

Canadian cities attracting large technology investments

Talented people and innovative companies seek out progressive and aggressive centres



Though we remain in the midst of an economic downturn, cities across the globe continue to focus on growth. They are working to attract high-value businesses and the people who build a knowledge-based workforce, and to increase networking opportunities and foster leading-edge research, development and infrastructure growth.

At the heart of many of these efforts is the Information and Communication Technology (ICT) sector. Those municipalities that are most successful at attracting investment, talent and innovation in the tech sector are working closely with academic institutions, encouraging business development and expansion, and building thriving urban centres where a growing workforce can live, work and play. And the move towards collaborative operations has led to increasing numbers of partnerships and mutually beneficial arrangements supported directly by investments made in ICT.

The City of Toronto serves as an example of a thriving ICT sector that continues to grow despite difficult economic times. The city's ICT cluster has been contributing more than \$20 billion annually to the economy. With a focus on manufacturing and development of software, hardware, New Media and communications solutions, the city offers depth and diversity in its ICT operations. These applications support a wide-range of activities across the city's ever-growing infrastructure and ICT has enabled the city's knowledge base to maintain pace with its ever growing infrastructure.

According to Stéphane Boisvert, the President of Bell Business Markets, investing in innovation and technology is the key to long-term, sustainable growth in tough economic times. Those cities and countries that embrace the opportunity of ICT growth and support business development and innovation stand to remain prosperous and competitive in a changing global marketplace.

Organizations thinking about relocating to a new city or region might consider the following:

- What support systems are in place to encourage the exchange of ideas and foster innovation and R&D?
- Will assistance be provided by local/regional development agencies?
- Are there tax incentives that will help offset revenue growth?
- Who are the other key players in the region's ICT cluster? Are they complementary or competitors for your organization?
- Is there a focus on technology and implementation of technological advancements in local, post-secondary institutions?
- Are systems in place to provide lower operating and labour costs?
- Are there other means available to encourage sustainability?

Focus on prosperity

Investing in innovation to reclaim growth

In response to tough economic times, enterprises must raise their information quotient and work smarter. Asked to deliver the keynote at the Canadian Telecom Summit on June 15, Stéphane Boisvert, President, Bell Business Markets, unveiled a plan to reclaim Canada's economic and innovation lead. In this interview, Boisvert reflects on his remarks.

At the summit, you were pretty direct about the challenges ahead. Any second thoughts?

SB: Not really. I used blunt words because the situation is urgent and we really must get our act together, as an industry and a nation.

The ICT sector has a responsibility to set the agenda, to lead and build momentum during these tough economic times. Every study I've seen says that if you're looking for long-term sustainable growth, investing in innovation and technology is key. I made it plain that this isn't just about our industry. It's about Canada's national prosperity and competitiveness, because you can bet your bottom dollar every nation on Earth is fighting for the same prize. So even if we stand still, we'll fall further behind.

In the current economy, it sounds like there might be an opportunity.

SB: Absolutely! According to a recent OECD study, ICT growth over the next 18 months is expected to fall below zero for member countries. Well, guess what? That's the perfect time for us to invest in ICT, because every step forward will be stretched versus competing nations. And believe me, we have lots of catching up to do. According to the latest figures, we lag the United States in ICT investments by 37 per cent.

It's also a matter of acting strategically. In a tough economic climate, the instinct is to batten down the hatches. You know...cut costs and lay low. But I say this is exactly the right time to



Stéphane Boisvert,
President,
Bell Business Markets

invest in ICT because that's how you'll not only recover, but also—and more importantly—lay the foundation for long-term growth. So we need to look beyond the quick fix. We need to raise our enterprise IQ in order to boost our productivity and standard of living.

I cited the thinkers Roger Martin and Richard Florida because I have tremendous respect for their strategic thinking. They point to Canada's need to increase its creative capital, and that's where we'll need leadership.

Speaking of leadership, you unveiled an initiative called TAP. What's that about?

SB: TAP stands for Technology Advancement for Prosperity. When it comes to catching up to competing nations, there are no second chances. So I don't believe in sitting on the sidelines. Bell should lead the charge on this issue, and that's where TAP comes in. We're advocating for a linked approach, for technology innovation and its

aggressive adoption, as part of a single national prosperity agenda.

TAP has three thrusts: promote an innovation culture, raise awareness about the challenges and propose actions that will propel Canada into the front ranks. I'd like to see Canada among the top five innovation-intensive countries in the next five years.

Sounds pretty ambitious.

SB: It is, but we need to be ambitious if we're going to succeed. I talk with Canadian business leaders daily, and they all agree on the need for innovation. And make no mistake: this isn't as simple as downloading new technology. We need to also take a long, hard look at our organizations. We need to restructure, retrain, reengineer management and, above all, restore our culture to one that's hungry for innovation and winning.

But you know, I'm an optimist. We have tremendous talent and resources in this country: we're an affluent, well-educated society with terrific potential, so I see no reason why we can't come out on top.

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Third largest, and looking to grow

The City of Toronto is targeting even more growth for its ICT sector



**Rob Berry, Manager of
Sector Development,
Economic Development,
City of Toronto**

The City of Toronto is committed to growing and expanding its ICT (Information and Communication Technology) sector, which currently employs 150,000 people. With more than 30 industry organizations including a chapter of the International Game Developers Association (IGDA) and Interactive Ontario, Toronto is recognized as the third-largest ICT cluster in North America.

"The ICT sector is an enabler and the underlying foundation of most businesses that are based in our city, from biotech

to creative industries to financial services," says Rob Berry, Manager of Sector Development, Economic Development, City of Toronto. "We're home to celebrated technologists like Leila Boujnane of Idée and Kim Davidson from Side Effects, and acclaimed events including the annual mesh conference, FITC and DemoCamp."

With the implementation of the new Imagination, Manufacturing, Innovation, Technology (IMIT) incentive program, the City is committed to encouraging existing companies to grow and expand in Toronto, while also attracting new enterprises.

"Eligible developments will benefit from a grant of up to 60 per cent of the increase in municipal taxes attributed to new commercial and industrial construction over a 10-year period," Berry explains.

Vancouver-headquartered PEER 1, offering Web-hosting services, plans to take advantage of the IMIT program to build a 41,000 square-foot green data centre in Toronto.

"In order to qualify for this grant, businesses must meet eligibility criteria," says Berry. These include developments in sectors including, ICT, Biotechnology, Food and Beverage, Film and Television, Research and Development, Software Development, Environmental Industries, and Tourism. It's all part of the Agenda for Prosperity. Berry says, "The PEER 1 development is a perfect example of the ICT sector growth that we're looking forward to attracting." More can be found on the City's Web site at www.toronto.ca/business.

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