

# The Stratford Story

A small city in Ontario, Canada, punches above its weight in the national economy. Much of its success comes from intelligent use of world-class broadband.

By Robert Bell, John Jung and Louis Zacharilla / *Intelligent Community Forum*

“**T**ake an extra \$25. New York is an expensive place.”

Those words of wisdom came from the city council of Stratford, Ontario, Canada, in 1952. A prominent citizen, journalist Tom Patterson, had come before the council with a proposal. Patterson wanted to travel, at the council’s expense, to New York City to convince legendary British director Tyrone Guthrie to come to his city and found a summer Shakespeare Festival in the park. Who could resist attending Shakespeare in the park on the banks of the Avon River in a town called Stratford?

Those were hard times in Stratford. Its prosperity had been built on agriculture and on serving as a repair depot for the steam engines of the Canadian National (CN) railway. Agriculture was still going strong – though employing fewer people every year – but a decision by CN management had centralized repair services somewhere else on the line. No idea promoting the community’s survival was too crazy to consider. So, on January 22, the council signed off on Patterson’s brainstorm, giving him \$25 more than he had originally requested for the trip.

Patterson did meet with Guthrie – more than once, as a matter of fact, which required more \$125 disbursements. By July of the following year, the Stratford Shakespeare Festival, under artistic director Guthrie, presented its inaugural production of “Richard III,” starring Alec Guinness, under a massive tent in the park.

Cultural tourism became a new industry in Stratford. It was a homegrown economic development solution and the first sign of a new innovation ecosystem in the making. But six decades would pass before the next sign appeared.



During that time, the festival thrived. By 2010, it was the largest employer in the city and generated C\$135 million in local economic activity and C\$70 million in tax revenue for all levels of government. Stratford grew with it, reaching a population of 32,000. However, the festival, restaurants and lodging were seasonal businesses that brought prosperity only four months of the year.



Stratford is a scenic community of 32,000 located in Ontario, Canada.

### **A BROADBAND ECONOMY**

In 2003, the people of Stratford elected Dan Mathieson mayor. He was a young, entrepreneurial businessman with deep roots in the city, and he set out to change the way Stratford did business.

His first priority was to embrace high-speed broadband connectivity and take it to new heights. He believed that broadband needed to be treated as basic infrastructure, not a luxury amenity.

As he told *The Globe and Mail* in August 2013, “In the future economy, the data that flows across those networks is going to become part of everyday life, if it hasn’t already. If you can’t entice commercial entities to do it, then government should look at how they can play a role in advancing public broadband.”

His vision led to a series of strategic choices. Like many rural cities, Stratford owned its own municipal

electric utility. In the 1990s, the utility laid optical fiber along its rights-of-way to provide communications capacity for lease to large industrial customers. Early in his tenure, Mayor Mathieson faced pressure from Ontario province to privatize the utility in the name of efficiency. His council chose a different path. It spun the utility off into a pair of private companies with the city as sole shareholder: a hydro company to own and operate the electrical system

## The fiber network that Stratford's municipal utility built has attracted external business investment and helped the local tourist industry market itself across North America.

and a services company to become a data utility that operated the dark fiber.

By 2012, the services company had grown its network to 37 miles and introduced 1 Gbps connections to 125 locations, including city facilities and schools. The network also served as the backbone of a 300-node Wi-Fi network, which the hydro company used to roll out a smart-meter program to 18,000 customers.

Mayor Mathieson and his team were creating a new innovation ecosystem that was built on homegrown talent but proved equally attractive to external investment. Today, Stratford is leveraging that ecosystem to transform its economy.

The fiber network proved pivotal in attracting external investment from the Royal Bank of Canada, which built a national data center in the area. The city-owned utility signed an agreement with a private carrier to provide retail triple-play services over its network and extend fiber to premises throughout the city. The network has already enabled the Stratford Shakespeare Festival to significantly improve its Web-based services and expand online marketing across North America.

The city council and the local business community created the Stratford Tourism Alliance, which launched online and traditional advertising campaigns to make Stratford a destination for foodies and cultural tourists. In its first year, the Web traffic grew 200 percent while Ontario Tourism's traffic fell 18 percent in response to recession. More than half of all leisure travelers carry smartphones, and the Alliance introduced a mobile site in 2010 and mobile versions of its "Savor Stratford" foodies and festival campaigns. Apps for the iPhone, iPad,

Android and BlackBerry that followed in 2011 provided everything from reservations for hotels and restaurants to schedules of events and augmented reality. A set of walking tours of Stratford's many heritage buildings uses signs with QR codes to play two- to three-minute audio clips describing the history of each location. Online, the many individual private businesses of Stratford's tourism industry were now acting as one, with all the advantages of scale usually enjoyed by much bigger companies.

With each addition to Stratford's ecosystem, the city's attractiveness to innovators has increased. The mayor's team has successfully sold Stratford as a test bed for technology projects – a city large enough to give new technologies a meaningful test but easy to operate in because of its small size. Toshiba, Cisco, BlackBerry, Inter-Op Canada and Clemson University all have pilots running in Stratford. These international brand names lend validation to a strategy that has proven its value to the city. During the financial crisis, the near crash of the North American auto industry pushed unemployment in Stratford to record highs as the city lost 1,600 mostly low-skilled jobs in manufacturing. During the same period, the city gained 700 high-paying jobs requiring ICT skills and within three years found itself managing a new problem: a labor shortage.

### THE STRATFORD TRIANGLE

Stratford has a reputation for two other attributes that distinguish intelligent communities: vision and a pronounced talent for making a deal. Deciding that little Stratford needed the same kind of government-business-education innovation triangle as much bigger

places, Mathieson and the city council set out to build one nearly from scratch.

The biggest gap in the Stratford triangle was education: It is tough to have a university-business-government alliance without a university. However, less than an hour down the road was a place called Waterloo, ICF's 2007 Intelligent Community of the Year and home to the University of Waterloo (UW). Today, it has Canada's largest engineering faculty and the world's largest postsecondary cooperative education program; its graduates have founded companies that include BlackBerry and OpenText.

Stratford wanted some of that entrepreneurial energy, and, as it turned out, the university wanted something that Stratford had. UW was interested in expanding its digital media offerings with a focus on how these fast-changing technologies would transform business and industry. Stratford had its Shakespeare Festival – an enterprise that generated large volumes of high-quality content, considered itself to be in the education as well as the entertainment business and welcomed the idea of involving students in extending its reach into the digital realm.

Several years went into assembling the components of a deal. The city committed to investing C\$10 million to revitalize part of an abandoned industrial site in its downtown core. The province of Ontario matched that investment, as did OpenText, and the federal government added C\$5 million. The new building opened in October 2012 to 98 undergraduate and 19 graduate students working in state-of-the-art digital media labs for graphic design, animation, Web development and audio and video editing. Two-thirds of the students were Canadian, and the remainder came from around the world.

The Bachelor of Global Business and Digital Arts is a four-year undergraduate program that emphasizes project-oriented learning in partnership with private companies and outside institutions. Students work in project teams that mix artists, business majors and engineers. Every student graduating from the program leaves UW Stratford

as a certified project manager.

The city lost no time pursuing economic benefit from the new campus. By January 2013, UW Stratford and the local school district announced the School Within a University program, which will bring university-bound secondary school students to campus for technology training and participation in projects. Just before UW Stratford ended its first school year, the Stratford Accelerator opened in a nearby building to provide a local home for digital media startups.

The digital media focus spread downward as well as outward. At Stratford Central High School, enrollment in the digital media and information technology majors is growing fast. In 2011, a digital media instructor organized the DIGIs, Canada's first national digital media awards for secondary school students. Dylan Woodley, one of Central High's students, saw his animation "Pancake Island" go viral on the Web and receive national and U.S. media attention. Another of Woodley's videos was featured on the website of the band Coldplay.

Stratford is also the center of a four-hospital regional partnership called the Huron-Perth Healthcare Alliance. Its fiber network connects 85 percent of the physician groups and family doctors in the Stratford area. The network allows centralized laboratories and specialized care units to serve a widely dispersed set of hospitals, clinics and medical practices, which saves time and money while delivering the highest possible quality of care to a largely rural area.

Stratford General Hospital currently conducts 70,000 tests per year for patients in surrounding counties. Lab results are turned around in hours and delivered by twice-daily courier or, for connected facilities, via broadband. The interpretation of medical images is likewise centralized, so four radiologists at the hospital can serve the entire region – with another radiologist in Austria available for off-hours service.

Telemedicine projects include service for mental and emotional conditions that would otherwise need

hospitalization. Staff visit clients through a high-quality videoconference to check on their states of mind, ensure they are taking medications and consult on their issues. Client response is overwhelmingly positive: Clients see the videoconference terminal not as Big Brother invading their homes but as a tangible sign they are being cared for. Caregivers are equally enthusiastic because eliminating travel time means they can spend more time with clients.

Stratford attacked all three disadvantages of its rural location. A strong online and traditional marketing campaign reaches across distance to attract cultural tourists from eastern Canada and the U.S. and deploys the interactivity of social media to foster relationships and keep potential tourists connected to Stratford's cultural calendar. Within the community, social media apps effectively turn many disparate small businesses into a unified

whole in terms of customer marketing. A cultural brand that spans theater, food, history and art projects the charisma that Stratford needs to be a destination not only for tourists but for both companies and employees. And health care networking within the greater Stratford region creates the kind of social infrastructure that only dense urban areas are supposed to be able to afford. All have played their part in making Stratford a rural success story. ♦

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*This article, published with permission from the Intelligent Community Forum, is an excerpt from the 2014 book "Brain Gain: How Innovative Cities Create Job Growth in an Age of Disruption." Robert Bell, John Jung and Louis Zacharilla are the three co-founders of the Intelligent Community Forum of New York. For more information, see [www.BrainGainBook.com](http://www.BrainGainBook.com) and [www.intelligentcommunity.org](http://www.intelligentcommunity.org).*

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