

Fact Sheet - EEDC's Innovation Ecosystem Work

Overview of the Innovation Ecosystem and EEDC's Role

The innovation ecosystem is a complex and unique system of entrepreneurs, students, educational institutions, government agencies, not-for-profit groups, economic development organizations, service providers and investors. Each of these groups has a role to play in building and scaling Edmonton's innovation ecosystem.

The role of EEDC, through Innovate Edmonton, is to create the best possible environment for technology, innovation and tech-enabled startup and scaleup company growth. Primary programs are delivered through our four innovation and entrepreneur communities: Startup Edmonton, Edmonton Made, TEC Edmonton and the Edmonton Research Park.

Through stakeholder engagement and external research, Innovate Edmonton has identified five strategic priorities that it can support through its own mandate: 1) Refine the mandate of Innovate Edmonton; 2) Engage and align the ecosystem community; 3) Expand Startup Edmonton programming; 4) Assess and identify scaleup programming opportunities; and 5) Launch a market test to assess the need for a new downtown innovation hub. These five strategic priorities are not the only initiatives focused on advancing Edmonton's innovation ecosystem as EEDC is only one of many organizations in the ecosystem.

As part of the second priority noted above, Innovate Edmonton has begun to convene and coordinate the complex and multi-stakeholder innovation ecosystem to help focus the efforts of many into a stronger collective.

State of the Current Innovation Ecosystem

The innovation ecosystem in Edmonton has experienced significant growth over the last two decades however despite this strong foundation, ecosystem growth has plateaued in recent years. EEDC engaged Startup Genome to perform an independent assessment and objective review of the gaps and opportunities in the ecosystem.

The assessment resulted in four key findings that can help transform Edmonton's innovation ecosystem:

- **Increase Early Stage Funding**
 - a) Widen the funnel and increase startups with seed funding
 - b) Support the formation of Angel groups
 - c) Increase access to Series A capital
- **Grow Startup Community**
 - a) Identify and support local entrepreneurs to be the voice of and actively shape the community
 - b) Identify and support organizations with the mandate and physical space to bring people together, formulate the right behaviours and build the culture
- **Create Microcosms of Success**
 - a) Focus on sub-sectors like Artificial Intelligence, Big Data and Health
 - b) Create corporate innovation and mentorship programs that concentrate resources
- **Grow Global Connectedness**
 - a) Develop startups with global potential and scaleups with global leadership
 - b) Move from activation objectives to globalization objectives

The Innovation Ecosystem Engagement Process

In the summer of 2017, EEDC engaged a consultant to interview CEOs from over 30 Edmonton technology companies. Selection criteria included being technology-based and having passed through the full business building cycle. Over 30 supplemental conversations were held with other members of the innovation ecosystem including startup founders, investors and community leaders.

The interviews addressed three pillars of the innovation ecosystem:

Building blocks of a company	Stages of development	Ecosystem assets
<ul style="list-style-type: none"> - Entrepreneur or team - Product or service - Market - Technology - Competitive Advantage 	<ul style="list-style-type: none"> - Entrepreneurship - Startup - Acceleration - Scaleup - Maturity 	<ul style="list-style-type: none"> - Physical - Economic - People/Networking - Brand/Marketing - Policy

The interviews identified several common themes that needed to be addressed by the Edmonton innovation ecosystem and the key points were as follows:

- ➔ Simplify the system
- ➔ Expand high-grade programs
- ➔ Develop a talent strategy
- ➔ Improve networking
- ➔ Manage the gaps in the system
- ➔ Culture and perspective

Following the interviews EEDC held engagement sessions with 50 entrepreneurs on November 3, 2017 and February 26, 2018 (most of which were part of the original interviews). At the session on February 26, EEDC shared their intentions to move ahead with the five strategic priorities identified earlier.

Following the entrepreneur engagement sessions, EEDC held Innovation Ecosystem Community meetings with service providers in May, June, July, and August to build trust and collaboration, review current programs, and prepare to action recommendations from entrepreneurs (including how to mobilize talent, funding, and quality mentorship).

The EEDC engagement process is in the early stages with a near term focus on large-scale entrepreneur engagement sessions planned for October and a concept test of a new downtown innovation hub.

Innovation Ecosystem Community

As part of the EEDC’s work to convene service providers from the Innovation Ecosystem Community (noted above) the group prepared a draft “Collective Mandate” to align resources around supporting and partnering with entrepreneurs to grow the innovation ecosystem. The core principle of the Collective Mandate is that entrepreneurs are leaders of the ecosystem and service providers and government agencies have a clear role to play in designing and delivering programs to meet the needs of entrepreneurs. Entrepreneurs have not yet been consulted or had an opportunity to review the draft mandate. This will be part of our planned October entrepreneur engagement sessions.

It was discussed and agreed upon that an advisory council would be beneficial. A group of senior leaders from a cross-section of Edmonton’s tech startup companies has stepped forward to develop a draft concept for a governing Edmonton Innovation Advisory Council. This group will draft a potential mandate, scope, and composition document for presentation to the broader community and will seek feedback as part of the continuing engagement process.

The YEG AI Hub versus the Innovation Hub

In addition to the proposed new downtown innovation hub concept, a steering committee was nominated by the community to review the opportunity to help Edmonton become a global hub for Artificial Intelligence. The YEG AI Hub initiative is speculated to require tens of millions of dollars in funding and is a separate initiative from the innovation hub concept. EEDC estimates the innovation hub concept will require an investment of \$700,000 annually, including staff and programming.