



National Rural Development Conference,  
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# Innovation & commercialization: rural challenges & multi-level responses

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# Overview



Innovation



## Purpose

- Innovation. It matters & needed
- Rural response

## Road map

- About RDI & new initiative
- Define innovation
- Gaps
- Barriers
- Rural examples

# About RDI



# About RDI

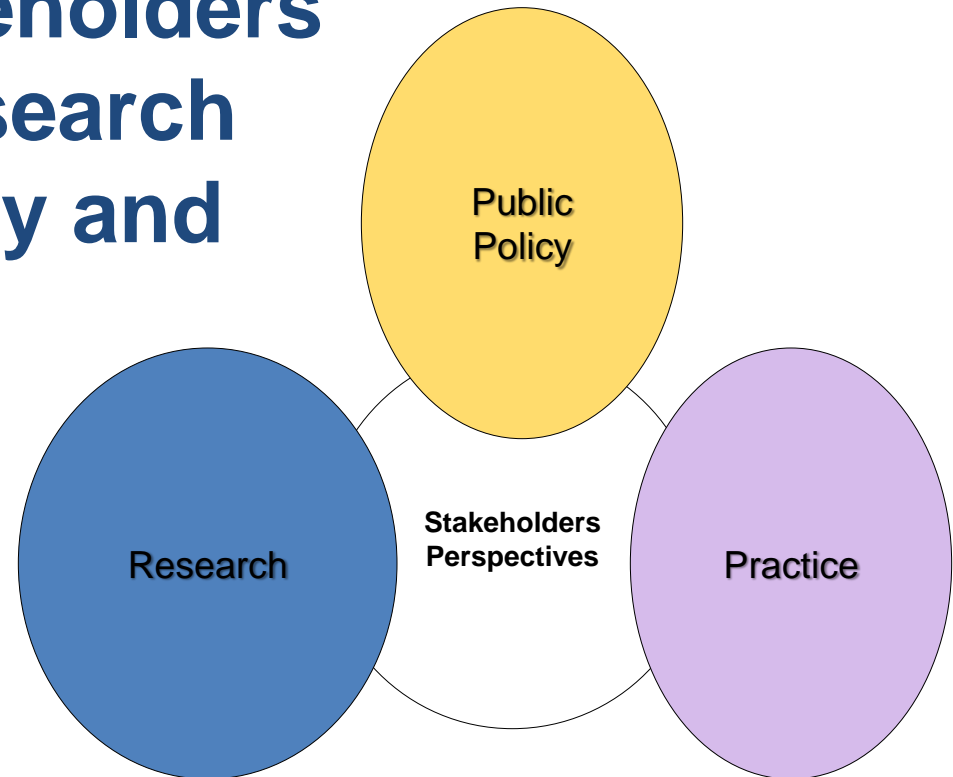


- **Mission** Contribute to evidence-based rural policy discussions with stakeholders
- **Mandates**
  - Applied research
  - Disseminate knowledge
  - Learning

# About RDI

- **Engaging stakeholders**
- **Conducting research**
- **Informing policy and practices**

*“Applied research is an approach for identifying and solving problems and responding to opportunities with others, eg. stakeholders”*



# About RDI

Strategic research directions	Selection of projects & activities
<b>Immigration &amp; labour force</b>	<ul style="list-style-type: none"> <li>-Northern Territorial consultations</li> <li>-29 community consultations</li> <li>*Refugees in rural areas</li> </ul>
<b>Rural economic development</b>	<ul style="list-style-type: none"> <li>-Regional development models (MB)</li> <li>-Think tank – Prairie eco strategy</li> <li>-Functional economic rural regions</li> </ul>
<b>Governance and capacity bldg</b>	<ul style="list-style-type: none"> <li>-Municipal amalgamation (111 to 49)</li> <li>-Local immigration partnerships</li> </ul>
<b>Infrastructure &amp; services</b>	<ul style="list-style-type: none"> <li>-Rural broadband (Ireland &amp; Cda)</li> </ul>
<b>Innovation &amp; commercialization</b>	<ul style="list-style-type: none"> <li>-Food processing trajectory to 2020</li> <li>-Growth from innovation</li> </ul>

# About RDI

- 500 reports & presentations – free
- Journal of Rural and Community Development – free

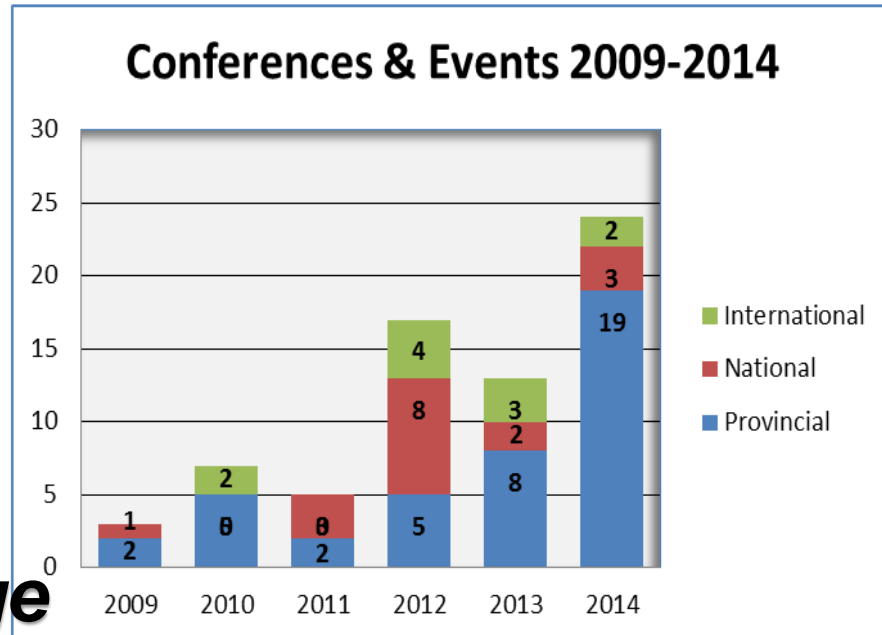
69

Learning events 2009-'14

244

Peer-reviewed articles - JRCD

***Access to knowledge***



# About RDI

229 BU students  
and 100 other  
students, 31 reports,  
presentations &  
\$422,000+ student  
wages since 2009

**\$422k**  
Student wages  
2009 - 2015

**Engaging**

66 BU Faculty & 539 other  
faculty, 96 faculty peer  
reviewed articles, 5 books  
and chapters, 66 reports, 69  
conferences/learning events  
since 2009



# About RDI



**RPLC**  
RURAL POLICY LEARNING COMMONS

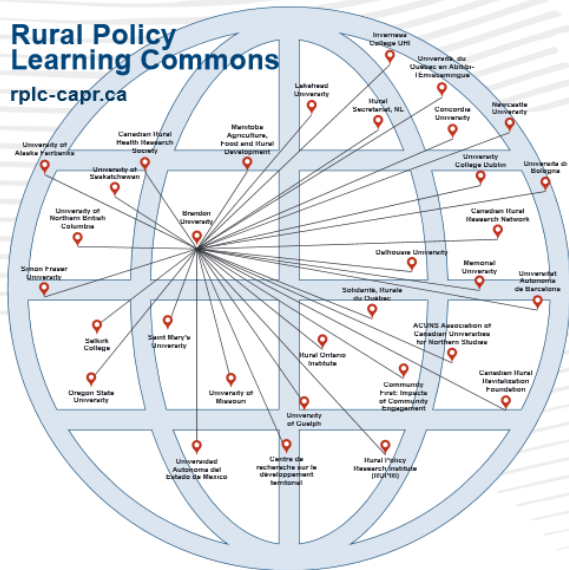
**CAPR**  
COMMUNAUTÉ D'APPRENTISSAGE  
DES POLITIQUES RURALES

*building rural policy through international comparative analysis*

*construire des politiques rurales fondées sur l'analyse comparative internationale*

Build and strengthen a network of partners to support rural development with applied research, knowledge, dissemination and learning - within a growing number of countries around the world.

**Rural Policy Learning Commons**  
rplc-capr.ca



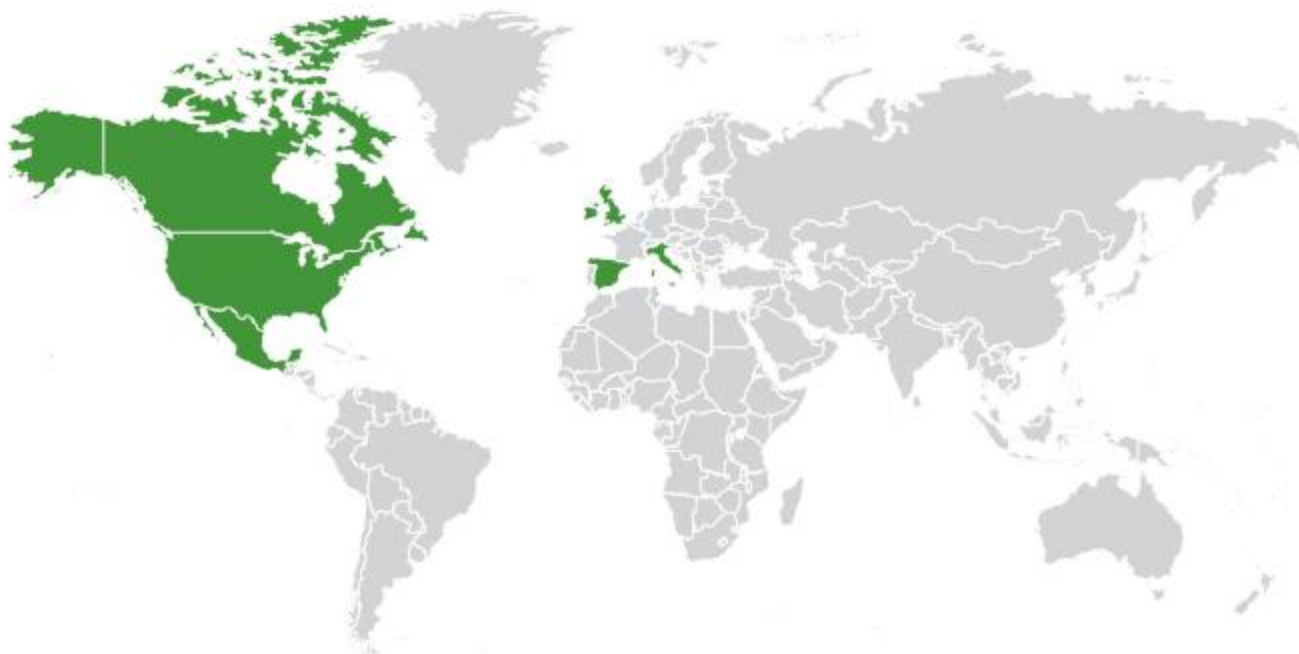
- Partnership bldg
- \$2.5M Cdn
- 7 yrs, 2014-2021

# RURAL POLICY LEARNING COMMONS



# About RDI

## PARTICIPANTS AND PARTNERS FROM 9 COUNTRIES



**OVER 30 PARTNERS**

Universities, Governments, Organizations interested in rural policy



**OVER 60 INDIVIDUALS**

Faculty, Government Representatives, Policy Organizations, International Organizations



Hosting conferences and webinars reaching over

**1,000 PEOPLE**



**11 TEAMS**

**7** Knowledge Mobilization Teams

**4** Research Teams

# Rural innovation



**INNOVATION &  
COMMERCIALIZATION**



# What is Innovation?

“ ...the design, development and/or implementation of new or altered products, services, processes, systems, organizational structures or business models for the purpose of creating new value for customers in a way that improves the financial returns for the firm. ”



“ Innovation is new or better ways of doing valued things. ”

## DISRUPTIVE INNOVATION

Game-changers, like the automobile, the internet, or vaccines

## INCREMENTAL INNOVATION

Making things bigger, faster, better

# What is Innovation?

## INNOVATION

New or better ways of doing valued things



## COMMERCIALIZATION

The process of capturing the value, by taking the innovation to market



# 3 dimensions of innovation

Type of Innovation Initiative

PROCESS	PRODUCTS
MARKETING	ORGANIZATIONAL

Novelty of Innovation Initiative

NEW TO WORLD
NEW TO INDUSTRY
NEW TO COMPANY

Impact of Innovation Initiative

SMALL	MODERATE	LARGE
-------	----------	-------

**Type** Novelty  
**Impact**

# What is Commercialization?



Innovation ecology

# Systemic Barriers



Difficulty in raising risk capital



The supports that do exist are fragmented



The culture in the province is largely risk-averse



# Innovation approaches in rural Manitoba

## 3 cases

- Provincial approach
- Rural regional approach
- Rural sector approach



# Provincial Approach

## Innovation ecology – local & global

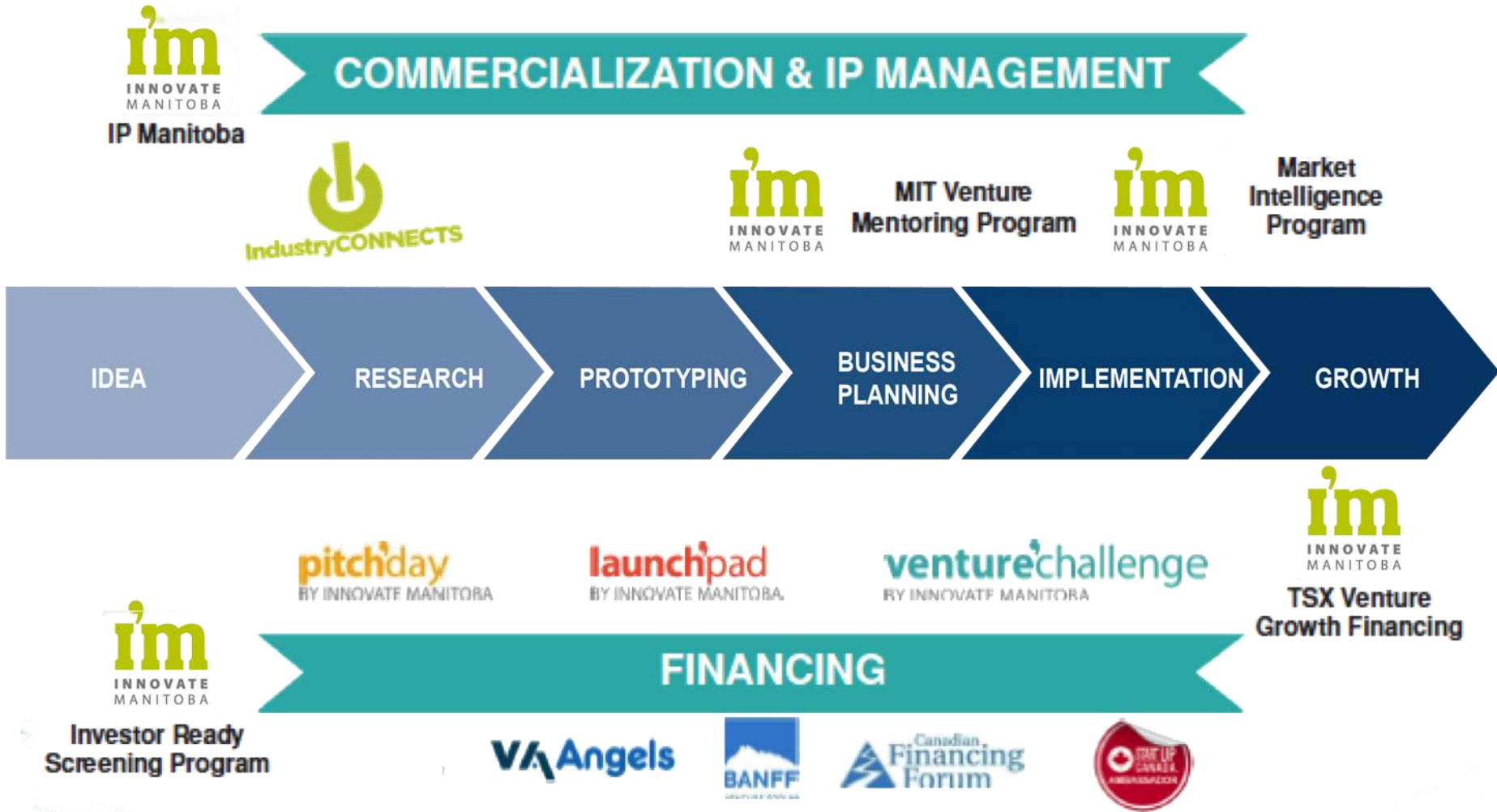


**CONNECT**

**PROMOTE**

**MEASURE**

# Provincial Approach



[http://www.gov.mb.ca/jec/busdev/sibd/pdfs/innovation\\_strategy.pdf](http://www.gov.mb.ca/jec/busdev/sibd/pdfs/innovation_strategy.pdf)

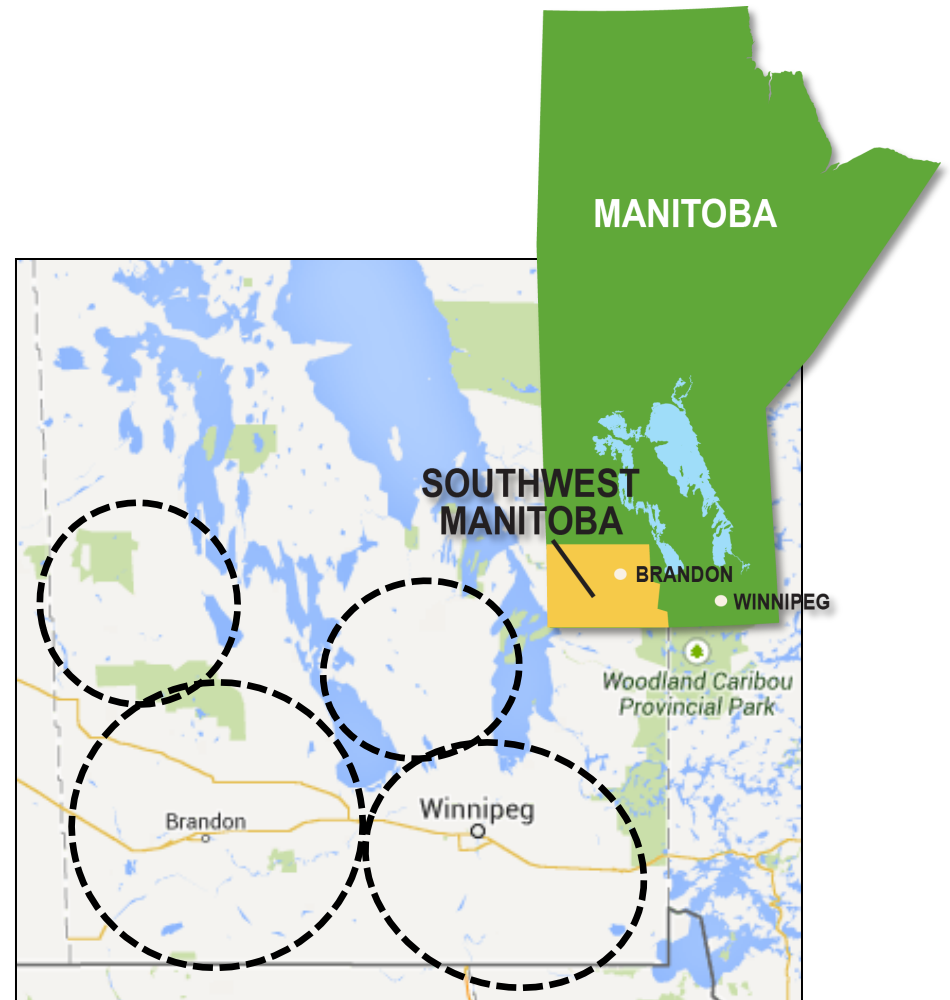
# Rural Regional Approach

## Address barriers

- Fragmented supports
- Risk-adverse culture

## Building on strengths

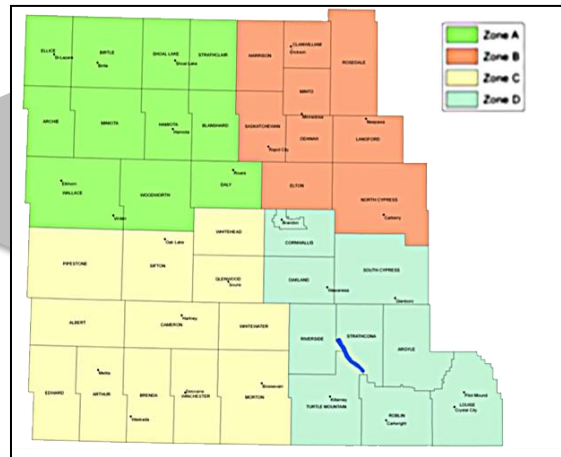
- Diversification centres
- Business advisors
- Ag associations
- Start up funding
- Capital Funding \$1-3m



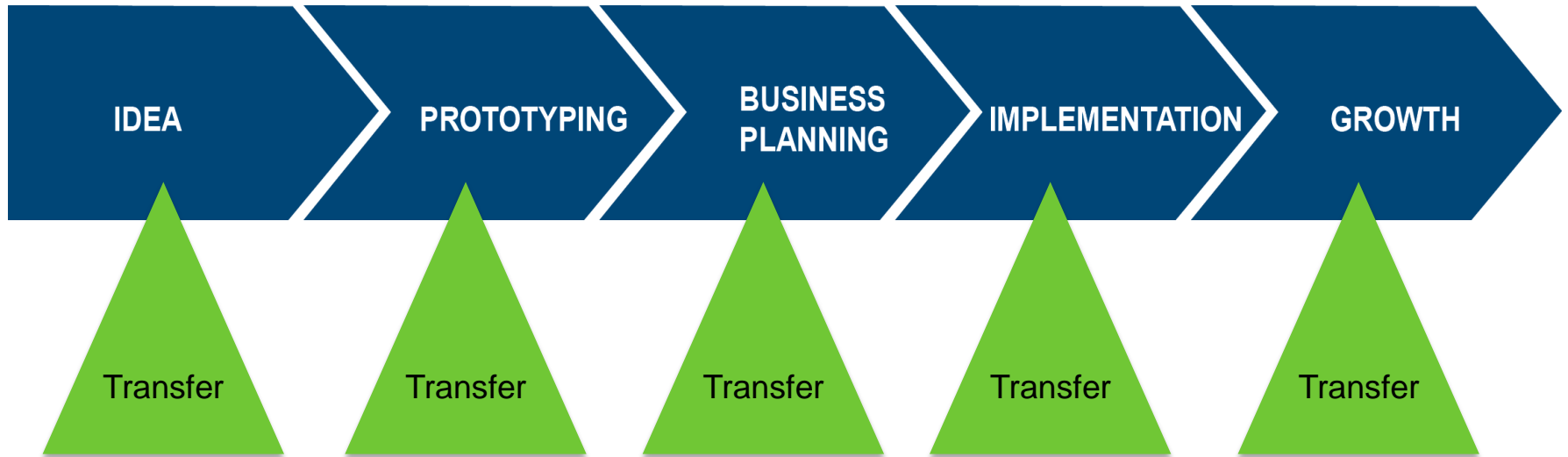
# Rural Regional Approach



- 62 municipalities
- Economic strengths
  - Agriculture, Construction, Oil & gas
- Distance to market



# Rural Regional Approach



## A continuum of opportunities for adaptation & adoption in innovation

- from elsewhere into the community, and
- from the community into the world



	<b>Step 1: Strategic roundtable meeting</b>	<b>Step 2: Action plan</b>	<b>Step 3: Demonstration</b>	<b>Step 4: Leading innovation transfer</b>
<b>SRDC Roles</b>	<ul style="list-style-type: none"> <li>Identify &amp; invite association and related stakeholders to meeting</li> <li>Provide facilitator</li> </ul>	<ul style="list-style-type: none"> <li>Work collaboratively with association to define roles</li> </ul>	<ul style="list-style-type: none"> <li>Assist association with extending invitations throughout the southwest to a “bright idea” demonstration</li> </ul>	<ul style="list-style-type: none"> <li>Organize a leadership debriefing meeting with association and stakeholders</li> </ul>
<b>Association Roles</b>	<ul style="list-style-type: none"> <li>Bring forward 2-4 transferable innovations suitable for the southwest</li> </ul>	<ul style="list-style-type: none"> <li>Commit to lead innovation transfer</li> </ul>	<ul style="list-style-type: none"> <li>Lead demonstration activities with SRDC</li> </ul>	<ul style="list-style-type: none"> <li>Provide feedback about the innovation transfer process</li> </ul>
<b>Outcomes</b>	<ul style="list-style-type: none"> <li>Innovation to transfer is selected</li> </ul>	<ul style="list-style-type: none"> <li>Roles are outlined</li> </ul>	<ul style="list-style-type: none"> <li>Innovation is demonstrated</li> <li>Feedback gathered</li> <li>Entrepreneurship culture supported</li> </ul>	<ul style="list-style-type: none"> <li>Innovation transferred is learned by the SRDC and association</li> </ul>

# Rural Region Approach

- **Fund a coordinator**, multiple years
- **Sponsor events** – Makers' Fairs
- **Strengthen network** / innovation helix – business, community, govt, post-secondary
- **Equip associations** – certify innovation facilitators
- **Learn innovation by doing it** – high school, college, and university curriculum
- **Legitimize & celebrate innovation** – social marketing campaigns





# Rural Sectoral Approach



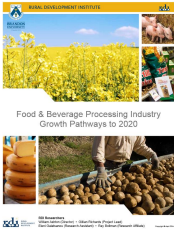
28%  
MB Manf rev

12,000  
MB  
employees

Food & Beverage Processing Industry  
Growth Pathways to 2020



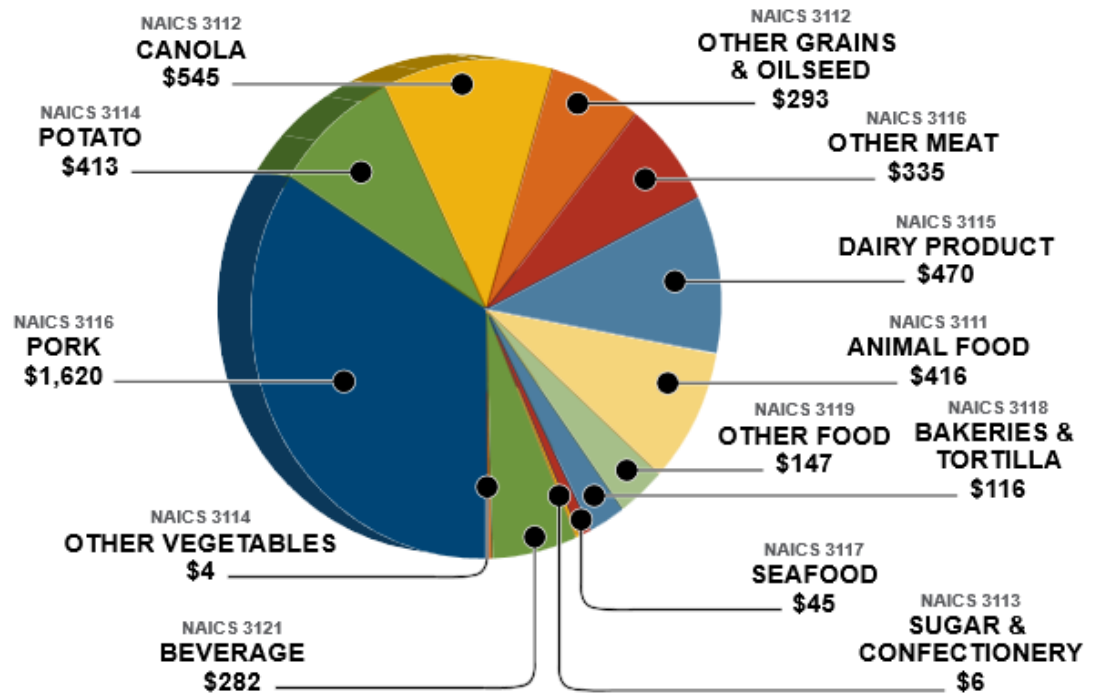
7%  
Cdn exports



# Rural Sectoral Approach



Figure 2. Estimates of Sales for 2011 for Pork, Canola, Potatoes and Existing Companies (\$2012m)



Sources: CANSIM Table 301-0006, Revenue from Goods Manufactured; RDI linear projections; interviews

# Rural Sectoral Approach

**Table 1. Profile of Three Diverse Food Processing Companies in Manitoba**

Case Study Criteria	Three diverse food processing companies as case studies		
	Richardson Milling		
Website	www.richardson.ca	www.shapefoods.com	canadianprairiegarden.com
Commodity	Oats	Flax	Vegetable, Fruit & Pulse
Product	Flakes & flour	Oil & meal	Purees
Start full production	1991	2008	2014
Location	Portage la Prairie	Brandon	Portage la Prairie
Ownership	Part of James Richardson & Sons Ltd, a family owned multi-enterprise corporation	Privately owned	Privately owned – partners are CAPE Fund and First Peoples Economic Growth Fund Inc.
# Employees	115-130	No data	10+

# RESEARCH DESIGN

# 3 dimensions of innovation

Type of Innovation Initiative

PROCESS 16	PRODUCTS 18
MARKETING 10	ORGANIZATIONAL 7

Novelty of Innovation Initiative

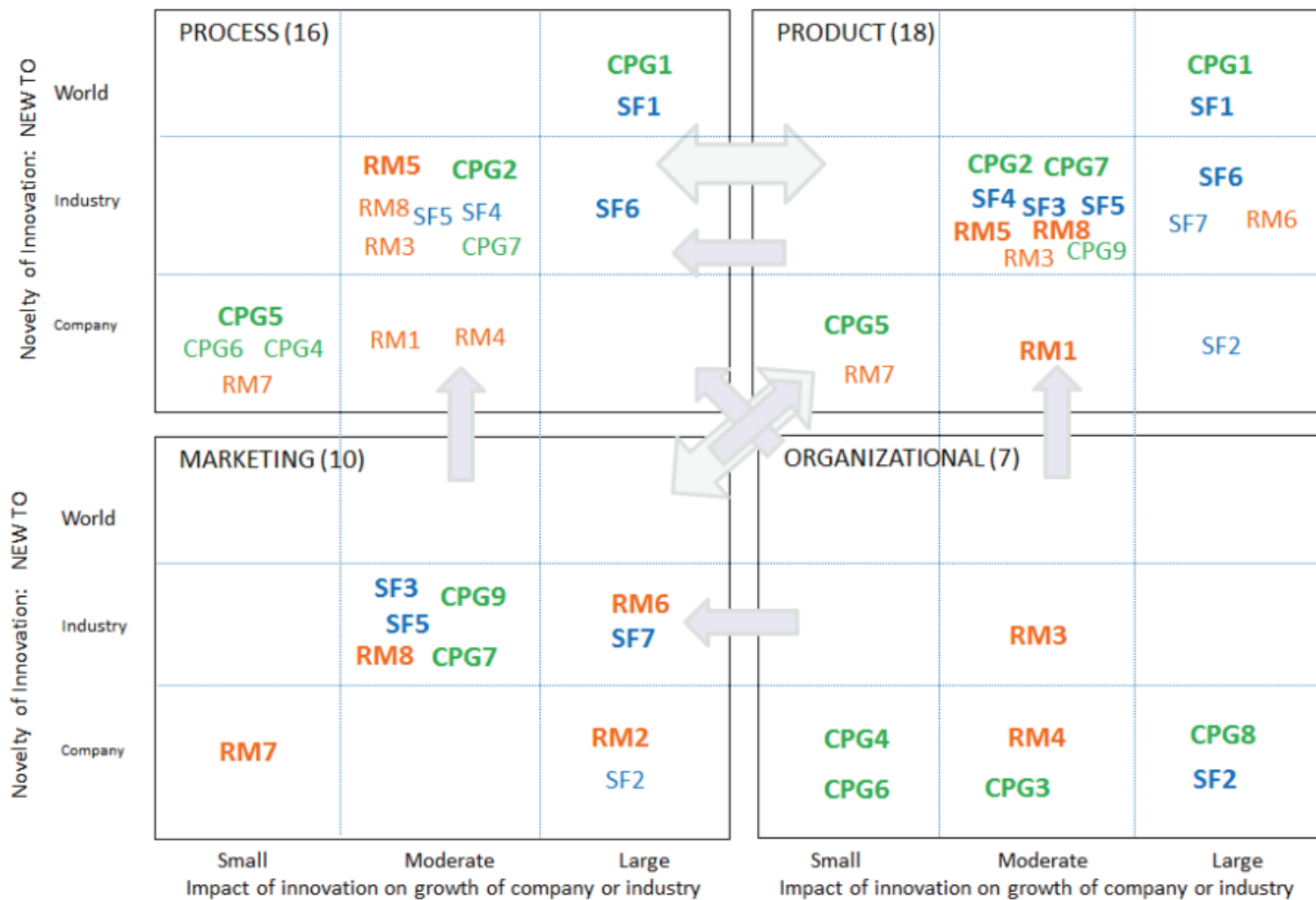
NEW TO WORLD
NEW TO INDUSTRY
NEW TO COMPANY

Impact of Innovation Initiative

SMALL	MODERATE	LARGE
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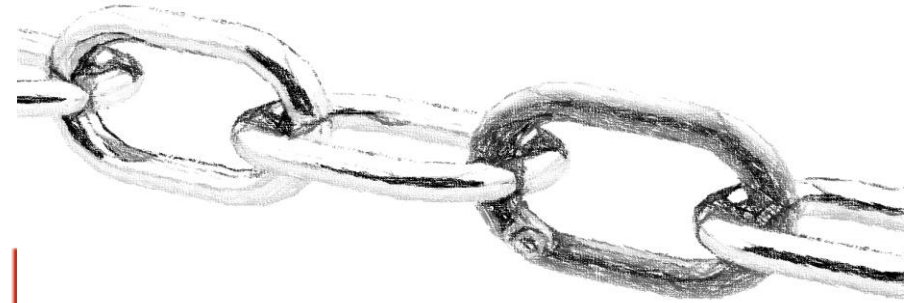
**Type** Novelty  
**Impact**

Figure 1: Types of innovation initiatives in three food processing cases

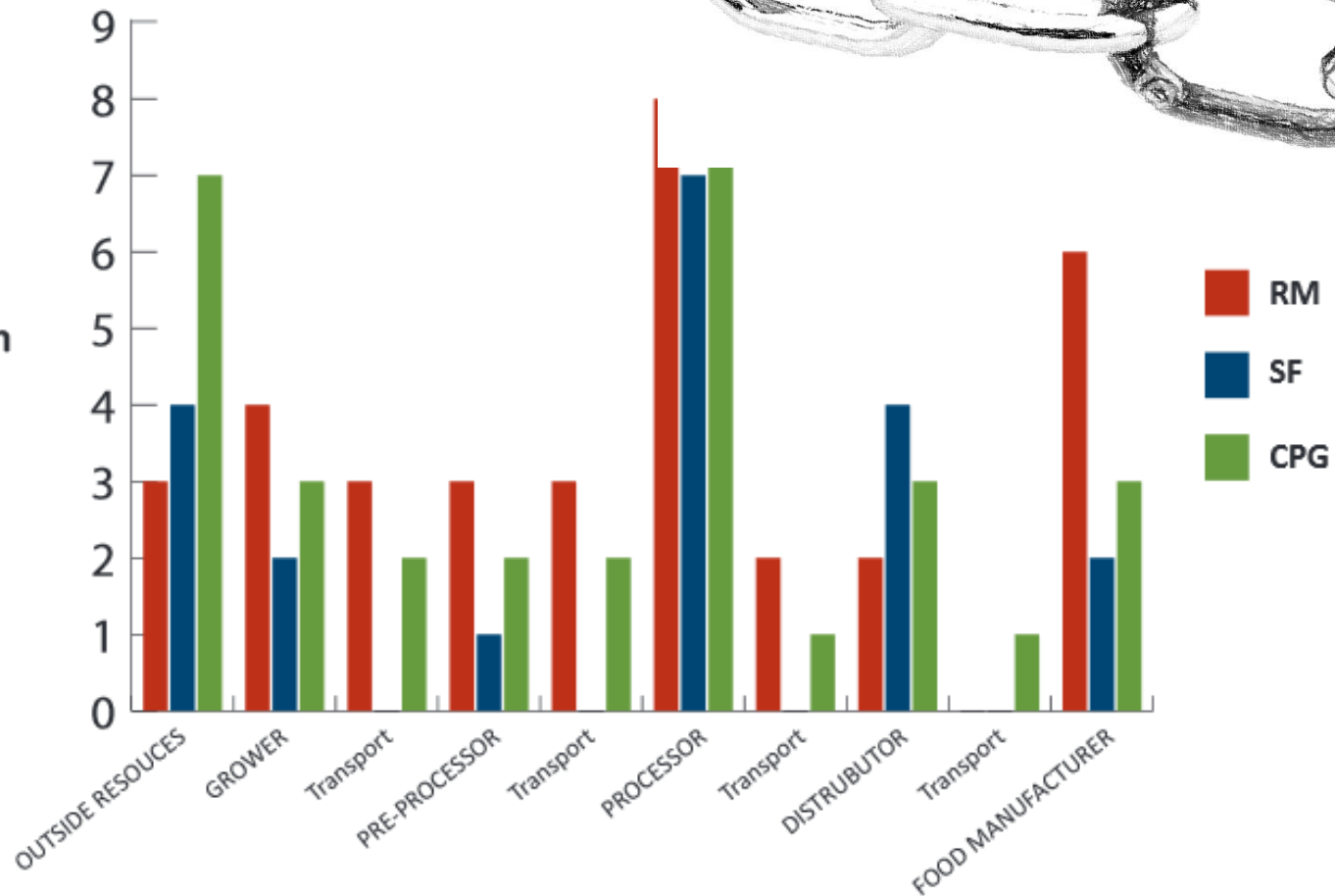


LEGEND      → Linkages to additional innovations      ↔ Pairing between innovation types.

# Rural Sectoral Approach

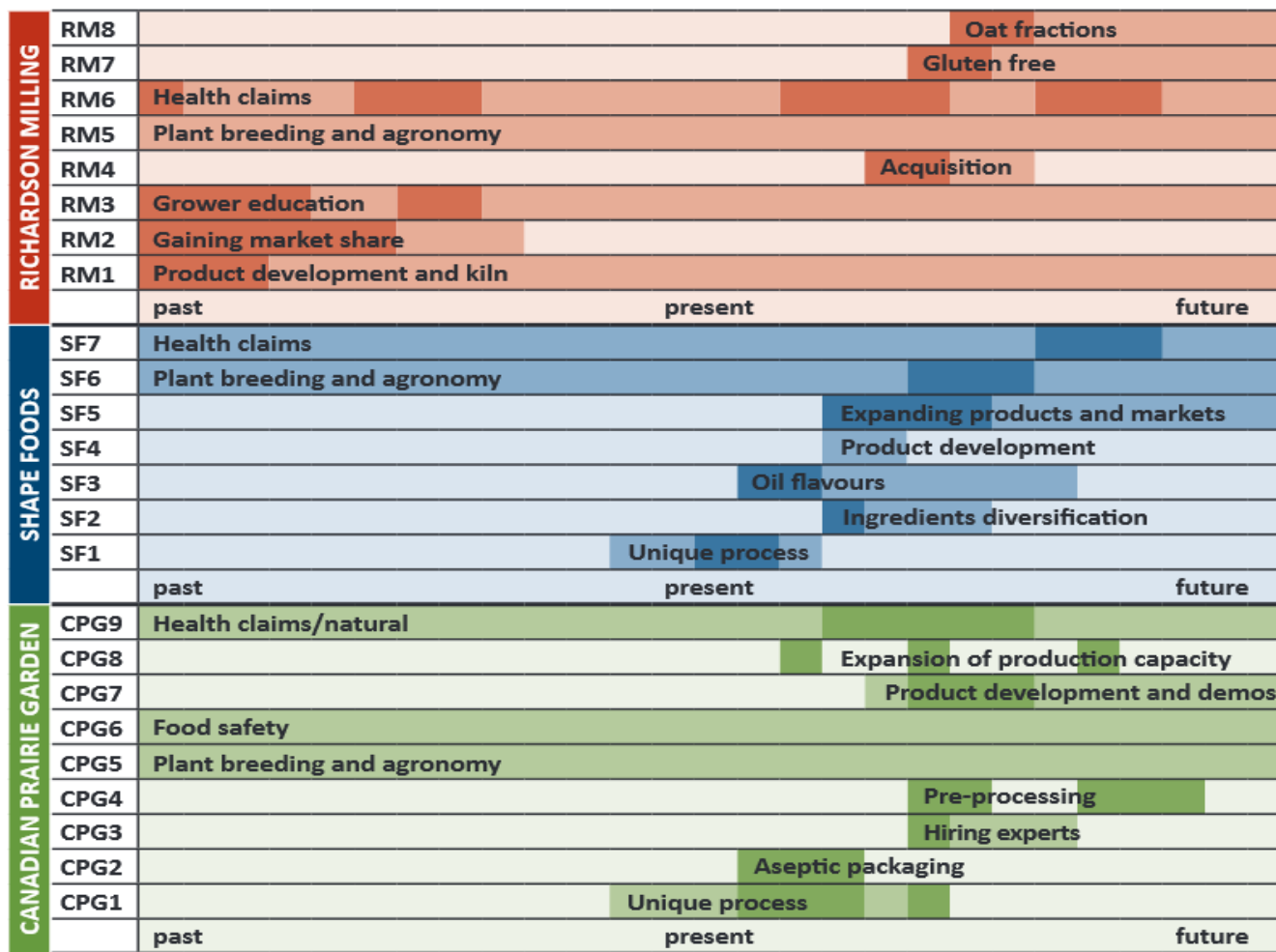


Number of Innovation Initiatives



# Rural Sectoral Approach

Figure 4: Duration estimates of commercializing innovation initiatives across the 3 case studies



Innovation activity  


 More intense innovation activity



# Rural Sectoral Approach

## Growth from innovation

- **Expand market for products**
- **Increase market share**
- **Increase efficiency – profits**
- **Create new companies – profit centres**
- **Diversify expertise with new employees**
- **Continue R&D to remain competitive**





# Rural Matters in Innovation

## Summary

- Several approaches needed, Not one
- Geographical coverage & accessible infrastructure
- Adaptation & adoption with regional capacity
- Not one, many along sectoral supply chain



# Rural Matters in Innovation



**Thank you!**  
**Questions,  
comments,  
suggestions**

# Rural Matters in Innovation

## Sponsors

