

I D C E X E C U T I V E B R I E F

Managed Mobility: Coping with the Complexity, Security, and Cost of Enterprise Wireless Usage

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Adapted from *Managed Wireless Services: An Emerging Option for Enterprise Mobility* by Carrie MacGillivray, IDC #207263

Introduction

Business today is increasingly mobile, and enterprises are struggling for ways to manage the many options and devices to link workers to each other and headquarters. Increasingly, wireless technology — both voice and data — has become the method of choice. However, managing this technology is a complex, daunting task, particularly if a company has no set policies or procedures for wireless use. This Executive Brief discusses managed mobility and how it can help an enterprise get a handle on mobile device costs, usage, and support. This paper also offers guidance in determining whether managed mobility is the right choice for specific enterprises.

The Rise of Mobile Complexity

Mobility continues to play an increasingly larger role in the enterprise due to the demand for instant access, improved productivity, and potential competitive advantages. IDC estimates the global mobile worker population will rise from over 800 million in 2007 to more than 1 billion in 2011. Despite the large mobile worker population, enterprises are often deploying and enabling mobile devices in a piecemeal approach. Typically, mobile workers themselves, including top-level management, are selecting devices and making individual deployment decisions.

Mobile devices — including mobile phones, converged mobile devices, and laptops with cellular connectivity — are a key technology for this mobile workforce. Cell phone use continues to rise, but an increasing number of employees also are using wireless data services to stay in touch with coworkers, clients, and vendors while they are away from their primary work location. Companies are faced with a very complex global ecosystem of devices, plans, software, and support requirements within the enterprise, all centered around mobility.

As a result, IT and telecom managers face the extreme challenge of managing and controlling wireless services for their companies. The grassroots effect of employees purchasing their own devices and bringing them into work to be synced with the corporate network is a significant strain on the IT department. It also means that a complex mix of devices, rate plans, and mobile operator relationships — often in multiple countries — requires management.

One reason organizations are struggling with this complex mix is that few or no wireless policies have been put in place. As enterprise mobility becomes more pervasive, global policies will be required to control and manage the expense, support, and service associated with a mobile-enabled workforce. This increased strain on IT and telecom departments is particularly heavy in two areas:

- **Security** becomes a critical factor not only from a loss or theft situation but also in terms of what is being transmitted over the air and how secure that data is.
- **End-user support** becomes draining for the IT department on top of all the devices that require management. In a lot of cases, mobility has not yet been deemed a critical technology, so work priorities within the IT department are in conflict.

Many applications required by users, including sales force and field force applications as well as instant messaging clients, need support to manage activations and licenses for each unique user. In addition, IDC is witnessing two specific trends that lend themselves to the prevalence of and need for managed mobility services.

First, there is a shift from mobile phones to converged mobile devices in the enterprise. Converged mobile devices are defined as those devices that match wireless telephony capability to evolved mobile operating systems and include the ability to download data to local storage, run applications, and store user data. These devices are more complex and difficult to manage from an IT perspective.

Second, as organizations recognize potential savings by creating corporate contracts with mobile operators, pooled minutes (the availability of a large bucket of minutes for a group of users to leverage), limiting devices, and maintaining control over the mobile phone number, there is a shift from individual liability to corporate liability. Cost efficiency is gained through volume discounts on corporate contracts, but there is a great need to find a way to manage the mobile operator relationships, the devices, the plans, and the applications.

Managed Mobility Today

How does the enterprise deal with all these internal and external pressures? One option is managed mobility services, which help enterprises manage the complexity, security, and cost concerns related to growing wireless usage. These services range from very specific product offerings such as billing analysis and enhanced

customer service to complete life-cycle management that includes device procurement and fulfillment as well as management of the software installed on the devices.

Some services, such as an analysis of corporate wireless devices in use, may be one-time charges, but they generally tend to be recurring on a monthly basis and encompass a range of capabilities, including rate-plan optimization and wireless life-cycle management. Customers can select one discrete component of management, or they can choose to outsource the entire end-to-end management of their wireless services.

Typical contracts tend to be one to two years in length, with pricing composed of a one-time initial charge and then a monthly recurring charge per device (or per user) — ranging on average from \$3 to \$7 per month. Contracts include service-level agreements with metrics for cost optimization and performance guidelines for support services.

Currently, several types of players offer a variety of managed mobility services, including niche managed mobility service providers, mobile operators, fixed-line carriers, fixed-line telecom expense management providers, and professional services companies.

Managed Mobility Tomorrow

Demand Driven by Hard Cost Savings

Although managed mobility services is a new type of managed service, it has already seen changes over the past 12 months, with enterprises becoming more mobile savvy and strategic about their continued investment in mobility. IDC expects the market for managed services to grow from \$133.1 million in 2006 to \$883.9 million in 2011, a CAGR of 46%. Revenue will be driven as enterprises subscribe to managed mobility services. In addition, service providers will continue to add capabilities. Due to strong pricing pressure, revenue per subscriber will remain fairly stable, with average revenue per subscriber, roughly \$5.97 in 2006, growing to a high of \$7.77 in 2009 and declining to \$7.36 in 2011.

According to IDC research, enterprises will initially subscribe to managed mobility services for expense management but will add additional features such as procurement, help desk support, and security services as confidence is achieved in the cost savings made available through these services. Examples include rate-plan optimization, discovery of excessive overage or underage in subscriptions, zero-use devices, billing errors, or mobile phone use outside of corporate policy.

This increased market demand for managed mobility services will be driven by several factors. First and foremost will be the growing use of wireless voice and data services by businesses. Increasing voice usage will encourage rate-plan optimization and billing analysis-type services because monthly costs are impacted by usage and overages tend to be costly. Furthermore, growing data usage leads

to increased complexity and will drive the need for enhanced customer service and procurement/fulfillment managed services as well as security support. Use of corporate-liable contracts will also drive managed mobility services. As enterprises move to corporate-liable models, support from the IT department will be required. In addition to the spending controls that encourage companies to use corporate-liable subscriptions, there is a requirement for IT assistance in activating, deploying, and managing the devices once they are in the hands of mobile workers.

Although cost controls are often mentioned as a reason to implement corporate-liable subscriptions, they are also often cited as the reason not to — some companies feel that providing employees with corporate-liable devices is equivalent to giving them a free pass to rack up hefty phone bills. Managed mobility services provide a structured approach to managing subscriptions and usage, as well as deployment.

Critical to implementation of managed services is a corporatewide policy regarding wireless usage by employees. Managed mobility service providers offer services that help enterprises draft and, more importantly, enforce policies regarding mobile device usage.

Although wireline costs continue to be top of mind for telecom/IT managers, as wireless usage increases — particularly as data services become more prevalent — wireless costs will become a higher priority, and finding a way to manage the device and subscription costs as well as the expense of longer-term device management will become increasingly attractive. Managed mobility can provide that support.

Rate-plan optimization formed the launching point for managed mobility services, but one of the fastest-growing aspects of the business will be the help desk component. Companies are becoming increasingly receptive to the value proposition offered by outsourcing their wireless help desk support and procurement/fulfillment tasks. IDC expects security management and configuration management to remain niche services in the near term, appealing to a smaller set of customers that have rolled out wireless data access to corporate applications beyond email.

External forces will continue to affect uptake of managed mobility. Mobile operators will offer more services, devices, and plans; systems integrators will offer converged solutions for mobility and fixed-line deployment; and some mobile applications vendors will get into the managed mobility arena with respect to mobile device management and security solutions. But perhaps the biggest challenge for the enterprise today, and tomorrow, is determining the right approach to getting a handle on a global mobile workforce.

Conclusion and Essential Guidance

Managed mobility services are an option to help the enterprise manage the complex environment of mobile devices and solutions, understand the costs associated with mobility, and focus on its core business. The need to consider managed mobility is driven by the following key market factors:

- More complex mobile devices and solutions
- Increasing mobility costs
- Organizations' need to focus on core business
- Outsourcing as an option for mobility management
- Enterprise need for mobile policies to ensure compliance and security

It is crucial for the enterprise to evaluate if outsourcing is a good option for its particular situation. Managed mobility allows an enterprise to outsource one part of the mobile life cycle as a test before continuing with a larger deployment. When determining if managed mobility is best, enterprises should weigh the advantages and disadvantages, some of which are outlined in Table 1.

Table 1

Managed Mobility Advantages and Disadvantages

Advantages	Disadvantages
<ul style="list-style-type: none"> • Ability to focus on core business and gain control of business priorities 	<ul style="list-style-type: none"> • Less control over day-to-day management of devices
<ul style="list-style-type: none"> • Reduce complexity 	<ul style="list-style-type: none"> • Fee per device or per user model
<ul style="list-style-type: none"> • Less strain on IT staff • Opportunity to optimize IT staff 	<ul style="list-style-type: none"> • Possibly a complex vendor relationship, which requires bandwidth to manage
<ul style="list-style-type: none"> • Focus on strategic IT projects 	<ul style="list-style-type: none"> • Not comfortable with outtasking or outsourcing
<ul style="list-style-type: none"> • Offer consistent procedures 	<ul style="list-style-type: none"> • Need for procedural oversight

Source: IDC, 2008

In addition, before making a decision to engage a managed mobility service provider, consider the following questions. The answers will help guide the decision process and aid in understanding the complexity of the enterprise's mobile environment:

- Do you have more than 150 devices to manage?
- Do you have a large outbound/mobile workforce?
- Do you place high value on employees' time?
- Do you understand your true corporate mobility costs?
- Do you have visibility into all mobile devices within your organization?
- Does your IT department have the skills and availability to manage your mobile workforce?
- Do you have mobility policies? Are they enforced?
- Are you comfortable with outsourcing?

Enterprises should understand that managed mobility services can take time to implement. The managed mobility service provider must take the time to garner a strong understanding of the enterprise's workflow, challenges, and priorities. This requires a great deal of interaction between the service provider and customer but will build the foundation for a strong relationship that must adapt to the continuous changes of today's mobile enterprise.

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