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Predictions 2009: What's In Store For Enterprise Mobility

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EXECUTIVE SUMMARY

In 2008, enterprise mobility initiatives were top priorities among companies of all sizes and many vertical markets. Forrester saw widescale deployment of wireless networks, introduction of a wide range of new mobile devices, and increased interest in various types of mobile applications. However, as we enter 2009, vendors and service providers are wondering what the coming year will hold for enterprise mobility investment — particularly given the economic downturn. Companies will continue to place a high priority on mobility initiatives primarily for productivity increases, with mobility activities heating up in emerging markets. In addition, we will see growth in the mobile “wannabe” user segment as employees bring their personal devices, such as the iPhone, into work and expect organizations to develop ways to support these new devices — even with the slowdown expected in consumer mobile device purchases.

MOBILITY REMAINS A TOP PRIORITY — DESPITE THE DOWN ECONOMY

In 2008, a turning point occurred in the enterprise mobility arena, with companies of all sizes, in many vertical markets, and across various geographic regions identifying mobility initiatives as key telecom priorities. Key areas of focus included efficient mobile device and strategy management and improving the user experience for mobile devices and applications. As Forrester looks ahead to the challenging economic environment of 2009, communications service providers, device makers, software vendors, mobile application developers, and mobile device management and security vendors ask us what will happen globally to the demand for enterprise mobility solutions and the competition for products and services. Here's what we expect:

- **Similar to 2008, mobility initiatives at enterprises will be a priority — even in a down market.**

In 2008, Forrester's survey results show that between 40% and 60% of enterprises in North America and Europe identified more mobility support to employees, implementation of fixed-mobile convergence (FMC) solutions, and formalization of a mobile strategy as critical priorities.¹ We expect a similar priority rating in 2009.² Why? Mobile applications and solutions let enterprises cut costs and improve employee productivity or worker efficiency — all important initiatives in a constrained business environment. In contrast, mobile initiatives will have a lower priority among small and medium-size businesses (SMBs) that, instead, will focus on their core business competencies during the difficult economic environment. Mobility vendors of all types must develop strong return on investment (ROI) analysis and case studies justifying investments in their products — whether it is third-generation (3G) data services or software to manage mobile devices. Collateral and messaging must be tailored not only to the technology and security requirements

of IT organizations — but also explicitly to the roles within business units that must justify the investment in mobility activities to improve their organizational efficiency and effectiveness.

- **iPhones get adopted by 10% of SMBs; the BlackBerry Storm gives it a run for its money.**
Today, the mobile device landscape within firms is highly fragmented across BlackBerry, Windows Mobile, Palm, Symbian, and now the iPhone and Android smartphones. The most widely used mobile operating systems within North America are BlackBerry and Windows Mobile, with European enterprises often supporting Symbian as well. The iPhone 3G launch in 2008 caused many firms to consider adding support for iPhone's Mac OS X operating system. Now that the iPhone 3G supports Microsoft Exchange ActiveSync, push email, contacts, and calendar and can be remotely wiped if lost or stolen, it does indeed address key business mobility requirements. As a result, we believe that the iPhone will make a more significant dent in the enterprise mobility market, primarily among SMBs, which typically don't have as strict IT requirements as large enterprises or widespread line-of-business application deployments. However, the BlackBerry Storm will give larger enterprises that already support BlackBerry an alternative solution that is comparable to the iPhone but that does not require an additional operating system — and gives enterprises the comfort of knowing the security that BlackBerry offers.
- **Emerging markets become the hotbed of enterprise mobile activity — especially apps.**
North America and Europe generally outpace Asia Pacific in terms of mobile application deployment. For example, in 2008, North American enterprise deployment of wireless email was 30 percentage points higher than in Asia Pacific, and European firms outpaced Asia Pacific enterprises by 13 percentage points for mobile sales force application deployment and 11 percentage points for mobile logistics application deployment.³ In 2009, there will be a significant increase in mobile application deployments in the Asia Pacific region. Driven by greenfield mobility network deployments and consumer subscriber growth in India and China (which will find its way into all firms via the mobile wannabes), enterprises in Asia Pacific will expand mobile application deployment, particularly for mobile information applications such as email, calendar, and personal information. By the end of 2009, 60% of Asia Pacific enterprises will fully deploy or be in the process of deploying wireless email, up from 47% at the start of 2008. In contrast, the number of enterprises that have finished deploying or are rolling out wireless email will rise by only 5 percentage points in North America and Europe because 85% of North American enterprises and 70% of European enterprises have already completed this activity.
- **Enterprises actually start implementing tools to address mobility security issues.** It's no surprise that security issues are a top concern among financial services organizations that must address strict security, regulatory requirements, and Sarbanes-Oxley (SOX) Act issues when implementing mobile device and application solutions. However, as the economic environment deteriorates, we expect mobile security to remain a top concern for enterprises of all sizes across

all vertical markets. Proprietary corporate data and employee information such as account information and social security numbers become even more valuable to identity theft criminals and nefarious entities who stand to reap great profits if they gain access to this information. In addition, given the ever increasing number of employees who are able to access corporate information over their mobile devices, mobile security vendors should prepare for increased demand for their products and solutions and should highlight the ability to address mobile security concerns in marketing messages.

- **Vendors develop products and services to (finally) address the mobile wannabe user segment.** The number of workers in the emerging mobile wannabe user segment will rise to nearly 10% by the end of 2009 and is expected to expand rapidly at a compound annual growth rate (CAGR) of 46% through 2012.⁴ Mobile wannabes are mostly non-mobile workers today (e.g., executive assistants, human resource personnel, finance workers) who are usually at their desks but want to use their personal mobile devices for work-related activities. In 2009, vendors will develop products and services to address the needs of this rapidly growing enterprise mobile user segment. For example, device manufacturers will consider the dual personal and professional use of mobile devices as well as implications on device size, battery life, keyboard requirements, and form factors. For example, Nokia is focusing resources on developing mobile devices such as the E71 smartphone, which takes into consideration the dual personal and professional use of devices by enabling users to establish multiple personas that have unique preferences and applications associated with them.⁵ Mobile application developers and software vendors should create user-friendly, easy-to-use versions of email, calendaring, and corporate portal access applications to appeal to mobile wannabes and prepare to provide additional support and customer service for these users.
- **Consolidation occurs in the enterprise mobility vendor landscape.** The enterprise mobility vendor ecosystem is fragmented — particularly on the software side where it's a free-for-all of incumbents, startups, and service companies offering mobile apps, device management, and security solutions. Many of these vendors have focused on developing specific types of mobile applications or services including @Road for field service applications or Sybase (iAnywhere) for mobile middleware, management, and security. We continue to see consolidation in the vendor mobility landscape; for example, in late 2008, Antenna Software purchased Vetro to broaden its mobile application and solution expertise in the IT service management/help desk, transportation and logistics, local delivery and courier, utilities, and field service industries. In 2009, we expect further mobility vendor consolidation as systems integrators and mobile middleware vendors snatch up smaller mobile application developers, such as Xora's location-based field service solution, in order to expand their overall enterprise mobility service and solution capabilities and broaden their reach into enterprise organizations.

ENDNOTES

- ¹ Source: Enterprise And SMB Networks And Telecommunications Survey, North America and Europe, Q1 2008. This Forrester survey was fielded to 2,187 IT executives and technology decision-makers in North America and Europe.
- ² For an in-depth analysis of the trends and factors driving demand for enterprise mobility initiatives among corporations in North America and Europe, see the July 11, 2008, "[Demand Insights: Enterprise Mobility 2008](#)" report.
- ³ For a comparison of mobile application adoption among enterprises in North America, Europe, and Asia Pacific, see the April 7, 2008, "[The Global Mobile Application Landscape](#)" report.
- ⁴ For a detailed description and forecast of the number of mobile wannabes in corporations, as well as other categories of enterprise mobile users, see the October 9, 2008, "[Enterprise Mobile User Forecast: Mobile 'Wannabes' Are The Fastest-Growing Segment](#)" report.
- ⁵ Nokia will no longer sell its behind-the-firewall Intellisync business mobility solution and is exiting the security appliance business altogether. Instead, Nokia is focusing its efforts on its core competency, devices, and it is re-allocating technical and developmental resources to developing state-of-the-art mobile devices, as well as on a consumer push email service.