

# West Commercial Monthly Partner Update Calls

## Core Team

**Dave O'Callaghan, Area Vice President**

**Al Jacobellis, Director of Channels**

**Ali Pirani, Systems Engineering Director**

**Mark Patterson, Finance Controller**

**Paul Werner, Manager of Advanced Technology**

**Bill Szmyd, Director of Marketing**

**Dennis Dahl, Customer Advocacy**

# Partner Update Call – July 2005

## Opening

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### General Goals and Objectives

- **July Partner recognition for great efforts – Metronome and Darcomm**
- **Focus of Update Call – Accelerating our business growth with financing**
- **This Month’s Focus Speaker— David Rogan, Vice President, Cisco Systems Capital**
- **Area Cross Functional Team will comment on the programs and resources available to you to increase your success in end user financing and how your organization can improve your working capital position**
- **Wrap Up**

# Partner Update Call – July 2005

## Goals and Objectives of Partner Update Call

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### Goals

1. Accelerate Partner Growth Opportunity with Cisco.
2. Provide an Additional 30 Minute per Month Avenue for Communications between Partners and Cisco Commercial Sales Organization(CSO).

### Objectives

1. Partner Update Calls to be Monthly.
2. Entire Cisco West Commercial Cross Functional Area Team to be Available. (Sales, Engineering, Finance, Channels, Advanced Technology, Customer Advocacy and Marketing)
3. Partners May Submit Q&A, for Post Call Follow Up.
4. Partners Unable to Attend, or Wanting to Review the Call Later May Retrieve Update Call Messages at [http://www.ciscotmme.com/go/comm\\_west\\_partners](http://www.ciscotmme.com/go/comm_west_partners)

# Partner Update Call – July 2005

## Partner Recognition – West Coast Commercial Operation

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### Leasing Recognition

#### Metronome, Orange County, CA

- **8 Cisco Capital leasing transactions this FY – representing almost \$2M in leased business**
- **Metronome provides a leasing quote in every proposal**
- **Progress payment schedules are negotiated with end users that are leasing their solution**
- **Metronome always proposes financed, multi-year maintenance solutions**

# Partner Update Call – July 2005

## Partner Recognition – Western States Commercial Operation

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### GE Financing Recognition

#### Darcomm, Phoenix, Az

- **Assigned over \$4.5 million during FY05**
- **Utilizing the program to address opportunities that would have tied up cash flow needed for expansion and growth**
- **Leveraged PO financing for incremental business in the Commercial and Educational market**
- **Key to success - positioning the assignment in the beginning of sales cycle. This prepares the customer when it comes time for the PO**

# Cisco Capital Update – July 2005

## Cisco Capital's End-to-End Financing Solutions

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## Cisco Capital's ongoing commitment to the Channel



# US & Canada Leasing Sales Organization

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**Herb De Conte**  
US & Canada Director

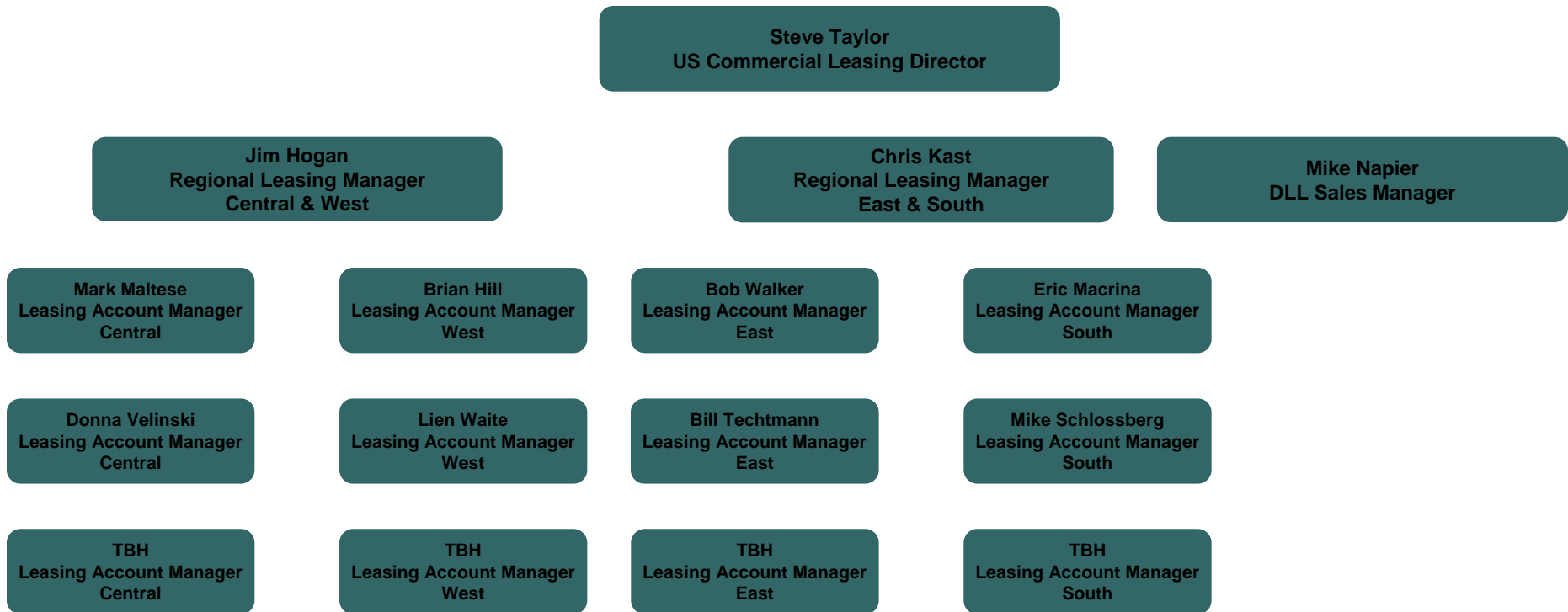
**Angelo Caglioti**  
Canada Leasing Manager

**Tim Shockley**  
US Enterprise Leasing Director

**Steve Taylor**  
US Commercial Leasing Director

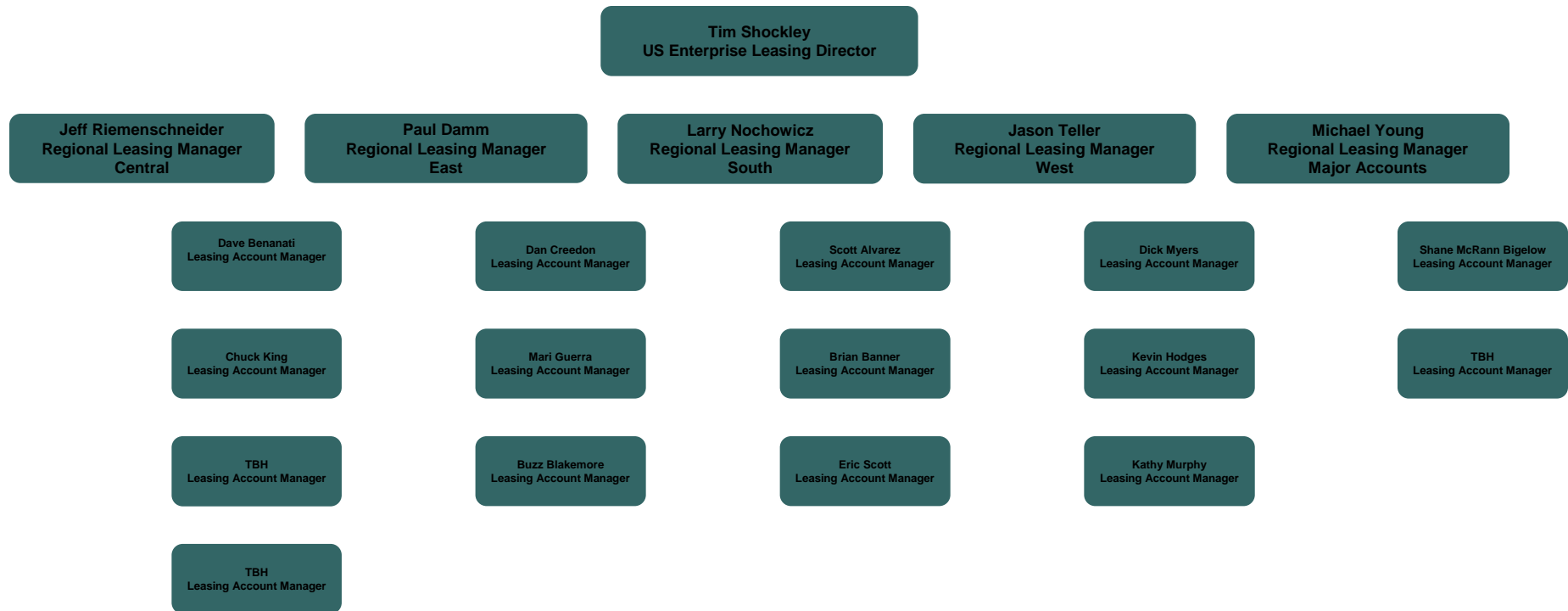
**Tom Stroud**  
US Public Sector  
Leasing Manager

# US Commercial Sales Organization





# US Enterprise Sales Organization



# US Public Sector Sales Organization

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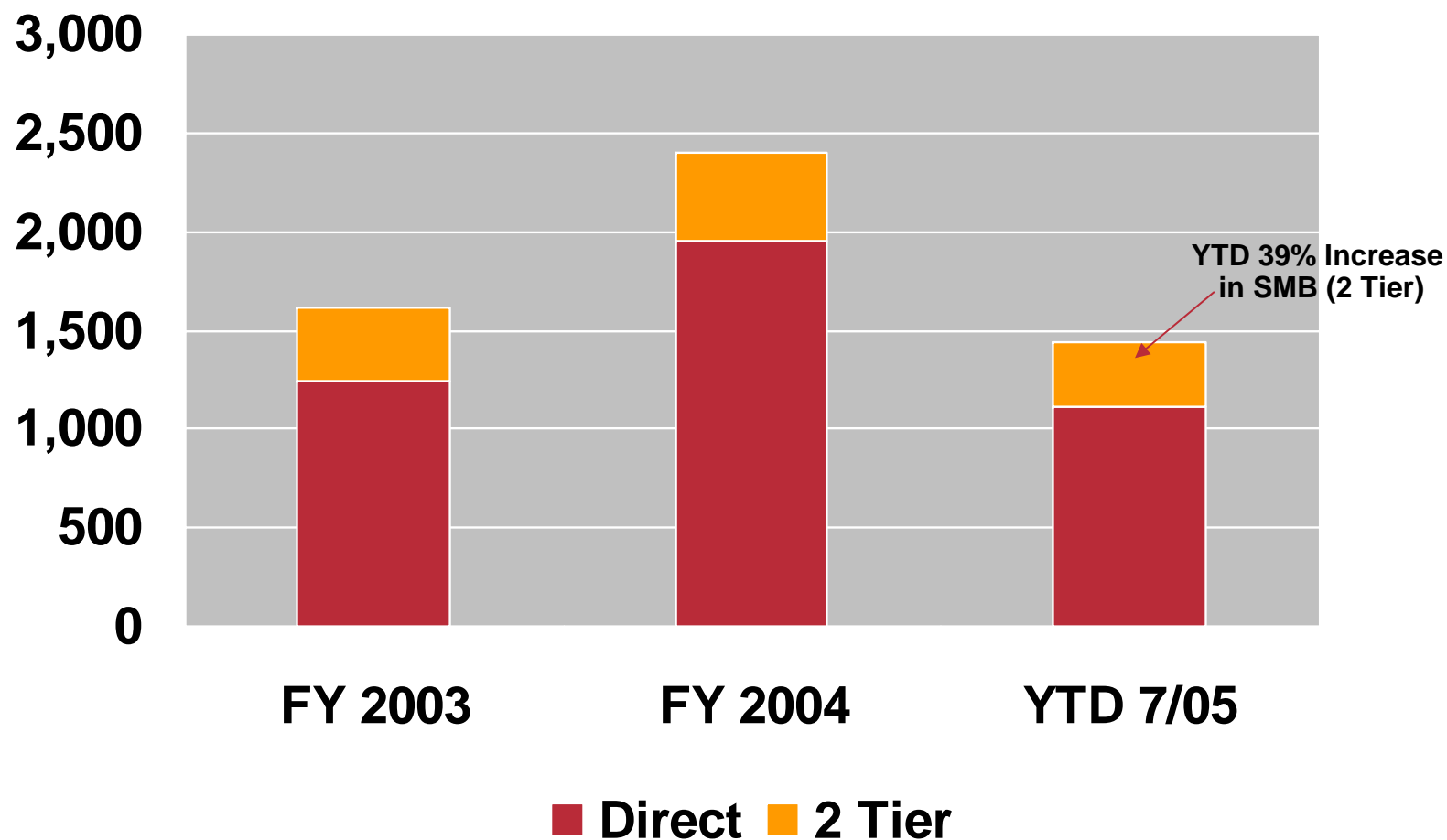
**Tom Stroud**  
US Public Sector  
Leasing Manager

**Mike Mankin**  
US Federal Government  
Leasing Manager

**Dan Frey**  
US Municipal Government  
Leasing Manager  
Central & East

**Julia Pierce**  
US Municipal Government  
Leasing Manager  
South & West

# US Channel Financing



# Channel Financing – Partner Participation

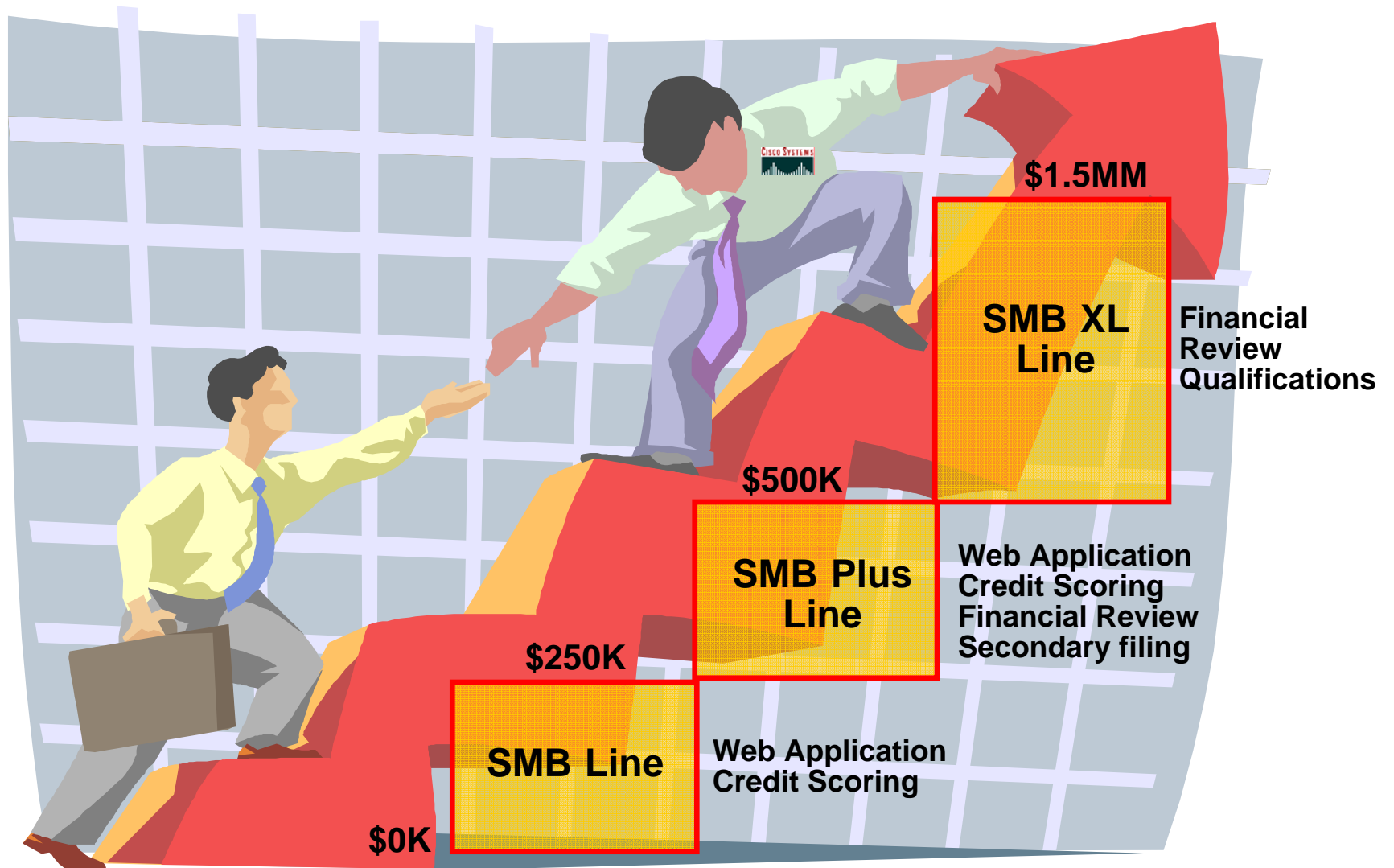
<b>TOTAL</b>	Total Number of Partners	Total Number of Partners
	2004	2005
<b>DVAR</b>	<b>54</b>	<b>49</b>
<b>2<sup>nd</sup> Tier</b>	<b>533</b>	<b>471</b>
<b>SMB Select</b>	<b>-</b>	<b>185</b>

<b>SMB Select Partners</b>	Number of Partners	Volume (6 Months)
<b>Lines &lt; \$250K</b>	<b>128</b>	<b>\$11.6M</b>
<b>Lines &gt; \$250K</b>	<b>57</b>	<b>\$20.6M</b>
<b>Totals</b>	<b>185</b>	<b>\$32.2M</b>

# Partner Financing Options

## Increasing 2<sup>nd</sup> Tier Purchasing Power

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# Cisco Capital Commercial Easy Lease

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## Register by:

- Calling 1-866-CISCO 80
- Faxing an application to 1-877-CISCO 90
- Calling Your Cisco Capital Commercial Account Manager



## @oncefinance Tool

- Transactions to \$250K
- 2-4 Hour Approvals
- 1-2 Page Documentation
- Automated Notification
- [www.oncefinance.com](http://www.oncefinance.com)



## Expand your business

- Expand your Cisco SMB Business
- Account reporting and tracking
- Grow transaction size and accelerate funding

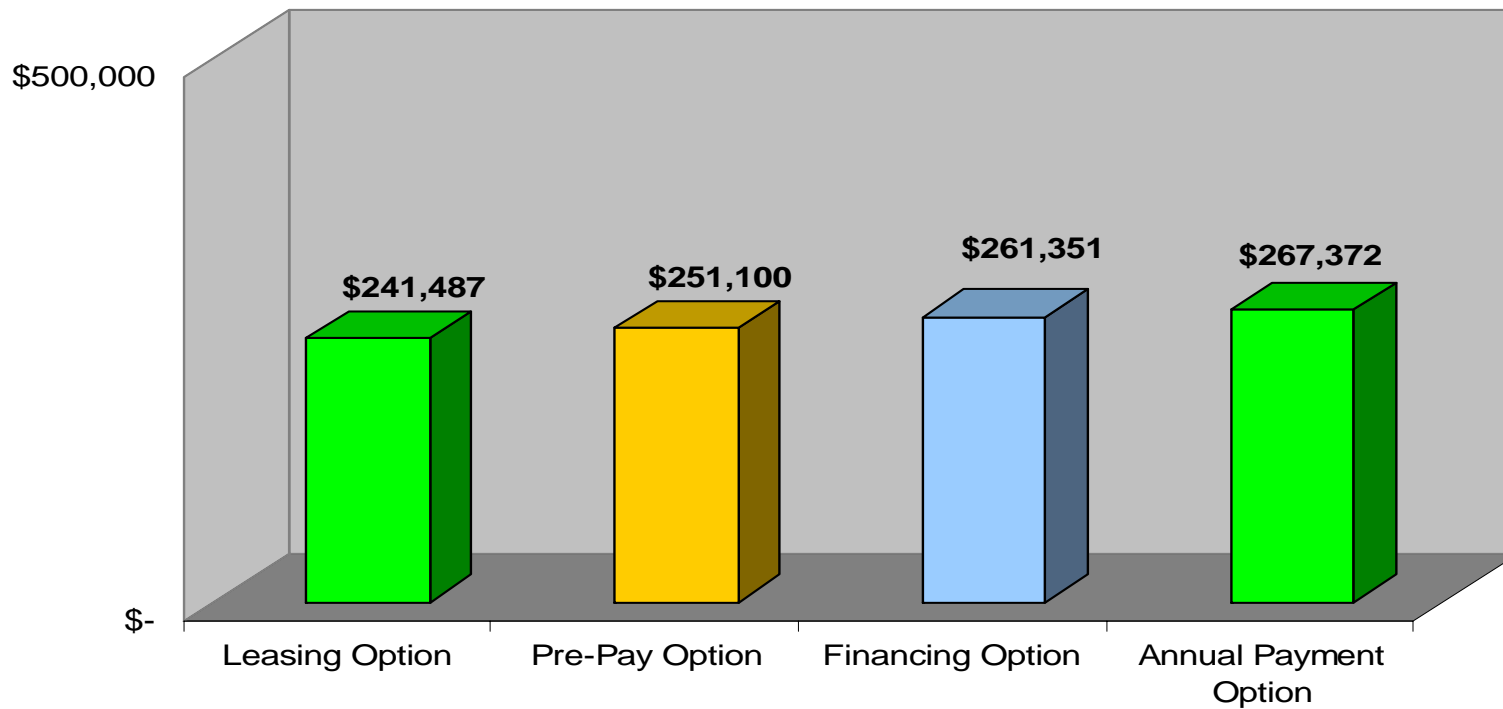
# Channels Update

- **ROIC is the framework to measure business performance. Working capital turn suggestions:**
  - Inventory Days – Carry the minimum amount of inventory, manage lead times**
  - A/R Days – Collect monies in advance or establish partial payment schedules**
  - A/P Days – Leverage flooring and other distribution programs available**
- **1% Demo Lease Program**
- **Shorten implementation schedules to collect payment earlier – For example, outsource Advanced Implementation Services available within distribution**
- **GE line increase to \$1.5M without disrupting Partner/Banking relationships**
- **Other Updates: SMB Select's Flooring Enhancement**

# CA Update

## Support Payment Options

### Payment Options - Comparison





# CA Update

## Cisco Support Payment Alternatives

	Leasing Option	Pre-Pay Option	Financing Option	Annual Payment Option
<b>Cash Outlay</b>				
Year 1	\$ 90,000	\$ 251,100	\$ 96,020	\$ 90,000
Year 2	\$ 90,000	\$ -	\$ 96,020	\$ 94,500
Year 3	\$ 90,000	\$ -	\$ 96,020	\$ 99,225
<b>SUBTOTAL</b>	<b>270,000</b>	<b>251,100</b>	<b>288,060</b>	<b>283,725</b>
<b>Interest Earned</b>				
Year 1	\$ 15,669	\$ -	\$ 15,480	\$ -
Year 2	\$ 9,504	\$ -	\$ 8,903	\$ 11,035
Year 3	\$ 3,339	\$ -	\$ 2,326	\$ 5,318
<b>SUBTOTAL</b>	<b>28,513</b>	<b>-</b>	<b>26,709</b>	<b>16,353</b>
<b>TOTAL</b>	<b>\$ 241,487</b>	<b>\$ 251,100</b>	<b>\$ 261,351</b>	<b>\$ 267,372</b>

# AT Update

## Advance Technology Financing Programs

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### Three Advanced Technology Specific Programs

–IP Communications Financing

–Security Financing

–Wireless LAN Financing

# Advance Technology Programs - IPC

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## IP Communications Financing Highlights

**FMV Lease with extremely competitive pricing and terms up to 60 months. At the end of the term your customer can return the equipment, purchase the equipment at its then FMV or extend the lease**

**Bundled services program – This program offers 0% financing for 36 months when SMARTnet is ordered and financed with the new IP telephony system**

## Value Summary

**Designed to accelerate the adoption of Cisco IP voice technology with minimal capital outlay**

**Qualifying businesses can also receive low-promotional rates on support services for up to 36 months**

**Can include lease termination costs from previously deployed telephone systems into the new lease**

# Advance Technology Programs - Security

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## Security Financing Highlights

**FMV Lease with extremely competitive pricing and terms from 12 to 60 months. At the end of the term your customer can with return the equipment, purchase the equipment at it's then FMV or extend the lease**

**Deferral of payments of up to six months**

**Cisco Security Agent – This programs offers 0% financing for 36 months on Cisco Security Agent software**

## Value Summary

**Designed to accelerate the adoption of Cisco Security solutions technology with minimal capital outlay**

**Simplify budgeting by allowing companies to use OpEx budget**

**To qualify – customers must deploy a new installation of qualifying solutions (Cisco PIX Security Appliance, Cisco Security Agent, Cisco VPN and Cisco IDS)**

# Advance Technology Programs - WLAN

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## Wireless LAN Financing Highlights

**FMV Lease with extremely competitive pricing and terms from 12 to 60 months. Suggested terms are 36-60 months. At the end of the term your customer can with return the equipment, purchase the equipment at it's then FMV or extend the lease**

**Bundled services program – This programs offers 0% financing for 36 months when SMARTnet is ordered and financed with the new wireless system.**

## Value Summary

**Designed to accelerate the adoption of Cisco wireless solutions with minimal capital outlay**

**Simplify budgeting by allowing companies to use OpEx budget**

**To qualify – customers must deploy a new installation of qualifying solutions. Cisco Aironet 1200, 1230, 1130, the new 1000 series lightweight access points and controllers qualify for this program**

# Marketing Update

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- Awareness
- Consideration
- Preference
- **Purchase**

# Purchase — “Overcoming Risk”

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## Success Stories

1. Develop a sense of urgency
2. Make the offer more valuable



### Frugal Marketing

- Start your protection today
- Use Cisco’s existing sales promotions
  - IP Freedom, IP Network Defender, Access Anywhere, Success Builder, Linksys-to-Cisco Trade-up, CTMP
- Show ROI on a daily basis
- Use leasing, per employee per day
- Talk about scheduling the work

# Partner Update Call – July 2005

## Area Summary/Wrap Up

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- **Thank you for participating**
- **Partners Unable to Attend, or Wanting to Review the Call Later May Retrieve Update Call Messages at [http://www.ciscotmme.com/go/comm\\_west\\_partners](http://www.ciscotmme.com/go/comm_west_partners)**
- **Let us know if we can answer any questions.**