

## MARKET ANALYSIS

# Worldwide Mobile Enterprise Management Software 2012–2016 Forecast and Analysis and 2011 Vendor Shares

Stacy K. Crook  
Benjamin Hoffman

Stephen D. Drake

## IN THIS EXCERPT

The content for this excerpt was taken directly from the IDC Market Analysis Report, Worldwide Mobile Enterprise Management Software 2012–2016 Forecast and Analysis and 2011 Vendor Shares, by Stacy K. Crook, Stephen D. Drake, and Benjamin Hoffman (Doc # 236835). All or part of the following sections are included in this excerpt: IDC Opinion, In This Study, Situation Overview, Future Outlook, Vendor Profile, Methodology, and Synopsis. Also included are Tables 1 and 3, part of Table 4 and Figure 1.

## IDC OPINION

In recognition of the growing convergence between the mobile device management (MDM) and mobile application management (MAM) markets, IDC is now producing an annual forecast and analysis document that combines the two markets into a new market called mobile enterprise management (MEM) software. This study effectively replaces the former mobile device management enterprise forecast and analysis. Key findings of this study include:

- ☒ In 2011, worldwide mobile enterprise management software revenue totaled \$444.6 million. This number is expected to grow at a CAGR of 31.8% over the forecast period, resulting in total MEM software revenue of \$1.8 billion by 2016.
- ☒ While the majority of MEM revenue will stem from the Americas region throughout the forecast period, vendors are stepping up both their direct and their indirect efforts into EMEA and Asia/Pacific (APAC) and have started to see significant growth in interest and uptake from these regions.
- ☒ SAP, with 16.4% share, continues to be the market leader in terms of market share by revenue; companies such as MobileIron, AirWatch, Good Technology, Fiberlink, and Zenprise each realized triple-digit growth for 2010–2011.
- ☒ Some of the large systems management players saw decreased growth from 2010 to 2011 as IDC believes legacy revenue stemming from older mobility offerings has started to taper off. However, companies such as IBM, BMC, and HP each unveiled new strategies in this space in 2012, and IDC expects to see growth pick up for each of these companies in the 2012–2013 time frame.

## IN THIS STUDY

This study examines the mobile enterprise management software market for the period from 2011 to 2016, with vendor revenue trends and market growth forecasts. Worldwide market sizing is provided for 2011, with trends from 2011 and 2012. A five-year growth forecast for this market is shown for 2012–2016. A vendor competitive analysis, with vendor revenue and market shares of the leading vendors, is provided for 2011. This study also includes profiles of leading vendors and identifies the characteristics that vendors will need to be successful in the future.

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## Methodology

See the Methodology in the Learn More section for a description of the forecasting and analysis methodology employed in this study.

In addition, please note the following:

- ☒ The information contained in this study was derived from IDC's Software Market Forecaster database as of July 1, 2012.
- ☒ All numbers in this document may not be exact due to rounding.
- ☒ For more information on IDC's software definitions and methodology, see *IDC's Software Taxonomy, 2012* (IDC #235401, June 2012).

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## Mobile Enterprise Management Software Definition

In recognition of the growing need enterprises have to manage both mobile devices and mobile applications, IDC has decided to merge two previously distinct markets — mobile device management enterprise software and mobile application management software — into a new market called mobile enterprise management software. The mobile enterprise management software market will include products that offer standalone MDM, standalone MAM, or combined MDM-MAM functionality.

A mobile device management solution includes many of the standard features included in PC management solutions but also includes additional functionality that addresses the unique needs of mobile devices such as smartphones and media tablets and, increasingly, other areas (i.e., M2M modules or printers). Some of the key features of a mobile device management solution are:

- ☒ Device provisioning and managing configuration settings
- ☒ Inventory/asset management
- ☒ Software distribution (applications, operating systems [OSs], firmware updates)
- ☒ Remote wipe/lock, remote control for systems diagnostics

- Policy/compliance management (encryption management, device posture, etc.)
- Authentication and certificate management
- Real-time device monitoring, location information, GPS breadcrumbing
- Reporting and analytics on devices

Mobile application management (MAM) refers to a solution by which specific mobile applications can be managed, secured, and distributed by IT organizations and typically allow for enhanced policies to be applied to individual applications. Mobile application management solutions can either supplement MDM functionality or stand alone and typically include some combination of the following features:

- Management of the application life cycle:
  - Granular application distribution capabilities by group or policy (often through a mobile enterprise application store)
  - Application performance management and monitoring
  - Application version management and end of life
  - Detailed application analytics
- Granular security management and corporate policy control of applications and content:
  - Enforce or restrict user authentication and encryption per application
  - Apply micro-VPNs to individual apps
  - Enable or disallow data storage, offline access, document sharing, and copy/paste
  - Offer ability to wipe applications/data remotely

## SITUATION OVERVIEW

### Competitive Landscape

#### *A Brief History of the MEM Market*

Over the past several years, the mobile enterprise management market has quickly become a very crowded space to play in. Today's MEM vendor ecosystem is diverse, with participation from myriad companies across the IT spectrum. The following is a brief history of how the market has evolved:

- ☒ In the early days, the MDM market was dominated by large systems management companies such as IBM, Microsoft, BMC, HP, and a few companies that focused specifically on the management of rugged devices, such as Wavelink and SOTI. These companies primarily provided management of Windows Mobile and perhaps some Palm devices. The other mobile devices in the enterprise were typically BlackBerrys (BBs), managed by the BlackBerry Enterprise Service (BES).
- ☒ As iOS devices started to infiltrate the enterprise in the 2009–2010 time frame, enterprises began to realize they were going to need additional solutions to manage the reality of a multiplatform enterprise. Not only did they require a new platform to handle these new OS types, but they needed a management solution that was appropriate for both their corporate-owned devices and their BYOD devices. While remote wipe/lock has always been a pretty standard feature of most MDM solutions, security took a backseat to things like inventory management, configuration management, and other typical management functionality that would be seen in a solution for PC device management. Once the BYOD device flooded the enterprise, security became much more important and a new type of MDM solution was needed.
- ☒ In the 2009–2011 time frame, the market was flooded with new entrants. Pure-play MDM vendors such as AirWatch and MobileIron became well-known entities. Companies that had been previously focused in adjacent mobility spaces such as Fiberlink, BoxTone, and Zenprise turned their focus to this market. Security vendors such as Symantec, Trend Micro, and McAfee began to offer standalone MDM offerings in addition to their other mobile security products. Systems management players began to reengage and offer new cross-platform management solutions.
- ☒ As more and more companies adopted BYOD as a standard practice, a new type of solution began to emerge that focused on managing the corporate footprint of information on the device as opposed to being able to manage the entire device platform. Called mobile application management, this segment of the market has brought with it a slew of new companies focused in on this space. However, many of the companies that got started in the MDM space have also added MAM capabilities to their products.

At a high level, the MEM market can be segmented into several broad categories as presented in the sections that follow.

**Systems Management and Security Vendors (IBM, Microsoft, BMC, HP, LANDesk-Wavelink, Symantec, Trend Micro, McAfee, Sophos, and Absolute Software)**

These players tend to pursue one of three strategic approaches: extend the existing device configuration/management offering designed for desktops to support handheld devices, acquire a pure-play MEM vendor and gradually integrate the MEM solution with the existing desktop solution, or provide MEM capabilities through a partner solution. The first two approaches have had their challenges. As for the first approach, desktop configuration management systems are not easily retrofitted to

support mobile OS platforms and with the inherent wireless paradigm that presents its own unique challenges. For the second approach, integrating the technology, the corporate culture, and the business model of a newly acquired organization is a daunting task for any company. In the past, MDM was often a small part of the overall business for these companies and became an afterthought, but today, systems management vendors have a renewed interest in the MEM market. Although systems management vendors have been in an advantageous go-to-market position (since many large customers would prefer a single management console and single supplier for management of desktops, laptops, and mobile devices), the speed of innovation that mobile requires has often been a roadblock to success in this market. Because of this, some of these large vendors have started to partner with pure-play MDM companies that can keep up with the speed of the market instead of constantly trying to play catch-up in-house. And, as these companies are still quite well situated to offer these solutions, IDC believes they will continue to look toward possible acquisition targets over 2012–2013. Two such acquisitions took place in 2012, with LANDesk's purchase of Wavelink and Symantec's purchases of Odyssey Software and Nukona.

A more recent phenomenon is the prevalence of security vendors in this market. As more and more security functionality is being built into MDM solutions, security providers have begun to evaluate whether or not they want to play in the broader mobile management market, and so far, several have decided to take that step. These vendors have similar advantages as systems management vendors as they have an existing enterprise base to sell into and existing products that they can integrate mobile capabilities into.

**Mobility Companies and Others with Mobility Platforms (SAP, RIM, Excitor, Fiberlink, Motorola Solutions, Good Technology, Motorola Mobility-3LM, Mocana, Citrix, VMware, Notify, Kony Software, and Antenna Software)**

These vendors offer mobile enterprise application platforms (MEAPs) or devices or other mobile software where MEM is either a core aspect of the platform or a component that can be added on. From the outset, these vendors are in an advantageous position with additional mobile assets to provide strategic direction for enterprises, an intimate understanding of the nuances of the mobile environment, and existing relationships with mobile operators and other key partners. Mobile enterprise application vendors also have the advantage of owning the platform that the applications are being built on and so may be able to provide additional capabilities around application configuration as well as application security. Time to market is important for these providers as some of the large systems management providers could eventually offer robust, fully integrated solutions and press their structural advantage. Broad mobile OS platform support is important for these vendors to stave off challenges from the pure-play MEM vendors.

**Pure-Play MEM ISVs (AirWatch, MobileIron, Mformation, SOTI, BoxTone, Zenprise, Fixmo, OpenPeak, App47, AppBlade, Apperian, AppCentral, FancyFon, M.A.D., and Tangoe)**

Pure-play MEM vendors almost exclusively address the challenges of managing a mobility deployment and have the structural advantage of not being tied to any one

mobile platform or desktop configuration management system. The company may be a pure-play MEM provider and come from a heritage of mobile server management, telecom expense management (TEM), or mobile security, but all are focused on some aspect of managing a mobility deployment. This laserlike focus on pervasive management and security can result in small companies with competitively priced, fully featured, robust solutions. Such companies are likely targets for acquisition by systems management vendors, security vendors, and mobility platform vendors — or each other to gain additional functionality.

### ***Key Developments in the Mobile Enterprise Management Software Market over 2011 and 2012***

- ☒ 2011 and 2012 saw a resurgence interest in this market from several systems management vendors:
  - ☐ IBM launched an MDM solution based on BigFix technology, which is part of IBM's broader Mobile Foundation offering that also includes MAM technology stemming from IBM's acquisition of Worklight.
  - ☐ HP launched the HP Enterprise Management Platform, of which MEM is a core component.
  - ☐ BMC launched Mobile Device Management (powered by AirWatch).
  - ☐ LANDesk acquired Wavelink.
  - ☐ Symantec acquired Odyssey Software and Nukona.
- ☒ Mobile operators continued to get serious about their mobile enterprise offerings and see mobile enterprise management software as a core piece of the strategy. Mobile operators will play a key role in delivering SaaS-based MEM and will significantly help drive the overall market on a worldwide basis. While mobile operators used to have a broad portfolio of MDM solutions, many are now choosing to pare down their partnerships to focus on a smaller number of best-of-breed providers.
- ☒ MEM is becoming more heavily intertwined with MEAP, and the idea of an enterprise mobility platform that includes both application development/deployment and management is becoming more prevalent:
  - ☐ SAP unveiled its plans to offer the SAP Mobility Platform, which includes Afaria, to provide MEM and mobile security with the SUP platform and SAP mobile apps riding on top of it.
  - ☐ IBM and HP recently announced mobile platforms also include MEAP capabilities.
  - ☐ MEAP players Antenna Software and Kony Software have both introduced MEM capabilities into their platforms.

- ❑ Citrix's Receiver and CloudGateway solutions combine virtual application delivery with light application development capabilities and MEM.
  
- ☒ We see convergence between MDM and NAC: Companies playing in the NAC space, such as Cisco, Aruba, ForeScout, and PortSys, are adding capabilities to their NAC solutions that complement MDM and in some cases overlap with MDM functionality. An important piece of functionality of a mobile NAC offering is that it can tell if a device is noncompliant and deny access to the corporate network. However, an important caveat of some of these solutions is that they are limited to denying access to the corporate WiFi network, whereas mobile devices will be looking to connect to corporate back ends through both WiFi and cellular networks.
  
- ☒ Fueled by the need to provide secure access to documents on mobile devices as well as prevent data loss, mobile content access and management products have become a key add-on to mobile enterprise management products. Because these products are typically sold as separate products from core MEM offerings and the market is very fragmented (including many vendors outside of the MEM space), IDC does not include mobile content management revenue in this study at this time. For more information on the market for mobile enterprise content access and collaboration solutions, see *An Introduction to Mobile Enterprise Content Access and Collaboration Solutions* (IDC #235005, May 2012).
  
- ☒ MEM solutions continue to take on a larger role in providing identity services, from both a device and an application perspective. MEM solutions often provide mobile certificate management that can tie into existing certificate authorities as well as Active Directory (AD)/LDAP solutions. Mobile application management solutions are looking to provide single sign-on capabilities for mobile apps to simplify the end-user experience. Having identity capabilities in an MEM solution is key for enterprises with large BYOD populations where they primarily manage users and data instead of devices.
  
- ☒ The managed mobility market (supported by MEM and TEM software providers) is seeing excellent traction as well. Key players in this space are mobile operators, systems integrators (SIs), device manufacturers, and others. For more information on this market, see *U.S. Managed Mobility 2012–2016 Forecast: Managed Solutions Gaining Steam as the Complexity of Mobile Strategies Increases* (IDC #235161, June 2012).

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## **Performance of Leading Vendors in 2011**

Table 1 displays 2010 and 2011 worldwide revenue and 2011 growth and market share for mobile enterprise management vendors. SAP continues to be the market leader in this space and holds 16.4% share of the market. MobileIron realized the greatest growth from 2010 to 2011, with 421.4% growth, followed by AirWatch at 318.8% growth and Good Technology at 192.8% growth. Zenprise and Fiberlink also saw triple-digit growth of 166.7% and 140.4%, respectively.

**TABLE 1**

Worldwide Mobile Enterprise Management Software Revenue by Vendor,  
2010 and 2011 (\$M)

|                 | 2010          |           | 2011          |           | 2010–2011<br>Growth (%) |
|-----------------|---------------|-----------|---------------|-----------|-------------------------|
|                 | Revenue (\$M) | Share (%) | Revenue (\$M) | Share (%) |                         |
| SAP             | 59.6          | 20.2      | 73.1          | 16.4      | 22.7                    |
| Microsoft       | 27.0          | 9.2       | 30.0          | 6.7       | 11.1                    |
| MobileIron      | 5.6           | 1.9       | 29.2          | 6.6       | 421.4                   |
| Good Technology | 9.7           | 3.3       | 28.4          | 6.4       | 192.8                   |
| AirWatch        | 4.8           | 1.6       | 20.1          | 4.5       | 318.8                   |
| Subtotal        | 106.7         | 36.2      | 180.8         | 40.6      | 69.4                    |
| Other           | 187.7         | 63.8      | 263.8         | 59.4      | 40.5                    |
| Total           | 294.4         | 100.0     | 444.6         | 100.0     | 51.0                    |

Source: IDC, September 2012

## FUTURE OUTLOOK

### Forecast and Assumptions

#### ***Worldwide Mobile Enterprise Management Software Forecast, 2012–2016***

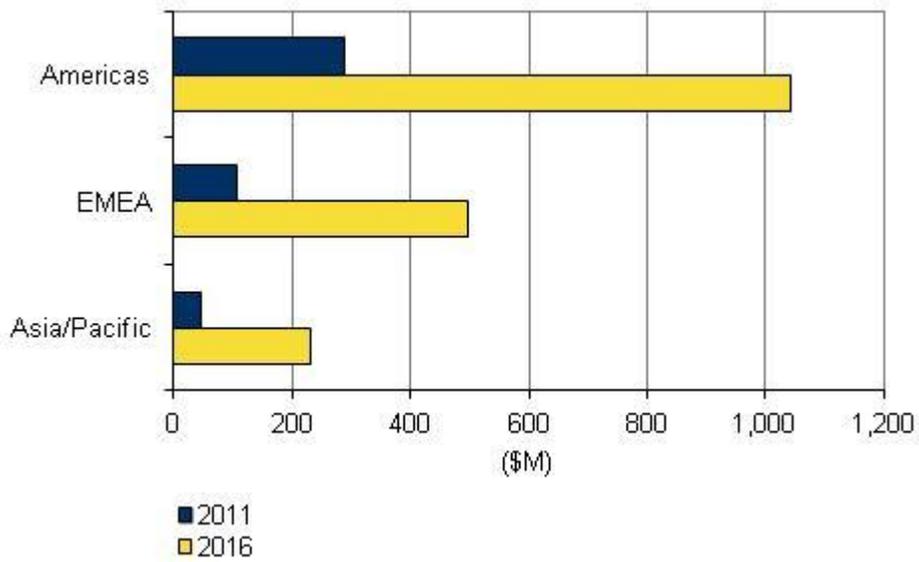
The worldwide market for MEM software will grow from \$444.6 million in 2011 to \$1.8 billion in 2016 at a CAGR of 31.8%. Table 2 presents IDC's estimate of growth for the worldwide mobile enterprise management software market for 2011–2016.

IDC analysts around the globe supplied regional input and insight into the worldwide mobile enterprise management software market forecast. The worldwide forecast is the aggregation of this regional data (see Table 2). In 2011, the Americas accounted for 65.1% of the market share, with the United States representing the largest segment of enterprise customers adopting MEM software. By the end of 2012, EMEA will represent one-quarter of the market and Asia/Pacific will be responsible for contributing 10.6%. While enterprise mobility trends are moving faster in the Americas and Western Europe right now, the sheer number of mobile workers with access to mobile devices in emerging regions represents an exciting opportunity for MEM vendors to start to make headway in these areas of the world in the coming years.

Figure 1 shows a regional comparison for 2011 and 2016.

**FIGURE 1**

Worldwide Mobile Enterprise Management Software Revenue by Region, 2011 and 2016



Source: IDC, September 2012

***Assumptions***

Table 3 provides the top 3 assumptions for the worldwide mobile enterprise management software market.

**TABLE 3****Top 3 Assumptions for the Worldwide Mobile Enterprise Management Software Market, 2012–2016**

| Market Force                         | IDC Assumption   | Significance   | Changes to This Assumption That Could Affect Current Forecast   | Comments   |
|--------------------------------------|--|--|---|--|
| Device adoption                      | Mobile device adoption will continue to proliferate at higher-than-average CAGRs throughout the forecast period.   | As the number of mobile endpoints with sensitive corporate data increases, so too does the need to manage them.  | If smartphone and tablet forecasts change significantly, this could affect our future outlook for MEM software.   | We do not expect smart mobile device proliferation to slow down, especially as price pressures increase, and the devices become more accessible to more people.  |
| Consumerization of IT                | The trend toward consumerization of IT is moving forward at a rapid pace.  | As employees increasingly expect to be able to work anywhere on the device of their choice, managing the corporate footprint of data on the device becomes essential.  | If companies decide that they do not want to embrace consumerization of IT, this would slow down the growth of this market.   | This trend is still in its early days, and there is no indication that consumerization will decrease during the forecast period. Even if it does, companies still need to manage corporate data on mobile devices. |
| Mobile enterprise application growth | The mobile enterprise application market is experiencing increased growth and interest from companies of all sizes. There is an abundance of tools and platforms with which to build MEAs. | Mobile enterprise applications allow corporate data to be accessed on mobile devices so they are central to mobility deployments and also the cause of many security concerns; many MEM solutions now provide application management in addition to other functionality that helps secure and manage data within applications. | If companies do not deploy mobile enterprise applications, there is less of a security concern and hence less motivation to manage smartphones/tablets. This is less of an issue in the rugged device market. | We expect high growth in the number of mobile enterprise applications deployed over the forecast period.   |

Source: IDC, 2012

**TABLE 4**

**Key Forecast Assumptions for the Worldwide Mobile Enterprise Management Software Market, 2012–216**

| Market Force   | IDC Assumption   | Impact   | Accelerator/<br>Inhibitor/<br>Neutral | Certainty of Assumption |
|----------------|--|--|---------------------------------------|-------------------------|
| Cloud services | Cloud is a new paradigm of computing that will shape IT spending over the next several decades — the logical evolution of what IDC called "dynamic IT" for years. It entails shared access to virtualized resources over the Internet. IDC estimates that cloud services spending will continue to grow at double-digit rates for the next few years, gradually accounting for a larger proportion of all IT spending. | <b>Moderate.</b> The key advantage to cloud services should be the ability of IT organizations to shift IT resources from maintenance to new initiatives. This in turn could lead to new business revenue and competitiveness as well as create new opportunities for IT vendors in SMB and emerging markets. The short-term benefits may be offset to some extent in the long term by shorter service engagements, price model disruption, and some hardware commoditization, but a strong economy would see most organizations shift resources to new IT development and adoption areas. | ↑                                     | ★★★★☆                   |

Legend: ★☆☆☆☆ very low, ★★☆☆☆ low, ★★★☆☆ moderate, ★★★★☆ high, ★★★★★ very high  
 Source: IDC, 2012

**Market Context**

The MEM software market represents a new IDC competitive market, so there is no previous forecast with which to directly compare it. This document effectively replaces IDC's mobile device management forecast and analysis. The last document authored on that market is *Worldwide Mobile Device Management Enterprise 2011–2015 Forecast and 2010 Vendor Shares* (IDC #229759, August 2011).

**Vendor Profile**

**SAP**

- ☒ Based in Walldorf, Germany, SAP is one of the world's largest software companies. In 2011, the company achieved \$14.2 billion in revenue.
- ☒ SAP's offering for the MEM market is Afaria. Afaria provides the mobile device management, security, and application management components of the broader SAP Mobility Platform. Other key components of the platform include MEAP,

MCAP, and messaging infrastructure. In addition, the company offers a number of mobile applications built by SAP and partners.

- ☒ Key differentiators of SAP Afaria include SAP Mobile Platform integration for complete app life-cycle support, SAP Business Objects integration for critical analytics on all data collected/managed, scalability — live deployments in the hundreds of thousands of devices managed, product maturity and flexibility — over 15 years as a shipping production product, SAFE API (asymmetric encryption service) capabilities for industry-leading Android integration, Windows 32/64 PC support, pricing per user instead of device, and on-premise and on-demand delivery.
- ☒ Now that Sybase has been fully absorbed into SAP, the company has been able to fully integrate mobility into its strategy and line up the appropriate sales channels to drive business in this area. The company is experiencing very high growth across each of its mobility lines, and Afaria is often where the conversation starts.

## ESSENTIAL GUIDANCE

As more and more companies adopt BYOD, it is essential for vendors to offer mobile management solutions that are appropriate for both audiences. IDC believes MDM offerings will begin to shift more toward the corporate-liable device population while MAM offerings may offer a better balance between the privacy and corporate responsibility needed for employee-liable devices. IT organizations will appreciate the ability to have one console with which to manage all devices and apps. In detail:

- ☒ As companies begin to deploy more and more mobile solutions across their IT infrastructure, the ability of the mobile offering to integrate with the back-end infrastructure becomes increasingly important. In general, organizations are looking to simplify their IT environments, not add complexity to it. Solutions that can seamlessly integrate into existing products and processes will be looked upon favorably.
- ☒ While the MEM ecosystem is becoming increasingly crowded, the reality is most companies are in the early days of mobile enterprise solution adoption, and there is still plenty of room for healthy competition. As the market begins to consolidate, however, organizations will begin to more closely scrutinize both how the vendor's solution fits into their longer-term plans and the financial viability of the said vendor. While many companies may initially approach a vendor because they are seeking a point solution to solve a particular problem, it is very important to be able to demonstrate a longer-term vision and road map for the company that puts potential customers at ease.

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