

IRAP Support of Food Innovation in MB Challenges and Opportunities

*Larry Taylor, Technology Advisor
Agriculture, Food and Fibre
NRC Canada*

Sep/2016



National Research
Council Canada

Conseil national
de recherches Canada

Canada

Presentation Overview

- 1. The IRAP Business Support Model**
- 2. IRAP Clients and Projects**
- 3. IRAP Tools of the Trade**
- 4. IRAP Funding Options**
- 5. Client Input and Suggestions**





IRAP MANDATE

Create wealth for Canadian taxpayers by supporting SMEs to grow through innovation.

Focus on 7 Sectors





IRAP Programs are delivered by a network of 250 ITAs in Canada

Of this about 30 are “Foodies”

The IRAP Client

- Company is “for profit” incorporated in Canada with fewer than 500 employees – SME
- Pursue growth by implementation of new technology or innovations.
- The innovation is aligned with the Strategic Plan.
- Open to develop a trusting relationship with IRAP and willing to consider new ideas.



Client Relationship



Assistance is most often needed for....

Issue	Details
Business Strategy	Flawed Strategy or No Strategy. No Business Plan or info on the market, market assessment, competition
Manufacturing	Difficulty to scale up, how to do Lean, cost reduction to increase profit margins
Funding	Often need funding for equipment items or workforce. To implement innovative technologies for growth.
Technical Assistance	Need help with technical / research gaps in the business model.
Network / Partners	Need help with business partnerships, suppliers, MNEs that can help them to go global
Financial	Need help getting financial in order, identify where money is lost, SR&ED, taxes and basic accounting.

IRAP Support Tools



Networking
Partnerships

Marketing
Support

Technical and
Research Support

Financial
Assistance

Strategic
Planning

Business
Support

Intellectual
Property

Funding
Tools



A Funded IRAP Project

Project that pursues “new” innovative technologies that will accelerate growth of the firm’s business.

Targets include:

- **Creating new or better products**
- **Creating production efficiencies**
- **Improved sales/service offerings**
- **Innovative business strategies**

Results

- **Greater revenues**
- **Job creation**



IRAP Funding Covers

- Only eligible costs within the defined project.
- Eligible project salaries, contract fees (if approved)
- Does not cover capital expenditures.
- Does not cover 100% of project costs.
- Is a reimbursement of eligible expenses after paid.

Company must show that it is able to cover the costs for the entire project.



IRAP Funding Tools

IRAP Innovation Fund (small ARP)

Primary funding tool for innovative technology projects with eligible SMEs



Youth Employment Programs (YEP and Green Youth)

*YEP - Helps SMEs hire skilled post-secondary graduate youth. (\$20k)

*GY - Support a “green” project with an eligible youth. Aged 16 to 30. (\$10k)



IRAP Funding Tools

Contribution to NFP Organizations – e.g.; FDC, CMC Program

*Contribution to FDC to assist SMEs with small projects. Up to \$7,000 - cost 10%

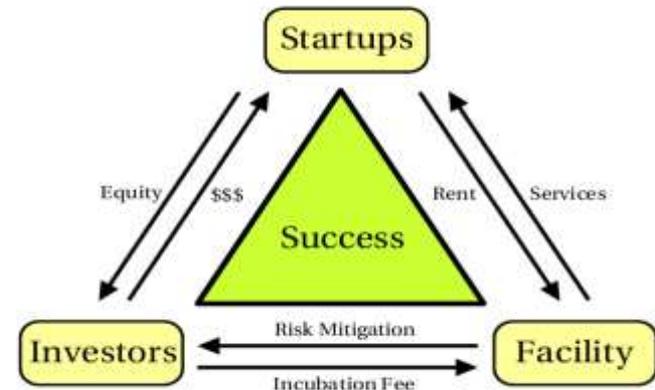
*Certified Mgmt Consultant Program; Cost \$150 for 40 hrs consult (~\$8,000 value)



Canada Accelerator and Incubator Program (CAIP)

Contributions to Accelerators and Incubators to support early-stage SMEs that are investment ready and poised for growth.

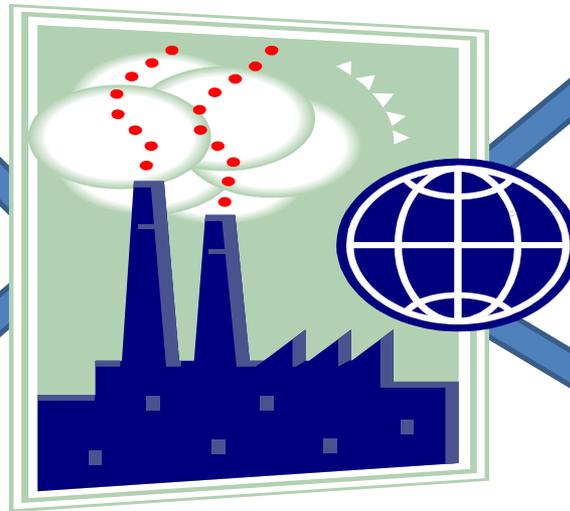
E.g. – Manitoba Technology Accelerator



Success Metrics - Growth

Job Creation

Increased Revenues



Strategic Position

International Trade

Company provides annual report for 5 years after project

CTO Fund for the FDC

Pool of “green lighted” funds for small projects

- **Manitoba SME client must be IRAP qualified**
- **Short-term technical project resolves specific issue**
- **Maximum assistance of \$7,000 - client pays 10%**
- **Final approval by Lead ITA**



Benefits of the CTO

For the SME Client

- Introduce client to local expertise - FDC
- Resolve a technical issue at affordable cost

For the FDC

- Incentive that brings in new clients and business

For IRAP

- CTO project may lead to IRAP client , future projects



Food related technical projects

Food Project

Oil or Protein Extraction

Uses for co-products

Microbial load mitigation

Scale-up/Process refinement

Recipe refinement

Packaging /Labeling support



Poll of client issues/concerns

Issue	Issue details
Expensive to Commercialize	Just plain expensive to go commercial as there are always new unforeseen costs. Every step seems to be expensive.
Lack of Facilities Scale-up	Facilities for commercial scale-up not readily available or are expensive, few available commercial kitchens, or similar.
Funding issues	Funding for capital items and labor is difficult, funds are often out of money. Relatively few investor options in Manitoba.
Regulatory and compliance	Regulations and compliance is confusing often not consistent even within regulatory body. Need plain language support tool.
Lack of Expertise of Firm	Early stage inventors find it hard to go to the next level, “pioneers get the arrows and settlers get the land”.
Marketing issues	Unsure how to bring to market, lack of access to retail, shelf space, distribution channels, local market is too small.

Suggestions from clients

Issue	Suggestions summarized
Expensive to Commercialize	Creation of funding options to support start-up stages. More “creative” or flexible funding options.
Lack of Facilities Scale-up	Subsidize the usage of the FDC facilities to assist firms to get to revenue self sustaining stage. Develop other facilities – shareable?
Funding issues	Creation of funding programs which support capital items. Create an approach to lease/loan equipment. Simplify onerous programs.
Regulatory and compliance	Develop a plain language support guide for regulatory and compliance. Create training events. Have specialists to mentor.
Lack of Expertise of Firm	Create a mentoring program to help new businesses learn how to go from start-up to commercialization.
Marketing issues	Creation of more business development staffing and events to assist development of a marketing plan/business model.

More Effectively Coordinate MB Assets

Canadian Centre for
Agri-Food Research

Cigi

Food
Development
Centre

Paterson Global
Food Institute

Grain
Commission



Funding
Tools

UofM Food Science
RCFFN

Link to other
Provinces

