



Fullsail Summit 2008

EVENT SUMMARY



EXECUTIVE SUMMARY

The New Brunswick Securities Commission's Fullsail Summit 2008 brought together more than 120 stakeholders from the public, private and academic sectors to brainstorm on ways to foster the province's capital markets and increase entrepreneurship. The attendees participated in panel discussions and self-directed processes to develop objectives (Fullsail Ideas), Action Plans and to identify Convenors (leads) to take the vision and make it a reality.

The Summit has successfully shifted the balance of leadership for the creation and progression of these actions plans into the hands of participants and New Brunswick's entrepreneurial community. While the Commission is committed to maintaining regular contact to act as a sounding board and to provide overall guidance, the ultimate responsibility for the advancement of each Action Plan resides with the Convenor and the group formed at the Summit.

The following is a list of the Fullsail Ideas participants agreed to make a reality:

1. Allocate a portion of the Atlantic provinces' pension funds to venture capital.
2. Stimulate venture capital investments by private and publicly traded New Brunswick companies.
3. Use the New Brunswick Small Business Investor Tax Credit to mobilize citizen investment in provincial small businesses.
4. Create K-12 education programs that build entrepreneurial spirit.
5. Establish a social networking portal to connect entrepreneurs to financing agencies.
6. Improve commercialization out of universities and the corporate environment.
7. Establish projects that encourage greater regional partnerships.
8. Effectively connect budding entrepreneurs with mentors through a mentorship program.
9. Encourage more start-up ICT companies to use the existing Catalict ICT technology accelerator.
10. Create an atmosphere among provincial employers that encourages labour force transformation through continuous education.
11. Stimulate sources of venture capital by enhancing existing programs.
12. Re-establish a direct New Brunswick air link to a major U.S. hub city

Twice a year the Commission will provide Summit participants, and the general public, with progress reports and detailed updates on how these Fullsail Ideas are being realized.



Contents

1.0 INTRODUCTION.....	1
2.0 DESCRIPTION OF FULLSAIL SUMMIT 2008 PROCESS	1
3.0 WORLD CAFÉ.....	2
3.1 World Café Results	2
3.1.1 Network.....	2
3.1.2 Create	3
3.1.3 Educate.....	3
3.1.4 Finance	4
3.1.5 Communicate	5
3.1.6 Conclusion.....	5
4.0 OPEN SPACE TECHNOLOGY	6
4.1 Open Space Results	6
4.1.1 Fullsail Ideas and Action Plans	6
5.0 VALIDATING AND PRIORITIZING FULLSAIL IDEAS	7
5.1 Validating	7
5.2 Prioritizing through ‘Dotmocracy’	8
6.0 SUMMARY AND CONCLUSION.....	9

List of Appendices

APPENDIX A Fullsail Summit 2008: Action Plans

Published by:
New Brunswick Securities Commission
85 Charlotte Street, Suite 300
Saint John, NB E2L 2J2
www.nbsc-cvmnb.ca
June 2008

1.0 INTRODUCTION

The Fulsail Summit 2008, building on the momentum from last year's event, was designed as an action-oriented planning event, mixed with leading edge panelists and speakers. The program centered around the Commission's mandate - to foster the growth of healthy capital markets - as well as to build upon New Brunswick's entrepreneurial culture.

Believing that an engaged group could turn vision into action, interactive workshops were used as a way to stimulate open discussion. This resulted in a set of Action Plans developed by participants; led by participants; and the success of each will ultimately be the responsibility of the participants.

2.0 DESCRIPTION OF FULLSAIL SUMMIT 2008 PROCESS

Three interactive sessions, using various engagement techniques, encouraged participants to work collaboratively towards achieving the Summit's objectives which were to:

- Unveil a pre-summit version of the Fulsail Summit 2008 Recommendations and provide participants with time to review;
- Gather feedback;
- Identify priority Fulsail Ideas - new or previous initiatives and recommendations;
- Create Action Plans for ideas with 'convenors' and groups of participants who will own the initiatives after the event; and
- Validate the ideas.

3.0 WORLD CAFÉ

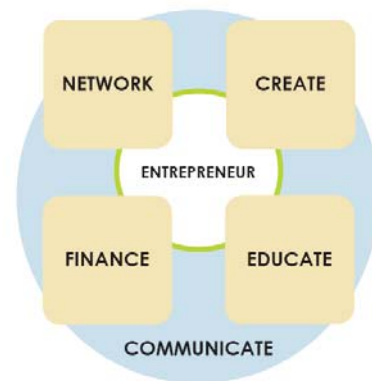
World Café, the first session, gave participants the chance to explore a draft set of Fullsail Summit 2008 Recommendations drawn from input over the last year. These 27 recommendations were based on two questions:

1. How do you increase the supply of venture capital in the province?
2. How do you create demand for that capital?

Sitting four to a table, in a simulated café setting, participants were engaged in three rounds of conversation, moving periodically to new tables. Each round focused on a question for approximately 30 minutes:

1. What would change in New Brunswick if the Fullsail Initiative realized its potential?
2. Which ideas are you interested in, or committed to seeing in action?
3. Is this menu of ideas complete?

Participants documented what New Brunswick could look like if these recommendations were adopted and put into action by sorting their groups' notes into one of five high level categories: Network, Create, Educate, Finance, and Communicate.



3.1 World Café Results

3.1.1 Network

With a desire to encourage collaboration to foster provincial capital markets the World Café highlighted the province's entrepreneurial business traditions and the role that networks played, and could continue to play, in business development.

Conversation topics included:

- The creation of an "innovation" culture where a supply of venture capital is effectively connected with a demand for ideas and entrepreneurs;
- Link the Rising Stars Program with the Wallace McCain Institute to establish a mentorship program; and
- Connect entrepreneurs with what they need through a web portal, by linking people, eBay and sf.com, for instance.

Other thoughts that were categorized as relevant to the Networking category included:

- Increase our ability to scale opportunities and infrastructure in the Atlantic region. (The challenge here is lack of capital efficiency in the Atlantic region, and the cost to administer the funds and manage the investment);
- Establish networks to find inspiration;
- Ensure networks accelerate access to cash and improve mentorship;
- Build links from schools to business communities to bridge the entrepreneur gap; and

- Focus immigration capital on both small and large businesses.

Ideas for establishing effective networks in the province were abundant. Several parallels were drawn to the recommendations and ideas for creating new programs and initiatives in the "Create" category.

3.1.2 Create

New programs and initiatives to accelerate the growth of capital markets and entrepreneurship were themes for the Create category. One group suggested the creation of a commercialization entity that works with the universities to grow more technologies and research business opportunities.

Another group physically drew what a flourishing Miramichi could look like in 2050 with capital investment in new enterprises.

Other ideas focused on initiatives that would continue to connect and support entrepreneurs including:


- Develop programming that anchors people in New Brunswick, not just companies;
- Bring in "serial entrepreneurs" to create a culture and climate that will encourage further entrepreneurship;
- Entice entrepreneurs towards smaller or more rural centres where they could seed future entrepreneurs;
- Develop programming to reach and promote entrepreneurship for people of all ages and in all sectors;
- Provide a discount for students to attend the Summit, similar conferences and networking events; and
- Change immigration procedures to encourage entrepreneurship and attract innovative individuals.

3.1.3 Educate

Education was identified as the key to the success of the Network, Create and Finance initiatives. The prevalent theme was the desire to impress on youth, and particularly post-secondary students, that an entrepreneurial career can be full and rewarding.

Ideas included:

- Foster an entrepreneurial spirit in our people from a young age by incorporating entrepreneurship into the education system from kindergarten to post-secondary;
- Establish initiatives to promote risk-taking and the learnings gained;
- Design more programs that address high school students' interest in business start-ups;
- Focus community college programs on entrepreneurship as well as career planning;
- Start a culture of entrepreneurial innovation in high school that allows students to transition from secondary school to post-secondary and into industry as entrepreneurs;
- Inform youth by connecting them with business owners, using examples and language that high school students understand;
- Create practical cooperative education programs at university and community college levels;
- Establish a provincial plan to attract the necessary human resources to build our entrepreneurial culture. (This could involve supporting and encouraging technology

- 
- careers in high school, incenting universities to focus on specific clusters of technology and increasing private sector uptake of new graduates);
 - Create an entrepreneur mentorship program in rural areas; and
 - Consolidate the entrepreneurship educational initiatives to provide a broader education.

A common theme throughout the Educate workshop was the need to repatriate people back to the province by:

- Continuing to support family-friendly areas; and
- Creating a cultural and business environment attractive to entrepreneurs.

Others took a more grass roots educational approach with the following suggestions:

- Local, bottom-up messaging is critical;
- Tailor services provided to the local needs;
- Hold regional Summit workshops;
- Learn from New Brunswick-based, family-owned businesses.

3.1.4 Finance

New Brunswick's long history of entrepreneurship and innovation was recognized while new ideas and entrepreneurs were celebrated. At the same time participants focused on the difficulty in identifying and accessing sources of capital within the province.

It was recommended that access to the capital process be accelerated either with a quick "interested" or a "no" statement from the public or private money with a due diligence process to follow. The authority for this decision making and investing must take place at a regional level.

Some participants commented that the ultimate challenge of accessing sources of venture capital could be addressed by the Commission in the Fullsail planning process by:

- Developing a Summit business plan. (What is the "top line" economic benefit? What are the 1, 2, 5, and 10 year projections of increased economic benefit to the province?);
- Determining what are appropriate targets for performance in leading global regions that are comparable to New Brunswick.

Other participants drew inspiration from the province's energy hub initiatives, posing the question:

- How can energy hub investments in the region (capital and operational) be leveraged to establish additional projects and services?

Much of the feedback was general in nature, and related to developing an equity culture in the province. Participants provided the following ideas:

- Establish an agency which has guarantees from the government to allow equity to help fund early stage growth;
- Create a venture capital central outreach office for provincial and federal government entities;
- Review how residents invest their retirement funds in local entrepreneurs to learn and increase this practice;

- Create provincial company profiles as a shopping list to pitch to external venture capitalists;
- Promote New Brunswick business success stories to initiate more business development;
- Take leadership in getting the region's pension funds together into one fund. (This could involve the Commission in a lead role, as well as Prince Edward Island and Nova Scotia securities regulators.);
- Learn more about the Ontario Commercialization Investment Fund (OCIF), including the MRI 30% grant back to fund, and tax credits flowing back to the LP Structure and apply learnings to the New Brunswick region;
- Create an incentive for banks and other holders of private equity to invest in small businesses; and
- Create community venture capital funds, and community investment funds.

A number of comments revolved around the Small Business Investor Tax Credit (SBITC), with participants suggesting the following:

- Allow corporations to invest; and
- Remove the \$80,000 limit.

3.1.5 Communicate

Communication connected all of the ideas with the following highlighted:

- Encourage broader regional and more youth representation at the Summit;
- Centralize all agency programs for simple identification by business start-ups;
- Generate a hub, or a website, to offer a roadmap to accessing venture capital; and
- Encourage airport authorities to start communicating more effectively. (One airport authority may be required versus three leading to easier access to venture capital in other areas of the country and internationally).

3.1.6 Conclusion

The World Café process stimulated energetic conversation and drew a host of ideas across the full spectrum of Summit goals and opportunities. The information was used as the foundation for the afternoon session - Open Space Technology.

4.0 OPEN SPACE TECHNOLOGY

The afternoon session involved a different facilitation and planning technique called Open Space Technology. While there was no agenda and limited facilitation, it was organized to provoke discussion specifically on the topics of greatest meaning and interest to participants.

Groups were offered the opportunity to propose discussion topics about any Fullsail Idea. Participants were invited to “host” or “convene” groups around these ideas by selecting and posting both the start time and location for the discussion.

Once all topics were posted, participants moved to those that interested them with no limitations as to number of people or length of time. By giving participants the mandate to control discussions, the process focused their interest and led to committed action.

4.1 Open Space Results

At the end of the Open Space Technology session, the group had created a collection of Action Plans, containing objectives and tasks specific to the Fullsail Ideas presented on Day Two.

4.1.1 Fullsail Ideas and Action Plans

Participants brought forward 11 Fullsail Ideas for which Action Plans were developed:

1. Allocate a portion of the Atlantic provinces’ pension funds to venture capital;
2. Stimulate venture capital investments by private and publicly traded New Brunswick companies;
3. Use the New Brunswick Small Business Investor Tax Credit to mobilize citizen investment in provincial-based small businesses;
4. Create K-12 education programs that build entrepreneurial spirit;
5. Establish a social networking portal to connect entrepreneurs to financing agencies;
6. Improve commercialization out of universities and the corporate environment;
7. Establish projects that encourage greater regional partnerships;
8. Effectively connect budding entrepreneurs with mentors through a mentorship program;
9. Encourage more start-up ICT companies to use the existing Catalict ICT technology accelerator;
10. Create an atmosphere among provincial employers that encourages labour force transformation through continuous education;
11. Stimulate sources of venture capital through an enhancement to existing programs.

The Action Plans are attached as Appendix A.

5.0 VALIDATING AND PRIORITIZING FULLSAIL IDEAS

An additional session was held to ensure that the Fullsail Ideas and Action Plans reflected the collective wisdom, had the support of the whole and did not merely represent the views of a portion of attendees. It also provided an opportunity to focus on ones that required further adjustment; fill in some of the gaps in responsibilities; and prioritize those Ideas that would set the stage for this year's activities. Participants also had one final opportunity to propose ideas that had not come forward earlier.

5.1 Validating

The review of the Fullsail Ideas gave participants unable to contribute to every Open Space session a chance to understand each idea and Action Plan; who was championing the idea; as well as suggest changes to the plans or add new ones.

As a result of discussions one new idea was added and accepted:

12. Re-establish a New Brunswick direct air link to a major U.S. hub city.

It was noted that several of the ideas confirmed by the Summit participants mirrored recommendations presented by the Commission in the report *Venturing Into a New Economy*. This was seen as positive as the ideas were always intended to help stimulate this year's action planning process. In Table 1, the relationship between the Fullsail Summit 2008 Ideas and Recommendations is presented.

Table 1: Relationship between Fullsail Summit 2008 Ideas and Fullsail Summit 2008 Recommendations (from pre-Summit Fullsail 2008: Venturing Into a New Economy)

Venturing Into a New Economy	Fullsail 2008 Ideas
Establish a social networking portal to connect entrepreneurs to financing agencies	Create a social networking site for New Brunswickers and build "two-way bridges" to Centers of Innovation
Improve commercialization out of universities and the corporate environment	Establish a university and college faculty business exchange
Establish projects that encourage and create greater regional partnerships	Promote greater regional partnerships
Allocate a portion of the Atlantic provinces' pension funds to venture capital	Encourage pension and investment fund managers serving clients in New Brunswick to actively participate in venture and public equity investment in local companies
	Encourage provincial businesses to provide corporate venture capital

Stimulate venture capital investments by private and publicly traded New Brunswick companies	Provide venture capital firms with financial investment incentives to help lower the cost of due diligence and deal writing
Create K-12 education programs that create and maintain entrepreneurial spirit	Initiate a middle school, long-distance entrepreneurial project

5.2 Prioritizing through 'Dotmocracy'

A voting exercise, referred to as 'Dotmocracy', was held to prioritize the 12 accepted Fulsail Ideas. Each participant was given six dots to be used as ballots. They then 'voted' by placing the dots on the ideas they believed to be priorities. The results of the 'Dotmocracy' process are provided in Appendix A.

The prioritization of ideas was not intended to diminish the importance of the 12 action areas. Rather, it was to provide focus and a way to ensure that Fulsail's goal and mandate become a reality.

6.0 SUMMARY AND CONCLUSION

This report, describing the conference process and outlining the key outcomes of the Summit, is intended as a guide to action. The 12 Fulsail Ideas and supporting Action Plans will serve as our focus for the upcoming year. The Commission will continue to support and communicate regularly with Fulsail Idea convenors in order to track and facilitate progress, address challenges and celebrate successes. While the Commission is committed to maintaining regular contact with the convenors, acting as a sounding board and providing overall guidance, the responsibility for the advancement of each Action Plan resides with the convenor and the assigned group.

The Summit has successfully shifted the balance of leadership for the creation and progression of these actions plans into the hands of participants and New Brunswick's entrepreneurial community. Feedback and information from convenors will also be fed into the semi-annual progress reports, which will provide information to participants and the public on our progress. For more information on past and present Fulsail Summits, please visit www.fulsailsummit.com.



APPENDIX A

Fullsail Summit 2008: Action Plans

Table 2 -12 Fullsail Ideas and Draft Action Plans Provided by Convenors

IDEAS	DOTMOCRACY RANK	CONVENORS	PARTICIPANTS	ACTION ITEMS	END GOALS
Allocate a portion of the Atlantic provinces' pension funds to venture capital	58	Toon Nagtegaal	Calvin Milberry Dan Goguen	<ul style="list-style-type: none"> a. Presentation to the Atlantic provinces' Premiers b. Work with key New Brunswick stakeholders to push the idea forward (NBIMC Chair, BNB Minister, Finance Minister) c. Encourage APCC to adopt a broader mandate 	<ul style="list-style-type: none"> - Source of venture capital - More vibrant venture capital market
Stimulate venture capital investments in New Brunswick headquarterd private and publicly traded companies	46	Jeff White	John Simon Gerry Pond	<ul style="list-style-type: none"> a. Presentation to New Brunswick business council for vetting of concept b. Co-ordination with university technology developments c. Education of provincial government investment attraction programs as to how venture capital can be part of the overall investment d. Work with NBIMC, Growthworks, NRC, and ACOA 	<ul style="list-style-type: none"> - Announced venture capital policies from 1-2 private New Brunswick companies - Attraction of outside corporate investments along with New Brunswick-based investments - Potentially a fund of corporate money aimed at industry specific solutions
Use the New Brunswick Small Business Investor Tax Credit to mobilize citizen investment in New Brunswick-based small businesses	45	Graham Savage	Richard Theriault Shane Dolan Bill Aust Christy Arseneau Keith Melvin Louis Doyle Lynn Donovan Denis Gaudet Mathieu Brideau Bruce Fitch Shannon Sanford Bernie Casey Glenn Fraser Nicole LeBlanc	<ul style="list-style-type: none"> a. Establish a working group to examine this opportunity (convenor is prepared to participate in a leadership role) b. Communicate the program c. Pool opportunities and lower risk d. Web-based Alberta Deal Generator e. 4-year time horizon for investment – can this be addressed? f. Put the product opportunities into the wholesale market ie; stock brokers 	<ul style="list-style-type: none"> - Easier access to equity needed by banks and government to trigger financing - At 25%, \$75 million in equity = \$300 million in small business investment annually, and new business for banks and other lenders - Chance to do more than 25% in equity on projects - Will allow more disciplined growth due to oversight requirements
Create K-12 education programs that create and	42	Nancy Mathis	Susan Boyle Mike Doiron Deanna Hallager	<ul style="list-style-type: none"> a. Agrarian calendar model b. Bank and Elementary - an interest calculations via JA 	Self-sufficient students for a self-sufficient New Brunswick

IDEAS	DOTMOCRACY RANK	CONVENORS	PARTICIPANTS	ACTION ITEMS	END GOALS
maintain entrepreneurial spirit			Pamela Scott-Crace Lynn Donovan Carolyn Booth Kevin Savoy	<ul style="list-style-type: none"> c. K-12 mission statement building block d. Promote Me Inc. e. CO-OP can help prepare companies to receive and maximize student experience f. Champlain school in Moncton – MBA g. K-12 round table game – lemonade stand h. Media Spark in Nova Scotia i. French side for kids j. JA and Engineering students to do lego “How it’s Made’ k. Round table “Making Schools Work” – Stanford Principles as CEOs 	
Re-establish a New Brunswick direct air link to a major US hub city	35	Kim Sharpe	John Sinclair Imelda Gilman	a. Board of Trade, various airport authorities and the enterprise networks to work together with the committee to develop an action plan	Create a direct air link to the US for easier accessibility to the US market
Establish a social networking portal to connect entrepreneurs to financing agencies	34	Kelly O’Brien	Andy Cutten Asklay Mohan Shawn Carver Michael Murphy Carolyn Booth Jeff Roach Susan Boyce Mike Darson Ronald Belliveau	<ul style="list-style-type: none"> a. Inventory of financial sources available to New Brunswick b. Navigator to help c. Mine the nodes d. Don’t design by a committee, need an owner and keep it simple e. Shared due diligence on files on applications. My Nexia search bar / link co-branded with gate way 	Faster, efficient access to good resources in three clicks or less (financial first)
Improve commercialization out of the universities and corporate environment	29	Chris Mathis	Bill Black Denis Lanteigne Shannon Sanford	<ul style="list-style-type: none"> a. Review the Quebec experience (V.R.Q) – Société de valorisation b. S.W.A.T team with core skills to bear on the initiative (Review Dalhousie model). Match ideas to researchers for earlier commercialization c. Research Dalhousie prototype group model – why did it fail? d. Investigate import group (Responsible person – David Melia) e. MSBI model – e.g., Innovatia 	N/A
Establish projects that encourage and create greater regional partnerships	19	Thor Olesen	Denis Gaudet Nichole Leblanc Ryan Smith Tim Coates Lois Vincent Imelda Gilman Christy Arseneau	<ul style="list-style-type: none"> a. Government to adopt harmonized tax plan b. Establish a process for identifying specific issues presenting challenges to business c. Encourage APCC to adopt a broader mandate 	Regional health plan (strategy), transportation, harmonized tax, labour, energy

IDEAS	DOTMOCRACY RANK	CONVENORS	PARTICIPANTS	ACTION ITEMS	END GOALS
Effectively connect budding entrepreneurs with mentors through a mentorship program	10	Tim Coates	Nancy Mathis Calvin Milbury Mike Murphy Carolyn Thompson Deanna Hallager	<ul style="list-style-type: none"> a. Mentorship inside firms, approximately one year and track corporations doing this b. Facilitate mentors for small enterprises, approximately 2 years, help smaller firms to engage with experts and resources c. Students: approximately 2 years, exposure of students to opportunities in New Brunswick 	More successful businesses, tighter networks, open to new entrepreneurs from all sectors (and expats from away). To keep more people in New Brunswick
Encourage more start-up ICT companies to use the existing Catalict ICT technology accelerator	9	Richard Jones	Chris Boudreau Glen Fraser Gene Fowler Mathieu Brideau Jeff Roach	<ul style="list-style-type: none"> a. Need to clarify whether Catalict should be expanded into the rest of New Brunswick or whether the catalict model should first be duplicated in other areas of the province b. If we want to create another catalict entity in another area of the province, we would need: <ul style="list-style-type: none"> - a group of people with a solid track record in business community to support this - could leverage the previous learnings of Catalict in Saint John - need to do a better job of pairing up the technical inventor and creator with another person who is a good business person – together there would be more chance of success 	Have dozens of ICT companies participate in Catalict accelerator with a high success rate
Create an atmosphere among New Brunswick employers that encourages labour force innovation and transformation through continuous education	8	Akshay Mohan	Susan Boyce Lynn Donovan Deanna Hallagar Rozanne Reszel Michael Murphy Rick Roth Mike Doiron	<ul style="list-style-type: none"> a. Semi-structured independent study, where the goal would be to start up a company b. Use networks to develop products / process – Collaboration between non-profit social expertise and for-profit expertise c. Promotion of the concept of entrepreneurship as a viable opportunity d. Model UN concept but for entrepreneurship 	<ul style="list-style-type: none"> - Experiential learning opportunities - Mentorship program

<p>Stimulate sources of venture capital through an enhancement to existing programs (including the LSVCC program)</p>	<p>4</p>	<p>Peter Clark</p>	<p>Mike Murphy Dan Goquen Andre R. Charron Calvin Milbury Daniel Sandler Stephen Forgeron Louis Doyle</p>	<p>a. GrowthWorks to meet with PNB to discuss enhancements to the LSVCC program. Specific proposed enhancement includes: increasing ticket size to \$10,000 (from \$5,000) and provincial tax credit to 20% (from 15%)</p> <p>b. NBSC and PNB to evaluate appropriate measures to incent venture capital growth and creation</p>	<ul style="list-style-type: none"> - Increase the pool of venture capital available to invest in early stage companies by growing existing venture capital funds in New Brunswick and attracting syndicate partners from Canada/US - Increase the number of early stage companies receiving venture capital investments - Increase the amount of venture capital raised per round by each early stage company (New Brunswick lags behind rest of Canada and US in terms of \$ raised per round of venture capital funding)
---	----------	--------------------	---	--	---