

The Cloud UCaaS opportunity for Australia's MSPs

Overcome the legacy telco challenges with cloud UCaaS



Supported by



There has never been a better time to be a Managed Service Provider (MSP) offering voice and unified communications (UC) services to customers, but so many MSPs are still held back by legacy telco reseller engagements.

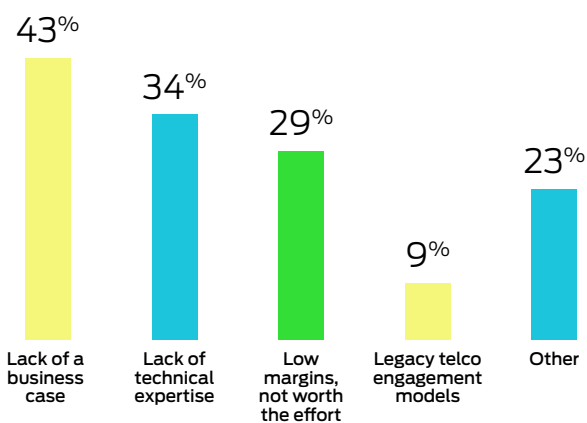
To discover what MSPs could do differently with voice and UC, a survey by CRN, on behalf of Access4, conducted research on what strategies channel leaders are adopting when it comes to connecting their customers.

This report, The Cloud UCaaS opportunity for Australia’s MSPs, analyses the key findings of the research and looks at the challenges and opportunities MSP leaders face as they look to service the growing UC market in more innovative ways.

With the right suppliers, MSPs can expand their service offerings and deliver a range of voice and UC options, without the long provisioning times and client management burden.

Even with the COVID-19 pandemic catapulting the uptake of voice and UC services, Australian MSPs are still held back when it comes to being able to offer such services to their customers.

What is holding you back from building a voice practice in your business?



The biggest problem for MSP leaders is a lack of a business case, which is ironic given the surge in demand. At the end of the day, if offering voice and UC as a service is costly in time and materials, and does not deliver enough margins, then the business case will not stack up.

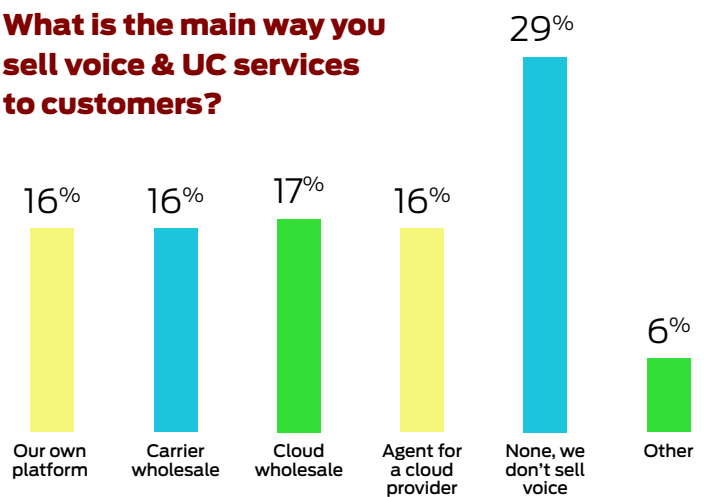
In fact, nearly 30 per cent cited low margins and “not worth the effort” as factors which hold back building a voice practice.

This is where engaging with a more modern UC provider presents new opportunities. If the telecommunications carriers are not able to keep up with change, then it is time to explore alternatives. And with 35 per cent of MSP leaders reporting that lack of technical expertise is holding them back, forming a partnership will go a long way to reducing the dependence on people to get to market with voice.

Voice and UC a big opportunity

Despite the perceived barriers, the research found there remains a large gap in the market when it comes to Australia’s MSPs offering voice and UC services.

What is the main way you sell voice & UC services to customers?

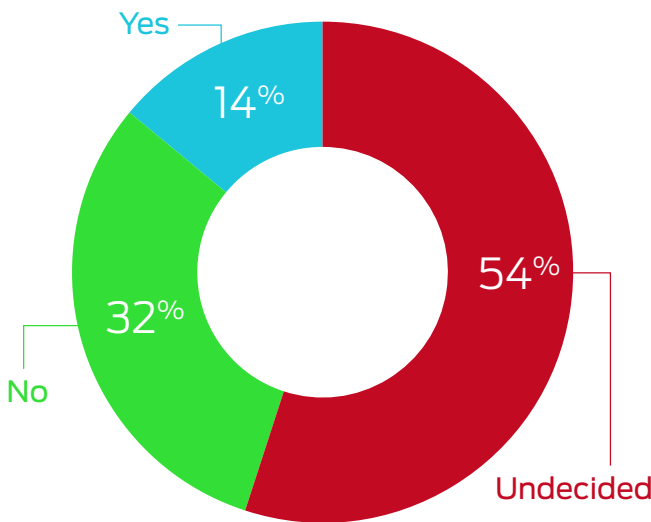


The research found 3 in 10 are not selling voice at all, and those which do, 55 per cent sell voice and UC through a third-party platform. This includes some 16 per cent which resell carrier wholesale services. Furthermore, 65 per cent of MSPs sell voice services to less than half of their customer base, highlighting the fact there is still a significant opportunity for MSPs to either enter the market, or add value to, what they are already selling with UCaaS.

“ The biggest problem for MSP leaders is a lack of a business case, which is ironic given the surge in demand. **”**

Are MSP leaders likely to include UCaaS as part of their growth strategy over the next five years? It turns out most (54%) are still undecided which leaves the door open as better options become available.

Will UCaaS form part of your growth strategy now, soon or in the next 5 years?

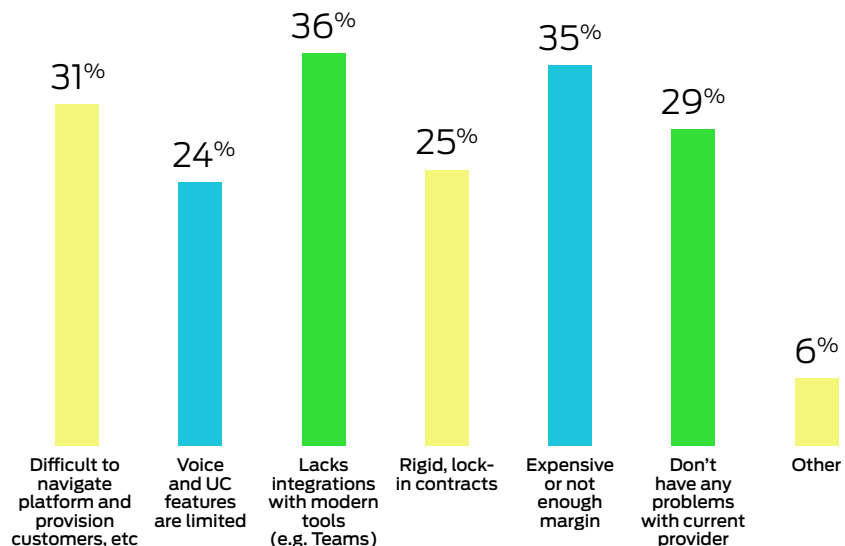


Overall, 70 per cent of the MSP market is either offering, or open to offering, more voice and UC services, which can translate to a strong appetite to meet the growing demand during the next five years.

Time to overcome the telco challenges

With the MSP market well positioned to adopt more voice and UC, the research investigated some of the challenges they face, particularly when it comes to dealing with the incumbent UC or telecommunications providers.

What is the most challenging part of your experience when dealing with your current unified comms/telephony providers?



Overall, 70 per cent of the MSP market is either offering, or open to offering, more voice and UC services

The gap between the uptake of modern, cloud-based tools (like Microsoft Teams and Webex) and what telcos offer, is being noticed by MSP leaders. The number one challenge respondents identified is a lack of integration between the UC or telco service and apps like Teams and Webex.

This type of integration presents a good opportunity for MSPs to add even more value with their own UCaaS offerings. An integrated voice, video, Teams and Webex service would be well received by customers looking to get more value out of what they are already using.

Next is the actual UC or telco services (or equipment) being too expensive and not leaving enough margin for the MSP. This is another example of how partnering can reduce the capital and operating costs required to go to market with UCaaS.

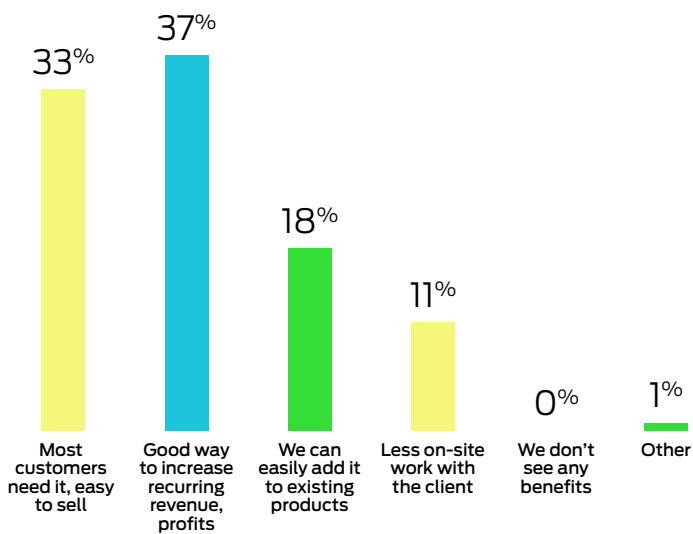
The third challenge cited by respondents relates to user experience. If the UC or telco administration tools are difficult to use and customer provisioning is held back as a result, the effectiveness and profitability of the service is compromised.

Limited features and rigid, lock-in contracts are also out of favour with MSP leaders, with 7 in 10 having at least one challenge when dealing with their UC or telephony provider.

Cloud UCaaS seen as a big advantage

As MSP leaders assess their options for voice services over the next five years, one thing is certain today: 100 per cent see at least one advantage of a cloud UCaaS solution they can go to market with.

What are the main advantages of a cloud unified communications solution for your business?



The research did not record any respondents who do not see any benefits with cloud UCaaS for their business.

In fact, 70 per cent reported cloud UCaaS is in high demand, easy to sell and a good way to increase recurring revenue. Cloud UCaaS ticks a lot of boxes for Australia's MSPs, including the 10 per cent looking to reduce their on-site work with clients.

In yet another benefit, about 18 per cent of respondents believe it will be relatively easy to add cloud UCaaS to an existing portfolio of products.

About the survey

This survey was conducted in July 2021 by CRN on behalf of Access4, and attracted 118 respondents: 42.5% were IT managers or IT directors, 15.13% were IT professionals, including developers, analysts and engineers, and the rest included people in sales and marketing roles, CEOs, CFOs, GMs or MDs, those in analysis, consulting or education roles or similar, in addition to people in other roles. Looking at the size of their organisations, 8.4% worked for employers that have more than 2,500 staff members, 33.61% were at organisations with less than 10 people, while 22.69% worked for companies that employ 10-49 people.



70 per cent reported cloud UCaaS is in high demand, easy to sell and a good way to increase recurring revenue.

With most businesses now hungry for flexible, cloud-based voice and UC solutions that allow staff to work from anywhere, the opportunity for better cloud UCaaS for Australian MSPs is clear. And new client apps, like Teams and Webex, now waiting to be integrated with traditional telco-centric services there are more options for value added services.

With Australia's MSP leaders unanimously agreeing there is at least one advantage of a cloud UCaaS solution for their business, by partnering with innovative suppliers, MSPs can take UC to market faster, and with better business outcomes.