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1 EXECUTIVE SUMMARY

Given the global turmoil of recent years, it is encouraging to see the 2022 growth in the PEI Startup Ecosystem (as noted by Entrevestor, 2022) as we enter the post-pandemic era. The steady performance of PEI’s ecosystem should be acknowledged given the relatively recent focus on it and positive outcomes experienced by PEI firms such as iWave, Spry Point, Tunistrong, Sentry and PayTic. Bear in mind, fully-formed, world-class innovation ecosystems such as Silicon Valley and Boston take decades to form and mature – and more recent entrepreneurial ecosystems such as St Louis and Kansas City take twenty-five years to mature.¹

Notwithstanding these successes, the PEI Startup Ecosystem is at a turning point in its development as it approaches its next phase of growth. There’s an opportunity to advance the ecosystem by amalgamating the Startup Zone and LaunchPad PEI into one entity. This evolution will lead to further progress towards meeting the changing needs of founders, offering a longer trajectory of services for startups, and more effectively supporting founders to reach the next level in the startup continuum.

With strong leadership, the new entity will become the epicentre of PEI’s startup ecosystem, known as a central, sector-agnostic startup hub supporting innovative founders with high-growth potential companies at all stages in their development. It will be incumbent on the board of this new entity to agree on a vision and strategy focused on growth, connectivity in the ecosystem, and successful support for innovative, high growth potential startups.

This report makes four recommendations for the advancement of the PEI Startup Ecosystem, with the foundational recommendation being the evolution of Startup Zone and LaunchPad PEI into a single new entity. Once completed, strong board governance must be established before the remaining three recommendations can be acted upon. Successful governance will ensure:

- The board has overall governance responsibility with a particular focus on holding the CEO accountable and liaising with funders and other key stakeholders;
- The creation of a collaborative, multi-disciplinary advisory committee, continually monitoring underutilized resources (i.e., space, services, programming) that can be leveraged, promoted, or redeployed to serve the needs of startups with high growth potential;

¹ Accelerating Growth and Innovation in Atlantic Canada, DEEP Centre, 2018, p. 19.
The board is comprised of members with diverse backgrounds, experience, expertise, including geographic diversity; i.e. include stakeholders from other provinces (Atlantic, National level);

- Differentiation is clear between board-level priorities (strategic) and entity-level priorities (tactical);
- The CEO has the background and experience to implement the strategic direction and priorities of the entity;
- Operational services (administration, property management, etc.) are the responsibility of a government partner so that the CEO and Board focus time and resources on its mandate of driving and promoting success; and
- Management develops measurement metrics to monitor progress in achieving established goals.

Recommendations of this report:

1. Reposition Ecosystem Leadership for the Next Phase of Growth

Amalgamation of the Startup Zone and LaunchPad PEI into a single new entity, with new branding and strong leadership is recommended. This entity should focus on supporting the launch and development of innovative, high-growth potential companies in PEI, and will serve as the connective tissue for PEI's startup ecosystem.

2. Enhance Connections between Ecosystem Players

Lack of connection and collaboration among ecosystem players was identified as a challenge in PEI's current ecosystem. Increasing levels of collaboration and connection will contribute to more opportunities, accelerated growth, and more efficient use of resources.

3. Strengthen Infrastructure Supporting Startups

PEI's startup ecosystem is supported by a number of physical assets that should continue to be resourced. As physical space can be costly, it is also important that the space is utilized well, and that any underutilised or unused space is addressed without delay. Digital infrastructure is also an important aspect of the startup ecosystem – ensuring PEI's assets and services are well represented online and that digital infrastructure is optimized will contribute to the overall momentum in the startup ecosystem.

4. Promote PEI's Entrepreneurial Environment and Successes

Attracting the appropriate founders into the ecosystem can be achieved by sharing stories of successful entrepreneurs and their journeys through the ecosystem. Startup
failure should also be acknowledged as a reality, but also a wellspring of lessons to be shared with aspiring founders.
2 CONTEXT

Over the past decade, the startup ecosystem in PEI has expanded from a few services and programs to a broad range of resources, including incubators and accelerators, government programs and resources, mentors, and investors. Given that it takes approximately 25 years to fully develop a startup ecosystem, the PEI startup ecosystem is approaching a middle phase.

Concerns about the deceleration and contraction of PEI’s startup community were expressed by Entrevestor in its 2021 Atlantic Canadian Startup Data Report\(^2\). The reports’ 2021 data found that while startups beyond the early stages were creating jobs, earning revenue and attracting investment, fewer companies were being launched (only 5) in the region and failure rates are higher than in previous years. However, the Entrevestor 2022 report pointed to a reversal with 14 new companies and a 50 percent increase in funds raised ($6.8 million) from the previous year\(^3\).

The purpose of this report is to (i) assess and define the high-growth startup ecosystem in Prince Edward Island (PEI), (ii) identify opportunities to more effectively support the launch and growth of startup companies in the province; (iii) develop a clear path to capitalize on these opportunities. The following sections provide an overview of PEI’s current startup ecosystem and identify opportunities to increase momentum, collaboration and engagement across all stages of the startup continuum.

The chart below, adapted from Ken Herrington’s 2016 article “Is your Entrepreneurship Ecosystem Scaling”, describes the stages and support in the startup continuum: \(^4\)

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\(^2\) Entrevestor (2021) Atlantic Canadian Startup Data Report
\(^3\) Entrevestor (2022) Atlantic Canadian Startup Data Report
\(^4\) Ken Herrington (2016) Is your entrepreneurial ecosystem scaling?
Table 1: Continuum of Startup Stages

<table>
<thead>
<tr>
<th>STAGES</th>
<th>Discovery</th>
<th>Idea</th>
<th>Startup</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Research that may lead to an idea or invention; often supported by government, philanthropy, or public-funded research.</td>
<td>When a potential entrepreneur has identified a problem or opportunity but has not yet acted on their idea</td>
<td>Prospective entrepreneurs commit to founding a venture, allocate time and resources to pursue it, and make a significant effort to refine their ideas</td>
<td>When market, customers and investors validate a company; includes market launch, revenue generation, positive cash flow, competing, additional funding, scaling and exit.</td>
</tr>
</tbody>
</table>

**SUPPORT**

- **Entrepreneur Development** — activities that support the founder such as education, idea exchange sessions, mentoring, grant funding, internships, speaker events, competitions.
- **Venture Development** — support that creates successful companies and wealth such as self-funding, friends and family, service provider discounts, angel investors, accelerators, venture capital funds, strategic partners and private equity.
- **Economic Development** — assets and infrastructure needed to cultivate, support and mature ventures; often rooted in public policy, strategies and incentives; investment in facilities, research, digital networks, capital formation and workforce development.
3 DEFINING PEI'S STARTUP ECOSYSTEM

A startup ecosystem is a community of entrepreneurs, investors, mentors, support organizations, academic institutions, government agencies, and other entities working together to create an environment conducive to innovation, entrepreneurship, and the scaling of new businesses.

Elements of Prince Edward Island's existing ecosystem date back to the early 2000s with the Atlantic Technology Centre and the creation of LaunchPad PEI. In recent years, LaunchPad PEI has offered limited programming, other than the Startup Visa. The LaunchPad PEI space is used as low-cost office for PEI-based startups in their early stages, and is also used to attract off-Island companies with high growth potential, such as Invesco’s Charlottetown-based business unit.

In 2016, the Startup Zone was launched with the intention of supporting entrepreneurship development through incubation/acceleration, idea exchange events, mentoring services, grant funding, competitions, education events, speaker events, startup weeks and other similar activities. PEI's bioscience cluster, lead by the PEI BioAlliance, has stood out as a model for sector-specific efforts producing innovation-based companies with high growth potential (high-growth potential is defined by the OECD as a company starting with at least ten employees having an average growth rate of at least 20% for a minimum of three years).

Several other important support organizations, investors, post secondary institutions, service providers and economic development professionals play a major role in the support and launch of founders and startups in Prince Edward Island. These players include federal and provincial governments, PEI BioAlliance’s Emergence, Food Island Partnership, Propel ICT, Island Capital Partners, Holland College, and the University of Prince Edward Island.

Other PEI-based initiatives include Startup PEI (Startup Canada), the Summerside Xchange and the Cube Incubation Accelerator. PEI’s proximity to Nova Scotia, New Brunswick and Newfoundland and Labrador, and the introduction of several virtual incubators/accelerators servicing Atlantic Canada makes it possible for PEI-based founders and startups to access startup assets and services in these provinces.

The table below shows the number of startup companies, funds raised and other relevant startup statistics reported for 2021 and 2022 by Entrevestor:

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5 Ken Harrington (2016) Is your entrepreneurial ecosystem scaling?
6 David B. Audretsch (2012) Determinants of High-Growth Entrepreneurship; report prepared for the OECD.
7 Entrevestor (2022) Atlantic Canadian Startup Data Report
Table 2: PEI Startup Performance 2021-2022

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Companies</td>
<td>64</td>
<td>73</td>
</tr>
<tr>
<td>Funds Raised</td>
<td>$4.4 million</td>
<td>$6.8 million</td>
</tr>
<tr>
<td>Number of Jobs</td>
<td>477.5</td>
<td>514.5</td>
</tr>
<tr>
<td>Job growth</td>
<td>36.6%</td>
<td>7.2%</td>
</tr>
<tr>
<td>Revenue growth</td>
<td>40.6%</td>
<td>98.8%</td>
</tr>
<tr>
<td>Elite Companies</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Scaling Companies</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>New Companies</td>
<td>5</td>
<td>14</td>
</tr>
<tr>
<td>Failures</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>Zombies</td>
<td>14</td>
<td>8</td>
</tr>
<tr>
<td>Women-led companies</td>
<td>N/A</td>
<td>17</td>
</tr>
<tr>
<td>Immigrant-led companies</td>
<td>N/A</td>
<td>11</td>
</tr>
</tbody>
</table>

Notes about this data: Entrevestor uses the term “startup” to refer to high-growth, innovation-driven companies that must meet three criteria: locally owned, commercializing technology, and producing a product for the global market. Using this definition, the age of the company is irrelevant.

Examples of PEI-based startups (or innovation-based companies with high growth potential), include: Tunistrong, Thinking Big, Screenscape, Stemble, PayTic, Sentry, and Forestry.io.

To provide visual representation of the startup ecosystem on PEI, the authors developed the following illustration which maps the local players along two axes, and was adapted from Ken Harrington "Is your Entrepreneurial Ecosystem Scaling": (2016). Aspiring founders can use this type of startup ecosystem asset inventory map to identify services and supports appropriate for their place on the entrepreneurial continuum. Furthermore, ecosystem players will be able to see their role in the ecosystem relative to other players.

The horizontal (x) axis depicts the type of development activity that each partner supports: from Entrepreneur Development (supporting individuals considering action on an idea) to Venture Development (creating successful companies and wealth) and finally; Economic Development (cultivating, supporting and maturing companies).  

The vertical (y) axis shows the stage at which a startup is in its activity; from discovery to idea to startup to growth.

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8 Ken Harrington (2016) Is your entrepreneurial ecosystem scaling?
Figure 1: PEI Startup Ecosystem Asset Inventory Map
4 LOCAL, NATIONAL AND INTERNATIONAL TRENDS

A number of local, national and international trends provide opportunity and context for developing PEI’s startup ecosystem:

**Startup and founder needs:** Startup Canada’s 2022 Census\(^9\) asked founders what would be most beneficial to the growth of their business in a number of categories. In terms of educational resources/courses, founders identified marketing strategies, intellectual property, market research and mental health as the top topics. Mentorship, staffing solutions, networking and connections, as well as specialized education were identified as “perks” outside of funding that would be most beneficial to growth.

Other areas that aspiring or current founders thought would be most beneficial to their growth included education around funding and financing options, education around sales, amplification of events and partnership opportunities, and increased storytelling to amplify successes in the startup ecosystem.

**Talent challenges and wage inflation:** as Entrevestor (2021) reports, the cost and scarcity of skilled labor is now a global phenomenon impacting startup communities everywhere.\(^10\) In 2019, ACOA reported a shrinking labor force and critical shortage of skills for Atlantic Canadian firms, preventing companies from growing their businesses and meeting client demands.\(^11\) Demand for skilled workers globally and the ability of workers to work remotely means that Atlantic Canadian firms can lose staff to foreign corporations and are competing for attraction on a global scale. Even though in-migration to Atlantic Canada is on the rise, the high costs of living and the scarcity of talent means higher wages are required to attract talent in a competitive market.

**Population growth in PEI:** population growth in PEI out-paced growth rates in the rest of Canada, as reported by Atlantic Provinces Economic Council (APEC) in 2022 during the Business Outlook Conference in Charlottetown.\(^12\) Between July 2021 and July 2022, a total of 3,436 international immigrants came to the province and net interprovincial migration was about 2,200 people in 2022. This in-migration is critical for population growth, as Atlantic Canada continues to have an aging population and low birthrates.\(^13\)

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\(^9\) Startup Canada. 2022 Census.
\(^10\) Entrevestor (2021) Atlantic Canadian Startup Data Report
Inflation and interest rates: persistent inflation and higher interest rates in 2023 are expected to stall economic growth, domestic spending and investment, according many sources, including Senior Policy Analysts with the Atlantic Provinces Economic Council. During 2022, inflation was the highest it had been in 40 years, with food prices, energy costs, transportation and shelter among the highest price increases contributing to inflation. With the Bank of Canada working to lower inflation rates, climbing interest rates make borrowing money more expensive, which has a cooling effect on a startup’s investment opportunities, financing options and resource affordability.

Venture capital in Atlantic Canada: the venture capital industry plays an important role in the launch and growth of startups through capital investment, mentoring and advice. “Smart money” (or, capital plus expertise), can be accessed by founders and startups through the regions various funds investing in early-stage growth-oriented companies.

Regionally, funds including Island Capital Partners, Sandpiper Ventures and Build Ventures - to name just a few - are responsible for investing in startups during their pre-seed and seed stages (i.e., $250K - $750K). For series A – C investing, startups must look further afield than Atlantic Canada; however, investment by regional funds in the pre-seed and seed stages are strong indicators for future investors that appropriate due diligence has been carried out and the company is positioned for high-growth.

Clean technology and net zero: clean technology is a process, product or service that reduces negative environmental impacts through significant energy efficiency improvements, the sustainable use of resources, or environmental protection activities. As noted above, PEI has made investments in this area and future progress is anticipated.

Ocean economy: according to the Government of Canada, in 2021 Canada’s ocean economy accounted for $31.7 billion annually in gross domestic product and almost 300,000 jobs in fisheries, aquaculture, energy, shipping, tourism and recreation.

Technology modernization and business innovation are essential to building a strong blue economy and Canada’s ocean sectors have grown steadily over a number of years and this is expected to continue. Ocean technology companies in Canada are world-leading innovators in sensor technology, remote sensing (radar and acoustic), subsea.

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vehicles/robotics, autonomous systems, harsh ocean environment technology, and marine simulation. Atlantic Canada’s globally recognized as a leader in this area.

**Rural innovation and investment:** provincial and federal governments have dedicated resources and attention to driving economic growth in rural and remote areas. According to the Government of Canada, communities in rural, remote, coastal and northern regions of Canada contribute over 25% of the nation’s GDP.

Several initiatives are supporting innovation and economic development in rural areas, including the Centre for Rural Economic Development at Innovation, Science and Economic Development Canada (ISED), the Government of PEI’s Rural Growth Initiative supporting opportunities in rural PEI, and specialized supports for innovation and startups such as IGNITE Atlantic, a rural innovation hub for innovative businesses throughout rural Nova Scotia.

**Equity, diversity and inclusion:** ensuring equity for marginalized and underserved populations is a key priority for institutions across the public, private and nonprofit sectors. In the startup community, Entrevestor (2021) reported that while one-fifth of the startups in Atlantic Canada were led by women, they only raised about 8% of total funding in 2021. Black and Indigenous founders are under-represented in the startup community, however, immigrant founders lead about 20 percent of the startups in Atlantic Canada, according to Entrevestor’s 2021 data report. Locally, ICP, through Fund II, has invested in two companies founded by BIPOC individuals.

Several positive initiatives including the Tribe Network, Volta’s Boost program, Ulnooweg and Joint Economic Development Initiative are supporting the advancement of Black, Indigenous and People of Colour pursuing entrepreneurship and innovation.

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19 Entrevestor (2021) Atlantic Canadian Startup Data Report
5 SUPPORTING THE GROWTH OF REGIONAL ECOSYSTEMS

5.1 LEADING PRACTICES

The development of a startup ecosystem requires a clear understanding of the local economy and community, its unique characteristics and strengths. Assessing the business environment and its resources (e.g., educational amenities, internet access, transportation, social and communication networks) is essential to understand existing potencies and opportunities for improvement.

A number of sources were reviewed to understand factors that have led to the growth of startup ecosystems globally. Based on this research, the following leading practices, key success factors or lessons learned have been identified:

✓ **Startup prospects with ideas** are an important aspect of a startup ecosystem, as they provide a pipeline for future investment. Ideas and prospective founders can come from anywhere, but often are spun out of post-secondary research or new ideas born out of a founder’s past career path.

✓ **Educational institutions** can attract and develop talent at all levels (i.e., founders, technical experts, managers, etc). These institutions can provide access to academic research, experimental laboratories, external expertise, and networking opportunities. Often, entrepreneurial programs on campuses are backed by private funding such as foundations. Students may be able to access financial support through bursaries and scholarships. Ideally, participants graduate from such programs with concepts that are ready for the incubation phase of the ecosystem.20

✓ **Incubators and accelerators** provide valuable support for concept validation, business growth and scale-up (including physical space, access to technology/equipment, and networking). Access to expertise is often available to those who participate in training programs which can last several months. Often, organizations offer both incubator and accelerator services, and are aware of the crucial aspect of creating a social and networking environment within their physical and online spaces. Constant support to participants will result in greater engagement and highly skilled founders.21

✓ **Investment** must be attracted and maintained for the continued health of a startup ecosystem. Investors may have a narrow focus in early-stage, late stage, or sector

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specific funding, but an overall balance is crucial. When startups experience success and returns to their investors, this can stimulate business growth, economic development and help startup ecosystems become increasingly self-sufficient.

- **Collaborative relationships** with multiple levels of government are vital for successful program funding, but also with regards to community infrastructure investment, regulatory support and taxation. High level policy decisions are impactful to entrepreneurs and can lead to incentivized investments and additional funding initiatives. Positive relationships can help influence decision-makers.

- **Business associations** - often community or sector-based - can provide easy access to centralized resources and networking. The most supportive organizations supply their member with tangible offerings such as databanks, mapping of resources, networking events, and keep members engaged with like-minded entrepreneurs.

- **Private business** that offers services (e.g., legal, tax planning, consulting, HR, etc.) are essential to venture development; these services may be tailored to specific sectors or companies in their early stages.\(^22\)

- **A strong network of entrepreneurs and mentors** across sectors who work collectively and see themselves as a component of a larger network for mutual benefits contribute to a strong ecosystem. This intermingling can spawn new opportunities for innovation and collaboration, but also help to identify gaps in the ecosystem.

- **Engaging founders and startups** that have left the ecosystem, whether a result of a successful exit, business failure, or lack of time to participate due to ongoing business activities, is critical. Whatever the reason for their disengagement, their experience (good or bad) and their knowledge is invaluable to those within the ecosystem.

- **Early-stage investment opportunities** are essential to a successful startup ecosystem, as companies cannot survive with only late-stage funding. Early-stage investment raises the profile of a start up and incentivizes additional, higher-level global investment rounds.\(^23\)

- **Accept and expect failure** among startups, and create a culture where failure is not ideal but is normal. In doing so, the ecosystem can nurture an attitude of persistence.

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when founders rebound from failure and try again; bringing important lessons back into the ecosystem. Interestingly, some investors are attracted to founders who have failed before because they value the tenacity, effort and motivation needed to get back up and try again.

**Reinvestment of resources** gained by successful startup activity can spur momentum for a region’s startup ecosystem. Success stories from diverse startups can support and show the potential of new sectors. When successful exits occur, the money and talent that’s been attracted should be reinvested into ecosystem. For example, successful founders should be encouraged to re-engage through mentorship and advice, and re-invest resources (e.g., through regional funds or angel investing).²⁴

**Measurement and monitoring** is an important component for the success of a startup ecosystem. Although there is no standard playbook for developing a startup ecosystem, recording data on employment, revenue, capital raised, ecosystem impact and client profiles²⁵ can act allow early detection of potential threats to the ecosystem. Highly useful qualitative data would include feedback on impact and performance of the ecosystem as reported by founders who are current participants as well as those who have exited the ecosystem.²⁶

### 5.2 JURISDICTIONAL SCAN

#### 5.2.1 Nova Scotia

Although the ocean technology sector has been key to the growth of startups in recent years, medtech, clean technology, agricultural technology and life sciences are also growing sectors in the province. Sector specific ecosystems include Volta for innovative technology startups (transitioning from a landlord role to a programming hub), and the Centre for Ocean Ventures and Entrepreneurs (COVE) for ocean technology companies. In fact, many supports for startups in Nova Scotia - incubators, accelerators, venture capital firms to a lesser degree - are sector-specific (see Appendix B).

The majority of the startup activity happens in Halifax, where venture capital invested a record of $85 million in 2021, and then eclipsed that record by raising $139 million in 2022. Startups increased jobs by 15%; increased revenue by 46%.²⁷ Following a post-pandemic wave of new launches, growth in Cape Breton has since stabilized to sustainable levels. The new Nova Scotia Community Sydney Waterfront Campus, slated to

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²⁵Accelerating Growth and Innovation in Atlantic Canada, DEEP Centre, 2018, p. 73.

²⁶Accelerating Growth and Innovation in Atlantic Canada, DEEP Centre, 2018, p. 73-74.

²⁷Entrevestor (2022) Atlantic Canadian Startup Data Report
open in September 2024, gives further hope for the future of startups in the Sydney area and the Cape Breton Regional Municipality as a whole.

Dalhousie University is home to Dal Innovates, a hub for research, innovation and entrepreneurship. They offer a large array of programs for solutions creation, ideation, design, validation, prototyping, company launch, mentorship and market growth. Dal Innovates partners with many ecosystem partners such as Creative Destruction Lab, Mitacs, Invest Nova Scotia, Volta and Springboard Atlantic. Moreover, they partner with multinational energy company Emera, based in Halifax, through Emera ideaHUB; an early-stage deep technology incubator.

Although its financial performance in 2022 was poor, Meta Materials Inc. is an example of a Nova Scotia based startup that is truly innovation focused and whose exit resulted in a $104 million return for the former Innovacorp. Innovacorp originally $3 million in the startup. As of July 24, 2023 the company is reported to be valued at $106 million. Although this represents a 61% decline in the past year, analysts are hopeful for the long-term performance of Meta Metals Inc.

Other Nova Scotia-based successes include competition performance by companies like CarbonCure (winner of the Carbon US $8 million Xprize in 2021, and vying for a second prize this year); Planetary Technologies (winner of the $1 million Milestone XPRIZE award; and SmallFood (teaming up with a Toronto company as a finalist in the Feed the Next Billion XPRIZE).

5.2.2 New Brunswick
Unlike Nova Scotia’s startup ecosystem, several of New Brunswick’s incubator and accelerator programs are more agnostic in nature than sector specific. Cybersecurity is a well-supported and important sector in the province.

Startup fundraising activity is concentrated in Fredericton which houses academic, research and entrepreneurship development centres. Almost half of startups in New Brunswick are located in the capital, and in 2021, the area raised 53% of the province’s startup funds. The University of New Brunswick offers a Technology Management Entrepreneurship program to accelerate technology startups in science, computer science and engineering. This one-year degree program partners with ACOA, BDC, NBIF, Siemens,

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28 Entrevestor (2021) Atlantic Canadian Startup Data Report
29 Yahoo Finance (2023) Avoid MMAT Stock as Meta Materials’ Delisting Looms Large
30 Entrevestor (2021) Atlantic Canadian Startup Data Report
31 The Globe and Mail online, accessed July 24, 2023
32 www.stockanalysis.com, accessed July 24, 2023
33 Entrevestor (2021) Atlantic Canadian Startup Data Report
McCain Foods and Startup Fredericton offering business courses and laboratory space for idea validation. Startups that have emerged from the program include HotSpot, SmartSkin, and Resson Aerospace.

Other noteworthy stories include the success of female-led companies which raised almost 40 percent of the total funds raised in 2022, and the announcement of a new $20 million VC fund by NBIF to increase capital to scaling companies, potentially attracting $600 million of private investment into New Brunswick.\(^{34}\)

### 5.2.3 Newfoundland & Labrador

Newfoundland and Labrador leads the region in new startups, with 20 percent of companies launching in 2022.\(^{35}\) It is known to be the youngest startup community in the region, but is actually dominated by companies that are at a later phase of maturity.

Genesis is an independent entity owned by Memorial University (MUN) and funded by the public sector. Genesis supports entrepreneurs at all stages as long as they are a technology ventures with high growth potential. Recognized as Newfoundland and Labrador’s innovation hub, the organization started in 1997 but experienced its most significant growth and impact since expanding programs offered beginning around 2015. Importantly, the same CEO has been instilled for 21 years providing ongoing leadership.

The connection Genesis has to MUN is critical for providing ideas and leads from various programs (engineering, computer science, medicine, etc) at all education levels (undergraduate to post doctorate). Additionally, Genesis doesn’t aspire to be Silicon Valley or Toronto but rather promotes Newfoundland and Labrador’s unique remoteness and culture instead of shrouding it. They seek to draw founders looking for the NL lifestyle.

As noted by Entrevestor, Bounce Health Innovation, the Memorial Centre for Entrepreneurship, and the Genesis Evolution program are coming together to produce a superb system for launching companies.\(^{36}\) Bounce Health Innovation influenced a wave of new company launches in 2021, with their focus on health tech startups. Although new company launches declined in 2022, medtech startups emerging from Bounce performed impressively in fund raising and international entrepreneurship competitions.\(^{37}\) Other ecosystem supports in the province are more agnostic in nature.

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34 Entrevestor (2022) Atlantic Canadian Startup Data Report  
35 Entrevestor (2021) Atlantic Canadian Startup Data Report  
36 Entrevestor (2021) Atlantic Canadian Startup Data Report  
37 Entrevestor (2022) Atlantic Canadian Startup Data Report
The impact of Verafin’s $2.75B exit cannot be understated. The company was able to raise $454 million in five funding rounds (Crunchbase, accessed July 24, 2023), and its tremendously successful exit generated excitement around tech startups in the St. John’s area and created aspirations of success for youth in the startup community.\(^{38}\)

### 5.2.4 St. Louis, Missouri, US

Efforts to support the entrepreneurial evolution in St. Louis began in the late 1990’s following a strategic review and ‘top-down’ efforts to create a plant and life sciences cluster. By 2005 the city had three venture funds focused on life science, two of the nation’s top-ten life sciences incubators, a new plant science research facility, new angel investor group, and workforce development initiatives between community colleges and industry.\(^{39}\) From 2011 to 2013 the ecosystem more than doubled in size with the launch of eight makerspaces (spaces with 3D printers, laser cutters and other tools), accelerators (early-stage investors and mentors), and coworking spaces (shared space for startups, with low rent).\(^{40}\)

Other factors contributed to the ecosystem growth include an affordable cost of living and abundance of talent.\(^{41}\) In 2015, St. Louis was recognized as one of the top 14 startup cities in America.\(^{42}\)

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\(^{38}\) Entrevestor (2021) Atlantic Canadian Startup Data Report  
\(^{39}\) Ken Harrington (2016) Is your Entrepreneurial Ecosystem Scaling?  
\(^{41}\) Cassandra W. (2023) Kansas City Missouri: A Thriving Hub for Entrepreneurs. LinkedIn  
6 OPPORTUNITIES AND CHALLENGES

A number of ecosystem stakeholders and participants were interviewed to gain an understanding of the existing opportunities and challenges within PEI's startup ecosystem. The consultation aimed at identifying PEI's strengths, gaps in assets or services, and action areas to be considered. The authors also completed an environmental scan and secondary research to better understand the various assets and services available to startups and founders in the province.

The feedback for this report was gathered from key ecosystem stakeholders including support organizations, government funders, incubators, accelerators, and post-secondary educational institutions. Several founders and startups were consulted to understand their experience launching startups on PEI.

All feedback gathered allowed the authors to identify over-arching opportunities and challenges with PEI's startup ecosystem, but did not result in a detailed needs analysis for PEI-based startups. Themes that did emerge are outlined in this section, and based on research about founder needs and conversations with key informants. It is clear that the supports required in a startup ecosystem are broad and varied, and the needs of each startup depending on the founder, the sector and the stage of development.

6.1 GOVERNMENT ASSISTANCE AND NON-DILUTIVE FUNDING

An abundance of government support exists to encourage, stimulate and incentivize activity in the startup ecosystem. Innovation PEI (IPEI) and Atlantic Canada Opportunities Agency (ACOA) are two of the primary government agencies subsidizing the startup ecosystem in PEI. Many other government departments provide financial support to ecosystem participants (e.g., support organizations, investors, post-secondary institutions), and non-dilutive funding, programs and services for founders and startups.

6.1.1 Innovation PEI

Several of IPEI's current strategic priorities support the development of a vibrant startup ecosystem, including: strategically supporting the growth and competitiveness of strategic sectors (i.e., bioscience, aerospace and defense, information and communications technology, value-added food, advanced manufacturing and clean technology); facilitating the development of emerging sectors (i.e., creative industries); enhancing startup and early-stage supports to bring ideas to the market faster; and renewing the focus on research, development and innovation.43

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43 Innovation PEI. 2021-2024 Strategic Plan.
IPEI contributes financial support to all of PEI’s accelerators and incubators, including Propel ICT, a virtual pan-Atlantic accelerator; Food Island Partnership, a catalyst and support for PEI’s food entrepreneurs; BioAlliance’s Emergence, a bioscience incubator for high-potential companies in Canada; Startup Zone, a sector agnostic startup support organization; and LaunchPad, an incubator supporting growth and innovation of companies through affordable office space and Canada’s Startup Via Program.

A number of programs are available to PEI-based founders and startups through IPEI including the Ignition Startup Fund, Export Trade Assistance Program, Innovation Fund, PEI Labour Rebate, Rental Incentive Program, Small Business Investment Grant and an Equity Investors Incentive. A more detailed overview of these programs can be found in Appendix B.

Finally, IPEI offers a Business Navigator Program to assist companies through case management and networking opportunities.

Details on funding programs and amounts can be found in Appendix B of this report.

6.1.2 Atlantic Canada Opportunities Agency
ACOA is an important supporter of economic growth in the region, helping entrepreneurs and entrepreneur support organizations become more competitive, innovative and productive. ACOA’s Regional Economic Growth through Innovation (REGI) program helps businesses grow and reach new markets, and the Atlantic Innovation Fund assists with bringing large-scale projects to market.

ACOA also provides operational funding to PEI’s accelerators and incubators in all sectors.

6.1.3 National Research Council of Canada Industrial Research Assistance Program
NRC’s IRAP program is a popular choice for innovation-based startups looking for connections, advice and funding to increase their capacity and take ideas to market. In early 2023, the Government of Canada announced that the program will be integrated into the new Canada Innovation Corporation (CIC) which will operationally independently from government, and be solely dedicated to supporting business R&D across all regions and all sectors of the economy.

Advisory services through IRAP include technical and business advice, literature and patent searches, referrals to other programs and services, access to expertise, linkages to appropriate resources and strategic intelligence. The program’s relationships with post-secondary institutions, governments, economic development agencies, financing groups and service providers allows startups to connect with a wide range of support, including marketing, financial and legal advice, problem solving, technology support, knowledge-transfer opportunities and networking.
Financial support available through IRAP includes support for technology innovation and funding to hire talent (new graduates).

6.1.4 Other Government Assistance
Various other federal and provincial government departments support PEI’s ecosystem with programs, services, and partnerships.

For example: Finance PEI supports the ecosystem through its Entrepreneur Loan Program, financing options, and support for strategic initiatives (e.g., business parks across the Island). Immigration and Citizenship Canada partners with qualified accelerators across Canada to deliver its Startup-Visa Program for entrepreneurial immigrants. ElevateIP is a federal government program designed to help Business Accelerators and Incubators provide the tools Canadian startups need to understand, strategically manage and leverage their IP. Mitacs is a national not-for-profit organization creating linkages between the private sector and academia and providing funding for research and training programs. Canada’s Business Benefits Finder is a searchable database with a wide range of information about funding, loans and capital, tax credits, wage subsidies, advice, expertise, partnering, collaboration, researchers and facilities.

6.2 PHYSICAL INFRASTRUCTURE
Physical space for PEI-based founders and startups to grow and launch their companies can be found across the Island.

6.2.1 LaunchPad PEI
LaunchPad PEI is managed by Innovation PEI and up until recent changes, had five locations offering professional, private and secured office space in Charlottetown, Summerside and Montague. As of July 2023, LaunchPad PEI no longer has active space in Summerside, Montague, or the Atlantic Tech Centre (shown below), but continues to occupy space at 163 Great George Street in Charlottetown and UPEI (Duffy Research Centre).
6.2.2 Startup Zone

The Startup Zone opened in 2016 on the corner of Queen Street and Water Street in Charlottetown. With a square footage of roughly 3,600 ft², the facility offers open co-working space and bookable boardrooms and breakout rooms. The Startup Zone has a community kitchen, sound-buffering phone booths and aims to offer networking and special events for the startup community.

Challenges with the current Startup Zone's space experienced by staff and management, include limited private space available for growing companies, high occupancy costs, and property management demands.

Some stakeholders noted that there is an opportunity to clarify the Startup Zone's mandate, in terms of key clients/users, and the scope of support offered. For example, the Startup Zone has a history of serving small businesses or remote workers who are not classified as startups or companies with high growth potential. It is unclear whether this type of activity is within the Startup Zone's mandate, or is an ancillary service provided only if there is the space available. Gaining clarity around who Startup Zone serves will help create focus for the programming and operations.

6.2.3 BioCommons Research Park

The BioCommons park is located in the north end of Charlottetown, adjacent to the Trans-Canada Highway and provides commercialization support to the bioscience sector, with technology and infrastructure to accelerate products through the development cycle and into the marketplace.
A bioscience manufacturing incubator at the BioCommons is accessible by companies post-proof of concept, when they have a market to serve and a first batch of production. The space is subsidized and equipped to provide companies with an affordable resource model in their early stages of development. A bio accelerator is being developed and expected to launch in 2026 to support research and development, manufacturing, pilot testing, and common or community space. The NRC (National Research Council) and CASTL (Canadian Alliance for Skills and Training in Life Sciences) will have a presence in the accelerator and provide expertise and assistance to companies.

6.2.4 BIO | FOOD | TECH
BIO|FOOD|TECH, located on the UPEI campus, provides professional technical services to food and bioprocessing companies and features two food pilot plants, two bioprocessing pilot plants and two licensed kitchens.

6.2.5 Canada's Smartest Kitchen
Canada’s Smartest Kitchen (CSK) is managed by Holland College and provides infrastructure and expertise for applied research, analytical food science and pre-commercialization. The CSK facilities include a demonstration kitchen, smart boardroom, sensory lab, research and development kitchen, and photo studio.
6.2.6 Rural Women’s Business Centre
The Rural Women’s Business Centre, located in Central Bedeque, offers comfortable co-working space with high-speed internet, a printer, and a kitchen; networking and events; and offices for rent. This space is open to the general public (regardless of gender).

6.2.7 Other Physical Space
A number of other facilities and co-working initiatives supporting entrepreneurship and venture development can be found across the Island including Food Works (multi-tenant food processing facility in Borden-Carleton), shared space for creative sectors operated by Creative PEI at 85 Fitzroy Street in Charlottetown, and Co-Work Co-Win co-working space in Summerside.

6.3 SECTOR-SPECIFIC STRENGTHS
Sector-specific efforts in PEI have contributed to the growth and launch of many successful PEI-based businesses in bioscience, food (value-added), information, communications technology (ICT), and clean technology.

Commonalities among startups across each of these sectors, include, for example, the importance of discovering and validating ideas, seeking mentorship and advice, raising capital, conducting market research, protecting intellectual property, structuring companies, and operating with efficient and effective business models.

6.3.1 PEI’s Bioscience Cluster
PEI’s bioscience cluster includes bioactive based research, product development and commercialization for human, animal and fish health, and nutrition. The bioscience cluster in PEI has more than tripled in since 2005 and includes over 65 bioscience companies, several research institutions, Emergence and Natural Products Canada44. The PEI BioAlliance is a private sector-led not-for-profit organization that is responsible for

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44 Jupia Consultants Inc. (2021) Canada’s Food Island: An Economic Impact Assessment
developing and coordinating the strategy for the growth of the Prince Edward Island Bioscience Cluster.\textsuperscript{45}

Strategic priorities for the PEI BioAlliance include attracting new business, job creation, export revenue growth, investments in R&D and attraction of private capital investments. In addition to a range of business services, the PEI BioAlliance runs Emergence, a virtual incubator providing companies with one-on-one and team mentorship, business strategy and advisory services, as well as access to the Emergence Performance Network and specialized programs.\textsuperscript{46}

Support for the PEI BioAlliance comes from a number of partners including Agriculture and Agri-Food Canada, Atlantic Canada Opportunities Agency, Global Affairs Canada, Innovation PEI, Innovation, Science and Economic Development Canada (ISED), National Research Council of Canada, Workforce, Advanced Learning and Population.

6.3.2 Canada's Food Island
PEI has a vibrant food economy, supported by several natural factors including abundant fish stocks, agricultural land, entrepreneurial spirit and dedicated government and support organizations.\textsuperscript{47} Food Island Partnership (FIP) was established in 2015, formed by the merger of the former PEI Culinary Alliance and PEI Agri-Alliance. Today, FIP provides support for PEI food entrepreneurs at every stage of business growth. FIP offers low-cost or free accelerator programs (FoodXcel and FoodPropel), one-on-one business support, advisory services, mentorship, access to funding, and space to scale (FoodWorks). For more detail on these programs, see Appendix B.

FIP supports any PEI-based food company (emerging, aspiring, or growing), regardless of their 'high-growth' potential. A number of support organizations (e.g., CSK, BIOFOODTECH, and UPEI Atlantic Veterinary College) and private sector partners (e.g., Cavendish Farms R&D) also support the development of the food economy in PEI.\textsuperscript{48}

6.3.3 Information, Communications Technology
The Information, Communication and Technology (ICT) sector spans many areas including health care, software development, financial services, aerospace and defense, wireless and mobile applications, corporate support and gaming. The PEI IT Alliance is a member-based not-for-profit comprised of IT companies, startups, organizations, professionals, remote workers, and students. Since its inception in early 2022, the PEI IT Alliance has

\textsuperscript{45} PEI BioAlliance Website (2023) https://peibioalliance.com/
\textsuperscript{46} PEI BioAlliance Website (2023) https://peibioalliance.com/
\textsuperscript{47} Jupia Consultants Inc. (2021) Canada's Food Island: An Economic Impact Assessment
\textsuperscript{48} Jupia Consultants Inc. (2021) Canada's Food Island: An Economic Impact Assessment
grown to 250 members representing over 2,000 IT professionals and students in just eighteen months and continues to attract new members.

Several IT companies have seen recent significant commercial success, including iWave, SilverOrange, Thinking Big, Maximus and Invesco, as well as exits of local companies in the last eighteen months totalling over $200M. Other groups with high growth potential are growing rapidly, such as Spry Point, Iron Fox Games, Paytic, and Stemble Learning. Within IT, a healthy mix of startups, scaling, established businesses and corporate players exists. There are noted challenges in ICT around talent acquisition as the industry has experienced significant wage inflation for skilled workers, such as programmers, over the past few years.

Propel ICT, an e-accelerator for tech startups, offers online courses in creating a vision, product validation, marketing and sales.

Various other supports for the sector consist of secure and low-cost office space through LaunchPad PEI; government programming and support through the IT alliance including promotion, liaison between government, industry and education; PEI Developers Group - an informal community of software developers who host events and engage the community; youth programming (e.g., PEI’s Cybersecurity League), individual placement services and mentorship programming.

Since COVID-19, the PEI IT Alliance has focused on building a community of remote workers, being individuals who live in PEI but work for organizations without a physical office in the province. Members of the PEI IT Alliance represent global IT leaders including Microsoft, KPMG, Epic Games, Shopify, Acquia, and Unity to name a few. The IT Alliance sees a significant opportunity to further engage this group of remote workers to pull them into the local startup ecosystem as mentors, co-founders and skilled labour.

6.3.4 Clean Technology

PEI has plans to accelerate the path to net zero emissions through clean tech growth in the province. The province plans to accelerate clean tech growth through the development of a clean tech cluster comprised of innovation, business, energy and education. The new Clean Tech Park will be PEI’s destination for students, industry and government to collaborate, learn and innovate, and is expected to offer incubation space along with certificates and degrees in clean tech leadership. The underlying mission is to create community and connectivity in the clean tech ecosystem. These plans present an exciting opportunity for new startups involved in the clean tech sector.
6.4 EARLY-STAGE FUNDING AND VENTURE CAPITAL

Prior to the launch of Island Capital Partners (ICP), PEI lacked local early-stage funding opportunities for startups. Since its inception in 2017, ICP has deployed a $4.45 million dollar fund backed by $2 million from the PEI government, and provided investments between $100K - $500K for early-stage companies in a broad range of sectors\(^{49}\). ICP is about to close its second fund and plans to continue investing in early-stage companies. ICP Fund II will be approximately $9 million and has already made six investments.

ICP’s number one mission is to support founders in their mission to become ‘series A ready’ through early-stage investment and hands on support (e.g., joining boards, acting as interim executives, day-to-day support, connections to industry, education for founders, introductions to investors, recruitment of key resources, product management, business development and financial planning support). ICP offers expertise, mentoring and networking to founders and startups in PEI’s ecosystem, regardless of whether a financial investment is made or not. If companies are not investment or high-growth ready, ICP invests significant time and effort to support early-stage companies, recognizing that this is an important factor in building a pipeline of investment ready startups.

Other early-stage funding and venture capital available to startups and founders in PEI include Build Ventures (tech companies), Sandpiper Ventures (seed stage VC investing in women), and Concrete Ventures (pre-seed venture capital), among others. While these funds have made investments in many PEI-based startups, it’s worth noting that very few have made investments on their own, and are usually partnered with local funds (e.g., ICP).

Several stakeholders interviewed commented on the importance of “smart” or “engaged” money, meaning that investment alone is not as valuable as investment by people who will assist companies through mentorship, providing advice and accountability. “Engaged” money is particularly important at the early stages in the startup’s lifecycle, however, it is harder to come by as these investments are a lot higher risk and require a certain type of investor who is interested in providing risk capital in addition to advice and mentorship.

Concerns around a gap in angel investment in Atlantic Canada exist, however,\(^{50}\) Entrevestor (2021) notes across Atlantic Canada, groups like Innovacorp, New Brunswick

\(^{49}\) Island Capital Partners website, accessed July 2023 [https://peilandcapitalpartners.com/](https://peilandcapitalpartners.com/)

\(^{50}\) Entrevestor (2021) Atlantic Canadian Startup Data Report (p. 28)
Innovation Foundation, Volta Cohort and Creative Destruction Lab are doing the work that angel groups would do in other ecosystems.

As noted above, ICP is filling a critical role in the ecosystem by providing investment in the $200K - $500K range plus active mentorship and advisory support. However, there continues to be a need for access to capital in the $50K - $150K range (plus mentorship) to help companies become investor and high-growth ready. Although smaller than its typical investment size, ICP has funded two companies with investments in the $50K - $150K range, and has two additional companies under due diligence.

Developing connections with investors (e.g., angel networks and individuals) and mentors who will support PEI-based startups in the very early stages is critical to building capacity in the PEI startup ecosystem. In fact, ICP has developed a model to engage individual investors for investments in the $50K - $150K range, which it will be implementing this year.

It is worth noting that corporate involvement is absent from the PEI startup ecosystem. In other Atlantic Canadian provinces, there are large companies outsourcing innovation to universities and other members in the startup ecosystem. PEI lacks the presence of mammoth companies such as McCain's, Emera, Exxon Mobil and Irving Oil who participate in startup ecosystems of New Brunswick, Nova Scotia and Newfoundland and Labrador.

The figure below, adapted from Jeff Larsen “Financing Innovative Early-Stage Business” (2017), is a helpful illustration of PEI’s startup financing chain from discovery to growth.\(^{51}\)

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\(^{51}\) Jeff Larsen (2017) Financing Innovative Early-Stage Business
6.5 MARKET CHALLENGES AND EXPORT

PEI's small domestic market means that global markets and export are essential. Several support organizations (e.g., Food Island Partnership) provide market intelligence support to startups, through access to global databanks and information. Innovation PEI also provides a range of support to PEI companies to develop, enable and maximize export globally.

Founders and startups in PEI must dedicate time and resources to discovering target markets and making connections in foreign markets at various stages of the company's development. A strong international network, connected to ecosystem players is critical to help new companies access opportunities and advice on a global scale. Initiatives like PEI Bridge, which proposed to cultivate a global network of accomplished and influential business leaders, can bridge the gap between globally connected business leaders and the specific needs of growth-oriented companies in PEI.

6.6 CONNECTIVITY, CROSS-POLLINATION AND COLLABORATION

6.6.1 Relationships

During stakeholder interviews, it was noted that while there are many hubs or nodes in PEI's startup ecosystem, there may be a lack of connectedness between the various ecosystem players. For example, there is no formal mechanism for all the various parties to regularly meet and discuss emerging ventures and ways to support them. In 2018, the DEEP Centre noted that effective connectivity supersedes programs and curriculum in importance to clients, and the key linkages are to customers, investors, corporate partners, experienced mentors, business advisory services and government support programs. Instances of this type of network do exist on a sector-specific basis, and it was suggested that sharing these practices in a sector-agnostic approach may be beneficial.

Stakeholders interviewed felt that high turnover in the Startup Zones management has led to weakened relationships with stakeholders and the public. There is an opportunity for the Startup Zone to re-engage with the ecosystem players as a connector who can take the lead on identifying opportunities for collaboration and information sharing. This would require the Startup Zone's leadership to have a comprehensive understanding of all the ecosystem players, their roles, and what each party can offer to founders and startups in PEI. Connecting with Atlantic Canadian, national and

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52 Promoting Capital Investment in Atlantic Canada, Fraser Institute, 2022, p. i
53 Innovation PEI and MRSB. PEI Bridge Detailed Proposal (April 2019)
54 Accelerating Growth and Innovation in Atlantic Canada, DEEP Centre, 2018, p. 19.
international opportunities for PEI founders and startups would be a critically important role as well.

### 6.6.2 Digital Tools and Networks

Startup Atlantic is a partnership of Atlantic Canadian startup ecosystem partners, working together to offer a database of programming and support for startups. Volta (Halifax, NS) is working on a digital matchmaking service for startup support in Atlantic Canada called FounderFirst.ca. This searchable database will allow startups to create a profile with their specific needs so they can be matched with specific support available to them. **Digital resources like Startup Atlantic and FounderFirst.ca are valuable tools for PEI founders, and it is essential that the PEI ecosystem players remain engaged in these efforts.**

### 6.6.3 Space and Community

The physical infrastructure available to the startup community in **PEI has notable barriers that limit chance encounters and ‘cross-pollination’ among the startup community.** In particular, when companies are no longer able to work at Startup Zone (e.g., because they require more and/or private space) they may graduate to LaunchPad and then often do not return to Startup Zone. LaunchPad is set up as individual office spaces, and based on feedback from interviewees, there appears to be little interaction between companies who use the space.

There is a concern among stakeholders that **companies who leave Startup Zone seeking a more appropriate space become disconnected from the ecosystem and often fail to reengage.** This means that successful (or unsuccessful) founders who would have valuable insight and advice for emerging startups are missing an opportunity to contribute. A strategy to ensure that the physical infrastructure available meets the needs of founders and creates opportunities for engagement and connection is essential.

Creating opportunities for startups and founders to interact with potential mentors, advisors, investors, and service providers requires dedicated efforts and events that draw the right mix of people. Stakeholders commented on the benefit of having events that showcase the talent of the PEI startup community and attract individuals who may be interested in supporting these startups. By hosting higher-profile events where investors, mentors, advisors and others are invited to meet startups and founders who have been vetted for credibility and potential may increase engagement and cross-pollination in the ecosystem overall.
6.7 AWARENESS AND PROMOTION

Several stakeholders commented on a lack of awareness among the general public, including potential and emerging founders, of the robust startup activity and resources in PEI. During stakeholder interviews, it was also noted that even among the various ecosystem players (e.g., LaunchPad, Startup Zone, Emergence, FIP), there is a limited awareness of what everyone else offers. Within the specific sector networks such as bioscience and food, collaboration is prevalent.

Based on these comments, there is an opportunity for leadership in PEI’s startup ecosystem to promote the startup ecosystem such that emerging or aspiring founders understand what support is available to them. By creating a welcoming and exciting atmosphere, participation should increase among all stakeholders— including founders, service providers, support organizations, investors and government.

A positive example of building awareness and promoting success would be the PEI BioAlliance efforts. The PEI BioAlliance engages private sector, post-secondary and government in the active bioscience cluster. All players are well aware of what is happening in this area because of their involvement in the sectors’ leadership and governance, networking and events, projects, mentorship and advisory services, or other activities. This connectivity, in part, has allowed the bioscience cluster to gain serious momentum over the past number of years.

Promoting PEI-based founders and startups during their journey is a valuable tactic to create excitement and awareness in the community. Entrevestor described one example of this: Verafin’s exit in Newfoundland was seen as a major driver for St. John’s startup cluster growth; not only did the exit result in money and talent for the province, it motivated and inspired young people to explore and engage with the startup ecosystem.55

A recent PEI success story is the launch of PayTic, a PEI-based fintech startup that journeyed through Propel ICT and LaunchPad, and recently raised $2.95 million in a round led by Build Ventures with investment from Island Capital Partners, Concrete Ventures and Outlierz Ventures (an Africa-focused VC firm with offices in Morocco). By celebrating stories like PayTic, young, new and emerging founders may become more motivated to participate in the startup community and understand how the ecosystem assets and services can benefit them.

55 Entrevestor (2021) Atlantic Canadian Startup Data Report (p. 76)
6.8 RESEARCH AND INNOVATION

The University of Prince Edward Island and Holland College are both potential breeding grounds for future generations of entrepreneurs and innovation-based high-growth companies. That being said, other universities in the Atlantic Region may be a step ahead of PEI's post-secondary institutions in their leading approach to innovation and entrepreneurship (i.e. Memorial University, Dalhousie University and University of New Brunswick). More recent additions to the PEI research and innovation community such as the UPEI School of Sustainable Design Engineering and the forthcoming Clean Tech Park/Academy will bolster companies in the green tech sector, but institutions in other provinces have longer track records of spawning innovation and preparing founders to enter into the incubator and accelerator spaces. Founders in these other provinces can reap benefits from these more well-established institutions that are further along the innovation development continuum with more capacity and momentum.

UPEI recently secured funding to develop a pan-university center for entrepreneurship that will focus on linking students with the entrepreneurial ecosystem in PEI, helping students discover and launch business ideas, and instilling an entrepreneurial mindset on campus. Programs at UPEI that have mandatory entrepreneurship credits include business and engineering. Various programs, including business, sustainable design and engineering, climate change and adaptation, sciences, and arts, are all potential innovation engines, provided the appropriate support exists and students believe that entrepreneurship is a viable career path.

Holland College has an active applied research unit that engages faculty and students in solving practical problems, creating new products, processes and services, and conducting social research. Program areas where students and faculty participate in applied research projects includes sciences, engineering technology, information technology, food product development, industrial trades and technology, public safety, visual arts, health and social sciences and even performing arts. Holland College is actively engaged in the bioscience cluster, food economy, and clean tech initiatives, and has a business analytics centre that serves as an innovation hub to support student learning while providing space, equipment, and expertise to businesses from across the region.

Organizations like Springboard Atlantic also play an important role, helping to transfer knowledge and technology from academic settings into the private sector.
7 RECOMMENDATIONS

To build on current strengths, capitalize on opportunities for growth and ensure PEI’s startup ecosystem gains momentum, a number of strategic priorities and actions have been identified. PEI’s startup ecosystem is still in the ‘early to mid’ stages of development, however, it is possible to envision a future ecosystem that is robust, self-sustaining, and vibrant.

Developing PEI’s startup ecosystem will involve the active engagement of all key players, including those who can execute “top down” strategies (e.g., government and policy makers) and those who can drive “bottom up” initiatives (e.g., entrepreneurs, support organizations and industry).

Generally speaking, there is compartmentalization within the PEI startup ecosystem and funding and resources are stretched across many entities and initiatives. This compartmentalization can create challenges around efficiency, collaboration and connectivity. Strong sector-agnostic leadership for the entire ecosystem is recommended as a key priority to break down these barriers, identify and leverage ecosystem strengths and champion the success of PEI startups.

7.1 DESIRED FUTURE STATE

For the foreseeable future, it is likely that government assistance will continue to sustain growth in PEI’s startup ecosystem. However, as the ecosystem builds momentum, more companies gain traction and eventually subsist; the startup ecosystem will naturally become less reliant on government subsidies and will be increasingly self-sufficient.

Going forward, strong leadership focused on high-growth potential startup activity in PEI is recommended to address existing challenges, strategically deploy resources, and ensure cohesion among all ecosystem players.

With respect to the challenges and opportunities outlined in Section 4, a strong sector-agnostic leader in the startup ecosystem will:

✓ Create space and opportunity for connections among ecosystem players
✓ Develop, support or lead collaborative initiatives among support organizations
✓ Promote successes among the PEI startup ecosystem, regardless of sector
✓ Monitor the specific needs of PEI founders and startups, relative to ecosystem assets
✓ Connect founders and startups to resources, expertise and assistance
✓ Create connections and relationships with regional, national and international investors
✓ Support market research and export development across all sectors
✓ Laise with government funding agencies and promote resources available
✓ Provide space and infrastructure support startups that is not available elsewhere

A foundational recommendation for the startup ecosystem is for the Startup Zone and Launch Pad PEI to evolve into a single entity, focused on the growth and launch of innovative high-growth potential companies in PEI. With strong leadership, this entity can serve as the epicentre and connective tissue for PEI’s startup ecosystem.

The specific and ongoing needs of founders and startups in PEI will continue to evolve, and it is recommended that a more in-depth needs analysis be conducted to help inform future investment in infrastructure and supports.

In all aspects of the ecosystem, will be necessary to promote a culture that accept and expects failure, celebrates successes, operates with a sense of urgency, values social engagement, thinks regionally and nationally, and is not afraid to be bold. The recommendations and actions that follow can only be successful if this type of startup culture is embraced and all stakeholders clearly understand their role in the ecosystem.

7.2 AN ACTION PLAN FOR PEI’S STARTUP ECOSYSTEM

7.2.1 Reposition Ecosystem Leadership and Governance for Next Phase of Growth

As noted above, the first priority for PEI’s startup ecosystem is to reconstitute the Startup Zone and Launch Pad PEI into one, sector agnostic entity (“Newco”). This entity can operate as an independent not-for-profit organization, with a mandate to support the launch and growth of innovative startups with high growth potential across Prince Edward Island.

This entity should be governed by a board of directors, responsible for setting the strategic direction, holding the CEO accountable to that direction, and liaising with funders and other key stakeholders.

Aspects of the Startup Zone’s and Launch Pad PEI that can be carried forward include the Startup Zone’s existing relationships with other incubators and accelerators, the Startup Visa Program, co-working spaces, bookable boardrooms and breakout rooms, networking events and pitch competitions.

New responsibilities for this entity would include coordinating collaboration among support organizations and other players in PEI’s ecosystem, promote successes of all PEI founders and startups, monitoring the specific needs of PEI founders and startups relative to ecosystem assets, supporting market research and export development across all sectors, and liaising with government funding agencies and promoting resources available.
It is also recommended that this entity be integrated into UPEI and Holland College to ensure the activity on campus benefits from all the startup ecosystem has to offer. In addition, these post secondary institutions provide a valuable pipeline of talent and ideas, contributing to the volume of potential startup activity at the top of the funnel.

The success of this ecosystem leader will be dependant on several factors, including:

- Clarity of mandate, strategic direction and objectives, with a focus on innovative and high growth startups in Prince Edward Island
- Alignment with other ecosystem clusters (e.g., PEI BioAlliance, Food Island Partnership, Propel ICT). These other clusters can work with the new entity and the various players to support founders and startups in a comprehensive, holistic manner.
- A CEO with a strong understanding of the startup ecosystem and lifecycle; strong connections (or the ability to make strong connections) to other incubators/accelerators, government programs, investors, advisors, and mentors; and strong leadership skills to develop strategic partnerships and encourage collaboration
- Recruiting a dedicated and competent board of directors, and determining an effective governance model that will allows the CEO to operationalize strategy and remain accountable to the board of directors for achieving specific results

It is recommended that this reconstituted entity’s strategic priorities be guided by the findings and actions outlined in this report.

Potential areas of focus for collaboration among PEI ecosystem players include:

- Regularly discussing emerging startups and their challenges, identifying how each ecosystem player may contribute to the success of the venture and assigning responsibility
- Partnering on programming and projects that support founders and startups in a sector-agnostic manner
- Discussing success stories in PEI’s startup ecosystem and oversee provincial strategies to promote these successes locally and globally
7.2.2 Enhance Connections between Ecosystem Players

Lack of connection and collaboration among ecosystem players was identified as a challenge in PEI's current ecosystem. Increasing levels of collaboration and connection can contribute to more opportunities, accelerated growth, and more efficient use of resources.

Several actions and strategies have been identified to achieve greater connectivity:

Table 3: Implementation Actions - Recommendation #2

<table>
<thead>
<tr>
<th>Action</th>
<th>Objectives/Key Performance Indicators</th>
<th>Implementation Considerations</th>
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| Integrate startup ecosystem assets and services into UPEI's entrepreneurship initiative | ➢ Students and faculty are aware of all startup ecosystem assets and resources  
➢ New ideas and founders from post-secondary institutions are immediately connected with startup resources off-campus  
➢ Increase number of students and faculty pursuing innovation and startup activity | ➢ Ensure this is a priority for UPEI, Holland College and Newco.  
➢ Ensure a physical/visual presence of Newco and other startup assets/services on campus |
| Timeline: within 6 months | | |
| Nurture relationships with off-island incubators, accelerators and investors, and create clear pathways to connect PEI-based startups with sector-specific resources not available in PEI | ➢ Clients (founders/startups) participate in multiple incubators or accelerators, some in PEI and some outside of PEI  
➢ Investors are aware of emerging founders and startups in PEI and are interested in investing  
➢ Clients clearly understand how they can get connected with off-island resources and are | ➢ Newco CEO should take the lead on nurturing relationships and creating partnerships  
➢ Newco CEO may need to travel to off island events for networking and relationship building |
<p>| Timeline: ongoing | | |</p>
<table>
<thead>
<tr>
<th><strong>Prince Edward Island</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STARTUP ECOSYSTEM REVIEW &amp; ACTION PLAN</strong></td>
</tr>
<tr>
<td><strong>Final Report - August 2023</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Create more opportunities for chance encounters and cross-pollination through founder-focused events and community space (physical and/or online)</strong></th>
<th><strong>Timeline:</strong> ongoing</th>
</tr>
</thead>
<tbody>
<tr>
<td>▶ Increase value of events for startups and those interested in the startup ecosystem (e.g., investors)</td>
<td><strong>Event schedules to be coordinated by Newco. with consideration given to all events happening regionally</strong></td>
</tr>
<tr>
<td>▶ High quality events with keynote speakers or opportunities that will attract mentors, advisors, investors, and others who are interested in meeting new founders and startups with high growth potential</td>
<td><strong>Targeted events for increased effectiveness:</strong> Characteristics of participants are more important than number of participants</td>
</tr>
<tr>
<td>▶ Increase connections and new relationships that lead to accelerated launch and growth of startups</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Proactively engage aspiring and emerging founders and startups through direct outreach and community events that invite action</strong></th>
<th><strong>Timeline:</strong> ongoing</th>
</tr>
</thead>
<tbody>
<tr>
<td>▶ New founders/startups are identified early on and connected with appropriate assets and services</td>
<td><strong>Multi-stakeholder communication or feedback loops will be required to ensure emerging founders and startups are identified</strong></td>
</tr>
<tr>
<td>▶ All support organizations are engaged in identifying founders/startups with high growth potential</td>
<td></td>
</tr>
<tr>
<td>▶ Support organizations share clients and promote opportunities across organizations</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Cultivate a network of global business expertise that is accessible by PEI-based founders and</strong></th>
<th><strong>Build on the PEI Bridge Initiative and ensure the network is supported with adequate infrastructure and human resources</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>▶ A formal network is created with an organization identified to manage the network</td>
<td></td>
</tr>
</tbody>
</table>
### 7.2.3 Strengthen Infrastructure Supporting Startups

PEI's startup ecosystem is supported with a number of physical assets that should continue to be resourced. As physical space can be costly, it is also important that the space is utilized well, and that any underutilised or unused space is addressed without delay. Digital infrastructure is also an important aspect of the startup ecosystem – ensuring PEI's assets and services are well represented online and that digital infrastructure is optimized will contribute to the overall momentum in the startup ecosystem.

<table>
<thead>
<tr>
<th>Table 4: Implementation Actions - Recommendation #3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Action</strong></td>
</tr>
</tbody>
</table>
| Align the physical space offered through Startup Zone and LaunchPad PEI into one location that is exclusively available to startups (innovation, high growth potential) and supports (staff, investors, mentors) | ➢ Co-working space, boardrooms, breakout rooms, offices, and event space are housed in one location and managed by a single entity (Newco)  
➢ Founders/startups build connections and relationships with each other as a result of sharing space  
➢ Founders/startups have a supportive space to launch and grow their companies | ➢ Ensure minimal disruption to existing Startup Zone users by engaging with users and identifying current and future needs  
➢ Set expectations for clients who use the space related to startup priorities and growth |
Continually monitor underutilized resources (i.e., space, services, programming) that can be leveraged, promoted, or redeployed to serve the needs of startups with high growth potential.

**Timeline:** ongoing

<table>
<thead>
<tr>
<th>Efforts to be coordinated by Newco, with input from relevant ecosystem players</th>
</tr>
</thead>
</table>

Conduct a review of digital databases including Startup Atlantic and FounderFirst.ca to ensure all PEI ecosystem assets and services are well represented and up-to-date.

**Timeline:** within 12 months

<table>
<thead>
<tr>
<th>Role of Newco, in collaboration with digital databases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Will require information from all ecosystem players</td>
</tr>
</tbody>
</table>

As programs and services are developed, ensure there is alignment with Atlantic Canadian offerings and avoid duplication of services that can already be accessed virtually (e.g., Volta).

**Timeline:** ongoing

<table>
<thead>
<tr>
<th>Newco leadership will first need to gain a comprehensive understanding of all Atlantic Canadian offerings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process for vetting new program/service ideas will need to be developed</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>All PEI assets and services are accurately and clearly represented online</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outdated information is removed from digital databases</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Online databases generate leads and increased activity for PEI assets and services</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Atlantic Canadian offerings are clearly understood among all PEI ecosystem players and Newco provides advice and guidance to organizations developing new programs and services</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Opportunities to offer or re-offer programming from other jurisdictions in PEI are leveraged</th>
</tr>
</thead>
</table>
7.2.4 Promote PEI’s Entrepreneurial Environment and Successes

Attracting the appropriate founders into the ecosystem can be achieved by sharing stories of successful entrepreneurs and their journeys through the ecosystem. Startup failure should also be acknowledged as a reality, but also a wellspring of lessons to be shared with aspiring founders.

Table 5: Implementation Actions - Recommendation #4

<table>
<thead>
<tr>
<th>Action</th>
<th>Objectives/Key Performance Indicators</th>
<th>Implementation Considerations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create an overarching media strategy to promote PEI-based startups regardless of their affiliations with various incubators, accelerators, or investors</td>
<td>➢ Clear definition of success is established, and triumphant stories are shared</td>
<td>➢ Message should be targeted to innovative, high-growth companies; not all startups</td>
</tr>
<tr>
<td></td>
<td>➢ Share lessons learned</td>
<td>➢ Strive to find founders who have failed to share their story</td>
</tr>
<tr>
<td></td>
<td>➢ Annual Analytics</td>
<td></td>
</tr>
<tr>
<td>Timeline: annually</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Create an interactive inventory of the PEI startup ecosystem that identifies the relevant stage (i.e., discovery, idea, startup, growth) and type of support the asset or service offers</td>
<td>➢ Ongoing upkeep and maintenance of inventory</td>
<td>➢ Future use can be to create an inventory map of assets &amp; services for use by founders</td>
</tr>
<tr>
<td></td>
<td>➢ Through analytics, discover how inventory is being used by founders</td>
<td></td>
</tr>
<tr>
<td><strong>Timeline:</strong> 12 months (establishment)</td>
<td><strong>Timeline:</strong> ongoing</td>
<td><strong>Timeline:</strong> ongoing</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>------------------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>Consistent and common language to describe components of PEI's ecosystem across all assets and services to help the various parties and stakeholders understand one another</td>
<td>➢ Consistent and common language as a best practice learning from other jurisdictions</td>
<td>➢ May assist in more cross-pollination of founders from various sectors</td>
</tr>
<tr>
<td><strong>Support PEI partners in the attraction of new and mature businesses with an innovation focus and high-growth potential to PEI, leverage these new businesses for advice and mentorship among emerging founders</strong></td>
<td>➢ Support provided to Innovation PEI and other organizations as part of the successful recruitment of innovative companies to PEI</td>
<td>➢ Innovation PEI is the key recruiter in this space, the Newco's role is to support</td>
</tr>
<tr>
<td><strong>Explore approaches to measure progress in PEI's startup ecosystem through best practices scan across other jurisdictions</strong></td>
<td>➢ Scan completed which helps identify key direction for next steps</td>
<td>➢ The DEEP Centre's report <em>Accelerating Growth and Innovation in Atlantic Canada (2018)</em> contains examples of Startup Ecosystem metrics to measure for progress monitoring and accountability.</td>
</tr>
</tbody>
</table>
Highlight and promote opportunities for aspiring and emerging founders to engage in the discovery and idea stage, increasing activity and participation in the ecosystem.

**Timeline:** ongoing

<table>
<thead>
<tr>
<th>Connections made</th>
<th>Number of engagements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strong connections will Holland College and UPEI Entrepreneurship Programs will support this action</td>
<td></td>
</tr>
</tbody>
</table>

Foster a rich pipeline with increased head count of new startups in early stages in order to increase likelihood for new company launches to transition into medium to large sized businesses.

**Timeline:** ongoing

| Connection with other ecosystems players and ongoing pipeline is in place |
| Increasing head count will result in increased successes, but also increased instances of startup failure |
| Maintain support and connection with failed founders; for story-telling or potential future startup attempts |
APPENDIX A: INFORMATION SOURCES AND REFERENCES


Canada’s Food Island. Food Island Partnership Strategic plan 2021 – 2024.


https://employmentjourney.com/economic-outlook-for-2023/


https://www.smu.ca/webfiles/AtlEntreEcosystemFinalReport2018_WEB.pdf

Fisheries and Oceans Canada. (2021). Blue economy strategy engagement paper. 


PEI BioAlliance. 2021-2025 Strategic plan.


Williams, C. (July 5, 2023). *Kansas City Missouri: A thriving hub for entrepreneurs.* LinkedIn. https://www.linkedin.com/pulse/kansas-city-missouri-thriving-hub-entrepreneurs-cassandra-williams-3ftrackingId=nbgvTJ9FT1qUZMuZwTxzQA%253D%253D/?trackingId=nbgvTJ9FT1qUZMuZwTxzQA%3D%3D
APPENDIX B: STARTUP ECOSYSTEM ASSETS AND SERVICES

Disclaimer: The following tables are non-exhaustive.

PRINCE EDWARD ISLAND

<table>
<thead>
<tr>
<th>Asset/Service</th>
<th>Offerings/Support</th>
<th>Resourced By</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FEDERAL GOVERNMENT</strong></td>
<td><strong>Business Benefits Finder</strong> Funding, loans and capital, tax credits, wage subsidies, advice &amp; expertise, partnering &amp; collaboration, researchers &amp; facilities</td>
<td>Various GoC agencies</td>
</tr>
<tr>
<td></td>
<td><strong>Regional Economic Growth through Innovation</strong> Business scale-up and productivity</td>
<td>ACOA</td>
</tr>
<tr>
<td></td>
<td><strong>Start-up Visa Program</strong> For entrepreneurial immigrants</td>
<td>Immigration &amp; Citizenship</td>
</tr>
<tr>
<td><strong>PROVINCIAL GOVERNMENT</strong></td>
<td><strong>Entrepreneur Loan Program</strong> Up to $100,000 loan – TD Prime + 3%</td>
<td>Finance PEI</td>
</tr>
<tr>
<td></td>
<td><strong>PEI Business Navigator</strong> Case Management and Networking</td>
<td>Innovation PEI</td>
</tr>
<tr>
<td></td>
<td><strong>Web Presence Assistance</strong> 50% up to $2,500 for a website/online presence</td>
<td>Innovation PEI</td>
</tr>
<tr>
<td></td>
<td><strong>Ignition Startup Fund</strong> Seed capital or development cost support</td>
<td>Innovation PEI</td>
</tr>
<tr>
<td></td>
<td>Up to $25,000, no matching required</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Small Business Assistance Program</strong> Up to $2,500 for business plan</td>
<td>Innovation PEI</td>
</tr>
<tr>
<td></td>
<td>Up to $5,000 for professional fees related to operational efficiencies or quality assurance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Up to $5,000 for marketing costs</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Export Trade Assistance</strong> Not exclusively for start ups, but relevant for new export market development Matching contributions for outgoing trade missions, incoming buyer visits and virtual trade activities</td>
<td>Innovation PEI</td>
</tr>
<tr>
<td></td>
<td><strong>Capital Acquisition Assistance</strong></td>
<td>Innovation PEI</td>
</tr>
<tr>
<td>Scheme</td>
<td>Description</td>
<td>Provider</td>
</tr>
<tr>
<td>-----------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td><strong>Equity Investors Incentive</strong></td>
<td>Non-repayable incentive to investors up to 20% of the purchase price of the equity investment to a maximum of $200,000.</td>
<td>Innovation PEI</td>
</tr>
<tr>
<td><strong>Futurepreneur Canada</strong></td>
<td>Up to $45,000 in financing, a business mentor for two years and additional resources</td>
<td>Innovation PEI</td>
</tr>
<tr>
<td><strong>Food Product Development Assistance</strong></td>
<td>50% up to $50,000</td>
<td>Innovation PEI</td>
</tr>
<tr>
<td><strong>Innovation Fund</strong></td>
<td>Supporting new products or diversification 50% up to $50,000</td>
<td>Innovation PEI</td>
</tr>
<tr>
<td><strong>Marketing Assistance Program</strong></td>
<td>40% up to $16,000</td>
<td>Innovation PEI</td>
</tr>
<tr>
<td><strong>PEI Labour Rebate</strong></td>
<td>Short-term rebate up to 25% of wages</td>
<td>Innovation PEI</td>
</tr>
<tr>
<td><strong>Rental Incentive Assistance</strong></td>
<td>$6 per ft² between 500 and 10,000 ft²</td>
<td>Innovation PEI</td>
</tr>
<tr>
<td><strong>Small Business Investment Grant</strong></td>
<td>15% up to $3,750 for capital investments in equipment, land, building, tech and energy efficiency upgrades</td>
<td>Innovation PEI</td>
</tr>
<tr>
<td><strong>LAUNCHPAD PEI</strong></td>
<td>For Startups: Works with later stage start-ups looking to expand their markets. Professional and secure office space in Charlottetown, Montague, Summerside, UPEI.</td>
<td>Innovation PEI</td>
</tr>
<tr>
<td><strong>Start-up Visa</strong></td>
<td>Offers acceptance and letter of support to qualified entrepreneurs allowing them to proceed to the program offered by Immigration &amp; Citizenship (above)</td>
<td>LaunchPad PEI</td>
</tr>
<tr>
<td><strong>HockeyStick</strong></td>
<td>Matchmaking for founders, VCs, angels, lenders</td>
<td>Private/Industry</td>
</tr>
</tbody>
</table>

**Prince Edward Island**

**STARTUP ECOSYSTEM REVIEW & ACTION PLAN**

**Final Report - August 2023**
<table>
<thead>
<tr>
<th><strong>STARTUP ZONE</strong></th>
<th>Funding assessment and advisory services.</th>
<th>Numerous sponsors incl. government agencies, financial institutions and private partners</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PEI BIOALLIANCE’S EMERGENCE</strong></td>
<td>Extensive list of programs including startup services, education, infrastructure, financial supports, and expert supports. Also offers workspace rentals.</td>
<td>AAFC, ACOA, Global Affairs Canada, Innovation PEI, ISED, NRC, Workforce, Advanced Learning &amp; Population</td>
</tr>
<tr>
<td><strong>FOOD ISLAND PARTNERSHIP</strong></td>
<td>Provides startups and early stage with business incubation services including mentorship and networking support.</td>
<td>Provincial government, Tourism PEI, Agriculture, Fisheries, Tourism, Sport &amp; Culture Innovation PEI ACOA DFO</td>
</tr>
</tbody>
</table>
| **SUMMERSIDE XCHANGE** | Programs for food entrepreneurs:  
- Food Xcel provides workshops & network opportunities to move ideas forward. Chance to compete for $25,000 Innovation Ignition Fund Award.  
- Food Propel helps unlock future growth potential  
- Food Works is a processing and mentoring space to help scale up products | City of Summerside, Smart Landing Program Canada, INPUT Program |
| **ISLAND CAPITAL PARTNERS** | 3-6 month program for applicants with a working prototype involving an intense, rapid and immersive education program. Real world validation, market testing, workspaces, networking and business development. | Private |
| **UPEI HOSTETTER CENTRE** | Academic program for entrepreneurs to cultivate advanced skill, understanding and a fully developed business plan. | Private funding to UPEI (Ralph Hostetter) Grant Thornton Entrepreneurial Playground |
| **HOLLAND COLLEGE** | Canada’s Smartest Kitchen for food product development  
Business Analytics Centre for problem-solving | NSERC, NRC, ACOA, Innovation PEI, Springboard |
| **PROPEL ICT** | E-Accelerator for Tech Startups (online courses in vision, validation, marketing and sales) | Various investment, community and funding partners as well as sponsors. |
| **BUSINESS DEVELOPMENT BANK OF CANADA** | Offers loans, advisory services and capital | Government of Canada (crown corporation) |
| **COMMUNITY BUSINESS DEVELOPMENT CORPORATIONS** | CBDC PEI | CBDC |
| **PEI BUSINESS WOMEN’S ASSOCIATION** | Association of female entrepreneurs and professionals offering resources on programs, training and networking. Offers shared workspace and operates the Rural Business Women’s Centre. | ACOA, Government of PEI |
## ATLANTIC CANADA

### NOVA SCOTIA – ASSETS AND SERVICES

<table>
<thead>
<tr>
<th>ECOSYSTEM SUPPORT</th>
<th>EXAMPLES</th>
<th>SECTORS OF FOCUS</th>
<th>PARTNERS/SUPPORTERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Bays</td>
<td>Knowledge-based and clean tech</td>
<td>InvestNS</td>
<td></td>
</tr>
<tr>
<td>The Labs</td>
<td>Life sciences</td>
<td>InvestNS</td>
<td></td>
</tr>
<tr>
<td>Start-Up Yard (at COVE)</td>
<td>Ocean Tech</td>
<td>InvestNS</td>
<td></td>
</tr>
<tr>
<td>AscendBio</td>
<td>Industrial biotech and agritech</td>
<td>Verschuren Centre for Sustainability in Energy and the Environment, InvestNS</td>
<td></td>
</tr>
<tr>
<td>Early-stage Commercialization Fund</td>
<td>IT, life sciences, clean tech, ocean tech</td>
<td>InvestNS</td>
<td></td>
</tr>
<tr>
<td>GreenShoots</td>
<td>Agri-tech, bioeconomy</td>
<td>InvestNS, NS Innovation Hub, Bioenterprise Canada Corp</td>
<td></td>
</tr>
<tr>
<td>InvestNS Accelerate (delivered virtually)</td>
<td>Ag tech, Clean tech, Health tech, Ocean tech, software</td>
<td>InvestNS</td>
<td></td>
</tr>
<tr>
<td>Market Intelligence Services (MaRS)</td>
<td>ICT, health and clean tech are main areas of expertise but access to resources for others as well</td>
<td>Canadian Digital Media Network and ACOA</td>
<td></td>
</tr>
<tr>
<td>Stella Maris Platform</td>
<td>Marine instrumentation</td>
<td>COVE</td>
<td></td>
</tr>
<tr>
<td>OceanTech Pilot Program</td>
<td>Pre-commercial ocean tech</td>
<td>COVE</td>
<td></td>
</tr>
<tr>
<td>SEA TAC</td>
<td>Ocean tech</td>
<td>NSCC</td>
<td></td>
</tr>
<tr>
<td>COVE</td>
<td>Ocean tech</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volta</td>
<td>Tech</td>
<td>SMU, Cowan, McInnes Cooper, RBC, BDO, Boast, MNP, Roynat</td>
<td></td>
</tr>
<tr>
<td>Investors (source: InvestNS, crunchbase.com)</td>
<td>Nova Scotia First Fund</td>
<td>Ag tech, clean tech, ICT, life sciences and ocean tech</td>
<td>About 100 companies ranging from local to international across 5 key sectors</td>
</tr>
<tr>
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</tr>
<tr>
<td>Innovacorp</td>
<td>Knowledge-based</td>
<td>GoC</td>
<td></td>
</tr>
<tr>
<td>Build Ventures</td>
<td>Any</td>
<td>Venture Capital Catalyst Initiative</td>
<td></td>
</tr>
<tr>
<td>Numus Financial</td>
<td>Any</td>
<td>Private</td>
<td></td>
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<td>Demone Capital</td>
<td>Any</td>
<td>Private</td>
<td></td>
</tr>
<tr>
<td>HELP.VC</td>
<td>Any</td>
<td>Private</td>
<td></td>
</tr>
<tr>
<td>Concrete Ventures</td>
<td>Agnostic</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sandpiper Ventures</td>
<td>Female-led companies</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### NEW BRUNSWICK - ASSETS AND SERVICES

<table>
<thead>
<tr>
<th>ECOSYSTEM SUPPORT</th>
<th>EXAMPLES</th>
<th>SECTORS OF FOCUS</th>
<th>PARTNERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Propel ICT</td>
<td>Tech companies</td>
<td>Beers Neal PC, Frank McKenna, Innovatia, Mariner, McInnes Cooper, UNB SJ, BDC, Innovacorp, NBIF</td>
<td></td>
</tr>
<tr>
<td>CyberHatch</td>
<td>Cybersecurity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Venn Innovation</td>
<td>Tech companies</td>
<td>?</td>
<td></td>
</tr>
<tr>
<td>Connexion Works</td>
<td>Agnostic</td>
<td>? GoNB?</td>
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</tr>
<tr>
<td>Ignite Fredericton</td>
<td>Agnostic</td>
<td>? GoNB?</td>
<td></td>
</tr>
<tr>
<td>Planet Hatch</td>
<td></td>
<td>McInnis Cooper, Grant Thornton, RBC, GoC, UNB</td>
<td></td>
</tr>
<tr>
<td>Pond-Desphande</td>
<td>Social enterprise</td>
<td>UNB</td>
<td></td>
</tr>
<tr>
<td>Centre UNB</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energia Ventures</td>
<td>Energy, smart grid, AI, cleantech and cybersecurity</td>
<td>ACOA, UNB, GoNB, NBIF, Sustainable Development Technology Canada, Futurpreneur, Canada Cleantech</td>
<td></td>
</tr>
<tr>
<td>Summer Institute</td>
<td>Agnostic</td>
<td>UNB</td>
<td></td>
</tr>
</tbody>
</table>

#### Incubators & Accelerators (source: OpportunitiesNB)

<table>
<thead>
<tr>
<th>Investors (source: OpportunitiesNB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Brunswick Innovation Fund</td>
</tr>
<tr>
<td>East Valley Ventures</td>
</tr>
<tr>
<td>Futurpreneur</td>
</tr>
<tr>
<td>Concrete Ventures</td>
</tr>
<tr>
<td>Sandpiper Ventures</td>
</tr>
<tr>
<td>ECOSYSTEM SUPPORT</td>
</tr>
<tr>
<td>-------------------</td>
</tr>
<tr>
<td>Incubators &amp; Accelerators (Source: GoNL)</td>
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<tr>
<td></td>
</tr>
<tr>
<td>Investors</td>
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