


Calgary's Innovation Framework & Proposal for Early Stage Programming

March 21, 2017



calgary economic
development
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Calgary Economic Development's collaborative
energy makes us a conduit, connector and
catalyst for the city of Calgary.

Agenda

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Why we need to
focus on innovation

02

Rainforest:
Assessment of
Calgary's
Ecosystem

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Building on our energy: 10-year economic strategy for Calgary

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Calgary's Future Economy

Respondents to our Fall 2016 Client Survey suggest the municipal government could enhance support for diversification, local business and building the right infrastructure.

Businesses less than 5 years old account for almost all net new job creation.

Technology companies are growing twice as fast as the global economy.

From 2010 – 2014 five metro areas generated half of all new business startups in the United States.

Downtown office vacancy has reached new records approaching 30%.



The Rainforest framework



Leadership

Who has the reputation, resources and commitment to lead new initiatives?



Culture

What innovation social networks exist?

How do you create and maintain a sense of urgency?



Resources

What resources are available to aspiring entrepreneurs?

(Training / Education / Mentoring)
What sources of capital are available?

What is the quality of the local talent pool?



Role Models

Who are the local entrepreneurs who have built successful companies?

What organizations in the ecosystem have shared visions and values around innovation?



Framework/Infrastructure

What is the regulatory environment for innovation?

What is the density and quality of service providers?



Activities/Engagement

What are people doing to stimulate innovation?

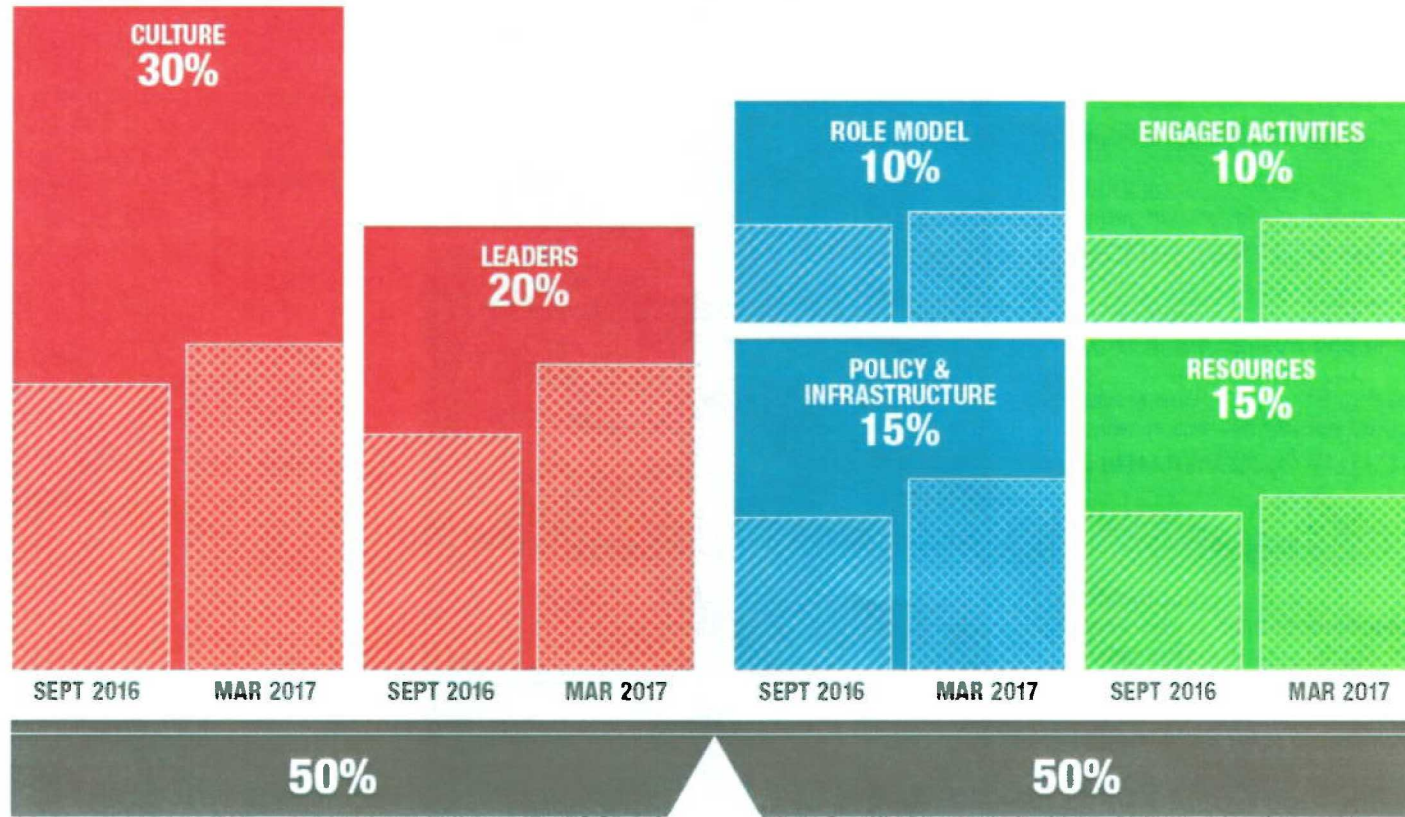
What events create 'buzz'?

Where, when and how to stakeholders interact?

How do members of the community collaborate?



The Rainforest framework Scorecard



Aggregate RF Radar Score: September 2016 464/1000 | March 2017 553/1000

Key Takeaways



Leadership

- Organizations with the reputation to lead aren't aligned



Culture

- Trust is weak
- "Failure" is negative (low risk tolerance)
- Not enough dreaming big



Resources

- Not easy to identify and access resources
- Need for training/retraining
- Mentoring programs aren't coordinated



Activities/Engagement

- Weak programming for early stage startups
- Lack of space for collisions of ideas
- Need for coordinated events to generate buzz



Framework/Infrastructure

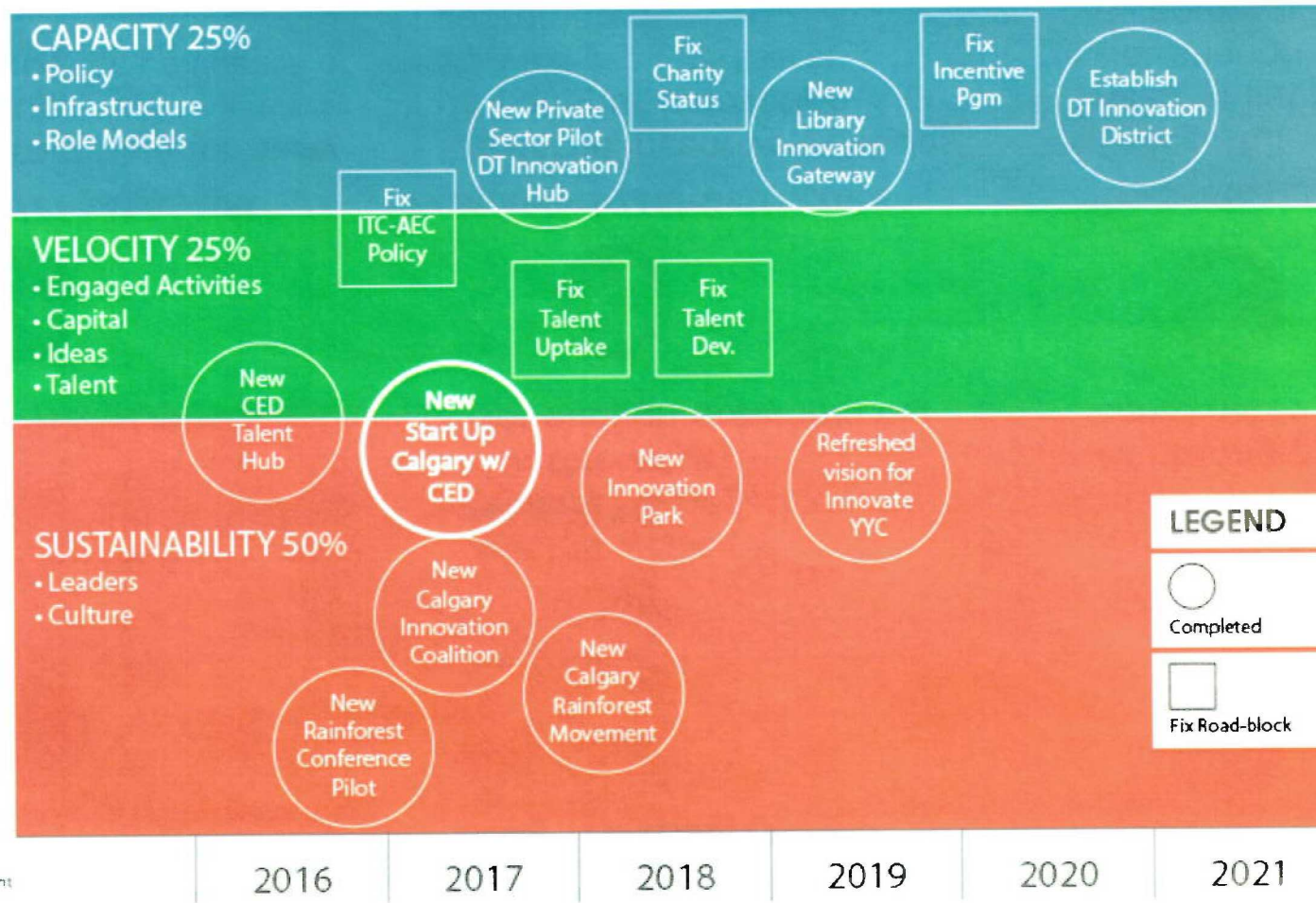
- Provincial incentives/policies do not spur innovation
- Service providers aren't coordinated
- Need creative solutions to unlock wealth



Role Models

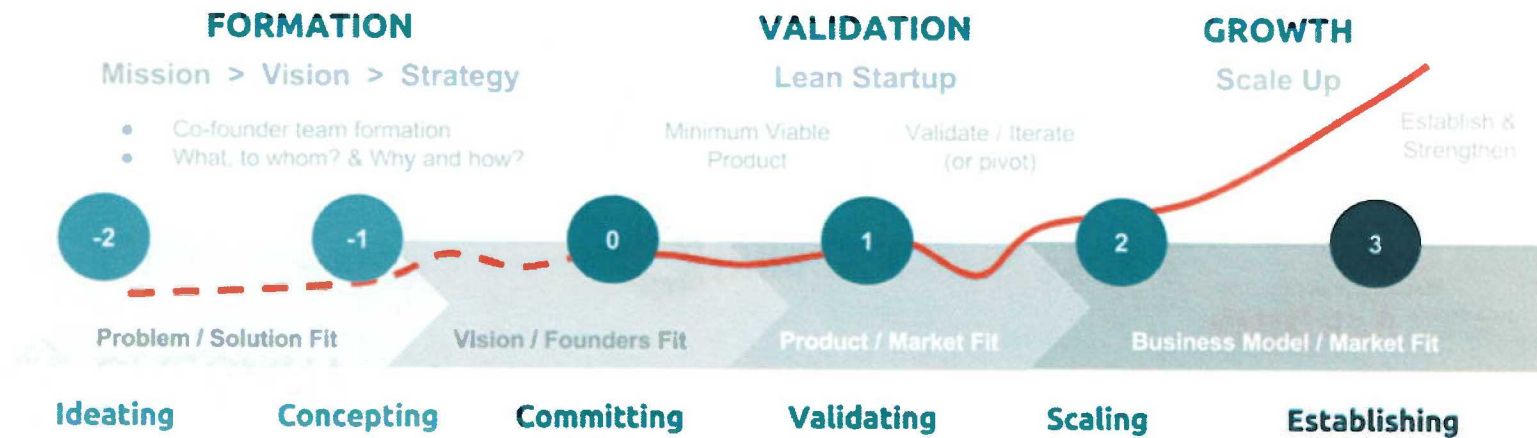
- Successful entrepreneurs need to support startups
- Not enough formal recognition for startups
- Need shared vision for innovation

Calgary Innovation Vision



The Entrepreneurial Spectrum

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Startup Development Phases - From idea to business and team to organization.

Version 3.0 - www.startupcommons.org



Key Differentiation: Innovation vs. Invention

Invention:

The creation and distribution of net new intellectual property through science.



Innovation:

The creation of net new economic value through new product, service or process.

Recommendations

1. Startup Calgary transfer its programing, which is focused on developing early stage entrepreneurs, to Calgary Economic Development (the Startup Programing).
2. Calgary Economic Development will retain Startup Calgary's current Executive Director as an employee of Calgary Economic Development. Calgary Economic Development will appoint the current Startup Calgary Board Chair to Calgary Economic Development's Board of Directors.
3. Calgary Economic Development deliver the Startup Programing to early stage entrepreneurs as a 3-year pilot program (the Pilot Program).
4. The remaining \$325,000 of Resilience Funding be applied as partial funding for the Pilot Program, which will have a total cost of \$750,000.
5. Calgary Economic Development apply for an additional \$425,000 to complete the Pilot Program through the City of Calgary's 2019 budget process. Release of such additional funding would be subject to Calgary Economic Development delivering a preliminary progress report after the first year of the Pilot Program.

Proposed Programming

Ideation

- Fireside chats
- Meetups

Startup Weekend

- Workshops
- Speakers
- Mentors
- Professional support
- Pitch development

Conception

- Networking with founders
- Experiencing pitch night
- Demo Camp workshops
- Speaker series

Launch

- Networking
- Meeting Venture Capitalists

Budget

STARTUP CALGARY OPERATIONS				
	Year 1	Year 2	Year 3	Totals
REVENUE				
Partnerships and Sponsors	\$33,000	\$33,000	\$33,000	
Grants	\$35,000	\$45,000	\$10,000	
Launch	\$20,000	\$20,000	\$20,000	
Startup Weekend	\$11,000	\$22,000	\$22,000	
Total Revenue	\$99,000	\$120,000	\$85,000	
SALARIES & BENEFITS				
Executive Director	\$90,000	\$90,000	\$90,000	
Benefits	\$18,000	\$18,000	\$18,000	
PROGRAMMING				
Programming & Marketing & Website	\$60,000	\$65,000	\$70,000	
Event Support & Management	\$25,000	\$31,250	\$33,000	
Ideation Events	\$57,000	\$58,000	\$23,400	
Startup Weekend	\$15,000	\$30,000	\$30,000	
Launch	\$60,000	\$60,000	\$60,000	
ADMINISTRATION				
Startup Canada Affiliation fee	\$1,050	\$1,100	\$1,200	
Office Supplies/Computer	\$5,000	\$1,000	\$1,000	
Volunteer Recognition	\$6,000	\$6,000	\$6,000	
Staff Expenses - Travel/Entertainment	\$6,000	\$6,000	\$6,000	
Cleanup	\$6,000			
TOTAL	\$349,050	\$366,350	\$338,600	
Net Loss	-\$250,050.00	-\$246,350.00	-\$253,600.00	
Funding Requested from City of Calgary	\$250,050.00	\$74,950.00		\$325,000.00
Future Funding Requirements		\$171,400.00	\$253,600.00	\$425,000.00

Phase I

- \$325,000 from Resiliency Fund

Phase II

- \$425,000 May 2018

Metrics for success

Outputs	Base	Year One	Year Two	Year Three	End of Pilot Phase	Year Four	Year Five
Participation in information sessions, meetups and speaker series	1000	1000	1200	1500		2000	3000
Participation in workshops and lunch and learns	350	500	600	800		1200	2000
Outcomes							
Participation in Startup Weekend, Demo Camp and Founders Cohort	175	250	300	375		475	600
Applications to Launch Party	43	55	70	90		120	175
Startups referred to incubator and accelerator programs	8	15	25	40		60	100
Impacts							
Startups accepted into Alberta Innovates and National Research Council Voucher Programs	4	6	9	18		36	60
Startups receiving venture capital and generating employment	1	2	3-5	6-10		12	20
Jobs created	0	6	20-40	60-100		150-300	500

Case Studies

Startup Edmonton and Edmonton Economic Development (acquired January 2014):

- Objectives:
 - to establish a hub and support for pre-startup and early stage ventures;
 - to evangelize and champion entrepreneurship and innovation within Edmonton ecosystem; and
 - to increase the number of new startups generating revenue of \$500,000 annually.
- \$300,000 annual support from City of Edmonton
- 2 years post acquisition Edmonton continues to enjoy a very strong and vibrant startup community and innovation ecosystem
- 95 members of Startup
- 209 student members of Startup
- Hosted 3 pre-flight workshops
- Hosted 5 startup weekend events

Startup Seattle and Seattle Economic Development (acquired 2014):

- Objectives:
 - to invest in the online presence and develop further programming and initiatives; and
 - to develop and retain startups in the Seattle area.
- As a City of Seattle Business Unit, Seattle supports a full time Startup Liaison as well as event activity
- Estimated \$300,000 annual investment from the City of Seattle for startup programming (including Startup Liaison)
- Includes involvement and support from established technology companies present in Seattle area
- Provides connection to public policy and decision making that affects the success and accessibility of Seattle's technology industry and agencies at various government levels



thank you.

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Appendix A: CED's ecosystem connections

Initiative	Description	Ask of CED	Leadership	Culture	Framework/ Policy	Activities	Role Models	Resources
Start-up Calgary	<ul style="list-style-type: none"> • Programming and events for early stage entrepreneurs • Sector and location agnostic programming 	<ul style="list-style-type: none"> • Funding 	✓	✓	✓	✓	✓	✓
Pilot Innovation Hub	<ul style="list-style-type: none"> • Incubator/co-shared space (donated) • Education program • Philanthropic with receipt issued 	<ul style="list-style-type: none"> • Facilitate funding flow • Board role 				✓	✓	✓
Thomas Edison Innovation Centre	<ul style="list-style-type: none"> • Large location to house museum, working lab and incubator (possible connection to Public Library Hub) 	<ul style="list-style-type: none"> • Real estate search • Generate interest/support 	✓	✓		✓	✓	✓
Calgary Innovation Gateway	<ul style="list-style-type: none"> • Long-term iconic centre that will house innovators, entrepreneurs, venture capitalist, angel investors and mentors 	<ul style="list-style-type: none"> • Community support and advocacy • Support building donation or funding request 	✓	✓		✓	✓	✓
Calgary Innovation Coalition	<ul style="list-style-type: none"> • Collaborative submission to the Alberta Innovates: Alberta Entrepreneur Incubator Program 	<ul style="list-style-type: none"> • Participate in Coalition advisory committee • Support intake, role model matching and storytelling 	✓	✓		✓	✓	✓
Innovation Park at UofC	<ul style="list-style-type: none"> • Land, building and campus development 	<ul style="list-style-type: none"> • Support business development 	✓			✓	✓	

Appendix B: Balancing Sustainability with Capacity and Velocity

