3.0 Startup Eco-system Engagement: What we’ve heard

A critical aspect of the City’s Economic Development & Culture’s entrepreneurial support is ongoing engagement with the startup eco-system and network of incubators/accelerators across Toronto. In the crafting of this Strategy, engagement with key players in the startup eco-system assisted in determining opportunities the City could address in collaboration with various partners.

A consultation session was hosted by the City in November 2014, and included approximately 40 organizations from across the startup eco-system primarily representing business incubators and accelerators. The session aimed at identifying the gaps, as well as opportunities the City could address through the Strategy. It was also a chance for staff to ground-truth some of the potential action areas of the Strategy to ensure relevance and resonance with eco-system stakeholders.

A summary of the entire stakeholder engagement process in the creation of this Strategy and a listing of participant organizations can be found in Appendix A. This section provides a high-level view into the themes and common ideas shared by stakeholders.

When stakeholders were asked what excites them about the Toronto startup eco-system, the top responses included:

- The existence and growth of an eco-system in Toronto and the increasingly pervasive startup culture in the city.
- The critical mass of activities and ideas in the eco-system.
- The presence and potential of talent being produced in Toronto through post-secondary institutions.
- The network of support infrastructure and programs for startups in the technology industry.
- The rise of social entrepreneurship and acceptance of social entrepreneurs as contributors to the economy.

The top responses from stakeholders when asked what “frustrates” them about the Toronto startup eco-system included:

- The image and brand of Toronto as an entrepreneurial hub needs to be bolstered to retain talent. A common story needs to be told locally and internationally.
- The need to break down silos and transfer knowledge of who the players are and what is happening in the eco-system; a central place to get information is required.
• There needs to be a greater focus on traditional sectors of the economy and a broader understanding of the composition of the economy in Toronto before support infrastructure can be developed and deployed.
• There is a significant focus on downtown Toronto rather than on the broader city and GTA.
• Supports for broader demographics required (funding for people aged 39 years and older, newcomers, etc.)

To generate ideas and identify potential collaborative projects, the group was prompted to respond to the statement: “Toronto would have a stronger startup eco-system if...”. Generally, a number of key themes and potential projects emerged during the discussion.

• **Funding/Resources:** Funding for startups was a significant point of discussion where the need to support early-stage companies through seed funding was highlighted. It was established that while there is funding available for startups and small businesses in the eco-system, a shared intake for simplified access to funding sources could be a beneficial collaborative project. In regard to government funding, working with all levels of government to broaden the spectrum of funding available was highlighted as a need to enable further growth in the eco-system.

• **Capacity/Pipeline:** This theme addresses the need to enhance the connective tissue between players in the eco-system. One of the specific ideas that emerged from this discussion is the need to have a one-window platform that provides information, resources and a description of the key players in the eco-system. In addition to this, infrastructure to support business incubation was a key point of discussion.

• **Branding/Positioning:** Developing a brand that celebrates the homegrown success of Toronto startups and small businesses, as well as, the vibrancy of the eco-system was a significant theme discussed. The notion of making Toronto the startup gateway to the world, and promoting the advantages of Toronto to startups globally were ideas on which participants were keen to move forward. Raising the profile of the eco-system through events, such as a startup festival, or showcase was another way that participants envisioned Toronto sharing its brand as an entrepreneurial hub.

• **Collaboration:** Discussion around this theme centred on ways to enhance partnerships and collaboration amongst players in the eco-system. This included hosting more frequent meetings between eco-system collaborators, building stronger links between startups and enterprise level businesses, as well as leveraging City of Toronto procurement as a means to pilot new technologies/services. Building enhanced relationships with other jurisdictions was also an idea that emerged from the group.

These themes generated specific recommendations for the City to prioritize as areas to undertake in the short and medium term. The development of the goals, objectives and actions laid out in this Strategy has taken these recommendations into consideration. The broad approach to developing the Strategy was to critically identify opportunities in Toronto’s eco-system, which generated a framework from which to build action items. The Strategy charts the course for the Economic Development & Culture Division staff, but is also meant to be an iterative and evolving action plan that leverages the continuing engagement with stakeholders in the startup eco-system and is responsive to change in the entrepreneurial environment.
From Concept to Commercialization: A Startup Eco-system Strategy for the City of Toronto
4.0 A Strategy to Establish Toronto as a Global Startup Capital

With changing economic realities, communities worldwide are taking a stronger leadership position in supporting innovation, entrepreneurship and small business growth through policy interventions. While many places have chosen to focus on one sector as their key driver, the City of Toronto acknowledges the importance of various types of startups across various sectors of the economy.

While the startup eco-system in Toronto is relatively young in comparison to other global locations, the potential is tremendous. The purpose of this Strategy is to identify and facilitate collaborative opportunities strengthening Toronto’s position as a leading startup community and centre for entrepreneurship. This is laid out through an actionable approach to leveraging resources, identifying the role of the City, and undertaking collaborative projects to support the growth of the startup eco-system.

To this end, the work of the City is guided by the following vision, roles and strategic framework.

4.1 Role of the City of Toronto

The City of Toronto has three important roles in the implementation of this Strategy. While overall leadership is required to achieve success, the following roles can be applied to the objectives and actions in this Strategy.

VISION: Toronto is the startup capital of the world, the ideal place to start and grow a business.
Catalyst

- As a catalyst, the City plays an important leadership role. This leadership role can take the form of initiating, convening and leading collaborative eco-system projects in which the City could fund, administer and project manage from inception to implementation. This can also take the form of strong political support and involvement for activities and programs in the ecosystem.
- As a catalyst, the City of Toronto would be the lead on the identified action.

Collaborator

- As a collaborator, the City will act as a connector and supporter for eco-system partners. This could take the form of hosting meetings, brokering introductions between players in the eco-system, and identifying resources required to move a project forward.
- As a collaborator, the City of Toronto could support an eco-system stakeholder who is leading a project.

Funder

- As a funder, the City could play an active role in moving a project forward through various types of funding (grants, sponsorships) and incentive programs. In this role, the City could also convene various eco-system partners to co-fund opportunities.
- As a funder, the City of Toronto would support the expansion and programming of existing business incubators/accelerators and could assist in funding new business incubation opportunities.

Toronto’s startup eco-system is diverse and contains a number of different players who together create a comprehensive environment for entrepreneurship to grow and thrive. At the centre of the framework is the vision driving this Strategy. This is supported by three specific roles that the City could take in building a strong startup eco-system through three defined goal areas. To achieve this ambitious vision, three key goals have been set out.

The three goal areas were derived through taking an overarching view of the startup eco-system and identifying gaps and opportunities in which the City of Toronto can play a role in addressing. These goals take a balanced approach to supporting startups by building a sustainable foundation for entrepreneurship both at the neighbourhood and regional level. This can be achieved through leveraging existing resources at the City of Toronto, through inter and intra-divisional alignment with EDC and divisions such as Toronto Employment

Diagram 4: Startup Eco-system Strategic Framework
and Social Services for example. These goal areas have been chosen also to reflect and build upon what is already happening in the eco-system and where the City can exert leadership and support to ensure continued momentum and growth.

**Goal 1:** **Strengthen the infrastructure that supports a sustainable startup eco-system.**

This strategic area examines the foundational aspects of the startup eco-system and actions required to support its vibrancy and sustainability. Actions related to funding, collaboration and communications are set forth here.

**Goal 2:** **Support regional economic growth by focusing on sectoral convergence opportunities and gaps in the eco-system.**

Toronto’s key sectors are regional drivers. This strategic area identifies actions to support startups and small businesses through a sectoral approach. A focus on specific sectors does not negate the opportunity for the City to address sectoral needs and opportunities that may arise during the implementation of this Strategy. In addition, some actions are regional in scope and require collaboration with partners from across the Greater Toronto Area.

**Goal 3:** **Support community economic development across Toronto’s neighbourhoods through entrepreneurial capacity building and business incubation.**

Examining Toronto’s neighbourhoods is equally as important as a regional approach to economic development. Building local entrepreneurial capacity and supporting an enabling environment for entrepreneurs to grow is a strategy that targets community sustainability and self-sufficiency to grow strong neighbourhoods.

### 4.3 Startup Eco-system Action Plan

The goal areas have been organized through setting objectives and identifying actions to achieve. The objectives are essentially what must be achieved in order to succeed, while the actions are task-oriented and support the achievement of the objectives and overall goals.

Achieving success and positioning Toronto a startup capital will not happen overnight, nor will it happen in isolation. The Strategy takes a collaborative approach to achieving the stated vision over a five year period. Each action has an implementation timeline assigned ranging from:

- **Short-term (1 year)** 2015/2016
- **Medium-term (2-3 years)** 2017/2018
- **Long-term (4-5 years)** 2019/2020
- **Ongoing** (over the five year period)

These timelines will ensure that resources are allocated accordingly and are available during project implementation.
Goal 1: Strengthen the infrastructure that supports a sustainable startup eco-system.

The actions set out aim at supporting the eco-system more broadly to create an enabling environment for startups to thrive and small businesses to grow, elevating Toronto’s global position as a startup capital. In this goal’s area, infrastructure refers to not just the bricks and mortar required to support innovation, but the foundational aspects of the startup eco-system that call for support to propel sustained startup growth.

Objective 1.1: To better understand the startup eco-system landscape and its impacts to inform opportunities and transfer best practices.

Action 1: Support a study of Ontario’s business incubator and accelerator landscape in partnership with various organizations.

The incubator and accelerator landscape in Ontario, particularly in the Greater Toronto Area has evolved exponentially in the last decade. In order to continually identify policy and program approaches to supporting this infrastructure and growing the startup eco-system, a comprehensive study can be undertaken in partnership. This study could also aim to understand the impacts that incubation and acceleration programs have in supporting the growth and sustainability of startups.

Role of the City: Collaborator

Implementation Timeline: Short-Term

Action 2: Enhance the transfer of knowledge within the startup eco-system.

The Economic Development & Culture Division through its Business Incubation program has traditionally been a resource to incubators in Toronto and other jurisdictions through the sharing of best practices. The City can continue to take a thought leadership role by formalizing the sharing of ideas and best practices in business incubation, pushing the practice forward through a collaborative approach with incubators and accelerators from across the region.

Role of the City: Collaborator

Implementation Timeline: Ongoing

Objective 1.2: To create awareness and generate buzz about Toronto’s startup eco-system and small business innovation.

Action 3: Celebrate the Toronto story and the strength of the startup eco-system by developing and communicating a strong brand.

Toronto is a global city with a compelling story to tell. The City has a catalytic role to play in cultivating and celebrating the Toronto story as a startup up community and entrepreneurial hub. This brand will create a platform for connecting and story-telling within and outside of Toronto. It will build upon Toronto’s strengths and be a rallying point for all entrepreneurs.

Role of the City: Catalyst

Implementation Timeline: Short-Term
Action 4: Work in partnership to develop a portal that acts as the central repository of information for startup and small business activity in Toronto.

Inspired by the Digital NYC platform this action seeks to work in collaboration to build a one-stop portal for entrepreneurs engaged in, or interested in engaging with the Toronto eco-system. While the Digital NYC project takes a specific focus on the technology industry, the portal to be developed for Toronto will take a comprehensive view. The information provided through the portal will be inclusive of various sectors, types of entrepreneurs, etc.

Role of the City: Collaborator

Implementation Timeline: Short-Term

Action 5: Launch a startup festival that showcases Toronto’s innovative small business community.

The entrepreneurial community regularly hosts meet-ups, showcases, competitions, among other events to showcase the existing talent, innovative products, services and commercial opportunities in Toronto. This event would assist in not only giving profile to the startup community, but also to developing connections with large enterprises across all sectors of the economy.

Role of the City: Collaborator

Implementation Timeline: Short-Term

Action 6: Work in partnership with Invest Toronto to facilitate the on-boarding of international startups.

In support of the Toronto startup eco-system brand that will be developed, having a companion communications tool or program that can assist international startups on-board will be essential. This tool will leverage business-to-business opportunities through global pipelines and work to connect both startups and established enterprises. This action is a tie-in to the branding that is established for Toronto’s startup eco-system (see Action #3).

Role of the City: Collaborator

Implementation Timeline: Medium-Term

Objective 1.3: To provide funding opportunities for entrepreneurship infrastructure, including incubators, accelerators, and entrepreneurship programs.

Action 7: Investigate the feasibility of establishing a Business Incubator Loan Fund to support capital and equipment for business incubators in the amount of $5 million.

The capital and equipment costs required for entrepreneurs to commercialize can act as a barrier to starting and sustaining their small business. This loan fund would enable business incubators to provide the infrastructure and equipment required by an entrepreneur to commercialize. Various sector-based business incubators have high capital and equipment expenses, such as advanced manufacturing and food.

Role of the City: Catalyst

Implementation Timeline: Short-Term
Action 8: Develop and implement a Business Incubator and Accelerator Grant Fund to support the programming and special projects of business incubators and accelerators.

Making a funding pipeline available for eco-system partners such as business incubators, accelerators, and organizations delivering entrepreneurship programming, on an annual basis, can create the enabling environment necessary for an entrepreneur to move a concept through to commercialization. The City could take a staged approach to funding, which could provide sponsorship, seed and growth funding. The proposed fund would start at $1 million in 2016 and grow to $5 million by 2021.

Role of the City: Funder
Implementation Timeline: Short-Term

Objective 1.4: To expand the range and impact of the City’s financial tools to encourage the development of new financing opportunities for startups and small businesses.

Action 9: Investigate the feasibility of a permanent property tax break for bricks and mortar incubators and establish a framework for implementing such an initiative.

Creating space for startups has been identified as a key issue by stakeholders in the eco-system. Leveraging financial tools to make bricks and mortar incubators an attractive opportunity can assist in creating additional square footage of space and retaining startups to the city. The City can determine the feasibility of a property tax break for business incubators in the amount of 40 per cent for for-profit organizations and 100 per cent for not-for-profit organizations. It would be based on an annual application process. Eligibility criteria would have to be determined.

Role of the City: Funder
Implementation Timeline: Short-Term

Action 10: Contribute updated definitions during the review process of the Imagination, Manufacturing, Innovation, Technology (IMIT) incentive program.

The current definitions under the IMIT program include business incubator and convergence space. These definitions could be updated to reflect current terminology in the industry to better support projects in the eco-system.

Role of the City: Funder
Implementation Timeline: Medium-Term
**Action 11:** Develop an incubator startup toolbox that would assist in helping an organization launch a business incubation program.

The City can develop a toolbox for organizations and eco-system community partners looking to start a new incubator/accelerator program in Toronto. The range of financial tools available from the City can be included and will range from loan guarantees to incentive programs.

**Role of the City:** Catalyst  
**Implementation Timeline:** Medium-Term

**Action 12:** Develop a dedicated program to support startups in the Greater Toronto Area.

Work in partnership with various GTA partners and levels of government to develop and implement a dedicated fund to provide grants to startups across the region.

**Role of the City:** Catalyst  
**Implementation Timeline:** Medium-Term

**Objective 1.5:** To create an enabling environment through infrastructure development, advocacy and collaborative projects.

**Action 13:** Continually seek out community infrastructure opportunities to encourage business incubation programming at the neighbourhood level across Toronto.

Leveraging existing and planned City investments in community infrastructure can ensure that entrepreneurship programming and business incubation opportunities are accessible at the neighbourhood level. Community infrastructure can provide space for training, events, networking and outreach. Seeking partnership with private organizations can also be considered.

**Role of the City:** Catalyst  
**Implementation Timeline:** Ongoing

**Action 14:** Encourage dialogue with higher levels of government to support small business development and funding.

The City can continue to actively work with the Province of Ontario and Government of Canada to articulate key issues facing the startup eco-system such as funding.

**Role of the City:** Catalyst  
**Implementation Timeline:** Ongoing
Action 15: Work with the City of Toronto’s Purchasing and Materials Management Division to develop a process that would enable the City to be a first adopter and testing ground for new products and services developed by local startups.

The City of Toronto can take a leadership role in enabling the pilot testing of technologies, products and services developed by local startups in the eco-system. This not only supports the commercialization of new innovations, but also could work to solve some significant City issues at a lower cost to the corporation.

Role of the City: Catalyst
Implementation Timeline: Medium-Term

Goal 2: Support regional economic growth by focusing on sectoral convergence opportunities and gaps in the eco-system.

Toronto is a regional leader in a number of target sectors. Across the Greater Toronto Area (GTA), there is significant entrepreneurial capacity and specialization that complements activity in the city. Building stronger ties across the GTA in the startup eco-system can contribute to overall stronger regional economic performance.

Of the various key target sectors that the City of Toronto work to support, the following opportunities have been identified based on a demand for infrastructure supporting entrepreneurs, regional cluster strengths and partnerships in the sector, and growth opportunities in areas of convergence where the City can place resources and have a deeper impact. Identifying these sectoral business incubation actions does not negate the opportunity to initiate special projects in other key target sectors of the economy. The purpose of proposing a Business Incubator and Accelerator Grant Fund (Action 8) is to provide grants to initiate and grow the projects identified under this goal.

The objectives and actions identified leverage Toronto’s sector strengths to support regional opportunities.

Objective 2.1: To increase new business formation and small business growth by supporting new business incubators in target sectors of importance in the regional economy.

Action 16: Support the expansion of the Toronto Food Business Incubator.

The Toronto Food Business Incubator (TFBI) has been supporting potential food entrepreneurs through a virtual incubation program since the end of the pilot project in 2014. The expansion project into a new commercial food grade facility in Toronto, along with a comprehensive incubator program will enable the growth of small businesses in the sector and support startups. The expansion of the TFBI will also leverage provincial and regional partnerships in the delivery of programming to entrepreneurs.

Role of the City: Catalyst
Implementation Timeline: Short-Term
Action 17: Collaborate with sector stakeholders to support the development of a FinTech incubation program.

Financial Technology (FinTech) startups are growing in number in Toronto and creating disruptive innovations that are re-shaping the financial services landscape. The City can collaborate with both local and regional eco-system partners to undertake the following:

- Develop and communicate a Toronto Region FinTech brand.
- Facilitate relationships and dialogue between players in this space on how to move the sub-sector forward.
- Collaborate to create a solutions lab that connects startups in this space to the large enterprises in the financial services sector.

Role of the City: Collaborator  
Implementation Timeline: Short-Term

Action 18: Assemble a partnership to develop an advanced manufacturing incubator.

Convening both local and regional partners to leverage the existing network of maker spaces and post-secondary infrastructure to establish an advanced manufacturing incubator program can work to re-invigorate interest in entrepreneurship and support local production across the Greater Toronto Area.

Role of the City: Collaborator  
Implementation Timeline: Medium-Term

Action 19: Mobilize partners and support the development of a construction trades incubator.

One of the key gaps identified in the startup eco-system is support for entrepreneurship in the trades. The Green sector overview demonstrated that Green Building is a growth area in the Greater Toronto Area. By the same token, the region is recognized as having the largest construction market in Canada and one of the largest in North America\(^59\). Leveraging the strengths and programming of post-secondary education institutions, this incubator opportunity can serve new business formation in the construction trades and facilitate innovative new technologies and processes in this sector to provide solutions required by the industry.

Role of the City: Collaborator  
Implementation Timeline: Medium-Term

\(^59\) Toronto Workforce Innovation Group, Trends to Employment: Trends, Tips and Tools for Newcomers, 2014
## Action 20: Support the development of a green building business incubator in collaboration with the Toronto and Region Conservation Authority at the Living Campus at Kortright located in York Region.

Toronto is a leader in green building, with over 25 per cent of Canada’s LEED (Leadership in Energy and Environmental Design) professionals being located in the city. This incubator opportunity can support the regional growth of this sub-sector through strategic partnerships with organizations such as the Toronto and Region Conservation Authority and other municipal jurisdictions in the Greater Toronto Area.

**Role of the City:** Collaborator  
**Implementation Timeline:** Medium-Term

## Action 21: Convene industry stakeholders and startups to develop a CleanTech business mentoring incubator program.

A business mentoring incubator program would essentially emulate the model pioneered by the IBM Global Entrepreneur Program. This program would aim at growing early-stage/small businesses by matching them with larger firms to provide the resources they require to build solutions in the CleanTech space.

**Role of the City:** Collaborator  
**Implementation Timeline:** Long-Term

## Action 22: Provide support for Artscape’s proposed creative entrepreneurship centre, Launchpad.

Artscape has been a driver and leader in supporting the creative industries in Toronto. City staff can continually engage Artscape to find collaboration points and ways to support the development of Launchpad.

**Role of the City:** Collaborator  
**Implementation Timeline:** Long-Term

## Action 23: Collaborate with the Downtown Yonge Business Improvement Area to establish an urban music incubator program.

The Downtown Yonge BIA has the assets to support an urban music incubator program. City staff can assist in mobilizing resources, partnerships and programming pieces to establish a music incubator program that leverages the strengths of the district.

**Role of the City:** Collaborator  
**Implementation Timeline:** Short-Term
**Action 24:** Establish a Mobile Music Incubator partnership project that leverages and expands upon existing music incubation programming in various parts of the city.

The successes of music incubators in Toronto, such as Coalition Music, the Remix Project, the Manifesto Festival, UrbanArts, and The Beat Academy have proven the need to support entrepreneurs in this space. Music incubation includes the entire value chain of activity, from performers to technicians to management and legal. This incubation opportunity presents the opportunity to grow music entrepreneurship in Toronto by expanding existing programming into neighbourhoods across the City.

**Role of the City:** Collaborator

**Implementation Timeline:** Medium-Term

**Objective 2.2:** To increase sector collaboration across the eco-system to continually identify convergence opportunities and generate employment in emerging areas of the economy.

**Action 25:** Work with Divisional City staff to connect emerging digital/mobile media artists and designers to incubators to create opportunities for commercialization and showcasing their accomplishments.

Economic Development & Culture Division staff can work together to identify entrepreneurs in this space and create a funnel to business incubation and acceleration programs. This can also be paired with a showcase opportunity through a collaborative effort.

**Role of the City:** Collaborator

**Implementation Timeline:** Short-Term, ongoing
Action 26: Leverage the work of the Arts Lab initiative to support incubation opportunities in the arts sector.

Since 2012, Arts Lab has been an Economic Development & Culture initiative that seeks to transform the youth arts business sector through collaboration and strategic planning with community partners to enhance future opportunities for youth seeking careers in the arts or starting creative businesses. Enterprise Toronto and Business Incubation program staff can play a collaborative role in supporting youth business development opportunities in the arts sector.

Role of the City: Collaborator
Implementation Timeline: Short-Term

Goal 3: Support community economic development across Toronto’s neighbourhoods through entrepreneurial capacity building and business incubation.

Building the capacity for entrepreneurship can create self-sustaining economic opportunities for residents in Toronto’s neighbourhoods. This section approaches building entrepreneurial capacity through two different community economic development approaches to enhance the social and economic fabric of Toronto.

1. Place-based: With a focus on place, staff will work with community partners and City divisions to strengthen business incubation and small business growth through a geographic approach to community building.

Objective 3.1: To stimulate micro-enterprise formation and business incubation across Toronto’s neighbourhoods.

Action 27: Collaborate with community partners to encourage micro-enterprise incubation opportunities in Toronto’s neighbourhoods.

EDC staff can support the projects and initiatives emerging from the Tower Renewal program, particularly as it pertains to stimulating economic activity in Residential Apartment Commercial (RAC) zoned pilot sites. This can also include evaluating the costs associated with the Business out of a Box (BoB) micro-retail model and developing an application process for neighbourhood associations to undertake this initiative.

Role of the City: Collaborator
Implementation Timeline: Short-Term, ongoing

Objective 3.2: To enhance main street business growth and sustainability.

Action 28: In collaboration, build upon the digital main street toolkit to incubate retail businesses across Toronto to leverage digital technology for growth.

With increased mobile adoption, the retail landscape at a neighbourhood level is experiencing an evolution. Working with main street businesses across Toronto to adopt technologies that can assist in optimizing
their businesses’ practices, engaging customers and connecting the community will become essential to neighbourhood business growth.

**Role of the City:** Catalyst  
**Implementation Timeline:** Short-Term

**Action 29:** Engage with Business Improvement Areas to explore a framework for the activation of vacant commercial spaces on main streets.

Working in partnership with community members, various models to activate under-utilized and vacant spaces to encourage small-scale retail and support entrepreneurial growth on main streets can be explored. One model to consider as part of this process is a framework for pop-up shops across Toronto's neighbourhoods.

**Role of the City:** Catalyst  
**Implementation Timeline:** Medium-Term

2. **Capacity Building:** This approach builds on collaboration with partners for the delivery of programming that builds entrepreneurs and leverages existing infrastructure to expand the reach of entrepreneurship capacity building at the community level in Toronto.

**Objective 3.3:** To build on programs delivered and raise the awareness of resources for entrepreneurs at the neighbourhood level.

**Action 30:** Deliver entrepreneurship training programs across Toronto leveraging existing community spaces and community-based partners.

Expanding the reach of programs such as JumpStartYour Biz and Biz Inc. through leveraging existing community infrastructure such as the networks of Toronto Employment and Social Services and the Toronto Public Library will assist in reaching potential entrepreneurs in neighbourhoods. The City could also identify other community-based partners who could partner with the City to deliver entrepreneurship programs in the neighbourhoods they are serving.

**Role of the City:** Catalyst  
**Implementation Timeline:** Short-Term, ongoing

**Action 31:** Partner with business incubators and the school boards in Toronto to showcase programming and startup success stories to high school students.

Building a collaborative approach to outreach and engaging potential young entrepreneurs will build a pipeline between secondary schools and the startup eco-system. Providing young entrepreneurs with the tools and supports required to start and launch a successful business can contribute to the retention and sustainability of the eco-system.

**Role of the City:** Collaborator  
**Implementation Timeline:** Medium-Term
Toronto Mini Maker Faire. Photo courtesy of Courtesy of Toronto Mini Maker Faire.
Connecting entrepreneurs at the Toronto Fashion Incubator Press and Buyers Brunch event. Photo courtesy of TFI.
5.0 Governance

Successful implementation of the actions identified in this Strategy will require resources and leadership from the City of Toronto, along with ongoing collaboration with stakeholders across the startup eco-system. Eco-system stakeholders are at both the local and neighbourhood level, including community-based organizations, incubators and accelerators and the regional level, leveraging the Ontario Network of Entrepreneurs (ONE) and neighbouring municipalities in the GTA.

There is a tremendous amount of entrepreneurial activity the GTA that is already underway and presents partnership opportunities. This activity is taking place in Regional Innovation Centres, such as VentureLAB in York Region, Spark Centre in Durham, and the RIC in Mississauga. Looking at building the innovation corridor and network between the GTA and other Ontario jurisdictions such as the Innovation Factory in Hamilton or Communitech in Kitchener-Waterloo will strengthen the overall eco-system. This Strategy has been built upon the notion of collaboration and while some examples of organizations have been identified as potential partners, the opportunity to continually build a network of regional partners exists.

The Strategy contains an ambitious set of actions to achieve an aspirational vision for Toronto’s startup eco-system. To achieve this, a governance structure to oversee implementation is proposed in Diagram 5.

The mandate of the Startup Eco-system Program Advisory Body would be to:

- Provide expertise on the trends in the startup eco-system to ensure the relevance and impact of the Strategy during the implementation phase.
- Offer leadership and guidance as it relates to the ongoing implementation of the actions contained in the startup eco-system Strategy.
- Establish task-orientated project teams to focus on opportunities identified in this Strategy and oversee their progress.

Diagram 5: Proposed Governance Structure
In addition, driving the implementation of the Strategy are project teams. Each project team will have a team leader, and will include the required stakeholders to implement the initiative – whether or not they are part of the Startup Eco-System Program Advisory Body. City staff will support the team leader in managing the project team and the overall initiative. A project charter will guide the work of the project team and results will be reported at the bi-annual meetings.

After the November 2014 eco-system engagement session, a follow-up survey was sent to participants asking them to self-identify whether they were interested in participating in project teams that emerged from ideas generated during the meeting. Three initial project teams have been identified and include: eco-system branding, the organization of a Startup Festival and portal development. These initial project teams will be activated in early to mid-2015. Additional project teams that were of interest included taking a focus on the funding pipeline and innovation infrastructure development. These additional project teams can be formed in the medium-term.

As the Strategy moves toward implementation measuring outcomes will become an important part of reporting success to stakeholders in the eco-system.
Toronto Fashion Incubator Press and Buyers Brunch event. Photo courtesy of TFI.
The Toronto Food Business Incubator provides manufacturing space for companies. Photo courtesy of the City of Toronto.
6.0 Measuring Impact

The City of Toronto will collect baseline information from organizations in the startup eco-system that are provided with funding. These organizations will primarily be business incubators, accelerators and eco-system partners supporting programming to support startup and small business growth. The purpose of collecting metrics is to measure the success and impact of the organization on new business formation, job creation and the survival rate of the startup/small business.

The adoption of an automated, web-based reporting system is recommended to streamline the process and provide the eco-system partners with the required tools to accurately report. This data can be collected in the first quarter of each year, reflecting the required measures for the previous reference year. In addition, this data can be aggregated and reported out on to demonstrate the impact of the City’s eco-system partners.

For City-funded organizations, the following metrics will be collected where applicable:

- **Sponsored Events**
  - Number of attendees at the event

- **Incubator/Accelerator Eco-system Infrastructure**
  - Square footage of new incubator/accelerator space created
  - Amount of dollars leveraged against City dollars

- **Incubator/Accelerator Programming**
  - Number of companies served
  - Number of companies graduated
  - Number of companies closed
  - Number of jobs created
  - Number of products delivered to market
  - Amount and type of funding received by client company (venture capital, government grant, etc.)

- **Outreach & Communications**
  - Incubator program or service inquires
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Mentorship in action at Coalition Music. Photo courtesy of Coalition Music.
Appendix A  Startup Eco-system Strategy Consultation Process & Summary of Results

Process Overview

EDC staff undertook a consultative approach in developing the Startup Eco-system Strategy. The purpose of this approach was to gain insight from eco-system partners, to ensure that their ideas and voices were heard and to ground-truth the research and identified opportunities. The continuous engagement of stakeholders is an integral part not only to the creation of the strategy but the ongoing implementation of actions, as collaboration is a critical factor to success.

The consultation process occurred in three phases.

Phase 1: Facilitated Engagement Session – November 2014

In November 2014, a facilitated stakeholder consultation session was undertaken to engage eco-system stakeholders in the process of developing the Strategy. This session was held at the Ontario Investment and Trade Centre and was by invitation to business incubators and accelerators across the Greater Toronto Area. The results of the session are summarized below.

Phase 2: Online Survey – Project Team Identification – December 2014

Following this session an online survey was sent to both those who attended the session and those who were invited but were unable to attend. The survey identified project teams that emerged from the results of the consultation and asked respondents to identify areas that they were interested in collaborating on. The results of the survey have informed the action plan and governance structure of the strategy.

Phase 3: Draft Review of the Startup Eco-system Strategy – February 2015

Once a draft of the Strategy was created, it was circulated both internally to City staff in Economic Development & Culture and externally to all of the invited participants from the November 2014 session. In total, the circulation was to just under 100 stakeholders. Feedback was received from the following groups:
• ACCESS Community Fund
• University of Toronto – Department of Computer Sciences Innovation Lab
• OCAD University
• Province of Ontario
• Social Venture Partners
• Woodgreen Community Services
• Toronto Fashion Incubator
• MaRS Discovery District
• Futurpreneur
• City of Toronto Staff in Economic Development & Culture in the following units:
  • Policy Development
  • Arts Services
  • Business Retention & Expansion
  • Sector Development

The feedback received was incorporated into the draft Strategy.

Summary of Stakeholder Engagement Session – November 2014

Summary of Exercise 1: Pulse Check

Objective: Break the ice and get people actively thinking about the general health of Toronto’s startup eco-system

Prompt: “What Excites or Frustrates you about entrepreneurship in Toronto?”

• While the presence of a startup eco-system was highlighted as exciting, it was also identified that understanding the players and activities in the eco-system is a challenge. Ideas that emerged from the group that could support the transfer/flow of knowledge throughout the eco-system included having a central repository of information as well as having a broader view of the definition of entrepreneurship and business incubation (i.e.: being inclusive of social innovation, not-for-profit).
• The eco-system required branding to promote Toronto as a place to startup and grow.
• Focussing on the quality of entrepreneurs rather than quantity is of importance – as well as the sustainability of new business ventures.
• The composition of the eco-system was discussed and areas of concern were around the geography of business incubation/entrepreneurship support, that being too closely clustered in Downtown Toronto. A Greater Toronto Area view and broader outreach is required to build out the eco-system more comprehensively. In addition, the demographics associated with the eco-system (age, gender, ethnicity) was discussed and the associated supports for these demographics (i.e.: programs for newcomers, funding for people aged 39 years and older, etc.). Lastly, the sectors represented in the eco-system were identified as not focused enough on traditional industries, and that emphasis is required on where the economy is going and the composition of the economy.
Summary of Exercise 2 and 3: Hot Spots and Project Ideation

Exercise 2 – Hot Spots Objective: Generate thinking around specific intervention points that could help address gaps in the Toronto’s startup eco-system

Exercise 3 – Project Ideation Objective: Generate and gauge participant interest in supporting specific action areas the City could pursue to strengthen Toronto’s startup eco-system

Eleven thematic areas emerged from the Hot Spots exercise, which were then combined through group discussion into four main categories: Capacity/Pipeline, Collaboration, Funding/Resources, and Branding/Positioning.

Summary of Ideas

Capacity/Pipeline:

1. Create one eco-system platform (virtual startup community) that contains information on events, a description of the key players/activities (incubators/accelerators) and resources available to startups.
   - The platform would communicate the value proposition of the eco-system, enhance collaboration and perhaps reduce duplication of programming
   - It could also consist of a clearinghouse of funding/angel investment opportunities/activity

2. Enable the creation of more incubation/co-working spaces across the City
   - Through municipal tools such as zoning, loan guarantees, tax incentives
   - Use of City properties for new incubation spaces
   - Facilitation with the private sector to enable startup space in new office building developments
   - Leverage community infrastructure such as libraries

3. Work with partners across the eco-system to broaden and enhance support for entrepreneurs.
   - Sub-categories of entrepreneurs that were identified to support: new Canadians, not-for-profits/social innovation, second career entrepreneurs

4. Leverage open data to create a regional profile and provide intelligence to startups.
   - This data could also be used to identify needs in the eco-system as well as key verticals that Toronto could brand and position around

Collaboration:

1. Develop a tool that connects startups to:
   - Funding
   - Incubation space/desk space (“eHarmony of startup community”)
   - Mentoring and other resources

2. Build and enhance relationships with other jurisdictions
   - Leverage and expand Sister City initiatives (creating global pipelines)
   - Convene an outbound startup tour
3. Host quarterly or bi-annual meetings:
   - Two visions for this generated by the group:
     a. Between incubators to share initiatives/ideas
     b. Between incubators and companies

4. Work with the City’s Purchasing & Materials Management Division staff to develop a process that leverages startups to address the City’s requirements.
   - The City could pilot new technologies; be a first-adopter

5. Build a stronger link between start-ups and leading private sector partners:
   - Incentives to retailers to collaborate with incubators to get more locally made goods in stores
   - Mentoring

Funding/Resources:

1. The City of Toronto could make small grants available for:
   - Events
   - Early-stage seed funding

2. Provide a tax break for business incubators

3. Partner with a post-secondary institutions to explore the feasibility of developing a City innovation fund

4. Work with other funders/levels of government to broaden the spectrum of funding:
   - Add additional early-stage/seed funding into the pipeline

5. Develop a shared intake/referral application process for funding
   - The goal would be to provide simplified access to the applications that are already available (centralized location for resources/applications)

Branding/Positioning:

1. Develop a brand that celebrates homegrown successes, the vibrancy of the eco-system and attracts entrepreneurs
   - “Startup Gateway to the World”

2. Develop an on-boarding communication piece to better facilitate start-ups landing in Toronto

3. Raise the profile of the Startup eco-system through events
   - Mayor’s innovation showcase
   - Celebration event (Startup Festival, or something similar to Tech Week)
4. Identify Toronto’s differentiators and craft a story
   • Immigration (build upon the Startup Visa program)
   • Talent
   • Health of entrepreneurs (mindfulness)
   • Diversity
   • People
   • Sectors

**Participating Organizations**

• Artscape
• Banting and Best Centre - University of Toronto
• Barlow Lane Holdings Limited
• Canadian Film Centre
• Centennial College Centre for Social Innovation
• Centre for Urban Energy (Ryerson University)
• Cleantech North
• DMZ (Ryerson University)
• George Brown College
• HumberLaunch
• Impact Centre (University of Toronto)
• INcubes
• InvestToronto
• Kinetic Startups
• Innovation Concierge Multiplicity Accelerator
• Seneca College of Applied Arts & Technology
• SheEO Inc.
• School for Social Entrepreneurs Ontario
• The Remix Project
• The Imagination Catalyst (OCAD University)
• The University of Toronto, Innovations & Partnerships Office
• Toronto Fashion Incubator
• Toronto Business Development Centre
• Youth Social Innovation Capital Fund