The Enterprise Mobility Sourcing Continuum

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Initiatives: Digital Workplace Infrastructure and Operations

There are many ways to source enterprise mobility. In this research, we help I&O leaders understand the vendor landscape and the continuum of sourcing options, which can range from complete insourcing to complete outsourcing as part of all end-user computing.

Overview

Key Findings

- I&O leaders responsible for sourcing and managing mobile devices often struggle to understand what options exist when it comes to outsourcing or out-tasking.

- The process of aligning available sourcing options to organizational requirements is complicated, resulting in I&O leader confusion with vendor selection. Mapping available sourcing options to organizational needs and requirements is not intuitive.

- Commercial and operational effectiveness of mobility is key to ensure both cost management and end-user productivity and satisfaction.

Recommendations

I&O leaders focused on digital workplace infrastructure and operations must:

- Enable their organizations to become adaptable by thinking of enterprise mobility sourcing as a continuum and changing strategies and types of vendors as the organization matures.

- Select the most-suitable sourcing option for their needs by evaluating what sourcing options exist and what type of vendors are servicing these options in the relevant Gartner Market Guides, Magic Quadrants and Critical Capabilities notes.
Introduction

Enterprise mobility can be managed or sourced in a number of ways, from doing everything in-house to outsourcing it as part of a managed workplace services engagement including all end-user computing (EUC) solutions (see Figure 1).

Figure 1: The Mobile Sourcing Continuum

- Identify whether the sourcing strategy should be focused on cost or operational drivers or a combination of both, in which case they must be weighted against each other.
On the journey through the continuum from doing everything completely insourced, a frequent first “stop” is to embrace telecom expense management (TEM) and outsource the handling of the bills from the mobile operators. This ensures all users are on a proper plan and you don’t pay more than you need for your consumption. Another first step is to outsource the logistics of devices, which was a newer requirement that emerged on the back of the pandemic, in particular from multinational corporations. A frequent second stop could be to move to managed mobility services (MMS) and embrace two or more of the service towers (see Figure 2 below) before going to full MMS, where the full life cycle of the mobile devices are outsourced. The “final stop,” although not every organization selects it, is to source mobility as part of a larger outsourcing of workplace services.

**Analysis**

**Enterprise Mobility Sourcing Should Be Regarded as a Continuum**

As a I&O leader, sourcing enterprise mobility should be regarded as a continuum where the customer is in control of deciding how much and what should be outsourced to meet business requirements. It’s not uncommon to see customers moving a bit back and forth on the continuum over time to best meet business requirements, although the general direction is forward toward full MMS or even MMS as part of a larger MWS contract.

The sourcing options and vendor landscape with its underlying complex relations can seem complicated at first. The Market Guide for Telecom Expense Management Services, Magic Quadrant for Managed Mobility Services, Global and Magic Quadrant for Managed Workplace Services include market definitions and descriptions of what services a vendor in that market must provide to be considered for inclusion. A lot of the vendors in the TEM space can, in addition to managing mobile lines, also handle fixed lines. In the MMS space as well as MWS space, many vendors go beyond the minimum criteria in the MQ documents and offer additional services like mobile strategy consulting, mobile application development and maintenance as well as device financing, to name a few.

Figure 2 illustrates how financial management (often delivered via a TEM platform) is one of the five services offered by an MMS provider and that MMS can be part of what most, if not all, MWS providers can deliver as part of their offering.
Figure 2: The Russian Doll

There are usually a number of sourcing options for TEM as well as MMS to consider. The main ones are listed below:

- **TEM**
  - Just license the software as SaaS or buy as a managed service
  - Bring your own mobile service contract or let the TEM provider negotiate on your behalf
  - If level 1 help desk should stay insourced or with another service provider that will interface with the TEM vendor or if the TEM vendor should handle level 1 as well

- **MMS, same as above plus:**
  - Deciding which of the five MMS core categories to leverage, and these categories can be further subdivided:
    - Sourcing and logistics management
    - Managed UEM including or excluding UEM licenses
    - Security management
    - Financial management (includes TEM)
    - Program management (including professional services)
Most vendors have flexibility and sell their services both in a prepackaged way as well as almost full “a la carte,” where different capabilities can be selected individually when possible to tailor after customer requirements.

The document that usually forms an addendum to the agreement describing the responsibilities of the customer and the vendor can be very lengthy and difficult to fully understand. A page count over 30 is fairly common. This document can contain very detailed information like the need of the customer to timely sign the necessary paperwork, The Letters of Authority, to allow the TEM vendor to act on behalf of the client in contacts with operators. Not fully understanding the responsibilities or service quality when signing the contract is a primary ground for client dissatisfaction with the services, as a gap between expectation and actually delivered services may arise. This is particularly common during the first out-tasking or outsourcing experience.

In addition, I&O leaders need to:

- Understand the partners of the prime contractor. The customer may terminate the relationship with one vendor just to discover that the new vendor is leveraging services from the first vendor behind the scenes.
- Be prepared for mergers and acquisitions that are frequent (especially in the TEM segment) and can be disruptive in the short term.
- Be open to potentially split sourcing. For example, this could mean an MWS contract for the carpeted areas of the organization and an MMS contract for frontline workers with a vendor specializing in managing ruggedized equipment.

**First Sample Customer Movement Through the Continuum**

**Starting point:** Fully insourced management of mobility.

**Initial challenge:** Labor-intensive process to verify mobile operator invoices and ensuring employees are on the correct plan. Lack of visibility into spending patterns and levels.

**First step:** Contract a TEM fully managed service from a TEM or MMS vendor.

**Next challenge:** The logistics of procuring, configuring, and kitting mobile devices and shipping them to employees is perceived as a non-core activity and quite labor intensive. Experiences from the pandemic have highlighted this pain point.
Second step: Contract logistics services from a MMS provider. This could be the same MMS vendor that is also providing TEM services or a TEM vendor that has added logistics services to their offering. Other options include a distributor like CDW or Ingram Micro that is offering logistics services or a pure play logistics company. Consolidating multiple MMS service towers with a single MMS provider usually makes the most sense, even if it entails changing vendors for one tower.

New situation: Customer is encouraged by the results of embracing two MMS service towers and is ready to move ahead with full MMS for their mobile devices.

Third step: Customer goes through an RFP process to move from two MMS towers to full MMS. Full outsourcing including management of UEM and help desk.

Change of strategy: A policy decision has been made to insource level 1 help desk. The thinking is that when an employee has a problem, they'll be talking to a fellow employee that understands the business well.

Fourth step: The statement of work is renegotiated with the MMS vendor and processes and technologies are put in place to integrate the internal level 1 help desk with the level 2 help desk of the MMS vendor.

New change of strategy: A couple of years later, the customer is ready for the next step of the journey. Select a single service provider that handles all end-user computing equipment that touches the employees.

Fifth step: Customer goes to market with an RFP for MWS.

Second Sample Customer Movement Through the Continuum

Starting point: Fully insourced management of mobility.

Initial challenge: Lack of visibility into spending patterns and challenges handling the logistics of mobile devices.

First step: Contract an MMS vendor for its financial and sourcing/logistics services.

Next challenge: Providing support to employees in different countries on different mobile operators is becoming challenging to the internal help desk.
Second step: Contract help desk services from an MMS provider. Typically, this would be the same MMS provider as in the first step.

New situation: Customer is encouraged by the results of embracing three MMS service towers and is ready to move ahead with full MMS for mobile devices.

Third step: Customer negotiates an extension of the existing contract to move from three MMS towers to full MMS. Full outsourcing including management of UEM and mobile security.

The following challenges and steps are the same as the first sample customer movement through the continuum above.

Understanding the Sourcing Options for Enterprise Mobility

A brief overview of the markets, vendor landscape and interdependencies:

- TEM is a market recognized by Gartner, and we publish a Market Guide and an RFP template (see Market Guide for Telecom Expense Management Services and Toolkit: Telecom Expense Management RFP Template) on a regular basis. Vendors include Calero-MDSL, Brightfin, Sakon and Tango.
MMS is a market recognized by Gartner for which we publish Magic Quadrant and Critical Capabilities research (see Magic Quadrant for Managed Mobility Services, Global and Critical Capabilities for Managed Mobility Services, Global) on a regular basis. Typical vendors include:

- TEM vendors that have moved into MMS like Calero-MDSL, Sakon, Cass and Tangoe.
- Pure-play MMS vendors like DMI, GEMA, Honeywell, Mobility MEA and Stratix. MMS vendors typically leverage TEM products from the established TEM vendors and may depend on other MMS vendors to augment their footprint for services that require proximity to clients like logistics services.
- Systems integrators (SIs) that offer MMS as part of their MWS offering and also sell it separately. Typical vendors include DXC Technology, HCL Technologies and IBM. SIs frequently use TEM products from TEM vendors and leverage MMS vendors for logistics services.
- Mobile operators that offer MMS as a value-added service (VAS) to mobile voice and data subscriptions and smartphones and in some cases as a stand-alone service. Typical vendors include Orange, Telefonica and Vodafone. Mobile operators frequently use TEM products from TEM vendors as well as leverage MMS vendors for logistics services.

MWS is a market recognized by Gartner for which we publish three regional Magic Quadrants and Critical Capabilities annually (see Recommended Reading section), with the ambition to move to single, combined global Magic Quadrant and Critical Capabilities documents. MWS vendors are usually large or regional SIs. Representative vendors include Atos, Capgemini, DXC Technology, Fujitsu, HCL Technologies, IBM, TCS and Wipro. MWS vendors frequently use TEM products from TEM vendors and leverage MMS vendors for logistics services. They may also use a network of local third-party suppliers of field engineering services to give regional or global coverage outside markets where they have their own engineers.

In short, no vendor is global enough and has the in-region resources to be able to deliver MMS or MWS services to a globally scaled client without leveraging partners. Local, regional, and country-specific tax and legal issues in sourcing further highlight the need for local partners.
Vendors are evolving their capabilities. A number of vendors that started out as TEM vendors have become MMS vendors through organic growth, acquisition or partnerships. MMS vendors are evaluating their path of evolution. Some are leveraging their MMS capabilities to also manage IoT endpoints, some are leveraging their TEM functionality to also manage cloud or UCaaS and other SaaS expenses and some are adding PC management, which means they'll increasingly compete with the MWS vendors. At the same time, most MWS vendors have unbundled their MMS capabilities and sell them separately when requested. Please see Figure 3.

**Figure 3: The Vendor Evolution**

![The Vendor Evolution Diagram]

**Evidence**

This research is based on ongoing research, client inquiries and internal analyst conversations for several Gartner publications on the topic of mobile sourcing use cases. Research includes briefings, inquiry, and interviews with large and small vendors across the world.

**Recommended by the Authors**

Some documents may not be available as part of your current Gartner subscription.

- **Magic Quadrant for Managed Workplace Services, Europe**
- **Magic Quadrant for Managed Workplace Services, Asia/Pacific**