



# Ensuring Canada's Economic Growth and Competitiveness through Entrepreneurship

Startup Canada's 2018 Pre-Budget Submission to the House of Commons Standing Committee on Finance

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Victoria Lennox, CEO

STARTUP CANADA | 56 SPARKS ST. SUITE 300, OTTAWA, ON K1P 5A9  
HELLO@STARTUPCAN.CA | (613) 316-6203



## RECOMMENDATIONS

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That the government ensures Canada's economic growth and competitiveness through:

- 1** Increasing digital skills and adoption by providing funding of **\$3 million over three years** to Startup Canada to **train and mentor 5,000 underserved entrepreneurs** through the **Entrepreneur Canada Program (ECP)**.
- 2** Helping women-led businesses grow by allocating **\$2 million over three years** to Startup Canada to provide mentoring, skills development, networking, investment, and global market entry **support for 100 diverse women-led technology startup companies** through the **Women's Innovation Accelerator (WIA)**.

This overall investment of \$5 million over three years will be leveraged and matched with private sector investment.



## INTRODUCTION: SUPPORTING ENTREPRENEURS IS A GLOBAL IMPERATIVE

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Entrepreneurship drives competitiveness, innovation, job creation, economic growth and prosperity for all Canadians.

Entrepreneurship is essential for the economic development and growth of a country. It promotes capital formation, expands export trade, creates large-scale employment opportunities, enables balanced regional development, reduces the concentration of economic power, increases GNP and per capita income, improves the standard of living, and facilitates overall economic and social development.

Already home to 2.3 million entrepreneurs and 1.1 million small businesses that account for 78 percent of private sector job creation, 30 percent of exports and 27 percent of GDP, Canada's entrepreneurship community is poised to grow.<sup>1</sup> Of those small businesses, 4.7 percent are high-growth enterprises responsible for 45 percent of new job creation.

Recent government initiatives, such as the Innovation Superclusters, the Strategic Innovation Fund, the Global Skills Strategy, the Venture Capital Catalyst Initiative, and the Women's Entrepreneurship Strategy represent significant steps towards tackling many of the challenges that hamper Canada's innovation performance, but we must do more to keep catching the wind that is now at our backs.

Ensuring Canada's competitiveness requires technology readiness and adoption to be addressed to support the success and scalability of every entrepreneur from coast to coast. Canada is falling behind in global competitiveness, technological readiness, digital adoption, innovation and business sophistication, as countries like Israel and Estonia re-invent themselves as innovation-driven economies. Inadequate business and commerce skills, insufficient funding, lack of global expansion expertise, and a weak culture of collaboration all contribute to lagging competitiveness.

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<sup>1</sup> Government of Canada



## STARTUP CANADA: CANADA'S ENTREPRENEURSHIP ORGANIZATION

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Fostering economic growth, competitiveness, and prosperity through entrepreneurship.

**Startup Canada** is **Canada's entrepreneurship organization**. We promote and support the success and growth of our nation's **2.3 million entrepreneurs**, with a mandate to foster economic growth, competitiveness, and prosperity through entrepreneurship. Startup Canada launched in 2012 in response to the Action Canada Task Force on High Growth Entrepreneurship call for an "independent organization to serve as the centerpiece for a national strategy to lay the foundations for entrepreneurial excellence in Canada."<sup>2</sup>

Since launching, Startup Canada's programming has **directly supported more than 200,000 entrepreneurs and 50 grassroots Startup Community** organizations. Working with over **750 ecosystem partners**, including accelerators, incubators, research parks, educational institutions, economic development agencies, associations, and government programs, Startup Canada **serves entrepreneurs from all backgrounds**, industries, and stages of development, with a network reflective of Canada's diverse population.

### OUR STRENGTHS

#### 1. Digital Leadership

Startup Canada is **Canada's #1 digital presence for entrepreneurs**. We produce weekly educational programs to promote entrepreneurship, connect entrepreneurs with experts and opportunities, and promote Canada as a leading entrepreneurial nation. With an engaged digital community of over 200,000 and growing, Startup Canada's digital channels dominate on social media. Our channels have garnered nearly **1 billion impressions through 150 digital events since the beginning of 2018 alone**, pulling a minimum of 1,000 new entrepreneurs into the fold each month. Digital programs include **#StartupChats**, **Pow Wow Pitch**, **Startup LIVE**, the **Startup Canada Podcast**, and the **THRIVE Podcast for Women Entrepreneurs**.<sup>3</sup>

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<sup>2</sup> Fuelling Canada's Economic Success: A National Strategy for High Growth Entrepreneurship

<sup>3</sup> Top Business Podcasts to Listen to for Entrepreneurs





## 2. National Presence and Local Impact

Startup Canada has a **pervasive national presence**, and an ability to leverage our **robust national network of 50 grassroots Startup Communities** that support more than **35,000 entrepreneurs** through more than **1,000 local events** each year. Driven by more than **300 volunteers**, Startup Communities champion entrepreneurship with prototyping events, coding workshops, pitch events, and digital, business and financial training bootcamps, with more than **75 percent** delivering programs targeted at for youth, women, newcomers, seniors, or Indigenous entrepreneurs.

**Table 1: Startup Communities**

B.C. and the North	Prairies	Central	Atlantic
<ul style="list-style-type: none"> <li>● Comox Valley</li> <li>● Kamloops</li> <li>● Nanaimo</li> <li>● Nelson</li> <li>● Prince George</li> <li>● Revelstoke</li> <li>● Smithers</li> <li>● Vancouver</li> <li>● Victoria</li> <li>● Whitehorse</li> </ul>	<ul style="list-style-type: none"> <li>● Calgary</li> <li>● Canmore</li> <li>● Edmonton</li> <li>● Lloydminster</li> <li>● Saskatoon</li> <li>● Regina</li> <li>● Winnipeg</li> </ul>	<ul style="list-style-type: none"> <li>● Barrie</li> <li>● Bay of Quinte</li> <li>● Durham</li> <li>● Guelph</li> <li>● Hamilton</li> <li>● Halton</li> <li>● Kingston</li> <li>● London</li> <li>● Montreal</li> <li>● Niagara</li> <li>● Ottawa</li> <li>● Ottawa Valley</li> <li>● Peel</li> <li>● Quebec City</li> <li>● Sarnia-Lambton</li> <li>● Sault Ste Marie</li> <li>● Toronto</li> <li>● Waterloo</li> <li>● Windsor</li> <li>● York</li> </ul>	<ul style="list-style-type: none"> <li>● Acadian Peninsula</li> <li>● Chaleur</li> <li>● Charlottetown</li> <li>● Greater Carleton Region</li> <li>● Halifax</li> <li>● Fredericton</li> <li>● Miramichi</li> <li>● Moncton</li> <li>● St. Stephen</li> <li>● St. John</li> <li>● St. John's</li> <li>● Sussex</li> <li>● Surrey</li> </ul>



### 3. Excellence in Collaborative Program Delivery

Startup Canada has stood up over **25 highly visible programs and initiatives** and run more than **1,000** training events, workshops, bootcamps, and accelerators, and annually executes two flagship programs in partnership with government, industry, and the entrepreneur sector. These programs support more than **50,000 entrepreneurs** (**47 percent** of which are women, and **8 percent** are Indigenous).

**Table 2: Programs and Initiatives**

National Programs and Campaigns	Accelerators Programs	Flagship Events
<ul style="list-style-type: none"> <li>● #EveryEntrepreneur Tour</li> <li>● #StartupWomen</li> <li>● #PBC16</li> <li>● 1000 Startups</li> <li>● Canadian Entrepreneurship Institute</li> <li>● Canadian Entrepreneurship Icons</li> <li>● Canadian Export Challenge</li> <li>● Canadian Mentorship Challenge</li> <li>● Creative Canada</li> <li>● Digital SBO Program</li> <li>● Every Entrepreneur</li> <li>● Financial Literacy Awards</li> <li>● Hiring for Startups</li> <li>● Go Global Boot camps</li> <li>● Indigenous Entrepreneurs</li> <li>● Newcomer Entrepreneurs</li> <li>● Part-Time Entrepreneurship</li> <li>● Startup Blueprints</li> <li>● Startup Canada Census</li> <li>● Startup Finance Boot camps</li> <li>● Startup Canada Financial Literacy Committee</li> <li>● Startup Canada Innovation Forum</li> <li>● Startup Pitch</li> <li>● Startup Space Program</li> <li>● Startup Canada Thought</li> </ul>	<ul style="list-style-type: none"> <li>● Adam Chowanec Memorial Global Entrepreneur Fund Program</li> <li>● Entrepreneur Success Fund Program</li> <li>● Global Growth Accelerator</li> <li>● Social Innovation Global Fellowship Program Accelerator</li> <li>● Women Founders Fund Program</li> </ul>	<ul style="list-style-type: none"> <li>● Startup Canada Awards and Alumni Program</li> <li>● Startup Canada Day on the Hill</li> </ul>



<p>Book</p> <ul style="list-style-type: none"><li>• Startup Canada Tour</li><li>• Women Digital SBO Program</li><li>• Women Entrepreneurs</li></ul>		
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## 5. Longstanding Private and Public Sector Partnerships

Startup Canada is the **trusted national entrepreneurship organization of more than 75 major funding partners**, who trust Startup Canada to deliver highly visible and effective programming that achieve results.

**Table 3: Our Funders and Sponsors**

Industry	Government	Other
<ul style="list-style-type: none"> <li>● Amazon Web Service</li> <li>● Bank of Montreal</li> <li>● Canadian Internet Registration Authority</li> <li>● DELL</li> <li>● Ernst and Young</li> <li>● Evolocity</li> <li>● Freshbooks</li> <li>● Google</li> <li>● Gowlings</li> <li>● Intuit QuickBooks</li> <li>● Mastercard Canada</li> <li>● Microsoft</li> <li>● Momentum Law</li> <li>● PayPal</li> <li>● Rebel</li> <li>● Rogers</li> <li>● Scotiabank</li> <li>● TELUS</li> <li>● TruShield Insurance</li> </ul>	<ul style="list-style-type: none"> <li>● BCIP</li> <li>● BDC</li> <li>● BWIT</li> <li>● CIPO</li> <li>● Citizenship and Immigration</li> <li>● EDC</li> <li>● Global Affairs Canada Business Innovative Solutions Canada</li> <li>● ISED</li> <li>● NRC Concierge</li> <li>● NSERC</li> <li>● OPC</li> <li>● OSME</li> <li>● Shared Services Canada</li> <li>● SSHRC</li> <li>● Trade Commissioner Services</li> </ul>	<ul style="list-style-type: none"> <li>● Algonquin College</li> <li>● Embassy of Israel</li> <li>● Futurpreneur</li> <li>● iPolitics</li> <li>● Mitacs</li> <li>● Universities Canada</li> <li>● University of Waterloo</li> </ul>



## Table 4: Our Impact



Aman Mann, CEO,  
Procurify  
(Vancouver & San  
Francisco - SaaS)

Joined in 2012 and has  
created over 100 jobs in  
SaaS.



Maayan Ziv  
Founder, AccessNow  
(Toronto - Digital)

Joined in 2015 and now  
has employees and  
operates in 10 countries.



Suzanne Grant  
Founder, iBionics (Ottawa  
- MedTech)

Joined in 2013, has  
secured funding, built a  
prototype, and is now in  
human trials.



Devon Fiddler  
Founder, SheNative  
(Saskatoon - Retail and  
eCommerce)

Joined in 2012 and now  
has an e-commerce  
platform, a retail store,  
and employees.

## We Stand Ready.

Startup Canada complements BDC and Futurpreneur by providing every entrepreneur with engaging digital programs and on-the-ground support.

Startup Canada is ready to scale-up Canada's entrepreneurial potential by rolling out national, comprehensive, standardized, and best-of-class programs to accelerate entrepreneurship in support of Canada's economic growth.



## THE OPPORTUNITY: BUILDING BUSINESS GROWTH COMPETENCIES

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While all eyes are on Canada as an incumbent nation, we have the opportunity to break through the noise to deliver real, sustainable impact.

To complement recent investments and encourage entrepreneurs to grow the economy in the changing global landscape, we propose the government provides matching funding to Startup Canada of \$5 million over three years to:

- Train and mentor 5,000 underserved entrepreneurs in the areas of digital skills and adoption through the Entrepreneur Canada Program (EPC); and,
- Provide mentorship, skills development, networking, investment and global market entry support for 100 high-growth women-led technology companies through The Women's Innovation Accelerator (WIA).

### WHAT WE WILL DO:

#### 1. GROW DIGITAL SKILLS AND ADOPTION THROUGH TRAINING AND MENTORSHIP

Digital skills and adoption are central to Canada's competitiveness. However, 27 percent of entrepreneurs feel they don't have the skills needed to keep up with new technologies. Startup Canada is ideally positioned to help close the digital skills gap.

Through the ECP, Startup Canada will roll out a consistent, national education program that provides the training, tools, and trusted mentors to support 5,000 underserved entrepreneurs over the next three years, including women, newcomers, Indigenous entrepreneurs and those operating in rural and remote communities. Combining in-person training with digital delivery methods to ensure broader access of these opportunities to entrepreneurs beyond Canada's major cities, ECP will train and mentor entrepreneurs in the areas of digital skills, digital adoption, selling online, mobile solutions, cybersecurity, and leveraging disruptive technologies.



## 2. ENSURE CANADA'S COMPETITIVENESS BY HELPING WOMEN-LED TECHNOLOGY COMPANIES GROW

Women are vital contributors to the economy. Forty-seven percent of small and medium-sized businesses in Canada are solely or partly owned by women, employing millions of Canadians and contributing \$148 billion to the Canadian economy annually. Unfortunately, women in business are chronically under-financed and under-supported.

Though there have been recent government investments in women entrepreneurs, Canada continues to struggle to cultivate a pipeline of women-led technology companies. Women feel excluded from traditional tech accelerator and incubator programs and find that they do not meet their needs.

In response to the first pillar of the Women Entrepreneurship Strategy, WIA will harness Startup Canada strengths and national network (47 percent of which are women) to help women-led businesses grow, by supporting 100 high-growth women-led technology companies through providing an intensive and tailored support program.

With a focus on mentoring, skills development, and networking, participating female founders will be paired with mentors, explore themes such as revenue models, market positioning, securing IP, product development, sales and traction, financing, and global market entry, receive support to access federal business innovation services, and will have the opportunity to win non-repayable funding of up to \$100,000 at each final cohort graduation showcase.



## CONCLUSION

The Time to Act is Now: The Opportunity is Here Today

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If we do not better support entrepreneurs, Canada will continue to trail international competition and risk economic recovery and long-term prosperity. Considering the digital reach, national presence, program delivery capabilities, and embedded private and public sector investment and confidence in Startup Canada, the government has an opportunity to maintain our global leadership through Startup Canada.

The Government of Canada's investment in digital skills training and mentorship for 5,000 underserved entrepreneurs and 100 high-growth women-led technology companies will stimulate economic growth and competitiveness.

This investment will complement and build on the work the government is currently doing in innovation, incubation, acceleration, access to capital, trade, and export.

