

The Regional Municipality of York

Committee of the Whole
Planning and Economic Development
March 12, 2020

Report of the Commissioner of Corporate Services and Chief Planner

ventureLAB 2019 Results

1. Recommendations

The Regional Clerk circulate this report to the Ministry of Economic Development, Job Creation and Trade, ventureLAB and the local municipalities.

2. Summary

This report provides Council with an update on ventureLAB's activities and results from 2019.

Key Points:

- In 2019, ventureLAB, York Region's provincially recognized Regional Innovation Centre, supported \$8.95 million in economic impact, generated job growth, and was awarded \$6.7 million in government funding for new programming
- Funding included \$5 Million for the Hardware Catalyst Initiative – Canada's first hardware and silicon-focused lab and incubator
- A new \$100,000 Entrepreneurship and Innovation fund was created in the 2019 Regional budget that is administered by ventureLAB. Over 60 funding applications have been received and \$20,000 was disbursed in 2019
- ventureLAB's funding partners, including the Region, have increased funding to facilitate growth and expand services to entrepreneurs

3. Background

ventureLAB is York Region's provincially recognized Regional Innovation Centre

ventureLAB is a not-for-profit organization that is part of a collaborative provincial innovation and entrepreneurship network called the Ontario Network of Entrepreneurs. The network includes 17 Regional Innovation Centres and 47 Small Business Enterprise Centres. Four of the Small Business Enterprise Centres are located within York Region in Markham, Richmond Hill, Newmarket and Vaughan.

This network of organizations across Ontario was designed to help entrepreneurs, businesses and researchers commercialize ideas. Regional Innovation Centres like ventureLAB provide a suite of programs and services spanning the full commercialization continuum from idea to market. A list of the 17 Regional Innovation Centres is in Attachment 1.

ventureLAB's mandate extends across all nine municipalities in York Region, as well as Simcoe County and Muskoka District. This report addresses ventureLAB's activities as they pertain to York Region.

York Region has provided funding to ventureLAB to deliver business innovation and commercialization programming since 2011

York Region is a founding member of ventureLAB and holds a seat on the Board of Directors. York Region has provided annual funding to ventureLAB since 2011, when it was founded. Other funders include the provincial and federal governments, the City of Markham, City of Vaughan, York University, Seneca College, Saint Elizabeth Health and several private firms.

ventureLAB is mandated as part of the provincial network to advise and develop talented entrepreneurs to build world-class growth companies in Ontario. ventureLAB develops and delivers support programs and services that target technology-based entrepreneurs starting and growing global enterprises.

4. Analysis

In 2019, ventureLAB continued to demonstrate value to the Region's economy through program results

ventureLAB operates the IBM Innovation Space-Markham Convergence Centre, a 50,000 square foot innovation hub that is home to over 40 tech companies, innovation partners and over 300 jobs. Since 2011, ventureLAB has helped 2,000 businesses create over 3,500 jobs in the region, and supported York Region based companies to raise more than \$58 Million in private and public investment, which includes \$8.95 million in 2019. Last year, ventureLAB engaged 122 York Region based companies through one-on-one advisory services.

Highlights of ventureLAB's programming include:

- **Hardware Catalyst initiative:** ventureLAB received \$5 Million in federal funding, for the Hardware Catalyst initiative (HCI) as Canada's first hardware and silicon-focused lab and incubator. The first cohort of companies is expected to start in early 2020. This project is funded in part by the Government of Canada through the Federal Economic Development Agency for Southern Ontario.
- **Tech Undivided:** ventureLAB received a \$1.7 million investment from the federal government through the Federal Economic Development Agency for Southern Ontario, as part of the Women Entrepreneurship Strategy. This new initiative aims to

bridge gender and diversity gaps in the technology sector to support women in tech; female founders, women working in technical roles, and women leaders in tech companies.

- **Made in York Region – The Future of Tech:** On November 7, 2019 ventureLAB hosted the second annual event at the IBM Innovation Space-Markham Convergence Centre, showcasing 32 exhibitors, and attracted 370 attendees. This event included an ecosystem bus tour with stops at Mircom (Vaughan), Compugen (Richmond Hill) and ventureLAB (Markham) with 43 bus tour participants.
- **Innovation Portal:** In partnership with Economic Strategy, and other regional innovation partners, ventureLAB launched a new digital hub for innovation and entrepreneurial resources. Yrinnovation.ca allows users to find jobs, learn about events, read stories on business leaders and get exciting news from across the Region.
- **Accelerated Growth Program:** 14 companies were accepted into ventureLAB’s program that provides free desk space in the innovation hub, a dedicated advisor to help define company milestones and growth plan, as well as access to educational programs, clinics and consulting services.

ventureLAB directly and positively impacted businesses from across York Region

In 2019 ventureLAB registered 194 new clients with 60 from York Region-based companies. ventureLAB worked on building its profile with activities in targeted York Region municipalities throughout the year, which resulted in an upward movement in client leads from Newmarket, Richmond Hill and Vaughan. ventureLAB’s client uptake in the region came from 6 municipalities in 2019, compared to 5 municipalities in 2018. A breakdown of registered clients per municipality is shown in Table 1 below.

Table 1
New Registered Clients by York Region Municipalities in 2019

Municipality	2019
Aurora	3
East Gwillimbury	0
Georgina	0
King	0
Markham	21
Newmarket	7
Richmond Hill	15
Vaughan	13
Whitchurch-Stouffville	1
Total:	60

Some of the local success stories from ventureLAB's 2019 client engagements include:

- **Caribou** is an Aurora based company that has a platform for matching caregivers who have idle time with patients who are in need of homecare services. Caribou enrolled in the Accelerated Growth Program at ventureLAB where they've received advisory services, help with investor pitch refinement and introductions to the Government of Ontario. In 2019, ventureLAB helped the company revise their business model, helping them raise over \$1 million in private funding and expand their team by 30%.
- **EndBoss Inc.**, is a Markham based game developer that focuses on leveraging the best of digital and real-life experiences. In 2019 they joined ventureLAB's Pre-Accelerator Support Program and became a tenant in the IBM-MCC Innovation Space. They've recently hired a new staff member, and plan to take their business even further in 2020.
- **Intellizence** is located in Richmond Hill and is an award-winning Artificial Intelligence Platform that discovers insights from external unstructured data sources for revenue generation and risk mitigation. They are currently a part of Pre-Accelerator Support Program, accessing ventureLAB's mentoring services, and business educational services.

The Entrepreneurship and Innovation fund will help build York Region's Innovation Network

The Entrepreneurship and Innovation fund is an annual commitment of \$100,000, from the Economic Strategy budget to ventureLAB to drive innovation and entrepreneurship throughout York Region by supporting promising early stage start-ups, accelerators, incubators and community partners. The Region works with ventureLAB, as the program administrator to distribute funds each year to three groups:

- **Stream 1: Community Partners:** focusing on qualified community partners with up to \$10,000 in funding for activities or initiatives that promote, support or enhance entrepreneurship or innovation in York Region.
- **Stream 2: Small Businesses and Entrepreneurs:** provides qualified small businesses or entrepreneurs up to \$15,000 for activities or initiatives related to key business or market development projects.
- **Stream 3: Annual Pitch Competition:** targeted at start up and early stage companies looking for seed funding.

Applications for 2019 launched in November and ventureLAB received 15 applications for Stream 1 and 50 for Stream 2. In addition, 2019 funding was disbursed to one organization through the Community Partners stream and a York Region-based company received \$10,000 under the Pitch Competition stream. It is anticipated the remaining first year of

funding will be distributed by spring 2020, the next call for applications is anticipated to be released by summer 2020.

5. Financial

To support ventureLAB's growth needs and expand services, the Regions approved 2019 included Core Funding of \$150,000 and Entrepreneurship and Innovation Funding of \$100,000 that carries forward into 2020. The new Entrepreneurship and Innovation Fund will be administered by ventureLAB for distribution to promising start-ups, incubators, and accelerators in York Region. Currently, Regional funding accounts for 6% of ventureLAB's total public revenue which includes both core funding and program grants in 2019.

6. Local Impact

ventureLAB serves as an innovation and commercialization hub for companies in York Region across all nine local municipalities. ventureLAB delivers services with municipalities and activities to directly promote economic success and growth of enterprises looking to commercialize products and services. These services compliment overall network development which includes the four Small Business Enterprise Centres as well as innovation hubs and business accelerators across the Region. Local communities looking for provincial support for innovation services and initiatives work through ventureLAB to access programs. The City of Markham provides funding to ventureLAB as a founding member of the organization with a seat on the Board of Directors, and the City of Vaughan also became a funding partner in 2019.

7. Conclusion

Regional Innovation Centres across the province, including ventureLAB, continue to support development and delivery of many support programs and services that target technology based entrepreneurs seeking to start or grow a business. ventureLAB is a key delivery partner with the Region and will play a critical role with innovation initiatives that will help drive Regional economic growth and job creation.

The progress of ventureLAB's results and impact of programs through the Entrepreneurship and Innovation Fund will be reported as part of the annual update to Council.

For more information on this report, please contact Jonathan Wheatle, Director, Economic Strategy at 1-877-464-9675 ext. 71503. Accessible formats or communication supports are available upon request.

Recommended by: **Paul Freeman, MCIP, RPP**
Chief Planner

Dino Basso
Commissioner of Corporate Services

Approved for Submission: **Bruce Macgregor**
Chief Administrative Officer

February 28, 2020
Attachments (1)
#10372846