

Interview: Pierre Gabriel Côté - CEO, Investissement Québec



"What IQ does is what we ask our customers to do: innovate, digitize, be ready for disruptor technology and futureproof oneself."

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Investissement Québec (IQ) contributed to the completion of 65 international projects in 2017 and hosts Pfizer, Sanofi, and Merck amongst over 160 IT companies, employing over 5,400 workers. Pierre Gabriel Côté, CEO of IQ, took the reins in January 2015 and intends to digitize the investment space using Artificial Intelligence (AI) and practical applications for new technologies in manufacturing. Pierre also discusses AI's overlap with pharmaceuticals and the innovative environment at IQ that has been decades in the making.

Can you please provide us with a brief overview of the historical factors that have led to Quebec to becoming such a competitive place for innovation and business, especially within the healthcare industry?

To start off with, Quebec and its historical presence go way beyond what I call building clusters. The government, alongside IQ, leveraged tax credits and other financial incentives to build clusters from inception. If we take a look at the video games cluster, for example—which is enormous in Montreal—you see that attractive financial gains helped to create a start-up environment, which in turn generated a technical community, which provided Quebec with a major head start into AI and its impact on all clusters.

Historically, governments created healthcare clusters where R&D positions, mostly in health science, centered around hospital and university research. Forming those clusters attracted

companies because of the fertile investment ground established off the back of research hubs, which combined well with the existing talent pool. The excellent talent pool we see in Quebec derives from the high-quality education we offer, largely thanks to our well-ranked university systems.

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We benefit from three large hospitals in Quebec, two of which are in Montreal, the other in Quebec City, and all of which have dedicated research centers. These institutions and the level of research they represent have strong histories and embody more than 50 years' work. The healthcare cluster complements the other two primary clusters: aeronautics and video games because they all require fast-moving technologies to develop rapidly.

Of the three clusters, which is the most strategically important to Investissement Québec's operations?

It is interesting, the video games cluster has the most significant impact and in many ways creates a future for the other two groups. It is what I most enjoy observing about video games; the knock-on effect it has on other industries. Simulation is a crucial developmental point for video games; it helps to evolve smart real-world examples and builds a solid ground for AI.

In Quebec we benefit from experts, PhD qualified scientists, Big Data exercises, and simulation which work together to a point where Montreal is the critical cluster for AI in Canada. The success we see in AI connects perfectly with the health system and the way we manage life sciences while ensuring that budgets are more efficiently spent rendering the whole system more streamlined. To summarize, although all three clusters are critically important, there is more overlap from video games given the opportunities it presents to other industries.

What is the impact on healthcare for the AI cluster?

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With the arrival of big data, AI and new technologies, healthcare focus will shift towards prevention. Currently, the majority of the healthcare budget and the acts we undertake in healthcare pertain to caring for people after people fall sick. 53 percent of the entire Quebec budget is designated for healthcare expenditure, and we need to focus more on the preventative side. Thanks to AI, we see a surge in the creation of apps which encourage health and wellbeing; we see companies taking more care of their employees' wellness at work to ensure a healthier workforce, and we hope this overall trend will improve public health. The shift from curative to preventative will greatly benefit

healthcare and revolutionize the life sciences industry. What's more, prevention is also far more cost-effective than cure.

For doctors and diagnostics, AI is crucial in that if healthcare professionals can access algorithms of their patients' data then it would simplify, accelerate and improve the diagnostic process which would ultimately save lives. With Big Data, algorithms and the tracking of more intimate health issues, there is, of course, an ethical issue surrounding the obtaining of that data and we are cautious to respect the debate. But we are happy to see the change occurring and pertinent, questions being raised.

How would you evaluate the past few years of performance for IQ?

We have been very successful in recent years which has been boosted by the overall economy's success. IQ is a unique organization in its operational capacities and the way the two specific programs: financing and support, have interacted in recent years has lent to the office's success.

To explain, Investissement Québec works with the companies to finance projects through its own funds and also acts as an agent of the Government of Québec, particularly with respect to interventions carried out in the Fonds de développement économique (FDE) which incentivizes companies to come to Quebec, set up operations and invest right here in the province.

Investissement Québec also manages tax credit measures established by the government to foster businesses' growth in various sectors, and seeks to attract talent and new investment from the 12 locations around the world where we are present. At these locations, we follow projects of companies who have established affiliates, for example, Medicago, or we seek to attract international companies who would benefit the economy in Quebec and encourage them with attractive incentives to come to Quebec.

IQ is still a commercial business, and therefore we endeavor to receive a good return on our commercial funds. Our consultancy operational mandate at IQ benefits this goal, where we provide advice to companies operating in the Quebec jurisdiction. Revenues have been improving in recent years, and we have been careful to finish each quarter in the green and not the red!

As a financing corporation and economic development agency, what is your long-term strategy to increase Quebec's brand positioning?

We need to be exceptionally focused. We cannot work on each cluster to the same extent and therefore must prioritize. We have to ensure our customer orientation programs are well-versed on the clusters we have just discussed while preparing ourselves for the economy of the future. What

IQ does is what we ask our customers to do: innovate, digitize, be ready for disruptor technology and futureproof oneself. We are continually working on our expertise in these domains at IQ to be able to provide the highest level of assistance and to be at the forefront of technological advances at IQ.

Canada historically has been involved in world-class science and R&D, but very often, products are licensed and commercialized elsewhere. What is the importance of the 'Made in Canada' brand and the importance of working in Canada?

Canada benefits from a safe business environment whereby intellectual property and its properties start from the ground up. Quebec, too, includes in its qualities a thriving business environment where we are proud to produce here. After our extensive R&D centers perform the necessary research to discover and generate projects, but we need to manufacture something. We need to be competitive, efficient and producing in health products or any other IQ is leading the way in digitizing, automating and using for example robots to ensure we have excellent capabilities and ensure we get ahead in this world. That is a further attraction for drawing business people to Quebec; the manufacturing creates in itself a business that is low cost, efficient and you have a winning formula.

The position of the United States, just next door, is an advantage so that if the process begins well in Canada, there is always the opportunity to expand into one of the world's largest markets.

We notice you traveled to Davos with Dominique Anglade recently as part of the World Economic Forum. How vital is attracting foreign, international investment to Investissement Quebec?

We ensure face-to-face discussion and spending time with stakeholders are given the necessary thought. For example, recently we journeyed around Quebec to promote manufacturing, we also traveled to Davos with Dominique Anglade, Deputy Premier, and shortly we will fly to Hannover, Germany to be part of the Industry 4.0, also known as the 'Fourth Industrial Revolution.' It is the first time Quebec will be present, and we intend to share our excellent stories with the world. In Davos, during the World Economic Forum, we learned of the importance of the world events and indeed the digitization revolution which is happening before our eyes. We came to realize that Quebec has some catching up to do, and so we are now slowly investing in automation, robots, etc. We have seen a knock-on effect on productivity levels, and despite the problems, we have seen recently in we notice the solution is found in automation and using robotics to help with our current labor shortages.

Another factor which puts Quebec on the global scale is our clean image of energy distribution. Indeed, over 90 percent of our energy distribution is renewable, and so when we attract companies, we can add a green power label to their products while being faithful to the low-cost framework. We have to compete to find our comparative advantage, as over 15 years ago there were 400 investment agencies globally. Nowadays there over 4,000. Domestically, there are investment offices in Vancouver and Ontario, and we all want to seek fresh capital to promote our provinces while shaping a better Canada. Equally, we try to style the nature of the investments we target, to ensure that we aim primarily innovative investments which in turn promotes innovation within our economy.

What is the essential information you would like our international readers to know about Quebec?

The importance of our people, the green technology space we promote and our AI capabilities would be the three of the four fundamental themes that combine to create a fantastic pitch. As mentioned, the talent pool is varied, diverse and highly-skilled thanks to our superior education system and green technologies come to the fore in companies such as Amazon who are now creating servers in Quebec. Green Clouding and the environmental benefits tech offer society are of great importance, and finally, our AI capabilities are incredibly strong.

Finally, on the entrepreneurial side, Quebec benefits from a thriving start-up environment. In our business toolbox, we have a lot of attractive skills that connect to empower young women and men to start their own companies in Quebec; and we at IQ intend to support their dreams. I was recently inspired by business trips to India, where I saw start-up communities and the young people behind them setting up start-up communities with a desire to better and conquer the world.

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