HP/Borderless Network Architecture Comparison

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HP selling strategy: Sell customers on breadth of product portfolio, ease of doing business, products and services for different budgets, low cost, and low sophistication. Encourage managed services and outsourcing solutions to simplify operation and lower complexity.

HP Company Profile

- Revenue: In FY09, HP earned about $115 billion, ProCurve about $760 million, 3Com about $1.3 billion
- Gross margins: HP 23%, ProCurve about 60%, 3Com about 57%
- Profit: $7.5 billion, 3Com $114 million
- Financial strategy: Less than 3% of revenue in R&D investment (vs. Cisco's 15%)
- Core products/technology: Data center computing, storage, networking (LAN, access routing, WLAN, security)
- Channels strategy: Direct, distribution, VAR, reseller

HP Positioning	Cisco Assertion
Changing the rules of networking: Network simplicity, better application services, improved economics	**Response:** Multiple attempts over the years to expand the networking business. Displayed inconsistent commitment and conflicting strategies. The 3Com acquisition may suggest implicit admission of ProCurve's limitations.
Network simplicity: Architectural simplicity and openness, industry-leading security, common operating system solutions	**Response:** HP's combined portfolio uses different operating systems, potentially leading to interoperability constraints. Cisco offers end-to-end architectures and features to help simplifing configuration and monitoring
Better application services: Twice the performances of other competitors, integrated security, market-leading orchestration	**Response:** A cohesive portfolio and end-to-end capabilities (such as Cisco EnergyWise, medianet, and Cisco TrustSec™) provide the network optimization and integration required to enable applications
Improved economics: Up to 65% lower total cost of ownership (TCO), half the energy consumption, single pane of glass management, leading warranties and services	**Response:** HP shifts TCO focus from acquisition to operating costs. No auto-configuration capabilities, limited customer support, faster product churning, and expensive contract services may increase TCO

Why Cisco?

- Cisco® Borderless Network Architecture offers unmatched breath of features and flexibility.
- Cisco's broad routing and switching portfolio, integrated security, and wireless capabilities help lower TCO and improve performance.
- Highly trained customer support and Company's network expertise help customers lower operating costs.
- Comprehensive security and video architectures allow Advanced Services.

Why Not HP Networking?	Questions to Ask Customers
Business Issues • Questionable track record and inconsistent commitment in networking • Weaker investment protection and waning R&D budget • No clear vision and technical leadership • " Razor and blades" business model, up-selling customers to managed services • Multiple vendor integration may lead to business inefficiencies and disruptions	**Business Issues** • Do you believe HP has a long-term commitment to networking? • Do you share HP's vision of IT as a commodity? • With limited R&D investment, how can HP provide best-in-class technology? • Would you trade slightly lower capital expenditures for substantially higher operating expenses?
Solution and Architecture • Requires multivendor solutions which may lead to technical challenges of interoperability • Limited collaboration technology • No consistent access-policy architecture • Fragmented end-to-end security architecture • No data center strategy or interconnect technology • Basic auto-configuration capabilities and troubleshooting tools	**Solution and Architecture** • Will a multivendor solution increase your operating costs? • Can an HP solution provide your users a borderless experience? • Might HP's non-standards-based fabric/server technology lock you in? • How does security fit across wired, wireless, and WAN? • How are HP products designed to work together?
Technology and Products • Fragmented portfolio; consolidation may be cause of uncertainty • Merchant silicon often leads to faster churning and lower investment protection • Inconsistent strategies: H3C merchant silicon or ProVision ASICs, ProCurve "enterprise-class" pre-acquisition or "value offering" after? • Consumer-quality wireless performance • Focused on lowering capital expenditures (CapEx) but may lead to higher operating expenses (OpEx) • No unified fabric technology for data center	**Technology and Products** • Do you require best-in-class networking products? • Is technology a competitive advantage? • Is the network critical to your business? Can you afford network disruption? • Can you afford frequent network refresh cycles? • Do you know the roadmap for HP's portfolio? Do you have confidence in the technology?

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Cisco Borderless Network Architecture Positioning

Element	Cisco Differentiators	HP Weakness
Infrastructure		
Routing	• Full-featured enterprise routing for campus, branch offices, and WAN • Integration of routing platforms with security, switching, wireless LAN (WLAN), and Cisco Wide Area Application Services (WAAS)	• Recently acquired H3C technology, strong link to Huawei intellectual property • H3C products are unproven outside Asia Pacific and China • Not a core competency. HP had no presence with service providers
Switching	• Full-featured enterprise switching for campus, distribution access, and branch office • Integration of switching platforms with security, WLAN, and routing • Broad architectures to optimize security (Cisco TrustSec™ technology), video (medianet), and energy consumption (Cisco StackPower™) • Helping drive down TCO through competitive CapEx and lower OpEx	• Redundant and fragmented portfolio • Conflicting strategies on custom vs. merchant silicon and enterprise-class or value products • Shorter lifespan of merchant silicon leading to less effective investment protection • Low R&D spending may have been insufficient to innovate switching technology
Security	• Enterprise firewall, content security, email security, VPN, user policy establishment and control (Cisco TrustSec technology) • Cisco Identity Services Engine for integrated wired and wireless identity, access control, and management platform (Positron)	• Limited integration of TippingPoint product with rest of portfolio • No security architecture or integrated identity services • No fundamental security certifications. Issue reconciling security credibility with Huawei and H3C track record • Odd assortment of security products from 3Com and ProCurve • Three different security management platforms

Element	Cisco Differentiators	HP Weakness
WLAN	• Advanced RF features across a family of 802.11n access points, delivering enterprise-class RF performance, reliability, and helping lowering TCO • Cisco Wireless Control system (WCS) 7.0 with comprehensive provisioning, management, monitoring, and troubleshooting for WLAN, location, wireless intrusion prevention system (IPS), and CleanAir • Flexible, highly secure architecture: unified, autonomous Hybrid Remote Edge Access Point (H-REAP); Control and Provisioning of Wireless Access Points Protocol (CAPWAP) for indoor/outdoor access point–controller tunneling; controllers to address a variety of deployment requirements; comprehensive integrated security for wired and wireless IPS	• Consumer like performance that does not match Cisco enterprise-class RF • Proof points include coverage and rate/range performance, BandSelect, VideoStream, Spectrum Intelligence, and CleanAir • 6 WLAN product lines with overlapping and limited compatibility • Incompatible H3C/ProCurve products, limiting migration options • 2 WLAN management platforms, no wired and wireless platform
WAAS	• Full-featured enterprise WAAS appliance, integration with switching and mobile clients • Router-integrated WAAS via Cisco Integrated Services Router (ISR) platforms (WAAS Express, WAAS on Cisco Services-Ready Engine)	• No WAAS technology or products. Must partner with Riverbed or others for solutions

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Element	Cisco Differentiators	HP Weakness
Borderless Network Services		
Endpoint/user services	• AnyConnect provides endpoint services to desktops, laptops, netbooks, and smartphones • Services include connection management, security, and device and policy management	• No technology or products
Mobility, energy efficiency, security, performance, video	• Combination of Motion, Cisco EnergyWise, Cisco TrustSec, AppVelocity, and medianet services across the entire network infrastructure • CiscoWorks LAN Management Solution (LMS) 4.1 automates and accelerates large-scale deployments of Borderless Network Services, including Cisco TrustSec, medianet, and Cisco EnergyWise • Architecture enables network services to be added over time	• Focus on the power consumption of the network rather than connected devices • No video optimization, QoS and buffers design shortcomings in some of the access platforms
Data center and virtualization	• Unified fabric technology and Cisco FabricPath • Partnerships with leading data center vendors to help design the industry's data center architecture	• Unclear data center strategy and no data center interconnect technology • Non standard technology on server connection may lead to vendor lock-in
Collaboration	• Unified enterprise communications (voice over IP [VoIP]), telepresence and video conferencing, instant messaging, email, and collaboration solutions	• Limited collaboration products and technologies • Nurturing partnerships with Avaya and Microsoft in the area of unified communications, rather than investing in 3Com's voice/IP telephony solutions

What to Do Next? Apply the service advantage and identify additional resources to use during the sales engagement.

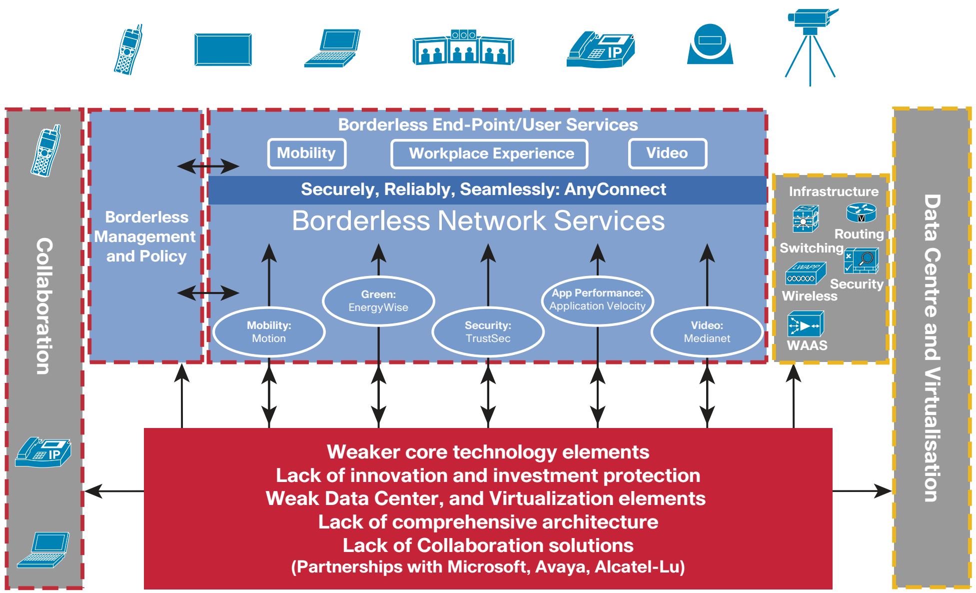
HP's Services and Support Are Weak Compared to Cisco's

- Point to Cisco's services strength.
- Discuss Cisco's array of certification programs, such as Cisco CCNA®, CCNP®, and CCIE®.
- HP's lifetime warranty offers simple hardware replacement with no customer support.
- HP has four different support organizations: 3Com, H3C, TippingPoint, and ProCurve.
- HP has no prioritization for incoming service support calls.
- Data Center Services , Data Center Switching Services, Routing & Switching Services
- Point to HP's lack of networking expertise.
- The H3C product is currently limited to Asia Pacific and faces a long transitional period for channels and partners for education.
- HP will fully cover borderless networks only if each of its constituent technologies gains its own HP service for the plan and design phases.

Resources—Where to Go for More Help

- Cisco Competitive Partner Portal
- Cisco Wireless Competitive Reference Guide, Version 2.0
- Cisco Switching Competitive Reference Guide, Version 3.0

Figure 1. HP Lacks a Comprehensive Architecture



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