

ROI & Business Savings of Cisco Services Enrollment

EXECUTIVE SUMMARY

The new Services Enrollment for Cisco Enterprise Agreement provides a proven solution for organizations that want to reduce downtime, improve mean time to resolution (MTTR), protect IT resources, maintain business continuity for non-IT staff and customers, mitigate the risk of network security breaches, and reduce spares and simplify support contract complexity. This new solution addresses the negative outcomes of purchasing and using separate hardware and software support contracts by providing a single contract and comprehensive support offering.

A typical enterprise organization will save nearly \$2.5M in the first year of their Services Enrollment, \$7M over a three-year term, and \$12M in five years — an ROI of more than 600%.

HIGHLIGHTS

Market Research Method

GLG surveyed 200 senior IT and line of business (LOB) professionals at U.S. enterprise organizations using Cisco network devices with more than 1,000 employees across a range of industries spanning healthcare, technology, financial services, retail and e-commerce, manufacturing, and more. The survey specifically examined:

- Their router, switch, and wireless access point (WAP) installed base
- The percentage of assets covered by a support agreement and the percent uncovered
- Number of annual network incidents and the percent resulting in an outage
- Typical number of IT staff working on the outage
- The number of staff impacted by a typical outage
- Typical MTTR for a network outage
- The number of support contracts covering their assets
- The number of people working on developing, negotiating, executing, and managing those contracts

These responses, coupled with internal Cisco data, were used to create a standard profile of typical enterprise organizations' network assets and support coverage and the impacts of network outages.

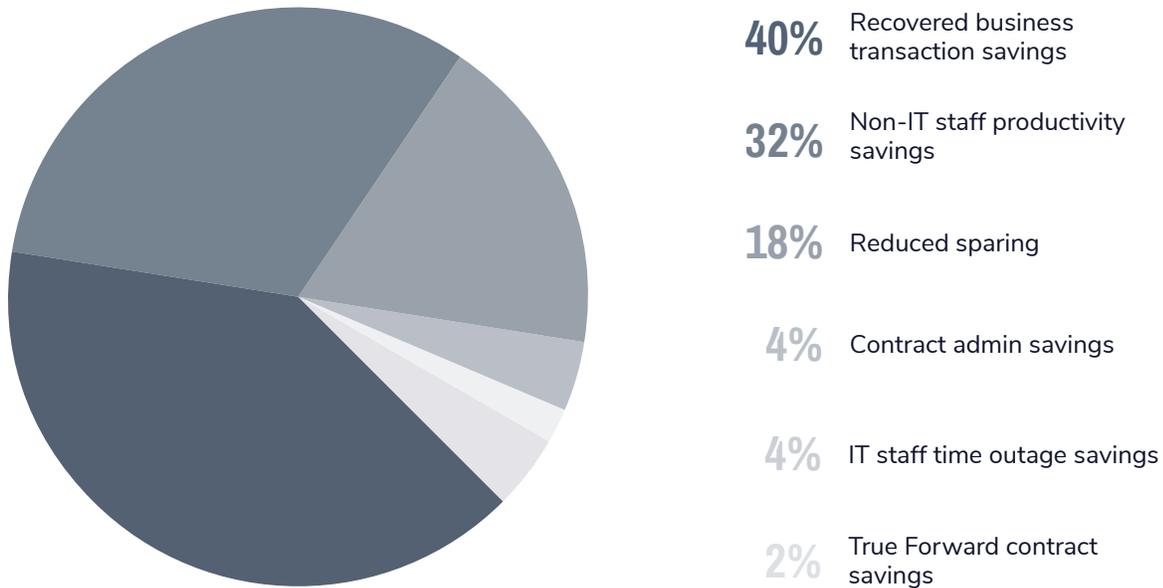


Services Enrollment Savings Highlights

Savings from Services Enrollment fall into two categories — hard and soft savings. Hard savings equate to 28% of the annual savings resulting from a reduction of hardware spares, contract administration cost savings (by moving to a single contract), True Forward contract savings, and a reduction of IT staff time required to fix outages.

Soft savings represent 72% of the total savings and comprise non-IT staff productivity savings due to lower MTTR as a result of improved Cisco Solution Support provided from Services Enrollment, and recovered business transaction savings.

CISCO SERVICES ENROLLMENT SAVINGS



Year One Savings Highlights for a Typical Enterprise Organization

- 600% ROI in year one
- More than \$1M in recovered staff lost productivity time savings
- More than \$1M in recovered business transactions savings
- Nearly \$700K savings due to reduced sparing, True Forward, and moving to a single support contract

Based on responses to the survey, a typical enterprise organization has this profile:

TYPICAL ENTERPRISE IT ORGANIZATION PROFILE
(USING MEANS FROM SURVEY)

Device Type	Devices covered by support	Devices not covered by support	Total devices
# Switches	802	176	978
# Routers	665	122	787
# WAPs	806	211	1,017
# Support contracts			11
# IT staff supporting contracts			6
# Non-IT staff support contracts			5
# Annual number of incidents			50
# Staff working on incidents			9
Downtime per incident			3.3 hours
# Workers affected (non-IT)			590

SITUATION OVERVIEW

HIGHLIGHTS

Enterprise Network Profile

- Fifty-five incidents requiring support occur annually
- Fifteen percent of those incidents result in an outage
- Nearly 10 IT staff work to resolve an outage
- Nearly 600 staff are impacted per outage
- Average downtime per incident is 3.3 hours

Enterprise Support Contract Profile

- Enterprises have an average of 11 network support contracts
- Eleven staff work on developing and executing support contracts

Network Assets and Support Profile

The typical enterprise has 700 routers, 900 switches, and 900 WAPs

MEAN SIZE OF NETWORK ASSET INSTALLED BASE



Survey respondents indicated 80-85% of these devices are covered by a support agreement and the remaining are uncovered.

AVERAGE PROPORTION OF ASSETS COVERED

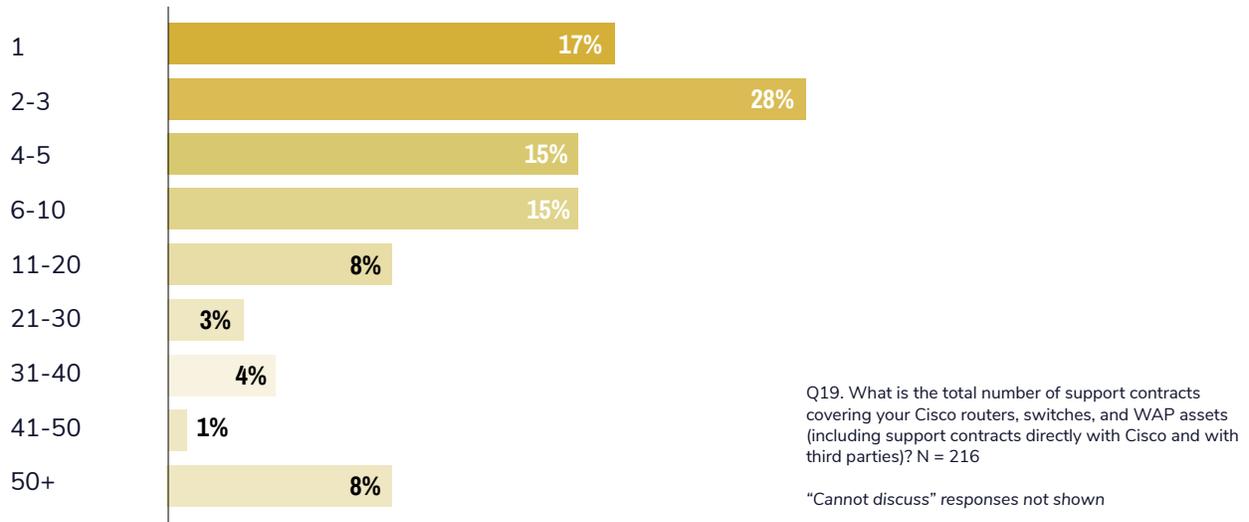


Q12 _1. WAPs: N = 174; 19% filtered out
Q12 _2. Switches: N = 194; 10% filtered out
Q12 _3. Routers: N = 203; 6% filtered out
Q12. Summary — Approximately what percent of your Cisco assets is covered across all support agreements directly with Cisco and third parties?

Support Contracts and Related Staffing

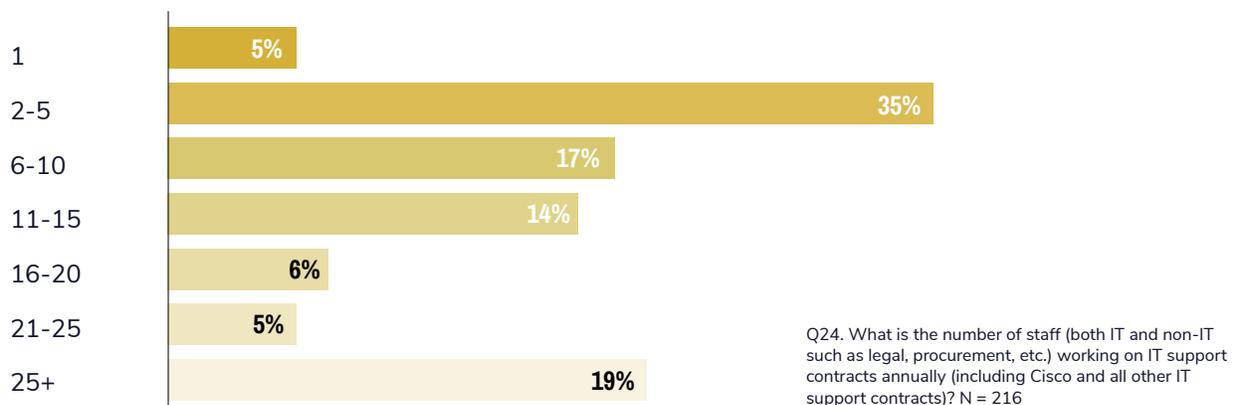
On average, the typical enterprise has 11 support contracts covering its Cisco routers, switches, and WAP assets.

NUMBER OF SUPPORT CONTRACTS



An average of 11 IT and non-IT staff annually work on IT support contracts.

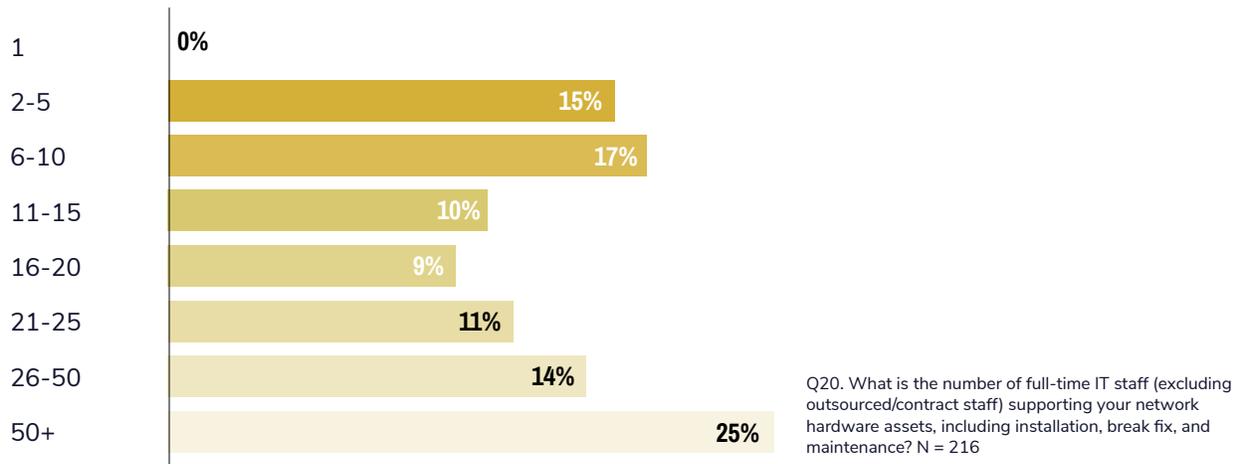
NUMBER OF STAFF WORKING ON SUPPORT CONTRACTS



IT Network Staff

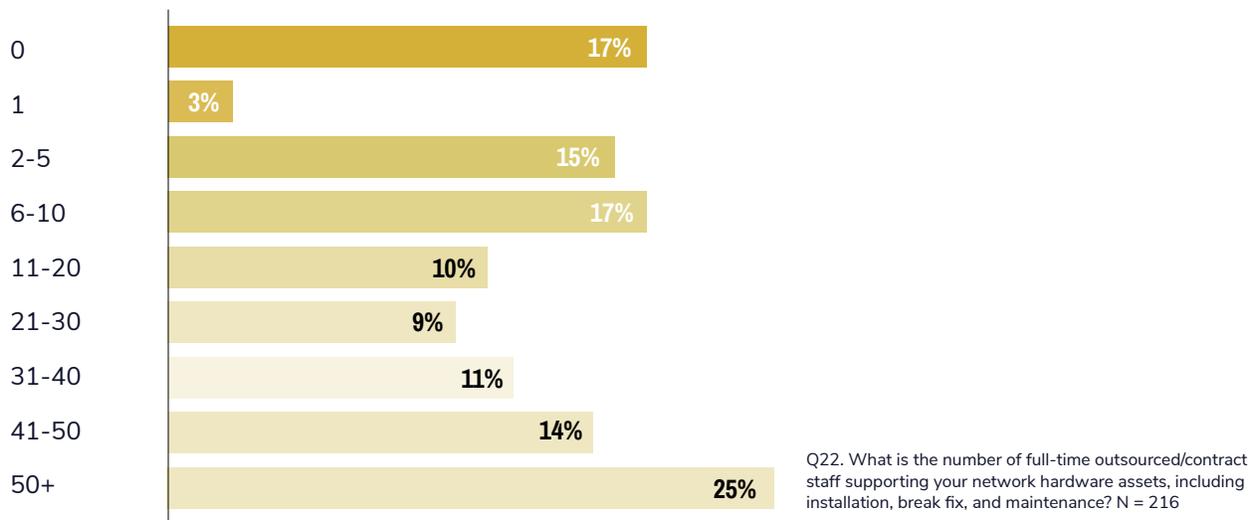
A typical enterprise IT department has 25 full-time employees (FTE) on average supporting its network assets, including installation, break/fix, and maintenance.

NUMBER OF FTE IT STAFF SUPPORTING NETWORK HARDWARE ASSETS



The internal team is augmented by an average of 19 outsourced/contract staff supporting network assets.

NUMBER OF OUTSOURCED/CONTRACT STAFF SUPPORTING NETWORK HARDWARE ASSETS



Network Support Incidents and Outages

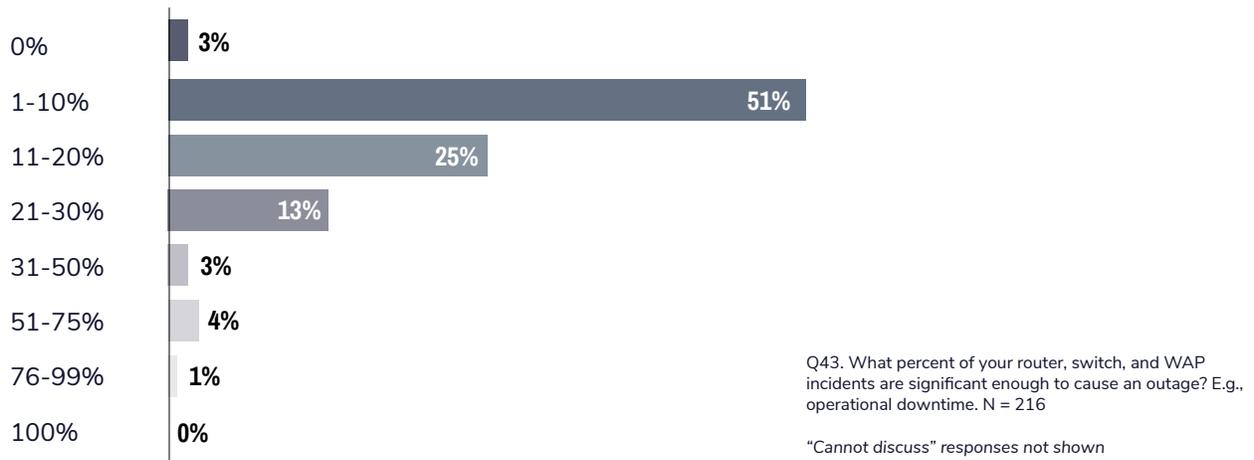
On average, routers have 50 annual incidents requiring hardware and/or software support, switches have 52, and WAPs have 62. This excludes incidents pertaining to the network provider (e.g., Verizon, AT&T).

ANNUAL AVERAGE NETWORK SUPPORT INCIDENTS



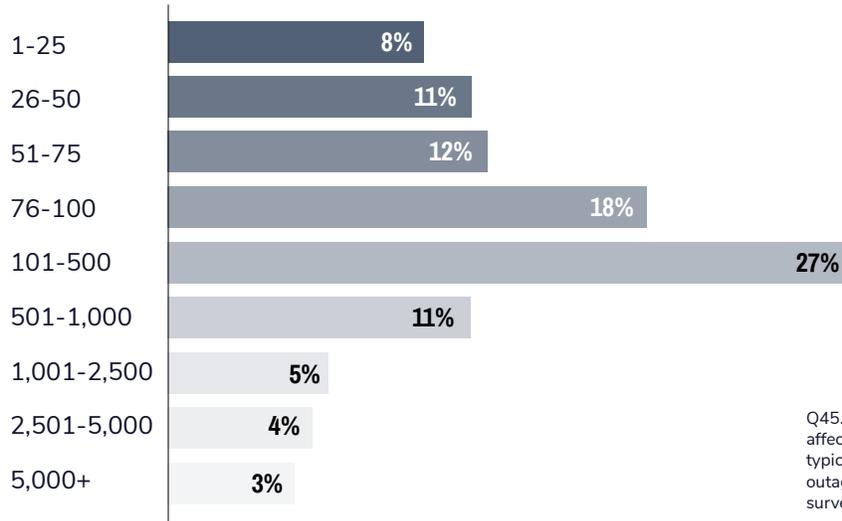
Respondents indicated the average number of incidents resulting in an outage is 15%.

ROUTER, SWITCH, AND WAP INCIDENTS RESULTING IN OUTAGE



When an outage occurs, an average of nearly 600 internal staff are impacted.

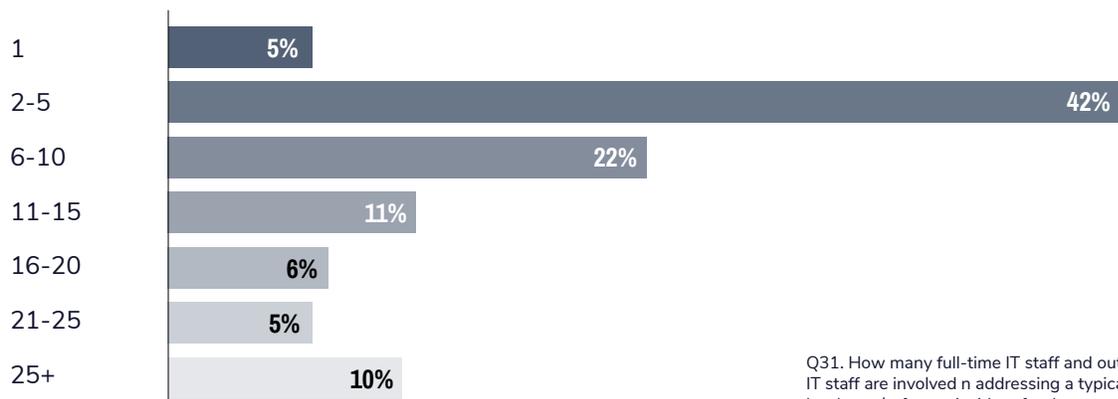
INTERNAL STAFF AFFECTED PER OUTAGE



Q45. What is the average number of internal staff affected per outage? Consider number of people in a typical department or location that would experience an outage. N = 210; not seen by 6 respondent(s) due to survey logic

There are nearly 10 IT staff, including internal and outsourced, working on typical network hardware/software incidents for routers, switches, and WAPs.

NUMBER OF IT STAFF WORKING ON AN INCIDENT



Q31. How many full-time IT staff and outsourced/contract IT staff are involved in addressing a typical network hardware/software incident for these assets? N = 216

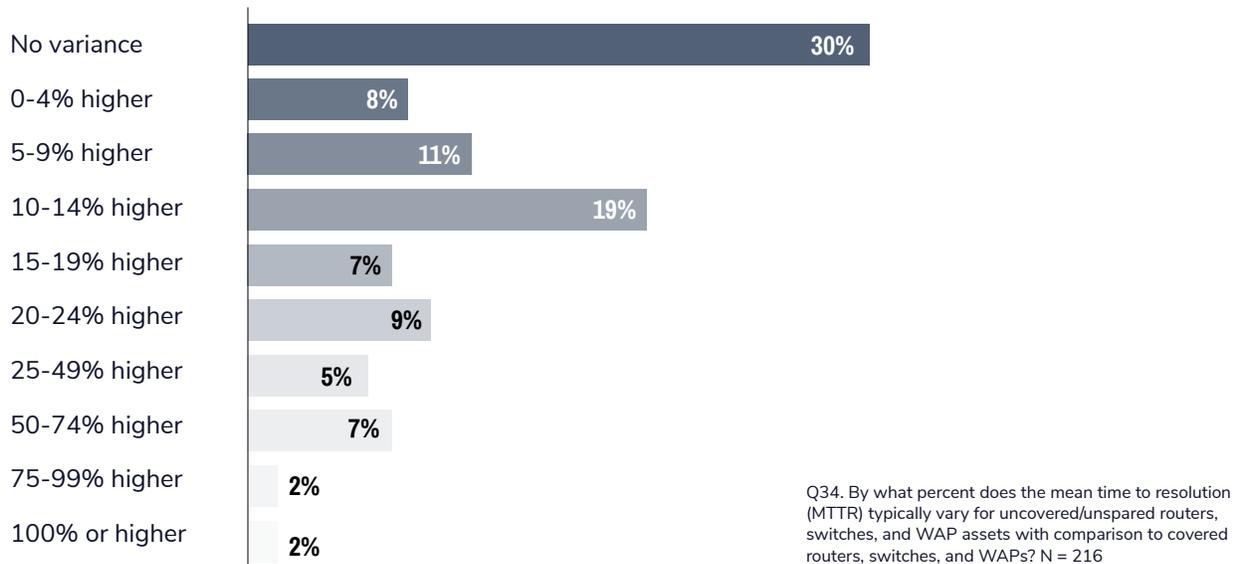
Respondents reported the MTTR for a typical incident involving routers, switches, and WAPs is three to three and a half hours, depending on device.

AVERAGE MTTR



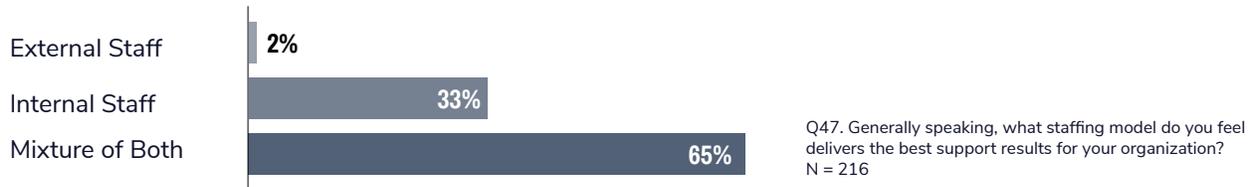
However, uncovered assets have a higher MTTR with respondents, indicating it takes 16% longer on average to resolve incidents for these assets.

MEAN TIME TO RESOLUTION VARIATION



It's important to note that the senior decision makers participating in this research prefer a mixture of internal and external resources as the optimal network support staffing model. This underscores the strong alignment between the Services Enrollment for Cisco Enterprise Agreement and the support model preferred by enterprises.

PREFERRED NETWORK SUPPORT STAFFING MODEL



Services Enrollment for Cisco Enterprise Agreement

Services Enrollment for Cisco Enterprise Agreement enables organizations to upgrade their software-only support provided with their software enrollment to get coverage for both software and hardware through one service, Cisco Solution Support, as well as receive expert enterprise agreement guidance. The new Services Enrollment is initially available for Cisco Data Center Networking and Cisco Digital Network Architecture (Cisco DNA) technology suites. The Services Enrollment provides:

Scalable coverage for Cisco software and hardware. Since solution support includes underlying software support and Cisco Smart Net Total Care® Service, customers don't lose any features they may be familiar with. They gain high-value features, including:

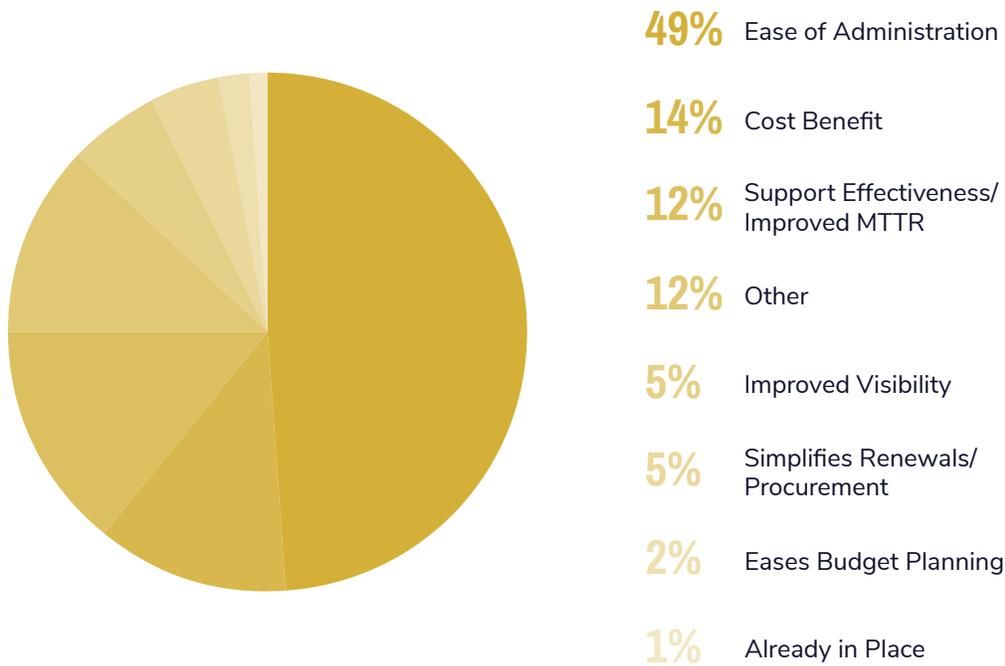
- No issue isolation required to open a case (unlike product support)
- A 30-minute service response objective for high-severity issues versus 60 minutes for product support
- Case prioritization over product support service requests

Enterprise Agreement Management Support. Within 30 days of the contract's start date, Cisco schedules an onboarding session and quarterly touch points covering:

- Asset management reviews through consumption reports (software licenses hardware installed base and support coverage)
- Cleanup and preparation for True Forward
- Expert guidance for licensing generation or provisioning barriers
- Planning for growth and innovation with the industry's only True Forward capability, enabling customers to expand or upgrade on demand with no retroactive billing

Single Support Contract

Cisco customers report numerous benefits of having a single support contract, led by ease of administration, improved MTTR, and cost savings.



Q52. What would be the key benefits to your organization of having a single support contract that gives 100% support coverage to your all Cisco hardware and software assets versus having multiple contracts with different term dates and leaving some assets uncovered for support?

One Full Coverage Contract: Consolidation of contracts merges all service contracts into one target contract with one contract term date, to optimize the renewals process and ease contract management. N = 216*

*A single verbatim may be counted in more than one category because it covers multiple benefits.

Ease of Administration

“It would make things a lot simpler and clean as well as reduce the number of variances different groups have in their customer support process/engagement with Cisco, procurement, and IT staff.

– VP, Application Development

Cost Benefit

“It provides us leverage for better and consistent rates across the organization. We can negotiate better as an entire entity.

– Sr. Group Manager, Solutions Architecture

“Save on middle management costs while increasing purchasing power.

– CIO

Improved MTTR

“Single support contract allows short turnaround time for tech issues to have business continuity.

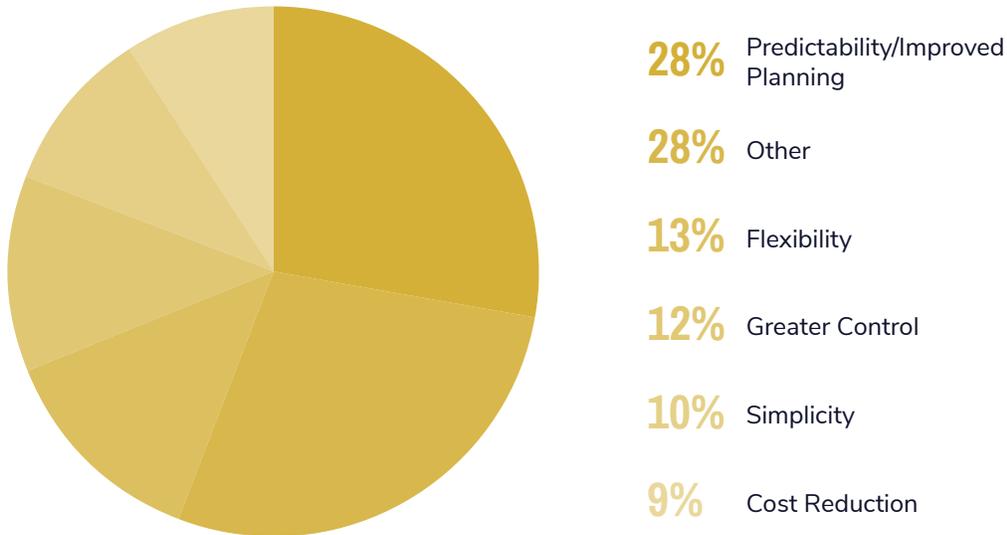
– Director of Operations

“Faster resolution, crisp communication, less churn.

– Cloud Network Architect

True Forward

The top True Forward benefits are improved planning, flexibility, and greater control.



Q53. How would your business benefit (on budgeting, strategic planning) with the ability to add hardware and software assets under support coverage anytime, but not get charged retroactively for that year's extra usage?

(Instead, your payment for the growth is revised at the beginning of next billing period.)

True Forward: True Forward is Cisco's periodic billing adjustment process to account for any overconsumption of products and services; if the customer grows, they are not retroactively charged for that year's extra usage.

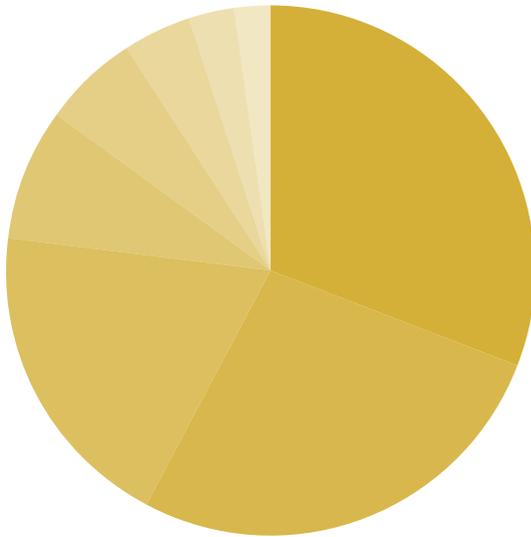
Instead, their payment for growth is revised at the beginning of their next billing period. <https://www.cisco.com/c/en/us/products/collateral/software/enterprise-agreement/q-and-a-c67-743368.html>. N = 216*

*A single verbatim may be counted in more than one category because it covers multiple benefits.

Improved Planning	Flexibility	Greater Control
<p>Allows less concern of staying in budget in period for any major outages and proactive planning. It will allow for next-year planning to be clearer with potential less surprises.</p> <p>– VP of Finance</p>	<p>That will allow us to order more hardware and not have to worry too much about support coverage contracts and paperwork every time we order new equipment.</p> <p>– Senior Network Engineer</p>	<p>This would be very helpful to control costs without adding risk.</p> <p>– CTO</p>
<p>We could align our contract cycle with planning processes. Also allows us to make major changes without modifying expense budgets.</p> <p>– Sr. Director of Platform Engineering and Networking</p>	<p>We would be able to flex our IT needs as business needs demand instead of having to source for peak usage or incur service disruptions.</p> <p>– VP/Controller</p>	<p>We will have a better control of our total expenses and we won't have extra cost in our budget at the end of the year.</p> <p>– Commercial Director</p>

Dedicated Support Contact

Respondents indicated the top benefits of a dedicated support contact are reduced downtime and business continuity.



31% Reduced Downtime/Outages

27% Other

19% Business Continuity

8% Easier Troubleshooting

6% Const/Time Savings

4% Account Familiarity/Comfort

3% Minimizes Risk

2% Already in Place

Q54. How would your organization benefit from having a dedicated Cisco support contact and faster (30-mins or less) support response time for your MOST CRITICAL issues? N = 216*

*A single verbatim may be counted in more than one category because it covers multiple benefits.

Reduced Downtime

Greater efficiency, fewer downtime occurrences, higher productivity, improved satisfaction.

– COO

It will definitely help us respond faster and quicker to outages. Get the needed expertise to resolve outages.

– Senior Network Engineer

Business Continuity

It would be a great benefit [to have]...dedicated Cisco support and faster response time. I can definitely focus on more important issues and not worry about my network assets.

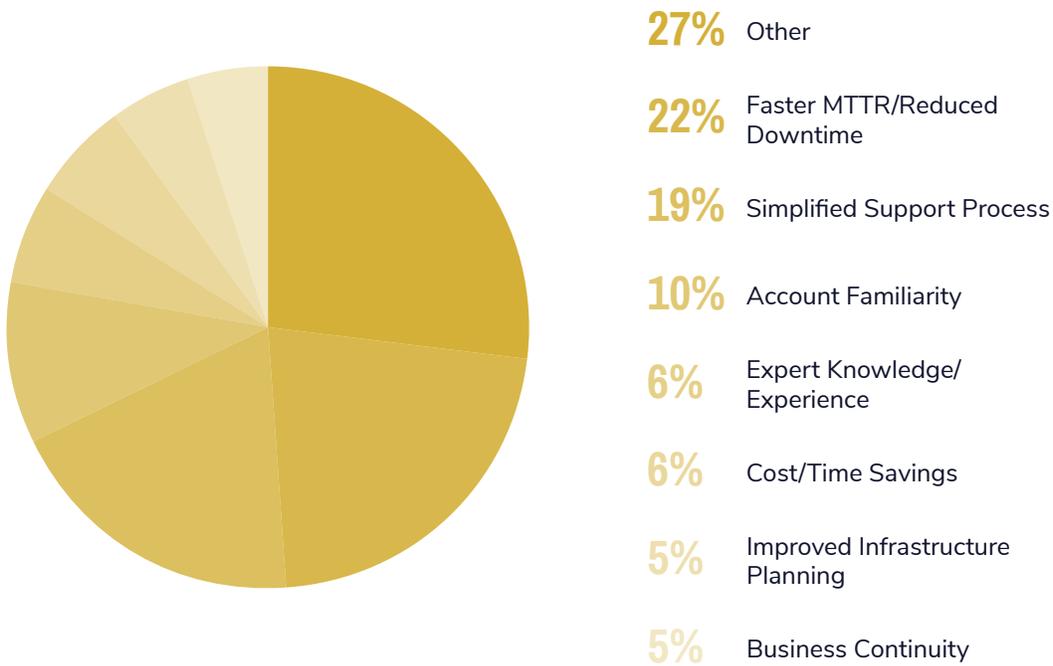
– Director

Would be fantastic. We are a 24x7 healthcare delivery organization, and getting resolution quickly is key to ensure safe patient care.

– CIO

Cisco Solution Support Engineer

Faster MTTR, simplified support processes, and account familiarity are the top three benefits of working with a Cisco Solution Support Engineer.



Q55. How would your business benefit from working with a Cisco Solution Support engineer who has expertise in multiple products that work together in a solution and can act as the lead to coordinate among various vendor support teams to get an incident resolved? N = 216*

*A single verbatim may be counted in more than one category because it covers multiple benefits.

Faster MTTR

“This would be very beneficial and most likely provide better service and fast resolution once an issue occurs.

– Senior National Fleet Operations Manager

“There would be greater support continuity and likely faster response and resolution times.

– VP information systems

Simplified Support Process

“A one-point-of-contact engineer would be easier to allow ease of support rather than a runaround to find the specific person responsible.

– Vice President

“It’s certainly better than multiple handoffs if there is a more complex incident. Less friction and reduced handoffs.

– Vice President Infrastructure and Operations

CONCLUSION

The economic and peace-of-mind benefits that come with the Services Enrollment for Cisco Enterprise will enable your organization to repurpose IT staff to other priorities, ensure business continuity for customers, help you plan your IT investments more accurately, and simplify support contract complexity.

These benefits are punctuated by a compelling ROI and significant cost savings. A typical enterprise will save nearly \$2.5M in the first year of its Services Enrollment, nearly \$7M over a three-year term, and \$12M in five years, resulting in an ROI of more than 600%.

Tailored Support

“ Having a varied background and skill set across products helps evaluate gaps in our current environment, as well as the ability to speak directly to pros and cons of different products. These attributes help shorten the time required to make decisions and have confidence moving forward.

– VP/Director

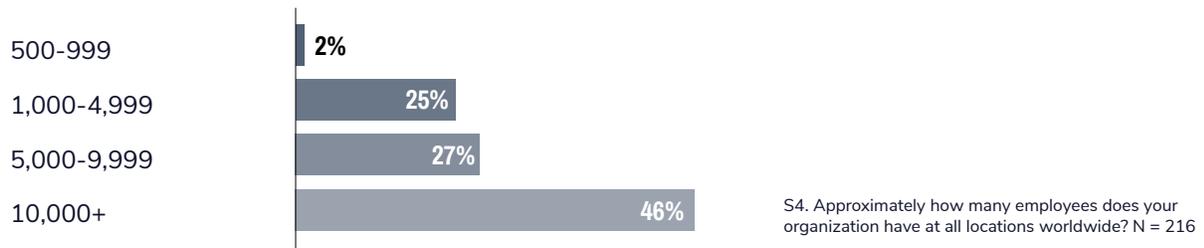
“ It is important to have someone that understands the interactions between our equipment.

– CISO

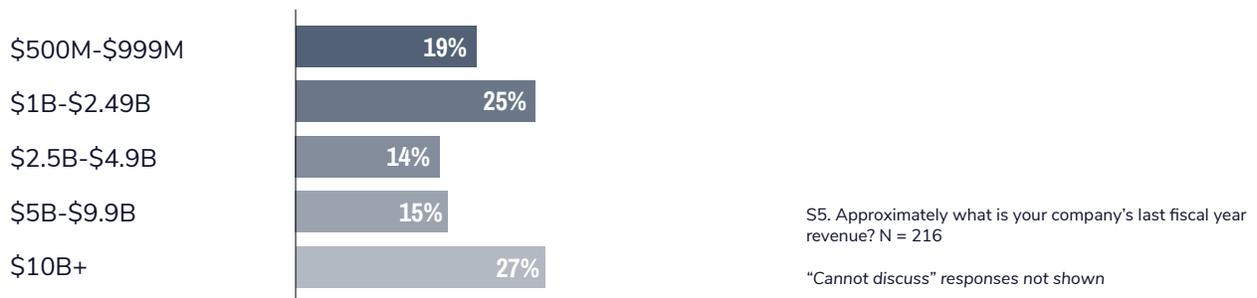
STUDY FIRMOGRAPHICS

The study had a balanced mix of enterprise organization respondents, with more than 1,000 employees, annual revenue greater than \$500M, annual IT spend of greater than \$1M, and a mixture of IT and LOB participants in senior roles with significant IT support contract influence and decision making.

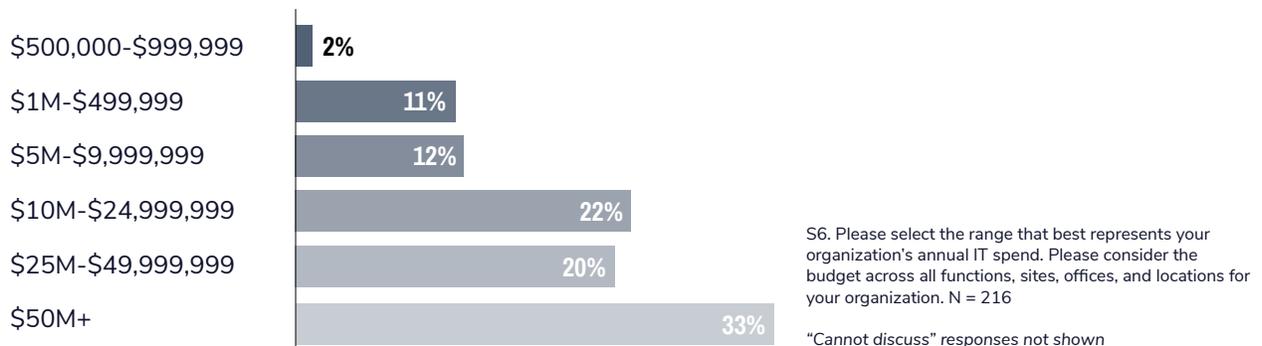
COMPANY SIZE (EMPLOYEES)



ANNUAL REVENUE

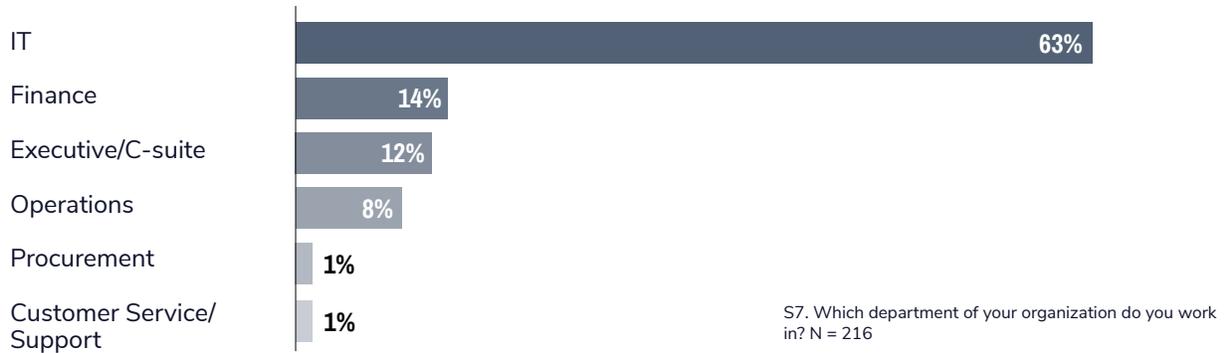


ANNUAL IT SPEND

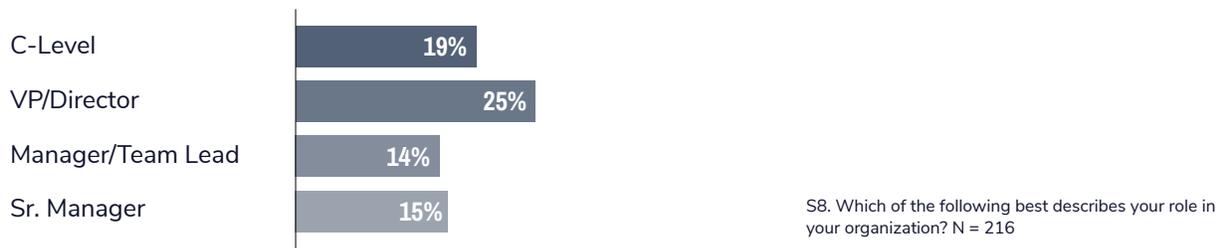


STUDY DEMOGRAPHICS

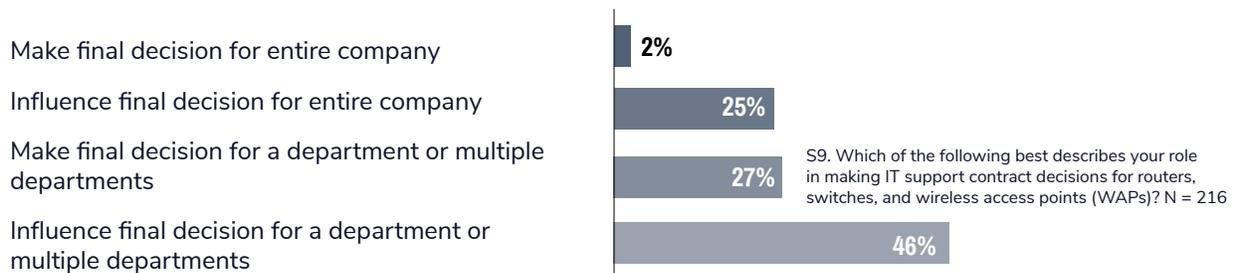
ROLES REPRESENTED



ROLE LEVELS



ROLE IN IT SUPPORT CONTRACT DECISIONS





The survey research and analysis in this marketing material was commissioned by Cisco CX. GLG offers clients access to insights from GLG's network of more than 900,000 industry professionals, consultants and other persons ("Council Members"). GLG conducted a survey of Council Members in the identified populations. Council Member respondents were compensated for responding to the survey. A Council Member lead consultant was engaged to interpret and analyze the survey results, including ROI calculator creation. All information and Council Member data is as of June 23, 2021 and is offered for informational purposes only, not as a substitute for independent investigation, legal, financial, or other advice.

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