

## FCS Response to BEIS Business Productivity Review

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### Introduction

The Federation of Communication Services represents companies which provide professional communications solutions to business users. Our members deliver telecommunications services via mobile and fixed line telephony networks, broadband, satellite, wi-fi and business radio. Our members' customers range from SMEs, home-workers and micro-businesses up to the very largest national and international private enterprises and public sector users. FCS is the largest trade organisation in the professional communications arena, representing the interests of around 350 businesses who supply B2B services nationwide.

### Overview

This response concentrates on s5 and the benefits that businesses gain from a reliable internet connection operating at ultrafast speeds or above (100Mbps+). The benefits of a move to higher broadband speeds have been recognised by the DCMS in its review of the first BDUK voucher scheme which moved companies to superfast speeds (30Mbps+)

Current increases in availability of full fibre connectivity with synchronous up and down speeds can only help to boost productivity and we believe Government should do all it can to encourage businesses to take up ultrafast/gigabit connectivity.

### **Q12 Is there further evidence to demonstrate the link between technology or innovation adoption and a business' productivity growth?**

Anecdotal evidence from members points to the following changes once a move is made from fast/superfast to ultrafast or gigabit broadband speeds:

- Video Media sending files to Canada – Was 27hrs now 27mins
- General back up of data from a day's work – It can now actually happen with no external hard drives needed to back up on to
- Allowed companies to deploy video conferencing to staff. Saves on pulling sales team in for meeting, petrol, accommodation
- Allowed company to work remotely with massive savings on wages cost and increased productivity
- Stability brought to businesses – They now focus on what is important to them.

**Q13 What are the main reasons for businesses adopting or not adopting new to firm technologies?**

We believe that it is easy for businesses to keep the status quo with regard to changing their broadband: if a business is asked if their broadband is satisfactory, they have been shown to answer “yes” on the basis that they can send and receive e-mails without problems. See s1.3 here:

[https://www.ofcom.org.uk/\\_data/assets/pdf\\_file/0030/96348/Ofcom-SME-consumer-experience-research-2016-Report.pdf](https://www.ofcom.org.uk/_data/assets/pdf_file/0030/96348/Ofcom-SME-consumer-experience-research-2016-Report.pdf)

They need to have the benefits of a fibre connection explained to them, with real case-studies to appreciate the benefits they might gain.

All the “AltNets” (such as Hyperoptic, Gigaclear and City Fibre) offering full fibre connectivity will be able to supply case studies along the lines of these:

<https://www.cityfibre.com/news/city/bristol/>

**Q14 How important are the seven identified ‘best practice’ technologies (identified in paragraph 5.14) to enhancing productivity at the firm-level, and which offers the greatest return? Are there other technologies which offer greater potential?**

We believe that all the working tools identified are valuable to a business, but that value can only increase with more reliable broadband connectivity. Without the sort of case-study evidence referred to above, many businesses will be reluctant to move from the relatively safe, if slow, world that they operate in.

**Q15 Do you have any examples, from the UK or internationally, of public or private sector approaches that have increased the adoption of best practice technologies or new to firm technologies?**

Current city specific approaches have been taken by joint ventures in York (Sky/City Fibre) and by private funding in many city centres. There are also examples of rural communities working together to dig and lay fibre where each recipient contributes with the expectation of ROI in only a few years (eg B4RN).

**Q16 What actions by the public or private sector would be most effective in driving effective adoption of new to firm technologies?**

With the planned closure of the PSTN which carries broadband with speeds up to 24mps we would welcome any education that Government can offer to help businesses understand the benefits of switching to IP technology and full fibre services sooner rather than later. There needs to be a programme along the lines of the television digital switch-over project to educate businesses about the imminent need to move to IP connectivity, along with an understanding of the benefits, including speed and reliability that such a move will bring.

FCS members provide the education and applications for productivity improvement. They have the confidence of their business customers, unfortunately they will not provide applications and services which cannot be supported by the available network.

## **S6 Using Support and Advice services**

As a trade association we can confirm that businesses join us for a range of reasons. For many it is the support and advice that we can offer which they would have to buy in at much higher cost elsewhere. Many members find that membership of a trade association helps them to stand out from the crowd by showing they are ethical traders – this in turn leads to improved productivity by gaining more customers.

### **Conclusion**

The FCS hopes that these comments are helpful to BEIS in its considerations and would be happy to supply more detail on the response if required