Analyst Relations
Speaker Series: Cisco Collaboration Update - Europe
2/6/2009

Tim Stone: Head of Collaboration Solutions Europe
Mike MacDonald: Manager, Customer Business Transformation, Europe
Roger Verburgt: Regional PSS Manager, Benelux
## European Collaboration Market Insights

### Market Trends

<table>
<thead>
<tr>
<th>Trend</th>
<th>Description</th>
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<tbody>
<tr>
<td>1)</td>
<td>Economic downturn</td>
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<tr>
<td>2)</td>
<td>New Entrants and Buying Centres</td>
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<td>3)</td>
<td>Installed base PBX Opportunity</td>
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<td>4)</td>
<td>Evolving UC Channel Landscape</td>
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<td>5)</td>
<td>SaaS Market Growth</td>
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<td>6)</td>
<td>Fixed/mobile substitution</td>
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<td>7)</td>
<td>TelePresence Tornado</td>
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### Implication

- Stalled/delayed projects
- Focus on Opex, ROI and business value
- Engage with ADM’s and BDM’s
- Consultative Sales skills
- 96M lines installed 80% still TDM
- Opportunity with SP’s and Resellers
- Mobile Operators move to UC
- UCaaS Opportunity
- Integrated FMC propositions
- Broader channel coverage
- Increased Competition
# H1 2009 Announcements

## User Experience
- Cisco TelePresence System 1300 Series
- Cisco TelePresence Recording Studio
- Cisco Unified IP Phone Integration with WebEx Meetings
- Cisco Mobile Supervisor
- Cisco WebEx Meeting Center on iPhone and 3G Smartphone Browsers

## Fast ROI
- Cisco WebEx Meeting Applications V.27
  - Meeting Center
  - Training Center
  - Event Center
  - Support Center
  - Cisco WebEx Node for ASR 1000

## Interoperability
- Cisco UC Integrations™ for WebEx Connect and Microsoft Office Communicator
- Advanced WebEx Video with Cisco Unified Videoconferencing
Innovation

IT Organizations Need TCO Driven Analysis to Self Fund the UC Deployment in the Enterprise

Business Transformation
Business Agility and Market Differentiation

Employee Productivity
Collaboration and efficiency

Cost
IT TCO—Pays for Itself

UC can significantly transform business processes and customer experience

Embedding UC in existing processes can free up employee time and reduce process latency

UC can significantly transform business processes and customer experience

CBT: Where we engage

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CBT: What Customers are saying

**Short term challenges**
- Return to profitability
- Reduce expenditure
- New purchasing models
- Partnerships

**Long term strategic growth**
- Strategic business view
- Better use and leveraging of technology
- Improve supply chain efficiencies
- Automate processes and systems

**Capture market transitions**
- New markets
- New channels
- New business models
Financial Services Striving for Customer Intimacy
Leveraging Automation and integration

**Web**

**OBJECTIVE**
Earliest identification and qualification of customers
Priorities based on value
Offer SLA as appropriate

**RESULT**
Significant increase in closure rates

**Telephony**

**OBJECTIVE**
Identification and checking of customer
Self serve option as appropriate
Personalised if sales opportunity

**RESULT**
Reduce errors and Transactional cost reduced by >80%

**Branch**

**OBJECTIVE**
Integration of UC into Branch Business Process
Remote agent capability
3rd party applications integration eg Matchmaker

**RESULT**
40% closure rate over video

Holistic Multichannel Customer Engagement
Boeing collaborates
Over 1m meetings per year

- Largest customer of WebEx collaboration technologies worldwide
- 5 year increase over tenfold
- 168k employees / 70k WebEx accounts
- Over 27,000 external suppliers
- Reduced time to market
- Currently investigating integration of UC, IM and Presence into the WebEx environment
- Boeing Supplier Award (non manufacturer section)
University Transformation Project:
Consolidating 3 dispersed locations
WebEx Blackboard VLE integration

Streamlined IT Infrastructure:
Network as the Platform, integrated Security, UC, Centralised Wireless, Data Centre, Digital Media Signage, WebEx

Contact Centre technology to go live in FY10:
Approx 250,000 calls annually
Recruitment and clearing, marketing, course enquiries, student centre, library

Futures:
Digital Media Publishing Hub

“Working with Cisco has enabled the University to change the way we deliver all our IT to both our students and employees. Not only has Cisco provided the best technical solutions for the University, they have participated in key strategic and educational developments within the University.”

Derek Godfrey, Deputy Vice Chancellor

The Gateway opening September 2009
# UK Healthcare: Productive Ward

## Releasing Time to Care

### The Productive Ward

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<thead>
<tr>
<th>Category</th>
<th>Code</th>
<th>Reason</th>
<th>7-8am</th>
<th>8-9am</th>
<th>9-10am</th>
<th>10-11am</th>
<th>11-12am</th>
<th>12-1pm</th>
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<th>4-5pm</th>
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### Direct Care Time Calculation

**47%**
(DCV) allows active CAD virtualisation, collaboration on CAD model and live designer interaction, while full dataset remains secure.

### Business Value

- Delivers an immersive, interactive, 3D meeting environment
- Facilitates high impact, time-sensitive decisions
- Reduces travel to remote locations
- Stores sensitive data at major locations, avoiding security risks at remote locations
Collaboration Business Value

Agility
• Web Services enables rapid development and deployment of new applications in days not months

Ability
• Allowing customers to be handled by best resource within Enterprise - from branch, formal contact center and into the back office experts

Cost Control
• Control costs and handle your customers on your collaboration environment

Investment Protection
• Leverages your investment in the network to enable advanced video and presence-based customer collaboration

Speed
• Faster speed to market for new programs and services

Competitive Advantage
• Competitive Advantage and Strategic Asset for customer collaboration

Customer Intimacy
• Better service to your customers & expanding revenue opportunities

ROI
• Lower total cost of ownership goes right to the bottom line
 Agenda

European Trends

Customer Business Transformation Update

Market Update from Benelux

Q and A
Welcome to Europe
Benelux UC Market Observations

- Currently price sensitive markets
- When able to drive business transformation and ROI Cisco is positioned clearly as the leader and pricing is less of a discussion. Solution led selling.
- Strong uptake of CUWL
- BeLux – Strong Growth market. Public Sector shows high growth were Enterprise is challenged. Mid market stable.
Cisco/KPN “Human 2.0” Initiative - Summary

Overview

Key step in overall Cisco/KPN vision & strategy to transform to a best in class managed ICT provider:

• Primary focus - migrate KPN PBX base to next-generation communication solution (UC / IP Telephony solution)
• Joint targets agreed

Portfolio (Proposition)

KPN to partner with select group of ‘vendors’ - segmented per KPN’s market segmentation model
Cisco selected as strategic partner for Large Enterprise Market

Market Opportunity

Cisco selected as strategic partner for Large Enterprise Market

Activities:

• Joint enterprise account planning

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## Cisco/KPN “Human 2.0” Initiative - Objectives

### Financial
- FY09 Joint Target, Cisco with KPN
- FY09 Total Market = $231m

### Non Financial

#### Accelerate UC by addressing 3 GTM Areas with KPN

<table>
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<tr>
<td>• Generate Market Awareness of the Cisco/KPN Human 2.0 Proposition; and it’s value</td>
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<tr>
<td>• Migrate KPN installed base (Large Enterprise)</td>
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<tr>
<td>• Build general market awareness of Cisco in the UC, Desktop Applications space</td>
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<th>Channel Enablement:</th>
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<td>• KPN (&amp; Cisco) enablement – focus on value added selling (UC Roadmap positioning CUWL &amp; UCSS, WebEx, TP, Applications and Video)</td>
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<td>• Traction and voice through ‘trusted advisors’ – consultants, analysts &amp; user groups</td>
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<td>• Sales enablement to a ‘consultant’ level to drive ‘application’ opportunities deep and wide within accounts (market inflections, business transformation &amp; new business models)</td>
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<td>• Sales enablement to be confident &amp; competent to position against &amp; with key &amp; emerging competitors &amp; their ecosystem partners</td>
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Managed Services for SMB’s: A Win-Win-Win situation

- **Customer**
  - Scalability & Latest technology
  - From **CapEx** to **OpEx**
  - Piece of Mind, SLA’s
  - IT Skills shortage

- **For Partner**
  - Higher margins
  - Competitive advantage
  - Relationship / contract with customer

- **For CISCO**
  - Accelerate SMB
  - More product sales
Managed Services for SMB’s: Deliverables

**Saleskit**
- Functional Service Designs
- Brochuresheets
- Presentations
- Offertexts
- Calculation tool
- Salestrainingmateriaal
- Demo’s

**Operationskit**
- Organisationmodel
- Operations implementationplan
- Servicescatalogus
- Service Level Agreement
- Task List
- Procedures / workinstructions
- QuickScan
- Implementationplan customer
- Example Reporting
Introducing…

- Five year Cisco Commitment under the Clinton Global Initiative, initiated in 2006
- Public-Private partnership with Amsterdam, Seoul and San Francisco, Madrid, Lisbon, Birmingham, Hamburg
- EU (covenant of Mayors) Benchmark of Excellence; Top 25 ‘best commitments’ under CGI
Smart Work Center:  
Towards a smart, distributed and sustainable way of working

Business Challenge
Accelerate and showcase distributed and sustainable ways of working reducing physical transport

Solution
The Smart Work Center is an e-work location close to residential areas combining a range of technical and non-technical solutions (e.g. TelePresence and child day care), that help optimize a day in the life of a worker. Further, by integrating high end symmetric connectivity and telepresence, workers can function under close to ideal circumstances in terms of online collaboration.

Business Value
Optimization of resources by replacing fixed work stations by more cost effective e-work stations at SWCs; Time of employees used more efficiently due to reduced travel.

The first Smart Work Center has been set up in partnership with the City of Amsterdam as part of the Connected Urban Development program

Source: Cisco IBSG, 2008
Smart Work Centers: An addition to the Home Work Environment

- Home environment not always ideal
- High end communication facilities
- Professional setting & meeting place
- More sustainable energy use
- Comprehensive service concept
- Location according to needs and proximity of infrastructure
The CUD SWC provides the following:

- Flexible work stations/conference rooms
- Lounge work places
- Telepresence facilities
- Restaurant/Business Club/Catering
- Child day care
- Bank
- IT Support
- Notary and legal advice
- Employment agency
- Easy physical access, close proximity to highway
Smart Work Center Concept
Q & A

Thank you for attending

Please contact Niki Hall if you have questions, nzewe@cisco.com