

# Trends 2012—Mobile Mania

## Introduction

[Last year we wrote often about mobile strategies](#) and how dominant they would become; the year did not disappoint, with significant growth in mobile supply chain and consumer applications and devices. This two-section article for the Trends 2012 series will discuss mobility both from a supply chain perspective as well as the retail/consumer perspective. We will share with you the results of some of our research as well as conversations with end-users about their successes. Through our findings, we have also derived a roadmap that describes mobile usage, implementation, and value realization in the enterprise. And we will share that as well.

## 2012 Business Priorities

In our recent 2012 Business Priorities survey, we found some important findings in terms of technology strategy and purchases going forward. What stands out is the intention to evaluate and purchase mobile solutions, as mobile rises into the top categories for evaluation and purchase in 2012 (Figure 1).

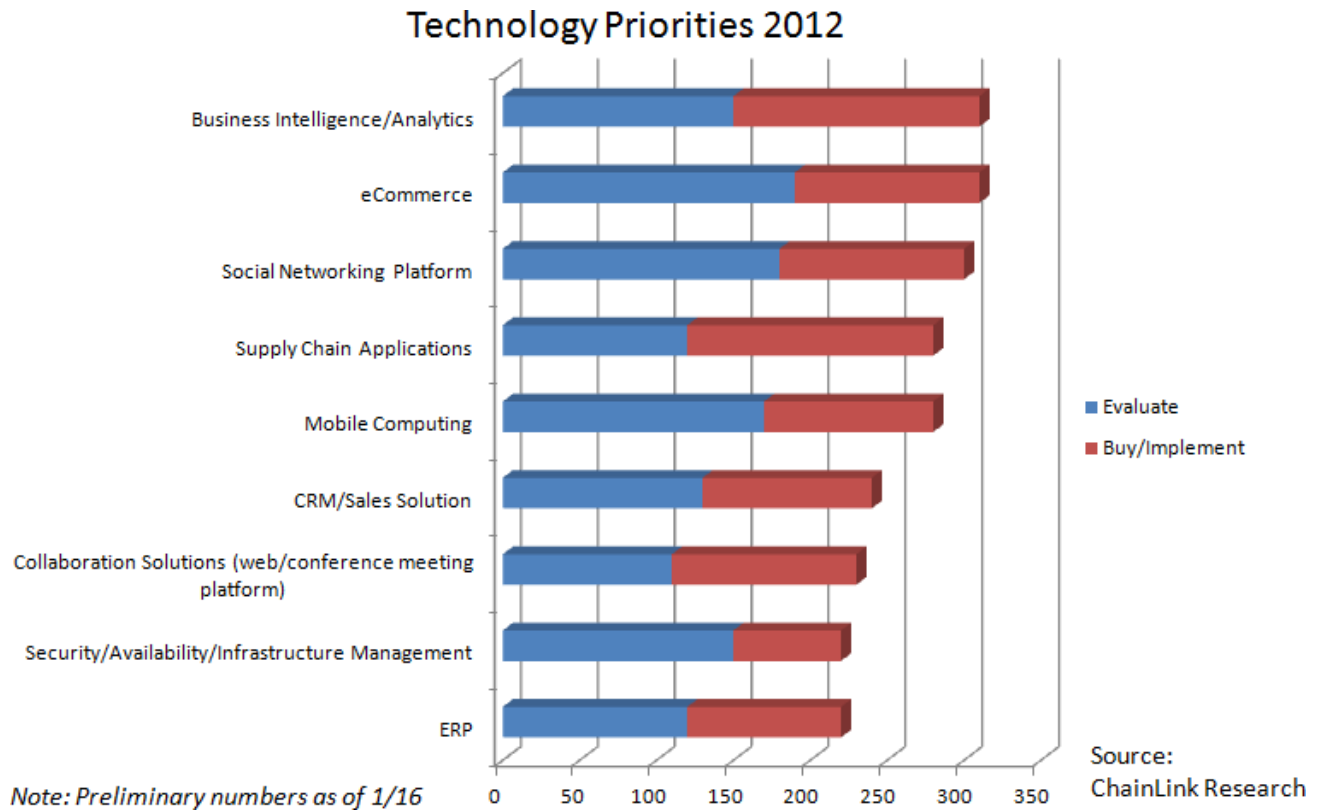


Figure 1: Top Technologies for Evaluation and Purchase in 2012

In past years, though mobile was an ever-present technology, it did not rise to this level of importance. And from an ownership perspective, the CIO and senior executives are taking a very keen interest, indeed. We will explore some of the reasons for this throughout this article.

Priorities have surely shifted since the advent of consumer mobile applications. But interestingly, what stands out is collaboration.

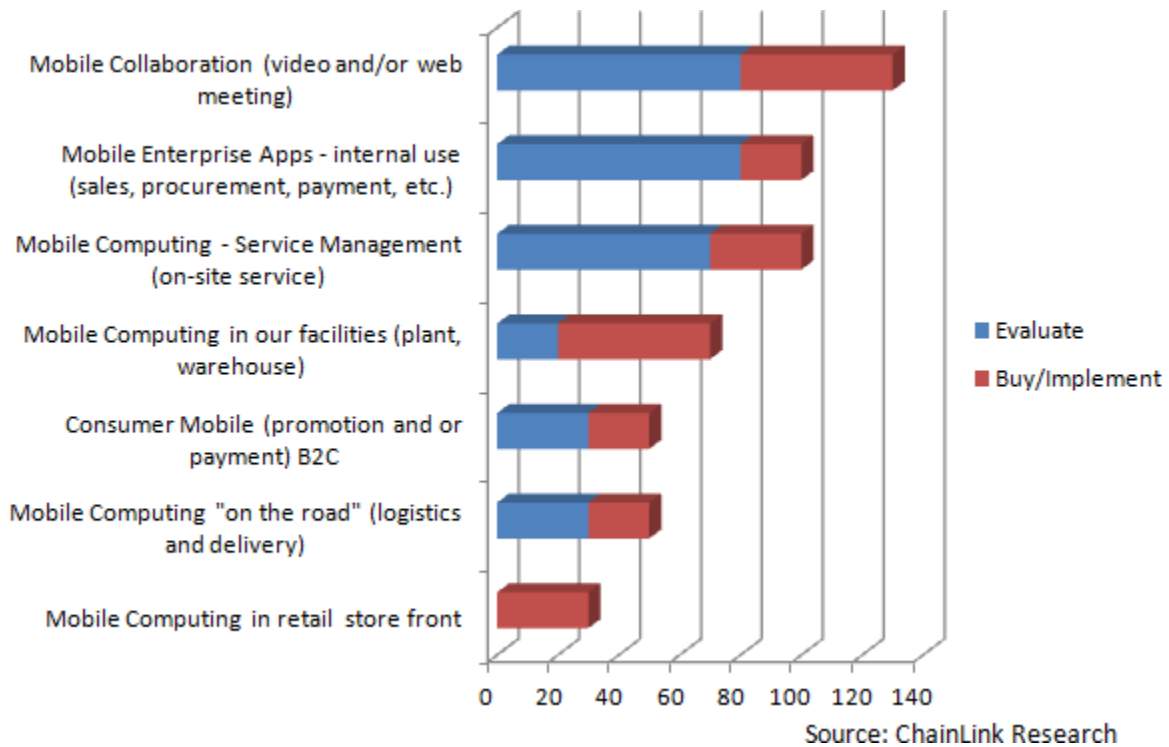
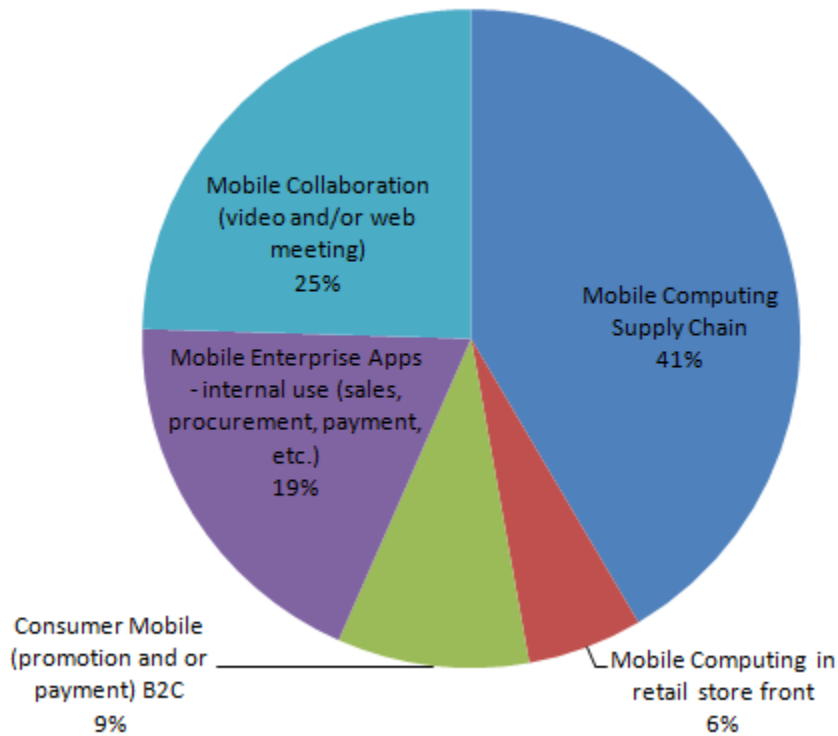


Figure 2: Mobile Computing Technology Evaluation and Purchases for 2012

Both Android and now, iPhone 4S allow for video conferencing on the phone. Clearly the business community has taken note and put mobile collaboration on the top of its list. (Back in Figure 1, you will notice ‘Collaboration’ appeared in the top five technology areas.) But it is clear, if one looks at the aggregate data, that supply chain (that is adding warehouse, logistics, and service management together) is still dominant in terms of mobile purchases (Figure 3).

## Total Interest- Mobile Computing



Source: ChainLink Research

Figure 3: Top Mobile Purchase Categories

We expect to see hardware turnover as newer devices with more capabilities have entered the market and favorable pricing provides end-users with much higher levels of versatility. In addition, software purchases to support mobile communications and data sharing have become more important as organizations put newer apps and more functions on the devices, moving from basic scanning to integration with enterprise applications.

## Mobility in the Supply Chain

Supply chains don't happen just in the office, but also between trading partners and on to the final destination—the customer. Therefore, there is a continuous need to manage activities at each and every point along the chain to ensure a successful outcome *throughout* the process.

And there is vital information at each of these stages that can be used to manage—in real-time—the performance of those stages and your overall business performance. So a mobile-solutions strategy is essential for managing your business. And mobility is now utilized across the enterprise (Figure 4).



Figure 4: Enterprise-wide Mobile

Managing events with precision should not be considered a cost burden, but an investment that brings real value to so many businesses: manufacturers, distribution, healthcare, education, construction, and retail, to name a few industries.

Poor precision in the business process leads to a variety of mishaps—from safety and security issues to uncoordinated, error-prone, and late supply chain processes. Poor precision downgrades the customer experience with poor service, additional paperwork, and increased ‘run-arounds’ for the consumer.

Successful business is all about keeping promises—and besting them if you can. Don’t get it right and you can lose the customer—forever!

Business managers in the supply chain consistently report operational improvements as some of their top goals. In Figure 5 you can see that customers still reign supreme—as they should. We can never be good enough here, it seems. As you drill into what ‘customer satisfaction’ means, you can glean mobility’s contribution to these metrics: on-time, quality outcomes, including complete orders, proper information transmissions, and proper administration, just to name a few of the expectations. Lack of precision drives more paperwork (or impedes our ability to eliminate it), wastes time in endless disputes, and creates a lack of trust between trading partners.

## Top Goals in the Supply Chain

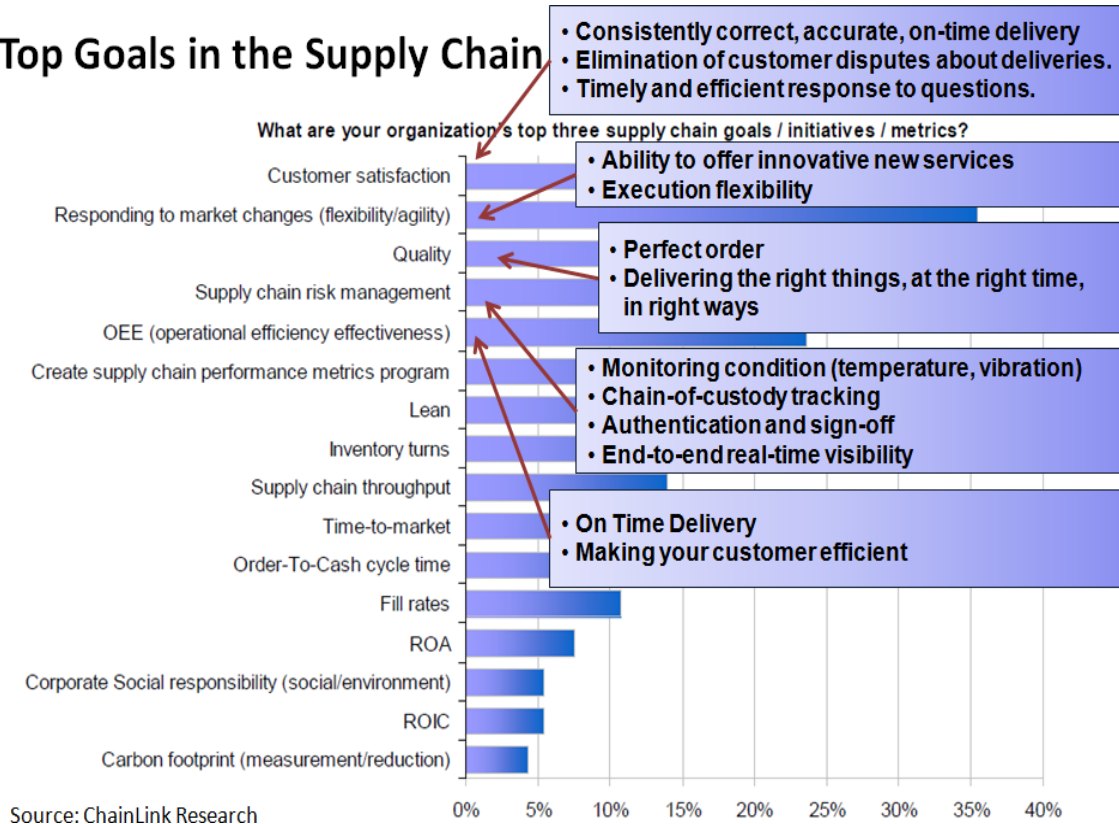


Figure 5: Top Goals in the Supply Chain

Mobile technology can deliver on-time, correct, accurate, high quality (i.e. non-damaged) orders leading to the 'perfect order' goal. For many industries, then, mobility not only helps with accurate picking and shipping, but also with monitoring, control and security. If you are a pharmaceutical, electronic instrument, or food company, to name a few, this 'precision control' is paramount to that perfect order.

Many end-users with whom we spoke really are striving for electronic proof of delivery (ePOD), and greater visibility and control at the same time. ePOD also leads to increased cash to the business—there is your ROI. Improvements in terms of payment, reduced Sales Outstanding (DSO), and productivity improvements were cited as key returns in the supply chain. And if your business *is supply chain*, that might mean the difference between growth and profit or deflated and shrinking business.

In fact, at the mobile road show that ChainLink did with Airclic in Dec 2011, Steve George, Executive VP & CIO of Corporate Courier stated that they had doubled their business due to their mobile project implementation, as well as achieved more than 99 percent accuracy,<sup>1</sup> which represents nearly 20 percent more than the average courier. Who wouldn't like that?

Surely these successes, the extensive decades-long experience curve with mobile in supply chain, the ability to access the technology at attractive price points, and a new generation of technology are behind the budget increases for evaluation and purchase of mobile solutions.

<sup>1</sup> A best in class metric in the courier business.

## Roadmap to Value

Based on our research over the years, we have uncovered and established a roadmap that companies seem to follow to achieve value from their mobile solutions (Figure 6). This journey is not strictly sequential: each company might vary a bit in the order they follow. But these steps are most common among enterprise mobility implementers.

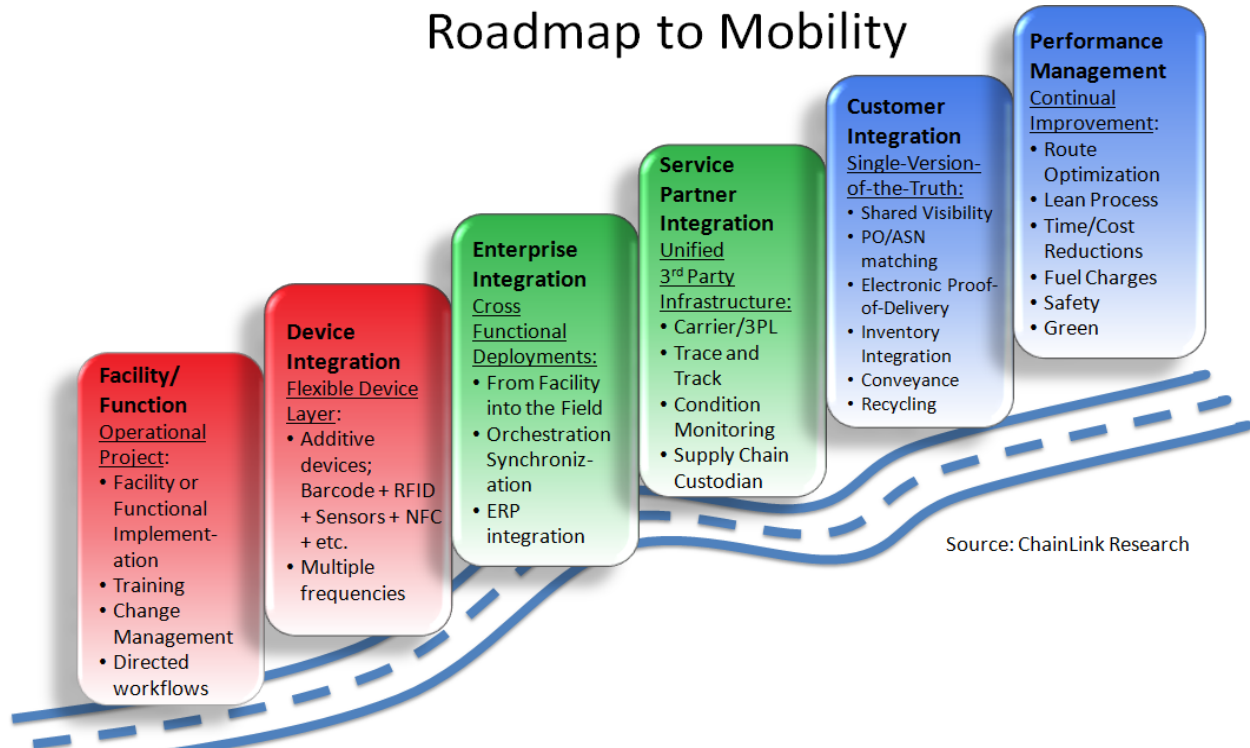


Figure 6: Mobile Implementation Roadmap

Often in the supply chain world, users initially think about one process, operation, or facility such as warehouse, transportation/courier, or service management, for example. Though end-users often spend a lot of time talking to hardware vendors—it's so easy to focus on the toys—they really need to think about how the process will work, the data that will be collected, the instructions and applications that will be downloaded to the devices, and how they will be securely managed.<sup>2</sup>

Many users at this stage neglect the overarching structure and opt for single application integration—to the warehouse system, for example. But more and more, enterprises are thinking cross-process and inter-enterprise; thinking about interoperable, standards-based, cloud solutions that help integrate across the enterprise and into trading partner operations.

Some examples are direct-store delivery, not just to store, but directly to the customers' shelves; or courier services with routing, as well as with electronic signatures; or merchandiser applications that

<sup>2</sup> Thus the CIO is now weighing in on these purchases as concerns increase about how all this will be managed. To date, there are not very many enterprise-wide *device* purchases. However there is a focus on enterprise purchases of the software *foundations*, since provisioning and security is a corporate concern.

send customer and location instructions to the merchandiser, help route and schedule the work, and validate that the work was done.

At this level we have to be device agnostic; a software solution *has* to integrate. There are too many types of devices from many brands, using many frequencies. From bar-coding to RFID, Near Field Communications (NFC) and wireless tablets, everything is being sold and is going gung-ho in the marketplace.

So the road map, as stated, may start just in one area, but once an organization learns to use their mobile solution well, they do *move up the road to enterprise-wide Integration*. We may have sales, services and supply chain all using mobile solutions, but of very different types; however, they all have to integrate.

One of the most challenging areas is integration with service partners as well as with customers. (Standards play an important role here.) Not only can we monitor the stages of the process, but we can also use that data to make decisions: change direction; detect an error and, therefore, have an opportunity to correct it; use the data to feed operational systems such as sourcing, inventory control, shipping, etc.

The most exciting opportunity now is to really leverage the data for performance optimization, whether it is lean inventory or more effective routing, saving time, costs, and carbon footprint. (You can see these intentions in the 2012 Mobile Computing Technology Evaluation and Purchases chart in Figure 2, above.) But most interesting is that as companies mature with mobile, they take a more performance, i.e. a more strategic, view. This data opens the door to a new way of working. It has transformative power.

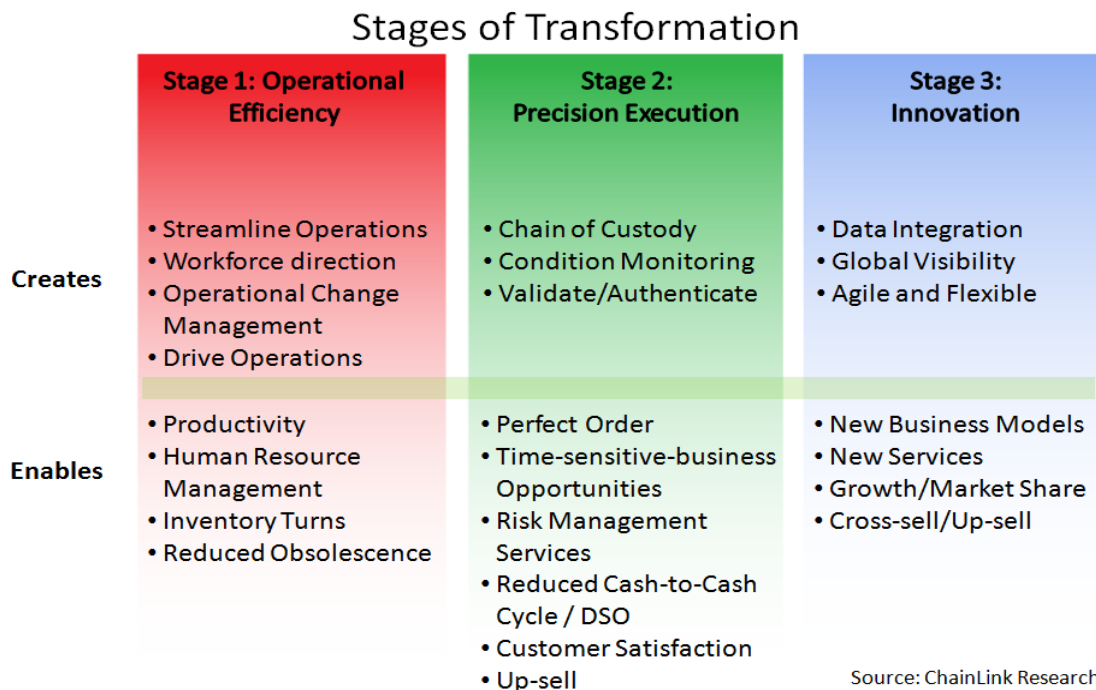


Figure 7: Mobile’s Impact on Business Transformation

We observed that along with the implementation roadmap, organizations reap higher order and more strategic benefits as they move from the operations-level approach—facilities and operational processes—to taking an organization-wide attitude toward performance. We were struck most by the benefits of focusing on precision. It seems to open the door to a more deft organization and new business opportunities, and organizations are able to take on new types of customers.

Here are a few examples we were told about during our research:

- Adding to their existing (warehouse-to-warehouse) bulk/pallet shipping to provide a ‘fresh express’ process, now delivering products to the customers’ retail establishments
- Adding a pharmaceutical warehouse to a distribution business
- Being able to provide customer services and repair, moving beyond being a mere distributor of equipment to high margin installation, service and repair
- Creating a consumer ecommerce business, not just B2B distribution. Adding packing and shipping pallets to add the ability to take consumer orders and shipping for the ‘one each’ business.
- Instead of just delivering medical supplies to a hospital, getting into the home healthcare business where on-time, and fresh life-saving prescriptions are delivered to the home.
- Creating a time-sensitive/urgent delivery service to an existing courier business (Very high margin opportunities exist here.)

These were just a few of the transformative opportunities companies told us were possible because a dependable and precise supply chain allowed them to create new services and new businesses.

## Conclusions:

Mobility technology has really emerged from task-level operations technology to an enterprise-wide and strategic investment. As such, spending will increase, but so will expectations. To date, many companies have merely harvested operational data to improve accuracy and reduce paperwork. But a growing leadership category of enterprises now leverage the goldmine of data to perform and transform.

We will continue this conversation next time and discuss the other areas of mobile technology in Part Two.

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References:

Corporate Courier—[case study here](#)

[Mobile Healthcare](#)

[Converged, Collaborative, Telepresent Communities in the Second Decade](#)