

ATUG Opinion – 17 October 2007

ATUG has been holding seminars in conjunction with leading groups/organisations such as the Western Sydney IT Cluster www.wsitc.com.au VicUrban www.vicurban.com.au and DLA Phillips Fox www.phillipsfox.com to share information with SME owners about the latest communications technologies and strategies and how to get a better deal from their communications suppliers.

Seminars have already been held in Parramatta, Melbourne, Brisbane with plans for Chatswood, Newcastle, Wollongong, Adelaide and Gold Coast among other centres for 2007 and 2008.

One of ATUG's key aims is to improve outcomes for business users of communication technologies. Given the importance of SMEs to the Australian economy and the structural change from large enterprises to more and more small and from-home businesses it is important that smaller business know how technology can improve and grow their business, and how to negotiate the best deal.

ATUG is being supported in the development of this series of seminars in 2007 by a number of industry partners. The plans are to continue this focus in 2008 and beyond, complementing ATUG's information program for larger business and government users and regional business users.

As one of the attendees put it, "Whatever our business, we are all interested in knowing what is available and the choices we have, so we can use ICT better and cheaper".

CISCO's SME Market Manager Angela Coronica, spoke on the business challenges of increasing connectedness between suppliers, customers and staff via the internet and complex sets of applications. SMEs are entering a stage where unified and secure networks are needed, are affordable and accessible to SMEs as well as large corporations. As ATUG would say, connectivity is everything.

David Havyatt, of Havyatt Associates, said SMEs are the target market for everyone in the communications industry these days. Yet for many SMEs, it may not seem like it. Telcos, which are all big businesses, don't know enough about SMEs to know what offers really meet the needs. Telcos tend to think a "bundle" is a pricing plan, rather than a service package. On the other hand, SMEs need to tell telcos what they need and be willing to change suppliers if they don't get satisfaction. "More for less" doesn't have to mean cheaper prices – it could mean much better service. David's advice to SMEs is, "Don't reward suppliers who only contact you at bid time! Look for the longer term relationship focus."

Leanne Ramsay, VP Sales and Marketing for iSheriff Technology, spoke about the importance of managing internet access policies and bandwidth requirements. Using a combination of content filtering, anti-spam and anti-virus tools businesses are reporting increased employee productivity and conserved network bandwidth making huge cost savings by addressing staff downtime caused by spyware, spam, viruses and non-business surfing.

Joe Tokarczuk, Manager of Advanced Networks with NSW Commerce, reported on the NSW government's piloting of wireless municipal broadband as a step to ensuring broad community access to new internet potential. He also cautioned that businesses, as they increasingly unify their communications technologies, need to look into providers' contention ratios – the extent to which their downloaded services are shared at any time – when shopping for bandwidth. Joe's presentation outlined a major shift in the way government will "do business" with small business – via the web. The NSW Government's NSW 'On Demand' is a world first example of YouTube for Government. Sensis e-Business Report August 2007 indicates 96% of small business own a computer, 51% a laptop, 92% are connected to the internet. 51% of SMEs have a website and 65% state that having the website has increased business. The killer application is email followed by transactions such as payment, procurement and online sales. Internet security is seen as an important issue – BUT the majority of SMEs are looking to their ISP for the solution in this area.

Peter Lockhart of VSP Consulting spoke in Melbourne about a range of issues affecting the SME market. SMEs will not be getting the best deal if all services are sourced from one supplier. SMEs are not seeing comparable prices with corporate users – the differential in data prices being one example ATUG has noticed. Standard Forms of Agreement are still well below customised corporate contracts with corporate users getting differentiated service levels and volume discounts. SME thinking about communications need

to move to a DATA based world and choices based on data services, rather than voice. Thinking this way opens up choice as there are many specialized providers offering data service packages. Full service providers are still based on older telco business models – lacking flexibility and offering higher prices.

ATUG is undertaking ongoing research to identify the information and communications technology needs of small to medium enterprises and will continue to develop this series of events targeted specifically at SMEs to make it easier for businesses to understand what technologies and services are available to improve business operations, drive innovation and deliver better sales.

To view the presentations go to

<http://www.atug.com.au/SeptOct07SMEPresentations.cfm>