CITY AS UNICORN:
HOW THE TORONTO-WATERLOO CORRIDOR IS SCALING UP AS A GLOBAL INNOVATION HUB

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TORONTO-WATERLOO REGION

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#TOWRCORRIDOR
Good morning. Thank you for having me here today.

It’s great to be in San Francisco, in the capital region of the tech world.

And because we are here, I want to use my time today to tell you a story about a start up in the process of scaling up, a topic that I know is of great interest to many people in this part of the world.

Wattpad is a company founded in Toronto by two guys – Allen Lau and Ivan Yuen.

Allen was born in Hong Kong, and moved to Canada at age 19 to study engineering at the university of Toronto.

He founded a mobile startup and Ivan was his first hire.

Although they both excel at science, they bonded over their love of reading, of literature and storytelling.

And they had an the idea that, in the future, people would be able to read on their mobile phones – and they wouldn’t just read text messages and tweets, they would read stories and serialized novels.
This was back before our phones were smarter than we are. Technology had not yet developed enough to support the platform that Allen and Ivan were imagining.

But they didn't just forge blindly forward, they bided their time. They developed the idea while they continued to work successfully on other things. They got their ducks in a row. They ironed out the kinks.

And when mobile technology evolved to the right point, they launched Wattpad as a mobile storytelling platform where people can post their stories, read the works of others and interact with authors on line with a community of people who also love to read and write.

Allen and Ivan rented an office space in downtown Toronto where their employees could take transit or ride their bikes to work. They hired a young, multicultural staff with a variety of skills, many of whom had immigrated to Canada from other countries or were first generation children of Canadian immigrants and who spoke other languages and understood cultures in other parts of the world.

Because of the diversity of their staff, Wattpad’s platform is supported in more than 50 different languages, from Vietnamese to Dutch, which means it has attracted readers and writers from around the world.
Today the site has more than 40 million unique visitors and more than two million writers. It has huge commercial reach, but it also making a social impact, helping to bring literature to parts of the world where books are harder to find than mobile phones.

In 2014, Wattpad completed its fourth round of financing led, which is helping them fuel their fast paced global expansion. Wattpad is a highly successful company with the potential to be huge.

But it is not the startup I'm going to talk about.

Toronto and the surrounding area known as the corridor, which stretches 70 miles down highway 401 to include the tech hotbed of Kitchener-Waterloo, is the startup that is in the process of massive growth.

Like me, Allen and Ivan believe that their company could only have happened in the Toronto Waterloo Corridor.

This is because of the unique alchemy of talent, education, diversity, global connections and financial conditions available to them in the place they proudly call home.
And so today, I want to tell you about our city as a startup, and the conditions we have created that are allowing us to rapidly scale and grow as a truly global force of innovation.

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Toronto's motto is "diversity our strength."

Now this might sound like a uniquely bland and Canadian thing to say.

But as the U.S. has been debating the size of trump's hands, Canada recently accepted 25,000 Syrian refugees to our country, many of whom are arriving in Toronto sponsored by private families including my own.

Our embrace of diversity is not just a pleasantry or the by-product of what we see as our national character.

We don't just do it blindly the way you probably have heard that most Canadians apologize for everything.

No, our diversity is also a huge competitive advantage.
Canada boasts one of the strongest immigration systems in the world and more than half of Toronto's population of 2.8 million people were born outside the country.

This statistic speaks to a truly global network of connections, an economy – indeed an entire city region – that is not focused inward on itself, but that has tentacles and opportunities that reach right around the globe.

But our diversity also informs the nature of our city.

Toronto is an experiment that has worked.

It is chemistry and innovation and collaboration and adaptation come to life.

Bilal Khan, the young leader of a Toronto accelerator called One Eleven suggested to me recently that there is nothing more entrepreneurial than picking up everything and moving to a new country to find a better life for your family.

It is the ultimate gamble, a throw of the dice that can produce the ultimate reward.
This is a lesson that Silicon Valley understands well.

As the recent report by the national foundation for American policy made clear, over half of U.S. unicorns have been founded by immigrants, most of them right here.

In the Toronto-Waterloo Corridor, given that half of our entire population was born overseas, it may explain why we are now the undisputed knowledge centre of Canada.

We currently have more than 400,000 post-secondary students in the corridor.

As a point of reference, that’s roughly the population of Oakland.

These students are attending the 16 colleges and universities across the region, including the University of Toronto and the University of Waterloo, which was the top source of recruits for Google last year.

We have a highly educated population, and are graduating top engineers and computer scientists, designers and programmers as well as the highest
concentration of PhDs in the world focused on artificial intelligence and machine learning – disciplines that are currently changing the face of industry as we know it.

Our region has institutes dedicated to quantum computing, to theoretical physics, computer science, and mathematics.

We have a lot of smart people, and we value them.

We invest together, as a community, in their education, in their health care, and in the cities that they call home. We take care of each other, we respect one another and we endeavor to keep each other safe.

Because of this nature, our burnout rate is lower, and our quality of life is high.

We are consistently ranked as one of the best places in the world to live, and we manage to do that without even being able to offer a great beach or a view of the mountains.
While we have long been a great place to live, Toronto has not always been known as a centre of innovation. If people think of it at all, it is generally viewed as the financial centre of Canada, the place whose banking system endured the global financial meltdown with barely a blip.

Home, as a matter of interest, to the 20 largest banks in the world.

But we are also home to corporate headquarters in finance, retail, pharmaceuticals, insurance and communications.

And as our country shifts its economic focus away from a commodities driven market, it’s where technological innovation has taken off.

The Toronto waterloo region now has 200,000 tech workers working in 15,000 companies.

That’s the second largest density of startups after the city region we’re gathered in today.

But unlike other tech focused municipalities, our industries are as diverse as our population, making our economy ripe for disruption but less prone to bubbles.
Our region boasts a variety of verticals to disrupt, improve and advance.

The Toronto-Waterloo Corridor is a place where technology is able to naturally intersect with finance, with healthcare, with mining and education, construction and food processing and agriculture.

That means we’re producing startups and innovations that have implications from a variety of fields, and can draw talent with the promise they can be part of a burgeoning tech scene, giving them options rather than a one-off job offer.

We are also a place where people want to live.

We have one of North America’s busiest transit systems, an exciting restaurant and food culture and an expanding music and art scene.

Our particular alchemy is capturing the attention of the world, in a number of different ways.

We have produced two of the biggest music stars around – Drake and The Weeknd – both of whom grew up in Toronto’s diverse neighbourhoods.
The intelligence of their music and the scale of their influence has prompted record companies to begin setting up shop in Toronto to study our magic.

And this has happened with film and film production, too.

We are the third largest film production centre in North America after Los Angeles and New York.

This is thanks in part to TIFF, the Toronto International Film Festival, which is regarded as being one of the top film events in the world, mostly because our enthusiastic, passionate audiences know how to predict the next commercial and critical success.

This special alchemy is happening in technology, too.

Over the past few years, we’ve seen a high level of migration of innovative companies from the U.S., drawn by our dollar and our talent. The Toronto-Waterloo Corridor now has outposts – sometimes more than one – of companies like Salesforce, Facebook, Google, Twitter and Square, with more arriving every day.

But it’s not only large companies taking advantage of The Corridor.
Smaller startups, like Everalbum and Zenreach are setting up development offices before they’ve even reached twenty employees.

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So we have the talent, we have the opportunities. But we also have what all great ideas need to blow up into something real: we have leadership.

Truly scaleable organizations are led by individuals who have a vision, and set ambitious goals.

No, I am not bragging about myself.

The leadership on display in the Toronto-Waterloo Corridor runs from our national and provincial leaders to our municipal leaders – four of whom are here together on a joint trade mission that is as unprecedented as it is hard to get a word in edgewise.

It extends to the diverse men and women who run our companies, our incubators and our corporate entities.
We recently elected a new government in Canada.

You may have heard of our new Prime Minister, Justin Trudeau.

He is betting big on Canada's diversity and its innovation, and that means he is betting big on the Toronto-Waterloo Corridor.

His government has been clear about their focus on clean technology, on science, and on our ability to predict the future to drive economic growth. And his team is stacked with people who themselves are products of Toronto's unique ecosystem.

Canada’s new Minister of Science, Kristy Duncan, studied at the University of Toronto.

Our Ministry of Innovation is led by Navdeep Bains, a 38-year-old Sikh father of two young girls, who grew up in the Toronto-Waterloo Corridor.

Our country’s finance minister, Bill Morneau, is the former CEO of a Toronto based company that he grew from 200 employees to 4,000.
Kathleen Wynne, Ontario’s Premier (which is like a state governor here), is an openly gay woman in her sixties who has led the ministries of transportation, education and municipal affairs, and who understands the interconnected issues of these files and has made innovation a key pillar of her focus.

Our city is also home to great technology leaders, many of whom have benefitted from their experience in, and ties to the valley.

It used to be a given that if you were a Canadian entrepreneur and wanted to build something big, you had to move to the valley.

People knew about our talent and actively sought it out.

As Paul Graham, the founder of y Combinator noted, “something is going on, because the applications we get from Waterloo students are better than those we get from students of any other university.”

But Canadian companies accepted into y Combinator did not all stay and build here.

Instead, many of them opted to come home and build their companies in Canada.
Vidyard is one great example of this reverse migration. Michael Litt and Devon Galloway came to y Combinator in 2011 to launch their video marketing platform.

They left with a lot of experience, great contacts and $1.65m in seed funding.

Several years of rapid growth later, they are in the process of opening a new office in downtown Kitchener to accommodate their growing workforce of several hundred people.

And they have also used their connections in the Valley to help a new generation of entrepreneurs interested in building something special.

And they’re not alone –

Steve Woods, a graduate of the University of Waterloo, sold his first company, Quack, to AOL in 1998. He now runs engineering for Google Canada.
Dan Debow, who cofounded Workbrain and founded Rypple within the space of just a few years, is currently starting his third company in Toronto with an eye to building something big.

Mike Serbinis, who founded the document security company docspace and the e-book reader Kobo, has now founded his health care start up, League, out of Toronto.

And Mallorie Brodie and Lauren Lake, of Bridgit – a mobile software application for construction sites – have been recruiting here for their fast growing waterloo-based company.

These leaders are not in Toronto-Waterloo Corridor because they have to be, but because they want to be.

And because it makes good business sense for them to be there.

And we’re going to make sure they stay.

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And, of course, we have Allen and Ivan.
Their company, Wattpad, began with an idea that was fueled by talent, accelerated by global connections and reinforced with identified economic opportunities.

Like them, the Toronto-Waterloo Corridor started as with an idea – the place where Canadian innovations are born.

Since then, the corridor has been fueled by the creativity and collaboration of our residents.

It has benefited from a network of global connections and a wealth of opportunities from its diversified economy.

And now it is scaling that model into a truly competitive global centre. We are not just going to be home to successful startups and high growth industries.

We are one.

So I ask you to think about cities as innovations themselves, and invite you to the corridor to experience our alchemy for yourselves.
Come as an investor, as a partner, a founder or even a tourist.

Come to help us build and scale our companies, and build your career in a truly great place to live.

Thank you.