# The Tradeoffs of Partnering with Managed Mobility Services Providers

TechTarget

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As more workers become mobile, business applications are increasingly being integrated for mobile usage and the demand for more sophisticated mobile products is growing. But end user companies are finding the management of these mobile platforms to be complex and costly. In many cases, they are turning to third-party managed mobility services providers offering a class of services that go far beyond traditional device management.

Gartner Inc. defines managed mobility as "the IT and process services provided by an external service provider (ESP) that are required to plan, procure, provision, activate, manage and support mobile devices, network services, management systems, mobile applications and application stores." Managed mobility applies to corporate-liable devices as well as employee-owned personal devices.

Managed mobility has become a big growth market, a trend that is likely to continue given that more than 75% of corporate- and individual-liable devices were managed by ESPs in 2014, according to Gartner. "Driving this rapid adoption is the fast commoditization of [enterprise mobility management] EMM software service prices, and the recognition that enterprises require third-party IT services to better manage the mobile estate," the firm noted in its 2014 *Magic Quadrant for Managed Mobility Services* report.

Globally, the enterprise mobility professional services market reached $7.6 billion in 2014 and is forecasted to increase to $11.1 billion by 2018, a compound annual growth rate of 9.7%, according to VDC Research.

"[Managed mobility] starts with a very comprehensive mobile device management [MDM] offering, which essentially is crucial for device provisioning, policies and managing the devices," said Eric Klein, senior analyst, Mobile Software, at VDC. Contrary to perception, MDM continues to be the starting point of mobility services. It may be dead as a product but not as a feature set, he emphasized.

**[MSPs] and other channel players with specific expertise in certain vertical markets are great to get to these companies [that vendors] haven't been able to penetrate.**

**senior analyst, Mobile Software, VDC Research**

**Eric Klein**

## EMM suites gain traction

EMM suites offered by companies such as AirWatch, MobileIron and Good Technology are seeing traction in the market because "they've come up with the right formula and mix of services that companies definitely need as they go down their path to mobile enablement," Klein said, which also include expanded services such as mobile content management, application management and collaboration.

Many of the vendors in Gartner's Magic Quadrant are using EMM vendors' suites in their managed services offerings. The suites incorporate a variety of mobility-related components.

"[EMM suites] are well suited to be offered as a managed service," Klein said. "These vendors have done great work in optimizing their solutions to be offered this way."

**GARTNER'S MAGIC QUADRANT FOR MANAGED MOBILITY SERVICES**

**Leaders**
IBM

**Niche Players**
Enterprise Mobile
Vox Mobile-GEMA
AT&T
WiPro

Motorola Solutions
Orange

**Visionaries**
DMI
Tangoe
Fujitsu
Deutsche Telekom
HP
Vodafone
Telefonica

Klein explained the attraction for EMM vendors in that arrangement: To expand their customer base, these vendors have decided to partner with large companies with global reach that are looking for managed mobility offerings and are positioned to resell their services. This gives the smaller EMM vendors the opportunity to reach a global audience they otherwise wouldn't have the means to capture.

One of the newer managed mobility relationships is between SAP and CA Technologies, he noted. CA is white-labeling SAP's mobile platform and offering it as a managed service to its partners. "They're one of the more prominent service providers making a hard push toward enterprise mobility," Klein noted. SAP has a similar relationship with IT services provider HCL Technologies to resell and implement SAP's mobile offerings.

## The benefits of partnering

There are many different aspects to mobility, which will only grow in complexity and is not a core competency for most end-user companies, observers say. Managed mobility services (MMS) providers can help customers deal with a "multitude of providers, different devices, different operating systems, different solutions and internal businesses processes that vary and a variety of costs," said Mitch Black, president of mobility managed service vendor MOBI. "Corporations are required to develop mobile policies for cost allocation, usage and security, and that's added to the complexity in IT."

All of this spells opportunity for channel partners. Many vendors offering managed mobility services, including the telecom vendors and systems integrators in Gartner's managed mobility services Magic Quadrant, are recognizing the need to have more of a granular industry focus, since enterprises tend to already have sophisticated mobile products in place, Klein said. "So managed services [providers] and other channel players with specific expertise in certain vertical markets are great to get to these companies [that vendors] haven't been able to penetrate."

The partners, in turn, get a comprehensive, turnkey offering from the vendors versus having to build out managed mobility services on their own. Such offerings can be easily implemented, resold and white-labeled, he said -- something some of the big partners have done well.

Black concurred, saying partners get a proven solution that's been in the marketplace for many years. "The barrier to entry is relatively high … They don't have to develop a software platform on their own," Black said. "They also gain scalability and the ability to launch customers very quickly and have help desk support and expertise" 24 hours a day, seven days a week, 365 days a year.

For partners, of course, revenue share is an issue, Klein added. "Certainly, they'd want that revenue for themselves, but developing sophisticated and comprehensive solutions on their own requires a lot of investment and expertise, and that's why it makes sense for most to partner [with vendors]."