

The Regional Municipality of York

Committee of the Whole
Planning and Economic Development
April 8, 2021

Report of the Commissioner of Corporate Services and Chief Planner

ventureLAB 2020 Results

1. Recommendation

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 2020 activities and results.

Key Points:

- In 2020, ventureLAB, York Region's provincially recognized Regional Innovation Centre continued to support economic impact and job growth through its services to the entrepreneurial tech community
- ventureLAB pivoted their services and programs to assist businesses across York Region during the COVID-19 pandemic

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. The four Small Business Enterprise Centres located in York Region are in Markham, Richmond Hill, Newmarket (serves the northern six municipalities) 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 in Ontario 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 innovation 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.

\$7 million in Government funding led to the official launch of two new signature programs

ventureLAB leveraged funding from the federal government to launch two signature programs:

- **Hardware Catalyst Initiative (HCI):** Canada's only hardware and silicon focused lab and incubator. Funded in part through a \$5 million investment by the Government of Canada, through the Federal Economic Development Agency for Southern Ontario (FedDev Ontario), this competitive program enables small and medium-sized tech enterprises to accelerate commercialization while growing their businesses.
- **Tech Undivided:** A program that bridges gender and diversity gaps by better supporting women founders and leaders who are underrepresented within the tech sector. Just over \$2 million in funding was provided by the Government of Canada through the Federal Economic Development Agency for Southern Ontario, as part of the Women Entrepreneurship Strategy.

ventureLAB's program offerings cater to tech entrepreneurs at different stages of development with varying needs. Both programs have had tremendous results since launching in early 2020.

4. Analysis

ventureLAB focused on continuing to deliver uninterrupted results and services for companies and partners during the COVID-19 pandemic

The impact of the COVID-19 pandemic was felt across York Region and ventureLAB's clients were no exception. Companies that were on track for rapid growth in 2020 were forced to shift their priorities and pivot their companies and business models. In response to a changing work environment, ventureLAB launched a new Innovation Hub Membership model to support innovative tech start-ups and meet the demands of a hybrid and remote workforce. This model

was created to provide more flexibility for tech entrepreneurs, and to attract and support more tech start-ups throughout York Region who are looking for virtual opportunities for collaboration.

As part of its government relation strategy and response to the COVID-19 pandemic, ventureLAB worked quickly to reinforce its value as a trusted partner to federal and provincial governments, by:

- Holding regular briefings with senior-level decision makers, offering guidance on key challenges faced by Small and Medium Enterprises (SMEs) such as policy considerations to address those challenges, economic relief and recovery, innovation policy and intellectual property
- Providing a channel for entrepreneurs and business leaders to provide feedback and key insights directly to Ministers for webinar engagements, including Q&A with business leaders
- Advocating for and elevating the profile of York Region and its key economic development stakeholders

ventureLAB continues to work with business leaders, partners and government stakeholders to enable growth and sustainability of SMEs through York Region as they continue to navigate the impact of the COVID-19 pandemic.

In 2020, ventureLAB continued to demonstrate value to the Region's economy through program results

Since 2011, York Region has provided about \$1.2 million in funding to ventureLAB. During this time, ventureLAB has helped 2,000 businesses create over 4,000 jobs in the Region, and supported York Region based companies to raise more than \$58 million in private and public investment. In 2020, ventureLAB engaged 112 York Region based companies through one-on-one advisory services. These companies also raised over \$9.9 million.

Highlights of the ventureLAB programming include:

- **Digital Main Street Community Collaboration Program:** As the delivery partner, ventureLAB worked with local Chambers of Commerce/Boards of Trade and the Small Business Enterprise Centres to execute innovation challenges to address business needs during the COVID-19 pandemic. A dynamic pitch competition was delivered at the annual Made in York Region event and the total prize money increased from \$10,000 to \$50,000 through funding from the provincial Digital Main Street program.
- **Made in York Region – Navigating the new reality:** this annual signature tech event ran via a virtual format this year, featuring panels, networking opportunities and technology showcases. The event attracted 472 registered attendees, 1,123 cumulative views, 21,711 sponsor impressions, and 46,655 social media impressions. Thirty virtual meetups and 715 conversations were facilitated.
- **Capital Investment Program:** This program is geared to companies who are ready to scale their businesses. In 2020, the program expanded nationally to support 45

companies. All ventureLAB supported companies successfully raised \$23.7 million in public and private funds, with York Region-based clients accounting for \$9.9 million (42%) in total funds raised.

- **Hardware Catalyst Initiative:** ventureLAB secured several leading equipment, design, and manufacturing partners to create an environment for Canadian-based hardware and semiconductor start-ups to accelerate commercialization. One company was selected from 300 applicants to receive a \$200,000 grant from Natural Sciences and Engineering Research Council (NSERC)

Tech Undivided: Launched in March 2020, 47 applications were received of which seven companies were selected for the first cohort, and five selected for the second cohort. The first cohort companies have created 24 new jobs, earned over \$1.5 million in revenue and raised over \$985,000 in capital. The second cohort launched in August 2020 generated five new jobs and over \$475,000 in new revenue. More than \$2 million in funding was received from FedDev for this program in 2020.

ventureLAB continued to support businesses from across York Region despite the COVID-19 pandemic impacts

The overall number of business engagements declined in 2020 compared to 2019, reflecting the impact of the COVID-19 pandemic. A breakdown of business engagements per municipality is shown in Table 1.

Table 1
Client Engagements by York Region Municipalities in 2019 and 2020

| Municipality | 2019 | 2020 |
|------------------------|-------------|-------------|
| Aurora | 4 | 7 |
| East Gwillimbury | 0 | 0 |
| Georgina | 0 | 0 |
| King | 0 | 1 |
| Markham | 39 | 24 |
| Newmarket | 10 | 2 |
| Richmond Hill | 27 | 10 |
| Vaughan | 25 | 22 |
| Whitchurch-Stouffville | 2 | 3 |
| TOTAL | 107 | 69 |

In 2020 ventureLAB registered 131 new clients including 35 from York Region-based companies. A breakdown of registered clients per municipality is shown in Table 2.

Table 2
New Registered Clients by York Region Municipalities in 2019 and 2020

| Municipality | 2019 | 2020 |
|------------------------|-----------|-----------|
| Aurora | 3 | 4 |
| East Gwillimbury | 0 | 0 |
| Georgina | 0 | 0 |
| King | 0 | 1 |
| Markham | 21 | 13 |
| Newmarket | 7 | 1 |
| Richmond Hill | 15 | 3 |
| Vaughan | 13 | 12 |
| Whitchurch-Stouffville | 1 | 1 |
| TOTAL | 60 | 35 |

ventureLAB continued to administer the Entrepreneurship and Innovation Fund to support local businesses and community organizations

The Entrepreneurship and Innovation Fund is administered by ventureLAB in collaboration with York Region. The fund was first launched in the fall of 2019 with an annual commitment of \$100,000. It continues to drive innovation and entrepreneurship throughout the Region by supporting high potential initiatives from early stage start-ups, accelerators, incubators and community partners. More than 140 applications were received in 2020 with 10 organizations moving forward to receive funding. A total of \$200,000 has been awarded to recipients since 2019 with an anticipated 121 jobs created or maintained. Funding is disbursed through three streams: Community Partners, Small Business & Entrepreneurs and a Pitch Competition. A full list of funding recipients for 2020 is found in Attachment 2.

5. Financial

To support ventureLAB’s growth needs and expanding services, the Region’s approved 2020 budget included Core funding of \$150,000 and Entrepreneurship funding of \$100,000. The

budgeted amount remains the same for 2021. Currently, Regional funding accounts for 4% of ventureLAB's total public revenue which includes both core funding and program grants.

6. Local Impact

ventureLAB serves as an innovation and commercialization hub for technology companies in York Region across all nine local municipalities. ventureLAB delivers services and activities to businesses to promote economic success and growth of enterprises looking to commercialize products and services. These services complement the work of local economic development teams and supports overall network development which includes the four Small Business Enterprise Centres as well as innovation hubs and business accelerators across the Region. The City of Markham and City of Vaughan both provide annual funding to ventureLAB.

7. Conclusion

Regional Innovation Centres across the province, including ventureLAB, continue to support development and delivery of 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 plays a critical role with innovation initiatives that will help drive Regional economic growth and job creation.

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.

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Attachments (2)
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