

# 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.

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## Key Metrics and Drivers Supporting Services-Based IT Businesses

- **Valuations:** Companies that have pivoted to recurring revenue streams command substantially higher valuations. In 2025, MSPs with strong recurring revenue models trade at **5x to 11x EBITDA** (earnings before interest, taxes, depreciation and amortization), whereas product-centric, transactional businesses typically trade at **3x or lower**<sup>1</sup>.
- **Service catalogs:** The standard service portfolio is rapidly evolving toward “Security First.” **76% of the world’s top MSPs now cite managed security as their leading revenue driver**<sup>2</sup>, proving that successful catalogs must now go beyond basic support to include advanced protection.
- **Process maturity: 72% of IT organizations now practice ITIL**<sup>3</sup> in some form to standardize their service delivery, ensuring the consistency required for scaling a recurring revenue model.
- **Customer loyalty:** Gartner research confirms that when customers receive “Value Enhancement”—meaning they learn how to get more out of the product during a service interaction—the payoffs are massive:
  - **82% probability**<sup>4</sup> of repurchase or renewal (even when presented with a cheaper option).
  - **86% probability**<sup>5</sup> of increasing wallet share (purchasing more services).
  - **Significantly increased** likelihood of sharing positive word-of-mouth.

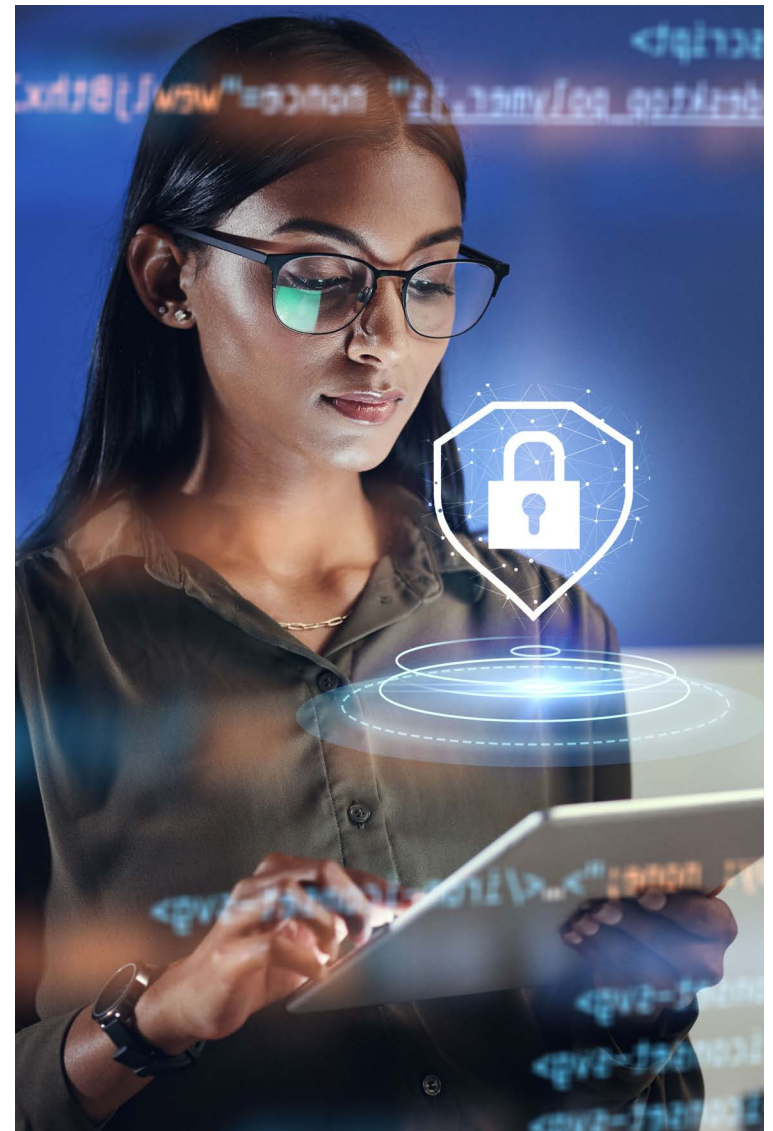
1 [First Page Sage, Valuation & EBITDA Multiples for Tech Companies: 2025 Report.](#)

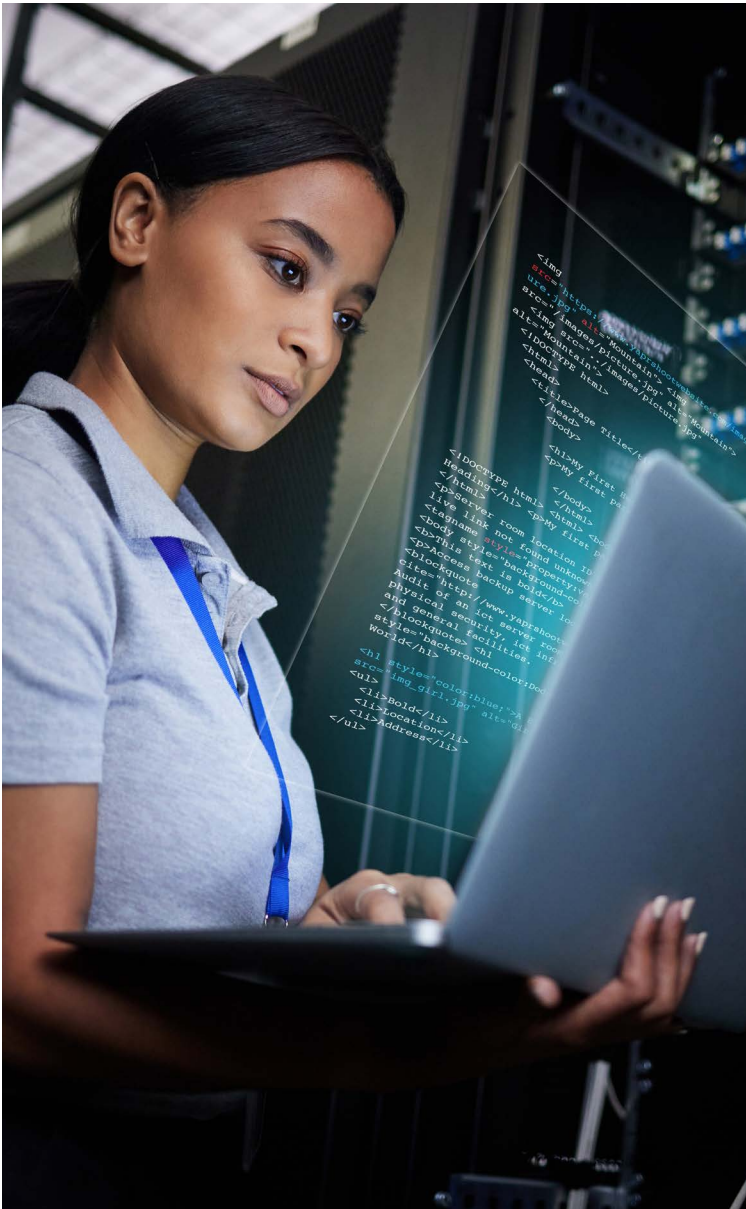
2 [Channel Futures \(2024\), 2024 MSP 501: Top Managed Service Providers.](#)

3 [Avasant \(2024\), IT Service Management Market Radar.](#)

4 [Gartner \(2024\), How Service Leaders Can Increase Customer Loyalty.](#)

5 [Gartner \(2024\), How Service Leaders Can Increase Customer Loyalty.](#)





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:

[Cisco Support Standard \(formerly Smart Net Total Care\)](#) – combines award-winning technical services with an extra level of actionable business intelligence. Cisco Support Standard delivers insights that help prevent network issues rather than merely respond 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.

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[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.

[Cisco Support – Enhanced \(formerly Cisco Solution Support and success track number 1\)](#)—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.

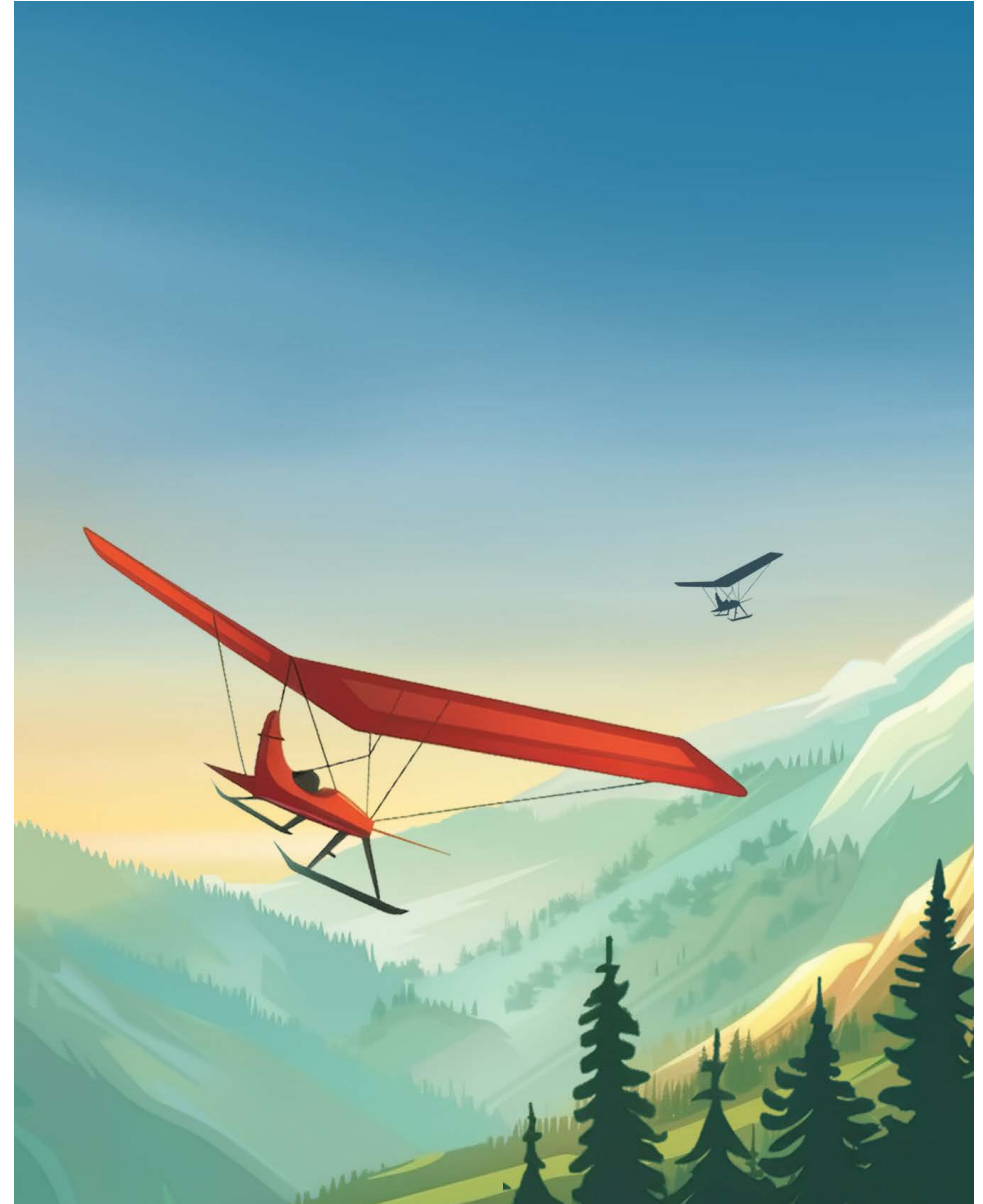
[Cisco Support – Signature \(formerly Cisco Success Tracks and success track number 2\)](#)— the highest tier of Cisco’s support services, providing a high-touch, personalized experience with a dedicated Customer Success Manager and Solution Engineer. It builds on Cisco Support – Enhanced by adding strategic and proactive guidance, faster support access and benefits like named licenses for Cisco U. contextual learning content.

## LEARN MORE

[Ingram Micro Navigator for Cisco 360](#) – includes a dedicated engagement milestone, where partners receive targeted enablement sessions and communications focused on customer engagement best practices, lifecycle management and alignment with Cisco sales teams. These sessions are designed to help partners improve deployment, adoption and usage metrics, which are core to the Cisco Partner Program’s Engagement pillar.

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.

The Ingram Micro CARE team can also assist partners with engagement initiatives, enabling easier growth of partner-led success efforts while maintaining complete oversight and control.



## Why Customer Demand for Services is Growing

Gone are the days when managed services were solely about “keeping the lights on.” Today, businesses face a perfect storm of challenges: a critical shortage of technical talent, the rapid integration of AI and the escalating cost of downtime. With **87% of organizations identifying talent shortages as a major issue**<sup>6</sup>, companies are aggressively pivoting to managed services to bridge the gap between their strategic goals and their internal capabilities.

Most companies cannot navigate this complexity on their own. There is a direct correlation between this “readiness gap” and the growing demand for services that help your customers:

### Cut Costs

- Prevent the costly impact of unexpected outages.\*
- Unplanned downtime now costs Global 2000 companies approximately **\$400 billion annually**, equating to roughly 9% of their profits<sup>7</sup>.

### Reduce Risk

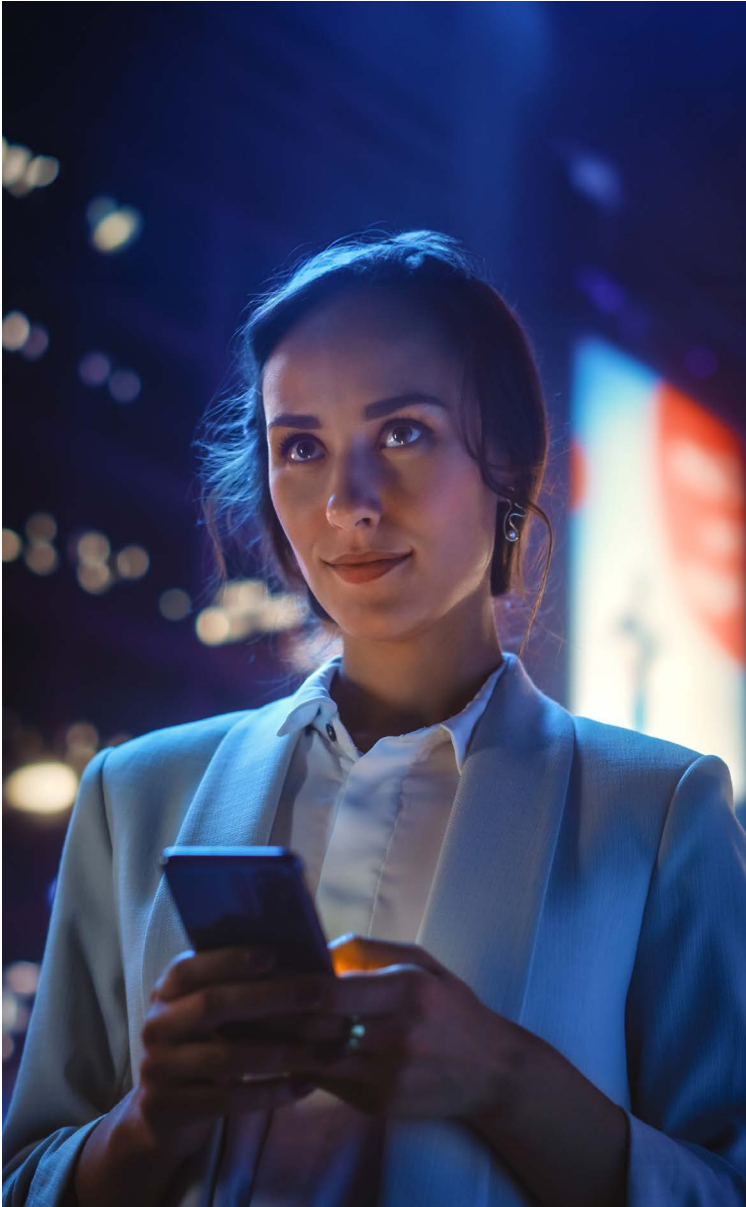
- Achieve industry compliance and harden security postures against ransomware.
- **52% of organizations that suffered a cybersecurity incident reported costs of at least \$300,000**<sup>8</sup>, with many exceeding that figure significantly.\*\*

6 [2024 Cisco Cybersecurity Readiness Index](#)

7 [The Hidden Costs of Downtime](#)

8 [2024 Cisco Cybersecurity Readiness Index](#)





### Enable Business-Ready Networks

- Accelerate digital transformation and AI readiness.
- While **89% of IT professionals plan to deploy AI workloads in the next two years, only 13% report having infrastructure that is actually “AI-ready”<sup>9</sup>.**

### Increase Productivity

- Free up internal teams to focus on revenue-generating innovation rather than maintenance.
- **97% of companies expect to increase their cybersecurity budgets in the next 12 months<sup>10</sup>** to combat rising complexity.

### Boost Confidence

- Gain 24/7 expert oversight of hybrid and multi-cloud environments.
- **The managed services market is projected to grow 12% in 2025—double the rate of the general tech industry<sup>11</sup>**—proving that buyers are voting with their wallets for external expertise.

\*Uptime Institute’s 2024 Outage Analysis Report found that over [54% of outages cost more than \\$100,000, with 16% costing over \\$1 million<sup>12</sup>](#).

\*\* Veeam’s 2024 Ransomware Trends Report reveals that victims can recover only [43% of their affected data on average—meaning they get back only about 57% of their data after recovery efforts<sup>13</sup>](#).

9 [Cisco AI Readiness Index](#)

10 [2024 Cisco Cybersecurity Readiness Index](#)

11 [MSP Trends and Predictions 2025](#)

12 [Uptime Institute 2024 Annual Outage Analysis](#)

13 [Veeam 2024 Ransomware Trends Report](#)

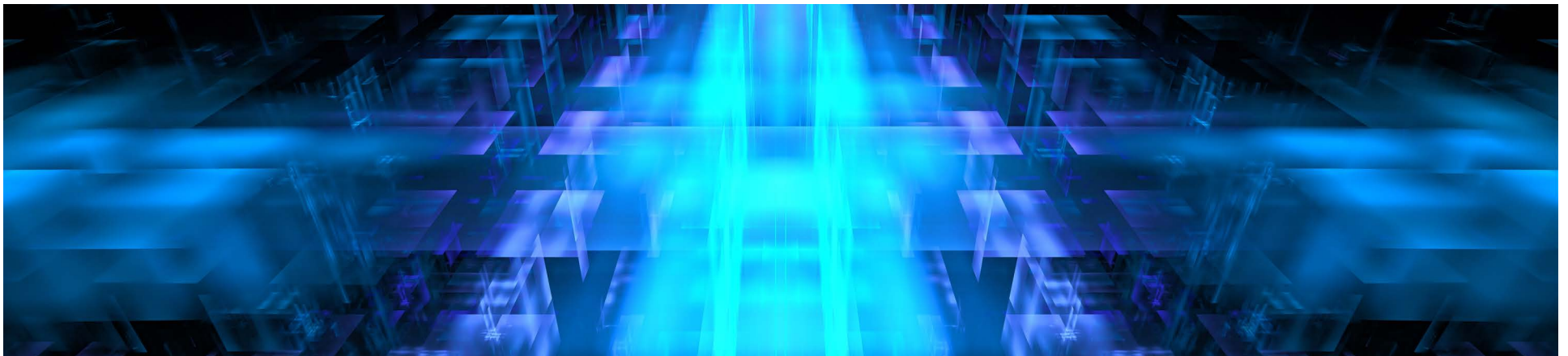
## Two Ways to Build Your Services Business Faster

**Use Cotermination to Grow Revenue Streams**—Cotermination means renewing all service contracts simultaneously. 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 contract administration and tracking.
- 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.

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 rapid responses to problems that can affect network availability and reliability.

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

[LEARN MORE](#)

	SERVICE SUPPORT CONTRACT	WARRANTY
24/7 TAC Access	✓	✗
OS Upgrades	✓	✗
Operating system software updates and upgrades	✓	✗
Online technical resources	✓	✗
Hardware replacement in as little as 2 hours	✓	✗
Proactive diagnostics and alerts	✓	✗
Renewable contracts	✓	✗

	WARRANTY	CISCO SUPPORT STANDARD
		Proactive support and advice to improve installed base
CUSTOMER NEED	— Service Capabilities —	
Advance hardware replacement	✗	✓
Cisco technical experts	✗	✓
Online technical resources	✗	✓
Software updates	✗	✓
Software upgrades	✗	✓
Optional onsite support	✗	✓
Alerts	✗	✓
Device diagnostics	✗	✓
Smart call home	✗	✓
Installed base management	✗	✓

## 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 actual 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.

### 7 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 strengthen its entitlement processes. 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 the 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 equipment failures covered by a warranty.
- If the real issue is cost, Cisco Capital can help.

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

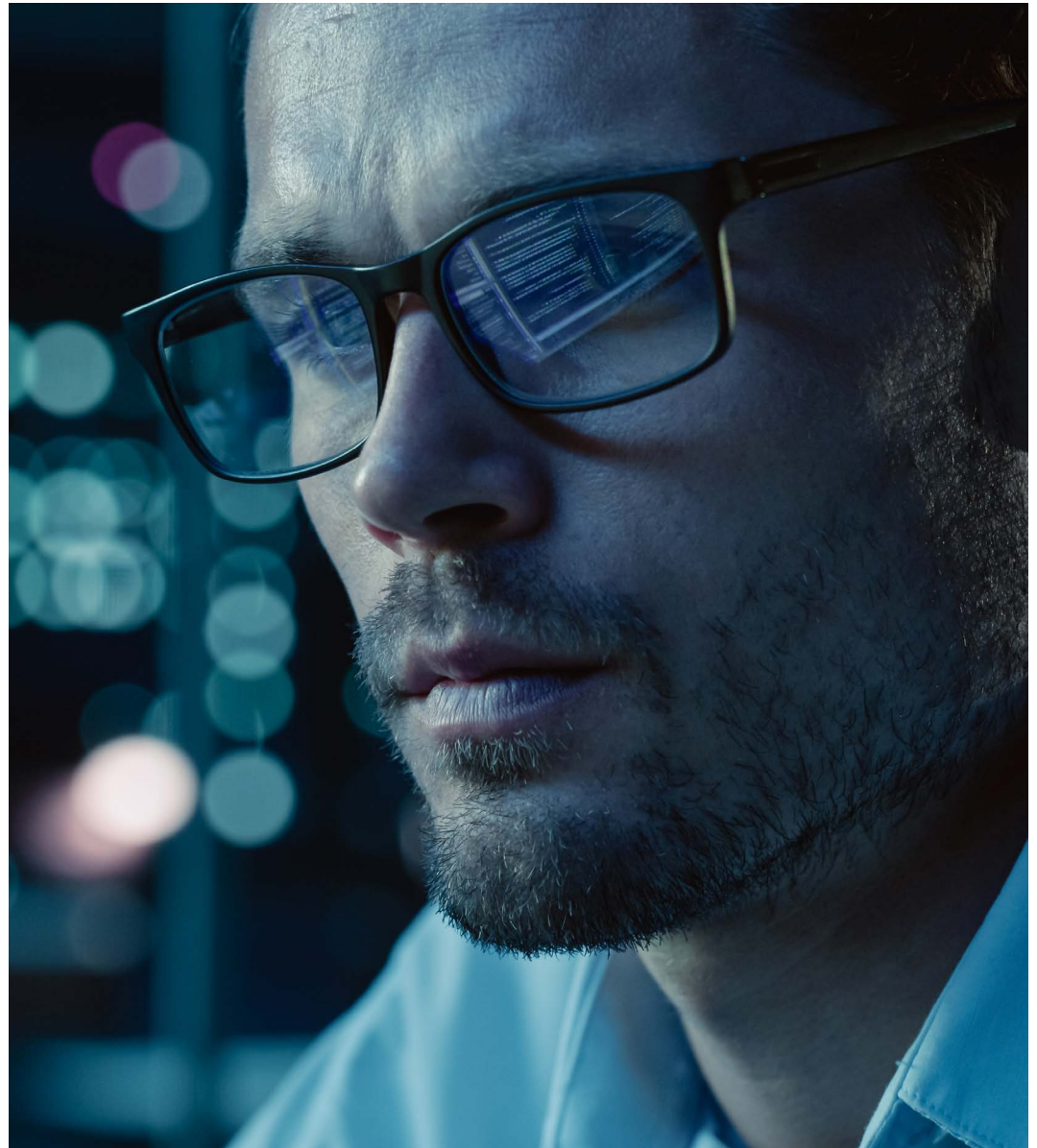
RESPONSE:

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 offers low monthly payments and can issue 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.
- If customers need support for uncovered equipment, Cisco TAC charges \$400 per hour on a time-and-materials basis.
- Customers also risk noncompliance 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:

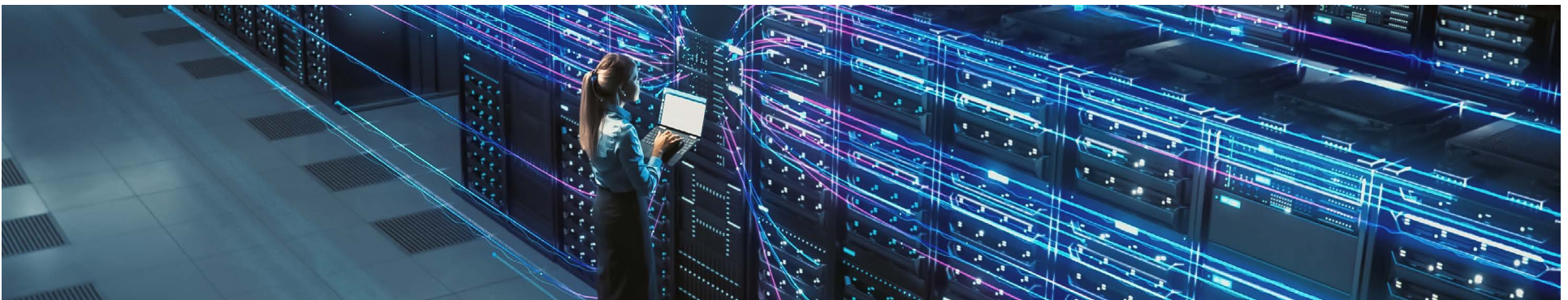
- Cisco continually enhances its entitlement processes. A service contract is the only way to ensure network coverage.

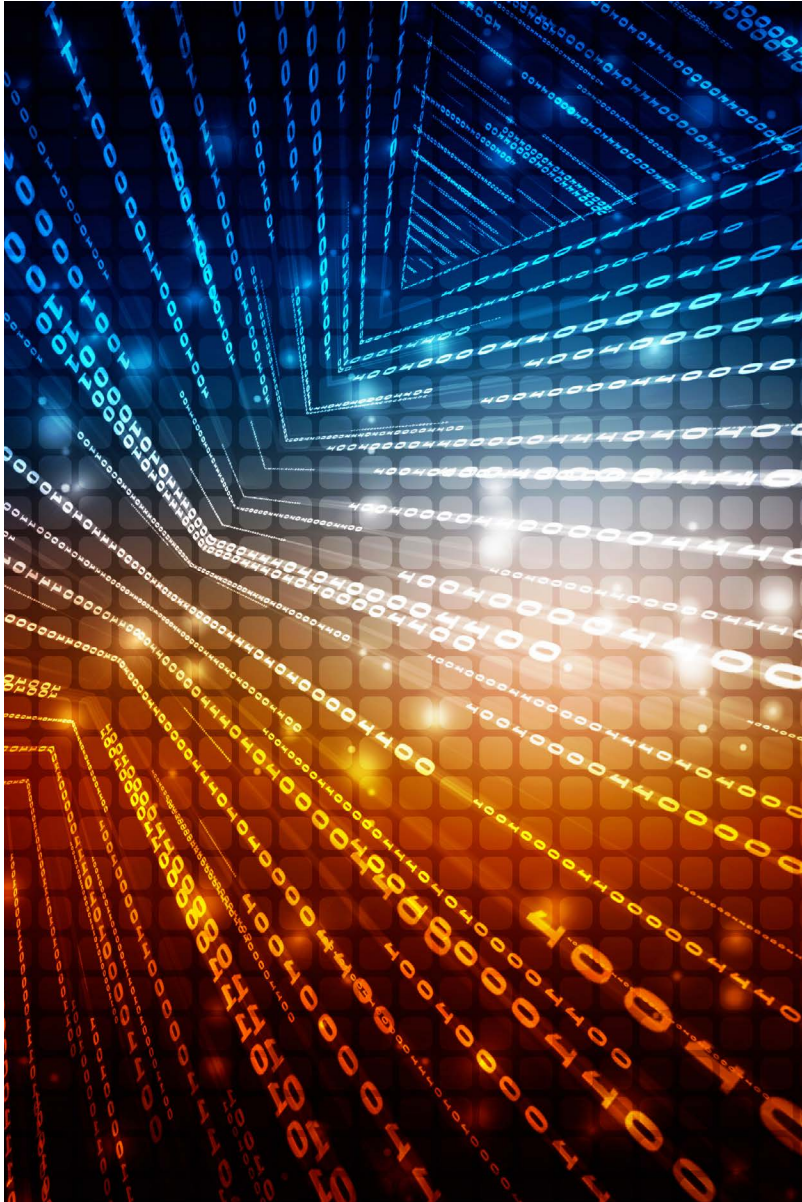
Very few customers are eligible for a sweep process. Sweeps can also result in delayed service and parts delivery when equipment isn’t registered as covered.

**Objection 7:** “I always get support from the Cisco TAC or sales engineer.”

## RESPONSE:

- Cisco continues to strengthen its entitlement processes. 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.





## Renewals are the Key to Service Providers' Success

The renewal process is an important time to emphasize the value and return on investment that services provide to your customers' businesses:

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 essential 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, stay 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 to 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. That's because fewer products have a technical service contract each year.

After 5 years, all the products you sold in year 1 are reaching the end of their lifespans.

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 and the risks they may pose to the business?

Without service, you expose your customer to competitive threats.

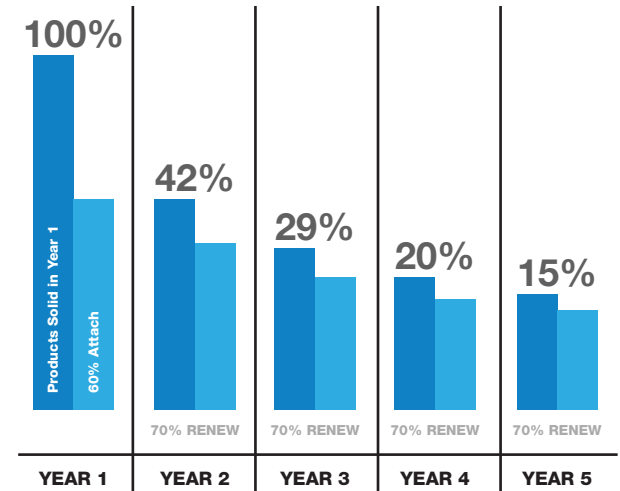
### Increase Profits with High Attachments and Renewals

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

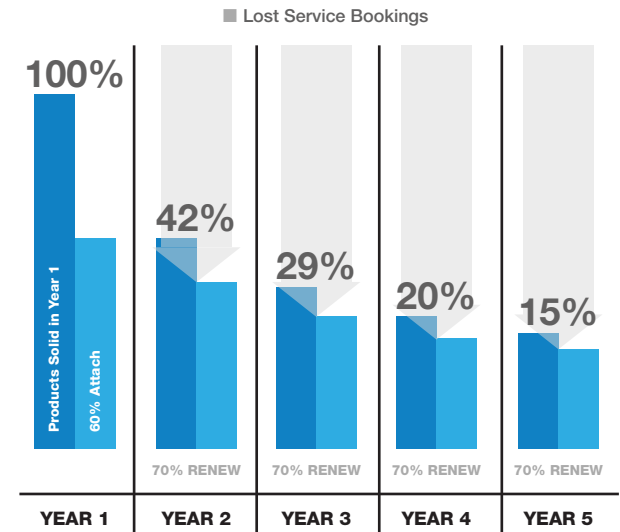
The grey arrows in the diagram show how more profit is lost every year. You can capture these lost profits by increasing your attach and renewal rates—and start selling higher-margin services by creating an efficient professional services practice. Download our Cisco renewals playbook to learn more.

**LEARN MORE**

PRODUCT VISIBILITY



PRODUCT VISIBILITY





## 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:

- **Boost Profitability:** Cisco’s new Lifecycle Pay program helps partners package high-value services with hardware, allowing customers to realize up to a **10% reduction in monthly payments**<sup>14</sup> while you secure upfront revenue.
- **Drive Recurring Revenue:** The shift to “Technology as a Service” is undeniable—**51% of Cisco’s total revenue is now generated from subscriptions**<sup>15</sup>, proving that customers predominantly prefer opex-based consumption models.
- **Capture the AI Opportunity:** With **42% of partners expecting AI to drive over 75% of their revenue in the next four years**<sup>16</sup>, financing is critical for helping customers bridge the gap between their current budget and the infrastructure they need today.

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

<sup>14</sup> [Cisco \(2024\). \*Unlocking New Opportunities: Cisco Capital’s Next Wave of Partner Innovations.\*](#)

<sup>15</sup> [Cisco \(2024\). \*Cisco Q4 2024 Earnings Report.\*](#)

<sup>16</sup> [Cisco \(2024\). \*Cisco Global AI Partners Study.\*](#)

## 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, 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 service renewals.

- **51% of Cisco's total revenue is now subscription-based<sup>17</sup>.**
- **Acquiring a new customer is 6x more expensive than renewing an existing one<sup>18</sup>.**
- **Unplanned downtime now costs Global 2000 companies approximately \$400 billion annually (9% of their profits)<sup>19</sup>.**

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<sup>17</sup> [Cisco Investor Relations \(FY24 Earnings Report\)](#)

<sup>18</sup> [Business Dasher / Industry Analysis \(2024\)](#)

<sup>19</sup> [Splunk \(A Cisco Company\)](#)

## Contact Us

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



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