

SPECIAL REPORT



commsvision

# Digital Britain

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# Editor's foreword



Stuart Gilroy

This year's Comms Vision Convention unravelled one of the biggest triggers of change ever seen in the ICT channel following the Government's Future Telecoms Infrastructure Review (FTIR) published in July 2018 which set out a national long-term digital strategy for the UK.

Comms Vision 2018 aimed to establish a strategic sense of what Digital Britain really means for delegates and the channel as a whole, and cleared a pathway towards new revenue opportunities catalysed by the targets set in the Government's Future Telecoms Infrastructure Review and emerging technology innovations. In its report the Government threw its weight behind full fibre and 5G services as the *de facto* infrastructure for the whole of the UK.

We also assessed the hurdles faced by the industry as we move towards Digital Britain – including the potential impact arising from the post-WLR world and BT's switch to all-IP in 2025 – and explored how the comms sector should prepare for the opportunities ahead and why collaboration between the industry, Government and regulator will be key. Comms Vision also looked at the broader themes of digital transformation and how digital technology is disrupting business models at a time of unprecedented interconnectivity.

Where next? Devising a strategy to capture value while navigating the Digital Britain obstacle course will be a priority. As part of this, digital enablement offers an opportunity

to radically change the customer landscape and drive change. Now is the time for business leaders in the channel to make their mark. But the characteristics that will define successful CEOs of the future are evolving. Effective leadership will undoubtedly function as an important catalyst for revenue creation, therefore Comms Vision explored the key leadership issues that top level executives should be considering in their Digital Future planning, and highlighted some of the

## Devising a strategy to capture value while navigating the Digital Britain obstacle course will be a priority

practical actions that can be taken now to help ensure long-term success.

Digital Britain offers an unprecedented opportunity to reshape IT and communications, but how can channel partnerships continue to create the conditions for growth and underpin future customer requirements at a time of historic disruption? We explored the impact of this question, and other factors,

on how the customer and partnering landscape is likely to evolve and the significance of this for the channel.

Reimagining business comms in the Digital Age also means harnessing breakthrough networks, fully understanding innovations in voice and data services and developing channel empowerment. At this time of massive disruption how can the channel prepare for what could be the biggest industry change in more than a generation? Comms Vision highlighted why IT and comms service providers will require a full understanding of the opportunities and challenges they face to stay ahead.

The Government's FTIR points to a more converged telecoms sector due to the synergies between fixed fibre networks and 5G. According to the report, operators with an interest in both will hold a strategic advantage at a time when 5G offers the potential for an expansion of the telecoms market. The big industry question now: How to profit from Digital Britain? As you will see in the following pages this year's Comms Vision Convention provided delegates with an understanding of the developing infrastructure, voice and data ecosystem, and enabled them to take the strategic action required to prepare their organisations to thrive on the pathway to Digital Britain. ■



**commsvision**  
convention 2019

# Digital Britain 2.0

## Let's accelerate the transformation!

With Digital Britain out of the blocks the race is on to harness and accelerate industry step-changes, emerging technologies and the rising markets that will gain traction in the transitional Digital Britain 2.0 era.

Comms Vision 2019 aims to identify the big accelerators of Digital Britain and how to prepare your business for the growth opportunities that lie ahead.

*It takes Vision to be a leader*

Comms Vision (6th-8th November 2019, Gleneagles Hotel) is the leading annual leadership forum for CEO, MD and CTO delegates making up the major league of the UK reseller community. Places are limited and by invitation: If you would like to join us this year, please register your interest to attend at [www.commsvision.com](http://www.commsvision.com)



**THE GLENEAGLES HOTEL**  
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# Dowden pledges support for Digital Britain



At this turn in the nation's digitalisation journey only one thing matters – delivery on the ground – and the channel has a golden opportunity to work more closely with the Government as it undergoes its own transformation, explained Minister for Implementation Oliver Dowden CBE in his opening keynote at this year's Comms Vision Convention.

**T**he upshot of Dowden's opening address is glaring: He backs full fibre and 5G to the hilt and believes that it is vital to get a workable Digital Britain transition underway which includes sweeping changes to how the Government procures digital services. "We need to discuss the outcome we want with tech companies, and understand how we can redesign procurement with a radically different process, while offering the right

incentives for companies to design and deliver new solutions," he stated.

Dowden proposes that the last thing the Government needs is a flawed procurement process that excludes smaller ICT providers and is also open to abuse. "Too often we rush straight to procurement and have a short window," he said. "Over the course of the delivery contract we may see slippage in terms of timings, and in some cases we experience companies putting in low bids with an expectation that over the course of the contract they will renegotiate and extract more value. This is not a sensible approach to Government procurement and excludes the more honest companies that submit realistic bids."

#### Digital service delivery

The Government must build up its digital capabilities or lose the confidence of citizens in its ability to deliver services, noted Dowden. To offset a public loss of faith he announced the launch of a Government Innovation and Emerging Technology strategy next spring which will reflect the technological revolution experienced by people in their private lives. "If we get this right we can deliver more for less and enable more tech companies to get through the door of Government," said Dowden.

"I have responsibility for GovTech and how we deliver full transformation and Government procurement. Smaller providers don't have large procurement departments, they can't spend hundreds of man hours on procurement, so we will make it easier for them to bring their skills and expertise to Government."

The Government's existing procurement processes are not enough and go

only a little way towards meeting its digital objectives. Attention must also be concentrated on best practice and collaboration via the Government Digital Service which has created a cross department capacity that enables it to seize opportunities and take a more innovative approach to going digital. "We can't be cutting edge, nor take risks, but we should make sure that the tech transformation in the private sector is reflected in the public sector," added Dowden. "We must consider the transformative outcome we want to achieve rather

### We must consider the transformative outcome we want to achieve rather than fall into the trap of doing what we've done before in the same way

than fall into the trap of doing what we've done before in the same way."

The single biggest boon to the creation of Digital Britain is the Government's commitment to full fibre and 5G, but delivering Digital Britain on the ground is a big challenge and a priority for the Government. "It's easy for politicians to stand on platforms and make promises, more challenging to get legislation through parliament, but the real difficulty is delivery on the ground," he said. "The creation of a Digital Implementation Taskforce will help work through these issues."

Meanwhile, the Government will capitalise on existing strengths in automation, noted Dowden. "HMRC's

deployment of robotic processes has cut costs by up to 80 per cent, increased accuracy and employees can now focus on interesting and more challenging work," he added.

Dowden's keynote kicked off a high calibre agenda that gave delegates a strategic sense of what Digital Britain means to the channel following the Government's full fibre switchover plan which is expected to be mainly completed by 2030. The Government intends to increase competition and investment in full fibre broadband, create more commercial opportunities and make it easier and cheaper to roll out the infrastructure for 5G. According to Government figures the UK has only four per cent full fibre connections and lags behind many key competitors – Spain (71 per cent), Portugal (89 per cent) and France (28 per cent).

Dowden was appointed as Parliamentary Secretary at the Cabinet Office on 9th January this year and elected as the MP for Hertsmere in May 2015. He is responsible for Government technology including the Government Digital Service, Infrastructure and Projects Authority and the Crown Commercial Service.

## view point

**Comms Vision 2018 delegate Greg Morton, Managing Director, Online Systems:** Thanks for your hospitality at Gleneagles. I found the event to be incredibly interesting and thought provoking. The ability to meet and deal with likeminded people and industry experts was great. I've made pages of notes and lots of good contacts. It is comfortably the best industry event I've been involved in. Thank you again.

# Tempest on Digital Britain success factors

Speed and agility will win the race to Digital Britain, emphasised BT Wholesale Managing Director Alex Tempest as she issued a wake-up call to the channel in her Comms Vision interview.

There is no place for a slow creep in the transition to all-IP. The objective is clear – Digital Britain – and projects must be kicked off without delay, according to Tempest. “Digital Britain is happening, there is no option, and partners will be more successful in starting the journey sooner rather than later,” she stated. “That is fundamentally about planning. Seven years seems a long way off, it’s not, so don’t kick this into the long grass – it’ll be hang on for the ride! Take the early mover advantage and grasp the opportunities, especially in professional services and guiding your customers who you know inside and out.”

Success in Digital Britain will be tightly correlated with success in partner education and support, believes Tempest, who is preparing BT to become an inspirational teacher to address the tactical necessities that partners will require. “I am passionate about continuous learning,” she commented. “We want to invest in working with partners and that investment comes through training.”

Taking forward the normalising of learning is a balance between partner feedback and how BT responds to gathered data for the collective advantage. “Training is

one element,” she commented. “We must take feedback, look at engagement, learn from these information streams and apply different responses as part of a continual learning and improvement process.”

Another prerequisite for the channel to deliver Digital Britain is cultural change, encompassing a shift in business models and strategies, a requirement which BT has already embraced through structural reform. In April this year BT Group created a new customer-facing unit called Enterprise, bringing together the previously separate Business and Public Sector and Wholesale and Ventures divisions. Enterprise has 17,000 staff and delivers £7 billion revenue. “All organisations need to look at their future and post-Christmas we will share our strategy and direction,” said Tempest. “We have best-of-breed right across Enterprise which will be deeply embedded as part of the One BT strategy.

“Historically, BT built its credibility as a product-centric organisation, and along the way forgot how to engage with customers. No more is that the case. Everything I have witnessed over the last two years shows that customer-centricity is now core. No longer will there be misconceptions in the market as we become more



engaged with partner businesses, not just in terms of presence but in how we help partners to flourish.”

## Absorbing the pain

Mastering the challenges ahead grows easier the more familiar those circumstances become. And the more BT helps partners and ‘absorbs the pain’ of industry change it is more likely that resellers will follow in its footsteps. “In the transition to Digital Britain we will feel that pain first, and I want to do as much as possible in terms of absorbing that pain to better understand how we can help partners on their journey,” noted Tempest. “The

Tempest’s desire to support the channel is there in spadefulls, and the advance of partners will, on the whole, be achieved through the relentless application of her fundamental belief in channel support and reform. But if the channel means to achieve long-term change it should also be ready to act now. “With the rise of new and varied entrants and greater competition in an already crowded environment there is huge disruption in marketplace,” observed Tempest. “We also have unprecedented investment, most recently the £2.5 billion funding for CityFibre’s roll out of fibre, which is arguably the biggest investment the telecoms market has seen for a number of years. It’s phenomenal and tells us where we are going.”

## Leveraging technology

Disruption in the market has to bring a reduction in costs, but the challenge is that cost reduction in the wholesale market will come through methods you would not normally expect. “We’ve got to use the technology we’re developing now to help lower costs, by looking at AI and machine learning, and how we can utilise technology around blockchain to simplify processes,” said Tempest. “What cries out is a need for innovation.”

Overhauling the country’s legacy network infrastructure with an emphasis on fibre and 5G will undoubtedly catalyse unprecedented and propitious conditions for innovation like we have not yet witnessed. “5G is the network of the future,” stated Tempest. “It will fuel innovation around the IoT and drive the absolute convergence of mobile and fixed. 5G is an enabler, allowing agility and disruption to turn things in their heads, while enabling us to continually consume data.”

## Seven years seems a long way off, it’s not, so don’t kick this into the long grass – it’ll be hang on for the ride!

approach has to be simple so we’ve taken a step back, looked at the entire product portfolio and considered how we can make it ready for the whole IP journey. That’s critical. We must look at things differently, look at patterns to predict and anticipate future environments and get on top of those.”

According to Tempest, a condition of realising Digital Britain is to have

simplicity and agility running at the core of operations. “We need an environment that is easy to place orders, raise challenges and service issues etc,” she commented. “Those are basic things you should expect from us. But it’s more than just helping partners with the evolution, it’s truly about making sure they are equipped to move into the all IP world, and do so seamlessly.”

# Time to launch a Digital Britain business plan



As entrepreneurs such as Sir Richard Branson ride the wave of innovation and disruption, and target industries stuck in reverse, they reveal the full potential of our times, according to former Virgin Galactic space pioneer Will Whitehorn.

plans, it's likely that the innovation you undertake will succeed."

As the former President of Virgin Galactic and ex-Virgin Brand Development Director Whitehorn has built a reputation for driving industry disruption. His current roles include Deputy Chairman of Stagecoach, Deputy Chairman of Good Energy, Chairman of the Scottish Event Campus and The Scottish Gallery, and he is a board member and Non Executive Director of The Royal Air Force. Whitehorn also had a strong hand in disrupting the estate agent sector. Until recently he was on the board of Purplebricks Group, and helped the two founding entrepreneurs to start up in 2011 and launch in 2014.

### Underpinning innovation

In his fascinating address to Comms Vision delegates – entitled Innovation, Disruption and Entrepreneurship in Digital Britain – Whitehorn laid down the markers for realising innovation and opportunity through strategic planning as Digital Britain moves from concept to reality. "Richard Branson took his brand and amazing ideas into new areas, many of which failed, but the ones that succeeded did so in spectacular style," he said.

"This brand adventure capital model led to the idea of creating business plans to give people greater utility, we then came to a particular industry that hadn't changed for a long time – the space industry. If you look at every other sector they've been changed by the methodology of distribution – everything else changes around that – but we'd not seen that distribution change in space."

Whitehorn noted that it's always worthwhile looking back at the early

**If you learn how to manage risk, and that comes down to building good business plans, it's likely that the innovation you undertake will succeed**

inventive stage of an industry, where the materials technology may not have been there and great ideas were ahead of their time. According to Whitehorn the X15 showed that a space plane was the best and most cost-effective method of getting to space. In a similar vein, comms entrepreneurs understood the benefits of cloud computing many years ago, but we lacked the infrastructure and methods to make it work. That's no longer the case, and Whitehorn urged delegates to reach for the stars in Digital Britain.

"Innovation doesn't just need to come from those brilliant entrepreneurs with ADHD," added Whitehorn. "Innovation and disruption can emerge from people working on a state owned project even, so long as you apply the presets of a business plan to it."

## view point

**Comms Vision 2018 delegate Chris Harris, Divisional Director, TClarke: The content was excellent and the 1-2-1 meetings and boardroom sessions were of great value. I have countless contacts to follow up.**

To say the UK's comms infrastructure has been firmly lodged in reverse mode is an understatement, and as with Branson's space project, for example, the drive for Digital Britain will turn established models on their head and

unleash pent-up potential. Disrupting sectors are magnets to entrepreneurs seeking to profit from innovation, but without a watertight business plan innovation and disruption will mean nothing to them despite their general biological predisposition

to make a success of things, said space pioneer Will Whitehorn in his Comms Vision keynote.

"Look at the history of innovation and disruption, and why entrepreneurs are so good at thriving in these

environments, and you see many have dyslexia or ADHD," he stated. "As a result they have no particular fear of failure. They are more likely to think the opposite, which is managing risk. If you learn how to manage risk, and that comes down to building good business

# Channel advances despite old infrastructure



Despite woeful FTTP penetration levels the UK still has it both ways: Our channel and industry constitution is disrupting the incumbent like no other comparative nation, and UK cloud uptake is far outstripping European counterparts, according to Gamma CEO Andrew Taylor in his Comms Vision interview.

**T**aylor believes the short and long-term outlook for the channel is positive despite significant challenges and the surreptitious invasion of 'wolves in sheep's clothing'. "When I look at some new entrants in the UK their general approach is to go straight to the end user," he stated. "They want to maximise the market. Like wolves in sheep's clothing they bear gifts, engage and get buy-in but

ultimately their intention is to go over the top. Be wary of the wolves."

#### Partnership matters

In flushing them out Taylor urges the channel to reconsider their business relationships with partners and dig deep to fully understand their motives. It's a central problem that must be front of mind, he warned. "It should be about the channel owning the customer contract, it should be a wholesale

relationship where the channel decides what competition looks like," stated Taylor. "The channel must be wary of this risk I see in the market today."

Against the backdrop of this territorial 'invasion' the channel occupies a land way beyond what you'd expect given the sorry state of the UK's underlying comms infrastructure. Conventional wisdom holds that Digital Britain is dependent on a full fibre foundation – which is only just getting under way – yet Taylor credits the channel for great advances made in spite of the connectivity obstacles.

"The channel in the UK has been transformational in the move from legacy to cloud, and the migration opportunity has never been greater," added Taylor. "Cloud telephony in the UK sits at 20 per cent penetration, SMEs 11 per cent, the channel 37 per cent; but look across Europe and the penetration levels are between two and five per cent. The channel has also truly disrupted the incumbent. In comparing the UK experience to other countries we are well ahead in gaining market share from the incumbent."

These achievements are the litmus test of the channel's robustness and ability to make gains against the odds. "A key observation of the channel is its diversity – small, medium and large businesses focused on local areas and having great knowledge of their business community, keeping them close to customers," stated Taylor.

It's an opportunity reflected in Gamma's plans to introduce new features and products that will enable partners to move into new verticals. These include an addition to Gamma's UC portfolio – Horizon Collaborate – a conferencing and file sharing solution that has been

**We are 27th out of 28 countries – it's unbelievable. When you look at penetration and speeds we are not where we should be**

under development for 18 months and is due to launch in Q1 2019.

Also in development is the UK's strategy to upgrade legacy technology and create a Britain fit for an all-digital future. "From a regulatory point of view Ofcom and the Government are addressing the fibre issue," added Taylor. "The overall prognosis is positive, and it's important we catch up. The channel relies on strong foundations from an infrastructure perspective. Our penetration level for FTTP is three per cent. We are 27th out of 28 countries – it's unbelievable. When you look at penetration and speeds we are not where we should be. But the market is so disrupted now by new fibre players with deep pockets. We need that infrastructure. Openreach has an obligation, industry has an obligation, and I'm convinced the channel will meet the all IP switch over."

**view point**

**Comms Vision 2018 delegate Nicholas Cothill, COO, SAS Group: A week since Comms Vision and I'm already driving the business forward. The conference hit the mark on all levels and I found the content and format to be engaging, informative and thought provoking.**

# CityFibre-Entanet blaze Digital Britain trail

The rule of Digital Britain demands that the future success of full fibre roll out cannot be separated from the creation of a level playing field that encourages competition and an influx of funding, according to CityFibre Commercial Director Rob Hamlin and Entanet CEO Elsa Chen. On that, they believe there can be no compromise.

**T**he absolute requirement for competition is clear. Also beyond question is CityFibre's intent to play a lead role in delivering Digital Britain following its announcement of a mammoth £2.5 billion investment plan to expand its full fibre network and meet a third of the Government's 2025 target. "The Government has woken up to the fact that the UK economy needs a digital infrastructure," stated Hamlin. "It would be a big mistake to rely on the monopoly. There must be competition. There is plenty of room for investors and infrastructure builders, and it is important that the country emerges from this upgrade with a competitive infrastructure landscape."

Without a level playing field Digital Britain is a near impossible goal, and in a similar vein CityFibre's early doubters were of a mind that its ambitions were unachievable. "From the outset a number of observers said we can't do this, we can't dig the streets, but we can and we are," stated Hamlin. "Investors, the Government and Ofcom are saying 'yes', and

confidence in the channel is growing as they see that it can be done. We've always had that confidence."

As CityFibre puts the scale of its investment down into new infrastructure as an alternative to Openreach, replacing the local loop, Chen is emboldened by what the investment means to the channel in terms of the greater scale of products it can offer partners. "The challenge for partners is to translate this opportunity into something meaningful for their business," she commented. "There needs to be a willingness from partners to change and adapt their business model to embrace Digital Britain. The barrier is not technology, it is the business model."

#### Full fibre model

"Resellers can make their business fit the full fibre model and continue to own the customer relationship. This could involve sales training and reconsidering go-to-market strategies. There is a general tendency to operate in a reactionary mode, but it's time to proactively reconsider



## There will be a bow wave of enthusiasm and opportunity if the UK gets this model right

and restructure the business model to embrace the technology."

Chen issued a wake up call to the channel as current modes of operation will prove no match for the business model changes she predicts. "The coming convergence of 5G and full fibre means partners should create

their customer space knowing that new products and services are coming down the line," she explained. "This is where competition and differentiation will play out and represents a huge opportunity for the channel to not only serve full fibre markets, but also identify areas of demand and leverage CityFibre's capacity to build infrastructure into those areas of demand."

CityFibre is one of the UK's most exciting emergent businesses, yet its evolution over seven years from start-up to Digital Britain trail blazer has met with many challenges, and that continues to be the case as it seeks to demystify the full fibre marketplace. Research commissioned by the

company affirmed that swathes of the nation's broadband users are not happy with the quality of their connection nor its speed. Most of those taking part in the survey also believe that broadband advertising rules should be changed.

"A new generation of services are not full fibre and we need to help customers be clear about what they are buying," stated Hamlin, who is on a mission to inundate the Advertising Standards Authority with pressure from industry to take a tough line on cases of misleading advertising.

CityFibre, which acquired Entanet in July 2017, has catalysed a sea change in the fortunes of partners

as well as benefiting the homes and businesses located in the regions in which it operates. "The channel has responded brilliantly," said Hamlin. "We have connectivity partners scaling from a few customers to hundreds. There will be a gold rush, a bow wave of enthusiasm and opportunity if the UK gets this model right. Full fibre providers will ultimately create an opportunity to offer more services than we can imagine today. We're already trialling new optical platforms and more innovation will follow."

#### Roll out ramps up

The full fibre infrastructure builder currently works in 54 towns and cities passing 4.5 million premises, but its titanic £2.5 billion funding boost has inevitably greased the wheels of its full fibre campaign convoy. The investment follows CityFibre's acquisition in June 2018 by Antin Infrastructure Partners and West Street Infrastructure Partners (a fund managed by Goldman Sachs), and is expected to generate £85 billion in associated economic benefits and create 5,000 construction jobs.

"We're considering over 100 regional towns and cities as part of the current investment plan," said Hamlin. "This will bring a big change in usage and revenue streams as we anticipate a large scale movement of customer bases onto our infrastructure. There is a big opportunity for the channel to ride that wave and deliver new services." ■

## view point

**Comms Vision 2018 delegate Paul Hooper, Managing Director, Uplands: Congratulations on a superb event. Massive credit to you!**



**There is a massive opportunity in providing a full suite of applications**

His approach includes a link up with Mitel for a hosted offering, and a connectivity play with the launch of a data network, enabling 9 Group to act as a one-stop-shop for partners. Now, Palmer is redefining 9 Group as an applications business. "This has to be the direction of travel," he said.

In all of this Palmer reflected on the real changes that are happening in the market. "By opening up access to data the security aspect becomes a massive play," he noted. "We have made acquisitions in the data space and are thinking about how to engage with customers and take them on the journey away from voice. Partners have the trusted relationship with customers, so why not introduce wireless products, which leads to a conversation about security, routers and firewalls. Once you're into security, consider device management. There is a massive opportunity in providing a full suite of applications."

9 Group is targeting £100 million turnover and has circa 200 staff. The company has travelled far from the days when Palmer set it up on his own and continued to perform many vital tasks single handedly. "You end up liking your way of doing things," he added. "I became something of a control freak but had to accept that I can't micro manage any more. I detached myself from the business for five weeks and empowered my teams. Staff churn is virtually non-existent. Now I'm hands-off and visit the office once a week. I work more on strategy and the future direction of the business. Empower your teams to deliver. Being hands-off and developing a culture with regular cross company communications makes a big difference."

The main thrust of 9 Group CEO James Palmer's Comms Vision interview was reflective of the changes in technology and the industry he knows so well.

# Palmer charts shift towards digital applications business

**F**or Palmer, the forthcoming months and years have a coherent trajectory which is a million miles from 9 Group's first iteration as a minutes business, with later advances made in hosted comms and data. Just as resellers need to engineer a new relationship with customers to succeed in Digital Britain, Palmer must take the lead and judge the shifting market dynamics, a task made easier by his

self-imposed detachment from the day-to-day running of the business.

With space to think more clearly and long-term, now is the moment for consideration and the overwhelming weight of his strategy lies in the provision of a complete applications suite. Above all, his priority is to devise the long-term strategy and gain acceptance from the Group's employees. "Make

sure staff buy into your vision," he said. "You must priorities full engagement with colleagues."

## Future revenues

In charting his journey Palmer noted the long history of hosted, it's nothing new, and expressed a belief that the CPE market is far from dead. But the big issue occupying his mind right now is from where future revenues will be derived. "Voice is a

shrinking part of the customer's wallet share," he said. "Voice is less critical because more messaging platforms are being deployed. So we will look at all forms of communication and help people to work smarter."

Palmer's back story is characterised by an instinct to move with the times while always evolving his business, also through acquisition, to offer something more interesting to partners.

## view point

**Comms Vision 2018 delegate Rob Sims, Strategy and Business Transformation Director, Elite Group: Thank you for Comms Vision – as always, informative and enjoyable!**

# Frictionless but complex market emerges

Digitalisation, while being a boon to the channel, has brought real challenges in its train, including disintermediation and a bad attack of end user technodazzle, says Tom Cheesewright, an applied futurist, TV and radio technology presenter.

**C**heesewright works with large comms companies and consumers of technology to address three basic questions: What does our future look like, how do we tell that story and what do we do about it? In his Comms Vision keynote and interview Cheesewright said it is sometimes important to look at the past when considering the future. "Mankind's ancestors worked out how they could amplify their own capabilities with tools and do more if they worked beyond the limitations of their own biology," he stated.

Why is this important for Digital Britain and the future of our industry? "We use technology to make our lives easier," added Cheesewright. "Technology is life's lubricant. It takes friction out of our day-to-day lives, releasing us to do other things. It doesn't stop there: We also take friction out of the use of technology, making it easier to access and deploy."

In this context the channel is reaching a critical moment, in effect undermining its future prospects through attempts to find a way to the all-digital future. How is this the case? As technology gets easier to use and more reliable there are fewer points of friction and little intervention needed. For example, cars are now engineered to remove friction and make them easier to use. "This a

problem because every point of friction is an entry point to the customer, an opportunity to sell them a product or service," added Cheesewright. "But we are progressively engineering the friction out of the entire value chain.

## Disintermediation

"Customers want to go direct which is causing disintermediation. And deployment is simpler: The shift to the cloud and hosted technology makes life easier and the technology is getting more intuitive. All of these entry points into the customer are being engineered out as we move into an increasingly digital world."

But all is not as it seems as the march to Digital Britain proffers alternative and more extensive opportunities. That

## We are progressively engineering the friction out of the entire value chain

is good news for the channel, enthused Cheesewright. "Is this really doom and gloom and a challenge to the channel?" he asked. "Actually, there's some interesting new opportunities emerging out of one of the biggest trends – the explosion in choice in media, technology and products.

People in general don't know what to do with it and they no longer have straight choices. Customers need help to navigate this complexity."

According to Cheesewright the evidence and common sense suggests that a fall-back to short-term and outdated approaches to market would be utter folly. If we wish to trade friction-free with the business community we must do so on its terms. The issue is how, and that must lie in the removal of ever growing complexity around the 'explosion of choice', according to Cheesewright.

"Just as we see real disintermediation we're also starting to bring back the middlemen who are best placed to help end user businesses navigate the complexity of choice that they face," he added. "If you can put your arm around your customers' shoulders, be their trusted voice, and even though there may be no transaction to be done your capacity to advise is now increasingly valuable."

As we pave a way through to Digital Britain traditional business models are disintegrating around us. A mix of innovation and consultancy will no doubt hold greater appeal and that will be the responsibility of channel partners. Customers are entitled to expect that the partners they previously



**While traditional business models are disintegrating, the channel's secret weapon – consultancy – remains sharp**

high expectations of what their service can deliver. Just good enough isn't good enough now. The service must be totally seamless and this is an opportunity for the channel."

## New order

Customers were once constrained in their ICT procurement processes by formal dependencies on their comms and IT providers, but digitalisation and disintermediation has let them loose. This does not mean that order has broken down, but it does mean that an appropriate response is urgently needed. While traditional business models are disintegrating, the channel's secret weapon – consultancy – remains sharp.

"Diving into customer problems beyond traditional comms is a starting point," explained Cheesewright. "Then match that understanding to what potential solutions might look like and how to deliver them, perhaps with a delivery partner. It's early days but nevertheless there is a huge opportunity."

The old business model was monolithic, not agile, and companies are starting to structure for agility. Businesses >> p20

selected to lead their ICT agendas keep their best interests at heart no matter the digital-driven upheaval. This expectation is a clincher, because exposed to the reality of ever growing choice customers cannot become effective components of Digital Britain if hamstrung by complexity and problems

they cannot themselves resolve. "Customers have rising expectations and these expectations are incredibly portable," commented Cheesewright. "My expectations are set by Amazon. I expect my product to be delivered tomorrow and the user interface to be slick and easy. People also have



**MNOs are challenged. They know the IoT is huge but are a long way from fully understanding the B2B opportunity**

<< p19 are mobilising and morphing with the times, deconstructing and rebuilding as if made from lego bricks. Partnerships play a role in this by helping to remove friction.

Sooner or later, every channel player will have to stand up and be counted, be innovative and disruptive to yield the business benefits of a near-frictionless but more complex market. As we have seen, in Digital Britain the channel must turn its attention towards a more constructive purpose by being at the vanguard of applying business problems to technology and pain point resolution.

**Delve deep**

“Start by asking all stakeholders and staff in a business what frustrates them, what makes their day worse, and what stops them from being as productive as they could be,” noted Cheesewright. “Where are the holes in their industry, what are the aspects that everyone in that industry believes to be outdated but nobody challenges? What are the domains you sell into today, and the possible domains you could sell into tomorrow? The channel must get to the central point of what a solution might

look like. You need to be constantly innovative while bringing new ideas to the fore. Get your brain back into learning mode and focus on practice.”

Universal solutions are starting to scale and it may be harder to differentiate, noted Cheesewright, who offered the example of a chip from China that costs no more than 50p to illustrate his point that innovation is a key route to differentiation. The chip can connect anything to the Internet via Wi-Fi, and Cheesewright’s nine year old son is already a dab hand and coding it.

“This chip is all you need to solve some customer problems,” he stated. “The development skills and technology are out there, innovation is cheap and quick and there is a huge range of opportunities. In this the customer relationship is core. Most people acknowledge that they can’t keep up with the rate of change. They are looking for advice and people to help guide them through.”

On the whole, the application of seamless technology might ultimately fail to account for the human

experience, in a market of human beings. The answer lies in human nature, the magic dust of experience, and that teaches us that digital is a means, not an end. Likewise, the case for a strategic breach with legacy technologies and their accompanying business models is totally rational and beyond argument, noted Cheesewright, who believes that no other market opening will come close to the IoT opportunity in terms of scale.

**Pent-up demand**

“We’ll be talking machine-to-machine over the next few years versus human-to-human,” he stated. “There is huge but invisible pent-up demand for IoT solutions, and customers will be looking for expert guidance which is simply not out there. This technology has opened up a whole new wave of innovation. Digital may have lowered friction and taken away some of the pain points you used to solve, but it has created enormous potential for innovation, an opportunity that I don’t see being taken up right now.”

There are some completely missed aspects of 5G, particularly its potential to connect the IoT, believes Cheesewright. In a hands-up poll of delegates, a fraction of the Comms Vision audience fully grasped the extent of this opportunity. The MNOs are, in the main, equally mystified, revealed Cheesewright. “MNOs are challenged,” he said. “They know the IoT is huge but are a long way from fully understanding the B2B opportunity.”

An ability to grasp new market opportunities will win the race in Digital Britain, and one of the most exciting emergent technologies is mixed reality, believes Cheesewright. “It’s a novelty now but fast forward ten years and consider what will replace the mobile phone,” he said. “It will be mixed reality, possibly through glasses that combine new display, graphic and battery technology. Mixed reality will become the primary interface to the physical world including the workplace. The technology is not there yet but the direction of travel is clear to see.” ■

**Maximise the value of your business**

Digital transformation is impacting all areas of the comms market, disrupting traditional business models and prompting a wave of M&A deals and investments in high growth channel businesses. Against this backdrop, it is essential that potential buyers, sellers and investment-seekers understand their options and how to advance through the process.



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# Olson-Chapman: We have to make the change

TalkTalk Business Managing Director Kristine Olson-Chapman injected a note of urgency in her Comms Vision interview as she rallied the channel around the Digital Britain flag with her key message: "The only way forward is full fibre and the race is on."

The oft-cited assertion that first movers gain a strategic market advantage has perhaps never rung so true as with the rise of full fibre infrastructure and the ultimate goal of building a future proofed Digital Britain. "It's important to be first in the market with FTTP," stated Olson-Chapman. "For users, their experience of fibre is phenomenal. Once a customer has full fibre they are unlikely to move. The key is to be there first."

Rising demand for bandwidth and a creaking legacy infrastructure could have brought the UK to a near crisis point. But the Government and Ofcom have at last acted. "The Government sat on the fence and nobody knew how an infrastructure upgrade would be funded," noted Olson-Chapman. "Now the Government and Ofcom have made an explicit policy change in favour of competition. There is a wealth of funding and progress has been made but we have to keep the regulatory environment working for us. We need competition, we need Openreach to play a key role and we need to move faster."

The advance of Digital Britain will certainly weaken the prospects of

channel businesses that fail to react appropriately to the demands of the market. But marching in step with the UK's digital quest will significantly strengthen the hands of proactive resellers tuned into a nation mesmerised by the benefits of ever greater bandwidth consumption and handy digital services. "By most measures Britain is advanced digitally, in terms of shopping for example," added Olson-Chapman. "We also have thriving tech clusters that attract talent and investment to the country – all this despite our infrastructure – we have to make the change now."

## Scale play

Digital Britain is more than an infrastructure build. It has to be a scale play that gives access to all existing bases. And, says Olson-Chapman, common sense dictates that the best approach for TalkTalk Business and its channel partners is to adopt a strategy that covers all bases. "Our first priority is the network," she said. "It's at the heart of our and our partners' businesses. We are future proofing the network, increasing capacity and changing the topology to handle ever higher bandwidth, while delivering greater resiliency, more protection,



adding network choice for partners, developing our APIs and portals and getting the billing right. Multiple networks creates more complicated access methods and our role is to bring it all together, remove complexity and make it easy for partners."

Come the arrival of Digital Britain it is a near certainty that the channel will be showered by new avenues and possibilities for business growth, believes Olson-Chapman. "There is a huge opportunity for the

movers and slow starters will widen. There is little choice but to act now, and Olson-Chapman is strongly in favour of a galvanised channel that recognises Digital Britain as a golden opportunity and a chance to push its own agenda, and argue for an open marketplace with no barriers.

## Practical challenges

"The regulatory environment is critical," she commented. "Is Ofcom doing the right thing? We have a good start but more has to come in terms of overcoming practical challenges like wayleaves, road closures, access to ducts and poles etc. The upcoming consultations are important and the channel needs to speak out. It would be great to have a united channel front on these issues. We also need multiple networks and altnets have a vital role to play. This is our race to the stars. If you're in the race we all go further and faster with greater levels of competition."

The fog is at last starting to clear around the future look of Britain's digital infrastructure, and what lies ahead is plain for all to see. "There is still much to do but the transition will be over in the blink of an eye," commented Olson-Chapman. "The channel must embrace the change and go forward, rather than bury its head in the sand."

## There is still much to do but the transition will be over in the blink of an eye

channel to provide more products and services than ever before," she commented. "Customers want to consolidate their ICT providers and they need partners with the ability to best serve their needs."

Full fibre is everything, but it remains to be seen whether the conditions for Digital Britain to flourish will be fully realised. "Full fibre is for everyone and we must ensure that nobody is left behind in a rural-urban divide," said Olson-Chapman. "There must also be equal emphasis on business as well as residential markets, and the UK's digital skills set needs addressing to help people embrace Digital Britain."

In the race to full fibre there is no denying that the gap between first

## view point

**Comms Vision 2018 delegate Steve Smith founder and CTO, Astro: Thank you for another excellent Comms Vision. It was great to hear the views of the excellent choice of speakers and to catch up with industry peers as well as existing and potential new suppliers.**

# Peak performance



Mountain people will be the forgers of Digital Britain, but valley people will have no say or influence, argued legendary athletics coach Frank Dick OBE in his inspirational Comms Vision keynote.

and valley people, winners and losers. "You're not born a valley or mountain person – it's your choice," emphasised Dick. "And you can always change your attitude. You are in control of your own performance and the performance of your team. That, from my point of view, is the focus of everything in life."

Another essential point is that Digital Britain won't happen if we limit our horizons, noted Dick. "What does Digital Britain look like?" he asked. "If you don't know where you're going, how can you plan the journey? You've

## We need to get into a world where there are no excuses and no limits to our mentality

got focus on dreams and milestones at the same time. Your dream is the long-term strategy and what you imagine, the milestones are the moments on the journey. We need to get into a world where there are no excuses and no limits to our mentality. Disrupt your thinking on how you do things, scatter everything, then create a dream, make decisions about your

dream, and from there create a design of what you want to do next – and delivery will fly out of the other end."

That's not all: Only by collaborating with others will Digital Britain open up a real opportunity to the channel, believes Dick. "If we're serious about Digital Britain and our target to become the greatest digital nation in the world, we have to work together," he stated. "It's pointless to be competing all the time and not learn from each other. Coopetition means we learn more and operate at a higher level."

Such an approach would initiate a new era of industry partnerships that would symbolise and underline the demise of old business models, and precipitate a release from the shackles of legacy infrastructure. "You can do nothing about what is written in history," stated Dick. "But you can do everything about what you will make become history." ■

## view point

**Comms Vision 2018 delegate Brendon Cross, Managing Director, STL Communications: Thank you for what was an insightful and enjoyable event. I had more 1-2-1 meetings than ever.**



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In their capacity to take risks and grasp opportunities to change the comms landscape mountain people are to be celebrated, and are massively advantageous to the emergence of Digital Britain, believes Dick. "Valley people start sentences with 'would have, could have and should have'," he stated. "They have an excuse for why they believe they are not in control of their life. But mountain people decide to take the risk of winning. They see change as an opportunity. As in a game of rugby, the ball is the opportunity. Mountain people are proud of the shirt they wear which says 'If you're not living on the edge you're taking up too much room'."

The go-get attitude of mountain people is a precondition for the success of Digital Britain, and the journey towards the end game will precipitate a widening gap between mountain

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