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Limerick, Ireland July 8, 2015.

Innovation & commercialization: rural challenges & multi-level responses

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Overview



Innovation



Purpose

- Innovation. It matters & needed
- Rural response

Road map

- About RDI & new initiative
- Define innovation
- Gaps
- Barriers
- Rural examples

About RDI



About RDI

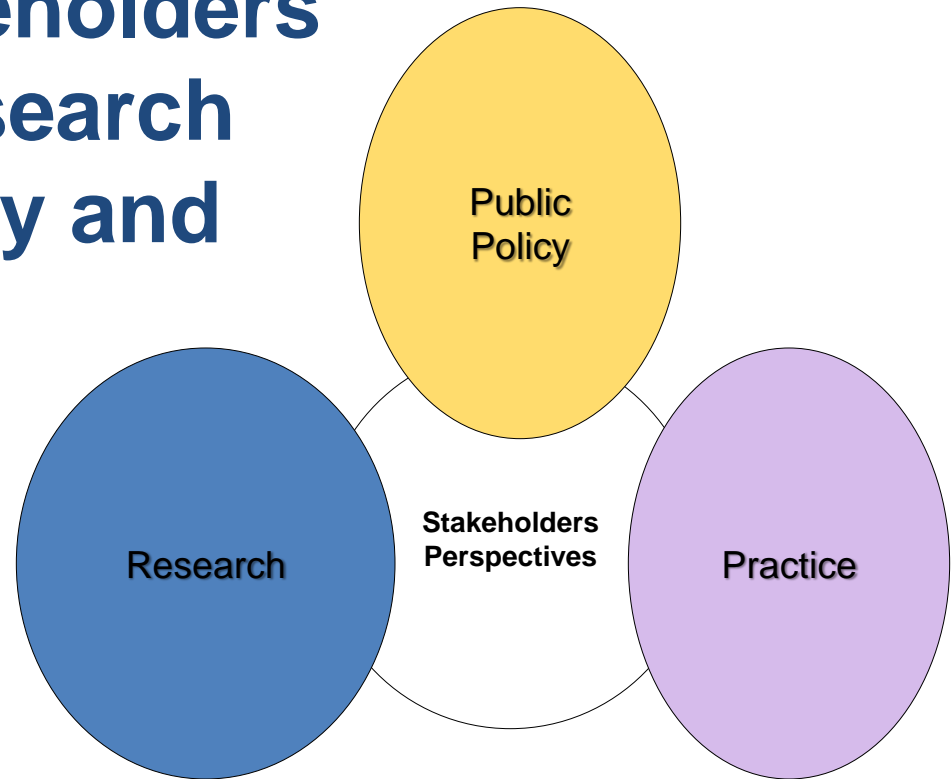


- **Mission** Contribute to evidence-based rural policy discussions with stakeholders
- **Mandates**
 - Applied research
 - Disseminate knowledge
 - Learning

About RDI

- **Engaging stakeholders**
- **Conducting research**
- **Informing policy and practices**

“Applied research is an approach for identifying and solving problems and responding to opportunities with others, eg. stakeholders”



About RDI

Strategic research directions	Selection of projects & activities
Immigration & labour force	<ul style="list-style-type: none">-Northern Territorial consultations-29 community consultations*Refugees in rural areas
Rural economic development	<ul style="list-style-type: none">-Regional development models (MB)-Think tank – Prairie eco strategy-Functional economic rural regions
Governance and capacity bldg	<ul style="list-style-type: none">-Municipal amalgamation (111 to 49)-Local immigration partnerships
Infrastructure & services	<ul style="list-style-type: none">-Rural broadband (Ireland & Cda)
Innovation & commercialization	<ul style="list-style-type: none">-Food processing trajectory to 2020-Growth from innovation

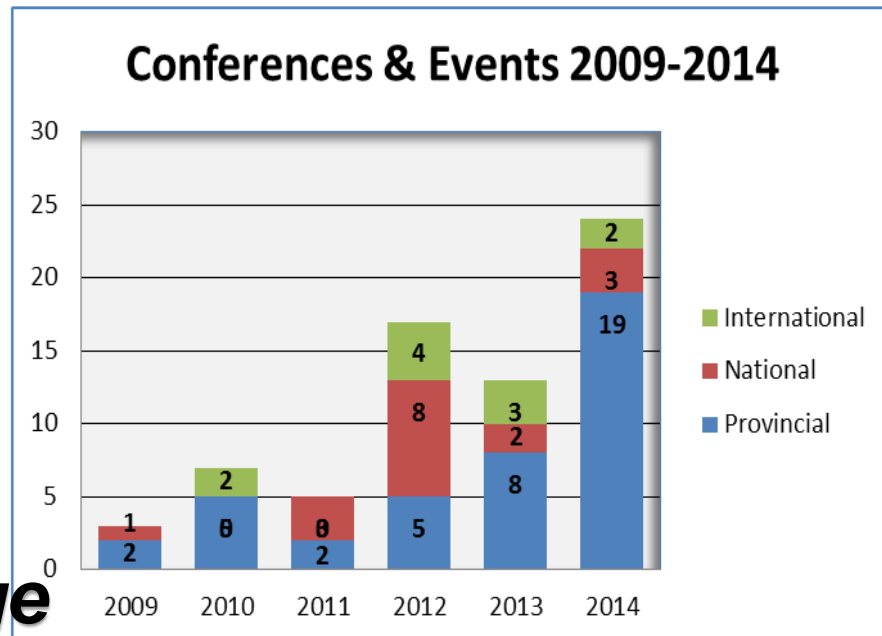
About RDI

- 500 reports & presentations – free
- Journal of Rural and Community Development – free

69
Learning
events
2009-'14

244
Peer-reviewed
articles - JRCD

Access to knowledge



About RDI

229 BU students
and 100 other
students, 31 reports,
presentations &
\$422,000+ student
wages since 2009

\$422k
Student wages
2009 - 2015

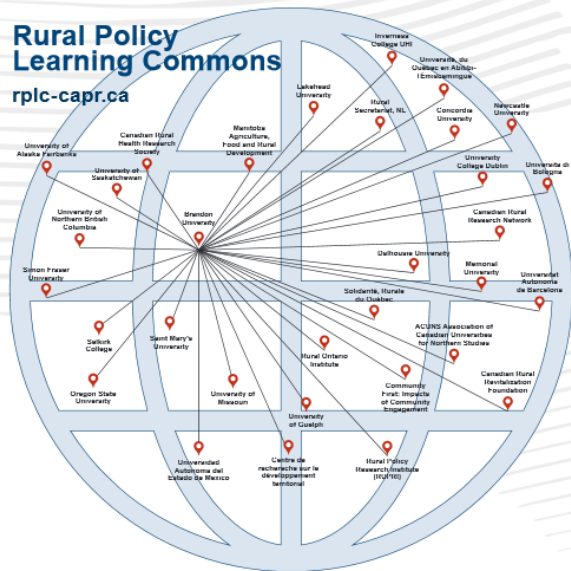
Engaging

66 BU Faculty & 539 other
faculty, 96 faculty peer
reviewed articles, 5 books
and chapters, 66 reports, 69
conferences/learning events
since 2009

CAPR
COMMUNAUTÉ D'APPRENTISSAGE
DES POLITIQUES RURALES

*construire des politiques rurales fondées sur
l'analyse comparative internationale*

Rural Policy Learning Commons
rplc-capr.ca



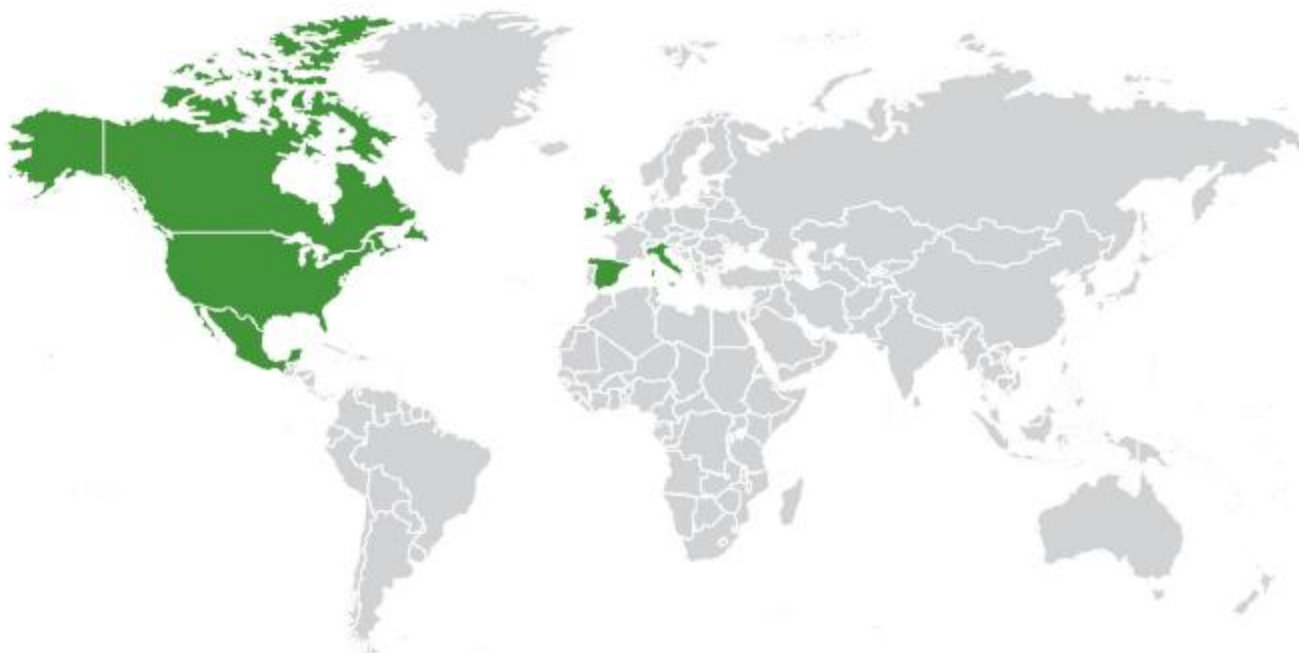
- Partnership bldg
- \$2.5M Cdn
- 7 yrs, 2014-2021

RURAL POLICY LEARNING COMMONS



About RDI

PARTICIPANTS AND PARTNERS FROM 9 COUNTRIES




✓ **OVER 30 PARTNERS**

Universities, Governments,
Organizations interested
in rural policy



✓ **OVER 60 INDIVIDUALS**

Faculty, Government
Representatives,
Policy Organizations,
International Organizations



Hosting conferences and
webinars reaching over
1,000 PEOPLE



11 TEAMS

7 Knowledge
Mobilization
Teams

4 Research
Teams

Rural innovation

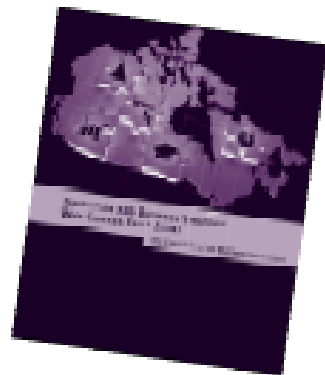


**INNOVATION &
COMMERCIALIZATION**



What is Innovation?

“...the design, development and/or implementation of new or altered products, services, processes, systems, organizational structures or business models for the purpose of creating new value for customers in a way that improves the financial returns for the firm.”



“Innovation is new or better ways of doing valued things.”

DISRUPTIVE INNOVATION

Game-changers, like the automobile, the internet, or vaccines

INCREMENTAL INNOVATION

Making things bigger, faster, better

What is Innovation?

INNOVATION

New or better ways of doing valued things



COMMERCIALIZATION

The process of capturing the value, by taking the innovation to market



3 dimensions of innovation

Type of Innovation Initiative

PROCESS	PRODUCTS
MARKETING	ORGANIZATIONAL

Novelty of Innovation Initiative

NEW TO WORLD
NEW TO INDUSTRY
NEW TO COMPANY

Impact of Innovation Initiative

SMALL	MODERATE	LARGE
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Type Novelty
Impact

What is Commercialization?



Innovation ecology

Systemic Barriers



Difficulty in
raising risk capital



The supports that
do exist are
fragmented



The culture in the
province is largely
risk-averse

Innovation approaches in rural Manitoba

3 cases

- Provincial approach
- Rural regional approach
- Rural sector approach



Provincial Approach

Innovation ecology – local & global

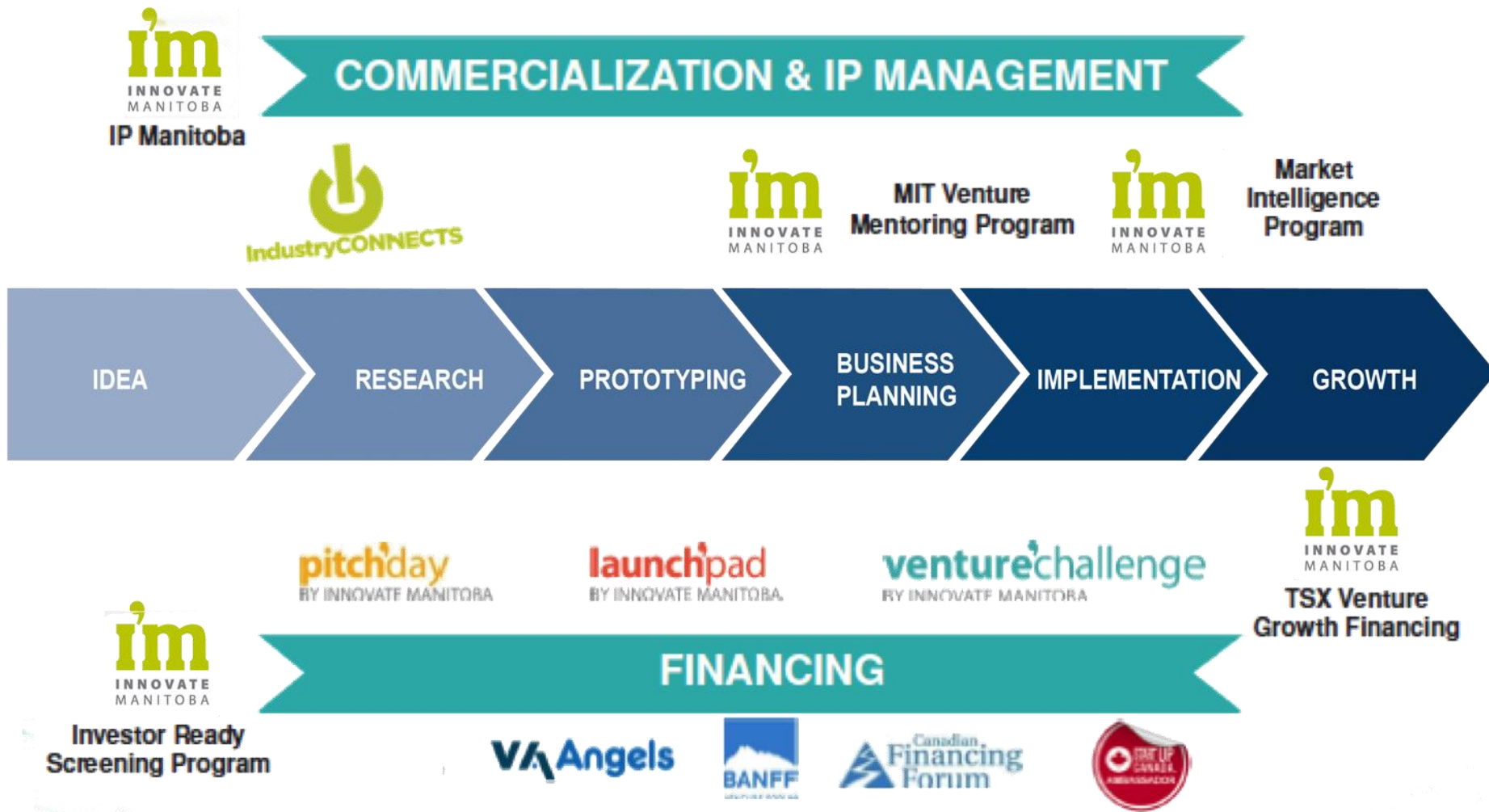


CONNECT

PROMOTE

MEASURE

Provincial Approach



http://www.gov.mb.ca/jec/busdev/sibd/pdfs/innovation_strategy.pdf

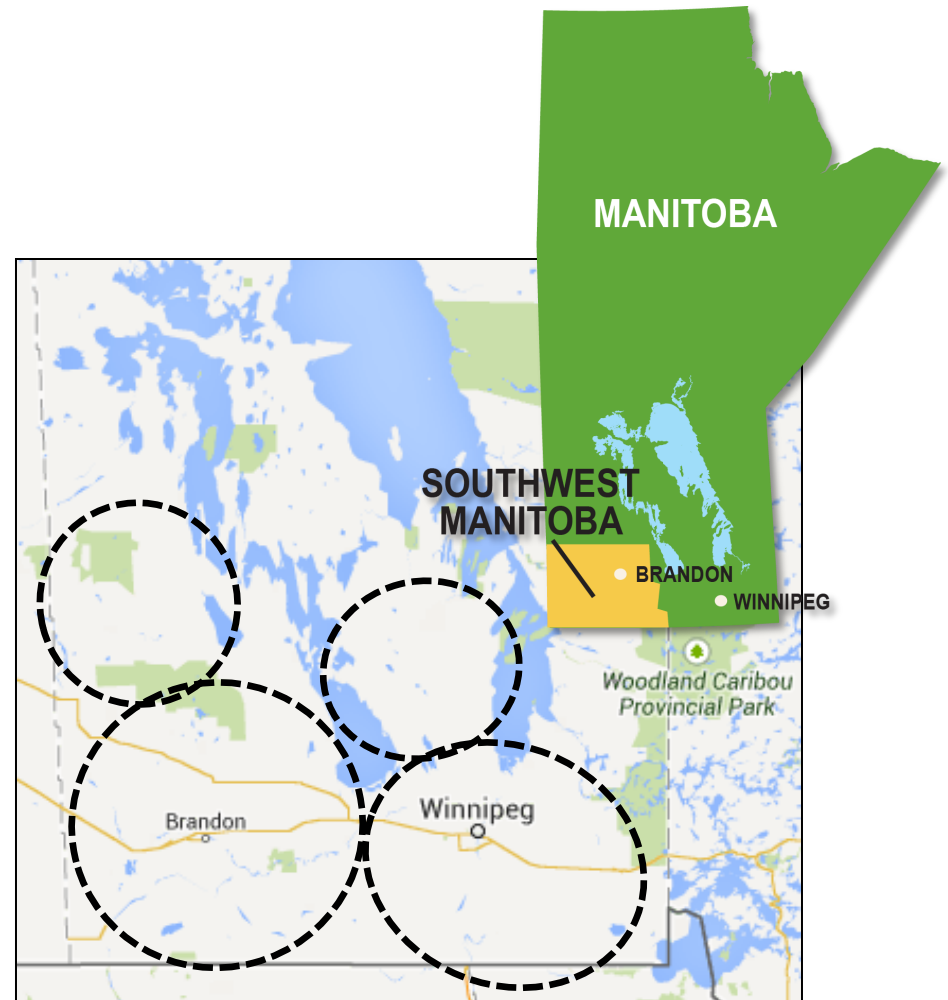
Rural Regional Approach

Address barriers

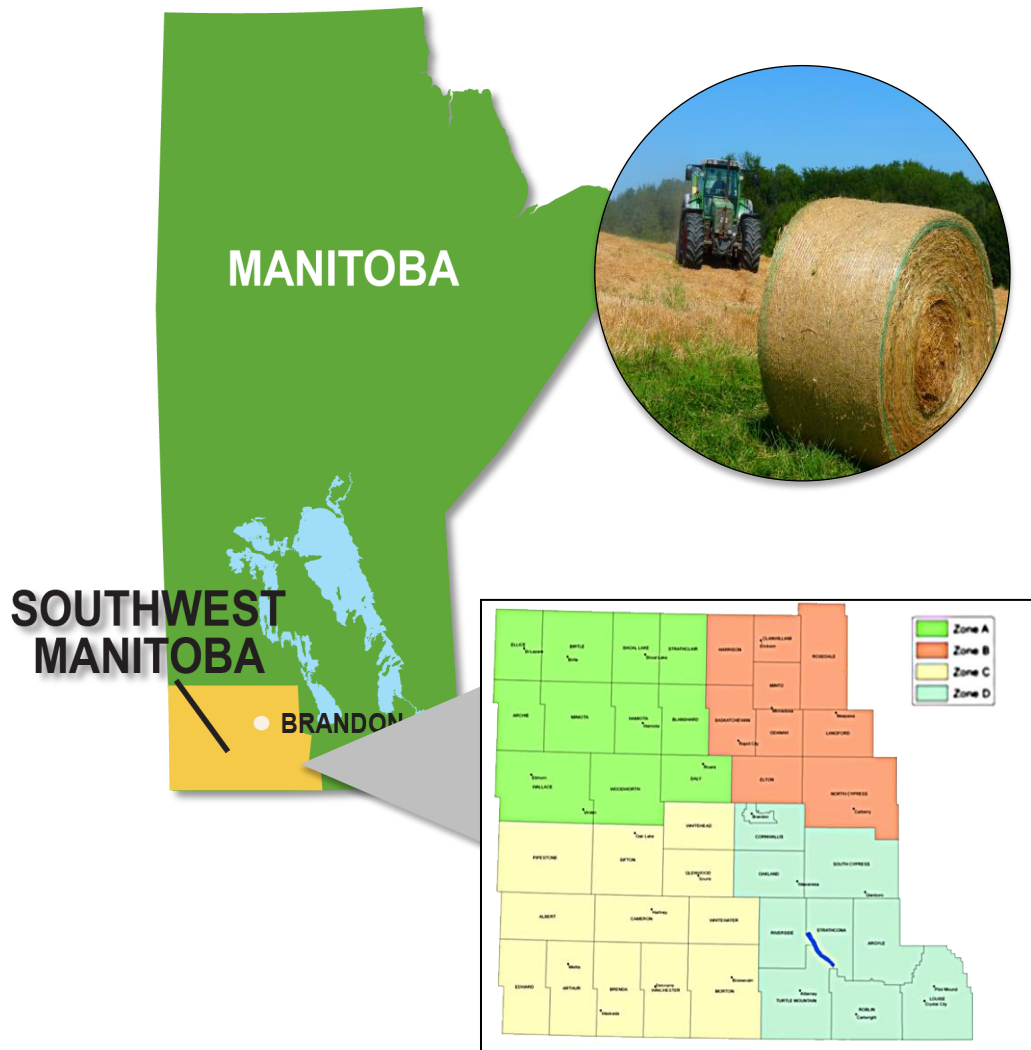
- Fragmented supports
- Risk-adverse culture

Building on strengths

- Diversification centres
- Business advisors
- Ag associations
- Start up funding
- Capital Funding \$1-3m

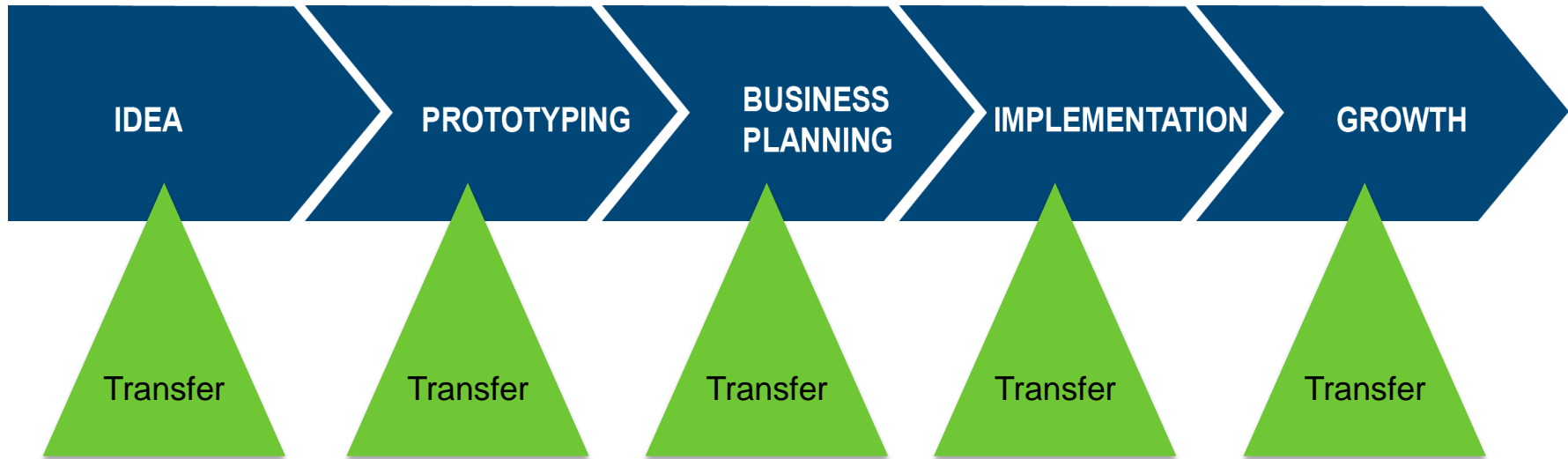


Rural Regional Approach



- 62 municipalities
- Economic strengths
 - Agriculture, Construction, Oil & gas
- Distance to market

Rural Regional Approach



A continuum of opportunities for adaptation & adoption in innovation

- from elsewhere into the community, and
- from the community into the world



	Step 1: Strategic roundtable meeting	Step 2: Action plan	Step 3: Demonstration	Step 4: Leading innovation transfer
SRDC Roles	<ul style="list-style-type: none"> Identify & invite association and related stakeholders to meeting Provide facilitator 	<ul style="list-style-type: none"> Work collaboratively with association to define roles 	<ul style="list-style-type: none"> Assist association with extending invitations throughout the southwest to a “bright idea” demonstration 	<ul style="list-style-type: none"> Organize a leadership debriefing meeting with association and stakeholders
Association Roles	<ul style="list-style-type: none"> Bring forward 2-4 transferable innovations suitable for the southwest 	<ul style="list-style-type: none"> Commit to lead innovation transfer 	<ul style="list-style-type: none"> Lead demonstration activities with SRDC 	<ul style="list-style-type: none"> Provide feedback about the innovation transfer process
Outcomes	<ul style="list-style-type: none"> Innovation to transfer is selected 	<ul style="list-style-type: none"> Roles are outlined 	<ul style="list-style-type: none"> Innovation is demonstrated Feedback gathered Entrepreneurship culture supported 	<ul style="list-style-type: none"> Innovation transferred is learned by the SRDC and association

Rural Region Approach

- **Fund a coordinator**, multiple years
- **Sponsor events** – Makers' Fairs
- **Strengthen network** / innovation helix – business, community, govt, post-secondary
- **Equip associations** – certify innovation facilitators
- **Learn innovation by doing it** – high school, college, and university curriculum
- **Legitimize & celebrate innovation** – social marketing campaigns



Rural Sectoral Approach



Food & Beverage Processing Industry
Growth Pathways to 2020

28%
MB Manf rev

12,000
MB
employees

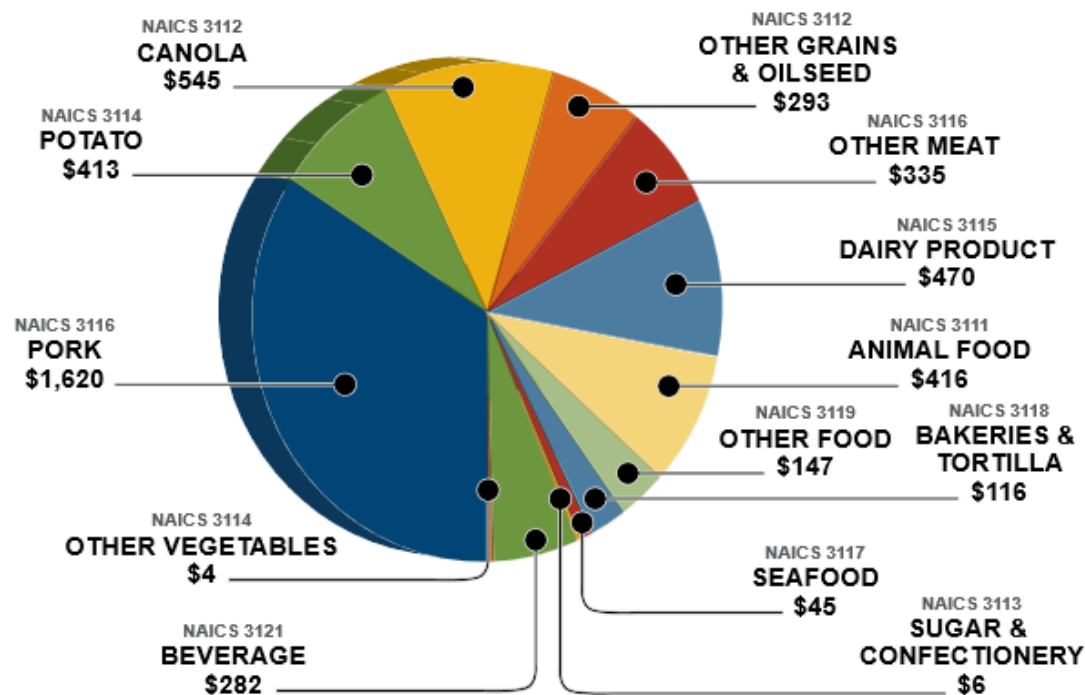
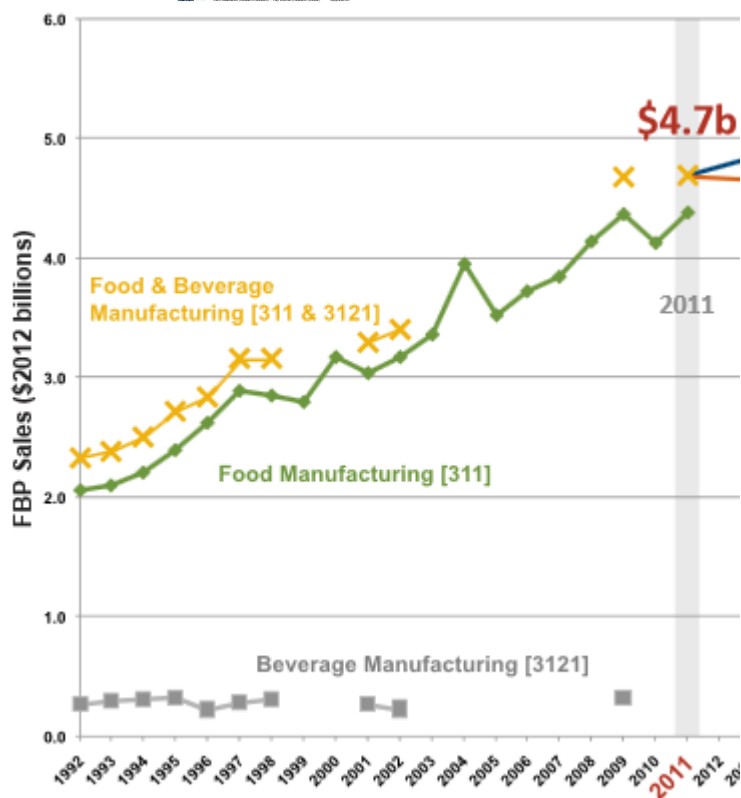


7%
Cdn exports



Rural Sectoral Approach

Figure 2. Estimates of Sales for 2011 for Pork, Canola, Potatoes and Existing Companies (\$2012m)



Sources: CANSIM Table 301-0006, Revenue from Goods Manufactured; RDI linear projections; interviews

Rural Sectoral Approach

Table 1. Profile of Three Diverse Food Processing Companies in Manitoba

Case Study Criteria	Three diverse food processing companies as case studies		
	Richardson Milling		
Website	www.richardson.ca	www.shapefoods.com	canadianprairiegarden.com
Commodity	Oats	Flax	Vegetable, Fruit & Pulse
Product	Flakes & flour	Oil & meal	Purees
Start full production	1991	2008	2014
Location	Portage la Prairie	Brandon	Portage la Prairie
Ownership	Part of James Richardson & Sons Ltd, a family owned multi-enterprise corporation	Privately owned	Privately owned – partners are CAPE Fund and First Peoples Economic Growth Fund Inc.
# Employees	115-130	No data	10+

RESEARCH DESIGN

3 dimensions of innovation

Type of Innovation Initiative

PROCESS 16	PRODUCTS 18
MARKETING 10	ORGANIZATIONAL 7

Novelty of Innovation Initiative

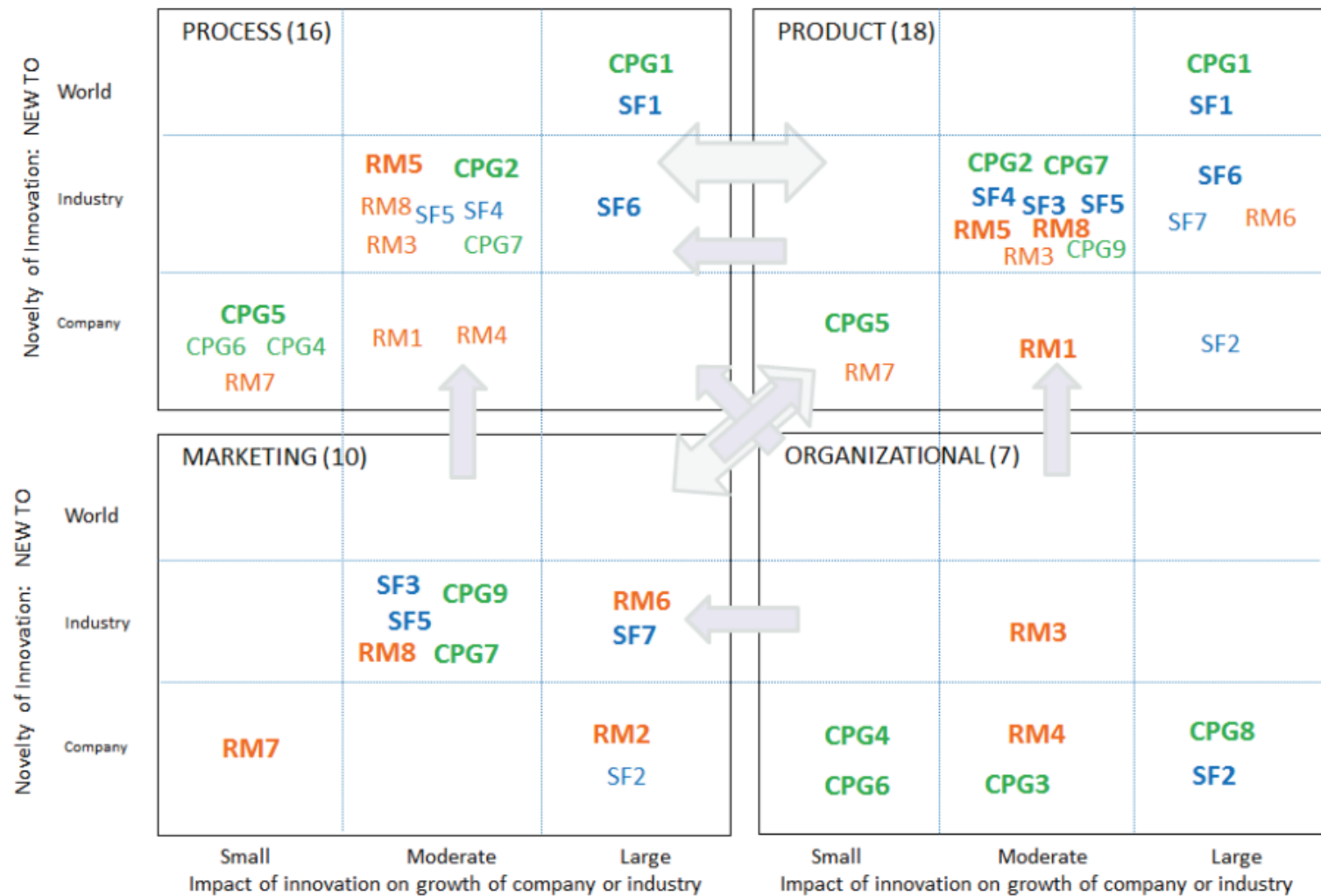
NEW TO WORLD
NEW TO INDUSTRY
NEW TO COMPANY

Impact of Innovation Initiative

SMALL	MODERATE	LARGE
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Type Novelty
Impact

Figure 1: Types of innovation initiatives in three food processing cases



LEGEND

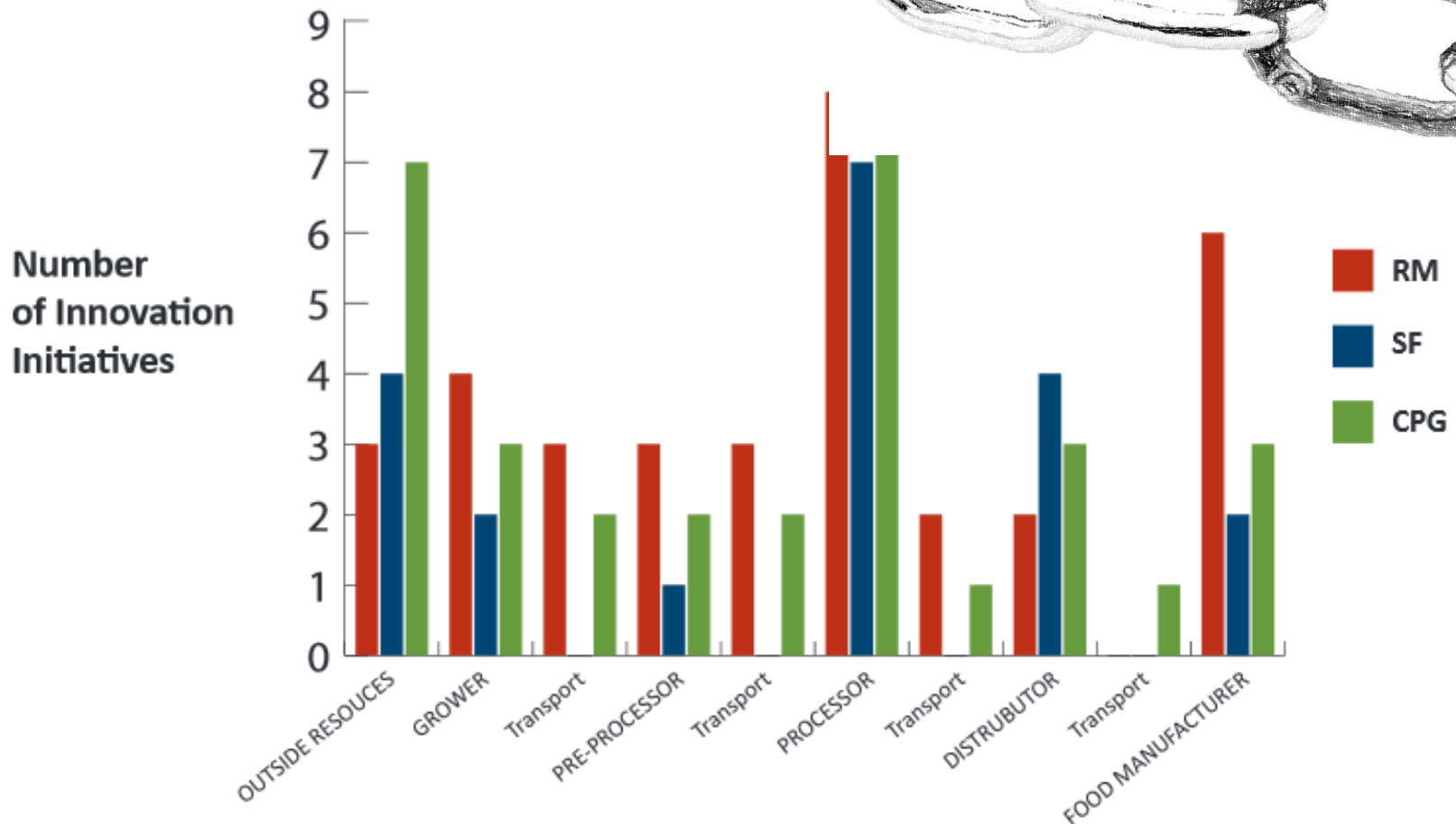
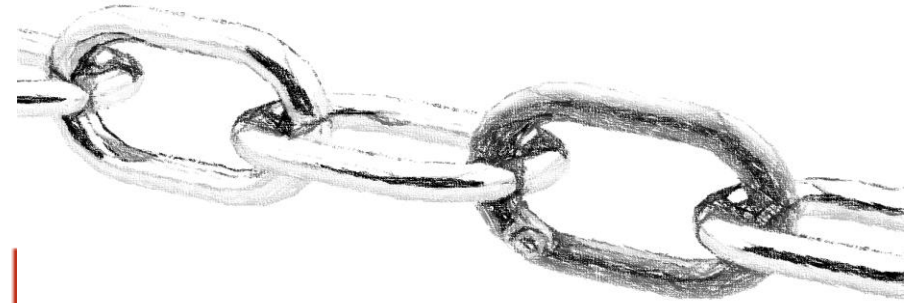


Linkages to additional innovations



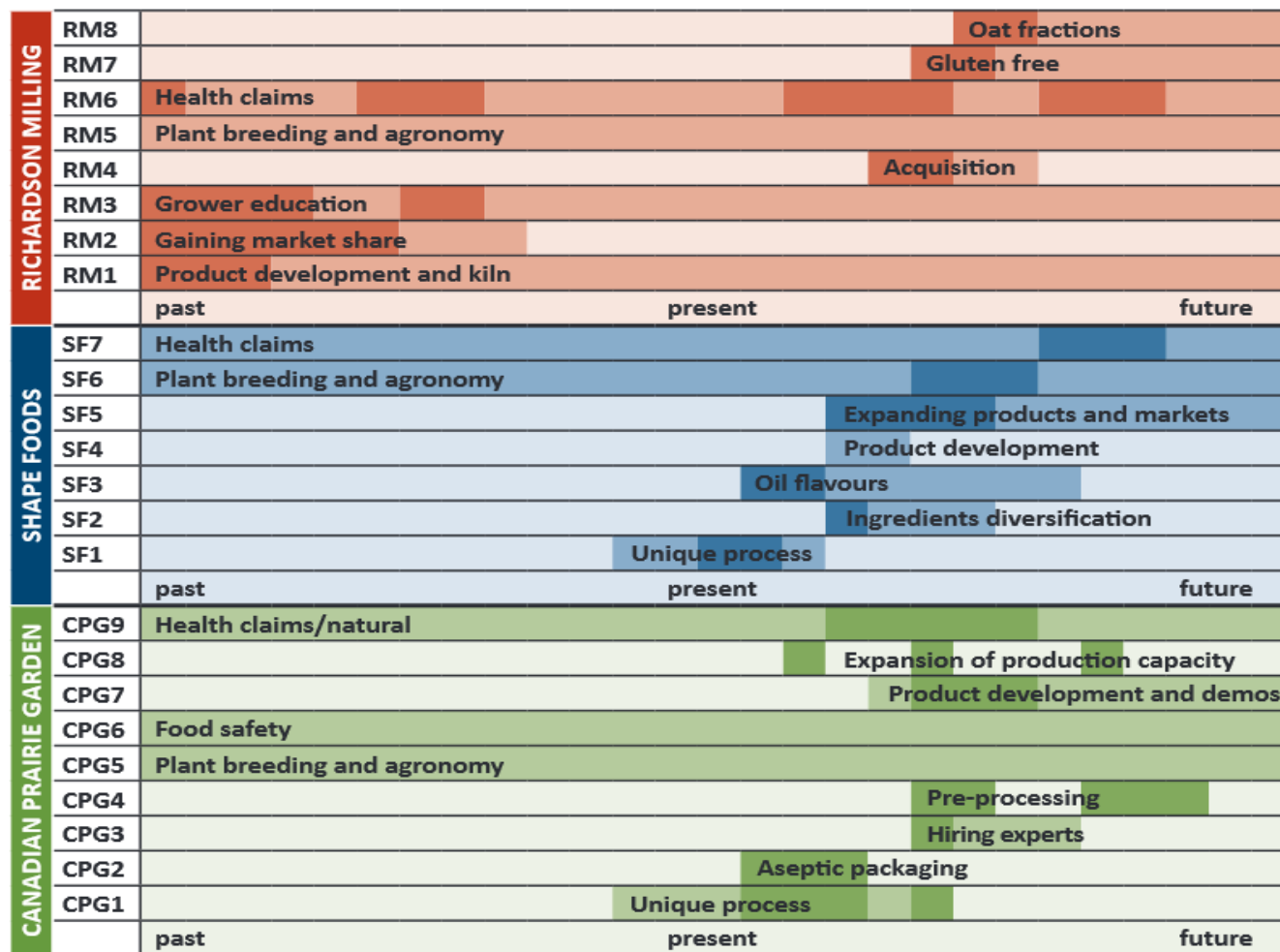
Pairing between innovation types.

Rural Sectoral Approach



Rural Sectoral Approach

Figure 4: Duration estimates of commercializing innovation initiatives across the 3 case studies



Rural Sectoral Approach

Growth from innovation

- **Expand market for products**
- **Increase market share**
- **Increase efficiency – profits**
- **Create new companies – profit centres**
- **Diversify expertise with new employees**
- **Continue R&D to remain competitive**



Rural Matters in Innovation

Summary

- Several approaches needed, Not one
- Geographical coverage & accessible infrastructure
- Adaptation & adoption with regional capacity
- Not one, many along sectoral supply chain



Rural Matters in Innovation



Thank you!
**Questions,
comments,
suggestions**

Rural Matters in Innovation

Sponsors

