

HOW WHOLESALE PARTNERS CAN HELP UK PLC MEET DEMAND

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How wholesale partners can use National High Capacity Services to help UK plc meet demand



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Meeting the demands of the new everyday

Covid-19 has transformed how your customers operate.

To meet new needs, organisations have had to rethink their operating models and prioritise digital transformation. They have invested in new consumer-facing applications and technologies like video conferencing to keep employees connected and together.

The speed and scale of this transition has been astonishing. In just the first few months of the crisis, organisations leapt forward five years in terms of digital progress, according to McKinsey.

How do you react and adapt to these changes in a way that guarantees success for you and your customers, not just now but in months and years to come?

We surveyed 252 senior IT managers at large UK organisations of 500+ employees to find out.

We also spoke to our wholesale partners to understand their perspective on the market, and the speed and scale of the transition their customers have gone through.

This report explores:

1.

The current state of play and end customer attitudes to existing networking infrastructure

2.

The barriers your potential end customers are facing when adopting new connectivity solutions

3.

How senior IT managers at large organisations think their wholesale partners can help

The big takeaways

- Our research shows that in many businesses (**77%**), networking infrastructure isn't fit for purpose. We believe that this is threatening UK plc's ability to rebound from Covid-19
- **31%** say that they're unconvinced their networks could give them scalability if their data needs were to increase, while **38%** said their networks haven't provided their organisations with the flexibility to support remote working needs and meet online customer demand
- Despite the recognition that the performance of networks has hindered their Covid-19 response, only **23%** see upgrading their networks as a top organisational priority – despite the clear need for improvements
- **31%** feel their channel supplier doesn't have the knowledge or expertise to guide them through challenges
- **33%** feel their relationship with the channel is purely transactional, suggesting that investing in more long-term partnerships could be beneficial
- Your customers want to be pointed towards connectivity solutions that provide greater flexibility (**38%**), security (**33%**) and scalability (**31%**) to overcome the challenges of Covid-19.

This report will delve into the market opportunity in greater depth and show how you have a critical role to play in helping your customers. You can do this by making the case for advanced connectivity solutions that give them the tools they need to accelerate digital transformation and meet new needs produced by the crisis.

This study will specifically look at the value of National High Capacity Services (NHCS). We'll explore what the technology can offer your customers including the extensive bandwidth, flexibility and security they need to position themselves effectively for the Covid-19 rebound.

Most importantly, it will emphasise the ways the connectivity channel can help get businesses back on their feet, empowering them to rebound and continue innovating beyond Covid-19.

The state of play: IT managers aren't happy with their current networks

77%

think that existing networking infrastructure has hindered the speed and agility at which they were able to respond to the Covid-19 pandemic

31%

say that they're unconvinced their networks could give them scalability if their data needs were to increase

38%

said their networks haven't provided their organisations with the flexibility to support remote working needs and meet online customer demand

Only
23%

see upgrading their networks as a top organisational priority – despite the obvious need

Existing networks aren't cutting it

We found that networks have been an obstacle for many of your potential customers.

77% think that existing networking infrastructure has hindered the speed and agility with which they were able to respond to the Covid-19 pandemic.

19% said the performance of their networks during the crisis has been either poor or completely unsatisfactory.

And the reasons for poor performance are diverse. **38%** said their networks haven't provided their organisations with the flexibility to support remote working needs and meet online customer demand.

34% don't feel it gives them enough bandwidth to handle the surge in demand for data.

Worryingly, **33%** feel that their existing networks are insecure. This suggests that many end customers are vulnerable to the recent spike in cybercrime due to the pandemic.

And **31%** say that they're unconvinced their networks could give them scalability if their data needs were to increase.

There is a clear perception that existing connectivity infrastructure has limited organisations rather than being the empowering force it should be.

Covid-19 has created new needs

The poor performance of networking infrastructure is concerning because of the demands of Covid-19.

43% said that their bandwidth demands have increased since the pandemic.

And while **44%** of organisations altered their IT strategy to prioritise capacity needs, there is clearly appetite for bigger and better bandwidth connections.

When asked about the advantages bigger bandwidth would bring for their organisations:

42%

need bigger bandwidth to help them respond to the economic challenges presented by Covid-19

39%

need greater bandwidth to support employee collaboration

37%

need to serve their customers across online channels at speed

42%

want to reduce network crashes or periods of “busy signals”

39%

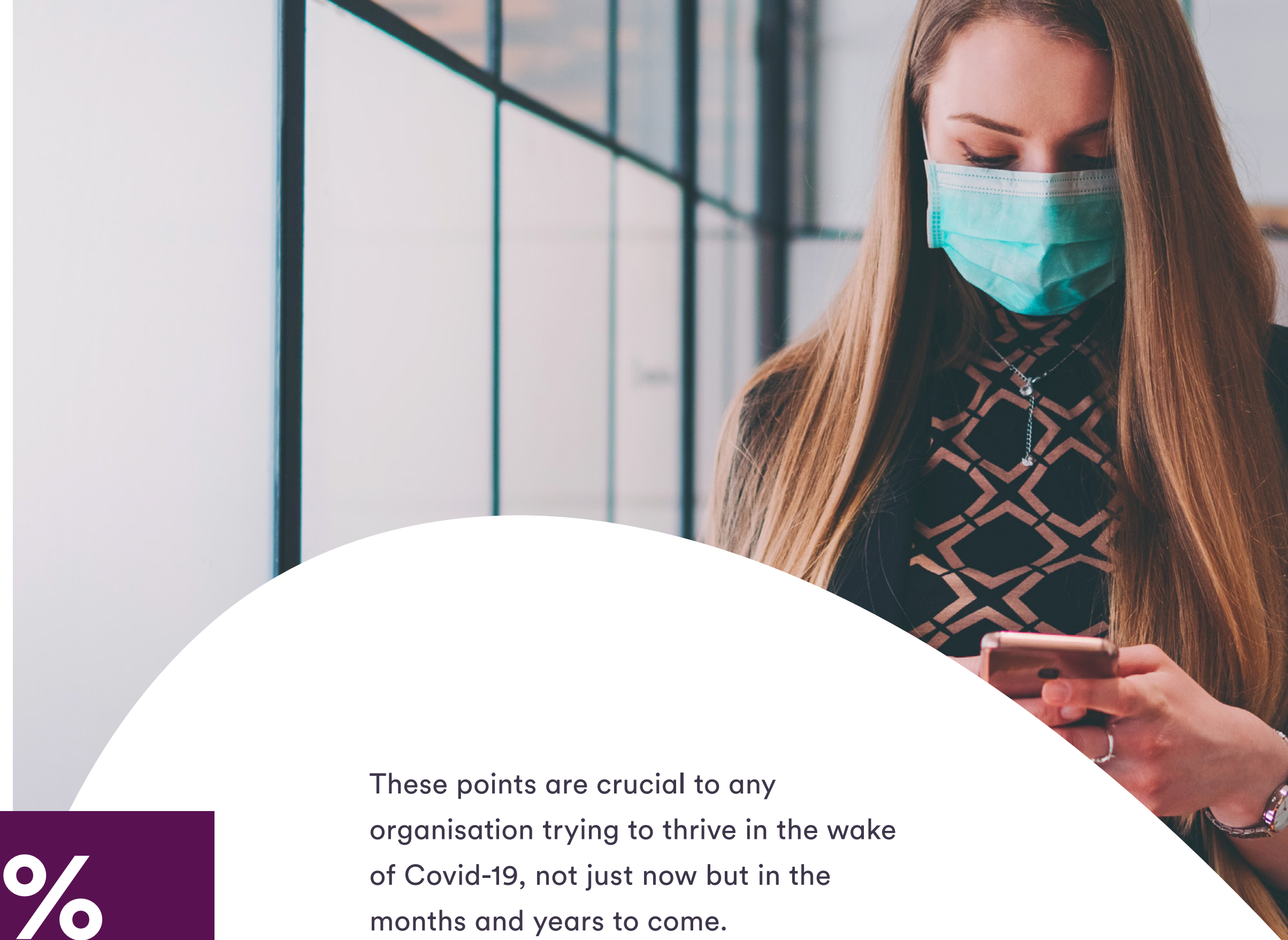
need to support the rollout of advanced cloud services

32%

want to improve the interactivity of the user journey (users being able to upload information to their company’s website)

These points are crucial to any organisation trying to thrive in the wake of Covid-19, not just now but in the months and years to come.

Not being able to serve customers online quickly or build a compelling, interactive user journey is simply unsustainable, especially in a world where broadband speed is ranked as the most important quality by 70% of consumers, according to a [report by PwC](#).





“Looking at the market, there is a clear desire for bigger bandwidth connections to get home-working solutions off the ground, support video conferencing calls and greater access to the cloud”

Simon Durrant,
business development
director at the advanced
wholesale carrier network,
Virtual1.

But networks are not a priority, yet

IT and network managers recognise the benefits of advanced networks, but they disagree on their most important element.

29% see the most vital feature as increased security, while **27%** think that faster speeds are a crucial advantage

25% say that improved scalability is key, while **18%** rank greater agility and flexibility as the most significant attribute.

But while they understand these benefits and see bigger bandwidth as crucial after Covid-19, IT and network managers largely don't see investing in networking infrastructure as something they should act upon immediately.

Only **23%** see upgrading their networks as a top organisational priority.

There is a clear disconnect. Organisations know that poor connectivity is hindering their ability to meet new challenges. But they're unaware of the actual solution: upgrading their networks.

This implies that there are major barriers preventing organisations from upgrading their infrastructure. And we uncovered these obstacles in the next stage of our research.

What's holding organisations back?

36%

said cost is the biggest factor stopping them from upgrading their infrastructure.

33%

feel their relationship with the channel is purely transactional

34%

are concerned about security given the rising number of cyber-attacks since Covid-19 struck

31%

feel their channel supplier doesn't have the knowledge or expertise to guide them through challenges



Our research also revealed a wide range of barriers that are preventing organisations from upgrading their networks.

36% said cost is the biggest factor stopping them from upgrading their infrastructure. This is despite many advanced networking solutions being comparatively cheaper than other digital technologies.

34% said that security concerns and compatibility with existing legacy networks were major obstacles to progress – unsurprising given the startling rise in cyber-attacks since the pandemic struck.

And **28%** said that the length of build time was off-putting, while **25%** were deterred from acting due to Covid-related disruption.

Room for learning

All this suggests that your potential customers need to be educated on the implementation of advanced networking technologies, so they aren't deterred by misperceptions around difficulties involved in installation.

But organisations feel they aren't currently receiving the education they need, and that this is forming a barrier to their digital progress in itself.

Only **39%** say their wholesale partner encourages them to be more innovative and future-proof their business. **33%** feel their relationship is purely transactional.

While traditionally channel relationships have tended to be short-term and transaction-based, it's now clear that this is no longer enough for your customers, who are looking for new solutions and consultancy when tackling connectivity challenges.

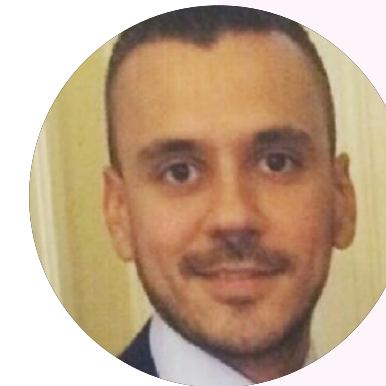
The findings imply that some players in the connectivity channel aren't engaging with end customers strategically. It is clear that there is a real opportunity for wholesale partners to get closer to customers and guide them towards networking solutions that will drive positive business outcomes.

Adding to this concern, **31%** of organisations feel their channel supplier doesn't have the knowledge or expertise to guide them through challenges that they encounter.

And **27%** say their wholesale partner doesn't have the right technological solutions to help them meet current demands.

How can you overcome these perceptions, educate customers about advanced connectivity solutions, and capitalise on the commercial opportunity?

It's simpler than it sounds.



“This is critical in the current climate, as businesses are looking to their connectivity providers to help solve complex challenges, helping them ride the current disruption and rebound in the future”

Diego Tedesco,
Commercial and Marketing
Director, Virgin Media
Business Wholesale.

The new needs: strategic advice and flexible solutions

55%

said flexible solutions were
the most important factor in a
wholesale partner

48%

want to introduce 5G into
their business within the next
1-2 years

50%

think quality of expertise is
a vital wholesale partner
characteristic

50%

said they do not have the
right infrastructure in place to
support emerging tech

Channel partners can turn these perceptions on their head by making the case for advanced networks, establishing themselves as truly strategic partners.

But the first step towards doing this is understanding what your end customers actually want from their channel partners.

You might be surprised by what we found.

Flexibility comes out on top

When asked to name the most important factors they look for in a wholesale partner, you might expect competitive pricing to be top of the list, especially in such a challenging economic climate.

It didn't even make the top two. Less than half selected it.

55% of your customers said flexible solutions were the most important factor in a wholesale partner.

The most important challenges organisations need a wholesale partner to meet are:

- Flexible working (**48%**)
- Meeting new customer needs (**48%**)
- Managing increased data needs between sites across the country (**47%**)

When you think about it, all the challenges produced by the pandemic require organisations to be more flexible in their technology. They heighten the importance of agility and adaptability being embedded at the heart of business systems and explain why it's so in demand among your end customers.

Second only to flexible solutions is the quality of expertise.

50% of end customers chose this as a vital wholesale partner characteristic, while **36%** say they rely on direct conversations with their partners to stay up to speed with the latest technologies and IT infrastructure.

It's therefore vital that you take steps to improve your understanding of your product portfolio.

The role of a good wholesale connectivity partner shouldn't be underestimated here. The right provider can equip you with a deep knowledge of a technical solution through briefings and dedicated account service teams.

Ultimately, the desire for greater flexibility demonstrates there is huge untapped potential for the connectivity channel. The opportunity to make the case for National High Capacity Service (NHCS) has never been so great.

Educating the market

We've already established that there is a clear opportunity to educate the market about the importance of prioritising infrastructure investment.

But there are other opportunities for the channel to make the case for NHCS.

Take emerging technologies as an example. **48%** of organisations want to introduce 5G into their business within the next two years. This will generate significantly larger amounts of data than 4G and bring new densification and capacity requirements.

52% are considering embracing the Internet of Things (IoT) within that timeframe.

All of this extra information will need to be instantly channelled towards an end point: a data storage centre.

Yet **50%** said while they do not have the right infrastructure in place, they do not plan to make upgrades. This would clearly limit their ability to seize on new technologies.

Again, the channel has an important role to play in educating end customers about the importance of NHCS in supporting emerging technologies and increasing data capacity.



Leading the rebound

Our research has shown that there is a clear market opportunity for the connectivity channel. Organisations recognise the need for flexible solutions and are unhappy with the state of their existing networking infrastructure. Yet they don't seem ready to spring into action and upgrade their networks due to a variety of barriers.

By highlighting advanced connectivity solutions – in particular, their role in driving greater flexibility, agility and bandwidth to meet the new needs created by Covid-19 – you can point your end customers towards a solution that will drive positive business outcomes.

A technology that will put them on the path to a successful rebound and future-proof their organisations for the next wave of innovation.



“When looking to recover and rebound from the impacts of the pandemic, the need for flexible connectivity solutions comes out on top for organisations

“The channel must work closely with IT managers to truly understand what their business needs in terms of networking infrastructure, and effectively communicate the solutions available to them

“Only by providing more strategic advice will the channel be able to prepare its partners for the adoption of emerging technologies in the future and help them with the pressing challenges created by Covid-19”

Dale Parkinson,
Sales Director, Virgin Media Business Wholesale.



The importance of National High Capacity Services

The role of the head office is changing – especially after the remote working revolution we've seen this year – which might make some question the business case for a point-to-point service. But there is no doubt that it has a critical role to play.

This is because it can move massive volumes of data quickly and securely between sites in national and local settings, and offers end customers a number of unique advantages.

There are three key features that makes NHCS stand out as the solution of choice in meeting today's demanding operating environment.

1. Lightning-fast speeds, massive bandwidth

With employees continuing to operate remotely, video conferencing becoming the norm, sharing files and live-editing documents, data needs have surged.

All this information needs to be accessed quickly, remotely and backed up in the most secure way possible.

NHCS gives your customers access to extensive fibre-optic UK coverage, enabling them to benefit from bandwidth up to 100Gb at low latency.

It uses Wavelength Division Multiplexing Technology to get more out of the optical fibres. This enables businesses to scale their services quickly and cost-effectively. Ultimately, this facilitates instant collaboration between employees working from home and office-based workers, even if they're at opposite ends of the country.

Massive bandwidth is also a fundamental need for many of your customers operating in sectors requiring instant, reliable high-volume communication.

Organisations in finance and logistics require far-reaching, highly interconnected networks, operating enormous levels of data traffic. Connectivity infrastructure has to operate 24/7, as typically multiple gigabits of information are being moved every second.

This can be achieved through a dedicated, super-fast, always-on fibre-optic network – providing multi-protocol connectivity and low-latency transmissions. Exactly the services incorporated in NHCS.

2. Greater reliability, availability, and resilient configurations

It is clear that when investing in digital transformation, your end customers simply cannot afford to ignore the importance of cybersecurity. Buying a poorly protected network solution and suffering a devastating cyber-attack will derail any digital progress made since the Covid-19 lockdown.

NHCS is a dedicated point-to-point circuit across a private network, and as such is difficult to intercept and is inherently secure. Its key strength is that it offers your customers lightning speeds, greater agility and flexibility, but without exposing them to risk.

3. Upgrading without disruption

Economic uncertainty means that your customers cannot afford further disruption. And the great advantage of NHCS is that it's relatively easy to install and integrate into your customers' existing networks.

NHCS has been designed for storage area networking, wide area network (WAN) environments, and other data transmission needs where bandwidth-hungry and time-sensitive information are involved.

The technology can also support older legacy protocols and work with existing Ethernet environments. It offers ingrained flexibility, giving organisations lightning-fast connectivity whatever the current state of their network.

So, what does all this mean for your customers?

The research in this white paper shows that many IT departments are less than satisfied with their existing networking infrastructure.

While not seeing it as a priority, IT managers are considering new technologies to help them meet the demands of Covid-19 and prepare them for future technologies like 5G and the IoT.

NHCS is a clear frontrunner in supporting hybrid working. This is because it maximises the potential of cloud services, responds to security concerns and meet omnichannel customer demand.

With awareness of the technology relatively low, and end customers wanting more strategic consultancy from their wholesale partners, you have a tremendous opportunity to make the case for NHCS.

Not just for meeting the demands created by the pandemic, but for fuelling long-term success.

Conclusion:

A way forward

Organisations face a challenging climate.

And the new needs created by the crisis aren't going to go away. Remote working and omnichannel customer demand are here to stay, with social distancing expected to persist long into the future, and more than 60% consumers reporting that their behaviour has been permanently reshaped during the pandemic, according to [McKinsey](#).

This makes the state of networking infrastructure a fundamental business need. And while organisations recognise that this isn't fit for purpose, they don't seem to be prepared to take immediate action and prioritise investment due to a number of barriers.

This doesn't just risk preventing a successful rebound from Covid-19. It will also hinder organisations' ability to seize on the next wave of emerging technologies.

This report has shown that wholesale partners have a critical role to play in advocating for advanced connectivity solutions that will give these end customers the lightning-fast speeds, flexibility and security that they so desperately need.

It has demonstrated that NHCS can help your customers meet the demands of the new everyday and fuel UK plc's rebound. And this will enable them to thrive in a fundamentally transformed landscape.



“I firmly believe that the channel is fundamental to the success of UK plc. It has a critical role to play in unlocking the connectivity potential for end customers looking for greater speeds, flexibility and security

“Whether they're looking to adapt to ever-changing local and national restrictions, support workforce collaboration and productivity, or adopt new and innovative technologies, NHCS will be pivotal to overcoming these challenges and setting your customers up for future success”

Mike Hallam, Managing Director,
Virgin Media Business Wholesale.

Why Virgin Media Business Wholesale?

This research report has outlined the immense opportunity for you, the connectivity channel, to make the case for National High Capacity Services (NHCS).

It has shown beyond doubt that NHCS is a critical lifeline for organisations up and down the country trying to introduce flexibility, agility and speed to their businesses to support remote working and meet online customer demand.

But it's also vital that you buy NHCS from the right wholesale connectivity provider, so that you're able to provide your end-customers with the solutions they're seeking. This needs to be a business that can offer truly national scale, first-class client service and a proven track record of success.

National scale

At Virgin Media Business Wholesale, we are perfectly placed to offer the point-to-point connectivity ideal for data-heavy applications and services your end customers need to operate.

Our extensive national network and access to major UK data centres mean the coverage and bandwidth your end customers receive will be second-to-none.

Our NHCS guarantees a and dedicated bandwidth end to end, so networks act like an adrenalin-charged multi-tasker. We empower your end customers to connect multiple sites at opposite ends of the country at speeds from 10Gbps all the way up to 100Gbps.

In it for the long-haul

We also recognise that NHCS is a long-term investment for both our wholesale partners and their customers.

This is why we provide dedicated client service teams at every step of a wholesale partner's journey and not just at the implementation stage. We offer regular updates and consultancy throughout the build process.

Services are also fully managed and maintained by us 24/7. This frees up your IT staff to focus on the strategic consultancy your customers employ you for.

Our extensive network capabilities, national scale, commitment to innovation and years of experience of implementing NHCS in challenging environments make us an ideal wholesale connectivity provider.

And we're excited about helping you capitalise on the market opportunity and play your part in helping UK plc recover, rebound and thrive.

Collaborating with our partners

We're fully committed to our channel relationships. We see these as long-term investments rather than short-term transactional partnerships. This is why we've taken steps to ensure you benefit from constant contact, transparency and access.

That's why we run regular partner advisory boards, attended by our dedicated and accessible senior leadership teams. In these sessions, we're always open to honest feedback from our wholesale partners. And we won't brush any issues that come up under the carpet. We'll act upon them.

We also ensure that our customers benefit from a dedicated account service team from the beginning of the build process to completion. This ensures that you have access to specialist consultancy when you need it, as well as full visibility and transparency over the process.

We're not stopping there

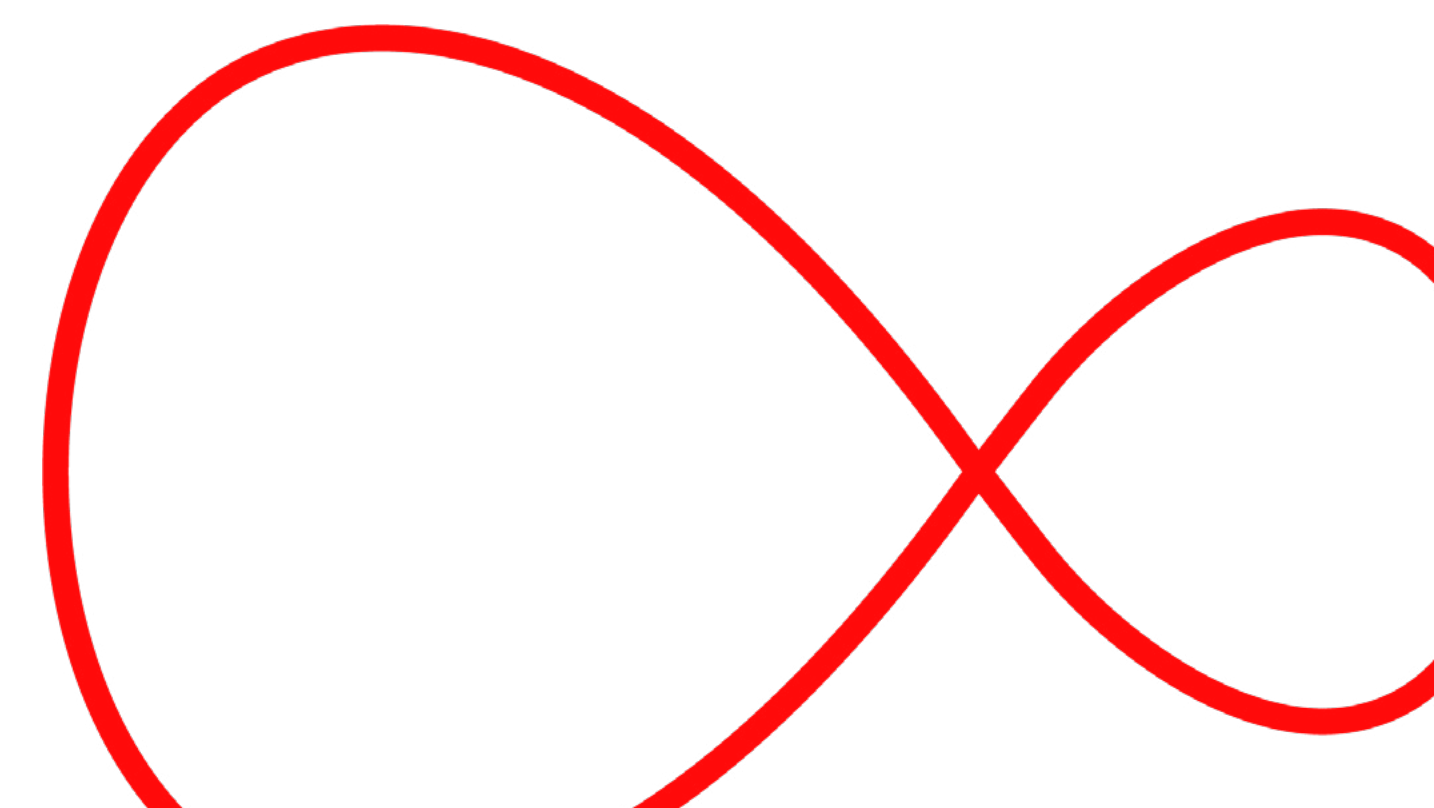
NHCS has never been more important to business health and longevity. Now is the time to invest in the future.

We know just how vital NHCS is in supporting your customers' recovery plans, and that is why we're investing so much in our network and systems.

Our new customer portal, Engage, allows you, the channel provider, to easily create quotes, order and track online.

And we're never far away when you need us.

To find out more about NHCS and Project Spark from Virgin Media Business Wholesale and our continuously enhancing NHCS 10Gbps portfolio, [visit here](#).



Here to help you

For more information on Virgin Media Business Wholesale's services please contact one of the team.

Research methodology

Censuswide survey of 252 senior IT decision-makers in companies of 500+ employees, conducted between 9th-13th October 2020.

Interview with Simon Durrant,
Business Development Director, Virtual1.



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