



SaaS and UCaaS – New Opportunities for Rural Service Providers

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Key Points:

- **Software as a service (SaaS), also known as cloud-based applications, involves the access of software through the Internet.**
- **Unified communications as a service (UCaaS) involves the integration of real-time communications services (including voice, instant messaging, video conferencing, and data sharing) with less time-centric communications services (such as voicemail, email and text messaging) on a single platform that provides a consistent user interface and experience across multiple devices, including mobile devices.**
- **SaaS and UCaaS provide promising opportunities for established communications service providers who are looking to expand their offerings and bolster revenues.**
- **A recent survey of SaaS providers found that providers of all sizes, including those with revenues of \$2 million or less per year, are realizing a 76 percent gross margin on SaaS offerings.**
- **Gartner, a consultancy, has predicted that the worldwide SaaS market will grow from \$14.5 billion in 2012 to \$22.5 billion in 2015, with North America accounting for the largest absolute increase in market size.**
- **The UCaaS market is expected to grow to \$7.62 billion in 2018 from \$2.52 billion in 2013, for a compound annual growth rate of 24.8 percent.**
- **Alteva and Blackfoot Telecommunications Group are two examples of rural local exchange carriers (RLECs) that have been successful in providing SaaS and UCaaS services – and have re-invented themselves in the process.**

Preview

Consumers and businesses today can access their data anywhere, anytime, and on any device thanks to the convergence of communications services, data, and entertainment. This extraordinary development is largely the result of cloud computing, or the use of highly scalable computing resources that are provided as a service via the Internet on a pay-as-you-go basis.