Harnessing mobility to solve business challenges

A new model for the mobile-first enterprise

Contents

About the author

Pauline Trotter
....

Pauline Trotter is Practice Leader, Workspace Services within Ovum's Enterprise Services team, bringing together and leading the mobility services and unified communications and collaboration research streams. She specialises in managed mobility services for multinationals and large enterprises and also contributes to Ovum's research on Internet of Things.

Pauline's recent research includes a decision matrix for companies looking to select a mobile workspace service provider, a tool tracking service provider deals in IoT and M2M and insight into enterprise trends in mobility.

Executive summary

Most businesses see mobile services, devices, and applications as essential tools in the workplace and recognize the benefits that mobility brings to the business. However as their workforce and work practices have evolved new business challenges have emerged. Specifically many companies are now embracing the idea of a fully mobile and virtual workplace - they have moved from seeing 'mobility as a challenge' to 'mobility as an opportunity'.

The 'mobility-as-a-service' model is one way that companies can deal with the management challenges of mobility now, whilst allowing them to evolve toward the flexible and mobile workspace of the future. It offers a simple service model - a single price per seat per month for the service, with the price based on the mix of modules selected – and a number of benefits, including reduced capex, predictable service costs, flexibility, simplified procurement, improved end user support and reduced security risks.

CIOs and IT managers in enterprises evolving towards a mobile workspace environment that are considering such an approach should be looking for service providers that share their vision and have the requisite set of tools, applications, and services, as well as a clear roadmap for the future, to support their mobilisation objectives.
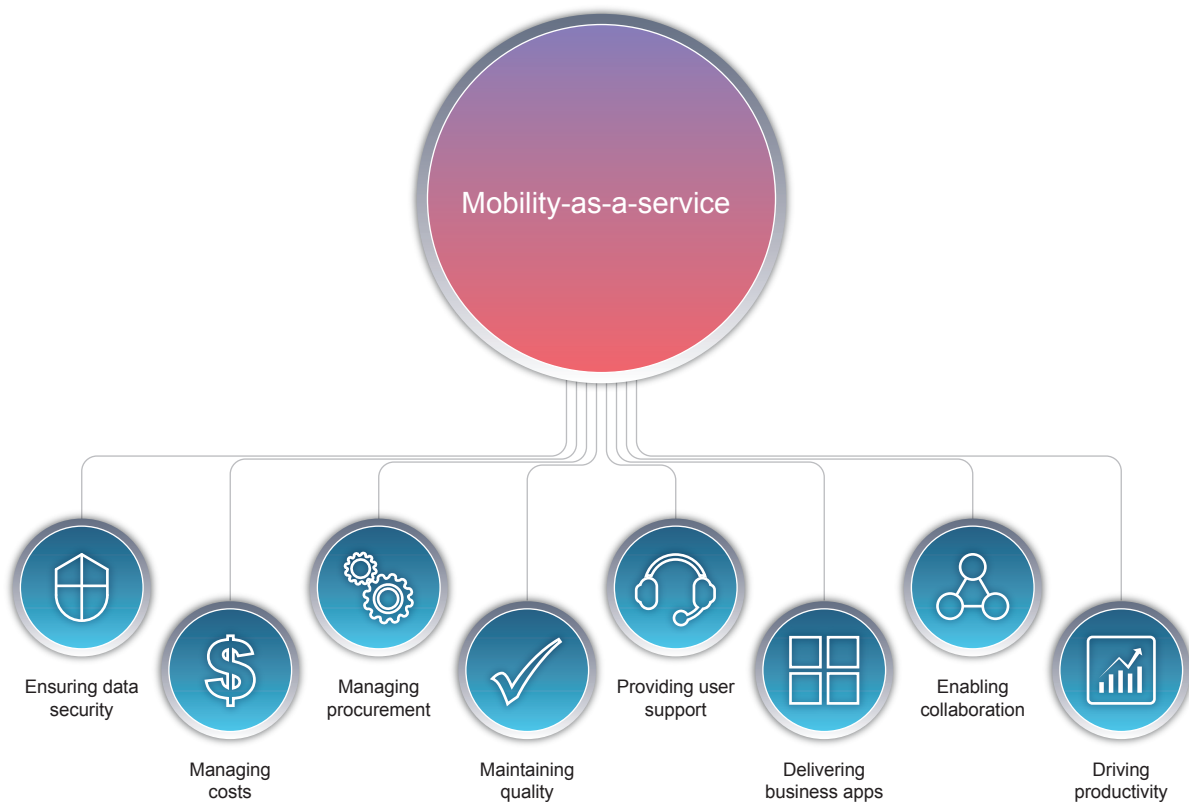
The mobile-first enterprise

Businesses already see mobile services, devices, and applications as essential tools in the workplace. Many also recognise the huge benefits that mobility can bring to the business in terms of improved productivity, enhanced customer experience, and employee satisfaction, but it is also the case that few companies have really capitalised on the potential benefits of mobility to the extent they would like. Many companies have struggled to keep pace with market developments and, for them, mobility has simply become a management challenge.

It is clear that businesses are keen to move on from this position. They want their employees to have access to the right services and applications across multiple devices. They are embracing the idea of a virtual and mobile workforce. Many are deploying cloud-based unified communications and collaboration services and productivity tools. And an increasing number are taking a mobile-first approach, with mobility becoming a hotbed of innovation in the enterprise, driving productivity growth, differentiation, and an improved competitive position.

CIOs and IT managers in forward-looking businesses are looking for service providers that are flexible enough to support them as their mobility needs evolve. They need help with managing and eliminating cost and complexity, but they also want to see investment in the technology and tools that will allow them to change current business processes and support innovation. It is essential that service providers are able to support their end users through this evolution and ensure that the end-user experience is a positive one. They must also share their vision for the future and have a clear roadmap for getting there.

Adopting mobility-as-a-service can provide a means for companies to deal with the increasing complexity of mobility now. It also allows them to evolve toward the flexible workspace of the future. That is, provided their service provider demonstrates a clear migration path toward adding the required functionality to support them as they build a connected workspace.

Figure 1: Adopting mobility-as-a-service helps solve business challenges

The mobility challenges facing enterprises

Most enterprises are actively embracing mobile services and devices as essential tools of doing business. But they also face a number of challenges. In an Ovum survey of more than 2,700 IT professionals in enterprises globally, we found that they are facing many mobility issues and need to set priorities (see Figure 2, which shows the percentage of respondents saying these issues are important or extremely important).

Figure 2: The mobility challenges facing enterprises

73% Supporting employee-owned devices
86% Controlling mobile spend
86% Providing technical support
81% Cost allocation
85% Ensuring service quality
74% International mobility
72% Looking into IoT
88% Securing company data on devices
82% Forming mobility strategy
83% Mobilising business apps
84% Remote/flexible workers
80% Improving collaboration

● Cost management ● Security ● Applications ● Future workspace ● Quality of service ● End-user support

Source: Ovum Enterprise Insights Survey, 2014/15, N = 2,708

We highlight the following, which we see as the most significant challenges that businesses face in moving to supporting the mobile workspace:

- **Security**. Unsurprisingly, ensuring that company data is secure on mobile devices tops the list of enterprise concerns, cited by 88% of respondents in our survey. This is a growing challenge as businesses allow employees to access business applications from mobile devices, and particularly where those devices are not owned by the company and where they are often less able to enforce company policies. There is also now widespread use of consumer applications in the enterprise, and many IT managers are not aware what many of these applications are used for and to what extent they represent a security risk.
- **Cost management**. Control of mobile spend was cited by 86% of respondents and cost allocation by 81%. Keeping a handle on costs is, of course, always a priority for businesses. The cost focus in mobility has changed over the years and is now firmly on the cost of data (and sometimes whether data charges result from business or consumer/personal usage). With many employees using multiple devices in the workplace and shared and pooled data plans increasingly popular, it is often a challenge to get users on the right tariff. International roaming also remains a big issue (74%), even though roaming charges

have fallen in some regions or across some operator groups. Rogue users can still rack up massive data charges through careless or inappropriate use in the wrong geography, particularly given the capabilities of today's smartphones and tablets as well as the user experience with, and expectation of, "unlimited" data.
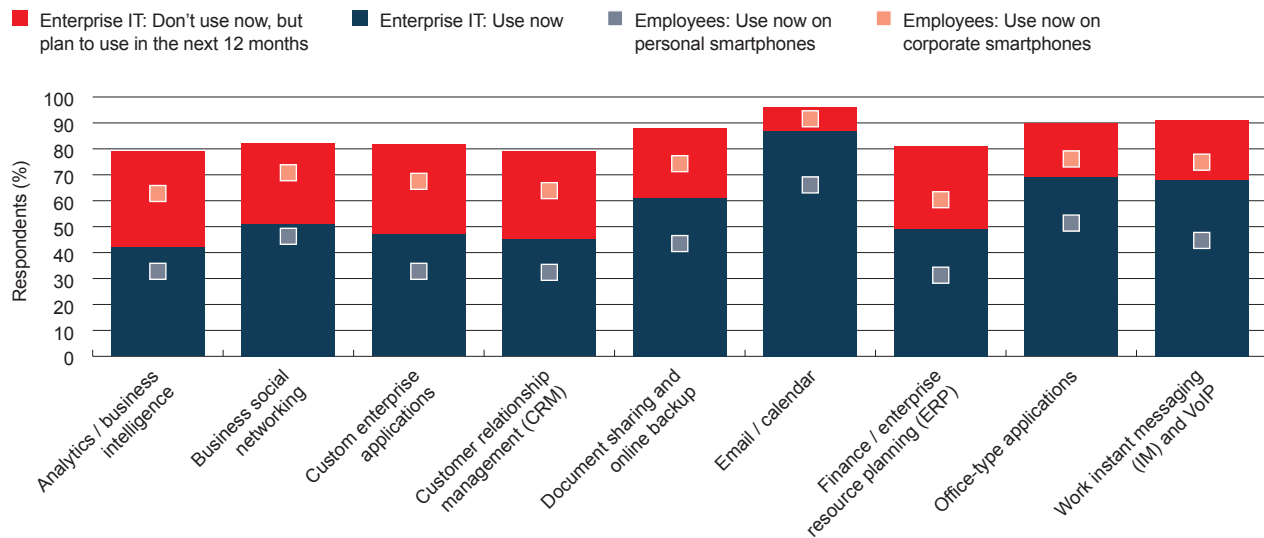
- **Devices.** Purchasing devices is a major capital cost for businesses, particularly when it comes to top-of-the-range smartphones and tablets. There is also the issue of rapid obsolescence of hardware as new models are introduced and staff expect frequent upgrades. Where companies support employee-owned devices, expectations of reduced costs are often not realised. While there may be reduced hardware costs to the enterprise, mobile connectivity costs can increase as employees expense consumer-rate mobile costs back to the company. And management and IT support costs can increase substantially.
- **Quality of service.** Ensuring quality of service for mobile users is also critically important as employees in more and more roles rely increasingly on mobile devices to complete their everyday tasks in the workplace. That was cited by 85% of respondents in our survey.
- **End-user support.** It is often a challenge for IT departments to support mobility. Not only is mobile service procurement often out of their direct control, but they must also support multiple device types, manufacturers, operating systems, and versions. There are questions around what to do when devices are lost or broken, ensuring a smooth and secure transition for joiners and leavers. IT departments must also often support numerous device ownership models, including bring your own device. That was seen as important by 73% of respondents in our global survey.
- **Mobilising business applications.** Cited by 83% of respondents, mobilising business apps is a growing requirement as companies' mobilisation activities expand and mature. And its complexity is increasing as many companies find that they are now supporting a mix of business and consumer applications on many flavours of corporate-liable and employee-liable devices.
- **Formulating a mobility strategy.** Many companies are now actively looking at how they will support future ways of working, and 82% of respondents in our survey cited development of a future mobility strategy.

The drive for greater productivity and new ways of working

As corporate mobility strategies mature, there is a growing expectation that by mobilising enterprise applications, companies will drive improvements in productivity and efficiency. Figure 3 shows some interesting findings on business application usage on employees' smartphones globally. The figure compares the responses of employees with those of IT managers in from recent Ovum surveys. What is interesting is that employees say they are using more business applications than IT says it is providing. Our recent research also shows quite widespread use by employees of applications they found themselves. Added to this, enterprise multiscreening behaviour is already commonplace – many employees expect applications to work seamlessly across all the devices they use. And businesses don't want to discourage the creativity and productivity that this usage enables, but they want it to be enabled securely, efficiently, and cost effectively.

Many companies are implementing a mobility strategy alongside flexible working, and support for remote and flexible workers is a key objective. Figure 4 shows some results of a recent survey of Australian companies. They are looking for a number of benefits from a mobile way of working. The most important of these are the ability to serve customers better and improve senior management engagement, but they are also looking for improved productivity, more flexibility, and better collaboration.

Figure 3: Business applications usage on smartphones: employee vs. IT department view

■ Enterprise IT: Don't use now, but plan to use in the next 12 months
■ Enterprise IT: Use now
■ Employees: Use now on personal smartphones
■ Employees: Use now on corporate smartphones

Source: Ovum Employee Mobility Survey 2014/15 (N = 5,187), Ovum ICT Enterprise Insights Survey 2014/15 (N = 2,708)

Figure 4: Companies are looking for new ways of working

How important is it for your organisation in delivering the following benefits to your employees in development of your new ways of working?

■ Very important ■ 9 ■ 8 ■ 7 ■ 6 ■ 5 ■ 4 ■ 3 ■ 2 ■ Not important
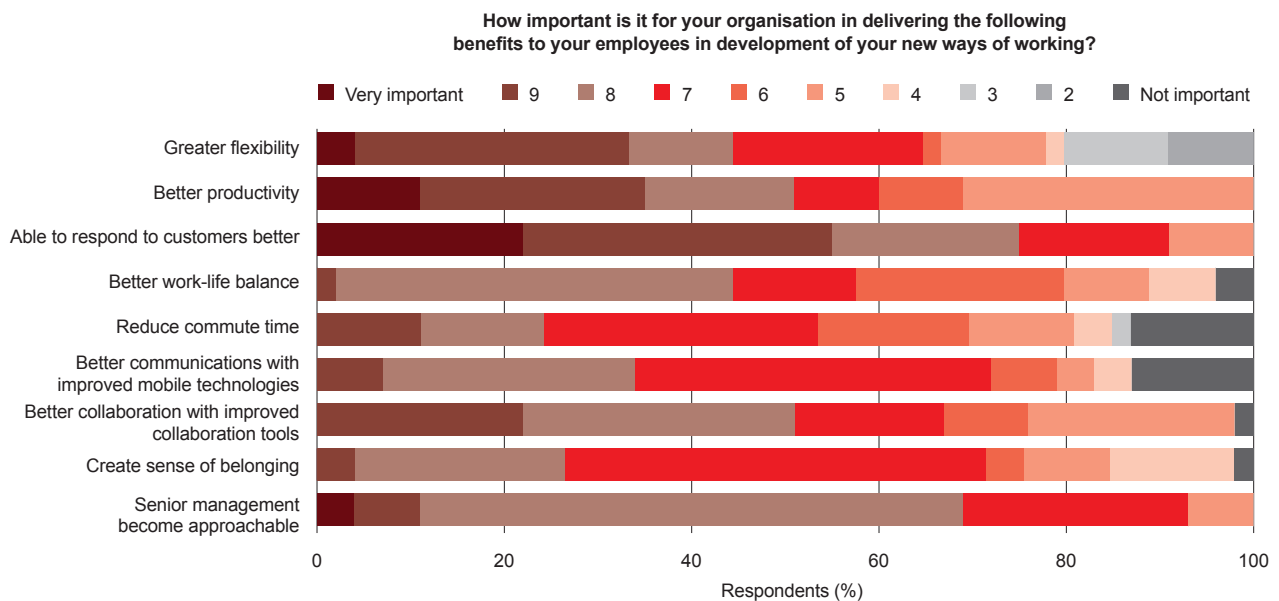
Source: Ovum 2016, N = 45

Recent Ovum research has shown that employees who have access to business applications on mobile devices are often using them well outside the traditional working day. Figure 5 illustrates this trend for the most commonly used application, email, which shows the highest levels of outside-hours usage on mobile devices, although very similar patterns are seen with other communications applications such as IM and enterprise social networking. Tools such as file sharing, online meetings, analytics, and office applications are less commonly used on the move but are nevertheless extending out-of-hours work at home. This extension of the working day can clearly be beneficial to businesses, but there are advantages for employees too. We found that 62% of employees think that having mobile access to applications makes them more flexible, and many also think it makes good use of dead time (travelling) or helps them to do

a better job or further their careers. However, we advise careful management, since, while recognising various benefits, 61% of employees view day extension as an imposition on their time.

Figure 5: Extending the working day on mobile devices: email
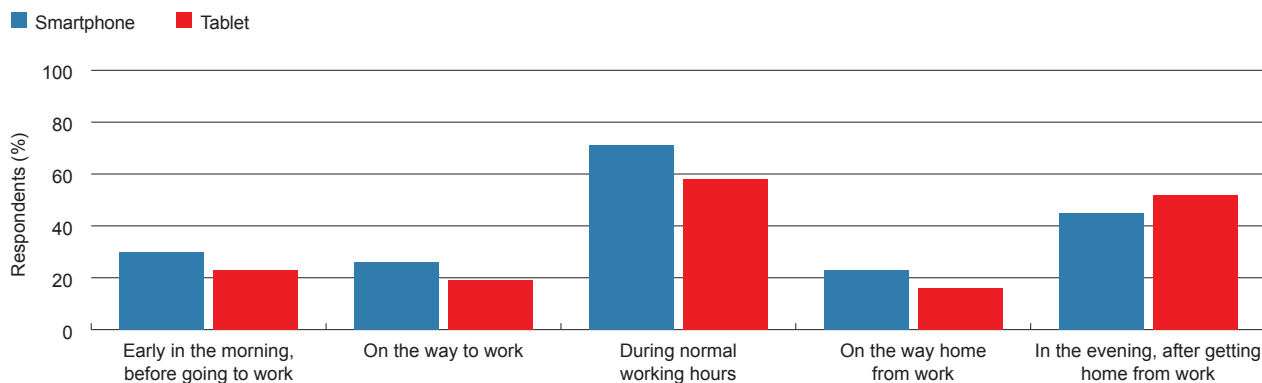
Source: Ovum Employee Mobility Survey 2015/16, N smartphone = 2,282, N tablet = 1,398

Improved collaboration is critical as companies adopt more mobile and flexible working practices and there is a growing expectation that unified communications and collaboration applications will be seamlessly extended to mobile devices and remote workers. Our research shows that many companies already provide UC clients on laptops, tablets, and smartphones. Many more plan to do so in the coming year, as well as making videoconferencing capabilities available on the same devices.

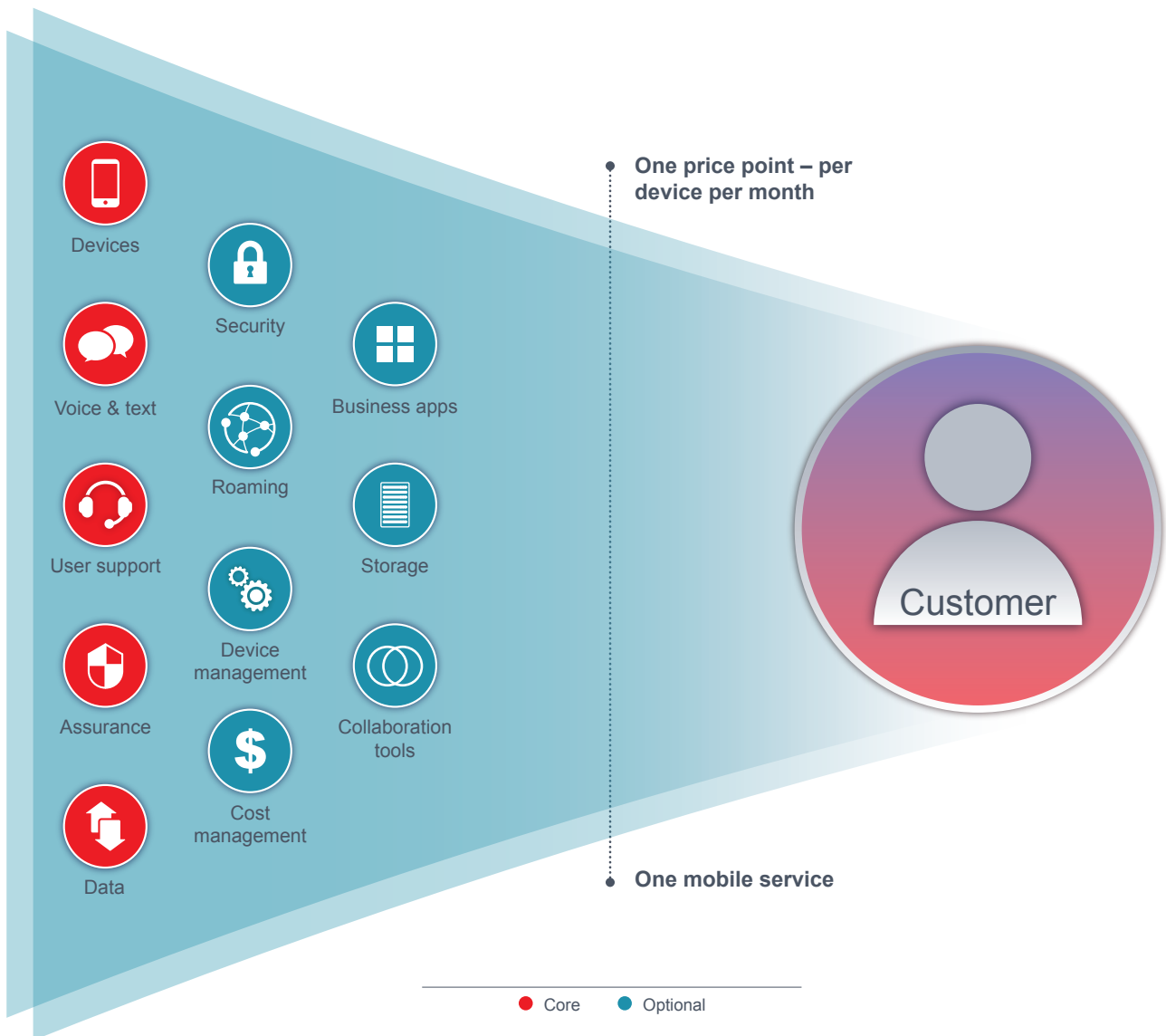## The mobility-as-a-service model

Given the challenges that businesses face with mobilising their workforces, as well as their plans for the future, it is not surprising that many are considering a managed service approach to mobility, in which buying devices, managing and securing those devices and the applications they support, selecting the right mobile voice and data plans, and providing support for end users are outsourced to a service provider.

Some mobile service providers – for example, Sprint in the US – are introducing consumption-based managed mobility services for businesses looking for such an approach. The as-a-service model is aimed primarily at taking away the complexity and unpredictably of current business mobile procurement and reducing the management load on IT departments. It is a model that is familiar to an increasing number of businesses moving to a cloud model for other aspects of ICT procurement, including business productivity applications and unified communications and collaboration. Indeed many see mobility as a core component and extension of these. Many service providers already offer per-seat pricing and cloud delivery for mobile device management, based on relationships with mobility vendors such as MobileIron, and there has been steady uptake of these amongst businesses globally.

With mobility-as-a-service, businesses typically pay a single consistent price per seat (per employee or per device) per month for the service they receive. The price point paid is based on the mix of service components taken. The business chooses the core components, including devices for employees, and then adds the required tiers of voice minutes and data, including options for international roaming if needed. Typically these are chosen from a catalogue of devices and a number service tiers, based around data volumes. Some mobility-as-a-service offers include options for international roaming, device insurance, mobile security (e.g., antivirus), storage, mobile device management, common business applications, and cost management tools. Significantly, mobility-as-a-service is delivered as a managed service and includes dedicated business-grade support for end users.

Figure 6 shows some of the components of emerging mobility-as-a-service models.

Figure 6: Mobility-as-a-service: a single service and price point

Source: Ovum

Two features are absolutely fundamental to mobility-as-a-service: simplicity and flexibility.
- Service providers need to take care to maintain the simplicity of the approach as the service and market evolve and avoid too much customization. But they must also recognise that different customers are at different stages of implementing mobile strategies and while some will be looking for an end-to-end solution, others may have some of the tools and technologies already in place.
- Flexibility is also essential so that customers can adjust the service taken according to their business needs – for example, scaling up or down to meet seasonal demands. They will welcome the opportunity to add more advanced components easily as their own mobile strategies mature and they implement new ways of working. They may also wish to swap out or upgrade devices.

The benefits to enterprises of taking a mobility-as-a-service approach

Mobility-as-a-service provides enterprises with a simple and flexible approach to mobilising the workforce now, as well as a pathway to supporting the mobile workspace in the future. The benefits of such an approach to enterprises include the following:

- **Reduced capex.** Mobility-as-a-service allows a move to an opex-based model where device, software, support, and management costs are incorporated into the service pricing per user (or per device) per month.
- **Predictable service costs.** A consumption model offers the potential to control overall service costs too, provided individual users are correctly profiled, since individual users will not be in a position to incur excess charges by exceeding usage caps. Companies will be able to avoid incidences of bill shock where individuals have, often inadvertently, incurred huge roaming charges through excess data usage overseas.
- **Flexibility.** The service can be scaled up or down, depending on business needs. New joiners can be added, staff with changing roles can have plans adjusted, and leavers can be removed simply, aligning service and costs closely with business needs.
- **Simplified procurement.** Procurement teams are freed up from frequent mobile contract renegotiation and renewal. Mobile service procurement is often highly distributed in many companies, often to the departmental level, so a move to a single trusted provider can have an impact across many departments.
- **Improved support.** Since mobility-as-a-service includes user support, IT departments are freed up from supporting mobile users and their devices and can focus on other tasks. This could prove a major cost saving where companies support employee-liable devices through their own IT teams. More importantly, mobility-as-a-service typically includes business-grade support as standard, so employees in companies moving from an employee-liable model benefit from improved support levels. This potentially reduces risk as well as costs, through a standardised approach.
- **Improved security.** Some mobility-as-a-service offers include mobile device management and business-grade security. This means the risk of data loss as a result of employees using their own devices, old versions of software, or unapproved applications is mitigated.
- **Access the latest technology.** By subscribing to a managed service, companies transfer the onus of keeping on top of technology developments to the service provider, particularly important in the rapidly evolving world of mobile devices, which can become obsolete very rapidly. They are able to benefit from technology refresh, thus improving productivity and maintaining the user experience and employee satisfaction. And they can adopt a rolling approach to upgrades, removing the need for disruptive forklift upgrades.
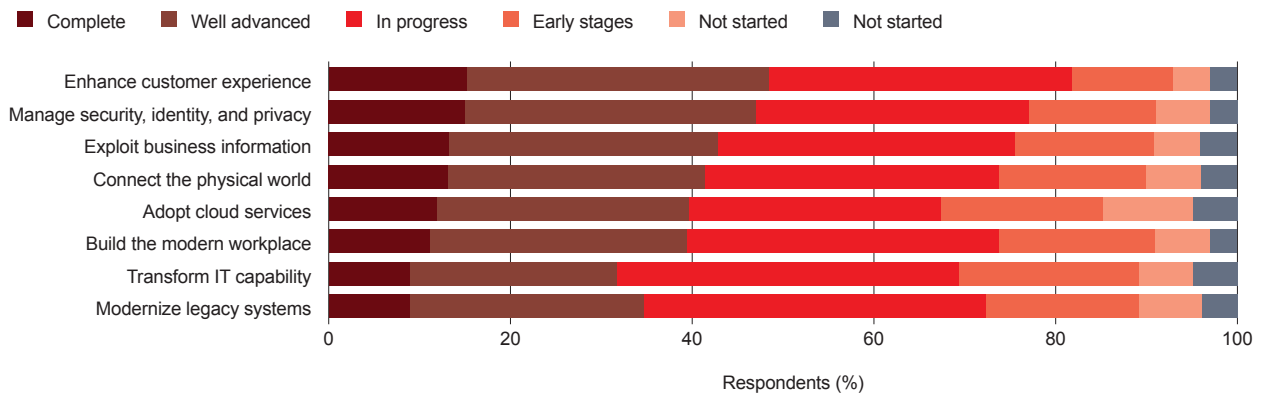
Evolution to the completely mobile workspace

Enterprises and government departments in Asia-Pacific are increasingly mobilising their workspaces. They are looking to deliver a number of business outcomes, such as improved productivity, a more collaborative approach to working and better customer service, as well as resolving existing business challenges such as managing procurement and ensuring company data is secure on mobile devices.

The mobile workspace is increasingly seen as a key component of digital transformation and Figure 7 shows that companies across Asia-Pacific are progressing well with plans to build the modern workplace.

Figure 8 shows that a high proportion of Australian companies recognise that mobility will be at the core of their business in the future and are already expanding flexible and collaborative working or have firm plans for the immediate future. But businesses need to know how they will get from here (often supporting a mix of unstructured and unmanaged mobility services, devices, and applications) to there (an environment in which all employees can access the tools and data they need to do their jobs, wherever they work and whatever devices they are using).

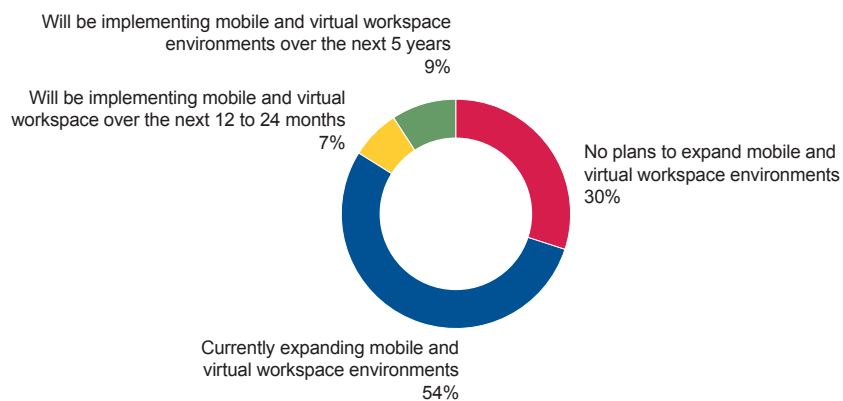## Figure 7: The mobile workspace is part of digital transformation

Legend: ■ Complete ■ Well advanced ■ In progress ■ Early stages ■ Not started ■ Not started

Categories (top to bottom):
- Enhance customer experience
- Manage security, identity, and privacy
- Exploit business information
- Connect the physical world
- Adopt cloud services
- Build the modern workplace
- Transform IT capability
- Modernize legacy systems

X-axis: Respondents (%) — 0 to 100

Figure 8: Planning for the mobile and virtual workspace

Which of the following best describes your organisation's current plans for mobile and virtual workspace environments?

Will be implementing mobile and virtual workspace environments over the next 5 years
9%

Will be implementing mobile and virtual workspace over the next 12 to 24 months
7%

No plans to expand mobile and virtual workspace environments
30%

Currently expanding mobile and virtual workspace environments
54%

Conclusion: what companies should do

Businesses that are considering mobility-as-a-service to help them as they evolve towards a mobile workspace environment should:

1. Identify clear business objectives and goals at the start

For many companies the biggest drivers are those that deal with the immediate challenges, such as cost savings within IT and admin departments from outsourcing mobility, more predictable operating costs (and avoidance of capex) for mobility and reduction in risk through a managed approach to mobile data security. But there are also some significant benefits that can be sought, such as measurable productivity improvements through providing mobility as part of a flexible working arrangement. Businesses should consider the need for a more structured and managed approach to mobility now.

While not a solution for all businesses, a mobility-as-a-service model provides such a structured and managed approach, since it effectively outsources the provision of mobility to a service provider, which provides all connectivity, devices, security, and end-user support, freeing up IT and procurement staff for other activities and reducing direct overheads within the business.

2. Consider future needs as well as immediate priorities.

Businesses must focus on serving current needs for mobile connectivity, devices, security, and cost control, but they should also plan for the future when they may wish to add new capabilities for example to support more effective teamwork, improve productivity further and enhance the experience for their own customers.

They should ensure that their service providers demonstrate the commitment to support them as they evolve their mobility strategy. Service providers offering mobility-as-a-service should demonstrate that they will add and integrate other modules, such as unified communications and collaboration applications and office productivity tools.

3. Consider the evolution to a mobile workspace strategy

For forward-looking businesses, enterprise mobility is part of a wider "mobile workspace" strategy in which all employees can access to the tools and data they need, whatever their location and whichever device they are using. The mobile workspace provides the infrastructure that all employees need to perform their jobs in a productive manner.

Companies looking to achieve the objective of a mobile workspace could source individual components, technologies and services from multiple providers. While this could meet many requirements, it could also bring complexity. The attraction of a mobility-as-a-service option for businesses is that they could work with one service provider committed to bringing all the components together and delivering these as a single integrated service at a single price point.

4. The end game is differentiation

The most progressive enterprises see investment in mobility and the mobilization of business processes as essential if they are to achieve differentiation against other industry competitors. For these companies, taking a more proactive approach to mobility is already an imperative.

CIOs and IT managers in such enterprises should be looking for service providers that share their vision and have the requisite set of tools, applications, and services, as well as a clear roadmap for the future, to support their mobilisation objectives.