



Partnering Strategies

Relationship Building to Win

Steve Harmon

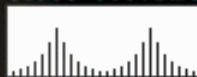
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CISCO SYSTEMS



Partnering Perils

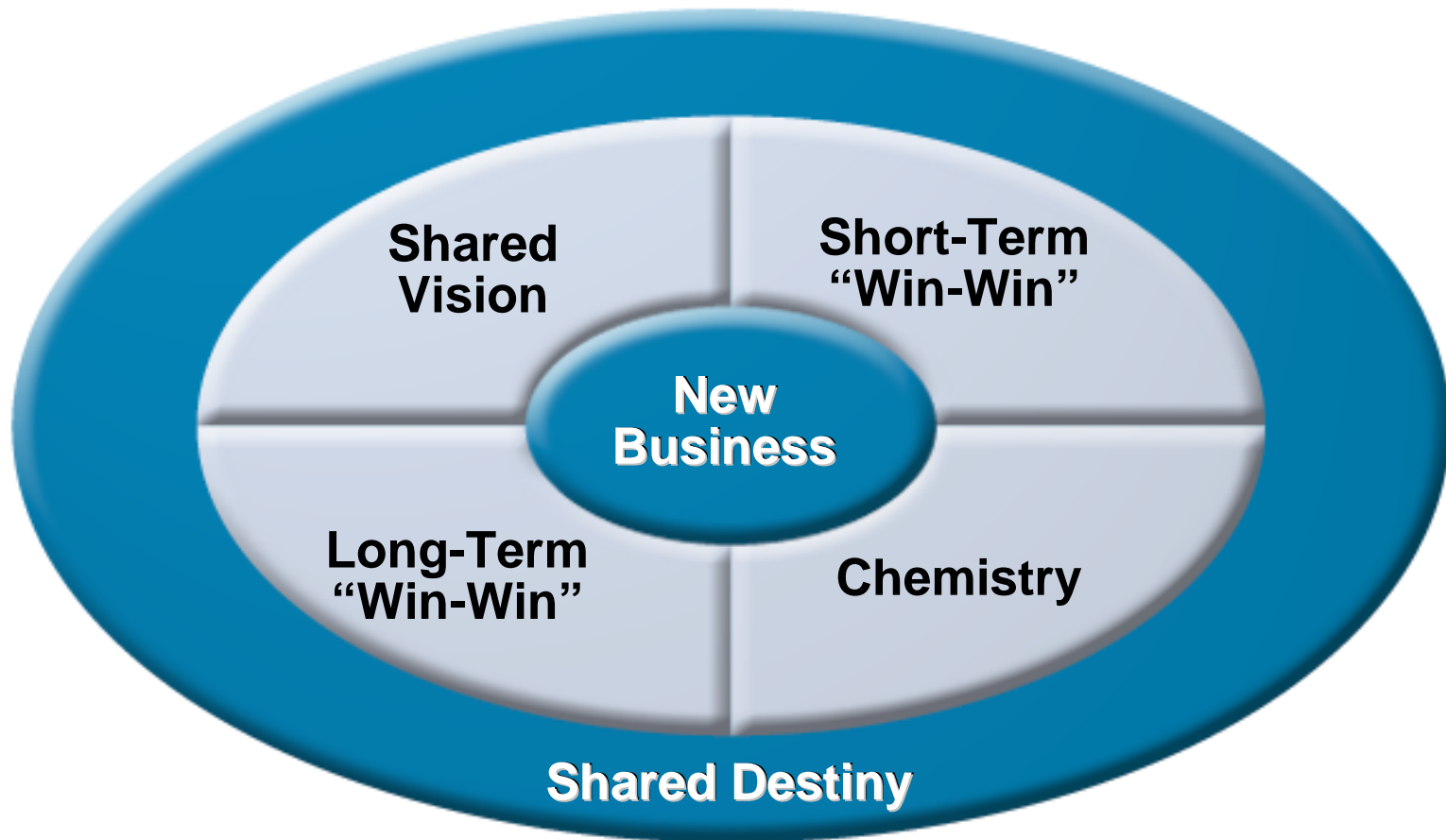
“

Managing strategic partnerships with no specific whole product in view is not a bad strategy, it is dreadful

”

**Geoffrey A. Moore
Inside the Tornado**

Ecosystems



Agenda

- **Alliance Strategy**
- **Alliance Management**
- **Challenges**
- **Examples**



Alliance Strategy

Strategies for Creating Growth Opportunities

- **Increasing Primary Demand**
- **Alliance Breakaway**
- **Entering New Tornado Markets**
 - **Inflection Points**
 - **Technology**
 - **Regulatory**
 - **New Buyer Groups**

Tornado Markets



Optical



Streaming
Media



Wireless

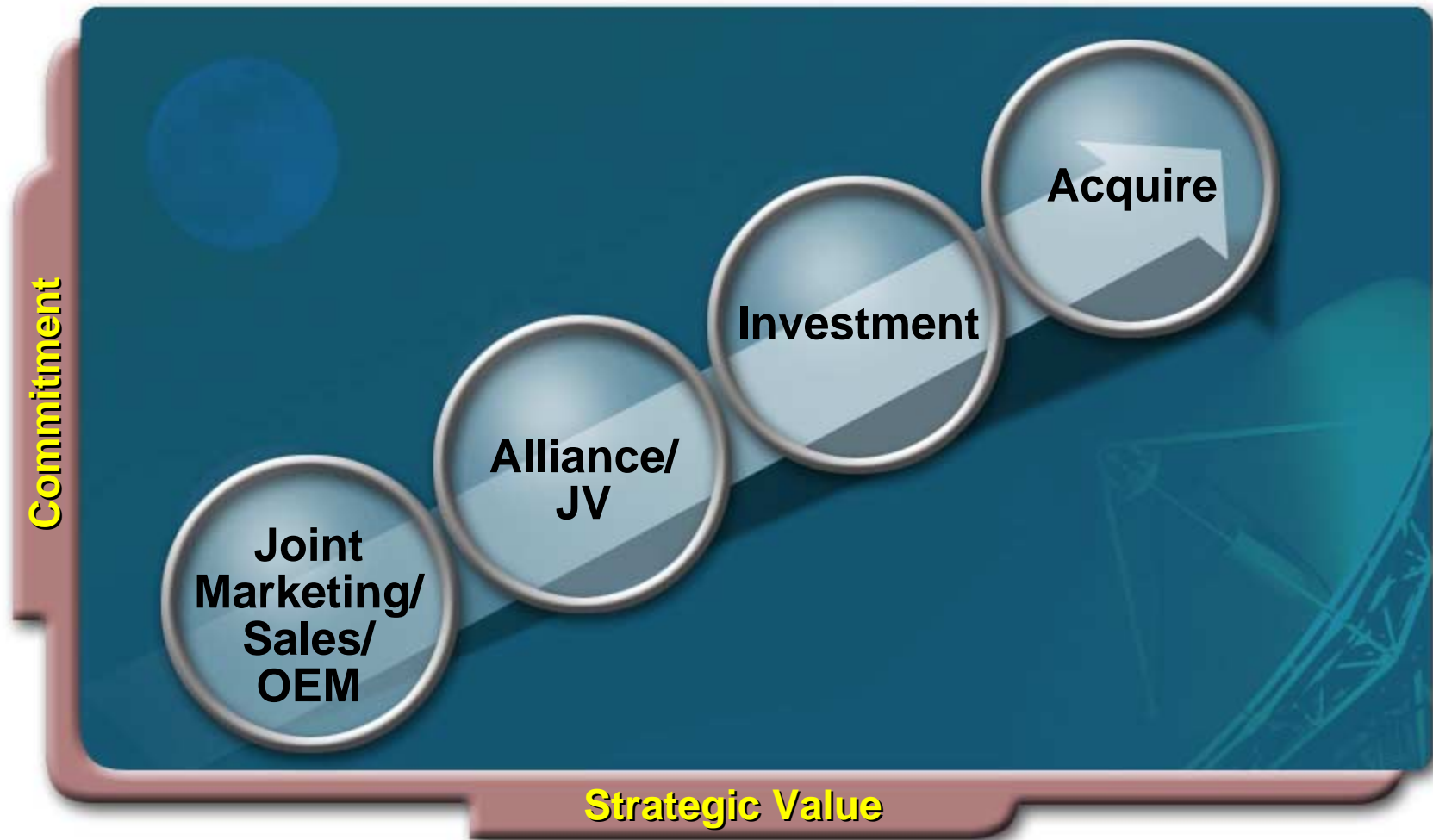


VoIP



Storage
Area
Networks

Strategic Growth Tool-set



Cisco Strategy

Cisco IOS™



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Ecosystems

- **Dynamic alliance linkages**
- **Focus on horizontal business model**
- **Shared knowledge accelerates multi-partner solution integration**
- **New solutions delivered to market faster**

Strategic Alliances Value

Value was created by developing interoperability and links between different technologies



Value is now created by linking best-of-breed alliances to develop ecosystem solutions which rapidly accelerate market adoption

Cisco Is Uniquely Positioned to Create and Manage These Links

Customer Value

- **End-to-end solution offering**
- **Faster time to market**
- **Best-of-breed solutions from industry leaders**
- **Reduced total cost of ownership**



Alliance Value

- **Wider audience reach**
- **Faster time to market**
- **Increased revenue, decreased costs**
- **Higher customer satisfaction**





Alliance Management

Objective

- **Leadership role in partnering vision and direction**
- **Success is determined by market impact of entire partnership lifecycle**
- **Create lasting/long-term value**

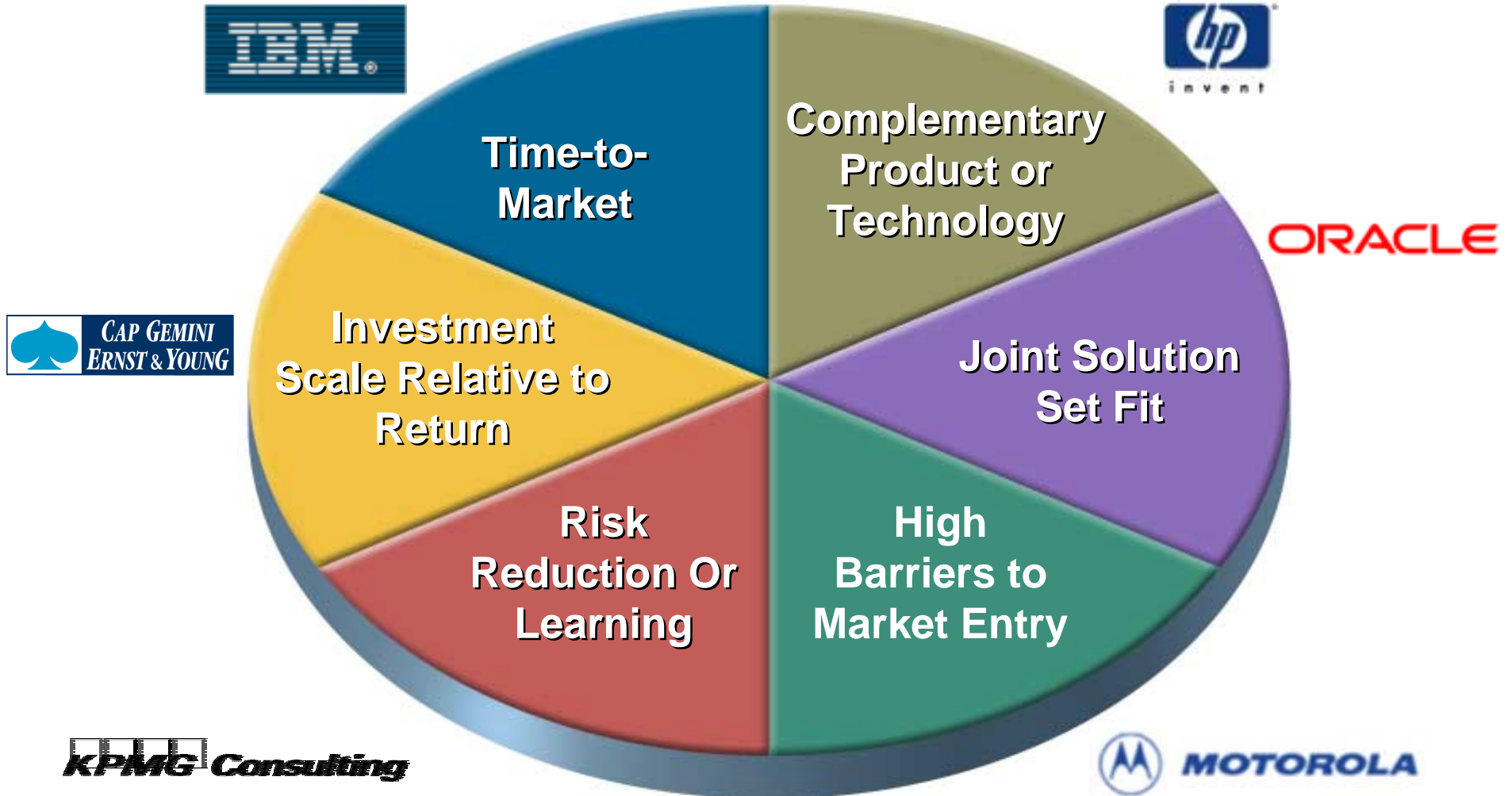


Strategy

- **Leading proponent of partnering objectives**
- **Process leadership to Alliance peers beyond transaction and through partner lifecycle**
- **Provide business success metrics**



Why Alliances



Alliance Framework Criteria



Measuring Success

- **Expansion of market and resource coverage**
- **Growth in new and emerging markets**
- **Customer, alliance, and field satisfaction**
- **Revenue growth**





Challenges

Challenges



Misaligned or Poorly Understood Goals

Organizational Structure to Implement

Lack of Short-Term Wins

Focusing on Each Other Instead of
Competition or the Customer

Too Great of Cultural Gap

Too Much Imbalance

Lack of New
Initiatives and
Evolving Goals

A man in a white shirt and dark tie is holding a long, curved object, possibly a cable or a pipe, against a blue background. The object is curved in a large arc, and the man is standing on a dark, curved surface. The overall scene is monochromatic with shades of blue and black.

Examples

HP Relationship



**Fill Out Solution
Delivery Model**

**IP
Networks Expertise**

**Better Understanding of
Customer Problem and
Executive Positioning**

New Services Packaging

**Partner to Pursue
New Markets**

**Critical Account
Penetration**

**Future
Technology Sharing**

**Future
Technology Sharing**

Operating Structure



Motorola Relationship



Knowledge about Wireless

**Knowledge about
IP and Packets**

**Leverages Core Investment in
Packet Technologies and Technical
Support Infrastructure with
Maximum Upside**

**New World Networks
Services Business**

**Block Vertically
Integrated Competitors**

**Block Vertically
Integrated Competitors**

Global Integration Partner

Global Logistics Capability

**Overcome Patent Barriers to Entry
and Lead on Contractual Liability**

**Support in Financing
if Critical**

Operating Structure



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Cap Gemini Ernst & Young



**Fill Out Solution
Delivery Model**

**Preempted Competitive
Take-Out and
Assure Capacity**

**Strong SPLOB/EMEA and
eBusiness US Presence**

**Better Understanding of
Customer Problem and
Executive Positioning**



**IP
Networks Expertise**

**Early Access to New
Technology for Practice
Development**

**Global Cisco Demand Creation
and Customer Base**

New Services Packaging

Operating Structure



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Summary

Partnering Critical to Success

Delivering on Customer Needs

Win-Win Strategy

Time To Market

Investment

In the 80's it was companies that had effective internal product development.

In the 90's it was companies who could mix internal development with the ability to effectively acquire and integrate.

In the new millennium it will be those companies that can do the above and effectively partner.



**John Chambers
CEO
Cisco Systems**

CISCO SYSTEMS



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INTERNET GENERATIONSM