

CABI News Official Newsletter of the Canadian Association of Business Incubators
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Innovations Challenge - Annual Business Plan Competition

The University of Toronto's Innovations Foundation, in collaboration with its Innovations Network, is pleased to announce the 3rd annual Innovations Challenge, a national business plan competition for promising technology-focussed business opportunities.

The Innovations Challenge is designed to encourage entrepreneurs to act on their talent, ideas and energy, to produce tomorrow's leading companies. Each year 30 to 40 companies submit business plans to the competition and then six finalists are chosen to pitch their business to a panel of premier venture capital firms.

The primary goal of the competition is to attract seed stage (\$500,000 to \$1,500,000) venture funding to the winners. In the last two competitions, \$3,000,000 in seed funding was placed. The competition also serves as a great way to engage the scientific, business

management, and financing communities through workshops, judging and an awards ceremony.

This year's competition is being organized in conjunction with Burrill & Company, Nestlé Nutrition, Foragen Technologies Management, and the Industrial Research Assistance Program (IRAP). The challenge will focus on life sciences and related technologies with an interest in nutraceuticals and functional foods.

This year's challenge provides entrepreneurs across Canada with the opportunity to submit their business plans. All Canadian university technology transfer offices have been invited to join the Innovations Challenge to ensure that promising businesses from all of Canada have the opportunity to pitch their best ideas to the venture capital community.

The competition is open to all Canadian entrepreneurs with a relationship to the University of Toronto or the Innovations Network (for an updated listing of Network members, visit www.innovationsfoundation.utoronto.ca). Incubating companies currently located in a CABI location are eligible to enter. Submissions are due online by 3:00 p.m., October 30, 2002, through the Innovations Foundation website at www.innovationsfoundation.utoronto.ca.

For more information on this year's Challenge, visit www.innovationsfoundation.utoronto.ca or contact Barb Scott at barb.scott@utoronto.ca or via 416-971-4317.

Board Update

The CABI Board has voted to appoint David McNamara, Director of Business Incubation for InNOVAcorp in Nova Scotia, to the position of CABI's Director of International Relations. Cheryll Corness, the Toronto Business Development Centre's corporate secretary, was voted to the position of CABI's Corporate Secretary. The Board wishes both David and Cheryll success in their new positions, and thanks everyone who let their names stand in the recent elections.

Would You Like to Host CABI's 12 Annual Conference?

The CABI Executive Committee has developed a Request for Proposals (RFP) for those organizations wishing to host the 12th Annual CABI Conference in the fall of 2003. If you or your organization is interested in hosting this conference, please email president@cabi.ca or vicepresident@cabi.ca, and you will be sent a copy of the RFP. Further information on the 2003 CABI Conference RFP will be posted on the CABI website at www.cabi.ca as it becomes available.

TBDC Tidbits

The Toronto Business Development Centre (TBDC) recently hosted a press conference at which the Ontario Minister of Citizenship and Culture launched a workbook and trainers guide for assisting people with disabilities in becoming self-employed entrepreneurs. If your incubator is handicap accessible and you would like a copy of the workbook and trainers guide, visit www.sedi.org for details on how you can receive a free copy of the new resources.

Ed Hobbs, general manager of the Toronto Business Development Centre, has been invited to host a workshop at the National Business Incubation Association's (NBIA) 12th Fall Training Institute. Happening in Orlando, Florida, November 13-15, this year's Training Institute

has the theme Entrepreneurship Support Through Business Incubation. Hobbs' workshop will take place Thursday, November 14, and will present a Canadian case study on some of NBIA's best practices. For more information, visit www.nbia.org.

In late September, the Toronto Business Development Centre hosted a group of Chinese delegates as they began a tour of North American business incubators. The delegates were from North China's Hebei Province, which has a population of 64 million people and includes Beijing among its 10 cities. The delegates came to exchange ideas for economic development and incubation initiatives with various incubator managers throughout North America. For more information on the visit, see www.tbdc.com.

IncubAction in Québec

Submitted by Québec Biotechnology Innovation Centre, Laval (Québec)

A Québec association is creating a stronger and more unified voice for the province's business incubation industry.

Réseau IncubAction was founded in February 2001. Today there are more than 20 business pre-incubators and incubators in Québec. With the continuous growth of these organizations, there was an increase in the abuse of the terms "incubator" and "business incubator". To remedy this situation, Réseau IncubAction established six defining criteria which identify a business pre-incubator or incubator, reducing confusion for the public and institutional / financial partners.

According to Réseau IncubAction, a business pre-incubator or incubator is an organization

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whose main activity meets each of the following criteria:

- Has an on- or off-site intensive business support structure with, in some cases, leasable spaces;
- Is geared towards innovative start-ups;
- Is intended for a one- to three-year period during which the company builds its added value;
- Has the objective of improving the enterprise's chances of success by reducing risks;
- Follows a selection process; and
- Applies a graduation policy for companies that have completed their incubation period.

To this day, 12 business pre-incubators and incubators are members of Réseau IncubAction:

- Ag-Bio Centre
- Québec Biotechnology Innovation Centre (QBIC) (www.cqib.org)
- Centre d'entrepreneurship HEC-Poly-Université de Montréal (www.hec.ca/entrepreneurship)
- Montreal Enterprises and Innovation Centre (CEIM) (www.ceim.org)
- Émergence Entrepreneur (www.emergenceentrepreneur.com)
- Technology Business Development Center (www.cdet.ca)
- Société de développement économique de Drummondville (SDED) (www.sded-drummond.qc.ca)
- Enviro-Acces (www.enviroaccess.ca)
- Incubateur d'entreprises hors-murs de la Gaspésie-Îles-de-la-Madeleine
- Pépinière d'entreprises innovantes de Chaudière-Appalaches
- Entrepreneuriat Laval (www.el.ulaval.ca)
- Centre d'entrepreneurship technologique de Sherbrooke (www.cet-estrie.com)

For more info about Réseau IncubAction, call 418-682-6627 or email bgiguere@emergenceentrepreneur.com.

Tremendous Success in Short Time

Submitted by the Technology Innovation Centre, University of Technology, Jamaica

The Technology Innovation Centre (TIC) at the University of Technology in Jamaica opened its doors as Jamaica's first technology-based business incubator in January 2002. Since then the Centre has been abuzz with activity, from recruitment of tenants, to the provision of consultancies and training, to the staging of entrepreneurial development workshops and monthly forums.

To date, 82 percent of the TIC's rentable space has been filled. This represents 21 of 25 offices and three of four light manufacturing bays. Three anchor tenants and eight start-up businesses occupy the space, for a total of 11 companies. Together, the companies employ 51 people.

The Centre just offered its first series of entrepreneurial development workshops, "Technology Venturing," an 18-day workshop that began April 20. These workshops were held on weekends in collaboration with the University of Calgary Faculty of Management. The Centre will stage these workshops on an annual basis. They will focus on emerging opportunities in telecom, e-commerce, software development, manufacturing, and food, and will target individuals who have start-up businesses, are involved in business development activities within an existing organization, or are thinking of starting a new business in Jamaica.

The TIC has also been hosting a number of monthly Speaker Forums, exploring topics such as: cash flow management, taxation, intellectual property rights, and market penetration. Industry leaders and experts in their related fields facilitate these forums.

The Speaker Forums are staged primarily for the Centre's start-up tenants, but are open to the

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general public, and create an atmosphere of learning and sharing, encourage the exchange of ideas and experiences, and leverage available fertile resources. The forums are just one of several initiatives the Centre has planned to help fast track the critical growth and development start-ups require.

The TIC has a professional staff on hand to provide expert entrepreneurial development training and business consultancy to entrepreneurs and prospective start-ups. The Centre is also establishing a Business Advisory Network (BAN) of individuals to complement the in-house expertise. The BAN provides a range of advisory services for the Centre's incubator and affiliate clients.

In addition to the business development expertise it offers, the Centre boasts state-of-the-art facilities, including meeting rooms of various sizes, which are multi-purpose and are multi-media equipped to accommodate 10 to 50 people. On-site catering facilities make holding lunches and special events at the Centre a breeze.

Wireless computer labs complement the meeting facilities, with wireless laptop computers for use in workshops and other sessions. Video conferencing services are available to facilitate effective meetings, make presentations to clients, and achieve the impact of being at distant locations in one day without much expense or inconvenience.

The TIC also offers a full-service business centre – the Business Services Unit, offering top quality reproductions to in-house tenants, UTech students, and the wider community. A Cyber Café is available within the Business Services Unit to allow individuals to produce professional documents, create stunning graphics, surf the internet, research special projects, or simply create a resume. The work stations are state-of-the-

art machines, the services are affordable, and the Café is open 24 hours a day, 7 days a week.

For more details about the Technology Innovation Centre, email info@ticjamaica.com or visit www.ticjamaica.com.

HIT Restructures

Submitted by Hamilton Incubator of Technology, Flamborough ON

The Hamilton Incubator of Technology (HIT) continues its restructuring to improve services to the entrepreneurs and the community.

Dr. Laurence Hewick is now HIT's Director of Incubation, making him responsible for all aspects of client mentoring, networking within the Hamilton community and with provincial and national organizations, marketing, and incubation strategies. Penny Gardiner is now Facilities Director, responsible for monitoring and maintaining the building and services, and the operating budget. Both Dr. Hewick and Ms. Gardiner report directly to the Economic Development Director of the City of Hamilton.

Also of interest at HIT...Entrepreneur Needs Survey

Survey results from HIT show the greatest need for entrepreneurial assistance is in the areas of "how to prepare for outside financing" and "how to raise angel financing." In the management area, "strategic planning" and "effective organizing" were the greatest needs. For more information, email lhewick@city.hamilton.on.ca.

President's Message

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

(Ms. Lussier wrote the following rebuttal in response to an article that appeared in the Lindsay Daily Post, June 2002.)

To the Editor, Lindsay Daily Post:

It was with great interest that I read Norm Wagenaar's article regarding John Panter's petition in opposition to the proposed business incubator for the City of Kawartha Lakes. As president of the Canadian Association of Business Incubators (CABI), I would like to share with your readers some information regarding business incubation in Canada that is pertinent to this discussion.

Business incubation catalyzes the process of starting and growing companies. A proven model for over 20 years in Canada (and almost 50 years in the United States), incubation provides entrepreneurs with the expertise, networks and tools they need to help make their ventures successful.

Incubation programs help diversify economies, commercialize technologies, and create jobs and build wealth in their communities. Incubators nurture young firms, helping them survive and grow during the start-up period when they are most vulnerable. Incubators provide hands-on management assistance, access to financing, and orchestrated exposure to critical business or technical support services. They also offer shared office support services, access to equipment, flexible leases, and expandable space – all under one roof.

An incubation program's main goal is to produce successful graduates for the community – a diversification of new businesses that are financially viable and freestanding, with the ability to create jobs and contribute to the community's tax base when they leave the

incubator, usually within two to three years. According to the National Business Incubation Association (NBIA), there are more than 4,000 incubators worldwide, 1,000 of which are in North America. CABI's research indicates there are now over 150 incubators across Canada.

Incubators are a strong economic development tool, instrumental in assisting local and regional economies to grow stronger. They not only provide new jobs for your families, they also provide you with another vehicle for keeping your youth in your community. With the advent of computers, fax machines, email and e-commerce, small rural companies now have the ability to do business with anyone around the world.

A leading example of this is the Northern Alberta rural community of St. Albert. Just ask any of the 56 graduates from the Northern Alberta Business Incubator (NABI). NABI provides St. Albert with an incubation program which successfully graduates a diversity of small businesses.

Incubators are not intended to duplicate or replicate the types of businesses already successfully operating in the community. To the contrary, incubators help diversify the business base of your community. What community cannot benefit from courses, programs, workshops and one-on-one counselling for local firms to assist its entrepreneurs in meeting competitive challenges? In fact, most community incubators in Canada run programs to help not only new businesses, but also existing businesses that are in need of assistance to survive and grow. These programs are open to all in the community. Which company cannot benefit from mentoring in meeting its benchmarks?

Incubators provide not only a nurturing environment but also one-stop shopping under one roof for all the services, access to funding,

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and the synergy of being with other companies at different stages of development. In the case of NABI, which has been in operation for over 10 years, it has had clients such as software developers and internet developers to name just a few. Yes, they do create jobs in their community and, yes, they do create strategic alliances, many of which are with large corporations and some of which are with already established local firms.

Incubated companies have an 80 percent survival rate, while companies that are not incubated have only a 20 percent success rate. A new business incubator should not be looked at as a real estate proposal, but rather as a service program for your community. This is an opportunity to invest in your people and their knowledge, and an opportunity to build a stronger community. Incubation is really all about creating opportunities and synergies that build a stronger economic community; providing the catalyst to fill the gaps and providing core competencies to help entrepreneurs succeed.

We strongly believe the focus for your community should be to position yourself as an economic leader in your area. Why let Peterborough snag this opportunity away from you? In this day and age with the majority of jobs being created by small and medium sized enterprises, communities like the City of Kawartha Lakes should do everything in its power to position itself as a leader, in control of its own destiny.

In summary, the business incubator is just one of many economic tools that work. The Canadian Association of Business Incubators is willing to assist your community in developing a successful program. We are 150 incubators strong and are willing to share our experiences, templates and knowledge in helping you make your incubator a success for your community.

CABI Board of Directors, Officers and Committee Chairs

Below is a list of our CABI board of directors, officers and committee chairs:

Lorne Ross, St. Albert AB - Board Chair
Marie Lussier, Ottawa ON - President
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Keelin O'Leary, St John's NF
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Paul Podstawka, Sudbury ON

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