

London

These are challenging times for all of us in the London region. No matter what business you are in, your size or location, the story is the same. During this period, it's important for us to focus and not only see the difficulties but also grasp the opportunities that this climate presents.

At BT we have an established track record, with an extensive presence in over 170 countries. We continue to invest and expand locally, regionally, nationally and globally to ensure our customers can grow and thrive even in the most challenging of economic climates. In this issue of 'In Touch' we have brought to your attention a number of key initiatives and programmes highlighting how we are working with our customers and stakeholders alike to help them to develop, reach new markets and improve their business productivity. For example:

- The vision we announced for the next phase of the broadband revolution – our £1.5 billion investment to roll out fibre based broadband nationwide – marks the beginning of a new chapter in the London region. This is a bold move by BT but it's also very timely. It will enable businesses and consumers in the London region to stay ahead of the game in years to come and reap the benefits of faster speeds than ever before.
- Customer centric initiatives such as the Enterprise Nation 'Home Business Report' and Small Business Week 2008, where we are working hand in hand to champion London's small business community to help them focus on what they do best whilst we take care of the technology that underpins their ability to expand and compete.

Home Business Report 2008

London is the leading growth 'hotspot' in the UK for new home-based businesses, according to new research sponsored by BT. The report – from Enterprise Nation, which is itself a home-based business – reveals that home businesses are booming despite the economic crisis.

Across the UK, there are now 2.5 million home businesses – a 16% increase on 12 months ago – with developments such as broadband playing a key role in driving growth. The report reveals that 82% of home business owners believe technology has been a critical or very important factor in allowing them to start and grow the business from home.

The growth of home businesses, despite the economic downturn, is a major business success story for London. Technology, such as broadband, has made it more cost effective and easier than ever before to start a business in your home.

The report's recommendations include introducing new initiatives to support home businesses, that business support providers promote events, networks and clubs dedicated to home businesses and that business support bodies "change their attitude to growth" so they take more account



Emma Gilthorpe



- Our commitment to the national skills agenda working closely with Sector Skills Council, e-skills UK, focusing on identifying the skills required by our existing workforce and ensuring training and development opportunities are in

place to support them. In addition we are working with those who are developing curricula in schools, colleges and universities to ensure that our young people in London have the skills employers will require in the future.

As a company we are in a good position and we will continue to commit to contribute positively to society to help create a better and more sustainable future for our region. We can exploit our heritage as the top telecoms company for sustainability for an eighth consecutive year as measured by the Dow Jones Sustainability Index.

I, along with my board and regional team, look forward to continuing to work closely with you, our regional business community, public sector agencies and other organisations to help the London region compete and prosper and we would welcome the opportunity to discuss any of the articles in this issue in more detail with you.

Emma Gilthorpe
BT Regional Director
for London



of businesses growing by turnover, rather than headcount.

Emma Jones, founder of Enterprise Nation and author of the report, said: "Home business is the bright spot of the UK economy. Our 2008 Report reveals thousands more people becoming their own boss and earning a living from the comfort of home.

"It also shows high levels of confidence and optimism amongst existing home business owners; owners who are making the most of technology to keep costs low and sales and productivity high. A flourishing home business sector is good news for the region's economy, environment and society and we're confident it will continue to prosper in the months ahead."

The report can be viewed and downloaded free from www.bt.com/researchandreports and www.enterprisenation.com



October 13th saw the launch of Small Business Week 2008, a campaign dedicated to championing the 4.6 million-plus small enterprises in the UK. The annual campaign saw a host of initiatives taking place across the UK and brought together small businesses alongside various agencies, business organisations, influencers and media with the aim to better understand the small business community, provoking debate and in-depth discussion.

During the week two independent reports were unveiled – the State of the Small Business Nation 2008 report and the Home Business Report 2008 (see article page 4).

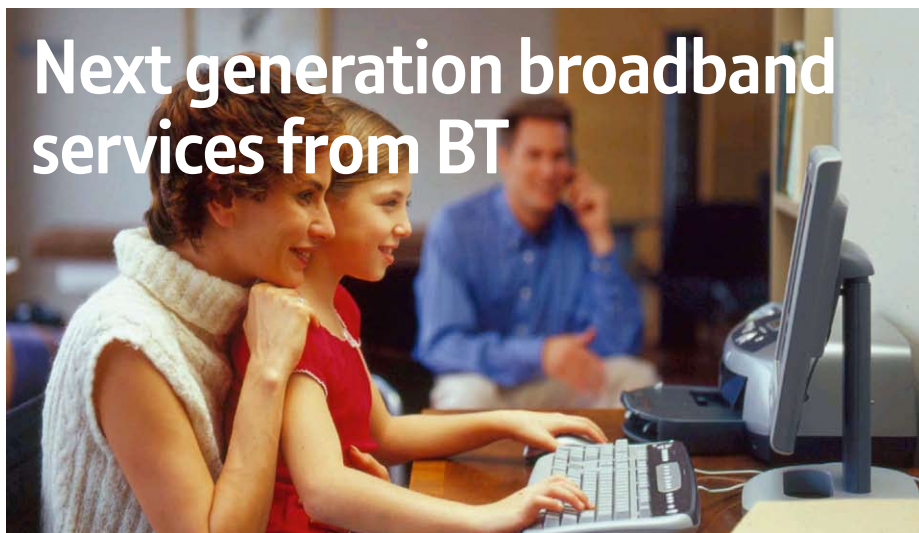
The State of the Small Business Nation report is an independent report into more than 3,000 small UK firms – start ups, home-based and growing companies – and revealed that more than a third (36%) of UK small businesses take advantage of mentoring schemes and nearly four in 10 (38%) seek advice from private organisations such as lawyers or accountants. A fifth of small businesses go it alone without business advice from any source.

As well as the launch event, BT also held two half-day seminars aimed at helping London's SMEs to stay informed about ideas and technologies that could save their business time and money. As well as providing an excellent networking opportunity the events also explored the importance of innovation and why staying ahead of the competitors is crucial in the role of winning and retaining customers.

Bill Murphy, Managing Director of BT Business, said: "BT is right at the heart of the UK small business community. We will continue to work closely with development agencies and business organisations; offering expertise, advice and services, which allow home businesses to concentrate on what they do best, whilst we focus on taking care of the technology that underpins their ability to compete and grow."

To find out more about Small Business Week and the range of resources and advice available, or to download the State of the Small Business Nation 2008 report, visit: www.smallbusinessweek2008.co.uk

Next generation broadband services from BT



BT's strategy of delivering next generation broadband services nationwide has started to unfold in London, offering major benefits for homes and businesses – and playing an important role in helping the region attract and retain inward investment.

A new era in broadband communications began this year when BT Wholesale introduced its new family of next generation broadband services to communications providers in the UK. These broadband services will run at the highest possible stable speed an individual line can support (up to the maximum for ADSL2+ technology of 24Mb/s downstream). The majority of people will see more than 10Mb/s, enough for services such as high-definition TV.

Running over BT's 21 Century Network (21CN) – the world's first software-driven customer network – these new broadband services will provide end users with greater control, choice and flexibility. Also, they will support the rising tide of new multimedia applications and multiplay services over broadband. Services will be available to 40% of the country by spring 2009.

But that's not all. In mid July we announced plans to take BT into the world super league for broadband speeds. Subject to achieving a supportive and enduring regulatory environment, we intend to hasten the broadband revolution by adding super-fast broadband to the mix. This proposed £1.5 billion investment programme will roll out fibre based broadband across the country, according to demand. The network infrastructure will be mainly fibre to the cabinet (FTTC), which will deliver speeds of up to 40Mb/s. This will allow customers very high speed access to the 21 Century Network, as an alternative to ADSL2+ over the usual copper line. BT is discussing with Ofcom the conditions that will be necessary to enable the super-fast programme to succeed.

The super-fast broadband investment – the largest of its kind ever seen in the UK – forms part of BT's wider strategy for delivery of future broadband services nationwide. Operational pilots in 2009, and selective initial deployments

in 2010, will pave the way for larger-scale deployment, based on customer demand, towards the end of the period. The pilot areas of Muswell Hill and Whitchurch, South Glamorgan were chosen in consultation with communications providers, taking into account feedback from local and devolved government. The areas chosen give BT a good mix of both urban and semi-rural environments in which to test its products.

Also as part of this wider strategy, BT now has customers in Ebbsfleet, Kent, using access services based on fibre to the premises (FTTP) enabling them to download at speeds of up to 100Mb/s – the fastest headline speed available to residential customers in the UK. There will be further market driven deployments of FTTP and FTTC where economically justified, starting with pilot deployments aimed at business customers in 2009. This should result in super-fast service becoming available to up to 10 million UK homes by 2012.

BT is working closely with the GLA Group, London Development Agency (LDA) and other public sector bodies in the region to explain the wider future broadband strategy and the potential of next generation services including super-fast broadband.

The next generation of broadband will allow regionally based businesses (especially small and medium enterprises) to innovate and develop new services and our aim is that the widest possible range of communities will benefit. We're therefore keen to work with regional and local bodies who share our vision for the next phase of the broadband revolution – this is a great opportunity for the London region.

Emma Gilthorpe, BT's Regional Director, commented: "The London region is already a tremendous broadband success story and this is a great opportunity for the region to be on the front page of the next chapter of that story. BT is keen to invest further in London so it is important that its public sector works with us to ensure that the demand is there to encourage the direction of funds to our region.

"We are keen to partner with people who share our vision for the next phase of the broadband revolution – and we look forward to discussing with our regional partners ways we might work together."

Football Foundation partnership kicks off

Communicating for Success (CFS) is an initiative aimed at using the power of football to assist with tackling digital exclusion and improving communication skills in the UK.

Participants in the region will have the opportunity to improve IT literacy skills and raise educational attainment, while also being encouraged to take part in football and sport through playing, training and coaching.

BT and the Football Foundation are each making an initial first-year investment of £500,000 in the scheme. In the first year, the CFS programme will work through a number of hubs based across the country – in the region it will initially be through a hub at West Ham and it will be supported by local volunteers from BT, as well as teaching staff and coaches.

Emma Gilthorpe, BT Regional Director, said BT is determined to tackle the scourge of IT illiteracy to help the people of all ages and abilities in London prosper through confidence with communications, computers and the internet.



Gordon Brown with John Petteer, Managing Director, Consumer

BT-branded floats took Beijing 2008 Olympic and Paralympic athletes through London

Last month City onlookers had something to cheer about as Teams GB and Paralympics GB paraded their medals and waved to crowds – celebrating the success of Beijing 2008.

On the lead float was BT ambassador Chris Hoy – a hero at the Beijing velodrome and winner of three gold medals in the cycling events – joined by fellow cyclists clutching an array of medals.

Behind him on float seven was sailing gold medallist and BT ambassador Ben Ainslie, joined by fellow sailors, and wheelchair rugby and gymnastics heroes.

For Team GB, Beijing 2008 saw its best Olympic

medal performance for 100 years – finishing fourth in the medal table.

Emma Gilthorpe, BT Regional Director, said: “As Official Communications Services Partner for London 2012, BT was delighted to be one of the tier one sponsors supporting the parade. It was a truly special day and a great opportunity to join in the celebrations to mark the successes of Teams GB and Paralympics GB in Beijing – and, in particular, the achievements of BT’s ambassadors.

“The eyes of the world are looking to us now, as BT and the UK prepare for London 2012.”

BT Basic – BT’s new subsidised telephone service

BT has launched a new subsidised telephone service which is aimed at helping the region’s lower income families cope with the rising cost of household bills.

BT Basic will offer line rental for £4.50 a month for vulnerable people on low incomes. 630,000 people in London could be eligible to benefit from this new scheme. The scheme, which has the full support of Ofcom and consumer groups, will replace BT’s Light User Scheme.

BT is the only communications company in the UK which offers a cut-price tariff for vulnerable customers nationwide. BT worked with Ofcom to develop a scheme to offer much cheaper line rental to millions more people who really need it. BT Basic will help people on benefits to afford a landline and stay in touch with family and friends.

If you would like to know more about BT Basic please visit www.bt.com/btbasic

For further information on what’s happening in your region visit the BT Regions website at: www.bt.com/btregions

Making sustainability real

Sustainable development is one of the biggest subjects of our age. It’s complex, difficult and has many different elements. But it’s also highly important since it concerns the long-term future economic, environmental and social well-being of all of us in the London region.

BT has been a significant leader in being a sustainable business for many years (we published our first Environment Report in 1992) and we’re very keen to encourage others to follow our lead and to pass on the lessons that we’ve learned over the past 16 years.

As a result we’re pleased to have supported the production of a report by SustainIT, ‘Making sustainability real – a challenge for regional development agencies’, which reviews how sustainable development has been reflected in the development of regional economic policies and strategies.

The report highlights public sector organisations in London, alongside just three other regions as “making impressive strides, albeit with distinctive approaches, to grow the renewable energy market and assist companies in their region to benefit from the opportunities.”

The report also praises London’s Green Homes, which it describes as “the most wide-ranging approach to encouraging action on energy efficiency and climate change across a whole region”.

Transport features strongly in London’s economic strategy, say the report’s authors, who comment that initiatives such as the Congestion Charge and Low Emission Zone “place London not just at the forefront of transport policy in the UK but also internationally.”

However, they express surprise that there is no mention in the city’s economic strategy of travel planning “as a way of reducing the need to travel and flexible working is only mentioned in the context of work/life balance”. They also say that the economic strategy “makes little mention of information and communications technology (ICT) at all, either in terms of environmental issues or competitiveness, training and skills”.

Emma Gilthorpe, BT’s Regional Director for London, said: “There are some excellent initiatives being undertaken in the South East on this very important subject – but we must make sure that the best successes are taken up across the UK as a whole, not just in one region or area.”

It’s important that we all can play a part in making sustainable business happen in the region.

To review the report in detail please visit: www.bt.com/researchandreports



Go-ahead for National Skills Academy

BT has welcomed an announcement by the government that it intends to support a BT proposal to develop a National Skills Academy for the IT and telecoms sector.

Over the last few months, BT has been leading a consortium of employers, in partnership with e-skills UK, who have submitted plans to establish an academy that will drive the UK's ambition to be a global leader in technology skills.

BT's commitment to the national skills agenda is led by our chairman, Sir Mike Rake. He chairs the government's UK Commission for Employment and Skills which was established as a result of a key recommendation from the independent report by Lord Leitch, 'Prosperity for all in the global economy – world class skills'.

BT's leadership of the National Skills Academy is based on the idea that, by collaborating with other IT and telecoms employers, we can ensure BT and the wider sector develop the skills of their people to remain competitive in a global economy.

E-skills UK is the sector skills council for IT and telecoms and they believe that the academy offers a unique opportunity for employers to work together to ensure the UK has the skills it needs to compete in the global economy.

The academy will focus on accelerating the productivity of new recruits, address the up-skilling needs of the existing IT professional workforce and enable people to achieve external recognition of skills.

BT is top for eighth consecutive year

We are delighted to announce that BT has again been recognised as the world's top telecommunications company in the Dow Jones Sustainability Index (DJSI). This is the eighth consecutive year that BT has topped its sector.

Top landmarks are the backdrop to Westminster's trailblazing BT wireless city growth

Oxford Circus and Trafalgar Square are the most popular places for people to keep in touch and access the web using Westminster's wireless broadband network.

Use of the network in Westminster – the UK's leading BT Wireless City – has increased by 150% in a five month period with thousands of people a week now regularly using it.

But it is not only the iconic locations, such as Trafalgar Square, which are proving Wi-Fi hotspots. Figures from BT's Wireless Cities programme show that Regent Street also makes it into the top 10 areas, along with the more unexpected location of outside the Sound nightclub on Wardour Street.

Commuters using PDAs (personal digital assistants) to check emails and download files propelled usage outside London's busiest train stations, including Westbourne Terrace (near Paddington Station) and Allington Street (Victoria Station). The capital's celebrities are also in the action



with Berkeley Street in St James's, home of Funky Buddha nightclub and Nobu Berkeley, featuring at number eight.

However, the most popular spots are not necessarily where people spend the longest time on the wireless network: Berwick Market in Soho is the location where people spend the most time online, followed by Dean Street, home of the Groucho Club and Soho Theatre.

One of 12 major cities in the Wireless Cities programme, the network has built on BT's existing Openzone network and is transforming the way people work, talk and play whilst out and about.

Mentors inspire small businesses

Ambitious small business owners from London's East End now have BT mentors to help them grow and bid for London 2012 Olympic Games contracts.

Sixteen BT people have volunteered to work with the business owners over the next 12 months, acting as critical business friends and sounding boards for new ideas.

They are providing coaching and advice on management, leadership and managing change, reaching new markets and the role of IT and communications.

Many of the East London businesses are already doing well and are financially healthy, but they have aspirations to grow. Companies include a high quality biscuit manufacturer, exclusive Champagne distributor, event management, security services, a rickshaw company, water hygiene consultancy and speech therapist.

The mentoring scheme is being run with the East London Business Alliance (ELBA). Helen Simpson, a senior manager who was, until recently, on

secondment to ELBA from BT Global Services, said: "It is a great personal development opportunity for BT people. They will get close to a small business and give valuable advice and expertise framed by the experience and wisdom they have gained in BT."

Joe Walsh, Regional Partnership Director for BT in London and also a mentor, added: "It's a fascinating range of companies and the BT mentors are equally mixed and come from all lines of business and functions.

"We were matched at a speed networking event. Each of the BT people had two minutes with each of the business people to summarise who we are and what we want out of the mentoring scheme. At the end we were all matched with one of our top three preferences. The matches are all working out really well."

New initiative to tackle skills shortages

London South Skills Alliance covers the 12 London boroughs south of the Thames and has been set up to improve working across government departments, employers and unions, in a drive to raise skills.

The alliance is chaired by Giles Ellerton, BT Regions' senior partnership manager, who said: "BT employs in excess of 13,000 people across London. Attracting the right people with appropriate customer-facing skills, in particular at apprenticeship and entry levels, is increasingly challenging.

"South London has a vibrant economy, which can be propelled into the 21st century with better skilled

people. Our task in the alliance as an employer-led body is to highlight skills issues and seek common goals to address them.

"Through the alliance we will share BT's award-winning best practices on the apprentice schemes to help address the skills agenda and support the work of the London Skills and Employment board."

Allders of Croydon, Newsquest South London, Mott Macdonald and Mayday Hospital are also inaugural members of the alliance.