

# Media release

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## The cloud to bring big sky thinking for Aussie small businesses

### Opportunity for telcos to grow NBN small business market

Improved access to fast broadband through the National Broadband Network (NBN) will enable Aussie small businesses to better embrace the cloud computing revolution according to new research released today.

The '*SME cloud-based services: overseas successes & Australian opportunities*' report developed by Ovum and commissioned by NBN Co, reveals less than half of Aussie small businesses are currently taking advantage of cloud services.

It found that the majority of those using the cloud are only running basic applications such as email, web hosting and storage instead of embracing new innovations and cloud-based business models such as advanced applications and tools for online marketing, collaboration, data security.

The report also identified the Australian small business market as a significant opportunity for internet service providers (ISPs) to offer new end-to-end cloud products and packages as the NBN rollout gathers momentum.

#### **David Kennedy, Research Director for Ovum said:**

“Access to the latest technologies powered by fast and reliable broadband is vital in helping Australian businesses remain competitive in the global digital economy.

“However, due to the resources and bandwidth required, many advanced business tools including cloud services have not previously been accessible by small businesses.

“The NBN rollout will allow businesses of all sizes to discover a host of new products and tools, no matter where they are located and without the need for in-house specialist skills.

“There are already examples of small business owners connected to the NBN who are using cloud computing services and other technologies in innovative ways to expand their markets, significantly lower their operating costs and improve their productivity.

“We believe the next year will see a range of new competitive packages and products being offered to small business owners to help them better leverage the benefits of fast broadband and cloud applications.”

**The 'SME cloud-based services: overseas successes & Australian opportunities' report cites industry research showing:**

- There is a large SME market for cloud services with around 800,000 SMEs in Australia, according to the Australian Bureau of Statistics.
- SME take-up of cloud services is still slow compared to consumers, with 44% of SMEs actively using cloud services. However, many of these still used fairly simple services such as email and online storage, according to Australian Communications and Media Authority report into cloud computing.
- The demand for cloud services has been growing for several years with Frost & Sullivan estimating the total value of the country's cloud computing market in 2013 at \$1.23 billion, projected to grow \$4.55 billion by 2018. These Australian trends are consistent with global trends for cloud service revenue growth.

The full report as well as further information on how the NBN can benefit small businesses is available at [nbnco.com.au/business](http://nbnco.com.au/business)

**Media materials:**

[Download supporting video files.](#)

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**Notes to editors:**

- The "SME cloud-based services: overseas successes & Australian opportunities" report was commissioned by NBN Co and conducted by Ovum in November 2014.
- NBN Co's objective is to ensure that by 2020:
  - all homes, businesses and communities across Australia can access high speed broadband;
  - 8 million premises are connected to the NBN;
  - the company generates more than \$4 billion of annual revenue;
  - less than the capped \$29.5bn of government equity funding is used.