Action Plan for an Efficient Network

Maximizing Montréal
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Introduction

Montréal’s economy is booming. The City wants to take advantage of this favourable climate to enhance the business environment and foster lasting growth.

This approach is all the more important given that the current economic situation is characterized by fast-changing technology and business models. To grow, innovate, and create wealth, local companies must be able to rely on a network of optimized business services.

The keys to that network’s effectiveness are provision of direct services to businesses as well as quality relationships among its various stakeholders. We therefore aim to consolidate the activities of the PME MTL network by enhancing support services and funding for businesses. We also intend to maximize synergies among the various players in Montréal’s entrepreneurial ecosystem by actively implementing strategic partnerships.

By acting on those two fronts, Montréal will contribute to the vitality and performance of a network whereby all entrepreneurs can create, develop and innovate.

Valérie Plante
Mayor of Montréal

Robert Beaudry
Executive Committee Member responsible for Economic and Commercial Development and Government Relations
Vision
Montréal, a hub of innovation, talent, and economic, entrepreneurial, international, sustainable and social development.
The 2018–2022 Economic Development Strategy in Brief

This strategy coincides with a promising economic climate for the city

Montréal’s economy has never been so vibrant, dynamic and progressive. Employment has reached record levels, and the city is attracting more and more talent, investment and innovative businesses.

The city has unmistakable assets when it comes to quality of life, innovation, talent, in an array of promising sectors. This economic development strategy builds on Montréal’s strengths to fully take advantage of the opportunities afforded by environmental, social, and economic trends such as changing demographics and climate change.

Moreover, with its newly recognized status as the metropolis of Québec, Montréal has been granted new powers enabling it to better fulfil its role as an economic driver and integrate more economic development initiatives locally.

Montréal faces a number of economic challenges, however, which it must overcome in order to keep up its momentum:

• Access to and matching of the available labour force with companies’ current and future requirements;
• Strengthening entrepreneurship to support business creation, growth, and succession planning;
• Commercialization of discoveries and innovation;
• Improving the economic reach and influence of Montréal and the international development of its businesses;
• Stimulation of economic centres and support for the integrated approach to territorial economic development;
• Consistency and co-ordination of all economic development initiatives;
• Increasing the client focus as part of the city’s economic development.
Five Guidelines to Accelerate Montréal’s Economic Development

Focus on know-how and talent

**Objectives:**
- Reinforce work skills to improve economic productivity;
- Ensure the attraction and retention of talent;
- Improve the match between the needs of businesses and available workers.

Stimulate entrepreneurship

**Objectives:**
- Stimulate business creation;
- Support the growth of small and medium-sized businesses;
- Increase the rate of survival among businesses and support succession planning.

Rejuvenate economic centres

**Objectives:**
- Transform and densify industrial zones by favouring quality amenities and attractive settings;
- Improve the accessibility and the mobility of people and goods to centres of employment;
- Ensure industrial complementarity and synergy, and highlight the territory’s economic advantages;
- Boost retail and local business.

Boost Montréal’s international reputation

**Objectives:**
- Reinforce the City of Montréal’s reputation as a place of business;
- Ensure the development of Montréal businesses on international markets;
- Draw foreign investment to the city.

Ensure a powerful economic development network

**Objectives:**
- Ensure a client-focused approach;
- Enhance the City of Montréal’s internal processes to boost the productivity of economic development programs and services;
- Reinforce Montréal’s economic development ecosystem.
Five High-Potential Sectors to Uphold the Guidelines of the Economic Development Strategy

The aim of the economic development strategy is to ensure ideal conditions for growth across all sectors of Montréal’s economy. It prioritizes five high-potential sectors that will allow Montréal’s economy to be more forward-looking and competitive, and make more productive use of city resources.

Because these five sectors are cross-cutting, supporting them will strengthen other sectors as well as future niches.

**Cultural and Creative Industries**

As a mainstay of Montréal’s distinctive identity and character, the cultural and creative industries are a meeting point for creativity, culture, technology, and innovation. These industries include architecture and design, fashion, multimedia and video games, digital arts as well as traditional visual and live arts:

- Close to 92,000 jobs and $8.6 billion in annual economic benefits to the Greater Montréal Area.¹

**Life Sciences and Health Technologies**

The life sciences and health technology sector encompasses activities ranging from research to product and service development, including medical equipment manufacturing, research and development (R&D) services, and pharmaceutical distribution.

- In Montréal, this sector represents 40,000 jobs, or 80% of direct jobs in life sciences, along with 65% of Québec GDP in the sector.²

**Digital Industry**

The digital industry, at the root of innovation sectors, provides leverage for attracting both domestic and foreign investment. Increasingly widespread, it has proliferated through all other activity sectors, allowing new business models to emerge. Its primary sub-sectors are artificial intelligence and deep learning, virtual augmented reality, big data, advanced manufacturing, software and IT services, as well as telecommunications services:

- More than 100,000 jobs in the city, or 8% of Montréal jobs overall, and 72% of jobs in information and communication technologies (ICT) across Québec;³

- $12 billion of Québec’s GDP is generated by the ICT sector.⁴

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¹ Chamber of Commerce of Metropolitan Montréal (CCMM), The creative industries: Catalysts of wealth and influence for Metropolitan Montréal, 2013.
² Montréal InVivo, Window on the life sciences in Greater Montréal, 2013.
⁴ Ibid.
Mobility and Transport

Serving most economic sectors, including public transport, manufactured goods, distribution centres, wholesale and retail trade, e-commerce, and last-mile delivery, this key industry combines all modes of transport and their disparate logistics. The development of new sustainable and intelligent transport systems is an opportunity to strengthen Montréal’s place within the industry:

- 63,000 jobs in the Montréal agglomeration in 2015;\(^5\)
- $6.1 billion of the agglomeration’s GDP in 2014.

Cleantech Sector

An emerging and fast-growing sector, cleantech reconciles economic growth with environmental performance. Ensuring the transition to a low-carbon economy, this sector promotes innovation through the creation of products and services that impact other sectors of economic activity, while fostering the creation of innovative companies. The cleantech sector consists primarily of green chemistry, energy efficiency, renewable energy, sustainable mobility, waste management, water management, remediation of contaminated sites, treatment of ambient air, etc.:

- 120 foreign subsidiaries employing more than 15,300 people;
- 60% of jobs in the cleantech sector are based in Montréal.

\(^{5}\) Montréal en statistiques, Profil sectoriel : Transport et entreposage (SCIAN 48-49), juillet 2017.
Five Overall Indicators targeted by the Economic Development Strategy for 2018–2022:

Achieve an **employment rate** in the Montréal agglomeration of 65% of the population aged 15 and over by 2022 (2017: 61%)

Increase the share of **full-time employment** in total employment for the agglomeration to 82% (2017: 81%)

Reduce the share of the population aged 15 and over without a **high school diploma** in the Montréal census metropolitan area (CMA) to no more than 12% by 2022 (2017: 15%)

Achieve a **university graduation rate** among the population aged 15 and over in the CMA of at least 32% by 2022 (2017: 29%)

Increase the **employment rate of immigrants** aged 25 to 54 in the agglomeration to at least 80%, thereby reducing the gap between the employment rate of immigrant populations and those born in Canada (2017: 78%)
8 Action Plans to Achieve the Vision and Objectives of the Economic Development Strategy

Action Plan for Entrepreneurship

**Action Plan for an Efficient Network**

Action Plan for Design

Action Plan for Knowledge and Talent

Action Plan for International Economic Affairs

Action Plan for Social Innovation

Action Plan for Commerce

Action Plan for the Economic Development of the Territory

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An Efficient Network: a pillar of the Economic Development Strategy

- An efficient network is a cornerstone of a dynamic business environment.
- It provides support and guidance to entrepreneurs in the start-up and growth phases of their business projects.
- It ensures greater consistency and co-ordination of initiatives by economic development partners.
Action Plan for an Efficient Network
# Summary of the Action Plan

## Business Service Segment

<table>
<thead>
<tr>
<th>Area</th>
<th>Strategies</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Consolidate the PME MTL Network and improve support and guidance for entrepreneurs</td>
</tr>
<tr>
<td></td>
<td>• Fund PME MTL Network activities</td>
</tr>
<tr>
<td></td>
<td>• Provide support and guidance to businesses in commercializing innovations</td>
</tr>
<tr>
<td></td>
<td>• Provide support and guidance in commercial entrepreneurship</td>
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<td></td>
<td>• Provide support and guidance to social economy businesses</td>
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<tr>
<td></td>
<td>• Provide support and guidance to sustainable and industrial development initiatives</td>
</tr>
<tr>
<td>2</td>
<td>Provide funding adapted to businesses’ development needs</td>
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<tr>
<td></td>
<td>• Maintain the PME MTL Investment Fund</td>
</tr>
<tr>
<td></td>
<td>• Fund innovation commercialization projects</td>
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<td></td>
<td>• Fund commercial, sustainable development, and industrial entrepreneurship initiatives</td>
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<td></td>
<td>• Fund social economy businesses</td>
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<td></td>
<td>• Fund specialized services</td>
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<tr>
<td>3</td>
<td>Support capacity-building and talent development</td>
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<tr>
<td></td>
<td>• Support capacity-building for business management</td>
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<tr>
<td></td>
<td>• Optimize entrepreneurial potential in the higher-education institutions</td>
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<tr>
<td>4</td>
<td>Optimize the business development process for entrepreneurs</td>
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<tr>
<td></td>
<td>• Promote services and funding available to businesses</td>
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<td></td>
<td>• Implement the tools necessary to optimize the business development process for entrepreneurs</td>
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## Strategic Partnerships Segment

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<thead>
<tr>
<th>Area</th>
<th>Strategies</th>
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<tbody>
<tr>
<td>5</td>
<td>Strengthen the Montréal business development ecosystem</td>
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<tr>
<td></td>
<td>• Develop and implement a business intelligence specific to partnership dynamics, aligned with the Economic Development Department’s (SDE) objectives</td>
</tr>
<tr>
<td></td>
<td>• Enhance ecosystem cohesiveness and performance in the five priority sectors</td>
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<tr>
<td></td>
<td>• Optimize the international dimension of strategic partnerships</td>
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<td></td>
<td>• Increase the visibility of strategic partnerships</td>
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</table>
Two Complementary Areas of Action for an Efficient Network

Support for an Efficient Network: Two Complementary Areas of Action

Today’s business environment is characterized by the increasingly fast pace of change in technology and business models. To grow, innovate, and create wealth in that context, local businesses must be able to rely on a network that supports their development.

That network’s effectiveness depends as much on direct business services as on synergies and collaboration between the various stakeholders making up Montréal’s business development ecosystem.

With this 2018–2022 Action Plan for the Optimization of Business Services, the City of Montréal will act to consolidate business services in the PME MTL Network as well as provide support for strategic and structure-enhancing partnerships.

Business Service Segment

Objectives

- Ensure client focus
- Optimize the City’s internal processes to ensure more efficient and effective programs and services

Strategic Partnerships Segment

Objective

- Strengthen Montréal’s economic development ecosystem
Business Services Segment

The PME MTL Network: Gateway to Montréal Entrepreneurship

The City of Montréal developed the PME MTL Network in 2015 to provide support and funding services to businesses. The network’s experts provide services to entrepreneurs in six centres throughout the metropolitan area:

- PME MTL Centre-Est;
- PME MTL Centre-Ouest;
- PME MTL Centre-Ville;
- PME MTL Est-de-l’Île;
- PME MTL Grand Sud-Ouest;
- PME MTL Ouest-de-l’Île.

Overview of the PME MTL Network:

- Gateway for Montreal entrepreneurs;
- Standardized service offering throughout the territory;
- Mutually consistent investment and subsidy policies;
- Group of partners including the Fonds locaux de solidarité FTQ, Emploi-Québec, Réseau M, CRÉAVENIR Desjardins, Fondation Montréal inc., Futurpreneur Canada, École des entrepreneurs | Mtl, Jeune chambre de commerce de Montréal, Caisse d’économie solidaire Desjardins, Association communautaire d’emprunt de Montréal and Réseau de la coopération du travail du Québec.

With the proper support, 80% of businesses remain active five years later

The positive impact of the PME MTL Network’s services speaks for itself: with the right support and guidance from experts, 80% of businesses remain active five years later, whereas the Québec average is 34%.

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6 The PME MTL Network is funded in part by the Fonds de développement des territoires (territorial development fund) of the Ministère des Affaires municipales et de l’Occupation du territoire.
Enhancing Support and Funding for Montréal Businesses: A Key Focus of the Action Plan

The business services segment of the action plan is designed to consolidate the PME MTL Network and broaden its support services and funding mandate for local businesses. It is aligned with the City of Montréal’s objective of providing effective and efficient services, while stimulating the creation and growth of businesses, including social economy enterprises.

The action plan is an opportunity for the municipal administration to address entrepreneurs’ needs in the following areas:

- **Commercialization of innovations** via optimization of marketing strategies when new products and processes are developed in the five priority sectors;
- **Promotion of the social economy** by stimulating the emergence of collectively owned enterprises and supporting existing ones, as well as addressing specific business needs via financial assistance that facilitates access to specialized services;
- **Stimulation of commercial entrepreneurship** through initiatives promoting attraction and retention of retail businesses;
- **Promotion of innovative manufacturing and sustainable development practices** by encouraging adoption of innovative technologies and processes, including Industry 4.0 and automation, as well as exemplary practices.

Consolidating an Already Effective Network: **120 Experts to Support Entrepreneurs**

Consolidating the PME MTL Network will drive continued rollout of support services for the start-up and growth of Montréal businesses in all sectors. With 27 new specialized resources added, close to 120 experts will be tasked with providing support and guidance to Montréal entrepreneurs and their businesses.
Increasing PME MTL’s Resources: $29 Million in Business Funding

The action plan will add an extra $29 million in funding over four years to support projects targeting innovation commercialization, the social economy, commercial entrepreneurship, innovative manufacturing, and sustainable development practices. This amount will be in addition to existing business loans and subsidies.

The PME MTL Investment Fund was created in 2015 to help entrepreneurs access financial assistance for their business projects. Beyond the existing $33 million for businesses, the municipal administration plans to inject an additional $13 million over four years, for a total of $46 million in available business loans.

In addition to the loans, the Network also provides non-refundable financial assistance in the form of subsidies. The action plan will add $16.3 million over four years to the existing amounts.

Developing Local Skills and Talent

This action plan will also contribute to entrepreneurial capacity-building via the addition of training and programs meeting business development needs that are aligned with the City of Montréal’s priorities for action. The training programs will focus on growth, marketing, and e-commerce.

Moreover, immigrant entrepreneurship is also an opportunity to increase the number of new businesses. The City seeks to provide better tools to help immigrants develop their business projects, by introducing new training programs adapted to their needs.

Optimizing the Business Development Process for Entrepreneurs

Beyond PME MTL’s support and guidance and funding services for entrepreneurs, the city’s economic development depends on the contribution of several partners and municipal departments.

The action plan provides the following benefits:

- Continued client focus;
- Identification of local business needs;
- Support for the continuous improvement of internal processes;
- Promotion of municipal programs and services available to businesses;
- Promotion of the PME MTL Network’s services;
- Awareness raising and training for municipal stakeholders.
Foundations of the Business Services Segment

Principles underlying the City’s action

The Business Services segment of the action plan will provide client-focused services that put the entrepreneur at the heart of the ecosystem. To that end, the actions developed are based on in-depth knowledge of entrepreneurs’ needs and aim to:

- Adapt policies and regulations to businesses’ realities;
- Support the PME MTL Network’s activities;
- Initiate projects directly or through partnerships.

This action plan is part of a collaborative environment established with government and economic stakeholders so as to provide consistent, complementary programs.

Its actions are supported by the following principles:

- Consolidate the PME MTL Network and improve support and guidance for entrepreneurs in the start-up and growth phases;
- Provide funding adapted to businesses’ development needs;
- Support capacity-building and local talent development;
- Optimize the business development process for entrepreneurs.

Main challenges identified in the action plan

Enhancing business services

The City of Montréal will enhance local business services, with specific resources and programs in addition to existing services available to entrepreneurs in the areas of retail commerce, the social economy and industrial development.

Levers of action:

- Implement the action plan in a complementary manner with existing programs to maintain a continuum of services in the ecosystem;
- Adopt tools for understanding entrepreneurs’ needs more clearly depending on different economic activities and business development phases.

Optimizing Montréal’s economic development programs and services

To undertake a business project, entrepreneurs depend on input from multiple municipal departments. The City therefore intends to provide more client-focused, efficient and effective business services, implementing programs and tools that better meet their needs, while standardizing existing practices and regulation.

Levers of action:

- Client-focused approach;
- Continuous improvement of internal processes;
- Promotion of municipal programs and services;
- Awareness raising and training for municipal stakeholders.
SWOT Analysis of the Environment and Markets – Business Services Segment

**Strengths**

- Freely available services that are adapted to entrepreneurs’ needs and realities
- Expanded network of Montréal experts providing support and guidance services, as well as funding
- Capitalization of several investment funds and subsidies for businesses, including in the social economy sector
- École des entrepreneurs | Mtl, which is responsible for training programs in the continuum of services for entrepreneurs

**Weaknesses**

- Complex ecosystem for entrepreneurs (approximately 200 organizations and programs)
- Activities and needs that require better-adapted services and funding (marketing, commercial entrepreneurship, exporting)
- Need for the City to better understand industrial businesses’ needs so as to adjust its service offering
- Need for a review of the City’s internal processes and services so as to better adapt them to entrepreneurs’ current needs
Opportunities

• Make the client experience the focus of optimization of internal processes and services

• Consolidate the strengths and expertise of PME MTL Network to enhance support services for entrepreneurs

• Further involve the boroughs in the continuum of business services and support

• Strengthen the current entrepreneurial ecosystem and make it more accessible

Threats

• Fast pace of change in technology and business models: need for more agile solutions for business funding and support services

• Skilled labour shortage in certain sectors; businesses face growing difficulty in recruiting talent
A $115.4-million budget over four years. 4 areas of action. 30 actions.
Consolidating the PME MTL Network and Improving Support and Guidance for Entrepreneurs

The City of Montréal plans to increase resources dedicated to support and guidance services to entrepreneurs, so as consolidate and expand the PME MTL Network’s services and to meet needs identified by entrepreneurs. A total of 27 new specialized resources will be added to the network, bringing to 120 the number of experts involved in supporting and guiding entrepreneurs.
<table>
<thead>
<tr>
<th>Strategies</th>
<th>Actions</th>
<th>Performance Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidate the PME MTL Network</td>
<td>• Fund operations in the PME MTL Network’s service centres</td>
<td>• Indicators included in the delegation agreements</td>
</tr>
<tr>
<td>Provide support and guidance to businesses in commercializing innovation</td>
<td>• Add nine innovation commercialization resources within PME MTL</td>
<td>• Number of businesses supported</td>
</tr>
<tr>
<td>Provide support and guidance in commercial entrepreneurship</td>
<td>• Add six new resources specialized in commerce within PME MTL to implement local strategies for attraction and retention of retail business as well as for local product/services offering development • Contribute to the rollout of the objectives of the Action Plan for Commerce</td>
<td>• Number of businesses supported</td>
</tr>
<tr>
<td>Provide support and guidance to social economy businesses</td>
<td>• Add six new resources within PME MTL to stimulate emergence of collectively owned enterprises and support growth of existing businesses through specialized consulting services • Support activities undertaken by the Conseil d’économie sociale de l’Île de Montréal (CESIM) • Contribute to the rollout of the objectives of the Action Plan for Social Innovation</td>
<td>• Number of businesses supported</td>
</tr>
<tr>
<td>Provide support and guidance to sustainable and industrial development initiatives</td>
<td>• Add six new resources within PME MTL to provide personalized support services and support growth and innovation • Contribute to rollout of the objectives of the Action Plan for the Economic Development of the Territory</td>
<td>• Number of businesses supported</td>
</tr>
</tbody>
</table>
Providing Funding Adapted to Businesses’ Development Needs

The action plan seeks to increase the leveraging effect of municipal funding by increasing capitalization of the PME MTL Fund to support businesses’ marketing needs, and by adding new sources of non-refundable financial assistance in the priority sectors.
<table>
<thead>
<tr>
<th>Strategies</th>
<th>Actions</th>
<th>Performance Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capitalize the PME MTL Fund</td>
<td>• Increase capitalization of the PME MTL Fund to support start-up and growth of businesses</td>
<td>• Number of businesses supported financially</td>
</tr>
<tr>
<td>Fund innovation commercialization projects</td>
<td>• Add an innovation and commercialization component to the PME MTL Fund to support businesses’ activities (loans) • Implement a subsidy fund to support innovation commercialization, including within Montréal’s higher-education institutions</td>
<td>• Number of businesses supported financially</td>
</tr>
<tr>
<td>Fund commercial entrepreneurship, sustainable and industrial development</td>
<td>• Implement a subsidy fund to support commercial entrepreneurship, sustainable development initiatives, and industrial development</td>
<td>• Number of businesses supported financially</td>
</tr>
<tr>
<td>Fund social economy enterprises</td>
<td>• Increase the capitalization of Fonds de l’économie sociale (FDES) so as to stimulate emergence of collectively owned enterprises and support the growth of existing businesses through subsidies</td>
<td>• Number of businesses supported financially</td>
</tr>
<tr>
<td>Fund specialized counselling services</td>
<td>• Fund access to specialized consulting services, including in social economy, design, and human resources</td>
<td>• Number of businesses supported in each sector</td>
</tr>
</tbody>
</table>
Supporting Capacity-Building and Talent Development

With the Action Plan for the Optimization of Business Services, the City will contribute to capacity-building for Montréal entrepreneurs by strengthening the training program at École des entrepreneurs | Mtl, a partner of the PME MTL Network. It will also support college and university entrepreneurs in commercialization of innovative projects.
<table>
<thead>
<tr>
<th>Strategies</th>
<th>Actions</th>
<th>Performance Indicators</th>
</tr>
</thead>
</table>
| Support capacity-building for business management | • Develop a supply of custom training programs adapted to Montréal entrepreneurs’ realities  
• Develop four entrepreneurial support processes focused on growth, commercialization, digital, and immigrant entrepreneurship | • Number of entrepreneurs trained  
• Number of entrepreneurs having engaged in a support process |
| Optimize entrepreneurial potential in higher-education institutions | • Support innovation commercialization initiatives in higher-education institutions  
• Contribute to the rollout of the objectives of the Action Plan for Knowledge and Talent | • Number of projects funded |
Optimizing the Business Development Process for Entrepreneurs

The Action Plan for the Optimization of Business Services includes actions designed to give entrepreneurs a better picture of available services and funding, and actions to support municipal stakeholders in continuously improving the client experience for entrepreneurs dealing with the City.
<table>
<thead>
<tr>
<th><strong>Strategies</strong></th>
<th><strong>Actions</strong></th>
<th><strong>Performance Indicators</strong></th>
</tr>
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</table>
| **Promote the services available to businesses** | • Update and improve the communications tools available through the PME MTL Network  
  • Appoint a resource specialized in communications and promotion within the PME MTL Network  
  • Distribute and promote the new services provided to entrepreneurs by the PME MTL Network  
  • Pursue efforts to increase PME MTL’s visibility by promoting support services and funding provided to entrepreneurs  
  • Launch a promotion campaign to introduce services for entrepreneurs  
  • Hold an annual networking activity with PME MTL’s experts, entrepreneurs and SDÉ advisors | • Resource hired  
  • Number of publications in PME MTL’s digital tools  
  • Promotional campaign results  
  • Effectiveness of digital tools  
  • Attendance at events |
| **Develop tools for assessment of needs and for referral** | • Provide stakeholders with the tools to properly and effectively inform and refer entrepreneurs to the services available  
  • Tour businesses and local subsidiaries of international companies to better understand their needs  
  • Identify industrial businesses’ needs so as to better adapt the service offering  
  • Organize activities, sector tables or co-development groups; document and disseminate actions within the PME MTL Network so that experts have the proper tools to work with businesses  
  • Provide continuous training to PME MTL experts and SDÉ professionals | • Referral matrix  
  • Number of businesses toured  
  • Number of surveys completed  
  • Number of activities undertaken  
  • Number of professionals trained |
Strategic Partnerships Segment

Sustainable and Performing Ecosystems: An Asset for Local Economic Development

Beyond the quality of services provided to businesses, optimal performance of a network depends largely on the vitality and strength of its sector ecosystems. Innovative businesses are more likely to emerge and flourish in strong ecosystems where the various players face shared challenges together by focusing on collaboration and shared expertise as part of promising, structure-enhancing initiatives. Ecosystems that are highly proactive and innovative also attract more investments, which in return accelerate business development.

Strong-performing economic ecosystems with complementary, cohesive and co-ordinated initiatives allow to:

- Structure emerging sectors;
- Create leverage to maximize ROI;
- Stimulate business creation and growth;
- Attract investments;
- Develop innovation;
- Increase productivity;
- Create employment.

In that sense, structure-enhancing and effective ecosystems are highly strategic assets for municipal economic development.

A Changing Global Context Means New Sector Dynamics

The traditional sector dynamics of Montréal are being affected by a changing economic context, marked by three major trends:

1. **The emergence of new, innovative economic sectors** such as artificial intelligence (AI) and digital creativity, with cross-cutting applications, are upsetting existing processes and creating new paradigms. All of the changes expected to stem from development of new technologies in these sectors will lead to unprecedented business opportunities, which companies in the Montréal area must take advantage of. For example, the AI industry alone could inject US$15.7 trillion into the global economy by 2030.7

However, this technology revolution has its share of challenges from redefined relationships among all the other segments of the economy in the metropolitan area to transformation of traditional business models to reshaping of needs in the area of talent and know-how. In addition, accelerated, organic development in these emerging sectors demands that all businesses and institutions involved display continuous agility and adaptability.

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7 PwC, Sizing the prize – What’s the real value of AI for your business and how can you capitalise?, 2017.
2. The increased competition between large cities to attract talent, innovative businesses and capital, all of which are more and more mobile on a global scale. This phenomenon is exacerbated by growth of a knowledge-based economy and technology-intensive sectors, where development depends considerably on these three elements. In addition, fast growth and development in several metropolitan areas in emerging economies are accentuating the competition that Western cities already face.

3. The higher numbers of stakeholders and initiatives within economic ecosystems attributable to increased investment by federal, provincial and municipal governments. To take full advantage of the opportunities created by new and emerging sectors, and to counter global competition, our governments have announced and implemented many new strategies and measures. Resulting the process, several other private initiatives have also recently emerged. Without co-ordination, the rapidly increasing number of stakeholders could create a lack of complementarity among the various initiatives, and even lead to redundancies.

Strategic Partnerships: Essential to Creating Sustainable, Effective Economic Ecosystems

The importance of efficient sectoral ecosystems in investment attraction as well as in the creation and growth of innovative companies, synergies and collaboration among the various stakeholders involved must be maximized. To do this, the City intends to rely on new tools developed in line with the Montréal Reflex agreement to support implementation of strategic partnerships.

The Strategic Partnerships segment of the action plan has therefore been designed to increase cohesiveness and efficient collaboration of economic development initiatives via partnerships that build on stakeholder skills, expertise and complementarity. Montréal will therefore:

- **Structure** the development of emerging sectors to prevent erratic and precarious growth;
- **Identify** shortcomings within the economic ecosystems and support initiatives to remedy them;
- **Maximize** intersector applications and innovation in order to take full advantage of the cross-cutting dimensions of these new sectors;
- **Strengthen** the international positioning of Montréal’s ecosystems in the priority sectors.

“It is vital to foster collaboration between public and private partners and secure active co-operation between all levels of government to maximize the impact of every one of our actions.”

Valérie Plante, Mayor of Montréal, Montréal Geared Up for Tomorrow – 2018–2022 Economic Development Strategy
Foundations of the Strategic Partnerships Segment

Principles underlying the City’s action

The team’s mission is to contribute to the vitality, efficiency and effectiveness of Montréal’s economic development ecosystem through strategic partnerships. The team will therefore:

- **Assess the needs** of Montréal’s economic ecosystems in the targeted sectors;
- **Identify partnerships** likely to meet those needs and elements with potential to enhance those partnerships;
- **Mobilize the stakeholders** required to develop those partnerships;
- **Manage** partnerships deemed strategic.

Its actions are supported by the following principles:

- **Promote and develop partnerships** that have a structure-enhancing effect on the sectors and their stakeholders, to ensure their growth and visibility;
- **Increase cohesiveness and complementarity** of the various initiatives and actions undertaken within the economic ecosystems;
- **Mobilize a critical mass of economic stakeholders** from priority sectors toward a set of shared goals;
- **Become a catalyst** for partners to facilitate projects singled out for their high potential;
- **Create synergies** through networking among ecosystem stakeholders to maximize innovation and achieve conclusive results.

Main challenges identified in the action plan

The team must boost the vitality, cohesiveness and effectiveness of the economic ecosystems given the increasingly complex environment.

Levers of action:

- Document and analyze the current situation;
- Assess strategic partnership needs;
- Plan strategic partnership development.

The mobilization of stakeholders through structure-enhancing partnerships

Levers of action:

- Identify and foster convergence of strategic partnerships;
- Support synergies;
- Promote efforts and results.

The optimization of the international reach of the partners and their actions

This challenge relates to the importance of positioning Montréal’s ecosystems more strongly in promising sectors so as to maintain their visibility and leadership.

Levers of action:

- Identify and support international networking and partnership opportunities.
SWOT Analysis of the Environment – Strategic Partnerships Segment

**Strengths**

- World-renowned university network
- One of Canada’s most active cities in terms of investment in R&D
- Diversified economy and international visibility of priority economic sectors:
  - Nine metropolitan clusters, eight new provincial clusters and one federal “supercluster”
  - Several local emerging technology-intensive sectors, such as artificial intelligence and digital creativity
- High number of start-ups, which positions the metropolitan area as one of the top 20 start-up ecosystems in the world
- Increased investment (e.g., government, private, venture capital) in emerging sector

**Weaknesses**

- Québec lags considerably behind the OECD20 average in terms of productivity
- Low innovation uptake and lack of process review in traditional sectors
- Low commercialization of the developed innovations
- In traditional sectors, Québec businesses are often less visible internationally. Conversely, those that are internationally present often lack visibility locally
- Increasing number of organizations and initiatives in Montréal, which makes it more difficult to co-ordinate individual

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8 Aerospace, aluminum, fashion, film & television, financial services, IT, life sciences, logistics & transport, and clean tech.
10 Group of 20 OECD member countries with accessible historical data.
Opportunities

• Maximizing the cross-sector innovation in order to optimize the potential of emerging sectors

• Taking full advantage of the new powers and funding granted under the *Act to Increase the Autonomy and Powers of Ville de Montréal*

Threats

• Acceleration of changes in technology and business models

• Increasingly fierce competition between metropolitan areas seeking to promote their ecosystems and attract talent, investment and businesses

• Labour shortage
A $32.4-million budget over four years.

1 area of action.

12 actions.
Strengthening Montréal’s Economic Development Ecosystem

The Strategic Partnerships segment aims at implementing the right conditions for creation of structure-enhancing and effective partnerships.
<table>
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<th>Strategies</th>
<th>Actions</th>
<th>Performance Indicators</th>
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| Develop and implement business intelligence specific to partnership dynamics, aligned with the SDÉ objectives | • Document and continuously monitor the ecosystems of the five priority sectors  
• Analyze City programs and policies with an impact on economic development to ensure they are more cohesive  
• Develop the tools necessary for analysis and development of partnerships  
• Analyze the existing and proposed partnerships, especially those involving the innovation complexes | • Number of reports and ecosystems mapped  
• Number of surveys and analyses  
• Number of tools developed  
• Number of annual reports on the partnerships |
| Enhance ecosystem cohesiveness and performance in the five priority sectors | • Develop a blueprint for the strategic partnerships to identify and prioritize which should be undertaken and finalized  
• Develop and establish the strategic partnerships jointly with the relevant stakeholders  
• Stimulate synergy among the strategic partners and with other stakeholders in the ecosystems  
• Contribute to implementation of the innovation complexes and an innovation hub | • Partnership blueprint realization  
• Number of agreements and partnerships signed  
• Number of collaborations initiated or facilitated  
• Number of innovation and commercialization complexes  
• Implementation of an innovation hub |
| Optimize the international dimension of strategic partnerships | • Identify business opportunities within the City’s international networks  
• Facilitate strategic partnership initiatives within the targeted international networks | • Number of collaboration opportunities documented  
• Number of meetings initiated |
| Increase the visibility of strategic partnerships | • Promote the strategic partnerships blueprint and tools developed to the Economic development department’s divisions  
• Promote the partnerships undertaken and their results | • Number of blueprint presentation sessions  
• Number of dissemination plans and activities |
Conclusion

The Action Plan for an Efficient Network has been designed to enhance the ability of the economic stakeholders to support local businesses and create conditions conducive to their development. The effectiveness of this stakeholder network is one of the fundamentals of a competitive business environment in which innovative, productive businesses can emerge and flourish. It is therefore important to optimize both direct services for businesses as well as synergies and collaboration among the various stakeholders contributing to economic development within the Montréal ecosystem.

To ensure success, this plan will be implemented in a cross-cutting manner in the five priority sectors identified in the Montréal Geared Up for Tomorrow Economic Development Strategy. The plan’s five key areas of action are focused on the two priorities identified in the strategy: optimization of services to business through PME MTL Network, and strengthening of the economic development ecosystem through support for structure-enhancing and strategic partnerships.
Glossary of Terms

**Regional innovation hubs**

(*pôles régionaux d’innovation*)

Convergence points promoting entrepreneurship, creativity and innovation. Various platforms will be created to facilitate the sharing of ideas and closer collaboration between researchers and the public and private sectors. To implement these regional innovation hubs, a call for projects will be issued as part of the Québec government’s future Entrepreneurship Action Plan.
Economic Development Mobilization Forum

Fall 2018