



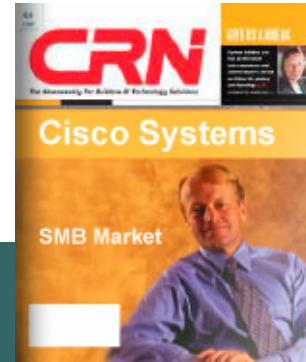
THE SMB OPPORTUNITY: PARTNERING WITH CISCO IN THE SMB MARKET

**CISCO BUSINESS SOLUTIONS WORKSHOP
FOR RESELLERS**

Cisco Announces Commitment to SMB

Cisco.com

> JUNE 19TH 2004 COVER STORY IN CRN



“An existing \$2 billion investment, which will continue over the next two years, will help strengthen our portfolio of SMB-class solutions, enhance our award-winning channel partner programs, and help build awareness about the role of networking solutions in SMB success.”

APRIL 2004

“We’ll bring out 30 products this year designed for the commercial marketplace. It’s the most we’ve ever done by far, probably by a factor of two- or threefold in the commercial marketplace.”

JUNE 2004

JOHN CHAMBERS

SMB Is the Fastest Growing Market Segment

Cisco.com

“Industry surveys indicate that 40–60% of future IT spending over the next 5–10 years will come from SMB customers”

➤ **JOHN CHAMBERS, CEO**



Cisco Canada SMB Investment

Cisco.com



Commercial Sales Team

- Doubled in size for 2005- ASR Program
- Regional planning aligned with Channel strategy
- Expansion of call centre infrastructure



Commercial Programs

- SMB Select
- SMB Support Assistant



Commercial Market and Business Development

- Maximize largest market opportunities with Partners
- Enhance / support partner-led demand generation
- Expand complimentary Business Alliances



Market Analysis and Brand Awareness

- Partner-centric Commercial business reports
- Advanced customer segment and behavioral analysis
- Customer Acquisition, Network Extension Campaigns

MARKET OVERVIEW



Canadian SMB Market Forecast

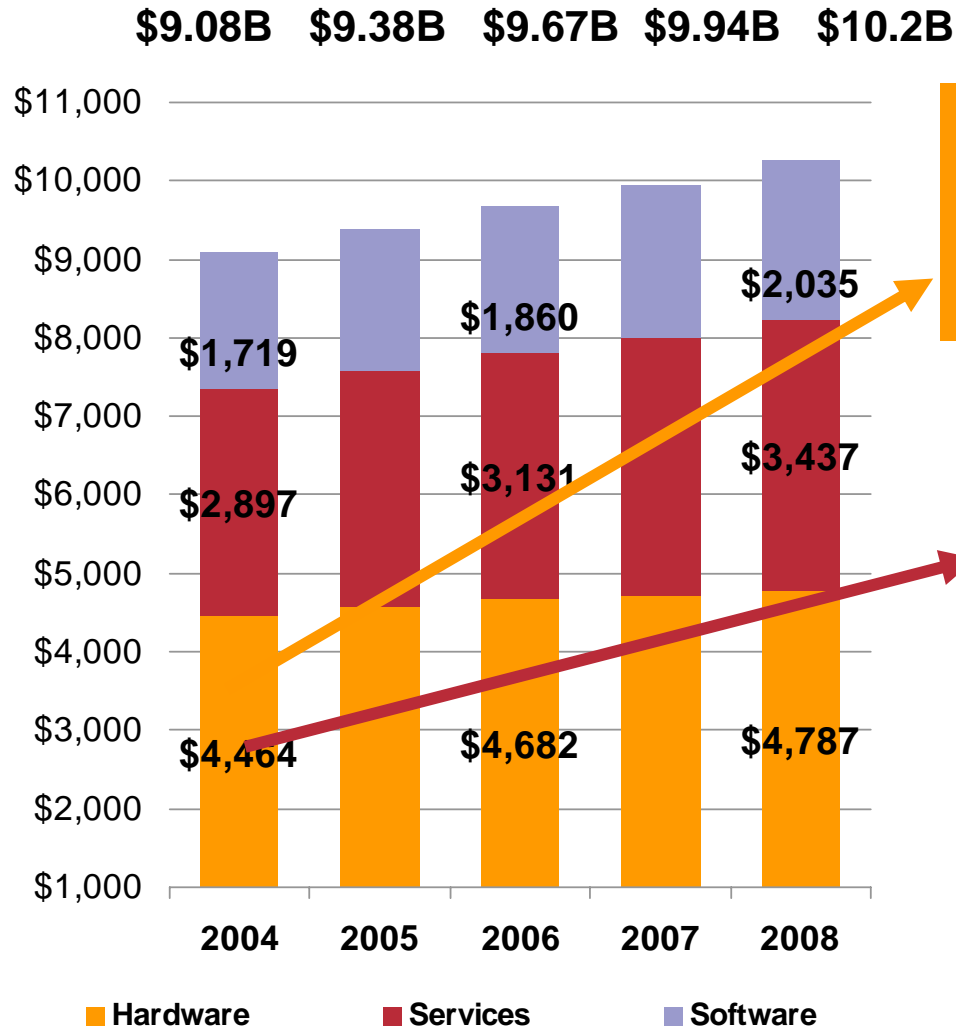
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Addressable SMB Market in Canada:

94k companies

Churn Install Base

Target New Prospects



Advanced Technology
CAGR:
IPC: 23%
Security: 13%

CAGR:
5.5%

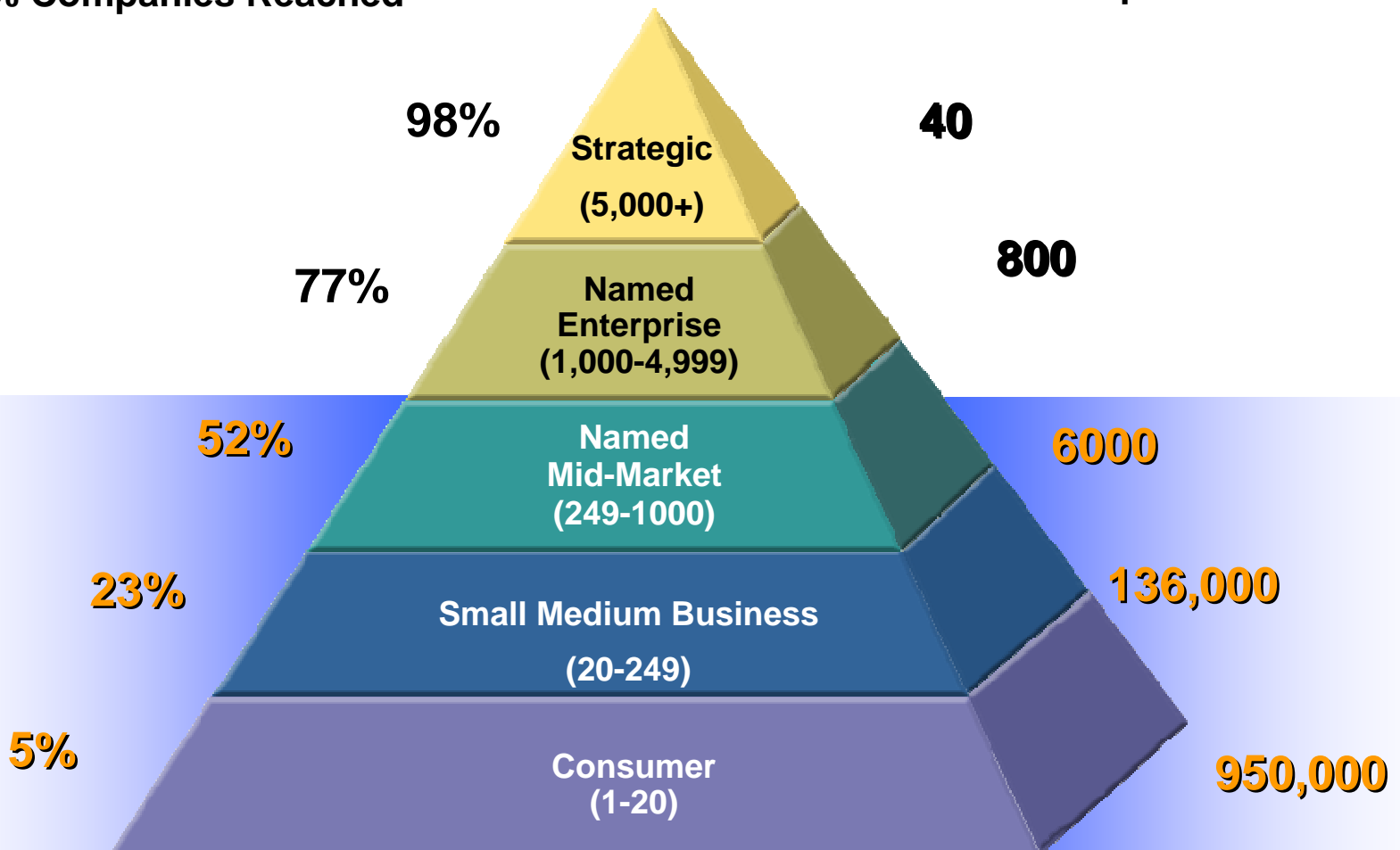
Source: IDC Canada October 2004

Canadian SMB Market— Considerable Untapped Opportunity

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% Companies Reached

Companies



SMB Top of Mind

Cisco.com

AND do all
that with
limited staff
and budget?

How do I
protect my
assets?

How can we
be more
productive?

How can I
increase my
profitability?

How can I
be more
adaptive?



The Network Role in SMB

Cisco.com

AND do all
that with
limited staff
and budget?



PROTECTED



COLLABORATIVE



CONNECTED



RESPONSIVE

Cisco Foundation Technologies for the Intelligent Network

Cisco.com

INTEGRATED



IP COMMUNICATIONS

RESILIENT



SECURITY

ADAPTIVE



MOBILITY

INTELLIGENT NETWORK SERVICES

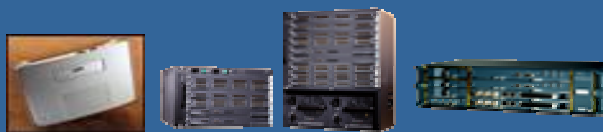
Integrated
Security, Voice

ROUTING



CISCO IOS SOFTWARE

WIRELESS,
STORAGE OPTICAL



Availability/
Resiliency

ROUTING



Delivery Optimization

Enhanced Manageability

Customer Value Proposition

Cisco.com

Cisco's SMB-Class Secure Network Foundation Will Help You **Simplify Your Workday so That You Can **Concentrate on Running Your Business****

...By Helping You Manage Complexity and Change

- **Security 'baked in' to all devices, which allows you to:**
 - Safeguard customer data & comply with regulatory privacy requirements**
- **Quicker responses to changing customer needs**
- **Flexibility to expand at your own pace**

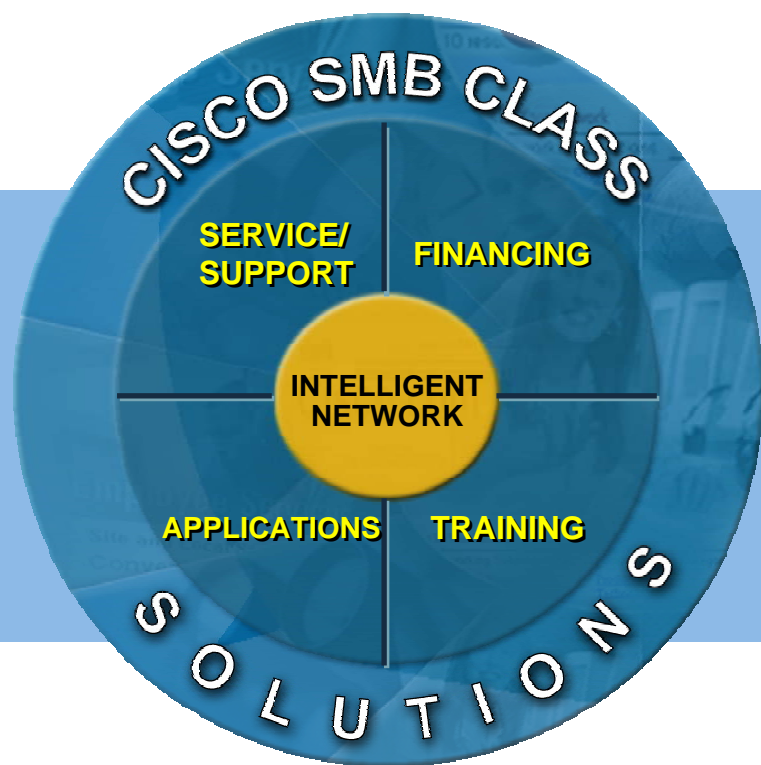
SMB-CLASS SOLUTIONS



SMB-Class Solutions

Cisco.com

> Whole Solutions Solving Top Business Challenges



DELIVERED
THROUGH

WORLD-
CLASS
PARTNERS

**BEST BUSINESS
VALUE**

**BEST CUSTOMER
EXPERIENCE**

Cisco Primary Solution vs. Multiple Vendor Solution

Cisco.com

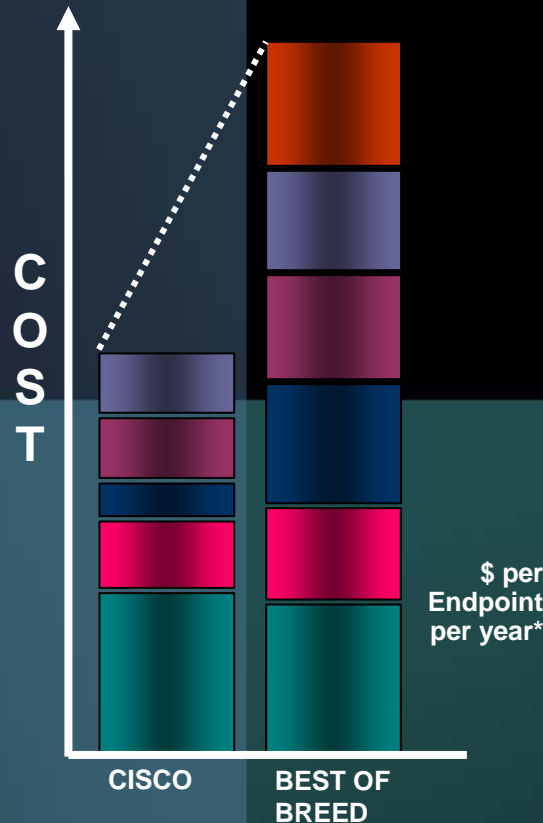
Scenario:

Size: 150-employee organization

Solutions: IP-Telephony, Switching Routing, Network Security

Vendors: Cisco, Selection of Comparable best-of-breed vendors

- Hidden Costs
- Administration & Management
- Maintenance & Support
- Upgrades
- Deployment & Integration
- Cost of the Solution (Upfront costs)



**49% savings achieved
with a systems approach**

TCO analysis: What goes into it?

TCO Components

- Hardware
- Software
- Connectivity
- Support
- Training
- Management
- Hidden costs such as downtime

Investments Incurred Over Product Lifecycle

- Pre-purchase phase: Needs assessment, planning, and strategizing
- Acquisition phase: Vendor evaluation and selection, financing, procurement
- Installation phase: Installation and integration
- Post-installation phase: Early usage testing
- Product lifecycle: Upgrades, maintenance, phase-out, replacement

Cisco Solution: The Rationale

Cisco.com

- **49% savings on Total Cost of Ownership** compared to best-of-breed solutions
- **Access to cutting-edge technology and world-class service levels.** Cisco's Integrated Services Router (ISR) supports data, voice and video with extensive inbuilt security mechanisms
- **Ease of deployment** with little pain in terms of integration and maintenance
- **No unpleasant surprises** for the customer as costs are transparent
- **Availability of leasing options** from Cisco and its partners in order to make the solutions more affordable to SMB customers*
- **A partner-driven service delivery model** ensures local expertise and support to SMB customers



**Cisco Wants to Be
Your Partner
of Choice**

CISCO SYSTEMS



BACKUP SLIDES FOR PRINTING ONLY



WHY CISCO AS A PRIMARY VENDOR SOLUTION?



Cisco's Unique Selling Proposition

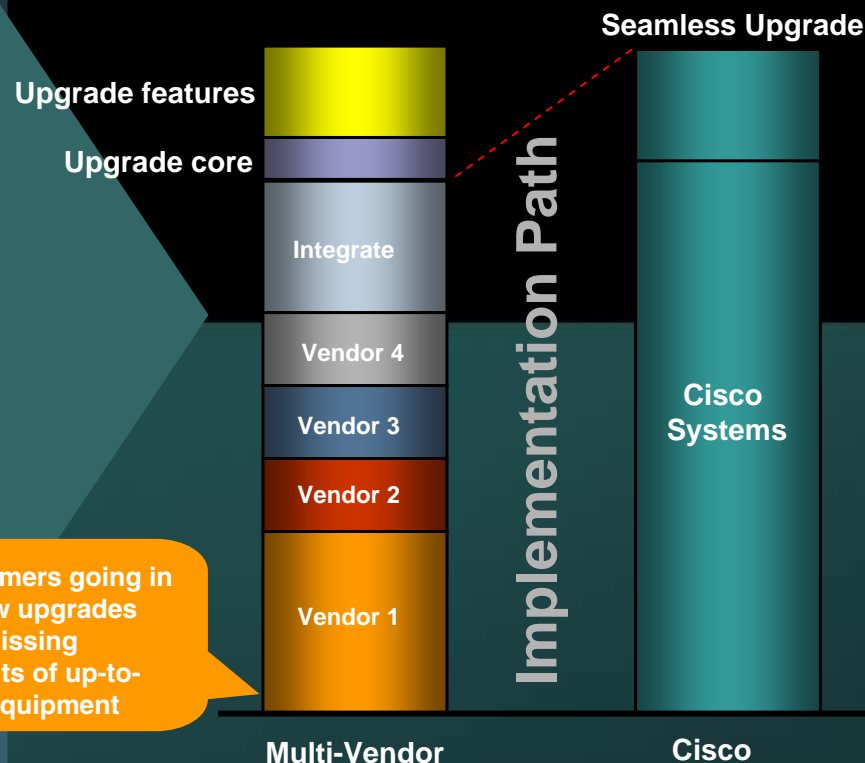
Cisco.com

Lower ongoing investment costs

Rationale for Cisco

- Keep network serviceable
- Secure migration path to IP
- Secure additional functionality on legacy TDM platform
- Keep network operating costs low
- Cheaper than piecemeal upgrades
- Flexibility in Opex/Capex mix
- Predictable spend level
- Reduce time to market with new features

Customers going in for few upgrades and missing benefits of up-to-date equipment



Primary vendor solutions such as Cisco solution enable a long-term win-win partnership with customers

Cisco's Unique Proposition

Cisco.com

- **End-to-end integration across the network**

Cisco has one of the most versatile portfolios for the SMB market. Interoperability, Integration, Ease of Maintenance are non-issues.

- **SMB Focused Solution: Cisco's Integrated Services Routers (ISRs)**

Routers with built-in voice, video and security functionality, are an attractive proposition for the SMB market in terms of price and feature-set

- **Excellent support through extensive channel and VAR network**

Cisco and Partner services ensure operational efficiency

- **Cisco offers leasing and financing options**

Financing ensures that technologically superior products are within the reach of SMBs.

Cisco Primary Solution vs. Multiple Vendor Solution

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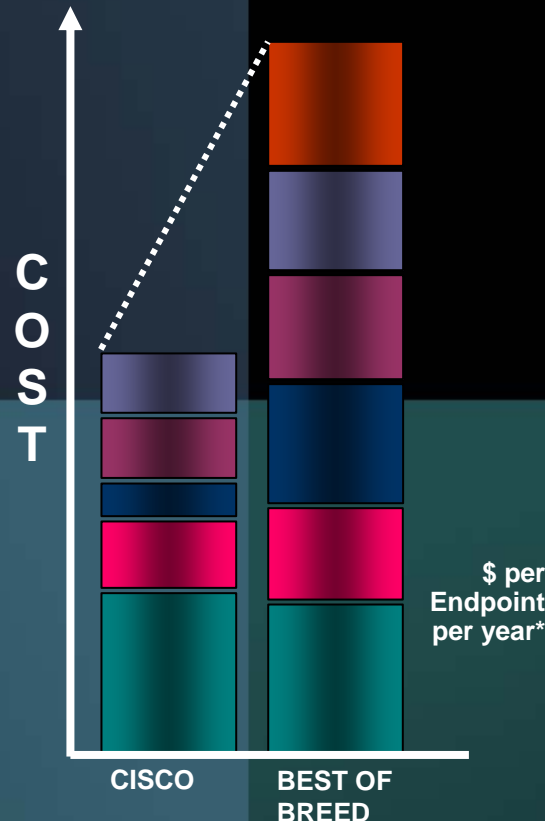
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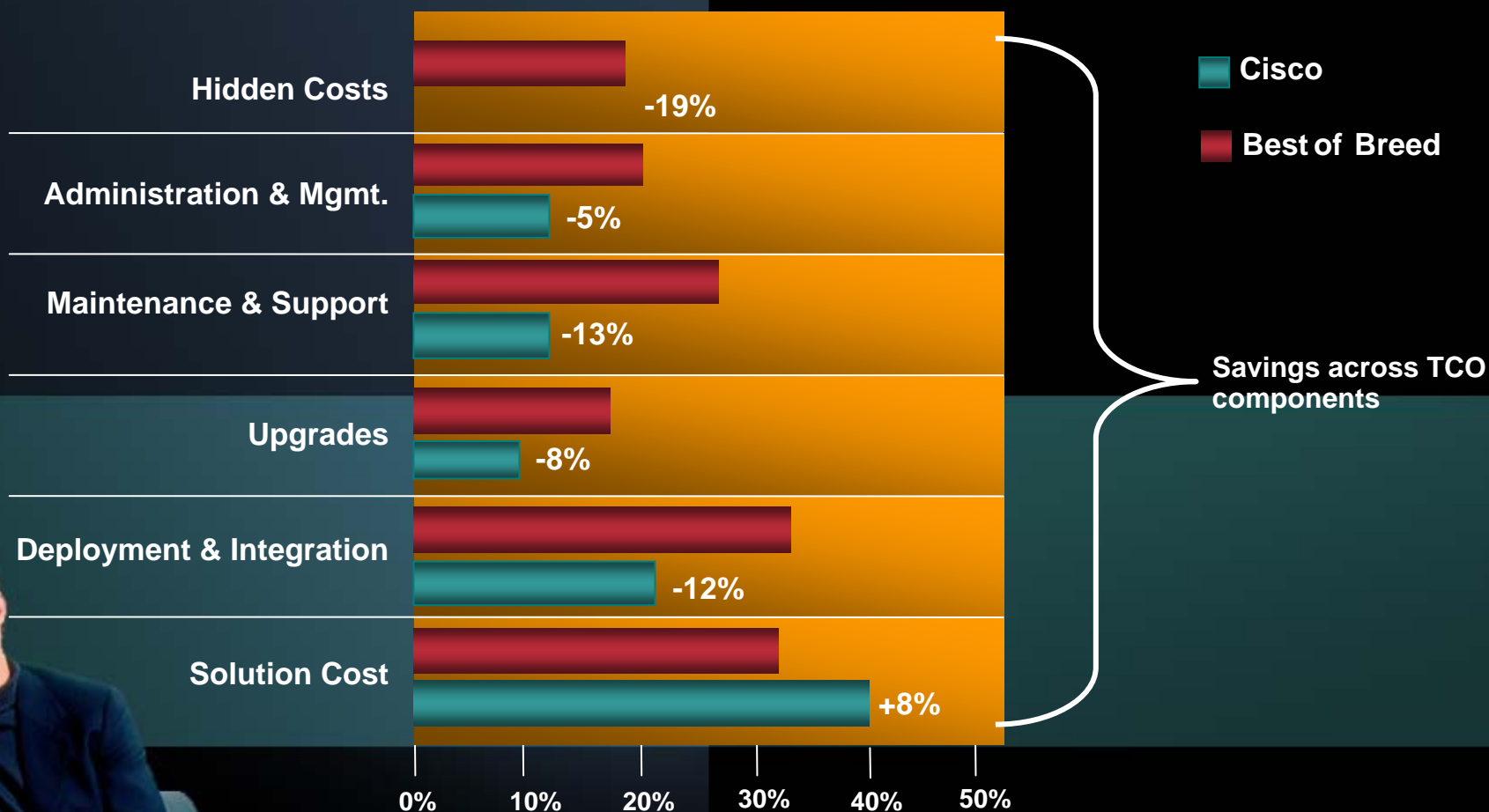
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TCO Analysis: Cost Differential by Components

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Cisco.com

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