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CANADA AIMS FOR TECH TALENT, EMBOLDENED BY IMMIGRATION WORRIES IN U.S.

Uncertainty over Trump administration policies is spurring some startups and tech workers to choose Canada over Silicon Valley

By David George-Cosh and Jacquie McNish
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TORONTO – Canada’s technology sector, which has long struggled to compete with sunny Silicon Valley, is seizing on the U.S.’s hardening stance on immigration in a bid to lure top talent.

The pitch: Come to Canada, where there are cosmopolitan cities, affordable health care and, most important, more certainty around work permits and entrance requirements that many executives feel is lacking under the Trump administration.

Ben Zifkin, chief executive of Hubba Inc., tells potential employees currently in the U.S.: “You don’t have to stay in Canada forever, just the current presidential term.” The company, based in Toronto, helps online retailers manage product information.

Mr. Zifkin says he is only half-joking. But his message is part of [a coordinated push for talent](#) by Canadian executives, government officials and venture capitalists to pounce on what they see as a rare opportunity for the nation’s maturing tech sector.

“A year ago, the only people I could talk to were ex-Canadians who missed home, but the talent was lacking,” said Mr. Zifkin, who returned last month from a recruiting trip in the San Francisco Bay Area. There, he met with 20 candidates for senior management positions. “This time it’s much better.”

The effort comes as the Trump administration in April [launched a review](#) aimed at stricter enforcement of immigration rules and other laws governing entry of workers into the U.S. Any changes could affect thousands of foreigners on H1-B visas, widely used to employ high-skilled workers in the U.S. tech and other white-collar sectors.

“You’re running a startup. You’re involved in one of the most uncertain businesses of all time,” Ray Sharma, CEO of Extreme Venture Partners, says he tells tech founders who aren’t U.S. citizens but are living in the U.S. or considering it. “Now you’re introducing your residency as part of that uncertainty? That’s crazy.”

Extreme Venture, a venture-capital firm based in Toronto, helps relocate startups based in the U.S. and elsewhere to Canada and assists in securing Canadian citizenship for employees.

“It’s such an easy sell sometimes,” said Mr. Sharma. “It’s like, ‘You had me at Canada.’”

One taker was fulfil.io, a cloud-based software platform that aids companies in their supply-chain operations. Two of the company's founders decided to come to Canada in May from their native India after they had to leave the U.S. when their H1-B visas expired and renewal proved difficult. They closed their first sales deal a month later.

"Canada looks like the right place to grow," said one, Sharoon Thomas, fulfil.io CEO. "I'm just surprised that we didn't think of it first."

It can still be difficult to poach engineers and programmers from Silicon Valley, where large tech firms such as Alphabet Inc.'s Google and Facebook Inc. reign. There, the salaries are higher, the venture-capital sector bigger and the winters warmer.

Meredith Trotter, a data scientist at Lumiata Inc., an artificial-intelligence analytics firm in San Mateo, Calif., said she has plans to return to her native Canada but hasn't found anything superior to her current job that would compel her to make the move now. "Even when those jobs start becoming real, I'm not sure I'll be ready to go home," Ms. Trotter said.

Until recently, it could take as much as a year for foreigners offered a job in Canada to receive a work permit, which immigration lawyer Joel Guberman said was "unworkable." But last month, the Canadian government announced a pilot program aimed at cutting this kind of wait and the red tape involved. Under the program, work permits and temporary resident visas are issued in two weeks instead of one year.

Platterz Inc., an online-catering platform, has already used the government program for three new hires, two of whom arrived in Canada last week. "When we started, we had someone from the government call us every day to walk us through the process," said Eran Henig, CEO of the Toronto startup. "I never would have expected that kind of attention from the government."

Canada's stepped-up recruitment effort is getting under way at a time of expansion in its tech industry. Several startups such as Shopify Inc., which develops software for online retailers, and Real Matters Inc., a real-estate data and software firm, have launched initial public offerings in recent years. [The country is becoming a key hub for artificial intelligence](#). Venture-capital investment hit a record in 2016, with C\$3.7 billion (\$3.0 billion) invested in 571 deals, with total value up 37 percent from the previous year, according to Thomson Reuters.

Despite the gains, that is still a fraction of similar types of investment activity in the U.S.

Ontario, home to most of Canada's tech firms, plans to launch an ad campaign later this year targeting workers and executives in Silicon Valley. In November, Salim Teja, president of venture services for MaRS, a Toronto tech hub, was part of a group that paid to erect two billboards along U.S. Route 101 in Silicon Valley inviting residents to "Go North."

In a survey conducted this month, MaRS found that 17 high-growth companies out of 26 respondents said they have experienced a notable increase in people based in the U.S. applying for positions in Canada so far this year compared with 2016. Shopify, one of the respondents, said it saw a 40 percent increase over the 2016 average, although it noted it cannot attribute the increase to any specific cause.

"Companies are recognizing that the level of anxiety is becoming a factor in attracting talent," said Michael Tippett, co-founder of True North, a consulting firm that aids startups looking to open offices in Canada.