

Canada  
Innovates

## Part 1

When it comes to innovation, newspapers don't just write about it, they are pioneers of it. News organizations were among the first to embrace social media as the face of news changed, and new apps for smartphones are proving the dynamic nature of 21st-century newspapers.

In terms of traditional print, Metro has broken free of the mould used by many other newspapers. Our story selection and presentation are unique in the Canadian media landscape.

Today we've profiled the state of Canadian innovation and where the seeds of ideas are being sown. Governments are stepping up with increased innovation investment and the private sector is poised to jump on the opportunities — Canada is ripe for the next wave of social, cultural and technological innovation.

On Day 2 we look back at Canada's innovative past and show you today's Canadians who are making a difference. On Day 3 we look at some of Canada's failures — and a surprise guest tells us what we need to do to charge to the forefront of innovation.

Metro's contribution to this innovation comes in the way we'll tell the stories — we're putting design and information on a collision course. Whether these ideas embody the innovative spirit is something we'll leave up to you. Check them out, then email us at [readers@metronews.ca](mailto:readers@metronews.ca) or tweet @MetroNewsCanada.

**Answering the call.**  
Government, investors & academics are serious about leading us out of innovation's backwoods



**STEPHEN BALDWIN**  
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In the mid-1800s, a Canadian scientist sought to honour his deaf mother and wife through understanding the science of hearing.

By 1874 he was splitting time between his Brantford, Ont., home and a Boston laboratory, gaining a reputation as one of the most intelligent and inventive scientists in the Western hemisphere. It was in Boston, though, where he would develop the vital relationships — and funding — required to produce the technology that would change the way billions of people communicated.

Most of us wouldn't have known the name Alexander Graham Bell had it not been for American businessmen Gardiner Hubbard and Tom Sanders.

Aside from being Bell's father-in-law, Hubbard, along with Sanders, provided the resources required for experimental prototypes.

Nearly 150 years later, inspired Canadian scientists, engineers and entrepreneurs continue to head south to have their dreams realized.

A 2010 report by the Conference Board of Canada gave our country a D grade for its innovation efforts and a ranking of 14 out of 17 developed countries (below Austria and Denmark). They defined innovation as "the ability to turn knowledge into new and improved goods and services."

The report found Canada lagging in several key innovation indicators, including patents produced per capita,

export market share of electronics and pharmaceuticals, and technology manufacturing.

Later that year, the government assembled an expert panel from the academic and corporate worlds to solve the innovation gap. The result was a report entitled Innovation Canada: A Call to Action, a review of innovation over the past 30 years that provided a framework for repositioning Canada's economy.

"The budget last year, which was only maybe six months after the report, enacted a whole host of initiatives that were recommended in the report," says Tom Jenkins, the panel's chair.

## Quoted



**"I think overall we are still lagging in innovation. As a score, we're certainly not at the top. The Conference Board, the Institute for Competitiveness and Prosperity — they all show that we can do better, and historically we have done better."**

Tom Jenkins is the executive chairman and chief strategy officer of Waterloo-based software company OpenText, serves on boards for a variety of software companies, is a member of several national academic councils and the chair of the Canadian Digital Media Council.

Among Jenkins's several distinguished titles is executive chairman and chief strategy officer of Waterloo, Ont.-based software company OpenText.

According to him, two significant barriers to innovation are the bureaucratic red tape keeping entrepreneurs from tax credits, and turning the government, one of the market's largest buyers, into a customer.

Progress has been made on the former through simplification of the Scientific Research and Experimental Development tax-incentive program (known as SHRED).

The latter has been considered through the Canadian Innovation Commercialization Program (CICP), which awards

government contracts to the most innovative firms. For Jenkins, these are steps in the right direction, but more needs to be done by the public sector to drive competition.

"In our research we found that customers, demanding customers, in a competitive environment are the No. 1 driver of innovation," he said. "The private sector has this built-in conveyor belt that forces it to innovate, and if it's not innovating fast enough or big enough, then that's where government, which has a different agenda, needs to sort of weigh in and encourage."

Jenkins notes four key components of an innovation ecosystem:



Ironically, Alexander Graham Bell, arguably this country's greatest innovator, had on to create the BlackBerry found that things have gotten a little better for bright

to leave Canada to pursue the inventions he envisioned. His successors who went people with bright ideas. PHOTO ILLUSTRATION BY DAVID VAN DYKE

(angel investors and venture-capital funds) in the private sector. Examples of the latter include VA Angels (Alberta), Version One Ventures (B.C.), First Angel Network (Nova Scotia), Extreme Venture Partners (Toronto), Sask Works Venture Fund and the Manitoba Knights.

## Infrastructure

Innovation hubs called incubators and accelerators continue to pop up throughout the country, often in collaboration with universities. They have helped companies in Waterloo like OpenText and BlackBerry thrive.

"It's where you get to perform the contact sport," Jenkins says. "In those centres, there are accountants, bankers, people who can access mentors. That's absolutely essential."

## Customers

A concentrated customer base is essential to the growth of a company, but the Internet has made it such that this is no longer a geographical requirement. A Canadian startup can come up with a product that caters specifically to Icelanders.

In January, Stephen Harper announced a \$400-million investment in venture capital.

It's a big step for a government that has been criticized both at home and abroad for living in the past, and with the infrastructure in place, it's now on the private sector, and the next generation of entrepreneurs, to take advantage.

Regardless of the outcome, Canadians can find comfort in the axiom that tolerance breeds innovation. But in this game, according to Jenkins, getting too comfortable can mean falling behind.

"It's the nature of innovation that you cannot rest on your laurels. Because innovation by its nature is constantly changing and constantly challenging countries or companies to keep up. This is not a snapshot, it's a treadmill."

## Startups

Canadian  
innovation: A  
cautionary tale

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Canada's track record for supporting innovation is good — but it could be better, experts say.

More available capital, resource support and a dash of bravado might be what it takes to push our creative envelope to the max.

Small-business consultant Mark Evans believes the investment community looks at the big-ticket items at the expense of overlooking niche innovation.

"There are not enough sources of seed capital, and a lot has to do with the investment mentality that prevails with big investors who are more conservative. We're happy giving money to companies that want to dig holes in the ground (minerals, etc.), but it's a different game when it comes to other investments," said Evans, a former business journalist, turned consultant, with past credits in the Financial Post and the Globe & Mail.

Small businesses in Canada is a big deal. They account for 98 per cent of our ongoing businesses — and many of them started up to fill a niche or provide a service with an innovative idea or approach. They are the drivers of innovation.

"It's important that people (especially the youth of tomorrow) begin thinking like entrepreneurs," says Lesley Wilmot, director of marketing and communication at the Canadian Youth



Small businesses aren't small potatoes in Canada. They account for 98 per cent of ongoing businesses in the country. But are today's youth thinking like entrepreneurs? PHOTOS.COM

Business Association.

"We need them for our economy to continue to grow."

Wilmot's organization was established by the government in 1996 and provides youth between 18 and 39 with much-needed startup capital and access to mentors, who offer business advice, guidance and collaboration.

The government and private sector are stepping up with more credit and support for innovative small businesses across the country.

The final step, according to Evans, is believing we're

innovators. Canada has long been an innovative nation, but we tend to shy from the limelight.

"Canadians are too modest and humble for their own good compared to U.S., who are always ready to declare themselves as the best or No. 1," said Evans.

## More online

Canadian innovation has given the world so much, but do you know how much? Try our quiz on Canadian inventions at <http://metronews.ca/inventionquiz>

Suzie's path  
of innovation

Suzie could be your average Canadian. She is intelligent, creative and motivated. She doesn't mind her job, but is constantly day-dreaming about building something she can call her own. Suzie has ideas, but she's the only one who knows them. She has plans, but doesn't know how to carry them out.

The entrepreneurial road can be daunting, but if Suzie can follow five steps, she could end up with exactly what she's been dreaming about. **STEPHEN BALDWIN/METRO**



## Conception

A great idea can come in an "a-ha!" moment or through weeks of brainstorming. Ideas come in all shapes and sizes and can be original or improvements to current concepts or products. Who hasn't thought, "That would be so much better if..."? Thoughts will be swirling and questions will arise: What purpose it will serve? How will we execute it? Is there a market? Just don't spend too much time coming up with the company name.



## Collaboration

Ideas begin to take shape when people with a common interest or goal work together. Everyone's got a unique perspective, and incorporating everyone's input on a product or service can be painstaking — but necessary — as the idea percolates. Breakthroughs are the result of hours of tedious work. Having someone to help carry the burden and responsibility can allow you to get where you need to be faster and more effectively. For those who can't find their entrepreneurial soul mate, meet-ups and forums can help.



## Funding and incubation

Venture capitalism and angel investors are emerging as popular avenues for funding. These investors are willing to bet big on great ideas, often for a piece of the company or its profits. Small business can also look to available grants and loans offered by each level of government. Incubators and accelerators provide new businesses with the resources and mentoring needed to grow. Both often provide funding, but their real value is in helping you develop your idea in a collaborative setting.



## Experimentation

This varies depending on the idea or application. Web startups will launch a beta version of their site, while others require a more tactile approach (e.g., testing/demonstration in the targeted industry, trade shows/showcases, etc.). This stage allows kinks to be smoothed, and in some cases forces you to start from scratch.



## Marketing

This step is often overlooked, but it's as important as the others. You've put together something fresh and innovative, but no one knows about it, so no one cares. Researching and seeking out those people who can influence the success of your innovation is critical. The way you present your business will say a lot about what you do and how you do it. Done right, you can allow the innovation to speak for itself.