2018 Main Conclusions

QCC Conference
TORONTO | April 3-5, 2018

Tech Innovation Platform

Message from the Presidents of the QCC and the Tech Innovation Platform

The QCC was created 15 years ago on the belief that, in a world where capital and markets know no borders, joining forces, resources and expertise was the right strategy to maximize value for each participant. We believe that this mission is more essential today than ever.

The QCC is a not-for-profit corporation whose mission is to contribute to the identification and resolution of capital market inefficiencies that lead to underinvestment in activities or sectors that generate societal benefit. In more specific terms, its mission consists of the following:

1. To create customized by-invitation-only forums, each one addressing a specific need in the market place. The main ones are the Public Policy Forum on Venture Capital and Innovation created in 2007 and which in 2016 became the Tech Innovation Platform (TIP), the Institutional Investors Roundtable (IIR) created in 2010 and which has evolved into a community of over 40 sovereign wealth funds and large pension plans interested to improve their capacity around long-term investment activity and finally the Fiduciary Investors Roundtable for Collaboration and Partnerships created in 2016 to address the needs of institutional investors who, because of constraints of scale or governance, do not have significant in-house investment capabilities but are interested to learn from their more advanced peers and collaborate with them to take better advantage of their characteristics of long-term investors.
2. To provide these forums with financial and logistical support and targeted research, thus playing the role of a foundation.

Building on the experience of the Public Policy Forum on Venture Capital and Innovation (“PPF”) and the Institutional Investors Roundtable (“IIR”), the TIP aims to bring together leading stakeholders of tech innovation ecosystems (corporations, universities, investors, governments and ecosystem leadership) in order to foster collaboration and accelerate the development of these ecosystems. This document presents the Main Conclusions of 2018 TIP.

The TIP is not a conference, it is a platform. Its objective goes beyond sharing information and best practices: it is to address the lingering productivity and innovation gaps and enhance the innovation agenda across the country.

Such an ambitious objective can only be achieved by joining forces and engaging the leaders of the main groups of stakeholders of the tech innovation ecosystems in structured conversations designed to lead to tangible results beyond the TIP meetings themselves.

Invitations are therefore selective, focusing on high level strategic leaders who are able and interested to contribute to the elaboration of tangible collaborative solutions.

We would like to thank all those who contributed to this forum: our Advisory Committee, as well as the directors of the QCC who have enthusiastically supported this initiative.

In closing, we would like to underline the contribution of the Governments of Quebec, Canada, Ontario, British Columbia which partnered with the QCC Conference to develop this platform and have provided considerable financial support.

We hope that you will find these Main Conclusions inspiring, notably the calls for action at the end of the Executive Summary.

Further to the TIP meeting, many discussions and initiatives are already underway along these lines. TIP organizers will follow up with participants to understand how best they could help supporting these initiatives. We welcome your feedback and suggestions.

Sincerely.

Gilles Duruflé
President
QCC Tech Innovation Platform

Christian Racicot
Co-Founder & President
QCC

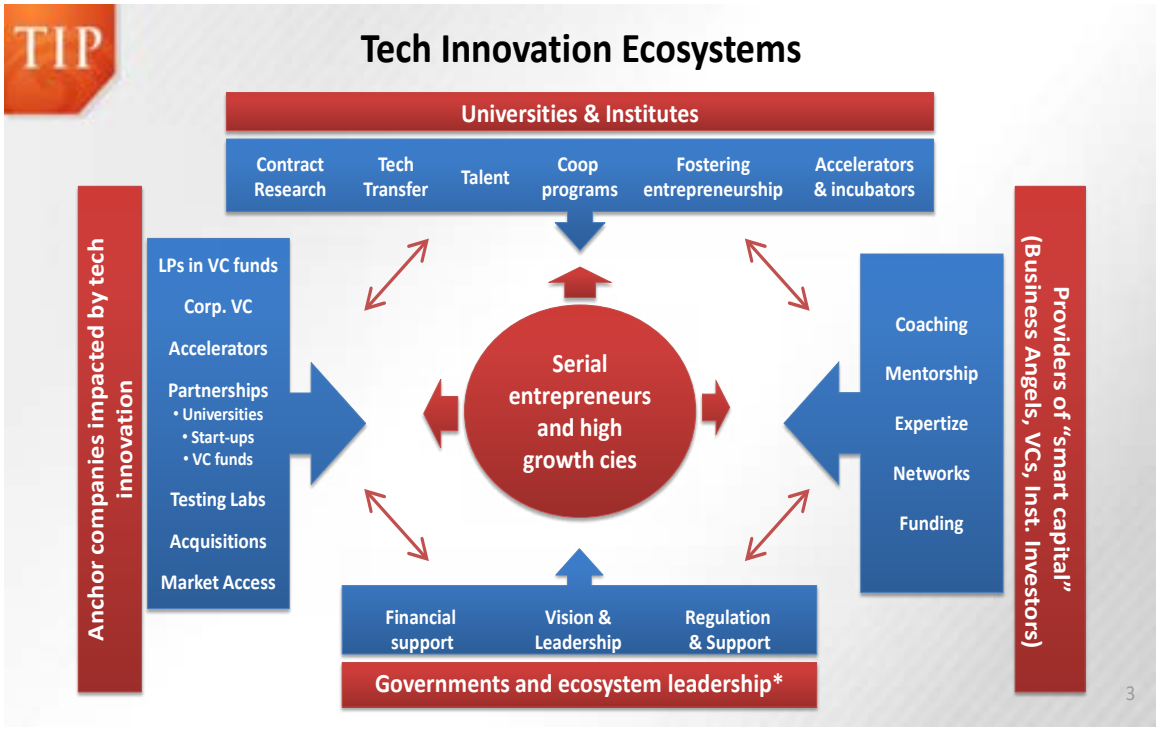
About the Tech Innovation Platform (TIP)

The Tech Innovation Platform (TIP) is an independent, not-for-profit and by-invitation only international meeting. Its mission is to convene the main stakeholder groups of Tech Innovation Ecosystems (governments, investors, corporations, and universities and research centers) in order to address challenges that these ecosystems are facing and accelerate their development.

The TIP is supported by the governments of Canada, Quebec, Ontario and British Columbia and selected private sector partners. Its annual meetings alternate between Quebec City and Toronto.

The 2018 TIP was produced in partnership with Startup Genome

The four main groups of stakeholders impacting any tech innovation ecosystem



2018 Tech Innovation Platform - Main Conclusions

Executive Summary

The scale-up challenge can be defined by the fact that in many countries such as European countries, Israel and Canada, after many years of efforts to build tech innovation ecosystems and increase the number of start-ups, very few of these start-ups, far fewer than in the US, grow and scale in the country. This has important adverse effects in terms of economic growth, job creation and productivity gains.

This challenge is a big one and now widely recognized. However, research by Startup Genome shows that this is not a national issue but rather an ecosystem issue and that it should be analyzed within the framework of the ecosystem lifecycle. Successfully moving ecosystems up the lifecycle curve presupposes improving simultaneously all success factors in the ecosystem: market reach, funding, talent and start-up experience, and the most critical of these factors is market reach which is driven by global connectedness. For smaller ecosystems, focusing on specific verticals where they have a competitive advantage may accelerate their journey.

Governments such as Canada, the UK and Singapore have now developed holistic views concerning the challenge and designed policies to address its various dimensions: funding (through business development banks and other measures to support the financing chain), talent (education systems and immigration policies), international expansion (supporting the development of international networks), adapting the regulatory framework to support innovation, supporting ecosystem builders and finally setting up and funding explicit cluster approaches to enhance collaboration among large corporations, research institutions and scale-ups.

From the numerous initiatives to address the scale-up challenge that have been reviewed and discussed during the day, the following lessons can be learnt:

- There are many similarities across countries ("we all face the same challenge");
- Quality collaboration is essential: among peers and between scale-ups, large corporations, educational institutions, public research systems and governments;
- Start-up and scale-ups are different and require different approaches regarding coaching, mentoring and interface with corporations:
    - Peer to peer learning is the most effective way to build training and support programs for scale-ups;
    - Mentoring for scale-ups has to be organized in a more informal and flexible way than for start-ups (prioritize the network effect);
    - Most effective programs for scale-ups focus on "high impact entrepreneurs" and invite them to give back to the ecosystem once they succeed: wealth, expertise, networks, becoming mentors, alumni, business angels and VC managers. The objective should be to build a critical mass, a network effect and start a virtuous circle that will attract more high impact entrepreneurs, more experienced mentors, more investors and supporting services firms and will have a strong positive signaling effect;
    - Scale-ups are more suited than start-ups to interface with larger corporations and develop a collaboration that will be beneficial to both.

- There are enormous opportunities deriving from fostering collaboration between corporations and start-ups. However, successfully linking corporations and emerging companies and moving beyond the proof of concept (POC) is not easy. Start-ups must be prepared for this process and corporations have also to transform themselves to set up the right management for deployment. The following lessons have been learnt through discussions:
    - Scale-ups and large organizations speak different languages. It's beneficial to try to get them on the same page as quickly as possible and in writing. Teach each side what to expect from the other side. Dedicated teams to work with both sides are essential;
    - Ensure the large corporations know what they want to do regarding their start-up engagement. The worst scenario is for corporations to come without any intention to engage beyond meetings, when start-ups have committed a significant amount of their limited resources to prepare for engagement with them;
    - For the interface programs to work successfully, corporations that wish to participate must not look exclusively or even primarily for their own benefit. They must be there to benefit the ecosystem first and themselves later.
    - At an ecosystem level, designing and funding efficient and professional support systems (ecosystem builders) to build bridges between corporations and emerging companies (start-ups and scale-ups) is essential and remains a challenge. Corporations are progressively realizing that it is in their interest to get more involved.
- The Canadian Innovation Supercluster Initiative is an ambitious initiative based on a new model that does not seem to have many comparables in the world so far. Although it is still in its incubation phase, it has already had very significant results: it has forced discussions and collaboration among companies and with universities which would not have happened otherwise. Discussions of this model and other models that included physical hubs highlighted the following points:
    - There are clear benefits of having a large physical hub where many representatives of the different stakeholder groups of tech ecosystems can have a physical presence and rub shoulders. Many collaborations and new ideas result from serendipity created by this environment;
    - Specialization is an important dimension of innovation. There is at present a global trend for innovation hubs to become more specialized and pick sectors in which they can build specialist capacities to differentiate, go deeper and build value;
    - Global connectedness is essential to build successful tech companies. Innovation hubs have to be globally minded, link to global customers, markets, capital and talent. A global presence is important.

Introduction: the 2018 Tech Innovation Platform

The 2018 edition of the TIP was held in Toronto on April 4-5, 2018 and focused on the "scale-up challenge" and policies and initiatives to address it, both from the supply side (supply of capital) and the demand side (more ecosystemic approaches to support the growth of tech companies).

This topic is presently a high priority in Canada, but this is also the case in most other countries outside the US. We think the current context created an excellent opportunity to compare and contrast the various situations, learn from one another, bridge supply side and demand side initiatives and foster collaboration among stakeholder groups to address the issue.

The TIP is a by-invitation-only meeting exclusive to investors, senior leaders of governments and organizations shaping innovation policy globally. Unlike conferences where senior leaders speak on record to a large audience, TIP offers a private setting to have productive conversations among peers, discuss innovation strategies and outcomes, learn from them and develop collaborations. The 2018 TIP was no exception. It was a very interactive day of work for all participants.

The first part of the morning set the stage: What is the problem? How to frame it? How do leading countries approach it at a macro level? What may be missing in certain environments according to investors and entrepreneurs that have successfully scaled companies?

The rest of the day was devoted to presenting and discussing international policies and initiatives designed to address various dimensions of the challenge: supply of capital, training and support, involving corporations, cluster approaches.

These discussions took place in smaller groups focused on specific initiatives. In each group, a "group leader" took five to ten minutes to present the initiative: its objectives, how it addresses the "scale-up challenge", its results and remaining challenges. Then a moderator opened the discussion to participants who were able to ask questions to the group leader and share their own experiences. The moderator concluded the last part of the session by asking "What have we learnt?". Answers to these questions were used to feed the closing discussion of the day.

All group leaders were invited to send in advance a short support document that was loaded in the TIP app. and sent to all participants. The leader had the opportunity to refer to this document during his or her presentation. All these documents and all presentations of the day are now posted at our web site at the following address: https://qcconference.com/archives/tip/

As in previous years, the audience of the 2018 TIP was composed of leaders from the main stakeholder groups of tech ecosystems: corporations (7), ecosystem builders (21), governments (17), government investors (12), private sector investors (18) and universities (6) from seven different countries in North America, Europe and Israel. This diversity allowed for particularly fruitful discussions.

Setting the stage

The scale-up challenge

Gilles Duruflé, President of the TIP

Already present in some academic papers, the "scale-up challenge" made its road into the international public debate at the autumn of 2014 simultaneously in Israel and in the UK.

Regarding Israel, a December 2014 article in The Economist entitled "Israel: the Scale-up Nation?" coined the challenge: after decades of being recognized as "the Start-up Nation", Israel counted only one large tech company (Teva), the share of tech employment, though high by international standards (superior to 8%) was declining. Many tech companies when they grew moved to the US or were being bought by US and international companies. A large part of the value created by the start-up nation seemed to be captured outside the country. How could Israel become not only the Start-up Nation but also the Scale-up Nation?

At the same time, the concern was echoed by the "Scale-up Report" in the UK which recalled that "scale-ups", that is "an enterprise with average annualized growth in employees or turnover greater than 20 per cent per annum over a three-year period, and with more than 10 employees at the beginning of the observation period", have a disproportionate impact on job creation, quality of jobs created, economic growth and productivity gains. At the same time, compared to the US, European countries had a much smaller proportion of scale-ups.

Similarly, a 2017 European report that defines scale-ups as "fast growing, high-tech companies that have raised at least 1MS with at least one round after 2010" reveals that 1 out of 7 European scale-ups move their headquarters and part of their value chain abroad; these dual companies raise 30% more funding than domestic scale-ups; they grow faster and produce positive externalities: wealth creation, talent, role model. It concludes by asking: is Europe witnessing a trend towards dual companies and scale-up relocation?

Finally, in Canada as well, the percentage of later stage companies, defined as "companies that received more than US$ 10M in total funding", is significantly smaller than in the US in a context where Canada faces a lingering productivity and innovation gap.

To sum up, in most developed countries outside the US, the problem is deemed serious and preoccupying given its impact on growth, job creation and productivity gains. It is true that in these countries over the last five years, the environment for scale-ups has been improving significantly on many fronts: size of investments, total amounts invested, number of unicorns and exits. But it has also improved in the US and overall a large gap remains.

Overall, most reports agree on the main causes of this situation. The UK report summarizes them in the following way. Companies have issues:

- Finding employees to hire who have the skills they need,
- Building their leadership capability,
- Accessing customers in their home market and other markets,
- Accessing the right combination of finance,
- Navigating infrastructure.

In other words: access to talent, capital, markets and other resources that can be provided by R&D centres and large corporations.

The objective of the TIP is not to produce another report on these causes but rather to focus on sharing experiences and lessons learned around initiatives designed to address this challenge. Consequently, after the introductory session designed to set the stage, the day was organized in sessions to review and discuss four main streams of such initiatives: 1) supply of capital, 2) training and support, 3) vertical/cluster approaches and 4) initiatives designed to involve corporations. Participants were asked to keep one question in mind: "what can we learn through these experiences?" and to share their findings with other participants.

An ecosystemic view of the scale-up challenge

JF Gauthier, CEO of Startup Genome

How can we create more scale-ups in Germany, Sweden, Malaysia or Estonia? How can tech start-ups create more jobs and growth outside Silicon Valley? These are the kind of questions that Startup Genome addresses. In order to do so, it conducts the world's largest primary research with start-up founders (10k+ each year), has developed the largest set of data on start-ups, and a scientific model to understand how tech ecosystems evolve and produce successful start-ups.

Here are some of their findings that JF shared with us:

First, the production of scale-ups is not a national issue, it is clearly an ecosystem issue. While there are large differences in the number of unicorns among countries with an obvious supremacy of the US, there are also large differences among ecosystems within countries. Large and buoyant cities such as Houston or Atlanta are lagging significantly behind leaders such as Silicon Valley or New-York.

Second, large funding rounds help start-ups accelerate into scale-ups but they do not explain why some ecosystems or countries produce more scale-ups. The share of series A rounds larger than US$ 10 M is relatively similar among ecosystems such as New-York, London, Berlin and Toronto. However outcomes in terms of scale-ups are significantly different.

Third, scale-ups are a function of ecosystem lifecycle. The ratio of large exits to the number of start-ups in the ecosystem increases as ecosystems move from Globalization to Expansion and finally Integration phase. Moreover, the total exit value in the ecosystem increases exponentially, not linearly, with the ecosystem size (total number of start-ups).

Forth, within each phase, most successful ecosystems are those with the least success factor gaps which clearly illustrates the ecosystemic dimension and the interaction among the various success factors. A significant gap in only one factor when other factors are high has strong negative effects on the overall performance.

Fifth, the single most important success factor is global market reach, i.e. the share of foreign (i.e. outside the continent) customers. On average, start-ups with more than 50% of foreign customers achieve revenue growth that is more than double that of start-ups with less than 50% foreign customers.

Sixth, global market reach is driven by global connectedness of founders, i.e. the number of quality relationships with founders in top ecosystems (Silicon Valley, New-York, London, Singapore, Tel Aviv): top ecosystems are attracting the best ideas, people, resources, and are

concentrating the global know-how that is necessary to build globally-leading products and business models--key ingredients that lead to scale-ups and unicorns; being connected with other founders in these ecosystems gives founders early access to global knowledge regarding what is most important for their start-up: what failed in the last five years, what is just starting to succeed, latest unmet customer needs; accessing this information only later in the development of the company and through public information may prove to be too little and too late.

This analysis leads to the following recommendations:

- At the ecosystem level: (i) increase the number of start-ups (support seed and business angel funding, entrepreneurial community building, incubators and accelerators, etc.) and (ii) improve the rate of scale-ups by increasing resources across all success factors (e.g. market reach, funding, talent and start-up experience) with a special focus on global market reach and global connectedness;
- Develop specific scale-up programs: training and mentorship, funding, corporate involvement. Eventually make strategic choices to focus on one part of the ecosystem that may have specific comparative advantages.

Such strategies may accelerate the move to the top of smaller ecosystems as illustrated by the case of Stockholm, a rather small ecosystem that has ratios of global market reach and global connectedness similar to the top ecosystems and a ratio of unicorns similar to Silicon Valley. Similarly, by focusing on Fintech, Frankfurt which only ranks 48th in terms of ecosystem output (number of start-ups) has become part of the top five ecosystems in terms of local meetings with founders from top ecosystems, which is a major source of global connectedness and should lead to a larger number of scale-ups.

Addressing the scale-up challenge: country perspectives

Stephan Kuester, Tech City (London)
Michael Denham, CEO of the Business Development Bank of Canada
Wei Yang Cheong, Deputy CEO, National Research Foundation (Singapore)

At a macro level, all three presenters agreed on the following points:

- Scaling-up companies does matter (job and wealth creation and productivity gains) and remains a big challenge despite positive trends over the last two or three years;
- Talent and international expansion are key drivers and challenges for successfully scaling-up companies;
- Government interventions to address the scale-up challenge focus on the following dimensions: late stage funding, attracting talent (visa programs), developing international networks, adapting the regulatory framework to support innovation, developing cluster approaches and enhancing collaboration among large corporations, research institutions and scale-ups;
- Accelerating the involvement of large corporations with scale-ups is the new frontier.

Specific lessons could also be taken away from each of these presentations.

The ***UK*** presentation highlighted the important role of "ecosystem enablers" or "ecosystem builders" such as Tech City to (i) be the collective voice of start-ups and scale-ups to governments, (ii) propose life cycle programs to start-ups and scale-ups based primarily on ***peer to peer learning*** and culminating in the Future Fifty program for leading scale-ups and (iii) build international networks to serve scale-ups (a network of networks). It also underlined the importance of a structured dialogue between governments, incumbents and start-ups around regulatory frameworks in heavily regulated industries such as Fintech. The Fintech Delivery Panel that was set up in the UK and meets every six to eight weeks is a good example of such regulatory and industry collaboration.

Government initiatives in ***Canada*** include the supercluster initiative that was discussed later during the day (see below); the modernization of trade commissioner services to develop international networks for start-ups and scale-ups; a global skills strategy to give access to and attract foreign talent; the launch of economic strategy tables, a new model for industry-government collaboration to support innovation in tech sectors; and finally, programs managed by the Business Development Bank of Canada (BDC) to strengthen late stage funding: the venture capital catalyst initiative (public-private funds of funds) and BDC's fund of funds on the indirect investment side and co-investment programs and direct investment funds on the direct side. In addition BDC has developed specific tools to support GPs (the GP academy), to provide advice and consulting services to start-ups and scale-ups and to open its Canada-wide networks to start-ups. The next step is to work more closely with corporations.

Singapore has been successful in attracting research teams from international universities and multinational corporations. Multinational corporations have developed subsidiaries to benefit from Singapore's logistics hub. Large local and international institutional investors and financial institutions also have offices in Singapore. The present challenge is to build on these assets in order to support the development of start-ups and scale-ups which in return will accelerate innovation among incumbents.

Given the small size of the country, access to international markets and sources of talent and knowledge is even more crucial for Singapore than in larger countries. Leveraging the presence of multinational corporations becomes key. Initiatives developed by Singapore to address these challenges include:

- Developing regulatory sandboxes and, more broadly, working with incumbents and start-ups to adapt the regulatory framework to protect what should be protected while becoming more conducive to innovation;
- Developing platforms for co-innovation, aligning interests of large companies, scale-ups and venture capital to provide scale-ups with better access to R&D infrastructure, heavy machinery and markets;
- Developing cluster approaches in sectors where Singapore has competitive advantages and disruptive technologies are redesigning the supply chain;
- Developing global innovation alliances with targeted countries in key areas where there are complementarities to be developed (e.g. logistics with China);
- Leveraging international events in Singapore (F1, Week of Innovation & TeCHnology, Singapore Summit) to develop networks and become a nod within networks.

What does it take to scale-up companies: international VC and entrepreneur perspectives

Dennis Kavelman, Partner, iNovia Capital
Peter Read, Managing Director, Vitruvian Partners

As in a kaleidoscope, the panellists, who have both helped build successful scale-ups, were asked a series of questions which would shed rays of light on different aspects of the central question of the panel: what does it take to scale-up companies and what may be missing in ecosystems such as Europe and Canada?

One hard truth and one genuinely surprising observation on what it takes to scale-up a company

The hard truth is that it is hard and hardship never ends. The surprise is that it is fun. Despite hardship, successful founders want to see the company succeed.

Another important truth: it is always about talent.

How was Vitruvian able to raise a € 2.4 B growth fund in Europe?

It created the opportunity around a theme, "dynamic situations", focusing on revenue growth at later stages, then extending these high growth opportunities to rounds D and C, becoming more adventurous in deeper technologies and expanding the geographical scope from Northern Europe to the US and now China but still with the objective of adding value back in Europe.

Is there an opportunity for larger funds in Canada?

There is now enormous talent in Canada which learnt it the hard way with regard to being able to start and grow tech companies. There is a gap in domestic growth funds to support these entrepreneurs, which creates an opportunity. Several funds are presently in fund raising mode to fill this gap. LPs have also responded by developing co-investment programs.

Why haven't we seen more than one or two Canadian companies break out since the fall of RIM? Is there something missing in the Canadian ecosystem?

RIM was able to make an IPO at a $ 250M valuation pre-money and have access to public markets. This would not be possible presently. Jim Balsillie and Mike Lazaridis were unique and talented people, good at partnering with large corporations that helped maintaining the company alive through hard times.

This goes by waves. RIM/Blackberry attracted all available talent to the Waterloo ecosystem for a long time. There is now a rollover of RIM talent that feeds the development of a new wave of start-ups.

What is an effective way of developing, filtering and retaining talent?

In top ecosystems in the US, it is done organically around Stanford, Harvard or the MIT.

In London, an organization such as Entrepreneur First (EF) is able to attract deep tech PhDs who have an entrepreneurial leaning, link them with potential co-founders, and help them develop their insight, get funded and grow their company.

In Canada, Creative Destruction Lab (CDL) has been effective at getting scientists and business school grads talking and linking them to mentors who will help them to make choices in their priorities and shape their company.

How important is it to have domestic VCs? Does it matter?

On the one hand, there is a sovereignty and wealth creation argument. After all the money invested by the education system, in research and development and by business angels, it is sometimes disappointing that due to the lack of domestic investors, US VCs take control beyond round A or B, focus mainly on outperformers and may move the company South of the border.

On the other hand, it is important at that stage to have investors with global DNAs and there are not many of them presently in Europe in Canada.

It should be a bit of both: strong domestic investors bringing in global investors and working with them. It is important to have broader sources of investors with global networks.

What role can giant tech companies play in building ecosystems?

Under certain circumstances, their positive role can be decisive: by acquiring DeepMind, Google not only accelerated DeepMind's development by giving access to the entire panoply of Google products and distribution channels to apply AI, it also positioned London as a center of excellence for AI, attracting talent from all over the world and recycling DeepMind's alumni, their wealth, experience and insight to start new companies such as Magic Pony which was acquired by Twitter for $150 M, thus creating a cascade effect. Entrepreneur First companies have benefitted enormously from the fact that DeepMind has helped make London a center of excellence for machine learning and AI.

The establishment of these giant tech companies also creates a signaling effect (there is a real ecosystem in this place) that attracts talent and other companies. At the same time, it may exacerbate a fierce competition for talent that is detrimental for start-ups. There is an ever moving balance to be found.

What is the DNA difference between founders who exit at $100M or $ 200M and those who chose to go to unicorn?

It is always the entrepreneur's decision. It is motivated by his or her desire to prove it.

Founders know the potential of their idea. It comes down to their belief and their confidence in the scale and scope of the company. Eventually, if they want to keep growing the company, they will have to convince their investors in case the latter want an early exit. (RIM did not have VC investors).

The decision also depends on where entrepreneurs are in their stage of life.

To close the talent gap, should we focus on growing talent organically from universities or on attracting experienced talent from outside?

There is amazing talent coming out of universities. It is a question of time to build a sizable pool of experienced talent. In the meantime, we should focus on attracting experienced talent (the Korean hockey team has attracted Canadian coaches) and cutting all the barriers to these moves. In this regard, Canada is presently working in the right direction with its immigration policy.

Successes such as Skype, Spotify, Farfetch and JustEat have had enormous impact in the UK to engender commercial talent and mentorship and attract other successful companies and talent.

Initiatives to address the scale-up challenge

Supply of capital

Roland Tan, Director of Strategy and Business Development, British Business Bank (BBB)
Jérôme Nycz, Executive Vice President, BDC Capital
Pascal Lagarde, Executive Vice President Strategy, Bpifrance (document only)

The speakers from three business development banks that presented their views and programs had similar assessments of the scale-up challenge: economic importance of high growth/scale-up companies and lack of large domestic late stage and tech growth venture capital funds to support them.

BBB added a regional dimension to the problem: 65% of equity deal value is invested in London when only 20% of high growth companies are based in London: how to link these firms based in regions to the right sources of capital?

There are also many similarities in the supply side tools they are deploying to address the challenge:

- Being anchor investors in privately managed funds of funds with the objective of attracting other private sector investors: BBB, BDC (VCAP and VCCI programs);
- Increasing the allocation of their internal funds of funds with the objective of funding larger and later stage funds: all three;
- Developing support and training initiatives for their GPs to help them structure their funds and adopt best practices: BDC (GP academy in partnership with the Kauffman Foundation), BBB;
- Increasing their allocations to internal direct investment funds with the objective of investing larger tickets in later stage and fast growing companies: BDC and Bpifrance;
- Developing large capacity venture debt tools: all three banks.

A few differences are worth noting:

- In Canada, the VCAP and VCCI programs include significant financial incentives (asymmetries in the distribution of returns between government and private sector investors) in order to attract private sector LPs in the asset class. These incentives are declining from the first program to its successor and should decline further over time with the long term objective of building a sustainable VC industry without government incentive.
- The BBB funds of funds program is new. Its ability to attract private sector investors without incentives is still to be demonstrated;
- The BBB works closely with banks as distribution channels for its debt tools and in different regions;
- Bpifrance has as a central objective the building pan-European funds and has an agreement with Kfw (Germany) in this regard. Developing pan-European funds is far more problematic in the UK in the context of Brexit and the question of local content becomes more difficult to manage;

- All BBB programs are indirect investment programs contrary to BDC and Bpifrance that have large direct investment programs and have increased them, together with their fund of funds programs, to address the scale-up challenge.

In all three countries, the situation has been improving recently: increased pace of VC investment, larger and more successful domestic funds and larger exits. However, the challenge still remains compared to the situation in US and China.

The lack of crossover funds and the weakness of public markets for emerging tech companies have been mentioned as areas of concerns. But no specific programs seem to address these issues.

Finally, all agree on the importance of working not only on the supply of capital but also on the demand side. All three have recently focused a great deal of their research on start-up and scale-up needs beyond capital and are deploying specific programs (training, advice, opening networks) to meet those needs that vary by stage, industry and geography. These programs were beyond the focus of the discussion (supply of capital) and were just mentioned briefly.

Training and support

Fernando Fabre, President, Endeavor (International)
Michael Kelly and Kim Morouney, Lazaridis Institute Scale-up Program (Canada)
Stephan Kuester, Future Fifty, Tech City (London, UK)
Kerem Nevo, Israeli Growth Companies Forum (Israel)
Menno Van Dijk, Founder, Scaleup Nation (The Netherlands)

Endeavor, the Lazaridis Institute, Future Fifty and Scaleup Nation have many features in common while the Israeli Growth Forum brings a different perspective that will be addressed at the end of this section.

The programs of Endeavor, the Lazaridis Institute, Future Fifty and Scaleup Nation had different starting points: not-for-profit organization, university, economic development agency and commercial company. It is very instructive to realize that after a few years of experiment, they converge towards a similar model with the following features:

- Focus on high growth and high impact entrepreneurs;
- Propose programs essentially built on peer to peer learning (among themselves, with mentors and alumni) that will address the challenges they are facing when scaling-up their company;
- Create a culture and an environment which encourages participants to give back and reinvest in the ecosystem once they succeed: wealth, expertise, networks, becoming mentors, alumni, business angels and VC managers;
- Build a critical mass, a network effect and start a virtuous circle that will attract more high impact entrepreneurs, more experienced mentors, more investors and supporting services firms, and will have a strong positive signaling effect.

Beyond this high-level model, presentations and discussions permitted identifying many points of convergence and some differences that are summarized in the paragraphs below.

Selection

A limited number of successful high impact entrepreneurs have a disproportionate influence on the development of tech ecosystems through their success and their recycling of wealth, experience, leadership and networks. Therefore programs should focus on them, attracting them and selecting them. There are quantitative criteria to select these entrepreneurs (size of the company, revenue growth rates and international reach). These are complemented by more qualitative dimensions (quality and ambition of the team, innovative products and business models).

As the program progresses, the virtuous circle and networking effect come to play: attracting better entrepreneurs, better references from VCs, mentors and alumni and advisors to proceed to the selection.

Content

The content of these programs revolves around both horizontal and vertical or functional themes:

- Horizontal themes: leadership transition from founders to CEO; organizational development from team to company; operational design and execution; continuous innovation;
- Functional or vertical themes: product management; sales and marketing; talent attraction and retention; access to specific markets; industry specific knowledge.

Priority is given to peer to peer learning, loose networking and mentorship. Vertical themes may also call upon experts and specialists. For peer to peer learning and mentorship, there is usually no compensation as it is mutually beneficial and relies on giving back. Technical experts may be paid. However, in leading programs that have attained a high level of notoriety, highly regarded service firms provide services on a pro bono basis.

Mentors

Mentors are a complement to peer to peer learning, not a substitute. The situation of scale-ups and high impact entrepreneurs is different from start-up entrepreneurs in early stage accelerators. Mentors and alumni intervene in a more informal fashion with scale-ups, more on an ad hoc basis to share their knowledge and open their networks.

Attracting mentors around average start-ups may prove difficult and require the recourse to paid consultants. On the contrary, it is not difficult to attract experienced mentors on a pro bono basis around high potential entrepreneurs as the encounter becomes mutually beneficial.

Academics participate in programs that are linked to universities. They may contribute as catalysts and organizers but not to lead or teach. On the contrary, they are present to learn, enrich the business school curriculum and “infect the culture of universities”.

Talent

Building and attracting talent is a major issue for scale-ups. Programs contribute to address it mainly by sharing best experiences and giving access to networks through peer to peer learning and mentors. Through their platforms and the partnerships they have established with service providers and academic institutions, they also facilitate access to specialized internship programs.

The discussions added the following remarks:

- In order to attract specialized talent in specific industries or specific research fields, an efficient strategy is to map the sources of such talent worldwide, target them, attract talented individuals from these sources and build long term links with them. Canada Research Chairs are an example of a tool designed to attract international leaders in their field and build those kinds of links;
- It is hard for peripheral ecosystems (the Netherlands, Sweden, Canada and Israel) to attract and retain high level talent. The solution is not in erecting barriers but rather in remaining open and playing on one's own assets (quality of life, density of the ecosystem, emerging successes, etc.) and progressively building power of attraction. This point was further discussed in the case of Israel (see below);
- In specialized fields, ecosystems can develop specific actions to build and share talent: rotation among firms, platforms to share knowledge, pooling of resources to build capacities. This point was developed by Georgian Partners (see below).

Corporates

Positions regarding the involvement of larger corporations were mixed. On the one hand, badly structured strategic partnerships can be the kiss of death for start-ups. On the other, defining a good strategy and establishing links with larger corporations from the beginning can be very positive, sharpening the edge of the product, co-creating customers and giving access to markets, hence the importance of experienced entrepreneurs to define and negotiate such strategies.

A difference has to be made between tech companies that have structured themselves to interface with start-ups (see IBM below) and non tech companies that have to be educated (see Communitech and Systematic below).

Financing

The programs facilitate access to capital through their networks, their mentors and their signaling effect. Endeavor has set up a co-investment fund, mostly funded by mentors and alumni to increase the size of investment rounds. This is particularly useful in developing ecosystems where funding sources are more limited.

Measures of success

Usual measures of success are measures of input (number of entrepreneurs, mentors, meetings, etc..) and measures of output (growth in revenues and number of jobs; amount of funding raised, etc.). The attribution of impact is far more difficult to measure: exact role of the program, the mentors and peer to peer learning in the success of a high impact entrepreneur; it is mostly captured through "success stories" that describe the positive impact of the program and its "snow ball effect" in recycling experience, knowledge, networks and wealth.

Research

Research (collecting and analyzing data on success factors) is an important part of the work performed by Startup Nation, Endeavor and the Lazaridis Institute. It feeds and helps improving their programs.

Signaling effect

An important dimension of these programs that was particularly underlined by Future Fifty is their signaling effect: as the awareness of the program grows and the number of successful entrepreneurs increases, being part of the program becomes a signal for media, talent, mentors and investors to look more carefully at these companies. Cultivating networks and supporting public relation initiatives to strengthen this signaling effect is an important dimension of Future Fifty's action.

Costs and team

These programs rely on relatively small highly skilled teams and are not very costly as most outside services, including mentorship are provided on a pro bono basis in the spirit of giving back to the ecosystem. The skills of the team members tend to be somewhat similar to those of VC managers as they must be able to source participants, select them and work with them to add value.

Changing the narrative in Israel

Israel has been praised and envied for becoming a leading international R&D Center for large multinational corporations (MNC) and the country with the highest concentration of tech start-ups and VC investment per GDP in the world. This is the narrative of the "Startup Nation". However, there are limits to this narrative as very few of these start-ups scale-up in the country. Most of them leave or are bought by foreign companies and a large part of Israel's tech talent leaves the country with these start-ups or is absorbed within the international networks of MNCs. This has adverse effects on employment and economic growth.

For the founders of the Israeli Growth Companies Forum, this narrative has to change to focus on Israel as a "scale-up nation". In order to do so, the Forum's agenda concentrates on three pillars:

- Work with government to remove regulatory barriers to growing local companies, notably easing the acquisition of an Israeli company by another Israeli company and changing immigration rules to attract talent;
- Work with industry to understand the challenges of entrepreneurs to scale-up companies in Israel and build government-industry collaboration to address these issues, creating government-industry roundtables and single points of contact, developing government relation teams within industry, working together as ambassadors to attract talent;
- Work with media and industry to change the narrative in favour of scaling-up companies locally.

One of the biggest challenges is to prevent talent from relocating internationally, mostly in the US or to attract talented people back to Israel once they have moved. Specific measures, notably fiscal measures, can be developed as incentives to return. But no strings should be attached to government support to start-ups in order to limit mobility. The most important factor remains developing a new narrative in favour of scaling-up companies in Israel. There are changes underway in the regulatory environment, in terms of government-industry collaboration to support this narrative and in changing mindsets more generally. However, a lot still remains to be done.

Vertical/Cluster approaches

Keynote opening

Jennifer Miller, Director General, Industry, Science and Economic Development Canada

Discussion groups

Jayson Myers, CEO, Next Generation Manufacturing Supercluster
Nyck Kadish, Founding Member, Digital Technology Supercluster
Tristan Mallet, Interim CEO, SCALE.AI Supercluster
Salim Teja, Executive VP, MaRS Discovery District
Jason Brenier, VP of Strategy, Georgian Partners

The session was opened with a keynote address on the Innovation Supercluster Initiative in Canada. Discussion groups included three superclusters that have just been selected and funded by this initiative and two different models that have a strong vertical dimension: the MaRS Discovery District in Toronto and the Data Union developed by Georgian Partners, a VC fund specialized in data analytics based in Toronto.

The Innovation Supercluster Initiative is an ambitious initiative based on a new model that does not seem to have many comparables in the world so far. Its main objectives are to build global competitive advantages in sectors where Canada has already real strengths by fostering collaboration among academic institutions, large corporations and emerging companies, developing and attracting talent and investing in collaborative projects. The main originality of the initiative relies in its scale (can$ 900 M from the government to be matched by an equivalent amount from the private sector), its scope (supporting five tech industrial supercluster throughout the country and requiring collaboration among large and small companies and training and research organizations) and, more importantly, the fact that the government does not impose specific projects or modes of organization but asks the business sector to build consortia, identify what the ecosystem requires and come up with proposals. These features make it different from initiatives to which it has been compared such as Manufacturing USA or the Catapult Centres in the UK and unique in its kind.

The level of response from the private sector matched or exceeded the expectations of the government: fifty letters of intent were received representing more than 1000 businesses and 350 other participants, nine were shortlisted and, in the end, five were selected. The initiative has been oversubscribed by the private sector as more than $ 1.5 B has been committed by industry.

The three superclusters present in the room presented and discussed their objectives, preliminary plans of action, early achievements and pointed to some questions and concerns that have not been fully addressed yet.

Each of the clusters has a specific focus: making Canada a power house in (i) AI applied to supply chains (SCALE.AI), (ii) advanced manufacturing (Next Generation Manufacturing Canada) and (iii) digital technologies applied to specific verticals (Digital Supercluster). However for all three of them, objectives and preliminary plans of action revolve around the following common themes: building roadmaps; connecting small and large firms, tech providers and adopters, industry and academic institutions; fostering and derisking tech adoption; building and attracting talent; accessing global markets; becoming lighthouses for government policies, training, funding and

research[1]. The role of the supercluster teams is to act as a catalyst and a facilitator for all these actions.

Although it is still in its incubation phase, the Innovation Supercluster Initiative has already had very significant results: in the preparation phase, it has forced discussions and collaborations among companies and with universities that would not have happened otherwise. Some of these discussions, including discussions generated by proposals that have not been selected, have already developed into concrete commercial projects and projects of collaboration with universities around talent attracting and building. According to participants, this opening of new avenues of collaboration will be a long lasting benefit of the Initiative.

As the model is novel and as all the details have not yet been worked out, many questions remain unanswered. The following were highlighted:

- The large allocation committed by the government has been a strong incentive to attract companies and other participants to work together and pledge financial contributions during the preparation phase. How will the superclusters be able to keep interests aligned and participants engaged once the winners have been selected?
- IP generated by the superclusters should be available to all participants in a "frictionless" way. What does this mean exactly and how will this be managed?
- More generally, what will be the governance models for the various superclusters?

This Initiative is still an experiment. However, it has already created great hopes and great opportunities. If successful, it could be emulated.

MaRS Discovery District has developed a successful model of a downtown innovation hub based on:

- A large space (1.5 M square feet) able to attract and house a large number of organizations from the main stakeholder groups of tech innovation ecosystems: research and commercialization of research teams; labs and incubators; start-ups, growth companies and scale-ups; Canadian and international VCs; large corporations;
- Diversified programming and services targeted to each category, adapted to their specific needs and aiming at fostering collaboration among them.

Scale programs are organized around four verticals: health, energy & environment, finance & commerce and enterprise (enterprise software, analytics and performance management, etc.). One of the achievements of MaRS has been to be able to attract more than 70 corporate partners from these verticals, invite them to develop innovation labs at MaRS and interface with start-ups and scale-ups for their mutual benefits. MaRS offers training and services on both sides to facilitate this interface.

Programs designed for scale-ups focus on: access to customers (corporate networks, international reach); access to capital (curated networks of local and international VCs) and finally, access to talent (targeting five talent pools: universities, corporate ecosystems, recycling within the start-up ecosystem, Canadian expatriates and immigrants).

[1] Types of projects and concrete actions proposed by each of the superclusters can be found in the documents prepared for the discussion and on their websites. Many of these early projects focus on building databases and platforms to connect small and large companies, tech providers and adopters, start-ups and pilot centres and train and attract talent. They are all still in their development phase.

Discussions highlighted the following points:

- Scale-ups are different from start-ups; they have different needs and programs to support them have to be different;
- There are positive benefits of a large hub where many representatives of the different stakeholder groups of tech ecosystems can have a physical presence and rub shoulders. Many collaborations and new ideas result from serendipity created by this environment;
- Specialization is an important dimension of innovation. There is presently a global trend for innovation hubs to become more specialized and pick sectors in which they would build specialist capacities to differentiate, go deeper and build value;
- Global connectedness is essential to build successful tech companies. Innovation hubs have to be globally minded, link to global customers, markets, capital and talent. A global presence is important. MaRS is developing a global network of partners and offices.

Finally, it is worth noting that MaRS has three main sources of financing: governments, fees for service and philanthropy.

Georgian Partners is a tech growth fund specializing in data analytics and SaaS companies with data driven products. When scaling up, these companies face the same barriers as any scale-up company i.e. access to capital, talent and markets and the Georgian team works with them in order to build capabilities to overcome these barriers. In addition to these generic issues, these companies face specific barriers linked to their field of specialization including meeting data privacy and security requirements, optimizing machine learning processes, establishing data feedback loops, and earning trust with users to drive product adoption.

To address these challenges, Georgian takes a thesis-driven approach to investing, specifically identifying companies that can gain momentum and overcome the scale-up challenge by taking advantage of universal technology trends including Applied AI, Security First, and Conversational Business. To implement this value added approach, the firm has developed a specialized internal team, the Impact Team, composed of experienced technology practitioners with training in statistics, machine learning, software engineering, linguistics, and natural language processing. The Impact Team helps the technical staff of companies strengthen their competitive advantage by identifying and prioritizing opportunities to incorporate thesis work into the company's strategy and accelerating product development through applied research, capacity building, rapid prototyping, and consultation. The Impact Team develops tools and approaches that it shares with the community of its portfolio companies, building a small cluster around these vertical approaches.

Could this model have an impact on the greater scale-up ecosystem? Georgian is exploring a number of extensions of this model to benefit community members beyond the portfolio. These include, but are not limited to:

- Establishing data unions and data exchanges
- Sponsoring academic research partnerships
- Publishing scientific papers
- Open-sourcing code libraries, models, and data sets

Discussions showed that this approach resonates with many participants. One of the hot topics was the benefits and challenges of building data trusts, sharing data to build a competitive advantage for start-ups able to use them. Building a cluster around data was seen as a mean to avoid being totally dependent on large platforms such as Google, Facebook and Amazon which build a tremendous competitive advantage on owning huge amounts of data.

Involving corporations

Keynote opening

Didier Moret, President, TCV, Member of the Executive Committee, Systematic (France)

Allen Lalonde, Senior Executive, Research & Development, IBM Canada

Discussion groups

Didier Moret, President, TCV, Member of the Executive Committee, Systematic (France)
Craig Haney, former Head Corporate Innovation, Communitech
Anthony Newstead, Co-founder Bridge Community, Coca-Cola
Stephanie Choo, Managing Partner, Portage Ventures

There was a large convergence of opinion among all speakers, group leaders and participants on the importance of the topic.

At the corporate level, the environment has drastically changed since 2000: there is a need to innovate and "innovation happens elsewhere", mostly with start-ups and scale-ups. So corporations have to transform their culture and processes to build successful relations with start-ups and scale-ups.

At the start-up and scale-up level, linking successfully with large corporations is an efficient way to validate products and accelerate access to customers and markets. According to Didier Moret's experience, most successful B2B start-ups are able to establish a successful relationship with at least one corporate early in their life.

At the ecosystem level, increasing collaboration between emerging companies, corporations and the education system is key to support the commercialization of research, building and attracting talent and accelerating innovation as a whole. This is particularly needed in Canada where innovation indicators have been heading in the wrong direction over the last ten to fifteen years.

However, Didier Moret reminded the audience that linking successfully corporations and emerging companies is not easy. Many corporations have established processes to develop proofs of concepts (POCs) with start-ups; but more than 60% of POCs do not lead to full deployment. Moving beyond the POCs is a big challenge.

Deployment is a complex process that takes time and multiple layers of collaboration within the corporations and between corporations and start-ups. Taking the biological analogy of a viral infection, Moret insisted on the importance of developing receptors and DNA fits on both sides, fighting inhibitors and infecting the whole corporation's body, not only individual business units, starting with the top.

Start-ups must be prepared for this process: networking with relevant corporate interfaces, strategy optimization, fund raising, market intelligence, etc. and corporations have also to transform themselves to set up the right deployment management: transformation roadmaps,

collaboration processes and tooling, agility, HR processes, head quarter/units alignment. These transformations on both sides require adequate, professional and efficient support systems.

In the various working groups, group leaders presented and discussed the various support systems or transformation processes they had developed. IBM, Coca-Cola and Power Corporation brought the corporate perspective while Communitech and Systematic shared the experience of ecosystem hubs or ecosystem builders.

IBM brought an interesting perspective on how to align the interests of a multinational corporation and that of the ecosystem. It focuses on a limited number of collaborative (government, academia, IBM and start-ups and scale-ups) initiatives that address the gap between R&D on the one hand, and incubation and commercialization on the other, and that meet the following criteria:

- Is the initiative one that relies on a collaborative innovation model?
- Will the initiative expand and accelerate IBM and partners research?
- Will the initiative accelerate commercialization of “made in Canada”?
- Will the initiative attract partners and investment?

Beyond collaboration, key success factors are: high performance infrastructure; access to emerging technologies; focus on people (post doc fellows, graduate students) and foundational capabilities (IP experts, scientific and advisory boards).

An IBM initiative which focuses more specifically on the development of start-ups is the Innovation Incubator Initiative (I3) designed and funded in partnership with the government of Ontario.

To push innovation within its financial subsidiaries and help them move beyond the POC, ***Power Corp*** has opted for a carefully designed corporate VC model through two different funds: Portage and Diagram. Key ingredients of this model are:

- A VC team highly specialized in Fintech with the ability to recruit and capture Fintech talent;
- An independent LP/GP structure;
- Positioning the VC funds at the holding level, independent from the operating subsidiaries;
- Being close to but not within the operating subsidiaries;
- Talking regularly to senior leaders at the holding and subsidiary level;
- Being closely aligned with the strategic priorities of the operating companies;
- The ability to tap into the strong networks of entrepreneurs and investors of the funds and their corporate LPs (the holding company and the operating subsidiaries);
- Facilitating value added partnerships with start-ups that benefit both sides and can be implemented quickly;
- Finding quick wins;
- The ability to call on larger investment amounts from the corporation if necessary.

This model provides the operating companies with an access to a global Fintech portfolio and a lens on disruption, links to new customers, an input into their innovation strategy and learnings to accelerate their digital transformation.

In return, Portage and Diagram provide strong value added to their portfolio companies due to their own skills but also tapping into the knowledge and networks of the corporation and its operating subsidiaries to validate the product, leverage their customer base and facilitate partnerships.

The objectives of ***Coca-Cola*** through the Bridge Community in Atlanta are to (i) actively support the growth of the Atlanta Start-up Ecosystem, (ii) provide tangible value to Coca-Cola and its customers by sourcing start-ups with solutions that solve core business needs and (iii) lead to the development of future local technology entrepreneurs via a comprehensive outreach program.

This incubation program has several interesting distinctive features:

- Started by Coca-Cola, the program was rapidly open to other large corporations, building a community of non-competing corporate members which together decide on the themes to search for start-ups, select the start-ups and contribute to train them. This lowers the cost and the risk of the program for each corporate member; it increases the probability of a good fit for selected start-ups and the scope of the value added by the program; and finally, it creates opportunities for peer to peer learning among corporate members;
- The program aims at attracting start-ups from all over the world. A significant proportion of these remain in Atlanta after the program, which enriches the ecosystem. Local authorities try to facilitate these moves;
- Atlanta is not Silicon Valley or Tel Aviv. To be sustainable, a program such as the Bridge has to work to increase the deal-flow, hence the outreach program. This program targets notably 14-24 year old students residing in low-income, distressed areas of the city, through a series of public/private partnerships providing aspirational opportunities where opportunities are scarce.

The following success factors are worth noting:

- Before launching the program, Coca-Cola asked itself: “Are we start-up ready?” and it revised many of its processes (procurement, legal, IP gate processes) accordingly;
- The program is funded across the C-level suite. This gives every part of the business skin in the game. It also provides a nice umbrella against changes of priorities at the top as the program is not dependent on one person;
- Like Coca-Cola, most large corporations in Atlanta are not tech companies. They had to gain the trust of tech start-ups and prove they were willing to give back to the ecosystem, helping the ecosystem first and themselves second. The openness of the program (community of non-competing corporations, transparent process, outreach program) contributed to this result. This approach also proved to be rewarding for the corporations as start-ups and participants in the outreach program became brand ambassadors.

Communitech and ***Systematic*** are both ecosystem builders and enablers. They provide services to start-ups and larger corporations to prepare them to interface.

In addition, Communitech is managing a large hub where corporations can set up Innovation Labs beside start-up accelerators and incubators. The Lab Director cannot come from the corporation. He or she has to come from the start-up world. These Labs play an important role to (i) change the narrative of the firm and attract innovation talent and (ii) create an innovation culture and instill some of the start-up DNA within the corporation. Finally, the presence of corporations and start-ups in the same hub increases the probability of fruitful collisions. Part of the hub team's mission is to "engineer serendipity".

There were many points of convergence between the lessons learned by these two ecosystem builders and remarks made around the three corporate programs. They can be summarized as follows:

1. Scale-ups and large organizations speak different languages. It's beneficial to try to get them on the same page as quickly as possible, and in writing. Teach each side what to expect from the other side. Dedicated teams to work with both sides are essential;
2. Companies that are very young, no matter how good the technology, are rarely a good fit to work with a large organization. Scale-ups with dedicated sales teams, a well defined strategy and financial resources to deal with the uncertainties of the process are a better fit;
3. Ensure the large corporations know what they want to do regarding their start-up engagement. There are normally four possible scenarios: partnership, sales, investment and acquisition. Before they engage in a specific start-up program, they must know what the most likely outcome will be. The worst scenario is for corporations to come without any intention to engage beyond meetings when start-ups have committed a significant amount of their limited resources to prepare for them;
4. For the interface programs to work successfully, corporation that wish to participate must not look exclusively or even primarily to their own benefit. They must be there to benefit the ecosystem first, and themselves later. Paradoxically, this is the condition to build the greatest benefit for them in the long term in terms of access to start-up and innovation, innovation culture and agility. Corporations must be ready to give back to the ecosystem and they will benefit from it.

Finally, presentations and discussions showed that support systems are essential in order to activate transformation within start-ups and corporations and facilitate interfaces. However, an important question ran through many of the discussions: what are sustainable business models for support systems?

Coca-Cola and Power Corp. have set up corporate models that are supported directly by corporations. IBM's initiatives are mostly public-private partnerships. The financing of ecosystem builders such as MaRS, Communitech and Systematic is more complex. It is a mix of public money (at the local, regional/provincial and state level), fee for services and philanthropy. In some ecosystems, resources allocated to these ecosystem builders may be too scarce to reach the size, the scope and the level of professionalism that would be required. The solution may reside with a stronger engagement of corporations. There was a sense that in many places, corporations are progressively realizing that this would be beneficial to the entire ecosystem and to themselves. However, there was a consensus that "involving corporations remains the next frontier" and more needs to be done on that front.

Closing Remarks

To close the working day, moderators shared with the audience their main take-aways from the working groups in which they had participated. Here are some of the highlights of what they had to say:

We all face the same challenges and most of these challenges can be solved through peer to peer collaboration, being able to attract around the companies the best resources in their specific fields to help them grow and succeed and finally developing quality collaboration with corporations. Developing a vertical focus at the ecosystem level (specialization) makes it easier to bring all of these dimensions together.

The whole day demonstrated the enormous opportunities that are can be derived from fostering collaboration between corporations and start-ups. This can be done by setting the right framework conditions: a regulatory level playing field, the right cultural attitudes and having someone in the middle to broker a fruitful and mutually beneficial collaboration. There is a huge value in collaboration, particularly when it comes to specialization.

Corporations in the room showed that they fully understand the need to transform themselves in order to innovate, be more agile and interface with the rest of the innovation ecosystem. In this regard, The Bridge (Coca-Cola) demonstrated several very innovative features: involving all functions within the firm, building a community of corporations around the program, designing a program to solve their own business problems and give start-ups an opportunity to grow, while at the same time giving back to the ecosystem by building programs to build more start-ups and developing the entrepreneurial spirit and skills, notably in least favoured areas.

At an ecosystem level, designing and funding efficient and professional support systems to build bridges between corporations and emerging companies (start-ups and scale-ups) is essential.

Although it is still in its incubation phase, the Canadian Innovation Supercluster Initiative is very promising and has already had very significant results.

MEETING AGENDA

TECH INNOVATION PLATFORM ("TIP")– APRIL 3-4, 2018

Venue & Accomodation: Omni King Edward Hotel, 37 King Street East, Toronto ON M5C 1E9

Attire: business casual

The Tech Innovation Platform (TIP) is an independent, not-for-profit and by-invitation only platform. Its mission is to convene the main stakeholder groups of Tech Innovation Ecosystems (entrepreneurs, universities and research centers, corporations impacted by tech innovation, investors and governments) in order to address challenges that these ecosystems are facing and accelerate their development.

The 2018 TIP will focus on the "scale-up challenge" and policies and initiatives to address it, both from the supply side (supply of capital) and the demand side (more ecosystemic approaches to support the growth of tech companies).

This topic is presently a high priority in Canada, but it is also the case in many other countries outside the US. This creates an excellent opportunity to compare and contrast the various situations, learn from one another, bridge supply side and demand side initiatives and foster collaboration among stakeholder groups to address the issue.

The 2018 TIP is organized in partnership with Startup Genome.

Startup Genome

TIP is the successor to the Public Policy Forum on Venture Capital and Innovation ("PPF") that was created in 2007. It is supported by the federal and provincial governments in Canada and several public and private partners.

TUESDAY, APRIL 3 – WELCOME DINNER

Time	Event	Venue
ALL DAY	TIP Guests Arrivals	*Registration desk (Foyer Level 2)*
6:00 pm	**TIP PRIVATE COCKTAIL**	*Pall Mall (Level 2)*
7:00 pm	**TIP PRIVATE DINNER** **Welcome Remarks:**  **Gilles Duruflé** *President* TIP  **JF Gauthier** *CEO* Startup Genome	*Palm Court (Level 2)*

WEDNESDAY, APRIL 4 – TIP ECOSYSTEM BUILDING FORUM

Time	Event	Venue
7:00 am – 8:30 am	**BREAKFAST** – Buffet-style breakfast available	*Palm Court (Level 2)*
8:30 am	**INTRODUCTION: THE SCALEUP CHALLENGE** Objectives and organization of the day  **Gilles Duruflé** *President* TIP	*Vanity A (Level 2)*
8:45 am	**AN ECOSYSTEM VIEW OF SCALE-UP** Rate of scale-ups across the top-20 and other startup ecosystems, how they are changing (2nd wave vs 3rd), and what ecosystem Success Factors fuel them (Global Connectedness & Market Reach, Funding, etc.). How many can be farmed rather than a few be supported?  **JF Gauthier** *CEO* Startup Genome	*Vanity A (Level 2)*
9:00 am	**SET OF INTERACTIVE QUESTIONS**	*Vanity A (Level 2)*

WEDNESDAY, APRIL 4 – TIP ECOSYSTEM BUILDING FORUM

Time	Event	Venue
9:10 am	**ADRESSING THE SCALEUP CHALLENGE: A COUNTRY'S PERSPECTIVE** **Speakers**  **Stephan Kuester** *Head of International Consulting* Tech City  **Michael Denham** *CEO* Business Development Bank of Canada	*Vanity A (Level 2)*
9:40 am	**WHAT DOES IT TAKE TO SCALE UP COMPANIES (AND WHAT MAY BE MISSING IN EUROPE, CANADA, ETC.): AN INTERNATIONAL VC/PE PERSPECTIVE** **Panelists**  **Peter Read** *Managing Director* Vitruvian Partners  **Dennis Kavelman** *Partner* iNovia Capital **Moderator**  **Sean Silcoff** The Globe and Mail	*Vanity A (Level 2)*
10:20 am	**SET OF INTERACTIVE QUESTIONS**	*Vanity A (Level 2)*
10:30 am	**NETWORKING BREAK**	*Vanity Foyer (Level 2)*

WEDNESDAY, APRIL 4 – TIP ECOSYSTEM BUILDING FORUM

Time	Event	Venue
11:00 am	**DISCUSSION GROUPS AROUND A LEADER – 2 SERIES** **First Serie**	*Vanity A (Level 2)*

1. "Supply of Capital to address the scaleup challenge"

Group Leaders

Jérôme Nycz
Executive VP
Business Development
Bank of Canada

Roland Tan
Director of Strategy
British Business Bank

2. "Training and Support dedicated to scaleup companies"

Group Leaders

Menno Van Dijk
Founder
Scaleup Nation

11:45 am	**Second Serie**	

2. "Training and Support dedicated to scaleup companies"

Group Leaders

Michael Kelly
Dean
Lazaridis Institute Scale-up Program

Fernando Fabre
President
Endeavor

Kerem Nevo
Israeli Growth Companies Forum

Stephan Kuester
Head of International Consulting
Tech City

12:30 pm	**NETWORKING LUNCH**	*Palm Court (Level 2)*

WEDNESDAY, APRIL 4 – TIP ECOSYSTEM BUILDING FORUM

Time	Event	Venue
2:00 pm	**VERTICAL/CLUSTER APPROACH** **Keynote opening** The cluster approach and the Canadian Innovation Supercluster Initiative **Jennifer Miller** *Director General, Innovation Networks and Clusters* Innovation, Science and Economic Development Canada	*Vanity A (Level 2)*
2:15 pm	**VERTICAL/CLUSTER APPROACH** Discussion groups around a leader. **Group Leaders**  **Jayson Myers** *CEO* Next Generation Manufacturing Supercluster  **Nick Kadysh** *Government Affairs and Public Policy Leader,* GE Canada *Founding Member,* Digital Technology Supercluster  **Tristan Mallet** *Interim CEO* SCALE.AI  **Salim Teja** *Executive VP* MaRS  **Luc Pinard** *Executive Vice-President, Corporate Performance* , CGI *Interim CTO,* SCALE.AI  **Jason Brenier** *VP of Strategy* Georgian Partners Data Union	*Vanity A (Level 2)*
2:55 pm	**NETWORKING BREAK**	*Vanity Foyer (Level 2)*
3:15 pm	**ADRESSING THE SCALEUP CHALLENGE: A COUNTRY'S PERSPECTIVE** **Speaker**  **Dr. Wei Yang Cheong** *CEO* National Research Foundation	*Vanity A (Level 2)*

WEDNESDAY, APRIL 4 – TIP ECOSYSTEM BUILDING FORUM

Time	Event	Venue
3:30 pm	**INVOLVING CORPORATIONS : CORPORATE PERSPECTIVES** **Keynote openings**  **Didier Moret** *President* TCV Corporate-Startup collaboration – Moving beyond the proof of concept (POC)  **Allen Lalonde** *Senior Executive, Research & Development Centre* IBM	*Vanity A (Level 2)*
4:00 pm	**INVOLVING CORPORATIONS** Discussion groups around a leader. **Group Leaders**  **Allen Lalonde** *Senior Executive, Research & Development Centre* IBM  **Didier Moret** *President* TCV  **Craig Haney** *former Head Corporate Innovation* Communitech  **Anthony Newstead** *Group Director Emerging Technologies & Strategic Innovation* Coca-Cola  **Chris Plunkett** *VP External Relations* Communitech  **Stephanie Choo** *Managing Partner, Portage Ventures* Power Corporation	*Vanity A (Level 2)*
4:40 pm	**CLOSING DISCUSSION: WHAT HAVE WE LEARNT?** **Moderators:**  **Gilles Duruflé** *President* TIP  **JF Gauthier** *CEO* Startup Genome	*Vanity A (Level 2)*
5:00 pm	***END OF THE TECH INNOVATION PLATFORM ECOSYSTEM BUILDING FORUM***	
6:00 pm	**OPENING COCKTAIL RECEPTION OF THE QCC CONFERENCE**	*Sovereign Ballroom (Lobby Level)*

Participants

Anderson, Joanne
Director, Technology Adoption and Regional growth branch
Ontario Investment Office
Canada

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