

Building the case for mobile business

Ensuring a company benefits from mobile technology requires identifying the right processes, implementing integrated platforms and defining measurable outcomes.

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Many companies have realised millions of dollars in annual cost savings by using internet technology for their business applications. Mobile technology offers similar opportunities to reduce costs and provide new revenues by improving business processes, creating competitive advantages, reaching new customers and serving existing ones better. Because of the business benefits associated with mobile technology you can be sure it's clearly marked on your competitors' roadmap.

The Yankee Group found more than 62 per cent of companies plan to launch mobile applications within the next two years. How can you ensure your company will benefit from mobile technology? And how do you measure those benefits? The most productive process for creating a mobile strategy contains three elements:

- ◆ Extend the right business processes
- ◆ Build an integrated platform
- ◆ Define measurable success criteria

Extend the right business processes

Your corporate strategy should drive the use of mobile technology. Determine which business processes or workflows would benefit most from being mobile-enabled first. Many mobile initiatives have been unsuccessful because people didn't understand the uniqueness of the mobile experience and mapped entire applications to a mobile deployment.

One of the most important lessons Oracle learned was to mobile-enable only those processes that guarantee the best return on investment.

Your web-based field service application may include electronic copies of service contracts, contact information, service call history, and inventory status. Does it make sense to mobile-enable all of it? If the strategy is to reduce call centre costs and improve customer service, contact information and inventory status on a repair part are the most valuable to extend to the mobile field force. Begin by focusing on processes you can streamline to cut costs or drive new revenue; for example, email or other personal productivity applications such as calendaring or scheduling. How is your productivity affected

when you're away from your desk and you don't have access to these types of applications? Some estimates are in the tens of thousands of dollars per year, per employee in increased productivity. One market research company, *iGillottResearch*, estimates timesavings of three or four hours per week, per employee with mobile email alone.

What kind of process?

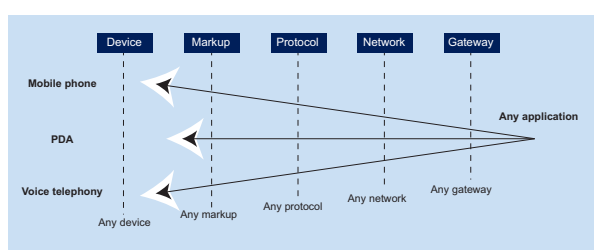
Horizontal applications such as personal productivity and messaging are often the first proof-of-concept applications. They can be done on a small scale and offer the fastest return on investment. Much of the technology is available out-of-the-box, or can be hosted, so initial investment is not high. For example, one worldwide technology company integrated a simple two-way messaging field force application in less than 20 days. This means more than 10,000 field engineers can locate nearby spare parts for repairs allowing them to complete more service calls every day.

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Sales and field force automation are key areas that can be mobile-enabled. Many successful applications mobilise tasks such as simple order entry, customer service call reports, and expense-reimbursement processing to immediately start cutting costs. These types of applications offer the most measurable benefits. One of our customers in the healthcare vertical, IPC, has deployed a solution that allows physicians to capture data at the point of care. IPC's savings attributable to the mobile billing process, and elimination of errors, is approximately \$75,000 per year per doctor. Beacon Mutual Insurance Company was able to re-assign 20 per cent of its administrative staff after mobile-enabling an audit application.

Build on an integrated platform

In the past, many mobile projects were created at the line of business level, often resulting in a mix of one-off mobile applications that were difficult to develop and maintain. Now, IT departments are involved in integrating them on one mobile platform that leverages existing middle-tier architecture. The benefit of this approach is a single, integrated, scalable and secure platform that simplifies new mobile initiatives. To maximise the benefits of a mobile solution, extend the existing technology stack instead of creating a stand-alone infrastructure that is costly to administer and maintain.



The ideal platform for mobile e-business; a mobile platform must offer multi-channel access to any application over any network.

A mobile platform should allow companies to focus on strategic functionality instead of deployment complexity. It must manage the devices, networks, and markup languages and ensure protection against technology changes. Companies should choose a platform that supports a wide variety of devices; for example, one that protects mobile application investments and is independent from hardware, networks, protocols, and devices. This lets companies preserve investments in applications and allows for choice of devices.

Companies have a wealth of information stored on a variety of back-end systems. How do you get information and applications from your back-end systems into the hands of your mobile workers? A platform supporting open standards makes this much easier and more cost-effective by allowing a higher level of integration with existing systems. Implementing third-party applications also becomes less complex, and mobile applications become easier and more cost-effective to manage.

One of the considerations companies must determine is where to deploy their mobile solution — in-house or outsourced in a trusted data-centre. The key trade-offs are security, integrity and control of an in-house deployment versus lower upfront costs, faster time-to-market and reduced IT demands of an outsourced deployment. A hosted mobile application can usually be deployed in less than a month.

Define measurable success criteria

Regardless of the framework your company uses to assess software purchases, the distinction between hard and soft

benefits should be clear. Hard benefits are quantifiable and contribute to a company's cash position. Soft benefits are more peripheral and harder to quantify. Beware — unless soft benefits are quantified to establish measurable success criteria serving as internal proof points, your mobile strategy could lose momentum. That's why you should set realistic goals that are obtainable — it will motivate your organisation to reach them.

It is important that mobile projects are based on existing software infrastructure and extend existing e-business applications to avoid maintaining an expensive stand-alone mobile infrastructure

A large utility company in Europe was able to quantify hard benefits of a wireless solution by reducing meter-reading costs by \$3 per household.

However, the soft benefits of mobile business cannot be completely discounted. One global banking customer began offering mobile banking services and was initially disappointed in low uptake — not reaching the call centre cost reductions it had targeted. After further analysis, the bank discovered the customers using its wireless banking services were actually its top revenue-producing customers. Offering wireless services became a competitive advantage for it — helping with customer retention among its most valuable customers. Indeed, better customer service and technology leadership creates great business value and cannot be overlooked.

Improving the top and bottom lines

Creating the mobile business case can be facilitated by setting clear objectives, measuring the success in reaching these objectives and establishing best practices for other mobile projects. It is important that mobile projects are based on existing software infrastructure and extend existing e-business applications to avoid maintaining an expensive stand-alone mobile infrastructure.

Oracle has saved millions using our own mobile software and has embraced mobile as a way to cut costs and drive new revenue. It is confident other companies can use similar mobile technology to improve their top and bottom lines. ●

About the author

Jeff Henley is executive vice-president and CFO of Oracle Corporation. He is responsible for corporate finance and administration. Prior to joining Oracle in 1991, he served as executive vice-president and CFO at Pacific Holding Company, Los Angeles, and as executive vice-president and CFO at Saga Corp, a multi-billion-dollar food service company.