**Table 4**
**Billings of U.K. Computer Services Industry**
**1980–1982***

| | (£000,000) | | |
| --- | --- | --- | --- |
| | 1980 | 1981 | 1982 |
| Customized programs | 105.7 | 127.9 | 151.3 |
| Package programs | 63.9 | 87.6 | 87.1 |
| Computer time hire | 74.4 | 65.9 | 72.3 |
| Professional services including consultancy | 153.2 | 176.1 | 185.6 |
| Total systems including hardware | 55.1 | 63.4 | 85.1 |
| Other | 84.2 | 91.5 | 113.2 |
| TOTAL | 536.5 | 612.4 | 694.6 |

*Source:* SDQ9 Business Statistics Office, Cardiff, 1983

* These statistics were derived from information provided by
135 U.K. computer services companies which are members of
the Computing Services Association. The participants are both
U.K. and foreign-owned companies.

banking, insurance and libraries), IP Sharp (time-sharing services), Volker-Craig (Terminal), Remanco Systems (restaurant management systems), Gandalf (data communications), Memotec (data communications), AES (word processors), Micom-Phillips (word processors) and Electrohome (monitors). In most cases, activity is confined to shipping the product from Canada via a U.K. distributor or subsidiary. Gandalf has, however, a major manufacturing facility in the U.K.

In view of the diverse nature of the U.K. computing sector, trade development efforts have been primarily geared to assisting Canadian companies on an individual basis (i.e. finding representatives, establishing subsidiaries and identifying major trade shows for the product or services).

The most important hardware show is COMPEC, held annually in London during November. The Personal Computer World Show is held in September in London. The last major Canadian group stand at COMPEC was in 1980, with 11 companies participating. An estimated $6 million of business was achieved and numerous representatives were appointed. Fuller participation in 1984 and 1985 is under consideration.

Trade exhibits can prove to be an effective way of contacting both prospective importers/distributors as well as customers. Follow-up individual itineraries for Canadian companies to meet selected distributors or solo trade exhibits can be organized at the Canadian High Commission as a supplement to the recognized exhibitions.

"Vertical" trade shows are the next level of focus. They are relatively narrow, in-depth shows which attract high quality professional audiences that can offer already established companies excellent opportunities to deepen market penetration. An example of a successful approach was the participation of a Canadian manufacturer of computerized systems for museums in a Museum Exhibition in London. As a result, direct sales worth several million dollars were made and valuable contacts in Europe, the Middle East and Asia were established.

The most important software show is Software Expo Europe, also held annually in London during November, and sponsored by the Computing Services Association and the Institute of Data Processing Management.

## Market Considerations

The best prospects and least competition for Canadian computer companies lie in the "vertical", clearly defined markets, as the competition for "general purpose" hardware and software is intense.

The objective of market penetration in this sector would be to increase U.K. awareness of Canadian capabilities and for companies to aggressively market those capabilities in relation to the specific opportunities.

There is usually less difficulty in locating suitable U.K. partners than in finding Canadian companies capable of supplying a range of new products and services to meet available demand.

There is very little governmental or non-governmental agency involvement in the determination of codes, regulations and standards for computer hardware and software sold in the U.K. Electrical standards involve equipment capable of operation at 240 volts 50 hertz. Although there is no mandatory testing, equipment should comply with U.K. electrical practices as laid out in the relevant British Standards. In the data communications area, attachment of equipment to British Telecom's network requires approval. Accountancy type software should comply with U.K. accountancy practices.

## Competition

The major U.K. hardware manufacturer — ICL — has staged a significant recovery under new management over the past two years. Other major U.K. manufacturers include GEC Information Systems, Computer Technology Ltd., Information Technology Ltd., Digico and Systime. In addition, most of the U.S.-based manufacturers have a significant presence in the U.K. market, including IBM, DEC, Hewlett-Packard, Burroughs, Honeywell, Wang and Data General.

British computer software skills are highly regarded and have attracted many offshore hardware companies to the U.K. Amongst the U.K. software leaders are Logica, CAP, Hoskyns, ICL-Dataskil, Leasco, Software Sciences and SPL.

The main sources of computer hardware imports are the U.S. (about 40 per cent), West Germany, France and Ireland. At present Japan accounts for less than 10 per cent but is catching up fast.