

# CENTRE FOR THE NEW ECONOMY BUSINESS PLAN

October 2000

## EXECUTIVE SUMMARY

The purpose and function of the Centre for the New Economy (CNE) are captured in its mission statement: "The Centre for the New Economy acts to lead Prince Edward Island toward a new model of sustainable economic development." The CNE will become the focal point for research, discussion, advocacy, education, and training on how best to lead the province from the traditional to a new model of economic growth. It will accomplish this by creating linkages here, and among Prince Edward Island and communities of similar interests in Atlantic Canada and internationally.

The Business Plan for the CNE was developed and endorsed by a fifteen-member Steering Committee -- the majority of whom were drawn from the Island business community -- over a six-month period beginning in April 2000. Plans for the CNE originated with the Knowledge Assessment Methodology (KAM) Project, which recommended its creation. The work of the Steering Committee focused on creating alliances with stakeholders from industry, governments and academia to provide input into the development of the Business Plan and to gain the support necessary for the creation of this new and dynamic entity. In the course of these consultations, the Committee placed priority on establishing clear goals and specific initiatives for the CNE so that it meets the tests of value added, sustainability, distinctiveness, and the ability to facilitate linkages. The Business Plan, structured with these key elements in mind, features the following goals and specific initiatives.

GOALS	INITIATIVES
<b>Nurturing a culture of entrepreneurship</b>	<ul style="list-style-type: none"><li>• Identify and promote examples of best practice</li><li>• Assist entrepreneurs to raise venture capital</li><li>• Work with partners to strengthen program delivery mechanisms</li></ul>
<b>Creating and cultivating the vision</b>	<ul style="list-style-type: none"><li>• Create an Island network to stimulate innovation</li><li>• Partner with similar Atlantic Region agencies Identify societal indicators to measure progress over time</li></ul>

### **Developing and refining public policy**

- Monitor global trends and identify local applications
- Create an international advisory group for the CNE
  
- Research major public policy issues
- Develop and disseminate policy initiatives
- Assess the effectiveness of existing policies in repositioning our economy
- Continue to work with the KAM process and to help implement recommendations in *Lighting the Way*

With the full support of President MacLauchlan, it has been determined that the University of Prince Edward Island will host the CNE and will ensure its governance through an Advisory Board made up of capable and dedicated people representing the Island and similar regional and international organizations. The Board will employ this Business Plan as a vehicle for identifying funding partners and as a prelude to the early development of a detailed operational plan.

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## **1.0 INTRODUCTION**

The world is entering a new economic age. Knowledge and innovation have become the driving forces of our times, bringing about far-reaching social and economic changes. Development and well-being are increasingly founded on intellectual resources and human capital; they are less constrained than ever before by limitations of size, location, and resources. These changes have created new challenges and opportunities for peripheral areas like Prince Edward Island, both in the emerging high-growth industries of the future, as well as through knowledge intensification of its traditional resource and service industries. To fulfill the promise of the new economy, Prince Edward Island must have the capacity to recognize new opportunities and trends; monitor and assess their implications; establish linkages with knowledge resources worldwide; and collectively explore, agree on, and pursue new strategic directions.

In the spring of 1997, the Institute of Island Studies at UPEI took a tentative step toward meeting this challenge, as it began planning a one-day Public Forum on the Knowledge Economy. That

work grew into the Knowledge Assessment Methodology (KAM) Project, a major international initiative in partnership with the United States National Research Council (USNRC) to assess PEI's strengths and challenges in building its knowledge economy. As its lead finding, the KAM identified a need to establish a Centre for the New Economy as a focal point for research, discussion, advocacy, education and training, and policy development on how best to lead Prince Edward Island from the traditional to a new model of economic growth.

Since its beginnings, the concept of a Centre for the New Economy (CNE) has evolved through a number of phases to the point where its form and function can be described more clearly in the form of this Business Plan. The Plan was developed and endorsed by a Steering Committee comprised of knowledgeable and dedicated people, the majority of whom were drawn from the Island business community. Technical and administrative support were provided by the Institute of Island Studies. The Steering Committee operated in accordance with the principle that creating alliances is the key to launching a successful organization, and that

the work of developing a detailed operating plan begins once key partners have been identified. In the months that follow, the Plan will be presented to potential partners with the hope that the Centre for the New Economy will soon become a reality and assume its rightful place as Island society strives to capitalize on opportunities and generate wealth from the new economy.

Additional information on the history of the CNE and the role of the Steering Committee is included in Appendix A. Short biographical notes on the members of the Steering Committee can be found in Appendix B.

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## **2.0 DETERMINING THE NEED**

### **2.1 Mission**

The mission for the CNE was first proposed in *Lighting the Way: Knowledge Assessment in Prince Edward Island* (National Academy Press, Washington, DC., 1999). It has since been refined by the Steering Committee and through discussion with various stakeholders in government, industry, academia, and the community – here on the Island, in the Atlantic Region, and beyond. As with all good mission statements, it is crafted to be "long enough to mean something but short enough to be shouted out," and it addresses the critical questions of identity, purpose, and function.

***"The Centre for the New Economy acts to lead Prince Edward Island toward a new model of sustainable economic development."***

Although the primary focus of CNE operations will be on Prince Edward Island, the importance of associations with similar Atlantic Region organizations is fundamental and will be expanded upon elsewhere in this Business Plan. In fact, partnerships and linkages will be sought worldwide.

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## 2.2 Motivation and Need for the CNE

The Knowledge Assessment Methodology employed by the USNRC is based on a venture capital model and has three stages: a general baseline inventory of the knowledge infrastructure and knowledge-related services, called in this case the provincial knowledge system; virtual case studies, which involve the preparation of detailed business plans for hypothetical knowledge-based enterprises in sectors relevant to the local knowledge economy; and a critical review of findings and conclusions from the first two steps, through interviews with key local officials and experts not involved in the case studies themselves. In the case of Prince Edward Island, the final KAM report identified core competencies and recommended actions and interventions aimed at eliminating barriers to full exploitation of these competencies and the creation and building of knowledge-based enterprises based on them.

Many of the themes expressed in the KAM also find expression in the key 2000 strategic document, *Bridging Tradition and Technology: An Economic Development Strategy for Prince Edward Island*. In it, the provincial government lays out an ambitious vision of the future that highlights the need to create an appropriate economic climate and to make wise investment choices. In his opening statement, Premier Pat Binns says:

This report sets the framework for government support of economic development for the next five years. We have articulated a vision, identified partnerships, set priorities and developed strategies which will guide our future action. All of this is designed with this thought: we must bridge our traditional industries with the potential created by the new economy. Enhancing knowledge and skill, entrenching quality, improving economic opportunities, adding diversity and generating wealth, are not only desirable, but achievable. At the same time, we will maintain communities and a working rural landscape. We are presenting an ambitious but balanced approach.

The provincial Strategy lays out eight challenges:

- Selling globally;
- Developing modern infrastructure;
- Educating, training and attracting skilled workers;
- Caring for a healthy population;
- Securing energy at a competitive price;
- Supporting research and development;
- Preserving the environment; and
- Enhancing communities.

*Bridging Tradition and Technology* recognizes that PEI is experiencing a period of fundamental change. Our economy, social structures, and culture

have all been shaped by a strong reliance on primary resources, as well as interprovincial and international trade. The transformation from the traditional to the knowledge economy implies

more than an upgrading of infrastructure; its impact will be felt by people first. The successful transformation will be led by informed and engaged members of Island society, and it will be fueled by entrepreneurs who recognize and invest in opportunities.

The Centre for the New Economy can serve as the focal point for research, discussion, advocacy, education, and policy development on how best to bridge the gap between tradition and technology. Other communities in the Atlantic Provinces face similar challenges and are taking measures to identify opportunities and to position themselves accordingly. The CNE will foster links with these jurisdictions and with organizations beyond Atlantic Canada: in the New England States, in the North Atlantic rim, and in other parts of the world.

To best serve and represent Island society and to establish a meaningful dialogue with francophone communities in New Brunswick and beyond, the CNE will develop the capacity to function in both official languages. Because timely and effective communication is critical to its success, the CNE will position itself to become a model user of information technology and will use the latest tools to network with collaborators and to report on its work. The CNE can position the Prince Edward Island experience in moving from the old to the new economy as one that is both original and important in a community of interests that extends far beyond our shores.

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### **2.3 Goals and Specific Initiatives**

The Centre for the New Economy can lead Prince Edward Island toward a new model of sustainable economic development. Operating according to the principles of leadership, independence, integrity, and sustainability, the CNE's goals will be to address the following needs:

1. To nurture a culture of entrepreneurship by seeking out new opportunities and best practices here and elsewhere, by analyzing their relevance and by linking ideas with businesses;
2. To act as steward of the community's vision for the new economy, to monitor and understand global trends and to translate these into actionable terms for Prince Edward Island; and
3. To act as an independent advocate by engaging the public in informed public debate about social and economic changes brought about by the new economy and by assisting decision-makers to formulate appropriate policy.

In developing this Business Plan, the Steering Committee has considered a variety of alternatives for meeting the needs identified above. The Committee has determined that the CNE should focus its efforts on a set of clear priorities during the first five years of its existence. The CNE will be assessed on its ability to identify measures that will assist Island society to bridge the innovation gap successfully by putting knowledge to more effective use.

To enable Prince Edward Island to participate more effectively in the new world economy, several fundamental elements must be established and nurtured:

- a sound base of research and technology;
- a business and social climate favouring entrepreneurial activity;
- linkages with similar communities in the Atlantic Region and beyond;
- in education and training infrastructure that fosters a climate of lifelong learning;
- a record of success that attracts venture capital investments; and
- a society that is aware of trends and opportunities and is engaged in the selection of appropriate economic outcomes.

### ***Nurturing a Culture of Entrepreneurship***

Prince Edward Island's historical economic base of primary producers and other small businesses has built a strong culture of entrepreneurship in the province. Its rates of self-employment and new business formation are among the highest in Canada. Now, as new economic opportunities arise, and as public agencies withdraw traditional supports and protections to industry, action is needed to foster the qualities of calculated risk-taking and innovation that may have ebbed in recent decades, and to recapture and strengthen PEI's entrepreneurial culture.

The CNE can partner with post-secondary institutions, similar Atlantic Region organizations, industry, and governments to provide an environment conducive to the development of an entrepreneurial culture; it can also assist entrepreneurs to link with providers of venture capital. The CNE will help groups and organizations to work together and it will assist in identifying and breaking through barriers to progress. This being said, the CNE will not take the place of existing one-on-one services to entrepreneurs that are provided by various government and community agencies.

#### **Specifically, the CNE will:**

- Identify and recognize entrepreneurial success stories and examples of best practice, featuring Islanders from here and away, and use these to establish links with knowledge economy resources outside PEI through such means as enterprise clubs, angel investor networks, and mentorships;
- Create a forum where entrepreneurs can learn about the venture capital model and come into contact with providers of venture capital; and
- Work with partners -- as a complement to existing programs -- to strengthen program-delivery mechanisms and take advantage of new investment opportunities.

### ***Creating and Cultivating the Vision***

As an independent organization, the CNE can encourage research, discussion, and education on how to guide Prince Edward Island from the traditional to a new model of economic growth. To do this, Island society will be challenged to imagine alternative futures, and the CNE will provide the objective information and data necessary to analyze the implications of these alternative futures and to track progress in achieving broad economic and societal goals. The CNE will serve as a focal point for these debates and will create an atmosphere for them that is at once stimulating, infectious, and dynamic.

The CNE will develop and maintain a strong connection between the Island and other jurisdictions. This will be achieved partly by building on existing national and international networks developed through the KAM project, the North Atlantic Islands Programme of the Institute of Island Studies, and other partner initiatives; and partly by establishing new linkages.

**Specifically, the CNE will:**

- Provide opportunities for Islanders of all ages to tap into new ideas, technological tools, and resources through the innovative use of educational venues and models, and bring Islanders together in new ways to exchange ideas and to stimulate innovation;
- Identify a series of performance metrics or indicators that can be used to measure progress over time: economic performance; labour market shifts; investment in research and development; educational attainment; wellness; environmental sustainability; and access to information and knowledge -- to provide a high-quality, current, reliable information base for partners to use in measuring progress against their respective goals;
- Monitor and analyze global trends in an attempt to understand what is happening elsewhere, and which practices and processes for nurturing entrepreneurship might be applied successfully here;
- Partner with organizations in Newfoundland, Nova Scotia and New Brunswick that are involved similarly in leading their respective jurisdictions toward new models of sustainable economic growth;
- Develop strong national and international linkages through the creation of an international advisory group, chaired by Dr. David Bodde, Professor of Technology and Innovation at the Henry W. Bloch School of Business, University of Missouri -- made up of 15-20 authorities in the field of new economy studies and supplemented by distinguished "Islanders away"; and
- Disseminate findings to key stakeholders and the general public using state-of-the-art information technology; it is intended that the CNE would become a model user and that it would communicate its work using the most effective combination of media -- for example, an internet-based electronic newsletter, research service, virtual seminars and workshops, as well as the more traditional forms of information dissemination such as research reviews and periodic conferences based on the theme of "Creating the Vision of the New Economy."

***Developing and Refining Public Policy***

In a society as small and interconnected as ours, governments need to foster informed public debate through organizations that have the means, the status and the expertise to play the advocacy role in an independent fashion. The CNE has the ability to transcend jurisdictional boundaries and to build consensus.

**Specifically, the CNE will:**

- Conduct research on major public policy issues in partnership with government, industry, similar Atlantic Region organizations, academia, and community agencies, examples of which could include:

- defining a sustainable food production system;
  - assessing the role and value of economic self-determination, greater local control, or more indigenous SME enterprise;
  - developing or advocating for a provincial innovation policy;
  - assessing new models of economic growth for rural Island communities;
  - researching, developing, and reporting on ways to translate new models for education and training into action; and
  - contributing to the formulation of a provincial research and development policy.
- 
- Develop and refine policy initiatives and promulgate these using state-of-the-art information technology and other more traditional means of communication;
  - Assess the effectiveness of existing government and other policies in terms of their ability to achieve stated outcomes and to reposition our economy; and
  - Continue to work with the KAM process through the US NRC by tracking, encouraging, and promoting the implementation of recommendations in *Lighting the Way*, as well as participating in Knowledge Assessment activities in other international jurisdictions.

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### **3.0 DESCRIBING THE OPERATIONS**

#### **3.1 Governance and Management**

In the course of its consultations with governments, academia, industry, and community groups, the Steering Committee determined that, for the CNE to be effective and relevant, it must possess a high level of independence and the freedom to criticize even the agencies which support its continued existence. This being said, it must be governed by a capable and dedicated group of people, chosen carefully from a broad spectrum of Island society, particularly the business community. In addition, because the CNE wishes to create strong linkages with similar regional and international organizations, it will seek to involve them directly in its governance.

The CNE will operate as a not-for-profit organization, affiliated with the University of Prince Edward Island in a manner similar to the Institute of Island Studies, and governed by an Advisory Board consisting of members representing the private sector, the education sector, government agencies, and out-of-province organizations. The precise number and membership of the Advisory Board will be determined as the project progresses and according to the principles that all partners will be adequately represented and that it will function as a working Board. The specific powers of the CNE Advisory Board and its relationship with the University administration will be the subject of future discussions between the Centre's Steering Committee/Advisory Board and the UPEI Board of Governors.

Management of the CNE will be assured by the Executive Director, who will provide leadership in the operation of the CNE, including such matters as budgeting, administration, human resources, communications, and financing. The Executive Director will obtain general direction and performance expectations from the Advisory Board but will exercise broad authority in the design and implementation of programs.



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### **3.2 Human Resources**

The CNE must function with a maximum of flexibility and, while it will need dynamic and capable staff, it must not allow itself to be constrained or overwhelmed by structure. While human resources are essential, these must be viewed as mobile and replaceable assets if the CNE is to remain relevant.

In staffing key positions, the CNE will take full advantage of opportunities for secondments, using individuals -- from government, academia, non-government organizations, or the private sector -- who might be interested in challenging administrative or research assignments. Such arrangements could prove very advantageous to the originating organization and to the CNE, by expanding partnerships and reducing the cost of human resources.

Including the Executive Director, the CNE will possess a core complement of four full-time employees whose principal duties may be summarized as follows:

#### **Executive Director**

- develop the CNE's operational plan;
- provide leadership and manage CNE operations, including budgeting, administration, and human resources;
- assume primary responsibility for financing the operations of the CNE, including the identification of funding partners;
- implement decisions made by the Advisory Board; and
- represent the CNE as required in outreach activities.

#### **Communications Director**

- develop the CNE's communications plan;
- establish a state-of-the-art information network to communicate the work of the CNE; and
- assume responsibility for liaison, outreach, community engagement and partnership development.

#### **Research Director**

- implement the CNE's in-house research plan;
- identify required research support; and
- supervise the work of contracted researchers.

#### **Administration and Finance Officer**

- provide office management, administrative, financial, and operational support to the CNE;

- assist the Executive Director in fund-raising activities and writing proposals; and
- liaise with vendors, suppliers, and other CNE partners to obtain required products and services.

In addition to its complement of full-time staff, the CNE will employ researchers for specific projects. These individuals may come from the University, other post-secondary institutions, government or the private sector, and their remuneration will depend on what arrangements can be made between the CNE and the home organization. The wise use of such project staff will add an important dimension to the CNE's profile and its expertise without the burden of long-term staffing costs.

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### **3.3 Partnerships**

The CNE, because of the nature of its mission, cannot function without strong and dedicated partners. These must be chosen carefully, however, if the CNE is to establish itself as an independently functioning institution -- PEI-centred, but with a regional interest. The Steering Committee has identified two types of partners: supporting and project. Supporting partners, the federal and provincial governments and UPEI, would be expected to invest in the CNE during the first five years of operation through the provision of core funding. Additional support (up to 15% of the total, in cash or in kind), would come from other partners, possibly including Holland College, the private sector, foundations, similar Atlantic Region organizations, and the United States National Research Council. Identifying this additional support would be a key responsibility of the Executive Director. These partners would be expected to participate in specific projects, and their contributions could take the form of cash or various forms of in-kind contributions, including the provision of administrative and research staff.

#### **Government of Canada**

The federal government, through the Atlantic Investment Partnership, would have an interest in the initial establishment and ongoing operation of the CNE. An investment proposal from the CNE would consist of the following elements:

- An annual contribution, from the Atlantic Investment Partnership, equal to 50% of the core operating budget (not including research grants) for five years under either the "Community Economic Development" component or the "Entrepreneurship and Business Skills Development" component; and
- The establishment of an endowed Research Chair at UPEI in the field of "Technology/Innovation in Society" is an example of an enriching partnership that could provide significant support and a focus for graduate research and education in the new economy. Such an opportunity would open up the possibility of partnerships between private sector and university researchers, as well as other cooperative funding arrangements. The task of establishing an endowed Research Chair would be one of the first priorities of the Executive Director.

#### **Government of Prince Edward Island**

The provincial government, through the Department of Development and Technology, would also have an interest in the initial establishment and ongoing operation of the CNE. The Centre for the New Economy could assist significantly by establishing and tracking metrics of progress identified in the Province's Economic Development Strategy. An investment proposal from the CNE would request an annual contribution equal to 20% of the core operating budget (not including research grants). The province's participation could consist of a financial contribution, secondment of staff to the CNE, or a combination of these.

### **University of Prince Edward Island**

The Steering Committee has determined that the independence of the CNE will be secured if it is located at UPEI. The University has expressed an interest in housing the CNE and in providing financial and in-kind contributions toward its operation. An investment proposal from the CNE would request an annual contribution equal to 15% of the core operating budget (not including research grants), in cash and/or in kind. Elements of the in-kind contribution could include subsidized rental of office space, network and Internet access, accounting and payroll services, insurance and liability coverage, the use of certain equipment such as a photocopier and fax machine, and access to intellectual resources of the School of Business and other University faculties and services. In-kind contributions of UPEI and/or Holland College could include design and development of appropriate communications systems.

### **Holland College**

Holland College has expressed an interest in becoming a partner in the CNE, and discussions have taken place between the Presidents of UPEI and Holland College in this regard. It is expected that the College's participation would take the form of technical assistance, design and delivery of training in the areas of IT and entrepreneurship, and the sharing of human resources between the College and the CNE, the details of which will be worked out in the near future.

### **Other Atlantic Region Agencies**

The CNE has identified organizations with similar interests and mandates in the Atlantic Region. These include the University College of Cape Breton in Sydney, Nova Scotia, which has expressed an initial interest in partnering with the CNE. In New Brunswick, the Acadian regions of the *Sud-Est* and the *Péninsule Acadienne* are working on new economic development strategies similar to those contemplated for Prince Edward Island. In Newfoundland, discussions are proceeding with interested individuals and organizations. Like our own, these particular communities are developing strategies and specific initiatives to better manage the transition between the traditional and the new economy. Despite modest successes, they continue to suffer from high unemployment, poor economic infrastructure and serious labour market deficiencies. The close proximity of our respective communities and similarities of history and geography all favour a successful partnership. In order to maximize the effectiveness of research and

programming, it is proposed that the CNE establish partnerships in all three provinces and take the lead in the specific area of its mission, which is "*... to lead ... toward a new model of sustainable economic development.*"

### **Private Sector**

Although no private-sector partners have been identified to date, it is expected that the CNE will attract significant investment from foundations and businesses, once it is up and running and has established itself as a significant regional player in the three areas identified in Section 2.3:

- nurturing a culture of entrepreneurship;
- creating and cultivating the vision; and
- developing and refining public policy.

The principal supporting and project partners identified above would be expected to provide their financial and in-kind commitments to the CNE from the time of initial start-up. Within the first year of operation, the Executive Director, as directed by the Board, would be expected to identify project partners to invest in specific research projects to be undertaken by the CNE. These projects are generally outlined in the earlier section of this Business Plan entitled Goals and Specific Initiatives (Section 2.3) and would provide opportunities to obtain significant private-sector investment.

An example of how research could be funded on an ongoing basis is through the establishment of an endowment fund for Entrepreneurship Research and Development, the annual earnings from which would be invested in research projects. At the end of the specified endowment period, the principal amount could be returned to the funding partner, or the term of the endowment could be extended or the loan forgiven based on satisfactory performance by the CNE. For the purpose of illustration, the Projected Revenue and Expense Statement for the CNE includes annual earnings of \$50,000 from the proposed endowment fund for Entrepreneurship Research and Development, beginning in FY 2001 -- 2002.

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### **3.4 Project Schedule**

It is proposed that the Centre for the New Economy begin operations in early 2001 following the establishment of its Advisory Board. The project schedule for the first year of operation would be as follows:

- Present the Business Plan to the President of UPEI and request that he strike an interim implementation group -- October 15, 2000;
- Obtain the services of an interim Executive Director -- December 1, 2000;
- Establish the permanent Advisory Board of the Centre for the New Economy and obtain a commitment for initial start-up funding from supporting partners -- December 31, 2000;
- Staff the position of Executive Director with a permanent appointment -- April 1, 2001;

- Staff the positions of Administration and Finance Officer and establish the office of the CNE -- June 1, 2001;
- Develop strategic, financial, and operating plans for the first five years of operation of the CNE, including a suitable administrative arrangement with UPEI -- September 1, 2001;
- Staff the positions of Communications Director and Research Director -- September 1, 2001; and
- Obtain ongoing financial and in-kind commitments from the federal and provincial governments, UPEI and other partners for the basic operating budget -- October 1, 2001.

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#### **4.0 FINANCING THE CENTRE**

The Steering Committee has developed the following projected revenue and expense statement for the Centre for the New Economy. It is assumed that the CNE will adopt the same financial year as UPEI, namely May 1 to April 30.

##### **CENTRE FOR THE NEW ECONOMY**

##### **Projected Revenue and Expense Statement 2000-2005**

[Click to view budget table in a new window.](#)

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#### **APPENDIX A**

##### **Building the CNE: An Outline of the Process**

In the spring of 1997, the Institute of Island Studies of the University of Prince Edward Island initiated a public discussion on the knowledge economy. A partnership was established subsequently with the United States National Research Council (US NRC) and our province was chosen as the first world test of the Knowledge Assessment Methodology (KAM). This methodology, developed by the USNRC at the behest of the World Bank, seeks to measure the capacity of a jurisdiction to participate in the new economy; to identify barriers to that participation; and to recommend means to overcome these barriers.

The KAM project, carried out over a two-year period, proceeded through three steps:

1. Mapping Prince Edward Island's knowledge system;
2. Conducting virtual case studies of vanguard knowledge-based enterprises not yet present here; and,
3. Verifying findings through research and through consultation with stakeholders and decision makers.

The final project report, *Lighting the Way: Knowledge Assessment in Prince Edward Island*, set out a number of recommendations to develop the intellectual, cultural, and political climate for

knowledge-based development; to secure and develop the knowledge resource base; to develop the human resource; and to encourage new venture development. Foremost among these recommendations is the call for a Centre for the New Economy (CNE) to be designed and established on Prince Edward Island. The report emphasizes that the CNE should be established with broad support and participation from all sectors of Island society and, with this in mind, the Institute of Island Studies assumed the role of facilitator.

In March of 2000, a Steering Committee was established for the purpose of refining the concept and to develop a Business Plan for the CNE. The invitation to serve on the Steering Committee was launched by the President of UPEI, Wade MacLauchlan, who has become the patron of the process and who, in a letter to prospective members, outlined the task in the following terms: "We at UPEI think that the concept of a Centre for the New Economy holds great promise and we are therefore prepared to help bring it to fruition."

Steering Committee membership consisted of the following:

Justin MacLeod, Timeless Technologies Inc., Belfast (Chair)

Alan Baker, Options Inc., Beach Point

Colin Deacon, Spell Read Canada, Charlottetown

Regis Duffy, Diagnostic Chemicals Ltd., Charlottetown

Larry Heider, Heider and Associates, Stratford

John MacDonald, Summerside Chamber of Commerce, Summerside

Roberta MacDonald, UPEI School of Business, Charlottetown

Shirley MacPherson, Consultant, Charlottetown

Brian McMillan, Holland College, Charlottetown

Charlotte Murray, Industry Canada, Charlottetown

Steve Murray, Aliant Inc., Charlottetown

John Robinson, Eric C. Robinson Inc., Albany

Gretha Rose, Cellar Door Productions, Charlottetown

Philip Smith, UPEI Faculty of Arts, Charlottetown

Keith Tompkins, Dept. of Development and Technology, Summerside

The Steering Committee has been assisted in its work by Harry Baglole and Anne McCallum of the Institute of Island Studies, Jean-Paul Arsenault of HR Associates Inc., and Wendy MacDonald of Wendy MacDonald and Associates.

The Committee has worked diligently over the past six months to lay out the framework for the CNE, to consult with stakeholders, and to establish partnerships with organizations to transcend jurisdictional boundaries and to build consensus.

Six Steering Committee meetings took place between March 9 and September 20. These meetings lasted approximately three hours each, and all were well-attended. Dr. David Bodde, Professor of Technology and Innovation at the Henry W. Bloch School of Business, University of Missouri, acted as an international advisor to the process. In fact, Dr. Bodde had been closely involved with the Knowledge Assessment Methodology project

throughout. He travelled to PEI in May to participate in a series of three CNE consultations at UPEI. The consultations involved representatives from the academic, business, and government communities, in addition to CNE Steering Committee members. Dr. Bodde has also commented on various drafts of the CNE Business Plan.

Members of the CNE Working Group made a number of presentations to potential stakeholders throughout the six-month process. These included the Food Technology Centre, the UPEI School of Business, the UPEI Faculty of Education, and the Executive Committee of the Information Technologies Association of PEI. Comments and suggestions from these meetings, and from the consultations mentioned above, were taken into consideration as the CNE Business Plan was being developed.

On June 20, the first draft of the Business Plan was completed and circulated to the Steering Committee. By the middle of August, the plan had been revised twice and Draft #3 was circulated for comments to over 200 people. The distribution list included all those from the academic, business, and government communities in PEI who had been invited to earlier meetings and consultations on the CNE; the relevant ministers and deputy ministers in the provincial government; and local and international participants from the Knowledge Assessment Methodology project. Based on the responses received, a fourth draft was circulated to the Steering Committee. Final modifications were made at the closing meeting of the committee on September 20, 2000, leading to the fifth and final draft.

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## **APPENDIX B**

### **Building the CNE: The Steering Committee**

**Alan William Baker** is president of Options Inc., a consulting firm specializing in supplying strategic counsel to the seafood, fishery, agri-food, and natural products sectors. He has worked at the regional, national, and international levels in the seafood and marine industries. Options

Inc. has offices and associates in Halifax, Ottawa, Vancouver, and New York, in addition to the PEI base. Mr. Baker serves as Chair of the PEI Food Technology Centre.

**Colin Deacon** is General Manager and CEO of Spell Read P.A.T. Learning Systems Inc. Based in Charlottetown, the company delivers an instructional program to help children, youth, and adults to eliminate reading and spelling problems. It has ten sites in Atlantic Canada, Quebec, and the US. Formerly, Mr. Deacon was Vice President of Marketing and Business Development with the Canadian Medical Discoveries Fund.

**Regis Duffy** is the founder and owner of Diagnostic Chemicals Limited (DCL). Established in 1970, DCL is a chemical manufacturing company engaged in the manufacture of fine research chemicals, enzymes, and analytical systems for blood analysis. In 1995, he was appointed a Member of the Order of Canada. He was inducted into the Junior Achievement PEI Business Hall of Fame in 1998. Dr. Duffy served as the first Dean of Science at UPEI.

**Lawrence E. Heider** works on special projects with the Deans of the four Canadian Veterinary Colleges, AVC, and UPEI. He served as Dean of the Atlantic Veterinary College from 1991 to 1998 and was Acting President of UPEI from 1998 to 1999. Dr. Heider is provincial representative to the Research and Development Coordinating Committee of the Atlantic Association of Universities for the Atlantic Investment Partnership, Atlantic Innovation Fund.

**John J. MacDonald** is Manager of the Greater Summerside Chamber of Commerce. In 1998, he received the Executive of the Year Award for Canada. He has served as President of the PEI Federation of Agriculture, the Atlantic Farmers' Council, and the PEI Cattlemen's Association. Currently, he serves as County Chair of United Way and as Vice-Chair of his community council. Mr. MacDonald is owner/operator of a beef farm in St. Nicholas.

**Roberta MacDonald** is a faculty member with the School of Business at the University of Prince Edward Island. She has also worked at the University of Calgary and in the private sector for companies such as Molson's Breweries, Transalta Utilities, and General Motors. Dr. MacDonald's experience and interests are in the areas of marketing, tourism, and global business.

**Justin MacLeod (Chair)** is founder and CEO of Timeless Technologies Inc., a software company in Belfast, PEI. Timeless Technologies Inc. won the 2000 ITAP Export Award and the 2000 ITAP Innovation Award. Mr. MacLeod is Co-chair of the Softworld 2002 Program Committee, and he serves on the Executive Board of the Belfast Community Development Corporation.

**Shirley MacPherson** is a Certified Management Accountant who has worked in the IT industry for most of her career, much of that with Xerox in Toronto and the US, where she acquired diverse management experience in sales, finance, business operations, marketing, and technical support. She is a former Executive Director of Innovative Solutions Agency (PEI) Inc.

**Brian McMillan** is Executive Director, Program Operations (includes overseeing Business and Technology programs), at Holland College. He is Atlantic representative for the Executive



Committee, National Council of Deans of Technology, and a representative for the Atlantic Canada Development Institute. Dr. McMillan is also a director for Junior Achievement of PEI.

**Charlotte B. Murray** is Director General of the Policy and Portfolio Secretariat in the newly formed partnership between Industry Canada and ACOA in Charlottetown. She is responsible for trade and investment, IT, knowledge-based industries, innovation, policy development, and federal/provincial relations. She is Senior Trade Commissioner as well as Provincial Director for Industry Canada, Prince Edward Island.

**Steve Murray** is Manager of New Services for Aliant Inc. He has been involved with Networking in Intranet/Internet and the industry development as a Lead Practitioner. He has managed the development of enterprise system management processes and procedures and the implementation of a broad spectrum of technologies. Mr. Murray has been active in the development and delivery of a dynamic IP service-provisioning and billing system while running the ISP for the Island Telecom Co.

**John Robinson** has recently retired as President and CEO of Eric C. Robinson Inc. of Albany, a family-owned-and-operated agri-business widely involved in Prince Edward Island's potato industry. He has served on various corporate, industry, church and community boards, and is presently on the Board of Directors of the Prince Edward Island Community Foundation, Mid Isle Farms Inc., and Eric C. Robinson Inc.

**Gretha Rose** is President of Cellar Door Productions, a film and television company specializing in developing, financing and producing animated and live-action productions with national and international partners. Formerly, Ms. Rose was President of Creative Esthetics Laboratory. She has received the Governor General's Award for Outstanding Community Service, and the National Award for Outstanding Business Marketing Initiatives.

**Philip Smith** is Dean of Arts and Associate Professor of Psychology at the University of Prince Edward Island. His research focus is on child development and on behavioural aspects of cancer prevention. In teaching, Dr. Smith is developing "service learning" opportunities in which students provide volunteer service in the community, and think and write about the connections between their service and their class experiences.

**Keith Tompkins** is Director of Information Technology Education and Labour Force Development for Technology PEI. As Director, his chief responsibility is to identify the needs and programs required to substantially increase the training capacity and the number of skilled workers available to the provincial IT sector. The sector has both private and public elements.

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