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Report Title: Categorizing Business Accelerators and Incubators: Moving Towards More Coordination, Collaboration and Strategic Innovation in Canada's BAI Ecosystem

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Research Report

Context & Overview

Business accelerators and incubators (BAIs) play a crucial role in fostering entrepreneurial growth and innovation by providing a supportive ecosystem for startups, early-stage ventures, and founders. These entities provide a range of programming, resources, mentorship, and networking activities to entrepreneurs to accelerate their development and increase their chances of success.

However, the landscape of BAIs is rapidly evolving, bringing both opportunities and challenges. The role of BAIs is now broader than providing physical workspace and basic business support. Various types of programs, networks, areas of specialization and more are emerging every year (Bone et al., 2017; Colombo et al., 2015; Raby, 2022). There is also increasing national and international competition due to widely-accepted virtual delivery mechanisms without dependency on having an in-person or residency requirement (Bone et al., 2017); many piloted this during COVID-19 restrictions. As BAIs continue to add value to the innovation ecosystem (as seen from the BAI-PMF initiative led by CAIN) and grow and diversify, entrepreneurs face the challenge of navigating an increasingly complex BAI landscape. Over the last 15 years, this proliferation of options has led to significantly more BAI support for entrepreneurs. However, it has also created confusion as ventures and founders need help understanding the differences and what BAI best suits their needs at any given time (Raby, 2022).

Many BAIs are subsidized primarily by government funding, and their business models tend to depend on this funding to keep operations running. Given the proliferation of BAIs and offerings, the competition for this limited funding has become increasingly fierce, putting pressure on the sustainability of the subsidy-dependent business models (Schwartz et al., 2017).

“I could probably say, in every industry across the country, there are incubators and accelerators and other types of stakeholders that do not collaborate. They do not cooperate. They, in fact, compete with one another regionally for money and for resources.” - Interviewee

Despite some of the difficulties that are becoming more prevalent in the innovation ecosystem in Canada, BAIs still present significant value to entrepreneurs and ventures in Canada. This time presents a critical inflection point for the Canadian innovation ecosystem and its BAIs. What is the role of a BAI? What is the true impact of BAIs for innovation and entrepreneurship? How do BAIs effectively participate in the Canadian innovation ecosystem? Given that the context is changing, the current ecosystem is well-suited to address these questions with increased cooperation and coordination as a whole ecosystem. However, if these questions and the current context is not addressed well, the ecosystem faces the risk of possible decline. Fostering the conditions for growth requires understanding the existing and changing dynamics

of BAIs, including their similarities and differences. This research seeks to explore this challenge in a way that can foster connection among similar BAI types and unique ones. Getting this right will help ensure that Canada's innovation ecosystem is spirited and thriving. It will reveal the current opportunities for the Canadian Accelerator and Incubator Network (CAIN) to play a role.

CAIN is a member-based network of 150 BAIs across Canada with the purpose of creating one voice for the innovation ecosystem through collaboration, education, and connection. CAIN is inherently well-positioned to understand the challenges and opportunities of individual BAIs and the broader patterns across them because of the reach of its membership. Over time, CAIN has been expressing its purpose through a variety of activities, including hosting annual summits, capturing and analyzing nationwide innovation data in a more effective way (e.g. through the BAI-PMF initiative), facilitating peer-to-peer learning, supporting member-led working groups, hosting periodic events and more. Given the changing role of a BAI, CAIN has a duty as a member-based organization to understand how to provide value to all its members. In order to do so, the current state of BAIs and the significant similarities between them, despite being different in many ways, have made it difficult to strategically target CAIN's activities during this time when BAIs are evolving.

Through a Mitacs-funded research grant, CAIN has been exploring a typology for BAIs to understand the differences among its members and, in turn, to provide targeted value across its membership better. This report outlines the study and its results.

CAIN's objectives for undertaking this research are to:

- Better understand how CAIN may increase connection and foster collaboration across its membership (and the ecosystem)
- Better understand how CAIN may advocate to other stakeholders that enable BAIs to provide more value to its ventures and founders
- Advance CAIN's research portfolio in a way that adds value to its membership (and the ecosystem)

In order to achieve these objectives, the research question that this project explored was: How are BAIs categorically similar and distinct?

Why a typology, and what is it?

A typology provides a structured framework for organizing and classifying various phenomena or objects based on their shared characteristics or properties. One of the key problems that a typology helps solve is the challenge of organizing and making sense of heterogeneous or complex data. It provides a systematic approach to categorizing and classifying diverse elements and aids in simplifying complex information and presenting it in a more manageable and structured manner. The complexity of the BAI ecosystem and the nature of the problem at hand meet all of these criteria. A common language and framework that a typology provides will help stakeholders engage in meaningful discussions, share knowledge, and build upon existing

research or practices. As an entity looking to support BAIs, CAIN needs to understand where there may be both similar and distinct challenges/opportunities across BAIs. A BAI typology will be a helpful tool for targeting this.

For example, in the ever-evolving landscape of business and technology, understanding the nature and scope of innovation becomes imperative, and a typology can be helpful. An innovation typology can organize and categorize innovation based on two pivotal dimensions, for example, "Market Novelty" and "Technological Novelty." By juxtaposing these dimensions, a 2x2 matrix emerges, dividing innovations into four distinct quadrants. Each quadrant represents a unique combination of market and technological novelty, providing valuable insights into the nature of the innovation to support leaders in decision-making. A visual example of this is seen below, followed by a short description for illustrative purposes:

Example - Innovation Typology (Market Novelty vs. Technological Novelty)

<i>Market Novelty</i>	High	Architectural Innovation Innovation Type C	Radical Innovation Innovation Type D
	Low	Incremental Innovation Innovation Type A	Disruptive Innovation Innovation Type B
		Low	High
		<i>Technological Novelty</i>	

Innovation Type A - Incremental Innovation (Low Market Novelty, Low Technological Novelty): This quadrant encapsulates innovations that present modest improvements or tweaks to existing products, services, or processes. A classic example is the periodic updates released for Microsoft software products. These updates, while vital, typically build upon the existing framework, introducing enhancements, bug fixes, and minor feature inclusions.

Innovation Type B - Disruptive Innovation (Low Market Novelty, High Technological Novelty): Here, innovations introduce a significant technological shift within a familiar market context. The transition from film cameras to digital cameras (the disruptive innovation)

exemplifies this quadrant. While the photography enthusiast market remained unchanged, the underlying technology witnessed a seismic shift from film rolls to digital sensors.

Innovation Type C - Architectural Innovation (High Market Novelty, Low Technological Novelty): This quadrant is characterized by innovations that usher known technologies or processes into new market contexts or by collaborating with external entities. Apple's App Store stands out as an example. By allowing third-party developers to design iPhone apps, Apple introduced many software solutions to a burgeoning mobile user market.

Innovation Type D - Radical Innovation (High Market Novelty, High Technological Novelty): This quadrant heralds breakthroughs that can spawn entirely new markets and drastically transform existing ones. The advent of the smartphone, especially with the introduction of the iPhone in 2007, is an example — this innovation amalgamated communication, entertainment, and computing into a singular device, revolutionizing technology and markets.

In sum, the innovation typology matrix is an illustrative example that offers businesses, researchers, and stakeholders a concise lens through which to view and analyze the multifaceted realm of innovation. By categorizing innovations based on their market and technological novelty, it becomes significantly easier to strategize, predict potential challenges, and capitalize on emerging opportunities based on the type.

A typology in the case of BAIs will enable CAIN and its stakeholders to more strategically understand where value can be provided to its members and, in turn, ventures and entrepreneurs.

Attempts have been made to categorize BAIs already. Some of these include definitionally separating accelerators and incubators (Bone et al., 2017; Gregson, 2019; Social Innovation Monitor, 2021). These present difficulties because many accelerators and incubators provide activities and value common to others, and over time, BAIs are becoming much more similar. Others have presented taxonomies that offer a variety of capitals. (i.e. human, social and organizational) that accelerators and incubators uniquely provide value upon (Leitão et al., 2022) or based on the objective or focus across the different types (e.g. Incubators, Accelerators, Hubs and Commercialization Organizations) (Centre for Digital Entrepreneurship and Economic Performance, 2015). These present challenges of considerable definitional overlap, especially as BAIs provide similar activities over time. There exists an opportunity to take a step back and look at the diversity of all BAIs (and venture studios and economic development agencies and venture funds, etc.) that includes all of their activities and identify more categorical areas of qualitative distinction. Categorical areas that are also qualitative and descriptive will allow the unique characteristics of each type to emerge, similar to the innovation example used above. This approach to creating a typology will create more practicality for various stakeholders; however, it will also present limitations, including overlap, which will be outlined later in the report. Despite this, approaching the typology this way will hopefully present more precision for BAIs to identify as a BAI type and for other stakeholders to typify BAIs going

forward more quickly. The qualitative descriptions and characteristics will help all stakeholders be more strategic and will be outlined later in the report.

Definitions

Many BAIs offer similar programming, mentorship, funding opportunities and value propositions. Many BAIs, as reflected in this study's interviews, provide multiple value propositions and may even straddle different types in the proposed typology. At the same time, new BAIs are starting, and existing ones are innovating their value propositions and activities. It is clear that BAIs are a complex and evolving construct and present significant overlap and ambiguity in definition (Bone et al., 2017; Social Innovation Monitor, 2021).

It can be argued that an accelerator is different than an incubator. These can differ from venture studios, hands-on venture funds, economic development agencies, etc. It is important to acknowledge these differences; however, CAIN's membership and the innovation ecosystem consist of all these (and more). Importantly, regardless of the label, many entities have offerings that straddle different labels. It is not uncommon, for example, for a BAI to have both an accelerator and an incubator offering. Despite this not being true for all entities, the existence of both obfuscates the relative value of these definitions. It strengthens the case for offering a typology based on qualitative areas of distinction.

Several interviewees needed to become more familiar with the acronym BAI in this research. However, all were able to participate in the study with a perspective that spread across all of these labels and all organizations that reflect the CAIN membership and, in turn, the innovation ecosystem. Several interviewees articulated this by saying,

- *"...the difference between accelerators and incubators is not that important...I think it does not really matter what you call yourself. I think what matters is to help [ventures] figure out what is of value for them at a given time." - Interviewee*
- *"[Ventures] need education, advice, funding, talent and access to resources that are unique to them. Most BAI's are unique configurations of those five things" - Interviewee*

So, despite the differences across labels, for this research project, **BAIs will include all entities working with ventures and founders to find their unique value through activities that include education, advice, funding, talent or access to resources.** This definition aligns with the diversity of CAIN's membership and the innovation ecosystem.

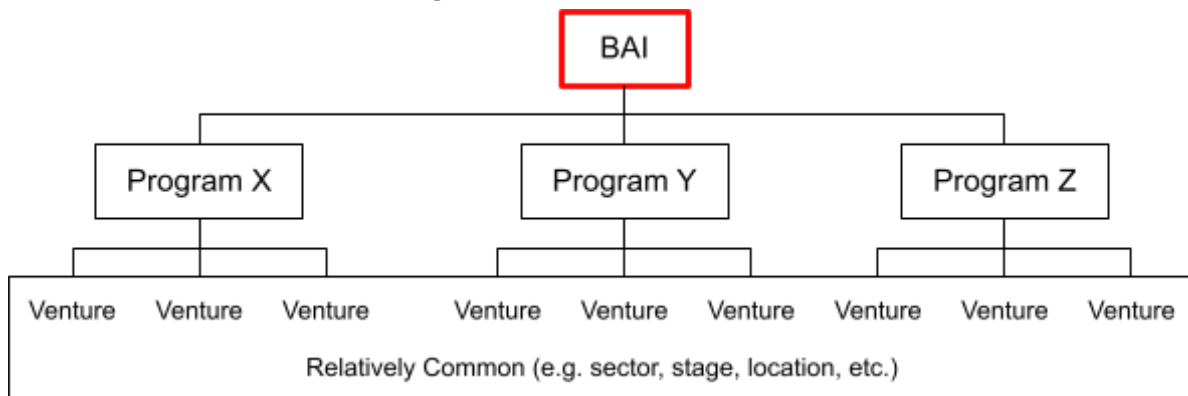
However, when it comes to definitions, there is one crucial distinction in this research. Readers and users of this research may feel challenged by the unit of analysis of a BAI needing to be clarified as per this definition. This was a challenge in conducting the research, which adds further complexity to categorizing BAIs. For example, as mentioned above, some BAIs might have programming or offerings that fit multiple (or all) types in the proposed typology. The 'centre of gravity,' where **most** of the activities of the BAI are identifiable internally and externally, will be an essential consideration here and presents a degree of subjectivity for

identifying the BAI as one of the proposed types. More precision may be possible if we looked at a program level, and perhaps users may decide to use the typology as such. However, this research and its results worked at the 'BAI as an entity' level. More discussion of the implications will be offered later in the report.

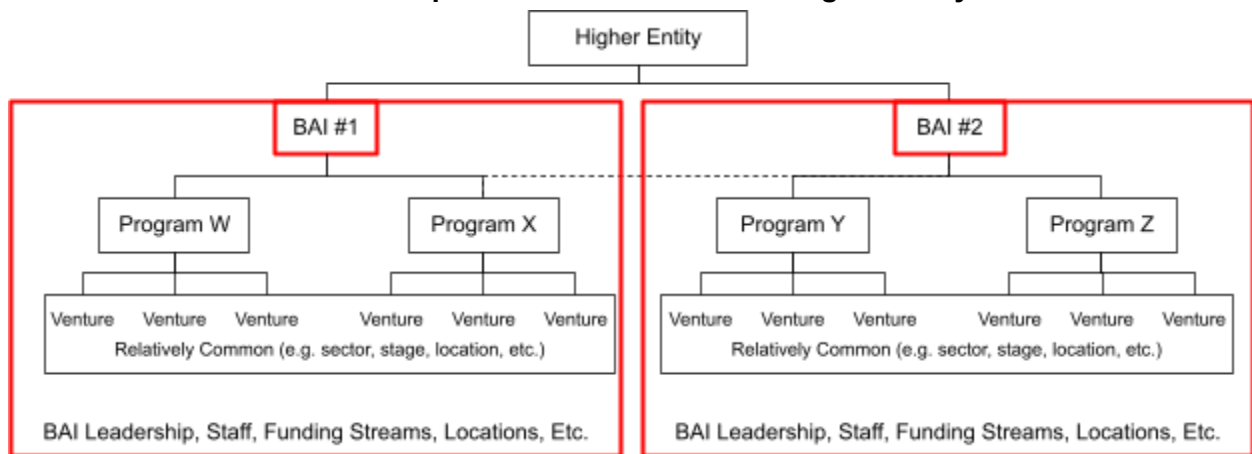
On the other hand, some BAIs are structured as large entities with a plethora of entities within them. For example, many University-linked BAIs fall into this category as having many different “zones” that each have a well-structured, established and largely autonomous operational functioning and, as such, each of these ‘zones’ or ‘sub-entities,’ for the sake of this research, are considered stand-alone BAIs. These are much more organized, established and autonomous than a program might be within other BAIs. The research and its results should be viewed at the sub-entity/BAI level, not the highest-order entity. The visuals below help demonstrate the BAI definition (i.e. the unit of analysis) used in this study.

Whereby these definitional assumptions augment the research, they also create limitations, especially in the utility of the typology for some stakeholders, and will be discussed later in the report.

Visual of the definition of a single BAI



Visual of the definition of multiple BAIs situated within a higher entity



Research Design & Methodology

CAIN is a member-based organization with 250+ existing members, representing a large fraction of the Canadian accelerator and incubator ecosystem. This affords significant reach for a research project such as this and an excellent sample to draw from for this study. The sample for this research was a selection of CAIN members that represent a wide-reaching, heterogeneous and representative sample of its membership and the Canadian BAI ecosystem. This sample also supported the inquiry into the research objectives to advance CAIN's value provision to its members.

Qualitative research fits this research project because it provides in-depth, rich, and descriptive data that help researchers understand complex and multi-dimensional phenomena in their natural settings. It is a well-suited research approach for responding to research questions that address "how" and "why," which is appropriate for this study (Yin, 2018). The flexibility in the design and implementation of qualitative research allows for discovering unexpected findings and emerging trends. Hence, qualitative data's richness and holistic nature can help practitioners make informed decisions in real-world contexts by revealing detailed insights about individuals' behaviours, needs, and desires, ensuring the research findings are grounded in experience (Patton, 2015). Interviews are a helpful mechanism for qualitative research and were the primary means of collecting data for this study.

The research process began by clarifying the need and research problem through internal conversations with CAIN Leadership. The researcher also attended and contributed to the 2022 CAIN Summit and CAIN peer-to-peer leadership sessions with Program Managers and Leadership groups, where he attended breakout rooms, listened to participants, listened to speakers, etc. The researcher hypothesized two critical axes (among many) that may create qualitative distinctions across BAIs. This hypothesis was socialized with CAIN Leadership and was lightly tested by reviewing several CAIN members' websites. Although still hypothetical and 'rough,' the two axes created a 2x2 matrix with four quadrants. This helped CAIN Leadership identify BAI members that may fall in each hypothetical quadrant and represented a representative cross-section of its membership and Canadian BAIs. Many BAIs were identified at this stage, and interviews were set up with 15 leaders in BAIs across the hypothesized quadrants in different regions of Canada. A set of interview questions was developed to test the relevancy and accuracy of each hypothetical axis for qualitative distinction and provide feedback for clarity and utility if it tested positively. Each BAI was directly asked which quadrant they believed they best fit in and was reviewed against the speculated quadrant by CAIN and the researcher in advance, and almost all of them aligned. Questions pertaining to other quadrants were asked to tease out the qualitative distinction between them and explore additional characteristics that may better provide qualitative distinction. Typical in inductive research, the language of the axes was clarified and sharpened over time and approached a theoretical saturation point where the axes were both showing a distinction across BAIs and repeating patterns of themes and characteristics were forming across the axes and, in turn, the quadrants. Theoretical saturation is a critical threshold in qualitative research to suggest that a research question and phenomenon is sufficiently explored to generate robust research results (Strauss,

1987) and is often more important than the total number of interviews. Through the interview process, the hypothesized axes were too vague and unclear; however, they were directionally valid, and the interviews helped to clarify and sharpen them towards a more robust result and to ensure that other more significant axes were not overlooked.

As the interview data were analyzed, preliminary results were periodically discussed internally with CAIN Leadership for early testing and feedback. The researcher had informal discussions to 'lightly test' the results with other stakeholders beyond BAI leaders (especially investors and entrepreneurs/ventures) at conferences to validate the results' accuracy and explore the typology's utility. This testing was held lightly in the research process because it was outside the scope of this research study and, as such, was conducted with a more pragmatic and practitioner orientation.

The research results were derived using a 3-stage coding process where raw data was reviewed and coded for 1st-order categories (i.e. open coding), followed by a review of these categories to identify 2nd-order themes (i.e. axial coding) and followed by a 3rd step where the aggregate dimensions of the themes and its characteristics were proposed and described for each quadrant (Gioia et al., 2013). The results were also discussed with CAIN Leadership and the CAIN Board of Directors as another way to mitigate researcher bias.

The researcher proposed several recommendations for how CAIN might use the results of this typology and discussed it with CAIN Leadership and the CAIN Board of Directors. The proposed recommendations later in this report are not decisions (simply recommendations issued by the researcher), and there may be multiple ways to utilize this research. They will be the basis for future strategic discussions and decision-making internally among CAIN Leadership, its Board and its members.

The research process used a variety of processes and techniques to help ensure that results were meaningful and followed best practices for rigorous research. Many efforts were made to help mitigate researcher bias and strengthen the validity of the results (i.e. multiple checkpoints for relevancy and accuracy, exploring other key axes than the hypothesized one, etc.); however, bias can never be fully mitigated. This research design, like all research, has limitations.

Research Results

The nature of the research problem is to find qualitative distinctions across BAIs. Efforts have been made to do so in several different ways, as outlined above. These efforts have been helpful, although they have still presented challenges. For example, some of the challenges and opportunities for a BAI that is for-profit (e.g. typically driven by an investor's financial ROI, which is achieved by venture growth and, in turn, liquidity moments) have much in common with some non-profit BAIs with similar missions with substantially different revenue models making it difficult to strategize based on business or revenue model. As outlined in the definition outlined above, the research results for this study include any BAI with any funding model, with any geographic scope working with any stage of venture/founder, etc.

The research tested, refined and explored key characteristics that differentiate BAIs and revealed two key axes to be discussed below. Combined, these two axes create four quadrants pertaining to different BAI types and corresponding characteristics that will be outlined later in the report, all of which respond to the research question and objectives.

Axis #1 Level of Sector Specificity

It is evident across the research results that there are differences between BAIs and the level of focus on sectors. Some BAIs focus exclusively on a sector or sectors (i.e., sector-specific) and those that do not (sector agnostic).

For sector-specific BAIs, there can be different degrees of specificity within a sector. For example, at a high level, some BAIs focus on medical technology, and others focus on specific medical challenges/problems that medical technology ventures can address. As per these research results, a BAI would be considered sector-specific if there is any scoping to a sector (e.g. medtech, cleantech, cyber security, fintech, etc.) and include any further specificity.

On the other hand, many BAIs do not focus on a specific sector, and there are many of these. These sector-agnostic BAIs work simultaneously with ventures and entrepreneurs across many sectors and often offer activities where these ventures would learn, work and grow together.

The research results show that BAIs with sector specificity tend to have similar characteristics, and those that are sector agnostic also do and are distinct. The significant distinction among BAIs across this axis was almost unanimous among the interviewees.

The key characteristics of these BAIs are outlined in the table below. These results are not meant to be comprehensive but outline the key characteristics across this spectrum that emerged from the interviews. They also are not meant to be taken as absolute, in that BAIs in different categories only exhibit the characteristics listed in one. However, the characteristics in the table below are the KEY characteristics per the interviews. The weight and emphasis on these key characteristics present qualitative distinction of BAIs in this axis. Also, the key characteristics are not meant to be inverted or in direct contrast to the other, even though some happened to surface this way, but rather outline the key characteristics of each area regardless of what is outlined in the other.

		Key Characteristics of BAIs
Sector	Specific	<ol style="list-style-type: none"> Venture Growth-Centric: Accelerating growth (in all forms) in ventures is a primary focus. Precision Support: Highly contextual support (e.g. BAIs are identifying business problems and the right technical expert with the right industry experience who knows the right stakeholders at the right time for the venture).

		<ol style="list-style-type: none"> 3. Deeper & Targeted Learning: Higher contextual learning includes depth in the sector from mentors and other ventures and founders. 4. Pipeline Constrained: Natural constraints exist to the number of ventures and founders due to the sector focus, generating ongoing pipeline and deal flow challenges. 5. Focused BAI Strategy: BAIs prioritize their sector and what they are good at and are more likely to stay in their lane, if not only in work within its prioritized sector. 6. (Relative) Ease of Stakeholder Attraction: BAIs tend to be more widely known and reputable because of their sector-specificity, and this eases the attraction of partners, funders, industry support, etc. (this does not mean that it is necessarily easy). E.g. BAI X is a 'go-to' for cleantech.
	Agnostic	<ol style="list-style-type: none"> 1. Entrepreneurship Fundamentals-Centric: Programming and support tend to help give founders and ventures the fundamentals to start, grow and run a business. 2. Cross-Domain Learning: High value is placed on learning and development through designed cross-sectoral services (e.g. programming, mentorship, etc.). 3. Active BAI Interdependence: Recognize that all other BAIs play essential roles in the ecosystem that are complimentary and tend to actively work with various BAIs and support venture/founders in many ways to move through the BAI system. 4. Broader Community Benefits: BAIs are aware and driven to generate benefits that extend to their broader community (e.g. fostering relationships in the innovation ecosystem, broader economic development, etc.) 5. Pipeline Competition: Multiple BAIs with similar offerings exist and create recruiting challenges when BAI business models depend on high quantities of ventures and founders. Only so many are ready to engage or start a new venture at any given time.

A word on definitions:

A sector is not easy to define. Several interviewees raised this as an important thing to consider. For example, some BAIs may identify as focusing on a sector (e.g. cleantech); however, this crosses many different verticals (e.g. energy, agriculture, etc.). Despite crossing different verticals, BAIs with more specificity tend to exhibit the characteristics identified above for sector specificity and are unique to those agnostic.

On the other hand, many BAIs have at least some degree of focus, even if very high-level (e.g. technology). The results above suggest that this is too abstract for the results to apply. For the results to hold, a BAI focused on 'technology' would need one more level of focus to be considered sector-specific (e.g. clean technology).

BAIs that address other aspects of specificity (originally hypothesized as 'BAI Targetedness') were also explored along with sector specificity (e.g. BAIs that had any degree of specificity which could include sector but also other areas such as BIPOC- or female-founded,

geographical specificity, etc.). The research suggested that these other areas of specificity tended to apply more to the BAI program level than the overall BAI level. This does not diminish the importance of other aspects of specificity; however, other areas of specificity created more abstraction, ambiguity and less qualitative distinction of BAIs compared to the breakdown outlined above. It is recommended that this be further researched.

Key Questions to Help Place a BAI on this Axis

Your BAI is likely sector-specific if you answer yes to the following questions. If you answer no to the following questions, your BAI is likely sector agnostic.

- Does most of your BAI's activity include a named sector (e.g. medtech, cleantech, proptech, fintech, AI, cybersecurity, etc.)?
- For most of your BAI's activity, do entrepreneurs and/or ventures and/or mentors and/or investors work in a similar and named sector (e.g. medtech, cleantech, proptech, fintech, AI, cybersecurity, etc.)?
- For most of your BAI's activity, do you reject entrepreneurs and/or ventures and/or mentors if they do not work in a similar and/or closely related sector (e.g. medtech, cleantech, proptech, fintech, AI, cybersecurity, etc.)?
- For most of your BAI's activity, do your entrepreneurs and/or ventures require industry and/or technical expertise that is relevant to a specific sector (e.g. background in regulatory processes specifically in Canada's medical system)?

Other Limitations

As outlined above, BAIs or other users of this axis may be challenged to 'bucket' a BAI as being sector-specific or sector-agnostic because the BAI has different activities that fit both areas. In these instances, it is suggested that the user look at where MOST of the activity lies in the BAI and categorize it as such. Should this be an even split or if strongly desired, it may be appropriate to consider the characteristics at a program level; however, this is not the intended purpose of the research or its results.

Axis #2 Level of Accountability of Ventures/Founders

The degree of accountability BAIs hold ventures and founders to differs significantly across interviewees and CAIN's members. Similar to Axis #1, this research demonstrated clear differences between BAIs around this accountability. Those BAIs with strict accountability requirements of ventures or founders tend to have similar characteristics, and those with flexible accountability requirements of ventures/founders have distinct characteristics. This was almost unanimous among the interviewees.

The original test of the axis was around 'formal expectations,' which proved helpful but too abstract or confusing for interviewees (e.g. all BAIs identify as having formal expectations even though interviewee explanations would suggest that they were more informal and have less consequence for transgressing the expectations). Several related labels were raised (e.g.

'venture level of commitment,' 'formal processes,' etc.). After analyzing all the meanings and characteristics, the 'Accountability of Ventures/Founders' (i.e. strict vs. flexible) became the clearest and aligned axis that created a qualitative distinction.

BAIs that have strict accountability for their ventures or founders have a high level of expectation for participation. These BAIs have high participant demands and a low tolerance for low performance and participation. BAIs tend to swiftly remove ventures or founders at larger, designed stage-gate moments (e.g., elimination/funnelling/pitch events) or individually based on the venture's performance, participation or scalability as it relates to the perceived value or upside the BAI can offer. These BAIs tend to have very competitive and strict application procedures (not necessarily sector-specific) and often directly provide capital or provide high-stakes capital-raising (e.g. pitching) opportunities, including the BAI taking debt or equity in the venture.

On the other hand, many BAIs have flexible accountability for their ventures or founders. These BAIs may have high expectations for performance and participation but do not swiftly remove participants privately (i.e. there may be several warnings or reviews discussed before removal with high levels of patience) or publicly (e.g. the BAI does not have planned pitch events that remove participants). Some flexible BAIs would only remove ventures or founders if they elected to leave. Ventures and founders may stay with the BAI for extended periods, where direct communication ebbs and flows. Although the application process can still be competitive, it tends to be less challenging to get into these BAIs. These BAIs tend not to take equity or debt in the ventures or directly provide capital to the ventures or founders.

Based on the interviews, the key characteristics of the BAIs across this spectrum are captured in the table below. Again, These results are not meant to be comprehensive but outline the key characteristics across this spectrum based on the interviews. They also are not meant to be taken as absolute, in that BAIs in different categories only exhibit characteristics of the one. However, those characteristics identified are the KEY characteristics based on the research, and the weight or emphasis on these characteristics makes BAIs qualitatively distinct on this axis. The characteristics are also not meant to be inverted or in direct contrast to the other, even though some happened to surface this way, but rather outline the key characteristics of each.

		Key Characteristics of BAIs
Accountability	Strict	<ol style="list-style-type: none"> 1. Delivering Growth Results: Driving and requiring tangible outcomes with a low tolerance for missing performance objectives. 2. Demanding Commitment: Programming is high-pressure and high-intensity by design, with a low tolerance for missing participation expectations. 3. Attentiveness to Resource Effectiveness: Sensitive to the level of BAI investment per venture/founder, resource allocation is scrutinized for ROI (i.e. high-impact and high-value activities only).

		4. (Relative) Ease of Stakeholder Attraction: BAIs are well-known and highly reputable across all stakeholders, including high demand for venture/founder enrollment.
	Flexible	<ol style="list-style-type: none"> 1. Entrepreneurial Capability-Centered: Learning and development of entrepreneurs to drive innovation is a primary objective. Venture failure is ok and is celebrated (i.e. fail-fast and founder to carry learning forward into the next venture). 2. Requesting Commitment & Results: Participants are mostly (not always) expected to fully participate in programs and show results. However, it is not a primary requirement for ongoing participation in BAI, where patience and leniency (i.e. magnanimous) are common. 3. Ecosystem-minded: BAI activities and prospective BAI opportunities consider how BAI interacts with the broader innovation ecosystem. 4. Emphasize Early Stage Ventures: Ventures and founders tend to wrestle with earlier-stage challenges and opportunities with BAI. 5. Values Innovation Impact: Allocation of resources to ventures and ROI of activities spreads beyond venture growth and includes broader innovation objectives (e.g. community benefits, regional ec dev, etc.).

Key Questions to Help Place a BAI on this Axis:

Should you answer yes to most of the following questions, it is likely that your BAI has strict accountability for ventures or founders. If you answer no to most of the following questions, your BAI is likely flexible.

- Does most of your BAI's activity tend to work with ventures or founders in a way that would remove them should performance objectives not be met (e.g. programming assignments, mentor-generated 30-day objectives, etc.)?
- Does most of your BAI's activity tend to work with ventures or founders in a way that would remove them should they be absent from any programming (e.g. missing a session, workshop, event, etc.) without exceptional circumstances such as a medical emergency?
- Does most of your BAI's activity have scheduled times with ventures or founders where they are removed from the BAI (e.g. pitch events)?
- Does most of your BAI's activity have shared upside (e.g. equity or debt) with venture or founder success AND has a heavy focus towards increasing company valuation?

Limitations

Using the term 'accountability' may also lead to the challenge of all BAIs suggesting that they have strict accountability. In the research, many interviewees mentioned that they have occasionally 'removed a founder/venture' from the BAI. Many interviewees mentioned it was after several warnings or meetings regarding participation or performance. This starkly contrasted with BAIs that were 'strict' in that BAIs were only given one chance and, other than in

very exceptional circumstances, were more ruthlessly removed. BAIs that are less principled or ruthless in removing ventures or founders present a signal that they are more likely to be in this spectrum's 'flexible' category. For example, some BAIs may set objectives for the ventures, but performance and participation are not heavily weighted for ongoing venture participation.

Despite this, similar to Axis #1, some BAIs may be challenged to select a 'bucket' for the BAI because it may have different activities that fit both areas. In these instances, it is suggested that the user looks at where MOST of the activity lies in the BAI and categorizes it as such. Should this be an even split or if strongly desired, it may be appropriate to consider the characteristics at a program level; however, this is not the intended purpose for the results or its results.

BAI Typology (Combining Axes)

Combining the two axes above creates a 2x2 matrix. The key characteristics presented in each axis enable the identification of aggregate dimensions and thematic characteristics for each quadrant. Taken together, and after reviewing the data collected, each quadrant of the BAI typology was identified and will be briefly described below.

As per the definition of a BAI (BAIs will include all of those entities that are working with ventures to find their unique value and offer some degree of activity in education, advice, funding, talent or access to resources), there is always an element of a BAI bringing together a network of stakeholders to support ventures and founders. Facilitating connections across stakeholders that are internal and external to the BAI to create value for the ventures or founders is a fundamental component of a platform business model (Deloitte, n.d.; Hagel, 2015). Other definitions and types of business models exist; however, this definition of a platform business model applies to all BAIs and, coupled with the characteristics in each quadrant, suggests that labelling the different types of BAI as platforms was appropriate.

It is critical to acknowledge that no BAI type is 'better' or 'preferred' to another despite some key characteristics in some quadrants potentially offering more aspiration than others. The researchers' strong stance is that all of the following BAI types are essential for a well-functioning and thriving BAI ecosystem. This means that preferring or removing any BAI type would significantly harm the ecosystem. This does not suggest that all BAIs are organized and undertaking the activities they are best suited for at the moment and that there are no ways to increase the coordination and effectiveness of the ecosystem as it currently stands. It is meant to simply acknowledge that there are distinctions across each BAI type that reveal unique characteristics and, in turn, opportunities for each BAI type. Further, considering all BAIs together presents an opportunity to sense-make how to improve the BAI ecosystem in Canada. More discussion on the implications of this typology and its proposed uses will be outlined later in the report.

As each axis is presented above, the descriptions in each quadrant represent the KEY characteristics of the BAIs within it. They also are not meant to be taken as absolute, in that

BAIs in different quadrants do not exhibit any characteristics from the others. However, those characteristics identified in each quadrant are the KEY characteristics based on the research and present important distinctions.

BAI Typology: Four Primary BAI Types & Key Characteristics

		Accountability	
		Flexible	Strict
Sector	Specific	BAI Type #3: Precision Platform Deepening and honing both venture and entrepreneurial competency to gain deeper sectoral traction	BAI Type #4: Massive Growth Platform Pushing, driving, shaping and forging selected organizations to massively scale by company valuation or impact
	Agnostic	BAI Type #1: Foundations & Ecosystem-Building Platform Build the entrepreneurial foundations and an innovation platform for ventures and founders to build from	BAI Type #2: Finesse Platform Refining and expanding venture growth and entrepreneurial competencies and create the connections across innovation ecosystem

BAI Type #1: Foundations & Ecosystem-Building Platform

This type of BAI is sector agnostic and has flexible levels of accountability for its ventures and founders. These BAIs tend to build entrepreneurial foundations and an innovation platform for ventures and founders to build upon. The research suggests that the key characteristics of this type of BAI are the following:

Ecosystem-Growth Mindset:

BAIs mobilize communities that care about increasing innovation and entrepreneurship across the board. External stakeholders (e.g. investors, mentors, alumni, etc.) are willing to help in any way they can and tend to be

very wide-reaching in expertise as a network. There is a sense of community among all stakeholders willing to support each other, and these BAIs feel responsible for fostering it.

		Accountability	
		Flexible	Strict
Sector	Specific		
	Agnostic	BAI Type #1 Foundations & Ecosystem-Building Platform Build the entrepreneurial foundations and an innovation platform for ventures and founders to build from"	

- *“We are now integrated operationally at least in a dozen different organizations throughout [our region]...and there are different levels of collaboration. There is the ‘I know of each other, and we’re friendlies,’ and all coexist in the ecosystem. There’s a level where there’s an intent to help each other.” - Interviewee*
- *“We don’t presume that a given program is going to [create high growth firms and jobs], but we do think that there are dynamics around people coming together and having a finger on the pulse of what’s happening that really matters over time. So we’re a little bit different, higher level, where our programs are a core part, like over a third, of our team.*

But we do so much more, and that is where our pressure comes from, the asks outside of business acceleration.” - Interviewee

Inspire Entrepreneurship: BAIs are driven to inspire entrepreneurs and foster entrepreneurship through programming, mentorship and networking opportunities. This is true even if ventures fail as it is seen as a learning and growth opportunity for future entrepreneurship and innovation (i.e. fail-fast).

- *“We see business acceleration and incubation as a way to build a high-performance technology, entrepreneurship and innovation ecosystem in [our city] that reliably and predictably over time creates jobs of the future through the creation and scaling of high growth firms” - Interviewee*
- *“I think we are like the polar opposite of a venture builder, for instance. Because what we're doing is we're putting the founder in the middle, and we're surrounding them with resources that they need, and we teach them how to use the resources that are around them as opposed to sitting there and building a business alongside them” - Interviewee*

Laying the Foundations: BAIs tend to offer earlier-stage venture programming and coaching/mentorship as well as resources for business basics. Venture and founder actions tend to be at an earlier stage (e.g. customer discovery, validation, early traction, etc.) to initiate the entrepreneurship journey. If appropriate, venture capital raising is in the earliest investment rounds (e.g. friends and family or angel).

- *“We're delivering programming that helps entrepreneurs and companies. There's a distinction there. In some cases, we're trying to grow entrepreneurs. If they fail, so be it. I'm not so interested in what company they're working on. There's some fundamental learning and education that can take place that will help them no matter what path they're on for building a company.” - Interviewee*
- *“There's a lot of introductory stuff, especially if you're a first-time entrepreneur, we can do to then prepare you for a much more beneficial relationship at [other BAIs]. So you might be with us for eight months and then start working with them.” - Interviewee*

BAI Type #2: Finesse Platform

This type of BAI is sector agnostic and has strict accountability arrangements for its ventures and founders. Finesse is defined as ‘to bring about, direct, or manage by adroit maneuvering (i.e. having or showing skill, cleverness, or resourcefulness in handling situations).’ This is an accurate title for these types of BAIs as they tend to push ventures for traction, sharpen/refine business models and build traction for ventures while deepening general entrepreneurial competencies (e.g. marketing, sales, etc.). The research suggests that the key characteristics of this type of BAI are the following:

Entrepreneurial Capability

Building: BAIs build entrepreneurial capabilities beyond the basics at a broad level. This would include next-level competencies like overall marketing or sales

		Accountability	
		Flexible	Strict
Sector	Specific		
	Agnostic		BAI Type #2 Finesse Growth Platform Refining and expanding venture growth and entrepreneurial competencies and create the connections across innovation ecosystem

that are more advanced than fundamentals. The learning of these competencies tends to be coupled with venture growth.

- *“We did the research to identify what people are actually developing. We did comparative research based on what employers are looking for, and it is these sorts of transferrable skills, leadership, communication, risk-taking, cultural awareness, ethics, etc. And that's how we've developed the course curriculum to see if, through experiential learning, you can actually develop these competencies while leveraging the venture creation process.” - Interviewee*
- *“Typically, the companies we recruit are individuals who have been an expert or delivered a service or worked in an area where they...know the industry [and decide to] create a product. So we say you're the subject matter expert because you know your industry, and we're going to come at you with different thoughts and maybe some ideas on how to sell or some ideas on how you're raising your investment. We're not going to come in and say, 'Listen, I know more than you on the industry that you are starting up now.' Sometimes we will recruit a mentor.” - Interviewee*
- *“I think that the diversity of ideas and people that would be behind a diversity of startups could lead to creativity and new ideas and new approaches, and improving your startup just from having a conversation with somebody who has nothing to do with your field.” - Interviewee*

Active Interconnectors: BAIs are aware of the value they add to the innovation ecosystem, including their limitations. BAIs tend to be well aware and active in supporting a venture's or founder's next steps, especially concerning the next BAI to engage with. They tend to refer to other BAI types as per the typology above. They may be less aware of the value this adds to the ventures, founders, and other BAIs despite the importance to the innovation ecosystem.

- *“On an annual basis, we might send [another BAI] three or four companies because they are higher up the totem pole. There's a place for them, and we become a feeder.” - Interviewee*
- *“With [a program offered from another BAI]...I'm actually one of the instructors. It is really about...introducing you to theories, and then they have coaches that can help them digest it and do that work, but there's a beginning, middle, and end to the program. And what [our BAI] will do is be the next entry point for their programs.” - Interviewee*

Pushing for Traction: BAIs direct resources and attention to ventures to demonstrate traction through its programming and coaching/mentorship. BAIs with early revenue or high promise tend to be requirements for selection into these programs, and, as mentioned above, entrepreneurial capability-building will create learning-in-action opportunities to grow traction. The strictness of accountability is especially important in growing traction within these BAIs and is also a way to prove further (and finesse) the business model and demonstrate its legitimacy.

- *“The guarantee is that the companies who have a solution will get a large test bed to operate in to test their innovation, draw attention to it, get some credible data, and then*

continue to market and add it to the company portfolio of marketing opportunities.” - Interviewee

- *“We try and recruit 15 companies in a boot camp for three weeks. Then we put them in front of the VCs, and then we will pick our cohort of six to eight. That gives us a chance to see the company doing well with the things that we are asking them to do, like creating documents to do review on and watch for ‘are they coachable and are they hardworking?’” - Interviewee*
- *“[Our BAI from this BAI type] has three gates in the program where, if you are not up for it, you might be kicked out at any of the gates or at any time during the program.” - Interviewee*

BAI Type #3: Precision Platform

This type of BAI is sector-specific and flexible in the level of accountability of its ventures and founders. These BAIs are working with organizations ready to go deeper in their specific sector and may be experiencing specific roadblocks that only sector focus could help address. This applies to education, advice, funding, talent and access to resources. The importance of a range of skills and experience deep in the sector is essential to make meaningful progress.

Precision is defined as ‘the quality or state of being sharply defined.’ For these BAIs, the relevance of their activities to the sector is critical to addressing venture or founder needs, and their growth trajectory requires legitimacy in the sector. The BAI and its activities enable this.

The research suggests that the key characteristics of this type of BAI are the following:

Homing-in & Sharpening: BAIs

deepen business skills beyond the basics and emphasize deepening understanding of the sector. This

education may look similar to BAI Type #2; however, the delivery is from industry experts and is highly adapted to the sector. BAIs match specific venture needs with specific technical expertise (e.g. provide health system regulatory expertise for a MedTech venture in a medtech-focused BAI).

		Accountability	
		Flexible	Strict
Sector	Specific	BAI Type #3 Precision Growth Platform Deepening and honing venture and entrepreneurial competency to gain traction in sector	
	Agnostic		

- *“At the end of the day, there’s a chance that you are going to hit a brick wall because you just don’t have the expertise to go further in life sciences or whatever it may be.” - Interviewee*
- *“Sectoral knowledge becomes key. So, I’ve got all the general business knowledge from the local incubator, but now I need regulatory expertise.” - Interviewee*

- *“Companies might be moving more closely to market. They need different help and different support, but together they form their own kind of support network. And even though there are different stages of mentoring going on within the company, the relationship to the BAI is very specific to [a sector].” - Interviewee*
- *“I can identify subsets of [a sector] that I want to integrate into a program. But if I wanted to have programming...in all other kinds of deep tech that are not necessarily [in this sector], I would be required to find a lot of experts to address challenges that are specific to very few startups. So, I would end up having to manage a really large network of people that would be a very diluted network. So now I am able to focus on a few things that will be more useful to a lot of startups.” - Interviewee*

Accelerating Early Traction: BAIs tend to work with relatively early-stage ventures that have some proven revenue. BAI support is tailored towards fueling a significant increase in revenue and traction to go deeper and build more legitimacy in the sector.

- *“I think about [specific sectoral] stream, and I think about very specific objectives and very short timelines to meet those objectives. And to me, that's trying to accelerate them toward growth.” - Interviewee*
- *“It's helping [ventures] figure out what they don't know...Entrepreneurs don't want to know what they don't need to know until they need to know it. That is something that, for a segment of the population who already has like a year or two into their startup, they are looking for some guidance on. They are looking for growth. They are looking for people to help walking through it.” - Interviewee*
- *“The nature of how we've set up our program is bespoke, so we say, 'listen, in our first week we do a couple of workshops...over four hours in like two days. And then we're done with workshops because we say we're bespoke. And it [becomes] what is the need that you have?' And they create their own expectation. We almost have de facto board meetings. And if you haven't done something, it's almost like you are letting everybody else down.” - Interviewee*

Highly Interconnected: These BAIs are known for their offerings because of their connection to a specific sector, and many examples of these BAIs exist. Importantly, other BAIs are also aware of their offerings and are feeding them with hot or warm leads for ventures and founders requiring sector specificity, which addresses the constrained pipeline challenge. These BAIs tend to be open to working with other BAIs to offer a sector-specific lens to other BAI types or to collaborate to bring in other programming that they could adapt to the sector if needed.

- *“We have an arrangement with [two Foundations & Ecosystem-Building BAIs]. Last year they put on two [sector-specific] cohorts and we helped them with the agenda. We help pay for it and we help populate it with experts. And then, we provide mentorship through our network to the companies that came through the cohorts. So, not only did the companies benefit, but [the other BAIs] benefited too.” - Interviewee*

- *“Our approach is to find partners that can address the legs of the T. So we have partners to provide non-specific business advice and acceleration, and we will add content, and others will add a [sector specificity] component.” - Interviewee*
- *“As you go along that path, you're engaging with different members of the BAI community. So there's a cohort with a [Foundations & Ecosystem-Building BAI], but now I'm doing some detailed work with [regional BAIs]. We look at the ecosystem. We do these charts where we take a dart for [one BAI], and we say, ‘Okay, where do they play?’ and we put the dart on the wall and say, ‘Okay, that's where they play.’ And so now we can start to join the dots to say, ‘Okay, this [BAI] is going to do the initial work, and then it's going to go to this [other BAI] and then [another BAI] is going to get involved.” - Interviewee*
- *“There was something like 15 delivery partners that all base their program on [a shared definition]. And so we all set off in this similar direction together and ran into similar issues. There was some differentiation that started to take place. Part of it had to do with specialization where there would be more industry-specific delivery partners needed.” - Interviewee*
- *“We don't have to build all [of the programming]. There's a handful of national players or geographic specific or sector specific players that we would work very closely with” - Interviewee*

BAI Type #4: Massive Growth Platform

This type of BAI is sector-specific and has strict accountability with ventures and founders. These BAIs focus on scaling ventures to become well-known examples of successful Canadian companies. The BAIs play a heavy role in helping this scaling journey. Notably, the use of “Massive Growth” in the label can apply to company valuation (e.g. IPO with a \$1B valuation) or impact (e.g. sequestering a gigatonne of CO2).

The research suggests that the key characteristics of this type of BAI are the following:

All-In on Big Bets: BAIs are actively seeking the next unicorn. It is challenging for ventures to be selected for these programs. However, when they are in, a significant amount of resources are provided to create rapid, tangible, scaled growth.

		Accountability	
		Flexible	Strict
Sector	Specific		BAI Type #4 Unicorn Platform Pushing, driving, shaping and forging selected organizations to become unicorns
	Agnostic		

- *“Show me traction. Show me that you're worthwhile as a company. And that's the only time I'll give you time a day as a founder.” - Interviewee*
- *“Because we have a small number of companies, our whole team will lean in... and [a highly experienced employee] can spend a lot of time talking about investment...[Another employee] has a rich history in [sector specific] sales...I have a*

rich history of accessing government programs, so I can talk about that. Our marketing team will talk. Etc.” - Interviewee

- *“[These BAIs work towards] billion dollar valuations and unicorns...Find a company, grow it to a certain point and get it out the door at a higher value. Or by having earned or attracted some sort of investment or earned increased revenue than when it started.” - Interviewee*

High Profile Results: Ventures participating in these BAIs tend to graduate and move on to significant future capital raises or to other highly reputable BAIs which are widely celebrated results. BAIs can have more explicit attribution to success and ventures, and founders often cite participation in these BAIs to strengthen their legitimacy in the market. These wide-reaching results and BAI attributability significantly strengthen brand reputation.

- *“One [selection criterion] is, we think you're a strong business. But the other is if it is going to make a meaningful improvement on existing technology and would make a meaningful improvement on the lives of people. So we judge the tech before they even apply...So our goal is every single [venture] gets to market.” - Interviewee*
- *“Venture investability is a piece of [our BAI]” - Interviewee*
- *“If you have a very exclusive, highly structured program, then that specificity allows you to be able to tell a more direct story.” - Interviewee*

Deep Positioning: BAIs are very well known and respected for the value they provide by both entrepreneurs and other BAIs. They are clearly differentiated, and the value provision is clear and distinct across them.

- *“They're all at another level of branding. Like their brand is their asset, and they need to deliver outputs that are going to continue to generate the interest of VCs and continue to attract the solid pipeline of clients.” - Interviewee*
- *“I'll just call them the high-end BAIs” - Interviewees*
- *“I think those who have the higher expectations are usually thought of as the premier...I think those are seen as the high-quality incubators and accelerators.” - Interviewee*

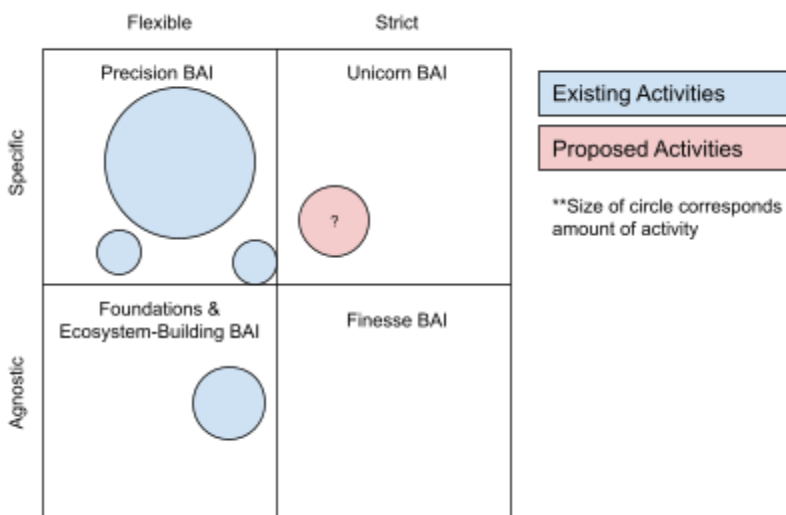
Discussion & Next Steps

The typology outlined above helps to differentiate BAIs based on sector specificity and accountability of ventures and founders. This typology has many applications depending on who is looking at it (i.e., an entrepreneur would find different utility than a funder than a BAI leader). This research aimed to build a typology that can support CAIN to better understand how to provide more value across its membership. The data, the results and consultations with CAIN Leadership and its Board suggest several key uses of the typology for pragmatic and strategic consideration. For each area of strategic consideration, the researcher recommends action.

Typology Use #1 - “Internal BAI Strategic Evaluation”

At a BAI level, as previously mentioned, BAIs continue to innovate and evolve. There continue to be changes to the innovation ecosystem, and BAIs continue to respond to the needs of ventures and entrepreneurs. As BAIs identify new activities, the typology would be a useful tool to, first and foremost, place a BAI and evaluate the extent to which the new activities would require characteristics unique to those that correspond to the key characteristics of the current BAI type. This presents a moment of strategic pause and deliberate choice at a BAI level to assess the existing or potential needs and investments to manifest such key characteristics. Then, a BAI leader can ask, to what extent is it strategic for a BAI to make such moves? Might our BAI be trying to become something we are not, or is it too significant a pivot to achieve success? Might our BAI’s type and characteristics help BAI’s decide not to engage in new activities or do so differently than originally desired? See the visual below.

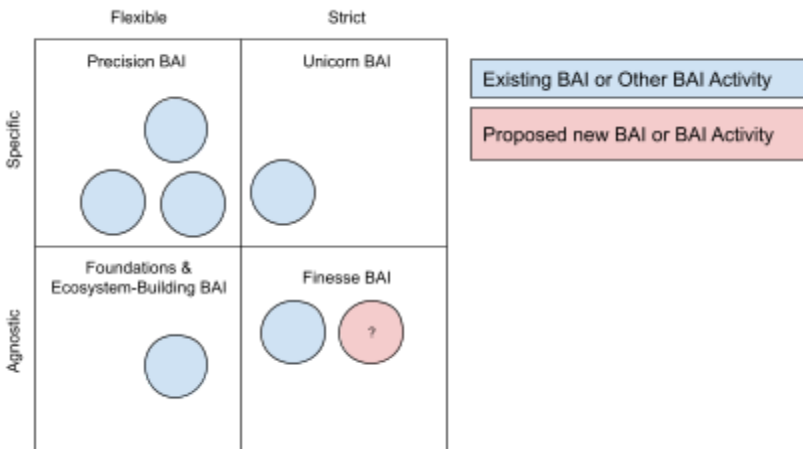
Example of Strategically Evaluating Internal BAI Activity



This line of thinking could apply to a BAI doing a periodic (e.g. 5-year) strategic review or evaluation of its existing portfolio of activities to look for areas of creative destruction, collaboration, etc. Are resources being appropriately applied to the key activities of the BAI? Is it practical to operate activities that fit in multiple BAI types? Are the key characteristics of the BAI appropriately mapping the key characteristics above? These strategic questions can help a BAI take a closer look at its operations related to its BAI type.

In addition, new programs or entirely new BAIs can use the BAI typology to quickly scan and map other programs or BAIs with some degree of exposure in the competitive landscape (see visual before). This mapping exercise also creates a moment of strategic pause and deliberate choice regarding whether other BAIs may be better-suited partners or collaborators. It forces the BAI to take a broader ecosystem lens before making strategic decisions. This is a necessary element when there exists so much duplication, a lack of coordination and a lack of

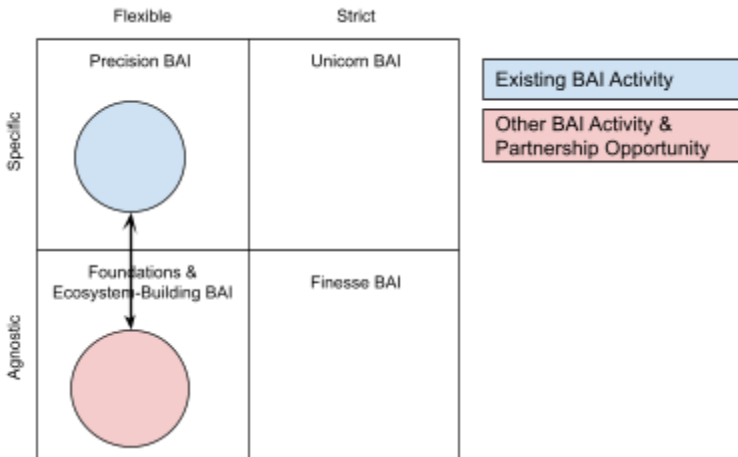
collaboration in the current innovation ecosystem across Canada and is especially important for Finesse BAIs that tend to support ventures and founders to move to other BAIs.



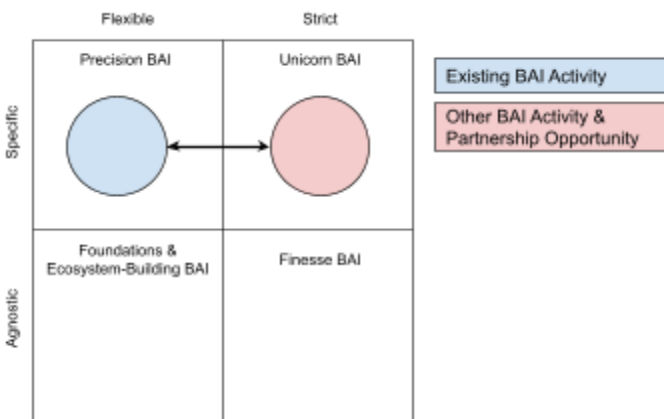
Typology Use #2 - “Ecosystem Collaboration Identification”

Acknowledging that the different BAI types group similar BAIs together with those of similar characteristics, the typology also articulates differences. These differences, especially the unique characteristics of the different types, present an opportunity for CAIN to zoom out and consider activities and resources that foster connections across types. The visuals below offer examples. In example #1, for the Precision BAI (in blue), perhaps there is a desire to expand its activities that are characteristic of Foundation & Ecosystem-Building BAIs (e.g. Ecosystem-Growth Mindset, Inspiring Entrepreneurship and Laying the Foundations). This could mean that if there is a desire to participate in broader innovation communities (a characteristic of a Foundation & Ecosystem-Building BAI), a partnership or collaboration with other BAIs may be more appropriate. In this case, the BAI may be so well-positioned as a Precision BAI that it does so while leveraging its strength. In example #2, perhaps the same BAI (in blue) desires to expand its activities that are characteristic of a Massive Growth BAI (e.g. All-in on Big Bets, High Profile Results and Deep Positioning). This could mean that the Precision BAI might partner to create a direct and privileged stream of its highest potential ventures and founders for acceptance to Massive Growth BAIs or possibly co-host activities. Many other examples exist for all BAI types. Importantly, CAIN could look at opportunities to better understand the challenges and opportunities across BAI’s in each BAI type to identify and propose such collaborative opportunities across them.

Example #1 of BAI Identifying other BAI’s for Partnership Opportunities



Example #2 of BAI Identifying other BAI’s for Partnership Opportunities



In some instances, some interviewees discussed how some collaboration has been surfacing organically and administered on an ad hoc basis, including in ways that reach across BAI types. For example, some Precision BAIs have partnered with Foundations & Ecosystem-Building BAIs to integrate foundational programming that the Precision BAI can adapt with specific sector expertise. CAIN has an opportunity to be at the leading edge of identifying, brokering and supporting these collaborative efforts across its membership and, especially across BAI types (of course, there will be collaborative opportunities with those of similar BAI types, as will be outlined below).

Given the current state of the ecosystem, CAIN can play a role in capturing and profiling examples of these types of collaborations to demonstrate the opportunities and the value of working across BAI types. This may also inspire other members to participate and create adjacent collaborative opportunities. Such awareness will help break a mindset of “we have to do this ourselves,” which tends to foster duplication and a lack of coordination and collaboration across the ecosystem.

Typology Use #3 - “BAI-Type Metrics & Support”

Given the unique characteristics across BAI types, it is inappropriate to hold all BAI types accountable for the same metrics. This is especially important for funders who tend to require demonstrable tangible impacts of BAIs on revenue growth, job growth, invested capital and other conventional economic-focused metrics or have open funding pools that attract all BAI types. Whereas these metrics may be well-suited for Massive Growth Platforms, they are insufficient and inappropriate for others. BAIs should be held to account for the impact related to their key characteristics in the innovation ecosystem.

The following are proposed metrics for different BAI types. Further consultation with CAIN members and CAIN Leadership will be important to review, refine and test these metrics for relevancy and accuracy.

BAI Type	Key Characteristic	Prospective Impact / Success Metrics
Fundamentals & Ecosystem-Building Platform	Ecosystem-Growth Mindset	<ul style="list-style-type: none"> ● # of new ecosystem participants ● Level of increased relationships in ecosystem
	Inspire Entrepreneurship	<ul style="list-style-type: none"> ● Number of new ventures ● Number of failed-fast ventures ● Level of confidence as entrepreneur
	Laying the Foundations	<ul style="list-style-type: none"> ● Level of understanding of business fundamentals
Finesse Platform	Entrepreneurial Capability	<ul style="list-style-type: none"> ● Level of understanding of key entrepreneurial competencies
	Active Interconnectors	<ul style="list-style-type: none"> ● Number of graduated ventures that engage in other BAIs ● Number of inter-BAI collaborations
	Pushing for Traction	<ul style="list-style-type: none"> ● Revenue growth
Precision Platform	Homing-in & Sharpening	<ul style="list-style-type: none"> ● Level of strength of sector network
	Accelerating Early Traction	<ul style="list-style-type: none"> ● Revenue growth in sector ● Capital invested
	Highly Interconnected	<ul style="list-style-type: none"> ● Number of inter-BAI collaborations
Massive Growth Platform	All-In on Big Bets	<ul style="list-style-type: none"> ● Capital raised ● Revenue growth
	High Profile Results	<ul style="list-style-type: none"> ● # of jobs created ● Capital raised ● Revenue growth

	Deep Positioning	<ul style="list-style-type: none"> • Number of media mentions
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CAIN can play an important role to identify these metrics and advocate to funders, policymakers and other stakeholders to require more appropriate metrics.

In addition, like the BAI-PMF initiative, CAIN can support the standardizing of reporting and data collection across BAI types. This was identified as an essential item required in the innovation ecosystem, and the BAI-PMF work is a great beginning. Additional data relevant to different BAI types will be helpful for individual BAIs, all BAI types and the overall innovation ecosystem for reporting and evaluation purposes. Depending on the level of participation, a benchmarking function across BAI types may also be possible. This data would help CAIN advocate to funders, policymakers and other stakeholders more appropriately for its diverse membership.

Lastly, within each BAI type, opportunities will exist to strengthen competencies more relevant to a specific BAI type. Opportunities to host training sessions, external speakers, etc., may be most appropriately organized based on BAI type. For example, Massive Growth Platforms may value advanced BAI marketing and communication training or programming than other types. Precision Platforms may value speakers, training or programming on building a targeted pipeline. Many examples exist for each BAI type and could be an organizing principle for CAIN when considering mobilizing its member base and the innovation ecosystem (e.g. at events, annual summit, etc.). This approach can be used to profile existing CAIN members to share their work/learning with others of a similar type and potentially offer opportunities to collaborate.

Typology Use #4 - “Entrepreneurial Journey”

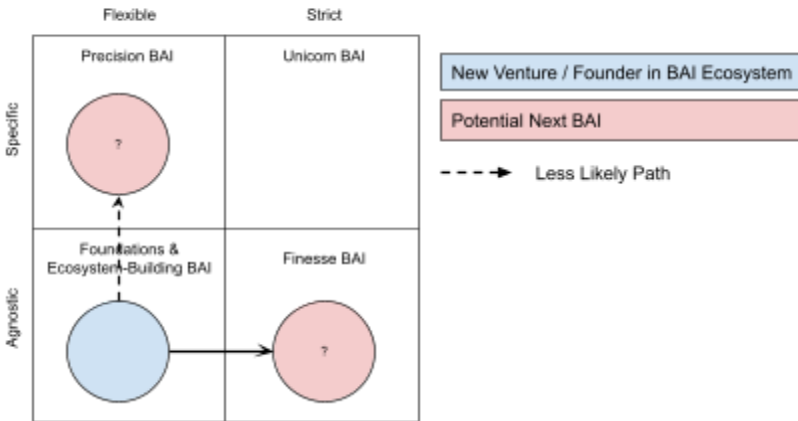
Without designing it as such, some feedback on the research results suggests that this typology structure may present an entrepreneurial journey through the BAI ecosystem. It is well-known that ventures and founders tend to participate in multiple BAIs for various reasons.

There are several possibilities for ventures of founders to proceed from quadrant to quadrant whereby the typology may provide a helpful tool for BAIs to more discerningly connect their ventures to other quadrants for future BAI participation or venturers or founders to select which BAI type is most appropriate for their needs at any given time.

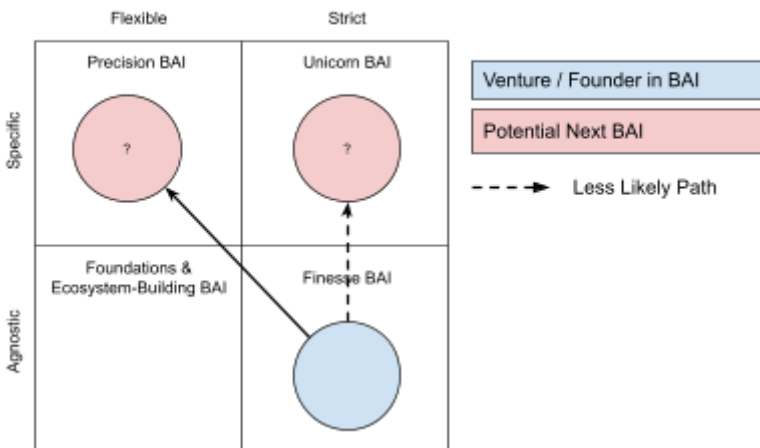
For example, brand-new ventures or founders may start with Fundamental and Ecosystem-Building Platforms. From here, there is a natural progression toward a Finesse Platform or a Precision Platform (but it is not obvious which one). From either of these two quadrants, there may be a progression to the other; however, there may then be a natural progression to a Massive Growth Platform. A venture participating in a Massive Growth platform may engage in another Massive Growth Platform or move beyond the BAI ecosystem entirely. This flow is mapped in the visual below. Despite potentially being a use-case for the typology, it is recommended to hold this lightly as the theory requires further exploration and testing.

This typology could guide or supplement existing ecosystem maps and other wayfinding tools, such as the Find Your Future Project commissioned by Alberta Innovates (Raby, 2022).

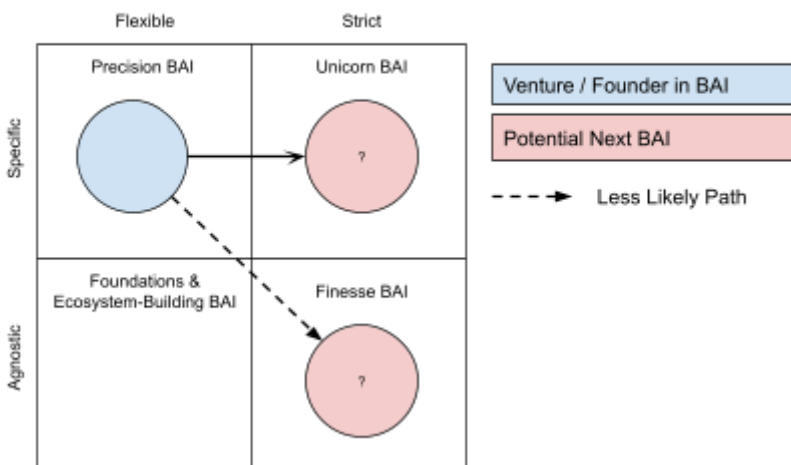
Step 1 - New Venture / Founder Journey



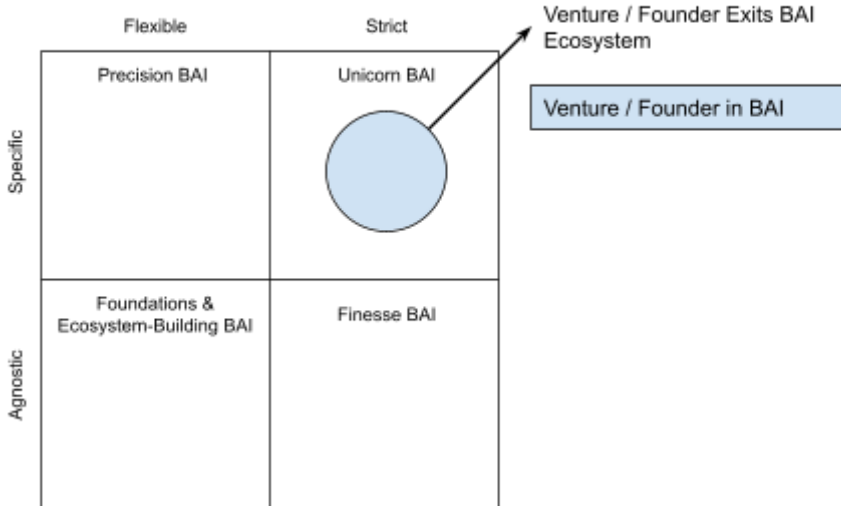
Step 2 - New Venture / Founder Journey



Step 3 - New Venture / Founder Journey



Step 4 - New Venture / Founder Journey



Conclusion

In conclusion, in the co-evolving, competitive and dynamic landscape of the Canadian innovation ecosystem, there are significant opportunities for collaboration and coordination. In turn, there are many opportunities for CAIN to support its members. Difficulties regarding the ambiguity and vagueness of the definition and activities of BAIs have created difficulties in understanding how to best be in service to them. A typology is a structure that helps stakeholders understand similarities and differences across a diverse sample and was deemed a helpful tool to address this challenge for CAIN. Such became the objective proposed for this study.

The study used a qualitative research approach and leaned on interviews, attendance at meetings and summits, discussions with leadership, discussions with external stakeholders and secondary research to identify two axes that generate qualitative distinctiveness across BAIs, namely, Level of Sector Specificity and Level of Accountability of Ventures/Founders. These axes combine to create four unique BAI types (i.e. Foundations & Ecosystem-Building Platforms, Finesse Platforms, Precision Platforms and Massive Growth Platforms), the key characteristics of which have been described in the report.

Although the typology was primarily meant to support the strategic aspirations of CAIN, additional uses for the tool for other stakeholders emerged. For BAIs, the typology provides a helpful tool for internal strategic reviews to evaluate its portfolio of existing or proposed new activities and map the competitive BAI landscape. Secondly, it can be used to identify existing or

potential collaborative opportunities across BAIs. Thirdly, it could be used as a tool to aggregate and benchmark metrics that are more relevant to different BAI types. This approach also enables CAIN to advocate to stakeholders the importance of evaluating and selecting BAIs based on metrics that may be inappropriately applied to many BAIs (e.g. job growth, revenue growth, economic development, etc.). Lastly, all stakeholders could use this typology to help ventures and founders navigate an entrepreneurial journey. These recommended uses require further testing and present an opportunity for future research.

As BAIs continue to work with ventures and founders to produce world-leading entrepreneurs, world-leading ventures, and a world-leading innovation ecosystem, the opportunity to better collaborate and coordinate with other BAIs and make the journey more coherent for ventures and founders, there is a real opportunity to improve. Working with BAI types is an approach that can help various stakeholders make more strategic decisions and the overall ecosystem to be more collaborative and well-coordinated.

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Additional Background

About CAIN

CAIN is an impact-driven network that supports the growth of accelerators and incubators across Canada through collaboration, education, connection, and national and international stakeholder strategic exchanges. CAIN has 150 members, each an accelerator or incubator, representing Canada coast to coast.

CAIN's membership is diverse in the industries it focuses on and the growth stage of the companies it supports. It works closely with strategic partners such as Mitacs to arrive at research, reporting, and recommendations that support the membership and government in crafting policies and programming to have the greatest impact.

About the Author



Matt holds a BComm, M.Sc. in Strategic Leadership towards Sustainability and is a Doctor of Business Administration candidate at the University of Calgary (expected graduation 2024), where his dissertation will focus on the innovation process in less hierarchical organizations. He works in corporate strategy, innovation, and organizational development as a Founder and "atypical" CEO of Arete Initiative. He has extensive experience coordinating multi-stakeholder and multi-interest groups that are working on some of the most challenging questions of our time. For example, as Lead, Special Projects for the Energy Futures Lab, Matt works on strategic projects that foster collaboration between energy leaders to create the energy system that the future requires of us. Other initiatives include accelerating a circular economy, increasing regenerative agriculture, galvanizing climate leadership and more.

He has also consulted to many rapidly scaling companies on strategy and sustainability, several of which have sold for nine figures.

Matt is a sessional instructor at Mount Royal University and the University of Calgary for courses pertaining to strategy and sustainable development for both MBA and undergrads. He has served on several voluntary Boards for local and national entities.