



Federal Economic Development
Agency for Southern Ontario

Innovation, Science and
Economic Development Canada

Agence fédérale de développement
économique pour le Sud de l'Ontario

Innovation, Sciences et
Développement économique Canada

Accelerated Growth Service

Ontario East Municipal
Conference (OEMC) –
September 14, 2017

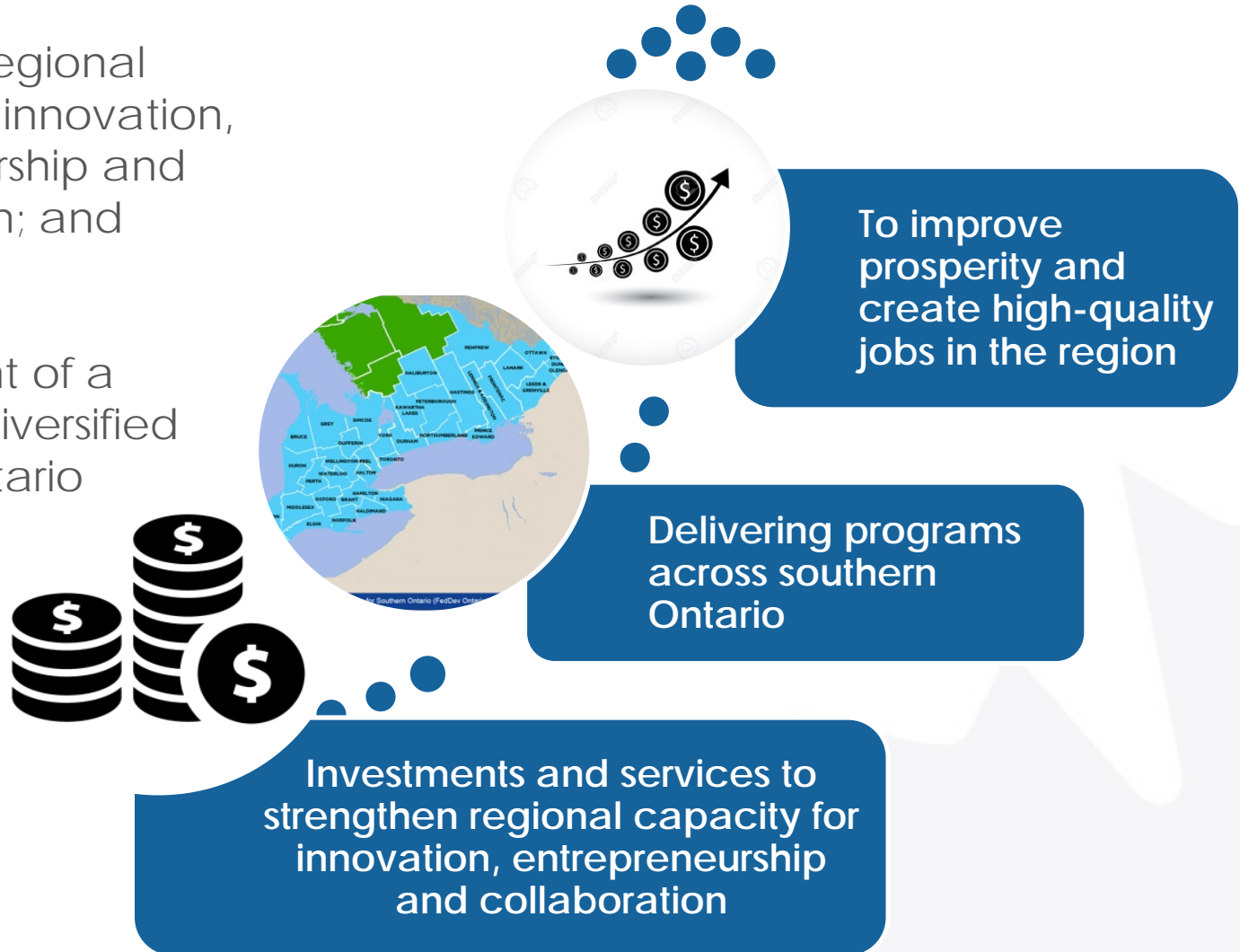
Accelerated Growth Service (AGS)

Objective of session:

- Context on FedDev Ontario
- Provide an overview of AGS and delivery mechanisms.
- Discuss potential role of economic stakeholders in the prospecting of potential AGS candidates.
- Provide and update on the Government of Canada's Innovation and Skills Agenda.
- Q&A

FedDev Ontario Mandate

- ❖ Strengthen regional capacity for innovation, entrepreneurship and collaboration; and
- ❖ Promote the development of a strong and diversified southern Ontario economy.



Focus



Research, Technology and Commercialization:

Developing/adopting new technologies; helping bring new products to market

Investment in Innovation:

Improving access to financing, encouraging investment, supporting technology development and commercialization

Supporting businesses:

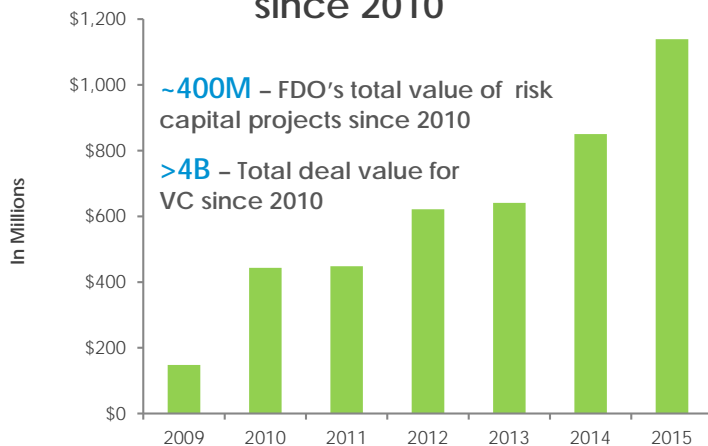
Helping companies scale up, grow, and integrate in global supply chains

Impact

~\$4:1 Leverage ratio

\$118.8 Million in follow-on financing since 2014

Total VC deal value in Ontario since 2010



Source: Thomson Reuters

- ❖ Programs have enticed risk capital investors to make key investments in southern Ontario, enabling businesses to stay in the region:
 - ❖ Catalyzed critical investments and filled an early stage (\$1M to \$3M range) risk financing gap;
 - ❖ Created STEM jobs; and
 - ❖ Positioned recipients to attract \$118.8 M in follow-on financing since 2014.

R&D and Commercialization

According to Statistics Canada,
Agency recipients spend

22% more spending
on R&D than
comparator
firms

Commercialized products, services or
processes are already generating

> \$35 million in sales
since 2014

547 Products, services
or processes
commercialized
since 2014

\$1.4 billion

Total project value invested in
improving commercialization outcomes

Ripple Effect

21 Created or spun-off companies

50 Products or technologies commercialized

223 New partnerships resulting from projects

Proponents have already reported

\$56 million increase in their revenues

❖ Investments are having a direct impact on key technology clusters and are generating critical **spillover benefits**:

- ❖ Encouraging talent attraction and retention;
- ❖ Facilitating follow-on investments; and
- ❖ Attracting foreign direct investments.

Strategic Focus



Regional Innovation Ecosystem



Investment in and Scale-Up of Firms



Clean Growth



Community Economic Development & Diversification

Grow and nurture inclusive regional innovation ecosystems

Invest and support businesses/ high growth firms; assist them in scaling up and becoming world-class players

Invest in products, processes and services that improve environmental performance; supporting sustainable development and clean economic growth

Respond to the unique needs of individual regions and communities to support economic development and diversification

Strategic Focus

DELIVERY

Direct delivery of regional development programs, pathfinding support, and a single point of access for both RDAs and federal programs/services in respective regions



Regional Innovation Ecosystems



Investment in and Scale-Up of Firms



Clean Growth



Community Economic Development & Diversification

RESULTS

- ✓ More Innovation Regional Economies
- ✓ Greater Commercialization
- ✓ SME Growth

- ✓ More Canadian firms with global scale
- ✓ Greater competitiveness

- ✓ More Canadian clean technology firms with global scale
- ✓ Reduced Environmental Impact
- ✓ Clean Economic Growth

- ✓ Resilient Communities
- ✓ Inclusive Growth
- ✓ Opportunities for Indigenous Peoples

FedDev Ontario Programs Suite

- ▶ Southern Ontario Prosperity Program
 - ▶ Investing in Commercialization Partnership
 - ▶ Investing in Business Innovation
 - ▶ Investing in Business Growth and Productivity
 - ▶ Investing in Regional Diversification
- ▶ Advanced Manufacturing Fund, Eastern Ontario Development Program
- ▶ Industrial Regional Benefits Services
- ▶ Canada 150 Community Infrastructure Program
- ▶ Community Futures Program
- ▶ Economic Development Initiative
- ▶ Accelerated Growth Service

AGS Overview

- Introduced in Budget 2016, the AGS is designed to facilitate a coordinated Federal Government approach to supporting established firms with high growth potential.
- AGS opens many doors with one key by providing clients with individual and efficient support, whether they need financing, consulting or other services related to growth challenges.
- AGS is led by ISED and delivered by Business Development Bank of Canada, Export Development Canada, National Research Canada, Global Affairs Canada and the Regional Development Agencies (RDAs).
- External partnerships initiated to facilitate increased regional participation and collaboration in AGS. Ontario partners include: Ontario Ministry of Economic Development & Growth, Invest Ottawa, MaRs, Communitech, Canadian Council for Innovation.....

AGS Parameters

Policy Rationale: To help established, high-growth firms access relevant federal and/or external programs and services to help companies grow and expand more rapidly, domestically and globally.

Objectives

- One point of contact across a network of federal government departments and agencies
- Navigate and access other programs and services in a coordinated and comprehensive manner that is tailored to each company's needs
- Tailored access to a range of support offered by participating AGS organizations, including financing, mentoring and support for export

Eligible Recipients

- SMEs

Nomination Process

- Continuous

What is required if my company participates in AGS?

- Consent to share company information such as objectives for growth, business plan, financials, with participating federal departments and agencies.

Parameters

- Services offered are company specific. Type of information, services and/or funding that may be offered is developed after a gap and needs analysis is undertaken.

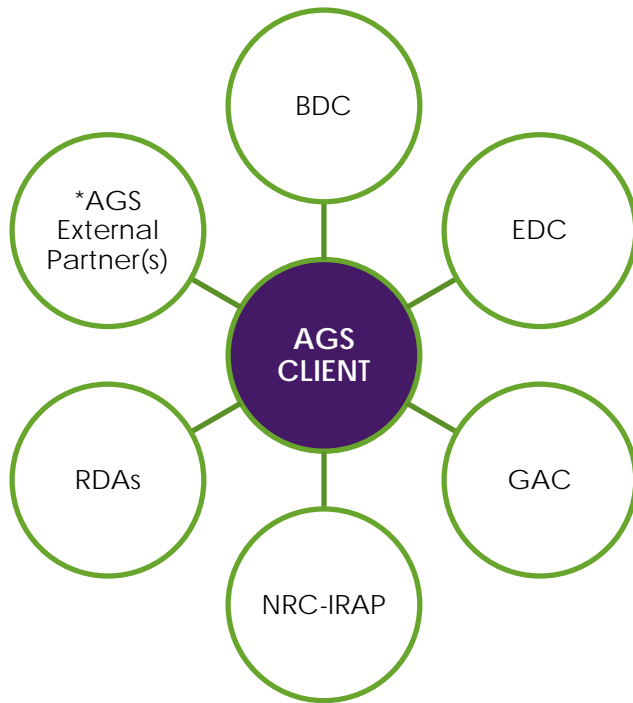
What are the eligibility criteria for AGS?

- Growth history
- \$5M and up in annual sales
- Recent significant growth rate (2 years)
- Market capacity
- Firm capacity (operational, financial, managerial capacity)
- Commitment and willingness to invest resources
- Expansion driven (export oriented/international activities, innovation driven, planned acquisitions, etc.)

The Mechanics of AGS

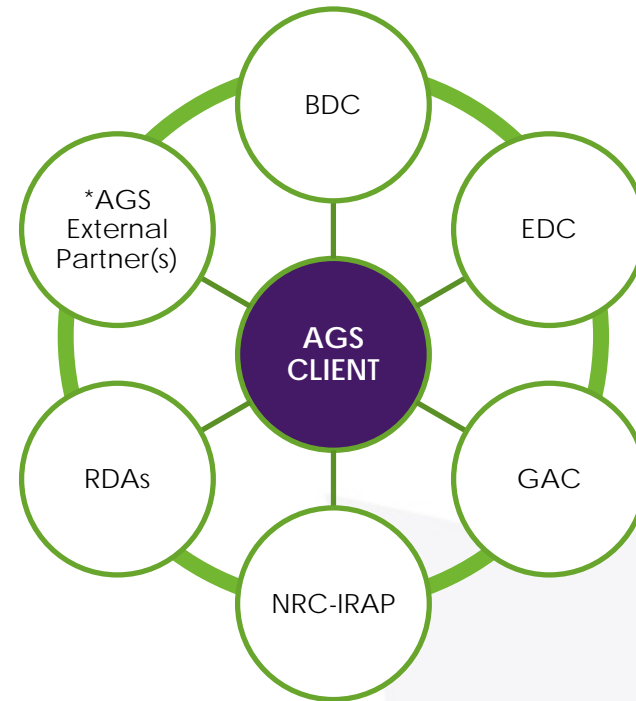
From

- Independent approach where client information exists in “silos”





To



- Enhanced impact, coordinated holistic approach and improved knowledge of clients






Two roles within an AGS Team

AGS Lead Role 	Primary client contact and interface between client and AGS team
	Coordinate client interactions for AGS purposes
	Help the client prepare for AGS related meetings
	Coordinate with the other client facing individuals (AGS Team)
	Follow-up to ensure service levels are met (AGS Plan)
AGS Team Member Supporting Role 	Actively participate in AGS client meetings
	Share all pertinent information with the AGS lead/team
	Maintain direct contact with the client regarding own programs
	Inform the client facing team of any developments or interventions with the client

AGS Roadmap

Recruitment Phase	1 Client nomination and signature of Consent Form . AGS Client signs Consent Form* and agrees to be part of the AGS	 <input checked="" type="checkbox"/>
	2 Client Lead and AGS Team identified . AGS Participating Organizations assign and train AGS Team	 <input checked="" type="checkbox"/>
Assessment Phase Estimated timeframe: 4-6 weeks	3 Preparatory meeting / collaborative client profile . AGS Team conducts internal preparatory meeting . Client Profile* is completed	 <input type="checkbox"/>
	4 Client meeting – client presents growth plan and needs . Client and AGS Team conduct first client meeting . AGS client presents growth plan / strategy (prepared by client in advance)	 <input type="checkbox"/>
	5 Preparation/Presentation of Accelerated Growth Service Plan . AGS Team develops Accelerated Growth Service Plan* and presents to client	 <input type="checkbox"/>
Delivery Phase	6 Services chosen by client . AGS Team delivers chosen services following their organization internal processes	 <input type="checkbox"/>
	7 Client follow-up . AGS Lead follows up on an ongoing basis – AGS Team makes adjustments as necessary	 <input type="checkbox"/>
	8 Measure impact of AGS . AGS Team and Client report on and measure impact of AGS engagement	

***Mandatory document**

Accountable for the activity: AGS Lead  AGS Team  AGS Participating Org.  AGS Back Office 

The 3 AGS Mandatory Deliverables

- **AGS Deliverable #1 – Consent Form**
 - Nominating organization has client sign consent form
 - AGS Lead sends consent form to the internal contact person within their organization
 - AGS Lead shares consent form with AGS Team
 - Client may remove consent at any time
- **AGS Deliverable #2 - Client Profile**
 - Create a collaborative portrait of the client
 - Client Lead produces a first version during initial preparations
 - Each Client Team member comes to first team meeting prepared to share their organization's knowledge about the client
- **AGS Deliverable # 3 - Accelerated Growth Service Plan**
 - Prepare a collaborative service plan based on the client's needs
 - Built based on Client Profile, available client documents (SWOT, Growth Plan) and notes from client meetings
 - Is presented to the client at the end of the assessment phase

AGS Implementation – Challenges & Opportunities

- Challenges
 - SMEs looking to de-risk investments in growth with non-repayable and/or interest free contributions.
 - Limited awareness of AGS within SME and stakeholder/partner community
- Opportunities
 - Developments on the Innovation and Skills Plan
 - Innovation SuperClusters Initiative (ISI);
 - Strategic Innovation Fund (SIF);
 - Global Talent Strategy (GTS).
 - Establish/leverage regional economic round tables to raise awareness of AGS

Innovation and Skills Plan

- **Innovation SuperCluster Initiative (ISI)**
 - In May 2017, Minister Navdeep Bains, Minister of Innovation, Science and Economic Development launched ISED's ISI.
 - The Innovation Superclusters Initiative (ISI) is a new opportunity to strengthen Canada's most promising clusters and accelerate economic growth in highly innovative industries, while positioning our firms for global leadership.
 - The purpose of the ISI is to accelerate the growth and development of business-led innovation superclusters in Canada, translating the strengths of our innovation ecosystems into new commercial and global opportunities for growth and competitiveness.
 - The Innovation Superclusters Initiative (ISI) is intended to support business-led efforts to develop and advance a supercluster advantage, and is designed to encourage large-scale collaboration of innovation ecosystem players.
 - Applicants must demonstrate how their proposals will benefit and involve the broader innovation ecosystem to which they belong—in other words, stakeholders in their supercluster.
 - For more information visit: <https://www.ic.gc.ca/eic/site/093.nsf/eng/00003.html>

Innovation and Skills Plan

- **Strategic Innovation Fund (SIF)**

- On July 5, 2017, the Honourable Navdeep Bains launched the Strategic Innovation Fund, a new program to attract and support high-quality business investments across all sectors of the economy.
- The program has a budget of \$1.26 billion over five years. It consolidates and simplifies the Strategic Aerospace and Defence Initiative, Technology Demonstration Program, Automotive Innovation Fund and Automotive Supplier Innovation Program.
- The program has four streams:
 - Stream 1: Encourage R&D that will accelerate technology transfer and commercialization of innovative products, processes and services ;
 - Stream 2: Facilitate the growth and expansion of firms in Canada;
 - Stream 3: Attract and retain large scale investments to Canada ; and
 - Stream 4: Advance industrial research, development and technology demonstration through collaboration between academia, non-profit organizations and the private sector .

Innovation and Skills Plan

- **Global Skills Strategy**

- In the 2016 Fall Economic Statement, the Minister of Finance announced the Global Skills Strategy (GSS) to make it easier for Canadian firms to attract the talent they need to succeed.
- The GSS has 4 pillars :
 - Dedicated Service Channel (IRCC);
 - Short-Term Work Permit Exemptions (IRCC);
 - Faster Work Permit processing (10-days) (IRCC); and
 - A new **Global Talent (GT)** Stream under the Temporary Foreign Worker Program (ESDC)
- The **GT Stream pilot** was announced on July 5, 2017 by the Honourable Navdeep Bains and the Honourable Ahmed Hussen.
 - The GT Stream pilot will target two categories of Canadian companies:
 - Category A: High-growth firms that can demonstrate a need for unique talent in order to scale-up and grow, resulting in job creation and knowledge transfer to Canadians; and,
 - Category B: Firms needing to hire highly-skilled foreign nationals for occupations found on a new "Skills Shortage List", resulting in training investments for Canadian workers.
- FedDev Ontario a referral partner for the GT Stream

Contact Us

For more information, please contact us:

Visit www.FedDevOntario.gc.ca

or Call 1-866-593-5505

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Canada