Mobility: Fueling the Digital Surge

Accenture Mobility Insights Report 2014

High performance. Delivered.
Mobile, cloud, social media, and analytics are tools that have given birth to an age where technology has become the foundation of any successful business—a prime driver of market differentiation, business growth, innovation, adaptability, collaboration and profitability. In short, every business is now a digital business, and those in which the full C-suite understand the benefits of digital are those that are likely to be most successful.

To shed light on how companies currently view and use digital technologies—especially mobility, one of the key enablers of the digital business—Accenture surveyed nearly 1,500 C-level executives at companies in 14 countries around the world.
At a high level, our research enabled us to draw four important conclusions

1. **Strategic Investment**
   Respondents overwhelmingly view their investment in digital technologies as a strategic investment that can help them engage with customers and grow, not merely an “add-on” to their current IT landscape.

2. **Aggressive Adoption**
   Companies are moving aggressively to adopt mobile technologies and applications geared toward helping them achieve specific business objectives, and are developing formal strategies—in many cases, with the involvement of the CEO—to guide their efforts.

3. **Mobility Challenges**
   However, a number of strategic, organizational and operational shortcomings have made it difficult for companies to take full advantage of mobility’s promise—especially, struggles in the rollout of mobile capabilities, a lack of formal metrics to measure effectiveness, and insufficient funding for mobile priorities.

4. **Mobility Leaders**
   “Mobility leaders” identified in the research are distinguished from other companies by a more ambitious, strategic and cross-company approach to mobility that’s backed by active involvement of the company’s senior leadership, and a substantial monetary commitment to developing mobile capabilities.

In the following sections, we explore these findings in more detail.
Digital Technologies Hold Great Promise

Digital technologies have considerable potential to transform the ways in which companies create revenue and results via innovative strategies, products, processes and experiences. But do companies recognize that potential and, more important, are they mobilizing to capitalize on it? According to our research, the answer is a qualified “yes.”
Of the major digital technologies—which include mobility, social media, big data analytics, the cloud, and connected products\(^1\)—mobility has risen to the top in terms of importance to organizations. Seventy-seven percent of participants in our survey considered mobility among their top five priorities for the coming year, and 43 percent said the technology was in the top two (Figure 1).

Furthermore, respondents overwhelmingly view their investment in digital technologies as a strategic investment geared to helping their companies grow.

Thirty-five percent of respondents hoped that digital technologies would help them increase sales in existing markets, close to thirty percent hoped it would generate additional revenue, build an entirely new digital business or service, keep pace with customer demands, and penetrate new markets.

As digital technologies continue to evolve, companies are looking to gain a foothold with a new slate of emerging tools that can help them build on the investments they have already made. The most likely of these tools to be considered as part of respondents’ digital/IT agenda in the next three years will be low-energy components and devices (Figure 2).

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1 Connected Products – defined as: Smart interconnected devices with contextual interfaces that provide customized services and embedded software that enables them to collect, send and receive relevant data.
Given mobility is a key enabler of the digital business, it should come as no surprise that mobility has been an area of strong focus among companies of all types. Indeed, four in 10 companies indicated they have aggressively pursued and invested in mobile technologies across their business and consider mobility a key part of their business strategy.
In 87 percent of companies in our study, mobility initiatives have been guided by a formal mobility strategy—either one that spans the enterprise or strategies developed for specific business units or functions (Figure 3). Importantly, mobility is close to the chief executive’s heart in 35 percent of companies, where the CEO plays a role in mobility strategy development.

1. Mobile Applications
   In addition to strategy, the mobile application is another important factor in the success of mobility, and it is an area of strong focus among those in our survey. Respondents cited many objectives they hope to accomplish in relation to their mobile apps in the next 12 months. The two most commonly named were improving existing mobile apps so they are more effective in engaging and retaining customers, and growing their overall mobile presence by launching new apps (Figure 4). Interestingly, generating deeper customer insights through mobile analytics is the most important mobile priority for half of all respondents.

2. Connected products
   Connected products, which are already penetrating—and, in some cases, transforming—many businesses and industries are an increasing area of interest. Forty seven percent of respondents considered connected vehicle as most relevant to their business, closely followed by building or plant solutions and four in 10 said the same about connected home solutions. About one-third of respondents—especially those in the consumer goods industry—indicated wearable, sensor-based devices offer promise for their business (Figure 5).

When considering the initiatives to which respondents are planning to allocate their budget, four customer facing priorities clearly stand out:

- Opening up new sales or marketing channels (cited by 44 percent as a priority for investment)
- Driving revenue through transactions on mobile devices (43 percent)
- Driving revenue through customer engagement on mobile devices (39 percent)
- Improving field service/customer service delivery (39 percent)
Challenges are Preventing Greater Progress

While there is considerable interest in and enthusiasm for mobility, most organizations still have much work to do to make mobility a core—and beneficial—element of their business. In fact, our survey found that companies' efforts to date have not lived up to expectations due to a number of strategic, organizational and operational challenges that have made it difficult for companies to take full advantage of mobility's promise.
Most companies have not made substantial progress toward the mobility priorities that are important to their business—on average only slightly more than four in 10 companies have made at least good progress across these priorities. Looking more closely at our results, we found no more than 18 percent of respondents that described their progress as extensive on any one priority. Consistent with this is the fact that less than half of respondents (46 percent) described their overall adoption and deployment of mobile technologies as effective.

In terms of shortcomings, the most prevalent appears to be a lack of formal metrics that enable companies to measure the effectiveness of mobility initiatives. A full 85 percent of respondents indicated they did not have such metrics.

Another common shortcoming relates to determining where and how mobility can have the greatest impact. Eight in 10 respondents said their organization doesn’t have a formal process for identifying, evaluating, and prioritizing ways mobility can benefit their business.

Below the preceding were a number of shortcomings that are present in about seven in 10 companies—including the inability to keep pace with new mobile devices, systems, and services; no clearly defined, centralized ownership of mobility initiatives within the organization; failure to develop new, or redesigned business processes etc. to better incorporate mobility services; and lack of internal and external skills necessary to properly plan and execute mobility initiatives.
In about two-thirds of companies, shortcomings related to the actual rollout of mobile capabilities are likely preventing organizations from making greater progress. These include current systems and infrastructure that cannot smoothly accommodate new mobile technologies; lack of a robust blueprint to guide adoption and no formal, robust methodology for developing mobile applications that spans development, testing, distribution, and updating.

Developing and maintaining mobile apps is an area that also has specific challenges. The most common of these are largely related to the technologies involved—such as performance issues (e.g., crashes and bugs that lead to bad customer reviews), user experience issues that dissuade customers from using the app, and issues that make it difficult for target customers to find or access the app.
Mobility Leaders Offer Tips for Success

While it is clear companies have embraced mobility conceptually—and are making considerable strides in infusing the technology into their everyday operations—there are a number of things they could do to help generate greater returns on their mobility investments. For guidance, companies should consider the advanced mobility practices that our study has found correlate strongly with return on mobility investments.
Although 86 percent of respondents have not yet seen their mobility initiatives pay for themselves, about one in ten respondents to our survey reported having generated more than 100 percent return on their mobility investment in the last two years.

This group, which we deemed “mobility leaders,” were more likely than other companies in our study to say their company posted exceptional financial performance. For instance, just under half of mobility leaders (49 percent), compared with only (29 percent) of others said their company’s overall financial performance was far above the industry average.

Not surprisingly, mobility leaders also were more likely to report having made significant progress toward all of the mobile priorities covered by our survey, as well as to believe they have effectively adopted and deployed mobile technologies (69 percent versus 45 percent).

Importantly, leadership is not defined by a company’s size, product or service offerings, or location: Mobility leaders represent a wide range of countries and industries, as well as company revenues (although leaders are somewhat more likely to be very large companies—those with $50 billion or more in revenue).

Helping to drive such compelling results are some underlying mobility approaches and practices that leaders employ—and that are less evident among the rest of our survey sample. At a high level, leaders are distinguished from other companies by a more ambitious, strategic and cross-company approach to mobility that’s backed by active involvement of the company’s senior leadership, a substantial monetary commitment to developing mobile capabilities, and a superior methodology for developing and deploying mobile apps.
Consider the full range of digital technologies to be among their top five priorities in the next year (Figure 6), and to expect to use those technologies to build an entirely new digital business or service rather than simply improve upon the existing business (35 percent versus 27 percent).

Have a formal enterprise-wide mobility strategy (54 percent versus 43 percent) instead of separate strategies for individual business units or functions (Figure 7), and use that strategy to inform their mobile investments (52 percent versus 38 percent).

Specifically, we found mobility leaders are more likely than others to:

1. Consider the full range of digital technologies to be among their top five priorities in the next year (Figure 6), and to expect to use those technologies to build an entirely new digital business or service rather than simply improve upon the existing business (35 percent versus 27 percent).

2. Have a formal enterprise-wide mobility strategy (54 percent versus 43 percent) instead of separate strategies for individual business units or functions (Figure 7), and use that strategy to inform their mobile investments (52 percent versus 38 percent).

3. Indicate the CEO and the leadership team or board of directors ultimately owns their mobile strategy, and that their company’s senior leadership are highly engaged with the organization’s mobility initiatives.

4. Have aggressively pursued and invested in mobile technologies across their business and consider mobility a key part of their business strategy.

5. Be focusing on creating an enterprise mobile app store or catalog to make it easier for internal users to access them, and have a formal and robust methodology for developing mobile apps that spans development, testing, distribution, and updating.
The experiences of mobility leaders suggest there’s no shortcut to generating strong business results from mobility. Rather, as our survey results show, mobility success takes a strong dedication of resources and attention, as well as genuine engagement at the top of the organization. Companies that are committed to building robust mobility capabilities, and that make these capabilities a core part of their operations, appear much more likely to benefit from the promise of this increasingly important growth-generating technology—and take greater strides toward becoming a digital business.
Accenture's mobility study was designed to explore how companies are applying digital technologies—especially mobility—to help improve various aspects of their business. To that end, we conducted an online survey of senior executives between December 2013 and January 2014. A total of 1,475 executives completed surveys.

Executives’ titles spanned the C-suite, with the majority serving in a technology-related role. Respondents' companies represented 10 industries and 14 countries, and were predominantly large: One-third have annual revenues of more than $10 billion, with 11 percent reporting sales of more than $50 billion.
Figure 1
Percentage of respondents saying main digital technologies are a top-five priority

<table>
<thead>
<tr>
<th>Technology</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>Mobility</td>
<td>77%</td>
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<tr>
<td>Analytics</td>
<td>72%</td>
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<tr>
<td>Connected Products</td>
<td>65%</td>
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<tr>
<td>Cloud</td>
<td>62%</td>
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<tr>
<td>Social</td>
<td>61%</td>
</tr>
<tr>
<td>Technology</td>
<td>Percentage</td>
</tr>
<tr>
<td>--------------------------------------------------------------</td>
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<tr>
<td>Low-energy components and connectivity standards</td>
<td>44%</td>
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<tr>
<td>Wearable computing (e.g., smart watches, exercise devices)</td>
<td>39%</td>
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<tr>
<td>Natural User Interfaces (augmented reality, voice recognition, motion-based, etc.)</td>
<td>38%</td>
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<tr>
<td>Open APIs and developer programs</td>
<td>38%</td>
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<tr>
<td>Geo-fencing (e.g., location-based services)</td>
<td>35%</td>
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<tr>
<td>Open source development platforms</td>
<td>33%</td>
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<tr>
<td>Wireless charging</td>
<td>32%</td>
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<tr>
<td>Near field communication</td>
<td>30%</td>
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<tr>
<td>Software defined networking</td>
<td>25%</td>
</tr>
<tr>
<td>Indoor analytics (indoor location services)</td>
<td>14%</td>
</tr>
</tbody>
</table>
Figure 3
Companies' mobility strategy

- 44%: We have a formal enterprise-wide mobility strategy
- 43%: We have a formal mobility strategy for specific business units or functions
- 11%: We do not yet have a formal mobility strategy but are working on developing one
- 2%: We do not have a mobility strategy and have no plans to develop one
Figure 4
Main priorities in developing mobile apps in the next 12 months

- Improve existing applications with focus on reliability and user satisfaction: 46%
- Grow overall mobile presence by launching new applications: 44%
- Implement new features, taking advantage of latest technologies (geo-location, social etc.): 42%
- Allow easy access by implementing an Enterprise mobile app store/catalog: 38%
- Improve existing applications with focus on customer engagement/retention: 30%
- Improve existing apps with focus on conversion/monetization: 20%
- Expand application lineup to new mobile platforms: 10%
Figure 5
Connected products most relevant to companies’ business priorities

- Connected vehicle solutions: 47%
- Connected building/plant solutions: 46%
- Connected home solutions: 39%
- Wearable, sensor-based devices: 32%
- Video monitoring, motion sensor devices: 31%
- Smartphone/tablet-attached peripheral devices: 27%
- Gesture-based interface control devices: 26%
- Environment-aware devices for field operations: 24%
- Unmanned vehicles/flyables: 22%
Figure 6
Mobility leaders are more likely to believe all the major digital technologies are a top-five priority

<table>
<thead>
<tr>
<th></th>
<th>Leaders</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobility</td>
<td>83%</td>
<td>77%</td>
</tr>
<tr>
<td>Analytics</td>
<td>80%</td>
<td>72%</td>
</tr>
<tr>
<td>Connected Products</td>
<td>72%</td>
<td>64%</td>
</tr>
<tr>
<td>Cloud</td>
<td>68%</td>
<td>61%</td>
</tr>
<tr>
<td>Social</td>
<td>71%</td>
<td>60%</td>
</tr>
</tbody>
</table>
We have a formal mobility strategy for special business units or functions

We do not have a formal mobility strategy and have no plans to develop one

We have a formal enterprise-wide mobility strategy

We do not yet have a formal mobility strategy but are working on developing one

Figure 7
Mobility leaders are more likely to have an enterprise-wide mobility strategy

Leaders | Others
---|---
We have a formal enterprise-wide mobility strategy | 54% | 43%
We have a formal mobility strategy for special business units or functions | 35% | 44%
We do not yet have a formal mobility strategy but are working on developing one | 7% | 11%
We do not have a mobility strategy and have no plans to develop one | 5% | 1%
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