Building a Case for Mobile Apps

Five key items can help reap solid ROI from launching a mobile application strategy.

The revenues come from a variety of areas, including charges that end users pay to download apps and the profits from in-app advertisements. The growth helps explain why 71 percent of executives in a survey by software vendor Symantec said they are either investigating developing mobile apps or already implementing them.

Yet, the drive to cash in on mobile app opportunities is often counterbalanced by tough decisions that entities face when devising development strategies. Mobility experts say the first steps become clearer when decision-makers focus on the primary objective: creating a coherent business case for mobile applications.

When Chicago-based, online brokerage company tradeMONSTER assessed its mobile strategy, it found a gap that needed to be quickly filled.

A leader in user experience, tradeMONSTER offers a wide range of investment tools that set it apart from competitors. However, these resources weren’t available to users of tablets and smartphones.

So the company dedicated part of its development resources to create a custom mobile app. The new web browser–based mobile trading platform now streams about 8 billion quotes a day.

Even though Sanjib Sahoo is tradeMONSTER’s chief technology officer, he says the business benefits of the software app outweigh the technical achievement it represents.

“Before we launched our mobile app, we were missing out on revenue opportunities with people who are trading using tablets,” he says. “So we made sure the award-winning tools that we have on the desktop for trading and proactive investing could all be used on a mobile platform. That helped differentiate our company in the marketplace.”

Mobile Apps Take Off

tradeMONSTER isn’t the only organization to see gold in mobile apps. “We’re no longer talking only about a short-term gold rush. Apps have become a major digital industry,” according to a recent report by Aapo Markkanen, senior analyst at ABI Research.

“Consumers’ high interest in apps has for a long time been obvious from download volumes,” he says. “But it’s 2012 that will go down in history as the year when the economic side of the business finally took off.”

Mobile apps come in a variety of formats, such as the customer–focused trading platform launched by tradeMONSTER. Organizations in other industries may opt for apps that send product catalogs, showcase new promotions, provide coupons or offer other incentives to customers via their mobile devices.
Alternatively, some entities are creating mobile apps to make their internal staff more productive. Examples include downsized versions of sales automation and customer relationship management (CRM) solutions or decision-support apps that send real-time updates of key performance indicators to managers.

**Development Challenges**

The current gap between the perceived importance of mobile apps and actual implementations is partly explained by the development challenges. Even an IT department with a talented staff of internal programmers may find it doesn’t have the specific expertise required for crafting apps in the mobile world.

“People often underestimate how difficult it is to build a mobile app,” says Will Scott, president of LexTech Global Services, which designs and develops suites of custom mobile apps to help organizations optimize internal processes.

“It’s actually pretty easy to write an app and stick it on a smartphone or tablet,” he says. “The hard part is making that app talk effectively to back-end IT systems, which is where the real value is. Having that data in my hands is what provides a powerful work experience.”

**NEED OUTSIDE HELP FOR MOBILE APP DEVELOPMENT?**

Mobile applications present some unique programming challenges. That means even if an organization has a deep developer bench it may need an outside assist.

To help meet this need, CDW offers a variety of mobile resources, such as assessments to identify business opportunities, mobile hardware and software procurement options, and access to expert mobile app programmers. Some third-party mobile app developers offer a combination of programming and training services. Therefore, decision-makers can quickly create a mobile app and also teach staffers the intricacies of this discipline.

“We partner with them so that they can actually see how we are doing it,” says Will Scott, president of custom mobile app developer LexTech Global Services. “And eventually they are able to bring some of that competence in house.”

Mobile products provider Xtreme Labs’ core development methodology is pair programming, where two engineers work together to build a mobile product. It provides its customers with a similar service, matching one of its engineers with a client engineer. Together, they create a mobile product on one computer using two keyboards and two mice.

But what if an app fails? There’s LexTech’s Rescue My App. “If a customer wrote an app in house only to find it was getting bad reviews in the store, we can fix it,” Scott says.
To do that, developers must devise ways of not only extracting critical information from back-end applications and data repositories, but also formatting and delivering the output to small mobile screens.

“A mobile app may display only 5 percent of what’s available in a traditional application, so determining the right 5 percent is absolutely key,” Scott says. “A lot of thought must go into the upfront design and understanding how the user is going to use the applications.”

The mobile platform also forces hard decisions about which features to include. “When customers say, ‘Here are the must-have features, and here are the ones that are nice-to-have,’ we don’t even look at the nice-to-have features,” says Farhan Thawar, vice president of engineering at Xtreme Labs, a provider of mobile products and strategy services. “It’s critical to nail down the must-have list first.”

Types of Mobile Apps

Organizations must also choose between two fundamental types of mobile apps. Some programs are designed to run natively on each individual combination of mobile device and operating system (OS), such as Apple hardware and iOS, the broad range of mobile gear that uses various versions of the Android operating system, Windows 8 tablets and phones, and equipment using the latest BlackBerry software.

Alternatively, organizations may choose to develop web-based apps, which enable all types of mobile devices to access the program’s features via a URL instead of actually downloading the software. Some hybrid apps now compromise by incorporating key elements of both approaches.

But which choice is best? Experts say each organization must weigh the pros and cons of each option to find the best for its individual needs.

For example, native apps typically provide higher performance because they run locally on a device, and developers can optimize them for the characteristics of each specific platform. “Performance is a huge consideration in mobile technology because you have limited everything — horsepower, memory, networking,” Thawar says.

Another bonus with native apps is that the programs can run even if the user’s device is not connected to a network. In addition, native apps give users more options for personalizing the content that’s delivered.

But native apps also come with trade-offs. Along with having to create separate versions for each mobile platform, the IT team must ensure that users can readily find essential apps in internal app stores or those maintained by Apple, Google and others. Third-party app stores may also require the organization to send the software through an approval process before making the program available.

For these reasons, some organizations consider web-based mobile apps a better approach for their needs. “It does not make sense for us to invest in building native platforms for each mobile device,” tradeMONSTER’s Sahoo says. “We need a cross-platform strategy that reduces time to market; helps us achieve anywhere, anytime trading; and provides the same user experience in a mobile platform that our customers are used to on the desktop.”

The question of native versus web may be easier to answer for apps built for internal operations than for customer-facing programs. With internal apps running on company-provisioned mobile devices, IT managers can tailor the software for a known set of platforms.

Bring-your-own-device (BYOD) initiatives complicate matters by introducing additional platform choices. But even then the field is typically limited to two prevailing camps: iOS devices and those running Android (although the latter may present challenges because of variations in hardware brands).

By contrast, making platform assumptions for customer-facing apps is difficult. If an organization lacks support for a device or OS, it risks locking itself out of customer and business opportunities. Resource-rich organizations may choose to invest in

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APP STORE OPTIONS

Once an organization develops a mobile application, it must decide how to get it to all users — internally and externally — who may need it. App stores provide this capability by offering an efficient and secure way to distribute mobile apps.

Many entities use existing commercial app stores, such as the Apple iTunes Marketplace or Google Play. These venues offer familiar destinations for consumers to find customer-facing programs.

Organizations can also use these resources to distribute apps intended only for internal use by requiring staff members to authorize themselves to an identity management solution before the software becomes available to them.

Alternatively, IT managers may choose to create their own internal app stores. Creating and managing an enterprise store is now easier than ever. Many mobile device management (MDM) solutions include tools for setting up a private app store where mobile software can be readily available to employees.
mobile-app development for all likely platforms, but others may see web apps as a most practical strategy.

**Five Business Case Considerations**

Even before an organization settles the development details, it will need to answer a bigger question: How will a mobile app strategy further business or mission goals?

Building a business case to address this question begins with these five steps:

1. **Create an environment for cross-departmental collaboration.** The heavy lifting of creating a mobile app may fall on the IT department’s shoulders, but the project should tap into the expertise of all stakeholders. Successful strategies often start with a closely aligned team of business and IT representatives who work in concert to further the organization’s overall goals.

   “The project should be led by the business to support the business strategy, but then the IT group is absolutely essential. The app is only as good as the interface to the systems that provide the needed data,” Scott says.

2. **Focus on business strategy, not the latest trends.** “Don’t write an app just to say you have one. Look for an opportunity that can be a game changer,” Thawar says. This means finding ways to use mobile apps to cultivate new sales channels, attract new customers and encourage existing customers to engage with the organization more frequently.

3. **Quantify the business opportunity accurately.** To justify the investment in development resources and assure the potential return on investment, clearly define the desired results. This may include a combination of increased revenues, higher brand awareness, cost savings or higher productivity for staff members.

4. **Dig deep for hidden opportunities.** Lextech looks for ways a mobile app can improve workflows and business processes for its customers. “Before layering a mobile app on top of an existing business process, study how mobile workers are doing their jobs to look for new efficiencies,” Scott says.

   One rule of thumb is to identify anywhere a clipboard is being used and replace it with a tablet and app. Applying this approach for a customer that performs energy audits reduced the assessment process from 12 to four hours by eliminating the need for auditors to manually enter data from their hand-written notes, Scott reports.

5. **Don’t overlook the possible “soft” benefits.** Some important ROI data may not be easily quantifiable. “When a sales person uses a tablet with a customer, it might be a more enjoyable experience for both parties,” Scott says. “It also makes companies look more contemporary. You may not be able to quantify that benefit. But if a company seems more progressive and its people have information at their fingertips, most customers are going to believe that’s the better experience.”

Remember, mobile apps are literally moving targets. Even after an organization builds a business case and addresses any knotty development questions, the work has just begun. “Keeping up with all the new types of devices will always be a challenge,” Sahoo says. “Mobile strategies must constantly address the changing mobile world.”

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