



Submission Prepared for the Standing Committee on Finance's 2014 Pre-Budget Consultations

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EXECUTIVE SUMMARY

Entrepreneurship is a powerful force for driving competitiveness, innovation, job creation, economic growth, and fueling healthy and sustainable communities.

The rate at which we can produce major entrepreneurial successes is directly correlated to the presence of a strong and connected entrepreneurship community and culture in order to create a fertile environment for small business growth.

Government investments to date have focused on individual organizations, programs, industries or regions, which strengthens the individual nodes but does not adequately connect entrepreneurs to these nodes and does not connect these nodes to each other. The result is an inefficient and fragmented entrepreneur support community that is riddled with silos, duplication and gaps, making the system difficult to navigate. This environment inhibits the confidence and success of entrepreneurs.

Startup Canada's role is not to replace existing infrastructure but rather to connect the network by actively **aggregating, streamlining and connecting entrepreneurs to the support available** and ensuring that the needs of entrepreneurs are voiced and met so they can realize their full potential.

Startup Canada Budget Ask

Startup Canada is requesting a one-time investment of \$ 15 million over 3 years to allow for the full implementation and scaling of the development of Canada's entrepreneurship community online and offline to ease access by all Canadian entrepreneurs. This investment would enable Startup Canada to meet the fast growing demand for its current program offering and foster a true entrepreneurship ecosystem from coast to coast.

About Startup Canada

Startup Canada is a grassroots, entrepreneur-led movement that brings together, celebrates and gives a voice to Canada's entrepreneurship community. Through collaborative economic development programs and initiatives, Startup Canada's programs increase entrepreneurial momentum, wealth and jobs in Canada while marketing Canada's diversified economy and high quality of life.

Founded in May 2012, Startup Canada has quickly become the most recognized, energized and active entrepreneurship organization in Canada. Through innovative private sector partnerships with Intuit, Scotiabank, Northbridge Insurance and Microsoft, Startup Canada has mentored more than 20,000 Canadians and has grown to represent more than 80,000 entrepreneurs, 400 enterprise support partners, 300 volunteers and 20 Startup Communities from coast to coast.

Building Canada's entrepreneurship ecosystem to increase entrepreneurial momentum, growth and jobs in Canada

Entrepreneurship is a powerful force for driving competitiveness, innovation, job creation, economic growth, and fueling healthy and sustainable communities.

There are more than 2.3 million entrepreneurs in Canada and more than 1 million small businesses that employ 48 percent of Canada's total workforce, account for 25 percent of total exports, and provide 30 percent of Canada's total GDP. Of those small businesses, 4.7 percent are classified as high-growth enterprises and are responsible for 45 percent of new job creation in Canada.

The Government of Canada has long recognized that entrepreneurs are the backbone of the Canadian economy. The government supports entrepreneurs through its commitment to red tape reduction; encouragement of procurement from small businesses through the Build in Canada Innovation Program; support for private-sector innovation through NRC-IRAP; and, investments into small business support through the Canadian Accelerator and Incubator Program. These programs and investments already help to fuel innovation and entrepreneurship in Canada.

Current Status

Yet, Canada continues to lag behind other countries in terms of private-sector innovation as highlighted by the Tom Jenkins Report, *Innovation Canada: A Call to Action*.

To bridge this innovation gap, Canada needs to cultivate a large and healthy crop of high-growth startups to produce major companies that will become anchors in their communities. The rate at which we can produce major startup successes is directly correlated to the presence of a strong and connected entrepreneurship community and culture to create a fertile environment for growth.

Accelerators, incubators, commercialization offices, maker-spaces and investment groups are some of the individual nodes that make up the much larger picture of Canada's entrepreneur support ecosystem. No single component is sufficient in and of itself, as entrepreneurs need different types of support at different stages of their startup journey. In Canada, the nodes of the ecosystem exist, but there is nothing to connect them together and to make them function as a holistic solution for entrepreneurs and as a deliberate system to produce tangible results for Canada.

Government investments to date have focused on individual organizations, programs, industries or regions, which while strengthening the individual nodes, does nothing to connect entrepreneurs to these nodes or to connect these nodes to each other. The result is an inefficient and fragmented entrepreneur support community that is riddled with silos, duplication and gaps, and difficult to navigate. This environment inhibits the confidence and success of entrepreneurs.

In Budget 2015, the Government of Canada has a distinctive opportunity to leverage its investment to date by connecting up the dots and getting the nodes working together. Using Startup Canada's extensive network and programming, the Government of Canada can expand access to and accelerate the growth of Startup Canada's grassroots communities and online network.

Startup Canada's Solution

Startup Canada is a grassroots, entrepreneur-led movement that connects all of the components of the Canadian entrepreneurship ecosystem in order to better serve entrepreneurs through:

- a national network of grassroots Startup Communities & Community Builders;
- an online directory, network and information resource for the Canadian entrepreneurship community; and,
- high-impact social and mainstream media cultural campaigns, flagship events and cross-sector initiatives to bring together the ecosystem, share best practices and fuel greater alignment.

Its goal is to ensure that every door is the right door, because the community is working together.

Startup Canada's role is not to replace existing infrastructure, rather to connect the network – across geographies, sectors, stages and industries, and to identify gaps and mobilize the network to fill them. Startup Canada works across the ecosystem as the bond that holds the individual components together by actively **aggregating, streamlining and connecting entrepreneurs to the support available** and ensuring that the needs of entrepreneurs are voiced and met so they can realize their full potential.

Currently, Startup Canada operates 20 Startup Communities across Canada from St. John's and Montreal to Sault Ste Marie and Calgary. Startup Communities are entrepreneur-led networks and hubs that provide entrepreneurs with a welcoming, encouraging and active community to connect into in order to start and grow their ventures and offer assistance to speed access to support already available.

Startup Communities promote and act as a feeder into the local support infrastructure (e.g. incubators, accelerators, etc.) and enhance the value proposition of individual support providers by providing their clients with a holistic network of support beyond what they can offer.

In Autumn 2014, Startup Canada is releasing the beta version of an online tool called Startup Connect, which will empower entrepreneurs from anywhere in Canada with the ability to easily navigate and access support, mentors, space, resources and opportunities to start and grow their ventures. Built by entrepreneurs, for entrepreneurs, Startup Connect will be accessible online at StartupConnect.ca and through physical access points at entrepreneurship hubs and spaces across Canada. Startup Connect will strengthen Startup Communities across Canada and will provide the physical and virtual infrastructure to connect the ecosystem locally and nationally.

With a connected ecosystem in Canada, entrepreneurs will have a one-stop window that will support them from the starting line along their entrepreneurial journey.

Budget Ask

Having launched in May 2012, the Startup Canada network has been growing at a rapid pace to more than 80,000 Canadians and is expecting continued growth over the coming years. More entrepreneurs and support organizations are joining the network everyday and more Startup Communities are set to launch, tapping further into northern and rural Canada.

Startup Canada proposes to the Government of Canada a one-time investment of \$15 million over 3 years, without proclivity of renewal, to allow for the full implementation and scaling of the development of Canada's entrepreneurship community online and offline, for access by all Canadian entrepreneurs.

The three-year partnership would enable Startup Canada to meet its fast growing demand for its current program offering and foster a truly connected entrepreneurship ecosystem from coast to coast.

To date, Startup Canada has been entrepreneur-led, fuelled by 300 volunteers, and entirely private sector funded. Startup Canada will continue to expand its private sector partnerships to sustain programming and operating costs beyond the three years of government support.

Government investment will speed program implementation, expansion and impact to achieve sustainability.

About Startup Canada

Startup Canada is on a mission to make Canada the best place in the world to start and grow a business and to position Canada as a beacon of entrepreneurship worldwide.

Startup Canada is a grassroots, entrepreneur-led movement that brings together, celebrates and gives a voice to Canada's entrepreneurship community. Through collaborative economic development programs and initiatives, Startup Canada's programs increase entrepreneurial momentum, wealth and jobs in Canada while marketing Canada's diversified economy and high quality of life.

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Globally, Startup Canada is recognized as the best practice in fuelling grassroots entrepreneurship and has educated leaders in the United Kingdom, Malaysia, South Korea, Peru and the United States.