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Opportunity Lost

The True Cost of Not Providing Mobile Business Apps

A J.Gold Associates Research Report

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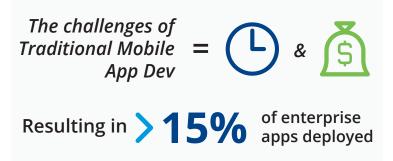
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Introduction

Mobile is being driven by ease of device acquisition and ease of device use. But most organizations have a significant time lag between when mobile devices are available and when they are enabled for use with business productivity apps. This leads to a significant time lapse between users ready to make use of their new tools (often via BYOD) and the ability of organizations to take advantage of those tools for enhancing business operations. This gap presents a real lost opportunity for both users and ultimately for the organization.

Companies must focus on getting users the solutions they need on their mobile devices of choice to get their jobs done, and do so in the most rapid timeframe. Any delay is costly. Traditional client/service methodologies and thinking are not up to the task of working at the speed of mobile. Organizations must embrace Rapid Mobile Application Development (RMAD) along with expedited deployments and implement strategies around this methodology. Long drawn out development cycles (often lasting 6 months or more per app) just won't cut it. The focus must be on rapidly getting apps to internal users and leveraging the inherent abilites of their mobile devices, so they can connect to corporate systems effectively and achieve maximum productivity. Without this, the promise of mobility rings hollow.

A New Way of Thinking about Mobile Apps

Companies focused on external mobile apps targeted at large numbers of consumers often spend many months and many millions of dollars to get the apps "just right". And while usability is important for internal workers as well, it is far less critical that a picture-perfect interface be created. Rather, the notion of "good user experience, but quickly available" is the most important criteria.

And leveraging the inherent characteristics of a user's mobile device to improve efficiency and overall workflows are critical. Any delay in getting required apps to users creates a negative cost based on the loss of productivity gains that would have occurred during the length of time the app is not available. And in most organizations, this is substantially amplified by the fact that each user may need several mobile apps to get all of their tasks done properly. This directly affects the bottom line and negatively affects both the productivity and satisfaction of end users in the organization. We estimate that only about 15%-20% of desired enterprise mobile apps are ever created due to the high cost and extended implementation time of traditional mobile app development processes.

The challenges of Traditional Mobile App Dev = ⏰ & 💰

Resulting in ❯**15%** of enterprise apps deployed

Is Good Enough Really Good Enough?

For massive consumer deployments, the absolute best that can be programmed is important. But that means taking months, perhaps years, to get it perfect. In an internal business setting, it's more important that functional programs be available to users quickly and be easily modifiable, especially since many will change regularly as business needs change/evolve. Usability is important, as is functionality, but "beauty" is not, although leveraging the inherent best workflow capabilities of any mobile device should be a priority. This fundamentally different way of thinking of enterprise mobile apps means that focus must be on getting useful apps that increase user productivity created and deployed as rapidly as possible.

Functionality and usability should be emphasized over attractiveness (where the majority of a programmer's time is traditionally spent). This provides the best payback for the business. Shaving a little off attractiveness to achieve more rapid app development and deployment provides a major payback. It increases user productivity within weeks, rather than the many months traditional development processes take to get an app into users' hands. We estimate that using a RMAD approach to enterprise mobile apps can reduce the cost by 65%-75% and reduce time to deployment by 80% or more.

LOB vs. IT in the Quest for Apps

Companies must move away from old school thinking that assumes, as in the days of client/server computing, that all apps should be created and under the control of IT. In fact, as a result of RMAD and easily adaptable mobile apps, it's now possible to have app creation tools that democratize the process and enable LOBs to create their own mobile apps. In fact, with speed of deployment and ability to rapidly make changes being so important to most LOBs, this capability is a critical achievement in creating a productivity advantage.

It ultimately provides improvement to the corporate bottom line enabled by flexible mobility. If LOBs were able to create and modify essential corporate apps through easy to use RMAD techniques, we estimate that there would be 3 – 5 times as many mobile business apps deployed.

RMAD = 3-5x *more apps deployed*

Lower costs by **65%-75%**

& reduce time to deploy by **80%**

Comparing Options

Figure 1 provides a comparison of mobile app methods, based on the traditional use of application development tools, vs. an approach based on the use of rapid application development tools optimized to leverage the existing installed base of mission critical applications. In nearly all cases, the advantage of RMAD methodologies and tools provides significant advantages to the organization.

	RMAD	Traditional Mobile App Dev
Speed to deploy	+ +	− −
Required app investment	+	− −
Quality of mobile app	+ +	+ +
Specialized resources required	+	− −
Agility / rapid change capability	+ +	−
Reuse of existing app assets	+ +	+
LOB app dev enablement	+	− −
Back Office App / Data Integration	+	−
Overall Cost per app	+ +	− −

Figure 1: Comparison of mobile app strategies: RMAD vs. Traditional App Development

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The Cost of App Delays

App delays are costly. To assess what the ability to rapidly deploy mobile apps to end users offers, we can evaluate both the development cost savings and the lost opportunity cost.

Traditional methods of developing mobile apps require an average investment of $250K-$350K per app (with consumer apps often costing 5 – 10 times that amount). Further, the average enterprise app can take 6 months or more to materialize after it's specified. In a rapid application deployment scenario, the average mobile app can be created in 3-6 weeks at a cost of approximately $50K-$75K. This can result in a savings of $200K-$300K per app. This is a significant savings and grows quickly as multiple apps are created and deployed.

In addition to the development cost differences, it's important to consider the cost disadvantage of delaying an app that if deployed increases the productivity for a mobile workforce. To assess this cost, we've modeled two scenarios. The first is using a RMAD capability that creates and deploys an app in 3-6 weeks (and often less). The second is a more traditional approach that develops and deploys an app in 4-6 months. The difference in time to deployment of these two approaches is between 14 and 20 weeks, using the minimum and maximum differences.

Next, we defined two levels of users: a lower level worker that has a burdened rate (salary plus overhead) of $80K per year, and an executive level worker with a burdened rate of $120K per year. We assumed a modest 3% productivity gain for each worker using the deployed mobile app, although in many cases mobile apps offer a much higher productivity improvement.

Figure 2 below indicates the results for individual workers and for a group of 100 workers (a modest department-size deployment). As the results show, failure to quickly deploy an app can have significant cost disadvantages. If the length to deployment differential is more than indicated, the lost opportunity costs can be even greater. And if the deployment is to a larger sized group, the cost disadvantage grows quickly. Further, if the productivity improvements are beyond the modest 3% we used in the model, the cost disadvantage grows as well. Even with the conservative numbers we used in this example, a group of 100 users will have a lost opportunity cost of between $64,615 and $138,462 for delaying the deployment of any needed mobile app by 14-20 weeks. And this amount is for a single app to a single group of users. Most organizations have many required apps needing to be deployed, so this number can easily grow by 10-25 times!

	14 Week Delay	20 Week Delay
Each Lower Level Worker	$646	$923
Each Exec Level Worker	$970	$1385
100 Lower Level Workers	$64,615	$92,308
100 Exec Level Workers	$96,923	$138,462

Figure 2: Cost of Delayed Time to Deployment

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	Each Week Delay	Each Month Delay
Each Lower Level Worker	$46	$200
Each Exec Level Worker	$69	$300
100 Lower Level Workers	$4,615	$20,000
100 Exec Level Workers	$6,923	$30,000

Figure 3: Cost of Delay per week and per month

In a more generic sense, it's easy to calculate the cost to the organization for any app deployment delays. Figure 3 provides an indication of the cost to the organization for each week and month an app deployment is delayed to the mobile workforce. We have calculated costs per worker, as well as for a 100 person workgroup, using the same burdened salaries indicated previously.

Cost of Delayed Apps by

14-20 Weeks 📅 *for* 👤 x100

= *Lost Opportunity Cost of*

$64,615 - $138,462

Solution: RMAD

On avg create & deploy a mobile app in

3-6 *weeks* *for*

$50-75K

= *savings of*

$200-300K *per app*

Conclusion

Organizations can save many thousands of dollars in lost opportunity costs and many man hours in productivity losses by upgrading their approach to rapid mobile app development and deployment. There are new methods and strategies that can highly leverage existing corporate mission critical assets designed for desktop computing and quickly and efficiently convert those assets to productivity enhancing mobile solutions. Companies who fail to take full advantage of these new approaches are leaving money on the table, and are also putting themselves in a risky position in an increasingly competitive world. Finally, enabling the creation and rapid deployment of mobile apps at the LOB creates the ability for each business unit to rapidly adapt to changing business conditions. In the marketplace of the future, this will be critical.

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To learn more about how our SmartUX Platform can help accelerate your enterprise app development needs, contact us at:

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