VICEDA Technology Attraction Strategy

Final Report

December 2018

Prepared for

Vancouver Island Coastal Economic Developers Association (VICEDA)

Prepared by

Nordicity

BIG BANG Communications

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Executive Summary

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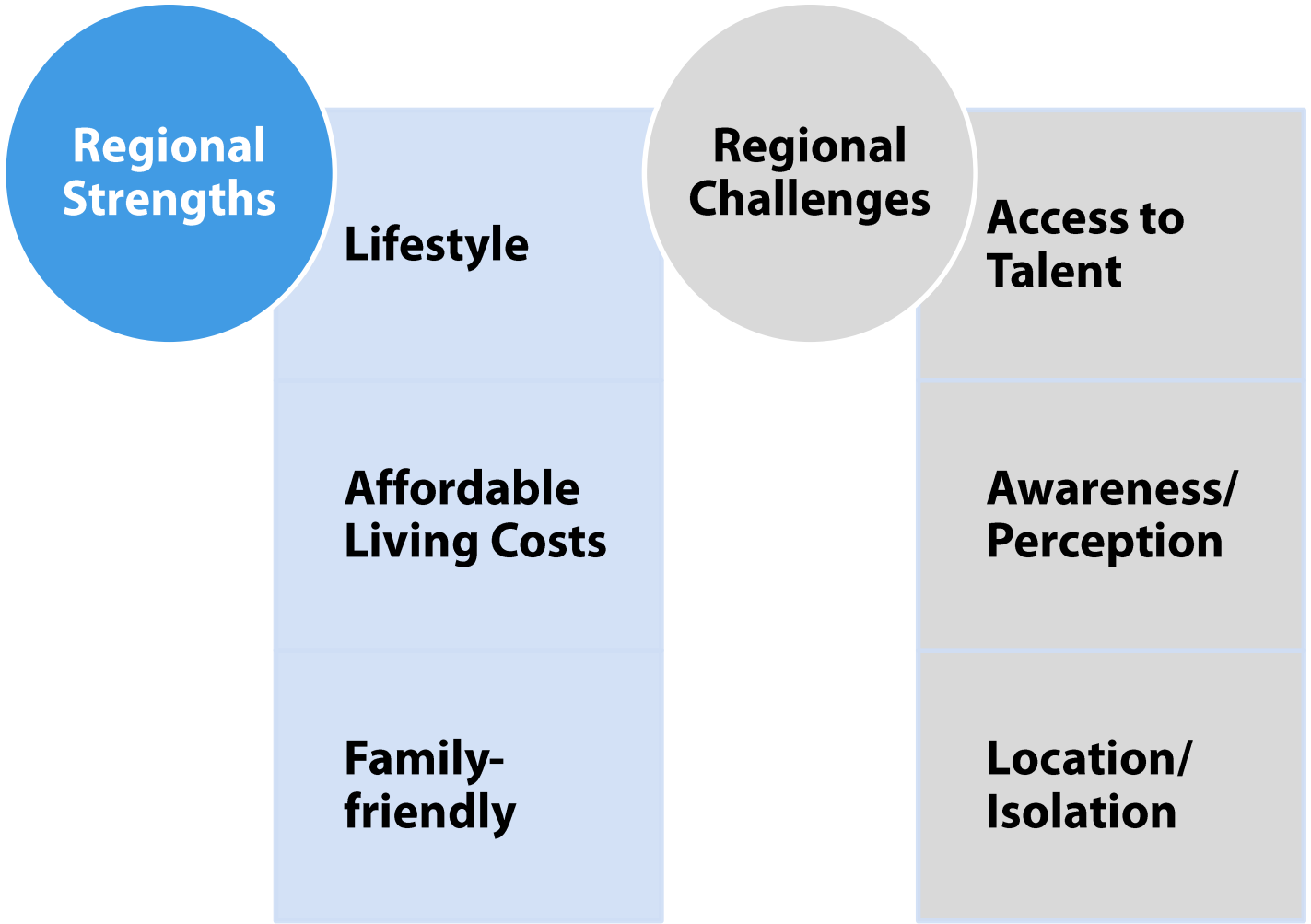
Sector Inventory | Key Findings

Vancouver Island's tech sector (north of the Malahat) is made up of over **100 companies** mainly in Digital Media, Design and Marketing, as well as Clean/Resource Technology. **Data Solutions**, **Digital Health** and **Aerospace** technologies offer increasing opportunity for growth in the region.

78% of companies are located in **Nanaimo**, and the **Comox** and **Cowichan** Valley Regional Districts.

Key resources include access to federal and provincial **funding** as well as local assets such as **Innovation Island**.



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Strategic Recommendations | Summary

Convene and Coordinate

Strategy 1 brings together what already exists in the tech sector. That is, making information on existing stakeholders and key resources (e.g., funding, space) available (e.g., through an online tool) both for island tech sector stakeholders and those interested in the sector further afield.

Support Mid-growth Companies

Strategy 3 recommends dedicated support for mid-growth companies that are looking to scale-up. It includes developing an expert understanding of what companies looking to scale are going to need along their growth path.

Focus on the Achievable and Sustainable

Strategy 2 aims to develop a sustainable tech sector by focusing attraction on smaller companies instead of what are often tempting, anchor companies. It also recommends focusing on short-term wins for labour supply, such as specialized training programs.

Tell the Island Tech Story

Strategy 4 tells the story of the island's tech sector both internally and externally. That is, sharing the value of tech locally to continue driving momentum in the sector. Sharing the island's opportunities both nationally and internationally is fundamental.

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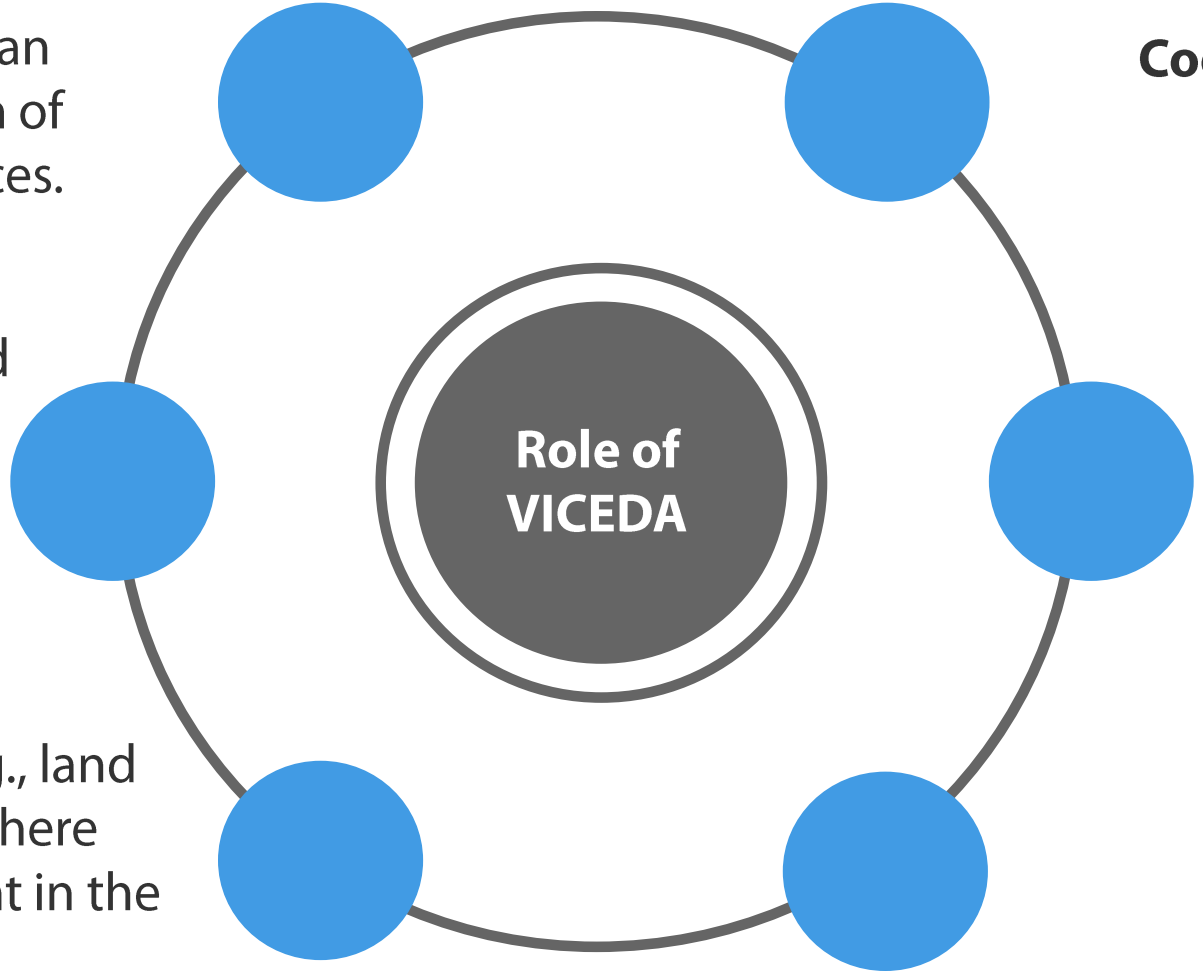
Action Plan | Role of VICEDA

Placemaking through urban planning and the provision of important municipal services.

Ensuring **connectivity** and broadband supply, including advocating for continued investment in fibre.

Optimizing **incentives** (e.g., land zoning, licensing, taxes), where possible, to lure investment in the region.



Coordinating and convening existing resources and stakeholders in the sector.

Marketing and promotion of opportunities in Vancouver Island's tech sector.

Creating and sharing **important resources**; helping to leverage existing assets.

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Action Plan | Unique Value Proposition (UVP) and Target Markets

Vancouver Island provides an affordable, youth-friendly, and high-quality of life for tech companies and families to grow: *"It is the best climate for growing your ideas."*

Given this UVP, some potential markets to target for tech attraction are listed below:

Lack of outdoor lifestyle

Toronto
New York

Unaffordable living costs

Seattle
Silicon Valley

Abundance of start-ups

London
Tel Aviv

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Action Plan | Potential Partners

Educational groups	Formal PSI's (e.g., VIU or NIC) Lighthouse Labs BrainStation
Groups with knowledge of start-up / growth activity	Front funder Spring Other incubators (e.g., Launch Academy)
Local tech companies / leaders	Cloudhead Games Resonance Software (Worksight) Coulson Group
Existing island assets	Innovation Island / VIEA Tech 'meetups' or other networking groups (e.g., ComoxAI) Mentorship groups (e.g., CR Modern Entrepreneur Series)

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Next Steps

VICEDA could develop a user-friendly and informative web-presence as a key resource to bring together the sector and tell its story to the world.

VICEDA could convene a Tech Task Force with industry stakeholder to help carry out strategic recommendations, despite limited resources.

In terms of **marketing** to tech companies, VICEDA's biggest **challenge** will be the lack of an adequate **talent pool** in the region, an important draw for tech companies. However, **opportunities** exist to utilize a new **online** presence to tell the island's **story**, target specific companies and help clear negative perceptions of the region. Furthermore, there is an opportunity to **leverage cost-effective labour** given the current weakened value of the CAD.

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Table of Contents

1. INTRODUCTION AND CONTEXT
2. TECH SECTOR INVENTORY SUMMARY
3. SUMMARY OF REGIONAL STRENGTHS AND CHALLENGES
4. STRATEGIC RECOMMENDATIONS
5. ACTION PLAN
6. APPENDIX 1 – FULL TECH SECTOR INVENTORY
7. APPENDIX 2 – LIST OF INDUSTRY EVENTS FOR POTENTIAL TECH ATTRACTION

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Section 1
Introduction and Context

This section describes the purpose and approach to the project as well as the provincial and local context within which the report was developed.

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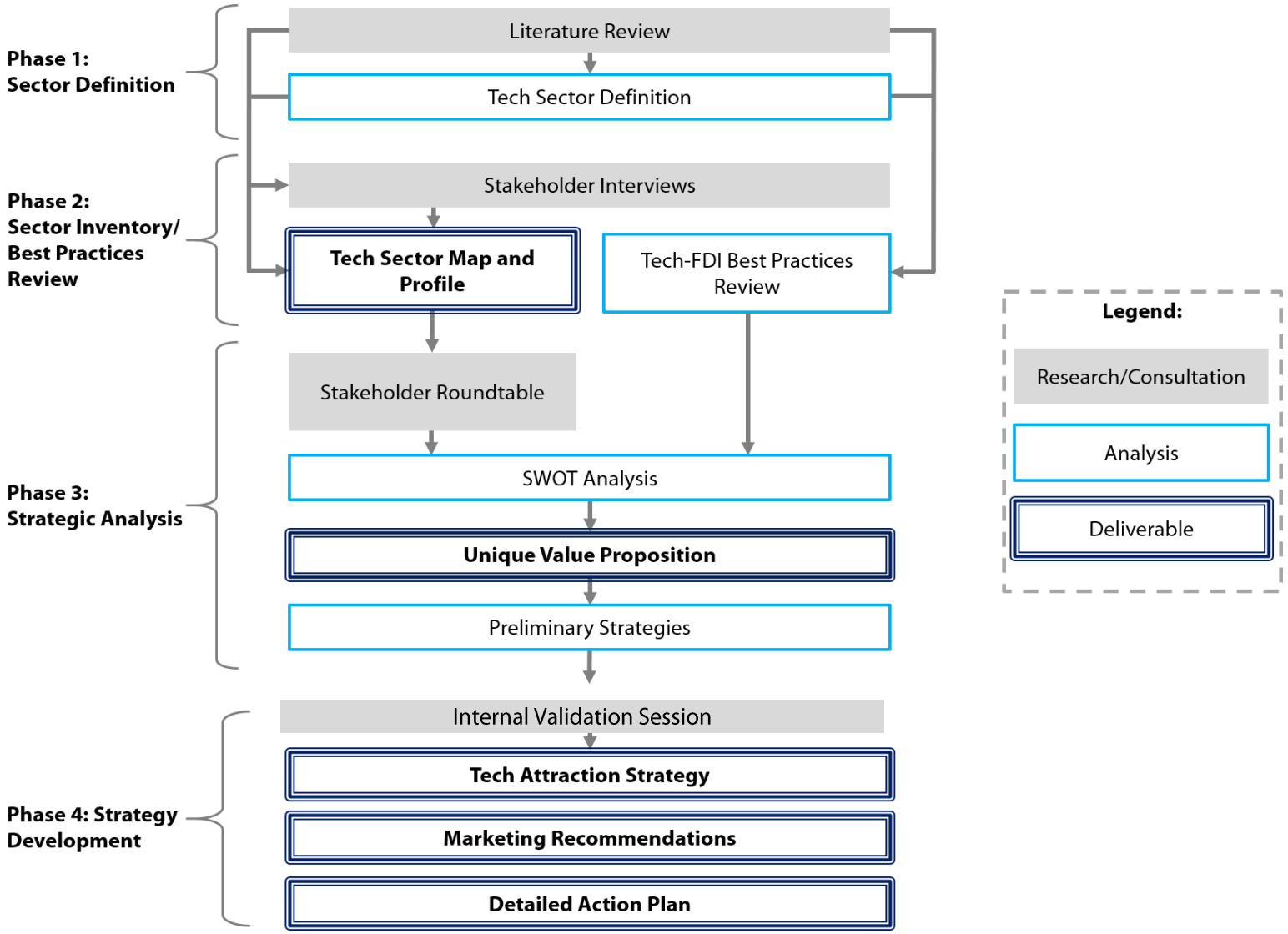
Our Approach

In order to develop a future-facing, cost-effective and sustainable **Tech Attraction Strategy**, Nordicity developed a bespoke approach to the work. The data collection included extensive research of **best practices** and engagement with nearly **30 stakeholders** through workshops and interviews. It culminated in the development of a tech **sector inventory** and a detailed **Technology Attraction Strategy**.



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The Provincial Context

According the recently released **BC Technology Report Card**, BC has made 'incredible strides' in recent years, developing products, undertaking world-leading research and showing consistent growth in revenues and GDP contributions. The **tech sector's exports 5 year CAGR is 8.1**%, a notable increase from two years ago. Furthermore, it is an important job creator with employment growing 49% since 2001, creating jobs that pay **83.7% more** than the provincial average.

As an important **gateway** to Asia and the Cascadia Region, the BC tech growth story is likely to continue. However, while companies are continuing to scale and grow, developing the talent required to continue to scale is likely to remain the most critical issue.

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Local Context

The strategy contained herein provides strategic recommendations for the Vancouver Island Tech Sector within the seven participating communities, described below.

- The city of **Nanaimo** is the largest urban centre in the region and offers strong transportation links to the rest of the island, Vancouver, and the world through highways, ferries (two terminals) and a busy airport. One of the biggest draws for newcomers is Nanaimo's surrounding natural beauty, including 1,400 hectares of parks, trails and open spaces.
- The **Comox Valley Regional District** is one of the fastest growing regions in the Province. With a diversified economic base driven by key sectors and new investment, including a $331m new regional hospital, two campuses in Campbell River and Comox Valley, and new foreign direct investment at Mount Washington Alpine Resort, the Comox Valley is poised to continue to be a strategic location for investors.
- The **Cowichan Valley Regional District** has four municipalities in the southern part of Vancouver Island. With a population of over 80,000 residents, the city of Duncan is the largest urban community in the CVRD, and hosts a Vancouver Island University (VIU) campus. From the rolling hills to seaside towns, the district has an impressive profile.

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Local Context (cont'd)

- The city of **Port Alberni's** historic development was forestry, fishing and marine commercial industries. A deep water, sheltered, ice-free seaport now welcomes other commercial opportunities, as well as a global aerospace firm.
- The city of **Campbell River** is embracing innovation and technology in a changing economy. The City has invested in a progressive Municipal Broadband Network to support emerging opportunities in the high technology and creatives industries sectors. Campbell River offers a dynamic and forward thinking environment, with amenities of a large city and the welcoming feel of a small town.
- The town of **Qualicum Beach** is located on the north-eastern coast of Vancouver Island. With a picturesque town core, a complete range of family amenities, and an airport with regular flights to YVR, the town is currently home to numerous creative technology companies and entrepreneurs.
- The city of **Parksville** is located on the sheltered east coast of Vancouver Island and is a high-profile vacation destination. Parksville is an active community with residents often choosing to live there for the quality of life and natural environment.

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Section 2
Tech Sector Inventory Summary

This section summarizes the tech sector findings including the sector breakdown by company type and geography. Additionally, it describes the regional sector as it relates to key sector pillars: talent/labour; finance/support; and, other tech assets such as connectivity and coworking spaces.

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Inventory | Introduction and Approach

- Currently, there is no standardized definition for the tech sector. As such, Nordicity created a custom definition for the Vancouver Island tech sector, described below and in further detail in Appendix 1.
- First, utilizing a foundational list of NAICS (codes shown to the right) and Dun and Bradstreet Databases, Nordicity created a **custom definitional framework of the tech sector**, found on the subsequent page.
- In total, Nordicity estimates that there are more than **100 tech companies** operating on Vancouver Island (north of the Malahat).
  - This contrasts *BC High Technology Sector – 2017 Edition's* data, which estimated the industry to be over 500 companies in same region.
- However, using that same definition as a proxy, the size of the industry on Vancouver Island **has increased by 5%** since 2014.

NAICS	Description
5415	Computer Systems Design and Related Services
5417	Scientific Research and Development Services
5112	Software Publishers
115	Support Activities for Agriculture and Forestry
5414	Specialized Design Services
51219	Postproduction Services and Other Motion Picture and Video Industries
334	Computer and Electronic Product Manufacturing

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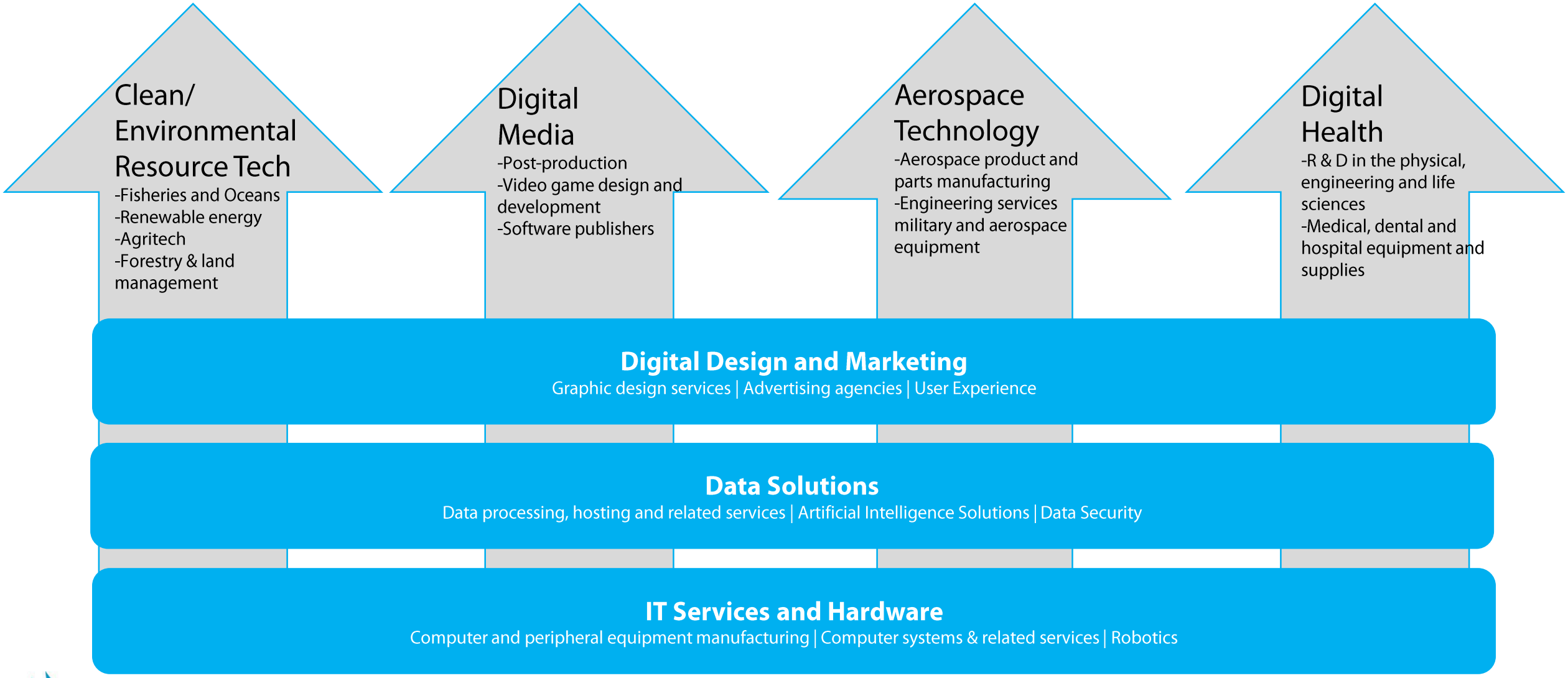
Inventory | Definitional Framework



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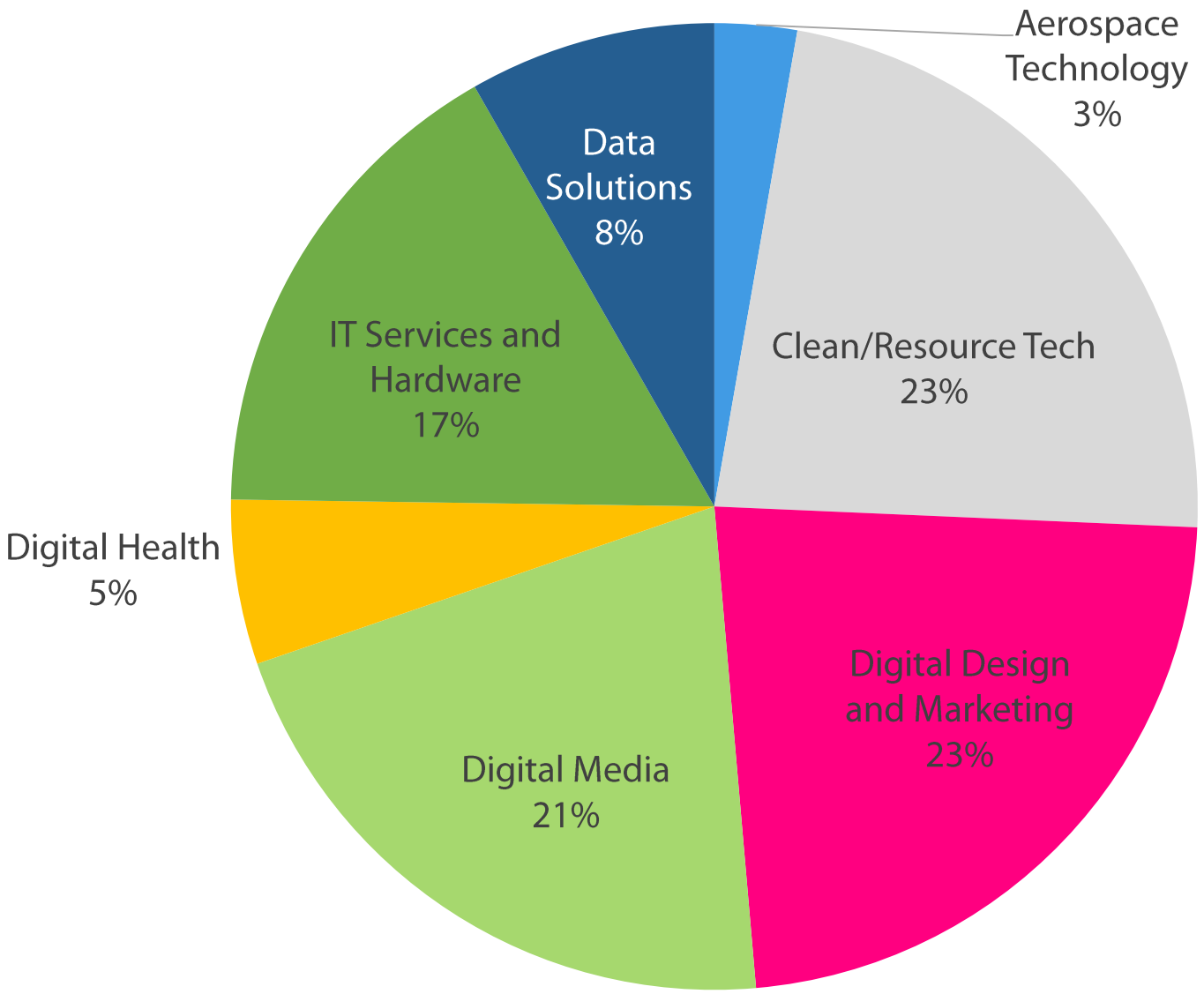
Inventory | Company Types

Using the custom definition, the breakdown of the sector depicts a diverse range of over 100 companies. While established in sectors such as **digital media** and **clean/resource tech**, there is clearly room to grow in key sectors such as **aerospace** and **digital health**. Note, lengthier descriptions of each sub-sector and examples of companies operating within them can be found in Appendix 1.



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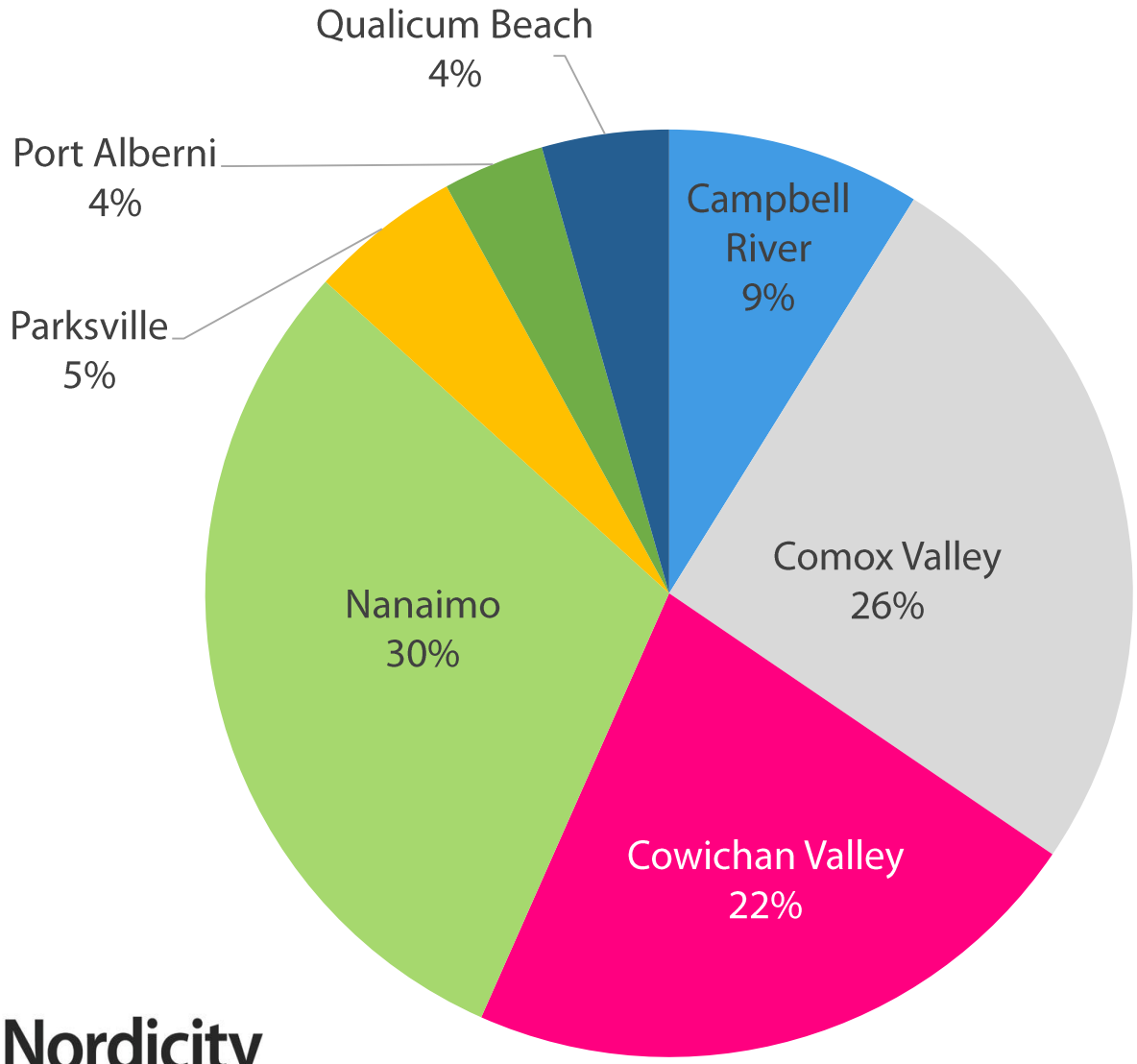
Inventory | Company Geography



As displayed, technology companies are located throughout the seven participating communities, with the significant majority (78%) located in **Nanaimo** and the **Comox Valley** and **Cowichan Valley** Regional Districts.

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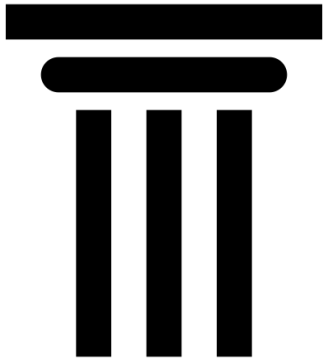
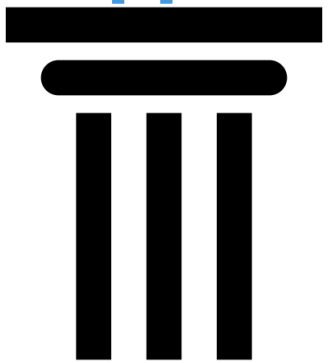
Inventory | Key Tech Pillars

Talent / Labour



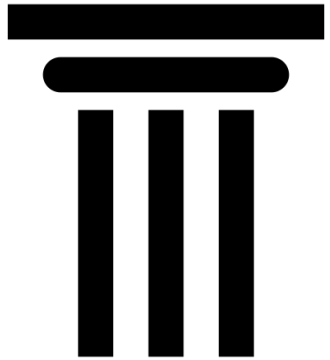
- Skilled labour supply
  - Formal education (PSIs)
  - Informal training
  - Immigration

Finance / Support



- Access to finance
  - National
  - Provincial
  - Local/private

Other Tech Assets



- Tech assets
  - Connectivity
  - Networks/support
  - Co-working spaces

The subsequent sub-sections will describe the three pillars of the tech sector in the context of Vancouver Island. Note, lengthier discussions of each can be found in Appendix 1.

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Talent | A Key Challenge for The Island

Access to highly skilled, trained and credentialed talent is a key pillar for the development of a tech sector.

Adequate talent is in short supply on the island (and the wider province), due in large part to **inadequate educational offerings.**

This is perhaps the **most pressing weakness** of Vancouver Island's tech sector.

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Talent | Education Offerings

Vancouver Island University (VIU) is home to the region's only computer science degree program. It also has programs in Applied Trades and Technology, though both were noted by stakeholders for being outdated. The university is perceived to be largely focused on the natural sciences.

North Island University (NIU), with campuses in Campbell River and Courtenay, is currently consulting with industry for the launch of a new technology certificate program with 40 spaces. No details as to whether they are focused on providing developers or equipment maintenance staff.

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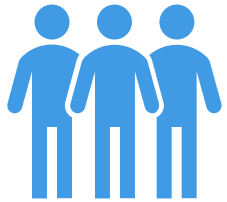
Talent | Key Opportunities

While formal educational programs are crucial, **informal technology training** can often offer targeted training to fill specific technical gaps.



Companies and municipal leaders can work together to build capacity by supporting **innovative short-term** targeted training.

Collaborating with the **First Nations School Association** and communities can introduce training and programs that provide employment opportunities for youth, remotely or close to home.

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Talent | Key Opportunities (cont'd)

BC Provincial Nominee Program (BC PNP) has two streams which may be useful in addressing the shortage of talent for the tech sector:

- **The Entrepreneur Immigration Stream** attracts immigrants willing to invest in BC through the expansion of an existing business or establishment of a new business.
- **The Skills Immigration Stream** is an economic immigration option intended for people with the skills, experience and qualifications needed by BC employers.

BRITISH COLUMBIA | WorkBC

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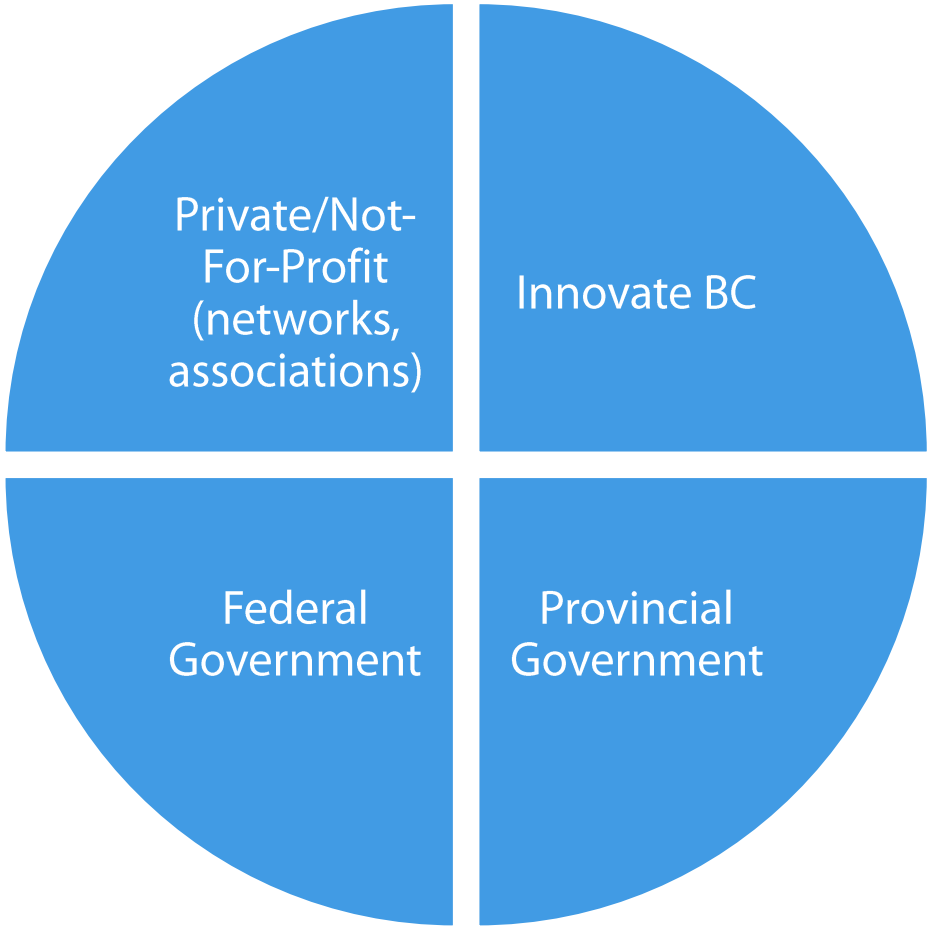
Financing and Support | Overview

- Financing and support available to local tech companies ranges from **broad programs** to very specific, **targeted programs**.



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Financing and Support | Overview (cont'd)

- **Island-specific Tech Support:**
  - **Venture Acceleration Program (VAP)**, at Innovation Island, is a BC Acceleration Network initiative supported by Innovate BC.
  - **Community Futures – Central Island** programs offer entrepreneur and small business loans. The support also includes training, planning and advisory services.

- **Support for Municipalities:**
  - **The Island Coastal Economic Trust (ICET)** was created to support economic development initiatives on central and northern Vancouver Island and the Sunshine Coast.
  - **BC Rural Dividend** program has assisted rural communities in support of community resilience, as well as social, cultural and economic viability.

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Financing and Support | Overview (cont'd)

- **Support from Innovate BC (crown agency):**
  - **New Ventures Competition** is a 10-week business seminar and networking series within a competition.
  - **Industry & Innovation Group** connects technology entrepreneurs, researchers and industry leaders in BC. The current focus is cleantech and the natural resource industry, including agri-foods, energy, forestry, mining and oceans.

- **Opportunities at the provincial level:**
  - **WUTIF Capital (VCC) Inc.** is a novel angel fund that co-invests with angel investors in promising new technology ventures in BC.
  - **BC Small Business and Venture Capital Program** incentivize investors to make equity capital investment in BC's small businesses with a 30% tax credit on their investment in a Venture Capital Corporation or an Eligible Business Corporation.

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Financing and Support | Overview (cont'd)

There are numerous **federal programs** that offer incentives and financial incentives to digitally-focused businesses and research initiatives in Canada. A few key programs are listed below:

- **Canada Media Fund**, a public-private partnership that supports TV and digital media innovation.
- **Scientific Research and Experimental Development's (SR&ED) Tax Incentive Program** offers varying funding amount, typically between 30-45% of project costs.
- **National Science Engineering Research Council (NSERC)** funds research conducted at universities which attracts high caliber faculty, students and companies.
- The federal **Western Diversification Program (WDP)** is the main program through which WD makes strategic investments in initiatives that enhance and strengthen Western Canada's economy.

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Financing and Support | Key Opportunity

Canada's Digital Technology Supercluster initiative, a consortium of private technology firms and organizations (from Boeing to start-ups), has recently received matching federal funds.

The initiative has four key themes:

- Developing a Diverse Digital Workforce
- Building a Robust Digital Economy
- Indigenous Skills Training
- Women in Technology Leadership

The first phase of projects will focus on three initial areas:
Precision Health | Digital Twins | Data Commons

Participants can also submit project proposals for broader capacity-building initiatives to support the ecosystem.

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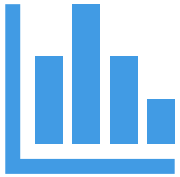
Other Tech Assets

Broadband connectivity in urban cores **comparable to most cities** around the country. However, limited **rural connectivity remains a barrier** for those working outside of urban cores.

Even with affordable commercial space (a key value proposition), **~4 co-working spaces** offer unique opportunities to network and foster organic interactions.



Innovation Island plays a vital role in early stage tech ecosystems, but many stakeholders noted a general gap in **mid-stage company support.**

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Section 3

Summary of Regional Strengths & Challenges

This section summarizes the strengths and challenges facing the Vancouver Island tech sector. Themes were identified through the research undertaken for the sector inventory, as well as from engagement with nearly 30 local stakeholders.

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Key Strengths of the Region

This word cloud summarizes the strengths of the island related to growing its tech sector, inputs from the **stakeholder engagement roundtable** on November 11th, 2018.

Lifestyle emerges as a key strength, while affordability, and family friendliness are also popular responses.

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Strengths | Affordability

- **Commercial space** is affordable in the region, which is especially important for companies trying to take the next step in their growth.
- Young people can actually **afford housing** which is not the case in many other tech hubs.
- **Land** is available at very affordable rates, which is key for some tech sub-sectors (e.g., clean/resource or environmental tech).
- Average living expenses are **25% less in Nanaimo than in Vancouver** (Numbeo). The contrast is even more stark when compared to San Francisco or Seattle.

"I can actually afford a house here and still have disposable income. This would not be the case in Vancouver."

Island Tech Entrepreneur

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Strengths | Lifestyle

"There is so much to do here. I am always finding time to get out to bike and ski in the winter. Even if you are not into outdoor sports, there are great trails and indoor facilities."

Island Tech Entrepreneur

- Vancouver Island offers fresh air, clean water and **natural beauty** that is world renowned.
- Outdoor **sports and leisure** activities are abundant – e.g., trails, beaches, diving, mountains.
- Small municipalities and less traffic mean there are **shorter commute times.**
- A strong feeling that there is a better work life balance on the island. The slower pace is commonly referred to by many as **"island time"**.

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Strengths | Family Friendly

- Stakeholders all agreed that most communities on the island are **welcoming**; lots of other families moving into these communities to raise families.
- There are a variety of **family activities** on offer in all communities – e.g., rec centres, trails, skiing and biking.
- Respondents feel **safe** in the island's neighbourhoods, allowing them to comfortably raise their families.

"Appeal to parents about a better life for their kids! You could offer [potential tech talent] a tax credit or a discount when they buy a home on the island."

Island Tech Entrepreneur

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Regional Challenges

This data graphic summarizes the strengths of the island related to growing its tech sector, inputs from the **stakeholder engagement roundtable** on November 11th, 2018.

As displayed, talent was most commonly noted by stakeholders at the session. Many themes also relate directly to awareness or perception of the region.

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Challenges | Talent

- There is an inadequate supply of **training** and education options available to people interested in learning tech skills.
- People looking to upskill, learn new coding languages or related technology sector skills **have to leave the region** to access specialized training.
- There is the perception of **limited interest from young people** in learning tech skills (most are learning trades). Those who are interested in technology often leave the region.

"Biggest barrier is the lack of a talent pool. Companies are having to develop their own talent. If they can't, they have to look elsewhere, sometimes even out of the country."

Island Tech Entrepreneur

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Challenges | Awareness / Perception

"[There's an impression that]…they can't go to the opera, even if they never want to. They focus on what they can't do instead of what they can do."

Island Tech Entrepreneur

- There is a perception that there is **nothing happening** in the region. Many worry about what they would do if they are not outdoorsy, or if their partner would find work.
- Ideas about the **rural mentality** generate perceptions about the type of people that live in the region (i.e., not urbanites).
- The region is perceived to be in the **shadow** of larger tech centres in Victoria or Vancouver. Currently, people don't naturally think of the region as a place to **grow** tech companies.
- There exists no significant 'anchor', or critical mass, to **draw attention** or spread the word; thus, the region's visibility is limited.

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Challenges | Location

- It can be **expensive** to move teams to and from the island; it can be a big move for many (e.g., need ferries, flights).
- People feel the region is too **remote or isolated** from the mainland or other tech hubs. Many of those working in the tech sector find they were operating in **isolation from each other**.
- No direct international flights from the island means **longer journey times** to important tech hubs (e.g., Silicon Valley).
- Transportation or **shipping logistics** cost many companies significant time and money.

"Logistics are tough. We try and store most of our equipment in Houston to ensure our customers get what they need when they need it. For a start-up or smaller company, the cost of doing business here could be detrimental."

Island Tech Entrepreneur

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In conclusion, the current inventory, key regional strengths and challenges, and best practice research have culminated in the development of the following Unique Value Proposition **(UVP)** for the Vancouver Island Tech Sector:

Vancouver Island provides an affordable, youth-friendly, and high-quality of life for tech companies and families to grow.

"It is the best climate for growing your ideas."

Section 4
Strategic Recommendations

This section outlines four strategies: Coordinate and Convene the Sector; Focus on the Achievable and Sustainable; Support Mid-stage Companies to Scale; and, Tell the Island Tech Story.
For each strategy, we describe key components, expected outcomes and resources required.

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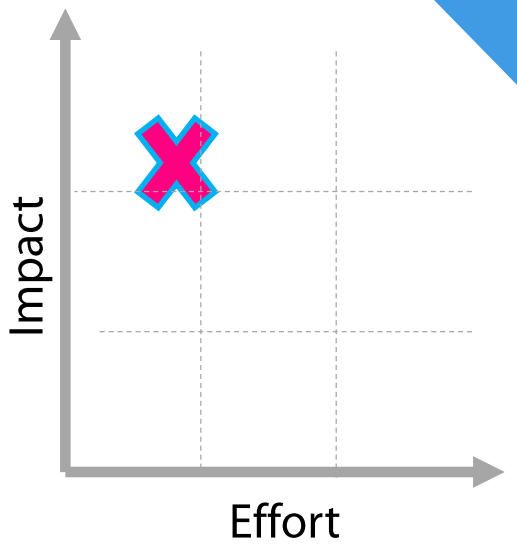
Strategy 1 | Coordinate and Convene the Sector

Key Elements

- **Convene labour** supply and demand, including developing opportunities to **intern** or '**learn**' with existing companies.
- Bring together those in need of **capital** with existing resources (e.g., funding options) or those that have capital (e.g., local retirees looking to invest).
- Coordinate **existing groups** (e.g., Modern Entrepreneur Series in Campbell River, OpenHack Cumberland and Comox AI).
- Help compile **key resources** that already exist (e.g., provincial, national funding, tech events) and make them accessible and understandable. This should eventually become a **formalized platform** (e.g., online tool/database) that could be easily shared and accessed by interested parties.

"I'd like to see the opportunity to connect with others who are also growing. That's what VICEDA can do to help us."

Island Tech Entrepreneur



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Strategy 1 (cont'd)

Expected Outcomes

- **Maximized impact** of existing program, initiatives and existing companies.
- Efficient, clear and **easy navigable tool** to find support.
- Increased industry **collaboration**.

Resources Required

- Cooperation amongst **stakeholders** and support entities.
- Funding for the development of **materials** (e.g., online presence) and **programming** (e.g., mentorship, networking events).

Comparable Research:
West K-Tech

Similar to Vancouver Island, the West Kootenay's have a talent shortage. However, by successfully coordinating existing companies with talent and interested learners, they have helped combat this challenge. West K Tech (West Kootenays) provides one-year employment program supporting West Kootenay employers with recruitment, on-boarding and training for technology-related positions.

Source

WEST K TECH

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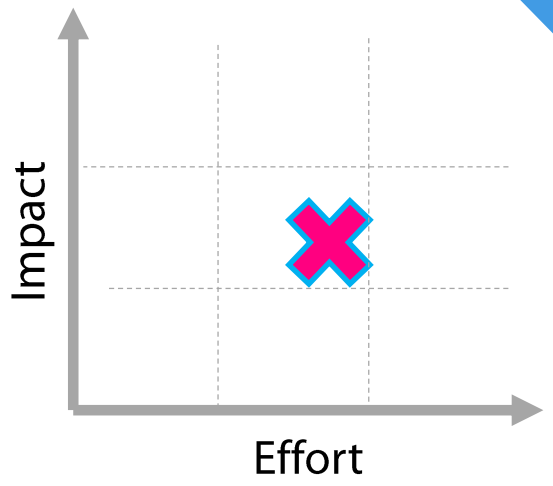
Strategy 2 | Focus on What's Achievable and Sustainable

Key Elements

- Develop and promote key **services for start-ups** (e.g., information about funding, networking and mentorship opportunities).
- Ensure that access to this important **information is accessible** and user friendly and, optimally, **online.**
- Focus less on attracting large 'anchor' companies but on **multiple smaller companies** or 'service outposts' that stay on the island and **grow in place**.
- Seek **short-term wins for labour** (e.g., training programs or informal coding opportunities before seeking opportunities with new larger formal programs).

"By focusing on the SME's [instead of anchor companies] you get a better understanding of their value. It's a better play."

Island Tech Stakeholder



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Strategy 2 (cont'd)

Expected Outcomes

- Growth of a **specialized ecosystem** (e.g., cleantech) instead of a dominating anchor firm.
- Eventually, national or global **recognition as leader** in niche industry(s).
- Slow but impactful and **sustainable** growth of the **labour pool**.

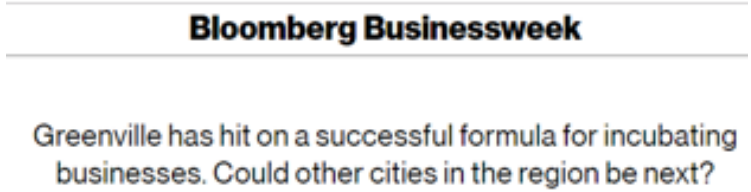
Resources Required

- **Support from key players** that support start-ups (e.g., Innovation Island).
- **Marketing materials** aimed at start-ups.

Comparable Research: Greenville, Carolina

Noted as the the 'New Startup South', Greenville, a post-industrial textile town, has focused on attracting young start-ups to the city. They have promoted affordability and a youth-friendly lifestyle. As a result of this strategy, Greenville is a growing tech hub – start-ups and young people share a 'pride of place' in the town.

Source


Bloomberg Businessweek

Greenville has hit on a successful formula for incubating businesses. Could other cities in the region be next?

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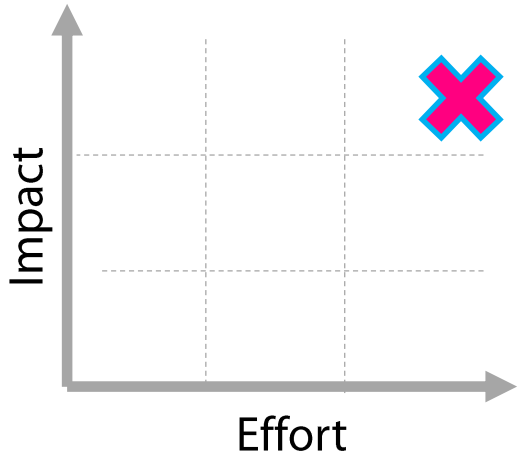
Strategy 3 | Support Mid-growth Companies to Scale

Key Elements

- **Dedicated support** for mid-growth companies that are looking to scale-up (e.g., specialized business and market support).
- An **expert understanding** of the future needs of start-ups and entrepreneurs (e.g., ensuring expert assistance for accessing capital, labour and markets is available when needed).
- Tailored **regulations** (where feasible) that are **conducive to growth** in the sector (e.g., subsidies, permits, licensing).

"Innovation Island no longer has the funding to support the mid-stage companies to scale. This causes a stall in the ecosystem."

Island Tech Stakeholder



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Strategy 3 (cont'd)

Expected Outcomes

- Companies that start here are **more inclined to stay here**.
- Increased attraction to the island for the 30+ crowd who seek to **grow their business and family**.
- Growth and success starts to become more abundant and widely shared.

Resources Required

- **Expertise** and **financial** resources specifically focused on mid-growth support.
- Eventually, a **physical space** (e.g., coworking space, dedicated business support space) where companies in similar stages can meet with advisors and mentors.

Comparable Research: Stratford/Perth Centre for Business

In a city of only 31,00 residents, the Centre for Business is leading the way in helping small business owners grow and scale in place. They have one dedicated events staff and an expert business advisor to offer inhouse, complimentary business services that are tailored to the needs of each business.

Source

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Stratford | Perth Centre for Business
helping business succeed

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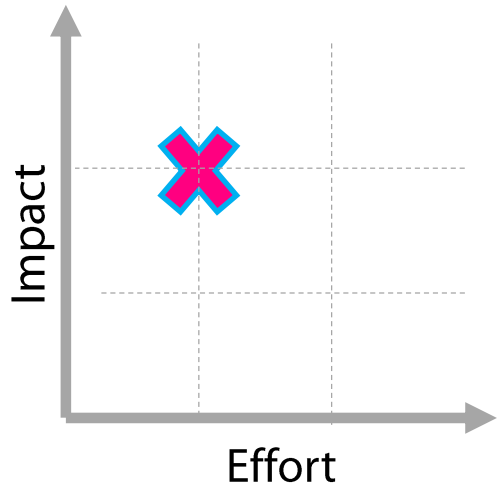
Strategy 4 | Tell the Island Tech Story

Key Elements

- Tell the **story of tech** to Vancouver Island (**inward)** – help the local community understand what is here and why it is valuable (e.g., create and promote events that celebrate local success such as an award show or local leaders night).
- Tell the story of Vancouver Island (**outward**) to **the tech community** – help outsiders understand that Vancouver Island is a great option to live/invest (e.g., VICEDA marketing through **online presence**, supporting tech companies to attend off island events like BC Tech Summit).

"No one seems to know what is happening of the island. We need to share it widely"

Island Tech Stakeholder



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Strategy 4 (cont'd)

Expected Outcomes

- Greater interest from **international investors** or talented workers wanting to join the region's sector.
- Improved industry **self-confidence** and increased capacity to **compete off the island**.
- More interest from young people in joining the industry.

Resources Required

- A strong, user-friendly **online presence** that tells the story of the region as a whole.
- Sector/**marketing expertise** at VICEDA or the resources to contract such services.
- Investment in **targeted marketing** initiatives either online (e.g., website, social media) or in-person (e.g., attending trade shows).

Comparable Research: Cochrane, Alberta

The Economic Development Agency in this small rural town has led the way in telling the story of innovators that call Cochrane home. Their 'You Can Make it Here' campaign helped the city become the top entrepreneurial city in 2014. Recently, Garmin named Cochrane as their headquarter, giving the town a large anchor tech company.

Source

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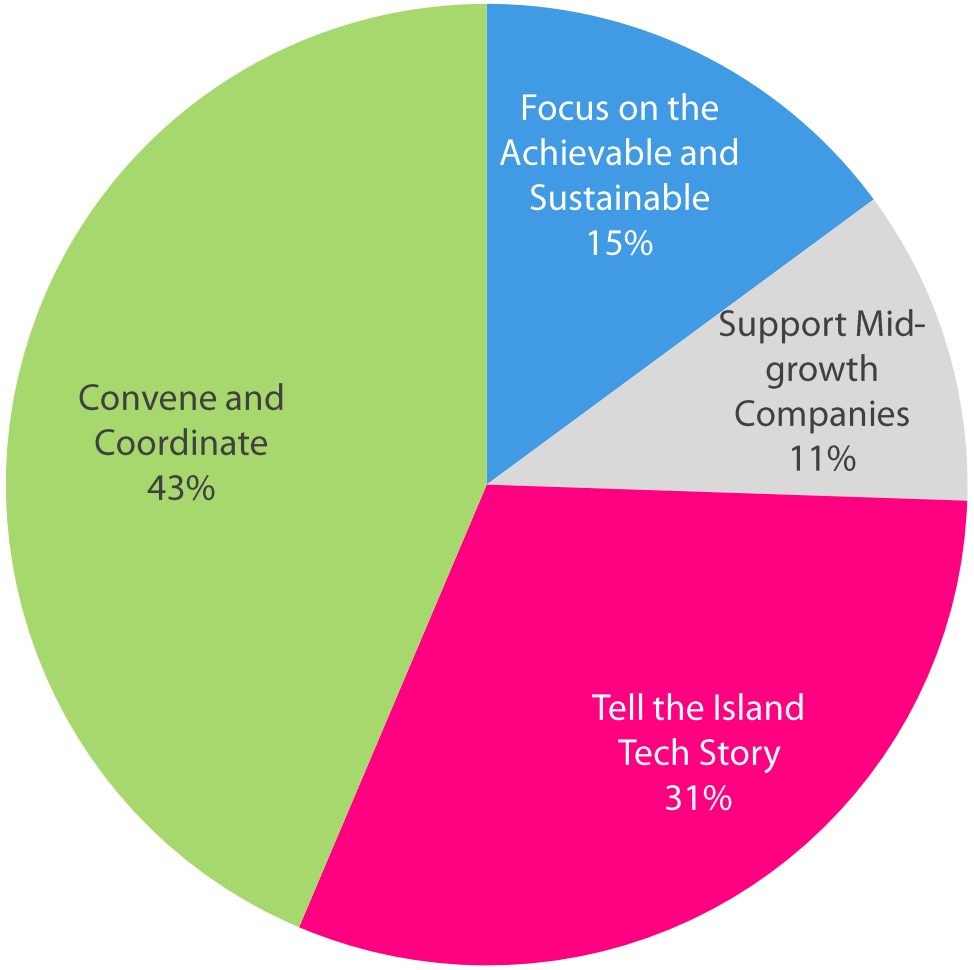
Strategic Prioritization Summary

This chart illustrates the results of a **prioritization exercise** undertaken with VICEDA staff at the internal **validation session**, November 21st, 2018.

Prioritization of the strategies is not necessary (e.g., all or parts of all can be **done simultaneously**). However, in given the **limited resources**, it remains important to focus on what is **realistic** and **most critical**.



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Section 5
Action Plan

This section describes specific actions for implementing the strategies described herein. The roles VICEDA could play are identified, along with potential partners and target markets. The section also provides specific recommendations on marketing techniques based on best practices, as well as a series of recommended next steps.

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Action Plan | The Role of VICEDA

Some of the key roles for municipal economic development agencies in attracting tech investment are:

- **Placemaking**, through urban planning, an attractive provision of municipal services.
- Ensuring **connectivity** and broadband remain key assets, including advocating at all levels of government for continued fibre investment.
- Optimizing land **zoning** and **licensing** that can incentivize investments in communities throughout the region.
- **Coordinating** and convening existing actors in the sector.
- **Marketing, communication** and **promotion** of economic opportunities in the sector.

As illustrated in the graphic below, VICEDA representatives largely agreed with these roles, while stating that **coordination** and **aggregating support** and **communication** were the most critical ones.

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Comparable Research | Economic Development in Tech Attraction

Calgary Economic Development (CED) has focused on developing the city's technology sector, despite Calgary's historical reputation for being a 'boring, conservative, resource' city. As shown below, similar to the UVP of Vancouver Island, CED has used enviable reputation (**outdoor lifestyle**), affordable **housing** and **competitive tax** rates as key pitches to those interested in Calgary. While they also pitch 'high quality talent', this is mostly in reference to a STEM educated workforce and not so much in terms of tech sector-ready talent. In fact, CED has recently launched numerous campaigns attempting to attract tech sector-ready to Calgary.

Technology

Calgary comes calling for Vancouver tech talent

City's efforts to diversify its economy creating more competition for B.C. workers

By Tyler Orton | October 26, 2018, 12:50pm

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The Benefits of Coordination

- Growing theme of **co-optition** – that is, when competitors work with each other on a project-to-project, joint venture, or co-marketing basis.
- Shared **branding** can make marketing and attracting much more efficient and appealing.
- Showcasing a UVP as a **region** instead of just one small town makes it more appealing.
- Spillover benefits from tech companies or talent will **create impact** in all surrounding towns in the region.

Comparable Research: Kootenay Association for Science and Technology

The KAST partnership serves a geographic area roughly equivalent to five Vancouver Island's (156,000km), with approximately 200,000 rural inhabitants with no communities larger than 20,000. Despite this, KAST has been largely successful in its mission to 'build a recognized, vibrant a prosperous technology community in the region by connecting and solving problems for entrepreneurs.'

KAST Kootenay Association for Science & Technology — your BUSINESS launch pad

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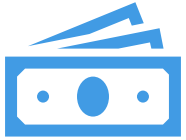
Target Markets



Companies or talent in cities that lack easy access to **nature and the outdoor lifestyle** are more likely to be interested in the island's outdoor 'pitch'.

- For example, eastern seaboard cities such as **New York** and **Boston** don't have the easy access to the outdoors, meaning this could be a draw for those interested in a lifestyle change.

Many tech hubs are becoming increasingly **unaffordable**, meaning companies or talent in those markets may be looking for inexpensive markets.

- For example, **Seattle** or **Silicon Valley**, both on the west coast, are two of the most expensive places to live in North America.

Areas with an abundance of **start-ups** may be reaching a point of saturation, or have young companies looking to grow in places with less competition.

- According to Startup Genome, both **London** and **Tel Aviv** are among the top startup ecosystems in the world.

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Marketing to Tech Companies

- **Develop a user-friendly online presence**
  - This presence should not only tell the story of Vancouver Island's tech sector (Strategy 4), but also include easily accessible records of existing companies, key resources, etc. (Strategy 1)
- **Leverage 'effective labour cost' advantage**
  - Labour is the primary cost for most tech companies. Canadian labor is cheaper (at least compared to the US) given the lower CAD and the overall cost to retain an employee (including healthcare costs and employer liabilities).
- **Target based on the age of tech company**
  - Generally, the older a tech company is, the more likely they will respond to family-orientated lifestyle factors.
- **Aim directly at clearing perceptions of the region**
  - Targeting negative perceptions of the region (e.g., isolated, rural etc.) can be effective in immediately opening up the mindset of potentially interested investors.

VICEDA's Challenge

A pillar to success in the growth of a technology sector is human capital (talent), currently not a strength of Vancouver Island. Finding ways to overcome this challenge and address it head-on is going to be key for VICEDA's marketing actions.

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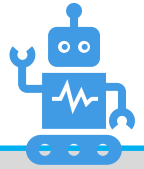
Potential Partners

Education groups will be important partners for improving the tech talent gap on Vancouver Island. Examples could include formal PSI's, especially in the longer term, while near future partners could include informal educators such as Lighthouse Labs or Brain Station.

Groups with knowledge of start-up/growth activity can potentially help VICEDA identify companies that are young and maybe looking to expand (Strategy 3). Organizations such as Front Funder and Spring have a strong understandings of the different companies and trends in this space.



Local tech companies and existing Vancouver Island tech leaders will be key partners in telling the story of the region's tech sector (Strategy 4). Resonance Software (Worksight), BRON, Coulson Group and Cloudhead Games are all well known leaders on, and off, Vancouver Island.

Existing island assets that can help in the coordination and convening of the sector (Strategy 1). Innovation Island, VIEA and tech meetups hosted by other groups such as Campbell River's Modern Entrepreneur Series, Comox AI or OpenHack Cumberland are all examples.

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Next Steps

VICEDA should develop a user-friendly and informative web-presence.

This will drastically increase the ability for VICEDA to carry out all strategies, but especially the **top two prioritized strategies** (Convene and Coordinate and Tell the Island Tech Story). A web-presence will also give the region's tech sector a **central place to connect and seek information about available resources**. Furthermore, it will help VICEDA reach important potential partners and **international markets**.

VICEDA should convene a Tech Task Force.

As part of the engagement process, the Project Team asked if stakeholders would participate on a task force. The responses were overwhelming positive, with nearly all **saying yes they would be participate**. Such a task force could become an important resource to help VICEDA carry out strategic recommendations with limited resources.

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Appendix 1
Full Tech Sector Inventory

This appendix describes the full inventory of the Vancouver Island tech sector.

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Appendix 2

Industry Events for Tech Attraction

This appendix provides a sample of potential industry events from around the world that could be attended by VICEDA to seek investment into the Vancouver Island tech sector.

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Event	Place	Date	Main Focus	Target Attendees
Adobe Summit	Las Vegas, NV	March 26-28, 2019	Digital Marketing and content creation	Advertisers, analysts, publishers, content managers
Aviation Technology Forum	Shanghai, China	June 4-5, 2019	Aerospace and aviation technology	Professionals
AWE USA	Santa Clara, CA	May 29-May 31st, 2019	VR, AR, MR	Professionals
Banff World Media Festival	Banff, AB	June 9-12, 2019	Digital Media, Media and Entertainment	Professionals
BCTECH Summit	Vancouver, BC	March 11-13, 2019	Comprehensive technology and entrepreneurship conference	Professionals and students
CES	Las Vegas, NV	January 8-11, 2019	Consumer technologies with a focus on VR, AR and MR in 2018	Professionals
Cleantech Forum	San Francisco	January 28-30, 2019	Clean and environmental tech	Professionals
DigiMarCon Canada	Toronto, ON	May 16-17, 2019	Digital Marketing and Social Media: emerging strategies and best practices	Professionals and students
DX3	Toronto, ON	March 6-7, 2019	Digital Marketing and Retail	Professionals
E3	Los Angeles, CA	June 11-13, 2019	Data solutions, video and mobile games	Professionals and public
FMX	Stuttgart, GER	April 30-May 3, 2019	Digital Visual Arts, VFX, Animation, Games and Transmedia	Professionals and public
GDC	San Francisco, CA	March 18-22, 2019	Interactive games and VR	Professionals
Internet World Expo	Munich, GER	March 12-13, 2019	e-Commerce and Digital Marketing	Professionals
iTech	7 shows in Canada	May-Nov 2019	Infrastructure, Cloud, Security, Data Centre and Mobility	Professionals
Mobile World Congress	Barcelona, SP	February 25-February 28, 2019	Mobile sector	Professionals
SIGGRAPH	Los Angeles	July 28 – August 1	Emerging Technologies	Professionals and students
Smart Materials and Sustainable Technologies	Toronto	April 8-9, 2019	Clean and resource tech,	Professionals and researchers
Startup Weeks	Edmonton is large one also in Vancouver BC	October, 2018	Entrepreneurship, startup community and innovation	Entrepreneurs

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