# Housekeeping

- We value your feedback, don't forget to complete your online session evaluations after each session and complete the Overall Conference Evaluation which will be available online from Friday.

- Visit the World of Solutions on Level -1!

- Please remember this is a 'No Smoking' venue!

- Please switch off your mobile phones!

- Do you have a question?  Feel free to ask them during the Q&A section or write your question on the Question form given to you and hand it to the Room Monitor when you see them holding up the Q&A sign.

# Cisco Channels: Leading The Experience

**Andreas Dohmen**

**VP, European Channels**

**Lead The Experience**

CISCO

# Content

# Internet Evolution

| Technology Transformation | Client Server | The Web | Distributed Computing |
|---|---|---|---|
| | Connected LANS | Internet | **Web 2.0** |
| Demographic Revolution | TCP/IP, Ethernet, EDI | HTML | XML/SOAP/UDDI |
| The Changing Experience | Connectivity | Presentation | Programmability |
| | Exchange Data | Browse Web Sites | Networked Business Models |
| Transparency | "Extended Enterprise" | "Internetworked Corporation" | "Business Web" |
| | **1985-1995** | **1995-2005** | **2005-NOW** |
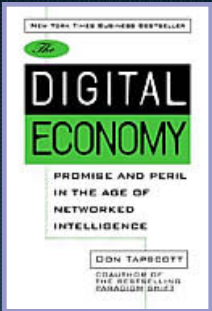
# New Experience Emerging: Web 2.0



**At Home**

**At Work**

**On-the-Go**

Gaming

Movie Beam/DVR

iTV

Audio

Watching movies and TV

Listening to music

Playing games

Shopping online

Downloading songs

Digital Imaging

Reading newspapers and magazines

E-learning

Training/VOD/ Web Cast

Video Conferencing

Playing games

Mobile Electronics

Sending e-mail

Sending e-mail

Reading newspapers and magazines

Digital Video

Talking to friends and co-workers

Collaborating

Digital Stream

PC Broadband

Wireless

Mobile Electronics

# Video Revolution: voice, video, data & mobility convergence becomes reality (quad play)

**Skype**: went from 0 to 100m users in 4 years

**Myspace.com**: most visited site, 4.5% of all hits in the US

**Blogs**: 60m per month

**YouTube**: >100m video streams viewed everyday

# Drivers Behind the New Experience

**Bandwidth Capacity on the Rise**

**Increased Broadband Adoption Rates**

**Content Explosion**

**Device Proliferation**

**Mobility… Access**

# Continued Pursuit of Different Types of Innovation

**Develop New Technology**

AON
UC
Wireless

**Start New Business Models**

Linksys
Meeting Place
NetSolve

**Partner with Others**

Network
Admission
Control
(Microsoft
Symantec, others)

**CISCO**™

**Pursue Acquisitions**

100+ Acquisitions

**CISCO**

**Design New Products**

CRS-1
IOS XR
Integrated
Services
Router

**Spin in Investments**

Andiamo

# Investments in New Markets / Technologies
## Potential Annual Revenue in 3 – 5 Years

**$10B**

**$3B**
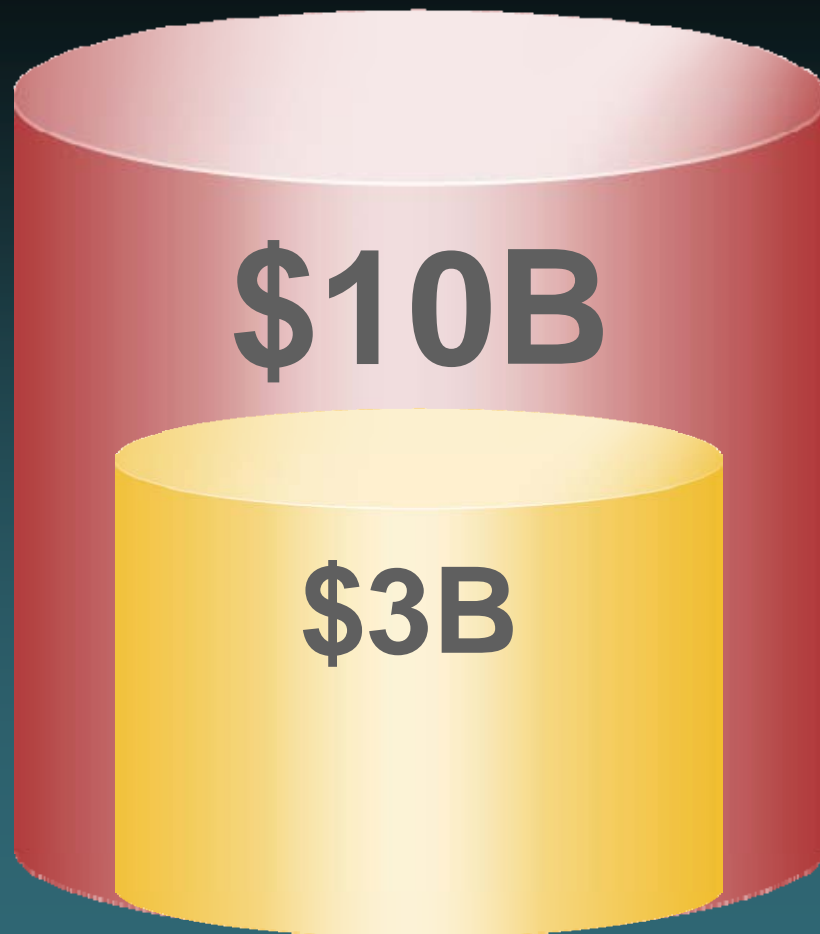
**Emerging Countries**
**Commercial**
**Unified Communications**
**SP Convergence/Quad Play**

**Wireless**
**Security**
**Data Center/Storage**
**Consumer/Digital Home**
**Advanced Services**

# Content

- **Cisco Strategy**

- **WW Channels Strategy**

- **European Market**

- **Growth Opportunities for Cisco Partners**

- **Execute Together on the Opportunities**

- **Closing Comments**

# FY'07 Worldwide Channels Mission

**Our mission is to enable Cisco's partners to drive growth**

**We will do this by focusing on partner capability and profitability, and by continuing to make Cisco easier to do business with**

# FY'07 Worldwide Channels Priorities

**Partner Profitable Growth**

**Partner Customer Satisfaction / Loyalty**

**Partner Enablement / Readiness**

**Financial and Operational Excellence**

**Ease of Doing Business**

**Channels Team Growth / Development**

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# Europe is in Transition….

# The Catalyst for Personalisation: Consumer Power

## Driving New Interactions with Organisations

21% European bid or sell on online auctions

Internet ads to grow 22% in Europe 2007.. More than TV

39% of Europeans use open source software; 29% plan to

45% Skype users are in Europe

## Driving New Technology Adoption in the Workplace

# The New Economic Drivers in Europe 2.0

| | Description | Business Impact | Cisco Solution |
|---|---|---|---|
| **People Power** | Social networking | New B2C interactions, virtual models | Intelligent IP architectures |
| **Video Unlimited** | Any video, anywhere, any format | New ways to communicate | VT Advantage, ANS Video Ready Networks |
| **Personalise It** | Loyalty from unique experiences | Customisable products + services | IP/NGN – SEF Unified Comms, Data Centre |
| **Carbon Reduction** | Eco-efficiency | Reduce travel, telecommuting | TelePresence Unified Comms |
| **Buy it Now** | Innovation through acquisition | M & A to enter new markets | Experience of buying 100+ companies |
| **All Access Economy** | Applications on the web | Easy-to-use online customer tools | Everything on IP |

Source: Wired, Cisco

# Web 2.0 in Private Sector
## …Collaboration With Customers

**Collaborative**

**P&G**

- **200,000 influential Mums define new products for Procter & Gamble**

- **Early access to products, & samples to provide feedback directly to P&G**

# Web 2.0 in Private Sector
## …Empowering Employees Anytime, Anywhere

**Personalized**

**Netherlands Railway**

- Virtualized services to customers & employees across 49 stations

- 10,000 employees using PDAs to access information on the go

- Improved customer service & employee productivity

- Future: MP3s to customers, mobile phone as ticket

# …Video-based Education

**Personalized**
**Brunel University**
**West London**

- Needed to stay competitive to new students, auditorium capacity issues

- Solution: DVD quality lectures on-demand, real-time streaming

- Future: video conferencing, e-learning and collaboration

**Brunel**
**UNIVERSITY**
**WEST LONDON**

- IP Video conferencing - collaboration within Wales

- 80 IP-based studios enable staff & students to communicate between colleges & universities
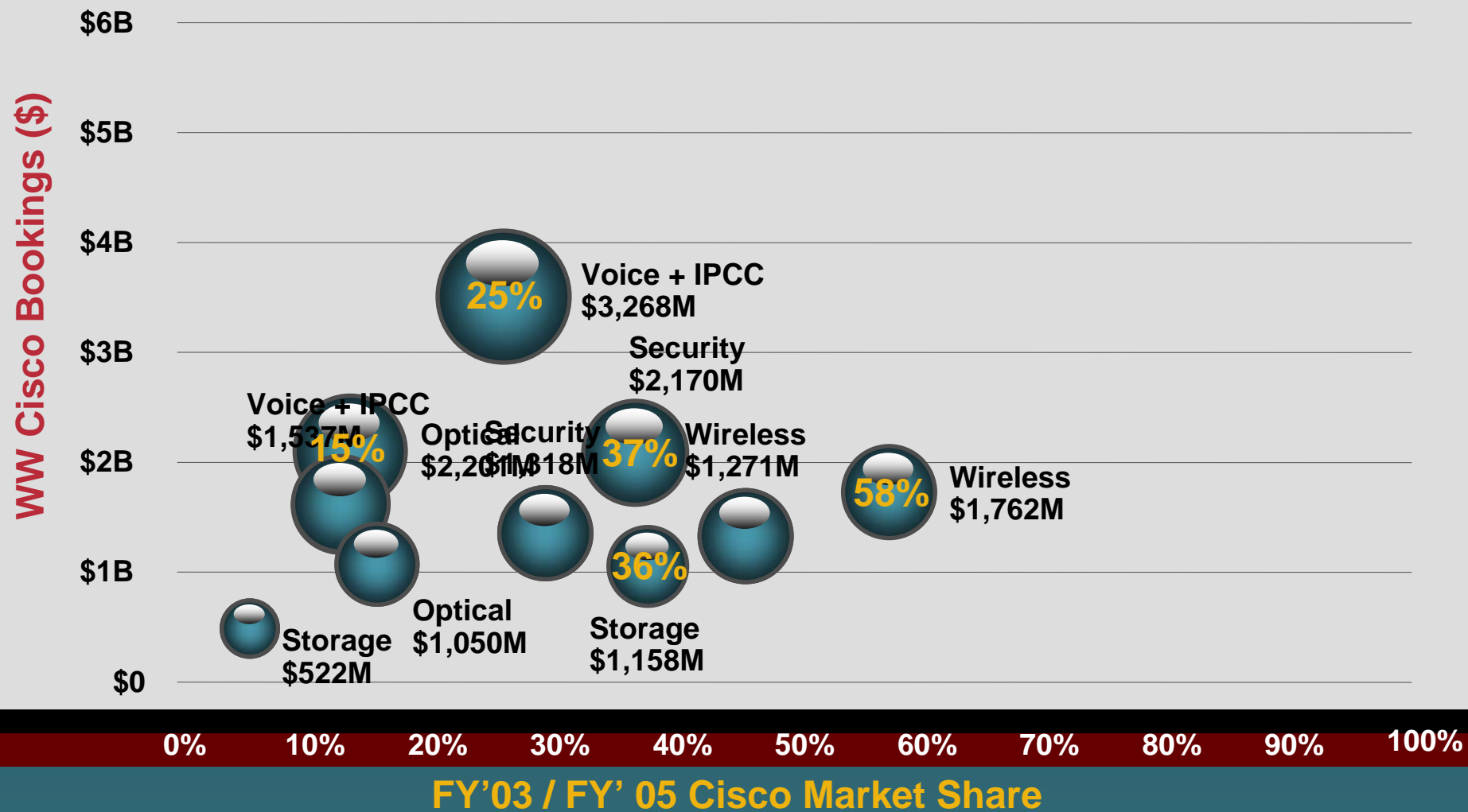
**Personalized**
**Welsh Video**
**Network**

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# WW AT FY'03 Market Opportunity

**WW Cisco Bookings ($)**

- $6B
- $5B
- $4B
- $3B
- $2B
- $1B
- $0

**25%** Voice + IPCC $3,268M

Security $2,170M

Voice + IPCC $1,537M

**15%**

Optical $2,201M Security $1,818M

**37%** Wireless $1,271M

**58%** Wireless $1,762M

Optical $1,050M

**36%**

Storage $522M

Storage $1,158M

0%  10%  20%  30%  40%  50%  60%  70%  80%  90%  100%

**FY'03 / FY' 05 Cisco Market Share**

# WW AT Market Share Growth
## High Aspirations for FY'08

**WW Cisco Bookings ($)**

$6B

$5B — **40%** · Voice + IPCC $4,897M

$4B — Voice + IPCC $3,268M

$3B — **25%** · Security $2,170M · **50%** · Security $2,446M

Optical $2,___M

$2B — Optical $2,201M · **70%** · Wireless $2,074M · **50%** · Wireless $1,762M · Storage $1,448M

$1B — Storage $1,158M

$0

0%   10%   20%   30%   40%   50%   60%   70%   80%   90%   100%

**FY'05 Cisco Market Share**
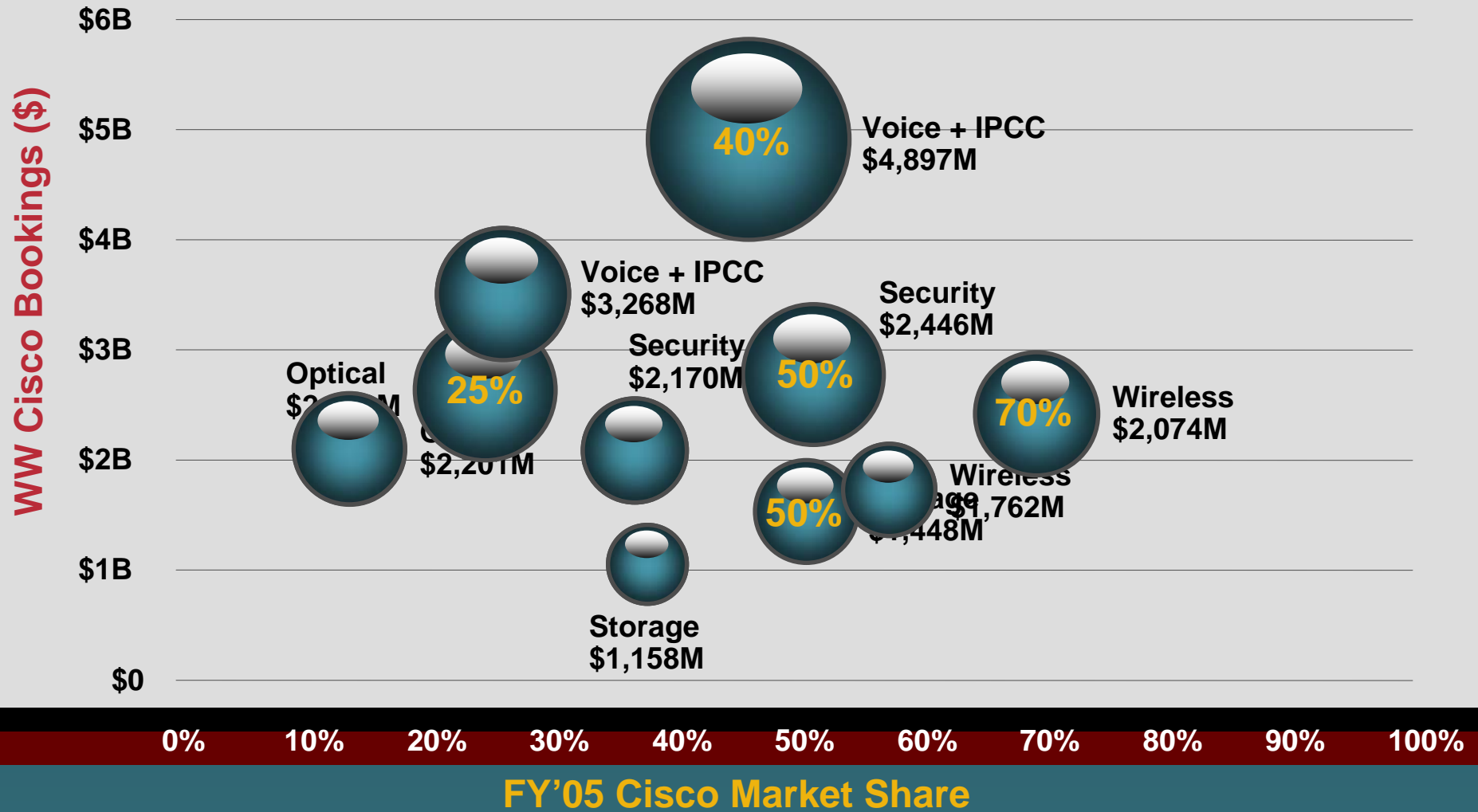
# AT Doubles our WW Market Opportunity



**WW Cisco Bookings ($)** (y-axis: $0, $1B, $2B, $3B, $4B, $5B, $6B, $7B, $8B, $9B)

- Switching $7,586M
- Voice + IPCC $4,897M
- Routing $4,211M
- Optical $2,448M
- Security $2,446M
- Wireless $2,074M
- Storage $1,448M

**Aspirational FY'08 Cisco Market Share** (x-axis: 0%, 10%, 20%, 30%, 40%, 50%, 60%, 70%, 80%, 90%, 100%)
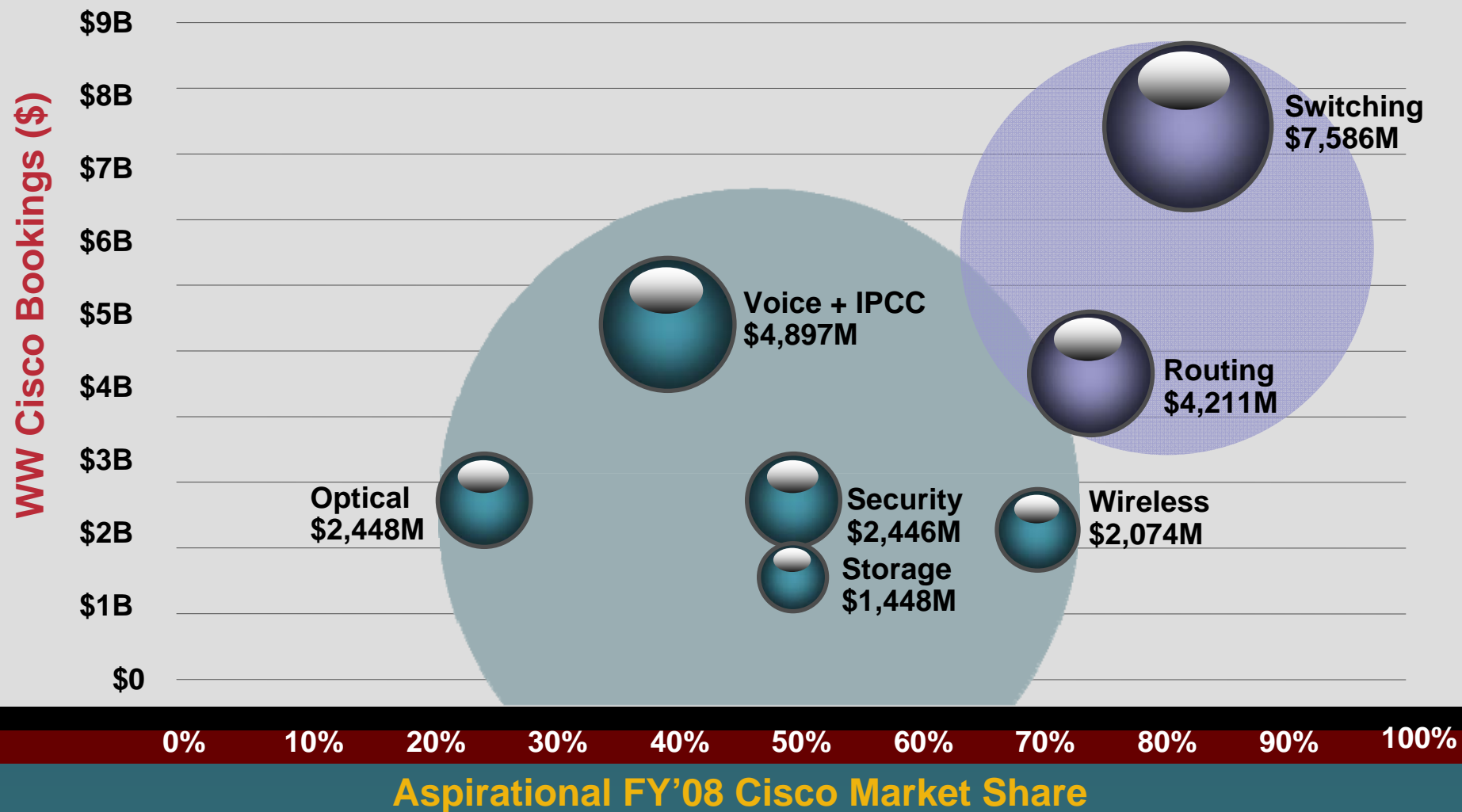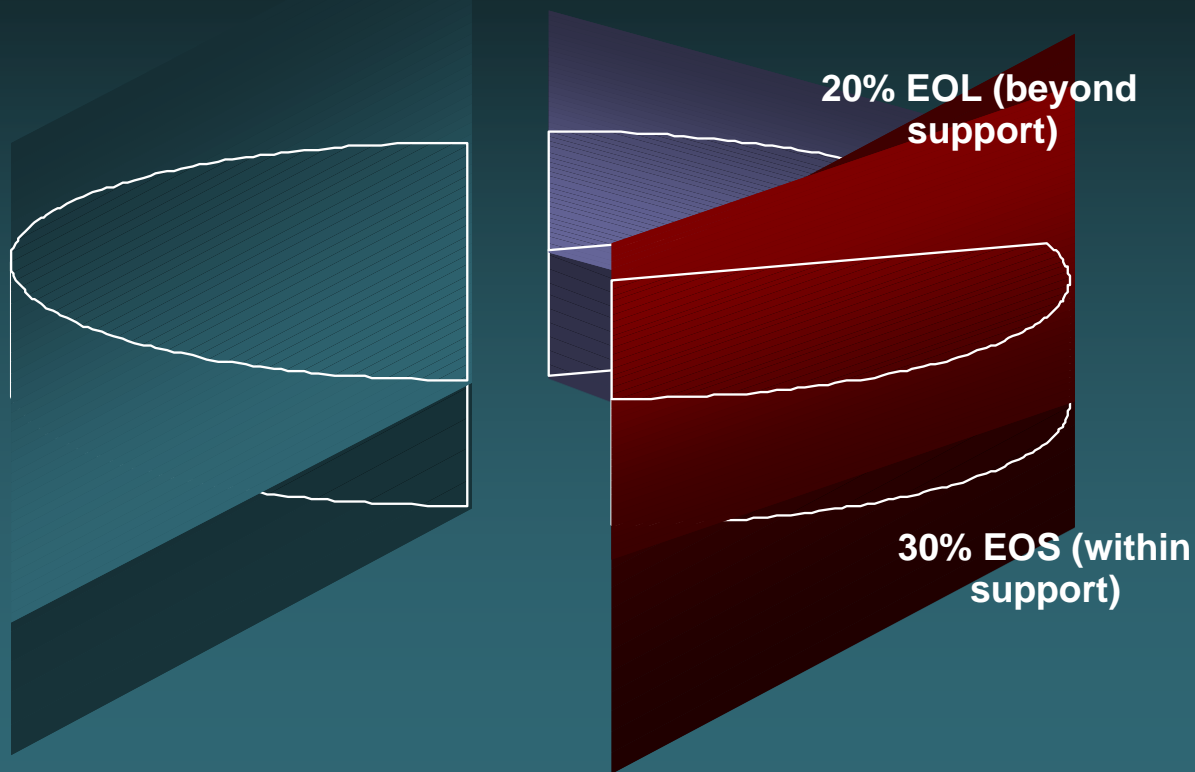
# Switching & Routing:
# Characteristics of Cisco's Installed Base

## Networks Contain 30-50% Obsolete Equipment
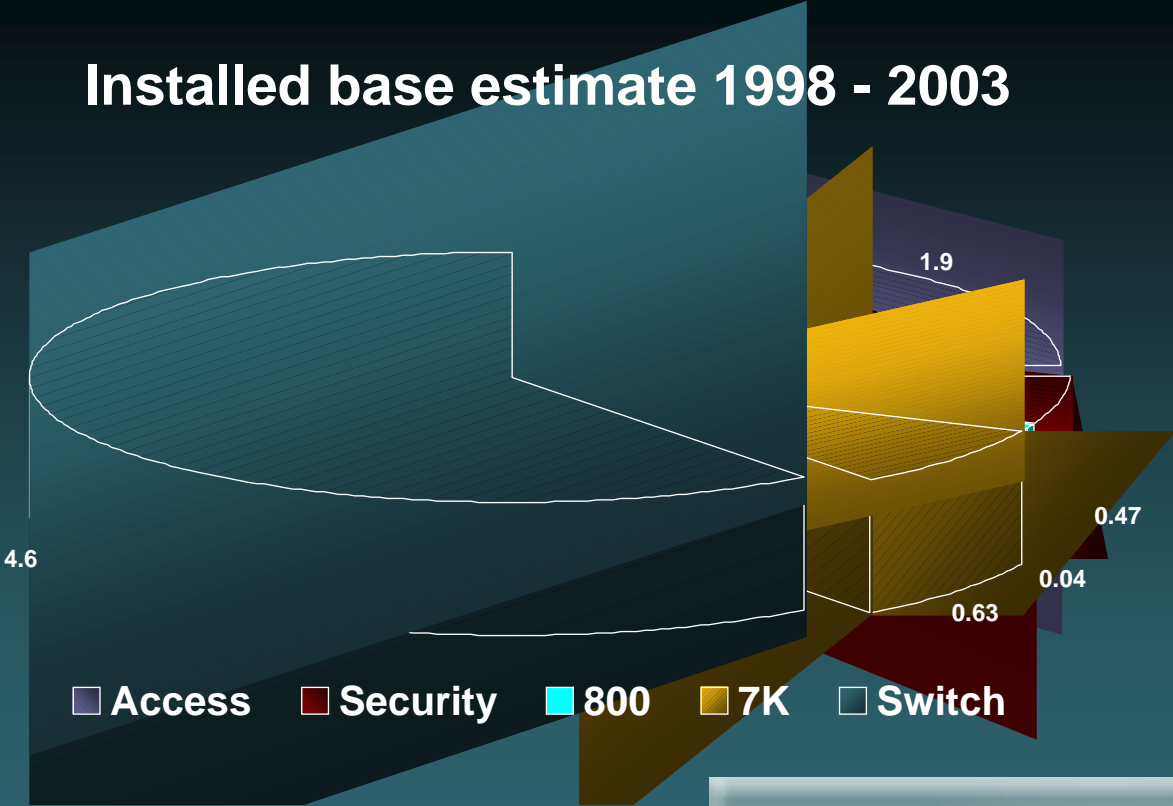### Source: 1,740 Cisco Discovery Reports

**20% EOL (beyond support)**

**50% Current & Shipping**

**30% EOS (within support)**

# European Migration Opportunity

## Installed base estimate 1998 - 2003



1.9

4.6

0.47

0.04

0.63

Access · Security · 800 · 7K · Switch

## $6-7 billion

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# Web 2.0 Impact on Cisco Partners: Channel 2.0



Service Led Interaction

New Business Models

AT Expert

Application & Networking Skills

CHANNEL 2.0

Service Excellence

Architecture Systems

New Communications Tools

Networks as a Platform

Web 2.0 End-user Experience

# How Cisco will Support the Channel to Capture the Opportunities

**Partner Enablement**

**Evolution of the Partner Program**

**Installed Base Churn Program**

**SMB Resellers Development**

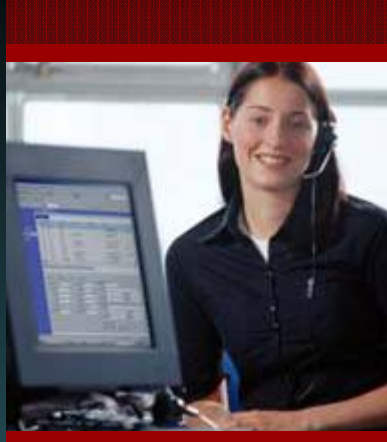**Ease of Doing Business**

**Country Channel Planning**

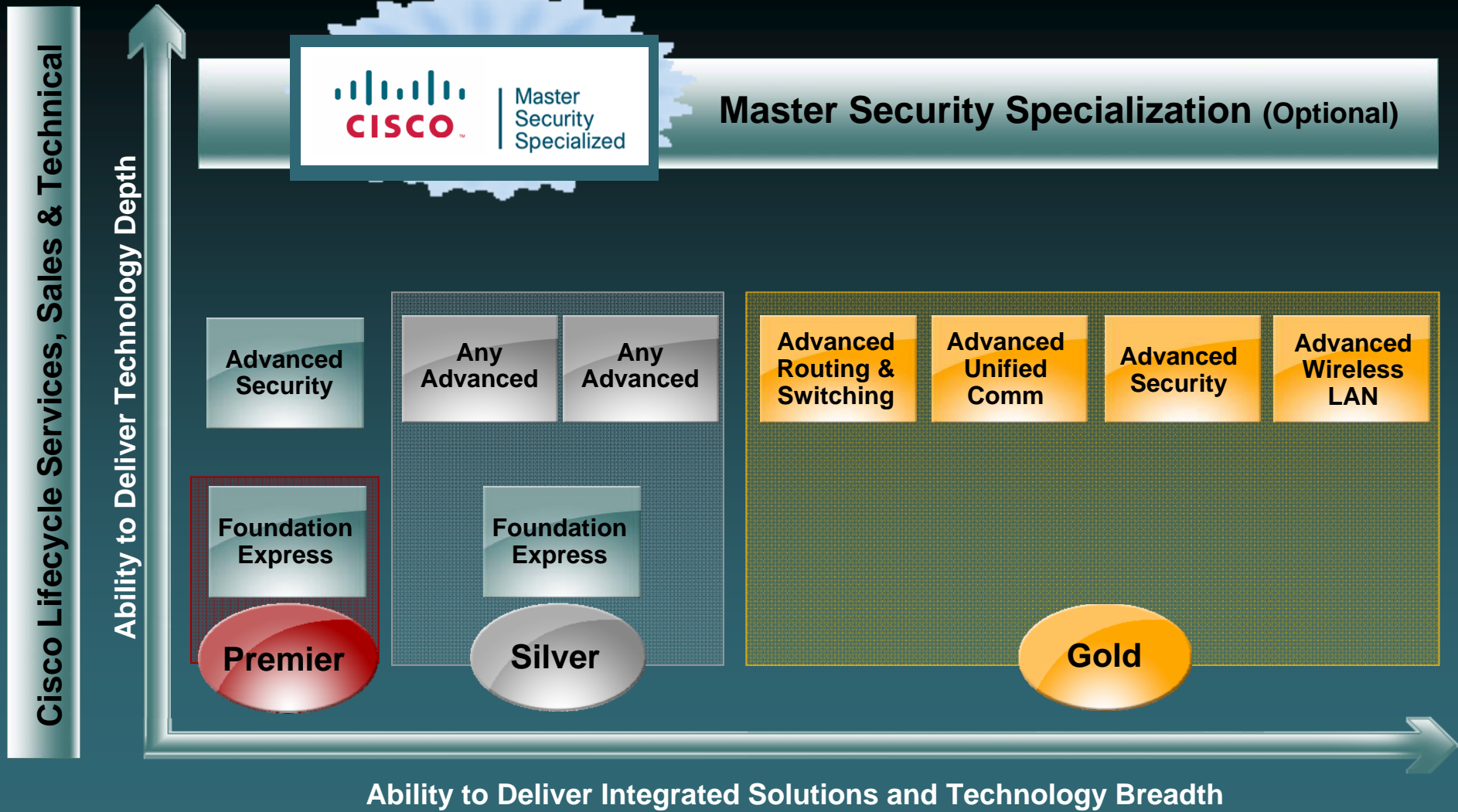# Cisco Offer Based Channel Model

**Local Resale**

**Global Resale**

**Managed Services**

**Outsourcing**

# Certification and Specialization Framework

**Cisco Lifecycle Services, Sales & Technical**

**Ability to Deliver Technology Depth**

CISCO — Master Security Specialized

**Master Security Specialization (Optional)**

| | | |
|---|---|---|
| **Advanced Security** | **Any Advanced** / **Any Advanced** | **Advanced Routing & Switching** / **Advanced Unified Comm** / **Advanced Security** / **Advanced Wireless LAN** |
| **Foundation Express** | **Foundation Express** | |
| **Premier** | **Silver** | **Gold** |

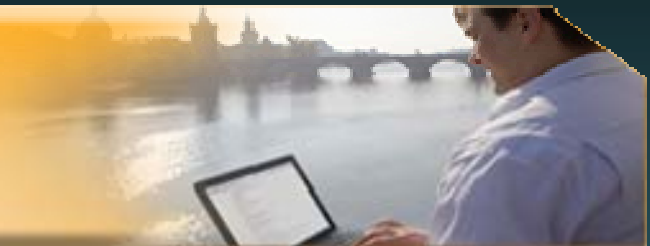**Ability to Deliver Integrated Solutions and Technology Breadth**

# Partner Enablement:
## a strategic asset to capture growth

**Multi $billion annual network revenue growth require qualified individuals**

**Intelligence moves into the network, Cisco & Partners need to quickly develop new capabilities to meet the demands of our customers**

**Cisco makes an unprecedented investment in Partner Enablement to help you meet customer demands & productivity goals**

**Your role: accelerate your Cisco Partner Enablement investments and build Cisco practices across multiple technologies**

# Investing in Partner Enablement

## Quadrupled Partner Enablement Investments in 3 PE Offerings

### Tools & Methodologies

- 3x investment increase for "Top 10 Tools"

- "Building a Cisco Practice" Methodology

### Training

- 5x increase for Dedicated Partner Training Organization

- 50+ new courses in CY07

### Selling & Marketing

- 3x investment increase

- Complete Solution Launches:
  - Selling Content
  - Training
  - Tools

# TRAINING

**STRATEGIC & BUSINESS FOCUS**
- **Business Professional Program for Partner Directors**

**TECHNICAL OPERATIONS & SERVICES**
- **Cisco Technical Management Forum for Partner Directors**

**POSITIONING & SELLING FOR TOP 500 PARTNERS**
- **Sales Update Sessions/Power Breaks**

**POSITIONING, SELLING & JOINT ENGAGEMENT VOICE**
- **Avant Garde Mid Market**

**POSITIONING & SELLING FOR COMMERCIAL MARKET**
- **SMB University**

**DESIGN & CONSULTANCY**
- **Partner Virtual Team Events for Partner Presales Consultants**

**SUPPORT & TROUBLESHOOTING**
- **Advanced troubleshooting for Partner Field Engineers**

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# In Summary

- **Web 2.0 offers great Opportunities for Growth**

- **AT focus pays off**

- **Enhanced Partner Program: embrace it now!**

- **Use our extensive PE resources to capture the Growth Opportunities**

- **Plan your Business with your CAM and execute together**

- **Lead the Customer Experience**

# Thank you