

Strategic Plan for Quebec's Co-operative and Mutualist Networks

Looking forward to 2020



IN BRIEF

ADOPTED
BY THE CQCM BOARD OF DIRECTORS
ON FEBRUARY 25, 2015

Conseil
québécois
de la **coopération**
et de la **mutualité**



A plan for developing the network

Co-operatives and mutuals are united under the Conseil québécois de la coopération et de la mutualité (CQCM). “The Strategic Plan for Co-operative and Mutualist Networks: Looking to 2020” is based on long reflection and consultation, and has been fed by many internal and external sources:

- The networks’ strategic plans
- Member input from task forces on the following themes:
 1. Building a strong cooperative and mutualist movement;
 2. Advancing a representative governance;
 3. Acknowledging and clarifying roles and responsibilities;
 4. Developing expertise;
 5. Fostering a co-operative and mutualist culture.
- Work by the MEIE’s *Direction du développement des coopératives* (the co-op development authority at the Quebec ministry of economics, innovation and exports), including trends and high potential sectors.

- Co-operatives and Mutuals Canada’s strategic plan and the International Co-operative Alliance’s *Blueprint for a Co-operative Decade*
- Discussion amongst CQCM board members

Thanks to this work, we have identified directions and strategies that will accelerate the growth of the co-operative model and spread its influence to various economic sectors.

This plan will help co-operative and mutualist networks increase growth, financial soundness, innovation, performance and credibility. It will also allow them to meet Quebec’s socio-economic needs, notably a full occupation of province’s territory, with the co-operative and mutualist model.

The co-operative and mutualist movement

Quebec’s co-operative and mutualist movement is made up of non-financial co-operatives, financial co-operatives (Desjardins) and insurance mutuals. Numbering 3,300, these organizations employed nearly 99,000 workers in 2014. During this same year, co-operatives and mutuals reported revenues of nearly 34 billion dollars and managed 246 billion dollars of assets. These organizations represent nearly 8.8 million members, with many Quebecers belonging to more than one co-op.

Issues that will bring great changes and opportunities

- Globalization and the interdependence of economies
- Demographics
- Redefinition of the roles of the state
- Land occupancy
- Revitalization of Montreal’s economy
- Entrepreneurship and business succession
- E-economy and the social media
- Sustainable development

« Together,
we will succeed »



The contribution of co-operative and mutualist networks in 2010-2013

- A 5.6% increase in sales per year (from \$27.2 billion to \$33.4 billion)
- 6,500 new jobs¹
- Major regional economic spinoffs (investment, salaries, Community Development Funds, member dividends, gifts and sponsorship)

Ambitious development targets

Co-operative and mutualist networks strive to be frontline players in Quebec's future economic and social development. The following objectives have been set for 2020 to reach this goal:

- 7% annual growth in sales (or 1.5 times the GNP in inflation-adjusted dollars) to reach \$45.2 billion in 2020
- The creation of 20,000 co-operative and mutualist jobs, including 5,000 jobs in Montreal²
- Tangible and measurable economic and social spinoffs

Developing co-operatives

Half of the growth of co-operative economic activities and, consequently, the creation of new jobs, will occur in large co-operatives and mutuals (La Coop fédérée, Agropur, Desjardins and mutuals), which, by their size and available resources, are indeed the driving forces behind the co-operative and mutualist development. Other, non-financial co-operatives, either start-ups or existing small and medium organizations, will also significantly contribute to this growth. These players will add about 2,160 new co-operative jobs per year to the expected average of 4,000 new jobs (for a sectorial breakdown, please go to page 6).

¹ The 2010-2013 period saw many rationalizations, which have now ended. Greater growth in jobs is expected in most co-operative and mutualist sectors in the coming years.

² In 2014, the number of co-operative and mutualist jobs in Montreal was estimated at 10,000.

The contribution of co-operatives in generating economic activity and employment in Quebec

A sector-based strategy

To attain growth objectives and generate 20,000 new co-operative jobs, co-operatives and mutuals are investing in a strategy focussed on promising sectors in the coming years. This strategy will be implemented in a host of tangible cross-cutting, sectorial or regional action steps, which will be laid out below.

Average contribution in jobs by 2020

• Agri-food	4,800
• Finance and insurance	4,400
• Human services	4,000
• Local services (retailers)	2,000
• ICT	1,200
• Forestry	800
• Manufacturing	800
• Business services	800
• Culture and communications	600
• Tourism/leisure	400
• Large-scale projects	200
Total:	20,000

Growth on various fronts

Strategic direction 1

SUSTAINABLE AND PROFITABLE GROWTH

Strengthening small and medium-sized co-ops and creating new co-operatives will:

- improve productivity, innovation and governance;
- improve quality of life and increase individuals', families' and communities' independence by:
 - proactively proposing ideas to government officials;
 - developing and structuring human services (homecare, health, housing, funeral services, paramedics) in partnership with all players (provincial government, regional, municipal and other stakeholders);
 - developing support services for activities of daily living (ADL) and home living activities (HLA);
 - housing targeted clientele (seniors, immigrants, Aboriginals, young families);
 - increasing young families' access to home ownership;
- developing partnerships with government and various other authorities, particularly for parks, protected zones, support services for teaching institutions, hospitals, etc.
- Increase occupation of Quebec's territory through the development of local economies by:
 - meeting service needs locally;
 - developing tourism and leisure, information and communications technologies, business services and manufacturing.
- Support the transformation of businesses into co-operatives (acquisitions by existing or new co-operatives) in all activity sectors by providing training on the co-operative model, a watch, a communications plan, an action plan and an offer of services that shows our expertise and partnerships (particularly with Desjardins Business Centres).
- Reinforce the support and guidance available to co-operatives.
- Develop strategies according to local and regional priorities (ACCORD projects³).

Strategic direction 2 PROMISING PARTNERSHIPS FOR DEVELOPMENT

Four strategies:

- Solidify partnerships with the Quebec government, regional and city governments and other players;
- Improve the legal framework to foster greater efficacy;
- Optimize tax tools (Co-operative Investment Plan and Tax-deferred Patronage Dividends) and support the establishment of capitalization strategies;
- Continue discussions within the co-operative and mutualist networks.

Strategic direction 3 EXPERTISE OF GROUPS AND SHARED SERVICES IN THE *CONSORTIUM DE RESSOURCES ET D'EXPERTISES COOPÉRATIVES (CREC)*

Four strategies:

- Align CREC's service offer with strategic plan priorities;
- Set up a service offer that meets members' needs;
- Implement financing tools to mitigate CREC's financial risks;
- Increase the service offer to co-operatives to encourage them to increase financial involvement in their respective network.

Strategic direction 4 PROACTIVE INTER-COOPERATION AND MODERNIZED GOVERNANCE

Three strategies:

- Encourage co-operative and mutualist networks to subscribe to the objectives laid out in this strategic plan.
- Use inter-cooperation to reinforce our cross-cutting knowledge and skills.
- Adjust CQCM's governance to allow board members to fully play their role in implementing the strategic plan.

*Improve • Increase • Intensify
Support • Reinforce • Design
Optimize • Develop • Grow*



³ ACCORD projects (*Action Concertée de Coopération Régionale de Développement* or joint regional co-operative action plans) are areas of development excellence retained by local leaders (mainly MRCs) and the government of Quebec (the MEIE) that offer opportunities for co-operatives and mutuals.

Activity sectors for co-operatives and mutuals: A view from 2014 looking to 2020

Our ambitions can be broken down as follows into various groups of activities.

Grouping	2014	
	Jobs	Gross sales
Financial and insurance	52,100	\$16.3 billion
Agri-food	24,300	\$14.6 billion
Human service	6,000	\$240 million
Retail	7,000	\$1.4 billion
Forestry and energy	3,200	\$260 million
Manufacturing, ICT, business services, professional services and telecommunications	3,200	\$149 million
Other (arts and culture, leisure, tourism, teaching, daycares, restaurants, public services, transportation, etc.)	3,000	\$198 million
Housing	170 jobs 27,000 housing units	\$235 million
TOTAL :	98,970 jobs	\$33.4 billion



LOOKING TO 2020

Jobs	Gross sales
56,500 (+ 880/yr)	\$21.8 billion (+ \$1.1B/yr)
29,100 (+ 960/yr)	\$19.9 billion (+ \$1B/yr)
10,000 (+ 800/yr - 80% dom. Serv.)	\$380 billion (+ \$28M/yr)
9,000 (+ 400/yr)	\$1.9 billion (+ \$100M/yr)
4,000 (+ 160/yr)	\$348 million (+ \$17.5M/yr)
6,000 (+ 560/yr)	\$299 million (+ \$30M/yr)
4,200 (+ 240/yr)	\$305 million (+ \$21M/yr)
220 jobs (+ 10/yr) 28,600 (+ 400 units/yr)	\$286 million (+ \$10M/yr)
119,020 jobs	\$45.2 billion

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Thank you to all
the co-operative development partners

Économie,
Innovation
et Exportations

Québec



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Desjardins

La Coop
fédérée



AGROPUR
Coopérative laitière

PROMUTUEL
ASSURANCE

SSQ
Groupe
financier

La Capitale
Groupe financier