



## **SMEs cut hardware spend before anything else as they turn to the web to weather the recession**

### **Easynet Connect launches report on how the web can help SMEs survive and prosper during the recession**

**London, 7 April 2009:** According to the latest report from [business internet provider Easynet Connect](#), Britain's small and medium size businesses would cut investment in IT hardware, software and support before they would consider reducing the quality of their internet connection.

Of the 255 [SMEs](#) surveyed by Easynet Connect, if forced to cut costs in the recession, **62%** would cut investment in IT hardware, **35%** on IT support and **28%** on software licences. Reflecting Easynet Connect's previous findings that SMEs consider the internet as a crucial tool in helping them through the recession, only **8%** would consider reducing the quality of their internet connection.

The survey also found that just **9%** of businesses would be prepared to reduce back-up and redundancy services, further reflecting their reliance on the internet. Despite being a relatively new technology, **17%** of businesses would look to SaaS or [Cloud Computing](#) applications to help save money. Interestingly, younger respondents (particularly in the 16-24 age group) are more likely to swap traditional on-premise software packages for SaaS solutions.

Chris Stening, managing director of [Easynet Connect](#) said of the research "These findings reflect the broader trend of IT moving from a software/hardware-based model to increasingly being delivered as a *service*. As a result, businesses are placing less value on their physical IT assets, and more value on IT services such as the internet and SaaS."

"The internet is the vehicle from which these emerging IT services are delivered to businesses. With this in mind, the fact that only **8%** of businesses would reduce the quality of their internet comes as no surprise. The statistic should however serve as a message to all involved in the UK's internet industry – whether ISPs, policymakers, regulators or hardware manufacturers – to deliver the very [best broadband infrastructure](#) so that UK businesses can fully leverage the benefits of this trend."

Richard Thurston, analyst at [Analysys Mason](#) said of the findings "The internet, and the way its benefits are leveraged, is a critical enabling factor for businesses during the recession. Far from being discretionary, the need for fast, reliable broadband connectivity continues to grow.

The internet has enabled businesses of all sizes to become more productive as well as save costs. These benefits have been amplified by the use of new tools brought about by advances in cloud computing and software-as-a-service (SaaS). While many of these services are well established among corporates, the costs of delivering them via the web has fallen significantly, bringing them within the reach of much smaller organisations.”

Easynet Connect’s report, ‘*Why the internet is the greatest lifeline for SMEs*’, includes further analysis of the research, as well as Five Top Tips for companies to follow in order to fully leverage the internet to help them through the recession. The report can be downloaded [here](#).

**\*\*\*ENDS\*\*\***

## **Editor’s notes**

### **About [Easynet Connect](#)**

[Easynet Connect](#) is a leading provider of quality connectivity and internet access for small to medium size businesses.

Established in 1994 and part of BSkyB Group, Easynet Connect has the second largest network in the UK with 6030km of fibre and last mile access to more than 70% of UK businesses via a network of more than 1,200 unbundled exchanges.

Easynet Connect was the first provider in the UK to provide DSL services over an unbundled local loop and has pioneered managed LLU services for business. The services range from business class [ADSL](#) and [SDSL](#) through to high-quality, [leased line](#) equivalent and Ethernet based services. Our SDSL coverage is currently the most extensive in the UK.

For more information visit [www.easynetconnect.net](http://www.easynetconnect.net) or call 0800 053 1777. Media enquiries contact [easynetconnect@brands2life.com](mailto:easynetconnect@brands2life.com) or call George Wright or Joseph Thomas on 0207 592 1200.