

# **Business Incubation and Commercialization Program 2.0: Research Summary Report**

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*Code for Canada is a national not-for-profit organization.*



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# Executive Summary

Given the dynamic growth and expansion of the local entrepreneurship ecosystem in recent years, the City of Toronto seeks to revisit its role in supporting the ecosystem by consulting with stakeholders and partners, including local incubators. This would help to ensure that the City's Business Incubation and Commercialization Program (BIC) continues to meet the needs of entrepreneurs and innovation hubs across the City and better aligns with the Economic Development and Culture's Divisional goals of equity diversity and inclusion.

The purpose of this report is to describe the results of recent research engagement activities undertaken by Code for Canada in consultation with the City of Toronto's Entrepreneurship Services team. Research took place in October 2021 and included the following activities: a survey to operators of local incubators (many of whom have received current or past support from the City), focus group engagements with a selection of the operators, and an environmental scan of the structure of municipal support within ten North American cities' entrepreneurial ecosystems.

## Research goals

1. Better understand what local incubators think the City's role should be in supporting local entrepreneurship. Determine if/how funding provided in the past has had an actual impact.
2. Gather ideas and aspirations about how the City can better catalyze Toronto's entrepreneurship ecosystem and support innovation in ways other than funding; sub-goal: understanding the landscape of other municipalities
3. Determine how the City could be better engaged with incubators and entrepreneurs as collaborators and act as a catalyst.

The outcomes of the research have yielded a deeper understanding of the challenges that local incubators currently face and why those challenges exist, a high level view of how comparable North American municipalities have supported their local entrepreneurial ecosystems, how the City can act as a catalyst, collaborator and advocate for incubators, how the City can improve their granting program, and considerations for future engagement and research activities.

## Key findings and recommendations

### 1) Increase engagement with incubators

Incubators that participated in the research have expressed their appreciation of this deeper level of engagement with City staff, and they crave more of it. It's a win-win situation: incubators want to play a more active role in shaping the City's granting and other support programs and initiatives, and the City will continue to learn about these stakeholders' needs and pains, which will yield important data to inform how they support Toronto's entrepreneurial ecosystem. The City should consider using Human-Centred Design principles and practices to structure the engagement, including: regular touchpoints with incubators, open communication, putting incubators' needs first, iterative prototyping, and soliciting feedback regularly.

### 2) Help incubators build partnerships

Access to funding is the most pressing challenge that Toronto incubators are currently facing. Whether from academia or the non-profit space, incubators rely heavily on outside funding, as most don't have revenue streams to sustain them. The survey results demonstrate this reliance on City funding: out of 19 incubators who currently receive City funding, 14 ranked this support as critical to their operation.

Funding of all kinds is crucial for incubators to operate and have the kind of impact they set out to create. If the City considers scaling back or changing their funding amounts or allocation requirements, it would be recommended to supplement those actions by connecting incubators with other potential partners and funders. A repeated sentiment from the research was that the City has the leverage and credibility that many of the incubators can't match, so having the City act as a conduit could have immense impact.

### 3) Improve storytelling and amplification capabilities

Incubators are looking to the City to share the stories of innovation from Toronto's entrepreneurial ecosystem, not only to bring visibility and credibility to the incubators and their ventures, but also to help drive more talent and potential partnership opportunities to the City. The City might consider evaluating the impact of current communications and storytelling measures in place to help identify what strategies are working well and which ones are not. The City's entrepreneurial storytelling efforts could benefit from an incremental, prototyping approach with a few highly engaged incubators and their ventures.

#### **4) Consider policy and protocol improvements**

Several core program improvement suggestions repeatedly surfaced throughout this research, derived both from incubator operator's ideas as well as their pain points. These suggestions ranged from: the mechanism and frequency by which City grant funding is disbursed to incubators, to adopting more nuanced metrics to measure impact (a one-size-fits-all approach to reporting is likely *not* optimizing for success). Amending policies and protocols such as these is a substantial undertaking, but it may be worthwhile to revisit these issues as part of an ongoing engagement strategy with incubators.

#### **5) Compared to other North American cities, Toronto measures near the head of the pack**

The growth of the number of Toronto-based incubators and accelerators in the last several years, increased diversity among founders (particularly women and persons of colour), and swift adoption of local startups' virtual services due to the ongoing Covid-19 pandemic, indicates that Toronto's entrepreneurial ecosystem is active and thriving. Toronto shares these qualities with some of the other cities reflected in the environmental scan.

However, there are clear areas where Toronto can improve, and which other cities may be leading in. Toronto has very minimal representation of Indigenous communities around entrepreneurship; most entrepreneurship activity seems to be concentrated in the downtown core (leaving out significant areas of the city, especially lower-income neighbourhoods); the storytelling and digital presence of Toronto's entrepreneurship activities does not seem to be as strong as other cities; and there may be limited partnership opportunities with other levels of government and local corporations that entrepreneurs and incubators can take advantage of.

Therefore, it's recommended that the City of Toronto focuses on strengthening entrepreneurial efforts in the city's inner suburbs; engaging with Indigenous entrepreneurs, startups and incubators, and implementing programming or supports that directly impact this underrepresented community; improving marketing efforts and amplifying Toronto's entrepreneurial stories; and developing more partnership opportunities with other levels of government and Toronto-based corporations.

*A detailed list of recommendations can be found on page 18.*

# Survey

A survey was co-developed by Code for Canada and the City and disseminated to over 100 operators or representatives of Toronto-based incubators. The survey was sent before the focus groups took place and was designed to gain initial insights into the challenges and opportunities experienced by incubators. Survey responses helped inform the direction and narrative of the focus group sessions.

The survey's primary lines of inquiry included:

- Current challenges of operating an incubator
- Impacts of City funding
- Reliance on City funding
- Aspirations for the City's role
- Ideas for how to measure success

## Summary of findings

- 30 respondents
- Academia (50% of respondents)
- Non-profit (50% of respondents)

*Note: not all of the survey respondents have received funding or other support from the City of Toronto.*

### 1) Funding and partnerships questions

Access to funding is the most pressing challenge that the incubators surveyed are currently facing. Whether from academia or the non-profit space, incubators rely heavily on outside funding, as most don't have other sustainable revenue streams. The survey results demonstrate this reliance on City funding: 19 out of 30 incubators reported that they currently receive funding; of those 14 ranked City support as crucial to their operation.

When asked what the City is doing well, 51.4% of respondents indicated 'funding opportunities'. Interestingly, when asked what the City could be doing *better*, 63.6% of respondents indicated 'funding opportunities'. That funding would rank high in both of these questions

further reinforces the importance of City funding: incubators appreciate the funding, they rely on it, but they think the City could improve or expand their funding capabilities. It's not surprising then that 'partnerships opportunities' is a close second: the City's funding is not enough and incubators need to diversify funding by leveraging the City's connections.

Relatedly, incubators understand that the City has limited resources, but they want the City to help connect funders to the incubators. Respondents indicated that the City can be doing a better job as an advocate, from advocating to other levels of government to setting up co-sponsorship opportunities between the City's corporate sponsors and its incubators.

## 2) Metrics

*Question: The City currently measures success in the entrepreneurial ecosystem by number of jobs created, companies formed and entrepreneurship representation from marginalized communities. Are there any other metrics that the City should be considering?*

Category	Types of Metrics
<u>INCLUSION + VALUES</u>	Specific to minorities or marginalized communities, including number and type of: women-led businesses, backgrounds/ethnicities of entrepreneurs from marginalized communities, international talent attracted, and mentorship activities.
<u>SPOTLIGHT ON TORONTO</u>	Media attention that startups and incubators have garnered, including the number of stories and articles mentioning Toronto-based startups and innovation in the city and the number of awards or accolades for incubated businesses and incubators themselves.
<u>VENTURE-SPECIFIC</u>	Data related to specific ventures and their experiences being incubated, such as the types of sectors represented, number of funds raised by startups, number of entrepreneurs supported, the satisfaction rate of incubator participants, the upskill/reskill impact (talent placed at startups) and the use or procurement of local innovations by the City and Toronto-based enterprises

It's worth noting that many new opportunities for storytelling could emerge from metrics like those listed above.

## 3) How the City can provide better support

Question: Is there anything else you'd like to share about how the City can better support organizations like yours?

Category	Ways to Support
<u>PARTNERSHIPS</u>	Foster partnerships in order to: help incubators gain better and more exposure and sales opportunities for their ventures, find opportunities to work with organizations and corporations who want to support entrepreneurs, and help support socially- and diversely-owned businesses
<u>INCUBATOR NETWORK</u>	Continue incubator engagement so that the City can learn how their support could be improved and incubators can network with each other. Incubators would also like the City to create a database of all entrepreneurship programs either offered by non-profits or academic institutions.
<u>MARKETING TORONTO's ENTREPRENEURIAL ECOSYSTEM</u>	Strengthen the brand of the City as an innovation hub can be strengthened. Incubators would like to see more international promotion of the city to help attract international tech startups who can then establish or move their headquarters to Toronto and hire local talent. Incubators would also like support with media and more access to marketing opportunities to share incubators programs with City's audience.
<u>FUNDING IMPROVEMENTS</u>	Incubators want the City to gain a better understanding of the cash-flow realities of nonprofits, and to consider providing: early opportunities to demonstrate the need for ongoing support, multi-year funding agreements and the ability to use City funding for operational purposes
<u>SPACE</u>	One incubator would like the City to help procure more space for ventures to work out of; they cited that many companies leave Toronto once financed because there is no space available or it's too costly
<u>INCLUSION</u>	One incubator would like the City to help them procure start-up funds for low-income entrepreneurs. Another mentioned that they would like to see the ecosystem more inclusive of trans and non-binary people
<u>ADVISEMENT</u>	Have staff members from the City's Economic Development and Culture division to be active in events or on the Advisory to get a different vantage point of what they do



## Focus Groups

The focus group sessions took place after the survey was distributed and a bulk of responses were received. Two (2) 60-minute focus group sessions were held with operators or representatives from local incubators: academic institutions on October 13, 2021 and non-profit organizations on October 19, 2021. Both focus groups were conducted virtually via Zoom due to the ongoing COVID-19 pandemic. Participants were recruited via email from the City of Toronto's Entrepreneurship Services team. Focus groups were not recorded and participants were not compensated for their time. Staff members from the City were in attendance to observe the focus groups, learn from participants and answer questions as needed.

### Focus group sessions were conducted in four sections:

1. Introduction: jointly delivered by Code for Canada and the City
2. Initial discussion: poll and brief conversation about challenges that were surfaced in the survey
3. Breakout groups: small groups of 3-5 participants, facilitated by staff from Code for Canada, included City observers; Miro board to encourage a collaborative experience and replicate an in-person brainstorming session
4. Wrap-up: participants invited to share what was surprising, what was learned and ask follow-up questions

## Summary of findings

Conducting focus groups after the majority of survey responses were recorded allowed for deeper, more targeted questioning based on emergent themes from the survey. While the focus groups revealed many commonalities shared among operators and representatives of academic institutions and non-profit organizations, they also highlighted notable differences due to the segments' varied contexts. The information below is organized in a way that reflects the dichotomy of both overlapping and distinct input from the two segments of participants.

## Top 4 Aspirations for City support

For each of the challenges discussed above, focus group facilitators asked participants to think of ways that the City can play a role in alleviating those challenges, where applicable. Participants were encouraged to brainstorm and ideate without focusing too much on logistics or constraints. Participants were also asked to share ideas about how the City can better support Toronto's entrepreneurial ecosystem in ways other than funding.

## **1) Incubators want one of the City's main roles to be that of Partnership Facilitator.**

This aspiration surfaced throughout all of the focus group sessions and breakout rooms, which directly relates to incubators' largest challenge of access to funding; without partners, there is no funding. However, since many incubators lack the perceived credibility, resources or connections to potential funding or in-kind partners, they believe they would make more progress if the City stepped in to liaise between incubators and possible partners. This holds true for all kinds of potential partners, including those from other levels of government, other municipalities and corporate sponsors.

For non-profit incubators specifically, participants expressed their desire for more support from the City in connecting them to angel investors and family foundations, which have been difficult to access. A few non-profit participants also noted that they would like the City to connect them to organizations that can offer in-kind support, such as marketing and communications services.

## **2) Changes to the City's grant programs would help alleviate some financial challenges for incubators.**

One of the most prominent themes that emerged from the focus groups was the desire for incubators to have access to multi-year funding from the City. As noted above in Challenge no. 2, some participants emphasized that the burden of having to apply and report each year with limited staffing resources can contribute to lack of growth for the incubators and its ventures. Many participants would like to apply every two or three years so that in the interim they can focus on sustainability, namely growth, resource management and building partnerships.

Another aspiration that surfaced was that incubators would like more flexibility in how they use funding from the City. Overall, they would like to be able to allocate some of the funding towards activities like hiring and operations. For instance, one participant noted that having more operational funding would mean they could afford to pay mentors and educators which would lead to an outcome of better training and coaching of entrepreneurs. Another participant proposed that some of the City's funding (or additional funding) could go towards city-specific challenges and issues that ventures could work on.

For non-profits specifically, some participants mentioned that they would also gain more flexibility in operating if the timing of the City's funding was more flexible (one individual pointed out that he would like to apply earlier for funding in order to receive a cheque by January or February, which would in turn aid him in his operational and staffing needs).

Incubators also called for a more holistic approach to reporting, with an emphasis on metrics that embody impact and values beyond numbers; one participant suggested a target impact for diverse neighbourhoods and communities. Similar ideas and desires surfaced in the survey question about additional metrics. In a similar vein, a few participants stated that they are looking to the City to set out a strong vision for the entrepreneurial ecosystem, specifically ventures or incubators that are mission-driven - whether it's social impact, climate change, financial literacy and/or underserved populations. One individual noted that the City is in the position to push for building opportunity and equity across Toronto, which could balance a prominent narrative of scaling tech unicorns.

### **3) Incubators are looking for the City to better promote Toronto's entrepreneurial ecosystem through storytelling.**

Tying in with the idea of forging a strong vision for entrepreneurship in Toronto, several participants from both academia and non-profits suggested that leveraging the City's brand to amplify, recognize and share stories about incubators, entrepreneurs and ventures would pay dividends. This could lead to attracting more talent (especially international) and encouraging more partnerships. Highlighting early stage companies could also prove beneficial for growth.

A few participants proposed ideas around giving accolades to stand-out individuals or organizations via an 'Entrepreneur of the Year' award or having a 'Mayor's Showcase' to promote Toronto's entrepreneurial scene. This could also benefit the academic and non-profit incubators and give them more visibility in a context that typically focuses on for-profit tech industries.

Lastly, some participants suggested that along with a promoter role, the City can strive to be a globally-recognized thought leader in entrepreneurship. This could take the form of providing educational opportunities for entrepreneurs and incubators such as webinars, training, and white papers and case studies. Along with the above points, this could potentially bolster the City's image on a larger scale and attract more partners for local incubators.

### **4) Incubators see the City as potential bridge builders, and want to increase their engagement with the City and in more meaningful ways.**

Nearly all of the focus group participants expressed their satisfaction with the City conducting this research in the first place and doing it in an open and inclusive way. They want to participate in more regular engagement with the City, not just in the lead up to program and strategy changes.

They also see the city as community builder by providing more networking opportunities with other incubators and connecting them together, as well as potential mentorship opportunities, sector-specific networks and contacts

## Top 3 Challenges

Some of the challenges experienced by incubators are not directly related to the City's role or method of support, but it's important to capture them in order to understand the broader experience of those who operate incubators in Toronto.

### **1) Access to funding is the most pressing challenge that both types of incubators are currently facing.**

This is due to a number of factors:

- Incubators struggle with establishing partnerships that could potentially lead to funding
- Incubators of both types are likely operating on lean budgets
- Most of the funding they receive is likely for 1-year terms, but operating without that support would be prove difficult
- It's difficult to identify the right funding partners that align with incubators' goals and values
- The incubators can't rely on private investment

For academic incubators, there are added layers that make it challenging to secure funding. While they typically rely on funding from the college or university in which they're housed, they have to compete with other departments who are vying for the same support. In addition, because their entrepreneurs are students who may not have the resources to invest in their ventures, it may be more difficult to raise significant investment from sources outside of their institution. Academic incubators also often can't afford to hire full-time staff to dedicate to fundraising.

For non-profit incubators, who are not typically attached to a larger organization, one of the biggest obstacles in obtaining funding is overcoming their perceived credibility; it's difficult to gain investment if your organization is young and doesn't have much of a track record yet. In addition, some of the non-profits that participated in the focus groups were from niche industries such as fashion or music that don't have as much visibility as technology; they felt that it was difficult to compete for investment.

Further, several participants noted that it's hard to garner funding if you're driven by mission rather than the bottom-line. It's also hard to find eligible funding depending on geographical impact; for example, national non-profit operators shared that they are ineligible for more localized funding because they have a nationwide mandate. Lastly, non-profit incubators find that they need to have resources dedicated to fundraising in order to secure support year after year, which pulls staff away from operational responsibilities.

## **2) Incubators find the current funding protocols set forth by the City to be too rigid.**

Participants noted that applying for funding each year is a burden on resources, especially those that have small teams. Plus, it's difficult for them to plan for growth because they don't know if they'll succeed in securing the City's funding year after year and there's not enough time to grow in between funding cycles. Another common sentiment that emerged is that the funding is too restrictive; the terms of funding don't permit them to allocate funds to crucial expenses such as operations, or measures such as volunteer stipends.

In addition to applications, non-profit incubators noted that it is extremely time-intensive to undertake reporting. One of the reasons it may be time-intensive is because, according to a few participants, the metrics and key performance indicators (KPIs) don't align or resonate with their organization. (See page 7 for suggested metrics to consider in the future). The schedule of funding disbursement has been a challenge for a few incubator operators as well. They're not getting funding in time for the first quarter, and they can't hire or ensure payroll until they receive funding; as a result, they lose productivity.

## **3) It's difficult for incubators to attract talent that will accept lower wages than the private sector.**

Participants from both incubator types cited the challenge of hiring high-quality talent, with the primary reason being that they can't afford to match or exceed private sector salaries.

For some academic incubators, they have the additional challenge of dealing with a high turnover rate of staff because most are students, and work in either a volunteer capacity or as part of a work-study position, or their staff are part-time professionals. This leads to incubators needing to constantly dedicate resources to re-train new staff. One operator of an academic incubator also noted that another obstacle to attracting talent is that their incubator doesn't have a clear competency model for hiring, making it difficult to assess potential candidates and build teams.

# Environmental Scan

A high level jurisdictional scan of comparable municipal government entrepreneurship supports was conducted alongside the survey and focus groups in order to gather innovative precedents and learn how other municipalities are tackling challenges similar to what Toronto faces. The scan is meant to aid the City of Toronto in understanding where Toronto is positioned among some of the largest, and arguably most progressive, cities in North America.

The cities were selected by the City in consultation with Code for Canada; the criteria was comparable population sizes to Toronto and initial positive impressions of their entrepreneurial ecosystems. Data collection for the scan relied solely on publicly-available information and documents.

The cities that were scanned include: Vancouver, Montreal, Calgary, Waterloo Region, Ottawa, San Francisco Bay Area, Boston, New York City, Austin and Seattle. A summary for each city/region can be found on page 20.

## Approach

This research was conducted primarily through internet searches, including municipal websites, budgets, blog posts, press releases, reports and other publicly-available materials.

It is important to note that some information, and some municipalities, have more readily available content than others. Given that constraint and the time allotted for this scan, the findings listed in this section are by no means exhaustive. More in-depth research and analysis is required to gain a better understanding of context and how the City of Toronto performs compared to the other municipalities/regions.

## Summary of findings

### Toronto vs other North American cities/regions

Based on a high-level review, Toronto appears to be at, or near, the front of the pack:

- The strategic plan “From Concept to Commercialization: A Startup Ecosystem Strategy for the City of Toronto” to the present time outlines an ambitious approach to supporting the entrepreneurial ecosystem. The plan outlines three goals with 31 corresponding actions across the short-, medium- and long-term, including: support for underrepresented communities, crafting a bold vision, enhancing Toronto’s global profile, promoting digital innovation, and more.
- The report “A City of Entrepreneurs: Building a Supply Chain of Innovation” from June 2021, gives the best snapshot of:

Where Toronto has thrived:

- “Between 2016 and 2020, Toronto gained more tech jobs, almost 70,000 of them, than any North American city bar San Francisco. Meanwhile, last year, in the depths of a pandemic, VCs invested \$1.2 billion in Toronto companies, including bumper raises from Wealthsimple, A.I. venture Deep Genomics and healthcare startup Maple.
- Diversity of founders who are supported by hubs (incubators/accelerators) seem promising: almost half of these companies “have at least one female founder, while 60 percent have at least one Black founder or another person of colour on their founding team”.
- In the last six years, 17 hubs (incubators/accelerators) have launched, including SheEO, the Parkdale Centre for Innovation, and multiple York University accelerators.
- Since the COVID-19 pandemic forced many companies to conduct business virtually, “many of the digital pivots made by Canada’s largest companies have been executed using software built by startups”.

Where work needs to be done:

- Most of the hubs and entrepreneurs are located in the downtown core, and drops dramatically toward the inner suburbs, “particularly in the northwestern and northeastern corners of the city, which, it should be noted, are among the City’s most economically depressed and demographically diverse.”
- “There is a vast underrepresentation of Indigenous entrepreneurs”.
- “There is a desire for greater marketing support for startups”

**Recommendations for Toronto:**

- Focus on engaging and strengthening entrepreneurial efforts on the periphery of the downtown core.
- Focus on engaging with Indigenous entrepreneurs, startups and incubators, consider implementing programming or supports that directly impact this underrepresented community.

- Improve marketing efforts and help amplify Toronto's entrepreneurial stories, even if the City hasn't provided direct support.

**Other notable trends:**

- Some municipalities' entrepreneurship and economic development operations are housed in external agencies that work closely with the city (i.e., Vancouver and Calgary).
  - This structure may allow for more flexibility with programs and functions such as marketing and communications.
  - These agencies seem to have large, cross-functional teams and are well-positioned to work in an agile way to provide multiple means of support: they publish reports, create thought leadership content, manage events, etc.
- Support from other levels of government plays an important role in how a city can support entrepreneurship activities and organizations.
  - For example, in Vancouver, there seems to be a link between a current lack of funding for early-stage companies, and lack of provincial investment and a now-lapsed federal grant.
- Some municipalities, like New York City, have robust programs for minority and women-run entrepreneurship endeavours, and others seem to be behind the curve.
- Municipalities recognize that access to funding is the largest obstacle for incubators, and many have set up partnerships with private and philanthropic sectors to help fill the gap, though it's difficult to understand what the outcomes have been.
- Some cities, namely Calgary and Austin, seem to have a better handle on branding and telling compelling stories through websites, blogs and other media about local startups and incubators.
- Montreal has plans for engaging more Indigenous entrepreneurs but it's unclear what the outcomes have been.



# Recommendations for granting program improvement

The following recommendations are based on the findings from the three research activities outlined in this report: the survey, focus groups and environmental scan.

## Stakeholder engagement

A major takeaway from this research is that as stakeholders and recipients of the City's support, incubators appreciate this deeper level of engagement with City staff and crave more of it. They want to play a more active role in the evolution of the City's granting and other support programs and initiatives, and the City will continue to learn about these stakeholders' needs and pains, which will give them important data to inform how they support Toronto's entrepreneurial ecosystem. It's a win-win situation, but it takes a clear strategy, plan and structure, centred around regular engagement and touchpoints and clear two-way, open communication.

The focus groups and survey just scratched at the surface of the challenges and experiences of incubators in Toronto. Consistent and open engagement will be needed in order to dig into the issues and aspirations. For example, what does it mean to be an advocate or collaborator or partner to incubators? What are the desired outcomes of each role?

- Recommendations:
  - Leverage Human-Centred Design principles and practices to undertake engagement
  - Organize a sub-group or informal committee of incubator operators for regular touchpoints and feedback
  - Devise a strategic plan and run it by the sub-group
  - Set up regular, quarterly engagement activities roundtables with larger incubator group (academic, non-profit separate?)
  - Facilitate (or get help doing so) a user journey map or value proposition canvas session with incubators - map out their experiences, pains and gains, to identify gaps and opportunities
  - Co-design select processes, policies and/or materials with incubators
    - For example, multiple research participants proposed that the City provide have an annual survey/questionnaire that incubators can disseminate to their ventures to help collect metrics; alleviates some of the reporting burden on incubators and gives the City opportunities to collect more data from entrepreneurs themselves
    - Use these surveys to extract interesting and topical stories City can also pull stories from the surveys to share publicly as part of storytelling and marketing efforts

## Policy and protocol suggestions

There are several core program improvement suggestions that surfaced from this research, derived both from incubator operator's ideas as well as their pain points. Without an understanding of protocols, it's difficult to assess feasibility of the improvements, but it's still important to note and consider them.

- Recommendations:
  - Consider providing funding on a rolling basis and/or multi-year basis to ease the burden that yearly applications takes on incubators' resources
  - Consider adapting metrics based on type of organization, sector, growth stage, etc
  - Consider permitting allocation of funds to go towards operations or other costs not covered under the current granting opportunities

## Storytelling and amplification

Incubators are looking to the City to share the stories of innovation from Toronto's entrepreneurial ecosystem, not only to bring visibility and credibility to the incubators and their ventures, but also to help drive more talent and potential partnership opportunities to the city. There are some interesting precedents to examine more closely from some of the North American cities in the scan, namely Calgary and Austin.

- Recommendations:
  - Engage with the necessary municipal communication and outreach teams to devise a storytelling strategy, start small and work incrementally
  - Consider planning for an awards campaign for an upcoming year
    - Partner with a local consultant to help with planning, strategy and execution if needed
  - For branding and storytelling, look at Calgary as a precedent.

## Partnerships

Funding is crucial for incubators to operate and have the kind of impact they set out to have. If the City considers scaling back or changing their funding amounts or allocation requirements, it would be recommended to supplement those actions with connecting

incubators with other potential partners and funders. A repeated sentiment from the research was that the City has the leverage and credibility that many of the incubators can't match, so having the City act as a conduit could have immense impact.

- Recommendations:

- Convene share-out sessions or events with incubators, sponsors and press to showcase success stories
- Build or organize sponsor list; ensure it's kept up-to-date
- Leverage stories (see above) to share in newsletters to sponsors
- Broker introductions between sponsors with past or currently funded incubators
- Identify and/or welcome sector-specific opportunities from incubators; (i.e., based on a story shared by a research participant from a fashion incubator, a corporation received permission from the City to close Queen St, a condition of that could have been to highlight local fashion incubators or entrepreneurs)
- For public private partnerships, look at NYC as a precedent

# Appendix A: Environmental Scan Summaries

## Toronto

**Population** 2,731,570 *source: 2016 Census*

### Entrepreneurship division/agency

- [Economic Development and Culture Division](#) (EDC) is responsible for a wide range of services that contribute to an economically strong and culturally vibrant city.
- The Business Growth Services within EDC provides support and assistance to Toronto businesses so they can reach their full potential. Staff help businesses meet challenges and maximize opportunities through a range of programs and services that target startup entrepreneurs, medium- and large-sized businesses looking to expand, sector-specific stakeholders, and members of Business Improvement Areas.

### Key initiatives:

- Since 2009, the Entrepreneurship Services team has managed the Business Incubation and Commercialization Program (BIC), (though the program has existed since the 1980s under different departments within the City), which supports the startup ecosystem and helps businesses grow by providing infrastructure.
  - BIC provides financial support to organizations across a variety of sectors, including fashion, food, music, health, etc.
  - BIC has also supported events like Collision, one of the fastest growing tech conferences as well as Elevate, a Toronto-designed event focused on showcasing the City's innovation and technology communities to the world
  - The Business Incubator Grant Fund's goal is to provide a comprehensive range of financial support to business incubators and accelerators to support programming, events and special projects.
- [StartUp HERE Toronto](#), according to their website, “is a collaborative economic development initiative launched to support the growing startup and innovation community in Toronto. The purpose of StartUp HERE Toronto is to connect entrepreneurs to programs, resources and events to help them start, grow and scale their business in Toronto”.
- In 2020, the City committed \$3.1M in funding to the [Indigenous Centre for Innovation and Entrepreneurship](#), slated to open in 2022. The aim is for ICIE to be run by an Indigenous organization.

## Recent strategic plans

- [Economic Development and Culture Divisional Strategy 2018-2022](#)
  - [A City of Entrepreneurs: Building a Supply Chain of Innovation 2021](#)
  - [New Model to Enhance Toronto's Economic Competitiveness 2008](#)
  - From Concept to Commercialization: A Startup Ecosystem Strategy for the City of Toronto
    - [Part 1 \(Pg 1-42\)](#)
    - [Part 2 \(Pg 42-69\)](#)
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## Calgary

**Population** 1,239,220 *source: 2016 Census*

### Entrepreneurship division/agency

- [Calgary Economic Development](#) (CED) is a non-profit organization that acts as a conduit, connector, catalyst, and storyteller for the city of Calgary. CED promotes Calgary as the location of choice for people, investment and business
- According to their website, CED is managed by an independent Board of Directors and funded by the City of Calgary, community partners, other orders of government and the private sector through the Team Calgary program.
- CED received \$7.3M in funding from the City of Calgary in 2019.

### Key initiatives:

- Since 2017, CED has led an initiative called [StartUp Calgary](#), an entrepreneur-driven movement with the mission to activate startups, connect founders and grow the local Calgary tech and innovation ecosystem.
- CED also administers the [Opportunity Calgary Investment Fund](#) (OCIF), a subsidiary of The City of Calgary that is governed by an independent Board of Directors. The Fund launched in 2018.
  - According to their website, OCIF offers financial support to private sector companies, non-profit organizations and public institutions proposing investments that drive economic growth, are a catalyst for further investments and create jobs for Calgarians.

- CED also provides funding to a non-profit incubator called [Platform Calgary](#) (formerly Calgary Technologies Inc.) which brings together the resources of Calgary's tech ecosystem to help startups launch and grow. Stakeholders include the University of Calgary, the Calgary Chamber of Commerce, and the City of Calgary.
  - In early 2022, Platform Calgary will be opening The Platform Innovation Centre, a physical hub which will be dedicated to supporting startups and entrepreneurs at all stages of their journey. The Centre appears to be similar in purpose to Toronto's MaRS.
  - Calgary Technologies Inc. received \$843,000 in funding from the City of Calgary in 2019.
- [Team Calgary](#) is another initiative of CED. It's a corporate partnership program that is membership-based (\$5k - \$50k/yr) designed to engage private sector leaders and help set the economic agenda for the city
  - Corporate partners get access to a number of benefits, including marketing, networking and investment opportunities efforts.

### Recent strategic plans

[Calgary in the New Economy](#) (2019)

[Update 2-pager](#) (2020)

[Annual report](#) (2020)

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## Vancouver

**Population** 631,486 *source: 2016 Census*

### Entrepreneurship division/agency

- [Vancouver Economic Commission](#) (VEC) is the economic development agency of the City of Vancouver, governed by the Societies Act
- The VEC has a mandate to inform COV economy-related strategies and policy planning, as well as to support the
- successful adoption of policy priorities by local businesses.
- The VEC supports local companies, provides mentorship, attracts foreign investment, promotes international trade, and conducts and publishes thought-leader industry research.
- The VEC is a non-for-profit, external agency of the City of Vancouver. The VEC team has 25 staff, plus interns.

- In 2019 & 2020 the City of Vancouver provided \$3.1M in funding to the VEC. This was the only incubator-related expenditure in both budgets.

#### **Key initiatives:**

- The VEC created a program called [Project Greenlight](#) as part of their overarching strategy to unite the region's public and private enterprises, enhance Vancouver's green and smart-city brand, and make a positive economic and environmental impact.
  - Project Greenlight is a public-private partnership and is funded by the City of Vancouver, TD Bank Group and the Government of Canada.
  - Under Project Greenlight, the City of Vancouver organizes city-focused challenges to entrepreneurs and innovators; these opportunities have the potential to lead to contracts with the City.
- The VEC currently supports a non-profit incubator called [Project Zero](#) (funded by credit union VanCity), which focuses on solutions for a circular economy in Vancouver. The VEC supports through non-funding means and contributed their time, expertise, and/or space to this program.
- The VEC undertakes research and publishes 'signature reports' and other findings

#### **Recent strategic plans**

[Vancouver Economic Commission Corporate Plan](#) (2021)

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## **Montreal**

**Population** 1,704,694 *source: 2016 Census*

#### **Entrepreneurship division/agency**

- [PME MTL](#) is the business support network of the City of Montreal
- PME MTL's mission to offer a set of professional services accessible to private and social-economy entrepreneurs located in Montreal (according to their website), including:
  - Coaching, training and financing for entrepreneurs

- Support them in launching and growing their businesses.
- They work hand-in-hand with a vast network of partners and bring together entrepreneurs with different experts, stakeholders as well as financial assistance and program managers.
- PME MTL is notably linked from the City of Montreal's website.

### Key initiatives:

- The City of Montreal runs a program called [Acting for Entrepreneurship](#) and targets non-profits that offer entrepreneurial supports and services; part of their 'Act now to prepare for recovery' economic plan.
  - The City budgeted \$ 1 million towards the program and, based on eligibility, will provide \$100k or \$200k of funding.
  - The funding aims to support projects that meet the needs of entrepreneurs according to their profiles and the challenges they face.
  - The priority is for projects that target a clientele or cohort that are at least half from culturally diverse backgrounds.
- The City has offered related programs called Acting for Women and Acting for Youth.
- As part of their Entrepreneurship Action Plan (2018-2022), the City aims to simplify, to improve and further promote this ecosystem so that it better meets the needs of entrepreneurs in all sectors of activity and that these are more adequately supported at various stages of their projects (according to the plan).
  - The City aims to support entrepreneurship from indigenous communities. In order to optimize the potential of each of these groups, the Action Plan in entrepreneurship implements actions that meet their needs in a specific way.
  - The City also plans to develop initiatives related to issues such as marketing, intellectual ownership, and pooling resources
- Created in 1996, [Montréal International](#) (MI) is a non-profit organization that is financed by the City of Montréal, the governments of Canada and Québec, the Montréal Metropolitan Community and the private sector.
  - MI assists foreign investors (established companies and startups) and international organizations throughout the process of setting up or expanding their operations, and in taking advantage of business opportunities.
  - Since its founding, MI has contributed to attracting direct foreign investment projects valued at \$18 billion, leading to the creation or maintenance of 71,000 jobs.
- The City of Montreal has partnered with [Bonjour Startup Montréal](#) is a non-profit organization whose mission is to facilitate the creation, growth and influence of Montréal startups and position Montréal among the world's most dynamic ecosystems (note: it's unclear what kind of support the City has provided).
  - Inno Startup enables networking of big organizations with startups to create win-win collaborations.



- Concierge Service to help entrepreneurs understand the Montreal ecosystem for free and guide them to the right resources at the right time.
- Bonjour published [Montreal's Startup Ecosystem Portrait](#), published in February 2020, an overview of the state of financing for startups, the issues related to recruiting and retaining talent, and the challenge of accessing international markets.
- The City runs an initiative called [Open Innovation Subsidy Program for Startups](#) that promotes collaboration between a start-up company and an established partner organization with the objective of stimulating the commercialization of innovation.
  - It's a win-win: according to their website, the start-up thus benefits from working with a first client as well as from technical and financial support and a broader business network. The partner organization, for its part, benefits from greater agility and access to innovative solutions.
- [InnoCité](#) (merged with Centech on 2018) is, according to their website, “Canada’s first startup accelerator for smart cities” that brings together entrepreneurs who are working on smart-city challenges.
  - InnoCité was created by the City of Montreal
  - Ventures had opportunities to test products or services directly with the City (it's unclear if these opportunities still exist)

Other non-profit incubators in Montreal include: Creative Destruction Lab, CEU Montreal, Fintech Cadence, NEOMed Institute, Next AI Montreal, YES Montreal, Zu Montreal

### Recent strategic plans

[Entrepreneurship Action Plan](#) (in French) (2018-2022)

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## Ottawa

**Population** 1,018,001 *2020 estimate*

### Entrepreneurship division/agency

- [Invest Ottawa](#) (founded in 2012) is a non-profit organization that serves as the lead economic development agency for the City of Ottawa.

- Invest Ottawa also acts as the Regional Innovation Centre (RIC) for the Province of Ontario, which is a member of the Ontario Network for Entrepreneurs (ONE)
- Invest Ottawa delivers economic development programs and initiatives that increase entrepreneurial momentum, wealth and jobs in the City of Ottawa and its surrounding region. Its goal is to make Ottawa the most innovative City in Canada.
- Invest Ottawa services include start-up incubation and mentorship, acceleration for existing companies, global business attraction and local business retention, targeted sector development, commercialization, and marketing Ottawa's diversified economy and high quality of life.
- The Mayor of the City of Ottawa is the co-chair of Invest Ottawa's Board of Directors. Through its approved five-year Economic Development Strategy and its Economic Development Implementation Plan, the City led the development and implementation of Invest Ottawa.
- The City is the majority funder of Invest Ottawa and, through a multi-year agreement and annual operating plans, it will oversee Invest Ottawa's execution of its mandate.
  - Invest Ottawa received \$4,374,999.96 in funding from the City of Ottawa each in 2019 and 2020.
  - Invest Ottawa is also funded by the provincial and federal government, as well as private firms such as RBC, Rogers, and more.

**Key initiatives:**

- [Centre for Social Enterprise Development](#) (CSED) (formerly The Centre for Innovative Social Enterprise Development, or CISED); Non-profit Organization; Focus: Charities, nonprofits, social entrepreneurship
  - In 2019, CSED (at the time called CISED) received \$27,250 from the City of Ottawa.
- [Immigrant Entrepreneur Awards](#)
- Community Economic Development Funding Program: the annual Community Economic Development (CED) Funding Program provides financial support to selected projects that are anticipated to result in: Job creation, Business creation, Entrepreneurship skills development, Employability skills development
  - Geared to disadvantaged populations (e.g. lower income youth and older adults, rural residents, new immigrants, visible minorities, etc.), while also demonstrating social justice and inclusion, and/or cultural diversification benefits.
  - The CED Funding Program awards a total of up to \$280,000 per year, distributed among the proposals that are selected by a jury panel of reviewers. While proposals may have inherent merits, funds are awarded only among the top-ranked projects, until the annual funding maximum is reached.

- [Explorim.org](#) provides its not-for-profit and for-profit member organizations with a large number of activities such as networking events and mentorship, as well as access to legal and accounting services, and sales and marketing expertise. Explorim also provides early stage funding and office/incubator space to entrepreneurs. (not sure if supported by City)
- [TiE Ottawa](#): TiE is a global non-profit organization devoted to supporting business incubation and entrepreneurial skill development. TiE Ottawa is the most active sister chapter of TiE Global.
  - In 2019, TiE Ottawa received \$24,000 in funding from the City of Ottawa.

### Recent strategic plans

[Ottawa Strategic Plan](#) (2019-2022)

[Invest Ottawa Strategic Plan Presentation](#) (2017)

### Budget

[Adopted Budget Book](#) (2021)

## Waterloo

**Population, City** 113,520 *source: 2016 Census*

**Population, Region\*** 535,154 *source: 2016 Census*

*\*As of February 2020, Statistics Canada reports that the Kitchener-Cambridge-Waterloo region is Canada's fastest growing community.*

Note: The City of Waterloo is one city that makes up the upper-tier Waterloo Regional Municipality which also includes the cities of Cambridge and Kitchener, and other surrounding smaller urban areas.

### Entrepreneurship division/agency

- **Waterloo Region Small Business Centre:** The Waterloo Region Small Business Centre provides a variety of resources to individuals preparing to start a new business venture in Waterloo Region. These resources include access to: Business registration assistance, One-on-one business consultation and advice, Seminars, events and networking opportunities, Entrepreneurship programs and incentives

- Waterloo Region Small Business Centre Municipal Funding: The upper-tier municipality, the Region of Waterloo, along with the lower-tier municipalities of the City of Waterloo, the City of Cambridge, and the City of Kitchener are all listed as founding partners of the Waterloo Region Small Business Centre. Funding now comes from both public and private organizations.
- The City of Waterloo provides the Waterloo Region Small Business Centre approximately \$100,000 in funding annually
- This takes the form of funding for one full time employee as well as subsidized rent at City Hall. We also fund Communitech \$35k annually; have 2 Community Improvement Plans that primarily target small businesses for Façade Grants as well as COVID related capital expenses (and have spent over \$1M over the past 5 years on these programs); As well, in recent years we have funded \$1.2M worth of program expansions at the AC, Communitech Data Hub and SWR's eVolvGreen incubator (located at eVolv1 in the R&T Park)

#### **Key initiatives:**

- Communitech, Focus: Technology, Located in Waterloo, but operates nation-wide.
  - Receives \$35,000 in funding from the City of Waterloo
- evolvGREEN, Focus: Environment, Sustainability, Clean Energy
  - evolvGREEN is a non-profit collaboration born out of the evolV1 project that includes: Accelerator Centre, Sustainable Waterloo Region, University of Waterloo and Wilfrid Laurier University. It is the region's foremost collaborative workspace for entrepreneurs, researchers and clean economy supporters. Located in Canada's first net positive office building, evolV1, this collaboration of organizations aims to offer a community approach to driving the clean economy to leading changes that will reduce environmental impact and improve well-being.
  - Received \$55,000 in funding from the City of Waterloo in 2019, and \$45,000 in 2020.
- Accelerator Centre - Website states that the Accelerator Centre is the #1 private business accelerator in Canada.
  - Received municipal funding until 2019

#### **Recent strategic plans**

[Region of Waterloo Strategic Plan \(2019-2023\)](#)

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## New York City

**Population** 8,804,190 *source: 2020 census*

### Entrepreneurship division/agency

- [NYC Department of Small Business Services](#) (SBS): helps unlock economic potential and create economic security for all New Yorkers by connecting New Yorkers to good jobs, creating stronger businesses, and building thriving neighborhoods across the five boroughs.
  - [Support for businesses directory](#): main categories of support include certification, business education, initiatives, recruitment and training, selling to government and mentorship.
- [NYC Economic Development Corporation](#): nonprofit organization funded by the City; working across four key areas including advancing the growth of startups and companies

### Key initiatives:

- [Entrepreneurship Lab](#) (ELab NYC): Incubator launched by the City to teach life sciences entrepreneurs how to establish, run, and grow a business.

The following programs are all run and funded by the NYC Department of Small Business Services.

- [Minority and Women-Owned Business Enterprises Program](#) (M/WBE): This program expands opportunities for minority and women entrepreneurs to access government contracts and grow their businesses. When eligible businesses are certified with the City they become more visible to prospective buyers, including City agencies and private contractors seeking to purchase goods and services.
- [Women Entrepreneurs NYC](#) (WE NYC): initiative launched in November 2015 to help women entrepreneurs overcome the unique challenges they face when establishing, operating, and growing a business, including access to capital, mentors, and coaching.
  - The City partnered with private, philanthropic, and non-profit, including The Huffington Post, Citi Community Development, Deutsche Bank, Grameen America, the Office of Financial Empowerment, and Goldman Sachs 10,000 Small Businesses
  - Report detailing outcomes after 5 years can be found [here](#) (2020)
- [Black Entrepreneurs NYC](#) (BE NYC):

- BE NYC Startup Intensive: a no-cost, 40-hour intensive instructional course based on the FastTrac® curriculum that provides Black entrepreneurs with the knowledge and skills they need to launch and run successful businesses in NYC.
- Launching a BE NYC accelerator: an initial \$3 million investment of capital and operating funds from the City Council, the Brooklyn Navy Yard and SBS
- Stakeholder engagement report can be found [here](#) (2020)

## Recent strategic plans

[Plans and progress reports](#)

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## Boston

**Population** 675,647 *source: 2020 census*

### Entrepreneurship division/agency

- City of Boston [Economic Development](#) - focus on fostering economic development in all of Boston's neighborhoods through marketing Boston on a national and international scale; ensuring access to employment, pathways to careers, and strong job growth; streamlining licensing and permitting processes; and supporting small businesses.”(website)

### Key initiatives:

- [Big Booster](#): non-profit, international accelerator program between Boston and Lyon, France, with an aim to foster a creative global entrepreneurial exchange (2015); accelerated almost 280 startups
- Women Entrepreneurs Boston (WE BOS) provides skill-building opportunities, technical help, and networking. We help women entrepreneurs launch and grow their businesses in the City.
  - Run by the City's Economic Development, Small Business Development, and Women's Advancement teams
  - The City's Department of Innovation and Technology has leveraged with WE BOS on projects
- Mayor's Office of [New Urban Mechanics](#): civic innovation incubator and R&D Lab within Boston's City Hall; launched 2010
- Small and Local Business Program support: goal: create an ecosystem that is open for business by attracting, retaining and helping companies to grow.

- “The Small and Local Business Program encourages, assists, and provides opportunities for minority and women-owned businesses and small and Boston-based businesses to participate in the City’s contracting arena as well as in the broader Boston area economy. The program assists City departments to increase both the number of City contracts and the dollars awarded to those businesses on goods and services contracts and construction contracts
- City funded \$949,257 in 2020
- [Childcare Entrepreneur Fund](#): administered by the City, the fund offers support to current and aspiring owners of family childcare businesses in Boston. Fund recipients attend business training and receive grant funding for their business. Businesses are eligible for one \$3,500 grant.
- [Startup Job Fair](#): Run with Mayor’s Office, WeWork, Boston University’s Innovation Lab and others; provides startups with the opportunity to recruit talented recent graduates and young professionals.
- [Neighborhood Innovation District Committee](#) (2017) goal is to expand innovation and entrepreneurship in the City of Boston. The Neighborhood Innovation District Committee will seek to identify policies, practices, and infrastructure improvements to support the development of innovation districts throughout the City
  - One could imagine a world in the future in which the myriad public funds that support new startups were combined into a single entity. That entity could then be properly evaluated and learn consistently from its successes and failures. Yet in the absence of a single public funding entity, then at least a simple portal allowing people to find their way through the public system may be the second best thing. This portal could be developed within the Entrepreneurship District and then exported.
- [SPARK Boston](#): a City of Boston initiative that aims to empower the millennial generation to play a greater role in planning for the future of the city.
  - SPARK Boston engages the next generation of civic leaders and social entrepreneurs in the work of city government. This will shape how the City designs and develops policies, convenes stakeholders for important initiatives, and works collaboratively with young people to shape Boston’s future.
  - The Mayor’s office hosts SPARK’s annual awards; it includes a category for Entrepreneurship and Innovation

## Recent strategic plans

[Imagine Boston 2030](#) (2017)

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## San Francisco Bay Area

**Population** 7,753,000 *2018 estimate*

Note: The SF Bay Area is a region with loosely defined boundaries that include the cities of San Francisco, San Pablo, Palo Alto, Napa, San Mateo, Santa Clara, Sonoma, & more.

### Entrepreneurship division/agency

- (San Francisco only) [Office of Small Business](#) (OSB): the City's central point of information and referral for entrepreneurs and small businesses located in the City and County of San Francisco.
  - OSB's mission is to support the growth and prosperity of all small businesses, especially those owned by historically marginalized communities, to foster an inclusive and thriving San Francisco
  - OSB has a budget of \$2,770,352 for 2020-21
- (San Francisco only) [Office of Economic and Workforce Development](#) (OWED): provides one point of contact for a variety of essential City programs and service

### Key initiatives:

- [City Innovate](#): non-profit and Public Benefit Corporation supported by the City of San Francisco, City of San Jose, City of Long Beach, and others that focus on Agile Procurement and enabling government to source technology from minority contractors, startups and innovators, and local entrepreneurs.
  - The [STIR program](#) (startup in residence): supports City Departments by leveraging partnerships to build City capacity; Office of Civic Innovation, San Francisco.
- According to the Dell Global WE Cities Ranking 2019, the Bay Area is ranked #1 in best place in the world to be a female entrepreneur; the tech hub outperformed across the report's five main metrics — markets, talent, capital, culture and technology.
  - OEWD funds multiple women entrepreneurship programs through the [Invest In Neighborhoods](#) initiative:
    - the [Bayview Women](#) and [Established Women](#) programs in partnership with the [Renaissance Entrepreneurship Center](#)
    - [La Cocina's Business Incubator Program](#). La Cocina serves talented low-income food entrepreneurs, primarily women from communities of color and immigrant communities
- [The African American Small Business Revolving Loan Fund](#) (City of San Francisco 2020 COVID Response):



- This \$3.8 million fund will help at least 70 Black-owned businesses and entrepreneurs access much-needed financial capital, with zero-interest loans of up to \$50,000 with a 20% debt forgiveness option. Long-standing San Francisco African American businesses are prioritized for these loans, especially those businesses most impacted by COVID-19.
- [Latino Small Business Fund](#) (City of San Francisco 2020 COVID Response):
  - This \$3.2 million fund will provide zero interest loans of up to \$50,000 to approximately 80 small businesses. The funds are intended to mitigate the impacts of COVID-19 on Latino-owned businesses and small businesses in neighborhoods that serve the Latino community.
- The City lists many events on their website, including those hosted by non-profit organizations
- [ICA](#): Oakland-based non-profit lab and accelerator: provides small businesses with the mentoring, investments, and connections they need to grow. ICA invests in and accelerates local, value-driven businesses with the potential to create good jobs that will help close the gender and racial wealth gaps
- Many incubators seem to be supported by an affiliated with nearby tech companies, not municipalities
- City of San Jose's [Office of Economic Development](#) supports entrepreneurs through comprehensive facilitation services, forward-thinking policies, and creative incentives. They collaborate with companies from different industry sectors to foster innovation between companies to further business development and success; help companies find office space and catalyzes workforce strategies
  - City of San Jose amplifies/promotes: [Start Small Think Big](#) - non-profit that helps small businesses with high potential and limited access to the resources needed to create thriving businesses
    - Connect small business owners to a network of volunteer professionals who provide free legal, finance, and marketing services
  - City of San Jose listed as a strategic service partner for [Business Owner Space](#) (BOS): a partnership among more than two dozen public, private, and non-profit agencies and businesses -- all pursuing the same goal: to help new and small business owners and entrepreneurs achieve success. BOS pulls together its partners' expertise to help launch and grow a business in San Jose-Silicon Valley (website aggregator is free to use); so entrepreneurs can get in touch with municipalities through BOS

## Recent strategic plans

[SF OEWD Strategic Plan 2019-2020](#)

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## Austin

**Population** 961,855 *source: 2020 census*

### Entrepreneurship division/agency

- City of Austin [Economic Development Department - Small Business Division](#)
  - From the 2020 Budget: Small Business Program fosters job creation and supports the growth of new and existing businesses by providing capacity building information resources and tools
  - 2021 approved budget of \$5,304,619

### Key initiatives:

- The Small Business Division offers a number of programs, most targeting new business ventures:
  - BizAid Business Orientation - free class offered online serves as an introduction to resources available to small business owners as well as the various government agencies or organizations that you may need to reach out to along the way. It will get you introduced to the components of a business plan and various aspects of business development. This class would be beneficial as you begin to outline your business goals, whether you're starting a new business or looking to expand.
  - Events - the Division holds special events targeted at providing access to resources and information for small business owners and entrepreneurs. They have a very active eventbrite page here.
  - Family Business Loan Program - public-private partnership between the City of Austin, HUD, and participating private lenders to offer low-interest loans to qualified small businesses that are expanding and creating jobs. Our mission is to enable existing local businesses to expand and create jobs, revitalize communities, increase the tax base of the City of Austin, and enhance the overall quality of life for Austin residents.
- [ATX+ Entrepreneurship Program](#) - since 2015, the City's international business development and cultural exchange program. ATX+ leverages a network of global resources to facilitate sustainable, educational, cultural, creative, and commercial partnerships to grow businesses and power local economies. Recent partnerships with Pakistan and Egypt.
  - Two tracks: Global Market Expansion Track and Fashion Forward Track
- The Economic Development website also has a great "[Start a Business](#)" page, giving step by step instructions on how to set up and start a business in Austin, and links to important resources.

- [MBE/WBE Programs](#) - intended to promote and encourage MBEs and WBEs to participate in business opportunities with the City of Austin; to afford MBEs and WBEs an equal opportunity to compete for work on City contracts; and to encourage contractors to provide subcontracting opportunities to certified MBEs and WBEs by soliciting such firms for subcontracting opportunities.
  - The city also has a Small and Minority Business Resources Department which strives to promote access and equity on City of Austin contracts and provide economic opportunity to small, minority-owned, women-owned, and disadvantaged businesses.
- The City supports the [Economic Growth Business Incubator](#): non-profit that provides training, coaching and support to aspiring and existing business owners who face barriers to growing a successful business.
- The City of Austin also has a [Small and Minority Business Resources Department](#) which strives to promote access and equity on City of Austin contracts and provide economic opportunity to small, minority-owned, women-owned, and disadvantaged businesses.
  - [Small Business Certifications](#): the City's Minority-Owned Business Enterprises (MBE) and Women-Owned Business Enterprise (WBE) program is intended to promote and encourage MBEs and WBEs to participate in business opportunities with the City of Austin; to afford MBEs and WBEs an equal opportunity to compete for work on City contracts; and to encourage contractors to provide subcontracting opportunities to certified MBEs and WBEs by soliciting such firms for subcontracting opportunities.

### **Recent strategic plans**

[Strategic Direction 2023](#) - one of the strategies is to assess outcomes of programs that support entrepreneurship and designated small, minority-owned, women-owned and disadvantaged businesses and optimize for participant success (e.g. business expansion, revenue, profitability).

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## **Seattle**

**Population** 737,015 *source: 2020 census*

**Entrepreneurship division/agency**



- City of Seattle's [Office of Economic Development](#) (OED): supports the retention and growth of local small businesses owned by underserved populations through technical assistance, access to capital, affordable commercial space, mentorship and marketing.
- 2019 actual budget \$9,577,962

### Key initiatives:

- The City/OED runs the Startup Seattle program (though all of the links are broken)
- Seattle.gov provides many well-categorized [startup resources](#), and resources such as [statistics](#) and a [startup flowchart](#) for Seattle businesses/startups.
- [Seattle Office of Economic Development: FutureFounders Program](#): a program created by the City of Seattle's Office of Economic Development (OED), in partnership with local organizations, connecting youth and young adults with technology mentors and experts to learn new skills for a future career in technology; targets youth from marginalized neighbourhoods that lack access to opportunities.
  - As Seattle is poised to become a leader in emerging tech industries like artificial intelligence, virtual reality and blockchain, there is also opportunity to prepare youth and young adults from communities that have been marginalized from the innovation economy to not only participate but become future technology leaders.
- [Ventures](#) - non-profit incubator; City is listed as a partner -
  - focus on women, people of color, immigrants, and individuals with low income
  - provides access to business training, capital, coaching, and hands-on learning opportunities for entrepreneurs
  - [Blog article about Ventures' partnership with the City](#)
- [Equitable Communities Initiative](#): City's \$100 million commitment in 2021 to invest in Black, Indigenous, and people of color (BIPOC) communities
  - Business Development & Technical Assistance targets small BIPOC business owners and startups; focuses on systemic discriminatory practices denying access to capital, business credit and targeting, communities of color for predatory loans and high risk financial products. Expected outcome is the increase in scalable and sustainable business contributing to the revitalization of vulnerable communities.

### Recent strategic plans

[Strategic Plan 2022-2026](#)

## Appendix B: Survey responses

Survey guide co-designed by Entrepreneurship Services and Code for Canada.

### ***Which of the following industry categories best describes the businesses you serve?***

- Creative, Digital (tied) - 54.5% of respondents indicated this industry
- Social Innovation - 51.5%
- Social Enterprise - 48.5%
- Professional services, Retail (tied) - 45.5%

### ***Select the potential size opportunity your incubated start-ups typically pursue?***

- Small Scale self/debt funded - 36.4% of respondents indicated this size
- High Growth, equity investible - 33.3%
- Medium Growth self/debt funded - 12.1%
- Small, medium and high - 9%
- Medium and high - 6%
- High Potential investible social enterprises - 3%

### ***Approximately how many years has your organization been working with staff from the City's Incubation Program?***

- 2 - 5 years - 39.4% of respondents indicated this number of years
- 5 - 10 years - 33.3%
- n/a (never worked with City) - 12%
- Less than 2 years - 9.1%
- 10+ years - 6%

### ***How do you see the City's role in the entrepreneurship ecosystem?***

- Funder - 78.8% of respondents indicated this role
- Partner - 75.7%
- Connector - 72.7%
- Collaborator - 69.7%

- Advocate - 60.5%
- Catalyst - 48.5%
- Other - Customer - 3%

**Who are your funders?**

- City of Toronto - 57.6% of respondents indicated this funder
- Academic Institutions - 45.5%
- Federal Government of Canada - 42.4%
- Corporate Houses - 39.4%
- Province of Ontario - 36.4%
- Non-profit / Impact investors - 36.4%
- Community Associations - 30.3%
- Other - grants, private sector, program revenue - 18%
- Angel Groups/VC's - 9.1%

**What are your top 3 greatest challenges?**

- Access to funding supports - 63.6% of respondents indicated this challenge
- Financial sustainability model - 42.4%
- Access to partnership opportunities - 33.3%
- Marketing support - 30.3%
- Ability to attract better talent (staff) - 27.3%
- Cost of support - 21.2%
- Space - 18.2%
- Ability to attract better talent (ventures) - 12.1%
- Other (please specify) - 12%
  - toxic environment of industry
  - slow uptake of platform by TO-based customers
  - earned revenue streams to lessen dependence on funders/sponsors
  - funding for staffing

- Cost of deal flow - 3%
- Team building - 0

***As a recipient of the City's incubation grant what have been the greatest impacts of the funding?***

(Note: not all organizations surveyed have received funding).

- Greater exposure in the entrepreneurship ecosystem - 41.9% of respondents indicated this impact
- Support for overhead costs - 41.9%
- Core operations - 35.5%
- Better marketing and promotions - 29%
- More effective outreach to partners - 25.8%
- Ability to attract better talent (ventures) - 22.6%
- Ability to attract better talent (staff) - 6.5%
- Other
  - Job creation and retention in fashion industry - 3.2%
  - Establishing credibility as an organization supported by the city - 3.2%
  - Being able to advance the creative industry/entrepreneurs to help them grow - 3.2%
  - Support to help under-represented artists and genres of music - 3.2%

***On a scale of 1 - 5, how impactful has the City's support been on achieving your organizational goals?***

1 = Not much of an impact, 5 = Couldn't operate without this support

- 4 - 30.3%
- 3 - 24.2%
- 1 - 21.2%
- 5 - 21.2%
- 2 - 3%

***In your opinion, what is the City of Toronto currently doing well to support the local entrepreneurial ecosystem?***

- Creating a sense of community - 54.5% of respondents indicated this outcome
- Funding opportunities - 51.5%

- Educational resources and materials - 42.4%
- Partnership opportunities - 42.4%
- Talent support - 15.2%
- Other - unaware of City support - 9%
- None of the above - 3%
- Other - Advocacy - 3%

***What can the City be doing better?***

- Funding opportunities - 63.6% of respondents indicated this aspiration
- Partnership opportunities - 51.5%
- Joint programming - 42.4%
- Creating a sense of community - 42.4%
- Access to city-run space - 39.4%
- Advocacy - 39.3%
- Talent support - 18.2%
- Policy development - 15.2%
- Educational opportunities - 9.1%
- Other - procurement - 9%
- None of the above - 6.1%

***The City currently measures success in the entrepreneurial ecosystem by number of jobs created, companies formed and entrepreneurship representation from marginalized communities. Are there any other metrics that the City should be considering?***

VENTURE-SPECIFIC

- Information about founders/companies receiving support for the first time;
- Ventures supported because sometimes we start working with companies that have already formed but we are helping them grow and scale.
- Sectors of startups
- Funds raised by startups



- Number of entrepreneurs supported
- Satisfaction rate of participants.
- Upskill/reskill impact (talent placed AT startups)
- The number of people incubators support who never convert to entrepreneurs (academic).
- Use/procurement of local innovations by the City and Toronto-based enterprises
- Number of Programs/Hours serving entrepreneurs across all incubators
- The entrepreneur's impact on the community (ie. dollars invested back into the community).
- Demographics of entrepreneurs and the companies.

### QUALITATIVE METRICS

- some measure which points to the qualitative impact of ecosystem supports instead of just quantitative (eg financial)
- Qualitative measurement via testimonials from incubated businesses on the support provided.

### INCLUSION + VALUES

- Representation of women-led businesses
- I believe that the marginalized community group is a massive group that should be broken up into some more specifics so that the organizations record those data points.
- Measuring the cultural and learning elements of the ecosystem as those make change more lasting
- Diversity and inclusion in the tech ecosystem; attracting international talent.
- progress towards SDG's (Sustainable Development Goals)
- Number of entrepreneurs that access more sector specific training to expand / grow their businesses
- Number of established entrepreneurs supporting those just starting out (ie. mentorship)

### ESTABLISHED COMPANIES

- Metrics to understand how many people developed as an intrapreneur and helped a company perform better.
- There should be different metrics depending on the clients served ie MaRS supporting established companies vs other incubators that support ideation stage.
- Growth of companies who are program alumni (not only in terms of jobs created)

### SPOTLIGHT ON TORONTO

- Potentially the amount of media attention the organization can bring to the city
- amount of potential traffic the organization draws to the city which can impact potential revenue for tourism (hotels, restaurants, transportation, shopping etc.).
- # of stories, articles, mentioning Toronto-based startups and innovation in the city -- in short what is the share-of-voice that Toronto entrepreneurs have (as it relates to other companies)
- It should take into account the amount of buzz built for Toronto, in a similar manner to the Tourism department. If there exists companies that produce films or apps etc. that help promote Toronto as a place to do business, that should be taken into account as it pays off in the long run (similar to Seattle and Amazon).
- Awards/Accolades/Media for incubated businesses and incubators themselves;

### ***Is there anything else you'd like to share about how the City can better support organizations like yours?***

#### PARTNERSHIPS

- gain better exposure for our ventures in terms of creating opportunities to sell to the SME and not the giant corporates
- organization would benefit from more exposure
- opportunity to work with the various organizations and corporations looking at granting programs and supporting entrepreneurs. A lot of the corporate funding tends to go to the same groups
- Connect possible sponsors to hubs like ours
- To be recognized as a viable part of the entrepreneurial ecosystem - at least in terms of funding. The time is now to support social and diversely owned businesses.

#### INCUBATOR NETWORK

- continued meetings with the City and other Academic incubators to understand how the City is supporting entrepreneurs
- Create a database of all entrepreneurship programs either offered by non-profits or academic institutions

#### ADVISEMENT

- have members of the City active in events or on the Advisory to get a different vantage point of what we d

### FUNDING IMPROVEMENTS

- Better recognize the cash-flow realities of non-profits
- early opportunity to demonstrate the need for ongoing support
- Multi-year funding agreements
- Operational funding

### MARKETING TORONTO'S ENTREPRENEURIAL ECOSYSTEM

- Strengthen the brand of the City as an innovation hub, friendly to startups and entrepreneurship
- funding and partnership is essential to keep promoting the city internationally and attract international tech startups that fundamentally will put investment to move headquarters to Toronto and hire local talent
- Incentives to motivate the City and its contractors to buy local
- marketing opportunities to share our programs with your audience
- Media support

### SPACE

- Many of companies leave Toronto once financed in seed rounds because there is no space available

### INCLUSION

- city can do a better job at being more inclusive of trans and non-binary folks
- More access to start-up funds for low-income entrepreneurs

## Appendix C: Research Participants

Thirty-six (36) individuals participated in this research, representing thirty-four (34) Toronto-based incubators. The incubators included those from academic institutions as well as non-profit organizations that support startups and entrepreneurs across a diversity of sectors, including healthcare, financial services, music and fashion. Some of the participating incubators have mandates that focus on supporting women, indigenous peoples, members of the LGBT+ community and other minority populations.

### Number of participants engaged in research

Participants	# Academic	# Non-profit	Total
Survey	16	14	30
Focus Group	7	15	22

### List of organizations engaged in research

Organization	Type	Sector/name	Participation
George Brown College	Academic	Digital Media and Gaming	Survey, focus group
George Brown College	Academic	startGBC	Survey, focus group
Humber College	Academic	Humber Centre for Entrepreneurship	Survey, focus group
Ryerson(frmlly?) University	Academic	Digital Media Zone (DMZ)	Survey, focus group
Ryerson(frmlly?) University	Academic	Legal Innovation Zone	Survey
Seneca College	Academic	Entrepreneurship program	Survey, focus group
University of Toronto	Academic	Entrepreneurship program	Survey
University of Toronto	Academic	Faculty of Applied Science & Engineering	Survey
University of Toronto	Academic	Health Innovation Hub	Survey
University of Toronto	Academic	ICUBE/social entrepreneurship	Survey
York University	Academic	ELLA Accelerator	Survey

York University	Academic	Schulich School of Business	Survey, focus group
York University	Academic	YSpace	Survey, focus group
York University	Academic	York Entrepreneurship Development Institute (YEDI)	Survey
Business in the Streets	Non-profit	Youth, business	Focus group
Canada's Music Incubator	Non-profit	Music	Survey, focus group
Canadian Council for Aboriginal Business	Non-profit	Indigenous community	Survey
Centre for Social Innovation	Non-profit	Social, environmental impact	Survey, focus group
Canada's LGBTQ+ Chamber of Commerce	Non-profit	LGBT+ community	Survey, focus group
indiefilmTO	Non-profit	Film	Survey
Innovate Financial Health	Non-profit	FinTech	Focus group
LatAm Startups	Non-profit	Startups from Latin America; cross-sectoral	Survey, focus group
MaRS Discovery District	Non-profit	Health, cleantech, fintech, enterprise	Survey, focus group
Parkdale Centre for Innovation	Non-profit	Newcomers, BIPOC; cross-sectoral	Survey, focus group
Scadding Court Community Centre	Non-profit	Newcomers; food, philanthropy, arts	Survey
SheEO	Non-profit	Women-led social ventures	Focus group
Startup Fashion Week	Non-profit	Fashion	Survey, focus group
The Remix Project	Non-profit	Marginalized youth; arts, culture, entertainment	Survey
Toronto Business Development Center	Non-profit	Business	Focus group
Toronto Fashion Incubator	Non-profit	Fashion	Survey, focus group
Urban Living Futures Incorporated	Non-profit	Built environment	Survey
Venturepark Labs	Non-profit	Food and wellness	Survey, focus group