



# SMS at Work

A Guide to Exploiting Enhanced Communications  
for Increased Profitability

A MessageNet WHITE PAPER

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## Executive summary

Forget the image of a teenage girl at a bus stop texting a friend to meet her at the movies – the application of SMS has moved way beyond. This White Paper is for executives who want to explore the opportunities offered by SMS messaging to:

- reduce communications costs – especially the 30-40% of phone bills typically spent on landline-to-mobile calls
- increase organisational productivity
- enhance communications with remote staff, customers and business partners
- improve the level of service delivered to customers

Drawing examples from a wide range of industry sectors, this paper illustrates how Australian organisations are leveraging SMS messaging in a range of innovative ways – and provides ideas for putting it to work in everyday business operations.

*Many of Australia's leading ISPs use SMS to notify customers of outages – scheduled or unscheduled – when sending an email is not an option*



## The SMS revolution

It seems incredible now, but SMS (which stands for Short Message Service) was never intended to be a means of interpersonal communication. Originally developed to send control messages to phones to update configuration settings, it became available when telecommunications providers installed GSM services in the mid-1990s.

Consumer SMS volumes have grown at a staggering rate, with Jupiter Research estimating four billion messages were sent in Australia during 2003, and set to rise to nine billion in 2008. They predict that the business community will be a major driver.

What proportion of SMS messages are currently generated by business? Globally, there has been little or no research, but it is clear that Australian business and government organisations are finally realising the considerable financial, productivity, operational and customer service benefits SMS messaging can offer.

*Kodak uses SMS to contact field staff when one of their critical medical imaging systems requires a service call*



## Why the time is right

Australians are often described as 'rapid adopters' of new technologies, with the widespread adoption of VCRs and ATMs cited as examples. Mobile phones are no exception – with an estimated 16.5 million owned in Australia by June 2004, according to the Australian Communications Authority.

In 2005, organisations can rely on the vast majority of their full-time and part-time employees and contractors possessing a mobile, even though it may not be owned or subsidised by the company. Therefore making SMS a standard form of communicating with them – especially when they are off-site, or not permanently logged on to email – makes excellent sense.

Businesses needing to communicate with consumers are finding that a mobile phone number can be the most reliable contact detail within their customer database. With mobile phone number portability adopted by Australian telcos in the late 1990s, the vast majority of individuals take their number with them when they change providers or handsets. Landline numbers change more frequently as the average Australian changes jobs and moves home every few years. Further, there is a trend to discontinue landline services for personal use, with increasing numbers of consumers relying entirely on their mobile phone.

*Medical and personal service providers – from hairdressers to podiatrists – use SMS to remind clients of their appointments, and receive their confirmation*



## Why is SMS messaging so attractive for businesses?

Communication is fundamental to business success – but the costs are considerable. 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.

Generally, 30-40% of corporate telecommunications costs come from calls made from landlines to mobile phones. Worse, an estimated 50% of mobile calls go through to voicemail. When you add the total cost of a single call – including flagfall, voicemail fees and retrieval charges, not to mention staff time and frustration – it can amount to an estimated three dollars.

But sending an SMS can cost as little as 16 cents. And when you consider that many businesses want to send messages to multiple mobiles, the savings can be multiplied. SMS messages can be acknowledged by the recipient and the response transmitted back to the sender – even automatically updating business applications.

*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*



## SMS messaging is quick and easy

SMS messages do not need to be generated from a tiny mobile phone keyboard – they can be quickly and easily sent from a PC, then instantly transmitted via an SMS gateway to an individual or a group. A business-grade SMS service will offer a range of options for formatting, sending and tracking SMS messages:

- SMS from email
- SMS from a dedicated application
- SMS via a customised gateway on your enterprise intranet
- Automated SMS from an existing business system

A centralised address book within an SMS application enables the despatch of one or many SMSs quickly and easily – for example, by setting up groups such as ‘field staff’, ‘sales force’ or purchasers of a specific product or service.

Many business applications – such as Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), Supply Chain Management (SCM), IT and security monitoring and alarm systems, sales and field force automation, contact centre interfaces or specialised practice management applications – include the ability to automate the despatch of an SMS, or could do so with the addition of a messaging module.

*Employment agencies use SMS to advise temporaries and contractors of job placements* |||

## SMS offers two-way communication

Well-known uses of SMS for feedback and voting include Australian Idol and political debates. (This is known as ‘Premium SMS’ – whereby consumers transmit information to businesses, which then take a proportion of the charge levied by the service provider, ranging from 50 cents to five dollars.)

Organisations leveraging the power of SMS response within their day-to-day operations can receive acknowledgements or acceptances of orders or assignments. SMS response can instantly update business systems, eliminating the need for re-keying information, and form part of an audit trail for recording, tracking and archiving transactions.

*A coal mine monitors wind speed at the pit head; when it is likely to affect safety or operating conditions the equipment sends an SMS to relevant personnel* ||||

## The fundamental benefits of SMS messaging for business

As many of the examples quoted in this paper attest, innovative use of SMS messaging can have considerable operational advantages. But whatever your industry sector, organisation size, target audience or the applications you choose to enhance through the use of SMS, it offers five principal benefits:

### *Reduced costs*

As we have seen, using SMS can provide significant return on investment. Examine your phone bill and determine how many calls of less than five minutes duration your business is making to mobile phones. Then consider how many of these could be replaced by an SMS and compare the cost.

### *Increased productivity*

Consider the time staff spend finding and dialling phone numbers, relaying messages and playing phone tag. A single SMS to one or a thousand individuals can streamline day-to-day operations and leave them time to accomplish more strategic tasks. By embedding SMS messaging within processes and workflows, you can increase productivity and efficiency, speeding transactions and improving the way you conduct business.

### *Enhanced communications*

When information needs to be sent immediately to one or a group of people wherever they are located, SMS is often the best way to deliver it. It will never entirely replace the need for phone calls or meetings – but it can be invaluable for setting them up among other things.

### *Increased customer service*

The immediacy and convenience of SMS has gained widespread acceptance amongst the Australian population, especially among the under-35s. Do you collect mobile numbers from new customers? Many organisations still don't, which means they are ignoring an extremely useful and cost-effective way of relaying delivery, marketing, service and support information to their customers.

Start by modifying your induction processes and application forms to include the collection of mobile numbers. While talking to or surveying existing customers, add their mobile numbers to your records.

### *Reduced business risk*

SMS messages can be auditable, irrevocable business transactions. When you automate the sending of SMS messages and the receipt of responses, you also create an audit trail of communications. Integration with other systems can reduce errors introduced by the manual update of multiple business applications, as well as help you meet the requirements of corporate compliance and accounting standards.

*A major catering firm uses SMS to advise contract staff of shifts, and receive their acknowledgement, during Melbourne's Spring Racing Carnival* |||

*Thousands of Australian IT and network teams are notified of critical system alerts automatically by SMS, and are able to transmit updates to large groups of users to avoid jamming the IT helpdesk with calls* |||

*Educational institutions, examination boards and professional associations use SMS to simultaneously release exam results to thousands of students* |||

*Coca Cola Amatil vending machines automatically transmit an SMS to delivery staff when stocks require topping up* |||

*The financial and energy industries use SMS to relay trading information and prices* |||

## Applications of SMS in everyday business operations

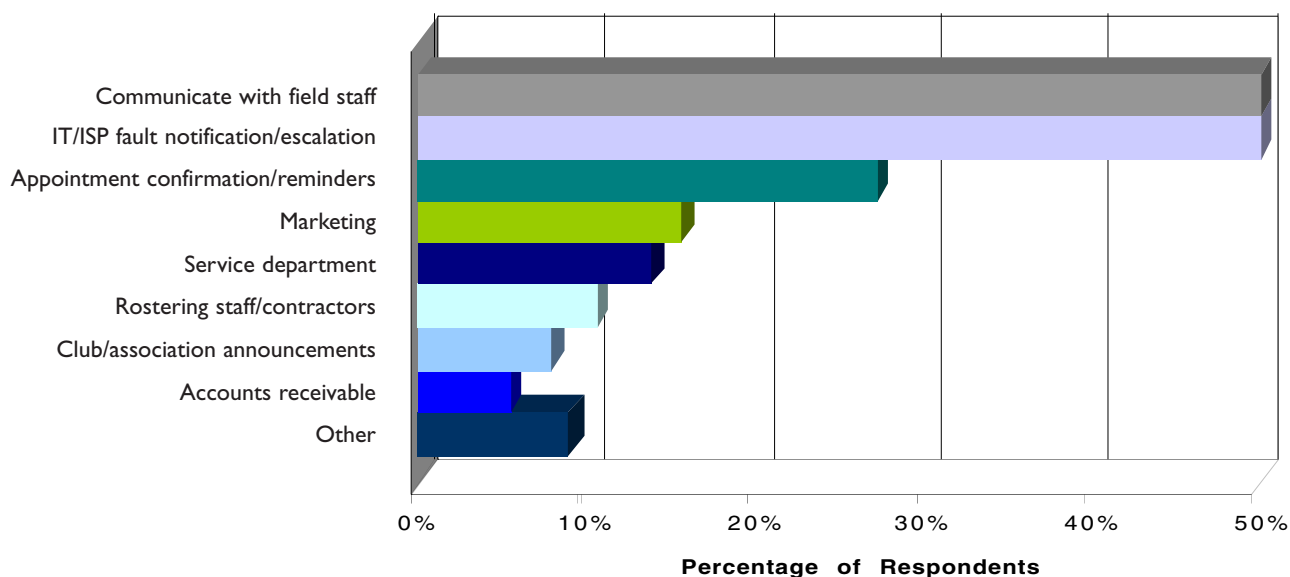
The use of SMS to save time and communications costs is limited only by your imagination.

At the simplest level, receptionists and PAs are using SMS to send individual messages to staff and executives on the move. By integrating an SMS gateway into your intranet's online staff directory, any authorised employee can communicate quickly and easily with colleagues wherever they are.

Managers can send team messages or announce meeting details to a group, while HR departments broadcast payroll, safety or training information. Accounts receivable teams use SMS to follow up debtors, as it is considerably quicker, more immediate and less expensive than sending a statement or making a collections call.

Other widely-used applications include the broadcast of system status to IT users – which relieves the IT helpdesk from answering multiple calls when an application or service is suffering downtime or operating slowly.

### *How do organisations use SMS messaging?*



From a survey of 312 MessageNet users by Green Hat, May 2005

Once you start integrating SMS into your business applications and workflows, your organisational efficiency can significantly rise.

Trouble ticketing and contact centre systems can automatically dispatch service personnel, escalate issues and advise customers of status – all via SMS. Customer care systems can send welcome messages or transmit support, upgrade or recall information. Project management systems can automate the use of SMS to deploy contractors or arrange delivery of supplies to facilitate just-in-time manufacturing.

Monitoring systems for security, computer servers and networks – even power plants – can automatically relay critical information to support personnel at any hour of the day or night. In MessageNet's recent client survey an IT manager reported "MessageNet has reduced the downtime of our servers by at least 50%, and reduced the number of times our clients notify us of problems first by 80%".

Further, the survey revealed that SMS messaging is trusted and relied on in urgent, life-and-death situations throughout Australia, such as the issue of hazard warnings and the summoning of fire fighters and other emergency services personnel.

## How to start putting SMS to work for your organisation

The first step is to find an SMS messaging service provider which is dedicated to delivering business-quality communications. This demands a reliable, always-on service, with all the underlying infrastructure, system monitoring and redundancy that requires. We have come to rely on the telephone system because carriers have traditionally provided a high level of reliability – if your organisation is going to rely on SMS messaging, then you need to seek an equivalent “carrier-grade” provider.

As you begin to realise the benefits of SMS messaging – reduced costs, increased productivity, enhanced communications and better customer service – you will want to expand its usage in new and innovative ways. To do this, you may wish to go beyond using your service provider’s standard web interface or sending SMSs from an individual email box. An SMS messaging service provider which stays at the forefront of the technology, and is focussed on its wider business applications, can help you in assessing your return on investment – and with integrating messaging into your existing business systems.

*The sales teams of real estate agents use SMS to alert home buyers to new listings, and their property management staff send SMS reminders of rental in arrears*



## For more information....

You can trial business SMS messaging from the MessageNet website: [www.messagenet.com.au](http://www.messagenet.com.au)  
The trial provides you with 10 days to test how quick and easy it is to compose and transmit SMS from your PC. If you would like to conduct a more extensive pilot, or find out how you can access the service via your own business applications, contact MessageNet on 1300 551 515 to discuss your specific requirements.

## About MessageNet....

MessageNet is Australia's leading mobile business solutions specialist offering flexible and scalable solutions for business of all sizes. When established in 1992, MessageNet was one of the world's first mobile business solutions providers. Today its clients number over 1,500 and include nearly half of BRW's top 100 companies.

MessageNet is part of the FreeRein group of companies.

[www.messagenet.com.au](http://www.messagenet.com.au)

