

COOPÉRATIVE NATIONALE DE L'INFORMATION INDÉPENDANTE (CN2i)



cn2i

410, boulevard Charest Est, C.P. 1547, Succursale
Terminus, Québec, QC, G1K 7J6
Phone: 418-686-3233

Co-operative of producers comprised of the
following member solidarity co-operatives:

La Tribune <https://www.latribune.ca/>

La Voix de l'Est <https://www.lavoixdelest.ca/>

Le Droit <https://www.ledroit.com/>

Le Quotidien <https://www.lequotidien.com/>

Le Nouvelliste <https://www.lenouvelliste.ca/>

Le Soleil <https://www.lesoleil.com/>

CONVERSION TYPE

- Company with share capital to a producer co-operative and six multi-stakeholders co-operatives

SECTOR

- Information / Journalism / Publication

SUPPORTED BY

- Investissement Québec, Caisse d'économie solidaire Desjardins, Desjardins Capital, Fondation, Fonds de solidarité FTQ, Fiducie du Chantier de l'économie sociale, Réseau d'investissement social du Québec, MCE Conseils.

COMMUNITY IMPACTS AND BENEFITS

- More than 300 jobs preserved
- Access to regional information maintained

Timeline of Conversion

CONVERSION PROCESS

- In an economic sector that has been in great difficulty for several years, regional newspapers owned by Groupe Capitaux Médias Inc. (GCM) have faced financial difficulties since 2017.
- In August 2019, despite funding and assistance received from federal and provincial governments, GCM announced its intention to seek creditor protection.

- Workers of each regional newspaper formed recovery committees and submitted a common acquisition plan to the bankruptcy trustee for the takeover of the newspapers under a co-operative structure. The process was led by MCE Conseils, strategic consultants.
- November 2019, a fundraising campaign was organized to solicit community support from readers and advertisers. The campaign raised \$2.7m within two months.
- December 23, 2019, GCM announced they were selling their six regional newspapers to a new entity: the Coopérative nationale de l'information indépendante (CN2i).
- In March 2020, financial partners were confirmed.

Key Lessons From Conversion

- The importance of the media sector, the size and visibility of the organizations that were involved allowed for significant community mobilization, with readers and advertisers alike.
- Significant concessions from the workers (loss of pension funds, wage freeze, and a 5% contribution of the salary to preferred shares) significantly contributed to the conversion.
- The mobilization helped financial partners support the revival of regional media under the co-operative model.
- The presence of educated and involved information professionals facilitated training on the co-operative model.
- The state of GCM's precarious economic situation (high level of debt and unsustainable short-term and long-term business model) forced stakeholders to move quickly.
- The presence of MCE Conseils, experts in co-operative conversion, brought everyone together to convince the bankruptcy trustee of the potential in co-operative conversion.
- The support received from influential members of the co-operative network, including the Conseil québécois de la coopération et de la mutualité (CQCM), the Chantier de l'économie sociale, the Coopérative de

développement régional du Québec and the unions contributed to the structure of the project and to the mobilization of investors.

Key Challenges and Responses

The precarious financial situation and the short timeframe to act and keep the newspapers in operation were critical. GCM was on the brink of bankruptcy and more than 300 well-paying jobs were at stake.

- CN2i and the regional co-operatives received a lot of support from communities, government, financial partners and experts in the field of labor relations and co-operative development.

The conversion to co-operatives coincided with the onset of the COVID-19 pandemic, adding to the challenges encountered.

- CN2i's implementation plan called for a digital shift in 2021-2022. It was moved up and daily printing was almost entirely replaced by online news publishing. The print edition is now available only on Saturdays.

The coordination and structuring of operations between the newspapers had to be equitable and financially viable for each. In addition, the conversion to co-operatives involved a significant transformation of the governance structure, as the decision-making center was previously centralized.

- The co-operative structure allows for the maintenance of a strong regional base through regional solidarity co-operatives.
- The grouping of regional co-operatives as members of CN2i facilitates collective decision-making and shared responsibilities.