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The Real Cost of Enterprise Wireless Mobility

Wireless Costs Ten Times More to Manage vs. Wireline

January 2007

— Underwritten, in Part, by —

Executive Summary

It costs nearly **10 times more to manage wireless services and devices compared to wireline.** With **80% of respondents planning increases in PDAs with wireless access, these costs are sure to rise. It is no wonder that escalating wireless expenses is reported as a top priority for 64% of our respondents.** This report will examine the challenges that enterprises face and best practices in managing the incremental costs as users step up from cell phones to smartphones.

> *"The most significant challenge is managing inventory on a daily basis. You must have a lifecycle management tool in place to implement an effective wireless mobility strategy.*
> – Billy Wooters, Sr. Manager Telecom Planning

Key Business Value Findings

- Enterprises are still in the early stages of wireless mobility with 44% indicating they have no formal program in place and 10% indicating there is no group that is centrally responsible for managing wireless mobility within their enterprise.
- Our respondents believe that only 57% of their wireless expenses are proactively managed. Part of the challenge lies in the fact that 44% of enterprises report that they still have some wireless contracts that are employee liable. With employee liable manual expense reimbursements enterprises have little to no visibility into devices and their expenses.
- Managing escalating wireless expenses is a top priority for 64% of our respondents; s**upporting devices is a close second priority for 57%** of our respondents.
- Dramatic growth of voice services over the past few years is now being matched by data services. Aberdeen's survey shows 80% of respondents plan for increases in PDAs with wireless access. Also, Research in Motion's subscriber base nearly doubled from 2.5 million in fiscal year 2005 to 4.9 million in 2006.

Implications & Analysis

Enterprises do not have visibility into what they are currently paying for wireless services. They do not have an accurate measure of the costs to support devices, and they are unprepared for the proliferation of smartphones. More complex mobile devices demand a new category of management for the full life cycle management of devices from sourcing, procurement, connectivity assistance, applications support, security, data back up, device replacement, through retirement. Procurement and asset management require more robust technology and operational resources to manage this activity and expectations of end-users.

Recommendations for Action

Our benchmark shows nearly all of the best in class performing enterprises spend less to manage devices, have better visibility and control of their wireless costs. Organizations should take the following actions to emulate best in class performers:

1. **Migrate from employee liable to corporate liable contracts.** The blurring between personal and corporate control should not be a surprise to the 44% of survey respondents that have contracts in their employee's names. Corporate liable contracts help enterprises get better visibility into costs and enable buyers to aggregating their spending for more leverage when sourcing their enterprises' wireless contracts.

2. **Gain access to expertise**. Two of the challenges cited in our survey were lack of expertise, sited by 32% of our respondents and lack of resources to address wireless mobility, sited by 29%. If you do not have the internal expertise, look to hire people or bring suppliers that have deep expertise in managing wireless inventory, controlling costs, and negotiating sourcing for wireless mobility.

3. **Budget 10 times more for operational support.** Operational costs to support wireless management are time times higher than wireline. Wireless mobility is an emerging area where enterprises should plan for sufficient personnel or external support. Plan for increases in your budget for ratios that are 10 times higher than wireline support costs. Users may need to help to create the ROI to support their mobility needs for the full lifecycle of device management. Failure to budget will mean resources will need to be pulled from other projects or lost worker productivty.

4. **Implement technology.** 74% of our respondents identify asset management and inventory tracking as their second biggest challenges. Software or business process outsourcing can help address these challenges. Technology reduces the costs to manage wireless mobility.

> *"Everyone has a different device with different capabilities/services, with different plans. You must migrate to a centralized model that reduces the supplier count, standardizes the plans, and balances corporate control with reasonable employee flexibility."*
> – Paul D. Dockins, Vice President of Telecommunications Mesirow Financial, Inc.

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Chapter One: Issue at Hand

Key Takeaways

- 75% expect enterprise wireless costs to increase over the next year
- 64% said managing escalating wireless expenses is a top priority
- 57% said supporting devices is a close second priority
- 44% have no formal program in place

About the Best-in-Class

Aberdeen defines the Best-in-Class as no more than 20% of the respondents through the process, organization, knowledge and technology results reported. In this benchmark report the best in class, had superior performance compared all others in these areas:

- Amount of spend being managed
- Reduced operational support costs
- Lower monthly service plan expenses

For many enterprises wireless costs and management of wireless assets are out of control. Wireless devices, like the personal computer in earlier times, have found their way into the enterprise through unofficial paths. Poorly defined enterprise policies and ready access to the latest wireless "gadgets" with low initial costs make it possible for employees to buy devices with the expectation that managers will provide ad hoc approval for expense report reimbursement of their charges. For many enterprises, what started out as a small number of ad hoc approvals for modest expenses have grown into a significant program that is out of control. Now many of these enterprises find they are unprepared to face the demands for support of a growing range of devices, diverse applications, and the increased security risk that accompanies the data that is stored on wireless devices.

Enterprises Need To Establish Wireless Mobility Policies

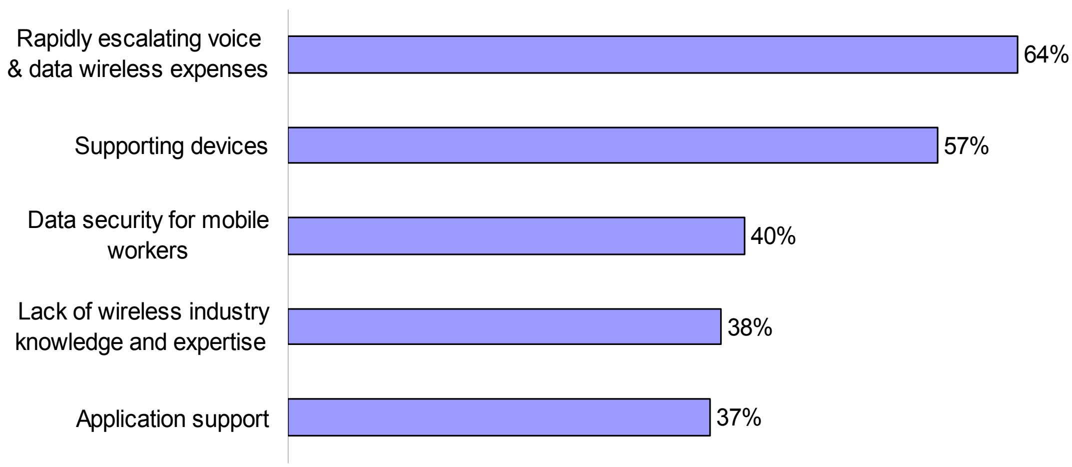
Below are some indicators of how wireless costs and assets are out of control:

- 63% do not have an accurate inventory of devices that are being used by employees.
- 37% have no formal policy for managing changes when an employee leaves the organization in terms of whether former employees get to keep the device and/or the phone number.
- 44% have no formal program in place to manage wireless mobility.
- 10% have not even identified a group that is centrally responsible for managing wireless mobility.

Top Pressures of Wireless Mobility Management

Managing escalating wireless expenses is a top priority for 64% of our respondents, but supporting devices is a close second priority for 57% of our respondents. (Figure 1) So cost management is only part of the challenge. Enterprises are also struggling to provide help desk support, and data security risks. While application support ranked low in this survey, increased adoption of Smartphones and follow-up interviews highlight that this is an emerging trend which will become more important in the future.

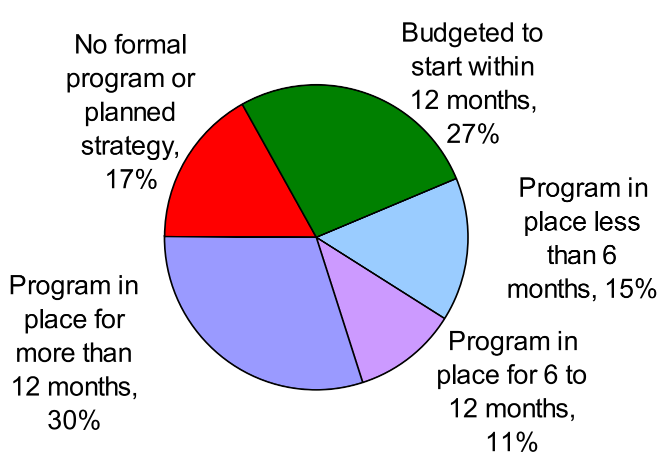
Figure 1: Top Pressures of Wireless Mobility Management



Source: Aberdeen Group, January 2007

Over the past year, our research shows limited progress for adoption of formal wireless mobility programs in the enterprise. The largest shifts have been out of the "no formal program or planned strategy" category. Nonetheless, 44% have no formal program with 17% indicating they have no plans to adopt a formal program and 27% indicating they have budgeted to launch a program, but do not currently have a program in place.

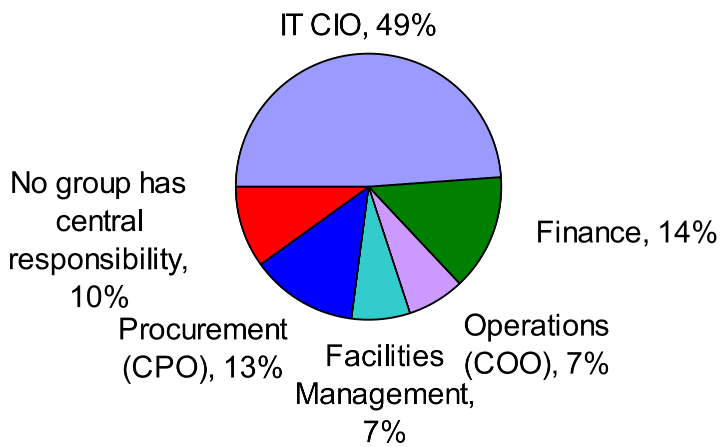
Figure 2: Wireless Mobility Program *Im*-maturity



Source: Aberdeen Group, January 2007

At this stage, 10% of enterprises have not decided who should ultimately be responsible for wireless mobility strategy. (Figure 4) A strong case can be made for aligning this category with the functional group that is managing wireline services. This approach helps enterprises leverage expertise from management of wireline services. Also the case for having one group manage all communications services is strengthened as new technology will blur the distinctions between mobile wireless and fixed wireline services.

Figure 3: Which Group is Responsible for Wireless Mobility Management?

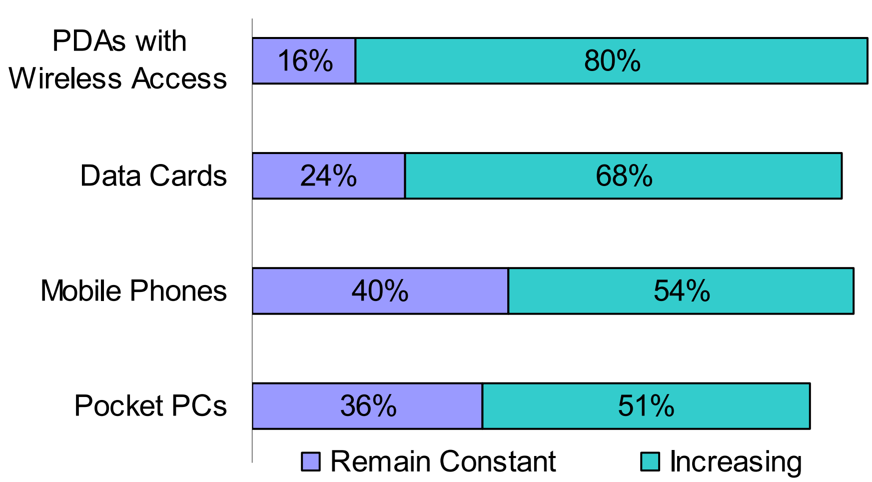


"Write a comprehensive policy and then stick to it."
– Terri Suren,
Lead Telecom Analyst,
Jo-Ann Fabric & Craft Stores

Source: Aberdeen Group, January 2007

Aberdeen's [Enterprise Mobile Adoption] Report of October 2006 shows companies are planning for substantial growth in their mobile devices. (Figure 4) The trend highlights growing adoption from voice-only phones to more complex devices with data applications that require more support and security. Organizations that are in the early stages of establishing a wireless mobility strategy are not likely to have sufficient IS personnel nor the budget to support the complex tasks that mobile knowledge workers will require.

Figure 4: Growth in Enterprises' Mobile Inventories



Source: Aberdeen Group, January 2007

Aberdeen's PACE model aligns with our wireless mobility framework which calls for management of the full end-to-end lifecycle for telecom expenses and devices. The key is to identify gaps in the end-to-end process and look for ways to address these challenges through software, and business process outsourcing. There is rarely one area that addresses all of the gaps. A comprehensive holistic approach is required. To implement the actions cited in the PACE chart that follows, enterprises should focus on three strategies:

1. Standardize. Develop standard policies, reduce the range of devices, set limits on number of service plans, and carriers in the program.
2. Develop or access specialized software or business process outsourcing to manage wireless mobility.
3. Leverage software or transition underperforming processes and management of wireless mobility to a third-party for business process outsourcing.

PACE Key — For more detailed description see Appendix A

Aberdeen applies a methodology to benchmark research that evaluates the business pressures, actions, capabilities, and enablers (PACE) that indicate corporate behavior in specific business processes. These terms are defined as follows:

Pressures — external forces that impact an organization's market position, competitiveness, or business operations

Actions — the strategic approaches that an organization takes in response to industry pressures

Capabilities — the business process competencies required to execute corporate strategy

Enablers — the key functionality of technology solutions required to support the organization's enabling business practices

Chapter Two: Key Business Value Findings

Key Takeaways

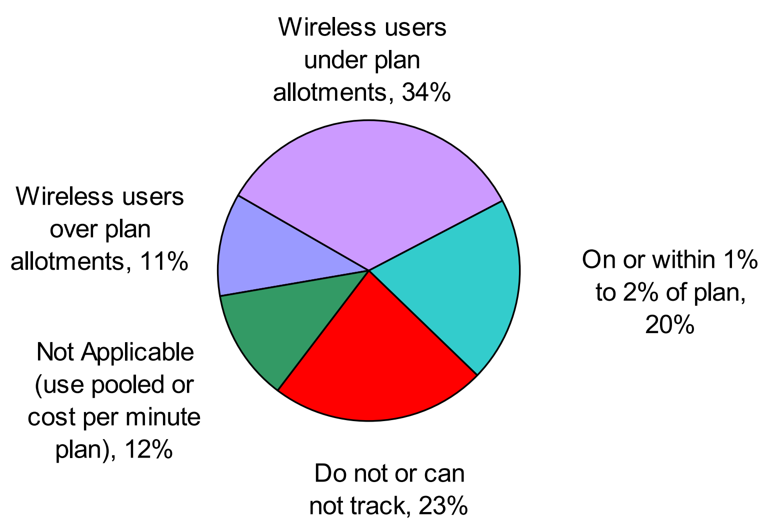
- 34% have persistent penalties for exceeding plan minutes
- 11% have unused air time for voice services or they are forfeiting kilobytes and megabytes of data transmission paying for plans that greatly exceed users' needs
- 44% have contracts for wireless services in employees' name

On average, enterprises in our survey spent $3.7 million for their voice and data wireless services and $30 million for wireline services on an annual basis. The average monthly charge per user was $116 with $53 or 46% spent on data expenses and $63 or 54% for voice services. Our survey respondents ranged from small enterprises with 35 devices spending $36,000 for voice services to large enterprises with 11,000 devices spending $17 million annually.

"We use third party software or service to review the charges and usage patterns. This is much easier than using the multiple formats that carriers provide. We also distribute this information to employees. When they can see the expenses, they help us control unnecessary spending."
– Stacey Hickel, Managed Voice Services, Siemens

For voice services, 65% of respondents are using bucketed plans with fixed monthly minutes. These plans may work for consumers that have more discretionary control over the times when calls are placed and the ability to shift calls to off-peak times with unlimited calling. They are a poor fit for enterprises, yet 65% are using them.

Figure 5: Wireless Mobility Management



Source: Aberdeen Group, January 2007

Only 12% of our respondents are using plans in which broad groups of employee's usage and plan minutes are pooled together. Pooling evens out swings in monthly consumption among individual users by taking spikes in activity and balancing them with a pool of users whose consumption falls closer to the average. Some carriers will allow enterprises to "roll-over" unused minutes to the next month, but pooled plans require detailed reconciliation to ensure that the calculations are correct.

Alternatively, enterprises should consider cost per minute plans where they procure services to achieve the lowest cost per minute in the same fashion as traditional long distance services are procured. The savings can range from 10% - 45% for optimizing plans (45% of our respondents tell us that employees are forfeiting a portion of their minutes or paying for penalties for exceeding their allocated minutes each month) and getting lower rates through cost per minute service plans. Cost per minute plans are less costly to manage and they provide records that can be used to calculate the cost of personal calls for IRS reporting.

"Managing the pool's and add-on features can be quite challenging. Increasingly, we are burdened with ensuring that we properly account for the right type of features for each individual user. Default configurations for services such as Pool Minutes, Web Browsing and Text Messaging present challenges due to the corporate environment and differing needs of our departments."
– Shane P. Miller, SVP IT Operations, Tickets.com

In addition to considerations of voice plans, data is an area where there is significant hidden waste. Most enterprises are using unlimited data plans for users who do not come close to transmitting or receiving enough data to merit the cost of these plans. Enterprises should evaluate usage of data services over several months to determine if they can save money. Often enterprises find that accessing this information from carriers in a readily accessible format and performing the evaluation can be accomplished more efficiently using software and/or third part suppliers' expertise. The time savings and faster time to implement optimized plans can produce savings to pay for the expense of using suppliers to implement the program.

Table 1: Different Approaches to Wireless Spend Management

Employee Liable (Contract is in employee name)	**44%**
Reimburse work-related wireless voice expenses	15%
Reimburse all wireless voice expenses	9%
Reimburse all data & voice charges related to work	7%
Reimburse all wireless voice & data charges	4%
Corporate Liable (All contracts held by enterprise)	**56%**
Bucketed plans (fixed monthly amounts)	10%
Pooled plans, enterprise pays for all charges	24%
Flat-rate per minute voice services contract	9%
Data (cost per kilobyte or megabyte) enterprise pays all charges	4%
Data unlimited usage plan flat rat	17%

Source: Aberdeen Group, January 2007

Optimization of service plans described above requires moving from employee liable plans to corporate liable arrangements. This allows the enterprise or their agents to match the usage patterns to the right bucket for voice and data services. Only 56% of our survey respondents have corporate liable plans currently in place. (Table 1) The high rate for employee liable contracts may reflect long transitions out of legacy employee contracts. Also it could reflect the fact that 17% of our survey respondents have no formal wireless mobility plan in place with another 27% only now budgeting to start within the next 12 months. However, ultimately one has to ask why more firms do not have corporate liable plans in place. Table 2 below reflects some common arguments for and against wireless mobility management.

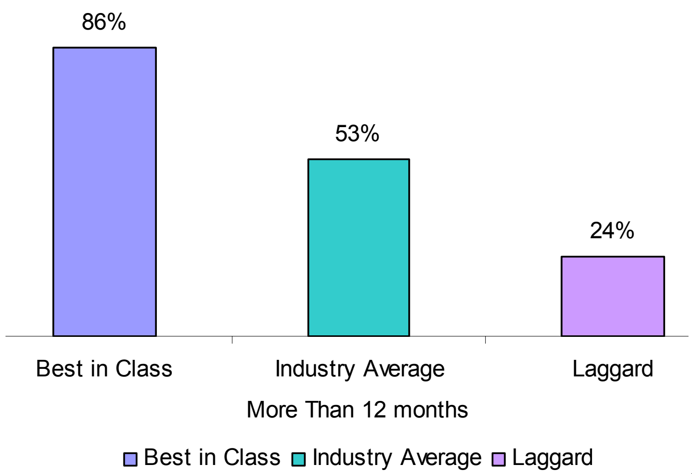
Table 2: Pros and Cons of Employee Liable vs. Corporate Liable

Cons	Pros
Wireless mobility has an unproven business case for 73% of enterprises that have no planned strategy.	Best in class organizations have an average 74% ROI on their mobile initiatives compared to all others who achieve a 43% ROI.
Wireless mobility programs require increased budget and IT support.	Instead of focusing on costs focus on ROI value and benefits from wireless mobility.
Everyone has special needs. Individuals know best what services they need.	Unlimited choices and employee liable contracts make it difficult for the enterprise to leverage volume purchases for better sourcing and optimization of plans.
These devices are relatively inexpensive. Let's not make more work; diversity is good.	Device standardization will reduce operational support costs.
Individuals acquire devices and services, they are responsible.	The enterprise must ensure accountability and security; mobile devices have access to valuable data which must be managed.

Source: Aberdeen Group, January 2007

Our research shows that enterprises that work through these debates and adopt a wireless mobility program are more likely to achieve best in class performance. (Figure 6)

Figure 6: Wireless Mobility Program Longevity



Source: Aberdeen Group, January 2007

Challenges and Responses

The table below highlights top challenges for enterprises and their responses to wireless mobility. While rapidly escalating costs were cited as a top challenge, the other challenges cited align closely with operational challenges of lifecycle device management. Enterprises start by developing a strategic vision, assigning clear ownership of the budget, securing executive support, and developing a formal written policy. Once these steps are complete the tactical work of creating an inventory and enforcing policy help to drive efficiency. The next section will outline in more detail specifically what best in class enterprises are doing to achieve better results.

Table 3: Challenges of and Responses to Managing Wireless Mobility

Challenges	% Selected	Responses to Challenges	% Selected
Rapidly escalating voice & data wireless expenses	64%	Assign clear ownership of wireless budget and device management	69%
		Secure executive support for wireless mobility management	68%
High costs for supporting devices	57%	Develop and implement a formal, written policy on wireless mobility	53%
Lack of visibility into wireless device inventory and usage	41%	Migrate from employee liable to corporate liable plan	56%
		Inventory all wireless devices	63%
Data security for workers	40%	Enforce wireless policy	49%
Lack of wireless industry knowledge and expertise	38%	Currently use or plan to use a specialist for wireless mobility management	34%
		Currently use or plan to use a supplier that manages both wireless and wireline technology.	34%

Source: Aberdeen Group, January 2007

Chapter Three:
Implications & Analysis

Key Takeaways

- Users are spending 10 times more on support of wireless services and devices than wireline services
- **Standardization** of devices, carriers and service plans is the most important performance factor

Budgets for IT support and connectivity have been based on ratios of support to asset costs, support costs per user, prior year's maintenance costs, and cost per device. The old guidelines for costs do not provide accurate estimates to address the support costs during a period of rapid introduction for new technology and abundant diversity in terms of devices, service providers, and service plans. Aberdeen research shows that **the cost to support wireless services and devices are 10 times greater than wireline services.** (Figure 7)

> *"Make mobile devices and plans part of corporate policy and have them as an edict. The most significant ROI gain comes from reducing supplier count and standardizing plans."*
> –Indirect Sourcing Manager
> Defense & Water Treatment
> Equipment Manufacturer

Efficiency and Cost to Manage Wireless Mobility

Figure 7: Best in Class Is More Efficient at Managing Wireless Mobility

Source: Aberdeen Group, January 2007

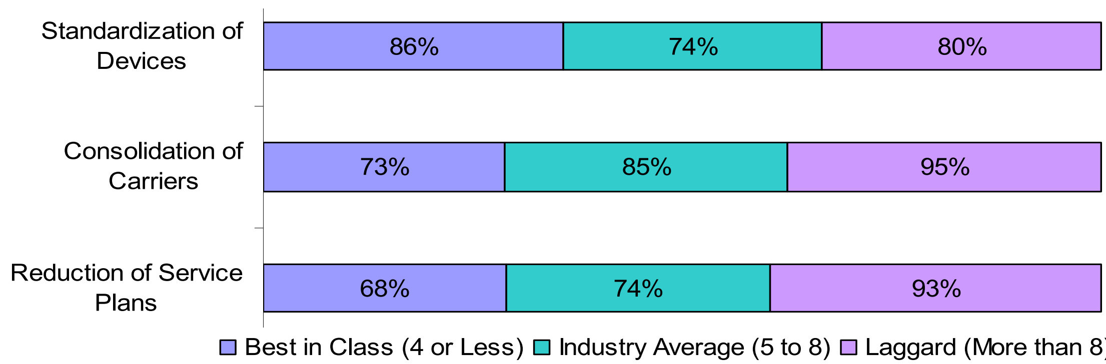
The calculations above compare costs to manage wireless mobility to wireline expenses included enterprises; survey estimates of the costs for: service order management, help desk, support of devices, network connectivity, applications support, processing billing, audit, plan optimization, and reporting.

> *"Managing multiple carriers, technologies and service plan offerings across the globe is one of the most significant challenges that we face."*
> – Michael K. Post
> Personal Productivity &
> Communication Services
> Kimberly-Clark Corporation

Standardization Drives Best in Class Performance

Complexity is introduced to the model when enterprises fail to set guidelines for wireless mobility. **Variation in devices, service plans, and the number of carriers for a global enterprise all conspire to produce a model which is laden with extra costs.** Our research shows that standardization for devices, carriers, and service plans reduces complexity. Our survey results below shows the greatest factor impacting performance is standardization. (Figure 8) This winning formula allows enterprises to drive large volumes of business to preferred providers. It simplifies operational support for service order management, help desk, support of devices, network connectivity, application support, bill processing, plan optimization, and reporting.

Figure 8: Standardization Drives Best in Class Performance



Source: Aberdeen Group, January 2007

Wireless Mobility Competitive Framework

Table 4, below shows how survey respondents that fall into one of three categories – Laggard, Industry Average, or Best in Class perform in four key categories: process, organization, knowledge and technology.

Table 4: Wireless Mobility Competitive Framework

	Laggards	Industry Average	Best in Class
Process	No formal wireless mobility strategy in place	Employee liable contracts selection of carriers, devices, and service plan is left to individuals.	Clear articulation of policy with devices, carriers and service plans set based on job role and function.
Organization	No clear ownership of wireless budget and no clear support for devices with business case and strategy.	Various functions play ad hoc roles based on perceived importance of organizational role, users' rank in the enterprise and ability to "bully" others for support	Clear budget owner drives strategy and policy for wireless mobility management
Knowledge	Limited visibility into wireless assets, how they are used, and overall spending Limited knowledge of business case for wireless mobility	No formal inventory records because devices are in employees' names Wireless industry knowledge limited to most common applications of voice and e-mail Spending and market rates reviewed when contracts are renewed.	Extensive knowledge based on formal business case assessment to evaluate best ROI for technology. Wireless device inventory driven from policy.
Technology	No technology for procurement, asset tracking, security, or support of devices	Manual ad hoc review of expenses. Spreadsheets are used to track some devices on a limited basis.	Portal for procurement matches employee profiles with questionnaire and entitlement guidelines to determine devices and service plans that fit the employee's job role and function. Expenses are tracked through automated bill processing, audit and optimization of service plans. Lost devices are reported to an administrator to disable data. If HR files show an employee is no longer with company, service plan is discontinued and request for return of device.

Source: Aberdeen Group, January 2007

Pressures, Actions, Capabilities, Enablers (PACE)

There is a clear relationship between the pressures companies identify and the actions they take, and their subsequent operational performance. Enterprises should examine their prioritized PACE selections and determine their comparative status by considering the PACE priorities of Best in Class organizations shown in table 5 below.

Table 5: Wireless Mobility PACE (Pressures, Actions, Capabilities, Enablers)

Prioritized Pressures	Prioritized Actions	Prioritized Capabilities	Prioritized Enablers
Rapidly escalating voice & data wireless expenses	Secure executive support for wireless mobility management. Develop and implement a formal, written policy on wireless mobility. Assign clear ownership of budget and device management.	Portal for procurement matching employees' profiles with questionnaire and entitlement guidelines for standardization of devices and service plans that fit the employee's job role and function.	Automated bill processing, audit and optimization of service plans based on usage. Spend analytics, service usage, and invoice presentment.
High costs for supporting devices	Migrate from employee liable to corporate liable plan Reduce the number of devices and applications used by the enterprise.	Establish help desk to respond to device continuity for rapid replacement with data backup and reconciliation of warrantees for devices that have coverage	Asset management inventory repository tracking the full breadth of devices; integrating with procurement usage tracking, and invoice validation
Lack of visibility into wireless device inventory and usage	Create an inventory of all wireless devices paid for or subsidized by the enterprise.	Asset management Inventory repository with updates at each milestone in the end-to-end lifecycle (from purchase through retirement. Provide employees and management with ongoing visibility into wireless usage and costs	Service usage auditing/accounting applications that can handle all types of contracts – bucket and pooled plans and flat-rate contracts Wireless spend analytics with both trend and exception reporting
Data security concerns	Enforce wireless policy	Establish capability for remote installation of security patches, bug fixes, and the ability to remotely "kill" stolen or lost devices.	Ensure security technology includes strong authentication software and network intrusion devices, encompass your wireless inventory.
Lack of wireless industry knowledge and expertise	Hire people or use a specialist for wireless mobility management	Cost management and of lifecycle device management	People, technology, repeatable processes and simplify, simplify, simplify

Source: Aberdeen Group, January 2007

Chapter Four: Recommendations for Action

Key Takeaways

- Success in managing wireless costs begins with proper organization. Make sure your enterprise has a clear budget owner, a clear mandate, and clear support from senior management.
- Establish a policy that reduces the range of devices that employees use, sets limits on number of service plans, and controls the number of carriers in the program to cut operational support costs by 40%.
- Use technology to improve visibility and automate wireless mobility management business processes. Laggard enterprises should begin with tools and business process outsourcing to help manage assets, invoices, and usage. For Best in Class enterprises, look at tools that can enhance capabilities and performance for sourcing and security.

What started out as a small number of ad hoc approvals for modest expenses have grown into a significant program with many users. Enterprises must establish formal wireless mobility programs to manage runaway wireless costs and management for the full lifecycle of support for devices. Technology and business process outsourcing reduces the costs to manage wireless mobility.

Laggard Steps to Success

- **Start with the organizational issues, and get management support**. Taking control of wireless programs from end users who have had free reign requires deep commitment. Identify a clear budget owner, with a mandate for action, and get support from senior management. Management must agree that wireless mobility presents a significant problem to move forward with an effective program.
- **Create a comprehensive inventory of user's devices and rate plans.** Use a formal policy to create a policy that requires registration of all wireless devices that are paid for or subsidized by the enterprise. Track requests for e-mail access on handheld devices as well.
- **Perform a comprehensive evaluation with the objective of standardization and reducing the range of carriers, devices and plans that are being managed.** Does it meet their business needs? What applications and data are on the devices? Use this inventory to establish a plan for job roles that are eligible for devices and what types of devices and plans they should be using. This doesn't have to be a "one-size-fits all approach". There will likely be different sets of choices for different employee populations. Evaluate carriers to determine regions where quality and coverage are not compromised by changing providers.

- **Implement procurement technology or business process outsourcing** to centralize control of procurement of services and devices. Almost three quarters, or 74% of our respondents cited the challenges they faced in asset management and inventory tracking. An employee self-serve portal for placing orders and requesting changes and accessories can help. Address policy compliance at the point of purchase. Then, make sure inventory is updated automatically when the carrier fulfills an order. Also look for reconciliation of the inventory with HR data to ensure devices are retired as employees leave the enterprise.

- **Aggregate all telecom expenses** with an invoice-processing system in the next 12 months through business process outsourcing, hosted, or licensed software Move away from manual management methods and look to business process outsourcing and technology. Look for solutions that can help with invoice aggregation, audit optimization, payment, and spend analytics.

Industry Average Steps to Success

- Industry Average performers should **review all of the items listed for laggards to ensure they have these elements in place.** Next they should proceed with the items listed below.

- **Migrate from employee liable to corporate liable contracts.** The blurring between personal and corporate control is a problem that must be addressed by 44% of our benchmark that have contracts in their employee's names. Corporate liable contracts help enterprises get better visibility into spending and more leverage through aggregating spending when sourcing contracts.

- **Gain access to expertise**. Two of the challenges cited in our survey were lack of expertise, sited by 32% of our respondents and lack of resources to address wireless mobility, sited by 29%. If you do not have the internal expertise look to hire people or bring suppliers that have deep expertise in managing wireless inventory, costs, and sourcing projects.

- **Budget for extra costs.** Operational costs to support lifecycle management are likely to dramatically exceed costs for service plans, mobile devices and software applications. On average, **the cost to support wireless services and devices are 10 times greater than wireline services.** Enterprises should plan for sufficient personnel and budget to support their mobility needs and device lifecycle management.

Best in Class Next Steps

- **Pursue the contract modes that work best for your company.** Our survey found that most enterprises opt for individual plans. Pooled plans are a better approach for most business users. If you can save money by using a flat-rate, per-minute contract, look to implement this with your carrier. In Aberdeen's Total Telecom Cost Management: The Cost of Not Acting, report, enterprises reported gains of 24%-45% through leveraging suppliers' that regularly negotiate with carriers.
- **Look at technologies you have yet to adopt,** especially online RFx and reverse auctions to help get better rates and terms and conditions. The savings from optimizing the plan or moving to a cost per minute plan range from 10%-45% through sourcing and optimization. 45% of our respondents tell us that employees are forfeiting a portion of their minutes or paying for penalties for exceeding their allocated minutes each month. Also, consider business process outsourcing or software to ensure billing is reconciled with the service plans.
- **Evaluate unlimited data plans.** Most enterprises are using unlimited data plans for users who do not come close to consuming enough data to merit the added cost of these plans. Not all carriers readily provide information about consumption of data when the user is in an unlimited plan. Manually managing the analysis of plans and migration to more appropriate plans for thousands of users can be a very large undertaking. Many enterprises find working with a supplier that can manage this process and validate that the changes have been made helps them to achieve results faster and the savings from getting a new program implemented faster pays for the program.
- **Make sure everyone has the hard facts about wireless.** Move toward a comprehensive picture, including devices. Track and report on key KPIs so that management has visibility into the results of wireless cost management initiatives.

Conclusion

Establishing organizational support for wireless mobility is critical to future success. Find and empower the "owner" of wireless mobility management. Make sure the person who has this responsibility gets the tools, budget, and management support to succeed. With the widespread adoption of smartphones operational support costs for wireless mobility are sure to rise. Be sure to budget ten times more for wireless support compared to wireline in terms of people and technology to manage the program.

Moving an organization from a decentralized, uncontrolled approach to centralized control can be fraught with political challenges. Some managers may choose to centralize wireless cost management all at once. But most will find that an incremental path is more effective. Standardization to new devices and policies can be phased in gradually, as existing contracts expire. This approach will enable change of carriers without incurring early termination penalties. It will also give employees time to adjust to the new policies and limitations on choices for devices, carriers, and service plans.

> *"Start small to touch the benefits and keep building in blocks. Don't rush, good cooking takes time".*
> – IT Strategy and Planning Manager
> Tobacco Producer

Finally, recognize that wireless mobility is a moving target with rapid change. Learn more about how carriers price their products and services and stay informed about the latest applications and devices. Enterprises need to allow for a small pilot group that tests the latest technology to ensure that you do not fall behind. Standardization and reduction of the range of choices is critical to achieving Best in Class performance.

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Author Profile

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Joe Basili is a research director for Aberdeen Group and an 8 + year veteran of telecommunications and IT asset management. As research director, Joe has written a number of benchmark reports drawing on Aberdeen's fact based approach for network management, telecommunications IT asset management, Contract Labor, and Electronic Invoice Presentment and Payment (EIPP).

Experience

Drawing on a career that includes work in marketing, sales, operations, and management, in four entirely different industries, Joe's customer research puts content in context with market insights and explanations of the data. His recent experience includes Business Process Outsourcing (BPO), professional service consulting, SaaS hosted and licensed software, invoice management, billing and e-media, SAS 70 Type II processes, Sarbanes-Oxley compliance, and payment automation.

Education

Joe holds a B.A. with a double major in Economics and Political Science from Vanderbilt University. He continues his education with an active interest in technology's application to business problems.

Appendix A: Research Methodology

From October to December 2006, Aberdeen Group surveyed wireless mobility procedures, experiences, and intentions of more than 130 organizations in 27 different industries from financial services, high-tech, industrial products, and other industries.

Respondents completed an online survey that included questions designed to determine:

- The structure and effectiveness of existing wireless mobility procedures
- The challenges of a mobile workforce and wireless mobility for enterprises
- Benchmarks for costs, technology and processes that separate Best in Class from their peers.

Aberdeen supplemented this online survey effort with follow up interviews with survey respondents, gathering additional information on wireless mobility management strategies, experiences, and results.

Responding enterprises included the following:

- ***Job title/function***: The research sample included respondents with the following job titles: CEO, COO, President, CIO, vice president (21%); director, manager (59%); staff member, engineer or consultant (15%).
- ***Industry***: The research sample included respondents from aerospace, automotive, industrial manufacturing or defense manufacturers representing 10% of the sample, high-tech manufacturers including computers, peripherals, software and telecommunications equipment which accounted for 25% of respondents, finance, education, utilities and public sectors representing 17% of respondents. Telecommunications service providers represented 34% of the sample and were the largest single industry represented. Other sectors responding included medical equipment, hospitality, mining, chemicals, apparel, consumer goods, construction/engineering, and retail and distribution.
- ***Geography***: 77% of study respondents were from North America, 15% from Europe and 4% from the Asia-Pacific region. 4% were from South America, the Middle East or Africa.
- ***Company size***: 58% of respondents were from large organizations (annual revenues above US$1 billion); 26% were from mid-market organizations (annual revenues between $50 million and $1 billion); and 16% of respondents were from small organizations (annual revenues of $50 million or less).

Solution providers recognized as sponsors of this report were solicited after the fact and had no substantive influence on the direction of the *Latency Matters: The Real Cost of Wireless Mobility*. Their sponsorship has made it possible for Aberdeen Group to make these findings available to readers at no charge.

Table 6 – PACE Framework

PACE Key
Aberdeen applies a methodology to benchmark research that evaluates the business pressures, actions, capabilities, and enablers (PACE) that indicate corporate behavior in specific business processes. These terms are defined as follows: *Pressures* — external forces that impact an organization's market position, competitiveness, or business operations (e.g., economic, political and regulatory, technology, changing customer preferences, competitive) *Actions* — the strategic approaches that an organization takes in response to industry pressures (e.g., align the corporate business model to leverage industry opportunities, such as product/service strategy, target markets, financial strategy, go-to-market, and sales strategy) *Capabilities* — the business process competencies required to execute corporate strategy (e.g., skilled people, brand, market positioning, viable products/services, ecosystem partners, financing) *Enablers* — the key functionality of technology solutions required to support the organization's enabling business practices (e.g., development platform, applications, network connectivity, user interface, training and support, partner interfaces, data cleansing, and management)

Source: Aberdeen Group, January 2007

Table 7 – Relationship between PACE and Competitive Framework

PACE and Competitive Framework How They Interact
Aberdeen research indicates that companies that identify the most impactful pressures and take the most transformational and effective actions are most likely to achieve superior performance. The level of competitive performance that a company achieves is strongly determined by the PACE choices that they make and how well they execute.

Source: Aberdeen Group, January 2007

Table 8 – Competitive Framework

Competitive Framework Key
The Aberdeen Competitive Framework defines enterprises as falling into one of the three following levels of practices and performance: *Laggards (30%)* — practices that are significantly behind the average of the industry, and result in below average performance *Industry norm (50%)* — practices that represent the average or norm, and result in average industry performance. *Best in Class (20%)* — practices that are the best currently being employed and significantly superior to the industry norm, and result in the top industry performance.

Source: Aberdeen Group, January 2007

Appendix B:
Related Aberdeen Research & Tools

Related Aberdeen research that forms a companion or reference to this report include:

- *Wireless Mobility Management, A Buyers Guide,* (December 2006)
- Total Telecom Cost Management: The Cost of Not Acting, (November 2006)
- *Verizon Business Opens eBonding Portal with Total Telecom Cost Management Suppliers Market Alert,* (October 2006)
- *The Total Telecom Cost Management Solution Selection Report,* (September 2006)
- *Total Telecom Cost Management: Savings Are Just Part of the Picture* (September 2006)
- *The Challenge in Total Telecom Cost Management,* (June 2006)
- *The Wireless Costs and Performance Benchmark Report* (March 2006)
- Aberdeen's 2007 Communications Research Agenda

Information on these and any other Aberdeen Communications channel publications can be found at http://www.aberdeen.com/channel/comm.asp.

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