

Digital Identity
LABORATORY

Annual Report

2020

2021



Letter from Chair of the Board & General Manager

Dear Friends of the Laboratory,

March 31, 2021, marks the end of the first complete year in operation of the Digital Identity Laboratory of Canada (“IDLab”). In the past decade, governments and private industry throughout the world have increasingly realized just how much digital identity is a key cornerstone of cyber security, and the pandemic only accelerated this collective realization. It is in the midst of this acceleration that the IDLab, the brain child of Pierre Roberge, was founded as a Canadian federal non-profit organization with the enthusiastic founding member support from [DIACC](#) and [In-Sec-M](#).

The IDLab is all about advancing digital trust by breaking down technology barriers to digital ID adoption. It aims to provide a marketplace where digital identity related solution providers can showcase their solutions in an optimized environment to IDLab subscribers, who are engaged in activities such as discovering, experimenting, developing, integrating and testing digital ID solutions. The IDLab promotes adoptions of user-centric digital ID solutions by encouraging technical compliance and interoperability. Over time, the IDLab also aims to provide a wide range of education, evaluation, testing, audit and certification services - always in relation to digital identity.

In the period 2020–21, the IDLab laid the foundation to execute on its vision. The IDLab secured a team of twelve individuals with \$2.5M in grants and contributions; acquired, installed and configured the IDLab IT Infrastructure; delivered over \$380K in services; and laid a strong governance and operations foundation which included the recruitment of a diversified and highly skilled Board of Directors. The IDLab closed the year with healthy cash reserves, owing to the exemplary support of Economic Development Canada, the Government of Quebec, Desjardins and a number of private sector founding sponsors¹.

Looking forward, IDLab Management must remain focussed on furthering the IDLab long-term financial sustainability. Doing so will require two distinct sets of activities. First, additional Governmental support will need to be secured, to provide the required financial bridge for the IDLab to become cash-flow positive. Second, the IDLab Management team must continue to refine its offering to amplify its sales opportunity, to replace the current dependency on government grants and create its long-lasting financial independence. It is clear to the IDLab Board and the Management team that without Governments support, the long-term sustainability of the IDLab will be seriously challenged and past investment at risk.

Yours truly,



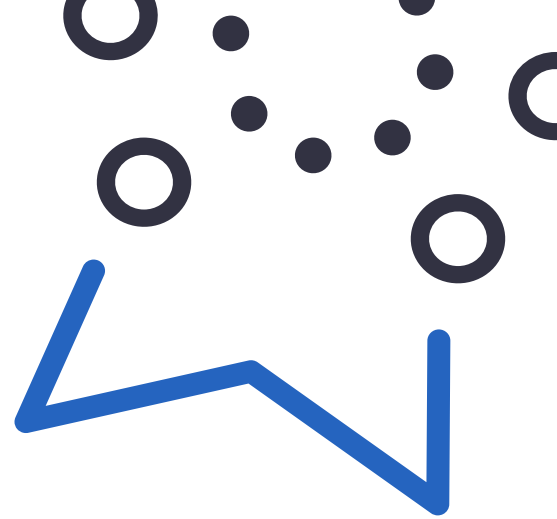
Antoine Normand
Chair of the Board



Pierre Roberge
General Manager

1. The Founding Sponsors from the private sector are: Desjardins, Accenture, Becker-Carroll, Deloitte, EQ Bank, Interac, KPMG, Sagard Holdings.

Corporate Profile

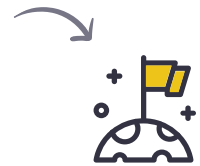


Vision

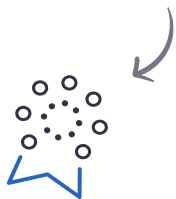
Accelerate the adoption, development and knowledge of compliant and interoperable digital ID solutions.

Mission

Advancing digital trust by breaking down technology barriers to digital ID adoption.



About



The IDLab is an independent non-profit entity dedicated to advancing digital trust by breaking down technology barriers to digital ID adoption. The IDLab promotes technical conformity and interoperability of user-centric digital identity solutions. The IDLab is technology neutral, is not an incubator and does not develop or sell digital identity solutions.

Values

We are honest & open.

We communicate genuinely and openly our opinions while also being open and actively listening to the opinions of others

We are team players.

We proactively engage internally with each other in resolving problems and addressing opportunities

We are innovative.

We are on the lookout to solve problems and seize opportunities in new and better ways

We take ownership.

We convey to each other that we are responsible for the achievement of our goals including addressing unforeseen circumstances

We do the right thing.

When faced with an easy thing to do or decide, and another that is not, and the latter is right; we choose the latter

We are self-starters.

We are internally motivated, and have the ability to set goals and undertake the work without being prompted to do so

Official Name

Digital Identity Laboratory of Canada

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Incorporation

Canadian federal nonprofit organization

(February 24, 2020)

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Official Address

F3006-283 Blvd Alexandre-Taché
Gatineau, Québec J9A 1L8
Canada

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Directors

Antoine Normand

Chair of the Board

Joni Brennan

Vice-Chair & Treasurer

Pierre Roberge

Executive Director

Catherine Desgagnés-Belzile

Director (private sector)

Joanne Duklas

Director (academic sector)

Gassim Bangoura

Independent Director

Suzan Denoncourt

Independent Director

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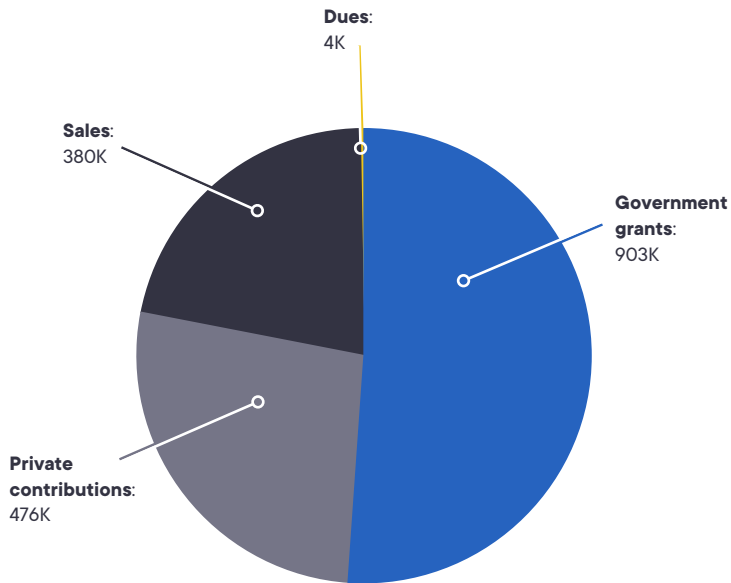
Corporate Secretary

Patrick Cormier

Chief Operating, Financial & Legal Officer

patrick.cormier@idlab.org

Main Revenue Sources



Principal Risks

- 3M grant from Government of Quebec not confirmed
- Sales model not proven
- Recruitment & retention of highly skilled & specialized resources

idlab.org

Management Discussion & Analysis

Context

Our ten-year vision is to become a globally recognized leader advancing digital trust on all continents. We can achieve this because our cause is advancing digital trust by breaking down technology barriers to digital ID adoption, a niche that no other organization has for exclusive focus and commitment.

The IDLab is unique in 3 ways:

1. Neutral, trusted & nonprofit:

The IDLab is not beholden to any particular digital ID solution, framework or standard and has a commitment to remain so independent. This neutrality promotes trust in the IDLab.

2. Legitimacy through endorsements:

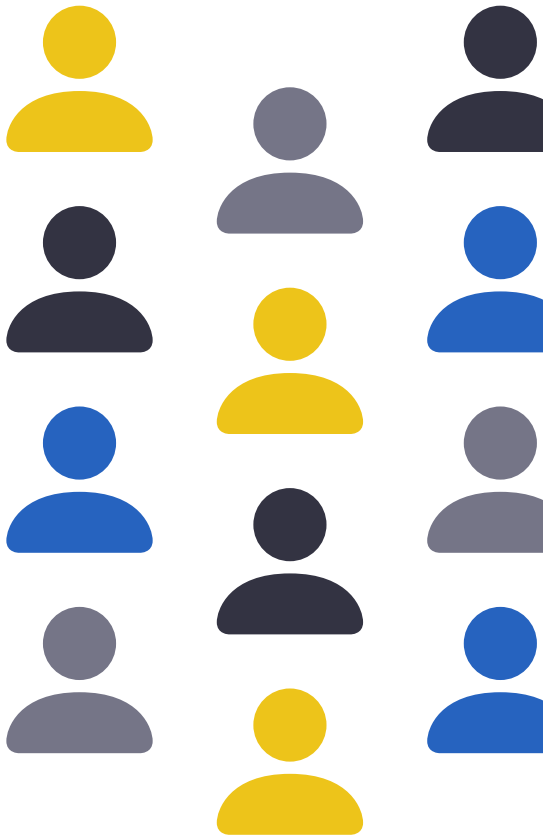
The IDLab derives strong legitimacy by virtue of several endorsements that are regularly added since inception: founded by [DIACC](#) and [In-Sec-M](#), grants obtained from CED and Quebec Government as well as several organizations from the private sector, contracted by ISED to realize a digital ID Education Portal.

3. Digital ID Solutions & Expertise:

Broad range of available and varied digital ID solutions that can be quickly deployed in sandbox environments for discoverability, development, integration, tests, quality assurance, conformance and interoperability evaluations/testing/certifications.

At the heart of the creation of the IDLab is a belief that the time has come to move beyond the elaboration of digital ID standards in Canada. While [DIACC](#) has made tremendous progress in the past decade in fostering collaboration between the public and private sectors in Canada to produce the “Pan-Canadian Trust Framework” (PCTF)™, another organization was needed to step in and offer technology neutral, trusted and effective services to promote the technical conformance and interoperability of digital ID related solutions, a more “hands-on” organization that would complement [DIACC](#) and other standard setting organizations. On that basis, the vision for the IDLab was successfully endorsed by a number of stakeholders and financial backers, including the City of Gatineau, the Government of Quebec and Economic Development Canada.

As we conclude our first full year of operation, the financial backers and members of **the IDLab** can count on the passion and dedication of 12 employees, heading into this second year with a deep belief that the IDLab will truly make a positive difference in fostering a safer and privacy-enhancing digital world.



The Year 2020–21

Significant achievement this year included:

- **Funding:** \$1.38M was obtained in grants & contributions from the public and private sectors. This funding allowed the IDLab to purchase its initial IT infrastructure, hire employees and begin the setup of the service environment for its users and clients.
- **Governance:** a complete vertical stack of internal controls was set up, including **Consolidated Bylaws** controlled by members, policies controlled by the Board, directives controlled by the General Manager and procedures controlled by Department leads.
- **Operations:** the Entrepreneurial Operating System (**EOS**)™ as adopted and implemented at the IDLab. This allows for the rigorous and disciplined management of all six operational facets of the IDLab - Vision, People, Data, Issues, Process and Traction. The EOS Visionary/Integrator model was also adopted by the Management tandem Pierre Roberge (Visionary) and Patrick Cormier (Integrator).
- **Information Technology:** the delivery of scalable, agile and optimized sandbox services required purchasing, installing and configuring significant IT assets in a very innovative configuration. The initial IDLab infrastructure was successfully configured and used in production, complete with high availability, by March 31, 2021. The IDLab, born during the COVID19 pandemic, is also completely set up to enable all employees to work from home very effectively.
- **Signature Project Delivery:** In addition to setting up the IT infrastructure making possible the delivery of sandbox services to clients and users of the IDLab, the team also delivered on a significant client project, the Digital Identity Education Portal, realized for Innovation, Science & Economic Development Canada (ISED).

A Critical Period: Our First Three Years (2020–2024)

To maximise long-term financial stability, the IDLab is run and operated like a technology business. This reduces the long-term dependency on volatile grant programs, forces services delivery excellence, conveys perennity to customers, and facilitates hiring top talents.

Although the IDLab is run like a business, we cannot raise capital by selling equity and don't qualify for the majority of funding programs created to support for-profit organisations. While our long-term financial model is geared toward a "pay for service" model, the IDLab assumes willingness by the private and public sectors to fund a portion of the IDLab operations, with grants & contributions, during its initial 3–4 years of operations. After this initial period, the IDLab expects to be financially independent as its sales would cover operational, capital and expansion expenses.

For this reason, **the next few years are critical**. The IDLab must obtain sufficient grants & contributions during this period to cover its costs, failing which the continued existence of the IDLab is at risk. Given the long-lasting, recurring year to year economic benefits the IDLab would generate, it makes sense for governments to step in and support the mission of the IDLab. On that basis, the government of Quebec did accept to provide initial funding of \$500K with a request that the IDLab demonstrates support from the private sector and that it meets a number of other objectives. All such objectives set by the government of Quebec were met, which gives

us hope that it will be willing to entertain in 2021–22 the original IDLab funding request of \$3M. The IDLab has also received a \$1.5M multi-year contribution from CED.

Being homed in Quebec, obtaining the financial backing from the government of Quebec has been identified as a key dependency to the IDLab success.

Financial Analysis & Commentary

Based on the fiscal year 2020–21 audited financial statements, the IDLab had, as of March 31, 2021, over \$900K in combined cash reserves, accounts receivables and prepaid expenses as well as over \$200K in equipment. Accounts payable and accrued liabilities stood at \$141K. This position meant the IDLab had about seven months of operational cash flow set aside when it began fiscal year 2021–22. The deferred revenues consist mainly of the portion of grants & contributions to be used to offset future equipment amortization expenses as well as non-refundable founding sponsor credits. These credits lapse after two years of their issuance.

In terms of operational expenses, the comparatively large amount for consulting fees (relative to payroll) is explained by the fact that payroll was only set up and activated in November 2020. Prior to that month, all resources in the IDLab were paid as consultants. Since that time, most consultants have been progressively converted to full and part-time employees.

The IDLab manages a wide range of typical risks by securing three types of insurance coverage: General Liability, Directors & Officers Liability as well as Errors & Omissions (Technology company).

Lab Infrastructure & Commentary

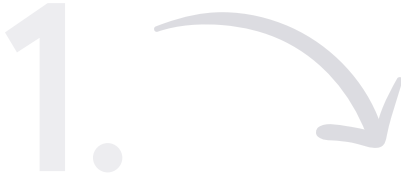
The Lab infrastructure, those tools used to deliver customer services, and the team that supports it has gone through a significant overhaul in the last 6 months. This involves, not only, new hardware (servers and switches) but also includes an important change from delivering services on a “best effort basis” to a “professionally 7x24 operation” managed by a team of dedicated professionals.

At the beginning of 2021 the original “Bootstrap Lab” was retired and replaced with 6 Hyper-converged servers (combined compute and storage focused on virtualization) along with redundant switches and firewalls were deployed at CILEX in Gatineau (Geek stats: these servers have 240 cores, 4.6TB of RAM and 144TB of Disk all connected with redundant 25Gb networking).

More important than the hardware is the new team that has formed to support both this infrastructure and our client solutions. Going from a part time staff of 1 to a full-time team of 5 has enabled us to deliver a professionally managed and monitored Virtual Private Cloud hosting service that not only provides commercial grade hosting services but thought automation and support tooling allows us to tailor our offerings and continue on our roadmap to a fully automated subscriber and solution service offering.

Service Offering Analysis & Commentary

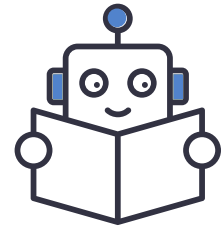
During the last fiscal year, IDLab has refined, in response to the market demand, its service offering that can be broken down into three main categories:



Solution Sponsoring for identity-related service or technology providers, or an organization that wants to host a digital identity solution in the Lab to make it available to other organizations that want to experiment with it in a fully functional and secure “sandbox as a service” technology environment. IDLab hosts two types of sandboxes for sponsors:

- **“Sandbox as a service” for Proof of Concept (POC):** For an organization or company that wants to host a complete digital identity solution or components of it in an online sandbox at The Lab, when no equivalent offering is yet available on the market.
- **“Sandbox as a service” for commercial solutions:** For an organization or business that wants to host a complete, commercially available digital identity solution or components thereof in an online sandbox at the Lab.

Laboratory Subscription where a customer wants access to Lab-hosted solutions in a neutral and highly secure environment for the discovery, integration, deployment and performance of quality assurance testing of digital identity solutions.



Subscribers have access to all the ID related solutions hosted at the Lab, either in a discovery, a private or a collaborative sandbox.

- **Discovery Sandbox:** anyone, including visitors, can experience one Solution as end users of the Solution, however, the Solution resets periodically and automatically to the baseline image set by the Solution Sponsor
- **Private Sandbox:** Online technology container environment hosted by the Lab in which one or several solutions can be deployed. Subscriber Private Sandboxes are set up, controlled and managed by subscribers and can each contains one or several solutions from the Solutions Catalog
- **Collaborative Sandbox:** Private sandbox designated for use by multiple organizations under the control of one Solution Sponsor. The control of the Solution Sponsor includes the determination of which organizations have access and which Solutions are deployed in the collaborative sandbox



Assessment Services: Evaluation, Testing, Audit and Certification Services (ETAC) are for collectively referred to as our Assessment Services, these services are for organizations seeking compliance, conformance, or interoperability assessment against W3C | Verifiable Credential, Pan-Canadian Trust Framework (PCTF) components and/or against personal information and privacy legislation, regulations, standard or framework by the laboratory. The IDLab will, over time, remain attentive to market conditions and grow this service offering in accordance with market trends and opportunities.

In addition to the above core service offerings, the IDLab has explored during the period 2020–21 a few ad hoc sales opportunities such as the provision of digital ID education services and of competitive challenge turnkey services. Should these opportunities prove to answer consistent market demands, the IDLab might augment its core service offerings in future years to include such services.

Governance & Operational Structure

Aiming to be Canada’s laboratory for digital Identity, having high dependencies on important public funding in the initial years, combined with the goal of seeking ISO 17065 certification makes the case for strong commitments to modern and sound governance & operational structure. Fostering sound governance implies a well-balanced range of internal controls, some of them needing to be approved by the members of IDLab, some by the Board of Directors, some left to the discretion of the General Manager and Department leads. In recognition of the above, the IDLab has implemented during its first fiscal year the following internal controls:

Controlled By	Title
Members	Laboratory Consolidated Bylaws (public)
Board of Directors	Delegation of Financial& Contractual Authority Policy - Limitations of Commercial Activities (public) Policy - Membership Fees Policy - Human Capital Policy - Anti-Harassment Policy - Protection of Privacy Policy - Founding Sponsor Campaign Policy - Reimbursement of Expenses
General Manager	Directive - Performance Management Directive - Overtime & On-Call Time Directive - Employee Training Directive - Access Control List Directive - Reimbursement of Home Office Expenses Directive - Security of Assessee Information Directive - Updating LinkedIN Profile
Departmental Leads	Procedure - Biweekly Payroll Procedure - Submitting an Expense Claim Procedure - Client Contract & Invoicing Procedure - Accounts Payable

Modern governance of nonprofit organizations also implies effective and democratic member representation on the Board of Directors. With the goal of establishing itself as a trusted and neutral party in the Canadian digital ecosystem, the IDLab is mindful of having a governance structure that would prevent a particular category of member from “controlling” the IDLab. For those two reasons, the composition of the Board of Directors has been codified in the Laboratory Consolidated By-laws ([Bylaw 3.7](#)). As a way to provide some level of protection for the early age of the IDLab, special provisions applicable to the first three years of the IDLab were introduced, reserving two seats for founding members [DIACC](#) and [In-Sec-M](#) ([Bylaw 3.6](#)). This composition prevents any class of members from wielding a majority of votes on the Board of Directors.

The Team

As of April 2021, the following individuals made up the team of the IDLab²:



Bruce Daly ●
VP Education & Assessment Services



Bruno Hivert ●
DevOps Specialist



Chelsea Finnemore ●
Executive Advisor for
Human Resources



Claude Perreault ●
VP Stakeholders Engagement



Gabriel Després-Laberge ●
DevOps Specialist



Jean-François Bourque ●
DevOps Team Lead



Marie-Pier Perreault ●
Legal Counsel & Translator



Maude Poulin ●
Graphics & Web Designer



Michelle Chibba ●
Privacy Practice Lead

2. Colors indicate status at the IDLab as of June 15, 2021: **full time**, **part time**, **consultant**



Natalie Oldfield ●
Special Projects Lead



Patrick Cormier ●
Chief Operating Officer



Patrick St-Louis ●
Junior DevOps



Pierre Roberge ●
General Manager



Régis Eloi ●
Customer Service Director



Simon Jodoin ●
Executive Advisor for Finances



Tim Sweet ●
Chief Technology Officer



Virginie Samson ●
Office Manager



Bonnie Yau ●
VP Service & Technology

2. Colors indicate status at the IDLab as of June 15, 2021: **full time**, **part time**, **consultant**

The Board of Directors

As of April 2021, the following individuals made up the Board of Directors of the IDLab:



Antoine Normand
Chair of the Board
[In-Sec-M](#)



Joni Brennan
Vice-Chair & Treasurer
[DIACC](#)



Pierre Roberge
Executive Director
[Digital Identity Laboratory of Canada](#)



Suzan Denoncourt
Independent Director



Gassim Bangoura
Independent Director
[Birks Canada](#)



Catherine Desgagnés-Belzil
Director (Private Sector)
[Beneva](#)



Joanne Duklas
Director (Academic Sector)
[ARUCC](#)