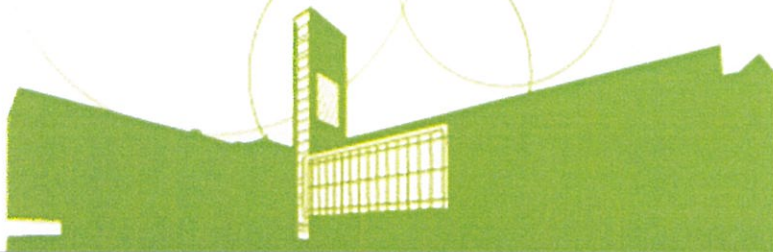


Vaughan International Commercialization Centre Concept

Council Presentation, June 17, 2015

City of Vaughan, Economic Development Department

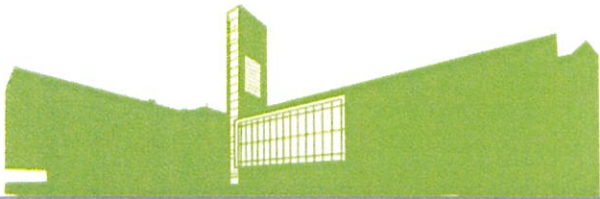


Presentation Overview

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

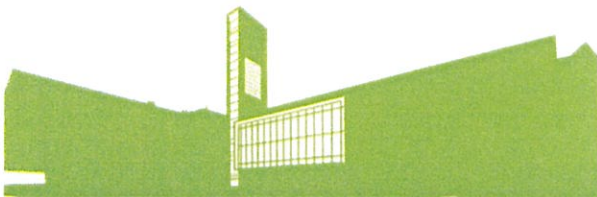
We will begin by explaining how we arrived on the **Vaughan International Commercialization Centre (VICC)** concept by answering six fundamental questions:

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

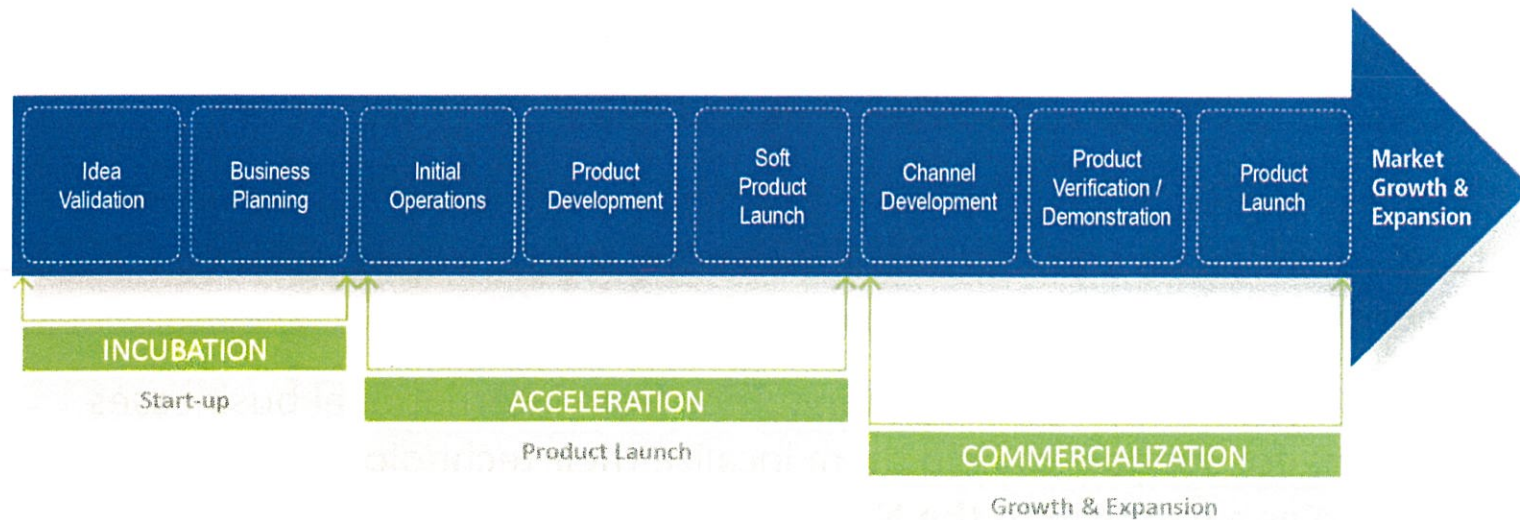
- Formal **request from Council** to explore “the concept of Vaughan establishing a business incubation/acceleration facility with a focus on international business development.”
- Identified the need for an innovation facility during previous **Business Development Missions** to Israel, Italy and China.
- 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	IPi			
TORONTO													
MaRs Discovery District	• • •	•	•			•	•					2000	
Kinetic Cafe	• • •	•	•				•				•	2011	
Incubes	•	• •	•								•	2011	
MEIC (Mobile Experience Innovation Centre), Ontario College of Art & Design	•	•	•	•				•				2007	
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)													2015 (TBC)
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:

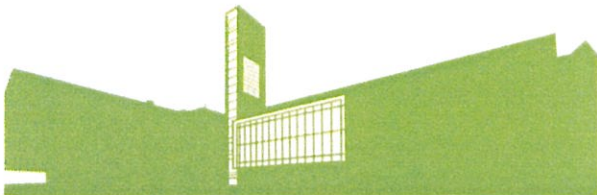
Commercialization + International

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	<ul style="list-style-type: none"><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	<ul style="list-style-type: none"><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	<ul style="list-style-type: none">✓ 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

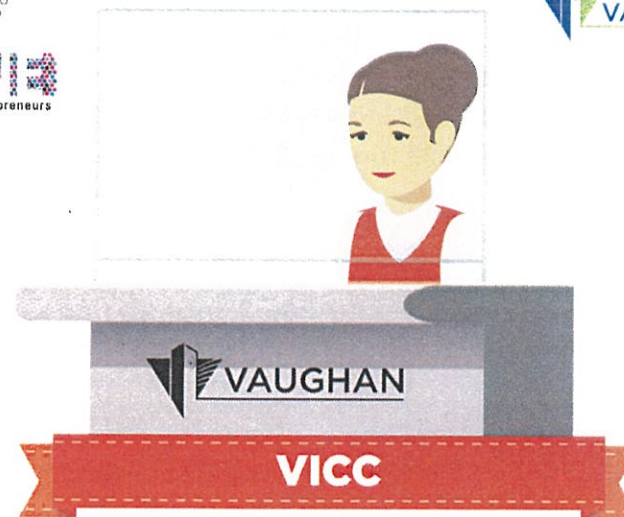
CAMERA di COMMERCIO
ITALIANA dell'ONTARIO

ACADEMIA

York Region

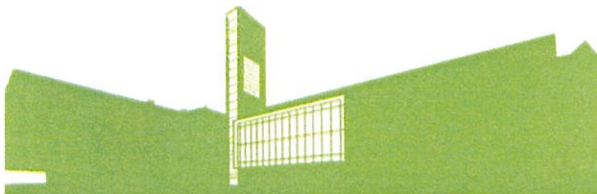
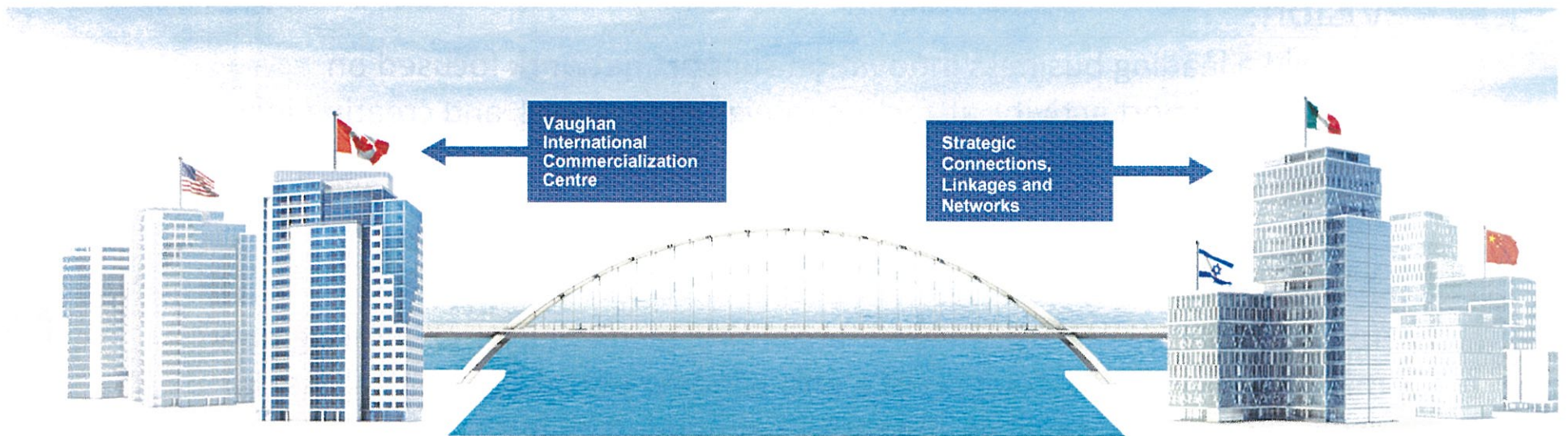
ONLINE
Ontario Network of Entrepreneurs

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

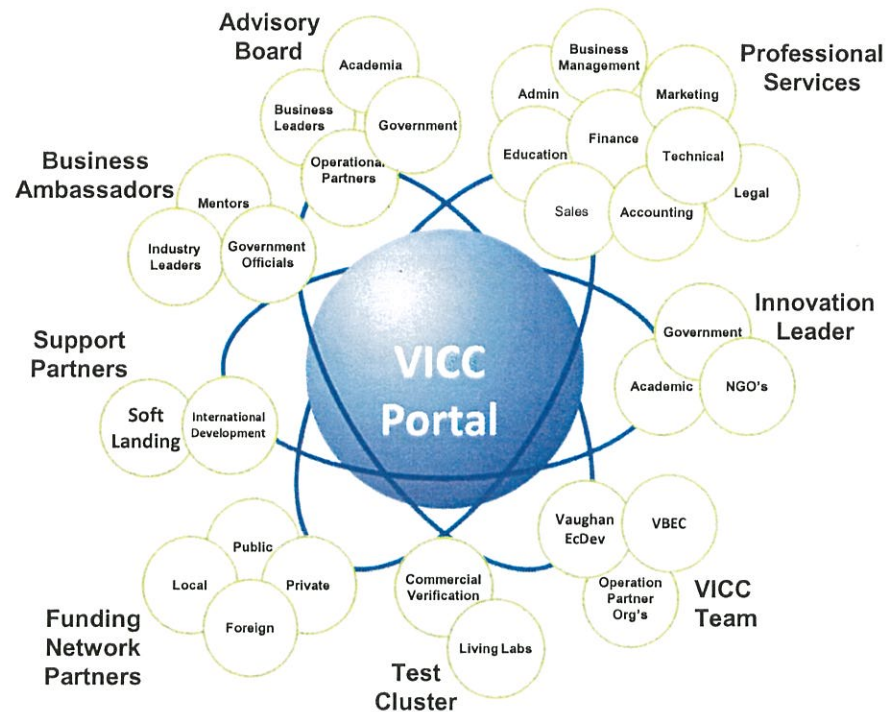
- Market Research, Education & Training
- Mentor & Service Provider Network
- Matchmaking
- International Business Missions
- Incoming Business Delegations
- Soft Landing Network

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

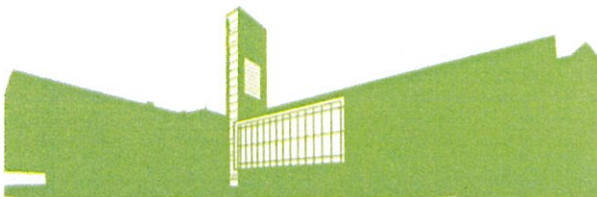


Strategic Partners Network

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**.

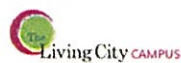
Local Soft-Landing Sites	International Soft-Landing Sites
<ul style="list-style-type: none">• Lebovic Community Centre• Businesses located in Vaughan, such as: Ciot, Deloitte, Intelligent Office and Hughes Decorr	<ul style="list-style-type: none">• Italian Chamber of Commerce of Ontario• International 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

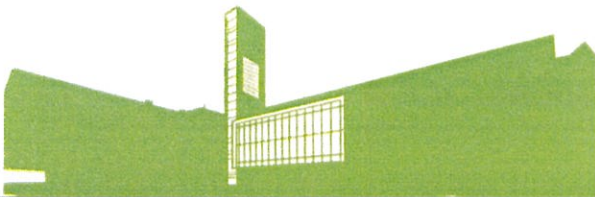
- Playground or sandbox

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



UJA Federation
OF GREATER TORONTO



Ontario



The Israel Export &
International Cooperation Institute



Ontario Centres of
Excellence



MINISTRY OF COMMERCE
PEOPLE'S REPUBLIC OF CHINA

Test City Network



Mackenzie
Health



Canada's
Wonderland



Academia



Schulich
School of Business



CENTENNIAL
COLLEGE

Seneca
COLLEGE



RYERSON UNIVERSITY



Ryerson
Futures

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.

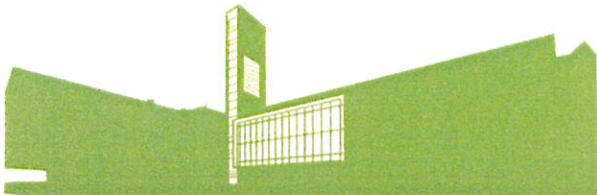
The City has been presented with the [unique opportunity to partner](#) with multiple existing, proven organizations in the operation of the VICC, including:

- 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

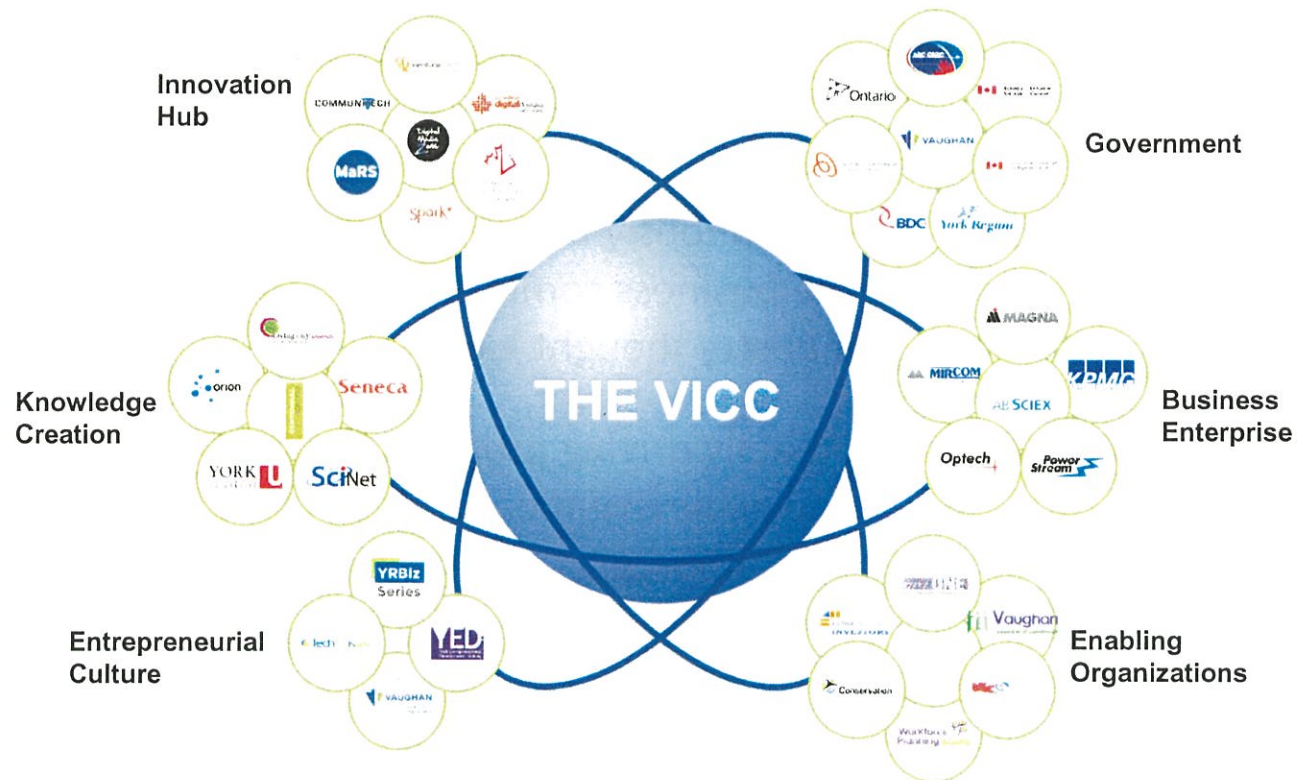
This final section offers insight into how the VICC will operate by answering the following questions:

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



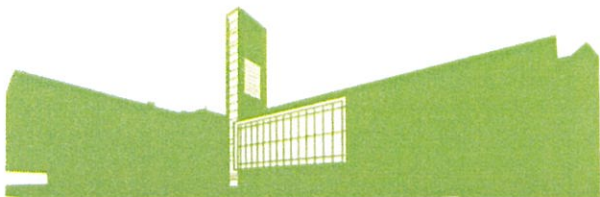
Potential Operating Models

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

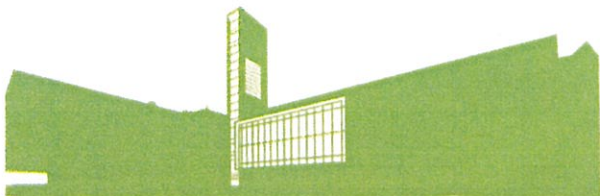


Next Steps



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.

