



TOOLS AND RESOURCES FOR FINANCIAL EXECUTIVES

Where Wireless Works

Mobile technology may work even better beyond the executive suite.

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The phrase "mobile workforce" still conjures up images of smartly dressed executives hurrying through airport terminals while conferring with colleagues on cell phones and checking E-mails on their wireless-enabled PDAs.

But when it comes to boosting the bottom line by "going mobile," CFOs would be wise to set that stereotype aside. Instead, they should consider what is happening at Seattle-based Starbucks Corp., where 600 district managers (DMs) have been outfitted with mobile technology - a move that's allowing them to spend more time in the company's stores. "These are the most important people in the company," says Anne Saunders, vice president of Starbucks Interactive. "Each DM may have 8 to 10 stores that he or she services. And while their primary job is outside of the office-in those stores-they still need to be connected."

Until recently, staying connected often meant going into a regional office several days a week to fill out paperwork or access data such as sales figures or labor reports. In January, however, Starbucks teamed with Hewlett-Packard to equip these managers with T-Mobile's wireless Wi-Fi networking capability and virtual private networking for their laptop computers.

Now, says Saunders, the managers have direct access to key information, and most check in at the regional office only once a week. The feedback from the field, she says, is that "this is the single best tool for the job."

Starbucks isn't the only company equipping employees outside the executive suite with mobile tools. Indeed, says Ken Hyers, senior analyst in the wireless group for In-Stat/MDR, thanks to the recent introduction of faster networks, "any kind of industry where there's a need to react quickly" as well as "a high transaction rate"-from the food and beverage business to insurance-is starting to realize the benefits of wireless devices.

As a result, says Eugene Signorini, The Yankee Group's senior analyst in the wireless group, the whole idea of the mobile professional is evolving. "Companies are beginning to realize that mobile and wireless technologies need to be deployed where decisions are being made and critical customer contact is occurring-which is at the edges of the enterprise."

A Global Application

This push to outfit more front-line employees with mobile technology is not new. UPS, for example, actually built its own networks for monitoring package delivery before mobile telephony was available. IBM was an early leader in developing networks for field salespeople. Worldwide, the trucking industry and other logistics businesses have used mobile technology in the field for many years.

But even within those industries, mobile technology is penetrating deeper into the ranks. Just ask Håkan Dahlöf, CFO of BT Industries, a SKr12.3 billion (\$1.5 billion) Swedish truck manufacturer acquired by Toyota in 2000. These days when he thinks of a "mobile worker," he pictures a technician in a rural warehouse somewhere in Europe. The reason: BT Europe, part of BT Industries, has been rolling out the latest mobile technology as part of a wider overhaul of its regional field services.

Until now, the company's technicians had to phone various dispatcher offices while on the road to get information about their job assignments. Not anymore. By summer, all 1,200 service technicians in the 12 countries where BT Europe does business will be able to access the company's enterprise resource planning (ERP) system using wireless-enabled PDAs, bypassing the dispatcher offices.

Equipped with a GSM modem, the handheld devices can download new work orders and customer information directly from the central system, as well as order parts. And once a job is done, technicians can use their PDAs to notify headquarters.

Diamonds in the Rough

While these cases demonstrate that having access to real-time data can be beneficial, only recently has the capacity existed. Until the last year or so, says Hyers, "coverage has been an issue. There weren't networks fast enough to support this sort of action." He likens the problem to cars and roads. "There's not a critical mass of cars on the roads until there are roads to support them."

Now that those networks-such as Verizon's Express Network or Sprint's PCS's wireless data network-exist, Hyers believes that "U.S. business will ramp up quickly because of the high technology adoption rate" in this country.

The opportunities are vast. For example, according to a 2002 survey from The Yankee Group, field service technicians and engineers already account for 28 percent of all mobile workers - defined as workers who spend more than 20 percent of their time away from their primary workplace-at large corporations. And the report predicts that by 2008, more than 2 million U.S. field service workers will use software solutions that combine wireless data capabilities.

Of course, given the status of the U.S. economy and the dampdown on capital spending, especially IT spending, it's not surprising that companies are pushing for small-scale pilot tests of mobile services before full-scale roll-outs.

Take, for example, what National Marketing Services (NMS) is doing for some 300 of its 1,200 field workers. The retail merchandising services firm, based in Edison, New Jersey, is currently using FieldTrac, a mobile application from Unique Solutions, to service its video-distribution clients, which include Universal Studios.

The application, says Steve Workman, senior vice president of sales and marketing, was driven by the needs of "a very item-intensive business." Aided by data-synchronization software from Boise, Idaho-based Extended Systems, FieldTrac allows NMS's field workers to collect merchandising data and perform inventory tracking and reporting in real time.

"The technology is a big improvement over the interactive voice-response system and paper reports that we used to use," says Workman, adding that it allows field workers "to spend time on other productive things like stocking more product in the stores."

And if it proves successful in the video-distribution segment of the business, the company may consider rolling it out to other retail areas.

Who Should be Wired?

The decision about whom to equip with mobile technology depends first on the type and geographic reach of the company, and second on "salary divided by time on the road," says Ray Jodoin, director of wireless research at In-Stat/MDR.

Of course, given the current environment, "there also should be a real ROI to make a case for equipping a workforce," says Hyers. That's especially true considering that it can cost "\$500 or more per piece of equipment, plus whatever monthly service charge and the cost of IT to run it," he says. Even a cell phone, which is the lowest common denominator in wireless technology, can cost \$400 to \$500 a year per user.

Determining that ROI is difficult. At NMS, for example, Workman says that an exact ROI "is hard to pinpoint." But Benjamin Dehn, NMS's IS director, notes that the real benefits are gains in efficiencies and "relatively error-free communication" to customers. "It's not so much the ROI we measure, as the added value that we are giving to customers," he insists.

At BT Europe, however, "some of the biggest surprises have come from seemingly little things that weren't considered in the initial business plan, like savings from postage," says Jonas Tornerefelt, vice president of the company's field-service unit. "Imagine the savings realized by not having to [mail] forms for 1.2 million

service orders every year."

Not for Everyone

How to equip different parts of an organization is an entirely separate issue. Wireless technologies, after all, encompass a huge number of devices, standards, and integrator issues. "But you obviously don't need a signature reader in the executive suite," says Hyers, adding that "the more application-specific, the lower down the corporate ladder it goes."

Still, says Jodoin, given that 10 million to 12 million PDAs have been sold worldwide versus 425 million cell phones, it's not surprising that the national cellular carriers have a competitive advantage in this environment, with their widening geographic footprint and added mobile capacities.

Companies are wise to delay the decision on certain specifics of mobile technology, says Guido Bartels, a director of wireless E-business at IBM. "The newest toys are always exciting, but decisions on the technology should always be the last step in the process," he asserts. Describing his work with clients as "device-agnostic," Bartels stresses the importance of open standards and flexible architecture when going mobile.

Systems should be judged on their ability to deliver both low-level services, like E-mail and calendar applications, and more-sophisticated processes, such as linking mobile workers directly to the ERP platform. "The biggest failures in mobilizing enterprises come from companies that find themselves stuck with a 'spaghetti' of point-to-point solutions," says Bartels.

Of course, top managers are more likely to value and support any mobile solution if they themselves are mobile, says Peter Finter, a director of enterprise solutions at Canadian network-equipment maker Nortel Networks. At Nortel, 12,000 of the company's 35,000 employees are "teleworkers" who spend a significant part of their workweek either on the road or in home offices. "Work is an activity, not a location," says Finter.

But whether management supports it or not, a fully mobile workforce won't be realized anytime soon. "You can't expect that every employee will be equipped" with mobile technology, says Hyers, pointing out that numerous employees who work 9 to 5 at their desks do not need to be connected. "Maybe 100 years from now we will see a truly mobile workforce," he says, "but in the near term, it will remain a function of who needs it."

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