



CANADA'S INNOVATION STRATEGY



New Ideas New Opportunities



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STRATEGY DISCUSSION OVERVIEW

In February 2002, Canada's Ministers of Industry and Human Resources Development released *Canada's Innovation Strategy* in two papers: *Achieving Excellence: Investing in People, Knowledge and Opportunity* and *Knowledge Matters: Skills and Learning for Canadians.* This guide will help you deal with the issues in *Achieving Excellence.*

Achieving Excellence recognizes that a long-term national commitment and partnership are required if Canada is to take full advantage of its economic potential in the global economy. The strategy outlines the factors that will drive economic growth and social development over the next decade and build a stronger, more inclusive society for all Canadians.

Achieving Excellence sets out four challenges:

- Creating new knowledge and bringing it to market more quickly
- 2. Developing skills for the new economy
- 3. Setting the right business and regulatory environment
- 4. Strengthening communities across Canada.

There will be a series of regional and sectoral meetings, culminating in a National Summit this fall. We also want to ensure that *all* Canadians have the opportunity to review, discuss and comment on the strategy. We also seek your innovation vision and commitments that will help support the strategy. That is the purpose of this meeting, and ones like it that will take place all across Canada.

As Allan Rock, Minister of Industry, has said: "...I am asking each one of you to be part of this strategy. Talk about it within your companies and your communities. Innovation must be everyone's business. Contribute your voice and your vision. And then help me make this a reality for our whole country."

So let's start now.

INNOVATION

IS EVERYBODY'S

BUSINESS

Innovation simply means finding ways to do things better than before. It means a country in which everybody strives for excellence. It means a personal effort to contribute to Canada's economic performance for the benefit of us all. That's why we should all get involved.

OBJECTIVES OF THE OVERALL ENGAGEMENT PROCESS

The vision is to make Canada a world leader in innovation. To do this we must all work together. This kit will help you *understand Canada's innovation challenges and identify the commitments and actions that will support the realization of this vision.* We also want:

- to establish among all Canadian communities and organizations an innovation vision for themselves and for the country as a whole;
- to develop commitment and clear, actionable plans among organizations, communities, regions and sectors; and
- to ensure Canadian citizens embrace this national innovation strategy and to stimulate appreciation among Canadian citizens of the value of innovation to our quality of life and Canada's future success.

We encourage you to bring people together to discuss Canada's innovation goals.

OBJECTIVES OF THE MEETING

- To develop consensus on an "innovation vision" for your group.
- To agree on *an action and implementation plan* to attain that vision.
- To provide *input to a national implementation plan* (i.e. to help set the agenda for the National Summit).

A DISCUSSION GUIDE

Discussion groups are most productive when they have 8 to 10 members, but smaller groups can still be very effective.

If you want to study *Canada's Innovation Strategy* by yourself, go straight to the discussion papers, read them and note your answers to the questions. When you are satisfied with your answers, go to the reporting templates and let us know what you think.

CHECKLIST: BEFORE THE DISCUSSION

- Group members chosen Choose from business, union, community, college social club or friends.
- Discussion papers copied and sent to members.
- Date and meeting place booked Would your cable channel be interested in airing this discussion?
- Group members have confirmed attendance.
- Members reminded two days before discussion.
- Your role determined Will you moderate the discussion or take part in it? Who will take notes?

CHECKLIST: DURING THE DISCUSSION

- Strategy Discussion Overview has been read by you and members have identified their areas of interest.
- You have used the questions on the discussion paper to stimulate discussion.
- □ Each of the four challenges has been introduced for discussion.
- Given the second second
- Next steps, by the group and its individuals, have been discussed.
- The reporting templates have been completed and returned.

Challenge 1:

Creating New Knowledge and Bringing It to Market More Quickly Canadian firms are adopting innovations, new technologies and business practices that embody the latest thinking from around the world. These firms see innovation as *the* way to grow profit margins and increase productivity. Research gives companies — and countries — huge advantages because it allows them to be the first to develop new products and to get into new markets.

However, comparisons with other countries suggest a greater part of Canada's private sector needs to develop its capacity to create new ideas and bring them to market to remain competitive.

The private sector, including my own industry and company, needs to be part of the solution as well. We need to foster more innovation to fuel the growth we need to meet our standard of living objective.

> A. Charles Baillie, Chairman and CEO, TD Bank Financial Group, Speech to the Canadian Club, Toronto, February 26, 2001

And research alone is not enough. We need not only to develop the knowledge, but also to bring it to market quickly. Canadian companies are not getting the payoff from research and development (R&D) that they should. After all, our goal is not to become a hotbed of ideas that others then take and develop; it is to become a rich source of products and services that the world wants to buy. That means making more private venture capital available so that our best ideas get developed right here, by Canadian companies.

KNOWLEDGE PERFORMANCE TARGETS:

- By 2010, rank among the top five countries in the world in terms of R&D performance.
- By 2010, at least double the amount invested in R&D by the Government of Canada.
- By 2010, rank among world leaders in the share of private sector sales from new innovations.
- By 2010, raise venture capital investments per capita as in the United States.

DISCUSSION QUESTIONS:

- 1. **Targets:** Are the targets appropriate to ensure that Canada gets better performance from its R&D investments?
- 2. **Major Challenges:** What are the main challenges to developing new ideas and commercializing them?
- 3. Government of Canada Priorities: Do you think the proposed Government of Canada priorities (page 7, *Executive Summary**) help you to address these challenges?
- 4. Your Innovation Vision: What can you do (for your organization, community, region or sector) to support increasing Canada's performance in developing and marketing new ideas?
- Commitments, Actions, Time Lines: What are you able to do over the next year? The next five years? What should others (government, business, communities) do?
- 6. National Issues: What knowledge performance issues must be dealt with at the national level?

* Achieving Excellence: Investing in People, Knowledge and Opportunity — Canada's Innovation Strategy, Executive Summary. Targets: Are the targets for knowledge performance appropriate?

Yes 🗌

No 🗌

Major Challenges: Top three challenges

| 1. | |
|----|------|
| 2. | |
| 3. | |

Government of Canada Priorities: Do the proposed

Government of Canada priorities help you to address these challenges?

Yes 🗌

No

Your Innovation Vision to support knowledge performance:

Commitments, Actions, Time Lines:

| Who | Time Frame | Action |
|-----|------------|--------|
| | 1 year | |
| | 5 years | |

National Issues: Top three issues that need to be

addressed at the national level.

Reporting Template

Challenge 1: Creating New Knowledge and Bringing It to Market More Quickly

You can submit your reporting template in a number of ways. The easiest way is to go on-line (www.innovationstrategy.gc.ca/ submission), fill out the template and submit it on-line. Your input will be automatically captured in a database where it will be reviewed.

You can also submit it by:

E-mail: secretariat.innovation@ic.gc.ca Fax: (613) 990-2007 Mail: Innovation Secretariat 235 Queen Street Industry Canada Ottawa ON K1A 0H5 To succeed in the global, knowledge-based economy, a country must be capable of producing, attracting and retaining a critical mass of well-educated and appropriately trained people.

Canada has one of the most highly educated labour forces in the world. Over the years, our supply of highly qualified people has been sufficient to sustain economic growth and has been instrumental in attracting foreign investment. However, the demand for high-level skills will continue to increase and international competition for highly skilled workers will intensify.

Canada's ability to remain competitive in the global economy depends on how effective it is in developing, attracting and maintaining a world-class labour force.

> Michael Bloom and Michael Grant, *Brain Gain*, Conference Board of Canada, September 2001.

Canada can address its skills challenge by substantially increasing the number of highly qualified people from three sources: new graduates from Canadian universities and colleges; highly qualified immigrants coming to Canada as permanent residents or temporary foreign workers; and people already in the labour force who retrain or upgrade their skills to compete in the knowledge economy.

We encourage you also to review *Knowledge Matters: Skills and Learning for Canadians*, a paper devoted to examining the skills and learning issues for Canadians at all stages of their lives. A copy of the paper is available at **www.innovationstrategy.gc.ca**

SKILLS TARGETS:

- Through to 2010, increase the admission of Master's and PhD students at Canadian universities by an average of 5 percent per year.
- Over the next five years, increase the number of adults pursuing learning opportunities by 1 million.

Challenge 2:

Developing Skills for the New Economy

- By 2004, significantly improve Canada's performance in the recruitment of foreign talent, including foreign students, by means of both the permanent immigrant and the temporary foreign workers programs.
- Ensure that our immigration policies get us the skilled workers we need.

DISCUSSION QUESTIONS:

- 1. **Targets:** Are the targets appropriate to ensure that Canada has a skilled work force to participate effectively in the new economy?
- 2. **Major Challenges:** What are the main challenges to ensuring a supply of highly skilled people?
- 3. **Government of Canada Priorities:** Do you think the proposed Government of Canada priorities (page 9, *Executive Summary*) help you to address these challenges?
- 4. Your Innovation Vision: What can you do (for your organization, community, region or sector) to support skills for the new economy? For example, does your organization need to provide a better environment to encourage people to pursue academic training or research opportunities?
- 5. Commitments, Actions, Time Lines: What are you able to do over the next year? The next five years? What should others (government, business, communities) do?
- 6. **National Issues:** What innovation skills issues must be dealt with at the national level?

Targets: Are the targets for a skilled work force appropriate?



No 🗌

Major Challenges: Top three challenges

| 1. | |
|----|---|
| 2. | _ |
| 3. | |

Government of Canada Priorities: Do the proposed

Government of Canada priorities help you to address these challenges?

Yes 🗌

No 🗌

Your Innovation Vision to support a skilled work force:

Commitments, Actions, Time Lines:

| Who | Time Frame | Action |
|-----|------------|--------|
| | 1 year | |
| | 5 years | |

National Issues: Top three issues that need to be addressed at the national level.

| 1. | |
|----|--|
| | |
| 2. | |
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| З. | |
| | |

Reporting Template

Challenge 2: Developing Skills for the New Economy

You can submit your reporting template in a number of ways. The easiest way is to go on-line (www.innovationstrategy.gc.ca/ submission), fill out the template and submit it on-line. Your input will be automatically captured in a database where it will be reviewed.

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Challenge 3:

Setting the Right Business and Regulatory Environment Canada's innovation environment is made up of legislation, regulations, codes and standards that protect the public interest and encourage and reward innovation. Getting the business and regulatory environment right is essential if Canada wants to become more innovative in all sectors and all regions of the country. This means having a competitive tax system, the right incentives for large and small businesses, and strong economic policies to encourage Canadian entrepreneurs, while protecting the interests of Canadians.

Although many aspects of Canada's innovation environment are among the world's best, we cannot afford to rest on our accomplishments to date.

Federal-provincial-territorial governments agree on the goal of making Canada one of the most innovative countries in the world ... Ministers recognize that this overarching goal cannot be met by government actions alone and call upon all players in the innovation system to play their part.

> Principles for Action, Federal–Provincial–Territorial Science and Technology Ministerial Meeting, Québec, September 20–21, 2001.

Government has a strong role in making excellence the Canadian "brand" worldwide, ensuring that we are known worldwide as a nation of innovation and opportunity.

INNOVATION ENVIRONMENT TARGETS:

- Ensure Canada's business taxation regime continues to be competitive with those of other G-7 countries.
- By 2010, complete systematic review of Canada's business and regulatory policies to ensure that they support an innovative economy, while protecting our quality of life.
- By 2004, fully implement the Council of Science and Technology Advisors' guidelines to ensure the effective use of science and technology in government decision making.
- By 2005, substantially improve Canada's profile with international investors.

DISCUSSION QUESTIONS:

- Targets: Are the targets appropriate to support the required environment for Canadians, businesses and communities to maximize the potential for innovation?
- 2. **Major Challenges:** What are the main challenges preventing Canadians and businesses from being more innovative?
- 3. **Government of Canada Priorities:** Do you think the proposed Government of Canada priorities (page 11, *Executive Summary*) create a more innovative environment?
- 4. Your Innovation Vision: How could your organization take advantage of an improved innovation environment?
- 5. Commitments, Actions, Time Lines: What action should be taken over the next year? The next five years? Who should lead (federal, provincial or municipal government)?
- 6. **National Issues:** What innovation environment issues must be dealt with at the national level?

Targets: Are the targets to support an innovative environment appropriate?

Yes 🗌

No 🗌

Major Challenges: Top three challenges

| 1. | |
|----|--|
| 2. | |
| 3. | |

Government of Canada Priorities: Do the proposed Government of Canada priorities help create a more innovative environment?

Yes 🗌

Your Innovation Vision to take advantage of an improved innovative environment:

No 🗌

Commitments, Actions, Time Lines:

| Who | Time Frame | Action |
|-----|------------|--------|
| | 1 year | |
| | 5 years | |

National Issues: Top three issues that need to be

addressed at the national level.

| 1. | | |
|----|--|--|
| 2. | | |
| 3. | | |

Reporting Template

Challenge 3: Setting the Right Business and Regulatory Environment

You can submit your reporting template in a number of ways. The easiest way is to go on-line (www.innovationstrategy.gc.ca/ submission), fill out the template and submit it on-line. Your input will be automatically captured in a database where it will be reviewed.

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A paradox of the global, knowledge-based economy is that sources of competitive advantage tend to be localized. Communities and regions across Canada use their knowledge resources to create economic value, and only there do the elements of the national innovation system come together.

In the past, Canada's economy was primarily dependent on natural resources and manufacturing, giving an advantage to communities close to natural resources or to major markets. In the global knowledge-based economy, key assets are less geographically dependent. Knowledge and expertise can be developed and exploited anywhere. Our communities should become magnets for investment and growth by creating a critical mass of entrepreneurship and innovative capabilities.

It is time for Canada to adopt a true culture of opportunity and innovation, one that will enable all of us as Canadians to get on with building better lives for ourselves, for our families and for our communities.

Business Council on National Issues, Risk and Reward, Creating a Canadian Culture of Innovation, April 5, 2000.

Innovation thrives in industrial clusters — internationally competitive growth centres. A common feature of clusters is the presence of institutions devoted to R&D — universities, technical institutes, research hospitals, government laboratories or private sector facilities. Successful clusters have a strong and vibrant entrepreneurial base of networked and interdependent firms, which ultimately accelerates the pace of innovation, attracts investment, stimulates job creation and generates wealth.

Canada's rural and remote communities are key to Canada's innovation success. While Canada is one of the most connected countries in the world, providing broadband access to our communities will be important to our economic growth.

Challenge 4:

Strengthening Communities Across Canada

STRENGTHENING COMMUNITIES TARGETS:

- By 2010, develop at least 10 internationally recognized clusters.
- By 2010, improve the innovation performance of communities across Canada to bring the benefits of innovation to every part of the country — rural and urban.
- By 2005, ensure that high-speed broadband access is widely available to Canadian communities.

DISCUSSION QUESTIONS:

- 1. **Targets:** Are the targets appropriate to ensure Canadian communities attract investment and remain great places to live?
- 2. **Major Challenges:** What are the major challenges in developing Canadian communities into clusters for innovation?
- 3. Government of Canada Priorities: Do you think the proposed Government of Canada priorities (page 13, *Executive Summary*) help you to address these challenges?
- 4. Your Innovation Vision: What can your community do to become a cluster of innovation? What is required? What must others (government, business, community leaders) do?
- Commitments, Actions, Time Lines: What can you do over the next year? The next five years? What should others (government, business, communities) do?
- 6. **National Issues:** What innovation issues must be dealt with at the national level?

Targets: Are the targets appropriate to ensure Canadian communities attract investment and remain great places to live?

Yes

No 🗌

Major Challenges: Top three challenges

| 1. | - |
|----|---|
| 2. | _ |
| 3. | _ |

Government of Canada Priorities: Do the proposed Government of Canada priorities help you to address these challenges?

Yes 🗌

No

Your Innovation Vision to strengthen communities:

Commitments, Actions, Time Lines:

| Who | Time Frame | Action |
|-----|------------|--------|
| | 1 year | |
| | 5 years | |

National Issues: Top three issues that need to be addressed at the national level.

| 1. | | | |
|----|------|------|--|
| 0 | | | |
| 2. | | | |
| 3. | | | |

Reporting Template

Challenge 4: Strengthening Communities Across Canada

You can submit your reporting template in a number of ways. The easiest way is to go on-line (www.innovationstrategy.gc.ca/ submission), fill out the template and submit it on-line. Your input will be automatically captured in a database where it will be reviewed.

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