

Quebec government provides funding support for innovation

Elliot Schiller

Créativité Québec is designed for companies with innovative projects that need funding to acquire new technology or to develop or improve products and processes. If you have an innovative idea that you are ready to launch, this could be an excellent opportunity for you. You are eligible to take part in this program if your company is a 'for-profit' entity, and you are manufacturing in Quebec.

In order to qualify for the funding, your project must:

- Entail expenditures of \$500,000 or more to purchase new technology or to develop or improve products and processes;
- Involve a technologically innovative product or process;
- Have commercial potential, or improve a process, or aim to implement a new and improved production method;
- Give your company a clear competitive and technological advantage.

The program is administered by Investissement Québec, with the support of the Ministère de l'Économie, de la Science et de l'Innovation. It provides a loan or a loan guarantee for your company. Financing is available anywhere from \$50,000 up to \$5,000,000 based on the scale of your project and your needs. You can work with Créativité Québec to develop flexible financing from short-term to long-term financing up to 10 years. Repayment of capital can potentially be deferred for up to three years providing your company with the freedom to use your liquidity as you see fit while your project is under way. In certain cases, Créativité Québec offers an equity investment so that you have greater leeway with your new cash inflow.

Financing for every project must include an investment from private sources equivalent to at least 20% of the total project cost, and a loan guarantee can cover up to 70% of any net loss. Here is the list of documents that you will need to have prepared in order to apply:

- Business/marketing plan
- Cash flow projections
- CV/resume of company primaries/owners/partners
- Organizational chart
- Project/research/development plan
- Recent financial statements (P&L, AR, AP, Balance Sheet)
- Sales forecast

These requirements are not unique to Créativité Québec, in previous columns we discussed the need for professionally developed business/ marketing plans, see Funding help

begins with a good business plan, August, 2014. In that column I provide a link to the business plan development templates and guidelines that each of the tier 1 financial institutions provides online for your use. You can access these links at

http://www.teegerschiller.com/WhatWeDoFS_Business_Plan.htm .

You will need to prepare a business plan that addresses the following topics:

- Business strategy
- Marketing strategy
- Operational plan
- Cash Flow Analysis
- Strengths, weaknesses, opportunities and threats analysis
- Human resource plan
- Social responsibility plan
- E-business strategy
- Financial forecasts and other information
- Business exit strategy

Your plan needs to be optimistic, while at the same time remaining realistic.

As your financial needs are specifically related to an innovation project, you need to also ensure that your experimental development process is well thought out and logical, and that you have the professional resources who are capable of executing the project.

This represents an excellent opportunity to fund your innovation project without drawing upon your existing cash resources. Further, as this is considered a loan, not a grant, it does not affect your ability to obtain funding support utilizing other government programs including the Industrial Research Assistance Program (IRAP), see March, 2014 column, or the Scientific Research & Experimental Development program (SR&ED), see July/August, 2014 column, which are the two largest sources of innovation funding available across Canada. Créativité Québec anticipates processing an application within 2 months, once you have fulfilled all of the application requirements. Therefore, if you are poised to innovate, and you need funding help, time is of the essence. Don't delay. As I've said many times before in this column, when dealing with government funding, "the early bird gets the worm".

Elliot Schiller is a Director at Toronto's Teeger Schiller Inc., a company that specializes in obtaining government funding. His clients receive over \$5 Million annually to support their ongoing business Innovation. E-mail eschiller@teegerschiller.com, visit www.FundingHelp.ca or phone 1-888-816-0222 Ext. 102.



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David Teeger

Director

David Teeger C.A., C.A. (S.A.) graduated as a Chartered Accountant in South Africa, and upon arrival in Canada he obtained his Canadian C.A. designation and joined Richter & Associates, a management consulting firm, where he concentrated his practice on various business sectors including household goods, fashion, automotive parts, public associations, and retail chains. He performed many roles in his 15 years at Richter, including managing the professional services organization in North America and all business operations throughout Europe.

David's professional capabilities include computer audits, feasibility studies, system analyses and assistance in the selection, negotiation and implementation of computerized solutions.

As a founding partner of Teeger Schiller Inc., he has focused his practice on consulting to management. His team of professionals has helped businesses select and successfully install a variety of ERP business solutions and add-on systems including business intelligence solutions to give new life to existing computer systems. David's clients not only rely on him to successfully manage the implementation of their new systems, but to manage the change that occurs in their organizations as a result of the use of these new tools.



Elliot Schiller

Director

Elliot Schiller, Ph.D., C.M.C. began his career as a Chemical Engineer working for Grumman Aircraft, in Long Island, New York. He obtained his Ph.D. at the University of Pittsburgh with funding from the U.S. Atomic Energy Commission, and, after being awarded a Presidential Fellowship, he went on to perform research and development activities at Brookhaven National Laboratory.

Since coming to Canada, he has primarily assisted consumer products and retail organizations in a variety of strategic management initiatives, traveling around the globe on behalf of his clients. In 1987, Elliot joined Richter & Associates, and it is here that he first met David Teeger.

As a founding partner of Teeger Schiller Inc., he has focused the SR&ED / Grant Division on obtaining grants and tax incentives for over 100 companies in the small to medium sized business sector. His team has provided services to the discrete / processing manufacturing, material development, textiles, apparel, automotive and computer sciences sectors. Annually, Teeger Schiller Inc. secures more than \$5 million in government funding to assist its clients in having their business initiatives supported by government funding.



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