Accelerators and Incubators as a Tool in Innovation Policy

Jeffrey Crelinsten
Canadian Accelerator & Incubator Program

- Launched in 2013
- 16 selected in 2014
- $100M over 5 years (50 cent dollars)

Goals

- Establish a “Critical Mass”
  - Increase amount & scope of services
  - Improve success rate
  - Wealth creation
- Boost ‘Top’ Innovation Intermediaries
  - “Peanut butter” policy compromised goal
  - KPIs not consistent with goal
  - Conflict between goal and ecosystem building role

<table>
<thead>
<tr>
<th>CAIP Participant</th>
<th>Total Allocation</th>
<th>Per Cent of Total Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centre for Drug Research and Development</td>
<td>$10,934,891</td>
<td>13%</td>
</tr>
<tr>
<td>Wavefront Wireless Commercialization Centre Society</td>
<td>$9,949,092</td>
<td>12%</td>
</tr>
<tr>
<td>Ryerson University</td>
<td>$9,565,062</td>
<td>11%</td>
</tr>
<tr>
<td>BC Technology Industry Association</td>
<td>$8,842,746</td>
<td>10%</td>
</tr>
<tr>
<td>Invest Ottawa</td>
<td>$8,282,490</td>
<td>10%</td>
</tr>
<tr>
<td>Communitech Corporation</td>
<td>$8,276,511</td>
<td>10%</td>
</tr>
<tr>
<td>The Governors of the University of Alberta</td>
<td>$5,387,718</td>
<td>6%</td>
</tr>
<tr>
<td>Centre d’entreprises et d’innovation de Montréal</td>
<td>$5,245,146</td>
<td>6%</td>
</tr>
<tr>
<td>MaRS Discovery District</td>
<td>$4,114,483</td>
<td>5%</td>
</tr>
<tr>
<td>Corporation Innovcentre du Québec</td>
<td>$3,804,472</td>
<td>4%</td>
</tr>
<tr>
<td>Prince Edward Island BioAlliance Inc.</td>
<td>$3,396,999</td>
<td>4%</td>
</tr>
<tr>
<td>Propel ICT Inc.</td>
<td>$2,646,259</td>
<td>3%</td>
</tr>
<tr>
<td>The Next 36</td>
<td>$2,010,355</td>
<td>2%</td>
</tr>
<tr>
<td>Bioenentreprise Corporation</td>
<td>$1,886,316</td>
<td>2%</td>
</tr>
<tr>
<td>Biomedical Commercialization Canada Inc.</td>
<td>$1,059,890</td>
<td>1%</td>
</tr>
<tr>
<td>Canada AcceleratorCo Inc.</td>
<td>$621,802</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$86,025,242</strong></td>
<td></td>
</tr>
</tbody>
</table>
Canada’s Digital Opportunity

Types of accelerator that could help:
• Support firms developing digital products and services
• Help entrepreneurs and firms in other industry sectors adapt to the digital future
  • Sector specific (e.g. agfood, advanced manufacturing, transportation, etc.)
  • Sector agnostic
• Do any of these types exist and how effective are they?
Policy Implications

Role of talent
• Contact with experienced mentors most highly valued by firms
• Engage experienced entrepreneurs/executives to co-create effective policies and programs

The importance of customers and markets
• “I never met a market that signed a purchase order” (Drucker)
• Too much focus on technology and financing, jobs
• Best KPIs – export customers, market niche & global reach
• Own the podium - #1, 2 or 3 in the world
Policy Implications (2)

The availability of capital
• Accelerators and incubators focus on start-ups
• For results in <10 years, focus well past start-up
• Talent more important for scale-up firms
• Private equity & venture debt better for high-growth scale-ups

Access to knowledge
• Need to link outcome data from government support programs with company performance over time (TBS, StatCan)
• Government-funded entities supporting firms must track graduates
SME Revenues vs. Time

[Graph showing revenue growth over time with different growth rates indicated by lines with slopes for 10%, 20%, 30%, and 40% growth rates.]
Thanks! Merci!

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