INSIGHT

Cisco's Continuing Services Evolution: Remote Management Services

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IDC OPINION

Cisco's ongoing investment in software, automation, and tools to continually add value by evolving the services portfolio and experience is a differentiator for Cisco. By removing costly people and processes from the services engagement, Cisco is working to provide a faster, more effective, and more efficient way to deliver higher-value services to its customers, thereby allowing customers to leverage their IT investments more strategically. IDC sees the following:

☑ Enterprise customers will demand higher levels of service from their networking investments, and network managers will require help from services organizations to deliver on that demand.

☑ Automation and tools will allow services firms to take the cost and time out of people- and process-intensive professional services delivery, thereby increasing profitability.

IN THIS INSIGHT

This IDC Insight discusses Cisco's offering for remote management services, entitled Remote Management Services (RMS). The suite of offerings includes services and tools for effectively managing and monitoring single-vendor as well as complex multivendor environments in a proactive as well as predictive way by leveraging Cisco's investment in software, automation, and tools.

SITUATION OVERVIEW

The continual evolution of customer demands placed on the network to deliver on business outcomes has required an increased level of support from customers' services partners. Customer requirements are well beyond having the network just work, but now the network must deliver on mission-critical business services, delivered to an SLA. To meet this demand, support services must also evolve, not just to keep pace but to deliver on future needs.

With this challenge in mind, Cisco has invested in the development of Remote Management Services. RMS is a software-enabled suite that provides the enterprise customer a proactive and preemptive approach for managing and monitoring Cisco-only and multivendor networking environments. This service was developed by leveraging Cisco intellectual capital, derived from 25 years of innovating product and 50 million devices installed; investments in software and automation; and incorporating best-of-breed (Cisco and non-Cisco) tools.

Foundationally, RMS is included in and supported by Cisco's Smart Services, which leverages automation and software by mining diagnostic data from devices and networks (and the applications residing on those networks) that can be mapped to Cisco's vast database to provide real-time and actionable insight into a customer's network. This approach allows for the following across all of Cisco's product lines:

☑ Re-deploy expensive resources more effectively by freeing up talent to focus on more strategic initiatives.

☑ Maximize performance and availability of network assets.

☑ Mitigate risks or potential problems before they happen, limiting costly downtime and potential customer dissatisfaction.

☑ Speed and simplify the adoption of newer technologies.

Additionally, included in the services suite are the availability of IT Governance and Compliance Services. These services, also leveraging automation and software, are designed to quickly help customers mitigate risk associated with traditional moves, adds, and changes when architecting and transforming complex networking environments. The security aspect of this offering adds significant value as these compliance offerings can be used in conjunction with security-specific reports to provide a more holistic view of a company's security posture. This offering also provides Cisco with valuable information that can be used to start a more comprehensive conversation around compliance. This will be particularly important in verticals with heavy compliance requirements like retail, finance, and healthcare. The suite includes the following offers:

☑ Configuration compliance assessments — the ability to audit configuration in conjunction with published industry standards such as SOX, HIPAA, and PCI

☑ Creation and monitoring of custom compliance configuration supporting corporate policies

☑ Configuration compliance remediation using automation to quickly remediate problems found during assessments

☑ Compliance audit reporting by compliance standard on specific devices

RMS is delivered in collaboration with Network Optimization Services (NOS), a suite of service offerings that ensures network architectures are properly designed to support advanced networking initiatives and maximized for future networking initiatives. In combining these two service offerings, Cisco ensures that network

services can be delivered to an SLA to meet business requirements. IDC believes that Cisco Advanced Services will be the go-to-market channel for RMS. The broad conversations that the Cisco Advanced Services team has with customers around network evolution will provide an important entry for RMS.

Cisco is hoping that IT managers will see the value beyond just supporting networks to the value brought by managing multivendor networks to an SLA in a predictive and preemptive way. From a customer standpoint, several trends are becoming clear according to Cisco:

☑ 15 of the 30 Global Enterprise Theater (GET, Cisco's top global accounts) use RMS today.

☑ 60% of the customers are in North America and roughly 30% are in EMEA.

☑ The strongest verticals are financial and retail, though all major private sector verticals are represented in the customer base.

☑ Countries with strong privacy laws (e.g., Germany) tend to be difficult for similar services, but Cisco now has the ability to keep sensitive data local and is expecting an uptick in business.

A New Way to Look at Traditional Outsourcing

Cisco's RMS allows IT managers to rethink or look at outsourcing in a new light. Cisco's RMS is working to become the next generation of outsourcing by removing costly human resources and time-consuming processes from the traditional outsourcing model through a highly leveraged software and automation model. In doing so, it aims to restore the network as a key driver of innovation in the business rather than the "manage my mess for less" associated with traditional outsourcing.

IDC believes this model makes financial sense. As engineering talent becomes increasingly more expensive, even when delivered by talent based in emerging markets, the hourly rate continues to increase. But if enterprises opt for lower rates, they can receive less qualified talent and may be at risk for not delivering on the service. By taking the human component out and replacing it with software, the enterprise still maintains control of the network but it is now augmented by the support of RIM services. Enterprises can then selectively out-task certain portions of their network based on the needs of the business.

Supporting Multivendor Environments

Enterprise customers will continue to need the highest levels of functionality when supporting either single-vendor or multivendor IT environments. Cisco has made, and states that it will continue to make, investments in best-of-breed tools to support and help manage customer datacenters. IDC believes this makes good business sense as customers desire and require tools but may be unable or unwilling to own a broad selection of support and management tools. It also makes sense from a competitive point of view: IDC has seen Huawei, especially in Europe, and other vendors positioning themselves as providers of multivendor support and management services. In addition

to Cisco's Management and Orchestration tools, Cisco Services partners with the following suppliers to round out its tool portfolio for RIM services: BMC, BlackStratus (formerly netForensics), IBM, Nagios, Shore Group, and IPSoft, to name a few. The end result of RMS is an offering that utilizes most of IDC's four pillars:

- ☒ **Big Data (or analytics):** Cisco can analyze infrastructure configurations across a broad spectrum of clients to determine best practices, whether that is proper firmware and software patching for a particular environment or determining if an asset is predestined to fail.

- ☒ **Cloud:** Cisco provides portals for customers to come in and view their asset inventory and overall system health.

- ☒ **Mobility:** Mobility allows engineers to access all critical customer information while they are out in the field. They will also have the ability to log in to those systems and provide support remotely. Conversely, customers have the ability to access all of the data that resides in the cloud (see the previous bullet point)

- ☒ **Social:** One of the quickest ways to get answers to support issues is through social media, whether Twitter or support forums. The ability to post a support question through these channels can provide fast answers for customers in need. This piece Cisco will need to eventually integrate into the overall solution.

Cisco Services engages directly with its transformational accounts for RMS (a small handful of accounts that Cisco works with directly), and requires the customer to have a high level of engagement in order to be considered for the RMS offering. Cisco may require a full end-to-end solution that not only includes the architecture and design, management, and support of the network (which will be primarily Cisco but can include other vendors) but can encompass ongoing support of the complete multivendor IT environment, including networking, virtualization, servers, storage, operating systems, and the applications riding on top.

While many of Cisco's larger partners have offers in this space, managing and monitoring the full IT environment, RMS is an expanded offer for Cisco beyond just the network. IDC believes partnerships will be essential for growth of best-of-breed tools and treading carefully will be requisite as many of Cisco's best partners will be competitors for this same business.

As Cisco articulates, in its move to be the number 1 IT company in the world, it will be required to play an expanded role in this space. Communicating clearly with its partners as it moves forward will be paramount. As such, Cisco has taken proactive steps in this area with the publishing last year of the Cisco "Rules of Engagement" document, which outlines in detail where Cisco Services and its partners will play and how each will be compensated. This not only makes sense for the partners but should make it seamless for customers.

FUTURE OUTLOOK

Enterprise customers will continually look for ways to take cost out of operating and supporting their networking investments. IDC believes Cisco's RIM services offering, supported by Smart Services, not only makes fiscal sense but allows enterprises to utilize their own resources more strategically.

As networking environments become more complex, IT managers will require services and tools to streamline operations, mitigate risks more quickly, and be able to act more strategically based on user demand. In the very near future, network services will more than likely be required to be delivered to an SLA and network managers will be held accountable for the successful delivery. As such, network managers will be required to provide appropriate architectures and design to support these initiatives. IDC believes Cisco will also be required to play a significant role in this engagement to ensure that network managers can deliver to the business. IDC sees the development of these services as a significant tool to help network managers accomplish this task.

Cisco Services and its partners that are qualified to deliver these services will be challenged to clearly articulate not only business benefits to the enterprise but also how these services can effectively help already resource-strapped IT managers deliver IT services to their end users.