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# How Much Can You Save?: A BYOD Cost Analysis



# Why BYOD?

BYOD (Bring Your Own Device) has been increasing in popularity as more and more companies are seeking to cut costs and boost productivity. However, there have been arguments that implementing BYOD has hidden costs that could outweigh its benefits. How much does BYOD save your company, and is it worth it to implement?

*“BYOD cost/benefit analysis is a time to step away from the analysts, pundits, and the buzz around BYOD that sometimes overwhelms the more practical aspects of the initiative. It will also help you take a good, hard look at workplace and financial realities that might make or break your BYOD plans.” -Will Kelly, [Tech Republic](#)*



# Time Savings

BYOD does indeed improve worker productivity. According to Cisco, the average BYOD user in the US saves 81 minutes per week. In addition, BYOD sparks employee-led innovation in developed countries and reduces productivity losses in emerging markets (Cisco IBSG 2013). Cisco also found that 36% of users are “hyperproductive” with their own device, saving at least 2 hours per week; 21% save at least 4 hours per week.

Figure 6. Percentage of BYOD-ers Who Have Saved Two or More Hours per Week Using BYOD Devices.



Source: Cisco IBSG, 2013

With BYOD, workers are also less likely to forget or misplace their device. Some employees have multiple jobs, and if they have a device for each job, they end up juggling 2 or 3 devices. It’s easy to bring the wrong device by accident or leave their work device at home. [Simplicity](#) is the key in the workplace, and BYOD allows workers to streamline their devices, making them more efficient.

As more employees work even after they leave the office, BYOD also allows employees to put in more hours (Northeastern Association of Business, Economics, and Technology Proceedings 2013). It gives them flexibility regarding when and where to work, making it ideal for remote workers, field service workers, or even workers who want to do extra work at home after they leave the office. According to an iPass study, workers who use their own devices for work and business put in an extra 240 hours a year. With the remote worker movement

taking off, BYOD seems like a good strategy.

# BY 2015, NEARLY 40 PER CENT OF THE WORKFORCE WILL BE MOBILE, SPENDING AT LEAST TWO OR MORE DAYS OUTSIDE THE OFFICE.

SOURCE IDC, 2013<sup>2</sup>

Source: 2. BYOD in Australia: Perceptions and Policies on Smartphones, Tablets and Laptops, IDC Doc #AU3054103V, Feb 2013

Additionally, implementing BYOD saves training time. Employees are already familiar with their own devices, so any apps or new software you choose to install on their phones will not seem as foreign. Employees also typically have the most up-to-date technology, so the time it takes to complete each activity will also be reduced.

As is seen below, 65% of iPhone users have the iPhone 5 or iPhone 6, with the average device age [under 800 days](#). Almost all users have iOS 7 or 8, which are the two newest iOS updates to the software.

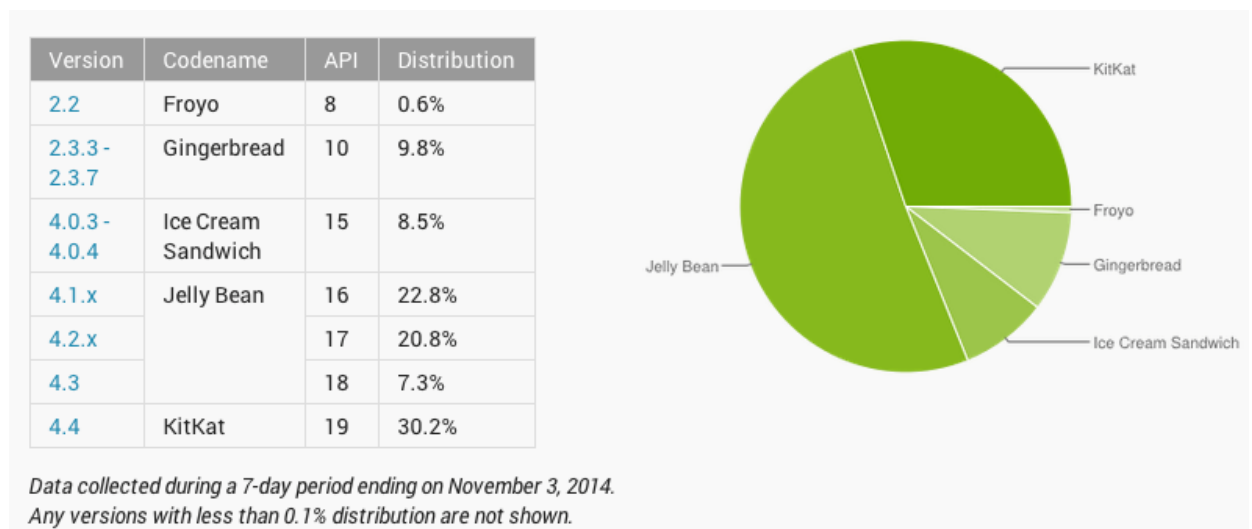
## iPhone Breakdown (sorted by Adoption)

Device	Device Usage	iOS breakdown			
		8.X	7.X	6.X	5.X
iPhone 6	8.9%	100.0%	0.0%	0.0%	0.0%
iPhone 6+	3.8%	100.0%	0.0%	0.0%	0.0%
iPhone 5s	22.7%	63.7%	36.3%	0.0%	0.0%
iPhone 5	19.2%	51.6%	45.2%	3.2%	0.0%
iPhone 5c	10.4%	48.9%	51.1%	0.0%	0.0%
iPhone 4S	20.5%	33.5%	58.0%	7.9%	0.6%
iPhone 4	12.8%	0.0%	81.9%	16.9%	0.6%
iPhone 3GS	1.7%	0.0%	0.0%	83.6%	14.6%
<b>Overall</b>		<b>49.0%</b>	<b>44.6%</b>	<b>5.8%</b>	<b>0.4%</b>



With iPhones especially, users are strongly encouraged to update their phones and iOS software. Apple discontinues the sale of older iPhones - even now, the iPhone 5 is discontinued - and the newest iOS software isn't compatible with iPhones older than the 4.

Android users have [similar statistics](#). 81.1% of Android users have the 4.1x or newer operating platforms, suggesting that they not only upgrade their phones regularly, but also their operating systems.



Source: developer.android.com

In this day and age, technology is progressing rapidly, with new software updates and phones rolling out one after another. It can be difficult for companies to keep up with the newest technology. BYOD takes this burden off of the company's shoulders, and also makes employees happier by ensuring that they do not have to use old models if they do not wish to.

# Financial Savings

Companies [save on costs](#) in 3 categories: hardware, support, and telecommunication.

- *Hardware:* The average user will spend \$965 on their device. This is a cost that is now moved from the company to the employee, decreasing [total cost of ownership](#). Also, companies have to purchase new phones periodically in order to stay up-to-date on technology. This cost will be eliminated by BYOD because the user will automatically update their phone if they are not content with its capabilities.
- *Support:* By implementing community support, wikis, forums, and other streamlined support options, companies can save [\\$26 per user](#) in the US and \$8 per user across all the countries in the study. IT departments are [becoming outdated](#), and BYOD means a reduction in the need for IT support. Companies who implement BYOD no longer need to spend time and money training their employees in the use of the device.
- *Telecommunication:* Since you will be moving employees from corporate data plans to self-funded plans, you can save an [average of \\$734](#) per user. Companies can typically migrate 20% of corporate users to a self-funded plan. Even though you may need to pay a stipend to employees to cover part of the cost of the plan, it still [decreases your total overhead costs](#).

Additionally, with the 81 minutes of time saved, this amounts to \$1,518 saved (based on an average salary), according to Forbes magazine. If you combine this with the money saved from the actual cost of the device (\$965) and the cost of the data plan (\$734), employers save \$3,217 per user per year.

For a company with 500 employees, this results in over \$1.5 million in savings per year. This money can now be invested in other activities, such as growing your business through marketing materials or hiring more employees. The cost savings

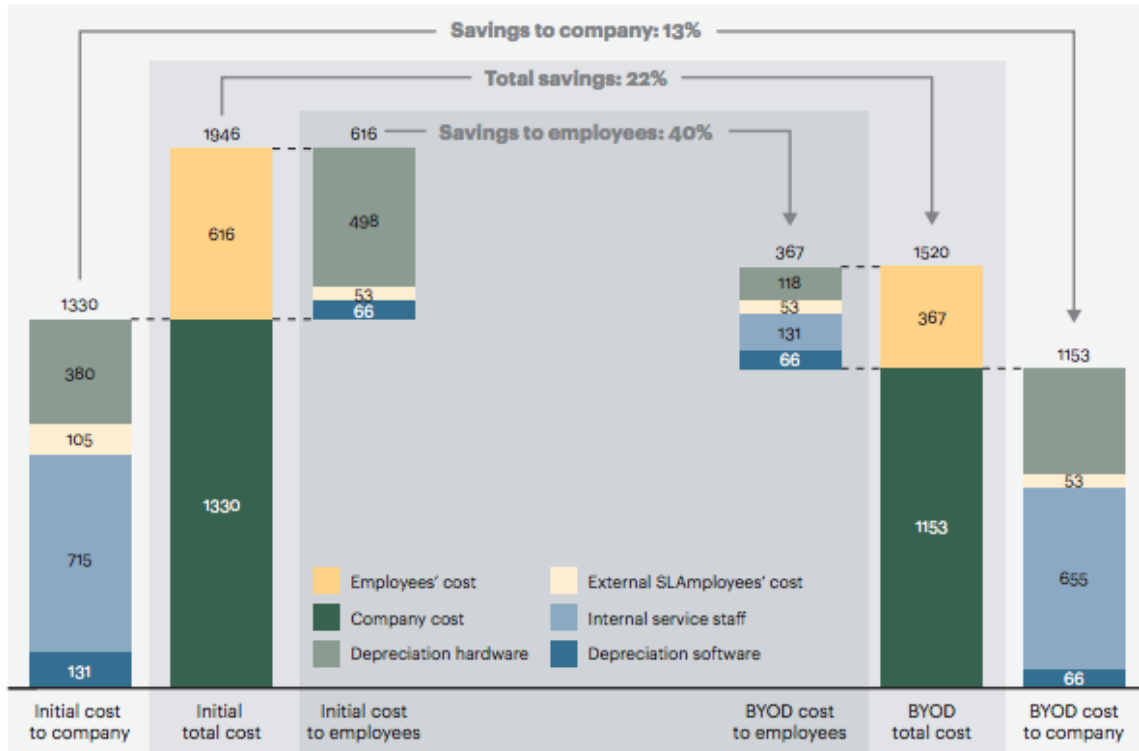


from BYOD allow smaller businesses to expand quickly, leveling the playing field between small businesses and large corporations.

**Anatomy of a win-win situation—how BYOD costs break down**

(\$ thousand)

Illustrative



Source: A.T. Kearney analysis

# Cost Increases

BYOD doesn't come without [increased costs](#)- your company may find that application security, back-end infrastructure, policy development, program management, and regulatory compliance fees will increase. A big part of this cost increase is the implementation and management of [a MDM \(mobile device management\) system](#). Mobile device management systems “provide security, reporting, and management for mobile devices that access your network” ([Tech Republic](#)). For businesses that are concerned about the security of BYOD, MDM systems are a good investment.

Cost-wise, even with a cloud-based MDM system, you still need to factor in the subscription cost and the salary of those responsible for managing the system.

In addition, BYOD policies often lead to employees filing more expense reports since they have more control over their phone. According to the [Aberdeen Group](#), one expense report costs about \$18 to process.

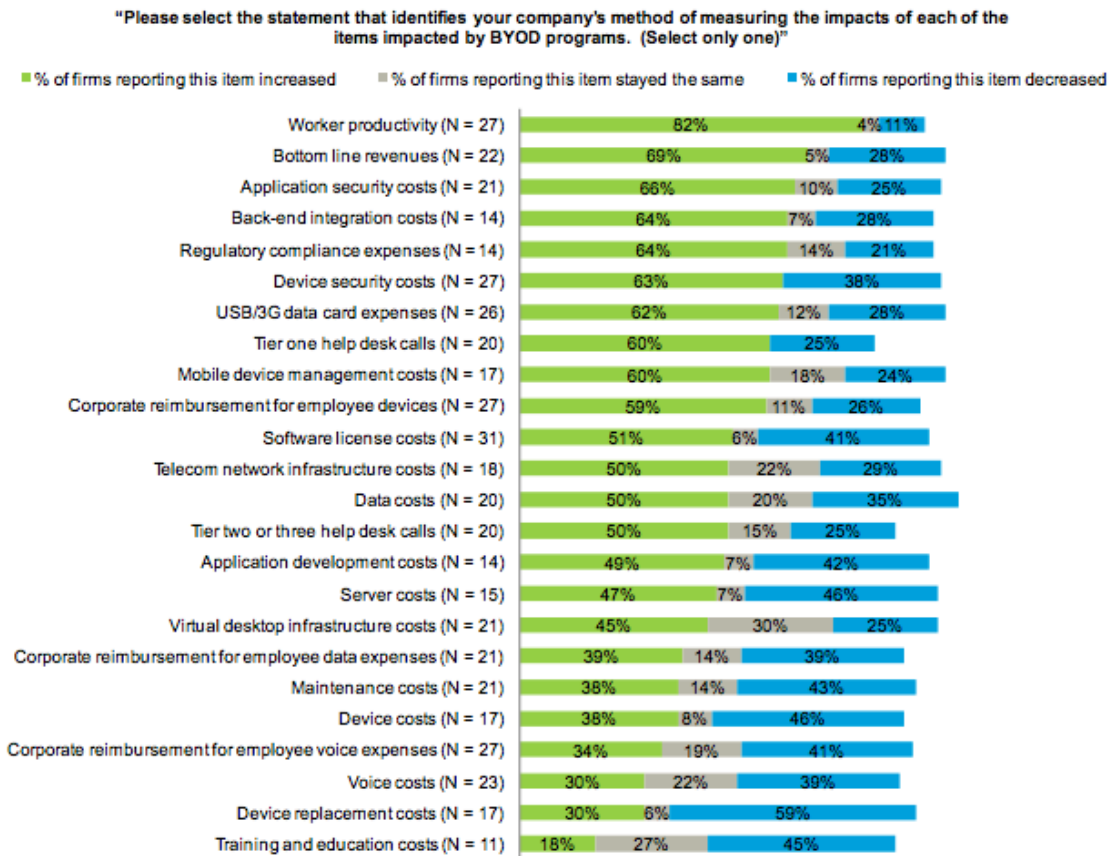
Corporate discounts are a big factor to those who argue for COPE (Company Owned Personally Enabled) devices. Since companies can take advantage of volume discounts on devices and have corporate discounts on voice and data plans, it costs less for them to purchase devices and plans than it would for employees. With company discounts, a [plan would cost](#) around \$50 per user, while a similar plan would cost an employee a minimum of \$80 per user. This would amount to \$360 more per employee per year. Companies using COPE would not have to pay stipends to employees for devices or subsidize plans.





**Figure 6**

**Specific Impact Of BYOD Programs On Expenses And Other Items**



Base: respondents with an understanding of the impact of the bring-your-own-device (BYOD) program on their business unit or organization

Note: Results can only be used for guidance because they are not significant sample sizes. Only impacts with more than 10 responses are shown.

Source: A commissioned study conducted by Forrester Consulting on behalf of Trend Micro, February-March 2012

Ultimately, BYOD [saves companies](#) on capital expenditures, while COPE may save companies on operational expenditures. It is important to analyze which will save you more in the long-run, but also to determine which is better suited to your company and its culture.

# The BYOD Roll Out

*“Many believe [BYOD] will cut costs, and it might, but that should not be the primary goal. Like any other function of technology, [BYOD] has costs and benefits. Take some time, make BYOD a priority, and plan it out. With proper planning, you’ll maintain a reasonable expense and offer excellent ROI.” -Chris Jenkins, chief technology strategist at the Ohio Society of CPAs ([Associations Now interview](#))*

The foundation of BYOD success is a well-thought out BYOD strategy. There are some [key areas](#) you need to define for your employees to ensure that everything is understood before rolling out BYOD.

- **Eligibility.** Who can use personal devices for work? When is it inappropriate to use your own device? Are there certain devices or apps that are not allowed? This depends largely on the type of company (i.e. companies that work with the government may have some eligibility requirements that most other companies do not).
- **Cost Sharing.** Will you be providing a subsidy for the device/phone plan? If so, how much?
- **Security.** If the device is lost, do you have a remote-wipe mechanism in place? How much business information is allowed on the device and how much will be encrypted? Will you be mandating antivirus software?
- **Support and maintenance.** How much support are you willing to provide? For example, what incidents will IT cover and to what extent?

After defining these areas and ensuring that your employees are on board, you’re ready to begin a BYOD roll out. Make sure to provide guidance so that employees can decide whether they would like to participate. Make any information regarding your BYOD plan readily available so that employees understand the responsibilities that come with using their own device for work.



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**A well-designed BYOD strategy** and implementation will ensure that personal IT devices boost employee productivity and satisfaction rates without increasing costs.

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Source: AT Kearney

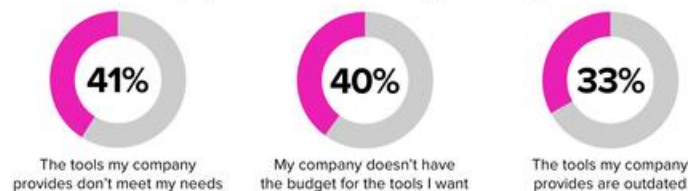
## Beyond BYOD: BYOA

As BYOD gains popularity, a new workforce culture is becoming popular as well - BYOA (bring/build your own app). Mobility and connectivity is huge in today's workforce, and BYOA is an important aspect of that. Dropbox, for example, would be "bringing your own app," and for more tech-savvy employees, they may also want to "build their own app" in order to solve whatever IT problems they may be facing or to make a work process more efficient. It's [much easier](#) (and more convenient) for employees to use their own apps. In fact, "76% of IT workers recognize they're delivering outdated enterprise tools that aren't meeting their employees' needs and more than half of IT workers don't even expect employees to use only IT approved apps and devices" ([TrackVia Survey](#)).

## Employees Believe Enterprise Apps Should Be...



## Reasons Employees Use Their Own Apps or Unapproved Tools



Source: [CIO.com](http://CIO.com)

While building your own app isn't something that many employees do, most employees do bring their own app. For collaboration, Google Drive is popular. For easy syncing, employees can use Dropbox. Employees are happier with BYOA, since they can choose to use the apps that they are most comfortable with, which also increases their productivity. For businesses, BYOA is [beneficial as well](#) since it lowers capital expenditures for software purchases.

According to [VentureBeat](#), BYOA is popular because it allows employees to focus on "solving business problems and driving results." With BYOA, they don't have to wait for IT to solve their problems or fix any technology issues they may be having. BYOA gives employees the power to take matters into their own hands, increasing productivity because it reduces the time spent on issues that they could quickly solve themselves. As with BYOD, BYOA reduces the need for IT support, decreasing costs as well. The combination of BYOA and BYOD represents a paradigm shift in workforce culture - the move to mobility and technology driven solutions without the help of IT.

# BYOA: WHERE THERE'S A WILL, THERE'S A WAY.

It's not just about devices anymore. The latest BYO trend has employees doing whatever it takes to have the applications they need at work. But what's the impact? We surveyed roughly 1200 SMBs to find out, and we discovered that nearly 70% report active use of employee-introduced apps.



More than 1/3 of productivity apps like Evernote, Google Docs & QuickOffice are employee-introduced



**69%**  
**LET'S BE SOCIAL**

69% of social apps like Facebook, LinkedIn, Yammer & Chatter are employee-introduced



**77%**  
**RISKY BUSINESS**

77% of SMB IT pros are concerned or very concerned for the security of data in cloud storage apps

**89%**  
**WHAT'S THE IMPACT?**

89% of SMB IT pros believe BYOA will force changes to their required IT skill-set

THERE'S A WAY.



**52%**  
**ON CLOUD 9**

Of all cloud-storage apps used by SMBs, like Dropbox, Google Drive, Cubby & Sugarsync, more than 1/2 are employee-introduced



**44%**  
**IT'S BETTER TOGETHER**

44% of collaboration apps like Skype, join.me & GoToMeeting are employee-introduced



**26%**  
**POLICY OF TRUTH**

26% manage BYOA through the honor system



21% block certain apps outright  
23% don't manage BYOA at all  
1/3 actively encourage BYOA



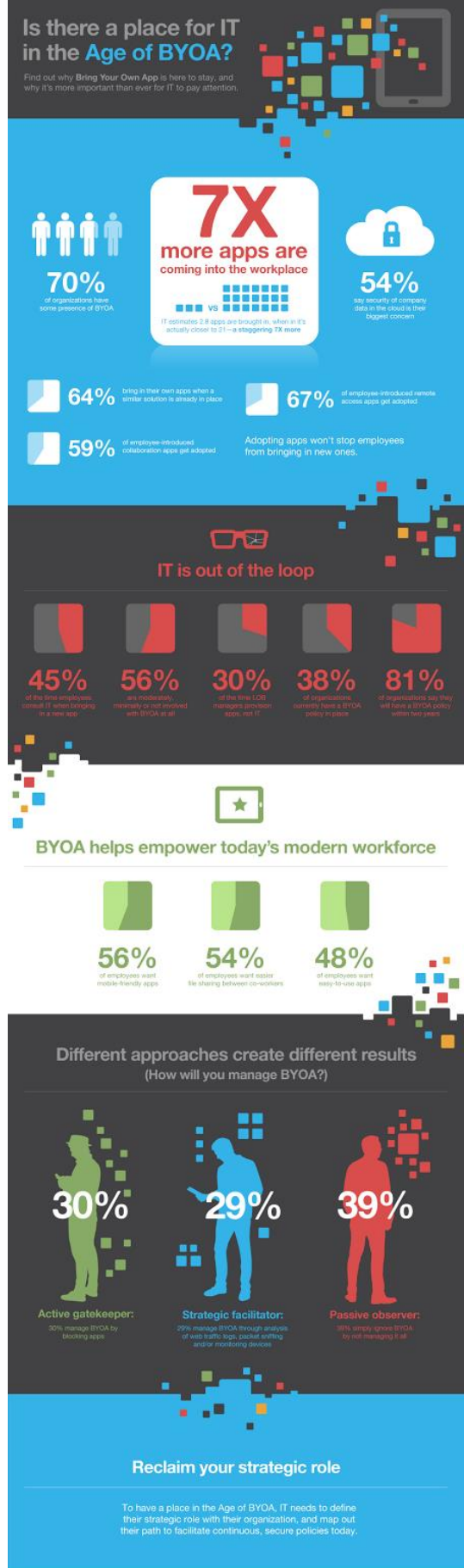
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# The Final Verdict

*“The reality is that the cost of BYOD is likely to vary from company to company. Many of the cost advantages will come from transferring communications-related expenses from a company to an employee, while real productivity gains will depend on the temperament of individual employees and how much more they are willing to work when all barriers have been removed.” -Elise Ackerman, [Forbes Magazine](#)*

With more and more companies moving towards mobile solutions and BYOD, companies may want to consider adopting BYOD to stay relevant in today’s markets. However, before choosing to adopt BYOD or not, it is important to do a cost-benefit analysis.

Determine what BYOD can save you, both in money and in productivity. Take into consideration the costs of BYOD as well, especially [hidden back-end costs](#) like enterprise software licensing and increased network traffic. Researchers recommend doing a cost-benefit analysis in [these six areas](#): the cost of devices, voice and data costs, helpdesk costs, mobile developer expenses, mobility management software costs, and productivity gained.



Infographic by LogMeIn. LogMeIn makes essential cloud services that help IT professionals and businesses keep systems running, enable employee productivity and secure data in a mobile world. Source: Managing Applications in the Age of BYOA: Reclaiming IT's Strategic Role, April 2014



