

# CISCO SYSTEMS CAPITAL

Case Study



Keio University

<http://www.keio.ac.jp/index-en.html>

## STAYING ON THE CUTTING EDGE

Keio University uses only the latest and very best technology, thanks to a financial solution from Cisco Capital

### Business Challenge

Keio University is a leading Japanese institution that will be marking its 150th anniversary in 2008. It is also a university that is on the cutting edge of implementing IT in locations such as the Shonan Fujisawa Campus.

Keeping an up-to-date information technology environment is one of the key responsibilities of a modern educational institution. Keio University seeks to maintain a large-scale, advanced network environment, to keep its students on the cutting edge of technology

developments. Implementing such an advanced IT environment can be expensive, involving both a substantial initial investment, and ongoing costs. It is unrealistic to expect to continue using the same equipment without upgrade or refresh for a long period of time.

Keio University requires a solution that enables it to keep up with technological advances, but at an affordable cost. Cisco Capital provided a finance plan that made all of these possible.



### PROFILE

#### Keio University

Location: 2-15-45 Mita, Minato-ku, Tokyo (Mita Campus)  
Students: Over 30,000 (About 28,000 undergraduates and 4,200 postgraduates)  
Staff: Over 5,000 (About 2,300 teaching staff and 2,700 other staff)

Established by Yukischi Fukuzawa in 1858 (as Rangakujuku), Keio University was the first private university in Japan. It currently offers a range of academic programmes from its various faculties: letters, economics, law, business & commerce, medicine, science & technology, policy management, environmental information and nursing & medical care. The University is spread across multiple campuses located in areas including Mita, Hiyoshi, Shinanomachi, Yagami and Shonan Fujisawa. Thanks to the advanced

information technology implemented in the Shonan Fujisawa Campus (opened in 1990), Keio University now boasts one of the best IT environments among all universities in Japan. In 2008, the university will be celebrating its 150th anniversary and is facing up to new challenges based on its motto: "leading to the future" and "independence and coexistence".



KEIO 150  
Design the Future  
2008年・創立150周年記念式典

Cisco Systems K.K.  
Public Sector Sales  
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Region  
Sales Team2  
Account Manager  
Masaki Maitani



KEIO UNIVERSITY  
Information Technology  
Center  
Assistant Manager  
Sadataka Hayashi

Cisco Systems Capital K.K.  
Leasing Sales  
Enterprise Sales  
Senior Lease Account  
Manager  
Yoshiki Iwamoto



## The Solution

Even amongst other high-tech universities, Keio University has a reputation for its cutting-edge IT implementation. Networks are essential for the educational environment of today, and Keio University's is centred on highly compatible and scalable Cisco products.

With a Cisco Catalyst 6500 series LAN switch as its backbone, the network is used for communication between campuses and for the submission of assignments and the electronic distribution of study materials for students. A wireless LAN environment has also been made available using Cisco Aironet wireless LAN access points in a wide range of locations on campus, such as libraries, with the aim of improving security through the creation of signal sign-on authentication.

Sadataka Hayasahi, Assistant Manager in Keio University's ITC (Information Technology Center) Headquarters, who proposed the basic concept of the internal network, said:

"These days, the network is an essential part of our infrastructure, like electricity, gas, and water. Large files such as videos are being exchanged on a regular basis; therefore, we need to have an optimal network environment to meet the business demands of our university."

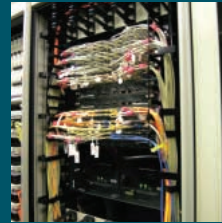
As Keio University has multiple campuses including the Mita Campus that is the location of the ITC Headquarters as well as campuses at

Hiyoshi, Shinanomachi, Yagami and Shonan Fujisawa, building a network between these is extremely important. Hayashi explained why Keio relies on Cisco products:

"We have used products from other companies in the past, but there are several major reasons that we have decided to consolidate our network with Cisco products. Only Cisco products provided the functions we required, and we can implement settings using a command-line format that we are familiar with. There is a high level of compatibility with a variety of devices and a high degree of scalability through service modules due to standardized interfaces and functions. Considering that equipment is not replaced in all campuses at the same time, but added and changed as required, the use of a single vendor is significant for overall security."

With the constant turnover of students and rapid pace of change in the information technology industry, universities find themselves subject to rapid technological migration. "We could not use the same technology products for ten years. We need to replace each network unit periodically, often every three or four years," said Hayashi. "Our approach to the selection of equipment is to stay a few years ahead based on the technology available at that time. Even though the equipment specs seem excessive at the time of implementation, they will be normal specs one year later."

Cisco Catalyst 6500  
LAN Switch  
&  
Cisco Aironet



## Business Value

Keio University's network strategy is to replace all equipment with the latest models on a regular basis. The replacement cycle is 3 to 4 years, and considering the cost, purchasing the latest equipment may not give us the best return for our investment.

Cisco Capital suggested an FMV Lease (Operating Lease) for Keio University. This lease leverages realized value to level the cost of equipment, and uses operating expenses to pay for the use of equipment. This offers Keio University much-needed flexibility, as well as the option to upgrade as and when they require.

According to Hayashi, Keio University has used the lease programs provided by other companies in the past, but conventional financing result in the cost being slightly higher than purchasing equipment.

Hayashi also had this to say about matching fund subsidies for private universities.

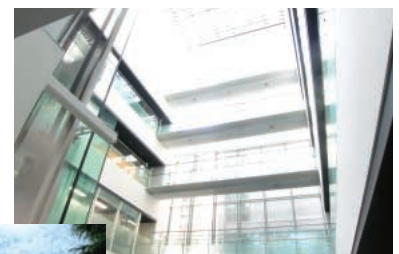
"When purchasing large network equipment with a subsidy, the period of depreciation is 9 years. In contrast, leases fall into current expenses and are subject to a subsidy of up to 50%. Items such as optical fiber and UTP lines cannot be helped, but it is possible to replace equipment in a shorter period of time while keeping costs down by utilizing leases and including them in current expenses. We feel this is the best method for universities."

Keio University has been a customer of Cisco Capital for many years and Hayashi believes Cisco Capital's leasing programs are ideal to support Keio University's technology requirements. Cisco's Masaki Maitani, who is responsible for handling business with Keio University, made the following comment.

"Currently, Keio University's network ranks highly against other educational institutions, both inside and outside Japan. In order to ensure this, the University has established a comprehensive alliance with Cisco to jointly develop and build the latest infrastructure. This alliance involves providing, operating and maintaining network equipment, and conducting joint trials based on the latest technology.

Using Cisco Capital's operating lease allows Keio University to implement Cisco products, and keep up with available technology. I believe Cisco Capital leasing programs enable customers to build and utilize latest technology in their IT environments as showcased in Keio University."

"It is ideal to be able to upgrade to the latest technology according to the business requirements while keeping spending at a manageable level. The Cisco Capital operating lease program is a distinctive solution that matched the needs of Keio University," said Maitani.



# CISCO SYSTEMS CAPITAL

## Cisco Systems Capital K.K.

Address : Midtown tower, 9-7-1 Akasaka, Minato-ku, Tokyo  
107 - 6227 JAPAN

TEL : 03-6434-6622 (Representative)

Established : August 27, 2001

Capital : ¥600 million

Key Stockholder : U.S. Cisco Systems, Inc. (100%)

Content of Business Services : General leasing business; Leases, rentals, and other financing support for telecommunications equipment and peripheral devices, plus secondhand sales

URL : <http://www.cisco.com/jp/product/lease/>

Cisco Systems Capital K.K. offers a variety of financing services for Cisco Systems products and services to clients in Japan. Favorable financing programs are offered to all client corporations, such as the provision of flexible options for the setup of lease terms, terminations, and transitions from the use of competitors' products. Clients are offered consultations about networking investments, and help is provided to give clients a more competitive edge through the latest networking solutions.



**Corporate Headquarters**  
Cisco Systems, Inc.  
170 West Tasman Drive  
San Jose, CA 95134-1706  
USA  
[www.cisco.com](http://www.cisco.com)  
Tel: 408 526-4000  
800 553-NETS (6387)  
Fax: 408 526-4100

**European Headquarters**  
Cisco Systems International BV  
Haarlerbergpark  
Haarlerbergweg 13-19  
1101 CH Amsterdam  
The Netherlands  
[www-europe.cisco.com](http://www-europe.cisco.com)  
Tel: 31 0 20 357 1000  
Fax: 31 0 20 357 1100

**Americas Headquarters**  
Cisco Systems, Inc.  
170 West Tasman Drive  
San Jose, CA 95134-1706  
USA  
[www.cisco.com](http://www.cisco.com)  
Tel: 408 526-7660  
Fax: 408 527-0883

**Asia Pacific Headquarters**  
Cisco Systems, Inc.  
Capital Tower  
168 Robinson Road  
#22-01 to #29-01  
Singapore 068912  
[www.cisco.com](http://www.cisco.com)  
Tel: +65 6317 7777  
Fax: +65 6317 7799

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