

Backgrounder – The Communitech Hub: Digital Media & Mobile Accelerator

Why is the Province of Ontario investing substantially in a digital media hub?

Ontario's Innovation Agenda includes three key areas for investment: clean technology; life sciences and advanced health technology; and digital media & information and communications technology. The Hub is aligned with those priorities and will incubate new digital media businesses and create new high-tech jobs for Ontarians. As some sectors of our economy struggle and evolve, investment in a digital economy will ensure future prosperity through creating more companies, products and jobs in Ontario and across Canada.

Why is The Hub being located in Waterloo Region?

The Waterloo Tech Region is home to more than 550 high-tech firms with a total valuation of more than \$15 billion, and with demonstrated strength and momentum in digital media and mobile computing. Waterloo Region's leading companies are willing to help early-stage companies get a start and prosper by contributing to The Hub through financial contributions as well as by providing high-tech equipment for R&D. As the tech community thrives the benefits of that prosperity are shared throughout the region and the province. It's a natural fit for a high-tech incubation hub to be located at the heart of the Waterloo Tech Region.

The Waterloo Tech Region includes:

- Canada's largest high-tech company: Research In Motion (RIM)
- Canada's largest software company: Open Text
- The world's leading projection technology company: Christie Digital Systems

Those three leaders plus Agfa HealthCare and Dalsa, as well as the City of Kitchener, are all contributing to the establishment of The Hub and its ongoing success. Strategic partner platforms will enable research, commercialization, and job creation activity in mobile computing, digital asset management and electronic health applications.

What other hubs will be created?

The Waterloo University Stratford Institute has already been announced as another hub in the Canadian Digital Media Network -- a corridor of collaboration across Canada. The Stratford Institute -- a think-tank, integrator and training institute -- will ensure that the digital media industry in Canada can be supported by graduates equipped with both technical and creative capabilities. Hubs will be established in other centers over time.

When will The Hub be open for business?

Target opening will be spring 2010.

Who is going to be running The Hub?

Communitech, Canada's leading organization fostering high-tech commercialization of innovation, will operate The Hub. Communitech has a 12-year track record of supporting

and growing technology companies at any stage in their development from start-up, to small-medium business, to global player.

What will The Hub be all about?

The Hub will be a high-tech 'club-house' where innovators and experts can collaborate and develop new initiatives in an open concept environment designed to advance the tools, technology and applications segments of the digital media and mobile computing industries. Some of the features it will offer are:

- state-of-the-art visualization tools and technologies, made available for R&D opportunities for academic and business users
- on-site venture support and project management services to aid in creating start-up companies
- business development expertise to connect companies with global markets
- access to angel funding and venture capital to support new digital media companies in Ontario
- connectivity with other hubs across Ontario and Canada to facilitate research and business partnerships.

Why are established businesses contributing to The Hub?

Innovation is the life-blood of any high-tech business and established businesses benefit from the new ideas and energy of start-ups. That's why companies such as RIM, Open Text, Christie Digital Systems, Agfa HealthCare, and Dalsa are willing to give time, R&D funding and equipment to The Hub to jump-start new ventures. Established companies focused on global competition are often unable to divert resources from their core business to explore new ventures. So start-ups that germinate at The Hub may develop leading-edge products and solutions that will benefit the existing companies through expertise, software or hardware licensing or acquisitions.

What is the overall goal of the Canadian Digital Media Network?

The Hub serves to anchor the new Canadian Digital Media Network - created in early 2009 with \$10.7 million in federal funding to link Canada's digital media clusters from coast-to-coast, creating a digital convergence corridor and enabling collaboration between researchers, implementers and entrepreneurs. The goal is to accelerate the creation of successful new digital media businesses and contribute to Canada's digital economy.

What is included when we use the term digital media?

Digital media takes current computing and content digitization to the next level – known as 3.0 – spanning everything from making broadcast-quality content available on mobile devices, to digitizing medical records to improve the quality and speed of health care. Digital media affects all Canadians in many ways, the most obvious being through use of mobile applications on handheld devices and watching broadcast-quality video on computers. Perhaps surprisingly, it also has applications for many segments including health care, education, finance, manufacturing and even geological exploration and mining.

Why is digital media important to Canada?

The global economy is going digital and will be based on a technology infrastructure. Countries that invest in and develop a digital platform and economy will be in a position

to lead and succeed. Creating a digital economy happens through deliberate investment and creation of opportunity for entrepreneurs to develop leading-edge solutions.

Worldwide the digital media sector is one of the fastest-growing segments of the knowledge economy and its double-digit growth rate will help drive the global media market up to US \$2.2 trillion within the next five years, as reported by PriceWaterhouseCoopers' Global Entertainment and Media Outlook: 2008-2012.

The Council of Canadian Academies has identified new media as having greatest momentum and the highest growth prospects for Canada, second only to the oilsands. The scope of the opportunity means that Canada cannot afford to be left behind in the digital economy.