SECTORAL MARKETING PROBLEMS:

Overall: The major factors affecting the marketing competitiveness of
                   the software products sector are - lack of marketing/business skills,
lack of venture capital for the development and implementation of marketing strategies,
a lack of sectoral organization, and a lack of understanding from the established
marketing support groups. These problems are not unique to the Canadian industry
and are quite common in most of the other competitive countries.

Financing/Management Skills: Generally - there is a requirement for
                                             better skills/education in business/marketing,
financing and more readily available financing.

Credibility: Software firms generally lack credibility with the
                       established financial institutions and venture capitalists who have
difficulty grasping something as intangible as software. This situation is quite
understandable in a sector that a few years ago did not exist and is growing faster
than any other global industry sector. Most of the companies are very small with
marketing activities most often directed by the creators of the product. The financiers
also say that software developers do not understand the world of finance.

Associations: The established industry associations were originally slow to
                          recognize software as a sub-sector deserving of serious attention.
However, within the last three years both the Information Technology Association of
Canada (ITAC) and the Canadian Advanced Technology Association (CATA) have
developed structured activities to support software exporters. The association
memberships are currently predominantly made up of the larger companies and do
not benefit from steady from the sectors small and medium enterprises.   The
Industry Associations can be excellent tools to help achieve a healthier export ready
state. However, the associations are limited in funds and depth of human resources.
(ITAC is repeating in Vancouver, September 93, the Softworld Trading forum first held
in 1991.   This forum is targeted on attracting partners and buyers from the Pacific
Rim countries.)

Complexity: The software sector is complicated. Unlike the
                        telecommunications sector, which everybody understands refers
to the transmission of voice or data, the software sector is an enabling technology that
infiltrates almost all strata of the industrial, manufacturing, business, and social
communities, including telecommunications. A product may be a Computer Aided
Design (CAD) or a Graphic product etc., but be directed towards a specific industry
sector.   This requires not only an understanding of the software capabilities but also
of the specific industry it is directed towards. A structured marketing plan requires
good market intelligence that penetrates the use of software in all aspects of business
and life.