

A decorative bokeh light effect consisting of numerous out-of-focus circles in shades of blue and white, scattered across the upper half of the page.

BCIC

2012/13 – 2014/15 Service Plan





Library and Archives Canada Cataloguing in Publication Data

BC Innovation Council.

Service plan. - 2012/13 2014/15 -

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 Bell,

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 2012/13 to 2014/15.

BCIC is undergoing an organizational review of its programs and operations, being conducted by the Ministry of Jobs, Tourism and Innovation. BCIC's budget for fiscal 12/13 has been revised and this change will impact program and service delivery.

Under the leadership of our Acting CEO Mark Payne, BCIC is looking forward to working with the Ministry to develop BCIC's new strategic plan that aligns the organization's programs and operations in accordance with the budget revision and the recommendations resulting from the organizational review.

BCIC is committed to building new relationships and nurturing established ones with all partners, including industry academia and government, to help train successful entrepreneurs and develop strong startup companies, thereby creating high-paying sustainable jobs in the province – a key focus of the BC Jobs Plan.

BCIC will continue to focus on the following objectives:

1. Identify and create programs with our partners. These programs **develop and retain entrepreneurial talent and promote the commercialization of technology** to accelerate the growth of technology companies and advance economic development in the province. From idea conception right through to marketplace success, BCIC aims to ensure that core programs are in place in the province to help technology entrepreneurs successfully progress their company to the next stage.

In fiscal 2012/13, BCIC will continue to work with partners to launch and support the ongoing development of a network of technology incubators and accelerators. Incubators and accelerators are programs designed to develop companies through an array of business support resources and services. These include:

- Business plan development
- Networking opportunities
- Ongoing mentorship support
- Access to venture capital
- Virtual business planning resources

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 is BCIC's entrepreneurship@ program, developed to address the need for the creation and launch of new, sustainable companies in British Columbia. The entrepreneurship@ program directly supports the key principles outlined in the BC Jobs Plan, by creating long-term jobs and investment through the application of technology to BC's key sectors. The following entrepreneurship@ programs are now in operation:

- entrepreneurship@Alacrity
- entrepreneurship@SFU
- entrepreneurship@UBC
- entrepreneurship@UVic
- entrepreneurship@Wavefront

A number of the entrepreneurship@ programs are already producing strong initial results, directly leading to new jobs and investment in the province. For example, BCIC launched entrepreneurship@UVic in 2009 in partnership with the University of Victoria, premier investment group Wesley Clover and the Alacrity Foundation, with support from Western Economic Diversification Canada. The program provides engineering graduates with a series of specialized entrepreneurship training

MESSAGE FROM THE CHAIR

sessions and workshops, guidance and mentorship as they develop their own startup companies. YUPIQ, which offers a suite of social media tools to help companies engage online customers and increase sales, is the first company created from this business incubator. It has already doubled its number of new jobs created from four to eight and recently announced a significant revenue generating international partnership with a global provider of communication services for businesses.

2. Raise 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. BCIC intends to increase its efforts to promote greater awareness of the progress being made in our startup environment and the successes within the technology community to help attract further investment and entrepreneurial talent to British Columbia.

The 2012/13 - 2014/15 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 19, 2012, have been considered in preparing this Service Plan.

As noted, BCIC is currently undergoing an organizational review to assess its core programs and operations. Over the next several months BCIC will work closely with the Ministry of Jobs, Tourism and Innovation and our partners in industry, academia and government to align our programs and services, and develop a new set of performance measures in accordance with the recommendations outlined in the review and the budget revision.

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 Deputy Minister Dana Hayden and ministry personnel over the past year. I look forward to continuing 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

CONTENTS

Message from the Chair	3
Organizational Overview	6
Enabling Legislation	6
Mandate	6
Vision	6
Mission	6
Values	6
Overview of Core Business Areas	7
BCIC Programs	7
Benefits for British Columbians	8
Shifts in Business Areas and Program Delivery	9
Principal Partners, Clients and Stakeholders	9
Location of Operations	9
Corporate Governance	10
Role and Membership of the Board	10
Board Committees	10
Senior Management Team	11
Governance Principles and Compliance	11
Strategic Context	12
Shifts in Internal Operating Environment	12
Economic and Industry Factors, Trends, Opportunities and Challenges	12
Significant Financial and Operational Risks and Opportunities	12
Goals, Objectives, Key Strategies, Measures and Targets	13
BCIC Goals and Performance Measures	13
Goal 1: Entrepreneurial Talent Development & Retention	13
Goal 2: Commercialization of Technology	14
Goal 3: Increase Awareness of BC's Knowledge Economy	15
Performance Management System	16
Benchmarking	16
Government's Letter of Expectations	17
Summary Financial Outlook	18
Key Forecast Assumptions	18
Forecast Risks and Sensitivities	18
Future Financial Outlook	18
Summary Financial Chart	19
Appendix A	21

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. BCIC firmly believes its role is to ensure the creation of strong, well managed, revenue generating startup technology companies that provide high value jobs and improve the quality of life for all British Columbians. As such, it is essential that we continue to successfully grow small businesses into larger anchor companies. All of BCIC's programs and services are designed to support this important goal.

BCIC's programs are often delivered in partnership with industry organizations and academic institutions, enabling the Council to cater to the specific needs of technology entrepreneurs based on where they are in the commercialization continuum, be it the concept, idea validation, pre-commercial or startup stage.

The Council's programs focus on providing funding and support services to sectors where BC has competitive advantages as outlined in the B.C. Jobs Plan. These sectors include technology, specifically: wireless, digital media, clean technology and life sciences. BCIC will also focus on key industrial sectors such as forestry, mining and agri-food.

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:

- a. The BCIC Commercialization and Business Planning Workshop** is a series of seminars, business planning exercises and coaching sessions designed to compel tech entrepreneurs to think critically about the true value, commercialization potential and positioning of their product idea.
- b. The BCIC-New Ventures Competition** is one of North America's largest technology business-idea competitions and provides BC entrepreneurs with the skills, networking opportunities, mentoring and prize monies they need to successfully commercialize their business ideas. In the first ten years of the competition, 36 surveyed winning companies have raised over \$108 million in financing and created more than 606 jobs for British Columbians.

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.

a. 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:

- BCIC has developed the entrepreneurship@UVic program, a partnership with the University of Victoria, Wesley Clover and the Alacrity Foundation, with support from Western Economic Diversification Canada . This incubator program offers engineering graduates specialized entrepreneurship training, guidance and mentorship from successful technology developers and investors. Upon completion of the program, students will leave with Master's degrees, entrepreneurship graduate diplomas, and arguably more important, will have developed their own companies.

OVERVIEW OF CORE BUSINESS AREAS

b. 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 2011, BCIC renewed its partnership with Wavefront, the Vancouver-based national commercialization centre accelerating the growth of Canada's wireless and new media companies, to continue **entrepreneurship@Wavefront**. This program is designed to support and nurture early-stage British Columbia wireless companies for their first 12 months as they move from technology concept to commercial launch. Last year, the program helped eight startups launch and grow into successful wireless companies. Collectively, they attracted over half a million dollars in investment, earned more than \$350,000 in revenue, created 18 jobs and generated products that are penetrating growing markets. In 2011, another 12 companies were welcomed into the program.

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.

- The **entrepreneurship@UBC Seed Accelerator Fund** is a unique partnership between BCIC, UBC alumni and the University. This venture fund is owned and operated by UBC for the purpose of investing in the next generation of entrepreneurs. It seeks out very early- stage business opportunities founded by UBC students, faculty, staff or alumni who have graduated within the last three years.

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 **metabridge**, a series of conferences that provides BC technology companies with direct connection and access to key international technology partners for customer, investment, strategic partnerships, mentorship and advisory opportunities. In 2010, the interactive networking and educational event attracted 140 attendees with over 20 senior technology leaders from companies such as Google, Facebook, Trinity Ventures and the Plug and Play Tech Center.

b. Increasing awareness of BC achievements

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

- **The MISTIC Innovation 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.
- **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 encourage more startup technology companies in all areas of the province.

BENEFITS FOR BRITISH COLUMBIANS

A fundamental function of BCIC is to accelerate the development of a knowledge-based economy in the province, directly leading to improved economic performance and a high standard of living for British Columbians. In the context of BCIC's mandate, this can be best accomplished by developing successful technology entrepreneurs and companies that will create significant numbers of jobs and increased 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.

OVERVIEW OF CORE BUSINESS AREAS

SHIFTS IN BUSINESS AREAS AND PROGRAM DELIVERY

BCIC is currently undergoing an organizational review to assess its core programs and operations. BCIC will work with the Ministry of Jobs, Tourism and Innovation and our industry, academic and government partners to align our programs and services in accordance with the review recommendations and the budget revision.

BCIC continues to evaluate its programs on a regular basis and as a result, changes may be made to tailor programs for specific needs.

PRINCIPAL PARTNERS, CLIENTS AND STAKEHOLDERS, DELIVERY OF SERVICES

BCIC designs, 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, 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.

LOCATION OF OPERATIONS

BCIC's office is located at the Leading Edge Technology Centre in downtown Vancouver in close proximity to several key technology industry associations and other complementary organizations. Located in such an environment allows BCIC further collaboration opportunities. These include:

- Academy for Technology CEOs (ACETECH)
- BC Progress Board
- BC Renaissance Capital Fund
- BC Technology Industries Association (BCTIA)
- Canadian Hydrogen and Fuel Cell Association
- Digital Media and Wireless Association of BC (DigiBC)
- Leading Edge Endowment Fund
- LifeSciencesBC
- New Ventures Society BC
- 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 Jobs, Tourism and Innovation. The Board of Directors has nine members:

- Greg Aasen, Chair
- Jonathan Burke
- Gurval Caer
- Robin Ciceri
- Richard Glickman
- Doug Horswill
- Greg Kerfoot
- Jill Leversage
- Cheryl Slusarchuk

There are currently six 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: Jill Leversage (Chair), Jonathan Burke, Cheryl Slusarchuk

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

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 (Chair), Greg Kerfoot, Cheryl Slusarchuk, Robin Ciceri

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: Doug Horswill (Chair), Richard Glickman, Gurval Caer

CORPORATE GOVERNANCE

SENIOR MANAGEMENT TEAM

Mark Payne– Acting Chief Executive Officer

Dean Prelazzi – Vice President, Business Development Idea & Market Validation Stages

Lin Kishore – Director, Marketing & Communications

Paulin Laberge - 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.bcc.ca/about-us/about-us/board-of-directors/governance where a full log and library of all documents related to the Council and its activities reside.

STRATEGIC CONTEXT

SHIFTS IN INTERNAL OPERATING ENVIRONMENT

BCIC's Service Plan complies 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 Acting CEO, it will focus on program delivery and on ensuring programs are effective and meeting the needs of technology companies. BCIC is currently undergoing an organizational review to assess its core programs and operations and has received a budget revision starting in fiscal 2012/13. Over the next several months BCIC will work closely with the Ministry of Jobs, Tourism and Innovation to align its programs and operations in accordance with the new budget and the recommendations resulting from the organizational review.

Further, BCIC supports the operations of nine regional science and technology councils and a network of university-industry liaison offices. BCIC will continue to work closely with the Ministry of Jobs, Tourism and Innovation and other partners to align funding and resources for the councils and liaison offices, in accordance with the review recommendations and BCIC's new budget starting in fiscal 2012/13.

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. BCIC is strengthening our province's knowledge economy through its established partnerships with industry, government and research institutions. By scaling our programs to meet the growing needs of the market we ensure 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 Jobs, Tourism and Innovation. 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 impact in the growth of the knowledge economy.

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. As a result, it is BCIC's role to persuade 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 proportionately a greater tax-base and accelerates economic growth.

GOALS, OBJECTIVES, KEY STRATEGIES, MEASURES AND TARGETS

BCIC GOALS AND PERFORMANCE MEASURES

BCIC will work with the Ministry of Jobs, Tourism and Innovation to adjust its four goals, and its respective measures, in alignment with the review recommendations and the revised budget. While the three goals and the four measures have not changed, the targets have been adjusted based on results from the previous year.

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 partners to address these needs through the development and refinement of initiatives.

BCIC plays an integral role in helping shape the development of British Columbia's knowledge economy. Because this role is so fundamental for future job growth and economic development in British Columbia, the Council considers it critical to have accurate performance measures to track its progress in fulfilling its mandate.

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

In collaboration with the National Research Council of Canada's Industrial Research Assistance Program (NRC-IRAP) and business mentor, Mark Dance, BCIC offers the **Commercialization and Business Planning Workshop**, a series of seminars, business planning exercises, and coaching sessions designed to compel tech entrepreneurs to think critically about the true value, commercialization potential and positioning of their product idea.

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		
2012/13	2013/14	2014/15
463	463	463

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 have been adjusted to reflect 2010/11 program results, that were collected in cooperation with our partner organizations including the nine organizations that make up the BC Regional Science and Technology Network and the nine University Industry Liaison Offices in the province. Conservative estimates on target were provided by both the BCRSTN and the UILOs when the Service Plan was first implemented in fiscal 2010/2011. Targets have now been adjusted to incorporate accurate estimates based on historical statistics.

GOALS, OBJECTIVES, KEY STRATEGIES, MEASURES AND TARGETS

Importance of Measure

An Action Plan provides expert advice to help budding entrepreneurs understand what their “best and most important next steps” 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		
2012/13	2013/14	2014/15
75%	77%	80%

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 and maintain the projections in line with the 2011/12 Service Plan.

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@Wavefront** is an accelerator program designed to support and nurture early-stage B.C. wireless companies from product concept to market entry. So far, eight companies participating in the pilot year have collectively generated over half a million dollars in external investment, over \$350,000 in revenues, 18 new jobs, and new products that are penetrating growing markets. After a successful pilot year, BCIC renewed its partnership with Wavefront in 2011 to offer the next round of the entrepreneurship@Wavefront program, which accepted 12 new companies to its collaborative incubator program.

GOALS, OBJECTIVES, KEY STRATEGIES, MEASURES AND TARGETS

- **BCIC-New Ventures Competition**, a business bootcamp for technology entrepreneurs, provides budding innovators with the skills, networking, mentoring and prize monies they need to successfully commercialize their business ideas. In 2010/2011, BCIC and New Ventures Society of BC launched the first annual regional competition; open to any BC person, resident or business located outside of Metro Vancouver with a technology-focused idea. Similar to the provincial competition, the BCIC-New Ventures Competition: Regional is a five-month competition addressing the special interests of BC's early-stage technology companies and supports BC's emerging technology industry.

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		
2012/13	2013/14	2014/15
1976	1976	1976

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. Performance targets have been adjusted to reflect fiscal 2010/11 program results that were collected in cooperation with our partner organizations including the BC Regional Science and Technology Network and the University Industry Liaison Offices across the province.

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 its 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 the Council's awareness amongst 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

2012/13	2013/14	2014/15
170	170	170

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. Online and social media initiatives will serve as a channel to increase awareness, as it continues to be key in achieving this measure for BCIC and our partner organizations. Thus, our performance targets have been adjusted to reflect the growing efforts in this target.

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 program delivery 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

As BCIC reviews and develops its focus areas, it will investigate similar jurisdictions that are currently focusing on entrepreneurial talent development and the commercialization of technologies. BCIC will consider best practices in programs and strategic policies that will help develop and improve its service in British Columbia.

GOVERNMENT'S LETTER OF EXPECTATIONS

The Government's Letter of Expectations (Letter) between the Ministry of Jobs, Tourism and Innovation (Government's representative) and BCIC is an agreement on the parties' respective accountabilities, roles, and responsibilities. The Letter confirms the Council's mandate and priority actions, articulates the key performance expectations as documented in the Shareholder's Expectations Manual for British Columbia Crown Agencies^[1], and forms the basis for the development of the Council's Service Plan and Annual Service Plan Report. The Letter does not create any legal or binding obligations on the parties and is intended to promote a co-operative working relationship. For the 2012/13 fiscal year, Government has directed BCIC to take the following specific actions:

- Work in partnership with the government to implement the approved recommendations outlined in the 2011/12 British Columbia Innovation Council Mandate Review; and,
- Provide advice to the Minister, as requested, in support of the advancement of technology commercialization and the entrepreneurial science and technology culture in British Columbia.

^[1] The Province of British Columbia's Crown Agency Accountability System (<http://www.gov.bc.ca/caro/publications/index.html>) establishes guiding principles for the governance of Crown corporations. The Shareholder's Expectations Manual identifies roles and responsibilities for the Government and Crown corporations, and provides for a Shareholder's Letter of Expectations (Letter) to be jointly developed.

SUMMARY FINANCIAL OUTLOOK

The Council's core operations and activities are funded by the Province through the Ministry of Jobs, Tourism and Innovation. 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 requirement guidelines.
- The Council must either use current year funding to continue its programs or cease the programs.
- The Council will continue to be the custodian 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, it is required that the capital be preserved.
- The Natural Resources and Applied Sciences Endowment Fund 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.
- The funding for BCIC is reviewed annually through the budget process.
- Interest earned on investments is forecast to remain steady for the next three years.
- The Council receives funding from the Province to support nine regional science and technology councils and a network of university-industry liaison offices. The Science and Technology Fund (S&T) transfers will be reviewed and adjusted to reflect BCIC's new budget.
- The Council uses its annual funding to support the operation of the Premier's Technology Council (PTC). The forecast includes \$425,000 for the PTC's annual operation.

FORECAST RISKS AND SENSITIVITIES

If there are further changes to the level of funding the Council receives from the Ministry of Jobs, Tourism and Innovation, the Council's ability to leverage Ministry funds to finance 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 returns on investments remain low under the current economy, and it is unlikely that the interest rates will change significantly over the next three years.
- The Science and Technology Fund (S&T) transfers will be reviewed and adjusted to reflect BCIC's new budget.

SUMMARY FINANCIAL OUTLOOK

SUMMARY FINANCIAL CHART

	Actual 2010/2011	Forecast 2011/2012	Budget 2012/2013	Forecast 2013/2014	Forecast 2014/2015
Operating Revenues					
Ministry of Jobs, Tourism and Innovation (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	1,650,000	1,650,000	1,650,000
	8,500,000	8,500,000	6,150,000	6,150,000	6,150,000
External Program Funding	242,061	-	15,000	15,000	15,000
Internal Program Funding (2)	29,053	-	-	-	-
NRAS Endowment	1,919,154	1,069,232	1,000,000	1,000,000	1,000,000
Interest & other	87,449	121,000	100,000	100,000	100,000
Total Operating Revenues	10,777,717	9,690,232	7,265,000	7,265,000	7,265,000
Operating Expenses					
Talent Innovation & Developments	905,790	1,495,336	1,144,931	1,138,031	1,135,901
Commercialization	2,476,155	2,671,237	1,437,426	1,419,026	1,413,345
Science & Technology Fund	2,824,709	2,937,082	2,168,209	2,172,809	2,174,230
Sectors Program	390,610	-	-	-	-
Technology Awareness	747,919	163,193	452,571	447,971	446,551
Premier's Technology Council	425,000	425,000	425,000	425,000	425,000
NRAS Endowment (3)	1,987,953	1,136,425	1,053,359	1,055,659	1,056,369
General administration (4)	1,019,581	861,959	583,503	606,504	613,605
Total Operating Expenses	10,777,717	9,690,232	7,265,000	7,265,000	7,265,000
Net Income (loss)	0	0	0	0	0
Retained Earnings (5)	56,447,193	56,447,193	56,447,193	56,447,193	56,447,193
Capital Expenditures	13,949	20,000	50,000	50,000	50,000

Notes:

Note 1: S&T funding is provided 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 contributed surplus.

Note 3: NRAS program contribution and administrative cost are included in the forecast above.

Note 4: General administration expenses are lower in 2011/12 due to the postponement of new hirings.

Note 5: Retained Earnings include \$50 million of NRAS Endowment Fund capital.

The above financial information, including forecast information, was prepared based on current Public Sector Accounting Standard (PSAB), which was adopted on April 1, 2010.

SUMMARY FINANCIAL OUTLOOK

	Actual 2010/2011	Forecast 2011/2012	Budget 2012/2013	Forecast 2013/2014	Forecast 2014/2015
NRAS Endowment Fund	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Interest Accumulated, beginning	1,209,316	76,232	-	-	-
Annual Investment income	786,070	993,000	1,000,000	1,000,000	1,000,000
Program & administrative expenditures	(1,919,154)	(1,069,232)	(1,000,000)	(1,000,000)	(1,000,000)
Forecast Interest Balance	76,232	-	-	-	-

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.

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



BCIC

9th Floor - 1188 West Georgia Street
Vancouver, British Columbia V6E 4A2
Tel: 604.683.2724
Fax: 604.683.6567
Web: bcic.ca
Email: info@bcic.ca