

# **Creating Economic Development Linkages with the Ottawa Technology Cluster**

**Presented by Doyletech Corporation**

**September 2003**

**Cape Breton, Nova Scotia**

# Agenda

**Part I – *Technology Cluster Development***

**Part II – *A Needs Analysis of Ottawa-Gatineau's High Technology Industry (OTC)***

**Part III – *Developing Supply Linkages with the OTC***

- *Requirements*
- *Strategies for Municipalities*
- *Strategies for Individual Firms*

**Part IV – *Next Steps***

***PART I***

# **Technology Cluster Development**

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# Cluster / ED Strategies

- **Import**
  - campaigns to attract branch plants
- **Grow-Your-Own**
  - assistance to local entrepreneurs  
(business planning, accessing seed capital, etc.)
- **Linkages**
  - informing local companies about opportunities in a major technology cluster or near-by area
  - also technology linkages

## Cluster Influences

- **Research / Academic** – *Waterloo, Research Triangle Park, Ottawa*
- **Manufacturing** – *Ireland, Scotland, Mexico*
- **Local Entrepreneurship** – *Boston, San Jose, Ottawa, Vancouver*
- **Large Government Hi-Tech Presence** – *Houston, Huntsville*

## **ED Linkages - The Rationale**

*The Irish experience suggests that it should be possible to accelerate the creation and growth of a technology industry in a given area by encouraging local firms, both low technology and high technology, to supply products and services to the nearest high technology cluster that has reached a size where it has broad purchasing powers. Such a strategy is referred to as a **Linkages Strategy**.*

**This will ensure that communities are exporting products and services rather than young people.**

# ED Linkages - The Eastern Ontario Experience



## *ED Linkages - The Opportunity*

Currently, less than **2%** of the goods and services required by Ottawa technology firms **in their manufacturing processes** are being procured from Rural Eastern Ontario.

**Approximately \$87 Million per year  
from a total market opportunity  
over \$4.8 Billion.**

## *ED Linkages - The Opportunity (cont)*

Even without Linkages Type programs in place, Rural Eastern Ontario suppliers expect significant growth in business from the OTC going forward.

Rural suppliers expect to increase their total sales with OTC firms by ***at least 39% by 2005***. We would expect that the actual increase in total sales should be even higher.

## **ED Linkages - The Opportunity (cont)**

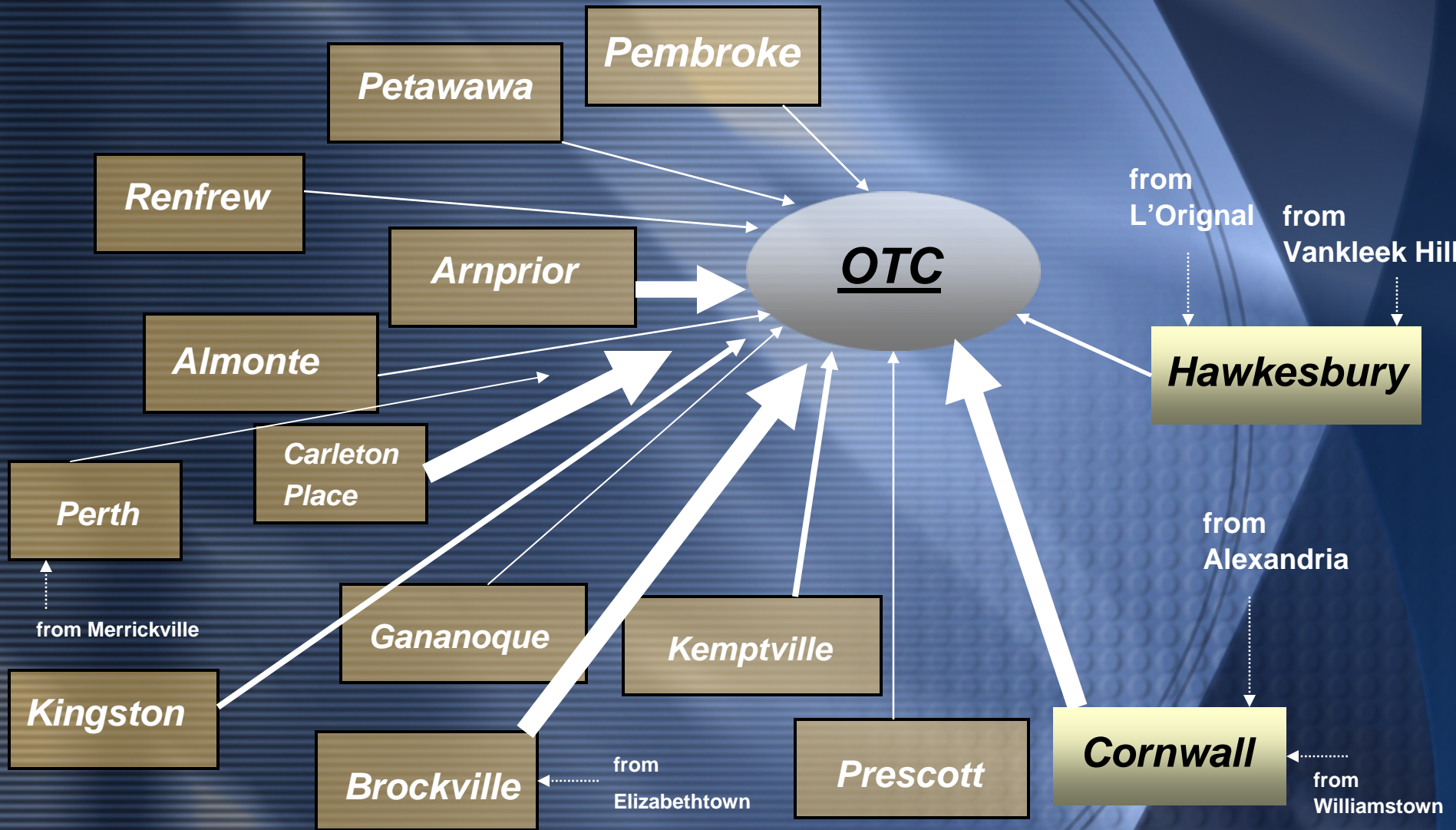
<b>Number of Firms Identified</b>	<b>Current Total Sales Of Firms 2002 (\$)</b>	<b>Current Total OTC Sales 2002 (\$)</b>	<b>Total OTC Sales Expected in 2005 (\$)</b>	<b>% Change in Total OTC Sales (2002-2005)</b>
<b>230</b>	<b>1,702,875,000</b>	<b>87,098,600</b>	<b>121,284,700</b>	<b>39.2</b>

Source: *Doyletech Corporation Linkages II Study – An Assessment of Linkages I.*

**Current Full-Time Employment of these Firms: 14,530**

**32 suppliers account for about 85% of Rural Eastern Ontario's total sales penetration of the OTC (in terms of COGS).**

# ED Linkages – A Regional Program



# *ED Linkages – A Regional Program*

## Community of Participants

**Economic Development Offices /  
Organizations**

**ED Linkages  
Services**

**Cape Breton  
Suppliers (Firms)**

**OTC Firms**

# *ED Linkages - Identifying the Supply Opportunities*

## *Eastern Ontario*

- machining and fabricating
- prototyping / NPI
- electronics manufacturing services (EMS)
- customs brokerage and freight forwarding
- specialized coatings and finishing
- several non-COGS linkages as well

# ED Linkages - Identifying the Supply Opportunities

- **Kingston** - finishing / coating  
- machining / fabricating
- **Hawkesbury** – components (electronic)  
- machining
- **Cornwall** - assembly / heavy EMS  
- machining / fabricating  
- testing
- **Brockville** - assembly / heavy EMS  
- telecom equipment / services

## **ED Linkages – Most Common Barriers To Entry** **Experienced By Eastern Ontario Suppliers**

- 1. Qualified Contacts**
- 2. Market Intelligence on the OTC / Product Knowledge of the Potential Customer (Current Needs)**
- 3. Inertia of OTC Firms To Change Current Suppliers**
- 4. Lack of Exposure In The OTC**
- 5. Capacity Constraints / Resource Limitations (Non HR)**

**Other barriers often mentioned:**

**Perceived By OTC Firms As Being Too Small**

**Lack of ISO Certification**

**Too Much Competition in the OTC**

# **ED Linkages – Most Desired Sales & Marketing Tools** **By Eastern Ontario Suppliers**

- 1. Develop An Eastern Ontario Web-Based Firm and Supplier Database**
- 2. Assistance with Sales (i.e. Sales Brokering / Sales Facilitation Services, Introductions, etc.)**
- 3. An Eastern Ontario Web-Based Procurement Portal**
- 4. An Eastern Ontario Manufacturers Network**
- 5. Regular E-Newsletter Service on Eastern Ontario Supply Opportunities (in OTC, Eastern Ontario, or both)**

# Roles For the EDO

Importation - focused on salesmanship, development of marketing strategies

Grow-Your-Own - requires assessment of the larger economic and social infrastructure of the area

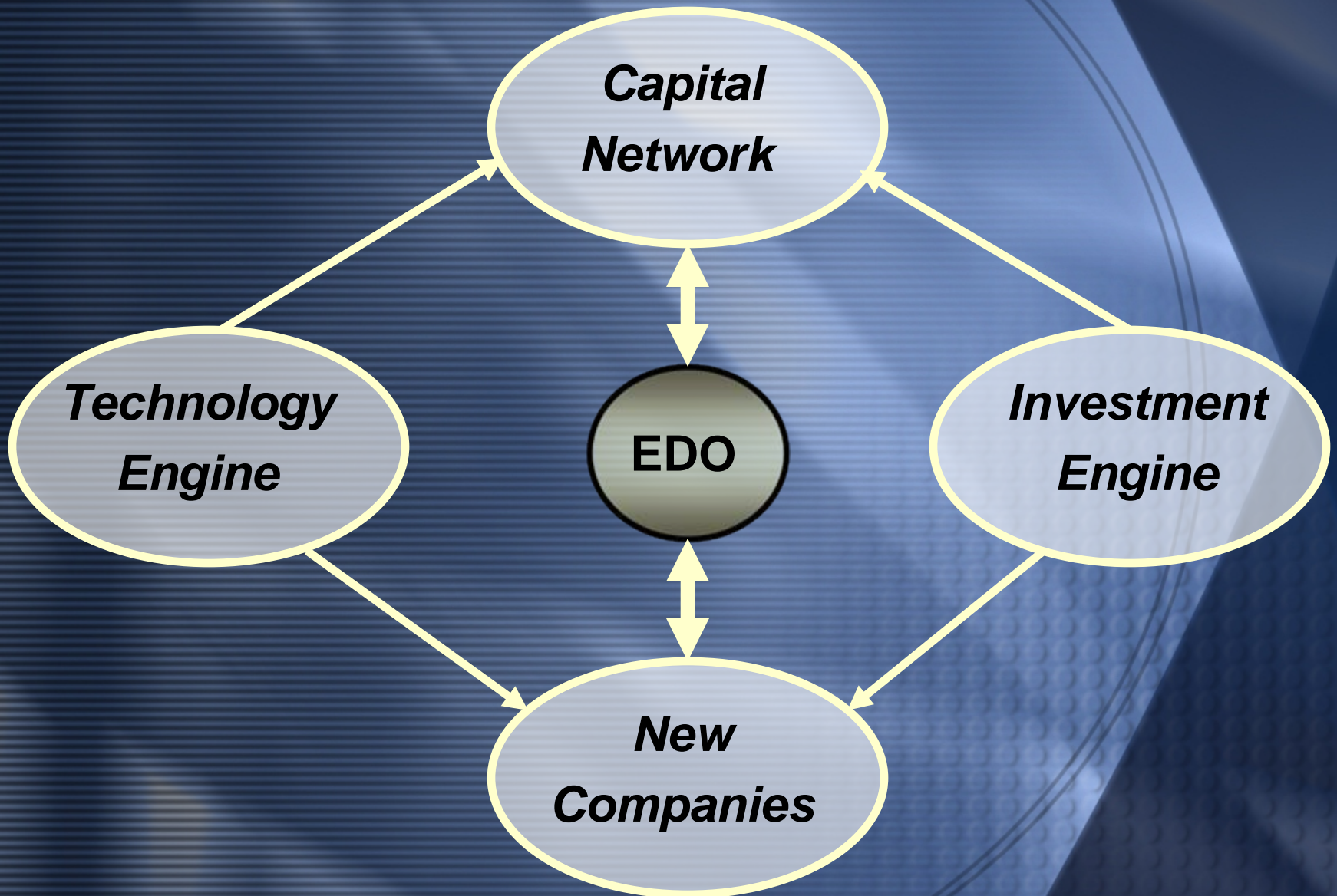
- must be a facilitator between the technology and investment engines

Linkages - a regional approach to economic development

- complementary to a grow-your-own strategy

- “cost of doing business” factors less relevant

## *Roles For the EDO (cont)*



## ***PART II***

# **A Needs Analysis of Ottawa - Gatineau's High Technology Industry**

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# *High Technology Firms Buy Products and Services for Various Purposes:*

- Sales & Marketing
- R & D
- Administration
- Capital Equipment
- Cost of Goods Sold (COGS)

# *What is COGS?*

- **it is the labour, material and overhead that goes into the company's products**
- **differs from company to company**
- **largest component of an income statement**
- **purchases are made on a regular basis and not just sporadically**

# Income Models:

	<u>Hardware</u>	<u>Service</u>	<u>Software</u>
Sales Revenue	100	100	100
Cost of Goods	<u>45</u>	<u>60</u>	<u>20</u>
Gross Profit	55	40	80
Operating Expenses			
Selling	5	2	10
Marketing	10	10	20
Engineering	10	5	15
Warranty Costs	5	2	10
General & Admin	<u>8</u>	<u>8</u>	<u>6</u>
Total Operating	38	27	61
<i>Operating Profit</i>	<i>17</i>	<i>13</i>	<i>19</i>

## *The Ottawa Technology Cluster (OTC):*

- the Ottawa High Technology industry has sales of **\$13 billion** and COGS of **\$7 billion (early 2002)**
- the \$7 billion includes **\$2.4 billion** for product purchases and **\$1.7 billion** for services purchases
- the remaining **\$2.9 billion** is spent internally on services such as assembly and testing

Source: *Doyletech OTC Needs Analysis (late 2001 / early 2002).*

## *The Ottawa Technology Cluster:*

- high technology companies are broken down into 17 sectors (e.g. Telecom., Software, Computer Hardware, etc.)
- a COGS figure was established for each sector
- the outside purchases were broken down into 12 product “bins” and 12 service “bins”

**OTTAWA TECHNOLOGY CLUSTER**



**17 Sectors**

**R & D   G & A   COGS   Sales / Market.   Capital Equipment**

**Products**

**Services Inside**

**Services Outside**

**12 Bins**

**12 Bins**

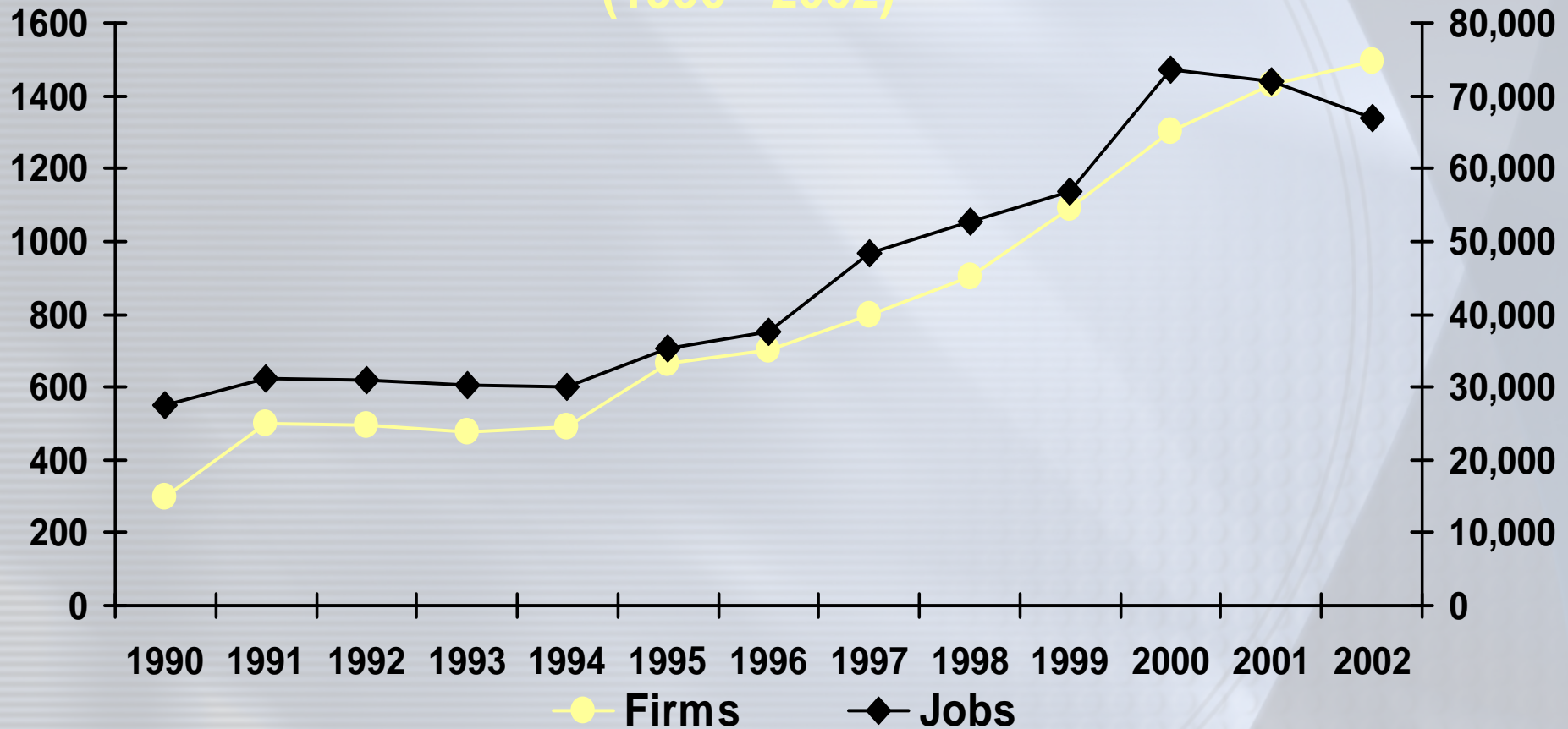
**Company Interaction**

**LOCAL SUPPLY CAPABILITY**



# The Ottawa Technology Cluster:

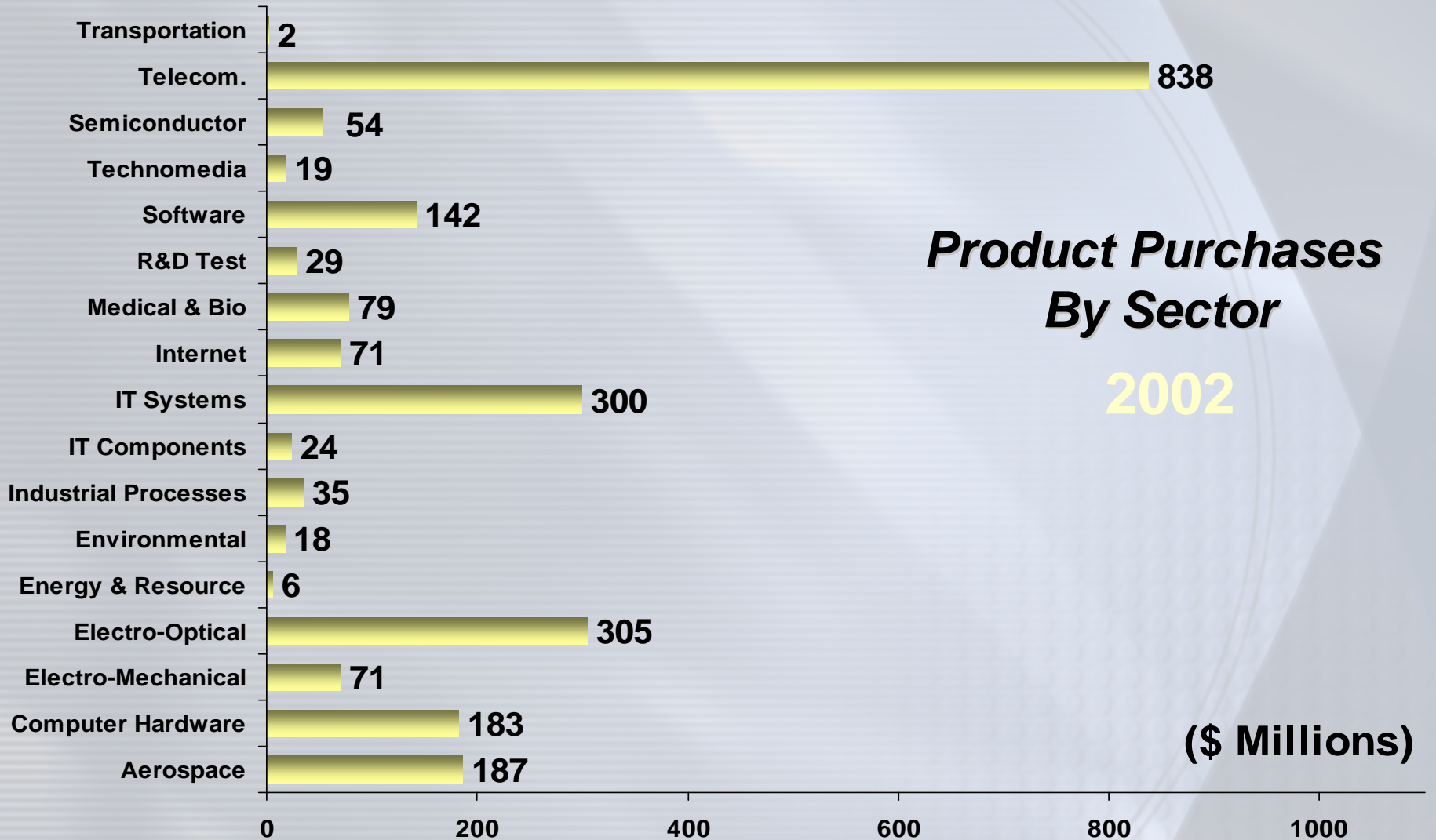
## Number of Firms and Total Employment (1990 - 2002)



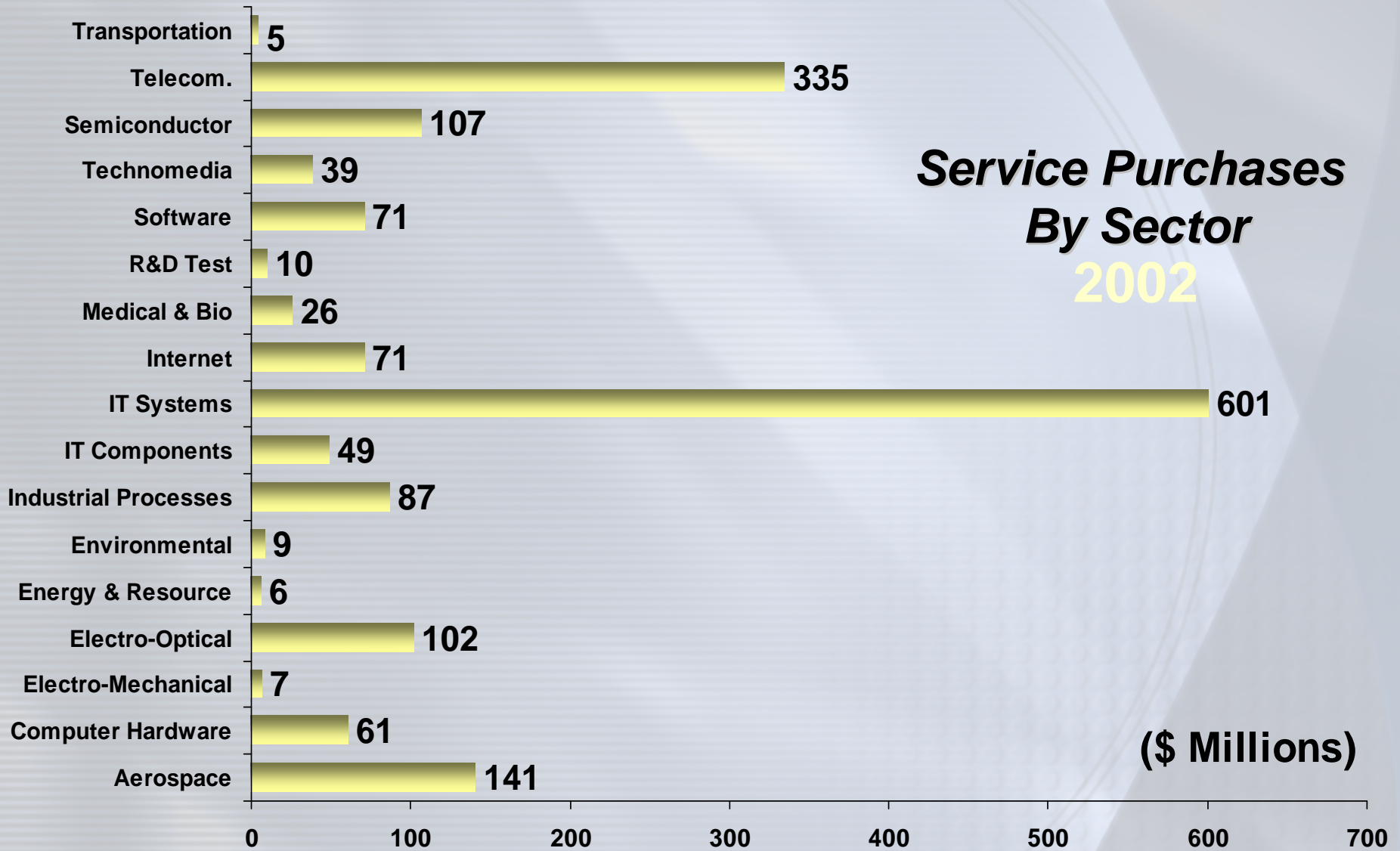
<b>Sector</b>	<b>Employment</b>	<b>Sales Per Employee (000's)</b>	<b>Sales (\$ Millions)</b>
<b>Aerospace, Defence</b>	<b>4,931</b>	<b>190</b>	<b>937</b>
<b>Computer Hardware</b>	<b>3,390</b>	<b>180</b>	<b>610</b>
<b>Electro-Mechanical</b>	<b>940</b>	<b>150</b>	<b>141</b>
<b>Electro-Optical</b>	<b>4,577</b>	<b>222</b>	<b>1,016</b>
<b>Energy &amp; Resource</b>	<b>185</b>	<b>150</b>	<b>28</b>
<b>Environmental &amp; Geos.</b>	<b>584</b>	<b>150</b>	<b>88</b>
<b>Industrial Processes</b>	<b>2,328</b>	<b>150</b>	<b>349</b>
<b>IT Components</b>	<b>1,217</b>	<b>200</b>	<b>243</b>
<b>IT Systems</b>	<b>13,775</b>	<b>218</b>	<b>3,003</b>
<b>Internet &amp; E-Commerce</b>	<b>4,732</b>	<b>150</b>	<b>710</b>
<b>Medical &amp; Biotech.</b>	<b>2,189</b>	<b>120</b>	<b>263</b>
<b>R&amp;D Labs, Testing</b>	<b>488</b>	<b>200</b>	<b>98</b>
<b>Software</b>	<b>6,560</b>	<b>216</b>	<b>1,417</b>
<b>Technomedia</b>	<b>1,374</b>	<b>140</b>	<b>192</b>
<b>Semiconductor</b>	<b>2,818</b>	<b>190</b>	<b>535</b>
<b>Telecom &amp; Satellite</b>	<b>16,760</b>	<b>200</b>	<b>3,352</b>
<b>Transportation</b>	<b>132</b>	<b>120</b>	<b>16</b>
<b>Other</b>	<b>68</b>	<b>120</b>	<b>8</b>
<b>Total</b>	<b>67,048</b>	<b>Average – 170.3</b>	<b>13,005.9</b>

<b>Projected Growth by Sector</b>	<b>Employment 1999 Doyletech Nos.</b>	<b>Projected CAGR (%)</b>	<b>Projected Employment in 2030</b>
Aerospace, Defence	2,823	3	6,852
Computer Hardware	764	6	4,388
Electro-Mechanical	361	4	1,170
Electro-Optical	6,279	8	63,183
Energy & Resource	74	4	2,400
Environmental & Geos.	353	3	857
Industrial Processes	759	4	2,462
IT Components	2,496	8	25,116
IT Systems	12,051	6	69,215
Internet & E-Commerce	2,450	10	42,751
Medical & Biotech.	1,489	9	19,755
R&D Labs, Testing	427	6	2,452
Software	5,035	7	38,327
Technomedia	362	10	6,317
Telecom & Satellite	20,945	6.5	138,446
Transportation	226	6	1,298
Other	55	6	315
<b>Total</b>	<b>56,949</b>		<b>425,304</b>

# The Ottawa Technology Cluster:

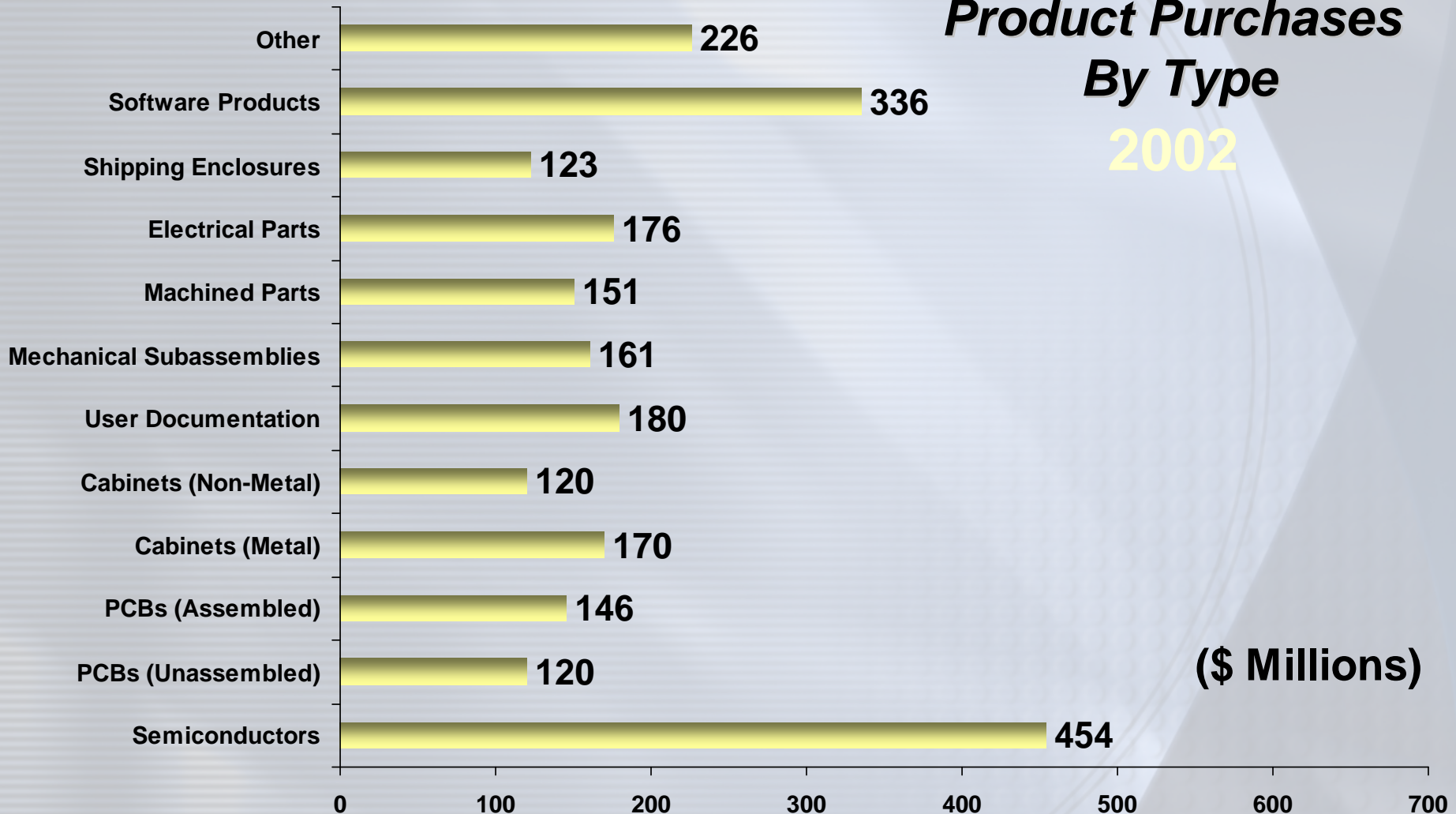


# The Ottawa Technology Cluster:



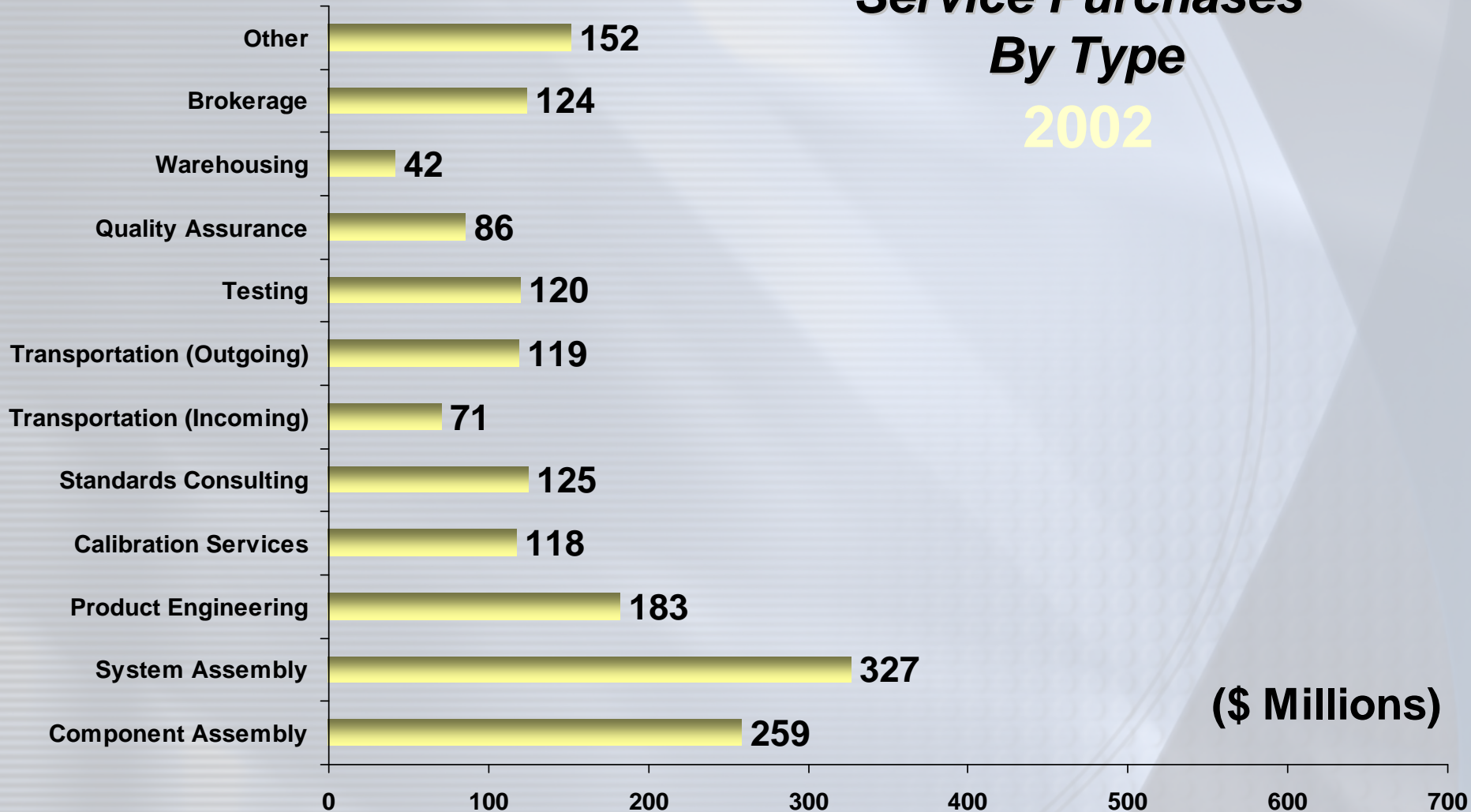
# The Ottawa Technology Cluster:

## *Product Purchases By Type 2002*



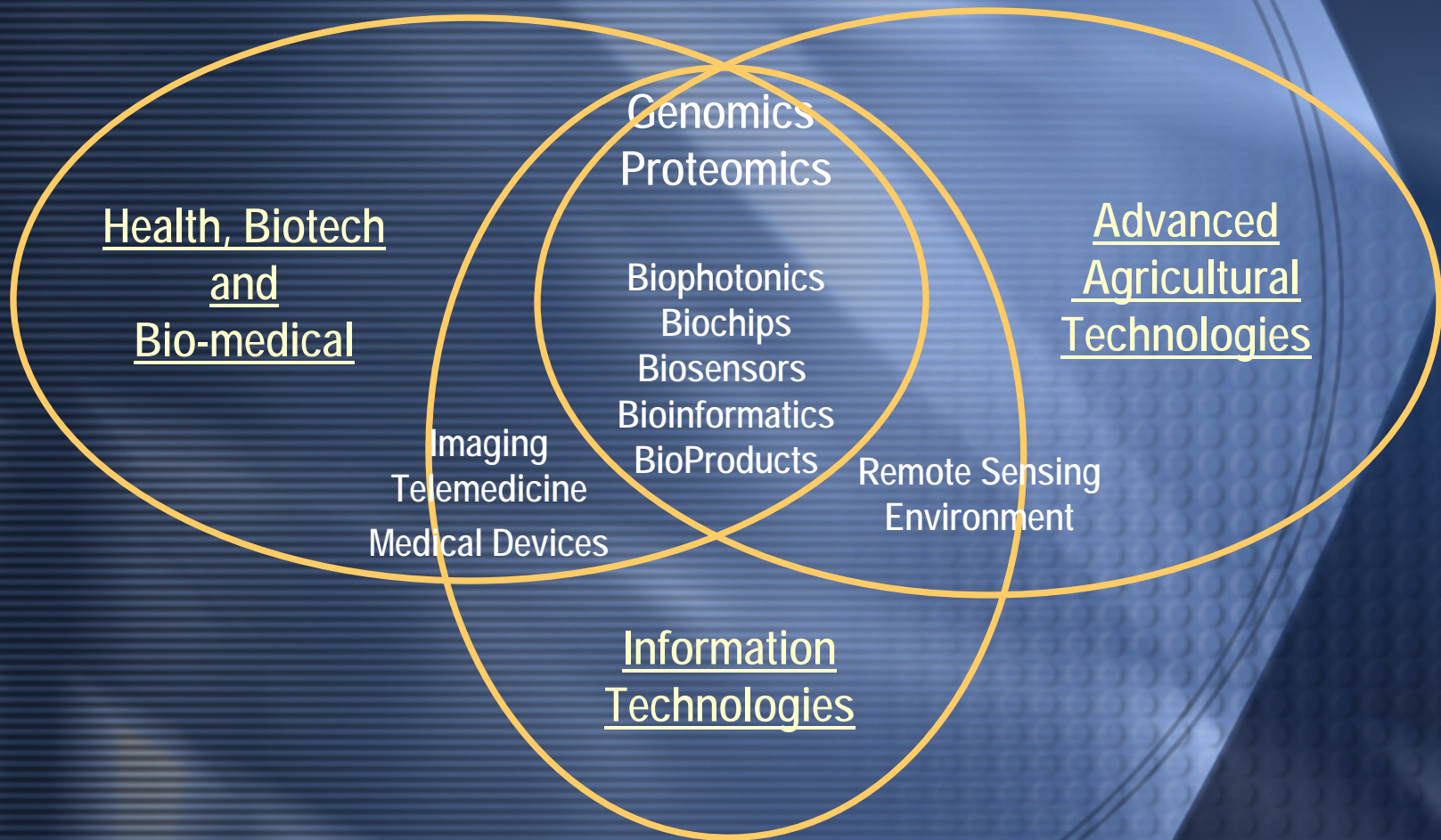
# The Ottawa Technology Cluster:

## Service Purchases By Type 2002



# The Ottawa Technology Cluster (Recent Trends):

Technology Convergence in the OTC –  
With Implications for Cape Breton

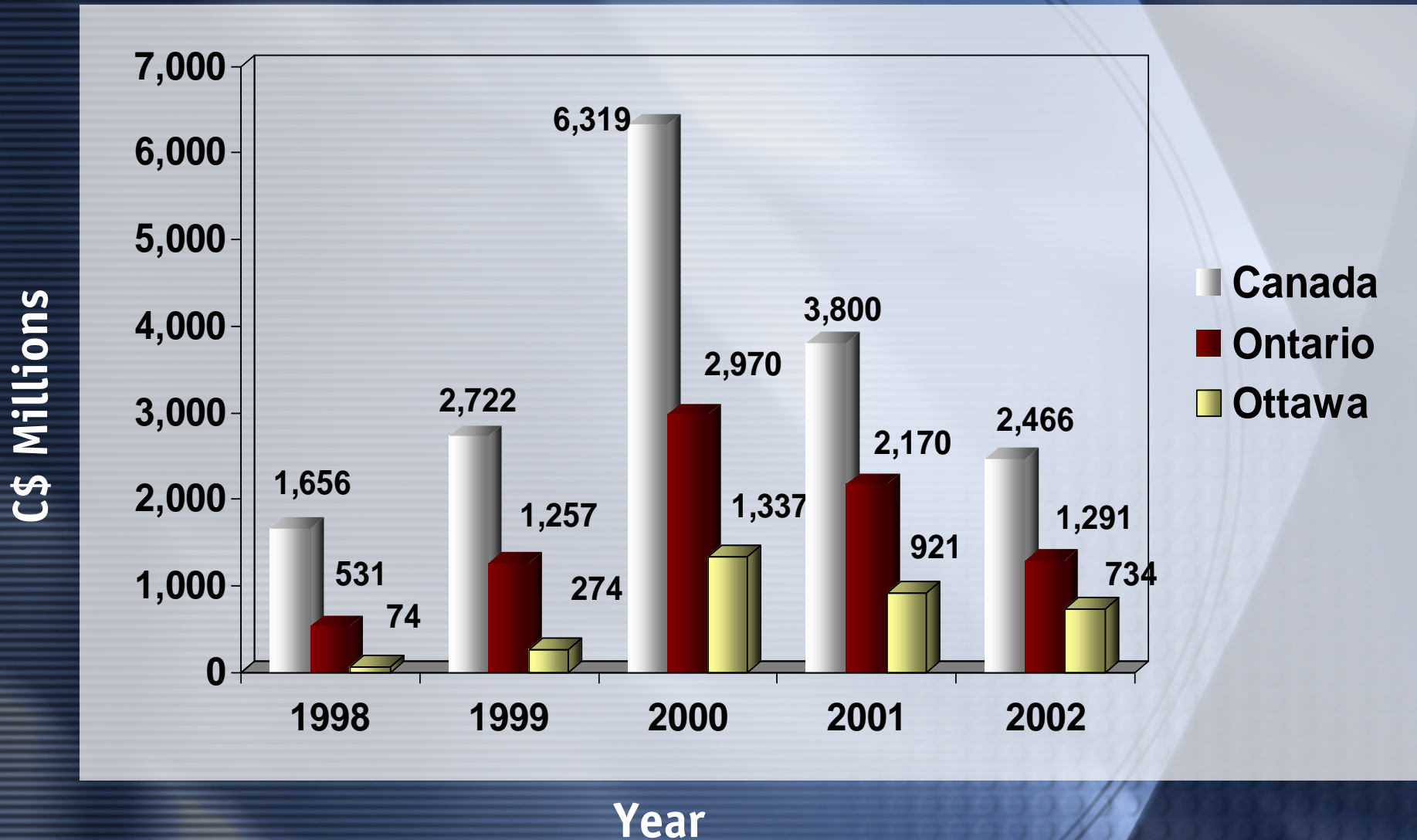


<b>OTC Sector</b>	<b>Employment 1999 Needs Analysis</b>	<b>Employment 2002 Needs Analysis</b>	<b>% Chg</b>	<b># Chg</b>
Aerospace, Defence	2,823	4,931	75	2,108
Computer Hardware	764	3,390	344	2,626
Electro-Mechanical	361	940	160	579
Electro-Optical	6,279	4,577	-27	(1,702)
Energy & Resource	74	185	150	111
Environ. & Geos.	353	584	65	231
Industrial Processes	759	2,328	207	1,569
IT Components	2,496	1,217	---	---
IT Systems	12,051	13,775	19	1,724
Internet & E-Com.	2,450	4,732	138	2,282
Medical & Biotech.	1,489	2,189	47	700
R&D Labs, Testing	427	488	14	61
Software	5,035	6,560	50	1,525
Technomedia	362	1,374	---	---
Semiconductor	-----	2,818	---	---
Telecom & Satellite	20,945	16,760	-19	(4,185)
Transportation	226	132	-42	(94)
Other	55	68	24	13
<b>Total</b>	<b>56,949</b>	<b>67,048</b>	<b>17.7</b>	<b>10,099</b>

## **Largest OTC Employers (1999 and 2002):**

<b>1999</b>	<b>2002</b>
<b>Nortel Networks</b>	<b>Nortel Networks</b>
<b>JDS Uniphase</b>	<b>Alcatel Canada</b>
<b>Newbridge Networks</b>	<b>JDS Uniphase</b>
<b>Mitel Corporation</b>	<b>Mitel Networks</b>
<b>EDS Systemhouse</b>	<b>EDS Canada</b>
<b>Cognos</b>	<b>Cognos</b>
<b>Calian</b>	<b>Corel</b>
<b>Corel Corporation</b>	<b>CGI</b>
<b>MDS Nordion</b>	<b>General Dynamics</b>
<b>CGI Group</b>	<b>Boeing Arnprior</b>
<b>Computing Devices</b>	<b>MDS Nordion</b>
<b>JetForm Corporation</b>	

# Venture Capital Trends:



Source: McDonald & Associates, OED, Venture Coaches

## ***PART III***

# **Developing Supply Linkages with The OTC**

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## **A Guide for Firms and Municipalities**

## Requirements:

- **having an existing high technology cluster is not a prerequisite**
- **the key is to match your industrial infrastructure to current needs**
- **determine your community's core competencies**
- **close working relationship between firms and economic development authorities**
- **strong facilitation (e.g. "Linkages in Manufacturing")**

## Strategies for Municipalities:

- **key tool is the annually updated OTC needs analysis**
- **provide a clipping service and e-mail newsletter**
- **develop a community capabilities brochure**
- **maintain OTC contact lists and networking calendar**
- **focus on startups and link them to OTC firms**
- **arrange OTC networking trips**

# Strategies for Municipalities:

- **disseminate OTC information at local events**  
(ie. Chamber of Commerce meetings, conferences, etc.)
- **also consider:**
  - **a Linkages Conference;**
  - **a Startups Conference;**
  - **identify former residents now employed with OTC firms**
  - **hold a meeting with local firms to ascertain their views and to discuss ways to overcome the barriers**

## Strategies for Individual Firms:

- key tool is the annually updated OTC Needs Analysis
- develop the business case
- identify opportunities for partnering with existing suppliers (either those based locally or in Ottawa)
- identify previous employees now working in OTC
- identify appropriate networking opportunities

# **How to Assist Local Firms:**

## **1. Provide Information / Research**

- sales contacts, procurement officers, website addresses, VC financing, relevant networking opportunities, etc.

## **2. Provide Sales Assistance**

- facilitation, joint sales and marketing

## **3. Provide Sales Tools**

- local databases to encourage joint ventures, partnerships for the OTC
- industry appreciates “white papers”

## ***PART IV***

### **Next Steps**

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**Practical Initial Steps that Should be Explored**

# Next Steps

- Review Doyletech's OTC Supply Data
- Obtain a copy of Doyletech's Contact Database of OTC Firms from your EDO authority (contains over 1,800 technology firms in Ottawa-Gatineau)
- Do a Local Supply Capability analysis utilizing the OTC data
- For the Firm – develop appropriate marketing materials
- For the Community – develop appropriate marketing materials (*NOTE: these materials are different than those used to sell the region in general – they are specific to a tech cluster like Ottawa*)
- Opportunities for Sales Facilitation Services? – for local suppliers that can supply tech clusters (or currently do)

# Selling to Ottawa's Technology Industry

## A Database of over 1,800 Ottawa Area Technology Firms

### Multiple Contacts (Where Possible)

### Executives, Purchasing, Operations, Manufacturing, R&D, CTO, Product Managers

Ottawa Technology Cluster (OTC)  
Contact Database



Company	Telephone	Fax	Website	Address	Contact 1: Purchasing	Contact 2: Senior Contact
ADMCO Group Canada	561 4274	561 8004	www.admco.com	170 St-Jacques Street, Ottawa, Ontario K2M 1A3	Tom Brouse, Purchasing Manager, 1145 Boulevard Rd., Ottawa	Ken Shaw, President, Information Systems
Canadian Bank Note Company Ltd.	722 8467	722 8468	www.cbnc.com	88 York Street, Ottawa, Ontario K1P 2G2	Reggie Brien, Purchasing Manager	Dr. Mark Hammer
Canadian Space Services Ltd.	436 9146	824 2323	www.cspace.ca	2300 Carleton Place Road, P.O. Box 150, Carleton Place, ON	Robert Valadeau, General Manager	Alan Dutton, President
Comtek Aerospace Canada Inc.	451 7671	834 6422	www.comtek.ca	880 Carleton Place, Ottawa, Ontario K1P 2K1	Anne Johns, Office Manager	Stephen Hall, President
Dallas Security Services	340 4567	671 3668	www.dallassec.com	1111 St-Jacques Boulevard, Ottawa, Ontario K1P 2K1	David B. Van, CEO	Guyvan F. Hall, President & CEO
Esaffair Systems Limited	811 5000	811 5001	www.esaffair.com	10 West Road, Ottawa, Ontario K2P 2K6	10 West Road, Purchasing Office	Daniel F. Scott, President & CEO
Foodnet North Canada Inc. (Admin. Concepts Centre & Distribution Office)	336 2272	336 2272	www.foodnet.com	1001 Laurier Road, Ottawa, Ontario K2M 2M7	Bob Cassidy, Purchasing Officer	Joel Shaw
Foodnet Systems Corp.	245 3622	373 9573	www.foodnet.com	150 Montpelier Avenue, Ottawa, Ontario K2M 1K9	Guine Yount, Purchasing Manager	Shirley Dunlop, Plant Manager
FOUO Safety Products America Division	523 8001	523 8139	www.fouo.com	211 McArthur Avenue, Ottawa, Ontario K1P 2K2		
GenCom Computers Inc.	741 6228	741 6228	www.gencom.com	115, 300 Bloor Street W., Ottawa, Ontario K1P 2K7		
IMATI Ltd.	210 1149	296 6746	www.imati.ca	127 Green Street, Suite 150, Ottawa, Ontario K1P 2V9	ICM Team, Jean P.Q. (513 208 2000)	Wes Pearson, General Manager, Information Development Ltd.
Intact Technologies Incorporated	721 2678	721 2678	www.intact.com	195, 1041, 1043, 1045, Ottawa, Ontario K1Z 8P5	Marie-Andree Gauthier, President	Bernard Adams, President & CEO
NCS Security Limited Inc.	825 0175	598 5377	www.ncssecurity.com	306 Woodbine Avenue, 2nd Floor, Ottawa, Ontario K1P 2J6	Trevor Tucker, President	Robert Tucker, President, Prologis Inc.
AcadCard Canada	711 9006	271 1104	www.acadcard.com	25, 1045 Green Street, Suite 200, Ottawa, Ontario K1P 2V9	Scott Cunningham, Purchasing Manager	
Veritas Print International Inc.	748 8136	748 8136	www.veritas.com	1000 Wellington Road, 2nd Floor, Ottawa, Ontario K1P 2K2	Gene Vachon, Purchasing Officer, ext 237	
Audix Communications Inc. (ACI)	726 2244	478 5360	www.audix.com	1200 Carleton Avenue, 2nd Floor, Ottawa, Ontario K1P 2K7	Bar Saper, President, (saper@audix.com)	Bar Saper, President, (saper@audix.com)
CMC Electronics Inc.	623 6032	623 6032	www.cmc-electronics.com	27, 1000 Carleton Avenue, Ottawa, Ontario K1P 2K7	Paul Stragan, Purchasing Officer	John C. Giddis, President & CEO
Securis Canada Technology Ltd. (Management)	523 4571	523 4571	www.securis.com	81, 1000 Carleton Avenue, Suite 1000, Ottawa, Ontario K1P 2K2	Norm Wilson, Senior Manager	
GM 140 Industries Incorporated	523 4571	523 4571	www.gm140.com	1000 Carleton Avenue, Ottawa, Ontario K1P 2K2	Janet S. Bassler, Senior Manager Contracts	
General Finance Canada Ltd.	596 5000	596 5001	www.gfc.com	2, 427 York Road, Ottawa, Ontario K1P 2K8	Eric Gilbe, Purchasing Manager, (eric@genfin.com)	John Kelly, President
GIS People Sales and Communications	651 5884	651 5885	www.gispeople.com	1745, 1000 Carleton Avenue, Ottawa, Ontario K1P 2K2	John J. Bessner, Purchasing Officer, (john.bessner@genfin.com)	David W. (Daddy) Investment (Canadian Paper)
Genstar, Starline Corporation	625 4772	625 4772	www.genstar.com	1, 1000 Carleton Avenue, Ottawa, Ontario K1P 2K2	Elaine Hodgson, Vice-President Operations	
GIS Systems Inc. (Division of Forti Computers & Software Co.)	596 5000	596 5001	www.gis.com	1745, 1000 Carleton Avenue, Ottawa, Ontario K1P 2K2	Tim J. Darr, Senior Accountant	
FMIS Technology Canada Ltd. (FMIS/COM Developer)	596 5000	596 5001	www.fmis.com	1745, 1000 Carleton Avenue, Ottawa, Ontario K1P 2K2	John J. Bessner, Purchasing Officer, (john.bessner@genfin.com)	Neil Marley, General Manager
Proventec Limited	625 4772	625 4772	www.proventec.com	1, 1000 Carleton Avenue, Ottawa, Ontario K1P 2K2	Kathy Marston, 3376 Information Systems Corp.	David Marston, President & CEO
Information Corporation	596 5000	596 5001	www.information.com	1745, 1000 Carleton Avenue, Ottawa, Ontario K1P 2K2	Wesley Baker, CEO, (w.baker@genfin.com)	David Armstrong, Executive VP, (d.armstrong@genfin.com)
Intelnet Inc.	596 5000	596 5001	www.intelnet.com	1745, 1000 Carleton Avenue, Ottawa, Ontario K1P 2K2	Frank Stacey, Purchasing Mgr. (stacey@genfin.com)	Brian Martin, President & CEO
Sonata, Trac Corp.	596 5000	596 5001	www.sonata.com	1745, 1000 Carleton Avenue, Ottawa, Ontario K1P 2K2	Berry Downes, Purchasing Manager	W. Hugh Adams, Executive Vice President
Waretics Canada & Systems Ltd.	596 5000	596 5001	www.waretics.com	1745, 1000 Carleton Avenue, Ottawa, Ontario K1P 2K2	Eric Gilbe, Director of Office	David F. Scott, President & CEO
Westland Canada and Associated Ltd. (Retail Sales & Engineering)	596 5000	596 5001	www.westland.com	1745, 1000 Carleton Avenue, Ottawa, Ontario K1P 2K2	George Jenkins, Purchasing Officer	
WIS Aids Support Corporation	596 5000	596 5001	www.wis.com	1745, 1000 Carleton Avenue, Ottawa, Ontario K1P 2K2	Doreen Hart (2226)	
Well Line Systems Inc.	596 5000	596 5001	www.well.com	1745, 1000 Carleton Avenue, Ottawa, Ontario K1P 2K2	Victoria Ruffin, CEO, (v.ruffin@genfin.com)	Richard Adams, President
WIS Systems	596 5000	596 5001	www.wis.com	1745, 1000 Carleton Avenue, Ottawa, Ontario K1P 2K2	David Baker	
WIS Systems Corporation	596 5000	596 5001	www.wis.com	1745, 1000 Carleton Avenue, Ottawa, Ontario K1P 2K2	Diane Patten	
Worldwide Computers of Canada Ltd.	596 5000	596 5001	www.worldwide.com	1745, 1000 Carleton Avenue, Ottawa, Ontario K1P 2K2	Michael (Mike) (mike@genfin.com)	André Gauthier, President
Proforma Systems Inc.	596 5000	596 5001	www.proforma.com	1745, 1000 Carleton Avenue, Ottawa, Ontario K1P 2K2	Don McKeown, Purchasing Manager	W. Hugh Adams, Managing Partner
Business Applications Inc.	596 5000	596 5001	www.business.com	1745, 1000 Carleton Avenue, Ottawa, Ontario K1P 2K2	Alan Jager, CEO, (alan.jager@genfin.com)	Alan Jager, CEO, (alan.jager@genfin.com)
Translink S Corporation	596 5000	596 5001	www.translink.com	1745, 1000 Carleton Avenue, Ottawa, Ontario K1P 2K2	Mark Smith, Purchasing Officer	David Tatters, President, (dave@genfin.com)
Logic Systems Division - J3 Communications Canada Inc.	596 5000	596 5001	www.logic.com	1745, 1000 Carleton Avenue, Ottawa, Ontario K1P 2K2	Michael Cook, President & CEO	Michael Cook, President & CEO
Falcom Inc.	596 5000	596 5001	www.falcom.com	1745, 1000 Carleton Avenue, Ottawa, Ontario K1P 2K2	Edwin Smith, Senior Associate, (edwin@genfin.com)	
Worldwide International Corp.	596 5000	596 5001	www.worldwide.com	1745, 1000 Carleton Avenue, Ottawa, Ontario K1P 2K2	Mike Kappas, ext 240, ext 240, ext 240, ext 240	Dave Saunders, President & CEO
Proforma Systems Canada	596 5000	596 5001	www.proforma.com	1745, 1000 Carleton Avenue, Ottawa, Ontario K1P 2K2	John Adams, CEO	W. Hugh Adams, President
VisualSoft Technologies	596 5000	596 5001	www.visualsoft.com	1745, 1000 Carleton Avenue, Ottawa, Ontario K1P 2K2	John Adams, Purchasing Officer, ext 100	
WIS, Omega Engineering Ltd.	596 5000	596 5001	www.wis.com	1745, 1000 Carleton Avenue, Ottawa, Ontario K1P 2K2		

# *Local Supply Capability Analysis: Applying the OTC Data to Cape Breton*

Example 1:

## *Local Plastics Machine Shop Co. X*

<b>Relevant Product / Service Bins</b>	<b>Total 2000 Purchases By Bin (Estimated)</b>	<b>Most Relevant OTC Sectors(s)</b>
Cabinets (Non-Metal)	\$139.5 M	Telecommunications, Satellite & Mobile Communications  Electro-Optical

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Example 2:

## *Local Transport Co. Y*

<b>Relevant Product / Service Bins</b>	<b>Total 2000 Purchases By Bin (Estimated)</b>	<b>Most Relevant OTC Sectors(s)</b>
Transportation (Incoming)	\$75 M	Telecommunications Information Technology Systems Electro-Optical
Transportation (Outgoing)	\$141 M	Information Technology Systems Telecommunications
Warehousing	\$37.9 M	Information Technology Systems Electro-Optical Software

# Local Supply Capability Analysis: Applying the OTC Data to Cape Breton

Example 3:

## *Local PCB Outsourcer Co. Z* *(or Assembly Firm ABC Perhaps)*

<b>Relevant Product / Service Bins</b>	<b>Total 2000 Purchases By Bin (Estimated)</b>	<b>Most Relevant OTC Sectors(s)</b>
Printed Circuit Boards (Unassembled)	\$159 M	Telecommunications Electro-Optical Aerospace, Defence & Security
Printed Circuit Boards (Assembled)	\$195 M	Telecommunications Electro-Optical Aerospace, Defence & Security

## **Other Market Intelligence Required:**

***More than knowledge of the firms and contacts***

- new startups
- RFPs and RFQs
- new products & services being developed
- new procurement requirements
- needs for secondary sources of supply
- new outsourcing trends locally
- internal procurement processes and preferences

***AND KNOWLEDGE OF THE ....***

**LOCAL SUPPLY CAPABILITY**

## **Some Linkages Techniques Utilized By DT**

**Relate local supply capability to the OTC data & intelligence where possible (to OTC sectors and sub-sectors)**

**Expand, modify, alter local capacity to high tech product needs**

**Encourage local partnering (local firms partner to provide a broader product or service offering to the OTC)**

**Identify OTC manufacturers and those who outsource only**

**Develop a local capital network**

**Identify missing Linkages (i.e. Linkages that should be encouraged)**

**Identify current OTC suppliers that may want to partner**

# **Doyletech Corporation**

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Making Technology Happen <sup>TM</sup>

*A Presentation in Cape Breton, Nova Scotia*

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