

Startup Barometer

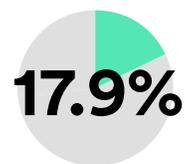
Published April 6, 2020

The Barometer provides weekly monitoring of Québec startup challenges and needs in the context of the current sanitary and economic crisis.

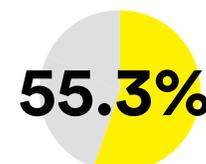
It is published every Monday in order to support the actions of public decision-makers, business accelerators and incubators (BAIs), and all of the actors supporting startups.

How are you?

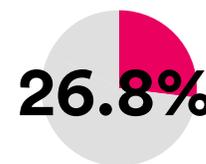
In general, how would you qualify your situation compared to last week?



Better



Unchanged



Worse

Highlights

50.8%

of startups surveyed are having a **hard time making sense of all the information** on available government support measures.



Startups in the **early stages** of commercialization have the **least access** to the government measures they need.



For a majority of respondents, **investment capital and loans** from banks or other private institutions are **not considered a useful solution** to their current financial challenges.

14.3%

only of respondents feel **equipped enough** to confront the crisis.

59.3%

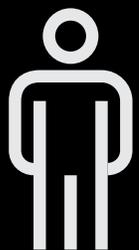
of surveyed startups identify **business opportunities** linked to the current crisis.



Startups who are **accompanied by a business accelerator or incubator** generally assess their business' prospects in a more **positive** light than those who are not.

Key points this week

Data collected from March 30 to April 2, 2020



63

respondents
participated to the study

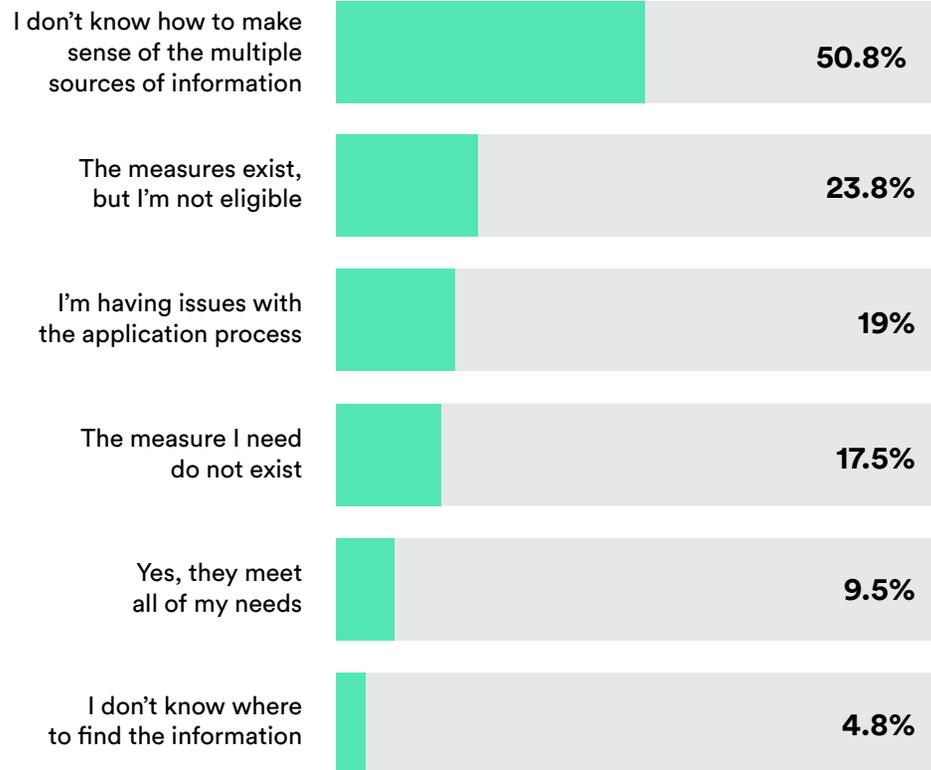
Government measures

9.5%

of respondents state that current government measures completely meet their needs.

50.8%

of respondents acknowledge having a hard time making sense of all the information on government support measures.

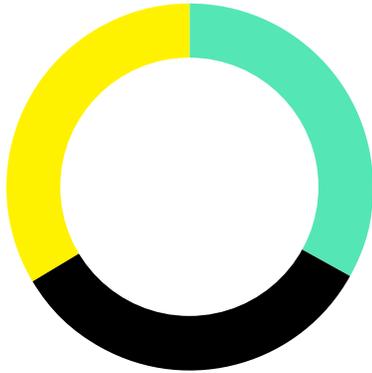


Based on the question: "Do the current government measures meet your needs?"

By commercialization stage

Startups in the early stages of commercialization seem to have the least access to the government measures they need.

“The measures exist, but I’m not eligible.”



33.3% No sales
33.3% A few first clients
 0% Stable revenues
33.3% Fast growth

“The measures I need do not exist.”



10% No sales
60% A few first clients
 10% Stable revenues
20% Fast growth

By industry

Respondents who answered “The measures I need do not exist” and “The measures exist, but I’m not eligible” often come from the same business sectors.

Not eligible



Advanced life sciences and health



Retail



Digital media and telecommunications



Transportation



Software (in second place)



Clean technologies (in second place)

Measures don't exist



Advanced life sciences and health



Retail



Digital media and telecommunications



Advanced materials and manufacturing processes



Software

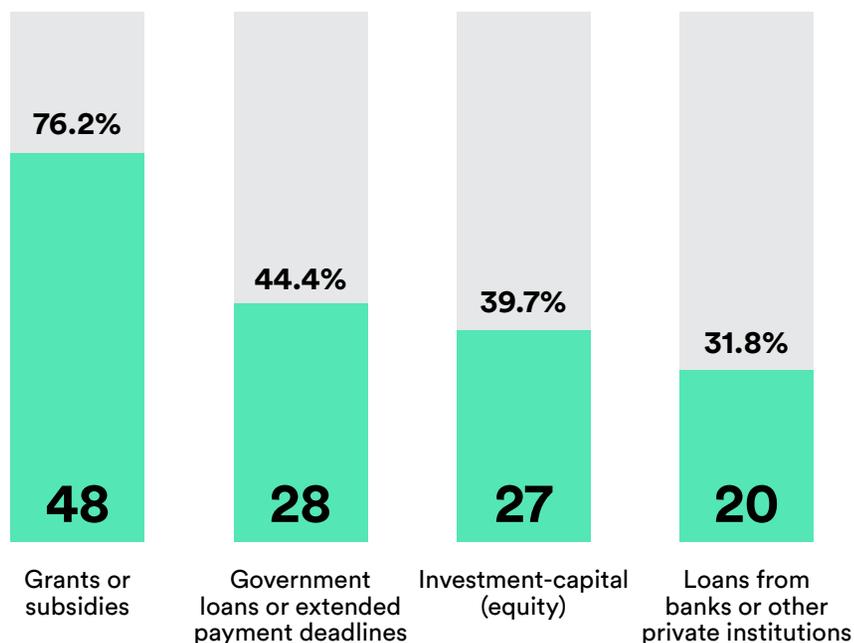


Food and drinks

Financial solutions

Last week's Barometer showed that the 3 most important anticipated impacts for the 275 participating startups were related to finance: sales, cash flow and funding.

According to the 63 startups participating in this week's survey, financial solutions considered most helpful are:



60.3% of respondents do not consider equity a helpful measure to get through the current economic slowdown.

68.3% of respondents do not view private loans as a solution to their current situation.

Based on the question: "What type(s) of financial support would be useful in helping you get through the current economic slowdown?" (Possibility of selecting multiple answers) 63 respondents, 121 selected answers

Startup support needs

Regardless of their liquidity needs, startups mention their need for guidance in several key areas:



14.3%

of respondents feel equipped enough to confront the crisis.



46%

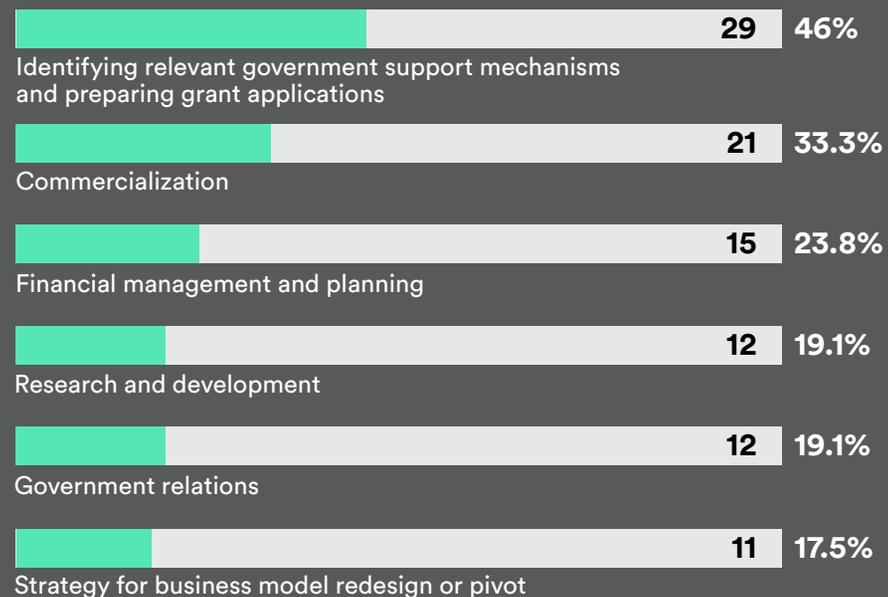
of startups voiced their need for help with identifying relevant government support mechanisms and with preparing grant applications, a clear link with the



50.8%

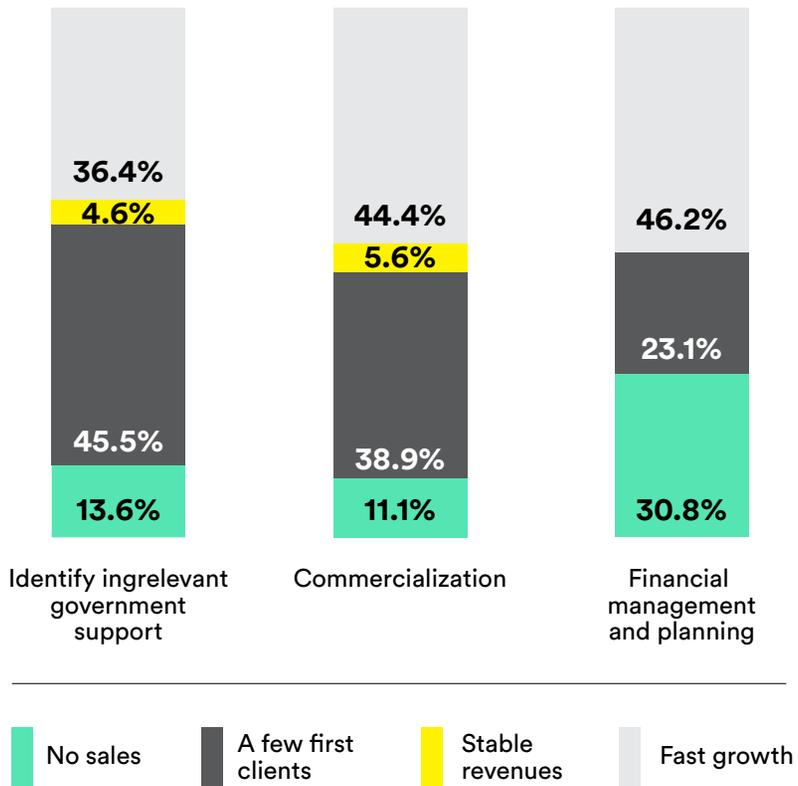
of respondents who claimed having a hard time making sense of the multiples sources of information available on government measures.

Top support needs



Startup support needs

Distribution of top 3 needs by commercialization stage



The need for identifying relevant government support is more important for startups with only a first few clients. **(45.5%)**

Commercialization and financial management and planning needs are more important for fast-growth organizations. **(44.4% and 46.2%)**

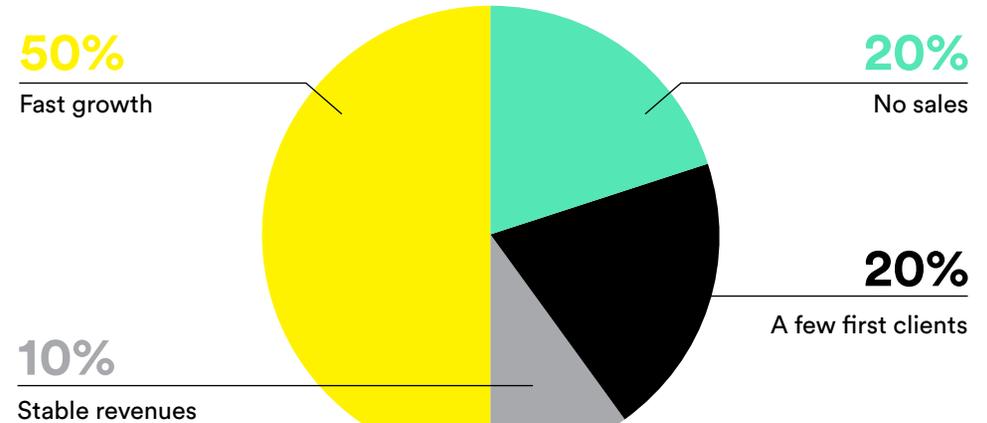
For startups without sales yet, the most important need is for financial management and planning. **(30.8%)**

Based on the question: "Aside from access to liquidity, do you feel equipped to confront the current situation? If not, what type(s) of support do you need in priority?" 63 respondents, 160 selected answers

Business opportunities

59.3% of surveyed startups identify business opportunities linked to the current crisis.

Fast growth organizations are those seeing the most business opportunities in the current economic slowdown.



Based on the question: "Does the current crisis represent a new opportunity for your organization?"

Top business opportunities



Based on the question: "Please describe this opportunity in a few words".

Overview of the situation for Quebec startups

This section is a compiled analysis of all startups' Barometer responses to date. For this reason, it evolves as new startups subscribe to the Barometer. The analysis is based on their initial (comprehensive) survey answers.

		Data analyzed	Diffusion
Initial Barometer	→ 275 startups	March 19 to 26, 2020	March 30, 2020
Week 1	→ 322 startups	March 19 to April 2, 2020	April 6, 2020
Week 2	→		April 13, 2020
Week 3	→		April 20, 2020
Week 4	→		April 27, 2020

Comparison: accompanied / unaccompanied startups

This week, the Barometer's Overview provides a specific analysis of startups' experiences when supported by an accelerator or incubator or unaccompanied.

Variation in primary needs

Startups' needs differ based on whether they are accompanied by an accelerator or incubator or not.

Top 3 needs of accompanied startups (291 startups)

1

Loans or grants to keep current workforce

2

Loans or grants to pay suppliers and / or operating expenses

3

Commercialization support

Top 3 needs of startups that are not accompanied (27 startups)

1

Loans or grants to keep current workforce

2

Opportunities to connect with other entrepreneurs who are experiencing similar challenges

3

Support from crisis management and contingency plan experts

Variation in assessment of business prospects

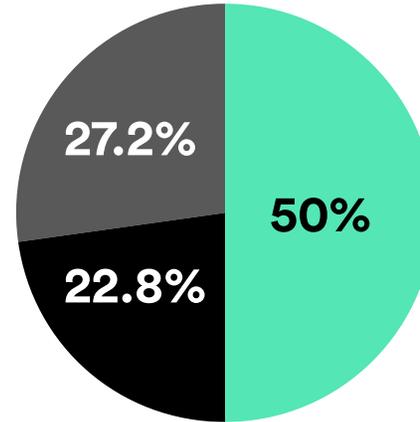
Startups that are accompanied generally assess their business' future in a more positive light than those that are not.

27.2%

of accompanied startups assess their business' prospects positively, whereas this number falls to

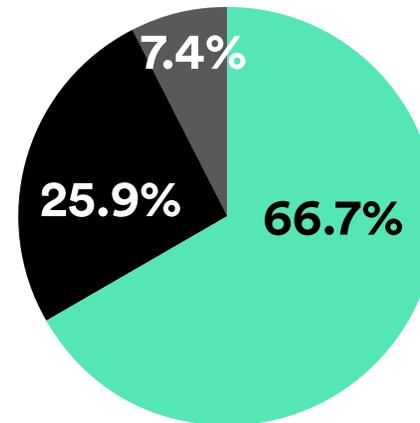
7.4%

for unaccompanied startups.



Accompanied startups

Average of
4.88



Unaccompanied startups

Average of
3.93

Assessment of business' future (scale of 1-10)

4 and under = negative 5 and 6 = neutral 7 and up = positive

Based on question: "On the basis of what you understand of the crisis and of its potential impacts on your startup, how do you view your business' future?" (1 = threat to survival, 10 = new business opportunities)

Needs by industry sector



For all industries sectors surveyed except for Craft and Transport, **the primary need** is for loans or grants to help keep their current workforce in place.



The second-most need in importance varies more widely, but for several industries sectors, it is commercialization support.

Industry	Respondents by industry	Psychological support	Crisis management & contingency plan	Connect with other entrepreneurs	Financial planning and management	Research and development support	Commercialization	Deferral of deadline for taxes	Loans or grants to keep your current workforce	Loans or grants for expenses	Employee support measures
Agriculture	16	4.8%	8.1%	1.6%	9.7%	12.9%	11.3%	12.9%	17.7%	16.1%	4.8%
Food and drinks	23	3.1%	4.7%	4.7%	15.6%	0%	17.2%	12.5%	20.3%	17.2%	4.7%
Craft	9	3.3%	3.3%	16.7%	20%	6.7%	10%	16.7%	3.3%	16.7%	3.3%
Education	42	1.6%	6.5%	3.2%	16.1%	12.1%	12.1%	9.7%	22.6%	12.9%	3.2%
Forestry	1	0%	0%	0%	0%	33.3%	0%	33.3%	33.3%	0%	0%
Mining	5	0%	0%	0%	0%	10%	20%	30%	30%	10%	0%
Software & Web	23	0%	2.8%	8.5%	9.9%	4.2%	14.1%	18.3%	19.7%	16.9%	5.6%
Advanced materials and manufacturing processes	20	5.9%	4.4%	0%	10.3%	8.8%	11.8%	10.3%	23.5%	19.1%	5.9%
Digital media and wireless	67	1.4%	3.8%	1.4%	13.7%	9%	15.6%	15.6%	20.8%	15.6%	3.3%
Advanced life sciences and health	37	4.4%	5.8%	3.6%	12.4%	13.1%	13.9%	9.5%	22.6%	11.7%	2.9%
Financial services	14	0%	2.6%	5.1%	15.4%	7.7%	10.3%	12.8%	23.1%	17.9%	5.1%
Clean technologies	43	3.1%	3.1%	1.5%	6.9%	13.7%	17.6%	11.5%	22.9%	16.8%	3.1%
Tourism and culture	21	4.3%	7.1%	4.3%	15.7%	8.6%	12.9%	11.4%	22.9%	12.9%	0%
Transport	20	2.4%	5.9%	2.4%	14.1%	9.4%	18.8%	12.9%	16.5%	11.8%	5.9%
Retail	39	8%	5.1%	6.5%	8%	5.8%	15.2%	13.8%	16.7%	16.7%	4.3%

Methodology

Every week, the Startup Barometer is divided into two sections:

1



Key points

An analysis of the total Barometer sub-sample that responded to the weekly follow-up survey.

2



Overview of the situation

Analysis of the compiled sample of participating organizations, which grows every week. Details about the sample will be updated every time it is increased by 100 respondents or more.

Approach

Organizations subscribed to the Barometer receive a few express follow-up questions every week in order to track their challenges and needs over time. Participating business accelerators and business incubators are given access to the data of businesses they work with to better meet their needs.

The Barometer is part of the [LeCoude](#) action plan, whereby business accelerators and incubators along with MAIN Québec are combining their efforts to obtain a quick and concerted response to the needs of startups.

How to participate?

Thank you for taking the time to share the survey ([English and French](#)) with your networks. If you are a startup and would like to participate, [please take a few minutes now!](#)

To receive weekly Barometer updates, [please sign up here.](#)

Acknowledgments

A special thank you to all of the startups who have been filling out the survey, the accelerators, incubators and all of our partners for contributing to the data collection, and to Sébastien Bibeau of [Ton Équipier](#) for his significant involvement in our data analysis efforts.

Graphic Design: Amélie Lagueux

The Startup Barometer is made possible with the financial support of the Government of Quebec.