



“The **Internet** business model  
offers a **new** level of **speed**  
and **efficiency** for those  
**who get it**—and huge  
problems for those who don’t.”

CHARLES SCHWAB & CO., INC.  
FREDRICK MATTESON  
EXECUTIVE VICE PRESIDENT



## Increase Agility for Your Business

The Internet is transforming the way that businesses operate and creating new business models in ways that seemed impossible even a few years ago. Simply put, the Internet can provide competitive advantage in the marketplace for large corporations and small businesses alike. It can be used to attract new customers, enhance customer service, build online commerce, and streamline communications by opening access to information, resources, and services through a networked environment.

Large, established companies have at times been slow to adopt new Internet business models. Those who have resisted have started to lose ground to new rivals that barely existed a few years ago. “The network” has become the lifeline of today’s businesses.

The extensive Internet experience that Cisco has, both within our own company as well as with our customers, has given us unique insight into the integration of Internet technologies for large enterprises. Cisco end-to-end **enterprise solutions** address customer needs from departments and workgroups in the campus setting all the way up to branch offices around the world. Along with certified partners, we create fast, cost-effective ways to increase agility across the enterprise with reliable, secure, and manageable networks. And our technology allows a smooth migration path to the integration of data, voice, and video into a single network.



One large enterprise that has capitalized on its network for business advantage is **Charles Schwab & Co., Inc.** Schwab has been a pioneering force in the securities industry for 25 years, so it's no surprise that it has quickly become a leader in online trading. Schwab's Internet trading system is a real boon to its customers, who can now manage their trading activities from a PC at any time, day or night. Online trading has also driven down costs substantially, because it is much less expensive to administer than a telephone-based trading system.

The growth of online communications gives investors greater access to information and provides a new marketplace for Schwab's services. Today, the company has announced more than 2.7 million online brokerage accounts and that it is adding more at a rate of over 20,000 per week. More than 65 percent of trades are processed via the Web and more than \$250 billion in assets are handled on line according to Schwab. The Internet has made a substantial difference in Schwab's ability to increase its business—and it feels that it is just beginning to tap the potential of this market.

To assist our customers in creating new Internet business models, Cisco has formed an **Internet Business Solutions Group**. This group, along with approved partners, focuses on stimulating implementation of Internet applications and consulting with customers on effective Internet business practices. In addition, Cisco has established strategic relationships with many of the key IT vendors to package together solutions for enterprise customers.

**Smaller businesses** are also turning to the Internet to help them grow and compete. **Sumerset Houseboats**, with 200 employees, is the world's oldest and largest manufacturer of houseboats sold around the world. For years, the company relied on periodic mailings and phone conversations to keep clients updated on the progress of their orders, a communications process that was problematic at best. Often clients wouldn't see a boat until it was completely finished, at which time they might decide it was not what they wanted. Alternatively, they might see the boat late in its development and try to make changes, which proved to be costly.

**“Small businesses who use  
the Internet **grow** about **50 percent faster** than  
those who don’t use it. In our own company, we  
have seen **sales double** and our **market share**  
**increase 30 percent** in just **two years.**”**

**SUMERSET HOUSEBOATS**  
TOM NECKEL, SR.  
CHIEF EXECUTIVE OFFICER

The Internet has now transformed the way that Sumerset Houseboats communicates with its customers. Sumerset allows clients to view boat concepts on line, design their boats in collaboration with company engineers, and then watch the progress of their orders by viewing digital photos on the Internet. It has saved clients thousands of dollars in travel costs and prevented many costly last-minute changes. In addition, Sumerset reported that the use of the Internet has helped it expand its business into new markets and increase the sale of profitable boating accessories. As a result, it has doubled its business in just two years. And the convenience of the Internet has improved relationships with its customers, substantially increasing its repeat business.

As more and more small businesses embrace the Internet, Cisco is ready to help. The **Cisco Resource Network** provides information and tools to help small businesses learn about the Internet and connect with the right resources for complete installation and support. In addition, Cisco has

identified application vendors, integrators, and service providers who can host critical applications for a company over the Internet. Examples of these hosted applications include e-commerce, financial management, messaging, and e-marketing. And because the applications run on **Cisco Powered Network** providers, companies have the assurance of reliable performance.

For companies of all sizes, Cisco has developed a qualitative tool called the **Internet Quotient™** assessment to measure an organization’s potential to use the Internet in its business. It is a blueprint for success in the Internet economy—how much marketplace value companies can build, which technologies and strategies should be implemented, and which skills employees should learn to be successful. By taking the test, companies can gauge their readiness and ability to operate in the Internet economy. The Internet is changing the world. Turn change into a competitive advantage for your business.