Mobility Strategies in Brazil: CIOs Have Momentum, But Need to Deliver Business Benefits

Accenture Mobility CIO Survey 2013
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Small devices have become very big everywhere in the world, especially in Brazil. According to the Accenture Mobility CIO Survey 2013, the global mobility market is maturing quickly. It is having so much of an impact that many IT professionals say it is as big as or bigger than the web revolution in the 90s.

Globally, CIOs realize mobility is crucial to their business. One-third of those surveyed consider mobility one of their top two priorities for the coming year. The numbers for Brazilian executives were even higher, with 40 percent putting it among their top two and 47 percent putting it among their top five. Similarly, 37 percent of Brazilian CIOs indicated that they have widely developed mobile strategies in place to address those priorities, compared to only 23 percent on average for other countries. Mobility is at the center of a major transformation to the "digital enterprise" and Brazil is among the leaders.

However, even with this strong momentum, the survey results indicate that Brazil’s CIOs have work to do: They need to demonstrate the business benefits of mobility.
Brazil is a big country with big ideas—and its CIOs are increasingly relying on small devices to make sure they come to fruition.

Based on the results of Accenture’s survey, Brazil’s CIOs have high expectations for what mobility can bring to their organizations: 87 percent give mobility a very high or high priority this year—higher than last year’s results and higher than the global average of 76 percent (Figure 1).

These aren’t empty goals, either. Nearly one in four CIOs plans to invest more than half of their IT budget to mobility projects in 2013 (compared to an 11 percent global average), and half of the Brazilian CIOs are willing to invest at least 40 percent of their IT budget (versus the 27 percent global average). This puts Brazilian CIOs way ahead of their surveyed peers (Figure 2).
This is not to say that all is rosy, however. Their budget and organizational issues may be getting resolved, but they still face a lack of clarity in terms of identifying the best way to move forward to mobility. They acknowledge a lack of understanding of the benefits of mobility and—even though they support bring your own device (BYOD) programs—they struggle with how to best deal with increasing demand for BYOD from employees. There are bright spots: 31 percent of CIOs globally cite lack of interoperability with current systems as a barrier to mobile implementation, but only 13 percent of Brazilian CIOs agree. This is one of the advantages to being a developing country with predominantly greenfield opportunities and a manageable amount of legacy applications (Figure 3).

Even so, the survey results reveal that Brazilian CIOs, despite their commitment to mobility as a concept, still maintain a limited viewpoint regarding access through those devices to corporate data. Overall, all of these issues point to a somewhat conflicted attitude among Brazilian CIOs toward mobility. This points toward 2013 being a key inflection point for Brazilian CIOs, a time when they can seize competitive advantage from their competitors. The signposts are there, but the journey toward CIOs creating truly digital enterprises with mobility as a cornerstone will likely have its challenges.

Figure 3. Barriers to Mobile Implementation

<table>
<thead>
<tr>
<th>Issue</th>
<th>2013 Brazil</th>
<th>2012 Brazil</th>
<th>Global</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security concerns</td>
<td>47%</td>
<td>52%</td>
<td></td>
</tr>
<tr>
<td>Lack of understanding of the benefits of mobility</td>
<td>33%</td>
<td>36%</td>
<td></td>
</tr>
<tr>
<td>Cost/budget concerns</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not sure how to get started/don’t know what to do next</td>
<td>9%</td>
<td>12%</td>
<td>23%</td>
</tr>
<tr>
<td>Lack of engagement from senior leadership</td>
<td>20%</td>
<td>17%</td>
<td></td>
</tr>
<tr>
<td>Lack of required skill set</td>
<td>20%</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>Lack of interoperability with current systems</td>
<td>13%</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>Fractured ownership of mobility within the organization</td>
<td>7%</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>N/A, we are addressing our top mobile priorities with no barriers</td>
<td>3%</td>
<td>12%</td>
<td>0%</td>
</tr>
</tbody>
</table>
Macroeconomic trends in Brazil show it has a strong foundation for innovation. Already the world’s seventh-largest economy—and a key piece of the BRIC bloc of emerging countries—Brazil is also the largest national economy in Latin America. It represents almost one-third of the region’s GDP, with the Economist Intelligence Unit forecasting its real GDP growth in 2013 as 3.2 percent, up from .09 percent in 2012, with continued growth to 3.7 percent in 2014.

The Brazilian IT market is by far the largest and fastest growing in Latin America, with spending forecast to surpass $43 billion by 2017 (spending on IT services represents about half that amount). Further stimulating IT development are Brazil’s plans to host two of the world’s largest premier sporting events: the 2016 Olympic Games and the 2014 FIFA World Cup. The Brazilian government has formulated an investment strategy to drive $90 billion worth of modernization for these events, with key IT elements including investments for video transmissions and other infrastructure improvements.

The government is already planning to take advantage of the country’s growth in mobile usage, represented by figures of some 264 million mobile users and 94.2 million Internet users in 2013. It has committed to rolling out LTE coverage to all cities hosting FIFA events by December 2013, as well as extending coverage to all cities with populations of more than 500,000 by May 2014. That in turn will boost mobile device uptake. Brazil’s estimated installed base of 187 million mobile phones in 2013 is the fourth largest after China, India and the United States, and while its citizens do not rank highly in smartphone usage, the forecasts predict annual growth in shipments of 23 percent for smartphones until 2017.
The last time global CIOs saw a groundswell as big as mobility’s, it was back in the late 90s and called “the web.” Indeed, 86 percent of Brazilian CIOs said that mobility will impact their business as much as or more so than the web did. Most of these CIOs strongly agree or agree that over the next three years, mobility will significantly impact their businesses in a variety of ways. These include providing significant sources of new revenue (cited by 93 percent), improving customer interactions (87 percent) and engaging employees like never before (80 percent) (Figure 4).

Brazilian CIOs have a higher level of maturity than their emerging market peers when it comes to their mobile strategies and funding mobility budgets—a considerable achievement. This positions Brazil as potentially cutting through the curve on a faster track than their peers, and close to catching up with some mature market peers (Figure 5).

Figure 4. Impact of Mobility on the Enterprise

<table>
<thead>
<tr>
<th>Impact of Mobility on the Enterprise</th>
<th>Strongly agree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide significant sources of new revenues</td>
<td>43%</td>
<td>50%</td>
</tr>
<tr>
<td>Significantly improve our customers interactions</td>
<td>47%</td>
<td>40%</td>
</tr>
<tr>
<td>Have a significant effect on our business overall</td>
<td>37%</td>
<td>50%</td>
</tr>
<tr>
<td>Impact our business as much/more than the 90’s web revolution</td>
<td>43%</td>
<td>43%</td>
</tr>
<tr>
<td>Help us engage our employees like never before</td>
<td>40%</td>
<td>40%</td>
</tr>
</tbody>
</table>

8 Accenture Mobility CIO Survey 2013
Accenture calculates business enthusiasm (vertical axis) for mobility using the CIO survey responses regarding priority of mobility initiatives, level of completeness of mobility strategy, mobility share of total budget, and level of centralization of mobility strategy. The Accenture Mobility CIO Survey 2013 survey responses, collected in December 2012/January 2013, go into the 2012 year-end indicators. Market maturity (horizontal axis) is calculated based on market data regarding smartphone share of mobile handset shipments, average monthly mobile traffic per mobile connection, mobile data user share of total population, and LTE/WiMAX share of subscribers.1,8

Most countries—having one- or two-year indicators—fit into a "mobility maturity curve," implying that the CIOs show a strong enthusiasm for mobility at early stages of the overall market development. This enthusiasm then falls as CIOs start to look at the opportunities in a more realistic way and barriers start to materialize while the market continues to develop. Finally, the CIOs seem to regain some enthusiasm while also the market reaches more mature stages.

Figure 5. Mobile Maturity Indicator, 2011-2012

Source: CIO Mobility Survey, January 2013. Accenture Research Analysis

Business enthusiasm:
Equal weight of responses to questions on
• Priority of mobility initiatives
• Level of completeness of mobility strategy
• Mobility share of total IT budget
• Centralized mobility strategy

Market maturity
Weighted importance of market indicators on
• Smartphone share of mobile handset shipments (30%) 
• Average monthly mobile data traffic per mobile connection (30%) 
• Mobile data user share of total population (30%) 
• LTE/WiMAX share of subscribers (10%)
Given the consistency of responses between 2012 and 2013, Brazil stands out as the emerging country that is least likely to see whipsaw results. Its CIOs seem more sensible in their estimates of where they are, without irrational exuberance governing their answers, but with the market maturing faster than the other emerging market countries. CIOs in Brazil are now more "mature" or "realistic" in their perception and that should help them going forward.

Other data relating to this maturity: The percentage of Brazilian CIOs expressing concerns about costs and budgets relating to mobility went down from 40 percent in 2012 to 30 percent in 2013; the global average in 2013 was 41 percent. Other emerging markets are still wrangling with this issue, cited by CIOs in China (47 percent of the time), India (47 percent), and Mexico (43 percent). As shown in Figure 9, Brazilian CIOs report that they have already conquered the issue of developing a centralized mobile strategy—again, ahead of emerging-market counterparts.

But they also have challenges to overcome. Brazilian CIOs continue to struggle with a lack of understanding of the benefits of mobility (33 percent versus 24 percent globally on average). Even as mobility’s potential has become clear, they realize they have more work ahead of them. Consider these issues:

**Strategy**

Concerning their attitude about the extent of their mobile strategy development. A strong majority (84 percent) says they have either an “extensively” or “moderately” developed strategy (Figure 6). But at the same time, nearly 70 percent of respondents in developed countries like the United States and the United Kingdom say they have only “moderately” developed mobile strategies; the number for “extensively developed” strategies in those countries actually went down between 2012 and 2013. This indicates that mobile strategy formulation might be more complicated than first thought.

**Enterprise Access**

Here’s another problem: A full 73 percent of CIOs are willing to provide mobile access to enterprise email and more than half to the company directory (53 percent). But much smaller percentages—in the 30 to 40 percent range—are willing to allow access to enterprise applications such as ERP, CRM and supply chain management (SCM); the global average is 53 percent. That will likely hobble employee productivity over time (Figure 7).
Customer Engagement

But there’s an even bigger disconnect that Brazilian CIOs have to face. In terms of priorities, Brazilian CIOs want to drive revenue through customer engagement (cited by 37 percent). They want to improve field service and customer service (40 percent). They want to accelerate the sales cycle with improved access to the back-end systems, and improve management decision making through on-device data access and workflow approval capabilities—all of which are likely to link to the ERP system (Figure 8).

Figure 8. Mobility Priorities for Brazilian CIOs

- Drive revenue through customer engagement on mobile devices: 37%
- Drive revenue through transactions on mobile devices: 30%
- Experimentation with incorporating mobility into our organization: 27%
- Provide a new marketing channel: 27%
- Develop new mobile-specific products or services: 20%
- Understand consumers through mobile analytics: 3%
- Improve field service/customer service delivery with instant data access: 40%
- Accelerate the sales cycle with improved data quality and access to backend systems: 33%
- Improve management decision-making and approvals through on-device data access: 20%
- Streamline operations through the ability to track orders, assets or inventory from anywhere: 17%
- Empower workers to communicate and collaborate from any location or any device: 17%
- Facilitate knowledge sharing and discovery within the enterprise: 13%
- Experimentation with incorporating mobility into our organization: 13%
- Deployment of sensors across plant, property, equipment and operations to collect data: 40%
- Improve field service/customer service delivery with instant data access: 27%
- Development of mobile apps that serve as a user interface for connected devices: 23%
- Design, development and/or distribution of connected devices for B2B and B2C markets: 23%
- Experimentation with incorporating machine-to-machine communications: 10%
- Monetization of machine-to-machine products and services: 10%
Nevertheless, Brazilian CIOs are ahead of their global peers when it comes to progress. Brazilian CIOs shifted their approach from last year, when they favored a bottom-up strategy, letting departments determine their mobility needs. This year, they are more aligned with global peers on the approach. They’ve overcome the issues of who should be in charge of mobility (departments or IT) and begun centralizing their mobile strategy—moving from 40 percent of CIOs saying they had a centralized mobile strategy last year to 60 percent this year, slightly ahead of the global average of 59 percent (Figure 9).

Other areas they’re focusing on:

Workflows
They’re also committed to properly addressing the business processes, workflow and employee roles when it comes to mobility. More than half plan to make changes to better incorporate mobility during the next year. To fund these efforts, 47 percent of Brazilian CIOs plan to have dedicated mobile budgets in place and 40 percent plan to have dedicated employees whose responsibilities solely relate to mobility. Over last year, an increased number plan to prioritize their mobile initiatives—another sign of a centralized, better-coordinated structure (Figure 10).
In making mobility strategy and implementation more centralized, Brazilian CIOs also want to bring more development work in-house, both by hiring mobile expertise and by training current staff. Given skills shortages in mobile technologies, though, that may not be that easy; enterprises should develop specific programs designed to educate new and current employees on mobile capabilities (Figure 11).

But where it counts, Brazilian CIOs’ priorities are sound. They view tablets as being almost as important as smartphones, with 87 percent supporting the latter and 77 percent supporting tablets. Significantly, almost a third of Brazilian CIOs already provide full BYOD support, with twice that (67 percent) offering limited support; only 3 percent said they provided no support for employee devices. The recent Accenture consumer technology survey9 showed that Brazilian consumers use their own devices for work purposes to a larger extent than other global consumers, especially conferencing and collaboration tools, so Brazilian CIOs appear to be responding appropriately.

Figure 11. Planned Investments

- Hire mobile expertise full-time into the organization: 53% (2013), 44% (2012)
- Invest in re-training existing staff: 53% (2013), 48% (2012)
- Leverage external mobile experts to develop/refine mobile strategy: 44% (2013), 40% (2012)
- Leverage external mobile experts to implement mobile strategy: 36% (2013), 37% (2012)
- Invest in mobile experiments and proofs-of-concepts: 33% (2013), 36% (2012)
- None of the above: 4% (2013), 0% (2012)
Collaboration

Asked about which features they deemed most important in their mobile strategies for either consumer or enterprise efforts, Brazilian CIOs ranked collaboration first (57 percent), followed by social sharing (47 percent), mobile device management (43 percent), mobile commerce (43 percent), and then location-based services (40 percent) as well as knowledge sharing (40 percent). In the machine-to-machine (M2M) category, they cited the development of mobile apps, sensor communication, and supply chain capabilities as most important (Figure 12).
Recommendations

While enterprises' mobile strategies are maturing, there are still many potential opportunities for taking advantage of the technology, especially as the boundaries of what constitutes mobile computing expand. The survey findings indicate that Brazilian companies should be doing more than just giving access to corporate email on a mobile device.

One way of exposing data in existing systems is through transforming existing services with modern APIs and gateway services. Some 60 percent of Brazilian CIOs claim to have a formal API strategy, including business models, go-to-market and implementation strategies, but 40 percent report not having any such strategy. With an evolution to API platforms, enterprises can build mobile applications to access legacy systems. Part of this transformation includes machine-to-machine deployments, which, with the planned infrastructure investments in Brazil, provide significant opportunities. The idea of adding connected products to the arsenal of tablets and smartphones for better communications and analytics is nascent but growing.

Also, as mentioned earlier, our research indicates that mobility is a significant keystone in the transformation to a digital enterprise. CIOs should look at it as a separate entity but rather as part of a wider strategy that encompasses cloud computing, social media and analytics. All of these come together through the use of APIs and integration techniques—issues that have always been challenging to IT.

Of these, analytics appears to be the most important in relation to mobility. Our research indicates that enterprises will benefit from applying analytics in two ways. They should track how employees and customers interact with them through their devices, and use that information to improve the design of their mobile applications. At the same time, enterprises now have the ability to collect and process massive amounts of real-time data input by employees and customers. They can use this data to analyze trends and activities to help improve not only business efficiency but the customer experience as well.

Only 17 percent of Brazilian CIOs consider analytics an important mobile feature (compared to 25 percent globally) (Figure 12) but these survey results reveal one important characteristic of Brazilian CIOs—they have grasped the value of mobility quickly and shifted their focus accordingly to make it viable for their enterprises.

What do these challenges mean? As with the web, history is indeed repeating itself with mobility. Even as mobile devices are becoming a critical method of interacting with employees and customers, many organizations are still in the early phases of developing their strategies to address the opportunities and challenges related to mobility. Enterprises that have set up the right strategies and are executing them with rigor and flexibility stand the best chance of seizing the opportunities presented by today's “always on, always connected” world.
CIOs need a cohesive mobility strategy to help unlock the full potential for their business and embrace this new maturing era of the digital enterprise. Brazilian enterprises already have a strong foundation in mobility, as this survey results show, but they should consider using these six key tactics to help their businesses move forward faster and more effectively:

1. Identify where within their own organizations or industries they can get the most benefit from mobile deployment.
2. Establish an executive committee looking at digital channels and mobile strategy across the entire enterprise, with a focus on ensuring that mobile efforts aren’t implemented in ways that create silos.
3. Conduct both a gap analysis and a mobile maturity assessment to identify what they need to do to catch up to peers or competitors.
4. Determine how they can use mobility as a competitive advantage.
5. Align the mobile strategy with their strategy for segmenting customers and serving the needs of those segments. They should link those mobile customer needs to clear business objectives in order to enable sponsorship and engagement from the business units.
6. Build a mobile center of excellence, focusing on mobile usability for both customers and employees. Establish a strong research-and-development group to explore new technology options and develop a continuous flow of insight and output relating to mobile demands and capabilities. Part of this ongoing exercise should include interaction with external sources of information, including vendors within the mobile ecosystem and third-party service providers.
Brazilian Mobility Deployments Lead the Way

Several leading-edge Brazilian enterprises have already started using mobility for competitive advantage by optimizing business processes, improving communications, and enhancing employees' and customers' engagement and productivity. Consider these examples:

**Agriculture**
Brazil boasts many plantations and a thriving agriculture industry. This requires diligent pest control. Thanks to a new application, farmers no longer have to send plant samples to a laboratory; they can simply take a picture of the pest or evidence of the disease with their smartphone and email it to a laboratory for faster analysis.

**Public Sector**
By 2016, Rio de Janeiro will have made one of the largest investments for smart city programs in the world. Pick a government agency and the benefit is manifest: garbage, security, ticketing, parking, lighting, emergency, traffic, tourism, maintenance, electric vehicles, street lighting, digital signage and more.

**Retail**
Brazilian retailers, like their counterparts worldwide, have started creating mobile applications that aggregate customer location and preferences, in order to drive promotions and coupons to prospects in likely purchasing situations.

**Education**
Schools in the state of São Paulo are converting educational materials from books to tablets, making them interactive in the process. The result: an improvement in grades and a reduction in disciplinary issues.

**Field Service**
A major São Paulo retailer developed a mobile application for its employees responsible for assembling furniture in customers' homes. It eliminated the need for the employees to visit the store for their assignments, thus reducing the time they spent in the city's heavy traffic.

**Mobile Payments**
A small company in São Paulo named GoPay created a solution to transform iPhones into point-of-sale devices reading credit cards. The solution was customized for the more than 95 percent of Brazilian credit cards that have smart chips embedded, which cannot be read by the standard iPhone. GoPay developed a special device to plug into the headset socket, enabling the iPhone to read the data. In just a few weeks, more than a thousand merchants requested GoPay's card readers.

**Digital Channels**
A leading telecommunications company in Brazil implemented a mobile strategy to transform its digital sales and service channels. It implemented initiatives for mobile advertising, search, and location-based services to make personalized offers. It also launched applications for mobile commerce, payment, and mobile support. The company believes it has taken the first important steps to make digital and mobile potential a strategic engine for growing the business.
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Methodology

From December 2012 through January 2013, Accenture conducted an online survey with 413 IT professionals (CIOs, chief technology officers, directors of technology or IT, and chief mobility officers) across 14 industries in 14 countries: Australia, Brazil, China, Finland, France, Germany, India, Italy, Japan, Mexico, New Zealand, Spain, the United Kingdom, and the United States.

Fifty-three percent of those surveyed worked for companies that generate between US$1 billion and US$5 billion in annual revenues; 42 percent worked for companies that generate between US$500 million and US$1 billion; and 6 percent worked for companies generating between US$250 million and US$500 million.

About Accenture Mobility

Accenture is focused on enabling its clients to achieve breakthrough growth throughout the rapidly changing mobile ecosystem. The Accenture Mobility group offers five mobility services including consulting, software services—applications, software services—devices and platforms, managed services, and business integration services. These are designed to help organizations embrace business to employee (B2E), business to consumer (B2C), business to business (B2B) and machine to machine (M2M) business opportunities. Accenture offers mobility and embedded software services across a wide range of industries and platforms, including Android™, Apple® iOS, BlackBerry®, Linux, Meego™, Symbian, Windows® Phone and Windows 8.

About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with approximately 266,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world’s most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US$27.9 billion for the fiscal year ended Aug. 31, 2012. Its home page is www.accenture.com.