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Vancouver's Startup Community Accelerating Out Of Diapers

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A stimulating evening in Vancouver recently provided an excellent snapshot of a startup community that's starting to grow up. It comes as the city improved on its ranking of the world's top startup ecosystems.

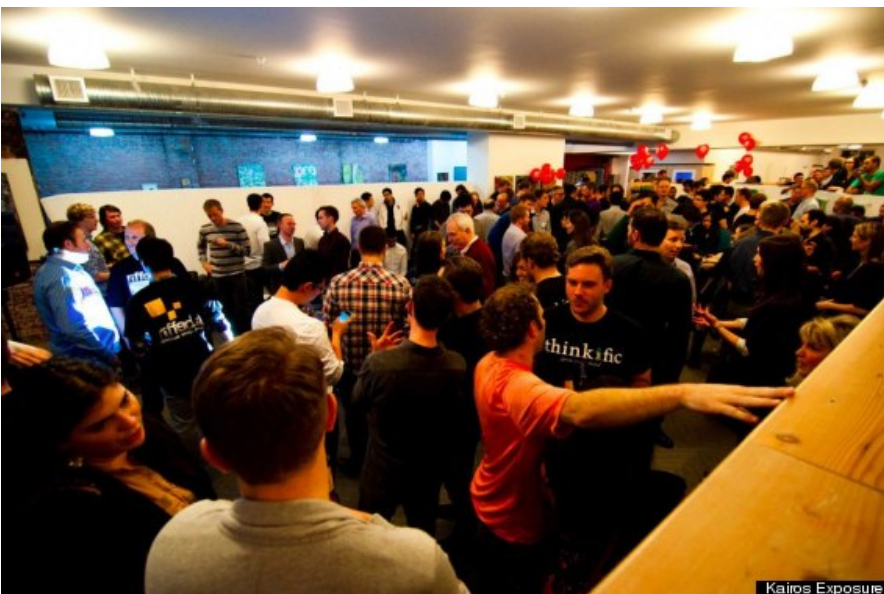
This week, the [Startup Genome Project](#) updated its list, placing Vancouver ninth in the world, compared to its 16th showing on the previous roundup.

On Tuesday, Launch Academy's Demo Day showed Vancouver's startup community is no longer crawling, but still very much acting like a toddler in diapers.

Vancouver's pre-accelerator [Launch Academy](#) is a key factor behind the recent growth spurt. It is emerging as a key hub for innovation and creative breakthroughs and is now housing more than 55 startups in their newly renovated 9,000 sq ft offices in Gastown.

Demo Day proved to be an outstanding public inauguration. This new space is also home Vancouver's largest technology accelerator [GrowLab](#), Microsoft's new Windows Apps Lab, and Garibaldi Capital. There are more corporate partnerships in the works that promise to add an even more dynamic presence.

Launch Academy's second edition of Demo Day provided the stage for 21 entrepreneurs to make their pitch. An intriguing mix of the city's technology start-ups earned a 60-second opportunity to impress a crowd of 250 guests including top-tier North American investors, industry professionals, media and representatives from tech giants such as Microsoft, SAP, Cisco and Apple. Managing partners and directors from Canada's top venture capital firms such as Rho Ventures, iNovia Capital, and BDC Venture Capital also made an appearance.



Kairos Exposure (Photo by Jerry Yang/Kairos Exposure)

While the evening showed off the community spirit -- and a collective thirst for networking and beer -- it was the chance to pick the top pitch that really got the crowd going. The top five startups chosen each had five minutes to impress the panel of judges: [Kevin Swan](#), principal at iNovia Capital; [Leonard Brody](#), GrowLab founder, president of Clarity Digital; [Jon Cartwright](#), founder and CEO of Food.ee;

[Kimberly Kaplan](#), CEO of Offeron; and [Kristina Simmons](#), emerging products and concepts manager at Lululemon.

Here are the top five finalists and winners:

- [Nanu Interactive](#) (First Place): develops applications that add sharing and magic to family activities.
- [myBestHelper](#) (Second Place): helps families find, book and pay trusted child care that best meets their needs on demand and on the go.
- [Thinkific](#) (Third Place): offers online and mobile courses for professionals.
- [Spokal](#) (Finalist): an inbound marketing platform for micro businesses that allows them to effectively market themselves online to get customers without a developer, SEO or a social media consultant.
- [WealthBar](#) (Finalist): provides online investment advice and financial services.

The three winners received a cash prize of \$1,500 and a free ticket for [The Cascadia Summit](#) in Seattle, a joint initiative organized by GrowLab and Launch Academy to connect startup communities across B.C., Washington, and Oregon.

There are some very key people are deeply invested in growing Vancouver's startup community, and committed to creating a healthy ecosystem but they're a story for another day. There are many collective lessons still to learn, plus more key people and companies to bring into the fold before it can be called a flourishing ecosystem.

Brody delivered the evening's best observation, saying "the Vancouver community needs to learn some serious lessons about distribution." The city's entrepreneurs really need think about customer acquisition costs and strategy.

This is where the ranking ties in; on the surface, the community deserves a collective pat on the back for ranking ninth on the list of top ecosystems, yet digging deeper through the report there are some sobering realities to consider:

- Vancouver is the second largest startup ecosystem in Canada. Globally it ranks number 9 even though it creates 85 per cent fewer startups than Silicon Valley. Vancouver has a healthy funnel of startups across the Startup Lifecycle.
- The funding climate for startups in Vancouver is insufficient, with startups receiving 80 per cent less funding than startups in Silicon Valley. They receive 72 per cent less in Stage 2 (Validation) and 97 per cent in stage 4 (Scale). The late stage funding market basically doesn't exist for Vancouver startups.
- Compared to entrepreneurs Silicon Valley, Vancouver entrepreneurs are 59 per cent less likely to consider customer acquisition their main challenge.
- Entrepreneurs in Vancouver are less likely to tackle "new" markets and more likely to tackle "niche" markets than their peers in California.
- Vancouver startups employ fewer people per startup than their peers in Silicon Valley.

Being compared to Silicon Valley doesn't mean Vancouver has to become the Valley. However, there's no question a few key dynamics are still in need of addressing such as the overall funding climate. With that in mind, Vancouver's startup entrepreneurs also need to be mindful that not every minimally viable project is worthy of funding.

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