

Alberta Rural Innovation Networks- New Business Approach

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Agenda

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- Key Trends and Issues
 - What is a Business Network
 - Examples in Alberta
 - How to Start
 - Summary
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We Are In A Global Economic War

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- In 1991, *“underpinning of competitiveness is productivity”- unprecedented challenges for Canada (M. Porter)*
 - *Canada ranks squarely in the 2nd tier on the innovative capacity of nations (M. Porter, 2001- update)*
 - Resource sectors under stress- grains, meats, forestry have trade access problems. *“Get out of grain-Goodale-May 22, 2001”*
 - Cdn industry consolidation/ industrialization of ag sector
 - We need to build value added opportunities; skills and knowledge base
 - We need new ways of doing business
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Economic Development Approaches Are Changing

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- Governments realize we need to innovate our processes
 - Is a concern of chambers, AUMA, business and consumers
 - We need to link research + production + marketing
 - In AB have a process of regional alliances-9
 - The regional approach makes the most sense for all
 - Links investors (business, farmers, manufacturers) with research outputs more directly
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Economic Development Approaches Are Changing

- Alberta Capital Region Alliance (ACRA), Edmonton
 - Battle River Alliance for Economic Development (BRAED), Camrose
 - Central Alberta Economic Partnership (CAEP), Red Deer
 - Calgary Regional Partnership (CRP), Calgary
 - Grande Alberta Economic Region (GAER)
 - Grizzly Regional Economic Alliance (GROWTH), Barrhead
 - Northeast Alberta Information Hub Ltd. (HUB), St Paul
 - Palliser Economic Partnership (PEP), Med. Hat
 - Peace Region Economic Development Alliance, GP
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What is Economic Development?

-Goals Require Many Processes

**Building Business
Networks &
Critical Mass**

**Doing Business &
Creating New Industry**

**Opportunity
Identification &
Investment
Attraction**

**Market Access,
Marketing &
Branding**

**R&D/
Commercialization
& Innovation**

What else?

What Is Economic Development?

Means different things to different people

- Investment attraction- wine and dine the high flyers
 - Marketing- “Branding”- Banff, Beef Country, “top of mind” image, providing market contacts/ info
 - “Build it and They will Come”- infrastructure- sports
 - Entrepreneurship- build new starts/ displace imports
 - Spin off companies- university for new business, development of new technologies/ technology in
 - Market access- International Trade Agree/ Diplomacy
 - Exporting/ alliances- business to business sales
 - Tourism & Conferences- help sell hotel rooms/ services
 - Value adding- development of basic resources
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*Do you
want to stay
ahead of
the
sweeping
changes?*

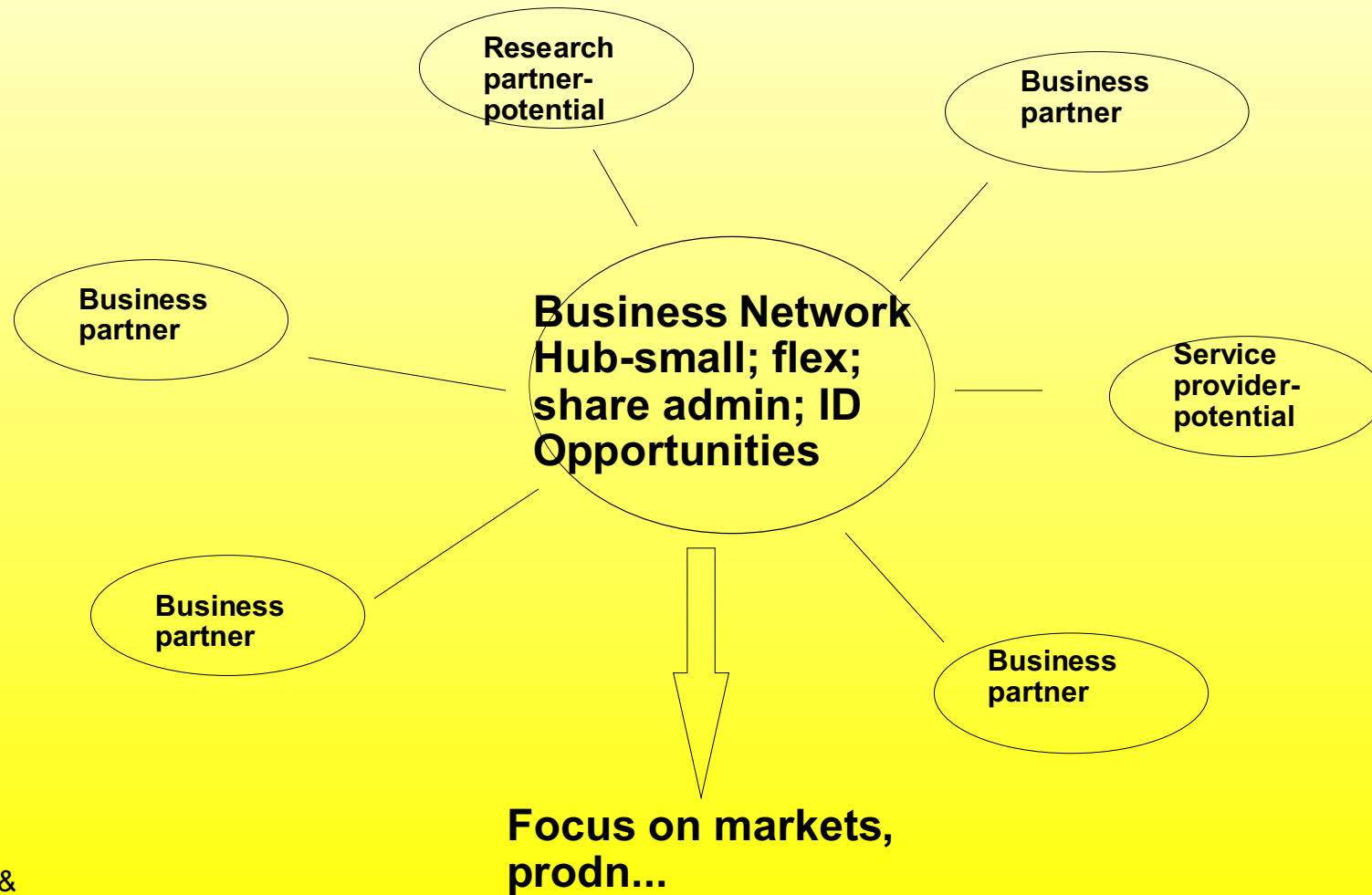


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What are the Learning Issues for Agri- business Clients in View Of Trends?

- Alliances and Networks for Competitiveness
 - New Governance Approaches/ working Together
 - Use of Internet and E-Commerce Approaches
 - Finding R&D help and real market opportunities
 - Use of Good Business Practices/ New Financial Concepts/ Mentoring
 - Client “Readiness” and “Delivery” Approaches are very important “Factors in Adoption”
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Flexible Business Network- Hub and Spoke Model- Proven

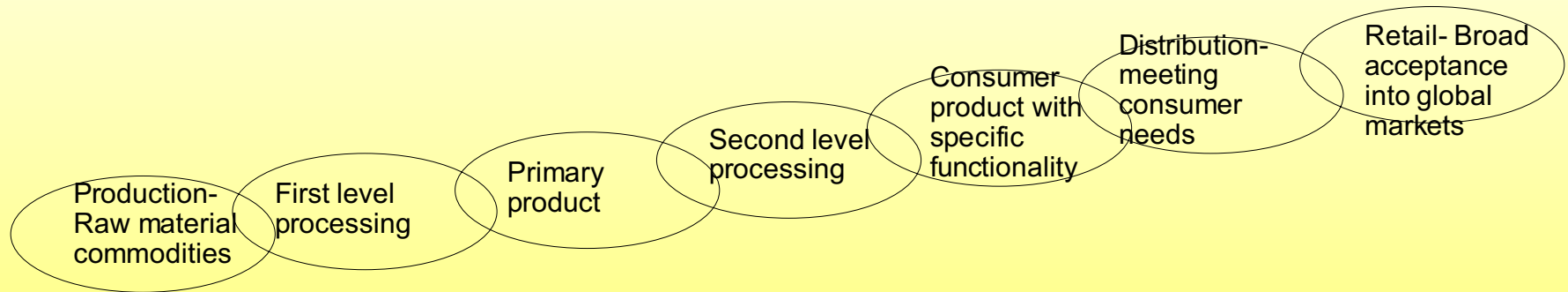


*Network
partners work
together in a
flexible manner
offer- scale,
scope, speed*



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Value Chain Continuum



**Raw
Material**

New Discoveries and new approaches

Applied research & development

Test Product/ Technology & Feasibility

IP process & Scale up

Finance & Marketing Issues

**Distribution
into market**



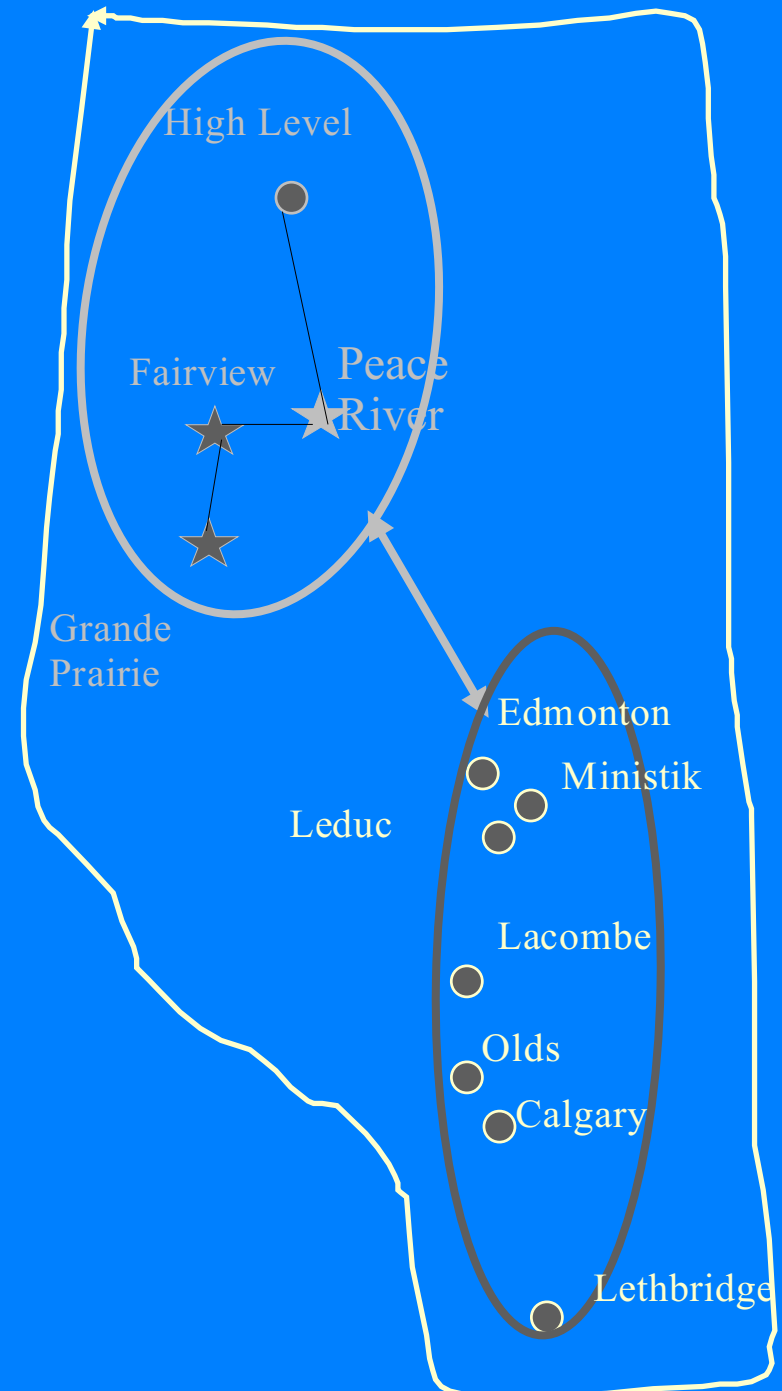
Value chain partners have a mutual product focus- can cause conflicts



PREDA- Innovation Network with Linkages

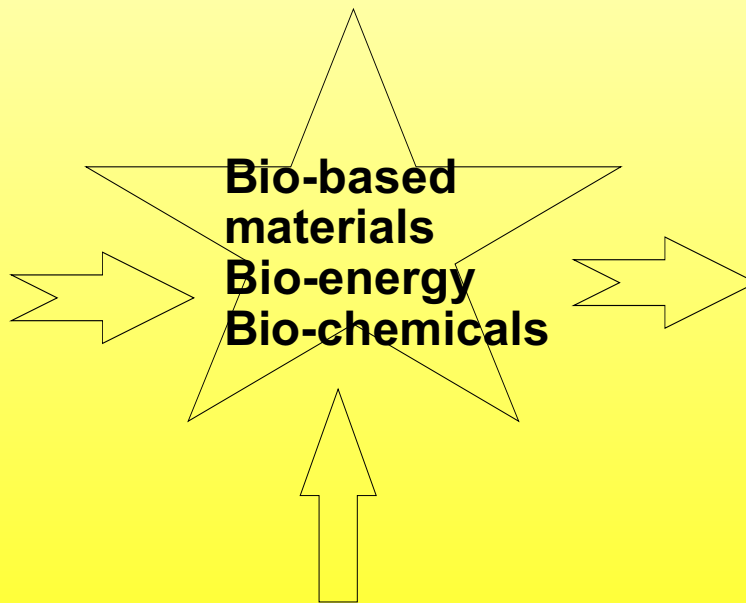
Innovation Network for the
Peace to focus on:

- forestry
- agri-food
- oil & gas
- manufacturing projects



Alberta Bio-Products Network (AARI)

Network Involves:
U of A/C/L
ARC
AAFRD, I&S
AARI, AERI, AFRI
BioAlberta
AI-Pac
Industry



**Bio-based
materials
Bio-energy
Bio-chemicals**

**BioProducts
Canada
Industry Canada
AAFC
Other Provinces**



Building a “Hard” Network -How To

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- Step 1-Confirm the interest & needs directly - through meetings and Capacity/ Opportunity Study- with key players
 - 3rd party facilitate to maximize results & inputs
 - Challenge your thinking with a “real” Network solution
 - Step 2- if a go, design Business Plan with milestones
 - Local involvement - but big ideas to build the vision
 - Step 3- Implement the plan/ Communicate- always a difficulty
 - Monitor and learn together through small steps
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Summary

- Global change means economic change
 - Rural innovation networks can help
 - Gives you scale, scope and speed
 - Shared resources + market intelligence= real opportunities
 - T&B has completed several of these- the AB Bioproducts Network, OCCI, PREDA, CPD National Network
 - Is hard work but it can be high impact
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