Give them a mobile – and

TO INCREASE REVENUES from the enterprise market, service providers need to show how their offerings make a company’s employees more efficient. More-efficient employees equal greater productivity – something enterprises are willing to pay for.

Rushing into mobile data, however, is not necessarily the right strategy. A step-by-step approach is better, expanding mobile and converged voice first, then adding advanced services.

The first step is to reach for the “low-hanging fruit” by expanding mobile voice connectivity to a greater proportion of the workforce. Today, almost half of all employees use a mobile phone for work, but most of them pay for work calls themselves. Imagine how many more employees would use mobile voice services if their employers paid.

Our studies have proved that when the employer pays, the number of minutes spent on work calls increases significantly, resulting in an immediate increase in productivity. Yet personal calls do not rise significantly, so enterprises need not be overly worried about abuse and the subsequent cost implications.

Service providers need to help enterprises realize that targeted voice solutions result in productivity gains that significantly outweigh the incremental cost of the solutions. If service providers can make it attractive for enterprises to offer mobile or converged fixed-mobile voice to more employees, a culture of mobile availability will grow, increasing overall company productivity.

As a second step, once employees are accustomed to mobile and converged voice, service providers can help enterprises improve their competitive edge by adding more-advanced communication services. Services such as mobile internet access, mobile data, and live video, however, are not right for everyone. Service providers need to segment the market carefully and target the right kinds of

Do you believe companies increase costs by giving employees mobile work phones? Some people assert that private calls made at corporate expense cause companies to lose money. Such opinions need further investigation. Renis Rahn, head of the Enterprise Insight Program at Ericsson Consumer & Enterprise Lab, explains there is money to be made in the unmet needs of employees.

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enterprises and occupations – those where the benefit will exceed the cost.

The enterprise market contains numerous lucrative opportunities for service providers. The key is to understand employee needs, develop services that make them more productive, and prove the benefits to enterprise decision makers.

The best way to approach this task is to form true partnerships with enterprise customers, and work jointly to define mutually beneficial service packages based on real employee behaviors and that address unmet needs.

The solutions they develop together should recognize that end user requirements can vary. While a young, mobile salesperson might love tapping at a mobile device screen with a slender pen, a 60-year-old nurse might find it offensive to the patient, difficult to type on, and impossible to read. Solutions need to consider employees’ varying levels of technology readiness, as well as the diverse requirements generated by each employee, given their gender, age, and job characteristics.

Needs of the enterprise market
Ericsson Consumer and Enterprise Lab has collected a wealth of research from many sources, looking all the factors company decision-makers take into account when selecting new communication solutions. All these highlight the complexity of the decision-making process for communication solutions, but generally show that a group, rather than an individual, is responsible for deciding on new communications solutions.

Other factors in the decision-making process depend on the individual make-up of the company, but can include:

- Size: whether there are separate IT and telecoms functions or different departments in charge of fixed and wireless devices;

When your workforce is mobile and not chained to the office, they will probably give you a pleasant surprise.

they will get more work done
Who drives technology uptake: end users themselves, or senior executives who are pioneers or early adopters and push adoption from the top down;

Security: whether there is a secure private network, or whether employees use the public internet for everything from e-mail and instant messaging to internet voice calls;

Existing level of use across the company: for example whether employees are required to use tools such as electronic calendars, or still rely on phone calls to set up appointments.

Furthermore, most companies around the world are small (1–20 employees), although in some markets just a few large companies have half the workforce. An understanding of the varying needs of different-sized companies is therefore essential when tackling the enterprise market.

Almost all companies however have the common goals of keeping company and customer information secure, ensuring their investments are future-proof, and finding solutions that are easy to integrate with legacy equipment and are easy to use. Overall, the aim is to make employees and business processes more efficient to improve the bottom line.

While much is said about making sure solutions give a return on investment within 12 months, research shows the real concern is whether the solution provider can be trusted – trusted to provide the solution on time, on budget and in a usable form.

Good enterprise solutions address the particular needs and concerns of the targeted company, and provide clear, relevant benefits.

Service providers need to adapt their message from today’s often confusing tech-driven approach to one that tells customers of the benefits to their companies and employees.

Rather than trying to sell technology with slogans such as “Buy mobile broadband! Only EUR 99 per employee per month,” service providers should consider an approach that identifies employee inefficiencies and unmet needs, and provides a solution.

For instance, service providers should appeal to efficiency needs with slogans such as: “Decrease travel costs for supervising your field-service staff by giving them live remote advice while in the field. Our live-advice mobile video-call solution will help you save money and reduce employee stress.”

The benefits in savings and reduced employee stress are immediately evident. Service providers can provide technical information when they know potential customers are interested in the solution.

Enterprise segmentation
While consumers have been keen to take on and adapt new technologies to improve their personal and working environments, enterprises have not been as quick to act.

Research shows there is a significant hurdle to overcome to get the mass market of companies on board. Most are not convinced of the benefits and still ask: “What’s in it for me?” Only a few companies have been visionary enough to trial new solutions, without existing proof of success. Most of them wait and see how it works for others in their industry.

Adoption is based on company decision-maker attitudes to technology, as well as on the needs of the company, the industry, the geographic area, the number of employees and so on.

Service providers must segment the enterprise market in a way relevant to their chosen strategies, considering:

- Which specific industries they wish to focus on, the specific needs of those industries and what to develop for a portfolio to cover those needs;
- Whether to focus on a particular size of company (SOHO, SME, large corporations), then identifying the characteristics and requirements of that size category, where do they get their advice, who they trust and their special concerns;
- Occupational focus within the enterprise group, for instance mobile senior managers versus nurses on the move. The portfolio of

Ericsson’s 10 work groups, based on mobility and usage of communication tools and services
services will then transpire from those specific needs.
Service providers could also adopt "needs-based" segmentation, such as companies that can benefit from mobile e-mail, those that need high-speed fixed broadband or enterprises that can utilize mobile collaboration services.

Needs-based segmentation will cross industry types and company sizes, so the solution could require different marketing strategies, with advertising approaches, distribution strategies and even devices that address the needs of specific customer groups.

For example, solutions for SOHOs that have only a few potential users per company may be best advertised in consumer media and available from retail stores. Training and maintenance would have to come directly from the service provider, either online or through service provider stores, because the SOHO generally does not have an IT manager. For simplicity, the solution could be linked in a deal to other fixed and mobile services.

Tailoring solutions for global use

On the other hand, a remote collaboration service for a large enterprise could be introduced through a global system integrator, executed through different service providers in different operational geographies. Employees might be able to use the service on the mobile phone, the laptop, and the fixed-line desktop phone at work. Some employees might use it for document collaboration and others for showing machine parts, depending on occupation.

quote

» Importantly, the perceived minutes of personal calls does not seem to increase when the employer pays the bill. «

The way the solution is advertised, and the device itself, should be tailored to each targeted industry and occupation. A utility worker, for instance, who wants live video collaboration to get a supervisor's help in locating a part on a machine needs a small rugged device with built-in camera, hands-free functionality and good sound qualities.

Conversely, mobile consultants might want remote collaboration to be primarily on the laptop, so they can see text documents on screen, conduct instant-messaging sessions with groups of colleagues, have a large keyboard, and use wireless headsets to keep out background noise.

Service providers must consider a needs-based approach for targeting company decision-makers. By knowing what is important and relevant to the decision-makers, service providers can find clues to the offerings that companies will be interested in paying for.

Ericsson's 10 Work Groups is a "bottom-up" framework which has been developed from extensive surveys over the past two years to determine how and where people communicate at work.

The 10 Work Groups contains clusters of occupations with similar patterns of mobility and use of communication devices and services. Based on the indices of mobility and tool usage, the following picture emerges:

For each of these groups, the average age, gender, educational level, interest in technology, details of actual usage of fixed and mobile phones, the internet, e-mail, and so on, and the interest in potential new services, has been established.

Technology adoption profiles

Not all employees are early adopters of mobile tools and services. Just because an employee is a senior manager/knowledge worker, or a tech employee, it does not mean he loves new technology. It only means that, on average, people in these groups are using more types of mobile tools and services today.

Within each work group, some employees have a more pioneering spirit, some are followers, and some actively resist learning to use new devices and services.

Obviously, service providers and enterprises need to use different arguments to motivate uptake by the different types of employees within each work group. Only some senior
managers/knowledge workers will respond to communication triggers based on new, advanced services. The “sociables” in this work group will react better to triggers that make their everyday work life easier and more convenient; the materialists are triggered by fun and spontaneity; and the traditionalists are looking for ease of use.

Industry mapping
The same global consumer data can be used to map industries, based on the average mobility of employees, and types of communication tools and services they use.

This image clearly identifies which industries have a high degree of mobility but a lower IT maturity in terms of types of communication tools and services used. For example, both the transportation and the construction industries have a high degree of employee mobility, yet little usage of internet access or e-mail for work. Employees are generally not as likely to be early adopters and companies are often small, meaning there are few IT resources to manage new tools and services.

These types of characteristics must be considered by providers attempting to form solutions for this market.

Effective segmentation of the market to identify unmet needs must also take into account the volume of communication being undertaken, and how that can be best addressed. It must also be taken into account that most work-related mobile communication is conducted on personal rather than employer-provided phones.

In-depth ethnographic research in Italy, China and the US conducted in mid-2004 has provided a clearer picture of the needs of working people. Particular emphasis was placed on the biggest challenges and unmet needs of users as a way of identifying opportunities.

The research looked closely at working people from the most mobile groups – senior managers/knowledge workers, field sales, field service, public safety, mobile institutional and super-mobile blue collars – focused on people’s work locations, work tasks, type of information used, type of communication tools used, mobility (including work-in-motion) and company support.

Despite the obvious efficiency benefits of providing staff with mobile tools, it is rare that non-management staff have mobile tools provided and paid for by the company. The most likely group to have employer-paid tools is mobile senior managers and knowledge workers, but the rate is just 20 percent on a global level. The only other work groups with some financial support from employers are tech employees (mobile IT managers, technical control and services staff), field sales and field service (including public safety groups such as police and firemen).

Mostly for senior management
While 96 percent of companies pay for at least some employee mobile phones, it is essentially senior managers who receive them. Despite research showing mobile tools increase productivity and efficiency, employers continue to believe that the disadvantages outweigh the advantages. Importantly, the perceived minutes of personal calls does not seem to increase when the employer pays the bill; there is no evidence to support the belief of some employers that staff will abuse company-paid services.

As mentioned, it is often the end user that drives mobile-service uptake within the company, or adopts mobile tools themselves in environments where the company does not provide or pay for them.

Service providers must market their solutions not only to company decision-makers, but also to the individual workers.

Operators should focus on the specific segment of heavy business users, because they are the future in terms of mobile data use. They are more likely to be at least partially financed by the employer. Our research shows that 40 percent say they have a lot of travel time in their work. That means they are among the most mobile groups in society. Fifty-five percent say they often need to share ideas with people who work in different physical locations; 40 percent say, “For my work I am ‘out and about’ a lot, and often feel I have a backlog of things to do when I get back to my workplace.” This indicates that they are receptive to targeted mobile-data offerings.

What service providers can do
The service provider/vendor should be able to approach an enterprise with a portfolio of products and services that addresses all its needs, based on the mix of work groups and the business processes that can be improved with new communications services.

Service providers need to develop a clear strategy for where to focus, and stick to the strategy consistently, in order to build the desired brand image in the minds of the companies or employees it is targeting:

• Prove the business case for employee mobile phones

Who pays for mobile calls? Senior managers, tech, field sales and services.
As shown, when employers pay mobile-phone calling costs, employees use their phones more for work purposes without an increase in personal calls.

Service providers and vendors can establish trials in small companies to assess the impact on minutes of use and work done when employers pay for phones, and build reliable data to convince larger companies that the return on company mobile-phone use is worth the investment.

- Offer automatic separate billing of work and personal calls
  This is a key factor in easing decision-maker concerns about adding mobile phones to the set of communication tools provided to employees.
- Make business communication services available on personal phones and provide backup for data
  The current “installed base” among working people is the personal mobile phone – an important fact to consider when building a strategy to serve the enterprise market.

Having access to corporate phone numbers from personal mobile phones, being able to use corporate short codes or fully substitute the fixed phone with a converged fixed/mobile, are all in demand for certain work groups and company types. In addition, services such as push-to-talk, mobile instant messaging and push e-mail to the personal mobile phone are of interest.

Service providers should offer automatic backup of the personal phone, so that individuals do not have to fear losing their phone directories, e-mails, text messages, calendars and so on.

Alternatively, once higher data speeds are in place, service providers could offer to host company directories, e-mail, and calendars, so that employees access these virtually from their mobile phones and nothing is actually stored on the personal device. For this to be acceptable to employees, there must be no latency and the service must always be available.

Having defined the service offering, it is essential to market the value proposition together with the mobile phones, both directly to the company decision-makers and to those business users who choose and pay for their own services and devices. More than 20 percent of business users are likely to get a new phone in the next 12 months. Operators should utilize such knowledge to make more specifically tailored strategies for different work groups and enterprise segments.

**Stats**

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**Source:** Ericsson Consumer and Enterprise Lab 2004 data: Working population who use a mobile phone

Employees make more work related phone calls if paid by the employer but personal calls do not seem to increase.

**The Author**

Renis Marie Rahn is head of Ericsson’s Enterprise Insight Program within Consumer and Enterprise Lab. She designs and carries out primary research to help Ericsson and partners understand the communication patterns and unmet needs of employees and companies. This insight is used to advise Ericsson and its customers on how to develop better products and services for the enterprise market.