

# Ottawa's "Hot Spring" of innovation noted by McKinsey and World Economic Forum

*Richard Florida rates Ottawa "Best Overall" with Canada's highest proportion of creative class workers*

## Fast facts

### City profile

Like all major Canadian cities, Ottawa is densely populated, safe, has a strong middle class, and good public schools. Ottawa also boasts more than 1,800 technology companies and a recession-buffering government sector due to its national capital designation.

### Why Ottawa

Prof. Richard Florida, who moved from Washington D.C. to become director of the Martin Prosperity Institute at the University of Toronto to continue his pioneering work on the role of the creative class, has confirmed Ottawa's desirability. The award-winning author of *Who's Your City, Canadian Edition*, rates Ottawa "Best Overall" for families, mid-career professionals and retirees, with close seconds for singles (behind Calgary) and empty nesters (behind Toronto).

### Business advantage

Non-local companies including RIM, IBM, Adobe and Alcatel have taken advantage of Ottawa's abundant population of creative class workers to staff significant R&D campuses across the city. These global companies are attracted to Ottawa's deep talent pool where Florida's data indicates that 25% of the population aged 25 and up have at least a four-year degree, and Statistics Canada indicates one in nine employees is a scientist or engineer.

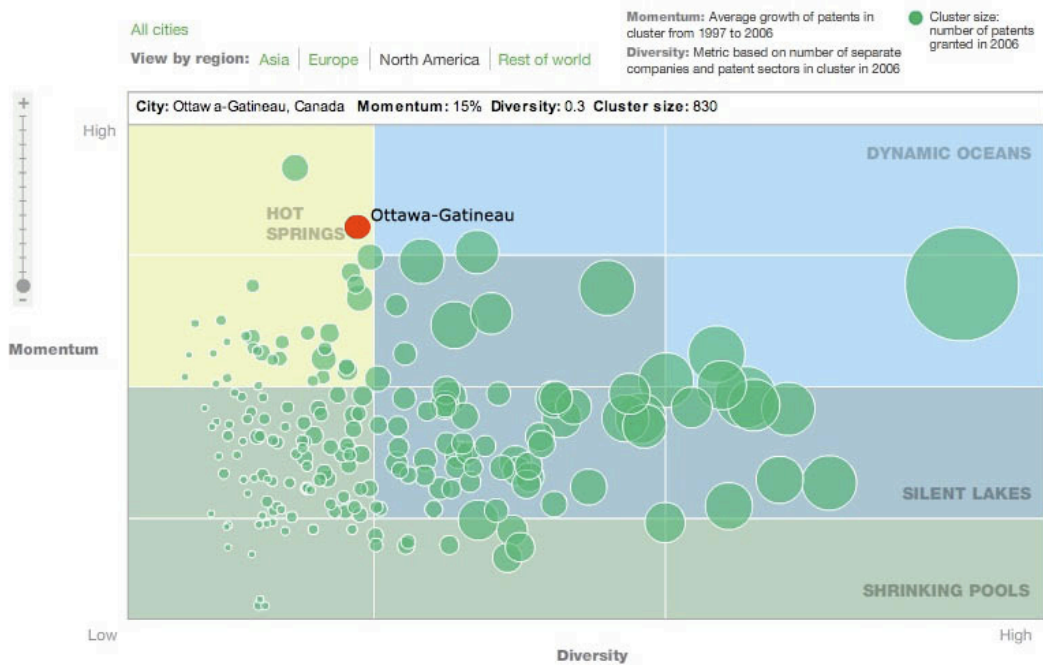
An example of U.S. President Barack Obama's vision for urban America already exists less than 100 km from the U.S. border – in Ottawa, Canada. It's the same city, and the only Canadian city, that McKinsey & Co., partnered with the World Economic Forum, has dubbed an "Innovation Hot Spring". Innovation Hot Springs are fast-growing hubs on track to becoming world players.



***Canada's Creative Economy Capital***

Like all major Canadian cities, Ottawa is densely populated, safe, has a strong middle class, and good public schools. Canada offers universal healthcare, an open immigration policy, and a strong social safety net – programs Americans justifiably aspire to, but do not yet enjoy. Ottawa also boasts more than 1,800 technology companies and a recession-buffering government sector due to its national capital designation.

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Source: Juan Alcacer, Harvard Business School and New York University; McKinsey analysis

McKinsey's analysis of the world's most successful innovation clusters shows that they have first established themselves as world-class players in an emerging specialty before expanding. This focus allows them to concentrate limited resources, such as labour and capital, on developing competence and credibility. When successful, the result of these first two steps is the emergence of an

"Innovation Hot Spring". This is a small and fast-growing hub that relies on a small number of companies to establish itself as a relevant world player in a narrow sector, such as Ottawa did with its Information Communications Technology (ICT) sector in the 90s.

McKinsey & Co. data now suggests that Ottawa is on its way to becoming a "Dynamic Ocean" on the world innovation map. While focus is critical for emerging innovation hubs, as they mature, they broaden their portfolios of businesses and sectors. This diversification is vital to the long-term survival of an innovation centre, allowing it to overcome unavoidable downturns that affect specific sectors and providing the impetus for

continuous reinvention. New investors typically emerge in adjacent industries, or as hubs attract non-local players that want to capitalize on local infrastructure and available talent. For Ottawa, adjacent industries to the city's traditional ICT core include cleantech, defence and security, digital media and gaming, health and drug discovery, photonics, and wireless. Meanwhile, following the McKinsey model, non-local players including RIM, IBM, Adobe and Alcatel have taken advantage of Ottawa's abundant population of creative class workers to staff significant R&D campuses across

the city. These global companies are attracted to Ottawa's deep talent pool where Florida's data indicates that 25% of the population aged 25 and up have at least a four-year degree, and Statistics Canada indicates one in nine employees is a scientist or engineer.

A city that Mercer Human Resource Consulting ranks among the least expensive in Canada for cost of living, Ottawa also offers rich culture and recreation options. With over 50 festivals throughout the year and a vibrant nightlife, Canada's Capital is home to a variety of National institutions including the Museum of Civilization, the Museum of Nature, the Museum of Science and Technology, the National Art Gallery and the National Arts Centre. For outdoor enthusiasts, Ottawa is in the midst of a giant outdoor playground featuring mountains, beaches, camping, skiing, golfing and hundreds of freshwater lakes, over 850 parks, 300 kms of biking trails and over 200 kms of cross country ski trails to enjoy.

Jump into Ottawa's dynamic ocean of innovation, build your company with the city's well educated creative class, and prosper while you enjoy abundant cultural and recreational opportunities. It's all here, come join us!



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