

# PartnershipSpotlight

## YSpace

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By Lisa Hegedus

YSpace is one of the fastest growing incubators in Toronto, playing a significant role in helping entrepreneurs make their dreams come true.

Houser Henry & Syron sat down with Nafis Ahmed, Entrepreneurship Manager at YSpace; York University to talk about mentorship, why YSpace supports the entrepreneurial ecosystem, innovation and growth, and the reasons behind the organization's success in the startup community.

**1. Can you provide an overview of YSpace?**

YSpace is the entrepreneurship hub at York University. We have a number of incubator and accelerator programs that are designed to support entrepreneurs in the ecosystem. Members do not have to be a York University affiliate to engage in YSpace programs. We welcome anyone and everyone within the community.

Our programs are focused on key pillars. One pillar includes Food and Beverage, and we have two tiers of programming to help this sector accelerate and grow.

We also have a program focused on technology. Under this pillar, there are four streams of programming from early-stage ideas, to entering the market and scaling up. The

incubation and acceleration depend on the stage of the company.

There are two additional tiers where we have intentionally worked at building diversity-based programs to support entrepreneurs from different backgrounds. One of the programs is called YSpace ELLA. This program is focused on women-led founders that are building product and service-based ventures. There are three accelerator programs to support women in this sector.

The latest partnership we have created is with the Black Creek Community Health Center. The program is called Black Entrepreneurship Alliance (BEA) and over the next three years, we aim to support over 300 black entrepreneurs in the ecosystem.

Lastly, we also have leadership programs for development. These are available for founders and intrapreneurs.

**2. Why and how did YSpace get started?**

YSpace initially started with York University, building an extension into the Markham campus. The space was dedicated to supporting research and innovation type of work. David Kwok and Sarah Howe saw the potential to create a niche around entrepreneurial programs and the space was dedicated to YSpace for the entrepreneurial hub. This has grown since its inception and continues to evolve.

**3. What has made this incubator a success?**

The success is two-fold. It's the people and the community! Our leadership has done a great job "attracting" the right people and "being" the right people who really care about entrepreneurs. They go the extra mile to make sure the founders who are part of our programs received 110% of their support.

Regarding the community, we have been able to curate an amazing group of start-ups and founders that come from so many different walks of life and expertise and are willing to be engaged and give back. That level of support has set us apart to help others become successful.

**4. How is YSpace different from other incubators such as DMZ or CDL?**

Every incubator and accelerator program has individual strong points. However, there are commonalities with all of them. I'd like to think we all collaborate in the same way. But at the end of the day, it's the people and the community that makes YSpace a

unique place for entrepreneurs to develop and bloom into successful companies.

From a program level, we have taken a different approach. We don't just focus on technology. We have a food and beverage sector, ELLA that focuses on product and professional services for women, and BEA that supports Black led businesses and young professionals in partnership with the Black Creek Community Health Centre. We constantly look for gaps in the ecosystem and then try new ideas.

**5. How did you build the YSpace brand?**

David Kwok spent a lot of time building the brand and relationships. We truly stand behind what we say we are. We are an entrepreneurship hub that is focused on founders and ensures the entrepreneurs get everything they need out of the program and more.

Building key relationships with the founders, the entrepreneurship community, and with partners like Houser Henry & Syron LLP has led to our success. We do not have a large marketing budget. So, it's these strong relationships that has helped build the brand.

**6. Why is joining an incubator important for a start-up?**

It's an ideal time to be an entrepreneur because there are so many resources available.

Incubators make a start-up's job easier. As a founder, time is your greatest asset, and the relationships and resources we have established for start-ups save time. Instead of a founder spending hours trying to figure out how to incorporate their business, we direct them to partners

like Houser Henry & Syron who will talk through the process in 10 minutes. Also, information from mentors help mitigate risks early on. However, joining an incubator is not right for everyone. They need to find the right alignment with a particulate incubator and determine the values they want to gain out of that community.

**7. What success rate do your start-ups have?**

It varies depending on the stage of the program. In the early stages, we know 9 out of 10 start-ups fail. However, we do see a 10-20% conversion of founders that thrive.

We measure success in various ways. Success could be receiving funding, securing a client, or the realization that the start-up is not going to succeed. At that point, they either stop or pivot into something else.

We have four companies that have been acquired in the last four years and we have supported over 400 start-ups that went on to raise over 40 million in funding.

**8. What types of memberships are available?**

We have a suite of 15-plus programs. There are community-level programs where we host experts. These programs are open sessions to anyone who registers, and this level of program does not require a membership. We are simply giving back to the community.

On specific programming elements, there are several tiers. Accelerator programs have an application process and acceptance is competitive. Once a founder is accepted, they engage in a 4-5-month program. This does not have

a fee because again, it's YSpace investing in the community and helping those companies succeed.

From a regular intake perspective, we have two streams of programming. One is called the Virtual Membership. This is where we charge a nominal membership fee. The fee is waived for the first two months so that both sides can assess if the relationship will be a good fit. For the Food and Technology programs, the fee is \$200/month/company.

The other stream is our Physical Hub where founders have access to the facility. That fee is \$350/member which gives them an allocated desk in our building.

**9. What perks/benefits do members receive with their membership?**

Mentorship is the biggest benefit. We have internal EIRs (Entrepreneurs in Residence) that work with the founders and act as team leaders. They also have access to the broader ecosystem resources. We engage with various organizations like the Ontario Centre of Innovation and other funding organizations. They also have access to workshops and knowledge base programs, are able to participate in our Slack channel and have access to 30 types of software tools at discounted rates.

**10. How do you keep abreast of the changing start-up environment?**

We operate like a start-up! There is continuous engagement with the founders, and we keep a pulse on what's happening in the community. We then determine what the founders need and shift our operating model. We excel in molding ourselves to the founder's journey versus giving them a preconstructed path to follow. As things shift, we pivot and adjust to

provide the best programs for our start-ups.

**11. What do you look for in a start-up and how do you know that company will be a success?**

We are not an organization that tells the future or predicts if a company will change the technology space. We evaluate how YSpace can help these founders achieve their dreams and work back from there.

We are goal driven, so we look at a plan that outlines a 3, 6, 9, and 12-month strategy. Then we assess the feasibility of that plan and the end goal. After this is complete, we create a clear picture of “what they want to be” and determine how we will support them.

One thing we observe closely is how a founder plans to execute. Ideas are one in a million, but execution is critical. It’s easier to work with founders who are bringing in the right talent, mindset, and execution style. Even if the idea is wrong to start, they have the right people in place to figure it out.

**12. Does YSpace receive funding from York University or government-funded programs?**

We receive base operational funding from York University to run programs and operations. We also tap into government funding programs and use this type of funding to launch programs like ELLA or the Black Entrepreneurial Lands Program.

**13. What advice would you give an entrepreneur starting a new business?**

Entrepreneurs should not be afraid to start, fail or tap into the ecosystem that is available.

**14. What lessons has YSpace encountered, and what would the organization have done differently?**

An early lesson learned was understanding the gaps in the entrepreneurial ecosystem. This provided success with the programs we launched. For example, the food and beverage accelerator was a net new program. No one thought about this type of program except David and Judy. YSpace was turning down founders in this industry and realized a need for the program. Similarly, we discovered the barriers facing women entrepreneurs and created ELLA.

**15. What does YSpace hope to accomplish over the next year?**

We want to continue to grow, and we are excited to launch our second physical hub in the Town of Georgina to create greater access to entrepreneurship for Northern York Region. We also want to elevate the level of support and fastest-growing services we provide.

**16. Why are partnerships like ours important to YSpace and its members?**

We are a small-sized organization under York University and partnerships like the one we have with Houser Henry & Syron LLP builds credibility into the programming we offer. The partnership provides founders with access to legal expertise and knowledge through workshops, AMA (Ask Me Anything), office hours, and one-on-one meetings.

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