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Can You Hear Me Now?

Cell Phones Offer Portability, Flexibility In Multi-Location Enterprises



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Cell phones were once the exclusive domain of a few specific occupations. Real estate brokers, lawyers, and Hollywood agents depended on them to keep in touch with their clientele, whether they were taking a lunch at Spago or out showing a property to a prospective buyer.

Recently, however, companies have begun to realize that there can be several benefits to arming their employees with the increasingly low-cost devices. "It really depends on the job function," says Brownlee Thomas, a principal analyst with Forrester Research who covers the enterprise wireless market. "In mobile sales, management, or in a campus with several buildings, wireless can make a lot of sense." She points out that around 90% of cell phone usage in companies consists of local calling between different facilities or to other nearby locations.

The major benefit for companies where employees may frequently be anywhere but their desk is availability, according to Thomas. "Your phone is in your belt or pocket, rather than on your desk, where you are not."



■ Who Buys The Phones?

An evolving issue is that of who should provide the phones themselves. In the early days, the usual practice was to have employees purchase the handsets and arrange their own service plans, then submit their bills every month for reimbursement. This led to problems for the finance departments, however. "Most companies had no idea what they were spending on cellular," says Thomas. "The bills were buried in departmental budgets and never showed up on the telecom line items."

The reaction was to centralize wireless purchases inside of the enterprise, having a single location that issued units to employees and handled the bills. This had its own set of headaches, however. Thomas points out that most companies with geographically disparate offices can't use a single provider for all their employees because of different coverage areas. And although the carriers offered small discounts for companies that aggregate their service, it was lost in the additional staffing needed. "You ended up needing three, four, maybe six people working full-time, looking at the bills, figuring out the expenses, billing back to individual departments, all for maybe a 5% discount. It just wasn't worth it."

What Thomas recommends is a hybrid approach. "I recommend that large companies offer a few options—an executive option and a few options based on job function. Companies should poll their users on their personal experience with carriers and pick the ones that score highest. It always comes down to two factors: coverage and price."

■ Monitoring The Calls

Another persistent concern for companies is abuse. Comptrollers have nightmares about getting stuck paying for costly personal calls, which was one motivation for the drive to centralization in the first place. Thomas cautions that it is easy to go overboard scrutinizing every nickel and dime.

"What you're looking for is abuse," she says. "You're not looking for a guy calling home; you're looking for the person making long, personal long-distance phone calls on a regular basis. Even then, the typical plan has such a large pool of North American minutes these days that it's not worth sweating the small stuff."

Thomas does recommend examining calling patterns to determine if the appropriate plans are in place. "If a guy is regularly making 1,000 minutes of calls on a 500-minute plan, it's worth moving to a more expensive plan to avoid the overage costs."

Another way to save money is by committing to certain usage levels with specific carriers, to get discounts on large quantities of minutes that can be used in a common pool for all employees. Some companies also offer employees discounts on personal service through carriers that they have a relationship with.

"The carriers love this," says Thomas. "It locks the employee into a one- or two-year agreement with the carrier, which they are going to be stuck with even if they move outside the carrier's coverage area."

■ VoIP Meets Wireless

On the horizon are the 3G-based wireless offerings, which promise high-speed data

access through cell phones. "For wireless, the killer app is voice. Data is less than 10% of the market right now—mostly consumers sending pictures." Thomas believes that this will change over the next year as hybrid VoIP/wireless handsets become available. She believes that the ability to have a wireless handset, which automatically transitions to a campus-wide VoIP system when an employee enters a building, will profoundly change the cost structure of wireless. According to her, the goal is to keep the employee off the nationwide net and on a low-cost local VoIP network whenever possible.

Another part of the wireless picture is Push To Talk, made popular by Nextel and now aped by Verizon and Sprint. "If you use push to talk, you love push to talk," says Thomas. "Nextel has a tremendous, loyal customer base, and Verizon and Sprint have been trying to move into that market." For the enterprise, the advantage of Push To Talk is the ability it provides to members of a workgroup to reach other members with a single press of a button, similar to how a walkie-talkie is used.

Thomas summarizes the allure of wireless simply: "I know if I call your phone, I'm gonna get you. If I call your desk, who knows?" ■

by James Turner

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