



MAXIMIZE YOUR CISCO SERVICES PROFITABILITY

Cisco Services and Ingram Micro offer a broad range of resources to help you grow a successful long-term recurring revenue business.

A LEVEL UP.



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Key Metrics and Drivers Supporting Services-Based IT Businesses

- Studies show that companies that have made the pivot to recurring revenue streams have substantially higher valuations than those that still focus on product-centric, transactional businesses.¹
- 80% of Managed Service Providers (MSPs) have created a standard service catalog for their offers.²
- 85% of MSPs have adopted ITIL for their service operations processes and procedures.³
- If customers receive value during a service interaction, there is:
 - 82% probability of repurchase or renewal when presented with the chance to switch⁴
 - 86% probability of increasing wallet share
 - 97% probability of sharing positive word of mouth

Cisco Services and Ingram Micro offer partners a broad range of resources to help you grow a successful long-term recurring revenue business—and manage it all:

Smart Net Total Care (SNTC)—combines award-winning technical services with an extra level of actionable business intelligence. SNTC delivers insights that help prevent network issues instead of merely responding to them, so you can proactively address requirements across your customers’ physical, virtual and cloud-based environments. The result is better customer service, leading to improved customer loyalty and retention.

Cisco Software Support—consists of Cisco Software Support Service (SWSS), Software Application Support (SAS) and Software Application Support Plus Upgrades (SASU). It’s a subscription-based offering that provides comprehensive coverage for software application products and suites. It yields four key benefits: faster software deployment, improved time to detection solving software incidents, faster user adoption and software investment protection.

¹ Source: TSIA.com, [The State of Managed Services 2022: The Rise of Digital Managed Services](#)

² Ibid, p. 8

³ Ibid, p. 8

⁴ Source: Gartner.com, [“How Service Leaders Can Increase Customer Loyalty”](#)

Key Metrics and Drivers Supporting Services-Based IT Businesses

Cisco Solution Support—includes centralized support across your customers' multiproduct, multivendor Cisco solution environment. With this service, your clients can innovate with confidence, focus on their business and solve complex issues 44% faster than with product support alone.

Cisco partners with leading vendors—Apple, BMC Software, Citrix, Dell EMC, IBM, McAfee, Microsoft, NetApp, Oracle, Red Hat, VMware and others—to offer a broad range of product support.

Additional Cisco Solution Support resources:

- [Partner Sales Acceleration: Solution Support Services](#) (login required)
- [Cisco Solution Support at a Glance](#) (download)
- [Cisco Solution Support Infographic](#) (download)

Cisco Services Partner Program (CSPP)— The Cisco Services Partner Program provides resellers the opportunity to earn discounts and rebates for reselling Cisco services. Use the [Partner Experience Platform \(PXP\)](#) (login required) for visibility into your program performance and the following program documentation:

Enablement—The [Operations Guide](#) provides you with steps to onboard, set yourself up for success, manage deals and information about rebates.

Metrics—The [Metrics Guide](#) integrates metrics definitions, calculations, visuals for program processes and FAQs.

Rebates—The [Global Eligible Bookings Guide](#) is a compilation of rebate eligible Global Service Programs (GSPs) and SKUs contained in the program. It is updated on a regular basis without notice.

Discounts—The [1-Tier Global Discounts](#) document outlines the latest discounts for the program. 2-Tier Partners should contact their distributor for discounts.

Rules—The [Terms and Rules](#) document is your central view for the program guidelines, terms and conditions, and rules.

Why Customer Demand for Services is Growing

With the massive disruption preventing people from gathering during the pandemic, businesses shifted to digital interactions with customers, accelerating digital interactions by 3 years and the adoption of digital products and services by 7 years.⁵ As a result, 60% of business professionals expect transformative permanent change to the way they work. In other words, most companies aren't going back to the old ways of doing business.

There's a direct correlation between the digital transformation (DX) trend and the growing demand for services that help your customers:

Cut Costs

- Increased network uptime and fewer costly incidents*
- Higher network standardization, utilization, availability and reliability

Reduce Risk

- Achieve industry compliance more easily
- Reduce risk of data breach, corruption and loss through audit reporting**

Enable Business-Ready Networks

- Faster deployment of strategic projects
- Increased competitiveness and time to market

Increase Productivity

- IT personnel able to focus on strategic initiatives

Boost Confidence

- Better network visibility
- Knowing the network is configured properly and that it works

* Uptime Institute's [2022 Outage Analysis Report](#) found that over 60% of outages cost more than \$100,000, an increase from 39% in 2019.

** The average ransomware victim loses around [35% of their data](#) and those that pay the ransom only receive about 60% of their data back.

⁵ Source: Infotech.com, [2022 Tech Trends](#)



Two Ways to Build Your Services Business Faster

Use Cotermination to Grow Revenue Streams—Cotermination means arranging for all service contracts to be renewed at the same time. It's designed to reduce the time account managers and customers spend negotiating contract renewals.

Cotermination benefits you by:

- Consolidating/adding to existing sales contracts
- Reducing sales costs
- Simplifying administration and tracking of contracts
- Increasing renewal rate closures—and gaining more revenue
- Creating opportunities for strategic conversations about the value of your customer's network (may require product migration or network optimization services)

Quote and Order Cisco Services through Ingram Micro—The Ingram Micro team can help you figure out which Cisco Services will best address your customers' needs. We can also help manage your service quotes, orders and contracts, ensuring you and your customers get the most value.

Services are Better Than Warranties and Here's Why

Customers may not understand the difference between a warranty and a service support contract, but they're worlds apart.

	WARRANTY	SMART NET TOTAL CARE
		Proactive support and advice to improve installed base
CUSTOMER NEED	— Service Capabilities—	
24/7 TAC Access	✗	✓
Advance hardware replacement	✗	✓
Cisco technical experts	✗	✓
Device diagnostics	✗	✓
Hardware replacement in as little as 2 hours	✗	✓
Online technical resources	✗	✓
Installed base management	✗	✓
Operating system software updates and upgrades	✗	✓
Optional online support	✗	✓
Proactive diagnostics and alerts	✗	✓
Renewable contracts	✗	✓
Smart call home	✗	✓

While a warranty guarantees the integrity of a product, ensuring it will be repaired if there's a defect, it DOES NOT address issues relating to the proper operation of devices or systems.

Bottom line: service contracts enhance your customers' overall IT experience by providing a rapid response to problems that can affect their network availability and reliability.

Warranties offer your customers no protection in the event of a network outage—a scenario they can't afford.



What Makes Cisco Technical Services So Valuable

Attaching Cisco technical services to every sale can help your business:

- Grow your profits by qualifying for higher discounts and cash rebates—and position your business to sell high-margin professional services
- Offer customers an easy, agile service delivery model, ensuring they get timely RMAs when needed—and easing your concerns about the costly investments involved in building an in-house services practice and carrying a large inventory of spares
- Retire sales quotas faster by growing the transaction value with every attached service
- Create an easy recurring revenue stream
- Open doors to higher sales volumes and larger transactions
- Use financing from Cisco Capital to help your customers afford new services
- Offer attractive pricing by taking advantage of Cisco incentives and promotions
- Protect your customers and strengthen loyalty by improving their networking stability and reducing risks
- Create a recurring revenue stream to stabilize your business and promote longer-term planning and investments

What's Better Than a Service Contract? A Multiyear Service Contract

They help your customers:

- Protect their costs for the duration of their contract
- Receive continuous support coverage
- Take advantage of discounts and financial incentives
- Better manage operating expenses
- Improve cash flow
- Reduce time spent renewing service contracts

Selling them helps you:

- Expand the total revenue per customer
- Create up-sell and cross-sell opportunities
- Extend your relationship beyond the product purchase

How to Attach a Service

Customers often object to purchasing technical support services. Most of the time, this is because they do not understand the true value of the services to their business. Shown here are some common customer concerns and suggestions for how to respond to them. These are merely suggestions. Feel free to adjust your responses based on your customers' specific circumstances.

But remember, it's easier to sell a service early in the sales process.

6 Common Objections (and How to Overcome Them)

Objection 1: "I always get support from the Cisco Technical Assistance Center (TAC) or sales engineer."

RESPONSE:

- Cisco continues to make its entitlement processes more robust. A service contract is the only way to ensure network coverage.
- Customers must supply a valid service contract number and serial number to receive support. Without these, expect to experience significant delays while the TAC verifies entitlement.

Objection 2: "I need a delayed start date and delayed billing."

RESPONSE:

- Cisco Services now offers a flexible start date option for customers.
- Relying on the warranty until equipment is deployed is risky. Network downtime usually exceeds the savings from doing this.
- Be aware: 95% of TAC service requests relate to issues other than the equipment failure that a warranty covers.
- If the real issue is cost, Cisco Capital can help.



How to Attach a Service

Objection 3: “I need to wait until the equipment ships so I can get the serial numbers before ordering services.”

RESPONSE:

- Attaching service at the point of sale automatically allocates the serial numbers to the service contracts.

Objection 4: “I can’t afford to purchase services and equipment at the same time.”

RESPONSE:

- If cash flow is the issue, Cisco Capital provides low monthly payments and can generate two separate invoices, one for equipment and one for services. You can still attach services at the point of sale using the ordering tool.

Objection 5: “Sparing is more cost effective than buying a service contract.”

RESPONSE:

- Sparing does not save customers money. Effective sparing requires a large investment in a system, security and in-house experts.
- In the event customers need support on uncovered equipment, the Cisco TAC charges \$400 per hour for time and materials.
- Customers also risk being out of legal compliance with Cisco software licensing policies and may be denied access to patches and upgrades.

Objection 6: “I buy services in regular sweeps or true-ups and don’t need to change.”

RESPONSE:

- Cisco continually makes its entitlement processes more robust. A service contract is the only way to ensure network coverage.
- Very few customers are eligible for a sweep process. Sweeps can also result in delayed service and parts delivery when equipment isn’t registered as covered.

Renewals are the Key to Services Providers' Success

The renewals process is an important time to emphasize the value and return on investment that services provide to your customer's business:

Service contract renewals offer several key benefits:

- Lowering the total cost of network ownership
- Improving operational agility
- Speeding access to applications and services
- Increasing network availability, reliability and security

Service contract renewals are important to your business because they:

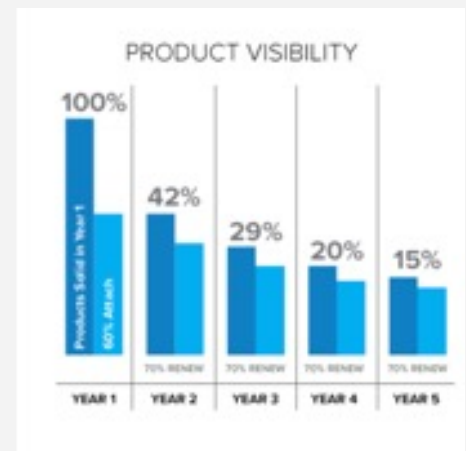
- Help build a predictable and renewable revenue stream
- Provide a platform for you to build on the customer relationship
- Open the opportunity for additional equipment and service sales
- Help increase customer satisfaction and retention by protecting and optimizing customers' networks
- Provide additional opportunities to develop your strategic role as part of the customer's team

Pursuing renewal opportunities with your existing customers enables you to re-engage and keep informed about their business challenges, uncover service opportunities and position yourself as a trusted advisor.

Low Attach and Renewal Rates Lose Product Sales

Let's say you attach service on 60% of products sold in year 1.

With a 70% annual renewal rate, you know less about the products on your customer's network every year.



Renewals are the Key to Services Providers' Success

That's because each year, fewer products will have a technical service contract.

After five years, all the products you sold in year 1 are reaching end of life.

But now, you only have details about 15% of the products you sold. The rest are invisible.

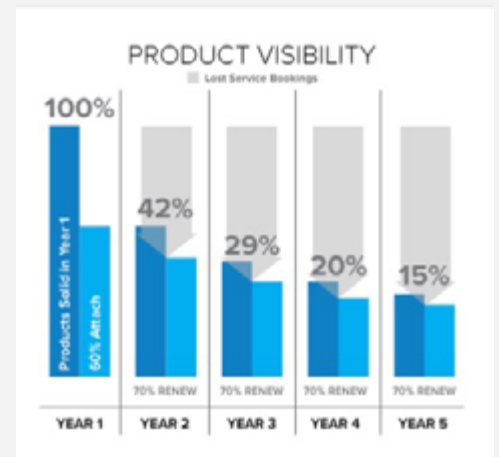
So, how can you advise your customer on which products need replacing, where they are on the network or the risk they may pose to the business?

Without service, you expose your customer to competitive threats.

Increase Profits with High Attachments and Renewals

When service attach and renew rates are low, you lose an easy and predictable annuity revenue stream.

The gray arrows in the diagram show how more profit is lost every year. You can capture these lost profits by increasing your attach and renew rates—and start selling higher margin services by creating an efficient professional services practice.



Give Your Customers Flexible Financing Options


Discover new ways to offer Technology as a Service, get access to working capital and get your customers to 'yes' sooner with Ingram Micro financial resources:

- 71% of solution providers agreed their customers acquire more product and service lines when they had monthly payment options.
- 85% of solution providers increased margins by 5% or more with financed deals vs. deals that were paid for with cash.
- 41% of end users say monthly payments make it easier for them to keep technology current and updated.

Here are three financing offerings to consider for your customers:

- 1. DirectExpress Complete:** Assign end user risk and payment to Ingram Micro.
- 2. DirectExpress:** Supplement your credit line for financially strong end user customers.
- 3. Flexible Payment Solutions:** Choose from monthly payment options to help you sell more technology.

[LEARN MORE](#)



Streamline Service Sales and Renewals with Cisco Commerce Workspace Renewals (CCW-R)

Cisco Commerce Workspace Renewals (CCW-R) makes it easier than ever to generate quotes and order new or renewal services and software subscriptions—and even create service contracts. Through a single portal, part of the Cisco Commerce platform, you can do all this and more—quickly and accurately. Partners who have already used CCW-R report time savings of 30% to 40% with fewer errors.

CCW-R eliminates many of the challenges associated with renewing services and software, including complex quoting processes, lengthy error resolution processes and multiple platforms. All of which translates into greater productivity and more time to spend on selling and growing your business.

Cisco Service Renewals by the Numbers

Here are some statistics that underscore the value of services renewals.

75% of Cisco resellers' overall profit comes from services.

3.5 is the average number of times a Cisco Services contract is renewed.

10% of Cisco resellers receive quarterly rebates for achieving pre-defined attachment and renewal rates.

1% of annual customer revenue is lost due to network downtime.



Contact Us

If you have specific questions about Cisco Services or would like to learn more, [contact us](#) or visit partnervoyage.com.