

ScaleUp BC

A Partnership to Build the Economy Back Better, Greener and More Resilient

A Province-Wide Collaborative Platform

At the dawn of the decade, eleven organizations representing the tech ecosystems of Vancouver Island, the Lower Mainland, Interior BC and Northern BC— collectively the ScaleUp BC Partners - have come together with a plan to build BC's next generation of diverse technology-based, globally relevant businesses.

BC has long had a thriving startup tech sector, but small startups have struggled to scale up into medium sized companies. The 2020 Tech Report Card found that there has been no growth at all in the number of medium-size tech companies with between 50-100 employees. Of the 11,000 tech companies in BC only 220 employ at least 100 people and a mere 22 employ at least 500 people.

Companies with fewer than 50 employees can produce new ideas, products and solutions, and purposeful employment, but at that size, they cannot provide long-term economic strength and stability. They are not yet the anchor companies with 200+ employees that are vital to an economy. Research shows that once a company reaches 200+ employees, it is much more likely to stay in its local community, even when acquired.

This new collaborative framework will leverage decades worth of experience to enable consistent delivery of a sophisticated set of services, specialized programs and enhanced capabilities. This approach will generate incremental jobs, economic growth and innovation in British Columbia and across Canada and boost the province's competitiveness. The return on investment associated with multi-year accelerator funding is well established. An independent 3rd party audit of BC Tech, one of the ScaleUp BC partners, found that with every \$1 of CAIP funding invested by the federal government over the period 2014 to 2019, BC Tech was able to generate over \$14 in GDP and over \$9 in tax revenues.

The ScaleUp BC Partners have the capacity, experience and networks to span the province and deliver effective, locally sourced programming in every corner of BC. In partnership with the federal and provincial government, the ScaleUp BC Partners will support the growth of over 800 BC technology firms and add 10,000 incremental clean jobs in the BC economy by 2025. Together there is a once-in-a-generation opportunity to transform British Columbia's economy and deliver economic, social, health and environmental benefits to Canadians.

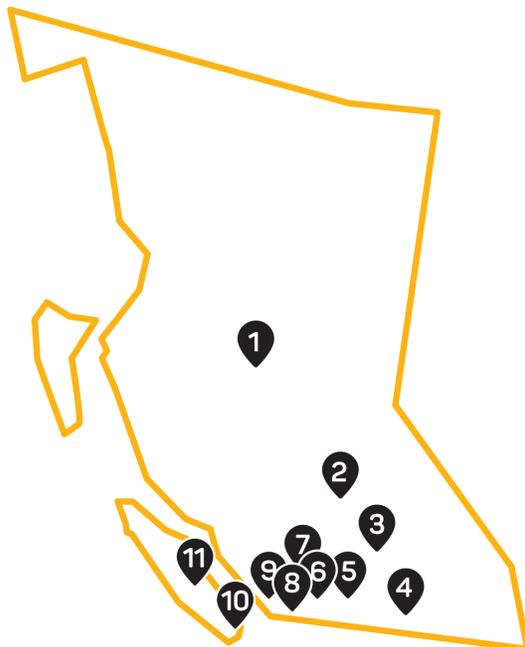
Scaling up Technology Companies across BC

With 114,000 direct employees, BC has a thriving tech sector and a global reputation as a hub for exciting startups. There is an unparalleled opportunity to build on the record of startup success to build a ScaleUp platform for BC that will enable more startups to grow into scaleups, and from there to become anchor companies in the BC economy.

Scaleup companies are more likely to create jobs, attract investment capital, invest in R&D, remain in the community and create economic prosperity. These scaleup companies face unique barriers, from sourcing the right executive and technical talent with 'scaling' experience, to accessing financing, and identifying the global markets, customers and supply chains required to achieve rapid growth. These challenges can be overcome through targeted programs and activities, delivered by credible and experienced organizations.

Collaborating to Build a Scaleup platform

The ScaleUp BC Partners have been central to the BC innovation ecosystem for more than two decades and have collectively supported over 2500 technology companies. While leveraging the individual strengths, resources, local knowledge and experiences of the partners, ScaleUp BC will create a cohesive structure to deliver a new level of targeted programming, shared resources and standardized metrics to support scaleup success. As shown on the map below, the ScaleUp BC partners will provide connected scaleup support across the entire province so firms can get the help they need regardless of whether they are rural or urban.



NORTHERN BC

1 Innovation Central Society

BC INTERIOR

2 Kamloops Innovation Centre Society

3 Accelerate Okanagan Technology Association

4 Kootenay Association for Science & Technology

VANCOUVER/LOWER MAINLAND

5 Foresight

6 BC Technology Association

7 SFU VentureLabs

8 LifeSciences BC

9 Entrepreneurship@UBC

VANCOUVER ISLAND

10 Victoria Innovation, Advanced Technology & Entrepreneurship Council

11 Innovation Island Technology Association

ScaleUp BC will deliver:

- Focussed incremental impact to scaling firms in order to drive jobs, revenue, investment and innovation of BC technology companies
- Market traction acceleration for scaling companies by streamlining access to capital, talent, customers and knowledge
- Leadership development of technology entrepreneurs and managers
- A stronger high performing tech industry through diversity and inclusion
- The right solutions to scaling technology companies tailored to their stage of maturity, regardless of their geographic location
- More than a decade's worth of robust networks and relationships built by ScaleUp BC Partners to connect BC companies with customers and investors based in Canada and globally.
- A technology export powerhouse by building the knowledge and pathways to drive international sales and collaborations
- A tighter integration with BC's post-secondary educators to support research and development and build the talent pipelines and potential scaleup companies
- Lower GHG emissions through helping non-tech SMEs to adopt smart technologies and measure their GHG reductions

The Opportunity

A partnership between ScaleUp BC and the federal and provincial governments will ensure this new platform provides benefits to all regions of BC and for Canada. An investment of \$31M from the Federal Government in the ScaleUp BC Partner Network over four years will build a new scale-up platform for BC to support the growth of over 600 technology firms and create 8,000 jobs by 2025. At an investment of \$3875 per job created this compares very favourably with other federal innovation investments. With further co-investment of \$10M from the Provincial Government the platform will be able to support the growth of over 800 technology firms, creating 10,000 jobs by 2025. To support the Canadian government's goal to double the number of high-growth firms in Canada from 14,000 to 28,000 by 2025 a strategic investment like this will build on competitive advantages of the BC tech sector and help grow a more robust, green, diverse and globally exporting economy.

Appendix 1. Activities to support BC's scale-ready and scaling technology companies

The ScaleUp BC Partners will provide more intensive and specialized resources, support and expertise to generate more commercial success at an accelerated rate. Specifically, we will provide:

Coaching and Advisory Services

The ScaleUp BC Partners have decades of experience delivering high impact coaching and advisory services through structured training, comprehensive workshops, experienced Entrepreneurs in Residence, sector specific advisory support and one on one business mentorship programs. These programs have been customized for each stage of a company's development from start up through growth to scale. These services accelerate a company's time to market and increase their likelihood of success by addressing specific challenges within their business.

Entrepreneur Leadership Training

Training for increased capacity in tech leaders and C-suite leadership will address a critical need in scaling up ventures. This program will encourage life-long learning, and provide entrepreneurs, founders and managers with the skills that can be readily applied at future ventures and careers benefiting the community and the individual. It will empower companies to attract and retain more talent from other global regions.

International Market Access

The small size of the Canadian economy and pressures from global competitors mean that Canadian companies must look outside of Canada to drive the scale they need for long-term success. ScaleUp BC will connect high growth BC companies with the international knowledge, partners and customers they need to build truly global companies. Specific programs will include export planning workshops, inbound international buyer days, in-market solution validation and global market connection trips. Exporting and geographic diversification of those exports is vital to the growth of jobs, productivity and the economy.

Investment for Scaling Companies

Access to capital is a key component in scaling up many technology companies. ScaleUp BC will provide the knowledge and coaching for companies to determine what type of capital to pursue, prepare the companies to pursue it, and provide the connections necessary to complete that pursuit. Through investor summits and ecosystem connections, the ScaleUp BC Partners have built an impressive roster of domestic and foreign angel and venture stage investors. With additional funding support, ScaleUp BC will not only continue these activities but also build connections into strategic global investors that are critical for companies to gain access into global value chains.

Diversity and Inclusion Programs

The ScaleUp BC Partners are champions of the diverse, inclusive and high-performance tech ecosystem necessary to drive scale in the province. High impact programs have been created to encourage more women and Indigenous students to enter the tech industry. ScaleUp BC Partners have created actionable recommendations for employers to increase diversity and inclusion. With additional funding, diversity and inclusion will continue to be a cornerstone in all programming run by the ScaleUp BC Partners.

Technology as the Enabler of the Green Economy

With an estimated 30% of Canada's GHG emissions coming from SMEs, adoption of smart technologies in this segment represents a significant opportunity for Canada to reduce emissions and reach our sustainability goals. Utilizing existing technologies like Internet of Things (IoT), remote inspections and Virtual Reality/Augmented Reality (VR/AR), companies will maximize resources to avoid waste, decrease transportation costs and increase efficiency. The program will work with non-

tech SMEs to help them adopt smart technologies and measure their GHG reductions. BC Tech will also work with technology SMEs to validate the GHG reductions their solutions deliver, allowing them to build this into their value propositions. This will allow us to deliver on the concept that “clean is the side effect of smart”.

Talent Services

Talent development, acquisition, and retention consistently rank as top factors that limit the ability for companies to scale. Workshops on corporate culture development, hiring for growth, leadership reviews, and talent development are services provided by all ScaleUp BC Partners. ScaleUp BC Partners look to attract talent into the tech industry nationally with university and K-12 programs, as well as globally through immigration support leveraging the Canadian governments Global Talent Stream and Global Skills Strategy programs

Customer Access

Connecting traditional industries with technology solution providers brings benefits to the economy overall. Adopting technology at a higher rate will allow traditional industries to increase productivity, jobs, revenue and increase international competitiveness. To avoid being disrupted by more innovative solutions and business models, traditional industries must innovate. ScaleUp BC will bring industry and solution providers together to create awareness, commercial opportunities and innovation. ScaleUp BC Partners currently deliver Collision Days between industry and the tech community. Additional funding will expand this area of focus.