

CABI News Official Newsletter of the Canadian Association of Business Incubators
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Countdown to CABI and NBIA 2002

CABI's 11th annual conference will happen in Toronto, May 1-3, 2002. With the theme "Incubating Incubators, Accelerating Accelerators," the gathering will allow the incubation industry's leaders to share their expertise and experiences. The conference will be split into two streams -- one for those interested in starting an incubator, and another for those already running an incubator who are looking to improve their programs. With a strong interactive flavour, the event will include a number of well known key speakers who will help put the incubation process in a broader context. The gathering promises to be an interesting and informative must-not-miss event.

CABI 2002 will start Wednesday evening, May 1, at Toronto's Royal Bank Building with an international evening, and will continue with knowledge sharing and networking May 2-3 at

the Royal York hotel. Your host incubators for this event will be the Toronto Business Development Centre and the Exceler@tor. For more information, keep checking www.cabi.ca or email info@cabi.ca.

Immediately preceding the CABI conference, the National Business Incubation Association's (NBIA) annual international conference on incubation, happening outside the United States for the first time, will also take place in Toronto. With the theme "Explore Your World, Enrich Your Community," the conference starts the evening of April 28, finishing at lunch time May 1. The hope is many of NBIA's international visitors will stay on for CABI's international evening on May 1. In addition to the main conference schedule, a series of pre-conference workshops will be held on April 28, including: Analyzing Clients' Financial Needs, Incubator Assessment and Refinement, and Making the Grade in University Incubation. The Toronto Business Development Centre will be the host incubator for this important conference. Further information is available at www.nbia.org.

How Incubators Fit In

by Andrew Maxwell, Director, Exceler@tor, Toronto ON

An equal mix of 100 people from government, industry, incubators and universities gathered in Calgary in late January to attend the Conference Board of Canada's "Incubation and New

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Ventures Conference: How Incubators Fit In."

The conference addressed how incubators fit with innovation, the economy, technology, regional cities, universities and colleges, research parks, the community, major corporations, and entrepreneurship.

Presentations were delivered by Peter A. Hackett of the National Research Council, Susan J. Miller of Inno-centre Alberta, David W. Strangway of the Canada Foundation for Innovation, and Jacob Slonim of Dalhousie University. CABI was well represented, with board members Laurence Hewick running the pre-conference seminar, Andrew Maxwell presenting on financing the incubator, and Lorne Ross updating participants on CABI. The growing interest in incubation was obvious as half the audience was in the process of starting an incubator and the other half was involved in running one.

President's Message

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

Incubation in Canada is growing in leaps and bounds, as is the CABI membership. No longer a fledgling organization, CABI must now more than ever promote itself and continue to positively impact the Canadian economy by assisting in the growth and success of SMEs through incubation programs.

With this in mind, it is my intention to put in place this year a business plan for CABI with the assistance of Jean Jacques Ledoux from the National Research Council. The business plan will enable CABI to establish short and long term plans and prioritize how it can best assist its membership.

There is a wealth of information available that could be placed on the CABI website and shared amongst the membership. CABI has to become proactive in increasing its membership and establishing partnerships and linkages with other national and international organizations.

With a business plan in place we can then develop a marketing plan and seek funding from organizations to help us meet our goals. Some of my ideas at this time include hiring staff, developing training programs, databases, best practices and promotional material, hosting international organizations and delegates at our conference, or playing new economic development functions across the country.

I encourage you all to provide me with your ideas for how you would like to see CABI grow. CABI is YOUR organization, and only through participation will you be able to get the most out of it. I therefore urge you to get involved. Contact me at marie.lussier@crc.ca.

Wanted: Your Incubation Photos

The CABI and NBIA 2002 conferences are just around the corner. In the past tours of incubators in the host city were organized for visiting delegates. This year we are trying something a little different. The proposal is to provide a Virtual Tour of as many Canadian incubators as possible.

All Canadian incubators are invited to forward six photos of their facility, management team, events, etc. in jpeg format, accompanied by a one-page description of the incubator, location, size, type, etc. Each photo should also include a short description. The photos and information will be formatted into a Virtual Tour presentation for the conference. The number of submissions will determine the length of tour allowed for each incubator. This is a golden opportunity to promote not only CABI but also your incubator. All information and images should be forwarded to Diane Franchi at Diane.Franchi@nrc.ca by no later than February 25, 2002.

Sharing Incubation Expertise Abroad

InNOVAcorp's director of business incubation, David McNamara, shared his incubation experiences, observations and insights at a fall training institute in Maine. The two-day training program was for Maine's Applied Technology Development Centre directors, board members, stakeholders and partners.

McNamara introduced Maine's governor, Angus King, and reps from Maine's Department of Economic and Community Development to the potential for incubation success during a trade mission to Nova Scotia in 1999. At the time, Governor King remarked he wanted "one of these" (an incubator based on InNOVAcorp's model) in Maine. Since then McNamara has been sharing InNOVAcorp's incubation expertise with the State of Maine and he is now working to create a partnership between incubators in Nova Scotia and Maine.

International Award Nomination for a Canadian Incubator

Congratulations to the Northern Alberta Business Incubator (NABI). The St. Albert, Alberta, incubator was recently nominated for the National Business Incubation Association's (NBIA) prestigious Incubator of the Year Award. Nominator Jim Hughes of Jim Hughes Advisory Services says, "NABI is a classic example of a small business, mixed-use incubator. In its 12-year existence NABI has strived to be a model of a 'best practices' incubator."

NABI's executive director, Lorne Ross, says, "Our board of directors is thankful for the nomination and truly honoured that its efforts have been recognized by people outside the community."

The award will be announced and presented at NBIA's international conference on business incubation, happening April 28-May 1 in Toronto. This annual conference is the largest gathering of its kind and attracts participants from

around the world. The event promises to offer great exposure for NABI.

Fifty-Six and Counting

by Lorne Ross, Northern Alberta Business Incubator, St. Albert AB

January 1, 2002, marked the graduation of the 56th business from the Northern Alberta Business Incubator (NABI) since it opened in 1989.

The graduate company, EnrolNet, is North America's first on-site, on-line registration management company, providing electronic registration processes that save families and volunteers valuable time. Initially established in Alberta, EnrolNet is expanding into British Columbia and Saskatchewan.

Commencing operations in NABI in March 2001, EnrolNet grew from a company of two employees to 12 employees within the incubator's nurturing environment.

Brian Hillier, EnrolNet's COO, says, "The incubator offered an excellent location from which to start a company. NABI provided the infrastructure and advice necessary for a start-up venture."

Diamond Form of Incubators Creating Mini Business Clusters for Community Development

by Philippe Roy

(Philippe Roy, CMC, is a CABI member. He is expressing his own professional and personal opinions to his homologues in this private article, originally published May 1998 and now in the public domain.)

In this era of the global economy, leading countries are actively supporting development of business clusters to help stimulate productivity

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and competitiveness, to increase economic and employment growth, and to bring wealth and prosperity to local communities.

Business clusters are complex, organic, interrelated systems of investment, knowledge, business skills, research and development, innovation, technology, commercialization, marketing, trade, etc. There are four major components of business clusters: a few large anchor firms, numerous small and medium sized enterprises (SMEs), soft / institutional infrastructure, and hard / physical infrastructure. The SMEs are vitally important since they represent the seeds of growth over time.

Having observed the characteristics and principles of larger, successful business clusters, it is possible to abstract from these more complex, organic, and interrelated systems, and create smaller diamond-form business incubators as a simple microcosm, which can grow into a mini-cluster and eventually into a main business cluster.

The diamond form of business incubator comes from a visual of a baseball diamond. Each base or corner of the diamond represents a core component. First base is a university or community college for knowledge and skills; second base is a well-funded research and development laboratory (a local NRC lab would be ideal); third base is a financial institution with full spectrum financial services and access to others (a local branch of BDC with angel financing, venture capital and loans would be ideal, but community investment pools are also important at third base); and home base is a well developed third generation business incubator with all the critical success factors (expert knowledge and leadership, screened intake and maturity cycles, business skills diagnostic mechanisms, expert mentoring, learning organizations fostering business networks, and

commercialization strategy including financing and marketing).

The ideal intake for this diamond form of business incubator model is 25 young enterprises. The ideal cycle time is three years. The target graduation rate is 85-90%, which is achievable with top drawer mentoring.

Over a decade, this diamond form of business incubator can generate a large number of successful graduates, new economy enterprises, KBEs / SMEs. Let's do the math. Ten years, three cycles, 25 intake enterprises per cycle, and a graduation rate of 85-90% leads to about 65 successful new enterprises, which is the core of a successful mini-cluster.

The region's economic development commissioner must find the other diamond components to enrich and support this mini-cluster, to sustain it as it seeks to grow, and to help it develop into a full business cluster over several more decades.

Expectations must be carefully managed. Successful business clusters take several decades to develop. The flourishing Ottawa business cluster with multiple sectors represented took 50 years to develop to its current success and international status. It began with modest investments by the National Research Council in two new technologies, computers and telecommunications, in two firms. Within two decades these grew to half a dozen firms, and after five decades to 1,100 firms.

Fifty years ago we did not know in Ottawa what a business cluster was. We had not heard of business incubators. But now we understand the characteristics and principles of business clusters, and we can abstract and reverse engineer them into a diamond form of business incubator to jump-start a mini-cluster in just 10 years. This is a remarkable learning curve. This model can work

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easily in large cities, and it can also work in many local communities across Canada that have the components for the four corners of the baseball diamond. Diamonds are a country's best friend!

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Business Planning in Saskatoon

Those who attended the CABI 2001 conference in October may recall the door prize draw for the Keystep Business Planning Workshop. The prize winner was Terri Parent of the Women Entrepreneurs of Saskatchewan Inc. The workshop will happen March 4 and 5, 2002, in Saskatoon.

There's no question having a solid business plan can increase your chances of business success. The Keystep course teaches the best practices of developing a business plan. Participants will receive an overview of relevant business concepts and be guided step-by-step through the process of creating their own winning business plans. This two-day course is designed for those with limited business training and experience but are assuming management roles within a start-up or existing company. For more information email Terri Parent at tparent@womenentrepreneurs.sk.ca.

Mentoring: Part of the Puzzle

*by Jean-Paul Gobeil, Réseau d'incubation
d'entreprises et de mentorat du CDEM,
St. Boniface MB*

Mentoring is increasingly being recognized as a key ingredient for assuring the success of SME start-ups. As a result, business incubators are more often than ever including mentorship in the services they offer.

Manitoba's Réseau d'incubation d'entreprises et de mentorat du CDEM recently celebrated the launch of an innovative mentorship program.

Two trainers from La Fondation de l'Entrepreneurship du Québec conducted an orientation session for 15 local business men and women who agreed to act as mentors for the incubator's client entrepreneurs. The launch was held in conjunction with a local chamber of commerce luncheon. During the luncheon, Marcel Lafrance, one of the trainers and a well-known Québec author and entrepreneur, spoke on the importance of inter-generational transfer of business knowledge.

The new mentorship program will complement the wide range of other opportunities the incubator offers, including subsidized rent in the first year, a complete business service centre (fax, photocopier, meeting room, etc.), a rigorous self-directed business training program, technical seminars, and conference subsidies.

The mixed-used incubator targets young entrepreneurs (ages 18-35). Clients can take up residency in the 3,000 sq.ft. incubator in St. Boniface or access virtual incubation from home or their place of business, depending on where they live and the nature of their business. Since opening its doors October 24, 2000, the incubator has attracted 10 young entrepreneurs / enterprises, eight of which are still in the program. The central facility has been successful in attracting 'new economy' clients, particularly in the multi-media industry, largely as the result of a strategic partnership with the local francophone community college that provides formal training in multi-media. The incubator's virtual clients tend to be in the service industry (eg. flower shop, bakery, golf course, translation service) and are predominately based in rural areas.

For more information email Jean Paul Gobeil at jpgobeil@cdem.com.

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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