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## Overview

Much as e-commerce represented a fundamental business shift in the early part of this century, mobile technology offers a unique opportunity for organizations today. Far more than simply an emerging consumer channel, mobile capabilities are disrupting traditional business models, providing businesses with new sources of data and insight, and driving top- and bottom-line results. Our survey of over 600 companies and interviews with 30 mobile leaders suggests that less than half of organizations have comprehensive strategies in place to encompass the spectrum of mobile efforts and address the broad challenges of implementation. Further, only a handful of mobile strategy leaders have put into place the needed building blocks to take full advantage of these new mobile opportunities. Significant opportunities exist for companies to improve their mobile strategy development efforts, leverage mobility to reinvent business and operating models, and deliver more effective mobile IT processes and solutions.

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## IBM Institute for Business Value

# The “upwardly mobile” enterprise

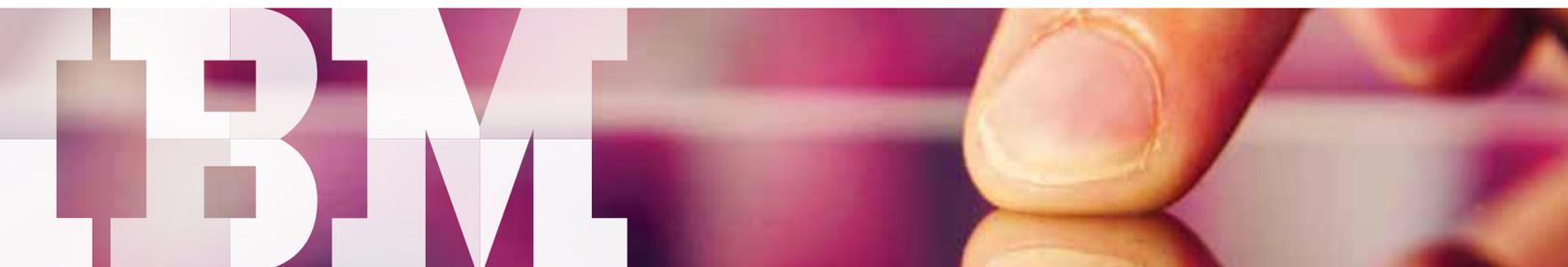
### *Setting the strategic agenda*

Organizations are currently in the midst of a new wave of mobile capabilities that can drastically reshape business models; drive increasing levels of employee productivity; and reinvent how customers learn about, interact with, and purchase goods and services. Much as the Internet has created, and continues to offer, a seemingly unlimited set of possibilities for companies, mobility adds yet another set of emerging opportunities into the mix. It enables large segments of the global population to more rapidly access information and engage with others on a scale never seen before.

There is little doubt that consumer adoption of mobile products and services is continuing to grow exponentially. Consumer adoption has become widespread and, from a corporate standpoint, mobility is vastly broadening its reach as well. The ability to perform and access enterprise applications from non-traditional office settings holds the possibility to reinvent at a fundamental level how companies execute a range of activities – from sales and customer service to logistics and maintenance.

At the same time, mobility incorporates opportunities beyond the use of phones and tablets. Sensors built into wearable devices such as wristwatches and glasses and embedded in everything from cars to medical devices to thermostats will provide new sources of “big data” that can be harnessed to deliver more targeted products and services, as well as to create new sources of revenue.

Given the significant opportunities posed by mobile technologies, what are companies doing to develop and implement mobile strategies and prioritize mobile investments? How are they using mobile capabilities to provide faster, more effective support to customers and redefine their enabling





Source: IBM Institute for Business Value Mobile Enterprise Study: *To what extent do you agree or disagree with the following statements about your organization's mobile strategy and mobile practices? (percent indicating agree or strongly agree).*

Figure 1: Only half of all companies have a well-defined mobile strategy.

processes and business models? What are they doing to develop an infrastructure that can address traditional challenges regarding integration and security, and also take advantage of new developments in the mobile marketplace?

These are some of the questions driving the survey we conducted in conjunction with Oxford Economics. Participants included over 600 individuals with knowledge of their organizations' mobile strategy. In addition, we interviewed representatives from more than 30 companies that have taken important forays into the mobile world.

We identified a subset of companies from the survey data – we call them “mobile strategy leaders” – that have already established a clear direction for their mobile efforts and see their mobile strategies as distinguishing them from their peers. These companies outperform their peers across a number of business metrics and provide additional guidance as to where more advanced companies are headed.

Mobile strategy leaders have also seen clear benefits in their mobile investments to date: 73 percent of leaders have seen measurable ROI from their mobile initiatives versus 34 percent of all other companies in our study. Further, 81 percent stated that mobile capabilities are fundamentally changing the way their organizations do business.

### Establishing a mobile agenda for the enterprise

Mobility holds the promise of delivering a new set of capabilities that will not only dramatically increase the speed of commerce, but will also force companies to rethink the foundations of their competitive differentiation. It will require companies to take a closer look at what products and services they offer, how they engage with customers and how they deliver on their value propositions. In short, mobility is more than simply having computing power at the touch of a finger; it is spurring a fundamental shift in user experiences and expectations.

Three important components of a strategic mobile agenda are:

- **Developing a mobile strategy** – Less than half of more than 600 surveyed organizations report having a comprehensive mobile strategy (see Figure 1). This includes having a well-defined enterprise wide strategy that is aligned to business, a clear funding mechanism for mobile initiatives and established governance structure for mobile initiatives. At the same time, however, companies recognize the need for a mobile strategy to effectively compete in the future.
- **Improving the customer experience and driving employee productivity** – Higher customer service/satisfaction was the number-one benefit associated with using mobile to enhance the customer experience. In addition, as more employees gain the ability to work outside the office, respondents expect workforce productivity to rise, at least in part through redefining work activities using mobility as a key capability.

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- **Enabling the mobile environment** – From the design of new customer applications to the integration with existing legacy systems and the development of new uses for data and analytics, mobile solutions are forcing information technology executives to make new and perhaps difficult choices regarding their current and future skills, capabilities and infrastructures.

## Upward and onward through mobility

From our survey and discussions with executives closely connected to mobile efforts in their organizations, one point is clear. Mobility is not simply an initiative, a program, a discrete channel or a passing institutional fad. Rather, it is becoming a pervasive lens through which the organization must consider its fundamental tenets: how it interacts with its customers; how it develops and delivers products and services; and how it applies its physical, human and digital capital.

Our study highlights that companies are looking for their mobility efforts to improve customer experience, drive employee productivity and, most importantly, deliver on new and innovative value propositions in the marketplace. While there are always risks associated with the use of new technologies, we also see risks associated with not taking advantage of mobile capabilities as customer expectations grow, and new and emerging competitors achieve results in this space.

An organization’s mobile strategy must address the basics: where within the organization mobile technologies can offer the greatest benefits, how organizations can enable their IT functions to develop mobile solutions more efficiently and effectively, and what segments of the workforce need to be “mobilized” to achieve the greatest return on investment.

But perhaps most important is to understand how mobile can be prioritized and integrated with other digital investments within the organization, and how mobile capabilities can be used to develop new and innovative business models that help differentiate the organization in the marketplace. Much as the Internet required a rethinking of the nature of commerce 15 years ago (and continues to do so today), organizations must consider how this new mobile inflection point will change their future direction.

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## How can IBM help?

- **Strategy & Design Services:** Assess and plan a mobile platform to address business requirements
  - **Development & Integration Services:** Develop, deploy and manage mobile infrastructures
  - **Platform Solutions:** Develop high quality, secure mobile app and web experiences
  - **Management Solutions:** Manage mobile devices, expenses, data, applications and services
  - **Security Solutions:** Secure mobile devices, apps, networks and transactions
  - **Analytics Solutions:** Optimize mobile experience by gaining insights into usage
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