



Rethinking Mobile Stipends

**How to better manage costs and transform
operations with smarter smartphone services**

verizon
business

Introduction

Smartphones are more important than ever in the modern workplace. Like a computer that fits in your back pocket, the latest mobile phones help employees to stay connected and productive from virtually anywhere. But who pays for this valuable business tool? According to a recent Aberdeen survey, 30% of employees now have a smartphone that is just used for work.¹ However, it's not an expense that fits into every growing organization's budget.

As a cost-cutting measure, many companies have turned to bring-your-own-device (BYOD) policies that allow employees to use their own personal devices for work. The idea is that businesses can save on hardware expenses, while employees get to use a device that they're already familiar with. Employers often provide a monthly stipend to reimburse employees on their smartphone costs.

It all sounds good in theory – until you do the math, and realize that BYOD scenarios can end up costing a company more in terms of security, productivity, and operational efficiency. IT teams still have to keep track of the fragmented mobile fleets, with service and support provided by multiple operators. Shifting to an employer-provided device model can help standardize phone configurations, security, and repair procedures. But again, the up-front capital investment in providing business-class smartphones can be significant, not to mention the lifecycle management.

That's where Verizon Business Complete, a new smartphone subscription service, comes in. This device as a service solution can take the chaos out of managing a connected workforce, and free up IT to focus on more strategic activities. Plus, it helps better manage costs by moving to predictable monthly payments.

This white paper explores how a smartphone subscription service can help streamline the way your business provides employee smartphones – and keeps them up to date. We'll look at the unexpected costs of BYOD programs, the value in managed smartphone services, and how Verizon Business Complete provides an all-in-one 5G smartphone solution, with simple monthly pricing.



The unexpected costs in a BYOD environment

On the surface, BYOD programs make business sense. After all, 90% of Americans already own a smartphone and use it for more than voice and text.² It's not a great leap for businesses to let employees use their own devices for work – and save on the costs of supplying company cell phones to them.

Most BYOD organizations offer a mobile stipend to help compensate employees for using their personal smartphones for work. The average mobile stipend can vary according to the type of business, employee role, and phone plan. Research shows that BYOD stipends can be as high as \$102 per month for companies that bundle cell phone and internet services together.³ The stipends seem like an affordable option when you consider the latest smartphones can cost several hundreds of dollars.

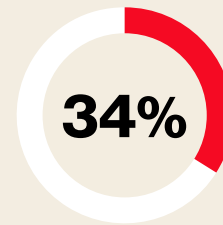
However, the total cost of a smartphone program reaches beyond the purchase price of the device, as revealed by a survey of 500 executives at U.S. companies across 10 industries. Companies with 100% BYOD programs report having just as many dedicated IT employees managing devices as those with employer-provided device programs – and in some cases, they have slightly more.⁴ What happens if a personal phone breaks? Who ensures that the devices stay up to date? Often in-house IT staff are still on the hook, even when the devices and apps are outside of their control.

Reliability and the risks of device-related downtime can grow exponentially in a BYOD environment. According to the Oxford Economics research, nearly all companies with BYOD programs did not provide device insurance.⁴ With BYOD devices, employees are responsible in cases of loss, theft, or damage. This can mean devices may stay broken or non-functional – causing employees to potentially lose hours of productivity.

Mobile device security is also a key concern for BYOD programs, particularly when it comes to sensitive data. Businesses depend on employees with BYOD devices to deploy security patches and make the right choices when it comes to security. Devices are vulnerable to evolving threats. Plus, even the proper disposal of broken or outdated phones is crucial, since they are rich repositories of data that could be valuable to cybercriminals.



of decision-makers identified cost as a key factor in implementing smartphone policies⁴



of businesses struggled to fund smartphones for employees⁴





Managed smartphone services: Control at a predictable cost

In response to BYOD challenges, the tide is shifting to employer-provided devices, as organizations seek to gain greater control over smartphones used for work—and more management oversight. In fact, research shows that over half of those companies with fully BYOD mobile strategies (51%) planned to start providing devices to employees in the near future.⁴

But these devices don't necessarily have to be provided and managed by the employers themselves. Enter the latest as a service model. Similar to other models for deploying and managing hardware like laptops and tablets, companies are beginning to outsource smartphone management. Device as a Service (DaaS) is a subscription-based model that provides businesses with hardware and IT support at the same time. Companies can reduce up-front capital costs for hardware in favor of predictable operating expenses (monthly device subscriptions).

In practice, DaaS models provide businesses with the most flexibility and control. Not only do they scale with the business as the number of devices to be supported fluctuates—but they also reduce the IT support burden.

Until recently, the DaaS model for smartphones only applied to the hardware, requiring companies to seek mobile connectivity from a different vendor. Verizon Business Complete now offers a comprehensive phone solution, providing a premium smartphone as a service plan, fast connectivity, and 24/7 support for employees, all with predictable monthly pricing.

Key benefits of Device as a Service for smartphones



Reduced IT support burdens



Predictable monthly pricing



Consolidated vendor
management



Full lifecycle management



Consistent user experiences

Verizon Business Complete: Smarter smartphone management

Verizon understands that today's businesses need a cost-effective way to manage their employees' smartphone needs. That's why Verizon Business Complete provides a comprehensive smartphone offering that includes Verizon's 5G network with 24/7 support and device lifecycle management. Verizon Business is the only U.S. carrier offering an end-to-end smartphone management solution for midsize businesses and enterprise.

As a managed service, Verizon Business Complete shifts smartphone costs to an operating expense. This removes the need for an up-front capital investment, providing business customers with flexibility in how they procure and provision smartphones for their employees and enabling IT teams to focus on business transformation.

Verizon Business Complete offers a choice of devices within two tiers, an unlimited wireless plan that includes America's most reliable 5G network,⁵ and end-to-end services and support. The result is more peace of mind for business and IT, with a sustainable foundation for future business growth.

Here's how Verizon Business Complete works:



When a new employee starts work

- You select from a list of eligible devices, and we provide the smartphone as a service, wireless plan, mobile device management, smartphone insurance coverage for loss, theft and damage.
- We ship the smartphone and its welcome kit directly to the employee. Each welcome kit also contains a wall charger and screen protector.
- Employees can call or chat with an expert 24/7 for help setting up their phones.

When employees need help

- When employees call for support, they'll be routed to a skilled team member.
- On the call, a tech expert can also troubleshoot problems with Wi-Fi, Bluetooth, and accessory connectivity.
- We can quickly repair cracked front screens or replace lost or stolen phones. Our insurance coverage includes device replacement⁶ (as soon as the same day, based on location and inventory) and unlimited number of cracked screen repairs.⁷

If an employee leaves — or it's time for an upgrade

- Contact us for easy offboarding or upgrades. Device upgrades are available every 24 months.
- When the phone is returned to us, we'll confirm all data is removed and that the device is recycled.
- We can even email employees a no-hassle, prepaid shipping label to return the smartphone.



Get started with Verizon Business Complete

Smartphones are the devices of choice for the evolving workplace, and the models for providing these devices are evolving, too. Many organizations are shifting away from BYOD programs, and the related security, reliability, and manageability challenges. Employer-provided devices can offer greater control over data, apps, and device usage, but the associated costs can impact profitability and scalability.

Find out how Verizon Business Complete can help your organization work smarter. A managed, device as a service solution, Verizon Business Complete helps keep your workforce connected and productive. Your business can get an all-in-one bundle – combining a 5G smartphone as a service and wireless plan, 24/7 smartphone tech support, and smartphone repair and replacement coverage with predictable monthly pricing.

Free your people to focus on what matters. Verizon Business will do the rest.

[Learn more](#)

Customers have the flexibility to select their smartphone and access tech support by choosing our Verizon Business Core Mobile Bundle. Verizon Business Core Mobile Bundle does not include Wireless Phone Protection for Verizon Business Complete, which provides protection for covered devices. Terms apply.

1 Michelotti, Brian, "The Rise of Mobile Technology in Business: 5 Ways It's Shaping the Future," Aberdeen Strategy & Research Blog, March 30, 2023. <https://www.aberdeen.com/blogposts/the-rise-of-mobile-technology-in-business-5-ways-its-shaping-the-future/>

2 "Mobile Fact Sheet," Pew Research Center, January 31, 2024. <https://www.pewresearch.org/internet/fact-sheet/mobile/>

3 Noori, Rebecca, "Cell Phone Stipend: A Win-Win Solution for Employers and Employees," Benepass, March 29, 2023. <https://www.getbenepass.com/blog/cell-phone-stipend-a-win-win-solution-for-employers-and-employees>

4 "Managing Mobile Strategy: Executive Summary," Oxford Economics and Verizon Business, 2024. <https://www.verizon.com/business/resources/whitepapers/managing-mobile-strategy.pdf#VBC062024NR>

5 Most reliable 5G network based on more first place rankings in RootMetrics® 5G data reliability assessments of 125 metro markets conducted in 2H 2023. Tested with best commercially available smartphones on three national mobile networks across all available network types. Your experiences may vary. RootMetrics rankings are not an endorsement of Verizon.

6 Lost, stolen or damaged device replacements are provided by provided by Wireless Phone Protection for Verizon Business Complete, which is insurance coverage underwritten in Georgia by LM General Insurance Company (Boston, MA), in Indiana by Indiana Insurance Company (Boston, MA), in Louisiana, by Liberty Personal Insurance Company (Boston, MA), in New Jersey by Liberty Mutual Mid-Atlantic Insurance Company (Boston, MA), and in all other states by Liberty Insurance Underwriters Inc. (Boston, MA) or one of its insurance company affiliates. Asurion Insurance Services, Inc. (in California, Agent License #0B35141; in Iowa, Agent License #1001000131), is the Agent and provides the claims servicing under this program.

7 Select smartphones that only have a cracked front screen are eligible for cracked screen repair (smartphones with damage to the back glass or other damaged components beyond front glass are not eligible for cracked screen repair). Subject to parts and technician availability, which are subject to change at any time. Visit phoneclaim.com/verizon to check current device eligibility. Repairs are performed by an Asurion-certified technician and come with a 12-month limited warranty. Repairs may use new or refurbished parts, and may contain original or non-original manufacturer parts, and may void the manufacturer warranty. Repair options may include in-store repair, mail-in repair or at-home repair.

