

Agile, Up-to-Date Regulatory Framework Vital to Unleashing Small Business Innovation

**Brief to the House of Commons Standing Committee on Industry,
Science and Technology**

**Submitted by Leah Olson-Friesen, CEO, SeedMaster Manufacturing
and Dot Technology Corp.**

As Chief Executive Officer of SeedMaster Manufacturing and Dot Technology Corp. (DOT), I am submitting this brief to the House of Commons Standing Committee on Industry, Science and Technology. We at SeedMaster and DOT are very pleased to be able to take part in this way in the Committee's consultations on the impact of Canada's regulatory structure on small business.

SeedMaster and DOT are Saskatchewan companies that are part of this country's short-line farm equipment manufacturing sector. A truly Canadian success story, this specialized equipment-making sector was built up over decades with the ingenuity of manufacturers who were often themselves farmers or other key members of rural communities. Our practical approach to farm equipment is founded in the need to support and help Canadian farmers who grow crops in some of the harshest conditions in the world.

Today, our sector's agricultural equipment has earned a great reputation internationally. With annual exports of nearly \$2-billion, our industry is an important contributor to the federal government's goal of maximizing the potential of Canada's agricultural and agri-food products.

Innovation as a Way of Life

SeedMaster Manufacturing is a family owned, Saskatchewan-based manufacturer of specialized seeding equipment, including air seeders, on-frame tanks and air carts. Led by founder and President Norbert Beaujot, himself a farmer, engineer and long-time innovator, the company has changed the agricultural world with innovative seeding and metering technologies while maintaining a strong reputation for helping farmers increase their profits through efficient seeding systems.

Dot Technology Corp has developed an Autonomous Power Platform for agriculture. DOT is a diesel-powered, hydraulically driven platform equipped to carry any implement designed as DOT Ready™ directly on its structure. DOT functions as a power platform that is programmed to move and do specific jobs, the first innovation of its kind bringing autonomous farming to broad acre grain production.

As part of a sector that thrived on innovation long before the term entered regular usage, SeedMaster and DOT very much welcome the federal government's growth-oriented framework and its commitment to enlisting Canadians in a national, long-term effort to strengthen our business and industrial capabilities by building a smart, cutting-edge economy based on technology and ingenuity.

In that sense, we wholly support the aims expressed in *Building a Nation of Innovators*, the report recently released by the Minister of Innovation, Science and Economic Development, the Honourable Navdeep Bains, which said, “Innovation is the key to competitiveness, productivity, economic growth, creating good jobs, and overall making life better for all Canadians.”

Embracing a Culture of Innovation — At All Levels

“To become one of the most innovative countries in the world,” it continued, “Canada must build a culture of innovation, where Canadians can embrace change and have the right skill sets and tools to leverage emerging opportunities to compete in the global economy.”

While we applaud this strategic approach and the government’s extensive efforts to encourage innovation, we feel it is necessary to point out that, in practice, the handling of the regulations and criteria underlying this campaign may not be in keeping with the forward-thinking, innovative principles embraced by Mr. Bains and other leaders.

Based on our experience, we would question whether the regulators in charge of working with innovative companies to implement the government’s policy and funding support are able to fully understand and appreciate the culture of innovation in the way that it is described in the government statement cited above.

Innovation is, of course, a creative, outside-the-box pursuit of excellence and efficiency that by its very nature breaks through existing ways of thinking and challenges customary standards, processes and outcomes. As a result, we believe it is imperative that the government take definite steps to maximize the potential of its innovative policies by ensuring that the ingenuity and breakthrough capacity of this country’s entrepreneurs, scientists and industrial inventors are not short-circuited by the government’s handling of the regulatory process — that is, with regard to applications, program requirements and funding criteria.

Empowering Small Business Potential

No one would question the government’s need to undertake due diligence and provide rigorous scrutiny related to SR&ED, IRAP and other programs. Yet it is abundantly clear that the regulatory and oversight functions need to be balanced with a full understanding of how innovation works, what it is and why overly rigid or outdated standards and requirements can defeat the very purpose of the government’s well-envisioned plan to build an innovation nation.

For small companies, all developments and investments are subject to make-or-break cost-benefit considerations. And ill-applied regulations can be a serious roadblock to innovation. In the case of government support for start-ups or innovation, the value of the support is nullified if the cost, in terms of time and salaries and accountants’ fees, of applying for acceptance in a program exceeds the hoped-for benefits. This situation can be made even more untenable by

vague, suspicious-sounding or long-delayed responses from the government's officials and regulators.

It is only by ensuring that innovations are subject to regulation that takes into account their unique, different and groundbreaking attributes that the opportunities offered by innovation and technology can be realized. The aim, for the good of all Canadians and for the country's future prosperity, is, of course, to empower and unleash our innovators, not to entangle and slow their efforts.

Smart Regulation

As was stated in the introduction to the federal government's highly instructive Economic Tables Report, "We can spend billions on innovation, but it's all for nought if we don't have an innovation mindset" — and the report said this applies to regulators just as much as it does entrepreneurs and inventors.

"We urgently need to establish a modern regulatory system that fosters innovation and adoption by focusing on outcomes, not prescriptions," the report stated. "This will require a new, collaborative relationship between industry and regulators."

Although we have no inclination to be critical, we at SeedMaster and DOT cannot stress enough the importance of matching the government's commitment to innovation with the need to ensure effective, timely and innovation-attuned regulatory mechanisms in keeping with the government's initiatives and goals.

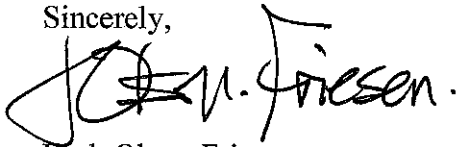
Taking a brief look at the wider innovative landscape, it is important to note that Canada is achieving a prominent reputation for its artificial intelligence (AI) research and capabilities. This is, of course, an area that is advancing rapidly and will shape our future industrial and agricultural activity in profound and wide-reaching ways for decades to come.

Envisioning a National Regulatory Framework for AI

As part of the government's efforts to harness Canada's intellectual power on behalf of the economy and all Canadians at a time of immense change, we believe the government should accelerate its work in this area with the goal of establishing a regulatory framework that could set the stage for national innovative development and federal-provincial cooperation on the rules and standards that would be needed as AI becomes more prominent. Doing so would provide a valuable contribution as Canadians work to capitalize on machine-learning research and upgrade our economic capacity and productivity through development and commercialization of breakthrough technologies.

We at SeedMaster and DOT believe Canada's talented and dedicated inventors and entrepreneurs, in agriculture and other sectors, give this country a great advantage as we gear up to sustain our record of achievement and excellence on the digital frontier. We appreciate the opportunity to participate in the Committee's consultations. It is our hope that our recommendations can play a part in establishing the agile regulatory framework that will be essential if small businesses are to prosper and succeed through their hard work, know-how and innovation.

Sincerely,



Leah Olson-Friesen

CEO, SeedMaster Manufacturing and Dot Technology Corp.

About SeedMaster Manufacturing

Established in 2002, our vision is to lead the agriculture industry globally by producing innovative, reliable and precise seeding solutions that bolster farm success and sustainability. With just under 100 employees, we offer various onboard or tow-behind tank systems, drill widths, and row spacing options.

About DOT Technology Corp.

Established in 2017, DOT Technology Corp is a technology company strongly rooted in agriculture. As the manufacturer of DOT, a patented autonomous diesel-powered platform that has a smaller environmental footprint than conventional tractors, we are passionate about the agriculture industry. Founded by Norbert Beaujot, an innovative engineer whose passion is efficiency and farming, we are committed to helping farmers.