The Business Value Proposition

Jenny Searle

Business Development Director

Oracle Corporation UK
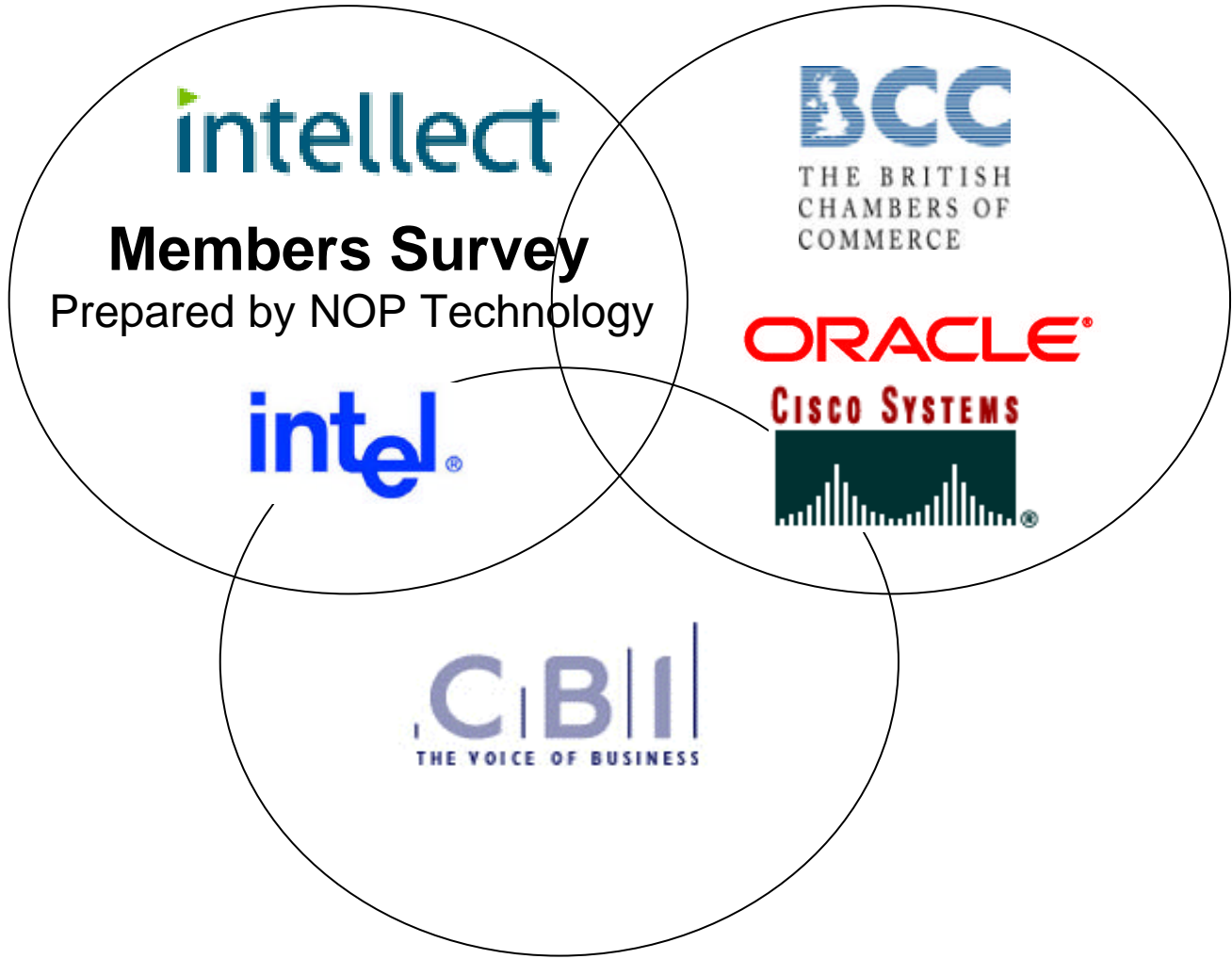
Broadband use has more than doubled in the past year

BSG
Broadband Stakeholder Group

Internet Use - 2003

39%

1%

60%

- Non Broadband
- No Internet
- Broadband
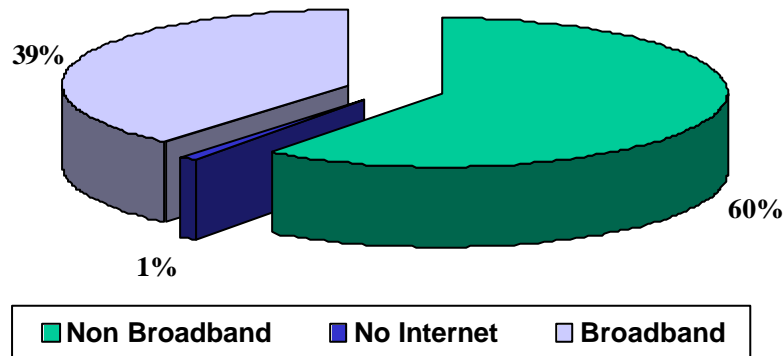
Growth in use of broadband services 2002 - 2003

| | ADSL | Cable | Satellite | Wireless | Leased Line | Total Broadband |

2002 ■ 2003
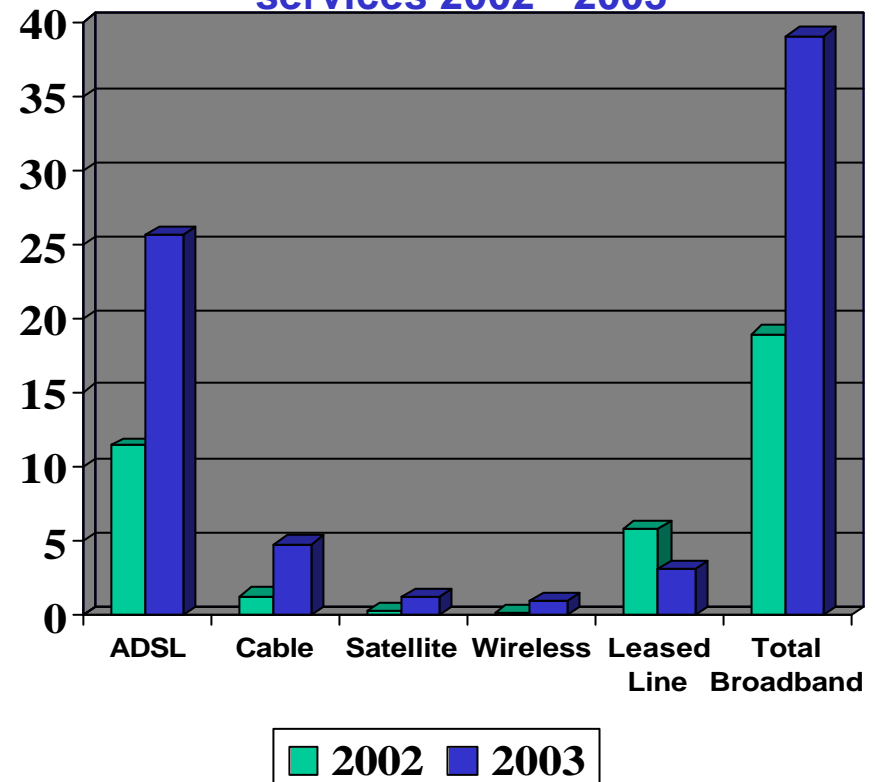
One third of non-users plan to acquire a broadband connection as soon as it is available; one in six plan to acquire within the year
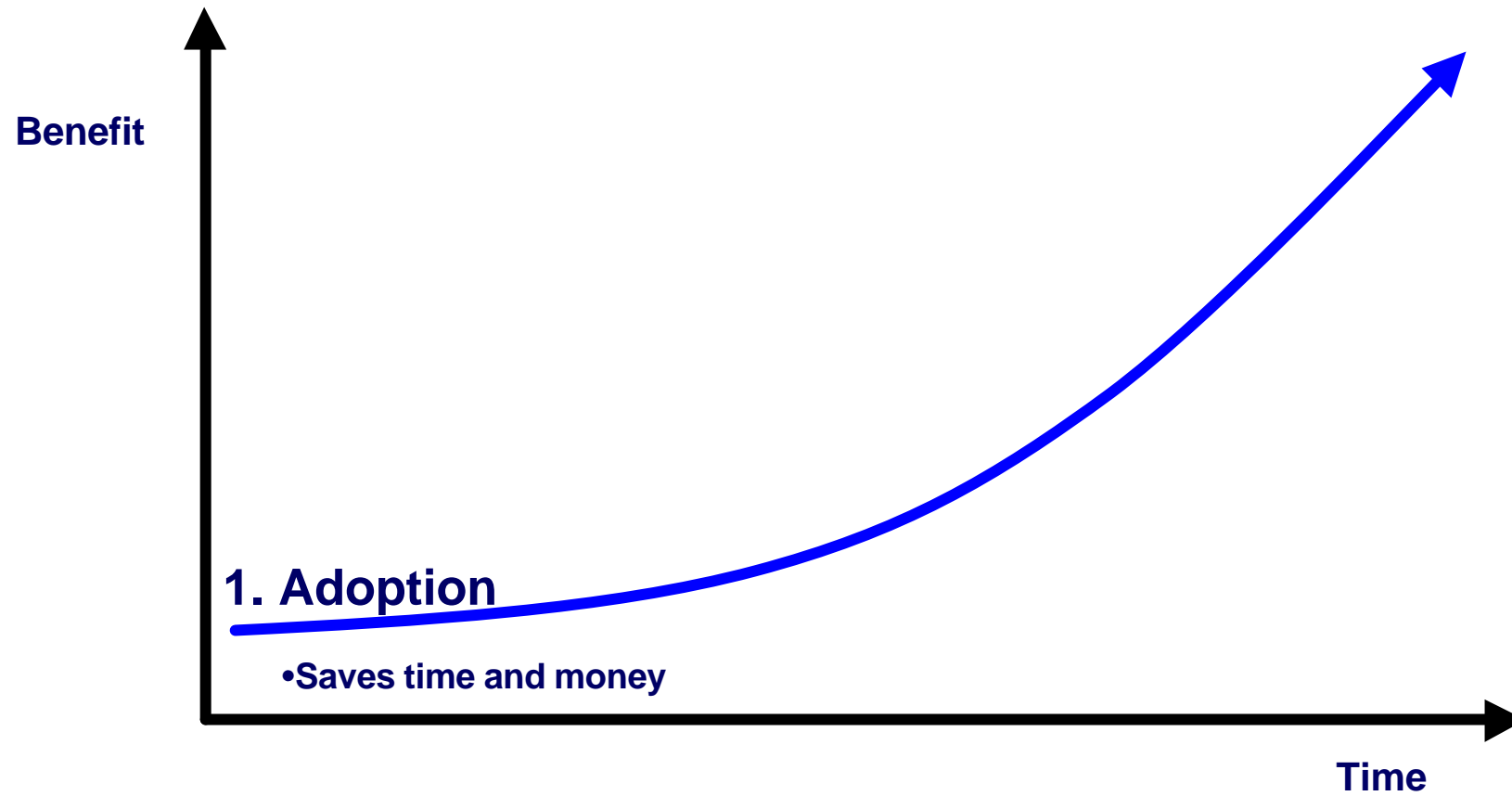
Phases in Adoption

BSG
Broadband Stakeholder Group

Benefit

1. Adoption

•**Saves time and money**

Time

Case Study: the buyer
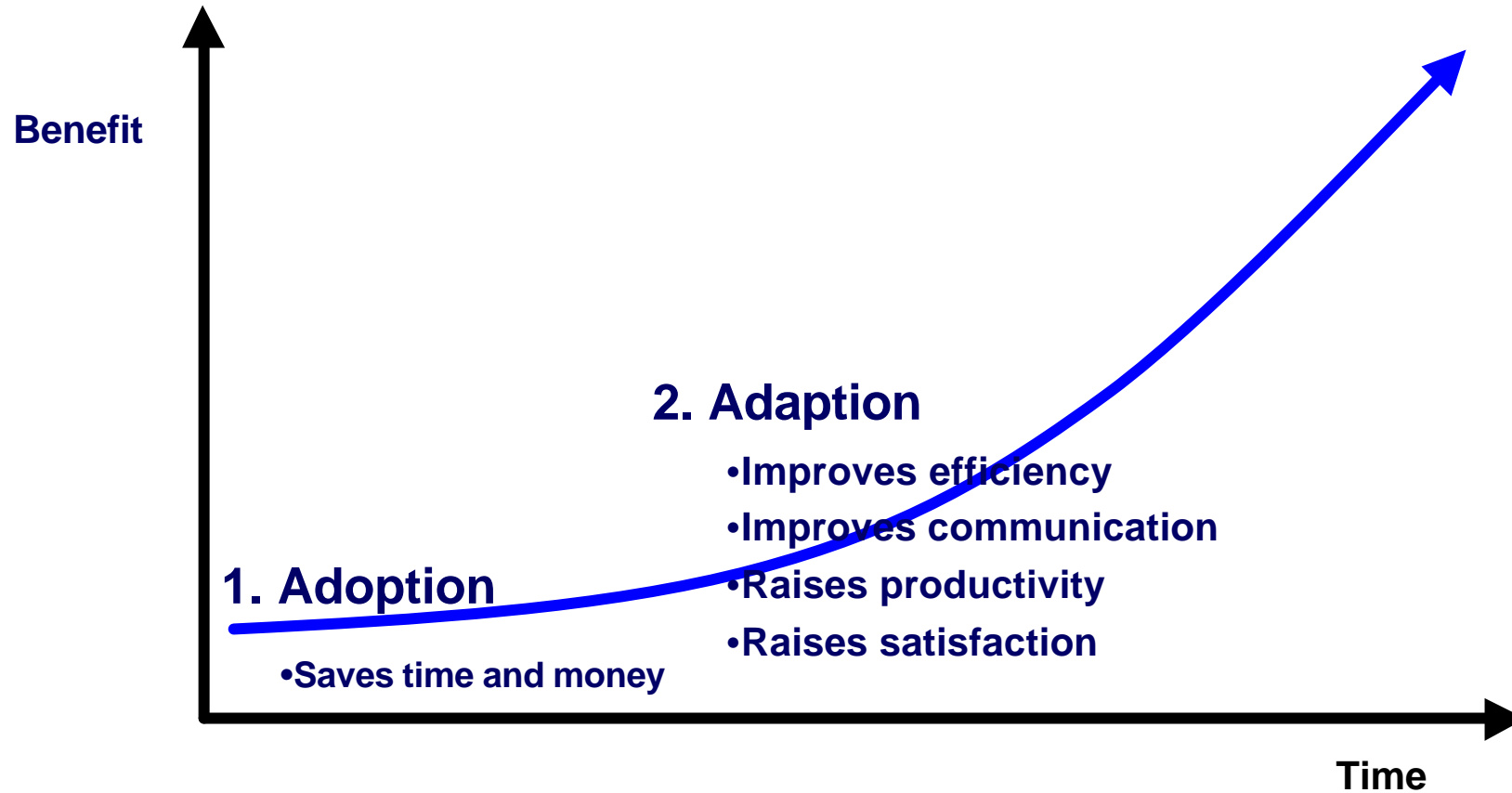

The savings we make are not simply a question of getting better prices. - it is also important to find a reliable source quickly. A component that costs 20p may be holding up the manufacture of an entire circuit board.

......Overall I would say our broadband connection has the potential to save us £30,000 - £40,000 per year.

Howard Thompson, Electronics Buyer, Zot Engineering
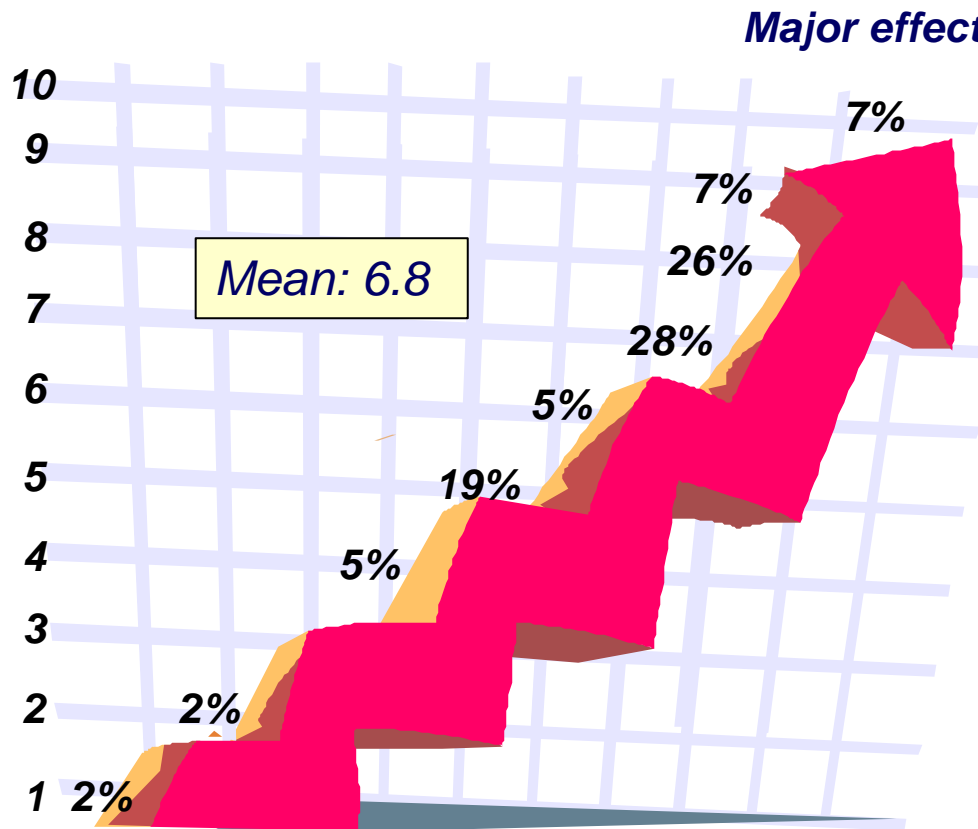
Phases in Adaption

BSG
Broadband
Stakeholder
Group

Benefit

2. Adaption

- Improves efficiency
- Improves communication

1. Adoption

- Raises productivity
- Raises satisfaction

- Saves time and money

Time

Impact on Satisfaction

Major effect on satisfaction

10
9
8
7
6
5
4
3
2
1

Mean: 7.3

12%
7%
35%
21%
5%
19%
2%

"Even things like the ability for people to download and listen to music whilst they work…some of them will be listening to the Today programme as they come in and start and all of those help make our staff happy."
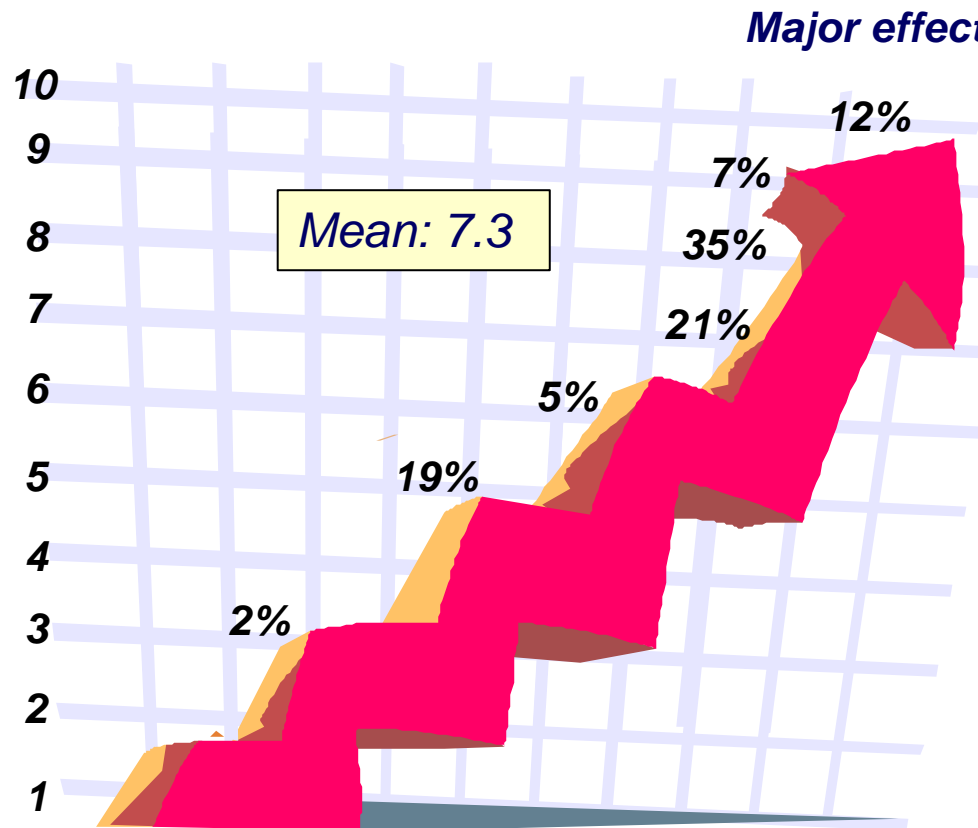
No effect on satisfaction

What effect, if any, has Broadband had on your staff's satisfaction? Please give your answer on a scale of 1-10, where 1 is no effect and 10 is a major effect on productivity?
Base: All using Broadband: n=43

Phases in Adoption

BSG

Broadband Stakeholder Group

Benefit

3. Transformation

- Address new markets
- Take on larger players
- Exploit new ways of doing business

2. Adaption

- Improves efficiency
- Improves communication
- Raises productivity
- Raises satisfaction

1. Adoption

- Saves time and money

Time
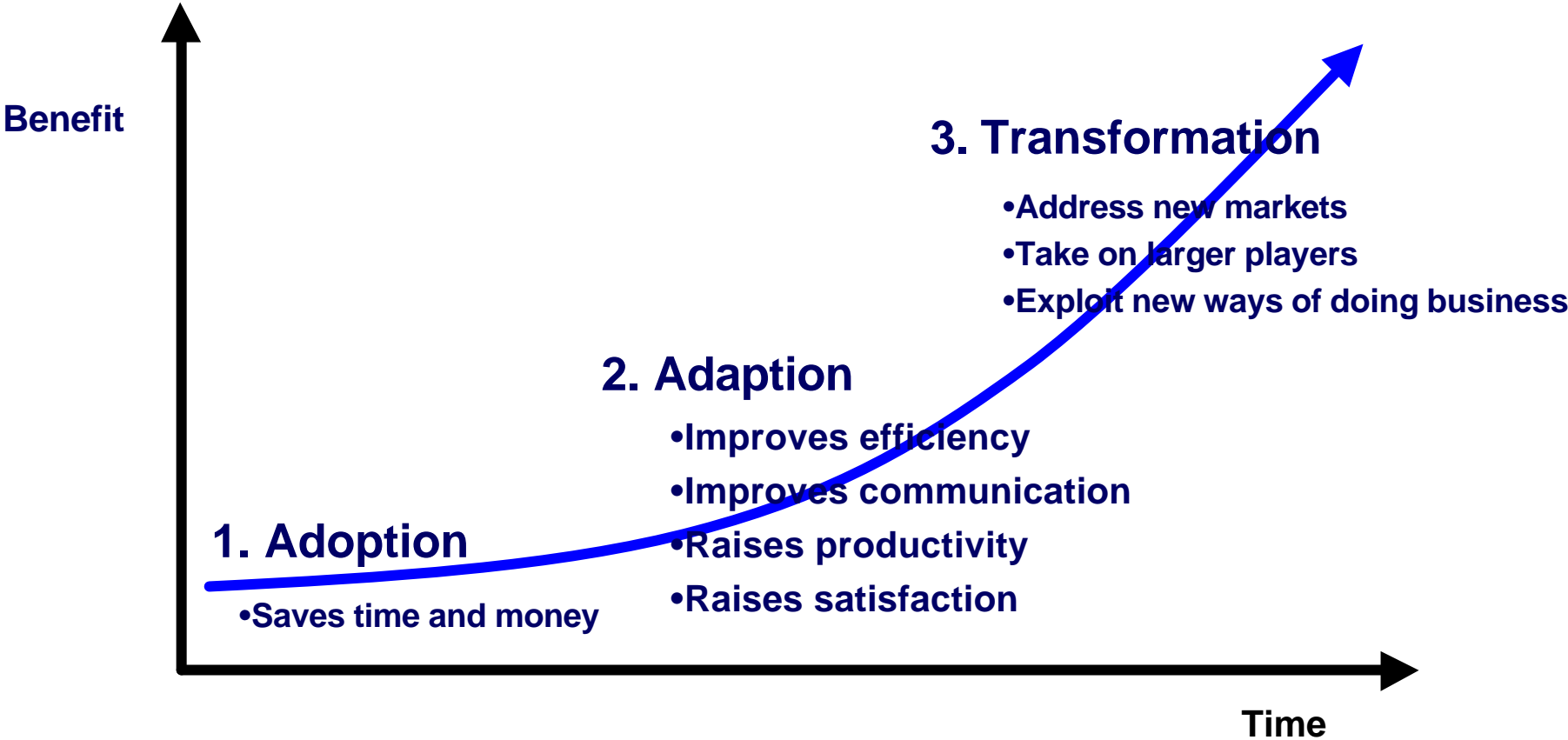
New Ways of Working

- **Software and support over the internet**
  - Application Service Providers

- **Use the internet as your private network**
  - Virtual Private Networks

- **Work where you want when you need**
  - Home working
  - Satellite Offices

Outsource Your ICT

BSG
Broadband
Stakeholder
Group

- **Application Service Providers will provide rented software over the internet**
    - Management of Business Email
    - Accounting Software
    - Database Marketing
    - Company Diaries
- **ICT support itself can be outsourced**
    - Management of Internet Service
    - Document Storage
    - Backup

Broadband is increasingly perceived to be mission critical for business success

BSG
Broadband Stakeholder Group

- 52% of all firms agree that broadband is critical for their business to succeed

- Pressure to use broadband-enabled applications in the next 5 years:
  - 61% expect customers to exert pressure
  - 48% expect suppliers to exert pressure

- 46% say broadband is important when choosing a business location

More effective communication is perceived to be the biggest benefit of a broadband connection

BSG

Broadband Stakeholder Group

✔ **More effective communication: 61%**

✔ **Improved business productivity: 46%**

✔ **Reduced costs: 45%**

✔ **Flexible working: 28%**

Type text here

✔ **More efficient procurement: 26%**

✔ **Competitive advantage: 21%**

✔ **Better access to e-learning: 20%**

No perceived benefits: 8%

Conclusions

BSG
**Broadband
Stakeholder
Group**

- **Broadband** is happening **for business**
- Early adopters are demonstrating the **value**
- Massive **Opportunity**:
    - For business performance improvement
    - For increased market opportunities
    - For more efficient and effective supply chains
- **Commercial Pressures** are building

Barriers to Broadband Adoption

BSG
Broadband Stakeholder Group

45% of non-adopters cannot see a clear business benefit to Broadband adoption

They are currently blind to the benefits enjoyed by those SMEs for whom Broadband is an essential part of the tool kit

This failure to recognise the potential of Broadband could see them fall behind…current Broadband users expressed a disinclination to deal with businesses *not using* the technology

Why have you not yet installed Broadband?
Base: All not using Broadband: n=39

Challenges:

How do we:

- Convince the 45%?

- Help companies to make the transformations which deliver greatest benefit?

- Encourage major purchasers to play their role in helping SME's into the broadband world?