



30 years of initiatives and action
First SADC established in Quebec

SADC

Société d'aide au développement des collectivités
de la Vallée-de-la-Gatineau

Annual Report 2010-2011

(Summary Version)

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WORD FROM THE CHAIRMAN



André Galipeau

This year is an important milestone for our organization. Last April, we celebrated in Quebec City the 30th anniversary of the founding of the Gatineau Valley SADC (CFDC). As the first SADC in the Province of Quebec, our organization, along with the CFDC and BDC Network (over 254 members across the country), has been able, with time, to demonstrate the relevance and the rationale for why the various federal governments have maintained and supported our organizations in the best interests of all regions of Canada. This affiliation with the federal government down through the years has enabled us to extend the agreement, just like all the other SADCs in Quebec, for the next 5 years. This new agreement makes it possible for us, as an organization, to stabilize our interventions over time and continue to guide and influence the development of our community.

Because change is intimately linked to our organizational principles of mission, vision and values, our Board of Directors has been working for months already on a plan to grow and diversify our economy. This plan, called *Horizon 2025*, involves a vision, 15 years ahead, of what our community will be like in 2025.

Allowing the basic elements of our current economy (forests, resorts, agriculture, tourism, retail business, government services, etc) to grow and expand; how will they evolve over time; what changes in these sectors will move economic activity in our region upward or downward? We started the process with an eye on vision, research and development. Can we project into the future and anticipate the blows and get the best out of them for our future generations?

This ambitious plan of strategic economic positioning will need to be based on the concepts of sustainable development - i.e., a development that meets the needs of the present without compromising the ability of future generations to meet theirs. This process cannot go forward without the cooperation of all our partners. Here we need to understand that it is absolutely not a question of sweeping away what already exists but rather, on the contrary, building on what is already well established and taking advantage of what we already have and build a future that benefits our communities. This is why we hope that, at the end of this vast undertaking, we will have a clearer regional view of our future and achieve a better economic position.

WORD FROM THE DIRECTOR



Pierre Monette

For some time now, the SADC has worked harder to provide consulting and financial services to businesses with a view to providing the business community with tools for dealing with their ever-changing needs. Our expertise, honed over the past 30 years, has to be able to adjust to the changes to keep us ahead of the needs of the business community. This is why, over the past year and at the beginning of the current year, we have been offering the business community 4 new tools and services.

The *HR (human resources) Toolkit* (part of the SADC staff was provided with training in this regard) makes it possible for us to intervene at a vital level of every business - i.e., human resource management. This tool was developed to meet an organizational need, as a pilot project across Canada, in cooperation with the Restigouche CBDC in New Brunswick. This approach was developed and adapted to meet the needs of SMEs. We therefore offer our SMEs this proven tool that will improve not only personnel performance but also productivity and profitability.

Another tool addresses the current issue of succession planning, a challenge facing many businesses with the impending retirement of baby-boomers (born before 1965). Many businesses may close and many more will lose vital expertise, without succession planning - a difficult situation for not only the owners but also the community because closures mean the loss of not only known professional expertise but also economic activity and jobs.

WORD FROM THE DIRECTOR (CONTINUED)

This training tool was developed at Ste-Anne University in Nova Scotia and is offered to promoters by the SADC to help them with their succession planning. This process can take several months or even several years, which is why concerned promoters need to plan ahead. This is where the training tool can be of assistance. The SADC will provide support throughout the process.

The 3rd tool is access to trained professional resources. The *Career Objective* program brings together businesses and young vocational, college or university graduates with various skills. There are 2 components: the young graduates get concrete work experience in their field and the employers get access to highly trained and qualified resources. For the SADC, this is a way of helping our communities to slow down the exodus of young people. If we get the backing of the federal government, this program will be available to businesses starting in July this year.

Lastly, a video conference room: the SADC will make a video conference room available to businesses. State-of-the-art technology will enable promoters to save time and money, and improve efficiency. The facility is directly linked to the clientele - i.e., the SMEs, which frequently do not have access to such specialized and expensive equipment. We make available this new tool to help them with the daily management of their activities.

As you can see, we at the SADC are making a continuous effort to match our services to the real needs of the business community.

BOARD MEMBERS



Top, left to right: Norbert Potvin (Tourism), André Riopel (Forests), André Galipeau (Industry), Stéphane Lévesque (Services) and Neil Gagnon (MRC)

Bottom, left to right: Leona Grimes (Citizens), Kerry Anne Gorman (Business), Maria Brennan (Aboriginals) and Louis-André Hubert (Town of Maniwaki)

STAFF



Left to right: Julie Bénard (**Follow-up Officer**), Nathalie Patry (**Financial Analyst**), Pierre Monette (**Director General**), Josée Croteau (**Administrative Assistant**) and Josée Nault (**Communications and Youth Advisor**).

*A team with 50 years of experience,
at your service!*

ACHIEVEMENTS 2010-2011

Horizon 2025

With a view to staying abreast of developments, external and internal influences, and the trends that will affect our future, the Gatineau Valley SADC retained a firm of specialists (Zins Beuchesne et Associés) in February 2010 to work on a particular aspect of the Horizon 2025 project.

Between April 1, 2010 and March 31, 2011, we completed the identification phase, which describes in detail the territory and the people who live there. The 2nd phase involving avenues for diversification in terms of broad trends and local realities has not yet been completed. The proposed process is evolutionary and adaptable in terms of local economic synergy. Without rushing matters, the purpose of this exercise is research and development, and we need to adapt our actions over time, to suit the turn of events.

This operation is strategic from our point of view and, in the end, it should give us as a community some concrete benchmarks and directions that will enable us to reach our goal, which is economic diversification and growth. We will therefore take the time we need to work with our partners on concrete, constructive and realistic actions.

ACHIEVEMENTS 2010-2011

A Valley for the art of living

In our last annual report, we said that our *A Valley for the art of living* project was the starting point of a far-reaching initiative.

The work done since then started the process of getting businesses to join this network of regional excellence. In fact, on January 11, 2011, the SADC and its partners: Radio CHGA, the La Gatineau newspaper and the Maniwaki Chamber of Commerce and Industry, held a press conference announcing the launch of the project to local businesses.

Getting 50 businesses to join was set as the goal. Businesses were invited to join in a process to continuously improve their client services. By joining the *A Valley for the art of living*, they would enjoy the following advantages: a visit from a mystery client and a report evaluating the client's experience, air time on Radio CHGA and coverage in the La Gatineau newspaper, a workshop and lecture on client services and, of course, promotional material identifying them with our *A Valley for the art of living* project. By March 31, 2011, 36 businesses had joined.



ACHIEVEMENTS 2010-2011

Succession Planning for Businesses

In November 2006, the Réseau des SADC du Québec (CFDC Network), the SADCs and the RDÉE (Economic Development and Employability Network) Canada undertook to consolidate the Espace économique francophone canadien. This alliance made it possible to promote regional economic diversification in view of the difficult access to the Canadian market facing Francophone SMEs due to various linguistic and cultural problems. This project was therefore an excellent opportunity for us to rethink the way we did things and improve our economic position.

The Gatineau Valley SADC used an exploratory visit to Nova Scotia in September 2009 to establish links and contacts with certain partners, such as Ste-Anne University. The first exchanges brought out some of the similarities in the challenges faced by the two regions. We were particularly struck by a presentation on an on-line training program on succession planning called *S.O.S Relève*.

S.O.S Relève is an innovative project developed by Ste-Anne University in Nova Scotia in cooperation with the Dieppe Community College in New Brunswick. This on-line training tool guides promoters who want to develop their succession planning skills. For this reason, the SADC, in cooperation with a local employment centre, became involved in this training project with a view to providing the service to local businesses. Promoters who want to register and learn more about succession planning may be eligible for financial assistance from the SADC and the CLE. In addition, the SADC will also provide technical support to promoters throughout the process.



ACHIEVEMENTS 2010-2011

Local Development

Come in and talk to us about your future

Here is some background on this project, which was initiated by the SADC in the fall of 2009. In spring 2010, other partners joined the project aimed at bringing together high school students from Maniwaki and Gracefield schools as well as some participants from the Maniwaki and Gracefield adult education centres, and giving them an opportunity to have their say on 4 themes:

- Pride and belonging
- The future
- Employment
- The keys to success



The event took place on March 17, 2010 and, afterwards, an ad hoc committee was struck to follow up on what emerged:

Youths are proud of their region but find that there is a shortage of activities that meet their needs.

ACHIEVEMENTS 2010-2011

Come in and talk to us about your future (continued)

The next stage was to do a scientific survey among 12 to 17-year-olds living in the Gatineau Valley. Since the 17 March event was in French, only Francophones had a chance to express their opinions. The committee wanted to ensure that Anglophones were also surveyed, to give them a chance to express their opinions. With the cooperation of Zins Beauchesne et Associés, the survey was launched. A questionnaire was developed and administered to a student sample from the Hauts-Bois-de-l'Outaouais and the Western Quebec school boards.

Survey methodology:

A sampling of the non-proportional type (with weighting and a 5% margin of error) made it possible to ensure proper representation, credibility of the results and a reasonable cost for conducting the survey, processing and analyzing results. Out of a potential population of plus or minus 1 000 youths, 507 were selected to take the questionnaire.

The committee coordinator thanks everyone who was involved .

Project partners:



ACHIEVEMENTS 2010-2011

Releases

The SADC has issued 12 releases this year.

Radio advertising

The annual contract for monthly advertising with Radio CHGA will be continued. Media spots were also purchased to promote *A Valley for the art of living* (CHGA) and the program on succession planning for businesses (CFOR).

Weekly advertising

Media placements were also purchased in the La Gatineau newspaper to promote *A Valley for the art of living*. A joint chronicle with the Gatineau Valley MRC on sustainable development was published.

Corporate folder

A corporate folder including French and English leaflets presenting SADC products and services was developed. The leaflets are entitled:

- Consulting Services
- Succession Planning
- Financial Products
- Local Development
- Human Resources

RESULTS OF THE INVESTMENT FUND

The Gatineau Valley SADC is celebrating 30 years of existence this year. Since the very beginning, our achievements and interventions in the business community have ensured continuous economic development in the region. This year alone, we have authorized a total of \$356,770 to nine area businesses, to be allocated as follows:

- 3 acquisitions
- 4 expansions/modernizations
- 2 recoveries
- 5 façade sketches



This year, SADC investments, in cooperation with other financial partners, generated total investments of \$1,135,000, which meant that 40 jobs were created and/or kept in the region.

As regards interventions, we met with 36 new promoters and worked with them on the financial structure. In addition, 446 direct interventions involved monitoring or providing technical assistance to businesses, whether clients were receiving financing or not, or simple requests for information. It is important to provide this type of service to our businesses in order to encourage and maintain economic development in our region and to support our business community.

RESULTS OF THE INVESTMENT FUND



In addition, through our partnership with the BDC, the SADC assisted 1 regional business. This partnership promotes the combining of our services with a view to providing our businesses with better support.

As regards the Réno-act program, this year was again an active one. The SADC contributed to the production of 5 sketches. Since the start of the program, 64 sketches have been produced with our contribution. We invested \$145,650 for \$631,600 in spin-offs.

We also provided financial support to various local projects, including 3 projects for a total amount of \$18,000.

As regards the local development initiatives envelope, the SADC invests in or implements important local initiatives. This year, with this envelope, we contributed to some initiatives such as the hiring of a student under the sEAUvegarde Gatineau Valley program, website update, the Horizon 2025 project and, lastly, the setting up of a video conference room that will be made available to local promoters and the business community. That's \$40,000 invested in community improvement.

In conclusion, results from the past 30 years have shown again and again that the SADC is a major player in the field of economic development. In 30 years, more than \$54.7M in investments have been generated, of which \$16M (or 30%) come solely from SADC investment funds - i.e., the Regular Investment Fund and the Youth Strategy Fund.

RESULTS OF THE INVESTMENT FUND

REGULAR FUND	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007
Start-ups	0	2	1	4	10
Acquisitions	3	2	2	2	8
Expansions / modernizations	4	4	8	5	9
Recoveries	2	3	3	1	4
Loans - Réno-ve-action Program	0	0	0	1	1
Sketch program	5	3	7	16	15
Total	14	14	21	29	46
Total loans	\$356,770	\$489,025	\$537,162	\$453,834	\$805,920
Total investments generated	\$1,135,000	\$5,951,302	\$1,561,612	\$2,967,946	\$5,621,650
Jobs created and maintained	40	51	94	80	151

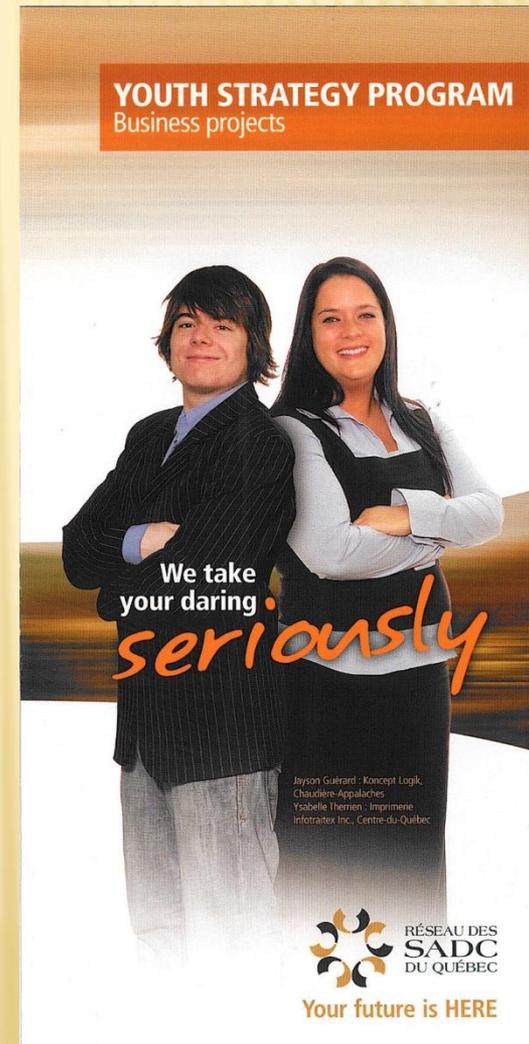
RÉNOVE-ACTION	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	Total
Sketches	5	3	7	16	15	46
SADC investment	\$1,750	\$1,050	\$2,450	\$30,600	\$55,250	\$91,100
External investments (promoters, Town)	\$42,000	-	-	\$163,200	\$101,000	\$306,200
Loan program	0	0	0	1	2	3
Total investment	\$43,750	\$1,050	\$2,450 *	\$193,00	\$156,50	\$397,300

* Granted in 2008-2009 but disbursed in 2009-2010

RESULTS OF THE YOUTH STRATEGY FUND

The Youth Strategy Program has been in effect since 1997 and helps local young entrepreneurs by providing them with loans, thereby meeting a real need they have.

This year, the program assisted a single local business that was starting up to the tune of a total of \$30,000, which resulted in the creation of 2 jobs and generated a total of \$505,000 in investments. We met with 23 young people to provide information, and technical and financial help. There were over 114 interventions in the form of monitoring and technical help.



RESULTS OF THE YOUTH STRATEGY FUND

YOUTH STRATEGY	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007
Start-ups	1	0	0	3	1
Acquisitions	0	1	2	1	3
Expansions / modernizations	0	0	1	2	0
Turnarounds	0	0	0	0	0
Total	1	1	3	6	4
Total loans authorized	\$30,000	\$15,000	\$45,000	\$79,500	\$38,000
Total investments generated	\$505,000	\$745,221	\$1,057,400	\$216,500	\$311,500
Jobs created and maintained	2	7	11	12	8

BUDGET FORECASTS

Regular Administration Fund and Youth Strategy Fund

Income

Ministry contribution	\$318,362
Ministry contribution	\$82,000
Other income	<u>\$2,500</u>
Total income	\$402,862

Expenses

Salaries and benefits	\$325,972
Travel	\$8,500
Representation fees	\$8,500
Meeting costs	\$7,000
Rent	\$13,500
Insurance	\$4,080
Telephone and postage	\$6,500
Stationery and office supplies	\$4,000
Maintenance	\$6,000
Memberships/Associations	\$4,070
Professional fees	\$10,500
Bank fees	\$180
Real estate	<u>\$4,060</u>
Total expenses	\$402,862

Overage

- \$

ACTION PLAN

Local Development

Horizon 2025

Following the completion of phases 1: *Profile and trends* and 2: *Analysis of the environment*, the project will make maximum use of these data to enable the Gatineau Valley to be proactive and take charge of its future.

A Valley for the art of living

In June 2011, the plan is to provide the client services workshop to the 50 members of *A Valley for the art of living*. Following the workshop, the businesses will receive identifying material that they can use so that consumers can identify them as member businesses.

This is a process of continuous improvement and therefore each participating business will be canvassed for feedback and their intention to implement an action plan, so that we can provide consulting services as needed.

In fall 2011, we will start communication action to promote *A Valley for the art of living* among consumers with a view to encouraging them to patronize businesses displaying the *A Valley for the art of living* logo.

ACTION PLAN

Local Development

Come in and talk to us about your future

This project is ongoing. We are in the process of analyzing the results, which will be used to prepare a report that includes recommendations. Our plan is to make the report public early this summer.

Career Objective

The SADC recently launched a program focussed on the Youth Employment Strategy -- Career Objective - with a view to obtaining financing to coordinate this type of project in the MRC.

Project Summary

The plan is to recruit 10 participants. We will be looking to have employers hire qualified employees for an average of 17 weeks at 35 hours per week. Activities will consist in finding employers with a real staffing need, who will then provide participants with valuable work experience.



ACTION PLAN

Career Objective (continued)

Project Objectives

- Develop participant employability.
- Increase availability of highly qualified workers by facilitating the recruitment by employers of these resources.
- Quell the exodus of young people by facilitating the retention and/or return of qualified workers to the region.
- Assist immigrant participants to integrate into the labour market and/or facilitate highly qualified young people's transition into a fast evolving labour market.
- Support the receiving business in the integration of immigrants.
- Promote the advantages of higher learning.

Profile of the target participant

To qualify for the program, participants must be between 15 and 30 years of age and have a post-secondary diploma. Participants with vocational diplomas may also be eligible for the program.

ACTION PLAN

HR Toolkit

A new SADC tool, the HR Toolkit, was developed specifically to meet the human resource management needs of small businesses. Simple and adaptable tools, and support from a SADC officer will help small businesses to develop a complete human resource management manual. Or, alternatively, they will get help using only the tools they need. The plan is to provide the service to 3 or 4 businesses over the coming year.

Over the coming year, as well, another SADC advisor will be trained in order to be able to extend this service to as many businesses as possible.

Consulting Service and Monitoring

The consulting service will continue to be offered to businesses. A personalized service adapted to their needs will provide businesses with professional support in all areas. Loans will be rigorously monitored during the upcoming year.

ACTION PLAN

Generally speaking, electronic, radio and printed media will be used to publicize SADC products, services and achievements. In addition, the SADC will take advantage of every available opportunity to make its mission the focus of public relations activities.



On the issue of radio advertising, the SADC has been presenting information capsules before the news bulletin on CHGA 97.3 since 2006 and will continue to do so.

ACTION PLAN

Financing

Over the upcoming year, the SADC will continue to promote its investment fund to reach as many businesses as possible. It is very important that local businesses continue to diversify their operations and their products. We have to work with them and encourage them to innovate and use new ideas to go forward.

The SADC has liquidity in its investment fund and intends to be proactive in the upcoming year by using the liquidity to invest in local businesses. The SADC meets with 40 or so businesses per year, on average, and provides financial assistance to 20 or so. To pursue this objective, the SADC has implemented a radio publicity campaign using a capsule broadcast at strategic times. A client survey showed that this promotional tool has reached at least 25% of its clients since its inception and will therefore be continued. As regards the 75% not reached, the SADC intends to send out targeted mailings and to distribute corporate folders. In addition, field visits are also an excellent promotional tool as they give us the chance to talk directly to promoters and identify various opportunities that can be made available to them. The SADC intends to stay on the lookout for potential expansion and start-up opportunities in the local business community.



ACTION PLAN

Youth Strategy Program

A \$50,000 investment goal -- or 4 promoters - has been set for the upcoming year. Work with the youth clientele will include assistance in the pre-start-up phase, analysis of financing applications and post-start-up monitoring.

In 2010-2011, particular attention will be paid to disseminating information to our clients, for the purpose, among others, of increasing general knowledge about the program. The radio campaign will also continue, as well as our efforts to raise awareness among young people.

Succession Planning for Businesses

Over the upcoming year, the SADC will make a particular effort to promote its new 5-course program entitled Succession Planning for Businesses, which is offered exclusively over the Internet with on-line support from resource persons. The SADC will also provide follow-up support to those who want it.



In fact, in the Gatineau Valley, a fair number of entrepreneurs will be leaving their businesses over the next few years. They will retire, sell their business or simply liquidate their assets and many will not have any succession plan. This training program is intended to be a means of making promoters aware of the various stages involved in making a succession plan. This on-line training provides guidance to promoters who want to educate themselves on the process of succession planning. Our goal is to support 5 promoters during this process.