

benchmark-it news

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Headlines:

[BT LOCAL BUSINESS OPERATIONS CELEBRATE FIFTH ANNIVERSARY](#)

- Network of 54 teams covers all areas of England, Wales and Scotland;
- Generates almost £1.2 billion in annual revenues – half BT Business' total;
- Average revenue per customer is only about £1,400 a year, but ranges widely from one region to the next.

[COLT TARGETS EUROPEAN SMES WITH 'EXPERIENCE'](#)

- COLT Experience consists of three elements – Collaborate More (professional services) , Create More (communications products) and Care More (support);
- Further evidence of COLT's push into the European SME segment.

[THUS EXPANDS PORTFOLIO FOR RESELLERS](#)

- Additional reseller services now include Telephone Preference Services, Carrier Pre-Select Service Bulk Migration and Network Call Recording;
- Resellers may be a little cautious to commit to THUS until it becomes clear whether or not Cable & Wireless (or COLT or Global Crossing) might end up acquiring the company.

[TELE2 AUSTRIA OFFERING FLAT-RATE BUNDLE FOR BUSINESSES](#)

- For €29.90 a month, customers get broadband Internet access (with associated value-added features) and free calls to the Austrian fixed network;
- With mobile broadband becoming faster and cheaper, fixed operators need to try to lock customers in to bundles of fixed voice and broadband services.

[RACKSPACE EXPANDS WITH EUROPEAN DATA CENTRE](#)

- 50,000 square foot data centre opened in Slough, England.

[TELIASONERA TAKES CONTROL OF NORWEGIAN RETAIL CHAINS](#)

- Being able to talk directly to customers using a High Street presence is a distinct trend amongst incumbents targeting smaller businesses.

[ORANGE LAUNCHES NEW PRE-PAID MOBILE INTERNET OFFERING](#)

- Targeted at individuals who only travel occasionally.

[BT BUSINESS PUSHING SME PR WITH NEW COMPETITION](#)

- BT again searches for the UK's "twenty most inspiring entrepreneurs."

[RESEARCH FINDS SMES SLOW TO TAKE UP FLEXIBLE WORKING](#)

- On average across Europe only 17% of companies make flexible working options available to all their employees;
- Employee demand, regulation and environmental concerns are driving this trend and service providers should exploit the market opportunity.

[VOSKY LAUNCHES INTEGRATED PBX FOR SKYPE](#)

- New product described as "an integrated PBX for plug and play Skype;"
- VoSky looking for resellers, leveraging the strength of the Skype brand.

BT LOCAL BUSINESS OPERATIONS CELEBRATE FIFTH ANNIVERSARY

BT has been celebrating the fifth anniversary of its Local Business units. Originally planned as a network of 83 reseller-type business, there are now 54 covering all areas of England, Wales and Scotland, accounting for up to £1.2 billion in revenues – half of the total of BT’s SME-focused unit, BT Business.

“BT Local Business teams are able to provide their customers with the stability and trust of the BT brand, combined with an understanding of the pressures that affect other businesses in their area.”

Divided into eleven regional groups, the table below illustrates where they are based, how many customers they each support, their turnover and the number of people they employ:

Region	Offices	Customers	Revenues (rounded)	Staff
London	Bank, Holborn, Battersea, Blackheath, Croydon, Romford, Harrow	107,000	£229 million	138
South West	Bournemouth, Bristol, Gloucester, Plymouth, Taunton	63,000	£79 million	85
East of England	Cambridge, Harlow, Luton, Norwich, Peterborough & Northampton	86,000	£103 million	97
East Midlands	Chesterfield, Lincoln, Nottingham	37,000	£46 million	73
West Midlands	Birmingham, Burton on Trent, Coventry, Stoke, Stratford, Wolverhampton	77,000	£101 million	115
Yorkshire	Leeds, Sheffield	34,000	£69 million	81
North West	Bolton, Burscough, Preston, Salford, Warrington	93,000	£130 million	145
North East	Middlesbrough, Newcastle	39,000	£52 million	36
Scotland	Aberdeen, Edinburgh, Glasgow, Hamilton, Perth	63,000	£81 million	82
Wales	Cardiff, Chester, Newport, Swansea	41,000	£51 million	59
South East	Aylesbury, Crawley, Eastbourne, East Manning, Guildford, Milton Keynes, Newbury, Oxford, Portsmouth, Wokingham	131,000	£135 million	194
Total		771,000	£1,076 million	1,105

Ashton Hunt, General Manager of the BT Local Business network, commented: “Small and medium businesses are the lifeblood of the UK. The right support allows them to thrive and grow. BT Business is passionate about supporting this sector which is why the Local Business network was set up five years ago and why it is a priority for the BT Group.”

The BT Local Business network accounts for a significant proportion of the company’s revenues from the UK SME/SoHo segments, but tends to cater for the lower end of the market, with ARPU of about £1,400 per year on average - ranging from £2,140 in London to £1,031 in the South East. The strategy is to emulate the flexibility and customer intimacy of a third-party channel with the strength of the BT brand and portfolio – to date it looks to have been quite successful and an approach that other incumbents might do well to copy.

COLT TARGETS EUROPEAN SMES WITH ‘EXPERIENCE’

Colt has launched “the COLT Experience,” which it claims is “the first complete offering specifically designed for small and medium-sized enterprises (SME) across Europe.”

“The COLT Experience consists of three elements: Collaborate More - consultative professional services; Create More – enhanced, SME-specific products and services; and Care More - a tiered level of customer care.

Collaborate More: COLT’s four-point process for collaborating with SME customers - assess, design, implement and manage - will provide structure and flexibility through a consultative and relationship-building approach. COLT will offer customers full access to its consultancy and professional services expertise which could be used, for example, in the design and provision of complete security solutions.

Create More: Customers can choose from fixed-price, preconfigured business packs providing solutions to their four key business needs: Access, Security, Back-up and Messaging, or have solutions built from COLT’s portfolio of services which have been grouped around six different business areas: Internet business, private networking, applications, IT infrastructure, voice and advanced voice.

Care More: COLT will give SME customers a choice of how the relationship is managed by offering standard and premium service level agreements (SLAs) for project, service and fault management. The SLAs are written in plain language making them easy to understand. The standard SLA provides specific targets for delivery, while the premium SLA comes with a guarantee on time to deliver backed by penalties if deadlines are missed.”

Rakesh Bhasin, COLT’s CEO, said: “Four months ago we called for SME customers to ‘expect more’ from their telecoms provider. Now, with the COLT Experience, they can.

The launch of the COLT Experience is clear evidence that we understand the needs of all of our SME customers. We know that they want much more than just technology

and products. They want to build long-term relationships with a business communications provider that can offer complete solutions backed by consultancy expertise and service level agreements that match their particular business needs. With COLT that is what they will get.”

“The COLT Experience is being rolled out across COLT’s 13 countries in Europe via its direct sales force and its 650-strong partner channel. COLT has 42,000 SME customers. SME customers all have very different needs and the types of products and services that are most important to them will depend on many things including which industry they support and company size. The ‘pick and mix’ nature of the COLT SME Experience enables COLT to provide a solution tailored to customer needs.”

COLT continues its push to raise its profile and revenues in the European SME segment. This latest announcement is looking to exploit the range of products and skills COLT deploys for its larger corporate customers and to use them to attract top-end SMEs. The approach is elegant but, to date across the industry, there has been little evidence of significant take-up of such propositions amongst larger SMEs – or, where they have, they tend to be hard to acquire from their existing service providers. COLT is placing a large bet on this strategy, so we will keep a close eye on whether it pays off.

THUS EXPANDS PORTFOLIO FOR RESELLERS

Alternative UK service provider THUS claims that channel partners “will reap the benefits of providing their customers with an improved service offering thanks to a range of new products and enhancements” announced by the company.

“Already a significant supplier to the channel in both retail and wholesale, THUS has developed additional services and enhanced existing voice solutions. Additional services now being offered include Telephone Preference Service (TPS), Carrier PreSelect Service (CPS) Bulk Migration and Network Call Recording to maintain its pre-eminent position in the channel market.

TPS, the central addition to the channel portfolio, will protect customers from the risk of calling TPS-registered users by offering them the option to bar any such outbound call from being made. CPS Bulk Migration enables short-notice provisioning and fast and efficient transfer of lines, and, together, both services will make life easier for wholesale customers, saving them money and time in managing processes. Thousands or tens of thousands of existing customer lines can be transferred to THUS’s CPS service, usually on the same day.

Coming in the wake of the launch of Network Call Recording, the powerful, highly featured, simple-to-use call recording solution, THUS can now boast a portfolio which sets the standard in the channel market.

THUS’s channel partners will be able to utilise these products and services through a continuously enhanced extranet provisioning system, thereby improving their own core service offerings and ensuring that they are delivering the most comprehensive and up-to-date portfolio. It will generate cross-sell and up-sell opportunities for

channel partners, encouraging customer loyalty through expansion of services within existing contracts. THUS already offers a comprehensive, feature-rich range of channel partner products and services and has significant experience in voice and data delivery including the provision of a clear migration roadmap for NGN solutions.”

Nigel Stevens, Product Director at THUS, commented: “Channel partners need to compete in a demanding marketplace and we know that we have to offer them the best range of services and products to enable them to deliver for their customers. And while the focus may be on data and convergence, it is important that we maintain a high level of support for voice services.

What we do best is listen to our customers and, in response, develop products our Channel Partners need now, delivered with commitment and innovation to meet their needs in the future.”

THUS carries on pushing its proposition to the third-party channel to market at a time when its future is being cast into doubt as an independent service provider. To date, only Cable & Wireless has explicitly made an approach, although the word is that both COLT and Global Crossing are measuring the company up for potential bids.

Of the above potential buyers, Global Crossing does not serve the SME segment, Cable & Wireless is only just in the process of re-entering the market through third-party channels and COLT is looking to expand into the SME segment, but with disappointing results to date. Consolidation amongst UK service providers is inevitable and what happens with THUS may be an early indication of a spate of deals.

TELE2 AUSTRIA OFFERING FLAT-RATE BUNDLE FOR BUSINESSES

Tele 2 Austria is claiming to be the first service provider in the country to offer a flat-rate fixed network product to business customers.

“With Complete Small Office, Tele2 is now also offering businesses a product with ‘double-flat-rates’ for telephony and the Internet. This means cost security for businesses that can from now on use the Internet without limits and make free calls to the Austrian fixed network.”

“Fixed-line telephony and Internet access are part of the way of life for the majority of the about 300,000 Austrian businesses. In recent times, small businesses have been attracted by common 0 Cent offers from mobile operators to abandon the stability and security of the fixed network.” Tele2 CEO Robert Hackl declares that this is no longer the case: “because we are the first Austrian operator to offer flat-rate telephony also to business customers.”

“For a monthly price of €29.90 customers get broadband Internet access including a WLAN modem at up to 8Mbps (8,192/768kbps) and a true flat rate, complete with calls, to the Austrian fixed network. There is absolutely no rental fee payable to Telekom Austria on top. Included in the price are five POP e-mail addresses, each with 30MB of storage space, 10MB of Web space and spam and virus protection. Meeting the wishes of business customers, the bill also remains in paper format.

Callers to the Business Service Line can access it using a freephone number around the clock.”

Propositions such as this are vital for fixed-line players to be able to compete with the continued shift of traffic from fixed networks to mobile networks. Cost predictability is welcome and an emphasis on quality also provides some potential differentiation. With mobile broadband speeds also starting to reach acceptable standards and prices coming down, it is a good time to be trying to lock customers in to bundles of fixed voice and broadband services.

RACKSPACE EXPANDS WITH EUROPEAN DATA CENTRE

Rackspace Hosting has opened its new EMEA data centre in Slough, England.

“The new facility is Rackspace’s first solely managed data centre in Europe and will provide approximately 50,000 square foot of data centre space. Rackspace has refurbished an existing warehouse on the Slough Trading Estate, enabling it to incorporate the latest design features and technology, particularly to assess and minimize the data centre’s energy requirements.

The company provides services which can support customers’ mission-critical on-line operations. The new data centre will provide Rackspace with additional capacity to add equipment for new and existing customers needs.”

Gordon Frazer, MD of Microsoft UK, said: “I am delighted to have been asked by Rackspace to speak at their new data centre opening. Microsoft and Rackspace have a long and valuable relationship which has benefited many customers. We recognize the tremendous customer focus which Rackspace brings to this market.”

Doug Loewe, MD of Rackspace EMEA, said: “This is a tremendously exciting development for Rackspace and is the next step in our growing presence in Europe. By designing and running this facility Rackspace is able to bring its unique ‘Fanatical Support’ business philosophy into the data centre operation. We selected Slough because it offered good access to power and fibre services, which are vital to a modern data centre.”

Rackspace’s move underlines the continued growth in demand for hosted services – a trend which is global in nature and which is being driven increasingly by smaller businesses.

TELIASONERA TAKES CONTROL OF NORWEGIAN RETAIL CHAINS

TeliaSonera has acquired the remaining 66.6 percent of the shares in ComHouse, a holding company for the retail chains KlartSvar and Telebutikken in Norway, increasing its holding to 100 percent.

“The acquisition will allow TeliaSonera’s subsidiary NetCom further to integrate ComHouse’s distribution chains operationally.”

“ComHouse has demonstrated healthy growth and earnings, and the transaction clearly strengthens TeliaSonera’s distribution strategy in Norway,” said Kenneth Karlberg, President of Business Area Mobility Services at TeliaSonera.

The purchase price for 66.6 percent of the shares will be approximately SEK185 million (NOK157 million/€19.7 million), based on an enterprise value of the entire company of approximately SEK383 million (NOK325 million). The final cash consideration will be based on balance as per closing. Closing of the transaction is subject to approval by the Norwegian Competition Authority.

ComHouse is the most important distribution channel for NetCom in Norway. ComHouse consists of the retail chain Telebutikken (65 stores of which five are operated through franchise) focused on private customers and the chain KlartSvar (40 locations of which 32 are operated through franchise), which is focused on business customers.”

There has been a trend towards exploiting the High Street and human interaction for recruiting customers. TeliaSonera’s control of KlartSvar will help explain communications technologies to smaller business customers and should help in tailoring packages to meet their specific needs.

ORANGE LAUNCHES NEW PRE-PAID MOBILE INTERNET OFFERING

Orange Business Services has launched its first pre-paid 3G+ data solution for business customers in France - the Pass Business Everywhere - from €3 a month.

“The Pass Business Everywhere is intended particularly for those professionals who travel occasionally. It enables them to work on their laptop wherever they are, just as if they were at the office.

The new Pass Business Everywhere solution consists of:

- A 3G+ USB stick pack priced at €99 which contains:
 - 3G+ USB stick (Icon 225 3G+ modem);
 - Pre-paid Orange SIM card;
 - Connection kit;
- Passes (connection top-ups). There is a choice of three Passes:
 - 20-minute Pass: €3 (valid for 24 hours);
 - 2-hour Pass: €15 (valid for one month);
 - 24-hour Pass: €12 (valid for 24 consecutive hours and limited to a 100MB download allowance).

To accompany the launch of its Pass Business Everywhere, Orange Business Services is giving away a 7-day Pass (500MB download limit) with every purchase of a 3G+ USB stick Pack. This offer runs until 31st August 2008.

Customers can top up their Pass Business Everywhere by credit card from the Pass Business Everywhere home page. This page opens automatically when they access the Orange network thanks to the Pass Business Everywhere connection kit included in the stick.

Thanks to the Pass Business Everywhere, professionals can take advantage of all that Orange's high-speed mobile network has to offer:

- Access to the 3G+ network (with a speed of up to 7.2Mbps);
- Access to the Edge network (covering 99% of the population);
- Access to the Wi-Fi network: 30,000 Orange Wi-Fi Access Hotspots.

The Business Everywhere Pass is being marketed through 13 enterprises sales branches and through the Indirect Sales Department of Orange Business Services which encompasses a network of 2,000 VARs throughout France.

To celebrate the launch of the Pass Business Everywhere, Orange Business Services, Fujitsu Siemens Computers and Intel have come together to offer:

- €100 cash-back for the purchase of an Esprimo Mobile U9200 or Esprimo Mobile D 9500 notebook with in-built 3G+ module;
- A pre-installed '7 free days' Pass Business Everywhere (500MB limit)."

This move makes sense as Orange looks to address any remaining market that is available for 3G data solutions – in this case, the occasional user. As long as the application is easy to use and relatively inexpensive (these users are less likely to be particularly price-sensitive), then the proposition should appeal.

BT BUSINESS PUSHING SME PR WITH NEW COMPETITION

BT Business is "searching for the UK's 20 most inspiring entrepreneurs in its Essence of the Entrepreneur 2008 competition."

"Now in its third year, the competition is set to celebrate the nation's finest small business owners who are using technology to help their business to succeed. The twenty winners will have the essence of their business captured by famous portrait and fashion photographer Rankin. His portraits of the winners will be showcased at a high-profile exhibition in January 2009 at gallery@oxo on London's South Bank.

A panel of judges, headed up by Dragons' Den business tycoon Peter Jones, will award one of the twenty businesses the title of Outstanding Entrepreneur of the Year and the prize of a £20,000 business grant from BT. The judges will also be awarding the titles of Best Male, the Best Female and the Best Young Entrepreneur of the Year as well as the Most Original Business Concept."

Bill Murphy, Managing Director of BT Business, said: "We are thrilled to be working with Peter Jones and Rankin on the BT Business Essence of the Entrepreneur 2008 competition. Peter Jones embodies the entrepreneurial spirit which characterises many small businesses and Rankin will be able to capture this passion in striking photographic portraits.

Small and medium-sized businesses are the lifeblood of the UK economy. They account for 99.9 per cent of businesses and 40 per cent of the UK's turnover. We

want to help and encourage them to succeed, applaud their determination and celebrate their spirit.”

Joining the star of TV’s Dragons’ Den are John Dunsmore, Managing Director of British Chamber of Commerce Enterprises, Gavin Dollin from Business Link, Mick Hegarty, Marketing Director BT Business, Tricia Phillips, MirrorWorks editor for the Daily Mirror and Adam Shaw from BBC2’s Working Lunch.

Peter Jones said: “It takes a lot of guts to take the plunge and start your own business - and I want to see that passion and dedication in the entries. However, I am also looking for a business that is doing something different and unique, and has a long-term plan for success.”

Rankin added: “I can’t wait to get the winning companies in the studio and capture the raw passion. My photos will be a lasting representation of the essence of the business and the success they have achieved.”

“Over the last two years the BT Business Essence of the Entrepreneur competition has celebrated a diverse range of businesses right across the UK, including a landscape gardener, a retro sweet shop and an all-female construction company.”

BT will hope that by associating itself with the likes of Peter Jones this year and Gordon Ramsey last year it will be seen as an entrepreneurial organisation and, that by recognising the achievements of unknown small business owners, that it will be seen as the natural partner of choice for telecoms. It is unclear how much effect these PR campaigns have on today’s real smaller businesses – recognising success is great, but demonstrating an understanding of small businesses’ needs has to be the priority.

RESEARCH FINDS SMES SLOW TO TAKE UP FLEXIBLE WORKING

“The UK may be ahead of most of Europe when it comes to the universal provision of flexible working, but still barely a fifth (22%) of companies have made provisions for all of their employees to work flexibly on a daily basis. This is an ever-increasing risk in a country where nearly a third (31%) of employees say they would definitely change jobs to get access to flexible working conditions, all other factors remaining equal.”

The findings come from a new independent research report commissioned by Avaya. ‘Flexible Working in Europe and Russia’ reflects the attitudes of more than 3,000 workers across France, Germany, Italy, Russia, Spain and the UK.

“On average across Europe, only 17 percent of companies make flexible working options available to all. According to this new Avaya data, European businesses risk missing out not only on huge competitive advantage but on fulfilled and productive employees as they unconsciously create a digital divide within their workforces that alienates the non-privileged majority.

In fact, more than three-quarters (78%) of Europe’s workforce would consider changing companies in exchange for flexible working practices and technologies, and 94 percent said they want their employer to provide them.

It's not just family men and women that want the advantages of flexible working either: 78 percent of those surveyed indicated they would be prepared to work on for their employer after retirement if the flexible option were open to them. This could potentially create a vast, extremely knowledgeable potential workforce to help plug the 'skills gap' and more effectively manage the business issue of the aging workforce."

"The digital divide used to be constructed of those who had access to technology and those who did not," said Nick Roullier, UK Country Manager for Avaya. "What this report shows is a new digital divide: those companies that have unlocked the ability truly to gain workforce productivity and efficiency while retaining their best workers, and those who are putting their businesses at risk because they don't have the technology to support what their workers are asking for."

Other findings of the report include:

- 30 percent of senior managers think flexible working policies and technologies would allow their companies to compete more successfully on the global stage;
- SMEs are considerably less likely (57%) to offer flexible working conditions than larger companies (74%);
- Nearly half (44%) of employees think a company that lacks flexible working options betrays out-of-date working policies;
- More than a third (35%) of those who work in companies that do not offer flexible working believe their employer has the technology to do so but has chosen not to use it.

"Simple, scalable unified communications solutions can help companies deal with their workers' expectations swiftly and cost-effectively, while increasing overall business productivity. It's a win-win for everyone - and when British companies implement this, it's a win for UK Plc," concluded Roullier.

For the purposes of the survey, flexible working was defined as 'a situation in which employees are not expected to work during set hours or from their desks but are instead able to set their own flexible working hours and to work from the location they choose.'

Flexible working is becoming an increasingly everyday part of life – driven by a combination of regulation, employee satisfaction/productivity and environmental concerns. The trend represents a real opportunity for communications companies and they should make an effort to explain the benefits to potential customers. The benefits (and threats of not implementing such policies) are even greater amongst smaller businesses as the loss of one or two key members of staff tends to have a disproportionately negative impact.

VOSKY LAUNCHES INTEGRATED PBX FOR SKYPE

VoSky, which describes itself as "the Skype for business solution company," has launched the VoSky Exchange Pro, "an integrated PBX for plug and play Skype."

“This is an alternative to SIP trunking on a PBX,” David Tang, VP of global marketing at VoSky, said. “You can save on calls both nationally and internationally just by having an efficient way to connect the office into the Skype network, integrating the existing office network to Skype. We optimise Skype services for business.”

Tang continued: “As the industry has continued to evolve, the minutes business has basically reduced dramatically. For resellers selling minutes, their business is getting smaller and smaller. Now Skype is here, it’s changing the market even more. Skype is here to stay.

The benefit for the reseller is the ability to sell a device that is ‘plug and play’ and therefore takes a lot less time to deploy. You just plug it into the PBX and LAN if required and go. For resellers that embrace VoSky and Skype, there are lots of revenues to be made.”

Tang warned those that failed to accept Skype: “The bottom line is, if you don’t change, your competitors will. Skype is a growing trend and opportunity.”

VoSky is distributing the VoSky Exchange Pro through its UK distributor, Cohort. The two companies are now “on the hunt for a reseller channel.”

VoSky’s approach makes sense as it can leverage the strength of the Skype brand, which is automatically associated with Internet voice, and target smaller business customers via its target resellers.