



Technology Brief...

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Research, Analysis, Strategy, Insight

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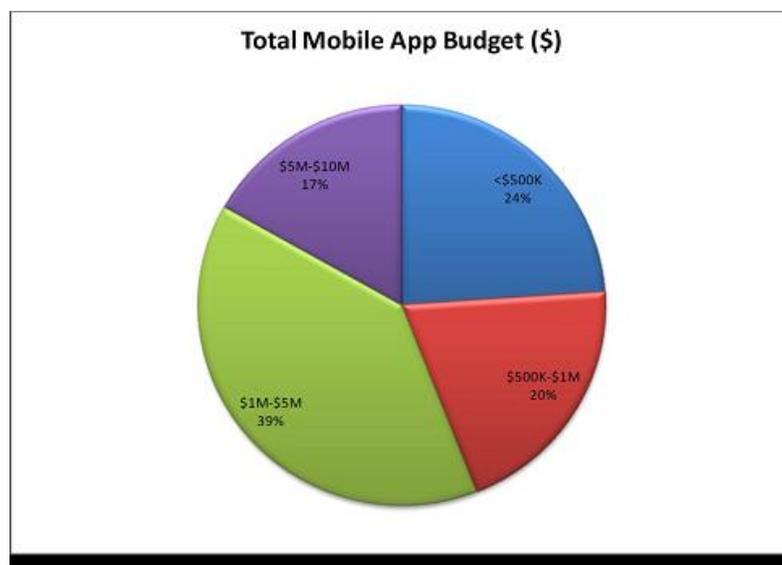
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Enterprise Mobile Apps: Why do they cost so much?

The road to deploying enterprise mobile apps for end users is not an easy one. Indeed, many organizations report both a high failure rate for finished apps as well as a difficult road to even getting apps built and deployed. In a previous newsletter ([The Great Enterprise Mobile App Challenge, J.Gold Associates LLC Technology Briefs, February 2016](#)) we discussed the need for rapid application deployments to achieve the greatest value, and the types of technologies available to do so. However, since most companies are not yet using such tools, the budget for mobile apps is quite high.

In a recent enterprise mobility research study we conducted, we surveyed about 250 enterprises to find out what they expected their mobile app budget to be for the particular mobile app solution they were currently working on. As indicated below, the single largest budget range was \$1M-\$5M. We also asked about process and time frames for the app, which we'll leave for another time. But from a sheer cost perspective, the amount of budget devoted to enterprise mobile apps is staggering. No wonder most companies can't accommodate more than about 15% of the total requested or required mobile apps!

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With such high costs, companies are having difficulty rolling out new mobile apps and keeping up with the demands of the Lines of Business (LOB). But we estimate that newer, “democratized” mobile app development and deployment tools targeted at producing internal corporate mobile business apps could cut cost and time to deployment by 75% or more. This will be a growing area of investment in the next 1-2 years, with many startups as well as major vendors moving into this marketplace

Bottom line: Companies looking to deploy mobile apps for their workforce should investigate the large number of rapid app deployment tools geared towards allowing non-programmers to create and deliver good-enough mobile apps quickly and at low cost. Companies not doing so will face a major deficit in needed apps available to mobile workers.

EoT: The Power Behind the Throne

With the popularity of IoT on the rise as the technology “Des Jour”, many companies are now evaluating whether or not to take the plunge. Some, of course, have been using M2M technologies for many years to power their business. Sensors, meters, machines connected to monitoring systems, etc., have all been part of a number of vertical oriented industries (e.g., utilities, transportation, medical, vending). But the current trend is clearing the way for a more horizontal approach, and will ultimately affect nearly all businesses no matter what market they serve. This is being further compounded by a growing (although nascent) move to wearables and consumer-oriented “things” that will drive a new wave of BYOD. But the corporate requirements for IoT are different than in typical consumer markets, with heavy focus on security, cost of operations, manageability, reliability, etc. As we move to the era of Enterprise of Things (EoT) where many different devices and sensors are connected to the corporate infrastructure, companies must focus on strategy, not just reacting to trends.

“...Organizations that focus only on the things will fail to achieve the needed return on investments that can truly revolutionize the ways enterprises conduct business. Over the next 1-2 years, organizations must create a strategy focused on their business needs, and invest in extending technologies that can make such strategies work ...

In fact, we believe that many organizations are too focused on the things and not enough on the glue that makes it all work. The real benefit will not come from deploying the things – it will come from the ability to obtain actionable data that allows a company to run better, more efficiently or to be more focused on their customers. The hard part of making EoT attractive in organizations is the secured networks, cloud based data services and analytics that empower it. Yet relatively few enterprises have focused on the needed components for success.

Many enterprise vendors know that the future will require such integrated capability and have started to position themselves to take advantage of the EoT infrastructure wave coming over the next 2-3 years. As examples of some recent initiatives:

- IBM is making a big investment (\$3B over 4 years) to power the part of “EoT iceberg” that’s below the water line.

- Analytics is also key component, with IBM (Watson), SAP, MSFT, Oracle, etc. all making big bets and investments in analyzing large data sets produced by EoT and creating actionable insights for organizations to act upon.
- Intel knows chips aren't where the majority of the investment needs to be spent, and is investing heavily in connected areas like security, management, big data and analytics.
- Cisco knows the old adage "in networks it's about the speed that matters", is changing to "in networks it's about the scalability and added value in data that matters", and is making major investments, including recently acquiring Jasper.
- EMM vendors (e.g., VMWare, IBM, BlackBerry/Good) are beginning to extend their products to include the coming wave of BYOD "gadgets" soon to be prevalent among the workforce. But without compelling apps to power these devices, it's unclear how many and what types will have staying power.

We expect a great many more investments to be made in the coming 1-2 years as major infrastructure vendors position themselves for this market, both by acquiring additional technology vendors and through organic product creation and positioning.

Bottom Line: Organizations that focus only on the things will fail to achieve the needed return on investments that can truly revolutionize the ways enterprises conduct business. Over the next 1-2 years, organizations must create a strategy focused on their business needs, and invest in extending technologies that can make such strategies work. While gadgets will be critical elements of EoT, focus on gadgets without complimentary infrastructure will lead to failure.

Leaving Productivity Behind: Why All Business Clients Should Have a Cellular Connection

Workers need to stay continuously connected as companies move increasingly towards a cloud and SaaS strategy. That means the typical highly mobile user can no longer rely only on occasional wireless access through a reliance on public Wi-Fi. In the next 2-3 years, we expect the majority of business client devices (laptops, tablets) to be equipped with cellular broadband connectivity, as the cost is easily justified by enhanced productivity, increased security, and reliability of connections.

Yet few companies have implemented a wide ranging deployment of notebooks and tablets that include a high speed cellular broadband connection (4G/LTE) capability as a standard feature. We estimate that only 5%-10% of business clients currently deployed have enabled a wireless broadband modem connected to a cellular data service. Often this is because companies assume that the added expense of modem-installed equipment and the recurring monthly service cost are unwelcomed expenses rather than a good investment in employee productivity. However, our research shows quite the opposite is true. Nearly any mobile worker can

"...Our analysis of the costs vs. benefits for deploying a wireless broadband connection for virtually all mobile workers shows that the payback is quite substantial and that the recurring costs can be recouped very quickly... payback that can be as much as \$8400 per user per year....."

Recent Research

Contact us to request the following research reports:

Market Studies

- The State of Enterprise Mobile Management (EMM) 2015
- Mobile E-Commerce: Friend or Foe?

2015 Emerging Technology Trends

- Highlights our key emerging trends for the next 2-3 years

Commentary and Analysis

- Apple and IBM in Enterprise: Joined at the Apps

Research Reports

- Your PC has an Identity Crisis: Saving the cost of hacks and other benefits of enhanced identity
- Replacing Enterprise PCs: The Fallacy of the 3-4 Year Upgrade Cycle
- Keeping Notebooks Past Their Prime: A Study of Failures and Costs

Whitepapers

- A Heuristic Approach to Mobile Security
- MDM- Where Do We Go From Here?

benefit from essentially full time connectivity to the Internet and corporate systems for messaging, cloud-based services, corporate back office productivity applications and generally available Internet based services.

Many users and companies rely on Wi-Fi as the primary method for obtaining remote wireless connectivity for mobile workers. But despite the widespread availability of Wi-Fi as an often free alternative to cellular based broadband, the availability and reliability of connections most often cannot replace the nearly ubiquitous connectivity available from modern cellular networks, not to mention providing a much more secure network connection. There have been many examples of public WiFi security breaches and users run significant risks when sending confidential data over such networks.

Our analysis of the costs vs. benefits for deploying a wireless broadband connection for virtually all mobile workers shows that the payback is quite substantial and that the recurring costs can be recouped very quickly. Our research report, "Leaving Productivity Behind" shows a significant payback that can be as much as \$8400 per user per year.

Bottom Line: Enterprises must move from seeing wireless broadband connectivity as an unnecessary expense to be avoided, to one that can significantly increase the productivity of the workforce and create value for the company.

To receive a copy of the research report, request a copy of "Leaving Productivity Behind", by contacting us at info@jgoldassociates.com



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About J. Gold Associates, LLC.

J. Gold Associates provides advisory services, syndicated research, strategic consulting and in-context analysis to help its clients make important technology choices and to enable improved product deployment decisions and go to market strategies. We work with our clients to produce successful new product strategies and deployments through workshops and reviews, business and strategic plan coaching and reviews, assistance in product selection and vendor evaluations, needs analysis, competitive analysis, and ongoing expertise transfer.

J. Gold Associates provides its clients with insightful, meaningful and actionable analysis of trends in the computer and technology industries. We have acquired a broad based knowledge of the technology landscape and business deployment requirements, and bring that expertise to bear in our work. We cover the needs of business users in enterprise and SMB markets, plus focus on emerging consumer technologies that will quickly be re-purposed to business use.

We can provide your company with a trusted and expert resource to maximize your investments and minimize your risk. Please contact us to see how we can help you.