

CIVIC PARTNER 2017 ANNUAL REPORT SNAPSHOT-CALGARY TECHNOLOGIES INC. (INNOVATE CALGARY)

CPS2019-0538 Civic Partners Annual Report Attachment 20
ISC: UNRESTRICTED

CALGARY TECHNOLOGIES INC. (Rebranding as Platform Calgary)
Vision: Building shared prosperity by working together to make Calgary a global hub for startups and innovation.
Mission: Empowering people building the next economy.

2018 City Investment
 Operating Grant:\$829,459
 City owned asset? No

2018 Results

Clients supported

Year	Clients supported
2016	157
2017	393
2018	445

Net promoter scale

Year	Net promoter scale
2016	32
2017	49
2018	46

TELUS Accelerator3 revenues

Month	Revenue
Oct-18	\$0
Nov-18	\$0
Dec-18	\$0
Jan-19	\$6
Apr-19	\$1,507,000

The story behind the numbers

- CTI has progressively served more entrepreneurs, startups and enterprises through classroom programs, an incubator, accelerators, and advisory and mentorship programs. “The Inc” incubator space in the Alastair Ross Technology Centre had 113 members across 64 startups in 2018.
- CTI’s 2018 net promoter score is 46 which is rated as “Good” on a scale of -100 to +100. The score measures a client’s experiences and their level of satisfaction with CTI’s programs and services.
- CTI’s third Accelerator program funded by Telus generated \$1.5M in revenue for Calgary companies over a 6 month period.

Alignment with City strategies and plans

- CTI is a lead organization, and chair of the Innovation pillar of *Calgary in the new economy: An economic strategy for Calgary work*. CTI plays a key role in the Calgary Innovation Coalition, and development of a joint Calgary-Edmonton Innovation Corridor marketing initiative. In 2018, it was announced that CTI will operate the new Platform Innovation Centre under construction in the East Village, slated to open in early 2021.

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Organizational Structure: Minority Owned Subsidiary (The City is one of three shareholders)

Fiscal Year End: April 1, 2018 to March 31, 2019

Related Subsidiaries or Foundation: None

City 2018 Operating Grant: \$829,459

1. Current Vision, Mission and Mandate:

Calgary Technologies Inc. continues to undergo significant change as an organization. Rebranded as “Platform Calgary” in early 2019, we are focused on building shared prosperity in the face of massive disruption in how Calgary’s economy creates value and jobs.

Vision: Building shared prosperity by working together to make Calgary a global hub for startups and innovation.

Mission: Empowering people building the next economy.

Platform Calgary will:

- increase the rate of company startup formation, growth and corporate innovation (“Acceleration”);
- lead a movement that builds profile and community for Calgary (“Advocacy”);
- operate places that promote and support innovation, including the Alastair Ross Technology Centre (ARTC) and the under-construction Platform Innovation Centre in the East Village (“Placemaking”), and
- focus on service and organizational excellence (“Execution”).

2. What key results did your organization achieve in 2018 that contributed to one or more of the Council Priorities in Action Plan 2015-2018 and created public value?

(A Prosperous City, A City of Inspiring Neighbourhoods, or A Healthy and Green City?)

Our organization contributes most towards the Council Priority “A Prosperous City”, especially priorities P1 and P2 as follows :

P1 Strengthen Calgary's position as a global energy centre and location of choice for international talent, investment and innovation through enhanced business development, marketing and place-making initiatives.

P2 Advance purposeful economic diversification and growth.

Platform Calgary supported these two priorities through our Acceleration, Advocacy, and Placemaking services. FY2018/19 results included the following:

Acceleration :

- 1) Across all programs, we served 445 innovation-driven entrepreneurs, startups, and enterprises in classroom programs, our incubator, accelerators, advisory and mentorship programs. Our Net Promoter Score across all services was 46 which is rated “Good”. The 62 clients who responded to our annual survey reported the creation of 107 new hires in their companies for the year.



- 2) We launched a pre-seed accelerator program named “Junction” that helps first time founders develop a solid foundation for their business. We ran two cohorts in the past year : cohort #1 had 13 companies while cohort #2 had 11. We will host Pitch Day for this second cohort on May15, 2019 as part of Platform Calgary’s Report to Community event at the New Central Library.
- 3) TELUS has sponsored the TELUS Technology Accelerator for the third consecutive year. In the third cohort, 9 Canadian startups added 26 jobs, 125 new customers, generated \$4M revenue and raised \$3M capital. Three of the nine startups (33%) signed commercial agreements with TELUS, up from 17% on the second cohort. TELUS also funded the first cohort of the TELUS Technology Incubator with 16 IoT startups developing solutions enabled by TELUS’s recently launched LTE-m network.
- 4) Our incubator space in the Alastair Ross Technology Centre, called “The Inc.”, had 113 members across 64 startups, as of year end. The members are startup co-founders and early employees. They receive programming, advisory, and mentorship support as well as space to start and grow their business (see also “Placemaking”).
- 5) The Venture Mentoring Service of Alberta supported 29 scaling companies last year. The goal of the program is to improve entrepreneur capabilities via “team mentoring” from multiple seasoned entrepreneurs and mentors.

Advocacy :

- 1) To start putting Calgary on the global tech startup map, Platform Calgary and CED partnered in 2018 to sponsor Startup Genome to benchmark our city’s innovation ecosystem. The results will be included in their 2019 Global Startup Ecosystem Report which will be globally launched in May 2019 and typically downloaded by 800,000 unique visitors. We anticipate that Calgary will be rated as being in the “Activation” or earliest phase of ecosystem development. The visibility of the report allows us to highlight bright spots in our ecosystem, acknowledge its relative early maturity, and thus galvanize broader support and momentum to improve it.
- 2) Platform Calgary has been playing a lead role in discussions about forming an Edmonton-Calgary Innovation Corridor to improve coordination and profile of Alberta’s urban innovation ecosystems. This work will raise the profile and increase the capacity of both ecosystems and their combined populations, necessary to stack up closer to global mega-regions. In the short-term, we are participating in a CED-led initiative to create joint presence with Edmonton during Collision 2019 being held in Toronto May 20-23.
- 3) Terry Rock, President and CEO of Platform Calgary, together with CED Board Director Judy Fairburn co-chair the Innovation Leadership Team implementing the Innovation pillar of the City’s economic strategy. Part of that team’s objectives include advocating for Calgary on provincial and federal programs and funding allocations.
- 4) We hosted 13 companies from India who won the Next Big Idea contest at an event we called Alberta



Bound to showcase Calgary and Alberta to these international tech companies touring Vancouver, Toronto, and Calgary. One of the 13 have decided to move their company to Calgary.

- 5) We look for opportunities to advocate on clients' behalf to influence government policy (e.g. procurement). As an example, Justin Riemer, Senior Provincial Director Innovation Partnerships at Alberta Health Services (AHS), graciously accepted an invitation for an informal chat with several of our clients in the digital health space so they can learn about opportunities to partner with AHS.

Placemaking :

- 1) Platform Calgary owns the Alastair Ross Technology Centre. At this 120,000 square foot facility, as of year end, we housed 49 tech companies/organizations, hosted an additional 43 with a virtual address, as well as 64 startup companies in our incubator.
- 2) Our organization has announced that we will operate the Platform Innovation Centre currently under construction in the East Village and slated to open in early 2021. The Innovation Centre is on the first two floors of a parkade, as part of a collaborative project with CMLC and the Calgary Parking Authority. This 42,000 square foot facility, sharing the intersection with City Hall and the new Central Library, will become a very prominent node along the city's Innovation Corridor that is part of the economic strategy. We intend to make this Innovation Centre a landmark destination for locals and visitors alike that signals our ambitions to make Calgary a global hub for startups and innovation.
- 3) In preparation for running the Platform Innovation Centre, we continued to also operate out of the Nucleus space (dubbed "Platform Alpha") and have leased the Hillier Block (dubbed "Platform Beta") in order to prototype the eventual operations in the Platform Innovation Centre.
- 4) Especially to support our Advocacy and Placemaking efforts, we have rebranded and now operate as Platform Calgary. Our corporate legal name remains Calgary Technologies Inc..

3. What challenges affected your operations in 2018 and how did you adjust?

Previously operating as Innovate Calgary in conjunction with University Technologies Inc., 2018 began with a split from this operating organization and a major rethinking of CTI's mission and values as an organization focused solely on the city's startup and innovation ecosystem. Shortly thereafter, CTI's management team was re-formed with Terry Rock as CTI's new President and CEO. It has been a time of change with a high rate of employee turnover as well as organizational restructuring.

In the current economic climate, continued government funding for the organization may be shrinking. CTI continues to seek new sources of government funding and to rely on unrestricted cash reserves to support the organization's transition. CTI also diversified its revenue streams with more private company innovation partnerships and private funding dollars. To reduce fixed costs, CTI has been utilizing more contractors and consultants so that spending can scale with government funding levels.



4. **Briefly describe how your key results in 2018 contributed to the following Council approved strategies (as applicable. Please note if you steward the strategy)**

Strategy	Key Results
<u>Calgary in the new economy: an updated economic strategy for Calgary</u>	Across all our programs, we served 445 innovation-driven entrepreneurs, startups, and enterprises in classroom programs, our incubator, accelerators, advisory and mentorship programs. Our Net Promoter Score across all services was 46 which is rated "Good". The 62 clients who responded to our annual survey reported the creation of 107 new hires in their company for the year. See section 2 above for more details.
<u>Cultural Plan for Calgary</u>	
<u>Enough for All Poverty Reduction Strategy</u>	
<u>Sport for Life Policy</u>	
<u>Foundations for Hope: Calgary's Corporate Affordable Housing Strategy</u>	
<u>Open Spaces Plan</u> (Calgary Parks')	
<u>Recreation Master Plan</u>	
<u>Calgary Heritage Strategy</u>	
Other:	

5. **Do you support any Civic Partner approved strategies? For example, Calgary Arts Development Authority's [Living a Creative Life](#), or Tourism Calgary's [Destination Strategy](#)?**

We are in the earliest stages of exploring how Platform Calgary might contribute to increasing startup and innovation activity in the creative industries and tourism, both identified as priority clusters in the 10 Year Economic Strategy.

6. **Please estimate how The City's operating funding was allocated in 2018. Mark all areas that apply by approximate percentage. For example, 45% allocated to staffing costs, 10% to evaluation or research, etc.**

%	Advertising and promotion
%	Programs or services



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%	Office supplies and expenses
%	Professional and consulting fees
100 %	Staff compensation, development and training
%	Fund development
%	Purchased supplies and assets
%	Facility maintenance
%	Evaluation or Research
%	<i>Other, please name:</i>

7. Did volunteers support your operations in 2018? If yes:

How many volunteers?	24 experienced entrepreneur mentors + 12 volunteer Board members = 36 volunteers
Estimated total hours provided by volunteers:	714 mentor hours + 290 Board member hours = 1,004 hours

8. What resources did your organization leverage to support operations in 2018?

Platform Calgary continued to leverage the City of Calgary’s \$829,459 annual operating grant to secure other government funding by a factor of over 4 to 1 in 2018-19. A net positive cash flow of approximately \$300,000 from the operation of the Alastair Ross Technology Centre also contributed towards operating expenses for programming.

Platform Calgary also utilizes a collaborative community model that leverages volunteers and resources of other service providers. For example, entrepreneur mentors volunteer their time towards the Venture Mentoring Service managed by Platform Calgary.

9. Using the chart below, please report your 2018 performance measures that demonstrate: how much you did, how well you did it, and how Calgarians are better off. Please identify through BOLD font, 1-2 measures that are most significant and could be presented in a chart.

	Performance Measure	2016	2017	2018	What story does this measure tell about your work?
How much did you do?	Clients supported	157	393	445	Calgary lags other jurisdictions with respect to the number of high potential ventures per capita. We need at least a five fold increase in these types of companies within ten years just to match where other jurisdictions are today. We need to significantly increase the number of people trying to start such companies. The steady growth of clients we support is a good start but we need at least 10x these numbers to meet the 5-fold increase noted above.
How well did	Net	77	49	46	Client traction (e.g. revenue) would be the best



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you do it?	Promoter Score				measure of clients' business growth and success. Since most of our clients are pre-revenue, we use client satisfaction regarding our programs (Net Promoter Score) as a proxy for how well we are helping these clients start and grow their businesses. The scale is from -100 to 100, with "Good" rated as 0 to 49, "Excellent" as 50-69 and "World Class" as 70-100.
How are Calgarians better off?	New hires	248	236	107	<p>According to a Kaufmann Institute study, most job creation comes from companies under 5 years old (i.e. startups). In order to grow employment in our city, we need to support the formation and growth of high potential startups and ventures. Although this process takes years, the jobs created by these startups are a good indicator of the benefit derived by Calgarians from our efforts.</p> <p>The New Hires data is extracted from our Annual Client Survey of which there were 99 responders for 2016, 115 for 2017 and 62 for 2018. The New Hires number is not cumulative and also reflects different clients responding each year. Based on the varying number of responders, New Hires per client averages 2.5 for 2016, 2.0 for 2017 and 1.7 for 2018.</p>
	Accelerator success				Over the third Telus Accelerator cohort period of October 1, 2018 to April 30, 2019, Calgary companies created 5 new jobs, acquired 69 new customers, raised \$158,000 in capital and generated \$1,507,000 in revenues.

CAPITAL AND ASSET MANAGEMENT (for applicable partners) N/A

Asset: *Insert Name of City owned asset managed or operated*

- a) Provide a summary of your organization's 2018 capital development, including specific lifecycle/maintenance projects.**

- b) What funding did your organization leverage to support capital activities in 2018?**