

Cisco Systems Technical Support Services for the Commercial Segment

Making the First Sale (Canada)



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Selling Cisco Technical Support Services can help you:

- Enhance cash flow and margins
- Penetrate new markets
- Improve your competitive advantage
- Increase customer retention
- Expand your relationship with your customer

More Sales, Higher Margins

The information in this guide can help distributors, resellers, and channel service account managers boost revenues, increase margins, and build long-term customer loyalty through sales of Cisco Systems® Technical Support Services to commercial customers.

The guide provides an overview of the services market, Cisco® Technical Support Services, sales best practices, and objection handling tailored to the specific requirements of selling to commercial customers with up to 1000 employees. You will also find marketing resources to help jump start marketing campaigns to promote the value of services and generate demand.

Throughout this guide you will find a strong focus on selling services as part of a complete solution at the very first sales opportunity. Integrating services into your solutions selling approach will help ensure that you maximize your own opportunities for revenue and margin, enhance customer satisfaction, and provide the customer with the greatest value.

Selling Services: Providing Incremental Value to Commercial Customers

Cisco offers the technical expertise and customer services needed to help in deploying and operating customer networks.

Today, very few businesses can compete effectively without some form of network, which means that nearly every business will need networking service and support. And yet, service is often positioned as a kind of insurance policy. It is presented as a fallback in case things go wrong, accompanied by scenarios designed to scare customers into buying.

This approach usually builds barriers of resistance and generates objections such as, "Are you saying that the solution is unreliable? Surely, nothing will happen that I cannot fix myself. And if things do go wrong, I'll just call you anyway."

Cisco customers will buy service more readily if you show them the value it can deliver as part of a complete solution.

Focus on the positive benefits of the Cisco service programs, showing how they enrich the functions and applications that have prompted the customer to buy the solution in the first place.

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Driving the Business Need

Below, review some of the key factors that will drive a customer's business need for service:

Customers need their networks up and running

Today, businesses of every size are highly dependent on their networks, and these networks need to stay up and running to enhance productivity, revenue, and business credibility. The cost of downtime can be substantial and can be measured in terms of productivity or revenue loss, damaged reputation, impaired financial performance, and other costs such as overtime and travel expenses.

Customers need to increase return on investment

Technology evolves at a phenomenal rate. When the solution is maintained and updated on a regular basis, it continues to support the business by operating at its full potential for the duration of its working life.

Customers need to manage total cost of ownership

Planned and budgeted service and maintenance costs are considerably less expensive and less difficult to manage than emergency repairs or unplanned service calls. The cost of downtime can be substantial and can be measured in terms of productivity or revenue loss, damaged reputation, impaired financial performance, and other costs such as overtime and travel expenses.

Customers need to maintain a competitive advantage

Keeping network elements current with the latest features and enhancements aids business in quickly and efficiently implementing new applications that can lower costs, improve customer service, reduce delivery times, and expand into new markets.

Customers need to maintain business credibility and continuity

Service can help customers ensure availability of company Websites and access to e-mail services critical to day-to-day operations and successful customer and partner relationships.

Cisco Technical Support Services: A Complete Offering

Cisco offers a family of services to meet the needs of different types of commercial customers:

- Cisco SMARTnet® services and SMARTnet Onsite
- Cisco SMB Support Assistant
- Cisco Software Application Support Services
 - Cisco Software Application Support plus Upgrades (SASU)
 - Cisco Application Support (SAS)

Cisco SMARTnet and SMARTnet Onsite

Providing World-Class Support

Cisco SMARTnet and SMARTnet Onsite can help commercial customers accelerate their business success and protect their investment in Cisco hardware and Cisco OS® Software with support tailored precisely to the needs of their business.

Cisco SMARTnet coverage includes software maintenance (Cisco OS updates), advanced replacement (of hardware), technical support (access to the world-class Cisco Technical Assistance Center [TAC]), and net access to an online suite of technology-specific tools to help customers support their networks. With Cisco SMARTnet, customers reduce risk and increase return on investment.

The Cisco SMARTnet Onsite option provides a Cisco field engineer to install replacement parts at a customer site.

For more information on Cisco SMARTnet and Cisco SMARTnet Onsite, please go to:

http://www.cisco.com/go/smartnet

Table 1. General Tools to Help Cisco SMARTnet Customers Support Their Networks

General Tools for Cisco SMARTnet Customers				
Cisco Product Identification Tool	Locate the serial number lable on your Cisco product.			
Software Advisor	Find software compatible with my hardware and with the features I need. Compare the features in different software releases or research a software release.			
Installation and Configuration Guides	Software and hardware installation guides and configuration examples for your specific software and products.			
Downloads	Download Cisco software.			
IOS Upgrade Planner	Browse to find the information you need to upgrade your IOS software.			
2600/3600/3700 Memory Calculator	Compute the memory required for Cisco 2600, 3600, and 3700 series routers.			
Bug Toolkit	Search for software bugs based on version and feature sets.			

Table 2. Security Tools to Help Cisco SMARTnet Customers Support Their Networks

Security Tools for Cisco SMARTnet Customers				
Product Alert Tool	Set up a profile to receive e-mail updates about reliability, safety, network security, and end-of-sale issues for the Cisco products you specify.			
Security Advisories	Stop an active security attack or prevent an imminent security risk.			
Report Product Security Incidents	Report security problems you have with a Cisco product.			
Discussion Forums	Share questions, suggestions, and information about networking solutions, products, and technologies in discussion forums, Tech Talks, and Ask the Expert forums.			
Output Interpreter	Receive instant troubleshooting analysis and course of action for your router, switch, or PIX device using collected show command output.			
Service Request Tool	Request technical asistance by creating a service request or query an existing service request with the TAC.			

Table 3. Voice Tools to Help Cisco SMARTnet Customers Support Their Networks

Product Alert Tool	Set up a profile to receive e-mail updates about reliability, safety, network security, and end-of-sale issues for the Cisco products you specify.			
Voice Codes Bandwidth Calculator	Select capacity planning for your packet voice network and determine the bandwidth used by different codecs with various voice protocol over different media.			
IP Communications Readiness Assessments	Confirm whether your organization has met common network design requirements for a high-availability Cisco IP Communications implementation.			
Discussion Forums	Share questions, suggestions, and information about networking solutions, products, and technologies in discussion forums, Tech Talks, and Ask the Expert forums.			
Service Request Tool	Request technical assistance by creating a service request or query an existing service request with the TAC.			

Cisco SMB Support Assistant

Protecting Network Investments

Cisco SMB Support Assistant includes access to the SMB Support Portal and Client that includes setup, configuration, and troubleshooting of devices, password recovery, and access to basic health checks and network troubleshooting tools. Cisco SMB Support Assistant includes access to the SMB Support Portal and Client that includes setup, configuration, and troubleshooting of devices, password recovery, and access to basic health checks and network troubleshooting tools. Cisco SMB Support Assistant provides 8x5 access to the SMB TAC, advanced hardware replacement, and minor software updates.

For more information about Cisco SMB Support Assistant, please visit: http://www.cisco.com/en/US/partner/products/ps6193/serv_home.html.

Cisco Software Application Support Services:

- Cisco Software Application Support plus Upgrades (SASU)
- Cisco Software Application Support (SAS)

Providing Increased Return on Investment, Strengthening Application Functionality

Cisco Software Application Support plus Upgrades (SASU) and Cisco Application Support (SAS) help to keep mission-critical software applications, like network management and voice over IP, current with application updates to strengthen application functionality and to increase the return on investment.

SAS and SASU include minor software updates, minor version releases, comprehensive 24x7 access to technical support, and registered access to a wealth of technical documentation, tools, and utilities on Cisco.com.

SASU additionally entitles customers to major application upgrade releases which often include new software features and functions. Customers never have to pay extra to keep applications current and can implement major upgrades quickly and efficiently to maintain a competitive edge.

For more information about Cisco SASU, please go to: http://www.cisco.com/en/US/partner/products/svcs/ps3034/ps2827/ps2993/serv_home.html

Table 4. Comparison of Cisco Technical Support Services Features

Key Features at a Glance						
Product	Technical Assistance Center (TAC) Telephone Hotline	Cisco.com Web Support	Software Upgrades	Hardware Replacement (Without Engineer)	Engineer Onsite	Equipment Covered
SMARTnet	Unlimited	Full Access	OS	Next Business Day 4 hours, 5 or 7 Days a Week 2 Hours 7 Days a Week	No	All
SMARTnet Onsite	Unlimited	Full Access	OS	Next Business Day 4 hours, 5 or 7 Days a Week 2 Hours 7 Days a Week	Next Business Day 4 hours, 5 or 7 Days a Week 2 Hours 7 Days a Week	All
SMB Support Assistant	Within 1 Business Day from SMB TAC	SMB Support Assistant Portal	OS Minor Software Updates	Next Business Day or Same Day Ship Where Available	No	Limited
Software Application Support (SAS)	Unlimited	Full Access	Minor Releases	Not Applicable	Not Applicable	Not Applicable
Software Application Support Plus Upgrades (SASU)	Unlimited	Full Access	Major Releases	Not Applicable	Not Applicable	Not Applicable

Finding the "Sweetest" Spot

The most compelling moment to make a case for services is when you begin working with a customer to determine overall business needs. This is the time to ask your customers questions that will help you evaluate not only their hardware and software requirements, but also their need for ongoing technical support services. This is your opportunity to fully explore your customers' questions about cost of ownership, the impact of unexpected downtime, their need to show a return on technology investments, and what a reliable network solution means to the long-term success of their business. As you discuss these issues with your customers, you will discover the complete solution that will best fit their overall needs—hardware, software, service, and financing.

Discount incentives for customers

- Lower sales administration costs
- Higher renewal rates, stronger gross margins
- Improved cash flow for you and your customer

The Advantage of Multiyear Options

Multiyear contracts (typically 3 years) provide customers the opportunity to take advantage of discount incentives, lock in prices, match service contract to lease terms, and, with financing, improve cash flow. Selling multiyear agreements can also lower your sales administration costs, boost your renewal rates, and increase gross margins and cash flow, with other associated benefits for your return on investment (ROI). In particular, if you sell at the point of first sale, you can secure the budget for the longer-term contract instead of having to pitch for it every year. You can make a strong case for multiyear options because they also remove administrative and management burdens from the customer.

Financing for Commercial Businesses

Offering your commercial customer a financing solution that spreads the capital outlay over a number of years can enable your customers to deploy state-of-the-art network solutions to help enable more productive, collaborative business environments —without having to worry about how they are going to pay for it. Financing is one of the most important tools you have to manage a customer's budget concerns and promote multiyear contracts.

Cisco Systems Capital® financing solutions provide straightforward, flexible leasing options, competitive rates, and fast credit



processing (funding in 24 hours or less). This can help your customers acquire the solutions they need to be successful. At the same time, financing solutions from Cisco Systems Capital can help your organization preserve working capital and accelerate deals by timing your lease payments with payments from customers.

If you are interested in the finance packages that Cisco can offer, find out more at:

http://www.cisco.com/ca/channels/financing/



Service Sales Best Practices

Sell complete solutions, not just products or services

Your customer has business needs that Cisco solutions can address. Be sure that your focus is always on the business issues that influence the need for a range of products or services. In this way, you will be able to help your customer see the value of a complete solution as well as the consequences of inaction. Make sure that your discussions of products, services, and financing always map back to the higher-level business needs that your customer must address.

Sell service at the beginning of the sales process

Your customers typically define budgets once at the beginning of a sales cycle. Put service into the offer right at the beginning, as a fundamental component of a complete solution. Otherwise, you may find it difficult to introduce the value of service at a later point in the sales cycle.

Prepare your customer for the cost of service

Cisco Technical Support Services provide valuable benefits to customers. Prepare your customers for the additional expense of these valuable services so they can plan appropriately. Your customers will certainly need service beyond the first year, so get them thinking about the long-term value of multiyear contract discounts and build that into the initial proposal.

Lead with the right offering

Doing your research is important, so you can lead with the right service package. You can use the following guide to help you determine which program to propose.

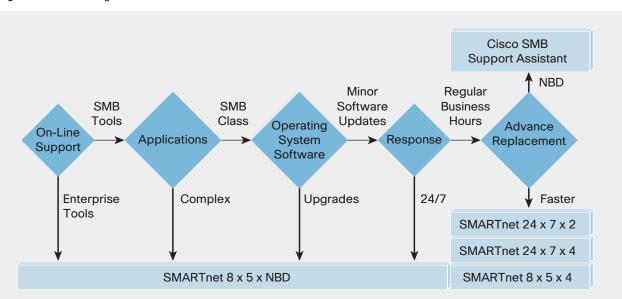


Figure 1. Service Program Decision Guide

Be flexible—match the service level to the budget

Adopt a flexible approach to the design of the solution you propose. Understand your customers' needs in order to build a service proposal that adequately matches their requirements. If the budget will not stretch, consider leasing and financing options available from Cisco Systems Capital. For example, many small companies would prefer monthly payments for the products and services that amortize the cost over three or five years. Cash flow is always a top consideration for commercial companies. A financing option may provide additional opportunity to upsell the entire product and service solution.

Handling Objections

Objection

Why do I need service? Does the warranty not cover me?

Response

There are significant differences between the standard Cisco warranty and Cisco services:

The Warranty

A Cisco warranty is the company's guarantee of the integrity of its product. It is Cisco assurance that the company will be responsible for the repair and replacement of defective parts associated with your customer's equipment during a designated amount of time typically 90 days (see Table 5).

The entitlement associated with each warranty can be grouped into one of the following categories:

Hardware—a guarantee that the piece of hardware will be free of defects in material and workmanship under normal use.

Software—Cisco Standard Software Warranty warrants for 90 days from the date of delivery to the customer that (a) the media on which the software is furnished will be free from defects in materials and workmanship under normal use; and (b) the software substantially conforms to the documentation.

Table 5. Products Covered by a Cisco Warranty and the Additional Benefits Delivered by Cisco Services

The Right Support Features						
	Cisco SMARTnet	SMB Support Assistant	SASU	Warranty		
Hardware Warranty Duration	Renewable Contracts	Renewable Contracts	No	90 Days/1 Year/ Limited Lifetime		
Software Warranty Duration	No	No	Renewable Contracts	90 Days		
Technical Support	Yes	Within 1 Business Day from SMB TAC	Yes	No		
Cisco IOS® Updates Maintenance Releases	Yes	Yes	No	Yes		
Minor Releases and Major Releases	Yes	No	No	No		
Application Software Updates	No	No	Yes	No		
Registered Access to Cisco.com	Yes	SMB Support Assistant Portal	Yes	No		
Parts Replacement	Standard: Next Business Day Delivery Options: 2-Hour, 4-Hour Onsite	Next Business Day or Same Day Ship	No	RTF (10 Days)		
Equipment Covered	All	Limited	None	All		

The Service Contract

A service contract covers the life and functionality of the solution once it is installed and working, rather than the integrity of its manufacture. In other words, it is concerned with what the solution does, rather than what it is.

Service contracts provide Cisco end-user customers with access to a range of resources:

- **Software Maintenance**—Cisco operating system software, maintenance updates, major and minor releases.
- Advance Replacement of hardware, providing rapid dispatch of spares or replacement units. Customers can specify the level of service in terms of access to support and speed of delivery.
- Technical Assistance—Expert help available through the Technical Assistance Center (TAC).
- Net access to a comprehensive collection of Cisco product information, network management tools, and knowledge transfer resources.
- Software Application Support—maintenance updates, releases, and optional upgrades.

These are the key points to keep in mind when speaking to your customers about the differences between Cisco warranties and Cisco service contracts:

- Under a traditional warranty, there is a very high risk of leaving your customer's equipment and software unprotected against unexpected incidents.
- Service contracts provide rapid response to problems that can affect both network availability and your customer's business.
- Service contracts provide investment protection because they protect your customers' equipment and software investment.
- Without a service contract, your customer will have to pay expensive time and materials fees and wait longer for replacement parts delivery.
- Without a service contract, your customer has no access to resources to quickly resolve network problems and keep software current.

An Example:

Your customer has purchased Cisco equipment without service coverage. They suddenly experience network downtime. Your customer calls into the TAC to report the technical issue. Unfortunately, because they do not have a service contract, they are not entitled to service, and would have to purchase service at current time and materials rates. The TAC engineer identifies that the network problem is related to a hardware issue. He further explains to your customer that it will take approximately 10 days for the replacement to arrive, and your customer must also send the defective part back first before the new part can be shipped. Your customer is irritated, and explains to the TAC engineer that he cannot wait that long. No one told the customer that it would take Cisco up to 10 days to ship the replacement part. Furthermore, your customer is frustrated by the amount of time it took to get in touch with a TAC engineer and the fact that they were not entitled to support from TAC and, therefore, had to pay for service on a time and materials basis. In this situation, your customer could decide to switch vendors or not to use your services moving forward; an outcome that could have been avoided if a service contract had been in place.

Objection

The price is too high or I do not need all that Cisco SMARTnet offers.

Response

Revisit the cost of downtime for your customer and validate that you have the right level of service given their needs. Adjust your service recommendations and propose financing alternatives.



Another way to handle this objection is to take your customer through a series of possible scenarios and ask how they would handle them. For example:

- How would you handle your network being down?
- How would you address any issues you might have with a piece of Cisco equipment?
- What kind of resources do you have available internally to help you if your network goes down any time of day or night?
- How do you prioritize your technical issues?
- On average, how much time does it take you to find a solution to a technical issue?
- What experience do you have in reconfiguring your equipment?
- What if you have difficulty loading new software versions?

Also consider whether Cisco SMARTnet is the right solution for your customer. SMB Support Assistant may provide the right level of support for their needs and is priced with the SMB market in mind.

Objection

I have just paid extra to get Cisco quality. Why should I pay for even more?

Response

Service can increase return on investment and can help reduce total cost of ownership over time. It enables your customers to benefit from Cisco expertise to help them make the most of the equipment they have purchased. As an industry leader, Cisco continually evolves and develops its products; with service coverage, your customer can take full advantage of Cisco investment in innovation and keep their infrastructure current with the leading edge of networking technology.

Objection

I have an in-house technician that can handle all of my network issues and needs.

Response

Remind your customer that the primary value of a service contract is access to Cisco OS Software upgrades and minor software updates. Ask the customer if servicing equipment is really the best use of their in-house team. Do in-house technicians have the time and resources to keep up to speed with the latest networking technologies and developments? Emphasize that the best solution is to have coverage to help technicians when they need it, and free their team to focus on work related to their core business. When they do call for help, they will have the support and knowledge of Cisco experts to help them resolve any problems quickly. This is particularly important when dealing with issues that may be outside the experience of your customer's technicians.

Ask the customer questions that focus on the types of information they usually need about Cisco products, the way they currently access the information, and how much time they spend looking for this information. Show them that they will save time and money by using the Cisco Website to get quick access to a wealth of information on Cisco products and solutions. It may be helpful to sit down with your customer and together visit some of the internal Cisco product sites available within Cisco.com, such as the Cisco Products, Technology, and Solutions pages.

If you are positioning Cisco SMB Support Assistant as the best option for your customer, show them the Cisco SMB Support Assistant Portal and Client. Emphasise how this portal and client will help your customer effectively manage contracts and devices, as well as easily implement basic network configuration scenarios, identify potential network issues, and resolve common troubleshooting issues.

Objection

I have Cisco SMARTnet for my headquarters network, but it is too much for my branch offices.

Response

This is an opportunity to revalidate your customers' requirements by asking questions about how their business needs vary from headquarters to branch offices. You may find that your customers realize that they want the same response time and service level for branch offices. If so, then Cisco SMARTnet support is the best solution.

If your customers needs vary from headquarters to branch offices, then you can adjust your service recommendation to include reduced Cisco SMARTnet offerings such as Next Business Day or SMB Support Assistant where appropriate.

Objection

I do not want an onsite contract for parts replacement because it costs more.

Response

Ask your customers what would happen if they were to experience a critical network problem after business hours or on the weekend. Emphasize that with Cisco SMARTnet Onsite support, they would have immediate onsite help, even after hours. Ask if they are comfortable with the risk of having their network down over a weekend, or even for several days, until they can get a resource to the location to help them. This point is particularly compelling for customers in remote locations.

Objection

Your customer does not see the value of purchasing an SAS or SASU service contract to support their network software applications. In the customer's words, "I do not think we are going to need support from you on these applications in the future."



Response

Getting patches and upgrades as new features are added is critical for any software application to keep it current. Explain that the value of the applications in terms of their contribution to business success will diminish more quickly if they are not kept current. Emphasize the speed of software evolution, particularly in the area of security, and that warranty does not cover software upgrades or minor software updates. Also, ask your customers how they plan to support their applications in the future:

- Do they have a support process in place?
- What will they do if the software fails, or negatively affects their network?
- Do they have access to a customer call center or IT group that can quickly resolve issues?
- What happens if they need technical assistance at night or on weekends?

Mention also that if they would like to upgrade their applications in the future and do not have service coverage, the price of purchasing these upgrades will be greater than the cost of a service contract. Remind them that future additions to their network may not be compatible with their current application, resulting in unexpected additional costs.

Objection

There is no budget for service.

Response

Ask your customer about the business reasons for the investment and show how including service can help to reduce total cost of ownership and build in investment protection. Position technical support services as an essential extension of the technology investment.

Mention that the cost of one service call can be as expensive as the contract itself and that the customer receives all the benefits (Next Business Day Advance Hardware Replacement, etc).

Discuss Cisco Systems Capital financing solutions with your customer.

This is also another scenario in which Cisco SMB Support Assistant may be appropriate. Be careful to position it as a "right-sized" alternative to Cisco SMARTnet for the commercial market. Discuss the customer's needs and show how Cisco SMB Support Assistant addresses them. Note that if Cisco SMARTnet is clearly the right offering for the customer, then selling Cisco SMB Support Assistant may actually be counter-productive. You may create expectations in the customer's mind that the commercial-focused package cannot fulfill. Always ensure that there is a genuine alignment between the customer's budget and service requirements and the service solution that you are recommending.

Marketing Support

Marketing campaigns can help you generate new business and/or reinforce the reason for buying services. Cisco Campaign Builder, formerly Collateral Builder, can help you create customizable e-mail blasts, postcards, ads, flyers, and more to build customer awareness, while reducing time-to-market and overall costs. Campaign Builder is for Cisco Registered, Certified, and Specialized Partners in Australia, Canada, France, Germany, Italy, Latin America, New Zealand, the United Kingdom, and the United States

For More Informatiion

To access Campaign Builder from Cisco, go to: http://www.cisco.com/go/campaignbuilder

We have provided examples here to help you get started. More resources can be found in the Campaign Builder tool.

Flier



Direct Mailer



Web Banners



E-Mailer



You can find extensive sales, marketing, and training material on all Cisco service offerings by visiting the Cisco Technical Support Services Portfolio Introduction page:

http://www.cisco.com/go/tss.



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