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: $75 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/Borderless Network Architecture Comparison

<table>
<thead>
<tr>
<th>Why Not HP Networking?</th>
<th>Questions to Ask Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Issues</td>
<td>Business Issues</td>
</tr>
<tr>
<td>• Questionable track record and inconsistent commitment in networking</td>
<td>• Do you believe HP has a long-term commitment to networking?</td>
</tr>
<tr>
<td>• Weaker investment protection and waning R&amp;D budget</td>
<td>• Do you share HP’s vision of IT as a commodity?</td>
</tr>
<tr>
<td>• No clear vision and technical leadership</td>
<td>• With limited R&amp;D investment, how can HP provide best-in-class technology?</td>
</tr>
<tr>
<td>• “Razor and blades” business model, up-selling customers to managed services</td>
<td>• Would you trade slightly lower capital expenditures for substantially higher operating expenses?</td>
</tr>
<tr>
<td>• Multiple vendor integration may lead to business inefficiencies and disruptions</td>
<td></td>
</tr>
</tbody>
</table>

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

Technology and Products
- Fragmented portfolio consolidation may be cause of uncertainty
- Merchant silicon often leads to faster churning and lower investment protection
- Inconsistent strategies: HSC 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

Why Cisco?
- Cisco® Borderless Network Architecture offers unmatched breadth 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.

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Cisco Borderless Network Architecture Positioning

<table>
<thead>
<tr>
<th>Element</th>
<th>Cisco Differentials</th>
<th>HP Weakness</th>
</tr>
</thead>
</table>
| **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 Differentials | 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 range/rate 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 |
### HP/Borderless Network Architecture Comparison

<table>
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<tr>
<th>Element</th>
<th>Cisco Differentiators</th>
<th>HP Weakness</th>
</tr>
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</table>
| **Borderless Network 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                                                   |
| **Endpoint/user services**      |                                                                                        |                                                                            |
| **Mobility, energy efficiency, security, performance, video** | • Combination of Motion, Cisco EnergyWise, Cisco TrustSec, AppVelocity, and mediatnet 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, mediatnet, 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 Switching Competitive Reference Guide, Version 3.0

### Figure 1. HP Lacks a Comprehensive Architecture