

# Startup Barometer

Published  
June 16, 2020

A look back on five weeks of Startup  
Barometer from March 30 to April 27

## Comparison of startups in Quebec vs. across Canada and internationally

For five weeks, the Startup Barometer provided weekly monitoring of the issues and needs of companies with high growth potential in Quebec in the context of the current health and economic crises.

The Barometer format was then adapted to a longer-term production schedule, with monthly themes. This shift allows us to further reflect on the knowledge generated by the Barometer.

The Startup Barometer [allowed us to compare the situation of Quebec startups with Canadian and international startups.](#) The analyses are indicative, and we encourage you to take into account the fact that samples and methodologies may differ greatly between studies.

## Reference documents

1

### [MAIN - Startup Barometer](#)

Tracking of Quebec startup challenges and needs during the crisis. The data assessed in this document includes those of the Weekly Barometers, from March 19 to April 22, 2020. A total of 360 registered startups.

2

### [Prospect - The State of Startup Talent: Q1 to COVID-19](#)

Canadian report based on responses to their Startup Talent Trends during COVID-19 survey conducted April 20-27, 2020, as well as a primary set of data (*Help List's COVID-19 Talent Help Database*) and secondary set of data (job postings sites such as mondayvc) collected from January 1 to March 31, 2020.

3

### [Virtus - COVID-19 Survey Report](#)

Canadian report based on responses to their survey, which concluded April 27, 2020. A total of 150 startups (with staff of fewer than 50 people) surveyed across the country.

It is important to take into account that 37% of respondents are from British Columbia, 32% from Ontario, and 23% from Alberta.

4

### [Startup Genome - The Impact of COVID-19 on Global Startup Ecosystems](#)

International report based on survey responses, 1070 respondents from 50 countries on all continents.

# Impacts of COVID-19 on startups

The health and economic crisis have had **similar impacts** on Quebec and Canadian startups.



66.5%

of respondents in Quebec say they have experienced important or significant impacts.



67%

of startups in Canada report the impact of the crisis at 4 or 5 (not at all impacted, 5-significant impact).

## Finances

The crisis appears to have had a **more negative impact on access to liquidity for Quebec startups** than for their Canadian and international counterparts.



60%

of the companies surveyed in Quebec reported having less than three months of available cash between March and April.



41%

only of international startups made a similar statement.

## Talent and Layoffs

Quebec startups appear to have **been better able to retain their talent** than their Canadian and international counterparts.



17.4%

of startups in Quebec had to **reduce their number of employees** (full-time equivalent) (based on 69 respondents).



52.2%

do not plan to permanently change their number of employees.



24%

of Canadian startups in the Prospect study have resorted to layoffs.



73%

have reduced their hiring activities. These startups have an average of 23 employees.



74%

of international startups had to lay off employees (full-time).



84%

for North America (average number of employees not available).

# Impacts of COVID-19 on startups

## Talent and Reducing wages

Quebec startups **compare similarly to Canadian startups** in terms of wage reductions.



17.4%

of startups in Quebec that responded to the Barometer reduced employees' salaries or hours, the least popular HR measure among startups.



18%

of Canadian startups did the same.

The percentage of startups that adopted **labour-related cost-cutting measures** is also **similar** within Quebec and internationally.



46.4%

of startups have implemented **cost-cutting measures** affecting their employees or founders (reduced pay or hours for employees or founders, permanent or temporary layoffs).



49%

reduced their labour costs by 1% - 20%

21%

reduced their costs by 21% - 40%.

## Public support

In general, in Quebec, elsewhere in Canada and internationally, government measures appear to **have been beneficial for a large number of startups.**

However, the percentage of startups left behind appears to be lower in Quebec startups compared to their Canadian and international counterparts.



24.3%

of startups say that government measures have **no impact** on their chances of survival.



56%

say the government response has **not helped their business in any way.**



38%

of startups internationally have **not received any help and do not plan to receive any.**



9%

say that the government's measures have given them **significant support.**

# Approach

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

Organizations subscribed to the Barometer receive a weekly “how are you” question as well as a monthly thematic survey in order to track their challenges and needs over time.

Participating BAIs are given access to the data of businesses they work with to better meet their needs.



## Acknowledgments

Special thanks to startups that respond to the Barometer, IEAs and other key partners involved in data collection, Sébastien Bibeau de Ton Equipier, Simon Dandavino of NextAI, Elisabeth Laett of Holt Accelerator, Ghani Kolli and Pierre Lemasson of HumanYo Impact and David Fauteux of the Institute for Product Development.

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The Startup Barometer is made possible thanks to the financial support of the Québec Government.

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