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## **Civic Entrepreneurship at the Ottawa Centre for Research and Innovation**

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This case has been prepared by Christopher Wilson with the assistance of OCRI solely to provide material for class discussion.

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Version 004

It was a summer evening in July 1998 and Bill Collins, President of the Ottawa Centre for Research and Innovation (OCRI) in Ontario, sat overlooking the golf course at the Chateau Cartier Hotel. He and his senior staff were meeting to decide on OCRI's future strategy. Should it remain a research institution? Some community partners were suggesting that it become more of an economic development agency? OCRI was investing most of its resources in education, should the focus be there? Or should it focus on the provision of business and professional services that had proved so lucrative for OCRI in the Ottawa community.

### **Background**

OCRI was created in 1983 as the Ottawa Carleton Research Institute, a collaborative effort among 14 partners -- the Regional Municipality of Ottawa Carleton, the University of Ottawa, Carleton University, Algonquin College, the National Research Council, the Communications Research Council, seven area technology firms, such as Bell Northern Research and Bell Canada, and two real estate firms. Its mandate was to "enhance the collaborative research and development activities among industry, government laboratories and participating universities & colleges." At the outset, half of its annual budget of \$200,000 came from RMOC and the rest from memberships fees contributed by participating organizations.

OCRI was formed to build upon the high technology excellence that was beginning to develop in the Ottawa region in the 1970's and early 1980's. OCRI's members believed that significant gains could be made from both collaborative product development and commercialization efforts among local firms and from sharing in basic research being conducted at universities.

OCRI's success at facilitating collaboration resulted in a number of regional technological achievements over the years including, the Focused Ion Beam Facility, OCRInet, SIMCON, CANARIE, SchoolNet, and the Optical Processing and Computing Consortium (OPCOM). In addition, it initiated and co-funded four Industrial Research Chairs at the University of Ottawa and Carleton University. Many of OCRI's professional development events became regional guideposts such as the Technology Executive Breakfasts, Zone5ive, New Media North, the 45<sup>th</sup> Circuit, SPIN, and SCOAP. By 1998, 1200 people per month were attending OCRI events. Its success even inspired similar groups to form in other regions of Canada including Communtech in Kitchener-Waterloo, Operation ONLINE in Newfoundland, and another in Quebec City.

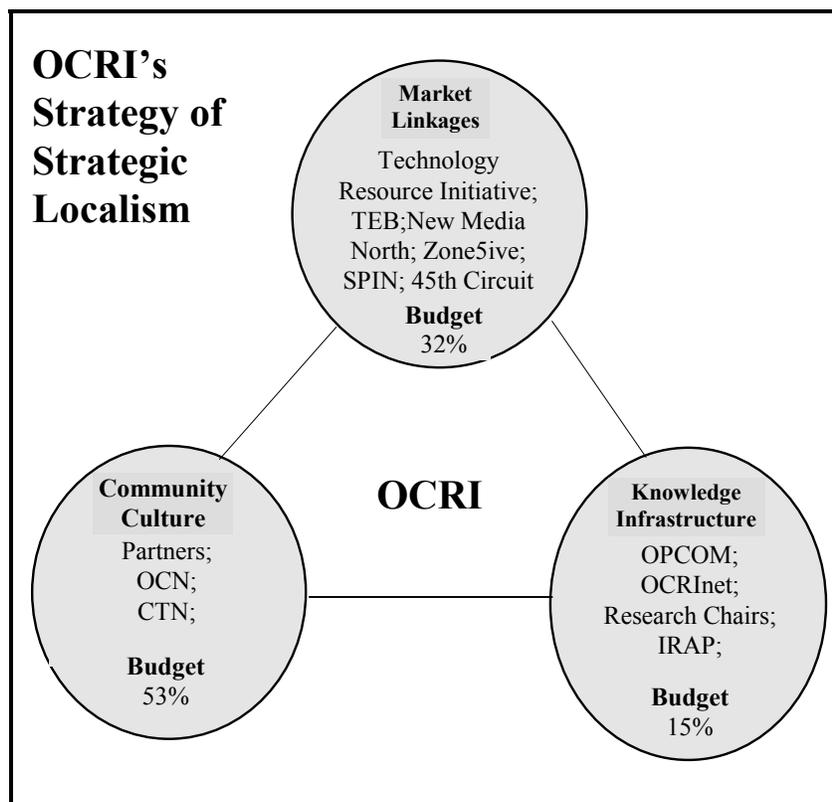
OCRI has been a leading partner in Ottawa area educational programs that were directed towards primary and secondary students, teachers and school boards. Award winning programs such as the Young Entrepreneurs Showcase, the School Breakfast Program, Destiny 2000, the Teacher Internship Program, the Teacher Science & Technology Summer Camp, and the Technology Coaches Program have promoted science, technology, engineering and mathematics as a means of improving the quality and cost-effectiveness of public education.

OCRI's activities demonstrated a growing capacity to foster synergies among a variety of public and private organizations across the region. OCRI's 1996-2000 Strategic Plan envisioned the organization as a key initiator/ catalyst in support of business, government, and educational collaborations in Ottawa. By 1998 its success was evident by almost 400 partners, 50 employees (not counting those paid by other organizations), and a budget of approximately \$7 million.

In January of 1998, OCRI merged with the Ottawa Carleton Learning Foundation (OCLF) blending together the technology and business smarts of the original OCRI with the life-long learning and community participation focus of the OCLF. While a partner of the OCLF since 1987, the merger enhanced OCRI's values of community and social responsibility and created a strong focus in areas relating to the Kindergarten to grade 12 segment of public education. The result was a new activist vision of OCRI as *civic entrepreneur* and facilitator of broad-based community action. With an intangible asset base of trust that spanned three very different sectors – private, public and civic -- OCRI took this opportunity to re-invent itself as a community nexus. The merged organization remained OCRI, but changed its name to the Ottawa Centre for Research and Innovation. It was felt this would reflect the more holistic umbrella under which it would operate to create a dynamic and innovative economic community within the National Capital Region (NCR).

As the figure below illustrates, the majority of OCRI's initiatives were focused on enhancing market linkages, by connecting firms with one another, and on developing the region's knowledge infrastructure, by connecting firms with knowledge producing institutions. However, OCRI's 1998 program budget suggested that it was primarily involved in the development of

community culture -- activities that encouraged a shift in regional cultural towards a high-tech, entrepreneurial community. These initiatives accounted for 53% of OCRI's budget, while human resource, professional development, networking and technology diffusion concerns accounted for only 32% of its budget. OCRI's smallest allocations were for enhancing the region's knowledge infrastructure and traditional R&D (15%) or efforts aimed at anticipating future markets.



In trying to determine where OCRI's strategic focus should be, Bill invited comments from all staff prior to the strategy retreat. In response, they suggested that a key challenge to making that decision was the limited assessment of the outcomes of its activities. For instance, OCRI was very involved in the issue of the region's high-tech skills shortage. Through its *Technology Resource Initiative* it was studying the issue, through its *K - 12* programs it was trying to generate increased interest in technology among the region's youth, and through its collaborations with local firms and regional municipalities it was trying to attract more high-tech firms

and workers to the area.

However, it was difficult if not impossible to associate dollars spent by OCRI with any new high-tech workers in the region. Hence, from a bottom line perspective, Bill's staff felt that there was a lack of certainty about just how effective OCRI's programs were. This is not to say that OCRI lacked evaluative measures. It did. Those measures included a growing list of members, increasing event participation, positive input from Board members, and an absence of complaints from unsatisfied people. But questions still remained.

Although it was not difficult to see that OCRI was having an impact on regional collaboration (the growing number of OCRI partnerships attested to that), there was only anecdotal evidence that they had improved the region's capacity to commercialize innovation. Had the practice of life-long learning increased as a result of OCRI's initiatives? Bill wasn't sure, although his community partners assured him that he was on the right track. OCRI knew its goal of fostering a technology culture in the NCR was supported by industry and many educators but was unsure if that vision had

broad-based support? Clearly, if OCRI was going to be able to expand its influence beyond those with a predisposition towards technology, then OCRI had to make itself relevant to the broader community.

Compounding these issues, was the fact that any assessment would not be easy. To a large extent the real outcome of all these activities was an enhancement of OCRI's image as a "go to" place. Reputation and credibility were intangible assets that did not reveal themselves by the usual measurement standards. OCRI lacked not only the capacity to undertake such a review, but also the resources for such work. OCRI's essentially project based funding allowed no margin for the general development. So until such issues could be assessed directly, OCRI would likely have to continue to ride on its goodwill, leaving an assessment of its impact to a later time. But how long could that go on?

### **The OCRI Organization**

Although OCRI was initially formed as a means to encourage business, educational and government R&D collaboration, it had evolved, as its reputation and competencies developed, to become a locus of community trust. Consequently, the dynamics of its many synergistic relationships tended to pull OCRI's organization in different directions. Part of Bill's challenge was to create a strategy to underpin an evolution of a unique organizational model to cater to its different constituencies in a flexible manner.

Essentially OCRI was a project based co-operative. Almost everyone worked with an external focus, relying on outside champions to push forward specific activities that generally fell under OCRI's umbrella. OCRI did not take ownership of these projects. It strongly encouraged OCRI members or other stakeholders to own their particular project while positioning itself as facilitator, broker or catalyst of useful ideas. Ideally each project was self-sustaining. In fact, financial sustainability was viewed as a litmus test of a project's alignment with member and regional needs.

This type of project-based organization was well suited to respond to the needs of members and the community. Since each project was self-sustaining, it would draw resources only from those constituencies it was meant to serve. Simultaneously, it would contribute to OCRI's principal asset base of trust and reputation from which all OCRI members and community stakeholders benefited. Projects that lacked either commitment or resources were simply dropped.

This led, however, to a very complex organizational model, since both the ownership and resources for projects tended to be external to the organization. It was hard for anyone working at OCRI to be aware of all the different ongoing projects. It was almost equally as hard to keep track of just who was working for OCRI -- some staff were seconded from industry, education and government, some were volunteers, some were on temporary assignment as part of a joint venture with other organizations and some were actually regular OCRI staff. This diversity, however, was for Bill a constant source of satisfaction as he continuously discovered new projects and new people.

OCRI seemed to succeed in managing this complexity through a close and open management style, by delegating authority to individuals and project teams, by its relatively small size, and by what might be called “management by breakfast”. Each Friday morning all the staff met for breakfast at which time new issues, events and concerns could be raised informally and trouble spots flagged. Recognizing that effective communication was a crucial element for its success, its Friday morning breakfasts seemed to effortlessly achieve that with minimal cost.

An important side effect of this communication was the way in which staff informally traded their help on someone else’s project for future help with their own, thus reducing the need for senior managers to co-ordinate independent projects. While this “bazaar type” of approach seemed to be working, there were serious questions among some managers as to whether it could be sustained if OCRI grew appreciably in size.

OCRI’s project based nature had other impacts as well, particularly on organizational culture. OCRI’s culture tended to involve openness, entrepreneurship, subsidiarity, partnering, and involvement. Because of its openness, OCRI had become a meeting ground for a variety of management preferences and organizational cultures, both public and private. One might have expected that some of OCRI’s partners, because of the size of their contribution, would tend to dominate its cultural style. For instance, RMOC was, from the outset, one of OCRI’s largest single contributors and it would have been natural for OCRI to adopt a culture similar to a municipal bureaucracy. The project nature of its activities, however, tended to compartmentalize outside influences on OCRI’s overall culture, giving it both a degree of distinctiveness and resilience. Thus, OCRI found no trouble in working with a variety of partners, many of whom had differing values and worldviews.

At OCRI each partner could find a home and be supported by a set of attitudes applicable to their project, and yet not infringe on other partners in other projects. Since each partner contributed to the whole organization, OCRI presented a model of mutual acceptance and reciprocity. While each partner might come to the table for their own singular reason, the net result was a strengthening of the entire community with OCRI at its hub. This was the basis of Bill’s vision of OCRI as a community builder and civic entrepreneur. “The role of the civic entrepreneur,” said Bill, “is to use the spirit of enterprise to restore the spirit of community.”

OCRI’s project-based organization did have its drawbacks. One was resources -- both human and financial resources tended to follow the projects. As a result, there was only a limited capacity for strategic planning and even less capacity to invest in OCRI’s future as an organization. As Barb McNally, OCRI’s VP of Education Programs put it, “we tend to do what is urgent instead of what is important.” Consequently, OCRI’s goodwill often attracted many more opportunities than could be effectively evaluated. Therefore, it was possible, even likely, that significant opportunity was being missed because of a lack of business planning skills.

This issue of resources often led to an ongoing debate over the balancing of efforts to obtain sponsorship of corporate partners over efforts directed towards the grass roots levels of OCRI, such as the various professional development networks. There was a perception by some staff that the major focus of the organization lay with corporate partners even though the professional

development activities provided the value and created the reputation that brought in the large organizations, such as Nortel, RMOC, Bell Canada, and the CRC.

### **Bill's Dilemma**

The problem was that OCRI's reputation for successful collaboration was causing it to be stretched in many more directions than could be effectively handled. Choices had to be made, and Bill was feeling that now was the time to make them.

OCRI's professional development activities were self-financing, were providing business education beyond just networking, were enhancing the regional knowledge churn, had simple success measures with almost immediate feedback, provided high visibility, and had limited overhead that was eventually covered by event costs. However, an overemphasis here could marginalize OCRI if it was perceived that OCRI was not stepping up to issues of significant regional concern.

OCRI's educational initiatives that had originated with the OCLF had a very different client base from the business PD group. They included members from boards of education, different corporate constituencies, teachers and kids. Educational programs amounted to investments in the people of the community, they had 'fuzzy' or difficult success measures due to their intangibility or long term outcomes and they had unstable funding, requiring constant management and reselling. However, they were viewed as key to OCRI's credibility in community. Overall these initiatives accounted for more than half of OCRI's budget.

Though a declining proportion of the budget, OCRI's research remained the cornerstone of its collaborative competence and its links with post-secondary institutions. Through its memberships, OCRI supported with the Natural Science and Engineering Research Council several university research chairs. Industry Canada provided support for the OPCOM consortia as well as partial support for the Ottawa Community Network (OCN). Building the OCN network was accomplished by coordinating individually supported network projects through OCRI as part of a comprehensive communications strategy for linking schools, universities, hospitals, businesses and government agencies into one powerful integrated community network solution.

OCRI's business services were not as matured as some of its other initiatives but member demand kept them front and centre. Primarily OCRI was offering a single window access for entrepreneurs for services offered by a variety of other organizations. These activities presented an ongoing source of friction with the Ottawa Economic Development Corporation, and so there was a tendency to be less ambitious and less bold than OCRI might otherwise have been. A promising new development was the new commitment to develop "thebusinessedge.com" as an on-line deliverer of business-related knowledge. This was, however, some ways yet from being a net revenue contributor.

Increasingly, OCRI was becoming a key player in Ottawa's economic development, not only acting as an effective advocate for the high tech sector, but also for Ottawa itself. Much of this

amounted to responding to the many communities try to emulate Ottawa's and OCRI's success. There were no resources specifically allocated for this. Economic development activities did add to OCRI's community and national profile as well as to member satisfaction and the ability of OCRI to obtain funding for other specific projects. To increase work in this area OCRI would require more resources, most likely from the Region and that would entail becoming more susceptible to the political intrigues of regional government. Over the years, OCRI had become almost financially independent of regional government, receiving only 5% of its 1998 budget from RMOC, and some members were suggesting that OCRI walk away from public funding entirely.

In weighing these different directions, Bill knew there would have to be trade-offs as OCRI grew and its stakeholder base evolved. He also knew that to be credible as a community organization, OCRI had to continue to be able to wear multiple hats. The trick was finding the right balance.

### **Assignment**

1. What are the key elements of OCRI's success?
2. Why has civic entrepreneurship developed as a central component of OCRI's activities?
3. What do you think is OCRI's principal asset and how has that been developed over the years? How can OCRI best leverage that asset to serve its members and its communities?
4. If you were Bill Collins, how would you deal with the challenge of determining a future strategy for OCRI?

## Appendix: OCRI SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>• Strong networking &amp; PD programs</li> <li>• Established reputation as a local informational hub</li> <li>• Established capacity as facilitator of collaboration</li> <li>• Strong financial health &amp; declining dependence on public money</li> <li>• Strong public identification with technology &amp; education sectors</li> <li>• Project based organization</li> <li>• Strong internal communication</li> <li>• Strong horizontal integration– unique among organizations with multiple lines of business</li> </ul>	<ul style="list-style-type: none"> <li>• Intangible outcomes</li> <li>• Measurability of outcomes</li> <li>• Limited organizational as opposed to project planning capacity</li> <li>• Long term planning (urgency over importance)</li> <li>• Long-term investment capital</li> <li>• Limited space</li> </ul>
OPPORTUNITIES	CHALLENGES
<ul style="list-style-type: none"> <li>• Evidence that the approach of <i>civic entrepreneurship</i> has been successful in other technology based communities</li> <li>• National Capital Institute of Technology</li> <li>• Innovation not scale is becoming primary basis of market leadership</li> <li>• Growing recognition that organizations can not do it alone</li> <li>• Growth in employee mobility</li> <li>• Growing recognition of the interdependence of business, government and educational sectors</li> <li>• Emerging awareness of the need for civic entrepreneurs</li> <li>• NCR achieving critical mass as a world technology centre</li> <li>• DSI<sup>1</sup> evidence that socially responsible corporate behaviour does not preclude above average returns</li> </ul>	<ul style="list-style-type: none"> <li>• Growing skill shortages</li> <li>• Mismatch between educational output and industry requirements</li> <li>• Lack of understanding of how organizations /people can work together</li> <li>• Lack of adaptiveness from post-secondary institutions</li> <li>• Lack of trust between organizations</li> <li>• Minimal participation of private sector in community and civic affairs</li> <li>• Lack of meaningful dialogue between public and private sectors</li> <li>• Perceived lack of relevance of “technology culture” for community at large</li> <li>• Lack of investment in management / co-ordination of collaborative activities</li> </ul>

<sup>1</sup> Domini Social Index