Cisco IT Executive Presentation
TelePresence

Version 13, Q3, FY09

Produced by the Cisco on Cisco team within Cisco IT

Cisco TelePresence in Context

- **Challenges**
  - Ineffective remote meetings
  - Increased demand for collaboration
  - Global business operations
  - Real-time access to distributed expertise

- **TelePresence Advantages**
  - Experience the meeting, not the technology
  - Life-size and high-resolution to discern body language
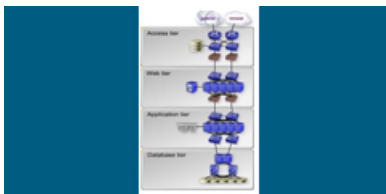 - Guarantee everyone a seat at the table

- **Built Entirely by Cisco**
  - Quality, simplicity, reliability

Executive Summary
TelePresence

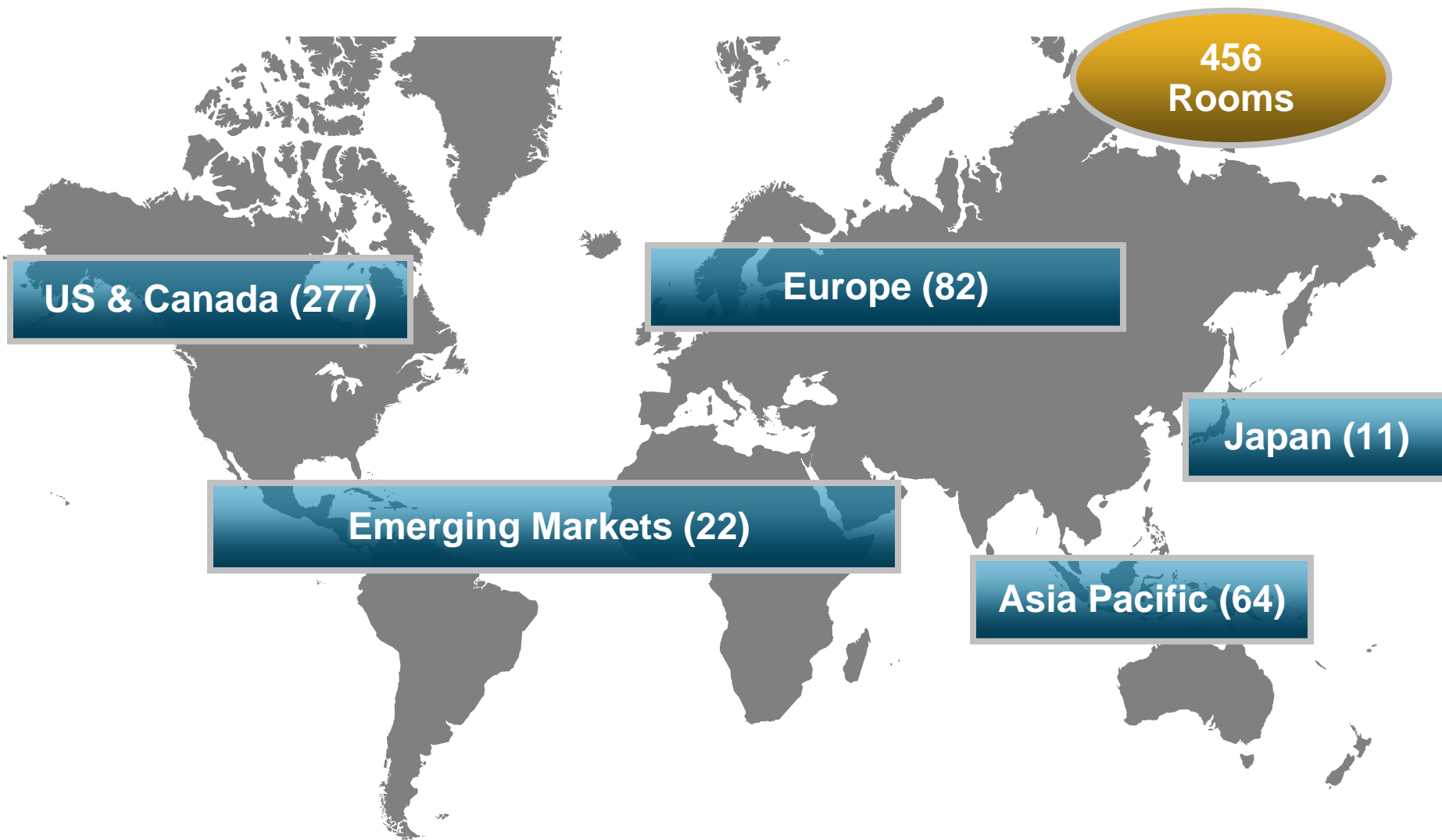| Challenge	Solution	Results	Return on Investment	Future
• Meet with more customers whilst reducing travel • Provide a new option for communicating in an emergency	• CTS 3000, 1000, and 500 Endpoints • "Same room" experience and simple to use • Integrates with UCM and Cisco Unified IP Phone • WAN circuit upgrades where needed to enhance quality	• Travel reduction • Employee productivity • New business benefits • Business continuity	• Improve sales success rates with gains of $127M+ • Reduce sales cycle saving $68M+ • Travel savings of ~$61M • Executive and employee productivity gains of $42M+	Deploy 144+ client funded and 33+ corporate funded TelePresence systems by end of FY09 Full video solution combine TelePresence, WebEx, H.323 video

Cisco TelePresence Deployment FY09 (May 09)

456 Rooms

US & Canada (277)

Europe (82)

Japan (11)

Emerging Markets (22)

Asia Pacific (64)

TelePresence, Past, Present, and Future

Past	Present	Future
Collaborations were done face-to-face where travel was required much more	• 456 TelePresence systems globally • Overall average usage ~49% • 289,922+ meetings scheduled (381,701+ hours) • 53,788+ meetings avoided travel by using Cisco TelePresence, saving $215M+ • Productivity cost savings of $81M+ • 116,182+ metric tons of emission saved • B2B (enable customers to communicate and collaborate over TelePresence) • 1,855+ deals impacted by TelePresence	• Deploy 144+ client funded and 33+ corporate funded TelePresence systems by end of FY09 • Full video solution combine TelePresence, WebEx, H.323 video

Business Benefits

Travel Reduction	Employee Productivity	New Business Models	Business Continuity
Reduced travel for internal and external meetings	Reduced travel "downtime"	Sales: increased customer contact; reduced sales cycle	Effective crisis management
Reallocate travel to critical customer meetings	Increased "in-person" interactions	Marketing: accelerated content development	Emergency executive meetings
Positive environmental impact, reduced emissions	Improved access to busy executives	Product Development: reduced development cycle	Improved communication and decision making
Facilitates work-life integration, workplace flexibility	Ready access to subject matter experts	Manufacturing: improved supply-chain integration	
	Enhanced communication and decision making	Professional Services: more consulting time	
	Increased face time with customers	HR: reduced hiring cycle resulting from remote job interviews	

TelePresence Impact on Key Financial Drivers

REVENUE		OPERATING EXPENSES		RISK	
New Product Revenue	Reduce time-to-market for new products and services	Travel Expenses	Reduce business travel expenses	Business Continuity	Effective crisis management: Improve communication with global offices, R&D centers, etc. Reduce risk of critical downtime, asset impairment
Lead Generation	Expand lead generation through increased customer contact	Executive and Employee Productivity	Time savings for executives, knowledge workers, and SMEs		
Sales Pipeline	Improve sales pipeline conversion rate	Internal Project Costs	Avoid internal project delays, reduce project cycle time		
		Vendor and Supplier Costs	Reduce vendor and supply-chain costs with third-party collaboration	Compliance with Environmental Regulations	Meet environmental emissions-compliance standards Improve overall environmental care
Salesforce Productivity	Improve time to productivity for new sales hires	Support Costs	Reduce support costs through global shared service centers		
		Hiring Costs	Remote job interviews compress hiring cycle, reduce cost of turnover		

Cisco TelePresence Deployment Return on Investment

3 Years – Starting October 2006

Improving Sales Success Rate	Reducing Sales Cycle	Travel Savings	Executive & Employee Productivity Gains	Cost Avoidance In Services
+ $127 Million	+ $68 Million	- $61 Million	+ $42 Million	$21 Million
2% Increase	2% Decrease	5.5% Decrease		

$240M

Changing the Way We Work, Live, Play and Learn

Source: Cisco IBSG, 2007
* Data is based on present value of free cash flows over a three-year period.

TelePresence – Business Value Snapshot

Productivity

- Approx. four hours saved with every trip avoided

- Improve time to productivity for new sales hires

- Time savings for executives, knowledge workers, and SMEs

Quality/End User Experience

- Reduce time-to-market for new products and services

- Expand lead generation through increased customer contact

- Improve sales pipeline conversion rate

- 1,855+ deals impacted by TelePresence

Cost Savings/Avoidance

- Productivity cost savings of $81+M

- Reduce vendor and supply-chain costs with third-party collaboration

- Reduce support costs through global shared service centers

- Remote job interviews compress hiring cycle, reduce cost of turnover

TelePresence – Business Value Snapshot

Cost Avoidance

- Reduce business travel expenses by ~$215+M

ROI

- Improving Sales Success Rate
  - + $127 Million
  - 2% Increase

- Reducing Sales Cycle
  - + $68 Million
  - 2% Decrease

- Travel Savings
  - $61 Million
  - 5.5% Decrease

- Productivity Gains
  - + $42 Million

- Cost Avoidance In Services
  - $21 Million

- **Total predicted ROI of $240M by Oct 2009**

Green

- Travel avoidance gained by 53,788+ of total meetings and savings of 116,182+ metric tons of carbon emissions

To learn more about real-world Cisco IT deployments, visit www.cisco.com/go/ciscoit