



Putting People at the Center of Work: The Next Revolution in Productivity and Innovation

The Next Frontier in Collaboration: Transforming How Cisco and Channel Partners Work Together

Cisco U.S. and Canada Channels: A Case Study

Executive Summary

Cisco and its channel partners are discovering new ways of working together and with their end customers. By using collaboration technologies such as Cisco® TelePresence™, Cisco WebEx™, Unified Communications, and other Web 2.0 tools, channel partners can better meet their customers' needs for specialized expertise, personalized contact, and easy coordination. The net impact is higher productivity and deeper relationships with customers, other partners, and Cisco.

Cisco has targeted three key opportunities to build the "collaborative channel": (1) Cisco to Partner collaboration, (2) Partner to Customer collaboration and (3) Partner to Partner collaboration. This paper highlights examples of how Cisco is enabling improved connections and driving new innovations

Early indicators point to significant impact potential. For example, making Cisco's experts available to customers virtually with the Virtual Experts Program has resulted in a doubling of expert productivity and a 50 to 100 percent increase in the time spent with partners. At the same time, the program has dropped travel expenses by 65 percent, and partners have enthusiastically embraced the opportunity to add virtual interactions to existing in-person ones. Cisco has also enabled partners to form tighter partner-to-partner (P2P) communities, which is critical because over 30 percent of partner revenues stem from working with other partners.

These early success indicators show how Cisco's channel model will continue to evolve, and positively change the way people work through better technology and management approaches. Cisco is at the beginning of a collaboration journey with its partner community. The Cisco collaborative channel will become the model for how any business organization can use technology, combined with process and culture, to work more effectively and profitably with channel partners and customers.

Summary Facts

Company Name

Cisco

Industry

High technology

Business Opportunities Described in

- *Cisco to Partner* – a) extend the reach of Cisco technology specialists to meet channel partner needs, b) improve coordination and information flow between Cisco and channel partners
- *Partner to Customer* – Enable channel partners to collaborate better with their customers and partners
- *Partner to Partner* – Make it easier for channel partners to find and collaborate with each other

Technologies Leveraged

- Cisco TelePresence
- Cisco Unified Communications
- Cisco WebEx
- Web 2.0 technologies

Key Impact Results

- 100% increase in Cisco expert productivity
- 50–100 percent increase in partner engagement time by Cisco experts
- 65 percent decrease in travel expenses for Cisco
- 4.43 Cisco channel partner satisfaction on a target of 4.25
- 31 percent of partner revenues from partner-to-partner (P2P) collaboration
- Decreased carbon footprint for both Cisco and channel partners

"We collaborate together, we grow the market together, and we succeed together.... Our channel partners are an integral part of our strategy."

– Wendy Bahr
Vice President of U.S. and Canada Channels, Cisco

Part 1: Better Collaboration Means New Ways of Working Together

Cisco's strategy to develop a collaborative channel model is driven by several compelling business needs. First, Cisco's portfolio of products and services has grown significantly, and the complexity of selling and supporting those offerings has scaled accordingly. This growing profusion of solutions creates the need for more sophisticated sales-channel partnerships, and better collaboration can facilitate that kind of support.

Second, customers are increasingly demanding specialized knowledge from both Cisco and its partners. Better collaboration tools can make it much easier for Cisco and its partners to bring expert knowledge to bear, quickly and efficiently.

Moreover, customers are increasingly going global, forcing Cisco's channel partners to widen their geographic reach to serve existing customers as they deploy new services over multiple continents. Tight P2P collaboration is a key strategy that enables partners to join forces to expand their own geographic reach.

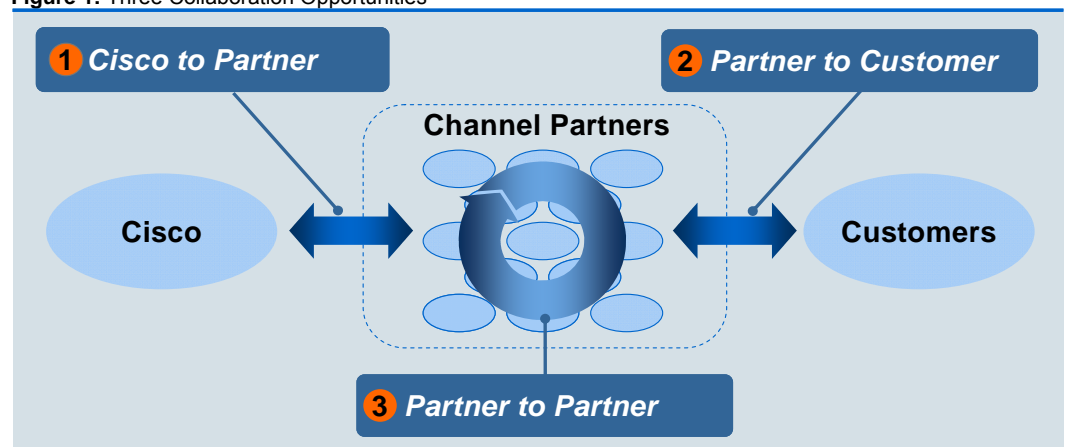
And finally, the uncertain global economic climate is challenging for business in general. Margins are under pressure at every level of the supply chain. Collaboration technologies can play a key role in helping ensure that Cisco and its channel partners have effective and efficient interactions that drive sales and still keep costs down.

Cisco identified three key opportunities where technology and new management ideas can improve collaboration between Cisco, its channel partners, and the end customers: (1) Cisco to Partner, (2) Partner to Customer and (3) Partner to Partner (Figure 1). Taken together, these three opportunities span the entire gamut of interpersonal business relationships. To embrace each of these opportunities, Cisco is leveraging its own technologies and Web 2.0 tools, and it is supporting those platforms with a suite of management techniques to ultimately change the way people work together.

"Collaboration is not just what you do inside your company... it is about changing the way you work with your partners, customers, and suppliers."

– Tracey Newell
Vice President, WebEx

Figure 1: Three Collaboration Opportunities



"The most requested resources carried the biggest territories, traveled the most, and were seeing fewer partners, which does not equate to good business sense."

– Chad Bullock
Senior Manager, Systems Engineering, US Channels, Cisco

1. Cisco to Partner Collaboration

Below are three specific examples of what Cisco Channels has done toward Cisco to Partner Collaboration:

a) Cisco Partner Space: Enabling Collaboration between and amongst Cisco, Partners and Customers

Cisco has recently deployed Cisco Partner Space, a virtual collaborative environment that enables connections and facilitates collaboration between Cisco and partners, customers and partners and among partners. Partner Space provides an “always-on” tradeshow for partners to share their wares in virtual booths, and it has 400 partner booths to date and more than 3,500 visitors per month. These booths help partners promote their company and collaborate with visitors, improving their visibility online and facilitating collaboration with Cisco and customers (Figure 2).

Figure 2: Cisco Partner Space Collaboration Tools

Cisco Partner Space

specializing in advanced

→ A collaborative environment for partners to work together to win more business.

→ Allow potential end-customers to learn about and interact with suitable partners.

Key collaboration tools in Partner Space

Partner Exchange

Partner Connect

Partner Communities

+ many more, e.g. Virtual Partner Summits, Best Practices, Discussion Forums...

In addition, Partner Space has also served as the platform for the Virtual Partner Summit. Cisco’s annual Partner Summit is the main annual event for Cisco and channel partners to connect with one another. Previously, space limitations restricted attendance to only 2,500 in-person participants. This year, Cisco expanded its reach to the broader partner community by broadcasting the Virtual Partner Summit through Partner Space, allowing more than 2,000 additional participants to see live feeds of the Partner Summit show floor, keynote speeches, and theater sessions. Cisco has added virtual access to expand participation at other summits as well. The Unified Communications team tripled the impact of its September 2008 summit, reaching more than 1,000 participants, compared to the 300 participants in person.

b) The Expert Dilemma: Extending the reach of the highly valued pool of Cisco experts to meet the unique needs of more channel partners

Cisco Systems Engineers (SEs) are in hot demand: they are skilled and valuable problem solvers with deep technical expertise to help channel partners. Compounding the high demand for their time is the fact that so much of their work historically is accomplished on-site, which means that they spend a lot of time just getting from one place to another. These most valued experts can spend up to 70 percent of their time traveling, leaving very little time for actually working face-to-face with partners. All that travel is grueling as well as time consuming, and it is also unsustainable in the long run.

Collaboration technologies offer a more effective way to scale up the availability of SE expertise. With the Channels Virtual Experts program,¹ Cisco makes available an expert team of highly specialized SEs, based all over the United States, via Cisco technologies such as TelePresence and WebEx (Figure 3). Results have been highly positive (Figure 4), as SEs can now quickly resolve partner issues virtually while increasing partner coverage, reducing travel, and improving work-life balance for themselves. Says one channels SE: “I finally have the time to take care of my health...I have lost 40 pounds since joining the Virtual Experts team!”

Figure 3: Channels Virtual Experts Program: “Schedule an Expert”

Situation: In-person meeting between Cisco channel account manager (CAM) and channel partner’s 60-person sales team; sales director raises critical question on a product feature

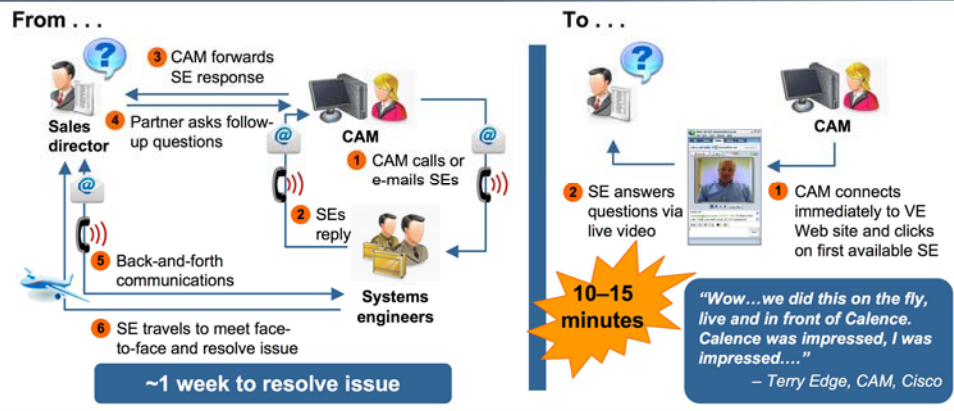


Figure 4: Channel Virtual Experts Program Results



SEs are also instrumental in Cisco’s ongoing efforts to provide education to partners and customers. By using WebEx to remotely control their computers, SEs train partners by walking through the steps “live.” Cisco also launched a highly successful online Seminar Series covering key topics related to Cisco products and services. With this series, Cisco can now target a much larger audience, and partners can replay the webcasts at their convenience when they need to review the content. These webcasts have captured more than 7,000 viewers in the first nine months, with 150 to 400 participants viewing any one seminar.

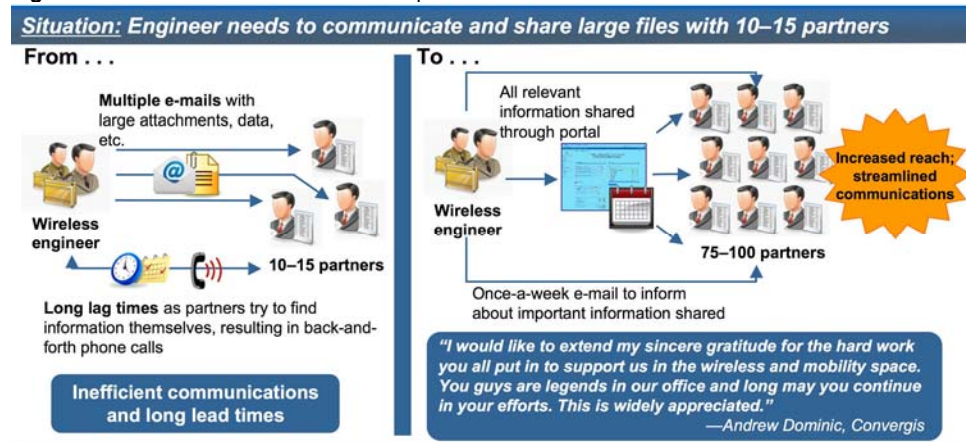
¹ The Virtual Experts program has been in place for a year. Results highlighted are the effect of one year’s implementation. The team evaluated the impact by counting the number of interactions based on calendar assessments of scheduled meetings for prior quarters to establish the baseline.

c) Keeping Partners in the Loop: Improving the coordination and flow of information between Cisco and partners

Communicating with thousands of partners efficiently is extremely challenging. Although Cisco wants to help ensure that all partners are well informed, it is not resource-effective or even necessary to invite all partners to large “in-person” events or to send a large volume of emails to keep them up-to-date. Collaboration technologies offer alternatives that can streamline communications and encourage more use of high-quality virtual communications, ranging from high-definition videoconferencing to online workspaces, wikis, and discussion forums. Cisco and channel partners have seen significant benefits from implementing these technologies to make information flow more effectively.

Cisco’s Wireless Partners Collaboration Workspace is another successful initiative that has improved collaboration between Cisco and channel partners serving wireless customers (Figure 5). This portal is based on WebEx technology and has nearly 1,600 members, representing 355 partners across 22 countries. Cisco engineers use the workspace to share documents, post announcements, send event reminders, and facilitate discussions with partners. Partner satisfaction with the portal is overwhelmingly positive, with more than 74 percent of partners polled rating the workspace as “very good” or “excellent.”

Figure 5: Wireless Partner Collaboration Space



Cisco has also tapped its TelePresence videoconferencing technology to implement virtual quarterly business reviews (QBRs) with more than 50 channel partners. Previously, the difficult logistics of gathering Cisco and partner executives together in person on a quarterly basis resulted in spotty attendance. Today, virtual QBRs allow executives to collaborate “live” on a regular basis to discuss critical development planning concerns without the accompanying travel costs and scheduling conflicts. Not surprisingly, attendance at these sessions has increased markedly, and feedback suggests that participating partners are extremely satisfied with the virtual high-touch model.

2. Partner to Customer Collaboration

Adding Customers to the Collaboration Equation: Enable channel partners to collaborate better with their customers and partners

Just as Cisco and its partners have benefited from more sophisticated collaboration methods and technologies, bringing end customers into the collaboration loop as well can create a virtuous cycle that steers future business back to Cisco and its partners, rather than letting it leak away to competitors. Put simply, good collaboration is a great sales tool.

Partners have also used Cisco’s own collaboration technologies with great success. Nexus is a premier provider of Cisco’s Unified Communications solutions and has heavily integrated Cisco’s collaboration tools into the way that it works both internally and with customers. By employing technologies such as Cisco TelePresence, WebEx, and Unified Communications, it has enabled increased sales, reduced travel costs, increased productivity, and enhanced quality of customer service (Figure 6). In fact, Nexus conservatively estimates that the travel expense avoidance will justify the total deployment cost of TelePresence in less than three years. In addition, Nexus’ use of WebEx with its customers has served as a sales tool in itself, as customers themselves have been inspired to deploy WebEx to virtually run internal meetings and scale their own internal expertise.²

Figure 6: Case Example: Nexus



Finally, Cisco has also created online communities such as Netpro and the Customer Advocacy (CA) wiki, and both have been huge hits. These online communities act as gathering places for Cisco, partners, and customers where they can share suggestions and information about Cisco’s solutions and technologies, as well as pose questions on critical issues to which they need a prompt response.

² More details on the Nexus TelePresence deployment can be found in the Nexus report titled *TelePresence Case Study*.

3. Partner to Partner Collaboration

Making it easier for partners to find each other and collaborate

One of the most effective ways for partners to drive revenue, extend their geographic reach, add competencies, or expand their portfolios of business solutions is to actively collaborate with other partners (P2P collaboration). Identifying the right partners with the right expertise across the dispersed network of partners and geographies is daunting. Most channel partners rely primarily on prior relationships or informal oral communication, but this limited exposure is often insufficient, especially in competitive customer situations.

Being able to perform these actions effectively is increasingly important for driving business in uncertain times, and the numbers bear this out (Figure 7). Cisco's research indicates that 31 percent of channel partner revenues stem from P2P collaboration, and this is growing rapidly at 15 percent per year. Channel partners on average work with eight other partners regularly, and the impact has been impressive: 78 percent of channel partners were able to win larger projects, 75 percent acquired new customers, and 74 percent increased revenue.³ Cisco channel partner Netera Networks, for example, attributes a 38 percent increase in revenues, and US\$3 million to US\$4 million of additional revenue in the pipeline to P2P collaboration (Figure 8). Netera has also enjoyed other benefits from using collaboration technologies internally and with customers. The use of WebEx with partners and customers yielded a 20 percent jump in engineering productivity, significantly reduced customer issue resolution times, and resulted in higher customer and employee satisfaction.

Partner Exchange is a profile search tool within Partner Space that enables quick and easy searches for partners by business focus, geography, and technology expertise. With more than 1,000 profiles to date and 8,500 expected by the end of next year, Partner Exchange can reduce the time that it takes to find another channel partner from several days to several minutes.

Figure 7: Partner to Partner Collaboration Results

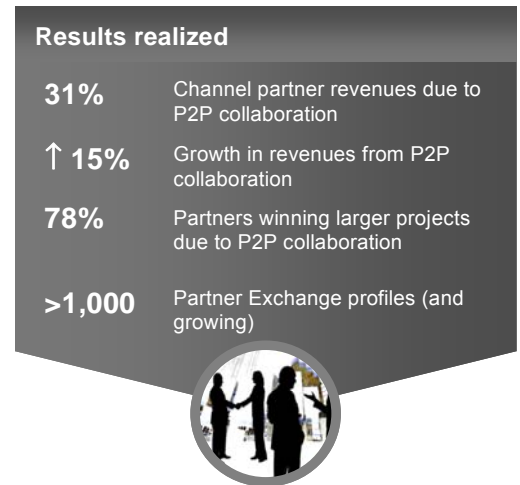
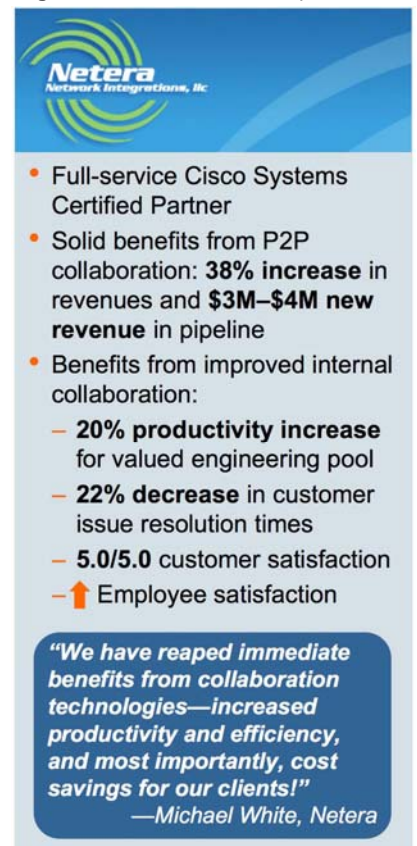


Figure 8: Netera Case Example



³ Results are from a research study commissioned by Cisco and conducted by Illuminas Research in January 2008. Cisco has also authored two white papers on P2P collaboration, titled *Partners: Growing and Winning Together* and *Building Effective & Sustainable Partnerships*, which provide more detail on the impact of P2P collaboration and best practices to make it work.

As a leader in the market, Cisco strives to provide our customers and partners the best possible collaborative experience. A key way we accomplish this is with the Cisco Partner Locator, which offers the most advanced features (Figure 9) in the industry and which has become the most utilized tool at Cisco.

Figure 9: Cisco Partner Locator Features



Enabling technologies



Cisco TelePresence



Cisco Unified Communications



Other Web2.0: discussion forums, blogs, wikis, visual networking, social networking



With more than 40,000 visitors per month, the Partner Locator offers an easy way to connect customers and partners. Through an easy to navigate interface, customers can search for key words or phrases. Utilizing a state-of-the-art engine, the tool maps those terms into partner's skills. The end result is a list of partners that best match customer needs from a geographical, technical and skillfulness perspective.

Part 2: Making Collaboration Technology Pay Off

Great technology is a crucial tool for improving collaboration. Cisco and its channel partners have a built-in advantage because collaboration technology is a key component of the products and services that they sell.⁴ But that great gear must also be tailored to the particular organization and accompanied by effective change management so that it is embraced by the people who will benefit from it the most. Cisco's own experience of managing change can serve as a strategic roadmap of the key aspects to focus on to ensure the full potential of collaboration is realized.

Managing Change

One hallmark of effective change management is the ability to recognize when the benefits afforded by new technologies can be further amplified by changes in business processes. Equally important to the success of new technologies and business processes is the enthusiastic adoption of them across the organization. This is particularly true when one organization is attempting to change how it collaborates with other organizations. Cisco methodically focused on meeting this challenge in five areas:

Build initiatives based on partner feedback. Cisco regularly engaged partners to ascertain their collaboration needs and get their invaluable feedback on how to work together more effectively. Multiple advisory boards, spanning the breadth of the partner community, served as a regular avenue for Cisco to engage partners on issues that are critical to them. In addition, to identify the best practices for P2P collaboration, Cisco polled more than 1,300 customers and nearly 500 Cisco channel partners across 12 countries, and engaged more than 40 partners in focus groups to gauge needs on a more personal and direct level.

⁴ Appendix 1 contains a further description of the technologies Cisco used to enable collaboration.

Provide strong role modeling and reinforcement of new methods. Cisco employees lead by example, using collaboration technologies when working with the channel so partners can experience their effectiveness firsthand. Rather than conduct conversations via conference calls, Cisco set up web conferences with partners, so that they could seamlessly share documents. In addition, face-to-face sessions with partners were held via high definition video conferencing (leveraging Cisco offices), showcasing the power of virtual collaboration.

Encourage early adopters and grassroots efforts. Cisco employees were encouraged to develop their own new ways of collaborating with partners. For example, the Wireless Web Collaboration Portal came about when one systems engineer wanted to find a better way of communicating with his focus partners. Cisco also showcased partners who have championed the collaboration initiatives by sharing videos of these partners on their website.

Match structural changes to the new collaboration workflow. The success of the Virtual Experts program was due to both the strength of the enabling technologies and the fact that teams were organized specifically to support the program. The participating Systems Engineers were pulled out of their usual area teams and centralized at a theater level so that they could work across all regions.

Measure performance and provide incentives to drive results. Cisco offered a spectrum of incentives to drive adoption of the partner collaboration tools, ranging from soft incentives such as recognition of participation to hard incentives such as the Solution Incentive Program, which provides additional discounts on associated products. In addition, the Channels organization actively measured the participation and use of its collaboration tools to identify programs that work. Cisco will continue to develop and refine these metrics and incentives to encourage wider adoption and to reward good ideas.

The Collaboration Payoff and Way Forward

The imaginative application of powerful technology, along with diligent yet flexible leadership, can yield surprisingly quick payoffs from technology-enhanced collaboration and provide unique benefits to every constituency in the chain (Figure 10). Benefits include enhanced productivity, lower travel costs for all parties, improved employee morale, better partner and customer satisfaction, and more intimate business relationships that generate more return business and higher revenues.

Figure 10: Summary of Key Benefits From Improved Collaboration

Cisco	Channel partners	Customers
<ul style="list-style-type: none"> ↑ 100% increase in expert productivity ↓ 65% decrease in travel expenses ↑ 2-3 times extended reach to broader partner community ↑ Increased sales (~50% more observed in one example) ↑ Greater employee satisfaction ↓ Smaller carbon footprint 	<ul style="list-style-type: none"> ↑ 31% increased revenues from P2P collaboration ↑ 20% improvement in partner productivity (example observed by one channel partner) ↑ Enhanced partner satisfaction ↓ \$370K per year of travel avoidance (example observed by one channel partner) 	<ul style="list-style-type: none"> ↓ Reduced issue resolution cycle times (from a few days to a few minutes) ↑ Improved quality of service from Cisco and partners ↑ Enhanced customer satisfaction from offerings and service provided ↑ Greater connectivity with channel partners and Cisco

No doubt, the people on the front lines of the business will continue to evolve their behaviors to identify new ways to use collaborative technologies to work more effectively together. Cisco is committed to working closely with channel partners and being at the forefront of innovations in collaboration.

Appendix 1

The following is a breakdown of the key technologies that Cisco and its partners are employing in various ways to improve how they work together and with end customers:

Cisco TelePresence. This high-definition videoconferencing technology can be used to facilitate more frequent virtual face-to-face encounters among key people; it can broaden the audience for special meetings and provide other new opportunities for high-quality interaction. TelePresence is what Cisco uses to hold high-quality virtual quarterly business reviews with partners, the Virtual Experts program, and other important day-to-day Cisco-partner meetings and discussions.

WebEx. This family of versatile, web-based conferencing and collaboration technologies, which can be accessed with an Internet browser, enhances Cisco's remote interactions with its partners in a multitude of ways, even enabling SEs to take control of a partner's system to troubleshoot issues directly. WebEx also has the ability to support webcasts and other advanced meeting capabilities such as polling. **WebEx Connect**, which provides shared workspaces and cross-organization instant messaging, is the foundation communications architecture for Cisco's Partner Connect program.

Cisco Unified Communications. The Cisco Unified Communications suite plays a critical role. The lightweight, desktop videoconferencing capability via the integrated Cisco Unified Video Advantage (CUVA) solution allows Cisco employees to be spontaneously "dialed in" to join discussions with partners for virtual face-to-face problem solving. In addition, capabilities such as presence, mobile communications, and call processing enable Cisco employees and channel partners to reach the right person right away.

Web 2.0 tools. Other industry standard tools for hosting discussion forums, wikis, VoDs, blogs, and other social networking utilities round out the suite of collaboration technologies, and they provide the underpinnings for Partner Space, Partner Exchange, Partner Community, Netpro, and the CA wiki.

Appendix 2

Contributors to This Document

This effort to document the collaborative innovations in the Channels department was sponsored by Donna Rhode, Vice President of U.S.-Canada Sales Planning and Operations, and Wendy Bahr, Vice President of U.S.-Canada Channels. The project was led by Earl Culver and Susan Bouchard.

We would like to thank the following contributors to the effort (in alphabetical order): Cisco and WebEx: Annette Blum, Pat Bowler, Matthew Brandt, Chad Bullock, Brian Carrier, Caroline Casey, Roxanne Edwards, Roman Ferrer, Greg Gall, Allison Godwin, Kevin Hanahan, Akbar Hasan, Allyson Husted, Robert Lara, Daniel Liu, Arnie Lopez, Lynn Lucas, Karen Mangia, Koushi Merchant, Sheridan Murphy, Tracey Newell, Vic Nunes, Sara Perry, Kristyn Potter, Michelle Robbins, Susan Roux, Andrew Sage, Wes Simpson, Traci Soward, Patrick Stark, Robert Taylor, Cindee Teer, Lang Tibbils, Luanne Tierney, Denny Trevett, Virgilio Vargas and Chantal Weedman. Convergis: Andrew Dominic. Netera Networks: Chris Scott and Michael White. Nexus: Dave Eisner.

Other Relevant Material

- P2P collaboration white paper I—*Partners: Growing and Winning Together* (Cisco, 2008)
- P2P collaboration white paper II—*Building Effective & Sustainable Partnerships* (Cisco, 2008)
- *TelePresence Case Study* (Nexus, 2008)



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