Customer Focus for Success

Bruce Pinsky
Distinguished Support Engineer
Customer Assurance, Customer Advocacy

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Agenda

- My Background
- Our Culture and History
- Our Strategic Approach
- Our Technology Strategy
- Our Services Experience
- Our Results
- My Role
- Q&A
My Background: How did I get here?

Education
- B.S. Computer Science (1987)
- California State University, Hayward

Summary of Experience
- 20+ years experience in Design, Architecture, Troubleshooting, Operation, Training and Deployment of IP/MPLS, ATM, LAN switching, Data Center and Network Services technologies

Work History
- 2003 – today Consulting Engineer, Customer Assurance, Cisco Systems
- 1996 – 1997 TAC Escalation Technical Leader, Cisco Systems
- 1994 – 1996 TAC Escalation Engineer, Cisco Systems
Our Culture and History
Cisco Systems: Worldwide Leader in Networking for the Internet

Cisco Products Power the Internet

Cisco Runs Its Business on the Internet
“Customer success and satisfaction are at the heart of Cisco’s business strategy and key drivers of our current and future success”

John Chambers, President and CEO
Cisco at Work—Corporate Culture

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<th>Innovation</th>
<th>Continuous Improvement/Stretch Goals</th>
<th>Quality Team</th>
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<td>No Technology Religion</td>
<td>Profit Contribution (Frugality)</td>
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<td>Teamwork</td>
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<td>Drive Change</td>
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Customer Success
Cisco’s History of Customer Satisfaction

- 10+ years of history—formally tracking customer satisfaction
- Central part of Cisco’s culture
- Customer satisfaction tied to the bonus plan
- Organizational ownership

Source: Independent research study; measured on a scale of 0 to 5
Innovation Milestones

- Started at Stanford
- Shipped Multiport Communications Interface (MCI)
- First acquisition—Crescendo; released 3000, 4000 & 7000 series routers
- Entered service provider market; released Gigabit Switch Router (GSR)
- Released wireless LAN products
- Developed CRS-1 Carrier Routing System
- Catalyst 6500 >$20B sales
- Shipped 8 millionth IP phone
- Surpassed 3M wireless access points installed

1984: Shipped first router; developed IGRP protocol
1986: IPO; 192 employees
1990: Released Catalyst switch
1992: Shipped first IP telephone; developed optical strategy
1994: Acquired Andiamo through spin-in; acquired Linksys
1996: Introduced integrated services router; acquired Scientific Atlanta
2002: 2004
2005: 2006
Our Strategic Approach
Customer Focus—Market Segments

Commercial       Service Provider

Enterprise       Consumer
What Customers Are Telling Cisco

Customers Are Facing Complex Challenges
- Global competition/consolidation
- New business models
- Rising customer/citizen expectations
- Macro-uncertainties
- Security

Customers See the Network as an Enabler
- Convergence
- New services
- Wired/wireless integration
- Application/process integration
- Productivity

Customers Want a System, Not Individual Parts
- Self defending
- Manageability
- End-user transparency
- Total cost/investment protection
- Architecture
Cisco’s Blueprint for the Future

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<th>3–5 Year Goals</th>
<th>Cisco Strategy</th>
<th>FY07 Initiatives</th>
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<td><strong>Intelligent Information Network</strong></td>
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<tr>
<td><strong>Technology Architecture</strong></td>
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Cisco’s 3–5 Year Technology Vision:
The Intelligent Information Network

Time

Network Intelligence

INTEGRATED TRANSPORT

INTEGRATED SERVICES

INTEGRATED APPLICATIONS

Application-Enhancing Services

Virtualized Networking Resources

The Intelligent Movement of Data / Voice / Video Across a System of Networks

PHASE 1

PHASE 2

PHASE 3
Cisco’s 3–5 Year Technology Vision: Transferring Intelligence into Value

<table>
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<th>To</th>
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<td>Packet-Oriented Networking</td>
<td>Application-Oriented Networking</td>
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<td>Route-Level Resiliency</td>
<td>Service-Level Resiliency</td>
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<td>Component-Level Management</td>
<td>System-Wide Management Visibility</td>
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<td>Fixed Asset Utilization</td>
<td>Dynamic Asset Utilization</td>
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Cisco Technology Strategy: Architectures Tailored to Our Customers

INTELLIGENT INFORMATION NETWORK

SERVICE PROVIDER

IP NGN

• Increase revenue
• Customer loyalty
• Reduce OpEx/CapEx

CONSUMER

The Connected Home

• New digital lifestyle
• Entertainment on demand
• Easy to use
• Affordable

ENTERPRISE

Service-Oriented Network Architecture

• Increase revenue
• Increase flexibility
• Improve customer relationships
• Reduce costs

COMMERCIAL

Smart Business Communications Architecture

• Increase revenue
• Customer intimacy
• Low complexity
• Advanced services
• Competitive advantage
Technology Strategy
Cisco’s Technology Strategy

**Global Systems Approach**

**SMARTER**
- Convergence
- Security
- Quality of Service
- Availability
- Manageability

**FASTER**
- Routers and Switches
- Silicon
- Hardware
- Lower Cost

**LASTING**
- Architecture
- Generational Approach
- Investment Protection
R&D Commitment

$4B R&D SPEND *

Source: Yahoo Finance, Company Financial Statements

*Total four quarters ending 7/29/06
Cisco—The Technology Innovator

- $4 billion R&D investment annually
- 17,000 engineers working in more than 10 major labs worldwide
- #1 in most markets in which we compete
- Over 110 companies acquired
- More than 2,300 patents issued to Cisco inventors in last 10 years

MAJOR INNOVATIONS

- Multi-Protocol Routing and Switching
- Voice over IP
- WiFi wireless
- Largest contributor to IETF, IEEE
In the Future Everything Will Be Connected

Devices connected to the Internet

Source: Forrester Research, as cited in BusinessWeek.com, 2/20/05
The Communications System of the Future

...everything will be connected by IP
People to people  - SIP
People to machine - HTML
Machine to machine - XML

The network will be the secure, value-add platform for all communications
What is Required? Intelligence Migrating into the Network

APPLICATIONS
- Firewall
- SBC
- CAR/HLD
- Email
- ERP
- Voice Mail
- WIRELESS
- Encryption
- Patch Updates
- Reputation
- Mobile Email
- CRM
- Wireless Mgmt

OS AND MIDDLEWARE
- Mobility Management
- UC/Telecommunications
- Web Virtualization

IP NETWORK
Cisco’s Technology Strategy Architectures Tailored to Our Customers
From Technologies to Systems & Solutions

- From
  - IP Telephony
  - Data Center Switches
  - Routers and Switches
  - Wiring Closets
  - A Transport Network

- To
  - Enterprise Collaboration Systems
  - Computer Virtualization Systems
  - Enterprise Communications Systems
  - Access Management Systems
  - A Services Network
Routing, Switching, ATs…Tightly Integrated

Cisco’s Networking Roots
Switching  Routing  Software
Looking to the Future: The Evolution of the Network

- Network as the Platform
- Intelligent Information Network
- Network of Networks
- End-to-End Networks
- Best in Breed Networks

1990  2000  2010
Our Customers Enable Life’s Experiences

Enterprise

Service Providers

Data, Voice, Video, Mobility

Commercial

Consumer
The Network Changes How People, Companies, Countries Experience Life

Work

Learn

Live

Play

Network is the Platform

Cisco
Services to Lead the Experience
Business Concerns

Is my network ready for voice?

Is my network ready for video?

Is my network secure?

Is the technology ready?

Are my people ready for this “new technology”

Can I bridge the gap between technology architectures and my business needs?
The Role of Services in the Platform

- Create a Trusted Resilient Network
- Architect the Network to Meet the Needs of the Business
- Enable Partners to Deliver Globally

How Do We Do This?
The Cisco Lifecycle Approach to Support the Network as the Platform

- **Prepare**
  - Assess Business Strategy

- **Plan**
  - Evaluate Preparedness
  - Assess readiness to support the proposed solution

- **Design**
  - Design the Solution
  - Create a detailed design to address business and technical requirements

- **Implement**
  - Implement the Solution
  - Deploy the new technology without disruption

- **Operate**
  - Maintain Network Health
  - Maintain network health through day-to-day operations

- **Optimize**
  - Operational Excellence
  - Achieve operational excellence through ongoing improvements

- **Coordinated Planning and Strategy**
Cisco's Evolving Services Model

Unique Business Models to Enable Productivity

- **Advisory Services**
- **Advanced Services**
- **Technical Support**

- **Prepare**
- **Plan**
- **Design**
- **Implement**
- **Optimize**
- **Operate**

Lifecycle Services
Simple and Relevant Portfolio of AS Lifecycle Service Packages Aimed at Appropriate Customer Value

Business Architecture

Advisory Services

Technology Architecture and Operations Services

Technology Architecture

Assessment

Transactional AT PDI

System Engineering

Technical Support

Network Integration/Select System Integration

Network Optimization Service

Network Optimization Service

Audits

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Each Incremental Advanced Service Drives Availability and Satisfaction

Getting to 5 9s requires a well-conceived plan

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<th>99.9%</th>
<th>99%</th>
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Customer Investment Required

$   $  $$  $$$  $$$$
Cisco Technical Support Delivery

Flexible Delivery Engine

Customer Satisfaction

Comprehensive

Proactive

Advanced Technologies

Service Provider and Large Enterprise

Enterprise Foundation

Commercial

Emerging Markets
Integrated Solutions for End-to-End Support

Innovative system and application software and IT-related support that helps maximize your technology investment

Software Support

Increases your self-sufficiency and productivity with registered access to online tools and resources

Cisco.com

Flexible and responsive hardware replacement support that helps maximize your operational reliability

Advanced Hardware Replacement

Supplements your in-house staff with access to highly-trained network and application software engineers, engineers and R&D engineers

Cisco® TAC
Accelerating Customer Success

- Cisco uniquely positioned to integrate advanced technologies for our customers
- Lifecycle services provide a proven approach
- Services drive customer satisfaction and loyalty
Our Results
Cisco’s Financial Strength

- $17 billion cash and investments

Note: By fiscal year, excludes one-time charges/gains
Cisco Runs Its Business on a Cisco Infrastructure

- >300 x Content Engines
- 2923 x Switches
- 46,200 Unity Users
- 120 x MDS 9000 Multilayer Directors
- 47,000 x Cisco Security Agents
- 2510 x Voice and Remote Gateways
- 2136 x Routers
- 3100 x Access Points
- 66,000 x IP Telephones
- 24,500 x IP Communicator/Softphones

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Cisco Continues to Innovate

Develop New Technology
AON, IP Telephony, Wireless

Start New Business Models
Linksys, Meeting Place, NetSolve

Partner w/ Other Companies
Network Admission Control (Microsoft, Symantec, others)

Pursue Acquisitions
100+ Acquisitions

Design New Products
CRS-1, IOS XR, Integrated Services Router

Spin in Investments
Andiamo
My Role
Individual Contributor: Technical Leader

Who Am I?

- technologist n : a person who uses scientific knowledge to solve practical problems [syn: engineer, applied scientist]

What do I do?

- Bring technical expertise, business knowledge, and practical experience to bear on issues that affect customer and Cisco success
- Drive technical, service, and product issues that span multiple administrative domains/organizations
- Assist customers and field with evaluation and design of networks and solutions that leverage existing and emerging technology
- Participate in the evaluation of technology products, services, and solutions that can be leveraged to increase customer satisfaction and improve CA effectiveness
Where do I spend my time?

Reading specifications
- Industry specs like RFC, IEEE
- Internal specs for software/hardware features

Represent Support interests
- Business Unit Strategy team
- Software interface consistency team
- Software release strategy
- Policy/Procedure influence
- Product Feature/Functionality

Advising customers
- Face-to-Face/Phone meetings to discuss future network plans
- Advise on integration of new technology
- Advise on how to solve business issues with networking technology
- Network architecture/designs/reviews
- External mailing lists fora

Working on new certification
- Scope of testing
- Requirements of qualified candidates
- Content Generation

Presentations
- Internal training/TOI
- Industry conferences
- Company user community conferences
What makes me successful?

- Technological breadth and depth from IP routing to LAN and WAN technologies to servers and data center solutions with particular expertise in large-scale ISP and Enterprise routing systems

- Blend of theoretical and practical expertise obtained from designing, troubleshooting, and operating networks
  - Combination of technical and business acumen derived from working at Cisco and network industry companies
  - Communicating articulately up and down the management chain from CxO level down to network operator
    - Articulating strategic vision to influence customers, SE’s, partners, and engineering
    - Continual innovation and generation of new approaches to solve problems