

Gartner Says the Total Cost of Ownership for a PDA Can Cost Companies \$3,000 Per User

Analysts Examine Mobile Trends During Gartner Mobile Business and Technology 2002 Conference in Denmark, June 17-18

STAMFORD, Conn., June 10, 2002 - As enterprises equip more employees with PDAs, they must understand the total cost of ownership (TCO) for these devices. Gartner, Inc. (NYSE: IT and ITB) analysts said the TCO for a PDA per user can approach \$3,000 a year.

TCO for a wireless device will mostly add additional hardware, software and service costs on a per-user basis compared to mobile (but not wireless-enabled) devices. Additional software and service costs can vary, but average about \$50 per month per user. Gartner found PDA TCO approaching \$3,000 per user per year. Adding a wireless modem with a TCO of \$1,392 will bring the cost to \$4,392, comprised mostly of hardware, support and additional service fees

"When assessing the total costs of wireless mobile products, we found that the more capable the device the higher the cost. The more processing power it has, the more applications it can store, leading to higher support and operational costs," said Phil Redman, research director for Gartner. "Beyond typical costs for a mobile device, there is an additional and recurring cost element for wireless connectivity."

The TCO for an integrated wireless PDA can be broken out into various cost segments. 60 percent of the cost will go to capital (this includes hardware, software and network services), 30 percent to operations (this includes technical services and support, peer support, application management, and development), and 10 percent to administration (includes evaluation, implementation and training).

Service costs are the biggest impact on wireless WAN TCO capital costs, so consolidating network service providers, bundling services and aggressively negotiating contracts are best practices to reduce overall TCO.

Gartner analysts say that, in moving toward a total understanding of ROI, enterprises must calculate the total benefit of ownership (TBO). TBO can be easily identified in vertical applications, but in horizontal applications, identification of TBO is more complicated.

Some things enterprises should look for to determine the TBO of mobile technology are an increase in productivity, increased revenue resulting from an increase in productivity, increased accuracy because of constant communication and decreased costs based on improving efficiency, eliminating redundant processes or even basic costs, such as printing fees that can be saved by providing an electronic format.

"ROI is possible for many mobile applications, but enterprises that proactively link mobile technology investments to job functions and bottom-line productivity indicators, such as sales revenue, customer support an internal operations goals, will be successful at defining a mobile ROI, as long as TCO is also understood," said Redman.

Further information on the mobile space will be discussed at the Gartner Mobile Business and Technology 2002 Conference being held 17-18 June 2002 at the Radisson SAS Falconer Hotel & Conference Center in Copenhagen, Denmark. Gartner analysts will advise attendees on how to exploit mobile technology safely, securely and profitably. Attendees will hear practical case studies of what works today, and strategic predictions for what will work in the future. For more information on the conference or to register, call +44 (0) 1252 771 060, e-mail pat.pearce@gartner.com or go to www.gartner.com/eu/mobile.

Gartner, Inc. is a research and advisory firm that helps more than 11,000 clients

understand technology and drive business growth. Gartner's divisions consist of Gartner Research, Gartner Consulting, Gartner Measurement and Gartner Events. Founded in 1979, Gartner, Inc. is headquartered in Stamford, Connecticut, and consists of 4,300 associates, including 1,200 research analysts and consultants, in more than 90 locations worldwide. The company achieved fiscal 2001 revenue of \$952 million. For more information, visit www.gartner.com.

Contact:

Christy Pettey

408-468-8312

christy.pettey@gartner.com

359863

[Home](#) [About Gartner](#) [Site Index](#) [Contact Us](#) [Help](#) [Sign In](#)

[Privacy Policy](#) [Terms of Use](#)

Sites: [Accessibility](#) [GartnerG2](#) [people3](#) [Gartner Alumni](#)
[TechRepublic](#) [IT Product Finder](#)

© Gartner, Inc., 2002. All Rights Reserved.