

Prepared for: <b>Mayor and Councillors</b> Title: Wood Buffalo Entrepreneurship Initiative Update Date prepared: November 27, 2014	Prepared by: Jeff Penney Title: Manager of Economic Development Department: Economic Development
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**SUBJECT:****Wood Buffalo Entrepreneurship Initiative Update****BACKGROUND:**

The purpose of the region-wide Wood Buffalo Entrepreneurship Initiative (WBEI) is to support economic diversification and resiliency by focusing on the development of strategic sectors. The WBEI aligns with the Municipal Development Plan and the Wood Buffalo Regional Economic Development Strategy. It has two distinct components: the Wood Buffalo Business Incubator and the Business Accelerator.

The concepts of incubation and acceleration for our region have been refined through stakeholder engagements, primary research with entrepreneurs, and key organizations' involvement (such as the Fort McMurray Chamber of Commerce, Northeastern Alberta Aboriginal Business Association, Community Futures Wood Buffalo, etc). Based on these stakeholder and entrepreneur engagements, the WBEI has finalized two major project components as outlined below:

1. The Wood Buffalo Business Incubator will:
  - Help entrepreneurs move from a business idea into the creation of a business.
  - Assist new businesses to refine their business concept, build teams, develop a customer base and explore market opportunities.
2. The region wide Business Accelerator will:
  - Assist established businesses that are currently operating in Wood Buffalo:
    - Stay in Wood Buffalo
    - Improve their business
    - Expand their operations
  - Assist young and inexperienced companies to grow and become thriving businesses in Wood Buffalo; and
  - Identify business opportunities that attract the right companies to Wood Buffalo.

Although the two project components are distinct from one another, they are being designed in lockstep to ensure that they are complimentary and are closely aligned to support entrepreneurship and innovation in our region. Completion of project scoping and stakeholder engagement is advancing with completed design for both components anticipated by the end of the 3<sup>rd</sup> quarter, 2015.

For project implementation a total of \$1.4 million in Community Investment Program (CIP) funding was approved as a part of the 2014 operational budget for WBEI related activities. The original focus was the Urban Service area and the intent was to outsource the whole program but stakeholder engagement has lead us to the conclusions that this should be a Region wide program and that the the Business Accelerator component should be managed in-house.

#### **CURRENT STATUS:**

Due to synergies with their current mandate as a community business development organization and in light of strong stakeholder support it has been identified that efficiencies could be had from partnering with Community Futures Wood Buffalo (CFWB) to deliver the Wood Buffalo Business Incubator component of WBEI. As a result, Municipal representatives have negotiated and finalized a funding agreement with CFWB through the CIP utilizing part of the \$1.4 million grant allocation. Project implementation is scheduled to begin in December 2014. Financial allocations for the project are contingent upon successful attainment of key deliverables at specific stages over the next several months- a “stage-gate” approach. The total municipal funding allocation for this portion of the project through CIP has been set at \$293,018.

For the Business Accelerator component, the Economic Development Department has been developing a project plan and will be working with stakeholders over the coming months to move the project forward toward implementation in 2015.

#### **KEY CONSIDERATIONS:**

- Both projects within the Wood Buffalo Entrepreneurship Initiative include participatory stakeholder engagement.
- Both projects are being undertaken at the same time in order to create efficiencies and collaboration between the two project streams and to ensure there is no duplication of service.
- To resource the WBEI in 2015, Economic Development is recommending a carry forward of the \$1.1 million in remaining funds from those that had been allocated in the 2014 operating budget.
- As it is anticipated that the implementation of the Business Accelerator component would be managed internally by the Economic Development Department, an internal transfer of \$500,000 would be required to reallocate funds from CIP into the Economic Development operational budget.
- The remaining portion of the \$1.1 million carry forward (\$600,000) would remain in the CIP for potential usage on implementation of the Wood Buffalo Business Incubator component in partnership with CFWB.

**NEXT STEPS/ACTION:**

No action required.

**ATTACHMENT:**

Wood Buffalo Entrepreneurship Initiative PowerPoint Presentation