

Startup AI 2026: National Insights Report

Findings from the 2026 regional
roundtables with Canadian founders
and members of parliament

Presented by:



In partnership with:



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Startup AI

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Executive Summary

Artificial Intelligence is rapidly rewriting the playbook for Canadian entrepreneurs, unlocking new possibilities while introducing risks that demand sharper strategy and smarter support. The Startup Canada AI Program, presented in partnership with Mastercard, was developed to better understand these possibilities and risks to inform the development of better supports for our nation's entrepreneurs.

Between March and April 2026, we convened four regional closed-door roundtables across the Atlantic provinces, Vancouver, the Prairies, and Ottawa. The Startup AI roundtable sessions brought together founders from a variety of sectors, ecosystem partners, and sitting parliamentarians. Conversations followed a consistent set of themes covering AI readiness, ethics and trust, access and affordability, sector-specific needs, talent, and scaling.

The conversations converged on a single picture: Canadian founders are adopting AI faster than Canada's policy and ecosystem infrastructure is keeping up. Founders are using AI to compress timelines, operate with smaller teams, and compete with companies many times their size, while running into structural barriers that risk eroding any early advantages. This report captures the key concerns and needs tabled in each session, and region-specific themes.



AI Readiness and Early Use Cases for Startup Founders

Common insight across regions

Founders in every region described AI adoption as transformative for early-stage building. The most common entry points were tasks that compress weeks of work into hours, such as personal productivity, marketing copy, grant writing, and rapid prototyping. Founders across the country independently noted that with AI tools, two people can now do work that previously required ten.

The most successful adopters described training one model deeply and using it as a strategic partner across functions, rather than fragmenting across many disconnected tools. Across all four regions, founders agreed that staying current is itself a discipline, because the tools and best practices evolve faster than any training program can keep up.

"You can build something really, really quick, but you can build the wrong thing really, really quick. Building is no longer the wall or barrier. It's the ability to understand that you're building the right product."

- Sam Poirier, Founder, Thelm (Atlantic)

Regional themes

Atlantic roundtable participants emphasised the productivity leap most viscerally, with founders noting that AI lets them build the right thing faster, not just build faster.

The Vancouver cohort noted a generational performance gap: a 21-year-old with AI tools can now outproduce a 35-year-old senior manager, creating organisational dynamics employers are not yet equipped to manage.

Ottawa founders observed that adoption is often happening below the radar, with staff using AI on personal devices outside official company policy, meaning official adoption statistics likely understate reality.

Prairies founders were the most explicit that they want to learn from operators who have actually built and exited AI-enabled businesses, not from theorists, and proposed a recurring forum where successful founders share the specific "unlocks" that made AI work for them.

"We used AI from the earliest days - not to grow headcount, but to gain capacity and bandwidth."

- Brianna Blaney, CEO & Co-Founder, Pocketed, a Deloitte business (Vancouver)

Ethical, Responsible, and Trustworthy Adoption of AI

Common insight across regions

Founders from all roundtables agreed that AI should augment human decision-making, not replace it. The most consistent principle was keeping humans in the loop for any decision that affects another person, including patient outcomes, hiring, financial advice, and candidate screening. Founders also flagged a customer-facing dimension: clients are starting to recognise AI-generated outreach, dismiss it as spam, and disengage.

Across the country, business owners are converging on the same instinct to automate the back office and keep humans at the front. Several founders raised AI security as an under-discussed responsibility. Prompt injection, where a bad actor manipulates an AI system into bypassing its own guardrails, remains an unsolved vulnerability. Defending against it and other AI security weaknesses requires technical safeguards and active human oversight.

“There is no solution to prompt injection. It’s fundamental to how LLMs [large language models] work. Human-in-the-loop will always be necessary.”

– Mustafa Saeed, Luella AI (Vancouver)

Regional themes

Atlantic and Vancouver roundtable participants in regulated sectors framed responsibility through compliance language, including GDPR, HIPAA, FDA design-freeze constraints, and the practical question of which data can be sent to external models at all.

Ottawa participants framed responsibility around customer-facing transparency and disclosure, with several founders asking for simple, standardised compliance checklists and disclaimer templates that early-stage companies can apply consistently.

The Prairies roundtable cohort emphasised the customer-trust dimension most strongly, noting that AI-generated communications are increasingly easy for recipients to spot and that this is already affecting return on investment in outreach-heavy sectors.

Sustainability concerns surfaced in Vancouver and Atlantic, where cleantech founders described real tensions between their values and the water and energy intensity of data centres.

“In order to stay ethical, in building a space, especially that’s regulated, there still has to be a lot of that trust that comes from a human component.”

– Bronwyn Bridges, CEO, PragmaClin (Atlantic)

Access, Affordability, and Ecosystem Gaps in AI Enablement

Common insight across regions

Participants across the country identified a familiar pattern in access and affordability. Generous free credits make year one of building with AI fast and affordable, but costs increase sharply once those credits run out and usage expands. Founders in healthcare, sleep technology, and other data-heavy sectors reported compute and storage costs reaching tens of thousands of dollars per month.

Beyond the dollar cost, founders from all roundtables identified isolation from other founders as a major ecosystem gap. Compared to peer ecosystems like Silicon Valley, Canada produces far fewer hackathons, builder meetups, and operator-led learning events, where innovation, talent, and capital meet. Founders also flagged that existing federal programs move much slower than the technology itself and that some program designs benefit intermediaries more than the founders they are meant to serve.

**“That first year seems really fine.
Then the affordability definitely skyrockets
after that.”**

– Bronwyn Bridges, CEO, PragmaClin (Atlantic)

Regional themes

Atlantic roundtable participants were the most vocal about the year-two credit cliff, and they raised a longer-term concern alongside it. As reliance on AI tools deepens, it was noted that rising costs could eventually cancel out the savings businesses are currently experiencing through greater efficiency and leaner operations.

The Vancouver roundtable cohort cited the AI Compute Access Fund as a positive example of a working federal program. One founder shared that they have migrated more than ninety percent of their data from US to Canadian servers to take advantage of higher coverage rates for Canadian compute, providing a concrete example of policy producing the intended outcome.

Ottawa participants raised infrastructure as the under-discussed enabler of all of this, identifying the electrical grid as the single biggest risk to Canada’s AI future and framing energy policy as inseparable from AI strategy.

Prairies founders echoed the credit and cost concerns most strongly.

Sector-Specific Needs, Risks, and Opportunities for AI Adoption

Common insight across regions

Across the country, participants agreed that AI regulation should protect data, privacy, and consumers without stifling the experimentation that produces breakthrough Canadian companies. Founders in regulated sectors, including healthcare, financial services, hiring, and automotive are asking for clarity. They want sector-specific guidance on which AI uses require human oversight, what data external models can process, and how iterative updates should be handled under existing approval regimes.

Founders also noted that hackathons and other intensive build environments are where boundary-pushing innovation happens, and that Canada's ecosystem support systems need to create more spaces for that experimentation to continue. MP Ben Carr (Winnipeg South Centre, Manitoba), Chair of Standing Committee on Industry & Technology shared sentiments aligned with this, noting that Canada is lucky to be home to visionaries and entrepreneurs who are global leaders in this space.

“No one really has defined quantitatively when you are not in compliance with these things.”

– James Stewart, Co-Founder, Troj AI (Atlantic)

Regional themes

Atlantic founders in healthcare and recruitment described how regulatory uncertainty directly shapes architecture decisions, forcing founders to run open-source models on their own servers rather than use commercial APIs, or to delay product iteration to avoid triggering full regulatory review.

The Vancouver roundtable cohort raised AI security as a sector-spanning concern, noting that off-the-shelf AI guardrails sold by major providers can themselves be tricked, and that this affects how regulated industries should think about deployment.

Ottawa participants leaned toward minimal new regulation, arguing that the criminal code and privacy law already cover most concerns and that over-regulation would push Canadian founders to build elsewhere. Ottawa founders also raised exporting risks, noting that founders need to know where Canada stands relative to the EU AI Act and US state-level frameworks so they can build for global compliance from day one.

Scaling, Commercialization, and Access to Capital

Common insight across regions

Participants from all roundtable sessions described the gap between raising capital in Canada and in the United States as the single largest structural disadvantage they face. A five-million-dollar raise is routine in the United States but much harder to secure in Canada, and the pull south remains strong despite founders' stated preference to build at home.

Entrepreneurs also flagged that moving an AI product from proof-of-concept to scaled commercial deployment is where many Canadian startups stall, and where federal commercialization supports matter most. Across the country, founders said program design is as important as program funding. Founders want capital and direct, practical support in AI adoption.

“Raising \$5 million in the U.S. is not a big deal. Raising \$5 million in Canada, almost impossible.”

– Christopher Doré, ScarlettNova (Ottawa)

Regional themes

The Atlantic cohort described a proof-of-concept treadmill, where supports often arrive too slowly to keep pace with the technology and pilots struggle to convert into paying contracts.

Vancouver participants offered both a positive and a cautionary case on program design. The AI Compute Access Fund was cited as a federal program that produced the intended outcomes for founders, while CDAP was sharply criticised for benefitting digital advisors more than the small businesses it was meant to serve.

In Ottawa, the roundtable participants connected scaling directly to the capital gap and the resulting pull toward US incorporation.

Prairies founders described building leaner companies as a deliberate capital strategy. When raising five million dollars is harder in Canada, designing a business that needs less capital becomes a competitive advantage.

AI Talent and Workforce Development

Common insight across regions

AI literacy is the most pervasive constraint on broader adoption. Existing offerings are either too technical for operators or too high-level to be useful. What founders want is hands-on, practical, sector-specific help: someone who can assess business needs, identify where AI fits, set it up, and train the team to use it.

Founders also pointed to post-secondary institutions, noting that faculty are not keeping pace, graduates are not AI-fluent, and universities should be embedding AI literacy across programs the way digital literacy was embedded a generation ago. Many founders described their own startups as functioning training grounds for AI talent that later moves to larger firms, and asked that their significant role in AI upskilling be formally recognised.

“We end up being the bus stop where they get off of the degree, we then help train them, and now a big company will come and pay them a significant chunk more, and they’ll leave.”

– Bronwyn Bridges, CEO, PragmaClin (Atlantic)

Regional themes

The Atlantic founders argued that startups themselves are the de facto AI talent pipeline and that policy should recognise and support the role that small businesses play.

Vancouver entrepreneurs raised broader workforce concerns, noting that automation is now reaching sectors that always felt immune, including creative and professional roles, and that retraining alone may not be sufficient.

Ottawa founders raised AI literacy in K-12 and post-secondary as a national-capability issue and flagged the under-representation of women in AI-building communities as a gap requiring deliberate intervention.

The Prairies cohort were the most explicit about a workforce shift already underway. Founders described pausing hiring because AI now handles work their QA teams previously did, and are actively designing leaner companies of two people instead of five. They also asked for AI-fluent interns and graduates from local post-secondary institutions to support a lean-by-design model.

Next Steps for Startup Canada

The findings from Phase One of the Startup AI program provide a clear picture of what Canadian founders need in order to adopt AI responsibly and competitively. The Startup AI pre-launch survey reinforced the roundtable findings, with nearly 90% of respondents expressing strong interest in future programming from Startup Canada.

Common themes and gaps were present in both the survey and roundtable conversations. Business owners find existing resources either too technical or too broad to be applicable to their sectors, and current national programming for founders is not bridging the knowledge gap. Entrepreneurs are asking for impactful and relevant training across six themes: early use cases, sector-specific applications, AI security, responsible and ethical adoption, and workforce and talent development.

To provide support and direction for founders, Startup Canada will develop and launch a Startup AI Resource Guide in the Spring of 2026. The Startup AI Resource Guide will bring together resources and frameworks that support Canadian founders in AI adoption based on the needs identified in the survey and roundtables.

After consultations with founders, members of parliament, and ecosystem supporters across the nation, Startup Canada aspires to design and deliver a robust national Phase Two Startup AI program. Acting on the support requested by founders, we intend to feature in-person and virtual workshops that deliver hands-on training on the topics identified as most critical to confidently leverage AI to scale their businesses.

Startup Canada will circulate this report to government officials and ecosystem and private sector partners to build awareness, strengthen collaboration, and to continue developing a Startup AI program that meets the needs of our nation's entrepreneurs. Canadian founders are ready to build with AI. With the right partners and support, Startup Canada is committed to ensuring they have the knowledge and tools they need to succeed in their AI adoption journey, and position Canada as a global leader in both entrepreneurship and in Artificial Intelligence.

Startup AI Roundtable Participants

Startup Canada, in partnership with Mastercard, would like to thank all roundtable participants for their candor in sharing their experiences and perspectives.

Atlantic Canada

- Rick Spence, Roundtable Host, President, CanEntrepreneur, Host, Startup Canada Podcast
- James Stewart, CTO, TrojAI
- Ali Taiyeb, Board Chair, Startup Canada. Director of Partnerships & Ecosystem, Vector Institute
- Sam Poirier, Co-Founder, Thelm
- Rashmi Prakash, Founder, Aruna Revolution
- Alexander Tree, Founder, DeepREM Labs
- Bradley DiPaolo, Founder & CEO, CandidateHub Inc.
- Bronwyn Bridges, CEO & Co-Founder, PragmaClin Research Inc.
- Ayoub Serhani, Head of Technology & Innovation, Venn Innovation

Ottawa

- Ben Lobb, Member of Parliament, Huron-Bruce, Ontario. Shadow Minister, Digital Government and Artificial Intelligence
- Natasha Hope Morano, Roundtable Host, Director of Corporate and Government Affairs, Startup Canada, Founder and President, NHM Connect
- Colin Weeres, Director of Government Affairs and Policy, Mastercard Canada
- Julie Lavergne, Co- Founder & CSO, ScarlettNova
- Nita Tandon, Founder & CEO, Dalcini Inc.
- Parisa Zare, Co-Founder, PitchPal App
- Christopher Doré, CEO, ScarlettNova & Managing Partner, Rogue Ventures
- Neilda Pacquing Gagné, Co-Founder & Chief Ecosystem Officer, AGI Ventures Canada

Prairies

- Ben Carr, Member of Parliament, Winnipeg South Centre, Manitoba. Chair, Standing Committee on Industry & Technology
- Rick Spence, Roundtable Host, President, CanEntrepreneur, Host, Startup Canada Podcast
- Colin Weeres, Director of Government Affairs and Policy, Mastercard Canada
- Brenda Beckedorf, Vice Chair Board of Directors, Startup Canada, CEO, Applied Intelligence Advisory Group
- Joanna Pariseau, Founder & CEO, Taste The City
- Jeremy Lang, Founder of Pela & Co-Founder of Lomi
- Noah Palansky, Co-Founder & CEO, Taiv
- David Owasi, Founder & CEO, OutreachGenius
- Amreesh Khanna, Co-Founder & CEO, OraQ AI
- Whitney Morgan, Director, Operations, North Forge Inc.
- Avery Vold, Vice President, Innovation Saskatchewan

Vancouver

- Taleeb Noormohamed, Member of Parliament for Vancouver Granville, Parliamentary Secretary to the Minister of Artificial Intelligence and Digital Innovation.
- Nathan Yeung, Roundtable Host, Founder, Find Your Audience
- Colin Weeres, Director of Government Affairs and Policy, Mastercard Canada
- Mustafa Saeed, Co-Founder, CEO, Luella AI
- Ranah Chavoshi, Co-Founder & CEO, PhyCo Technologies Inc.
- Nancy Wingham, CEO/Co-Founder, Nuez Acres
- Brianna Blaney, CEO & Co-Founder, Pocketed, a Deloitte business
- Vivian McCormick, CEO & Co-Founder, Wilet