

pany with extensive connections in the defense industry which is always prepared to work with designers in allied fields.

We discovered prospects for low priced packages suitable for distribution to retailers. Competition in this area will be more severe and price is an important aspect. Canadian manufacturers will find themselves far more dependent on their distributors than they will be with a more specialized product. It will always be possible to sell a specialized product at a more basic level, for example, by using a single sales representative, particularly during the early stages of a marketing campaign.

Software companies will generally give a clear yes or no answer when asked if they are interested in distributing new products. Most companies who say no will do so simply because they design or produce all the software they need themselves. Two of the companies we interviewed have sold Canadian software previously. One of these companies was completely satisfied with the packages they purchase. The second company found pricing too high for the particular package they had purchased; service support was also inadequate. Despite the negative overtones, both companies were interested in new Canadian products.