CISCO

Managed Services.
The Experience Economy.
Are you ready?

Cisco Expo 2008

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Agenda

- Role of Network in Business Success
- What are Managed Services?
- Reasons for Adopting Managed Services
    - What Business Challenges Can Managed Services Solve?
- Examples of Managed Services
- Cisco Managed Services Programs
- Q & A

Role of Network in Business Success

"The World is Flat"

"[technology] created a global platform that allowed more people to plug and play, collaborate and compete, share knowledge and share work, than anything we have ever seen in the history of the world. "

- Thomas Friedman, New York Columnist and Author of *The World is Flat*

We Live in a New Economy

- Economy is Global
  - Any Business Can Sell Anywhere, Anytime
  - It is a "Customer's Market". Competition is intense.
  - Collaboration Across Traditional Boundaries
- Companies Ought To Embrace New Ways
  - Global Procurement and Sales 24 X 7 X 365
  - Up-to-the-minute Access to Company Resources
  - Integrated Internal & External Business Processes
  - Dynamic Adaptation to Changes in Business Climate

Standing on Solid Ground.
Fast, Reliable & Secure IP Network

- Regular, Ongoing Investment in:
  - Network Infrastructure
  - ICT Staff Recruitment, Training and Retention
- IT Resources: Core Business or Net Management?
  - Why Not Vendor Management?
- Managed Service Providers:
  - Bridge The Gap
  - Provide Leading Networking Technologies
  - Assume CAPEX

What Are
Managed Services

Managed Services

 Information technologies delivered at customer premise or from a Data Center as finished solutions, managed remotely by highly skilled professionals from a Network Operation Center (NOC)

 Managed services are proactively monitored and providers can troubleshoot incidents from the NOC, according to defined Service Level Agreements (SLAs) negotiated with end users

 Managed Services are often offered on an operating expense basis that requires no capital outlay for the enterprise

Pillars of Success for Managed Services

Network & Integrated Device

SP Intelligent
IP Network

Mapping Solutions To Business Needs

Service Level Agreement

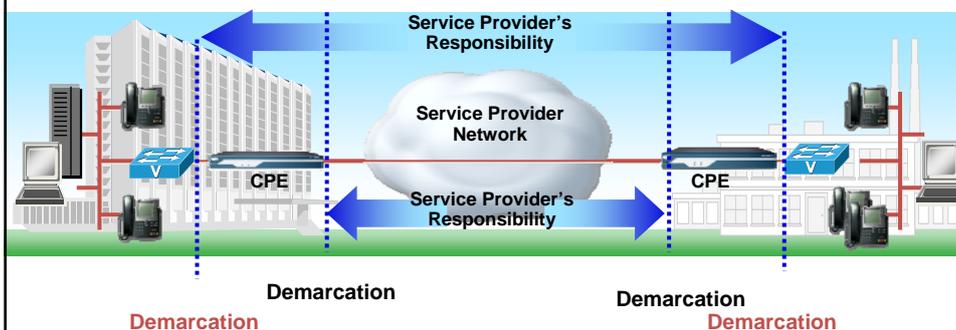## Reporting Via Secure Customer Portal

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Managed Services: Pushing the Limit

Managed services delivered by a service provider is an increasingly popular and preferred alternative to internal management of network-based services.

Service Provider's Responsibility

Service Provider Network

Service Provider's Responsibility

CPE

CPE

Demarcation

Demarcation

Demarcation

Demarcation

Reasons for Adopting Managed Services

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Managed Services Drivers

- **Lower Costs**
- **Higher Level of Support and Availability**
- **Predictable Costs**
- **Access to Latest Technologies**
- **Access to Enhanced Skills Base**
- **Adaptability to Changing Business Conditions**
- **Ability to Focus on Core Business**
- **CapEx Reduction**

Are You A Candidate For Managed Services

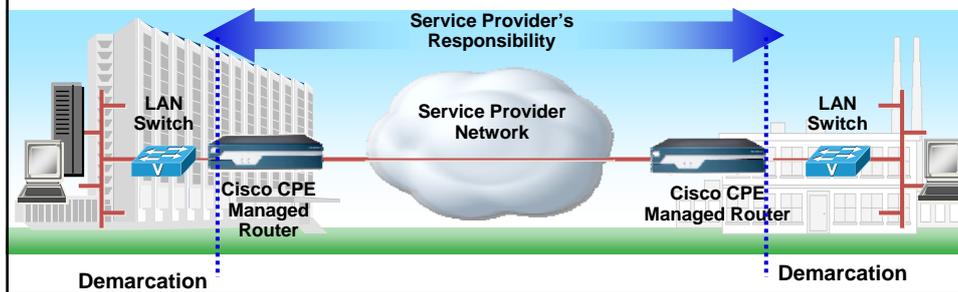**Is your business facing challenges?**   **Do you want to increase profitability?**

- You prefer to dedicate resources to your core competencies and mission critical processes rather than network support activities.
- Staffing to upgrade, refurbish, move, or relocate existing infrastructure.
- Staying up-to-date with evolving technologies and IT skill sets
- You view managed services as a good strategy for gaining efficiencies and reducing costs
- Managing and maintaining current infrastructure, hardware, and software
- The scope or scale of current business operations is changing.
- A merger, partnership, or acquisition is altering operations.
- You need to implement a global network service but lack internal global resources.
- Securing data, transactions, and communications
- You need to increase the range and level of service.
- Responding quickly to time-to-market demands
- Your growth targets depend on implementing new technologies.
- You are concerned with your ability to keep up with the latest security threats and to meet privacy or security regulations.
- Remaining flexible enough to maintain competitive position
- You are experiencing dynamic business growth while undergoing downsizing and hiring freezes.
- You are expanding into new markets.
- Operating in real time in order to meet 24-hour demand
- Delivering services to branch offices and remote workers

Managed Services Examples

Examples and Benefits of Managed Services

- **Managed IP VPN**
  - **Eliminate Expensive Parallel Access Circuits**
  - **Increase Data Security & Access Authentication**
  - **Consolidate and Simplify Network Infrastructure**
  - **Enable Powerful Distributed Rich Media Applications**
  - **Improve Performance, Scalability and Reliability**

Service Provider's Responsibility

LAN Switch

Service Provider Network

LAN Switch

Cisco CPE Managed Router

Cisco CPE Managed Router

Demarcation

Demarcation

Examples and Benefits of Managed Services

- **Managed Security Services**
  - **Regulatory Compliance**
  - **Reduce Costs and Risks Associated with Data Theft**
  - **Increase Productivity by Reducing Downtime & Network Outages**
  - **Protect Against Both Internal and External Threats**
  - **Protect Physical and Data Assets**

Service Provider's Responsibility

LAN Switch

Service Provider Network

Policy Audit/AAA Server
Cisco ACS server
AV Server

Cisco CPE Managed Router with NAC and Content Security

Cisco CPE Managed Router w/NAC, IPS, and Content Security

Demarcation
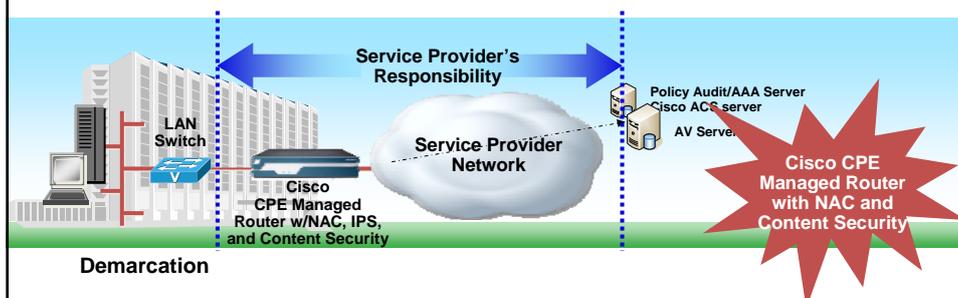
Examples and Benefits of Managed Services

- **Managed IP Communications**

  - **Pay As You Grow**
  - **Reduce Ongoing Costs**
  - **Enhance Productivity**
  - **Ensure Highest Voice Quality**
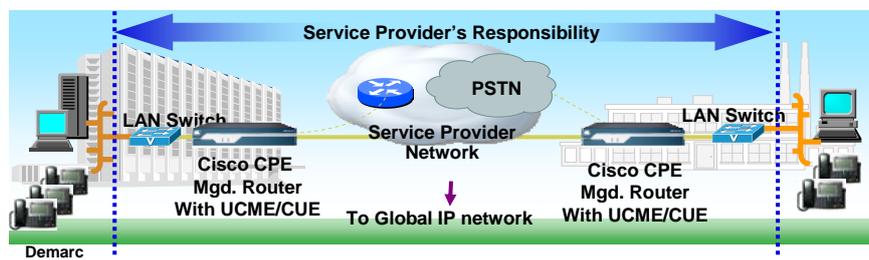
Examples and Benefits of Managed Services

- **Managed LAN**

  - **Pay As You Grow**
  - **Reduce Ongoing Costs**
  - **Enhance Productivity**

Case Studies of Managed Services

- **Outback Steakhouse** / **F.W. Honerkamp**
  - **Business Need:** Replace each restaurant with a reliable connection and centralize corporate information and applications / Provide each restaurant with adequate connection
  - **Business Solution:** Managed IP BBX / Out-tasking of network services and data center hosting to a Cisco Partner Service Provider
  - **Business Results:** F.W. Honerkamp gained competitive advantage. Employees are easier to reach.
  - **Business Results:** Network is more reliable and powerful positioning the restaurant chain for rapid growth. Reduced LAN cost and ability to add bandwidth to support growth.

> "We looked hard at the total solution package and we knew with Cisco and [the managed services providers] we had a partnership. We were looking to work with companies that would treat it as a partnership."
>
> Dusty Williams, CIO, Outback Steakhouse
> Jeff Honerkamp, chief operating officer, F.W. Honerkamp

ITS2 Managed Security Services

- Managed Firewall and VPN Service
- Managed Intrusion Detection Service (IDS)
- Managed Network Intrusion Prevention Service (NIPS)
- Monitoring Only Firewall and VPN Service
- Network Intrusion Detection System, Monitoring Only Service
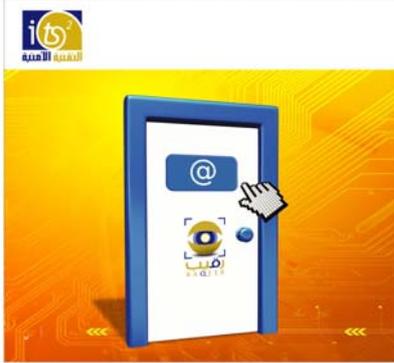
SOHO Broadband Bundle

nour NET
We make the net WORK™

Providing Today's Small
   Business and/or Home
   Office with:

- Secure Internet Access
- Award Winning IronPort Security
- On site Technical Support
- Cisco Quality

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(I) IRONPORT®

Cisco Managed
Services Programs

Cisco Powered Programs (MSCP& CPP)

- Cisco Powered Providers offer their customers reliable, proven and cost-efficient technologies and solutions.
- Cisco Powered Partners use Cisco equipment and meet Cisco standards for network delivery, support and interoperability and for reliability and quality of services.

Cisco's Complete Service Lifecycle Approach

| Strategic | Concept | Design and Plan | Develop | Test and Trial | Launch, Market, and Sell | Lifecycle |

| Plan the Service | Build the Service | Deliver the Service |

What's in a Managed Services Offer?

Control and ownership of the infrastructure

A

Design, development and implementation of services

B

E

Integration role and fulfilment responsibilities

Control and ownership of operations

C

D

Sales activities and ownership of client relationships

VSP Go To Market Models

SP standard GTM models. The models are not mutually exclusives (a VSP may adopt them all)

1 DIRECT MODEL
VSP owns the customer relationship

End User

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Key Stakeholders

VSP

BRAND

SP, SI or Generic Entity (e.g. RE)

BRAND

SP or Generic Entity (e.g. RE) → End User

2 RESALE MODEL
VSP owns the customer relationship with the exception of the sales cycle (done by the reseller).
VSP brand (co-branding in some cases).

Out tasking
Outsourcing

CISCO partner

BRAND

SP or Generic Entity (e.g. RE) → End User

3 WHOLESALE MODEL
Wholesale partner owns the customer relationship.
Wholesale brand (co-branding in some cases).

Service Provider Evaluation Checklist

1. Does the service provider track and **monitor** the network end to end?

2. Can the provider **secure** its own network traffic and manage **priority** traffic across other networks?

3. What are minimum thresholds for network **latency**, **packet loss**, and **jitter** on the IP services?

4. How is network **performance measured**?

5. Are there **procedures** for trouble **escalation**, load rebalancing, network security assessments, and regular data **backups**?

6. Can the provider's data **center** support your requirements for physical and network security, capacity, availability, operations, and backbone connectivity?

7. Does the service provider have a **plan** to adjust its service as your business needs change with time? **How quickly** can the service provider respond to **changing needs**?

8. What are the **terms** if the network goes down or the level of agreed-upon service is not maintained?

9. What **measures** does the service provider take to ensure continuous availability and high performance?

10. Will the service provider provide you with **real-time monitoring** as well as regular, thorough **reports** on network performance?

Shift to Experience
Adding Value to Commodity Product

Commodity	Good	Service	Experience
Prevailing prices for various coffee offerings 1¢–2¢ Per Cup	EIGHT O'CLOCK COFFEE 5¢–25¢ Per Cup	DUNKIN DONUTS 75¢–$1.50 Per Cup	STARBUCKS COFFEE $2–$5 Per Cup

Graphic: BusinessWeek, 2005

Source: Pine and Gilmore, The Experience Economy, 1999

Q and A