



Last year when I stood on this stage, I talked about the place in which we found ourselves — past the worst of the downturn but, in many ways, facing a new world with many immense pressures for Edmonton.

One year and a municipal election campaign later, we see these dynamics at work. Protectionism is on the rise. The future of NAFTA remains uncertain. And we have governments in Canada increasingly at odds with each other over energy development and coastal access.

Edmonton has experienced incredible external pressures before, and we have always managed to adapt and get by. But if my recent trade excursions to San Francisco and Asia have taught me anything, it's that "getting by" is not going to be "good enough" anymore.

### **Being Competitive**

From the moment you hit the ground in these places, the hustle is on. Everyone is working it hard — to get that next deal, to own that opportunity, to secure that capital, to broker that partnership, to grow and move up that food chain.

That, ladies and gentlemen, is what the game looks like now.

Now some might say, quite fairly, “Yeah, but I don’t like that or want that. I’m not interested in hustle. If I wanted that, then I’d live in Silicon Valley. Or Singapore. Or Toronto. But I don’t. Instead, I live in Edmonton, where I’m happy to just be comfortable and get by. That’s good enough.” A perfectly valid viewpoint — a view, by the way, I used to share. But we have to face a couple of facts.

Two factors have helped shield us from external competitive pressures most of the rest of the world faces: as the provincial capital, we benefit from a lot of public sector employment; and we’ve been a major service provider to Fort McMurray and the broader oil and gas economy.

But being a government town is not an economic development strategy in and of itself. And the oil sands are not likely to see a return to the frenetic expansion of the last generation. So, we’re not going to be able to count on those factors to shield us in the ways we’re used to. And although it’s an incredibly important project for our province and country, the TransMountain Pipeline alone isn’t going to be a silver bullet for future growth in Edmonton.

Now don’t get me wrong: I don’t think any Albertan can understate the significance of market access. It is vital for the economy. It’s vital for Albertans getting a fair price for our resources. It’s vital for this country and rebuilding our investor confidence. But, on its own, the TransMountain project is not sufficient for long-term economic development in Edmonton.

As much as we need oil and gas market access, we need a broader strategy that capitalizes on our region’s full complement of strengths. And so I vowed during last year’s election to make growing our economy my top priority. And from hundreds of conversations and many gatherings of business leaders since then, here are some of the key themes I am taking action on.

## **Four Pipelines**

In the spirit of the times, I believe there are actually four crucial “pipelines” that we need established and flowing smoothly: the “export” pipeline, the “investment” pipeline, the “talent” pipeline, and the “innovation” pipeline. And today I’m going to talk about how we’re going to build those kind of pipelines.

Because I’m not interested in us simply “getting by”, or waiting around to see what the world decides for us. I want us to be bold and actively shape Edmonton’s economic future. So, let’s start with what I’m going to call the “export” pipeline.

### **Export Pipeline**

Here I’m not only referring to physical pipelines to tidewater. I’m talking about us having a steady flow of exports — of all kinds — from Edmonton to global markets.

Now, there are lots of people who start businesses with only the intent of providing a local service to local customers. And there are others who start out with local customers and their customer base grows gradually over time to serve other markets. We need all of that.

But for Edmonton to have sustained growth, we’re going to need our locally grown companies to adopt an “export mindset.” Companies that aren’t satisfied to stay local, but want to scale up and take their product or service to customers around the world.

Stantec and PCL are global brands because they have this in their DNA. Yardstick and Showbie do business around the world because they figured this out early. And IDX and Bioware weren’t building products for Edmontonians or Albertans alone. They opened global markets through relentless quality and ambition.

So we can do it, but we need to do it more often. Today, 80 percent of Alberta companies do business only in our province. That's a high number even for Canada, which needs to think much more globally about markets to achieve scale.

When an entrepreneur has an idea and they want to go from idea to start-up, and then scale-up and beyond, we need to be right alongside them at every stage of their journey. But we need more entrepreneurs starting more companies. That's step one.

Right now, Startup Edmonton assists about 65 companies a year in their start-up phase. That number needs to increase exponentially. Tomorrow.

And I'm not exaggerating here. We need to drastically increase the number of companies coming into the ecosystem funnel. Because the bigger that funnel is, the more likely it is we'll have the next Showbie coming out the other side. It's basically the law of averages at work.

In the coming months, I'll be calling on City Council and working with public and private sector partners to make sizeable investments — both in cash and in kind — to expand the size of that start-up funnel. By this time next year, I want to at least double the number of start-up companies that are assisted on an annual basis, and help them be export-minded from the start.

Another recent development that's going to help is Air Canada's new non-stop daily passenger air service from Edmonton to San Francisco, which started at the beginning of this month. We heard from the business community about the importance of having that non-stop service, and I'm pleased that all the parts of our economic development system were able to work together with Edmonton International Airport to secure the flight.

I had the privilege of being a passenger on one of the inaugural flights, and I can speak with first-hand experience about the difference it's going to make. Although we're in a digital world, the face-to-face meeting is still a vital commodity when it comes to engaging advisors, connecting with partners and making deals. This new non-stop flight makes it a sub-three-hour trip between the two cities, instead of connecting travel taking up an entire business day. So this flight is going to be a tremendous enabler for more Edmonton-made businesses, with global ambitions, to reach beyond Canada and take their offerings to the world.

Beyond passenger service, we're also working to open up new trade lanes to get our high-value goods, like food, pharmaceuticals and precision oil and gas gear to global markets. I want to acknowledge the incredible work Edmonton International Airport is doing to open up cargo routes, particularly with Asia.

And the free trade zone at the airport can also be the safe inbound port for goods coming into this continent from Asia during a time of increasing global uncertainty about trade. In fact, Canada is the only G-7 country with trade agreements with all other G-7 members. Think about that for a second and you'll see why cultivating these import/export trade lanes was a significant focus during my recent mission to Asia.

Now, the ecosystem doesn't just need more export-minded companies coming through, and more trade lanes to reach global markets. It also needs larger amounts of early-stage capital to help our entrepreneurs go from start-up to scale-up and beyond.

So the second crucial pipeline we need I'll call the "investment" pipeline.

## **Investment Pipeline**

As it stands right now, we don't have enough local investment committed to our local innovation ecosystem. Our entrepreneurs are usually having to look outside Edmonton and often outside Alberta in order to get it. And, at the same time, we have a lot of local money being sent out of Edmonton to be invested in funds managed outside of Alberta.

I'd like to change that dynamic. Fortunately, we already have an investor class in Edmonton. It doesn't always look like one might expect. It's not always dressed in bankers' suits. It's not always flashy like in other cities. It's more reserved and quiet. But it's deeply committed to this community.

A lot of you are in the room today. You've built your companies in dynamic and creative ways, you employ thousands of Edmontonians and you are proud to call this city home. So I'd like to humbly make a case for you to invest more of your time and money in the growth of local companies. Here's why.

First, this is very doable. A lot of early-stage companies in Edmonton don't require cash in the millions. Their needs for seed funding are usually in the tens of thousands. A magnitude that's entirely accessible within Edmonton.

Second, more local, private investment will give our innovation ecosystem more rigour. Private investors put a premium on commercial viability and outcomes. So companies are pushed to perform, and you end up with a more robust ecosystem overall.

Third, investing in the growth of local companies means actively shaping Edmonton's economic future. As many of you in this room can personally attest, Edmonton's local investors are also philanthropists and volunteers and community builders. You live here. You care about what happens to this community over the long run.

That's the differentiating factor: a focus not only on traditional ROI, but also on building the economic future of our city. Enhancing the opportunities it offers, and making it a stronger, more dynamic place.

That kind of investment pipeline is not easily or quickly uprooted. It benefits from local ownership and deep roots. It's the kind that says to an entrepreneur, "We are your neighbours and fellow community members and we're not going anywhere. We've got your back." There must be a willingness from our community to place some bets on local innovations, on local entrepreneurs, on local talent. And we need to find ways to enable and encourage that local support.

That's why next Tuesday I'll be asking Council to consider ways we might create a fund that private investors, like many of you in this room, can use as a vehicle to support local early-stage companies. It would be a mechanism designed to make it easier for local, private investors to participate in this space. And, importantly, it would be privately managed, so that its investments are determined by peers in the entrepreneurial world.

How many of you know that there's an early-stage seed fund, located in Edmonton, investing in the earliest days of Edmonton companies? Panache Ventures is one of Canada's most active seed stage funds and it is here to help entrepreneurs, give advice and invest.

And we have San Francisco's Rising Tide Venture Capital fund that will be expanding their operations in Edmonton thanks to the leadership and connections of Ashif Mawji — both of whom are looking for investment opportunities from seed to venture. If you want to support Edmonton companies and have fun seeing local entrepreneurs grow and challenge themselves, these are just two examples of where you could direct some of your investments.

Another important thing city-boosters can do is help build on our emerging strengths in artificial intelligence. Today, we have one of the best AI research institutions in the world but we risk being outspent and out-hustled by other provinces and other cities. While there's a role for government in building up this sector, there's also a significant role for local investors and philanthropists. Ontario's business community raised nearly \$80 million for AI research in that province — which is impressive considering we have twice the AI talent they have out east. Let's not get beat to the punch.

You can help secure Edmonton's economic future by investing in artificial intelligence research chairs at the University of Alberta — much like they did in Ontario — and help cement our reputation among the world's top experts in the field. That's important, because those researchers attract the top-notch people who want to study under them. The kind of talent that attracted Google's Deep Mind to our city.

And their students are the ones who will make new discoveries, spin off new companies, and create the kinds of jobs your kids and grandkids will one day fill.

I recognize I'm asking a lot of you, especially in this fragile economic climate. But this is Edmonton's moment, and your city needs your engagement and support more than ever. So money is crucial, but a company isn't run by money alone. It's run by people.

And that's why the third critical pipeline is a "talent" pipeline.

### **Talent Pipeline**

More than ever, the economy of today is defined by the need for highly skilled talent.

And we've heard from partners in our innovation ecosystem, and the broader business community, that Edmonton also needs a larger pool of expertise in scaling up companies to become great exporters.

So, we know we have work to do in terms of developing skilled talent — both locally grown, and talent that we attract from elsewhere.

And the key questions are, what skills do we specifically need? Where are the best places to source that talent? What's going to resonate with them and have them settle in Edmonton? Knowing the answers to these questions will help us focus our attraction and retention efforts.

That's why I'm pleased to announce the City and Edmonton Economic Development are partnering with LinkedIn to do a deep dive on Edmonton's talent landscape. We're going to understand the kinds of skills we're missing to grow our innovation ecosystem, how we might attract these skills to Edmonton, and how we might grow more people with the right skills, right here.

Then we'll surgically attack the problem — not with a mass marketing campaign that blitzes a foreign city, but with an Edmonton story that is compelling, honest and attractive. Because it's a good one to tell.

In my opinion, a major dimension of that story — one that isn't trumpeted enough — is the incredible quality of life we have here. We were in the San Francisco area a few weeks ago, and the lifestyle is jarring compared to here. The cost of housing is astronomical — out of reach for most people. In many ways, Silicon Valley is a never-ending series of light industrial campuses, with no real community between them. And you can often sit on freeways for hours to go between your modest three-million-dollar home and one of these campuses.

It's a life of early morning and late-night commutes, with all of the in-between hours spent in isolated office parks. The idea of being able to leave work at the end of the day and go watch your kid's soccer game or dance class seems woefully unrealistic.

Meanwhile, in Edmonton, we have the potential to be one of the most family-friendly cities in North America. We already have a lot of the ingredients for that: open spaces, the river valley, lots of parks and playgrounds, ski clubs, beautiful recreation centres, toboggan hills, and other outdoor amenities within our city limits — not to mention all our incredible festivals.

And we have some of the best publicly funded schools in the world, with abundant choices. So good that the overwhelming majority of parents choose them, as opposed to expensive or exclusive private education. Our schools are a key part of our competitive advantage both when it comes to families, and long-term talent. We shouldn't ever take that for granted.

So, when a skilled graduate or AI researcher is deciding whether to settle in Edmonton or go somewhere else, our "family-friendliness" and quality of life can and should be leveraged more assertively to help our city seal the deal.

"Five minutes here and you're one of us." That's something that's true of Edmonton more than most places. That spirit of welcoming is special among Canada's big cities, and it's part of what keeps people here once they get it. But we need to let more people in on why we have it so good here, and invite more talent to come here, stay, or move back to Edmonton.

At precisely the time when other parts of the world are saying “no, not you,” we can say, “yes, you, and bring your friends and family.” Our immigrant success stories are some of the most inspiring, from my own in-laws to the Reza Nassaris of the world. We want more of the talent and drive the world has to offer.

We also need to be more strategic in attracting lost talent back — to leverage our post-secondary alumni networks, our family contacts, and our business networks to invite the graduates of our schools and universities back, to bring their skills and their global perspective home to pitch in. But we need a story to tell them that isn’t about today or where we’ve been, but where this city is going next.

And so, the fourth and most crucial pipeline we need is an “innovation” pipeline.

### **Innovation Pipeline**

By that I mean, being more deliberate in looking at our existing challenges as opportunities to trigger innovation across Edmonton. With the City leading the way.

Your municipal corporation is extensive in terms of the things it owns and does. It owns and maintains a vast number of parks and outdoor areas. It has fleets of vehicles, including trucks, buses and backhoes. It maintains roads and traffic signals. It handles waste collection and waste management. It operates numerous recreation centres and rinks.

And with all that comes a number of challenges. Problems that need solving. And when you think about it, problems really serve as the fuel for innovators. So, I want to take the burgeoning community of technology minds in our backyard and unleash them on those City problems. To me, this is a win-win. The City gets to explore new ways of addressing its challenges. Companies get a wide array of settings to test concepts and trigger innovation.

Earlier this month, I introduced a Council motion that we wholeheartedly pursue this concept of the “City as a Lab.” And in keeping with that, I am pursuing an opportunity for Edmonton to be the first Canadian partner in the “Startup in Residence” program that launched in San Francisco and is now working in cities all across America. This program connects start-ups with local government, and the two work together over a 16-week period to develop technology solutions for identified city challenges.

As we undertake that work, we’re going to share those experiences with the business community — so that you, with your businesses, can also be participants in the “City as a Lab” concept.

Because that’s the second aspect to this “innovation pipeline” we need. A community match-making of innovators with those who are thirsty for innovation — be they governments, non-profits or businesses.

Those of you with companies in traditional industries may have challenges that you don’t even know you have. And you might have opportunities to be more competitive and cutting-edge than you realize.

This year, I had the pleasure of speaking to the Startup Edmonton Student Developer Conference. Before the doors even opened, there were dozens of the brightest students eager to boot up their laptops and start solving problems. By mid-day the room was full with some 250 students, soaking up the lessons of previous startup successes and starting to think of launching companies of their own. They were the faces of Edmonton’s future economy, and they’re waiting — salivating — for your business challenges.

So, let's actively shape Edmonton's economic future by leveraging our local tech talent to help make our established companies become as competitive and innovative as they can be.

For example, Rohit Gupta has already done this with his company, Rohit Communities. And Rohit's here today. He now describes his company not as a homebuilder, but as a tech company that builds houses. He knows his sector is ripe for disruption and he wants to be the one leading it. Instead of waiting for the market to shape him, he's going to shape the market.

Imagine what would happen if that kind of approach was embraced by Edmonton's entire business community. We'd have an Edmonton economy filled with companies in every industry that are positioned to compete and succeed, no matter what storms of change and instability blow in our direction. That's an economy built to last.

### **Innovation Hub**

That's why I'm championing the concept of an "Innovation Hub" in our downtown — a collision point of match-making between problems and solutions. A place that brings together entrepreneurs, service providers, mentors, investors, talent and business experts in an environment specifically designed to encourage the creation and growth of companies.

The Innovation Hub would be a key downtown node in the larger "Innovation Corridor" that we're pulling together. The corridor already physically links key assets in our innovation ecosystem, including Canada's largest polytechnic school, NAIT, MacEwan University, Alberta Innovates, Startup Edmonton, TEC Edmonton, the Merck Health Accelerator, two research-intensive hospitals and the University of Alberta.

In contrast to those manufactured office parks we saw in Silicon Valley, it's going to be a version that reflects Edmonton's lifestyle where innovation, entrepreneurship, the arts, creativity and vibrant urban life intersect.

I believe the Innovation Hub, and indeed the whole Innovation Corridor, will serve as key junctions for all four of the crucial pipelines we need. A strong and steady flow of exports — products, services and know-how — from Edmonton to the rest of the world, including the TransMountain Pipeline.

A strong and steady flow of local investment that sees Edmontonians taking greater control over the future of Edmonton's economy. A strong and steady flow of skilled talent that we develop here at home and attract from around the world. And a strong and steady flow of innovation — by aggressively bringing together the municipality, the tech community and our firms in traditional industries to deploy our entire city as a lab. This is how we can actively shape our economic future.

Edmonton is ready for this. Ready to get off the bench and play at a global level.

Our residents and business owners and researchers and community leaders are already leading the transformation of Alberta's economy. And that is thanks to your hard work and commitment to this city we all love.

But if, together, we put our shoulders into growing our exports, amplifying our investments, cultivating our talent and embracing innovation — I really believe together we will build lasting, diversified economic growth. We will help our local companies be more competitive, and we will enable more of our local start-ups and scale-ups to be globally relevant.

And, even in the face of rapid and unpredictable change, we will build an Edmonton economy that boldly pursues innovation, thinks big and embraces risk — an economy that will only grow stronger in the years ahead.