



## Next Generation Tablets Should Not be Positioned as a Displacement for Existing Enterprise Devices

David Krebs – Practice Director

The most recent incarnation of the tablet has taken the market by storm – not only in terms of actual shipments of the category's iconic iPad, but also the breadth and speed of its impact on the entire mobile solution value chain. So what does this all mean for the enterprise\* sector? In this research note we will explore the opportunity for tablets as viable computing and communications platform for a variety of enterprise workflows and applications and in relation to existing enterprise mobile solutions.

### Initial Enterprise Evaluation & Adoption of Next Generation Tablets is Higher Than Expected

The (slate) tablet mobile form factor is not new to the enterprise sector. In fact, it is within enterprise environments where tablets were first – and are almost exclusively – adopted. These platforms developed a loyal following – mostly supporting niche or targeted line of business applications such as in insurance, construction or health care sectors – however, they failed to achieve widespread horizontal adoption.

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Although VDC Research's next generation tablet forecasts are among the more conservative, our growth expectations remain highly bullish. From shipments just under 20 million units in 2010, we expect the global market to exceed 100 million units by 2014. The growing population of mobile workers is driving demand for smaller and more portable mobile form factors leading over one in three US organizations to evaluate or support next generation tablets. Nevertheless, even with these rapid adoption scenarios, tablet penetration is expected to be less than 5% in the US – as opposed to a 60%+ penetration of notebooks.

While much has been made about the tablet as potential notebook killer, for the near term we do not anticipate significant erosion of the existing notebook market (except for low-end netbooks, of which sales have tumbled over the past year). We do, however, see next generation tablets supporting many of the workflows and extending the value propositions of existing tablet solutions beyond where they are today while also supporting new workflows – especially for customer facing applications.

### Corporate IT Reluctant to Support a Third Device

Outside of these highly mobile and specialized workflows – such as among sales people or healthcare professionals – next generation tablets are expected to be used as companion devices and will not displace enterprise issued notebooks. It is likely that – similar to a prevailing smartphone trends – tablets will enter the enterprise as consumer or personal devices. With much of the device and security management overcome for devices such as the iPad (which runs the same iOS operating system as the iPhone) the enterprise IT acceptance and support barrier is much lower. However, enterprise technology decision makers will constantly have to balance the benefits of leveraging more consumer technologies with the risk of securing their organizations' intellectual and clients' personal property.

### Next Generation Tablets Will Gain Traction for Specific Mobile Workflows

By design, current tablets make for highly elegant – and efficient – content presentation devices. Consequently, use of tablets in customer and consumer-facing scenarios – such as, for example, in retail and hospitality environments, health care settings and field sales and service workflows – is expect to ramp. What is surprising, however, is that in addition to the predictable content presentation and consumption applications, tablets are increasingly being evaluated and used as content creation devices. This has the potential to portend a shift in PC usage and will be a trend VDC will follow closely.

QuickCast

To learn more on this topic, download our 16-minute QuickCast:

[Tablets in the Enterprise: Identifying & Supporting New Mobile Workflows](#)

\* For the sake of discussion we will use a relatively all encompassing definition of 'enterprise' to include all commercial and government organizations.

*continued from Next Generation Tablets Will Gain Traction for Specific Mobile Workflows...*

Many of these opportunities are an extension of the existing workflows supported by WinTel tablets today. Moreover, demand is expected to continue to be strong for these WinTel solutions which are expected to grow in excess of 10% annually. However, due to form factor, price point and UI limitations, these solutions will continue to have a narrow appeal among target users and their penetration is not expected to scale much beyond 15-20% indicating significant upside potential. One of the key questions will be what role will existing WinTel tablets have and to what extent can they evolve to meet the next generation UI and functionality requirements made popular by the iPad?

**Specific Workflows Where VDC Expects Next Generation Tablet Traction**

Industry	Applications	Drivers & Benefits	Adoption Barriers
<b>Retail &amp; Hospitality</b>	<ul style="list-style-type: none"> <li>Mobile Point of Sale (POS)</li> </ul>	<ul style="list-style-type: none"> <li>Use of Tablet to Customize Sales and Order Process</li> <li>Queue Busting for High Value / Loyal Customers</li> <li>Customer Education &amp; Benefits Description</li> </ul>	<ul style="list-style-type: none"> <li>Lack of Digitizer for Signature Capture</li> <li>Financial Transaction Security Requirements</li> <li>Backend Integration</li> </ul>
<b>Health Care / Homecare Services</b>	<ul style="list-style-type: none"> <li>Patient Care</li> <li>Medication Administration</li> <li>Electronic Health Records</li> </ul>	<ul style="list-style-type: none"> <li>Patient Safety: Matching patients with correct medication and procedures</li> <li>Access patient records and drug interaction databases</li> </ul>	<ul style="list-style-type: none"> <li>Backend Integration</li> <li>Security &amp; Health Care Regulations (HIPAA)</li> <li>Backend Integration</li> </ul>
<b>Pharmaceutical</b>	<ul style="list-style-type: none"> <li>Field Sales</li> </ul>	<ul style="list-style-type: none"> <li>Use of Tablets for Graphics Rich Pitches in Short Timeframes (typical for pharma sales)</li> <li>Eliminate Printed Drug Literature</li> <li>Dashboard CRM Functionality</li> </ul>	<ul style="list-style-type: none"> <li>Microsoft Office Support</li> <li>Backend Integration</li> </ul>
<b>Aviation/ Military</b>	<ul style="list-style-type: none"> <li>Electronic Flight Bags</li> </ul>	<ul style="list-style-type: none"> <li>Electronic Mapping &amp; Document Access</li> <li>Eliminate Paper Maps &amp; Records (fuel savings)</li> </ul>	<ul style="list-style-type: none"> <li>Durability</li> <li>Display Daylight Visibility</li> </ul>
<b>Construction</b>	<ul style="list-style-type: none"> <li>Project Management</li> <li>CAD</li> </ul>	<ul style="list-style-type: none"> <li>Electronic Forms</li> <li>Workflow Automation &amp; PM Efficiencies</li> </ul>	<ul style="list-style-type: none"> <li>Durability</li> <li>Daylight Visibility</li> </ul>

**Summaries & Observations**

The bottom line is that we do see vast opportunity for tablets in the enterprise. However, the opportunity is most closely correlated with highly mobile workflows where the presentation and information capture aspects coupled with the (relative) ergonomics and portability present a compelling use case. In addition, the tablet will help create and enable some new workflows such as currently seen in hospitality. However, for the foreseeable future the tablet will not be a notebook replacement and as such – outside of these previously discussed use cases – will primarily enter the enterprise as an individual liable / customer purchased device.

**Contact:**  
 David Krebs  
 Practice Director  
 508.653.9000 x136  
[davidk@vdcresearch.com](mailto:davidk@vdcresearch.com)



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