

EXCERPT

Worldwide Mobile Device Management - Mobile Operator and Device Manufacturer - Centric 2007-2011 Forecast: From FOTA Updates to Next-Gen Device Management Applications

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IN THIS EXCERPT

This Excerpt is taken from the "Worldwide Mobile Device Management – Mobile Operator and Device Manufacturer – Centric 2007-2011 Forecast: From FOTA Updates to Next-Gen Device Management Applications" (IDC #207276, June 2007). The following sections are included: IDC Opinion, Mobile Device Management – Mobile Operator and Device Manufacturer-Centric Market Definition, IDC Leadership Grid, Innopath Vendor Profile and Essential Guidance.

IDC OPINION

In its early market stages, the worldwide mobile device management – mobile operator and device manufacturer centric (MDM–MODM) market had license and maintenance revenue of \$76.9 million in 2006. IDC expects revenue in this nascent market to increase at a compound annual growth rate (CAGR) of 34.2% to \$334.4 million by 2011. The following factors are key drivers to this market:

- ☒ Because most vendors in this space are small pure-plays, vendor maturity plays an important role in the market development. Through acquisitions, product development, and customer adoption, smaller entities morph into larger, more viable players with a global customer base and mature portfolio.
- ☒ In this truly global market, most players are seeking business with tier 2 and 3 mobile operators worldwide for core services reaching providers in the Middle East, Africa, and Latin America. Next-generation platform and application offerings will be deployed in tier 1 territories.
- ☒ At a nearly 40% CAGR, the Americas region represents the largest growth opportunity because North America has so far been slower to adopt and because of fertile opportunities across Latin America. EMEA and Asia/Pacific also offer strong growth opportunities, with both regions showing a CAGR of more than 30% through the forecast period.
- ☒ Growing standards support and more robust capabilities from standards-based solutions will drive faster adoption and more rapid acceptance of MDM–MODM offerings.

Mobile Device Management – Mobile Operator and Device Manufacturer-Centric Market Definition

The MDM–MODM market is an emerging market that offers server- and client-based software solutions to both mobile operators and mobile device manufacturers and to enterprise customers. Solutions in this market may include the following critical server and client components, all delivered over the air and many delivered in automated fashion:

- ☒ Firmware updates to the mobile device can be delivered over the air to fix initial bugs that may exist or provide future updates.
- ☒ Diagnostics of the mobile device as well as key services and applications perform automatic detection of critical settings.
- ☒ Configuration allows automated device and application settings to enable initial setup and activation of services.
- ☒ Security allows mobile operators to provide device protection in the event that a device is lost, stolen, or otherwise accessed without authorization. Device wipe and lockdown are key components.
- ☒ Backup and restore provides for data and settings to be saved and then restored to a new device in the event that a device is lost, stolen, or upgraded.

Although these characteristics of the MDM–MODM market are core to solutions, many suppliers in this space are delivering these components as part of a suite and offering a platform to providers to deliver more enhanced applications and services today such as workflow management and wireless service management features and others in the near future to drive additional revenue for mobile operators and device manufacturers.

Lastly, the MDM enterprise market is a distinct yet parallel and synergistic market that IDC analyzes separately. This market encompasses some of these same characteristics of the MDM–MODM market but is strictly focused on selling solutions to enterprise customers seeking management of their own enterprise devices and is often delivered as a behind-the-firewall solution. However, mobile operators are increasingly delivering MDM enterprise solutions to organizations as well. For further information and definitions of this market, please see *Worldwide Mobile Device Management Enterprise 2006–2010 Forecast and 2005 Vendor Shares* (IDC #203353, September 2006). This study will be updated in 3Q07.

IDC Leadership Grid

The IDC Leadership Grid provides a qualitative comparison of the suppliers within the MDM–MODM market. It is a pictorial representation of each vendor's position within

the market based on two factors: the supplier's ability to gain share and its alignment with future market opportunities.

The x-axis measures the vendor's opportunity alignment, or its ability to leverage essential market trends over the forecast period. The x-axis also considers the vendor's potential for growth and its ability to be a top-tier player in the market. The y-axis represents the vendor's ability to gain share based on factors such as financial strength, channels, customer perception, and partnerships.

To some degree, the IDC Leadership Grid offers a more comprehensive assessment of a company's position in the market than market share alone. The IDC Leadership Grid provides an analysis of multiple factors critical to success (see Figure 1).

FIGURE 1

IDC Leadership Grid: Worldwide Mobile Device Management – Mobile Operator and Device Manufacturer Centric Market



Source: IDC, June 2007

Vendor Profile

InnoPath (Sunnyvale, California)

Founded in 1999 as DoOnGo, InnoPath offers an MDM server for the mobile operator or OEM and an MDM firmware client that sits on the device; when deployed together, they result in an end-to-end life-cycle solution for mobile device management. The iMDM Carrier Suite provides an integrated mobile device management solution that manages the complete life cycle of mobile devices, as well as fixed devices as OMA DM extends into this domain. A modular, standards-based solution, the iMDM Carrier Suite runs on a single platform and works on both CDMA and GSM networks.

This suite consists of Firmware Manager, Configuration Manager, Diagnostics Manager, Security Manager, Software (Application) Manager, and Workflow Manager. The Software, Security, and Workflow Managers were added to the suite this year. iMDM applications are tied together by workflow management, increasing operator efficiency and reducing the probability for error. The ability to deliver this complete set of applications bodes well for InnoPath as operators begin to combine their consumer and enterprise MDM requirements under a single integrated platform.

In addition to the iMDM Carrier Suite, InnoPath also offers the iMDM Device Suite. The iMDM Device Suite is a standards-based client solution that makes any mobile device, including both feature phones and smartphones, across 3G, WiFi, and WiMAX MDM ready and is typically sold to the device manufacturer. The client is equally applicable to mobile, fixed, and embedded devices. InnoPath iMDM devices are interoperable with the iMDM Carrier Suite, as well as any other standards-based MDM server software. This suite includes the firmware management, configuration and diagnostics management, security management, and software and UI management.

InnoPath has successfully evolved its offering into an integrated solution delivering an end-to-end life-cycle solution for mobile device management targeted at operators serving both consumers and enterprises. The addition of software and workflow management components drives InnoPath to the next generation of mobile operator-centric MDM. The company's acquisition of Openwave's Mobile Device Management Group in 2005 added key customers and a mobile operator support skill set, giving it a North American presence (including AT&T and Sprint Nextel) and commercial deployments and adding to its existing customer base in Asia/Pacific (KDDI and Softbank). The company has also increased its business with device manufacturers including recent deals with Samsung and Toshiba. In 2007, the company is targeting its efforts in Europe and will continue growth globally. A comprehensive mobile operator-centric MDM suite demonstrating a track record of commercial deployments and establishing a strong worldwide customer base of tier 1 operators has created invaluable momentum for InnoPath and will go a long way in building a leadership position in this emerging market.

ESSENTIAL GUIDANCE

IDC offers the following guidance for MDM–MODM suppliers and customers:

- ☒ Mobile operators should seek scalable solutions from forward-looking suppliers offering a platform beyond the break/fix needs of today. Platforms should include road maps for solutions delivering revenue-generating services focusing on key applications such as backup and restore, security, and software and workflow management.
- ☒ MDM–MODM providers must augment their offerings for different tiered customers and for device manufacturers wishing to deploy their own solutions. Offering scalable solutions that provide multiple hosted and on-premise offerings and viable pricing structures allows for faster initial adoption and more rapid subscription growth.
- ☒ MDM–MODM suppliers should seek development or partnerships around MDM enterprise solutions as mobile operators look to deliver both offerings across multiple areas of their businesses. Such enterprise MDM solutions would bode well as a strong extension of existing technology for a market that is being deployed at the point of mobile deployments.

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