

Time for mobility to make money

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Despite the commonly held belief that corporates will not roll out any new technology without a strong return on investment (ROI) business case, that idea is changing. As far as mobility solutions are concerned, ROI is no longer important according to corporates. This is not necessarily a conscious decision, but is rather one that has developed as part of the nature of mobility solutions themselves.

Affiniti is a communications reseller and integrator that was created through the amalgamation of Omnetica, Kingston Communications' Business Services and Technica in April 2005. In November last year Omnetica released research that showed not only did corporates not always calculate an ROI for mobility solutions, but that 60 per cent had no plans to do so. Additionally, only 17 per cent planned to carry out an ROI mobility evaluation of their existing solutions over the next year, with just 24 per cent claiming to have already done so.

Alex Black, strategy director at communications integrator, Affiniti, commented: "If you're going to get the best ROI from technology, you need to understand what you want from the technology before you install it. How can you apply technology to your business if you don't know before you deploy it what your business is trying to achieve with it?"

Black continues: "Mobile technology is a very powerful and easy to grasp concept. Gadgets mushroom within an organisation; With these gadget type deployments, there's a lot of technology out there that's not necessarily delivering what the organisation requires as there were no clear aims outlined before the project was embarked upon. One of the things you find, particularly with mobility, is that it starts out from the CEO."

He explains that at one well known household name company, the CEO went to a conference, saw a Blackberry and then ordered his IT department to furnish the company's senior executives with the devices.

"I know a number of organisations that have bought Blackberry's from that kind of reaction," Black states. "Another organisation had a need for better mobility for its staff. It started out investigating a strategy, bought in some mobile devices and technologies, the Blackberry captured people and before it knew it, the company had 500 of them.

But the Blackberry wasn't necessarily taking the business down the route it wanted to go down; another device would have been more suitable, such as a PDA with GPRS that would enable people to run applications that change the nature of the business."

Neil Rickard, research vice president for enterprise networking at Gartner, says that mobility is an area where devices can get into an organisation en masse without an ROI being shown. "The CEO bringing in a technology that then filters down through the organisation is an ever present danger. I'd be generally supportive of the view that ROI is rarely done for mobility solutions. There are lots of companies that don't use ROI for mobility. One example is the Blackberry; these devices creep into the organisation often with no ROI."

Roger Jones, business development director at Avaya, agrees. He says devices sneak into an organisation because of their small size and the gadget fascination they tend to hold over execs: "It's the typical boys toys type of technology. We're certainly seeing that attitude amongst some of our customers, especially the larger ones. If a mobility solution is proposed from outside the IT department, you assume that someone has put together a business case for it, as who is the network manager to say 'Sorry Mr CEO, but I don't see the business case for this device'?"

Yet Jason Standerwick, managing director of the central region at converged solutions reseller, Azzurri, adds: "The core problem is IT directors and managers don't understand their current estate and what it's costing them. To build a mobility or voice strategy, you first have to understand the business' existing costs."

A network manager must present to the board exactly what the current costs of the business are, then dig deep into the business area that is presenting a case for a mobility solution so an understanding of the problem or need can be shown, Standerwick says. He adds the manager must then be able to state a comparison between current and future costs if a particular mobility solution is chosen.

Rickard recommends that network managers putting an ROI case for a mobility solution to the board first engage with the business managers they're working with, finding out what matters to them and then working together on the business case. He says that process should be done internally, for a tighter understanding of the business. However, if the network manager does not have the time to do that, outsourcing of operational tasks should be considered so the network manager's time is free to do it. If that is not possible, a consultancy firm should be bought in to build the business case, but that is a last resort.

ROI should be used by IT departments and network managers to polish the process of understanding the business, so the board can be approached not only with a compelling ROI argument, but also with a strong business case. Black explains: "ROI is a mechanism or process to find out what you want to change. The process of developing an ROI makes you sit down and think about what you want to achieve. ROI isn't what you should be getting hung up on; what you're trying to change is the important area."

Yet the network manager that has to propose an ROI business case to the board should be aware that what they say may be taken with a pinch of salt, simply because they have the label 'techie', Jones warns. "An IT guy should use the ROI to help push the technology, as some people might not understand the technology and may see it being pushed simply for technology's sake, as the proposition is coming from the technology department. The network manager has to understand the user requirements for a mobility solution and get that across in the ROI business case."

However, despite all this, Rickard states that mobility, traditionally operating through a decentralised purchasing policy, is becoming more centralised as corporates seek to get their spiralling mobility costs under control. "People are waking up," Rickard says. "They are realising it's not just the CEO spending a few pounds on a phone; if taken in aggregate across the whole organisation, it's a huge expense. We're seeing a big drive towards centralisation; it's not there yet, but it's a trend."

Jones agrees. He states that Avaya's customers are starting to realise the costs of mobility devices out of control: "I'm out and about doing lots of discussions about mobility with customers, and there's lots of concern about the escalating costs of mobile phones. Customers are now very focused on ROI and mobility because of cell phone costs."