

# **Intellectual Property Ontario (IPON)**

## **2023-2026 Business Plan**

March 1<sup>st</sup>, 2023

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## **1.0 Message from the Chief Executive Officer and Board Chair**

Ontario is home to many world-class institutions and innovative start-up and scale-up companies. With that, there is a need and opportunity to develop and protect the intellectual property (IP) from homegrown innovations to allow our innovators, researchers, and companies to better compete in today's knowledge-based economy and improve prosperity for all Ontarians. This is why the Government of Ontario took the important step of creating Intellectual Property Ontario (IPON); Canada's first provincial or territorial agency dedicated to leveraging the value of IP and strengthening the province's capacity to grow and compete in the global economy.

As a centralized agency, IPON is fortunate to work with partners across the entire IP ecosystem and integrate with other IP programs. In its inaugural year, IPON focused on building strong partnerships with provincial and federal agencies, Regional Innovation Centres (RICs), post-secondary institutions, and industries across the province. IPON recognizes that improving innovation outcomes requires a collaborative approach across the province and IPON is committed to and engaged in building effective partnerships.

We were pleased to have the interest in IPON services during the beta phase exceed our expectations, signalling a strong demand for IPON's trusted IP services and support from a wider audience as we scale and mature.

We thank Minister Jill Dunlop and the Ministry of Colleges and Universities (MCU), as well as Minister Vic Fedeli and the Ministry of Economic Development, Job Creation and Trade (MEDJCT), who have provided unwavering support and enabled IPON to begin their work to improve innovation and commercialization outcomes for the province of Ontario. IPON's dedicated and passionate team has also been instrumental in successfully launching the agency and working with the first cohort of clients.

We look forward to continued growth and partnership support to help businesses and innovators leverage their IP.

- Karima Bawa, Chair & Peter Cowan, CEO, Intellectual Property Ontario

## 2.0 Executive Summary

IPON supports the development and protection of IP by providing supports and services such as mentorship and education programs, and funding for services from IP experts. The agency's launch marks a critical step forward in Ontario's IP landscape and will help advance Ontarians' abilities to compete in the knowledge-based economy, and support job creation to build a stronger and more competitive province.

IPON officially opened for business in October 2022 and began working with the medtech industry, followed by our other priority sectors namely artificial intelligence and automotive, as well as Ontario Research Fund – Research Excellence recipients. These four sectors have received significant investment from the Government of Ontario and have been identified as priorities for IPON to help strengthen their competitive positions.

The business plan reflects the ongoing strategic direction and activities of IPON as it progresses through its launch and scale up phases. These include:

- **Fall 2022-Summer 2023: Beta phase**  
Focused on launching and delivering an initial suite of services to approximately 40 clients across the priority sectors.
- **Summer 2023-Fall 2023: Beta findings and scale up planning**  
Use learnings and outcomes from the beta phase to inform the agency's strategies and plans to scale up and deliver services to and support the priority sectors.
- **Fall 2023-Spring 2025: Scale up**  
Expand availability of services and additional supports to a greater number of clients and sectors in collaboration with MEDJCT and MCU.

Given this phased approach to implementation, the critical areas of focus outlined in this Business Plan are expected to evolve and be further refined.

### 3.0 Mandate

IPON was established in January 2022 by Ontario Regulation 4/22 with the following objectives:

- (a) to increase public access to services and resources in respect of IP in order to advance economic growth and competitiveness in Ontario;
- (b) to support the development and protection of IP to improve the commercialization outcomes of research in Ontario;
- (c) to advance knowledge, and to develop and disseminate educational curricula, best practices and research, in respect of IP, and to advance understandings of domestic and international trends with respect to the protection and commercialization of IP;
- (d) to establish partnerships within and outside Canada with post-secondary institutions (PSEs), governments and organizations, including organizations that provide support for businesses and entrepreneurs, for the purpose of building capacity for the development, protection, and commercialization of IP in Ontario; and,
- (e) to provide advice, recommendations, and support to the Government of Ontario, including to the Minister of Colleges and Universities (MCU) and the Minister of Economic Development, Job Creation and Trade (MEDJCT), with respect to encouraging economic competitiveness through the development, protection, and commercialization of IP.

IPON's specific near-term priorities are:

1. **Operationalization:** Complete the operationalization of the agency.
2. **Initial Beta phase:** Complete, assess and report back on beta service delivery, including any recommendations for advancing the IP curriculum.
3. **Partnerships and collaboration:** Build a strong coalition of partners within the business, innovation, and PSE sectors.
4. **MEDJCT and MCU partners:** Work collaboratively with the MEDJCT to ensure service offerings consider the needs of their clients. For example, IPON will lead a joint working group with MCU and MEDJCT that will identify a common set of commercialization metrics and reporting standards to be included in future Annual Commercialization Plans.

- 5. Commercialization Mandate Policy Framework (CMPF):** Advise on the PSE’s progress on the CMPF and prepare a report summarizing the sector’s overall progress.

While delivering on these objectives and priorities, IPON will also support the following government wide priorities:

- competitiveness, sustainability, and expenditure management;
- transparency and accountability;
- risk management;
- workforce management;
- diversity and inclusion;
- data collection; and,
- digital delivery and customer service.

## 4.0 Mandate Implementation

### 4.1 Timeline

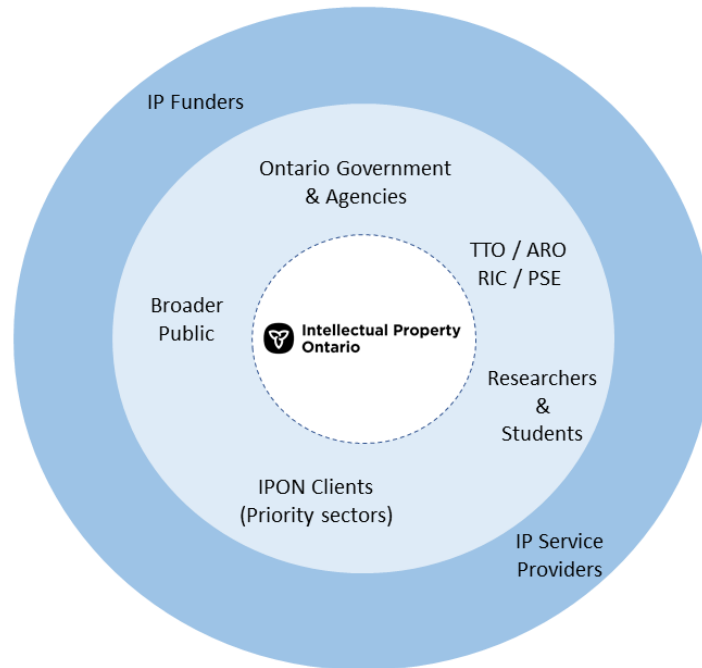
| Phases                                   | FISCAL YEAR      |                       |                      |                   |                    |                    |
|--|------------------|-----------------------|----------------------|-------------------|--------------------|--------------------|
|  | 2022-23          | 2023-24               |                      |                   | 2024-25            | 2025-26            |
|  | Oct'22 to Mar'23 | April '23 – Summer'23 | Summer'23 to Fall'23 | Fall'23 to FYE'24 | April'24 to Mar'25 | April'25 to Mar'26 |
| <b>Beta</b>                              |                  |                       |                      |                   |                    |                    |
| <b>Beta Findings &amp; Scale-Up Plan</b> |                  |                       |                      |                   |                    |                    |
| <b>Scale-up</b>                          |                  |                       |                      |                   |                    |                    |
| <b>Maturity</b>                          |                  |                       |                      |                   |                    |                    |

IPON's initial board of directors was appointed in March 2022, and an interim CEO was hired in August 2022. A beta phase for service delivery was launched in October 2022, focused on delivering an initial suite of services to approximately 40 eligible clients across the priority sectors. The data, learnings and outcomes from the beta phase will inform the agency's strategies and plans to deliver valuable services to clients and ensure operational capabilities and infrastructure support service excellence. Given this phased approach to implementation, the critical areas of focus outlined in this Business Plan will be further refined in Fall 2023. Additional services and operational capabilities will be implemented during the scale-up phase, with a commitment to continuous improvement which is responsive to ecosystem feedback as the organization matures.

## **4.2 Ontario's IP Ecosystem**

**Ontario's IP ecosystem comprises of:**

- core stakeholders whose interests can be directly advanced through IPON's activities;
- federally funded IP focused organizations (e.g., Elevate IP, Innovation Asset Collective, Canadian Intellectual Property Office), that can support IPON's mandate when appropriately engaged; and
- IP Service Providers (e.g., law firms and IP consultants).



To achieve optimal outcomes, IPON will engage in initiatives with third parties, which include both core stakeholders and other relevant IP focused organizations. First, and foremost, IPON will focus on supporting outcomes that yield tangible value for its principal stakeholders as articulated below.

| Stakeholder         | Outcome   |
|---------------------|---|
| Companies (Clients) | <p>IPON works as a trusted independent advisor on IP related support and capacity building within the ecosystem by:</p> <ul style="list-style-type: none"> <li>• providing sophisticated IP mentors that engage strategically with clients;</li> <li>• supporting the protection of IP assets through IPON's grant program;</li> <li>• providing IP education and micro credentials; and,</li> <li>• creating programs that allow companies to access more affordable and qualified IP services.</li> </ul> |



|  |   |
|--|---|
| Postsecondary Institutions, Technology Transfer Offices, and Regional Innovation Centres | IPON works as a strategic partner that augments IP and commercialization capacity by: <ul style="list-style-type: none"> <li>• supporting educational initiatives for researchers and students; and,</li> <li>• providing expert IP support and funding for tech transfer offices (TTOs), applied research offices (AROs) and regional innovation centres that have limited capacity in both resources and expertise to deliver IP and commercialization services.</li> </ul> |
| Researchers and Students   | IPON is a centralized partner for IP education and programming to enhance the support received by researchers through the TTO by: <ul style="list-style-type: none"> <li>• ensuring that researchers and students have access to relevant and appropriate IP education; and,</li> <li>• providing TTO's access to skilled resources to support researchers and students.</li> </ul>   |
| Government of Ontario and Agencies   | IPON is the trusted in-house resource on advising government agencies and ministries (e.g., Invest Ontario, Ontario Ministry of Agriculture, Food and Rural Affairs, MEDJCT, MCU) by: <ul style="list-style-type: none"> <li>• providing expert guidance on key IP considerations for government policies and government funded programs to yield long term benefits for Ontario's citizens, companies, innovators, and researchers.</li> </ul>                               |
| Broader Public   | Ensuring that the public derives the benefit of government investment in IP and has access to appropriate IP educational content by: <ul style="list-style-type: none"> <li>• designing effective IP education programs; and,</li> <li>• advising agencies on how to capture and maintain the value of the IP that the government funds.</li> </ul>   |

IPON will engage with the broader ecosystem by forming partnerships to streamline available supports and services. For example, the agency will work to engage:

- with the National Research Council to streamline access to IP Assist program supports for common clients;
- with Communitech, to leverage the impact of the federal funding made available through the Elevate IP program for the benefit of IPON's clients; and
- with other service providers to ensure that IPON clients can access more affordable IP services.

For these initiatives that accelerate program delivery, we will engage with third parties through formal and informal partnerships, MOUs, or other engagement mechanisms.

### 4.3 Services

Consistent with the phased implementation approach, IPON services offered to clients are also being developed and launched in phases.

The agency’s ability to offer services is prescribed by its mandate, the defined priority sectors: medtech, artificial intelligence, automotive or recipients of Ontario Research Fund’s Research Excellence Program), and by other client eligibility factors such as diversity and inclusion requirements. During the beta phase, there are limits outlined in IPON’s by-laws on the number of eligible clients that can be approved for services. It is expected that the number of eligible clients will increase following a successful beta phase. Our service offerings have been developed to support our mandate.

| Service Offering         | User / Beneficiary of Service |                     |                    | Where our service offering supports our mandate |  |  |                                 |                          |
|--------------------------|-------------------------------|---------------------|--------------------|---|--|--|---------------------------------|--------------------------|
|                          | Universal Access              | Eligible & Approved | Approved Proposals | Public Access to Services                       | Support Development & Protection of IP | Advance IP Knowledge (develop and disseminate) | Partnerships (PSEs, Gov & Orgs) | Guidance & Advice to Gov |
| Basic IP education *     | ✓                             | ✓                   |                    |   |  |  |                                 |                          |
| Advanced education       | ✓                             | ✓                   |                    |   |  |  |                                 |                          |
| Micro credentialing *    |                               | ✓                   |                    |   |  |  |                                 |                          |
| Financial supports *     |                               | ✓                   |                    |   |  |  |                                 |                          |
| IP mentorship *          |                               | ✓                   |                    |   |  |  |                                 |                          |
| IP intelligence          |                               | ✓                   |                    |   |  |  |                                 |                          |
| Networking & Matchmaking |                               | ✓                   |                    |   |  |  |                                 |                          |
| PSE Support Program      |                               |                     | ✓                  |   |  |  |                                 |                          |

\* Services included as part of initial beta phase launch; Remaining services deployed by beta phase completion.

**4.3.1 Initial Services** being offered during the initial beta phase to selected eligible clients are:

- **Basic IP Education:** Free, on-demand, self study materials as recommended by IPON IP experts.

Target User: Entrepreneurs, researchers, business leaders or small-to-medium size enterprises looking for a basic understanding of IP.

- **Micro Credentialling** (rapid training program): Live learning programs with IP experts (covering practical IP strategy guidance and facilitating group case study discussions. IP experts will be a mix of in-house talent and external expertise.

Target User: Eligible clients who have completed IPON's recommended basic IP education courses.

- **Financial Support:** Up to \$25,000 to subsidize the cost of IP protection and commercialization services, conditional on an approved scope of work. Clients will have access to an approved roster of expert service providers. Approved scope includes IP assessment and IP audits; IP strategic advice and support; IP protection such as patents, trademarks, or copyright registrations; and legal advice for the preparation and/or review of agreements that protect, create and/or support IP.

Target User: Eligible clients requiring access to non-dilutive capital to support, build, maintain, or protect their commercialization and market opportunities.

- **IP Mentorship:** Access to independent IP experts with a wide range of applied IP knowledge. Clients may work with one or more mentors from an approved roster of scale-up and commercialization mentors (e.g., entrepreneurs-in-residence, executives-in-residence, serial entrepreneurs) and technical IP mentors (e.g., IP lawyers and/or licensed IP agents).

Target User: Eligible clients that need independent one-on-one guidance to help validate or consider approaches and services to improve their business or commercialization outcomes using IP.

### 4.3.2 Future Services

Additional services will be announced starting in Fall 2023 as the agency scales up including the following:

- **Advanced Education**

**Part 1:** Advanced education programming developed in collaboration between eCampus Ontario and Western University will be delivered through a combination of e-learning, live learning, and access to templates and other practical resources.

Target User: Basic IP Education clients and eligible clients who have completed IPON's educational programs.

**Part 2:** Additional education materials will be created and tailored to meet the specific needs of current and future eligible clients. Micro-credentialing will also be integrated with the advanced education content so users will be able to gain increased knowledge on advanced IP topics. Content creators will be a mix of in-house talent and external experts.

Target User: Eligible clients who complete Part 1 of IPON's Advanced Education program and require in-depth knowledge to fulfill their role more effectively (e.g., executives, business leaders, IP managers, research and development staff, and staff of tech transfer offices).

- **IP Intelligence:** IP-related market intelligence will be made available through access to patent landscapes and datasets which provide actionable insights to accelerate innovation and focus attention on the 'right' innovations. This service will complement IPON's mentorship and education programs.

Target User: IP experts or in-house IP managers who need detailed IP data or intelligence; executives and entrepreneurs who are seeking business-level IP insights to assist in strategic decisions; and government stakeholders who are seeking IP sector-related insights.

- **IP Networking & Matchmaking:** IPON will act as an IP "matchmaker" to facilitate connections between IP owners and organizations looking to commercialize IP in the target sectors, including connecting licensors with licensees.

Target User: Specific target to be identified during Fiscal 2023/24. IPON will work to identify the gaps and use IP intelligence to target the clients that would realize the most benefit.

- **Postsecondary Education (PSE) Support:** Funds to support colleges and universities to enhance or accelerate their IP and commercialization capacity in activities that are consistent with IPON's mandate.

Target User: PSEs with technology transfer offices, commercialization programs, and applied research offices that would benefit from enhanced expertise or resources to maximize commercialization outputs.

It is also expected that the initial services may be modified to reflect the findings from the beta phase, client feedback and changes in the environmental landscape (e.g., to respond to regulatory changes).

## 5.0 Environmental Scan

Ongoing environmental scanning and assessment is important to identify opportunities, threats, and anticipate changes in the marketplace which may impact the agency and IPON's core stakeholders.

The diversity of core stakeholders requires that IPON take a multi-faceted approach to engaging and monitoring economic trends, as well as understanding stakeholder challenges and opportunities. This necessitates that IPON:

- undertake targeted and stakeholder consultations (e.g., directed RIC engagements on IP ecosystem service need, PSE engagement related to the Commercialization Mandate Policy Framework);
- review and analyze collected data and statistics as well as studies prepared by other government organizations and by industry; and
- engage with federally funded IP agencies and service providers.

## 5.1 External Factors

### Legislative, Regulatory and Policy

Federal and provincial governments have committed to many investments that support innovation and commercialization. Innovation investments made in Ontario, across Canada, and globally may provide new opportunities or risks for Ontario businesses and researchers (e.g., the recently announced Canadian Innovation Corporation).

Regulatory changes within Canada and in other jurisdictions may also impact IPON clients. For example, the federal government tabled Bill C-27 in the House of Commons which includes new legislation to protect personal information and to protect individuals against a range of serious risks associated with the use of AI systems (such examples include risks of physical or psychological harm or biased output with adverse impacts). This new legislation will have a significant impact on researchers and companies that develop AI systems and those that use them, as well as those who provide or use data for those systems. Specialized IP expertise will be required to guide these efforts, and IPON is well positioned to provide this support in Ontario.

### IP Marketplace

Other IP programs that offer funding or support to advance IP and commercialization capacity to Ontario companies and researchers (e.g., Communitech, IP Assist) could result in market confusion and potentially result in duplication of services. To mitigate these risks and ensure the most appropriate use of our funds, IPON will identify and engage with other IP program providers to align interests.

### Technology Trends

Emerging technologies are likely to have a significant impact on the creation, management, and enforcement of intellectual property in the coming years. It will be important for IPON to monitor these trends and support its clients to adapt their IP strategies appropriately. Some examples include:

- **Artificial Intelligence (AI):** The development of AI has the potential to revolutionize the way IP is created, managed, and enforced. Also, AI-powered tools can help with tasks such as patent and trademark searches, automated copyright registration, and identifying potential infringements.
- **Blockchain:** Blockchain technology offers a tamper-proof way to store and manage IP assets such as patents, trademarks, and copyrights. This could

potentially reduce the risk of infringement and simplify the management of IP portfolios.

- **Data and digitization:** More of our priority sectors are moving to digitization or reliance on data as a foundational component of advanced technologies. Data driven technologies require an understanding of data rights and their evolving forms of protection. Approaches to high value data access and protection is also an emerging IP topic, and IP strategies will need to evolve to address relevant considerations.

### **Demographic Shifts**

Demographic shifts can impact the creation, distribution, and use of IP in a variety of ways. For example:

- **Age demographics:** The aging of populations in some countries may lead to increased demand for healthcare-related IP, such as patents for new medical devices or pharmaceuticals.
- **Diversity demographics:** The increasing diversity of many populations may lead to more innovations needing IP protection being created that reflects the experiences and perspectives of people from different cultures and backgrounds. Researchers and companies will need to ensure that data and technologies are developed and used in a safe and responsible way.

IPON will monitor these shifts and support its clients to adapt their business and commercial strategies accordingly to maximize the benefits of intellectual property for society.

### **Economic Conditions and Labour Markets**

Economic conditions and labour markets have a significant impact on IP, from its creation and protection to its transfer and valuation. Some examples of how IP may be impacted by labour markets:

- The knowledge, skills, and creativity of the workforce are critical inputs in the development of new inventions, designs, and creative works. The availability of skilled labour and the demand for their services can influence the quantity and quality of IP generated.
- Companies may hire experts in a particular field to develop new technologies or designs. These experts may bring with them knowledge and expertise that can be used to create new IP or improve existing IP. The movement of skilled labour

between companies and industries can, therefore, facilitate the transfer of knowledge and technology, leading to new IP. This mobility can also highlight the need to have non-disclosure agreements in place for employees.

- The value of IP can be influenced by the availability and cost of skilled labour. For instance, if there is a shortage of skilled workers in a particular field, the value of IP related to that field may increase.

IPON will monitor economic and labour conditions and account for these considerations in its service delivery for its core stakeholders.

## 5.2 Internal Factors

Ongoing environmental scanning and SWOT (Strengths, Weaknesses, Opportunities and Threats) assessments consider both external and internal factors to inform its decision making and to manage risk. As IPON builds, scales, and matures over the coming years it will be important to consider:

- building and nurturing an organizational culture that encourages teamwork and effective communication, and a leadership team that motivates and inspires employees;
- commercial capabilities that effectively engage stakeholders, differentiates IPON's capabilities from other IP programs, and attracts and retains clients; and,
- operational capabilities that enable IPON to deliver its services efficiently and effectively, consistently drive an excellent client experience and that enable flexibility and agility to respond to changes in the environment.

## 6.0 Strategic Direction

IPON has established four strategic objectives, which are aligned with the agency specific priorities outlined in IPON's mandate letter as discussed above. IPON's performance management framework to monitor and manage achievements will be developed in fiscal year 2023-24. Our strategic objectives are to:

- 1) establish strategic partnerships with IP ecosystem stakeholders;
- 2) increase IP capacity within the ecosystem;
- 3) be a high value partner for the PSE sector; and
- 4) achieve operational excellence.



## **6.1 Establish strategic partnerships with IP ecosystem stakeholders**

### **Expected outcomes include:**

- maximizing the use of the collective public funding and resources available to IP programs and Ontario companies; and,
- reducing marketplace confusion.

### **Implementation initiatives include:**

- developing a framework and support mechanisms to enable collaboration for service delivery;
- establishing Memorandums of Understanding (MOUs) with IP programs that have common target clients to enhance and streamline service delivery and avoid duplication or confusion;
- establishing partnerships with stakeholders that can identify and accelerate appropriate client referrals;
- providing transactional support for RICs, TTOs and AROs that do not have capacity to deliver services; and,
- developing and effectively executing on a communication and marketing plan that strengthens partnerships, builds IPON's reputation and market value.

## **6.2 Increase IP capacity within the ecosystem**

### **Expected outcomes include:**

- providing clients with better access to higher quality and more affordable IP services;
- supporting clients to increase the number of protected IP assets; and
- increasing IP knowledge and awareness.

### **Implementation initiatives include:**

- completing an initial beta phase, reporting on findings, insights and recommendations, and revising the business plan and services as needed to drive service excellence;
- refining current services to incorporate learnings from the beta phase;
- developing and launching future services;
- enabling flow of services such as IP education, mentorship, and grants to companies via ecosystem partners; and,

- formalizing client experience feedback mechanisms and continuously incorporating learnings into service delivery.

### **6.3 Be a high value partner for the PSE sector**

#### **Expected outcomes include:**

- implementing CMPF in partnership with MCU;
- ensuring that the PSE sector is better equipped to realize commercialization outcomes;
- adopting a uniform approach to performance reporting including common commercialization metrics; and,
- enhancing decision-making capacity within MCU on IP related matters that can inform broader ministerial strategy on research and commercialization for the PSE sector.

#### **Implementation initiatives include:**

- establishing and chairing a joint working group on KPIs for the PSE sector;
- developing the CMPF including commercialization metrics; and,
- analyzing PSE annual commercialization plans and providing recommendations to MCU.

### **6.4 Achieve Operational Excellence**

#### **Expected outcomes include:**

- developing effective governance protocols;
- fostering an organizational culture that encourages teamwork and effective communication; and,
- engaging talent who is motivated and inspired.

#### **Implementation initiatives include:**

- defining and building IPON's organizational culture supported by the development of shared vision and values;
- recruiting and retaining a diverse and inclusive team of talent;
- developing governance policies, terms of reference, internal policy frameworks and business processes that are aligned with best practices;

- integrating technology solutions that enable, digitized service delivery and business processes; and,
- developing an Enterprise Risk Management (ERM) process that is consistent with the provincial ERM Directive.

## 7.0 Agency Performance Measures

IPON's initial key performance indicators (KPIs) focus on establishing baseline data that will help to evaluate IPON's overall performance. As the agency scales and matures, IPON's KPIs will also evolve. IPON will continue to calibrate with other IP funding organizations to market test and enhance performance measurement, such as the CMPF Joint Working Group, which is scheduled to deliver Commercialization KPI recommendations by March 2025. IPON will ensure alignment as they are developed.

The following KPIs have been established for the initial beta phase, each of which are linked to our strategic direction:

| Strategic Goal  | Objective   | KPI   | End of Beta Targets (Assuming 40 clients services) |
|---|---|---|--|
| Develop strategic partnerships with IP ecosystem stakeholders | Develop frameworks and common support mechanisms to allow collaboration with ecosystem partners on service delivery | # of supports provided to other ecosystem partners to adopt programs capturing benefits for Ontario | 2  |
|   |   | # of ecosystem partners IPON is serving or funding  | 7  |
| Create increased IP capacity within the ecosystem             | Develop IP services and support that can be deployed to clients via IPON and ecosystem partners                     | # of companies supported through mentoring/strategic engagement                                     | 40   |
|   |   | # of IP assets protected  | 80   |
|   |   | # of companies or organizations participating in the educational program                            | 80   |
|   |   | # of individuals micro-credentialed   | 80   |
|   |   | # of law firms on our roster of service providers   | 14   |
|   |   | # of SME's whose growth is supported by IPON  | 35   |
|   |   | # of individuals completing a basic education course  | 80   |
| Achieve operational excellence                                | Develop and implement core operational processes  | # of IPON articles in the news  | 10   |
|   |   | Overall client satisfaction (% of survey responses)   | > 95%  |

| Strategic Goal                             | Objective                                    | KPI   | Longer term (March 31st, 2025) |
|--|--|---|--------------------------------|
| Be a high value partner for the PSE sector | Implement the CMPF in collaboration with MCU | # of KPIs developed for PSE sector  | 10                             |
|  |  | # of strategic observations/recommendations in IPON's annual PSE commercialization report accepted by MCU | 80% acceptance                 |

## **8.0 Human Resources**

### **8.1 Human resources priorities include**

Recruiting and retaining skilled talent and building an environment where people thrive is critical to IPON's success. Our human resources (HR) priorities are:

- defining and building IPON's organizational culture and work environment supported by the development of shared vision and values;
- recruiting and retaining a skilled, diverse, and inclusive team of talent; and,
- developing and implementing talent management and performance measurement systems and processes.

To meet government directions and expedite service delivery, IPON will continue to take several approaches to ensure that HR processes and skilled talent capacity are in place to support the initial beta phase. This includes deploying transition team resources provided by the Government of Ontario, the responsible use of short-term contractors and consultants, employing students from co-op programs and accelerating permanent staff recruitment to address our needs in critical roles.

Once recruitment of IPON's team stabilizes beyond start up, the recruitment strategy will shift to hiring on an as-needed basis to accomplish specific business and service goals, seeking to ensure that each hire will add value to the agency. As an operational principle, IPON aims to build a lean organization with reliance on top talent and other specialized expertise.

### **8.2 Compensation Strategy**

IPON's compensation strategy will balance fiscal responsibility with the competitive IP landscape to attract and retain talented team members, especially considering the current limited IP talent pool in Canada and Ontario. IPON plans to establish competitive benefits and pension plans as part of the total compensation strategy to attract and retain talent. IPON has developed salary ranges based on a market review of comparator organizations, which was conducted by a third party. It should be noted that public sector comparator organizations exist for IP talent are limited with the vast majority of comparator organizations for IP talent being private sector firms or companies.

### **8.3 Work Environment**

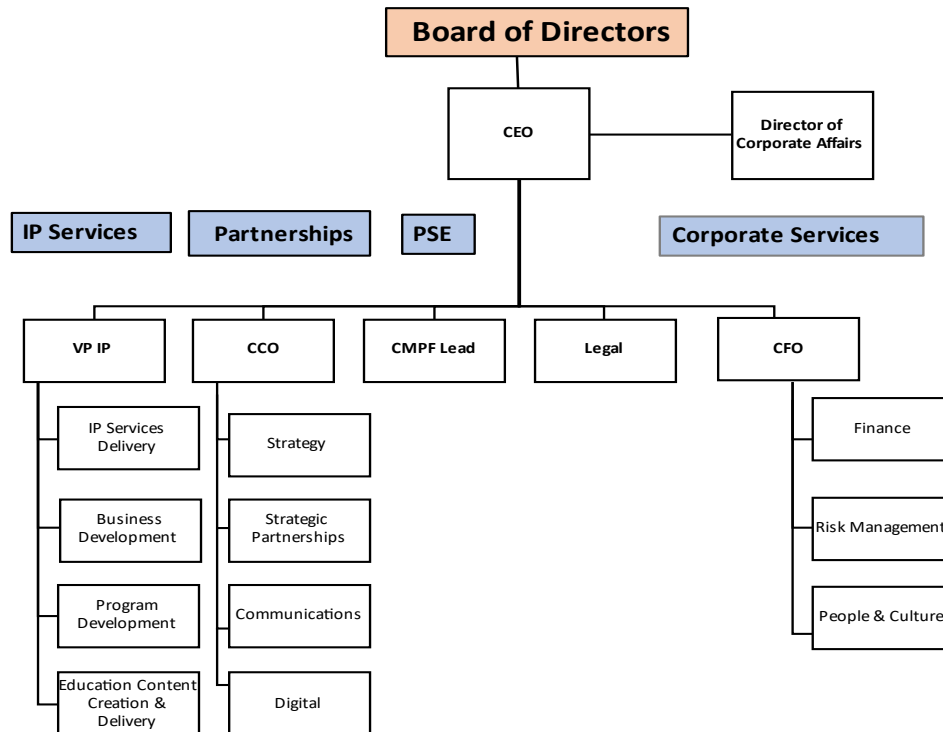
IPON provides hybrid work options to accommodate healthy work/life balance, and enable effective client collaboration with sufficient interaction to provide opportunities for career advancement. IPON has secured physical office space in Kitchener, Ontario that can sufficiently accommodate the IPON team in the near term. As the team grows, IPON will reassess physical office requirements such as location(s) and size. IPON is building a digital organization that will enable recruitment from across the province, while ensuring seamless and efficient interaction with the team, clients, and other stakeholders. IPON believes that creating a modern work environment with the benefits of government stability provides a strong value proposition to attract high quality talent.

### **8.4 Organizational Framework and Staffing Approach**

IPON requires approximately 30-35 full-time equivalents (FTEs) to support the initial beta phase and prepare for scale-up. To-date, IPON has been focused on building a leadership team and recruiting experienced hires to support the initial beta phase. Additional staff positions will be added as IPON scales and matures, but the leadership and management structure are not expected to grow with the current mandate. The outcomes from the initial beta phase will better inform timing of delivery of services, and related staffing requirements.

IPON anticipates that during temporary periods of flux and change, it will engage skilled and experienced contractors on a short-term basis to support specific deliverables and the short-term nature of the work itself. Short-term resources may also be required to mitigate the ability to attract experienced IP talent due to the limited IP talent capacity currently available in Ontario. IPON will ensure that this approach is cost effective and will take steps to balance development of in-house expertise with short-term contractors. This will be enabled through engagement of short-term talent expertise required to initiate IP program content, followed by knowledge transfer to in-house staff for continued management and maintenance. IPON needs to invest in developing in-house IP talent to support the organization as it scales and matures. Universities and colleges offering co-op programs will be an important resource for IPON to build a talent pipeline for the Ontario IP ecosystem.

IPON's organizational framework by maturity is expected to align with the chart below.



## 8.5 Governance

IPON was established by Ontario Regulation 4/22 which states that a board comprising up to nine members will manage IPON's affairs. The board appointed an interim Chief Executive Officer in August 2022 who is responsible for the management and operation of IPON and reports to the Board of Directors.

IPON has finalized key governance documents including a Memorandum of Understanding and Transfer Payment Agreement with MCU. The disbursements of funding to eligible clients will comply with the requirements outlined in various Government of Ontario directives, including requirements outlined in Section 8 of the Transfer Payment Accountability Directive on recipient assessment, agreements, and oversight.

Disbursement of funds, including financial supports for IP services or PSE sector support, may be considered other initiatives with third parties and such agreements will be established with the involved parties along side our governance practices. This will include oversight and accountability as outlined in various Government of Ontario

directives or guidelines. IPON is currently working with MCU to ensure policies comply with all accountability and financial directives, including transfer payment agreements with clients or other partners to ensure funds are used for the target recipient or intended project costs.

IPON has board approved governance related policies covering: Code of Conduct, Conflict of Interest, Workplace Harassment Policy, and Workplace Violence Prevention.

Board committees for both Governance & Nominating and Finance & Audit will be formally adopted after the March 2023 Board meeting, including board approved Terms of Reference that incorporate good governance practices.

IPON board and leadership team will meet regularly to set and oversee policies and operational controls for environmental, health, safety, and social risks (ESG). These policies will be incorporated into the business processes and KPIs as the agency scales and matures.

## 9.0 Financials

IPON is solely funded by the Government of Ontario. IPON's expected funding from for fiscal year 2023/24 is approximately \$14 million and \$25.3 million for each of the following two fiscal years. The phased approach to service delivery is an important aspect of financial sustainability for IPON. The findings and insights from the initial beta phase will further inform how the service delivery model will evolve as the organization grows and scales, in a way that ensure IPON funds are efficiently and effectively dispersed to reach client targets in number, quality, and diversity, as well as achieve the anticipated outcomes for the Ontario IP ecosystem.

The upcoming fiscal year expenditure plan of 2023/24 is focussed on achieving the beta phase performance expectations and assessing processes and technologies to automate and digitize such that the agency can benefit from its most valued and scarce resource, IP talent.

IPON is committed to a being transparent and trusted organization. As the beta phase outcomes inform future service delivery in absolute dollars, the agency has expense ratio targets to ensure overhead spend is fiscally responsible. For example, 65-75% of all staffing costs (employees, contractors) are expected to be a direct cost of service delivery and the target overhead spend relative to funding will be 12%. The chart below

illustrates the breakdown of the fiscal year 2023/24 expenditures. With a continued focus on start-up activities this year, direct program costs represent \$12.3M (88%) of total spend directly attributable to services delivered to the IP Ontario ecosystem. Budget line items will evolve as the agency scales and matures, as seen in the 3-year estimates.

During all phases of IPON's growth, the agency will take steps to ensure a fiscally smart budget and strive to balance cost efficiencies with quality of service and reach recognizing that annual budgets are subject to annual approval from Treasury Board. Efficiencies and balanced budgets can be achieved during our program scale-up through automation or process improvements, increased in-house capacity building to deliver advanced services to reduce need on external service providers, and applying beta program learnings to identify key areas to reduce overall program scale-up costs.

### FY 2023-26 Estimates

\$'000s

|                            | <b>2022-23<br/>Forecast<sup>(1)</sup></b> | <b>2023-24<br/>Estimate<sup>(2)</sup></b> | <b>2024-25<br/>Estimate<sup>(2)</sup></b> | <b>2025-26<br/>Estimate</b> |
|----------------------------|---|---|---|-----------------------------|
| <b>Revenue</b>             |   |   |   |                             |
| Funding <sup>(3)</sup>     | 4,684                                     | 13,967                                    | 25,334                                    | 25,334                      |
| <b>Expenses</b>            |   |   |   |                             |
| Program                    | 1,858                                     | 12,291                                    | 22,547                                    | 22,800                      |
| Overhead <sup>(4)</sup>    | 896                                       | 1,676                                     | 2,787                                     | 2,533                       |
| <b>Net surplus/deficit</b> | <b>1,930</b>                              | -   | -   | -                           |

(1) Forecasted amounts are based on ten months of actual expenses and best estimates for the remaining two months.

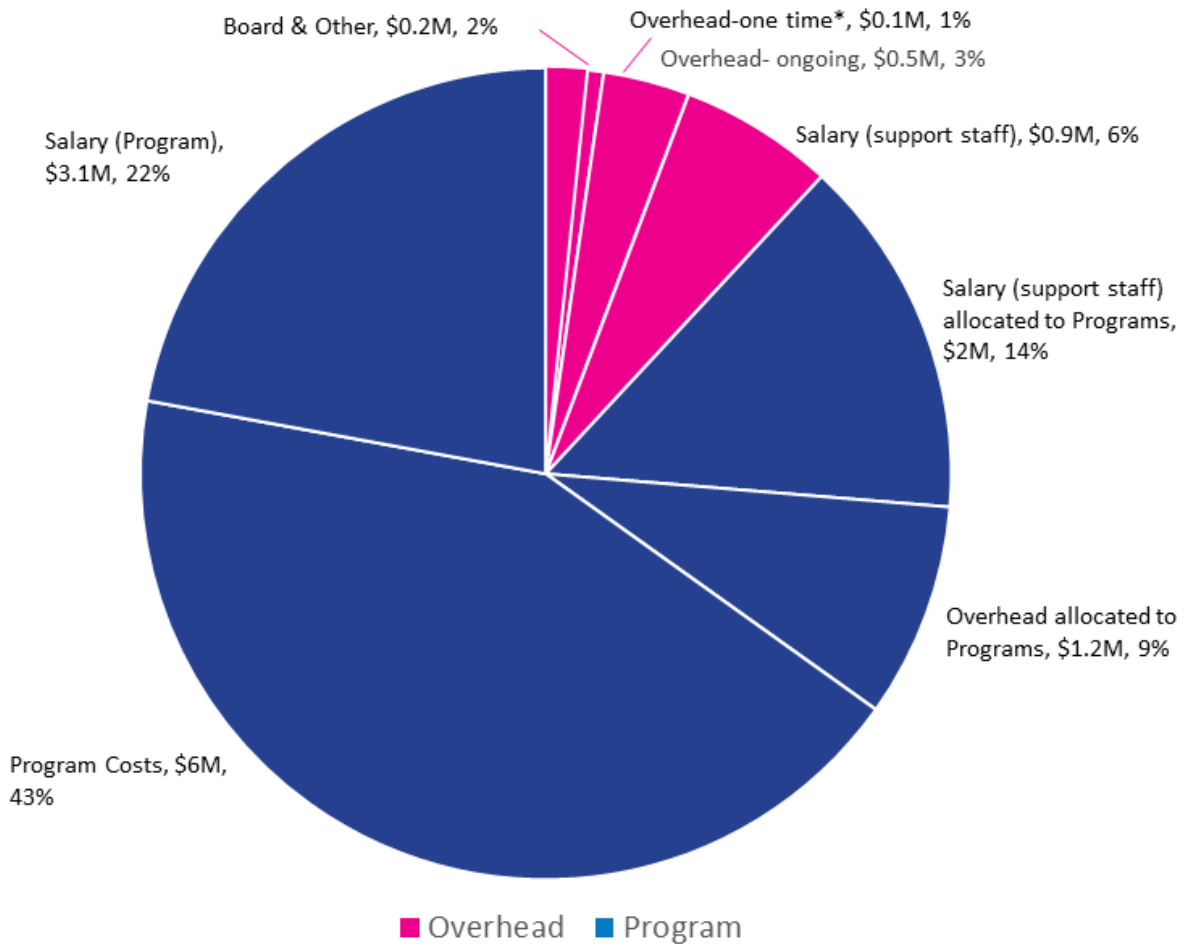
(2) Budget discussions for 2023-24, 2024-25 and 2025-26 are underway with the Ministry. These estimates are subject to those discussions.

(3) IPON is solely funded by the Ontario government at this stage.

(4) Overhead of 19% is assumed for 2022-23, which includes a proportion of our one time startup costs. Overhead of 12% is assumed for 2023-24, 11% for 2024-25 and 10% for 2025-26. The higher overhead in 2022-23 is due to one-time start up costs.



### FY 2023-24 Expenditure Budget Breakdown



## 10.0 Communications

Effective communications are critical for IPON to deliver on its mandate and reach stakeholders across the province and beyond. Communication efforts are focused on educating and engaging target audiences and stakeholders; positioning IPON as a thought leader and trusted IP advisor; measuring results, and continuously improving for the betterment of the agency and province of Ontario.

### Approach:

IPON's communications operates as a centralized support for program service delivery, internal departments, and all stakeholders to ensure that branding, reputation, and messaging:

- are accessible and inclusive;
- timely and concise;
- takes a digital-first approach wherever possible;
- cost-effective;
- reaches target audiences; and,
- supports IPON's mandate as noted above.

### Overarching Communications Strategy for 2023-2024:

- Build IPON's reputation as a collaborative and centralized IP resource within Ontario.
- Position IPON as experts on innovation policy, commercialization, and IP.
- Support Ministry priorities and deliver IP programs and supports to increase commercialization across the province.
- Provide accessible and inclusive information to support researchers, SMEs and entrepreneurs accessing IPON services.
- Educate stakeholders, via owned media and social media channels, on why IP is important to protect ideas and commercialize.
- Continuously improve based on stakeholder feedback.

#### Communications Priority: Stakeholder Engagement and Partnerships

| Strategy            | Actions   | Timing    |
|---------------------|---|-----------|
| Government strategy | <ul style="list-style-type: none"> <li>• Ensure government stakeholders have timely and concise communication and multimedia assets about IPON applications/deadlines to share with their networks.</li> <li>• Meet regularly and be available for advisory role on matters relating to IP and commercialization.</li> </ul> <p><b>Performance measurement:</b> Engagement from Ministries and MPPs disseminating IPON communications; advisory meetings initiated by government or agencies.</p> | 2023-2024 |

|                        |  |           |
|------------------------|--|-----------|
| Partnership Engagement | <ul style="list-style-type: none"> <li>Initiate or engage in strategic partnerships to build IPON's reputation and amplify communications on activities such as launches and events.</li> <li>During beta phase leveraged partnerships for launch activities and events with the Medical Innovation Xchange, Ontario Vehicle Innovation Network, and the University of Ottawa.</li> </ul> <p><b>Performance measurement:</b> number of MOUs signed, or informal partnerships made; number of partners involved in priority sector intakes and/or launches.</p> | 2023-2024 |
|------------------------|--|-----------|

### Communications Priority: Differentiate IPON from other IP programs & position agency as centralized IP resource

| Strategy           | Actions   | Timing    |
|--------------------|---|-----------|
| Content strategy   | <ul style="list-style-type: none"> <li>Develop clear communications in the form of FAQs, blog posts and multimedia content, that articulates how IPON is different from other IP programs in Canada and/or integrates with other IP funders.</li> <li>Continuously monitor sentiment and IP programs to adjust communications as needed.</li> </ul> <p><b>Performance measurement:</b> website traffic, downloads, and social media engagement on differentiation content; measurement of positivity; decreased number of questions for IPON employees on how the agency differs.</p> | 2023-2024 |
| Stakeholder survey | <ul style="list-style-type: none"> <li>In 2023, deploy a stakeholder survey to gauge understanding or confusion between IPON and other agencies or IP programs. Analyze feedback survey and use as a baseline measurement.</li> <li>In 2024, deploy a second stakeholder survey to measure changes from the first survey.</li> </ul> <p><b>Performance measurement:</b> Increased understanding of IPON's differentiating factors between stakeholder survey 1 &amp; 2; increased stakeholder positivity.</p>   | 2023-2024 |

## Communications Priority: Position IPON as thought leader on IP and commercialization

| Strategy          | Actions   | Timing    |
|-------------------|---|-----------|
| Industry Strategy | <ul style="list-style-type: none"> <li>Provide accessible and inclusive information to support researchers, SMEs and entrepreneurs accessing IPON resources and applications.</li> <li>Educate stakeholders, via owned media and social media channels, on why IP and commercialization are important</li> <li>Work with strong industry partners to plan and execute virtual and in-person events to disseminate knowledge and publicize the agency.</li> </ul> <p><b>Performance measurement:</b> Number of IPON applications, number of events (virtual and in-person) that IPON leads; number of attendees for IPON events; number of speaking engagements.</p> | 2023-2024 |
| Media strategy    | <ul style="list-style-type: none"> <li>Position IPON as experts and a go-to resource on innovation policy, commercialization and intellectual property through media interviews, placement of op-eds.</li> <li>Support Ministry priorities and publicize IP programs and supports to increase commercialization and IP awareness.</li> </ul> <p><b>Performance measurement:</b> Number of interview requests from top tier outlets; number of op-eds placed in top tier outlets; media sentiment; government media references.</p>  | 2023-2024 |

## 11.0 Risk Management

The phased approach of the agency’s operationalization was designed to mitigate and minimize program risks for the new agency. IPON is currently in its initial beta phase which allows IPON to test, iterate and analyse initial service offerings through research, feedback and ongoing clients’ needs assessment.

The major risks relating to the early start-up and scale-up phases are summarized below and measures have been established to monitor and mitigate potential impact. IPON is committed to assessing risks and opportunities regularly to proactively address internal and external environmental shifts. IPON will evolve its risk management framework and processes as the agency evolves and will establish an enterprise risk management (ERM) plan over the next fiscal year that is consistent with the provincial ERM directive.

| Risk Definition  | Risk Category               | Likelihood | Impact | Mitigation  |
|--|-----------------------------|------------|--------|---|
| <b>Marketplace Confusion</b><br><i>due to availability of multiple IP service and funding programs</i>   | Strategic-Public perception | High       | High   | Focused stakeholder relations and communications plans for IPON to be developed and implemented.<br>Partnership for collaboration with other IP ecosystem funding players.  |
| <b>Scale up risk</b><br><i>complexity of scaling an agency and providing services to a greater number of clients concurrently based on the timelines set prior to IPON's establishment</i> |                             | Medium     | High   | Hiring short-term contractor resources to support Beta.<br>Prioritizing talent acquisition and management to support the scale-up of IPON.<br>Accelerating resources for program delivery.<br>Developing training for in-house resourcing and staff IP capacity building.<br>During Beta assess potential eligible clients prior to scale-up formally commencing, to allow for larger volume of clients to be served immediately upon scale-up. |
| <b>Talent attraction</b><br><i>risk that IPON will not be able to attract qualified talent required to deliver services, specifically IP talent</i>  | Operational-Human Resources | Medium     | High   | Prioritizing hire of in-house People & Culture talent to provide focused recruitment support for IPON.<br>Provide IP training and IP career advancement opportunities for upcoming talent.<br>Utilize co-op programs, Mitacs, or other training programs to identify and attract future IP talent.  |
| <b>People &amp; Culture</b><br><i>risk that IPON will not be able to retain talent due to fast paced startup environment</i>   | Operational-Human Resources | Medium     | High   | Prioritizing hire of in-house People & Culture talent to provide focused support for IPON.<br>Various culture, talent management and performance measurement initiatives to be developed and implemented.   |

|   |   |               |               |  |
|---|---|---------------|---------------|--|
| <p><b>Service Demand</b><br/><i>risk that there are too few or not adequately represented applicants to test our beta needs</i></p>   | <p>Operational-Service delivery</p>       | <p>Low</p>    | <p>Medium</p> | <p>Engagement with MEDJCT and partnership with RICs to ensure potential clients are directly and indirectly engaged to apply. Resourcing our IP intake processes with external IP experts that attract a 'following' to provide guidance and advice.</p>                                     |
| <p><b>Service Delivery</b><br/><i>risk that IPON will not keep pace with client demand due to manual operations</i></p>   | <p>Operational-Information technology</p> | <p>Medium</p> | <p>High</p>   | <p>Prioritizing critical hires to support service delivery and back-office operations required for start-up and scale up phase. Developing and implementing effective business processes. Assess and implement technology solutions to digitize service delivery and business processes.</p> |
| <p><b>Service Demand Forecasting</b><br/><i>risk that the funding allocation will not align with service demand, leading to unmet client demand, stemming from the difficulty in forecasting with precision the demand for services of a new agency</i></p> | <p>Operational-Finance</p>                | <p>High</p>   | <p>Medium</p> | <p>An intentional phased implementation plan to enable IPON to scale services according to the budget available.</p>   |