



**CATA**Alliance



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**CONFERENCE ON EMPOWERING HI-TECH SMEs TO  
STRENGTHEN KBE IN CANADA**

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**“EMPOWERING OUR HIGH-TECH SMEs TO  
STRENGTHEN OUR KBE”**

**PREPARATORY WORKSHOPS #1 & #2**

## 1 Introduction

Government of Canada (GOC) believes that we need to strengthen our innovation capacity for which it plans to spend considerable support money (please refer to Budget 2017). Innovation by itself is not the panacea, it is just the first step. The capacity to innovate must be supplemented with capacity to commercialize the innovation. Although GOC has devised programs such as BCIP to assist in pre-commercialization, we believe that the innovation and commercialization investment will be best utilized if we first take steps to strengthen our Hi-Tech SMEs which are supposed to do innovation and commercialization and they are currently quite weak. Business opportunities – especially with Government of Canada - are few and far between.

During the term of the previous Government, GOC utilized the services of the Jenkin's Commission which came up with some interesting and useful recommendations but it emphasized only on innovation but missed the main points which is strengthening hi-tech SMEs to achieve much better results on GOC investment in all programs it supports.

In order to promote the message to strengthen hi-tech SMEs, IITAC ([www.iitalumnicanada.com](http://www.iitalumnicanada.com)), CATA ([www.cata.ca](http://www.cata.ca)) and Carleton University ([www.carleton.ca](http://www.carleton.ca)), have planned a Conference titled “Empowering Hi-Tech SMEs to strengthen our Knowledge-Based Economy (KBE)” on May 22 and 23, 2018. Since the idea of the Conference is to cause some fundamental changes, it is considered to be expedient to have two Workshops to discuss all the issues which are planned to be discussed in the Conference in May 2018.

A considerable amount of money was invested by GOC in the operation of the Jenkin's Commission. Since the non-governmental organizations and a university are taking this important step, we believe that the GOC must support it in terms of strong participation (both at political and bureaucratic level) and financing this effort which will require a small fraction of money which was spent on Jenkin's Commission and will provide very useful results.

## 2 Planned Workshops

In order to better prepare for the Conference in May 2018, the following two Workshops are planned to be held before the actual Conference:

**Workshop #1:** This workshop will discuss the following two topics:

- 1) Improving Relationship between Government Departments and Hi-Tech SMEs
- 2) Improvements in Procurement System of Canada

**Workshop #2:** This workshop will discuss the following topics:

- 1) Government Assistance Programs
- 2) International Market access and sales closure

This document deals with both the Workshops which we plan to hold at the Carleton University on October 25, 2017 and November 29, 2017 respectively.

The two workshops will be followed by the full two day Conference on **May 22 and 23, 2018** in a larger venue in which a large number of Hi-tech SMEs as well as politicians and bureaucrats will participate. We will invite senior concerned ministers to participate in the Conference and also the Prime Minister to participate in the Banquet.

### 3 Objective of Workshops

Since the Conference we plan to hold in May, 2018 is of strategic importance for Canada to empower hi-tech SMEs, we wish to achieve clearly identifiable outcomes. We wish to ensure that the Hi-Tech SMEs, politicians and bureaucrats come to some agreement on what actions will be taken to strengthen hi-tech SMEs. We decided that we should discuss all the topics in advance and come to some agreements to be announced in the main Conference, hence the need for these two workshops.

### 4 Financing Workshops and Conference

We should charge a fee of \$100 for the each Workshop unless we can get GOC and/or sponsors to pay for the Workshops in which case the fee could be reduced to \$50.

For the May 2018 Conference we will certainly expect GOC and private industry to finance it. We will also charge a reasonable fee (depending upon the support from GOC and private sponsors) for the Conference – especially because we wish to hold it on a grand scale with a Banquet.

### 5 Participants

The participants will come from following sectors:

- 1) Hi-Tech SME representatives
- 2) Representatives of Professional Societies
- 3) Senior Politicians
- 4) Bureaucrats
- 5) University staff and students
- 6) Research Support Organizations

We should plan for 150 to 200 persons total for each workshop.

CATA and IITAC need to advertise the workshops on their sites requesting people to register.

#### 5.1 Hi-Tech SME Representatives

Registration of Hi-Tech SMEs should be limited to 75 on specific invitation to approximately 25 persons who have dedicated their effort on this subject and 50 attendees on first-come-first-serve basis.

#### 5.2 Representatives of Professional Societies

We will write to all professional societies such as:

1. ITAC, CMOS, CWRA, etc.

2. Canadian Manufacturer's and Exporters Association
3. Chambers of Commerce
4. Order of engineers, of various provinces, etc.

The number of attendees from this sector should be limited to 15.

### 5.3 Senior Politicians

We would like to see Ministers of related departments e.g. ISED, PSPC, Treasury Board (President), and their Chiefs of staff and Advisors.

We should let as many senior politicians as possible to participate. The relevant ministries are: ISED (including NRC and CSA), PSPC, Treasury Board, DND, NRCan, AgCan, etc.

In addition to the above, for Workshop #2, we need to invite Minister of International Trade, EDC (Export Development Canada), CCC (Canadian Commercial Corporation)

### 5.4 Bureaucrats

We will invite the ADM's, DGs, and other senior officers of the above departments. Strong presence of OSME will be required. We should encourage as many as possible number of senior (decision maker) bureaucrats to attend

### 5.5 University staff and students

We should limit the number of University staff and students to 25. Only those people who are in business oriented departments need to be invited.

For Workshop #2, we need to also invite departments which are interested in NSERC Programs and Commercialization.

### 5.6 Research Organization

We should limit the number of Research Organizations (such as MFI, MITACS, etc.) staff 10.

## 6 How we will conduct Workshops

The first half (before lunch at 13:00) will be on the Government Relations with Hi-Tech SMEs and the second half will be devoted to Procurement Improvements.

Each part will consist of 3 to 4 presentations followed by Panel discussions on the Topic of that part followed by discussions and Question / Answers (**Q&A**). Each Panel will consist of 5 panelists and a moderator. Each Speaker will be given 25 minutes (including 5 minutes for Q&A and each panelist 6 minutes to ensure we have sufficient time for discussions and Q&A.

A report will be prepared providing recommendations and agreements which will be closely followed. If possible, we will video-graph the proceedings.



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**“EMPOWERING OUR HIGH-TECH SMEs TO  
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**Workshop #1**

**Strengthening relationship between  
Hi-Tech SMEs and the Government of Canada**

**&**

**Improving our Procurement System**

## 7 Topics of Discussions of Workshop #1

### 7.1 Improving Relationship between Government Departments & SMEs

This part of the Conference will deal with departmental operations and potential improvements to help hi-tech SMEs to grow e.g., less in-house development more contracting out, more collaboration between Government Departments and hi-tech SMEs, more efficient setup within the Government departments, strong encouragement for collaboration between Public/Private/University/NGO sectors and with other friendly nations, etc. It will result in recommendations about what improvements are required within the government departments to help develop hi-tech SMEs. Following are more details of the items which we would like to be discussed and recommendations made.

1. **Rationalizing Accountability Act:** The experience learnt from various Government departments over the past 10 years indicates that we have wasted a lot of money in implementing the Accountability Act, which ultimately was not necessary because, in the view of even Justice Gomery, there were already sufficient checks and balances in the system that if used properly would not let government finances be misused.

In an article written by Donald J. Savoie on April 18, 2016, he states “*What does the Federal Accountability Act have to show for its 10 years? Rather than address fundamental questions confronting our parliamentary system and our public service, it turned to Band-Aid solutions by borrowing bits and pieces from the American political system – notably the Parliamentary Budget Officer and the obsession with private sector approaches. **Accountability has not been strengthened**, while the government has grown thicker, government operations more expensive trying to service an ever growing number of oversight bodies, **and morale in the public service has plummeted**. It has shifted the focus of control management from where the bulk of programs and services are delivered, at the regional level, to Ottawa, where the blame game is played out.”*

***We must review the Accountability Act from the point of view of efficiency, cost and benefit and then decide its utility and how it should be improved or even repealed. This review must be done on a non-partisan basis by a committee of all major parties represented in the Parliament.***

2. **Departmental Reorganizational Issues:** Government has done some reorganization of its departments which has resulted in inefficiencies in their operation. For example in Environment and Climate Change Canada (ECCC), the Meteorological Service of Canada (MSC) used to have R&D and IT as a part of MSC. It was consolidated as a part of the mother department ECCC’s overall IT and R&D Departments. This might be fine for real IT systems such as Inventory Control, Web Maintenance, etc. However, for Technical Systems dealing with Meteorology and Hydrology, it has been observed both internally by the departmental staff as well as suppliers that the operation of MSC has been strongly adversely affected and has made handling of projects very inefficient. The advantages and disadvantages of the above consolidation must be reviewed and if found expedient, IT and R&D dealing purely with Atmosphere (meteorology and air quality)

and Hydrology should be brought back to MSC. ***A similar exercise is required for other departments.***

3. **In-House development:** A question has been asked that with approximately 30,000 IT people must be stopped because it costs more, takes longer and causes a conflict of interest – same department is the client as well as the supplier. In addition, it provides no additional benefits such as leveraging the Intellectual Property (IP) and exporting the technology which can be done only by the Private Sector. Government departments must have high quality staff for defining requirements, doing Project Management from the client's side and performing acceptance of the developed systems.
4. **TBIPS:** This is a “body shopping” Program which ***must be absolutely minimized.*** It hinders IP development and in any case, it is applicable to only Ottawa-based companies because all requirements are generated by various departments in Ottawa. It starves companies outside Ottawa.
5. **Shared Services Canada (SSC)** should only be involved in projects related to (and nothing else):
  - ✓ Email transformation initiative,
  - ✓ Data Centre consolidation,
  - ✓ Telecommunications transformation program,
  - ✓ Workplace technology devices, excluding computer hardware required for various projects
  - ✓ Cyber and information technology security
6. ***Government Departments (GD) must be specifically mandated to support Canadian hi-tech SMEs and be more open to inform suppliers about departmental requirements. This is also important for the success of the BCIP Program. Currently, it appears that the GDs feel that industry is their adversary.***
7. Departments must **define their procurement requirements at least 6 months** (preferably one year) in advance and publish them for Suppliers to see so that the suppliers are ready to provide optimum solutions.
8. Hi-tech SMEs must be **consulted for potential solutions** through the RFI (Request for Information) Process for any requirement over one million dollars and preferably even smaller ones.
9. Departmental Budgets must have stability so that they can plan on a long term basis.
10. When Government gives loans to large corporations like Bombardier, it must stipulate that x% of the money must be subcontracted to hi-tech SMEs.
11. Finally, the previous government had constituted a Red Tape Reduction Commission (**RTRC**) which made many recommendations, we need to discuss what measures, if any, are required to reduce the unnecessary burden on hi-tech SMEs so that they can concentrate on innovation rather than unnecessary reporting activities.

## 7.2 Procurement Issues

This part of the conference will deal with Procurement issues which need government attention. Many of these are related to internal operations of the government which minimize contracting opportunities and many opportunities come only in the form of “body-shopping” and that also only in Ottawa starving companies in the rest of Canada. “Body-shopping” does not create any IP - the bloodline of growth - for companies to leverage. Other examples include requirement for more Canadian content, PSPC to have more vendor-friendly attitude, realistic requirements for insurances, more attention for commercialization possibilities, etc.

1. Optimization of Procurement Process at the front-end. This means clear Requirements Documents and planned schedule both from the Client Department as well as PSPC.
2. Giving sufficient time for Proposal and for Delivery of goods and services. Currently, Government departments take an inordinate amount of time, and to utilize budgets for a given FY, suppliers are squeezed creating many difficult situations.
3. Not encumbering the Suppliers with unreasonable one sided clauses, e.g. Exchange Rate, unnecessary Product Liability Insurance, etc.
4. Keeping in mind that the objective of the Procurement is to get the best product for the optimum price and to encourage competition, Bid Clarification and even the provision of any missing information must be allowed as long as there is no cost implication due to the change. Moderate Bid Repair (provision of any missing information) must not be a taboo again as long as there is no cost implication.
5. If required, face-to-face meetings or teleconferences must be used for clarifying Bids, especially for larger Projects.
6. The objective of Bid Evaluation – especially for larger projects - should be to try and qualify bidders and not to disqualify them. Every effort must be made to ensure that an otherwise qualified party is not disqualified for some missing information which could be easily obtained from the supplier. What might appear universally fair from the Government perspective could be in fact highly unfair and unjustified from the supplier’s point of view and public good point of view in the context of the specific bidding process. By rejecting bids unfairly, we could miss opportunity for an optimum solution.
7. **Canadian content** must be mandated in any project of considerable magnitude, over say one million dollars.
8. Although NAFTA is important, it must not be overemphasized in evaluating Proposals – the US Government’s first goal is to develop its own industry and not worry about NAFTA.

### 7.2.1 Powers of SME Department

The USA Government officially established **SBA** (Small Business Administration) Program in 1953, but its philosophy and mission began to take shape years earlier in a number of predecessor agencies, largely as a response to the pressures of the Great Depression and World War II.

Canada started its Small and Medium Enterprise (**SME**) Department approximately 10 years ago which was an interesting step forward. However, the SME Department of PSPC does not have the same powers as the SBA which is an independent Authority at the Cabinet level. It has presence in each Government Department involved in any contracting work. It mandates that 23 to 25%, and in some departments even more contracts, must be given to SMEs. Any large company getting a large contract must subcontract about the same amount (23 to 25%) to SMEs. This is rigorously enforced by SBA which levies penalties and fines for non-compliance.

In addition, the US Procurement system under SBA has an **8(a)** Clause which is a Business Development Program to assist small disadvantaged businesses to succeed. The **8(a)** Program offers a broad scope of assistance to firms that are owned and controlled at least 51% by socially and economically disadvantaged individuals. Canada should look into this Program and try to implement a similar program.



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**“EMPOWERING OUR HIGH-TECH SMEs TO  
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**WORKSHOP #2:**

**Innovation: Government Assistance  
Programs and Venture Capital  
&  
International Market access and sales**

## 8 Topics of Discussions

### 8.1 Innovation: Government Assistance Programs and Venture Capital

We will cover the Government Assistance Programs and the view of hi-tech SMEs how to make them more effective with special attention to commercialization. Despite an attempt to streamline some of these programs after the Jenkins Commission's Report, still the landscape is too complex requiring outside consultants who siphon off considerable part of this assistance fund resulting in reduced benefits to hi-tech SMEs. Some programs such as SR&ED, if reorganized can produce much bigger benefits than they do today. The discussions will cover Programs such as SR&ED, IRAP, NSERC, etc. It will also cover the newly announced Venture Capital Program.

Government Assistance Programs fall in the following categories:

1. SR&ED (Scientific Research & Experimental Development)
2. IRAP (Industrial Research Assistance Program)
3. NSERC (Natural Sciences and Engineering Research Council)
4. BCIP (Build in Canada Innovation Program)
5. CSA (Canadian Space Agency) Programs
6. ESA (European Space Agency) Programs
7. Potentially through Venture Capital guarantee to Banks.

#### 8.1.1 SR&ED (Scientific Research & Experimental Development)

1. SR&ED is an important Program in which the Governments (both Federal and Provincial) are investing considerable money. But its utility needs to be improved considerably. Currently, many companies use it to survive which beats the original objective of this program.
2. This program must not be used as a survival program but it should be basically a program to strengthen existing strong companies. This is not to say that if some new company has a brilliant idea it should not be supported, but that it should be done only in very qualified cases.
3. If measures listed in the previous three sections are implemented, we will have much stronger hi-tech SMEs which can achieve their full potential by using SR&ED, IRAP, NSERC and BCIP Programs.
4. We believe that the SR&ED Program should be divided into two parts:
  - a. One part can remain the same for some novel ideas the way it is now. Once the Hi-tech SMEs are strengthened, they will use this Program much more effectively.
  - b. The second part should be based on the requirements and ideas generated by Government Departments. These requirements should be published and companies should be allowed to submit unsolicited Proposals based on those requirements and ideas.
5. The second type of projects will make BCIP (Built in Canada Innovation Program) more effective.

6. The first type of projects would require pre-qualification so that the probability of the project getting rejected after the company has already spent money is minimized and in effect eliminated. In addition, this type of projects will be a combination of SR&ED as well as BCIP because the User Department would have checked the requirements in an operational mode.

### 8.1.2 IRAP (Industrial Research Assistance Program)

The IRAP Program is an interesting Program to support the Hi-tech SMEs. Recognizing the importance of this Program for the hi-tech SMEs, the current Government has allocated an additional \$50 Million for this Program which is a positive sign that Government supports innovation.

There is a somewhat equivalent Program run by USA's Small Business Administration (SBA) which is called **SBIR (Small Business Innovation Research)** and **STTR (Small Business Technology Transfer) Programs as well as guarantees loans to SME ventures.**

SBIR has three phases:

#### *Phase I:*

The objective of Phase I is to establish the technical merit, feasibility, and commercial potential of the proposed R/R&D efforts and to determine the quality of performance of the small business awardee organization prior to providing further Federal support in Phase II. SBIR Phase I awards normally do not exceed \$150,000 total costs for 6 months.

#### *Phase II*

The objective of Phase II is to continue the R/R&D efforts initiated in Phase I. Funding is based on the results achieved in Phase I and the scientific and technical merit and commercial potential of the project proposed in Phase II. Only Phase I awardees are eligible for a Phase II award. SBIR Phase II awards normally do not exceed \$1,000,000 total costs for 2 years.

#### *Phase III*

The objective of Phase III, where appropriate, is for the small business to pursue commercialization objectives resulting from the Phase I/II R/R&D activities. The SBIR program does not fund Phase III. Some Federal agencies do, Phase III may involve follow-on non-SBIR funded R&D or production contracts for products, processes or services intended for use by the U.S. Government.

In the last Budget of March 2017, Government of Canada has decided to implement this Program. We hope that this will be done with strongly rational thinking and planning.

Although these two programs are similar, we should do a comparative study of the two (IRAP and SBIR). The intent is to make IRAP more up-to-date, while creating a Canadian version of the SBIR. Keeping IRAP means there would be one program that focuses on R&D, while adding the SBIR means there would be a second program that has commercialization as its goal. In the former there is the need for matching funds and to reimburse after the work has been completed. However, with the latter (SBIR) the grant should be paid in advance without the requirement that the money be only applied to the innovation. Like the American program it should be able to be used for marketing, trade shows, competitive analysis, staffing, etc. with the objective of proving the "commercial potential."

Although innovation should be an important evaluation criteria, the commercialization potential needs to be given a stronger consideration. Some innovations which might not sound very exciting but have a greater potential for commercialization must be given a strong consideration.

In addition, those companies which have been supported with IRAP investment must be given a strong consideration for BCIP.

### 8.1.3 NSERC (Natural Sciences and Engineering Research Council)

- 1) The NSERC Website states:
  - a) The objective of NSERC is to Develop, Explore, Promote and Celebrate science.
  - b) A brain-trust of 12,000 research professionals and 30,000 students, powered by over \$500M in investments annually use NSERC Discovery investments to create world-firsts in knowledge and build the foundation for innovation.
- 2) There is a general belief that a very little part of the research supported by NSERC and other programs gets commercialized.
- 3) Technology transfer to the private sector for topics in which the private sector has not participated from the beginning is an expensive and sometimes very complex proposition.
- 4) It is believed that a stronger effort is required from the start of projects to connect hi-tech SMEs with Universities and even Government labs and R&D departments to participate in such projects from the beginning and create marketable products.
- 5) In the USA, similar to the NSERC Program, there is the STTR (*Small Business Technology Transfer program which is a federal program that awards research and development funds to small businesses that partner with non-profit research institutions to encourage them to jointly explore their technological potential and innovate new technologies that will be made commercially available to the public.*
- 6) STTR is similar to the [SBIR](#) program but includes the partnership with a research institution. The program is meant to help small businesses compete with large enterprises that have more resources for research and development and subsequently stimulate the U.S. economy by encouraging the development and commercialization of new technologies.

### 8.1.4 BCIP (Build in Canada Innovation Program)

1. Objective of BCIP should be to promote marketable innovative products which will sell and not necessarily the most innovative products which have a low probability of commercialization.
2. Evaluators must be knowledgeable in the technology and not those who solely depend upon information available on the Internet to determine the novelty, innovativeness and marketability of the product.
3. Government Departments must be mandated to work with hi-tech SMEs to assist them in commercializing products. Otherwise, the purpose of BCIP is totally lost.

4. Since the Proposals use a template with a limited number of words, in case of any doubt, the evaluators must interact with the bidder to ensure they understand the Proposal, thus avoiding making any erroneous assumptions during the evaluation period.
5. Like the SBIR above, there is a comparable US program to the BCIP – DARPA (Defense Advanced Research Project Agency). It is federally funded through the Department of Defense (DoD) and primarily targets projects that ultimately can be used by the US military. However, DARPA has funded a significant number of projects with commercial applications often without a likely military requirement. These too have been evaluation projects for which the government has paid and include such things as the graphical user interface, computer networking, and a myriad of health projects.

### 8.1.5 CSA Programs

The Canadian Space Agency supports various types of projects through the following types of programs (the following descriptions come from the CSA Website):

- a. **EOADP:** The Earth Observation Application Development Program (**EOADP**) promotes the development of innovative applications that will maximize the utilization of Earth observation (EO) satellite data generated by CSA supported missions. The mission of the EOADP is to stimulate and maintain a self-sustaining, innovative, growing Canadian industry that is able to respond to mainstream user requirements and commercialize internationally. EOADP is an essential element for the development of Canadian EO and space related capabilities and essential for the exploitation of CSA supported EO missions. The program also prepares the industry to take advantage of CSA investments in new sensors.
- b. **STDP:** One of the implementation elements employed by Space Technologies is the Space Technology Development Program (STDP). This program, which has been fine-tuned over the past decade, is highly regarded by the Canadian Space Industry as an effective and efficient means to provide initial funds for breakthrough technologies and to enhance the competitiveness and capabilities of the Industry as a whole.
- c) **GRIP:** The Government Related Initiatives Program (GRIP) fosters the use of Canada's space resources by the Government of Canada. The program focuses on developing government use of space-based land, ocean, and atmospheric observation systems and services.

CSA does surveys and reviews about its programs to better tune them to increase their utility.

These programs are important for industry and their funding should not be undermined during lean years because that could amount to doing more damage to SMEs than the amount of money saved is worth. These programs would be even more helpful to hi-tech SMEs once they have been strengthened through the Procurement System.

Because EOADP Program works in partnership with another government department, after the prototype has been produced and if the company shows interest and the client department is also interested, the development of the operational product must also be supported by some Government Program. For example, if a company has developed a prototype for NRCan using funding from CSA under EOADP Program, Government should support the production of the operational system.

### 8.1.6 ESA Programs

Canada has a Cooperation Agreement with the European Space Agency (ESA) since 1979. Through this Cooperation Agreement, Canada benefits from the unique privilege of participating directly in selected programs and activities as well as in the ESA's decision-making process. Also, the Agreement allows Canadian companies to submit bids in response to invitations to tender relating to programs in which Canada participates.

It has been observed that many projects require cooperation between the Private Sector, Universities/Research Labs and the Public Sector (Government Departments). It is important that the Government of Canada encourages various departments to cooperate with the industry to enable them to participate in ESA Projects. Universities are always looking for such opportunities for cooperation. This is a great way of supporting industry, universities as well as benefitting government departments.

### 8.1.7 Venture Capital

In the USA, a lot of venture capital is available for innovative ideas. Still SBA supports through Bank Guarantee the innovative projects private venture companies might not.

However, in Canada, it is hard to get venture capital. The UK had the same problem as Canada. Therefore, the UK Government started giving loan guarantee to banks to support qualified projects. We believed that Canada should do the same and we are pleased to see that Canada has decided to do the same.

In order to support the continued growth of Canada's innovative companies, Budget 2017 proposes to make available through the Business Development Bank of Canada \$400 million on a cash basis over three years, starting in 2017–18, for a new Venture Capital Catalyst Initiative that will increase late-stage venture capital available to Canadian entrepreneurs (late-stage venture capital is typically offered to young, established businesses with sales and revenue, in order to help the businesses grow).

### 8.1.8 Business Development Bank of Canada (BDC)

BDC offers [business loans](#) and [advisory services](#) to help Canadian businesses grow, both at home and abroad. Through their subsidiary—[BDC Capital](#), they also offer a full spectrum of specialized financing, including [venture capital](#), equity as well as [growth and business transition capital](#).

A financial institution owned by the Government of Canada, they support more than 42,000 small and medium-sized enterprises across the country, complementing services available from private-sector financial institutions.

Ambitious and innovative entrepreneurs are the engine of our economy and it is BDC's role, as Canada's development bank, to help them succeed.

## 8.2 International Market access and sales closure

This Panel will cover access to global markets and how do we ensure that Canadian high-tech SMEs can compete/collaborate with companies from around the world and do business in large markets.

It has been observed that a number of hi-tech SMEs participate in International Trade Missions but are too weak to take advantage of international markets/opportunities which provides us another reason for empowering hi-tech SMEs.

Various programs are available for assisting hi-tech SMEs to enter international markets. However, the precondition for success of these programs is that the steps outlined in previous sections to empower Hi-Tech SMEs are implemented. Some of the programs are included below.

### 8.2.1 Canada Export Program of Global Affairs of Canada

Canada Export Program of Global Affairs Canada which can provide up to \$99,999 to reimburse up to 50% of eligible expenses to promote your business in new international markets. Your for-profit business must meet certain criteria mandated by this Program.

### 8.2.2 Export Development Canada (EDC)

EDC's mandate is to support and develop Canada's trade, and the capacity of Canadian companies to participate in and respond to international business opportunities. EDC is a self-financing, Crown corporation that operates at arm's length from the Government.

EDC provides insurance and financial services, bonding products and small business solutions to Canadian exporters and investors and their international buyers. It also supports Canadian direct investment abroad and investment into Canada. Much of its business is done in partnership with other financial institutions and through collaboration with the Government of Canada.

EDC is a very useful partner of hi-tech SMEs for developing export markets.

### 8.2.3 Canadian Commercial Corporation

As per their website, "The Canadian Commercial Corporation (CCC) is a Crown corporation, or government-owned enterprise, of the Government of Canada. CCC is governed by its enacting legislation, the 1946 Canadian Commercial Corporation Act, which outlines a mandate to assist in the development of trade by helping Canadian companies export from Canada. CCC focuses on supporting exports through government to government contracts that assist purchasing governments of other nations obtain products and services from Canada".

CCC helps foreign governments acquire Canadian solutions through government to government contracts.

Foreign government buyers look to CCC government to government contracting approach to deliver projects of national importance. CCC helps governments of other nations with simplified and timely acquisitions of information technology, social and economic public infrastructure, aerospace, defense and security solutions.

Foreign governments look to CCC for help with some key challenges:

#### **Seeking to reduce your acquisition risk?**

We provide a unique Government of Canada assurance that the contract we sign will be delivered. Gain a level of comfort from our due diligence on our exporters technical, financial and managerial capability deliver on the contract.

### **Looking for a proven procurement strategy to deliver a project of national importance?**

We provide an expedited acquisition process on a government to government basis. Obtain access to any technology or expertise commercially available and approved for export from Canada.

### **Planning a procurement with an urgent deadline?**

Satisfy urgent and compelling needs that cannot be delayed by a competitive procurement process.

### **Advice**

CCC helps only very large projects but we believe that they should help projects over a million dollars.

## **8.2.4 Partnership with ISTP Canada**

ISTP Canada was established in 2007, building on the success of the bilateral model established by CIIRDF (Canada-Israel Industrial R&D Foundation). ISTP Canada develops and implements R&D collaboration programs under Science and Technology (S&T) cooperation agreements between Canada and its key trading partners, currently India, China, and Brazil. In partnership with ISTP Canada, CIIRDF has been developing new models of multilateral collaboration that enhance Canada and Israel's competitiveness in the global economy. For an example of the CIIRDF's multilateral collaborative initiative, visit Canada-China-Israel Call for Proposal.

## **9 CONCLUSIONS**

- 1) In the 2017 Budget, GOC announced investment in Innovation, Improvements in Procurement System and availability of Venture Capital.
- 2) Hi-tech SMEs are the largest source of high quality jobs and innovation.
- 3) The Return on this Investment (ROI) can only be maximized by strong hi-tech SMEs.
- 4) Currently, hi-tech SMEs in Canada are not strong enough to maximize the ROI on this investment and also take advantage of export assistance programs; we need to empower them by taking strong measures which is the subject of the proposed Conference.
- 5) It is imperative that GOC takes some bold steps to improve the current situation and consults the hi-tech SMEs to determine what steps are required to empower SMEs.
- 6) In order to assist the Government in this important consultation process, IITAC, CATA and Carleton University have joined hands to organize two Workshops and a Conference to create an atmosphere of interaction between the hi-tech SMEs on the one hand and politicians and bureaucrats on the other.
- 7) We expect Government of Canada to assist the organizers financially as well as by strong participation of the Ministers, MPs as well as senior bureaucrats from all departments dealing with hi-tech SMEs.
- 8) This interaction will result in a list of recommendations which we would like GOC to study seriously and take action to empower hi-tech SMEs so that we can strengthen our Knowledge-Based-Economy resulting in high quality jobs and innovations.
- 9) The KBE will also have a very strong effect on our Resource-Based Economy by finding optimum solutions to process our natural resources to the maximum possible extent and create quality manufacturing jobs.