



innovate BC

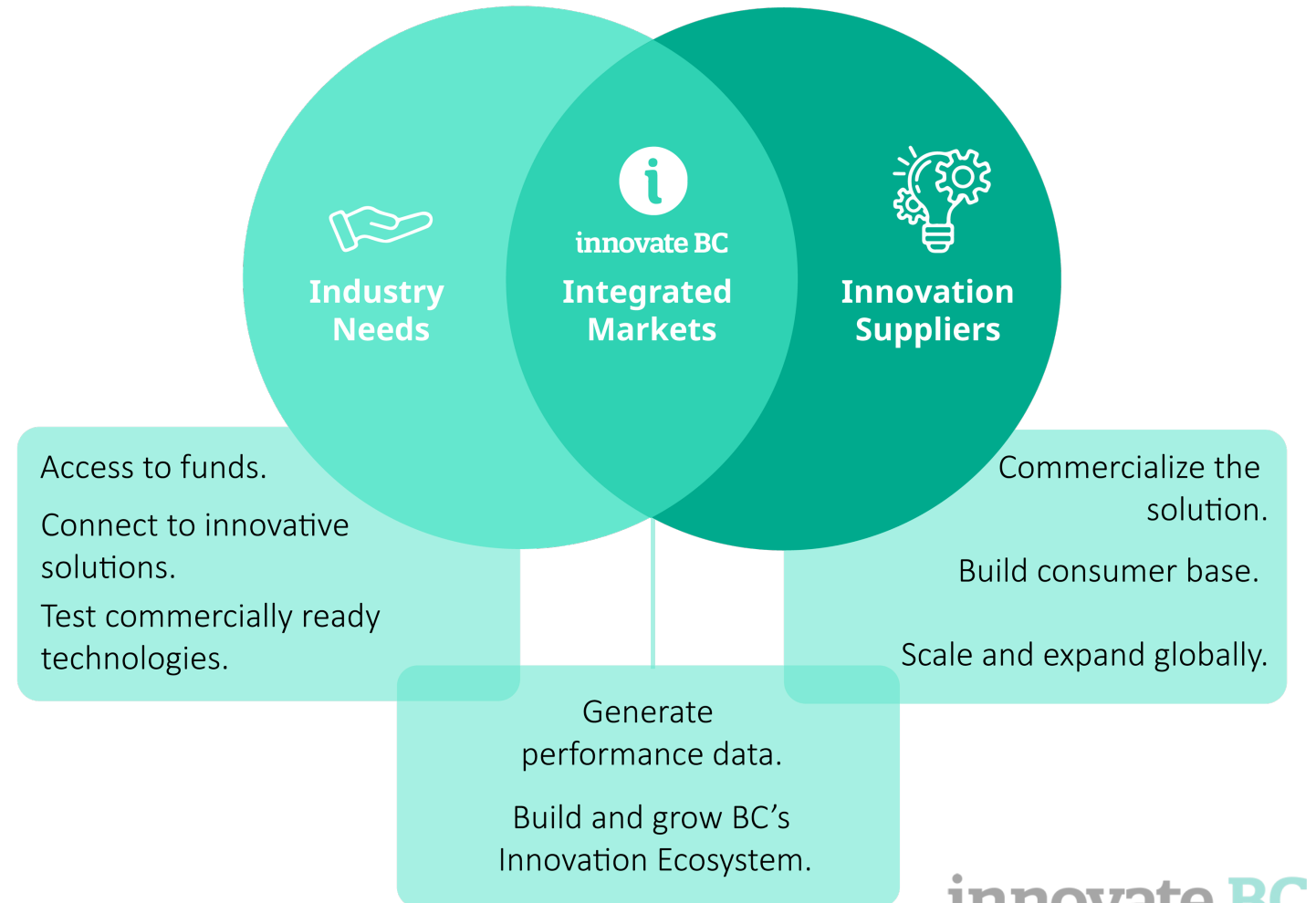
Integrated Markets Program Overview

May 2024

What is the Integrated Marketplace (IM)?

A two-sided marketplace that uses the customer demand to provide market opportunities for domestic innovation suppliers.

The program co-funds operational use cases of commercially ready technologies to de-risk the procurement and adoption of innovations related to decarbonization, productivity and competitiveness and health and safety for key sectors.



How it Works

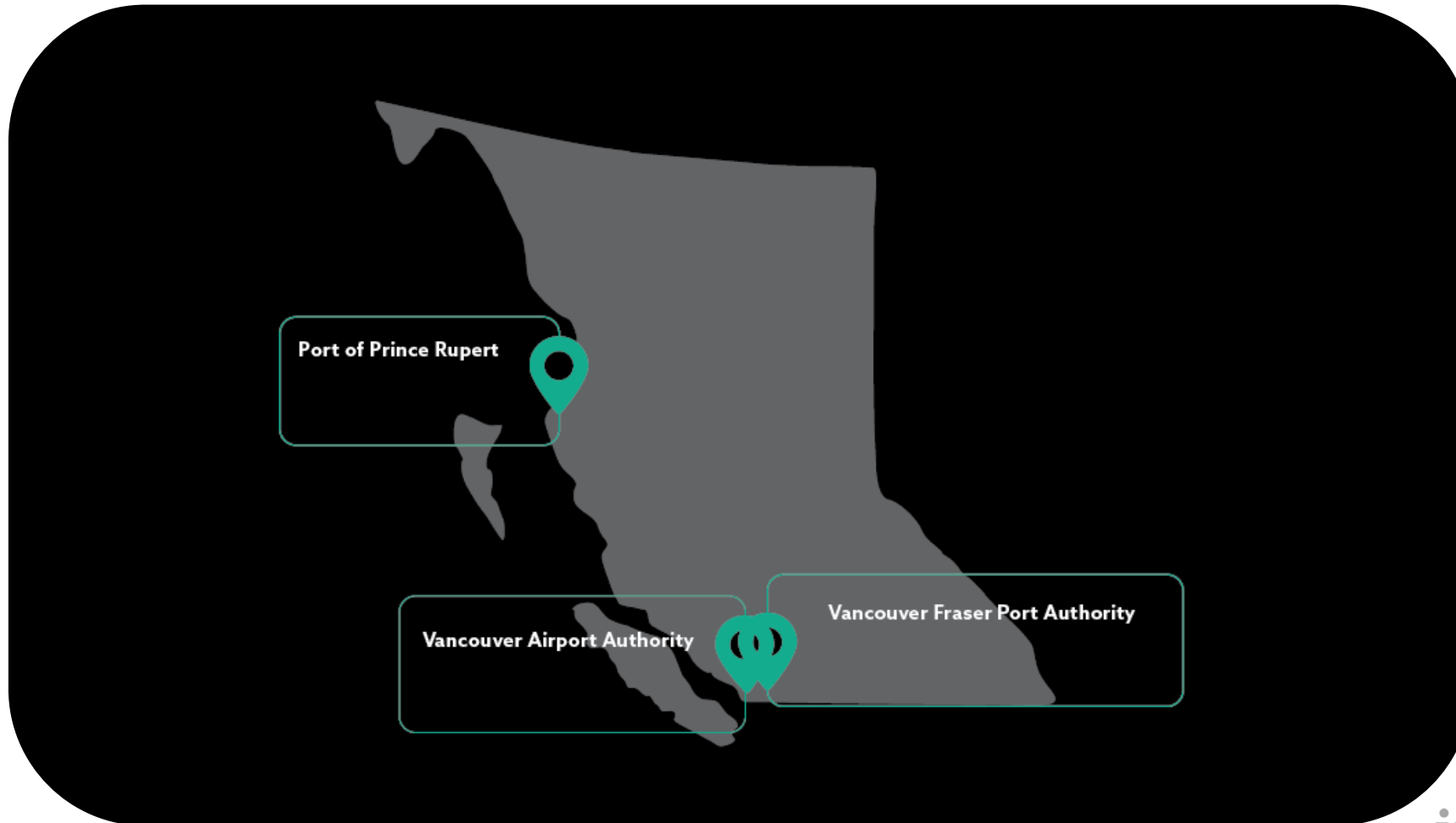
- Customers identify their innovation demand, develop project requirements, select technology solution and procure eligible supplier
- Project proposal is submitted and assessed for cofunding
- Funded projects generate operational data about how well the product performs (cost, efficacy, life cycle needs, training and labour needs etc)
- Performance data is shared with other customers to de-risk procurement and adoption and to encourage economies of scale around purchasing and use



What is a Testbed

Testbeds are the physical locations where the Integrated Marketplace will run projects that use commercially-ready products in real-world settings.

Projects Occur at Physical Testbeds



Project Requirements



Related to decarbonization, improving productivity and competitiveness and/or increasing health and safety



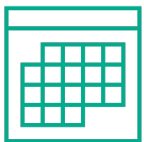
Involve at least one B.C. solution provider



Must occur at approved testbeds



Involve at least two potential customers for the innovation or product being used in the project



Be no longer than 12 months in length



Involve the testing of a commercially ready innovation in real-world operating conditions that ensures data is captured and shared



Have clear KPIs, a data-plan, an approach to manage foreground IP, strong project



Agree to ongoing reporting about program impacts

Progress To Date

- BC Govt funding (\$10M) used to leverage an additional \$13.8M in federal funding
- More than \$7M in project funding committed (works on reimbursement model)
- 14 projects approved ranging from mobile EV charging systems through to digital twins
- Prov and Fed funding used to leverage 1-1 industry matching Supplier companies have realized sales revenue from every project
- Admin and operational costs kept below 10%
- Integrated Marketplace Framework has been expanded to on-farm technology adoption and de-risking zero and low emission heavy duty trucks in drayage and long-haul trucking

Lessons Learned- General

- Biggest problems solved:
 - For innovators- Secures first customer and proves product efficacy
 - For customers- Generates performance data that enables business cases/ informed decision making about how to allocate financial resources effectively
- There is a lack of thinking about foreground IP.
 - The data generated has value and customers and suppliers aren't thinking about how to commoditize it
- When it comes to digital innovations, there are so many ways to achieve an outcome that companies struggle with identifying the best approach.

Lessons Learned- Adopting Innovation

- Risk aversion and lack of clear ROI/ benefits hampers adoption
- Companies interested in innovation have executive champions with strong technical expertise who have run complex innovation projects or programs
- Companies struggle on their own to clearly define their innovation priorities.
 - Most companies lack frameworks or systems to prioritize innovation use cases
- Most companies are focused on immediate operational issues vs future looking innovations
 - Few companies have dedicated innovation budgets.
 - Funding for innovation is an after thought
 - Innovation teams are competing with operational divisions for finite resources so the case for innovation needs to be very strong
- Big companies do not excel at writing proposals or applications.

Lessons Learned- Suppliers of Innovation

- Many highly innovative companies we (govt) views as commercially ready are not there yet
- Most suppliers have no idea how procurement processes work in large orgs
 - Need for transparent and fair process
 - Legal reviews of contracts needed
 - What is required for due diligence
 - Length of time due diligence requires
- Regulatory requirements are often poorly understood
 - Suppliers often don't understand the right use cases to be pitching to customers
 - Use cases pitched don't align to customer priorities/ needs
- There is a lack of real-world performance data on products