

Mobile Offices. The New Status Symbol.

Lisle, Kit - March 25, 2004

Were Les Nessman still reporting news for WKRP in Cincinnati today, he would probably not feel the need to tape the outline of imaginary walls on the floor of his company's bullpen office environment. His assertion of status required coworkers to knock on an imaginary office door outlined by tape on the floor.

Today's corporate status symbols have evolved into Blackberries and wireless laptops-essentially trading the protection of the walls that Nessman so coveted for the openness and mobility that today's workers need in order to perform.

Today's office is not defined by walls or doors or even desks, but by access.

A mobile office can be defined today as the lifeline connection from an employee (wherever he or she may be) to company information.

Since a mobile office professional should be able to do everything from a remote location that they could do from a company location, many companies have partially or fully eliminated traditional offices. Technology has made it possible to redefine where work is done.

MARKET SIZE

It is exceedingly difficult to calculate the total revenue volume of the mobile office market, given the wide range of products and services involved and the disparate purchaser (corporate vs. individual).

According to research firm IDC, there are nearly 100 million people in the U.S. who are currently utilizing some sort of mobile office technology.

While the market is almost sure to grow more rapidly in the future, IDC projected annual growth rates of less than five percent through 2006. The overall cumulative annual growth rate for mobile office is 2.6 %. The fastest growing segment involves the market for mobile professionals-those who travel regularly as part of their jobs.

MOBILE OFFICE ENABLERS

In addition to technology, there are several other factors that have enabled the development of the mobile office market.




On-site Obligations-The need to be closer to the customer (or supplier) to improve service or quality has facilitated the development of the market. As counterintuitive as it is, the improvements in communication afforded by technology have increased, not decreased, our appetites for human interaction.

Across a wide range of industries, suppliers must provide a physical presence co- located with the customer to ensure improved quality of service (and to create higher barriers for competition).





Mobile office technology enables customers, suppliers, employees, and a sales force to collaborate in new ways.

Job Performance-A critical mass of workers require mobile technology to perform their jobs.

The percentage of professionals who are working away from the confines of a traditional office environment have been climbing steadily for at least a decade. There are three distinct categories of workers who take advantage of mobile office access.

-  Office-based workers who are highly mobile and travel or work from remote locations (including home) more than fifty percent of the time.
-  Portable office workers who work from remote locations less than fifty percent of the time. These individuals work remotely on a situational basis. They may need to move to another part of the corporate campus for an afternoon or work from home on an icy morning.
-  Non-office workers who work in the field routinely and benefit from increased access and communication of modern technology.

Technological Developments-Several key areas of technology development are enabling mobile office capabilities today.

-  Backbone and Infrastructure-Bandwidth speeds and continuous data connections; regional service coverage; reliability.
-  Component Technology-Battery life and improved human interfaces such as screen size, streaming media, color, and voice recognition.
-  Security Advancements-Authentication, authorization, encryption capabilities that ensure confidential communications.
-  Efficiency Findings-Features and functions that improve operational effectiveness and drive down price. New features expand targeted functionality from salespeople at client sites to a much broader range of employees.

GROWTH DRIVERS

It is not enough, though, for mobile office technology to be enabled and to exist. The need for mobile office environments is growing and thriving because a combination of unmet customer needs and market trends.

Reduced Costs-The major driver of mobile office technology, cost reduction, is a compelling one. According to Salutation Mobile Task Force, fifty percent of firms employing a mobile workforce do so to reduce real estate, recruiting, and training costs.

Increased Productivity-Mobile office technology increases productivity inside and outside the office and can deliver a rapid return on investment. In addition to savings on real estate costs and office furniture, mobile office technology enables collaboration that optimizes communication, improves responsiveness to customers and accelerates processes and decisions within organizations and with partners and suppliers.

Re-Engineering of Processes-To put it bluntly, mobile office technology enables employers to get people physically out of the way of change-temporarily or permanently. It also enables companies to forge inter-company connections that might be extraordinarily difficult and expensive without mobile office technology.

Employee Adoption-While not a requisite for the existence of mobile office technology, employee support has made the applications of the technology grow rapidly. Simply put, U.S. business travelers value the freedom and autonomy that the mobile office provides.

BRIDGING THE WORKFORCE GAP

The integration of document-oriented processes with collaborative environments and enterprise applications has a long way to go. Described as the intersection of the paper trail and the information highway (www.salutation.org), the mobile office market must enable mobile workers to cope with traditional hard copy documents.

Because there is no single reliable device that integrates the fax machine, scanner, printer, copier, and multifunction office equipment with the mobile worker's portable arsenal of tools, equipment and devices, the market for communications tools and products to serve the needs of the mobile employee are growing.

1. Unified messaging combines communications received through voice, web, video conferencing, e-mail, fax, and paging technologies into one central repository, providing full access to all messages from a mobile device.
2. Office organization tools enable users to receive calendar updates and add calendar events, access and update contacts and address books, and use and maintain to-do lists in a mobile environment, saving time and staying up to the minute regarding important meetings, calls and deadlines.
3. Access to Internal Systems such as knowledge management, CRM systems, time and expenses reporting, planning and operational systems needs sufficient processing speed and memory to communicate with internal corporate systems.

Office products dealers who find themselves offering traditional office furniture, supplies, and equipment may wish to expand the breadth of products (and services) that they offer.

In a recent survey of more than 450 senior decision makers and influencers across North America, IDC found that improving operational efficiency and productivity are key factors driving corporate investments in wireless and mobile solutions.

In the IDC study, Marketplace Perceptions of Wireless Professional Services Firms: A Vertical Industry View, nearly three quarters of the survey respondents indicated that an expected improvement within a specific internal business process, such as manufacturing or inventory control, was the main factor in their investment decision.

Although decision makers are clearly aware of the transformational benefits of mobile and wireless solutions, most are challenged by the technology as well as identifying the business objectives to be achieved through mobility.

"To succeed in this market and attract new opportunities, vendors need to develop both a competitively superior value proposition as well as an exceptional value delivery engine," said Richard Dean, program director for IDC's Wireless Infrastructure and Application Services research program. "One without the other creates a disconnect with brand-building objectives, and effectively undermines the vendor's ability to reach new markets."

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