



# The Smartphone Singularity

By Phil Caruso, *Mobility Futurist at Sakon*



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## The All-Pervasive Smartphone

In 2005, futurist Ray Kurzweil wrote about “the singularity,” a condition where machine intelligence surpasses and merges with human intelligence. While we haven’t gotten to neural implants and nanobots yet, we have reached a point where just about all of us spend every waking hour with a smartphone. We’ve grown reliant on smartphones not just as communications devices, but as our window to the larger world.

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Smartphone singularity, the feeling that you can’t get through your day without your phone to help you out.

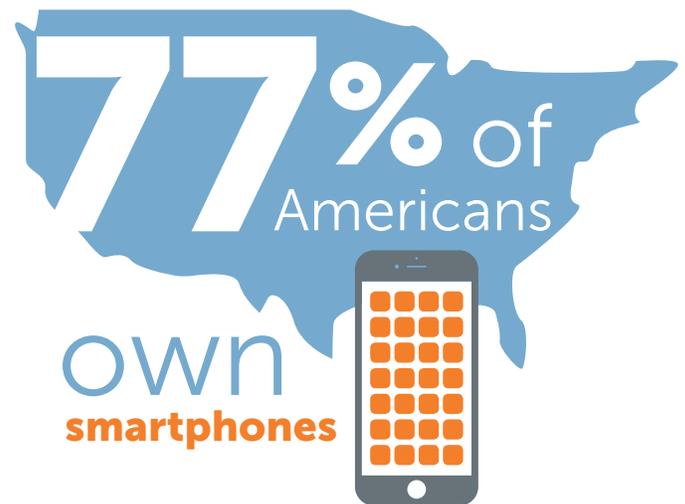
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According to Pew Research, in 2018 77% of Americans own a smartphone. That’s across all Americans. If you focus on working age adults, it’s more likely approaching 100%.

It’s an interesting statistic, and one that we see validated in our everyday life, as folks stare down at their phones in practically any setting you can name.

When the smartphone made its debut, only those people who were highly technical wanted them. Once these devices demonstrated their value in terms of enhanced productivity and “always on” availability, they were spread out to the rest of the organization, to many people who really didn’t see the value. And at that time, the era of the Blackberry and the Treo,

smartphones were clearly “work” devices. There were no browsers, no games (Brickbreaker doesn’t really count), and Facebook, Instagram, and Twitter hadn’t even been invented yet.



When next-generation iOS and Android devices followed, and the capabilities of smartphones became more diverse and powerful, these hand-helds reached the point where they were no longer “work” devices anymore. They became devices that were fully integrated into the fabric of life. And this is what is meant by the **smartphone singularity**, the feeling that you can’t get through your day without your phone to help you out.

## A New Generation

Now, a decade or so into this revolution, we’re seeing an entire generation entering the workforce not knowing life before the smartphone. These “digital natives,” who got their first iPhone in middle school, have fully integrated mobile technology into their day-to-day lives. *Work is just another app*, and they

don't want it to disrupt the rest of their digital life. And 75% of the workforce will be in this group by 2020!

This means they will be 75% of your customers' workforce as well. In this world, 9-5 doesn't really exist. Customers now expect you to be available at all times, whether by phone, e-mail or text. We live in a world that doesn't want to wait until tomorrow morning to get an answer.

And here's something you may not have associated with ubiquitous smartphones—**higher smart phone prices.**

Apple, Samsung and the other smartphone manufacturers can no longer expect double-digit growth in sales quarter over quarter. Now, pretty much everyone who wants a smartphone has a smartphone. So the question becomes, how do you get smartphone owners to "trade up" to a new model?

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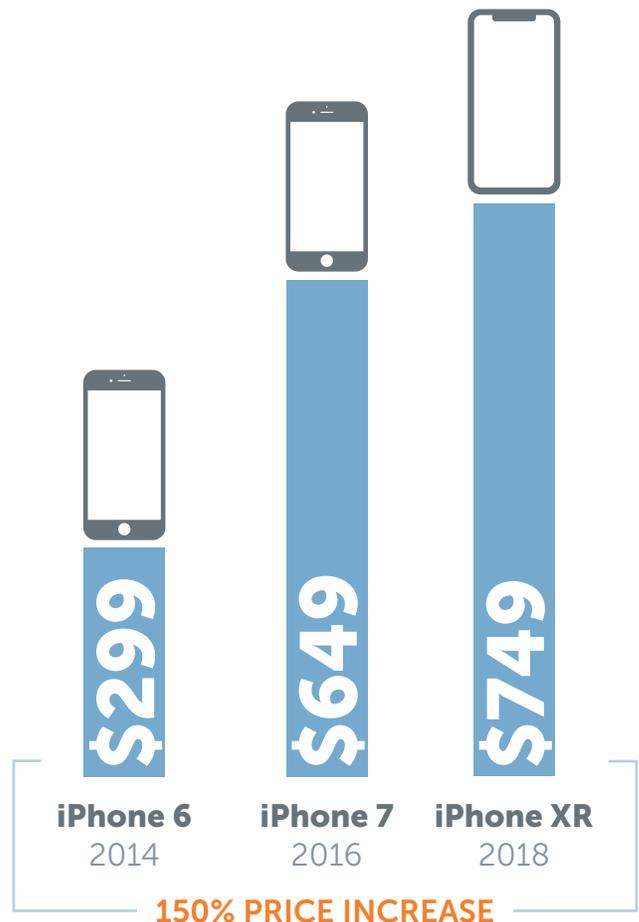
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### The Cost of Trading Up

Let's just look at Apple. At first, technology and design changes were significant as you moved from, say, the original iPhone to the iPhone 3G. But at a glance, it's hard to tell an iPhone 6 from an iPhone 7 from an iPhone 8.

This makes it hard to get people excited about the next new model. So, Apple made a break and introduced the iPhone X with a new look and many new

features. But the features they introduced were focused on the *consumer* side and didn't make it any better as a corporate device – the uses of animojis in the enterprise are limited.



That said, these consumer features do add something big: expense, and that definitely impacts the enterprise.

Let's go back to Apple. If you're in the market for an iPhone this year, you're probably looking at the new iPhone XR, which many enterprises will adopt as a standard. This phone is \$749. It's probably replacing an iPhone 7, which was \$649 two years ago. That's an increase of about 15% in 2 years.

When you look two years before that, to the iPhone 6 that preceded that iPhone 7, the device was \$299, and that was with the memory upgrade.

And yes, there are improvements in battery life, display quality and processing speed generation to generation. However, in terms of functionality important to the enterprise, there's no appreciable difference, no great leap forward that justifies a 150% price increase over 4 years.

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Despite the costs, smartphone producers' marketing will resonate with your team. These are no longer just work tools. When someone takes out their phone while amongst friends, he or she doesn't want to have an out-of-date phone. Phones have become status symbols and fashion accessories as well. They are also essential to how we consume and share information and interact with the world. And no one wants to be the only one that can't animoji.

### Time for a Policy Change

So what does all this mean for the team managing enterprise mobility? First, the era of the "work" phone is over. Employees demand a single device for both work and personal use. And in a post-"30 years and a gold watch" world, where people move from job to job, the single thing that persists is your phone number. We've reached the point where your phone number becomes as much an identifier as a Social Security number.

How then should this translate into policy? Most importantly, don't try to take away the phone with which the user is comfortable. Give them the freedom to use the devices and applications they use in the rest of their lives. Thankfully, mobility management tools have evolved to the point where you are able to secure key corporate data without disrupting the photos, applications and other personal data.

At first, this might lead you to look at adopting "bring your own device" (BYOD) for those smartphone devices. After all, when someone new joins the company, you know they will already have a phone. Gartner writes that 75% of smartphones will be BYOD by 2022, up from 35% currently.<sup>1</sup>



If you want BYOD to work properly, though, you need to make sure you build an infrastructure to support it. First, lay out the policies that you want to have in place around BYOD. Create user profiles of the different types of users in your organization and determine what makes sense for you and them from a reimbursement or stipend standpoint. Think through all the use cases, even the tough ones, like international roaming—if you don't decide and determine policy at the outset and communicate it to your team at the outset, it will devolve into whatever the line managers decide. **Policies only work when they are consistently applied across the workforce.**

Once you have the policies in place, you need to make sure that you have systems in place to support them. This doesn't mean just deploying a Mobile Device Management (MDM) system. MDMs are necessary *but not sufficient*, as they do nothing to *enforce* administrative policies, *report* on program costs, or *manage* stipend distribution.

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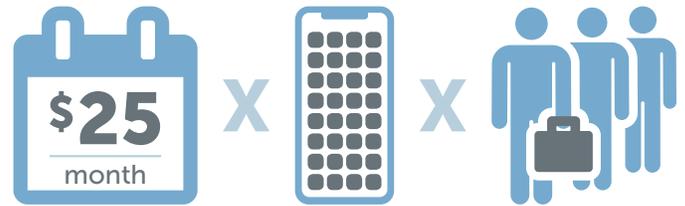
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### More to Enterprise Mobility than BYOD

But the future of enterprise mobility isn't just BYOD. "Corporate liable" programs still have a place. There can be significant savings generated from leveraging the number of corporate lines to get better rates from the carrier. Make your program flexible in terms of porting lines in and out of the program to accommodate employees coming into the company who don't want to get another phone number, and those leaving the company who don't want to lose theirs.

Corporate liable lines might be a good option, **but buying phones from the carrier may not be**. The subsidies that used to exist have dwindled, and, as noted above, smartphones are getting more and more expensive. Moreover, most carriers charge a premium, **as much as \$25/month per line** to purchase a phone through them. Multiply that amount



### MOST CARRIERS CHARGE A PREMIUM TO PURCHASE A PHONE THROUGH THEM

by 12 months in a year and then again by your number of workers – we're talking serious dollars.

Best practice is to let the carrier be the carrier. Work with your carrier on getting the connectivity you need and focus your negotiations on getting the best rates for service. Purchase your devices elsewhere and sign up for service as you need it. This eliminates the standard 24-month commitment and early termination penalties. Gartner writes that "U.S. enterprises should separate wireless device and service purchases to optimize costs."<sup>2</sup>

### The Rise of MDaaS

Yet in an era where a phone can be more expensive than a laptop, purchasing phones outright can be a major expenditure. That's why we're seeing the rise of Mobile Device as a Service (MDaaS).

What is MDaaS? MDaaS is a service offering that combines procurement, financing, deployment, device management, help desk and other services in a single payment. With MDaaS, the enterprise can couple device acquisition with ongoing lifecycle management for those devices, simplifying the process while providing the convenience of working with a single vendor, the proverbial "one throat to choke." In addition, MDaaS lets you schedule your device refreshes based on the needs of your business, not just an arbitrary 24 months standard set by the carriers.

Most MDaaS providers let you tailor what services are included to meet your specific needs. That set

of services can include 24/7/365 help desk, break/fix support, spare pool management and other services to ensure that your mobile workforce stays productive at all times.

### The Big Question

So, do you stick with traditional corporate-liable cell phones, transition to BYOD, or move to MDaaS?

The answer is to **use the model that makes sense for the use case**. For example, BYOD makes sense for the smartphones that people carry around with them, but it wouldn't be a good model for single-application tablets, or hot spots. BYOD makes sense for devices with personal use as well as business use. For dedicated use devices, like an in-building tablet with bespoke software and accessories, a corporate-owned model is more appropriate.

That's why we see a new, more holistic enterprise ownership model emerging, something we call **Hybrid Mobility**, where enterprises will choose the purchasing and support model that makes sense for the task at hand.

Managing a Hybrid Mobility environment requires a tool that can support each of these models – Corporate Liable, BYOD, and MDaaS – and provide

visibility across your entire mobile fleet, no matter who owns it. This tool needs to incorporate all of the features listed in the chart on this page.

The right Hybrid Mobility management solutions also needs a set of business intelligence tools and dashboards that provide visibility not just to administrators, but also to line managers and end users as well. You should be able to see a complete breakdown of what you are paying for each type of service, and be able to compare them. Few things are as fluid as mobility, and what makes sense now may not make sense in a year or two, so you want to see trends and make adjustments as necessary.

And remember how we started all this, how central the smartphone is in the life of your employees. Any management solution that you implement should have a mobile application as an essential part of the package. This mobile application should give users the anywhere/anytime ability to see what they have, how much it costs, and give them the means to ask for help, whether they have a software question or a hardware issue.

The Smartphone Singularity is a reality. To get the most benefit, your enterprise should embrace it by adopting solutions that cater to both devices and their owners.

Features	Traditional CL	BYOD	MDaaS
Service and device inventory	✓	✓	✓
Procurement portal	✓	✓	✓
Integration with MDM platform	✓	✓	✓
Entitlement approval		✓	
Stipend management and payment		✓	
Integration with ITSM system	✓	✓	✓
Cost optimization	✓		✓
Cost allocation	✓	✓	✓
Integration with HR and Financial systems	✓	✓	✓