

Loud and Clear

SMBs get the message about unified mobile communications

Businesses of all sizes adopt technology to make them more productive, cost effective or flexible and help them compete. Over the years the adoption of tools such as mobile phones, wireless laptops, the internet and email have all been driven by such expectations. Small and mid-sized businesses (SMBs) are often at the forefront as these technologies can give them a lead on their larger competitors. What starts as a useful extra tool or 'competitive edge' soon becomes the accepted norm and a search for improved quality and utility then ensues.

Contacts:

Rob Bamforth
Quocirca Ltd
Tel +44 1962849746
rob.bamforth@quocirca.com

Bob Tarzey
Quocirca Ltd
Tel +44 1753 855794
bob.tarzey@quocirca.com

John Cullen
RadioFrame Networks
Tel +44 78 5770559
jcullen@radioframenetworks.com

Research Note:

The information presented in this report is based on a survey of 240 organisations in France, Germany, Sweden and the UK. It was completed in April of 2008.

Those surveyed were small to medium sized businesses (SMBs) with between 1 and 500 employees.

Quocirca would like to thank all the respondents to the survey and the sponsors of this research.

- Email addresses and mobile phone numbers are the primary business contact points for all employees**
Most SMB employees' business cards display an email address, and about eight in ten show a mobile phone number, whereas only two thirds will bother to mention a direct dial fixed extension these days. Surprisingly, the fax machine is not yet defunct as the majority of SMB employees still have a fax number on their cards, more so than list a web address.
- The mobile phone is the hub of SMB communications**
Beyond simple telephony and text messaging, many SMBs use mobile phones for mobile email, web browsing and instant messaging both inside and outside the office. Even at a desk with a fixed phone, the mobile is the first preference for many employees wanting to make a call, despite the difference in cost.
- Even with careful operator selection, mobile reception is not always good, especially at home**
More than a third of SMBs notice occasional problems getting mobile phone coverage at work, with employees sometimes having to move around the office, or even go outside to get a signal. At home, the problem is, if anything, worse, with almost half of companies noting that some employees will have difficulty getting coverage on their business mobile while at home.
- 3G phones have not made great inroads, but the use of 3G laptops is set to grow**
Over half of SMBs have no plans for deploying 3G phones, but around 17% expect to roll out 3G laptops over the next year, adding to the one in three SMBs that have already. In some cases these will be laptops with 3G capability embedded, but even if not, external 3G modems have fallen in price and are available in a number of compact form factors. Mobile data tariffs are still a concern.
- IP telephony use started with ad hoc consumer products, but is now becoming more formal**
Around a quarter of SMBs have other phone identities, such as Skype, on their business cards and use consumer IP telephony products to make business calls. However the use of commercial VoIP tools or services is growing, and will exceed the business use of consumer tools over the next year.
- Mobile voice and data airtime costs are high; assistance to control them would be valued**
The flexibility might be worth it, but costs are still an issue. SMBs are open to ideas like fixed mobile convergence—offering both services from a single device—providing it delivers value without requiring substantial upfront investment. Most of them think this is an area where mobile operators can help, giving those operators an opportunity to grab fixed call minutes and revenues.
- Broadband could help to curb mobile call costs and bundling both services is attractive**
Many SMBs already pay for their employees' mobile phones and just under half provide and pay for some of their employees' broadband connections. Over half of SMBs would be interested in using broadband capacity to reduce mobile call costs, and almost as many say they would value the idea of both broadband and mobile services bundled together.

CONCLUSION: The mobile networks have become vital for SMBs; not only for employees making mobile phone calls, but sending and receiving data—in small amounts on phones or larger volumes on laptops with Wi-Fi and cellular data cards. However, not only are mobile phones one of the more expensive ways to make voice calls, there are intermittent times when calls cut out as signal strength fails. Making a call from a mobile handset is increasingly the default action of many employees and SMBs want to manage costs and ensure adequate coverage—either in the office or at home.

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Introduction

When mobile phones first appeared, few realised how quickly the suitcase-sized bricks would become so small, powerful and ubiquitous. Many early users in the mobile phone revolution were the self employed, as it allowed them to get new business while working on the current project. Many will have carried this mentality with them as they grew their ventures to become SMBs and larger enterprises.

Now a basic tool for any business, the mobile or cellular phone has extended to deliver data as well as voice. Similar cellular technology has been added into laptops and handheld computers to bring them access to mobile data, and sometimes voice, through IP telephony.

This report looks at the degree to which small and medium sized businesses (SMBs) have taken advantage of these types of devices, how they are changing the way their employees work and where this might cause challenges.

The research behind this report involved interviews with 240 managers with responsibility for fixed and mobile communications in SMBs from the UK, France, Germany and Sweden. Each organisation interviewed employed between 1 and 500 workers.

The report is intended to be read by those who face a similar management task in their own organisation, as well as those who are looking to see how to get best business value from mobile telecommunications and ensure this adds, rather than subtracts, value from their business.

Quocirca would like to thank all the participants for their time to take part in the telephone interviews from which the data for this research was derived, and RadioFrame Networks for its sponsorship of the research.

Contacts and connection

SMBs from different European countries share many challenges. They need to be flexible, resourceful and adaptable to keep themselves afloat when times are hard, avoid unnecessary risks, and capitalise on new ideas.

Advances in communications and working styles have been welcomed and adopted, and this can be seen in the way SMBs promote themselves and try to reach their customers. Mobile phone numbers are displayed on the sides of builders vans or listed in business phone directories, brochures proffer an invitation to contact though enquiries@smb.com and websites offer callbacks at the click of a mouse.

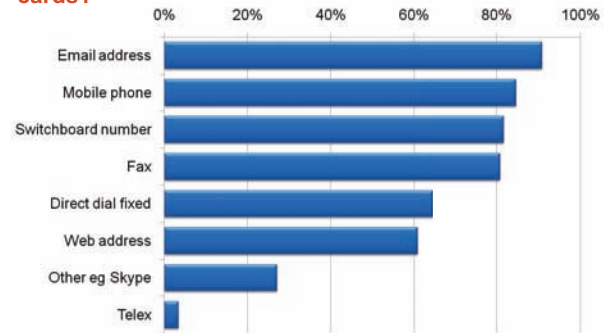
These trends are clearly seen by looking at the changes on what details are listed on business cards; in the mid 1990s a fixed-phone and fax number sufficed for many, but they are now likely to include a myriad of ways to make contact (Figure 1).

Faxes still have a part to play, even if dedicated machines have been replaced by scanners and printers or multi-function devices. For some industries and users, however, fax provides a universal accessible medium for sharing scanned images. Some may still feel faxes convey more legal weight, although email is often just as acceptable.

While some older technology, such as Telex, lingers on, most prominent now is the email address and mobile phone number, as both deliver on the need for a direct link to a particular person, but provide flexibility by not expecting the individual to be in a fixed location. Both also bring a level of immediacy to the communication; real in the case of mobile phones, and pre-

Figure 1

What contact details are on employee business cards?



sumed in the use of email, as many senders assume recipients will reply almost immediately.

Confusingly, however, these days many people have several telephone numbers listed representing different forms of telephony, each with their own idiosyncrasies and expectations:

- Mobile phones are generally assumed to give direct contact to the individual—at work, at home or travelling—and rapid responses are expected, even when voicemails are left. However the poor voice quality or risk of call dropping will influence some not to make critical calls on a mobile or calls to someone they do not know.
- Switchboard numbers convey an air of privacy or protection to allow another person to filter, control or direct incoming calls.
- Direct dial fixed numbers indicate either a tendency to be more office based or, if displayed along with a mobile, might be called by those hoping to leave a voicemail for later response, rather than make direct or immediate contact.
- Other numbers, or 'handles', are often the identities used in an external contact network, such as instant messaging (IM), social networking, or other 3rd party services, such as Voice over IP telephony (VoIP) virtual numbers or other identities, like Skype.

The contact state of any individual, or 'presence', in applications like Skype and IM makes a big difference to expected contact-ability, and will often be shared at a more personal level between friends or colleagues. Despite this, a fair percentage of SMBs use one form or other of these contact types for business use, with over a quarter displaying them on their business cards.

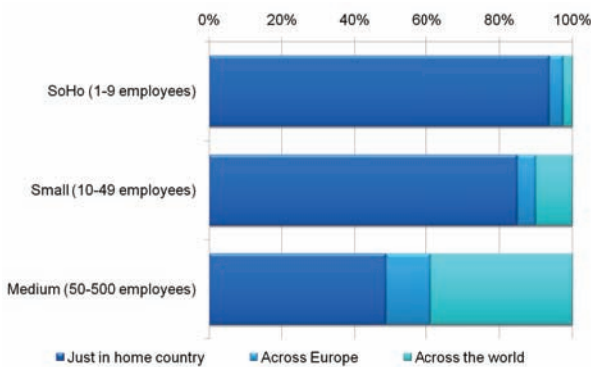
There are different styles and variations of communications usage between countries (mobile numbers being far more prevalent in Europe than the US for example).

Communications and business connections will even, for SMBs, cross international borders, but the smallest SMBs tend to only have offices in their own country (Figure 2).

Those who reach beyond their home region are more often going farther than just neighbouring European countries, which means offices and colleagues are more likely to be operating with greater than the odd hour or two differences in time zones. There will be high expectations from such expansion, so it is important that communication between remote outposts and the home headquarters remains excellent.

For most small businesses this is not a matter of connecting sites but people, as it will be specific individuals, not any-

Figure 2
In what regions does the business have offices?



mous departments, which need to be contacted. This means that more communications will take place outside regular business hours, leading to an increasing need for flexibility of working time and location.

Evolving working practices

For many employees this flexibility of working in both time and space means being able to connect to people and IT resources while mobile or working from home, as well as anywhere on any company premises.

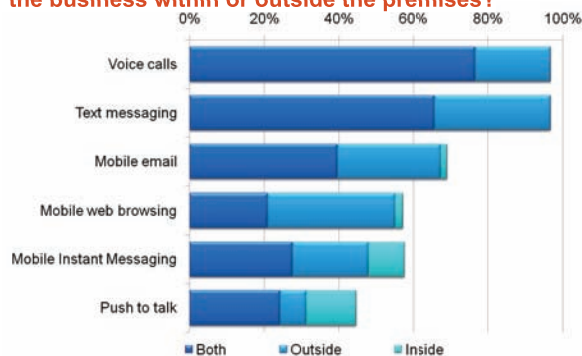
SMBs need to have a flexible approach to how and where their employees can work, and have been as quick to adopt mobile phones as consumers. Although the needs of consumers and businesses are different, the fact that these days most employees will generally have experience of buying and using mobile phones as consumers influences their behaviour.

Flexibility in the office

Most businesses have found little use or value in certain features widely found on popular consumer phones, and increasingly across the range—such as cameras, games etc—and would rather they were not present. For security reasons, some even disable cameras, unable to source cheap phones without them. Anecdotal evidence suggests that some even resort to a hammer and nail or araldite to render the camera unusable.

Many businesses have adopted text-based mobile applications such as mobile email. While there are enterprise grade solutions for Instant Messaging (IM) which work well, and SMS is increasingly being used by businesses for outbound alerts, many businesses have struggled to find a great deal of value in these communications systems that emerged from consumer behaviour. However, these methods do appear to be of broader interest among SMBs (Figure 3).

Figure 3
What applications on mobile devices are valuable to the business within or outside the premises?



There is significant interest in web access on mobile phones, even inside the business premises, as more information is becoming available in formats that work reasonably well on handheld devices. New mobile data tariffs are offering more data at a flat rate; taking away some of the concern that costs might escalate too rapidly. However, handheld users are always going to be limited by the device rather than the network, so the larger mobile data volume usage will occur on laptops with some form of wireless connection.

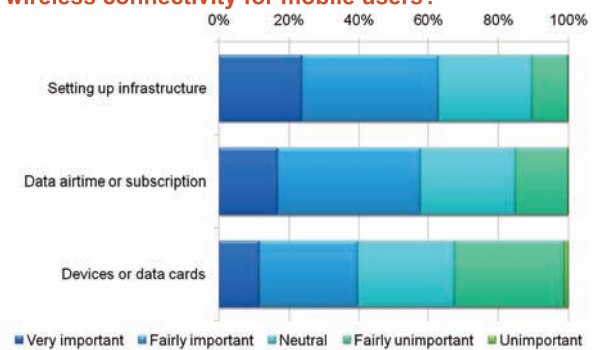
Push-to-talk functionality, which operates like a walkie-talkie, so when the caller presses the talk button, everyone in their group hears the message and can respond in a similar way, is often very industry specific, such as workers trying to communicate on building sites. Here, traditionally, employees have to carry some dedicated wireless communicator such as a walkie-talkie, and push-to-talk on a mobile phone is a way to carry fewer separate handsets. Interest in push-to-talk has been muted in Europe, despite popularity in North America.

Overall, the broad application usage indicates a tendency to consider the mobile phone as a personal hub for all communications, for data as well as voice telephony. Although it should be noted that more data-intensive use, such as web browsing, is more likely to occur beyond the premises.

Access on the move

Significant or intensive use of data, and more complex applications, is always going to involve more interaction between user and device and thus still likely to depend heavily on a full keyboard for input and a large screen in order to convey the information. In other words, typically a wireless-connected laptop, but this brings other cost challenges in set-up as well as ongoing usage as can be seen from earlier research1 (Figure 4).

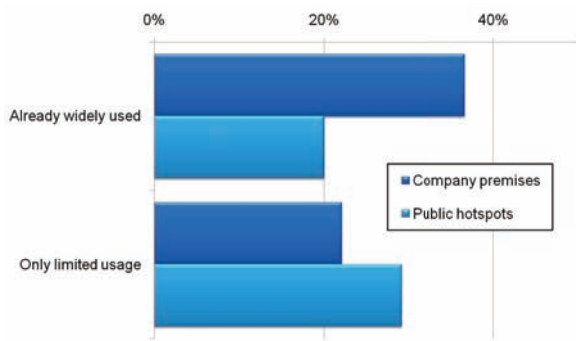
Figure 4
Which costs are important when considering wireless connectivity for mobile users?¹



Device and data card costs have been falling, and airtime tariff options have been improving with more inclusive rates for voice as well as data, but set-up costs are a major concern. Setting up any remote or mobile infrastructure is also more challenging than use on the internal network, especially for SMBs, because of the technical complexity involved and skills required, which are unlikely to exist in-house. Where possible, SMBs will only adopt if they can find simple solutions that allow them to focus on getting on with what they understand best—their own business.

Wireless LAN (Wi-Fi) networks are being used to give additional flexibility, although outside the company premises, in public locations, usage is more limited, as costs can vary widely, and are often expensed as ad-hoc claims rather than usage being covered by corporate contracts with their associated economies of scale (Figure 5).

Figure 5
Where are wireless LANs being used?



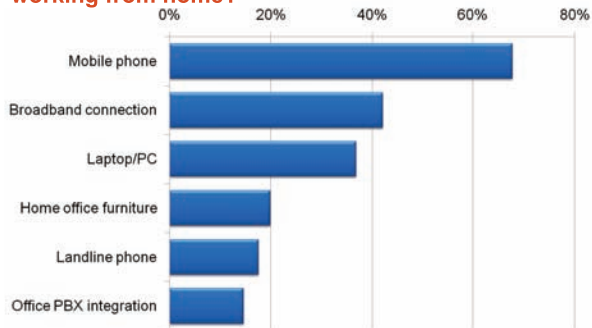
This is another aspect that could be made simpler, in particular for SMBs, if there was a carrier able to provide a suitable offering, by combining and simplifying data tariffs for both cellular and public Wi-Fi access.

Working from home

More employees are working from home than ever; at least part time, for flexibility of employment or to extend the working day, especially where there is a need to communicate with those in other time zones.

There are many aspects to weighing up the benefits and costs of working from home, especially if it is only for certain employees and only for part of the time. Reducing travel can have benefits for productivity and the environment, but there are costs the employer needs to take into consideration (Figure 6).

Figure 6
What is provided (and paid for) to support employees working from home?



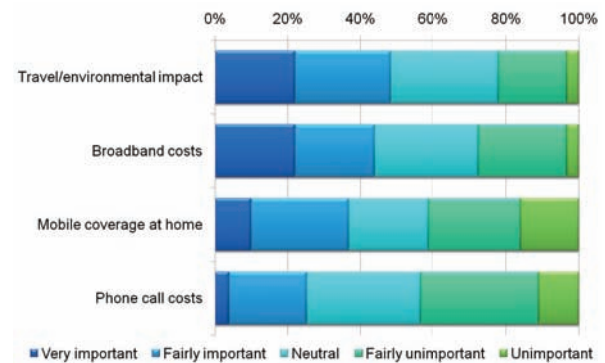
The mobile phone and broadband line are costs already being borne by many SMBs to support home workers and, in some cases, a fixed phone is also being paid for. Despite the diversity of options, few SMBs seem to be taking the next step and integrating the home phone or mobile into the office PBX.

Costs are a problem. However, for many SMBs the cost concerns of broadband and phone calls lie further down their priorities than travel. This is partly the environmental impact, but also productivity for employer and time saved for employee from reducing travel (Figure 7).

They do, however, note the potential problem of lack of coverage at the employee’s home. This is difficult to plan for as employees may be spread widely and some distance from the office, and a lack of home coverage wipes out many of the benefits of providing an employee with a mobile phone in the first place.

Choosing the best provider for each employee is not a pragmatic option either. When employees make personal decisions

Figure 7
What is important when considering home working?

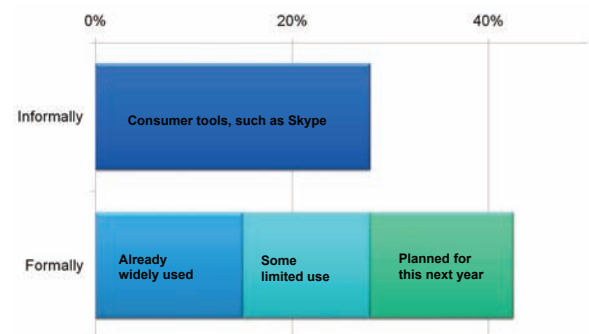


as consumers, they may base it partly on which carrier has a decent signal at their home, but for SMBs the complexity of different mobile networks for different employees may be too much to manage.

More ways to communicate

A number of SMBs have gone down the route of using consumer VoIP tools such as Skype to make lower cost or free business calls. Now a similar number of SMBs are recognising the business value of commercial VoIP products to simplify their networks and reduce the cost of making phone calls, and more have plans in the pipeline (Figure 8).

Figure 8
Are VoIP tools being used for business calls?



This raises the problem of providing too many communications options and losing some of the productivity gains of flexible working. With a business fixed line, a mobile phone and potentially a VoIP number—all helpfully identified on the business cards—added to email, IM and text messages, employees may be getting more incoming call message interruptions than they bargained for.

Avoiding communications break-down

Despite the fact that networks, computers and phones sometimes fail, a breakdown in communications is really a human, rather than technological, problem. When looking at personal and emotional relationships, there are a number of things to avoid to try to prevent breaks in communication:

- Making assumptions
- Crossed wires, unexplained silence
- Drifting away, switching off
- Narrow minded or silo’d thinking

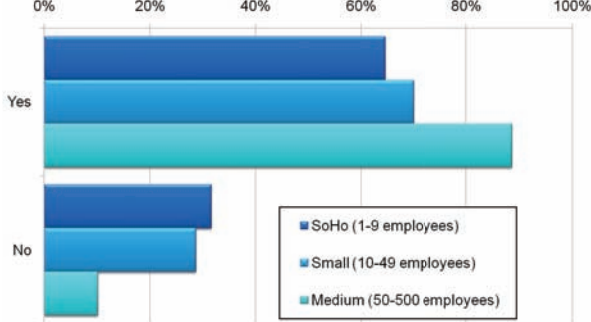
All business transactions are based on relationships where personal contact is still the most significant part. It may be that in larger enterprises or strategic intercompany relationships that organisational structures add an element of impersonalisation and objectivity, but these relationships still rely on avoiding communication breakdown.

Making assumptions

Most businesses still make the assumption that employees need desk phones (and desks). Many roles, even those where the employee must remain in the business premises in order to do their tasks, are not tied to a single location or desk.

Colleagues are met, discussions engaged and decisions made in many parts of an office. Factories, warehouses and other locations with plant, goods and materials demand that employees spend more time on their feet than sat down. Environments where there is much interaction with the public, from hospitals to car salesrooms and shops, also keep employees busy away from a desk. So why then are so many still provided with a fixed phone? (Figure 9)

Figure 9
Do employees with mobile phones generally also have a desk phone?



Some small businesses may not even have premises, and so have even less need to give an employee a desk phone as well and a mobile phone, but larger ones are still more likely to provide both.

The reasons may be more complex than simple tradition and legacy phone systems. Desk phones are often allocated extension or direct dial numbers based on an exchange or switchboard at the core. The numbers are allotted to roles or desks, then by default to the people who occupy them, so even when the employee leaves, the number remains tied to a desk phone.

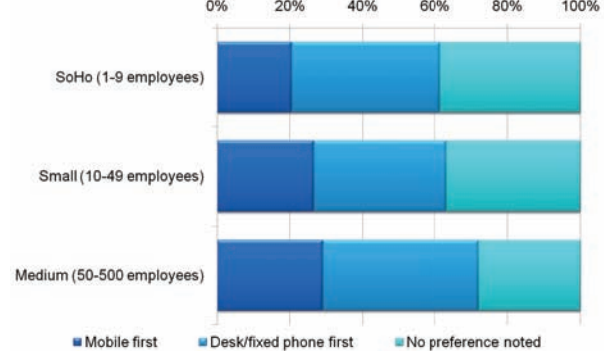
Mobile phone numbers are far more personal and portable—they leave with the employee—often whether the phone was provided by the business or not. Ownership of a mobile phone number by the employer is not something European employees would expect, as number portability has been prevalent for a while, although this is often different in North America.

Crossed wires

In keeping both fixed and mobile phones, the business is creating two choices, both of which add to cost and/or confusion. The cost problem is simply that fixed phone calls are typically cheaper to make than mobile phone calls, yet presented with the option of either, employees will increasingly use a mobile for the convenience (Figure 10).

This is more apparent in large organisations, but the fact that no preference has been noted does not mean there isn't one. Most anecdotal evidence suggests that assuming employees

Figure 10
Do those with mobile phones choose mobile or fixed phone first when making calls in the office?



are using desk phones in preference to their mobile is likely to be overly optimistic.

Having both desk and mobile phones adds an element of confusion. If you have a business card for someone with both fixed and mobile numbers present, which would you phone first? At one time the answer would have been fixed phone to leave a message on voicemail for later, or mobile phone to actually talk to them immediately.

The answer now might be more difficult, depending on the reason for calling, where the contact's details are held, which number is default and perhaps the cost. It might also depend on where the calling party thinks their intended contact is currently located, and perhaps whether they might be in range of mobile coverage.

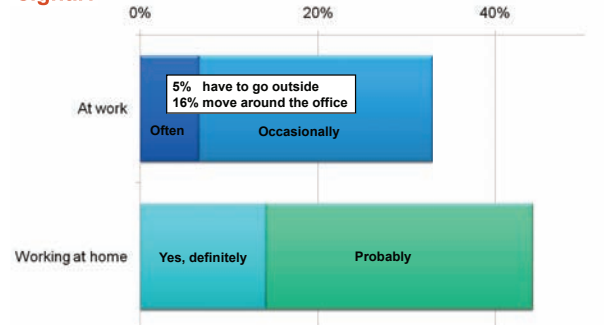
Quality of call and the environment of the recipient will also affect the decision. People on the move are less likely to be able to take the time to listen than those sat at a comfortable desk. Some callers will avoid cold calling a mobile to avoid the risk of making a bad first impression.

Drifting away

Despite years of investment and a great many cell towers, mobile coverage can still be patchy, especially once outside major population centres. Business premises are less likely to be in remote locations and companies will generally have already chosen a mobile operator with the best coverage for their premises.

Despite this, over a third of SMBs find employees often or occasionally have problems getting a signal on their mobile phone at work. To get a signal, a significant number have to go outside and around half of those with problems have to, at the very least, get up and walk about (Figure 11).

Figure 11
Do employees ever have problems getting a mobile signal?



Frustrated mobile phone users will try anything to get or improve a signal in the office; climbing on desks, leaning out of windows, waving the phone at arm's length, standing on tiptoes. Others will give up and just go outside.

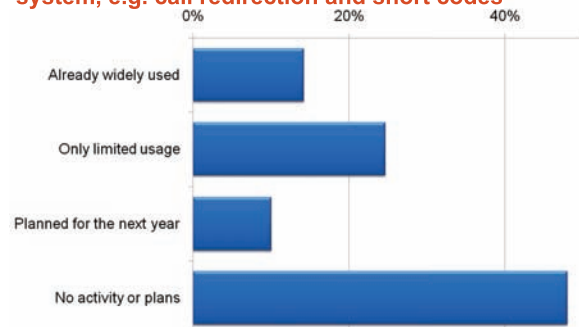
This is not the most productive use of their time, and might be frustrating for both mobile user and those trying to reach them, especially if signal strength varies unpredictably. If anything, the problem is thought to be worse at home, with almost half of respondents believing some employees have problems getting a mobile signal at home. Problems on their business phone, that is—as smart consumers they will have chosen their domestic mobile service with home coverage in mind.

Silos

The connection between offices and mobile phones can be strengthened by linking the mobile numbers into the switchboards and PBX systems, so that calls can be easily redirected, the mobile phones becoming recognised extensions of the fixed phone system. This already has some use among SMBs, but for the majority it has not happened yet (Figure 12).

Figure 12

Are mobile phones integrated with the office phone system, e.g. call redirection and short codes



Integrating mobile phones closer into the community of extensions or contact points in the business is helpful for organisations looking to reduce some costs and for the mobile phone users to make it easier to do call transfer, hunt groups and short code dialling. Those stuck at desks will also probably appreciate the improved connection with their mobile colleagues.

Fixed mobile convergence—solution or more complexity?

While technology may be perceived as the way around gaps in communications, it really only supports or enhances current behaviours, so in some cases it will make matters worse. New technologies offer new choices. For the IT industry, this has been marked by a shift from separate discrete products, or proprietary product lines from a single vendor, to common and largely interoperable systems. Open systems and standards, such as those as the core of the internet, have led to these changes.

Telecommunications systems have been based on their own standards, providing choice, but in separate, yet highly integrated 'stacks' of functionality; two obvious examples being fixed and mobile telecommunications. Now, as the IT industry brings open systems, and standards based on the internet protocol, IP, into telecommunications, there is more integration between the two, which, whilst providing more choice, can lead to more complexity.

Convergence

Combining, or converging, the separate strands of voice telephony—traditional fixed, mobile and voice over IP (VoIP)—would be a feat in itself, but the industry wants to go a step further with the total unification of communications. This combines not only voice services, but also data (email, IM etc.) access—over fixed or mobile networks—taking the best elements of all, and offering a multitude of choices and solutions to the business or individual consumer.

Some solutions come from those with vested interests in networks—operators and carriers—and so the terms fixed / mobile convergence (FMC) or fixed / mobile substitution (FMS) as one attacks the other. Those providing the building blocks or services for VoIP have extended their offerings to other media and data, rather than just voice, and have coined the term Unified Communications.

With everything in a melting pot of convergence, it can be difficult to see what has truly converged and what is being spun as converged by the marketers, and, on top of this, what it might all mean to the average SMB. Fixed mobile convergence is presented as a single approach but, in reality, there are several aspects, each with their own benefits and drawbacks:

- **Device convergence:** different methods of wireless access are combined onto one handset. Typically this means Wi-Fi to connect to a local wireless access point, and then broadband onto the internet combined with a regular mobile cellular connection. This takes advantage of low cost (or free) Wi-Fi connection if in range, plus cellular for wider range, but adds complexity in the hardware and handoff between different types of network.
- **Contact convergence:** one touchpoint (one number, one voicemail, one address book) to reach the user, independent of whether they connect via a mobile handset, fixed phone or VoIP software on a computer. Far simpler for making connections from the user perspective, but requires sophisticated commercial combination between carriers.
- **Service convergence:** one bill, one commercial and service relationship irrespective of the networks or technologies used. This provides a simpler supplier relationship, but how does the customer know they are getting the best of breed in each service and not simply something based on the relationships already in place?
- **Network convergence:** combining telephony and data lines into a single converged pipe. Far simpler to manage and purchase, but will it provide sufficient separation to ensure critical applications receive the quality of service they need?

Different FMC solutions use one or more of the elements of convergence described above to try to reach the dream of unified communications—simple convenience for the individual, lowest cost and complexity for the organisation.

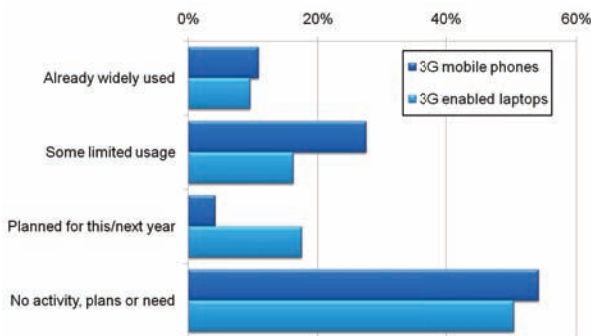
Mobile voice and data

Most SMB employees are dealing with day-to-day business issues and will not want to be distracted by technology choices. The much-heralded launch of third generation mobile (3G) networks is one area where new technology alone fails to address business needs. 3G promised to offer constant connection for data and a huge step up in available bandwidth. As a side benefit it also offered greater capacity for voice calls, essentially allowing operators to provide more calls at a lower cost and potentially lowering prices.

Adoption, by both consumers and large businesses, has been slower than expected, as the ‘killer applications’—mobile video or TV, and high speed mobile IT data access—failed to be taken up, or were considered over-priced. Despite this, 3G phones have done better in the consumer markets than in business. This is not likely to be based on active consumer demand, but getting 3G by default when upgrading to a new phone, most likely for one of a myriad of other reasons.

However, the use of 3G cards, devices or modems in laptops has proved more appealing to the business community, especially after recent price reductions. This is mirrored by how each has been accepted by SMBs, with currently slightly more use of 3G phones, but an expectation that more 3G laptops will be deployed over the coming year (Figure 13).

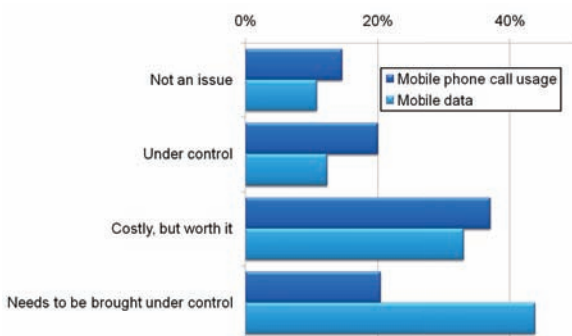
Figure 13
How much are 3G phones and laptops used?



However, for over half of SMBs, neither technology seems to address a burning need sufficient to put it in their plans. This is particularly true for 3G phones; with only a small percentage planning to adopt this year; the uptake momentum remains weak.

Most SMBs have more pressing concerns than using the latest mobile gadget and, even when adopting mobile technology, cost still figures highly. Mobile phones, in particular, have become an invaluable tool, and data access might become as important over time, but the challenge is making sure cost does not undermine value (Figure 14).

Figure 14
How do mobile usage costs stack up?



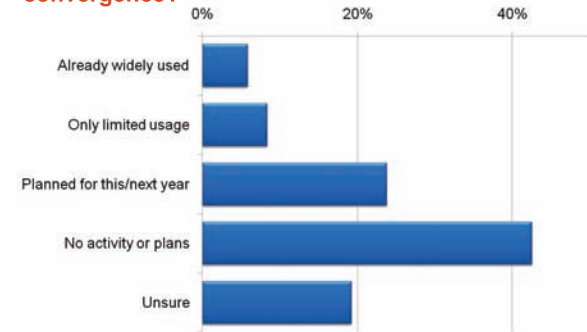
One in five SMBs think that mobile phone costs need to be brought under control, and although a further half of the remainder think mobile phones are ‘worth it’, the worth will be under more scrutiny if the business economy deteriorates, and costs need to be cut.

Even if carriers are bringing the cost of tariffs down, as they are in some countries, according to recent Quocirca research² most companies in the UK are still seeing mobile costs rise as usage grows, so even those believing mobile phone calls are

not an issue or are under control may have problems in the future.

This cost issue is where technologies that combine or converge fixed and mobile telephony are thought to add value—keep the flexibility of mobility that is highly valued, but bring the costs back closer to the level of fixed lines. So far however, it is still early days for SMBs (Figure 15).

Figure 15
What is the level of activity in fixed / mobile convergence?



Mobile data is a different issue, and costs clearly concern many companies. Tariffs have been reducing and becoming more flat-rate, all-you-can-eat plans, and some carriers are moving beyond long contracts to ad hoc daily and monthly rates. There is still some way to go in order to get mobile cellular data tariffs to be viewed by users in the same way as, for example, Wi-Fi, but further changes in this direction by carriers will make mobile cellular data much more appealing to a broader market. Charging by data volume is always difficult for a user to understand compared to charging by the minute, day or month.

The technology used in the cellular data hardware, either embedded in laptops, or supplied in cards or USB modems, is also improving. The companies making the silicon for this hardware now incorporate multiple radio technologies and frequency spectra at the core, reducing costs and widening coverage for international travellers.

What can SMBs benefit from?

Most companies simply want to focus on their business, and leave the technology to specialists. In SMBs, these skills are less likely to be found in house, and often, when they are, the expertise is generally incomplete, or not up to date.

Simplicity

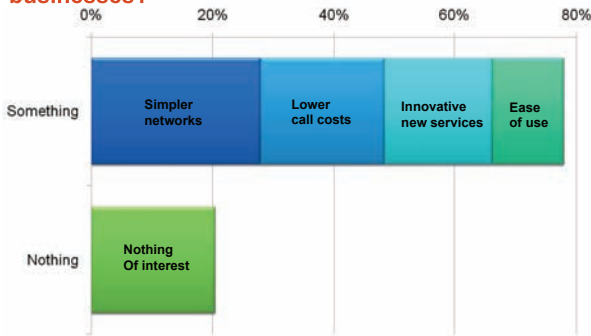
Novel concepts such as fixed mobile convergence are unlikely to be of interest simply because of technology innovation or a desire to be at the leading edge. They have to deliver something recognisable as business value. While lower costs are always of interest to businesses large or small, the smart SMB knows that nothing comes for free. Cheaper solutions can often cost more in the long run if they make life more complicated, or encourage employees to waste that even more precious resource, time.

Although few SMBs have already adopted fixed mobile convergence, many are planning to, and their reasons spread beyond simply saving money (Figure 16).

Only one in five think fixed mobile convergence has little to interest them, and a significant number are expecting it to make life simpler, either in the network or for the user. This allows them to get on with what they need to do—respond to

Figure 16

What does fixed mobile convergence offer businesses?



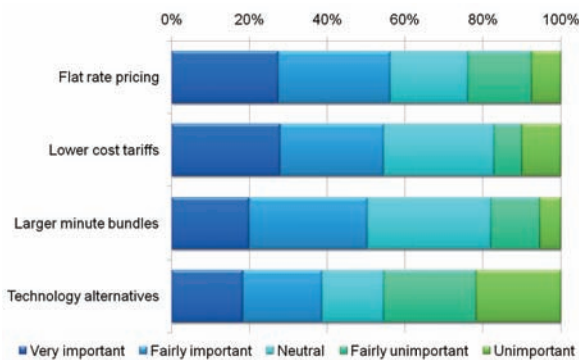
customers, do deals, build relationships—communicate with other people, rather than struggling with technology.

Control

However, there are costs associated, and keeping them under control is the priority. Again, when asked what will help, the emphasis for SMBs is on making costs predictable and simple. Lower costs always help, but flat rates and larger inclusive bundles minimise the risk of an unexpected or shocking bill at the end of the month (Figure 17).

Figure 17

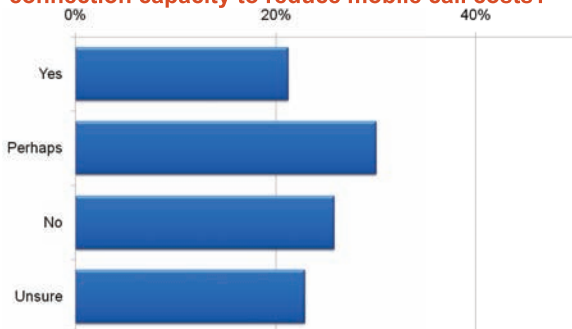
What would help to keep mobile costs under control?



Considering technology alternatives—converged devices, VoIP, special routers—is not high on the agenda, but many businesses are aware that they now have high speed broadband, and may have spare capacity they could use (Figure 18).

Figure 18

Would it be of interest to use some broadband connection capacity to reduce mobile call costs?



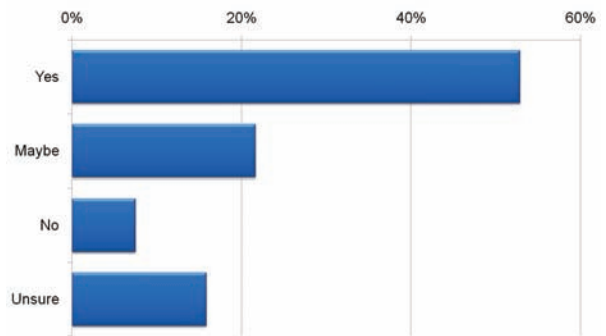
Even if they have not, many will realise that they can upgrade their broadband connection—adding bandwidth, reducing contention ratio, or selecting symmetric DSL—and still only pay a fixed monthly fee, largely irrespective of their level of usage. It might mean an increased monthly cost but, unlike the mobile phone bill, the cost each month will be predictable.

Assistance

There is the risk that the mobile operators are perceived as the villains of telecoms expenditure, especially when considering roaming charges. While there are a number of solutions to converge fixed and mobile use, mainly to address the mobile cost issue, the mobile operator does not have to be cut out of the loop. In fact the majority of SMBs believe the mobile operator can help (Figure 19).

Figure 19

Is this an area a mobile operator could help?



This should not be a surprise as many SMBs rely on their mobile phones. They have fewer employees, so struggle more to cover during staff sickness or holidays, or while some employees are engaged in business travel. The mobile phone has become a vital tool for connection and, as seen in Figure 1, the mobile phone number is the primary communication information on business cards.

So, can services converge further, and the mobile telephony and broadband service come from a single provider? There is some appetite for this (Figure 20), but almost one third have no interest. Many will have not even considered the idea, because it has never been on offer. If service providers can create a suitable proposition and market it to the SMB community, they may get a more encouraging response.

Figure 20

How does the offer of combined broadband and mobile telephony from a single supplier sound?



The upshot is that SMBs are open to the idea of communications convergence, based on what it can deliver to them in terms of real benefits. The challenge for mobile providers is whether they can position and deliver a solution that meets those needs, without introducing complexity and new technologies that divert SMBs away from focussing on their business.

Conclusion

As communications technologies have developed they have made it easier to keep in touch or make contact with anyone—in or out of the office—anywhere in the world. However, while the data networks converged on a single base standard, IP (the internet protocol) in the 1990s, the telephony world has been slow to follow. Separate industries around the traditional fixed telephony, and the young upstart mobile world, have started to draw together and again the internet protocol, IP, is at the centre of this.

However, for SMBs the problem is not one of converging technologies, but simplifying the way they communicate. There has already been a wave of attempts to combine telephony, email, instant messaging and conferencing around the desktop under the banner 'Unified Communications'.

While this has led to a number of highly sophisticated solutions oriented around the desktop PC, the extension to the mobile world—beyond the laptop, to the handset—has often only seen the phone as an alternative endpoint.

This does little to address concerns around cost control, given that the mobile phone is generally the handset of choice, even when next to a desk phone or VoIP enabled computer.

The industry term, fixed mobile convergence, only adds to the confusion. In reality it is applied to a diverse and often conflicting set of solutions; these require new technologies to be added or adopted, either by the handset user, the business or the carrier. It is not clear that one single form of technology will win out long term, so a large investment in any specific solution risks being a dead-end, so will at least have to be re-assessed frequently.

What the SMB really needs is simple, manageable, cost effective communications, and there are five simple steps that any buyer should be using when examining their suppliers to see if they can address these business needs:

- **Cost.** Address the cost issues up front. Will it really save money, and how much? If there is additional investment required, how will those costs be recouped? Will ongoing expenditure be predictable and flat, or spiral out of proportion with the value gained?
- **Utility.** Is the technology proven or leading edge? What sort of a risk is the SMB taking in going down a path that might end when development dries up because another technology has replaced this one?
- **Individual value.** Small companies make more personal decisions—are there benefits for the individuals concerned? Does it make the working day easier, does it give them control over their time, or does it lower frustration levels?
- **Ubiquity.** A solution that only works for a select few is unlikely to succeed even in the smallest companies. It has to work and be cost effective for all types of employee. SMBs cannot afford the time, skills or effort to mix and match different solutions.
- **Quality.** Communication is the lifeblood for any business, and SMBs depend on immediacy of contact. Low quality or failing phone calls will present a perception of being a risky supplier and not convey a positive image.

When it comes to improving their communications, SMBs are right to be cautious of ploughing investment into building an expensive infrastructure that may not meet their changing needs.

However, they are open to new ideas that will help the business, and if they are offered solutions which 'sweat' existing assets and are sufficiently easy to use to allow employees to be quickly productive, they will respond positively. The challenge to those offering new services is whether they can demonstrate an understanding of the basic business problems and offer 'practical business' rather than simply 'innovative technology' solutions.

Appendix A: Interview sample distribution

The information presented in this report was derived from 240 interviews with decision makers during a survey completed in April 2008.

The sample distribution was split as follows (Figures 21 to 23):

Figure 21
Company size

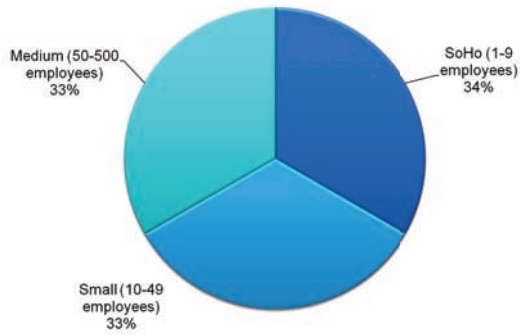


Figure 22
Country region summary

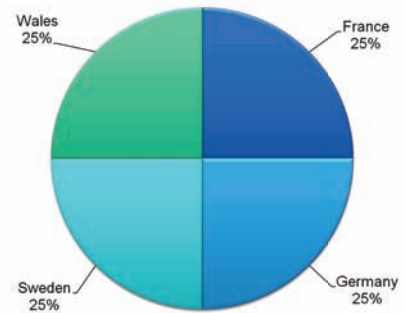
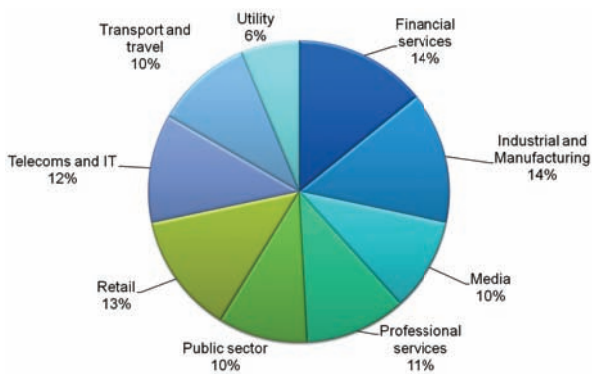


Figure 23
Industry split



References

Reference	Title	Author	Published
1	Convergence or confusion?	Quocirca	2007
2	Total Telecoms Expense Management	Quocirca	2008

About RadioFrame Networks

Headquartered in Redmond, Washington, USA, RadioFrame Networks, Inc. is the leading provider of complete radio access solutions for Tier 1 mobile operators and OEM partners throughout the world.

RadioFrame has pioneered the development of pico and femtocell products that are network-friendly and easily deployed plug-and-play solutions at the lowest cost available. For more information, please visit the company's web site at www.RadioFramenetworks.com.



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Quocirca is a primary research and analysis company specialising in the business impact of information technology and communications (ITC). With worldwide, native language reach, Quocirca provides in-depth insight into the views of buyers and influencers in large, mid-sized and small organisations. Its analyst team is made up of real-world practitioners with firsthand experience of ITC delivery who continuously research and track the industry in the following key areas:

- Business process evolution and enablement
- Enterprise solutions and integration
- Business intelligence and reporting
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- Infrastructure and IT systems management
- Systems security and end-point management
- Utility computing and delivery of IT as a service
- IT delivery channels and practices
- IT investment activity, behaviour and planning
- Public sector technology adoption and issues
- Integrated print management

Researching perceptions, Quocirca uncovers the real hurdles to technology adoption—the personal and political aspects of an organisation's environment and the pressures of the need for demonstrable business value in any implementation. This capacity to uncover and report on end-user perceptions in the market enables Quocirca to advise on the realities of technology adoption, not the promises.

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Contact:

Quocirca Ltd
Mountbatten House
Fairacres
Windsor
Berkshire
SL4 4LE
United Kingdom

Tel +44 1753 754 838

