

Sandbox Entrepreneurs' Centre

A centre for life, business, and passion

Business Plan

August 2017

st. clements group inc.

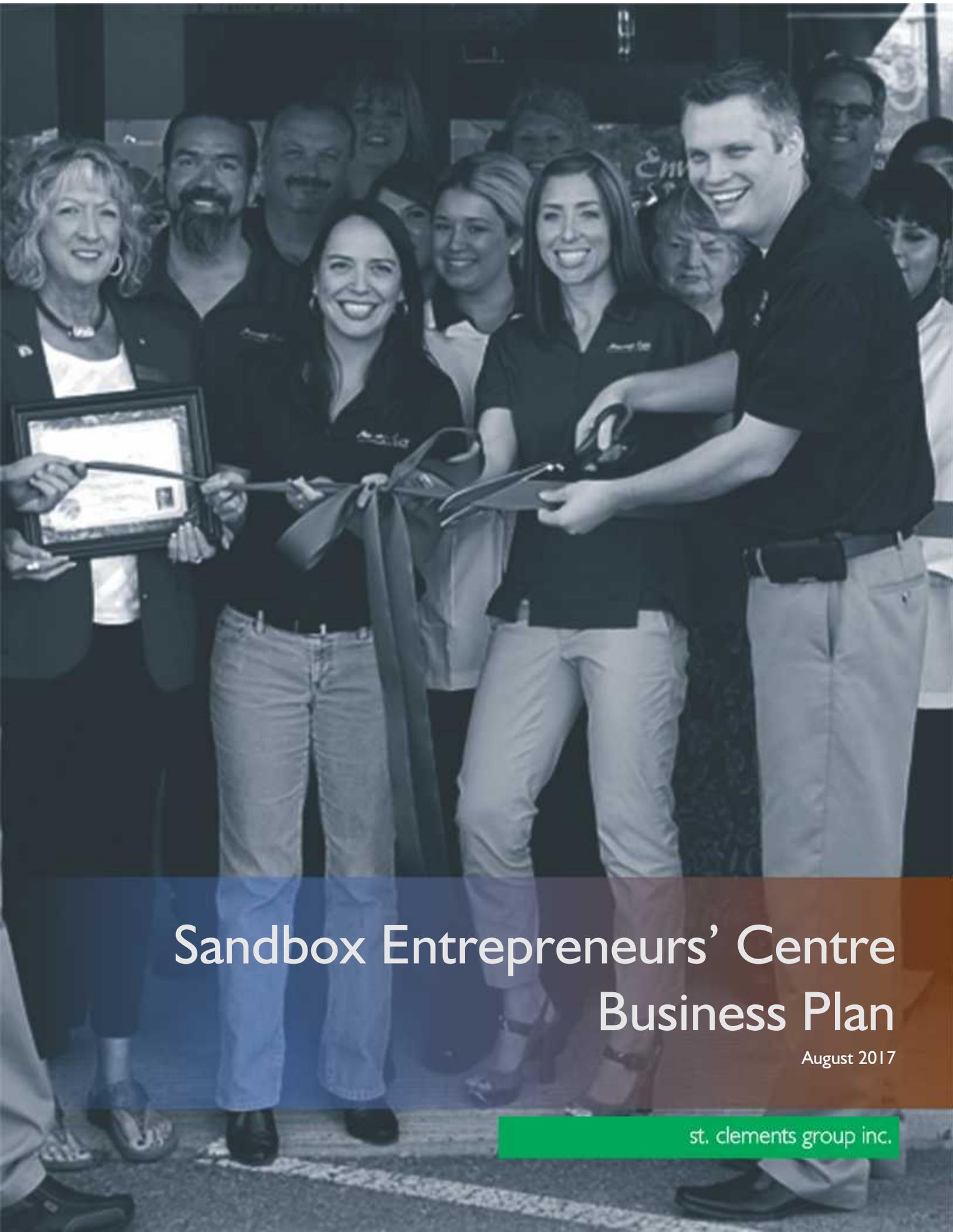
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A Day in the Life

It's Tuesday morning and the Sandbox Entrepreneurs' Centre's Junior Concierge pours himself a coffee and grabs an apple while chatting up a few members of the SEC.

The SEC is already filling up. There are a few small and medium company team members there from Georgian College's Bernick Centre and ventureLAB. They are heads-down, pounding away on their key boards while other members are gathered in meeting rooms preparing for their first customer or design meetings of the day.

The Junior Concierge will be especially busy today as he is helping the SEC Manager (who also acts as the community manager and communications lead) with two planned events and an open-house tour on top of his usual day-to-day duties. The City's Small Business Enterprise Centre

(SBEC) team and the Greater Barrie Chamber of Commerce (CoC) team have many visitors coming in and have informed the Junior Concierge of who they are. The Junior Concierge is ready for them. He has already identified two companies which need the assistance of both the Chamber lead and the Senior Concierge (the advisor who works with small-to-large companies wanting to grow and with intrapreneurs).

The first event of the day is a lunch workshop which brings together members of the health practitioners' community to introduce new technology ideas for senior care from members of the startup community and local academic institutions. At 2 pm, a group of people who signed up for an open-house tour will arrive and be greeted by the SEC Manager and the SBEC lead. The group consists of small and medium sized company CEOs from Barrie

and from neighboring towns who are interested in seeing how the SEC works. There will also be a few startup founders and employees, and curious Barrie citizens who would like to see what supports the SEC offers.

The tour will consist of an overview of how the SEC works with introductions to a few of the accelerator teams who work there as well as a few of the mentors and service providers. The tour encourages the sharing of goals and discussions about barriers to success with the current members. The tour guests are delighted to be arriving during the weekly jazz café where popular local musicians will be playing. The guests can head to the pop-up coffee wagons which showcase their latest confections. The SEC Manager and SBEC lead will ensure there is follow-up with the visitors and note the results. The Junior Concierge will assist with this.

In the evening, there is an ideation design jam planned for the arts community where producers, musicians, artists, writers, and programmers work on ideas for a new type of festival in Barrie in collaboration with the Creative Space. Food and drink will be served. Social media will be used to report on the jam and Georgian College students will be there filming the event for follow-on promotion. The results of the jam will be distributed to the participants and a blog written and published.

The Senior Concierge has several mentoring sessions planned for this Tuesday. She will be sitting down with the team lead from one of the banks' intrapreneurial teams working on a special project with a local startup to discuss how things are going. The Senior Concierge will also be checking in on a company from ventureLAB who needs assistance with a connection in Clean Energy.

The CoC lead along with the Senior Concierge this time will also be meeting with the CTO of a local parts shop who is looking to use new manufacturing technologies and the CEO of a local bakery who is looking to expand its business internationally.

Today, the SEC Manager along with the SBEC lead will be meeting with one of the Board Members for advice on a recent challenge. She will also reach out to potential partners including the Georgian Angels and clients.

The SEC Manager will be speaking with the Creative Space and others about a few ideas for cross-pollination of startups and some of the new businesses coming in to expand as well as share ideas for some events coming up. She will also be reaching out to Georgian College and ventureLAB for advice and to explore potential partnership to deliver some future workshops and satisfy the space requirement of their clients. In between all the activities, the Manager has

scheduled interviews with potential Georgian College and Lakehead University interns.

Later in the day, the SEC Manager, along with the Junior Concierge will be meeting with the SEC ambassadors to ensure they have what they need when they go to the many grass-roots meetups in Barrie. Their aim is to ensure that the community is aware of the growing entrepreneurial opportunities that exist in Barrie and help to spread the word of the products and services that are locally available.

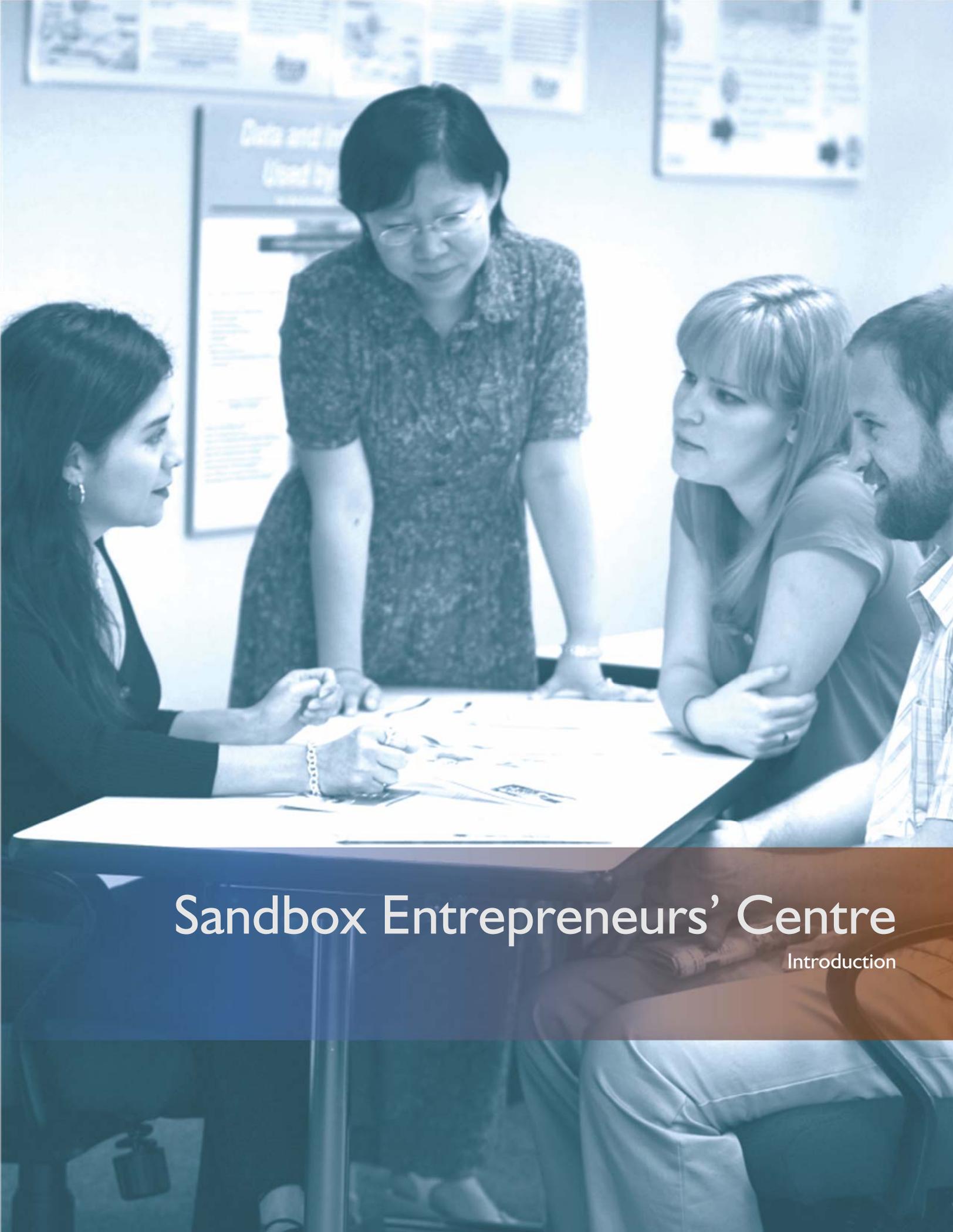
It's a typically long day. A few of the acceleration teams who stay into the

evening make use of the meeting rooms while the design jam occurs. They make sure they pop out to meet some of the Jam's participants. Some of the acceleration team members take part in the jam as well.

As the last people trickle out of the SEC for the night, a feeling of deep satisfaction and a warm sense of community lingers.

Toronto, Canada

July 25, 2017



Sandbox Entrepreneurs' Centre

Introduction

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A centre for life, business, and passion

The Sandbox Entrepreneurs' Centre (SEC) is a community-led initiative to reimagine entrepreneurship services in the City of Barrie. It takes advantage of the redevelopment of the bus terminal building at 24 Maple Avenue in downtown Barrie. A partnership of private sector organizations, the City, government agencies, and members of the entrepreneurial community banded together as the Sandbox Organization (SO) to identify gaps in the environment supporting entrepreneurs in Barrie. From this thinking came the core ideas underlying the SEC concept. This document is an extension of the plan prepared by the Sandbox Organization (SO) and presented to City Council in December 2016.

I. Strategic objectives and value streams

The City's economic development strategic plan as articulated by Invest Barrie aims to ensure that the economy creates and supports more high-quality careers and enhances the diversity and range of employment opportunities so that all residents can pursue local employment. The SO outlined four "value streams" to coincide with the gaps in the entrepreneurial "ecosystem" identified by Barrie's entrepreneurs and businesses. These are:

- An education centre
- A collision and meeting space
- A synergy centre that brings business support organizations under one roof
- An entrepreneurship brand for Barrie

On balance, our expectation is that the SEC will advance the goals of the City's economic development strategic plan and should have a positive impact on the needs identified by the community.

2. Operating model

Building on the needs identified by Barrie's entrepreneurial community, the SEC's core functions (and the resulting programs and services) are predicated on the following:

1. Complements the existing entrepreneurial services
2. Financially sustainable
3. Provides learning and sharing opportunities
4. Affects the whole community
5. Creates a service that all entrepreneurs can access
6. Creates a space that people want to go to over and over
7. Creates links and networks between entrepreneurs, organizations, and businesses
8. Creates opportunities for veteran entrepreneurs to get involved and alumni to continue to be involved in the entire ecosystem

2.1 Target audiences, partners, and helping entrepreneurs

The SEC, working with its partners, should direct its activities to the following audiences:

1. "GO" companies
 - Start-ups and new small businesses
 - Existing small businesses in which the business is looking to be more effective
2. "GROW" companies
 - Existing growth-oriented small-to-large businesses wanting to go to the next stage or scale up
 - Employees of GROW businesses (intrapreneurs)

2.2 Membership

To gain full access to SEC services, all users must become non-voting members either personally or through a corporate package. The membership cost should be set deliberately low to encourage participation (memberships in the first year of operations will be waived to build numbers). Membership allows access to particular programs and services as well as lower admittance cost. Non-members and casual users may still use a limited selection of basic services. Programs for them will be set at a higher price and available only when space is open.

2.3 Operating hours

The SEC will be a 24/7/365 operation that reflects the differing needs of its different audiences and the community. The Centre will be staffed for regular office hours and when there are evening events or

programs. Otherwise, the SEC will only be open to members through key card entry.

2.4 The Facility

The SEC should strive to create a user atmosphere or vibe that make entrepreneurs want to come back again and again and then want to stay for a long period (more like a community centre than a bus station). It should be easily navigable and have a feeling of openness so users feel comfortable to wander and more likely to form spontaneous connections. The property should be lively, cool, and youthful to fuel the sense of being part of the future rather than the past.

2.5 Staff

The initial SEC staff complement is made up of the following functions:

- SEC Manager
- Senior Concierge who facilitates small-to-large business growth and reach.
- Junior Concierge who provides intake services.

2.6 Performance metrics

The SEC's monitoring and evaluation of the program includes ongoing measures to assess utilization and effectiveness and a more rigorous evaluation three years into the implementation of the SEC to determine its overall impact and whether any fine tuning or re-direction is warranted.

3. Core services

The SEC programs will be delivered by a consortium of community organizations including:

- The City's Small Business Enterprise Centre (SBEC), Greater Barrie Chamber of Commerce (CoC), Invest Barrie, and the SO to operate the SEC including designing, managing, and delivering programs, services, and events
- The Henry Bernick Centre at Georgian College, ventureLAB, the City of Barrie's department of creative economy, and Georgian College's Centre for Applied Research and Innovation as a place to deliver training programs and mentorships

3.1 One-Stop shop — A resource for all entrepreneurs

The SEC will act as a bridge to other organizations and services to help entrepreneurs find the services so they do not need to go from pillar-to-post trying to find what they need to be more successful. The SEC's contact with entrepreneurs starts when that businessperson enters the SEC for the first time. She or he is greeted by a Junior Concierge (the intake person) who assesses the stage of the person's business and then directs him or her to the right service organization. For instance, if the person represents a start-up or a new small business, he or she will be directed to the SBEC and possibly from them to one of the

outside partnering service providers. If the person is from an existing business looking to be more effective running their business, then he or she will see the counsellor from the CoC which will either provide the needed service or redirect the client to one of the outside agencies.

In the case where the user is from a small-to-large firm wanting to grow or is an employee (intrapreneur) of a firm looking to grow, then the person is directed to a SEC Senior Concierge. Then to gain access to all the services and programs, the businessperson must become a member of the SEC. At this point, the Senior Concierge completes a formal assessment and customized action plan of the training, programming, networking, and other needs of the business person.

3.2 Paying it forward

An important part of the ethos of entrepreneurial programs is the sense of give and take. Clientele make use of the SEC's services but are generally expected to give back by taking part in peer networking events, mentoring others, promoting Barrie as a hub of innovation and entrepreneurship, and in some cases, providing financial support.

4. Governance

A distinction must be made between the ownership of the 24 Maple property and the ownership and operation of the programs

that take place within the building (i.e. the SEC). Ownership of the property does not immediately imply that the City also owns the activities within the building. It is not uncommon for governments to act as landlords leasing space to other organizations which then set up their businesses or programs in the space.

4.1 Corporate structure

The SEC can look at two distinct ownership and management scenarios:

1. The City "owns" all the activities in the building. In effect, the SEC becomes a City program or a City department.
2. A new corporation established to direct, manage, and operate the SEC property and program. This new entity would establish a lessee/lessor relationship with the City.

On balance, we would recommend the establishment of an independent operating entity. We strongly suggest, however, that the City take formal advice from its legal, risk management, and financial staff regarding the implications of the recommended corporate structure.

4.2 Decision making — The board of directors

The new operating entity will be headed by a board of directors made up of representatives of the key government, quasi-government, and private sector collaborators. At the time of incorporation, we would suggest a small launch board of

directors representing the current collaborators. The City would have a representative on this launch board.

5. Financial projections

Exhibit ES1 summarizes the projected cash in/outflows. Please note that the financial

projections should be used as an indicator of the order of magnitude of the expenditures. This is subject to change as building plans, programming and service plans, and the nature of the participation of the service deliverers are finalized. The presented estimates are “conservative”.

Exhibit ES1
Cash in/outflow projections

In Canadian dollars	Year 1	Year 2	Year 3
Months open to public	6	12	12
Cash inflows			
Total partnerships	\$0	\$0	\$0
Total programs, services, and events	\$128,000	\$322,500	\$645,000
Total room rentals	\$96,480	\$237,960	\$282,960
Total cash inflows	\$224,480	\$560,460	\$927,960
Cash outflow			
Total capital costs	\$1,450,000	\$10,000	\$10,000
Total salaries	\$196,250	\$305,000	\$305,000
Total overhead	\$172,400	\$195,800	\$195,800
Total operating overhead	\$368,650	\$500,800	\$500,800
Total cash outflows before contingency and inflation	\$1,818,650	\$510,800	\$510,800
Net cash inflow/outflow	-\$1,594,170	\$49,660	\$417,160

Sandbox Entrepreneurs' Centre

The Sandbox Entrepreneurs' Centre (SEC) is a community-led initiative to reimagine entrepreneurship services in the City of Barrie. It takes advantage of the redevelopment of the bus terminal building at 24 Maple Avenue in downtown Barrie. A partnership of private sector organizations, the City, government agencies, and members of the entrepreneurial community banded together as the Sandbox Organization (SO) to identify gaps in the environment supporting entrepreneurs. From this thinking came the core ideas underlying the SEC concept.

The City recognizes the great opportunity presented by the SEC to make the City's entrepreneurial infrastructure even more effective for businesses. The confluence of

the availability of a location and the community's understanding of gaps led to the SEC. After a public tender, The St. Clements Group Inc, an economic development consultancy assisting communities with their entrepreneurship, strategic, and operational planning needs was chosen to assist the City.

The purpose of the business plan

This business plan is a further extension of the plan prepared by the Sandbox Organization (SO) presented to City Council in December 2016. The SO proposes the redevelopment of the second floor of the 24 Maple building into a facility specifically aimed at helping entrepreneurs become more effective businesspeople. SO identified several gaps in the entrepreneurial ecosystem that it feels is

holding back the City's progress as both an investment place as well as the effectiveness, growth, and stability of its businesses.

The SEC program would partner with other Barrie organizations to provide local businesses with opportunities to learn, network, and create partnerships. The SEC's intended primary users; the way in which it interacts with both users and the other members of the Barrie ecosystem; and the programs and services it provides are all aimed at ensuring it complements the work of existing organizations and advances the overall aims of the community.

From this starting point, this business plan seeks to provide further information and refinement of the work already completed by City staff and the members of the SO committee. This plan begins by assessing the validity of the SEC concept, its strategic objectives, and proposed value streams. Assuming a positive assessment, then the following are completed:

1. An operating model including:
 - A description of the core capabilities that the centre should focus on
 - The processes, structure, people, partners and performance metrics that will enable successful execution

2. Core service delivery components that align with the strategic objectives — the programs, services, and events delivered by the SEC
3. A governance model including:
 - Defining responsibilities for strategic direction setting, operational decision making, funding and resource allocation, oversight, compliance and reporting
 - Delineating the respective governance and management roles that may exist (depending on operating model)
 - Defining the City's role/relationship with the Sandbox Organization
4. A financial model which outlines a capital and operating budget required to build and operate the Centre

To answer these questions, we undertook the following:

- Interviews with community leaders, local business leaders, government officials, elected officials, City staff, and local entrepreneurs ranging from start-ups to well established firms with international operations to learn of community needs, service needs, and alternative operating and programming models
- Research of secondary sources regarding market information and the

competitive (and collaborative)
landscape

- Review of documentation about the SEC plans, the Invest Barrie's strategic plan, and other material that provided context for the SEC's establishment

This resulting plan is based on the views of the entrepreneurial community leavened by our experience working with other organizations and communities on the planning and implementation of entrepreneurial centres and economic development plans.

How is the report structured?

This business plan is organized so that form follows function. In this case, function is predicated on community needs, current local entrepreneurial services, and the future that the City is aiming at. The first section looks more closely at the City's economic development goals and the needs of the entrepreneurial community and whether SEC's proposed concept can advance these needs. Assuming a fit, sections 2-4 outline the programming, services, and facility needed to operationalize the SEC concept. The fifth section contains the financial cash flow projections given the programs and services outlined in the second to fourth sections. The sixth section reviews the risks of the project and possible mitigation. The last section outlines the next steps to implement the plan.

Readers' note

Please note the following:

1. This business plan takes as its starting place the SEC concept as it was presented to City Council. The study team worked with staff to review that plan and prepared alternative scenarios about target audiences, the provision of services, and the service model. The results of this report are guided by the earlier plan but does not follow it lock step and has made alternative recommendations in some instances.
2. Estimates of the capital and some overhead costs to build-out and operate the SEC facility are provided by the City.

Please note we use the following abbreviations in this plan:

- **CoC** = Greater Barrie Chamber of Commerce
- **SBEC** = The City's Small Business Enterprise Centre
- **SEC** = Sandbox Entrepreneurs' Centre (both the programs, services, and facility)
- **SO** = Sandbox Organization (the group which initiated the SEC project)



The SEC program

Strategic objectives and value streams

Operating model

Core services

Governance

Strategic objectives and value streams

The SEC's goals are underpinned by two equally important needs: those of the Barrie community of entrepreneurs and those of the City more generally. In this section, we look at these complementary needs and review the SEC's ability to satisfy them.

I.1 Invest Barrie's strategic plan

The starting point for assessing the SEC's utility is the City's economic development strategic plan as articulated by Invest Barrie. It lays out a vision for the community's investment attraction and economic growth, including:

- Ensuring the economy creates and supports more high-quality careers, leading to continued increases in quality of life

- Focusing on enhancing the diversity and range of employment opportunities for the community, so that all residents can pursue local employment
- Enabling an economy that can withstand changes in economic conditions and global competition
- Ensuring the economy's ability to create high quality careers matches the pace of growth of the community
- Being a premiere destination for business investment

Arising from these goals are Invest Barrie's strategic directions:

- Diversify Barrie's economy to grow knowledge-based industries such as technology, internet, and life sciences

- Support the growth of a vibrant community of start-up companies that has the potential to grow very quickly
- Ensure the availability of a diverse workforce that can meet the needs of both current and future industries
- Create sustainable competitive advantage and resiliency by focusing on innovation
- Maximize how much the City can do through internal coordination and external collaboration
- Focus on strongly supporting existing employers, while attracting new ones, as part of a balanced approach to economic growth

1.2 The entrepreneurial and business communities and their needs

Barrie's entrepreneurs and businesses have identified needs that mirror those guiding the City's economic development work. Overarching the various activities and actions that were identified is a need for a different way to organize access to the region's different entrepreneurs' services and programs. Interviewees expressed a need to better take advantage of the network of experienced industry participants, service providers, and government.

At a more granular level, the following needs and gaps for all types of entrepreneurs were identified:

- The entrepreneurial ecosystem
 - Entrepreneurs may not be able to identify their own weaknesses and need assistance to find the programs, networks, and services as well as select them so they have a coherent plan of action for their growth as businesspeople.
 - There are many programs and services currently available. It is difficult to know of them all. The service providers themselves do not realize the existence of all programs, their schedules, and the details of the programs and who they can serve.
 - While there are both formal and informal networks of businesspeople in the community, there is typically not a way for those experienced entrepreneurs to convey their experiences and expertise to other, perhaps less experienced, entrepreneurs.
 - Existing training organizations naturally focus on delivering their own programs while entrepreneurs may need a collection of programs from a variety of sources.
 - Many existing organizations focus on the development of start-up and early stage businesses while experienced businesses also need assistance.

- Improved skills and stronger labour pool
 - A need for improved management and operating skills, especially pre-incubation training, fundraising, business processes, and product development
 - Help to prepare top-performing employees for the next level
 - Resources to help attract top-tier talent to the region
 - Help for locally based businesses to become “world-class”
- Networking
 - A network of peers to trade ideas, experiences, and skills
 - Access to veteran mentors and coaches
 - Opportunities to become a mentor or coach
- Community
 - Opportunities to celebrate successes together
 - Opportunity to contribute to the success of other businesses
 - An ability to have a long-term career and business without having to move from Barrie
- Strength, confidence, conviction
 - A way to overcome inertia or fear
 - A pain-free, low intimidation way to get started
 - Validation of ideas (not just the product but also a way of thinking and processes)
 - Help for youth to become entrepreneurs

I.3 SEC’s vision, mission, and “value streams”

The SO’s work and ultimately the configuration of the SEC has been predicated on the following vision and mission:

Vision

“Help locally based businesses become ‘world-class’”

Mission

“To provide a business knowledge exchange linking business people and the organizations that serve them into a vibrant business ecosystem”

The SO outlined four “value streams” for the SEC which coincide with what it identified as missing pieces in the entrepreneurial “ecosystem”. These are:

- **Education centre** — Where entrepreneurs, both new and established, can access education programming
 - Coordinating the existing efforts to provide greater reach to a wider audience
 - Reducing redundancy, filling in the gaps, providing economies of scale
 - Growth programs for entrepreneurship and intrapreneurship

- **Collision and meeting space for entrepreneurs** — A place that facilitates connections and networking amongst entrepreneurs, mentors, and business leaders
 - Reducing the degree of separation within the business community
 - Encouraging mentoring and peer-to-peer learning
 - A place known for entrepreneurs looking to collide with like-minded people
- **Synergy centre** — A centre that brings business support organizations under one roof and provides a central place for business knowledge exchange
 - Offices/storefront for organizations that support businesses
 - Single location for business knowledge exchange (e.g. workshops, events, peer-to-peer, speakers)
 - Programming for food-based entrepreneurs, artisans, and businesses aimed at consumers aligned with the proposed food market at 24 Maple
 - Coordinated community-based individual mentorship (mentors not linked to a service-providing organization)
- **Entrepreneurship brand for Barrie** — Attract businesses and talent into a growing ecosystem.

- Provide City promotional opportunities
- Aiding the recruitment of creative, knowledge based entrepreneurs to Barrie

I.4 Assessment

We need to look at the above needs and issue from both a global and local point-of-view to access the possible impact of the SEC.

At the global level, the question of the utility of the SEC needs to consider the following:

1. Does having the SEC give Barrie an advantage (or level the playing field) over its competitors in the attraction of new investment? Or does not having a facility such as the SEC hinder Barrie in the attraction of investment?
 - Strong community ecosystems that encourage, start, support and grow businesses are magnets for people and businesses looking to find a place to live and grow themselves. The addition of the SEC will provide a place to consolidate, elevate and accelerate existing businesses, adding a missing and necessary service to, and integrating with, the growing Barrie entrepreneurial ecosystem community.

From a local point-of-view,

1. Can local businesses find the same level of assistance without the existence of the SEC?

- To be effective, stabilize and grow, entrepreneurs need a one-degree-of-separation-from-the-right-needed-resource, which is unavailable currently.
- The SEC is meant to deal with the problem that businesses have identifying services and programs that can help them. At the moment, businesspeople do not have a central source of information or a single location in which to access training, networking, or other services. It means that businesspeople make do, do not get the exact help they need, or even just give up. The SEC is aimed directly at solving this problem.

2. Will the mitigation of the gaps that have been identified affect the overall development of local businesses?

- The current local entrepreneurial resources are aimed at specific types of businesses, are sometimes not well known, or unable to

coordinate with other community services. It means there are some overlaps or duplication of services and gaps in services (timing or availability). Users not only need help to create a personal training and networking plan but also help to identify where and how to follow through with that plan.

- A powerful tool for business growth is the trading of ideas, techniques, processes, and experiences between entrepreneurs that are part of a well-organized network. Barrie is home to numerous formal and informal networks. The SEC will give entrepreneurs an opportunity to learn about (and join) existing networks and participate in new ones initiated by the SEC.

On balance, our expectation is that the SEC will advance the goals of the City's economic development strategic plan and should have a positive impact on the needs identified by the local community.

The following sections of this plan operationalizes the SEC concept.

Operating model

The SEC program aims to contribute to the success of entrepreneurs and to the overall economic health of the community. This section looks at the principles guiding the SEC's delivery of services; description of its target audiences; operating guidelines; how the SEC works with all entrepreneurs who arrive at the SEC; core functions; staffing requirements; and how the SEC's work might be evaluated. All these considerations guide the selection and delivery of the actual SEC's programs and services which are detailed in Section 3.

2.1 Operating model guiding principles

Building on the needs identified by Barrie's entrepreneurial community, the SEC's core functions (and the resulting programs and services) are predicated on the following guiding principles:

1. Complements the existing entrepreneurial environment
 - A distinct function for the SEC so to minimize duplication of programs and services in the community
 - Collaboration and integration, rather than competition to existing programs
2. Financially sustainable
3. Provides learning and sharing opportunities
 - SEC's clients use services but also give back their time, experience, and expertise to other clients
 - Opportunities for peers to candidly discuss business issues, experiences, and strategies
 - A space that drives collisions and joint effort amongst users

- Links businesspeople and the organizations that serve them into an organized business ecosystem
 - Transfers information, tips, knowledge, and contacts
 - Provides formal training through seminars, programs, special events, and other events to transfer knowledge through partnering with existing Barrie organizations, new programs, and sourcing other programs offered by non-Barrie organizations
4. Affects the whole community
- A SEC that is active, exciting, and a catalyst to the revitalization of the downtown in general and the Maple and Dunlop area specifically
 - Centrally coordinated source for entrepreneurial activities to help residents of Barrie succeed in their business endeavours
 - An entrepreneurial atmosphere or culture amongst the residents and businesses
 - As an economic development tool to attract new businesses and part of the branding of the community as an entrepreneurial, business friendly, business supportive destination for investment
 - To stem the out-migration of businesses that have grown to the point in which they feel they must leave town to grow further
5. Creates a service all entrepreneurs can access (see Section 3 for more information)
- One-stop shop (for all entrepreneurs regardless of the stage of their businesses)
 - Entrepreneurs can either find the service they need at the SEC or are directed to other community services who can help them
 - Staff that can advise the entrepreneur on the best course of action he or she might take
6. Creates a space people want to go to over and over
- High foot traffic to create a sense of excitement, opportunity, and community
 - Street facing or with strong street presence
 - Represents the idea of entrepreneurship
 - Represents the idea that entrepreneurs are part of the community
7. Creates links and sharing between entrepreneurs, organizations, government, and businesses
8. Creates opportunities for veteran entrepreneurs to get involved and alumni to continue to be involved in the entire ecosystem

2.2 Primary functions

The SEC has four main functions: two with a city building impact and two assisting the entrepreneurs coming to the SEC. The latter two functions are explained more fully in Section 3.

1. **Cultural change** — The City aims to create a stronger culture of entrepreneurship and growth amongst its businesses and residents. The SEC can play an important role generating excitement and focus for the community through its programming and the revitalized building.
2. **Economic development tool** — The SEC can be a demonstration project allowing potential outside investors to see a physical manifestation of the City's entrepreneurial spirit as well as the many services, programs, and networks that would be available to them for both business and personal growth.
3. **Programs and services** — The SEC delivers a variety of formalized training through other Barrie entrepreneurial services; its own programming and special events; a networking and sharing program; and mentoring and coaching for entrepreneurs.

4. **The facility** — The SEC property acts as the locus of the City's entrepreneurial activity as well as acts as a central location for its programs and services.

2.3 Target audiences

Barrie is fortunate to have a plethora of services for entrepreneurs whether they are people with the germ of an idea or have a sophisticated, large scale enterprise. The SEC is one component of this system. There is no need to duplicate the work of other channel partners. Rather, the SEC can have the biggest impact on the entrepreneurial success of the community by filling the service gaps for the following audiences:

1. **“GO” companies**
 - Start-ups and new small businesses
 - Existing small businesses in which the business is looking to be more effective
2. **“GROW” companies**
 - Existing growth-oriented small-to-large businesses wanting to go to the next stage or scale up
 - Employees of GROW businesses (intrapreneurs)

The SEC can play different roles depending on the stage of development of the user's business.

2.4 Membership

To gain full access to SEC services, all users must become non-voting members either personally or through a corporate package. The membership cost should be deliberately set low to encourage participation (memberships in the first year of operations is waived to build numbers). Membership allows access to particular programs and services as well as lower admittance cost. See exhibit 6 for membership price assumptions.

A membership gives the SEC several benefits including:

- Supports the delivery of the SEC program
- Gives the SEC an opportunity to promote events and programs
- Gives the SEC the data needed to better measure and understand the entrepreneurial ecosystem
- Increases the perceived value of the SEC's services
- Increases the sense of belonging in the entrepreneurial ecosystem
- A database of mentors, experts, and thought leaders

Businesspeople with a start-up or new business (GO companies), when first inquiring at the concierge will not be asked to sign up a membership when directed to

the SBEC or CoC. If the enquiry is simple to fulfil or a simple lead to a third-party organization which would complete the transaction, there will not be a membership requirement. This is in line with their current practice. However, if the enquiry is more elaborate or leads to further SEC programs, assessments, or services, a membership will be required.

For GROW clients, the businessperson will be required to take a membership as part of their work with the Senior Concierge. If they choose not to take the membership, then the services available to them as with other non-members will be limited to a selection of basic services. Their use of programs will be set at a higher price and available only when space is open. Section 3.6 shows the services included and excluded depending on membership.

2.5 Operating hours

The SEC will be a 24/7/365 operation that reflects the differing needs of its different audiences and the community. The Centre will be staffed for regular office hours and when there are evening events or programs. Otherwise, the SEC will only be open to members through key card entry. Exhibit 1 shows a proposed operating schedule.

Exhibit I
Operating hours

Time		Activities	Access	Staffing
Monday-Friday	8:00AM-6:00PM	Normal operations	Open to public	Staffed
Monday-Friday	6:00PM-11:00PM	Programs and events	Open to public	Staffed
Monday-Friday	6:00PM-11:00PM	No programs or events	Members card entry only	No staff except for building security
Saturday, Sundays, holidays	8:00AM-11:00PM	Programs and events	Open to public	Staffed
Saturday, Sundays, holidays	8:00AM-11:00PM	No programs and events	Members card entry only	No staff except for building security

2.6 The Facility

The project team has been provided with a proposed building plan with space allocations and uses. This section, instead speaks to the environment that users will find within the space and the SEC's relationship with the street and as a downtown anchor. The SEC should strive for the following:

- SEC's user atmosphere or vibe
 - The space makes entrepreneurs want to come back again and again and then want to stay for a long period (more like a community centre than a bus station)
 - Easily navigable and a feeling of openness so that users feel comfortable to wander and more likely to form spontaneous connections
- Lively, cool, and youthful to fuel the sense of being part of the future rather than the past
- Creating a desire to be part of the experience so that users exclaim "I want to be part of that!"
- A human scale place with programs and services that instill a sense amongst the entrepreneurs that, "I can do it!" (more like DMZ than MaRS)
- A sense of collaboration and information and experience sharing
- Users who, through the networking, collisions, and programs, feel they have something valuable to contribute.
- The physical space
 - Accessible both physically into the building and, once in the building, able to access much of the floor

- space and services (more like the LCBO as it is today rather than what it was like 20 years ago)
- Open when members need it — both when the Centre is staffed or through key card when there is no staff on duty
- A space that drives collisions and joint effort amongst users
- Public areas for informal conversations and relaxation
- Relationship with the street and the downtown
 - Integration with the lower level market space to generate traffic and movement
 - The SEC activities can be seen from outside the space to give the street a sense of activity and excitement
 - Signage to create a strong street presence so the SEC is known as a public place rather than a “private club”
- Amenities
 - Common amenities
 - Bookable meeting rooms
 - Flexible events space(s)
 - Open spaces
 - Drop-in desk spaces
 - Mobile white boards
 - Telephone space or room(s)
 - Strong connectivity
 - Large screens for presentation

- Food
 - Kitchen/coffee bar which may be operated by a third-party
 - Coffee/tea/cold water constantly flowing, with cereals and fruits available from 8AM–10PM
 - Special networking events (e.g. “lunch and learns” or new team intros; good scotch Fridays to celebrate and commiserate; and “salad days” which are basically pot luck salads for lunch)
- Accessible washrooms

2.7 Staff

The initial SEC staff complement is made up of the following functions:

SEC Manager

- **Role:** The Manager also acts as the community manager and communications lead for the SEC. This individual is responsible for recruitment and membership, building the network and enabling the connections to the ecosystem, following up leads, building partnerships, and ensuring energy in the space through communications and collaboration. She works with the SBEC lead, Junior Concierge, CoC lead, and Senior Concierge to facilitate cross-pollination of discovery, expertise, and business development and to facilitate communications and marketing to promote the SEC capabilities and results (reputation). She will work closely with

the SEC board of directors and will also assist with data collection and consolidation

- **Characteristics:** This person would ideally have experience in marketing, communications, event planning and facilitation, adult training, and entrepreneurship. Just as importantly, the prospective manager should be well connected to Barrie's business community. She should have high energy, great enthusiasm for helping businesspeople grow their businesses, and with a passion for connecting and growing Barrie's entrepreneurial community.

Senior Concierge

- **Role:** The Senior Concierge's main role is mentorship and helping small-to-large businesses and intrapreneurs succeed. Her work includes creating mentorship and networks connections, building partnerships, and attracting funding. She works closely with InvestBarrie, SBEC, and CoC to deliver the SEC program to small-to-large business and intrapreneur members.
- **Characteristics:** This person must have extensive business experience as an entrepreneur herself and a local and regional network of contacts with financing, operations, international, corporate management, education, and research experience. She should also be passionate about being a mentor and helping businesspeople and

organizations to stabilize, work smart, and/or grow.

Junior Concierge

- **Role:** The Junior Concierge is responsible for intake plus administration and operational assistance. This person would be the first greeter and will be responsible for getting visitors and would-be members through to the right program. He or she would also work closely with the SEC Manager as an assistant running events, workshops and rentals.
- **Characteristics:** This is a junior+ role whose responsibilities grow with the job.

2.8 Performance metrics

There are two aspects to the monitoring and evaluation of the program: ongoing measures to assess utilization and effectiveness and a more rigorous evaluation three years after the SEC's launch to determine its overall impact and whether any fine tuning or re-direction is warranted.

On-Going

To keep account of the SEC's progress we suggest the following metrics:

- Operations
 - Total revenue
 - Startup funding
 - Sponsorships, grants, donations to SEC
 - Revenue from operations

- Number of events and event attendance
- Number of local sponsorship of special events
- Number of community meetings held at SEC
- Outcomes
 - Number of companies serviced and how (referral, programs, mentorship)
 - Types of companies by phase, size, sector
 - Diversity metrics
 - Number of jobs created
 - Number of program alumni
 - Number of new businesses created because of SEC membership

Three-year evaluation

This assessment should come at a point after sufficient time has elapsed for the SEC to become known, established, and used in the community. We suggest that three years would be an ideal time in this regard — long enough to ensure widespread awareness and utilization and yet not so long that the program is overly entrenched and fine tuning (should that be required) becomes more difficult. The types of evaluation activities that should be considered (in

addition to the information compiled over the course of the on-going monitoring) include:

- SEC brand and reputation
 - Likelihood to refer
 - Perceptions of the quality and range of services
 - Familiarity with SEC's offerings
- Number of companies serviced
 - Referrals/connections
 - To incubators, accelerators, and business centres
 - To mentors
 - To professionals
 - To start-ups, other companies
 - Workshop participation
 - Event participation
 - Mentorship
- Membership
 - New, lapsed, and total number
- Member company growth
 - By number of jobs created
 - By revenue
- Startup connections
 - Partnerships
 - Licenses
 - Acquisitions

Core services

The SEC will deliver a variety of programs, services, and events to its users. In addition, the Centre acts as a “landlord” renting or leasing space to other users. This section describes the types of programs and services the SEC will deliver.

3.1 Delivering the SEC program

The SEC programs will be delivered by a consortium of community organizations. Their specific responsibilities include:

- Operation of the SEC including designing, managing, and delivering programs, services, and events
 - Small Business Enterprise Centre
 - Greater Barrie Chamber of Commerce
 - Invest Barrie
 - Sandbox Organization

- Delivery of training programs and mentorships (strategic partners)
 - Henry Bernick Centre at Georgian College
 - ventureLAB
 - Department of Creative Economy, City of Barrie
 - Georgian College's Centre for Applied Research and Innovation
- Funding programs
 - Ontario Centre of Excellence
 - Industrial Research Assistance Program
 - Ontario Ministry of Agriculture, Food and Rural Affairs

3.2 One-Stop shop — A resource for all entrepreneurs

Study participants note the difficulty for entrepreneurs at all stages of their growth to identify ways to improve their own effectiveness and then identify and locate

services that can help them. They note the need for a one-stop shop so entrepreneurs do not need to go from pillar-to-post trying to find the right services to suit their needs as well as advice on what they can do to be more successful.

The SEC has two main functions: as a bridge to other organizations and services and as a service provider in its own right. Seven basic types of users are expected ranging from start-ups to out-of-town investors. These are detailed in exhibit 2 which shows the different types of users; whether they are motivated by personal needs or on behalf of a corporation, and services they would receive and from whom.

As an example of the process to direct the user to the appropriate services, consider the following scenario. On entry into the SEC, an entrepreneur is greeted by a Junior Concierge (the intake person) who assesses the stage of the person's business and then directs him or her to the right service organization. For instance, if the person represents a start-up or a new small business, he or she will be directed to the SBEC (a free service) and possibly from it to one of the outside partnering service providers. If the person is from an existing business looking to be more effective running his or her business, then he or she

will see the counsellor from the CoC (a free service) which will either provide the needed service or redirect the client to one of the outside agencies. In both the SBEC and CoC cases, there may be an assessment to discern the needs of the client.

At this point, the client is offered the opportunity to purchase a membership (see section 3.6 for membership benefits).

In the case where the user is from a firm wanting to grow or is an employee (intrapreneur) of a firm looking to grow, then the person is directed to a SEC Senior Concierge. A membership is offered at this point. As a member, the user has access to the Senior Concierge who completes a formal assessment and customized action plan of the training, programs, networking, and other needs of the business person. This also gives the member ongoing access to the Senior Concierge who works with the businessperson to realize his or her program. For those training sessions, special events, and other services, members are eligible for free or discounted admittance. For those who do not become members, the admittance fees are not discounted nor are they eligible to attend all programs and functions.

Exhibit 2

SEC user type and services

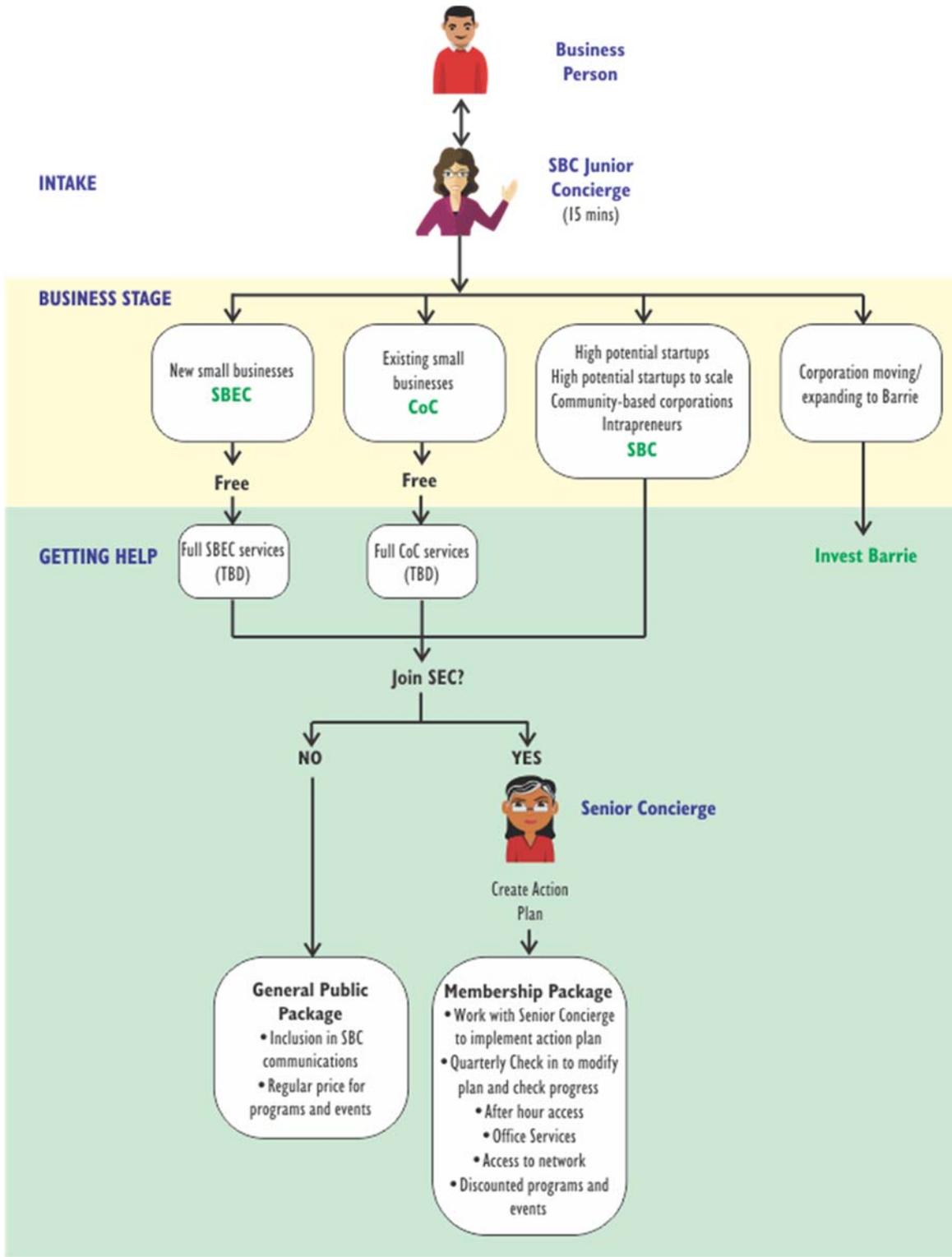
Business stage	Motivation	Description	The Junior Concierge sends the person to:
New small businesses	Personal	Someone with an idea but has not set a business up yet (a “startup”)	SBEC, no cost to the client
Existing small businesses	Personal	Someone already operating a business and looking for help to stabilize, be more effective, has a specific operating problem, or wants to expand slowly	CoC, no cost to the client
High potential new startups	Personal	SEC sees user has an opportunity to become a “big” business and thinks he or she should consider going big now (Note 1 below.)	Senior concierge, completion of action plan requires membership
High potential startups to scale	Personal	The user thinks he or she has a super fantastic early stage business and aims to grow it now . The junior concierge agrees.	Senior concierge, completion of action plan requires membership
Community based corporation	Corporate	A Barrie-based established, medium-to-large business, that wants to stabilize, be more effective, has a specific operating problem, or grow/scale the company.	Senior concierge, completion of action plan requires membership
Intrapreneurs	Corporate	An employee(s) from a Barrie-based business wanting his or her company to stabilize, be more effective, has a specific operating problem, or grow or scale.	Senior concierge, completion of action plan requires membership
Corporation moving/ expanding to Barrie	Corporate	A representative from existing non-Barrie company wanting to possibly locate in Barrie	InvestBarrie

Note 1: The customer may have come into the Sandbox with a desire to stabilize, be more effective, or has a specific operating problem. He or she did not necessarily come in with growth in mind.

While the Sandbox Manager, CoC lead, and SBEC lead have different target clients, there are possibly overlapping programs or gaps in the SEC’s services. To minimize this, the three organizations will work together to jointly design, deliver, and manage the SEC’s selection of programs and services.

Exhibit 3 shows how the SEC can help all users. Then see exhibit 4 for examples of services that the different types of clients receive. Section 3.5 looks in greater detail at the programs and services available to the SEC’s users.

Exhibit 3
Helping all entrepreneurs



3.3 Programs, service, and events

Exhibit 3 shows the focus of the services that each type of business receives at or through the SEC.

Exhibit 4
Examples of services delivered by client type

Service	GO companies		GROW companies	
	Start-ups	New small businesses	Existing small businesses	Medium to large businesses
Delivered by the SEC (SBEC, CoC, SO)				
1. Networking opportunities	✓	✓	✓	✓
2. Access to events, programs, and services	✓	✓	✓	
3. Training by SEC or third-parties		✓	✓	✓
4. Triage and referral to third-party services	✓	✓	✓	✓
5. Spaces for collisions	✓	✓		
6. Consult with SBEC		✓		
7. Consult with professional services		✓		
8. Case management	✓			
9. Curated review panels	✓			
10. Data and impact metrics	✓	✓	✓	✓
Delivered by the strategic partners				
1. Mentorship	✓	✓	✓	✓
2. Training	✓	✓	✓	✓
3. Access to students/programs/CARI			✓	
4. Innovation programs			✓	✓
5. Participation in Ecosphere Program	✓			✓
6. Gateways to industry-academic partnerships				✓
7. Access to specialized programming				✓
Delivered by funding programs				
1. Directed to funding and programs, partnerships	✓	✓		

3.4 Paying it forward

An important part of the ethos of the SEC's entrepreneurial programs is the sense of give and take. Clientele make use of the SEC's services but are generally expected to give back by taking part in peer networking events, as mentors to new entrepreneurs, promoting Barrie as a hub of innovation and entrepreneurship, and in some cases, providing financial support. A particularly important giveback is data about their businesses and the impact of the SEC on their growth. This data will be useful to map the ecosystem and the future design of the program. The SEC will work with its users to instill this attitude of paying it forward.

The strategic partners and funding programs will be part of the two-way street. Examples of their actions include:

- Testimonials about the SEC program
- Acting as brand ambassadors for the City
- Acting as a feedback loop to service providers to guide the evolution of content
- Participating in industry-academic programs
- Providing professional expertise
- Brokering connections with existing companies
- Acting as a gateway to industry-academic partnerships (Georgian

College's Centre for Applied Research and Innovation, Lakehead)

- Giving access to specialized programming
- Innovation programming
- Referring other businesses to the SEC (i.e. an ambassador)

3.5 Programs and services

Many of the services available to start-ups and new businesses are typically delivered by third-party partners with the SEC acting as a bridge to those partners. The SEC itself, however, is responsible for delivering programs and services to existing small-to-large businesses looking to grow. This section gives more details about specific programs for these types of clients.

After working with the Senior Concierge, GROW members will have access to the following programs and services tailored for existing small-to-large businesses and for intrapreneurs.

1. **Business community development** — Working from the action plan created by the member and the Senior Concierge, the SEC will help the entrepreneur make connections to the business community.
 - Peer Network — The SEC will partner with members of Barrie's entrepreneurial ecosystem to create a peer network of businesses, start-ups, developers, and others. The network will partner members with a

peer and/or a peer group. The Senior Concierge will use the action plan to help determine the best peer match ups for each member.

- Curated collision— The Senior Concierge will coordinate collision events for businesses that creates networking opportunities between companies, start-ups, and Barrie members. The coordination will include setting the agenda, inviting the appropriate people, and arranging the collision space.
- Meet-ups — Like the curated collisions, the Senior Concierge will plan and coordinate meet-ups for businesses that are targeted specifically by subject or sector.

2. **Connect and Grow services** — Staff at the SEC will create customized services for businesses depending on the user's needs and situation. This will include a mix of the following services:

- Curation and match — The Senior Concierge will match businesses together with other companies and entrepreneurs who then work together as a team to achieve the business' objectives. Different strategies are used to match businesses depending on the needs, timelines, and budget of the business. One strategy the Senior Concierge will use is a competition to match businesses with start-ups

who work directly with the business to help achieve their goals.

- Business advice — The Senior Concierge works with the business offering advice to help it reach its goal. This advice will cover a wide range of areas such as staffing, project management, funding sources, supply chain, marketing, funding, and other business challenges. The Senior Concierge will leverage the existing Barrie ecosystem as well as other SEC members as resources to help provide this advice.

3. **Training** — Each business may require a custom mix of training. The training programs will be provided by a variety of sources. Where possible, the Senior Concierge will arrange for members to attend existing training programs in the Barrie ecosystem. If the right training program does not currently exist, the Senior Concierge will either work with existing organizations to create one, find an online option outside of the Barrie ecosystem, or create the training program. The training format could include coaching, workshops, seminars, in-class, online courses, and college or university courses.

4. **Network referrals** — The SEC will host regular meet-ups and collisions, some will be invitation only and others will be open to the full membership. These

meet ups and collisions will be determined by the kinds of members who join and their business needs, and will be organized and curated by the Senior Concierge. In addition, the Senior Concierge will refer members to other members where they see mutual benefits for each member.

5. **Demo/Spotlight days** — The Senior Concierge will organize demo/spotlight days that will give businesses the opportunity to present their business ideas and strategies to the SEC community. Depending on the goals of the business, the Senior Concierge may also invite specific individuals to the event (e.g. possible investors or VCs if the business needs funding to grow).
6. **Project management support** — When needed, the Senior Concierge will source third-party project management support for intrapreneurs to finish their projects. The third-parties may help create a project plan and execute the plan on time and on budget.
7. **Recruitment** — The Senior Concierge will assist members assess their recruitment needs. The recruiting service will be delivered by third-parties.
8. **Evangelism** — The SEC will help promote and market each member by sharing stories and news across their

network, social media platforms, partner organizations and media contacts. By showcasing the growth and success that members have achieved through their association with the SEC, both the SEC and the members will increase their profile, expand their reach, and drive interest in their business.

9. **Business tours** — To expand the individual member's business network, the Senior Concierge may organize visits so that invited guests can experience the business first hand.

10. Office services

- Photocopying and printing — All members have access to photocopying and printing services.
- Refreshments — The SEC will supply coffee, tea and water to all members.
- Meeting rooms — Members will be able to book meeting rooms at the SEC, the rooms will be available on a first-come, first-serve basis and will need to be booked in advance.

3.6 Services for members and non-members

Not all services and programs are available to non-members. Those that are will be at a higher cost. Exhibit 5 shows the services that are or are not included depending on membership.

Exhibit 5

Member and non-member services

Program and service	Members	Non-members
1. Business community development		
• Peer Network	Included in membership	Not available
• Curated collision	Included in membership	Not available
• Meet-ups	Included in membership	Higher public rate
2. Connect and Grow services		
• Curation and match	Included in membership	Not available
• Business advice	Included in membership	Not available
3. Training	Member rate	Higher public rate
4. Network referrals	Included in membership	No charge
5. Demo/Spotlight days	Included in membership	Not available
6. Project management support	Member rate	Not available
7. Recruitment	Member rate	Not available
8. Evangelism	Included in membership	Not available
9. Tours	Included in membership	Not available
10. Office services		
• Photocopying and printing	Included in membership	Market rates
• Refreshments	Included in membership	No charge
• Meeting rooms	Included in membership	Public rate

3.7 Other SEC programs and activities

In addition to the programs specifically designed for its members, the SEC may also deliver the following services:

1. **Meeting room rentals** — The SEC will have meeting rooms available for rent by the hour by any Barrie organization regardless of whether they are business or entrepreneur-based. The purpose is both as a revenue source and to create a closer relationship with other community groups and the average-person-on-the-street. This relationship goes toward the

City's efforts to make an entrepreneurial cultural change.

2. **Long term anchor tenants** — The SEC is configured with several spaces available for long term leases by third-party firms and organizations. We would recommend that these spaces be used by services such as insurance, real estate, financial, and others relevant to entrepreneurs; other quasi-government services; or a revolving roster of organizations to be used as intake or mentoring space.

3. **Third-party delivery of programs** — The facility can be a location for delivering programs which are not available in Barrie delivered by non-Barrie organizations.
4. **Knowledge transfer** — SEC will develop processes, knowledge, and experiences that will be valuable to other entrepreneur centres, entrepreneurs, and organizations. Many can be monetized. It allows the learning at the SEC to be distributed more widely through:
 - Conferences
 - Seminars
 - Retreats
 - Special events
 - Incubator set-up and process
5. **Alumni** — Our successful entrepreneurs are an invaluable asset to both the SEC and the community itself both as successful businesspeople and as models for other aspiring entrepreneurs. Our expectation is that alumni of the program become program mentors helping new entrepreneurs to launch and grow their businesses. Roles that alumni may play include:
 - Mentors in the organizing and launch of new businesses
 - Organizers of targeted meetups
 - Assisting members with their networking and relationship building
 - Managing the alumni program
 - Award and scholarship program

Governance

To this point, the private sector with the assistance of the City and other local organizations have driven the development of the SEC. As we go forward, the roles and responsibilities of the various partners need to be formalized to encourage collaboration, effectiveness in the help given to entrepreneurs, and efficiency in the way in which the programs are designed and delivered. This section discusses the implications of establishing a new operating company to direct and operate the SEC, the decision-making structure, and role of the City vis-à-vis the new operating company.

4.1 Guiding principles

The decision regarding the corporate structure, corporate objects, and board structure to direct and operate the SEC is based on the following:

- That the City's goal to create an ecosystem and a city-wide culture of entrepreneurship is advanced by the governance model
- That the City is not solely responsible for any financial shortfalls incurred by the SEC or other liabilities that arise from the operating of the SEC
- That the direction and the management of the SEC is collaborative
- That there are opportunities for members of the entrepreneurial ecosystem to participate in the direction of the SEC and establish a common effort
- That the direction and operation of the SEC is a partnership of public, quasi-public, and private sector organizations

4.2 Corporate structure

We must make a distinction between the ownership of 24 Maple and the ownership and operation of the programs that take

place within the building (i.e. the SEC). Ownership of the property does not immediately imply that the City also owns the activities within the building. It would not be uncommon for governments to act as landlords leasing space to other organizations which then set up their businesses or programs in the space. An example of this lessor/lessee arrangement is the lapsed operation of the Burger King at 24 Maple.

Removing that consideration allows the SEC to look at two distinct scenarios:

1. **City department** — The City “owns” all the activities in the building. In effect, the SEC becomes a City program or a City department. The advantages to the City would be:
 - Firmer control on the direction of the SEC including the selection of target audiences, programs, and services
 - Control of the cost of the build-out of the space
 - Stronger overall control over the entire building
 - Control over the use of the SEC's success as part of the City's branding
 - Ability to use SEC as a demonstration centre

Amongst the disadvantage to the City of ownership are:

- The SEC is seen as a government operation with the sometimes

problematic stereotype associated with a government operation with potential negative impacts on usage

- May be responsible for the cost of leasehold improvements
- Responsible for operating deficits
- Responsible for organizing the program delivery of third-parties
- If the SEC fails, the City is seen as responsible
- The City incurs an opportunity cost since there will presumably not be rental income for the space

2. **Independent operating entity** — In this case, a new corporation would be established to direct, manage, and operate the SEC property and program. This new entity would establish a lessee/lessor relationship with the City. Advantages to the City include:

- The City is not directly responsible for any deficits arising from operations or preparing the SEC for occupancy
- The City is not responsible for the day-to-day management, strategic planning, staffing costs, and all the expenditures related to the running of the program
- Not responsible for the cost of leasehold improvements and maintenance and some repairs

The disadvantages to the City under this scenario include:

- The City influences rather than directs the programming and services.
- The redevelopment of 24 Maple Avenue is a key component of the revitalization of the downtown and the operations of the SEC may not complement this effort.

On balance, given the guiding principles, we would recommend the second alternative, the establishment of an independent operating entity. This entity's corporate objects would speak to a social purpose (i.e. improving the entrepreneurial infrastructure and instilling an environmental culture) so may be set up as a non-profit social business or enterprise. The Canadian Revenue Agency notes the following:

If the service or activity you offer benefits participants or the community, but your user fees and/or sales of products more than cover all the costs of offering the program(s), you may want to consider establishing a social enterprise.

We strongly suggest, however, that the City take formal advice from its legal, risk management, and financial staff regarding the implications of the recommended corporate structure. Notwithstanding that, the remainder of this section is based on this recommended scenario.

4.3 Corporate objects

Moving forward to the launch, it is important that the corporate objects be clearly stated to guide the work of the new entity. These provisions in the corporate constitution both states the purpose and range of activities that the company carries on as well as constrains the range of activities in which the corporation can act. The objects should give the entity the flexibility to grow yet are sufficiently clear so that it cannot range so far from its original purpose that the SEC is no longer recognizable.

The SEC might consider the following provisions for its corporate objects:

The establishment and maintenance of a public-private led organization for the purposes of:

- a. Developing and fostering Barrie's entrepreneurial ecosystem
- b. Designing and delivering a program of training, networking, services, and events that enhances the growth of Barrie's business entrepreneurs
- c. Establishing and maintaining the SEC facility
- d. Enhancing Barrie's culture of entrepreneurship

and such other complementary purposes not inconsistent with these objects.

As in the exact nature of the corporate structure, we strongly recommend the new entity take formal legal advice to develop the exact nature and wording of the objects.

4.4 Relationship between the SEC and the City

The establishment of the SEC as an independent operating entity does not imply that the City will not have a key and critical role in the launch and subsequent directing and management of the facility and its programs. Amongst the public, quasi-public, and private sector collaborators, only the City has the combination of community-wide purview and impact; financial resources; staff expertise; community and business credibility and weight; a community-wide audience; or a lack of motivation led by financial aspirations (other than not running a deficit). We do not see the City's unique combination of attributes changing in the future.

The City then has an opportunity to be a key driver in the discussions and launch of the SEC in concert with its partners. As the SEC's programs gel, the City will become *one* of the drivers rather than one of the *main* drivers. At all times, the City provides the overarching philosophical and programming goals to promulgate the ideas about the place of entrepreneurship in the community's growth.

4.5 Decision making — The board of directors

The new operating entity will be headed by a board of directors made up of representatives of the key government, quasi-government, and private sector collaborators. At the time of incorporation, we would suggest a launch board of directors made up of a small group representing the current collaborators.

The Sandbox Organization in concert with the steering committee overseeing the development of this business plan should jointly identify the organizations that should be represented on the board and then jointly approach the organizations to participate. Each organization then appoints a representative. The City would have a representative on this launch board. The board would begin the organizing and programming work to launch the SEC, identify other potential board members, and begin the community buy-in work.

Over time as the programming is formalized, this core group can be augmented with representatives of other organizations or specialties. Other boards of similar organizations have found that an effective working size for the board is 10-12 organizations and individuals. In Barrie's case, the new operating entity might consider the following representation:

- Representatives from government, quasi-government, and community organizations which have been involved in the deliberations to date, are willing to continue to participate, and/or will be delivering programs and services in the SEC. The City will have one of these spots.
- Individuals from the business community, especially those that represent the best of entrepreneurial thinking, are willing to be models, willing to share their experiences, and to actively work with other entrepreneurs. These individuals may already be active in Barrie's entrepreneurs network, might be thought leaders, and are particularly well connected. It is important that the users of SEC's services see these individuals as worthy of emulating and that they have a global view of business and industry.
- Individuals with functional expertise from the professional services sector such as representatives from the finance, investment, accounting, marketing, technology, and legal disciplines.

Please note that under this board structure, each member will have a single vote.

The board should be a strategic rather than a working board. Its main responsibilities will be overseeing the following:

1. **Intellectual property** including ownership of programs, processes, and networks
2. **Strategic direction** including long term planning, target audience selection, product and service planning
3. **Annual planning** including yearly budget planning, schedule of programs and events, and staff planning
4. **Partnerships and sponsorships** including attraction and maintenance
5. **Programs and special events** including curriculum, relationship with other Barrie programs, new programs, events, conferences, seminars, and other services
6. **Networking** including program design and facilitation
7. **Day-to-day operations** including staffing, workflow, tenant relations, meeting room rentals, marketing and communications, and community relations
8. **Evangelizing** the role of entrepreneurship
9. **24 Maple Street** including the lease agreement, build out and equipping of the space, interior signage, and maintenance of building interior
10. **Financial management** including responsibility for revenue generation, financial management, and deficit (if any)
11. **Compliance** with financial, tax, health, employee regulations
12. **Evaluation** including setting key performance indicators (KPI), monitoring, assessment, and reporting

4.6 Advisory committee

An advisory committee made up of entrepreneurs, educators, funders, and City staff should be established to assist the board with the SEC's program design and planning. The committee would not have operational, decision making or fiduciary responsibilities. The committee would assist with the following:

- Strategic advice on path and growth of SEC services regarding the ecosystem
- Access to networks to help achieve SEC's mission
- Advice and access to funding channels for sustainability and growth of the SEC
- Acting as ambassadors for both the SEC and its mission



Financial projections

Financial projections

The projected cash inflows and outflows for the first three years of the SEC's establishment and operations is presented in this section. The main cash inflows come from sponsorships, grants, memberships, and program and event fees.

The main cash out flows are staffing costs as well as the capital costs associated with equipping and fitting out the premises. Other out flows include the setup of programming, operating costs, and the marketing of the program, services, and events.

Readers' notes

- Please note the financial projections should be used as an indicator of the order of magnitude of the expenditures. This is subject to change as building plans, programming and service plans,

and the nature of the participation of the service deliverers are finalized.

- The presented estimates are “conservative”.
- Year 1 of operations is split into a six-month pre-launch period to secure approvals, funding, fit out, recruiting the SEC Manager, Senior Concierge, and Junior Concierge, recruiting launch clients, and beginning the community relations activities. No revenues are shown for this period. The second half of the first year is the launch and operation of the SEC.
- Revenues and expenses are recorded in the year of expenditure or receipt.

5.1 Cash inflow assumptions

The assumptions underlying the cash inflow projections are shown in exhibit 6. We have assumed no revenues from partnerships (grants and sponsorships).

Exhibit 6
Cash inflow assumptions

	GO companies			GROW companies		
	Start-ups, new, existing			Small-to-large		
In Canadian dollars	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
Months open to public	6	12	12			
Revenue assumptions						
Partnerships						
Grants	\$0	\$0	\$0			
Private foundations and industry	\$0	\$0	\$0			
Institutional support	\$0	\$0	\$0			
Conferences	\$0	\$0	\$0			
Marketing partnerships and joint ventures	\$0	\$0	\$0			
Programs, services, and events						
1. Membership						
Number of members per year (note 1)	800	1500	3000	120	250	500
Cost of membership per month (note 2)	\$0	\$50	\$50	\$50	\$50	\$50
2. Additional revenue per member						
Average number of events (training, networking, special events) that members will attend per year (note 3)	2	2	2	2	2	2
Average price per event	\$50	\$50	\$50	\$50	\$50	\$50
3. Acceleration program						
Number	NA	NA	NA	1	2	4
Price (net of costs)				\$30,000	\$30,000	\$30,000
Room rentals						
1. Meeting room rentals (community use)						
Number of meeting rooms hours available per day per meeting room	8	8	8			
Number of meeting rooms	5	5	5			
Number of hours a day each room rented	4	5	6			
Number of days rooms are available for rent	180	360	360			
Cost per meeting room per hour	\$25	\$25	\$25			
2. Long term leases (note 4)						
Square foot available	1000	1000	1000			
Lease rate per square foot per month	\$1.08	\$1.08	\$1.08			

Notes

1. First year based on current estimates provided by SBEC and CoC.
2. First year membership is free for all users in order build traffic.
3. Based on experience at other centres.
4. Includes organizations taking space for a few days of the week

5.2 Capital costs assumptions

The cost of equipping and building out of the SEC is shown in exhibit 7.

Exhibit 7

Capital cost timing assumptions

	Year 1
Leasehold improvements/maintenance	
Tear down	\$0
Improvements per square foot	\$150
Furniture	
Opening inventory	\$80,000
Replacement (yearly)	10%
Equipment and technology	
Opening inventory	\$20,000
Replacement (yearly)	10%
Professional (architectural) and corporate set-up (legal, accounting)	\$50,000

5.3 Operating expense assumptions

Exhibit 8 shows the assumptions underlying the operating costs.

Exhibit 8
Operating expense assumptions

	Year 1	Year 2	Year 3
Salaries (per year including benefits)			
SEC Manager	\$120,000	\$120,000	\$120,000
Senior Concierge	\$120,000	\$120,000	\$120,000
Junior Concierge	\$65,000	\$65,000	\$65,000
Operating overhead (per month)			
Legal and Accounting	\$1,000	\$1,000	\$1,000
Consulting and other professional	\$500	\$500	\$500
Conferences and networking	\$1,000	\$1,000	\$1,000
Travel	\$300	\$300	\$300
Meeting costs	\$500	\$500	\$500
CGL, E&O, directors Insurance and banking	\$500	\$500	\$500
Marketing including web, social, print, media relations, CRM (per year)	\$30,000	\$15,000	\$15,000
Office supplies	\$400	\$400	\$400
Utilities including internet	\$1,000	\$1,000	\$1,000
Software	\$1,000	\$1,000	\$1,000
Licenses and Permits	\$200	\$200	\$200
Facility rent			
Size (sq. ft.)	8,000		
Yearly lease cost (per sq. ft.)	\$13	\$13	\$13
Other cash outflows			
Contingency (% of net cash outflow)	15%	15%	15%
Inflation (% of total cash outflows)	2%	2%	2%
Depreciation over 25 years (% of total capital costs)	4%		

Note:

1. In first year — SEC Manager salary is 12 months. Senior Concierge salary is shown for six months. Junior Concierge salary shown for three months.

5.4 Cash in/out flow summary projection

Exhibit 9 summarizes the projected cash outflows.

Exhibit 9
Cash inflow and outflow projections

In Canadian dollars	Year 1	Year 2	Year 3
Months open to public	6	12	12
Cash inflows			
Partnerships			
Grants	\$0	\$0	\$0
Private foundations and industry	\$0	\$0	\$0
Institutional support	\$0	\$0	\$0
Conferences	\$0	\$0	\$0
Marketing partnerships and joint ventures	\$0	\$0	\$0
Total partnerships	\$0	\$0	\$0
Programs, services, and events			
1. Membership			
Go members	\$0	\$75,000	\$150,000
Grow members	\$6,000	\$12,500	\$25,000
2. Additional revenue per member			
Go members	\$80,000	\$150,000	\$300,000
Grow members	\$12,000	\$25,000	\$50,000
3. Acceleration program			
Grow members	\$30,000	\$60,000	\$120,000
Total programs, services, and events	\$128,000	\$322,500	\$645,000
Room rentals			
1. Meeting room rentals (community use)	\$90,000	\$225,000	\$270,000
2. Long term leases	\$6,480	\$12,960	\$12,960
Total room rentals	\$96,480	\$237,960	\$282,960
Total cash inflows	\$224,480	\$560,460	\$927,960

In Canadian dollars	Year 1	Year 2	Year 3
Cash outflow			
Capital Costs			
Leasehold improvements	\$1,200,000	\$0	\$0
Furniture	\$80,000	\$8,000	\$8,000
Equipment and technology	\$20,000	\$2,000	\$2,000
Professional (architectural), corporate set-up (legal, accounting), web development and branding	\$150,000	\$0	\$0
Total capital costs	\$1,450,000	\$10,000	\$10,000
Operating overhead			
Salaries (per month including benefits)			
SEC Manager	\$120,000	\$120,000	\$120,000
Senior Concierge	\$60,000	\$120,000	\$120,000
Junior Concierge	\$16,250	\$65,000	\$65,000
Legal and Accounting	\$6,000	\$12,000	\$12,000
Consulting and other professional	\$3,000	\$6,000	\$6,000
Conferences and networking	\$6,000	\$12,000	\$12,000
Travel	\$1,800	\$3,600	\$3,600
Meeting costs	\$3,000	\$6,000	\$6,000
CGL, E&O, directors Insurance and banking	\$3,000	\$6,000	\$6,000
Marketing including web, social, print, media relations, CRM (per year)	\$30,000	\$15,000	\$15,000
Office supplies	\$2,400	\$4,800	\$4,800
Utilities including internet	\$6,000	\$12,000	\$12,000
Software	\$6,000	\$12,000	\$12,000
Licenses and Permits	\$1,200	\$2,400	\$2,400
Facility rent	\$104,000	\$104,000	\$104,000
Total operating overhead	\$368,650	\$500,800	\$500,800
Total cash outflows before contingency and inflation	\$1,818,650	\$510,800	\$510,800
Net cash inflow/outflow	-\$1,594,170	\$49,660	\$417,160
Contingency (% of net cash outflow)	\$272,798	\$76,620	\$76,620
Inflation (% of total cash outflows)	\$36,373	\$10,216	\$10,216
Accumulated Deficit/Surplus	-\$1,903,341	-\$37,176	\$330,324

5.5 Summary net income projections

Exhibit 10
Summary net income projections

In Canadian dollars	Year 1	Year 2	Year 3
Months open to public	6	12	12
Revenues			
Partnerships	\$0	\$0	\$0
Programs, services, and events	\$128,000	\$322,500	\$645,000
Room rentals	\$96,480	\$237,960	\$282,960
Total revenues	\$224,480	\$560,460	\$927,960
Expenses			
Salaries (per year including benefits)	\$196,250	\$305,000	\$305,000
Overhead	\$68,400	\$91,800	\$91,800
Facility rent	\$104,000	\$104,000	\$104,000
Depreciation over 25 years (% of total capital costs)	\$58,000	\$56,080	\$54,237
Total expenses	\$426,650	\$556,880	\$555,037
Net Income	-\$202,170	\$3,580	\$372,923

Risk and mitigation

Exhibit 11 identifies some of the challenges that we may encounter along with suggested steps that can be taken to mitigate the impact.

Exhibit 11
Risk and mitigation

Risk	Mitigation	Impact
Cannot obtain third-party funding to launch SEC	<ul style="list-style-type: none"> • Delay staff hiring and equipment purchases • Delay opening 	High
Too few members	<ul style="list-style-type: none"> • Increase or change marketing and outreach program 	Medium
SEC renovations not ready in time for launch	<ul style="list-style-type: none"> • Delay staff hiring and equipment purchases • Lease temporary space in community facilities such as a community centre • Start Senior Concierge program off-site while continuing construction 	Medium in short term High in medium term
Cannot make total revenue projections	<ul style="list-style-type: none"> • Increase efforts for third-party funding 	Medium assuming government funding for start-up and opening capital obtained

Next steps

This section outlines the major steps leading to the opening of the SEC.

Exhibit 12

Steps leading to the opening of the SEC

Task	Activities
Approvals	
Present concept to city council and senior staff for approval of the concept and to move to implementation	<ul style="list-style-type: none"> • Prepare meeting material • Schedule meetings • Make presentation
Funding	
Identify and secure third-party funding	<ul style="list-style-type: none"> • Identify sources of funding • Make initial contacts with funders • Meet with funders • Prepare presentations • Funding application follow-up
Community communications	
Partners, sponsors, government communications	<ul style="list-style-type: none"> • Meet with partners to present plan • Solicit assistance for funding applications
Community information sessions	<ul style="list-style-type: none"> • Make arrangement for meetings • Make presentations

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