

BCIC

2011/12 – 2013/14 Service Plan





Library and Archives Canada Cataloguing in Publication Data

BC Innovation Council.

Service plan. - 2011/12 2013/14 -

Annual.

Continues: Innovation and Science Council of British Columbia Service Plan.

ISSN 1718-2654 = Service Plan (BC Innovation Council)

Also available on the Internet.

1. BC Innovation Council - Periodicals.

2. Science and state - British Columbia - Periodicals.

3. Technology and state - British Columbia - Periodicals.

I. Title.

II. Title: BC Innovation Council Service Plan.

III. Title: Innovation and Science Council of British Columbia Service Plan.

HC117.B74

354.2'745

C2006-960002-3

MESSAGE FROM THE CHAIR



Greg Aasen
Chair, BCIC

Dear Minister Chong,

On behalf of the Board of Directors and the employees of BCIC, I am pleased to present the organization's Service Plan for the fiscal years 2011/12 to 2013/14.

2011 is the start of a new decade and with it BCIC is excited to welcome its new CEO Danny Robinson, an entrepreneur with a passion for technology and desire to lead BCIC in its pursuit of making British Columbia the best place in the world to start and grow technology companies.

BCIC is well positioned to execute on its vision and mission set in 2010. More specifically, BCIC's efforts will continue to focus on:

1. Identifying and creating programs that develop and retain entrepreneurial talent and promote the commercialization of technology in British Columbia to close the gaps in our startup infrastructure. From idea conception right through to marketplace success, BCIC aims to ensure that at all stages of the commercialization process, programs are in place to help entrepreneurs successfully progress their company to the next stage.

For example, in fall 2010, BCIC launched the BCIC Mentor Program delivered in partnership with Academy for Technology CEOs (ACETECH). The Mentor Program is a province-wide development program for early-stage entrepreneurs to help improve the success of technology companies in British Columbia. The program will match early-stage entrepreneurs with mentors of strong professional reputation, qualification and experience in the technology industry to provide guidance, advice and support.

In 2011, BCIC will continue to work with startups and its partners in industry and academia to drive the development of a network of incubators and accelerators. Incubators and accelerators are programs designed to accelerate the successful development of companies through an array of business support resources and services. The programs are developed and offered both in the incubator and accelerator, as well as through its network of contacts. Successful completion of a business incubation and acceleration program increases the likelihood that a startup company will stay in business for the long term. An example of such a program is BCIC's entrepreneurship@ program, developed to address the need for the creation and launch of new, sustainable technology companies in British Columbia. Already, the following programs are now in operation:

- entrepreneurship@SFU
- entrepreneurship@UBC
- entrepreneurship@UVic
- entrepreneurship@Wavefront
- entrepreneurship@Bootup

2. Raising the awareness of British Columbia as a great place to start and grow technology companies through multiple channels including traditional media, social media and events, in British Columbia, Canada and beyond.

Our province is home to the most startups per capita in Canada. Moving forward, BCIC intends to step up efforts to promote greater awareness of the progress being made in our startup environment and the successes within British Columbia's technology community, which are impacting Canada's overall knowledge economy.

Through increased communications, the Council will raise awareness of the strength of our province's startup system to ultimately benefit our local economy by retaining skilled talent and attracting new business ventures, investments and partnerships.

Fundamental to the delivery of many BCIC programs are the partners who we collaborate with and the people we employ. BCIC recognizes that it is the quality of its partners in government, industry and academia and the dedication and expertise of its staff that determine the success and longevity of the programs it provides. Without them, BCIC is at risk of not being able to deliver on its mandate; hence, BCIC is committed to nurturing established relationships and working with all partners to strengthen British Columbia's startup environment to develop successful technology entrepreneurs and companies. Together, we are helping to make British Columbia the best place to start and grow technology companies.

The 2011/12-2013/14 Service Plan is prepared in accordance with the Budget Transparency and Accountability Act. The Board is accountable for its contents including the selection of performance measures and targets. This Service Plan is consistent with the government's priorities and overall Strategic Plan, which includes the BC Research and Innovation Strategy. All significant assumptions, policy decisions and identified risks, as of January 14, 2011, have been considered in preparing this Service Plan.

MESSAGE FROM THE CHAIR

Over the next several months, BCIC will assess all programs for alignment to its vision and mission. BCIC has not changed its overall goals, but it has reduced its measures from five to four eliminating the measure: Revenue Growth of Technology Companies in BCIC's Programs and Services. BCIC recognizes the importance of this measure as a way to gauge the growth of technology firms, however the Council has identified that this measure cannot be tracked effectively. We appreciate the strong support from government that has enabled us to deliver on our vision and are determined to provide valuable programs as efficiently as possible, creating value for tax payers.

I look forward to collaborating with you as we seek ways to provide the best economic opportunities for British Columbians. I would like to thank you for your assistance and advice, as well as that of Minister Black, Deputy Minister Don Fast and ministry personnel over the past year. I look forward to continuing to advance BCIC's role in supporting the growth of our knowledge economy to provide a high standard of living for British Columbians.

Yours truly,



Greg Aasen
Chair, BCIC

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ORGANIZATIONAL OVERVIEW

ENABLING LEGISLATION

The BC Innovation Council is a provincial Crown agency operating under the British Columbia Innovation Council Act (Amended in Bill 15 - 2006).

MANDATE

The Provincial Government has provided the following direction to the Council in order to ensure it fulfills its objectives as stated in Section 3, Objectives of Council, of the British Columbia Innovation Council Act:

- Encourage development and application of advanced or innovative technology and the talent that drives it to meet the needs of industry in British Columbia. This includes the implementation, administration and funding of programs and the organization and management of projects and initiatives that serve to further the objectives set out in this section;
- Consider all matters brought to its attention by the Minister and if required by the Minister, report its findings to the Minister;
- Formulate recommendations to the government respecting the acquisition, development and dissemination of scientific, technological and scholarly knowledge to promote the industrial, economic and social development of British Columbia;
- Advise the Minister on implementation of science policy;
- Gather and organize information on scientific research;
- Facilitate discussions on science policy with Canada or a province or with an interested person;
- Recommend to the Minister, the establishment and awarding of fellowships, scholarships, exhibitions, bursaries, grants and prizes to encourage development of improved technology and retention of skilled research personnel in British Columbia; and,
- Evaluate research and development proposals and make recommendations to the Minister respecting funding of these proposals.

VISION

A strong and rapidly growing knowledge economy resulting in a better life for all British Columbians.

MISSION

To promote the development of entrepreneurs and the commercialization of technology.

VALUES

BCIC's core values guide its operations. They include:

- **Integrity:** The Council is firmly committed to meeting the highest standard of integrity expected by citizens and government alike. As a result, BCIC is openly accountable in all its activities by ensuring that efficient, transparent and fair processes are followed.
- **Entrepreneurial Spirit:** Just as BCIC promotes an entrepreneurial spirit amongst those starting ventures in the province, it is committed to fulfilling its own mandate and running its operations with the same entrepreneurial spirit in mind. Being a relatively small agency allows the Council to put creativity and originality at the forefront of its programs.
- **Results-oriented:** BCIC is very results-oriented, gauging its success by the positive outcomes of its activities. The Council is continually monitoring its programs and services with its partners and clients to ensure outcomes clearly fulfill its mandate.

OVERVIEW OF CORE BUSINESS AREAS

BCIC is the Province's lead organization with a mandate to promote the development of entrepreneurs and the commercialization of technology to competitively position British Columbia in today's global knowledge economy. Ultimately, BCIC aims to create the best place in the world to start and grow technology companies.

BCIC firmly believes its role is to ensure the creation of strong healthy startup companies that provide high value jobs and a better life for all British Columbians. As such, it is essential that we continue to successfully grow small companies into larger ones. All of BCIC's programs are designed to support this.

BCIC's programs are often delivered in partnership with organizations and academic institutions, enabling the Council to cater to the specific needs of technology entrepreneurs based on where they are in the commercialization process.

The Council's programs focus on sectors where BC has competitive advantages. These include information communications technology, wireless, digital media, web 2.0, video games, digital animation, special effects, clean technology and life sciences.

BCIC PROGRAMS

BCIC has three program areas with programs and initiatives under each to meet its mandate. The program areas are as follows:

- Entrepreneurial Talent Development and Retention
- Commercialization of Technology
- Technology Awareness

PROGRAM AREA: ENTREPRENEURIAL TALENT DEVELOPMENT AND RETENTION

BCIC helps to foster an environment that encourages people to become entrepreneurs. BCIC is also helping to create the entrepreneurial infrastructure and high quality jobs that will allow entrepreneurs to stay and succeed in British Columbia. For example:

- ACETECH's Regional Outreach Program:** BCIC has partnered with ACETECH to deliver their Growth Strategy Program to develop technology CEOs throughout British Columbia. ACETECH delivers programs with best practices, experience-based learning and ongoing mentoring exclusively for CEOs of technology companies.

All of BCIC's programs related to business incubation and acceleration are heavily oriented toward the development of entrepreneurial talent.

PROGRAM AREA: COMMERCIALIZATION OF TECHNOLOGY

BCIC's commercialization of technology program area focuses on building incubators, accelerators and facilitating partnerships between academia and industry to solve real world problems through direct and applied research.

- Building a network of incubators**

BCIC is building a network of incubators inside educational institutions to train students to become entrepreneurs and launch startup companies. For example:

- **entrepreneurship@UBC:** BCIC has developed this program at UBC to provide students with mentorship from the business community and an opportunity to start their companies with pre-seed capital from the program's venture fund.

- Building a network of accelerators**

BCIC is also building a network of business accelerators to rapidly grow early-stage technology companies through a variety of programs. For example:

- In August 2010, BCIC partnered with Wavefront, the Vancouver-based commercialization centre accelerating the growth of Canada's wireless and new media companies, to create **entrepreneurship@Wavefront**, a program designed to support and nurture eight early-stage British Columbia wireless companies for their first 12 months as they move from technology concept to commercial launch.

OVERVIEW OF CORE BUSINESS AREAS

c. Increasing partnerships between academia and industry

BCIC will also be instrumental in increasing partnerships between academia and industry to solve real world problems through direct and applied research.

- BCIC's annual **CONNECT** event is currently the flagship for introducing industry people to research teams from academia.

PROGRAM AREA: TECHNOLOGY AWARENESS

Underlying all its programs and initiatives, BCIC aims to increase awareness of British Columbia's science and technology sectors domestically and internationally. BCIC does this by:

a. Linking BC companies to international growth opportunities

BCIC links British Columbia technology companies to opportunities that provide international exposure and offers the potential for valuable connections leading to partnerships, collaborations and growth.

- For example, BCIC supports the **C100**, a non-profit, member-driven organization dedicated to supporting Canadian technology entrepreneurship and investment. C100 members are passionate about leveraging their collective experience and relationships to bridge the gap between the Silicon Valley and Canada by helping to mentor, grow and connect a new generation of successful Canadian-led technology companies.

b. Increasing awareness of BC achievements

BCIC increases awareness of the incredible achievements of British Columbia's technology community through prominent recognition events. For example:

- **BCTIA's Technology Impact Awards:** BCIC helps promote and celebrate individuals and organizations that have made outstanding contributions to the development of British Columbia's science and technology industry.
- **CONNECT and the BCIC Awards:** BCIC has developed CONNECT, a unique networking event that provides technology startups with access to prominent British Columbia technology leaders to receive valuable feedback and advice. Last September, the BCIC Awards were presented together with the BCIC-New Ventures Competition awards, recognizing the outstanding achievement in our technology community.
- **Success Stories:** BCIC is raising the awareness of British Columbia as a great place to start and grow technology companies through increased communications from traditional media, social media and events to draw attention to the strength of our startup environment to benefit the local economy.

BENEFITS FOR BRITISH COLUMBIANS

A fundamental function of BCIC is to promote the development of a knowledge-based economy in the province. In the context of BCIC's mandate, this can be best accomplished by developing successful technology entrepreneurs and companies that will create jobs and tax revenues for the province. BCIC's programs help train entrepreneurs and monetize research in to commercial ventures. In the process we are also increasing awareness of BC as a viable location for the international business community to invest in.

SHIFTS IN BUSINESS AREAS AND PROGRAM DELIVERY

BCIC continues to evaluate its programs on a regular basis and as a result, changes may be made to tailor programs for specific needs; however, BCIC does not foresee significant shifts in core business areas and program delivery.

PRINCIPAL PARTNERS, CLIENTS AND STAKEHOLDERS, DELIVERY OF SERVICES

BCIC develops and implements many of its programs and services through partnerships. To that end, the Council frequently enters into partnerships with federal and provincial government agencies, research institutions and industry and regional groups to develop its programs.

BCIC also has a unique role in facilitating partnerships between academia and industry to solve real world problems through direct and applied research. Such partnerships result in increased commercial activity.

OVERVIEW OF CORE BUSINESS AREAS

LOCATION OF OPERATIONS

BCIC's office is located at the Leading Edge Technology Centre in downtown Vancouver, where technology industry associations and other complementary organizations are also located. These include:

- Academy for Technology CEOs (ACETECH)
- BC Technology Industries Association (BCTIA)
- Digital Media and Wireless Association of BC (DigiBC)
- Leading Edge Endowment Fund
- LifeSciencesBC
- National Research Council Canada – Industrial Research Assistance Program (NRC-IRAP)
- Science Fair Foundation BC

CORPORATE GOVERNANCE

BCIC follows, and is in compliance with, the Board Governance guidelines posted on the Board Resourcing and Development Office (BRDO) website.

ROLE AND MEMBERSHIP OF THE BOARD

The Lieutenant Governor, through Order-in-Council, appoints the members of BCIC's Board, and delegates the role of the Chair. The Board Chair reports to the British Columbia Legislative Assembly through the Minister of Science and Universities. The Board of Directors has 13 members:

- Greg Aasen, Chair
- Jonathan Burke
- Gurval Caer
- Robin Ciceri
- Jock Finlayson
- Richard Glickman
- Doug Horswill
- Greg Kerfoot
- Jill Leversage
- Martha Salcudean
- Cheryl Slusarchuk
- Morgan Sturdy
- Alan Winter

There are currently two vacancies.

The Board:

- Sets the strategic direction and approves appropriate plans from management;
- Recruits, empowers and monitors the executive management;
- Shepherds and safeguards Council resources, approving major financial decisions, ensuring internal controls are in-place and addressing areas of risk; and,
- Measures corporate performance, reporting regularly to the stakeholders to ensure compliance with applicable laws and ethical standards.

BOARD COMMITTEES

The Audit and Finance Committee helps the Board fulfill its obligations and oversight responsibilities relating to the audit process, financial reporting, corporate control systems and risk management. When required, it makes recommendations to the full Board for approval.

- Committee members: Jock Finlayson, Jill Leversage, Jonathan Burke

The Governance and Board Nomination Committee reviews Board policies and practices, ensuring the Council fulfills its legislated mandate and implements effective due diligence over the Council's governance.

- Committee members: Richard Glickman, Greg Kerfoot, Morgan Sturdy

The Programs Committee reviews and approves all major programs BCIC manages and brings forward for due consideration. The Committee may, from time to time, be the source of new Program ideas and the design thereof.

- Committee members: Greg Aasen, Greg Kerfoot, Alan Winter

The Human Resources and Compensation Committee assists the Board in fulfilling its oversight responsibilities with respect to the Council's staff policies and practices.

- Committee members: Richard Glickman, Alan Winter, Doug Horswill

CORPORATE GOVERNANCE

SENIOR MANAGEMENT TEAM

Danny Robinson – Chief Executive Officer

Lisa Payne – Chief Financial Officer, VP Business Development

Lin Kishore – Director, Marketing & Communications

Paulin Laberge - Entrepreneur-in-Residence

Mark Payne - Entrepreneur-in-Residence

GOVERNANCE PRINCIPLES AND COMPLIANCE

The Council's Board has adopted the guiding principles outlined in the Province of British Columbia's Governance Framework for Crown Corporations in establishing a framework from which to operate.

These principles include:

- Stewardship, leadership and effective functioning of the Board
- Performance and value, innovation and continuous improvement.

The Council's governance documents and related disclosure practices are available at www.bcic.ca/about-us/about-us/board-of-directors/governance, as well as from BCIC's Chief Financial Officer, Vice President Business Development, who keeps a full log and library of all documents related to Council and its activities.

STRATEGIC CONTEXT

SHIFTS IN INTERNAL OPERATING ENVIRONMENT

BCIC's Service Plan presents a financial forecast consistent with previous years to comply with the Crown Corporation Service Plan Guidelines. As many BCIC programs are delivered in collaboration with our partners including members of industry, academia and government, changes within any of these entities may impact BCIC's initiatives. To reduce such risks, BCIC follows established rules of conduct when entering into agreements with external organizations.

As BCIC executes on its mission under the leadership of its new CEO, it will focus on program delivery and on ensuring programs are effective and meeting the needs of technology companies. As a result, to support program delivery, salaries and benefits expenditures will be slightly higher than the 2009/10 fiscal year. This will ensure that BCIC has increased staff to meet its mandate. BCIC will develop its organizational culture to ensure staff are engaged with BCIC's customers to better fulfill its mission.

Further, BCIC supports the operations of eight regional science and technology councils and university-industry liaison offices. BCIC will continue to work closely with the Ministry of Science and Universities and other funding partners to maintain a clear understanding of future projections and will align capacity and programs in accordance with funding levels.

ECONOMIC AND INDUSTRY FACTORS, TRENDS, OPPORTUNITIES AND CHALLENGES

Taking into consideration that we are emerging from a period of tough economic times and that the Province's technology industry is becoming more active with increased startups and VCs, it is more important than ever to continue to deliver relevant commercialization programs for economic growth and prosperity in British Columbia. Now that we have turned the corner into a new decade, BCIC is strengthening our province's knowledge economy through its established partnerships with industry, government and research institutions and moving to scale its programs to meet the growing needs of the market. The net result is the entrepreneurial infrastructure necessary to support the commercialization of technology.

SIGNIFICANT FINANCIAL AND OPERATIONAL RISKS AND OPPORTUNITIES

BCIC operates with support from its primary funder, the Ministry of Science and Universities. In addition, BCIC relies on both the financial support from the private sector and volunteer participation from recognized experts and leaders in their fields. Further, BCIC leverages funding from other sources to continually increase its participation in the growth of the knowledge economy.

With the endorsement of the Premier, the 10th Premier's Technology Council Report, the Global Connect Report and the BC Research and Innovation Strategy, BCIC's plans are ambitious, yet achievable. It is important to recognize that building the knowledge economy is a long-term objective and an opportunity requiring partners at all levels of government, institutions and the private sector to remain committed to its growth. The current economic climate may lead to temporary set-backs, including hesitation from emerging entrepreneurs to launch their startups as a number of sectors in the overall economy face a tough business climate. However, it is BCIC's role to remind British Columbians that jobs in science and technology based industries contribute to the overall economy at a higher rate than the average job created in our province. Therefore, investment in these sectors creates a proportionately greater tax-base and accelerates economic growth.

CURRENT CAPACITY TO ACHIEVE RESULTS

BCIC has the capacity to achieve its goals. In cases where it does not, it will leverage talent, relationships and strategy to deliver outstanding results. BCIC will develop the partnerships necessary to achieve its mission towards its vision of establishing British Columbia as the best place in the world to start and grow technology companies.

GOALS, OBJECTIVES, KEY STRATEGIES, MEASURES AND TARGETS

BCIC GOALS AND PERFORMANCE MEASURES

The Council continues to work with industry, government and the province's academic institutions to identify opportunities and gaps in its strategies directed at developing entrepreneurs and promoting the commercialization of technologies. Once identified, BCIC works together with these partners to address these needs through the development of new initiatives or the refinement of existing ones.

BCIC plays an integral role in helping shape the development of British Columbia's knowledge economy. Because this role is so fundamental for economic development in British Columbia, the Council considers it critical to have accurate performance measures to track its progress in fulfilling its mandate. BCIC has not changed its overall goals, but it has reduced its measures from five to four eliminating the measure: Revenue Growth of Technology Companies in BCIC's Programs and Services. BCIC recognizes the importance of this measure as a way to gauge the growth of technology firms, however the Council has identified that this measure cannot be tracked effectively.

GOAL 1: ENTREPRENEURIAL TALENT DEVELOPMENT & RETENTION

Building the entrepreneurial infrastructure and creating high quality jobs for British Columbians

To meet the growing need for highly qualified personnel within British Columbia's technology sector, BCIC fosters an environment that encourages British Columbians to become technology entrepreneurs. BCIC is further helping to build the entrepreneurial infrastructure and create high quality jobs for British Columbians.

Objective

- To improve early-stage commercialization skills of entrepreneurs in the British Columbia science and technology community. Examples of these skills include business management, leadership, ability to communicate with investors, customers and other stakeholders.

Strategies

- Identify and provide relevant knowledge and training to support early-stage entrepreneurs to commercialize their concepts.
- Partner with educational institutions and industry organizations to provide relevant knowledge and training for early-stage entrepreneurs.

Program Example

BCIC has developed a program with the Bootup Entrepreneurial Society, a community-based startup organization that supports early-stage digital media and web 2.0 entrepreneurs. The goal of this program is to increase the number of digital media startups that reach commercial success and to raise awareness of British Columbia's burgeoning digital media startup community locally and abroad.

Measure 1: Action Plans for Technology Entrepreneurs		
The number of Action Plans completed by BCIC for technology entrepreneurs that will directly advance their early stage commercialization skills and improve their chances for commercial success.		
Future performance targets		
2011/12	2012/13	2013/14
77	80	83

Description of Measure

This measure records the number of Action Plans developed and completed for early-stage entrepreneurs by the Council. An Action Plan is a document describing strategies and next steps as recommended by Council experts to improve entrepreneurs' business plans, enhance their skills and marketability and improve their opportunities to gain access to capital funding. Performance targets are based on similar past Council activities.

Importance of Measure

An Action Plan provides expert advice to help budding entrepreneurs understand what their "best and most important next steps"

GOALS, OBJECTIVES, KEY STRATEGIES, MEASURES AND TARGETS

are in the development of their enterprises. A solid business foundation of key skill sets is vital in the early stages of entrepreneurial development – an area where the Council can provide invaluable advice and guidance. Each technology entrepreneur that receives an Action Plan will have a much greater chance of commercial success, leading to long-term business growth and higher quality jobs for British Columbians.

Measure 2: Satisfaction Rating of BCIC's Programs and Services

The percentage of BCIC clients who are satisfied that the Council's programs and services will help advance the commercialization of their technology.

Future performance targets		
2011/12	2012/13	2013/14
73%	75%	77%

Description of Measure

This measure provides a percentage of the general satisfaction BCIC clients have with the Council's programs. This measure is based on sample surveys where satisfaction is defined as a value of 7 or more on a 10-point satisfaction scale. Performance targets are based on similar past Council surveys.

Importance of Measure

An important measure of BCIC's success comes from the feedback received by its technology clients who participate in the programs and services offered by the Council. The results will enable BCIC to assess how well it is delivering on its mission. The resulting information will help to shape, refine and improve Council offerings and position BCIC as an integral component to the growth and success of its client companies.

GOAL 2: COMMERCIALIZATION OF TECHNOLOGY

Building incubators, accelerators and facilitating partnerships between academia and industry to strengthen technology commercialization in British Columbia

BCIC is supporting the provincial shift from a resource to a knowledge-based economy by helping to commercialize technology and to effectively strengthen the province's global competitive position. The net result will be a more vibrant economy and more high quality jobs for British Columbians.

Objective

- To increase the number of new businesses in BC's technology sector.
- To increase the growth rate of small and medium-sized (SME) businesses in BC's technology sector.

Strategies

- Build a network of incubators inside educational institutions to train students to be entrepreneurs and launch startup companies.
- Build a network of business accelerators to rapidly grow early-stage technology companies.

Program Examples

- **entrepreneurship@UVIC:** This incubator program is a partnership between BCIC and Wesley Clover at the University of Victoria. The program's mandate is to turn post-secondary students and recent graduates, working in pre-commercialization teams, into entrepreneurs through practical training and mentoring as they develop marketable technology solutions for existing industry problems.
- **BCIC's Annual CONNECT Event:** This annual networking event provides an unparalleled opportunity for university research teams to meet and connect with industry executives.

GOALS, OBJECTIVES, KEY STRATEGIES, MEASURES AND TARGETS

Measure 3: Startup Growth Components Achieved by Entrepreneurs

The number of key Startup Growth Components achieved by entrepreneurs who have been directly supported through BCIC's programs and services.

Future performance targets		
2011/12	2012/13	2013/14
130	135	140

Description of Measure

This measure captures key Startup Growth Components (please see Appendix A for a complete list of these Components) entrepreneurs need to accomplish to effectively commercialize their concepts, paving the way for their early-stage growth. These Components can be customized to meet the unique needs of each entrepreneur, such as for their specific industry sector or for their company's life stage. The following are examples of Startup Growth Components: i) early-stage market research plan, ii) IP strategy, iii) revenue model, iv) risk assessments, v) financing plan and vi) strategic selling and sales processes. Performance targets are based on similar past Council activities.

Importance of Measure

It is imperative that British Columbia is able to expedite the commercialization of technology to increase the province's rate of economic growth as well as its competitive advantage. To help accomplish this, entrepreneurs need to have as many key Startup Growth Components achieved as possible for a solid business foundation for the success of their companies. The higher the number of key Startup Growth Components achieved by an entrepreneur, the greater their chance of commercial success.

GOAL 3: INCREASE AWARENESS OF BC'S KNOWLEDGE ECONOMY

It is important to increase the awareness of the knowledge economy in British Columbia and its vital role for the future growth of the province. BCIC supports this by increasing the awareness of successful local technology companies and by helping to establish our province as a world class destination for international technology companies to establish a presence.

Objective

- Increase awareness of British Columbia's science and technology sectors and their achievements domestically and internationally.

Strategies

- Develop and promote success stories of BC technology entrepreneurs through print, digital, broadcast and social media, industry associations and other channels.
- Increase awareness of BCIC among BC's science and technology stakeholders.

Program Example

BCIC will be partnering with industry associations, regional science and technology councils, academic institutions and other organizations to identify and promote technology success stories.

GOALS, OBJECTIVES, KEY STRATEGIES, MEASURES AND TARGETS

Measure 4: Technology Success Stories Promoted by BCIC

The number of technology success stories, promoted by BCIC, published through print, digital, broadcast and social media, industry associations and other channels

Future performance targets		
2011/12	2012/13	2013/14
115	120	135

Description of Measure

This measure captures the reach of BC technology success stories and is a count of the number of stories placed by BCIC through print, digital, broadcast and social media, industry associations and other channels.

Importance of Measure

It is essential to increase the awareness of the economic impact and success of technology companies to encourage new entrepreneurs, motivate existing ones and to create an environment that supports the growth of a knowledge economy. This will ultimately lead to more commercial success stories, greater employment in the sector and increased economic benefits for the province.

PERFORMANCE MANAGEMENT SYSTEMS

BCIC's performance management system is designed to provide efficient and practical measurements of the Council's goals. The measurements chosen are quantifiable. This results-focused approach will enable BCIC to see when targets are met, objectives are achieved and assess whether changes to programs and strategies are necessary.

The success of BCIC programs will be measured via the following:

- Surveys: Issued to event participants or attendees. They will be distributed via email following the event or by hand on location to either a random sample of participants or all in attendance.
- Tracking: BCIC will place phone calls to participants to obtain their feedback.

Performance measures will be collected and maintained in-house and reviewed quarterly, or as new data becomes available throughout the year. In cases where BCIC supports initiatives implemented by other organizations, as a condition of support, the Council will require that the same level of tracking and evaluation be implemented and that a report of the results be shared in a timely manner.

BENCHMARKING

One of BCIC's main priorities over the 2011/12 fiscal year is to look at best practices in programs and strategic policies for comparison to other technology centres in the world such as Silicon Valley in the United States. As BCIC develops its programs under its focus areas, it will investigate world renowned cities focusing on entrepreneurial talent development and the commercialization of technologies.

SHAREHOLDER'S LETTER OF EXPECTATIONS

The Shareholder's Letter of Expectations between the Ministry of Science and Universities (Shareholder) and BCIC is an agreement on the respective roles, responsibilities and on corporate mandate including high level strategic priorities, public policy issues and performance expectations. For the 2011/12 fiscal year, the Shareholder has directed BCIC to take the following specific actions:

- i. In light of the current fiscal situation, conduct an assessment and provide a summary report by October 1, 2011 outlining how well the University Industry Liaison Offices and the British Columbia Regional Science and Technology Network member councils are meeting their stated goals and performance measures;
- ii. Work with BCFRST Foundation to develop a new Strategic Plan, including programming and budget recommendations, for the \$50 million Natural Resources and Applied Sciences Research (NRAS) Endowment by October 1, 2011;
- iii. Continue to drive the development of a network of incubators and accelerators to develop entrepreneurial talent and commercialize technology through startups, and continue to drive partnerships between academia and industry through direct and applied research projects, and through this encourage additional industry investment in research and technology; and,
- iv. Provide advice to the Minister, as requested, in support of the advancement of technology commercialization and entrepreneurial science and technology culture in British Columbia.

SUMMARY FINANCIAL OUTLOOK

The Council's core operations and activities are funded by the Province through the Ministry of Science and Universities. BCIC leverages these funds to secure additional funds from other sources for projects, programs and initiatives. The other sources may include organizations within the federal and provincial governments as well as private, public and non-profit science and technology organizations that require the Council's expertise through contract services.

KEY FORECAST ASSUMPTIONS

- The forecast revenues are presented under current government financial requirements guidelines.
- In previous years, the Council was able to use its "Surplus & Deferred Revenue" to support its operations and programming (funds accumulated from past years that were not spent and have been directed to future programs).
- This year, the Council must either use current year funding to continue previous programs where the funding was deferred, or cease the programs.
- The Natural Resources and Applied Sciences Endowment Fund, which is held in trust by BCIC, is external to the Council's core operations. Programs are delivered by the Council under a Memorandum of Understanding with the BCFRST Foundation. It is presented as a separate operating segment and its revenues and program expenditures appear in a separate summary chart.
- Provincial funding is forecast to remain flat. The funding for BCIC is reviewed annually through the budget process.
- Interest rates are set at our current rate ranging from 1.55% to 2.55% in investments.
- Staff adjustments took place through to 2010/11 and the open positions will be filled by 2011/12. The number of full time equivalent (FTE) staff is expected to remain unchanged over the next three years.
- The Council receives funding from the Province that flows through to support eight regional science and technology councils and university-industry liaison offices. The Science and Technology Fund (S&T) transfers remain consistent with the current year; however, these amounts are under review. The forecast includes \$2,964,000 of S&T funding annually.
- The Council will continue to be the steward of the \$50,000,000 Natural Resources and Applied Science Research Endowment originally provided by the Government of BC in 2005/06 for the support of training, research and development in natural and applied sciences. As an endowment liability, it is required that the capital will be preserved.

FORECAST RISKS AND SENSITIVITIES

If there are changes to the level of funding the Council receives from the Ministry of Science and Universities, the Council's ability to leverage Ministry funds to secure additional financing for projects, programs and initiatives from other sources may be affected. Such sources may include various organizations within the federal and provincial governments as well as private, public and non-profit science and technology organizations. Revenues from all program funders depend on those funders' activities and plans.

FUTURE FINANCIAL OUTLOOK

- At the present time, it is assumed that the Council will not be able to access its "Surplus & Deferred Revenue" (funds accumulated from past years that were not spent and have been directed to future programs) and therefore they have not been budgeted for in the Council's forecasts; however, if economic conditions improve, the use of these funds can be reviewed in future years.
- Interest rates are set at our current rate ranging from 1.55% to 2.55% in investments, although it is likely interest rates will increase over the future periods.
- The S&T Fund transfers remain intact in the current year; however, these amounts will be reviewed if budget conditions change in future years.

SUMMARY FINANCIAL OUTLOOK

SUMMARY FINANCIAL CHART

	Actual 2009/2010	Forecast 2010/2011	Budget 2011/2012	Forecast 2012/2013	Forecast 2013/2014
Operating Revenues					
Ministry of Science and Universities (1)					
Annual Funding	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
Additional Funding	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000
External Program Funding	213,000	245,000	200,000	200,000	200,000
Internal Program Funding (2)	2,195,000	-	-	-	-
NRAS Endowment (3)	2,000,000	1,800,000	900,000	900,000	-
Interest & other	62,000	117,000	45,000	45,000	45,000
Total Operating Revenues	12,970,000	10,661,000	9,655,000	9,655,000	8,755,000
Operating Expenses					
Programs and Initiatives	8,079,000	6,347,000	6,038,000	5,972,000	5,972,000
NRAS Program (3)	2,000,000	1,800,000	900,000	900,000	-
Programs Administration	198,000	210,000	174,000	179,000	184,000
Operating/General & Admin (4)	450,000	390,000	419,000	476,000	467,000
Salaries and Benefits (5)	1,915,000	1,580,000	1,776,000	1,820,000	1,820,000
Rent	254,000	272,000	278,000	230,000	234,000
Amortization	74,000	62,000	70,000	78,000	78,000
Total Operating Expenses	12,970,000	10,661,000	9,655,000	9,655,000	8,755,000
Net Income (loss)	-	-	-	-	-
Retained Earnings	6,476,246	6,476,246	6,476,246	6,476,246	6,476,246
FTE #	21	22	22	22	22
Capital Expenditures	78,322	50,000	50,000	50,000	50,000

Notes:

Note 1: S&T funding is \$2,964,000 out of the ministry annual base funding provided to BCIC and flows through BCIC to the regions and university-industry liaison offices.

Note 2: Internal Program Funding is drawn from deferred revenue (\$1,485,000) and contributed surplus (\$710,000).

Note 3: NRAS is included in the forecast above.

Note 4: IT services was outsourced to a new provider and one time relocation costs were incurred.

Note 5: Salaries and Benefits are lower in 2010/11 due to restructuring and timing of hiring new resources.

The above financial information, including forecast information, was prepared based on current Canadian Generally Accepted Accounting Principles (GAAP)

SUMMARY FINANCIAL OUTLOOK

	Actual 2009/2010	Forecast 2010/2011	Budget 2011/2012	Forecast 2012/2013	Forecast 2013/2014
NRAS Endowment Fund	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Interest Accumulated, beginning	3,031,420	1,209,316	79,316	204,316	329,316
Annual investment income	177,896	670,000	1,025,000	1,025,000	1,025,000
Program expenditures	(2,000,000)	(1,800,000)	(900,000)	(900,000)	-
Forecast Interest Balance	1,209,316	79,316	204,316	329,316	1,354,316

The Council will continue to be the steward of the \$50,000,000 Natural Resources and Applied Science Research Endowment originally provided by the Government of BC in 2005/06 for the support of training, research and development in natural and applied sciences. As an endowment liability, it is required that the capital will be preserved.

The above financial information, including forecast information, was prepared based on current Canadian Generally Accepted Accounting Principles (GAAP)

APPENDIX A: STARTUP GROWTH COMPONENTS

CONCEPT

1. Early-stage market research plan
2. Concept description PowerPoint
3. Product positioning statement(s)
4. One page strategic plan (next 12 months)
5. Product or technology focus

RESEARCH

6. Acquiring research customer(s) for market testing
7. Customer pain and demand assessment
8. Competitive analysis
9. Detailed market analysis
10. Business plan PowerPoint (business plan summary)
11. IP strategy (trademarks and patents)
12. Starting a company (trademark name, register company, banking, tax numbers, licenses, permits, company charter and bylaws)
13. Capital or corporate structure
14. Assembling core team
15. IRAP or other sources of government funding (Futureworks, EBC, WD, SRED)
16. Tax jurisdictions (state, provincial, city, federal, capital and permanent residence)
17. Statutory compliance (WCB, labor statutes, licenses, taxes)
18. Compulsory requirements (insurance, bonding, safety, environmental, standards)
19. Identification of the target customer (ideal customer profile)

PROOF OF CONCEPT

20. Secure alpha and beta customers
21. Product commercialization analysis
22. Prototype
23. Business plan
24. Detailed budget and finance plan
25. Key market identification and market size analysis
26. Marketing/sales plan
27. Angel investment PowerPoint
28. Operations
29. Revenue model
30. Pricing strategy
31. Product cost model
32. Warehousing and distribution models

APPENDIX A: STARTUP GROWTH COMPONENTS

EARLY TRACTION

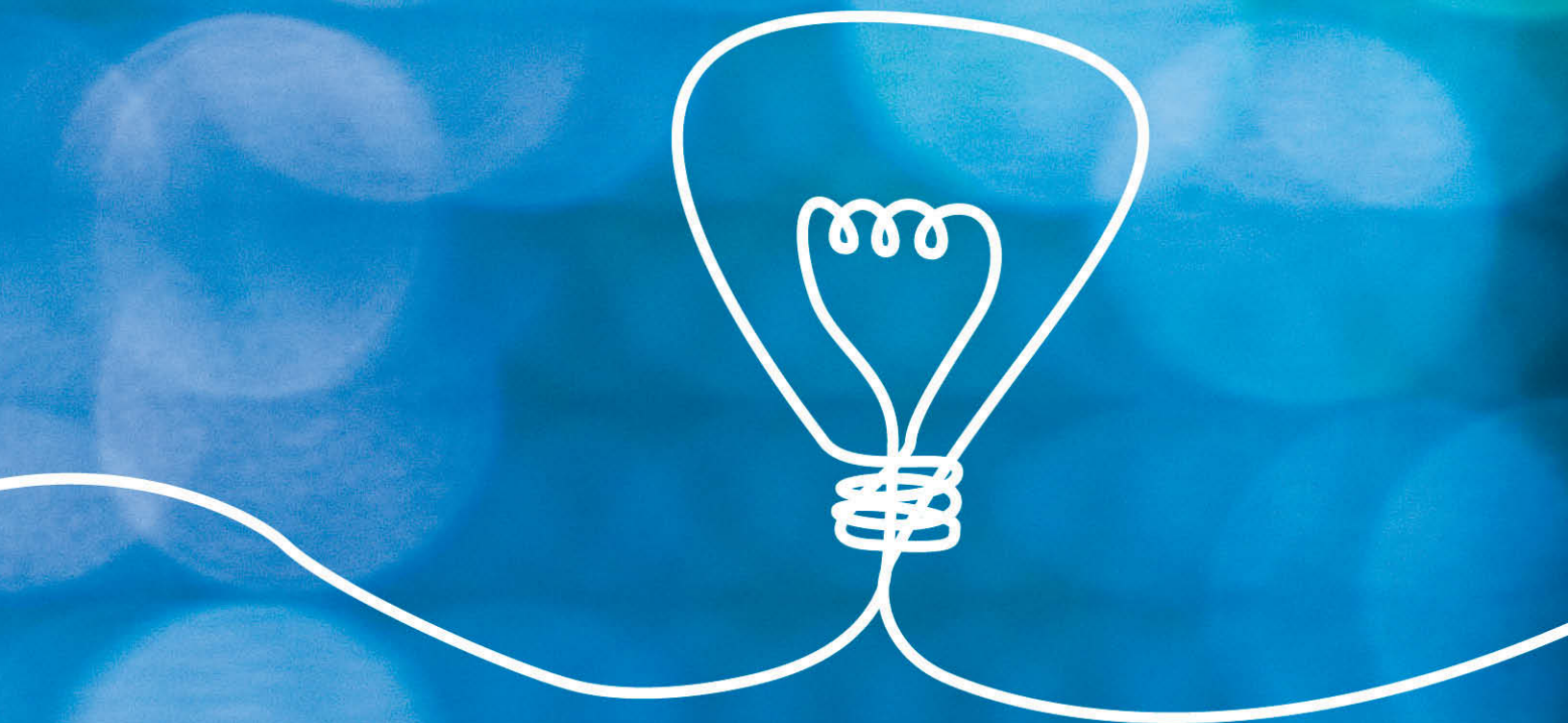
33. Secure lead customer(s) (early adopters)
34. Operations plan
35. Business plan executive summary
36. Business plan
37. 1st or 2nd financing
38. Getting or ensuring the right people are “on the bus”
39. Key agreements: shareholders agreement, employment, contracts, etc.
40. ESOP plan and tracking
41. Financing requirements
42. Financing plan
43. Financing presentation
44. Identify and introduce to sources of financing (angels, VCs, strategic partners)
45. Debt versus equity analysis

EARLY-STAGE GROWTH

46. Technology roadmap
47. Strategic selling and sales process
48. Sales funnel and management
49. Channels to market
50. Strategic partnerships
51. Marketing plan
52. Product roadmap
53. Branding statements
54. Sales plan
55. Exit strategy

OPERATIONS

56. Operations plan
57. Execution plans
58. Price elasticity and sensitivity/ability to manage costs
59. Capital acquisitions versus leasing options
60. Risk assessments
61. Cross border transactions
62. Financial models
63. Budget and cash plan
64. Mission, vision and core values
65. Purchasing, supply chain and logistics strategy
66. Manufacturing or outsourcing strategy
67. Quality control and revision or batch management



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