

ACROSS CANADA

The best laid PLANS

HOW OBIO™ IS LOOKING TO OVERCOME THE PAST, CHANGE THE COURSE OF THE BIOSCIENCE INDUSTRY IN ONTARIO AND STEER THE SHIP OUT OF THE STORM

Innovation and Bioscience go hand and hand. It is a symbiotic relationship - both depend on one another. Yet, for Ontario, a province teeming with groundbreaking initiatives in the bioscience field, there is something missing. A broken link between this would-be flourishing industry and reality. True, the recession of 2008 to 2009 hit the industry hard, but the seeds of insufficiency were planted far earlier.

For most of the past decade, the rallying cry of the Ontario life science industry has been “commercialization is key.” Now, more than ever, that message rings true, but it has also evolved, and as it stands, the Ontario bioscience industry is looking for investment, incentives and the capital it needs to be the juggernaut most believe it can be. The plan to get the province to that point is what OBEST™, the Ontario Bioscience Economic Strategy Team hopes to bestow upon the industry.

Created by OBIO (Ontario Bioscience Industry Organization), in response to a call to action from OBIO's CEO's to develop and implement a strategic plan for building a competitive bioscience industry, OBEST takes a grass roots approach to fashioning a plan for a commercially viable, competitive, bioscience community in Ontario.

Since its initial launch in late September 2010, OBEST has already seen good participation from the community, and as the program wraps in February 2011, that participation is quickly being turned into an action plan.

Gail Garland, CEO, Ontario Bioscience Industry Organization, explained that in the larger scheme of things, OBEST is really about facilitating innovation and delivering economic prosperity and health to Ontarians.

“OBEST engages the Ontario bioscience ecosystem in a collaborative, iterative process, aimed at bringing the best ideas forward with which to support the growth of an innovative bioscience industry,” she said.

The backbone of that ecosystem is already

in place and OBEST looks to take advantage of all the pieces, including: Ontario's well educated populace, productive educational institutions, and significant levels of direct- and indirect- government support for research and development. Certainly, these are the foundations upon which a thriving industry can be built. These pieces form an opportunity, while OBEST looks to overcome the current crisis.

Garland outlined both sides of the story, saying on one side there is opportunity in, “the gap created by the decline in Ontario's manufacturing, plus the opportunity

to compete in a knowledge based industry. The critical need for affordable and better healthcare - the opportunity to deploy our highly educated workforce and exploit our world-class based research. Ontario can be a natural home for a vibrant, innovative, bioscience industry that creates wealth and innovative healthcare solutions.”

OBEST is built around three strategic pillars: an advisory board, a task force and seven regional clusters of bioscience industry professionals. Each of the regional clusters meets three times and the results of these assemblies is presented to the advisory board,

Regional Ecosystem Clusters

Stakeholder engagement:

- Industry
- Suppliers
- Universities/ Colleges
- Research Institutes
- Hospitals
- Government
- Financial and Capital Markets



which meets four times. The OBEST task force, acts as the go-betweens, champions and facilitators of the process.

“The OBEST task force are the real heroes of the OBEST process,” Garland said. “This dedicated group has met weekly since September to plan next steps, work with the regional leadership, to organize the regional cluster meetings, to develop and populate an e-room, to support all of our efforts and provide a forum for us to have an ongoing dialogue - the OBEST task force is the glue that holds everything together.”

OBEST is more of a process than an organization. The outcome of the process will be a final plan in the form of a report which will lay the five-year path for Ontario to follow down the road to bioscience stardom. The report is due following the final advisory board meeting in February 2011.

“The overall picture is a five-year time frame but we were very conscious of the fact that we would not have something that is only metrics,” Daniel Billen, chair of the OBEST Advisory Board, said. “Our recommendations will be structured in such a way that it’s an overall five-year umbrella with metrics along the way with what do we want to accomplish by year one, two, three etc.”

It is an innovative process but how does OBEST plan to succeed where others have failed?

David Young, chair of the OBIO board of directors said that strategic plans have been introduced by government but there was never a clear strategy for implementation.

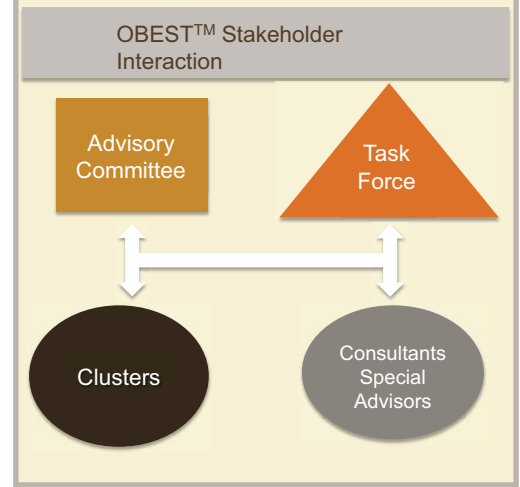
“To me, this process is industry’s reaction to being responsible for its own destiny, and I think it starts to overcome some of that cultural inertia where we think government has the primary role,” he said. “I think in this case, what we’re seeing is that each of the stakeholders have a responsibility for creating an environment for success and creating broad based change. I think that perhaps the most important point here is that government is an important partner, but you need everyone working off of the same play-book, and I think OBEST might be the first instance of this in Ontario.”

Sean Thompson, head of the OBEST task force, sees the goals of OBEST as noble.

“I think one of the things that unites us here together is that we’re here for a greater cause - and I think that cause is the reason why a lot of us are working in the area of human health sciences,” Thompson said. “This is a noble cause and, we as beneficiaries of this tremendous province have an obligation to create a much better province at the end of our lifetimes.”

Thompson joined the task force in September of 2010. He said the first meeting was small, with only four or five participants but by the second week, that number had more than doubled. Thompson said the task force is made up of members from various

The Parts



industry sectors - from quasi-government agencies to private companies, “just a group of hard working volunteers who wanted to be part of building significant change in the province.”

The task force has the most arduous schedule - meeting weekly to make sure the entire OBEST process stays on the rails. Each of the task force members is responsible for one of the seven regional clusters - with clusters big enough to warrant two task force members. The task force spends much of their time simply getting the word out and drumming up support for the regional meetings.

Already over 120 stakeholders have participated in the OBEST process. And, the task force has also prepared a number of case studies based on other worldwide jurisdictions with similar requirements to Ontario.

The research is made available to the OBEST community through an electronic portal, which has been set-up to also facilitate discussion during the off-periods between meetings. Young also said that it creates transparency in the process.

“This way there is an open democratic integrity to the process so that you don’t see any one group potentially hijacking the OBEST process - and essentially I think the process can have a lot of weight behind it because of the board constituency behind it. One of the potential flaws here is that one group would be advocating for their own interests instead of the interests of the province and the sector as a whole, so that

The Process

Advisory Board #1	Advisory Board # 2	Advisory Board #3	Advisory Board # 4
Regional Cluster #1	Regional Cluster #2	Regional Cluster #3	
<p>ANALYSIS</p> <ul style="list-style-type: none"> •Stakeholder Engagement •Ont. Human Health Bioscience Current State •Leading Jurisdictions Review •SWOT 	<p>STRATEGIC DIRECTIONS</p> <ul style="list-style-type: none"> •Develop Draft Strategic Directions and Objectives •Validate Draft Strategic Directions and Objectives 	<p>STRATEGY INTO ACTIONS</p> <ul style="list-style-type: none"> •Develop Strategic initiatives •Design Performance Indicators •Develop Detailed Execution Plan 	

transparency is a great check," he said.

When the regional clusters come together - they discuss the needs of their constituents and identify their strengths and where they need assistance. Garland highlighted some of the findings,

"Among the strengths, we identified: strong academic research; clinical infrastructure, and diverse population base; focused research priorities with programs such as the Ontario Institute for Cancer Research; a strong pipe-

line of early stage IP and startup opportunities; and a good business environment in Ontario.

"Weaknesses: no receptors; no large multinational corporation to spin-out ideas and manpower; access to capital issues; a lack of industry ready talent; a lack of a mind-set for building a viable industry; challenges commercializing academic IP, limited mentoring and a negative perception on access to the local market."

Garland also said that the groups have identified threats to the industry as well as opportunities for success.

"We talked about the healthcare budget - opportunities to partner with hospitals, creative financing solutions, the strengths of the Canadian brand. That was a really interesting finding - how many discussed the strength of the Canadian brand," she said.

Garland said threats include undervalued companies, the loss of ROI to the implicit investor, and that Ontario imports so many healthcare products, yet, develops and manufacturers so few of them.

The process has, so far, culminated in the creation of four goals that OBEST feels address the needs of the bioscience community: capital; capability and people; innovation adoption and export; anchoring the industry. There are also two themes which permeate the findings: culture, and integration.

Billen reiterated that capabilities and people are very important to a successful outcome.

"The overall goal is how are we going to support, retain and attract entrepreneurs and skilled personnel to deliver innovation and achieve consistent growth of high value jobs in this sector," he said.

Billen commented that sometimes we have the right research but that does not mean we have the right people for the job.

As far as determining the success of the project, Billen sees job creation as a key metric.

"The success of the project is going to be employment in the sector - people are not going to employ or create high-value jobs in the business is not successful - if it's not sustainable," he said.

The next step for OBEST involves going back to the regional clusters for discussion around these six key areas.

Thompson is very optimistic about the outcome of the OBEST process.

"...I'm so incredibly heartened by the tremendous response from all the CEO's who have come together to create OBIO and the subsequent engagement of the much larger network because at the end of the day - it's only by working together that we are able to make change."



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