

age package price is \$250. At this time, about 2 percent of Softeemm's software is imported. Softeemm already purchases a number of Canadian packages and Ms. Follin has so far been completely satisfied with pricing, delivery and service support; she would like to hear from other Canadian suppliers.

SCIENCE APPLICATIONS, INC.

2404 Townsgate
Westlake, California 91361 (805) 496-6655

Lenny Karo, Purchasing Manager

Science Applications works mainly for defense industry related companies such as Martin Marietta and Lockheed developing software for specific defense related purposes. Nuclear diction was an example quoted. Once the software has been developed, it is usually handed over to the client company for its own use. Science Applications has a turnover in excess of \$300 million, with one hundred and twenty offices located throughout the country. There are four thousand employees. The company would be interested in hearing from Canadian specialist companies who relate to its field.

OCCIDENTAL COMPUTER SYSTEMS, INC.

6666 Valjean Avenue
Van Nuys, California 91406 (213) 782-3005

Paul Marchetti, President (213) 826-4500

Occidental Computer Systems manufactures and sells healthcare software packages. The company also sells other people's software. Occidental has been in business since 1974. The company has not purchased any imported software to date, but Paul Marchetti is interested in hearing from Canadian software companies which specialize in healthcare and medicine.

SKU

2600 10th Street
Berkeley, California 94710 (415) 848-0802

Bob Goldberg, Vice President Marketing

SKU is a software distributing company. SKU buys and sells all kinds of software, mainly pre-packaged, including business, education and entertainment packages. Mr. Goldberg advised that he is currently considering including imported software in his catalog. Canadian manufacturers should forward brochures before making an appointment. SKU's turnover is in the vicinity of \$24 million a year.

8.4 SUMMARY

Hardware:

The average amount of imported products sold by the hardware distributors who responded to the study is 13.4 percent. Approximately 20 percent of all companies interviewed had purchased Canadian computer products. Most companies expressed an

interest in learning more about potential Canadian sources and products. Only 21 percent suggested that they are experiencing problems with pricing and deliveries of imported products. This suggests that distributors have adjusted to selling imports.

At the same time, however, Southwestern U.S. distributors offer constructive criticism which, if followed, could assist Canadian suppliers to penetrate Southwestern markets successfully. Distributors are prepared to do business with Canadian companies. They suggest that poor marketing strategies, and the inability of Canadian companies to build product-brand awareness through coordinated advertising and effective literature has seriously impeded Canadian efforts in the U.S. Distributors cited Japanese companies' willingness to work together to achieve national identity for their products and compared this with an apparent Canadian reluctance to cooperate in areas to achieve mutual sales goals.

Many distributors felt that Canadians should be prepared to reduce prices to obtain a market share or consider developing radically new products. They felt that Canadian technical and engineering approaches are good but that there is no point in trying to compete with the Japanese, for example, in selling low-priced microcomputer systems and peripherals. A number of distributors do feel that there are gaps in product/technology availability. Video terminals with color graphics potential, high quality impact letter printers, laser printers, processors with multi-user capability, and software capable of operating with both 16 and 32 bit capability are examples. Canadian companies could move to fill these and other product gaps. There is a growing feeling of resentment against the Japanese which Canadians could turn to their advantage provided they are prepared to gear up realistically for export production.

Software:

Although only a relatively small number of software distributors were interviewed, it is apparent that most of these companies are interested in considering imported software packages and that they would consider buying Canadian.

The software distribution industry is extremely fragmented. Some distributors only sell packages manufactured by other companies; other companies design and produce their own packages and also distribute packages made by other manufacturers. Turnkey system companies can also be considered viable software distributors, in certain instances.

The best prospects for Canadian software manufacturers and designers appear to be moderate to high priced special applications packages. Here, a wide range of applications is in demand. Healthcare programs, farm management packages, database management, financial management, survey and construction management packages are examples, and other applications can virtually create their own markets as soon as they have been developed. Companies which specialize in design rather than production could also make successful and profitable connections in the industry. We talked to one com-