



# How to build a leading UCaaS proposition

White Paper

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## Foreword

In our 2nd part of evaluating cloud-based communication systems in the UK, BT Wholesale has partnered with Cavell to support channel partners on how to build a leading UCaaS proposition.

The rapidly growing Unified Communications market is forecast to generate more than £1 billion in revenue by end of 2021. This whitepaper highlights the key considerations for service providers during the search, selection and evaluation process. Understanding the right UCaaS solution and supplier represents a critical strategic decision for any communication service provider.

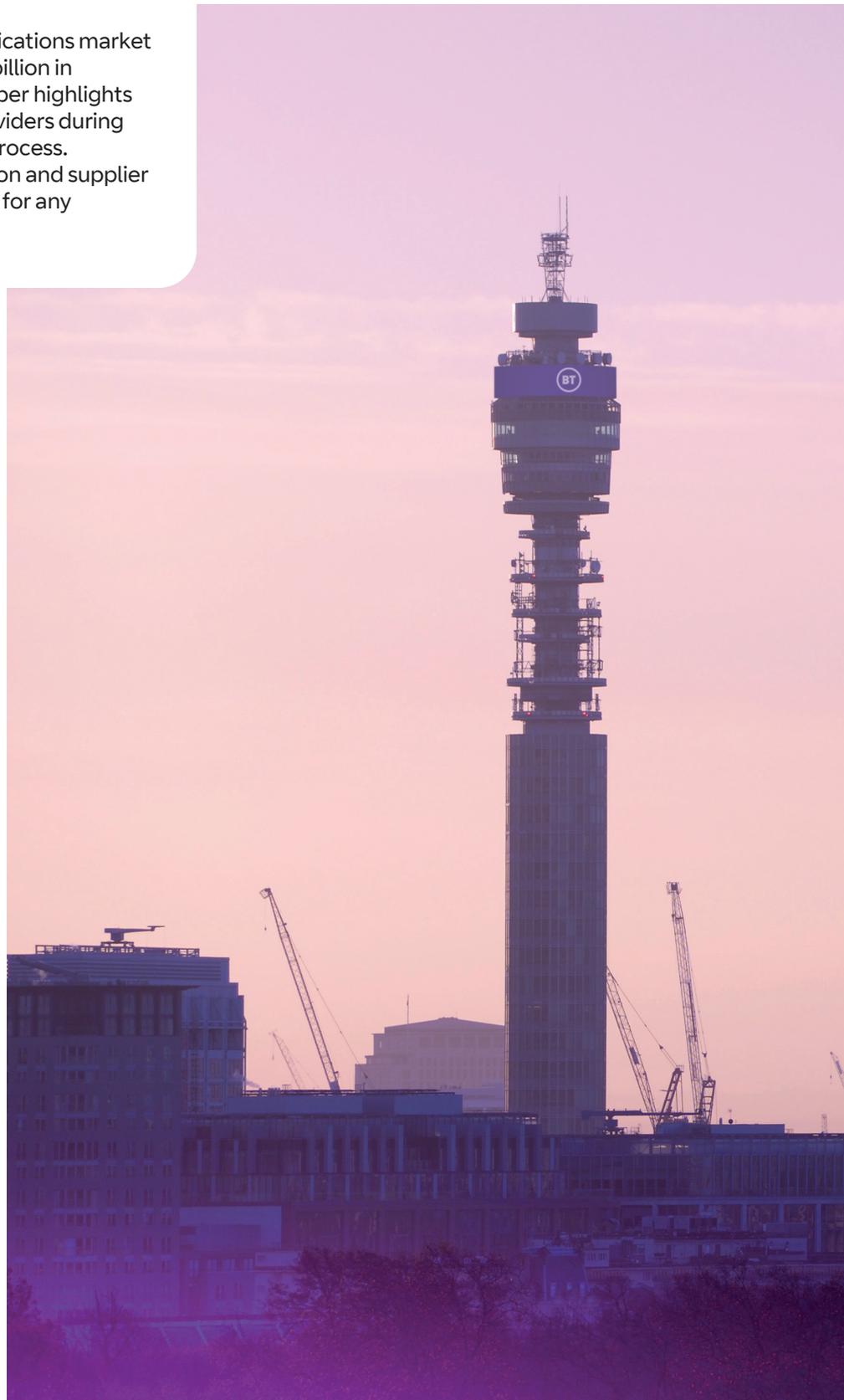


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### About Cavell Group

Cavell Group is an EMEA & USA focused Research, Consulting, Engineering and Education Services business with offices in the USA, Amsterdam, Brussels, and London as well as remote associates worldwide.

Cavell has built a strong reputation as leading Analysts of the Cloud Communications market, providing Strategic Consulting and Research in EMEA and the USA to Service Providers, Vendors, Manufacturers and Private Equity firms.



## Introduction

The Unified Communication's (UC) market in the UK is growing annually at a rate of around 20% and the total market value is set to exceed £1.9BN annually by 2025.

To leverage this dynamic and expanding market opportunity, service providers and resellers need to ensure they are offering their customers the most suitable and innovative communication solutions. At the forefront of business communication systems are Unified Communications as-a-service (UCaaS) platforms.

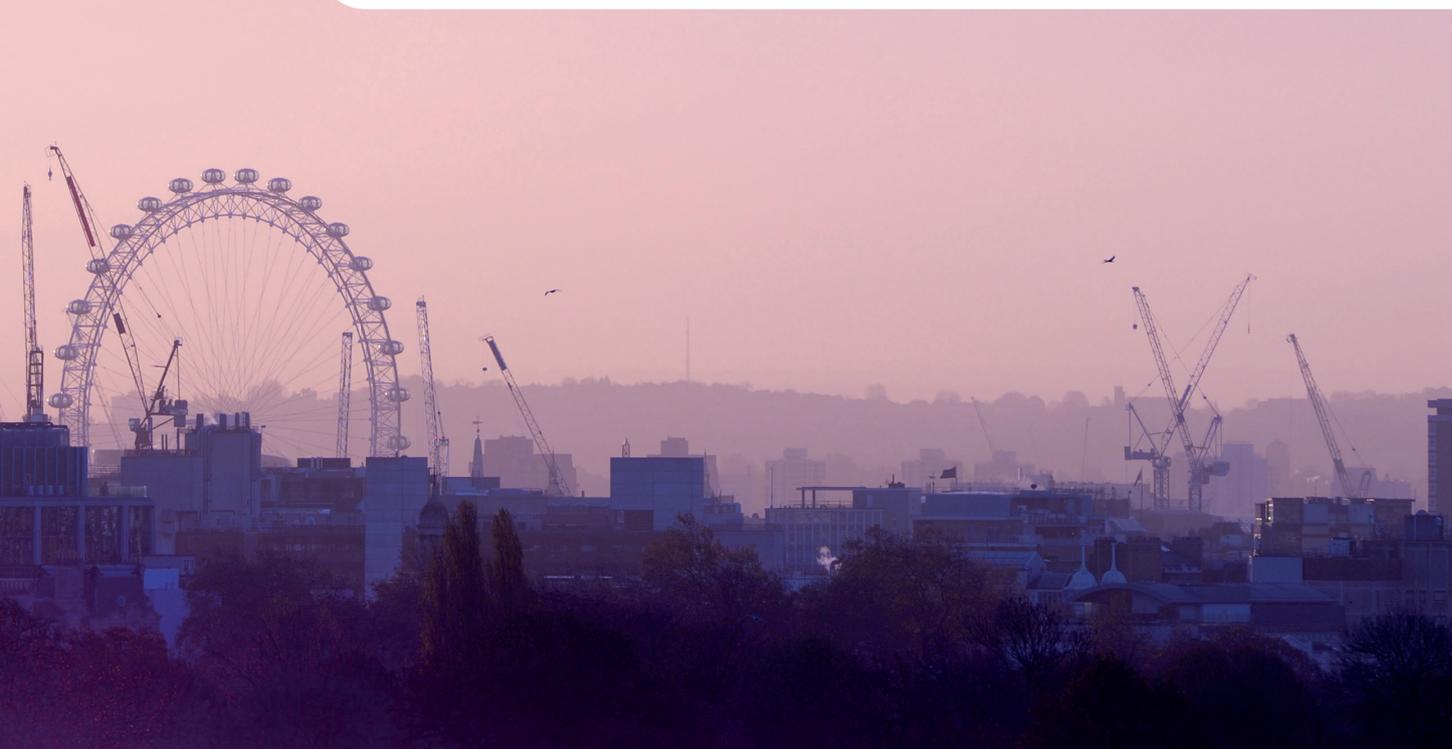
**Unified Communications as-a-service (UCaaS) is a cloud-delivered unified communications model that provides businesses with a consolidated variety of different communication mediums. These often include telephony, audio and video conferencing, messaging, and mobility solutions.**

The variety of benefits associated with UCaaS platforms are clearly recognised by businesses in the UK with their adoption rising nationwide and across vertical market sectors. Businesses looking to reduce costs, improve flexibility, and remove maintenance requirements associated with on-premises based infrastructure are all exploring UCaaS platforms as a solution to manage their communication requirements.

Communication service providers and resellers within the UK are realising that to compete in an increasingly competitive market landscape, they must be equipped with a market leading UCaaS offering to meet the demands of their customers.

Understanding changing business demands is key to the success of any technology provider. Resellers and service providers need to be able to appreciate the dynamic nature of technology requirements so that their solution portfolio can overcome any obstacles and achieve the desired business outcomes for their customers.

This whitepaper will utilise research to explore changes in business communication requirements, investigate the increasingly competitive communications market in the UK, and examine buyer behaviour and preferences to assist communication service providers in building a leading UCaaS proposition.





## Changing Business Communication Requirements

The nature of business communication requirements varies dramatically according to the business size and its vertical market sector. However, there are some almost universal factors that are transforming business communication requirements more generally within the UK.

These macro influences need to be understood by technology providers to ensure that their solution portfolio is suitably equipped to meet the new demands of the modern business.

### COVID-19

The most dramatic impact on UK business communication requirements has been caused by COVID-19. Enforced remote working from the start of 2020 onwards has compelled businesses to re-evaluate their processes and procedures, and the communication systems used to facilitate these.

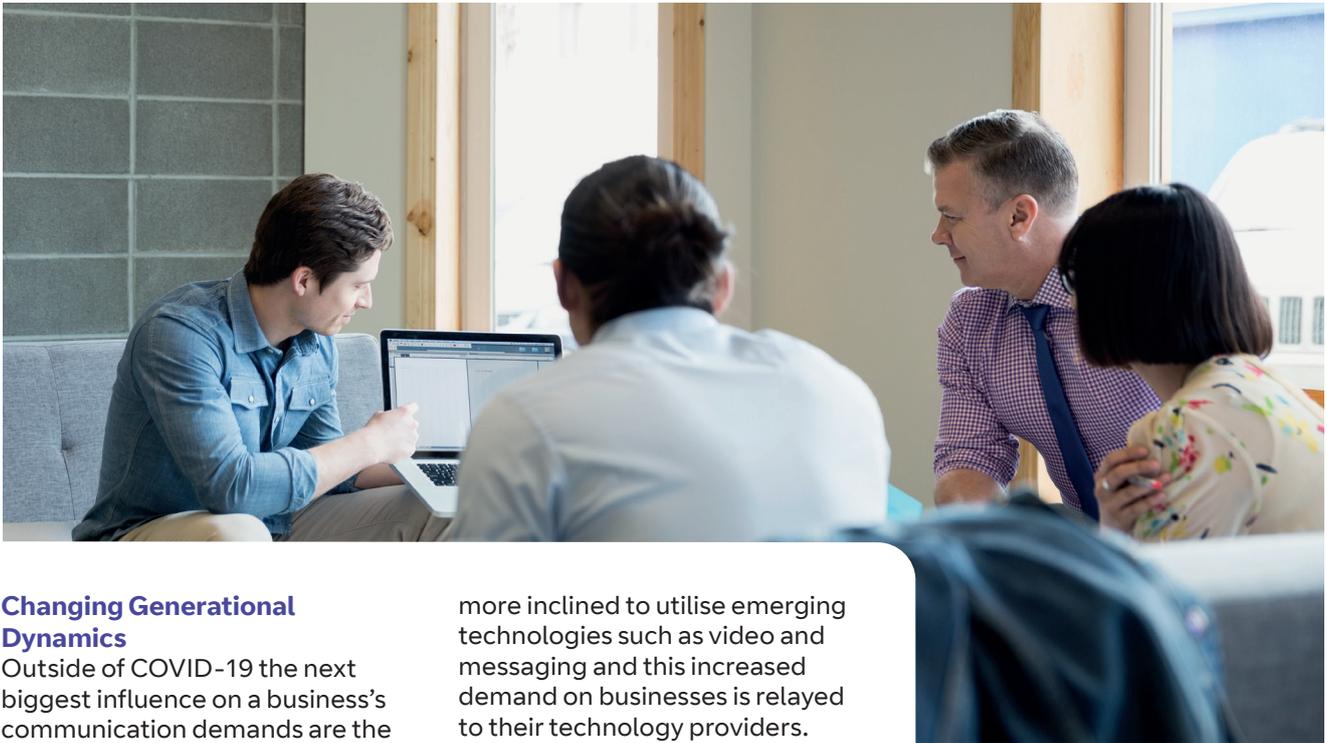
Traditionally, on-premises based communications infrastructure has been popular within the UK, but remote access issues meant that many businesses instead looked for more easily accessible cloud-based systems.

As thousands of businesses moved to fully remote, or hybrid, working models a lack of face-to-face interaction presented challenges for businesses looking to remain productive and maintain company culture.

Replicating office-based face-to-face communication was a key consideration for many businesses. Allowing colleagues to communicate whilst seeing social cues, such as expressions and emotions, was a priority for many businesses. This requirement saw a huge boom in demand for video conferencing and meeting services.

*“Large enterprise reporting the strongest growth in video, with 86% using in 2020 rising to 96% in 2021”  
Cavell Enterprise Insight Report UK 2020*

As well as increasing demand for video services, businesses also looked for other communication mediums to ensure their teams could remain connected in remote working scenarios. Demand for instant messaging, presence, as well as collaborative file sharing and editing features also surged.



### Changing Generational Dynamics

Outside of COVID-19 the next biggest influence on a business's communication demands are the constantly evolving dynamics of the UK's workforce.

As younger generations of workers enter the UK workforce, and older generations exit, internal technological demands shift. Younger workers are much

more inclined to utilise emerging technologies such as video and messaging and this increased demand on businesses is relayed to their technology providers.

Businesses now expect their technology partners to be able to provide them with cutting edge solutions that offer their increasingly younger workforces the most effective communication tools.

	Baby Boomers (1945-1960)	Generation X (1961-1980)	Generation Y (1981-1995)	Generation Z (1995-)
Percentage in workforce	22%	31%	36%	10%
Attitude to technology	Early information (IT) adopters	Digital immigrants	Digital natives	"Technoholics" entirely dependent on IT
Communication media	 Telephone	 Email and text message	 Text or social media	 Hand-held communication device
Communication preference	 Face-to-face ideally but telephone or email	 Text messaging or email	 Online and mobile	 Facetime

Figure 1. Cavell Group & Global Workforce Research Centre



### Common Business Issues

These changing communication technology requirements have caused a number of issues for UK businesses. Security related concerns have been highlighted as the most common.

As well as security, businesses within the UK also struggled with cultural changes. Maintaining positive company culture in a hybrid, or remote, working environment has proved challenging.

Practical issues have also impacted communication technologies. Issues with appropriate portable hardware and remote connectivity were also prevalent.

Communications service providers and resellers must be able to alleviate these common issues with their solution portfolios.

*“45% of all companies of all sizes across all vertical markets struggled with security issues during COVID.”  
Cavell Group UK Enterprise Insight Survey 2020*



Security



Culture



Hardware



Connectivity



### Overcoming Increasing Competition

Communications providers within the UK market are now encountering greater levels of competition than ever before.

To succeed within the communications market, providers must now be able to offer cutting edge solutions that provide a viable alternative to offerings from some of the world's largest technology providers. The top ten communications providers, who control 54% of the UK market, all grew their market

share, whereas smaller providers witnessed a stagnation. Second tier providers, outside of the largest three, have grown their market share significantly from just under 10% of the market to over 14%.

Smaller providers appear to be suffering from increased overseas competition, increased cloud focus from incumbents, and focus on market leading software solutions – which are often offered by the leading vendors.

Top ten Service Providers ranked by user base UK Q4 2020 - Cavell Group

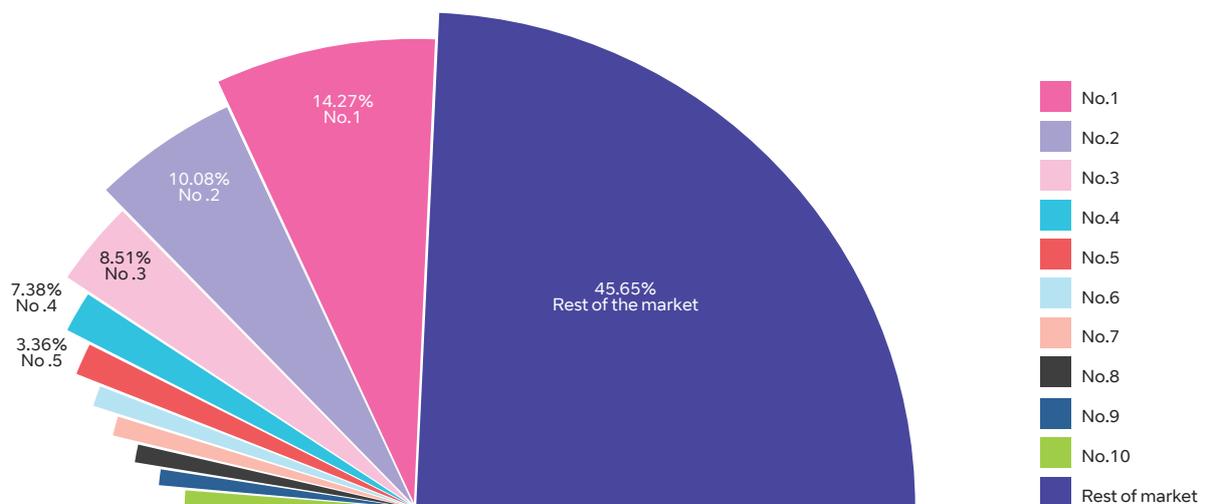


Figure 2. Cavell Group Cloud Comms Market Report UK 2020

Increased competition in the UK communications market is being caused by several key trends:

Increased international competition from both European and North American communications providers

Convergence of technology areas is creating new competition from IT providers in the communications space

Accelerated merger and acquisition activity is consolidating smaller providers creating more powerful domestic competition

Communication service providers within the UK must now evaluate their strategies to ensure that they have the capabilities to meet or exceed the demands of market competition. Developing their own UCaaS platforms internally may no longer be a viable strategy as the investment and development resource required to compete with the larger vendors may not be realistic.

Many service providers and resellers within the UK are now looking to partner with technology vendors, to white-label or resell UCaaS platforms.

This option allows UK providers to reduce development costs and maintain their own customer relationships whilst offering the most cutting-edge and competitive solutions.



## Understanding Buyer Behaviour

Understanding the nature of communications purchasing is key for any reseller or service provider. Ensuring the correct target customers are identified both in terms of business size and vertical market are vital considerations. The reasons behind technology partner selection can vary dramatically for each individual business.

**Top 5 considerations for SMBs when choosing a supplier**

Offers best management tools / portals	1
Offers best/ easiest to use interface for end user	2
Can fully integrate fixed and mobile telephony	3
Offers internet access as part of the solution	4
Offers the most responsive in-life customer support	5

**Top 5 considerations for large enterprises when choosing a supplier**

Integrates with other key cloud applications (e.g. Salesforce)	1
Can fully integrate fixed and mobile telephony	2
Offers the most responsive in-life customer support	3
Provides most advanced solutions	4
Service was offered by trusted existing supplier	5

Figure 3. Cavell Group Enterprise Insight Report UK 2020

Other factors can influence technology supplier selection. Businesses within the UK use a variety of tools to help them choose technology partners. Recommendations from peers or selection by vertical market sector are some of the most popular options.

Most trusted sources of advice about telecoms products and services  
UK Enterprise Insight Report 2020 (Cavell Group)

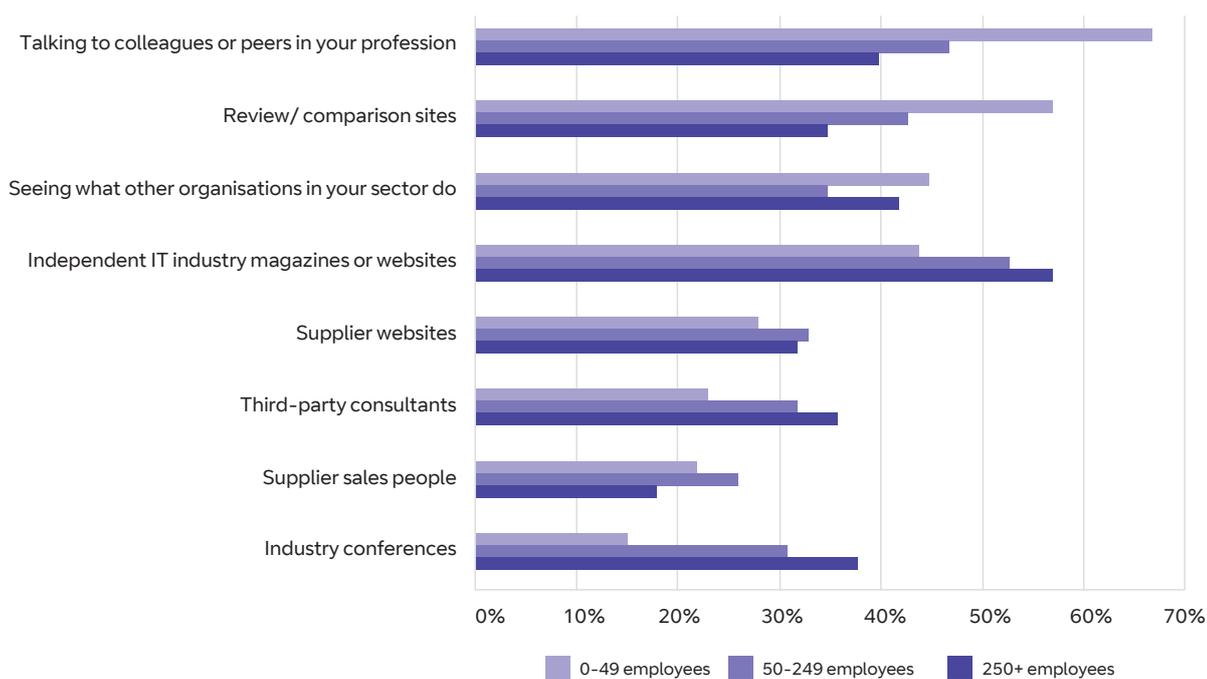


Figure 4. Cavell Group Enterprise Insight Report UK 2020



Businesses also value other areas that service providers or resellers can invest in to ensure they offer the most appeal to prospective communication buyers:

**Reliability:**

Ultimately end customers want to ensure that any platform they utilise will be available for their users. Service providers and resellers should therefore look to deploy vendor UCaaS solutions that provide guarantees relating to uptime and from technology vendors that offer industry leading SLAs.

**Migration experience:**

One key area of focus for businesses looking to deploy a new technology solution, like UCaaS, is migration. To ensure a smooth transition to any new communication system, businesses want to partner with providers who can demonstrate their migration experience.

Case studies and references from other similar migration projects can be a key differentiator for service providers and resellers looking to stand out from their competitors.

**Integration capability:**

The average business in the UK uses more than three different technology systems across areas including IT, communications, CRM, and line of business (LoB).

Ensuring that these different technology platforms can link together and provide unified data for analytics and reporting is a key concern for businesses.

Service providers and resellers should look for UCaaS solutions that offer out of the box integration capabilities, to the most popular applications, and other communication systems like contact centres.

Communications technology providers need to select a UCaaS platform that caters for the needs of UK businesses. Understanding buyer motivation and key purchasing drivers will assist service providers and resellers in selecting an underlying UCaaS platform that provides them with maximum traction to attract business from new and existing customers.



### Building A Leading Proposition

This whitepaper has outlined some of the key factors that underpin successful UCaaS provision within the UK market. Appreciating the macro trends that are influencing UK business communication requirements, understanding how to overcome the increasingly competitive market landscape, and meeting the needs of UCaaS buyers are essential for resellers and service providers to succeed.

Selecting the right UCaaS platform partner is a vital strategic decision for providers. Once the right technology partner and platform have been selected, service providers, resellers, and their end customers can leverage a range of key benefits:

#### Brand recognition

Selecting a platform that is completely brandable allows a provider to maintain and build their own reputation and market position

#### Constant evolution

As a platform's new features and integrations are developed, and added, a provider can pass these on to benefit their end customer at no additional cost

#### Lower cost

Developing enterprise grade solutions can incur huge internal costs and utilise valuable resources. Using a third-party platform can dramatically reduce overheads

#### Customer ownership

Resellers and service providers value their direct customer relationships. Finding the right UCaaS partner that enables customer ownership, in sales and support, maintains a provider's key values and USP

#### Competitive advantage

By adopting a market leading solution from a globally recognised vendor partners can stay ahead of their competition

#### Time to market

Developing in-house solutions can be time consuming. This can be avoided by utilising a third-party UCaaS platform, and can also offer speed benefits in deployment and provisioning

Selecting the right UCaaS platform and partner, considering the factors outlined in this document, is a vital step to ensure that resellers and service providers can stake their claim to a rapidly growing market, forecast to generate more than £1BN in revenue in 2021.

## About BT Wholesale

The way businesses communicate is changing. As the ISDN switch-off gathers pace in 2021, legacy systems need to be replaced with digital technology. BT Wholesale is offering a partnership that will take you and your business further, as you move your customers to digital. Together we can transform your sales potential with a single, scalable solution and equip you with the knowledge you need to sell.

BT Wholesale's Voice & Collaboration portfolio includes Wholesale Hosted Communications a white-label unified communication service to enhance your own propositions and reduce your cost to serve. You will also receive continuous support in product developments, marketing, and training resources from the Digital Learning Platform. This all adds to the assurance of greater resilience from the most reliable fixed and mobile network that protects the UK's critical national infrastructure.

Partnering with BT Wholesale also brings you and your customers greater protection from fraud with 24/7 monitoring as well as access to products from industry leading security vendors. We are here to transform your digital offering and the way Britain's businesses communicate, together.

BT Wholesale Voice & Collaboration  
Transforming Together



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Get in touch

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Visit: [btwholesale.com/all-ip](https://btwholesale.com/all-ip)

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Offices Worldwide

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