

SOFTWARE, DATA AND CLOUD SERVICES



This is the second-largest subsector in Kanata North by employment and by revenues and it is growing.

Many companies in Kanata North are involved in software development to support their primary “product” or “service”. However, this subsector represents companies whose main product or service is actually software (as opposed to embedded software).

This work does not require large-scale capital investment. Rather, it requires skilled, smart, and creative people.

With total revenues from foreign-based companies at 40%, this subsector has one of the lowest proportions of foreign ownership in Kanata North’s export sector.

EXPORT RATIO

The export ratio of this subsector is quite high, estimated at 80%, with few sales to other Kanata North companies as the market is global in scope.

PRODUCTIVITY

Productivity by sales-per-employee is \$259,000 based on \$990.8 million total revenues to the sector with 3,821 workers. By far, the highest cost is labour.

EMPLOYMENT

Wages and salaries are equivalent to 70% of revenues in 2018 with close to 100% of the staff at professional level. Wages and salaries are surprisingly low in this high-growth, high tech subsector as a result of the offer of stock options to staff.

LOCAL/REGIONAL SPENDING

EBITDA is at about 15% with wide variance based on the maturity of the company and other factors. Most of the software subsector is Canadian-owned, though some of the largest firms are foreign-owned.

2018

2015

Change
since 2015

REVENUES

\$990 MILLION

\$632 MILLION

+57%

REVENUE/EMPLOYEE

\$259,313

\$207,768

+25%

OF EMPLOYEES

3,821

3,046

+25%

OF FIRMS

69

57

+21%

EXPORT RATIO

80%