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ADVANCING INNOVATION IN NEWFOUNDLAND AND LABRADOR

St. John's Innovation Workshop Report

Heather Hall and Kyle White, Memorial University

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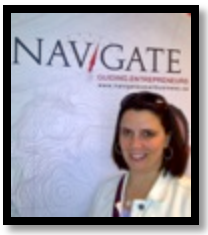

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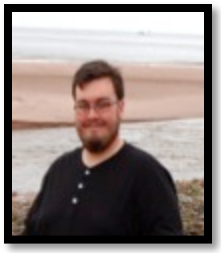

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Advancing Innovation in NL Project

The overall goal of the ***Advancing Innovation in Newfoundland and Labrador (AINL)*** project is to synthesize, share, and ground-truth knowledge related to innovation and ways it can be fostered with key participants involved in innovation (firms/entrepreneurs, local leaders, all levels of government, industry, industry associations, the university and the college). It will also distil lessons for policy and practice. More specifically, we are focussed on addressing the following questions:

- **What are the biggest impediments to realizing innovation-driven economic development in NL?**
- **What are the biggest opportunities?**
- **What strategies by firms, industry associations, all levels of government, regional development organizations, university/college etc. are needed to enhance innovation-driven economic development in NL?**

The AINL projects builds on several innovation-related research initiatives. This includes, research in Newfoundland and Labrador that was part of a national project looking at the social dynamics of economic performance in city-regions, led by David Wolfe and Meric Gertler at the University of Toronto. This project was focused on three themes: the social dynamics of innovation, talent attraction and retention, and civic governance and inclusion. Rob Greenwood led the Newfoundland and Labrador component, which included case studies on St. John's, Clarenville, Corner Brook, and Labrador West.

Another example is the *Networks for Business Innovation: Building Social Capital in Corner Brook, NL* initiative. This project is led by Jose Lam (Memorial University – Grenfell Campus) and includes a team of individuals from government, the university and business. The project is designed to assess the rural innovation system (adapted cluster work for rural and small regions) in the city of Corner Brook. Using interviews and surveys to investigate who people talk to and work with, this study is mapping out these connections and networks. Ultimately, this information will be used bring these players together to further develop social and economic innovation in the city and region.

One final example includes a cross-Canada initiative led by Kelly Vodden (Memorial University – Newfoundland and Labrador), Bill Reimer (Concordia University – Quebec), David Douglas (University of Guelph – Ontario), and Sean Markey (Simon Fraser University – British Columbia) focused on Canadian Regional Development. Five themes are being explored including: place-based development, collaborative, multi-level governance, rural-urban interactions, integrated development, and innovation and learning. In Newfoundland and Labrador these themes are being explored in Kittiwake/Gander-New-Wes-Valley and the Northern Peninsula.

The AINL project includes a series of **Innovation Workshops** in Kittiwake, Labrador Straits, Northern Peninsula, St. John's and Corner Brook. The format for these workshops includes:

- Research presentations based on research undertaken in the region or on themes related to innovation in the regional economy
- A panel from the region to provide examples of innovative firms and support systems that are fostering innovation
- A roundtable discussion on innovation challenges and opportunities

Pending funding, we plan on hosting an **Innovation Summit** in St. John's to report back on the innovation workshops and engage national and international experts on regional innovation.

The ***Advancing Innovation in NL*** project will produce a knowledge synthesis on innovation, summarizing the latest research on innovation and providing insights for advancing innovation strategies in Newfoundland and Labrador, as well as a series of workshop reports and a final report based on the innovation summit. A website will also be created to host innovation-related research studies in Newfoundland and Labrador. Ultimately, our goal is to generate ideas for future directions and respond to the overarching question of – What can industry and economic development associations, firms, all levels of government, Memorial University and the College of the North Atlantic do to advance innovation in NL?

Introduction

This report is based on the presentations and discussions from the **St. John's Innovation Workshop**. This workshop included 24 participants from all three levels of government, industry associations, the university, and business. The workshop started with a brief overview of the AINL project by Rob Greenwood. This was followed by two presentations on innovation, including: Innovation and Regional Development in St. John's presented by Heather Hall; and Firm-Level Innovation and Economic Growth in Newfoundland and Labrador presented by Jacqueline Walsh. Next was a panel discussion on improving innovation in the region by Ted Lomond (NEIA), Patricia Hearn (Industry Canada) and Kevin Fleming (KPMG Canada). The workshop concluded with a breakout discussion and report back on the major challenges, opportunities, and strategies for improving innovation in the St. John's city-region.

Regional Profile of St. John's

The St. John's city-region is the provincial capital and largest city in the province. As seen in Table 1, in 2011 the population of the St. John's CMA was 196,966. This represents an increase of 8.8 percent from the previous census period (2006). Compared to the provincial average, the population of St. John's is relatively younger. Based on available data from 2006, five industrial clusters are present in the region, including: Oil and Gas; Maritime; ITC Services; Business Services; and Higher Education. In 2006, close to 20 percent of the labour force worked in these clusters. As we have noted elsewhere, nearly half of the provincial population is within commuting distance of St. John's.[1]

[1] Spencer, G. and T. Vinodrai. 2006. Innovation Systems Research Network City Region Profile: St. John's. Toronto: Program on Globalization and Regional Innovation Systems (PROGRIS); Statistics Canada. 2012. St. John's, Newfoundland and Labrador (Code 001) and Newfoundland and Labrador (Code 10) (table). Census Profile. 2011 Census. Statistics Canada Catalogue no. 98-316-XWE. Ottawa. Retrieved from: http://www12.statcan.gc.ca/census-recensement/2011/dp-pd/prof/index.cfm?Lang=E

Table 1: A Brief Regional Profile of the St. John's City-Region[2]

Socioeconomic Indicator	St. John's CMA	Newfoundland and Labrador
Population (2011)	196,966	514,536
Population Change % (2006-2011)	+8.8%	+1.8%
Median Age (2011)	39	44
Number of Industrial Clusters (2006)	5	-
% Employment in Industrial Clusters (2006)	19.9	-

Innovation Capacity & Policy Context

In terms of the capacity for innovation, St. John's is home to a variety of post-secondary institutions as well as training and support institutions, including: Memorial University, the Marine Institute, College of the North Atlantic, Eastern Canada, Keyin College, Gardiner Centre, Genesis Centre, Oceans Advance, Masonry College, U.A. Training Centre, and the headquarters of numerous industry associations. With regards to levels of post-secondary education, 18.2 percent of the population (between the ages of 18 and 65) have no high school diploma or certificate (lowest of 9 Rural Secretariat regions) while 18.0 percent have a bachelor's degree or higher (highest of 9 Rural Secretariat regions). [3] Individuals/organizations in the Capital Coast Economic Zone have submitted 225 applications to provincial innovation programs between 2006 and 2012 and 120 were approved ($10.3million/$16.5million).[4] This represents over 62 percent of all provincial innovation spending in the province. In addition, 680 applications (worth $174.5million) in St. John's have been approved under the ACOA innovation programs between 2006 and 2012.[5]

[2] Spencer, G. and T. Vinodrai. 2006. Innovation Systems Research Network City Region Profile: St. John's. Toronto: Program on Globalization and Regional Innovation Systems (PROGRIS); Statistics Canada. 2012. St. John's, Newfoundland and Labrador (Code 001) and Newfoundland and Labrador (Code 10) (table). Census Profile. 2011 Census. Statistics Canada Catalogue no. 98-316-XWE. Ottawa. Retrieved from: http://www12.statcan.gc.ca/census-recensement/2011/dp-pd/prof/index.cfm?Lang=E

[3] Community Accounts. 2012. Multivariable Regional Comparison Feature. Retrieved from: http://nl.communityaccounts.ca/

[4] Based on information provided to the AINL project team by IBRD.

[5] ACOA. 2012. Project Information – Download all Projects. Retrieved from: http://www.acoa-apeca.gc.ca/eng/Accountability/ProjectInformation/Pages/Home.aspx

Advancing Innovation in NL

Rob Greenwood, Executive Director
Leslie Harris Centre of Regional Policy and Development – Memorial University

Rob provided a brief explanation of the Advancing Innovation in NL (AINL) project and its anticipated deliverables (see earlier discussion in this report).

Innovation and Regional Development in St. John's

Heather Hall, Postdoctoral Fellow
Harris Centre and Department of Geography – Memorial University

How We Define Innovation

Heather started with a discussion of how the AINL project is using the OECD[6] definition for innovation, which includes four types: **product innovation**, **process innovation**, **organizational innovation**, and **marketing innovation**.

Heather then described how there is no ideal method for measuring innovation. She explained that patent activity is most commonly used followed by a range of indicators including: R&D expenditures, educational attainment, GDP, utilization of technology, occupational mix, industrial mix, proximity to an urban area, government provisions, applications for funding, training programs, productivity, venture capital, and access to broadband. These indicators present a number of issues for smaller more rural regions including the debate over what constitutes 'new' – new to the world or new to a region. In many rural regions and smaller cities on the periphery, innovations are new to the region versus new to the world. Another major challenge is the fact that many of the indicators are simply not available at smaller units of geography (i.e. local and regional).

Regional Innovation Systems

Heather explained that one of the most significant arguments emerging from the innovation literature over the last several decades is that innovation is not a linear process but rather a social process. She then described how the AINL project is using a regional innovation systems approach. This approach takes into account the collaboration and cooperation that is occurring between firms, universities, research labs, public and private governance organizations, financial institutions etc. Emphasis is placed on the linkages and interaction between these institutions. Key concepts include "Institutional thickness"; Place-based assets; Learning and knowledge flows; and 'Local buzz, global pipelines'.

[6] OECD 2005. *Oslo Manual: Guidelines for Collecting and Interpreting Innovation Data*. OECD Publishing.

Heather also noted several recent Canadian reports and initiatives that support these arguments. For example, the federal "Innovation Canada: A Call to Action" otherwise known as the Jenkins report. The final report includes a strong role for government in supporting innovation through procurement and a Minister for Innovation. It also encourages regional programs like ACOA to play a strong role in supporting business innovation by assisting firms to compete globally. Similar to the Regional Innovation Systems approach, the Jenkins report emphasizes the innovation ecosystem.

Heather also discussed other Canadian reports by the Conference Board of Canada and their new Centre for Business Innovation as well as the Coalition for Action on Innovation in Canada and the Canada Foundation for Innovation. All of these organizations emphasize the importance of education and research institutions for fostering an innovative economy. They also call for more action on strengthening our research institutions, university–industry partnerships, and cluster developments. She also described how one significant gap in Canada has been our underutilization of our colleges as part of this system.

With regards to international insights, Heather introduced the Research and Innovation Strategies for Smart Specialization or RIS3. This is one of the leading strategies in the European Union. In fact, it will form the basis for the EUs Structural Funds as part of the Cohesion Policy 2014-2020. She explained, that this approach advocates for policy support and investment in key regional priorities, challenges and needs. More importantly, the RIS3 approach emphasizes the importance of getting stakeholders fully engaged in the process and it includes mechanisms monitoring and evaluation. The RIS approach includes six steps: 1) the analysis of the regional context; 2) creating an inclusive governance structure; 3) creating a shared vision; 4) identifying a small number of priorities; 5) defining appropriate policies, a road map and an effective action plan; and 6) monitoring and evaluation.

St. John's Regional Profile, Innovation Capacity & Policy Context

Heather then described the regional profile, indicators of innovation capacity, and the policy context (see earlier discussion in this report for more detail). In terms of examples of innovation in the region, workshop participants were asked to name firms and initiatives. Examples of firms included: Celtx, Verafi, Virtual Marine Technology, Camouflage, Bluedrop, and Grey Island Energy.

Challenges, Opportunities, & Strategies for Enhancing Innovation

Heather then discussed a number of challenges impacting innovation, including: "lobster syndrome", "cringe mentality", protection/understanding of intellectual property, paperwork/approval time, time to collaborate/partner/participate, messy

institutional thickness, dysfunctional governance, labour shortage, staples trap, resource complacency, and a growing income and spatial divide. She also listed a number of regional advantages, including: "metropolis on the margins", commitment to place, "been aways", knowledge infrastructure, cluster support organizations, global pipelines, ocean technology expertise, oil & gas investments in R&D and education and training, and the strong economy. A number of strategies for enhancing innovation were also described, including: new multi-sector RED structures or increased use of existing ones to plan for, facilitate and support innovation; better economic development partnerships; a place-based innovation strategy; enhanced collaboration between firms and post-secondary institutions; enhanced multi-level and collaborative governance; local/regional resources and capacity for decision-making/implementation; education and training for entrepreneurs; commercialization; and greater awareness of funding support and programs.

Discussion

Participants noted that there are a number of shortcomings with the data used for measuring innovation and the definition of innovation. One participant noted that they prefer using the Conference Board definition, which places more emphasis on product improvement. A representative from the Conference Board noted that they also modelled their definition on the OECD definition. On measuring innovation, participants discussed how to the measure the impact of innovation on quality of life. Another participant noted that all of the measures are flawed but together they contribute to our broader understanding of innovation. Another participant said the real value in understanding these numbers and their effects would come from ratios. More importantly, by normalizing ratios you can better understand the raw data.

Firm-level Innovation and Economic Growth in NL

Jacqueline Walsh, Assistant Professor
Business, Grenfell – Memorial University

Jacqui started by stating that the concept of innovation can take a firm down many paths. She explained how she often says we are not doing enough about innovation. In Newfoundland and Labrador, we are very creative and have a lot of good ideas, however, we're not innovative in the economic sense (i.e. new markets, expanded products, service offerings, improving efficiencies). Jacqui argued that innovation is a proactive process that encompasses change, risk, opportunity, and improvement. She emphasized how innovation is about being competitive and increasing revenue generation. Firms must also be constantly changing and innovative. More importantly, firms must adopt proactive decision making strategies rather than adapting/reacting to trends. Jacqui also explained how innovation is not only about

technology or technical advancement. That view is too narrow and leaves out important contributors to the economy.

Jacqui also noted, firms need to recognize opportunities and change in order to capitalize on them. This requires learning and exploiting opportunities faster than competitors. More importantly learning and transforming is continuous process ***driven by opportunity not crisis***. Jacqui further emphasized how innovation is an ***investment***, not an immediate reaction or a profit/loss issue. She also explained how the status quo is often an easier solution for most firms rather taking a risk on innovation. She also described how innovation is about being competitive, increasing revenue generation and firms that do not innovate get left behind in the global economy.

Jacqui listed a number of variables that help make firms innovative, including: R&D, monitoring competitors, market research, marketing strategies, interaction with customers, suppliers, universities and research centers, acquiring sophisticated equipment and new technologies, training programs for employees, hiring educated, qualified and diverse employees, using motivating techniques, and having sufficient funds dedicated to innovative activities. She also emphasized how innovation is not a linear process and often it requires comprehensive solutions.

In terms of issues firms face when the attempt to innovate, Jacqui noted that there are both internal and external factors. For example, lack of financing, lack of skilled labour, lack of management and commercialization expertise, resistance to change, lack of access to knowledge, lack of connectivity with the innovation system, and establishing collaborations. She also argued that giving firms money is not the end, work must be done with firms to help them use the money wisely. Jacqui emphasized lack of financing and the lack of awareness of small firms regarding funding sources.[7]

Jacqui argued that innovation is powered by management. More importantly firms need to support learning, a culture of innovation, and proactive strategies. She emphasized the need for flexibility, empowerment, open communication, applauding mistakes and risk taking, and including time for innovation. Jacqui also noted that strategies need to be clearly communicated and build on core competencies. She further explained how management personnel need to allow for the free flow of ideas and collaboration, tolerate error, encourage experimentation, celebrate failure and successes, promote timely access to information, and provide feedback systems so employees learn from their mistakes. To illustrate this, Jacqui told a story about how her hairstylist works in a strong learning environment.

[7] During the session, Jacqui referred to a statistic she had heard at a previous session which suggests that 70% of CME members do not know how to access funding. This sparked a lot of discussion and disbelief by some participants. In fact, the final CME report states that 20% of the CME members are not aware of funding opportunities and 70% of the membership considers financing to be the greatest issue. This study will be considered in more detail in the Knowledge Synthesis.

Stylists are encouraged to attend conferences and receive additional training, however the owner can only afford to send a limited number at a time. When stylists return they share those experiences with other stylists in the salon. Stylists also move stations monthly to learn about colour, cut, and style techniques from each other.

Jacqui also discussed the potential of clusters for enhancing innovation at the firm level. This occurs through information and technology spill-overs, cooperation and collaboration, supply chain efficiencies, access to trained labour, access to knowledge infrastructure, and high levels of competition. There is very limited research on the effects of clusters but there is some evidence to suggest that small firms are less likely to take advantage of the opportunities created by industry clusters. Jacqui suggested that this issue requires further discussion and consideration in terms of using clusters as means of fostering innovation.

Jacqui then turned to a discussion of what we know about innovation in Canada. Citing a 2012 Conference Board of Canada report (*Who Dimmed the Lights?)*, she argued that Canada's global competitiveness ranking continues to drop and that the country has weak innovation performance. She further explained that there are a number of reasons for this, including: businesses are not absorbing new technologies; there is a lack of investment in learning and training; lack of access to funding; our competitive advantage is in natural resources, not in the capacity to produce innovative products, processes or services (In fact, Canada ranks 83 out of 144 countries in terms of the nature of our competitive advantage.); we have poor business expenditure on R&D; and we have poor university-industry partnerships.

Jacqui also cited an OECD (2012) report – *Unleashing Business Innovation in Canada*. She explained some of the major findings, which include: innovation policy is still viewed through a traditional science and technology lens; there is growing recognition of a commercialization gap between academic and applied research; Canadian businesses have a high degree of risk aversion in doing business, rooted in fear of failure; management is a key skill required for entrepreneurship, which plays a central role in stimulating firm-level innovation; innovative work-place organization is a function of management; and Canada is falling behind in the international patent race.

Jacqui noted that at the firm level we know very little about innovation in Newfoundland and Labrador. In 2011-12 there were 17 patents filed and only 1 granted. In 2010-11, 16 were filed and 6 were granted while in 2009-10, 14 where filed and 7 were granted. In 2006, IBRD released an Innovation Strategy that argued Newfoundland and Labrador lags behind the rest of Canada because of low investment in R&D by the private sector, poor linkages between post secondary and industry, and a lack of management knowledge in commercialization. Jacqui argued that from her personal view from years of working in private industry is that there is no lack of ideas, just no understanding of how to manage them or how to commercialize them. This point was also emphasized in the Conference Board of

Canada report in which they argued that Canada has "Great people, great ideas, poor commercialization".

Jacqui also discussed some of the perceptions associated with IP. Understanding how to protect and exploit intellectual property is an important step in the commercialization process. Because many managers do not have a good understanding of IP issues, they choose to ignore them or they determine that they are irrelevant. Proper use of IP can actually facilitate business transactions and the transfer of technology. Jacqui argued that a greater understanding and appreciation for IP issues is necessary to promote innovation and sophistication among NL companies.

Jacqui concluded with the following quotation by Henry C. Link - "While one person hesitates because he feels inferior, the other is busy making mistakes and becoming superior."

Discussion

A number of participants also discussed issues around IP. For example, in some countries you can't get an IP secured leaving your idea susceptible. Another participant also noted that just because companies are not patenting here in NL, doesn't mean they are not innovating. Some companies also file patents in other countries. Another participant explained how until patenting becomes a regular part of our everyday lives, people in NL will not get past the distrust around the notion. One participant suggested that one way to get over it is when someone gets rich. For example, if one person starts making money and buys a new truck people start to realize that innovation is necessary.

Participants also questioned whether anything has changed since the 2006 IBRD innovation strategy. Other participants noted the only significant change is a revised program structure including business and non-commercial funding. Hopefully, this will allow for more projects to fit whereas before people had to make projects fit. IBRD is also hoping to be more flexible then in the past. However, there isn't a new innovation strategy and the downsizing exercise has limited their capacity. But they're seeking new ways of doing things and ways to be innovative. Finally, participants agreed that it's a hard time to be in government.

Enhancing Innovation in St. John's - Panel

Ted Lomond (NEIA)

Ted noted that innovation is important in the environmental sector. He presented the idea of an innovation continuum, which includes: ideas, proof of concept, pilots & prototypes, validation, and commercialization. He noted there are many supports for the latter stages (e.g. NRC, IBRD, ACOA etc). He noted that there are some good

products that come out at the end but it's important to acknowledge who died along the way. While we each do a good job there is room for improvement. In terms of what's involved in the innovation process, Ted discussed five components: association, questioning, observing, experimenting, and networking. Ted then turned to a discussion of a report released by the Institute for Competitiveness and Prosperity. This report argued that Canada is less prosperous than it should be because of a productivity gap and innovation gap. Ted also discussed the work of Roger Martin and how it builds on the ideas of Charles Pierce. Major arguments coming from this work include, nothing new can be proved in advance and we're trying to look for new data points, challenge the accepted and infer new possibilities. As a result we try to find new meanings and innovative sparks from existing ideas and entities. This can be tied concepts people like Porter talk about. For example, when Dave Haire from CME works with a group he interprets what the firms have already done. This is a linguistic issue. We know that some regions can innovate but those in similar situations cannot. Ted explained that we shouldn't waste time on blanket approaches. But rather we should develop linkages that make it possible to derive salience across models. For example, work with research and supplier/customers to foster new and better ideas. By talking to the customer directly firms can change how they provide services. We have some understanding of the customer but we need to find out how to make it better. Ted also noted that it will take more time to acquire cross-sector collaboration.

Patricia Hearn (Industry Canada)

Patricia discussed Canada's innovation capacity when compared to other countries. A report released recently by STIC provides all kinds of data and involved businesses, Deputy Ministers, and people from academia. STIC provides state-of-the-nation type addresses on science and technology with a focus on business. The report has both good and bad news. We have much to celebrate with regards to generating high quality talent. About 50% of adults have a university degree for Canada, which is one of the highest in the world. In addition, between 2006 and 2010 we had major increases in science and engineering PhDs. Canada's innovation ecosystem sees value in PhDs and we're good at generating talent. She also noted that Canada has strength in generating new knowledge. In fact, we're creating 5% of the world's science and technology publications (we're punching above our weight). However, on traditional measures of knowledge transfer Canada has disappointing results and the US performs much better. For example, we experienced a downward trend in spin-off companies. Patricia argued that the most important knowledge transfer is through academic graduates in the private sector. On the business front we need to say that we need to perform better and not get discouraged by the data. She indicated that Canada now ranks 25/41 in comparable economies. The report also touched on venture capital where Canada ranks 15/27.

Patricia then turned to a discussion of the Jenkins report. It reported that Canada had some of the highest indirect support for innovation with STIC especially in rural areas. Many have accessed traditional sources of programs but SR&ED has been the

biggest game changer. Patrician noted that there is a plethora of programs out there, however many don't know where to go. Jenkins then looked at military procurement, which is still being looked at by government officials. However, his report talked about key industries and it will change the way government deals with procurement.

Kevin Fleming (KPMG)

Kevin explained how he was a business owner in the technology industry for 15 years. In January of 2013 one of his companies was acquired and he joined that company as part of the acquisition. He also sits on the Conference Board of Canada's Council for Innovation and Commercialization. Kevin noted that one big issue he sees is that many of the groups involved in innovation seem to be working in silos, and awareness of each other is often low. For example, he always assumed that the Harris Centre was not relevant to him and he knew very little about it. He also noted that individual group often times decide on a role to advance innovation, but nobody has taken ownership of an overall vision or consideration for how the various groups could best share the various requirements. He also mentioned that while there have been many innovation reports and plenty of analysis, it doesn't seem like we are using them enough to improve things.

Kevin noted that his companies have accessed several government funding programs over the years, and some of these programs and groups struggle with an aversion to risk, which is often a key component of innovation and commercialization. He indicated that there is also more funding for research and development than commercialization, and in the absence of a healthy venture capital market commercialization ends up underfunded. That said, he feels there may also be an argument for government not being involved in commercialization. Kevin also cited that while there are many funding support programs, government organizations often don't support local/Canadian innovations by being early adopters or realize that this kind of support is of major importance.

He noted that there is often a difference between the agendas of universities and firms coupled with a poor understanding and appreciation of each other's agenda. One of his companies even walked away from a potentially beneficial university partnership because they could not come to an agreement on IP ownership and disclosure versus confidentiality. He said that he has not worked with colleges to date so he did not have an appreciation for what they could offer.

Kevin also noted that we have too little access to repeat entrepreneurs that would bring valuable experiences and insights, and that there is a recognized situation in Canada that many entrepreneurs opt to retire or wind down after their first win. Kevin suggested that seasoned entrepreneurs should also make a conscious effort to mentor less experienced entrepreneurs. He also felt there is a need to better share ideas and collaborate with each other in general. Kevin cited an example where he and some peers even tried to initiate a group meet periodically to collaborate and

share ideas as they saw the benefits, but participation quickly waned. And when working through difficult situations, rather than seek advice or help, people are too inclined to pretend everything is great and try to work it out alone.

Breakout Discussion

Workshop participants were asked to rank the top three challenges for innovation in the region based on the presentations or to identify missing challenges. Some of the challenges discussed include:

*Messy government/institutional thickness - Common understanding of goals and objectives; different objectives/mandates; not making the effort to understand each other.
*Businesses are too busy to innovate
*Access/knowledge of funding
*Lack of confidence
*Comfortable with status quo
*Complacent
*Fear of competition; there's some turf protection and fear of someone coming in and ruining that.
*Limited funding for new technologies
*Geography; government programs don't hit all communities
*Many firms aren't eligible but they are critical to the region/innovation (e.g. service sector)
*Need a consultant to acquire new opportunities or utilizing SRED credits. The nature of where we're intervening is problematic.
* SMEs lack capacity
*Low understanding of innovation as a concept
*Little time spent on innovation
*Commercialization
*Lack of communication
*Perceptions of innovation is very different in different sectors
*Utilization of support agencies
*Lack of business competition
*Risk averse
*Program emphasis on job creation (sometimes increased efficiencies cause a reduction in jobs)
*Labour shortages in some sectors
*Aging knowledge infrastructure
*Staples trap
*Connection to markets
*Culture is content with mediocrity
*Not celebrating successes
*Population density – St. John's versus the rest of the province
*Need more global connections/pipelines

Workshop participants were then asked to rank the top three opportunities for innovation in the region based on the presentations or to identify missing opportunities. Some of the opportunities discussed include:

*Technology infrastructure (however, some of it's aging)
*Knowledge infrastructure
*New emerging confidence related to strong economy
*Programs like innovate and demonstrate
*Strong economy
*Firms on the cusp of something big
*Offshore oil – mega projects
*Oil and gas investments/connections allow for process innovation
*Been Aways
*Proximity to the North/Arctic
*Practical people

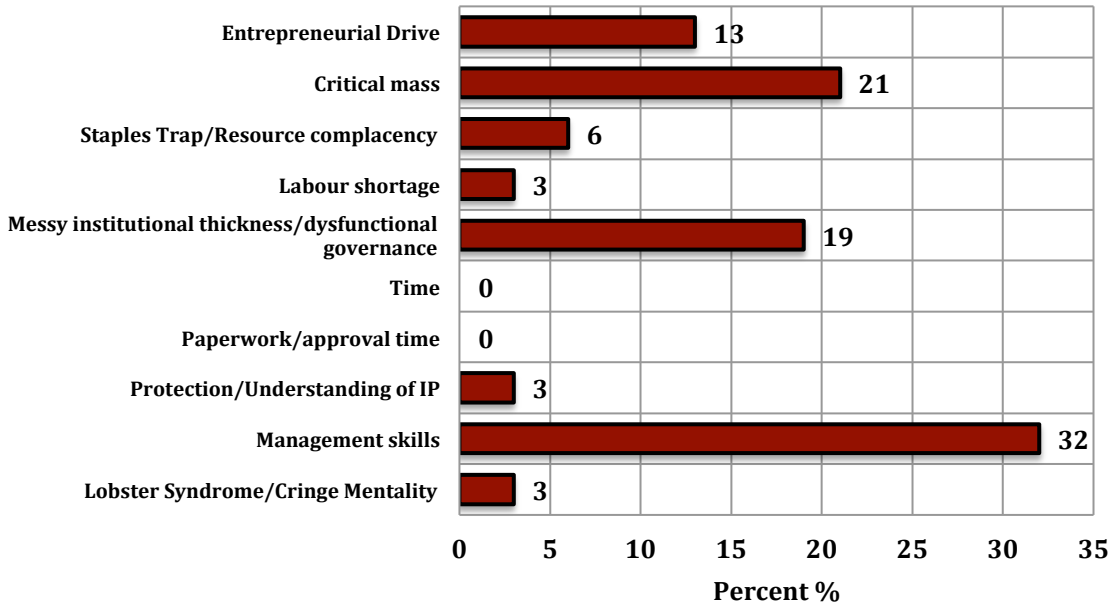
Workshop participants were asked to rank the top three strategies for strengthening innovation in the region based on the presentations or to identify missing strategies. Some of the strategies discussed include:

*We need more incubators to allow firms to excel
*Perhaps a chamber of commerce is needed to make the connections with appropriate actors
*Openness in helping the client understand the funding process
*Evaluation letters so firms what they missed so they can learn for next time
* Federal / Provincial Agreements - there needs to be better collaboration between levels of government so they can come in and meet both at once
*Policies around government procurement
*Creating systems to protect the people that make mistakes
*Stronger partnerships
*Innovation strategies that foster each of the five cluster sectors
*Building on BR+E
*Annual Business Awards
*Matchmaking between the public and private sectors
*Marrying supply side and demand side interventions
*More connector events
*Network analysis
*A pilot project that conducts a diagnostic and identifies internal firm strengths and leadership followed by a networking analysis to see who should be talking with each other and what would come from that.
*Communicate opportunities and make successes known

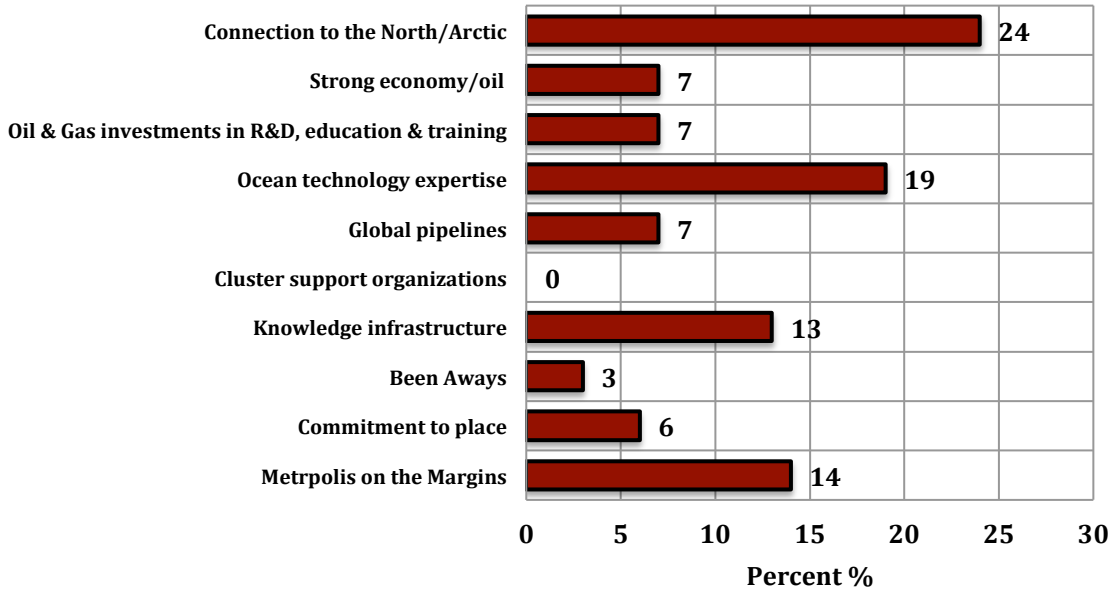
*Education and training/mentors for firms, innovators, and creative people…Needs to be long term such as management training/culture of innovation…in the short term: multi-stakeholder
*Place-based innovation strategy: enhanced collaboration (NGO and Business)
*Angel capitalists
*Harsh environmental resolution focus
*More internal collaboration

Report Back Questions

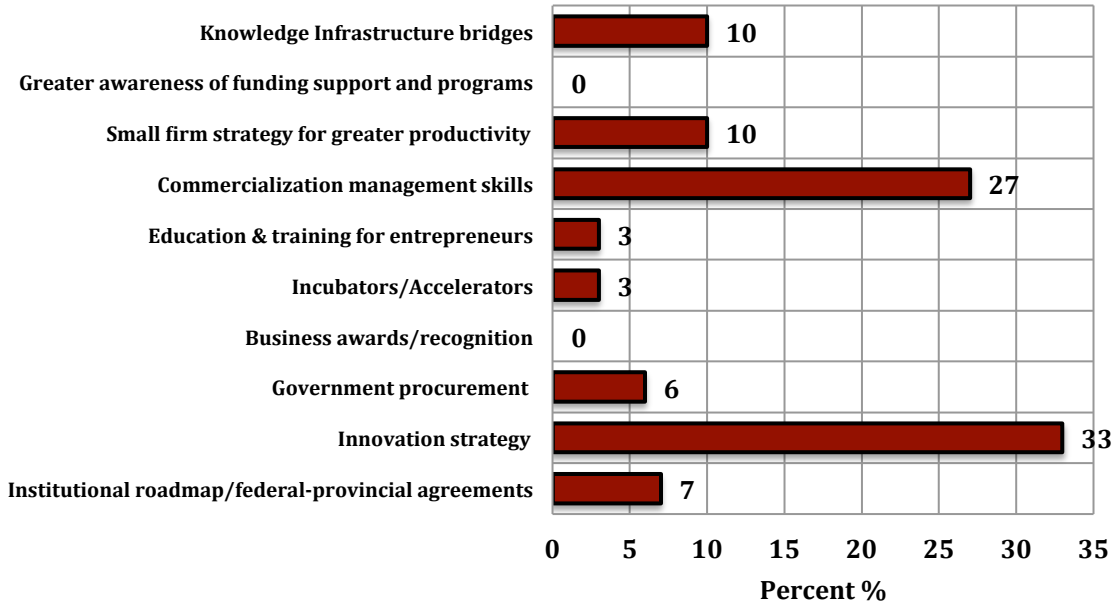
Workshop participants were then asked to select the top two challenges for innovation in the region. A list of ten challenges was provided based on the presentations and breakout discussions. Their responses are shown below:



Workshop participants were then asked to select the top two opportunities/ regional advantages for innovation in the region. A list of ten opportunities was provided based on the presentations and breakout discussions. Their responses are shown below:



Workshop participants were then asked to select the top two strategies for enhancing innovation in the region. A list of ten strategies was provided based on the presentations and breakout discussions. Their responses are shown below:



Appendix 1 – Participant List

Name	Organization
Ted Lomond	NEIA
Sharon Tiller	IBRD
Ron Newhook	Marine Institute – Memorial University
Patricia Hearn	Industry Canada
Bruce Gilbert	Office of Public Engagement NL
Blair Winsor	Memorial University
George Power	ACOA
Ed Janes	IBRD
Kerry Murray	NLFL
Lisa Pike	Business Coalition
Tim Power	ACOA
Clayton Higdon	ACOA
Paul Parson	ACOA
Karen Daley	ACOA
Lee Shinkle	Stantec
Andy Fisher	Memorial University
Dave King	Memorial University
Paul Preston	Memorial University
Kevin Fleming	KPMG
Keelin O'Leary	Memorial University
Richard Marceau	Memorial University
Tanya Noble	Rural Secretariat
Bonnie O'Rourke	ACOA
AINL Team	
Heather Hall	Memorial University
Kyle White	Memorial University
Rob Greenwood	Memorial University
Jacqui Walsh	Grenfell – Memorial University
Ken Carter	Memorial University

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