



Kathryn Weldon

FreeMove - Business Services Europe

July 08, 2022

COMPANY ASSESSMENT

REPORT SUMMARY:

In H1 2022, FreeMove saw growth with strong retention rates and promising results for its expanded target customer strategy. New value-added services are in the works.

WHAT'S NEW

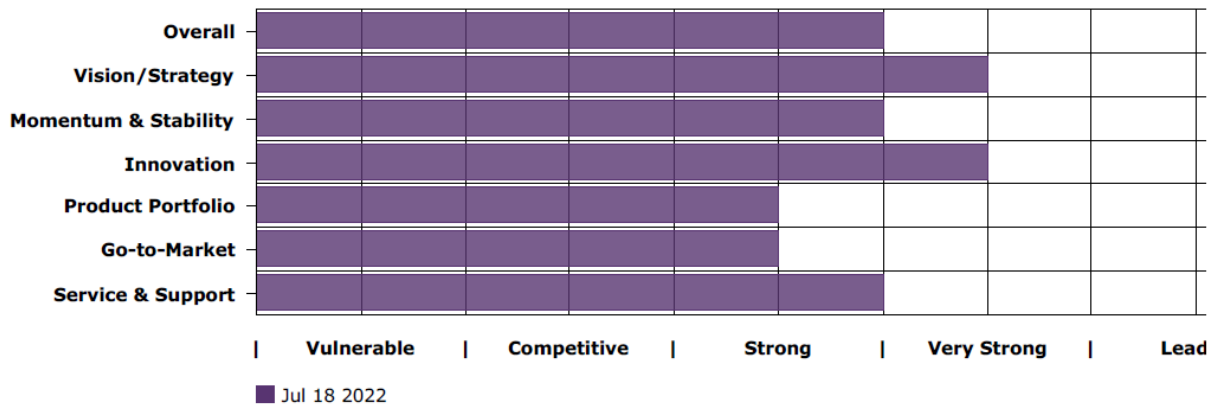
- **June 2022:** FreeMove Alliance (FreeMove) is on track with its project for a new API hub that connects Alliance members' information technology service management (ITSM) solutions and their respective Natcos via APIs, providing multinational corporations (MNCs) with a seamless and global experience for mobile ordering and incident management.
- **June 2022:** FreeMove disclosed that it is exploring a new Device as a Service (DaaS) offering, leveraging its lead operator delivery model. This service would be especially important in a pandemic-influenced world where services to support 'work from anywhere' models are increasingly important.
- **May 2022:** As part of its 5G initiative, FreeMove hosted a well-attended global 5G event with focus on 5G campus networks for its customers, members, and partners. Further activities include ongoing analyses of its role in coordinating 5G and a new 5G paper to continue sharing members' and partners' best practices.
- **January 2022:** FreeMove revamped its marketing assets with a new website, social marketing campaigns, new content, a new blog and newsletter, and an action plan to boost internal communications between members and partners and their natcos. The new branding includes the 'rope' as a metaphor for its attributes of connecting multinational customers and global mobile operators, bringing them to the 'summit,' anchoring them to their home base, and connecting them to the future.
- **January 2022:** FlixBus, a German brand that offers intercity bus services in Europe, North America, and Brazil, selected Deutsche Telekom and FreeMove Alliance for an international mobile SIM-card solution to offer free WiFi onboard their buses operating throughout Europe. Deutsche Telekom acts as the lead operator for this customer.

GLOBALDATA COMPETITIVE INDEX



GlobalData Competitive Index

Source: © 2022 GlobalData.



RATING UPDATE SUMMARY

STRONG

In H1 2022, FreeMove saw growth, with strong retention rates and promising results for its expanded target customer strategy. New value-added services are in the works.

PERSPECTIVE - ESSENTIAL ANALYSIS

STRENGTHS

- **Adapted Offer:** FreeMove offers Corporate Pooling, usage analytics-based adaptive minute, SMS, data, and roaming pools in eight countries (and others on an individual case basis) while new tariffs add flexibility. A central reporting offer covers multiple operators, and centralized ordering and incident management solutions simplify operations for MNCs.
- **Expanded Market:** FreeMove's plan to add mid-size MNCs to its target customer list along with a new 'sales desk' function to help these smaller companies centralize their cost management is seeing good progress and contributing to continuing growth in 2022, despite a difficult economic climate.
- **Global Coverage:** FreeMove provides services in over 100 countries across Europe, Asia-Pacific, Africa, and the Americas. FreeMove members and partners are also at the forefront of the development of 5G technology and are helping businesses in their transformation journeys.

LIMITATIONS

- **Different Strokes:** While connectivity remains the bedrock of the FreeMove offer, MNCs may take this for granted and look higher up the value stack for differentiation and productivity gains. For this reason, FreeMove is looking toward services such as DaaS and multi-member management and automation interoperability.
- **Price Ceiling Drops:** The emergence of uncapped voice and data calls may affect FreeMove members' ability to increase prices; indeed, most report-flattening mobility revenues from enterprises.
- **What Next?:** While the challenging economic climate in Europe has made it difficult to draw large MNCs away from their established mobile operators, FreeMove remains valuable for customers who need to procure and manage mobility centrally and synchronize service delivery, tariff management, and support on an extensive, multi-operator footprint. FreeMove has also expanded by targeting mid-size MNCs that need support in centralizing and automating global business processes.

CATEGORY RATINGS AND JUSTIFICATION

Vision/Strategy

Rating : Very Strong

FreeMove's plan to expand its target market to mid-size companies and ease complexity by centrally supporting local account managers has been a sound way to enhance revenues for its members without changing its core value proposition. It has also contributed to its growth and very strong retention in a difficult economy.

FreeMove's new information technology service management (ITSM) automation project is pivotal to addressing complexity by connecting all members (including their respective natcos) via cloud-based APIs in order to make the customer experience for ordering and incident management seamless. This project is on track, with likely customer onboarding to begin this fall.

Further 2022/2023 initiatives include: completion of ITSM integration and business process automation by connecting members through APIs; building up a Sales 4.0 strategy for managed services; increasing brand awareness and presence of FreeMove among customers, members, and partners; and building up the FreeMove footprint and messaging for its role in 5G. A program to evaluate a DaaS offer is also in the works.

Momentum & Stability

Rating : Strong

Despite the pandemic and a difficult economy, which has delayed deployment projects among some European MNCs, FreeMove has seen solid acquisition and retention growth in 2021 and H1 2022, reaching above its expected rate for retention in both periods.

FreeMove is an exclusive partner for many top MNCs, with over 500 MNC target customers. It has a relevant share of the addressable market with millions of mobile connections under management. New projects for ITSM interoperability and DaaS should heighten its value to new and prospective customers of alliance members.

As leaders in their home markets, FreeMove members will be among the few operators capable of introducing and marketing reliable 5G networks and potentially hybrid public/private cellular networks. FreeMove will play a unique role in helping members provide international 5G service to MNCs.

Innovation

Rating : Very Strong

- The FreeMove proposition allows members to allocate the best-tailored bundle for each group of end users, depending on their needs, across a larger footprint than any could offer alone.
- FreeMove offers tailored pools of minutes or megabytes, which can be shared across employees and devices. New flexible tariffs are aligned with industry changes in pricing and will help MNCs of all sizes and usage requirements to optimize plans.
- FreeMove members offer service level agreements (SLAs) locally while FreeMove provides customers with its Quality Portal allowing them to track the members' performance. FreeMove's aim is to simplify processes and to become a trusted, well-known connecting place (i.e., a 'hub') among the top operators and top MNCs.
- FreeMove's plans to court mid-size MNCs and to further simplify processes through its new Automation Project are innovative ways to improve its momentum.

Product Portfolio

Rating : Strong

- FreeMove provides a simple portfolio proposition under three main categories: Access Services, Central Report, and Service Management, facilitating enterprise mobility, mobile access services, telecom expense management, service and delivery management, and mobile device management across alliance members and partners under a single master agreement covering up to 83 countries with single-point accountability resting with the lead operator.
- FreeMove Central Report Service is a comprehensive report providing usage visibility to international businesses. It is presented via a secure, web-based portal that provides a clear and up-to-date view of cost and usage for mobile device fleets. It enables businesses to examine usage in detail, including region, business unit, time, and type of connection for 36 countries.
- FreeMove offers Easy Ordering in 20 countries, which manages mobile orders centrally on behalf of customers and independently of local providers. Its new ITSM automation solution will provide control over ordering and incident management across members' networks.

Go-to-Market

Rating : Strong

- FreeMove's customer-facing activity is minimal. Members approach and contract directly using their own product portfolios with FreeMove providing the connectivity, global customer management, implementation services, contracting framework, and reporting tools. However, it is building up a Sales 4.0 strategy for managed services, increasing brand awareness and presence of FreeMove among members and partners, and building up the FreeMove footprint and messaging for its role in 5G.
- The four members have tied up with Bridge Alliance to extend coverage to 34 markets in Asia-Pacific and Africa; other partnerships boost total coverage to 106 countries.
- FreeMove may be keen to expand its customer base but still needs to improve its market visibility; market developments (COVID-19, growing global trade tensions, Brexit, the EU's price ceiling drops, etc.) may make this more difficult. However, FreeMove has been expanding its marketing with a new website, social marketing campaigns, new content, a new blog and newsletter, a 5G event held in May 2022, and improved internal communications between members and partners.

Service & Support

Rating : Strong

- With FreeMove managing the connectivity relationships between members, its service and support depend on automation and lead members' physical delivery capability. To manage the new target customers, a FreeMove central sales support desk supports members' local account managers and business development managers.
- Members have dedicated more than 500 staff between them to manage and service FreeMove customers.
- The expanded set of target customers requires more support; the new 'service desk' approach will help FreeMove centrally manage local and international requirements for services such as migration and security. The new ITSM automation platform will also ease ordering and incident management across members' networks.

Segment Ratings

| Market | Perspective |
|---|-------------|
| Business Network and IT Services- Europe Region | Strong |
| Mobility | Very Strong |

Threats and Barriers

- **Internal Competition:** Members can choose to use their own expense management system rather than that of FreeMove, which may result in the latter being less relevant.
- **Strong Competitors:** Competitors like Vodafone Global Enterprise (VGE) already provide integrated account management with a single per-user, per-month price and single-source accountability. Vodafone Red tariffs offer some of the same flexibility and promise worry-free roaming in 130 countries. VGE also offers a DaaS service for customers in its natco and partner markets.

Sustainability

- **Environmental:** FreeMove states that with the introduction of 5G, a host of new opportunities is expected to emerge, which may help the planet rediscover its environmental equilibrium. Its members are at the forefront of efforts to explore and exploit these opportunities through partnerships with some of the world's most progressive and forward-thinking organizations. For example, 5G connections from alliance members have proved instrumental in monitoring and providing real-time insights into environmental conditions in the Baltic Sea relating to climate change such as the emergence of toxic blue-green algae. Alliance member Telia notes that 5G has the potential to increase the efficiency of water use in crop irrigation thanks to the use of smart agricultural sensors and drones.
- **Social:** FreeMove is committed to safeguarding the privacy of its customers and visitors to its website. Any personal data is held securely and treated with care. All processing of personal data is performed in compliance with the requirements of the General Data Protection Regulation.
- **Social:** FreeMove partners each have their own social responsibility commitments; for example, Orange Business Services is dedicated to working for digital equity through training open to professionals and students, and to diversity and gender equity at all levels of the company as powerful levers for economic performance and employee well-being. A priority is to increase the number of women in technical and digital professions where women are currently under-represented.
- **Governance:** The alliance is a legally incorporated entity with a clearly defined corporate governance structure. It is composed of a management board, general manager, and functional and support working groups. FreeMove's long-term strategy is to continue developing its services and capabilities to provide real benefit to its customers.

RECOMMENDED ACTIONS

Vendor

- **Provide Evidence:** FreeMove needs to show that it provides value for customers (as well as its members/partners) by highlighting its single point of accountability, its service wrapper, and its contractual commitment to service levels. It should work to get Deutsche Telekom, Orange, Telia, Telecom Italia, and partners to highlight their commitment to the alliance.
- **Add New Services:** FreeMove needs to respond to technology advances as its target market looks beyond connectivity to 5G-enabled managed mobility and unified communications. Some of the suggestions by its customer advisory board include: more automation to simplify expense management, a device lifecycle management service, and additional managed services. It is already in progress with some of these offerings, with more to come in 2022/2023.
- **Grow:** While its members and partners are in over 100 countries, FreeMove should continue to seek new partners and grow the alliance in both new markets and geographies (e.g., MEA, APAC, and Latin America).

Competitors

- Vodafone Global Enterprise should continue to build out its converged fixed-wireless infrastructure and applications-driven, customized network offers.
- Telefónica can point to its ecosystem of over 540 roaming partners, which gives it a nominally bigger footprint than FreeMove and alliances that, like FreeMove, go beyond simple roaming.
- VoIP and OTT players can point out that WiFi internet access is free or cheap in most countries, and many mobile virtual network operators offer flat-rate roaming in a number of countries.
- Challengers can point out that FreeMove is essentially a defensive alliance of incumbent operators looking to protect market share; in other MNC situations, Orange and Deutsche Telekom compete for MNC business.

Buyers

- **Do Homework:** Buyers need to examine FreeMove's coverage, key performance indicators, and SLAs to ensure that they are still relevant to them and there is a fast and reliable problem resolution process.
- **Contextualize the Big Picture:** Buyers need to consider their mobile coverage in terms of their broader mobility strategy, taking into account services such as unified communications and collaboration.
- **Neutral Integrators:** MNCs that require a multi-network solution could also look to neutral integrators such as IBM and HPE, particularly where connectivity service requirements are dictated by application performance issues.

Company Details

Company Snapshot

| | |
|-----------------------------------|---|
| Revenue | Group revenue: Not publicly disclosed. It is estimated that FreeMove has a 50% market share of its addressable MNC market (i.e., of cellular enterprise mobility connections managed within FreeMove's footprint). |
| Employees | 35 (and members have dedicated 500+ operational staff and account managers to FreeMove customers) |
| HQ | Customer relations are led by account managers at Deutsche Telekom, Orange, Telecom Italia, and Telia. |
| Market strengths/solutions | Remote/roaming voice & data access, WiFi access, national flat-rate services, TEM, MDM, centralized ordering and fulfilment, harmonized service standards with customized SLAs. |

Network Description

| | |
|--------------------------------|--|
| Mobile/Wireless Network | All members/partners in the 100+ country ecosystem have 3G/4G networks with roaming. LTE access in 30 countries. Members/partners have also started rolling out 5G services. |
|--------------------------------|--|

Key Recent Announcements and Disclosed Strategic Plans

| Date | Data |
|---------------------|--|
| June 2022 | FreeMove disclosed to analysts that it is exploring a new DaaS offering, leveraging its lead operator delivery model. This service would be especially important in a pandemic-influenced world where services to support 'work from anywhere' models are increasingly important. |
| June 2022 | FreeMove Alliance is on track with its project for implementing a new API hub that connects Alliance members' ITSM solutions and their respective Natcos via APIs, providing multinational customers with a seamless and global experience for mobile ordering and incident management. |
| May 2022 | As part of its 5G initiative, FreeMove hosted a well-attended global 5G event with focus on 5G campus networks for its customers, members, and partners. Further activities include ongoing analyses of its role in coordinating 5G and a new 5G paper to continue sharing members' and partners' best practices. |
| January 2022 | FreeMove signed a partnership agreement with Latin American fixed and mobile services provider Millicom, adding Millicom's eight mobile communications markets (i.e., Bolivia, Colombia, El Salvador, Guatemala, Honduras, Nicaragua, Panama, and Paraguay) to its network of more than 100 markets worldwide. |
| January 2022 | FreeMove Alliance revamped its marketing assets with a new website, social marketing campaigns, new content, a new blog and newsletter, and a dedicated action plan to booster internal communications between members and partners and their natcos. The new assets introduced new branding, which includes the 'rope' as a metaphor for its attributes of connecting multinational customers and global mobile operators, bringing them to the 'summit,' anchoring them to their home base, and connecting them to the future. |

Key Mergers, Acquisitions and Divestments

| Date | Data |
|---------------------|--|
| January 2020 | Swisscom joined FreeMove as a partner, replacing domestic challenger Sunrise, which has announced a broad partnership with Vodafone. |
