Cisco Services Best Practices Battle Card

Focus	What it is and Why it's Important	How do I Improve…
Attach	• Includes both uncovered LLW and non-LLW products. • Is a true revenue and rebate opportunity for Cisco & Partners.	**Step 1** - Identify and cover uncovered attach opportunities (video) password: Cisco123 **Step 2** - Implement best practices
Uncovered LLW	• Is the ratio between uncovered LLW and Total Service opportunity. • Uncovered LLW is a revenue opportunity for Cisco & Partners.	**Step 1** - Identify uncovered LLW (video) password: Cisco123 **Step 2** - Develop game plan to covered LLW **Step 3** - Implement best practices and review promotions
Last 90 Day AR	• The attach rate of products shipped in the last 3 months. • This is the 'hottest' attach opportunity – because it is not yet included in the CSPP metric, but it would be if booked.	**Step 1** - Identify and cover uncovered attach opportunities (video) password: Cisco123 **Step 2** - Implement best practices
Last 90 Day LLW	• The attach rate for products shipped in the last 3 months. • This is the 'hottest' coverage opportunity for LLW products.	**Step 1** - Identify uncovered LLW (video) password: Cisco123 **Step 2** - Develop game plan to covered LLW **Step 3** - Implement best practices
SWSS AR	• Measurement of Attach Rate for SWSS type products. • Represents true revenue opportunity for Cisco & Partners.	**Step 1** – Contact your PSDM for reporting **Step 2** - Implement best practices and review promotions
Renew	• Measures a partner's renewal performance on available opportunity. • Represents true revenue and rebate opportunity for Cisco & Partners	**Step 1** - Proactively identify and cover uncovered renewal opportunities (video) password: Cisco123 **Step 2** - Implement best practices
Premium	• Percentage of Premium services sold by a partner • Maximizes a partners available revenue and rebates.	**Step 1** - Identify renewal opportunities by customers (video) password: Cisco123 **Step 2** - Implement best practices and review promotions
Multi Year	• Percentage of Multi Year to other services sold by a partner. • Locks in revenue streams, eligible for promotion rebate, increases productivity of partners, maximizes revenue.	**Step 1** - Identify potential Multi-Year opportunities (video) password: Cisco123 **Step 2** - Implement best practices and review promotions

Attach Rate Opportunity

Discovering the Opportunity

- Create an AR opportunity report using TPV/PMC (video) Password: Cisco123
- Report will show all the unattached services opportunity within the current Attach Rate measurement window for individual end-customers.

Adopt Attach Rate Best Practices

- Position services early in the sales cycle on both hardware and software. Customers, who don't have protection from day one, won't have access to technical support services during deployment.
- Emphasize the importance of OS software and applications support.
- Discuss the value of Cisco smart services at every opportunity. SNTC collectors discover the network's inventory; helping to simplify installed base management.
- Compare competitor offers accurately: Avoid drawing comparisons between Cisco warranties and those of competitors, citing all the services that competitors might include within a warranty package.
- Promote the value of Services over Warranty. Emphasize that support services offer added value that is essential to properly maintain the network. Review the Cisco Warranty vs Service Contracts website for a side-by-side comparison of what the warranty is and what it is not.
- Discuss the cost of downtime: Service help protect investments, reduce risk associated with downtime or incompliance.
- Provide the customer with a Cisco Services Waiver Form (contact PSDM for form)
- Define customer spend to include services.
- Sell complete solutions.
- Leverage Service promotions
- Use Cisco Capital to help counter cost objections.
- Contact your PSDM for available Resources:
    - SNTC At- A- Glance, At-A-Glance for SNTC, Premium & Multi Year At-A-Glance, Selling Services Early, Value of Services - Why Attach, SNTC Handling Objections

Objections Related to Attaching Services

(Q) We have in-house technicians who can handle all of my network issues.

(A) Few companies are equipped with in-house experts that compare to Cisco's award-winning TAC engineers. If a customer's in-house experts require support, without a service agreement they may experience delays and costly time and materials charges. Additionally, SNTC provides service contract information that is useful in both network management as well as for budget planning and cost controls.

(Q) Why do I need this service? Isn't the warranty enough?

(A) The warranty is not the same as service. Warranties and support contracts are different in that they serve different purposes. Warranties protect against defects in materials and workmanship. Support contracts go further by also protecting against human factors—which account for up to 80 percent of all issues that cause networks to fail or seriously falter.

(Q) We don't need the hardware replacement option. It is too expensive.

(A) Use the Services Availability Matrix to verify availability of logistics and field engineering services. The replacement option helps manage the challenges associated with receiving hardware parts support and replacement hardware. Advance hardware replacement provides the fastest delivery option and is designed to meet network availability requirements. Ask questions to identify how critical the Cisco equipment is to the operation of their network.

(Q) We rely on the standard or limited lifetime warranty.

(A) It is a common misconception that because a warranty provides replacement for defective parts it can be used to resolve service issues. In reality, if the issue isn't simply a defective part, the warranty alone will not be enough to provide the coverage your customers need.

Trigger Questions

- How are you managing your network inventory and service contracts today?
- How do you know when a device you own reaches end-of-sale or is out of support?
- How do you track changes in your Cisco network?
- How do you identify devices that have security alerts or notifications?
- Are you able to identify potential issues before they impact your business?

Attach Rate Uncovered LLW Opportunity

Discovering the Opportunity

- Create an uncovered LLW opportunity report using TPV (video) password: Cisco123
- Report will identify a partner's largest uncovered LLW opportunity by end-customer.

Adopt Best Practices

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    - Positioning Services Over Warranty Services Guide,
    - Positioning Services Over Warranty Quick Reference Guide

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Last 90 Days AR Opportunity

Discovering the Opportunity

- Run a 90 day opportunity report from TPV (video) password: Cisco 123 that focuses on product sold that is not yet in the back-15-forward-12 month metric calculations.
- Report will opportunity-rank a partner's customers with the largest overall uncovered service opportunity on products sold in the past 90 days.

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Last 90 Days LLW Opportunity

Discovering the Opportunity

- Run a 90 day opportunity report from TPV (video) password: Cisco123 that focuses on only LLW product sold that is not yet in the back-15-forward-12 month metric calculations.
- Report will opportunity-rank a partner's customers with the largest overall uncovered service opportunity on products sold in the past 90 days.

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SWSS Attach Rate Opportunity

Discovering the Opportunity

- Please contact your PSDM to review your software attach opportunity from TPV/PMC.

Adopt Best Practices

- Work with the rest of the Integrated Sales Team to ensure that SWSS is quoted for all licenses
- Talk software, not support. Emphasize that up to date, supported software is essential to realizing the full value of Cisco software solutions
- Make sure you and your customer have a clear understanding of what the customer is entitled to by purchasing the perpetual license, and what they are entitled to by purchasing updates and support
- Compare competitor offers accurately: Your customer might try to draw comparisons between Cisco solutions and those of competitors, without clarity to accurately compare value points
- Check for SWSS Promotions that you can offer: **Software Support Service, SWSS 3>1** - Renew your customer SWSS contract from a single year to a three years contact and receive a price discount.

Objections Related to SWSS Attach

(Q) Why do I need to pay more? Why don't I get everything when I buy the license?

(A) Following industry best practice, selling a perpetual license for today's value, and then selling future value as it becomes available enables Cisco to price their license with have to build in allowances possible future considerations.

(Q) The license is perpetual, why isn't that enough?

(A) The license gives you perpetual access to today's value. SWSS gives you access to ongoing support as well as additional value from future updates.

(Q) Why can't I just buy 3 years of UCSS like I used to, and be done?

(A) Cisco learned that any value from this flexibility was vastly outweighed by the inconvenience of keeping the two separate offers in alignment. We put ESW and UCSS together to form SWSS at the request of customers and partners alike, which was to make it more consistent with industry best practices.

(Q) Why is it 100% required attach?

(A) In order to provide customers with the best opportunity to realize the value of the solution in its first year, Cisco requires that the full solution be purchased.

Increase Your Skill

- Learn how to properly co-term SWSS
- Learn how ELAs work, how they effect Software Attach Rate

Renewal Rate Opportunities

Discovering the Opportunity

- Run a Renewal opportunity report from TPV/PMC (video) password: Cisco123
- Report focuses on a Partners renewal opportunity that will be eligible to renew in Q3 and Q4 of FY16.

Adopt Best Practices

- Start early, at least 90 to 120 days before service contracts are due to expire.
- Validate your customer's business needs.
- Focus on the benefits of Cisco Services.
- Explore opportunities to upsell.
  - Lock in revenue streams through co- termination.
  - Sell the advantage of multiyear options at every opportunity.
  - Remember to use a solution-led selling approach.
  - Always sell the benefits of Cisco Capital® financing
- Be prepared in advance to overcome objections.
- Don't wait for contract renewals to initiate customer interaction.
- Leverage analytics from Smart Environments (eg: SNTC, PSS, …)
- Use Cisco impact for Low dollar renewals
- Contact your PSDM for available Resources:
  - Selling Contract Renewals Quick Reference Guide

Objections Related to Renewing Service Agreements

Customers can bring up a number of objections during the service agreement renewal conversation. Some may be caused by a lack of understanding or awareness of how much they have benefited from their services agreement.

Useful strategies for countering these kinds of objections include:

- Showing your customers how much they have used their service contracts.
- Quantifying the value that they have received.
- Emphasizing that the cost of network downtime and/or time and materials expenses will likely exceed the cost of the renewal.
- Offering multiyear or financing solutions to address cost or cash flow concerns.

Increase Your Skill

- Manage the renewals process effectively.
- Train staff in using Cisco tools.
- Designate a service renewals specialist.
- Formalize and document the renewals process.

Premium Services Upsell

Discovering the Opportunity

- Run opportunity report to identify renewal opportunities by customers (video) Password: Cisco123

Premium Best Practices

- Use Premium as default on every order
- Check for Primed for Premium Promotion that you can offer
- Use the CSPP Eligible Bookings Guide (www.cisco.com/go/cspp) to verify which service levels qualify for a Premium Services Rebate.

Using Total Program View:

- Ensure your partners reach their PSR bookings ratio requirement by maximizing Premium Service Sales Opportunities.
- Use the Programs/CSPP dashboard to view the partners Premium Service Rebate (PSR) ratio to date.
- Request a Detailed Report/Partner Summary Report containing total quarterly bookings and PSR ratio to date. (video) Use this report to help your partner understand their current PSR ratio and % away from minimum ratio to earn a rebate.
- Use Detailed Reports/Eligible Bookings Report to request a line level booking report. Copy and paste the bookings details into the Premium Service Ratio calculator for a total of Premium bookings to date.

- Contact your PSDM for available Resources:
  - At-A- Glance for SNTC,Prem & MY

Objections Related to Attaching Services

(Q) I already purchase spares that sit in my network closet…

(A) Have you procured budget to purchase additional hardware when those spares are used to replace failed gear in your network? Purchasing Premium services today allows you to utilize OPEX budget in the current purchasing cycle, simplifying your procurement strategy.

(Q) Why do I need 2 or 4 hour delivery? Next Business Day is fine.

(A) Can you afford to wait for a parts delivery on Tuesday for a hardware failure that occurs on a Friday evening? If the answer is “no”, the Premium service levels are right for you.

Trigger Events

- Do you have IT staff at your remote locations?
- Is your IT staff available to work nights, weekends, or even holidays in the event of an issue?
- Are hardware purchases for on-site sparing eating away at your current budget?
- Do you find managing spares to be a cumbersome and complex headache?
- Do you know the true cost of network downtime?
- Can your business afford to wait 24 hours for a part to arrive?
- Are you hosting mission critical applications or traffic in your data center?
- Do you depend on your network infrastructure for business critical operations?

Promotions Available for 2HFY16

Primed for Premium

- Partners earn up to **3% rebate** when they achieves at least a 45% Premium Technical Services booking mix. Partner Associates can earn up to 100,000 Cisco Rewards Points

Multi Year Contracts

Discovering the Opportunity

- Run the Multi Year opportunity report (video) password: Cisco123
- Gather and process the TPV/PMC data to identify your Partner's largest MY renewal opportunities by customers.
- Report can be rank-ordered to prioritize customers with largest renewal opportunities.

Adopt Multi Year Best Practices

Do the necessary homework:

- Track contract renewal dates for each customer and time your sales and marketing activities appropriately.
- Validate service availability, service levels, and service types to set customer expectations appropriately.
- Create price comparisons for one year versus multi-year agreements.
- Capitalize on the renewals opportunity: Every annual renewal is an opportunity to increase the sales and margins by selling a multi year agreement.
- Enhance the value proposition with financing: Cisco Capital offers flexibility with payment schedules that match cash flow and budget cycles by spreading the cost over time.
- Support your sales effort with marketing programs or communications
- Introduce services at first sale, on uncovered equipment, and at renewal time.
- Check for Multi–Year Promotions that you can offer**: The Multi year Renewal Incentive Promotion** Provides partners with a 2% rebate on contracts converted from a single-year to a multi- years during the promotional period.
- Contact your PSDM for available Resources:
    - At-A-Glance for SNTC,Prem & MY
    - Selling Multi Year Quick Reference Guide

Objections Related to Multi Year Agreements

Multi Year service agreements offer important benefits to customers in terms of locking in prices and obtaining additional discounts. The biggest challenge is overcoming objections regarding the larger upfront cost. Useful strategies for countering these kinds of objections include:

- Showing how financing a multi year service can lock in prices
- Reinforcing the benefits of services and the improved return on investment.
- Helping them decide whether to purchase the multi year agreement by prepaying or by financing.

Trigger Events – Top Questions to Ask

The most compelling time to make a case for multiyear service agreements with your customers:

- Early in the sales process, when you first begin discussing their business challenges
- During customer discussions following a network discovery
- During service contract renewal discussions
- When products reach LDOS and refresh

Important questions to ask your customers

- How long do you think you will have a Cisco network? For at least the next three years?
- How would locking in prices and improving cash flow help your business?
- What projects would you pursue if you had additional budget?

Best Practices Video Recordings

Here are the links to all of the Best Practices Videos

- **Attach Rate video** (5 mins)
- **Uncovered LLW video** (6 mins)
- **Last 90 Day AR video** (8 mins)
- **Last 90 Day LLW video** (8 mins)
- **SWSS AR** - Please contact your PSDM for report
- **Renew Video** (6 mins)
- **Premium Services video** (7 mins)
- **Multi Year video** (19 mins)

Password for all Videos is 'Cisco123'

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