The Business Value of Cisco Customer Experience Services Portfolio

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Navigating this White Paper

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## Executive Summary

IDC spoke with organizations using services from the Cisco Customer Experience portfolio including Cisco Smart Net Total Care, Cisco Software Support, Cisco Solution Support, and Cisco Business Critical Services, to help them run, transform, and optimize their Cisco collaboration, datacenter/cloud, networking, and security environments, as well as IoT solutions. Study participants reported that Cisco Customer Experience services play an important role in enabling them to deliver cost-effective, efficient, and high-performing IT services to their employees and customers.

As a result, these companies are achieving strong value from their Cisco Customer Experience services investments, which IDC quantifies as worth an average of $12.89 million per organization ($47,100 per 100 users), a value achieved by:

- **Enabling IT teams to deliver more value** by freeing them up from day-to-day management and support activities
- **Providing actionable insights**, through telemetry data to be more proactive and predictive in the IT environment
- **Reducing risk-related business costs** by implementing and maintaining more robust and reliable environments, thereby bringing down the frequency and impact of unplanned outages
- **Optimizing IT infrastructure** by leveraging best practices, including insights from artificial intelligence (AI) and machine learning, to maximize infrastructure investments
- **Ensuring greater IT agility and improved performance** by supporting strategic IT transitions such as moving from on-premises to a hybrid cloud environment and adopting new operating models

### BUSINESS VALUE HIGHLIGHTS

- **253%** three-year ROI
- **33% more** efficient IT networking and infrastructure teams
- **69% lower** productivity losses—unplanned downtime
- **84% lower** revenue losses—unplanned downtime
- **10% lower** IT infrastructure costs
- **41% fewer** to complete major deployments
Situation Overview

The combination of IT proliferation and surging business ecosystem complexity has pressed enterprises to tightly couple IT and business requirements. A business case—even if just an informal one—must be presented in a way that demonstrates how an IT investment or initiative supports specific business goals that aligned to business priorities such as operational efficiency, business continuity, development of new digital business models, compliance, and security.

At the same time, COVID-19 exposed essential gaps in skills and process that may have previously been overlooked or underprioritized. Gaps in talent, resources, and limitations on time have made these fissures more expansive. IT organizations and business stakeholders will need to ensure that IT and network investments are resilient, agile, and transformational, as well as strongly positioned for innovation when the market and opportunities present themselves.

New advanced networking technologies such as software-defined WAN/LAN, Wi-Fi 6, and 5G ensure that the network is no longer an impediment to digital transformation but an accelerant to business innovation and competitive advantage. The importance of expertly designing, deploying, supporting, and operating networks will be just as important as the data that traverses them. Faced with a scarcity of in-house skilled IT resources coupled with a growing talent gap, enterprises will increasingly turn to their vendor partners for a range of life-cycle assistance. The Cisco Customer Experience services portfolio aims to address those needs by taking a holistic life-cycle approach that ensures clear interlock between any given technology deployment and desired business outcomes.

Cisco Customer Experience Overview

Cisco Customer Experience is a portfolio of service offers—featuring capabilities like expert engineer resources, tools, and digitized best practices and information—that address all Cisco technology architectures, solutions, and products. These life-cycle services focus on the business, technology, and operational outcomes that are critical to customers’ organizational success and can help them extract maximum value from their technology investments.

Cisco’s Customer Experience services portfolio allows customers to choose the right services that fit their business and IT objectives, as well as budget and system criticality. Customers get this by leveraging Cisco’s investments in telemetry data collection that leverages artificial intelligence and machine learning to gain insight and intelligence from the devices, systems, and networks they have deployed. This intelligence, when combined with other Cisco resources, tools, platforms, knowledge bases, and account management, can allow customers to meet their IT and business objectives more effectively.
The following are service offerings that were evaluated in this IDC Business Value Study:

**Smart Net Total Care:** Cisco Smart Net Total Care provides global, 24 x 7 access to technical experts through the Cisco Technical Assistance Center (TAC), as well as flexible hardware RMA service levels such as next calendar day device replacement and onsite help in as little as two hours. It also offers an integrated online experience that includes current information about a customer’s installed base, Cisco contracts, and security alerts, helping customers improve the efficiency of support workflows and their Cisco asset management strategy.

**Cisco Solution Support:** Cisco Solution Support was specifically created to support the modern IT environment: software and hardware from multiple on-premises and cloud providers that must integrate seamlessly to achieve specific IT and business outcomes. These can include defined solutions with reference architectures from Cisco or preferred products from Cisco and other technology providers that the customer has selected with the help of Cisco and/or its partner.

Key capabilities include:

- Features designed to speed issue resolution, such as customers not needing to isolate their issue to open a case, and a 30-minute response for critical service requests
- Deep solution, architecture, and interoperability expertise, eliminating the need for customers to engage multiple support teams to resolve a complex issue
- A Cisco primary point of contact who leads support across product types and providers, providing a streamlined and consistent support experience

**Cisco Software Support:** Cisco Software Support offers comprehensive coverage — from foundational support to Enhanced and Premium levels — for Cisco software application products. The Basic level of service is included with subscriptions. Customers can also purchase Enhanced or Premium support, which include all the features of Solution Support as well as access to a Cisco onboarding specialist. Onboarding specialists can assist IT and security operations teams with configuration, integration, migration, deployment, and adopting key features that can impact business and/or technical goals. Premium Support also features access to a designated expert who can provide proactive analysis and support, as well as help managing critical issues.

**Cisco Business Critical Services:** The Cisco Customer Experience Business Critical Services multitiered subscription service helps organizations accelerate agility, growth, and innovation through the creation of resilient, adaptive, and transformative IT environments. Business Critical Services provides IT teams access to continuous expertise, powered by analytics, insights, and automation at every step of their life-cycle journey, to confidently build business resiliency — moving the business forward. Services are available through Cisco and Cisco partners.
The Business Value of Cisco Customer Experience

Study Demographics

IDC conducted research that explored the value and benefits for organizations using Cisco Support Services, including Cisco Smart Net Total Care, Cisco Software Support, Cisco Solution Support, and Cisco Business Critical Services. The project included 17 in-depth interviews with organizations that have extensive experience using Cisco Customer Experience and that have accrued significant practical knowledge of the benefits and costs related to its use.

Table 1 presents study firmographics for the interviewed Cisco customers. Collectively, interviewed organizations shared the profile of a large enterprise, with an average of 64,941 employees using an average of 961 business applications and supported by an average IT staff of 1,144, with annual revenue averaging $18.4 billion (medians of 16,000 employees and $8.35 billion in revenue). Table 1 also reflects study participants’ geographic and industry diversity.

TABLE 1
Demographics of Interviewed Organizations

<table>
<thead>
<tr>
<th></th>
<th>Average</th>
<th>Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees</td>
<td>64,941</td>
<td>16,000</td>
</tr>
<tr>
<td>Number of IT staff</td>
<td>1,144</td>
<td>450</td>
</tr>
<tr>
<td>Number of business applications</td>
<td>961</td>
<td>125</td>
</tr>
<tr>
<td>Revenue per year</td>
<td>$18.4B</td>
<td>$8.4B</td>
</tr>
<tr>
<td>Countries</td>
<td>United States (12), Australia, Greece, Jordan, Latvia, and Malaysia</td>
<td></td>
</tr>
<tr>
<td>Industries</td>
<td>Professional services (3), retail (3), telecommunications (2), financial services (2), agriculture, government, insurance, natural resources, technology, technology manufacturer, and utilities</td>
<td></td>
</tr>
</tbody>
</table>

n = 17, Source: IDC In-depth Interviews, May 2021

Choice and Use of Cisco Customer Experience

The Cisco customers interviewed by IDC shared their motivations for choosing Cisco Customer Experience to serve their organizations’ needs. Customers selected Cisco Customer Experience for a variety of reasons but frequently cited the wealth of knowledge that Cisco offers, including best practices, guidance, and support, to minimize risk to their Cisco environments.
Also frequently noted was the benefit of Cisco’s guidance in optimizing use of Cisco technology to enable more cost-effective, efficient environments. Participants noted the following specific motivations:

- **Access to product group knowledge when triaging problems — technology:**
  “Cisco is well rounded in terms of service and support with Cisco Software Support. They have a close partnership with their product groups, which is important when we want to triage issues.”

- **High availability to support required level of performance — insurance:**
  “We need reliability, resiliency, and availability. Cisco Smart Net Total Care is an insurance policy for our datacenter. It ensures that our products are maintained and serviced at a high level.”

- **Confidence in Cisco knowledge — financial services:**
  “We chose Cisco Solution Support because of Cisco’s reputation. They are a leader in networking hardware and support. They have a lot of knowledge, and their engineers know how to operate this equipment.”

- **Ensure availability levels and meet legal compliance requirements — natural resources:**
  “We use Cisco Business Critical Services to lower overall downtime and ensure legal compliance for that uptime as the oil and gas supplier for the country. We are required to offer 24 x 7 x 365, and Cisco Business Critical Services expertise supports that requirement.”

Interviewed organizations rely heavily upon Cisco to maintain and facilitate business operations.

**Notable study findings (see Appendix B: Cisco Customer Experience Services Use for additional details) reveal the degree to which organizations depend upon Cisco in facilitating and supporting business environments:**

- **Overall:** 27,375 internal users, 3,556 business sites, and 440 business applications
- **Collaboration:** 9,899 phones and 5,484 Webex users
- **Datacenter and cloud:** 2,408 servers and 15,492 virtual machines, storing 39,828TB
- **Networking:** 972 routers, 2,743 switches, and 59,631 network ports
- **Security:** 7 access control systems and 209 firewalls

**Business Value and Quantified Benefits of Cisco Customer Experience**

Interviewed Cisco customers reported that Cisco Customer Experience services have significantly improved the availability, performance, and efficiency of their collaboration, datacenter, networking, and security environments. As a result, they are better able to meet changing business requirements in a cost-effective and efficient manner while optimizing the value of their internal IT resources.
Study participants spoke to the role of Cisco Customer Experience services in these achievements:

- **Continuity and uptime — government:**
  “The most significant benefits for us of using Cisco Software Support are continuity and uptime. The premium support comes into play with their engineers engaged with open issues, so we can quickly open a ticket at a high level.”

- **Enable comprehensive understanding of issues — professional services:**
  “The engineers we work with for Cisco Smart Net Total Care have a comprehensive understanding of the products. We get round-the-clock support, efficiencies, and clarity.”

- **High-quality proactive support — financial services:**
  “Cisco patches well and continually makes changes to software as needed through Cisco Solution Support ... They fix bugs before they hit us—proactively correcting problems.”

- **Quality of root cause analysis — professional services:**
  “We always know if something serious happens—we get root cause analysis from the Cisco network team with Cisco Business Critical Services. They have much more depth of knowledge and have access to ‘rich’ content and they share that knowledge with our team. That is invaluable to us.”

IDC used interviews to understand the impact of Cisco Customer Experience services on interviewed organizations and calculates that they will realize benefits worth an average of $12.89 million per organization ($47,100 per 100 users) in the following areas (see Figure 1):

- **IT staff productivity benefits:**
  Providing IT teams with direct support, best practices, and access to valuable technical resources helps them work more efficiently and take on more business and innovative work. IDC puts the value of IT team efficiencies and productivity gains at an annual average of $4.97 million per organization ($18,100 per 100 users).

- **Business productivity and risk mitigation benefits:**
  Establishing more robust and resilient collaboration, datacenter, networking, and security environments helps study participants limit the frequency and impact of unplanned outages. IDC calculates that productivity and revenue gains related to reducing unplanned downtime will have an average annual value of $4.83 million per organization ($17,600 per 100 users).

- **IT infrastructure cost reductions:**
  Adopting best practices for infrastructure use enabled study participants to architect their collaboration, datacenter, networking, and security environments at a lower cost without sacrificing quality or access. IDC estimates that study participants will save an annual average of $3.10 million per organization ($11,300 per 100 users).
More Efficient IT Teams

Modern IT teams are burdened with a massive responsibility, with organizations dependent upon IT for comprehensive business operations and for security. Cisco Customer Experience helps ease that burden for IT teams by helping them fulfill their responsibilities more easily and effectively. Cisco’s high-touch customer engagement and its best practices, knowledge sharing, and 30 years of networking and IT expertise all work in concert to help IT teams more effectively and efficiently manage collaboration, datacenter, networking, and security environments. In addition, interviewed organizations specifically noted that Cisco provided resources for helping IT teams increase proficiency with new technologies, coupled with its attention to detail and persistence in identifying issues to help improve efficiency among IT teams:

- **Faster to learn new technologies — retail:**
  “Cisco Software Support leads us with new technology. We get ‘up to speed’ much quicker with the knowledge and guidance from the Cisco engineers. Our team is 15% more efficient as a result.”

- **Attention to detail and persistence in identifying issues and potential solutions — technology:**
  “The Cisco technicians with Cisco Solution Support are great to work with. The attention to detail is phenomenal ... If a Cisco product is the problem, they deal with it. If it is something else, they explain well and help us figure out a solution.”
The benefits that Cisco Customer Experience offerings provide to IT infrastructure teams are more than theoretical—those benefits translate into hard numbers of improved efficiency. As shown in Table 2, the value of IT staff time saved showed significant improvement (33%).

Given that many of the IT teams represented in the study are quite large, improving their efficiency by a third represents a considerable windfall for their organizations and enables IT organizations to address more valuable business and innovation-driven projects and responsibilities.

**Study participants spoke to benefits for their IT teams:**

- **Significant operational efficiencies—retail:**
  “Cisco Software Support allows for a reduction in our manpower ... The operational efficiencies are more long term. We are seeing immediate returns of 10–15% but anticipate for some areas we can improve that to 25–30%.”

- **Increase productivity levels of existing team—telecommunications:**
  “With Cisco Business Critical Services, we are adding more work but not adding FTEs. We’ve seen a 40–50% increase in responsibility, which is equivalent to a productivity improvement. Also, it provides greater job security because our team’s performance has improved and helps with retention.”

### TABLE 2
**Impact on IT Infrastructure Teams**

<table>
<thead>
<tr>
<th></th>
<th>Before/Without Cisco Customer Experience Services</th>
<th>With Cisco Customer Experience Services</th>
<th>Efficiency of Cisco Customer Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff time to manage (FTEs per organization)</td>
<td>116.4</td>
<td>78.0</td>
<td>33%</td>
</tr>
<tr>
<td>Number of staff hours per switch + physical server per year</td>
<td>42.5</td>
<td>28.5</td>
<td>33%</td>
</tr>
<tr>
<td>Value of staff time per year</td>
<td>$11.6M</td>
<td>$7.8M</td>
<td>33%</td>
</tr>
<tr>
<td>Time on innovation/business projects</td>
<td>12%</td>
<td>28%</td>
<td>132%</td>
</tr>
<tr>
<td>Time “keeping the lights on” and troubleshooting</td>
<td>88%</td>
<td>72%</td>
<td>19%</td>
</tr>
</tbody>
</table>

n = 17, Source: IDC In-depth Interviews, May 2021
The enhanced efficiency of IT employees enabled by Cisco Customer Experience services helps team members perform their daily tasks more quickly and effectively. As a result, IT teams have shifted time away from, “keeping the lights on” to innovative, business-focused activities. On average, IT teams for study participants have reduced time spent on day-to-day activities by 19%.

That time savings, in turn, translates to a 132% increase in time that can be focused on the business projects and innovation that are critical to sustaining organizational growth and maintaining competitiveness:

- **Frees up higher-level engineering resources — natural resources:**
  “We have more time, at least at the higher engineer levels, with Cisco Business Critical Services to do more long-term planning. There are fewer incidents and fewer requests to help lower-level support people.”

- **Creates time for revenue-generating projects — insurance:**
  “Having Cisco Smart Net Total Care overall allows us to get away from commodity support and get more involved in doing niche work, one-time activities. As an example, about a year and a half ago, we got involved in a project delivering a new product that is doing $10 million in revenue.”

**Reduced Business and Operational Risk**

Operational risks pose a seemingly ever-escalating, never-ending threat. For many Cisco customers, the constant pressure to mitigate those risks was a major driver in their selection of Cisco Customer Experience offerings. These companies seek to reduce their threat exposure to outages, security breaches, and other problems that can disrupt business operations. The selection of Cisco Customer Experience services has statistically proven to be a wise choice, with substantial reductions in threat exposures across many fronts. Interview subjects cited evidence such as significant improvements in threat detection and speed of software issue resolutions, as well as enhanced understanding and management of organizational network ecosystems:

- **Important to have ability to escalate for resolution of issues — technology:**
  “If there is a problem, or a potential bug, we can escalate with the Cisco engineering through Cisco Software Support to determine if there is a bug, what it is, and how to fix it. It is not ideal to have a bug, but it is definitely helpful to get it resolved quickly and permanently.”

- **More robust network knowledge — natural resources:**
  “We have more complete knowledge of our network with Cisco Business Critical Services. They work with us to manage the various aspects of our business—the upstream, midstream, downstream—we understand the stresses at each level and are better prepared to plan for surges in use and maintain critical reliability.”

- **Improved resolution time — utility:**
  “The direct line to Cisco with Cisco Solution Support is key. I estimate that has improved resolution time by 40% and we can learn to prevent network issues. Coupled with Cisco Solution Support, we get quarterly briefings, training classes, and training documents. Applying what we learn allows us to take preventative measures.”
As shown in Figure 2, Cisco helped customers significantly improve their help desk operations. They handle tickets 46% faster with the help of Cisco Customer Experience services, which bookends nicely with the 20% reduction in tickets generated and escalation of 41% fewer tickets.

**FIGURE 2**

**Incident Response and Help Desk Benefits**

(% benefit with Cisco Customer Experience Services)

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>Faster to resolve incidents</td>
<td>46%</td>
</tr>
<tr>
<td>Faster to handle per help desk ticket</td>
<td>46%</td>
</tr>
<tr>
<td>Fewer tickets requiring level 2/3 support</td>
<td>41%</td>
</tr>
<tr>
<td>Fewer help desk tickets</td>
<td>20%</td>
</tr>
<tr>
<td>Fewer incidents requiring response</td>
<td>20%</td>
</tr>
</tbody>
</table>

n = 17, Source: IDC In-depth Interviews, May 2021

Unplanned outages are potentially devastating to most organizations, potentially throwing dozens, hundreds, and even thousands of employees into forced idleness; employee cost remains the same while productivity plummets. Outages may also affect customer-facing assets, resulting in a PR black eye at best and significant loss of revenue at worst. Any reduction in the frequency and impact of unplanned outages is a welcome improvement for any organization.

- **Fewer incidents and more efficient management/support—financial services:**
  “We have fewer incidents with Cisco Business Critical Services. We are better equipped at managing the underlying hardware.”

- **Reduced operational risk and improved business results—professional services:**
  “We’ve improved our mean time to repair with Cisco Smart Net Total Care. We can leverage knowledge and work with an engineer, which increases our knowledge and leads to better support of the business. It helps us reduce our operational and business risk.”

Cisco Customer Experience services substantially reduced the number of unplanned outages, as well as all the ancillary negatives that typically accompany outages. Organizations using Cisco Customer Experience services enjoyed a 49% reduction in unplanned outages yearly, resulting in a 69% lower impact in lost productive time; an annual 4.6 hours of lost productive time per user was reduced to only 1.4 hours (see Table 3, next page). Such a significant reduction in lost productivity represents a major benefit for any organization, but particularly so with thousands of employees relying upon Cisco environments.
The substantial reduction in unplanned outages translated to an impact on revenue. As shown in Figure 3, the organizations in the study suffered an average revenue loss of more than $16 million per year from outages prior to using Cisco Customer Experience services. After becoming Cisco Customer Experience customers, the same organizations’ annual average revenue loss from outages plummeted to just over $2.5 million per year — an 84% reduction in revenue lost, allowing them to avoid losses of more than $13 million per year per organization from unplanned outages.

**FIGURE 3**
Revenue Impact of Unplanned Downtime
(Revenue lost per year per organization)

<table>
<thead>
<tr>
<th>$16,241,900</th>
<th>84% less lost revenue</th>
<th>$2,577,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before/without Cisco Customer Experience Services</td>
<td>With Cisco Customer Experience Services</td>
<td></td>
</tr>
</tbody>
</table>

n = 17, Source: IDC In-depth Interviews, May 2021
Maximizing IT Infrastructure Investments and Other Costs

The support and best practices provided by Cisco Customer Experience helps IT organizations architect more cost-effective environments. Interviewed Cisco customers noted that Cisco Customer Experience services helps them achieve best use of capacity and resources while avoiding costly mistakes such as overprovisioning. On average, study participants experienced 10% lower IT infrastructure costs (see Figure 4). Those savings are achieved through a broad range of Cisco Customer Experience services capabilities that include intelligence, advice, and guidance. Study participants spoke specifically to how they have achieved reduced costs:

- **Optimize maintenance costs — insurance:**
  “Cisco Smart Net Total Care helps us manage maintenance costs with device replacement ... By replacing a device at the point where the maintenance costs begin to climb, and we get a newer, improved device at a similar balanced cost because the maintenance is so much lower [and] we put more devices under maintenance and still not increase costs dramatically.”

- **Improved ability to plan investments — telecommunications:**
  “The combination of understanding the technology and how it works with Cisco Business Critical Services allows us to more efficiently plan our own investments ... With Business Critical Services, we forecast and manage hardware better, so we are achieving 15% cost reductions in more targeted purchases and more efficient usage for those four-year refreshes.”

**FIGURE 4**

IT Infrastructure and IT Cost Optimization with Cisco Customer Experience
(Cost per year per organization)

![Diagram showing cost reduction](image-url)
Ensuring IT Agility and Performance Needed by Businesses

In the fast-paced world of business, agility is a valued attribute. For IT teams in particular, the need to be agile and performance oriented will likely only intensify. Though perhaps less quantifiable than other study metrics, interviewed organizations supplied substantial anecdotal evidence that Cisco Customer Experience offerings enhance IT agility and optimize the ability of their infrastructure, applications, and systems to meet business demand.

Organizations cited a variety of business-related improvements enabled by Cisco Customer Experience offerings, including improved data analysis outcomes, improved network performance, and transitioning to incorporating AI deeper into business and IT processes. They also provided specific examples reflecting these outcomes attributable to Cisco Customer Experience:

- **Support for hybrid and cloud transition—telecommunications:**
  “We have had an ongoing transition moving from on premises to a hybrid environment and to cloud services. We have relied on Cisco Business Critical Services to support our architecture team ... We will be looking at AI, looking to move away from microservices perhaps, into more transformative IT.”

- **Enabled datacenter migration—insurance:**
  “We completely pivoted from one datacenter to another datacenter to go to Cisco UCS. We used Cisco Smart Net Total Care and Cisco Advanced Services to develop road maps for infrastructure as necessary for this effort to go to UCS, datacenter switching, and core switching.”

- **Improved ability to manage upgrades—technology:**
  “We are better able to manage upgrades with Cisco Software Support. We can manage what we need, where we need it, and when. Cisco understands our requirements and does not push technologies on us—they recommend what we need.”

- **Ensure consistent network performance—telecommunications:**
  “With Cisco Business Critical Services, we avoid the cumulative impact of performance degradation—particularly during stress times tied to promotional activities that lower the confidence in the network. In the past, we would have lower performance and customers would question us and wonder what else could happen. That is no longer the situation.”

**ROI Summary**

IDC’s analysis of the financial benefits related to study participants’ use of Cisco Customer Experience is presented in Table 4 (next page). IDC calculates that on a per-organization basis, interviewed organizations will achieve total discounted three-year benefits of $30.6 million, or $111,900 per 100 users, based on improved continuity and uptime, improved performance of IT environments, greater efficiency of IT teams, reduced business and operational risks, optimized IT infrastructures, and the enablement of greater agility and maximized systems performance.
These benefits compare with projected total discounted investment costs over three years of $8.7 million per organization ($31,700 per 100 users). At these levels of benefits and investment costs, IDC calculates that organizations will achieve a three-year ROI of 253% and break even on their investment in four months.

**TABLE 4**

**ROI Analysis**

<table>
<thead>
<tr>
<th></th>
<th>Three-Year Average per Organization</th>
<th>Three-Year Average per 100 Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit (discounted)</td>
<td>$30.6M</td>
<td>$111,900</td>
</tr>
<tr>
<td>Investment (discounted)</td>
<td>$8.7M</td>
<td>$31,700</td>
</tr>
<tr>
<td>Net present value (NPV)</td>
<td>$22M</td>
<td>$80,200</td>
</tr>
<tr>
<td>Return on investment (ROI)</td>
<td>253%</td>
<td>253%</td>
</tr>
<tr>
<td>Payback period</td>
<td>4 months</td>
<td>4 months</td>
</tr>
<tr>
<td>Discount rate (%)</td>
<td>12%</td>
<td>12%</td>
</tr>
</tbody>
</table>

n = 17, Source: IDC, May 2021

**Challenges/Opportunities**

Driving optimal business outcomes is the lens through which technology solutions and investments are viewed today. This means that technology leaders face a range of “solutions” that all vie to be transformative and drive better outcomes. IDC believes that life-cycle services play a key role in driving business, technology, and operational success, as they are a carefully considered set of tools and technologies combined with the right people and processes that aim to help customers accelerate adoption of new technology solutions and enable them to extract maximum value from them faster.

Cisco Customer Experience services provides thousands of services experts with broad and deep technical experience, proven tools and methodologies based on intellectual capital, and decades of expertise and best practices leveraging machine learning and analytic capabilities for added insight and intelligence across millions of devices around the globe. IDC believes this is an industry differentiator for Cisco Customer Experience.

IDC believes it is important for enterprise customers to fully understand the value derived from life-cycle service offers—across professional consulting and technical support. Aside from the financial value discussed in this study, and many of the highlighted metrics that are quantifiable such as profitability, resource utilization, and uptime, it is important to recognize the importance that skilled resources bring to the solution by providing defined methodologies and processes that enhance collaboration gains, best practice sharing, knowledge transfer, and new skills adoption.
These improvements drive value to the business bottom line and are key components of successful digital transformation.

Enterprises must take these “softer” gains into consideration when completing their analysis of engaging with Cisco Customer Experience services. Cisco Customer Experience services offerings can help customers define strategies that align to their business priorities, design the right architecture, implement the solution quickly and securely, continually optimize the technology, provide managed services if required, and deliver the right kind of ongoing support, learning, training, and ROI to accelerate technology adoption. Cisco Customer Experience services offer a broad scope of services that extend across the company’s architectural solutions of collaboration, datacenter, networking, and security providing life-cycle services for guidance, support, and operations globally. Not many IT vendors in the industry can provide such an expansive set of offerings consistently around the world. As the portfolio is rather expansive, with many tools and resources, it will be essential that customers work closely with their Cisco Customer Experience account teams and consultants to understand the service offerings that can be exploited for maximum benefit for their IT initiatives.

Conclusion

IT organizations and business stakeholders must ensure that their IT and network investments are resilient, agile, and transformational and can drive innovation when the market and opportunities present themselves. However, achieving these outcomes is complicated by challenges in securing in-house talent capable of executing these initiatives. As a result, many organizations will have a well-defined need for a vendor partner that can provide services and solutions that are holistic and help establish linkage between IT operations and improved business results.

IDC’s study demonstrates the real-world value that study participants are achieving through their use of Cisco Customer Experience services, including Cisco Smart Net Total Care, Cisco Software Support, Cisco Solution Support, and Cisco Business Critical Services. Interviewed organizations described how they have leveraged Cisco know-how, direct support, and best practices to improve the availability, performance, and efficiency of their collaboration, datacenter, networking, and security environments. They have been able to focus their internal IT resources on innovation and business enablement rather than day-to-day management and support, which helps them address new and changed business requirements. From a financial perspective, interviewed Cisco customers have realized benefits that include lower costs related to unplanned outages, more efficient and effective IT teams, and optimized infrastructure-related costs. Taken together, IDC projects that the value of the benefits they will achieve will yield an average three-year ROI of 253%, reflecting the value proposition for these organizations of using Cisco Customer Experience services.
Appendix

Appendix A: Methodology

IDC’s standard Business Value/ROI methodology was utilized for this project. This methodology is based on gathering data from organizations currently using Cisco Customer Experience services, including Cisco Smart Net Total Care, Cisco Software Support, Cisco Solution Support, and Cisco Business Critical Services as the foundation for the model. Based on interviews with organizations using it, IDC performed a three-step process to calculate the ROI and payback period:

- **Gathered quantitative benefit information during the interviews using a before-and-after assessment of the impact of using Cisco Customer Experience.** In this study, the benefits included staff time savings and efficiencies, the benefits of reducing risk associated with unplanned outages, and IT infrastructure and other cost savings.

- **Created a complete investment (three-year total cost analysis) profile based on the interviews.** Investments go beyond the initial and annual costs of using Cisco Customer Experience and can include additional costs related to migrations, planning, consulting, and staff or user training.

- **Calculated the ROI and payback period.** IDC conducted a depreciated cash flow analysis of the benefits and investments for the organizations’ use of Cisco Customer Experience over a three-year period. ROI is the ratio of the net present value (NPV) and the discounted investment. The payback period is the point at which cumulative benefits equal the initial investment.

**IDC bases the payback period and ROI calculations on a number of assumptions, which are summarized as follows:**

- Time values are multiplied by burdened salary (salary + 28% for benefits and overhead) to quantify efficiency and manager productivity savings. For purposes of this analysis, based on the geographic locations of the interviewed organizations, IDC has used assumptions of an average fully loaded salary of $100,000 per year for IT staff members and an average fully loaded salary of $70,000 per year for non-IT staff members. IDC assumes that employees work 1,880 hours per year (47 weeks x 40 hours).

- The net present value of the five-year savings is calculated by subtracting the amount that would have been realized by investing the original sum in an instrument yielding a 12% return to allow for the missed opportunity cost. This accounts for both the assumed cost of money and the assumed rate of return.

- Because IT solutions require a deployment period, the full benefits of the solution are not available during deployment. To capture this reality, IDC prorates the benefits on a monthly basis and then subtracts the deployment time from the first-year savings.

*Note: All numbers in this document may not be exact due to rounding.*
# Appendix B: Cisco Customer Experience Services Use

## TABLE 5
Environments Supported by Cisco Customer Experience Services

<table>
<thead>
<tr>
<th>Cisco Customer Experience Services Environments</th>
<th>Overall</th>
<th>Cisco</th>
<th>Three-Year Average per 100 Users</th>
<th>Three-Year Average per 100 Users</th>
<th>Three-Year Average per 100 Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of sites</td>
<td>3,556</td>
<td>247</td>
<td>524</td>
<td>13,678</td>
<td>533</td>
</tr>
<tr>
<td>Number of internal users</td>
<td>27,375</td>
<td>2,950</td>
<td>76,310</td>
<td>3,895</td>
<td>14,113</td>
</tr>
<tr>
<td>Number of business applications</td>
<td>440</td>
<td>343</td>
<td>115</td>
<td>908</td>
<td>475</td>
</tr>
</tbody>
</table>

### Collaboration tools

<table>
<thead>
<tr>
<th>Product</th>
<th>Overall</th>
<th>Cisco</th>
<th>Three-Year Average per 100 Users</th>
<th>Three-Year Average per 100 Users</th>
<th>Three-Year Average per 100 Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of phones</td>
<td>9,899</td>
<td>2,150</td>
<td>15,800</td>
<td>3,920</td>
<td>16,250</td>
</tr>
<tr>
<td>Webex meetings and number of users</td>
<td>5,484</td>
<td>375</td>
<td>1,030</td>
<td>4,145</td>
<td>17,500</td>
</tr>
</tbody>
</table>

### Datacenter/cloud environments

<table>
<thead>
<tr>
<th>Product</th>
<th>Overall</th>
<th>Cisco</th>
<th>Three-Year Average per 100 Users</th>
<th>Three-Year Average per 100 Users</th>
<th>Three-Year Average per 100 Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of physical servers</td>
<td>2,408</td>
<td>80</td>
<td>5,635</td>
<td>249</td>
<td>3,668</td>
</tr>
<tr>
<td>Number of VMs</td>
<td>15,492</td>
<td>1,534</td>
<td>11,359</td>
<td>3,671</td>
<td>51,433</td>
</tr>
<tr>
<td>Number of TBs</td>
<td>39,828</td>
<td>33,335</td>
<td>7,500</td>
<td>5,694</td>
<td>104,250</td>
</tr>
</tbody>
</table>

### Networking environments

<table>
<thead>
<tr>
<th>Product</th>
<th>Overall</th>
<th>Cisco</th>
<th>Three-Year Average per 100 Users</th>
<th>Three-Year Average per 100 Users</th>
<th>Three-Year Average per 100 Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of network switches</td>
<td>2,743</td>
<td>1,286</td>
<td>404</td>
<td>1,853</td>
<td>7,790</td>
</tr>
<tr>
<td>Number of network routers</td>
<td>972</td>
<td>506</td>
<td>240</td>
<td>1,737</td>
<td>2,047</td>
</tr>
<tr>
<td>Number of network ports</td>
<td>59,631</td>
<td>7,355</td>
<td>6,296</td>
<td>3,523</td>
<td>220,656</td>
</tr>
</tbody>
</table>

### Security environments

<table>
<thead>
<tr>
<th>Product</th>
<th>Overall</th>
<th>Cisco</th>
<th>Three-Year Average per 100 Users</th>
<th>Three-Year Average per 100 Users</th>
<th>Three-Year Average per 100 Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of firewalls</td>
<td>209</td>
<td>667</td>
<td>79</td>
<td>14</td>
<td>109</td>
</tr>
<tr>
<td>Number of access control systems</td>
<td>7</td>
<td>2</td>
<td>16</td>
<td>0</td>
<td>20</td>
</tr>
</tbody>
</table>

n = 17, Source: IDC, May 2021
About the Analysts

Rob Brothers  
Program Vice President, Datacenter and Support Services, IDC

Rob Brothers is a Program Vice President for IDC's Datacenter and Support Services program, as well as a regular contributor to the Infrastructure Services and Financial Strategies Programs. He focuses on worldwide support and deployment services for hardware and software and provides expert insight and intelligence on how enterprises should be addressing key areas for datacenter transformation and edge deployment and management strategies. IT hardware services covered include IoT devices, converged infrastructures, storage, servers, client devices, networking equipment, and peripherals. Software covered includes software defined infrastructures, cloud support, operating systems, databases, applications, and system software. He also has expertise in the latest consumption models which includes as-a-service models such as device-as-a-service.

More about Rob Brothers

Leslie Rosenberg  
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Leslie Rosenberg is Research Vice President for IDC’s Network Life Cycle and Infrastructure Services programs examining professional services trends and market dynamics for the enterprise. Leslie’s research coverage spans life cycle services portfolio development across network, server and storage infrastructure technologies encompassing the dynamics of software defined infrastructure, automation, service delivery platforms, new consumption models and the evolution of services impacting people, process, tools and methodologies around the globe. Leslie’s research evaluates services delivered by technology manufacturers, global systems integrators and telcos as they look to compete more effectively in the enterprise market.

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Matthew is responsible for carrying out custom business value research engagements and consulting projects for clients in a number of technology areas with a focus on determining the return on investment (ROI) of their use of enterprise technologies. Matthew’s research often analyzes how organizations are leveraging investment in digital technology solutions and initiatives to create value through efficiencies and business enablement.

More about Matthew Marden
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