

Getting the message

With SMS volumes growing rapidly across Australia, more and more companies are recognising the huge commercial, productivity and operational gains that can be achieved through mobile communications.

Mobile communications technology is continuing to revolutionise not only the way companies and governments operate, but how they manage their workforces in the age of enterprise mobility.

Australia's biggest companies are actively using mobile messaging technologies to send SMS (short message service) communications to their employees out on the road, contractors, suppliers and their customers, and achieving significant efficiency and cost gains in the process.

The integration of computer systems and databases with mobile communications is enabling companies to potentially co-ordinate teams of field workers, salespeople and even fleets of drivers by sending one e-mail message to multiple phones or pagers. As well as significant cost savings, the technology is translating into faster response times and is helping companies to manage their external workers more efficiently.

Rohan Lean, managing director of leading mobile messaging group FreeRein, the company that pioneered Australia's SMS gateway a decade ago through the MessageNet platform, says the business applications for both SMS and MMS are enormous.

"These days companies are recognising that significant productivity and cost improvements can be achieved through the efficient use of text messaging to co-ordinate employees working out in the field," says Lean.

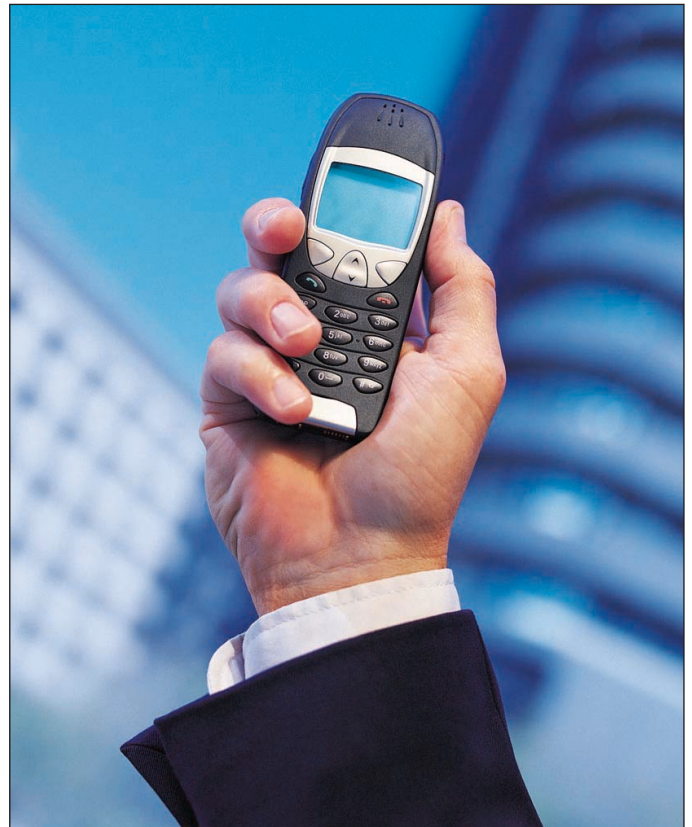
"For a transport company, having access to bulk SMS messaging means a company can communicate with a fleet of drivers on the road to despatch them to different locations on-route and redirect them to pick up goods, without the need to have voice communications," says Lean. "But the applications for SMS are adaptable to a whole range of industries, including hospitals, highly computerised environments such as banks and telecommunications, manufacturers and utilities, to name just a few.

"A lot of large organisations use SMS to update their sales team on new pricing structures, new products that are available and products being taken off. This lets them know immediately out in the field; they don't have to come back to the office and read their email. They know instantaneously what's going on."

According to the Australian Bureau of Statistics, about 30 percent of the Australian workforce is effectively classified as mobile these days by spending at least 20 hours of the working week outside of their commercial offices. It has also become increasingly common for full-time employees to spend some of their working time away from the office.

This increased workforce mobility correlates with the massive growth in mobile phone penetration across Australia, and the equally huge growth in SMS messaging volumes.

Five billion SMS messages were sent in Australia in the year to December 31, 2004, with business volumes estimated to make up



about 10-15 percent of those. Industry estimates are that business usage will double this year, and keep doubling over the next few years as overall SMS volumes in Australia exceed nine billion messages.

Among FreeRein's 1000-plus corporate clients in Australia are multinationals such as Coca-Cola and Kodak. By integrating their computer systems with FreeRein's web-based system for sending SMS, they are able to co-ordinate their external service teams on a daily basis.

Coca-Cola and Kodak despatch job instructions in the form of e-mails from their office computer systems, which arrive as text messages on the mobile phones or pagers of the workers out in the field.

Coca-Cola's customer relationship management service handles about 6000 inbound calls for retail sales and equipment service and about 5000 outbound calls relating to customer orders each day. Before switching to mobile messaging, Coca-Cola had relied on a CB radio service and link pagers to relay the 6000 messages it dealt with daily.

"Businesses needing to communicate with consumers are finding that a mobile phone number can be the most reliable contact detail



Rohan Lean



within their customer database,” says Lean. “There is a trend to discontinue landline services for personal use, with increasing numbers of consumers relying entirely on their mobile phone.”

FreeRein handles the SMS requirements for more than half of Australia’s largest companies, which Lean says reflects the growing recognition by business that SMS text messaging can generate enormous cost savings.

“Generally, 30-40 percent of corporate telecommunications costs come from calls made from landlines to mobile phones,” says Lean. “Worse, about 50 percent of mobile calls go through to voicemail, so when you add up all the costs of making a call and retrieving the message, it can potentially be very expensive. But sending a detailed SMS will only cost about 16 cents, so there are huge benefits.”

FreeRein conducted a detailed survey of its customer base this year to ascertain how companies were using SMS within their daily operations.

How organisations use SMS	
Communicate with field staff	49 percent
IT/ISP fault notification and escalation	49 percent
Appointment confirmation/reminders	26 percent
Marketing	15 percent
Service department	14 percent
Rostering staff/contractors	10 percent
Club/association announcements	8 percent
Accounts receivable	6 percent
Other	8 percent

Source: MessageNet users’ survey, May 2005

“I think, based on the take-up of mobile text messaging technology by the corporate sector, and the growing volumes of SMS, that companies are really just scratching the surface at the moment in terms of SMS and being able to communicate with their workers cost-effectively and efficiently,”

The two biggest corporate uses for SMS, which users said accounted for about 50 percent of their SMS volumes, were to communicate with field staff and for IT/ISP fault notification and escalation. Respondents noted that appointment confirmations and reminders accounted for about 26 percent of their SMS usage, and marketing about 15 percent (see table).

“I think, based on the take-up of mobile text messaging technology by the corporate sector, and the growing volumes of SMS, that companies are really just scratching the surface at the moment in terms of SMS and being able to communicate with their workers cost-effectively and efficiently,” says Lean.

“A major Australian food catering group, for example, uses our system to co-ordinate and roster its largely casual workforce by sending bulk text messages to ascertain who is available to work at specific events. Its cost savings are large because it can send one low-cost SMS text message instead of having to make hundreds of individual mobile or landline calls to build its staff roster for specific major events.”

Medical and personal service providers – from hairdressers to podiatrists – use SMS to remind clients of their appointments, and receive their confirmation. The majority of Australia’s power companies use SMS to alert staff, management and vulnerable customers such as hospitals to outages and keep them informed of return-to-service times.

“In today’s fast-moving business environment there are always opportunities for providing information in a more timely and immediate manner, while reducing handling time and communications costs,” says Lean. ■

Rohan Lean, Managing Director of FreeRein, has more than 15 years experience in messaging solutions. His entire IT career has centred around messaging software and solutions. He can be contacted on (03) 8517 8000 or at rlean@freerein.com.au