

Cisco Architecture Services Drive Strategic Value of Service-Led Interactions

As a technology-driven company with a laser focus on customer loyalty factors and the specific needs of the customer, Cisco® has more recently placed greater emphasis on our enterprise services capabilities. As the network becomes the vital foundation of the enterprise IT infrastructure, Cisco “strategic” enterprise services, such as Advisory and Advanced Services, and SONA-related collaborative discovery sessions, will play a vital role in helping customers’ align enterprise IT architectures with business strategy.

“As intelligence migrates to the network, the way an organization designs its network architecture becomes fundamentally important,” according to Nick Earle, vice president of services for European markets. “The network is no longer just the ‘plumbing’ that provides data connectivity. It is the technology foundation to delivering services that enhance business performance and raise productivity.”

“Delivering great technology to our customers will always be our competitive edge, but we must also become trusted advisers, showing customers why and how intelligent networks, based on a strategic enterprise IT architecture, can help them to achieve their specific goals and create new business opportunities,” says Earle.

“This is a natural role for Cisco as the networking technology leader. It is also a natural outgrowth of our success in creating intelligent networking technologies. When you have intelligent network services such as security and presence, and when you have applications such as unified communications converging on the same network, strategic enterprise services will be an essential element of how we interact with enterprise customers in the future,” continued Earle.

Architecting the Network

For Cisco, this technology-driven transition requires a new approach. “We are evolving our sales dynamic to utilize services earlier in the sales cycle – typically before a RFP is issued – to align all of Cisco’s resources to drive value-added solution sales to our customers with the goal of what I term ‘service-led acceleration’ of corporate growth and innovation objectives,” Earle explains. “This is in addition, of course, to ensuring that the customer’s network is operating at optimal performance driven by back-end, traditional Cisco services, like the Cisco Network Optimization Service (NOS), which provide Cisco and our partners with the ability to transform the operational maturity of our customers’ IT environments and capture customer data to drive a deeper relationship.”

“It is vital that we have a seat at the table at the business impact level when customers develop their network architectures,” says Bill Ruh, vice president, CA advanced services and SONA program officer. “Our early involvement in the development of the network architecture helps to ensure alignment with applications, middleware, and business processes, while also providing the capability to enable the adoption of new technologies.

Cisco participation in network architecture development is rapidly becoming an imperative, says Earle. “Our customers are looking for service-level agreements to guarantee the end-to-end performance of the network,” says Earle.

According to Ruh, “To provide this, we must be directly involved in the network architecture design at the origination of the problem-solving phase or changes to business processes and corporate strategy, or to accommodate emerging technologies and applications often organically driven by consumer Internet adoption such as Web 2.0 tools.”

As strategic enterprise services evolve into an essential element of Cisco relationships with partners and customers, the strategic services group is leading the way with workshops that explore Cisco Service-Oriented Network Architecture (SONA) approach to network development. These workshops are the first step in customer interactions aimed at architecting a network closely matched to the business needs and goals of the individual customer.

According to Ruh, the primary benefits of a service-led, SONA engagement are the ability to accelerate business value creation in the following ways:

- Increases internal process flexibility.
- Reduces costs through standardization.
- Spurs innovation inside and outside a company.
- Improves the value created by enterprise applications.
- Supports Enterprise 2.0 business models.

“Cisco enterprise architecture strategies illustrate to customers how Web 2.0 is rapidly becoming Enterprise 2.0,” says Ruh. “We help enterprise customers understand that the entire foundation of this new wave of business value is reliable, manageable, and operationally robust dynamic services, which can only be delivered by the network.”

“A strategic enterprise architecture service based on the Cisco SONA approach will do for SOA what IP did for transport,” said Bill Ruh.

Service-Led Interactions

Strategic enterprise services lead to what John Chambers calls customer “interactions,” rather than “transactions.” “Service-led interactions enable our customers to be more successful in deploying platform architectures based on Cisco technology,” says Earle. “Increasingly, our customers are looking to us to tell them how to maximize the value of their investments in network equipment; how to get the most out of their existing networks and to build for the future.”

Service-led interactions also provide a “multiplier effect,” which Earle refers to as 1*4*7.

“Each dollar of strategic enterprise services revenue generates approximately four dollars of implementation services revenue for Cisco partners plus seven dollars of Cisco product sales,” he explains. Thus Cisco strategic services create a win-win opportunity for all Cisco sales teams involved in servicing high-end enterprise accounts.

A Shift to a Services Business Model?

“We are sometimes asked whether this means Cisco will become a services company,” comments Karl Meulema, vice president, CA marketing and channels. “The answer is an emphatic no! We have no ambitions to build a large consulting arm. Rather, we aim to engage with our customers at a higher level and to empower our partners to participate in service-led interactions.”

Cisco has developed a robust program to educate partners on the process for delivering services and support. “We are helping our partners transform,” says Meulema, “by enhancing their abilities to introduce new services for implementation of advanced technologies and network-based architectures.”

Cisco is also working closely with application developers such as SAP and strategic alliance partners such as Capgemini as the emphasis shifts from applications that work *on* the network to applications working *with* the network. For example, functions such as security, mobility, and unified communications can be delivered as shared network utilities to achieve improved development and deployment.

Velocity Value Imperatives

Service-led interactions increase the velocity of customers’ businesses, partners’ businesses, and, of course, Cisco business, says Sheila Talton, vice president, CA advisory services. As Cisco moves from supporting products to systems to architectures, the role and relevancy of strategic enterprise services increases. With architectures in particular, the amount of service and support needed to ensure customer success increases. Therefore, Cisco is evolving our services model to accommodate our customer needs with an enhanced value proposition for service-led interactions.

“CIOs are continually challenged to align IT and business processes to achieve agility and responsiveness, and a cost-effective strategy for business process transformation,” says Talton. “While many enterprises today do not think of the network in those terms, Cisco strategic enterprise services help customers overcome structural hurdles such as too many IT layers and traditional systems, costly and lengthy custom development and systems integration, and poor resource allocation.”

Service-led acceleration allows Cisco to utilize network architecture strategies to provide IT professionals within customer and partner organizations with tools to become trusted business advisers capable of aligning IT strategy with business objectives to drive growth, innovation, and profitability.

This is key, according to Talton, because Cisco enterprise customers are experiencing a shift away from using the network as a pipeline for moving information and, instead, to use the network as a platform for integrating business strategies, processes, and goals. Essentially, it is a shift from *transactions* to *interactions*.

Interactions are about real-time connections, adding value in the exchange of information: negotiating a sales deal (human-to-human), responding to alerts on a dashboard or control panel (machine-to-human), or a package in a warehouse being scanned by an RFID reader (machine-to-machine).

“This shift to interactions in the network, along with Cisco enterprise sales shift to service-led acceleration, will allow our customers to lead the experience they have with their customers with greater velocity,” says Talton.

Trusted Adviser to Enterprise Customers

In these and several other customer interactions, Cisco has earned the status of trusted business adviser.

“Cisco is working with a leading retail banking group to develop a security strategy for its entire network. This is a great example of how services can enhance our customer interactions,” says

Earle. “Another large U.K. customer has engaged Cisco to come up with ideas on new products and services that it could offer in the future, based on the capabilities of the intelligent network. This ‘imagineering’ project is the first step in what we hope will become a much broader engagement.”

“Caterpillar faced a daunting business challenge: Break the inertia of an overly complex, non-standardized infrastructure architecture to move to an interactions economy model,” say Talton. “Cisco strategic enterprise services redefined the traditional Caterpillar and Cisco working relationship by placing strong emphasis on Cisco participation in Caterpillar’s IT strategy, planning, and architecture processes, resulting in a three-year mix of product and services for network security, data center, and IPT solutions.

Additional service-led interaction engagements originated by Cisco strategic enterprise services include:

- Improving customer satisfaction and loyalty. A quote from Hospital Corporation of America’s Area VP: “Technological advantage is required in my business like never before to attract physicians to HCA hospitals. If I can only choose one partner for the next 20 years to achieve and maintain this advantage, I’d choose Cisco because of the value I’m getting from the whole engagement.”
- Another value: Establishing new or elevating current relationship to trusted adviser status. Dennis Virkler at Caterpillar told us: “Everyone of the Cisco participants in the Discovery phase were very professional and revealed a business case for transforming our network that we had no idea was possible. We look forward to a strategic relationship with Cisco that helps us minimize our enterprise network TCO.”
- Designing architecture to speed customer adoption of new technology. LAN infrastructure strategy review at Novartis led to a network transformation engagement where we will help the customer harmonize their architecture and lay the foundation for an “Evergreen” network deployment. This will enable them to deploy advanced technologies in the future.
- Expanding Cisco relevance in the vertical: The Limited Brands CIO introduced to the CIO at Lowe’s – our vertical expertise is becoming known and we are now engaged at Lowe’s. At RBOS, #7 bank in the world, we have the largest EMEA CA enterprise engagement ever booked.
- Neutralizing the competition: China Dev Bank is the economic development lending agency for the China Government, often funding our competitor Huawei. Yet they didn’t go to Huawei, they came to Cisco to re-architect their network.



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