



RESEARCH2REALITY

Shining a light on research & innovation.

Laying Down the Roots of Innovation

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Venture capital is the practice of financing companies, usually with equity capital, where there is a lot of risk to grow the company. When we come to invest, somebody has done some research and built some technology already, and in an ideal case, they already have a working prototype. And so, when we come in is when you really are starting to look at, not so much building the product or building the service, but rather at trying to find what's called product-market fit, i.e. trying to find real customers.

Research is far more complicated, and I'll use the analogy of a farmer: the role of government, in my view, is to look at a farmer's field, take out the weeds, put the fertilizer, and get it ready for an entrepreneur to come, determine which seeds should be planted. And once the flower or the plant is starting to grow, then they come to a venture capitalist to basically pour more water, or shine more sun on there, in order to make it grow at a faster rate.

The point of venture capital is, we cannot make any investments until the farmer has plowed the field. That's the research. And this is just like infrastructure of a nation, and why the government is really the only source of capital that can properly fund it and really bet for the long term.

We are going to make a long-term bet on this particular product, but the body of research on which it was based upon has been decades in the making. It's over here in our own backyard, and we're putting the money down to hopefully ensure that it actually stays in our own backyard.

TODAY'S RESEARCH. TOMORROW'S REALITY.