

Start-up province

Your guide to what's fuelling
New Brunswick entrepreneurs

By Karen Pinchin

At its most simple, a start-up is a small business with big ambitions on an accelerated timeline. In order for a start-up to grow quickly and smoothly, massive inputs (including reliable capital that can run into the millions and reliable advice on everything from intellectual property to hiring) are required.

In response, a new breed of organizations designed to foster start-ups (incubators) and fuel their growth (accelerators) is sprouting up across the world. While Silicon Valley is the ultimate example of a start-up fuelled city, Boston, New York, Toronto and Vancouver are increasingly becoming hubs of global entrepreneurship, particularly in the high-tech sector.

In this de-centralization, some New Brunswickers have caught the scent of blood. After all, the province has excellent universities, a growing reputation for successful homegrown businesses and a competitive cost of living. In reaction, a slew of organizations are trying to launch tomorrow's homegrown blockbuster businesses. From non-profits to private projects, here's a primer...

New Brunswick Innovation Foundation (Fredericton)

The oldest of the province's accelerator-style programs, this non-profit foundation's mandate is to drive economic growth through innovation, which it does primarily with cold, hard cash. Of the province's \$80 million in entrepreneurship funding, three-quarters is going to the NBIF, says executive director Calvin Milbury.

The NBIF's flagship program is its Startup Investment Fund, which provides entrepreneurs with a one-time investment of up to \$100,000 in exchange for company shares. Its biggest coup to date was a bet on the once-obscure Fredericton technology company Radian6, which was sold to Salesforce Marketing Cloud in March 2011. This netted the NBIF a sweet \$9.25 million and went back into funding other nascent companies. Thus far, it has invested \$41 million and holds shares in 32 businesses that have collectively secured \$272 million in financing.

Its other programs include funding for research and development (the foundation has supported hundreds of academic research projects so far) and an innovation voucher program for established companies that provides up to \$80,000 (20 per cent must be put up by the participating company) for research, development, testing or certification.

Propel ICT/Launch 36 (Saint John)

Two years ago, Propel ICT, a non-profit mentorship network formerly known as propelsj, started Launch 36, an accelerator program aiming to launch 36 Maritime-based technology start-ups in as many months. Twice a year, a handful of companies are accepted into a 12-week mentorship program with the goal of launching a product at the end. The program has already graduated 26 companies.

With the majority of its programming paid for by private sponsors, including banks, consulting firms and technology companies, or supported in-kind, Launch 36's focus is on early stage, high-growth-potential companies in the tech sector.

Thanks to the participation of entrepreneurs, investors and executives, the program includes practical (and free) advisory sessions on everything from legal issues to management to marketing. While the cost of the program is \$5,000, the money is only due at the end of the three months, provided the business secures at least \$50,000 in investment.

As of November 2013, program alumni had raised \$7 million in financing and created approximately 80 full-time jobs. While participants benefit, so do the mentors, says executive director Trevor MacAusland. "They see Atlantic Canada as a hidden treasure," he says. "One venture capitalist told me he wants to keep this region a secret. He was joking, but he was also kind of serious."

Pond-Deshpande Centre, UNB (Fredericton)

Created by an endowment from Gerry Pond and Gururaj "Desh" Deshpande, the Pond-Deshpande Centre puts the spotlight on social innovation. According to Karina LeBlanc, the centre's executive director, that is just one part of its three-tiered mandate. It also aims to foster entrepreneurship in university students and help jump-start small businesses with a combination of educational programs, including weekend and week-long crash courses, and funding.

"We want to create a new generation of venture creation where companies are solving social programs but are also able to raise money, get mentorship and are able to grow and scale," says LeBlanc. "In New Brunswick we don't have a lot of that infrastructure or understanding that you can do good and well at the same time... Really, there's an in-between where you can do both."

Some of its signature programs include a failure fund, which provides up to \$15,000 for companies or entrepreneurs who want to take their failed businesses and "pivot" to a new business plan, up to \$1,000 for students who want to test the viability of their small business idea, and up to \$25,000 for its social innovation fund, which is designed to help social ventures get off the ground with market research, business plan development and fundraising.

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The Hub City still works!

Moncton's central location makes it a hub. It's road, rail and air links make it a transportation hub. Add in a skilled bilingual workforce, low costs as noted by KPMG and a quality of life second to none, it's easy to see why Moncton for business *just makes sense*.

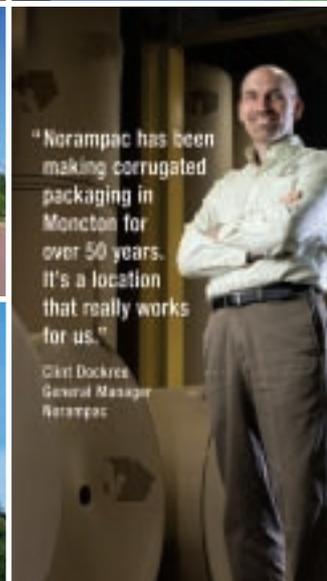
Moncton also has two strategically located industrial parks with plenty of room to grow. **Moncton Industrial Park West**, situated on the west side of the city with 80 acres available and **Caledonia Industrial Estates**, situated on the north side of the city adjacent to the Trans Canada Highway, with 260 acres available.

Moncton Industrial Park West and Caledonia Industrial Estates, where the Hub City goes to work.



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McKenzie Accelerator (Moncton)

Based on the premise that graduating students need jobs, the McKenzie Accelerator was started by Dale Richie, president of Moncton's private art and design school, McKenzie College. With five young entrepreneurs participating in 2012 and six in 2013, applicants are accepted into a three-month program that provides \$15,000 per person (companies are typically two-person operations) on the condition that recipients match those funds with their own money, along with physical space and connections to mentors.

McKenzie College students, whose skills run from interface design to fine arts, are given opportunities to work for these budding companies as paid freelancers, and some have already been hired upon graduation. As an educational institution, Richie says a solid relationship with New Brunswick's start-up scene simply makes good sense.

The McKenzie Accelerator partnered with co-working company Workspace Atlantic, which provides program participants with board and media rooms along with kitchen facilities. Last April, in conjunction with Moncton's CyberSocial group, the McKenzie Accelerator presented an "Angel's Den" event, which brought together investors, bankers, funding organizations and start-ups.

Planet Hatch/ACelR8 (Fredericton)

Planet Hatch has been up and running for mere months but it's already making waves. It has, by far, the largest physical space of the bunch, with 8,000 square feet available for emerging entrepreneurs, including participants of their ACelR8 accelerator program.

ACelR8 is a three-month program that matches entrepreneurs (its first cohort of six companies includes business concepts around information technology, biotechnology, clean technology, the aerospace industry and advanced manufacturing and design) with a personal mentor, \$25,000 in seed money and perhaps most importantly, a place to work. "We want to make sure they're hanging around with each other instead of hanging out in their basements," says executive director Sally Ng.

Planet Hatch plans to sponsor public community-building events, including a New Brunswick incarnation of the programming project Ladies Learning Code and entrepreneur speed dating at high schools, which will expose students to entrepreneurship as a potential career path. "Sometimes in Atlantic Canada we think that just having an accelerator is going to save the world," says Ng. "But students are our secret weapon."

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