – Labour survey of Gatineau Valley businesses

In the fall of 2018, SADC, in collaboration with Emploi Québec, the Gatineau Valley RCM, the Gatineau Valley Carrefour jeunesse emploi, the Caisse populaire de la Haute-Gatineau and the Maniwaki and Gatineau Valley Chamber of Commerce retained BIP Recherche to conduct a labour market study in the Gatineau Valley. Entrepreneurs in the region mentioned some problems they had recruiting and retaining employees, but little data was available on the situation in the region. They also expressed concerns about the succession of their business. The purpose of the survey was to gather specific and up-to-date information on the Gatineau Valley labour market and specifically on problems of attracting, recruiting and retaining workers, and in addition, to supplement the data already collected on the entrepreneurial succession situation.

The participation by entrepreneurs in this survey will enable SADC and its partners to accurately pinpoint the issues and tailor their actions accordingly in the next few years. The *2019 Human Resources Challenge* in February 2019 was the first action taken since the report was submitted.

CHANTIER RELÈVE- 2019 Human Resources Challenge Symposium

The survey conducted by BIP Recherche for the SADC in the fall of 2018 indicated that 3.5 positions will have to be filled in the region's businesses in the coming year. Further to these findings, SADC this year initiated an extensive project known as Chantier relève, which deals with succession of both entrepreneurs and their employees. In February 2019, the first activity relating to this project – the *2019 Human Resources Challenge* – took place. Along with its partners – Services Quebec, the Gatineau Valley RCM, the Caisse populaire de la Haute-Gatineau, the Gatineau Valley Carrefour jeunesse d'emploi and the Maniwaki and Gatineau Valley Chamber of Commerce, SADC organized workshops, conferences and discussions over two full days to touch on all aspects relating to the attraction, recruiting and loyalty of staff, not to mention topics such as work-life balance and the integration of millennials.

Ten experts came in to share their knowledge to prepare companies for the challenges due to labour shortages both now and in the future. There were 368 registered participants for the two days of the symposium, and 58 came from the Gatineau Valley, the Antoine-Labelle RCM, the Pontiac RCM and the urban Outaouais.



Facebook Training

In the past year, SADC, via trainer Robert Lalancette, has offered 3 Facebook training sessions to companies.



On April 24, 2018, 22 persons attended a Facebook training session at Château Logue, which dealt specifically with advertising on that platform.

On November 7, 2018, 12 persons attended an advanced Facebook training session in English at the Kitigan Zibi Cultural Centre in collaboration with Kitigan Zibi.



Finally, on March 19, 2019, seven persons took part in the advanced Facebook training session offered to companies located south of our territory at the RCM offices in Gracefield.



In total, 41 persons took advantage of the Facebook training sessions offered during the year.

Innovation through communications and marketing in the digital era

On April 4 and 5, 2018, SADC invited entrepreneurs for whom the vacationer clientele is very important to working breakfasts in Gracefield and Maniwaki. Eight participants were invited to describe how they adjusted to that clientele, the constraints and challenges they confronted and how they perceive this market going forward. This was in preparation for the activity held the day of April 18, which was dedicated to companies at Auberge du Draveur. It was entitled *Innovation through communications and marketing in the digital era*, and Michel Landry of Ltech Solutions facilitated both workshops.

In the morning, a workshop entitled *Changes in consumer behaviour, new trends, tools to develop a new clientele, and how to adapt to the new clientele* took place. In the afternoon, another workshop – *Finding concrete courses of action for your company* – was held. For lunch, a panel of entrepreneurs with a substantial clientele of vacationers were on hand to discuss what they did to develop this clientele. We express our thanks to Jean-Serge Rochon of the Gracefield Coop and Ms. Murielle Pigeon de la *Mie sous la croûte* for their enjoyable presentations!



ICT Days



On March 25 and 26, 2019, SADC devoted two days to technology in companies. Wink Strategies was retained to hold this activity at Château Logue. On March 25, a working lunch themed *How to increase the productivity of your company with technology* set the table. That afternoon, a workshop – *E-commerce, best practices and trends in 2019* – was held. On the morning of March 26, a workshop on online and mobile phone bank transfers took place. Some 17 entrepreneurs emerged with concrete tools to use in their businesses to boost productivity.

Photo session with entrepreneurs



Pavillon de la Paix, Messines
Portes Excelor, Maniwaki



Zone Concept santé, Maniwaki
Abella, Maniwaki
Bijouterie La Paysanne, Maniwaki



Menuiserie Lafrenière, Maniwaki
Inspiration design Jaicy Morin, Maniwaki

In the spring of 2018, the owners of 10 companies in the region graciously agreed to take part in a photo session SADC organized with a professional photographer. We did this for the first time last year with another group of entrepreneurs in the region and is something we intend to continue doing in the future. We like to give exposure to our companies, which will be able to take these photos and use them to produce various communication tools such as pamphlets, posters, web sites, and so on. They will also be used by other SADCs in Quebec and will circulate throughout the province. Thanks to everyone for their participation!

Roll-up of local
development
activities in
2018-2019

8 activities organized during the year
for companies

150 participants

\$41,612 invested by SADC to better equip
companies on our territory

22

activities organized in the past
3 years for companies

Roll-up of local
development
activities in
the past 3 years

449 participants

\$119,612

invested by SADC to better equip
companies on our territory

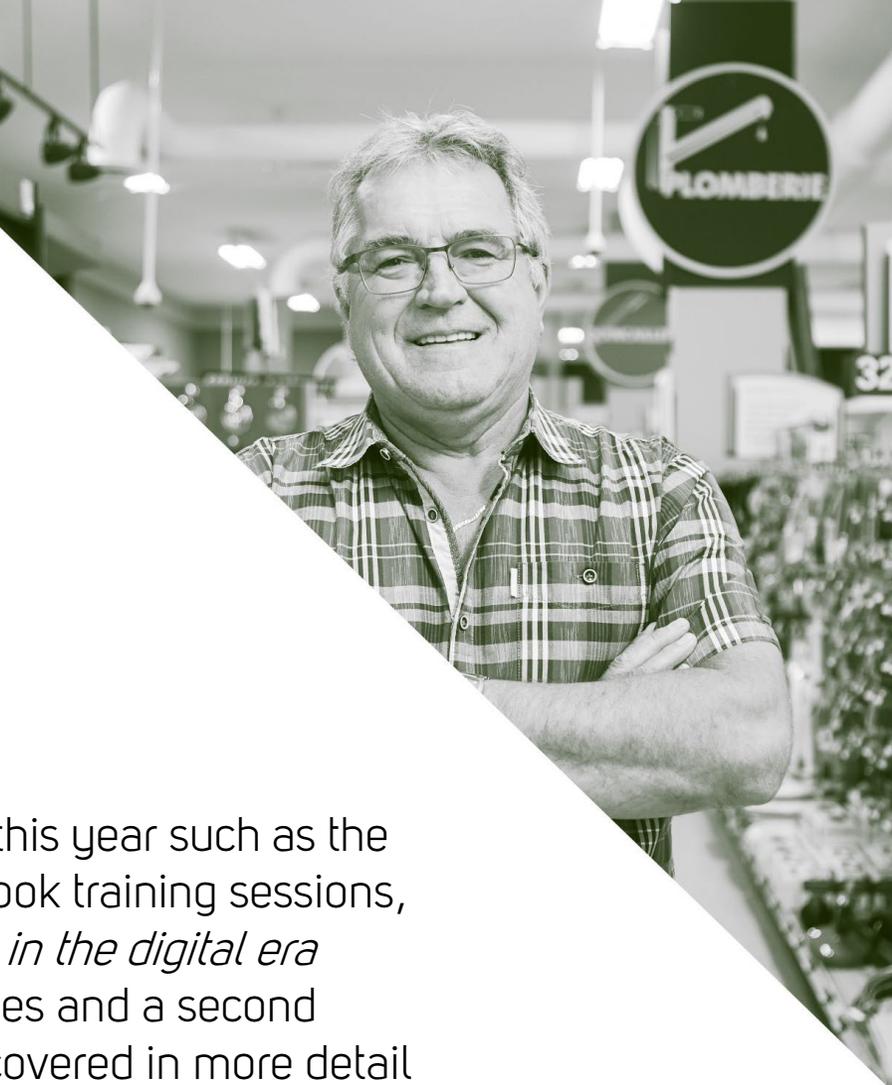


\$210,861

Network Initiatives Envelope

As part of its *Network Initiatives* envelope, SADC can invest in or implement local initiatives that are important to its area. Each year, \$34,000 is allocated. Moreover, SADC frequently teams up with local partners, who add to SADC's contribution. In the past three years, SADC and its partners have invested a total of \$210,861 to hold 21 activities for companies on the territory.

Using this envelope, we contributed to a few initiatives this year such as the *2019 Human Resources Challenge Symposium*, Facebook training sessions, the *Innovation through communications and marketing in the digital era* activity, two days dedicated to technologies in companies and a second photo session with companies. These activities will be covered in more detail in the next few pages.



The SAPE Envelope

(Support for small businesses)

Six economic development sectors were given priority under the SAPE program:

- ICT (information and communications technologies)
- Business succession
- Sustainable development
- Innovation
- Female entrepreneurship
- Indigenous entrepreneurship

This funding provided by the program enables companies to access expertise needed to improve their production and profitability and to ensure their sustainability. Nine (9) companies on the territory received financial assistance of \$46,642 that went toward the costs of projects totalling \$71,140 over the year.

In the past three years, SAPE spawned 33 projects. Businesses received \$84,049 from SAPE which, combined with the latter's investments of \$47,989, represented a grand total of \$132,038 in investments.



Roll-up of local development activities

2016-2017 to 2018-2019	Local development activities (Network Initiative)	SAPE	Total
Participants	449 persons	33 companies	482 (persons and companies)
SADC Investments	\$117,000	\$84,049	\$201,049
Total investments generated	\$210,861	\$132,038	\$342,899

Investment fund

SADC always strives to contribute to the economic development of its region. Moreover, for the period ending March 31, 2018, SADC authorized and disbursed **\$491,295** in loans to **10** companies in the region as follows: 1 acquisition, 4 modernizations/expansions, and 5 working capital enhancements. Total investments generated with its other financial partners came to **\$912,532**. SADC contributed to the creation and/or maintenance **69** jobs.

SADC also met with **20** new promoters to offer them counselling services. In all, **652** direct interventions took place and involved either follow-up or technical assistance for the purpose of helping businesses and their owners.

In the coming year, SADC will concentrate on its investments and find new funding orientations, as part of its proactive approach. It is very important that companies in our region continue diversifying their operations and products to maintain their level of performance. Succession and business innovation are also important issues facing companies on the territory. SADC is planning to work in these areas to guide them to the future through innovation. In the meantime, we are continuing our partnership work with Canada Economic Development (CED).



\$491,295

Invested in companies

- Start-ups
- Acquisitions
- Expansions / modernisations
- Working capital



Total investments generated

\$912,532

652

Direct interventions with promoters

69

 Jobs created or maintained

New promoters met for information, consulting or financing

20

Since 1981:

\$20.4M

Invested in companies

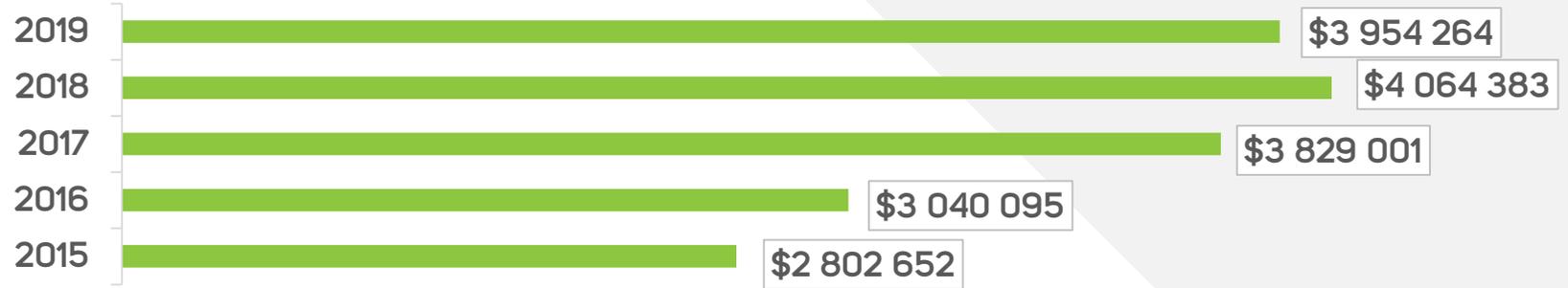
\$64.6M

Total investments generated

Investment fund

REGULAR FUND	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
Start-ups	0	0	1	1	1
Acquisitions	1	3	6	3	4
Expansions / modernizations	4	5	7	5	5
Recoveries / Working capital	5	4	3	2	4
Total	10	12	17	11	14
Total loans	\$491,295	\$646,552	\$1,404,421	\$627,361	\$588,802
Total investments generated	\$912,532	\$1,078,504	\$2,043,680	\$1,604,361	\$1,223,350
Jobs created and maintained	69	164	138	59	77

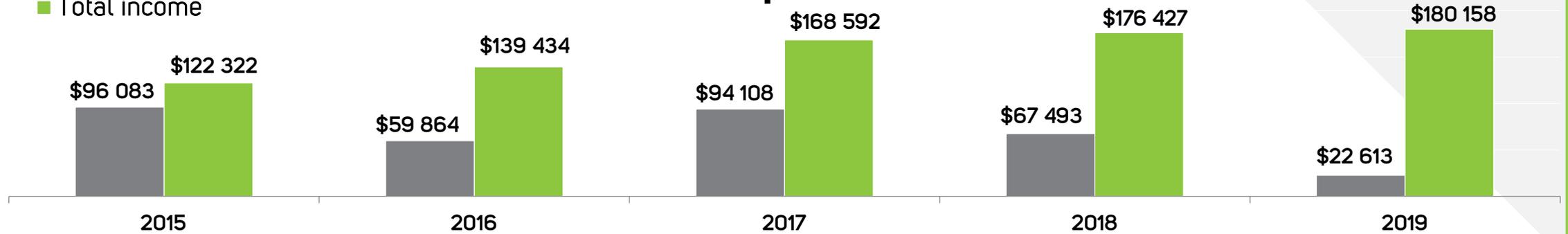
Portfolio evolution



(The portfolio includes company investments and investments in Capital Réseau)

Investment fund performance

■ Surplus
■ Total income



(Salaries and operating expenses are computed in the surplus)

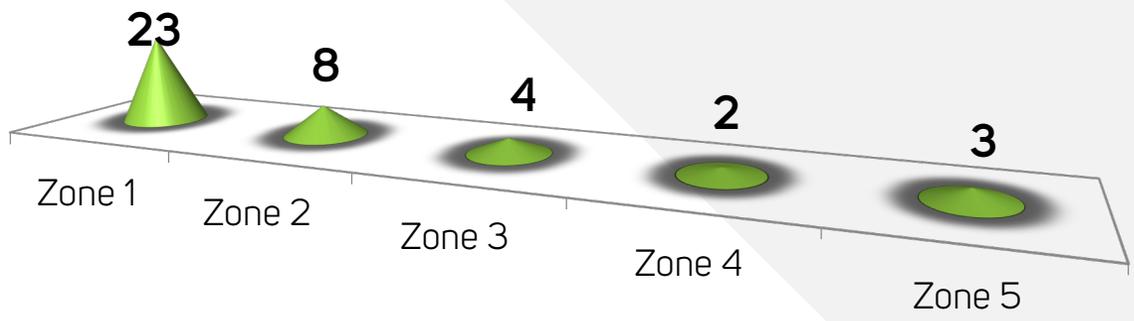
Bad debt evolution



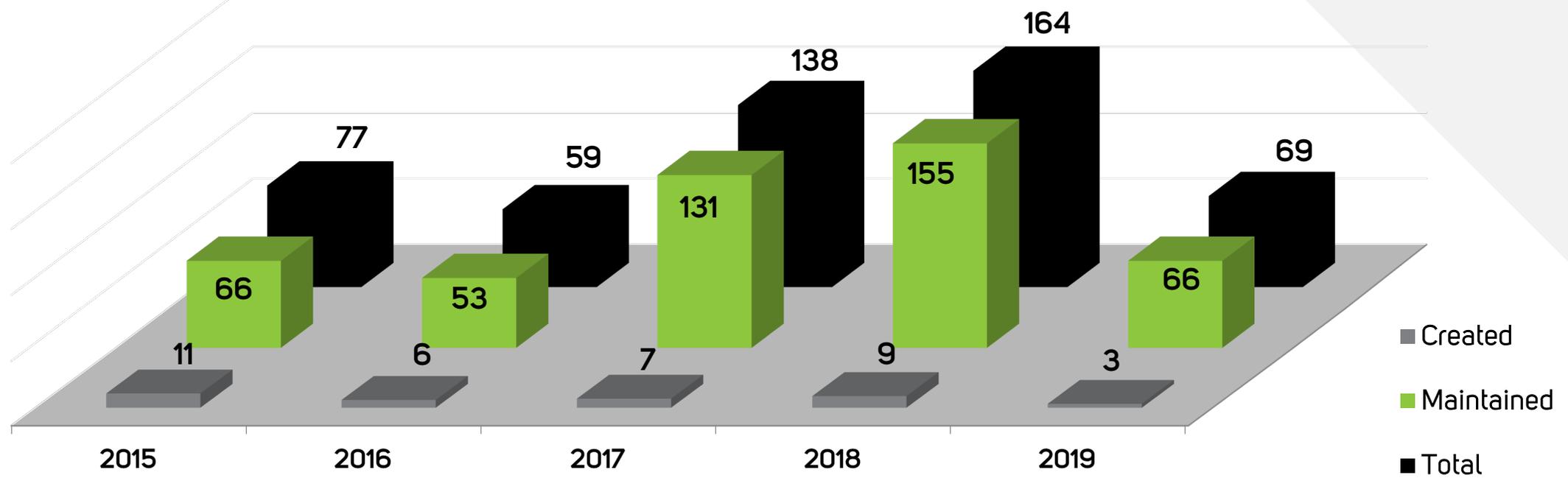
(2015-2017 are in a minus position due to debt collections)

- Zone 1 : Maniwaki, Egan, Déléage, Kitigan Zibi
Anishinabeg
- Zone 2 : Gracefield, Cayamant
- Zone 3 : Ste-Thérèse-de-la-Gatineau, Bouchette, Blue Sea,
Messines
- Zone 4 : Bois-Franc, Montcerf-Lytton, Aumond, Grand-
Remous
- Zone 5 : Denholm, Low, Kazabazua, Lac Ste-Marie

Number of active cases (by zone)



Jobs created and maintained



Evolution of regular fund investments



(Investments can differ from the amounts invested in one year due to authorization and disbursement dates that may stretch over two fiscal years)

Evolution of assets



Youth Strategy

Established in 1997, the Youth Strategy Program provides assistance in the form of loans to young entrepreneurs in the region, who are between 18 and 39. By doing so, it meets a need with this young clientele. Again this year, the program assisted two promoters on the territory with a **\$50,000 investment**. The investments generated totalled **\$472,620** and either created or maintained six jobs.

SADC will continue to assist young entrepreneurs with the development of their business by providing them with the tools they need to make good decisions and make them aware of all facets of entrepreneurship. For the follow-up of Youth Strategy cases under way, financial statements were systematically requested every quarter in the past year. This practice will continue in the new year.

\$50,000

Invested in the companies

1 company financed for a start-up

Gatineau Valley SADC

Young people we met with for information, consulting or financing

25

124

Direct interventions with promoters

Jobs created or maintained

6

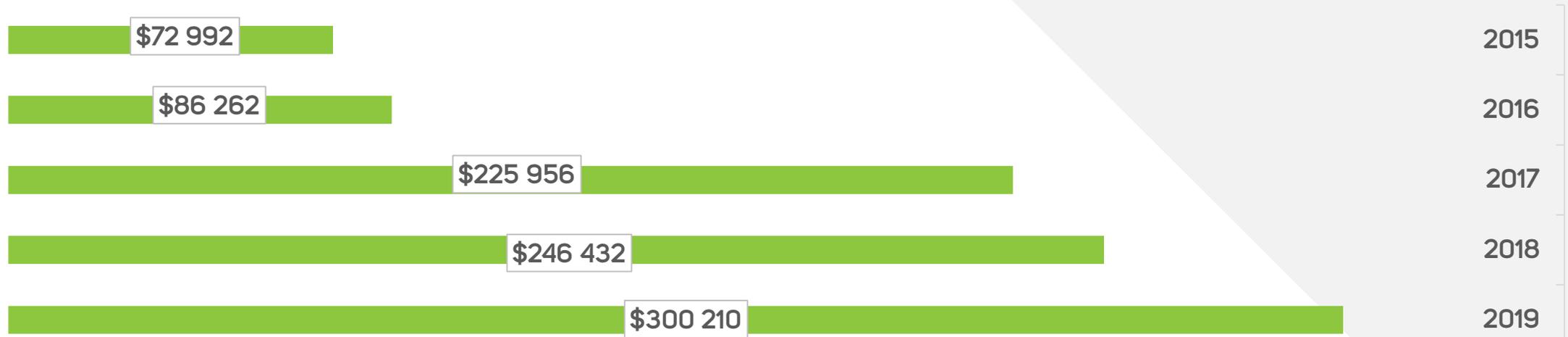
Total investments generated

\$472,620



YOUTH STRATEGY	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
Start-ups	1	3	1	0	0
Acquisitions	0	1	0	1	2
Expansions / modernizations	0	0	3	0	0
Recoveries	0	0	0	0	0
Total	1	4	4	1	2
Total loans authorized	\$50,000	\$62,195	\$58,251	\$22,000	\$39,703
Total investments generated	\$472,620	\$208,025	\$117,470	\$72,000	\$127,000
Jobs created and maintained	6	7	8	1	12

Portfolio evolution



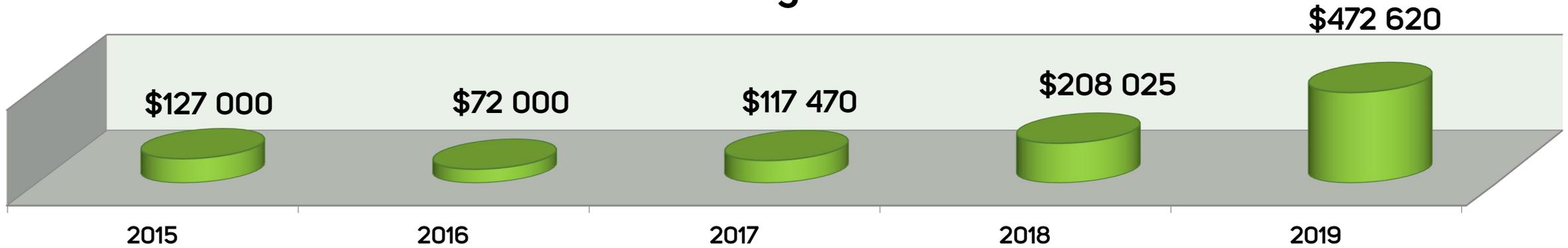
(The portfolio includes company investments and investments in Capital Réseau)

Evolution of Youth Strategy investments



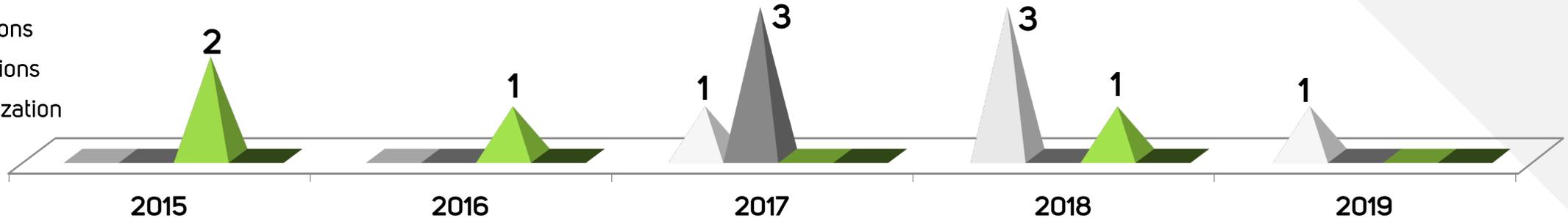
(Investments can differ from the amounts invested in one year due to authorization and disbursement dates that may stretch over two fiscal years)

Total investments generated

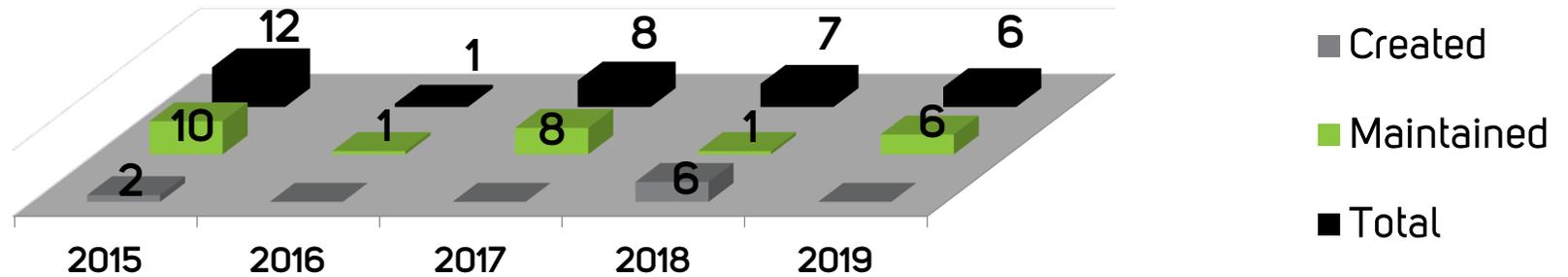


Projects accepted

- Start-ups
- Expansions
- Acquisitions
- Modernization



Jobs created and maintained



Total for 2018-2019

\$541,295

Total investments generated

\$1.38M

776

Direct interventions with promoters

Invested in companies

75

Jobs created or maintained

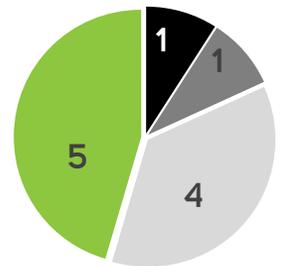
45

Promoters we met with for information, consulting services or financing



11 companies financed

- Start-ups
- Acquisitions
- Expansions / modernizations
- Working capital/recovery

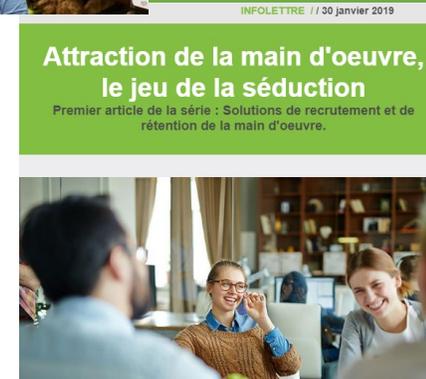


In the spring of 2018, SADC began sending newsletters to Gatineau Valley companies to give them tools and advice prior to the arrival of vacationers for the summer. Seeing that the population doubles during this period, that is the time to give exposure to our best assets! A series of 12 newsletters on this topic were sent out every two weeks until the fall.

Following the release of the Gatineau Valley labour market survey report in December 2018 and in preparation for the 2019 Human Resources Challenges Symposium, SADC sent a series of three newsletters on the following three human resources aspects: attraction, recruiting and retention, all of which will be important to companies in the coming years.

The survey conducted for SADC in 2015 revealed that 33% of business owners mentioned their plans to leave their companies within a few years. The second survey in the fall of 2018 showed this trend is continuing. However, the human aspect is often overlooked or shunted aside during the handover process, even though this is crucial to ensuring a win-win handover. As a result, SADC has prepared a series of four newsletters on this topic, the first of which were sent out in March 2019, with the others to come in April and May.

If you would like to see our newsletters, go to www.sadc-vg.ca and click on “the blog” at the top of the page. .



Communications - Newsletters

In the past year, aside from renewing our office leasing agreement, we expanded and refitted our conference room where we receive members and visitors to make it more user-friendly.



We installed three televisions on which we can display any written material, thereby eliminating the need for hard-copy documents. We are thus more in line with current technology.



PERMANENT EMPLOYEES



Josée Croteau (administrative assistant),
Nathalie Patry (financial analyst), Pierre
Monette (General Manager) and Julie
Bénard (follow-up officer)

Daniel Chalifour, André Lanthier, André
Galipeau, Kerry Anne Gorman and Maria
Brennan (absent :Norbert Potvin)



BOARD OF DIRECTORS

OUR MISSION

- ▼ The SADC's mission is to encourage the community to actively take charge of its future, which is achieved through the development of the community's vision within the context of sustainable development.
- ▼ Through activities that support joint action and partnership, SADC prompts the community to adjust and to plan their various requirements relating to all of their human resources to ensure that the community grows and evolves based on current and future realities.
- ▼ The SADC supports business and job creation through advisory and financial services from the perspective of profitability and viability.

OUR VISION

As an agency, SADC shapes and brings about the necessary changes based on the issues confronting our areas so that they can adjust to these changes by promoting the well-being and growth of persons who make up our community.

As the organization which people turn to for expertise and know-how in business in our RCM, we strive to be at the forefront of innovation and change.

OUR VALUES

Help the community and individuals in an atmosphere of understanding and open-mindedness within the parameters of our spheres of activity.

- ▼ Emphasize excellence
- ▼ Be frank
- ▼ Avoid misleading people into thinking that funding opportunities exist when none do
- ▼ Remain neutral and impartial without influence.
- ▼ Respect partners and/or organizations that adhere to their own mandate and vision
- ▼ Create a climate conducive to exchanges, cooperation and partnership
- ▼ Ensure the confidentiality of cases at all times