



Centre d'aide aux entreprises
des Basses-Laurentides inc.

55, Castonguay, Suite 104, Saint-Jerome, Quebec J7Y 2H9
T. 450.432.4455 F. 450.432.4897 info@caebl.ca www.caebl.ca

The CAE receives financial support from Canada Economic Development

ANNUAL Centre d'aide aux entreprises des Basses-Laurentides inc. REPORT

07



 Centre d'aide aux entreprises
des Basses-Laurentides inc.

A Path to Success

Businesses today must face many new challenges: a stronger Canadian dollar, higher oil prices, globalization with its array of new competitors.

To help our entrepreneurs maintain their essential input in the Basses-Laurentides' economy, in February 2007, the members of the board of directors of the Centre d'aide des Basses-Laurentides (CAEBL) gathered to define which direction the organization should take in the coming years.

What could the CAEBL do to counter these new challenges? How could it direct its efforts to promote the overall growth of its territory?

First of all, by offering complementary products to financial institutions, by providing financing for SR&ED tax credits.

More than ever, we are convinced that innovation and diversification will allow our entrepreneurs to overcome these challenges. Financing tax credits allocated to research and development allow business people to start up operations, purchase the necessary equipment, remain one step ahead, and succeed.

Therefore, a dynamic team had to be put in place to support promising projects, answer the clients' needs, solve recurring problems, and search for solutions.

The CAEBL needed greater exposure to get its message across to its loyal clientele, new customers and trusted partners.

In order to do so, **four courses of action** were implemented:

- 1 Develop preferred links with our clientele
- 2 Increase revenues
- 3 Distance ourselves from the competition
- 4 Upgrade our organization

This new strategic approach has paid off. Since our founding nearly 22 years ago, these are the most encouraging results the CAEBL has ever posted:

Investments of over \$1,546,769 in 13 projects, an increase of over 197% over the preceding year and 159% over the average of CAEBL's yearly investments. The loans from this year have generated nearly \$8M in investments in our territory and created or safeguarded 180 jobs.

We would like to thank several contributors whose input helped us obtain these incredible results.

First and foremost, we would like to thank all of the administrators that worked tirelessly throughout this pivotal year.

Furthermore, our heartfelt thanks go out to Mr. Michel Aubin and his CAE Rive-Sud team for their guidance, generosity and availability. Dear colleagues, we share this success with you.

Special thanks to Ms. Carole Hart and her Economic Development Agency of Canada team for their unconditional support. Their financial aid, which covers a part of the operating costs of our organization, allows us to offer a wide range of services to our entrepreneurs and increase the exposure of both organizations.

Finally, economic growth can not be obtained without a partnership among the different contributors. We would like to thank our colleagues from the six CLDs that cover our territory, our preferred partner Investissement Québec, our associates from the BDC, stakeholders from the MDEIE, Emploi Québec, as well as representatives from different financial institutions and members of the Réseau des SADC/CAE du Québec. They all greeted us with open arms and gladly helped promote our services to their clientele.

We are proud of our organization and proud to share with you our accomplishments. We hope you will enjoy reading the following text that reveals how we intend to contribute to the growth and prosperity of our territory.

Jean Blanchard
President



Renée Courchesne
Chief Executive Officer

CAEBL's Board of Directors



* Rémi Gingras was absent during the photo shoot

President

Jean Blanchard
Notary (retired)

Vice-President

Gustave Godard
Vice-President, Construction M.Godard

Treasurer

Lionel Boivin
Director (retired), National Bank

Secretary

Jean-Luc Riopel
Chief Executive Officer, CLD de Mirabel

Chief Executive Officer

Renée Courchesne
CAEBL

Directors

Pierre-A. Charlebois
President, Charlebois & fils

Michel Charron
President, Plac. André Charron inc.

Serge Côté
Director, Strategy and Special projects
Aéroports de Montréal

Marcel R.Gagnon
Director (retired), Hydro-Québec

Rémi Gingras
President,
Pneus et ressort Gingras et fils

Stéphan Lestage
Vice-President Communication
Cyber Génération



Course of Action 1

Develop preferred links with our clientele

First of all, we contacted our clients, placed ads in local newspapers and our partners' newsletters. Then we met each company to introduce our new team, list the technical and financial needs, develop the new products with our clientele and solve recurring problems.

This approach provided the following results: **46% of the 2007 loans came from this clientele, loyal to our organization.**

Furthermore, the CAEBL implemented a system to register mortgages with the Registre des droits personnels et réels mobiliers (RDPRM).

This initiative reduced the entrepreneur's loan application costs and shortened the waiting period between the application for the loan and the payment of the amounts.

Then, early in 2007, dramatic events put the CAEBL in a position where several financial transactions that had been authorized, had not received the appropriate follow-up to protect the organization from potential losses.

The resolution of disputes, with the participation of our clientele, allowed us to recover nearly \$200,000, an amount made available once again to promote projects from new clients.



Course of Action 2

Increase Revenues

The board of directors of the CAEBL is made up of 11 business specialists with different expertise from the worlds of finance, local economic development, information and communications technology, and entrepreneurship. These experienced volunteers met 9 times last year to determine the direction of the organization, elaborate the best strategies to increase CAEBL revenues, and analyze funding applications.

Several major decisions were made during these meetings, notably:

- Joining the Réseau des SADC/CAE du Québec in order to benefit from the mutual funds of the organization.
- Choosing a financial institution that can adapt itself to the CAEBL's needs
- Modifying, in accordance with the CAEBL's new direction, the loan restrictions (from a maximum of \$150,000 to an amount of \$250,000) for funding requests for SR&ED tax credits, approved by the Canada Revenue Agency.

In 2007 we realized that the CAEBL was absent in the MRC Les Moulins region. In order to increase our visibility in that region, many promotional activities were deployed during the year, for example, a breakfast-conference organized with Investissement Québec for businesses located in the Carrefour de la nouvelle économie des Moulins.

As a result: **40% of the new clients in 2007 originated for the MRC Les Moulins.**

Location of new 2007 clients

MRC Rivière-du-Nord	40%
MRC Thérèse-De Blainville	20%
MRC Les Moulins	40%

... Course of Action 2

CAE results in 2007-2008

- **14 applications were accepted (including 13 loans)**
An increase of **160%** compared to 2006-07
- **Total investment amount: \$1,546,769**
An increase of **197%** compared to 2006-07
- **Cost analysis: \$32,960**
An increase of **216%** compared to 2006-07
- **Types of projects financed:**
70% of the projects invested in were SR&ED related

Location of clients

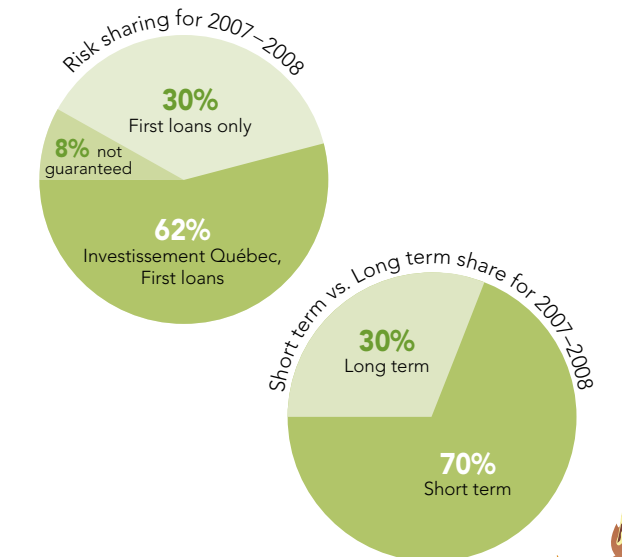
MRC D'Argenteuil	7%
MRC Rivière-du-Nord	22%
MRC Thérèse-De Blainville	30%
MRC Les Moulins	15%
MRC Deux-Montagnes	4%
MRC de Mirabel	19%
Outside our territory	4%

CAE results in 2007-08

Total applications	82
Clients met in person	48
Telephone calls	52
Technical assistance	20
Approved financing	14
Financing provided	13

Sharing the financial risk

This year, 62% of the CAEBL's financial operations were conducted with one of our preferred partners, Investissement Québec, which recognizes the CAEBL as an accredited lender. As a result, the funding operations of the CAEBL are guaranteed for 70% to 80% of the loss incurred in the case of default of payment. Technology development businesses need substantial financial aid and often find themselves in precarious financial situations. The guaranteed loan from Investissement Québec allows the CAEBL to take certain financial risks, thus enabling these types of businesses to reach their full potential.



Course of Action 3

Distance ourselves from the competition

2007 was also the year of CAEBL's new slogan reflecting its new direction and team.

'Partners in your growth' aims to convey that the CAEBL helps develop major projects by teaming up with different financial partners from the territory, speeding up operations, helping businesses stay a step ahead of the competition, and succeeding.

Two ads appeared in the magazine *Les Affaires*, in issues with special features on the 'Couronne Nord' (fall 2007) and 'La région des Laurentides' (winter 2008). The new slogan also inspired the design of new CAEBL promotional literature such as pamphlets, brochures, and annual reports intended to visually showcase and position the services offered by the CAEBL as dynamic, professional, effective and quick.

Our web site also underwent a makeover. By implementing an effective internet strategy, the site has become an important promotional tool, complementing our CAEBL literature. Through our online quarterly newsletter, we can communicate more freely and effectively with our clientele. Finally, a filtering process allows us to determine which companies might be interested in CAEBL products.

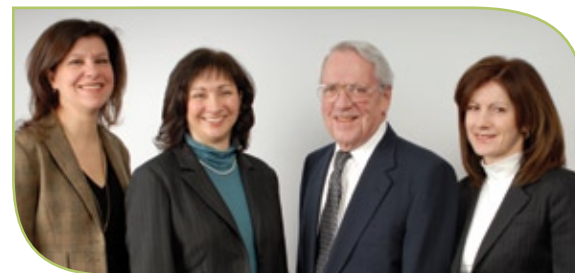
All documents as well as our web site have been done in French.



Course of Action 4

Optimize the Organization

Our new, efficient, energetic team is made up of three capable members whose high level of expertise has proven very beneficial to our clientele.



The team together with their president Jean Blanchard: Christine Poulin, Renée Courchesne and Chantal Ladouceur

Renée Courchesne

The CEO since 2007, Ms. Courchesne has over 20 years experience dealing with manufacturing and key industry sectors from all around Quebec. An MBA graduate and certified in economic growth by the APDEQ (Association des professionnels en développement économique du Québec), Ms. Courchesne manages the investment and operational funds of the CAEBL and is in charge of stimulating economic growth across the territory. She also shares her expertise with business people, offering advice about their financial situation and the appropriate steps to take.

Christine Poulin

The investment fund advisor since 2007, Ms. Poulin is also an MBA graduate. Her job consists of analyzing the financial situation of potential clients and providing the CAEBL with a detailed recommendation concerning the clients' applications for funding. Ms. Poulin is in charge of accounting, preparing the paperwork for funding applications, and following up on all the financial transactions.

Chantal Ladouceur

The senior administrative assistant, Ms. Ladouceur has been with the CAEBL for over seven years. She ensures that the company runs smoothly.

...Course of Action 4

CAEBL: increased exposure

Increasingly active in the region and on different committees devoted to Quebec's economic growth, the members of the CAEBL team and board of directors have participated in the following committees and activities:

- CAE autonome du Québec meetings
- Tax planning when selling a business, Samson Bélair /Deloitte & Touche
- Purchasing merchandise in China: success factors, CLD Rivière-Du-Nord
- Convention of the Réseau des SADC/CAE du Québec
- Semi-annual meeting of the Réseau des SADC/CAE du Québec
- Training session on measuring performance by the Réseau des SADC/CAE du Québec
- Training session on managing meetings by the Réseau des SADC/CAE du Québec
- APDEQ convention
- Discussions with branch offices of foreign corporations located in Quebec (APDEQ)
- Training session on SR&ED tax credits by the ARC
- Member of the TCREL (Table de concertation sur la relève d'entreprises des Laurentides)
- Member of the organizing committee of the TCREL event in February 2008
- Agri-Innovation forum (CCIAL)
- Touring Quebec with 'Le Journal Les Affaires'

Our clients have final word!

Dymedso is a young enterprise that manufactures and markets the FreqencerTM, an apparatus that clears airwaves. The first five years of our existence were devoted to research and development, and thanks to the CAEBL, we were able to benefit from our annual SR&ED credits much more rapidly. In addition to providing financial assistance, the CAEBL has been a consistent source of references and good advice. Thank you.

Yvon Robert, CEO
Dymedso, Boisbriand
www.dymedso.com

We are a new business that operates in the granite sector. Last August, we met with the professionals from the CAEBL for the first time and they were of valuable assistance to our enterprise. It is essential for a young business to have support from dynamic partners, and that is what we have received from the professionals at the CAEBL. Indeed, the CAEBL offers an array of assistance programs that has provided us stimulating support.

Michel Laflamme, President
Granite3G, Saint-Jérôme
www.granite3g.com

Théorème Innovation Inc. would like to thank the CAEBL. Théorème develops high-performance, energy-efficient LED lighting systems. During the pre-marketing stage, we benefited from the CAEBL's expertise and financial support. After several meetings with Ms. Courchesne, two qualities come to mind: professionalism and efficiency. Her assistance has allowed us to proceed with crucial steps in a very short delay. For the majority of SMEs, effective financing is at the centre of their success and we are very proud to have the CAEBL as one of our partners. Once again, thank you for your support.

François Tremblay, President
Théorème Innovation, Terrebonne
www.theoremeinnovation.com

