



**Cisco Expo
2007**

Connected Future

The Linksys Vision of the Connected Home and Office



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Regional Channel AM – Adriatics & Bulgaria
November 14th, 2007 (Belgrade, Serbia)

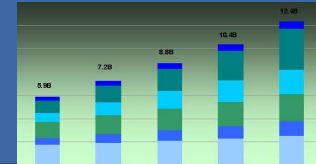
**Enable Your Network
Empower Your Business**

Welcome to the Human Network



Today's Discussion

Linksys, Cisco and their Customers



Connected Home



Connected Office



What's In It For OUR Partners & Customers?



Coming Soon

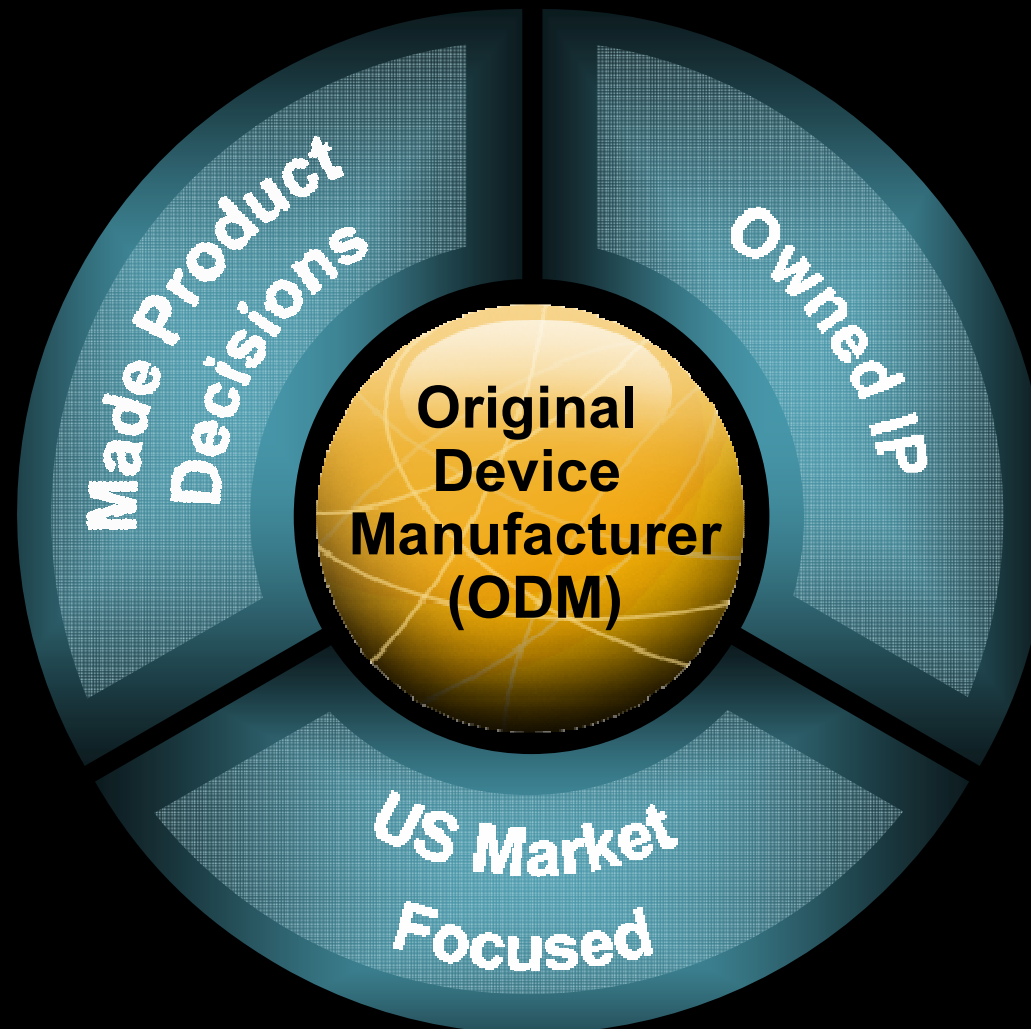


Linksys, Cisco and their Customers



Historic Approach to Linksys Product Development

Linksys ODM model worked well during “early adopter” phase of the market



Linksys 2.0 = The Customer Is Now the Center of our Universe

Relentless Consumer Focus...

...Intense focus
on the consumer
completely
changes the way
we do business

The fundamental
principle is to
be close to the
customer



The Power of Three

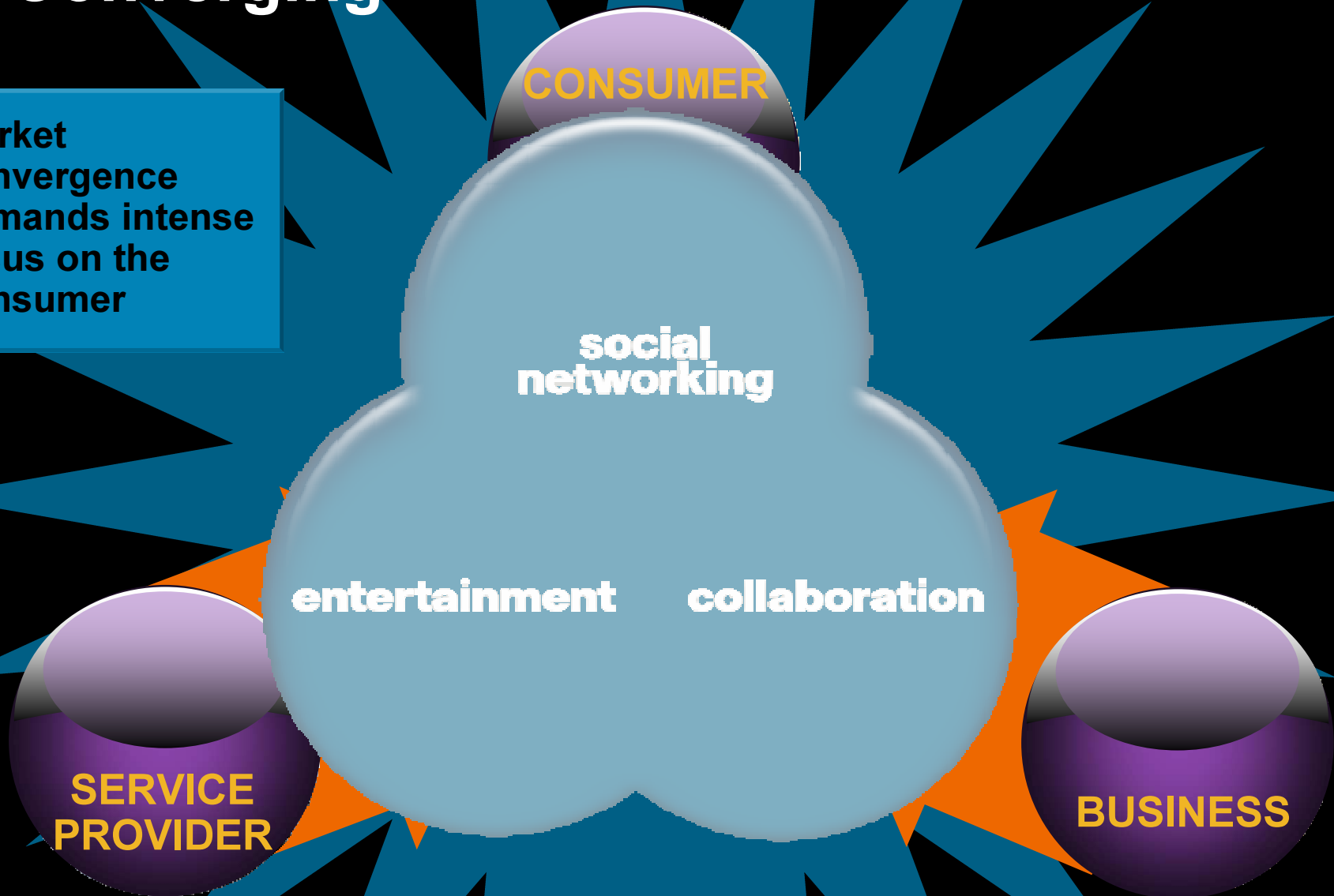


LINKSYS®



Linksys 2.0: Three Separate Markets Converging

Market convergence demands intense focus on the consumer



Linksys 2.0: Taking the Wheel

Our ODM and JDM partners are now taking a backseat



Linksys is driving...

Linksys 2.0 = Total Company Change

Transition from ODM reliance to JDM = fewer products and better quality

Development

- Software platform and application expertise
- Innovation in hardware and design
- Product marketing/management discipline
- Own intellectual property and leverage across Cisco
- Products have services tied to them
- Products are interoperable

Marketing

- Global brand awareness
- Ability to support master brand
- Consumer mindshare and demand generation
- Support for global product launches

Sales

- Focused global distribution – drive to #1 / #2 in each market
- Multiple routes-to-market (retail, channel, ecommerce, direct, SP)
- Integrated go-to-market
- Leverage synergy with Cisco/SA

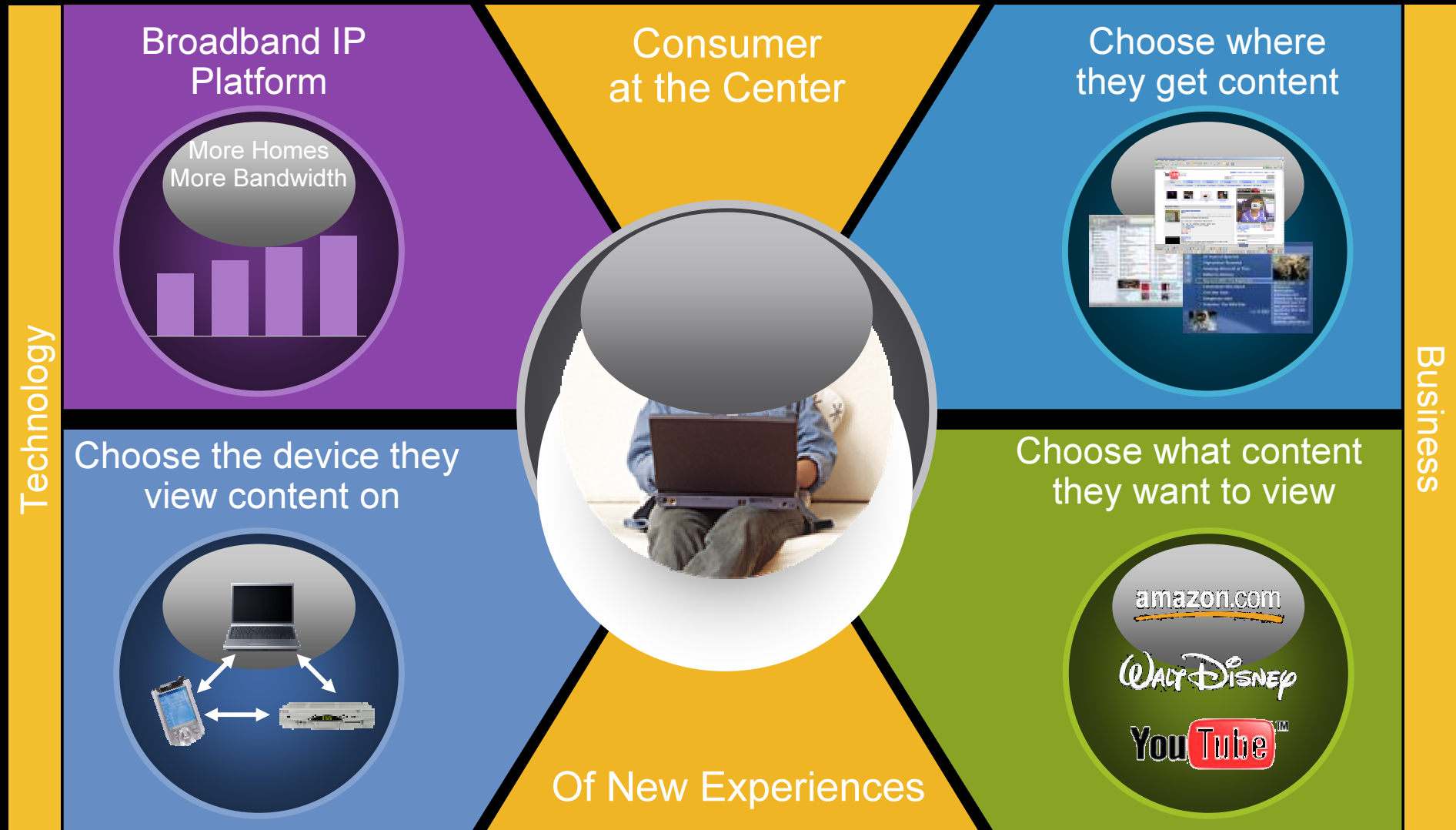
Infrastructure

- Scaleable supply chain and logistics
- Low cost operating model
- In-country sales, support and delivery

Linksys 2.0 = Collaboration



The New Consumer



Parallels Between Small Business and Consumer



SMALL BUSINESS

High Volumes

**Direct and
Indirect**

**Purchase
through
channels**

**Web-Ex as
route
to market**

CONSUMER

High Volumes

**Direct and
Indirect**

**Purchase
through
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**Web-Ex as
route
to market**



Similarities between Linksys market segments

The Cisco Consumer “Experience”

Strategy

- Open, common Connected Home Architecture w/easy set-up and simple, consistent user interface
- Content, applications, and services available to all devices in and outside the home
- Advantaged multi-channel approach (SP + Retail + Content Providers)

Innovation

- Networked Entertainment Products (Retail)
- Next Generation Set-Top-Boxes (SP)
- CMSG Content OS



Ecosystem

- Content Partners (Pending)
 - NBC/Universal
 - Warner Music Group
- Service Provider Partners
 - Time Warner

Brand

- Cisco branded products sold through retail/SP channels
- Human Network... Welcome Home Branding Campaign
- Connected Home Website



The Connected Home



Technology Building Blocks

Networked
Home

Connected
Home

Connected
Life



DVR
HDTV
High Speed Data
XDSL/ DOCSIS

Physical IP connections
Ethernet
MoCA
HPNAv3
HomePlug AV
802.11 b/g
802.11n
Advanced Codecs
H.264
VC-1
Transcoding

Service Layer Technologies:
uPnP and DLNA
SIP Clients

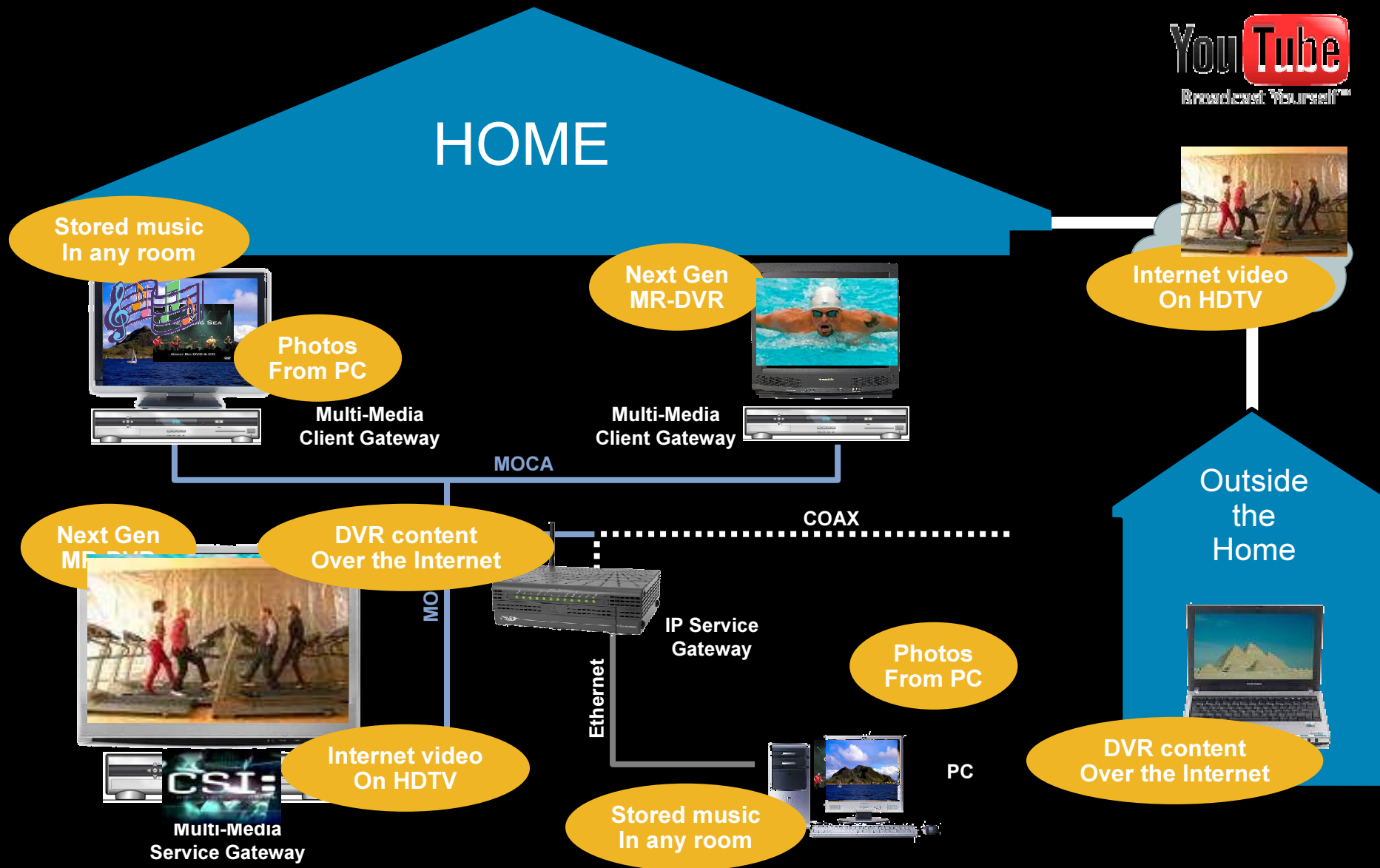
Enables: "Life Bit" Viewing
Monitoring Service
Automation/Control
Integrated applications
V/V/D/W
IP communications

DRM Technologies
OCUR / DRI
DRM Bridging Frameworks
QoE
Admission control
Bandwidth mgmt
LAN to WAN
Device/Service Mgmt

Enables: Multi-Screen Service
Content/Service Sell Through
"Place Shifting"
Selling content to more
screens, more devices

Enables:
Mobility
Remote Access
True "Presence"
Full service interworking

Next Generation Home System Example



Next Generation CPE Provides a Foundation for New Home Media Experiences

Internet and Premium Content Services



- Extended HD
- Niche sports and international
- User generated video
- Streaming music
- Internet content on TV

Whole Home Content/DVR



- Multi-room DVR
- Personalized content access across multiple devices in the home
- Whole home VOD

Rich Media Experience and Navigation



- Advanced IPG; OCAP
- Video rich navigation options
- Integrated search and multimedia access
- TV companion with robust search

User Device Docking and Storage



- Photos and personal video on TV
- Listen to music from portable devices
- Download content to portable devices

Interactive and Community / Social Applications



- Content and experience sharing
- Communicate with other members across platform devices

Video Rich Communications



- Videoconferencing
- SMS
- Caller ID on TV

It's Our Time!

We are Positioned for Success

- Pioneered and helped establish SP-CPE and Home Networking Markets
- Over 30 million digital interactive set-tops shipped
- Over 30 million Home Networks shipped

Over 50% share in US Retail

Worldwide Leader in Wireless Home Networking

- More than 16 million modems shipped to date
- Expertise in operating systems, middleware, applications, conditional access and digital rights management
- Over 50 labs, 850 engineers focused on continued end to end video and data

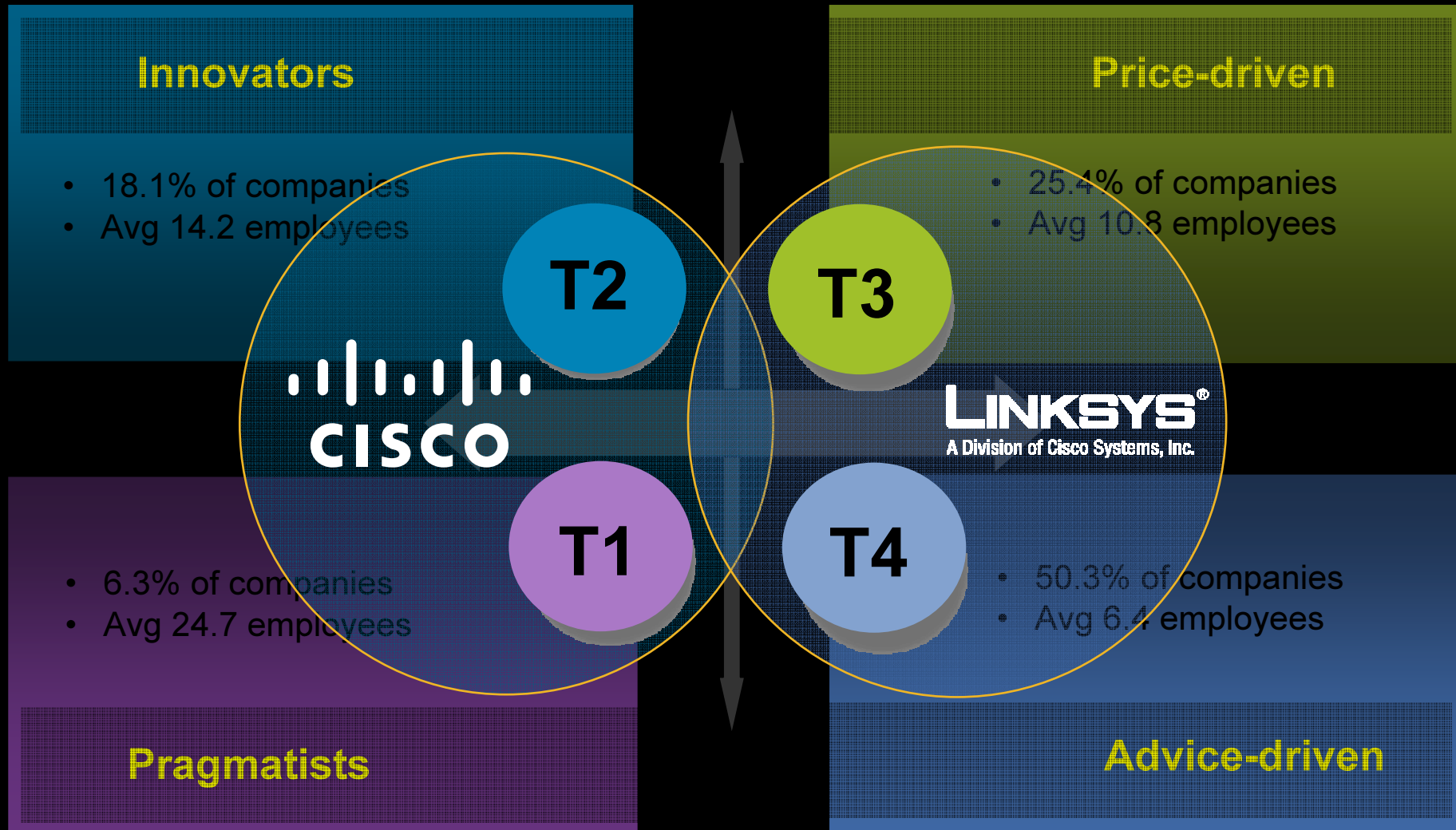
system innovation



The Connected Office



Cisco/Linksys Opportunity in Small Business



Which Product and When?

Vision: Purpose Built, Easy-to-Use, Full-Functionality Solutions of Premium Value

LINKSYS®
A Division of Cisco Systems, Inc.

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CISCO

CISCO

Business Series



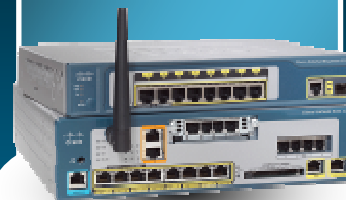
VAR advised

Linksys One



SP Managed,
VAR Delivered

Smart Business
Comms System



VAR Delivered
and Managed

Cisco Premier



VAR Led and
Maintained
Relationship

Addressing the SMB Market

Linksys vs. Competitive Approach

Others	LINKSYS® A Division of Cisco Systems, Inc.
Repurpose existing consumer products and channels	Purpose built products & channels for each customer segment
Large number of point products with limited solution sets	Solutions and point products
Limited or no partner field resources	Multiple field resources – Pre & Post sales support
Consumer based support with non-differentiated tech to tech support	Specifically trained tech to tech support
Zero investment protection	Investment protection with Cisco Trade up program

Our Approach is Working: 82% growth last year
with a three fold increase in market share

The Linksys/Cisco Approach...

**Purpose Built
Products for
each segment...**

**Purpose Built
Channels for
each segment...**

Consumer products for the consumer...

“Black and Blue” products for the home sold through retail

Small Business products for the
small business...

Security, density, flexibility, ease of use built in each product

Medium Business products for the
medium business...

Manageability, flexibility, expandability built in each product

Enterprise products for the enterprise...

Intelligence, extensibility, expandability built in each product

Linksys/Cisco Commercial Mission

Cisco and Linksys provide a comprehensive portfolio of products and solutions for Commercial customers

SMB



**Small Business
5–99 Employees**



**Medium-Sized Business
100–249 Employees**

Mid-Market

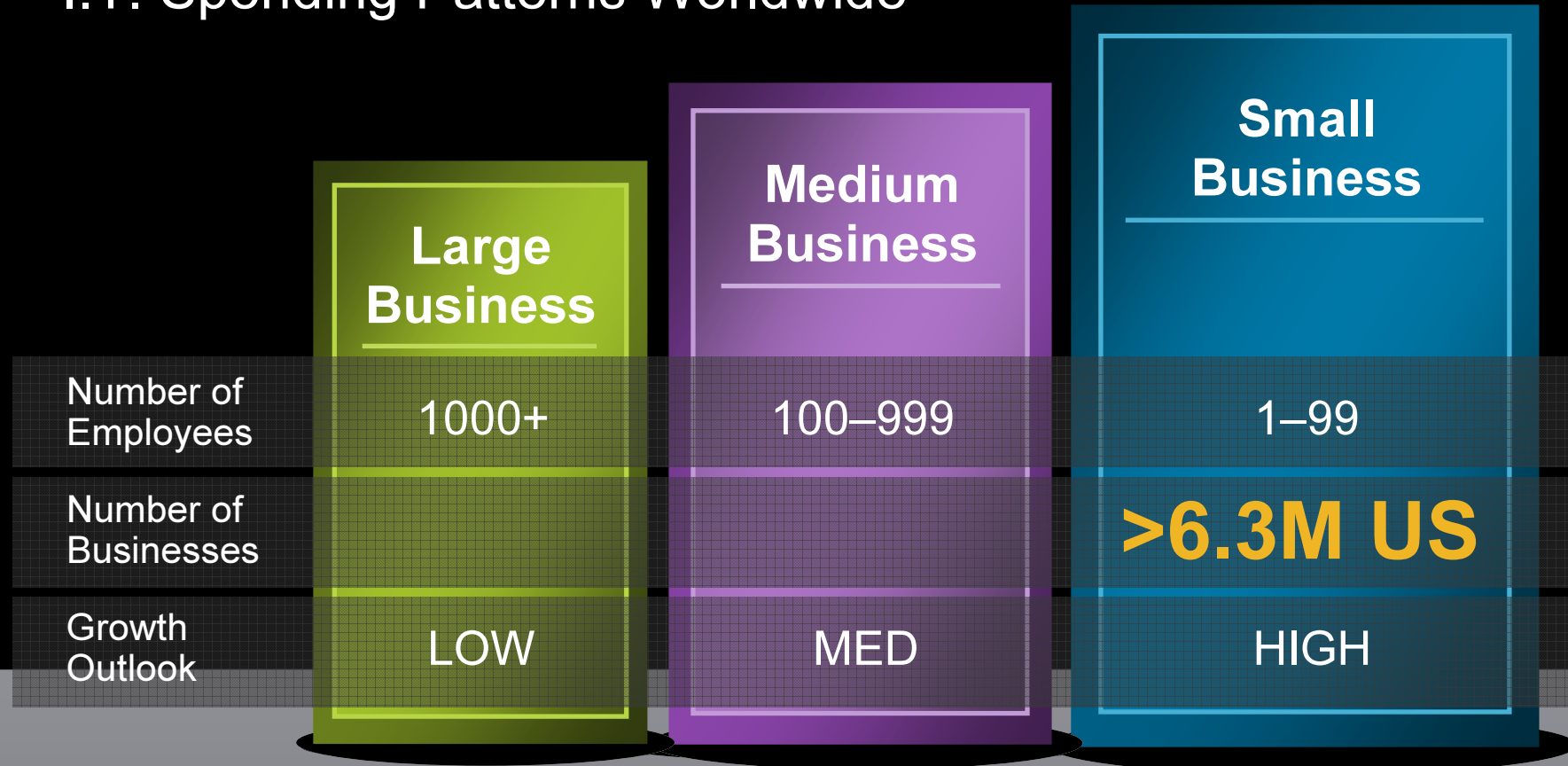


250–1000 Employees

**Provide Purpose Built, Easy-to-Use
Full-Functionality Solutions of Premium Value**

Growing Opportunities

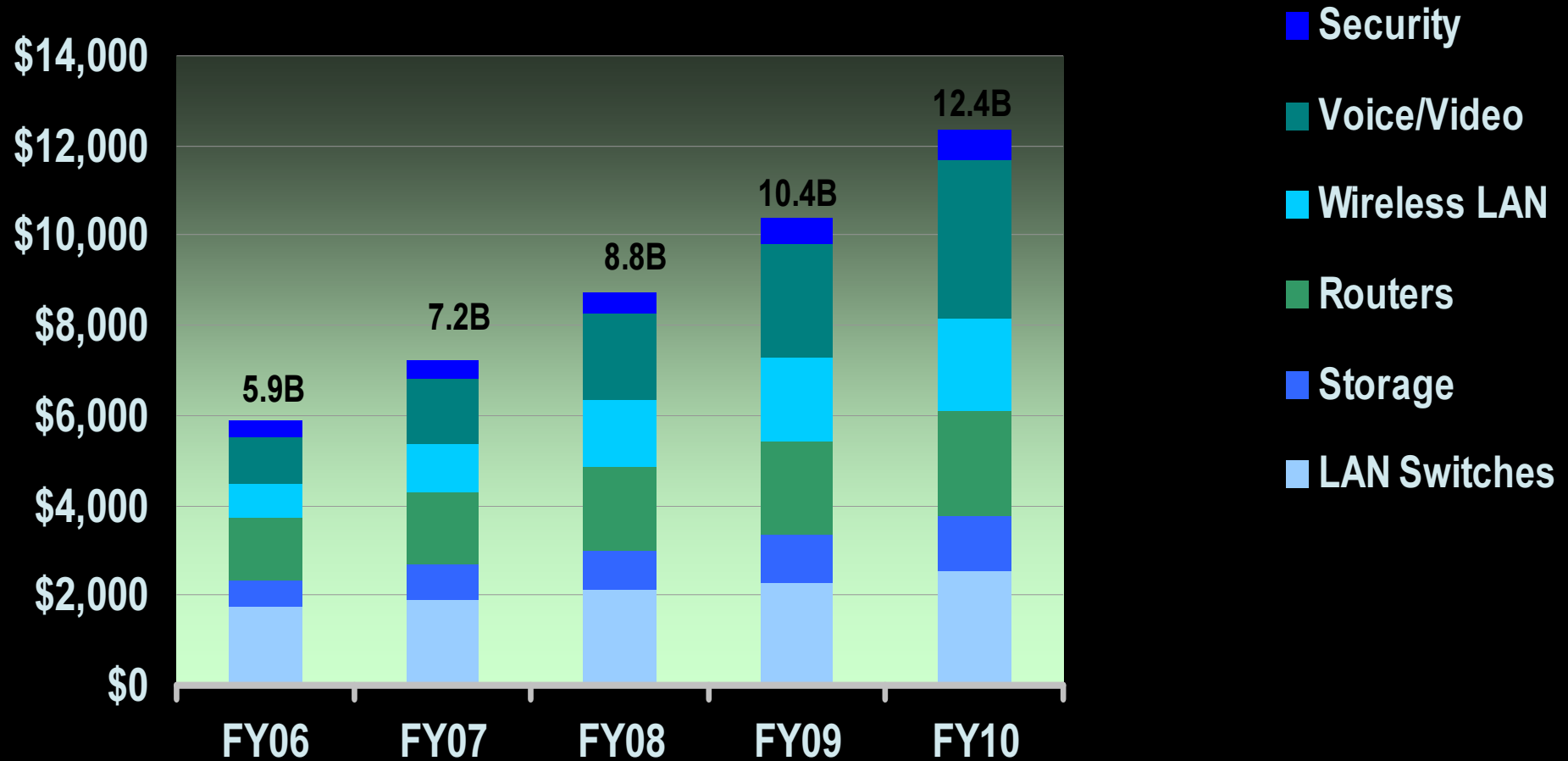
I.T. Spending Patterns Worldwide



“More than 89% of businesses in the United States have 2 to 19 employees.” Yankee Group

Small Business Market

Cisco/Linksys Addressable Market (\$M)



Below 100 User Segment

Source: Cisco Market Intelligence, 2007

What's in it for YOU



What's In It For You?

Profitability

High value product offerings
Above average margins

Right Products

Comprehensive “Purpose Built” product offerings
Easy-to-use products

Right Attitude

Easy to do business with
Tech to tech support – Many field resources

Speed

Speed of execution
Time to market

Investment Protection

Cisco Trade Up program
No other Vendor has the same focus or portfolio

What's In It For You?

Profitability

High value product offerings
Above average margins

- **Current Partner Program**
 - Dedicated Account Support
 - Priority Tech Support
 - Volume / meet-comp / Gov Pricing Discounts
 - Partner Only Monthly Promotions
 - Listing in Partner Locator at www.linksys.com/srb
 - Ability to achieve VoIP Authorization
 - Linksys Voice System 9000 (SPA9000)
 - Linksys One
 - Trade up to Cisco
 - Demo Program's



What's In It For You?

Profitability

High value product offerings
Above average margins

Partner Newsletter

Partner Training

Point Product or Solution Sales

Managed Services Opportunities – 5x potential

Lower Your Operating Expenses

Low cost of deployment

Auto Configuration

Increased Reliability

More time spent enhancing the customer experience

Focused on reducing partner investment

On-line training, marketing tools, support services

Customer Retention

Connected Office Portfolio Overview

Products & Solutions for Any Business Need or Budget

**Right
Products**

Comprehensive “Purpose Built” product offerings
Easy-to-use products

Applications



Facilities
Management



Mobility/
SNR



Storage Back-
up/Archiving



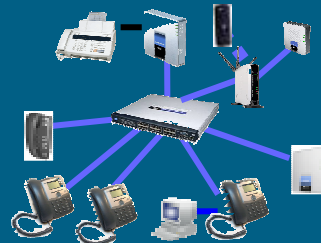
Auto-
Configuration,
Auto-Backup



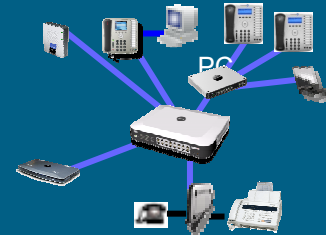
Hosted Services and
Applications, e.g. CRM

Solutions

LVS: Flexible Small
Business VoIP Key System
Over Broadband



Linksys Voice System (LVS)



Linksys One

Linksys One:
Complete Small
Business Solution
with Simple
Plug and Play

Endpoints



IP Phones



Wireless
IP Phones



Video



Analog Voice
Gateways



VoIP
Accessories

Infrastructure Products



Routing



Managed
Switches



Un-
Managed
Switches



Smart
Switches



Wireless



Security



Storage

What's In It For You?

Right Attitude

Easy to do business with
Tech to tech support – Many field resources

- **Investment in partner support**

Make a call, we answer!

Need to demo, we have a program!

Committed to helping our Partners sell faster with higher margins!

- **Collaborative Marketing and MDF**

Leverage two of the strongest networking brands in SMB, Linksys and Cisco

Shared collateral

- **On-line training free of charge**

We believe education is key to partner empowerment

Focus on technology, how to scale as a Linksys reseller, business acumen

Cisco/ Linksys Sales
Support

Linksys Field CAMs

Regional Sales
Engineers

Dedicated Voice
Support Team

- **Collaboration with Cisco**

What's In It For You?

Speed

Speed of execution
Time to market

- **World Class Operational Efficiencies**
Right product to the right place on time and at the lowest cost to you
- **25 New products introduced in the past year**
Including switching, Storage, Wireless, Telephony
- **More compelling products in process now**
- **Power of Cisco to address market needs**



Linksys to Cisco Trade Up Program

Investment Protection

Cisco Trade Up program
No other Vendor has the same focus or portfolio



- Capital Investment protection for a growing small business

- Key differentiator versus other small business vendors

- Offers you a unique long-term service offering to your customers



www.cisco.com/go/tradeuptoCisco

Coming Soon



Coming Soon

Extended Support Solutions

New Services and Applications

New Marketing Tools

Next Generation Partner Program

Next Generation Partner Program



Enhancements to the Linksys Partner Connection (LPC) Partner Program



Program Tiers

Product Specializations

Program Requirements

Program Benefits

MDF Program

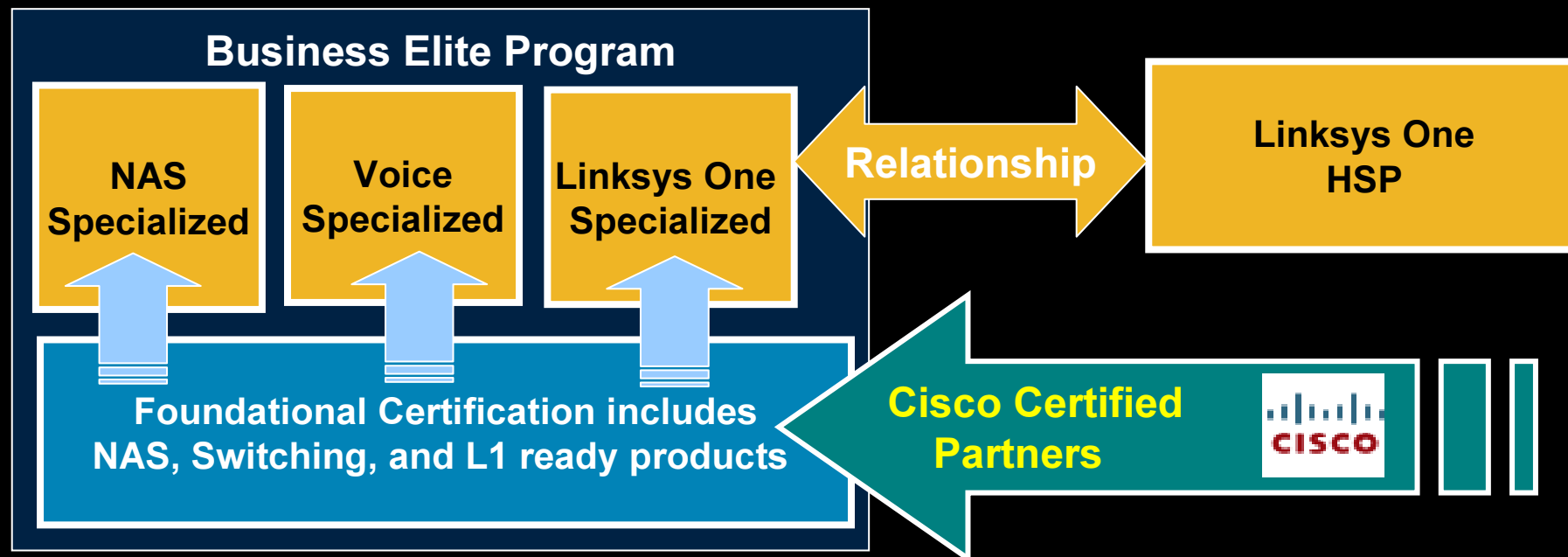
Service and Support Programs for Small Business and Partners

Cisco and Linksys Partner Program Alignment

Requirements

Benefits

Cisco and Linksys Program Alignment





**Cisco Expo
2007**

Thank you



**Enable Your Network
Empower Your Business**

Cisco Networkers 2008

January 21-24 Barcelona, Spain



Ne zaboravite da se prijavite na Cisco Networkers 2008!

<http://www.cisco.com/web/europe/cisco-networkers/2008/index.html>

