

How UK Businesses Are Adapting to the Evolution of Communications

White Paper



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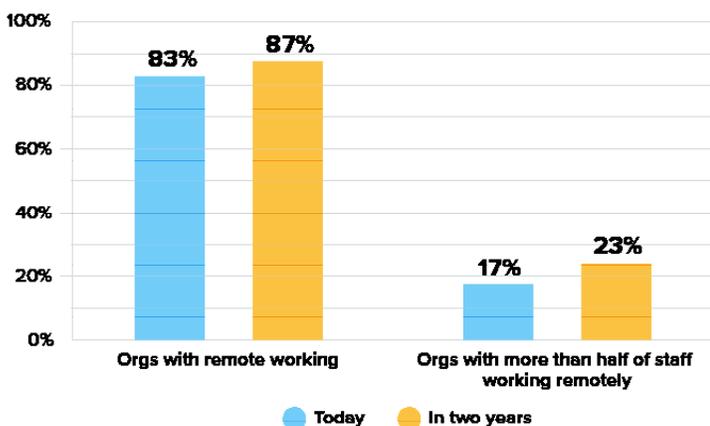
Cavell Group launched its Enterprise Insight Report in Q4 2019, surveying 1,800 businesses across Europe and the US, with 300 businesses from the UK taking part. All the respondents were the decision-makers on their telecoms solution or those who managed the solution with CIOs and CEOs from a range of different company sizes and industries to give an in-depth picture of what is happening in the UK telecoms market. Cavell Group has worked with RingCentral to produce this summary paper based upon the findings from its research to help businesses understand how their business may change in the future.

How the workplace of the future is changing

UK businesses are undergoing a huge transformation. The changing workforce and workplace are forcing businesses to bring in technologies to drive productivity and enable the evolution of working practices.

Increase in remote working

The UK workforce is increasingly mobile, as 83% of UK businesses have employees working remotely for more than two days a week, and this is set to increase by 4% over the next two years. More interestingly, the increase in proportion of companies with over half of their staff working remotely for more than two days a week is set to grow from 17% to 23% in the next two years.



There are many benefits to remote working, such as:

1. **Staff are more productive.**
One of the key reasons companies allow remote working is to

gain more productivity from their workforce. Some studies have even reported that the productivity boost from telecommuters could add up to a full day's work.

2. **Remote work improves morale and happiness.**
Productivity is rooted in personal wellbeing. Remote working enables a healthier work/life balance and can help employees feel happier and more fulfilled, leading to greater motivation and lower staff attrition.
3. **It's cheaper.**
Remote working doesn't just reduce commuting costs for workers, it also reduces business overheads across the board, from office space and utilities to desktop computers and rental contracts.
4. **It enhances talent recruitment and retention.**
The younger workforce values flexibility in the workplace and is seeking a professional arrangement that responds to its needs. A mature remote working policy allows businesses to attract more skilled workers from further afield as the daily commute is less of an issue.

Growth in automation

Increasing automation in the workplace means that businesses are looking for certain processes to be integrated and applications to work together. Integrations are becoming more important in addressing the changing needs of business. Looking across all business sizes, 82% of UK businesses have integrations with other cloud services, and this figure is expected to increase in the future.

The primary reasons for the growth in automation are:

1. **Better allocation of the workforce**
Automation often removes the repetitive tasks that employees complain about, enabling them to focus more on creativity and innovation.
2. **Reduction of human errors**
No matter how efficient your workforce, it's impossible to avoid human errors. Automation can help limit the possibility of errors in the business process through tight integration with your workforce.
3. **Better collaboration**
The more complex a project grows, the more need you have for monitoring and ensuring the proper flow of information to each member of the team. Project automation and tracking is becoming a vital piece of large projects.
4. **Deeper insights into the business process**
By tracking and analysing your business operations, you can gain greater insight into the data you generate. This enables you to identify opportunities for growth or process efficiency and to test conversion improvement tactics and reduce waste.

Increasing role of contractors

Cavell's research also showed that 71% of businesses in the UK employ contractors, with this number expected to rise across all company sizes. Companies need to ensure their contractors have access to all the technologies that full-time employees use.

Contractors are taken on for a variety of reasons that are becoming more prevalent in the modern workplace, such as:

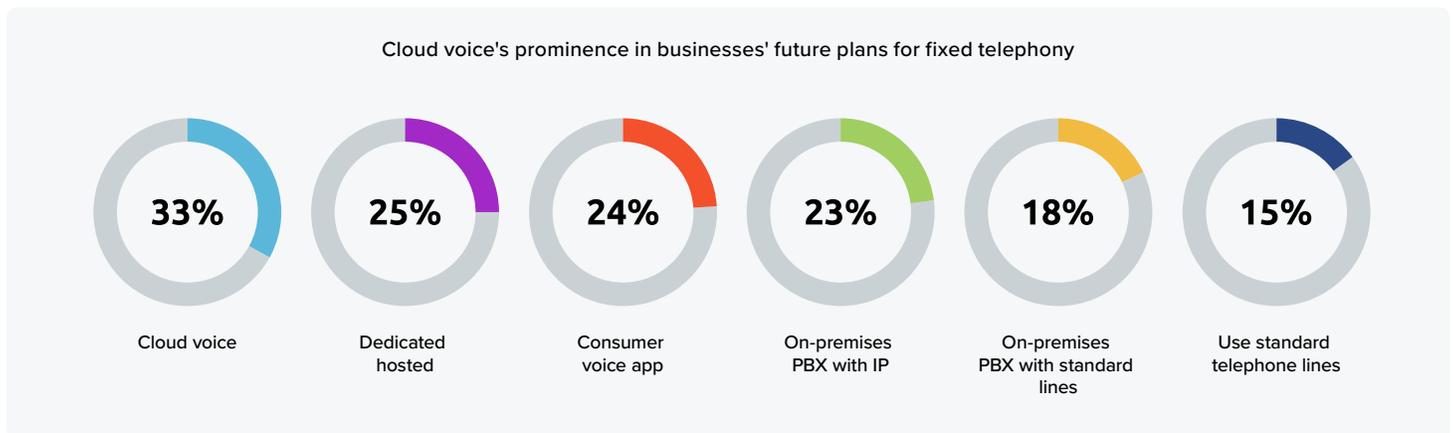
1. **Upskilling and filling knowledge gaps**
Workplace skill sets are changing constantly to keep pace with digital transformation, with analytical, communication, and problem-solving skills rising to the top of the must-have list. Contractors can fill those gaps on an immediate and short-term basis.
2. **Mitigating stress with additional resources**
Demands on departments change quickly based on client needs, and bringing in contractors can allow a business to be responsive to client needs without full-time employees suffering the stress of constantly changing demands.
3. **Essential support for project work**
There is a broader shortage of skills across all sectors, which leaves crucial knowledge gaps and too few qualified professionals to ensure successful completion. Contractors hired for specific stages of a project bring fresh perspectives and support when needed.
4. **Way of life**
Many highly skilled contractors prefer temporary project-based work. These workers are valuable for bringing specific experience and skills to demanding projects.

Employee tenure absolutely has an effect on internal and external communication. At present, the primary ways to communicate within an organisation are still traditional forms of communication like face-to-face meetings, email, phone calls, and document sharing, but changing aspects of loyalty on the customer and employee side will have an influence on the communication methods of the future.

Which solutions are businesses investing in?

Businesses are transitioning more and more of their tools and services to the cloud. This is especially true for cloud voice, which has the highest momentum in terms of any organisation's plans for fixed telephony. Cloud voice adoption continues to grow, with

over 4 million users in the UK in Q2 2019 and 35 million across Europe by 2024. Cavell's research shows the UK market more than doubling in size over the next five years, with over 10 million users in the UK market alone.

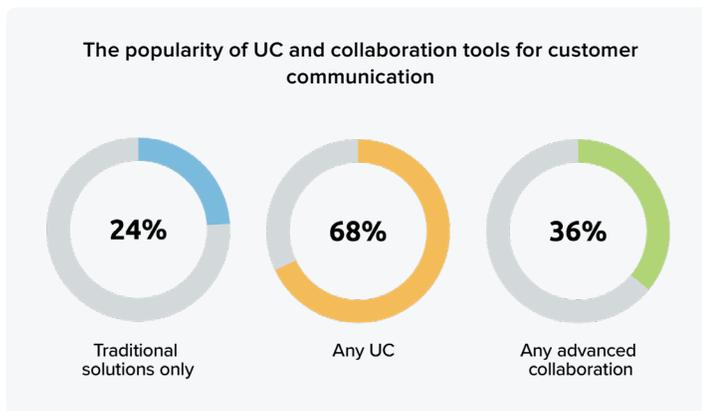


Cloud voice is being adopted for multiple reasons—typically a combination of different benefits covering customer experience (CX), employee experience (EX), business agility, and more. The top five benefits cited as reasons for adoption are:

- Easier for employees to work from any location
- Better customer contact experience
- Greater integration between fixed and mobile communications
- Introduction of new functionality (e.g., call recording, presence)
- To make it easier for employees to communicate and collaborate with each other

This has also pushed forward the adoption of unified communications (UC) tools. Penetration of UC reaches up to 68% overall in the UK for customer communications and 52% for internal communications. The need is clear—faced with an overload of communication tools for various purposes, employees need systems in place to prevent them from becoming overwhelmed by deluges of messages from customers and colleagues alike. UC tools provide the consolidation needed to empower employees to operate more efficiently. For customer communication, this means resolving queries in a timely manner; for internal communication, this means collaborating effectively to keep a project on track.

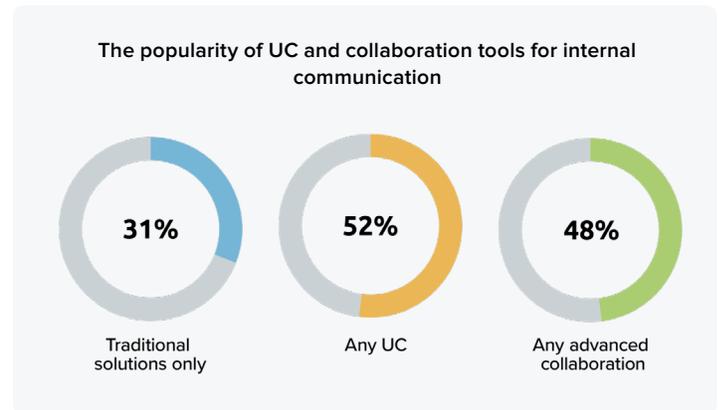
In terms of UC adoption, the size of the business plays a part, with likelihood of adoption increasing according to business size. The point of saturation is still far off, as 64% of large organisations currently use advanced collaboration tools to communicate with their customers. The overall trend suggests UC is yet to really take off, as just over two-thirds of UK businesses use advanced collaboration tools in their customer communication.



Coupled with this growth in UC is the rise of team collaboration, which 69% of UK businesses have adopted in some form to communicate internally. Adoption of advanced tools for internal communication is higher than that for external communication, reaching 48% of businesses compared to 36% respectively. These

figures are expected to grow by 24% in the next two years, implying the need for team collaboration software is set to grow, which is likely to be tied to the growth in remote working.

Internally, smaller organisations are much more likely to rely on traditional communication methods like phone calls and email, whereas video conferencing and team collaboration solutions are more prevalent in larger businesses.



With the changing landscape of services, companies are also predicting shifts in how they communicate based on what is available. For example, 24% of enterprises surveyed recently in the UK predicted they would adopt team collaboration in the next two years, 29% said they would be adopting chatbots, and 27% said they would be adopting project management tools.

With the likelihood of the usage of these tools increasing over the next two years, we can see an across-the-board shift in how companies are talking internally and externally, with more of an emphasis on tools that make communication more efficient and more natural.

Top five reasons for adopting collaboration solutions



What does moving to the cloud enable?

One of the consistent trends we see is the growth of flexible and remote working, and this research confirms that further. Cloud services work hand-in-glove with remote working, allowing files, communications, and business administration to be stored, accessed, and worked with remotely. Cloud services provide businesses with the flexibility they need to be truly agile in today's digital economy.

While the shift to cloud continues, many businesses are cautious in their approach, preferring a staged migration over a sudden switch. Over half of businesses transitioning to cloud services anticipate a timeframe of two years to complete their migration, so we'll see cloud adoption rates steadily increase over that timeframe as more businesses begin their migration in order to retain their competitive advantage.

Besides remote access and the enablement of flexible working patterns, there are additional services that companies want to take advantage of, such as automated call recording and transcription, voice applications on mobiles, voice conferencing, and presence. Of those that are planning to adopt cloud voice in the next two years, 54% answered that the introduction of new functionality was a strong reason for adoption.

These functionalities are spread across the spectrum of the business, from overcoming communication challenges, such as making it easier to communicate and collaborate (61%) or providing better integration between fixed and mobile services (59%), to ensuring improved integration with client relationship management (CRM) tools (47%). However, people also turned to adopt cloud voice for more business strategy reasons, such as making it easier for employees to work from any location (59%), to develop a more engaged workforce (55%), to increase productivity (69%), or to make it easier to manage projects (68%).

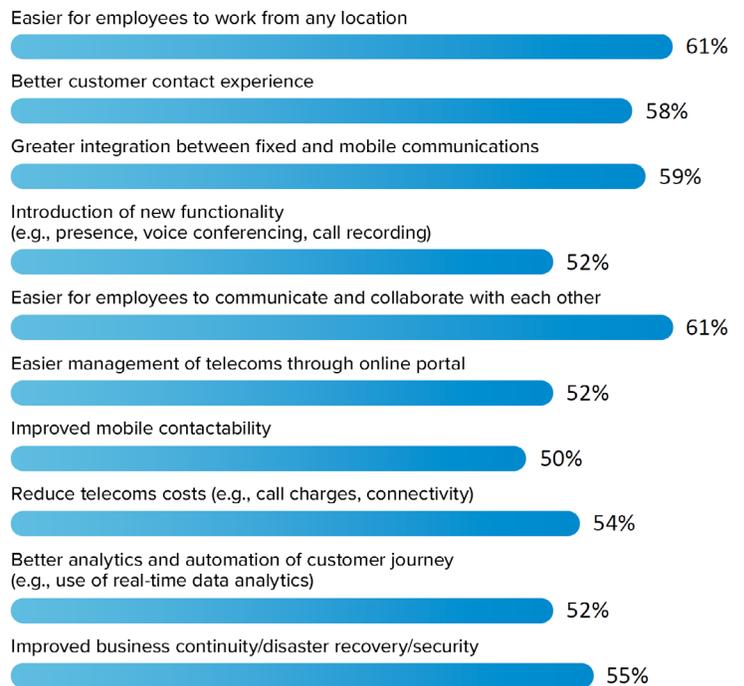
Conclusion

It is undeniable to anyone in business that the workplace of the future is changing. The demands for more automation and more flexible and remote work will put a strain on inflexible legacy systems that cannot adapt to the emerging new ways of working.

To grow and adapt, enterprises need to put in place solutions that are future-proofed and feature-rich. This includes things like new cloud voice systems, team collaboration, and project management tools.

The research shows that there is certainly no one-size-fits-all solution for geographical-agnostic connectivity and unified communications and collaboration. Each organisation has different

Reasons for adopting cloud voice



These functions are drawing more and more adopters to cloud services, and new ways of working are created on a regular basis, which mean that this list will continue to expand and change as the capabilities of cloud communications continue to be explored. Indeed, current satisfaction rates, while high, suggest cloud services have yet to hit their peak. Overall satisfaction currently sits at 82% across the market, which indicates the cloud offers definite improvements to businesses, but there is also some room for improvement as the cloud services sector matures.

needs influenced by its specific industry, size, and existing process framework. The ideal provider is one that can recognise and understand each business's needs and provide a solution that either satisfies the current use case or improves on existing practices to help the business perform better.

One significant factor not measured by this research is the element of humanity. While tools provide the potential to improve communications and collaboration, adoption is a decision made in the mind of each user. Organisations that recognise the value of unified communications, and can effectively manage its introduction to the workforce, are those that stand to derive the most benefit.

Future capability is a huge driver for telecoms buying decisions, which need to be made to enable new working practices and drive productivity from the workforce of the future. There's an opportunity for businesses to find the right provider that can analyse their needs and suggest genuine, relevant solutions. The value of a provider that successfully manages customer expectations all the way through the buyer journey cannot be understated, as this is a critical role in creating the workforce and processes of the future.

From where we are in the midst of the digital revolution, we recognise the need to communicate from wherever we are, whenever we need to, lest the new flexible workplace breaks down. The software we adopt is a vehicle to help manage communications, and an element of culture change is required to fully realise the potential benefits of the tools we put in place. As such, the decisions that enable us to keep communicating as we shift to the new mobile future are critical.

For more information, please contact a sales representative. Visit ringcentral.co.uk or call 0800 098 8136



RingCentral, Inc. (NYSE: RNG) is a leading provider of global enterprise cloud communications, collaboration, and contact centre solutions. More flexible and cost-effective than legacy on-premises systems, the RingCentral platform empowers employees to work better together from any location, on any device, and via any mode to serve customers, improving business efficiency and customer satisfaction. The company provides unified voice, video meetings, team messaging, digital customer engagement, and integrated contact centre solutions for enterprises globally. RingCentral's open platform integrates with leading business apps and enables customers to easily customise business workflows. RingCentral is headquartered in Belmont, California, and has offices around the world.

RingCentral UK Ltd. 85 Uxbridge Road, 4th Floor, Ealing, London, W5 5TH.

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