

Managed Services for the Small and Medium-Sized Business

Q. What is the revenue opportunity for service providers offering managed services to small and medium-sized businesses (SMBs)?

A. The worldwide managed services market is projected to be US\$40 billion by 2009, according to Ovum LTD. A significant portion of this opportunity relates to managed services for SMBs. Service providers can capture new revenue and expand their market share with an integrated managed services offering based on a single, cost-effective platform provided by Cisco® solutions for managed SMB services. Services can be packaged in a flexible and modular design that delivers basic functionality today and scales to accommodate growing businesses. This flexibility enables service providers to choose the most appropriate service to offer when assessing the best approach with specific customers. The flexible design also enables service providers to create service-bundling strategies that align with SMB customer requirements over their business lifecycle – remotely enabling enhanced and premium service features as part of an upsell strategy.

Q. What business segments are addressed by Cisco managed service solutions for SMBs?

A. Cisco integrated services platforms allow service providers to deliver profitable managed services to SMBs that support up to 250 employees per site. With Cisco integrated services routers or the Smart Business Communications System providing a converged platform for the secure deployment of data, voice, and IP telephony, service providers can meet evolving business requirements for a converged application environment and connectivity delivered over an intelligent network.

Q. What types of managed services can be provided with Cisco managed service solutions for SMBs?

- A.** Cisco offers a broad, comprehensive, and market-proven suite of services that can be part of a bundled service offering tailored to the SMB:
- Managed router and LAN services, with a range of access types
 - Managed security services for external threat protection including firewall and distributed-denial-of-service (DDoS) mitigation, and enhanced security bundles for internal threat protection including intrusion detection and prevention systems (IDSs and IPSs), Cisco Network Admission Control (NAC), and endpoint protection
 - Managed VPN services such as IP Security (IPsec) and Secure Sockets Layer (SSL) VPN, and "tunnel-less" VPN based on group-encrypted transport
 - Managed unified communications services with voice and video call control enabled by the Cisco Smart Business Communications System (SBCS) for the small business, Cisco Unified Communications Manager Express for the SMB, Session Initiation Protocol (SIP) trunking, and advanced rich-media voice and video applications
 - Managed wide-area application services to improve application performance between offices over the WAN and provide more effective access to centralized application servers

- Managed wireless WAN with the integrated third-generation wireless WAN interface card (3G WIC) from Cisco for a variety of new applications

See your Cisco account manager for a complete listing of service offerings.

Q. How should I position this managed service opportunity with my SMB customer?

A. SMBs are looking for innovative and efficient ways to make their business more agile and to be more productive. How do they operate their businesses efficiently? How do they leverage new technologies? How do they gain competitive advantages? Often lacking a fully staffed and scalable IT department, SMBs may find it difficult to address these issues on their own. Historically, adding a new application or technology in the SMB has increased IT cost and complexity. An integrated services solution, however, allows SMB customers to take advantage of all applications and technologies despite a lack of IT resources and eases the deployment of converged voice, video, and data services.

Q. What differentiates Cisco managed service solutions for SMBs?

A. Cisco's solutions are based on integrated services platforms (such as the Cisco Integrated Services Router and the Smart Business Communications System) that provide feature-rich, cost-effective customer premises equipment (CPE). These platforms offer service providers comprehensive, advanced service solutions and the associated revenue streams, as well as easy upsell opportunities. The integrated services platforms can support bundled solutions on the same hardware, allowing for capital and operational savings in the form of fewer devices and less frequent site visits.

With the sheer number of SMBs in the market, the key to success is to approach this segment with a service portfolio and solution strategy that offers services tailored to the SMB and that scale easily and quickly. Managed services built upon Cisco integrated services platforms and solutions accelerate time to market and revenue capture by supporting diverse integrated service bundles, with service features tuned to the SMB, reducing turn-up time and accommodating multiple deployment options (such as partnering with VARs).

Cisco's commitment to the SMB market and to enabling service providers to be successful in this space also extends to a number of "go-to-market" programs – such as the Cisco Powered Program and the Managed Services Channel Program – and other resources to help accelerate adoption of a service provider's managed SMB services.

Q. How can I calculate the financial advantage and return on investment (ROI) that my service provider organization can achieve by introducing managed services for the SMB?

A. Business analysis tools include a Service Provider Profitability/ROI tool as well as an End User Total Cost of Ownership tool to quantify the service provider business opportunity related to managed services based on the Cisco Integrated Services Router and to demonstrate the financial value proposition to the end user over in-house solutions. These tools profile the profit potential of up to eight managed services, which can be enabled on the Cisco Integrated Services Router.

Q. How does Cisco support service providers in delivering Cisco managed services to SMBs?

A. The overarching Cisco strategy is to enable success based on four primary strengths:

- Build networks: Cisco provides the extensible and efficient infrastructure that progressively increases ROI and reduces operating expenses.

- Deploy services: Cisco delivers a comprehensive and highly flexible service-creation portfolio that helps service providers capture new revenue and expand their market share.
- Accelerate demand: Cisco provides special expertise, routes to market, and relationships with businesses that enable service providers to accelerate demand.
- Optimize business: Cisco helps service providers transform their business by providing domain expertise and efficiencies.

Q. Are the Cisco managed service solutions for SMBs linked to the Cisco Powered Program?

- A.** Yes, service providers that meet the general program requirements have access to Cisco Powered Program resources. Resources include marketing and technical tools designed to help providers envision, build, certify, and market managed services based on Cisco solutions for SMBs.

Q. Where can I find additional information?

- A.** For more information about Cisco managed service solutions, please visit: www.cisco.com/go/sp/managedsmb.




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