

Why Unified Communications and Why Cisco Through an Industry Lens October 15, 2008

Why Unified Communications?

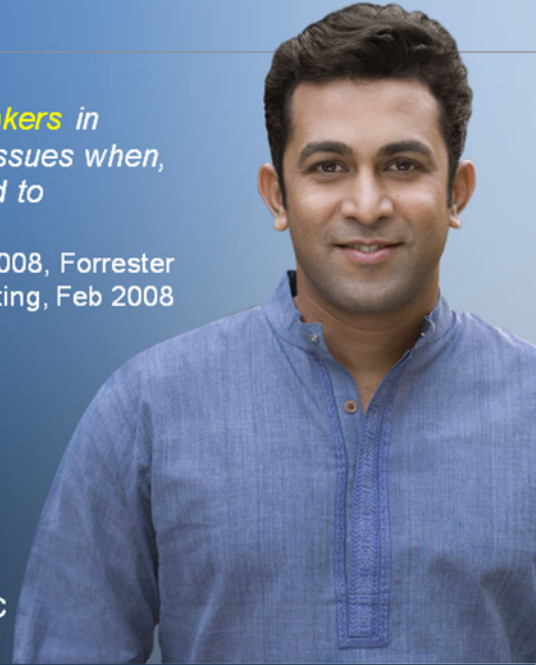
Industry Analysts

"The **great promise of UC** is that it will **enable communication with experts and decision-makers** in order to facilitate the resolution of business issues when, where, and by whatever means is best suited to achieving the task at hand"

—Top Unified Communications Predictions For 2008, Forrester Consulting, Feb 2008

"The **most important benefit** of UC for enterprises in the next few years will be **business transformation**, enabling companies to **improve customer relationships**, while providing services not previously available **cost-effectively**

—COMMfusion, LLC



Forrester Research – *Unified Communications Adoption Plans*, Elizabeth Herrell, June 30, 2008
<http://www.forrester.com/go?docid=46173>

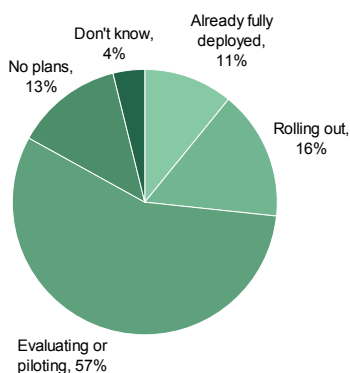
"Unified communications (UC) solutions are gaining momentum in enterprises today due to their ability to improve business processes and employee communications. Forrester's 2008 survey of enterprise unified communications decision-makers indicates that they understand the value of UC solutions overall and find most UC features critically important in their purchase decisions. Although IT infrastructure and operations professionals take the lead in making UC decisions, they also need to collaborate closely with the telecom team and line of business executives to ensure the requirements of their organization are met."

Key takeaways:

- **83% of enterprise respondents are evaluating, piloting, and implementing UC solutions.** This reflects the improvement in UC solutions and a better understanding by enterprises on how UC supports their business objectives.
- Forrester found that 86% of enterprises indicate they can make a good business case for UC and 82% also agree they understand how UC will impact the way their company does business.

Most enterprises have plans for UC

“At what stage is your company in the adoption of a unified communications solution?”



Base: 184 North American and European enterprise decision-makers responsible for unified communications
(percentages may not total 100 because of rounding)

Source: Enterprise And SMB Networks And Telecommunications Survey, North America And Europe, Q1 2008

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FORRESTER

- Partnering between collaboration and communications vendors has led to multivendor environments, and only 58% indicated plans to standardize on a single vendor solution.
- Unified messaging — integrated voice, email, and IM — are considered most important. Ninety-six percent of respondents considered these applications as important or very important to their organization.
- Audio, Web, and video conferencing are deemed important for 95%.
- 90% claimed collaboration integration as important to UC deployments.
- Eighty-six percent of respondents find presence — the ability to identify a coworker’s status — to be important, while 80% value the ability of UC solutions to bring their business telephone features to their mobile device, enabling remote workers to activate critical features from any location.
- Simplifying call and calendar control is important, but less so.

COMMFusion LLC & UCStrategies.com –*Unified Communications Market 2007-2012*, Blair Pleasant, June 2008

<http://www.commfusion.com/publications.aspx>

“Unified Communications (UC) is all the rage. Companies of all sizes, and in all vertical markets and geographies are exploring how they can take advantage of the many benefits that UC provides.”

Chadwick Martin Bailey -

“...Unified Communications applications are enabling communication practices by giving workers intelligence that improves how they keep in touch and collaborate with one another. Several of the savings reported by the average Unified Communications application user directly relate to improved employee access... 49% of organizations using UC clients report that the typical user saves up to 20 minutes daily by being able to reach other organizations using unified messaging report savings of more efficient message management (e.g. being able to manage all emails, voicemails and faxes from a single inbox).”

Why Cisco?

Gartner –

- Cisco Captures Position as Leader in Gartner Magic Quadrant for **Unified Communications**
<http://www.in.cisco.com/voice/news/stories/vtg100408.shtml>

“Cisco moved from Challenger to Leader based on advances in their portfolio integration and the progressive integration of WebEx into their offerings. Cisco has built on their strong influence with CIOs and the IT and Networking departments to advance customer adoption, primarily in Voice and Telephony and Conferencing.”
- Cisco Extends Leader Positioning in Gartner Magic Quadrant for **Global Corporate Telephony**
<http://www.in.cisco.com/voice/news/stories/vtg082708.shtml>
- Cisco the leader in Gartner Magic Quadrant for **Web Conferencing**
<http://www.in.cisco.com/csg/webex/>
- Cisco Moves to a Leader Position in Gartner's Magic Quadrant for **IVR and Enterprise Voice Portals**
<http://www.in.cisco.com/voice/news/vtg041108.shtml>
- Cisco Maintains a Leader Position in Gartner's Magic Quadrant for **Contact Center Infrastructure** in North America 2007
<http://www.in.cisco.com/voice/news/vtg083107.shtml>

“The company's vision for integrating the WebEx service and Enterprise premise architectures provides a promising long-term direction. Cisco has a strong overall product portfolio, with particular strengths in two critical UC areas: live voice and conferencing.”

Magic Quadrant for Unified Communications 2008
Bern Elliot
VP, Distinguished Analyst
Gartner

Yankee Group – *The Total Cost of Unified Communications*, Zeus Kerravala, September 2008

<http://www.cisco.com/en/US/prod/collateral/voicesw/ps6882/ps9156/CiscoTCOConsultingReport.pdf>

“This Report breaks down the cost elements of both Cisco’s and Microsoft’s UC solutions and provides several scenarios that compare the two solutions. The TCO model used in this Report validates that Cisco’s network integrated approach provides economies that a “layered on” approach does not. An apples-to-apples comparison shows the Cisco solution ranges from 5% to 50% less expensive than a comparable Microsoft solution.”

- **Make an informed, apples-to-apples comparison.** Contrary to much of the recent media hype, “VoIP as you are” is not always the least expensive route. The TCO tool shows a price advantage for Cisco ranging from near parity to a significant price advantage.
- **Deploy UC now including VoIP.** There are significant productivity benefits to be gained from deploying UC. By deploying UC with VoIP, customers can use the cost savings from VoIP to offset the cost of other UC capabilities.

IDC - *Key Trends in Enterprise VoIP 2008: Customer Perspectives on Unified Communications*, Nora Freedman, Abner Germanow, September, 2008

<http://www.idc.com/getdoc.jsp?containerId=213913>

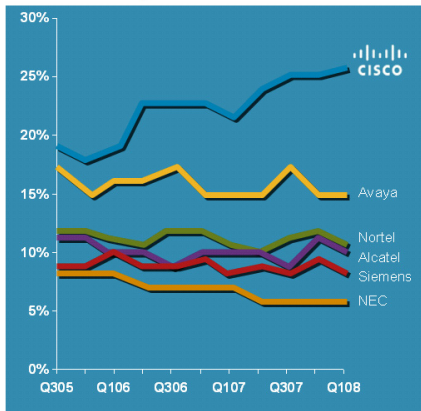
“This year, Microsoft, Cisco, Avaya, and IBM were ranked as the top 4 strategic vendors in the respondents’ companies’ road to adopting UC.” “...Cisco, Avaya, and Nortel were the top 3 strategic providers for IP telephony.”

Dell-Oro – Telephony Enterprise Report 2Q08 Vol. 7, No. 2 11B

“Cisco’s line shipments grew 3% sequentially on a significant rebound in NA, which grew by 18% over last quarter. A strong fiscal year end performance in NA helped Cisco become the number one vendor worldwide in terms of line shipments, surpassing Nortel in the quarter”.

Cisco Leads the Market in Technology, Services, and With Partners

WW Enterprise Voice Market Share



The Leader in Unified Communications

- #1 in Enterprise Voice
- #1 in Web Conferencing
- #1 in Audio Conferencing
- #1 in Telepresence
- #2 in Contact Center
- #2 in Unified Messaging
- Globally-recognized, award-winning services

Sources: Synergy Research, Frost & Sullivan, IDC, Intellicom, Cisco

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Synergy Research – Quarterly Update Worldwide Market Shares

Q1 2008 Enterprise Voice Market Shares

May 15, 2008

“Cisco surpasses Avaya in Enterprise Telephony for the first time in Q1 2008 while maintaining the number one position in WW Enterprise Voice at 26.1% market share.”