

Since the early eighties, the industry has been moving away from customized software and towards the development of standardized "off-the-shelf" software packages. Software is fast becoming the enabling technology for most other industries.

Initial entry to the software industry is not expensive since anyone with a personal computer and programming skills can produce software (there are over 18,000 software companies in North America, over 4,000 in Canada). However, it is extremely difficult to establish a company with permanence and stability, as shown by a failure rate over 30% annually.

A breakdown of Canadian Software Product companies is not readily available. However the figures below represent the 11,000 Software Products and Computer Services companies compiled by Statistics Canada in 1988.

<u>Province</u>	<u>%Companies</u>
Ontario	53
Quebec	24
Prairies	12
British Columbia	9
Atlantic Provinces	2

The same Statscan report indicates the following grouping by company revenues:

<u>Revenues (\$1,000s)</u>	<u>% Companies</u>
0 -> 250	28
250 -> 500	17
500 -> 2000	36
2000 -> 5000	11
5000 -> 10000	4
10000+	4

The Statscan survey covered marketed software products and custom designed software and excluded software embedded in other products such as communications equipment. Although the figures are dated, they do serve to generally portray the industry.