Bringing Technology to Market

Technology Commercialization Program
AET Minister’s Mandate

You will take the lead to:

• enhance value-added activity, increase innovation, and build a skilled workforce to improve the long-run sustainability of Alberta’s economy, and

Lead the following initiatives:

• encourage technology commercialization and increase the Canadian venture capital invested in Alberta, in part by establishing the Alberta Enterprise Fund
Key Initiatives

- Alberta Enterprise Fund
- SR&ED Tax Credit
- AVAC (IVAC) Company Development
- Business Development Centres
- Product Commercialization Centres
- Innovation Support Services
  - Innovation Vouchers
  - Technology Development Advisors
  - Product Demonstration Fund
- Encouraging Entrepreneurship
Alberta Enterprise Fund

- Established as arms-length provincial corporation, managed by experienced experts
- $100 M allocated for co-investment in venture funds, expert management
- Promote the development of a venture capital industry in Alberta supporting the development of knowledge-based industries
- Provide improved access to venture capital for Alberta knowledge-based companies
- Promote Alberta as a technology investment destination
Each “Venture Fund” will have a number of limited partners, including the Alberta Enterprise Corporation.
SR&ED Tax Credit

- Reduces cost of research and development by allowing companies to claiming R&D expenses
- Credit is 10% of a eligible expenditures up to $4 M, for a maximum credit of $400 K
- Refundable ... start-up and early stage companies doing R&D can receive the credit even if without having taxable income
- Alberta Finance and Enterprise will implement the tax credit, effective January 1, 2009
AVAC (IVAC) Company Development

• **AVAC Ltd is a non-profit organization that offers support to early stage companies in a range of technology areas**

• **Additional resources allocated to their IVAC Capacity Builder Program, starting in 2008.**

• **The Capacity Builder offers support for:**
  - mentoring, management expertise.
  - Intellectual property development
  - professional marketing plans, assessments and feasibility studies
  - other professional services (legal, professional, engineering)
Business Development Centres ...

help firms start up and grow through these services:

- business planning and start-up assistance, market research, intelligence and executive mentorship, client networking, access to investment sources, intellectual property management, recruitment of expertise, and incubation and office services.

AET ... will continue supporting existing and aid new centres throughout the province reflecting regional strengths in innovation and the needs of local industry
AET ... supports coordinated delivery of regional innovation support services

- Support Services
- Business Mentoring
- Technology Transfer
- IP Management
- Networking
- Information
- Entrepreneurship
Product Commercialization Centres

• **Product Commercialization Centres** ... *will help companies develop and apply new technology to create marketable new products and services, through support for:*
  - prototype development, lab facilities and equipment, engineering and design expertise, test environments, validation and accreditation services, product demonstration sites and small-scale pilot production.

• **AET** ... *will pursue creation of a set of product commercialization centres targeting high-value domestic and global market opportunities. Proposed areas of initial focus include:*
  - Environmental Technology
  - Geomatics for Energy & Resource Industry
  - Innovative E-Health Applications
Product Commercialization Centres

Product Centre Program
- Executive Manager
- Support Staff

cooperation

Company-Driven Projects

development & testing services

Technical & Marketing Expertise

Lab & Test Environments

Research Organizations

Potential Customers

Market Sector Advisory Group

Market-Ready Products

Innovation Support Services
Technology Commercialization Division
Innovation Vouchers

Innovation Voucher ... *a voucher (defined cash value)* for obtaining specialized assistance on demand from service providers

Key Objective ... *help companies move more rapidly from business idea to commercial products and services*

How ... *link firms to service providers; increase access to technology, commercialization requirements and business knowledge; approval by external experts*

Expected Outcome ... *more market and investment ready companies business start-ups and growth firms*
Innovation Vouchers - Process

Key Steps

1. Company applies to AET for voucher
2. AET awards voucher to qualifying company
3. Company obtains service from provider
4. Company pays provider with voucher
5. Provider submits voucher to AET
6. AET reimburses provider for value of voucher
Innovation Vouchers - Pilot Program

- **Program will be run as a two year pilot**
- **SME’s will have an opportunity to apply for and receive two different vouchers during life of the program**
  - $10,000 Voucher for smaller fee-based services such as marketing studies, business advice, or company formation
  - $50,000 Voucher to help cost of major development activity such as product prototyping, lab verification, field testing
- **Vouchers will be awarded to eligible companies as determined by a straightforward review; approved by an external panel of experts**
- **SME’s can reapply to the next round if unsuccessful at first, vouchers must be activated by within 9 months**
Technology Development Advisors ... will work directly with individual companies to provide technology development and commercialization expertise co-located with relevant organizations throughout the province.

Target Clients ... include innovators, early stage SMEs and more established SMEs seeking to develop innovative products and services.

AET ... will define the program role for advisors and fund salary; advisors will be hosted on contract by appropriate agencies across the province based on local or sector need.
Potential Host Organizations

- universities / colleges
- research organizations
- product commercialization centres
- regional agencies

Support Network

AET

Direction & funding

Advice & support

Alberta Companies

Innovation Support Services
Technology Commercialization Division
Product Demonstration Fund ... will support specific company technology demonstrations at end-user organizations (non-profits, institutions, public agencies)

AET ... will screen projects by commercial potential, technical feasibility, and business potential

Companies ... will work with strategic client to create project, test application, develop technology, address costs, and other outcomes

Funding Grants ... are non-repayable and support product demonstration activities of firm or group
Product Demonstration Fund

AET

Up to 50% project funding

Client End User (public or non-profit)

New product or service

Alberta Company

Demonstration Project

New Customer-Validated Product Ready for Market
AET ... will facilitate a province-wide initiative to promote entrepreneurship as a highly desirable career path and provide relevant skills training and real-life work experiences.

YOUTH TECHNOPRENEURSHIP PROGRAM (YTP) ...

- will enable colleges, technical institutes, and local communities to provide a period of “incubation” support to new technology-oriented business ventures.

- interested and eligible youth participate in a business plan competition administered by partnering post-secondary institutions and community organizations and receive financial awards and start-up support towards the development of their company.
Youth Technopreneurship Program

AET

Direction & funding

Communities & Colleges

Local Business Plan Competitions

Funding, advice, incubation support

Interested Students

Successful Youth Technopreneurs

Innovation Support Services
Technology Commercialization Division
Public Inquiries

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