



The Financial Impact of BYOD

A Model of BYOD's Benefits to Global Companies

May 2013



Cisco IBSG
Horizons

IBSG Horizons BYOD Study Waves: Global State of BYOD and Its Implications

Current Wave

IBSG Horizons: BYOD U.S. Trends

- June 2012
- 600 IT leaders
- U.S. enterprises

IBSG Horizons: BYOD Global Trends

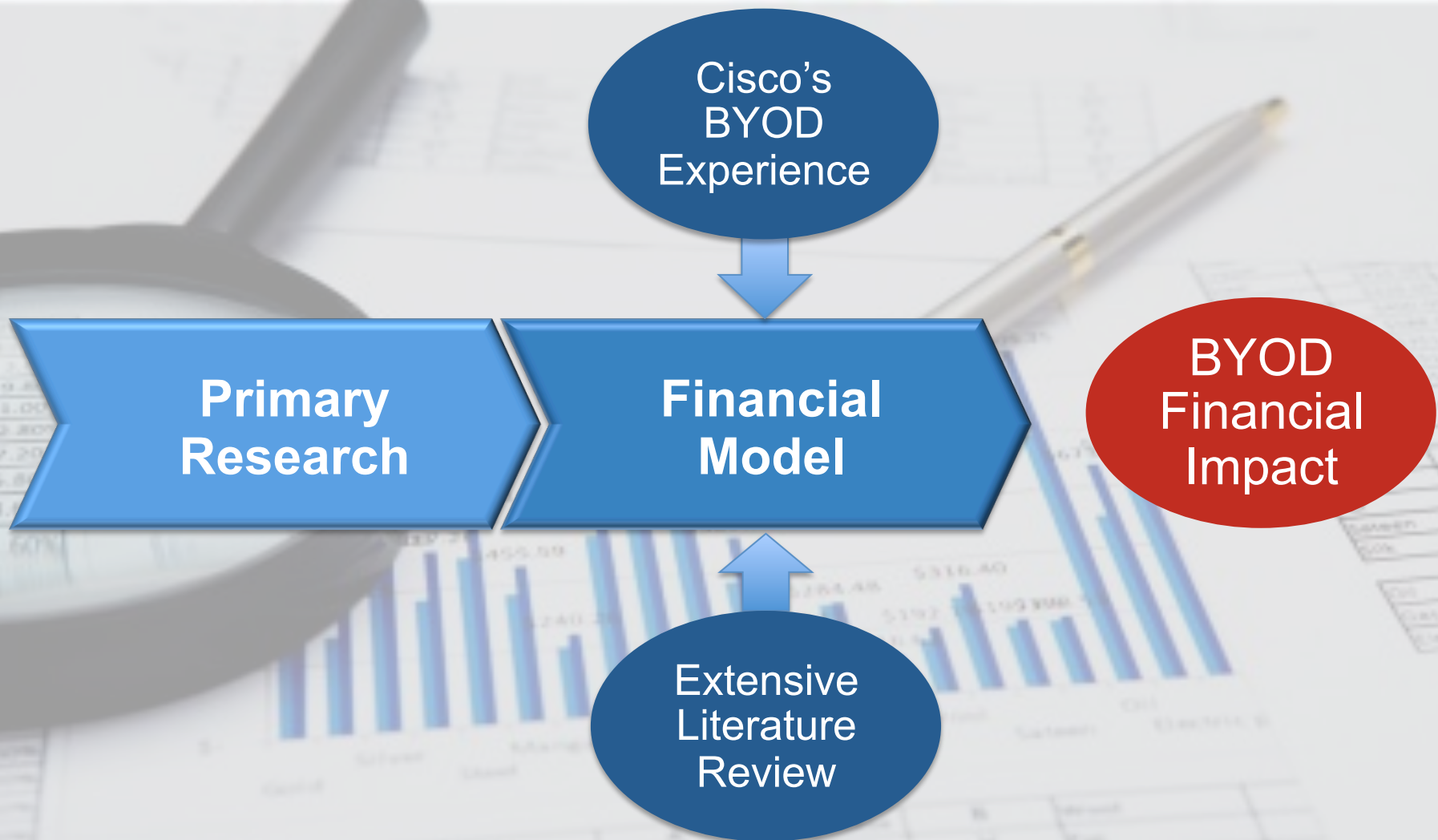
- September 2012
- 4,892 IT leaders
- Midsize + enterprise
- 8 countries + U.S.
(original survey
+ 312 midsize)

IBSG Horizons: BYOD Financial Impact

- May 2013
- Financial impact of
BYOD on companies
- Maximizing ROI of
BYOD
- 6 countries

Source: Cisco IBSG, 2013

IBSG Horizons BYOD Financial Impact: Assessment of Typical Firm



Overview of Primary Research Scope



2,415

Mobile Users



18

Industries

- Exploration of BYOD benefits from the perspective of mobile users: white-collar employees who use a smartphone, tablet, or laptop for work at least sometimes
- 400 surveys in each country: U.S., U.K., Germany, India, China, Brazil
- 73% enterprise (1,000+ employees), 27% midsize (500-999 employees)
- 29% executives, 71% knowledge workers (47% midlevel managers and professionals, 24% other individual contributors)

Source: Cisco IBSG, 2013

BYOD Devices To Double by 2016

**405
Million**

Total expected number of BYOD devices in all 6 countries by 2016, growing from 198 million in 2013

105%

Total growth in number of BYOD devices (27% CAGR), 2013-2016

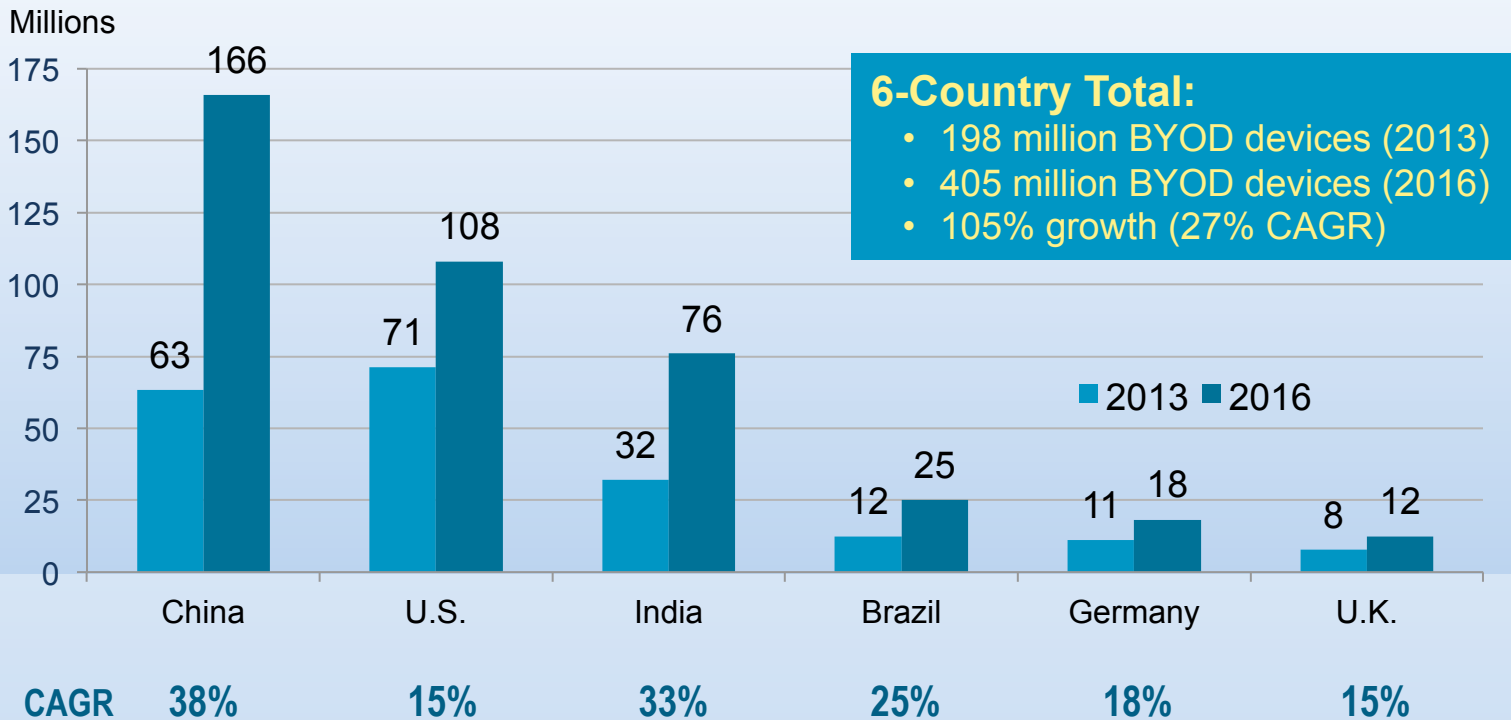
1.3

BYOD devices per mobile employee by 2016 (1.2 today).

Sources: EIU, 2013; Strategy Analytics, 2012; Cisco IBSG, 2013

Strong BYOD Growth Everywhere, but China, U.S., India Are Biggest Markets

Estimated BYOD Devices in Global Workplaces, 2013-2016 (in Millions)



Sources: EIU, Strategy Analytics, Cisco IBSG, 2013

Employees Are Bringing Multiple Devices, and Paying To Do So

1.7

Average number of personally owned devices used by each surveyed BYOD employee

\$965

Average out-of-pocket spending per BYOD employee on personal mobile devices used for work

\$734

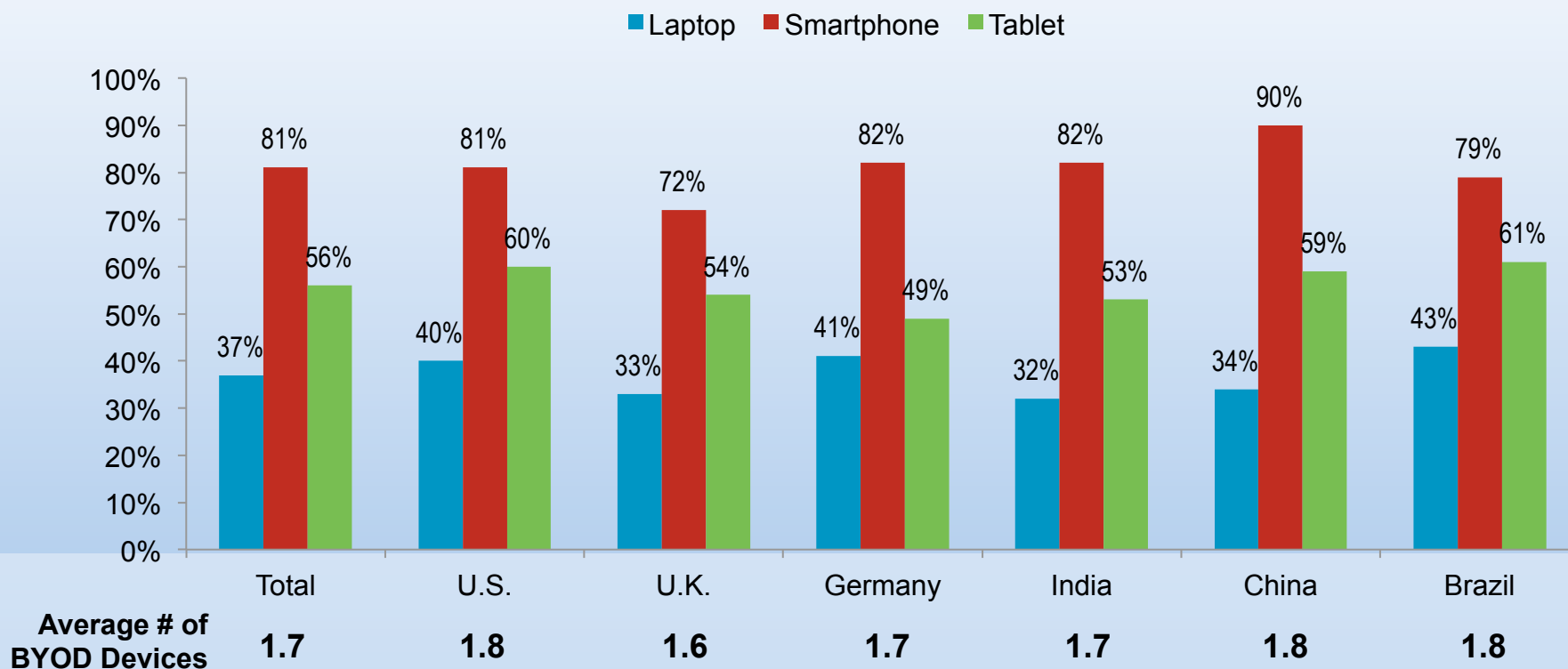
Average annual data plan spending for BYOD employees who use the plan at least partially for work

Source: Cisco IBSG, 2013

N=1,679 BYOD respondents

BYOD Devices: Smartphone Leads, but Tablets Are Closing the Gap

Percentage of BYOD Employees Bringing Mobile Devices to Work

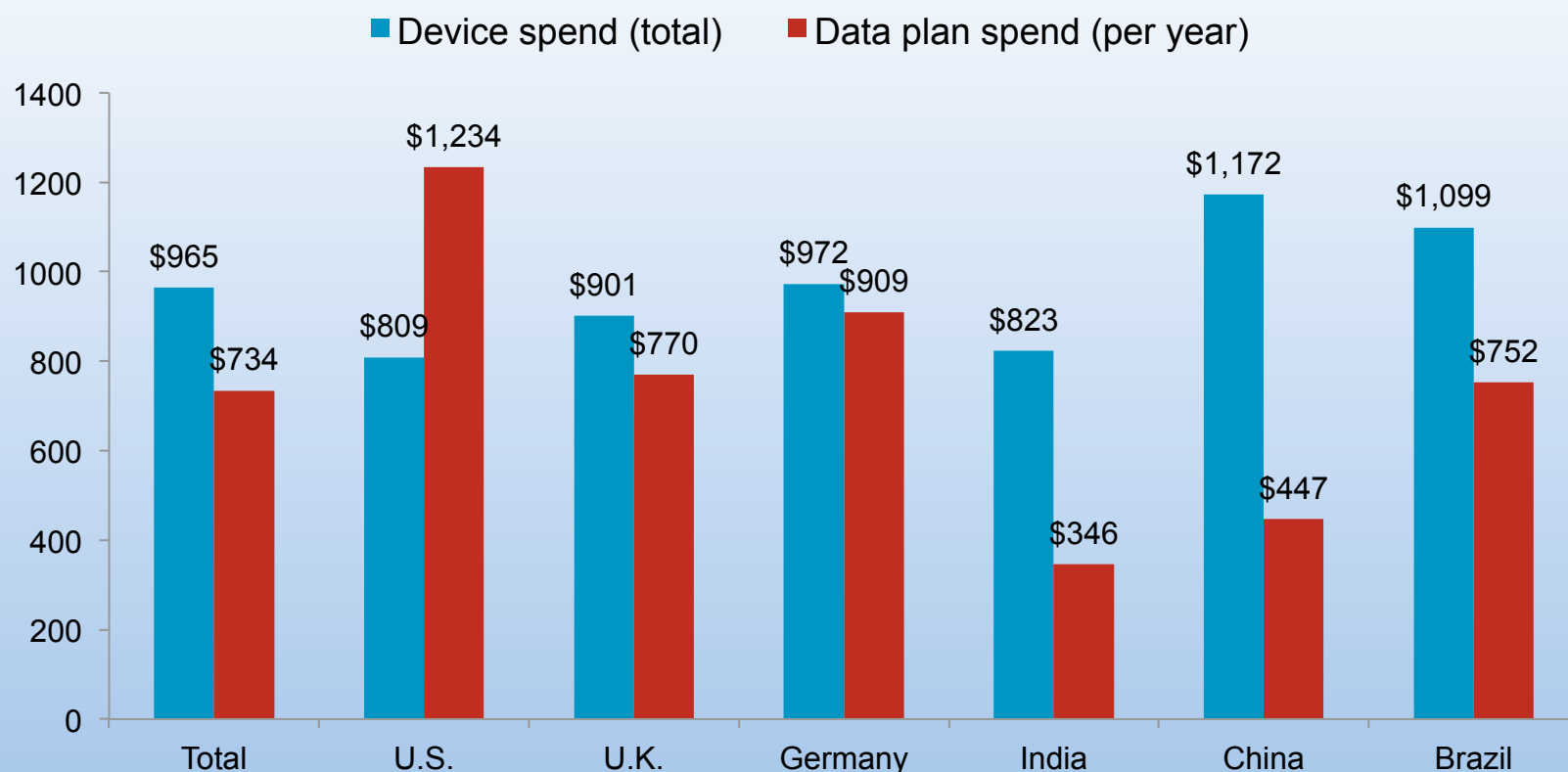


Source: Cisco IBSG, 2013

N=1,679 BYOD respondents

Recognizing the Value: Employees Are Paying To “BYOD”

**Average Out-of-Pocket Spending to Date per BYOD User
on Devices, Yearly Spend on Data Plans (USD)**



Source: Cisco IBSG, 2013

N=1,658 BYOD respondents who knew their device spend; N=1,620 BYOD respondents who knew their data plan spend

Why They BYOD: Efficiency, Flexibility, and Initiative

A woman with short brown hair is sitting at a desk, looking at a laptop. She is wearing a light blue button-down shirt. On the desk, there is a white coffee cup on a saucer and a small white container. The background is a blurred office environment with large windows and a staircase.

#1

Can get more done with my own device

#2

Want to combine work and personal activities or access personal applications

#3

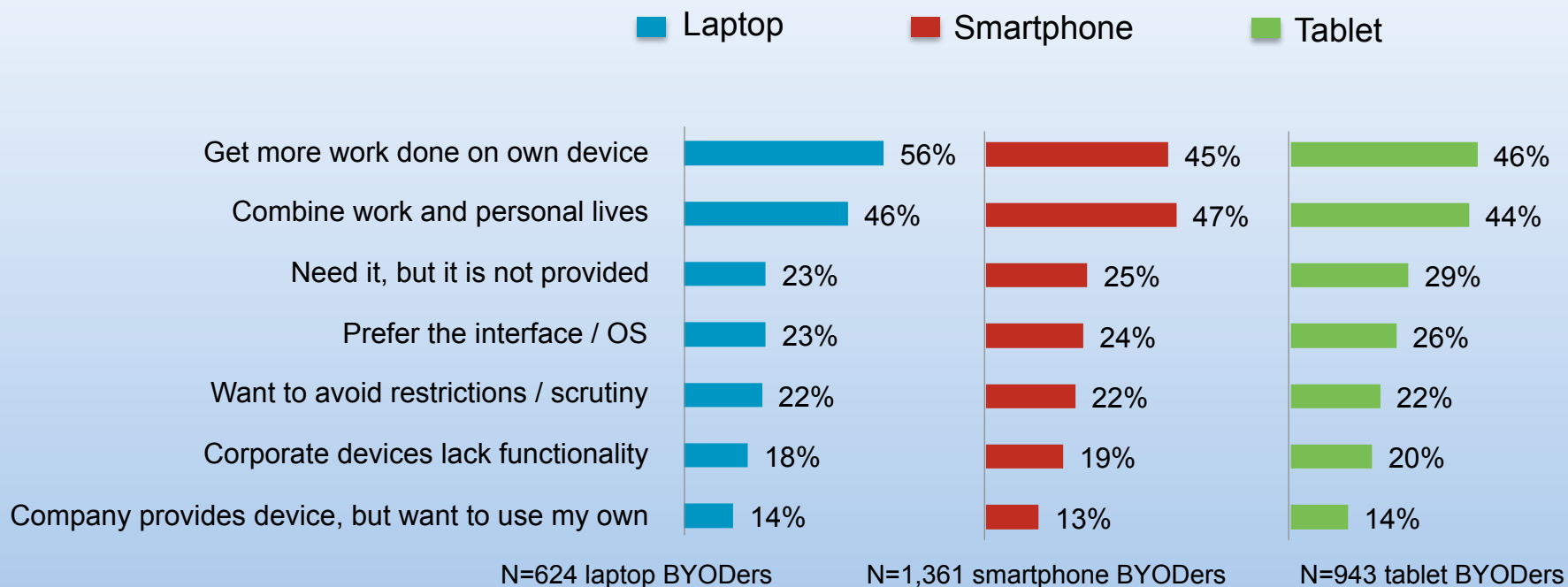
Need device for work, but company does not provide it

Source: Cisco IBSG, 2013

N=1,679 BYOD respondents

BYOD Devices Allow Employees To Do More, Merge Work and Personal Tasks

Reasons BYOD Employees Bring Their Own Devices (Percentage of Respondents)



Source: Cisco IBSG, 2013

BYOD Makes Employees More Productive and Innovative



81

Minutes per week saved in U.S.—
highest of all countries surveyed
(37-minute average)

36%

Save at least two hours per week
by using personal mobile devices
at work

53%

Have raised work productivity
through innovative work practices
enabled by their devices

Source: Cisco IBSG, 2013

N=1,663 BYOD respondents

BYOD Enables Efficiency and Innovation, but Gains Are Uneven Across Countries

Net employee time gained per week: **37 minutes**

37 min.

81 min.

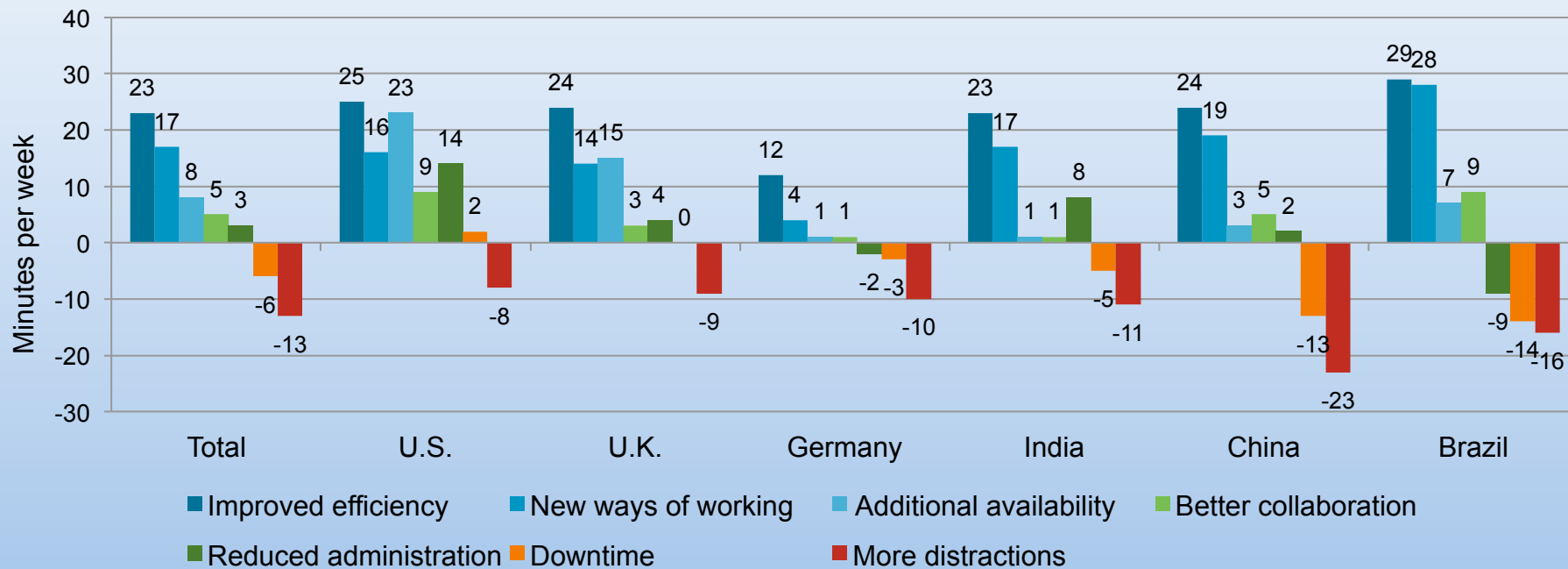
51 min.

4 min.

35 min.

17 min.

34 min.



Source: Cisco IBSG, 2013

N=1,679 BYOD respondents

Only 30% of Mobile Users Prefer Corporate Devices

30%

Would prefer to work in a corporate-provisioned environment*

\$2,200

Value placed on having a workplace with a preferred mobile policy

60%

Use a corporate device because they must**

51%

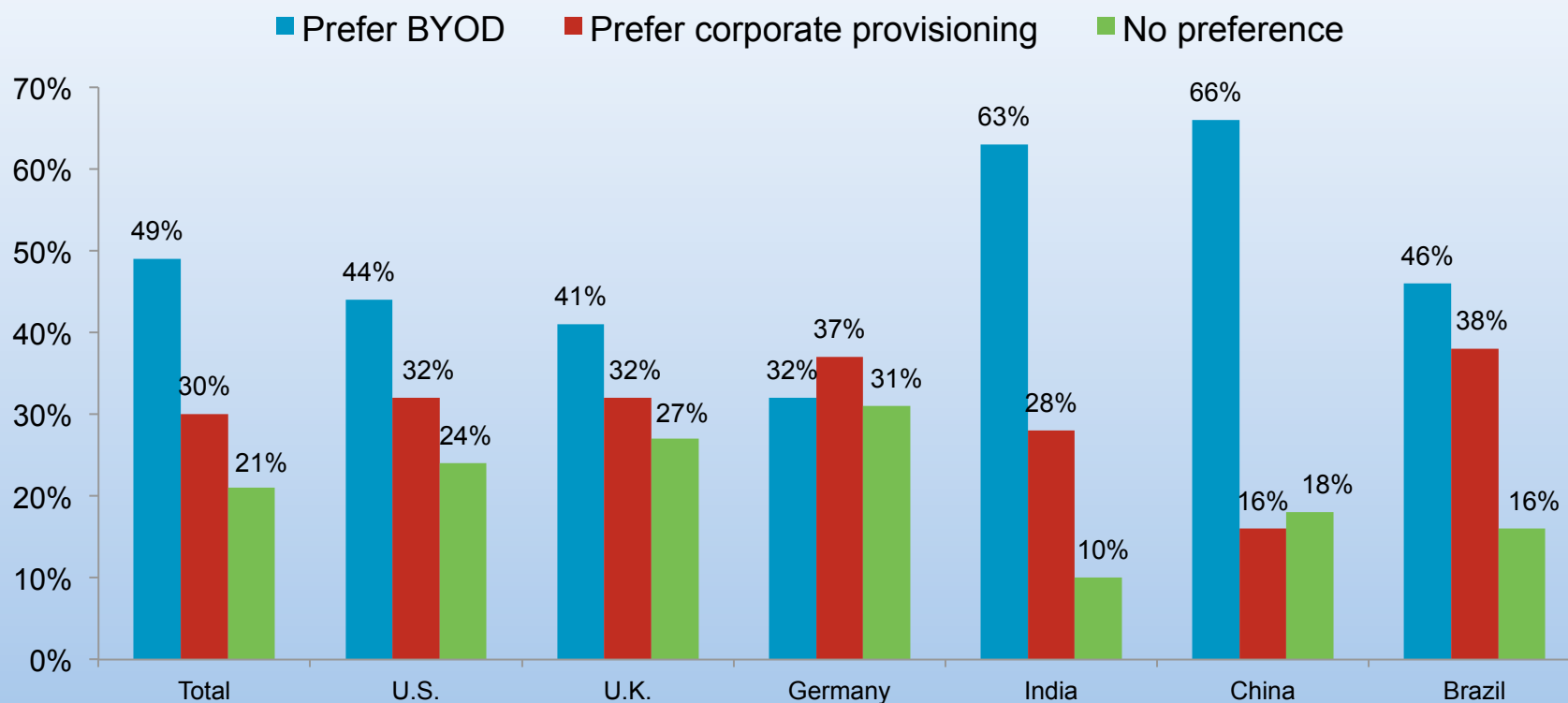
Use a corporate device for better network access **

Source: Cisco IBSG, 2013

*N = 2,415 respondents; **N = 736 corporate users

Strong Preference for BYOD in Most Places, Especially in Asia

Percentage of Respondents

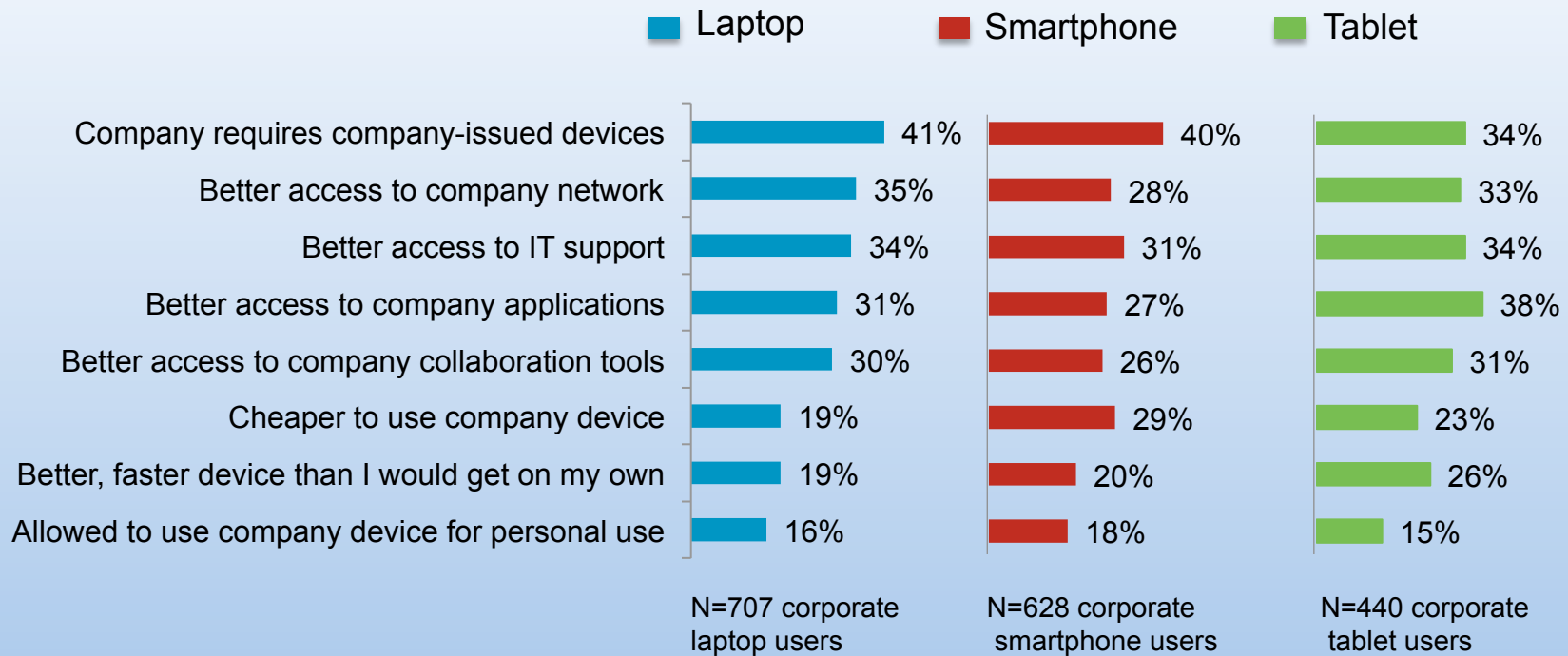


Source: Cisco IBSG, 2013

N=2,415 all respondents

Why Employees Use Company-Issued Devices Instead of Their Own

Percentage of Corporate Employees Who Use One or More Company-Issued Devices for the Following Reasons



Source: Cisco IBSG, 2013

Executives Are Driving Most of Current BYOD Productivity Gains

3X

Factor by which the average BYOD executive's productivity gain exceeds that of the average knowledge worker (76 vs. 23 minutes)

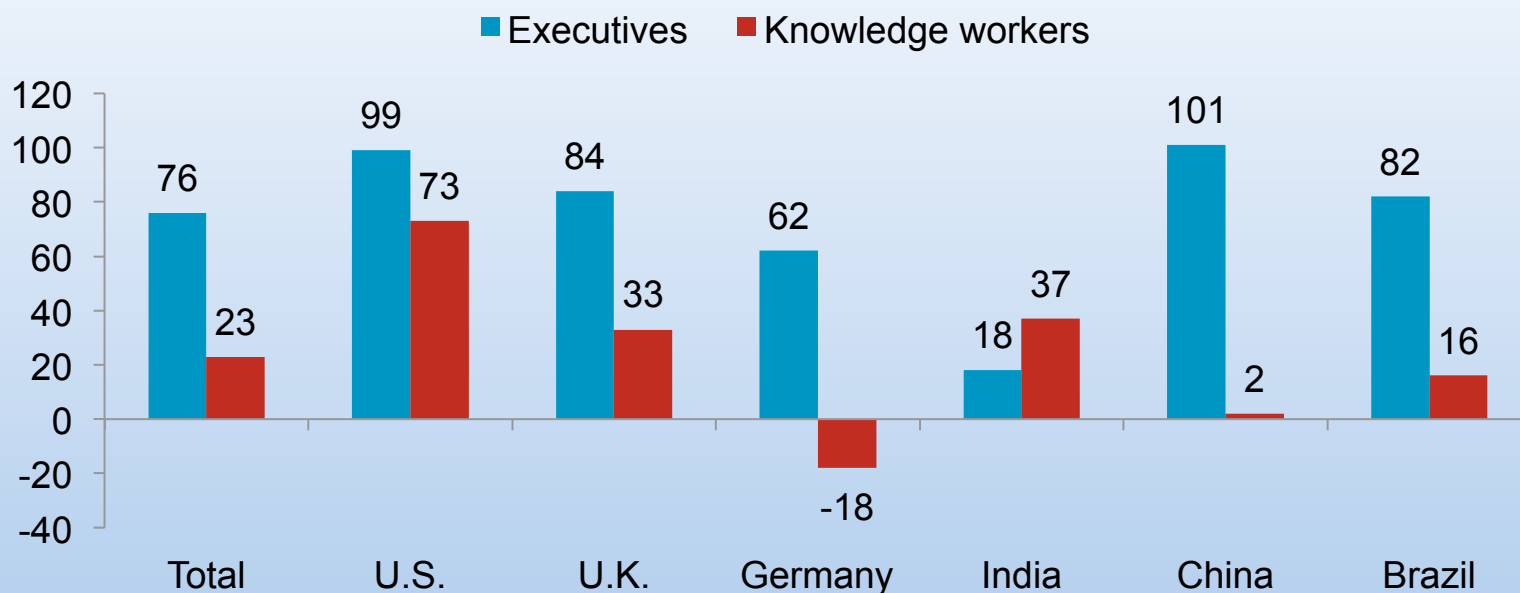
61%

Executives with access to corporate mobile apps, compared with 41% of BYOD knowledge workers

Source: Cisco IBSG, 2013

Executive BYOD Productivity Gains Are Three Times Those of Knowledge Workers

Productivity Gains for BYOD Executives and Knowledge Workers, in Minutes per Week

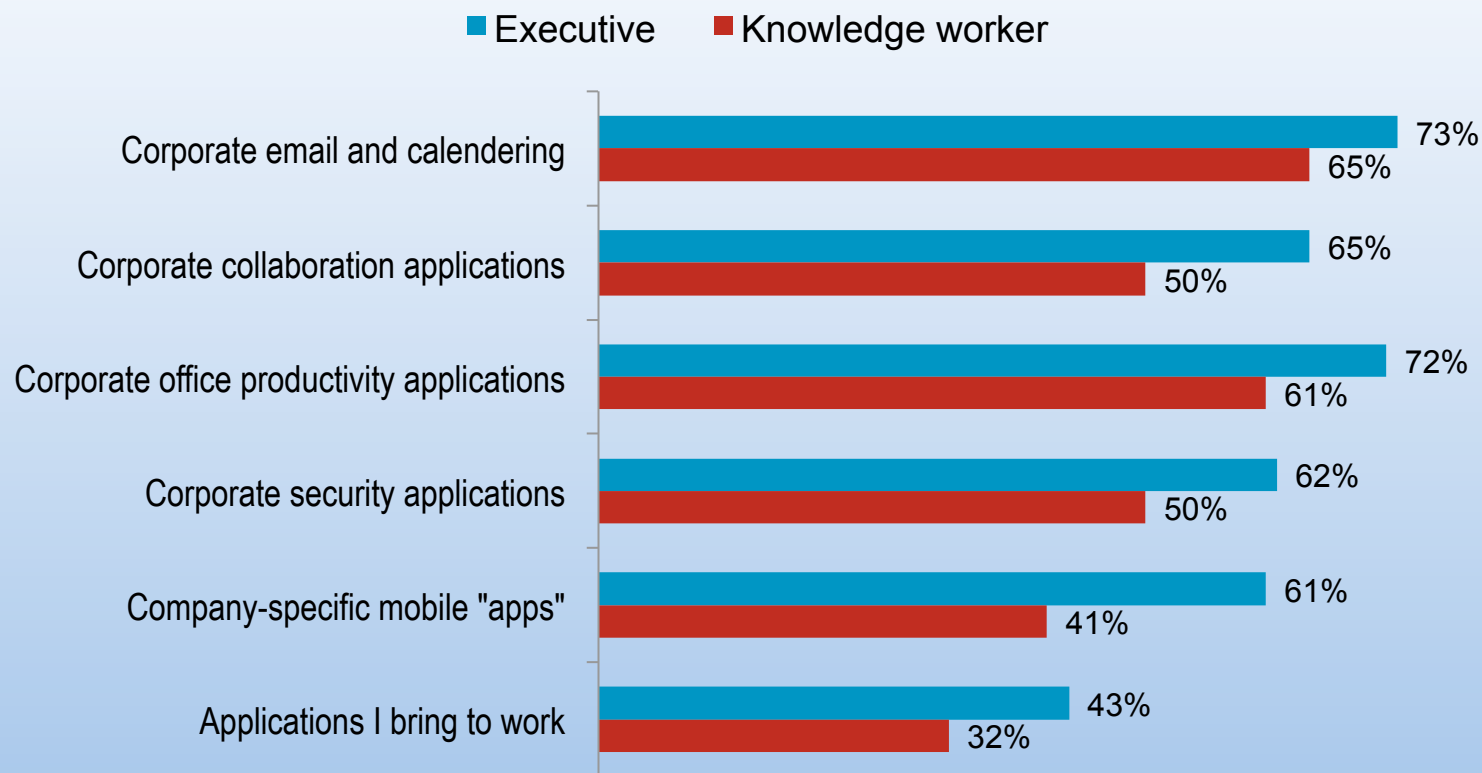


Source: Cisco IBSG, 2013

N=1,663 BYOD respondents

IT Is Provisioning Executives; Provisioning of Knowledge Workers Is Less Frequent

Applications Permitted on Employee-Owned Devices

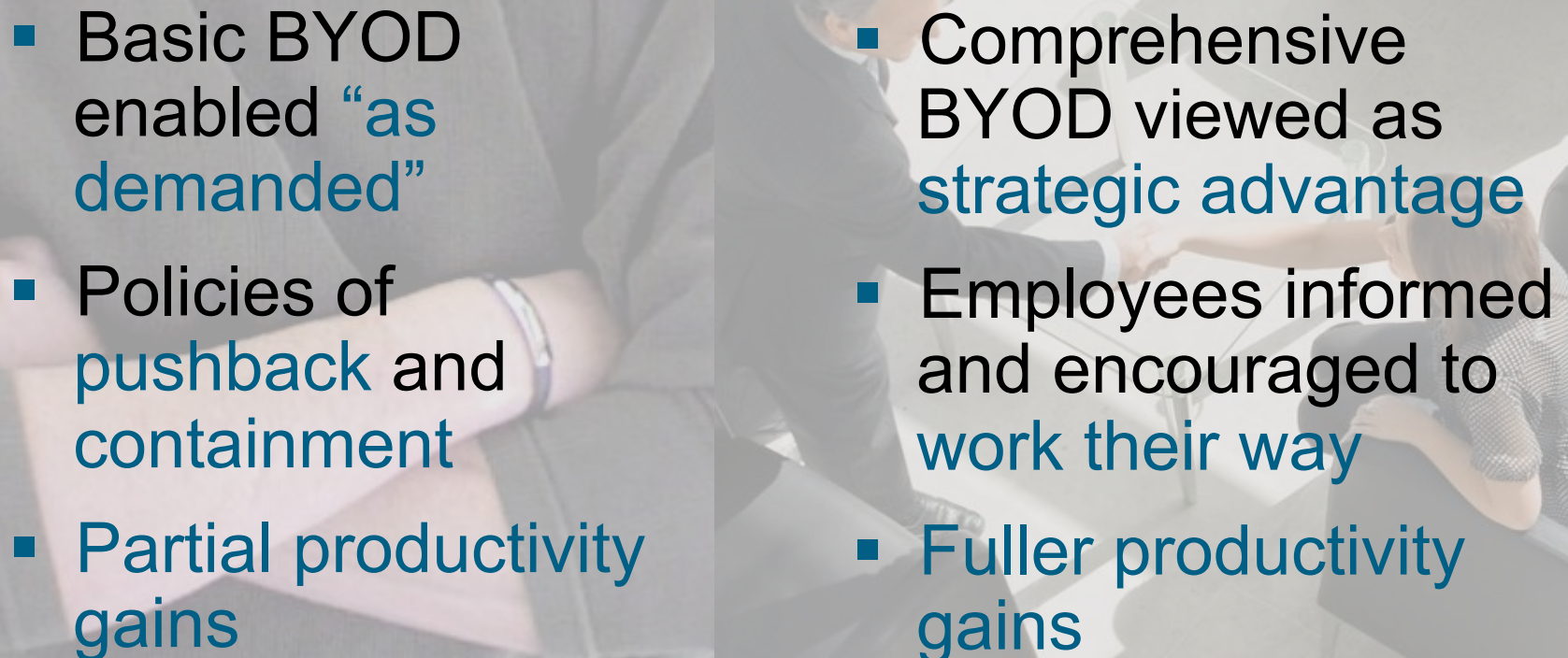


Source: Cisco IBSG, 2013

N=2,415 respondents

Reactive, Not Strategic: Most Companies Have Implemented BYOD on Ad-Hoc Basis

Reactive vs. Strategic

- 
- Basic BYOD enabled “as demanded”
 - Policies of pushback and containment
 - Partial productivity gains
- Comprehensive BYOD viewed as strategic advantage
 - Employees informed and encouraged to work their way
 - Fuller productivity gains

Source: Cisco IBSG, 2013

Getting Strategic: The “Comprehensive BYOD” Concept

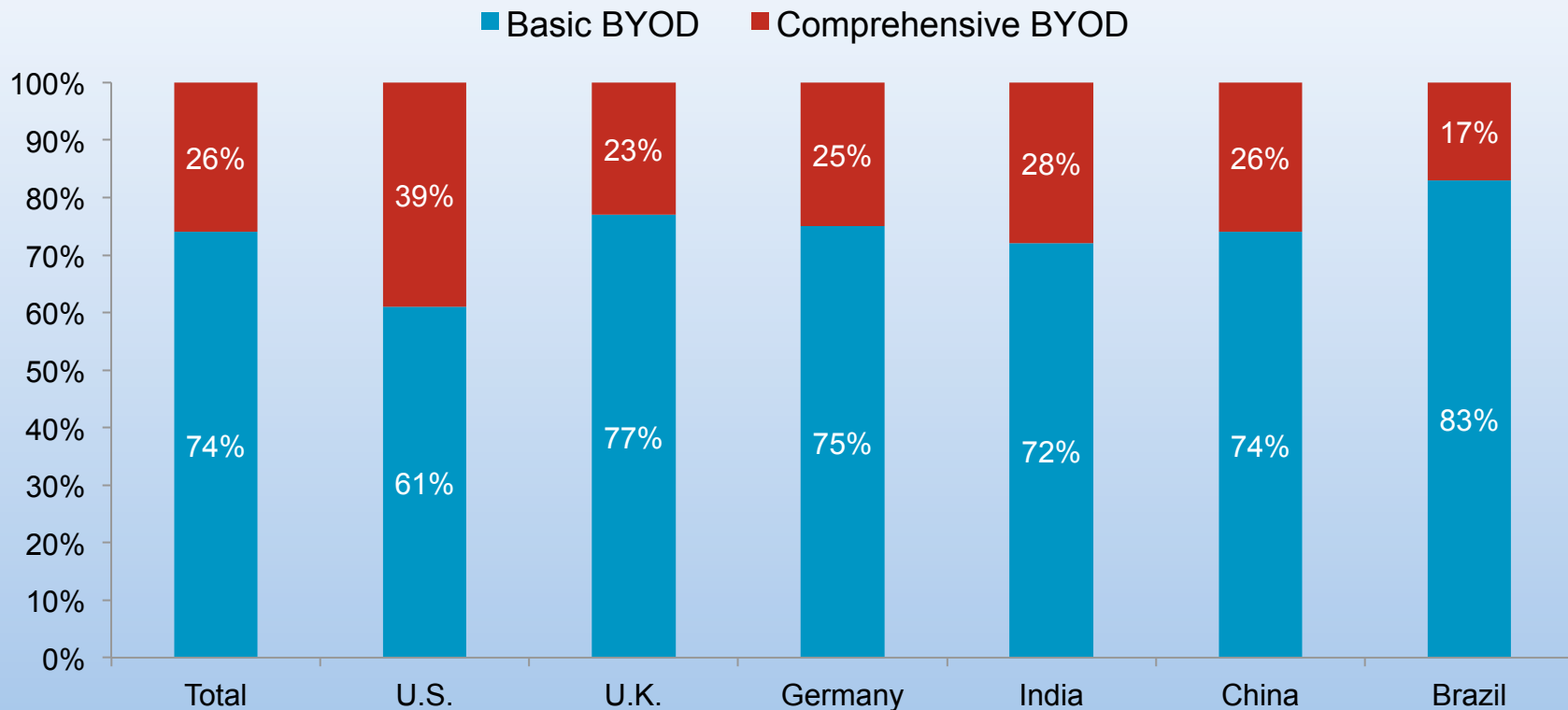
Comprehensive BYOD includes:

- Ability to monitor and remotely “wipe” corporate data
- Automatic enforcement of corporate access and usage policies
- Dual persona and device configuration
- Ability to move between networks seamlessly and securely
- Ability for users to log in using multiple devices simultaneously
- Corporate collaboration tools that work on all end-user devices
- Simple and user-friendly authentication for all device types and brands
- Secure access to corporate network through wired, Wi-Fi, remote, and mobile means

Source: Cisco IBSG, 2013

Nearly Three-Quarters of BYOD Respondents Have Only Basic BYOD

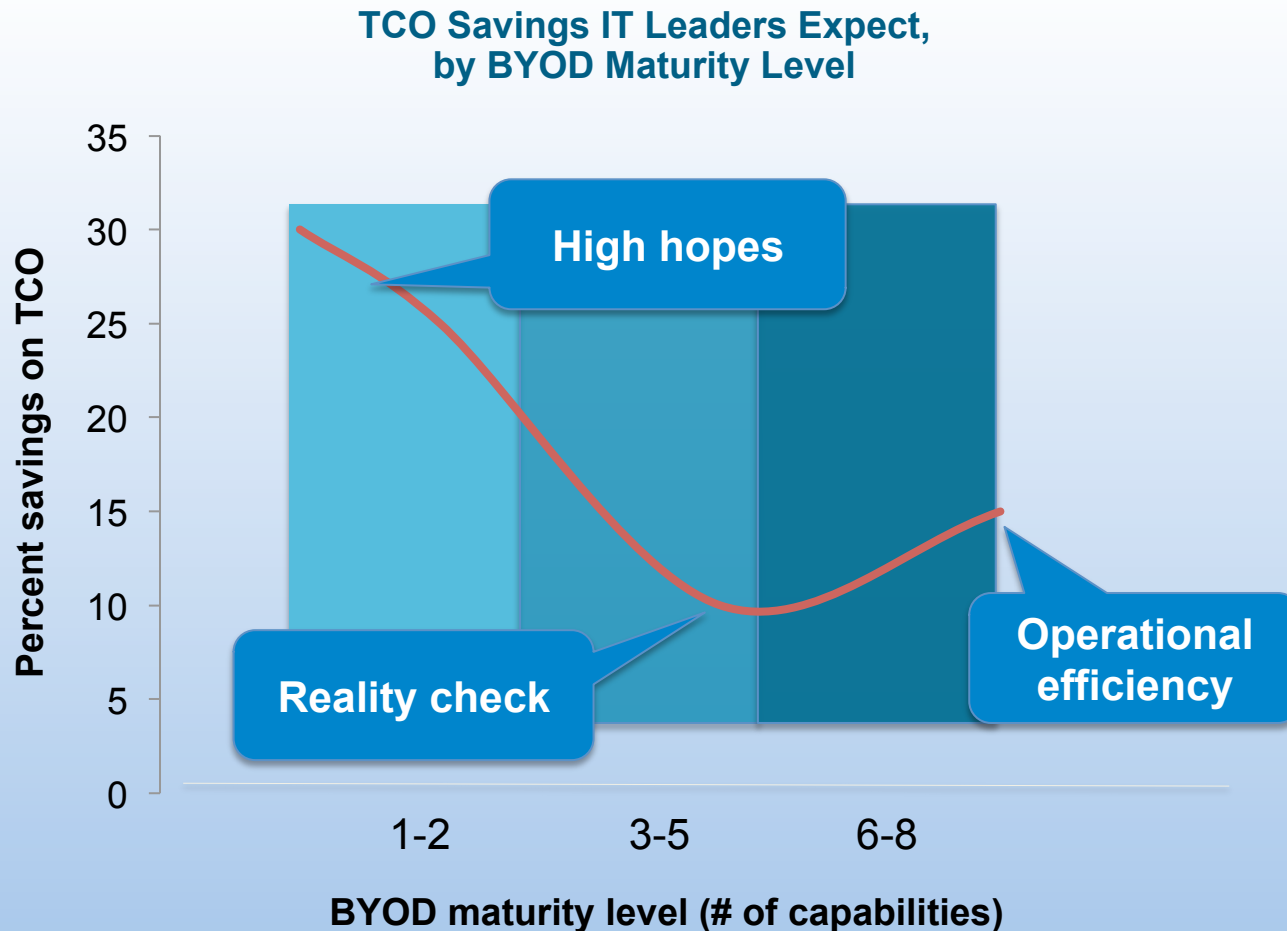
Percentage of Respondents Who Have Basic and Comprehensive BYOD



Source: Cisco IBSG, 2013

N=1,679 BYOD respondents

For Many, BYOD Is Harder than Expected, but Leaders Are Seeing Cost Benefits



Source: Cisco IBSG, 2013

N=135 IT decision makers, U.S. firms only.

Overview of Financial Model and Analysis

Survey

- 29% executives
- 71% knowledge workers
- 70% BYOD
- 30% non-BYOD

Survey Results

12% of respondents

70% of respondents

18% of respondents

Typical Enterprise

- 10,000 employees
- 5% executives
- 50% knowledge workers
- 45% other

Financial Analysis

Company Has
No BYOD

Company Has
Basic BYOD

Company Has
Comprehensive BYOD

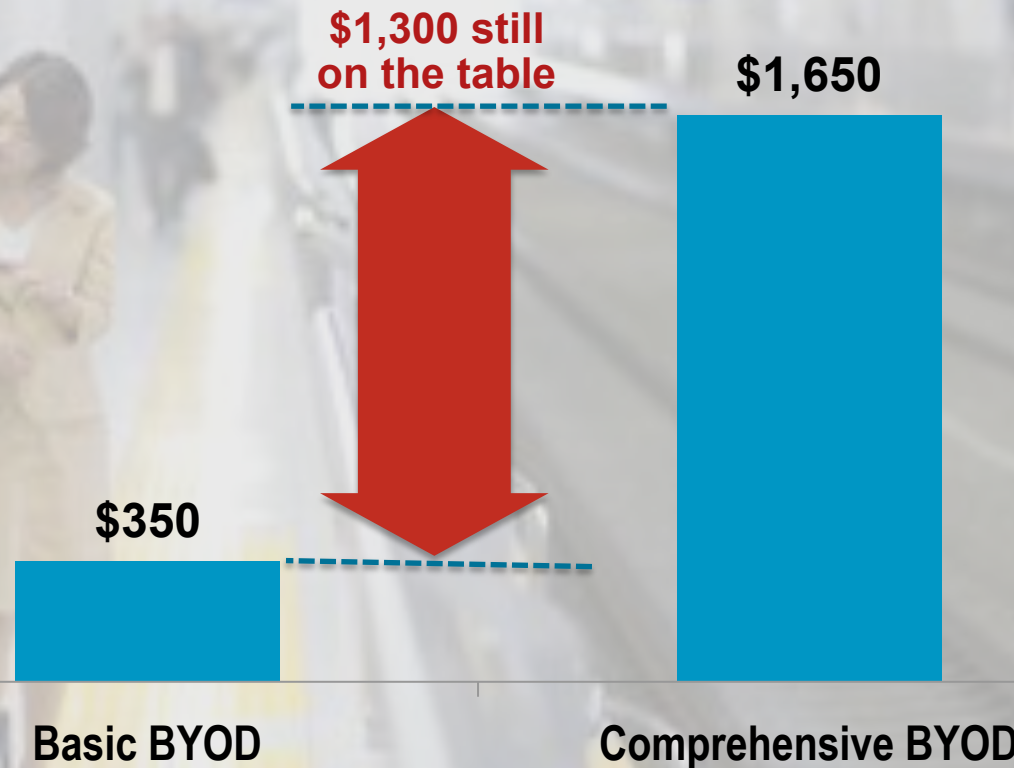
Key Metric:

Annual value created per mobile employee
(= value per BYOD user x BYOD adoption
among mobile employees)

Source: Cisco IBSG, 2013

Room for Improvement: Typical BYOD Implementation Only 21% Along “Value Journey”

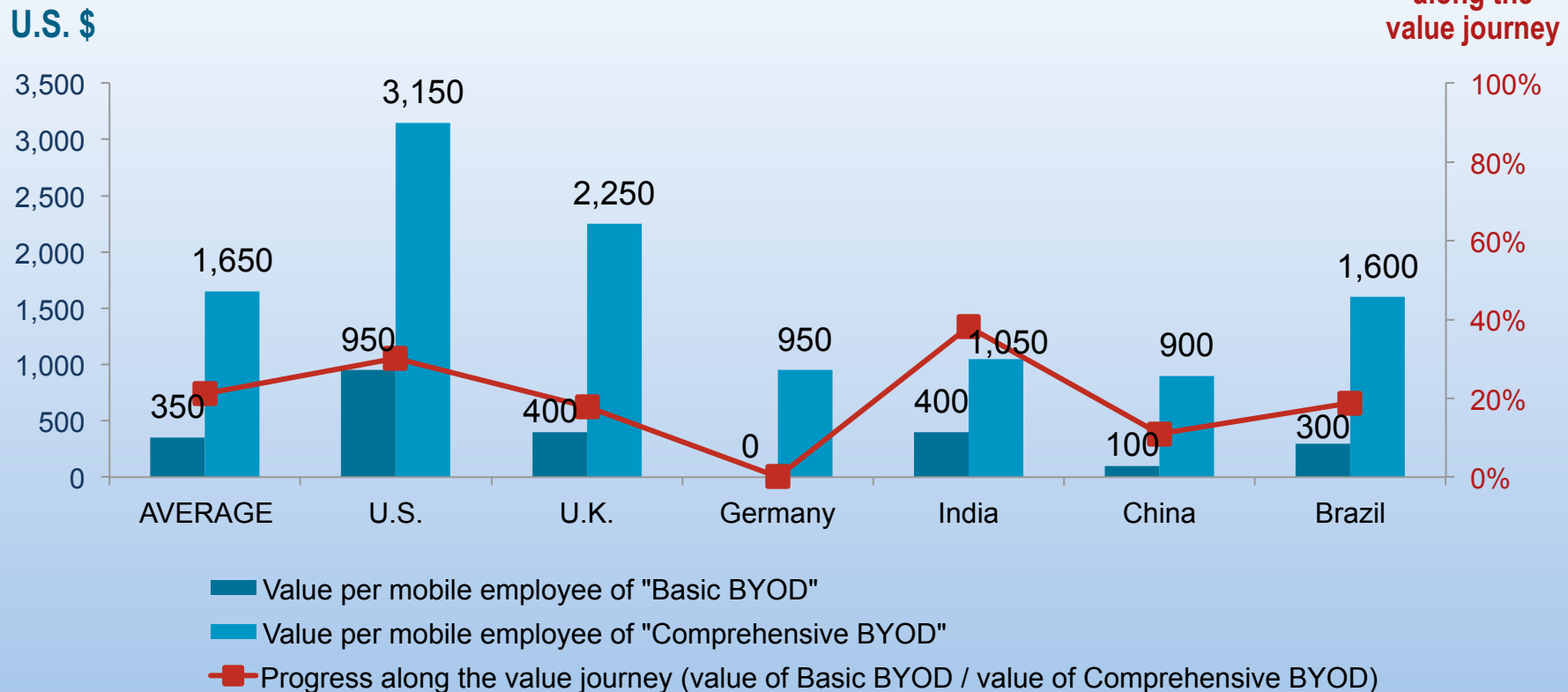
Annual Value per Mobile Employee Derived from Basic and Comprehensive BYOD Programs



Source: Cisco IBSG, 2013

Comprehensive Improvement: Big Gains, No Matter What the Starting Point

Annual Value per Mobile Employee Derived from Basic and Comprehensive BYOD Programs

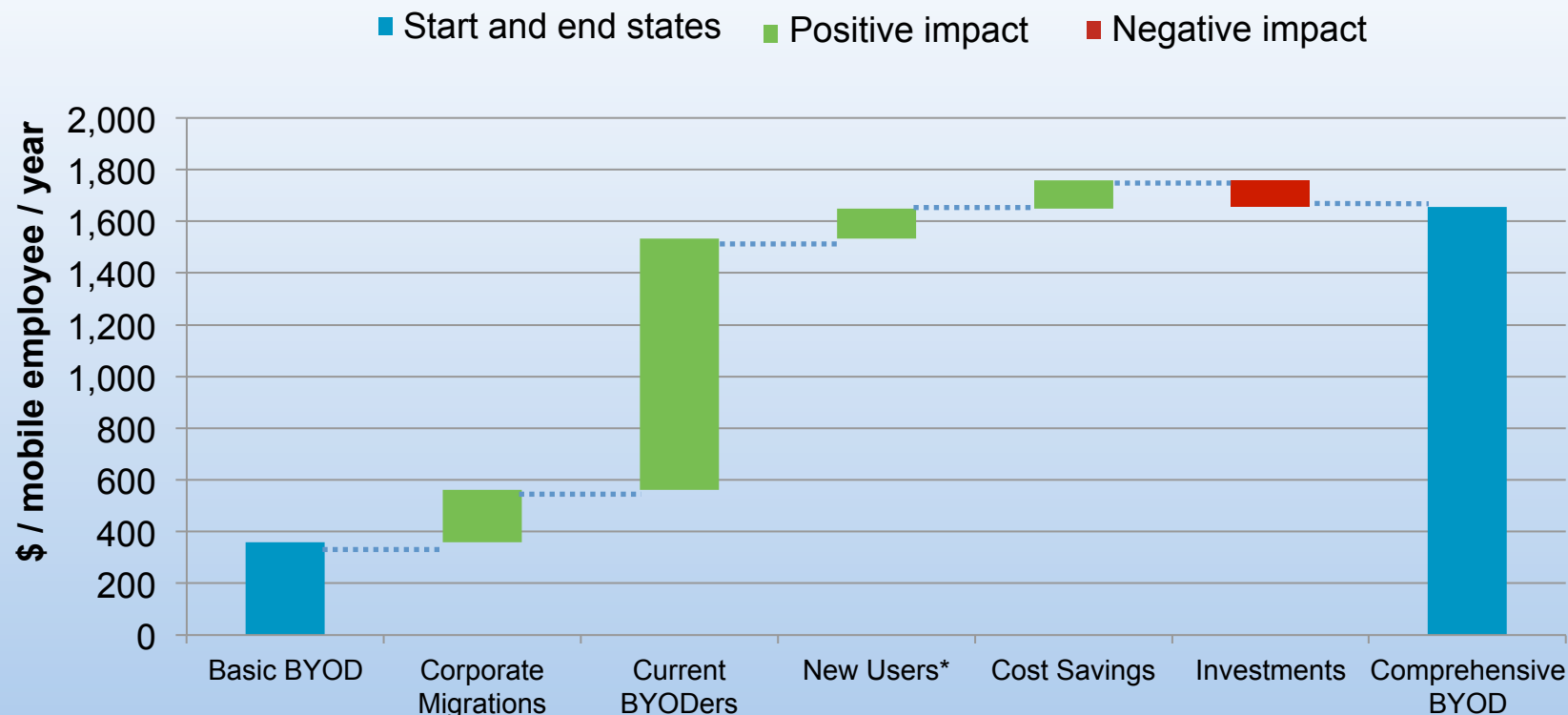


Source: Cisco IBSG, 2013

Note: Numbers have been rounded to the nearest \$50.

Migrating to Comprehensive BYOD: Where the Gains Are

Impact of Moving from Basic to Comprehensive BYOD



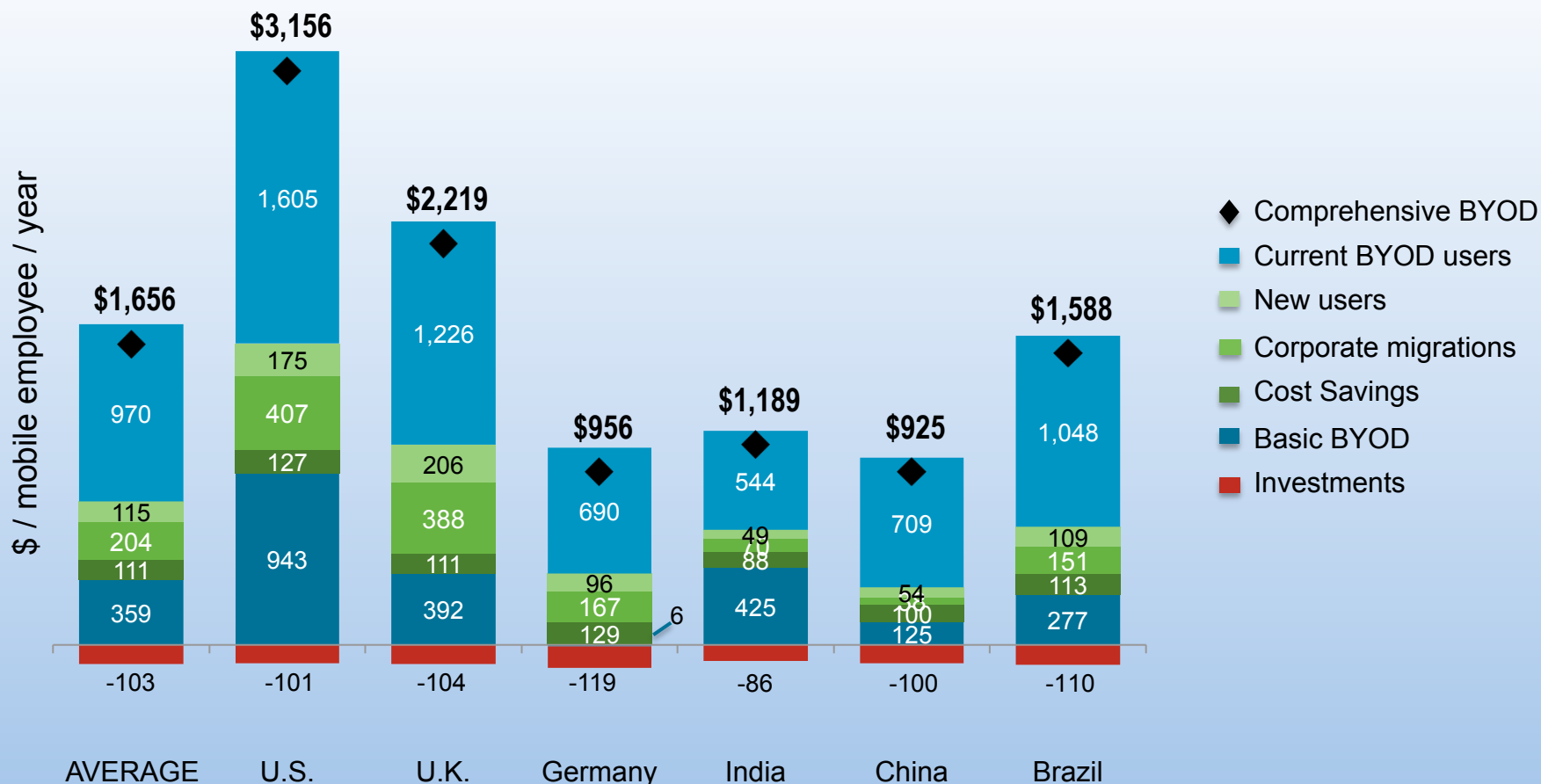
\$1,300 of Annual Value per Mobile Employee

Source: Cisco IBSG, 2013

*"New Users" refers to non-mobile employees going mobile for the first time due to BYOD

Migrating to a Comprehensive BYOD Strategy Yields Significant Gains

Impact of Moving from Basic to Comprehensive BYOD

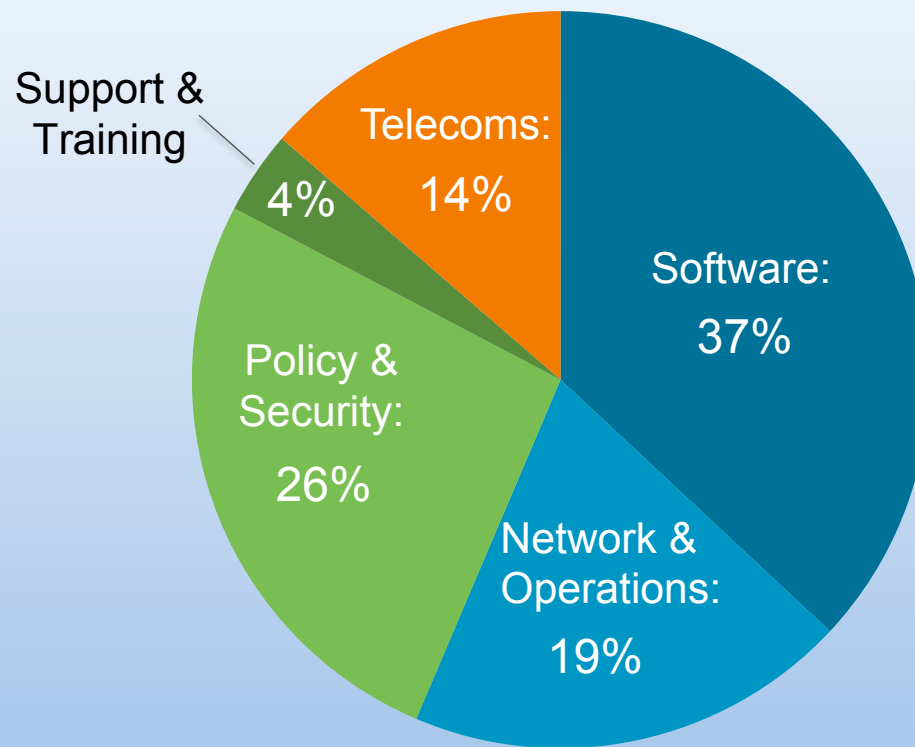


Source: Cisco IBSG, 2013

Note: Exact figures. In other slides, value of BYOD is rounded to the nearest \$50.

Comprehensive Investment Portfolio: Software, Operations, and Policy/Security

Typical Cost Distribution of Upgrade to Comprehensive BYOD

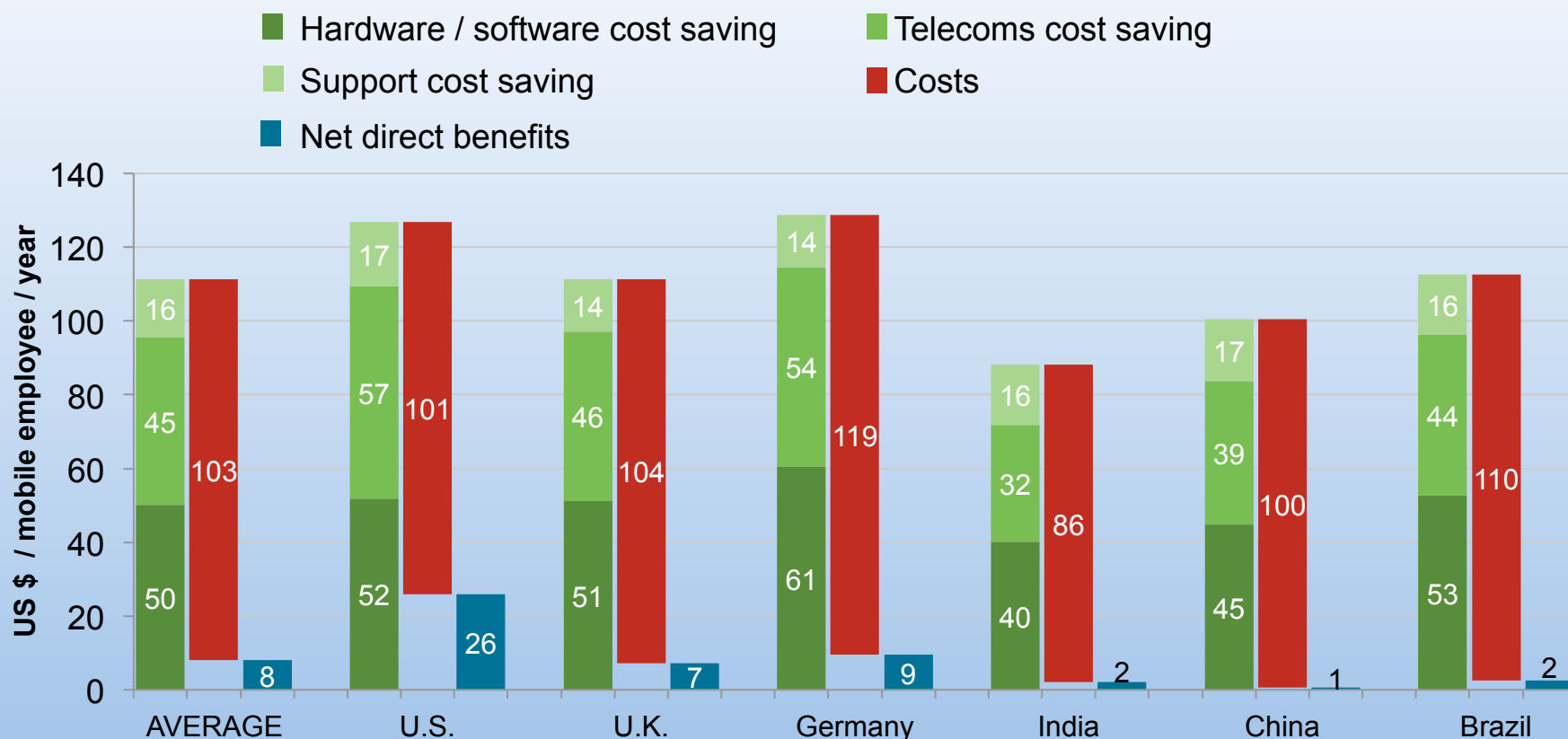


Actual investments needed will vary according to current network capabilities

Source: Cisco IBSG, 2013

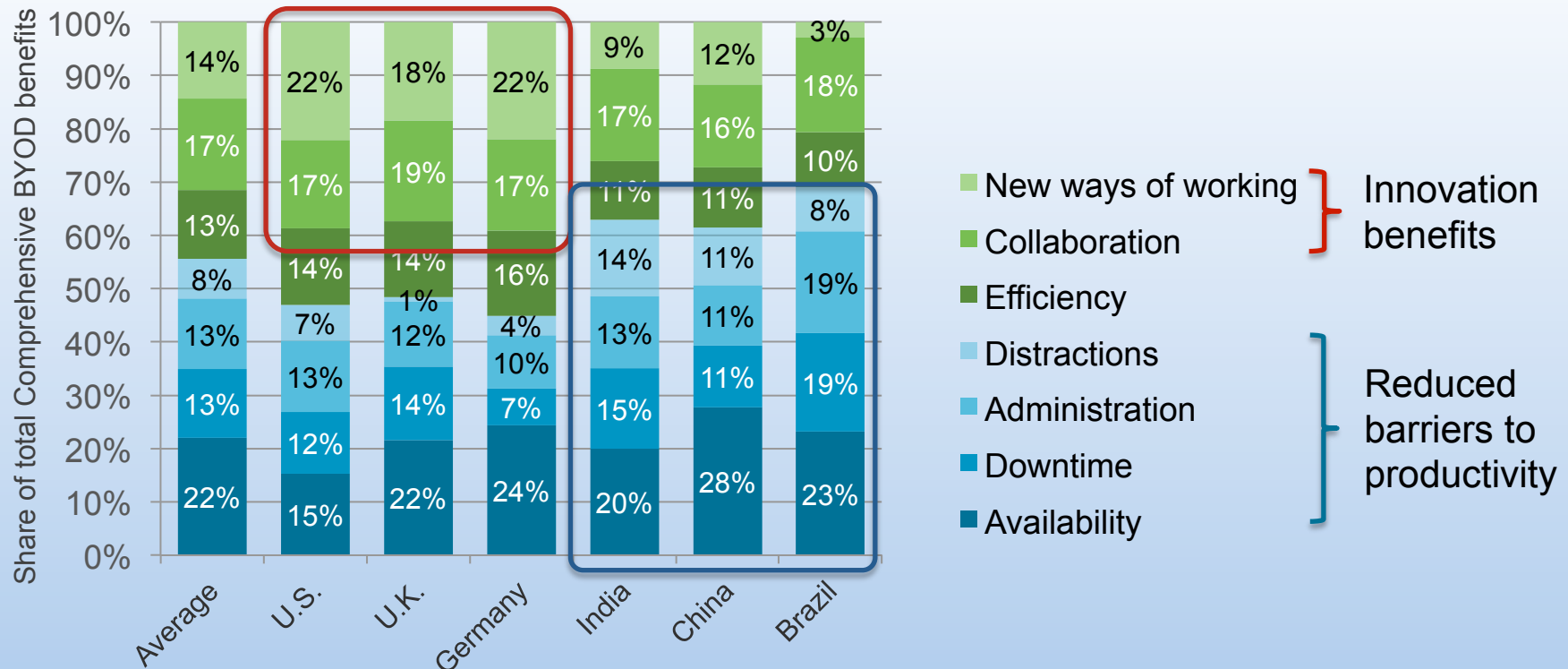
Comprehensive BYOD Pays for Itself, Apart from Productivity Improvements

Hard Cost Savings and Investments from Basic to Comprehensive BYOD



Developed Economies and Emerging Markets Benefit in Different Ways

Productivity Value Realized as Companies Move from Basic to Comprehensive BYOD



While “new ways of working” plays a big role in the U.S., U.K., and Germany, the most value for Emerging Markets comes from more basic benefits

Source: Cisco IBSG, 2013

Knowledge Workers Gain Most from Comprehensive BYOD

90

Minutes of expected productivity gain per week by knowledge workers by moving from Basic to Comprehensive BYOD, versus **41 for executives**

88%

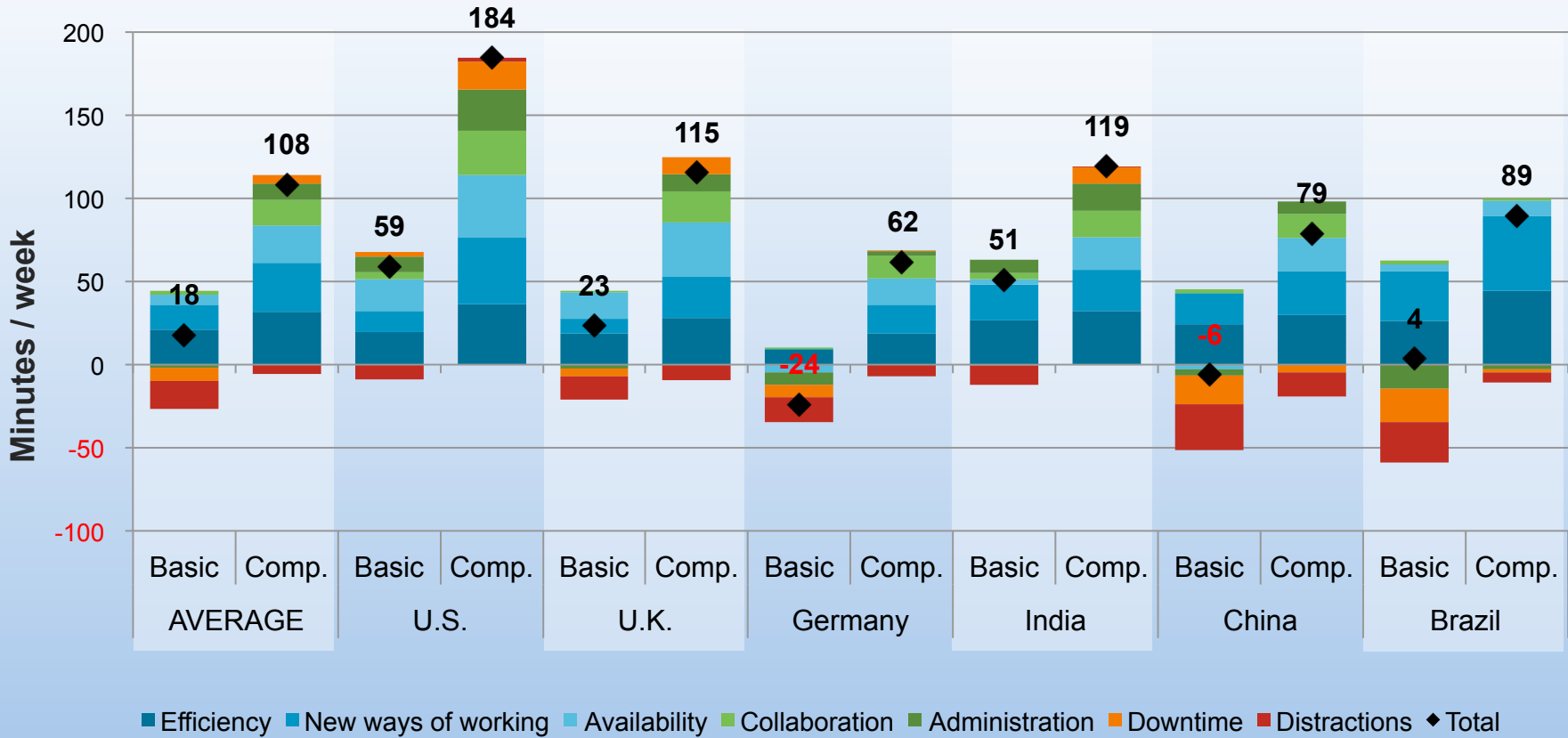
Percentage of productivity gains that will come from knowledge workers in a typical firm

Source: Cisco IBSG, 2013

N=1,663 BYOD respondents

Comprehensive BYOD: Improved Efficiency, Innovation, Availability

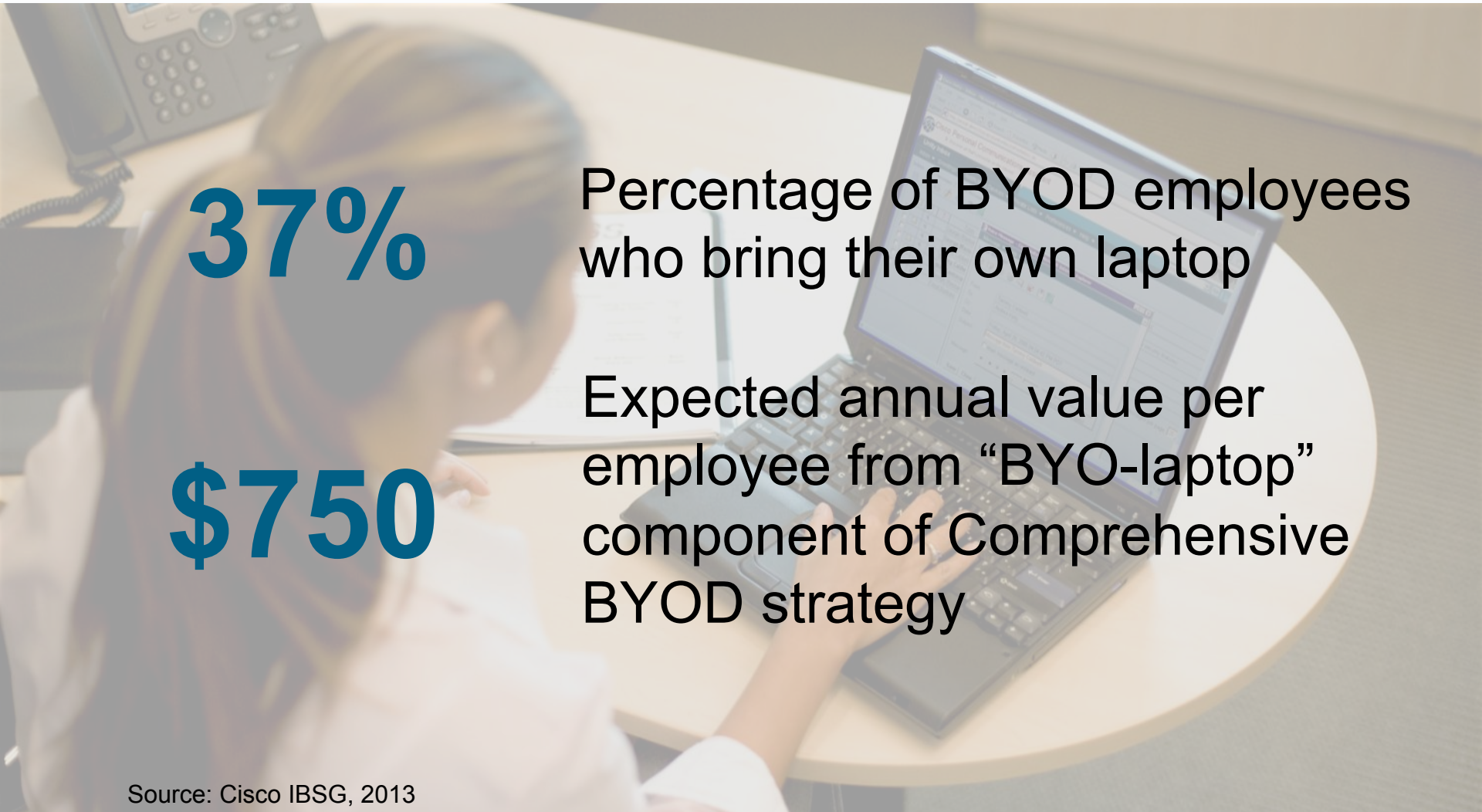
Productivity Impact Sources for Knowledge Workers in Basic and Comprehensive BYOD



Source: Cisco IBSG, 2013

N=1,663 BYOD respondents

“BYO-Laptop” Needs To Be Core Part of Comprehensive BYOD Strategy



37%

Percentage of BYOD employees who bring their own laptop

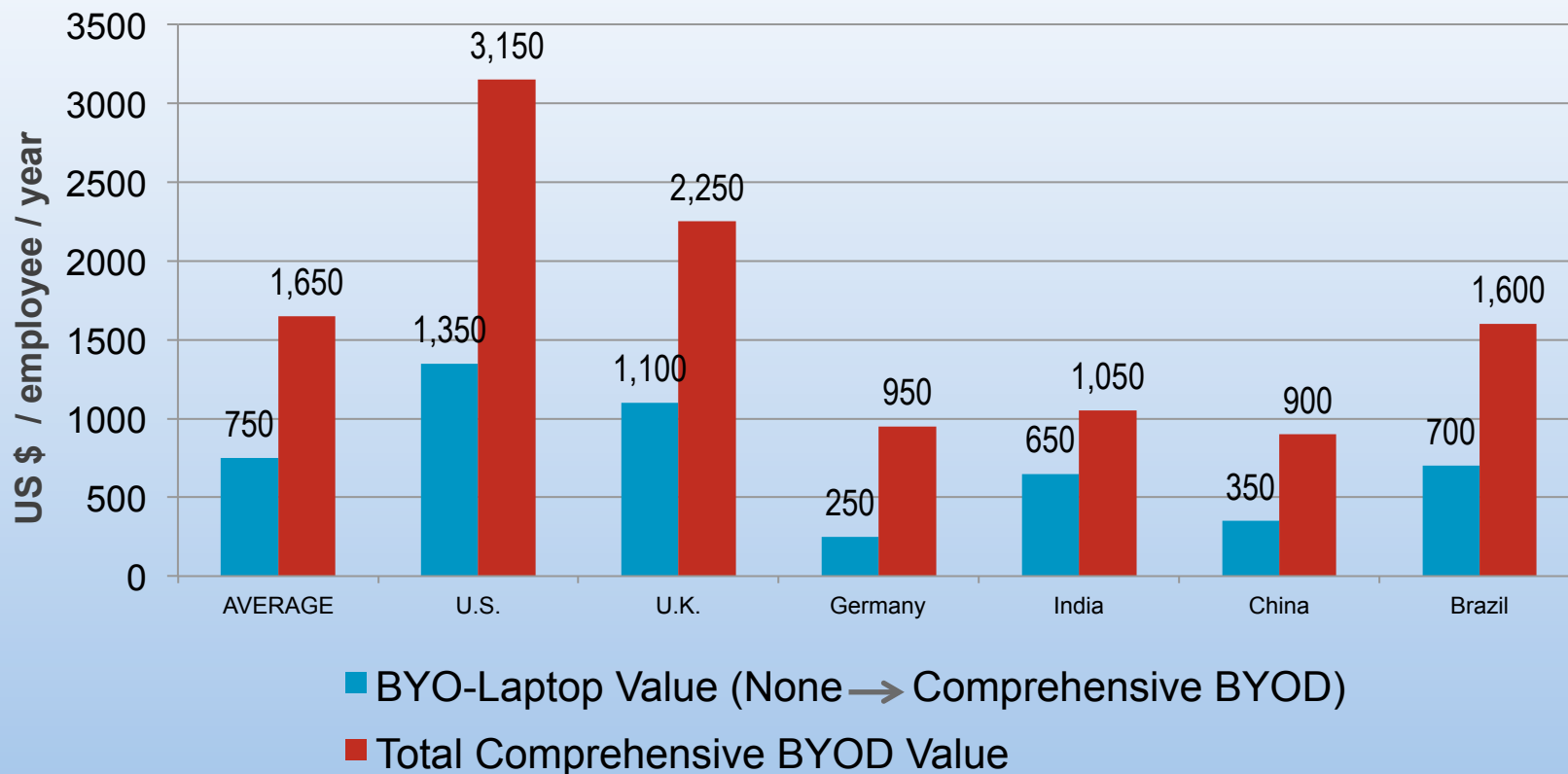
\$750

Expected annual value per employee from “BYO-laptop” component of Comprehensive BYOD strategy

Source: Cisco IBSG, 2013

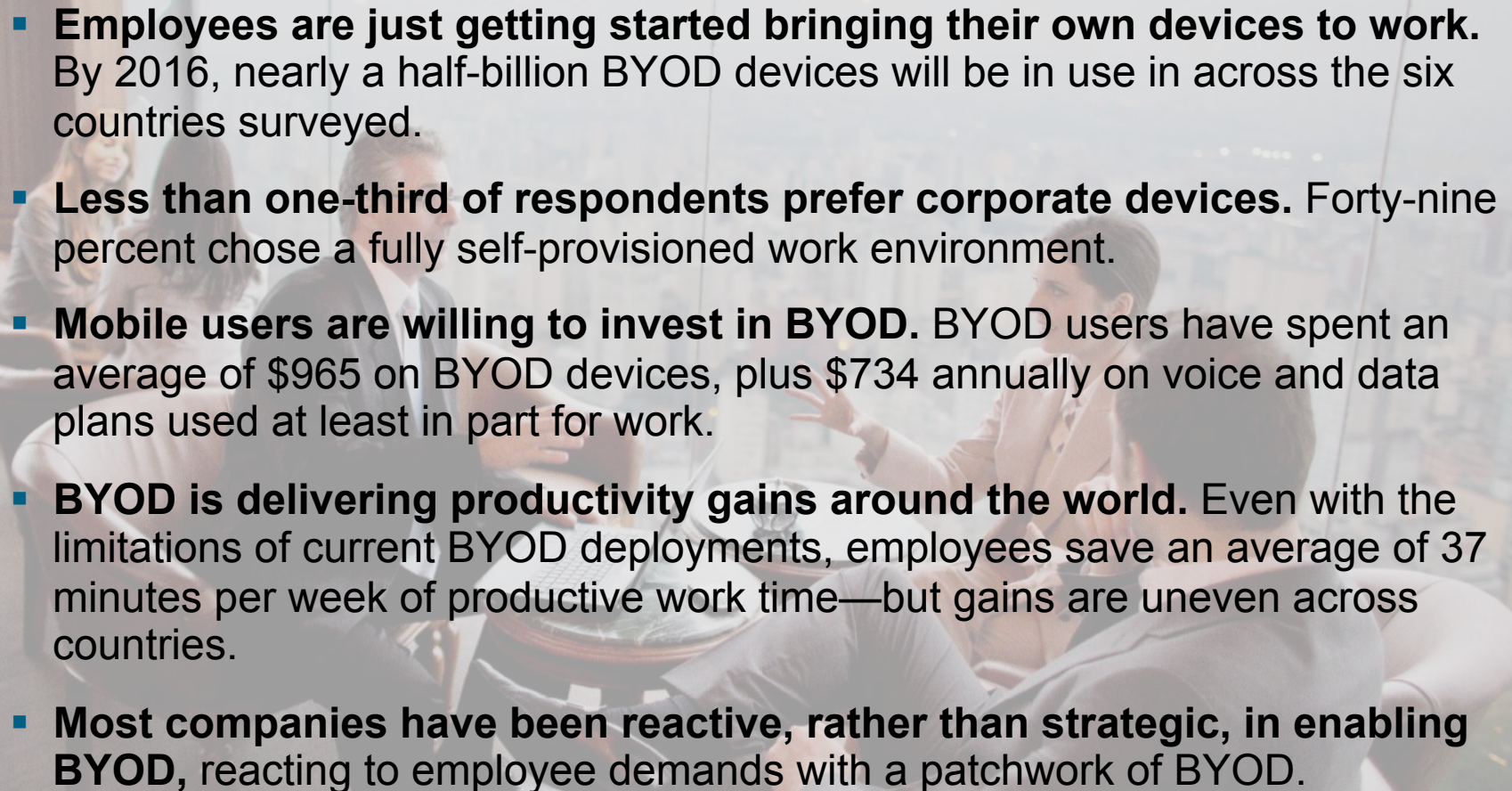
“BYO-Laptop” Is Important Component of BYOD Strategy Globally

Value of BYO-Laptop in Comprehensive BYOD



Source: Cisco IBSG, 2013

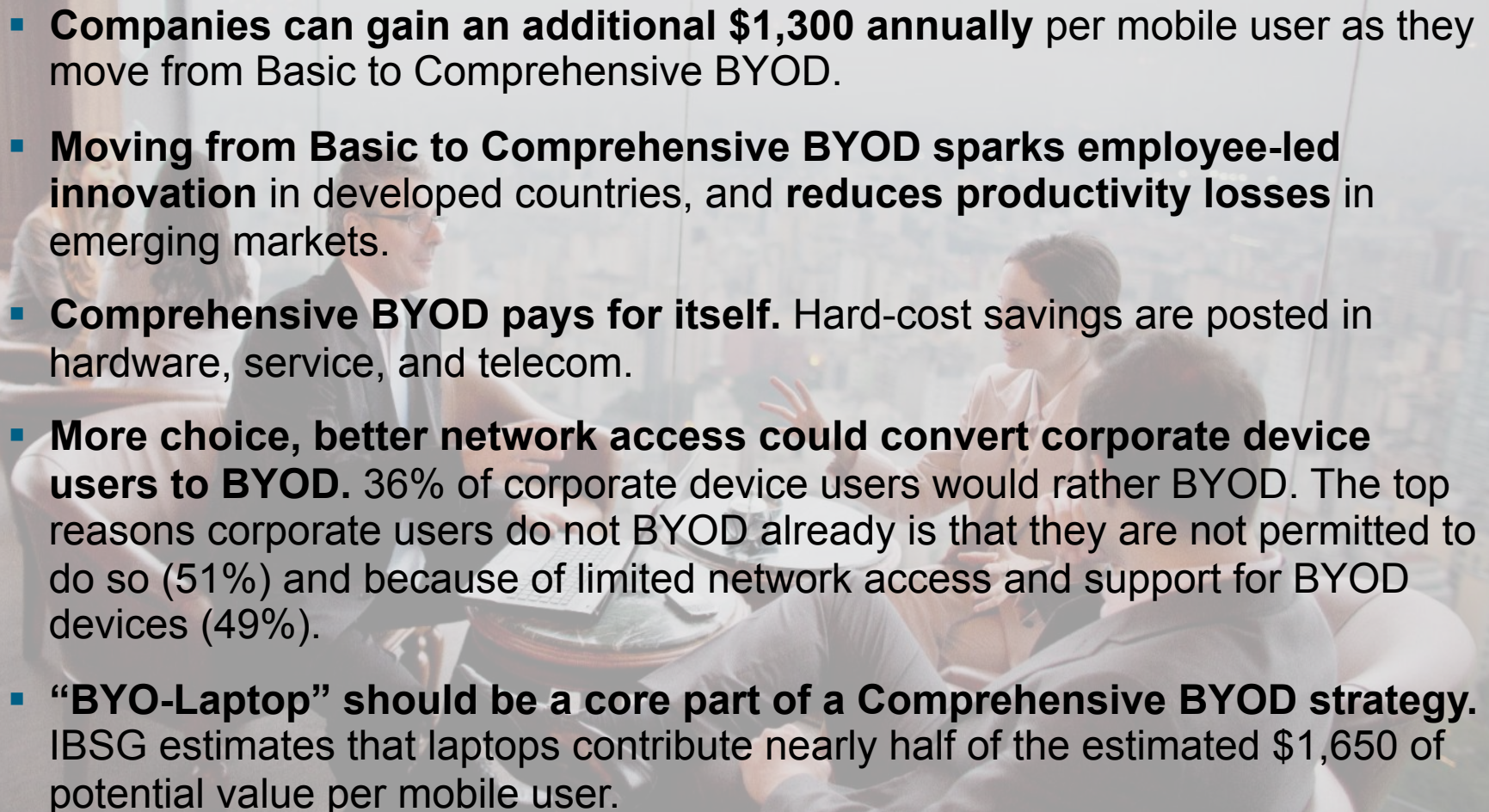
IBSG Horizons “Economics of BYOD” Study: Top Findings

- 
- **Employees are just getting started bringing their own devices to work.** By 2016, nearly a half-billion BYOD devices will be in use across the six countries surveyed.
 - **Less than one-third of respondents prefer corporate devices.** Forty-nine percent chose a fully self-provisioned work environment.
 - **Mobile users are willing to invest in BYOD.** BYOD users have spent an average of \$965 on BYOD devices, plus \$734 annually on voice and data plans used at least in part for work.
 - **BYOD is delivering productivity gains around the world.** Even with the limitations of current BYOD deployments, employees save an average of 37 minutes per week of productive work time—but gains are uneven across countries.
 - **Most companies have been reactive, rather than strategic, in enabling BYOD,** reacting to employee demands with a patchwork of BYOD.

Source: Cisco IBSG, 2013

IBSG Horizons “Economics of BYOD”

Study: Top Findings

- 
- **Companies can gain an additional \$1,300 annually** per mobile user as they move from Basic to Comprehensive BYOD.
 - **Moving from Basic to Comprehensive BYOD sparks employee-led innovation** in developed countries, and **reduces productivity losses** in emerging markets.
 - **Comprehensive BYOD pays for itself.** Hard-cost savings are posted in hardware, service, and telecom.
 - **More choice, better network access could convert corporate device users to BYOD.** 36% of corporate device users would rather BYOD. The top reasons corporate users do not BYOD already is that they are not permitted to do so (51%) and because of limited network access and support for BYOD devices (49%).
 - **“BYO-Laptop” should be a core part of a Comprehensive BYOD strategy.** IBSG estimates that laptops contribute nearly half of the estimated \$1,650 of potential value per mobile user.

Source: Cisco IBSG, 2013

Call to Action

Basic BYOD is just the beginning of the real opportunity

Develop a strategic, comprehensive BYOD approach

BYOD suggests that technology adoption can be reimagined

Encourage experimentation and best-practice sharing

BYOD is all about productivity gains and the future of work

Secure an executive sponsor from outside the IT organization

Employee empowerment requires high information security

Develop new policies and approaches (cloud, virtualization)

BYOD can enable hard-cost savings

Use BYOD as a trigger to rethink entitlement, support approaches

Source: Cisco IBSG, 2013



For More Information...

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