

Cisco Optimization Services

EXECUTIVE SUMMARY

Sponsored by: Cisco

October 2017

With Advanced Services (AS), Cisco steps into the void between high-level business consulting (developed and delivered by partners) and close-to-the box implementation services. As part of AS, Cisco Optimization Services aims to unlock business potential by focusing on designing and optimizing digital-ready infrastructures, which are fundamental in our 24/7, global, always-connected world. The group has a strong focus on industry (vertical) specialization, as well as proven methodologies, analytics, automation, and strong technical expertise. This forms part of a concerted effort to accelerate business agility and transformation, reduce complexity and downtime while lowering risk - all to enhance growth and innovation.

IDC conducted research that explores the value and benefits for organizations using Cisco Optimization Services to support their network, datacenter, and collaboration environments. The project included six interviews with large enterprises (average annual revenue = \$27.4B, with the highest being \$95B) that use the first generation Optimization Services, and have experience with or knowledge about the benefits and costs of these services. Based on the analysis of these companies that span a range of vertical markets, IDC created a model that expresses the value and costs for these organizations. This model serves as the basis for the business value analysis in this executive summary.

In terms of **topline metrics**, IDC's research shows a 21% reduction in cost of operations for the companies using Cisco environments, which support an average of 39,313 users (although the largest enterprise interviewed has 160,000 users). Cisco Optimization Services are delivered across an average of 307 sites (going up to 800) and the network supported an average of 3,723 business applications. The Cisco networks consist on average of 2,781 switches, 1,284 routers, and have 81,411 ports (but up to 300,000 for the organization with the largest network). The use of Cisco Optimization Services results in average financial benefits of \$33,819 per year per 100 users and shows a 262% five-year return on investment (ROI) – which is testament to the impact of Cisco's offering.

Regarding **operational and cost efficiencies**, the research shows savings in terms of opex and capex. For example, the use of Cisco Optimization Services leads to 30% more efficient management of the environment, with the result that organizations worry less about "keeping the lights on" and more about leveraging expensive IT resources to drive digital innovation. Along the same lines, organizations see a 41% faster resolution of problems: vital in a 24/7 world in which the IT operations team is sometimes portrayed as a bottleneck to greater business agility. The flipside of these opex efficiencies is the fact that the organizations see a reduction of 8% in IT hardware costs. An ICT environment optimized from a design and management point of view requires a more streamlined environment and cuts out unnecessary duplication or upgrades.

Costs savings and efficiency improvements are important goals, but in a digital world speed and time-to-market are of the essence. In the areas of **performance and reliability**, the IDC study shows that organizations show an improvement of 29% in time to open a branch office, and 18% to bring new switches online. Cisco Optimization Services also lead to a 74% reduction in unplanned downtime, helping them avoid annual revenue losses worth \$53M.

** IDC provides data on a per 100 user basis to aid readers in scaling to their organization.*