



VANCOUVER: CANADA'S HI-TECH HUB

By Tom Venetis

Vancouver builds on its drawing power as one of the continent's newest technology hotspots

The City of Vancouver has quietly established itself as a major technology hub, attracting not just renowned technology firms, but a fast-growing number of start-ups. In Vancouver, these high-tech firms are finding a supportive city and provincial government, as well as a wealth of technology talent.

According to the most recent Compass Global Startup Ecosystem Ranking, Vancouver ranks in the top 20 global cities for high-tech start-ups. As such, it attracts a growing list of innovative and highly entrepreneurial companies. These include Hootsuite, LemonStand, PayrollHero and Mojio, plus established technology players like Amazon.com, Microsoft and Salesforce.com.

In May of 2014, Bloomberg Businessweek named Vancouver "The New Tech Hub." It's an accolade that many who follow the tech sector say is the result of several factors, all of which make Vancouver attractive to tech firms.

"Vancouver's reputation as a tech hub is enhanced by our competitive advantages," says Bryan Buggy, director of strategic

initiatives and sector development with the Vancouver Economic Commission (VEC). "(These include) outstanding local talent, a low cost of doing business, a collaborative ecosystem and business efficiency and infrastructure. Furthermore, three of Canada's five tech 'Unicorns' originated here in Vancouver: Slack, Hootsuite and Avigilon. But we have a herd of wild horses fast on their tails, including Bench, SHOEme, BuildDirect, D-Wave Systems, and many more."

According to Buggy, there are some 75,000 professionals working in the technology and information and communications technology (ICT) sectors in Vancouver. In 2014, Vancouver start-ups alone netted \$583 million in investment. Buggy cites a KPMG report that finds that the British Columbia technology industry is now made up of 9,000 companies and employs over 100,000 people. It generates some \$15 billion of the province's GDP and \$23 billion in revenues. "The Information and Communications Technology Council forecasts another 15,000 technology jobs in Vancouver by 2020, based on current growth trends," Buggy adds.

WEST COAST APPEAL

There are a number of reasons why Vancouver has become a hotspot for technology companies. For one thing, Vancouver is an easy sell for top global talent. "The city's passion for sustainability is a real draw, and talent want to live in a city that reflects their own personal values. Vancouver's 'Green Brand' is a powerful asset to draw both companies and talent," Buggy says.

Mo Ahmad, partner with WestMark Tax, a firm that provides cross-border tax services to many clients in the technology sector, says that Vancouver's lifestyle is one of the biggest draws for technology firms. It certainly was for Ahmad himself, who came to Vancouver in the early 2000s when working with Ernst & Young. "When I got here, I realized that I enjoyed the lifestyle," he says. "It was very attractive as there is more of a balance between work and home life. This has helped attract many companies to the city."

Ahmad adds that as more technology companies and start-ups establish themselves in the city, an ecosystem is quickly growing up around them. This has helped nurture talent and spur on growth further. "Early on, you often had the worry that you were the only technology company in town. Now, there are so many, that is not an issue," he says. "You now have an environment here that is very much like Silicon Valley, where you have a large number of similarly-minded people and companies that are facing the same challenges and issues as you are, and you can work together to tackle them and exchange ideas."

PULLING IN TALENT

Buggy adds that the city and the province are working hard to attract talent and companies from outside the province and abroad. He points to the Green & Digital Demonstration Program as one example. The program provides support to entrepreneurs and start-ups in Vancouver's digital sectors.

"It is an initiative delivered by the VEC and the City of Vancouver to accelerate innovation, commercialization and job growth in the participating industries," explains Buggy. "The B.C. government offers tax credits of 30 per cent for qualified investors who provide revenue capital to small businesses conducting research and development on proprietary technologies. And the provincial government just announced the BC Tech Fund, a \$100-million venture capital fund to help promising local tech companies, enabling them to take the next step towards joining the ranks of other job-creating tech companies."

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Recent examples of steps the city has taken to attract talent include hosting senior-level talent recruitment events in the U.K. and France, bringing Vancouver tech companies to the University of Waterloo, and hosting information sessions and meet-ups for students. The city has also conducted trade missions to Shenzhen and Beijing to attract venture capital and investment.

Still, there are challenges. The U.S., with its tech hubs like San Francisco and Seattle, is only a stone's throw away, beckoning with high salaries for developers and programmers and well-established venture capital programs and investors.

"People do tend to get paid more in the United States, especially when you factor in the respective dollar rates," Buggy notes. "However, there are also fantastic opportunities in Vancouver's tech industry, with the industry paying a 66 per cent higher wage than the industry average. It's our job to make sure Canadians know about the excellent opportunities in their home country."

"Companies these days need to be located where the talent is, in contrast to the past where talent was expected to be more mobile. So they will increasingly look to set up in cities like Vancouver, just as Microsoft, Sony Pictures Imageworks, Tableau and Amazon have done." ■



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