Mobility-as-a-Service (MaaS) - Changing the Mobility Game

A new way to acquire wireless for your employees and operations

Cut cost and improve ROI for your important mobility projects!

Michael F. Finneran, dBrn Associates
Marty Parker, UniComm Consulting
Members: Society of Communications Technology Consultants

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Executive Summary

Sprint has launched a totally new way for enterprises to obtain cellular voice and data services. Reflecting the overwhelming shift to cloud-based solutions, Sprint is offering a new business model with a very attractive set of services and with no ownership or up-front capital obligations. To get a 'real world' view of how MaaS stacks up against other enterprise mobility options, Sprint retained us to review the offering and how it would impact purchasing decisions. Here's our take on how Sprint's Mobility as a Service (MaaS) will very likely change the enterprise mobility game and could change the way your organization addresses mobility devices and solutions.

The Mobile Workplace Is Here and Now!

It's a mobile world. You've seen the numbers – billions of devices[1], trillions of text messages[2], millions of apps.[3] No matter what the demographic, smartphone owners use 20 – 30 apps each month, and spend between 21 and 37 hours per month using them.[4]

This reality is hitting home for both business and public sector organizations of all sizes. If your employees have figured out how to run their personal lives on that smartphone, why not help them run their business lives the same way?

Old Assumptions Shattered

Many, if not most, organizations are trailing behind the shift to mobility for two main reasons:

1. The assumption that it's too expensive to provide employees with smartphones or even reimburse the employees for the business use of their own phones.

2. The feeling that administering smartphone ownership, apps and security is an unaffordable headache, a major risk and a major drag on IT resources.

To be sure, both of those assumptions may have been true in the past, but those assumptions are now being shattered by a new class of offer from Sprint called Mobility-as-a-Service (MaaS) - with the emphasis on 'as-a-Service.' Organizations can now contract for a mobile device service that includes a top-flight device, predictable voice and data service plans, smartphone help desk, and white-glove support for selected users. Rather than purchasing or subsidizing employees to purchase those devices on their own and then having to support the devices with in-house staff, you can now procure mobile devices on a pure OpEx model. In short, MaaS delivers the ideal combination of low cost and high service levels.

MaaS is a breakthrough concept since Sprint takes on management of device costs and assists in mitigating the financial risks. And, MaaS is much more than a simple financing plan. MaaS includes

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[1] http://www.businessinsider.com/15-billion-smartphones-in-the-world-22013-2
[2] http://www.cnn.com/2012/12/03/tech/mobile/sms-text-message-20/index.html
[3] http://www.statista.com/statistics/276623/number-of-apps-available-in-leading-app-stores/
[4] http://www.statista.com/chart/2415/app-usage-in-the-us-by-age/

a dedicated care team, 24/7/365 user help desk, extended warranty, and even customized device pre-configuration and user training support.[5] VIP white-glove service can be designated for 1 out of every 50 subscribers.

The Sprint MaaS Plan

Sprint MaaS plan includes a comprehensive mix of elements:

- o **Attractive Device Choices, with Upgrades**: The plan offers attractive and popular iOS and Android devices. Further, the user can simply choose a new device every one or two years, depending on their plan. The 1-year term option is available for a modest additional cost of $5 or $10 per user per month (depending on the smartphone model).

- o **All-Inclusive Plan**: The plan includes unlimited talk and text, with a choice of unlimited or pooled data plans, Wi-Fi calling capability, extended warranty coverage, data usage reports and device customization. Customers also have access to international texting and international data roaming.   The table shows a comparison to typical current cellular device and service plans based on our (the authors') observations and estimates. Note that antivirus and cloud data options are expected to come out later this year.

Mobility Features	Sprint MaaS	Typical Cellular Unbundled Plans
Subscription – Pure OpEx Cost	Yes	No
Bi-annual Device Refresh Included	Yes	No
Extended Warranty	Yes	No
Unlimited Talk/Txt	Yes	Varies
Data Pooling	Yes	Most
Dedicated Care	Yes	Some
24/7/365 Help Desk	Yes	Yes
Device customiza-tion, configuration	Yes	No
VIP Program	Yes	No
Antivirus Software	Yes	No
Cloud Data Store	Yes	No
Typical Cost per User per Month	$32 - $68	$53 - $65
Estimated Add'l Value/User/Month	$20 - $50+	$0

- o **Predictable Cash Flow:** In the past, the schedule for device upgrades has inevitably caused outlay spikes that coincide with new device launches. With the Sprint MaaS plan, users can refresh their devices on a 2-year or optional 1-year cycle. This enables the user to stay current while eliminating the organization's budgetary spending spikes that have been so annoying in the past.

- o **User Support:** Sprint MaaS includes a dedicated care team for the organization as well as 24/7/365 help desk support that potentially allows an organization to reduce its in-house help desk costs. Enhanced VIP service is included for power users or high-leverage users on a 1 in 50 ratio to the total MaaS subscriber count.

- o **Affordable Price**: Most of all, MaaS offers a predictable, fixed and affordable price of this comprehensive offer. Prices per user (device) per month range from as low as $32 per user per month[6] (an HTC One M8 phone with unlimited talk and text with 1 GB per user of monthly pooled data use) to $68 per user per month (iPhone 6 Plus with unlimited monthly

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[5] On-site user training support for orders of 25 or more devices.
[6] Other monthly charges apply to all listed prices.

data usage, while on the Sprint Network[7]). A typical price is between $47 and $52 per user per month for Samsung Galaxy S6 (32GB) (Android) or Apple iPhone 6 Plus (16GB) (iOS), either with 2 GB of monthly pooled data use. Clearly, by owning and managing the devices, Sprint has found the economies of scale and is sharing a portion of the savings with customers while using another portion of the savings to fund the additional services that are included in MaaS.

o **Other Elements**: In addition, Sprint anticipates adding other services to MaaS in the near future including anti-virus software, cloud-based storage, and the option to subscribe to Mobile Device Management software. These options allow an organization to contain their costs while easing the necessary attention to information security, content management, and device inventory and tracking. Based on our knowledge of the market, Sprint MaaS has claimed a unique position by offering such a comprehensive combination of choice, economy and service. Let's look at the benefits and values of the plan.

What Does This Mean for Organizations (and Its Users)?

MaaS could be a game-changer for the mobility strategy of many organizations. Cloud-based communication tools and applications – ranging from texting to websites to Skype or Facetime to apps like Salesforce.com to Office 365 or Google Apps – have changed the way that organizations coordinate workflows, serve customers/clients/constituents and get their work done. Now 'cloud-based' mobility, as pioneered by Sprint MaaS, will change the way that organizations run their communications networks, streamline workflows and provide employee perks. Here are some of the transformations that we see:

o Affordability: At a cost of around $50 per user per month (for a top-end device like a 16 GB iPhone 6 and a 2 Gbyte data plan with unlimited talk and text), the smartphone looks more attractive than ever. In the past, providing mobile devices to 1,000 employees could easily have run close to $200 per user per month – with as much as $150 per user per month just for the phone and the monthly service with bi-annual upgrade. Add to that another approximate $50 per user per month for help desk staff, a mobile device service manager, and probably a dedicated accounting position to manage all of the costs and reimbursements. In our experience, almost all organizations have an historical expectation of paying well over $100 per user per month, which has been one of the reasons that "Bring Your Own Device" (BYOD) has been tolerated or even encouraged to cut costs.

Sprint MaaS brings that total, all-in with a 16GB iPhone 6 or 32GB Samsung Galaxy S6, down to about $50 range per user per month[8]. To put that cost into perspective, that level of expense represents less than 100 miles per month of automobile mileage

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[7] Unless otherwise specified, all references to data usage are while on the Sprint Network.
[8] Actual monthly price will vary based on type of device and amount of data allocation.

reimbursement[9]. And, since this is one flat rate cost, the $50 per user per month is probably less even than the administrative cost to account for and pay the reimbursable use of the employee's own BYOD phone – a reimbursement that is being mandated by employee-protection laws in a growing number of states.

o Totally OpEx: As the name implies, this plan is a monthly 'service', not a purchase. Sprint MaaS is entirely 'OpEx' – Operating Expense – with no upfront capital expense. Thus, there is essentially no 'barrier to entry' based on large investment justifications. Costs will align with the monthly, quarterly and annual expense budgets of the organization's departments in which the mobile employees work.

o Extended Warranty: Devices under the MaaS program have the warranty extended to cover the life of the 1- or 2-year contract, beyond the device manufacturer's 90-day limit.

o Cloud Storage and Anti-Virus Protection: Later this year Sprint is proposing to add secure, cloud-based storage and anti-virus protection for all MaaS devices for small incremental monthly costs per user. Incidents of mobile malware have been growing exponentially, so it's great to know the anti-virus protection software can 'come with the phone.'

o High leverage: The smartphone has become the device of choice for a huge range of applications, both business and personal. From texting to email to apps for customer relationship (CRM), inventory management (ERP), sales presentations, service tracking, and so much more, these apps have become 'the way we work.' What's more, the smartphones are a mobile application development platform. It is becoming more and more practical to present and manage almost all elements of an organization's workflow to the user's mobile device, wherever that user/device may be.

o Employee Benefits: With global, aggressive competition for scarce skills, a fully supported company-provided smart phone with appropriate personal use permissions may be one of the best benefits an organization could provide, surpassing outdated perquisites such as the company car, free soft drinks, or the opportunity for business travel. A smart, clever mobility policy will be high on the list of benefits for most employees, especially the growing group called Millennials. Workers know they need a smartphone to get their jobs done, but they don't want the hassle of filing monthly reimbursement requests. Sprint MaaS is far better than any BYOD policy, especially if that policy attempts to restrict how the smartphone can be used to help employees do their jobs.

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[9] http://www.irs.gov/uac/Newsroom/New-Standard-Mileage-Rates-Now-Available;-Business-Rate-to-Rise-in-2015

o Personal Freedom: In order to meet the employees' preferences for personal use on the organization-provided cellular phone, it is possible to combine Sprint MaaS with the Sprint Enterprise Mobility Management (EMM) option. This powerful combination of Sprint offers segments the smartphone into two zones – one for use by the organization for sensitive business data and the other for use by the employee to enable their own apps, music, chat and other communications as they wish.

The optional Enterprise Mobility Management/Mobile Device Management (EMM/MDM) solution is software provided by industry leader AirWatch. Business data on the devices can be securely segregated from personal data. If a device is lost or stolen, the corporate data (or all of the data) on that device can be 'wiped' (erased) in seconds.

So, What Are the Issues?

All this sounds great, right? So, what are the issues? Here are a few we can see.

o Modification of the Mobility Policy and BYOD Approach. Your organization will need to review your current policy documents, budgetary methods, and approach to BYOD (bring your own device) practices. Fortunately, this should not be too hard for three main reasons:

1. There are plenty of policy documents and templates available to use as guides for any modifications that are needed.
2. The employees will be gaining a lot. At long last, they will have a device that is up to date, with easy and automatic refresh cycles. They will also have a program that does not require them to apply for monthly reimbursement or retain proof of their usage. They will also have a device with warranty coverage for the life of the contract; of course, that does not cover dropping the phone into the swimming pool or from the second story window, but at least there won't be surprises if the device malfunctions. It's hard to see a downside for the employees.
3. There is a financial incentive to make this change. It is hard to imagine a fair BYOD policy with employee reimbursement that could even approach the Sprint MaaS cost point for employees who are even moderately mobile in their jobs. A BYOD reimbursement program for sales, service, management or other mobile roles is very likely to be paying for cellular plans purchased by the individual that could be at or above twice the monthly costs of the Sprint MaaS plan. Of course, it is easy to check with accounting for the facts; most likely the move to Sprint MaaS will be a real money-saver.

o Adapting to the new MaaS Help Desk Approach. If you take full advantage of the Sprint MaaS offer, your employees will be calling a help desk at Sprint for their mobile device support (smartphone operation, but not apps or security), rather than adding that support to the cost and workload of your own help desk team. It will take some setup effort to get the Sprint team trained on your organization's specifics, but after that, changes and

updates will be no more complex than an update of your own internal help desk staff. Again, there is a tangible benefit from the shift to MaaS.

Perhaps you have other things that come to mind as prerequisites or as possible issues. Likely, an analysis will show that the MaaS option will lower costs, relieve administrative burdens, and help your organization be more responsive and agile in the new world of mobility.

Recommended Actions

From our perspective as communications technology consultants[10], the introduction of Mobility-as-a Service calls for a review of your organization's policies, economics, security practices and business opportunities. Here are some of the questions to ask:

- o Is the company-provided mobile device approach right for all of your organization or even for some groups of users in your organization? If so, then continue...
- o What is the current level of use for mobile devices and what are the associated costs?
- o How much effort will be required to modify the current policies and practices?
- o What is needed to migrate user support to the Sprint MaaS help desk?
- o Does Sprint cellular coverage meet your needs in your key geographies?

If you come out with feasible and positive answers to these questions, then we recommend a review of the business opportunities that a refreshed, company-sponsored mobility program may provide.

- o MaaS may significantly lower your costs of providing mobility. Whether moving from a company-provided device plan or shifting from BYOD back to an organization-provided plan, it is very likely that compelling savings are available.
- o MaaS will very likely lower your costs of mobile device/user support. In most operations, the help desk is already over-worked or short-staffed; here's an opportunity to offload some of that burden. That will be particularly true if IT staff is responsible for preconfiguring phones, updating software and installing required apps before delivering devices to users - all of which are available from Sprint on MaaS devices. Take a good hard look at what you are really spending to support mobile devices and reimbursements, and you will likely find that ranges from $5 to $20 per device per month; much of that cost could be saved with MaaS.
- o MaaS can open new business methods for your organization. If you know that employees will have top-end, secure and up-to-date mobile devices, then you can plan on those devices being available for streamlined operations and workflows. This could be the biggest benefit or all, since employee time is often the highest cost component of any workflow.

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[10] Both Michael Finneran and Marty Parker are long-standing members of the Society of Communication Technology Consultants (www.SCTCConsultants.org), and association of vendor-independent consultants.

- o MaaS can resolve difficult mobility policy questions. Since the organization is stepping up to the operational requirements rather than expecting the employee to have an adequate smartphone, the tension can disappear over why the organization is requiring up-to-date devices and mobile operating systems when the organization is not paying the bill. Also, the policy will not have to dance around sensitive personal preference issues, since the most popular iOS and Android devices are available through the program.
- o MaaS is especially powerful if the agreement for BYOD in your organization was driven solely by budgetary concerns. Since MaaS offers a low, predictable cost, you're on solid footing to bring the program back to organization-provided, even if that starts with only a subset of users.
- o The addition of the optional EMM/MDM to MaaS may resolve issues or risks in your organization's mobile device security program, especially if you have significant operational use of mobile communications and applications but don't currently have security controls on those mobile devices.

If you find a solid opportunity in MaaS, then it is easy to proceed on a modular and incremental roadmap, following these steps:

- o Start with best savings
- o Start with key groups
- o Start with key workflows
- o Build on initial successes

Summary and Recap

Mobility, particularly with devices that allow your users to accomplish the widest variety of tasks, can have a transformative effect on how your organization works. Having your mobile users equipped with the mobile device of their choice helps ensure widespread adoption and use. With Sprint MaaS, you can have a comprehensive mobility program that includes data, voice and text on some of the most popular devices available along with top shelf service for a low predictable cost. Best of all, the program is all OpEx so you are not subject to cost spikes when large numbers of users upgrade to the newest device as soon as a new model is released.

MaaS also allows you to pull back from BYOD initiatives cost-effectively, and reestablish a secure manageable mobility program while reducing the burden on IT and the help desk. Most importantly, MaaS can put a mobility plan in place that allows your organization to effectively realize the benefits of the mobile revolution, knowing that all of your mobile workers are well equipped and fully supported. Mobility doesn't have to be a challenge to organizations. With Sprint MaaS, you can pretty much have it all at a good price, with comprehensive service. That's a plan that's hard to beat.