



The Way Forward

What We Heard: Business Innovation Agenda

Message from the Minister



Our government recognizes the remarkable influence innovation has on our province's social and economic development. That is why one of the key commitments in our government's vision, The Way Forward, is to reset the provincial innovation agenda in order to strengthen and diversify the economy. This new innovation agenda will focus on enabling business innovation while removing barriers to business growth.

One of the most important phases in developing the new Business Innovation Agenda has been listening to community, industry, academia, private sector and government stakeholders. I am pleased that we had an extraordinary level of industry interest, public participation and community awareness during the Business Innovation Agenda engagement process, which is outlined in this What We Heard summary document. I would like to take this opportunity to thank all who contributed during the process; and as a result of your contributions, work is well underway on the new Business Innovation Agenda.

Resetting the innovation agenda in Newfoundland and Labrador is a collaborative effort, and when we align our energy, it will help produce a more innovative and prosperous province for us all. We are listening and we remain committed to working together with our province's innovation and entrepreneurial stakeholders to ensure innovation in our province can flourish.

Sincerely,

A handwritten signature in black ink that reads "Christopher Mitchelmore". The signature is written in a cursive, flowing style.

Honourable Christopher Mitchelmore
Minister of Tourism, Culture, Industry and Innovation

Introduction

On November 9, 2016, the Government of Newfoundland and Labrador launched *The Way Forward: A Vision for Sustainability and Growth in Newfoundland and Labrador*. The Vision guides government's actions to achieve greater efficiency, strengthen the province's economic foundation, enhance services, and improve outcomes to promote a healthy and prosperous province.

The Government of Newfoundland and Labrador is committed to resetting the province's innovation agenda as part of its overall plan to strengthen and diversify the economy through *The Way Forward*.

The new Business Innovation Agenda is an initiative of *The Way Forward*.

The goal of the Business Innovation Agenda is to help create the conditions for companies to grow, enabling firms to capitalize on new ideas, processes, methodologies, services or products.

Innovation is a means to making life better - generating value for clients, customers, a company, a sector, a community or a region.

Innovation and Entrepreneurial Ecosystem Engagement

Through the Business Innovation Agenda, government aims to work with the province's innovation and entrepreneurial stakeholders to help remove the critical barriers to global business growth.

The essential first phase in the development of the Business Innovation Agenda has been hearing from our province's industry, academia, government and community stakeholders.

A province-wide engagement process was launched on November 22, 2016 and concluded on January 31, 2017.

Discussions with stakeholders (industry, academia, government and community players) centered on two key questions:

- ▶ How do we expand the pool and capacity of our economic wealth generators and value creators; innovative and growth-focused businesses?
- and,
- ▶ To do so, what are the priority financial and non-financial resources required to achieve this?

Engagement over the two-month period took several forms and included:

- ▶ **The Department of Tourism, Culture, Industry and Innovation and the Research & Development Corporation facilitated eight ½ day sessions** (6 sessions covering all regions of the province, with two sessions in St. John's).

- ▶ **Participant summary:**
 - 48 business and industry representatives
 - 12 representatives from academia
 - 8 community representatives
 - 14 government partners

- ▶ **The Department of Tourism, Culture, Industry and Innovation Regional/Satellite Office roundtables & one-on-one meetings.**
 - Participant summary:
 - 64 businesses
 - 8 community/Indigenous groups

- ▶ **Industry-led engagement**
 - The Minister of Tourism, Culture, Industry and Innovation wrote 31 industry and business groups requesting their involvement/input

- ▶ **Individual and Group Submissions:**
 - 17 written submissions received

The department also hosted internal sessions with government stakeholders including the Department of Advanced Education, Skills and Labour and solicited feedback through the Business Innovation Agenda website. Further, 14 private sector corporate leaders accepted the Minister of Tourism, Culture, Industry and Innovation's invitation to provide advice on policy actions that help advance firm-level innovation, productivity and competitiveness.

Stakeholder Feedback

A Discussion Document and Questionnaire were drafted as tools to help start the conversation with innovation stakeholders. For more information visit ninnovationagenda.ca. The Discussion Document outlined as context:

- ▶ the definition of innovation;
- ▶ the innovation imperative facing small and medium-sized enterprises;
- ▶ current Newfoundland and Labrador innovation performance compared to the other nine provinces;
- ▶ the desired impact of the Business Innovation Agenda;
- ▶ areas of exploration to bridge the gap; and,
- ▶ the engagement process and initiative timeframe.

Stakeholder engagement was framed around five key areas of exploration:

- ▶ **Business and Innovation Skills**
- ▶ **Market Opportunities**
- ▶ **Access to Financial Capital**
- ▶ **Access to Talent**
- ▶ **Innovation Culture**

Business Innovation Skills

Knowledge and skills are at the centre of innovation – be it adopting a new approach, adapting to a change or finding a new way of doing, thinking or solving a problem. Without the right skills, innovation and growth pursuits are significantly challenged.

Stakeholders were asked about the resources and supports required to ensure those launching new start-ups and those in established businesses have the skills needed to pursue business innovation excellence throughout their operations.

What we heard

Stakeholders identified the following needs:

- ▶ Greater emphasis on advancing fundamental business skills for both firms and those providing services, including: entrepreneurship, progressive leadership, strategic networking, business development, sales, marketing, growth finance, problem solving and design thinking.
- ▶ Specific support for commercialization skills, including raising capital, valuation, investor relations and intellectual property management.
- ▶ Emphasis on the increased need for digital skills in the areas of programming and big data analytics.

- ▶ Increased demand for specialized short term skills training.
- ▶ Greater employer awareness of currently available program and services supporting skills development.
- ▶ Need for one-stop coordinated advice matching employer needs.
- ▶ Greater emphasis on mentorship and co-op work experiences as a mean to developing innovation/business skills.
- ▶ Longer-term thinking required to prepare the labour force for future industry skill requirements, requiring regular engagement between industry, academic institutions and government to ensure continuously evolving educational programs, including at the K-12 level (for example, coding).
- ▶ Integration of innovation and entrepreneurship skills across educational disciplines.

Market Opportunities

Business success is dependent on the effective retention and growth of existing customers and markets while diversifying into new ones.

Innovation stakeholders (industry, academia, government and community players) were asked about business globalization and the kind of tools new and/or established businesses can use to help identify, reach, sustain and grow the value and volume of their international customer base.

What we heard

Stakeholders identified the following needs:

- ▶ Access to quality and timely market intelligence as key to successful market development.
- ▶ Better leveraging of global Newfoundland and Labrador expatriate network to identify and realize market opportunities.
- ▶ Opportunities for greater global market exposure needed to influence 'going global' mindset.
- ▶ Government procurement policy modernization required to support/incent early adoption by government and its agencies, with government (and industry) as a first customer for local products/services.
- ▶ Access to government data as a possible source of innovative business models.

Access to Financial Capital

The right type of financing is important for innovation and growth. This is particularly important at the early stage of business development, but also throughout the business lifecycle as a business evolves to meet new demands and market conditions.

Stakeholders were asked to reflect on the types of funding needed to fuel innovation and growth-focused businesses.

What we heard

Stakeholders identified the following needs:

- ▶ Timely access to capital through-out the business life cycle - particularly challenging to access government funding beginning at the concept and throughout early stages of commercialization and scale-up.
- ▶ Solutions for asset-light small start-ups or those looking to scale quickly.
- ▶ Flexible small sources of seed funds to advance/validate early stage-ideas.
- ▶ Flexible financing to improve project outcomes and leverage funding from other sources. For example, provincial voucher programs work very well with National Research Council Canada – Industrial Research Assistance Program.
- ▶ Better linkages to various sources of capital required – one-stop-shop advice and integrated service delivery across the Provincial Government.
- ▶ Greater risk appetite on the part of government.
- ▶ Nimble processes or alternate program delivery methods/sources.

Access to Talent

Recruiting, retaining and nurturing talent is essential to advance business innovation and growth. Globalization provides both challenges and opportunities for talent management.

Innovation ecosystem stakeholders were asked about the supports and resources to help ensure businesses have access to the internal and external talent and expertise required to undertake innovation and growth-oriented activities.

What we heard

Stakeholders identified the following needs:

- ▶ A streamlining of the immigration system, seen as bureaucratic and lengthy, presenting a significant challenge to both aspiring international entrepreneurs looking to build start-ups and early-stage companies seeking the best and brightest to fill their many job openings.
- ▶ An expedited residency pathway specific to entrepreneurs.
- ▶ Support for rural talent retention seen to be limited by the range of educational opportunities in smaller rural centres, causing a hollowing out of youth and knowledge.
- ▶ Greater information sharing and collaboration between academia, government and industry on current and forecasted labour gaps and planned solutions.

Innovation Culture

We know that a company's culture can significantly impact business innovation performance and productivity. We also know that innovation culture can be a significant competitive advantage for businesses.

Stakeholders were asked to consider how we can cultivate and enhance a culture of innovation that nurtures knowledge development and its application in businesses?

What we heard

Stakeholders identified innovation culture is spurred by:

- ▶ Progressive institutional mindsets (for example, a modernizing of post-secondary policies around intellectual policy development and ownership rights).
- ▶ Allowing and encouraging greater competition.
- ▶ Communicating models/examples of local success.
- ▶ Building global networks for exposure to new thinking.
- ▶ Cross-sector, jurisdictional collaborations.
- ▶ Visible and engaged business leaders/champions.
- ▶ Accepting, rewarding and risk-taking behavior.

Stakeholders identified Innovation culture is influenced by:

- ▶ Early educational experiences.
- ▶ Commerce-oriented mind-set.
- ▶ Rigorous and collaborative focus on integrating entrepreneurship and entrepreneurial thinking.

Next Steps

Stakeholder input will be considered in the development of a new firm-centric, action-focused Business Innovation Agenda for the province.

The aim is to advance initiatives in targeted areas that both complement and reinforce the other parts of the larger innovation ecosystem - initiatives that can be monitored, evaluated and adjusted over time.

For more information visit:
www.NLIInnovationAgenda.ca

Tourism, Culture, Industry and Innovation
Government of Newfoundland and Labrador

Alternate formats available upon request

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