

CABI News Official Newsletter of the Canadian Association of Business Incubators
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relevant articles, news and event postings, and public forums to ask experts business questions and view previous questions and answers. All this information is channelled according to the entrepreneur's interests and needs.

To experience this 'incubator without walls' visit www.notc.on.ca. For additional information contact Jules Carlysle, program director of The Northwestern Ontario Technology Centre, at 807-768-6688 or jules@notc.on.ca.

New Virtual Tools for Incubation

by Jules Carlysle, The Northwestern Ontario Technology Centre, Thunder Bay ON

The Northwestern Ontario Technology Centre (NOTC) in Thunder Bay added a new twist to the business of incubation with the recent launch of its Virtual Incubator (VI).

The Virtual Incubator provides entrepreneurs with business support online, anywhere at anytime. This innovative application addresses the geographic obstacles unique to Northwestern Ontario, allowing NOTC to provide hands-on support to entrepreneurs over great distances.

Entrepreneurs may post business ideas and fully developed business plans in a private forum and select from a directory of resource people from whom they would like to receive input. Then the entrepreneur and the resource team can hash out the nitty gritty details together, communicating through the site's interactive features.

Entrepreneurs can also access a toolbox with templates, searchable databases, a library of

President's Corner

by Marie Lussier, CABI President, CRC Innovation Centre, Ottawa ON

What a difference a year makes. This time last year CABI had just finished a joint conference with the Canadian Council for Small Business and Entrepreneurship. Eighteen people were registered as CABI members. Last month we held a very successful conference with more than 100 members registered. This 500 per cent increase signals the growth occurring within Canada's incubation industry.

I truly believe CABI has taken its first steps and is getting ready to run. What an exciting time to be working with SMEs. The downturn in the economy that has hit the high tech world hard reinforces the need for more incubators in all shapes and forms. Small and medium enterprise is growing in leaps and bounds.

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My vision for the next year is to build CABI's membership and implement a network to support new and existing incubators in Canada. An incubator is itself a small business, and in the six years I have been involved in managing one, I have benefited from other incubator managers' experiences.

The CABI committees established at this year's conference are indicative of the need for a compilation of data that reflects the diversity and similarities of Canadian incubators. We must learn as much about ourselves as possible and provide a strong network to share information, methodologies and best practices.

To this end, I invite you all to reflect on your strengths and share them with others, and to provide your thoughts on what we need to improve and how we can do so. The CABI News newsletter is a vehicle that allows us to share our success. Please use it to promote your organizations.

I look forward to working with all of you this year -- together we will build a stronger CABI.

Spanning the Island

The Genesis Centre in St. John's, Newfoundland, is broadening its reach across the province with a new online business development tool, Genesis Web.

Genesis Web will help entrepreneurs around Newfoundland start and grow their own businesses. Developed and launched by a partnership between the Genesis Centre, Operation Online, and the St. John's Y Enterprise Centre, the tool will offer entrepreneurs start-up guidance and business plan development expertise.

As an entrepreneur works through the development of a business plan section by section, a business consultant from the Y

Enterprise Centre will provide personalized one-on-one guidance and feedback on the completed sections. Clients will also be able to communicate online with other entrepreneurs and advisors.

Another change at the Genesis Centre is that new clients must now sign a royalty agreement with the centre. The agreement commits clients to pay a small royalty to the centre if they are financially successful after graduation. The terms of the agreement are negotiated with each client upon admission to the facility. Interestingly, to date two clients who entered the centre before this requirement was in place have voluntarily signed the agreement.

A Hub for Technology in Southern Ontario

Welcome to the world, the Exceler@tor – the hub of the technology cluster in Southern Ontario.

Focussing on the technology and telecommunications industry, the recently opened Exceler@tor will foster the growth of new ideas and businesses, and build a network between the region's thousands of high tech companies, the universities and the government. The centre will also help bridge the gap between research and commercialization, as well as assist Canada in keeping its best minds and attracting the brightest from abroad.

Sound like lofty goals? The Exceler@tor has the infrastructure, management, partners and other resources to make it happen.

Located on Toronto's College Street, the 12,500 sq.ft. facility is an initiative of Innovations Foundation, the not-for-profit commercialization company of the University of Toronto. The City of Toronto also contributed to the project, as did

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the National Research Council's Industrial Research Assistance Program. Private sector companies such as Compaq Canada, Microsoft and Nortel are assisting by supplying infrastructure and technology.

At the Exceler@tor, start-up companies can access space, technological infrastructure, management, accounting and human resources services, and other resources to evolve their products and grow their companies. The centre does not finance companies directly, but will often help facilitate connections with local angel investors or venture capitalists. Also, rather than take equity in clients, the Exceler@tor receives only a share of any profits the clients make in proportion to the value of the services the centre provided to the client. The centre further recoups its costs from fees-per-use paid by each client.

Eight clients already call the Exceler@tor home. Three of these clients access the centre's services on a 'virtual' basis, and the remaining are located on site at the facility. When the building is fully functional by year's end, five additional resident clients will likely have joined the roost. While the concept for the Exceler@tor came from a desire to help companies involving students, faculty, staff and alumni of the University of Toronto and other universities in Southern Ontario, non-associated companies are also eligible to become clients. For more information contact Andrew Maxwell, managing director of the Exceler@tor, at Andrew.Maxwell@utoronto.ca.

AdVentures in Newfoundland

Self-sufficiency - it is but a dream for many business incubators. However, Newfoundland's Venture Centre is on route to reaching this aspiration.

In July 1998, the Venture Centre embarked on a three-year plan to become financially self-sufficient. Four years ago the centre's annual budget deficit was \$125,000, but by the end of

last fiscal year, the deficit was significantly reduced. The budget for the current fiscal year contains a zero deficit.

With 40,000 sq. ft. of space in the rural community of Pasadena, the multi-use incubator and industrial business centre has 13 resident clients and an occupancy rate of about 80 per cent. To become self-sufficient, however, the Venture Centre has had to establish a client base of businesses located in the region that do not reside at the facility. The centre provides services to more than 80 of these non-resident clients, some of which are home-based business in the area. The future will see the centre continuing to expand its client base, with the goal of achieving close to 100 per cent occupancy by the end of June 2002.

Saskatchewan Successes

Saskatoon's Innovation Place is one of the most rapidly growing and successful university-related research parks in North America. Adjacent to the University of Saskatchewan, the park builds on the university's strengths in the fields of agriculture, information technology, and the life sciences.

Innovation Place supplies facilities to support the research and development community in Saskatchewan. The 2,200 staff employed by 115 organizations in the 23 buildings within Innovation Place contribute over \$217 million per year to the province's economy.

Like all incubators and research parks, Innovation Place's success is in part gauged by the success of its clients. A shining example of the park's achievements is Critical Telecom Corp., a technology company focussed on providing 'last mile access' solutions for the telecommunications

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industry, allowing customers living outside major areas to access high speed Internet services.

Critical Telecom has grown 10-fold in just five years. The technology is gaining momentum in Canada and the United States. In fact the company recently opened an office in Waterloo, Ontario, in response to the growing demand of its products in Eastern Canada and the United States. It is also extending its reach around the world. In October it signed a memorandum of understanding for a licensing agreement with a major telecommunications equipment manufacturer in China with sales and distribution networks around the world. At the heart of the deal is a wireless technology that is used to provide basic telephone service when the use of copper wire is impractical or too expensive.

From its 5,000 sq.ft. facility at Innovation Place, Critical Telecom continues to pioneer new technologies and products to provide innovative 'last mile' connectivity. For more information about Critical Telecom email info@criticaltelecom.com. For more information about Innovation Place and its other ingenious clients email info@innovationplace.com.

The Need for Canadian Incubation Research

by Dr. Laurence Hewick, Ontario Business Incubators, Hamilton ON

Entrepreneurial and innovative spirits must go hand-in-hand to facilitate small business development in the technology sectors and seize opportunities to better compete in knowledge-based global markets. These spirits are captured in traditional business incubators, where professional space is combined with shared administrative support, business advice, and a network to the external environment.

Incubators in the United States have proven to be important economic development tools in areas such as: reducing small business failure; creating

new jobs; retaining successful start-ups; creating wealth and diversifying economies (NBIA, 1998). Canada has no evidence to support the assumption that business incubation catalyzes the process of starting and growing SMEs. Benchmarks are needed to compare and contrast current practices, at the national and international level, and to develop innovative technologies within the Canadian incubation industry. Further need is perceived in the area of networking all management aspects of incubation. This can be developed with the help of a new research strategy to create a comprehensive databank of Canadian, not American, information.

There is also a need to foster better understanding of incubation, on the demand side, by educating economic development agencies, community leaders, policy makers, educators and other stakeholders about the impact of incubation.

Board Update

Below is a list of our CABI board of directors, officers and committee chairs. The directors were elected by CABI members at the association's annual general meeting held at its 10th annual conference in Ottawa in mid-October.

Board of Directors:

Normand de Montigny, Laval QC
Michel Fortier, Hull QC
Laurence Hewick, Hamilton ON
Ed Hobbs, Toronto ON
Jim Hughes, Calgary AB
Andre Lafreniere, Kawartha Lakes ON
Jean Jacques Ledoux, Ottawa ON
Marie Lussier, Ottawa ON
Andrew Maxwell, Toronto ON
David McNamara, Dartmouth NS
Keelin O'Leary, St John's NF
John Parsons, Pasadena NF
Paul Podstawka, Sudbury ON
Lorne Ross, St. Albert AB
Judy Sander, Thunder Bay ON

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Officers:

Lorne Ross, St. Albert AB - Chair
Marie Lussier, Ottawa ON - President
Ed Hobbs, Toronto ON - Vice-President
Diane Franchi, Ottawa ON - Secretary
Jean Jacques Ledoux, Ottawa ON - Treasurer

Committee Chairs:

Michel Fortier, Hull QC - Finance
Dawn House, Halifax NS - Communications
Laurence Hewick, Hamilton ON - Research
Jean Jacques Ledoux, Ottawa ON - Conference 2002 (Co-Chair)
Andrew Maxwell, Toronto ON - Conference 2002 (Co-Chair)
Judy Sander, Thunder Bay ON - Membership
(Ed Hobbs, Toronto ON & Jim Hughes, Calgary AB - CABI 2001 Nominating Committee)

The Conference Committee has already started plans for the next annual CABI conference, taking place in Toronto next May. The organizers are gathering feedback and evaluations CABI members submitted regarding the 2001 conference. Also busy at work is the Research Committee, which is in search of Canadian incubation industry information. The committee is starting its efforts by identifying all the current players in the nation's industry. Meanwhile, the board's executive members are starting to formulate a business plan for CABI.

Mark Your Calendars

CABI's 11th annual conference will be here before we know it. Mark your calendars for May 2-3, 2002. After attending NBIA's International Conference on Business Incubation in Toronto, you'll want to stay in town for a Canadian perspective on the incubation industry and to network with your peers across the country. Learn lessons from the front lines on what makes the best incubation programs in Canada and around the world. Discuss regional issues with incubation managers from across the country. And hear

incubation clients talk about what worked best for them. Watch for details about this conference in the upcoming edition of CABI News.

Link to the CABI News Team

CABI News is your chance to connect with your peers in the incubation industry all year long. Send your articles via email to incubation@innovacorp.ns.ca, via mail to InNOVAcorp's Business Incubation Group, 1721 Lower Water Street, Halifax, NS, B3J 1S5, or via fax to 902-421-2733.

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