The Waterloo Area:
Information Technology Entrepreneurs

Jim Balsillie, **Research In Motion**
John Branch, **Open Text**
Louise Collis, **Willow**
Yvan Couture, **Taaz**
Peter Fraser, **Thinkage**
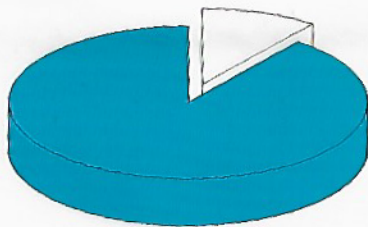Dieter Hensler, **Maple**
Randall Howard, **MKS**

Tom Jenkins, **Open Text**
Ian McPhee, **Watcom**
Bob Nickel, **Software AG**
Nancy Suttie, **S-S Technologies**
Ken Snyder, **Navtech Systems**
Steve Spicer, **Spicer Corp.**
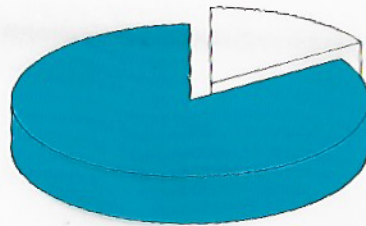Jeff Vandoormall, **ASC**

Today's Delegation

- **Represents a President's roundtable known as the "Atlas Group", with a couple of additions**
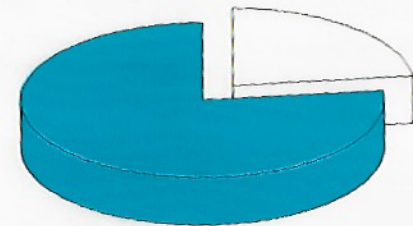- **Includes many of the fastest growing, most export-oriented companies in the Waterloo area**

Companies   Employees   Revenues

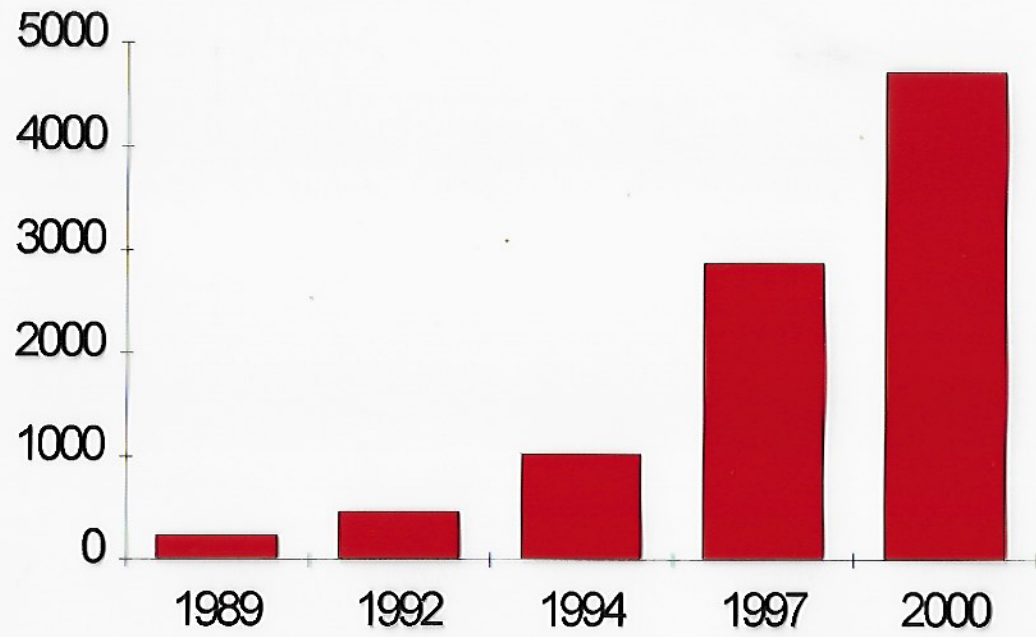*Today's Delegation Compared to Waterloo Area "IT" Industry*

Delegation Summary of Performance Measures

15 Companies

- **Current Employment:** 1050
- **New Employees: 2 years: 573   5 years: 812**
- **Annual employee growth (5 years): 70%**
- **Annual sales revenues:** $182 Million
- **Annual export sales:** $105 Million
- **Median export level:** 92%
- **Sales per employee:** $174,000
- **Total R&D investment:** $27 Million
- **Mean R&D investment:** 15%

The Challenge: Sustain Past Growth Rates

Extrapolating past 5 year growth rate

Why Has Waterloo Area Been Successful?

Some ideas:

1. **University of Waterloo "Industrial Policy"**
   * Source of high quality graduates
   * commitment to technology and global excellence
   * encourage of local entrepreneurs and local networking
   * co-op program
   * technology transfers encouraged from university labs

2. **Small geographic area: critical mass for networking**

3. **Long history of small businesses within community**

4. **Area has high quality of life attractive to knowledge based workers.**

Key Government Contributions to Our Success

1. R&D Tax Credits

2. Industry-led Research Programs

3. Export Development Programs

Suggestions for the Future

1. Maintain existing programs but reduce paper load
2. Increase industry participation
3. Strategic purchasing policy
4. Develop technical entrepeneurs
5. Encourage capital sources

Internet 2000 Consortium

Developing an information superhighway for Waterloo Region for the 21st Century

References of previous networks

- City of Palo Alto, CA
- FreeNet
- NIRV Centre
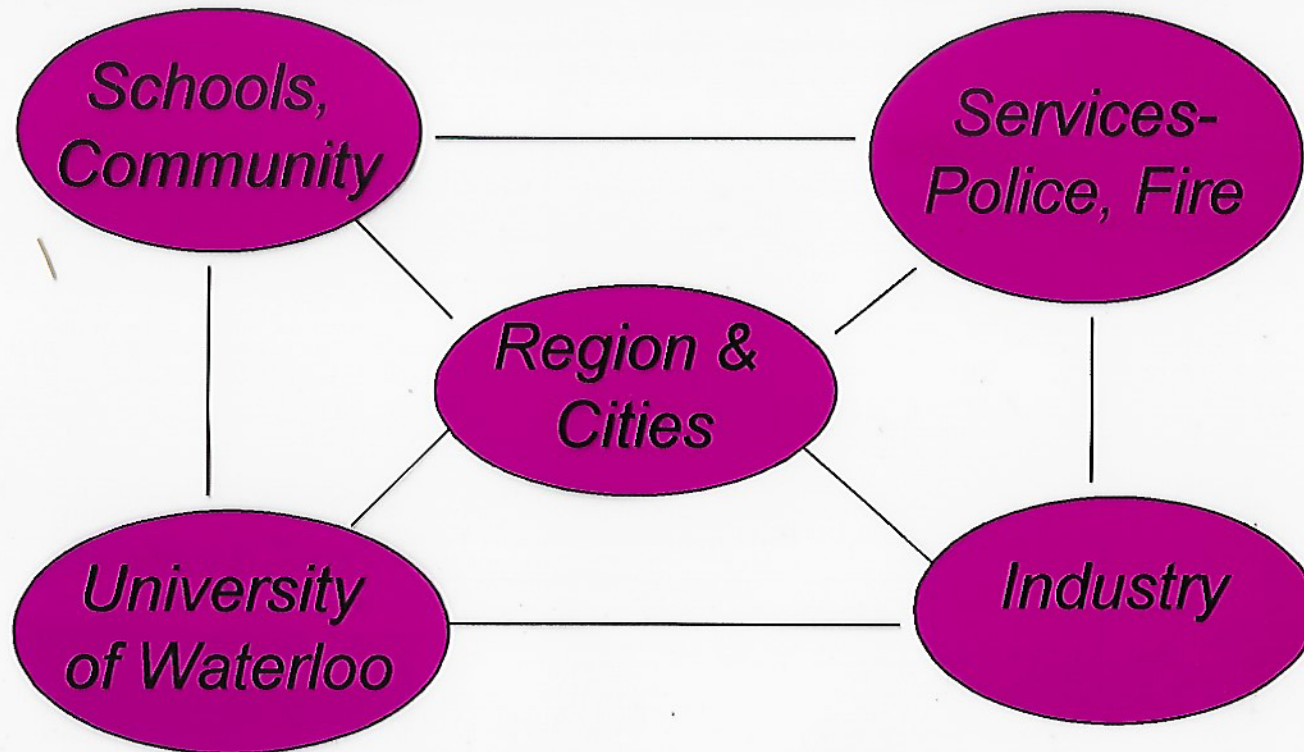- Ottawa-Carlton
- New Brunswick

Goals of Internet 2000

- Provide state of theart service deliveryto Waterloo Region.

- Provide a showcase for local technology.

- Permit all Waterloo Region citizens to participate "on-line" in community activities.

- Delivery of all communications by the superhighway.

- Reduce costs associated with communications.

- Streamline delivery services through re-engineering for both government and industry.

Benefits to the Region

- **Funding can be sourced from existing budgets for items related to the superhighway such as computers.**
- **Improves over all quality of life for citizens by providing up to date communications.**

- **Expands ability of local industry to communicate and collaborate better (both high tech and traditional industry).**
- **Improves local school programs.**
- **Improves delivery of city services.**

Region Information Delivery

Schools, Community

Services- Police, Fire

Region & Cities

University of Waterloo

Industry

Possible Membership

- **Industry:**
  - WATCOM
  - RIM
  - SPICER
  - Others
  - MKS
  - Open Text
  - Others

- **Government:**
  - Ontario Network Infrastructure Program (ONIP)
  - University of Waterloo (ITRC)
  - City of Waterloo
  - City of Kitchener
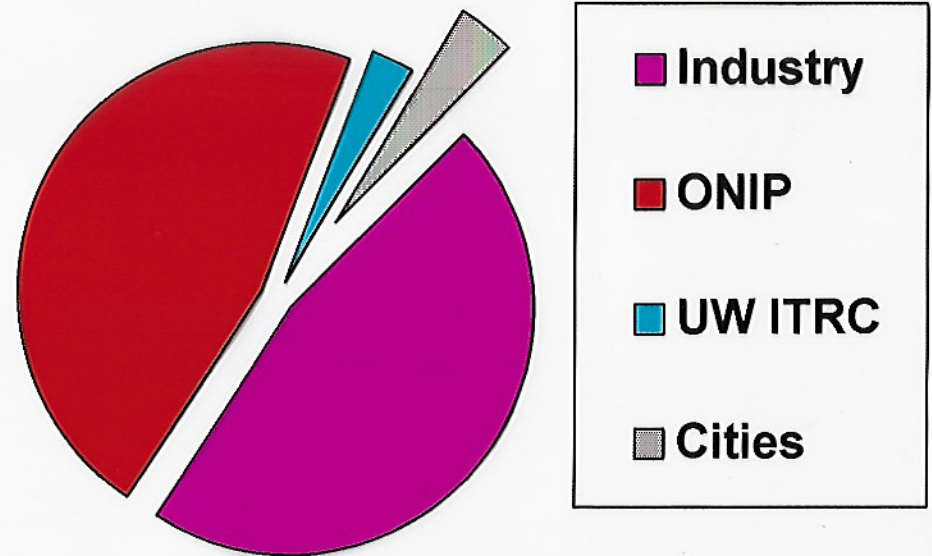 - Waterloo Region
  - Other groups

Infrastructure Assets

- **Fiber Optic ISDN connections for multimedia bandwidths**
- **Powerful Computer Servers**
- **Cellular links for mobility**
- **"Kiosk" type computer entry points**
- **School computers for Internet access**
- **Easy to use communications software**

Proposed Funding Distribution

- **Majority of funding to be provided by local industry and ONIP program.**
- **Anticipated commitment level is $15 million over the next 3 years.**
- **Cities: $600,000 over 3 years**

Legend:
- Industry
- ONIP
- UW ITRC
- Cities

Status and Schedule Forward

- Discussions started among industry and ONIP last month.

- Industry companies noted and UW ITRC have indicated agreement in principle to develop a proposal to the ONIP.

- Industry group is seeking agreement in principle from local government to serve as partner and act as test bed for the highway

Status and Schedule Forward

- **November: Identify and meet all consortium members. Hold several planning meetings to develop specifics.**

- **December: Provide a letter of intent to ONIP and seek a preliminary meeting.**

- **January: Submit a specific proposal with milestones and funding commitments to ONIP.**

- **May: Start project for 3 years with yearly reviews of progress.**