

Edmonton's Innovation Authority - Purpose

DRAFT FOR DISCUSSION

The purpose of the Innovation Authority is to optimize resources and leverage talent within Edmonton to create wealth and diversify the economy, allowing innovation to become a major economic driver in Edmonton.

Innovation Ecosystem Criteria

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Through EY's review of jurisdictions and stakeholder interviews we have identified the following key criteria which support an innovation ecosystem in being successful, sustainable and driving economic growth.

1

Clear Focus Area & Alignment

The Innovation Authority must have a clearly defined mandate, focused service offerings and align to the needs of the innovation ecosystem.

2

Venture Capital

Private equity financing to fund start-ups and scale-ups that have high growth potential to drive entrepreneurship in the innovation community.

3

Research & Development

R&D programs and funding encourage and enable new products, processes, and services to come to market, resulting in high market value. Government contribution is essential since R&D has low short-term financial benefit and may not be highly attractive to private investors.

4

Interconnected Ecosystem

The innovation ecosystem must work collaboratively and transparently to minimize gaps and duplication of work; facilitate appropriate hand-offs; and, continually adapt and improve support.

5

Comprehensive Programs

The innovation ecosystem must provide support for the full business lifespan from pre-seed, start-up, early- stages, scale-up, to new innovative ideas at maturity. Innovation must be fostered no matter when it emerges.

6

Education & Talent Attraction / Retention

Universities and Institutes must be engaged to recruit student talent, build an innovative culture on campus, and ensure that the necessary resources are on campus to enable student's new ideas come to fruition. Additionally, creating diverse career opportunities within the innovation ecosystem to retain local talent in Edmonton post-graduation and beyond.

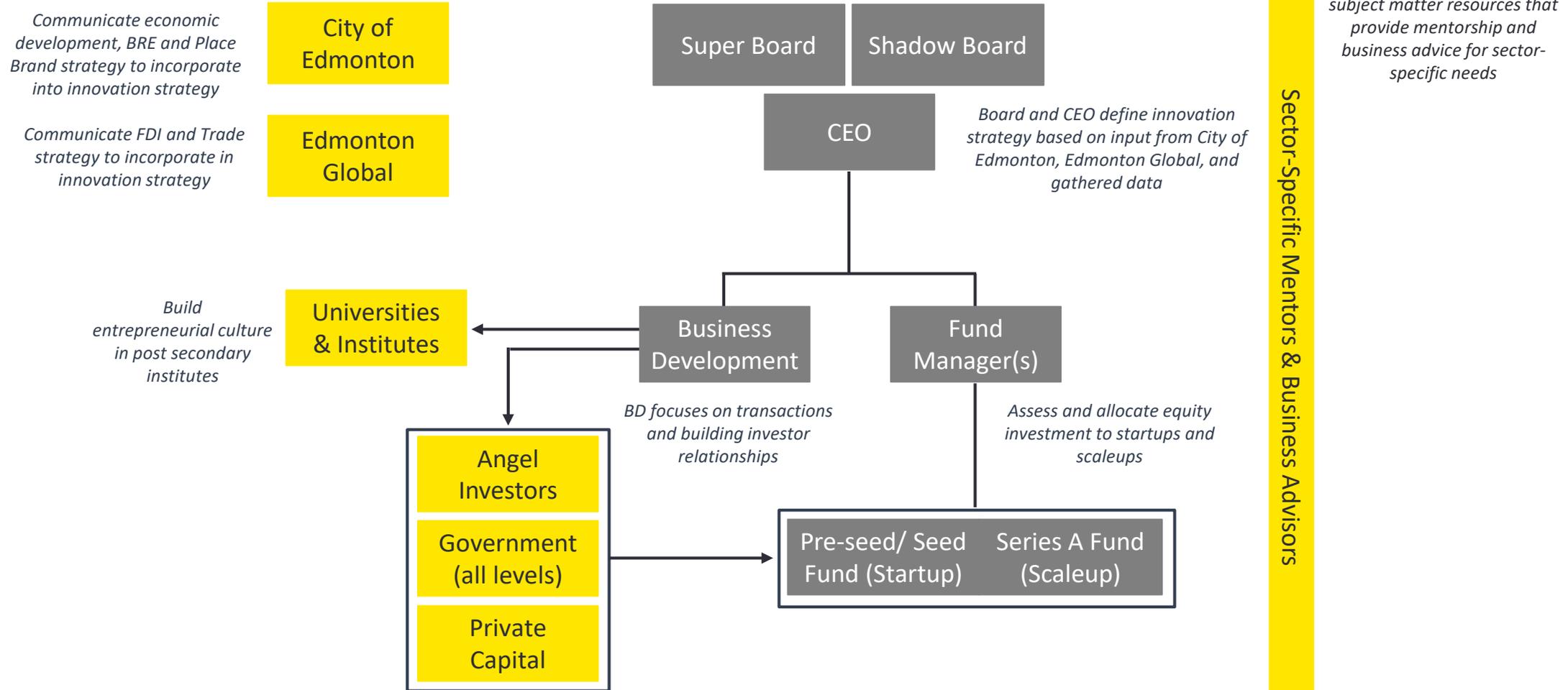
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Events & Competitions

Events facilitate knowledge sharing and the creation of a innovative community while competitions create innovation to directly address real-time issues and regional market needs.

Option 1 – Fund Centric Model Governance Structure

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Option 1 – Fund Centric Model

Overview

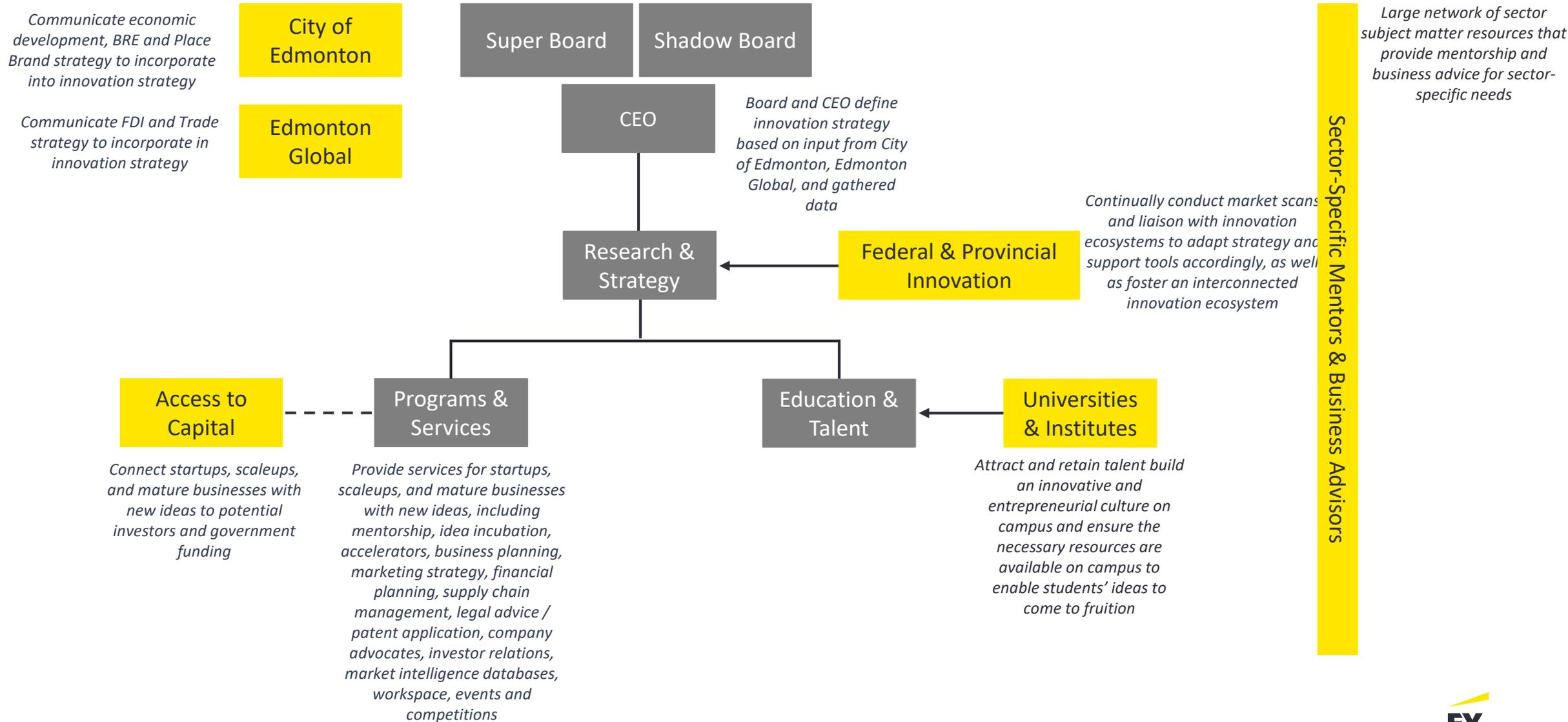
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Overview

Description	<ul style="list-style-type: none"> The Innovation Authority will have a strong capital focus by providing private equity financing, mentorship and business advice to startups and scaleups that are revenue producing and have high growth potential, driving entrepreneurship and the innovation economy forward
Super Board	<ul style="list-style-type: none"> Provide direction and oversight to the Innovation Authority Leverage local, national and international networks and expertise to build the Edmonton innovation ecosystem Help develop strategic direction for the Innovation Authority in Edmonton, aligned to the Economic Development Strategy of the City Play a critical role as an advisory body for distribution of funds, and build upon networks and relationships that will drive deal flow into the Edmonton innovation ecosystem
Shadow Board	<ul style="list-style-type: none"> Leverage the vision and experiences of pre-seed and early-stage entrepreneurs, innovators, and students to diversify the perspectives and provide advice
Business Development	<ul style="list-style-type: none"> Business development activities include attracting investors to raise money, maintaining investor relations, and conducting due diligence and buy-side analyses of potential entrepreneurs Additional BD work will include building relationships with universities and institutes to sponsor and attend campus events, promoting entrepreneurship
Fund Manager	<ul style="list-style-type: none"> The fund manager(s) reviews entrepreneurs' business plans and makes investments decisions
Outcomes / Benefits	<ul style="list-style-type: none"> Implement a private sector driven approach to grow entrepreneurship and drive innovation, creating wealth in the economy Provides essential capital for Edmonton businesses, encouraging and enabling more startups and scaleups to come to market locally while creating the opportunity to attract outside talent and businesses to Edmonton Experienced industry mentors and advisors will provide sector insights on growth opportunities and how to address weaknesses Foster an innovative and risk-taking culture in Edmonton, including students The entity will be held accountable by providing frequent reports on meeting agreed upon goals and key performance indicators Innovation Authority becomes self-sustaining through returns on the investment fund

Option 2 – Program Centric Model Governance Structure

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Option 2 – Program Centric Model

Overview

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Overview	
Description	<ul style="list-style-type: none"> The Innovation Authority will be a strategic and agile body that continually adapts and improves support tools, education & talent approaches to provide support for the full business lifecycle and aligns to broader provincial and federal initiatives, as well as fostering entrepreneurial and innovative culture in post-secondary institutes
Super Board	<ul style="list-style-type: none"> Provide direction and oversight to the Innovation Authority Leverage local, national and international networks and expertise to build the Edmonton innovation ecosystem Help develop strategic direction for the Innovation Authority in Edmonton, aligned to the Economic Development Strategy of the City Play a critical role as an advisory body for distribution of funds, and build upon networks and relationships that will drive deal flow into the Edmonton innovation ecosystem
Shadow Board	<ul style="list-style-type: none"> Leverage the vision and experiences of pre-seed and early-stage entrepreneurs, innovators, and students to diversify the perspectives and provide advice
Research & Strategy	<ul style="list-style-type: none"> Research unit that operates as a “Think Tank” to research current and projected trends, demographics and disruptive technologies and devises a strategy to capitalize on opportunities and align Edmonton’s capabilities Liaison with Edmonton & external innovation ecosystems to foster an interconnected innovation ecosystem that connects innovators and entrepreneurs to appropriate entities for support
Programs & Services	<ul style="list-style-type: none"> Provide services for startups, scaleups, and mature businesses with new ideas to assist them become investor attractive and bring ideas to market Services include: mentorship, idea incubation, business planning, marketing strategy, financial planning, supply chain management, legal advice / patent application, company advocates, investor relations, market intelligence databases, workspace, events and competitions
Education & Talent	<ul style="list-style-type: none"> Dedicate resource(s) to engage with universities and institutes to build talent, create an innovative culture on campuses through events and competitions, and ensure that the necessary resources are available to enable students’ new ideas come to fruition
Outcomes / Benefits	<ul style="list-style-type: none"> An informed innovation strategy that aligns with provincial and federal initiatives and transforms with the changing needs of the City, ensuring the most effective programs and services are provided to entrepreneurs and innovators Experienced industry mentors will provide insights on growth opportunities and how to address weaknesses Improved transparency and collaboration amongst innovation entities to create an ease of direction to services, funding, and resources for entrepreneurs Business support to all stages of the lifecycle from startups to scaleups to mature businesses with new ideas Integration of universities and institutes into Edmonton’s innovation strategy The entity will be held accountable by providing frequent reports on meeting agreed upon goals and key performance indicators

Option 3 – Hybrid Plus Model Governance Structure

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Communicate economic development, BRE and Place Brand strategy to incorporate into innovation strategy

City of
Edmonton

Communicate FDI and Trade strategy to incorporate in innovation strategy

Edmonton
Global

Super Board Shadow Board

CEO

Board and CEO define innovation strategy based on input from City of Edmonton, Edmonton Global, and gathered data

Large network of sector subject matter resources that provide mentorship and business advice for sector-specific needs

Federal & Provincial
Innovation

Continually conduct market scans and liaison with innovation ecosystems to adapt strategy and support tools accordingly, as well as foster an interconnected innovation ecosystem

Business
Development

Focus on transactions and building investor relationships

Fund
Manager(s)

Assess and allocate equity investment to startups and scaleups

Research &
Strategy

R&D Fund

Assess and allocate money to R&D ventures funded by the City

Programs &
Services

Provide services for startups, scaleups, and mature businesses with new ideas, including mentorship, idea incubation, accelerators, business planning, marketing strategy, financial planning, supply chain management, legal advice / patent application, company advocates, market intelligence databases, workspace, events and competitions

Education &
Talent

Universities
& Institutes

Attract and retain talent, build an innovative and entrepreneurial culture on campus and ensure the necessary resources are available on campus to enable students' ideas to come to fruition

Pre-seed/ Seed Fund (Startup) Series A Fund (Scaleup)

Angel Investors

Government

Private Capital

Sector-Specific Mentors & Business Advisors

Option 3 – Hybrid Plus Model

Overview

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R&D Fund	<ul style="list-style-type: none"> Use public funding to provide Research & Development investments to innovative ventures, such as new products, processes, and services
Programs & Services	<ul style="list-style-type: none"> Provide services for startups, scaleups, and mature businesses with new ideas to get them investor attractive and bring ideas to market Services include: mentorship, idea incubation, business planning, marketing strategy, financial planning, supply chain management, legal advice / patent application, company advocates, investor relations, market intelligence databases, workspace, events and competitions
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