

The ROI Benefits of Wireless

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Justifying the return on investment (ROI) for wireless, messaging or data services has not been a priority over the last 20 years.

In the last two years, however, wireless and mobile solutions have moved nearer to the top of the CIO's "to do" list, with more attention being given to cost issues.

A recent study of 35 major companies using wireless and mobile applications evaluated the ROI of e-mail, personal productivity, dispatch and routing, sales-force automation, workforce automation, and customer-relationship management.

Financial benefits of these applications were divided into direct (or hard), where the benefits can be identified and quantified; and indirect (or soft), where the benefits are more tangential or harder to quantify.

Hard benefits ranged from sales increases of 10% to 20%; reduced customer wait times of as much as 80%; increases in service calls up to 32%; and servicecall responsiveness improvements of 7%.

The longest payback period found was 30 months, but most were in just a few months.

The 35 companies used 48 vendors to implement wireless initiatives, pointing to the need to research the technologies most appropriate to the business environments in which they will be used. Given that each implementation involves multiple vendors, vendors should be able to work together effectively, sometimes through a systems integrator.

Companies surveyed had less difficulty and lower initial costs when existing Internet-based

strategies were leveraged into the mobile solution.

By using open standards for networking and programming, the ROI of the solutions is increased, since the implementation and ongoing maintenance costs for IT are lower, and often corporate IT departments can maintain the application.

Among the lessons learned:

- Before physical implementation starts, carefully research technologies and identify a clear business goal and benefits.
- Better wireless data services are needed, both for bandwidth and for coverage.
- The need to support mobile applications from any mobile device is very real. To get the best returns out of mobile applications, some companies realized they would have to deploy PDAs with additional features and processing power, raising the implementation costs.
- Mobile architecture must interface with the enterprise IT systems. It is a critical element (until wireless and mobile capabilities are built into every IT system core). One highlighted need was a focus on systems that can provide canned or software-based tools, reducing the need for custom programming and maintenance. Implementing core infrastructure that can be easily, centrally administered by the IT operations group or outsourced was also considered important.
- Concerns were raised about wireless access to e-mail and secure access to multiple applications from a variety of mobile devices.

Not all companies studied know exactly where their wireless strategy will take them, but the wireless and mobile applications deployed by these companies have become as critical to their operation as those on the PC or LAN. -Iain Gillott
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