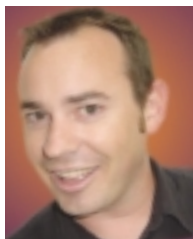


Going from E-business to M-business



ILLUSTRATION BY LARS VEGAS NIELSEN

A STRUCTURED APPROACH TO M-BUSINESS TRANSFORMATION OPPORTUNITIES IN THE ENTERPRISE



by
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Rather than technology preceding demand (as is often the case), in mobile services, the technology is trying hard to catch up with demand. Innovative companies that have already developed mobile services based on simple technology such as SMS are taking an early advantage in the huge mobile services market. There are opportunities within all organizations to create successes with m-business.

Many companies are already taking advantage of mobile Internet technology, both to deliver services to customers and to mobilize their workforces. M-business adds to the benefits of e-business transformation by extending electronic business processes to mobile devices. Globally there are now more than one billion mobile phone users, and they are hungry for services.

From E-business to M-business

Following the Internet boom of the late '90s, we learned that most of the benefits of e-business eventually accrued to existing organizations that centered their business processes around the Internet. E-business transformations involve the streamlining of processes, changing the way companies and whole industries operate. Creating a connected company can deliver pay-offs such as improved operational efficiency, streamlined supply chains, better quality services, and more convenience for customers.

M-business is an extension of e-business, and a powerful one. As mobile Internet capabilities improve, it will become the most convenient mode of access to online services, enabling location-sensitive and always-on capabilities. The major opportunities in using mobile center around either delivering services/products to customers, or mobilizing the enterprise with access to information and applications such as e-mail.

M-business opportunities will naturally vary between industries and companies. The timing of m-business investments will also differ depending on business objectives, maturity of technology, and customer uptake of mobile Internet. To create value for an enterprise, a structured approach to m-business planning is required, encompassing the lessons learned from the first wave of e-business transformation.

Creating an M-business Program

Uncontrolled implementations of m-business have the potential to waste money and create confusion for customers. To provide control and transparency, an overarching program structure should be put in place, with accountability at an executive level. If an e-business program already exists it should ideally be managed within this structure. Once opportunities have been scoped, individual projects should be assessed against set criteria to allow prioritization.

Each mutually exclusive project should have a business case (to measure return on investment), feasibility analysis (including technology requirements), and a risk analysis (to control risk factors). A central program structure will also provide an understanding of the common requirements of different projects (e.g., an investment in common mobile middleware, or a requirement for a single mobile customer identity).

Identifying and Assessing M-business Opportunities

Identifying, measuring, and prioritizing opportunities requires a transparent and structured approach. An approach that has worked well for a number of large companies, including IBM, is viewing e-business transformation as a form of business process change – evolving from manual to electronic processes. Mobile simply adds another platform or channel for electronic processes. Separating business processes into the three categories below will help to identify all opportunities, and group similar projects together. The nature of e-business transformation is different in each of these process categories, as is the degree of control the company has over the outcomes, making it sensible to separate them.

ENTERPRISE TO CUSTOMER PROCESSES

Enterprise-to-customer (E2C) processes include activities that impact customers, such as sales, marketing, billing, customer support, account management, and payment. Transformation in this category carries a high risk, but often a high potential payoff. Experience has shown that to increase acceptance of E2C processes, customers expect a positive payoff.

For example, to reach a critical mass of online banking customers, many banks have had to offer lower fees, even though online banking offers greater convenience. Hidden costs encountered in E2C process transformation include customer education and maintenance of tra-

ditional customer-facing processes. While E2C processes may represent a large number of m-business opportunities, their business cases often have highly variable assumptions, as they are based on customer behavior and uptake of technology.

INTERNAL TO ENTERPRISE PROCESSES

Internal-to-enterprise (I2E) processes are largely administrative processes that begin and end within the enterprise (e.g., internal communication, enterprise resource planning, logistics management). These processes largely fall within the control of the enterprise and are therefore often easier to transform. Staff may need training to adopt the new ways of working.

Mobile creates opportunities to manage mobile workers better – including providing access to information and tools while out of the office, or directing field staff based on location. In certain industries, mobile will dramatically change the way an enterprise operates – for example in logistics management (planning and tracking deliveries).

ENTERPRISE TO SUPPLIER PROCESSES

Enterprise-to-supplier (E2S) processes focus on the supply chain and include such activities as forecasting and ordering, purchasing, control over inputs, and communication with suppliers. E2S processes may require agreements on technology and standards with either individual suppliers, groups of suppliers, or industry organizations (depending on the enterprise's power). Strong suppliers may dictate platforms and interfaces, while weak/small suppliers may not have the capability or capital to invest in connecting with a single customer.

Mobile will add to existing e-business efforts in E2S processes where it extends the benefits already found within e-business transformation.

After identifying and mapping the processes within an enterprise, those involved with the e-business transformation will be able to research and identify opportunities for mobile to further enhance processes. While it is impossible to provide a complete list of m-business transformation opportunities, Table 1 provides an overview of some broad opportunities and examples.

Designing and Implementing Projects

Once opportunities have been identified and prioritized, projects can be scoped in more detail. M-business projects need to take into account technology evolution, including the capabilities of mobile devices, networks, and applications. E2E projects, such as the implementation of mobile e-mail, may be easiest to implement first, because the entire system can be specified and controlled by the enterprise: from devices to software and network provider.

Start simple and use a phased approach. By starting with simple solution platforms, such as those based on SMS, it may be possible to secure early payback and develop learning in project teams. Plans for evolving simple services to take advantage of technology advances such as Multimedia Messaging Service (MMS) will be important. By taking a process-driven approach, this type of evolution can be factored into a single project plan and business case.

Manage the organizational and customer impacts: some of the most difficult aspects of business change are the human reactions to new ways of working. Common outcomes of e-business transformations are downsizing and reskilling of staff, which demand respect and attention. Similarly, customers cannot be expected to simultaneously adopt new processes, so maintenance of legacy processes and customer education are critical to maintaining satisfaction.

Whatever the opportunities available to your organization in m-business transformation, it pays to start planning now. Chances are that people in your enterprise are already planning m-business projects, and a structured approach will help build momentum and support for the right projects.

	m-Business Process	Examples	Benefits	Applicable Industries
E2C	Enhance existing products: Enhancement of existing information/ transaction-based services offered on mobile.	Delivery of/access to content and information services – news, stock prices, music/video, city guides, restaurant guides; Evolve transactional services – pay for parking, ticketing services; online financial services transactions.	Personal channel to customers; Time critical and location sensitive to improve reach and relevance of products/services – improving customer satisfaction; Increase impulsive sales/transactions.	Media and content owners; Information aggregators and database owners; Financial services.
	Sales: Enable existing products and services to be purchased from mobile devices.	Purchase cinema tickets, vending machine products; Micropayment using mobile in retail stores; Recharge parking meters; Book accommodations and tickets on the move.	Mobile payment = convenience for customers; Increase impulsive transactions; Connect mobile marketing offers with purchase capability; Instant payment.	Retail; Media; Entertainment; Hospitality.
	Distribute new mobile products or services: Provision of new products and services, including games.	Mobile software and applications; Mobile games; Location-based services; Instant messaging; Health-care patient monitoring.	Create products relevant to mobile customer needs; Reach people when they want to “kill time” – grow market; Offer online products where time is an issue.	Startup industries; Internet portals; Electronic games manufacturers; Health care.
	Mobile alerts: Create a communication channel between enterprise and customer.	Proactive provision of information such as bank account balances, parcel delivery notification, notification of late flights; Enable customers to communicate with support staff using mobile Internet.	Reduce need for customers to contact call centers; Minimize requirement to mail written notices (and eliminate time lag); Increase customer satisfaction by keeping them informed; Reduce impact of fraud.	Banking; Telecom; Airlines; Financial Services; Health care; Logistics/delivery.
	Online support systems: Provide customers with access to online customer support systems from mobile devices.	Allow customers to access existing Web applications such as order tracking, monitoring accounts, contacting support staff.	Greater convenience for your customers; More customers have access to your online support (reducing call demand).	Virtually any industry using online services and whose customers use mobile devices.
	Marketing: Deliver marketing campaigns and specific offers to customers' mobile devices.	Location-based product/service offers; Redeemable vouchers for limited time; SMS competitions and voting.	Highly targeted direct offers with lower cost and higher response rates; More relevant offers (time, location, or situation); Collect market information; Interactive offers promote stickiness – increasing loyalty.	Media; FMCG; Retail; Health care.
	Product support: Monitor products in real time using sensors and mobile communications to company systems.	Monitoring for product faults, product servicing requirements, usage levels, etc. Identify maintenance opportunities.	Preventative and proactive service (maximize service opportunities; reduce product downtime); Greater customer satisfaction; Reduce need for site visits; Real-time charging.	Manufacturing (vehicles, technical products); Utilities providers; Vending.
E2E	Manage and provide tools to field workforce.	Schedule technicians for field jobs using mobile device & based on location; Provide tools to field staff such as customer information, product information, route-planning, mobile POS systems, time/expense tracking.	Higher productivity; Reduce office-bound time; Be more responsive to customer needs; Update customer information systems in real time.	Service industries (real estate, financial services, consulting, insurance); Telecom; Office equipment suppliers; Utilities, pharmaceutical.
	Provide access to company intranet to staff in the field.	Provide access to corporate intranet, directories, etc., for mobile workforce.	More effective workers (more sales calls); More informed staff; Real-time information allows better business control.	Any corporation with a sales force and staff who travel or work out of the office.
	Monitor systems, machinery, or other critical products.	Monitoring of remote machinery and alerts sent to maintenance staff.	Identify failures of key systems or machinery to reduce downtime and prevent critical events.	Manufacturing; most organizations with operational systems.
E2S	Monitor supply chain across multiple organizations.	Track inventory and shipments; access to supplier stock levels when ordering.	Control over supply chain management to reduce cycle times and improve operating performance; improve productivity; increase shipment accuracy.	Dependence on suppliers to develop mobile capabilities is the key here.

TABLE 1: M-business opportunities grouped by process area