



Ontario's Regional Economic Development and Innovation Newsletter

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ANNOUNCEMENTS

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New Partnership Enhances Skills Training for Northern Youth

An exciting new partnership is enhancing training opportunities at Northern Ontario's six colleges, Northern Development and Mines Minister Rick Bartolucci and Union Gas President Greg Ebel announced recently. The project partners are investing a total of \$8,542,000 in capital and program expansion projects at Confederation College in Thunder Bay, Northern College in Timmins, Canadore College in North Bay, Sault College in Sault Ste. Marie, as well as at Cambrian College and Collège Boréal in Sudbury. The NOHFC is investing \$1,887,000, Union Gas is providing \$1,315,000, the colleges are contributing approximately \$3,000,000 while the balance of funding is coming from FedNor and local partners.

Talent War Looms in Hiring Boom: CATA Report

A new report sounds a wake up call for industry, government and academia to take immediate action to avoid major roadblocks in the growth of enterprises reliant on knowledge based workers for growth. Conducted by CATAAlliance, and based on Ottawa as a first study cluster, the Report focused on how Ottawa-based SME's (between 20 and 500 employees) view the current and near future market for knowledge workers. The perceptions, attitudes and actions captured in this survey indicate that once again there is a high demand for skilled knowledge workers in Ottawa. Research revealed that 75% of the surveyed companies were currently in the process of hiring. More than 45% of these companies indicated that hiring the necessary talent was already somewhat difficult. Combine this with results that indicated an additional 15% of respondents not actively hiring today will begin to do so during the next twelve months and you have a strong argument that the Ottawa high-technology sector is in the midst of another hiring boom. However, the research indicated that these same companies who achieve business success through process- and goal-oriented practices do not extend a similarly structured approach to what is ostensibly their most valuable asset: human capital. What's more, the results showed that many companies are utilizing the same methods of accessing knowledge workers used widely during the tech boom and bust, a costly mistake that fed turnover, accelerated labour costs and contributed to sizable business losses or closures.

EDITOR'S PICK

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Social Capital Generators? A Case Study of Industry Associations Within the Vancouver New Media Cluster

Michelle Petrusevich, SFU

This thesis explores the question: "How do civic associations affect social capital formation in an industrial cluster?" The Vancouver new media industry is the site of this research, which is based on over seventy interviews, statistical information from published sources, qualitative and quantitative surveys, and participant observation. The study concludes that civic associations play a crucial role in influencing the production, quality, and amount of social capital in an industry. Although associations encounter a number of challenges, most notably related to inter-organizational politics and lack of resources, their influence on the stock of social capital is positive for several reasons: most associations engage in activities that create desirable social capital for their members, they serve as a "safety net" for the industry helping make connections for firms and individuals, they help define the cluster, and they facilitate internal and external communication in the industry.

INNOVATION & RELATED POLICY

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Momentum: 2005 Report on University Research and Knowledge Transfer

Association of Universities and Colleges of Canada (AUCC)

This is the first periodic public report by AUCC on the collective efforts of universities with respect to research and knowledge transfer. The 88-page report provides stakeholders, leaders and members of the public with a comprehensive account of federal investments in university research and illustrates the value of university research to Canadians. It contains an overview of the evolution of the Canadian R&D system's financing, with particular emphasis on the nature of investments that have flowed to the university sector; and progress achieved to date as a result of these investments and also outlines some of the remaining challenges that must be addressed if Canada is to reap the rewards of increased research capacity and remain internationally competitive.

Understanding Entrepreneurship: A Research Policy Report

Kauffman Foundation

Much is simultaneously known and not known about the U.S. entrepreneurial economy. This report, on theories, applications and policies, reflects the thoughts of some of the leading researchers in the field of entrepreneurship. Within the theory section, the role of entrepreneurship in economic prosperity is highlighted with an overview of research on three types of "economic experiments." Also included are an interview with William Baumol and an essay on the role of economic institutions in an economy's operating system.

The Next Generation of Workforce Development Project: Connecting Workforce and Economic Development Policy

NGA Center for Best Practices

In order to achieve long-term economic success in the 21st Century and compete in a global economy, governors and state policymakers must create, attract and retain an educated and skilled workforce. A key factor in building a flexible and knowledgeable workforce is the integration of education, economic development, and workforce development policies that provide a continuum of lifelong learning opportunities and work supports.

THE KNOWLEDGE ECONOMY

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Learning Paths to Offshore Outsourcing: From Cost Reduction to Knowledge Seeking

Peter Maskell, Torben Pedersen, Bent Petersen and Jens Dick-Nielsen, DRUID

A corporation's offshore outsourcing may be seen as the result of a discrete, strategic decision taken in response to an increasing pressure from worldwide competition. However, empirical evidence of a representative cross-sector sample of international Danish firms indicates that offshore sourcing in low-cost countries is best described as a learning-by-doing process in which the offshore outsourcing of a corporation goes through a sequence of

stages towards sourcing for innovation. Initially, a corporation's outsourcing is driven by a desire for cost minimization. Over a period of time the outsourcing experience lessens the cognitive limitations of decision-makers as to the advantages that can be achieved through outsourcing in low-cost countries: the insourcer/vendor may not only offer cost advantages, but also quality improvement and innovation. The quality improvements that offshore outsourcing may bring about evoke a realization in the corporation that even innovative processes can be outsourced.

CLUSTERS & REGIONS

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Are Businesses Fleeing the State? Interstate Business Relocation and Employment Change in California

David Neumark, Junfu Zhang and Brandon Wall, Public Policy Institute of California

This report notes that California has been losing businesses for some time. However, the employment impacts of this exodus are negligible, accounting for less than one-tenth of one percent of California's total employment. Most job loss (71.4%) in California occurs from business closures. Only 1.6% of job loss occurs due to business relocation out of state. Meanwhile, California boasts a strong base of new and growing entrepreneurial businesses that continue to create new jobs and new innovations. On average, new establishments create 62.3% of California's new jobs. Expanding establishments for another 36.7% of new jobs, and firms moving to California create an additional 0.9% of new employment. The authors conclude that these cycles of business churning deserve far more attention from policy makers than do the widely voiced concerns about the exodus of businesses out of the state.

STATISTICS

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National Innovation Survey 2005

Council on Competitiveness

This survey asks leading corporate executives to share their views on the changing nature of innovation. The survey's main finding---that innovation is going global---should come as no surprise. However, the survey did uncover some fascinating results. For example, when asked to rank the most important factors in their firm's ability to innovate, corporate leaders cited access to a science and engineering talent pool, close supplier and customer relations, entrepreneurial managers, and a good communications infrastructure. When asked to identify factors that would disqualify a region for new corporate investments, the list sounds pretty similar. A talent shortfall, poor communications infrastructure, poor K-12 education, and low quality of life were cited as impediments to outside investment. Executives were also asked to identify the biggest barriers to corporate innovation. A majority (61%) cited competing internal priorities due to finite resources. Other top cited issues included scarce investment capital and a short-term mentality among managers

EVENTS

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BioFinance 2005: Early Phase

Toronto, 16 November, 2005

This is a one-day program that will feature presentations by CEOs of 36 emerging life science companies. The presenting companies will be developing new medicines, devices, diagnostics, technologies and systems. These companies will likely have some angel, private or seed financing already in place and will be starting the search for investment up to a range of \$ 2 to 5 million. The conference also features expert panel discussions on topics including: Early Stage Financing; Aspects of the Deal; U.S. Financing Sources and Issues; and I Did It My Way – Advice from Biotech Entrepreneurs. About 250 people are expected to attend, which will include seed fund managers, angel investors, venture capitalists, private equity managers, legal and consulting industry leaders, pharmaceutical executives, biotechnology industry service providers, and media.

Innowest 2005

Calgary, 16-17 November, 2005

This conference provides a forum where the innovation community of Western Canada can gather annually to network, review the latest developments, solve problems and take specific industry recommendations forward for action. Among the topics to be discussed are applied research, the culture of innovation, innovation policy and innovation support.

[Charting the Future of Post-Secondary Education in Canada](#)

Ottawa, 27-29 November, 2005

This is a national gathering of researchers, policymakers, educators and opinion leaders in the field of post-secondary education. The Dialogue will feature the latest Canadian and international research, new Statistics Canada data and the contributions of prominent scholars, federal and provincial deputy ministers, university and college presidents, and opinion leaders from business, labour, media and politics as speakers over the two days and evenings of the event.

[Discovery 2006: Bridging the Innovation to Commercialization Gap](#)

Toronto, 7 February, 2006

Ontario Centres of Excellence Inc. brings leading edge innovators and thought leaders together in an annual conference. Discovery 2006: Bridging the Innovation to Commercialization Gap assembles the world's best from business, academia and government to explore issues around innovation, collaboration and commercialization -- both within Ontario and globally. From practical to policy, from hands-on to hypothetical, Discovery 2006 will bring together the issues and the people that drive innovation to commercial and competitive outcomes.

[Socio-Economic Conference](#)

Ottawa, 16 - 17 May, 2006

The Statistics Canada Socio-economic Conference provides an annual forum for empirical research focusing on issues of concern to Canadian public policy. The conference focuses on studies discussing: emerging economic trends and their underlying causes; and the social implications of economic trends and the ability of various groups to participate in the economy. Topics relevant to the Conference include, but are not restricted to, innovation; productivity; international trade; agriculture; environment-economy linkages; natural resources and energy; transportation; industrial development; urban and rural development; health; education; families; income and wealth and their distribution; and labour markets. The Conference focuses on studies directly relevant to Canada, while at the same time welcoming comparative international studies that shed light on Canadian public policy issues. It places a premium on empirical studies making innovative use of Canadian data.

[Changing Foresight Practices in Regional Development: Global Pressures and Regional Possibilities](#) **NEW!**

Turku, Finland, 7-9 June, 2006

The future of regions is dependent on proactive interaction between companies, universities and public actors. The aim of the conference is to discuss the different strategic possibilities of regions under the rapidly changing pressures of globalizing world. The key questions are: How regional actors can cope in a global economy? What are the new ways to study and explore the future of regions? How to enhance regional co-operation and networking? What are the strategic keys to prosperous regional futures? Does creativity strengthen regions? How general foresight and development theories can strengthen regional development in practice? How companies can shape their regional strategies in globalizing economy? The conference will consist of several keynote addresses and parallel sessions.

[Networks for Innovation](#)

Athens, Greece, 11-14 June, 2006

The 2006 International Society for Professional Innovation Management (ISPIM) Conference will be held in Athens this summer. Many topics will be discussed such as: academic-industry networks for innovation, learning and the entrepreneurial mindset, managing knowledge, SMEs: opportunities & threats, public policy to stimulate networks. Deadline for submitting an abstract: January 27, 2006.

The Future of Science Technology and Innovation Policy

Sussex, 11-13 September, 2006

This conference, besides celebrating the 40th Anniversary of SPRU (Science and Technology Policy Research), offers the opportunity to engage in a critical evaluation of the present and future research agenda of the Science, Technology and Innovation (STI) field. This conference seeks to explore empirical, theoretical and applied policy approaches that can enable us to conceptualize the contradictory nature of modern science and technology and innovation, and thus provide practical policy guidance. Such a conference is particularly timely because many of the existing conceptual frameworks are apparently undergoing a period of what Kuhn called 'normal science' where their assumptions are rarely questioned, and where they are institutionally and academically isolated from criticism. We aim to identify fruitful new ways forward in the field of STI policy by subjecting these established frameworks to structured debate and critical evaluation. The conference will be organised in the form of plenary sessions, parallel sessions and set debates. It will cover a series of broad themes. These include: Ownership, Accountability and Relevance of Science - for example, the deficiencies of peer review, the pros and cons of patenting in universities, the shifting boundary between public and private knowledge, and processes for allocating resources between disciplines. Technology, Security and Sustainability - for example, the dual relationship between technology and security, changing environment and energy policy, the balance between sustainability and growth, and the role of technology in sustainable development. Dynamics of Innovation Interfaces - for example, the management and dynamics of innovation across different levels (such as individuals, groups, firms, sectors, networks and systems), user-centred innovation processes vs. producer-centred innovation processes, and the connection between innovation and entrepreneurship.

SUBSCRIPTIONS & COMMENTS

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