

### **GSK DOUBLES THE CAPACITY OF ITS VACCINATION PRODUCTION FACILITY**

Pharmaceutical multinational GlaxoSmithKline (GSK) has announced a \$90 million investment to upgrade its production facility at Québec Metro High Tech Park. The funding will be used to replace the current flu vaccine sterile packaging and filling line with a new, more modern line that will double the facility's production capacity. The investment means that starting in 2012, GSK will be able to produce 33 million vaccine doses for Canadians in just one month in the event of a pandemic. The Canadian government is giving GSK a \$40 million grant over three years, while the Québec government is providing a non-refundable financial contribution of up to \$20 million, to be administered by Investissement Québec.

### **UNIBOARD CANADA INVESTS \$2.2 MILLION IN VAL-D'OR**

A leading North American manufacturer of engineered wood, Uniboard Canada will install a new melamine press at its Val-d'Or particle board plant. The project, which involves an outlay of \$2.2 million, is part of a major initiative to diversify the plant's product line. Uniboard Canada will receive a \$347,500 loan from Investissement Québec under the Renfort program. That financial assistance will allow the company to hire 16 people and maintain the Val-d'Or facility's current workforce.

### **\$10.3 MILLION FOR ESTERLINE CMC ELECTRONICS**

Jacques Daoust, President and CEO of Investissement Québec, has just announced a \$10.3 million Québec government contribution to Esterline CMC Electronics to assist with its FronTier™ project. The contribution is repayable through royalties and will allow CMC to develop new technologies and round out its aerospace expertise. The R&D project, with a total value of nearly \$150 million, will help keep 80 very high-calibre jobs in Montréal for five years and create roughly 50 production jobs.

## HUMAN CAPITAL, THE KEY TO PRODUCTIVITY

By adopting a management approach that focuses on human resources, Saint-Eustache's Nova Bus increased its productivity and tripled its sales in less than five years.



When Gilles Dion joined the Nova Bus team as President and CEO back in January 2004, the company had two plants and was operating in survival mode. Dion went right into action, taking advantage of introductions to speak to his new colleagues about his personal values and those he wanted to instill at the company. "I wanted to start out by creating a pleasant work environment and rekindling the passion of every team member," he says. "I see human capital as the company's greatest resource."

Dion and his team turned that talk into action, making themselves more accessible by creating a variety of forums and encouraging team discussion. Dion himself moved into a more accessible, open office. He also assembled a team of managers who, like him, believed that the road to success for Nova Bus lay in making its staff its top priority. Many people, however, remained sceptical. "But we stayed the course," says Dion, "and little by little a cultural shift took hold."

Other priorities included charting a common course for the team and rallying everyone around a shared goal. "After doing some strategic thinking, we asked ourselves what we wanted to accomplish together," explains Dion. "At the time, we were producing one vehicle a day and our order book was empty. So we decided to pull out all the stops and produce two vehicles a day. For three years, that challenge gave the entire team a goal to work towards." Nova Bus reached its objective in late 2007, one year earlier than it had aimed for—an accomplishment that was duly celebrated.

Sales are now on the order of 900 vehicles a year, Nova Bus is operating three plants and the workforce has risen from 300 to 1,150. The company's operating margin has

also grown significantly. "If we had conducted a survey on employee satisfaction back in 2004, we would have had a poor response rate and low satisfaction levels," says Dion. "Today, those levels are quite respectable. The same goes for customer service: last year, customers ranked us tops in the Volvo group! We set out to make this a human-centred company and to pursue our vision and plans for growth. That's what enabled us to come out on top and set ourselves apart from the rest of the industry." ■

**Nova Bus is owned by Volvo Bus Corporation, the world's second largest motorcoach and transit bus manufacturing group. Nova Bus is a North American leader in public transit solutions, including low-emission vehicles, articulated buses and integrated intelligent transportation systems. The company operates two plants in Canada and one in the United States.**

## OVER \$218 MILLION FOR A MICROELECTRONICS INNOVATION CENTRE

The governments of Canada and Québec are giving University of Sherbrooke nearly \$178 million to build a microelectronics innovation centre in Bromont. The project will be carried out in partnership with IBM Bromont, Dalsa Semiconductor and various equipment suppliers, who will invest a total of over \$40 million. With some 250 industry and University of Sherbrooke researchers, the new global centre of excellence will focus on research and development in packaging microsystems and microchips. The project will also help create a true microelectronics cluster in Québec, a strategic part of North America's northeastern microelectronics corridor.

## JACQUES DAoust ON A MISSION TO JAPAN

Jacques Daoust, President and CEO of Investissement Québec, accompanied Québec Minister of International Relations Pierre Arcand on his economic mission to Japan from September 22 to 29, 2009. Mr. Daoust took advantage of his visit to Tokyo to meet with potential investors and parent companies of subsidiaries established in Québec. He also attended the Tokyo Game Show, the country's largest video game trade fair, where he invited participants to come see the vitality and tremendous potential of Québec's multimedia industry for themselves at the Montréal International Game Summit, to be held November 16 and 17.

If you have any questions, comments or suggestions, please write to us at [IQexpress@invest-quebec.com](mailto:IQexpress@invest-quebec.com).

# THE SUBSIDIARY NETWORK HOLDS ITS FIRST MEETING

The idea of creating a network for leaders of multinational subsidiaries established in Québec took shape at the second foreign business leaders forum, held last February.

"During the forum, we sensed that participants needed to exchange views on a more regular basis," Raymond Leduc, Director of the IBM plant in Bromont and Senior Location Executive, recalled. "There are many networks in Québec, but none targeting us specifically. We decided to create one so we can meet to discuss the challenges and responsibilities specific to heads of subsidiaries. As is the case with many good ideas, the network owes its existence to the efforts of a group, not just one person."

And to officially launch the new network, a few heads of subsidiaries decided to organize a lunch-and-learn last September 15, with *Productivity in a Post-Crisis Economy* as its theme. The event was presented by Investissement Québec, in cooperation with the Montréal Council on Foreign Relations (MCFR) and IBM. The roughly 40 participants were addressed by Alain Dubuc, author and columnist, and Gilles Dion, President and CEO of Nova Bus.

"The comments have been constructive," Raymond Leduc told us. "In particular, people indicated that they wanted more time for informal discussions. We'll take that into account for our next activity, which may well be a visit to a company or a networking meeting."

Visit [IQfiliales.com](http://IQfiliales.com) regularly to learn when the next activity of the Subsidiary Network will take place. ■

### The Subsidiary Network has three objectives:

1. Raise awareness of the contribution of subsidiaries to Québec's economic health.
2. Develop tools so that subsidiaries can better showcase what Québec has to offer to the heads of parent companies.
3. Enable subsidiaries, through a variety of activities, to share their best practices and give each other a helping hand.

## IN PRAISE OF PRODUCTIVITY

At the first conference lunch of the Subsidiary Network, author and columnist Alain Dubuc expressed his views on the theme chosen for the event: productivity. He began by stating that productivity is without doubt the greatest challenge facing Québec and its businesses. "We must not be deceived by our economy's resilience during the recession," he said. "The problem is still with us. It must be dealt with if we are to prepare for the post-crisis world. Subsidiaries know this. Most of them have made productivity part of their development strategy."

The issue is particularly pressing because the gap is widening. In Québec, productivity per hour is \$44.41 compared with \$48.50 in Ontario and \$57.40 in the United States. To turn things around, Mr. Dubuc argues that attitudes and policies will have to change, but above all, companies will have to realize that productivity increases profitability. He then noted that all productive societies excel in three areas: investment, education and innovation.



"We have to improve on all these fronts," he said. "And that's an area where subsidiaries of international companies are better equipped, in particular because they are part of international groups." In fact, subsidiaries established in Québec annually invest four times more than local companies. They also carry out more R&D, an activity that, in his view, has an effect on productivity only if the results can be commercialized.

Alain Dubuc ended his presentation with this message to participants: "It's all very well to support investment, as Investissement Québec does, and set up all kinds of measures, but when it gets right down to it, the drive and energy of the companies themselves is what makes the difference." ■

Alain Dubuc is a columnist with *La Presse* and *Le Soleil*. He is the author of *Éloge de la richesse*, published in 2006, which won a prize for best business book in 2007. His most recent work, *Les démons du capitalisme*, came out in April 2009.