
**AFTER STAGNATING FOR SOME 30 YEARS,
PRODUCTIVITY AT THE SAQ FINALLY INCREASES!**

Montréal, January 29, 2020 – Not only has the Société des alcools du Québec (SAQ) improved its productivity since 2016, but the gains it has made have allowed it to maintain the real value of the dividend it pays every year to the government while at the same time lowering prices, concludes a report released today by the Centre for Productivity and Prosperity – Walter J. Somers Foundation (CPP). “This analysis follows up on a study we conducted in 2016, revealing that the government corporation’s performance had been stagnant for close to 30 years. So it seems that the new strategies adopted by the SAQ have borne fruit,” says Robert Gagné, CPP Director and co-author of the study.

Since 2015, labour productivity at the SAQ rose by 1.9% per year, a pace of growth that far exceeded the average in the Quebec economy over the same period (0.59% annually). Thanks to these productivity gains, the corporation even surpassed its peak productivity, achieved in 1989.

Profitable innovations

These productivity gains are due in part to the SAQ’s technological shift in 2015. At that time the corporation introduced two marketing innovations: the *SAQ Inspire* and *Click, Purchase, Pick Up* programs. By combining online shopping and a tailored customer experience with its traditional product line-up, the SAQ appears to have met the new challenges in its market. In fiscal 2017–2018 and 2018–2019, the average number of litres sold per outlet was up by about 3.1% per year, growing three times faster than the average in fiscal 2011–2012 and 2016–2017.

“However, the productivity gains between 2016 and 2018 resulted primarily from rationalization,” note the researchers. According to the corporation’s annual reports, the SAQ undertook a restructuring process that reduced the number of full-time equivalent employees by 7.6% over this period. Thanks to the productivity gains resulting from these staff cuts and an increase in its sales volume, the SAQ managed to lower its prices for consumers in 2017 while maintaining the real value of the dividend paid to the Quebec government.

“Although these results suggest that the SAQ is now aware of the productivity issues involved in its operations, they also point to the importance of ensuring tighter control over the government corporation’s performance. Since it can’t count indefinitely on its rationalization efforts delivering productivity gains, there must be regular monitoring if we are to ensure that Quebec profits as much as possible from retail alcohol sales,” concludes Gagné.

For more information:

- Consult the report (in French), entitled *Productivité de la SAQ – Mise à jour*.
- Téléchargez le communiqué [en français](#).

About the Centre for Productivity and Prosperity – Walter J. Somers Foundation

The Centre for Productivity and Prosperity - Walter J. Somers Foundation has a twofold mission. First of all, it is devoted to research on productivity and prosperity, mainly in Quebec. The Centre

then shares its research findings through knowledge transfer and educational activities.
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About the Walter J. Somers Foundation

The Somers family established the Walter J. Somers Foundation in tribute to the founder of Walter Surface Technologies. Through different donations, the Foundation pursues the family heritage of commitment to the community and contributes to the prosperity of Quebec society, firstly by helping to enhance its productivity but also by supporting excellence in youth education.

Source:

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