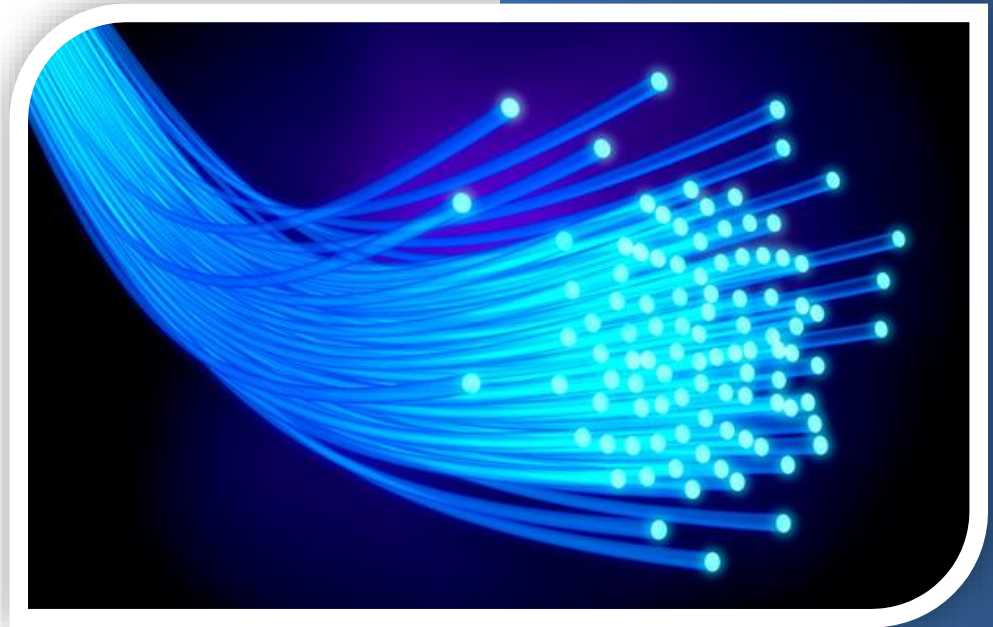


A survey examining the importance of High Speed Broadband to Lancashire businesses

2014

Lancashire's Digital Connectivity



In association with



1. Introduction

“There are compelling reasons to have broadband access and the internet has now become a necessity of everyday life. We live in an information society and broadband puts all types of information within a few keystrokes away. This has huge implications for business not only for e-trading but also in day to day operational activities such as placing orders and banking.

We are seeing a shift in culture where individuals are rapidly increasing their sophistication and utilisation of technology. Business owners must ensure that they are readily prepared to interact and communicate with their customers

Businesses need it to compete on a local, national and global level with many firms seeking out high speed access when choosing to grow and expand their operations. High speed access accelerates business development and provides new opportunities for innovation, expansion, and e-commerce.

And yet there are firms who wonder why so much emphasis is placed on the availability and speed of broadband, and why the internet is so important.

Evidence from elsewhere shows that superfast broadband is benefitting businesses in a number of ways: improving business performance by improving productivity; saving time and money; creating and safeguarding jobs; introducing new and different ways of workings; and playing a key role in deciding where to locate.

We wanted to find out the state of play in Lancashire. This report, the first of its kind for the Chamber, takes a detailed look at how its members use ICT and how important high speed internet is to these services and the long term growth of its members.

We hope you find it both interesting and informative”

A handwritten signature in black ink, appearing to read 'Norman Tenray'. The signature is stylized with several loops and a small mark at the bottom right.

Norman Tenray

President, North and Western Lancashire Chamber of Commerce

“The results of the digital connectivity survey provide a fascinating insight into how businesses across the county use e ICT and rely on high speed broadband. Even more interesting is how many companies are holding back using new services such as cloud due to poor connectivity thus reinforcing the benefit of high speed internet to the wider community”.



Paul Astle, Director, The Networking People

2. About North and Western Lancashire Chamber of Commerce

North and Western Lancashire Chamber of Commerce is the largest financially and politically independent business support organisation in Lancashire. We have a membership base of over 1500 local companies who own, manage, and finance our business support services.

We are a fully accredited member of the British Chambers of Commerce (BCC). The BCC represents, through a quality assured, UK network of Accredited Chambers of Commerce, more than 135,000 businesses in all sectors of the economy, and of all sizes. Accredited Chambers seek to represent the interests and support the competitiveness and growth of all businesses in their communities and regions.

3. About The Networking People

The Networking People provide high speed internet connectivity, site to site connections, WAN and LAN design, networking hardware, firewalls, remote access solutions, wireless networks, VOIP systems, and physical infrastructure.

4. Methodology

The results from this survey are drawn from two Chamber surveys conducted in late 2013 and the first half of 2014. Both surveys were conducted on-line attracting a total of 206 responses.

5. Breakdown of respondents

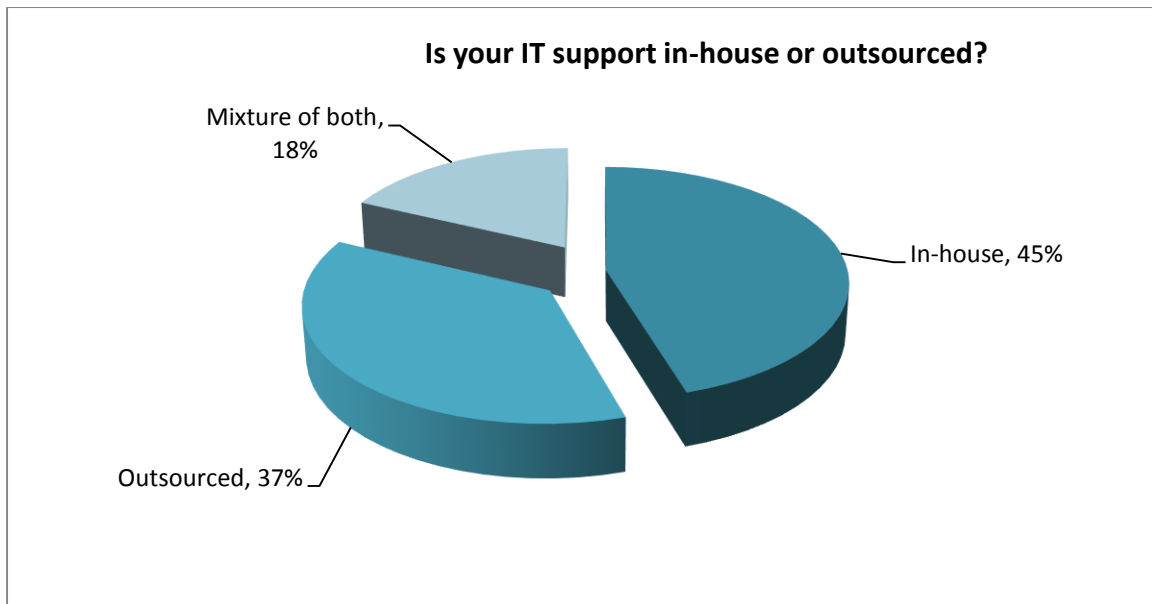
45% of respondents were in the 1 – 5 employee size bracket; 14% were each in the 11 – 20 and 21 – 50 brackets; 10% in the 6 – 10 employee bracket; 7% in the 51 – 100 bracket; 6% in the 101 – 500 bracket; and 3% in the 500+ bracket.

Answer Options	Response Percent
1 – 5	45%
6 – 10	10%
11 – 20	14%
21 – 50	15%
51 - 100	7%
101 - 500	6%
500+	3%

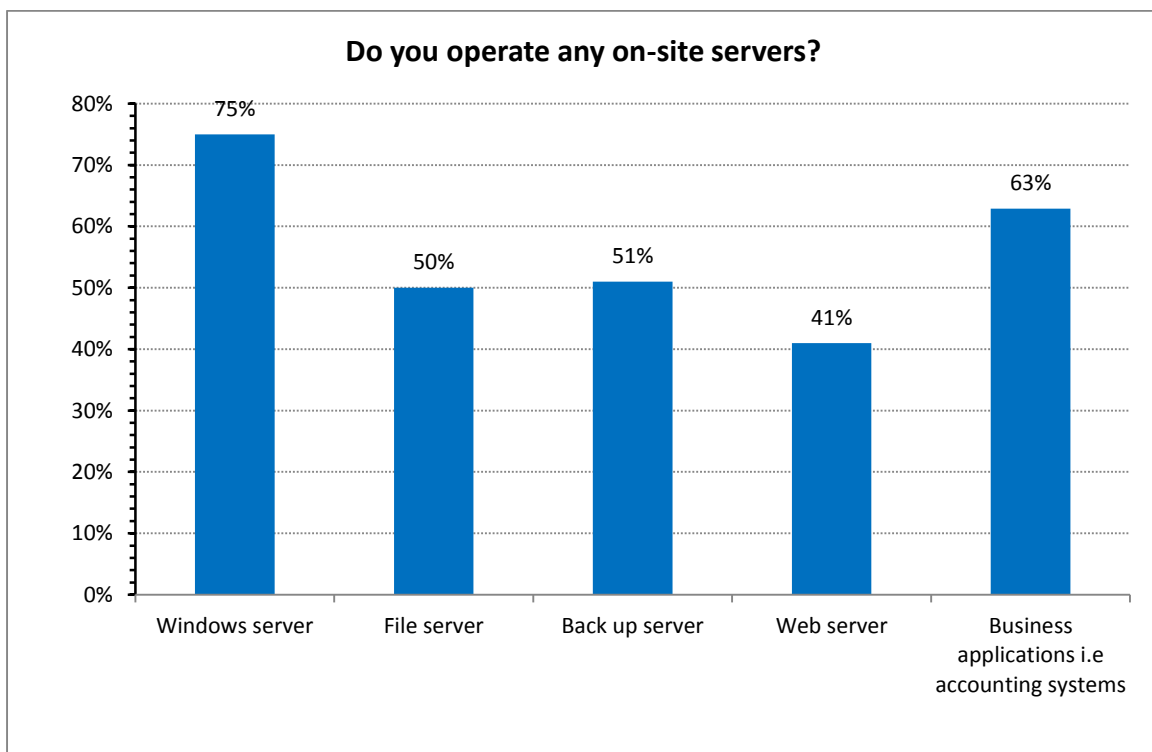
One fifth of respondents classified themselves as Professional Services. Other leading classifications were Manufacturing and Industrial (15%); Other Services (14%); and Business Support (7%).

Answer Options	Response Percent
Energy, Utilities, Oil & Gas	1%
Chemicals	2%
Construction & Materials	4%
Industrial Goods & Services	5%
Consumer Goods	5%
Transport and Distribution	3%
Business Support Services	7%
Food & Beverage Producers	2%
Health Care, Pharmaceuticals & Biotechnology	5%
General Retailers	3%
Marketing & Media	7%
Travel & Leisure	7%
I.T. & Communications	6%
Professional Services	20%
Other Manufacturing	11%
Other Services	15%

6. IT support and usage



45% of respondents managed their IT support in-house with 37% out-sourcing to specialist providers. 18% of respondents used a combination of both resources.



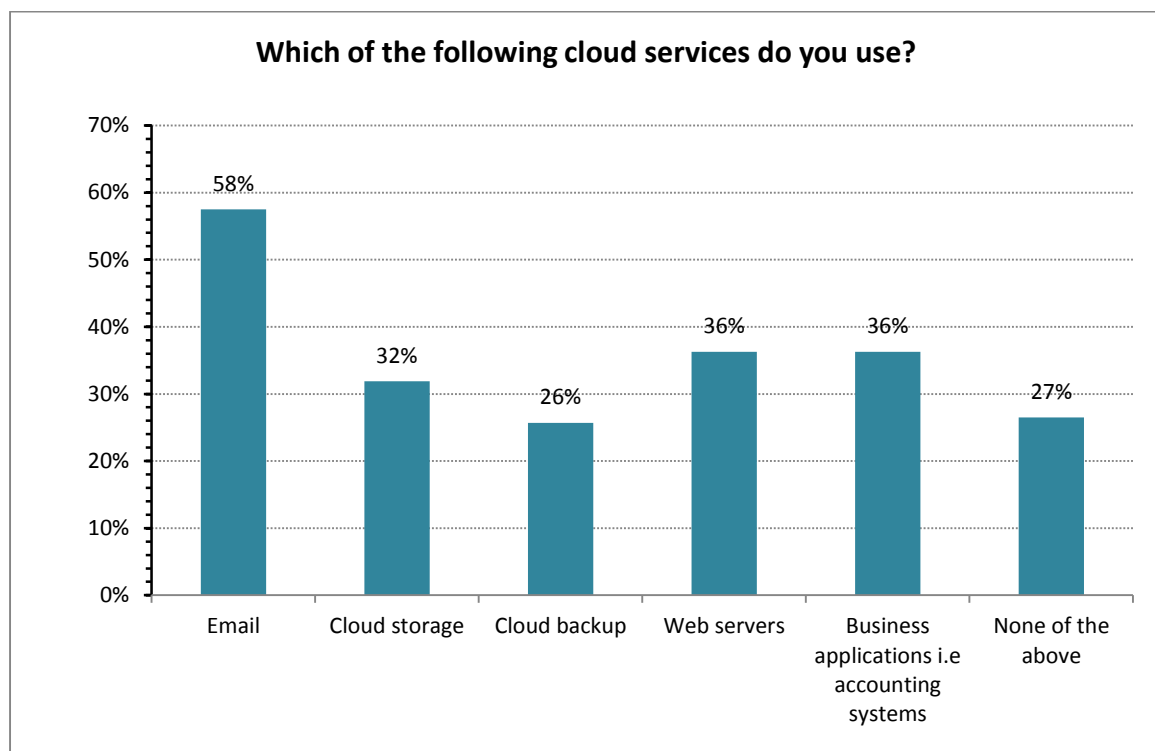
Just over three quarters of respondents operated an on-site Windows server. 50% used a file server; 51% used a back up server; and 41% used a web server.

Almost two thirds (62%) of respondents used business applications and accounting systems.

When questioned about Cloud service usage 56% of respondents used email. Just under one third (32%) used Cloud storage. One quarter used Cloud backup and 36% relied on web servers.

When prompted about their broadband connection 39% said that connection issues were a limiting factor in using Cloud services.

27% of respondents did not use any form of Cloud services at all. When prompted further 32% of respondents were planning to move to a Cloud service with 68% having no plans at all.



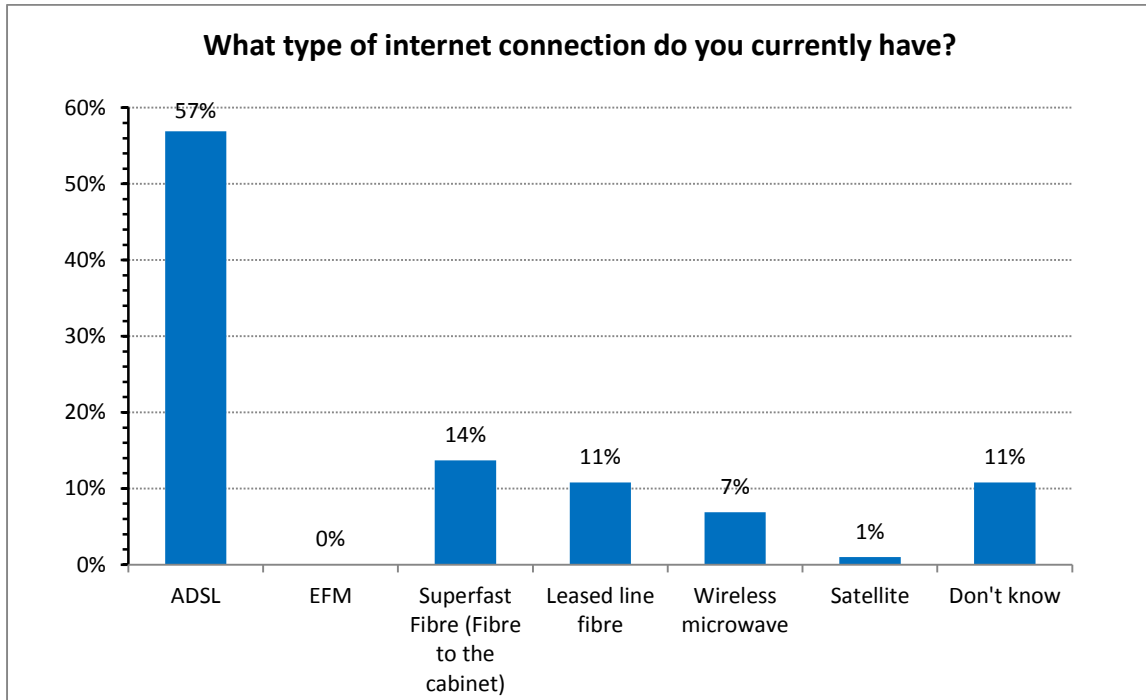
59% of respondents operated from a single office with 41% having multiple offices.

When prompted further 44% of respondents with multiple offices had to share data between their locations. Just over one quarter of respondents (25.3%) had a dedicated link between their offices.

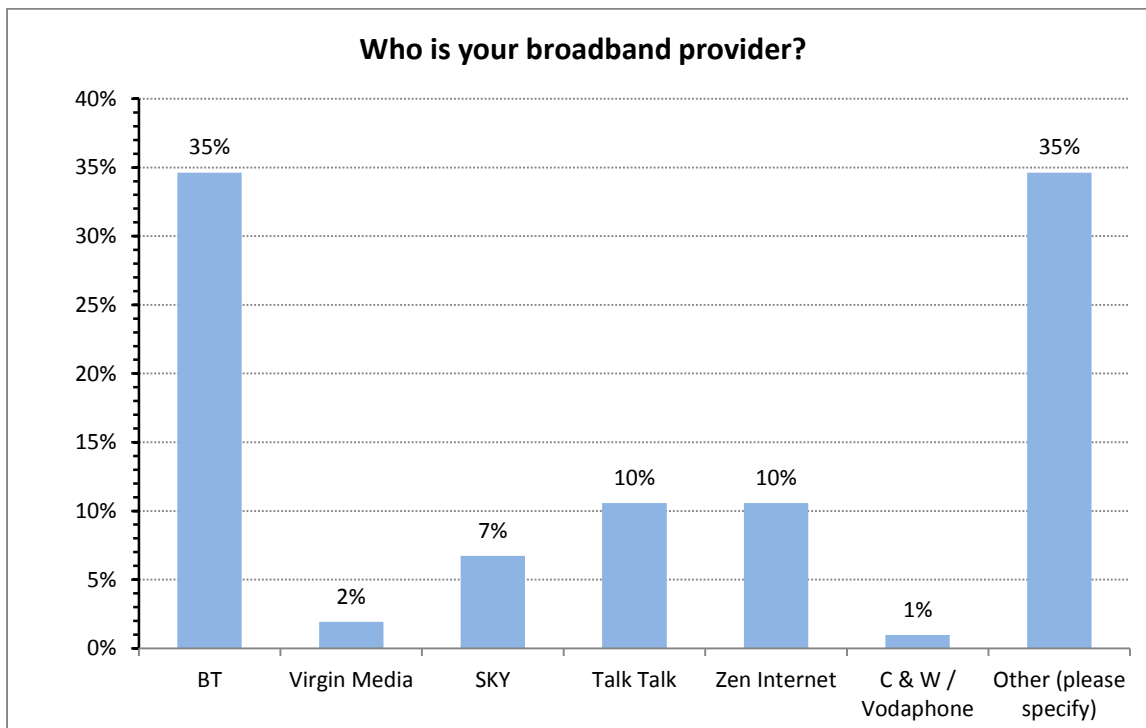
55% of respondents used Voice over IP and / or Skype. When prompted further 37% said that usage was a critical part of their company telephone system.

7. Broadband connectivity and speed

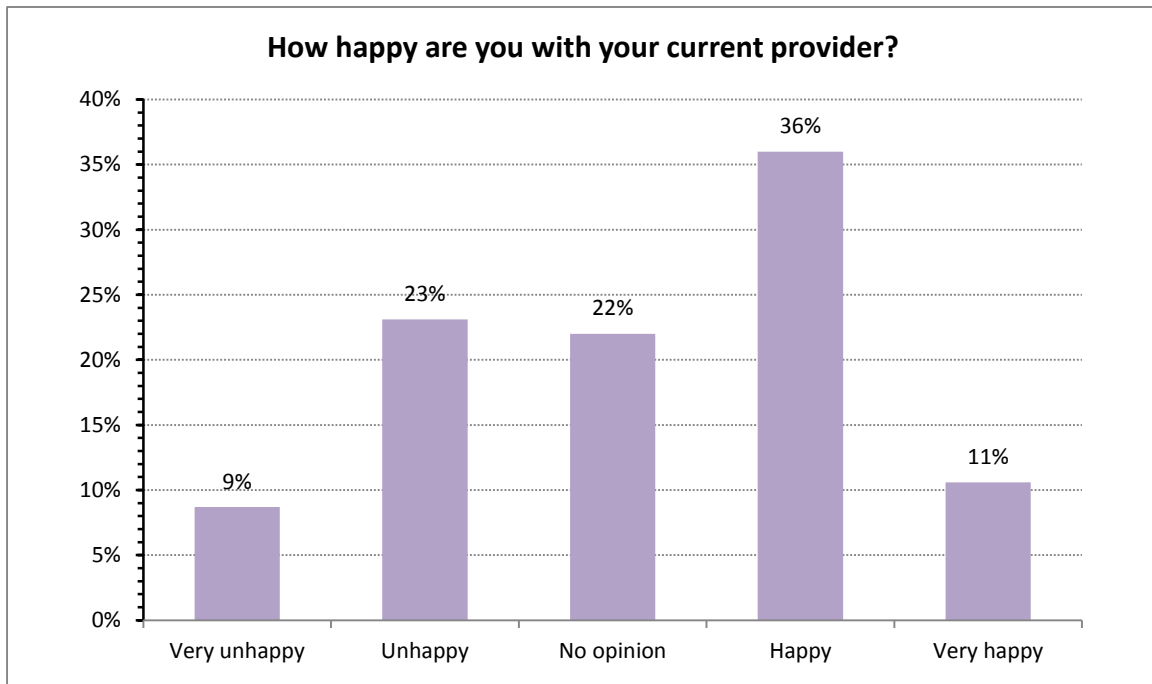
57% of respondents used ADSL as their main internet connection. 14% used Superfast Fibre; 11% used Leased Line Fibre; 7% relied on Wireless Microwave; and 1% used a satellite connection. 10% didn't know their internet connection type.



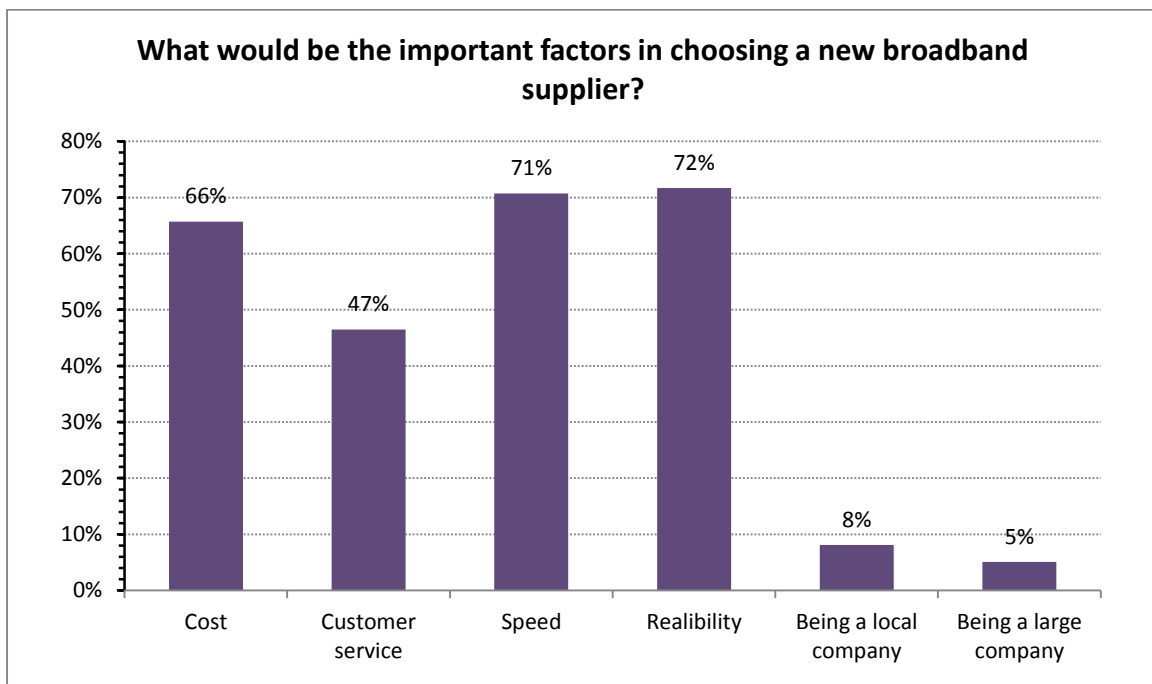
BT was the dominant broadband provider with just over one third (35%) using the company as their supplier.



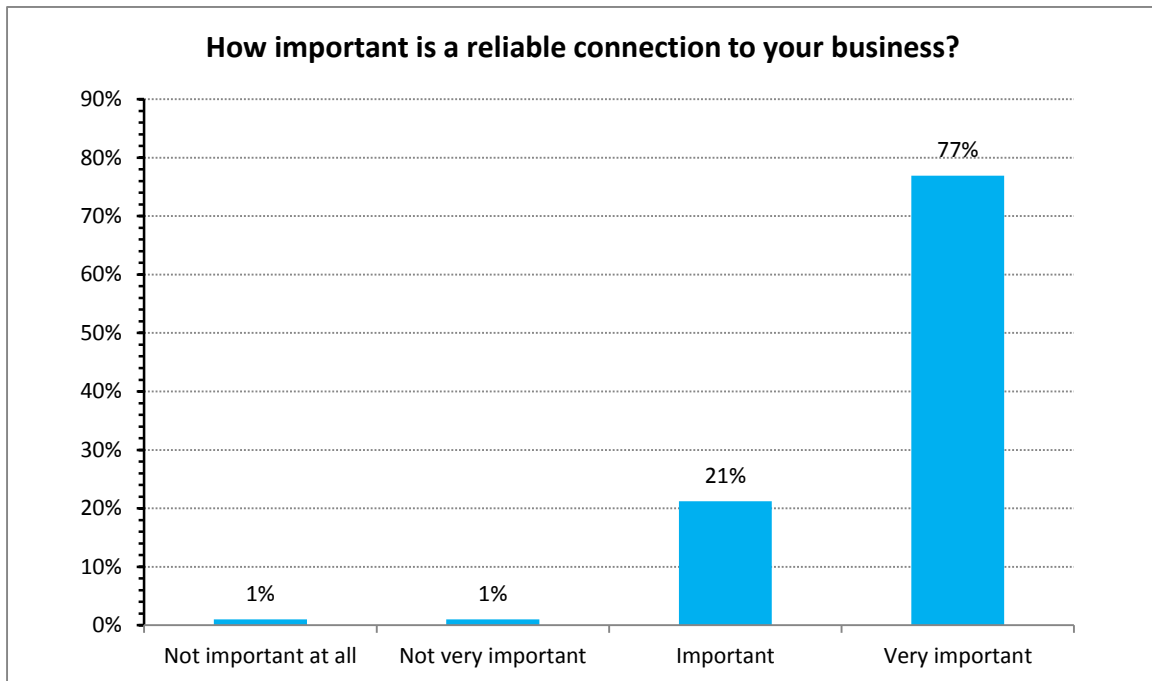
When questioned about their current provider 47% of respondents reported that they were either happy or very happy with their supplier. Almost one third of respondents were either unhappy or very unhappy with their current provider.



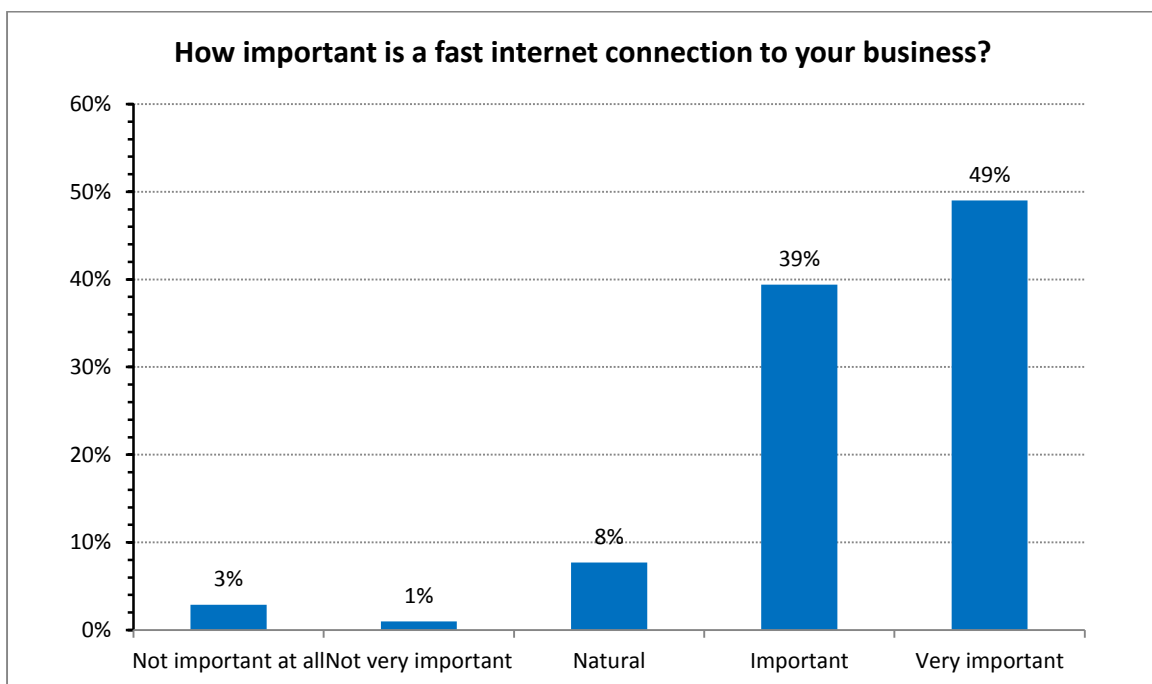
64% of respondents would consider moving their broadband supplier. When prompted further 72% said that reliability was the key factor in choosing a new supplier; 71% said speed was the key factor; 66% said cost; and 47% said customer service. Using a local company (8%) or a large supplier (5%) were the other considerations.



Respondents were equally split 50:50 when questioned about the reliability of their broadband connection. Half of respondents said that their connection was frequently slow or unreliable with the remaining half saying the contrary.



77% of respondents said that a reliable connection was very important to their business with 21% saying that it was important. Two percent said that reliability was not important at all.



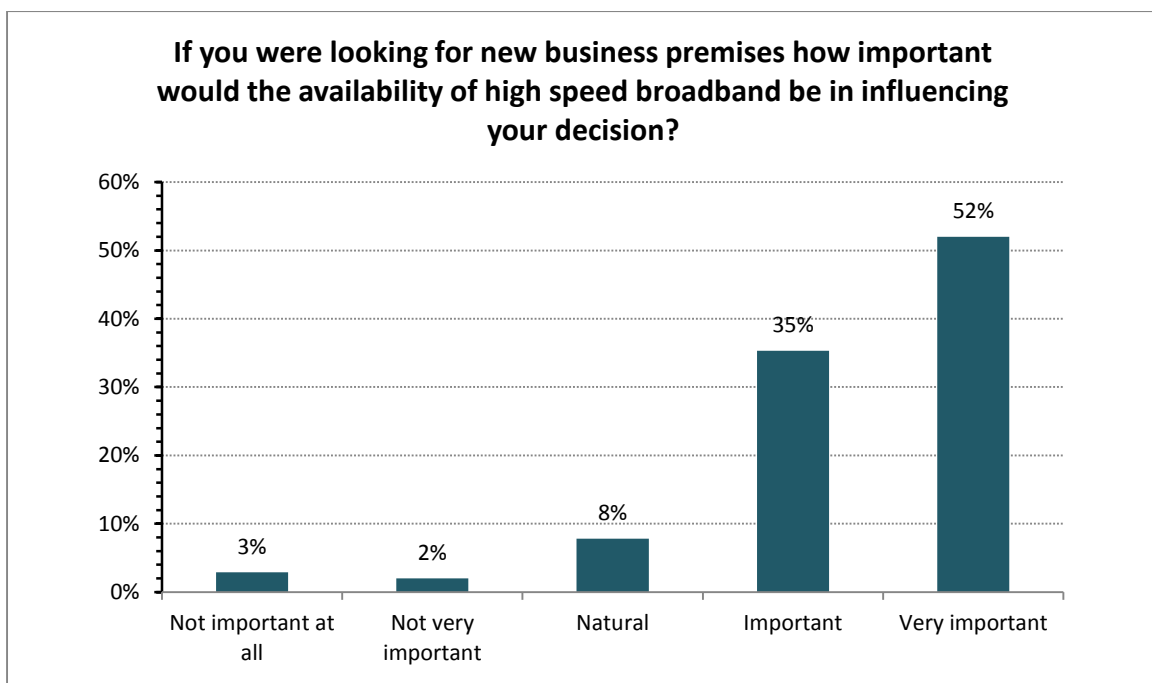
When prompted about the speed of their connection just under half of respondents (49%) said that a fast internet connection was very important to their business with 39% saying that it was important. 12% of respondents didn't consider speed of connection to be an issue.

Two thirds of respondents (62.6%) said that their current internet connection was adequate for their needs with 37% reporting otherwise.

When prompted further 54% said that their current connection would remain adequate over the next three years with 46% reporting otherwise.

Over two thirds (65%) of respondents used the internet to send and receive large files.

29% of respondents used video conferencing and / or telemeetings.



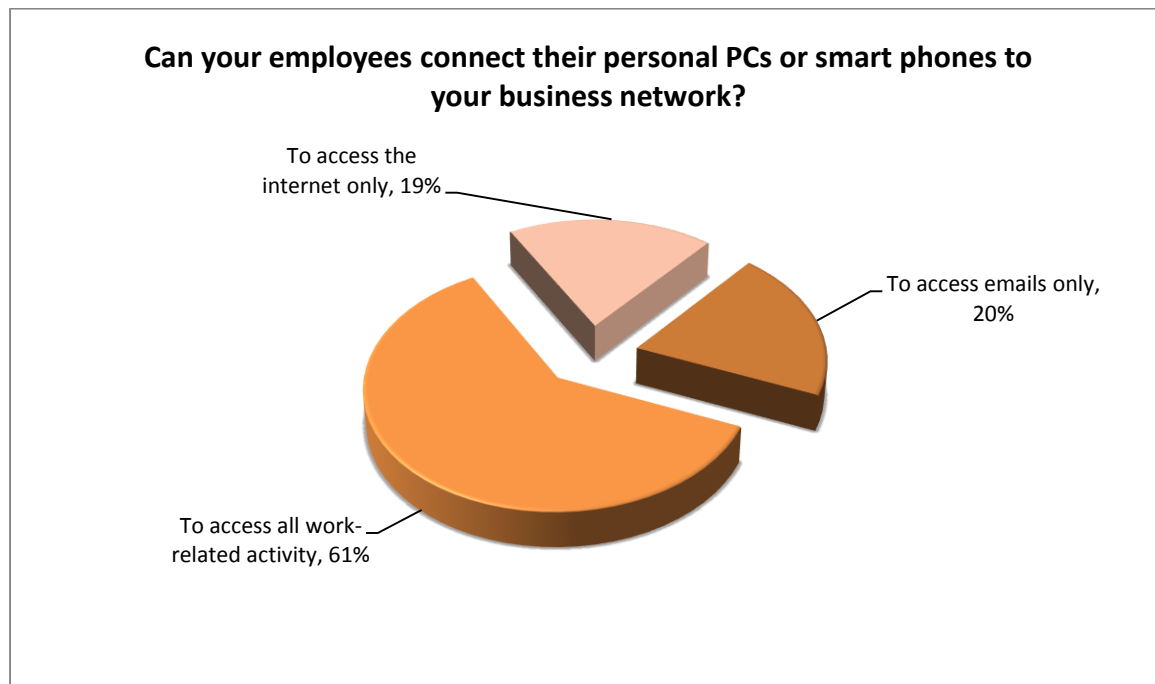
87% of respondents said that the availability of high speed broadband would be either important or very important if they were looking for new premises. 52% said that it would be very important.

Having upfront information about available services and speeds would be very important according to 90% of respondents.

Over two thirds of respondents (69%) reported that a faster internet connection would improve their business by enabling them to offer more services and making them more efficient.

8. Employee and guest usage

Almost two thirds of respondents (61%) allowed their employees access to their business network for all work-related activity. 20% of them allowed employees to access emails only, whilst 19% allowed access to just the internet. Just over a third of respondents (36%) restricted their employee's internet use (including blocking access to social media sites).



55% of respondents provided guest wireless at their premises.

9. Security

95% of respondents had installed a firewall across their IT network with 91% of them being aware of cyber security and the legal implications of hacking and data loss.

10. Superfast Lancashire

Almost two thirds (63%) of respondents were aware of Superfast Lancashire although 68% of them felt that not enough was being done to provide Lancashire business's with high speed broadband. 77% of respondents felt that there was not enough information about the availability of Superfast Broadband in Lancashire. 83% of respondents would purchase Superfast Broadband if it was available in their area.

11. Comments

My broadband supplier is too busy at the moment to invest in faster BB so my maximum is the most I can get.

All business needs fast reliable and secure internet connections but it is only provided in large cities as this is where the providers can make the most money. Our business is in a largely rural area although only 4 – 5 miles from several large towns / city and we do not get anything other than a standard BT copper phone line. We do not get 3G / 4G and barely receive 2G on mobile phones so a smartphone / tablet is useless.

There is no indication when our local exchange is going to be updated to fibre. We are about three miles from the exchange and our speed rarely rises above 2 MB/s. I think that Superfast Broadband should be supporting small businesses by providing some alternate method for internet provision.

Too much talk about what a fibre optic connection could do but not enough done to make it available.

Our current landline gives 1.5 down and 0.3 up which is pathetic. Because of this we installed a microwave wireless link or we would have had to move premises.

As well as connecting businesses, connecting homes is also very important as an increasing number of employees work from home on occasion to support the needs of the business.

To get a maximum of 20mb we pay for 3 x bonded ADSL lines costing about £200 / month.

Superfast broadband is a great idea. However there does not seem to be any sign of it happening here in the near future. It's very frustrating for rural enterprises as we probably have more need for it than other people as there is already a pretty good service in towns. Customers only three miles away have broadband speeds 6x faster than us.

It took six weeks to set up our communications and our office is in the heart of a town! Now it's up and running it's not so bad but we nearly went out of business before we started up.

12. The business benefits of superfast internet connectivity

What can businesses do with superfast broadband when they get it?

Fast internet access is not just about making the e-mail run faster or doing web searches quicker. It's also about using new tools and techniques to defend and grow business revenues including:

- Selling to new customers
- Up selling to existing customers

- Reducing operational costs
- Doing more business with the same resources
- Managing change – internal and market change
- Reducing business risk

To achieve success in the new business world of fast internet access, businesses need to understand areas which are potentially outside of their existing knowledge. Areas such as “Cloud Computing”, “websites”, “Social Media” use and “online security” (as examples) open up a huge range of new business opportunities that need to be taken into account when developing an IT strategy.

It is imperative that business owners have an understanding of these and other new areas to get the most from the opportunities that faster internet access can bring. Opportunities to upload data to the “cloud”, for example, are far quicker than using ADSL.

North and Western Lancashire Chamber of Commerce has access to a number of training providers and IT specialists who can provide free impartial advice to help business make more informed decisions

.Want to get connected? Follow these three simple steps:

1. Check that superfast broadband is available in your area (use the postcode checkers below).
2. Contact your current provider to find out whether they offer superfast connectivity (if not, find a provider who does by using a price comparison website to make sure you’ve got the best deal for your business needs).
3. Arrange for your provider to switch your existing service to superfast.

Remember: It is unlikely that your current broadband supplier will proactively contact you to upgrade your service so make it your responsibility to check availability and find a supplier who will provide you with the service you need.

13. **Recommendations**

Our research shows that 98% of companies said a reliable internet connection is essential to their business. However over half the companies who responded are reliant on slow speed ADSL with half of respondents stating that their broadband was unreliable.

Information on the availability of superfast broadband in Lancashire is available. However the research shows that 77% of respondents are unaware of its availability. 68% of

respondents consider that not enough is being done to deliver superfast broadband services to businesses.

Recommendation: We will work with Superfast Lancashire and Lancashire County Council to promote the rollout of superfast broadband to businesses across the County.

It's clear from our research that the availability of high speed broadband is important to businesses making relocation decisions. 90% of them wanted upfront information.

Recommendation: We would like to see a clear commitment to provide high speed internet services to commercial areas rather than requiring a percentage of residential premises before a cabinet is enabled.

Internet connectivity is an essential requirement for most businesses and yet the onus remains on them to check commercial availability.

Recommendation: Commercial landlords should be required to provide upfront information about the availability of broadband services in their properties. Ideally this should be simple to understand – perhaps similar to the Energy Performance Certificate scored A to G with A being a wide range of affordable internet from multiple suppliers to F being very slow ADSL only and G being satellite services only.

14. Superfast Lancashire

Superfast Lancashire, a partnership between Lancashire County Council and BT, is investing £120m in superfast broadband. It will eventually reach 97% of the county. Superfast Lancashire is covering those areas of the County not receiving fibre based broadband (called the Intervention Area) from the commercial operators such as BT and Virgin Media.

To date Superfast broadband is available to 469,753 homes and businesses in Lancashire. Superfast Lancashire has laid a total of 410 km of network cable in the ground.

Superfast Lancashire has introduced an easy to understand system to check progress on exchange connectivity. The new system will return five possible results once an exchange has been enabled. Map markers will show which cabinets have been enabled and the status situation the status situations.

The new statuses for enabled exchanges are as follows:

- **Accepting orders:** Great news. Superfast Fibre is in your area and your cabinet is enabled and accepting orders. Contact your preferred communications provider for your home or business to order.

- Enabled area: Your area is enabled for Superfast Fibre but your cabinet is not ready yet so you can't place an order today. It is in our plans to be upgraded and we update this info weekly, so please check back later.
- High demand: Your area is enabled for Superfast Fibre but demand is high on your cabinet right now. This means you can't order Superfast Fibre today but we're working to increase capacity as soon as possible. [Click here to find out more.](#)
- Under review: We're in your area but we're still assessing whether or not we can upgrade your cabinet. This means you can't order Superfast Fibre. [Click here to find out more.](#)
- Superfast Fibre is in your area but we can't tell by your postcode if you can get it right now. Please contact your communications provider, who can check using your phone number. Check out our [FAQ for more information.](#)

For areas without Superfast fibre the new markers will now indicate when the local exchange will go live. These are indicated as follows:

- Coming soon: Your area will be enabled within the next six months and we'll provide more details nearer the time. At the moment you can't order Superfast Fibre.
- Planned area: Your area is in our future plans and should be enabled within the next 18 months. We'll provide more details nearer the time. At the moment you can't order Superfast Fibre.
- Exploring Solutions: We're keen to bring Superfast Fibre to your area and are exploring how best to achieve that. We may deliver it as part of our commercial programme, or by working in partnership with your local authority. At the moment you can't order Superfast Fibre. For more information visit the [FAQ section.](#)

15. How are superfast rollout decisions made?

Decisions about where the rollout goes are based, broadly, on three criteria:

- the geography of the area,
- the proximity of the existing network
- the demand.

The suitability of all locations has to be set against the amount of money available. No other criteria are used when coming to these decisions.

The Superfast Lancashire partnership between BT and Lancashire County Council is working hard to allocate the available funds fairly so that as many people can benefit from these connecting technologies. They recognise the frustrations inherent in a quite lengthy process which must start first somewhere and then work out across the county.

Superfast Lancashire rollout update (as at 7th August 2014)

Combined rollout figure to date (Superfast Lancashire and commercial): 469,753 premises equating to 69% of the County

Superfast Lancashire Intervention Area (IA) only: 65,645 premises equates to 46% of the total to be completed by June 2015.

Surveyed over 700 fibre cabinets and planned over 650 km of fibre cabling

Built over 500 fibre broadband cabinets, with more being built every week. Over 400 are now live and accepting orders

Installed 410km of fibre cabling across the county – enough to go from Lancaster to London!

16. Where to go for more information - some useful websites

The Networking People

www.info@tnp.net.uk

Superfast Lancashire

www.superfastlancashire.com/for-business

BT OpenReach checker

<http://www.superfast-openreach.co.uk/where-and-when/>

OFCOM mapping tool

<http://maps.ofcom.org.uk/broadband/>

Superfast Lancashire availability checker

<https://www.superfastlancashire.com/check-availability>

Rural businesses

<http://www.btruralbroadband.com/home>