

INDUSTRY SUMMARY

Making New Connections: The Changing Face of Connectivity

The work-from-home revolution, cataclysmic weather events, soaring inflation – have all resulted in a complex business environment and shifting market forces. These challenges have brought with them the need for rapid change, along with new opportunities that are transforming IT strategies.

One thing that's certain? There's no going back.

For many, overnight adaptations driven by crisis have now transformed into permanent ways of doing business.



Bandwidth-Hungry Business Applications Abound

The remote workforce revolution transformed video conferencing, digital file sharing, and real-time collaboration tools from low priority to necessity nearly overnight. Many businesses initially struggled to find the right combination of applications that would maintain productivity from home and serve customers without overwhelming inexperienced end users. But today, most have it down pat.

The problem? Even though companies now have a firm grasp on which applications are necessary to conduct business remotely, enterprise networks were never built to support them. Bring Your Own Device (BYOD), hybrid workplaces, the growing popularity of ChatGPT/AI programs, and increasing cloud storage are only complicating things further.

● **500%
increase**

Total business Internet traffic is at 224 billion gigabytes in 2023, a 500% increase since 2016.

SOURCE: Statista

On average, employees upload, create, share, and store data in:

● **4** **webmail apps**

● **7** **cloud storage apps**

● **17** **collaboration apps**

SOURCE: Netskope

Digital Employee Experience (DEX) Impacted by Connectivity

Employees are accessing work apps from several personal devices: smart phones, tablets, smart watches, laptops, and even smart TVs. The number of connected devices in the average household now stands at 21, with 18- to 40-year-olds managing a larger collection of devices at an average of 26! Major residential-focused broadband providers have had a challenging time keeping up with this growing demand. Hybrid work models ensure that employees can have access to a better digital experience when at the office, but only if companies continue to focus on quality Internet and Private Network experiences for their physical locations.

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Jitter-free business video conferencing and real-time collaboration tools have also become an expectation for optimal experiences among dispersed teams. Providing in-office access that's optimized for these digital tools allows employees the ultimate flexibility to work in a location that meets their needs for that day. Working from the office when the stakes are high (i.e. hosting a live webinar, important remote client meeting etc) is only possible if organizations have the right connectivity strategy.

AI and the Burden on Networks

The buzz around AI has led to an explosion of interest and experimentation around how best to use AI and tools like ChatGPT, Google Bard, and Jasper. Organizations with more than 1,000 users now average three different AI apps per day, while organizations with more than 10,000 users average about five AI apps per day.* In early summer of 2023, one industry study estimated that one out of every 100 enterprise users interacted with an AI app daily. This adds further strain on a network.

These persistent digital consumption habits continue to impact network performance – where “peak hours” are any and every time of day, forcing a 24/7 bandwidth load many carriers have been unable to manage.

“Interesting Weather We’re Having...”

Extreme weather is costing businesses in a big way. The U.S. suffered 18-billion-dollar weather disasters in 2022, and 24 confirmed billion-dollar weather/climate disasters in 2023 as of mid-October.

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Besides the obvious disruptions that storms cause regarding infrastructure, transportation, staffing, and supply chain issues, there are an increasing number of weather-related Internet outages. Floods, wind, snow, rain, lightning, earthquakes – all tend to cause downed fiber connections and limited or impossible cloud access. While having

diverse Internet routes may have once been seen as a luxury for businesses, it's now a necessity to provide better protection against outages.

Redundancy is increasingly critical, as companies need to look for providers that offer redundant equipment, connectivity, and power supplies, as well as geo-diverse data centers located in proximities far enough from a local disaster.



Incumbent Carriers & Cable Providers vs. National Providers

Mid-sized and enterprise business needs have changed rapidly over the past few years. Yet both national carriers and local incumbents struggle to provide the speed and agility companies desperately need to keep pace with new opportunities, rising challenges, and fluctuating requirements.

Serving both residential and business customers, incumbents and cable providers focus more on quantity than quality. Their main goals are to keep adding new subscribers and getting the most mileage possible out of their existing network infrastructure. They're comfortable with the status quo, and they're banking on their customers feeling the same way.

Their discount business model may make sense for some but not for mid-sized and enterprise companies that need high performing connectivity that scales into the future.

As a result, businesses that may have at one time benefited from discount Internet access, find challenges with it as they grow.

Both ILECs and cable providers experience challenges like:

- Inflexible and unsecure legacy equipment
- Inability to quickly address network outages
- Unable to reduce latency and lag times
- Difficulty managing bandwidth spikes
- Dealing with the latest security threats

On the other hand, national providers don't stack up much better. They may have name brand recognition and familiar pricing, but localized and friendly service is often lacking. As the "Big Players" continue to grow in size, the task of streamlining and integrating the various networks they acquire becomes increasingly challenging. Their burden of size and disparate, cobbled-together networks makes it a challenge for their enterprise customers to get the kind of network solutions and service they need.

Static Networks Won't Cut It Anymore

Enter: Regional Service Providers.

Regional service providers (RSPs) are emerging as a preferred option for midmarket businesses because of their distinct advantages over national carriers, cable providers and local incumbents.

RSPs can hold their own when it comes to delivering on complex IT requirements, and yet they're small enough to stay nimble. And with solid financial backing, RSPs are well-positioned to block and tackle advancing market demands.

More specifically, RSPs bring the following to the table:

Static networks won't cut it in 2024. IT leaders need adaptive networks to change and move bandwidth when and where it's needed most – at all times of day.

Local Presence with Tailored Solutions	More Network Features and Better Equipment	Above and Beyond Flexibility and Service
■ Serve both on-net and near-net locations	■ Newer infrastructures	■ Transparent and fair pricing
■ Meet business-specific requirements	■ Strategic route builds	■ Business use case development
■ Leverage local engineers and leaders	■ More adaptable configurations	■ Expert help around the corner
■ Intimate familiarity with the market	■ Faster SLAs	■ Leveled-up customer service
	■ Best-of-breed gear	

Whether it's flexible terms and pricing, or network adaptability and resiliency, RSPs can do it all – provided by experts who live and work in the communities they serve.

It's time for IT leaders to break free from mediocrity and demand more from their service providers.

Partner with FirstLight

Network connectivity is at the core of every business. So, choosing the right partner is crucial.

FirstLight offers organizations a full suite of advanced fiber optic communications services including Data, Internet, Voice, Unified Communications, Data Center, Cloud Computing and security solutions like DDoS and Ransomware protection, all backed by a dedicated, local support team.

Exclusively owned and operated by FirstLight, our network spans approximately 25,000 route miles, nearly 15,000 lit locations, with access to an additional 125,000 locations, in six states with connectivity to Montreal.