



ANNUAL REVIEW 2013-14

ITAC

INFORMATION TECHNOLOGY
ASSOCIATION OF CANADA

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ASSOCIATION CANADIENNE
DE LA TECHNOLOGIE DE L'INFORMATION

MESSAGE FROM THE ITAC CHAIR

CANADA'S information and communications technology (ICT) sector is at an interesting juncture in its natural lifecycle, as older organizations seek to re-engineer themselves to meet the demands of an increasingly competitive marketplace and newer entrants make energetic inroads, defining exciting new avenues of growth. Together, these various players within our technology ecosystem complement one another, and ensure that, as a whole, we can take advantage of the opportunities and avoid the hazards presented to us, all to the good of Canada's economy.

While Canada's ICT sector may not currently be experiencing the level of growth shown in the past, ITAC's evolution — as the voice of our sector — illustrates that those in the sector see increasing value in coalescing and supporting one another in advocacy and market development. There are strong indications of success in each of the association's four priorities: improving productivity through the adoption of technology; driving innovation and competitiveness in the technology sector; improving the talent pool, skills and diversity of the sector; and modernizing the public sector in its use of information technology.

As I look back on ITAC's year — and as you will see in the pages of this annual report — I am encouraged by both the addition of 43 new members, which represents 15 percent net growth, and the level of engagement shown by all our members across the sector.

Indeed, ITAC's membership reflects the broad diversity of Canada's ICT landscape — from nascent social media companies to the mature microsystems community — and our activities over the past year show us reaching out to engage them and represent their needs.

Over the past year, some 3,466 people from the ICT sector attended an ITAC event, including some non-members who we hope to welcome into the fold in the future. Our assorted communications vehicles reached close to 6,000 individual members, while 1,840 members took the time to attend various committee and board meetings throughout the year.

In addition, ITAC is connecting those people to the decision-makers who are shaping the future of Canada's knowledge economy, at events like our CCIO breakfasts, where, for example, we promote co-operative sharing of strategies for the evolution of Ontario's health sector.



Jim Muzyka, ITAC Chair
*Senior Vice-President, General
Manager, Xerox Services
Xerox Canada Ltd.*

ITAC has also had significant impact on policies at the federal level, where our input has helped shape the Government of Canada's initiatives on immigration, digital privacy, and — most significantly this past year — the comprehensive Digital Canada 150 strategy.

The past year also saw ITAC take a strong leadership role in the area of international business development, working with the Department of Foreign Affairs, Trade and Development to help Canadian-based companies explore opportunities in India and Dubai.

The organization also maintained a strong focus on a wide range of issues related to talent throughout the past year, including both the continuing emphasis on diversity in the workforce — particularly at the upper echelons of Canadian business — and a push for ongoing access to highly skilled foreign workers on a temporary basis. One of four key priorities for ITAC, talent remains the fuel for the growth of Canada's ICT sector, and the recent merger of ITAC and the Canadian Coalition for Tomorrow's ICT Skills (CCICT) as ITAC Talent demonstrates our commitment to mobilize the ICT community — in all its diversity — to ensure that it manages the talent available to the industry as effectively as possible.

ITAC's leadership in these areas would not be possible without the contributions of the truly excellent executives who constitute the ITAC Board of Directors. Working with them over the past year has been a great source of satisfaction for me. A key focus of our work, particularly at the Executive Committee, has involved a strong emphasis on business fundamentals. Because this task does not involve any announcements or fanfare it frequently goes unheralded, but it is absolutely essential for the long-term health of the association. This focus, executed by Karna Gupta and the ITAC staff, has helped to significantly advance our performance on indicators like recruitment and other metrics vital to the health and continuity of the organization. So my deepest thanks to all directors for their guidance and hard work. As a result the association is in a strong position to continue to serve its members, influence public policy and grow.

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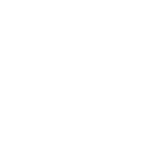
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Tech Data Canada
Corporation



Ken Wagner
Distinguished Engineer
PMC-Sierra, Inc.

* ex officio

DID YOU KNOW THAT THE CANADIAN INFORMATION AND COMMUNICATIONS TECHNOLOGIES (ICT) SECTOR...

Consists mainly of small companies: about 33,300 companies make up the ICT sector—86.9% are in the software and computer services industries. Small companies with less than 10 employees account for about 83% of all the companies in the sector.

Generated \$155 billion in revenues in 2011—an increase of 5.6% over the previous year. During this period, the software and computer services grew by 7.3% the wholesaling industries by 6% and the communications services industries by 4.3%.

Makes a significant contribution to the Canadian GDP: the ICT sector contributed \$62.7 billion to the Canadian GDP (in 2007 constant dollars) and outgrew the overall economy in 2011. On average, annual growth in this sector has been 1.6% since 2007, compared to 0.9% for the overall economy.

Is a major source of jobs: including both direct and indirect employment in Canada, ICT accounts for more than one million jobs.

Is still the largest performer of private-sector R&D: the R&D expenditures of the sector totaled \$4.8 billion in 2011—almost five times that of the closet sector, pharmaceuticals.

Has a knowledge-intensive workforce: 45.1% of ICT workers had a university degree in 2011, compared to a national average of 26%. The top three industries that employ the largest share of university-educated personnel are computer equipment manufacturing (64.7%), software and computer services (52%), and communications equipment manufacturing (51.6%).

...that earns above-average wages: The highest earners in the sector work in the software and computer services industries. Average earnings in these industries were \$71,533 in 2011. In fact, the lowest paid workers (\$48,889) in the ICT sector still earned 7% more than the national average in 2011.

MESSAGE FROM KARNA GUPTA, ITAC PRESIDENT & CEO:

LOOKING BACK AT KEY ACHIEVEMENTS IN TRADE, POLICY,
AND TALENT, AND AHEAD TO MORE SUCCESS.

OVER THE PAST 12 MONTHS ITAC has accomplished a number of significant milestones in our key priority areas, and we have seen our advocacy on behalf of our industry's concerns reflected in government policy. Among the initiatives and achievements outlined on the pages of this report, I would like to highlight several:

INFLUENCING DIGITAL POLICY

In April 2014, we welcomed the much-anticipated release of a Canadian digital economy strategy — Digital Canada 150 — which brings together many of the issues that ITAC has advocated for, and lays a foundation for further discussion and input. As I noted when the strategy was released, the strength of Digital Canada 150 lies in the amalgamation of a number of initiatives and concepts the

Government has addressed previously into a single, tangible package, which presents a broad vision of where Canada needs to be in the 21st century.

Over the past year, we have had a number of very positive meetings with key Government officials, including Cabinet ministers and their staffs, and our ongoing advocacy has been reflected in some important legislation, including the new anti-spam law, the majority of which comes into force on July 1.

In January 2014, we co-hosted the Outlook Conference, bringing together more than 110 executives from the public and private sectors to explore topics related to risk management

as the Government moves to an enterprise service model.

At the provincial level, we have worked closely with the Ontario Government's Chief Information and Information Technology Officer, and our two CCIO breakfasts each brought together more than 200 people from the ICT sector to share ideas about doing business with government.



Karna Gupta,
President and CEO, ITAC

TALENT AS AN ENGINE OF GROWTH

As one of our four priority areas, ensuring that Canadian ICT companies have access to the skilled men and women they need to grow their businesses continues to be a major preoccupation for us.

One of the focal points of our advocacy has been to ensure that the Government considers the needs of the ICT sector as it determines how to adjust its policy on temporary foreign workers. During the past year, ITAC has witnessed some encouraging movement toward a more effective set of

policies for addressing the challenges the ICT industry faces in filling important knowledge worker roles, and we will continue to ensure that our sector's voice is heard as the Government continues to study this issue.

On May 1, 2014, we announced the creation of ITAC Talent, which folds the highly effective Canadian Coalition for Tomorrow's ICT Skills (CCICT) into ITAC to create a better alignment of all of our talent-related initiatives. Under the new name, we will continue to leverage successful undertakings like Career Mash, which focuses on high school students, and the Business Technology Management, which, with funding from Employment and Social Development Canada, will be expanded to reach 64 post-secondary institutions.

Another important focus related to talent has been the issue of gender diversity in the ICT workforce, particularly in decision-making roles. Our commitment to making Canada's ICT community a true reflection of our larger society was reflected in our publication of a landmark study on gender diversity on the boards of directors of Canadian ICT companies, written by Karen Wensley.

BUILDING LINKS OVERSEAS

Among our most important accomplishments was our spearheading of trade missions to foreign regions that hold tremendous potential for Canadian companies in the information and communications technology (ICT) sector.

In December, ITAC took seven companies — along with representatives of Export Development Canada, Trade and Invest British Columbia, Canada's Industrial Research Assistance Program, and Industry Canada — to Bangalore and Delhi. A month later, we took six Canadian health informatics companies to Dubai, during the Arab Health Conference,

which is one of the world's most significant health sector conferences. Our goal was to begin looking at Dubai as the launching pad for further exploration of opportunities in the Middle East, Africa, Eastern Europe, and parts of the Asian market.

As part of our International Business Strategy, and with support from DFATD, ITAC will continue to promote international business strategies among Canadian ICT companies overseas in 2014, returning to Dubai in October and India in January 2015.

HEALTHCARE PROCUREMENT, CERTIFICATION AND VENDOR ISSUES

ITAC Health achieved a number of important milestones in 2013-14, including the publication of a set of eHealth Procurement Best Practice Guidelines and the first of several meetings with the Federal, Provincial and Territorial Health CIO Forum to explore issues of mutual interest to the vendor and CIO communities.

ITAC Health and Canada Health Infoway reviewed the certification of the Canadian digital health solution landscape, which provides a consensus for a comprehensive national strategy.

ITAC Health continues to work with various stakeholders to achieve a vendor credentialing regime based on national standards that have been adopted by all Canadian healthcare organizations.

LOOKING FORWARD

As I look ahead, I am encouraged by the traction our efforts have had, and convinced that we can continue to achieve success as we concentrate on promoting a strong Canadian ICT sector as an enabling force for every facet of work in the public, private, and not-for-profit sectors.

ITAC ADVOCACY:

ENGAGING WITH GOVERNMENT TO PRESS FOR MEMBERS' VISION OF A DIGITALLY EMPOWERED, MODERN CANADA

AS THE VOICE of the Canadian information and communications technologies (ICT) industry, our primary role is advocacy on behalf of our members. We deliver our members' messages to key ministers and government officials and promote public- and private-sector dialogue.

- ITAC was actively engaged with Industry Canada Minister James Moore on issues related to the digital economy strategy. ITAC members attended the launch of Digital Canada 150, which knits together the Government's digital economy initiatives.
- Prior to the Throne Speech to open the second session of the 41st Parliament, ITAC met with technology policy advisors in the Prime Minister's Office to recommend Government initiatives to promote technology adoption and to address the skills gap.
 - The Chair of ITAC's Board of Directors, Jim Muzyka, participated with the Prime Minister in the announcement of an internship program for high-demand fields.
- ITAC met with Employment and Social Development Minister Jason Kenney and his staff to discuss a national skills strategy and measures to improve our industry's access to global talent. ITAC met with Opposition MPs to draw attention to the reality of the skills gap in our industry.
- ITAC met with the Minister of Status of Women and participated in several departmental conferences to highlight our study on Gender Diversity and Boards of Directors of Canadian ICT Companies.



Jim Muzyka, Chair of ITAC's Board of Directors and Senior Vice-President and General Manager at Xerox Canada, represented ITAC at the announcement of the Government's internship program for high-demand fields with **Prime Minister Stephen Harper**.

- ITAC participated in consultations with Finance Canada to: press for progress on the implementation of the Canada Venture Capital Action Plan; reconsider indirect tax incentives for R&D; and implement programs to support the adoption of technology.
- Minister of International Trade Ed Fast invited ITAC to attend the tabling of the Canada Europe Trade Agreement in recognition of our contribution to the trade dialogue. ITAC received funding from his Department for trade missions to India and Dubai.

CYBER SECURITY:

UNDERSTANDING TRENDS AND RESPONDING TO THREATS TO A DIGITAL CANADA

AS ONLINE USAGE GROWS, so do the associated risks. These risks do not apply just to interactions between users; attention must now also be paid to the new risks associated with the rapidly advancing trend towards machine-to-machine communication and the Internet of Things.

Organizations that embrace new technologies to enhance operational efficiencies, service levels, productivity, and competitiveness need to be fully aware of the risks of losing sensitive data or network access – or even control – to targeted attacks by ill-intentioned outsiders, which are growing exponentially in numbers and in sophistication.

ITAC and its members have maintained a keen focus on privacy and security issues for more than 20 years. The ITAC Cyber Security Forum has met quarterly since 2000, and has become a key venue for discussion among ICT industry experts and government officials of emerging and ongoing cyber-security issues and related policies, responses, and solutions.

Recent quarterly meetings of the ITAC Cyber Security Forum have featured presentations by an array of experts from ITAC member companies and government officials on the following topics:

- Internet Security Threat Report 2013
- 2013 Rotman IT Security Study

- Action Plan for Canada's Cyber Security Strategy
- Ontario Bill-78: To amend certain acts with respect to electronic health records
- APEC and OECD updates on security-related items
- Security clearances for sub-contractors
- PIPEDA reform
- BYOD in the enterprise: Determining associated risk factors
- ITAC trade mission to India Telecom
- Is encryption broken?: Life in the post-PRISM era
- International state of play on internet issues
- Vulnerability triage on software systems
- Attribute-based access controls
- Application security a shared responsibility: A look at patching challenges
- ITAC Grid Transformation Roundtable: Supporting security and privacy
- Cyber Security Co-operation Program

CYBER SECURITY: UNDERSTANDING TRENDS AND RESPONDING TO THREATS TO A DIGITAL CANADA

- Introduction to Industry Canada's Digital Security Directorate
- Commonwealth Cyber Security Forum
- VENUS: Making Canada a global leader in cyber security
- Public Safety Canada, Industry Canada, the Office of the Privacy Commissioner, Public Works & Government Services Canada, Foreign Affairs, Trade and Development Canada

ITAC is pleased to acknowledge the experts from the following companies, government departments and institutions for their willingness to share their impressive knowledge and insights with the community at Cyber Security Forum meetings over the past year:

- AFORE Solutions, General Dynamics IT, KDM Analytics, Symantec, TELUS Security Solutions, Trend Micro Canada, University of Calgary, University of Saskatchewan, VENUS Cybersecurity

New technologies are fundamentally changing the economic landscape and posing significant challenges to CIOs, CTOs, and other executives responsible for the security of networks and data. The ITAC Cyber Security Forum will continue to play an integral role in information-sharing and policy-development work to ensure that Canada's networks and information are secure.

ITAC IN ONTARIO:

ENGAGING WITH GOVERNMENT TO PROMOTE THE IMPORTANT ROLE OF TECHNOLOGY AND INNOVATION IN THE PROVINCE'S FUTURE

ITAC ONTARIO has had another engaging and productive year. The ITAC Ontario Board has continued to commit a great deal of energy to enhancing our industry's profile within the Ontario government. ITAC continues to be a valued and trusted conduit of information and collaboration between industry and government. Our calendar is full of opportunities for productive engagement with the Ontario government, and the frequency with which these events sell out attests to their value both to industry and to the government officials who attend and lead presentations. This kind of collaboration will continue to grow in the future.

PUBLIC SECTOR BUSINESS IN ONTARIO

In the past year, the Ontario Public Sector Business Committee (ON-PSBC) has become the single voice for our industry in Ontario, focusing on providing value to the Ontario public sector as well as to our members and prospective members. There were several specific ON-PSBC points of engagement with the Ontario government in the past year.

- We continued to strengthen our relationship with the Ministry of Government Services through ongoing engagement with senior leaders within the department. Specifically, we worked with Government Services to provide vendor input for the next generation of consulting services VOR arrangements and specifically for the Task-based I&IT Services VOR arrangement.
- We also work closely with the Government's Corporate Chief Information and Information Technology



Lisa Carroll
ITAC Ontario Chair and Vice-President, Consulting Services, Government - Ontario, CGI Inc.

Officer David Nicholl. The CCIO breakfasts continue to be must-attend events for any company wishing to do business with the Ontario government. We hosted two sold-out CCIO breakfast briefings, in November 2013 and April

ITAC IN ONTARIO: ENGAGING WITH GOVERNMENT TO PROMOTE THE IMPORTANT ROLE OF TECHNOLOGY AND INNOVATION IN THE PROVINCE'S FUTURE

2014, where the CCIO addressed the ITAC membership, and CIOs from various clusters informed our membership on the ICT strategies in their areas. The intimate and interactive panel format continues to attract more than 200 attendees at each event.

- We also launched a broader public-sector breakfast series in 2013 with extremely well-received events in May and October 2013. CIOs from the sector presented their priorities and challenges to our vendor community in an interactive format. Guest CIO presenters in 2013 included: MPAC, WSIB, City of Toronto, Canadian Securities Administrators, Toronto Community Housing, and the Toronto Transit Commission.
- The continuing successful Fireside Chat series offers a high-level and off-the-record discussion of issues affecting IT procurement and sourcing. Deputy ministers, CIOs and assistant deputy ministers from the Ontario public sector and broader public sector are invited to meet with our members in this interactive and informal forum. Guest speakers included: Fariba Anderson, CIO, MPAC; Frank D'Onofrio, Deputy Minister, ServiceOntario; Ron McKerlie, Deputy Minister, Open Government, Ministry of Government Services; and David Fountain, CTO, Ontario Securities Commission.

We will continue working in collaboration with the Ontario public sector to increase online communication and information sharing as well as innovation showcase opportunities for 2014.

ONTARIO INNOVATION AGENDA AND ICT STRATEGY

ITAC continued its close relationship with the Premier's Office, as well as the Ministry of Economic Development, Trade and Employment (MEDT&E) to develop and expand collaboration. We have met regularly with the Premier's Office, and have been invited to provide input on the Ontario ICT Strategy.

ITAC hosted a private informal dinner in April 2014 with Research and Innovation Minister Reza Moridi to discuss the priorities and initiatives of key member stakeholders. ITAC will continue to increase its presence and influence with MEDT&E and the Ministry of Research and Innovation in 2014/15.

ITAC's Ontario Board has done a tremendous job of engaging some of the most committed and energetic volunteers, and we have enlivened the ongoing discourse among our members and with our stakeholders about technology's role in our society.

INTERNATIONAL BUSINESS DEVELOPMENT:

ITAC INTERNATIONAL BUSINESS STRATEGY FOCUSES ON INDIA AND DUBAI

ITAC has a number of initiatives to promote international business development strategies among Canadian ICT companies.

Last year, the focal points of our program were two missions that took 12 companies to India and Dubai in the United Arab Emirates. The feedback we have received indicates that the participating companies found the missions helpful in establishing business contacts in the regions we have targeted. While these were meant to be “early reconnaissance” missions, we are receiving solid reports of real and pending deal flow.

ITAC has recently received notification of funding from Canada’s Department of Foreign Affairs, Trade and Development (DFATD) to continue this work in 2014. We will be returning to Dubai in October, and have received DFATD support to bring 10 companies to GITEX, the largest ICT trade show in the gulf region. The focus of this mission will be on smart infrastructure and cybersecurity.

In 2014, ITAC will also be expanding its network of contacts in the gulf region to provide better B2B connection in the region for our mission participants.

We will also be returning to India, most likely in January 2015, with approximately 10 companies in our mission. This mission will not be tied to a specific trade show, and will be built from the ground up for companies in specific tranches of ICT such as security, health or telecom. Working with private-sector partners and DFATD trade commissioners we will build a program that delivers general and specific business introductions for the companies recruited for this mission.

DFATD support enables us to reduce the cost of travel to these mission destinations by as much as half for participating Canadian companies. This presents excellent opportunities to explore these high potential markets.

We encourage you to learn more about these missions and, if it is appropriate for your company, to join us. You can learn more about 2014 International Business Development Program by contacting Lynda Leonard (leonard@itac.ca).

INTERNATIONAL BUSINESS DEVELOPMENT: ITAC INTERNATIONAL BUSINESS STRATEGY FOCUSES ON INDIA AND DUBAI

MAKING INROADS OVERSEAS

CHM Inc. was invited by ITAC Health to be part of ITAC's trade mission to Dubai. The trade mission visit was during the Arab Health IT conference and this was an incredibly worthwhile opportunity for us. Not only were we able to do some comparisons between the Canadian healthcare system, but we learned a lot about how the United Arab Emirates were also advancing health information management in healthcare. CHM Inc. specializes in consultant services for the entire lifecycle of the health record, and information management standards, and we encountered a lot of interest from the people we met to adopt and adapt the Canadian standards for their health records. The UAE people we met had a great respect for Canada and our healthcare system and would like to emulate this. I feel that gives Canadian IT companies a huge advantage to work within the UAE.

Gail Crook, CEO, CMH Inc.



Gail Crook, CEO, CMH Inc.



DIGITAL COMMERCE:

ITAC SUPPORTS THE DEVELOPMENT OF CANADA'S DYNAMIC DIGITAL COMMERCE COMMUNITY

THROUGH THE ITAC Digital Commerce Forum, we provide an active body of members with the ability to network and provide thought leadership in this area. The forum works proactively to encourage the increasing use of digital commerce tools in Canada while ensuring that both government policy and vendor offerings are consistent with private-sector requirements.

A major initiative in the past year was the creation of a new thought leaders forum to serve the financial services sector.

Financial services are information-intensive businesses. A significant catalyst of change in this industry has been the development of new information technologies. Advances in computing and telecommunications continue to improve the speed, security, volume and quality of information processing in this industry, and to greatly lower the cost of transactions. These technologies have made possible new and more interactive financial products and services. This sector's importance to the Canadian economy has shaped how technology impacts all Canadians. It is imperative, from a technology perspective, that the sector has a forum to impact technology vendors, regulators and key factors affecting the success of the sector.

Combining the power of two of Canada's leading sectors to promote and proactively contribute to the health of the financial services industry is the ultimate goal of the

new forum. There are many avenues for financial organizations to discuss their overall businesses but none that focus exclusively on technology and the requirements of this sector. From influencing vendor policy to ensuring government policy, this forum will tackle the key technology issues that members deem vital to the health of their sector.

AMONG THE GOALS OF THE NEW FORUM:

- Provide a national platform to senior financial executives that help set the technology agenda in Canada.
- Be an active and strong liaison to federal and provincial governments in face-to-face meetings with Ministers on issues relating to technology for the financial sector.
- Provide vital networking opportunities to both international and Canadian technology companies, augmenting what companies already do on an individual basis.
- Expose top employees to professional development projects by participating in the work of the forum.

DIGITAL COMMERCE: ITAC SUPPORTS THE DEVELOPMENT OF CANADA'S DYNAMIC DIGITAL COMMERCE COMMUNITY

- Lead the agenda setting in other ITAC initiatives vital to the financial sector, including cyber security, digital commerce, and talent.

In addition to the new financial technology sector council, in May ITAC announced the formation of its Digital Economy Policy Forum, which will meet to discuss and determine ITAC responses to government and other

initiatives that would affect Canada's policy and regulatory environment for ICT. Issues covered include the national digital economy strategy (Digital Canada 150), Canada's network infrastructure, the Internet of Things, taxation of e-commerce, new media, copyright, privacy, breach notification, lawful access, and spam, among others.



ITAC HEALTH:

PROCUREMENT ISSUES DOMINATED THE AGENDA WHILE OTHER ISSUES BECAME FOCAL POINTS FOR DISCUSSION AND ACTIVITY

PROCUREMENT ISSUES

Continuing with the work started last year, a number of significant activities were initiated in 2013-14.

ITAC Health formed a partnership with CHIEF—Canada's Health Executive Forum—to publish a set of procurement best practice guidelines. These guidelines will represent a consensus of both clients and vendors.

The ITAC Health Procurement Task Force of the Membership and Program Development committee reconvened under new leadership in late November and has identified two broad areas of interest to focus on: engagement, communication, and collaboration; and electronic submissions.

A significant success came from ITAC Health's pursuit to address procurement issues with healthcare agencies and jurisdictions across Canada. ITAC Health was able to secure scheduled meetings with the Canada Health Infoway's FPT (Federal, Provincial, and Territorial) CIO forum.

CERTIFICATION, STANDARDS, AND INTEROPERABILITY

To develop a robust health ICT industry that generates jobs and economic growth, health ICT standards and certification processes must be aligned both nationally and internationally, and must enable export opportunities in order to foster and support innovation and investment.

ITAC Health and Canada Health Infoway launched a review of the certification of the Canadian digital health solution landscape to ensure it continues to address emerging industry needs, trends, and best practices. The review will provide the consensus for a comprehensive national strategy represented by the interests of the key stakeholders, health care providers, and vendors, and will be published in mid-2014.

ITAC Health continues to be active in the discussions around the regulation of health software as a medical device (SaMD)—the international definition is expanding to include such forms of software as decision support and delivery processes. As an active member of DITTA, the Global Diagnostic Imaging, Healthcare IT & Radiology Therapy Trade Association, ITAC members benefit from the added advocacy that may influence Health Canada's decision to accept the SaMD definition.

ITAC Health's Interoperability and Standards committee held a very successful big data workshop in Toronto in October. ITAC members attended along with many key stakeholders from the sector, and common concerns were identified.

VENDOR CREDENTIALING ISSUE

Healthcare organizations in Ontario and Quebec are exploring options for credentialing vendor personnel who are required to attend on-site at healthcare

facilities for sales, service, and other functions in support of products and services.

In order to be effective, ITAC Health believes that any vendor credentialing regime must be based on national standards adopted and supported by all healthcare organizations in Canada. ITAC Health is working with other trade associations, specifically MEDEC and Rx&D, and HSCN, to develop an industry strategy for the promotion and implementation of the national standard. An ITAC Health policy statement has been developed for vendor credentialing, endorsing the HSCN national standard and recommending that ITAC Health Members register with HSCN.

EDUCATIONAL SESSIONS, WORKSHOPS AND NETWORKING EVENTS

Delivering valuable educational eHealth update sessions and topic specific workshops across Canada will remain a focus for ITAC Health in collaboration with Alberta Health, eHealth Ontario, Cancer Care Ontario, Canada Health Infoway, and others. ITAC Health hosted an annual Canadian reception at HIMSS in February in Orlando, Florida; more than 400 attended the event, which continues to be a 'must-attend' event for all Canadians at HIMSS every year.

HEALTH INFORMATICS AND HEALTH INFORMATION MANAGEMENT HUMAN RESOURCES REPORT OUTLOOK, 2014-19

ITAC Health partnered again with COACH, Canada Health Infoway, and CIHI to deliver an update to the 2009 study on the Health Informatics and Health Information Management Human Resources Report

"I am very proud of the impact ITAC Health has made this year. It has taken strong effort from the ITAC Health staff, board members and committee chairs, and I am extremely grateful for their support." – **David Mosher**



David Mosher,
Chair, ITAC Health
Board of Directors,
and Director, RelayHealth
McKesson

Outlook, 2014-19. ITAC Health members were provided the opportunity to provide their input to the specific industry private-sector survey.

ANNUAL CANADIAN HEALTH INFORMATICS AWARDS

ITAC Health continues to partner with COACH to host the 9th annual Canadian Health Informatics Awards on June 3 in Vancouver, in conjunction with the national eHealth Conference.

EXPORTING INITIATIVES

ITAC co-ordinated a very successful trade mission in Dubai in January. Six companies participated, and were able to attend the Arab eHealth conference, given the opportunity to meet with potential partners, and to evaluate potential business opportunities in and around the Middle East. ITAC Health continues to work with trade commissioners and governments from various different countries and areas such as the U.S., Europe, Australia, and the Asian Pacific Rim on an ongoing basis, providing members with the various opportunities for potential exporting.

MICROSYSTEMS:

EVEN GREATER MACRO EFFECTS. CANADA'S MICROSYSTEMS COMMUNITY IS A HOTBED OF INGENUITY AND ENTERPRISE.

MANY COMPANIES are actively engaged in the design and production of semiconductors and the embedded software that makes them run. This is one of the most research and development (R&D) intensive sectors in the ICT industry and—in spite of the challenges facing the global microsystems industry—it is still a source of important start-up activity.

ITAC's Strategic Microsystems Council (SMC) is led by a steering committee (Chair Ken Wagner, David Lynch, and Ken Schultz). The Council interacts with the microsystems community to promote professional development, public policy discussion and business networking. Working with microelectronics/microsystems development companies and researchers, the SMC hosts Best Practice Forums on technical and business topics throughout the year in cities across Canada.

Because of the R&D intensity of the microelectronics and microsystems industry, the changes made to the Scientific and Experimental Development program in the 2012 and 2013 federal budgets have had an impact on this group of companies. This year, the SMC joined forces with the ITAC Tax and Finance Committee to present a series of Best Practice Forums in Toronto, Waterloo and Montreal advising members of measures they may take to lessen the impact of the changes and explore new sources for direct

support for R&D. We were joined by various stakeholders—including NRC-IRAP, FedDev, NSERC, and Ontario Centres of Excellence—who reviewed the various mechanisms they have to support R&D and commercialization.

Once a year, in collaboration with CMC Microsystems, the SMC hosts a major conference for the microsystems industry and the academic community. In 2013, the Executive Forum on Microsystems marked its 19th year. This forum brings leading speakers from around the world to engage with members of the Canadian microsystems industry. It provided a valuable window on an industry whose business models are evolving as rapidly as the technology that drives them. Serial entrepreneur and founder of Solantro, Antoine Paquin, and Brian Doody, CEO of Teledyne Dalsa, provided provocative keynote addresses. The conference also featured lively panel discussions on the challenges startups face in the current environment and on the role embedded systems play in deepening the intelligence of systems and devices.

**MICROSYSTEMS: EVEN GREATER MACRO EFFECTS.
CANADA'S MICROSYSTEMS COMMUNITY IS A HOTBED OF
INGENUITY AND ENTERPRISE.**



Ken Wagner,
*ITAC SMC Chair,
Distinguished Engineer,
PMC-Sierra Inc.*

The Executive Forum also provides an opportunity to recognize the many leaders who have helped to establish Canada's credentials as a key player in the global industry. In 2013, the SMC presented its Outstanding Service Awards to serial entrepreneur John Roberts, who founded Calmos (later called Tundra) and SiGe Semiconductor, and Sorin Voinigescu, the distinguished professor and entrepreneur from the University of Toronto.

MODERNIZING PUBLIC SECTOR USE OF INFORMATION TECHNOLOGY:

ITAC IS A TRUSTED ADVISOR TO FEDERAL GOVERNMENT DEPARTMENTS

ITAC continues to promote the Public Sector Transformation in the use and procurement of ICT. We work as a trusted advisor with Shared Services Canada (SSC), Public Works and Government Services Canada (PWGSC) and the Treasury Board Secretariat.

PWGSC Minister Diane Finley recognized the value of ITAC's contribution at the Government Technology Exhibition last October, and welcomed our input at the quarterly meeting of SSC's Information Technology Infrastructure Roundtable. ITAC President & CEO Karna Gupta provided input from ITAC members on SSC's collaborative procurement process and other strategic issues. Through ITAC's efforts, members have participated in SSC consultation committees, influencing procurement direction on cloud, identity management, and workplace technology devices, as well as on procurement sourcing models and approaches to procure innovative products and services.

ITAC and its members also provide input on six PWGSC committees, including its Supplier Advisory Committee, which, this year, is examining issues related to limitation of liability and the procurement of professional services.

The federal Public Sector Business Committee (PSBC) continues its monthly meeting to review issues with members and with Government representatives. This past year, members of

one of the PSBC Working Groups presented to the CIO and CTO of the Government of Canada, as well as departmental CIOs, recommending central service management for Government enterprise applications.

ITAC continues to hold member events to promote networking and information exchange among members and Government representatives. In January 2014, ITAC, Canada's CIO and Shared Services Canada jointly hosted an Outlook Conference, "Captains of the Enterprise: The Future of IM/IT Risk Management". More than 110 public- and private-sector executives attended to discuss risk management as the Government transitions to an enterprise service model. Members also had the opportunity to engage with Government officials at the assistant deputy minister level at ITAC's Executive Briefing series.

In the next year, ITAC intends to continue its advocacy and procurement activities on behalf of its members. We will also press for the Government to address issues related to the skills gap, and to build on its digital economy strategy to promote the adoption of technology.

INTRODUCING ITAC TALENT



UNDERSCORING THE TALENT IMPERATIVE

INFORMATION and communications technology (ICT) is one of Canada's fastest-growing sectors.

This growth is fuelled by brainpower—the skill and experience of our workforce. With a sector unemployment rate of just two to three percent (statistically viewed as full employment), the ICT workforce is well compensated. Wages are 50 percent higher than the national average. This is also a highly educated sector—45.1 percent of our employees have a university degree, compared with the national average of 26 percent.

Maintaining access to skilled workers is essential, not just for growth but to drive innovation.

Talent is a critical priority for ITAC. This is underscored by the recent creation of ITAC Talent, the new name for the former Canadian Coalition for Tomorrow's ICT Skills (CCICT). CCICT and ITAC have merged and created this new entity, which will continue to deliver our talent strategy. This strategy has five elements:

ADVOCACY

ITAC interacts with governments to promote a broad understanding of knowledge-based labour, and we advocate for specific policy measures that reflect this understanding. For example, ITAC has participated actively in consultations on Temporary Foreign

Workers, inter-company transfers, and the New Canada Jobs Grant. We have also discussed these matters with policymakers including ESDC Minister Jason Kenney and Citizenship and Immigration Minister Chris Alexander.

RESEARCH

Using the resources of the former CCICT and other stakeholders, such as the Information and Communications Technology Council (ICTC), we secure the best labour market information available to guide our members on how to manage our present and future talent pool.

COMMUNICATION

One of CCICT's major achievements was its ability to change the conversation with the emerging technology workforce, finding new ways to communicate with the next generation of ICT workers about the nature of technology jobs now and in the future. ITAC Talent continues this important communication.



Sheryl Helsdon-Baker,
ITAC HR Forum
Co-Chair, Senior
Director, Human
Resources, Oracle
Canada

INTRODUCING ITAC TALENT UNDERSCORING THE TALENT IMPERATIVE

BEST PRACTICE FORUMS

Excellence in Human Resources practice is central to labour pool stewardship at both an enterprise and an industry level. ITAC's HR Forum brings human resources professionals from large, medium, and small companies together regularly to share best practices and knowledge in HR management.

DIVERSITY

As a knowledge-based sector, access to a ready supply of smart women and men is absolutely critical to our success. In 2009, ITAC launched the Diversity Advisory Group, a large working group of members and stakeholders, committed to changing the gender ratio in our industry. It has devoted a huge amount of energy to addressing women's engagement in our industry in all dimensions of ICT operations, from entry-level employment, through management and into senior leadership. A key focus of the work of ITAC's Diversity Advisory Group over the past 12 months has been to explore the role women play in the senior governance of Canadian ICT firms as directors. The Diversity Advisory Group is co-chaired by Lloyd Bryant, Managing Director, Hewlett-Packard (Canada), and Lally Rementilla, Vice-President, Finance and Administration, Nulogy Corporation.

In July 2013, ITAC produced a well-received whitepaper on this issue. We share the belief that diverse boards of directors produce better-run and more successful companies; so it is important to us to understand the extent

"I have gained much insight and brought back a wealth of information to my organization from the ITAC HR Forum over the past several years. Topics ranging from new employee onboarding to social media to compensation and benefits and the employment legal environment all provide stimulating learning, as well as invaluable peer networking and knowledge sharing opportunities." – **Bruce Markowitz**



Bruce Markowitz,
ITAC HR Forum
Co-Chair, HR Director
for Unisys Canada

to which women currently contribute to Canadian ICT boards of directors and to understand the obstacles and opportunities that impact fuller engagement. We are continuing to work with government and industry stakeholders on this critical issue.

The Advisory Group also continued its successful Women in Leadership Speaker Series with sold-out events showcasing female leaders such as Mandy Shapansky, CEO of Xerox Canada, and most recently Janet Kennedy, President of Microsoft Canada. We also continue to lead and promote initiatives to support women entrepreneurs as well as to attract girls and young women to the technology sector.

REPRESENTATION ON TAXATION:

SUPPORTING ICT SECTOR GROWTH THROUGH FORWARD-LOOKING TAX REGIMES

BUSINESS TAXES can encourage or inhibit ICT investment and research and development (R&D). Conversely, the tax system can be used to deliver incentives for specific types of business behaviour including R&D and investment in new technology.

TAXATION: ITAC's Tax and Finance Committee presents a clear and united viewpoint to policymakers on how tax measures can encourage the growth of a strong, knowledge-based economy. For example, in recent years we have actively promoted overall corporate tax reduction and reform of provincial sales tax regimes. We have also advocated such measures as the accelerated capital cost allowances on ICT equipment to encourage Canadian businesses to invest in technology.

One of the most important elements in the Canadian tax environment is the Scientific Research and Equipment Development (SR&ED) program, which provides direct payments or tax credits to companies performing R&D. The ICT industry invests in R&D more intensively than does any other sector; we are responsible for 33 percent of the total national R&D investment in Canada. SR&ED credits are therefore immensely important to many ITAC members and the ICT industry itself.

Changes to the SR&ED announced in the 2012 Federal Budget have raised substantial concerns among many R&D performing companies. Most notable is the federal government's expressed intention to shift R&D and innovation support

from tax-based mechanisms, such as SR&ED, to a direct or program-based approach. This was reaffirmed in the 2013 and 2014 budgets, which contained new measures for direct support—in particular new initiatives in IRAP and an Advance Manufacturing Fund for Southern Ontario.

ITAC deals with a variety of issues our members raise regarding the administration of SR&ED claims. We meet officials at the Canada Revenue Agency on a regular basis to discuss these issues and, where possible, remedy them.



Karen Atkinson,
*ITAC Tax and Finance
Committee Chair,
Tax Partner, EY*

REPRESENTATION ON TAXATION: SUPPORTING ICT SECTOR GROWTH THROUGH FORWARD-LOOKING TAX REGIMES

INVESTMENT: The availability of capital is essential for the formation of robust knowledge-based businesses.

The ITAC Tax and Financial Committee is also concerned about the inhibiting effects of weak Canadian venture capital markets. This focus has become even more important, given that, historically, Canada has a smaller pool of venture capital than do other countries. At the moment, what capital we do have is at a historic low and highly risk-averse.

ITAC has pressed the Federal Government to accelerate the rollout of the Venture Capital Action Plan. We were pleased to see major components of this plan announced in late 2013 and early 2014. The creation of the Northleaf Venture Capital Fund in collaboration with the Province of Ontario was particularly welcome and should begin to address the shortage of capital early-stage companies have encountered in recent years.