



# Cisco Advisory Services



# Cisco Negotiations and Relationships are Challenging

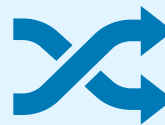
## Upward Price Pressure

- List price increases
- Discount erosion
- Inflationary pressures on pricing
- Pressure to purchase incremental product support to address fragile Cisco products and software



## Divergent Range of Products and Services

- Ever-changing Cisco product names
- Overlapping Cisco products
- Many product options to navigate
- Multiple support and maintenance options



## Complicated Enterprise Agreements

- Inconsistent pricing structures
- Unclear license / usage meters
- True-forward / True-up issues
- Lack of unit pricing transparency
- “Standard” contracts with linked URLs that hide the real deal terms
- Weak non-performance remedies



## Nebulous VAR Relationships

- Hidden mark-ups
- Limited to no actual “value added”
- VAR and Cisco finger pointing
- Lack of Cisco accountability



## Difficult Negotiations

- Dealing with Cisco’s sophisticated career negotiators
- Tactics that undermine your negotiation position
- Dividing and conquering your stakeholders



## Financing Arrangements

- Hidden financing costs
- Unclear relationship between multiple contracting parties
- No link between service performance and right to payment



**Our experience and expertise give you the upper hand in your negotiations ►►**

# Methodologies and Expertise to Level the Playing Field

## ***Assess and Strategize***

- Develop a comprehensive accounting of the entirety of your Cisco spend, products and services
- Review and assess your existing Cisco contractual arrangements
- Identify the pain points in your existing Cisco relationship
- Assess strategic alternatives to Cisco, for competitive tension
- Develop a negotiation strategy, targets and plan

We deploy expert Cisco negotiation consultants, to develop negotiation strategies customized to your unique position

## ***Negotiate***

- Instigate a formal and rigorous negotiation process
- Develop negotiation documentation with clear and precise expectations and requirements for Cisco
- Support/lead the negotiations with Cisco as you prefer
- Provide executive-level evaluations of Cisco proposals and negotiation messaging

Our negotiation veterans bring battle-hardened sourcing and negotiation methodologies and techniques

## ***Contract***

- Work with you and Cisco to develop and negotiate the necessary contract documents, such as master purchase agreements, letter agreements, enterprise licenses, enterprise-wide portfolio agreements, master services agreements, etc.
- Negotiate accompanying VAR contracts and financing terms to fund advanced purchases as required

We deploy lawyers that have deep expertise in Cisco contract practices, structures and negotiations



## Cisco Negotiation Successes

### Dual sourcing strategy for Cisco plus VARs

- TC2 was engaged to develop and execute a dual sourcing strategy with Cisco and various channel partners. This involved:
  - Extensive renegotiation of the client's relationship with Cisco, spanning Smart Net, BCS support, software licensing and product discounts
  - Full turnkey RFP process for Value Added Reseller (VAR) services/vendors
- The business outcomes included:
  - Significantly higher Cisco discounts, multi-million savings on Smart Net, BCS support re-aligned with business priorities and new software EAs delivering additional 7-figure savings
  - Optimized to zero mark-ups for Cisco products; key VAR SLAs—with credits—for quoting, ordering, delivery and project services; a competitive project services rate card

### Enterprise-Wide Agreement

- After negotiations, client and Cisco agreed on the high-level tenets of a five-year “Whole Portfolio Agreement” (WPA)
- The scope of the WPA included a wide range of software, software maintenance, cloud/SaaS services, security services and tooling. In addition, the scope included preferential hardware purchase discounts, hardware maintenance as well as a custom dedicated team of support personnel
- TC2 and LB3 were engaged to lead the development and negotiation of the complex and custom WPA contract documents on an expedited timeframe plus accompanying paperwork with the reseller agent for the WPA, the associated financing arrangements

“

I wanted to thank you both for all the work you've done for our organization over the years, but especially on the Cisco WPA. Your expertise and knowledge of our organization proved invaluable once again, and while we didn't get a 700 plus page agreement done in four days, there's no one that could have done it better (or faster).

—Assistant General Counsel

”



# TC2 & LB3 + Cisco Health Check Service

## Sample Statement of Work

Activities		Fixed Fee
<b>Proposed Approach</b> <ul style="list-style-type: none"> <li>• TC2 and LB3 will work with you to comprehensively capture and document all facets of your existing relationship with Cisco: <ul style="list-style-type: none"> <li>• Collect, analyze and summarize details of your Cisco products and services, including current spend</li> <li>• Collect, review and summarize your current contractual arrangements with Cisco, including your approach to capturing Cisco pricing/discounts and terms in contractual documents and arrangements (e.g., master purchase agreements, side letters, strategic relationship agreements)</li> <li>• Review your VAR arrangements for purchasing Cisco products</li> <li>• Catalog the existing renewal dates for your Cisco services, subscriptions and support</li> <li>• Hold sessions with your key stakeholders to understand any existing pain points, concerns and known opportunities that you wish to address</li> <li>• Review any in-flight proposals that you have from Cisco</li> </ul> </li> <li>• Based on the information gathered, TC2 and LB3 will: <ul style="list-style-type: none"> <li>• Compare your key product discounts to market</li> <li>• Assess opportunities and gaps in your existing contractual arrangements with Cisco and compare your arrangements to market best practices</li> <li>• Develop approaches, recommendations and negotiation strategies for engaging with Cisco and targeting the identified improvements</li> </ul> </li> </ul>	<b>Deliverable:</b> <ul style="list-style-type: none"> <li>• The review, activities and analysis described at left will be compiled and documented in a “Cisco Health Check Report” (a management-orientated PowerPoint document) that will: <ul style="list-style-type: none"> <li>• Document and summarize the review and assessment described above</li> <li>• Propose specific recommendations to address the identified pain points</li> <li>• Provide recommendations to implement a more rigorous contractual disposition with Cisco</li> <li>• Present the recommended Cisco engagement and negotiation strategy</li> </ul> </li> <li>• Once the draft Cisco Health Check Report has been provided to you, we will review the report with your appropriate stakeholders, and update the report to reflect your input and feedback</li> </ul> <b>Assumptions:</b> <ul style="list-style-type: none"> <li>• You will provide (or facilitate Cisco or your VARs providing) the reasonable information and support necessary for us to perform the described services (e.g., current contracts, Cisco spend, and services information)</li> <li>• A maximum of two iterations of the Cisco Health Check Report will be provided (i.e., the original draft, plus a final version following receipt of your input)</li> </ul>	<p><a href="#">Contact us to learn about our pricing for the Cisco Health Check Service</a></p>

The example Approach and Deliverables outlined above can be fully customized and augmented to meet your specific needs and required scope.



# Our Formal, Rigorous Approach to Cisco Negotiations

A starting point to develop the specific support you need

## Develop Statement of Requirements

- Based on the output from the Cisco Health Check, TC2 and LB3 will document your expectations of Cisco in a concise Statement of Requirements (“SOR”) document that will be shared with Cisco
  - The SOR will set forth your commercial and pricing/discount expectations and preferred contracting approach
    - Including the basis upon which you are prepared to extend any contracts and discount arrangements that are due to expire
  - The SOR will also include specific requirements to address the pain points, and other recommendations agreed in the Cisco Health Check Report
- **Deliverable – Statement of Requirements (the SOR is a Word document with tables)**
  - TC2 will support you in delivering the SOR to Cisco, reviewing it with Cisco to emphasize the key points and finalize the timeline for next steps

## Commercial Negotiations

- TC2 and LB3 will support/lead (as you require) all the negotiations with Cisco, including:
  - Reviewing and assess Cisco’s response to the SOR and (working with you) determine the negotiation steps to follow
  - **Deliverable – Evaluation report of Cisco’s response to the SOR**
  - Supporting/leading the ensuing commercial negotiations with Cisco
    - It is expected that the negotiations will entail a combination of providing formal, written feedback to Cisco (we will take the lead in developing such written feedback) and virtual negotiation sessions
  - Supporting/participating in internal team meetings and ad hoc meetings with Cisco as required

## Contract Negotiations

- Once all commercial terms and pricing have been agreed with Cisco, we will support/lead (as you request) the negotiation of the contractual documents and arrangements, including:
  - Confirming that the pricing, discounts and commercial terms in the contract match the agreed pricing, discounts and commercial terms agreed in the commercial negotiations
  - Drafting, reviewing, revising, and negotiating the required contractual documents with Cisco to implement the strategy and give legal effect to the commercial terms
  - Identifying and resolving any open issues that are likely to impede closure of the transactions on terms acceptable to you, all by means of a series of structured negotiation rounds
  - Advising you on the best ways to mitigate or avoid legal risks arising during the negotiations
  - Preparing final contract amendment documents for execution by you and Cisco

# Meet TC2's and LB3's Cisco experts

TC2 and LB3 offer support and solutions no matter where you are in your Cisco relationship and contract/ renewal cycles.

Contact any of the experts listed here (or your usual TC2 and LB3 resources) for a 1:1 discussion of how to optimize your Cisco relationship and address any existing challenges.



Tune in to our [podcast channel](#) to hear our experts' guidance:

- [Are Your Cisco Negotiations Becoming Increasingly Challenging?](#)
- [Enterprise Customers Diversify Away from Cisco](#)
- [What Enterprises Can Do About Cisco Price Increases](#)
- [Customer Relationships with Cisco are Complicated](#)
- [How to Negotiate a Cisco Enterprise Agreement](#)



Leads LB3's outsourcing, managed services, cloud computing, and enterprise software transactions practice areas, with 25+ years of technology sourcing experience

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25+ years in technology procurement and negotiations, including extensive experience in Cisco products, services and contracts

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25+ years of finance and telecommunications experience, with extensive Cisco negotiation experience including UC and Smart Net products

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Over 25 years of ICT focusing on WAN technologies such as broadband, DIA, MPLS, VPLS and NTN plus many outsourcing, managed services and UCaaS/CCaaS projects

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