

**A**fter it was created in 1983, the Fonds de solidarité FTQ began to recognize that a key sector of the economy was missing out on its expertise and financing know-how: small and medium-size enterprises.

While large companies prepared to enter into international markets and businesses involved in emerging industries were being tended to by the Fonds, small businesses appeared to be lacking the tools to help them think big. If they were ever going to grow into large companies, they, too, would need a capital fund at their disposal.

After all, said Jean-René Laforest, general manager of the Fonds locaux de solidarité FTQ, "Bombardier was once a small company."

So, in 1991, the Fonds locaux was created, lending as little as \$5,000 and as much as \$100,000 in capital financing, and working alongside the CLDs (Centre local de développement) and the CDECs (Corporation de développement économique communautaire). Since that time, through their 85 local funds, they've financed more than 2,730 projects, invested over \$87 million and created, maintained or protected 25,000 jobs.

The focus is really on the small, with the average business they help out counting nine employees; and with an eye on the fact that many want to grow but are often stymied by the banks that usually see them as riskier clients than larger operations.

The local businesses benefit from the capital the Fonds provides, the local knowledge from the CLD and CDEC as well as industry and financial advice from

## Helping small companies to think big



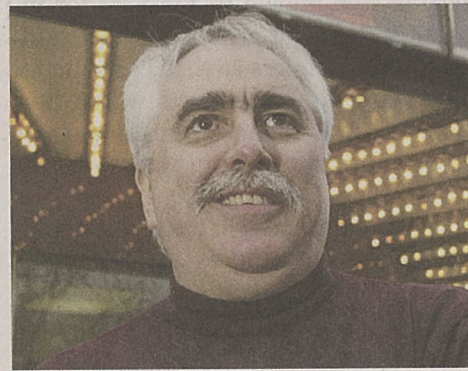
Courtesy of Fonds FTQ

**Jean-René Laforest, general manager of the Fonds locaux de solidarité FTQ.**



Gazette files

**Michelle Laflamme, president and CEO of Emovi Inc.**



Marie-France Coallier, Gazette files

**Mario Fortin, president and CEO of Cinéma Beaubien.**

others in the Fonds network. Laforest said this puts businesses in a more attractive position to obtain further financing from the more traditional and risk-averse financial institutions. "We diminish the risk for those financial institutions."

For Mario Fortin, who owns the Cinéma Beaubien in the Montreal neighbourhood of Rosemont, the money he got from the Fonds locaux did just that and helped convince other financial institutions to get on board.

The new funds helped mitigate the changes taking place in his industry, Fortin said. "We just went through a major technology crisis, with the need to install digital projectors."

Similarly, the Fond locaux's 2011 investment in Emovi appears to have propelled that Montreal company to greater heights. Its medical device, the KneeKG, straps on to a patient's knee to allow medical professionals to monitor the knee while in motion. The capital costs for the biotech sector — even for a case like Emovi, where there had already been a device invented (by researchers at three Quebec schools) — are intense and involve some risk. "It was not something you could go see a bank for," said Emovi CEO Michelle Laflamme.

The KneeKG's clinical results have amassed 100 peer-review papers and its 2011 funding from the Fonds locaux has turned into a \$1-million investment from the Fond's 2012 innovation fund. That kind of capital has given the company the capacity to negotiate with several potential buyers and distributors around the world, taking it from a small local company to one that is international and growing.