



Reimagining the Mobile Internet

Syntonic 2016 Employer Report:

# BYOD Usage in the Enterprise

Summer 2016

Conducted by Information Solutions Group

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## Research Objectives

Understand the use and adoption of personal smartphones for work-related purposes

### Data Collection Overview

**Methodology** Web survey (ePanel)

**Audience** 409 respondents among CEOs, CFOs and CIOs who work for companies with > 100 employees

**Survey period** Summer 2016

**Confidence interval** +/- 4.8%

### Requirements to Qualify for Survey Participation

Live in the United States

Job function with decision making authority

Work for a company with at least 100 employees

Use personal smartphone for work-related purposes

## What Surprised Us?

### **BYOD is widely accepted in the enterprise, with 59% of enterprise respondents acknowledging having a formal BYOD policy in place**

When it comes to who should oversee BYOD programs, the C-Suite is conflicted:

- 79% of CEOs believe they should oversee

- 73% of IT departments/CIOs and 51% of Finance departments/CFOs believe BYOD should be led by IT

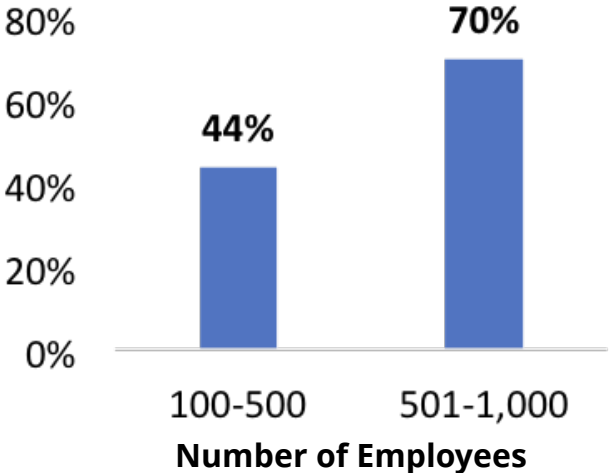
The majority (69%) of enterprises reimburse their employees, primarily to keep them happy (60%), to help with recruiting (43%) and to remain compliant with BYOD laws (36%)

Troubled by new BYOD reimbursement laws, like Cochran v. Schwan's Home Service in California, which requires employers to reimburse employees for work-related usage on personal devices, employers are scrambling to implement reimbursement, but due to lack of awareness (36%) and time (34%), are drastically overspending

Almost half of respondents (41%) have never heard of split billing solutions, which automate the process of separating personal data usage from business usage to calculate average reimbursement amounts, but desire the ability to understand how mobile apps are being used by employees (29%)

# Organizations with Formal BYOD Program

**SMBs with Formal BYOD Plan**



**SMBs with 100 - 500 employees** are less likely to have developed a formal BYOD program than those with 501-1,000 employees (44% vs. 70%)

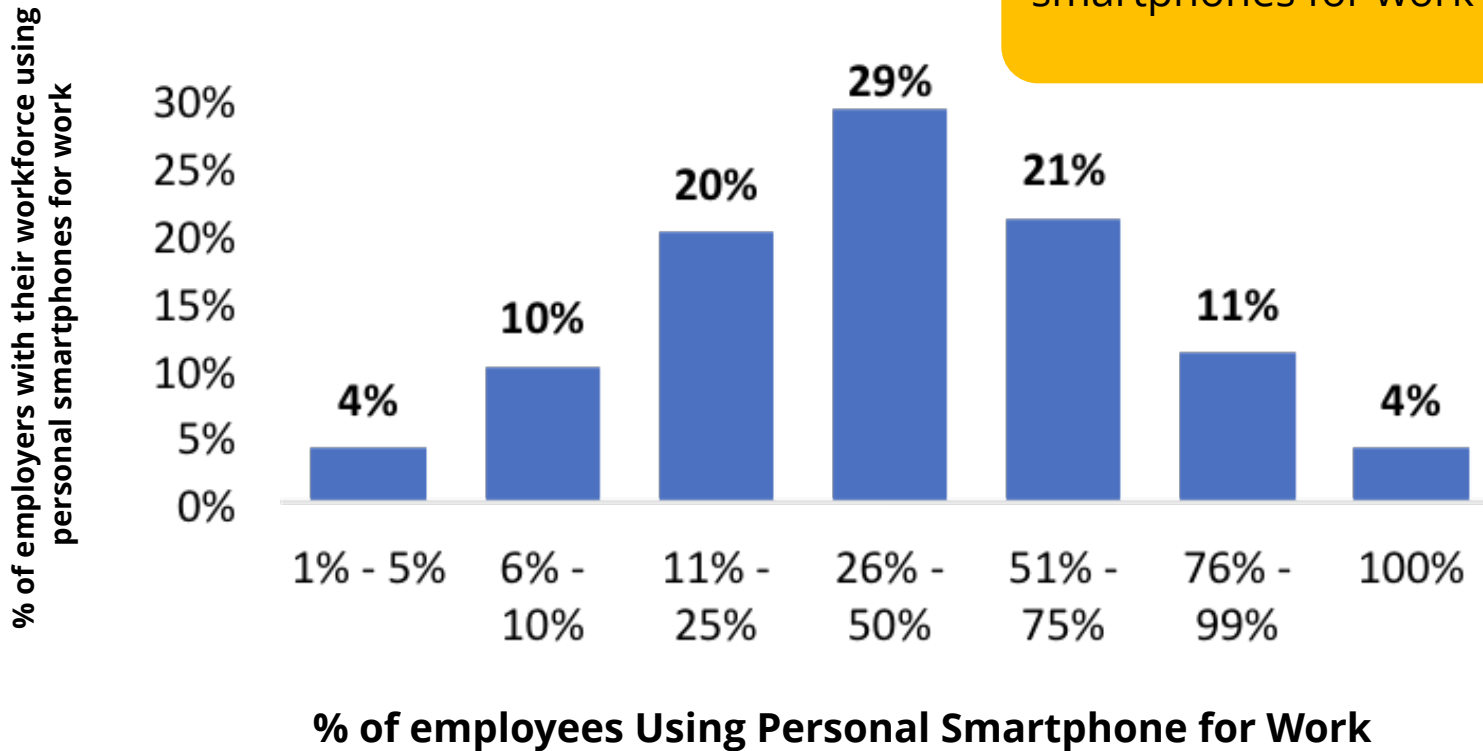
**Six out of ten (59%) organizations** currently have a formal BYOD program in place with another 22% having plans to develop a formal program in the next year

**Does your company support BYOD?**

	Overall	# Employees	
	(409)	< 1,000 (206)	> 1,000 (203)
Yes, we have a formal BYOD program in place	59%	54%	64%
No, we do not currently have a formal BYOD program, but we have plans to develop one in the next year, and employees can use their personal smartphones for work purposes if they choose	22%	25%	19%
No, we do not currently have a formal BYOD program and we do not have plans to develop one in the next year, but employees can use their personal smartphones for work purposes if they choose	19%	21%	17%

# Employee Usage of Personal Smartphones for Work

36% of the companies have at least half of their employees using their personal smartphones for work purposes



# Reasons for Establishing a BYOD Program

The top 3 reasons organizations established a BYOD program:

**1 Protecting information & reducing risk**

**2 Boosting productivity**

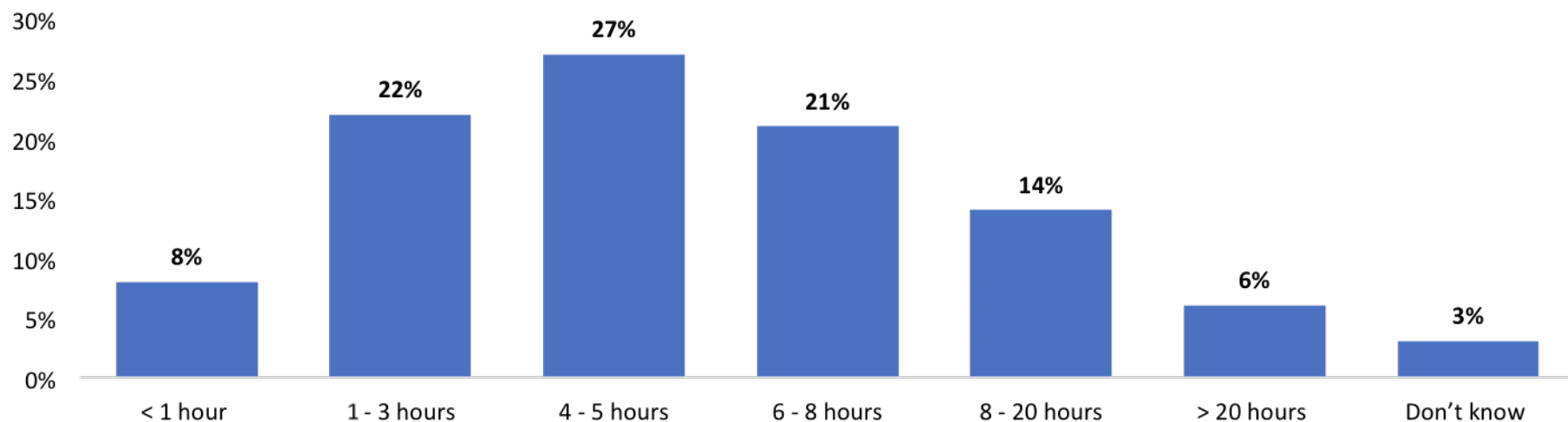
**3 Saving money**

	Overall
To protect secure information and reduce future risk	44%
We wanted to boost productivity	43%
To save money	38%
To conform with legal requirements to reimburse employees for their mobile usage	31%
To better understand how smartphones and applications are used within the company	29%
Our employees demanded clarification	24%
We experienced a security breach	17%

Enterprises also want a **better understanding** of how smartphones and applications are used within the company

# Work-Related Smartphone Use Outside Business Hours

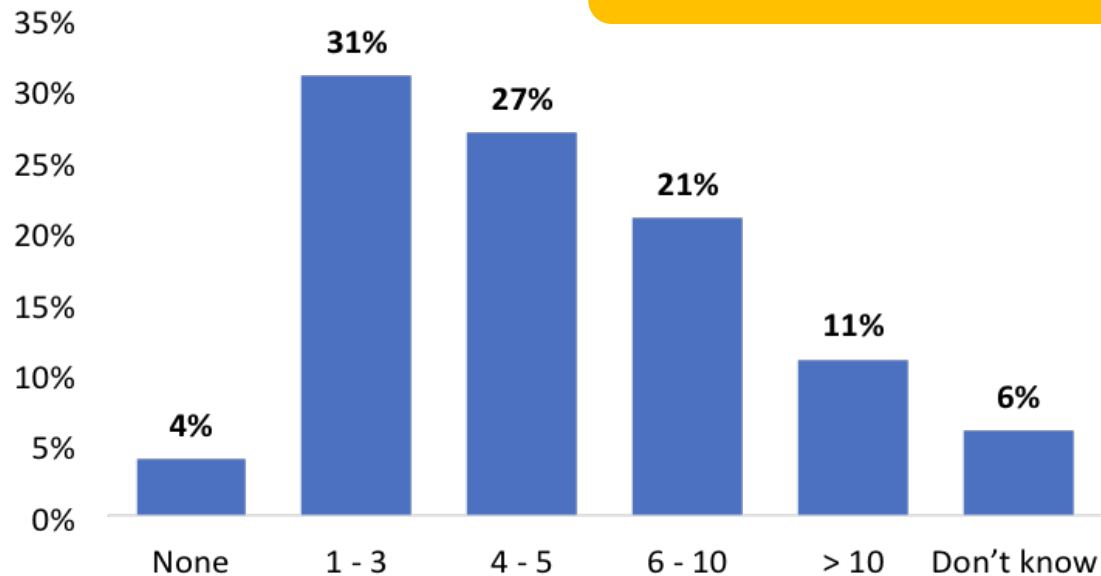
(Avg # Hours Per Week)



**More than two-thirds (68%)** said their employees spend at least **4 hours a week** using their smartphones for work-related purposes, with 20% using them at least **8 hours a week**

# Daily Use of Mobile Business Apps

Employees access an average of 5.2 mobile business apps daily

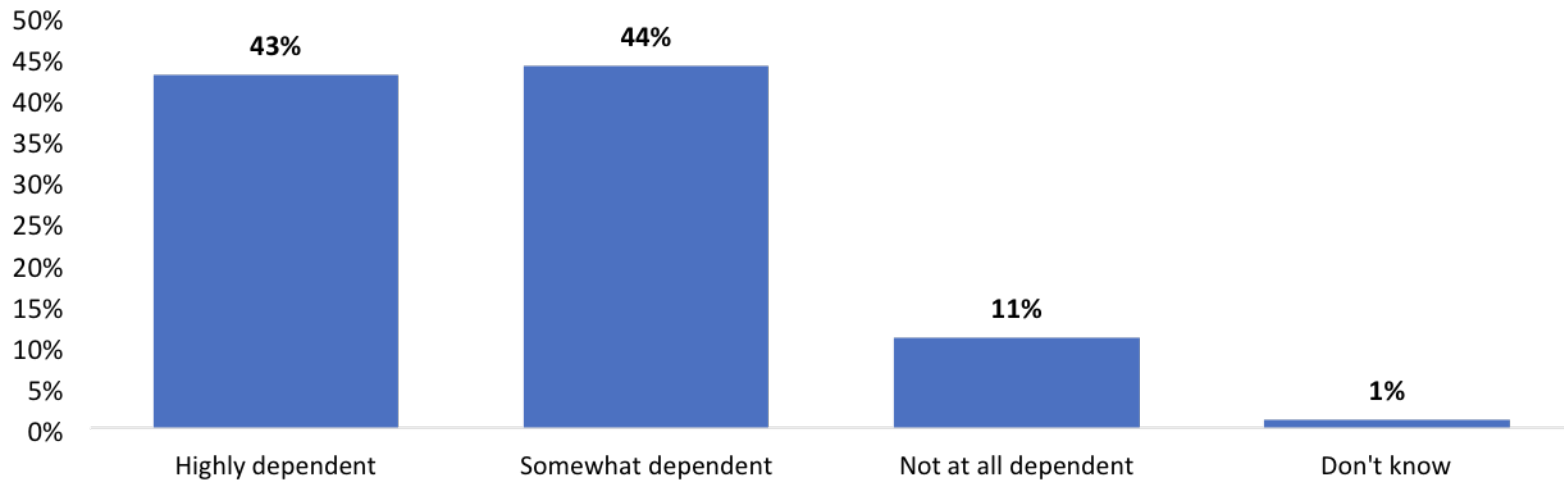


**One-third (32%)** said employees use at least **six mobile apps daily**, 11% use more than 10 mobile apps daily



# Dependency on Mobile Business Apps

**The majority (87%) of companies** are dependent to some extent on their employee's ability to access mobile business apps from their personal smartphones



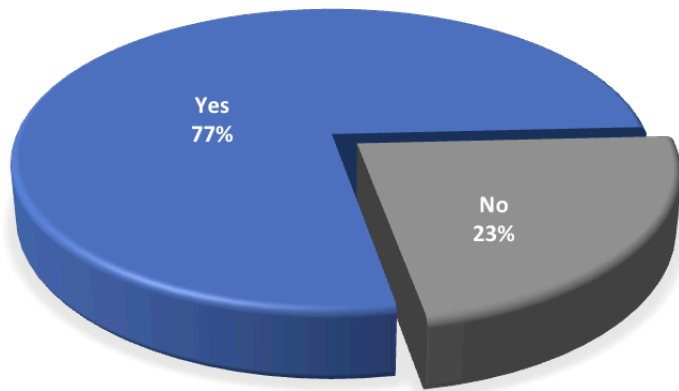
	# Employees	
	< 1,000 (206)	> 1,000 (203)
Highly dependent	44%	41%
Somewhat dependent	43%	46%
Not at all dependent	12%	11%
Don't know	1%	1%

**Company size does not impact** a company's dependency on mobile business applications

# Expectation of Increased Smartphone Use

**Three-fourths (77%)** of the respondents said they expect personal smartphone use for work purposes to **increase in the next six to twelve months**

Those with financial-related titles do not expect use of personal smartphones to increase within their company as much as CEO/COOs or IT professionals

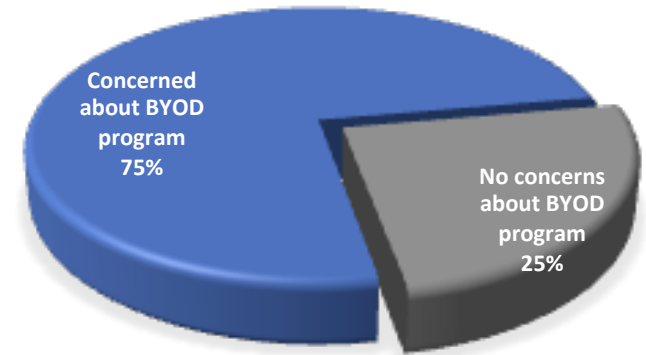


## Expectations for Growth of Personal Smartphone Use

	Respondent Role		
	CEO/COO	Financial	IT
Yes	81%	68%	83%

# Concerns with Organizations BYOD Program

Three-fourths (75%) of the respondents have concerns about their current BYOD program with the **ability to differentiate between personal and business use** being the number one concern, followed by a **lack of adequate security**



	Overall
It is challenging to differentiate between personal and business usage	26%
It does not provide enough security	23%
The cost of reimbursing employees for their mobile usage is too high	21%
Our IT help desk can't keep up with employee requests	20%
The support costs are too high	19%
The return on our BYOD investment is unclear	18%
It creates too much administrative overhead	16%
It is creating too much confusion among employees	14%
We don't have a way to calculate employee reimbursement for work-related mobile expenses	12%
We don't have any concerns about our existing BYOD program	25%

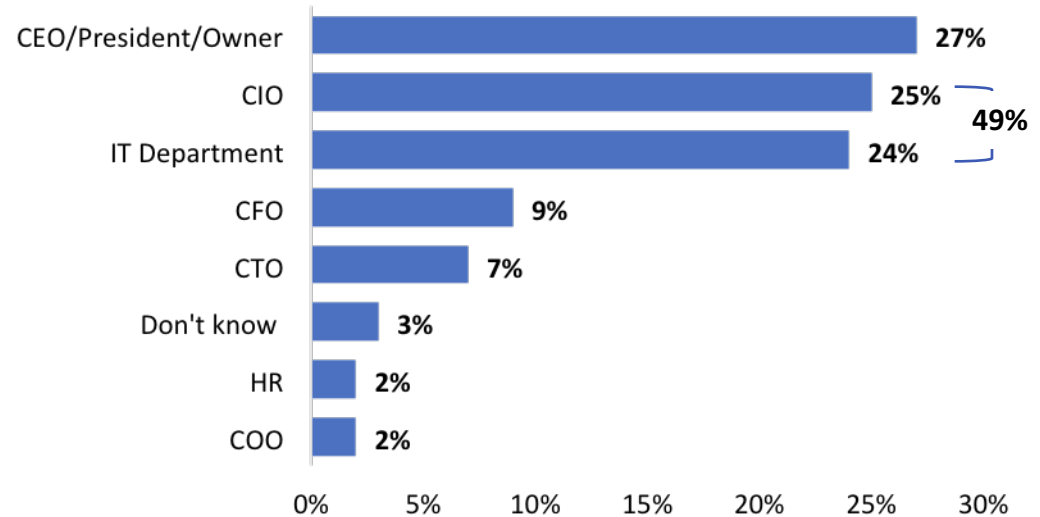
\*Respondents were allowed to check all that apply

# Main Stakeholders of BYOD Programs

**Responsibility for the management** of a company's BYOD program varies widely and different roles have different opinions about who has primary oversight

Half (49%) said that **someone within the IT side of their organization** (CIO or the IT department) is the primary stakeholder

Nearly eight out of ten (79%) CEOs identified themselves as the primary stakeholder of the company's BYOD program, while those in IT identified various IT-related roles as primary stakeholders



## BYOD ownership responsibility should belong to:

	Respondent Role		
	CEO	Financial	IT
CEO/President/Owner	79%	15%	3%
CIO	6%	21%	41%
IT Department	5%	30%	32%
CFO	5%	21%	2%
CTO	2%	4%	14%
Don't know	2%	4%	4%
HR	0%	4%	1%
COO	2%	2%	2%

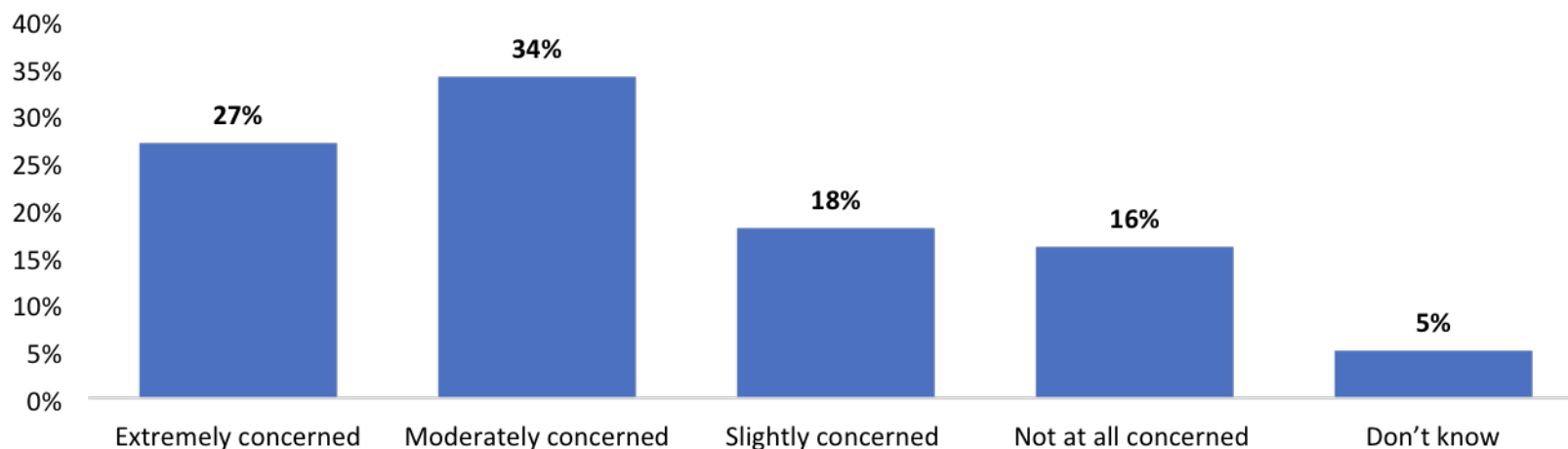
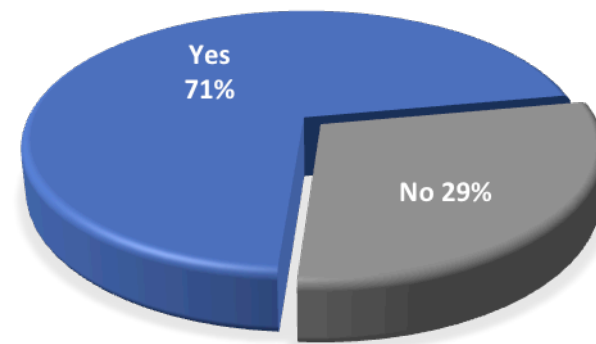
# Awareness of Reimbursement Requirement

(CA & MA Employers Only)

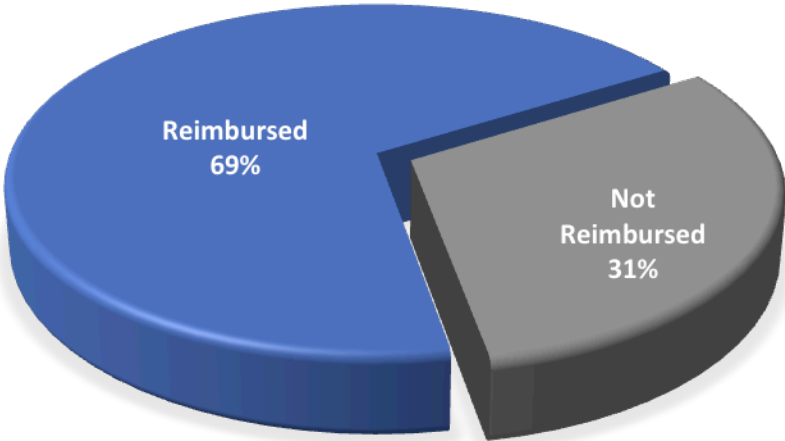
**Seven out of ten (71%) employers** who have business operations in California and/or Massachusetts **are aware of the legal requirements** in California and Massachusetts regarding reimbursing employees when they are required to use their personal smartphone for work purposes

**45% of CEOs said they were extremely concerned** by the recent ruling in Cochran v. Schwan's Home Service

Outside of these states, **six out of ten (61%) have at least a moderate level of concern** regarding the Cochran v. Schwan's Home Service ruling



# Reimbursement of Employees



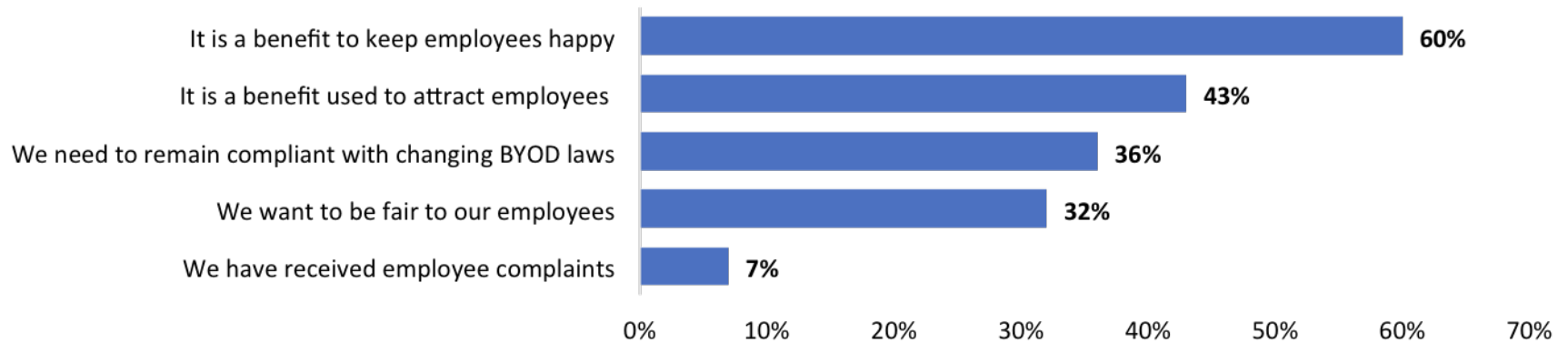
	# Employees	
	< 1,000 (206)	> 1,000 (203)
Reimbursed	72%	67%

**More than two-thirds (69%) of companies currently reimburse employees** for work-related use of their personal smartphones

Slightly more SMBs reimburse their employees

# Reasons for Reimbursement

**Keeping employees happy (60%) and attracting new employees (43%)** are the primary reasons why organizations reimburse employees when they use their personal smartphones for work



Another third (36%) reimburse employees to **remain compliant with BYOD laws**

# How Reimbursement Is Calculated

Almost half (47%) of the companies **use a stipend (fixed amount) to reimburse employees**

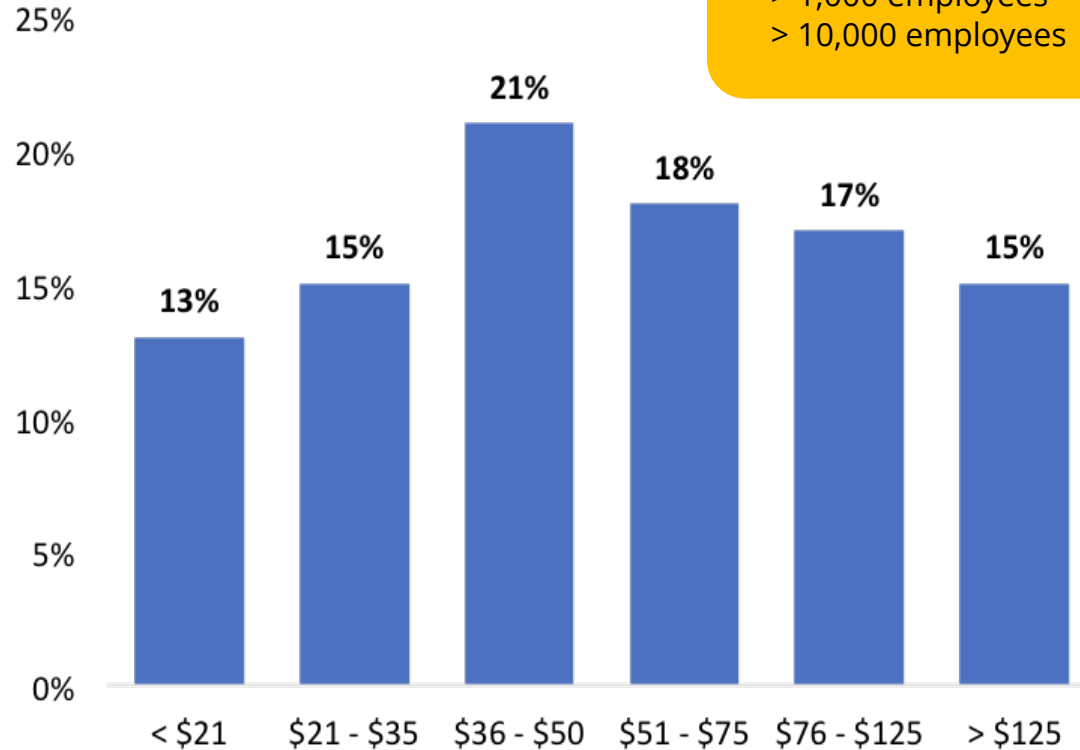
Almost one-third (29%) **require employees to manually calculate usage** based upon their monthly mobile phone bill and then submit an expense report

	Overall
	(284)
Our company reimburses employees a fixed amount (stipend)	47%
Our company requires employees to manually calculate their usage each month by identifying work-related charges on their personal mobile bill	29%
We estimate smartphone usage costs based upon on each department or job function	15%
We have implemented an expense reimbursement solution so we know exactly how much to reimburse employees for their work-related usage	5%
We provide a fixed stipend based upon our best guess	4%



# Average Monthly Reimbursement Per Employee

The **average monthly reimbursement** per employee is **\$71.40**



## Average Monthly Reimbursement for Companies with:

100 - 500 employees	\$55.45
< 1,000 employees	\$66.90
> 1,000 employees	\$76.26
> 10,000 employees	\$80.20

# Primary Reimbursement Challenges

**Calculating the correct amount for reimbursement** (32%) and the fees associated with processing expense reports (32%) are the primary reimbursement-related challenges employers face

**Overpaying employees** (26%) presents issues for about a quarter of the organizations

CEO/COOs and finance professionals are **more concerned about overpaying** employees than IT professionals

	Overall	Respondent Role		
		CEO/COO	Financial	IT
Easily calculating correct reimbursement amounts	32%	32%	30%	35%
Expense report processing fees	32%	32%	34%	29%
Overpayment, we know we are overpaying employees	26%	37%	31%	15%
Employee downtime to fill out expense reports	23%	21%	22%	25%
Lack of automation e.g., integration w/existing expense management systems	20%	18%	18%	23%
Not clear that we are getting business value out of BYOD	15%	13%	19%	13%
Meeting employee expectations for fair reimbursement	15%	14%	15%	17%
Employee privacy issues due to personal bill information	9%	11%	6%	10%

# Overspending With Reimbursements

One quarter (24%) of those who reimburse employees said they are accurately calculating their reimbursement amounts and are not overspending, while **26% admit to overspending** but said it is no more than \$100 per year. The respondents estimated average overspend is \$286.92

SMBs have more control over their reimbursement process with 28% indicating that they are accurately calculating their reimbursement amounts

	Overall	# Employees	
		< 1,000	> 1,000
Overspending < \$100 a year	26%	23%	29%
Overspending \$100-\$499 a year	34%	36%	32%
Overspending \$500-\$999 a year	10%	7%	13%
Overspending > \$1,000 a year	1%	1%	2%
We are accurately calculating reimbursements	24%	28%	19%
Don't know	5%	5%	6%

# Awareness of Split Billing Solutions

Four out of ten (41%) **have never heard of a split billing platform** with 22% interested in learning more about split billing products

**Lack of knowledge** regarding existing solutions (36%) and a **lack of time** (34%) are the primary reasons organizations have not implemented a split billing solution

	Overall
	(117)
Lack of knowledge about existing solutions	36%
Too busy to address	34%
We have concerns about privacy	26%
We don't see the cost savings	18%
We don't have the business capacity to support this	13%
We don't want to risk upsetting our employees	9%
It is too expensive	7%
Don't know	7%

# Perceived Value of Split Billing Solution

(Aware of split billing but have not implemented)

**70% recognize the value of split billing software** with 50% indicating that gaining a better understanding of employee usage would be valuable, while another 35% said split billing software would help them accurately calculate reimbursement amounts

	Overall
	(117)
Yes, we would have a better understanding of how much personal smartphones are being used	50%
Yes, it would help us accurately calculate reimbursement amounts	35%
No, we do not want to potentially reduce reimbursements based on actual usage and upset our employees who are accustomed to receiving a fixed reimbursement	15%
No, we are happy with our BYOD reimbursement program and have no plans to change	12%
No, we do not have a BYOD program and we do not reimburse our employees for work-related use of their personal smartphone	5%

# Key Takeaway Summary

## **BYOD Programs:**

Six out of ten (59%) organizations currently have a formal BYOD program in place with another 22% planning to develop a formal program in the next

## **Reimbursement:**

More than two-thirds (69%) of companies currently reimburse employees, with the average monthly reimbursement per employee being \$71.40

Companies reimburse employees to keep them happy (60%), attract new employees (43%) and to remain compliant with BYOD laws (36%)

Calculating the correct amount for reimbursement (32%) and the fees associated with processing expense reports (32%) are the primary reimbursement-related challenges employers face. Overpaying employees (26%) also present issues for about a quarter of the organizations

Reimbursement is predominately in the form of fixed stipend (47%) or expense reports (29%)

# Key Takeaway Summary

## **Compliance Concerns:**

Seven out of ten (71%) employers who have business operations in California and/or Massachusetts are aware of the legal requirements in those states regarding reimbursing employees when they use their personal smartphone for work purposes. Six out of ten (61%) companies have at least a moderate level of concern regarding the Cochran v. Schwan's Home Service ruling

## **Split Billing:**

Only 5% of companies have implemented an expense reimbursement system, with 22% interested in learning more about split billing products

Half of respondents recognize the value of split billing software in facilitating a better understanding of employee smartphone usage

## **Disputes Over Management:**

Responsibility for the management of a company's BYOD program varies widely with half (49%) of the companies indicating that someone within the IT side of their organization (CIO or the IT department) is the primary stakeholder. 27% said the CEO/President is the main stakeholder