Welcome

Jeffrey Crelinsten & Mark Henderson

Crelinsten welcomed everyone with a reflection on the first time the word "innovation" appeared in the title or theme of a R$ conference. That was in 2011, in the context of the federal government's research support for business innovation. "It was a time when policymakers worldwide were beginning to realize that business innovation is about more than just research and that while policies geared to growing an innovation economy must include research support, they must also go beyond it," he said. Every subsequent conference has dealt with innovation, he added, with voices warning about Canada's poor performance in this regard subsequently becoming louder and more strident. More specifically, despite growing investment and respect for innovative entrepreneurship, the country still lacks the large multinational firms to anchor a multitude of smaller firms and connect them to global customers. "Too many Canadian entrepreneurs are selling early at low valuations," he noted. Moreover, government policies still focus primarily on research support and start-ups, neglecting broader industrial strategy and the need for smaller enterprises to scale-up.

Part of the problem can be attributed to a vague use of the word "innovation". "Innovation is not about research. It's about creating value in new ways," he explained. One of the principal measures guiding this discussion is Business Expenditure on R&D (BERD), which has been declining in Canada and remains low with respect to other members of the Organization for Economic Co-operation and Development (OECD). "People are interpreting that low number as evidence for a lack of innovation and risk taking by Canadian firms. I don't buy that. Doug Barber and I have talked to more than 100 CEOs of tech firms and in my experience they don't lack innovators and they don't

lack risk-takers at all. Rather our innovators don't know how to scale their businesses properly." Even those who do know how to scale are facing significant competition from larger firms as they do so, while receiving little support from government, which continues to focus on start-ups and smaller enterprises. "With very few large R&D-intensive firms in Canada, and a multitude of small ones that disappear regularly, no wonder our BERD numbers are relatively low," he concluded.

The current conference is therefore dedicated to addressing this challenge, bringing in academic, government, and industry leaders with an interest in arriving at a common solution. At a talk given by Navdeep Bains, federal Minister of Innovation, Science and Economic Development to the Toronto Board of Trade in March, he posed a crucial question in this regard: what does success look like? According to him, global leadership in a few selected technology sectors would be one outstanding measure. Among the areas under consideration by the government for such status are clean tech and artificial intelligence. Another measure the Minister proposed was the creation of large, sustainable, successful companies -- which would emerge from supporting scale-up -- as well as strong global brands. Minister Bains also asked which specific metrics, such as BERD, should be employed in order to get an accurate picture of such progress.

Minister Bains' comments reflected the government's commitment to an innovation strategy, and Crelinsten suggested that a primary goal of the conference would be to determine which elements should be front and centre in that strategy if it is to be successful.

Crelinsten thanked the many organizers and partners in helping this conference develop, especially platinum partner SSHRC. He then invited that organization's president, Ted Hewitt, to offer some words of welcome.

Hewitt made his priority clear: "When we talk about innovation, we're talking about taking science to action," he said. "And if it's not immediately obvious, that is a distinctly human activity." This includes everything from the initial design to the ultimate packaging of this process. "If we get the people part right at the start and at all ends of the innovation spectrum, then we are truly away to the races."

Crelinsten also asked RE$EARCH MONEY editor Mark Henderson to say a few words. Henderson acknowledged that the new government is placing science, research, and innovation near the top of its priorities, as reflected by an inaugural budget that is full of commitments, pledges, and real investments that point to more of the same ahead. All that being said, the sunny disposition mounted by the new leadership has not necessarily banished the gloomy outlook in many quarters. "Canadian science, technology, and innovation is at a critical crossroads. There's a shrinking high-tech

sector, increased competition on all fronts, and a decade of uninspired leadership and underfunding of STI that represent a clear and present danger to innovators, entrepreneurs, academics, and those who set policy for the future." He echoed Crelinsten's earlier comments about the chronic shortage of large anchor firms, which has its roots in an inability of smaller firms to scale-up. He argued that the new government appears to understand the need for such scale-up and getting an appropriate policy framework before changing regulations.

"For readers of RE$EARCH MONEY this line of thinking is nothing new. Since its inception nearly 30 years ago RE$EARCH MONEY has advocated for business-driven innovation supported by robust research in academia and government. It's easy to say and it's difficult to achieve, which is why we're assembled here today to discuss ways of reversing the trend and taking Canada's innovation game to the next level."

Henderson also paid tribute to the late Gordon Hutchinson, who founded RE$EARCH MONEY. In the publication's very first editorial, from 21 January 1987, Hutchinson complained about the underfunding and downright disrespect suffered by Canada's research community. Addressing this problem became the raison d'être of the newsletter, which has continued to this day.