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## THE CHANGING FACE OF THE UK TELECOMMUNICATIONS INDUSTRY

by Kent Business Blog on Jun 16th, 2013 · No Comments



The way we communicate has changed dramatically in the last 30 years, from the sole use of the telephone to video messaging via the internet, from fixed telephone lines to wireless connection using mobile phones. Fraser Young, managing partner of **MF Communications** takes a look back at how the industry has changed in the years since he first began his telecoms career.

My first job in telecoms was as a broker, buying and selling hardware such as systems and lines and selling them on to other telecoms companies. This was in the 1990's, after the Government first enabled

independent retail companies to bulk buy telecommunications capacity and sell it to domestic users, following its white paper entitled 'Competition and Choice: Telecommunications Policy for the 1990s', (published in 1991). Up until this time, the privatisation of British Telecom in 1984, which had resulted in 50% of its shares being sold off, had only served to create competition between two major telecoms providers; British Telecom and Mercury Communications.

Following this white paper and the change in policy new technologies emerged within the industry, such as high capacity broadband networks. It opened up the market and drove down the cost of telephone calls, which was great for the consumer. However, on the down side, the explosion of new companies and the competition for customers meant that there were many customers who were left feeling disappointed at the poor level of service and after care that they received. In addition, on the manufacturing side, there were still a number of large companies who were intent on controlling their communications systems and how their customers were using them.

With the new technologies came other changes. Where the telecommunications industry had been traditionally concerned with voice traffic and had remained distinct from other industries, such as IT, entertainment, media and consumer electronics, the gap between these industries began to close as the multimedia industry was formed. Telecommunications service providers were suddenly finding that they had to compete with providers of consumer electronics and computer hardware, for example.

Historically, if a company required a telephone system it would have had to purchase one in the form of hardware, such as the system, the cards, the handsets and the telephone lines. A telephone system could be on the market for anywhere between 5 and 8 years before being declared end of life by the manufacturer and being replaced by a newer, updated model. Manufacturers declare products end of life (EOL) because it is not economically viable to keep making spares for every single system they have ever produced. In addition they need to release new systems with new features in order to keep up with emerging technologies and drive sales.

MF Communications were repeatedly being approached by clients who were struggling to find spares for their telephone systems. The manufacturers were continually trying to force them to buy an upgraded system, but for many reasons, this was not always a viable option. This would often lead to the larger manufacturers alienating their clients by refusing to let them buy second



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hand spares. For some of these large manufacturers this was to the detriment of their businesses.

For some companies it is vitally important to continually upgrade the systems and software but for others a telephone system represents a huge capital investment and one that is considered long term. MF Communications realised that there was a huge requirement for second hand, refurbished hardware and so it began to remanufacture these products and re-sell them with a warranty.

As the telecommunications industry continued to develop, manufacturers began to move away from hardware-based products to produce software. This meant that if a customer wanted to make changes to their system, such as add more users, they were only able to buy the software from the manufacturer and furthermore, in order to keep driving sales and force customers into upgrading, manufacturers began to make the software EOL too.

MF Communications found its customer base steadily increasing as the recession hit. For many companies it just wasn't feasible to spend money on changing their infrastructure, and if they were happy with their telephone systems they did not feel the need to change it. MF Communications supported these clients by providing spare parts and carrying out the maintenance required to help them to continue to operate their current telephone systems.

As British Telecom was re-branded into BT in the late 1990s and broken up into a number of different companies, many of its clients, for whom it had previously carried out maintenance on their telephone systems, found that they were suddenly without support. MF Communications stepped in to provide that support and ongoing maintenance. As products have continued to be made EOL, MF Communications have been able to provide fully tested and refurbished hardware. With the technical knowhow, gathered from years of experience within the telecoms industry, it has also been able to assist clients when the time eventually does come for them to upgrade.

From hardware to software, the telecoms industry moved on rapidly, with the introduction of wireless networking, high speed data services and voice communications over the internet. Telecommunications is now intrinsically linked with information technology. Companies can communicate with their employees and clients from anywhere within a building, externally or around the globe. With Voice over Internet Protocol (VoIP) phone calls no longer have to travel through dedicated phone lines, with wireless technology employees no longer have to be desk based and with high speed data services, companies can be assured of a seamless transfer between lines, giving quality speech and voice recognition from wherever the calls are made and by whatever means. There has also been a shift towards hosted IP telephony, whereby a company no longer needs to have a telephone system installed. Instead their telephone system can be integrated with their IT system and the cloud, giving a software and licensed-based system paid for on a per-user basis.

This merging of communications provisions has meant that for many companies it is no longer viable, both practically and economically to have a number of different suppliers looking after their communications needs. Many are now turning to one company to provide a full telecommunications service. MF Communications has kept abreast with the industry developments, keeping its field engineers fully up to date and trained with the specialist knowledge to install new systems and hosted IP Telephony and is also fully accredited to install Siemens systems.

As the telecommunications industry has evolved it has been paramount for companies such as MF Communications to embrace the changes and to adopt a strategic, forward thinking business model. Critical to its success has been through developing expertise via offering remanufactured hardware, to becoming an installer and maintainer of both new and old telephone systems and through to offering a complete range of telecoms packages, such as low cost calls, broadband and a host of other telephony solutions.

With the privatisation of many of the main industries in the UK, the opening up of the market place has changed the way that business is conducted, in general. There are a huge number of companies competing for business in every field and since the recession many have struggled to survive. The fall back of this has been a loss of integrity in the way that many companies do business, selling on price in order to gain custom, but failing to provide quality products, service or after sales care. MF Communications has witnessed this growing trend in the telecoms industry too and on many occasions has been approached by clients who have been disillusioned by another company. Although it may seem like a dog-eat-dog world where survival is tough, the ethics of conducting business should never change and the best way to remain strong as a company is to stay true to those ethics by providing the best level of service that you can possibly provide, supplying the highest level of products and treating your clients as individuals and with the kind of respect that you would yourself expect to receive.

As the industry continues to evolve, it is likely to move further away from hardware based products. The lines between telephony and IT will further blur, as smart phones and tablets continue to improve. It is no longer necessary to have both a computer and a telephone. It is not necessary to have a dedicated telephone line or to be desk based. We are literally living in a virtual world with our head in the clouds, but whilst the changes in technology are rapid, for the foreseeable future the telephone and its concurrent system will continue to play an important role within company infrastructure and MF Communications will continue to support its clients providing the relevant hardware, maintenance and support.

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