



# Assessment & Roadmap Report

Okanagan, British Columbia

Developed by Techstars  
October 2017



**Techstars Startup Ecosystem  
Development Program**











# Contents

Power of the Techstars Network	<b>2</b>
Techstars' Three Divisions	<b>5</b>
The Techstars Approach to Communities	<b>7</b>
The Impact of Thriving Startup Communities	<b>8</b>
Startup Communities are Complex Adaptive Systems	<b>9</b>
Techstars Community Development Guiding Principles	<b>11</b>
Techstars Startup Community Development Model	<b>12</b>
The Okanagan, British Columbia Report	<b>13</b>
Scorecard: Culture	<b>17</b>
Scorecard: Density	<b>23</b>
Scorecard: Talent	<b>25</b>
Scorecard: Capital	<b>29</b>
Scorecard: Institutions	<b>31</b>
Conclusion	<b>35</b>











# Power of the Techstars Network

Techstars is the worldwide network that helps entrepreneurs succeed. Techstars founders and their teams connect with other entrepreneurs, experts, mentors, alumni, investors, community leaders, and corporate partners who will help their companies grow.







# Worldwide Network

Techstars is the Worldwide Network that helps Entrepreneurs Succeed







4,000  
Events



150  
Countries



10,000  
Mentors



44  
Accelerator  
Programs



300K  
Alumni



165  
Portfolio  
Exits



60+  
Corporate  
Partners



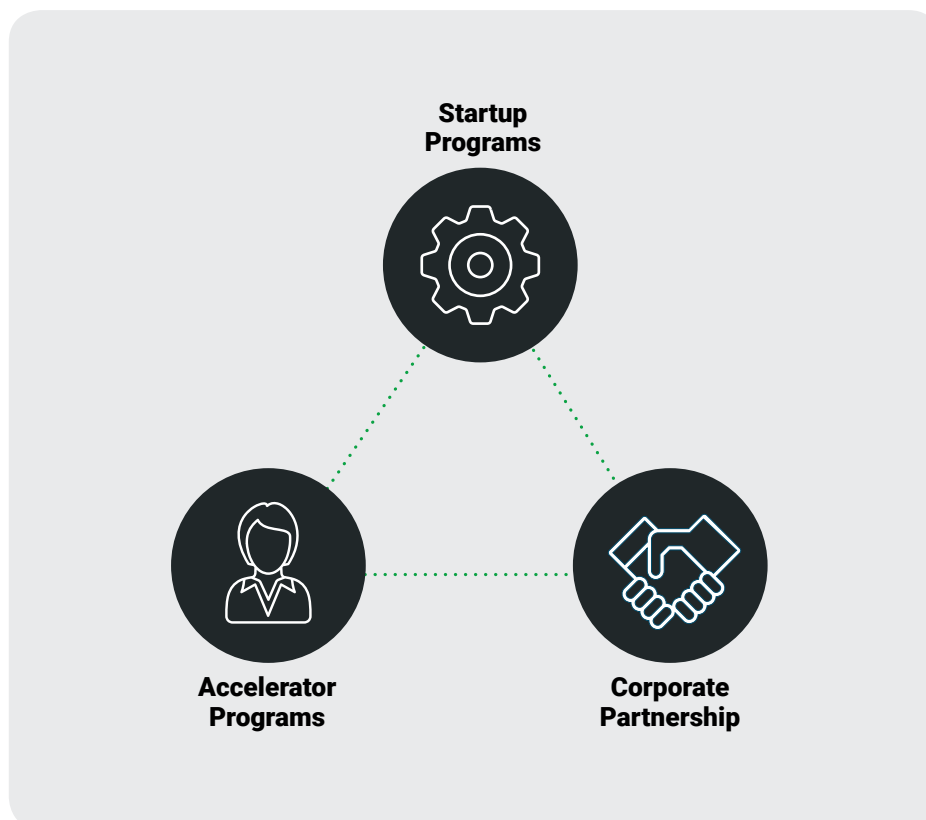
\$16B  
Portfolio  
Market Cap





# Techstars operates three divisions:

- 1** **Techstars Mentorship-Driven Accelerator Programs** help founders do more faster. We operate 44+ Mentorship-Driven Accelerator Programs in 30+ cities globally.
- 2** **Techstars Startup Programs** inspire, educate and connect entrepreneurs. We facilitate close to 1,000 Startup Weekends around the world every year that impact over 30,000 motivated entrepreneurs, and 60+ Startup Weeks per year with over 100k attendees.
- 3** **Techstars Corporate Innovation Partnerships** help brands supercharge growth by accelerating innovation and cultural transformation. We work with companies like Ford, Target, Cedars-Sinai, Amazon Alexa, Barclays, Comcast and more than 50 other companies.







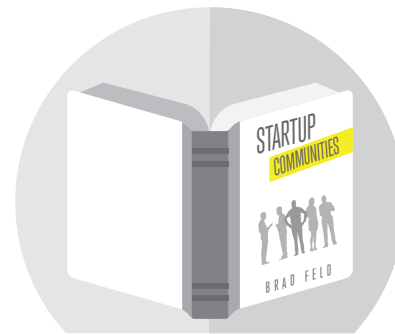




# The Techstars Approach to Startup Communities

The Techstars approach to building startup communities has been developed over the past five years through programs, pilot engagements, and hundreds of conversations in communities around the world. Aided by the book, ***Startup Communities: Building an Entrepreneurial Ecosystem in Your City***, by Techstars cofounder Brad Feld, the Techstars approach is informed by the following principles:

- + ***Entrepreneur led***
- + ***All-inclusive***
- + ***Network over hierarchy***
- + ***#givefirst***



We use these principles as the foundation for a comprehensive framework that is used to assess the current health and maturity of the community. We then measure the community against a scorecard. Community building is difficult, long-term work, and there is no single model or playbook. We have modeled our collective experiences into a framework that represents the many aspects of a flourishing startup community, all from a founder-first perspective.





# The Impact of Thriving Startup Communities

The success of forward-thinking cities and their leaders over the past ten to twenty years—such as the startup communities in Boulder, Colorado, or Durham, North Carolina—demonstrates that you can change your local economy through organic, home-grown company creation. Long gone are the days of relocating a large business entity to your region to create job growth. Entrepreneurs are the tip of the spear for company and job creation. They are critical for motivated communities to develop thriving innovation ecosystems.

“

**Every city or region that wants to attract people, business and investment requires a startup community to serve as an integral part of its 21st century economy.”**







# Startup Communities are Complex Adaptive Systems

We believe that the understanding and practice of startup community building can be improved by incorporating insights from complex adaptive systems, a science used to explain the dynamics of physical, biological, social, and information networks. A complex adaptive system, in simpler terms, is a system in which many independent elements interact, leading to outcomes that are difficult to predict by looking only at those individual elements. The system must be understood as a whole.

## Startup communities are complex systems.

We look at how each part of a startup community interacts with other parts, giving us a holistic understanding of where the community is today and where it can develop in the future.

Using this framework, we can look at startup communities from a holistic perspective, taking into account how they naturally change, adapt, and evolve. This allows us to tease out what is, and isn't, working. This model isn't perfect (no model is!), but it provides us a way to evaluate a community across a standard set of criteria.

The model is based on the theory of complex adaptive systems, which describes two types of systems: complicated and complex. A startup community is often mistaken for a complicated system, but it actually is a complex system.

Typically, community leaders want to boil down the critical elements of community into a simple model in order to grow their startup ecosystem. These leaders want a Complicated system. Like sending a rocket to the moon, complicated systems are highly engineered. Success involves niche expertise applied in a controlled and organized

fashion, and the outcome is predictable and repeatable. We've observed that most community builders start by creating a slew of activities—such as pitch competitions, meetups, and coworking spaces—with the hope that the sheer number of activities will drive community growth. These tactics and activities are useful at the formative stages of community development, but have only a short-term impact. They are not the fundamental long-term catalyst everyone hopes for.





A thriving startup community, however, is a Complex system. Complex systems are 180 degrees different from complicated systems. Much like raising a child, there is no formulaic approach, outcomes are unpredictable, and guidelines are more useful than detailed plans. This approach runs counter to every business-building muscle that many leaders have built and trained for all of their lives. Those same muscles that make many successful in their careers—planning, budgeting, command & control, hierarchical management, etc.—are exactly the wrong muscles for community building. Complex systems require different principles, practices, mindsets and behaviors.



Startup communities **ARE NOT**  
complicated systems.

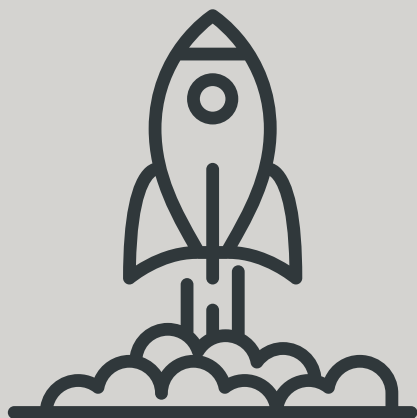


Startup communities **ARE**  
complicated systems.

## COMPLICATED

- + A plan is necessary
- + First time is difficult, then easier
- + Requires a high level of expertise
- + Focuses on best practices
- + Outcomes are repeatable
- + Command and control leadership

**Example:** Sending a rocket to the moon.



## COMPLEX

- + A plan has limited application
- + No formulaic approach
- + Expertise is not necessary
- + Uses guidelines
- + Unpredictable outcomes
- + Self-organizing

**Example:** Raising a child.



*\*Adapted from Brenda Zimmerman, 2002*





# Techstars Community Development Guiding Practices

If you start with the right set of community principles, those principles serve as the positive catalyst of a 10- to 20-year community building journey. Let's explore the guiding principles and practices.

**Get the attitudes right.** Attitudes, such as being entrepreneur-led, #givefirst, all inclusive, and network over hierarchy, are the necessary foundation upon which all other growth emerges.

**Put founders first.** No entrepreneurs means no startup community. Entrepreneurs are the leaders of a great startup community.

**Engage actors from across the community.** Engage individuals from across the entire community, including startups, corporations, university/higher education, local/state/national government, and media.

**Layer in many activities.** Use trial & error to develop a variety of well-intentioned activities that address all aspects of the startup community.

**Be inclusive.** A diverse set of people from across the community will drive meaningful interactions. The door should be open to anyone who wants to participate.

**The road to startup community development is measured in years—not months.** This is a long journey with many variables, many actors, and a myriad of activities that all come together with the goal of accelerating the growth of the community. It is a complex system and, as such, requires years of effort to create impact.

**There are no shortcuts.** You cannot skip steps or grow a community through an expensive, fancy marketing campaign. Like a scalable startup, it takes hard work with hundreds—if not thousands—of points of activity developed over a long period of time.

**5 major themes encapsulate the many factors critical for community building:**



**Talent**



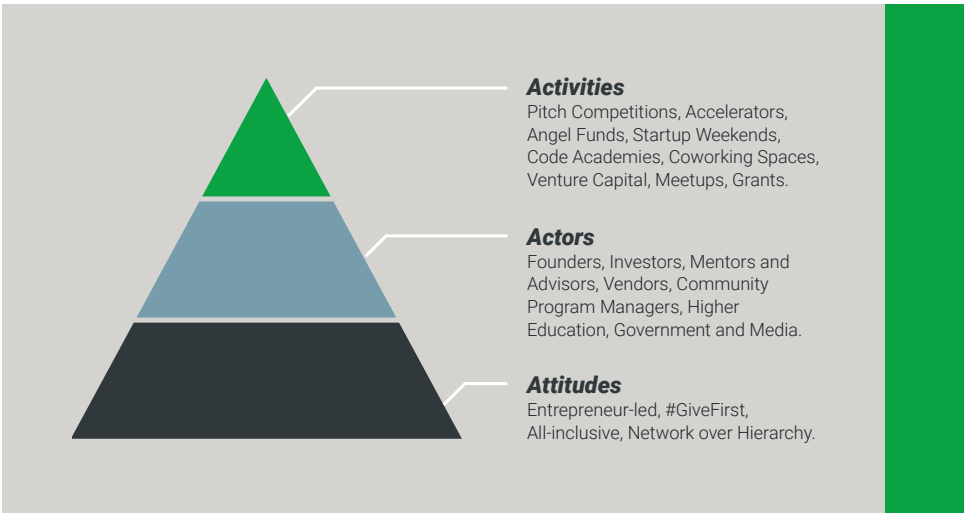
# Techstars Startup Community Development Model

Mature startup communities are made up of activities, actors, and attitudes:

The **activities** bring people together and drive progress.

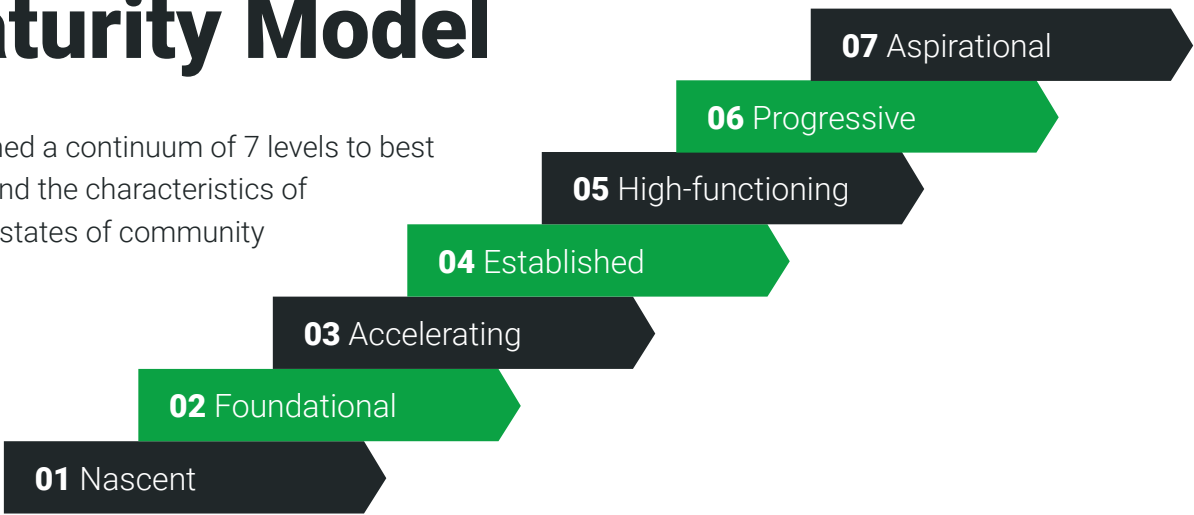
The **actors** come from all parts of the community, each with a role to play.

The community is built on a foundation of **attitudes** that contribute to long-term innovation.



# Techstars Community Maturity Model

We outlined a continuum of 7 levels to best understand the characteristics of different states of community maturity.



Density



Culture



Capital



Institutions





**The Okanagan Valley shows signs of momentum for community growth.** There are clear opportunities for expanding the startup community, but there are significant challenges. Using a framework of actors, activities, and attitudes, the assessment captures the current state of affairs in the city's entrepreneurial community. This report offers candid and constructive analysis.

To develop a comprehensive assessment, Techstars drew upon all of the available resources inside and outside the company. These Techstars leaders included those responsible for Community Programs, Accelerator Programs, and Innovation.







# The Okanagan

## BRITISH COLUMBIA

### The Okanagan report includes three elements:

- + A complete, bottom-up inventory of the region's startup activities, actors, and attitudes;
- + An assessment of the inventory against the Techstars Community Maturity Model; and
- + A custom roadmap outlining specific recommendations to grow the Okanagan's community.

### In August and September 2017, Techstars visited the Okanagan region to gather in-depth insight:

- + Stakeholders: Conducted 48 interviews with over 60 individuals across almost all of the major actor categories
- + Space: Primarily met at the Okanagan Innovation Centre
- + Convene: Attended several events, dinners, and visited Penticton and Vernon







# Current Maturity Level

## Level 3

There are active high growth startups as well as a set of leaders in the startup community who are taking a long term (20+ year) view. A relatively high number of potential startups are being formed. There are multiple events per month in which everyone with interest attends.

# Future Growth

## Levels 4 & 5

There is work to be done and an attitude of “all hands on deck” is required to achieve the goal of expanding Okanagan’s growing startup community. In order to best understand where to go from here, we selected the following factors that exist in maturity levels 4 and 5 as aspirational goals.

### Activities for growth:

- ▶ There are at least 3 blogger/influencers showcasing the stories that are read by the entire community
- ▶ There are multiple blogger/influencers showcasing the entire community
- ▶ A diverse set of entrepreneur leaders spearhead key activities  
There are 25+, expanding to 50, influencers/leaders that serve as power nodes in the network
- ▶ There are 500+ startup founders; 50+ computer science graduates annually; 25+ highlight effective mentors
- ▶ Robust recruiting activities create entry point for executive placement opportunities
- ▶ A local angel group makes 4+ investments per year and a traditional accelerator is in operation
- ▶ At least 3 corporate partners are engaged with the community with some combination of investment, mentorship as well as serve as first/beta customers



# The Okanagan Scorecard

Rated on a scale from 1-7



**Talent**  
**2.0**



**Density**  
**2.3**



**Culture**  
**2.4**



**Institutions**  
**3.5**



**Capital**  
**2.4**



## The Okanagan's biggest opportunities for growth are talent and culture.

**Talent** development has many angles including the development of new founders, scaling up existing founders, and identifying and training mentors.

**Culture** is the most compelling factor in a growing community. By focusing collective energies on culture, the rest will begin to fall into place.



# The Okanagan

## Scorecard Breakdown



## Culture



Culture is the key differentiating factor of a startup community. Every high-growth entrepreneurial community has a unique attitudinal underpinning that fosters innovative activities with a minimal amount of friction. Highly developed community culture features include: density, talent, capital and institutional support, which are key ingredients of the Techstars Community Maturity Model. Entrepreneurial communities cluster entrepreneurs, accept failure as an integral part of the learning process, teach and support entrepreneurial skill development, promote jobs for startups, and foster public-private collaboration. These characteristics permeate every activity, actor, and attitude of a startup ecosystem.

Culture is both an individual community theme as well as an overarching construct; we argue that density, capital, talent and institutional support also fall under the umbrella of “culture” as they are influenced by the cultural attitudes of community actors.





To that end, culture is the major contributor to the pace of community growth. What do we mean when we talk about community culture? Here are a few examples:

- ▶ Individuals' attitude in placing their personal or organization agendas to the side and placing community objectives first.
- ▶ A willingness to connect founders to whatever resources they need without filtering requests or creating friction.
- ▶ Each actor taking a "your win is my win" instead of a "your win is my loss" position.
- ▶ Behaving as though community-building is not a zero sum game.
- ▶ An inclusive attitude that provides room for every actor no matter their race, education level, gender, age or political point-of-view.

**#givefirst** is a core attitude shown by every member of a thriving community. Do you give without expectation of getting anything in return?

In terms of size, we calculated that there are 50-75 active startups in the region. These startups are connected primarily through Accelerate Okanagan (AO), and are generally aware of activities in the region. The network has a minimal number of mentors and investors. Because the Okanagan is somewhat of a geographic island, it is incumbent on everyone in the community to help grow and diversify the Okanagan network.





The overall connectedness of the community has room for improvement. Network connectivity is a task that never ends. We observed clear silos amongst various niche groups: the “old guard,” coLab coworking space; AO; and new founders. We did not find evidence that there is regular connection between the leaders of these groups. As some leaders aggressively spearhead entrepreneurial events, it is important that there is a strong, frequent and supportive relationship between all organizations in the area. For example, promoting each other’s events is an easy activity with high impact.

We observed that individual nodes do not easily make their network available to others in the region. We sense hesitation, or a lack of general awareness, of how to add people to the network. Great communities networks that operate with little to no friction.

Our favorite example is this simple task: when you see an opportunity to introduce two people, do you first ask permission from both parties, or do you go ahead and make the introduction? If you do the former, you create friction in the network. Founders need less friction, and quick, ready access to resources.

If there is friction in accessing resources such as introductions or mentorship, we put founders’ success at risk. By breaking down the barriers to finding and engaging key resources, the founders and startups will grow and prosper.

Silos are an accidental outcome of a growth community and should be addressed. We observed that with AO’s success in serving the community, the community has begun to overly rely on AO for generating and managing everything entrepreneurial. Unfortunately, this over-reliance on a single organization creates a ceiling and thereby caps community growth. It creates a hub and spoke structure rather than a pure network. We refer to this as accidental hierarchy. Thriving startups communities operate with multiple nodes in a network, rather than a hierarchy.

## Attitude

Setting the right community attitude will be the best catalyst to take the community to the next level. It will take years of effort. And it starts with each person reading this report. It’s time to celebrate—in a humble manner—and stop complaining about what’s happened in the past. The Okanagan region is not Silicon Valley, or Seattle or Vancouver. But the opportunity here is big. The community plays above its punching weight when it comes to entrepreneurial potential.

### **The Okanagan needs...**

1. More founders
2. A broader definition of entrepreneurship
3. More talent to support the break-out companies





4. A tighter, more integrated relationship with the local college & university
5. Formation of more supportive relationships with corporations in the region

But none of this will happen, or happen quickly enough, without an entrepreneurial “pull up your boot straps and let’s get to work” attitude.

We want each of you—and we mean “you” as individuals, not as organizations—to have permission to be a leader. What do we mean by that? If you notice a void, a gap, a problem emerging, a frustration with how something is being done—stand up and do something. We need more leadership, not less. A growing community cannot rely on the same 5-8 people. New leaders must emerge and be supported in their efforts. There is room at every table for anyone who is willing to check their ego at the door, place their business agenda to the side and put in some hard work. Be open to new leaders emerging, recruit new leaders when necessary, and support the ideas of new leaders. What might support look like? Show up to the events they host. Help market their ideas to draw a crowd. Listen to their ideas and give them honest feedback.

## Network and Organizational Leadership

AO is a victim of its own success. It has a staff of hard-working, dynamic, and passionate agents. What AO has helped facilitate over the past 5+ years is significant. There is a great mix of youth, experience and local knowledge. This worked perfectly as the community grew from stage 1 to stage 3. But, like scaling a company, it is time to scale AO.

Our recommendation is to change the focus and role of AO in the community from one of an owner/leadership role to one based on facilitating and enabling key activities amongst a broad set of leaders. This comes with a significantly different posture which many in the community might initially find uncomfortable. Two ways to begin to shift this:

- ▶ Consider broadening the AO charter from “Tech Entrepreneur” to “Startup Entrepreneur” in order to send a signal of being more inclusive.
- ▶ Identify emerging leaders and support their activities with AO’s talent and back-office capabilities.





## Events

The Okanagan region doesn't need any more traditional events. AO produced 140 events in 2016. It's time for more diversity of events that are created by new leaders who are identifying new niche opportunities. This is the natural progression of a growing community. If you can identify a need that is not yet being met—stand up, share the thought, and see if others agree with you. If there are others in agreement, organize around that need and ask for help.

At this stage of community development, it's important to expand the audience and create more inclusive, and more diverse events. Start by being intentionally inclusive of woman founders and leaders, as well as founders who come from various racial, ethnic, and cultural backgrounds. We did not observe programming geared toward these groups.

## Storytelling

One underrated component of a mature ecosystem is strong community storytelling, both for locals as well as interested outsiders. We didn't observe much storytelling in the Okanagan and if it is happening, it is not happening at scale. The community should identify, encourage, develop, and





fund storytelling amongst community influencers. Storytelling is an inspirational tool for soon-to-be-founders. We get inspired by people's stories. This is something that AO can help facilitate.

Every growing community needs to share their wins, their challenges and the stories of both. In mature communities, entrepreneurial influencer leaders do this through blogging, speaking, books, and social media. They also participate as guest speakers at colleges and local events. The more experienced Okanagan founders need to tell stories within and outside the area, which helps create out-of-region awareness for the community. We suggest the following best practices to enhance storytelling:

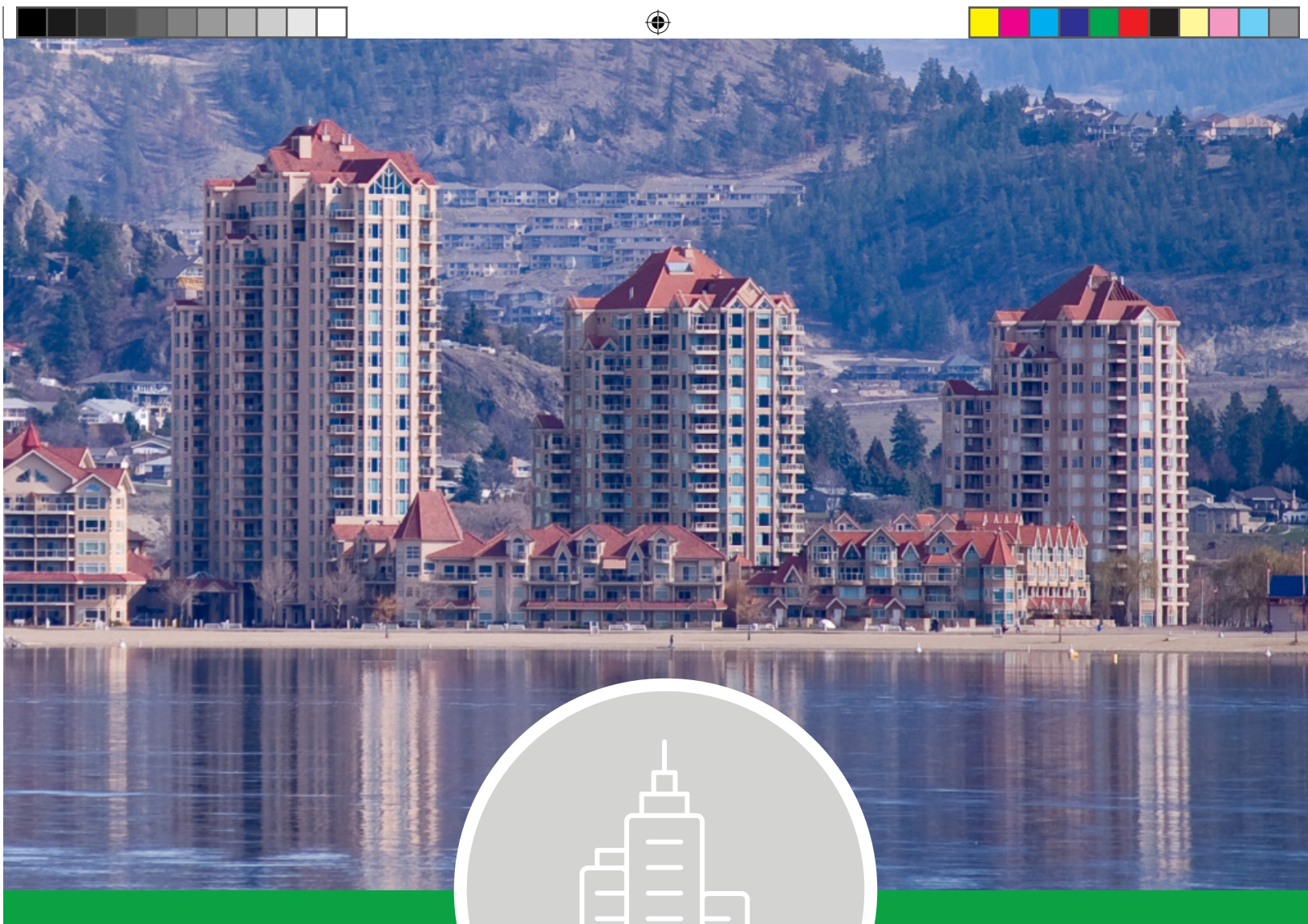
- ▶ Develop or utilize a community storytelling platform or blog that showcases achievements & activities.
- ▶ Consider facilitating and funding founders to speak at Canadian and U.S. conferences.
- ▶ Encourage founders and community leaders to share consistent and authentic storytelling via personal blogs and social media.



***Everyone has something to give. If you have been working on your startup for a year, you have a years' worth of experience to share with someone who has not made the leap yet. There is room for much more mentorship activity in the region.***







# Density

Another critical element in startup community development is the concept of physical density, where community actors gather during the day and night. Density is crucial to the long-term growth of the community. There is a clear trend that millennials and the creative class migrate to urban centers. This is a Kelowna advantage.





## Density is crucial to the long-term growth of the community.

The Okanagan Innovation Centre is a gift to the region and the community will see its benefits evolve over the next few years. Creating a thriving hub for startup activity is a major accomplishment. That being said, there is still much to do to optimize the AO space as well as other spaces in and around the region. The goal is to make these spaces an obvious destination for everyone with interest in startups. The great news is that this is a small population area, so the idea of a density ratio is easier to create than in larger metros. What do we mean by density ratio? It is the ratio of individuals involved in entrepreneurship compared to the general population of professional workers in a given geographic region. There's not an exact science to density, but we've seen that a ratio of 1:7 starts to create a flywheel effect in a community.

The challenge is how the Okanagan region can increase density over time. Once the Innovation Centre building is filled, where do entrepreneurs go next? Where will the breakout growth companies go when they need more space? Where do places like CoLab and makerspace UBCO fit into the density equation?

As the startup community matures, density will evolve from a densely filled building to an entire neighborhood. It takes strategic thinking as well as some coordination and compromise to make it happen. This is the single area where if all the community stakeholders get in a room, put their day job missions to the side, and coordinate rollout of entrepreneur-friendly space and leases. Creating density will require some near- and mid-term goals that will, over time, create a thriving, critical mass area where entrepreneurs, mentors, and other community members will naturally gravitate.



### Near Term

Continue to create a density of founders, companies, investors, and community supporters. The Innovation Centre needs to be a natural destination. Proactively reach out to all relevant meetups and events to strongly encourage hosting at the Innovation Centre.



### Mid Term

The local governmental organizations need to develop incentives to recruit all current and future entrepreneurial organizations to a specific neighborhood. Proactively reach out to all relevant meetups and events to strongly encourage hosting at the chosen central hubs.





# Talent

Community growth has to be built on the backs of a growing number of founders, frictionless access to growth employees, and an ability to recruit experienced executives. The Okanagan needs more founder talent in order to expand to a more mature level. It is a classic pipeline problem in which the community addresses all stages of the pipeline.





There are simply not enough new founders backfilling the community pipeline. With a typical exit time period exceeding 10 years, it is critical that the community continue to develop new founders. If there are 100 motivated founders in the region today, your target should be to increase to 200 founders in the next 3 years, or 500 founders in the next 5 years.

Where will they come from? We can start to answer that with an anecdote. We give talks to communities around the world, and frequently ask for a show of hands for how many people have an idea for a new business in their head today. As you might expect, about 80% of the audience raises their hands. We don't think every single person is cut out to be an entrepreneur, but we do believe many people can become entrepreneurs. Some data suggests it is somewhere between 6% and 14% of community's population that can become entrepreneurs. In the Okanagan, let's use a target of 2% of the current population; that means as many as 7,500 potential founders in Kelowna could become entrepreneurs. How do we let these people know that there is a place, a program, and a community of like-minded people ready to share their experiences to help each other out?

Founders come in all shapes and sizes. Gender, ethnicity, educational attainment, and age are but a few characteristics of diverse founders. As such, the door or window that each entrepreneur walks through to get to the "entrepreneurship room" is different. Focusing efforts on just one door for everyone to walk through will limit the growth of the community. Mature communities have developed many of those doors and windows. The Okanagan is ready for more doors and windows. Accelerate Okanagan is one door. What other doors and windows are hidden or are so niche that they fly under the radar?

New programs at AO, including RevUP, are addressing scaling gaps but we are very concerned that scale-focused programming comes at the cost of building top-of-funnel activity.

The computer science and engineering academic programs are growing, but we need to find a way to supercharge those programs. The two colleges combined are producing approximately 35-50 computer science graduates per year. Those programs are new and there is a significant effort to increase those numbers. To put things in perspective, Boulder/Denver, Colorado has 370 graduates/year, Raleigh/Durham, North Carolina has 650+, and Corvallis, Oregon has 270 graduates/year.

Digital marketing is another area of concern that is not being addressed. We did not hear of any thought leadership around identifying key skillset shortages and the subsequent ideas to solve those gaps in a large and intentional manner. This type of thought leadership is what separates growth communities from every other community. Significant leadership is required for the Okanagan startup community to expand and make intentional and proactive talent development a top priority.

**The Okanagan region**  
can run more programs  
for new founders, which  
will in turn support the  
region's talent.





## Invest in Talent Development Programs

Every community implicitly understands that tomorrow's end game is about talent. Significant leadership is required for the Okanagan startup community to expand and deliver intentional and proactive talent development as a top priority. The Okanagan can address this by implementing some of the following activities:

- ▶ Identify 3 or 4 key top of funnel activities to encourage new founders
- ▶ Super-size interactions with Okanagan colleges and UBCO to drive talent development
- ▶ Push entrepreneurship into atypical areas, such as high schools, corporations, etc.
- ▶ Build programs, activities & a culture of connecting people to jobs as a community (not as a collection of companies)

This region has an advantage that typically handcuffs larger communities: scale. There is an opportunity to leverage the relative size of the Okanagan to quickly create unique and relevant talent development experiments. Those experiments can later scale when the opportunity is validated. Talent development must start with founder development. There are no rules, only opportunities. Think outside of the box. Do things that nobody is thinking of. Brand the Okanagan as a place where entrepreneurs go to get started regardless of age, gender, race, or education.

Ensure that every single Computer Science graduate has access, training, and funding to find a role in an Okanagan company. Start that interaction from the first day of their first class until the day they graduate. Imagine the word-of-mouth impact if potential students knew that they were all but guaranteed a great job if they choose to attend one of the local colleges. Local startups should create internships and co-op programs that give students real experience.

For those of you operating in traditional organizations, such as college, government, or large corporations, we challenge you to put your day-job goals to the side help build the community through recruiting and matching talent. In the long run, the indirect benefits to you will be enormous. To be an effective community leader, you must sign up for the larger mission of the startup community and figure out how you and your organization can support that mission.

## Expand & Train Current/Existing Mentors

Great mentorship can come in many different shapes and sizes, just as mentees need mentorship in just as many different delivery vehicles.

The easy go-to mentor profile is a seasoned executive with lots of success under their belt who is part of a structured mentorship organization. This is important, but is just one type of mentorship. We suggest that more recent founders serve as mentors in both an organized and





ad-hoc manners. We've found that those who have recently felt the pain of the entrepreneurial journey share the best guidance. Tactical and specific advice beats general business advice at the formative stages of the startup journey.

As more startup founders emerge, they will need both formal and informal mentoring in order to continue their growth. The network is there to serve the informal, ad hoc mentor need if the network is operating at full value. There are two components to the use of the network: the ask and the give. The Okanagan must leverage both of these components in order to be most effective. In short hand this means: ask for help and be willing to give help.

The region is a bit too small to rely solely on local mentorship to address all of the issues confronting founders today. The solution to this is simple: build a bigger network where each founder in need can utilize mentor talent both inside and outside of the region.







# Capital

An important aspect of a startup community is access to capital at every stage of a company's growth. Mature ecosystems address each stage without gaps. In addition to full-stack capital coverage, more mature regions provide multiple sources of capital which supports founders & companies of all types.





### Some activities that will help the region mature include:

- ▶ Rally behind Valhalla Angels with network, event and logistical support
- ▶ Augment Metabridge's goal of bringing outside investors to area through individual network
- ▶ Consider developing a traditional accelerator program
- ▶ Develop new angel onboarding events to train new angels in best practices

During our assessment, we repeatedly heard that there are investment dollars sitting on the sideline in the Okanagan region. It would take more investigation to determine whether this is true or not. Regardless of this, great founders with great ideas and some traction can find investment dollars. We have seen this play out in the region, with evidence that an entrepreneur can network into and close on approximately \$50k to \$250k locally—if they are an effective fundraiser. The challenge as the Okanagan startup community grows—and so do quality investment opportunities—is whether there is a frictionless, clear way to unlock more local dollars to meet these funding needs.

There are multiple capital resources, including angels and quasi-government investment groups. Atrium Ventures is a great addition to the area. At this point, a founder must go out of town for the \$1M to \$5M level; this is appropriate for the maturity of the region. There is one angel group, Valhalla Angels, that had gone mostly quiet but is under new leadership and we are encouraged to see how the group will support the region. Larger venture funds may show up in the region as needed, but they will first need to see multiple examples of potential deal flow. This is not a concern at the current maturity level. We believe it would improve the maturity of the community to eventually house an accelerator.

As we develop and increase the overall number of new founders, we need to grow the seed investment base as well. We do not advocate that every single founder gets an investment—fundraising should and always will be a relatively imperfect Darwinian process. Rather, we encourage Okanagan leaders to support current capital organizations as well as grow the investor base smartly. We recommend a network approach where the needs of both founders and investors are met. Be generous with introductions and emphasize the “ask/give” behavior mentioned earlier in this report.

## Networked Capital

We recommend a network approach where the needs of both founders and investors are met. Be generous with introductions and emphasize “ask/give” behavior.





# Institutions

Mature startup communities have meaningful engagement from several types of institutions, including city, county, and regional government, colleges and universities, and large corporations. These entities can play a vital role for startup companies by investing capital into local funds, by encouraging employees to serve as mentors, and by teaching and programming entrepreneurial activities. In addition, governments have a responsibility to create a stable, predictable, and supportive regulatory environment for entrepreneurs and investors.





## Government Engagement

The Kelowna city government has done a great job, both formally and informally, in supporting the startup community. We would like to see the support get a little deeper in terms of budget allocation to programs, some of which we highlight in this report. We would also like to see an increase in cross-regional support.

## College/University Engagement

We have addressed both Okanagan College as well as University of British Columbia Okanagan Campus in the Talent section of this report. But there is so much more the community can do to build a more integrated relationship. Computer science degrees and digital marketing training are still nascent and forming. General talent matching between students and companies is still using traditional methods.

## Corporate Engagement

Mature startup communities have a strong and multi-dimensional relationship with regional corporations. There appears to be little to no relationships with local or regional corporations in the Okanagan. This must be addressed. The companies that are either headquartered or have a large footprint in the Okanagan are unique to the region. Nobody knows these corporations and their executives like you do. It is never too early to create, augment or super-size those relationships. These are not just for the typical Fortune 500 companies, but should also include niche, mid-sized companies.

This is where corporate support can make a difference: by getting behind and supporting motivated, local entrepreneurs. Startup and corporate leaders could take a proactive role by running any of the following events and programs:

- ▶ Create interactive connecting events for corporate executives and startup founders, such as an annual or semi-annual corporate integration day
- ▶ Identify mentor prospects from corporate operating roles
- ▶ Develop first customer opportunities for relevant regional startups
- ▶ Host corporate/startup meetings at the Innovation Centre to support density goals

The direct and indirect benefits to corporate participation in the startup community are real, obvious and measurable.





## Local Infrastructure

The three elements of local infrastructure elements we look at include:

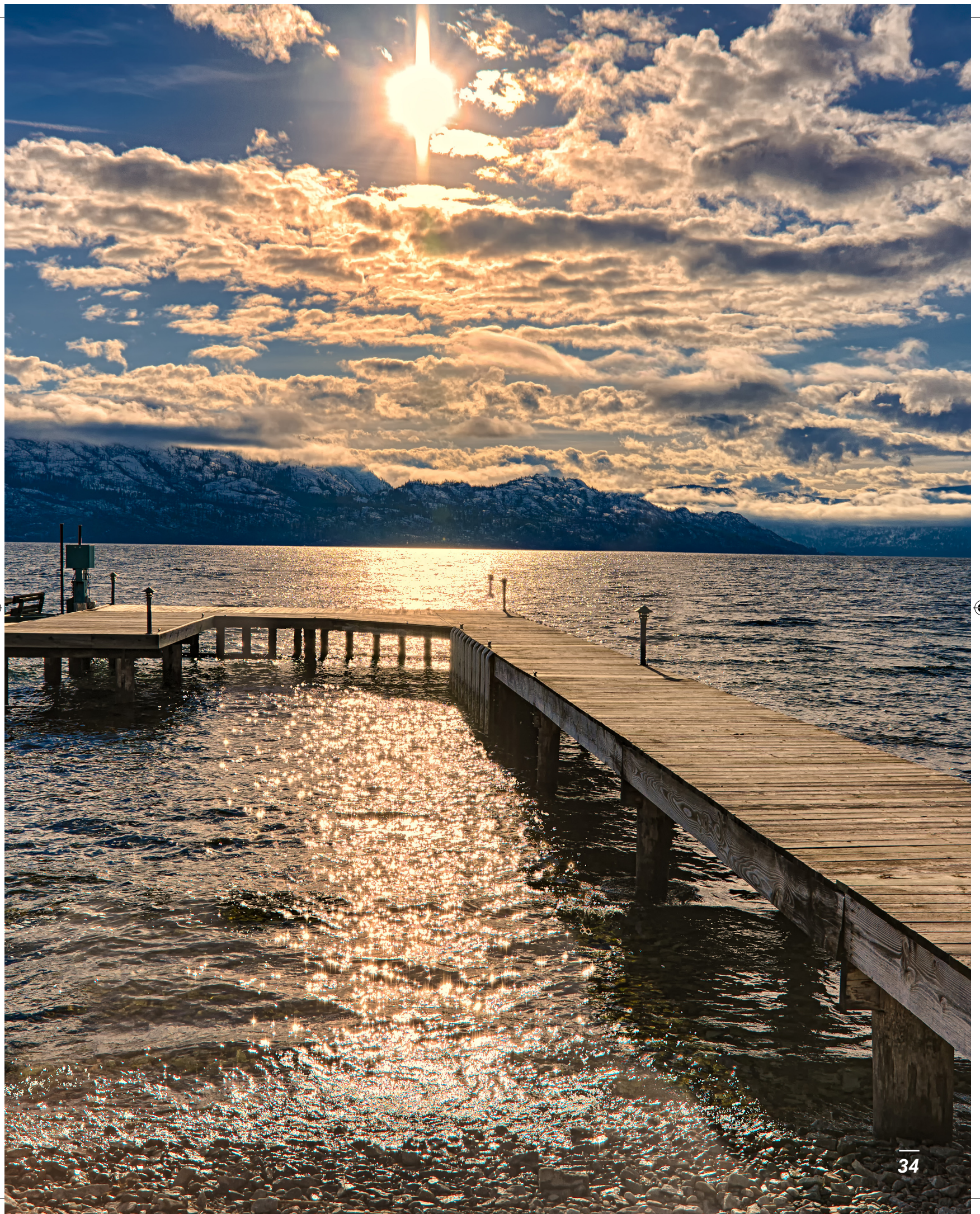
- ▶ airline access (direct) to key locations in US and Canada
- ▶ high-speed bandwidth in key locations
- ▶ transportation to key locations

At this time, Kelowna has limited direct flights to key cities (SF, NY, LA, Chicago, London, Tokyo). Toronto is an asset as a hub for access to these key cities. Lack of direct flights will become a limiting factor as the community grows. We experienced good bandwidth at the Innovation Centre and discovered no issues with bandwidth during our interviews.

Currently, there are adequate transportation options for getting around town and specifically to key locations. Entrepreneurs are a fickle group and the community will need to stay on top of potential issues such as accessible free/low-cost parking and public transportation with direct connections between key drop-off points. Bicycle and scooter support as well as charging stations are other amenities that are emerging. If the Okanagan can make some progress in terms of entrepreneurial density, these issues or potential issues should be easily resolved. Transportation is an area where government can positively influence community infrastructure.



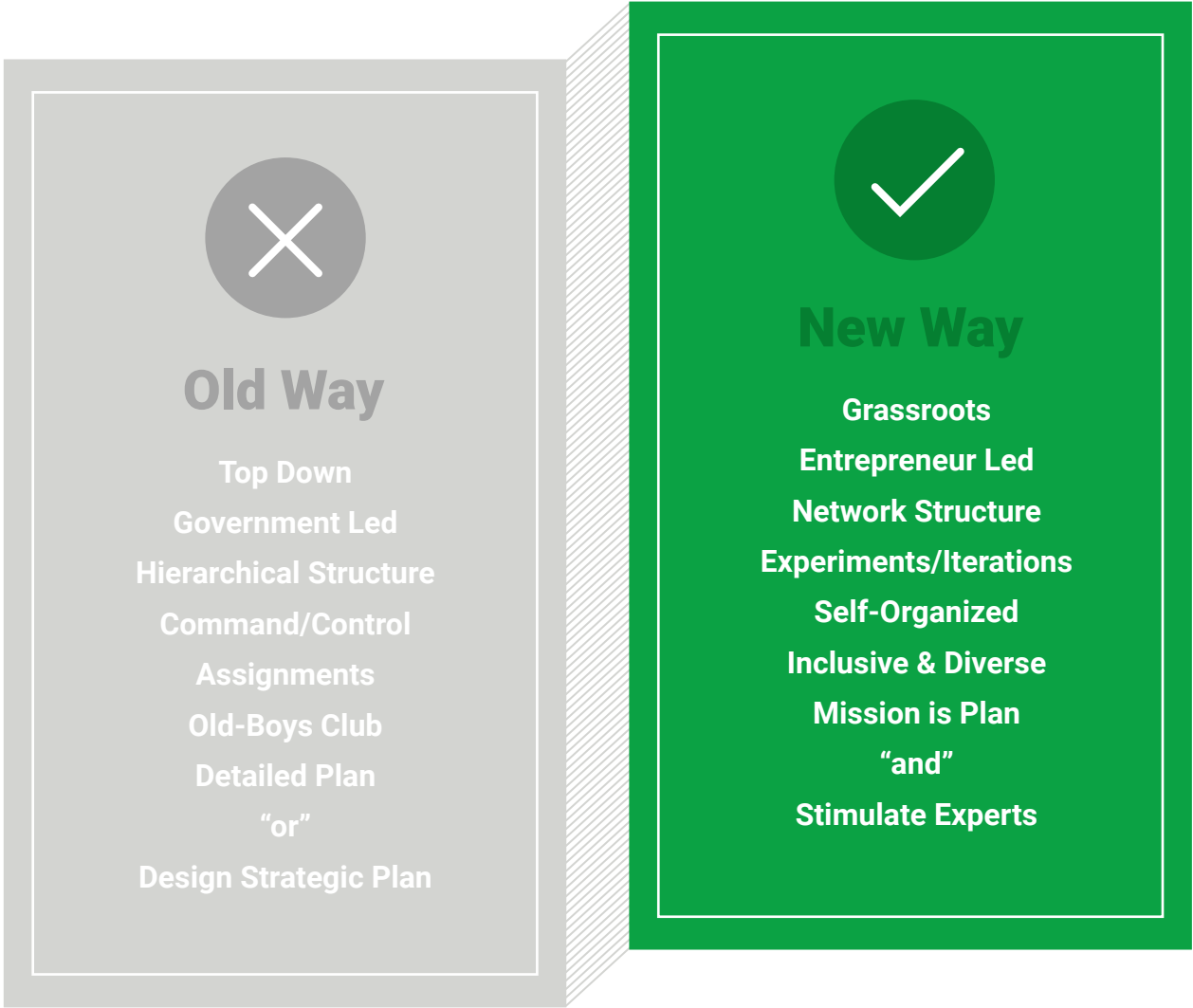






# Conclusion

If you're running the community based on the "old way"—stop. Start practicing the "new way." Each and every individual in the community is able to contribute to positive change in the Okanagan community.



# Challenges & Plan



## Priority Challenges

Upgrade Your Personal Attitude & POV

Migrate AO to an Enabling Role

Invest in Talent Development

Increase Storytelling From Leaders

Level-Up Mentorship

Coordinate Downtown Destination

Grow Investor Base

Integrate Regional Corporations



## Priority Plans

New Leaders; Glass Half Full Mentality; Share Wins

Broaden Charter; Emerging Leaders; Workshop

New Founders; College/Universities; Supersize Job Match

Community Platform(s); Out-of-Region Speaking

Expand Mentor Network

Double-Down on Innovation Centre; Think Neighborhood

VA Angels; Metabridge Support; Angel Onboarding

Corporate Development Events





techstars®

[www.techstars.com](http://www.techstars.com)