The Role of Accelerators in Global Innovation Networks: Impact of the CAIP Program

Preliminary Findings

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Context

Innovation model determines program goals and strategies

Innovation Model: Academic

IDEAS  RESEARCH BREAKTHROUGHS  DEVELOPMENT TECHNOLOGY  COMMERCIALIZATION

UNIVERSITY/GOVERNMENT LABS  PRIVATE SECTOR

INNOVATION  COMMERCIALIZATION
Context

- The Innovation “Valley of Death”
- Innovation Intermediaries
  - Technology Transfer Offices
  - Research/Science Parks
  - Incubators
  - Accelerators?
- ICA Survey

Source: Steinmetz and Spack (2009)
Innovation Model: Reality

SHAREHOLDERS

$ SALES $

$ EQUITY $ INVESTMENT

$ DEBT $ FINANCING

$ GOVERNMENT $ GRANTS

$ COSTS $

Pricing

Customer Needs

Ideas For Solutions

Research And Development

Manufacturing Services Operations

Sales Customer Relations Distribution

Buying Customer Fulfilment

INNOVATION

COMMERCIALIZATION

FEEDBACK NEEDS
SME Revenues vs. Time

Revenue ($M) vs. Years graph showing different growth rates represented by lines:
- 40%
- 30%
- 20%
- 10%

The graph illustrates the revenue growth over time with a logarithmic scale for revenue and a linear scale for years.
Incubator/Accelerators in Canada

• An estimated 146 in 2015, likely higher now

• Canada Incubator and Accelerator Program (CAIP)
  • Launched in 2013
  • NRC/IRAP
  • 16 Participant Organizations
  • $60 million allotted (rising to $100m)
Goals and Processes

- Establish a “Critical Mass”
  - Increase amount of services
  - Increase scope of services
  - Improve success rate
  - Wealth creation

- Boost ‘Top’ Innovation Intermediaries
  - Variable size
  - Different areas of focus & locations
  - Range of missions

<table>
<thead>
<tr>
<th>CAIP Participant</th>
<th>Total Allocation</th>
<th>Per Cent of Total Funding</th>
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</thead>
<tbody>
<tr>
<td>Centre for Drug Research and Development</td>
<td>$10,934,891</td>
<td>13%</td>
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<tr>
<td>Wavefront Wireless Commercialization Centre Society</td>
<td>$9,949,092</td>
<td>12%</td>
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<td>Ryerson University</td>
<td>$9,565,982</td>
<td>11%</td>
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<td>BC Technology Industry Association</td>
<td>$8,842,746</td>
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<td>Invest Ottawa</td>
<td>$8,282,490</td>
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<td>Communitech Corporation</td>
<td>$8,276,511</td>
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<tr>
<td>The Governors of the University of Alberta</td>
<td>$5,387,718</td>
<td>6%</td>
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<td>Centre d’entreprises et d’Innovation de Montréal</td>
<td>$5,245,146</td>
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<td>MaRS Discovery District</td>
<td>$4,114,483</td>
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<td>Corporation Innocentre du Québec</td>
<td>$3,804,472</td>
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<td>Prince Edward Island BioAlliance Inc.</td>
<td>$3,396,999</td>
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<tr>
<td>Propel ICT Inc.</td>
<td>$2,646,259</td>
<td>3%</td>
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<td>The Next 35</td>
<td>$2,010,355</td>
<td>2%</td>
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<td>Bioenterprise Corporation</td>
<td>$1,886,316</td>
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<td>Biomedical Commercialization Canada Inc.</td>
<td>$1,059,890</td>
<td>1%</td>
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<tr>
<td>Canada AcceleratorCo Inc.</td>
<td>$621,892</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$86,025,242</strong></td>
<td></td>
</tr>
</tbody>
</table>
Strengths of the Model

• Selecting Winners
• Policy Isomorphism
• Induced Competition
• Sharing Best Practices
Challenges

• High Reporting Requirements
• Roll Out Rigidity
• Asymmetric Reporting Ability
Other Lessons

- Matching funding
- Global Innovation Networks
- Nurseries for Multinationals?
- Keeping Jobs in Canada
Thanks! Merci!

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