

Wireless Mobility Expense Optimization

June 2007

Executive Summary

Aberdeen Group found 73% of enterprises surveyed are implementing or have programs for wireless expense management. These programs address escalating spending with carriers and rising support costs for wireless mobility. The findings from this report are drawn from a survey of 221 organizations. Ninety percent of survey respondents plan for increases in use of smart devices. These devices allow workers to conduct business anywhere through wireless access to the corporate network, email, software applications, and sensitive corporate data stored on devices. Best-in-Class spend two times less to support their mobile workers compared to all others, despite the fact that they have 21% more devices. They do this, in part, by controlling the mix of smart devices and cell phones.

“Demand for wireless services and devices is increasing daily. We work with our vendors to maximize our savings, and continually adjust our policies to maintain security and control. The challenge is to maintain balance in terms of the need to control costs and providing employees with devices and services that improve their efficiency and productivity.”

~ Carrie Kiefer

Wireless Manager

URS Corporation

Best-in-Class Performance

Aberdeen used three key performance criteria to distinguish Best-in-Class from all other organizations. These include:

- Best-in-Class require **two times fewer FTEs** to manage device fulfillment and help desk support of mobile workers (normalized by number of mobile users) compared to Laggards.
- Best-in-Class spend on average **\$72.40** per user per month compared to **\$124.5** for all others.
- Best-in-Class proactively manage **97%** of their wireless expenses compared to **20%** for Laggards.

Competitive Maturity Assessment

Survey results show Best-in-Class performers shared several common characteristics:

- **Nearly three times more** Best-in-Class have a well documented policy for use of corporate wireless devices compared to Laggards.
- **Nearly four times as many** Best-in-Class have a tool for ongoing wireless plan optimization compared to Laggards.
- **Nearly four times as many** Best-in-Class have an E-procurement portal for wireless service order activity compared to Laggards.

Required Actions

In addition to the recommendations in chapter 3 of this report, organizations must:

- Secure executive support to address the issues of personal preferences for devices and carriers and true business needs.
- Plan for integrating cost management initiatives for wireless services and devices with wireline cost management.

Wireless refers to mobile or cellular telecommunications, for which part of the communications pathway includes transmission through radio links to land-based networks. Wireless communications products and services include cellular phones, smart devices, aircards for laptop wireless communications, and pagers.

Wireline refers to telecommunications services that use wired or landline service rather than radio links.

Wireline services are typically provided common carriers, such as Verizon, Qwest, AT&T, and Sprint. In the US market, acquisitions of BellSouth by AT&T, Verizon-MCI and Sprint-Nextel show how the worlds of wireless and wireline are starting to consolidate with providers that offer both services.

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Table of Contents

Executive Summary.....	1
Best-in-Class Performance.....	1
Competitive Maturity Assessment.....	1
Required Actions	1
Chapter One: Benchmarking the Best-in-Class	3
Making the case for a Wireless Cost Management.....	3
Corporate vs. Employee Liable Arrangements	4
Smart Device Inventory.....	5
Maturity Class Framework	5
Best-in-Class PACE Model.....	6
Chapter Two: Benchmarking Requirements for Success	8
Competitive Assessment.....	9
Organizational Capabilities and Technology Enablers	10
Chapter Three: Required Actions	12
Laggard Steps to Success.....	12
Industry Average Steps to Success.....	13
Best-in-Class Steps to Success.....	13
Featured Underwriters	15
Appendix A: Research Methodology.....	16
Appendix B: Related Aberdeen Research.....	19

Figures

Figure 1: Key Pressures Driving Wireless Cost Management.....	3
Figure 2: How Wireless Bills Are Received.....	4
Figure 3: Mix of Devices Is Changing.....	5
Figure 4: Best-in-Class Are Selective In Deploying Smart Devices	7
Figure 5: Devices Managed Per FTE	10

Tables

Table 1: Top Performance Earns “Best-in-Class” Status	6
Table 2: Best-in-Class PACE Framework.....	6
Table 3: Competitive Framework.....	9
Table 4: PACE Framework	17
Table 5: Maturity Framework.....	17
Table 6: Relationship between PACE and Competitive Framework.....	18

Chapter One: Benchmarking the Best-in-Class

Making the case for a Wireless Cost Management

As organizations face increasing competitive pressures, they must identify ways to reduce expenses. Uncontrolled wireless expenses, escalating operational costs for device fulfillment and bill processing, and pressures for costly support provide rich opportunities for enterprises to streamline inefficient processes and cut unnecessary costs (Figure I). Aberdeen's benchmark on *The Real Cost of Enterprise Wireless Mobility* found that it costs nearly 10 times more to manage wireless services and devices compared to wireline services and equipment.

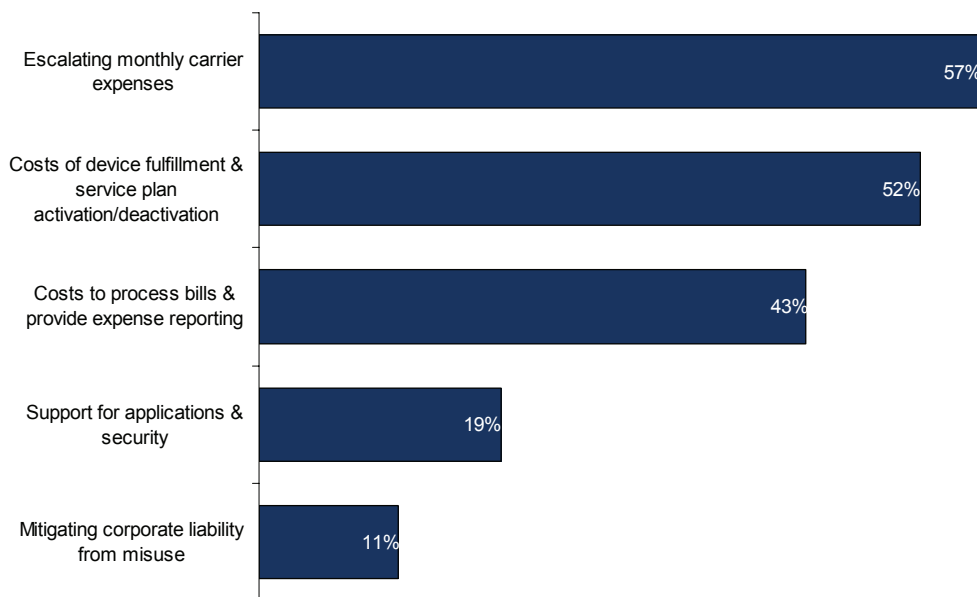
This study benchmarks strategies and technology and their impact on performance. Aberdeen Group analyzed data from 221 enterprises. The following metrics determine performance classification for Best-in-Class, Average, and Laggards:

- Decrease in actual wireless cost per minute
- Decrease in average expense incurred per wireless user
- Percentage of wireless expenses that are proactively managed in compliance with corporate policy.

Fast Facts

- ✓ Development and implementation of formal written policy is the top **strategic action** that Best-in-Class are taking to address challenges of wireless cost management.
- ✓ Best-in-Class organizations are proactively managing 97% of their wireless expenses.
- ✓ Ninety percent of organizations surveyed expect number of smart devices to increase.

Figure I: Key Pressures Driving Wireless Cost Management



Source: Aberdeen Group, June 2007

*Respondents were asked to select top two choices for this question.

Enterprises in the survey identified two top strategic actions that they take to address these pressures. Fifty-eight percent of respondents indicated that development and implementation of a formal written policy for wireless mobility is a top strategy. The other area identified by 58% of respondents is building an inventory to identify all wireless devices that are paid for or subsidized by the company. Wireless devices, much like the personal computer, have strong consumer markets. Employees are used to having control when selecting devices, service providers, and plans for their personal use. Policy development addresses the issues that arise from the blurring of the boundaries between personal and business use. A formal written policy is critical to establishing limits to how many peak minutes and megabytes of data are used. A formal policy can help limit liability if cameras are used inappropriately or the device is used while driving.

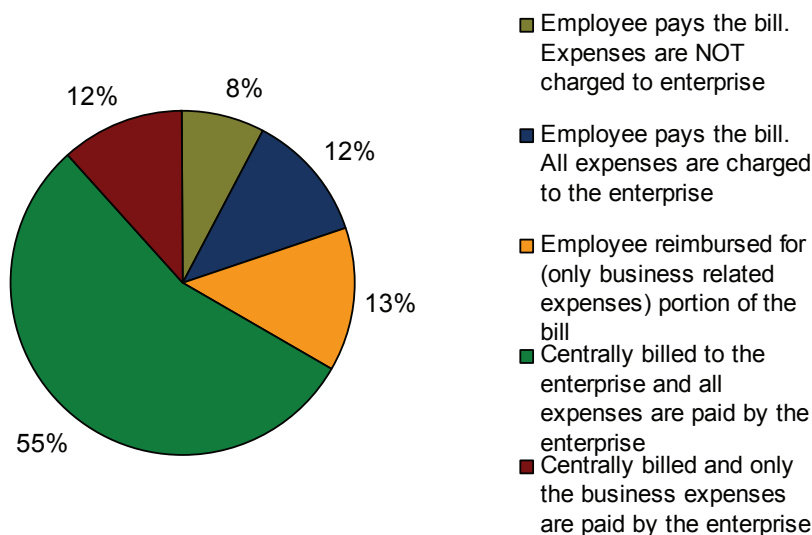
“It takes some real education and solid communications to get people off the personal issues.”

Infrastructure Services
Manager,
Medical Products Company

Corporate vs. Employee Liabile Arrangements

Corporate liable arrangements, in which device and service plan contracts are signed by the corporation, are the most popular approach reported in the survey. Fifty-five percent of respondents have invoices centrally billed and all expenses paid directly by the enterprise (Figure 2). Thirteen percent of the respondents indicate that bills are centrally received, and they only pay business charges. Corporate liable arrangements allow the enterprise to “keep” phone numbers associated with their business. In addition, when the corporation holds the contract, they are able to determine which carriers and service plans employees can use. Enterprises are able to aggregate the spending of individuals into a corporate plan for volume discounts. They also benefit from “free” calls when employees are using the same wireless carriers’ network.

Figure 2: How Wireless Bills Are Received



Source: Aberdeen Group, June 2007

Thirty-two percent of respondents have an employee liable plan where the employee signs the contract and is responsible or liable for the expenses. Twelve percent of respondents have employees charge back the expenses to their employer, and 12% of the respondents allow employees to charge just business calls.

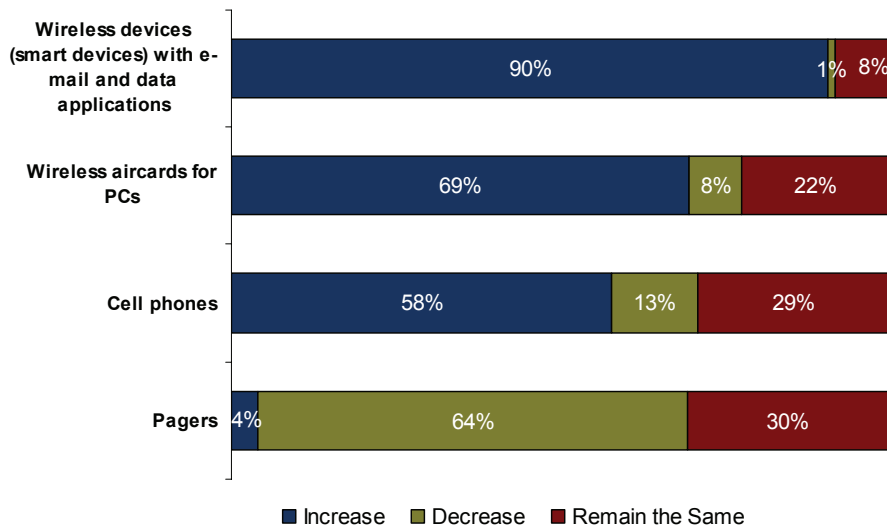
Smart Device Inventory

Organizations are adding smart devices and wireless aircards to their inventories (Figure 3). Smart devices require more sophisticated support to train employees on how to use the devices, assistance with applications, and security for sensitive corporate data. On average, survey respondents indicate employees have three applications (e.g.: email, contacts, and calendar scheduling, CRM, and ERP) on their smart devices. Executives average 3.4 applications; Sales have 3.3 applications; Field service have 3.0 applications; and all other personnel average 2.7 applications. As the adoption of software applications rises, the costs to support smart devices rises as well.

Key Insights

- ✓ On average, Best-in-Class have three times more cell phones than smart devices.
- ✓ Industry Average and Laggard organizations have nearly two times more smart devices than cell phones.
- ✓ **Seventy-four percent** of Best-in-Class organizations have the ability to replace devices within one business day.

Figure 3: Mix of Devices Is Changing



Source: Aberdeen Group, June 2007

Maturity Class Framework

Enterprises in the survey plan to expand their adoption of wireless devices as indicated in Figure 3 above. The challenge is to balance efforts to control spending with demands of employees and imperatives to improve worker productivity. Three key performance criteria distinguish Best-in-Class companies from Average and Laggard organizations. These indicators are: (1) a decrease in actual wireless cost per minute; (2) a decrease in the average expense incurred per wireless user (3) percentage of wireless expenses that are proactively managed in compliance with corporate policy. Table I summarizes Aberdeen’s findings and defines Best-in-Class performance for this study.

“People have a hard time understanding the magnitude of our wireless spending. We see the impact because it used to be a tiny fraction of our overall costs. One of the best ways to reduce costs, is to drive more accountability through reporting to the individuals for what they are spending.”

~ Director of Information Technology for Midwest Municipal Government

Table 1: Top Performance Earns “Best-in-Class” Status

Definition of Maturity Class	Mean Class Performance
Best-in-Class: Top 20% of aggregate performance scorers	<ul style="list-style-type: none"> • 100% decreased actual wireless cost per minute • 100% decreased avg. expense incurred per wireless user • 97% of wireless expenses are proactively managed in compliance with corporate policy
Industry Average: Middle 50% of aggregate performance scorers	<ul style="list-style-type: none"> • 53% decreased actual wireless cost per minute • 21% decreased avg. expense incurred per wireless user • 73% of wireless expenses are proactively managed in compliance with corporate policy
Laggard: Bottom 30% of aggregate performance scorers	<ul style="list-style-type: none"> • 17% decreased actual wireless cost per minute • 0% decreased avg. expense incurred per wireless user • 20% of wireless expenses are proactively managed in compliance with corporate policy

Source: Aberdeen Group, June 2007

Best-in-Class PACE Model

Best-in-Class performance in Table I requires a combination of strategic actions, organizational capabilities, and enabling technologies summarized below.

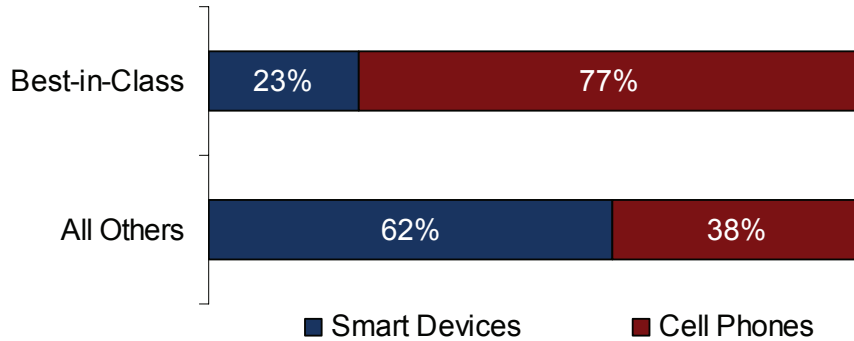
Table 2: Best-in-Class PACE Framework

Pressures	Actions	Capabilities	Enablers
<ul style="list-style-type: none"> ▪ Competition requiring cost management of wireless expenses with carriers and costs to manage devices 	<ul style="list-style-type: none"> ▪ Develop and implement formal written policy for wireless cost management ▪ Identify all wireless devices paid for or subsidized by the company ▪ Identify technologies to support wireless cost management ▪ Assign clear ownership of wireless budget 	<ul style="list-style-type: none"> ▪ Consistent process to determine employee eligibility, approve, and procure wireless devices and plans ▪ Well documented policy for corporate use of wireless devices ▪ Accurate up-to-date wireless device inventory ▪ Help desk to support end-users with ability to replace devices within one day ▪ Enterprise-wide consistent reporting of wireless costs 	<ul style="list-style-type: none"> ▪ E-procurement portal for wireless eligibility, device approval, fulfillment, service activation, and deactivation ▪ Invoice processing, allocation chargeback, and reporting ▪ Ongoing audit and plan optimization ▪ Exception reporting for spending that does not comply to corporate policy ▪ Tracking of voice and data minutes

Source: Aberdeen Group, June 2007

The actions of Best-in-Class performers in Table 2 show that these organizations control telecom spending and streamline operational costs to support the devices by leveraging technology. The technology enablers present a way to achieve capabilities that allow enterprises to control costs. Figure 4 shows that Best-in-Class enforce corporate policy that limits their deployment of smart devices.

Figure 4: Best-in-Class Are Selective In Deploying Smart Devices



Source: Aberdeen Group, June 2007

Aberdeen Insights – Strategy

Aberdeen found that Best-in-Class enterprises limit their deployment of smart devices. Best-in-Class organizations in the survey are 63% larger than all others and they have 21% more inventory of devices, yet they deploy 73% fewer smart devices. Eighty-seven percent of Best-in-Class report that they have a well documented policy for use of corporate wireless devices, and 91% report that they have a consistent approval process to determine employee eligibility for wireless services. The direct benefits of selectively deploying smart devices areas are twofold. First, Best-in-Class average monthly expense per user is \$72.40 vs. \$124.50 for all others. Second, Best-in-Class require nearly half the support personnel compared to all others for help desk applications, security and device support.

In the next chapter, we will see what the top performers are doing to achieve these gains.

Chapter Two: Benchmarking Requirements for Success

Wireless expense management solutions and their integration with business process management play a crucial role in the ability to save money.

Case Study: Consumer Products Company

Take the example of a consumer products company that is currently spending three times more on wireless services compared to wireline services. They have a large sales force and store delivery personnel that must coordinate store promotional activity and send updates to regional offices and headquarters on store sales for production planning and tracking of marketing promotional activity.

They centralized their telecom department about three years ago. "We started with matching bills to HR files to ensure that we were only paying for active employees. The initial savings from this area was significant and the savings from cost avoidance keep building over time. We have also driven users to a primary carrier. As we get more and more traffic on one single network, we benefit from free M2M [mobile-to-mobile] calls when calls are kept on our primary carriers' network," stated the manager of strategic planning for telecommunications.

The company also has most users in pooled plans. Organizations that have large numbers of wireless users benefit because those users who exceed their time limits are able to use the excess time of others in the pool. "We still need to track individual consumption to insure wireless users don't waste time, since they know they won't immediately get into any trouble. Strong policy enforcement has saved our company millions of dollars," states the strategic planning manager.

They continually run rate plan analysis programs and reduce the number of minutes for the pools or add more people into the pool to reduce the firm's wireless expenses. The corporate objective is to get within five percent of the plan allotment of minutes. Right now they are averaging within seven percent for the pools. If they cut it too close, there are penalties for going over the allotment. If there is too much time left at the end of the month, the actual cost per minute increases because they forfeit unused minutes.

"I want the platform to be able to provide me the information so I can have my team optimize the spending. We were with one cost management company provider that could not provide the information we needed. We switched about six months ago and now we are rolling the program out to Canada. [Wireless expense management] Software won't tell you what to do; it gives you the information to perform the analysis. We send the reports to managers to find out if their employee's work patterns have changed then we make the decision on what to do. Software gives you the ability to disconnect services and move devices to the appropriate pools as fast as possible every month. This is what we do to get the lowest actual wireless cost per minute and reduce our wireless expenses. The strategy of optimizing pooled minutes has saved us at least three and one-half million dollars over the last three years," adds the strategic manager.

Fast Facts

- √ **Three times** more Best-in-Class organizations have well documented policy for use of corporate wireless devices in place compared to Laggards.
- √ **Nearly four times** more Best-in-Class organizations have a tool for ongoing monthly wireless plan optimization compared to Laggards.
- √ **Two and one-half times more** Best-in-Class organizations have visibility into accurate up-to-date inventory of wireless devices compared to Laggards.

Competitive Assessment

Survey respondents fell into one of three categories – Laggard, Industry Average, or Best-in-Class. The Competitive Framework (Table 3) examines their characteristics in five categories: (1) process (consistency in determining employee eligibility and approval for wireless services); (2) organization (enterprise-wide reporting of wireless costs and spend aggregation); (3) knowledge (visibility into up-to-date inventory of wireless devices; ability to replace devices within one business day); (4) technology (selection of appropriate tools and deployment); and (5) performance management (cumulative tracking of voice and data minutes to allotment).

Table 3: Competitive Framework

	Laggards	Average	Best-in-Class
Process	Consistent approval process to determine eligibility for wireless services		
	49%	72%	91%
	Well documented policy for use of corporate wireless devices		
	29%	66%	87%
Organization	Enterprise-wide consistent reporting of wireless costs		
	27%	43%	52%
	Aggregate spending to get volume discounts from carriers		
	59%	69%	96%
Knowledge	Ability to replace devices within one business day for end-user productivity		
	24%	43%	74%
	Visibility into accurate up-to-date inventory of wireless devices		
	32%	53%	74%
Technology	Technology currently in use to manage wireless costs		
	<ul style="list-style-type: none"> • 17% E-procurement portal for wireless device fulfillment and service plan activation, deactivation • 39% Invoice processing, allocation chargeback and reporting • 37% Audit (reconcile wireless bills to contracts) • 17% Exception reporting for spending that does not comply to corporate policy • 20% Ongoing monthly wireless plan optimization 	<ul style="list-style-type: none"> • 36% E-procurement portal for wireless device fulfillment and service plan activation, deactivation • 69% Invoice processing, allocation chargeback and reporting • 55% Audit (reconcile wireless bills to contracts) • 45% Exception reporting for spending that does not comply to corporate policy • 62% Ongoing monthly wireless plan optimization 	<ul style="list-style-type: none"> • 65% E-procurement portal for wireless device fulfillment and service plan activation, deactivation • 83% Invoice processing, allocation chargeback and reporting • 70% Audit (reconcile wireless bills to contracts) • 78% Exception reporting for spending that does not comply to corporate policy • 74% Ongoing monthly wireless plan optimization

E-Procurement Portals

E-Procurement portals for wireless services provide a web interface where employees can order service plans and devices.

✓ Portals automate the process of determining whether employees are eligible for services and devices based their job function.

✓ Some portals allow enterprises to manage workflow with requests that managers must approve.

✓ Portals can provide milestone tracking to inform users when their request has been approved and when the device has been sent.

✓ Suppliers like Verizon and AT&T are allowing end users to use portals to place orders directly into their order system.

Customers should be aware that carriers may have incentive programs to reward new orders. The best way to avoid a conflict of interest is to ask your wireless cost management provider if they are receiving any fees and determine if your carrier is paying any fees.

Performance	Tracking of voice minutes used to plan allotment (near real-time e.g. daily)		
	20%	33%	43%
	Tracking of data minutes used to plan allotment (near real-time e.g. daily)		
	12%	33%	48%

Source: Aberdeen Group, June 2007

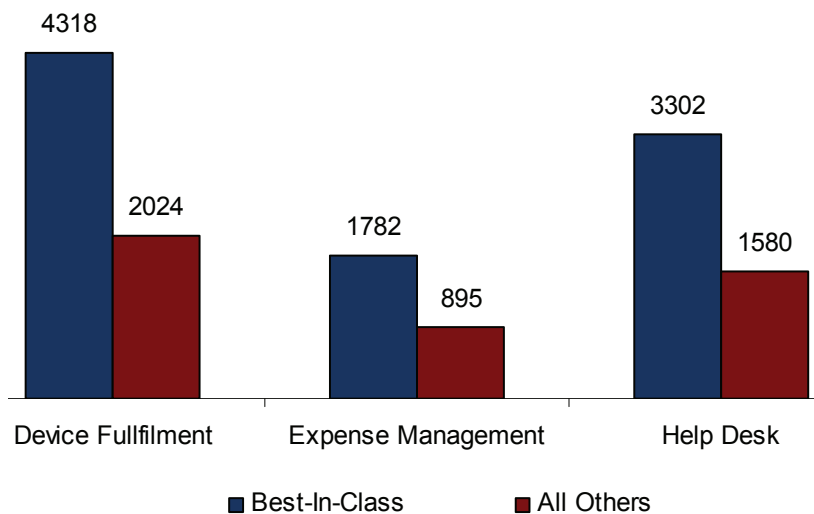
Organizational Capabilities and Technology Enablers

The essential ingredients of successfully deploying wireless expense management solutions include process, organization, knowledge management, technology enablers, and performance measures that come together to form a working solution to reduce wireless costs and the operational support costs to support the enterprises' program.

- Process**

Table 3 shows that three times more Best-in-Class have a well documented policy for use of corporate wireless devices compared to Laggards. A well documented policy is critical to limiting how devices are used and setting boundaries on end-users' demands for support. This strategy enabled Best-in-Class to use **two times fewer FTEs** (normalized by number of devices managed) for device fulfillment and help desk support (for devices, applications, and security) of mobile workers compared to Laggards. (Figure 5)

Figure 5: Devices Managed Per FTE



Source: Aberdeen Group, June 2007

- Organization**

Nearly two times more Best-in-Class organizations have policies for enterprise-wide consistent reporting of wireless costs in place compared to Laggards. This contributed to **100% of Best-in-Class organizations** reporting a decrease in average expense incurred per wireless user compared to **0% of Laggards**.

- **Knowledge**

Two and one-half times more Best-in-Class organizations have visibility into **accurate up-to-date inventory of wireless devices** compared to Laggards. Reconciliation of inventory, billing records and personnel files can be used to identify services that should be discontinued. This helps contribute to Best-in-Class organizations' performance. They spend nearly **two times less** on wireless expenses compared to all others even though Best-in-Class have annual revenues that are 64% higher than all others.

"Maintaining an accurate data base of devices with users and charge back numbers is one of the simplest methods for controlling costs.

~ Keith Sims
Telecom Chief
Tampa Electric

- **Technology**

Nearly four times more Best-in-Class organizations have a tool for ongoing wireless plan optimization compared to Laggards. Deployment of wireless plan optimization tools contributed to **six times more** Best-in-Class organizations reporting a decrease in actual wireless cost per minute compared to Laggards. In addition, nearly four times more Best-in-Class organizations have an E-procurement portal for wireless service order activity compared to Laggards. As a consequence, Best-in-Class organizations use **two times fewer FTEs** to manage device fulfillment (normalized by number of mobile users) compared to Laggards. (Figure 5)

- **Performance**

Two times more Best-in-Class organizations have capabilities for cumulative tracking of data minutes used to monthly plan allotment compared to all others. In addition, nearly two times more Best-in-Class organizations have capabilities for cumulative tracking of voice minutes used to monthly plan allotment compared to all others. As a result of these tracking capabilities, Best-in-Class organizations reported **eight times more** of a decrease in percentage of wireless devices that are over or under plan allotments compared to Laggards. This helps to explain why Best-in-Class organizations report that they spend **\$72.4 per wireless user per month** for wireless services **compared to \$124.5** for all others.

Aberdeen Insights – Technology

Optimizing wireless costs is difficult because organizations must implement solutions that can provide a personalized approach to procurement that will determine the best device, service plan and carrier for each users' job function and needs. Only 18% of survey respondents have negotiated contracts with their wireless providers that are billed based on a cost per minute plan. The overwhelming majority, 82% of respondents, have bucketed plans with fixed allotments or pooled plans of users with shared allotment of minutes. Enterprises must diligently strive to optimize users' plans each month. The increasing adoption of smart devices with software applications, sensitive data, and the complexity of devices create demand for help desk support. Organizations must carefully select solutions that will address these challenges.

Chapter Three: Required Actions

Whether a company is trying to move its performance from “Laggard to “Industry Average” to “Best-in-Class,” the following actions will help spur the necessary performance improvements.

Laggard Steps to Success

Taking control of wireless from end users who have had free reign for a long time can be challenging. Make sure your policies are well documented and clearly communicated.

- **Migrate from employee liable to corporate liable contracts.**

The blurring between personal and corporate control is a problem that must be addressed. Thirty-two percent of survey respondents do not have contracts in their employee’s names. Enterprises must migrate employees to corporate liable contracts. This will allow the organization to determine which devices, carriers, and services employees will use. Enterprise can aggregate employees’ expenses together with a carrier to gain volume discounts.

- **Develop a well documented policy to determine eligibility and establish a consistent approval process for wireless services.**

Three times more Best-in-Class organizations have a well documented policy for use of corporate devices compared to Laggards. Nearly half of Laggards report that they do not have a consistent process to determine eligibility for wireless services. Laggards must develop a well documented policy to set limits on employees’ expectations for wireless mobility based on job functions that can benefit from wireless services. They also need to look to E-procurement tools for policy enforcement.

- **Establish a program to perform monthly service plan optimization**

Laggards must deploy technology and work to optimize their expenses each month. If they do not have the internal resources, they should use the ROI from this service to hire a firm to do this work for them. Seventeen percent of Laggards were able to reduce their wireless cost per minute compared to 100% of Best-in-Class. A user or group of users in a shared pool that have too many minutes in their plan forfeits their unused minutes each month. Conversely, users that go over their allotment are subject to penalties that increase the actual cost per minute for voice services.

Fast Facts

- √ Nearly half of Laggards report that they do not have a consistent process to determine eligibility for wireless services.
- √ On average, workers have three applications (e.g. email, contacts, calendar scheduling, CRM, ERP) on their wireless devices.
- √ Companies can use email routing to have managers evaluate special requests that fail to meet the criteria established by managers.

“We have a lot of people that want to do their own things and do not want to follow what we have set up. Our procurement portal establishes controls on what people can do and it drives compliance for us”

~ Procurement Manager

Manufacturer Building Controls

- **Get an accurate up-to-date inventory of wireless devices.**

Laggards must create a comprehensive inventory of employees' wireless devices, carriers, and service plans. The inventory also needs to be tracked with personnel status, job function, usage, and costs. As employees leave the company, the enterprise must request that the carrier disconnect service and billing or reassign to new employees. This is one way that Best-in-Class organizations are able to spend nearly **two times less** on their wireless expenses compared to all others, even though they have 21% more devices.

Industry Average Steps to Success

- **Perform a cost/benefit analysis when deploying smart devices.**

Enterprises must conduct an internal assessment of their needs before investing in smart devices. Best-in-Class deploy 73% fewer smart devices, yet they have 21% more wireless devices compared to all others.

- **Adopt E-procurement tools to enforce wireless policy.**

Nearly one and one-half times as many Best-in-Class performers have E-procurement tools compared to Industry Average. E-procurement portals automate the process of determining employee eligibility for services and devices based on employee job function. Companies can use email routing to have managers evaluate special requests that fail to meet the policy criteria.

- **Ensure that the solution includes exception reporting**

Exception reporting provides access to usage information that managers can use to curb consumption of services. These reports also track variances with corporate policy for high usage and/or expenses. For example, exception reporting can provide managers with information to quickly identify spending that does not conform to the patterns of peers performing the same job function.

Best-in-Class Steps to Success

- **Establish enterprise-wide consistent reporting of wireless costs.**

On average, 34% of all survey respondents have enterprise-wide consistent reporting of wireless costs. Best-in-Class are marginally better with 52% having this capability. To improve accountability, Best-in-Class must aggregate all wireless spending and establish consistency in reporting of expenses. They should also institute reporting that provides a consolidated view of all wireline and wireless spending. This consolidated view will provide data needed to monitor adjustments. As more employees work in the field wireless service consumption may increase, but there may also be opportunities to reduce wireline services.

"The front line manager is the best expert to make the call of what and how much wireless service a user needs as well if time and dollars are being abused, (this really applies to all technology components). A field service individual driving daily across Texas needs more minutes than a user walking across the street in NYC.

VP Telecom Infrastructure
Services
Consumer Electronics
Company

"Wireless is an integral part of our communications program so the services should be bundled together. I get to leverage my volume from both services. We will have one account team, and one contract."

CIO
\$5 Billion + Engineering &
Manufacturing Company

- **Track monthly usage of voice and data minutes to the monthly plan allotment.**

Best-in-Class must implement technology to provide a proactive approach to inform users when they are close to using their plan allotments. Automated monitoring systems help prevent the harsh penalties for using more than the plan allotment. This capability allows organizations to optimize pooled minutes closer to the actual allotment.

Aberdeen Insights – Summary

Enterprises need to control spending with carriers and operational costs to support their wireless mobility program. Best-in-Class organizations have achieved significant gains reducing costs for each individual user and cost per minute. These organizations have been able to proactively manage a larger portion of their wireless expenses compared to Average and Laggards. Best-in-Class have enabled centralized business processes, management oversight, and technology enablers to get control of the full lifecycle from sourcing, procurement, invoice processing, audit, optimization, inventory management, to exception reporting. The key to this success is to take a collaborative, company-wide approach and ensure that the entire life cycle, of managing costs is carefully implemented to avoid leakage in the process that will raise costs.

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Appendix A: Research Methodology

In May 2007, Aberdeen Group examined the use of wireless expense management technologies and the experiences, and intentions of 221 enterprises in a diverse set of industries.

Responding organizations completed an online survey that included questions designed to determine the following:

- The degree to which wireless spend is managed in compliance with corporate policies;
- The structure and effectiveness of existing implementations of wireless expense management programs;
- Current and planned use of wireless expense management solutions to aid operational and promotional activities;
- The benefits, if any, that have been derived from wireless expense management initiatives.

Aberdeen supplemented this online survey effort with telephone interviews with select survey respondents, gathering additional information on wireless expense management strategies, experiences, and results.

The study aimed to identify emerging best practices for wireless expense management in the enterprise and provide a framework by which readers could assess their own management capabilities.

Responding enterprises included the following:

- **Job title/function:** The research sample included respondents with the following job titles: Manager (36%), VP or Director (24%), CIO or other C-level officer (12%); and staff members/consultants (28%).
- **Industry:** Finance/banking organizations represented 19% of the sample, followed high-tech companies, which accounted for 16% of respondents. Other sectors responding included healthcare, manufacturing, utilities, transportation/logistics, and public sector.
- **Geography:** 79% of respondents were from North America. An additional 12% were from Europe, Middle East and Africa and 6% from the Asia-Pacific region.
- **Company size:** About 44% of respondents were from large enterprises (annual revenues above \$1 billion); 34% were from midsize enterprises (annual revenues between \$50 million and \$1 billion); and 22% of respondents were from small businesses (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 this report. Their sponsorship has made it possible for Aberdeen Group to make these findings available to readers at no charge.

Table 4: PACE Framework

PACE Key
<p>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:</p> <p>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)</p> <p>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)</p> <p>Capabilities — the business process competencies required to execute corporate strategy (e.g., skilled people, brand, market positioning, viable products/services, ecosystem partners, financing)</p> <p>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)</p>

Source: Aberdeen Group, June 2007

Table 5: Maturity Framework

Maturity Framework Key
<p>The Aberdeen Maturity Framework defines enterprises as falling into one of the following three levels of practices and performance:</p> <p>Best in class (20%) — Wireless expense management practices that are the best currently being employed and significantly superior to the industry norm, and result in the top industry performance.</p> <p>Industry norm (50%) — Wireless expense management practices that represent the average or norm, and result in average industry performance.</p> <p>Laggards (30%) — Wireless expense management practices that are significantly behind the average of the industry, and result in below average performance</p> <p>In the following categories:</p> <p>Process — What is the scope of process standardization? What is the efficiency and effectiveness of this process?</p> <p>Organization — How is your company currently organized to manage and optimize this particular process?</p> <p>Knowledge — What visibility do you have into key data and intelligence required to manage this process?</p> <p>Technology — What level of automation have you used to support this process? How is this automation integrated and aligned?</p> <p>Performance — What do you measure? How frequently? What’s your actual performance?</p>

Source: Aberdeen Group, June 2007

**Table 6: 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, June 2007

Appendix B: Related Aberdeen Research

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

- The Real Cost of Enterprise Wireless Mobility, January 2007
- The CFO's View of Telecom Cost Management, March 2007
- The Conundrum of International Total Telecom Cost Management, April 2007
- Benchmarking the Enterprise Road Warrior, April 2007
- Total Telecom Cost Management: The Cost of Not Acting, November 2006
- Enterprise Mobile Adoption: A Corporate Conundrum, November 2006

Information on these and any other Aberdeen publications can be found at www.Aberdeen.com.

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