

The Cornwall Innovation Centre: A stumbling start, to a new path



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Cornwall Coun. and innovation centre executive director Eric Bergeron stands behind the centre's future location, whose rebrand will be launched on small business week in October. Photo taken on Friday August 23, 2019 in Cornwall, Ont. Nick Dunne/Cornwall Standard-Freeholder/Postmedia Network

In March of 2018, Big Rock Mountain wanted to do something many tech companies across the country would dismiss immediately: move to Cornwall.

Originally based out of Greely, just south of Ottawa, the mining equipment company saw an opportunity to work with Cornwall-based SigmaPoint for the circuitry in an industrial drone that could withstand extreme-

weather conditions. President Roger Rutherford just needed access to investors to fund his project and his company to the next level.

Rutherford thought he would get this when his company joined the Lead to Win program at the Cornwall Innovation Centre. Instead, he got office space and monthly emails.

As he waited to be connected with investors, Rutherford would instead receive emails inviting him to “InnoTalks,” a series of speaker presentations, and notifications for investment programs outside of the innovation centre where he’d have to pitch. Having already pitched to be in Lead to Win, Rutherford was confused.

Frustrated by the lack of investment opportunities, he connected with a similar incubation program in the U.S., and within weeks he secured funding from investors. Big Rock Mountain is now jointly operated in Canada and the U.S., but has no presence in Cornwall.

A rough start

In the two years since it was founded, the Cornwall Innovation Centre has had a rocky start.

When it opened, few doubted the need for an organization in this city to develop businesses and foster tech start-ups in a region where well-paying jobs are in high demand and skilled labour is in shortage.

But two years on, many have expressed doubts about the innovation centre’s ability to deliver.

Upon its creation in 2017, its mission was to “help launch 15 new companies, assist another 150 and create 100 new jobs in the area,” within 28 months. That time has since passed, and none of those targets has been hit.

You can count current innovation centre executive director and Cornwall Coun. Eric Bergeron as one of those unhappy with how the centre had performed until now.

“I didn’t like it at all. It didn’t help me,” said Bergeron, whose business, Smart Greens, had been a part of the Lead to Win incubation program run through the CIC.

“Our company achieved over \$1 million in revenue, but not because of Lead to Win,” he said. “I was very clear in my job interview I wasn’t here to keep running it. I had ideas to make it a completely different thing.”

Under Bergeron’s tenure, the innovation centre is undergoing a rebrand, complete with a launch event during small business week on Oct. 24, and plans on changing the services the centre will provide.

Instead of focusing on incubation, the centre will primarily be a co-working space. It has secured an almost 700-square-metre (7,500-square-foot) space at Cotton Mills that will house 30 people and their small businesses. Additionally, a digital studio and makerspace will be available to businesses, artisans, designers or whoever in the community is willing to pay a subscription to use the software, computers, 3D printers, vinyl printers, laser cutters, podcasting equipment and more.

Working in tandem with the Cornwall and the Counties Community Futures Development Corp. (CFDC) and the Eastern Ontario Training Board (EOTB), the centre would also have mentorship opportunities for the businesses that join the fold.

The centre is also finalizing a deal with Capital Angels, an Ottawa-based angel investor network, to bring a chapter to Cornwall that would allow local businesses to pitch at its meetings while hosting investor events in Cornwall.

Compared to the economic hubs in Toronto, Montreal and Ottawa, Cornwall isn't exactly seen as a desirable location in the tech community. But Bergeron sees things differently.

"All the businesses I've started were in Cornwall. I never saw this as a hindrance," he said.

Bergeron certainly has the entrepreneurial bona fides to run the centre, having created seven businesses in Cornwall alone. He has also designed a new business plan to make the centre self-funded once its services are up and running.

But the innovation centre's track record cannot be ignored.

While tragic and unforeseen circumstances, such as the passing of Gerry Benson, and board member Lesley Thompson's maternity leave being impacted by her husband's death, can explain some of the bumps along the way, patience is waning on when the centre will prove itself to be everything it said it would be.

The centre's grace period is over, and future shortfalls can't be chalked up to growing pains.

Not after the Centre received \$30,000 from the Eastern Ontario Development Program, not when it got \$50,000 from SDG council and a pledge of \$50,000 a year over 10 years from the City of Cornwall. Or after receiving \$477,000 (of which it gave back \$50,000 in unused funds) to design and run the Ontario Emerging Jobs Institute (OEJI).

The centre will need to remain focused and learn from its mistakes if it wants to forge a stronger, unified and expanded tech economy in Cornwall.

Where to begin

To understand some of the centre's early hiccups, its origins have to be examined.

The CIC was based in a larger plan to bring a Carleton University campus to Cornwall, a venture that has ultimately failed.

Gerry Benson, one of the founders of the innovation centre, was given conditions from Carleton administrators on how to attract a campus to the region; one such condition was to create a business accelerator. In January of 2017, the centre was founded, complete with its lofty goals.

Their first service was the Lead to Win program, which it adopted from the Carleton-based incubator created by businessman and Carleton professor Tony Bailetti, furthering the Carleton connection. The goal of the program is to get businesses to raise \$1 million in revenue within three years.

Those accepted in Lead to Win in Cornwall would get office space at the Nav Centre, access to speaker events, and received the tutelage of Bailetti, along with Carleton Lead to Win's resources.

But according to people involved with both Carleton's Lead to Win and the CIC, it wasn't a good fit.

To start, at least five of the Lead to Win businesses were outside of Cornwall and SDG, and it is not exactly clear what the companies received aside from office space and invitations to speaker sessions. Of the businesses that did correspond with Bailetti and Carleton's Lead to Win, it is again not clear what quantifiable help was received.

Vinay Singh, owner of Kingston-based Orange Neurosciences, said he made a key connection through Bailetti, which allowed his business to grow. However, he never moved the company to Cornwall and left the program once its services were no longer needed.

Bailetti said he had also worked with EVO WEIGH, based in Chesterville, but the innovation centre's momentum and working relationship with Lead to Win had effectively sputtered when then-executive director Kelly Bergeron (no relation to Eric) resigned in late 2018.

"We're interested in scaling companies," said Bailetti, which means taking a business and growing its revenue while maintaining the same operating costs. Often, it requires a business to be established and ready to pursue that kind of growth.

"Not many Cornwall companies were able to get through," he said.

Many of the nascent companies from Cornwall that were taken in by the innovation centre weren't in a position to scale, which partly explains why a number of them were from outside the region.

When Kelly Bergeron (no relation to Eric) joined the centre as executive director, she said she tried to accommodate local businesses, bringing in newer startups to help them in any way she could.

"I didn't just look at companies ready to scale," she said. "I welcomed everyone and anyone with a business idea to come in."

When the Standard-Freeholder reached out to Bailetti in June, he wasn't even aware Eric Bergeron had taken over. Last he was aware, Bergeron was a Lead to Win recipient.

Flawed as the program was, the purpose of the centre was to help bring home a Carleton campus. This started to fall apart when then-president and vice chancellor of Carleton University Roseann Runte left in July 2017. Once Benson died in 2018 and another leadership change Carleton occurred, the university dream had gone kaput, and the innovation centre was left with a program that wasn't compatible.

Then came OEJI.

The centre leapt onto a provincial grant worth \$477,000 that would fund a pilot project to design jobs-training courses. Again, the goals were lofty.

OEJI was slated to be a program that ran from January until the end of June with job placements that would provide the knowledge and skill base for jobs with salaries of "up to \$80,000 to \$90,000 per year."

When the innovation centre applied and received the green light for OEJI funding in April last year, it had originally set itself a two-year timeline to develop the school and its courses. But following the Ontario election June 7 that brought a new government, the timeline was slashed to eight months. Under a much more condensed timeline, Kelly Bergeron's team had to create a curriculum, hire staff, organize accommodations for students and prepare course delivery in less than half the time they had planned.

"It was hectic," Kelly Bergeron said. "When you're building something that quickly and ambitiously, some things are going to be challenges."

When it finally came to fruition earlier this year, it had shrunk to a 10-week boot camp without a job placement. In a city with only a handful of tech businesses, it was a struggle to find work for the 120 students who received the courses free of charge.

Kelly Bergeron announced her departure from the CIC at the end of 2018, weeks before OEJI began in January. After running for city council, she was looking to leave the public eye and lay low for some time. However, she was proud of what she was able to accomplish.

“I did what I could with the tools I had,” she said. “I was happy with what we built,” noting it was always intended to be a pilot program.

“Sometimes you have to find out the challenges to improve those processes,” she said. “There’s good bedrock there, and they can build off it. What they’re creating now will be a better iteration of what I did.”

Eric Bergeron, who came in the position in February right after OEJI started delivering the courses, said the foundation and idea behind OEJI was needed for the city.

“The intent was perfect. We need to developed skilled employees in this city,” he said.

The key failure in his mind, though, was the lack of job placements.

“We can’t say to people: ‘come and learn,’ and on the other side say ‘good luck.’ It’s definitely a lesson learned,” said Bergeron. “It was learned the hard way.”

What comes next?

The new innovation centre has scrapped Lead to Win, and will focus on bringing more tangible services to a wider array of people.

The idea is to wean itself off government money with a profitable business model of renting out co-working space and placing a subscription fee to the makerspace and digital studio.

Though he hasn’t canvassed the city to find people willing to use the services, Eric Bergeron pointed there are many local “makers,” as he calls them, who could use the space and the centre’s entrepreneurial resources to grow their small businesses.

Before he took the job, he was marvelled by the number of artisans at the Trunk Shop in Marlin’s Orchard last year.

“That’s who we’re looking for,” Bergeron said. “I thought, ‘wow, there are a lot of cool little enterprises in this city who don’t get a chance to market themselves.’”

A 2018 feasibility study from the CFDC, where Thompson is executive director, declared a co-working space to be “a key cog in the economic wheel of an economy and having an innovation hub is needed to keep the competitive advantage of Cornwall, Akwesasne, Stormont, Dundas and Glengarry.”

The centre has based its business model in part from the Ottawa Public Library’s makerspace, which has turned a profit.

While the centre waits to hear back on a federal grant application worth roughly \$4 million, Bergeron said the business model was designed to work without it. The centre will continue to operate OEJI, but let the school be managed through the EOTB, which has the relevant experience in labour market assessment and job-creation programs.

If the federal grant doesn’t come through, OEJI would likely have a tuition fee and would be a revenue-neutral endeavour.

The courses themselves have also been reviewed and several key changes have been made. It will be more specific, and potential offerings would include vertical farming, cannabis production, and salesforce training among others. Furthermore, Bergeron emphasized the need for work placements to come from the program.

Finally, in its long-term plans, the centre will be working on developing a newcomer’s centre, which would help immigrants make roots in the community. It would connect people to employers, job-training programs,

community groups and activities help them find a place in Cornwall— not just to housing or a job, but as a part of the city.

“I think there are a lot of immigrants who come ready to work, ready to learn. I think it’s critical for population growth in the City of Cornwall,” Bergeron said.

He acknowledges there are many challenges ahead, namely all the moving parts involved.

“I can’t start an angel network without companies being ready to go into it, just like I can’t ask companies to start here without also offering services,” said. “I can’t train people if we don’t have jobs for them.”

But as an entrepreneur, he said, he’s used to juggling these kinds of tasks.

“I’m also used to cutting something that doesn’t work,” he added. “I have closed more than one business in my life.”

Bergeron is hungry to get his plan off the ground. The Cotton Mills lease begins in January, but the new business plan is ready. Once more details about the centre’s future identity are shared in October, he said he expects there to be steady demand for coworking space.

“I’m really looking forward to a year from now, when we can have another interview in that space and talk to 30 cool companies.

“Sometimes we fail,” Bergeron said. “But sometimes you really hit a home run. Keep following what we’re doing.”

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