



## **Good Technology State of BYOD Report**

*New data finds Finance and Healthcare industries dominate BYOD picture and that users are willing to pay device and service plan costs if they can use their own devices*

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## Introduction and Key Findings

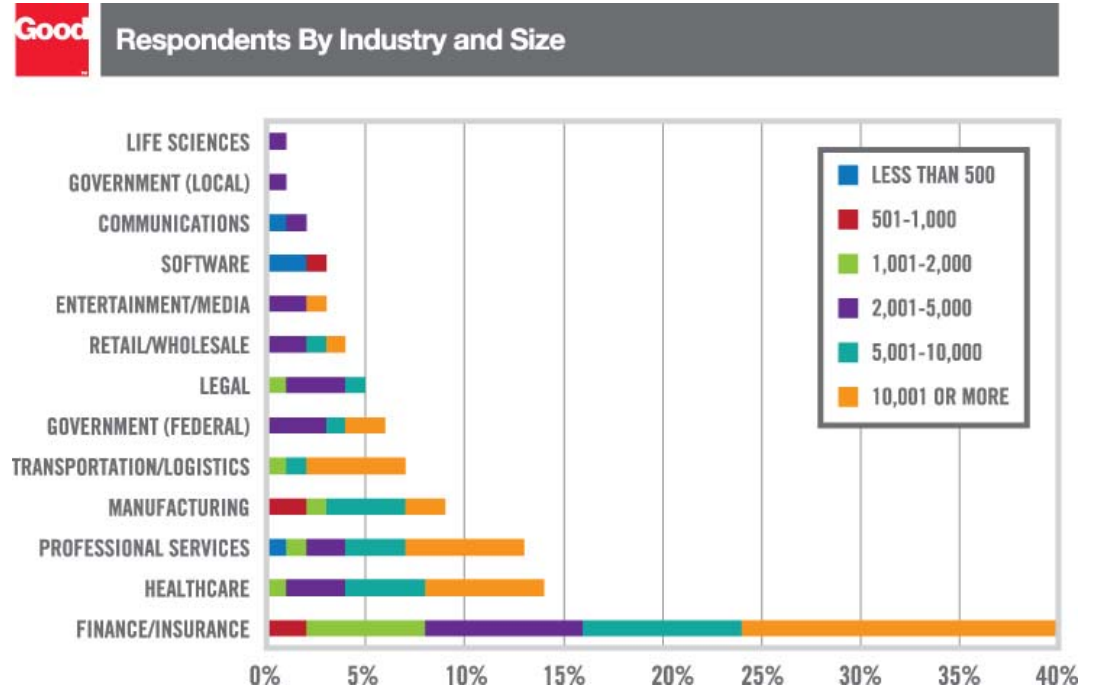
A variety of mobile devices have taken root in the enterprise. Android phones and tablets, iPads and iPhones have become increasingly popular, and the public's desire for these devices has propelled the consumerization of IT. For IT, employee passion to use personal devices and an overall desire by companies to reduce costs, are rendering the traditional model of supporting only company-owned devices increasingly obsolete. As Good's survey results show, enterprises are widely embracing Bring Your Own Device (BYOD) programs, including the most highly-regulated and security-conscious industries.

### Key findings

- **Highly Regulated Industries Embrace BYOD:** Large companies from the Finance/Insurance and Healthcare industries dominate the overall BYOD picture, with Retail/Wholesale and Government less likely to support BYOD, at least right now.
- **Big Companies Get BYOD:** 80 percent of those supporting BYOD have over 2,000 employees; 60 percent have over 5,000 employees; and 35 percent have over 10,000 employees.
- **Employees Are Willing to Pay for Personal Choice:** 50 percent of companies with BYOD models are requiring employees to cover all costs – and they are happy to do so; 45 percent provide their employees with a stipend or “expense back” option to help subsidize the cost of their mobile device or service plan.
- **Offering BYOD Stipend Increases Adoption:** Companies that offer BYOD stipends have the highest rate of employees using mobile devices when compared to companies that require employees cover all BYOD costs themselves, or allow for expense-back of service plan costs, but limit to users with management pre-approval.
- **BYOD Goes Global:** Many believe that BYOD “doesn’t work” outside U.S. due to international privacy laws and/or greater exposure to highly variable roaming costs. Our data clearly shows otherwise – with nearly half (44.9 percent) of respondents indicating they are already deploying BYOD programs in multiple countries.

## Methodology

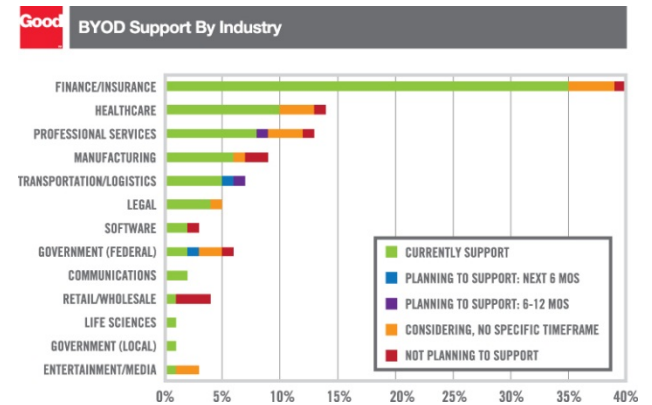
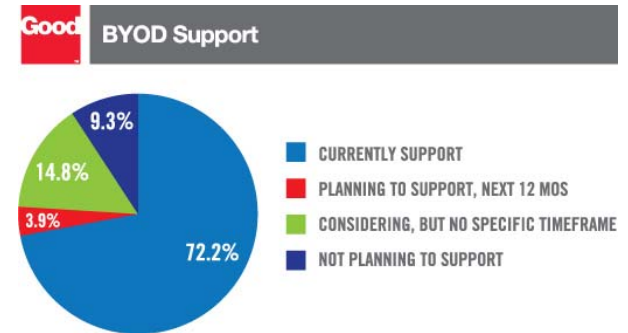
As a follow up to a more general survey conducted in January 2011, wherein Good Technology learned that 60 percent of its customers were formally supporting BYOD programs, the company fielded a much more detailed, BYOD-specific survey to its customers with the largest deployments. The goal of targeting this subset was to find out what Good's largest, most organizationally complex, and most regulated and security conscious enterprise customers were doing – or not doing – to formally support BYOD and to shed light on overall trends and best practices.



## Choosing to Support BYOD

Among the respondents, 72 percent were already formally supporting BYOD programs. This was significantly higher than the 60 percent level of support indicated in Good’s January 2011 survey. We attribute this increase to formal deployments of customers who indicated “plans to support in the next 6-12 months” in the initial survey. Another 19 percent of the respondents in the October survey indicated they were either planning to support within the next 6-12 months or were considering, but did not have a specific timeframe for support.

Only 9 percent were not planning to support BYOD, with companies from the Government and Wholesale/Retail sectors being the most likely to fall into this minority category. This was consistent with our earlier survey where 10 percent of the respondents said they did not plan to support BYOD. The most common reasons cited for not supporting were either HR/legal policy or security concerns. However, given that a large majority of Good’s customers have been able to overcome these concerns, including other companies from the Government and Wholesale/Retail sectors, we believe most of these customers will ultimately support BYOD as they become more aware of best practices, and policy approaches that their peer companies are utilizing.

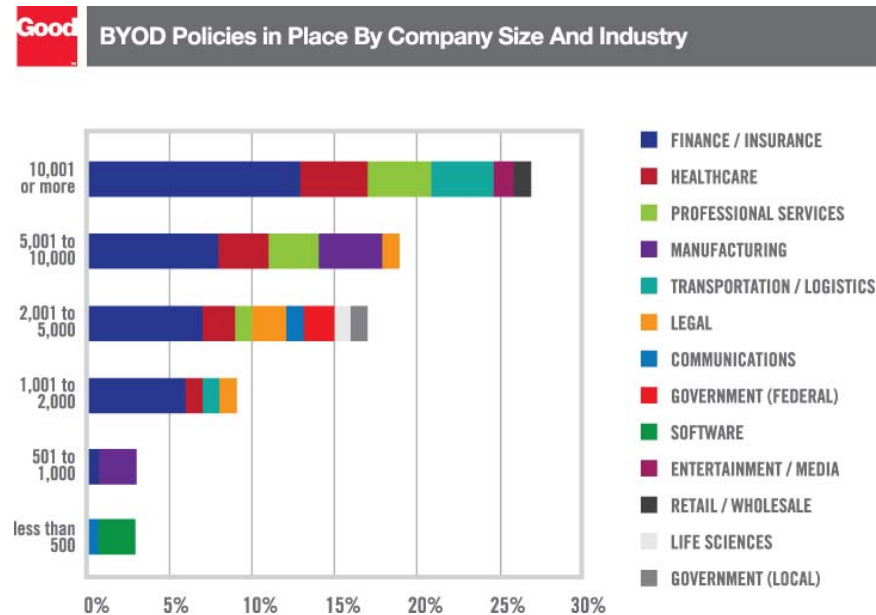


## Companies Supporting BYOD

Companies already supporting BYOD policies tended to be large-to-very-large enterprises on average, with 81 percent having more than 2,000 employees, nearly 60 percent having more than 5,000 employees, and 35 percent having more than 10,000 employees.

It is clear that large-to-very-large companies from the Finance/Insurance and Healthcare industries dominate the overall BYOD picture among Good’s customers. At first glance, that may seem counter-intuitive given these industries’ complex regulatory, security, and compliance requirements. However, these results are ultimately not surprising since it is the very largest, and most information-driven organizations – such as those in Financial Services/Insurance and Healthcare – that will reap the most productivity gains from broad BYOD deployment. And thanks to Good’s unique “containerization” approach—which allows a clean separation between personal and business data and apps and enhanced data loss prevention—even the most highly security-conscious and regulated customers are able to meet security and compliance requirements without impacting their users’ personal experience or privacy.

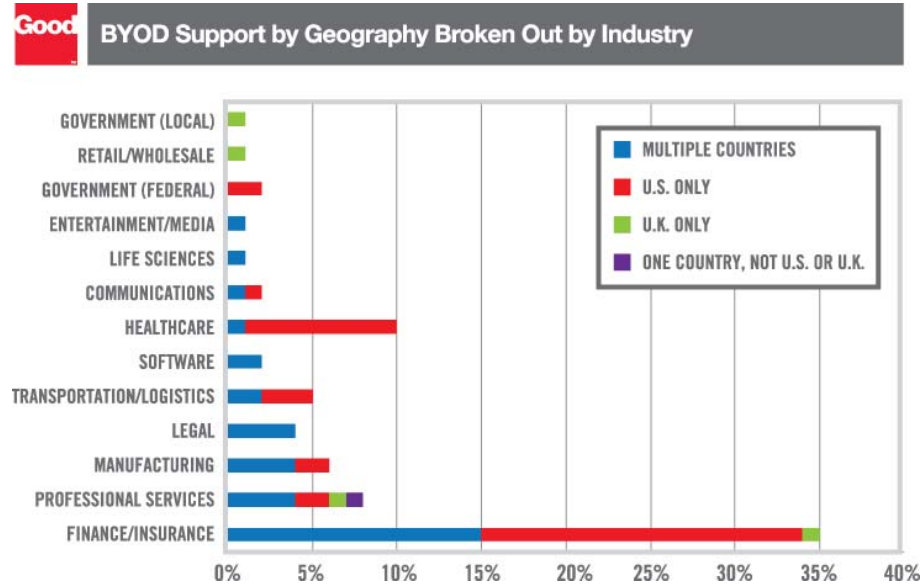
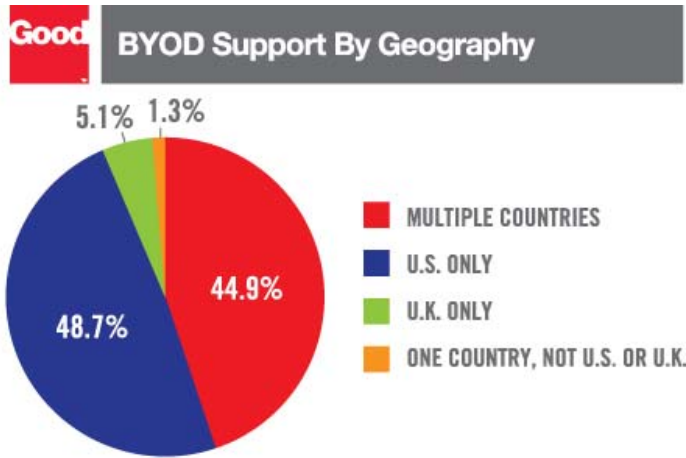
We also asked respondents whether they needed to adjust their current policies to take on BYOD devices. Of those surveyed 77 percent modified their policies, while a somewhat surprising 23 percent were able to accommodate BYOD without changes to their policies.



## BYOD Support by Geography

BYOD programs are often assumed to be supported only within the U.S. due to more complex international privacy laws and the potential exposure to more variable roaming costs, especially in Europe. Surprisingly, of the companies surveyed, the slight majority of respondents (51.3 percent) support BYOD programs in countries outside of the U.S. and 44.9% already support BYOD in multiple countries. Still, a large group of the companies supporting BYOD (48.7 percent) are limiting their programs to the U.S. only, at least for now.

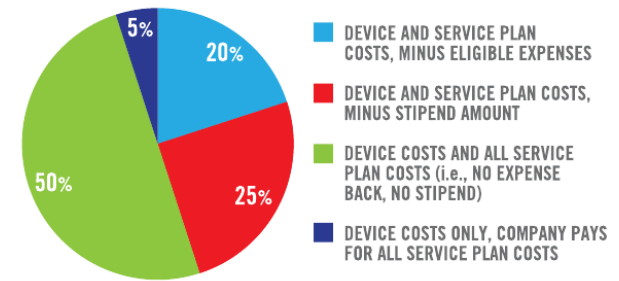
Financial Services/Insurance, Legal, Manufacturing and Professional Services were the most likely to support BYOD in multiple countries. Healthcare companies were the least likely to support in multiple countries, but this is not surprising given that Good's Healthcare customers generally do not operate in multiple countries.



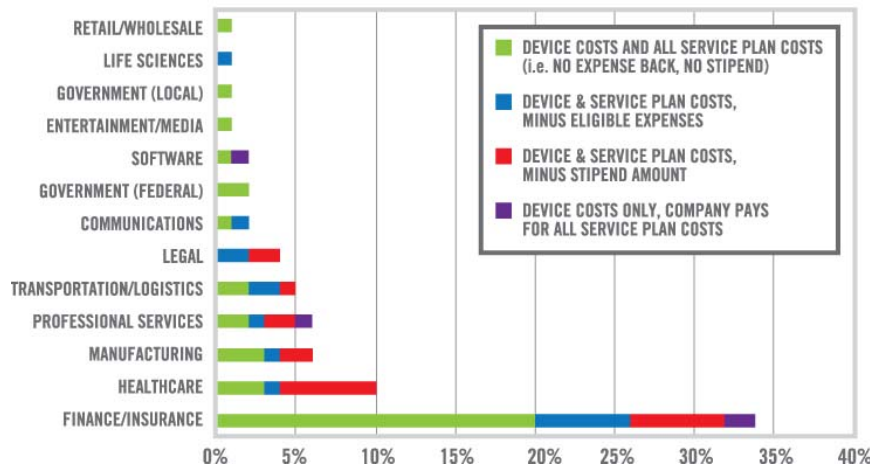
## BYOD Costs for Employees

Half of those surveyed with BYOD devices in place said that employees cover all costs associated with their devices including device and data plans. We found that 25 percent of respondents use a stipend to encourage participation and help cover costs, while 20 percent allow eligible employees to expense back mobile services costs, but with nearly all of those customers requiring prior management approval and setting a fixed cap on expenses to control costs. This data matches a recent Forrester report finding “More than half of US information workers pay for their smartphones and monthly plans, and three-quarters pick the smartphone they want rather than accept IT’s choice.”<sup>1</sup>

**Good** Costs BYOD Users Pay Out Of Their Own Pockets



**Good** What BYOD Users Pay For By Industry

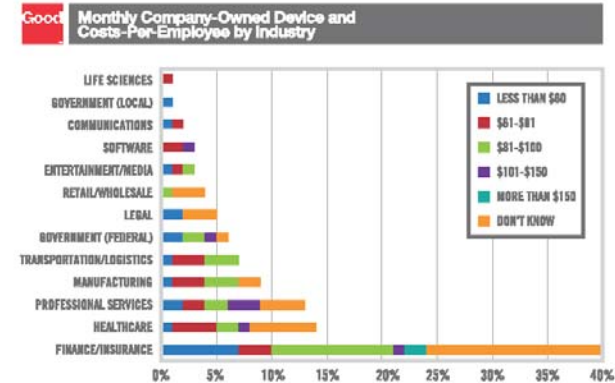
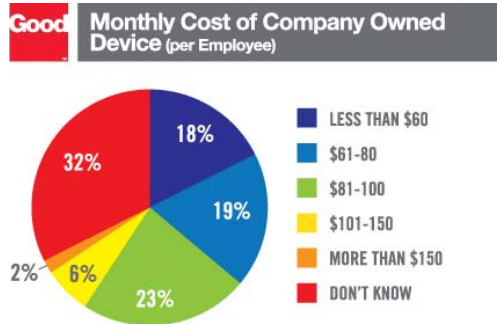


Industry-wide, Finance/Insurance leads the way in permitting employee-owned devices, with nearly 60 percent of financial companies requiring employees to cover all device and service plan costs, with typical voice and data plans costing \$80 per month. Finance and insurance lead the way in BYOD policy, which is unsurprising given the information-driven nature of the industry.

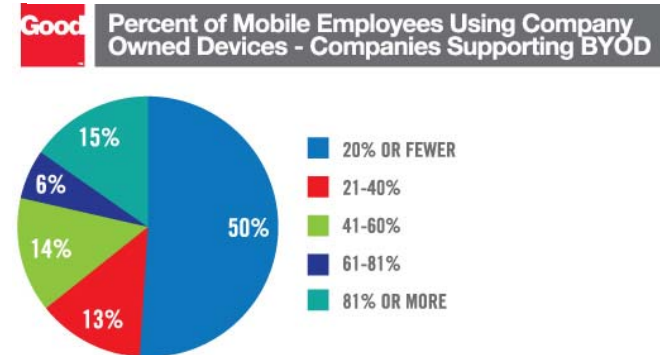
<sup>1</sup> “Consumerization Drives Smartphone Proliferation”, Forrester Research, Inc., Ted Schadler with Matt Brown and Heather Martyn, December 2, 2011.

## Costs of Company-Owned Devices, BYOD Savings Opportunity

Based on overall survey responses, Good estimates the broad industry average cost for a company-owned device to be about \$80/month. This amount varies per industry with Professional Services, Healthcare and Finance/Insurance reporting the highest costs for their company-owned devices. This is not surprising given the critical role that real-time communication and information access play in these industries.



In the past, the typical “company-owned device” approach to mobilization required enterprises to purchase devices and pay all of the voice, data, and other service costs for their mobile employees. In sharp contrast, Good’s customers with formal BYOD programs have been able to shift costs directly to their mobile employees. Those employees are readily accepting this approach, if it allows them to use the smartphones and tablets they already own and love. Of the surveyed companies supporting BYOD programs, 77 percent have been able to reduce the percentage of their mobile users using company-owned devices to 60 percent or less, and 50 percent have been able to reduce even further to a remarkable 20 percent or less. Considering the \$80/month industry-wide average cost for a company-owned device as reported by the respondents, this significant reduction in the percentage of company-owned devices represents a substantial savings opportunity, especially for the 50 percent of companies whose BYOD users pay all of their own device and service plan costs.



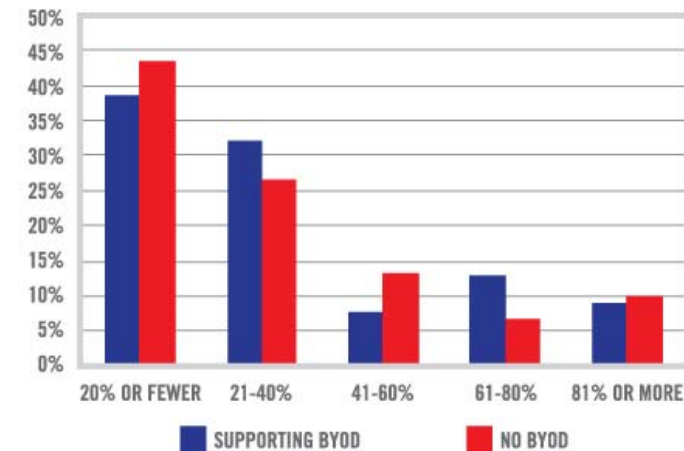
## Impact of BYOD on Employee Mobility

We found that 62 percent of the companies supporting BYOD have 21-40 percent or more of their employees enabled for mobility. Interestingly, this jumps to 74 percent for those companies who support BYOD and also combine with a stipend program. Meanwhile, for those not yet supporting BYOD, 57 percent reported having 21-40 percent or more of their users enabled for mobility. Since many of Good’s customers are relatively early in their BYOD program rollouts, we expect to see even more pronounced differences in overall employee mobility over time between the BYOD and non-BYOD companies and will track this progression in future surveys.

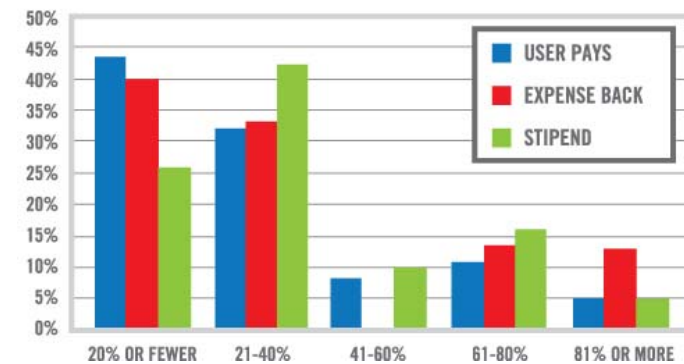
We also looked at the mobility rates for those supporting BYOD to see if those offering stipend or expense-back options reported significantly greater mobility rates than those who require users to pay all costs. Interestingly, we found only small differences between those who offer expense-back options versus those who require users to pay for all costs. This may seem counter-intuitive, but those offering the expense-back option also generally limit BYOD participation to users with prior management approval. Meanwhile, those requiring users to pay all costs generally allow broad participation by all “non-exempt” employees. What this tells us is that users are willing to pay for having a choice -- and an “expense-back” option is not their most important consideration.

Not surprisingly, those offering a stipend reported generally higher mobility rates overall. We attribute this to the fact that stipend programs can be structured in a way that allows the company to offer broadly, encourage more users to participate, but still finely control the per-user costs. For example, Good has multiple customers who offer a variable stipend based on the user’s role. This approach allows the company to match spending exactly to the productivity benefit they associate with each role.

**Good** BYOD Impact on Mobility Rate



**Good** Percent of Employees Enabled for Mobile Access in Relation to BYOD Costs



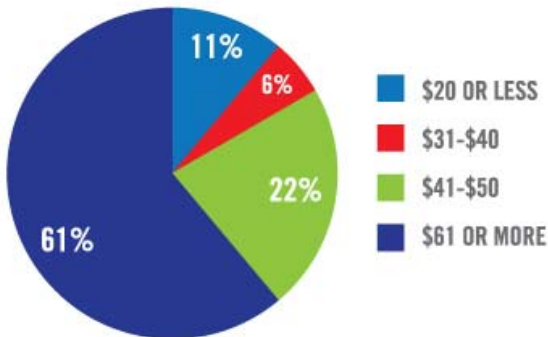
## Stipend Programs

As found earlier in this report, enterprises with stipend programs reported higher rates of mobile adoption by their employees. Of the companies surveyed, half limit the use of a stipend to either the device itself and/or certain services, while the remaining half allow for flexible spending.

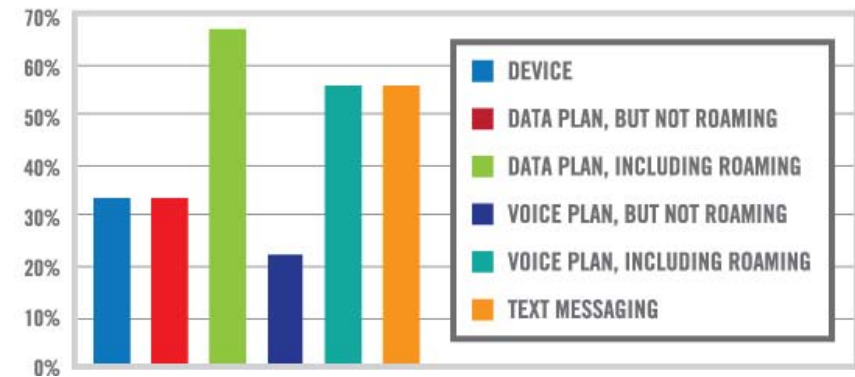
The majority of companies providing stipends for employee-owned devices offer employees \$61 a month or more, with the next most likely stipend allocation between \$41-\$50 a month. We were surprised to find that the most frequently reported stipend amount was “\$61 or more” and Good intends to obtain more granular data for that subset of respondents in a subsequent survey. Some also indicated providing a variable stipend based on the user’s role and the company’s valuation of the mobile productivity benefit associated with that role. Avnet, a multi-billion dollar distributor of hardware and software, exemplifies this productivity-centered approach whereby they provide employees with three levels of stipend based on the user’s job function. This unique approach has allowed Avnet to use BYOD and its stipend program to encourage overall employee mobility and productivity, directly link what it spends on stipends to the productivity value it assigns to each job function, and still reduce its overall spending by 10-15 percent.

Of the companies offering stipends where usage was limited to particular services, the user’s data plan (including roaming) was the most likely service to be covered overall (67 percent) and over half of the companies surveyed also allowed the stipend to be applied to voice plans (including roaming) and text messages.

**Good** Stipend Amounts By Month



**Good** Stipend Limits

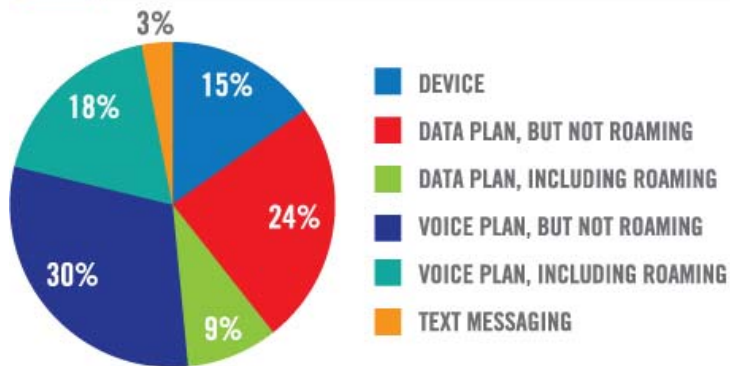


## Expense Back Programs

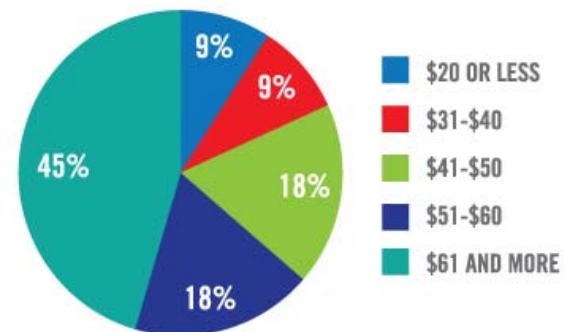
Of those companies supporting BYOD that allow employees to expense back mobile costs, 93 percent limit expense back to certain services (such as text messaging or data plans) and 70 percent place a cap on expenses. The majority of companies providing an expense back option for using personal devices, reimburse employees \$61 a month or more, with the next most likely reimbursement between \$41-60 a month. Given that nearly all of the companies offering an expense-back option are limited to pre-approved users and are more likely to include both voice and data plan costs (including roaming costs) as eligible expenses, we believe the primary objective of these companies is to respond to user demand for more choice, but not necessarily to reduce costs or to increase overall mobility rates.

Stipend and Expense Back programs are not mutually exclusive however. A full 33 percent of respondents allow users to expense back more than the stipend amount -- with management approval and with a cap on those expenses. We attribute this hybrid approach to the company's recognition that users may incur legitimate business expenses associated with mobile usage (e.g., while traveling internationally), and those expenses may occasionally exceed the stipend amount and should be reimbursed, but only with management approval and also with a cap to ensure overall cost controls.

**Good** Expense Back Limits



**Good** Expense Back Monthly Caps



## **Conclusion**

The influx of personal mobile devices in the enterprise is changing policy drastically. This report's findings support the idea that formal BYOD programs, combined with supporting solutions and policies to ensure security and compliance, are fast-becoming the predominant model for enabling broad employee mobility, across multiple industries, and around the globe. In fact, across all industries surveyed, the large majority of Good's customers already have such programs and supporting solution and policies in place. This seems to be a time of transition as companies are taking multiple approaches, notably with respect to their overall BYOD program objectives, the geographic scope of those programs, and their philosophy and approach to the "user pays" model versus alternative stipend and/or expense back approaches. But, no matter what their specific objectives and approach may be, it's clear that enterprises must take a proactive approach if they are to compete effectively with their peer companies, maximize the productivity of their employees, and ensure ongoing security and compliance in an ever-increasingly mobile and BYOD world.