# Can BYOD deliver real ROI?
Balancing costs and benefits in the new world of BYOD

BYOD isn't going away. In fact, with a new generation of wearables being brought into the enterprise, it's about to get even bigger – and more complex – than ever.

So if there's no going back, what's the best way forward? The productivity, collaboration, and employee satisfaction benefits are potentially huge, but finding a cost-effective way to achieve them can be a difficult challenge.
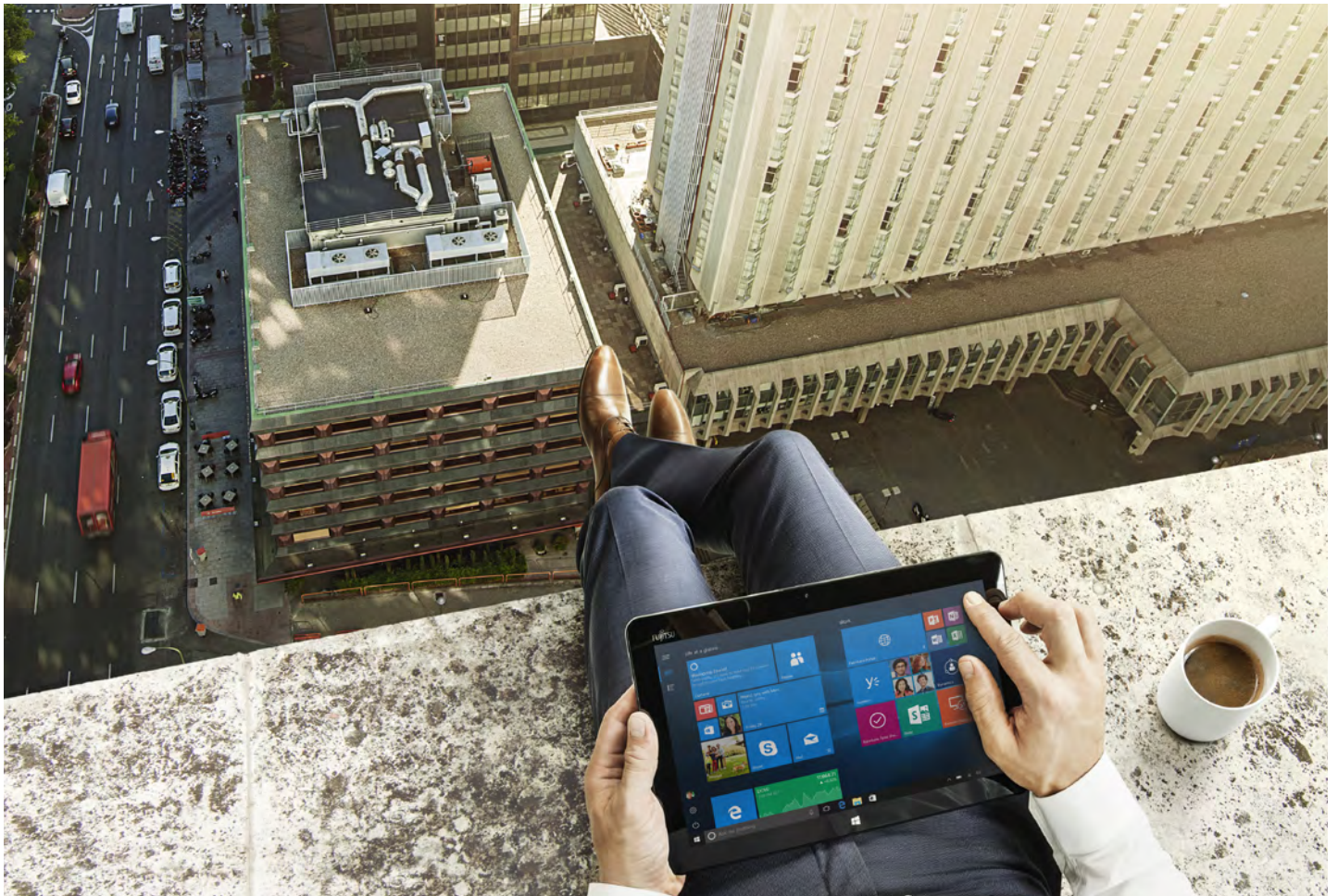
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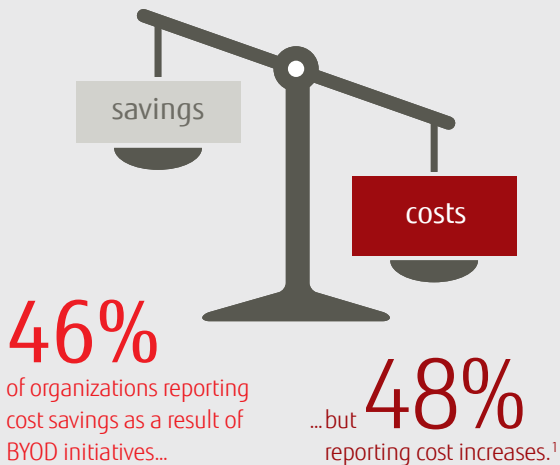Intel® Core™ i7 vPro™ processor.

BYOD: save more or spend more?

So what's the true cost of BYOD? And can it really deliver savings? Recent research shows conflicting results.

Before rolling out a BYOD program, it's essential to identify where you'll save money – and where costs could increase. It's important, not just to predict potential issues, but to ensure the program is aligned with broader strategic goals.

BYOD costs – the jury's out:

46%
of organizations reporting cost savings as a result of BYOD initiatives...

...but # 48%
reporting cost increases.[1]

Calculating the potential cost reductions – or increases – in advance of implementing a BYOD program is essential, both for linking the initiative to strategic goals and to identify any issues that may arise after implementation. But there is a huge range of factors to take into account to ensure you get the full picture.

Savings can be found:

Reduced support and telecoms costs

Aside from the obvious reduction in hardware costs from employees buying devices that would previously have been purchased by the company, a well-planned and managed BYOD program can deliver a number of other cost savings.

Businesses no longer waste money on hardware that's barely used, as users buy and regularly upgrade their own preferred technology. Some companies may give users some form of allowance for device purchases, but significant savings can still be made. Training and support costs can also be reduced, with employees using technology with which they're already comfortable and providing peer support through wikis, forums and other online communities.

Reduced HR costs

HR costs should also decrease. As the flexibility of BYOD enhances employee satisfaction, lower staff turnover reduces the expense of finding, hiring, onboarding and training new employees.

Productivity gains

In addition to cost savings, the productivity gains of BYOD can make a real difference to the bottom line. A recent study found that 36% of BYOD users are "hyperproductive" (saving two or more hours a week by using their own devices).

In addition to the savings on hardware, support and telecoms expenses from BYOD, the research found that companies could save thousands of dollars per employee per year by implementing a properly planned and managed BYOD program.[2]

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1 *Bring Your Own Device, The Results and the Future,* Gartner
2 *The Financial Impact of BYOD: A Model of BYOD's Benefits to Global Companies,* Cisco ISBG

But is it really that simple?

A comprehensive approach to planning and management is crucial to avoid some of the hidden costs of BYOD. Without it, any hardware and hardware-related savings can soon be swallowed up by increased infrastructure, security and administration costs.

According to Nucleus Research, hardware costs account for just 10% of the total cost of deploying a device in a business environment.[3] Unless the challenges of BYOD are managed effectively, they can quickly increase the remaining 90% of costs.

Managing a huge array of devices makes a robust mobile device management (MDM) solution a basic must-have to ensure security and partition work and personal data on employees' devices. On top of that, many organizations invest in other enterprise mobility management (EMM) solutions to maintain control and security of the apps and content accessed and stored on mobile devices.

With individual users responsible for their own service plans, businesses can also miss out on the discounts they could negotiate at corporate level. And for large enterprises, the sheer volume of reimbursements to be processed can increase admin costs significantly.

Will BYOD reduce or increase costs?

Potential cost savings	Potential cost increases
■ Hardware procurement	■ Infrastructure upgrades
■ Device upgrades	■ EMM tools
■ Less wastage	■ Software licensing
■ Support	■ International roaming
■ Training	■ Service plan premium
■ Hiring and retention	■ IT support
■ Operational efficiency	■ Additional security
■ Productivity gains	■ Reimbursement processing
	■ Policy development
	■ Program management

Which BYOD model is right for you – and for your users?

The BYOD market is still young, with business models and best practices gradually emerging. A 2014 survey of 250 senior IT executives conducted by IDG Connect on behalf of Fujitsu found significant variation in payment models. The survey found that in 35% of cases the employer pays outright, in 29% the employee pays for and owns the device, and in about a quarter of cases there is a subsidy for a pre-selected range of tools.[4]

Your choice of BYOD model will have an influence on the costs of the program, from the upfront costs of hardware acquisition to the ongoing admin and support expenses.

BYOD

A clear financial advantage of a pure Bring Your Own Device approach is the removal of hardware procurement costs, as employees are responsible for buying and upgrading their own devices. But IT management, program administration, and voice and data costs can grow unless plans are in place to keep them under control.

At the 2014 Gartner Symposium/ITxpo, Gartner analysts predicted that the cost of a BYOD scheme could be nearly half that of a corporate owned, personally enabled (COPE) program – but only if employees pick up some or all of the running costs.

CYOD

Choose Your Own Device (CYOD) offers a variation on the COPE model that allows employees to choose from a small selection of approved devices, balancing the corporate need for security and control with employees' expectations of freedom of choice.

In this model, companies or employees may pay the upfront device costs, while the business owns the SIM and the contract, offering the potential to reduce voice and data costs, roaming charges, and IT support overheads while offloading the full or a proportion of the hardware costs to users.

Hybrid

Some BYOD programs attempt to manage costs by operating a combination of these three approaches, or are based on a tiered model that divides users into groups ranging from highly mobile employees, who have everything paid for, to employees with limited need for mobile access, who receive no reimbursement.

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3 *Understanding the Hard ROI of BYOD,* Nucleus Research
4 *Does BYOD Hold the Keys to Building a Better, Happier Workforce,* IDG Connect on behalf of Fujitsu

»IT leaders can spend half a million dollars to buy and support 1,000 enterprise-owned tablets, while they can support 2,745 user-owned tablets with the same budget.«

Federica Troni
Research Director, Gartner

New approaches to BYOD finance

Of course, the choice of BYOD model is never just a straight fight between CapEx and OpEx. As well as analyzing which model will provide the greatest long-term savings, it's vital to select the strategy that fits best with your corporate culture and your productivity goals.

As BYOD matures, it's likely the standard payment and procurement model may become corporate procurement and employee selection, offering security, visibility and control over costs for the business, while retaining the employee satisfaction and productivity benefits of device choice.

It's also possible that new approaches to device acquisition may become viable. The traditional 'purchase, depreciate and refresh' model may well be replaced by more flexible strategies that reflect modern organizations' need to adapt quickly to rapid changes.

Numerous options, such as device rental, hire purchase or company subsides could be worth exploring before implementing a BYOD program. Utility-based plans could provide an answer, where the business pays for the utility of the device, rather than the device itself, providing essential flexibility to respond to changing needs.

Getting ROI from BYOD

Regardless of which model you choose, BYOD needs to be carefully planned to get the full benefits without increasing costs. Decisions must also be made about whether to accept some cost increases as a trade-off for benefits that improve your bottom line.

To be successful, both for the business and for employees, BYOD must balance conflicting expectations to create an equilibrium in which both parties get what they want – while also each giving something in return.

Many factors will influence the true cost of your BYOD program, but the decision should not be based purely on cost considerations. Research by analyst firm Forrester found that nearly 70% of companies increased their bottom line revenues as a result of deploying BYOD programs[5] – so some cost increases may well be a price worth paying.

If you're looking for ways to deliver a real return on your BYOD program, get in touch to discuss your challenges and requirements.

Email us on **askfujitsu@uk.fujitsu.com**
or visit **workplace.global.fujitsu.com**

to learn more about Fujitsu's approach to BYOD.

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5 *Key Strategies to Capture and Measure the Value of Consumerization of IT,* Forrester