
Mixing mobile business with pleasure

Time to draw a line

By Josie Sephton, September 2010

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The issue of personal use of company mobiles, and its cost to the business is one that surfaces for debate every so often. While some companies see it as pretty important, and have processes in place to deal with it, many tend not to worry about it too much. If your company falls into this latter category, it may be worth taking a look, as it just might turn up some unexpected findings.

The rapid progression of mobile technology has turned the mobile phone into a powerful communications tool: today's devices support not just voice, but a range of functions that lend themselves to both business and personal use, including email management, web browsing, content download and so on. While some companies are happy for employees to use their own mobile phones for work purposes, there are many that are not. There are a number of very valid reasons for this, including security, availability of appropriate functionality, and the cost to the business of supporting personal devices.

In this world of corporate-issued phones, it is inevitable and increasingly expected, that there will be some degree of personal use. This is simply because very few individuals want to carry two devices wherever they go - one for personal and one for business. Company phones often come with the understanding, implicit or otherwise, that individuals will be contactable for work purposes out of office hours. Of course, many staff will naturally extend the time they are paying attention to work as a matter of course - checking inboxes when we shouldn't even be thinking about work is the way that many of us function. In this increasingly 'always available' world, many employees consider some personal use on company devices a pretty fair trade-off, and to disallow this would probably result in a backlash that simply wouldn't make good business sense.

That said, a free-for-all on personal usage is not the way to go. Mobile communications is taking up a growing share of the communications budget, driven by uplift in general use, along with increased use of more costly services such as roaming and data. Various estimates floating around the industry suggest that it can account for anything from a few percent to a sizeable quarter of the bill.

Many companies want it to be both possible and worthwhile to analyse bills properly, so that at the very least there is awareness around how much usage is personal. This is not that easy to do, however. Even with the availability of electronically delivered itemised bills, working out which are personal and which are business calls is no easy task. Consider, for example, companies with 24/7 workforces in place that are dealing with a long list of external suppliers, subcontractors and other

third parties that staff will be calling. Some individuals will make hundreds of calls a month which could take literally hours to analyse. In the majority of cases, it is not worth the hassle, given that the potential savings to the business in terms of identified personal calls might only amount to a few pounds. Data usage is even more difficult to split across business and personal.

Operators haven't made much progress in helping to support this. Some offerings are available, at a cost, but are not widely marketed. Some years ago, one particular UK operator launched an alternate line service whereby users could have two fully-featured numbers on a single SIM/Handset. Different ring-tones allowed subscribers to differentiate between business and personal calls, and each number received a separate itemised bill. This disappeared for new supply, however, and isn't available from other operators, suggesting that interest in such a service simply wasn't there.

Even though analysing individual usage isn't particularly easy, and can be politically very sensitive, it doesn't make sense for a company to ignore it. Stories of contractors and staff calling their families in far flung places around the world and running up phone bills that run into thousands of pounds might be the exception, but no company should want it to be their exception.

Bearing this in mind, and in the absence of expensive, difficult-to run tools, and drawn out procedures that might seem a step too far for many, it is worth putting in place some simple steps that will help cut business costs, and reduce fraud. This can be as straightforward as making sure that the company's mobile estate is sufficiently documented, and includes an inventory of users against which costs and usage can be monitored. Add to this, clearly communicated guidelines around fair usage policy, and user education about their mobile usage and costs, along with regular checks on the highest bills, to send out the message that people need to be sensible, and the burden of mobile cost management will be easier to bear.

For companies that remain resistant to dealing with this rather hot potato of personal usage, even when faced with the stark reality of the cost to the business, something that might make them sit up and take notice is that, by ignoring the issue, they may be inadvertently contravening tax regulations. In the UK, for example, while Inland Revenue is no longer concerned with personal use of company mobiles, Customs & Excise has set up a task force to deal with companies that reclaim VAT on such use. Essentially, companies are not allowed to claim VAT back on any personal calls made on company mobiles. Fair and reasonable apportioning of personal and business calls is permitted, but companies have to demonstrate that they have a policy in place, and that they have adhered to it. Additionally, they need to have processes in place to detect, record and deal with abuse. Failure to do this can result in a substantial fine for any company that is unlucky enough to get caught. With this in mind, it might just be worth considering how personal and business use of mobile is dealt with, and sooner rather than later.

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