

The Financial Impact of BYOD

Top 10 Global Insights from the Cisco IBSG Horizons Study

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Introduction

“Bring your own device” (BYOD) is a growing trend in most regions of the world, as documented in “BYOD: A Global Perspective,” based on extensive research by the Cisco® Internet Business Solutions Group (IBSG). In a subsequent study, Cisco IBSG conducted a detailed financial analysis to understand the full range of benefits — and costs — of BYOD. To inform our financial model, we surveyed more than 2,400 mobile users¹ across 18 industries and six countries: the United States, United Kingdom, Germany, India, China, and Brazil.² Respondents came from both midsize companies (500–999 employees) and enterprises.³ Our financial model also used as inputs a Cisco IBSG survey of 135 IT decision makers,⁴ extensive secondary research, and data on Cisco’s own BYOD experience. Together, our surveys and additional research provide a clear picture of the financial impact of BYOD on a “typical” company⁵ across each of the six countries we analyzed.

This paper provides a quick look at the top 10 insights from our analysis.

The number of BYOD devices in the six countries in our study will grow 105 percent, from 198 million to 405 million, between 2013 and 2016.

Insight No. 1: Employees Are Just Getting Started Bringing Their Own Devices to Work

The number of BYOD devices in the six countries in our study will grow 105 percent, from 198 million to 405 million, between 2013 and 2016. The United States, currently the largest BYOD market with 71 million BYOD devices, will have 108 million by 2016. China will claim the top spot in 2016 with 166 million devices, up from 63 million today.⁶ BYOD growth rates will be high in all of the markets we studied. Simply put, BYOD is a strong trend today, and is growing fast.

The willingness to spend their own money means these employees recognize the value of using their own technology.

Insight No. 2: **Fewer than One-Third of Respondents Prefer Corporate Devices**

Thirty percent of mobile users say they would rather work in an environment where they are given corporate devices to use, compared with 49 percent who prefer BYOD devices. The preference for BYOD is especially true in China, where only 16 percent of Chinese mobile users prefer company-issued devices. Germany was the only country where more mobile users would rather have a company-provisioned device (37 percent, compared with 32 percent who preferred BYOD and 31 percent who had no preference).

Insight No. 3: **Mobile Users Are Willing To Invest in BYOD**

Mobile employees who BYOD ("BYOD-ers") spend \$965 on their devices, and use an average of 1.7 personal devices for work. They spend an additional \$734 per year on voice and data plans for their BYOD devices. The willingness to spend their own money means these employees recognize the value of using their own technology.

Insight No. 4: **BYOD Is Delivering Productivity Gains Around the World**

Even with a broad mix of BYOD implementation levels, the typical company is, on average, saving money and its employees are more productive. But companies are not benefiting equally across the countries we surveyed. The average BYOD employee across all six countries saves 37 minutes per week thanks to using his or her own device, with a high of 81 minutes per week in the United States and a low of four minutes per week in Germany.

Insight No. 5: **Most Companies Have Been Reactive, Rather than Strategic, in Enabling BYOD**

Most companies have reacted to demand from executives and employees by providing fragmentary capabilities and policies that fail to capitalize on the potential benefits of BYOD. By implementing a set of eight foundational capabilities that Cisco IBSG calls "Comprehensive BYOD," companies can make significant gains in productivity. Only 26 percent of respondents' companies have implemented anything that comes close to Comprehensive BYOD. The rest have implemented an incomplete patchwork of BYOD capabilities. We use the term "Basic BYOD" to refer to the median level of BYOD capabilities that companies have currently implemented, which falls far short of Comprehensive BYOD.

Without exception, the typical company in each country we studied could post strong financial gains by moving to Comprehensive BYOD.

Insight No. 6: **Companies Can Gain an Additional \$1,300 Annually per Mobile User with Comprehensive BYOD**

By being reactive rather than strategic in deploying BYOD capabilities, companies are leaving an average of \$1,300 on the table annually per mobile user. While Basic BYOD generates an average of \$350 in value annually per mobile user (including both BYOD and corporate device users), moving to Comprehensive BYOD increases this to \$1,650. Some countries that currently receive little to no benefit from Basic BYOD, such as China and Germany, can gain up to \$900 annually per mobile user. The typical U.S. company will experience the largest gain from Comprehensive BYOD, moving from \$950 to \$3,150 in annual value per mobile user. Without exception, the typical company in each country we studied could post strong financial gains by moving to Comprehensive BYOD. Equally important, Comprehensive BYOD improves the productivity of both those who already flourish under Basic BYOD and those who have struggled to make Basic BYOD work.

Insight No. 7: **Comprehensive BYOD Sparks Employee-Led Innovation in Developed Countries, and Reduces Productivity Losses in Emerging Markets**

By implementing Comprehensive BYOD, companies can optimize the productivity benefits that BYOD brings. In developed markets (the United States, United Kingdom, and Germany), new ways of working – employee-led innovation of job roles – accounts for the largest share of productivity gains (21 percent) generated by moving from Basic to Comprehensive BYOD. In emerging markets (India, China, and Brazil), some of the most significant gains occur in areas where Basic BYOD has negligibly or even negatively impacted productivity – notably, availability (20 percent or more of gains in each country) and downtime and administration (which together account for 28 percent of the gain in India, 22 percent in China, and 38 percent in Brazil).

Insight No. 8: **Comprehensive BYOD Pays for Itself in Cost Savings**

Apart from productivity gains, Comprehensive BYOD pays for itself in hard cost savings. The major cost savings are in three areas:

- **Hardware costs:** Employees purchase devices previously bought by the company.
- **Support costs:** Companies can actually reduce support costs with BYOD, as Cisco did, by implementing community support, wikis, forums, and other streamlined support options.
- **Telecommunications costs:** Migrating some mobile users from corporate data plans to self-funded plans reduces telecom costs. Companies have reported being able to migrate about 20 percent of corporate users to self-funded plans in this way.

If executed with the right degree of planning and support, BYOD will be a win-win for the company and employees.

Insight No. 9: **More Choice, Better Network Access Could Convert Corporate Device Users to BYOD**

When asked why they don't use personal BYOD devices, the top response from corporate users was that they are required to use corporate devices. In fact, 36 percent of corporate users would rather BYOD. The second main reason corporate users do not BYOD is to have better access to the company network (51 percent). Better access to company applications (49 percent) also played a large role. By "doing BYOD right," companies can succeed in moving corporate users to BYOD and make them happier.

Insight No. 10: **"BYO-Laptop" Should Be a Core Part of a Comprehensive BYOD Strategy**

The laptop remains the primary productivity tool for most knowledge workers, and the ability to use a preferred laptop, operating system, or set of applications will have a significant productivity benefit for business users. Thirty-seven percent of BYOD-ers use their own laptops for work, making BYO-laptop a core feature of any Comprehensive BYOD strategy. IBSG estimates that laptops contribute around \$750 of the estimated \$1,650 of potential value per mobile user.

Conclusion

In order to reap the full potential of BYOD, companies need to create a robust mobility policy, with employee choice and enablement at the center. Employees will innovate and collaborate best when they are given the freedom to work their way. If executed with the right degree of planning and support, BYOD will be a win-win for the company and employees.

For more information, please see our complete economic analysis, "The Financial Impact of BYOD: A Model of BYOD's Benefits to Global Companies."

Endnotes

1. “Mobile users” were defined as white-collar workers who use one or more mobile devices (laptop, smartphone, or tablet) for work. Twenty-nine percent were executives (i.e., executives or senior management) and 71 percent were knowledge workers (i.e., midlevel managers, supervisors, professionals, technicians, sales, customer service, and administrative staff).
2. Respondents came from both midsize firms (500–999 employees) and enterprises (1,000 or more employees) in the United States, United Kingdom, Germany, India, China, and Brazil. There were approximately 400 respondents per country. This data includes a survey of 322 U.S. mobile users in August 2012. An additional 81 U.S. respondents, and all respondents from other countries, were surveyed in February 2013.
3. The respondent breakdown by company size was 27 percent midsize (500 to 999 employees) and 73 percent enterprise (1,000+ employees).
4. This survey of U.S. IT decision makers, designed specifically to produce inputs for Cisco IBSG’s financial model, was launched in August 2012. The IT decision makers in this survey had authority over their company’s mobility issues.
5. Throughout this paper, we use the word “typical” to mean a firm with the median level of BYOD capabilities for both executives and knowledge workers.
6. Sources: EIU, Strategy Analytics, Cisco IBSG, 2013.

About Cisco IBSG Horizons

Horizons is a multimodal research and analysis program designed to identify business transformation opportunities fueled by technology innovation. Horizons' multimodal approach focuses on three core areas: (1) primary research such as customer surveys, focus groups, and subject-matter-expert interviews; (2) in-depth secondary research from market leaders and influencers; and (3) the application of predictive analytics to garner insights about technology innovations and quantify their impacts.

For more information about the Cisco IBSG Horizons study, "The Financial Impact of BYOD," please contact:

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