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Vodafone Global Enterprise

Global Mobility Outsourcing

Whitepaper

power to you

The bottom line:

By 2012, the number of mobile workers is expected to reach one billion worldwide (Source IDC, 2008). Mobility implementations, especially on a global level, are often composed of piecemeal solutions that have resulted in multiple carrier platforms and vendor relationships and costly duplications of effort. Device procurement and management, end-user support, security and business continuity must all be managed, but by whom and at what cost to the business.

Key concepts:

For all its complexity, enterprise mobility is a business process and therefore can be outsourced like any other. The benefits of outsourcing to an experienced partner can be huge for the global business. As well as reducing complexity, the enterprise benefits from access to critical skills, consistency and quality on a global scale and ultimately improved competitive advantage and cost savings.

Who should read:

CEOs, Senior Management, CIO and IT and Telecoms Heads,
Communication Consultants and Global/Regional Procurement Directors.

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The global market for managed mobility services is growing at a rate of 46% per annum compound and is expected to reach US\$ 884 million during 2011 (Source: IDC, 2008).

Executive Overview

Over the years the beneficial effects of Information and Communication Technology (ICT) on enterprise level companies have been a significant contributor to corporate success and growth.

With these benefits has come operational complexity, which is now at a level that is testing the capabilities of many organisations. In addition, the expansion of this complexity appears to be accelerating each year.

Modern electronic communications are a significant contributor to this complexity. The communications associated with a multinational enterprise's mobile workforce, where such communications have become a critical link in keeping in touch and doing business, can be especially complex. This development is combining with the introduction by multinational enterprises of more and more mobile workers at a rate that is staggering. By 2012, the number of mobile workers is expected to reach one billion worldwide (Source IDC, 2008).

The challenges

The level of complexity introduced by this operational transition is leading to uncontrolled costs and reduced efficiency. Despite this business imperative, a large proportion of multinational enterprises still regard mobility as a "local issue".

This typically results in a disparate set of service contracts, vendor relationships, processes, policies, mobile devices and costly duplications of effort.

In addition, there is often little attempt to implement a co-ordinating corporate purchasing policy, usage policy or support arrangements.

Having a well equipped, mobile workforce is critical to the success of many multinational enterprises and the benefits that a truly effective mobile workforce bring are being increasingly recognised. However, the associated complexity and cost must be brought under control for organisations to fully realise these benefits.

Individual needs and requirements

Each multinational enterprise will have a situation and a solution that is particular to its specific structure and usage of mobile devices and services. One option is for an enterprise to respond to the issue through its own internal staff, almost certainly using the existing IT and communications operations and support structures.

However, this approach carries with it a significant level of risk. This is due to the range and depth of skills required, the cost, availability and internal demand for scarce resources and well-founded senior management concerns with regard to security, access control and governance.

The alternative option is for a multinational enterprise to look to a specialist external provider with a demonstrable track record of success.

This approach is gaining in acceptance as the global market for managed mobility services is growing at a rate of 46% per annum compound and is expected to reach US\$ 884 million during 2011 (Source: IDC, 2008).

Solutions

The solutions on offer from providers will range from basic core communications and customer service through mobility solution tools and applications, mobility process management, professional services and potentially culminate in full mobility outsourcing.

Considering this range, one solution stands out as being particularly attractive given current economic conditions and the need to concentrate resources and expenditure on core business interests.

The solution also responds to the current need to minimise risk in all areas, especially when that risk involves potential cash outflow through capital rather than operational expenditure. This solution is mobility outsourcing.

Outsourcing will produce the most successful outcomes for those looking for multiple business benefits. Cost cutting, or any other single dimension measure on its own, may produce limited success, but the true benefits of outsourcing will not be realised.

Multinational enterprises should take a balanced view of the enhanced overall return on investment gained through the business drivers of reducing the risk of complexity, opening up access to critical skills, providing consistency and quality, enabling competitive advantage and giving the opportunity for cost savings.

Approach

When a multinational enterprise is considering an outsourcing solution, the best initial approach is to investigate working with an experienced supplier. Whichever solution provider is chosen, as a minimum, they must be able to:

- Satisfy the enterprise of their financial and corporate stability.
- Demonstrate that they have highly skilled people with good experience, extensive knowledge assets and a proven outsourcing methodology.
- Provide a full range of services and capabilities.
- Provide access to a dedicated team with expertise in mobility and an in-depth understanding of the latest products, technologies and innovations.
- Provide globally consistent services, support and account management.
- Provide a mobility outsourcing framework that includes, as a minimum, exploratory customer workshops, mobility user profiling and managed trials.

- Be of a stature that enables global influence with mobile operators if needed.
- Demonstrate how it will remove cost and complexity from the enterprise's operations.
- Be able to provide opportunities for cost savings via global procurement.
- Provide a future development roadmap of ICT.
- Understand the customer's business needs and current use of technology.
- Offer Global Service Level Agreements.

Whatever mobility solution is adopted, the enterprise must always keep in mind that mutual collaboration and strategic engagement with the solution provider will be key to the success of the relationship.

The cornerstones of the relationship must be open, honest and direct communications between all levels of the organisations at national, international and executive levels.

The remainder of this paper examines the situation described above in more detail.

Situation Analysis

Running an enterprise today without capabilities such as Broadband access to the Internet, smart mobile devices such as the BlackBerry® and mobile email would be challenging.

These pillars of modern business have only been available in a usable form for some 10 years or less. This pace of corporate acceptance of modern technology continues and the rate of change is increasing.

In most situations the gain of a business benefit tends to carry with it the potential for side effects, and ICT is no exception to this rule.

Without doubt, the most significant side effect of the use of ICT is complexity, which is now at a level that is testing the capabilities of many organisations.

In addition, the expansion of this complexity appears to be accelerating each year.

The communications associated with a multinational enterprise's mobile workforce, where such communications have become a critical link in keeping in touch and doing business, can be especially complex.

Linking locations, people and customers remains a fundamental means of improving business flow and ultimately increasing productivity.

Market Situation

The identification of mobile communications as a primary cause of operational complexity is driven by two interconnected factors:

1. The technology associated with mobility is becoming increasingly embedded across multinational enterprises and has introduced a step change in the potential level of complexity that could emerge within the operations of a company.

This potential is now becoming reality and many multinational enterprises are ill prepared to respond to the level of operational and technical complexity being introduced. Some enterprises are also ill prepared for the increase in the usage of smart mobile devices, which are taking over from standard mobile phones.

2. Enterprises are introducing more and more mobile workers at a rate that, at a global level, is staggering.

This increase in mobile workers is possibly one of the most significant shifts in working practice for decades. In 2006 it is estimated that there were some 750 million mobile workers in the world. Before 2012, this number is expected to reach one billion or some 30% of the total workforce (Source IDC, 2008).

The combined operational and cost effect of these two drivers on a multinational enterprise is both dramatic and often not completely apparent to the central senior management team.

The Business Imperative

There is little doubt that mobile working can help multinational enterprises to increase their productivity, retain their key workers, decrease absenteeism, and, most importantly, increase profits for the companies by keeping costs down.

Multinational enterprises therefore need mobile technology to support their increasing number of mobile workers and enable the associated business benefits.

Despite this enterprise-wide business imperative, a very large proportion of multinational enterprises still regard mobility as a "local issue".

Purchasing and staff deployment decisions are typically taken at a local level with countries, regional offices, or even departments, working independently, even when constrained by corporate guidelines and standards.

This typically results in a disparate set of mobile phones, mobile smart devices, laptops with mobile connectivity, service providers and service contracts.

In addition, there is often little attempt to implement a co-ordinating corporate purchasing policy, usage policy, unified security framework or support arrangements.

Every minute spent by a member of staff supporting a mobile device is a minute not spent on the core business of the enterprise and this should be avoided at all cost.

The Effect on a Multinational Enterprise

With mobility complexity comes cost and it is a cost structure that is usually spread across the overall corporate structure of a multinational enterprise. The costs are often split across local or regional business units in multiple geographic markets, with no clear view of the total overall cost. This situation effectively masks the total effect of the complexity and the total cost of mobility from the central management team.

There is a further cost category, the effect of which is equally hidden. This cost is associated with the time taken by local staff to personally support and manage phones and smart devices.

This “self help” cost is typically not taken into consideration by most multinational enterprises for both mobility and other technology related matters.

Equally, the fragmented nature of the purchases being made means that almost certainly the multinational enterprise is not getting best value with any of these purchase contracts.

These purchase patterns simply mean increased cost, which is a situation that should not be tolerated, especially given the current economic environment.

Finally, the core business of an enterprise is not that of running the operational aspects associated with mobility. Every minute spent by a member of staff supporting a mobile device is a minute not spent on the core business of the enterprise and this should be avoided at all cost.

The Solution

Each multinational enterprise will have a situation and a solution that is particular to its specific structure and usage of mobile devices and services.

One solution is for a multinational enterprise to respond to the issue through its own internal staff, almost certainly using the existing IT and communications operations and support structures.

This is a reasonable approach, but one that carries with it a significant level of risk, particularly for enterprises with a multinational structure:

- The range and depth of skills required to support all of the devices and services used by the typical multinational enterprise is becoming an inhibitor in terms of the availability of suitably skilled staff.
- The increasing complexity of the situation is demanding more and more expensive support resources to ensure effective operations and support.
- Well-founded senior management concerns with regard to security, access control and governance will need hard work and innovative solutions to provide a suitable response.

The alternative to an in-house solution is for a multinational enterprise to look to a specialist external provider with a demonstrable track record of success. This is an option that is becoming increasingly attractive given the risk associated with an in-house solution.

Economic uncertainty supports this position as multinational enterprises concentrate their resources on their core business and minimise large cash outlays through a preference for operational expense rather than capital expense.

This attractiveness is being demonstrated by research data indicating that the global market for managed mobility services is growing at a rate of 46% per annum compound and is expected to reach US\$ 884 million during 2011 (Source: IDC, 2008). This growth is supported by the expectation that the cost per subscriber using managed mobility services will actually reduce by over 5% between now and 2011 (Source: IDC, 2008).

The remainder of this paper looks at the potential for such external solutions within a corporate environment and in particular looks at the potential of outsourcing a multinational enterprises' mobility.

The Potential Enterprise Journey

If the choice is made to use an external supplier to respond to the challenge, then the multinational enterprise will be offered solutions ranging from simple support to complete, full-scale outsourcing.

The choice of these options will ultimately depend upon the particular circumstances of the multinational enterprise and will be the start of a journey of increasing operational sophistication.

One option for a multinational enterprise is to gain experience, and confidence, by opting for one or more relatively unsophisticated types of managed service.

It is then most likely that the success of such a solution will lead to the adoption of increasing levels of service provision as the confidence of the enterprise's management team increases over time.

Other multinational enterprises, that may have extensive experience of outsourcing in areas such as IT or back-office business processes, might opt immediately for outsourcing.

A business case for any initiative must be developed at the outset and it is critical that this business case gains senior management support before any action is taken.

Moving from specific managed services to outsourcing is a natural response for a multinational enterprise responding to the risk of mobility complexity.

In fact, a good supplier should work with the enterprise to map out the solution route that should be adopted.

This means that whichever supplier is chosen must be able to offer a full range of capabilities up to, and including, full outsourcing.

The range of potential solutions on offer from suppliers is varied but the following should be considered by a multinational enterprise as a minimum:

Core Communications

This is the first step on the ladder when considering the provision of a mobility solution by a provider.

The provision will simply cover voice and data connectivity combined with any requirements for the provision of converged communications where both voice and data are carried on the same communications capability.

	Core Communication	Mobility Solutions	Mobility Process Management	Core Customer Service
What is it?	Mobile voice connectivity Converged voice & data Mobile data connectivity	Spend and control solutions Applications	Management of mobile-centric Business Processes on behalf of the customer	Local customer service expected by all customers
	Mobility Professional Services			

Figure 01. Mobility Solution elements.

Converged communications will, however, integrate fixed and mobile services and will give seamless integration between mobile devices and incumbent PBX landlines.

Core Customer Service

This is the basic level of service that a multinational enterprise could expect from their third party service provider.

In essence, the service provides someone to call who will be able to deal with a comprehensive set of standard problems that a user might encounter.

Such a service call would not be charged on an individual basis, but rather would be covered by enterprise wide service arrangement.

Mobility Process Management and Professional Services

With this extension to mobility solutions the provider offers a portfolio of services to effectively manage and gain the greatest possible benefit for the multinational enterprise from its mobile communications and mobility solutions.

This essentially provides a range of consultancy and management services, which could include dedicated service management teams, professional services such as programme management and implementation, and user support.

This is the key element that defines a Managed Mobility Solution, as without it the provider is simply supplying basic communications or mobility solutions.

Mobility Solutions

These solutions provide a comprehensive suite of tools enabling multinational enterprises to have greater control over their mobility and gain the greatest possible productivity benefits.

This would typically include sophisticated management information tools and application mobilisation.

In this case, the multinational enterprise retains ownership of its mobility services and can choose whether to retain the management of these tools or to utilise the professional support provided by the third party mobility supplier.

Mobility outsourcing is the pinnacle of the range of service provision from a third party supplier.

Mobility Outsourcing

Mobility outsourcing offers the high level transition of full management control and/or full ownership from the global business to a mobility partner.

This is typically characterised by the end-to-end provision of defined mobility services, at an agreed set of service levels, for an agreed fee, over a given period.

This can encompass any volume of services, including both Mobility Solutions and Process Management, across any number of markets.

Crucially, it is the transition of control/ownership which defines outsourcing versus the supply of Managed Mobility Services.

There are many different elements that can be included when outsourcing mobility and for each multinational enterprise it is essential to work with a specialist mobility service provider to establish all elements of the outsourcing arrangement at the outset.

Having said this, the key components involved can be broadly grouped as follows in figure 02.

The Best Way Forward

All of the above differing types of service solutions could be suitable for an individual multinational enterprise given its specific internal capabilities and appetite for risk.

However, one solution stands out as being particularly attractive given current economic conditions and the need for multinational enterprises to concentrate resources and expenditure on their core business. This solution is mobility outsourcing.

Given this situation, this paper will now concentrate on outsourcing as an enterprise solution to the complexities associated with mobility.



Figure 02. Example Global Mobility Outsourcing structure.

The Business Case for Mobility Outsourcing

The factors that lead a multinational enterprise to consider outsourcing are wide and varied but there are some common elements that may influence an organisation to specifically consider outsourcing its mobility requirements. What is critical for any outsourcing arrangement is a clearly defined business case.

Before a business case can be formulated an enterprise needs to understand in detail what structure, services and resources it already has in place to run and manage its mobility capabilities. The table (Figure 03) provides an example checklist of information that should be obtained to establish this level of understanding.

Cost cutting, or any other single dimension measure on its own, may produce limited success, but the true benefits of outsourcing will not be realised. Instead multinational enterprises should take a balanced view on the enhanced return on investment overall through the business drivers below.

Dealing with Complexity

Mobility is complex and many multinational enterprises now have multiple vendors, technologies and increasing user demands.

By outsourcing their mobility, multinational enterprises are looking for simplification and recognise that an experienced mobility solutions provider will be able to deliver these services more effectively and in many cases at a reduced cost to the business.

Outsourcing can also greatly simplify the management of the equipment and service vendors providing the mobility capability. By selecting a single partner for outsourcing, the reduction in the time spent in sourcing these vendors, negotiating commercial terms and managing relationships is greatly reduced, ensuring a more cost-effective, simplified process.

Access to Critical Skills

A multinational enterprise can benefit from the deep and skilled resource pool of their global mobility partner whilst enabling their existing resources to focus on their core business activities.

Skilled mobility practitioners are far more likely to be attracted to a specialist service provider given the potential for working on different technology based projects thereby increasing the practitioner's knowledge, skills and future value in the jobs market.

Consistency and Quality

In order to gain the greatest operational efficiencies within their organisations, multinational enterprises are looking for ways to standardise services and user experiences worldwide. Working with an outsourcing partner with a global reach means that the communication infrastructure and all associated processes can be standardised across an entire organisation.

With many organisations entering emerging markets, the benefits of replicating a common set of business devices, systems, service levels and processes is extremely powerful, enabling a business to mobilise once and deploy many times. Costs can be minimised when entering new markets, providing added flexibility and speed to market for the enterprise.

	Subject Area	Information
1	Business Units	Corporate structure including geographic locations (region/country/office).
2	Services	Types of services being used and the associated processes.
3	Users	Number of staff using these services.
4	Assets	Physical assets that are in place to enable your organisation's mobile communications (May include IT hardware/software and communications hardware/software).
5	Resources	Number of staff used to implement the services (In FTE).
6	Activities	Actions that are being performed either regularly or on an ad-hoc basis in support of these services.
7	Outcomes	Tangible business outcomes that are provided by each service.
8	KPIs	Service level agreements that are in place, either internally or externally.

Figure 03. Example checklist of key information required.

Competitive Advantage

It is easy to argue that to gain competitive advantage it is essential for a multinational enterprise to concentrate on the core competencies of its business. This is particularly the case during turbulent trading conditions.

For some multinational enterprises, outsourcing the management of their communication infrastructure can play a part in refocusing their efforts on achieving business success.

These organisations should expect their mobility partner to bring innovation and new services that can be exploited within their core businesses.

Cost Savings

Multinational enterprises are constantly looking to streamline their operations and make efficiency savings while retaining a high level of security for those operations. Outsourcing offers an opportunity to remove costs from a business. Examples include:

- Greater visibility of mobile spend and usage, thereby providing a clearer understanding of the total cost of ownership of an enterprises' mobile assets. Such understanding allows action to be taken to remove cost.
- A centralised view of costs, and the ability to pay centrally, enables cost reductions through "bulk purchase" arrangements with providers.
- Fewer total resources will be needed to manage a multinational enterprise's international mobile operations thereby reducing cost.

- The application of an enterprise wide policy for mobility provides for lower, centralised cost structures.
- A switch from capital expense to operational expense can be beneficial depending on a multinational enterprises' cash position. Assets such as mobile devices or laptops can be transferred to the outsourcing partner and the multinational enterprise can then rent the devices instead of owning them.

Although cost reduction will be a consequence of outsourcing, it should not be the total reason for entering into an outsourcing arrangement, as the following section explains.

Key Factors in a Successful Outsourcing Relationship

For outsourcing to achieve its true potential within a multinational enterprise, both the mobility partner and the enterprise must share responsibility for ensuring the following components are in place.

Focus on Business Outcomes

A successful outsourcing model must focus on achieving clearly defined business outcomes and have sponsorship at the highest level within the enterprise.

The mobility partner should work with the management team in the multinational enterprise to build and deliver a detailed business case into the organisation in order to gain broad support and awareness.

The multinational enterprise must be fully committed to enabling an outsourcing solution, with a view to a long-term relationship with its partner.

Discovery

To achieve the full benefits of working with an experienced mobility solutions provider, the multinational enterprise must be prepared for a 'discovery' phase, where the mobility partner has access to their business in a way that may be much more involved than in a typical customer/supplier relationship.

This is to ensure that the mobility provider can assess requirements, existing operating models and technologies in order to deliver an informed business case and recommendation for the outsourcing model.

Ownership

Outsourcing should involve the transfer of the provision or ownership of an internal service or facility to an external organisation – with everything that involves – accountability, responsibility, risk sharing, reward and penalties.

A multinational enterprise must have the drive and desire at the outset for this significant shift in the businesses operating model before embarking on an outsourcing exercise.

If a multinational enterprise finds that it does not/cannot transfer ownership in this way, it can still benefit from the range of Enterprise Mobility Solutions and Service Management available from mobility providers. However, in these circumstances the overall management and responsibility remains with the enterprise and is therefore not an outsourcing model in its true sense.



Figure 04. Key Factors for Outsourcing success.

Shared Risk and Reward

There is a realisation amongst many businesses that in order to achieve the best efficiencies from supplier relationships, an element of shared risk and reward can be introduced whereby the supplier moves into the role of 'partner' and, if certain standards of service are achieved, both parties can make gains.

This could take the form of a commercial agreement, whereby when certain agreed cost efficiencies are met, there is an element of reward for all parties.

Partner Not Provider

Early outsourcing contracts were built almost entirely on some level of cost saving either generally through human resource rationalisation or moving business processes, such as CRM, to offshore locations.

This was followed by a shift to continuous improvement initiatives, which lasted for nearly a decade, and still remains the standard outsourcing driver for many businesses.

However, today's innovative businesses and progressive solutions providers are looking beyond continuous improvement and the bottom-line to find additional ways of creating value.

This is leading to a more collaborative approach between service provider and the multinational enterprise that involves greater familiarity and shared knowledge and a partnership approach for mutual benefit.

By working in close collaboration, the mobility partner becomes a 'trusted advisor' to the business, proactively making recommendations for improvements, new solutions or services, and taking on responsibility for their delivery and implementation.

Choosing the Right Mobility Partner

A multinational enterprise must have a clear understanding of its objectives for engaging with a mobility partner.

Getting that clear understanding is not easy, and the best initial approach is to work with an experienced managed mobility specialist.

Such a provider should have the expertise to clarify all of the conflicting issues involved and provide guidance on the best way forward for the enterprise.

Once a multinational enterprise is clear on its strategy for taking action, then making a choice with regard to a supplier will become much easier.

However, there are a number of selection criteria, that should be applied when selecting the right partner in order to achieve value-sustaining success.

In addition, if an outsourcing arrangement is being considered, such partnerships are for the long term – three to five years minimum – and it is therefore vital that a mobility partner is established and stable.

As a minimum, a potential supplier must be able to:

- Provide a full range of services and capabilities to enable a multinational enterprise to initially choose the correct supplier response for its needs, but then expand those services over time to match as yet undefined requirements.
- Provide access to a dedicated team with expertise in mobility and an in-depth understanding of the latest products, technologies and innovations.
- Provide globally consistent services, support and account management.
- Provide a mobility outsourcing framework that includes, as a minimum, exploratory customer workshops, mobility user profiling and managed trials that support all elements required to successfully outsource all or part of the enterprise's capabilities on an international basis.
- Be of a stature that enables global influence with other suppliers if needed.

- Demonstrate how it will remove cost and complexity from the multinational enterprise's operations.
- Be able to provide opportunities for cost savings via global procurement.

Moreover, the potential supplier must be able to provide reference accounts and case studies that demonstrate a record of successful implementation for multinational enterprises.

Whichever supplier is chosen, and whatever mobility solution is adopted, the multinational enterprise must always keep in mind that mutual collaboration and strategic engagement will be key to the success of the relationship.

The cornerstones of the relationship must be open, honest and direct communications between all levels of the organisations at national, international and executive levels.

Conclusion

Having a well equipped, mobile workforce is critical to the success of many multinational enterprises and the benefits that a truly effective mobile workforce bring are being increasingly recognised.

However, the introduction of mobile devices and technology into multinational enterprises has brought with it ever-increasing complexity.

This complexity is widespread and often not subject to corporate policy and processes. In these cases the result is unnecessary, and growing, cost and lack of control.

There are a variety of solutions available to a multinational enterprise to address this situation, and decisions with regard to a solution will be made based upon the particular circumstances of the enterprise.

Having said this, the pure operational scale of most multinational enterprises leads directly to the solution that is more likely to provide the most consistent and broad ranging set of tangible benefits – outsourcing.

Mobility outsourcing is a business imperative that deserves immediate attention within many multinational enterprises, in the knowledge that delaying action will result in additional complexity, cost and operational risk.

As a first step, every multinational enterprise should therefore consult with a trusted, experienced provider of telecommunications capabilities, which will be able to provide initial guidance and advice.

Vodafone Global Enterprise is the leading provider of international managed mobility solutions and has an impressive history of successfully implementing outsourcing solutions. For further information or to schedule an exploratory workshop, please contact your Vodafone Global Account Manager.

This paper outlines our approach to mobility outsourcing for the multinational business and forms part of a series. Further papers and information can be found at: www.vodafone.com/globalenterprise

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