

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 23, 2015

Item 2, Report No. 28, of the Committee of the Whole (Working Session), which was adopted without amendment by the Council of the City of Vaughan on June 23, 2015.

2 VAUGHAN INTERNATIONAL COMMERCIALIZATION CENTRE (VICC)

The Committee of the Whole (Working Session) recommends:

- 1) That the recommendation contained in the following report of the Director of Economic Development, dated June 17, 2015, be approved;**
- 2) That Communication C30 presentation material entitled, *“Vaughan International Commercialization Centre Concept”*, be received;**
- 3) That the following deputations and Communications be received:**
 - 1. Mr. Robert Lane, Robert H. Lane & Associates Inc., Dundas Street West, Toronto;**
 - 2. Mr. David W. Rubin, TEC Canada, Abbeywood Gate, Thornhill, and Communication C22, dated June 8, 2015;**
 - 3. Mr. Yu Jianwei, Chinese Consulate, St. George Street, Toronto;**
 - 4. Mr. Mario Fallico, Deloitte, Applewood Crescent, Vaughan;**
 - 5. Mr. Mark Falbo, Mircom Technologies, Interchange Way, Vaughan;**
 - 6. Mr. Jeremy Laurin, ventureLAB, Warden Avenue, Markham and Communication C31 presentation material entitled, *“Driving Innovation: ventureLAB Regional Innovation Centre and Strategic Partnerships”*;**
 - 7. Mr. Terry Sachlos, Lassonde School of Engineering, York University, Keele Street, Toronto;**
 - 8. Mr. Oded Orgil, Canada Israel Chamber of Commerce, King Street West, Toronto; and**
- 4) That the following Communications be received:**
 - C1. Confidential Communication from the Director of Economic Development, dated May 27, 2015;**
 - C2. Mr. Matthew Peddle, Associated Foreign Exchange, Front Street, Toronto, dated June 11, 2015;**
 - C3. Mr. Matthew Grossman, Bedford Park Avenue, Toronto, dated June 1, 2015;**
 - C4. Mr. David Reynolds, INAC Services Limited, University of Guelph dated June 5, 2015;**
 - C5. Ms. Tiziana Tedesco, Italian Chamber of Commerce of Ontario, College Street, Toronto, dated June 10, 2015;**
 - C6. Mr. David Agnew, Seneca College, Finch Avenue East, Toronto, dated June 12, 2015;**
 - C7. Mr. Doug Lindeblom, York Region, Yonge Street, Newmarket, dated June 12, 2015;**
 - C8. Mr. Tony Orsi, Bereskin & Parr LLP, dated April 30, 2015;**
 - C9. Ms. Julie King, BizZone Inc., Stouffville Road, Gormley, dated May 25, 2015;**
 - C10. Mr. Noam Ilan, Capital Nature, dated June 8, 2015;**
 - C11. Mr. Christopher Martinez, CIBC;**
 - C12. Mr. Gino Di Rezze, Groundheat, Wildcat Road, North York, dated March 31, 2015;**
 - C13. Mr. Jon Sherrington, Hydrogen, Disera Drive, Thornhill, dated March 16, 2015;**
 - C14. Mr. Ozan Isinak, Keiretsu Forum Central Canada, King Street West, Toronto;**
 - C15. Dr. Andrew Maxwell, Bergeron Entrepreneurs in Science and Technology, York University, Keele Street, Toronto, dated April 1, 2015;**

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- C16. Mr. Dan Wasserman, Mammoth Health Innovation, Promenade Circle, Thornhill, dated May 24, 2015;**
- C17. Mr. Alex Sirota, Newpath Consulting, Theodore Place, dated May 29, 2015;**
- C18. Mr. Noah Ehrlich, HopOn Inc. and Chen Liquids, Townsgate Drive, Thornhill, dated June 1, 2015;**
- C19. Mr. John Frangella, Proto3000, Marycroft Avenue, Vaughan, dated June 1, 2015;**
- C20. Mr. Lucas Chang, Startup York dated May 25, 2015;**
- C21. Mr. Simon Au, Taves Consumer Electronics Show, dated May 26, 2015;**
- C23. Mr. Brian Denney, Toronto and Region Conservation Authority (TRCA), Shoreham Drive, Downsview, dated June 3, 2015;**
- C24. Ms. Christina Falcone, UPS Canada, Derry Road East, Mississauga, dated June 1, 2015;**
- C25. Mr. Marat Ressin, York Entrepreneurship Development Institute, York University, Keele Street, Toronto, dated May 26, 2015;**
- C26. Brian Shifman, Melina Cormier and Lynne Wallace, Vaughan Chamber of Commerce, Edilcan Drive, Vaughan, dated June 15, 2015;**
- C27. Mr. Will Sung, Chinese Business Council of Vaughan and Canadian Municipal Business Gateway, Applewood Crescent, Vaughan, dated June 16, 2015; and**
- C28. Mr. Justin Poy, The Justin Poy Agency, Renfrew Drive, Markham, dated June 16, 2015.**

Recommendation

The Director of Economic Development, in consultation with the Executive Director, Office of the City Manager, recommends:

- 1. THAT the presentation by the Economic Development Department be received;
- 2. THAT Council endorse the Vaughan International Commercialization Centre concept;
- 3. THAT a further report focused on the operational strategy for the Vaughan International Commercialization Centre, including a business model, funding model, governance model, and phased-implementation plan be submitted to a future Committee of the Whole (Working Session) for discussion;
- 4. THAT Council endorse Economic Development's applications for any relevant government grants that could fund the pre-strategy and second-phase development of the VICC, in addition to long-term operations;
- 5. THAT Council support the progress of the VICC to its second-phase of development, which entails staff developing strategic partnerships with the greater business community;
- 6. THAT the Vaughan International Commercialization Centre be authorized to execute City-approved Memorandums of Understanding and Non-Disclosure Agreements with strategic operational partners to allow for more in-depth planning discussions subject to the Municipal Freedom of Information and Protection of Privacy Act and to the satisfaction of Economic Development and the City Solicitor; and
- 7. THAT Council authorizes Economic Development to participate in the pilot programs set out in this report.

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Contribution to Sustainability

Green Directions Vaughan embraces a Sustainability First principle and states that sustainability means we make decisions and take actions that ensure a healthy environment, vibrant communities, and economic vitality for current and future generations. As a tool for business retention and expansion and foreign investment, the VICC contributes to the economic sustainability of the City.

Economic Impact

The recommendations listed in this Report do not have an economic impact as the selected pilot projects can be implemented within Economic Development's existing operating budget.

The long-term annual operating cost of the VICC will be identified as part of the operational strategy that will be developed should this Report receive approval. As outlined in the attached "Vaughan International Commercialization Centre Concept Paper," the conceptual model of the VICC has been built on the basis that it will operate with a mix of in-kind support and financial resources from the private and not-for-profit sectors. More specifically, resources will be secured through strategic operational partnerships with private businesses, not-for-profit organizations, and academic institutions. Federal grants and in-kind sponsorships will also be explored.

Communications Plan

Maintaining contact with strategic operational partners and key stakeholders through working sessions, meetings, and presentations is critical. At this time, a formal Communications Plan to engage the general public is not required.

Purpose

The purpose of this Report is to assess the feasibility of a business incubator in Vaughan, including international business development opportunities.

Background - Analysis and Options

Executive Summary

This report began as a response to Council's request for an assessment of the viability of an innovation facility in Vaughan. The result of Economic Development's research and meetings with over one hundred stakeholders is not simply a recommendation for a facility in Vaughan, but an urgent call to address a sizable market gap in business support services.

The proposed Vaughan International Commercialization Centre, branded the VICC, will assist small and medium-sized enterprises (SMEs) localize international technologies to create and commercialize new, innovative products in addition to assisting local companies with the expertise required to modify or adapt their products for international export. The vision behind the VICC is to build a leading business innovation support network focused on increasing export activity, increasing foreign investment, and creating jobs. It will accomplish these goals through its unique programming and one-window portal—or support network—that centralizes the programs, services and resources that businesses need to commercialize products, enter new markets, and achieve growth.

Economic Development has concluded that an international commercialization centre is an excellent fit for Vaughan with respect to a number of factors, including: the City's convergent sector strengths; diverse population and international business connections with Israel, Italy,

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China and the US; location along the “Digital Corridor”; and finally, the potential of an innovation facility to act as a catalyst for the growth of the VMC, which has been identified as a priority strategic initiative in “Vaughan Vision 2020.”

Analysis

Through the Economic Mission to Israel in 2012, it was understood that Vaughan could benefit from a focus on innovation and international business linkages and business development. Following the Mission and via a Member’s Resolution dated November 26, 2013, it was requested that the concept of a business incubator in Vaughan be explored.

Extensive market research and consultations with over one hundred stakeholders and business leaders has confirmed the viability of the VICC. Of the many innovation facilities across Toronto, York Region, and the Greater Toronto Hamilton Area—which include business incubators, accelerators, and commercialization centres—there is not a single facility dedicated to commercialization *and* international markets. Commercialization refers to the stage at which businesses have an existing product and market share but they are focused on achieving growth into new markets both locally and internationally through exporting and/or strategic partnerships. Therefore, an opportunity exists for the City to address a significant market need. Economic Development has already received requests for the type of assistance that the VICC would offer such as matchmaking Vaughan-based companies with foreign technology providers and opportunities for testing international technologies in Vaughan.

While the VICC will serve a much larger area than Vaughan at full-scale operations—that is, it has the potential to impact the Region, the Province, and the country—it is the City’s opportunity to differentiate Vaughan from other municipalities and enhance Vaughan’s global image: a key priority outlined in “Building a Gateway to Tomorrow’s Economy”. We know that business owners who enter the international market experience greater stability and lower risk of failure, and they are more likely to adopt innovative technologies from around the world, which are key drivers of productivity and business success. It is in the City’s interest to develop structures that will lead to the financial sustainability of its businesses, which can help to raise the profile of the City on an international scale.

The VICC Concept Model

The VICC will address real market needs—market reach, innovation and funding challenges—through its programming, which includes market research, training, mentor services, match-making, soft-landing networks, technology access support, and verification site networks. However, rather than dedicate staff to building these programs, the VICC will uniquely adopt a decentralized operational model by leveraging existing public and private services. The VICC will act as a portal or conduit to knowledge and programs provided by its partner organizations, business communities, and other innovation facilities. A VICC client interested in obtaining legal assistance, research support, or advice from mentors, for example, can approach the VICC and the VICC will facilitate the client’s access to these resources through its established networks, industry directories, and approved list of service providers.

Operational Strategies

The VICC’s decentralized model of service is best delivered through public and private sector operational partnerships. An operational partnership would allow the City to manage the VICC under its current budgetary restrictions and prevent Economic Development from losing sight of its other services and initiatives. Moreover, the proposed strategic partnerships with select venture capital firms and not-for-profits would increase our networks considerably, thereby enhancing the quality of service the VICC could provide.

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Next Steps – Pilot Programs

In order to test the VICC concept in the market, including its proposed programming, Economic Development is requesting support to pilot three VICC programs that can deliver measurable results. These programs include:

1. **Soft-Landing Network:** Soft-landing sites refer to accessible office space within established businesses, with the potential for businesses to collaborate and share resources. Local and international VICC clients that require offices, workstations, boardrooms, and other resources can occupy space for a predetermined time in a Soft-Landing Network partner location within Vaughan and/or in foreign markets, namely Israel, Italy, China and the US. In the VICC's early stages, the strategy will focus on establishing a network of soft-landing sites locally and internationally.
2. **Test City Program:** One of the obstacles foreign businesses face when expanding to new markets is the lack of third-party product endorsement, simply because they have not yet conducted business in the country. The Test City program is designed precisely to meet these challenges. VICC clients will have an opportunity to demonstrate their technologies in real-life settings across Vaughan. PowerStream, Canada's Wonderland, CN Rail, Mackenzie Health, and the Kortright Centre have agreed to join the Test City Network to allow on-site technology testing. Providing prospective investors with an opportunity to test, showcase, and prove the quality of the product is essential for achieving sales.
3. **Business Matchmaking Program:** As one of its core programs, the VICC will offer its clients a matchmaking service that will support their innovation, market reach, and funding requirements through direct communication with businesses that can provide solutions. The VICC will introduce clients to prospective technology localization partners, demonstration site partners, mentors, service providers, soft-landing partners, and investors. Throughout its phased implementation, the VICC will concentrate on building its networks to ensure clients are connecting and collaborating with the most appropriate business contacts.

Relationship to Vaughan Vision 2020/Strategic Plan

The VICC's mandate aligns seamlessly with the core tasks of Economic Development as set out in the "Building a Gateway to Tomorrow's Economy" strategy:

1. Support local economic development by providing local businesses with additional tools to access new markets, achieve growth, and retain their competitive edge on an international scale.
2. Support local economic development by pursuing foreign investment attraction.
3. Create or leverage opportunities arising from multicultural or ethnic communities.
4. Enhance Vaughan's global image.

The international commercialization focus leverages our existing international partnerships while giving Vaughan-based companies innovative tools to enter new markets and experience growth. The niche market focus of the VICC is an opportunity to draw attention to Vaughan as the only public, private, or not-for-profit entity in all of Ontario that offers this particular suite of services.

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With respect to “Vaughan Vision 2020,” the VICC contributes to the Organization Excellence of the City. The VICC’s attention to the needs of local business, especially providing them with the tools to meet the challenges of fierce global competition, ensures the financial sustainability of the local economy and, therefore, the City.

Regional Implications

York Region’s Economic Development Action Plan prioritizes innovation hubs. It already has several initiatives underway that include:

- The Innovation Leaders Forum, designed to bring leaders together to identify areas of focus in innovation and help establish solutions.
- The Regional Hospital Network, where the three Regional hospitals in York Region meet regularly to discuss ways to develop innovative healthcare delivery solutions that also take advantage of and help build local business innovation.
- Major private sector research investments including IBM, GE, AMD, Magna, and Huawei.
- Emerging/potential innovation hubs within the Region including the Kortright Centre for Conservation, Southlake Regional Health Centre, and the Koffler Scientific Reserve amongst others.

The VICC will operate as part of York Region’s innovation network. Support for the VICC has been identified as one of ventureLAB’s—a designated regional innovation centre—key priority initiatives.

Conclusion

Businesses expanding to develop new products to enter new markets are already seeking assistance from Economic Development, and it is clear that there is an opportunity to do more to serve them. A significant market demand and need has been identified along with potential clients and partners for this solution, eager to move to the next stage of planning, approval and implementation.

The VICC satisfies many of the goals set out in “Building a Gateway to Tomorrow’s Economy” but it also achieves much more; it will facilitate the following results and economic outcomes for the City:

- | | |
|--|---|
| ▪ Job creation | ▪ Reduction in the failure rate of business exporting |
| ▪ Increased tax base | ▪ Diversification of the local economy |
| ▪ Heightened international brand recognition | ▪ Enhanced entrepreneurial climate |
| ▪ Vaughan business retention and growth | ▪ Increased business spin-offs |
| ▪ Increased innovation initiatives | ▪ Attraction and retention of talent |
| ▪ Increased exporting among Vaughan businesses | ▪ Recognized gateway to North America |
| | ▪ Attraction retention (FDI & VC) |
| | ▪ VMC growth |

The City has an excellent opportunity for growth if it implements the VICC. Very few true competitive differentiators exist among cities today and, in fact, a majority of cities use the same language when describing how their cities are more competitive. The VICC is a real opportunity to set Vaughan apart and capitalize on its advantages.

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Attachments

1. Vaughan International Commercialization Centre Concept Paper

Report prepared by:

Nisha Manocha, Economic Development Coordinator
Dan Ruby, Economic Development Officer
Jennifer Ladouceur, Director of Economic Development

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)



200 Front St W • 22nd Floor • Toronto, ON M5V 3K2 • T (416) 360-2136 • F (416) 360-3048 • www.afex.com

June 11, 2015

Matthew Peddle

416-360-2136 Ext: 1329 mpeddle@AFEX.com

The Mayor of Vaughan and Members of Vaughan City Council
City of Vaughan, 2141 Major Mackenzie Road
Vaughan, Ontario
L6A 1T1

C <u>2</u>
COMMUNICATION
CW (WORKING SESSION)
<u>June 17/15</u>
ITEM - <u>2</u>

Dear Mayor and Members of City Council:

Re: Vaughan International Commercialization Centre (VICC)

The Panama Canal stretches over 80km connecting the Atlantic Ocean to the Pacific Ocean. It cost \$400 Million, took over 33 years to construct & workers on the canal battled high temperatures in mosquito infested lands. Today more than 14,000 ships carrying cargo travel this remarkable passage each year, resulting in more than \$2 Billion in global trade revenue annually.

I mention this because even today, as our world has gotten smaller, finding and entering new markets is one of the hardest tasks for a business trying to achieve increased sales revenue. In the past this meant undertaking the world's largest construction project; today we can promote global trade through the planned Vaughan International Commercialization Center.

At AFEX, we specialize in global payment and risk management solutions for businesses dealing in foreign currencies. We believe that the VICC will be uniquely positioned to help Canadian companies be more competitive on a global scale by making it easier for international businesses to launch here in Canada. With its mandate of creating a strong bilateral ecosystem to support technology commercialization between Canadian and foreign companies, local businesses will have an increased global outreach allowing them to promote their product in addition to adding new career opportunities.

AFEX is the world's largest non-bank provider of foreign payment solutions and has been recognized as a leader in this market. We believe we are uniquely positioned to support the VICC and local business in handling both incoming and outgoing foreign payments, and in protecting from the volatility of global currency markets.

We are very excited at the opportunity of working with the VICC and are looking forward to seeing it become a reality in the near future.

Yours Truly,

A blue ink handwritten signature, appearing to be "Matthew Peddle", written over a horizontal line.

Associated Foreign Exchange (AFEX)

Matthew Grossman
Company To Be Formed
466 Bedford Park Ave.
Toronto, ON, M5M 1K1
June 1, 2015

C <u>3</u>
COMMUNICATION
CW (WORKING SESSION)
<u>June 17/15</u>
ITEM - <u>2</u>

His Worship the Honourable Maurizio Bevilacqua, PC and Members of Vaughan City Council
City of Vaughan
2141 Major Mackenzie Rd.
Vaughan ON, L6A 1T1

To His Worship the Honourable Maurizio Bevilacqua, PC and Members of Vaughan City Council :

My colleagues and I are in the process of forming a company with the express purpose of bringing late-stage Israeli technology startup companies to Canada to begin their international commercialization process. We were introduced to the VICC concept by the former Consul General of Israel to Toronto and Western Canada, Amir Gissin. When Mr. Gissin heard about our plans, he felt that there was a perfect fit with what he knew the City of Vaughan was planning with the VICC initiative. When we heard about the VICC, we knew that Vaughan was developing an initiative that meshed perfectly with our plans.

The VICC will leverage all of Vaughan's strengths to enable the city to become a world leader in the commercialization of technology companies. The people of Vaughan come from a wide range of ethnic and cultural backgrounds providing an outstanding platform on which to build a bridge to the world! The proximity of the airport and the new subway link ensure smooth transportation of people and materials in and out of Vaughan. Most importantly, the commitment that the City of Vaughan is making to the VICC initiative will ensure the creation of quality jobs well into the future and the overall success of the VICC.

From our perspective as potential investors in the new businesses that will be established in Vaughan, we find the VICC initiative to be an exciting vision that will enhance the returns that we will see on our investments. We are very excited that Vaughan has the vision necessary to make this happen.

Sincerely,



Matthew Grossman



465 Gordon Street
Food Science Building, Rm 233
University of Guelph
Guelph, Ontario Canada N1G 2W1
Telephone: 519-766-1395
Fax: 519-766-1348

June 5, 2015

Mayor Maurizio Bevilacqua and Members of Vaughan City Council
City of Vaughan, 2141 Major Mackenzie Rd.
Vaughan, ON L6A 1T1

Re: Vaughan International Commercialization Centre (VICC)

C 4 COMMUNICATION CW (WORKING SESSION) <i>June 17/15</i> ITEM - 2

Your Worship and Members of City Council:

Based on our 27 years' experience of financing businesses to become globally competitive, we at INAC Services Limited believe it is paramount for Canadian companies to develop and embrace innovation as a means to sustain domestic sales and, more importantly to dominate world markets.

As barriers to international trade dissolve, initiatives such as academic/industrial partnerships, centres of excellence and commercialization funding will become more important to ensure the success of Canadian businesses. However, more can be done! Unprecedented partnerships between entrepreneurs, financial institutions and all levels of government (Federal, Provincial and Municipal) need to be created. And it is vital that these such partnerships provide support to innovation without the traditional caveats of only investing in proven technologies, well-established businesses or those native to Canada. Your City's vision for a Vaughan International Commercialization Centre reflects such a partnership. It is an initiative that will, by its own innovative approach, engender measureable contributions to the growth and success of local business in an ever expanding global marketplace.

INAC began in 1987 providing grant writing services to Ontario businesses. Our services expanded to include securing R&D tax credits, and energy rebates as our clients further embraced innovation to gain efficiencies. Today, much of the work we do is to secure private as well as government financing for the commercialization of "first to the world" technologies and products. These technologies and products are being developed by new and existing entrepreneurs in vibrant communities such as Vaughan. It is because of the profound depth of entrepreneurialism existing in Vaughan that we have established an office in this city. Moreover, we believe that there is a need to support your entrepreneurs in becoming global competitors through securing government funding for their endeavors. We are, therefore, excited that the proposed Centre may offer us the opportunity to provide such financial expertise to Vaughan's entrepreneurs.

Thank you for allowing me to express my company's endorsement of the Vaughan International Commercialization Centre. We hope that the Council and your Worship supports the Centre's creation.

Sincerely,

David Reynolds
President,
INAC Services Limited

INAC Services Limited

Government Grant And Tax Rebate Specialists Since 1987
With Offices In: Guelph, Toronto, Vaughan, Chatham, and Montreal
www.inacservices.com

CAMERA di COMMERCIO
ITALIANA dell'ONTARIO

Italian Chamber of Commerce of Ontario - 622 College Street - Suite 201 F - Toronto, ON - M6G 3A7
Tel: +1-416-789-7169 - Fax: +1-416-789-7169 - www.italchambers.ca

Italian Chamber of Commerce of Ontario (Italian office) Galleria del Corso, 2 - 20121 - Milano (MI) - Tel: +39 02-36571696

June 10, 2015

To His Worship the Honourable Maurizio Bevilacqua, PC and Members of Vaughan City Council
City of Vaughan, 2141 Major Mackenzie Rd
Vaughan, Ontario L6A 1T1 Canada

Dear Mayor and Members of City Council:

C 5 COMMUNICATION
CW (WORKING SESSION) <i>June 17/15</i>
ITEM - <i>2</i>

Subject: Vaughan International Commercialization Centre (VICC)

The Italian Chamber of Commerce of Ontario (ICCO) would like to support the Vaughan International Commercialization Centre concept. ICCO is a private, independent, not-for-profit organization whose aim is to enhance and promote investments, business, trade and cultural relations between Canada and Italy. In order for Canadian companies to compete in today's business environment, technological innovation and global networks are key. Therefore, it is important for ICCO to support Canadian companies in forming international partnerships with innovative ventures and organizations. This will help Canadian companies be successful which will lead to increased business activity, jobs and economic growth.

We have had several meetings with the Economic Development Department at the City of Vaughan to discuss the Vaughan International Commercialization Centre (VICC). We believe that the VICC will be uniquely positioned to help Canadian companies be more competitive on a global scale given its mandate of creating a strong bilateral ecosystem to support technology commercialization between Canadian and foreign companies.

Furthermore, we think that locating the VICC at the Vaughan Metropolitan Centre will see Vaughan become a hub for domestic and international business activity. The VICC will promote increased technological commercialization for companies in Vaughan and in neighboring areas as the VICC will also serve to link together other centers of technological activity including the Kitchener-Waterloo area, Markham and Toronto.

We believe that ICCO is uniquely positioned to support the VICC and local companies in protecting their technology and building their brand on a domestic and an international scale as well as in dealing with any technology development issues that may arise when working with international partners. Furthermore, this kind of cooperation will permit to new Italian companies to expand their businesses in the area.

We are very excited for the opportunity of working with the VICC and we are looking forward to seeing it become a reality in the near future.

Tiziana Tedesco
Tiziana Tedesco
Interim Executive Director

OFFICE OF THE PRESIDENT

David Agnew
President

Seneca College
1750 Finch Avenue East
Toronto, ON, Canada M2J 2X5
☎ 416.491.5050 ext. 77001
✉ david.agnew@senecacollege.ca

Seneca

C 6
COMMUNICATION
CW (WORKING SESSION)
June 17/15
ITEM - 2

June 12, 2015

(sent electronically)

Dear Mayor Bevilacqua and members of the Vaughan City Council:

RE: Vaughan International Commercialization Centre

On behalf of Seneca, I would like to provide you and members of Council with a letter of support for the proposed Vaughan International Commercialization Centre (VICC). The proposed mandate of the VICC – to assist small and medium-sized enterprises (SMEs) in commercializing new products and to better prepare them for meeting the needs of the international marketplace with a specific focus on China, Israel and Italy – is well aligned with many areas and activities within Seneca.

For example, Seneca's Applied Research and Innovation (ARI) group leverages the excellence of our students, faculty and programs to work with industry on applied research projects. These projects include action research as well as assisting businesses, particularly SMEs, in commercializing their products and services. Our current research partners would value the opportunity to further develop and bring their products to new international markets.

The proposed program areas of focus for the VICC, specifically the design of technical products, manufacturing and logistics as well as sales and marketing are well aligned with many programs currently offered by Seneca. One example is the new Seneca Mechatronics Simulation and Demonstration Centre. Seneca received funding in the recent Ontario Budget to work with Siemens Canada to develop the Centre and to join an international network of advanced technology partners in education and industry already working with Siemens. Other relevant academic programs include international business, marketing, global logistics and supply chain, international transportation and customs, to name a few.

The VICC would also provide new opportunities for our student and graduate entrepreneurs. In 2014 Startup Canada, a national organization that serves as a voice for entrepreneurs, named Seneca the most entrepreneurial college in Ontario. Seneca also tied the University of Waterloo as a runner-up, behind Ryerson University, in the most entrepreneurial postsecondary institution category from 260 applications and nominations received from across Canada. One on-campus example is the Health Entrepreneurship and Lifestyle Innovation Xchange (HELIX), a business incubator aimed at supporting youth entrepreneurs up to 29 years of age interested in developing their health sector-related business. Business and products developed within HELIX could be excellent candidates to access services through the VICC.

We commend you and Council for your leadership in developing this proposal and look forward to partnering with the City of Vaughan on this initiative. Should you have any questions related to our support for this initiative, please don't hesitate to contact me directly.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'DAVID AGNEW', with a long horizontal flourish extending to the right.

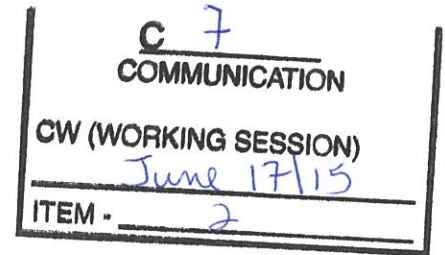
David Agnew



Doug Lindeblom
Director of Economic Strategy

June 12, 2015

His Worship the Honourable Mr. Maurizio Bevilacqua, PC
and Members of Vaughan City Council
City of Vaughan
2141 Major Mackenzie Drive
Vaughan, ON
L6A 1T1



Dear Mr. Bevilacqua and Members of Vaughan City Council:

Re: Vaughan International Commercialization Centre (VICC) initiative

This letter is to express the Region of York's support for the City of Vaughan's efforts to foster innovation within its local economy. The Region of York believes in advancing the prosperity of the Region through a range of innovation initiatives that meet the needs of local companies and connect them to global markets.

The Region's Strategic Plan 2015-2019, approved by Regional Council in February, 2015, outlines a strategic objective of focusing on networks and systems that connect people, goods and services. The Regional Council approved - Economic Development Action Plan includes as a Goal the development of the innovation network, connecting business to opportunities. We recognize the VICC proposal as a step that can strengthen the network and connections both within and beyond the Region.

We look forward to assisting the City of Vaughan in your efforts to develop your innovation assets.

Sincerely,

A handwritten signature in blue ink, appearing to be "DL" or similar initials, written over a light blue horizontal line.

Doug Lindeblom
Director of Economic Strategy

Cc: Valerie Shuttleworth, Chief Planner – Planning and Economic Development

April 30, 2015

Tony Orsi
B.A.Sc. (Elec. Eng.), M.A.Sc. (Elec. Eng.), MBA
416 957 1175 torsi@bereskinparr.com

The Mayor of Vaughan and Members of Vaughan City Council
City of Vaughan, 2141 Major Mackenzie Road
Vaughan, Ontario
L6A 1T1

C 8
COMMUNICATION
CW (WORKING SESSION)
June 17/15
ITEM - 2

Dear Mayor and Members of City Council:

Re: Vaughan International Commercialization Centre (VICC)

In order for Canadian companies to compete in today's business environment, technological innovation and global networks are key. Therefore it is important to support Canadian companies in forming international partnerships with innovative companies and organizations. This will help Canadian companies be successful which will lead to increased business activity, jobs and economic growth.

We have had several meetings with the Economic Development Department at the City of Vaughan to discuss the Vaughan International Commercialization Centre (VICC). We believe that the VICC will be uniquely positioned to help Canadian companies be more competitive on a global scale given its mandate of creating a strong bilateral ecosystem to support technology commercialization between Canadian and foreign companies.

Furthermore, we think that locating the VICC at the Vaughan Metropolitan Centre will see Vaughan become a hub for domestic and international business activity. The VICC will promote increased technological commercialization for companies in Vaughan and in neighboring areas as the VICC will also serve to link together other centres of technological activity including the Kitchener-Waterloo area, Markham and Toronto.

Our firm specializes in all aspects of Intellectual Property and has been recognized as a leader in this space. We believe that we are uniquely positioned to support the VICC and local companies in protecting their technology and building their brand on a domestic and an international scale as well as in dealing with any technology development issues that may arise when working with international partners.

We are very excited at the opportunity of working with the VICC and are looking forward to seeing it become a reality in the near future.

Yours truly,

BERESKIN & PARR LLP/S.E.N.C.R.L., s.r.l.

A handwritten signature in black ink, appearing to read "Tony Orsi". The signature is written in a cursive, flowing style.

Tony Orsi
/cem



C 9
COMMUNICATION
CW (WORKING SESSION)
June 17/15
ITEM - 2

City of Vaughan
2141 Major Mackenzie Rd.
Vaughan ON
L6A 1T1
Canada

BizZone Inc.
2243 Stouffville Rd., Bx 310
Gormley, ON
L0H 1G0
Canada

May 25, 2015

To His Worship the Honourable Maurizio Bevilacqua, PC and Members of Vaughan City Council:

BizZone Inc. is a web technology company based in York Region and we also publish CanadaOne.com, a web platform supporting Canadian entrepreneurs that helps over 700,000 people each year.

We have been briefed by the City of Vaughan Economic Development Department on its VICC concept and are writing to express our support for this project.

Technology and business are changing at an exponential pace and it is critical for companies and communities to keep pace, yet many Canadian companies struggle with technology adoption and commercialization.

In 2012 when asked to research an innovation gap in Canada, the CATA Alliance white paper *Canada as a Competitive Innovation Nation: What Needs To Be Done* noted that our country does not have an innovation gap and in fact our companies excel at innovation. However, we do have a commercialization gap, something the paper authors identified as the "... real drag on the Canadian economy."

Also, for many companies, entering a foreign market can be daunting. Providing critical supports to companies with commercialization potential will create the potential for Vaughan to attract both local and multi-national company, especially with the planned revitalization of the downtown.

We believe the VICC has an important role to play in helping Vaughan-based businesses leverage all of the growth opportunities available to them and that in creating the VICC that Vaughan will take a leadership role on the pathway to commercialization for the companies they support.



In conclusion we support this concept and would be happy to partner with the VICC through our national business magazine, CanadaOne.com.

Sincerely,

Julie King

A handwritten signature in black ink, appearing to be "JK" or a similar stylized monogram.

CEO, BizZone Inc. | www.bizzone.com

Co-Founder, CanadaOne® | www.canadaone.com

CAPITAL NATURE

June 8, 2015

The Mayor of Vaughan and Members of Vaughan City Council
City of Vaughan, 2141 Major Mackenzie Road
Vaughan, Ontario
L6A 1T1

C 10
COMMUNICATION
CW (WORKING SESSION)
June 17/15
ITEM - 2

Dear Mayor and Members of City Council:

Re: Vaughan International Commercialization Centre (VICC)

Capital Nature is a leading investment firm focused on funding and accelerating early stage ventures, as well as academic research in the emerging Renewable Energy in Israel. In addition to incubating early stage start-up companies, Capital Nature also funds applied academic research in the area of renewable energy, and operates a test and validation center in the Eilat region.

Capital Nature was established in 2011 and operates the Israeli National Renewable Energy Center in the Arava, as part the initiatives of the State of Israel to promote development of Renewable Energy technologies.

Capital Nature portfolio companies benefit from the ongoing support of the Capital Nature team as well as benefit from a unique opportunity to access the vast technological, financial and marketing capabilities of Capital Nature investors.

We have been briefed by the City of Vaughan Economic Development Department on its VICC concept, which we believe will provide access to diverse commercialization capabilities with local and international partners.

Beyond driving Vaughan's economic growth by technological innovation, we believe that Vaughan's vision of a new world-class downtown will be greatly enhanced by the operation of the VICC.

With the VICC, Vaughan is positioned as a focal point between local and targeted international markets, supporting commercialization and functioning as a vibrant attractor of domestic and multinational business activity.

We support this concept and wish to partner with the VICC, We are very excited at the opportunity of working with the VICC and are looking forward to seeing it become a reality in the near future

Yours truly,

Noam Ilan

VP Business Development

Capital Nature

C 11
COMMUNICATION
CW (WORKING SESSION)
June 17/15
ITEM - 2



To His Worship the Honourable Maurizio Bevilacqua, PC and Members of Vaughan City Council
City of Vaughan
2141 Major Mackenzie Rd.
Vaughan, ON, L6A 1T1

Re: Vaughan International Commercialization Centre (VICC)

As a Relationship Manager with CIBC Commercial Banking predominately supporting the Vaughan area, I am responsible for supporting the development of companies through every stage of their growth by providing integrated financial solutions. In addition, my time is largely dedicated towards business development, not just the development of my portfolio, but also the business of my clients that I serve.

I was immediately intrigued when I was presented with the VICC concept by the City of Vaughan Economic Development Department. I have personally witnessed the benefits that have accrued to many starts-ups as a result of business incubators that were responsible for providing the necessary guidance, advisors, technology, and sources of potential financing, to facilitate their success.

If the Vaughan International Commercialization Centre were to develop a thriving multidisciplinary ecosystem for innovation, entrepreneurship, investment, and international trade, I truly believe that this would provide the City of Vaughan with the opportunity for further growth and transformation. CIBC Commercial Banking has a vested interest in the continued success and commercialization of the Vaughan area and is supportive of the strategic direction that the City has taken such as the addition of the Vaughan Metropolitan Centre. As a result, I support the concept and wish to partner with the VICC.

Sincerely,

A handwritten signature in black ink, appearing to read "Christopher Martinez".

Christopher Martinez
Manager, CIBC Commercial Banking



Groundheat

March 31st, 2015.

C <u>12</u>
COMMUNICATION
CW (WORKING SESSION)
<u>June 17/15</u>
ITEM - <u>2</u>

To: The Mayor and Members of Council
City of Vaughan,
2141 Major Mackenzie Rd.,
Vaughan ON, L6A 1T1

Re: Vaughan International Commercialization Centre (VICC)

My career has allowed me to gain extensive business experience, especially in the international sphere. This has demonstrated to me the value of a nexus connecting entrepreneurs with the supplier, customer, government and service industry components.

I believe the City, with its multicultural flavor, is predisposed to be a host to a series of technology clusters, taking advantage of its manufacturing and logistics segments. The VICC will have a key function of facilitating relationships to leverage the various industry participants' capability – both for those currently located in Vaughan and for new arrivals to this beneficial environment.

Best Regards

Gino Di Rezze P.Eng.

Dascan Groundheat Energy Services.

Monday, March-16-15

To The Mayor & Members of Council
The City of Vaughan
2141 Major Mackenzie Rd
Vaughan ON
L6A 1T1

<u>C 13</u> COMMUNICATION CW (WORKING SESSION) <u>June 17/15</u> ITEM - <u>2</u>
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Dear Mayor & Members of Council,

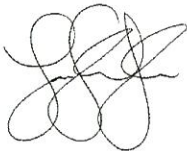
I am writing to offer my warm encouragement to the proposal of establishing a Vaughan International Commercialization Centre (VICC) to become a focal point of economic growth in our region.

Representing a company that thrives on delivering innovation to markets in the GTA, Canada and North America, as well as being both a commercial and residential tax payer to Vaughan, I am excited by the prospect that Vaughan will mold its infrastructure and resources to become a world centre for commerce and trade..

I look forward eagerly to the prospect of increased economic activity cycled through The VICC initiative. I expect this to benefit my own business and the surrounding business community. Given the skills and resources at its disposal I believe Vaughan will emerge as an ideal hub for fast-tracking proven intellectual properties to market throughout N. America and internationally.

I wish The Mayor and Council success in its deliberations concerning this proposal.

Sincerely,



Jon Sherrington,
President

KEIRETSU



FORUM

C 14
COMMUNICATION

CW (WORKING SESSION)

June 17/15

ITEM - 2

Keiretsu Forum Central Canada
First Canadian Place
100 King Street West, Suite 1600
M5X 1C7
Canada

City of Vaughan
2141 Major Mackenzie Rd.
Vaughan ON
L6A 1T1
Canada

Subject: Vaughan International Commercialization Centre (VICC)

To His Worship the Honourable Maurizio Bevilacqua, PC and Members of Vaughan City Council,

We would like to have this letter serve as our formal support for the VICC initiative. Keiretsu Forum is the most active global angel network on the planet. Members across our 37 chapter network on three continents and ten countries invested \$79 million CAD into 100+ companies in 2014. Keiretsu Forum Central Canada is proud to have syndicated six local companies to other regions of the world, including to the United States, England, France and Turkey. Without this network, these companies may not have had the chance to step outside of Canadian borders.

Our goal at Keiretsu Forum Central Canada is to work in tandem with regional governments, investment firms and angel communities to bring Canadian companies onto the global theater while bringing international deal flow into Canada. To this end, we fully support government and private initiatives that aim to encourage the international flow of deals and investors. We believe that the VICC and the city of Vaughan can leverage the Keiretsu Forum international angel investment platform to build new companies that can compete globally and ultimately help bring new jobs into Canada.

Thank you,

Ozan Isinak
President, Keiretsu Forum Central Canada

Bergeron Entrepreneurs in Science and Technology

Developing the next generation of entrepreneurial engineers

To The Mayor and Members of Council
City of Vaughan,
2141 Major Mackenzie Rd.,
Vaughan ON, L6A 1T1

C 15
COMMUNICATION
CW (WORKING SESSION)
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ITEM - 2



April 1, 2015

Re: Vaughan International Commercialization Centre (VICC)

I am writing this letter of support to encourage the City of Vaughan to seriously consider investing in the creation of a world-class International Commercialization Centre. At the newly established Lassonde School of Engineering, we operate the BEST initiative (Bergeron Entrepreneurs in Science and Technology) to integrate academic entrepreneurship into the development of entrepreneurial engineers, to engage with disciplines across campus, and to foster new relationships with the community. The creation of VICC will go along way to enhance the nature of academia-industry interaction, and offer collaboration possibilities with global university/city partners.

BEST is designed to enrich entrepreneurial learning objectives through experiential learning and skills development, foster a more entrepreneurial approach and culture that will stimulate new venture creation and enhance the entrepreneurial reputation of Lassonde, York, and the region. VICC will play a complementary role in the implementation of our vision.

We are particularly enthusiastic about the creation of activities to support international experiences. It is quite appropriate that you are considering Israel as your first partner. This is a path only recently taken by us, through the announcement of a strategic partnership with Technion (Haifa). As a result of our partnership, 30 students (primarily, although not exclusively from Lassonde) are immersed in a three week "Start-Up Nation" experience, where they learn from founders and faculty as they build, in conjunction with Technion students, technology ventures to address important societal issues. We are hoping to reciprocate in the fall.

In addition, my research area is in technology commercialization, new venture creation and academic-industry partnerships. I hope that this initiative will lead to further collaboration and research opportunities for developing a truly world class initiative.

Kind regards

A handwritten signature in blue ink that reads "A. Maxwell".

Dr. Andrew Maxwell

Director Bergeron Entrepreneurs in Science and Technology

Andrew.Maxwell@lassonde.yorku.ca

416 433 9805



1706-120 Promenade Circle
Thornhill, Ontario, L4J 7W9
(416) 835-3500

May 24, 2015

His Worship the Honourable Maurizio Bevilacqua, PC
And Members of Vaughan City Council
City of Vaughan
2141 Major Mackenzie Road
Vaughan, ON, L6A 1T1
Canada

C 16
COMMUNICATION
CW (WORKING SESSION)
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Your Worship and Members of Council,

RE: Vaughan International Commercialization Centre (VICC)

We have been briefed by the City of Vaughan Economic Development Department that the City is considering the creation of the above-named Centre.

This is a wonderful opportunity to help drive Vaughan's economic growth through technical innovation while taking advantage of the international resources and access to the global markets Vaughan represents.

While living in DC, I had the privilege of working with the man personally responsible for the phenomenal growth of Israel as "Start-up Nation" (Dr. Bruce Merrifield). As such, I definitely understand the merits an initiative of this scale.

To my mind, this is exactly what the City needs to set it apart from both Toronto to the south, and the rest of York Region. Not to say those other jurisdictions don't contribute to the ultimate success of the VICC, but it is the geographical location of Vaughan and its unique demographics that is so advantageous.

These developments are often once-in-a-lifetime occurrences and I encourage you to exploit it to its fullest extent.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Wasserman", with a long horizontal flourish extending to the right.

Dan Wasserman
Founder, Mammoth Health Innovation

May 29, 2015

City of Vaughan - 2141 Major Mackenzie Road
Vaughan ON, L6A 1T1 Canada

C 17
COMMUNICATION
CW (WORKING SESSION)
June 17/15
ITEM - 2

Subject: Vaughan International Commercialization Centre (VICC)

To His Worship the Honourable Maurizio Bevilacqua, PC and Members
of Vaughan City Council:

It is my pleasure to write a letter in support of the Vaughan
International Commercialization Centre.

The North American market is still the largest market for goods and
services. While there are many sources of specialized professional
services, there are very few resources to assist companies that wish to
commercialize or localize products for the North American market.

The ability to work with a customer who is wishing to expand into the
North American market is exciting. We regularly work with leading-
edge independent software vendors (ISVs) who are headquartered in
the countries being courted by VICC. We look forward to inviting these
vendors to consider Vaughan as a location for their North American
headquarters. With that in mind, we have started to build an online,
decentralized presence, that the VICC could use to engage
stakeholders.

In conclusion, I fully support the efforts of the city of Vaughan
Economic Development Office as they seek approval to "go ahead"
with VICC. MoneySense's "Canada's Best Places to Live 2013" listed
Vaughan as the 2nd best city in Canada for new immigrants. VICC will
establish Vaughan as the **best** city in Canada for companies who wish
to enter the North American market.

Sincerely,



Alex Sirota – Director, NewPath Consulting

To His Worship the Honourable Maurizio Bevilacqua, PC and Members of Vaughan City Council 1/6/15
City of Vaughan
2141 Major Mackenzie Rd.
Vaughan ON L6A 1T1, Canada
Re: Vaughan International Commercialization Center [VICC]

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COMMUNICATION
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Dear Sirs

For over a year I have been in touch with Mr. Dan Ruby discussing and supporting the VICC from the point of view of Israeli companies who are taking their first steps in penetrating the North American market place. Our firms are very interested in the concept and support the VICC's potential role in their efforts.

The Israeli companies that I'm involved with will require mainly marketing, finance and logistic support. They would like to find strategic partners that will enable them to utilize selling their innovative advance products in Ontario first and later in the other provinces of Canada and even in the North part of the USA. The VICC concept will help in this regard.

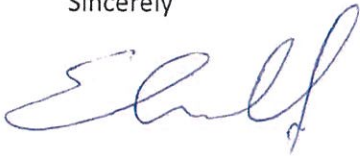
Thus, the concept of VICC is valid for the companies I represent in Canada as it provide assistance and support for the main issues we are facing right now.

I have found the people at the municipal level very knowledgeable, supportive and creative. They have the right ideas and attitude and I trust they can assist me in the first steps to understand the marketplace and its needs and will later support further market penetration activities in Canada.

The VICC can and should be a WIN WIN situation for all parties involved. It can be a bridge for Canadian companies who want to do business in Israel as well.

In addition it will develop the image of Vaughan as an innovative city with innovative people.

Sincerely



Noah Ehrlich
Canadian Representative for
HopOn Inc
Chen Liquids Inc

Noah Ehrlich
Canadian Representative

Noah.e@hopon.co.il
(416) 655.6501

 HopOn.co

91 townsgate drive 804
Thornhill ON L4J 8E8



Letter of Support

in Regards to Vaughan International
Commercialization Centre (VICC)

Proto3000 Inc.
171 Marycroft Avenue,
Suite 101-B
Vaughan, Ontario
L4L 5Y3

Monday, June 1, 2015

City of Vaughan
2141 Major Mackenzie Road
Vaughan, Ontario
L6A 1T1

C 19
COMMUNICATION
CW (WORKING SESSION)
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To His Worship the Honourable Maurizio Bevilacqua, PC
and Members of Vaughan City Council,

Canada was once a global powerhouse in both manufacturing and innovation. Over the years we have seen both these constituents of our national economy recede as other countries are quicker and more efficient at embracing technology and leveraging global networks. The concept for the Vaughan International Commercialization Centre (VICC) has come to our attention and we believe it is a step in the right direction in creating an environment and culture of commercialization and innovation.

As a company involved in all the stages of a product development lifecycle we have seen the limitations that currently exist for both us and our clients for manufacturing, product development, and distribution. A lack of resources combined with a shrinking pool of expertise means Canadian companies cannot create the necessary ecosystem for sustainable long-term growth. The VICC poses a solution for this problem and will connect local and national businesses with diverse commercialization capabilities with local and international partners.

As we provide the tools and services required for product development and manufacturing the VICC would directly benefit us. We already have excellent design and support of technical products, manufacturing, logistics, marketing and sales, what is missing are sources of base technologies and related financing and extended markets, both a role that Israel, China and Italy can fulfill.

We can also think of no better place than Vaughan for this unique facility. Being located in a technology and manufacturing hub, close to major transportation arteries, with young, creative professionals makes Vaughan the perfect fit. Beyond driving Vaughan's economic growth by technological innovation, we believe that Vaughan's vision of a new world-class downtown will be greatly enhanced by the operation of the VICC. With the VICC, Vaughan is positioned as a focal point between local and targeted international markets, supporting commercialization and functioning as a vibrant attractor of domestic and multinational business activity.

We support the VICC concept and look forward to a long term partnership.

Yours Truly,

John Frangella
Managing Partner
Proto3000 Inc.



C <u>20</u>
COMMUNICATION
CW (WORKING SESSION)
<u>June 17/15</u>
ITEM - <u>2</u>

May 25, 2015

City of Vaughan
2141 Major Mackenzie Road
Vaughan ON, L6A 1T1

To the Honourable Maurizio Bevilacqua, PC, and Members of Vaughan City Council,

I am writing this letter as a show of support for the proposed Vaughan International Commercialization Centre (VICC).

By way of introduction, I lead an organization named Startup York, and our purpose is to work with other organizations in York Region to evolve an ecosystem that fosters and develops startup companies. We are not-for-profit and made up of volunteers. Our membership community includes roughly 100 startup and established entrepreneurs from York Region.

We have been briefed by the City of Vaughan Economic Development Department on the VICC concept, and we believe it will provide access to diverse commercialization capabilities with both local and international partners. In addition, exposing the Region to new commercial and technology ideas and practices will in turn help local entrepreneurs (startup and established) find new innovations for their own businesses.

With the VICC, Vaughan will enhance its position as a focal point between local and targeted international markets, which will help local entrepreneurs and attract new ones from outside of Canada. We support this concept and wish to partner with the VICC.

Thank you for your time.

Sincerely,

Lucas Chang
Startup York



May 26, 2015

City of Vaughan
2141 Major Mackenzie Rd.
Vaughan, ON
L6A 1T1

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COMMUNICATION
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To His Worship the Honourable Maurizio Bevilacqua, PC and Members of Vaughan City Council,
This letter is to show support for the proposed Vaughan International Commercialization Centre (VICC).

The TAVES Consumer Electronics Show is Canada's ultimate technology showcase, bringing together the brightest minds in the Consumer Electronics and Information and Communications Technologies industries: innovators, incubators, educators, media and consumers.

This world-class exposition attracts companies from around the globe and showcases cutting-edge technology and innovation spanning a broad range of categories, such as wearables, healthcare, gaming, audio, home theatre, digital imaging, smart devices, as well as the latest in-car entertainment. The show presents an unrivalled opportunity for all companies – from major brands to crowd-funded start-ups – to launch prototypes, new products and beta software to a wide range of mainstream and specialist media outlets.

We have been briefed by the City of Vaughan Economic Development Department on its VICC concept, which we believe will benefit the continued growth of TAVES within the GTA by providing access to diverse commercialization capabilities with local and international partners. In addition, the VICC will provide local and international business the opportunity to connect with other innovative entrepreneurs, sales opportunities, business partners and media contacts at TAVES.

With the VICC, Vaughan is positioned as a focal point between local and targeted international markets, supporting commercialization and functioning as a vibrant attractor of domestic and multinational business activity.

TAVES supports this concept and wish to partner with the VICC.

Sincerely,
Simon Au
VP-TAVES Consumer Electronics Show

June 8, 2015

His Worship the Honourable Maurizio Bevilacqua, PC,
and Members of the Vaughan City Council
City of Vaughan
2141 Major Mackenzie Rd
Vaughan, ON L6A 1T1
Canada

C <u>22</u>
COMMUNICATION
CW (WORKING SESSION)
<u>June 17/15</u>
ITEM - <u>2</u>

Reference: Vaughan International Commercialization Centre (VICC)

Your Worship and Members of Vaughan Council,

I am writing to show support for the Vaughan International Commercialization Centre (VICC). My TEC Canada* colleagues and I have met and been briefed by Vaughan Economic Development Officers. We are impressed with the proposed VICC for Vaughan and the potential it has to better utilize the strong economic and geographic potential of our city in an innovative and powerful way.

The VICC will allow us to be more generative and be seen nationally and internationally as the place to go to grow your business in North America. The VICC will highlight the many advantages Vaughan has to offer including a well-educated, multilingual workforce that is eager to realize and develop growth opportunities. It will highlight our location as a place to do business within easy reach of major markets in Canada, the United States and Internationally. Technology is the way forward in business and Vaughan has a genuine opportunity to become the city that leads the way for entrepreneurship and innovation in North America.

I would like to request your support for the Vaughan International Commercialization Centre and the future economic growth for Vaughan.

Thank you,

David W Rubin B.Comm, LL.B.
TEC Chair, CEO Coach, Host of Business Fix on RogersTV

T.E.C. (The Executive Committee) Ltd.
9 Abbeywood Gate | Thornhill, ON L4J 8P1
D 905.881.4424 | C 416.291.0284
tec-canada.com | vistage.com | rainc.ca

*TEC Canada (The Executive Committee) Ltd. is a member-based organization of over 1000 chief executives, entrepreneurs and business owners across Canada. We have a 30-year track record of helping leaders stretch beyond individual capabilities to achieve personal and professional goals through the power of confidential group meetings, one-to-one executive coaching, business thought leadership and a global network of over 19,000 business leaders. For more information, visit tec-canada.com.

Chief
Executive
Officer

C 23
COMMUNICATION
CW (WORKING SESSION)
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June 3, 2015

The Honourable Maurizio Bevilacqua, PC and Members of Vaughan City Council
City of Vaughan
2141 Major Mackenzie Road
Vaughan, ON L6A 1T1

Dear Mayor Bevilacqua:

Re: Letter of Support - Vaughan International Commercialization Centre (VICC)


Toronto and Region Conservation Authority (TRCA) staff has been briefed by the City of Vaughan Economic Development Department on its Vaughan International Commercialization Centre (VICC) concept. TRCA supports the concept and wishes to partner on the VICC.

TRCA believes the VICC will provide access to diverse commercialization capabilities with local and international partners. The VICC will be significant in driving Vaughan's economic growth through technological innovation, utilizing the region's expertise to access local, national and international markets. With the VICC, Vaughan will be positioned as a focal point between local and targeted international markets, supporting commercialization and functioning as a vibrant attractor of domestic and multinational business activity. The VICC will complement and enhance TRCA's BRE Innovation Park @ The Living City Campus project, which will target the commercialization of Canadian products in the sustainable construction sector.

The VICC is well aligned with TRCA's strategic directions to build The Living City, which includes greening the Toronto region's economy, building partnerships and new business models, and accelerating innovation. The VICC will serve as a world-class facility that will benefit the Canadian economy. The development of the VICC will elevate the profile of Vaughan and the GTA both nationally and internationally.

TRCA looks forward to working with the City of Vaughan on this exciting initiative.

Sincerely,


Brian Denney, P.Eng.
Chief Executive Officer

June 1, 2015

UPS Canada
1930 Derry Rd. E
Mississauga, ON
L5S 1E2

C 24
COMMUNICATION
CW (WORKING SESSION)
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ITEM - 2



Cristina Falcone
Vice President, Public Affairs
UPS Canada

The Honourable Maurizio Bevilacqua, PC and Members of Vaughan City Council
City of Vaughan, 2141 Major Mackenzie Road
Vaughan, Ontario
L6A 1T1

Dear Mayor Maurizio Bevilacqua, PC and Members of City Council:

Re: Vaughan International Commercialization Centre (VICC)

With more than 70 per cent of the world's purchasing power located outside of Canada and the United States, it is important for Canadian businesses to capitalize on developing economies for the growth of their own business. Doing so will support the economic health of our country, allowing for increased trade opportunities, greater export efficiencies, and more jobs.

We have been briefed by the City of Vaughan's Economic Development Department on its Vaughan International Commercialization Centre (VICC) concept and we believe it is a great opportunity that will benefit the city, southern GTA, and Southern Ontario. The VICC will provide access to diverse commercialization capabilities and international partners. This development will position Vaughan as a focal point between local and targeted international markets, while functioning as a vibrant attractor of domestic and multinational business activity.

UPS specializes in emerging market activity and we strongly believe that it is the overarching external positioning of logistics that is fundamental to the success of Canadian businesses and our society. In a dynamic and ever-changing global economy, the VICC will help our customers meet their local, regional, and global ambitions. We are committed to streamlining and maximizing their supply chain's potential, and we are investing in emerging markets where we see strong opportunities for growth.

By supporting the VICC, we are encouraging Canadian businesses to explore new opportunities, recognize competitive threats, and seek out an endless stream of opportunity. With the city of Vaughan being one of the fastest-growing municipalities in Canada and home to our main distribution facility connecting businesses to our international network, it is uniquely endowed with expertise in manufacturing and logistics. To further that development, the city needs sources of base technologies and the opportunities to reach emerging markets, both in depth and breadth.

We are pleased to support the VICC concept and are hopeful that it will become a reality in the near future.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Falcone".

Cristina Falcone
Vice President, Public Affairs
UPS Canada



York Entrepreneurship Development Institute

www.YEDInstitute.org
Tel: 647-919-YEDI (9334)
York University, 4700 Keele Street Toronto ON M3J 1P3

C 25
COMMUNICATION

CW (WORKING SESSION)

June 17/15

ITEM - 2

May 26, 2015

To His Worship the Honourable Maurizio Bevilacqua, PC and Members of Vaughan City Council
City of Vaughan, 2141 Major Mackenzie Rd.,
Vaughan, ON
L6A 1T1 Canada

Subject: Vaughan International Commercialization Centre (VICC)

To His Worship the Honourable Maurizio Bevilacqua, PC and Members of Vaughan City Council,

The York Entrepreneurship Development Institute (YEDI) is a charitable business incubator operating in York Region. Our mission is to create a rigorous and free institute where innovators can pursue training, top-tier education and mentorship in order to produce high-caliber effective businesses and not-for-profit organizations.

Currently the Institute offers several program tracks for local entrepreneurs and a specialized track for existing York Region not-for-profit organizations in partnership with the Vaughan Business Enterprise Centre (VBEC).

As part of the Institute's growth, an intensive program will be offered to international entrepreneurs who wish to set up and operate their venture in Canada using the Start-Up Visa Program. We have been briefed by the City of Vaughan Economic Development Department on its VICC concept, which we believe will provide access to diverse commercialization capabilities with local and international partners, both of which would provide significant benefits to this new program track.

With the VICC, Vaughan is positioned as a focal point between local and targeted international markets, supporting commercialization and functioning as a vibrant attractor of domestic and multinational business activity.

We support this concept and wish to partner with the VICC.

Sincerely yours,

Marat Ressin, Ph.D
President, York Entrepreneurship Development Institute (YEDI)

June 15, 2015

His Worship Maurizio Bevilacqua, PC and Members of Vaughan City Council
City of Vaughan
2141 Major Mackenzie Rd.
Vaughan, ON
L6A 1T1

C 26
COMMUNICATION
CW (WORKING SESSION)
June 17/15
ITEM - 2

Subject: Vaughan International Commercialization Centre (VICC)

Over the past several months, we have been briefed by the City of Vaughan Economic Development Department on its VICC concept. We see the potential in this concept to provide access to diverse commercialization capabilities through the partnering of international businesses with compatible businesses in Vaughan.

The VICC also has the potential to align the strengths of the technological innovation incumbent to both the participating businesses in Vaughan and our international partners. It would ideally serve the dual goals of facilitating the opening of new international markets for local businesses as well as creating a partnership portal for the North American commercialization of businesses from the designated international markets.

We understand that this initiative is built on the learnings of a number of existing business incubators and applies these best practices. We see the opportunities that it could drive as an attractor of business activity.

The VICC represents a very interesting approach to providing this type of economic development opportunity to the Vaughan business community. The Chamber is here to support and bring together local business, and should the City decide to move forward, we will be pleased to work with you to assist in realizing the true potential of this vision.

Regards,

Brian Shifman
President and CEO
Vaughan Chamber of Commerce

Melina Cormier
Lynne Wallace
Co-Chairs, Government Relations

Chinese Business Council of Vaughan

1 Applewood Crescent, Unit 8

Vaughan ON L4K 4K1

June 16, 2015

The Mayor of Vaughan and Members of Vaughan City Council
City of Vaughan, 2141 Major Mackenzie Drive,
Vaughan, Ontario L6A 1T1

C 27
COMMUNICATION

CW (WORKING SESSION)

June 17/15

ITEM - 2

Re: Letter of support for the Vaughan International Commercialization Centre (VICC)

Dear Mayor and Members of City Council,

The Chinese Business Council of Vaughan has been working closely with the City of Vaughan Economic Development Department since 2006. In 2008 the Chinese Business Council of Vaughan and the City of Vaughan embarked on a 14 –day Mission to China for the purpose of exploring business investment and expansion opportunities in China related to various business sectors that are prominent in Vaughan. As the President of the Chinese Business Council of Vaughan and the Canadian Municipal Business Gateway, we strongly support the Vaughan International Commercialization Centre (VICC) concept. We believe the VICC will be successful in creating bilateral business opportunities, job growth and economic growth, especially in the Chinese markets.

CBCV provides a medium for exchange and cooperation among Chinese and Canadian enterprises, government and individuals with the mutual objective of sharing information, business opportunities and building meaningful relationships that fits perfectly with the (VICC) concept. The goal of the CBCV is to improve promotion and development of bilateral business relationships between China and Canada. Through its efforts, the organization aims to support its members' needs by acting as a catalyst in bringing together enterprise, government and individuals from both China and Canada. The VICC will serve to link our organizations and businesses together for global opportunities that otherwise would not be easily accessible.

Our Board of Directors represents private sector business, professionals and government agencies. With these tangible benefits, these members can provide extensive knowledge, combined with expertise and networks to guide the VICC.

In conclusion, we fully support the efforts of the City of Vaughan Economic Development Department to seek approval for the Vaughan International Commercialization Centre (VICC). We look forward to being a key player in this (VICC) concept and look forward to this long term partnership.

Thank you for your time and consideration.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Will Sung', with a stylized, cursive script.

Will Sung, President

Chinese Business Council of Vaughan www.cbcvaughan.com

Canadian Municipal Business Gateway www.cmbgateway.com

Tel: [\(905\) 707-1188](tel:9057071188)

e-mail: willsungonhwy7@gmail.com

C <u>28</u>
COMMUNICATION
CW (WORKING SESSION)
<u>June 17/15</u>
ITEM - <u>2</u>



June 16, 2015

The Mayor of Vaughan and Members of Vaughan City Council
City of Vaughan, 2141 Major Mackenzie Drive,
Vaughan, Ontario L6A 1T1

Re: Letter of endorsement for the Vaughan International Commercialization Centre (VICC)

Dear Mayor and Members of City Council,

The Justin Poy Agency has been at the forefront of multicultural advertising and marketing in Canada, beginning with the first wave of Chinese immigrants from Hong Kong to Canada in the early 90's to the newest wave of immigration from the Chinese Mainland. As a full service, award-winning ad agency that has its roots in diversity advertising we understand the potential in reaching Canada's multicultural mosaic for business growth. Having learned about the Vaughan International Commercialization Centre (VICC), we believe this concept will open the doors to multi-national companies to enter the Vaughan marketplace.

Since 1993, The Justin Poy Agency has been creating and executing campaigns that reach ALL market segments. Many campaigns that we create are built from the ground up, but we also work with many national and multinational ad agencies to complement what they've created for their clients, to come up with ideas and visual messages that appear to be custom tailored for any given audience. The Justin Poy Agency was chosen as the exclusive ad agency for the Tibet Culture Week by the Consulate General of the People's Republic of China in Toronto, a week-long film and theatre exposition brought to Canada by the Government of the PRC.

The Justin Poy Agency is the perfect fit for the Vaughan International Commercialization Centre (VICC). There is great potential for local and international partnerships and multinational business activity. The VICC will put the City of Vaughan on the global stage and we look forward to being a part of this commercialization centre.

Please accept this letter as full endorsement for the VICC concept. We look forward to playing a key role in the VICC.

Sincerely,

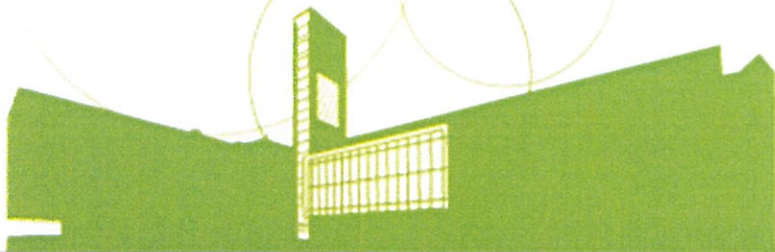
JUSTIN POY 伍雋雄 | President & Creative Director
E jpoy@justinpoy.com W justinpoy.com
SKYPE justinpoy P +1.905.752.1891

Established in 1993.

Vaughan International Commercialization Centre Concept

Council Presentation, June 17, 2015

City of Vaughan, Economic Development Department

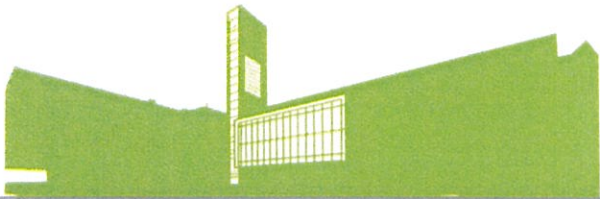


Presentation Overview

1. Exploring the Opportunity for a New Innovation Facility
2. Exploring the Vaughan International Commercialization Centre (VICC) Concept
3. Establishing an Operating Structure
4. Next Steps



Exploring the Opportunity for a New Innovation Facility



Vaughan's Opportunity to Lead

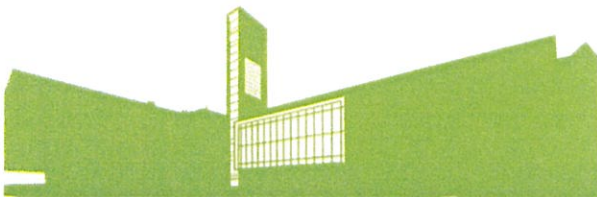
We will begin by explaining how we arrived on the **Vaughan International Commercialization Centre (VICC)** concept by answering six fundamental questions:

1. What is the driver?
2. What support do businesses need?
3. What do innovation facilities do?
4. What can we learn from existing models?
5. What gaps exist today?
6. Why does the VICC make sense for Vaughan?



Drivers

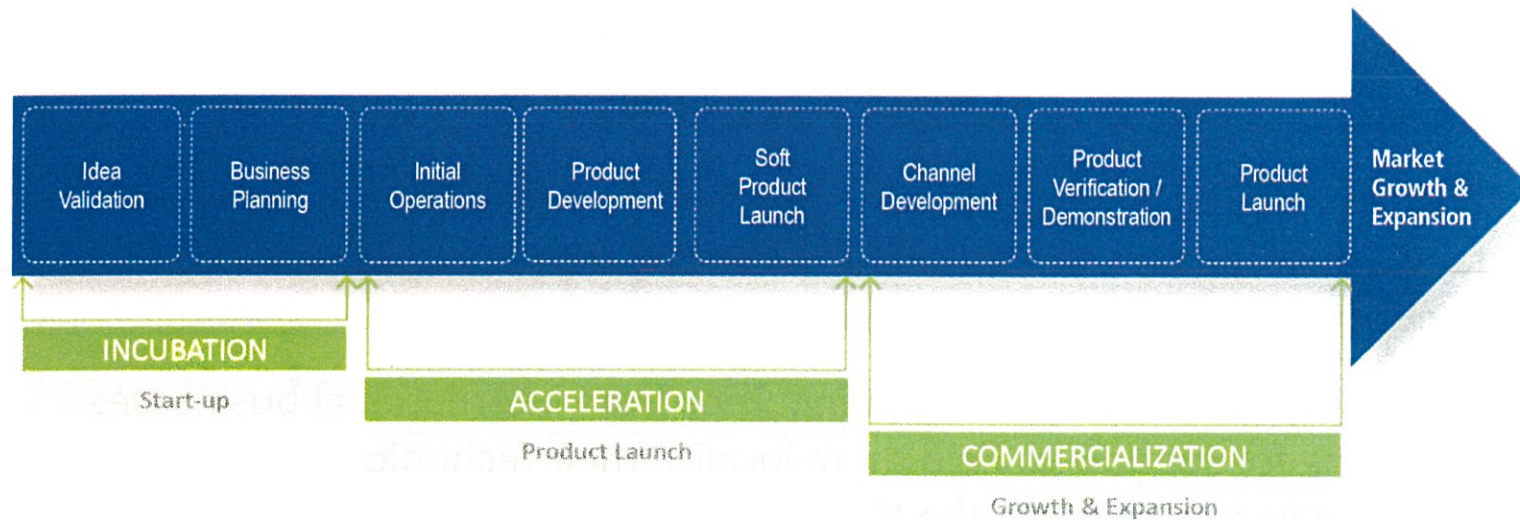
- Formal **request from Council** to explore “the concept of Vaughan establishing a business incubation/acceleration facility with a focus on international business development.”
- Identified the need for an innovation facility during previous **Business Development Missions** to Israel, Italy and China.
- Business leaders in Vaughan have expressed a desire for an innovation facility focused on commercialization during the **corporate site visits** conducted by the City’s Economic Development Officers.
- Consistently receive **investment inquiries** from international businesses searching for support to help them localize their technologies and use **Vaughan as a gateway to the North American market.**



Innovation Facilities... *Start-up to expansion*

Market Readiness Continuum

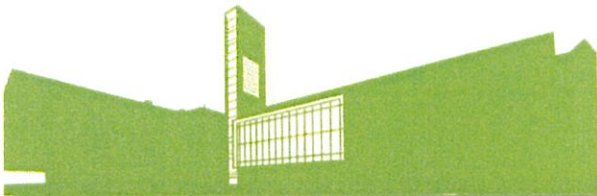
Def. The process by which businesses bring new products to market.



Innovation Facilities...

Understanding the differences

	Incubators	Accelerators	Commercialization Centres
Stage	Start-up	Product development and soft launch	Product launch and market development
Target Enterprise	Any small and medium enterprise (SME)	Early-stage enterprises with high growth potential	Emerging and established technology businesses
Service Delivery Approach	<ul style="list-style-type: none"> ✓ Emphasis on cohort-based programming ✓ Some individual support ✓ Some mentoring 	<ul style="list-style-type: none"> ✓ Mix of cohort-based programming and individual support ✓ Mentoring 	<ul style="list-style-type: none"> ✓ Largely individual programming ✓ Intensive mentoring
Risk Level	<i>High Risk</i>	<i>Medium Risk</i>	<i>Low Risk</i>



Innovation Facilities	Innovation Model		Territorial Focus		Profit vs. Non- Profit	Industry Sector				Operational Model				Year Established	
	Incubation Acceleration	Commercialization	International	Domestic	Non-profit Profit	Mobile ICT	Clean Tech	Multiple Tech	General / Other	BIC	UBI	CPI	IP		
TORONTO															
MaRs Discovery District	•	•	•	•	•			•		•					2000
Kinetic Cafe	•	•	•	•	•					•				•	2011
Incubes		•		•	•									•	2011
MEIC (Mobile Experience Innovation Centre), Ontario College of Art & Design		•		•	•	•					•				2009
OneEleven	•	•	•		•		•							•	2011
Digital Media Zone (DMZ), Ryerson U.	•			•	•			•			•				2010
The Next 36		•		•	•				•	•					2010
Centre for Social Innovation	•	•			•				•	•					2004
HIGHLINE		•	•	•	•			•			•			•	2009
Multiplicity TO		•		•	•		•					•			2011
Creative Destruction Lab, Rotman, University of Toronto		•		•	•				•			•			2012
Centre for Global Enterprise, York U.		•		•	•				•			•			2013
Innovation Centre for Urban Energy (i-CUE), Ryerson U.	•	•			•		•				•				2012
Digital Media & Gaming Incubator, George Brown College	•			•	•		•					•	•		2011
York Entrepreneurship Development Institute (YEDI), York University		•		•	•						•				2013
Brightspark Ventures		•		•	•		•							•	1999
YORK REGION															
ventureLAB	•	•		•	•					•	•				2011
creatIT Now, Southlake Regional Health Centre	•	•	•	•	•						•	•			2012
Centre for Development of Open Technology (CDOT), Seneca College	•			•	•		•					•			2002
VAUGHAN INTERNATIONAL COMMERCIALIZATION CENTRE (VICC)															
• • • • •															
OTHER - GTHA															
Spark Centre		•		•	•				•	•					2010
Innovation Factory		•		•	•				•	•					2010
nic Centre (Research, Innovation, Commercialization)	•	•	•	•	•				•	•					2008
Communitech	•	•	•	•	•			•		•					1997

Innovation Facility Gap Analysis

Vaughan taking a leadership role

Comparative analysis of innovation facilities reveals a *sizeable market gap*, which Vaughan is strategically positioned to fill.

Lessons Learned... *Critical success factors*

Successful innovation facilities require the following components:

1. **Public-private partnership structure**, with the City acting as a catalyst.
2. **Platform of collaboration**, with a solid network of partners.
3. **Financing model**, with multiple sources of private sector funding.
4. **Revenue model**, with a mix of earned and in-kind support.
5. **Market driven solutions**, with a focus on solving real market problems.
6. **Leadership**, with a diverse range of skills, expertise and knowledge.
7. **Client selection process**, with strict regulations for one-on-one support.



VICC's Niche Focus:

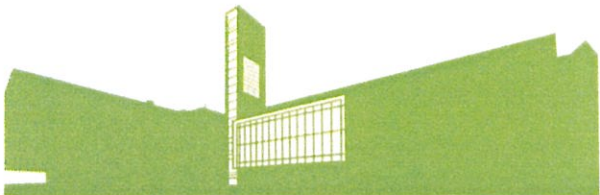
Commercialization + International

Taking a niche focus makes sense for Vaughan as it leverages the City's strengths by:

- Aligning with the **City's Vision** and **Economic Development Strategy**.
- Promoting Vaughan as the **"Gateway to North America"**.
- Focusing on strategic **international markets**.
- Leveraging the strength of the **Digital Corridor**, with an emphasis on information and communications technology (ICT).



Exploring the VICC Concept



Creating a Competitive Advantage and Fueling Economic Growth

The next section concentrates on describing the VICC concept by answering the following questions:

1. What is the market need?
2. What is the solution?
3. What is the VICC Concept?
4. Who are the partners?



The Clients

Understanding the Market Needs

Domestic Clients		International Clients	
Needs	<input type="checkbox"/> Seeking market reach into international markets and/or North America <input type="checkbox"/> Seeking innovative technologies for diversification & localization support <input type="checkbox"/> Seeking funding & investment opportunities	<input type="checkbox"/> Seeking market reach into North America, through Vaughan as a gateway <input type="checkbox"/> Seeking technology localization & demonstration verification site support <input type="checkbox"/> Seeking funding & investment opportunities	
Size	✓ Small and medium enterprise (SME) ✓ Size ranging from 1-20 and 21-99 employees ✓ Businesses are already well established and in expansion mode		
Sectors	Innovative research development & design convergence sector. Emphasis on technology, building products, advanced manufacturing and green technologies.		
Market Drivers...	<i>Market Reach</i>	<i>Innovation</i>	<i>Funding</i>



What is the Market Need...



Vaughan
CHAMBER OF COMMERCE

Marketing

Ontario

Finance

YORK
UNIVERSITY

Mentors

International Soft Landing Sites

ICCO

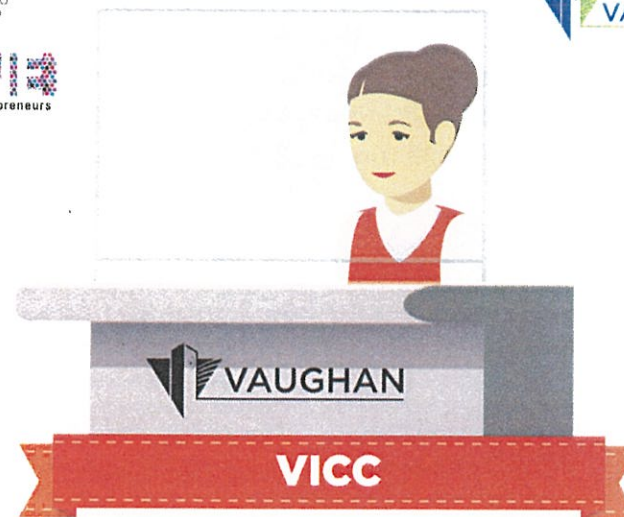
CAMERA di COMMERCIO
ITALIANA dell'ONTARIO

ACADEMIA

York Region

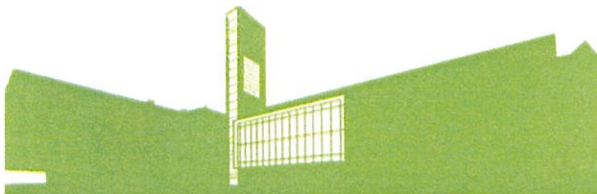
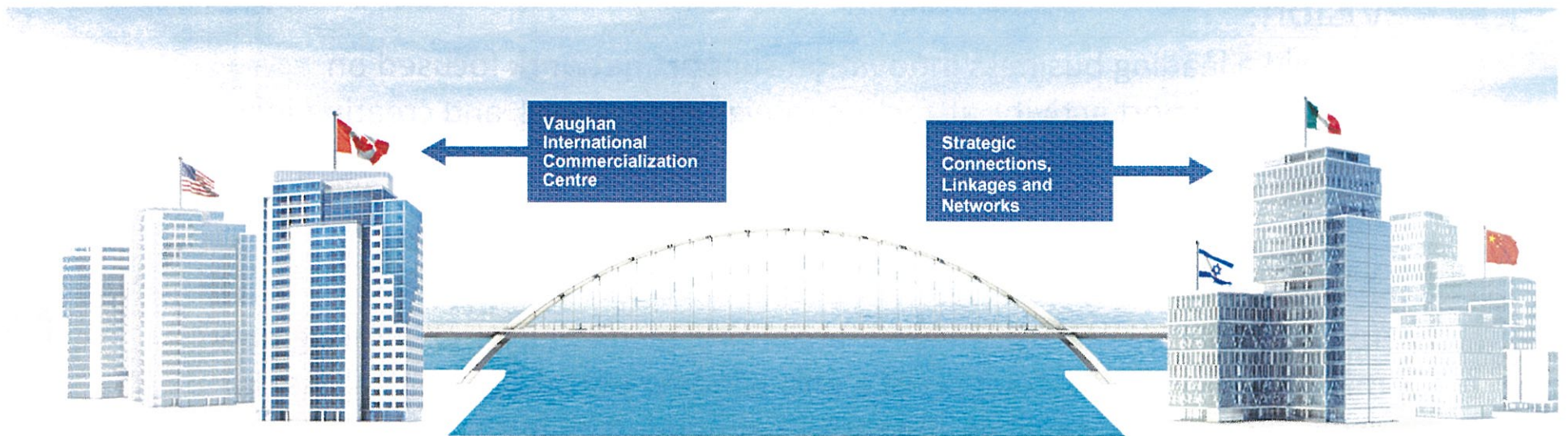
ONLINE
Ontario Network of Entrepreneurs

VAUGHAN
Vaughan Business
Enterprise Centre



Creating a Bridge

Vaughan...the gateway to International Markets



The Solution

Vaughan International Commercialization Centre (VICC)

Vision:

To build a leading business **innovation support network** focused on increasing export activity, attracting foreign investment, and creating jobs.

Mission:

To demystify the process of **commercializing technology** and entering **new markets** through the creation of a **one-window portal** that centralizes the existing programs, services and resources needed by businesses to achieve growth.



VICC Concept Model

Market Drivers & VICC Partner Solutions

1. Market Reach Driver

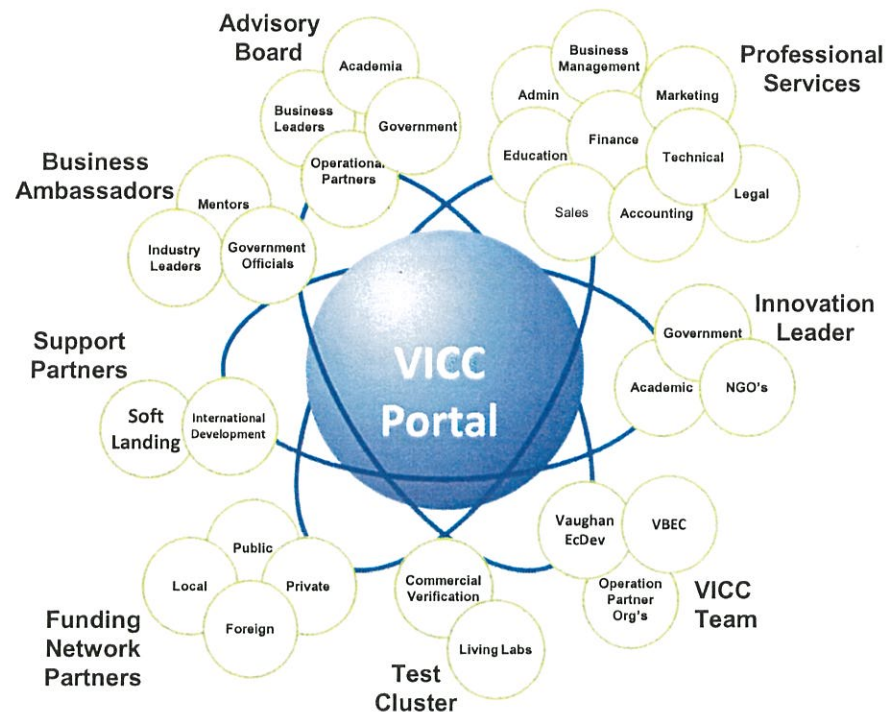
- Market Research, Education & Training
- Mentor & Service Provider Network
- Matchmaking
- International Business Missions
- Incoming Business Delegations
- Soft Landing Network

2. Innovation Driver

- Technology Access Program
- Localization Support
- Living Lab & Commercial Verification Network
- Mentor & Service Provider Network
- Matchmaking

3. Funding Driver

- Education & Training
- Funding Source Support Program
- Mentor & Service Provider Network
- Matchmaking

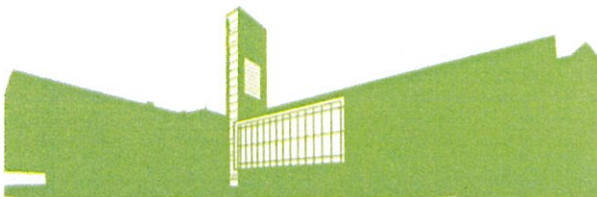


Strategic Partners Network

Establishment of a collaborative commercialization hub, "one window" access that provides go-to-market programs and connections to strategic partners necessary for businesses to successfully access the international market.

Vaughan Motivation

- Job Creation & Increased Tax Base
- Incoming Investments
- Vaughan International Brand Awareness
- Vaughan Business Retention & Growth
- Innovation



Soft Landing Program

- Establishment of a soft landing network/database, locally and internationally, using a **co-location strategy** where businesses can rent space for a pre-determined amount of time within an existing facility.
- By **leveraging partnerships** with businesses and organizations with available offices who are willing to **accommodate VICC members**.

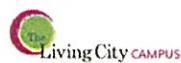
Local Soft-Landing Sites	International Soft-Landing Sites
<ul style="list-style-type: none">• Lebovic Community Centre• Businesses located in Vaughan, such as: Ciot, Deloitte, Intelligent Office and Hughes Decorr	<ul style="list-style-type: none">• Italian Chamber of Commerce of Ontario• International Commercialization Centres• Business located in international markets, such as: Deloitte, ColdSpring Commerce (in Israel), The App Lab (in China), and TEC Canada (global)



Test City Program



Living Labs:



Commercial Verification Sites:



Providing access to a network of:

Living Labs and Commercialization Verification Sites

Opportunity

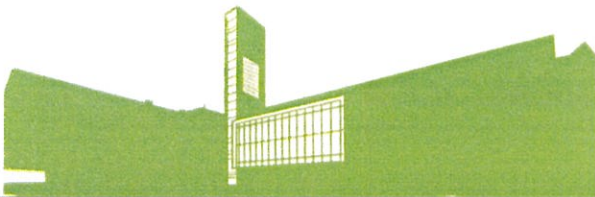
- Playground or sandbox

Test Types:

- Proofs of concept
- Technology demonstration
- Commercial demonstration

Testing Scenarios:

- Cold weather
- Transportation and logistics
- Mass market and scaling



Making it Happen... *Leveraging the network*

Government



Foreign Affairs, Trade and
Development Canada



STATE OF ISRAEL
MINISTRY OF ECONOMY



Ontario



Ontario Centres of
Excellence



MINISTRY OF COMMERCE
PEOPLE'S REPUBLIC OF CHINA

Test City Network



Mackenzie
Health



Canada's
Wonderland



Academia



RYERSON UNIVERSITY



Making it Happen... *Leveraging the network*

Service Providers



Client Companies



NGOs



A Unique Opportunity... *Taking a leadership role*

In addition to the VICC [network of service providers](#) and [collaborators](#), a number of organizations have proposed to enter into a more significant “[operational](#)” partnership with the City.

The City has been presented with the [unique opportunity to partner](#) with multiple existing, proven organizations in the operation of the VICC, including:

- ventureLAB, *York Region's designated innovation centre*
- UnySource
- Kinetex
- Business Development Bank of Canada (BDC)
- Terracap Ventures
- -30- Communications
- Keiretsu Forum Central Canada

Innovation Facilities Core Competencies



Establishing an Operating Structure



How the VICC will Operate

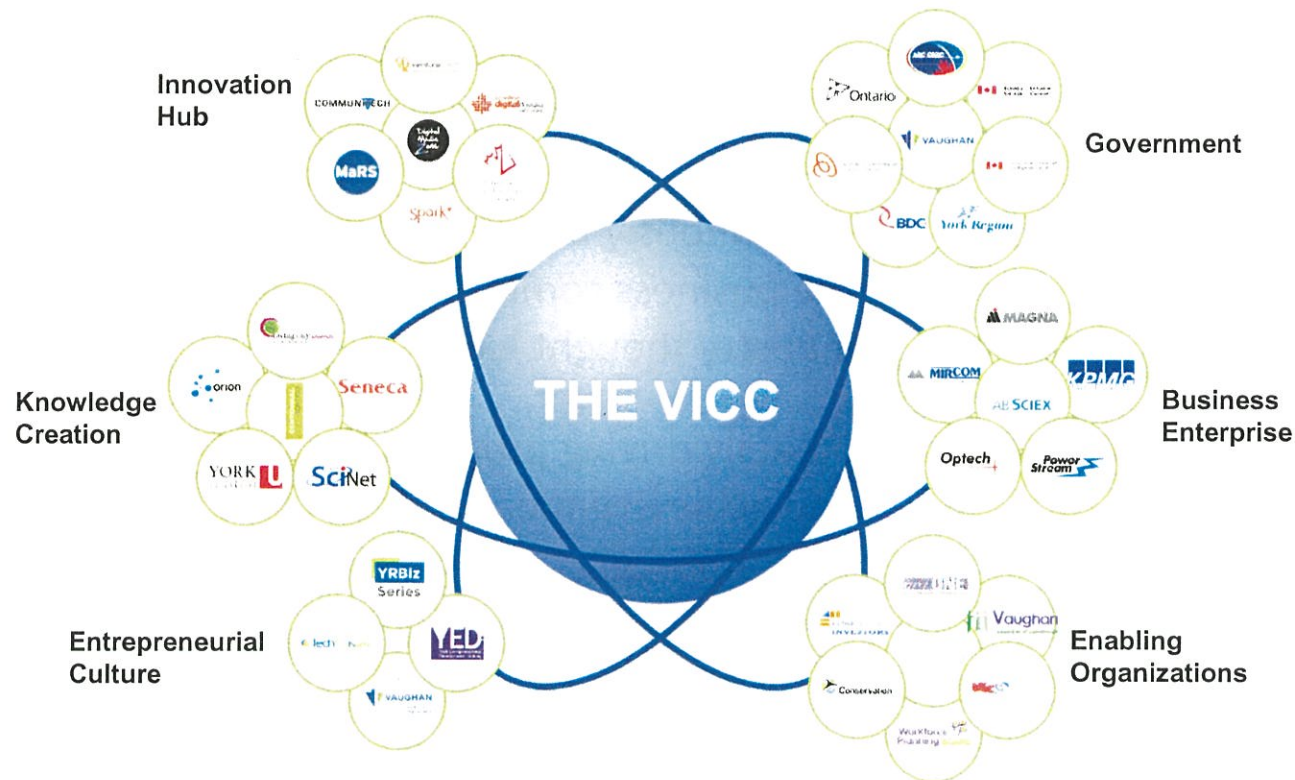
This final section offers insight into how the VICC will operate by answering the following questions:

1. Where do people access services?
2. What is the City of Vaughan's role?
3. How do VICC Partners contribute?
4. What occurs in the initial implementation phase?
5. What is the cost?
6. What are the next steps?



Decentralized Model

Leveraging and formalizing an **existing network** with zero reliance on a physical facility in the early stages.



Connecting the Parts... *City as Catalyst*

Vaughan will act as the **catalyst for growth** and move this initiative forward.

Vision and Leadership: City will take a mobilizing/facilitating role, ensuring all the VICC partners and stakeholders are working collaboratively towards achieving the shared vision and mission.

Network Establishment: Continuously building the network, engaging the business community, market leaders and industry thought leaders.

Maintaining Momentum: Steadily driving progress, promoting programs, and achieving measurable results.



Leveraging the Partners Network

The VICC and its ecosystem partners deliver unique and comprehensive services for international commercialization.

Service Type	Service Description	Delivery Source	
		VICC	Ecosystem
Program	Test City	★	○
	Soft Landing	★	○
	Match Making (<i>i.e., Technology Access</i>)	★	★
Network Access	Match Making	★	★
	Mentors & Service Providers	★	★
	Funding Access	○	★
Support	International Development	○	★
	Localization	○	★
	Market Research & Education	○	★

Legend:

★ ○ = VICC Leads
 ★ ★ = VICC Co-Leads
 ○ ★ = VICC Supplements

Taking a Phased Approach... Pilot Projects

Phase one is expected to include several actions and programs, which will be piloted and scaled up based on results and available funding. Initial activities include:

- Network formalization
- Launch of three pilot projects:
 1. Test City Program
 2. Soft Landing Network
 3. Match Making Program



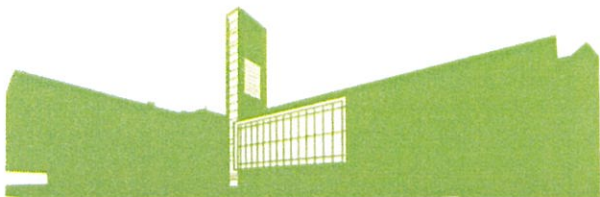
Potential Operating Models

The **VICC Working Group** will evaluate three possible scenarios for service delivery access points:

Scenario 1: Access through the City of Vaughan's EDOs, who direct the client to the appropriate contact within the network. Currently, this service is being offered on a limited scale.

Scenario 2: Access through ventureLAB.

Scenario 3: Access through a newly created and independently operated public-private “arms length” organization.



All scenarios expect to be complemented by a comprehensive web portal.



Financial Model

The funding model for the decentralized phase of the VICC is largely dependent on the core operational partners in addition to the completion of the strategic plan and business model, which will be undertaken by the VICC Working Group.

The following approaches to supporting the program are being explored:

- Phased approach, leading with a centralized model
- Engaging core operational partners
- Private sector funding
- In-kind support
- Grants and regional support
- Scaled service model, with some revenue generating solutions

Pilot Program Scorecard

Measurement Categories	Performance Metrics	Thresholds
1. Attractiveness	Level of demand to join the network; level of demand to use the service	Monthly
2. Financial	Financing secured in dollars	Yearly
3. Company Status	Thriving; acquired; on hold; lost touch	Half-yearly
4. External Engagement	Level of communication with investors; media outlets; future entrepreneurs; businesses	Monthly
5. Internal Support	Quantifiable support through corporate calls, meetings, phone calls	Monthly
6. Client Satisfaction	Success stories; testimonials; satisfaction surveys	Half-yearly

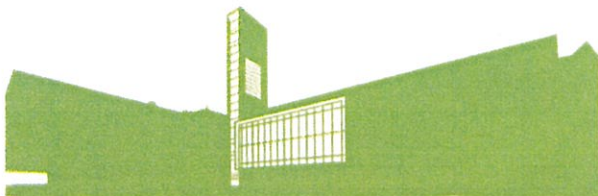


Next Steps



Moving Forward

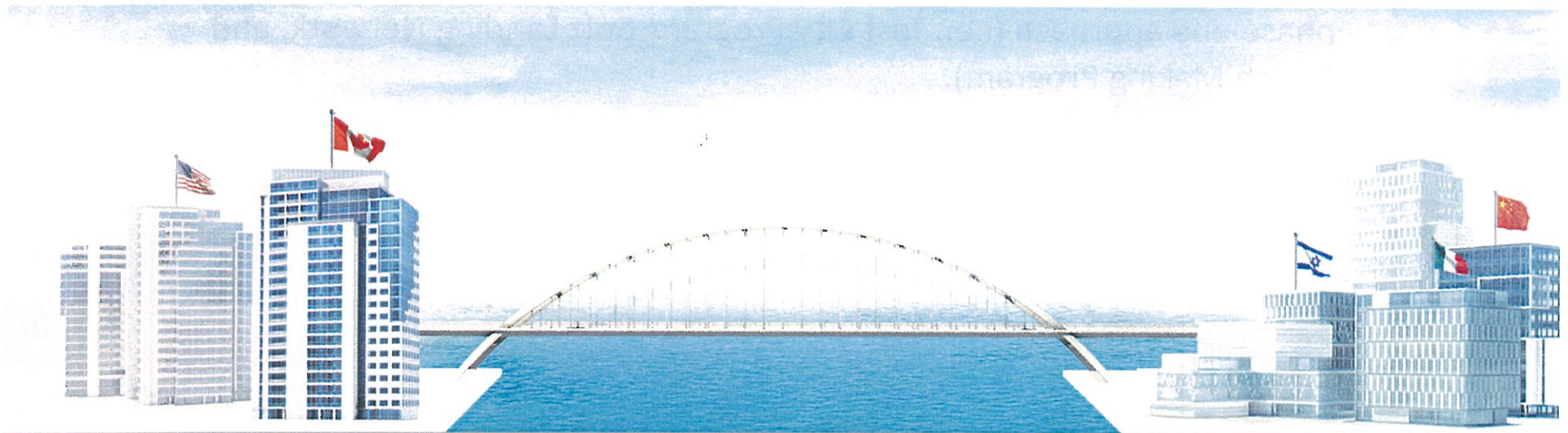
1. **Council endorsement** of the VICC Concept.
2. **Signing of MOUs and NDAs** with interested partners.
3. **Formation** of a VICC Working Group.
4. **Strategic planning sessions** held with Working Group.
5. **Report back to Council** with a proposed VICC Business Model(s) and Operational Strategy, for approval to move forward.
6. **Test pilot** selected programs and services identified within the approved phase one approach (i.e., Test City Program, Soft Landing Network, and Match Making Program).
7. **Preliminary Marketing Campaign** designed to introduce the concept to the market, while also generating further interest and involvement from key stakeholders.



Why it Makes Sense for Vaughan

The VICC...

- Drives VMC growth.
- Boosts Vaughan's standing to a world-class city.
- Supports businesses at the critical phase of commercialization.
- Strengthens the existing business community.
- Increases operational efficiencies inside the Economic Development Department.



C31 - CW(ws) June 17/15 - Item 2

Driving Innovation: ventureLAB Regional Innovation Centre and Strategic Partnerships

Deputation to Vaughan City Council

Jeremy Laurin, President and CEO

June 17, 2015

WHO WE ARE

ventureLAB is where talented entrepreneurs can access proven tools, expert mentors and business support to grow their innovative, scalable and growth-oriented businesses. We are a member of ONE (the “Ontario Network of Entrepreneurs”), a collaborative network of organizations across Ontario, designed to help commercialize, scale and grow businesses.

MISSION

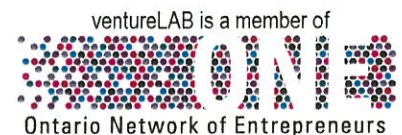
We help entrepreneurs BUILD high-growth, innovative, scalable businesses.

VISION

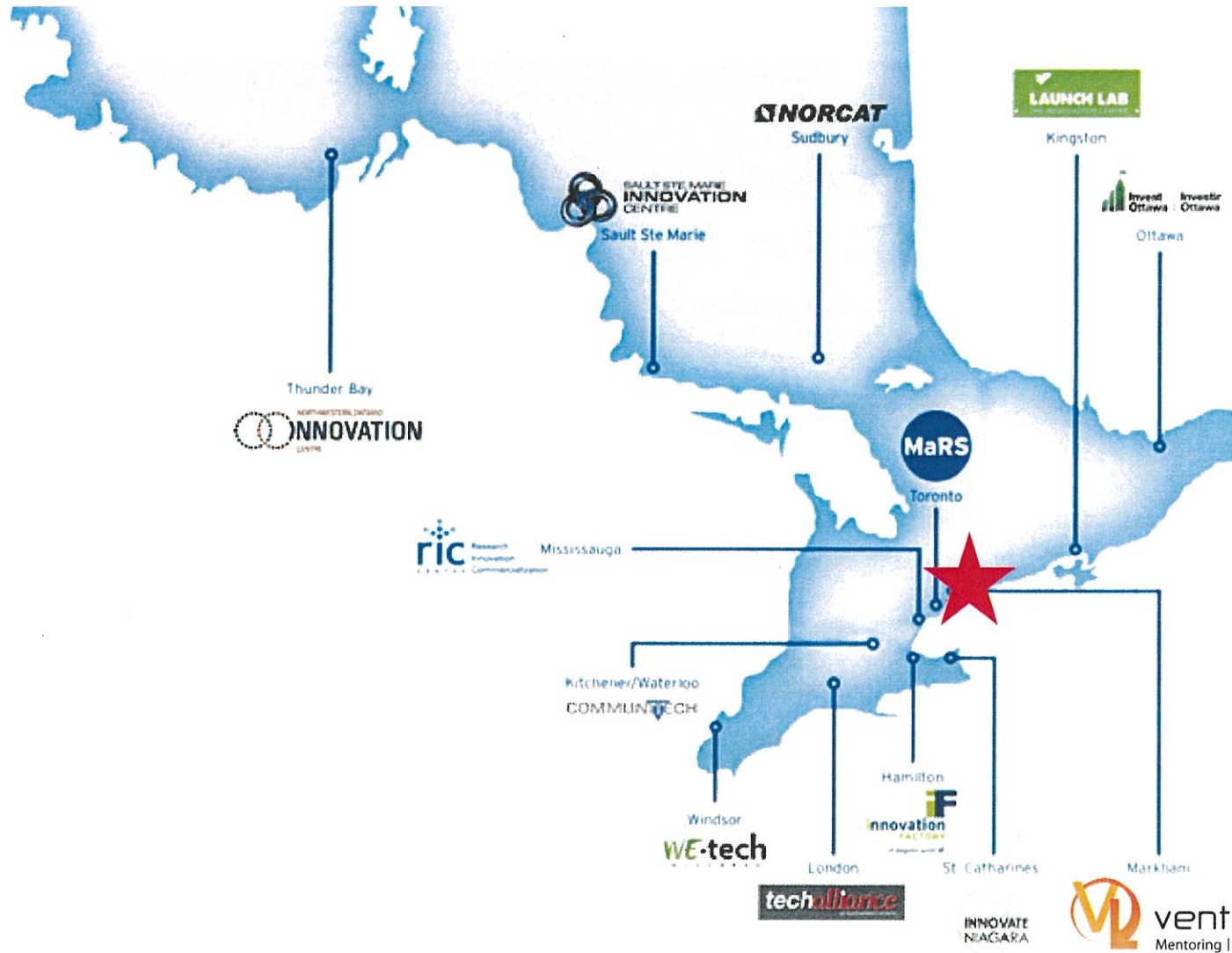
Where entrepreneurs create real businesses.

HOW WE MEASURE SUCCESS

Working with our communities and stakeholders, we will create a vibrant environment where innovation thrives and entrepreneurs launch and build dynamic, growing businesses.



ONE: Supporting Entrepreneurs Across Ontario



What each Centre offers:

educational programs

advisory services


industry-academic programs

customer development

financing and investors



ventureLAB™
Mentoring | Partnering | Connecting

ventureLAB is a member of

Ontario Network of Entrepreneurs

Specialized Programs



BUILD Program

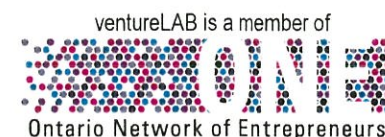
Support for launching a new business, from assessing if a concept is feasible to scaling a company in global markets.



A funding discipline for Ontario's start-up ecosystem, facilitating an effective connection between companies and investors.



A specialized ventureLAB program that connects hospitals with entrepreneurs, health services providers and academic institutions



ventureLAB Partnerships

MEMBERS



PARTNERS



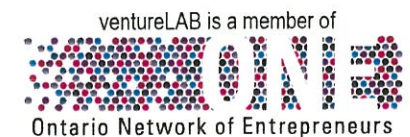
STRATEGIC PARTNERS



CORPORATE PARTNERS



INNOVATION PARTNERS



ventureLAB By the Numbers

2014 COMPANY FUNNEL

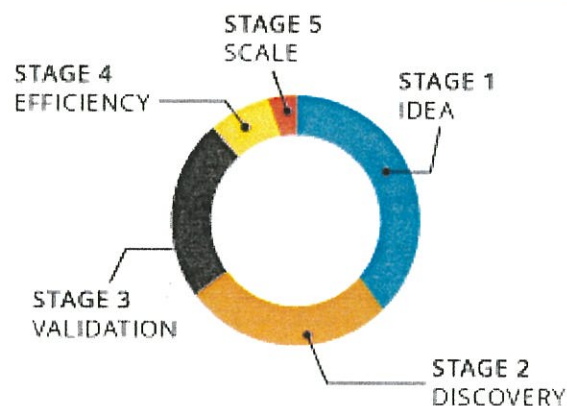
310 CLIENT APPLICANTS

ENTREPRENEURS ATTENDING
BUILD BOOTCAMPS **199**

48 ENTREPRENEURS ENROLLED
IN **GENESIS PROGRAM**

GENESIS INVESTMENT
PIPELINE AT YEAR-END **\$13,265,000**

CLIENTS BY STAGE



CLIENTS BY SECTOR



ventureLAB By the Numbers



ENTREPRENEUR-
DRIVEN REVENUE
\$195,702,106



GENESIS
INVESTMENT
SOUGHT

\$46,450,000

COMPETITIVE
INTELLIGENCE

687
HOURS



2746
TWITTER FOLLOWERS

ENTREPRENEURS SERVED



310
in 2014

Exceeding the
total number of
entrepreneurs
served to

1027
in FOUR years



70
SPEAKING
ENGAGEMENTS

BUILD WORKSHOP
ATTENDANCE

245 WORKSHOP
ATTENDEES



CLIENT
SERVICES

3532
MENTORSHIP HOURS



1356
CLIENT
INTERACTIONS



ventureLAB™
Mentoring | Partnering | Connecting

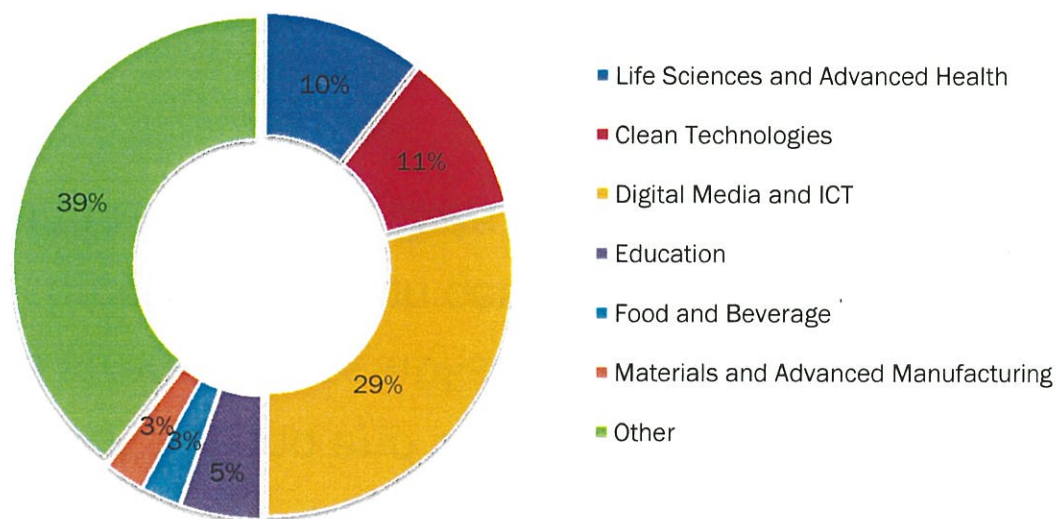
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ONIE
Ontario Network of Entrepreneurs

ventureLAB Impact in Vaughan

Clients Registrations from
Vaughan: 2014-2015



Industry Participation in Vaughan



ventureLAB Board: The Goal

Over the next 5 years, we will expand and enhance the ventureLAB ecosystem by harnessing the strength of established local industry clusters to be the leading global commercialization centre for enterprise ICT, healthcare and Big Data.

We will:


- Create an environment that harnesses agile/rapid commercialization.
- Enable strong academic links supporting campus led innovators.
- Leverage and engage business leaders.
- Attract talent and the next generation of knowledge based businesses.

2015 OBJECTIVES

- 1 Drive Client Milestones / Launch pulseHUB Accelerator
- 2 Increase Investment Capital with Strategic Partners
- 3 Establish Healthcare Cluster with Hospitals
- 4 Support Campus Accelerators and the ventureLAB Catchment Area



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PRIORITY 1

Develop and provide access to the best tools, expert guidance, networking and resources


Within the catchment area, ventureLAB is forecasting new client registrants in 2015 to be between 275 and 300. The estimated number of new clients accessing advisory series each month will be 20 to 25, and the total number of high potential clients will be between 75 and 100.

ventureLAB will measure and report milestone related activity and progress and will help active clients successfully complete 50 milestones collectively in 2015 within the BUILD™ Program. In addition, ventureLAB will develop the pulseHUB, an accelerator located in the MCC consisting of 2,000 sq. ft. for 4 high priority startup clients. This group of clients will have access to ventureLAB EIR's, targeted marketing/promotion and executive oversight. The program will be cohort based, meaning each group of 4 start-ups will have access to the pulseHUB free of rent for 9 months.

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PRIORITY 2

Support and facilitate access to capital for investment-grade and growth-oriented SME's

Since 2011, GENESIS™ has supported 41 companies with 269 employees seeking \$43M from 9+ Investment Groups. 19 GENESIS™ clients have raised \$11.3M to date.

ventureLAB will develop and build relationships with 3 new strategic funding groups which could include; venture capital, strategic MNE funds or crowdfunding investment organizations. Through our profiled client base, client screening process and due diligence process ventureLAB will develop alternative funding channels and enable a total of 8 new clients through the GENESIS™ Program. Of these 8 new clients, 5 clients will receive investment from these newly acquired funding organizations.

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PRIORITY 3

Work with leading institutional and industry/sector partners to test adopt and implement innovative solutions to address defined critical needs.

Since 2012 ventureLAB has been working with its local hospital community as well as the medtech startup community to brand, build and grow the Healthcare Ecosphere™. ventureLAB has delivered two joint intake sessions together with Southlake Regional Health Centre with a total of **29 company/innovators**, of which **14 active projects** are now underway. A third intake session will happen in 2015 which will include new hospitals and partner regional innovation centres to increase the number of firms gaining exposure to the Healthcare Ecosphere™.

ventureLAB will expand the Healthcare Ecosphere™ by adding **1 new hospital partner and/or strategic MNE** to grow and brand a healthcare cluster within ventureLAB's catchment area. This cluster will define the brand and project based program and engagement strategy for the ventureLAB Healthcare Ecosphere™.

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ventureLAB will pursue a CECR application around Big Data (including Healthcare) and leverage partnerships with MNE's. ventureLAB will lead all planning to manage concurrent projects: MNE partnerships, assessment of existing and recruitment of national partners including public partners.



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PRIORITY 4

Create inbound and outbound programming that is targeted at the unique international and multicultural business community represented within the ventureLAB catchment area

To effectively deliver a truly regional program and service delivery model, ventureLAB will work with its partners and collaborators throughout York Region and into Simcoe County and Muskoka District in 2015. The focus will be on building a pipeline of 25 to 30 entrepreneurs and innovative companies at different stages of development within the extended catchment area and represents approximately 10% of the total new client registration in 2015.

ventureLAB will launch an engagement and business development initiative to begin delivering its Mission and Vision across York Region and to its extended catchment area. This objective will include working with the City of Vaughan to launch the VICC (Virtual International Commercialization Cluster) as well as launching the 4 post-secondary campus led accelerators and leveraging the abundant international student talent that exists within these campus accelerators.

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Thank You!

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 @ventureLAB_

 ventureLAB-york-region

 jlaurin@venturelab.ca

COMMITTEE OF THE WHOLE (WORKING SESSION) – JUNE 17, 2015

VAUGHAN INTERNATIONAL COMMERCIALIZATION CENTRE (VICC)

Recommendation

The Director of Economic Development, in consultation with the Executive Director, Office of the City Manager, recommends:

1. THAT the presentation by the Economic Development Department be received;
2. THAT Council endorse the Vaughan International Commercialization Centre concept;
3. THAT a further report focused on the operational strategy for the Vaughan International Commercialization Centre, including a business model, funding model, governance model, and phased-implementation plan be submitted to a future Committee of the Whole (Working Session) for discussion;
4. THAT Council endorse Economic Development's applications for any relevant government grants that could fund the pre-strategy and second-phase development of the VICC, in addition to long-term operations;
5. THAT Council support the progress of the VICC to its second-phase of development, which entails staff developing strategic partnerships with the greater business community;
6. THAT the Vaughan International Commercialization Centre be authorized to execute City-approved Memorandums of Understanding and Non-Disclosure Agreements with strategic operational partners to allow for more in-depth planning discussions subject to the Municipal Freedom of Information and Protection of Privacy Act and to the satisfaction of Economic Development and the City Solicitor; and
7. THAT Council authorizes Economic Development to participate in the pilot programs set out in this report.

Contribution to Sustainability

Green Directions Vaughan embraces a Sustainability First principle and states that sustainability means we make decisions and take actions that ensure a healthy environment, vibrant communities, and economic vitality for current and future generations. As a tool for business retention and expansion and foreign investment, the VICC contributes to the economic sustainability of the City.

Economic Impact

The recommendations listed in this Report do not have an economic impact as the selected pilot projects can be implemented within Economic Development's existing operating budget.

The long-term annual operating cost of the VICC will be identified as part of the operational strategy that will be developed should this Report receive approval. As outlined in the attached "Vaughan International Commercialization Centre Concept Paper," the conceptual model of the VICC has been built on the basis that it will operate with a mix of in-kind support and financial resources from the private and not-for-profit sectors. More specifically, resources will be secured through strategic operational partnerships with private businesses, not-for-profit organizations, and academic institutions. Federal grants and in-kind sponsorships will also be explored.

Communications Plan

Maintaining contact with strategic operational partners and key stakeholders through working sessions, meetings, and presentations is critical. At this time, a formal Communications Plan to engage the general public is not required.

Purpose

The purpose of this Report is to assess the feasibility of a business incubator in Vaughan, including international business development opportunities.

Background - Analysis and Options

Executive Summary

This report began as a response to Council's request for an assessment of the viability of an innovation facility in Vaughan. The result of Economic Development's research and meetings with over one hundred stakeholders is not simply a recommendation for a facility in Vaughan, but an urgent call to address a sizable market gap in business support services.

The proposed Vaughan International Commercialization Centre, branded the VICC, will assist small and medium-sized enterprises (SMEs) localize international technologies to create and commercialize new, innovative products in addition to assisting local companies with the expertise required to modify or adapt their products for international export. The vision behind the VICC is to build a leading business innovation support network focused on increasing export activity, increasing foreign investment, and creating jobs. It will accomplish these goals through its unique programming and one-window portal—or support network—that centralizes the programs, services and resources that businesses need to commercialize products, enter new markets, and achieve growth.

Economic Development has concluded that an international commercialization centre is an excellent fit for Vaughan with respect to a number of factors, including: the City's convergent sector strengths; diverse population and international business connections with Israel, Italy, China and the US; location along the "Digital Corridor"; and finally, the potential of an innovation facility to act as a catalyst for the growth of the VMC, which has been identified as a priority strategic initiative in "Vaughan Vision 2020."

Analysis

Through the Economic Mission to Israel in 2012, it was understood that Vaughan could benefit from a focus on innovation and international business linkages and business development. Following the Mission and via a Member's Resolution dated November 26, 2013, it was requested that the concept of a business incubator in Vaughan be explored.

Extensive market research and consultations with over one hundred stakeholders and business leaders has confirmed the viability of the VICC. Of the many innovation facilities across Toronto, York Region, and the Greater Toronto Hamilton Area—which include business incubators, accelerators, and commercialization centres—there is not a single facility dedicated to commercialization *and* international markets. Commercialization refers to the stage at which businesses have an existing product and market share but they are focused on achieving growth into new markets both locally and internationally through exporting and/or strategic partnerships. Therefore, an opportunity exists for the City to address a significant market need. Economic Development has already received requests for the type of assistance that the VICC would offer such as matchmaking Vaughan-based companies with foreign technology providers and opportunities for testing international technologies in Vaughan.

While the VICC will serve a much larger area than Vaughan at full-scale operations—that is, it has the potential to impact the Region, the Province, and the country—it is the City's opportunity to differentiate Vaughan from other municipalities and enhance Vaughan's global image: a key priority outlined in "Building a Gateway to Tomorrow's Economy". We know that business owners who enter the international market experience greater stability and lower risk of failure, and they are more likely to adopt innovative technologies from around the world, which are key drivers of productivity and business success. It is in the City's interest to develop structures that will lead to the financial sustainability of its businesses, which can help to raise the profile of the City on an international scale.

The VICC Concept Model

The VICC will address real market needs—market reach, innovation and funding challenges—through its programming, which includes market research, training, mentor services, match-making, soft-landing networks, technology access support, and verification site networks. However, rather than dedicate staff to building these programs, the VICC will uniquely adopt a decentralized operational model by leveraging existing public and private services. The VICC will act as a portal or conduit to knowledge and programs provided by its partner organizations, business communities, and other innovation facilities. A VICC client interested in obtaining legal assistance, research support, or advice from mentors, for example, can approach the VICC and the VICC will facilitate the client's access to these resources through its established networks, industry directories, and approved list of service providers.

Operational Strategies

The VICC's decentralized model of service is best delivered through public and private sector operational partnerships. An operational partnership would allow the City to manage the VICC under its current budgetary restrictions and prevent Economic Development from losing sight of its other services and initiatives. Moreover, the proposed strategic partnerships with select venture capital firms and not-for-profits would increase our networks considerably, thereby enhancing the quality of service the VICC could provide.

Next Steps – Pilot Programs

In order to test the VICC concept in the market, including its proposed programming, Economic Development is requesting support to pilot three VICC programs that can deliver measurable results. These programs include:

1. **Soft-Landing Network:** Soft-landing sites refer to accessible office space within established businesses, with the potential for businesses to collaborate and share resources. Local and international VICC clients that require offices, workstations, boardrooms, and other resources can occupy space for a predetermined time in a Soft-Landing Network partner location within Vaughan and/or in foreign markets, namely Israel, Italy, China and the US. In the VICC's early stages, the strategy will focus on establishing a network of soft-landing sites locally and internationally.
2. **Test City Program:** One of the obstacles foreign businesses face when expanding to new markets is the lack of third-party product endorsement, simply because they have not yet conducted business in the country. The Test City program is designed precisely to meet these challenges. VICC clients will have an opportunity to demonstrate their technologies in real-life settings across Vaughan. PowerStream, Canada's Wonderland, CN Rail, Mackenzie Health, and the Kortright Centre have agreed to join the Test City Network to allow on-site technology testing. Providing prospective investors with an opportunity to test, showcase, and prove the quality of the product is essential for achieving sales.

3. **Business Matchmaking Program:** As one of its core programs, the VICC will offer its clients a matchmaking service that will support their innovation, market reach, and funding requirements through direct communication with businesses that can provide solutions. The VICC will introduce clients to prospective technology localization partners, demonstration site partners, mentors, service providers, soft-landing partners, and investors. Throughout its phased implementation, the VICC will concentrate on building its networks to ensure clients are connecting and collaborating with the most appropriate business contacts.

Relationship to Vaughan Vision 2020/Strategic Plan

The VICC's mandate aligns seamlessly with the core tasks of Economic Development as set out in the "Building a Gateway to Tomorrow's Economy" strategy:

1. Support local economic development by providing local businesses with additional tools to access new markets, achieve growth, and retain their competitive edge on an international scale.
2. Support local economic development by pursuing foreign investment attraction.
3. Create or leverage opportunities arising from multicultural or ethnic communities.
4. Enhance Vaughan's global image.

The international commercialization focus leverages our existing international partnerships while giving Vaughan-based companies innovative tools to enter new markets and experience growth. The niche market focus of the VICC is an opportunity to draw attention to Vaughan as the only public, private, or not-for-profit entity in all of Ontario that offers this particular suite of services.

With respect to "Vaughan Vision 2020," the VICC contributes to the Organization Excellence of the City. The VICC's attention to the needs of local business, especially providing them with the tools to meet the challenges of fierce global competition, ensures the financial sustainability of the local economy and, therefore, the City.

Regional Implications

York Region's Economic Development Action Plan prioritizes innovation hubs. It already has several initiatives underway that include:

- The Innovation Leaders Forum, designed to bring leaders together to identify areas of focus in innovation and help establish solutions.
- The Regional Hospital Network, where the three Regional hospitals in York Region meet regularly to discuss ways to develop innovative healthcare delivery solutions that also take advantage of and help build local business innovation.
- Major private sector research investments including IBM, GE, AMD, Magna, and Huawei.
- Emerging/potential innovation hubs within the Region including the Kortright Centre for Conservation, Southlake Regional Health Centre, and the Koffler Scientific Reserve amongst others.

The VICC will operate as part of York Region's innovation network. Support for the VICC has been identified as one of ventureLAB's—a designated regional innovation centre—key priority initiatives.

Conclusion

Businesses expanding to develop new products to enter new markets are already seeking assistance from Economic Development, and it is clear that there is an opportunity to do more to serve them. A significant market demand and need has been identified along with potential clients and partners for this solution, eager to move to the next stage of planning, approval and implementation.

The VICC satisfies many of the goals set out in “Building a Gateway to Tomorrow's Economy” but it also achieves much more; it will facilitate the following results and economic outcomes for the City:

- Job creation
- Increased tax base
- Heightened international brand recognition
- Vaughan business retention and growth
- Increased innovation initiatives
- Increased exporting among Vaughan businesses
- Reduction in the failure rate of business exporting
- Diversification of the local economy
- Enhanced entrepreneurial climate
- Increased business spin-offs
- Attraction and retention of talent
- Recognized gateway to North America
- Attraction retention (FDI & VC)
- VMC growth

The City has an excellent opportunity for growth if it implements the VICC. Very few true competitive differentiators exist among cities today and, in fact, a majority of cities use the same language when describing how their cities are more competitive. The VICC is a real opportunity to set Vaughan apart and capitalize on its advantages.

Attachments

1. Vaughan International Commercialization Centre Concept Paper

Report prepared by:

Nisha Manocha, Economic Development Coordinator
Dan Ruby, Economic Development Officer
Jennifer Ladouceur, Director of Economic Development

Respectfully submitted,

Jennifer Ladouceur,
Director of Economic Development



City of Vaughan

Vaughan International Commercialization Centre Concept Paper

Driving Innovation and Realizing Economic Growth

Economic Development Department
5/27/2015

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Executive Summary

This project began as an earnest assessment of the viability of an innovation facility in Vaughan as requested by Council. **The result of Economic Development’s research and meetings with over one hundred stakeholders is not simply a recommendation for a facility in Vaughan, but an urgent call to address a sizable market gap in business support services.** During corporate site visits conducted by Economic Development Officers, business leaders in Vaughan have expressed a desire for an innovation facility focused on commercialization. Economic Development also receives investment inquiries consistently from international businesses—especially via its International Business Program—searching for match-making support to help them localize their technologies in Vaughan. Businesses expanding to develop new products and enter new markets are seeking assistance from the City, and it is clear that there is an opportunity to do more to serve them.

The City of Vaughan is ripe for an international commercialization centre. The Vaughan International Commercialization Centre, branded the VICC, will assist small and medium-sized enterprises (SMEs) localize international technologies to create and commercialize new, innovative products in addition to assisting local companies with the expertise required to modify or adapt their products for international export. The vision behind the VICC is to build a leading business innovation support network focused on increasing export activity, promoting foreign investment, and creating jobs. **It will accomplish these goals through its unique suite of services in addition to its public-private operational model: a one-window portal that centralizes and makes easily accessible the existing programs, services and resources that businesses need to achieve growth.**

The VICC is an excellent fit for Vaughan with respect to a number of factors, including: the City’s convergent sector strengths; diverse population and international business connections with Israel, Italy, China and the US; our location along the “digital corridor”; and finally, the potential of an innovation facility to act as a catalyst for the growth of Vaughan’s new downtown: the Vaughan Metropolitan Centre.

A significant market demand and need has been identified along with potential clients and partners for this solution, eager to move to the next stage of planning, approval and implementation. Very few true competitive differentiators exist among cities today and, in fact, a majority of cities use the same language when describing how their cities are different and more competitive. **The VICC is a real opportunity to set Vaughan apart, capitalize on its assets, and enhance its global image.**

1. Where we are Today: Assessing our Strengths and Identifying Market Needs

Businesses today recognize more than ever before the importance of operating on a global scale. We know that business owners who enter the international market experience greater stability and lower risk of failure, and they are more likely to adopt innovative technologies from around the world, which are key drivers of productivity and business success.¹ International best practices and diverse competition challenge and drive businesses to achieve higher levels of efficiency. In the long term, growth comes from collaboration with international partners who can help create new opportunities domestically and globally. Simply put, international trade is crucial to a thriving economy.

The City of Vaughan's 10-year Economic Development Strategy, "Building a Gateway to Tomorrow's Economy", capitalizes on these insights in its approach to international business development. The Strategy identifies international business development activities as fundamental to improving the City's economic competitiveness.

From an economic development perspective, the City is mandated to:

1. Support local economic development by providing local businesses with additional tools to access new markets, achieve growth, and retain their competitive edge on an international scale.
2. Support local economic development by pursuing foreign investment attraction.
3. Create or leverage opportunities arising from multicultural or ethnic communities.
4. Enhance Vaughan's global image.

In order to meet these ambitious objectives, the City requires significant international business development strategies that can create a real economic impact.

1.1 The Proposed Vaughan International Commercialization Centre

The Economic Development Department proposes the implementation of the *Vaughan International Commercialization Centre*, hereafter referred to as the VICC, which will operate alongside the Department's other initiatives to fulfill the City's international business mandate. This Report on the VICC has been developed in direct response to Council's request for an assessment of the viability of a business incubator in Vaughan. Through the Economic Mission to Israel in 2012, which was coordinated with the assistance of ColdSpring Commerce, it was understood that Vaughan could benefit from a focus on innovation and international business linkages and business development. As a result of the leads generated by the Mission and ColdSpring Commerce, in addition to a Member's Bill dated November 26, 2013, a formal request was made to explore the concept of a business incubator in Vaughan.

¹ See Goodman, Ives, Stuart, et al., "The Future of Productivity 2014: Smart Exporting for Canadian Companies." www2.deloitte.com/ca/en/pages/insights-and-issues/articles/future-of-productivity-2014.html.

After significant research into existing incubators and meetings and conversations with nearly a hundred stakeholders including not-for-profits, industry, government agencies, and business leaders, the Economic Development Department has created the VICC concept. The VICC is based on market-driven solutions, unique, competitive positioning strategies, and an approach that leverages existing resources in an effort to meet best practices and reduce capital requirements.

More specifically, the VICC will help small and medium-sized local companies access international technologies to create and commercialize new, innovative products in addition to assisting local companies with the expertise required to modify or adapt their products for international export. The VICC will also provide foreign companies with the market entry and localization support necessary to ensure new investments are successful in Vaughan and North America. The VICC is a two-way bridge for local and international exchange. As the Report will describe in detail, the concept of the VICC—a **business innovation hub, with a focus on commercialization on an international scale**—emerges directly from the unique position of Vaughan today, drawing from its existing strengths and attributes, but also with a view to shaping future development, primarily within the City’s new downtown urban centre: the Vaughan Metropolitan Centre (VMC).

Through a carefully cultivated network of innovation and business leaders; marketing, education, financial and administrative service providers; in addition to business match-making and soft-landing programs, the VICC proposes to localize international technology into the North American market and take North American technology to the international stage. The VICC Strategy entails extending the strength of an existing innovation ecosystem in Ontario and, more specifically, York Region to include commercialization.

Companies working with the VICC will have a means to access investment, increase market reach, and expand their product portfolio. **Nurturing a business innovation hub will create jobs, attract investments, and boost Vaughan’s standing to a world-class city.**

It is also crucial to note, however, that while the VICC is proposed here as a vehicle to realize the City’s ambitions for economic growth, it is largely a market-driven concept. The VICC is intended to solve real business challenges at a local level. As businesses explore options for growth and competitiveness including entering international markets and importing international technologies, they are faced with impediments that may prevent them from reaching their full potential. The greatest hindrance is likely the inability to answer the question: where do I start?

More specifically, businesses may ask themselves:

- How do I access funding to develop my product for international markets?
- How can I locate importers, distributors, sales reps, etc. in an overseas market?
- How can I learn more about my product or service’s sales potential in overseas markets?
- How can I access international technology?
- How can I learn about import or export licensing?
- How can I learn about foreign product standards?

- How can I find opportunities to pilot my product in new markets, in order to gain third party endorsement?

If the inability to answer even one of these questions deters a business from innovating or exporting, we should consider this a lost opportunity.

The Economic Development Department is, in fact, already receiving requests for assistance in these areas. The VICC, however, will take these services to the next level. The VICC will be branded, and formal relationships will be built with operational partners and program delivery providers. A business model will be created that will highlight high-level economic results.

At its core, the VICC is dedicated to supporting business innovation. Its function is to take the fragmented and therefore difficult to access network of resources and services available and present them to its clients in a single point of contact, in addition to offering unique programs. In a nutshell, the **VICC is a one-window service that will demystify the process of commercializing international technology and entering international markets.**



Figure 1: The VICC and its Alignment with an Existing Ecosystem

From our targeted international focuses on Israel, Italy, China, and the United States to our concentration on the Innovative Research Development & Design convergent sectors, the needs of local business to the development of Vaughan's new downtown, this Report will demonstrate how the VICC emerges out of the particular conditions of Vaughan today but also how, going forward, its execution

will be crucial to the fulfillment of the four key objectives of Vaughan’s 10-year Strategy, positioning Vaughan for future economic growth.

1.2 The Vaughan Advantage

The City has many unique value propositions that contribute to the role and relevance of the VICC. These propositions include:

- Our convergence sector strengths.
- Vaughan’s new downtown: the Vaughan Metropolitan Centre (VMC).
- Our diverse community and strong international business connections.
- The City’s geographical location within the “Digital Corridor” and the Great Lakes Mega Region.

1.2.1 Vaughan’s Convergent Sectors

Vaughan’s 10-year Strategy makes explicit reference to what are described as Vaughan’s “convergent sectors.” Although Vaughan has a highly diverse business base, there are areas in the City wherein various companies and institutions are linked by commonalities and complementarities.

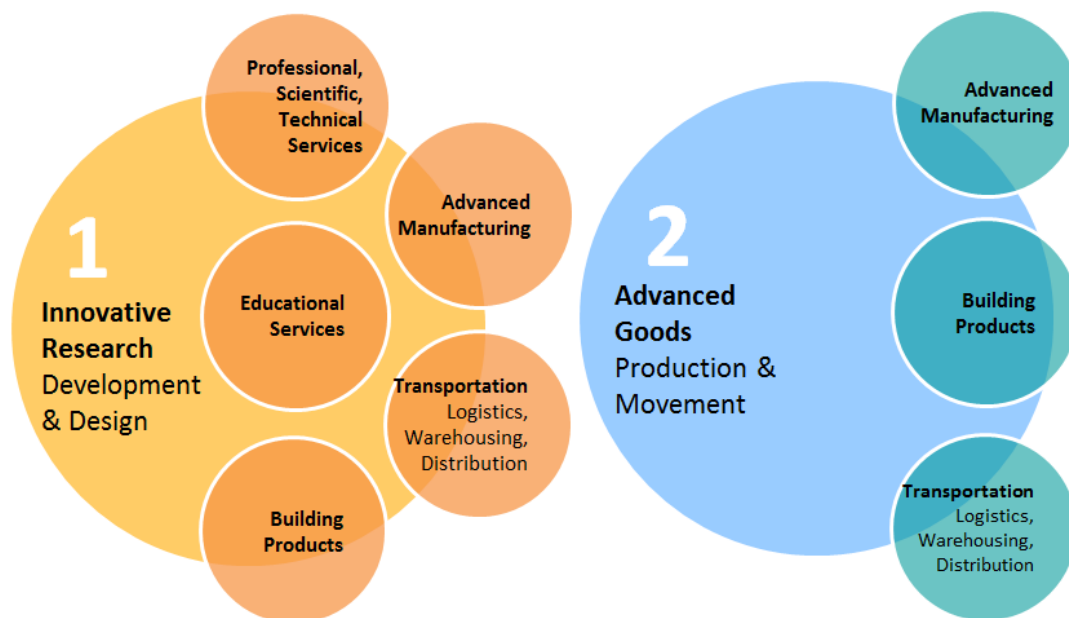


Figure 2: Vaughan’s Convergent Sectors

These areas of overlap or “convergence” can be a considerable strength. One community may have a strong building products sector for example, while another may have a strong advanced manufacturing sector; however, far fewer have strength in both. From this perspective, each time a cluster is identified, the community’s value proposition to a certain segment of potential investors is strengthened, and greater productivity is ensured for businesses operating within that cluster. Leveraging our unique convergent sectors—Innovative Research Development & Design and Advanced Goods Production and Movement—is crucial to building international partnerships and strengthening our existing economy.

Put another way, our convergent sectors create opportunities for an international business development program, and this will be demonstrated specifically in the case of the synergy between the VMC and the VICC, with a strong emphasis on the Innovative Research Development & Design convergent sector.

1.2.2 Driving Growth in the Vaughan Metropolitan Centre

The VMC is the most ambitious development project in Vaughan's history to date. It also forms an opportunity for the City to strategically realign its city-building efforts to become a "Smart City". The new urban core of Vaughan, the VMC will include multi-use office towers and residences, open green spaces, urban squares, pedestrian shopping areas, restaurants, and walking and cycling paths. With an 8.6 km subway extension line, complete with a new regional transportation hub, businesses will have connections to Toronto through York University, and the Greater Toronto Area. There are numerous examples across North America where transit centres have attracted cultural industries, educational institutions and corporate headquarters. However, according to the Smart City schema outlined below, VMC real estate, at the level of Hard Infrastructure, depends on many levels of support to acquire value.² In other words, VMC real estate is just one factor in the success of Vaughan's new downtown.

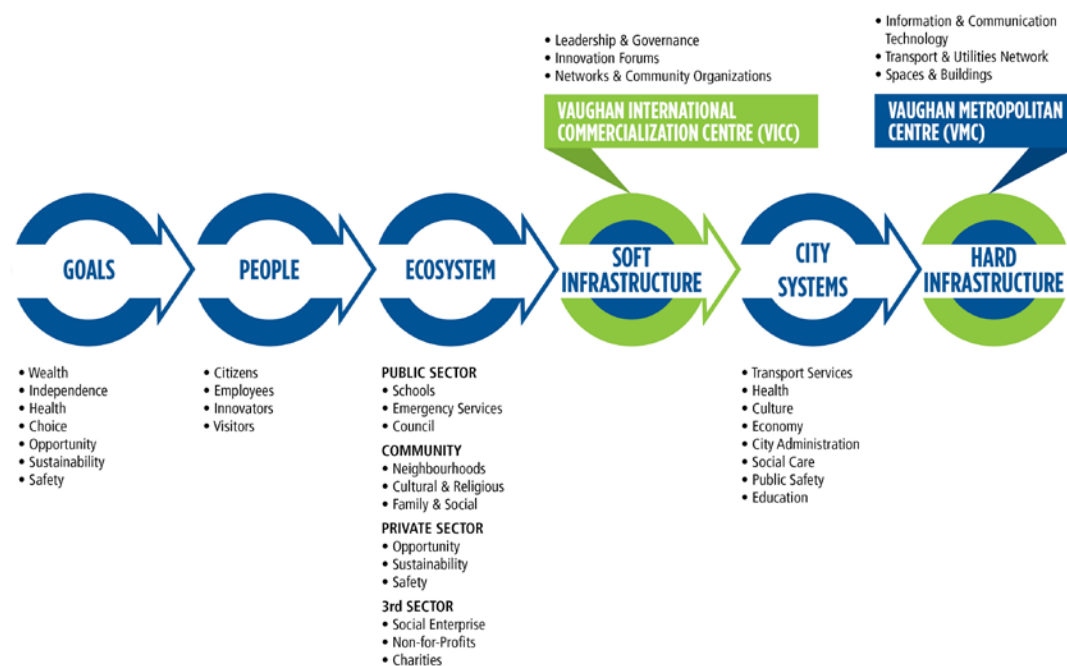


Figure 3: Smart City Architecture

The figure above depicts the conceptual architecture of a Smart City. In general, Smart City goals might include wealth, health, opportunity, and sustainability amongst other aspirations. In descending order, People, the City's Ecosystem, Soft Infrastructure, City-wide Systems, and Hard Infrastructure, all have a role to play in achieving these goals.

² This figure is adapted from Rick Robinson's *The New Architecture of Smart Cities*. See www.theurbantechnologist.com for more information.

The VICC, as Soft Infrastructure, can play a fundamental role in supporting the quality of the VMC. As an innovation forum, the novel ideas and technologies that the VICC creates and promotes can shape City Systems including culture, education, transport services, and health, which in turn enhance interactions with Hard Infrastructure.

The VMC is currently in the stage of investment attraction. Its marketing strategy entails leveraging its existing strength in the Innovative Research Development & Design convergence sector and strategically branding it the “**Design + Innovation Corridor**.” This marketing strategy capitalizes on the many existing businesses already collaborating to pursue innovative research and design with the hope of attracting complementary businesses.

This vision for the VMC corresponds with the mandate of the VICC. The VICC is focused on the commercialization of innovative technologies while the VMC is beginning the process of attracting companies whose specialization entails innovative design. In other words, the VICC emerges at a critical time in the early development stages of the VMC. Not only would the types of companies associated with the VICC be encouraged to locate within the VMC, thereby fulfilling the VMC’s own strategic investment goals, but it could also form a unique testing ground, or what Section 3 will refer to as a “Test City,” for international technologies as supported by the VICC.

The VICC can act as a catalyst for the growth of the VMC. It can attract companies to cluster and provide opportunities for businesses to collide and collaborate, especially those involved in international technology commercialization. Growth within the VMC will have a positive impact on the entire City’s economic position.

1.2.3 Our Diverse Community & International Business Connections

The concept of taking an international position has never been far from Vaughan's identity. Vaughan is composed of 46 percent immigrants, and 99 languages are spoken in Vaughan homes and businesses. The GTA is one of the most culturally diverse areas in the world.

The top three populations in Vaughan by ethnic origin reported in 2011 were Italian, Jewish, and Canadian.³ Specifically, individuals of Italian origin represented 33.2 percent (94,970) of the population, followed by Jewish at 11.8 percent (33,745), and Canadian at 7.8 percent (22,300).

Total Population in Private Households by Ethnic Origin	2011 Population	% of Total Population
Italian	94,970	33.2%
Jewish	33,745	11.8%
Canadian	22,300	7.8%
Russian	19,385	6.8%
East Indian	18,715	6.5%
Chinese	16,660	5.8%
Polish	14,485	5.1%
English	12,045	4.2%
Portuguese	9,535	3.3%
Filipino	8,800	3.1%

Figure 4: Distribution of Ethnic Populations in Vaughan

Vaughan's visible minorities accounted for 31.4 percent (89,975) of the City's population, which is higher than the provincial average of 25.9 percent. The three largest visible minority groups in 2011 were South Asians at 9.7 percent (27,725), Chinese at 5.8 percent (16,660), and Filipinos at 3.1 percent (8,800).

As outlined in the 10-year Economic Development Strategy, the City must leverage these unique attributes in the pursuit of international business relationships. Currently, Vaughan has a strategic focus on Israel, Italy, China and the United States. These four countries of focus have been selected on the

³ Ethnic origin responses are a reflection of each respondent's perception of their ethnic ancestry, and, consequently, the measurement of ethnicity is affected by changes in the social environment in which the question is asked and changes in the respondent's understanding or views about the topic. According to Statistics Canada, ethnic origin refers to the ethnic or cultural origins of an individual's ancestors. For more information, see Statistics Canada, Ethnic Origin Reference Guide.

basis of our major ethnic populations, market considerations, ability to position Vaughan as a “gateway” to North America, and the potential to strengthen our convergent sectors.

It is important to note that our businesses are already exercising their international ties and tapping into foreign markets. The Israeli, Italian, and Chinese markets were the destination for \$71 million worth of goods and services, or two percent of all exports, out of Vaughan.⁴ It is the US, however, that accounts for 84 percent of goods sold outside the City. Trade with the US can be further promoted, especially for first-time exporters, while companies with greater experience might be encouraged to explore Israel, Italy, and China.



Figure 5: Strategic International Business Connections

Israel

Israel has positioned itself as a critical research and development centre for the world’s leading technology companies. Close to half of the world’s top technology companies have bought Israeli start-ups or opened research and development centres to take advantage of Israel’s culture of innovation.

Israel’s lack of large, regional trading partners coupled with its small domestic marketplace, has led the country to search for global strategic partners in the development of its economy. From the outset, Israeli firms have taken a global export strategy, developing technologies and solutions including those to tackle security, water scarcity, and alternative energy issues.

Based on the synergies between Israel’s global export strategy and the City’s international business development mandate, an initial research mission to Israel was conducted in 2012. Its success triggered a larger, results-oriented business trip in 2013, which covered several parallel efforts:

- Connecting the City’s business community to Israel.
- Sharing knowledge between municipal Israeli and Vaughan governments.

⁴ See Statistics Canada’s International Accounts and Trade Division’s 2012 Exporter Register.

- Developing relationships with Israeli industry associations either directly or through the Government of Israel.
- Partnering with the Canadian Embassy.
- Engaging the consulting professions that represent clients who are positioned to expand globally.
- Building relationships and eventual partnerships with complementary commercialization centres in Israel.
- Developing of strategic partnerships locally with organizations such as the Canadian Israel Chamber of Commerce (CICC), UJA Federation of Greater Toronto, and Government of Israel Economic Mission to Canada.

The 2012 mission spawned the idea of Vaughan as a test city for new technologies, a concept that is explored further in Section 3. The 2012 and 2013 missions also revealed that in order to fully exercise our international business development program, a long term, in-country, relationship was required. As a result, the City is currently working on collaborating with a partner organization to develop a trade office strategy in Israel. From the City's perspective, a trade office will provide a venue to meet and to develop detailed plans for expanding economic opportunities in addition to providing Vaughan with leads.

At this juncture in Vaughan's development, Israel appears to be the most viable country with which to begin building the VICC, with other markets to follow. However, this initial focus on Israel will not be at the expense of our active and ongoing relationships with each of Italy, China, and the US. Currently, we have a lead with Israel and therefore an opportunity to test its market. Moreover, at this preliminary stage and with limited resources, it is prudent to determine the viability of a one-country model before pursuing multiple overseas relationships. However, if and when opportunities arise from other markets, they will have equal access to VICC services.

Italy

Italy has a diversified industrial and agricultural economy. However, exceptionally high public debt and structural impediments to growth have made it open to negative valuation by financial markets. Unlike its European partners, Italian industry has received little in the way of stimulus. Italy has, however, began to emerge from the most severe recession in 60 years, but growth is still weak, uneven and will likely be restrained by structural challenges including a difficult business environment, high debt as well as an inflexible labour market.

Despite these perceived impediments to successful business relations, the difficulties within the Italian economy, in fact, provide opportunities for Canadian export development and investment attraction. Italy has identified Canada as a priority partner for science and technology, and investment. The driving force of the Italian economy is its manufacturing sector, especially small and medium-sized companies specializing in goods that call for superior design and engineering. Manufacturing accounts for 90 percent of Italy's exports.

In a similar vein to Israel, the City is working on undertaking the following actions to enhance its relationship with Italy:

- Setting up an international investment office representing the City of Vaughan within the Italian Chamber of Commerce of Ontario (ICCO) Milan offices, with an additional office in Rome. ICCO staff will respond to all leads and inquiries on behalf of the City.
- Publishing promotional pieces concerning the City, which are translated into Italian.
- Participating in various trade fairs and promotional events.
- Twinning of the City of Vaughan with the City of Verona or Parma.
- Revamping the agreement with Rome signed in 2012 covering all collaboration between Rome and Vaughan to increase the internationalization of small and medium-sized companies in both cities.
- Receiving guaranteed number of investment-related leads per annum from the ICCO.
- Working with the ICCO to receive a minimum of two incoming trade delegations per year.
- Hosting two ICCO business-to-business events per year.
- Partnering with the Greater Toronto Marketing Alliance (GTMA)—who visits Italy three times per year and is mandated to market Vaughan and the entire Greater Toronto Area.
- Building relationships and eventual partnerships with complementary commercialization centres in Italy.

Italy's expertise in technology makes it an excellent source of innovation for Vaughan. In addition to joint ventures and related technology transfers, Italy may also be able to transform itself into a distribution centre for products outbound from the Vaughan gateway for destinations in Europe. To this end, this partnership with Italy also fulfills the technology export mandate of the VICC.

China

Over the past thirty years, China has morphed from a centrally planned system, largely closed-off to international trade, to a more market-oriented economy with a rapidly growing private sector and a growing middle-class with a high demand for exclusive products from North America. China has emerged as an economic powerhouse, and is anticipated to replace the US as the world's largest economy within the next twenty years. China has become a leader in international trade; its total trade volume is now the world's second largest, as is its total GDP.

The opportunities represented by Chinese trade and/or investment cannot be ignored. Travel to Canada from China has become much easier and that means there are more opportunities for visitors to consider Canada as a potential location for investment. According to the Department of Foreign Affairs, Trade and Development Canada, Chinese investments into Canada in 2013 accounted for \$16.7 billion, compared to \$4.9 billion flowing from Canada to China. Similarly, Canada's imports from China totaled \$57.2 billion, while exports accounted for \$20.4 billion.

The recent announcement of a trading hub for the Renminbi (RMB) in Canada is further evidence for the need for Canadian businesses to diversify their relationships, including reducing dependence on the US economy while offsetting sluggish domestic demand.

Relative to Israel and Italy, the City's China Strategy is in its nascent stages. One of the challenges remains Vaughan's small ethnic Chinese population. However, we must act on the myriad opportunities that Chinese investment affords. The City of Vaughan is committed to the following business development activities:

- Importing / exporting opportunities for local Vaughan businesses.
- Soft-landing spot for companies looking to enter the Canadian or US markets.
- Promoting real estate and development investment opportunities.
- Opportunities related to high growth sectors in China: environmental protection, clean energy, sustainable development; and tertiary services (e.g. insurance, real estate, finance, business management and accounting services).
- Opportunities related to pharmaceuticals, bio and life sciences, and medical devices.
- Building relationships and eventual partnerships with complementary commercialization centres in China.
- Post-secondary educational exchanges and/or establishment of new institutions in Vaughan.
- Expansion of cultural institutions.

Any or all of these proposed opportunities targeted to Chinese investors will benefit from the VICC. The VICC's focus on the localization of products, services, and technologies; partnerships and networks; and access to government programs and funding promote confidence in foreign investors hoping to make in-roads with the Canadian and North American markets.

The United States

The US presents a markedly different opportunity for the VICC. As noted, the US is Vaughan's major export market by an overwhelming margin. The two countries exchange approximately \$1.5 billion in goods—and person-to-person contact—daily. The VICC has the ability to capitalize on an already highly active trade relationship and leverage Canada's current trade initiatives with the US—especially given that 70 percent of this trade is transported by truck and by prominent pieces of truck-rail infrastructure located in Vaughan's very own CP Rail intermodal yard and CN marshalling yards.

Moreover, the Canadian Trade Commissioner Service has offices across the United States, including:

- Atlanta
- Boston
- Chicago
- Dallas/Houston
- Denver

- Detroit
- Los Angeles/San Diego
- Miami
- Minneapolis
- New York
- San Francisco/Palo Alto
- Seattle
- Washington

The US, as familiar export territory, can be positioned as an entry point into international trade for VICC clients who otherwise do not have international business experience. The size of the consumer market also considerably benefits our export. For overseas companies wishing to access the North American market, the VICC's ability to solidify close ties and explore new leads in the US will be crucial in positioning itself as a gateway to the continent.

In addition to leveraging the trade relationships already in place between Canada and the US, the City can take a more focused approach to making alliances with select US states on the basis of their business innovation centres and convergence sector alignments. The Maryland/Israel Development Center (MIDC) is one example of a centre with which a relationship would be beneficial. The mission of the MIDC is to foster bilateral trade and investment between Israel and Maryland. The non-profit membership organization is a public-private partnership of the Maryland Department of Business and Economic Development, Israel's Ministry of Economy and Trade and the Associated Jewish Community Federation of Baltimore. The Center provides the following services for US and Israeli based companies:

- Assistance with exporting to Israel.
- Logistics assistance.
- Certificates of Origin
- Assistance sourcing innovative technology.
- Federal and state representation for funding program.
- Trade missions to Israel.
- Hosting Israeli business delegations in the US.
- Economic development programming with Baltimore's Israeli Sister-City of Ashkelon.
- Member events.
- Networking opportunities.

There are several other facilities across the US that the VICC could connect with in hopes of expanding its US portfolio, and to gain insight into other international innovation or development centres.

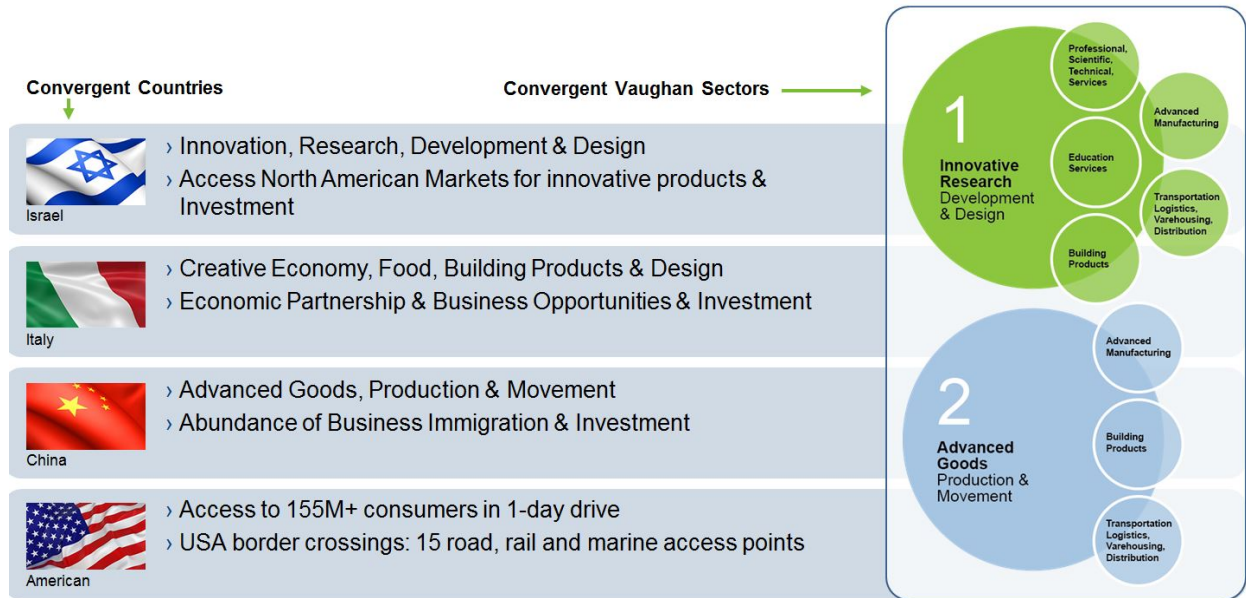


Figure 6: Synergy between Vaughan and International Target Markets

As described in these brief country profiles, the primary sector strengths of each of Israel, Italy, and China, respectively, overlap with Vaughan’s convergent sectors. While the work that Vaughan has undertaken in the Israeli and Italian markets has already garnered the attention of other economic development agencies, and raised the City of Vaughan’s media profile, the development of solid infrastructure to support the linkages between the City and its international partners is vital. The US is also a critical strategic partner with respect to the role the City can play as a conduit to North American markets.

The VICC presents an opportunity to capitalize on the collaborative potential of these trade relationships in a systematic and sustainable way.

1.2.4 Our Location

In addition to our convergence sectors, the “Design + Innovation Corridor” in the VMC, and our diverse ethnic and cultural heritage, it is the City’s geographical location that makes the VICC viable, and also the greatest guarantor of its long-term success.

Gateway to North America

Vaughan is a credible gateway to North American technology. Vaughan/GTA is located in the massive market known as the Great Lakes Mega Region. This market boasts a population of 60 million with a total of 155 million consumers within a day’s drive. Sixty percent of the US population is within a 90-minute flight.



Figure 7: Vaughan's Favourable Location

Via international flights, Vaughan companies have direct access to 54 countries by way of 60 carriers. For heavier loads, like access to Asia-bound Pacific ports, direct four-day rail transportation is available from Vaughan.

Digital Corridor

The VICC's strategic focus on localizing international technology and exporting North American technology is an expression of the unique location of Vaughan. In addition to Vaughan's exceptional access to consumers, the City is located in what is described as the Digital Corridor.

Various locations in Southern Ontario have extensive resources including tech workers and specialized facilities. These capabilities not only exist in the information and communications technology (ICT) arena (given the heavy telecom sector presence historically), but also in the fields of water and energy management amongst others. Vaughan's strategic location as a node within this network, which is North America's third largest ICT hub and Canada's largest Enterprise Solutions ICT cluster, underlies the technology-oriented objectives of the VICC.

Regional, Provincial, and National Assets

It is also worth mentioning that Vaughan benefits enormously from the policies of the Region, Province, and more broadly, Canada, with respect to its attractiveness to foreign investment. The Region is a leading destination for Foreign Direct Investment (FDI) in Canada.

York Region has numerous business assets, including:

- **A favourable tax environment.** The Region has the lowest municipal commercial/industrial property taxes in the Greater Toronto Area: 23 percent lower on average. It has lower business costs compared to major US/global metro areas.
- **More than 45,000 businesses.** The Region is Ontario's second largest business hub after the City of Toronto.
- **Headquarters and local operations of leading companies.** The Region is home to 17 Fortune 100 corporations, the headquarters of three of the Toronto area's top five corporate R&D investors, and five of the Toronto area's top 10 corporate R&D investors in the ICT sector. Its local firms represent nearly 40 percent (\$1.5B) of the total value of R&D invested by top corporate R&D investors in the Toronto area.

Ontario's additional benefits include:

- **World class innovation hubs.** Ontario has strong regional clusters with focusses on ICT, advanced manufacturing, financial services, and life sciences.
- **The most diversified economy in Canada.** A strong mix of agriculture, resource manufacturing, and service sectors provide resilience in times of economic volatility.
- **A highly educated population.** Ontario has a higher level of postsecondary credential attainment than any other jurisdiction in the Organization of Economic Cooperation and Development (OECD).

Finally, on a national level, **Canada** offers:

- **A globally competitive tax system.** The marginal effective tax rate on new business investment has been cut in half, from just under 34 percent in 2009 to approximately 16 percent in 2013. The introduction of the Harmonized Sales Tax (HST), in combination with other recent tax reforms, has streamlined the tax system to support investment, exports, and growth. In total, tax reductions are saving Ontario firms more than \$8 billion annually.
- **Substantial backing for research and development.** Through a combination of federal and provincial tax incentives, Ontario R&D companies can receive financial support from the federal government.

These locational assets support vibrant innovation ecosystems and form a significant advantage in a competitive global economy.

Local market needs, the City's international business initiatives, and Vaughan's value propositions have led the Economic Development Department to proceed on the basis that an innovation facility would

fare exceptionally well in Vaughan and, in fact, promote significant economic opportunity. The remainder of the Report describes how we arrived at the VICC concept, why we believe a facility of this nature is the best fit for Vaughan, and how it will operate.

2. What are the Opportunities for Growth: Evaluating Best Practices & Capitalizing on Vaughan's Advantages

How do we turn the community's assets into economic opportunity and position Vaughan as a gateway to North America on an international scale? The future of economic prosperity in Vaughan depends on answering this fundamental question.

Through careful consideration of Vaughan's resources and its future development plans, the VICC has emerged as the answer. The VICC provides an opportunity to capitalize on our convergent sector strengths, the VMC, the City's diverse cultural heritage and strategic international partnerships, and our geographical location. However, crucially, the VICC also addresses a market need. Economically prosperous and sustainable communities demonstrate a strong entrepreneurial spirit with a constant and consistent flow of new business start-ups, strong growth among existing businesses, and the attraction of new investment. **The VICC will support businesses at the critical phase of commercialization, and in doing so, attract new investment into the City while also strengthening the existing business community.**

Before exploring the VICC's ability to draw on Vaughan's assets while fulfilling this niche market role, this section will describe the typical trajectory of business growth to better contextualize the commercialization phase and the unique role the City can play amongst existing innovation facilities.

2.1 Market Readiness Continuum

It is in the best interest of cities to ensure that their entrepreneurs are successful. Therefore, it is crucial to recognize that every stage along the path to market readiness entails new or pre-existing challenges; moreover, solutions that may have worked for one stage may not work for another. The many progressions that businesses make through the continuum can roughly be distilled to three stages: start-up, product launch, and growth and expansion.

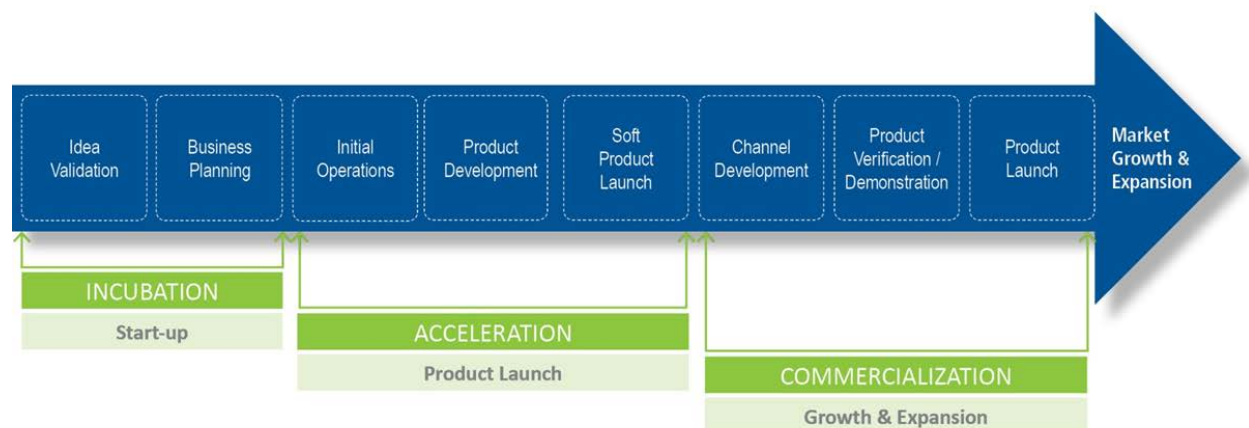


Figure 8: Path to Market Readiness

Start-up

At this stage, also known as **Incubation**, entrepreneurs have a concept and idea for a new business and are focused on strategic business planning.

Challenges:

- Development of a strong business, financial and operational model.
- Invention and R&D.
- Access to relevant market research.
- Access to professional support services, with limited budgets as the business is not yet generating revenues.
- Competitive analysis.
- Access to funding.
- Legal structure and business structure development.
- Access to professional advisors: human resources, legal, accounting, operations, marketing, sales, etc.

Product Launch

At this stage, also known as **Acceleration**, the business is generating some revenues and customers are increasing but competition is also surfacing. The business initiates operations, conducts any necessary research and development, and develops and launches a product/service. Focus is on entering a market and gaining traction. Efforts are also directed towards fine-tuning the business model and implementing proven methodologies, sales models, marketing models, and operational models before launching the product.

Challenges:

- Accessing funding for development and market launch.
- Managing cash reserves.
- Conducting additional research and development.
- Proof of concept.
- Market entrance opportunities and acceptance.
- Accounting management.
- Establishing a customer base.
- Managing sales.
- Managing channel development.
- Access to professional advisors: human resources, legal, accounting, operations, marketing, sales, etc.

Growth and Expansion

At this stage, also known as **Commercialization**, businesses have an established product and existing market share. The business is focused on achieving growth into new markets both locally and internationally through exporting and/or strategic partnerships.

Challenges:

- Adding new products/services to meet the demands of new markets.
- Accessing funding to support growth.
- Identification of strategic partners.
- Proof of concept.
- Dealing with increasing revenues.
- Identifying efficiencies and productivity.
- Export knowledge and market research.
- Export readiness.
- Increased competition.
- Moving into new markets.
- Technology localization.
- Access to professional advisors: human resources, legal, accounting, operations, marketing, sales, etc.
- Managing production.

2.2 Innovation Facility Operational Models

Innovation facilities are not homogeneous in their organizational structures or the forms of support that they offer. This discussion merely attempts to identify some characteristics associated with different incubator types. Conventionally, an innovation facility can be categorized under one of four models:

1. **Business Innovation Centre (BICs)** – are publicly owned, not-for-profit entities, created to enhance economic and technologic development, often established by government. Typically funding for their operations comes from fees charged for the service they provide, and/or government awards, funds, and/or grants.
2. **University Business Incubators (UBIs)** – differ slightly from BICs in that they operate out of universities and exist primarily for research and education. Their goals are to commercialize technologies, research patentable ideas, educate students, and transfer technology. While UBIs may not operate on an explicit for-profit basis, there is a need for them to secure public funding, or generate some return on investment. As a result, UBIs share some similar characteristics with private business incubators.
3. **Corporate Private Incubators (CPIs)** – differ from public incubators by operating explicitly on a for-profit basis. The two types of private incubators are CPIs and Independent Private Incubators (IPIs). CPIs are owned and established by large companies as a means for investing in innovation. Depending on the company's objectives, they may support company projects, employee ideas, or external start-up companies. CPIs have been growing in popularity with companies like Google, LinkedIn, and Microsoft, each starting their own business incubator.

They realize a return on investment in a variety of ways, some of which include charging service fees, and taking a percentage of revenues. A common arrangement is to take an equity stake in the incubated company, with the intended purpose of aligning the incubator's interests with the company's success. The incubator can realize a return on investment by selling their equity stake once the company becomes successful, or if the company is acquired.

4. **Independent Private Incubators (IPIs)** – are set up on a for-profit basis and offer the standard array of business support services in exchange for fees, or equity in the business. They differentiate themselves from other incubators through their practical expertise, network of contacts, and track record for helping start-ups succeed. They can be set up by an individual, or group of individuals, and invest their own money in new companies. Many venture capitalist firms would be involved with IPIs awaiting a promising investment opportunity.

Since most accelerators operate on a for-profit basis, their overall purpose is to generate a return on their investment. As a result, many of them are focused on industry sectors that have a shorter time-to-market horizon, such as ICT.

With regards to the percentage of innovation facilities that exist in the market today, the breakdown by type of model is as follows⁵:

1. Business Innovation Centres (BICs)	62%
2. University Business Incubators (UBIs)	21%
3. Independent Private Incubators (IPIs)	17%

Data is not readily available for the percentage of Corporate Private Incubators (CPIs).

The potential fifth model, which is becoming increasingly popular, is a Virtual Incubator, which does not host companies in a physical space or lab; instead, it offers support and mentoring services from a distance.

Regardless of ownership structure, one of the most significant challenges of innovation facilities is to achieve financial sustainability. Financial sustainability, defined narrowly as “earned revenue covering all business incubation expenses,” is very rare. Most often, innovation facilities rely on a mix of revenue sources, including earned revenues based on rents, fees-for-services, and, less commonly, royalties and equity payments, as well as non-reimbursable funding from government and the private sector.

2.3 Incubators, Accelerators, Commercialization Centres – Best Practices Review

Many BICs, UBIs, IPIs, and CPIs have sought to address the stages in the market readiness continuum, typically concentrating on incubation, acceleration, or commercialization through dedicated facilities or programming. These facilities are designed to simultaneously cultivate innovation, encourage entrepreneurs, and provide real-world, practical support, all of which are integral to small business success. The ecosystems they support represent a crucial investment in today’s economy. In fact, they have played a critical role in the success of companies across a range of industries and have been pivotal in creating Ontario’s entrepreneurial culture.

The lines are blurred in many areas when comparing exactly what kind of support that incubators, accelerators, and commercialization centres might offer; in fact, research demonstrates that in many cases, there are overlapping programs and services.

⁵ See Mohsen A. Khalil, “Enabling Innovation Entrepreneurship through Business Incubation.” *World Bank Group*. www.infodev.org.

The following chart offers a broad comparison between all three different types of innovation facilities including their target clients and approach to service delivery.

	Incubation	Acceleration	Commercialization
Description	Services are aimed at moving entrepreneurs toward self-sustaining, mature businesses. Business incubation is a unique and highly flexible combination of business development processes, infrastructure, and people designed to nurture new and small businesses by helping them survive and grow through the difficult and vulnerable early stages of development.	Designed to swiftly move start-ups from one stage to the next. A business accelerator is an intensive usually 3-month business program, which includes mentorship, educational components, and networking and aims at growing business rapidly, ending in demo-day. Usually an entrepreneur moves into a shared office space for a period of time to work closely with advisors and experts.	New products are introduced into the market. Services are aimed at supporting production, distribution, marketing, and sales in order to be commercially successful. Focus on market development can be both local and international.
Stage	Start-up	Product Development & Soft Launch	Product Launch & Market Development
Target Enterprises	New enterprises	Early-stage enterprises with high growth potential	Emerging and established technology enterprises
Market Readiness Continuum	<ul style="list-style-type: none"> - Business idea validation - Business planning 	<ul style="list-style-type: none"> - Initial operations - Product development - Soft product launch - Channel development 	<ul style="list-style-type: none"> - Product verification / demonstration - Product launch - Market entry & expansion
Service Delivery Approach	<ul style="list-style-type: none"> - Emphasis on cohort-based programming - Some individual support - Some mentoring 	<ul style="list-style-type: none"> - Mix of cohort-based programming & individual support - Mentoring 	<ul style="list-style-type: none"> - Largely individual programming - Intensive mentoring
Risk Level	<i>High risk</i>	<i>Medium risk</i>	<i>Low risk</i>

Figure 9: Innovation Facility Service Comparison Chart

2.3.1 Defining the Assistance Given to Entrepreneurs

While the exact mix of services depends on local market needs, innovation facilities typically provide the following four types of services:

1. **Shared Infrastructure** – such as office space, meeting rooms, telecommunications, and administration support.
2. **Business Advisory Services** – assistance with management issues, including business planning, financial management, marketing, and regulatory compliance on formal matters, such as applications for registration and licensing.
3. **Financial Services** – ranging from brokering services to provide access to funding sources and, in some cases, taking equity.
4. **People Connectivity** – including mentoring by experienced business professionals, knowledge-sharing with like-minded entrepreneurs, and links to business relationships and opportunities.

2.3.2 Lessons Learned and Key Success Factors

There is ample evidence of the necessity for innovation centres. According to the National Business Incubation Association in the United States, incubated companies have an 87 percent success rate compared with 44 percent for the average new business. Innovation facilities provide the infrastructure needed to support promising businesses—at all stages of growth—as they work against the odds of failure within the first five years of being established.

Based on extensive research, several critical insights have been gleaned from both successful and struggling facilities.

<i>Top Lessons Learned from Successful Incubators/ Accelerators/ Commercialization Centres</i>	<i>Top Lessons Learned from Struggling Incubators/ Accelerators/ Commercialization Centres</i>
<ul style="list-style-type: none">▪ Experienced leadership team should drive the vision, support the growth and continuously raise the profile of the centre within the community.▪ Remain focused on implementing a realistic business plan and operational strategy.▪ Public/private partnerships – government, university and industry can work effectively together if they operate as partners and focus on delivering market-driven solutions.▪ Caliber of the mentor network – important to attract mentors with real life experience, with a client to mentor ratio of 1:6-8.▪ Provide access to funding and support by identifying and applying for government grants.	<ul style="list-style-type: none">▪ Financial sustainability is crucial and it takes time to experiment and arrive at the right revenue model.▪ While partnerships and strategic alliances are key to both effectiveness and sustainability, it is difficult to manage the expectations and demands of a variety of stakeholders.▪ Change governance structures that invite significant bureaucracy.▪ Some incubators in the early stages struggled with attracting an adequate level of “deal flow.”▪ Lack of market driven support with generic programming.▪ Focus directed too heavily on the need to fill office

<ul style="list-style-type: none"> ▪ Readily accessible service provider network. ▪ Achieve financial independence through public/private partnerships. ▪ Clear focus and direction in terms of industries and sectors served. ▪ Shared infrastructure, offering affordable business space, which can be offset financially by strong lead tenants. 	<p>space, rather than being a business development engine.</p> <ul style="list-style-type: none"> ▪ Some incubators had to be pushed to success sharing models while others changed to rent based models because initial structures did not allow for taking equity positions. ▪ With equity and royalty models, virtual incubation is more viable and attractive. All incubators are developing virtual clients, as opposed to purely real estate models.
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Figure 10: Innovation Facility Key Lessons Learned

2.4 Comparative Analysis of Innovation Facilities: Defining the Market Space

This research into the general operational scenarios of innovation facilities, the stages of the market readiness continuum they serve, and best practices from the field, broadly inform the concept underlying the VICC, which is elaborated in Sections 3 and 4.

However, to identify precisely the role the City of Vaughan can play in supporting entrepreneurship, business growth, and investment attraction, a review of existing support programs and resources in Southern Ontario is an important first step in identifying where a new, “market driven” program is required. Therefore, this section will take a closer look at a sample set of business incubators, accelerators, and commercialization centres, with a particular focus on Toronto and the Greater Toronto Hamilton Area (GTHA). This assessment of the strengths and weaknesses of the innovation landscape can help to contextualize the proposed VICC, and provide clarity as to how and why its focus on **commercialization** and **international markets** was determined.

According to a report published in 2012, there are 150 innovation facilities across Canada, and the list is likely to have grown since.⁶ In the Toronto area specifically, business innovation facilities have been appearing more rapidly in recent years; in fact, most facilities were established in the last five years. The following table, which captures primarily incubators and accelerators in Toronto and the GTHA, is not exhaustive; rather, the table assesses a range of organizations. For more detailed profiles on each facility, see Appendix A.

⁶ See Margaret Dalziel, “A of Study Business Incubators and Business Accelerators in Canada.” Ottawa: The Evidence Network, 2012.

Innovation Facilities	Innovation Model			Territorial Focus		Profit vs. Non-Profit		Industry Sector				Operational Model					
	Incubation	Acceleration	Commercialization	International	Domestic	Non-profit	Profit	Mobile	ICT	Clean Tech	Multiple Tech	General/ Other	Business Innovation Centre	University Business Incubator	Corporate Private Incubator	Independent Private Incubator	Year Established
Toronto																	
MaRS Discovery District	●	●	●		●	●					●		●				2000
Kinetic Cafe	●	●	●		●		●					●				●	2011
INcubes		●		●	●		●		●							●	2011
MEIC (Mobile Experience Innovation Centre), Ontario College of Art and Design University		●		●	●	●		●						●			2007
OneEleven	●	●	●		●		●		●							●	2013
(DMZ) Digital Media Zone, Ryerson University	●				●	●					●			●			2010
The Next 36		●			●	●						●	●				2010
Centre for Social Innovation	●				●	●						●	●				2004
HIGHLINE		●		●	●		●				●					●	2009
MultiplicityTO		●			●	●			●				●				2011
Creative Destruction Lab at Rotman, University of Toronto		●			●	●						●		●			2012
Centre for Global Enterprise, York University		●		●		●						●		●			2013
i-CUE (Innovation Centre for Urban Energy), Ryerson University	●	●			●	●				●				●			2012
Digital Media and Gaming Incubator, George Brown College	●				●	●			●					●		●	2011
YEDI (York Entrepreneurship Development Institute), York University		●		●		●						●		●			2013
Brightspark Ventures		●			●		●		●							●	1999
York Region																	
ventureLAB	●	●			●	●						●	●				2011
createIT Now, Southlake Regional Health Centre	●	●	●	●	●	●						●	●				2012
CDOT (Centre for Development of Open Technology), Seneca College	●				●	●		●						●			2002
Vaughan International Commercialization Centre (VICC)			●	●		●					●		●				2015 (TBC)
Other - GTHA																	
Spark Centre		●			●	●						●	●				2010
Innovation Factory		●			●	●						●	●				2010
ric Centre (Research, Innovation, Commercialization)	●	●	●		●	●						●	●				2008
Communitech	●	●	●		●	●					●		●				1997

Figure 11: Innovation Facility Comparison Table

Several general observations can be made about the innovation landscape. In the first case, many facilities such as INcubes, ventureLAB, Creative Destruction Lab, and i-CUE, operate through multi-levelled private-public partnerships. In some cases, innovation facilities even work with one another. As one example, in early 2015, Communitech, DMZ, and OneEleven announced a partnership that would

allow each of the incubator's start-ups to access each other's resources. Partnerships have numerous benefits including greater access to funding and talent, increased deal flow, and enhanced market channels. In this respect, these innovation facilities are adopting best practices and serve as a model for the VICC.

However, when it comes to serving market needs, the innovation ecosystem has several weaknesses. Most facilities located in Toronto and the GTHA are broadly interested in technological innovation and concentrate on mobility, ICT, or clean tech. Other facilities including MaRS, INCubes, the Next 38, YEDI and MultiplicityTO, focus on a combination of technologies or take a more generalist approach, accepting promising start-ups into their programs rather than those that conform to a particular industry sector. Across these organizations, there is a clear emphasis on incubation and acceleration, with only a minor focus on the commercialization phase of business development.

It is worth noting that the studies and research papers consulted for this analysis did not address commercialization centres as part of the innovation ecosystem in Toronto and surrounding areas, and this is for good reason: they simply do not exist. As the chart demonstrates, **there is no facility in Toronto or the GTHA dedicated solely to supporting businesses as they prepare to introduce their product to new markets.** The innovation market is saturated by acceleration facilities. As one report has suggested, there is the possibility that the “supply of accelerator programs will outpace the number of qualified applicants.”⁷

Moreover, with the exceptions of HIGHLINE, MEIC, INCubes, Centre for Global Enterprise, and YEDI—which all practice the acceleration model—**most innovation facilities have not acted on the myriad opportunities presented by international markets.** That is, incubation and acceleration support is almost exclusively domestically focused. While there is clear evidence that Canadian businesses are more likely to be innovators and achieve long-term success if they export, Toronto and GTHA organizations have largely ignored this particular area of business growth.

Focusing on York Region in particular, it is clear that there is a shortage of innovation facilities. Despite the Region's proximity to Toronto, and position along the digital corridor, there are few opportunities for businesses located in the Region to receive innovation support at any stage of growth, especially commercialization.

2.5 Vaughan's Niche Focus: Market-driven Solutions and Capitalizing on Vaughan's Assets

Based on this research, a significant opportunity exists for the City of Vaughan to adopt best practices but also differentiate itself within the Southern Ontario spectrum.

⁷ See Geoffrey Smith, “Measuring the Performance of Toronto's Business Incubators.” www.ryerson.ca/content/dam/mba/files/MeasuringthePerformanceofTorontoBusinessIncubators.pdf

A discernible gap in service exists in the area of commercialization. Moreover, facilities that do support commercialization projects in some capacity only do so in domestic markets. **By concentrating specifically on the commercialization stage and international opportunities, the VICC can fulfill a market need that exists not only for Vaughan, but across York Region and the entire GTA.**

In addition to commercialization, the VICC's international focus differentiates it from other Ontario innovation facilities. **The VICC will localize international technology into the North American market and assist Vaughan-based companies export their technology overseas.** The VICC will be able to offer these services through the strong relationships the City has built and continues to build with its local and international partners in the private and public sectors.

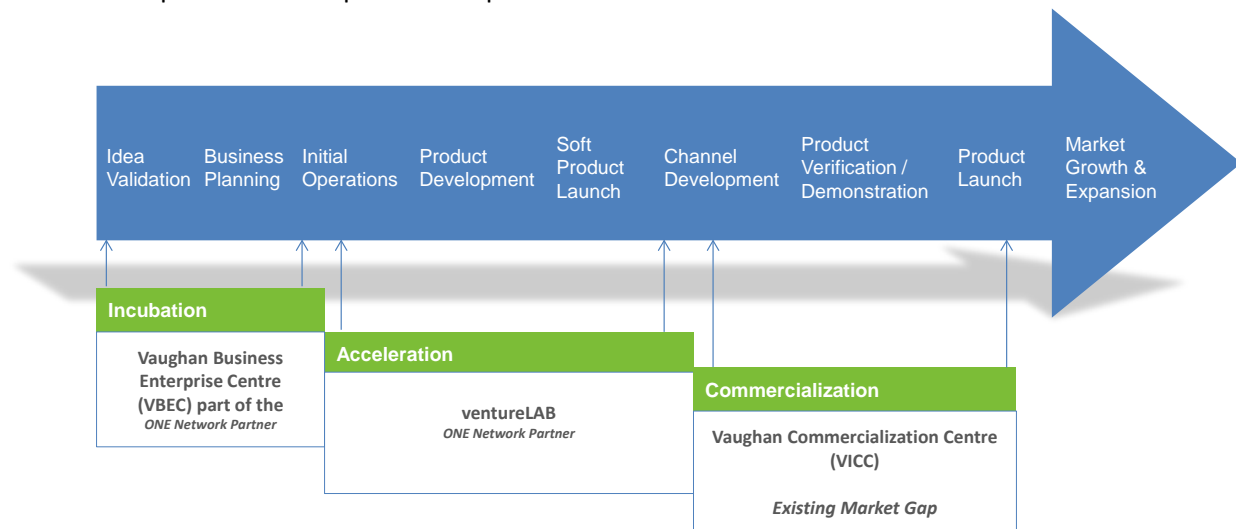


Figure 12: Market Readiness Continuum and Related Business Support Centres

The VICC will offer support different from other organizations, while also complementing their suite of programs. In other words, despite its strategic focus, the centre will not operate in a vacuum; rather, it will utilize the resources of the existing technological incubation and acceleration community to enhance the development of its clients' products for market entry.

The City is in a position to leverage the rich technology development infrastructure in place in Ottawa and the GTA including areas in York Region, Mississauga, and Waterloo. Aside from the private companies included in this space, the corridor offers a wealth of organizations ready to assist in the formation and support of ideas.

In sum, Vaughan's unique role in the innovation network will be to leverage Ontario's technology "supercluster" by focusing on international markets and commercialization to compete globally. This approach makes it possible for the VICC to capitalize on the existing corridor and yet carve out a unique and much needed role from a market need perspective.

3. What Should it Look Like: the VICC Concept Model

It is clear that Vaughan has a remarkable opportunity to create a much-needed international commercialization centre. The City has the requisite tools and resources to learn from successful innovation centres, join Ontario's thriving innovation ecosystem, and leverage existing local and international networks to fill a market gap.

The VICC takes a one-window approach to international commercialization support. In this novel operational model, the VICC will act as a portal or conduit to the knowledge, resources, and services provided by its partner organizations, business communities, and other innovation facilities, in addition to offering its unique suite of services.



Figure 13: Accessing Services and Networks through the VICC Portal

This section presents the initial concept for the VICC’s targeted support services, and describes how it intends to deliver them. Prior to exploring the VICC concept model in some detail, it is useful to consider the types of clients the VICC will be serving, particularly as VICC programming is designed on the basis of market-need.

3.1 Profiling VICC Clients

All successful businesses and organizations have a business model that revolves around providing a solution to real market problems, needs and opportunities. In order to achieve results, it is essential that we understand our customer.

Two types of clients are expected to benefit from the VICC. In the first instance, these clients include Vaughan or GTA-based business owners who want to access international technologies and enter new markets, and in the second, foreign clients with an established business who are focused on growth and expansion. The following table describes potential domestic and international VICC clients:

	Domestic Clients	International Clients
Needs	Both domestic and international clients achieve business growth either through market development (<i>existing products entering new markets</i>) and/or diversification (<i>new products entering new markets</i>).	
Market Drivers	<ul style="list-style-type: none"> ▪ Seeking market reach into international markets and/or North America ▪ Seeking innovative technologies for diversification & localization support ▪ Seeking funding & investment opportunities 	<ul style="list-style-type: none"> ▪ Seeking market reach into North America, through Vaughan ▪ Seeking technology localization & demonstration verification site support ▪ Seeking funding & investment opportunities
Size	Small and medium sized enterprise (SMEs), ranging in size from 1-20 and 21-99 employees, respectively. These businesses are preparing for expansion and/or have already expanded into new markets.	
Sectors	Innovative research development & design convergent sector. Emphasis on technology, building products, advanced manufacturing and green technologies.	

Figure 14: Profiles of VICC Clients

3.2 The VICC Concept Model

The VICC taps into its multiple networks including funding bodies, innovation leaders, and professional service providers to meet the needs of its clients. In this respect, it acts as a portal, or adopts a de-centralized model of service and program delivery. The VICC leverages existing resources, support, and knowledge and makes it readily available to its clients. This model allows the City to service clients within its current budget on a preliminary basis, while also realizing the goal set out in Vaughan's 10-Year Economic Development Strategy to position the City as a "Gateway to North America." The core vision and mission of the VICC can be summarized as follows:

- Vision:** To build a leading business innovation support network focused on increasing export activity, attracting foreign investment, and creating jobs.
- Mission:** By demystifying the process of commercializing technology and entering new markets through specialized programming and the creation of a one-window portal (or support network) that centralizes the existing services and resources needed by businesses to achieve growth.

The image below sums up how the VICC sets out to realize its vision through the achievement of its mission, and what benefit this has to Vaughan. Market needs are the drivers of VICC programming while partnerships and collaborative initiatives, represented by the clusters of service providers around the VICC portal, form the solutions.

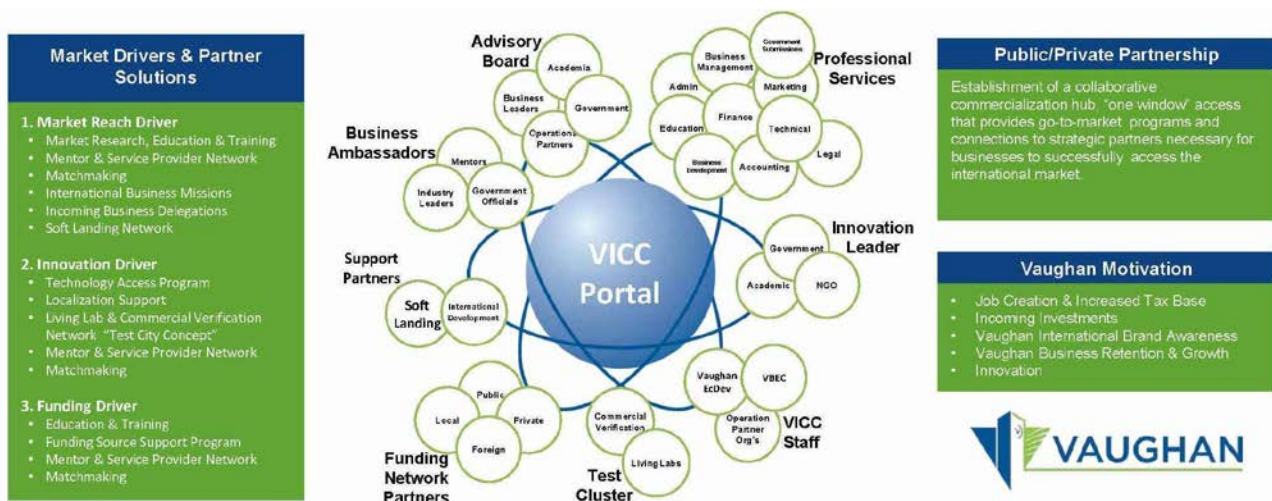


Figure 15: VICC Concept Model

3.3 Market Drivers & Partner Solutions

As previously stated, the VICC was created to address real market needs and incorporate the best practices of leading innovation centres. These critical success and market need drivers fall into three

broad categories—market reach, innovation, and funding—which are the basis for the programs and services that the VICC will offer in collaboration with its partners.

The following section provides a comprehensive list of these services, which will be introduced incrementally and pilot tested, in partnership with the private sector and non-profit organizations.

3.3.1 Market Reach Driver

Inadequate information on potential foreign customers, partners, competition, and business practices are key barriers facing active and prospective exporters. Knowledge is the difference between success and failure, particularly when it comes to conducting business on an international scale.

Market Research, Education & Training

There is no lack of educational and training programs when it comes to international business development and exporting. The challenge many companies face relates to identifying the right programs and/or resources they require for their specific stage in the process. The VICC will act as a portal providing clients with awareness and access to the leading research, educational and training programs available through the VICC partner network.

Mentor & Service Provider Network

The VICC will provide access to mentors and service providers with expertise in the field of international business development, foreign markets, marketing, legal, distribution, operations, public relations, business planning and financial planning.

These mentors could include entrepreneurs who are currently in the field and/or retired executives with considerable real-life experience and strong networks.

The opportunities also exist for the creation of peer-to-peer networking activities within each of the Market Driver categories.

Match-Making

Match-making activities within this category will focus on connecting entrepreneurs with strategic business partners locally and internationally, mentors, service providers and soft-landing partners.

International Business Development

The City of Vaughan has a long history of conducting large business missions with participating private sector businesses and academic institutions. In the past four years, the City has conducted missions to China, Italy, and Israel.

A new approach is being recommended for the future, one that focuses on conducting a series of targeted and results oriented “mini-missions”, dedicated to conducting pre-qualified meetings and building out the VICC support network. This approach has been adopted successfully by the Greater Toronto Marketing Alliance (GTMA).



Figure 16: Building a Bridge with our International Partners

In due course, physical offices in Israel, Italy, China, and the US—in partnership with private and public sector organizations—would help to:

- Generate a steady stream of leads/investment opportunities.
- Signal to the market our deep commitment to building long term relations.
- Raise the City’s profile on an international scale.
- Acquire firsthand knowledge of economic trends and opportunities.

Significantly, an office located in Israel would make Vaughan the only Canadian municipality with a trade development office in the country. Centennial College, who has already made a commitment to the City of Vaughan to share its Israeli offices, is in a position to offer soft-landing sites for VICC clients in addition to education and training.

Through the ICCO, we already have an on-site presence in Italy. We are exploring the possibility of similar partnerships to have an on-site presence in China. In the case of the US, we can continue to nurture and build upon our relationships with Trade Commissioners to ensure that Vaughan is top-of-mind for those companies wishing to enter the Canadian market. Local businesses wishing to enter foreign markets will benefit from the market intelligence we gather from the networks we already have and will continue to build as the VICC grows.

Although the VICC will be open to all international leads, irrespective of the country they originate from and the type of technology being exported, we will especially encourage foreign companies who might contribute to the growth of our convergent sectors to become VICC clients and when possible, locate within the VMC.

Soft-Landing Network

Soft-landing sites refer to accessible office space within established businesses, with the potential for collaboration and shared resources. Typically, this space is only needed on a temporary basis as entrepreneurs explore new international markets. In the VICC’s early stages, the strategy will focus on establishing a network of soft-landing sites locally and internationally. The network will consist of businesses, organizations and business associations that have vacant space and are willing to become part of the Soft-Landing Network. VICC clients could situate themselves locally within Vaughan and/or in foreign markets, namely Israel, Italy, China and the US.

3.3.2 Innovation Driver

The VICC involves two major innovation support activities with investment impact: the first is the localization process and the second relates to the market, sales, manufacturing, logistics, and support process chain. These activities arise from the adjustments necessary to alter an international product from how it performs in its country of origin to the location in which it is being sold. Typically, it is the SMEs in the country receiving the product who are responsible for making alterations and who, therefore, require support.

Technology Access Program

Businesses in the technology sector often have an interest in expanding the applications of their products. Through the VICC's assistance, clients will develop skills beyond adjusting a product to work in a new market; that is, they will also learn how to change the product for new and different applications. Moreover, with the VICC's established networks, clients would be able to access technology offerings earlier, allowing for a competitive edge.

The Technology Access Program includes two major components:

1. Product Differentiation
2. Portfolio Expansion

In both cases, the focus is on competition. An enhanced product or a new product can allow a company to maintain marketplace status, increase product sales, or access new markets. The VICC's Technology Access Program can review a company's current competitiveness, engage their international networks, and identify what technology is available to enhance the product. The VICC can also assist the SME with developing the terms and conditions for the transfer of technology.

Localization Support

When expanding into a new market, developing a strategy to ensure "global integration" is critical to success. This strategy involves recognizing the similarities between international markets and integrating them into the overall global strategy, while focusing equally on responding and adjusting to the new market's unique needs and requirements. Businesses should embrace the concept of "glocalization," which refers to a strategy for developing and selling products or services intended for the global market, but that are also adapted to suit local cultures and behaviours. Businesses that take the time to understand the culture and adapt their strategies accordingly will be the most successful.

When dealing with technology, a significant amount of support is also required to ensure that the product technically works within the new market and that it meets any government regulations and approvals. Working in partnership with higher education institutions and private organizations, VICC clients will have access to market intelligence, as well as engineering and science experts who can assist companies localize their products/technologies.

Living Lab & Commercial Verification Site Network: Test City Concept

One of the obstacles foreign businesses face when expanding to new markets is the lack of third-party product endorsement, simply because they have not yet conducted business in the country. Providing prospective investors with an opportunity to test, showcase, and prove the quality of their product is essential for achieving sales. Living labs and commercialization verification sites are designed precisely to meet these challenges.

A living lab is created for the purpose of conducting testing onsite. A living lab is an experimentation environment in which technology is given shape in real life contexts and in which (end) users are considered 'co-producers'. In Vaughan, we already have a living lab, the Kortright Centre, which is eager to become a strategic partner within the VICC's Test City network, and already set-up for testing green technologies in the building products sector.

A commercialization verification site, alternatively, does not conduct or support research as its core focus; rather, it is willing to provide access to its facility in order to field test a product. A number of private sector companies and public sector organizations have already expressed a desire to become part of the Test City network in this capacity, including the Kortright Centre, CN Rail, Mackenzie Health, Canada's Wonderland, and PowerStream.

Mackenzie Health will shortly begin construction on their new state-of-the-art hospital in Vaughan, Mackenzie Vaughan Hospital, and is committed to establishing an innovative approach to providing exceptional patient care. To accomplish this goal, Mackenzie Health has recently launched their new Innovation Unit initiative. The Innovation Unit is a 34-bed medical unit within Mackenzie Richmond Hill Hospital that has been transformed into a living laboratory for innovations to support the implementation of evidence-based practice and further enhanced patient experience. Technologies tested at this site have a greater chance of being implemented within the new Vaughan hospital location and beyond.

Having a network of living labs and verification sites available to pre-qualified local and foreign companies will set Vaughan apart from other competing jurisdictions and will create an environment that helps to nurture new businesses coming into the City.

Mentor & Service Provider Network

The VICC will provide access to mentors and service providers with expertise in the fields of engineering, science, government regulations, legal, financial planning, accounting, human resources, information technology, channel design, marketing, and business development.

These mentors could include entrepreneurs who are currently in the field and/or retired executives with considerable real-life experience and strong networks.

Match-Making

Match-making activities within the Innovation Driver category will focus on connecting entrepreneurs with technology localization partners, demonstration site partners, strategic partner Vaughan-based companies and/or mentors, and service providers.

3.3.3 Funding Driver

Access to capital to support growth is a challenge almost every business faces. The VICC will be in a position—through a number of strategic partnerships—to offer VICC clients assistance with applications to multiple funding sources.

Education & Training

Through the strategic partner network, the VICC will provide access to the necessary education and training needed to develop a solid business model and funding model, support with how to raise capital, and training on how to successfully roll out growth strategies once the funding and necessary resources are in place.

Funding Source Support Program

Access to funding to support growth and expansion is, in many cases, a priority. Without proper funding, Vaughan-based businesses simply cannot enter new markets or purchase the innovative technologies necessary to develop sustainable competitive advantages. Through the strategic partner network, VICC clients will have access to financial service and investment firms. The VICC will also make available a comprehensive database of incentives, grants, loan guarantees, wage subsidies, and tax refunds and credits.

Mentor & Service Provider Network

The VICC will provide access to mentors and service providers with expertise in the fields of fundraising, business and financial planning, legal, government funding, and investor relations. The VICC will act as an intermediary connecting business with potential opportunities.

Match-Making

Match-making activities within the Funding Driver category will focus on connecting entrepreneurs with investors, government funding opportunities, mentors and/or strategic partner Vaughan-based companies.

3.4 VICC Partners Network

The success of VICC programs depends on its partners. To date, nearly one hundred professional services, not-for-profit entities, business leaders, investors, and academic institutions have expressed interest in contributing to VICC programs and playing a role in the network.

The chart below describes participants in the VICC and the respective roles they play.

VICC Players	Roles
Advisory Board	Offer strategic guidance, direction and leadership in creating and operating the VICC.
Dedicated VICC Staff + Integrated In-House Executive Team	Responsible for implementing the vision and day-to-day operations of the VICC, including building the partnership network.
Operational Partners	Play a critical role in the creation, implementation and delivery of services.
Ambassadors	Business leaders, thought leaders and community leaders who can act as representatives on behalf of the VICC, promoting this initiative locally and abroad.
Soft-Landing Network Partners (Local & Foreign)	Provides temporary space for companies to use while in the early planning stages of entering a new market either locally or internationally in key markets including Israel, Italy, China and the US. The long-term goal is to establish a VICC headquarters within the VMC, which would offer soft-landing space. The VICC would be co-located with a number of strategic operational partners.
International Business Development Support Partners (Foreign Focus)	Providing in-market knowledge, expertise, and match-making support.
Professional Service Provider Providers	Delivers professional services to VICC clients.
Mentor Network Partners & Business Ambassador Network	Offers executive guidance, mentorship and networking to VICC clients.
Funding Network Partners	Provides guidance and support to access the funding necessary for growth.
Living Lab & Commercialization Verification Network Partners	Offers the VICC client an opportunity to verify/test their products prior to market release.
Research	Market research and intelligence necessary to develop robust business models, financial models, channel strategies and international business.
Innovation Leader - Academic	Shares research-based innovation and intellectual capital with VICC clients.
Innovation Leader - NGO	Introduces VICC clients to their respective ecosystem players.
Innovation Leader - Government	Brings government services and programs to the attention of VICC clients.

Figure 17: VICC Partners Network

VICC partners will work together, as coordinated by the City, to fulfill the programming requirements of VICC clients and deliver best-in-class services.

4. How Do We Achieve it: Developing a Business Model and Operational Strategy

In addition to the many businesses, associations, institutions, and not-for-profits that have recognized the value of the VICC and as such, expressed their desire to become VICC service providers as outlined in Section 3, other organizations have proposed to enter into a more significant partnership with the City. The City has, in fact, been presented with the **unique opportunity to partner with multiple existing, proven organizations in the operation of the VICC**. In addition to ventureLAB— York Region’s non-profit Regional Innovation Centre—business-to-business (B2B) companies, and financial services and investment firms have made a commitment to extend their resources to operate the VICC in conjunction with the City.

In keeping with innovation facility best practices as outlined in Section 2, and considering the particular international commercialization mandate of the VICC, Economic Development has determined the key functionalities that are required to effectively, efficiently and successfully operate the VICC. The strengths of the not-for-profits, B2B companies, and financial services and investment firms that we have identified as potential operational partners can be combined to cover the core competencies outlined below:

1. Leadership and Executive Team

A strong governance structure to achieve the mandate of the VICC and ensure the Centre’s success in initial implementation but also in the long-term, with an ability to respond to changing market demands. A dedicated executive team can support pre-qualified commercialization clients with strategic operations advice on a consistent basis to allow companies to focus on growth.

2. Networks

Broad local and international networks to ensure access to mentors, service providers, soft-landing and commercial verification sites, sales channels, and market intelligence.

3. Funding

Capital investment to purchase collaboration software for use between and amongst different innovation facilities, clients, and service providers in addition to building a virtual portal for VICC services with an eventual budgetary requirement for a dedicated VICC facility, which could supplement the services offered through the de-centralized model.

4. Management Processes

Procedures in place to manage clients including selection criteria, registration and follow up, match-making; service provider selection criteria to ensure they are in line with the core objectives of the VICC; program delivery procedures.

5. Niche Focus: Technology & International Commercialization

Specialized knowledge in technological innovation including requirements for acquiring foreign technology, localizing technology in foreign markets, and ability to leverage the “Digital Corridor”.

6. Marketing & Deal Flow

Collateral and activities to promote VICC services and grow networks to ensure a healthy rate of clients are engaging the VICC and transitioning through its service levels.

7. Research

In the form of data, on-the-ground experience, advice from seasoned professionals and mentors, a breadth of information resources to help businesses make informed decisions about entering new markets.

8. Staff

Personnel to facilitate research, grow networks and manage clients, deliver programs, and pursue fundraising initiatives.

Each of the not-for-profits, companies, firms, and institutions that have been identified as prospective operational partners exercise these attributes and capabilities in their daily operations. Through the proposed partnership, the City of Vaughan therefore has an opportunity to tap into their particular assets and leverage their **experience**. **In addition to providing unique programs, the role of the City is to take the lead in coordinating and merging the efforts of each entity; acting as the chain that can link these multiple functions/competencies together to provide market-driven, comprehensive, and efficient services to our clients.**

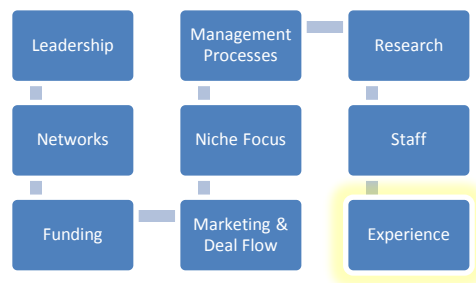


Figure 18: Connecting the Parts: the City's Leading Role as Intermediary

In addition to the numerous benefits of these joint-operations scenarios, which will be explored in this section, it is worth noting straightaway that these partnerships would significantly accelerate the implementation of the VICC and minimize the City's capital investment.

Our locational assets, existing networks, international business relationships, convergent sector strengths, and finally, future downtown, can be leveraged incrementally, and through funding support, to provide best-in-class services to our clients. However, through strategic operational partnerships,

which will be elaborated in this Section, **the City could immediately be in a position to ensure continuity of the Economic Development Department's services** from support for start-ups to companies exploring international commercialization.

4.1 Profile of Core Operational Partner: ventureLAB

ventureLAB works locally in York Region and the GTA to facilitate mentoring and partnering relationships for innovative small-to medium-sized businesses and entrepreneurs to help turn their great ideas into globally competitive products and services. ventureLAB is located in the Markham Convergence Centre (MCC) and collaborates with York Region-based organizations including the York Angel Investors, York University, Seneca College, municipalities, private sector businesses, the Industrial Research Assistance Program (IRAP) and Ontario Centres of Excellence (OCE) to foster SME growth.

A partnership with ventureLAB would be a considerable advantage to Vaughan as they possess strengths in many of the areas crucial to operating the VICC. The VICC can leverage ventureLAB's existing **leadership team**, in the form of its active, volunteer Board of Directors including representation from the municipal government, the York Region-based hospitals, York University, Seneca College, the Ontario Ministry of Economic Development, Trade, Employment and Infrastructure, and private sector organizations.

ventureLAB's top-performing networks based on its **public-private partnerships** are an advantage to the City. Like VBEC, ventureLAB is a member of the Ontario Network of Entrepreneurs (ONE Network), representing funded organizations from the Ministry of Economic Development, Trade, Employment and Infrastructure (MEDTEI), the Ministry of Research and Innovation (MRI), and the Ministry of Training, Colleges and Universities (MTCU).

Through this collaborative network, ventureLAB is a gateway to:

- 14 Regional Innovation Centres (RICs) across Ontario.
- 57+ Small Business Enterprise Centres (SBECs).
- Business advisor services.
- Provincial Programs, including the Business Acceleration Program (BAP), the Investment Accelerator Fund (IAF), the On Campus Entrepreneurship Activities (OCEAs), and the Smart Start Fund.

ventureLAB collaborates closely with other Regional Innovation Centres including MaRS, Communitech, Innovation Guelph, the Spark Centre and NorCat to serve the GTA and York Region. Its post-secondary partner organizations include York University, Seneca College, George Brown, Georgian, UOIT, and Centennial College.

ventureLAB is also a registered hub partner with the Canadian Digital Media Network, a national Centre of Excellence for the Commercialization of Digital Media Technologies (CDMT). As a hub partner, ventureLAB provides clients with direct access to CDMN programs and resources, such as the CDMN Soft-Landing Program, Women Leadership Program, and various funding opportunities. These broad

connections can expand on the Economic Development Department's current networks and therefore increase access to resources.

ventureLAB also has established **management and client intake processes**, market **research with a particular focus on technology**, proven **marketing and deal flow**, and **staff** to dedicate to the VICC. As a fully-operational facility, it has processes in place to cover the transitions from client registration to program administration to client exit. Part of the programming process includes tailored market research exclusively for technology-based ventures. ventureLAB is focused specifically on technologies related to:

- Advanced health
- Digital media
- Information communications
- Green energy
- Clean technology
- Advanced materials & manufacturing

ventureLAB has benefitted from its politically-neutral position within the innovation ecosystem. Its brand is well-respected, recognizable, and has contributed to the success of its deal flow, or ability to see a consistent number of entrepreneurs join as clients and transition through its programs.

To date, ventureLAB has supported over 3,000 ventures, which has generated more than \$180 million in federal and provincial taxation revenues. The key to its success across these core competencies are its staff whose knowledge and experience allow them to operate programs effectively, secure funding, manage clients, and steer the Centre forward in the direction of its core mandate to assist pioneering entrepreneurs become globally competitive business owners.

4.2 Additional Operational Partners

The VICC's additional proposed partners are situated especially well to provide experience and resources in the areas of commercialization and funding. The prospective B2B companies specialize in working with emerging and accelerated growth companies in the high tech space and promoting innovative Canadian products and technologies locally and internationally. They focus on creating brand awareness and go to market strategies. Their commercialization support expertise will be leveraged, in addition to their technological expertise, client intake and exit criteria, and deal flow. Other prospective partners, experienced at supporting both large companies and entrepreneurs across all stages of business growth, will be especially beneficial for the VICC because of their seasoned leadership and established networks. Financial institutions and venture capital firms will provide financial resources to implement and operate the VICC, including its web portal, collaboration software, and marketing materials. As traditional sources of financing are usually unavailable to emerging technology companies because they lack hard assets, access to specialized financing, including venture capital, equity as well as growth and business transition capital, will be especially useful for VICC clients.

4.3 Exploring Joint Operations Scenarios and the City's Role

The contributions that ventureLAB and other proposed partners can make immediately to the operation of the VICC, alongside the City, are summarized in the table below.

Initial Core Operational Functionalities	VICC Programs and Services	ventureLAB	B2Bs, Financial Services and Investment Firms	City of Vaughan
Leadership	<ul style="list-style-type: none"> Vision Continued evaluation of VICC mandate against its program delivery Advisory board Network expansion Funding opportunities Executives and mentors 	Active board of directors representing public-private partnerships.	Seasoned business leaders interested in taking a leadership role.	Economic Development Department as the leader who coordinates and manages the partnership.
Networks	<ul style="list-style-type: none"> Mentoring & Service providers Match-making International business missions Local and foreign soft-landing network Localization Support Demonstration and verification site network 	Broad partnerships across government, academia, incubators, not-for-profits.	Local and international tech-centred networks.	International government and business networks; relationships with local private business and public organizations including not-for-profits, government, and academia.
Funding	<ul style="list-style-type: none"> Marketing Collaboration software Virtual portal with eventual physical infrastructure Funding source support Technology access 		Funding available for technology projects.	
Marketing and Deal Flow	<ul style="list-style-type: none"> Mentor, service provider, soft-landing networks Client relations Critical mass of participants 	Established, neutral brand resulting in strong deal flow.	Strong presence in the tech community.	Economic Development services support businesses from start-up through to international expansion; neutral, trustworthy brand.
Management Practices & Processes	<ul style="list-style-type: none"> Programming Client intake and exit criteria 	Program administration; client transition management.	Experience evaluating new business opportunities and vetting clients	Ad-hoc match-making and soft-landing support.

Niche Focus: Technology	<ul style="list-style-type: none"> Technology access Demonstration and commercialization verification sites 	Tech-focused business programming and support.	Funding opportunities for innovative technologies; mentors with technology-related experience; channel-to-market strategies in place.	Focus on commercialization of innovative technologies.
Research	<ul style="list-style-type: none"> Education & training Local and foreign market expansion Match-making 	General and tailored market research; partnerships with academic institutions.	Services span educational seminars, sales strategies and market need	Economic Development resources; partnerships with academic institutions.
Staff	<ul style="list-style-type: none"> Program delivery 	Staff available to administer programs, conduct research, and manage programs.	Staff available for VICC management roles.	Dedicated Economic Development Officer to lead merging / collaboration of services and continue building networks.

Figure 19: Joint Operations Scenarios

As this chart demonstrates, between the proposed operating partners, every core requirement to implement the VICC is fulfilled and there are numerous areas of overlap. Intersecting strengths will help with VICC capacity going forward. The virtual fullness of the chart—nearly every box is completed—illustrates the breadth of **experience** that public-private partnerships can bring to the VICC.

According to the wide-ranging study of incubators reported in *Incubating Success: Incubation Best Practices that Lead to Successful New Ventures*, there are several key “ingredients” to a high-functioning innovation centre, which are also referred to as “predictor variables.”

There is significant overlap between the best practices determined in this Report and our assessment of existing innovation centres and incubators in Section 2. Predictor variables can help to determine the outcome, or level of measurable success, of an innovation centre. The study recognizes **experience** as one of these critical factors, which has serious implications for the decision to enter into an operational partnership.

Incubating Success argues that with respect to excellence in staffing, program delivery, support services, and business networks, the “more experienced managers are more effective. The manager’s experience is positively correlated” with these major measures of success.⁸ In addition to the positive impact of

⁸ See Lewis, David A. et. al. *Incubating Success: Incubation Best Practices that Lead to Successful New Ventures* (Ann Arbor: University of Michigan, 2011). Although the Report focusses on American institutions exclusively, it offers many insights that are valuable in exploring best practices and the merits of a joint operational partnership.

experienced staff on creating and administering programs and managing client relationships, they also increase the likelihood of developing networks with key stakeholders. Enhanced networks contribute to greater opportunities for match-making, funding, soft-landing, and mentoring amongst other activities. Therefore, both on the level of core competencies and also more broadly, industry experience, a joint operational partnership would increase the potential for VICC success.

It is also important to acknowledge that partnerships with the City of Vaughan bring considerable benefit to the VICC's proposed operational partners. ventureLAB, as a primary example, is mandated to serve all of York Region, but since it is based in Markham, it has been perceived to be largely Markham-centric in focus. A presence in Vaughan will prove its Regional relevance. Its partnership with the VICC would also be an opportunity to grow and enhance its service capabilities by expanding on its existing networks, thereby increasing its client base. Specifically, a partnership with the City would allow ventureLAB to better fulfill its strategic priorities:

- Provide access to the best tools, expert guidance, networking and resources.
- Provide further channels to access capital.
- Work with leading institutional and industry/sector partners to test and implement innovative solutions to address defined critical needs.
- Create inbound and outbound programming that is targeted at the unique international and multicultural business community represented in York Region.

Additional prospective operational partners stand to benefit by partnering with the City of Vaughan through the new VICC initiative. They are expected to profit by having:

- Superior brand confidence and reputation through their impartial public sector partnership.
- Increased business networks.
- Greater access to industry, government, and academia through the VICC, which acts as an intermediary or liaison.
- Increased deal flow.

4.4 The VICC: a New Operational Model of Service Delivery

It is worth pointing out that the proposed partnerships with ventureLAB and the private sector usher in a new, and exciting operational model for an innovation centre, serving international commercialization interests. **The City, taking a leading role, can leverage the industry experience of each of its proposed operational partners, in addition to other high profile business leaders and strategic partners, to collaborate on a de-centralized form of service to its clients.**

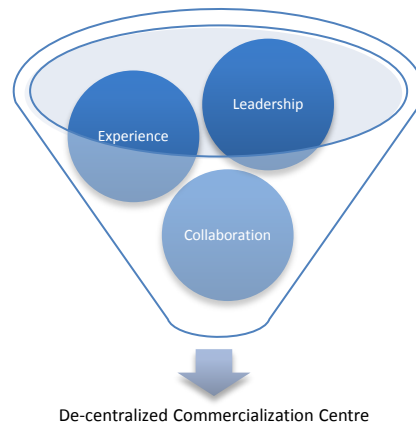


Figure 20: De-centralized service delivery model

The strengths and competencies of each entity are united under the banner of the VICC, without having to dismantle existing organizations and their services and start from the ground-up to create new entities and build new programs. In other words, the **VICC acts as a conduit to existing best in-class services and innovation opportunities.**

A de-centralized operational model offers the following benefits:

- Enhanced efficiencies.
- Increased speed to market.
- Cost effective.
- Leverages existing best-practices.
- Agility and ability to transition based on market demand and opportunities.
- Built in deal flow.
- Leverage existing proven and market tested infrastructure.
- Immediate public-private partnership.
- Diverse perspectives and ideas leading to new and innovative ideas and solutions.
- All sharing a common goal.
- Reduced risk.
- Decreased time to market.
- Increased awareness.
- Reduced operational activities.
- Limited focus on the non-value added activities.
- Fosters an entrepreneurial culture.

Through collaboration with diverse yet complementary stakeholders, new ideas will emerge, new opportunities will be identified, and new innovations will be discovered.

Depending on the nature of the operational model that is adopted, there are likely three possible scenarios for service delivery/access points:

1. Access through the City of Vaughan's EDOs, who direct the client to the appropriate contact within the network. Currently, this service is being offered on a limited scale.
2. Access through ventureLAB.
3. Access through a newly created and independently operated public-private "arm's length" organization.

It is expected that a comprehensive web portal will be in place to complement each scenario.

The funding model, again, is largely dependent on the nature of the public-private partnership that is being recommended here, and the ensuing business model that is generated by a VICC Working Group. The following approaches will be explored:

- Phased approach, leading with a de-centralized model.
- Engaging of core operational partners.
- Private sector funding.
- In-kind support.
- Grants and regional support.
- Scaled service model, with some revenue generating solutions.

4.5 Next Steps

From an operational standpoint, the process by which this de-centralized model will be implemented and function on a day-to-day basis requires exploration, and is largely dependent on whether or not the City enters into a partnership with external public, private and not-for-profit strategic partners. In the immediate term, the Economic Development Department recommends that Council endorse the Vaughan International Commercialization Centre (VICC) concept so that it can proceed with the following actions:

- Develop an additional Report focused on the operational strategy for the VICC, including a business model, funding model, governance model, and phased-implementation plan for further approval.
- Develop strategic partnerships and meet with the greater business community.
- Sign Memorandums of Understanding and Non-Disclosure Agreements with strategic operational partners to allow for more in-depth strategic planning discussions.
- Apply for any relevant government grants that could fund the pre-strategy and second-phase development of the VICC, in addition to long-term operations.
- Pilot selected VICC programs to test the market.

Once commitments with partners are formalized including access to their resources, and further research into the operational structures of existing models is completed, the City will be in a better position to develop the business, funding, and governance structures of the VICC, and develop a marketing strategy that will ensure deal flow and increased networks.

What is clear to us at this stage—after completing the research to produce this Report—is that Vaughan has a great deal to lose if the VICC concept does not come to fruition initially, as a virtual portal, and in its second phase, as a physical facility located in the VMC.

What began as an earnest assessment of the viability of an innovation facility in Vaughan has become an urgent call to address the sizable gap in servicing businesses at the stage of commercialization with international interests. Businesses expanding to develop new products to enter new markets are already seeking assistance from Economic Development, and it is clear that there is an opportunity to do more to serve them. **A significant market demand and need has been identified along with potential clients**

and partners for this solution, eager to move to the next stage of planning, approval and implementation.

The VICC satisfies the mandate of Economic Development's 10-Year Strategy but it also achieves much more; it will facilitate the following results and economic outcomes for the City:

- VMC growth.
- Increased tax base.
- Heightened international brand recognition.
- Vaughan business retention and growth.
- Increased innovation initiatives .
- Increased exporting among Vaughan businesses.
- Fast-track companies.
- Reduction in the failure rate of business exporting.
- Diversification of the local economy.
- Enhanced entrepreneurial climate.
- Job creation.
- Attraction and retention of talent.
- Recognized gateway to North America.
- Attraction retention (FDI & VC).

It is in this context that the City will miss an exciting opportunity for growth if it does not implement the VICC. Very few true competitive differentiators exist among cities today and, in fact, a majority of cities use the same language when describing how their cities are different and more competitive. The pitches are so similar that many of the messages are getting lost in the noise. **The VICC is a real opportunity to set Vaughan apart and capitalize on its advantages.**

Appendix A

Survey of Innovation Facilities

This Appendix provides brief descriptions of innovation facilities in Toronto, York Region and the Greater Toronto Hamilton Area.

Toronto

1. MaRS Discovery District

MaRS is an independent registered charity that operates at the intersection of the corporate, small business, government, academic and research sectors. MaRS promotes impact investing in order to attract socially responsible investors who are interested in financial returns but also increasing their social capital.

MaRS is committed to the three following actions to support Canadian entrepreneurship:

- Equip innovators and organizations alike with the entrepreneurship skills required to compete in the 21st century, using methodologies that transcend traditional learning.
- Help start-up ventures grow and scale to the point at which they have the greatest economic and societal impact.
- Work with partners to make work and learning, health and energy systems more receptive to innovative new ideas, products and companies.

MaRS uses a screening score process to determine individual client needs and resources in order to better service them during the incubation/acceleration process. They categorize clients into three categories known as Problem/Solution, Product/Market, and Growth, with the latter referring to companies that already have product offerings and market traction. Start-ups that find themselves in the Problem/Solution category are put through numerous entrepreneurial seminars while the Product/Market contingent works on defining a path to go to market.

MaRS offers several specialized services:

- **Market Intelligence:** Ontario entrepreneurs are given access to information about their markets, investors and partners, intellectual property and best business practices.
- **JOLT:** Provides tools, resources and immersive experiences to progress the firm's thinking and move it to the next stage.
- **Embedded Executive Funding:** Fosters the growth of novel Ontario-based technology ventures by helping them hire a senior-level executive who works to accomplish specific short-term goals.
- **Funding Portal Search:** Provides access to more than 4,500 federal, provincial and municipal government funding programs for businesses, non-profits, charities and research institutions.
- **ArcTern Ventures (formerly the MaRS Cleantech Fund):** A privately-backed venture capital fund that provides early-stage capital to companies developing breakthrough ideas in the cleantech sector. The Fund has developed an early-stage investment model through its partnership with MaRS.

Website: <http://www.marsdd.com/>

2. Kinetic Cafe

Kinetic Cafe is for-profit start-up accelerator with a number of strategic partners from governmental agencies to commercial entities across a range of industries. Clients include both established enterprises and start-ups looking to assess or reassess their products, services, and customer experiences to meet market needs.

Kinetic Cafe offers services in the following areas:

- Consumer insights
- Strategic foresights
- Interaction, experience, product, and service design
- Application, mobile, and web development
- Retail technology
- Strategic innovation
- Strategic planning

More specifically, they service retailers in order to connect the aspects of physical retail with the intelligence and personal touch of digital technology. They assist client companies build mobile commerce, mobile marketing, and in-store mobility through the usage of apps, loyalty cards, and online marketing

Kinetic provides complimentary use of their platforms to allow start-ups to advance early concept ideas. Their platforms include multi-screen and multi-technology components to deliver meaningful experiences. Kinetic also provides “Solutions Teams” to help customers plan, develop and deliver platform implementations with around-the-clock support. Kinetic provides co-working space for start-ups to share for the early stages of their development. They also have community events and showrooms where start-ups can display their products as well as their skills, and network with industry figures.

Website: <http://www.kineticcafe.com/>

3. INCubes

INCubes is a privately funded incubator and accelerator that provides domestic and foreign business connections, funding and mentorship. INCubes boasts international networks which have attracted mentors and investors across many countries including the US, Israel, UK, France, China, Latin America and more. They offer two programs:

- **The Funnel Program** is an early-stage program for entrepreneurs / companies with powerful ideas that are premature for the acceleration program. It is designed around core product and business deliverables, which upon completion will move the company into the Acceleration Program. Participants are required to pay an administrative fee and 1.75% in equity.
- **The Acceleration Program** is a highly-focused, hands-on, intensive program designed to help companies engage customers and investors early and effectively. INCubes guides its start-ups through a customized curriculum of due-diligence deliverables. Participants are required to pay an administrative fee and 7.5% in equity.

The INCubes International Exchange Program (IIEP) was created to provide additional value for companies that have graduated from the INCubes Accelerator Program. INCubes has partnered on a friendship basis with numerous hubs, accelerators, and incubators across the globe. IIEP is affiliated with locations such as the UK, Australia, Hong Kong, South America, and the US, providing

accelerated companies with opportunities for expansion.

Website: <http://incubes.ca/>

4. Mobile Experience Innovation Centre (MEIC), Ontario College of Art and Design University

OCAD University engages in art and design research and creative practice through several initiatives. One of these projects, the Mobile Experience Innovation Centre (MEIC), is a not-for-profit association that supports design leadership, experience innovation, and applied research in Canada's mobile and wireless industries. It is Canada's only organization focused on design leadership, sector growth and integration, and innovation in mobile content, services and computing.

The MEIC is funded by membership fees, which are assessed at various levels.

MEIC members are entitled to a broad variety of benefits, including access to unique programs and services, valuable networking opportunities, exclusive promotions and discounts, and comprehensive MEIC reports and resources.

Website: <http://research.ocadu.ca/meic/home>

5. OneEleven

A not-for-profit co-founded by OMERS Ventures, Ontario Centres of Excellence, and Ryerson University, OneEleven is a community of data-driven entrepreneurs. By convening venture capital, industry, academia and government, OneEleven bridges the gap between research and commercialization. It does so by supporting SMEs in the development of solutions to highly complex, data and time-intensive problems.

OneEleven offers four different paid membership plans to use its 15,000 sq. ft. office, which includes varying levels of access to workspaces, boardrooms, engineering professionals, networks, and the entrepreneur-in-residence.

Website: <http://www.oneeleven.com/>

6. Digital Media Zone (DMZ), Ryerson University

The Digital Media Zone (DMZ) at Ryerson University is one of Canada's largest business incubators and co-working spaces for entrepreneurs. It provides support to entrepreneurs working with digital technologies. The goal of the DMZ is to forge a home for digital industry and entrepreneurship in Toronto, and keep talent in Canada.

The DMZ provides the following services:

- Co-working space
- Connections to potential clients, plus a network of investors and industry contacts
- Mentorship from dedicated entrepreneurs-in-residence and advice from an extensive list of business experts
- Media exposure and coaching
- Collaborative environment and peer-to-peer knowledge transfer
- Educational workshops and networking opportunities

- Designated workstations, WiFi and access to fully equipped meeting rooms, event space and technology
- Discounted services from a variety of preferred external vendors
- Connections to Ryerson University researchers and student talent

Although they do not provide funding, they support entrepreneurs and students by helping them locate appropriate resources.

After being admitted to DMZ as per its established criteria, entrepreneurs are placed in the Optional Specialization in one of the following tracks:

- Entrepreneurs with a prototype and business plan may grow their innovative business idea into a thriving company or organization;
- Students from a wide variety of disciplines may collaborate on a focused assignment to address the specific market opportunities of an external client company or organization; or
- Skilled hires and/or interns and students may join an existing team, project or company as a valued team member.

Ryerson Futures Inc. (RFI), which is a private for-profit corporation that is owned by Ryerson University, is connected to the DMZ. RFI selects and assembles top technology based start-ups, accelerating their go-to-market success with real customers, real investors, and actionable guidance.

Website: <http://digitalmediazone.ryerson.ca/>

7. The Next 36

Founded in 2010, The Next 36 is a non-profit charity dedicated to fast-tracking the development of Canada's most talented young innovators. The Next 36 offers resources to nurture the entrepreneurial promise of 36 undergraduates with extraordinary potential each year. It was founded by a small group of entrepreneurs, business leaders, and academics in response to Canada's need for more high-impact entrepreneurs.

For seven months, 36 young entrepreneurs are mentored by Canada's top business leaders, taught by some of the world's top business faculty, and work to earn funding from top venture capitalists.

The Next 36 is able to deliver its programming through the significant donations it receives and through the industry, academic, investment, and technological partnerships it has established.

Website: <http://www.thenext36.ca/>

8. Centre for Social Innovation (CSI)

The Centre for Social Innovation (CSI), established in 2004, is a social enterprise designed to promote social innovation in Toronto and around the world. CSI accepts a range of non-profits, for-profits, entrepreneurs, artists, and activists working across sectors to create a better world. CSI operates on the basis of a "Theory of Change", which uses a pyramid approach focussing on the creation of a physical space that is functional, inviting, and energizing at the bottom of the pyramid. The next level entails a community where a group of people looking for a place to work become integrated.

CSI acts as a venture capitalist for social change, and also provides strategic advice, back-end administrative services and full-on management to small businesses. Members of the CSI community can access a fully functioning office space, including high-speed internet, meeting rooms, photocopy and fax machines, kitchen facilities, audio-visual equipment, mailboxes etc. Their office spaces are also used for social innovation events including seminars, summits and workshops all geared towards entrepreneurial and business tactics as well as innovation and change.

Website: <http://socialinnovation.ca/>

9. HIGHLINE

Highline is a global venture capital-backed accelerator platform, led by digital entrepreneurs, that assists digital start-ups establish global connections, achieve product/market fit and secure institutional capital. The accelerator, a merger of Extreme Startups and GrowLab Ventures, joined the Toronto Stock Exchange in 2014. This private, for profit organization supports digital ventures that specifically want to have an international presence.

They have anchor campuses in Toronto and Vancouver where they offer customized programming. HIGHLINE accepts one cohort per year.

Website: www.highline.vc

10. MultiplicityTO

The Multiplicity group provides education and training to the start-up community. This not-for-profit has large public and private networks which can be leveraged to assist their clients all the way to the revenue stage of development.

Multiplicity hosts regular information sessions on topics related to acceleration, in addition to an annual competition for its seminar participants. The winner receives complimentary goods and services from partner institutions to support their next stage of growth.

Website: <http://www.multiplicityto.com/>

11. Creative Destruction Lab at Rotman, University of Toronto

The Creative Destruction Lab is located at Rotman's School of Management at the University Of Toronto, where it has access to many valuable resources. The business school's leading technology oriented faculty and industry network provides insight on innovations and world class technologies in the computer science, engineering and health industries.

The Lab is made up of seven successful entrepreneurs, known as the G7, who assist inexperienced entrepreneurs with the allocation of their resources. Every 8 weeks the lab holds a meeting with the entrepreneurs involved to set milestones for the next meeting. During these meetings, the G7 provide feedback, introductions to key relationships to advance ventures, and new milestones for the next meeting. The rigorous program also entails a process whereby low-performing companies are dropped from the Lab so it can focus its resources on the ventures with the highest possible rate of success.

The Lab provides access to working space along with professional services including legal and accounting at no cost. In addition, the Lab hosts special events designed to provide ventures with access to venture capitalists, successful entrepreneurs, as well as potential partners, customers, recruits, and other key players in the technology entrepreneurship ecosystem.

Website: <http://www.creative destructionlab.com/>

12. Centre for Global Enterprise, York University

The Centre for Global Enterprise at York University is focused on stimulating Canada's economy by having more Canadian small and medium-sized enterprises (SMEs) doing business beyond Canada's borders and joining the global value chain. The Centre leverages Schulich's in-house research talent, global reach, and ability to link well-trained, internationally savvy students and graduates with companies for consulting, internships or employment. The Centre also provides hands-on training for students consisting of a combination of course work, project assignments, site visits, familiarization tours and short-term exchanges that also benefit the companies involved.

The Centre's services span three categories: knowledge creation, knowledge sharing, and knowledge application. A sample of these services is listed below:

- Generating research to assist in the formulation of public policies at the federal, provincial and local levels
- Utilizing global market intelligence to enhance the export know-how and foreign investment competence of businesses
- Facilitating interaction between researchers, policy-makers and entrepreneurs
- Translating research into business language and sharing it with businesses through trade publications and other media
- Becoming a hub where SMEs and entrepreneurs know they can access international business resources/knowledge from multiple sources
- Hosting enterprise forums and cross-sector workshops
- Hands-on training/coaching for entrepreneurs
- Faculty-led student teams consulting and mentoring SMEs

In tandem with these services, the Centre for Global Enterprise acts as a facilitating agency; it generates and disseminates actionable information to various affected groups in society and brings them together to exchange viewpoints, concerns and possible solutions to the lack of Canadian SMEs that are exporting.

Website: <http://www.schulich.yorku.ca/cge>

13. i-CUE, Innovation Centre for Urban Energy at Ryerson University

Like the DMZ, the Innovation Centre for Urban Energy (iCUE) is another example of "zone" learning at Ryerson University. iCUE is an academic-industry partnership that explores and develops solutions to urban energy challenges such as the advancement of smart grid technologies, energy policy and regulatory issues, storage, electric vehicles, net-zero homes and renewables. They offer a post-graduate Certificate in Energy Management and Innovation Program to promote the growth of young entrepreneurs within the industry. iCUE's mission and vision involve being a world-class research and innovation centre dedicated to solving urban energy challenges by:

- Building academic, public and private sector partnerships

- Conducting research, development and demonstration, leading to commercialization
- Creating the next generation of energy entrepreneurs
- Encouraging multidisciplinary and collaborative approaches
- Providing scholarship and learning opportunities

iCUE is supported by Hydro One, Ontario Power Authority, Toronto Hydro, and Schneider Electric who helped to found the organization as well as fund the building of a smart grid laboratory in 2013. They work alongside Anna University in India to complete joint research and innovation with India's emerging urban energy challenges such as solar potential in urban design, reliability analysis of power generating systems, nano materials for solar cell applications and bidirectional power flow control in smart grids. Students from India can travel overseas to Ryerson to conduct research in 45-day sponsored internships.

Website: <http://www.ryerson.ca/cue/icue.html>

14. Digital Media and Gaming Incubator, George Brown University

The Digital Media and Gaming Incubator at the School of Design at George Brown College, supports the city's digital sector by providing affordable space, business and professional services and technology to start ups. The incubator shares space with the School of Design's digital programs, occupying 2,000 square feet of usable space.

Spaces can be rented from \$100 - \$750 a month, with higher fees including extended services such as a phone with direct number, internet access, conference room, and access to a kitchen.

Members have additional benefits:

- Access to on-site business services/support
- Business coaching and mentorship
- Internal networking with other clients and assistance with collaboration
- External promotion of products and services through the Incubator's network
- Online membership profile on Digital Media website

Website: <http://www.gaminginc.ca/>

15. YEDI, York Entrepreneurship Development Institute at York University

The York Entrepreneurship Development Institute (YEDI) is a charitable organization providing free business education and mentorship to Toronto and York Region-based innovative entrepreneurs from any sector or industry in order to build and accelerate successful businesses and efficient not-for-profit organizations. YEDI guides innovators to refine their ideas and create tested proof of concepts that are attractive to investors, and that will benefit Canadian society.

Currently, YEDI offers three distinct programs. The Incubator Track Program entails an intensive 12-week program and guided process for its participants, including lecture-based learning, seminar training, deliverable milestones, peer workshops, and mentorship by subject matter experts all held at York University. The International Start-up Program is focused on teaching and training visitors who seek to apply for the start-up visa, equipping them with knowledge of best practices for doing business in Canada. The Existing Not-for-profit Track Program offers free academic and practical training, mentorship, and consultation for existing non-profit organizations based in York Region.

Upon graduation from YEDI programs, entrepreneurs receive formal certification from both York University and YEDI, and the opportunity to pitch to potential investors, including YEDI's Venture Fund. YEDI'S venture capital organization may contribute up to \$500,000 to an entrepreneur's project along with other venture firms and banks that can facilitate direct investment.

Website: <http://www.yedinstitute.org/>

16. Brightspark Ventures

Brightspark Ventures works with software companies that address emerging markets or business' critical issues with unique intellectual property. They work with Canadian software, mobile, and internet companies with a strong focus on repeat entrepreneurs.

Brightspark Ventures is comprised of experienced professionals responsible for identifying, evaluating and managing early stage software investment opportunities. They work closely with entrepreneurs during the initial investment phase to complete all due diligence and investment analysis. They play a strong role in securing funding by working closely with the angel community, venture capital firms and institutional investors to structure syndicated investments.

Brightspark offers an additional program, Brightspark Online, which is a venture capital fund created for the purpose of investing in early stage Canadian companies. Only Canadian Accredited Investors can apply to the fund to become equity holders in Brightspark-managed venture funds. Brightspark takes care of sourcing and curating the investments to be presented to investors, who then are able to choose only those companies that interest them, and make individual investments starting as low as \$10k.

Website: www.brightspark.com

York Region

1. ventureLAB

ventureLAB is a non-profit Regional Innovation Centre (RIC) that supports entrepreneurs in York Region, Simcoe County, and the Muskoka District. It is located in the Markham Convergence Centre (MCC): a 30,000 sq. ft. innovation and business hub, where researchers, business people, and government connect to advance ideas in the knowledge economy and to realize those ideas in the market. ventureLAB is also a member of the Ontario Network of Entrepreneurs (ONE). It focuses on start-ups working in areas including:

- Advanced health technology
- Digital media
- Information communications technology
- Green energy
- Advanced materials/manufacturing
- Clean technology

In addition to numerous events and seminars, ventureLAB offers three innovation programs:

- BUILD: five-stage core program to help entrepreneurs develop their companies from concept to global market player

- Genesis: connecting entrepreneurial companies with investors through community development, expert mentorship, and highly detailed due diligence packaging
- Healthcare Ecosphere: networking events, educational seminars, and clinics to help build businesses and grow their networks.

Website: <http://www.venturelab.ca/>

2. createIT Now, Southlake Regional Health Centre

createIT Now supports healthcare-focused innovators getting into North American markets. Healthcare start-ups fail in large part because they are locked out of the healthcare environment when they are developing their products, only gaining access to the market once they have a product to sell.

createIT Now at Southlake offers a boost over this hurdle, with access to Southlake Regional Health Centre and the clinicians and staff who work there. Southlake is a full-service hospital with a clinically advanced focus in several areas, including:

- Arthritis care
- Cancer care
- Cardiac care
- Cataract surgery
- Child and adolescent eating disorders
- Chronic disease management
- Mental health services for children
- Paediatrics and perinatal care

In addition to the business advice one would expect from an incubator/accelerator, createIT Now offers businesses new to healthcare, new to Ontario, or new to Canada, a home and:

- Business advice
- Finance advice
- Legal advice
- An environment to test prototypes
- Subsidized work space
- Internet connectivity
- Meeting space, that includes rooms for 2 – 20 people, video conferencing capability, and interactive Smart Board

Website: www.southlakeregional.org

3. CDOT, Centre for Development of Open Technology at Seneca College

Seneca's Centre for Development of Open Technology (CDOT) is a not-for-profit physical and virtual incubator focussed on developing and researching open source software through collaboration with the open source community, business, and other institutions. The centre integrates knowledge, education, and relationships within the open source world.

CDOT has many industry partners that can be leveraged to solve problems using open source software.

Website: <https://cdot.senecacollege.ca/>

Greater Toronto Hamilton Area/ Other

1. Spark Centre

Spark Centre is a not-for-profit entity encompassing Ontario Power Generation, University of Ontario Institute of Technology, Durham Region, Town of Whitby, Seneca, Durham College and Enbridge. It is a Regional Innovation Centre (RIC) and member of the Ontario Network of Entrepreneurs (ONE). Spark Centre is focussed on helping entrepreneurs start and grow innovative, technology based businesses.

Spark Centre offers targeted advice to its clients with the help of advisors, mentors, and expert service providers. Their Business Health Check comprises the following:

- Identifies the strengths, weaknesses, opportunities and threats in the client's business
- Implements a plan to improve performance in each key area
- Provides advice on efficiency, productivity and profits and strategic implementation

Additional services include executive coaching wherein coaches apply their own direct experiences as highly successful corporate executives and entrepreneurs. Other broad services—including marketing, sales, legal, and finance—are suitable for businesses operating at the \$200,000 to \$1,000,000 levels.

There is grant assistance program to assist with organizational scaling.

Website: <http://www.sparkcentre.org/>

2. Innovation Factory

The Innovation Factory is a not-for-profit Regional Innovation Centre (RIC), located in Hamilton, Ontario. The facility is funded by the Ontario Network of Entrepreneurs (ONE). The Innovation Factory is devoted to building the Province's innovation community and aiding entrepreneurs in bringing their innovative ideas to the market. The Innovation Factory connects the communities of science, business, government, academics, and finance to fast-track the innovation process and increase the economic and social impact of key new ideas. They offer a variety of programming and services including networking events and other activities for entrepreneurs.

Innovation Factory works with a range of sectors, including, but not limited to:

- Advanced manufacturing
- Advanced materials and engineering
- Cleantech
- Information technology
- Communications and entertainment
- Life sciences and health care
- Social innovations

They target any type of start-up including small-to-medium size firms as well as students that have ground-breaking ideas and innovations.

Start-ups can take part in their Flight Program designed to guide companies through five start-up stages including idea, discovery, validation, efficiency and scale. They assist clients develop a concept, create a prototype, develop a viable business plan and commercialization process, prepare for the launch of the product or business, and lastly help the company become sustainable through sales, expansion and investment.

Website: <http://innovationfactory.ca/>

3. ric Centre

Launched in 2008, the Research, Innovation, Commercialization Centre (RICC) is a not-for-profit organization that supports the development of innovation and entrepreneurship in Mississauga, Brampton, and Caledon. Since its inception, the ric Centre has worked with over 750 companies to take technical innovations to market.

As the Entrepreneur and Innovation Hub for this region, the ric Centre offers a comprehensive range of support services to entrepreneurs for free, including mentorship and advisory services, hands-on workshops and networking events. Utilizing the expertise of ric's Entrepreneurs in Residence, clients receive professional guidance during every step of growth.

The RICC works with innovators in a range of sectors, including:

- Advanced manufacturing
- Digital media and ICT
- Life sciences
- Clean technologies

Website: www.riccentre.ca

4. Communitech

Communitech is the Waterloo Region's hub for innovation, and a member of the Ontario Network of Entrepreneurs (ONE). This not-for-profit supports tech companies at all stages of their growth and development, from start-ups to rapidly-growing mid-size companies, and large global players.

Communitech provides businesses with:

- Access to top talent
- Access to capital
- International and national connections
- Skill development
- Network growth
- Company growth
- Increased visibility

The Communitech facility is over 50,000 sq. ft. and is designed to bring together key players—from start-ups and global brands, to government agencies, academic institutions, tech incubators and

accelerators—to create an innovation ecosystem. For a nominal cost, start-ups and early stage companies can purchase co-working space in the Hub on a temporary basis.

Communitech does offer an international soft landing program as one of the many services they provide to their clients, although they are primarily focussed on domestic growth.

Website: <http://www.communitech.ca/>