An aerial photograph of a city skyline, featuring several tall buildings and a large green park area in the background. A yellow text box is overlaid on the left side of the image.

Response to the City of Edmonton  
Council motions regarding Edmonton  
Global, the Edmonton Economic  
Development Corporation and Tech  
Innovation

December 9, 2019

The EY logo, consisting of the letters 'EY' in a bold, white, sans-serif font. A yellow arrow points from the right towards the 'Y'.

Building a better  
working world.



# Limitations of this report

This Report has been drafted solely for the information and use of the City of Edmonton Administration (“City Administration”). It is subject to many limitations and should not be relied upon by any third party. A third-party gaining access to this Report (i) does not acquire any rights because of such access, and (ii) acknowledges that Ernst & Young LLP does not assume any duties or obligations as a result of such access.

In completing this work, EY has relied upon the completeness, accuracy and fair presentation of the information, advice, opinions and representation given to us by stakeholders interviewed and members of the Steering Committee. The scope of review for this engagement was limited to stakeholders interviewed and as agreed to by the Steering Committee and as referenced in **Appendix C - Stakeholder listing**. Review of documentation was limited to the documents listing in **Appendix B - Documentation listing**. In addition, it should be noted that:

- ▶ EY’s engagement was conducted in an accelerated timeline beginning on September 26, 2019.
- ▶ Our work was inquiry in nature and as such we did not corroborate information provided by stakeholders.
- ▶ Our scope for the innovation ecosystem was limited to those organizations funded by the City of Edmonton.
- ▶ No consultation and/or interviews were held with the business community aside from those stakeholders noted in **Appendix C**.
- ▶ EY did not perform a financial review or assess competencies or alignment of resources.
- ▶ The reader should read the full report to fully appreciate the standing of the various assessments and the potential gaps in the information that could alter the results.
- ▶ Further information or analysis could indeed alter the recommendations or considerations that form the conclusion of this assignment.
- ▶ We recommend that no action should be taken without undertaking a more robust assessment of the implications from the actions cited, including change management considerations, contractual, legal and financial matters.

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# Structure of the report to the City of Edmonton Administration

To assist the reader and provide ease and efficiency in navigating material and content within this report, the report has been structured in the following sections:

- ▶ **Section 1: Executive summary** - provides a high-level overview of the main points of this report.
- ▶ **Section 2: Purpose and approach** - EY outlines the purpose of this report and how the project was conducted.
- ▶ **Section 3: What we heard** - EY conducted over 30 interviews and focus sessions with stakeholders. In the 'what we heard' section, EY summarizes the feedback into themes which will help the reader to understand the stakeholders' perspectives as they relate to the three motions.
- ▶ **Section 4: Response to Council motions** - In this section, EY provides its assessment of role clarity as it relates to Foreign Direct Investment, Trade and Business Retention and Expansion. Additionally, options for innovation ecosystem governance are presented along with a brief description of the pros and cons for consideration and the status of the recommendations from the YEG Innovation Compass Report.
- ▶ **Section 5: Conclusion** - In this section, EY summarizes the key conclusions within this report and outlined additional considerations.
- ▶ **Section 6: High Level Transition Considerations** - In this section, EY provides a perspective on the high-level transition activities which would be required if the recommendations are adopted by Council.
- ▶ **Appendices:** In the appendices, EY provides the reader with additional information.

# Section 1: Executive summary

*“We plant ideas. We grow business. We get stuff done here. Edmontonians see their efforts and ideals reflected back to them, in a city that was built to connect. This commitment turns new ideas into solutions for our communities, which we take to the world.”*

- 2019-2028 Connect Edmonton, City of Edmonton Strategic Plan-

## Background and approach

Economic development is an important component in creating a livable and prosperous Edmonton Region. Specifically, Foreign Direct Investment (FDI) and Trade, are seen by many citizens and businesses as the way to grow our city, globalize growth strategies and place Edmonton on the international stage.

Over the past twenty+ years, FDI and Trade was mainly conducted by the Edmonton Economic Development Corporation (EEDC). Through its divisions, relationships were developed with the business community, mentoring was provided to help businesses grow, and support was provided to help businesses attract foreign investment to potentially export their services to foreign markets. In addition, EEDC helped innovators incubate their ideas through City of Edmonton funded, tech-innovation entities.

Over the past two years, the economic model for FDI and Trade changed with the creation of Edmonton Global (Global). With a mandate to build a prosperous Edmonton Region, Global assumed the mandate of FDI and Trade. With a focus on shared investment for shared benefit, and a governance model which supported one vote per region, the City of Edmonton became a partner with other Economic Development Organizations to further the region's interests.

With the two entities now established, there is confusion from the stakeholder community as it relates to role clarity between Global and EEDC. While on the surface both organizations appear to agree on the roles and responsibilities as it relates to FDI and Trade, the actions of EEDC suggest that FDI and Trade activities are continuing to be conducted by them, thus causing even more frustration from the stakeholder community and a negative perception of EEDC.

The City of Edmonton Council (Council) passed the following motion on September 10, 2019.

- ▶ **September 10, 2019 City Council Meeting** - That Administration work with Edmonton Global and EEDC, on behalf of the City, as Shareholder and Funder, to confirm role clarity among the two entities, including but not limited to Foreign Direct Investment Attraction and Trade, and report back to Executive Committee prior to Budget.

In addition to FDI and Trade, a similar story has emerged with tech innovation. For the many tech entrepreneurs who are looking to incubate their innovations, and build their businesses in Edmonton, there has been little guidance on where to start their support. With a plethora of innovation entities (see **Appendix D** for Edmonton Innovation Ecosystem Diagram) across Edmonton and the Region, entrepreneurs remain unsure about which entities they should select to incubate their business ideas.

To add to this confusion, the tech-innovation entities (funded by the City of Edmonton), which include TEC Edmonton, Start-Up Edmonton, Edmonton Screen Industries Office and Innovate Edmonton, have not aligned their approach to supporting entrepreneurs. With individual Boards and varying levels of funding and service, entrepreneurs don't have a one-stop shop for support for their innovation from a financial, operational, growth and investment-ready perspective. In addition, Start-Up Edmonton which is seen as the first point of contact for many entrepreneurs only supports tech-enabled innovations

which leaves a large segment of innovators without support. With a small nucleus of tech-innovation entities (TEC Edmonton, Start-Up Edmonton, Edmonton Screen Industries Office and Innovate Edmonton), and a larger innovation ecosystem; neither of which seem to work together, many entrepreneurs have voiced to Council feelings of frustration and discontent.

Council passed the following motions:

- ▶ **August 27, 2019 City Council Meeting** - That Administration work with EEDC, TEC Edmonton, Health City, Edmonton Global and other stakeholders and report back on the status of the recommendations in the YEG Innovation Compass Report. This report should specifically address opportunities to reduce overlap, clarify roles and governance, accelerate the technology economy and better serve the regional innovation ecosystem.
- ▶ **September 10, 2019 City Council Meeting** - That Administration work with EEDC, on behalf of the City, as Shareholder and Funder, to explore governance options for the innovation portfolio of activities, responding to the Compass recommendations, and informed by any relevant Audit findings, to the December 2, 2019, Executive Committee meeting, as part of the YEG Innovation Compass report.

Tasked with responding to the motions, City Administration conducted a limited procurement process and invited Ernst and Young LLP (EY) to submit a response to the Request for Quotation.

Once selected, EY was asked to provide the City Administration with considerations that addressed; role clarity between EEDC and Global including but not limited to FDI and Trade; provide governance options for the City of Edmonton's funded tech innovation entities; and to report on the status of the recommendations arising from EEDC commissioned, YEG Innovation Compass Report.

EY was also engaged to consult with a limited group of stakeholders to respond to the motions approved by Council. The stakeholders included members of Council, the Edmonton Global Leadership Team and Board Chair, EEDC Leadership Team and Board Chair, and several leaders from industry and innovation associations (refer to **Appendix C** for a list of stakeholders interviewed). Interviews were conducted, and a final report issued to City Administration in a timeframe of eleven weeks.

## Summary: FDI and Trade

EY began the interviews with a perspective that opinions on FDI and Trade would be varied and complicated. Surprisingly many of the stakeholders listed similar perspectives on FDI and Trade which can be condensed into the following themes:

- ▶ Roles and responsibilities between EEDC and Global are not clear.
- ▶ There is a lack of trust and confidence in the way FDI and Trade are conducted by EEDC.
- ▶ Overlap and duplication of effort exists between EEDC and Global. Global should be solely leading and managing the relationships with businesses as it relates to FDI and Trade with the support of City Administration.
- ▶ There is a lack of accountability and limited key performance measures in how EEDC reports progress to the City of Edmonton.
- ▶ Confusion and frustration, as it relates to role clarity for FDI and Trade remain despite promises made by both Global and EEDC to remain in their lanes and not overlap responsibilities.

Through facilitated workshops, EY worked with EEDC, Global and the City Administration leadership to achieve initial group agreement and consensus regarding current roles and responsibilities as they relate to FDI and Trade. During the workshops, it became apparent that Business Retention and

Attraction (BRE) also required review as it was a core component of economic development for the City and is essential to the vibrancy and success of FDI and Trade initiatives. The following considerations are suggested:

1. That Global should be responsible for FDI and Trade activities across all industries and sectors with support from City Administration. Support from the City Administration could include the identification of potential opportunities / companies for FDI and Trade, and support to the business on the value proposition or business case for expansion and /or investment. All other activities would remain with Global.
2. To further reduce duplication of effort and provide consistent and ongoing support to local Edmonton businesses, consideration should be given that all internal operations and external efforts related to BRE become the responsibility of the City Administration. Under this consideration the City Administration would provide BRE services to the local Edmonton market and provide readiness support for local businesses ramping up for Trade.

## Summary: Innovation ecosystem

The innovation ecosystem in Edmonton is diverse and complex. The tech-innovation entities often overlap in function and are not aligned to the broader innovation community. Across Edmonton, niche entities have been developed; each with their own funding systems. As a result, innovators and entrepreneurs are unsure of where to go to grow their ideas. Through EY's interviews, and based on leading practice, the following governance options were identified:

- a) **Retain the Status Quo** - EEDC, Health City, Screen Industries and TEC Edmonton could continue to exist independently of one another with their independent Boards, mandates and performance metrics.
- b) **Transfer EEDC led innovation functions into the City of Edmonton and retain Health City and Screen Industries as independent City funded organizations.**
- c) **Create a new purpose driven organization** - Comprised of EEDC tech- innovation entities together with Tec Edmonton, Health City and Screen Industries. This organization would have an appropriate mandate, clear roles and responsibilities and agreed-upon performance metrics. (refer to Appendix H)

In the body of the report, a synopsis of each recommendation is developed, along with pros and cons for each.

The options presented above were developed based on what EY heard from stakeholders along with governance best practices. It is recommended that a detailed analysis of each option be conducted with consideration given to projected outcomes of implementing each option, benefits realized, impact to the community and impact on a more aligned and collaborative innovation community.

## **Summary: Status of recommendations from the YEG Innovation Compass Report**

Since the release of the YEG Innovation Compass Report in June of 2019 an Action Plan Team was formed to determine how to best address the 14 recommendations. The Action Plan Team is comprised of the two EACOS Co-Chairs, (Ashlyn Bernier, Sean Feehan), the Vice President of Innovate Edmonton (Cheryll Watson), Director of Strategy & Stakeholder Relations for Innovate Edmonton (Alex Hryciw) and Chris Henderson Communications & Consulting (Chris Henderson and Ann Gordon-Tighe).

The Action Plan Team has identified five focus areas that align to the recommendations within the YEG Innovation Compass Report as follows; Funding, Talent, Customers, Marketing and Governance. Tactics have been developed and are continuing to be honed and validated with the community.

Ownership of the tactics within the Action Plan will rely on a collective community impact approach. Under this model, Innovate Edmonton will take responsibility for some of the tasks within the action plan, but will look to the broader community (organizations, groups and companies) to take ownership of other tasks/tactics.

To date, an initial draft of the Action Plan with Innovate Edmonton's tactical responsibilities already identified has been developed. Populating the remainder of the responsibilities in this Action Plan will be a community-driven exercise that will commence before the end of 2019 and will continue into early 2020. The community has been provided an update on the status of the Action Plan during the November 20<sup>th</sup>, 2019 Edmonton Innovation Ecosystem Community meeting.



## Section 2: Purpose & approach

### Purpose

Economic development is an important component in creating a livable and prosperous Edmonton Region. It is the engine which creates opportunities for citizens to embark on entrepreneurial ventures, build thriving businesses, and attract the right foreign investment to expand businesses and elevate our Edmonton-grown success stories to the international stage.

Over the past twenty+ years, Foreign Direct Investment (FDI) and Trade have primarily been in the purview of the Edmonton Economic Development Corporation (EEDC). EEDC focused on incubating and growing local Edmonton businesses, attracting investment and conducting trade missions with local companies to market them to the world.

Two years ago, a new entity, Edmonton Global (Global) was created, with a mandate to build a prosperous Edmonton Region. The governance model was clear - one vote per shareholder, with a belief that shared investment would result in shared benefit for all partners. To achieve this, Global was mandated to conduct FDI and Trade on behalf of the Region, with Edmonton being a key partner.

With the two entities now established, there has been significant confusion and frustration on which organization is conducting FDI and Trade activities. With an entrenched history in the Edmonton community, EEDC has continued to attract investors, and has continued to conduct missions abroad, which has been perceived by many as contravening the mandate of Global. While collaboration and role clarity between EEDC and Global have been acknowledged by both entities, in practice, both are conducting FDI and Trade activities. This has resulted in a frustration by the business and entrepreneurial community and by the City of Edmonton Council ("Council").

Council passed the following motion:

- ▶ **September 10, 2019 City Council Meeting** - That Administration work with Edmonton Global and EEDC, on behalf of the City, as Shareholder and Funder, to confirm role clarity among the two entities, including but not limited to Foreign Direct Investment Attraction and Trade, and report back to Executive Committee prior to Budget.

For the many tech entrepreneurs who are hoping to start a business in Edmonton, there has been confusion on where to start. While EEDC incubates entrepreneurs through Start Up Edmonton and Innovate Edmonton, their scope is narrow and limited only to tech entrepreneurs. For entrepreneurs in the business community with great ideas, there has been little clarity on where to get support for their business. As a result, many entities have emerged to support niche companies with their own venture capital and funding sources. The innovation ecosystem has become broad and siloed. With the large number of entities supporting innovators, the business community has become increasingly confused on where to go to for support, and increasingly vocal in their frustration.

To address this confusion and lack of clarity, Council passed the following motions:

- ▶ **August 27, 2019 City Council Meeting** - That Administration work with EEDC, TEC Edmonton, Health City, Edmonton Global and other stakeholders and report back on the status of the recommendations in the YEG Innovation Compass Report. This report should specifically address opportunities to reduce overlap, clarify roles and governance, accelerate the technology economy and better serve the regional innovation ecosystem.

- ▶ **September 10, 2019 City Council Meeting** - That Administration work with EEDC, on behalf of the City, as Shareholder and Funder, to explore governance options for the innovation portfolio of activities, responding to the Compass recommendations, and informed by any relevant Audit findings, to the December 2, 2019, Executive Committee meeting, as part of the YEG Innovation Compass report.

Tasked with responding to the motions, City Administration conducted a limited procurement process and invited Ernst and Young LLP (EY) to submit a response to the Request for Quotation.

Once selected, EY was asked to provide the City Administration with considerations that address role clarity between EEDC and Global including but not limited to FDI and Trade; provide governance options for the City of Edmonton's funded tech Innovation entities; and report on the status of the recommendations arising from the YEG Innovation Compass Report - a report commissioned by EEDC.

EY was engaged to consult with a limited group of stakeholders to respond to the motions approved by Council. The stakeholders included members of Council, Edmonton Global Leadership Team and Board Chair, EEDC Leadership Team and Board Chair and several leaders from industry and innovation associations (refer to **Appendix C** for a list of stakeholders interviewed). Interviews were conducted, and a final report issued to City Administration in an accelerated timeframe of ten-weeks.

## Approach

A Steering Committee was formed and co-chaired by Linda Cochrane, City Manager for the City of Edmonton and Rick Valdamarca of EY. The Steering Committee met on a weekly basis to report on the status of key themes emerging from the interviews and focus groups, and to identify and manage issues that could potentially impact project timelines. Recommendation discussions did not include the CEOs of EEDC and Global. For a full listing of Steering Committee membership refer to **Appendix A**. The formation of the Steering Committee allowed EY to work with the City Administration, EEDC and Global in a collaborative manner.

The following approach was taken during our engagement:

- ▶ EY read key documentation provided by the City Administration, EEDC and Global to gain an understanding of the current state. Documentation included the current mandates of EEDC and Global, the YEG Innovation Compass Report and the Edmonton Economic Development Corporation Audit Report (September 31, 2019). Refer to **Appendix B** for a full listing of documents received and read by EY.
- ▶ EY worked collaboratively with the Steering Committee to identify relevant stakeholders to meet in one-on-one interviews or in focus groups. Through these interviews and focus groups, an understanding of various perspectives was obtained, along with insights on opportunities for efficiencies and role clarity to be realized between the City Administration, EEDC, Global and the innovation ecosystem. Refer to **Appendix C** for a full listing of interviewees and focus groups that were held.
- ▶ EY conducted jurisdictional scans of well known and successful municipalities globally to better understand how the municipalities are designing their innovation ecosystems, and how they are creating clarity of roles between their regional economic development organizations. Refer to **Appendix F** for a full listing of jurisdictions referred to.

EY synthesized key themes resulting from the focus sessions and interviews with the Steering Committee at weekly meetings. These have been summarized in Section 3: What we heard. All

activities necessary to support the development of this report were conducted over a ten-week accelerated period, with the initial kick off meeting held on September 26<sup>th</sup>, 2019.

EY has assessed each of the motions independently and considered the interrelationships between the motions. Based on this assessment the report is presented in the following order:

**Section 4.1** - Confirm role clarity between EEDC and Edmonton Global including but not limited to FDI and Trade.

- ▶ Through interviews, with elected officials, EEDC and Edmonton Global Leadership Teams, EY heard that this was one of the most critical motions to address to reduce frustration from the business community and achieve the targets and objectives for economic growth for the Edmonton Region.
- ▶ Based on leading practice, role clarity is also one of the foundational activities to establish an effective governance model and accountability framework.
- ▶ It should be noted that in addressing Section 4.1 role clarity between EEDC and Global for FDI and Trade, that EY has also explored role clarity as it relates to BRE for businesses in the local Edmonton market. City Administration plays an important role in assisting business to start-up and grow in Edmonton.

**Section 4.2** - To clarify roles and governance options for the tech innovation entities. This includes TEC Edmonton, Start Up Edmonton, Edmonton Screen Industries Office, EEDC and Health City.

- ▶ Through interviews with industry associations and leaders of innovation entities, EY heard that there needs to be a delineation on the services that EEDC- tech innovation entities offer its entrepreneurs compared to the other innovation and venture capital entities in the Edmonton community.
- ▶ Leading practice suggests that for an innovative and entrepreneurial culture to thrive, a single point of contact is required to help entrepreneurs understand their path to financial and operational support. Furthermore, clearly delineated roles between the innovation entities is needed so that entrepreneurs understand which entity can best support the growth of their business. Currently this does not exist in Edmonton.
- ▶ For the purposes of this report “tech funded innovation entities” refers collectively to TEC Edmonton, Start Up Edmonton, Edmonton Screen Industries Office, Innovate Edmonton, a division of EEDC and Health City. Please refer to **Appendix I** for a detailed structure and reporting relationship of each entity.

**Section 4.3** - To report on the status of the recommendations arising from the YEG Innovation Compass Report which was commissioned by EEDC.

- ▶ Content for this section was provided by Chris Henderson and Cheryll Watson, Vice-President, Innovate Edmonton, EEDC.

## Section 3: What we heard

From September 26, 2019 to November 12, 2019 EY conducted over thirty interviews and four focus sessions. These focus sessions and interviews included discussions with the Board Chairs, CEOs and Leadership Teams of EEDC and Global, as well as City of Edmonton Councillors, the Mayor and members from City Administration. Refer to **Appendix C** for a complete list of stakeholders engaged during our work.

There was overwhelming consistency in the comments and feedback received from interviewees and focus group session participants that brought to surface five common themes. These themes present opportunities for EEDC, City Administration and Global to realign current FDI, Trade, BRE and innovation activities to better meet the needs of the community. In no priority sequence the common themes resulting from focus group sessions and interviews are as follows;

- ▶ Roles and responsibilities are not clear
- ▶ Lack of trust and confidence
- ▶ Overlap and duplication of effort
- ▶ Lack of accountability and limited key performance measures
- ▶ Confusion and frustration

Each theme has been further detailed below based on the interviews and focus group sessions.

### Roles & responsibilities are not clear

There is acknowledgment that EEDC and Global both conduct activities that support FDI and Trade. It has been recognized by stakeholders that were interviewed that although some overlap is healthy, there is a lack of clarity around who is responsible and accountable for these activities. We heard that:

- ▶ There is a lack of clarity around the accountability and ownership of BRE activities between City Administration and EEDC. Interviewees felt that City Administration is effectively executing efforts to maintain and create relationships with local Edmonton businesses.
- ▶ There is no clear understanding of the value proposition that EEDC brings for FDI, Trade and BRE. Several stakeholders commented that the focus of EEDC should remain solely on tourism and convention centres.
- ▶ There is confusion among entrepreneurs and broader community members around who can provide the best services to effectively grow their business.
- ▶ Role confusion continues to exist on who should be attracting investment into the region, and specifically investment to the city of Edmonton.

### Lack of trust and confidence

When EY met with Global and EEDC there was aligned messaging and understanding of roles and responsibilities voiced by both parties as it relates to FDI, Trade and BRE. While there are mandates and role clarification documents, in practice both organizations are performing the same tasks as it relates to FDI and Trade. We heard that:

- ▶ The lack of trust is centered around non-confidence in organizational competencies and lack of confidence in the ability to recognize the need to respond to business requests in a timely manner.
- ▶ There is a lack of confidence in EEDC's ability to understand and align to the needs of the Innovation community.
- ▶ There is a lack of ability for Global to deliver on its services due to lack of resources and funding.

## Overlap and duplication of effort

Currently both Global and EEDC are conducting FDI and Trade activities resulting in perceived and actual duplication. In addition, with respect to BRE there is overlap and duplication between EEDC and the City Administration. In addition, consistent with the findings in the Office of the City Auditor's Audit Report of EEDC, there is overlap and duplication in the City of Edmonton's funded innovation ecosystem. We heard that:

- ▶ EEDC continues to conduct missions abroad for the purposes of attracting investment and trade opportunities into Edmonton. For instance, we heard repeatedly that there is duplication of planned missions abroad between EEDC and Global.
- ▶ The City Administration currently provides some BRE support to Edmonton based organizations. Support for local businesses for FDI and Trade is also provided by EEDC. Interviewees indicated that there may be opportunities to streamline the services provided by both the City Administration and EEDC.
- ▶ City of Edmonton funded innovation organizations confirmed that they all provide the same if not similar services to new start ups.

## Lack of accountability and limited key performance measures

The lack of accountability for FDI, Trade, BRE and innovation activities has resulted in the inability to identify, track and measure key performance indicators. It was acknowledged that there are opportunities for the City Administration to better align their relationship with EEDC to define clear accountabilities and performance metrics. We heard that:

- ▶ The Shareholder should have the right to audit EEDC.
- ▶ The City Administration should define key performance metrics for EEDC that measure return on investment.
- ▶ EEDC should be required to provide consistent reporting and metrics to it's Shareholder with consequences for not adhering to agreed upon terms.
- ▶ EEDC focuses on metrics such as how many sessions were held, and how many people attended these events/sessions and not how many were successful in entering and growing within the ecosystem.
- ▶ There is confusion on which entity should be accountable for setting the strategy for FDI, Trade and BRE.

## Confusion and frustration

The themes above have resulted in overall confusion and frustration among internal and external stakeholders as it pertains to the roles and responsibilities of EEDC, Global and the City Administration for FDI, Trade and BRE. Similarly, there is confusion and frustration with the City funded tech entities. Concerns were voiced around the perception that Edmonton does not have strong national or global reputation. We heard that:

- ▶ There is frustration in how the innovation ecosystem is governed and aligned. Entrepreneurs do not have a consistent understanding of where to go to receive support and investment to grow their idea.
- ▶ There is a lack of understanding of what support is available to innovators to further conceptualize and operationalize their ideas.
- ▶ Investors are confused as to who is representing the interests of Edmonton and the Edmonton region with regards to FDI and Trade.
- ▶ It was made clear that talent from universities is not being appropriately supported to encourage students to remain and grow their ideas in Edmonton.



## Section 4: Response to Council motions

Clear leadership, structures, roles and responsibilities will provide the region with a better understanding of the entry points and handoffs for FDI, Trade and BRE. It will also support in delineating clear lines of accountability to allow for efficient and effective implementation of roles and responsibilities between EEDC, Global and the City Administration.

Considering the impact and significance of the motions approved by Council, the requirements within the RFQ, and the impacts to Edmonton's economic development, our response to Council motions are presented as follows:

### **Section 4.1 - Confirm role clarity between EEDC and Edmonton Global including but not limited to FDI and Trade.**

- ▶ In addressing role clarity between EEDC and Global for FDI and Trade, EY has also explored role clarity as it relates to BRE for businesses in the local Edmonton market. The City Administration plays an important role in assisting businesses to start-up and grow in Edmonton and this role was therefore included in addressing this component of the motion.

### **Section 4.2 - To clarify roles and governance options for the City of Edmonton's funded tech Innovation entities.**

- ▶ For the purposes of this report "City of Edmonton funded tech Innovation" refers collectively to TEC Edmonton, Start Up Edmonton, Edmonton Screen Industries Office, Innovate Edmonton, a division of EEDC and Health City. Please refer to **Appendix I** for a detailed structure and reporting relationship of each entity.

### **Section 4.3 - To report on the status of the recommendations arising from the YEG Innovation Compass Report which was commissioned by EEDC.**

- ▶ The update on the status of recommendations arising from the YEG Innovation Compass Report were provided to EY by Cheryl Watson, Vice-President Innovate Edmonton, EEDC. Refer to **Appendix E** for the YEG Innovation Compass Status Report.

It should be noted that although the following section of the report addresses the three areas noted above, there are significant efforts that will be required to effectively implement the clarified roles for EEDC, Global and the City Administration for FDI, Trade, BRE and Innovation, should the considerations laid out in **Section 4** be accepted by Council.

Further information or analysis could alter the recommendations or considerations that form this section of the report therefore, we recommend that actions resulting from this report should not be taken without undertaking a more robust assessment of the implications from the considerations provided. This may include change management considerations, contractual, legal and financial considerations.

When these considerations have been evaluated, considered and a clear direction is provided by the City Administration and/or City Council additional areas that will need to be further developed, refined and implemented may include;

- ▶ Development of a robust change and communication plan
- ▶ Alignment of competencies with revised structures and mandates
- ▶ Update and realignment of mandates and other business objects
- ▶ Formalizing and entering into agreements/refined business relationships (may be in the form of grant agreements)

- ▶ Establishment and agreement to Memorandums of Understanding on roles and responsibilities between the various entities
- ▶ Establishment of a cadence for requirements on rolling three-year business plans
- ▶ Establishment of a cadence for requirements for Annual reports to shareholders
- ▶ Establishment of a cadence for requirements for reporting on key performance metrics/indicators (refer to Appendix H)
- ▶ Consideration for audit clauses to be realigned with revised reporting structures (ability for Shareholder to appoint auditor with the auditor reporting to the Board)

When reading **Sections 4.1, 4.2 and 4.3** acknowledgment should be given to the limitations of this report, and it should be understood that additional activities must be undertaken to achieve the desired level of role clarity as it relates to FDI, Trade, BRE and Innovation.

## Section 4.1: To confirm role clarity between EEDC and Edmonton Global including but not limited to FDI and Trade

Through facilitated workshops, EY worked with EEDC, Global and the City Administration leadership to achieve initial group agreement and consensus regarding current and prospective roles and responsibilities as they relate to FDI, Trade and BRE.

Through these workshops the following simplified definitions were identified to enable discussion and clarity:

- ▶ **FDI** - Investment made by a non-local firm or individual in the local economy.
- ▶ **Trade** - Connecting a local business into non-local markets.
- ▶ **Business Retention and Expansion** - Helping businesses thrive and expand in the local market and readiness support for local businesses ramping up to Trade.

Additionally, EY also used the Key Roles and Accountabilities Framework for Edmonton Global, EEDC and the City of Edmonton, that was provided to EY from EEDC. The framework below was used as the starting point for which to have more meaningful conversations in focus groups on how FDI, Trade and BRE should flow between the three organizations, where the handoffs should be, and if the current handoffs could be done in a more effective and efficient manner, with the best interests of the businesses and innovators in mind.

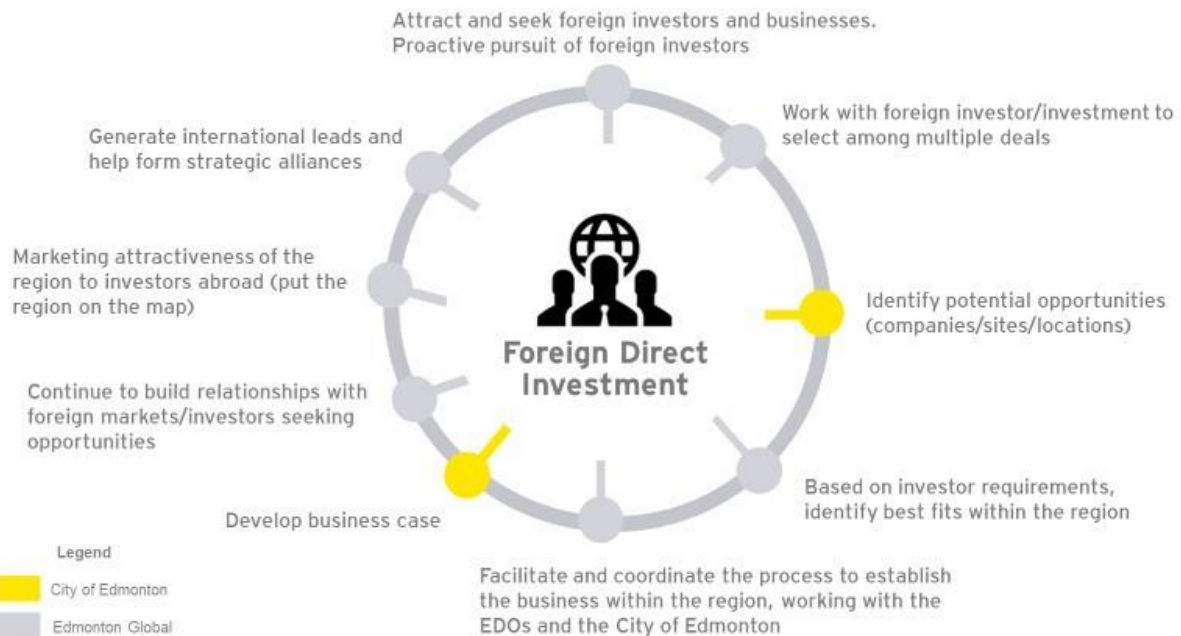


- ◆ The roles and responsibilities above are intended to reflect lead responsibility for outcomes, however, many of the outcomes can only be achieved through collaboration across the three organizations and with other key stakeholders and partners.
- ◆ All parties will undertake business analytics related to their areas of responsibility (alignment across organizations will be sought for this function).

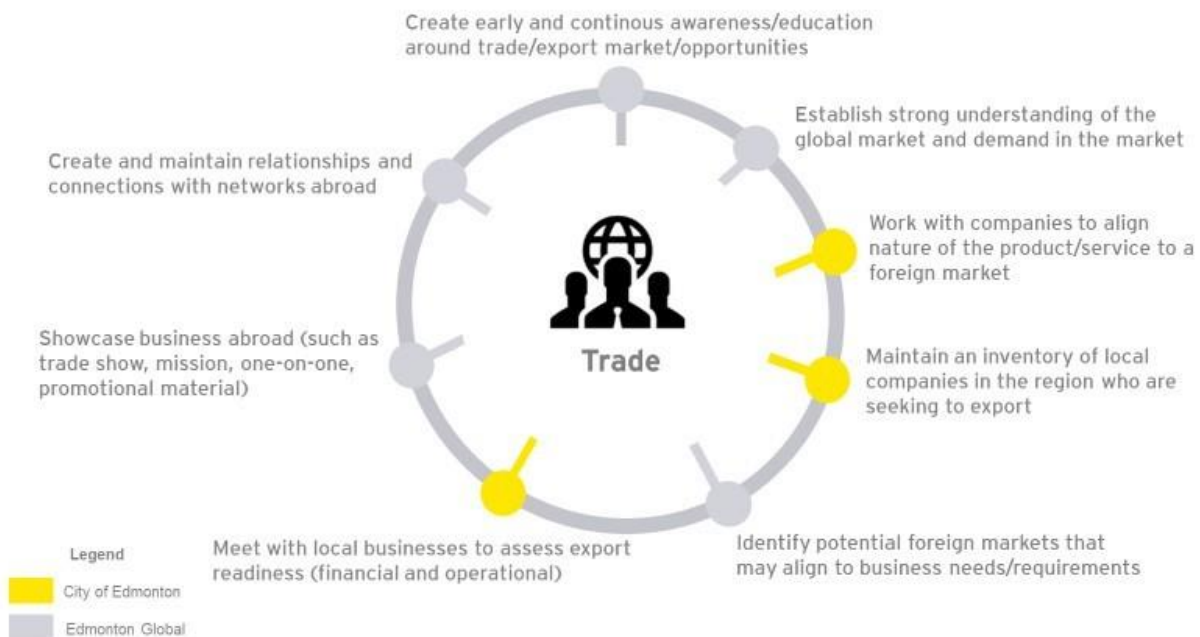
The following sections outline the high-level activities and accountabilities as it relates to FDI, Trade and BRE. The diagrams were co-created with key members from the City Administration, Global and EEDC through focus group sessions. The assignment of the high-level activities was further refined by EY through additional meetings with stakeholders and have been provided below for consideration by the City Administration.

### Foreign Direct Investment and Trade

Consideration should be given for Global to be responsible for FDI activities across all industries and sectors with support from City Administration. City Administration support could be provided in identifying potential opportunities/companies and supporting in the development of a business case. The business case would identify the rationale for having a company invest directly in Edmonton. Under this consideration high-level FDI activities would be aligned as follows:



Consideration should be given for all Trade activities to be led and executed by Global, with the support of the City Administration. This consideration is consistent with role clarification considerations provided for activities related to BRE explored further below. Under this consideration Trade readiness would be conducted by the City Administration, with appropriate handoffs to Global. Under this consideration high-level Trade activities would be aligned as follows:



The table below outlines the proposed changes related to the activities outlined above, what the impact to the current environment may be and the intended benefits the change could bring to FDI and Trade activities:

Proposed Change	Potential Impact	Intended Benefit
Responsibility for maintaining an inventory of local businesses in the region who are seeking or are interested in trade opportunities would be the responsibility of City Administration.	This would no longer be a shared responsibility by City Administration and EEDC.	<ul style="list-style-type: none"> <li>▶ A single consolidated and comprehensive inventory.</li> <li>▶ Realignment of BRE activities (Refer to BRE Section below).</li> <li>▶ Reduced duplication/overlap of activities between EEDC and City Administration.</li> </ul>
Global would work directly with City Administration, instead of EEDC and the City, to respond to investor requests for potential businesses, sites and locations.	The responsibility for identifying potential opportunities for investment would no longer be the responsibility of EEDC.	<ul style="list-style-type: none"> <li>▶ Enhanced customer experience for customers.</li> <li>▶ Quicker response times and ability to negotiate directly with the City Administration.</li> </ul>
Business case development would be the responsibility and accountability of City Administration.	Development of business cases would no longer be a shared effort between EEDC and the City Administration.	<ul style="list-style-type: none"> <li>▶ Reduced duplication/overlap of activities.</li> <li>▶ Ability to enhance accountability structure.</li> <li>▶ Consistent approach to developing business cases.</li> </ul>
FDI and Trade inquiries received regardless of the nature or mechanism would be received/re-directed to Global. Avenues for incoming leads may include; EEDC, City Administration, EDO's, business community and investors.	These leads would be redirected to Global. EEDC would no longer manage their own leads or take companies into foreign markets.	<ul style="list-style-type: none"> <li>▶ Support in establishing and tracking key performance metrics.</li> <li>▶ A consistent journey for the customer with one primary point of contact.</li> </ul>
Engagement with international communities to drive awareness/attraction of the Edmonton Region as an investment destination would be the responsibility of Global. Any engagement with the international community that EEDC performs will cease, except for Tourism.	EEDC would not be engaging with the international community for the intent of seeking foreign investment within Edmonton. Except for tourism and convention, any missions outside of Alberta to promote investment and business in Edmonton would be conducted by Global.	<ul style="list-style-type: none"> <li>▶ Provide a consistent journey for the customer with one primary point of contact.</li> <li>▶ Reduced duplication and overlap of activities.</li> <li>▶ Consistent approach to engaging with foreign markets.</li> <li>▶ Reduce role confusion in foreign markets.</li> </ul>
Ownership of existing and in-progress FDI and Trade opportunities, leads and	Existing and potential customers /investors contacts and relationships would need	<ul style="list-style-type: none"> <li>▶ Single point of contact and single repository of contacts</li> </ul>

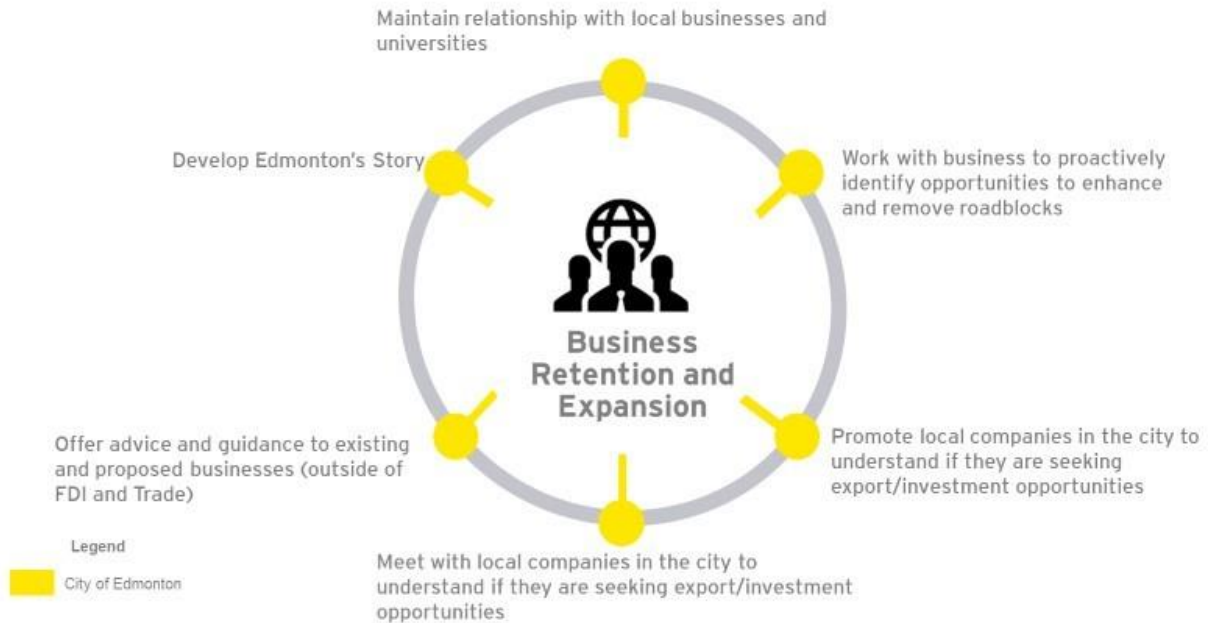


Proposed Change	Potential Impact	Intended Benefit
contact lists would be maintained/owned by solely by Global instead of multiple contact lists being held by EEDC, Global and the City.	to be provided to Global by EEDC.	which could be accessible by all interested stakeholders.
City Administration would be responsible for assessing operational and financial readiness of businesses considering trade opportunities across all sectors. Currently this activity is performed by EEDC.	The Trade and Investment Branch of EEDC would no longer provide these services. Global would set the standard for what is required for operational and financial viability of businesses into foreign markets.	<ul style="list-style-type: none"> <li>▶ Stronger alignment to support the City Administration realignment of BRE activities (Refer to BRE Section below).</li> <li>▶ Consistent measures and performance metrics to assess readiness which could be aligned to leading practice.</li> </ul>
Once City Administration and Global agree that there is a trade opportunity for a business (financially, operationally viable and ready) the relationship would be transferred to Global from a Trade perspective.	City Administration would continue to retain and expand businesses in the local market.	<ul style="list-style-type: none"> <li>▶ Single point of contact for the businesses.</li> <li>▶ Clear hand offs between the City Administration and Global.</li> <li>▶ Reduction in bureaucratic processes which frustrated businesses today.</li> </ul>
Global would be solely responsible for taking businesses across all sectors to foreign markets as it relates to FDI and Trade.	If there are opportunities to coordinate activities from a tourism destination perspective, Global would work directly with the Tourism Division of EEDC. EEDC would not maintain separate relationships with trade-ready businesses or take them into foreign markets.	<ul style="list-style-type: none"> <li>▶ Reduced duplication/overlap of activities.</li> <li>▶ Clear lines of accountability and performance measures.</li> <li>▶ Clear understanding for trade organizations, foreign investors, and local businesses of who to contact for potential opportunities.</li> </ul>

**Business Retention and Expansion**

Currently both the City Administration and EEDC conduct BRE activities. To further reduce duplication of effort and provide consistent and ongoing support to local Edmonton businesses, consideration should be given to move the limited BRE activities that EEDC conducts to the City Administration. City Administration has historically run BRE activities including readiness support for local businesses ramping up for trade. City Administration should retain and grow these activities to better service the business community through one point of contact.

Under this consideration the City Administration would also provide readiness support for local businesses ramping up for export/import opportunities. The following diagram outlines the activities which have been suggested for BRE for consideration.



The table below outlines the proposed changes related to the activities outlined above, what the impact to the current environment may be and the intended benefits the change could bring to BRE activities:

Proposed Change	Potential Impact	Intended Benefit
Engaging local businesses in the city of Edmonton to understand if they are seeking trade or investment opportunities would be the responsibility of the City Administration.	Responsibility for maintaining an ongoing understanding of the local Edmonton business landscape would no longer be a shared responsibility between EEDC and City Administration.	<ul style="list-style-type: none"> <li>▶ Reduced duplication and overlap of activities.</li> <li>▶ Single point of contact for businesses to work with to grow their business.</li> </ul>
Ownership of existing and in-progress business relationships, leads and contact lists would be maintained/owned by City Administration.	Existing and potential business contacts and relationships would be provided to City Administration by EEDC. The need to transition business and local relationships currently maintained by EEDC would need to be addressed through the development of a transition plan.	<ul style="list-style-type: none"> <li>▶ One repository of information, one source of truth on leads/ contact lists.</li> <li>▶ Reduced frustration by stakeholders to understand the business landscape and potential leads.</li> </ul>
Issues and/or concerns that arise from the business community would be received/re-directed to the City Administration.	A transition plan would need to be developed to facilitate a transition between EEDC and the City Administration.	<ul style="list-style-type: none"> <li>▶ Support in establishing and tracking key performance metrics</li> </ul>

Proposed Change	Potential Impact	Intended Benefit
<p>Avenues for incoming issues, concerns of feedback may include; EEDC, City/municipal EDO's and the business community however, they would be redirected to City Administration.</p>		<ul style="list-style-type: none"> <li>▶ A consistent journey for the customer with one primary point of contact</li> <li>▶ Stronger ability to address issues and concerns if they are related to enhancement of current City of Edmonton services.</li> </ul>
<p>City Administration would be responsible for providing advice and guidance to existing and proposed businesses within Edmonton. This advice and guidance would be provided for areas outside of FDI and Trade but, for areas that have a direct impact on Edmonton's ability to retain and expand current businesses.</p>	<p>Stronger relationship with the businesses.</p> <p>Understanding of the challenges and opportunities which businesses face in delivering upon their growth plans.</p>	<ul style="list-style-type: none"> <li>▶ One-stop shop for businesses.</li> <li>▶ Greater customer experience for businesses.</li> <li>▶ More aligned approach for how businesses are supported in Edmonton.</li> </ul>

The considerations outlined above should be viewed with the lens that additional work will need to be undertaken should City Administration and/or City Council choose to adopt these clarified roles. These considerations have been outlined at the beginning of Section 4.

## Section 4.2: To clarify roles and governance options for the City of Edmonton's funded tech innovation entities.

Creating a strong and vibrant culture of innovation and developing an entrepreneurial ecosystem that supports the furthering of Edmonton's economic goals and diversifies Edmonton's economy will support the City of Edmonton's growth and prosperity. The various tech innovation entities, which include TEC Edmonton, Start Up Edmonton, Edmonton Screen Industries Office, and Innovate Edmonton, have their own Boards and mandates, and operate independently. Industry leaders and associations have indicated that this continues to perpetuate a perception of overlap and duplication of activities among these entities; often confusing the entrepreneur who does not know which entity to seek support from.

Alongside EEDC tech innovation entities, there exists a broader innovation community in Edmonton which offers entrepreneurs talent, funding and mentorship across many industries and sectors. Competing for resources and funding, the innovation community has become siloed, and has embraced a niche approach to supporting entrepreneurs which is reactive, aligned to their funders vision and not coordinated or collaborative. While the City of Edmonton funds a specific portion of innovation through EEDC, it is clear from the diagram in **Appendix D**, (Edmonton's Innovation Ecosystem) that there is no coordination body which aligns the innovation ecosystem to the needs of the entrepreneurs it serves, and investors it strives to attract to Edmonton.

When considering the governance options for innovation, the City Administration and Council should keep in mind the following principles:

- ▶ The Innovation organization will need a clear purpose, objective and mandate.
- ▶ A governance model will be required to ensure oversight, aligned approach to innovation and a coordinated dispute resolution process.
- ▶ Strong commitment from the innovation ecosystem leadership will be required to achieve the objectives.
- ▶ Ongoing engagement with the entrepreneurial and business community to solicit feedback will be essential.
- ▶ Continuous re-evaluation of activities and functions to meet the strategic objectives will need to be conducted.
- ▶ Collaborative environment and culture that fosters creation of new and innovative ideas will need to be developed.
- ▶ Clearly defined roles, responsibilities and a robust accountability structure will need to be developed and agreed upon by impacted stakeholders.
- ▶ Consistent, timely and regular performance reporting requirements both internal and external will need to be established.
- ▶ Once a decision has been made on the option for innovation, a full transition plan, media plan and change management plan will need to be developed
- ▶ Once the transition plan is approved; any contemplated changes need to occur quickly with no impacts to current programs and committed funding.
- ▶ Over the past 18 months, the tech innovation community has been actively engaged in making recommendations that will support the sustainability of their community. This momentum should be maintained in the transition period of any governance options that are contemplated. Governance changes will also need to be understood in the context of the broader innovation plan articulated in the YEG Innovation Compass Report Action Plan.

Funding from the City of Edmonton is an important part of accelerating entrepreneurs' ability to bring their innovative ideas to market, driving job creation and building new sources of wealth for

Edmonton's economy. This must be done purposefully, with roles, responsibilities and a governance structure that is clear to all, and with defined performance metrics and accountabilities that support the economic objectives of the City of Edmonton.

Options were explored with the City Administration. The three options presented below were recognized as being fit for purpose and attainable:

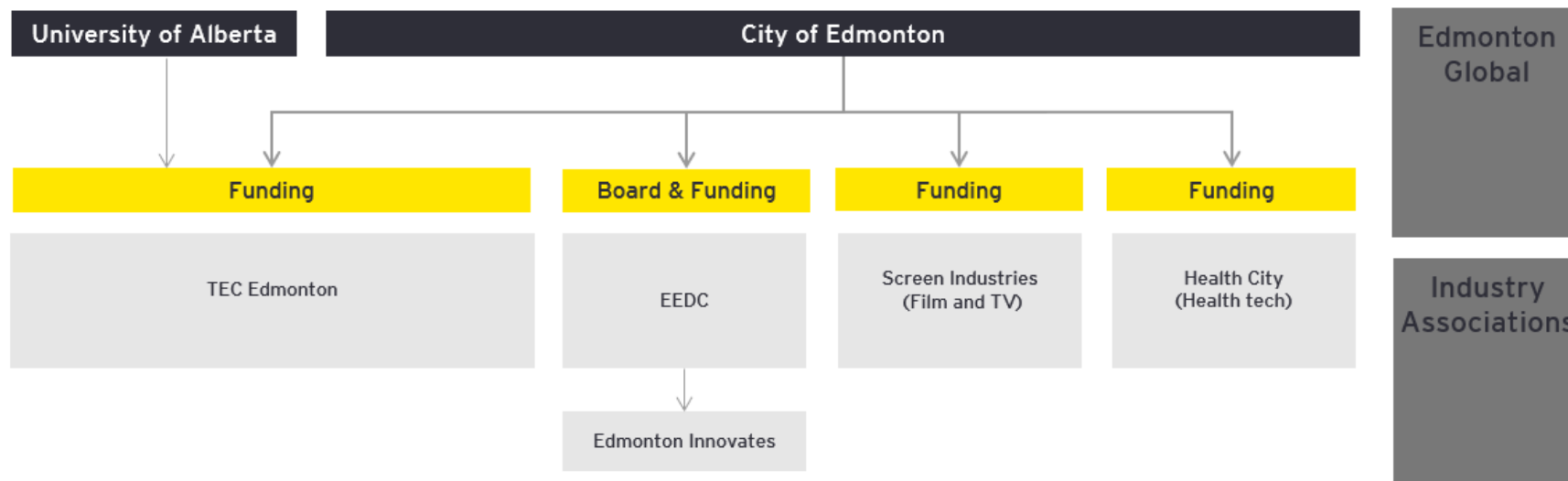
- a) **Retain the Status Quo** - EEDC, Health City, Screen Industries and TEC Edmonton could continue to exist independently of one another with their independent Boards, mandates and performance metrics.
- b) **Transfer EEDC led innovation functions into the City of Edmonton and retain Health City and Screen Industries as independent City funded organizations**
- c) **Create a new purpose driven organization** - Comprised of EEDC tech innovation entities and combined with Tec Edmonton, Health City and Screen Industries. This organization would have an appropriate mandate, clear roles and responsibilities and agreed-upon performance metrics.

A synopsis of each option is outlined below, along with pros and cons for each option for the City Administration and Council to consider.

The options presented above were developed based on what EY heard from stakeholders along with governance best practices. It is recommended that a detailed analysis of each option, be conducted with consideration given to projected outcomes of implementing each option, benefits realized, impact to the community and impact on a more aligned and collaborative innovation community. (See Appendix C for a list of stakeholders interviewed). A detailed study would also provide Council with advice on the change impacts, implementation consideration, organizational realignment considerations and a change management plan to transition from the current state to the future state.



## Option 1 - Retain the status quo



### Description:

- ▶ Maintain current innovation governance structure
- ▶ The following enhancements should be considered:
  - ▶ Establish formal lines of communication between boards in the ecosystem.
  - ▶ Implement KPI's and drive accountability
  - ▶ Enhance current service delivery model to align and better serve the needs of the innovation community.
  - ▶ Provide market research data and economic dashboards that are easily accessible.

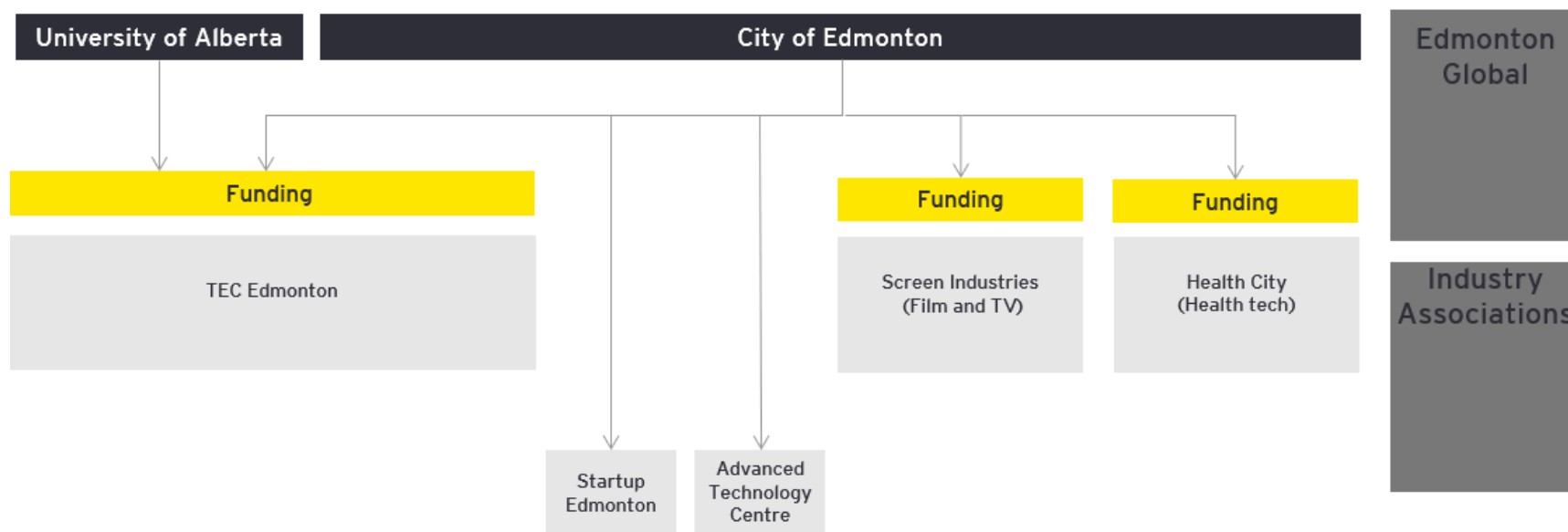
### Pros:

- ▶ Expertise, company culture, staff and personal connections are preserved.
- ▶ Potential to learn from experience and grow as an organization.

### Cons:

- ▶ Does not address the issue of confusion, frustration and duplication in the market place.
- ▶ Resources might not be strategically and efficiently placed in ecosystem.
- ▶ No opportunity for cost reduction and service enhancements
- ▶ Limited alignment to the YEG Innovation Compass Report.

## Option 2 - Transfer EEDC led innovation functions into the City of Edmonton and retain Health City and Screen Industries as independent City funded organizations



### Description:

- ▶ Innovate Edmonton would be imbedded in the City of Edmonton as the Office of Innovation.
- ▶ TEC stays at arms length as a joint venture between COE and UofA (reports KPIs to Innovation Office and UofA).
- ▶ Health City stays at arms length (reports KPIs to Innovation Office).
- ▶ Edmonton Screen stays at arms length (reports KPIs to Innovation Office).

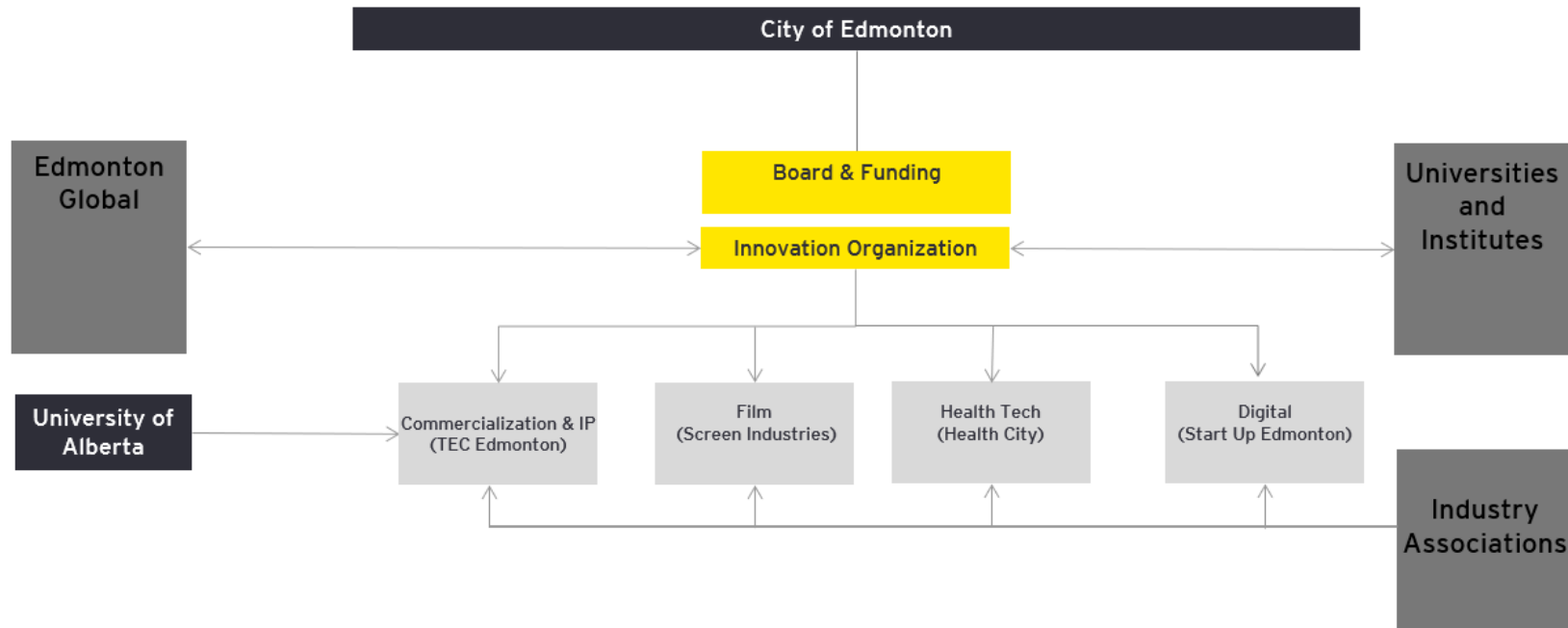
### Pros:

- ▶ Clearer accountability and ability to manage performance.
- ▶ Specialized bodies (Health City and Screen Industries) maintain autonomy.
- ▶ This option is easier to implement with less change impact.

### Cons:

- ▶ Does not address the issue of confusion, frustration and duplication.
- ▶ Resources might not be strategically and efficiently placed in ecosystem.
- ▶ No opportunity for potential cost reduction and service enhancements.

### Option 3 - Create a new purpose driven organization



#### Description:

- ▶ Create a new purpose driven organization, which would be comprised of EEDC led innovation functions combined with Health City and Screen Industries. This organization would have an appropriate mandate, clear roles and responsibilities and agreed-upon performance metrics.

#### Pros:

- ▶ Consolidation of all innovation activities into one organization with 4 distinct lines of business.
- ▶ Reduce confusion, duplication of effort and overlap.
- ▶ More meaningful and coordinated decisions to realize the full potential of the innovation portfolio.
- ▶ Clearer accountability and ability to manage performance.
- ▶ Opportunity to realize cost reductions.
- ▶ Enhanced service delivery.
- ▶ Opportunity to realign skillsets, competencies with required resource compliment.
- ▶ Stronger alignment & coordination with Universities, Edmonton Global & industry associations.
- ▶ Alignment to the recommendations made in the Compass Report and community-level input.

#### Cons:

- ▶ Strong implementation plan is required which will take time and effort.
- ▶ Change impacts to stakeholder will be higher (i.e. employees, board members and clients).
- ▶ Potential loss of key personnel.

## **Section 4.3: Status of the recommendations arising from the YEG Innovation Compass Report**

### **Background**

The YEG Innovation Compass Report dated June 2019 was commissioned to conduct a public engagement exercise, and report back on the consultation with members of the community to determine how to move Edmonton's tech-enabled innovation ecosystem forward. The report outlined 14 recommendations and directions with acknowledgment within the consultation process that the "Next Steps" phase of the consultation would require an action plan as an ongoing process.

Of the 14 recommendations the following recommendation has been addressed within the innovation ecosystem options section of this report above - "Reshape the mandates and governance models of service providers to be as agile as possible with the goal of meeting the evolving needs of the ecosystem".

The status of the remaining 13 Recommendations and Directions was developed through interviews and engagement with Edmonton Innovates and Chris Henderson of Chris Henderson Communications & Consulting.

### **Status of recommendations and directions**

Since the release of the YEG Innovation Compass Report in June of 2019 an Action Plan Team was formed to determine how to best to address the 13 recommendations. The Action Plan Team is comprised of the two EACOS Co-Chairs, (Ashlyn Bernier, Sean Feehan), the Vice President of Innovate Edmonton (Cheryll Watson), Director of Strategy & Stakeholder Relations for Innovate Edmonton (Alex Hryciw) and Chris Henderson Communications & Consulting (Chris Henderson and Ann Gordon-Tighe).

The Action Plan Team identified five focus areas that align to the recommendations within the YEG Innovation Compass Report as follows; Funding, Talent, Customers, Marketing and Governance. They also identified specific tactics and commitments for each of the focus areas that have been incorporated from the YEG Innovation Compass report, as well as outcomes from a few other engagement exercises with the tech innovation community in the last 18 months.

Ownership of the tactics within the Action Plan will rely on a collective community impact approach. Under this model, Innovate Edmonton will take responsibility for some of the tasks within the action plan, but will look to the broader community (organizations, groups and companies) to take ownership of other tasks/tactics. This will support continued momentum on tasks/tactics that broader community members who may have already made progress towards, as well as any additional tactics organizations and community members take on. The plan will also identify community commitments that organizations (such as service providers or representative groups) can sign on to as a means of pledging to make a commitment to certain practices.

To date, an initial draft of the Action Plan with Innovate Edmonton's tactical responsibilities already identified has been developed. Populating the remainder of the responsibilities in this Action Plan will be a community-driven exercise that will commence before the end of 2019 and will continue into early 2020. The community will be invited to review the action plan, determine what tactics line up with work they are already doing, and indicate as such. This process will be facilitated by an online tool that will make the Action Plan into a living document and allow for several rounds of engagement and commitment by the various players in the community.

In addition to the steps outlined above, Innovate Edmonton has provided a detailed status update that reflects work that has been completed during the period of March 2019 to November 12th, 2019 that shows progress on each of the YEG Compass Innovation Report recommendations in parallel to work being completed on the Action Plan. Please refer to **Appendix E**.

## Section 5: Conclusion

During the kickoff of this project, the list of stakeholders to be interviewed represented a broad and diverse range of perspectives. This combined with an accelerated timeline of ten weeks to complete all interviews, validate findings with leading practice thought leadership, and provide real time feedback on what EY was hearing to the Steering Committee weekly was a large request. EY felt that the large number of stakeholders would yield differing opinions so extreme, that it would be difficult to find common approaches and a common ground with respect to FDI, Trade, BRE and tech innovation.

While perspectives were diverse, there were significant commonalities which emerged through the interviews and were identifiably based on common themes. EY heard that most interviewees supported role clarity and supported a new approach to tech innovation. Moreover, the dedication demonstrated by all stakeholders to serving entrepreneurs and growing Edmonton's economic footprint was very apparent. Many stakeholders interviewed offered additional consideration beyond the scope of this project which has been included in some of the recommendations within the body of this report. These considerations offer to strengthen Edmonton's opportunities to be a world leader and to support innovation, and the ability to collaborate and grow Edmonton's economic development strategy as it relates to FDI and Trade.

Finding common ground is the first step along with respecting role clarity, mandates and renewing efforts to create a truly collaborative innovation ecosystem.



## Section 6: High Level Transition Considerations

### Role clarity as it relates to FDI and Trade and BRE

If accepted by Council, the EY recommendations put forward for role clarity between EEDC, Global and the City Administration, will require organizational changes.

The largest impact is anticipated to be on EEDC who will see their current BRE and Trade mandates transferred to the City and Global respectively as gatekeepers of the processes and owners of the relationship with the Edmonton business community across all industries and sectors. Key changes may include:

- ▶ A reduction in EEDC's workforce; approximately 20 people in the Investment and Trade division, from the Innovate division and some corporate staff. Consideration should be given to how the employees and leaders from Investment and Trade could be hired by the City Administration, and what the implications of workforce reduction will be.
- ▶ A reduction in financial transfers to EEDC.
- ▶ A new mandate, brand and strategy to focus EEDC on the activities of tourism and convention centers.
- ▶ Movement of most if not all of EEDC's brand and marketing functions and activities to the City's brand and marketing division. This would not include any brand and marketing information which is related to Tourism and Convention Centers.
- ▶ A revision of all funding agreements and leases owned by EEDC and a transition plan to address the financial implications of moving them to the City. This includes agreements with the research park, Bio-Tech Innovation Centre, the Advanced Technology Centre and the existing agreements with the Province of Alberta and other parties (to be determined).
- ▶ Understanding of how EEDC's role and engagement on western diversification initiatives can be transferred to the City Administration (if permitted).

As part of the transition plan, consideration should also be given on how to address in-flight Trade, BRE and marketing activities to minimize the impact on the business community and the citizens of Edmonton. Consideration should also be given to ensure that the messaging to the stakeholders (business community, Province, funded associations, etc.) of EEDC on these changes is framed in a manner which celebrates the successes of EEDC over the past 25 years and frames a vision for continued regional economic prosperity for Edmonton which is dynamic, inclusive and timely.

Edmonton Global will have moderate impacts, as they will be asked to consider expanding their sectors and industries to include high growth companies who may fall outside of the existing global sectors. Global will also see a surge in their workload as their stakeholder (customer base) will increase. It is expected that Global will ask City Administration for more funding and capacity to support the recommendations. As with EEDC, communications and messaging will need to celebrate the accomplishments of EEDC as a key partner in economic development framework of Edmonton and provide a vision for how the future of FDI and Trade will enable shared investment for shared benefit.

Finally, to conduct BRE activities effectively, the City Administration will need to increase both the funding and workforce capacity to take on the additional responsibilities. They will also require a revision to their mandate and will need to have a dedicated service which ensures alignment of activities from a customer perspective between Global and the City. The City will require a deeper understanding of their new stakeholders / customers and will also need to develop an external communications plan to help Edmontonians understand what is changing, why, and how the City Administration will support this transition.

The above activities are captured in the roadmap below. EY recommends that a 4-6-month timeline be considered to ensure all transitions are conducted thoroughly and with respect to all parties. The timeline below is high-level and will continue to be honed as additional engagement with all three parties are undertaken and detailed process, financial and workforce impacts captured.

# High level Trade, FDI and BRE Transition Plan

	January											February																											
	Week 1			Week 2			Week 3			Week 4			Week 5			Week 6			Week 7			Week 8																	
	6	7	8	9	10	13	14	15	16	17	20	21	22	23	24	27	28	29	30	31	3	4	5	6	7	10	11	12	13	14	17	18	19	20	21	24	25	26	27
<b>Trade FDI BRE</b>	2 workshops: discuss brand & map out activities which will be transferred from EEDC to the City.  Audience EEDC & City						1 workshop: map out all in-flight activities			City admin to develop a plan to take on the additional activities			1 workshop: workforce realignment meeting (City to meet with EEDC to understand workforce impacts)  1 workshop: Global & The City to meet to map out handoffs as it relates to Trade and BRE			Mandate and strategic plan examination  Audience: City Admin – BRE and FDI			Mandate and start plan review  Audience: Shareholder and EEDC			Communication planning workshop for external customers			Communication plan – internal staff  Audience: Shareholder to communicate to EEDC staff														

	March											April																															
	Week 9			Week 10			Week 11			Week 12			Week 13			Week 14			Week 15			Week 16			Week 17																		
	2	3	4	5	6	9	10	11	12	13	16	17	18	19	20	23	24	25	26	27	30	31	1	2	3	6	7	8	9	10	13	14	15	16	17	20	21	22	23	24	27	28	29
<b>Trade FDI BRE</b>	Meetings to discuss transition timing			Handover of information on in-flight activities, databases, inventories, etc.			Notice from City / EEDC to external clients of EEDC to ensure warm handover			Final planning workshop – legal / finance between shareholder and EEDC to wind down operations for March31			Announcement of new EEDC and brand						Open house – City / Global with business community to learn about services			Ongoing touchpoints and detailed planning for upcoming year																					

## **Governance Options: tech innovation**

The tech-innovation ecosystem in Edmonton is comprised of many entities, both within EEDC and within the broader Edmonton community. If EEDC Shareholder accepts EY's recommendation to create a new purpose driven organization, which would be comprised of EEDC led innovation functions combined with Tec Edmonton, Health City and Screen Industries, (pending consultation with these entities), the following actions would be required over a period of six to nine months.

### **Focused dialogue with key stakeholders**

- ▶ The transition to the new purpose driven organization will require significant political will from the City, TEC Edmonton, EEDC, Edmonton Innovates (Start-Up Edmonton), Health City and Screen Industries to create the new purpose driven organization and a more unified innovation ecosystem.
- ▶ The transition to the new purpose driven organization will also require the Board Chairs of TEC Edmonton, Edmonton Screen Industries and Health City to dissolve their Boards and reimagine a new governance structure which is inclusive of their individual entity's mandates.
- ▶ Discussions with the various universities and institutes and industry associations will be required to understand their perspectives on the proposed purpose-led organization, and what will be required for them to participate.
- ▶ Meetings with Edmonton Global will be required to understand how they would like to engage with the new organization.

### **Clarity of governance, roles and accountabilities**

- ▶ For all entities impacted by the new purpose driven organization, numerous workshops will be required to discuss and agree upon the governance structure, including membership of the Board, membership of the corporate structure (innovation organization), and roles and responsibilities of each member entity.
- ▶ A visioning session will be required for all member entities to develop their vision, mission and strategy for the new organization, including the funding model required for members.
- ▶ Universities, institutes and industry organizations will need to work closely with the new purpose-led organization to agree upon value proposition and approach to working together.
- ▶ Clear measures, outcomes and reporting mechanism to the City will need to be documented to ensure value for money is being realized with the new purpose-led entity.

### **Mandates and funding agreements**

- ▶ The process of moving EEDC tech-innovation entities out of EEDC and to a new entity will require a review of all existing funding grants and agreements between the City and EEDC for tech funded entities; and between EEDC and their tech funded entities. Impacts to the agreements and grants will need to be understood and included in the transition planning cycle.

### **Workforce transition to the new purpose-led organization**

- ▶ The transition of EEDC tech innovation entities to the new purpose-led organization will have a direct impact on approximately 20 employees of EEDC from Innovates. Consideration should be given as to how the employees and leaders could be transitioned to the new purpose-led entity and if not what the implications of workforce reduction will be.

- ▶ Capability analysis and hiring process will be required by the Board to consider who the CEO of the new purpose-led entity should be and what the supporting corporate structure will look like.

### **Community consultation**

- ▶ A key criterion for success of the new purpose-led entity will be the buy-in from the business community, innovators and incubators. To this end, significant community consultation will be required to help shape the mandate and vision of the new entity.
- ▶ Already over-consulted, it will be imperative for the City to use innovative engagement and existing techniques to gain insight from the entrepreneurial community across all sectors and industries on how they want to be supported by the new purpose-led organization.
- ▶ The transition plan will need to take into account the feedback and activities in the action plan for the YEG Innovation Compass Report, which will be socialized to the business community in early 2020.

### **Financial funding model**

- ▶ An additional criterion for success for the stand-up of the new entity will be how efficiently effectively the individual entities (TEC Edmonton, Edmonton Screen Industries, Health City, Innovates, and the City) develop a funding model to start-up, grow and sustain the new purpose-led organization.
- ▶ A funding model will also be required to understand how industry associations, universities and institutes will work with the organization, and what the funding model will be.

## High level Innovation Transition Plan

	Q1												Q2											
	January				February				March				April			May			June					
	3	10	17	24	31	7	14	21	28	6	13	20	27	3	10	17	24	1	8	15	22	29	5	12
<b>Innovation</b>	Community consultation: engaging EACOS and the innovation community to socialize the entity and get recommendations on how to improve the innovation ecosystem through this entity				Consultation with Boards of TEC Edmonton, Screen Industries, Health City and Innovate Edmonton to discuss the value proposition for the new entity and encourage membership				Understanding of current state initiatives across all tech entities and possible impacts of moving to a new organization  Understanding of stakeholder landscape – tech-innovation customers for Tec, health, Innovate (includes Start-Up) and Health				Stand up of new Board and governance structure  Selection of the corporate structure for the Innovates organization			Engagement with industry associations, universities and institutes to socialize the new entity and seek feedback and buy-in  Visioning session with members of the community to provide recommendations to the new Board on vision of the new entity			Development of roles and accountabilities, measures and reporting mechanisms between all partners, and the City  Legal and financial plan to enable the stand up of the new entity					
	Q3																							
	July				August				September															
	3	10	17	24	31	7	14	21	28	4	11	18	25											
<b>Innovation</b>	Transition of in-flight services to the new entity  Communication plan for all impacted stakeholders and employees				Final assessment of viability from the City  Enaction of the financial and legal plan to enable the stand up of the organization				Public announcement and media FAQs															



## Appendix A: Steering Committee Membership

Name	Association	Title
Linda Cochrane	City of Edmonton	City Manager
Rick Valdemarca	EY	Engagement Partner
Stephanie McCabe	City of Edmonton	Deputy City Manager, Urban Form and Corporate Strategic Development Department
Aileen Giesbrecht	City of Edmonton	Chief of Staff, City Manger's Office
Malcolm Bruce	Edmonton Global	Chief Executive Officer, Edmonton Global
Derek Hudson	EEDC	Chief Executive Officer, EEDC
Chris Henderson	Chris Henderson Communications & Consulting	Principal
Robert Seidel	DLA Piper	National Managing Partner
Kavita Sharma	EY	Senior Manager
Sukhi Dhaliwal	EY	Senior Manager
Stephen Prendiville	EY	Partner

## Appendix B: Documentation Listing

Date Received	Owner	Document Name
September 20	City of Edmonton	YEG Innovation Compass Final Report
September 20	City of Edmonton	Snapshot of Major Economic Development Investment 2018
September 20	City of Edmonton	Key Milestones - Edmonton Global
September 20	City of Edmonton	Supporting an Innovation Ecosystem for Edmonton - Key Elements
September 20	City of Edmonton	EEDC 2018 and 2019 Segmented Financial Reports
September 20	City of Edmonton	Costs Related to the Supports for Civic Start-up Ecosystem
September 20	City of Edmonton	Edmonton Startup Ecosystem Funding Overview
September 20	City of Edmonton	Edmonton's Economic Development Framework and Innovation Ecosystem
September 20	City of Edmonton	Update on the Economic Framework for the City and Region
September 20	City of Edmonton	Key Roles and Accountabilities Edmonton Global, Edmonton Economic Development Corporation and the City of Edmonton
September 27	Edmonton Global	Edmonton Global _ Strategic Plan Final Print Aug 2019
September 27	Edmonton Global	EDC-Edmonton Global - Joint Committee Recommendation on Role Clarity
September 27	Edmonton Global	Memorandum of Association
October 1	EEDC	EG and EEDC Role Clarification - July 2019 Draft
October 1	EEDC	EEDC Articles of Association
October 1	EEDC	EEDC Memorandum of Association
October 1	EEDC	EG an EEDC Joint Board Recommendations
October 1	EEDC	Swim Lanes - Keys Roles Responsibilities
October 1	EEDC	September 30, 2019 - Edmonton Economic Development Corporation Audit
October 1	EEDC	Final Report Memo - City Council - Signed EEDC Audit
October 1	EEDC	1992 Report on Edmonton Regional Economic Linkages
October 1	EEDC	Metro Mayor's Alliance
October 1	EEDC	EEDC Mayor Brief Regional Model

Date Received	Owner	Document Name
October 7	City of Edmonton	Program and Service Review - Business Licensing and Business Retention & Expansion Service Review
October 8	EEDC	Innovate Edmonton Definitions
October 8	EEDC	Start-up Development Phases
October 9	Edmonton Global	Health City Organizational Protocol Agreement
October 9	Edmonton Global	Business, Retention, Expansion, Attraction
October 9	Edmonton Global	Alberta's Industrial Heartland Organizational Protocol Agreement
October 9	Edmonton Global	Alberta's Industrial Heartland Lead Share & Marketing Protocol Agreement
October 9	Edmonton Global	Edmonton Global Briefing Note
October 9	Edmonton Global	Regional Innovation Agenda
October 9	Edmonton Global	Edmonton Global - Innovation Network
October 9	Edmonton Global	Edmonton Innovation Mapping
October 11	Edmonton Global	Sector Fact Sheets
October 11	City of Edmonton	Mayor's Letter to EEDC and Edmonton Global Boards
October 12	Edmonton Global	Going Global - A Guide to Competing in Globalized Economy
October 18	Innovate Edmonton	Innovate Edmonton Business Plan
October 18	Innovate Edmonton	Innovation Funding Relationships
October 18	Innovate Edmonton	Edmonton Innovation Ecosystem Map
October 25	Edmonton Global	Edmonton Global - Shareholder Mid- Year Update
October 25	Edmonton Global	Town of Bon Accord - Withdrawal of Shareholder Support

## Appendix C: Stakeholder Listing

Date	Engagement Form	Organization	Participants
October 3, 2019	Interview	EEDC	Derek Hudson - Chief Executive Officer
October 4, 2019	Interview	City of Edmonton Council	Aaron Paquette - Ward 4 Councillor
October 7, 2019	Interview	Edmonton Global	Malcolm Bruce - Chief Executive Officer
October 7, 2019	Interview	City of Edmonton Council	Andrew Knack - Ward 1 Councillor
October 8, 2019	Focus Session	EEDC	Derek Hudson - Chief Executive Officer Maggie Davison - VP, Edmonton Tourism Ellen Hollinger - VP, Corporate Services Glen Vanstone - VP, Enterprise Edmonton Cheryll Watson - VP, Innovate Edmonton Arlindo Gomes - VP, Venue Management Terry Curtis - VP, Corporate Relations
October 8, 2019	Interview	Edmonton Global	John Day - Chair of the Board
October 8, 2019	Interview	City of Edmonton Council	Bev Esslinger - Ward 2 Councillor
October 9, 2019	Focus Session	Edmonton Global	Malcolm Bruce - CEO Lynette Tremblay - VP, Strategy & Innovation Karra-Lee Gerrits - VP, Investment & Trade Chris McLeod - Director, Marketing & Communications
October 9, 2019	Interview	City of Edmonton Council	Mike Nickel - Ward 11 Councillor
October 9, 2019	Interview	EACOS	Ashlyn Bernier - Co-chair
October 10, 2019	Interview	City of Edmonton Council	Michael Walters - Ward 10 Councillor
October 10, 2019	Interview	City of Edmonton Council	Mohinder Banga - Ward 12 Councillor

Date	Engagement Form	Organization	Participants
October 11, 2019	Interview	Downtown Business Association	Ian O'Donnell - Executive Director
October 11, 2019	Interview	City of Edmonton Council	Mayor Don Iveson
October 11, 2019	Interview	TEC Edmonton	Matthias Ruth - Board Member
October 15, 2019	Interview	Leduc County	Mark Gallant - Economic Development Co-ordinator Grant Bain - Director of Planning and Development
October 16, 2019	Interview	Alberta Investment Trade Officer	Ron Hoffman - Alberta Senior Representative for the Asia Pacific Basin
October 16, 2019	Focus Session	TEC Edmonton	Bobbi Elliott - CEO Darrell Petras - EVP, Business Development Chris Diaper - Director, Strategic Partnerships Jayant Kumar - VP, Technology Management
October 16, 2019	Interview	Health City	Reg Joseph - CEO
October 16, 2019	Interview	City of Edmonton Council	Scott McKeen - Ward 6 Councillor
October 17, 2019	Interview	EEDC	Joseph Doucet - Chair of the Board
October 17, 2019	Interview	Edmonton International Airport	Tom Ruth - CEO
October 18, 2019	Interview	City of Edmonton Council	Tim Cartmell - Ward 9 Councillor
October 18, 2019	Interview	City of Edmonton Council	Sarah Hamilton - Ward 5 Councillor
October 19, 2019	Interview	Northeast Capital Industry Association	Laurie Danielson - Executive Director
October 24, 2019	Focus Session	Working Session, FDI, Trade and BRE	Derek Hudson, Malcolm Bruce, Paul Ross, Stephanie McCabe, Glen Vanstone, Steven

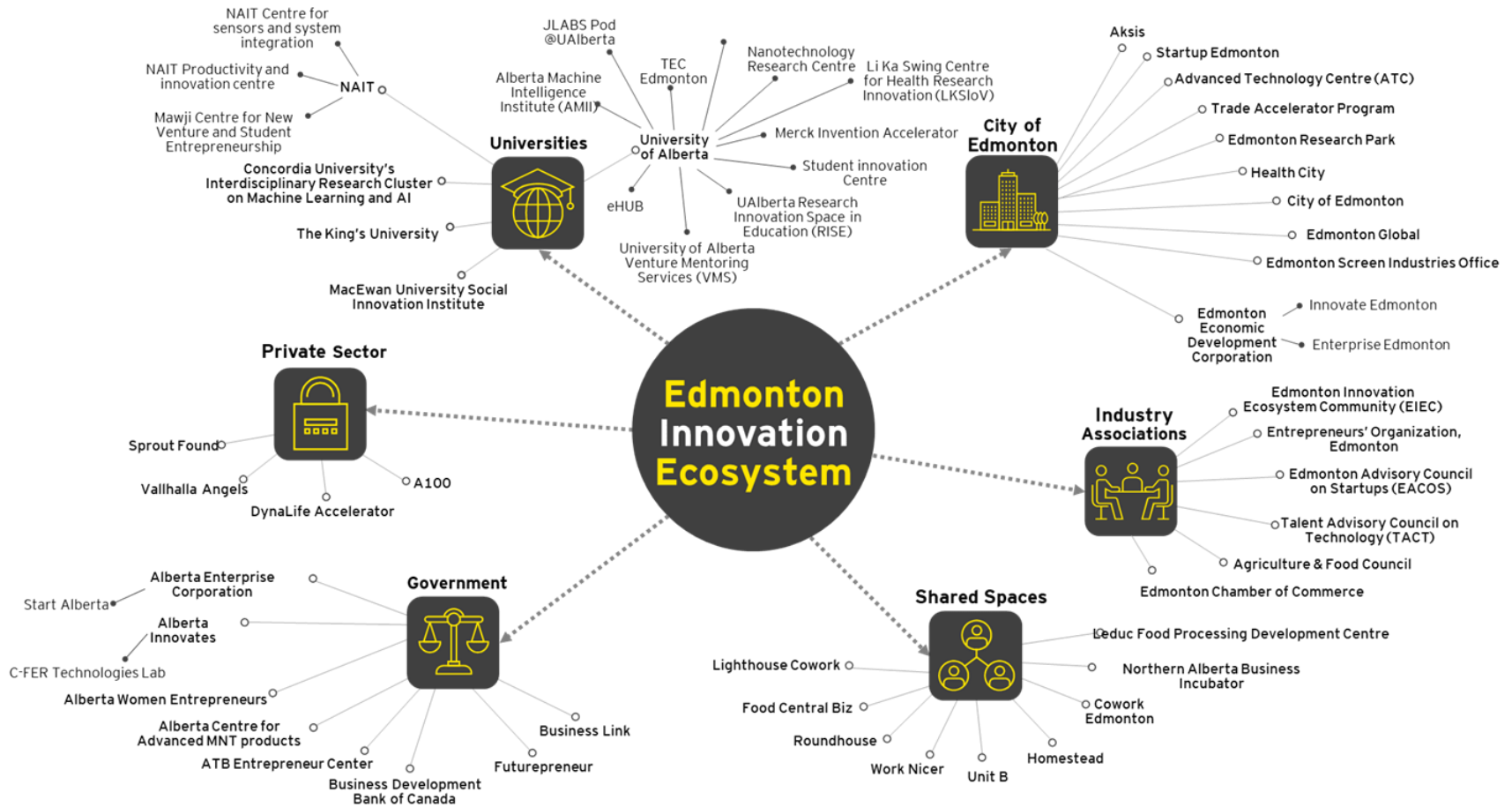
Date	Engagement Form	Organization	Participants
			Prendiville, Rick Valdemarca, Sukhi Dhaliwal, Shahd Alkhashashna
October 25, 2019	Interview	EACOS	Sean Feehan - Co-chair
October 25, 2019	Interview	Edmonton Screen Industries	Josh Miller - CEO
November 1, 2019	Interview	City of Fort Saskatchewan	Troy Fleming - City Manager
November 5, 2019	Interview	Chamber of Commerce	Janet Riopel - CEO
November 12, 2019	Interview	City of Edmonton Council	Tony Caterina - Ward 7 Councillor

Interviews requested but not conducted

Name	Engagement Form	Organization
John Dziadyk	Interview	City of Edmonton - Ward 3 Councillor
Ben Henderson	Interview	City of Edmonton - Ward 8 Councillor



# Appendix D: Edmonton Innovation Ecosystem



Disclaimer: the diagram above is EY's understanding of the Edmonton Innovation Ecosystem and may not be complete. It was developed based on Global and EEDC's collective representation of the Innovation ecosystem.

# Appendix E: YEG Innovation Compass Status Report

The following is a summary of recommendations contained in the YEG Innovation Compass Report. Below that is a status update which cross references progress to each recommendation.

Recommendation No.	Compass Recommendation
1.	Encourage pools of private investors from all sectors to move off the sidelines and start investing in local tech entrepreneurs.
2.	Find ways to deploy government funding and support of the ecosystem in ways that better align to the needs of entrepreneurs.
3.	Make it extremely easy for innovators to benefit from and build on the IP they develop at post-secondary institutions.
4.	Facilitate more direct mentoring by entrepreneurs who have recent experience successfully founding and building tech companies.
5.	Invest in the establishment of a tech accelerator with a model proven in other jurisdictions.
6.	Reshape the mandates and governance models of service providers to be as agile as possible, with the goal of meeting the evolving needs of the ecosystem.
7.	Foster an environment where companies can launch easily and fail fast.
8.	Develop a single window to communicate the entirety of services, programs and supports within the ecosystem available to entrepreneurs.
9.	Persistently communicate the ecosystem’s success stories - small or large - to both external and internal audiences.
10.	Establish funding and initiatives that encourage a predominately relationship-based culture between entrepreneurs across the ecosystem.
11.	Facilitate opportunities for entrepreneurs at every state to build applicable skills in practical areas (e.g., coding) and business skills (e.g., customer development).
12.	Shift the service provider focus to securing local, national and international customers for entrepreneurs.
13.	Formalize, fund and strengthen a mandate for an entrepreneur-led tech industry association.
14.	Focus the ecosystem around supporting identified pillars of strength, rather than diluting focus in dozens of areas.

Note - the status update below has been provided by Innovate Edmonton a Division of Edmonton Economic Development Corporation.

## YEG Innovation Compass - Status Report

The following is a summary of the specific actions Innovate Edmonton has implemented based on the recommendations contained in the YEG Innovation Compass report. This list reflects work during the period of March 2019 to date.

Innovate Edmonton Initiatives	Compass Recommendations
<p>Sponsored and supported: <a href="#">Investing in Tech 101</a> during Startup Week. 185 people were in attendance.</p> <p>Workshops included a keynote from Dr. Richard Sutton on 'AI: Why Edmonton is the Top 5 Activation Ecosystem Globally for Market Research and Talent', 'Top 5 Legal Risks in Tech Investing', a VC panel discussion and Edmonton based tech company presentations.</p>	<p>Numbers 1, 9, 10, 14</p>
<p>Created an “Investor Only” VIP event in advance of Launch Party 10, allowing investors early access and more private conversations with Launch Party alumni and the Class of 2019.</p>	<p>Numbers 1, 7, 9, 14</p>
<p>4 investor-led events over <a href="#">Startup Week</a> with representatives from 14 different Angel &amp; VC groups.</p> <p>Events:</p> <ul style="list-style-type: none"> <li>• Investment Readiness Day (Oct 22) with ATBx &amp; Accelerate Fund</li> <li>• Open Panel Discussion with the Alberta Investor Community (Oct 22) with Valhalla Private Capital</li> <li>• How to Attract Investors for Your Big Idea (Oct 23) with Valhalla Private Capital, Accelerate Fund and Bruce Johnson</li> <li>• Raising Capital: An Open Discussion with Angel Investors (Oct 25) with Valhalla Private Capital &amp; Health City.</li> </ul>	<p>Numbers 1, 4, 7, 10</p>
<p>Host <a href="#">Funders and Founders</a> event (Nov 21) to match active investors with tech founders at all stages.</p>	<p>Numbers 1, 6, 10</p>
<p>Attended Collision Conference in Toronto to support early-stage start-ups as they seek investment and first customers.</p> <p>Outcomes of the activation at the conference:</p> <ul style="list-style-type: none"> <li>• 677 leads confirmed   120 in progress</li> <li>• 2,400 interactions at the booth</li> <li>• 10 Startups Showcased &amp; profiled</li> <li>• 11 investor meetings set-up by Collision</li> <li>• 4 meetings with mentors</li> <li>• 1 PITCH Company</li> </ul>	<p>Numbers 1, 2, 4, 9, 10, 12,</p>

Innovate Edmonton Initiatives	Compass Recommendations
<p>Support companies to attend industry specific trade shows.</p> <p>Specific example:</p> <p>Three companies participated in the Global Petroleum Trade Show in Calgary, Nanoprecise Sci Corp signed contract with Suncor. Rational Robotics expecting new contracts for their new Robotic welding product. Millennium3Technologies signed one new customer.</p>	<p>Numbers 2, 12</p>
<p>Hosted Next Canada Dinner for community and investors. NEXT Canada is a national, non-profit accelerator that develops exceptional talent to create world-class ventures and propel technology adoption.</p> <p>Goal: educate broader community and investors on WHAT an Accelerator is and WHY Alberta needs one. Encourage familiarity with Next Canada.</p> <p>Attendees included VIP investors, community leaders, CEO's, and City Councillors.</p>	<p>Numbers 1, 2, 3, 4, 5, 7, 12, 14</p>
<p>Created a new <a href="#">digital version of the Edmonton Made Gifted Catalogue</a> for the 2019 fall launch. An online platform for these small businesses to gain greater customer exposure they wouldn't have been able to achieve on their own.</p> <p>Platform has 20,000 followers and enabled 18,483 catalogue visits.</p>	<p>Numbers 7, 9, 12</p>
<p>Increased the number of online client video profiles that promote the growth of high-potential companies within Edmonton's ecosystem.</p> <ul style="list-style-type: none"> <li>• 7 profiles on <a href="#">Startup Edmonton website</a></li> <li>• 3 profiles on <a href="#">ATC website</a></li> <li>• 2 profiles on <a href="#">Edmonton.com</a></li> <li>• Additional 23 companies mentioned in 3 round-up stories (various websites)</li> </ul>	<p>Numbers 9, 12</p>
<p>Startup Founder Mentor Sessions: Brought in experienced founders and team leads to directly mentor the participating Preflight founders:</p> <ul style="list-style-type: none"> <li>• July 25 featured Jason Suriano, Founder of TrajectoryIQ and Nathan Beck, Product Manager at Jobber. They focused on founder sales, product management, and operations.</li> <li>• August 29 featured Dan McEleney, Founder of Gfycat and Shawn Sidoruk, Director of Engineering at Betable. They asked questions and provided feedback on the Preflight founders' product demos.</li> </ul>	<p>Numbers 4, 7</p>
<p>Increase in number of events for skill building during Edmonton Startup Week.</p> <ul style="list-style-type: none"> <li>• 34 events during Edmonton Startup Week offered direct skill-building opportunities for entrepreneurs at every stage. One example was the "You don't need developers to launch your startup" workshop led by Terry Song, Founder of Yardly.</li> <li>• 31% increase in number of events for skill building during Edmonton Startup Week, compared to 2018</li> </ul>	<p>Numbers 4, 11</p>

Innovate Edmonton Initiatives	Compass Recommendations
<p>Reverse Pitch event with the Japan External Trade Organization (JETRO).</p> <p>Startup Edmonton in partnership with JETRO created opportunity for Edmonton startups to meet potential Japanese partners, including Fujitsu, Mizuho Financial Group, Hike Ventures, SMBC, JR-East &amp; JR-West, and Furukawa Electric.</p>	<p>Number 12</p>
<p>Hosted two large-scale on-campus events - Careers Day (September 25, 2019) and Startup Week company mixer (October 22, 2019).</p> <p>These events provide direct access to talent which supports the needs of entrepreneurs of accessing talent. In total we worked with 25 startups for those two events and interacted with 1,000 post secondary students.</p>	<p>Numbers 2, 14</p>
<p>Hired a Community Coordinator to better assist people entering the ecosystem. Through <a href="#">Startup Edmonton's Get Started portal</a>, anyone can book a free 30-minute meeting with the Community Coordinator where they listen your idea and challenges, make recommendations on how you can move forward, and connect you with opportunities in the community.</p> <p>Since July 1:</p> <ul style="list-style-type: none"> <li>• Hosted 129 individual meetings through the Get Started portal (compared to 82 from the same period last year).</li> <li>• Recommendations are made based on the best fit according to the type of project/company the person is working on. If our programs don't fit the type of support, we make recommendations to other support organizations (TEC, Business Link, AWE, etc), funders &amp; grant programs (Alberta Innovates, Innovation Canada, etc), general coworking spaces (Homestead, Work Nicer, etc) and more.</li> </ul>	<p>Number 8</p>
<p><a href="#">Signed Microsoft for Startups collaboration partnership with Startup Edmonton</a>. This provides qualified companies access to Microsoft credit and marketplace platform. Also brings in experienced CTO's from the Microsoft network to connect with local founders.</p>	<p>Numbers 4, 6, 12</p>
<p>Increased Student Mentorship. Matched 15 Startup Founder Mentors with 263 students through 6 panels/roundtables.</p> <p>Venues included the University of Alberta, MacEwan University, and Amii and are open to all post secondary students.</p>	<p>Numbers 4, 10</p>
<p>Sponsored 10 seats for client companies at the Silicon Valley Product Group training session on Product Management. Program will run in Edmonton in November. For reference here is a link to the <a href="#">UK session</a>.</p>	<p>Number 11</p>

## Appendix F: Jurisdictional Information

During our work we referred to several jurisdictions to better understand how other jurisdictions conduct FDI, Trade and Innovation activities.

Jurisdiction	Description	Source
Toronto	Toronto Global	<a href="https://torontoglobal.ca/">https://torontoglobal.ca/</a>
Montreal	Montreal International	<a href="https://www.montrealinternational.com/en/">https://www.montrealinternational.com/en/</a>
Guelph	City of Guelph website	<a href="https://guelph.ca/2018/05/guelph-awarded-35000-attract-foreign-direct-investment/">https://guelph.ca/2018/05/guelph-awarded-35000-attract-foreign-direct-investment/</a>
Utah	Ivey Business School: Investment Attraction: Learning from “Best Practice” Jurisdictions	<a href="https://www.ivey.uwo.ca/news/news-ivey/2016/6/investment-attraction-learning-from-best-practice-jurisdictions/">https://www.ivey.uwo.ca/news/news-ivey/2016/6/investment-attraction-learning-from-best-practice-jurisdictions/</a>
Austin	City of Austin	<a href="https://www.austintexas.gov/innovation">https://www.austintexas.gov/innovation</a>
Austin	Capital Factory	<a href="https://www.capitalfactory.com/">https://www.capitalfactory.com/</a>
Austin	Capital City Innovation	<a href="https://www.capitalcityinnovation.org/">https://www.capitalcityinnovation.org/</a>
Austin	Austin’s Innovation District Annual Review	<a href="https://static1.squarespace.com/static/5a3080749f07f5db4cf1a4b4/t/5c85f87ac830254860d684e8/1552283803926/Austin-innovation-district-annual-review-2018.pdf">https://static1.squarespace.com/static/5a3080749f07f5db4cf1a4b4/t/5c85f87ac830254860d684e8/1552283803926/Austin-innovation-district-annual-review-2018.pdf</a>
Singapore	Ivey Business School: Investment Attraction: Learning from “Best Practice” Jurisdictions	<a href="https://www.ivey.uwo.ca/news/news-ivey/2016/6/investment-attraction-learning-from-best-practice-jurisdictions/">https://www.ivey.uwo.ca/news/news-ivey/2016/6/investment-attraction-learning-from-best-practice-jurisdictions/</a>
Hong Kong	Ivey Business School: Investment Attraction: Learning from “Best Practice” Jurisdictions	<a href="https://www.ivey.uwo.ca/news/news-ivey/2016/6/investment-attraction-learning-from-best-practice-jurisdictions/">https://www.ivey.uwo.ca/news/news-ivey/2016/6/investment-attraction-learning-from-best-practice-jurisdictions/</a>
Louisville	City of Louisville website	<a href="https://louisvilleky.gov/city-services/business-economic-development">https://louisvilleky.gov/city-services/business-economic-development</a>
Denver	City of Denver website	<a href="https://www.denvergov.org/content/denvergov/en/city-of-denver-home/business-services.html">https://www.denvergov.org/content/denvergov/en/city-of-denver-home/business-services.html</a>
Denver	The Kauffman Index Growth Entrepreneurship	<a href="https://www.kauffman.org/kauffman-index/reporting/-/media/kauffman_org/kauffman-index/print-reports/growth-index/2017/kauffman_index_growth_entrepreneurship_metro_2017.pdf">https://www.kauffman.org/kauffman-index/reporting/-/media/kauffman_org/kauffman-index/print-reports/growth-index/2017/kauffman_index_growth_entrepreneurship_metro_2017.pdf</a>



Atlanta	The Kauffman Index Growth Entrepreneurship	<a href="https://www.kauffman.org/kauffman-index/reporting/-/media/kauffman_org/kauffman-index/print-reports/growth-index/2017/kauffman_index_growth_entrepreneurship_metro_2017.pdf">https://www.kauffman.org/kauffman-index/reporting/-/media/kauffman_org/kauffman-index/print-reports/growth-index/2017/kauffman_index_growth_entrepreneurship_metro_2017.pdf</a>
Boston	The Kauffman Index Growth Entrepreneurship	<a href="https://www.kauffman.org/kauffman-index/reporting/-/media/kauffman_org/kauffman-index/print-reports/growth-index/2017/kauffman_index_growth_entrepreneurship_metro_2017.pdf">https://www.kauffman.org/kauffman-index/reporting/-/media/kauffman_org/kauffman-index/print-reports/growth-index/2017/kauffman_index_growth_entrepreneurship_metro_2017.pdf</a>
San Francisco	City of San Francisco Website	<a href="https://oewd.org/about-us">https://oewd.org/about-us</a>
San Francisco	The Kauffman Index Growth Entrepreneurship	<a href="https://www.kauffman.org/kauffman-index/reporting/-/media/kauffman_org/kauffman-index/print-reports/growth-index/2017/kauffman_index_growth_entrepreneurship_metro_2017.pdf">https://www.kauffman.org/kauffman-index/reporting/-/media/kauffman_org/kauffman-index/print-reports/growth-index/2017/kauffman_index_growth_entrepreneurship_metro_2017.pdf</a>
Columbus	The Kauffman Index Growth Entrepreneurship	<a href="https://columbusregion.com/market-research/economic-dashboards/employment-and-workforce">https://columbusregion.com/market-research/economic-dashboards/employment-and-workforce</a>
Indianapolis	The Kauffman Index Growth Entrepreneurship	<a href="https://www.kauffman.org/kauffman-index/reporting/-/media/kauffman_org/kauffman-index/print-reports/growth-index/2017/kauffman_index_growth_entrepreneurship_metro_2017.pdf">https://www.kauffman.org/kauffman-index/reporting/-/media/kauffman_org/kauffman-index/print-reports/growth-index/2017/kauffman_index_growth_entrepreneurship_metro_2017.pdf</a>
Indianapolis	City of Indianapolis website	<a href="https://www.indy.gov/">https://www.indy.gov/</a>

## Appendix G: Acronyms

The following are acronyms used within the report:

Acronym	Description
ATC	Advanced Technology Centre
BRE	Business Retention and expansion
COE	City of Edmonton
EACOS	Edmonton Advisory Council on Start-ups
EEDC	Edmonton Economic Development Corporation
ESIO	Edmonton Screen Industries Office
FDI	Foreign Direct Investment
Global	Edmonton Global
UofA	University of Alberta

## Appendix H: Sample of Key Performance Indicators

Key Performance Indicators	Area
Number of Inter-sector collaborations	Innovation
Number of prototypes created	Innovation
Number of prototypes discarded	Innovation
Number of market test deployments	Innovation
Percentage of tech employees in market (%)	Innovation
Rate of start-up survival after 1 year	Innovation
Rate of start-up survival after 3 years	Innovation
Rate of start-up survival after 5 years	Innovation/BRE
Rate of start-up survival after 10 years	Innovation/BRE
Number of net new employments by < 1 year old businesses	Innovation
Number of net new employments by < 3 year old businesses	Innovation
Percentage of tech leasing activity of all new leasing transactions in past year (%)	Innovation
Square feet dedicated to support innovation	Innovation
Royalty revenue	Innovation
Diversity of sources of ideas	Innovation
Revenue from new projects	Innovation /BRE
Number of ideas considered	Innovation
Rate of start-up survival after 5 years	BRE
Private equity capital deployed (\$)	BRE
Number of net new employments by < 5 year old businesses	BRE
Number of new leasing transactions dedicated to new businesses	BRE
Average Wage	BRE
Number of jobs created	BRE
FDI net Income	FDI

Number of net new employments in FDI business	FDI
FDI Inflows (\$)	FDI
FDI Outflows (\$)	FDI
Assets held by FDI	FDI
Liabilities held by FDI	FDI

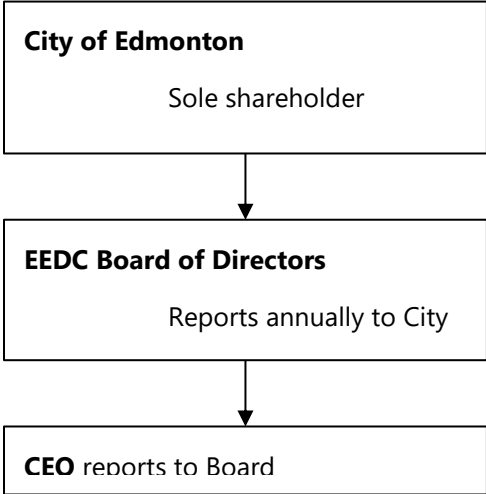
# Appendix I: Current Edmonton Development Agencies - Governance Structures

## Edmonton Economic Development Corporation (EEDC)

**Governance:** EEDC is governed by a Board of Directors (15 members) that meets quarterly to review the performance of EEDC management across all divisions and provides insights and recommendations for achieving the resilient growth and continuous prosperity needed in the Edmonton economy. The Board of Directors is led by a Shareholder approved Chair and operated with the following Committee structure: Governance Committee; Audit and Finance Committee; Human Resources and Compensation Committee.

**Corporate Structure:** CEO with Corporate team and the following divisions:

- Enterprise Edmonton
- Innovate Edmonton
- Edmonton Tourism
- EXPO
- Edmonton Convention Centre



**City of Edmonton Relationship:** Sole Shareholder funding at approximately \$13 Million annually EEDC report annually to Council through Budget process

**Legal Status:**

- Not-for-profit Company under the Companies Act
- City is the sole shareholder, represented by the members of Council
- City, as shareholder, appoints Board of Directors (note the Mayor is on the Board of Directors)

## TEC Edmonton

**Governance:** Board of eight members. TEC is a joint venture contractual entity by EEDC (on behalf of the City of Edmonton) and the University of Alberta.

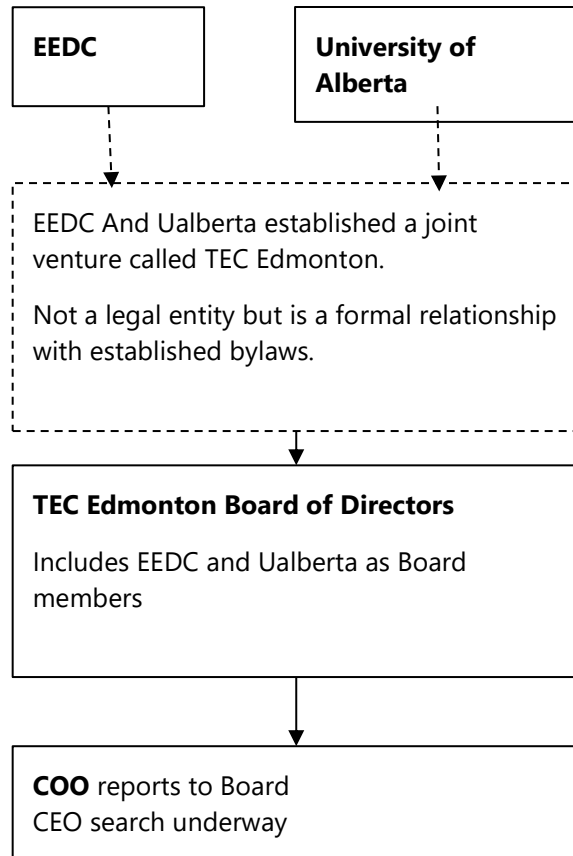
**Corporate Structure:** Chief Operating Officer (COO) reports to the Board. Current State: Interim COO leading TEC with Corporate team and the following areas (note there was a CEO who retired in 2019). The following divisions report to COO:

- Business Development
- Technology Management
- Strategic Partnerships
- Marketing and Communications
- Entrepreneur Development

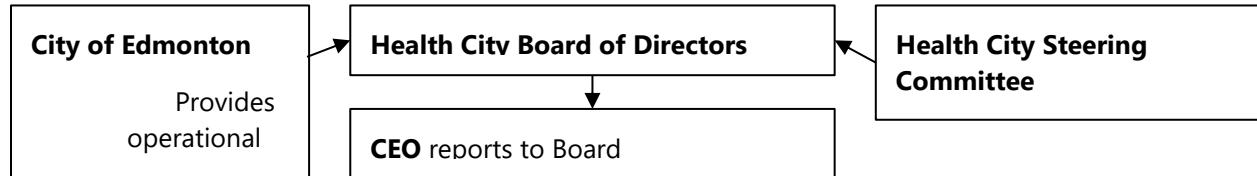
**City of Edmonton Relationship:** Funding through EEDC at an investment of \$1.5 m (2019) and at \$1m annually for 4 years. TEC reports Annually to Council on funding and results as per Grant Agreement.

### Legal Status:

- The joint venture is NOT a legal entity. "TEC Edmonton" is the name of the relationship between EEDC and the UofA, which is set out in an agreement between them. Through that agreement, EEDC and UofA created bylaws governing how they will work together
  - Those bylaws provide for a "board", comprising: VP Research, UofA; President, EEDC; 4 members appointed by UofA, and 4 members appointed by Council on recommendation of EEDC
  - bylaws also provide that the board should report semi-annually to its stakeholders and Council - however since the City isn't part of the agreement it's unclear how that was intended to occur
- There is a separate legal entity called "TEC Edmonton Ltd.", incorporated under Alberta Business Corporations Act (can operate as for-profit)
  - City is not a shareholder, entity has a sole shareholder and director



## Health City



**Governance:** The Board (five members) provides governance and strategic oversight to Health City and is accountable for all actions and activities related to Health City. The Chair of the Board provides an update to the Executive Committee of City Council. There is a Health City Steering Committee of 14 members that provides strategic direction and leadership to the Health City Board to drive the future of innovation in the health sector in Edmonton. There is a Health City Industry Advisory Committee and a series of working groups designed to show the impact of coalescing and focusing aspects of the Edmonton health innovation ecosystem on a defined need. As per the funding agreement, Health City is required to annually report the metrics associated with their funding and their audited financial statements to Administration. The Board is able to bring an annual report to City Council on funding and results.

**Corporate Structure:** CEO reports to the Board. The following corporate divisions exist:

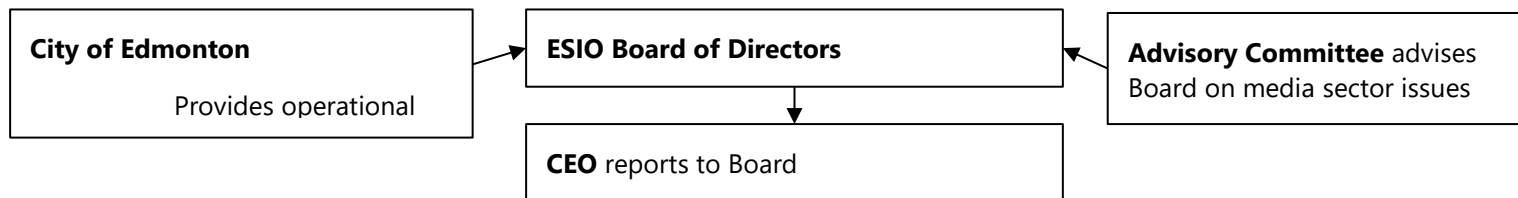
- Operations Manager
- Business Development Manager

**City of Edmonton Relationship:** Funding at \$900,000 annually-report to Council with results and updates. The City can appoint an Ex-Officio member to the Board.

**Legal Status:**

- Not-for-profit corporation under Canada Not-for-profit Corporations Act
- City is not a shareholder; the City can appoint one, non-voting ex-officio representative to the Board but otherwise has no role in appointing the Board of Directors
- The Shareholders appoint the Board of Directors
- City's relationship is determined by the formal funding agreements

## Edmonton Screen Industries Office (ESIO)



**Governance:** The Board (12 members) provide strategic oversight to ESIO. The Board maintains several standing committees including Governance; Audit and Finance; Strategic Planning; Communications and External Relations; and Government Relations. The Board also convenes an Advisory Committee that has a mandate to advise the Board of Directors and the CEO on screen media sector issues. ESIO Board and Director check in with City Council on an annual basis.

**Corporate Structure:** CEO reports the Board. The following corporate divisions exist:

- Finance Directors
- Grants/Programs Manager
- Communications

**City of Edmonton Relationship:** One-time Funding of \$3.95 m for the Edmonton Screen Media Fund and 4-year operating Fund totalling \$4.46m. ESIO is able to report annually to City Council on funding and results.

**Legal Status:**

- Not-for-profit Company under the Companies Act
- City is not shareholder, no role in appointing Board of Directors
- City's relationship is determined by the funding agreements



## Edmonton Global

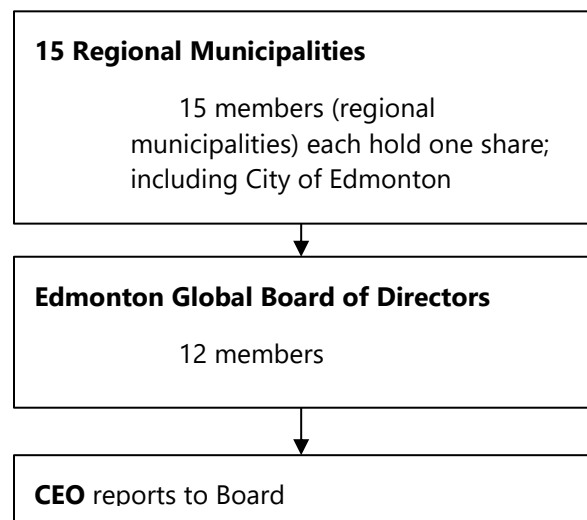
**Governance:** The Board (12 members) provides oversight to the CEO

**Corporate Structure:** CEO and the following divisions:

- Investment and Trade
- Strategy and Innovation
- Various business development sections

**Legal Status:**

- Not-for-profit Company under the Companies Act
- Each of the founding 15 regional municipalities are shareholders (one equal share per municipality); City of Edmonton holds one share. The Town of Bon Accord has provided notice to Edmonton Global that it intends to withdraw from the organization, per the Articles of Association.
- Board of Directors appointed by majority vote of all shareholders



**City of Edmonton Relationship:** One of 15 shareholders Annual funding of \$1.26M.

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