

V5.0001a Mini-Briefing: UK Opportunities for Communications Investors

What is the UK opportunity?	The UK market for Communications companies at over \$70 billion pa is one of the largest, more concentrated, and more accessible than anywhere else in Europe
Why is UK attractive?	<p>Although Germany has a larger overall communications market opportunity, it is more dispersed across more people and more geographic areas; spend per head in UK is much higher and decisions are made faster than elsewhere</p> <p>Most communications spending is controlled or influenced within 150Km of London, where most UK business and over 50% of the population are concentrated</p> <p>The area has 5 major international airports and excellent rail and road connections, significantly reducing management and sales travel time overheads</p> <p>In addition there is no shortage of experienced business and world-class technology talent available to help realise the internationalisation opportunity</p>
Why is now a good time to invest in UK?	<p>UK business and government are world leaders in adopting ICT technology to raise productivity with 27% of UK jobs already ICT-related</p> <p>Although intensely competitive, there are substantial disruptions in the established UK market order that create opportunities for innovative newcomers in most ICT and Security market segments</p> <p>The UK is moving away from the centralist approach of recent years, so central government will be doing – and spending - less and the private sector and local government will be doing more</p> <p>There will be some incentives to rebalance the economy, especially related to increased manufacturing and outside the South East</p> <p>Increasing business confidence is leading to investment in some projects with medium-term paybacks in certain sectors</p> <p>The UK is an enthusiastic adopter of e-commerce, mobility, outsourced services, social networking and digital entertainment</p> <p>Universities are keener than ever to expand their commercial offerings across world-class research, technology transfer and teaching</p> <p>Key areas include increased competitive intensity and regulation of the financial services industries, rapid growth of EU's largest on-line retail market, radical transformation of procurement and the increasing attention to counter-terrorism by UK government</p>
What are the Key Success Factors?	<p>UK is a very competitive market, requiring a well-articulated proposition focused on clearly-identified business needs with the necessary resources and organisation to deliver</p> <p>UK buyers are impatient and know exactly what they want, creating clear opportunities for suppliers to focus exactly on the expressed needs to deliver better value for money</p> <p>In uncertain times for many companies, buyers will also be cautious and avoid risks; individual and corporate track record remain important factors</p>
Who might invest in UK?	<p>Services providers able to enhance customer intimacy or operational productivity</p> <p>Technology-intensive players looking to access UK talent and/or technology</p> <p>Gadget and service suppliers offering better information, entertainment or socialisation</p>
Which are the strongest market segments?	<p>Communications Services in UK comprise a \$50 billions pa market</p> <p>Voice services still account for over 50% of revenue; mobile data and PayTV growing fast</p> <p>Communications Equipment sales in the UK, Europe's largest communications equipment market, add a further \$16 billions pa</p> <p>The segment is driven by sales of mobile handsets, especially smartphones with around 30% pa growth</p>

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Q1 Who could become your UK customers?	<p>Most UK purchasers are very open to a differentiated value proposition. Focus, positioning and timing are often key to success in any segment</p> <p>UK is the market most open to outsourced supply of ICT services with cloud offerings gaining traction, especially for e-commerce and research as service and security issues are resolved and/or offset by scalability with many generic back-office functions following</p> <p>At Vecta, we can help you understand UK supply chains and advise whether you can disrupt the established order or how you can find your entry position</p>
Q2 Who are likely to be your competitors?	<p>Today's leaders underestimate threats from new players. Clayton Christensen's lesson can be applied in many ways to provide better value from money than incumbent leaders</p> <p>The 80-20 rule for value focus is more valid than ever in the minds of today's value-conscious purchasers, including those in the public sector</p> <p>The UK has Europe's highest concentration of carrier-neutral Data Centres, bringing substantial revenue to key carriers and equipment providers</p> <p>At Vecta, we profile potential partners against your specific interests and, after review, can facilitate partnership development</p>
Q3 Who might be a business partner?	<p>Most UK businesses are very open to value-adding partnerships. Successful partnerships are based on a mutual respect for what each party brings to the partnership, whether customers, experience, finances, people, reputation or technology</p> <p>Clarity of responsibility and reward is critical with clear and effective escalation lines in the event of challenges</p> <p>"Only do yourself what no one else will do for you" is often the starting point</p> <p>At Vecta, we profile potential partners against your specific interests and, after review, can facilitate partnership development</p>
Q4 Where is the best UK research?	<p>The UK has over 100 Universities, many have world-class research groups and facilities. The UK's Research Assessment Exercise identifies the best research groups and their scale against broad disciplines such as Electrical/Electronics Engineering, Physics and Computer Science</p> <p>Like businesses, academics work best in clusters so group scale and connectedness are important;</p> <p>At Vecta, we profile these leading groups against your specific interests and, after review, can facilitate partnership development</p>
Q5 Where is the best UK location for you?	<p>Choice of location requires a balance between the most stressed communications lines; customers, financiers, HQ, key partners, and research partners all need communication but between what levels, how frequently and in what mode?</p> <p>While most communications customers are likely to be in and around London with its world-leading financial services operations and the associated low-latency data centres, some end-user industries are concentrated elsewhere in UK</p> <p>Bristol and Cambridge have developed exceptional communications clusters</p> <p>At Vecta, we help you work through the likely communications intensities and other considerations to identify and realise the optimal business locations for you</p>
More detailed and/or customised versions of this briefing can be provided	<p>If you found this useful and/or would like a free and confidential introductory discussion of how we might help you</p> <p>please contact:</p> <p>Frank.Morris@vecta5.com</p>

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