

Global Finance Magazine - Business Gets An App For That

Smart corporates are using mobile apps to collect real-time data, analyze it and feed it to employees, who can respond immediately. Companies that neglect these tools could find themselves at a disadvantage.



Kushwaha, Warburg Pincus: *“The millennial generation has never worked in a desktop environment,” so they expect their employers to have mobile tools.*

First smartphones and tablets transformed the consumer world. Then the [Internet of Things \(IoT\)](#) disrupted the corporate space by putting physical objects, from houses to heart monitors, online. Now, enterprise mobile applications are bringing the two technologies together. Deployed internally within a company, these apps overhaul business processes by leveraging [Big Data](#) and making its insights accessible—and actionable—anywhere and in real time.

The apps help organizations identify new efficiencies and enhance productivity. Treasurers can check account balances and authorize trades; logistics managers can devise better routes for shipments; global manufacturers’ quality control departments can monitor the performance of machines around the world—all remotely and continuously. As the gap between trailblazers and laggards grows, firms that are not keeping pace will have to catch up quickly or get left behind forever. “Mobile has evolved from being a ‘nice to have’ to, most times, a ‘must have’ or at least a ‘must be on roadmap,’” says Kristina Shen, a vice president at venture capital firm Bessemer Venture Partners.

Just as they were with consumer mobile apps, financial services firms are in the vanguard of enterprise apps. In fact, the big global banks have followed a natural continuum from consumer finance apps to corporate versions. [Citi](#) brought on-the-go payment authorization, transaction status and intraday cash-position monitoring to corporates in 2011 with CitiDirect BE Mobile; in 2013 it launched CitiDirect BE

Tablet, which offers cash management analytics on Apple, Android and Windows mobile devices. Hubert Jolly, Citi's global head of channel and enterprise services for treasury and trade solutions, says corporate use of the bank's mobile tools has grown by 46% since the start of 2015, while the number of corporate transactions initiated via mobile devices is up 34% from a year ago.

HSBC launched the enterprise version of HSBCnet Mobile in 2011, and in September 2014 the bank began rolling out an upgraded tool globally. Nadya Hijazi, global head of payments and cash management, e-commerce, says that although more than 225,000 corporate clients use the bank's online platforms for desktop and laptop, only 34,000 clients so far use the corporate HSBCnet Mobile. "So there is still plenty of scope for growth," she observes.

Indeed, according to a report by Accenture published in September, more than 80% of corporate executives polled globally consider mobile apps as "key to unlocking vital data from across their business." Yet fewer than 50% use even the most popular apps—the ones for productivity, sales, management and operations.

When corporates do put mobile apps to work, it's often in financial functions. "In treasury we do rely heavily on the ability to connect whenever [we want] and wherever we are," says Mike Connolly, treasurer of [US jeweler Tiffany](#). "We are utilizing mobile apps as fast as the banks are making them available. I am ready for that pace to be yet faster and broader." According to Connolly, mobile fulfills crucial business continuity needs. "In an incident—let's use Hurricane Sandy—the need to access banking and funds doesn't stop," he says. "Being able to work remotely is essential to keeping up with what is required of us."

Banks are themselves using mobile apps internally. At Standard Chartered, authorized employees can download apps from an in-house store to their corporate [iPhones](#), allowing them to monitor and execute trades, track the bank's [FX](#) rates or create call reports on the go. Its latest smartphone and tablet app for corporate clients, Straight2Bank Mobile, went live in 2012. "We practice what we preach," says Gautam Jain, global head of digitization and client access.

BOOMING DEMAND

The sheer number of mobile devices in circulation, driven by their falling prices, is an incentive for corporates to use them for business purposes. A 2015 study by technology research firm Gartner found that "knowledge workers use, on average, three different devices in their daily routine." The study estimates that the IoT and innovations like wearable devices will quickly bring this number to five or six. That trend will accelerate the Bring Your Own Device movement, whereby companies let employees use their personal smartphones and tablets for work. It will also increase demand for dedicated apps. "The millennial generation has never worked in a desktop environment," says Raj Kushwaha, chief technology officer at private equity firm Warburg Pincus. "As millennials enter the workforce and baby boomers retire, either companies [will] adapt to become mobile-enabled or disruptive newcomers will take their place."

Because most desktop programs can perform many tasks (think Excel) while mobile apps tend to be specialized, the mobile revolution among corporates will lead to a proliferation of dedicated business apps. “An average large organization might have several hundred different desktop applications, with each of them serving 20 to 50 different functions,” says Hong Kong–based Adrian Leow, Gartner’s principal research analyst for mobile and client computing and the author of this and other reports on the topic. “A well-designed mobile app is only going to do one or two things. So you start doing the math.” Leow thinks 2020 will be the tipping-point year when mobile apps overtake their desktop counterparts to become the dominant IT platform.

ON THE VERGE



Stark, Kyriba: *“Reporting, dashboards and workflow approvals are most popular with our clients when using their tablets or smart phones.”*

Many companies are in their first phase of app development, starting with non-mobile versions and strategizing about how to go mobile. For example, French hospitality group [AccorHotels](#) has been working since last fall with Anaplan, a San Francisco provider of Cloud-based platforms for everything from finance to supply chain. The company is testing a tool to optimize its budgeting and forecasting processes. “These are managed today via different Excel tools in each of the countries we operate in,” says Natacha Loinger, AccorHotels’ financial information systems director. “This induces a lot of manual work for the general managers of the hotels and for the countries’ business analysts.”

The Anaplan pilot went live in December. Its platforms work on computers as well as mobile devices, and Loinger expects the group’s managers—most of whom are equipped with smartphone and tablets—to use the mobile apps for accessing data and desktops or laptops for entering it. “As we are at the very beginning of the project, I can’t really talk about any results yet,” says Loinger. “But the feedback on the tool from the users and from the project team is very good.”

AccorHotels' experience highlights the drawbacks of small screens and unwieldy typing. Clearly, mobile apps are better suited to some business functions than to others. Data security and integration with back-end infrastructure are also more complicated on mobile devices. Because of these obstacles, mobile apps' core strength for now may lie in what a management consultant might call actionable intelligence. "Reporting, dashboards and workflow approvals are most popular with our clients when using their tablets or smartphones," says Bob Stark, VP for strategy at Kyriba, a global provider of software-as-a-service treasury solutions.

Data security on mobile apps is executives' number-one concern. All digital applications come with cyberrisk, of course, but mobile and Cloud technology adds an element of uncontrollability. Nevertheless, in most industries experts see the appetite for portable, real-time information as insatiable. "We've become more mobile, and that's the future," says Cathal McGloin, vice president of mobile platforms at software company Red Hat. "We are never going back."

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DO-IT-YOURSELF OR OUTSOURCE?



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So, corporates are beefing up spending on app development. A Gartner survey from the end of 2014 found that 79% of companies planned to increase their dedicated budget in the following 12 months. And a report from research service BI Intelligence in November 2015 predicts that global investment in application development within IoT-related industrial environments will grow from \$146 billion in 2015 to \$716 billion in 2020.

Who carries out the actual development depends on the company. Union Station Technology Center, a relatively small data center operator with four locations in Indiana, wanted the ability to manage its system controls remotely and in real time. It created an IoT tool to feed data into mobile apps that CTO Vishal Singh bought off the shelf. Now key personnel, including outside vendors, get notifications on their smartphones—even when off duty—if something isn't working right, and they can get on it immediately. "Before these changes, systems had to fail before the failure could be detected, recognized and resolved," Singh explains. In the 18 months or so that it has been in place, he says, the mobile system has yielded tremendous return on investment in minimized downtime, reduced staffing needs and an enhanced competitive position.

Other corporates prefer working with a technology vendor from start to finish, while still others do the whole thing themselves. For example, to keep its sales force—tens of thousands of people around the world—happy and motivated, personal computer and printer maker HP designed an in-house mobile app that lets them review their performance and compensation every day. "They love it," says Yves Cabanac, who manages sales operations and compensation. "We have had 95% adoption out of about 25,000 salespeople, and without doing any marketing for it. Salespeople don't want to be locked at the office, and now they can check this information from their phones."

But smaller companies could have trouble finding the skilled manpower to do this kind of proprietary development. According to Gartner, "through 2017, the market demand for mobile app development services will grow at least five times faster than internal IT organization capacity to deliver them." Corporates that can't keep up will turn to off-the-shelf solutions that can be customized after purchase, even by nondevelopers. A growing number of technology companies are focusing on offering just such products.

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~ Kristina Shen, Bessemer Venture Partners

GOING NATIVE

The architecture behind mobile solutions also varies. Apps can be "native," built specifically for a platform like iOS or Android to take advantage of a mobile device's features, like the camera and GPS. They can be Web-based, accessible across platforms by opening a browser and logging into a URL. Or they can be a mix of both.

Malaysian engineering firm Abbaco Controls is looking to go native soon, but for the time being it's using Web-based mobile apps to create a system for monitoring rice paddy irrigation. Developed in partnership with Intel, the system uses sensors to collect real-time information on water levels. It sends the data to the [Cloud](#), where it is analyzed; the analysis is forwarded to human controllers who can then adjust the gates to allow for more or less water as needed. Abbaco founder Chang Yew Cheong says

the system represents a big change from the past.

Such real-time responsiveness is critical for FedEx, the global delivery and logistics company, which uses the same enterprise mobile apps to notify customers of delivery status and to tell couriers not to bother stopping at an empty drop box. “The days of speed, consistency and omni-channel are fully upon us,” says Cisco Sanchez, vice president for enterprise foundational services.

Early adopters of enterprise mobile apps will have a competitive advantage, analysts say, because the digital divide between first-in-class and the rest is destined to grow. “This is a survival game for companies,” says Warburg Pincus’s Kushwaha, who performs technology due diligence on the firm’s prospective portfolio companies. “If you don’t have a mobile strategy, you must, because both your customers and your workers expect it. Enterprises have to start today if they want to really be mobile-enabled 15 years from now.”