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

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

- Travel reduction
- Employee productivity
- New business benefits
- Business continuity

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- Full video solution combine TelePresence, WebEx, H.323 video

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- Travel reduction
- Employee productivity
- New business benefits
- Business continuity
Cisco TelePresence Deployment FY09 (May 09)

- US & Canada (277)
- Europe (82)
- Emerging Markets (22)
- Japan (11)
- Asia Pacific (64)

456 Rooms
### TelePresence, Past, Present, and Future

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

**Travel Reduction**
- Reduced travel for internal and external meetings
- Reallocate travel to critical customer meetings
- Positive environmental impact, reduced emissions
- Facilitates work-life integration, workplace flexibility

**Employee Productivity**
- Reduced travel “downtime”
- Increased “in-person” interactions
- Improved access to busy executives
- Ready access to subject matter experts
- Enhanced communication and decision making
- Increased face time with customers

**New Business Models**
- **Sales**: increased customer contact; reduced sales cycle
- **Marketing**: accelerated content development
- **Product Development**: reduced development cycle
- **Manufacturing**: improved supply-chain integration
- **Professional Services**: more consulting time
- **HR**: reduced hiring cycle resulting from remote job interviews

**Business Continuity**
- Effective crisis management
- Emergency executive meetings
- Improved communication and decision making
## TelePresence Impact on Key Financial Drivers

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

Compliance with Environmental Regulations:
- Meet environmental emissions-compliance standards
- Improve overall environmental care
Cisco TelePresence Deployment Return on Investment

3 Years – Starting October 2006

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

Source: Cisco IBSG, 2007

* Data is based on present value of free cash flows over a three-year period.

Changing the Way We Work, Live, Play and Learn
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