

Gartner: Enterprise Mobility Makes Sense Even In Tough Times  
By Susan Nunziata

Enterprise mobility solutions are absolutely worth looking at, even in a recession, says Nick Jones, VP & Distinguished Analyst with [Gartner](#).

In his opening remarks at the [Gartner Wireless & Mobile Summit](#) in Chicago Feb. 22-25, 2009, Jones says that enterprises will be cautious about their mobility investments. He identifies three core types of corporate mobility initiatives:

**Transform The Business** -- There's an opportunity for enterprises to use mobility to completely redefine their businesses. However, this entails high risk, as customers may be unwilling to accept major business changes, and Jones says this will likely be unattractive for most organizations in a recession.

**Grow The Business** -- These are role-specific mobile applications such as field-force automation, sales force automation, and logistics, which offer good ROI even in a recession. Enterprises should look for solutions that involve low or zero capital expenditure funding, such as Software as a Service. Field Force Automation and other mobile business solutions "achieve ROI by redefining the business process, by changing the way people work. They're still delivering ROI in a year or less." Jones also cautions that enterprises be aware of increased vendor risk and keep an eye on the overall financial health of their vendors.

**Run The Business** -- These are options such as wireless connectivity in laptops and mobile email. The deployment of solutions such as 3G data cards and wireless email can be done at fairly low cost, albeit with modest ROI, says Jones. On the plus side, these can open up links to other corporate initiatives such as remote working/telecommuting and disaster recovery. However, organizations will be looking to optimize their mobile cost management, and suppliers may be open for negotiations on this front.

More than 80% of enterprises in the U.S., U.K., France and Germany surveyed by Gartner in 2008 have remote workers, says Jones, although the proportion of "official" remote workers to the overall workforce remains small.

There are two types of mobile/remote workers in every enterprise, says Jones. "The ones you know about, and the ones you don't know about." He estimates that the ones you know about make up only 10% - 15% of your actual mobile/remote workers.

The good news is that there are increased opportunities for mobile, remote and teleworkers. The bad news is that doing this well requires a lot of effort in policies and procedures. "You need a strategy," says Jones. "It's complex."

A mobile workforce requires changes to HR policies, understanding of legal and security risks and multiple other factors, Jones says.

### **Get A Handle On Costs**

As mobility matures, enterprises will be looking to optimize costs, according to Phillip Redman, Research VP with Gartner. During the past five years, enterprises have seen their wireless costs increase 20% to 35%, even as wireless service costs continue to decline.

Reasons include:

- The continued growth of international wireless voice and data services;
- Support for more mobile users;
- Increasing numbers of emerging mobile services;
- The lack of actively managing users and technologies.

Redman advises three key areas to target:

**Service costs** -- as companies look to support more mobile applications, per user costs can be as high as \$140 per user vs. just \$85 for voice services alone in 2000. More providers are beginning to offer bundles (for large volumes) of voice and data services to help drive costs under \$100/user.

Device costs -- as more companies transition from basic cellular phones to smartphones, the average price has almost quadrupled. Companies should limit the number of smartphones according to need.

**Support costs** -- support costs also increase with the number of services, the increasing complexity of devices and applications supported. IT has begun to look at outsourcing some support services.

One way to reduce service costs is to consolidate providers and drive users to a primary service provider, suggests Redman. Among the key costs that can be optimized in wireless contracts are:

Free mobile-to-mobile minutes -- the more users on the same provider calling each other reduces charged minutes.

On-net calling -- supports no cost mobile-to-mobile, fixed-to-mobile and mobile-to-fixed calling.

Greater minimum annual commitment (MAC) discounts -- wireless can also be added to your wireline MAC for greater discounts.

Reduce administrative costs -- managing one versus five providers, especially if you buy wire line and wireless offers lower administrative and management costs.

Zoned billing -- reduced cost for on-premise wireless use, flat rate or per minute.

Redman also recommends that enterprises cut costs by:

Moving from individual-liability to corporate-liability for mobile devices and contracts;

Looking for ways to reduce international roaming charges for voice and data;

Create a single, unified mobile computing policy that can guide the entire organization;

Start eliminating desk phones for mobile workers, instead integrating softphones and smartphones into your enterprise telephony system;

Consider bringing on telecom expense management services, and evaluate how your staffing can be applied to other areas besides wireless telecom management.