Anchor firm disrupted: Creating a digital opportunity?

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KEY QUESTIONS

- What happens when a cluster’s anchor firm is disrupted?
  - Mobility of talent?
  - New firm formation and entrepreneurship?

- Is there an opportunity to exploit digital career platform data?
  - Unique data set: Individuals employed at Blackberry in Waterloo who left post-2008 (n=759)
  - Key variables: Entrepreneurs (based on job titles), Employers, Locations, Working in the local start-up ecosystem (Firm listed in Crunchbase)
  - Coded using combination of machine learning and manual processes
MAJOR FINDING #1:
DID THEY STAY OR DID THEY GO?

- They stayed ... mostly.
- More talent remaining in the region over time
  - 55.2% work in Waterloo region, with another 13.8% in nearby Toronto
  - 8.2% went to Silicon Valley
MAJOR FINDING #2
DID THEY START NEW FIRMS?

- Not really.
- Some local firm formation, but firms no longer exist.
  - Very small proportion started a firm (6.9%), increasing proportion (but fewer) founded locally over time
- But, an important resource for the local start-up ecosystem
  - 25.4% work for start-ups, increasing proportion over time
UNDERSTANDING CANADA’S DIGITAL OPPORTUNITY?

- Local institutions / associative actors (such as Communitech) play a critical role in the urban/regional economy:
  - Retain digital talent
  - Support new venture creation
  - Match talent to start-up (or scale-up) firms

- Challenges related to digital data sources (accessible, available, affordable) to better understand Canada’s digital opportunities
POLICY IMPLICATIONS

- Build and support local institutions that enhance the capacity of the entrepreneurial ecosystem to absorb talent

- Critical need for high quality, systematic, detailed data at the city and regional level
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