

ICT Companies - Methodology

How is the ICT industry defined?

The ICT industry is composed of the following three sectors: manufacturing, development and services.

Manufacturing: This sub-sector includes the manufacturing of computers, peripherals and major components that have significant added value, such as semi-conductors and printed circuits. Components that do not add significant value (e.g.: capacitors) are not included. Communication equipment, cable wires, and testing and measurement equipment are also included in this sub-sector.

Development: This sub-sector includes software, application and database development, the design and implementation of systems (e.g.: management information systems), the design and implementation of private communication networks, as well as the outsourcing of computing services and data processing.

Services: This sub-sector includes computer training, installation, repair and maintenance. Computer equipment, peripheral and software distributors and other VARs (Value-added retailers) are included. Retail trade is excluded, as are IT-related employment agencies and public education institutions (such as universities and community colleges). This sub-sector also includes telecommunications services (wireline and wireless), resellers of telecommunications and Internet services, but does not include distributors of electronic parts.

How do companies qualify as an ICT company?

The main activity of the corporate facilities is used as a basis for the qualification and classification of each facility, according to the North American Industries Classification System (NAICS), used by Statistics Canada.

How do you determine the number of ICT companies?

The statistics and information used in this study originates from E&B DATA's databases, KPMG's Competitive Alternatives 2006 as well as Statistics Canada and Industry Canada's ICT profiles. E&B DATA's databases are compiled from a variety of sources collected through governmental and local organizations of each region, private company directories, from the Internet, newspapers clippings and press briefings, as well as E&B DATA internal sources, such as its investment database. Raw information about companies is collected and classified according to E&B DATA's criteria.

The information is then verified, completed and validated by phoning the companies. The main activity, level of employment and location thus reflect the response provided by their representative to E&B DATA by phone.

Companies whose main activity falls under the above definition of "ICT company" were included in the count. The level of revenue and/or size of the company were not criteria for determining whether the company was included. This database was updated and completed in 2007, so as to include ICT facilities in the Waterloo region, Guelph and Hamilton and the GTA.