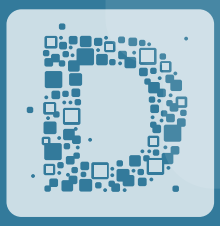

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ACCELERATING CANADA'S START-UP ECOSYSTEM:

A Review of Canadian Business Accelerators and Business Incubators

OCTOBER 2015

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About the Business Acceleration Project

The DEEP Centre's investigation of business accelerators and business incubators seeks to answer a series of questions related to the role, effectiveness, and outcomes associated with these publicly and privately funded intermediaries. The project will build a body of evidence around the economic impact of business accelerators and incubators, with an eye towards creating best practice guidelines and actionable recommendations for stakeholders. The key research questions for the project include, but are not limited to, the following:

- Do incubators and accelerators produce viable companies? Increase innovation? Create jobs? Produce windfalls for their founders and investors? Elicit greater private investment in start-ups?
- What objectives are appropriate for the Government of Canada's business incubation and acceleration activities in relation to enterprise growth, technology commercialization, internationalization, and global competitiveness?
- To what extent are business incubators and accelerators advancing these objectives, and what framework should be used to evaluate their activities?
- To what extent do incubators and accelerators effectively leverage other elements of the innovation and entrepreneur support ecosystem—both within Canada and abroad—and how could collaboration within the ecosystem be improved?
- To what degree should the incubation and acceleration system in Canada evolve to better facilitate the growth of high-potential small and medium-sized enterprises (SMEs), and how should incubators and accelerators structure such alumni support systems?

This report is the third of five deliverables on business acceleration and incubation in Canada. The report provides an in-depth analysis of the Canadian innovation and entrepreneurship support ecosystem, including a 360-degree analysis of 26 Canadian accelerators and incubators. The qualitative component of the research consisted of interviews with organizational leaders, venture capital investors, and alumni and participant firms, and provided the basis for an in-depth understanding of how these organizations are evolving, the value they provide to start-up firms, as well as the gaps and challenges that remain. Qualitative research was supplemented by an analysis of data on job creation and follow-on investment associated with the start-up support services offered by Canadian business incubators and accelerators. The data provides an aggregate picture of the significant role such organizations play in developing the next generation of Canada's leading firms. Conclusions from this stage of research are designed to help program leaders, policy-makers, and investors better target their initiatives to the needs of start-ups at different stages of growth, as well as in different sectors.

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The project is supported by Industry Canada, the Business Development Bank of Canada, the Department of Foreign Affairs, Trade and Development, and the Government of Ontario's Ministry of Economic Development, Employment and Infrastructure. Additional project partners include the Canadian Association of Business Incubators and the National Research Council.

The DEEP Centre

The Centre for Digital Entrepreneurship and Economic Performance (DEEP Centre) is a Canadian economic policy think-tank based in Waterloo, Ontario. Founded in 2012 as a non-partisan research firm, the DEEP Centre's work shapes how jurisdictions build fertile environments for launching, nurturing, and scaling companies that will thrive in an increasingly connected world. The DEEP Centre provides objective research and advice on the changing drivers of success in the global economy and the critical interconnections between technology, entrepreneurship, and long-run economic performance. Our goal is to help policy-makers identify and implement powerful new policies, programs, and services to foster innovation, growth, and employment in their jurisdictions.

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Accelerating Canada's Start-Up Ecosystem: A Review of Canadian Business Accelerators and Business Incubators

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Introduction

Faced with an uncertain global economic outlook and increased international competition, governments everywhere are seeking innovative new policy solutions to spur job creation and prosperity. In this context, jurisdictions in Canada and around the world have initiated significant investments in business accelerators and business incubators (BABIs) in hopes that these organizations will foster the development of high-growth firms that, in turn, will create jobs, innovation and growth. However, these investments (both in Canada and abroad) have been made without the benefit of a robust body of evidence for assessing the effectiveness of these organizations as tools for long-term economic value creation. The following report seeks to help close this gap with an analysis of Canada's BABI ecosystem, including an in-depth assessment of 26 of the top Canadian incubators and accelerators.

The business incubators and accelerators analyzed for the report represent a subset of the 140-plus startup assistance organizations (SAOs) present in Canada. However, in the preparation of this report it became clear that the broader population of organizations across the country cannot be accurately described as either "accelerators" or "incubators" as they have been traditionally defined. To better capture the diversity of entrepreneurial support services offered in Canada, the report outlines a more granular typology of organizations that includes not only traditional models, but also commercialization organizations and hubs. Thus, while the report's analysis focuses primarily on incubation and acceleration programs, it also reflects on the unique contributions of a broader array of SAOs that do not conform to the conventional business acceleration or incubation models.

To contribute to an ongoing process of continued improvement in the support services offered to entrepreneurs and startups, this review offers a series of key insights and recommendations for strengthening the ecosystem of start-up assistance organizations (SAOs) in Canada. It highlights key evolutions in program structure, in participant selection and in revenue models that demonstrate how quickly these organizations are changing in order to adapt to the needs of firms and other stakeholders. By way of contrast, a broader look at ecosystem dynamics and at the prevailing approach to performance measurement reveals areas where significant improvements are required. In particular, issues related to collaboration, data collection, and data transparency are highlighted as key areas to address moving forward.

On balance, the rapid expansion of accelerator and incubator programs and affiliated organizations across the country should be seen as a positive development. While there are indeed inefficiencies in the broader ecosystem, this project highlights a positive consensus regarding a perceived increase in the overall number and, most importantly, quality of Canadian entrepreneurs and start-ups.

Moreover, while the impact of these SAOs cannot be comprehensively assessed given the lack of reliable and comparable data, the results compiled for just 20 leading Canadian accelerators and incubators highlights their role in attracting over CAD$1.7 billion in follow-on investment and in the creation of over 10,000 jobs. Participant firms interviewed for this project each noted the value of their BABI experience, in particular their role in providing access to customers and investors.

As this report notes, there are numerous ways to strengthen the entrepreneurial support ecosystem in Canada: from improvements in performance measurement and data sharing, to greater investment in internationalization and alumni growth programs, to continued experimentation with programming and mentorship models in order to optimize the supports available to the highest potential firms. More broadly, the proliferation of SAOs over the past number of years points to the need for collaboration, community building, and peer-to-peer learning across the various stakeholder groups. While the wider availability of support services for start-up firms is a positive development, the emergence of an increasingly complex and dynamic ecosystem suggests that coordination and collaboration will be crucial to ensuring that the system remains focused on producing high-growth firms.

Methodology

The insights collected here are the product of semi-structured interviews conducted with senior management at 26 Canadian BABIs. As part of this process, interviewees were promised anonymity and the aggregation of contributed data. Interviews were also conducted with stakeholders, including 12 former BABI participants, as well as 8 Canadian venture and angel capital organizations. Where possible, the data presented in Section III was sourced through public sources. Where it was not possible, for example, with job creation numbers, estimates were developed using secondary sources such as LinkedIn.

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Section I: Canada's BABI Ecosystem

The goal of building a high-functioning innovation ecosystem in Canada is predicated in part on a series of significant investments in Canada's ecosystem of SAOs. Led by a burgeoning number of BABIs, this ecosystem acts to help transform ideas into sustainable businesses, and entrepreneurs and technical engineers into company founders and executives.

From coast to coast, such organizations have proliferated in the hope of replicating the success of US-based organizations such as Y Combinator and TechStars. While just five years ago it was difficult to identify more than a handful of BABIs, the population of such SAOs has exploded as both public and private stakeholders attempt to facilitate entrepreneurship and the development of high-growth firms.

Yet, as the population of BABIs has increased, insight into the division of labour among organizations has waned. How many BABIs are there in Canada? How many of them are structured as traditional accelerators versus incubators or other SAOs? Which ones take equity? And which ones operate sector-specific models?

To answer these questions, the following ecosystem map has been developed to identify current BABIs across Canada. This map is current, as of June 2015. Past attempts at developing an inventory of such organizations have fallen short owing to their static nature and to their lack of nuance in the definition of different support types. Leveraging the taxonomy developed in the first report of this larger research project, "Evaluating Business Acceleration and Incubation in Canada," the ecosystem map below highlights four types of SAOs:

- **Accelerators** provide seed funding and time-limited support to start-up teams using structured programming and mentorship services designed to accelerate high-potential firms to success or failure.
- **Incubators** cater to early stage entrepreneurs, providing longer tenure for participating firms and a broader suite of services in terms of access to physical space and mentorship.
- **Hubs** offer a diverse array of entrepreneurial support activities, usually aggregating incubation, acceleration, investment, and co-working services into one regional hub.
- **Commercialization Organizations** provide advisory services to start-ups and SMEs, ranging from advice on product development and marketing to support in raising financing.

Across Canada, 146 SAOs are currently in operation. Of these, over half (79) are defined and structured as incubation programs. Accelerators are the second most common structure with 29. Commercialization support organizations are present in 21 instances and innovation hubs in 17.

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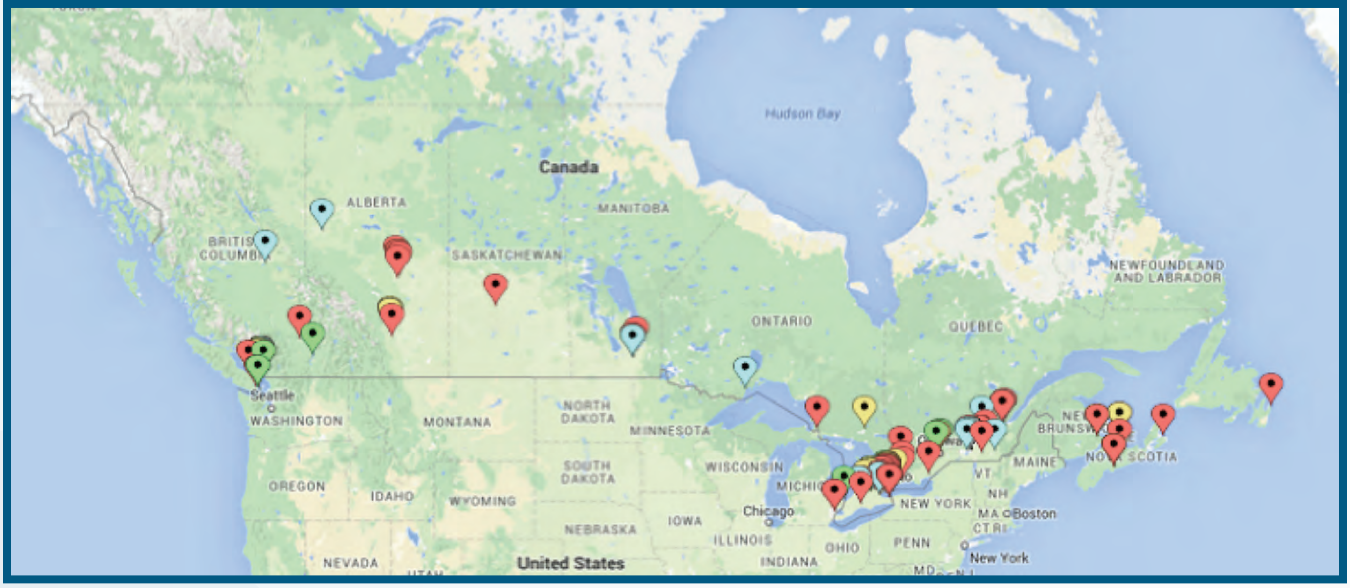
Table 1: BABIS IN CANADA

Organizational Type	Number
Business Incubators	79
Business Accelerators	29
Commercialization Organizations	21
Hubs	17

Figure 1: CANADA'S BABI ECOSYSTEM



The vast majority of these organizations are sector agnostic or broadly focused on information and communications technology (ICT). Only 34 profess a focus on non-ICT or non-diversified sectors. Of the sector-focused entities, approximately half focus on health, biotechnology, and pharmaceuticals. Other sectors with a close ICT affiliation—including communications and media (6); clean technologies (cleantech) (4); and consumer and entertainment, including game development (3)—comprise a significant portion of the sample. In contrast, there are a smaller number of organizations focused on other sectors, such as agriculture and natural resources (3), and fashion (2).

Among traditional business accelerator programs, 12 were identified as taking equity stakes in participating companies. Equity stakes taken among the broader cross-section of accelerators generally range from 4% to 20%. While these organizations are spread across the country, several strong regional clusters exist. In particular, support is most dense in and around the Greater Toronto Area, including the Kitchener-Waterloo area, Montreal, and Vancouver.

Table 2: PROVINCIAL DISTRIBUTION OF BABIs

Province	Number of BABIs
Ontario	59
British Columbia	27
Quebec	25
Alberta	15
Nova Scotia	6
New Brunswick	3
Prince Edward Island	2
Manitoba	5
Saskatchewan	1
Newfoundland	1
NWT/Yukon/Nunavut	0

This ecosystem is constantly changing. As this report has been developed, we have learned of over a dozen new programs and seen several close or rebrand. Maintaining an accurate and up-to-date ecosystem map should be a priority for partner organizations, given the need for visibility into this confusing system for both would-be participants and the investors who are searching for deal flow.

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Section II: Structure, Impact, and Challenges

Understanding the contributions and impacts of the various organizations that play a role in support of entrepreneurs and high-growth start-ups requires a granular analysis of how these organizations structure their programming, participant selection, revenue models, data collection, and overall ecosystem engagement. Section II of this report presents a qualitative assessment of a subset of Canada's 140+ BABIs to build this understanding. With a focus on 26 organizations from coast to coast, and with an inclusion of both sector agnostic and sector-specific SAOs, the following highlights a series of key insights as to the structures, impacts, and ongoing challenges facing these organizations.

These insights are the product of interviews with senior management in these selected BABIs, as well as with alumni and participant firms and with the venture and angel capital investors who look to these organizations for their next investments. The sample analyzed highlights a very diverse set of structures and processes (see Table 3). Further, it finds a very rapidly evolving environment where BABIs are restructuring their processes to meet the demands of various stakeholders, notably the firms and investors who look to them for both guidance and investment supply. While the term accelerator has come to be defined as time-limited, equity-driven process, our research highlights a convergence between this model and the more long-term, goalpost orientation of many business incubation programs. Moreover, in between these two models lie a variety of SAOs whose breadth of service is better defined as commercialization organizations and hubs, respectively.

These evolutions are part and parcel of a dynamic ecosystem. This process has highlighted that the top end of the funnel of Canadian entrepreneurs and business founders is growing substantially, allowing for an ongoing diversification and specialization of support services. The pipeline of potential high-growth companies, however, still lacks depth. This dichotomy shapes how organizations are seeking to recruit and structure their offerings in the hopes of attracting more mature clients and, subsequently, to increase the likelihood of engaging investors post-program.

The following analysis delves into five core facets of accelerator and incubator programming and structure: program structure, participant selection, revenue models, data measurement, and ecosystem collaboration. It then reviews three additional facets that are increasingly key to firm growth and success: mentorship and management, investment attraction, and internationalization.

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Table 3: DOMESTIC ACCELERATORS AND INCUBATOR SUMMARIES

Organization	Status	Seed Funding	Equity Stake	Follow-On Funding	Length of Program	Sector Focus	Stage Focus	Performance Measurement
Accelerator Centre	Non-profit	$30,000	No	No	12 months +	Agnostic	Early, Mid, Late	Needs improvement
Accel-RX	Non-profit	Yes (variable)	Yes (variable)	Up to $500,000	Indeterminate	Life sciences	Early	N/A (new as of 2015)
Bioenterprise Corporation	Non-profit	No	No	No	Indeterminate	Biotech/ Agriculture	Early, Mid	Needs improvement
Centre d'Entreprises d'Innovation de Montreal	Non-profit	No	No	No	Indeterminate	Agnostic	Early, Mid	Needs improvement
Centre of Excellence in Energy Efficiency	Non-profit	No	Yes (variable)	Yes (variable)	Indeterminate	Renewable energy	Early, Mid	Needs improvement
Communitech Rev	Non-profit	No	No	No	6 months	Agnostic	Late	Needs improvement
Creative Destruction Lab	Non-profit	No	No	Yes (variable)	7 months	Agnostic	Early	Needs improvement
Execution Labs	For-profit	Up to $50,000	6%–14%	Up to $300,000	3 months	Gaming	Early, Late	Needs improvement
Foresight Cleantech Accelerator	Non-profit	No	No	No	Indeterminate	Cleantech	Early	Needs improvement
FounderFuel	For-profit	$50,000 - $100,000	6%–9%	$150,000	3 months	Agnostic	Early, Mid, Late	Needs improvement
HIGHLINE	For-profit	Up to $200,000	Target 5%	$150,000	10 months+	Agnostic	Mid	Needs improvement

Table 3 Continued on Next Page

Hyperdrive	Non-profit	$40,000	7.27%	$150,00+	6 months	Agnostic	Mid, Late	Needs improvement
Incubes	For-profit	No	7.5%	No	3 months +	Agnostic	Early	Needs improvement
Inno-Centre	Non-profit	No	No	No	3–12 months	Agnostic	Mid, Late	Needs improvement
Innovate Calgary (Kinetica)	Non-profit	Yes (variable)	No	No	Indeterminate	Agnostic (energy)	Early	Advanced
Innovacorp	Non-profit	No	No	No	Indeterminate	Agnostic	Early	Needs improvement
Jolt @ MaRS*	For-profit	$50,000	9%	Yes (variable)	6 months	Agnostic	Early, Mid	Adequate
L-Spark	For-profit	Yes (variable)	Yes (variable)	Yes (variable)	9 months	Enterprise	Early, Mid	N/A (new as of 2015)
Manitoba Tech Accelerator	Non-profit	No	5%	No	Indeterminate	Biomedical	Early	Needs improvement
Norcat	Non-profit	No	No	No	Indeterminate	Agnostic/ Mining	Early, Mid	Needs improvement
PEI BioAlliance	Non-profit	No	No	No	Indeterminate	Biotech/ Agritech	Early, Mid	Needs improvement
Propel ICT	Non-profit	No	No	$50,000–$150,000	3 months	Agnostic	Early, Mid	Adequate
Ryerson DMZ	Non-profit	No	No	No	Indeterminate	Agnostic	Early	Adequate
TEC Edmonton	Non-profit	No	No	No	Indeterminate	Agnostic	Early, Mid	Advanced
Velocity	Non-profit	Up to $50,000	No	No	Indeterminate	Agnostic	Early	Needs improvement
Wavefront AC	Non-profit	No	No	No	3 months	Agnostic	Early, Late	Adequate

*Data for Jolt @ MaRS reflects only Jolt programming and not the broader incubation and acceleration activities of the MaRS Discovery District innovation hub where ventures have raised $1.3bn in capital,earned $640million in revenue and created over 5,000 jobs, with 1,269 ventures supported in the 2012-14 period.

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Program Structure

The quintessential business acceleration programs founded in the United States are structured as time-limited engagements (typically 3-4 months) with a cohort of firms (usually 10–12). The traditional process sees firms receive a combination of mentorship and structured programming that aim to mould participating start-ups into investment-ready businesses. This readiness is judged through a capstone event or demo day with potential investors. The limited duration of accelerator programs and the investment-driven focus of US-based accelerators are arguably their most important defining features. The short time frame is partly linked to the decreasing length of time it takes to launch an Internet-based start-up, the sector on which most business accelerators focus; but it's also about creating a short period of intense interaction that will drive rapid progress and help distinguish the teams that prove most resilient in a high-pressure environment. Indeed, globally renowned VC-backed organizations like Y Combinator and TechStars have focused on establishing a process whereby they can quickly differentiate winning ideas and teams from the rest and generate significant returns from equity-based investments in their client firms.

For numerous reasons, this archetypal acceleration model is not the norm in Canada, though several core elements are evident. What follows are some of the key ways in which the programming in Canadian BABIs is evolving.

Timelines and Programming are Becoming More Customized and Flexible. While a number of BABIs in Canada conform to the conventional acceleration models—with 3-4 month cohorts and structured programming—the interview process with leading Canadian organizations highlights a significant shift to more flexible timelines and customized offerings, with a broad spectrum of variation between the conventional acceleration formula and complete customization.

On one end of the spectrum are conventional cohort-based approaches that increasingly incorporate customized offerings tailored to firms at specific growth stages and facing specific challenges. As one VC-backed accelerator founder noted, "I keep realizing how different the needs of each company we accept are, and at such different stages. So we've modified the program to be much more adaptive to their own goals. For the first three months, we offer common workshop sessions and office hours with different pools of expertise and mentors. The last month is customized based on specific company needs." Specific company needs rarely fit in a three-month process. As one firm founder noted, "We felt our host spent more time getting the next cohort rather than building those that are in it right now. The result is a lot of shoe shine for pitch day with investors."

On the other end of the spectrum are open-ended programs where the period of engagement and the nature of the "programming" or mentorship is uniquely tailored to each client firm. In these instances, progress is measured by the fulfillment of specific and measurable goals vis-à-vis revenue, customers, or other growth metrics. While some programs provided an unlimited hosting period so long as predefined goalposts are met, others operate on flexible 3–12 month timelines with ongoing engagement of up to three years predicated on ongoing goal/

milestone fulfillment. In some instances, commercialization service entities such as CEIM and C3E do not offer any structured programming, but rather focus on the provision of custom consulting on a fee-for-service basis with timelines for engagement that can vary from a few months to a few years.

Across organization types and across sectors, this loosening of the conventional business acceleration formula is a result of a deepening understanding of unique business growth dynamics of firms in different sectors and at different stages of growth. For example, incubators and accelerators that cater to early stage firms tend to provide core education programming for all participants that covers the fundamentals of business development. Topics include basic incorporation, shareholder agreements, intellectual property protection, and human resources. "We thought it was important that founders learned not just how to refine a great idea but how to build a business around it," said one program executive. Accelerators that accept more mature firms, on the other hand, find that more experienced founder teams are less tolerant of a classroom experience and require more customized attention given their unique needs. This includes a stronger focus on customer acquisition and retention, and the transition from founder to chief executive.

From the perspective of the investment community, this evolution in the business acceleration formula is highly necessary. There is a perception among investors that BABIs do a great job educating entrepreneurs, but have far less stellar records in actually growing viable companies. As many pointed out, a 3-4-month timeline is simply not enough time to get early stage companies to the point where they are investment ready. As one interviewee put it: "The three-month model won't attract follow on funding. I need to see a lot more than a pitch deck."

Sector-Specific Groups Outside ICT Face Unique Challenges. The majority of BABIs in Canada host a diversified set of primarily ICT-related companies, with only a handful focused exclusively on the life sciences, biotech, and cleantech sectors. Of the 146 organizations mapped, just 34 focus on non-ICT firms. One organization noted that while sector specificity allowed for the development of stronger cohorts, it also lost the game changing potential of cross-pollination across sectors.

When it comes to program differentiation across sectors, BABIs that focus exclusively on ICT or Internet-based companies are more likely to be able to compress their engagement into a 3–6-month timeline. Accelerators focused on life sciences, health IT, cleantech, and other complex domains with lengthy product development and sales cycles are much less likely to impose strict timelines on graduation. As shown in Section III, data from sector-specific organizations highlights significantly less follow-on investment attraction and job creation. In all cases, senior management noted far longer product and market maturation as the primary reasons for this lagging data.

Program content also differs across sectors. Notably, organizations that focus on enterprise, cleantech, and mobile/wireless applications tend to emphasize the development of corporate partnerships and supply chain networking. In these cases, programming is more strongly focused on creating channel relationships and devel-

oping a focus on product pull as opposed to product push. Interestingly, a lack of experienced sales and supply chain talent was identified as a barrier to growth for firms in these sectors.

Rolling Cohorts are Becoming More Common. Along with a shift in the length and content of programs, the traditional cohort-based intake model is also changing. While several organizations still structure their programs around defined cohorts, across organization types we see a shift towards a rolling acceptance model where firms enter and exit the program on a continuous basis. As one private, VC-backed accelerator noted, "we meet amazing entrepreneurs all the time but previously often lost them to other organizations. A continuous program ensures that we can accept them whenever we meet them."

Organizations Differ in Their Connectivity to Customers, Investors, and Other Stakeholders. Another key differentiation exists between those organizations whose primary role is education and/or product refinement, and those whose main emphasis is facilitating access to customers and investors. Private venture-backed organizations, for example, were less likely to see programming and education as a core service and more likely to focus their interventions on investment readiness and channel introductions. "We are not about education, we are about connectivity to customers and investors," said one executive. Two organizations structured this connectivity with investors through their engagement in the cohort selection process. In so doing, this engagement acts as a form of pre-investment validation by the investment community, and will (hopefully) lead to an increased rate of follow-on investment.

Where organizations had post-secondary education relationships, the integration of affiliated graduate students into the evaluation/management needs of clients was seen as a significant benefit to participant firms. It is worthwhile noting that among the subset of 20 organizations for which data was collected as part of Section III, four of the highest-performing organizations on the basis of either follow-on investment or job creation were tightly affiliated with a post-secondary organization.

Participant Selection

As the entrepreneurial support ecosystem has evolved in Canada, so too have the criteria that leading organizations use to select participants for their incubation, and especially acceleration programs. A number of key trends are worth noting.

Leading Organizations are Seeking More Mature Firms. Across organizations and across organizational types, we see a general movement towards privileging later stage companies in the selection process. As one organizational leader noted, "there's a massive volume of early stage companies but in order to create a sustainable impact we need to focus on those that have the highest likelihood of fast growth." Another organization described having deliberately redefined their offerings to double down on those companies that either are accelerating or scaling or could be. "It isn't that we're abandoning the smaller firms," they said, "but we're not giving early stage companies the really high-value services that they are just not ready for." Narratives such as these were oft repeated across the interview sample.

The choice to work with more mature firms is, in part, driven by the desire to deliver more immediate "social and economic benefits" to their ecosystems. It is also evidently tied to the desire and need to demonstrate a capacity to foster sustainable companies and the broader economic benefits that can justify significant public investments.

The fact that the best entities in Canada are in a position to be more selective is an encouraging development. As the leader of a private, VC-backed accelerator noted, the growing population of maturing high-potential firms is the product of a healthy and deepening ecosystem. "As our program ages and we become more popular, the maturity of start-ups coming to us keeps rising. It used to be that you could finish a product during the program but now, because of the pool of applicants we are getting, you need that finished product and often signs of customer traction."

Finishing Schools Provide Customized Support for Firms with the Highest Potential for Growth. A nascent and related trend is the development of "finishing schools" aimed at recruiting mature firms that require a significant final push in terms of both investment and mentorship to achieve their full growth potential. In cases such as Execution Labs in Montreal, these finishing schools take larger equity stakes for their investments and present a more refined opportunity for return on investment (ROI) used to fund earlier stage activities. Other accelerators have segmented their offerings based on firm maturity in order to better hone in on unique needs of early and later stage companies, with programming for later stage companies focused on developing strategies for revenue growth, access to capital, and internationalization, as is the case with the Communitech Rev program. This focus on "finishing" is part and parcel of a broadly accepted narrative that simply helping entrepreneurs to launch a business is insufficient to generate meaningful economic results. Rather, to generate significant outcomes, organizations must do more to promote the long-term growth of participant firms.

Selection Criteria Emphasize the Quality of the Founder Teams and the Quality of the Product/Business Idea. With respect to participant selection criteria, two considerations figure most prominently for most entities. One is the perceived quality of the founder team, including their experience with past ventures. The other consideration is the quality and maturity of product/service the team has brought to market or is seeking to bring to market. Some entities place the greatest emphasis on the team and set aside the maturity of a current idea, which most assume can always be moulded. Others, as a rule, only accept participants with a mature product and evidence of traction in the marketplace. Communitech Rev, for example, looks for at least $5,000/month of recurring revenue, 7–10-person companies looking to expand sales, and a potential market opportunity of at least $100 million in the next five years.

Apart from these two considerations, interviewees noted a variety of other selection factors including size and achievability of the market opportunity, team composition (i.e., do they have an adequate mix of skill sets and good team dynamics), product differentiation, business model sustainability, organizational ability to match entrepreneurs needs, and the perceived "coachability" of the entrepreneur or founding team. Finally, in one case, the fit of the entrepreneur or team in the broader community was noted as extremely important. Here, alumni were engaged to help vet incoming organizations for product and team maturity as well as community fit.

Revenue Models

A number of different revenue streams are present in the Canadian ecosystem. Most BABIs depend on more than one revenue stream, with the most common including:

Return on Equity. The traditional accelerator model has focused on the exchange of equity for funding. While this remains the case in private venture-backed accelerators, publicly supported entities are far less likely to take equity stakes. Of the 26 organizations studied as part of this project, nine take equity stakes ranging from 4%–14%. Non-VC-backed organizations rely predominantly on government funding and a mix of other revenue sources to sustain their operations. For those that do take equity, the drive to obtain an ROI compels organizations to work with later stage companies for whom it is easier to obtain exit financing. Where early stage companies are engaged, an innovative means of mitigating the tension between ROI needs and early stage is through the pre-sale of incoming companies to ensure investor demand is present. Other organizations fund early stage firms through long-term convertible grants that allow host organizations to recoup some of their investment in successful cases.

Participation Fees. Eight of 25 entities charge nominal participation fees, ranging from $200 to $1,000 per month. While these costs are minimal, charging them "enforces a contractual discipline on both parties," according to one innovation hub leader, and leads to a more effective use of the services on offer. In one case, an accelerator charges both a monthly fee and takes equity. In one other case, a participation fee of $5,000 is taken only if the participating firm achieves a minimum revenue level post-program. This was deemed a "pay for success" model.

Fees-For-Service. Commercialization service entities, a subset of SAOs, provide customized consulting services to firms, including both start-ups and more mature firms. In the cases analyzed, these organizations received public funds to help subsidize the cost of service. It was estimated that the fees from client companies covered around 50% or more of the operational costs of providing consulting services, with public funding covering the balance.

Rental Fees. For hubs and incubators, space/desk rental fees are an important source of revenue and a means of subsidizing the services provided to resident firms.

Across the sample of organizations, each of the individuals interviewed noted a desire to decrease their organization's reliance on public funding. Greater engagement of incumbent/large firms was noted as one of the most likely and promising strategies for boosting revenue, although the current participation of large firms in the Canadian ecosystem lags what we see in the United States and some European countries. Across the sample, however, none of the entities interviewed believe that they can operate independently of public funding in the short term. The reality of the business lifecycle, and the inability to date to generate high-value exits, means that sources of patient, or long-term-oriented capital (i.e., public funding), will continue to be necessary to support the BABI ecosystem in Canada.

Mentorship

Each of the organizations surveyed offers access to mentors and expert networks. And from the interviews with BABI graduates, the quality of the mentorship is often a determining factor in how they perceive the value of their experience. Indeed, there is widespread agreement among stakeholders that the quality of mentorship—and, more specifically, the participation of mentors with genuine go-to-market execution experience—is perhaps the most important factor underpinning the success of Canada's best accelerators. Some common observations on mentorship include:

Mentorship is About Instilling or Transferring Sound Business Judgement. Mentors impart advice, helping to council entrepreneurs on how to shape a viable business and how to avoid costly mistakes. In virtually all cases, in-house experts are also available to supply targeted operational/strategic advice around issues ranging from branding to accounting. But, according to several interviewees, the most vital role of the mentor is to help instill sound business judgement and, in particular, to help founders triage their overflowing to-do lists and focus on the critical things that are most likely to move their business.

Mentors with Genuine Entrepreneurial Experience and Credibility are in Short Supply. One common complaint is that mentors assigned to firms often lack real experience in building successful growth companies from scratch. Many mentors have been recruited from business schools or have previous experience working as executives in large companies. And as one institutional investor put it, "Folks who have time often aren't the ones you need." Indeed, very few people in Canada can claim to have built the near equivalent of a Google, Facebook, Airbnb, or Uber, which is why the really high-potential firms in Canada would much rather get accepted to TechStars or Y Combinator. The mentorship available at these premiere destinations is truly in a different stratosphere. However, a handful of Canadian incubators and accelerators were singled out by the investment community as having an outstanding team of hands-on mentors and leaders with deep entrepreneurial experience. In particular, Creative Destruction Lab and its G7 Fellows were noted as an exemplar in Canada. Overall, the roster of high-quality mentors was what virtually all interviewees in the investment community identified as the determining success factor in SAOs they were most likely to pay attention to.

Gaps in the Quality of Mentorship are Most Acute in Non-ICT Sectors. While the ICT sector has a relatively deep pool of successful entrepreneurs that can and do act as mentors, the most significant challenges in re-cruiting high-quality mentors are found in the sectors where Canada has a relative dearth of entrepreneurial successes. Non-ICT-focused organization—including BABIs serving sectors such as edtech, cleantech, biotech, and agritech—note that the comparatively small entrepreneurial talent pool is a major challenge.

There is Some Differentiation on the Basis of Mentor Allocation. One evident difference in mentorship models across the sample of organizations relates to whether participating firms are assigned a prime mentor or granted greater freedom to consult with resident experts based on the particular challenges or questions facing them.

In several instances, firms noted that the allocation of a primary mentor for longer-term engagement provided an important means of keeping them on track, but necessitated the addition of issue-specific mentors on an as-needed basis.

Data and Measurement

Despite the largely public sources of funding received by most Canadian accelerators and incubators, very few of them publicly release data on outcomes. Only four organizations provide significant reporting data on key metrics and outcomes. While a further seven organizations release some data, this is selectively parsed and, in most cases, of limited analytical value. When asked why so few report outcomes, several factors were clear:

Reporting is a Lot of Work. Entities need to dedicate resources to going out and talking to all the different companies they have worked with over multiple years, for as many as five to seven years after they have left the program. As the years go by, and more cohorts graduate, the population of firms to track grows accordingly. One organization outsourced data collection to a third party as a means of both alleviating an administrative burden and to help align external funders towards common data reporting standards.

Fragmented Reporting Requirements Increase the Workload. Most BABIs have relationships with multiple funders and therefore multiple different reporting relationships that require reporting at different intervals and using different metrics. With no consensus across the ecosystem on a standardized set of measures, entities find themselves spending a lot of time generating unique reports to satisfy the requirements of their funders. The fragmentation of reporting relationships is a clear source of frustration and inefficiency for the ecosystem, one that could be alleviated with a standardized, Canada-wide reporting platform for BABIs to which all entities would be required to submit performance data on an annual basis.

Reporting May Expose a Lack of Economic Outcomes. Though few organizations say so publicly, many entities across Canada are reticent to report on economic outcomes because of a concern about the relative lack of direct, attributable economic outcomes stemming from their activities. The fear of external scrutiny leads to selective reporting and a tendency, in some cases, to rely on anecdotes or testimonials to trumpet successes. Evidently, reporting must take into account the lagging nature of economic outcomes. As one VC stakeholder noted, investment portfolios often take a 10-year timeline to measure results. A similar patient, longitudinal measurement approach should be targeted with BABIs.

Lack of a Performance Measurement Culture Inhibits Transparency. One interviewee suggested that many SAOs in Canada had so far failed to foster a management culture that sufficiently prioritizes transparency and performance measurement. Effective performance measurement and reporting requires organizational investments on several levels, including investments of time and resources to build and refine a set of metrics to measure success, to clearly communicate results to stakeholders, and above all to use the insights that have been collected to drive improvements in programming and services delivered to supported companies. Without leadership, it's unlikely that such investments will be adequately prioritized.

Despite these barriers—and the evident lack of public reporting—the majority of the organizations interviewed noted that they do endeavour to collect data on the firms that participate in their programs. While there is no standardized set of metrics being collected across all organizations, the types of data being collected can be broadly lumped into two categories: activity-based metrics and economic impact metrics.

Activity-Based Metrics

Activity-based metrics track outputs rather than outcomes, and include activities such as the number of events hosted and the number of companies supported. In addition to tracking activities, which is a standard requirement for many public sector funding contracts, many BABIs also survey their members and participants to assess the quality of services offered, including the quality of mentorship, programming, and events.

While tracking activity is valuable in itself, activity-based measurement must be complemented by efforts to track the economic outcomes associated with those activities. Only by tracking activities and outcomes together can we obtain a more granular understanding of which investments supporting entrepreneurs will drive long-run economic performance.

Economic Impact Metrics

Most participants in the study agreed that the essential outcome-focused measures of success for start-up assistance programs are linked to the growth and competitiveness of incubated/accelerated firms. If incubators and accelerators are successful in selecting and nurturing promising business ideas, incubated firms, on average, should enjoy higher survival rates, grow faster, employ more people, and attract more capital than a comparable cohort of non-incubated firms. In particular, the entities interviewed are either collecting or endeavouring to collect economic impact metrics in the following four key areas:

- **Survival Rates.** Half of the entities analyzed track firm survival rates, including how many of their graduates are still operating, how many have failed, and how many have been acquired. While comparatively easy to collect, survival rates are imperfect as a barometer of economic performance. Mere survival tells us little about the impact a given firm has on the broader economy. For example, a "lifestyle" company may survive for decades but only ever generate a handful of additional jobs. Fast failure, on the other hand, is not necessarily negative, especially when the talent is redeployed elsewhere or the founding team uses the learning experience to develop a new venture that is successful.
- **Follow-On Investment and Company Valuation.** For VC-backed organizations, company valuation and exits are their preferred measure of success. Most define their success by the proportion of firms that obtain follow-on investments upon or soon after graduation, and more importantly by the size of those follow-on investments. VC-backed entities are less inclined to track metrics such as job creation and revenue growth. The assumption is that the valuation of the company as determined by investors is the best way to capture the value that has been created. Other organizations are far less supportive of using company

valuation and follow-on funding as the defining metric for success. One noted, "raising cash as the key metric for success has bastardized what it means to run a start-up and a successful business." In other words, the most successful revenue-generating businesses shouldn't have to raise multiple rounds of funding.

- **Job Creation.** Job creation is another standard metric collected by accelerators and incubators, and one that public investors are naturally keen to promote. Indeed, many equate success with the creation of companies that generate sustainable, high-quality jobs in their jurisdictions. The methodology and value of jobs as a metric, however, is broadly and rightly questioned. While "new" jobs may be meaningful in the short term, net jobs over time represents a much more valuable metric to gauge firm performance and broader economic success. However, while most entities report the jobs that have been created, they often fail to subtract jobs that no longer exist from aggregate figures. As such, the reliability of new jobs figures may be brought into question. In addition, the quality of jobs created differs so considerably that it is impossible to count all jobs equally. Assessing this quality through the use of average wages is one means of doing so. In terms of economic impact, a new computer engineering job is not the same as a temporary customer service position. Finally, while each of the organizations surveyed provides average and aggregate totals on job creation, none provides a median. The impact of outliers and big winners thus obscures the overall performance of a cohort and the organization that supports them. Thus, while jobs are an important metric to track, much more specificity is required to make reporting on jobs meaningful.
- **Revenue.** Revenue, either recorded annually or as monthly recurring, is arguably the most conclusive outcome-oriented measure of growth. More specifically, accelerators (such as Communitech Rev) that focus explicitly on generating revenue growth track quite granular metrics such as revenue per user, leads activated/qualified, deals closed, conversion rates, and customer acquisition costs, in addition to topline metrics such as monthly recurring revenue. Some organizations, however, noted difficulties obtaining information about company revenues on a regular basis, especially post-program.

Across each of these four categories, the collection of reliable longitudinal data across cohorts is key to understanding the impact of both individual accelerators and incubators, as well as the health of the broader ecosystem. Currently, however, success in consistently and accurately collecting the data required to conduct a meaningful longitudinal study on economic performance is mixed, with only a small number of organizations having done so.

Improving performance measurement

Interviewees highlighted a number of actions that would help facilitate better performance measurement by BABIs in Canada. These actions include:

Cultivating a Culture of Performance Measurement. As noted above, becoming measurement- and outcome-focused requires strong organizational leadership able to build a culture of transparency and accountability. Creating a management culture within and across BABIs that values outcomes and is not afraid to report on—and learn from—both success and failure will be essential to boosting the performance of the start-up assistance ecosystem in Canada. As one interviewee put it: "We need to know if we're making a difference and owe it to our funders to demonstrate that. Moreover, we need good data to refine and optimize our programs so we can make the biggest difference in the growth paths of the firms we serve."

Making Data Reporting a Contractual Obligation. Those entities that have been successful in collecting data from firms noted the presence of 3–5-year data reporting contracts with their participant firms. Adding data sharing requirements into service contracts between accelerators and supported firms is certainly a practice that could improve the ability to collect not just revenue data, but also other key metrics. Similar reporting requirements are already imposed on BABIs by funding agencies, but there is a need to streamline and standardize reporting requirements and to require public disclosure as well.

Differentiating Measures for Early and Late Stage Companies. In talking to SAOs across Canada, there is an emerging consensus that a standardized reporting framework will need to define success differently for organizations that cater to different stages of company growth. Entities or programs that focus on later stage companies should be evaluated according to the key company growth metrics identified above, including revenue, investment, and job growth. Entities and programs that deliver support services for early stage companies, on the other hand, should focus on various activity metrics and, more importantly, on measurable progress towards specific milestones agreed to by funders and program participants. Among other things, these milestones can include progress towards developing a minimal viable product, the number of meetings with qualified customers and interested investors, and the development of mentor-vetted strategies for sales, marketing, and internationalization.

Collecting and Analyzing Demographic Data. Another priority for measurement pertains to the current lack of demographic data regarding age, gender, and ethnicity of the participants that business incubators and accelerators serve. Measuring demographics will facilitate a better understanding of whether there are demographically delineated barriers to finance and growth in the Canadian ecosystem. As one interviewee noted, anecdotal evidence suggests that women, new Canadians, and younger entrepreneurs all have trouble raising capital to support their ventures. But without adequate data that can be parsed by demographics, it is difficult to quantify the scope of the problem or to tailor resources to better serve these segments of the population.

Measuring the Contribution to Deepening the Entrepreneurial Talent Pool in Canada. Finally, an attempt should be made to better understand the contribution that BABIs make to skills development and network enrichment. Participants and stakeholders report that an accelerator experience typically leaves a positive imprint on individuals, helping them learn rapidly, create powerful networks and become better entrepreneurs, regardless of whether their business ventures succeed or fail. As one VC noted, the founding teams that graduate from accelerator programs typically walk away more focused, better trained, better at delivering pitches, and, above all, more realistic than the firms that don't.

Capturing this contribution to the broader economy could be achieved by not only tracking the evolution of firms that graduate the program, but also where individuals land post-program. Even if graduates of an accelerator or business incubation program ultimately fail as entrepreneurs, they may go on to deploy their newly honed skills and personal networks in other ways that are valuable to society. Leading a successful skunk works program at a large company or becoming a valuable employee in someone else's start-up are not necessarily bad outcomes for an accelerator graduate, especially for the individual in question. However, they are not the outcomes for which incubators and accelerators are typically measured or rewarded. Conducting in-depth network analyses on the flow of BABI participants within an economy represents a medium-term project aimed at uncovering these impacts.

Follow-On Funding

The topic of follow-on funding and the general environment for raising capital within Canada were frequent discussion points for the leaders of Canadian incubators and accelerators, and naturally for the VC groups interviewed for the study. Conversations focused on whether there were major discrepancies in the availability of financing across sectors, regions, and stages of growth; on the level of success in attracting follow-on funding for accelerator graduates; and on the role the angel investors and other stakeholders in supporting high-potential companies.

Availability of Follow-On Funding Differs Significantly Across Sectors, Regions and Stages of Growth. In particular, organizations serving sectors such as agritech and biotech note the absence of coordinated sources of capital, be it public, venture, or angel. These gaps overlap in some cases with regional funding challenges, in particular in Atlantic Canada. The small size of graduating cohorts and an overall lack of deal flow in the region make it difficult to capture the attention of VCs and angel investors. While graduating companies in Atlantic Canada often look to sources of funding in Montreal and Toronto, one interviewee suggested that critical mass could be achieved by aligning the investment attraction efforts of incubators and accelerators across Atlantic Canada in order to generate sufficient deal flow to justify the investment in time that VCs would require to evaluate the opportunities that exist across the region.

Risk Capital for Early Stage Ventures in Canada is the Most Scarce. Opinions are mixed on whether Canadian entrepreneurs lack access to capital. A majority of interviewees indicated that good ideas rarely have trouble finding money either in Canada or in the United States, and that the complaints about a lack of capital come mainly from firms and BABIs that simply aren't good enough. On the other hand, numerous interviewees argued that Canada hosts a small pool of overly cautious investors and that the lack of serious VC money to scale companies—including the capital required to fund aggressive acquisition-driven growth strategies—is a systemic disadvantage for the Canadian ecosystem. Participants tended to agree, however, that there is funding gap in the $200,000 to $500,000 range, including for ICT firms. While proven companies have been able to attract adequate seed and Series A financing, both public and private accelerators argued that the Canadian investment

community doesn't have the risk tolerance or portfolio size required to support small investments in early stage companies. One interviewee described investing in early stage investment as "a bad business" and noted that larger institutional investors had deliberately steered away from this segment in recent years. Several in the investment community noted that it is hard to compete with US-based investors who often swoop in whenever a highly promising Canadian firm emerges.

Angel Investment in Canada Has Room to Grow and Mature. Angel investment could serve as a valuable source of seed capital and potentially occupy some of the space that institutional investors have vacated. However, several interviewees described the Canadian angel investor community as relatively immature and lamented the lack of coordination between individual investors who frequently bring highly variable expectations about how to structure investments deals. "Angel groups tend to present as monolithic," noted one interviewee, "but you realize it is actually clumps of individuals with no common way to structure the relationship of the company with those individuals." Another interviewee argued that the angel scene in Canada is undervalued and more efforts should be made to engage them, given that angel investors bring both money and entrepreneurial experience.

An Increased Number of Successful Exits Would Be a Game Changer for Canada. Despite an acknowledgement of the general presence of sufficient capital in Canada, there is a clear desire across the sample for more deal flow and, in particular, more successful exits. As one stakeholder noted, "we need more exits—even small exits—as exits completely change the system and change the culture of both investment and entrepreneurialism." A successful IPO, for example, generates wealth not just for the investors, but typically also for the employees that helped build the company from the ground up. That wealth often gets reinvested in the ecosystem in the creation of new companies and often as angel investments in other companies. As the pool of individuals who have experienced a successful exit grows, so too does the overall wealth and vibrancy of the entrepreneurial ecosystem. Indeed, one VC noted that the signs of progress in Canada are clear, as exits are driving experience and a growing pool of repeat founders. "Across Canada the number of high-quality companies is growing," said the interviewee. "The bar on quality is way higher than it was a decade ago too. There are more entrepreneurs and way better entrepreneurs than there ever were."

However, investment-focused BABIs run the risk of prioritizing early exits over the development of sustainable growth companies. One firm described being advised to focus on quickly building subscriptions and selling out. In other words, the focus was on raising money, not making money. "They want us to attract users quickly in order to attract larger investment round," he said, "but we wanted slower growth and to focus on a sustainable business model." Quick exits drive returns for investors, but may not necessarily generate the greatest overall economic benefits for the ecosystem as a whole. Indeed, one VC interviewed counselled firms to think carefully about running after VC investments. "VC priorities are about exits not about a long-term investment in building a company. VC investment means you're burning funds quickly and running towards a cliff. Founders need to decide what they want their company to be: a quick exit or a long-term slow build."

Ecosystem Dynamics

Interviewees were asked to reflect on broader "ecosystem dynamics" that either support or inhibit the growth of high-potential companies in Canada. On the whole, there was a general consensus that the numerous aspects of the Canadian entrepreneurial support ecosystem were improving. Several interviewees noted, for example, that there are now more reasons for companies to stay in Canada then there were five years ago (including the availability of capital, talent, and generous public support of research), but argued that "we still need to work diligently at changing the atmosphere in Canada."

Beyond these general observations, a number of important themes and debates emerged from these conversations.

Greater Specialization Could Facilitate Collaboration Across the Ecosystem. Numerous interviewees made a case for further specialization in the ecosystem of SAOs. They argued that too many organizations are seeking to do the "whole stack" of entrepreneurial support services—from the early stages of ideation through to the later stages of growing a viable company—despite possessing a rather limited ability to properly serve firms along all elements of "the stack." As the founder of one leading accelerator noted, "entities should focus on a specific period in the growth lifecycle. Define and clarify what you do well. Thereafter, let's ensure that we collaborate more actively to create a road map for companies seeking high growth." Another noted, "If each of us focused on less, and focused on our strengths, it would be far easier to collaborate across the system and do better for the companies who we are here to provide for." In other words, the implicit proposition is that some entities are better placed to focus on incubation activities, such as developing and refining a minimum viable product, while others are better equipped to deploy their specialized expertise and networks to accelerate the high-potential companies that emerge from incubation environments. Such specialization would reduce redundancy and, as noted, increase the potential for an efficient "flow-through" of companies along a defined road map of support. This evolution towards specialization would mimic what has already been seen across many venture funds that structure their offerings based on specific sectors or stages of growth.

Hubs Offering "End-to-End" Support Services Occupy a Valuable Niche. Not everyone agreed that specialization by stage and sector was always desirable, particularly in certain regional contexts where interviewees cited the advantages of more comprehensive hubs that can cater to companies at all stages of growth and across a variety of sectors. One advantage of co-locating parallel incubation and accelerator programs in a hub is financial. Organizations that do so can justify placing an intense focus on the incubation of early stage companies if they know there is a chance of capturing a return on their investment when the most promising of those companies enters the acceleration phase where significant growth in revenue, investment, and jobs are more likely. Another benefit to co-location is the opportunity for greater co-mingling and mentorship opportunities across a pool of companies at different stages of growth. Early stage companies, in particular, benefit from closer proximity to more mature firms and founding teams and the ability to "soak-up" insights that such proximity allows. More

mature firms, on the other hand, stand to benefit from the ability to identify and absorb high-quality talent from early stage ventures that fail in the incubation stages.

In considering the relative merits of these arguments, there is a place for both service specialization and end-to-end offerings in different contexts. Specialization makes the most sense in larger urban areas with a concentration of different service providers that could cater to different needs, while regions with less density may only need one hub to serve the population. With mounting pressure to show evidence of an economic impact, however, it is understandable that SAOs would wish to confine their activities to working only with early stage companies. The probability of failure is higher with early stage companies and thus the evidence of progress is more difficult to demonstrate.

If specialization by growth stage is to work for the ecosystem as a whole, some consideration needs to be given to how best to account for and reward the impact of the work that goes into incubating companies at an early stage, given that the greatest economic rewards go to those that achieve successes with more mature firms. Indeed, it would be potentially damaging to the overall health of the ecosystem if SAOs across Canada began to privilege later stage companies and neglect the need to provide the foundational programming required to generate a healthy pool of high-potential companies.

Fragmentation of Entrepreneurial Support Services Increases Search Costs and Reduces Efficiency. Currently, defining where firms in different sectors and at different stages of growth should go for assistance is an arduous task at best. As one hub leader noted, "the ecosystem across Canada is very fragmented. As a result we spend a disproportionate amount of time trying to navigate the entrepreneurial support landscape." There was broad agreement that the creation of two shared assets for the ecosystem could make things considerably easier.

The ecosystem map in Section I highlights the universe of start-up assistance programs across Canada. The digital version of this map provides their defining characteristics. This effort responds to the desires of many stakeholders. One leading accelerator noted that such a map would make it easier for it to recommend alternative avenues for support to the many promising companies that they routinely turn away from their program. Such a map would also enable policy-makers, service providers, and stakeholders to identify both gaps and redundancies in service provision, as well as opportunities for collaboration.

A related asset is an entrepreneurial support services portal that provides one-stop shopping for government support programs across jurisdictions and levels of government. Such a portal would run the full gamut of support services: from R&D tax credits to export development programs. Ideally, firms would only need enter their corporate details once and see at a glance all of the programs for which they are eligible. The services provided by Canada Business Network's and the Industrial Research Assistance Program's concierge services respectively, may evolve into this type of one-stop shop.

Alumni Support Programs are Still Taking Shape Across Canadian Entities. An active alumni community is among the most valuable assets available to business accelerators, and yet very few Canadian entities have fully exploited their potential. Most entities interviewed, however, were in the process of thinking through how best to foster ongoing engagement with graduating firms and alumni, and cited numerous benefits to doing so. An active community of successful alumni companies are not only good ambassadors for the program, but help coach incoming firms, even informally at networking events. Alumni communities are seen by many entities as a vital resource in helping to provide the peer-to-peer support required to sustain success long after the formal programming has finished. And, finally, regular engagement with alumni companies could also improve the likelihood of getting access to the granular performance data required to track longitudinal economic impact metrics.

Attributes of Successful Companies

Several interesting insights emerge related to what makes a successful company. While no organization had conclusive data about what drives entrepreneurial success, several had hypotheses based on their populations of firms.

Management Skills Were Repeatedly Identified as a Critical Success Factor for Canadian Companies. Incubators and accelerators typically attract impressive science and engineering talent that comes equipped with great technical ideas, but few of the management skills required to successfully bring that idea to market. Both BABI leaders and investors lament the relative dearth of go-to-market/sales/execution talent in the Canadian ecosystem, which, according to one investor, has resulted in start-ups with less mature go-to-market strategies than those seen in the United States. Others pointed out the lack of management talent leads to serious growing pains, with some of the most challenging moments in a firm's evolution manifesting when a team of founders must come to grips with what it means not just to invent, but to manage and inspire a growing team of people to carry out numerous complex functions. As one interviewee put it, "The hardest stage in business growth is transitioning from a start-up and a team of founders to the CEO-led management team overseeing the expansion of a growing company." Some of the most successful accelerators in Canada are extremely focused on how to infuse their highly technical founders' teams with the sophisticated go-to-market talent required to achieve scale. Most firms interviewed for the study agree that this focus on building management competencies is key and arguably could go further.

A Partnership and Engagement Mentality is Key to Driving Growth. As one BABI leader put it, "the management team needs to be prepared to go outside their organization to seek solutions. Those that do, tend to grow the fastest. Founders with a strong attachment to their vision and a more controlling disposition tend to grow more slowly. Companies that are more open ones tend to grow more quickly."

Really Understanding the Competition is Key to Differentiating World-Class Business Ideas. One VC-backed accelerator claimed that Canadian firms "often want to convince themselves that what they are doing something that no one else is doing, which is rarely the case." It is essential to truly understand the competitive landscape,

not just in Canada, but around the world. "If you don't see competition, you are not looking properly at the market and you'll go to market with a misunderstanding of your relative competitive position."

The Canadian Ecosystem Needs a Culture of Faster Pivots. Several interviewees, particularly those in the investment community, argued that one attribute sorely lacking in the Canadian ecosystem is a culture of driving faster pivots, weeding out bad business ideas, and generally being more aggressive in speeding up the metabolism of the ecosystem. As compared to the US, some suggested that the Canadian ecosystem is overly nurturing, which means we are producing a large pool of "walking dead" companies that simply aren't good enough to compete on the world stage. "If you're idea is not good or disruptive enough in the US, you quickly get turned away." But no one judges that as failure," said one interviewee. "Unfortunately this attitude isn't prevalent in Canada. So the pool of walking dead just keeps walking around. We have to help these companies hear what the market is telling them."

Internationalization

There is widespread agreement that the relatively small size of the Canadian market makes internationalization a key success factor not only for firms, but also increasingly for the BABIs that support them. In discussions on internationalization, two findings were most evident:

A Small Number of Organizations are Building Bridges with Leading International BABIs. These international partnerships aim, ideally, to create a two-way flow of domestic and international firms between partner organizations. In the short term, these groups are largely focused on the attraction of later stage foreign start-ups to boost revenue potential, attract foreign investors, and create more diverse communities. FounderFuel and Propel ICT are both actively pursuing this model. This model borrows from the success of Y Combinator and TechStars, which are gravitational nodes for start-ups from around the globe.

Canadian BABIs Need to Ramp up their Focus on Internationalization. A natural complement to the inflow of foreign firms is a clear consensus on the need for Canadian companies to look outside of the country early in their growth cycles. As one hub leader noted, "it's far easier for foreigners to come here and pursue Canadian customers then it is for Canadian firms to go elsewhere. We need to help promote that aggressiveness to help promote the development of those larger companies." A leader of a private, VC-backed accelerator noted that the need to get outside Canada isn't just about customers, but rather about validating the relative uniqueness and strength of a company's product or service as compared to those offered by competitors around the globe. "In a small ecosystem, it's easier to believe that something is a great idea," noted one interviewee. "Move to the bigger ecosystem and you get to really test if it's good, and you get more space to ideate around potentially crazy ideas."

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Section III: Data on Outcomes and Effectiveness

Data on the effectiveness and outcomes associated with accelerators and incubators is, globally, a rather opaque field. With little standardization across organizations as to what metrics to collect and publish, as well as the methodologies therein, the ability to build meaningful analysis is made very difficult. What data does exist depends on pooled sources and poses some rather significant methodological challenges.

The most complete is that produced by Seed-DB—an online database of seed accelerators and their companies. As of May 31, 2015, Seed-DB aggregated data on 234 programs worldwide. These SAOs have hosted 4,823 companies with 305 exits worth over US$3.5 billion and over US$10 billion in funding raised. The Global Accelerator Network (GAN) highlights that as of May 31, 2015, its network of over 70 accelerators worldwide have contributed to the creation of over 11,000 jobs, US$959 million in aggregate financing, and an average of US$789,000 in funding achieved per participant company.

At the same time, it is worth noting that much of this data remains incomplete, rendering direct comparison between national jurisdictions difficult. In addition, these impressive figures are driven heavily by successful outlier organizations. In fact just one organization—Y Combinator—is responsible for the lion's share of both exits and funding across both datasets. Since 2006, the Silicon Valley-based accelerator has hosted 841 companies, facilitated 101 exits, attracted over two-thirds of the total exit funding at US$2.28 billion, and over half of the aggregate pool of follow-on funding at US$5.6 billion. Removing Y Combinator from the Seed-DB sample, and acknowledging the aggregation of the remaining data over upwards of five years, informs a necessary skepticism about reporting and outcomes in other organizations.

Moreover, while Seed-DB no longer publishes data on job creation, data obtained in May 2013 from Seed-DB data shows that the then-tracked 172 organizations had created over 9,600 jobs at a net-per-job cost of over US$200,000.[1] To be sure, this likely underestimates the number of jobs created in long-run spinoffs and multipliers from successful exits, and fails to capture less quantitative metrics around skills development. Nonetheless, it doesn't create a story of resounding success and instead mimics the per-job funding costs of many traditional industrial subsidy programs.

In Canada, this picture is even more uncertain. Despite overlapping sources of funding, there is no standardized reporting framework for activity and outcomes. While the following tables present key job creation and investment highlights, deciphering this data is made difficult given the aggregation of data over varying time periods, rather than by cohort, and inconsistent definitions of job creation (year-over-year vs. aggregated vs. job years). Moreover, and this is not limited to the Canadian data, the aggregation of data across cohorts and time, and the subsequent use of average figures to denote outcomes, provides for only limited analytical value.

[1]As of March 22, 2013, Seed-DB held records on 172 programs worldwide, within which 2,910 companies took part in accelerator programming. Their data includes 163 exits for US$1,763,558,600 and an aggregate US$2,737,696,772 in start-up funding. 9,673 jobs were created by this grouping.

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These shortcomings notwithstanding, with the data available we seek to answer a series of related questions. We do so by drawing on our review of 20 Canadian organizations that provide either acceleration or incubation activities, and from which data was available. To be sure, the definition of success across this group is not homogeneous. Rather, BABI-enabled outcomes can be divided into three categories: 1) company creation and/or support; 2) job creation; and 3) the receipt of follow-on investment. The relative importance and focus placed on these categories is largely dependent on the structure of the host BABI. Venture-backed organizations such as HIGHLINE or FounderFuel, for example, note a near-exclusive focus on follow-on funding. Others, notably publicly backed organizations such as TEC Edmonton or Communitech, focus more broadly on the development of sustainable companies.

These differences asides, the key questions driving this analysis are as follows:

- What type of BABIs/SAOs achieve the best outcomes?
- What is the impact of BABIs/SAOs on job creation?
- What is the impact of BABIs/SAOs on the obtainment of follow-on funding?

This review finds that on aggregate these organizations have provided start-up services to over 3,500 companies. These companies have in turned attracted over CAD$1.7 billion in follow-on investment, and are responsible for the creation of over 10,000 jobs across the country.

AGGREGATE IMPACT OF SELECT STARTUP ASSISTANCE ORGANIZATIONS:

Follow-on Investment	Number of Clients Served	Average Investment	Jobs Created	Avg. Jobs per Client
$1,719,900,000	3,491	$492,666	10,363	2.97

Segregating Organizations by Type Sees the Following Type-Specific Outcomes:

ACCELERATORS:

Follow-on Investment	Number of Clients Served	Average Investment	Jobs Created	Avg. Jobs per Client
$349,050,000	286	$1,220,454	1,340	4.7

HUBS:

Follow-on Investment	Number of Clients Served	Average Investment	Jobs Created	Avg. Jobs per Client
$1,108,850,000	2,889	$383,818	6,653	2.3

INCUBATORS:

Follow-on Investment	Number of Clients Served	Average Investment	Jobs Created	Avg. Jobs per Client
$262,000,000	316	$829,114	2,379	7.5

This data requires caution. In our analysis of organizational data collection, it is clear that no standard methodology exists as to what constitutes a job created or how jobs in alumni companies are tracked over time. Moreover, for both investment and job creation, firms that have participated in more than one organization are subsequently double counted across this data. The aggregate figures provided thus can only serve as an approximate indicator of impact and contributor.

These Caveats Notwithstanding, the Above Tables Highlight Several Key Findings:

- Traditional accelerator programs see higher per-company follow-on investment than other types of SAOs.
- Traditional incubator programs see higher job creation figures. While the aforementioned caveat applies, this may indicate the development of more sustainable growth companies.
- Innovation hubs that provide a wide range of services to start-ups and SMEs operate an important, volume-related role.

And perhaps more interesting, while the subset of accelerators analyzed in this sample is three times larger than the subset of incubators, those incubators have attracted more follow-on investment and a similar average follow-on investment.[2]

[2] It is worth noting, however, that much of this activity is driven by Velocity at UW, which is a significant performance outlier with respect to follow-on funding within the incubator sample.

Within the Three Categories of Organizations, Several Outliers Deserve Mention:

1. Creative Destruction Lab dwarfs all other accelerators with $180 million raised across 36 companies.
2. TEC Edmonton and the Waterloo-based Accelerator Centre show significantly higher average follow-on investments than their innovation hub peers.
3. Velocity at the University of Waterloo is second of all organizations in average follow-on funding, and has the second-highest aggregate investment raised.

These quantitative findings mirror the feedback received from stakeholders in the qualitative process of this project. Across interviews with venture capital stakeholders, we repeatedly heard a privileging of the performance of companies from Creative Destruction Lab, Velocity, and, to a lesser extent, the Accelerator Centre. Moreover, in our analysis of the full sample of 25 organizations across the country, TEC Edmonton presented the most clearly articulated understanding of its data, its participant firms, and of the necessity to build longitudinal data and insight in order to better serve its client base.

Sector-specific organizations, notably those serving the gaming, cleantech, and biotech sectors, show far smaller follow-on investment and job creation statistics. These data should not be interpreted as negative evaluations of these organizations. Rather, as noted in our qualitative analysis of these organizations and sectors, the availability of funding therein remains problematic, owing to the longer lifecycles and revenue generation points in each. The challenge for both these organizations and the policy-makers who interact with them is to help design incentives and interactions between high-potential firms therein and a greater number of potential venture capital and angel investors.

On a regional level, this analysis covers organizations from coast to coast. That said, there is a significant cluster of SAOs in and around core centres in Toronto, Montreal, and Vancouver. In Toronto and Waterloo, organizations with ties to academic institutions—notably Creative Destruction Labs (Rotman), DMZ (Ryerson), and Velocity (UW)—show outcomes that are far above their peers. In other regions, notably Atlantic Canada, while the sample of both organizations and participant firms is smaller, the results vis-à-vis follow-on funding and job creation are both in line with broader national averages.

Overall, the Impacts of these Organizations are Significant.

The 20 organizations from which we collected data are evidently among the most well known and well resourced, and thus we cannot extrapolate from this dataset onto the full population of over 140 such SAOs. That said, the contributions of this grouping—in particular the attraction of over $1.7 billion in follow-on investment and creation of 10,000 jobs—indicate a meaningful contribution to the Canadian innovation and entrepreneurship ecosystem.

As noted, several issues are evident in the data collected. The lack of standardized definitions with respect to job creation makes apples-to-apples comparison across organizations difficult. Moreover, the results highlighted

here are based on the lifetime of a SAO, not annual and thus more directly comparable figures. Finally, while this process sought to collect data on mentorship inputs and application processes, it became clear in the qualitative portion of this project that the ability to standardize value from across both datasets would be impossible owing to vastly different criteria among organizations.

Table 4: SELECT BABI PERFORMANCE DATA – ALL CAD

Type	Organization	Investment	Participants	Org. Ave.	Jobs	Jobs Avg.
Accelerator	Execution Labs	$2,000,000	16	$125,000	20	1.3
	Foresight Cleantech Accelerator	$4,000,000	22	$181,818	40	1.8
	REV Hyperdrive	$24,000,000	34	$705,882	170	5.0
	Creative Destruction Labs	$180,000,000	36	$5,000,000	165	5.0
	HIGHLINE (Extreme + Grow)	$80,000,000	59	$1,355,932	185	3.1
	FounderFuel	$25,000,000	50	$500,000	300	6.0
	Incubes	$10,750,000	20	$537,500	55	2.8
	Propel ICT	$12,000,000	26	$461,538	250	9.6
	Jolt @ MaRS*	$11,300,000	23	$491,304	155	6.7
	Aggregate	**$349,050,000**	**286**	**$1,220,454**	**1,340**	**4.7**
	Average	**$1,220,454**				
Hub	Innovate Calgary	$55,000,000	88	$625,000	180	2.0
	TEC Edmonton	$76,000,000	81	$938,272	360	4.4
	Accelerator Centre	$114,850,000	130	$883,462	1,100	8.5
	PEI Bioalliance	$22,000,000	40	$550,000	–	–
	Communitech	$571,000,000	1,970	$289,848	3,593	1.8
	Wavefront	$70,000,000	120	$583,333	500	4.2
	Bioenterprise Centre	$200,000,000	460	$434,783	920	2
	Aggregate	**$1,108,850,000**	**2,889**	**$383,818**	**6,653**	**2.3**
	Average	**$383,817.93**				
Incubator	Manitoba Technology Accelerator	$2,000,000	16	$125,000	120	7.5
	Ryerson DMZ	$70,000,000	180	$388,889	1,650	9.2
	Velocity at UW	$190,000,000	120	$1,583,333	600	5
	Aggregate	**$262,000,000**	**316**	**$829,114**	**2,370**	**7.5**
	Average	**$829,114**				
TOTALS	**Aggregate**	**$1,719,900,000**	**3,491**	**$492,666**	**10,363**	**2.97**
	Average	**$492,666**				

*Data for Jolt @ MaRS reflects only Jolt programming and not the broader incubation and acceleration activities of the MaRS Discovery District innovation hub where ventures have raised $1.3bn in capital,earned $640million in revenue and created over 5,000 jobs, with 1,269 ventures supported in the 2012-14 period.

Addressing the issue of data standardization requires a pan-Canadian or regional effort. It is worth noting that the GAN collects a standardized set of data across its member network. As of March 2015, GAN highlights the following key outcomes from this data collection:

- On average, it takes companies 4.8 months to raise follow-on funds after completing the accelerator program.
- 52% of companies that have completed the accelerator raised capital and of those, 62% raised over CAD500,000.
- Accelerators receive an average of 273 applicants per cohort.
- Accelerators have an average mentor network of 84 members.
- The average amount of equity taken by an accelerator is 6.3%.
- Graduating companies average 7 jobs created.
- A survival rate of 79%.

While the value of several of these metrics—notably application size, mentor network size, and survival rate—are all questionable, given significant variation in quality therein, there is significant value in the development of a standardized framework for data collection pre- and post-BABI participation.

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Section IV: Conclusions and Recommendations

Developing a dynamic BABI ecosystem in support of Canadian entrepreneurs is, in the words of one VC stakeholder, "a very noble idea." Yet, the fulfillment of the BABI promise, in particular as it relates to the accelerated development of high-growth Canadian companies, will require a refinement of how SAOs structure their programs, how policy-makers measure and assess the return on their investments, and how venture and angel capital investors engage with this community of firms and SAOs.

As the analysis above has highlighted, there is reason to be supportive and optimistic about the role BABIs play in the Canadian innovation ecosystem. Their contribution to the attraction of over $1.7 billion in follow-on investment, and the creation of over 10,000 jobs, is just the start. The rapidly expanding funnel of entrepreneurs and new businesses is similarly valuable, as are the other more intangible benefits—such as encouraging the creation of networks and the cross-pollination of ideas—which they help facilitate within the broader ecosystem.

Gaps remain, however, in the maturation of a sufficient number of these businesses into investment-ready, scaleable companies. Venture capital investors see a far too small outflow of such companies, and the data provided must be understood as having been aggregated over upwards of a five-year period. On an annual basis, deal flow emanating from BABIs and their alumni companies remain quite small.

The senior management of the BABIs engaged for this project are well aware of these challenges. The growing diversity of models and the rapid evolution of orthodox structures and programming approaches are a testament to the strong understanding within organizations of the need to adapt to better serve the firms they host and to provide an enhanced return on the public or private resources that have been invested.

Going forward, facilitating a process of continued innovation and improvement will require a concentrated effort on the development of standardized reporting and measurement frameworks. In its current form, the Canadian BABI landscape lacks transparency as to inputs and outcomes. While we acknowledge that short-term data collection can obfuscate the impacts and contributions of these SAOs, these measurement challenges are not insurmountable. Building a culture of data collection and public reporting is necessary to build confidence and discipline, and facilitate learning across the ecosystem. To be sure, data priorities will differ based on the sources of funding. The development of a customizable dashboard of relevant and priority metrics, based on a standardized data collection methodology comparable across organizations, will go a long way towards building visibility into the positive impacts of BABIs in Canada.

The analysis presented here highlights growth and ongoing refinements in the BABI models, and points to the need to further develop a collaborative ecosystem able to best serve firms and entrepreneurs. The success

of these firms requires a support ecosystem that can better enable the transition of firm founders into chief executives and better expose participant teams to global competition. Across these areas, more granular data on inputs, outcomes, and participant demographics will allow for the development of a better understanding of what firm characteristics and policy interventions lead to success. Building this type of understanding, in turn, will yield significant benefits to all stakeholders in Canada's start-up ecosystem.

What follows is a series of recommendations for these SAOs, as well as the private and public funders who support their activities. While these recommendations are not applicable to all BABIs or their stakeholders, they are designed to address significant ecosystem gaps discovered during the research.

BABIs

- **Further Segment and Specialize Operations by Firm Stage, Maturity, and Potential for High Growth.** While the incubation of a larger pool of entrepreneurs is important, more effort must be placed on identifying firms that could benefit from additional support on their path to high growth. Part and parcel with this is a greater willingness to "cull" or divert firms that show less potential. Creative Destruction Lab's monthly competition, for example, allows for the gradual concentration of resources on a small cohort of high-potential firms. Its success in attracting follow-on funding will not necessarily be replicable, but is nonetheless a model to emulate among organizations dealing with more mature firms.
- **Foster Partnerships Between Organizations** that deal primarily with early stage companies or longer-term incubation efforts, and organizations that offer short-term acceleration services focused on later stage companies. Doing so will form the first stage of a collaborative pipeline that sees specialized entities focus on specific stages of firm growth and/or regional or sector-specific assets, while at the same time ensuring that organizations will not be penalized by a lack of brand or less intense mentorship capabilities.
- **Develop Common Frameworks and Definitions for Performance Reporting.** As it stands, the lack of standardized definitions for job creation, firm survival rates, and other activity and outcome metrics makes comparison and aggregation difficult. While competition for resources and investment drives some organizations to eschew such transparency, the de facto standard should be on the publication of standardized annual results to better inform firms in their search for support, provide a transparent response to public and private funders, and allow BABIs themselves to benchmark their own performance against those of their peers. In so doing, SAOs will be able to showcase their areas of comparative strength, be it by sector, stage, or connections.
- **Develop Linkages with Large and Medium-Sized Firms** who can act as supply chain partners and investors for BABI entrepreneurs. While several SAOs host large firms in their physical spaces, the integration of these stakeholders into BABI programming is very limited. In only two cases, L-Spark and Wavefront, did

we see well-developed channel partner relationships. Both of these cases were in enterprise software related spheres. Expanding such relationships into other sector-specific areas is a necessary component of delivering on firm expectations of connectivity.

- **Introduce More Formal Alumni Services** to ensure both ongoing support for former participant firms and to engage them more actively in the mentorship, and support of current cohorts. The provision of service to such firms will also improve the likelihood of getting access to the granular performance data required to track longitudinal economic impact metrics.

Venture and Angel Capital Investors

- **Develop a Formalized BABI Engagement Model** that places VC partners at the table for cohort participant selection. Inno-Centre's pre-sale qualification process with select investment partners is a model worthy of more attention. This engagement will provide BABIs with an additional level of external validation of their cohort choices, and will better integrate VC partners into the BABI ecosystem. While there will evidently be competition among VC groups for engagement with specific BABIs, the development of rotational schedules—preferably coordinated centrally through a facilitating organization, such as the Canadian Association of Business Incubators —could ensure equal representation.
- **Enhance Existing Angel Investment Networks** to boost levels of investment from wealthy Canadians and to bring some degree of standardization/consistency to deal making between angels and firms seeking investment. Angels remain an underutilized source of investment and entrepreneurial expertise. Their increased participation, especially in non-ICT sectors, would provide significant stimulus to BABIs and associated entrepreneurs.

Policy-Makers

- **Develop a Standardized, Whole-of-Government Approach to Performance Measurement and Data Collection.** This is easily the most pressing policy-related recommendation. Across this work, the effort and frustration voiced by BABIs regarding the different expectations of various funders was clear. Building a standardized framework for the collection of key data at clearly identified stages and for specific organization types would alleviate not just these frustrations, but would also contribute to the development of a robust dataset that could be used to identify which structures and processes are most likely to lead to successful outcomes, however defined.
- **Develop a Dynamic and User-Friendly Ecosystem Map** that displays BABI facilities across Canada, including key characteristics and program offerings. This will offer significant value to firms seeking support, as well as to existing organizations seeking to build complementary partnerships and to those seeking to direct firms to appropriate SAOs. Given the rapidly changing landscape of BABIs in Canada, this product should be an open platform that allows stakeholders from across the ecosystem to contribute data.

- **Develop an SME Internationalization Program** that helps build gradual exposure for appropriate BABI participants to international markets. Existing soft landing programs run by the Canadian Digital Media Network and the Canadian Technology Accelerator initiative (run by the Trade Commissioner Service of the Department of Foreign Affairs, Trade and Development) are both most appropriate for later stage start-ups and SMEs. Developing capacity for earlier exposure, potentially post-BABI graduation, would fill a necessary gap that so far impedes the development of capacity for internationalization within many firms.
- **Sponsor the Development of a Canadian Business Mentorship Network,** offering peer-to-peer connectivity and knowledge exchange among select growth firms and experienced executives in Canada and abroad. Akin to the C100 in Silicon Valley or the QC100 in Quebec, this network will act as a long-term channel for skills development and mentorship among a select group of high growth potential firms, as well as playing an important role in the development of new venture and angel capital funds.

Do BABIs play an important role in Canada's innovation and entrepreneurship ecosystem? Our research lends itself to a resounding yes. Quantifying this impact is difficult, and perhaps impossible, given the lack of standardized data available. However, what little data is available—when combined with a rich qualitative assessment, as has been done here—reveals the foundations of a powerful support ecosystem. It is not, however, without its challenges and areas for further improvement. The recommendations presented here are designed to address these. In the capstone report that follows the dissemination of this report, these recommendations and others will be synthesized into a holistic view of what this strong existing foundation might soon support.

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Appendix: Selected Canadian BABI Profiles

Accelerator Centre *http://acceleratorcentre.com*

Description

As a not-for-profit, the Accelerator Centre (AC) runs three program streams: Jumpstart (12 months with $30,000 in seed funding), Momentum (9–12-month early stage validation program), and Accelerator (2-3-year mentorship and business growth). Its mandate is to accelerate the creation, growth, and maturation of sustainable new technology companies; to promote the commercialization of research and technology rising out of academic institutions; and to generate economic benefit and enhance the strategic importance of the Waterloo Region within Ontario and Canada.

Sectors and Companies

The AC accepts companies that are at the early, mid-, and late stages of their development. Mentors include individuals with expertise in sales and marketing, public relations and communications, technology, finance, human resources, leadership and culture, and design strategy. Each participating company is also provided a dedicated executive-in-residence.

Notable Companies

Magnet Forensics: Magnet Forensics develops software solutions for digital forensic professionals to assist in building cases. Internet Evidence Finder has quickly become a trusted tool for thousands of the world's top law enforcement, government, military, and corporate organizations in over 92 countries. IEF has won "Computer Forensic Software of the Year" for two years in a row and is currently nominated for a third time.

Clearpath Robotics: Clearpath Robotics builds unmanned vehicle robots for research and development. They are dedicated to automating the world's dullest, dirtiest, and deadliest jobs. Clearpath provides robust robotic vehicles and autonomous solutions that are engineered for performance, designed for customization, and built for open source. They were recently named one of Canada's most innovative companies and raised a $14 million Series A.

Anoxify: The Anoxify eLearning platform delivers knowledge in a fun, bite-sized, and personalized way. Organizations such as Wal-Mart, Toys "R" Us, and Johnson & Johnson use Anoxify to educate their employees. Anoxify recently announced a multi-million dollar, multi-year deal with Bi-Lo Holdings, which needed an easy way to provide education and training to its 70,000 associates.

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Structure

The Accelerator Centre is located in Waterloo, Canada, within the David Johnston Research and Technology Park. It provides mentorship, education, facilities, network, and access to funding and services. The AC is supported by funding from the Governments of Canada and Ontario, local governments, and academic and industry partners. Mentorship is provided by eight in-house mentors and a network of about 50 external mentors.

Programs

Benefits to Participation

Depending on the program, participating companies potentially receive $30,000 in funding and 1–3 years' worth of mentorship, services, and facilities.

Program Details

The Jumpstart program started in January 2015 when the AC received $8 million in funding from the Government of Ontario. Jumpstart helps technology start-ups establish and grow their business in the Waterloo Region. Participating companies are provided with $30,000 in seed funding. Momentum is a one-year program, where founders with only an idea receive access to an online market validation process and formal in-house mentoring. The focus is on establishing the business and includes guidance on structure, governance, regulations, legal, and funding. Accelerator is a rigorous 2-3-year program that gives participating companies hands-on mentorship aimed at increasing focus and growth.

Expectations for Participation

Companies are expected to be primarily located in Waterloo and hopefully stay in the region after the AC program. The AC takes 0% equity in participating companies.

Program Completion and Alumni Involvement

Accelerator graduates continue working with other alumni through the Continuum program. Alumni are brought together to gain knowledge and insight into issues such as attracting Series B funding, becoming an SME, and hiring top talent.

Performance Measurement

The AC maintains a complete listing and descriptions of all companies that have participated in its programs. It does not, however, provide any metrics on the success of its portfolio beyond the number of jobs (1,100) and total revenue ($120 million) generated. It also provides a dedicated channel for news from their graduates.

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Communitech www.communitech.ca

Description

As a not-for-profit incubation hub, Communitech provides up to two years of unstructured programming and mentorship. Participating companies do not receive seed funding and do not give up equity. Communitech is host to two incubators: the University of Waterloo's Velocity Garage and Wilfrid Laurier University's Launch Pad. Communitech also offers an acceleration program: Communitech Rev.

Sectors and Companies

Communitech supports companies at all stages, from start-ups to mid-size to large global corporations. However the Communitech Rev program is aimed at technology start-ups ready to scale. Any company is able to join Communitech by paying membership fees. Start-ups are able to apply and join the Communitech Startup Services Group free of charge. Communitech Rev is a subset of the Startup Services Group and welcomed its first cohort of 10 companies in March 2015.

Notable Companies

Communitech Rev just recently welcomed its first cohort of participant companies.

Structure

Communitech was founded in 1997 by a group of entrepreneurs, including Jim Balsillie of RIM and Tom Jenkins of OpenText, with the goal of raising the profile of the Waterloo Region tech community. Communitech is now home to 170 tenant companies, supports over 1,000 in total, and provides "Innovation Outposts" for their 11 strategic partners (Google for Entrepreneurs, BlackBerry, Christine Digital, Canadian Tire, Canon, Manulife Financial, Microsoft, TD, OpenText, Desire2Learn, and Deloite). Communitech is also the headquarters of the Canadian Digital Media Network, which connects 29 innovation hubs across Canada. The Startup Services Group is supported by a network of advisors and mentors, as well as executives-in-residence who act as in-house mentors.

Programs

Selection Process

Communitech Rev typically accepts only 2% of those start-ups that apply.

Benefits to Participation

Start-ups accepted to Startup Services are given a two-year membership, which includes access to the Communitech courses and network, which is made up of over 900 companies, mentors, events, talent, customers, and team members. They are able to participate in unstructured programming at their discretion.

Communitech Rev offers start-ups dedicated mentorship for six months, but no seed funding.

Program Details

Once accepted, start-ups are connected with a specific advisor who works with the founders to diagnose their needs and determine next steps.

The Startup Services Group offers an unstructured program made up of courses. For example, the Business Fundamentals program offers start-ups the knowledge they need to grow, including marketing and sales, legal, governance, company culture, finance and accounting, and compliance.

Communitech Rev is a six-month program designed to take promising start-ups to revenue generation quickly. This course accepted its first cohort of 10 start-ups in March 2015

Expectations for Participation

Start-ups are expected to relocate to the Waterloo Region and work out of the Communitech Hub. Communitech Rev takes 0% equity from participating start-ups.

Program Completion and Alumni Involvement

Communitech Rev graduates pitch their companies to potential investors and are eligible to win a substantial cash prize. Alumni involvement is yet to be determined.

Performance Measurement

Communitech reports comprehensive metrics to its investors on a quarterly basis. Given the complexity of determining "attributable value", these reports are not publically reported. The first cohort of Communitech Rev is currently in session, so potential performance measurement may be forthcoming.

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Creative Destruction Lab *www.creativedestructionlab.com*

Description

Tied to graduate programming at the University of Toronto, non-profit Creative Destruction Lab (CDL) provides an 8-month program for scaleable companies with unique technologies.

Sectors and Companies

CDL supports early stage, science-based technology companies, though it considers all applicants based on their potential to scale and defensibility of their products.

Notable Companies

PiinPoint: PiinPoint collects demographic, competition, and traffic data to give users the ability to explore potential target markets and find the right places to establish storefronts. Current corporate users include Tim Hortons, Colliers, and Capriotti's Sandwich Shop.

Atomwise: Atomwise has created an artificial intelligence that seeks new medicines. The technology recently found evidence for two new medications that could have a significant impact on Ebola. The company also participated in Y Combinator and has since raised $6 million in seed funding.

Vox Pop Labs: Vox Pop takes the journalistic tradition of polling random people on the street about a given issue online. The Vox Pop application allows citizens to better understand themselves and those around them in fine-grained detail. Vox Pop has been used to produce more accurate political predictions in Canada and has recently expanded to Australia.

Structure

The program is funded through the University of Toronto's Rotman School of Management. Support is also provided by a handful of corporate partners. The program's mentorship is provided by a dedicated team of 10 coaches called G7 Fellows.

Programs

Selection Process

The first cohort in 2012-2013 accepted 18 start-ups out of 76 applicants. Prospective ventures must participate in some summer workshops in June/July before applying in August. Interviews take place in September and then the program runs from October until April.

Benefits to Participation

CDL offers participating founders with relationship building assistance, strategic guidance, introductions to customers, partners, recruits, and investors; workshops from Rotman School of Management faculty; legal and accounting services; and drop-in workspace.

Program Details

CDL provides a unique style of milestone-based coaching. Founders meet with the coaches ever eight weeks with the objective of assessing venture development to date and setting new milestones. If the founders do not make adequate progress towards their goals, they may be cut from the program.

Expectations for Participation

CDL takes 0% equity from participating ventures. Founders must be available to meet with the coaches on campus in Toronto.

Program Completion and Alumni Involvement

Founders that work well with the coaches and make significant progress may attract investment from the coaches, which in turn may attract investment by institutional and private investors. Exceptional alumni may have the opportunity to remain involved in CDL as members of the advisory council and/or operating team.

Performance Measurement

Out of 18 participating companies in 2012-2013, eight graduated. Out of 15 participating in 2013-2014, 11 graduated. Beyond the estimated valuation of CDL's graduated companies ($180 million), CDL does not publicly release other performance metrics.

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FounderFuel *http://founderfuel.com*

Description

A for-profit organization, FounderFuel offers a 12-week, mentor-driven program to 10 companies per cohort, twice a year.

Sectors and Companies

FounderFuel states that no company is too late in their development to apply. The accelerator is focused on companies involved in web, mobile, software-as-a-service (SaaS), and gaming spaces, although the specific sector focus is agnostic.

Notable Companies

Vuru: Vuru does two hours of stock analysis in 0.2 seconds. The company provides value-investing analysis for 5,500 stocks. One of FounderFuel's first accelerated companies, Vuru was acquired by Wave Accounting in 2012.

CrowdMedia: CrowdMedia connects companies of all sizes with local videographers, photographers, and drone pilots from around the world in order to create custom brand visuals. The platform has since created 35 million visuals by 50,000 creatives in 24,000 cities. Current customers include Airbnb, popchips, and Diesel.

Mejuri: Mejuri is an online fine jewellery company that leverages crowdsourding to produce unique, in-demand jewellery pieces. Mejuri works by allowing independent designers to submit their unique designs online, the world votes, and the winning designs are manufactured and sold by Mejuri.

Structure

FounderFuel is headquartered at Notman House, Montreal's technology hub. The accelerator is primarily supported financially by BDC Venture Capital. Although the accelerator has to date been focused on attracting and retaining start-ups in Montreal, it recently launched a tour, including stops in Toronto, Ottawa, Montreal, Quebec City, and Waterloo, to attract start-ups from a wider region.

Programs

Selection Process

FounderFuel accepts up to 10 companies per cohort, of which there are two per year. Single founder companies are not eligible to apply.

Benefits to Participation

Accepted companies typically receive $50,000 in seed funding, but hardware companies can opt to receive $100,000 for greater equity. Participating start-ups also get office space and access to over $150,000 in services from Amazon Web Services, Rackspace, and Azure.

Program Details

Accepted start-ups participate in a 12-week program that involves workshops, feature presentations, and one-on-one meetings with mentors and investors. The goal of the program is to get start-ups traction, partnerships, and revenue fast. FounderFuel describes itself as a "high-octane" environment, where founders are surrounded by like-minded entrepreneurial teams, investors, and execs.

Expectations for Participation

In exchange for the program, start-ups give 6% equity, or 9% if the company has opted for $100,000 in seed funding. Start-ups are expected to relocate to Montreal for the 12 weeks of the program.

Program Completion and Alumni Involvement

The 12-week program culminates in a demo day. At demo day, if the company is deemed "venture ready," they are offered a $150,000 convertible note from BDC Venture Capital. Attendees include investors from the US, Europe, and Canada.

Performance Measurement

FounderFuel keeps a list of all alumni companies and their current status. Beyond this, no performance metrics are publicly released.

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HIGHLINE www.highline.vc

Description

HIGHLINE is a venture-backed, seed stage accelerator program that helps tech companies scale their businesses, establish global connections, and secure follow-on funding.

Sectors and Companies

HIGHLINE focuses on companies that are close to product/market fit and have global ambitions. It is agnostic in its sector focus.

Notable Companies

Granify: At the intersection of artificial intelligence and e-commerce, Granify employs big data and machine-learning technologies to enable online retailers to enhance their sales via a SaaS-based solution. Granify has raised $8.5 million in funding to date.

ePACT: ePACT markets itself as a LinkedIn for emergencies: leveraging the power of online networking to better connect and protect families, organizations, and entire communities through any crisis. For organizations, ePACT addresses gaps, minimizes liabilities, and improves crisis response and communications. For families, it is their single emergency record and support network. ePACT has raised over $2 million in funding to date.

Sciencescape: Sciencescape provides a tool for discovering and organizing research. It aims to curate and make sense of the various bits of academic research that are flooding knowledge networks as journal publications have skyrocketed. It has raised $2.5 million in funding to date.

Structure

Although HIGHLINE was established in 2014, it was created out of a merger between Extreme Startups and Grow Labs. The organization is now led by Marcus Daniels, and states that its goal is to become the #1 start-up accelerator outside of Silicon Valley over the next decade. It is funded by a group of angels, entrepreneurs, and VCs.

Programs

Selection Process

HIGHLINE accepts start-ups on a rolling basis, without a structured timeline. Unlike most other accelerators, it is only interested in working with founders that have a proven founding team, minimum viable product in market, and some traction.

Benefits to Participation

Accepted companies are provided with staged investing up to $200,000 in addition to curated co-working space, mobile education, and mentorship.

Program Details

Start-ups are provided with "rapid connectivity" in markets such as Vancouver, Toronto, New York City, and San Francisco. HIGHLINE states that it doesn't offer a generic 12-week accelerator program, but rather offers several specialized products and programs that vary in focus and length. The General Accelerator program, however, as promoted online, states that it is a 10-week program.

Expectations for Participation

Highline targets a 5% equity investment in participant companies.

Program Completion and Alumni Involvement

At this point, details are not provided by HIGHLINE on program completion activities or alumni involvement.

Performance Measurement

HIGHLINE provides information on its portfolio companies, ranked by the amount of funding they have received to date. Beyond this, however, it does not provide aggregated performance measurement of their portfolio companies.

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Propel ICT *http://propelict.com*

Description

Propel is a not-for-profit accelerator backed by the private sector. Propel ICT offers two programs: Launch for early stage start-ups, and Build for businesses that have begun to generate cash flow.

Sectors and Companies

Propel ICT is interested in companies that are early to mid-stage. Companies should have a technology-focused idea and must be focused on customers outside of Atlantic Canada. Their website states that it's never too early to apply.

Notable Companies

LeadSift: LeadSift generates qualified leads by mining publicly available social media data. The application enables sales and marketing professionals to identify, pursue, and engage leads efficiently. The LeadSift algorithm identifies true commercial intent and user preferences from tweets, blogs, and Facebook posts. A member of the first cohort of Propel ICT companies, LeadSift has raised over $1.5 million in subsequent funding.

Analyze Re: Analyze Re uses industry experience to provide pricing and risk management software, which helps reinsurers minimize their risk and maximize their profits. Using a cloud-based computing solution, Analyze Re gives reinsurers a holistic view of relevant data and allows them to make smarter decisions. A participant in the second cohort of Propel ICT, Analyze Re has since raised $1.3 million in subsequent funding.

GetGifted: GetGifted aims to revitalize online marketing for small- and medium-sized businesses. Moving past the idea of daily deals and discounts, GetGifted helps merchants build lasting relationships with local consumers while promoting the value and integrity of their products and services through the simplicity of giving a gift. A participant in Propel ICT's third cohort, GetGifted has since raised $400,000 in subsequent funding.

Structure

Launch accepts nine companies per cohort, twice per year. The Build program accepts six companies per cohort, twice per year. Propel ICT is supported by a team of 12 in-house mentors. The accelerator is funded by participating corporate sponsors, significantly East Valley, a community of innovative entrepreneurs in the business of transforming early stage ideas into successes.

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Programs

Selection Process

For the most recent cohort, the acceptance rate was 27%. Companies are accepted based on a variety of factors.

Benefits to Participation

Launch participants are eligible to apply for a Futurepreneur loan of $15,000. Launch graduates from New Brunswick are eligible to apply for a $100,000 convertible note from the New Brunswick Innovation Foundation (NBIF). If the participants are from Nova Scotia, they are able to apply for $50,000 in funding from Innovacorp.

Build participants are eligible for BDC's $150,000 convertible note program. Build graduates from New Brunswick are eligible to apply for a $100,000 convertible note from the NBIF. If the participants are from Nova Scotia, they are able to apply for $100,000 in funding from Innovacorp.

Program Details

Launch helps entrepreneurs through the early stages of validating, developing, and launching a start-up. Participants engage in weekly video lessons, bi-weekly Q&A webinars with mentors, five personalized coaching sessions, and weekly in-person fireside chats over 12 weeks.

Build focuses on start-ups that have earned initial market traction. This program develops the entrepreneurial skills required to grow the company with a strong emphasis on sales and marketing internationally. Build sessions are held bi-weekly for two full days. The entire program lasts 12 weeks.

Expectations for Participation

Companies must pay a $5,000 fee, which is payable at the end of the program (and only if the start-up is successful in raising third-party funding). Propel ICT takes 0% equity. Participating companies must relocate to Moncton for the duration of their program.

Program Completion and Alumni Involvement

The Build program ends with demo day, while the Launch program does not. Alumni involvement is not noted by Propel ICT.

Performance Measurement

Propel ICT provides a 10-year summary infographic detailing the companies graduated (40+), the amount of income generated by employees in graduated companies ($4.5 million), the number of jobs created (250+), the percentage of companies to receive further funding (74%), and the total of subsequent funding raised by Propel companies ($1.2 billion).

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Ryerson DMZ *http://dmz.ryerson.ca*

Description

Ryerson DMZ is a not-for profit incubation program launched in 2009. Ryerson DMZ provides unstructured programming with no time limits on participation. There is also a for-profit, six-month accelerator called Ryerson Futures.

Sectors and Companies

The DMZ is open to all start-ups that meet its criteria—no Ryerson University affiliation is required. Start-ups must be addressing an important economic or social problem, making use of technology, and have a prototype that is already in the market or is ready to launch.

Notable Companies

500px: 500px is a photographic community powered by creative people from around the world that lets users share, rate, and discover inspiring photographs. 500px graduated from the DMZ in 2011, remains headquartered in Toronto, and has since raised $9.3 million in funding.

DreamQii: DreamQii creates hardware and software products that enhance human intelligence, physical capabilities, and improve quality of life. It accomplishes this by merging the fields of artificial intelligence and robotics with innovative hardware and software products designed for personal, commercial, health, and government applications. DreamQii has recently raised $2.5 million in funding.

Figure1: Figure1 is a photo-sharing app and community specifically for medical professionals to safely share photographs and information about their patient cases. The app is focused on education and patient care, and ensures patient confidentiality by automatically deleting pixels. Figure1 has more than 150,000 users, including 25% of North American students. Figure1 graduated in August 2013 and has since raised $5.7 million in funding.

Structure

Ryerson DMZ is based at Ryerson University in downtown Toronto, but is not limited to students. Opening its doors in 2010, the goal of Ryerson DMZ was to encourage students, alumni, and young entrepreneurs from the community to collaborate, innovate, and create. Ryerson DMZ receives funding through Ryerson University, as well as government grants and corporate partnerships. Revenue also comes in through membership and facility rental fees.

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Programs

Selection Process

Ryerson DMZ's most recent acceptance rate was 16%.

Benefits to Participation

The DMZ provides no seed funding to participating start-ups.

Program Details

Once accepted, start-ups receive four months of access to tailored connections, mentorship, dedicated work-space, and programming. Ryerson DMZ helps start-ups succeed by connecting them with customers, advisors, influencers, and other entrepreneurs.

Start-ups that are further along may be eligible for seed funding through Ryerson Futures. This for-profit model makes selective investments of up to $80,000 in high-potential start-ups. They are then provided with intense observation, education, networking, and development guidance.

Expectations for Participation

The DMZ takes no equity form participating start-ups. Founders must be in close enough proximity to the DMZ to take advantage of the program.

Program Completion and Alumni Involvement

After the four-month program, founders have the option to pay a membership fee to stay on with the DMZ. No demo day is mentioned.

Performance Measurement

The DMZ does not provide any public data on the performance of their start-ups. Neither does it provide a complete listing of alumni companies, but it does give a "select successes" page.

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TEC Edmonton www.tecedmonton.com

Description

TEC Edmonton is a not-for-profit incubator focused on technology-based products, services, or processes. Its goal is to capture the value of innovation in the Edmonton region, for the Edmonton Region.

Sectors and Companies

TEC Edmonton supports technology-based products, services, or processes. Early and mid-stage start-ups benefit from TEC's program. TEC Edmonton also operates a vertical accelerator focused on health services technology.

Notable Companies

Localize Your Food: Localize removes the barriers that keep people from knowing more about their food. The app allows shoppers to make quick, educated choices while helping grocers better communicate what the local products are in their store. Products are given a score based on where it was made, what went into it, who owned the means of production, and how sustainable the process was. In addition to a shelf-labelling system, Localize utilizes bar codes and mobile phone apps to provide detailed information to customers.

LoginRadius: The LoginRadius platform provides a social login and social sharing solution to help businesses understand, engage, and market to their online users. With long registration forms and security concerns deterring users from sharing who they are, and fragmented registration systems failing to create a user's single persona, companies are left unable to truly understand who their customers are. LoginRadius simplifies registration, centralizes user data, and integrates with other applications. LoginRadius recently raised $1.3 million in third-party funding.

Alieo Games: Alieo Games has produced Creative Online Writing, which is a writing game that engages a diverse range of learners. Through playing COW, students improve their writing fluency, are challenged to stretch their creativity, and are guided to use more complex vocabulary.

Structure

TEC Edmonton is a joint venture between the Edmonton Economic Development Corporation and the University of Alberta. TEC Edmonton works with executives-in-residence and technology management professionals to provide mentorship to participating start-ups. TEC Edmonton also operates a vertical accelerator focused on health sciences technology.

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Programs

Selection Process

Prospective start-ups are invited to meet with TEC Edmonton to conduct an initial assessment. If moved on to the next stage, a deeper assessment is completed in order to create an acceleration plan. The program accepts start-ups on a rolling basis and does not have a structured timeline.

Benefits to Participation

Participating start-ups do not receive seed funding from TEC Edmonton. They are, however, given extensive guidance and mentorship, as well as access to TEC Edmonton's growing network of experts, investors, and angels.

Program Details

Acceleration plans may include mentoring from an executive-in-residence; business services, such as market opportunity assessments, business planning, grant applications, product development, branding, and regulatory compliance; technology protection, including intellectual property options and licensing, training through workshops and business competitions, and introductions to key individuals within the relevant sector; physical space, including office, laboratory, and small-scale manufacturing; and assistance with becoming investment-ready.

Expectations for Participation

The TEC Edmonton program takes 0% equity from participating start-ups. Founders are expected to be primarily located in Edmonton to work with TEC Edmonton.

Program Completion and Alumni Involvement

Participants in TEC Edmonton are given the opportunity to pitch their company to TEC's in-house investor group, the TEC Venture Angels, as well as a broader network of angel investors and venture capital funds. Alumni involvement is not noted by TEC Edmonton.

Performance Measurement

TEC Edmonton provides detailed, annual performance measurement statistics. In 2013-2014, TEC Edmonton companies raised $76 million in financing, created 360 jobs, and generated $136 million in revenue. They do not, however, provide a listing of alumni companies.

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Velocity http://velocity.uwaterloo.ca

Description

Velocity is affiliated with the University of Waterloo and currently offers six program streams with unstructured programming and no time limits.

Depending on the program, companies are eligible to apply based on their sector focus, stage, product, and student status. In general, Velocity programs are sector and stage agnostic, with the exception of Velocity Science, Velocity Foundry, and Velocity Fund (details below).

Notable Companies

VidYard: VidYard helps professionals put videos on their websites. Users can import, customize, and analyze their videos through a simple web application. Videos can then be viewed through either a landing page or embeddable player, and VidYard includes social sharing tools to encourage viewers to share the video through social channels. Since participating in Velocity Garage, VidYard has raised over $25 million in funding.

Exvivo Labs: ExVivo Labs is a Waterloo-based start-up that is building next-generation medical diagnostics tools. The company focuses on non-invasive technologies to make various testing procedures safe, simple, and certain. ExVivo recently received $30,000 in seed funding from Accelerator Centre, which is affiliated with Velocity.

Vitameter: Vitameter was the most recent winner of the $25,000 grant from Velocity Fund. Vitameter aims to build on the current trend of bioanalytics apps by creating a system that breaks the blood barrier and allows users to monitor their blood chemistry on a daily basis.

Structure

Established in 2008, Velocity aims to connect Waterloo's thriving start-up community and the University of Waterloo's most ambitious, entrepreneurial students. In the years since, Velocity has grown into six initiatives: Velocity Residence, Velocity Garage, Velocity Alpha, Velocity Science, Velocity Foundry, and the Velocity Fund Finals.

Programs

Velocity Alpha is about helping entrepreneurially inclined students at the University of Waterloo. The program gives interested students the practical, real-world skills they need to start any kind of business. Velocity Alpha consists of weekly workshops, panellist discussions, and networking events over three months. This program is open to UW students with any kind of business idea, tech-related or not. There is no quantitative limitation on the number of participants for this program.

Velocity Residence provides a unique opportunity for UW students to live in an innovative and entrepreneurial environment right on campus. Students are given access to the latest technologies and the opportunity to learn from mentors. Participants must be ambitious, creative students. Students from all faculties and programs are eligible and encourages to apply. The program involves an intensive week-long boot camp followed by a weekly dinner with guest speakers. Residence requires a fee of nearly $3,000 to participate.

Velocity Science is aimed at creating an entrepreneurship program focused on biology, chemistry, and earth and environmental sciences. This program equips students with the right tools and resources to initiate and develop world-class start-ups in the life sciences industry. All members of the start-up must be UW students, knowledgeable about laboratory safety, and contributing members of the Waterloo start-up community.

Velocity Garage houses University of Waterloo students and alumni who need free space and mentoring to kickstart their companies. Prospective participants need a team, less than $200,000 in revenue, must be making a contribution to the Waterloo start-up community, and must be able to meet with the Velocity team regularly.

Velocity Foundry is based in Kitchener and provides students with the equipment, connections, and mentorship necessary to build hardware and life sciences start-ups, even after they graduate. The requirements to participate are the same as Velocity Garage.

Velocity Fund provides very early stage companies with grants following competitions. Grants are available in $25,000, $10,000, and $5,000 awards. Velocity takes no equity in return. The eligibility requirements for start-ups vary depending on the grant amount being pursued.

Performance Measurement

Velocity does not publicly release any specific measurements of their performance.

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Wavefront AC *www.wavefrontac.com*

Description

Wavefront AC is a non-profit, publicly funded accelerator program that provides structured programming for start-ups on an open-ended timeline. Wavefront AC does not provide seed funding and takes no equity. The program is fee based, accepting companies that wish to work remotely or directly within the Accelerator Centre in Vancouver.

Sectors and Companies

Wavefront accepts companies that are in the early stages of their development. It is agnostic in its sector focus.

Notable Companies

Guusto: Guusto is a new social gifting app that offers a thoughtful and easy way to instantly treat clients, colleagues, family, or friends to a little something when you can't be there in person. Send drinks, food, and more. Guusto has raised over $108,000 in seed funding.

Mojio: Mojio is a cellular and GPS device that connects to almost any car for unparalleled insights into what's happening under the hood and behind the wheel. Mojio connects a car to a user's favourite people, places, and things. Mojio has raised over $10 million in funding.

Zipments: Zipments is an on-demand logistics platform providing businesses and individuals with same-day delivery services. Their goal is to liberate consumers and businesses from traditional dispatch and time constrained services. Using technologies to make local deliveries more efficient, convenient, and personable, Zipments allows anyone to get what they need delivered whenever and wherever they like. It has raised $2.3 million in funding to date.

Structure

Led by James Maynard, the larger Wavefront organization describes itself as Canada's Centre of Excellence for Wireless Commercialization and Research. Wavefront AC earns revenue through a funding model that charges participating companies $200 per month. The program is supported by six experts-in-residence.

Programs

Selection Process

Wavefront AC does not publicly list any eligibility or criteria that must be met for acceptance. Prospective start-ups are asked to fill out an online application and are then contacted by the organization to determine next steps.

Benefits to Participation

Wavefront AC does not provide seed funding to participating companies. However, by being a member of Wavefront AC, companies gain access to Wavefront's connections with government and private funders.

Program Details

Most participating start-ups stay in the Wave program for 12 months. Start-ups that work with Wavefront AC gain access to mentorship from executives-in-residence, access to a wide range of experts, specialists, business clinics, and professional partners; learning opportunities through workshops, seminars, and educational programs; a network of collaborators, potential investors, and employees; and flexible workspace if needed (at $300 per month, per desk).

Expectations for Participation

Participating start-ups are required to pay $200 per month that they work with Wavefront, plus $300 per month if they require workspace.

Program Completion and Alumni Involvement

Companies determine in consultation with Wavefront when they are ready to leave the program. Companies typically work with Wayra for 12 months, +/– three months.

Performance Measurement

Wavefront curates a group of "success stories" that details a select number of ultra-successful companies that utilized Wavefront's services. Wavefront also produces an economic impact assessment report, which provides some metrics on the performance of their start-ups, but is mostly geared towards demonstrating positive use of funding received by Wavefront.