

# Making Headway

Reporting on the Financial and Consumer Services Commission's Fullsail Capital Markets Initiative

## Exploring the Incubator Ecosystem



FINANCIAL AND  
CONSUMER SERVICES  
COMMISSION

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## SOCIAL MEDIA NEWS

### **PLANETHATCH** @Planethatch

Build a business in 54hrs! @StartupNB weekend = working w / a team of experts to bring your concept 2 LIFE Apr 28

### **VENN** @VennCentre

Our new #leadership Lunch & Learn Series begins March 1. Topic: Influencing For Results.

### **JEDI** @jedinews

Using content marketing and social media will shape your brand, create leads and fill your sales funnel. Workshop: <http://ow.ly/Cb1Y30aM7bX>

### **CONNEXIONWORKS** @ConnexionWorks

All #GlobalEntrepreneurshipWeek events happening across #NB here: <https://gewnbedition.splashthat.com> A huge thanks to @tferlatte @Planethatch #gewNB

## WHAT'S NEW AT FCNB.CA

FCNB launched a new web-based trivia game called Fortune where players can test their money smarts.

The game is free to play, and it's available on any internet-connected desktop, smartphone or tablet. Find it at [fortune.fcncb.ca](http://fortune.fcncb.ca).



# Editor's Note

## New Brunswick's evolving start-up ecosystem

Over the past few years, we have witnessed changes in the province's start-up culture. New Brunswick entrepreneurs have had the opportunity to reach out and in many cases find support from our modern start-up ecosystem. This ecosystem includes a number of accelerators and co-working spaces receiving support from organizations such as Planet Hatch, Pond-Deshpande Centre, Venn Innovation, ConnexionWorks, Oasis, JEDI, UNB's TME program, New Brunswick Innovation Foundation, and many others.

This edition of Making Headway explores some of these organizations, with particular attention paid to accelerator programs and co-working spaces. We had the opportunity to sit down with Doug Robertson from Moncton's Venn Centre, Karen Murdock and Lisa Kinney of Fredericton's Planet Hatch, Mark Taylor of the Joint Economic Development Initiative (JEDI), and Dakota Lutes of Enterprise Saint John and ConnexionWorks. We took the opportunity to ask for insights on their programs and advice for current and future entrepreneurs.

Starting a new venture is always a challenge. It can be at once invigorating and lonely. Finding support from those with a common interest or who have expertise in entrepreneurship can provide value. We met with Kelly Lawson, founder of "ELLA" and Sylvio LeBlanc from MotiFIT. They are two New Brunswick entrepreneurs who have received support from this modern ecosystem. Our articles share their experiences and their advice for those starting on this road.

FCNB has had the privilege of working with many of those working within this start-up ecosystem. We have also hosted numerous events at these co-working spaces and have been invited to speak to the entrepreneurs participating in accelerator programs. It has been insightful to have witnessed firsthand the value offered by such programs. We encourage anyone considering building a start-up in our province to reach out to these organizations to find those that offer the type of support start-ups may need.

In our next edition, we will explore those organizations that support the growth of a New Brunswick business and we will be interviewing provincial companies that have reached that point in their evolution.

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JEFF HARRIMAN, SENIOR ANALYST, CAPITAL MARKETS, FCNB



### WE WANT TO HEAR FROM YOU

Tell us what you'd like to read in the next edition of Making Headway. You can submit your story or send us an email telling us about something great that is happening in New Brunswick's capital markets.

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# Mark Taylor on the Indigenous start-up landscape



Mark Taylor, JEDI

The Joint Economic Development Initiative (JEDI) is an Indigenous not-for-profit organization dedicated to working with partners to foster Indigenous economic development in New Brunswick. Founded in 1995 as a tripartite partnership with the federal and provincial governments and the First Nations of New Brunswick, JEDI is now in the third year of delivering a business acceleration program catered to Indigenous entrepreneurs. We spoke with Mark Taylor, the JEDI Shipbuilding Strategy Manager and the main administrator of the acceleration program, to get his thoughts on their progress and how entrepreneurs can get the most out of these types of programs.

## **Q** What was the inspiration behind your accelerator program?

It started in 2014, when Indigenous and Northern Affairs Canada asked us to put together a strategy in response to the National Shipbuilding Strategy

released in 2011. We engaged with our stakeholders, community partners and their clients to see how they wanted to be a part of the federal shipbuilding program. After discovering so many success stories and opportunities brought on by regional developments like the shipbuilding agreement, we decided there was opportunity to deliver an accelerator program to help foster the entrepreneurial spirit among Indigenous people who wanted to engage in markets outside of their communities.

## **How would you describe your accelerator program?**

We essentially crafted a program that borrows elements from other accelerators or service providers—Enterprise Saint John is a good example—but also focuses on specific challenges faced by Indigenous entrepreneurs. Our cohorts have the same needs as other entrepreneurs, but they have some challenges that others don't face, particularly when it comes to receiving financing for their business and engaging with people outside the First Nations community.

Our 10-week program includes weekly professional development sessions. Each week is themed and tackles a different area of importance for business, including quality assurance, HR issues, procurement, and project management. The rest of the week, our cohorts work on their business plans, and guests are brought in so that they can share their insights on the topic of the week.

Each cohort is matched with a mentor for the 10 weeks, as well as an advisor who helps them with their business plan. At the end of the program, our hope for the outcome is that the cohort has developed and is enacting their business plan. We also help our cohorts by: helping them find seed funding; bringing in a law firm to help them incorporate their business; and matching their research and development efforts with a New Brunswick-based university. We also provide them with a five-year follow up plan and pledge that we will support and work with them as they grow. Our cohorts work out of the office space at Planet Hatch for the full ten weeks.

## **Do you have any success stories to share?**

One of our program standouts is Mike Knockwood, who runs Eagle Specialty Machining. His business was already established, but he took part in the program and used what he learned to increase his business by hiring more staff and tapping into wage subsidy programming he hadn't previously been aware of. He also made connections within the industry that have served him well.

As well, we were quite impressed with Melissa Lunney, who graduated from the JEDI IT program. She is currently commercializing a phone app that automatically opens doors. The product was initially intended for wheelchair users, but there are more applications the technology could provide and we're excited to see where that takes her.

Melvin Nash has been working on his business for a long time, and having participated in our program, is now working with the University of New Brunswick's mechanical engineering faculty to develop a prototype of his water turbine. This turbine can be placed in a stream or river to generate electricity.

**What benefits does this type of program bring to capital markets in New Brunswick?**

I think our program brings new opportunities for New Brunswick-based deals that have a significant social impact. Indigenous people are the youngest demographic in New Brunswick: they are faced with more challenges than most and they are pursuing businesses in communities that face yet more challenges. However, our program

opens the door for new capital to come into New Brunswick.

We would like to see people making investments in the province and in Indigenous start-ups.

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**What would be your advice for entrepreneurs who are thinking of working with a start-up accelerator or co-working space?**

First, don't be shy. We encourage people to come to us with a good idea. Bring your ideas forward and we can work together to find the right people to bring it to fruition.

Second, have an open mind. Many people think their idea will take them in one direction and it ends up making more sense to take a different direction. The people who are nimble with their plans tend to have the edge in the entrepreneurial world.

Finally, be persistent. Business success is not going to happen overnight, but if you're willing to do what it takes to push through, you're going to succeed.



# Collaboration is key at Venn Innovation

When talking about start-up accelerators in New Brunswick, many people might think of the Venn Centre in Moncton. The first of the province's ever-growing number of entrepreneurial hubs, the Venn team delivers a range of programs for entrepreneurs in the IT world to help bring their ideas to fruition.

Doug Robertson, President and CEO, shared Venn Innovation's origin story and vision for the future as they strive to deliver top quality programs and services to support the growth of innovative New Brunswick tech companies. He stresses that the number one focus at Venn is collaboration: the entrepreneurs who get the most out of their programs are the ones who are sharing information, ideas and best practices with their peers at the centre, and that translates to a stronger entrepreneurial community outside of the hub.



## Vennspiration

The story of Venn Innovation began when Robertson attended a talk by Laura Kilcrease of Austin, Texas in 2004. The talk focused on the successful innovation ecosystem in Austin and the resulting positive effect on the economy. The message was clear: within a supportive community, innovative entrepreneurs and researchers can drive economic gain. The seed was planted and Robertson was determined that this type of community was exactly what was needed in New Brunswick.

## The Garage

In terms of scope, Venn Innovation exists to assist ICT and innovation-focused companies grow by delivering programs and services that address idea validation, talent, growth and scaling. Venn's long-term goal is to create sustainable economic development throughout New Brunswick by supporting the ICT and innovation sectors. It's definitely a big goal – but they're confident that their spirit of collaboration is helping them make gains toward this goal every day.

The Venn Garage program is where early stage tech start-ups can get started on that path. It's run by Venn's Managing Director of Innovation Services, Dave Gallant, who lends his experience in technology and product marketing as a mentor to the start-ups in the centre.

The program focuses on entrepreneurs from the very early ideation stage through concept development and market validation. In fact, Venn Garage companies often secure early-adopter customers before ever building a product.

## What is different about their program?

For one thing, it's not cohort-based. With flexible entry and exit, each participant is encouraged to work at their own pace and stage of development; the idea being that entrepreneurs will not all fit the same mold. As such, participants are encouraged to work on the specific issues that are most important to their business.

Participants in the Venn Garage are called teams instead of companies. This nuance is significant in Venn's philosophy, as the word team implies collaboration over competition, a value that is highly regarded within the Garage's culture.

## Success stories

What does success look like at Venn Innovation? Simply put, Venn Innovation celebrates success when players in the tech ecosystem are able to make a positive step forward. As such, success has many faces: it can be a Venn Garage team growing to a staff of five or 10 or it can be when a NB-based company is accepted into an accelerator program.





Recent successes that come to mind for Robertson include a Venn member who took part in the Soft-Landing Program through Venn and the Canadian Digital Media Network. They explored China as an export market and the trip resulted in an entire market of new customers for this company.

#### **Advice for start-ups**

When asked about the common mistakes that start-ups make, the Venn team was unanimous in their answer: not being open to coaching and honest advice. To get maximum value from the programs and services available in the tech community, companies must be open to sharing and collaboration. Gallant says the most successful teams are the ones willing to contribute to the group by sharing knowledge and skills.

#### **Progress in the Atlantic tech community**

The Venn Innovation team is quick to attribute much of the progress and success of the tech community in Atlantic Canada to the improved collaboration across the region over the years. Increased start-up activity across the region, maturation of companies and better support for innovation and tech by provincial governments are all clear indicators that the tech community in our region is primed for continued growth. This progress not only creates jobs and growth in the short term, but also results in the increased confidence of investors across the region.

#### **FREE RESOURCES FROM FCNB**

## **Is money stress impacting your workforce?**

Is money stress impacting your workforce? Stress-related absenteeism is costing Canadian employers billions of dollars every year. With 42% Canadians ranking money as their greatest source of stress, why not promote financial wellness in your workplace? FCNB has resources to help you get started.

Over one third of Atlantic Canadians are having trouble keeping up with financial obligations and are turning to credit to fill the gap. For every dollar earned we are spending approximately \$1.65! This overspending is impacting our ability to save. Did you know 66% of New Brunswickers who responded to the 2016 CSA Investor Education Study reported having no savings or investments set aside for the future? No wonder we are so stressed out!

#### **Smart spending starts with a budget**

Building a budget can prepare your employees for unexpected expenses, meet financial obligations, pay down debts and save for what is most important. Learning to track spending helps make budgeters more aware of their personal spending habits, more likely to carefully consider purchases, and less likely to overspend. Budgeting builds confidence and leads to better financial behaviour.

Help your employees combat money stress by booking a free budget workshop for your organization. Workshops are offered in both French and English and can be tailored to the needs of your group. Your employees will receive a free copy of FCNB's [Budget Workbook](#) including a budget template, income journal, spending journal and bill schedule. To book your presentation or order a copy of FCNB's Budget Workbook, visit [FCNB.ca](https://www.fcnb.ca) or call 1 866 933-2222.

# Kelly Lawson's journey from the napkin to the fashion shop

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We had the chance to sit down with Kelly Lawson, a Saint John-based entrepreneur, who is making changes to how we consume fashion! She gave us her insights on working with start-up incubators shortly after her current venture, ELLA, launched. What started off as a women's fashion-exchange community contained within an iPhone app and Facebook group is now a bricks-and-mortar retail location in uptown Saint John.

"ELLA started a year and a half ago as an idea on a napkin," says Lawson.

She brought her idea to the Propel ICT launch program along with a paper prototype of what is now an iPhone app that women can use to exchange or sell their gently used clothes.

The Propel program is designed to eliminate assumptions by putting entrepreneurs' ideas to the test, which is when the Facebook group Shop our Closets Saint John came to fruition. Today the group has more than 7,000 members.

"The Propel program was an easy framework to grasp," says Lawson. "I learned mainly through observation and by working with mentors, and I can apply what I learned to everything, even beyond the start-up space."

Lawson also took advantage of the services offered by ConnexionWorks in Saint John. The real value to working with them, she says, came from the access to office space. She was able to put an address on the ELLA website for added legitimacy, and having her team in one space helped form a strong corporate culture.

"I would describe the ConnexionWorks approach as a hands-off incubator," says Lawson. "The staff was there when I needed advice and they were good about connecting me with key mentors, but otherwise let everyone work at their own pace."

Her advice for entrepreneurs entering the incubator world?

"First of all, don't wait until your idea is perfect," she says. "If you wait for that moment when you've got it all figured out, you'll never get started."

She wants to stress to entrepreneurs that there will be plenty of opportunity to refine their plan of action and incorporate into it the valuable advice they receive from mentors.

"My other piece of advice is to get out of the building," Lawson says. "Take advantage of the knowledge outside of your immediate circle and even the province."

Case in point: by participating in the Ryerson University Fashion Zone incubator program in Toronto, Lawson was able to make connections in the fashion technology industry that were otherwise unavailable to her.

"Finally, have the tough conversations with the critics early on. That way, when the criticism comes you can use it to strengthen your business approach, rather than force a rash decision when you're deep into development or planning."

Lawson's ideas had critics, which helped her take next steps with the venture and she opened ELLA's flagship store September 2016. The app is still a part of the business by connecting people and the store. The store provides a physical place for people to meet, buy new retail products and, as a result, contribute to the brand's culture. Fittingly enough, ELLA's user statistics increased when the store opened.

"The two components nurture each other," says Lawson. "It all worked out better than I would have thought."





**“ELLA started a year and a half ago as an idea on a napkin.”**

**-KELLY LAWSON**



# Sylvio LeBlanc on forging your own path

Having spoken with many entrepreneurs over the years, it's become clear to us there is more than one way to get what you need from a start-up incubator. This was especially evident when we sat down to speak with Sylvio LeBlanc of MotiFIT, a mobile application that tracks the intensity of users' workouts based on their heart rate.

When he joined the Venn Garage program in Moncton, LeBlanc was long past his ideation and validation phase: MotiFIT was available in the Apple App Store and on Google Play, and because the app was already self-sufficient in terms of revenue, raising capital wasn't an immediate concern.

"I built the company mostly by bootstrapping it," says LeBlanc. "I kept my job as a software and firmware engineer until I was certain that the app was self-sufficient and producing enough revenue to pay my salary. I was the only investor."

"For a while it felt like I was doing everything wrong because I was already self-sufficient when I came to the space compared to many people," elaborates LeBlanc. "But now I understand that I was just doing things differently in a way that worked for me."

Looks like it worked: MotiFIT now has over 300,000 users and the app has tracked over 1.3 million workouts.

Knowing he got this far on his own, one might wonder why LeBlanc joined the tide of entrepreneurs benefitting from an incubator. On this point, he is adamant.

"For me, it was a no-brainer. The Venn Garage program was especially helpful in the transition phase between my former secure job to being an entrepreneur with very few contacts. Seeing the people there work through their challenges was very helpful, since the Garage provides great mentors to help you address the tough questions."

"What the Venn Garage really helps with is the intangibles," LeBlanc continues. "They are all about building your business while learning about the start-up ecosystem. Add the networking opportunities, and you have a set of priceless things you can't replace. Being exposed to the knowledge

shared by other entrepreneurs is something you can't get anywhere else."

The learning curve is something all entrepreneurs have to navigate. For LeBlanc, the importance of keeping the app running smoothly—such as by fixing problems or incorporating user feedback into the app—was paramount to ensuring success.

"Most people who develop apps think it will get easy when their app is in the store, and that couldn't be further from the truth," says LeBlanc. "I was surprised by the amount of time and care it takes to keep a user base happy. That's where most of my focus is, and I think it keeps me ahead of the pack."





# Planet Hatch on answering the pain

Planet Hatch exists to support entrepreneurs' ideas in any industry, be it an ICT company, a food truck or a local artist. We had the opportunity to speak with two of the professionals behind this incubator in Fredericton: Lisa Kinney, Entrepreneurial Services Coordinator, and Karen Murdock, Chief Program Officer.

## Hatching the Planet

It all started with an accelerator program with just two cohorts focused on the IT industry. From there, Planet Hatch's growth took place at an exponential rate. They struck a partnership with Propel ICT, as well as the Hive incubator program offered to immigrants by the Fredericton Chamber of Commerce.

Before long, they decided that the need was there to diversify Planet Hatch's focus outside of the IT industry.

## Answering the pain

How does an accelerator go from a small program with two cohorts to an expanding incubator with an idea lab and countless networking events?

For Planet Hatch, it was really about "answering the

pain": responding to opportunities as they came up. For instance, they wanted to have a stronger footprint in Fredericton's vast art community: thus was born the Artpreneur program. They observed the gap in services for immigrants to the city, so they brought an immigration specialist into Planet Hatch so that any newcomers could feel at ease getting into the space.

More recently, they've noticed the need for a resource that guides entrepreneurs toward the best funding sources. Planet Hatch is now developing a web application that does just that; the idea is also to identify gaps or duplication in the services offered by multiple agencies and levels of government.

## Real-world success

When asked about their star pupils, Lisa and Karen didn't hesitate to point out the success of Resson Aerospace.

And to put it in their terms, Resson exemplifies the value that incubators like Planet Hatch are bringing to New Brunswick. By training future leaders and recruiting talent and businesses that want to work out of the capital city, they are creating new opportunities for investment within the province.





# Vennture Garage Saint John launches applied learning program

Old and new are coming together and for entrepreneurs in the Saint John region, this represents an interesting opportunity. The Vennture Garage Incubator, originally spearheaded and going strong at the Venn Centre in Moncton, was brought to Saint John by Enterprise Saint John (ESJ) in 2015.

In 2017, Vennture Garage Saint John will launch their own applied learning program for teams in their incubator. Dakota Lutes, ESJ's Entrepreneur Development Coordinator, is responsible for the execution of the program. We met with him to talk about the outlook for the program, which currently has 12 companies enrolled.

The ESJ incubator has aimed to adopt a flexible structure; most of its programming takes place in the evening to accommodate mature entrepreneurs with other responsibilities or commitments. The incubator's applied learning program is delivered through workshops and one-on-one coaching. Tackling the components of the program could take anywhere from six to 14 months depending on how hard the founder is working and the traction they are getting within their market.

Lutes says that the key to success for the entrepreneurs will be to take what the program offers and run with it.

"We have some great partnerships established," he says. "We're working with an array of business leaders in Saint John who are experts in different fields, and founders will get the most out of the program by engaging with those mentors, networking with key contacts and developing their skills using the opportunities the program affords."

Given the eclectic mix of companies enrolled in the program, time will tell how the program will evolve.

"We've got companies working on artificial intelligence, financial technology and electrical safety, among others," says Lutes. "They were chosen based on their specific level of expertise in their field and their coachability. We're trying to cultivate a competitive atmosphere so that we might see some great companies go to market and create new investment opportunities in New Brunswick."

