

The Business Value of Cisco Services for Enterprise Agreement



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BUSINESS VALUE HIGHLIGHTS

Click any link and look for the ► symbol on the corresponding page. Use the Return to Highlights button to return this page.

302%
three-year ROI

29%
faster support team
remediation of issues

66%
more efficient
helpdesk team

4-month
payback on investment

30%
faster deployment of
Cisco network infrastructure

34%
more efficient
troubleshooting team

25%
more efficient
renewal process

23%
more accurate budgeting

37%
cost savings

Executive Summary

There is an important calculus that all IT organizations struggle with when balancing time, money, and resources to drive the business forward. Should organizations leverage their precious resources to focus on day-to-day tasks to save money or invest in unburdening their teams to become more innovative and competitive? Each IT organization must examine its processes and priorities to come to its own conclusion. This IDC White Paper will present data on how organizations invest by leveraging third-party resources and enabling their teams to drive efficiency, insight, speed, and productivity.

This IDC White Paper *The Business Value of Cisco Services for Enterprise Agreement* showcases the significant benefits of Cisco Services for Enterprise Agreement (EA). Based on interviews with diverse organizations, the study underscores the value of centralized contract support and administration, cost savings, and improved operational stability.

Cisco Services for EA enabled better financial management, reduced unplanned downtime, and increased staff productivity, making it a valuable investment for organizations seeking to streamline IT operations and achieve significant cost efficiencies with:

- **Faster deployment:** Reducing deployment times through centralized contract management and consistent support
- **Cost savings:** Realizing substantial cost savings by avoiding yearly price fluctuations and consolidating services contracts and procurement cycles with the help of Cisco True Forward, which is the billing process within a Cisco Enterprise Agreement that allows customers to grow their usage without retroactive charges
- **Better budgeting:** Enhancing budget accuracy by streamlining financial management and providing predictable costs
- **Operational stability:** Improving operational stability by reducing unplanned downtime through consistent technical support



Enterprise Agreements present a buying program that improves cost savings, provides predictable budgeting, simplifies contract and licensing management, accelerates access to the latest technologies, and offers flexibility to accommodate changes in requirements.

Situation Overview

Forward-thinking organizations understand the value of their IT investments but face challenges balancing new technologies while optimizing existing investments to drive innovation and extract maximum value. In IDC's *Future of Enterprise Resiliency Survey*, September 2024, organizations cited their most pressing economic and IT challenges, which included limited access to IT hardware (34%), inflation driving up vendor costs (31%), and staffing/labor shortages (28%). Considering these challenges, organizations seek tools and resources to help them manage costs while driving IT objectives forward.

EAs present a buying program that improves cost savings, provides predictable budgeting, simplifies contract and licensing management, accelerates access to the latest technologies, and offers flexibility to accommodate changes in requirements. Although EAs have a historical association with software, their application has expanded to services for hardware and software, allowing customers to drive efficiencies, improve performance, and acquire the services they need to reach desired outcomes.

As customers move to such agreements, survey data shows that support case reductions are possible through simplifying and streamlining the services contract, enabling engineers to make the network more resilient and efficient rather than trying to manage contractual terms. Armed with better insights and understanding of the coverage area, engineers can more efficiently patch and upgrade systems rather than comb through unwieldy contracts to understand the environment. **Figure 3** (page 13) illustrates how staff efficiencies directly correlate with having more time to dedicate to improving the network's reliability, preventing downtime, and reducing support tickets (48% fewer tickets annually, shown in **Table 11**, page 26).

Cisco Services for Enterprise Agreement Overview

Cisco Services for Enterprise Agreement includes hardware and software support with one renewal date and one set of terms. A Cisco EA covers networking infrastructure (SD-WAN, routing, switching, wireless, and cloud networking), applications infrastructure (AppD FSO, Intersight, and FSO), and security. In the near future, it will encompass collaboration and service providers.

Cisco Services for EA can work with a Cisco Software EA, including Success Tracks Level 1 or 2 (includes Solution Support), Cisco Software Support Enhanced or Premium, or simply standalone Solution Support. Additionally, each Cisco Services for EA comes with EA Management Support. At the Cisco Partner Summit event in Los Angeles in October 2024, Cisco pointed to a 290% year-over-year services growth for EA sales.

Solution Support provides centralized support for multiproduct and multivendor solutions, offering faster response times and a primary point of contact for problem resolution. It provides support for hardware and software from Cisco and other providers.

Software Support, on the other hand, is focused on software technical support and is available in two tiers: Enhanced and Premium. Enhanced support accelerates deployment, configuration, and integration of software, providing technical help for adopting features. Premium support offers assistance and advice for managing the full life cycle of software, with a designated technical expert familiar with the IT environment.

Success Tracks are all-in-one packaged services that provide data-driven digital insights and proactive support to speed technology adoption and value. They are available in two levels: Level 1 and Level 2. Both levels include Solution Support, but Level 2 offers additional features, such as advanced analytics, expert resources, and contextual learning.

EA Management Support is included with each Cisco Services for EA, providing a single workspace to view Enterprise Agreement contracts and offering onboarding for software licenses and support.

The unified agreement provides customers with one vehicle for contract purchasing, simplified contract management, predictable costs, and streamlined access to support. Additionally, Cisco Services for EA allows flexibility and expansion across multiple product suites more easily and delivers comprehensive coverage of software and hardware products. It also provides increased value with access to incentives, offers, and True Forward pricing to help customers maximize their IT investments with Cisco.

The Business Value of Cisco Services for Enterprise Agreement

Study Firmographics

The firmographics of the organizations IDC interviewed for their experience with Cisco Services for Enterprise Agreement, presented in **Table 1** (next page), show a broad range of organizational sizes, locations, and verticals. On average, these organizations had 13,800 employees, with a median of 10,000, ranging from 6,000 to 25,000. The number of IT staff averages 920, with a median of 650 and a range from 55 to 3,000. Annual revenues for these interviewed organizations average \$42 billion, with a median of \$6 billion and a range from \$2 billion to \$250 billion. The verticals represented include pharmaceutical, retail, water treatment, software, enterprise software, commodities, and financial services. Geographically, the interviewees were spread across the United States (3), EMEA (2), and APAC (2). This diverse sample provides a comprehensive view of the benefits and challenges experienced with Cisco Services for Enterprise Agreement.

TABLE 1
Firmographics of Interviewed Organizations

	Average	Median	Range
Number of employees	13,800	10,000	6,000–25,000
Number of IT staff	920	650	55–3,000
Number of business applications	220	87	20–900
Annual revenue	\$42B	\$6B	\$2B–\$250B
Verticals	Pharmaceutical, Retail, Water Treatment, Software, Enterprise Software, Commodities, Financial Services		
Interviewee region	United States (3), EMEA (2), APAC (2)		

n = 7, Source: IDC Business Value In-Depth Interviews, October 2024

Table 2 (next page) details the organizational usage of Cisco Services for Enterprise Agreement. On average, organizations used 499 routers, 1,138 switches, and 1,117 wireless access points (WAPs). The median values are 300 routers, 950 switches, and 1,000 WAPs. An average of 16 administrators, with a median of 10, managed these organizations’ Cisco environments. Finance and accounts payable teams averaged 52 members, while procurement teams averaged 32 members. Compliance teams consisted of six members on average, and IT teams had 43 members, with a median of 40.

TABLE 2

Organizational Usage of Cisco Services for Enterprise Agreement

	Average	Median
Number of routers	499	300
Number of switches	1,100	950
Number of WAPs	1,100	1,000
Cisco environments administrators, team members	16.0	10.0
Finance and accounts payable team members	52.0	4.0
Procurement-related team members	32.0	3.5
Compliance team members	6.0	2.0
IT team members	43.0	40.0

n = 7, Source: IDC Business Value In-Depth Interviews, October 2024

To conclude the firmographics section, the final information highlights the consolidation of Cisco contracts through the Cisco Services for Enterprise Agreement.

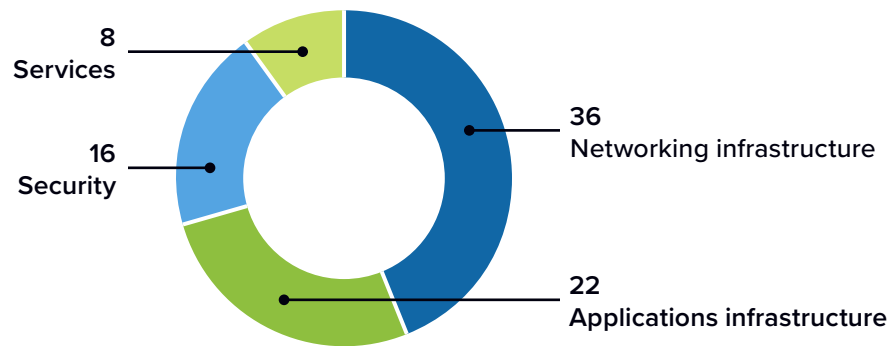
Figure 1 (next page) illustrates the types of Cisco contracts consolidated into a single Cisco Services for Enterprise Agreement. The contracts covered various service types, including networking infrastructure, applications infrastructure, and security services. On average, organizations could consolidate over 70 separate Cisco contracts into a single Cisco Services for Enterprise Agreement. The average number of previously existing Cisco contracts each organization managed was over 77. This data underscores the extensive range of services and contracts organizations managed before adopting Cisco Services for Enterprise Agreement, with most of the contracts being from either the networking infrastructure or the applications infrastructure categories. Security infrastructure presented a smaller part of the previously managed Cisco contracts and services, representing less than 10%.

FIGURE 1

Previous Cisco Contracts by Service Type

(Number of contracts)

The average interviewed organization previously administered over 77 separate Cisco contracts.



n = 7, Source: IDC Business Value In-Depth Interviews, October 2024

Choice and Use of Cisco Services for Enterprise Agreement

Organizations adopted Cisco Services for Enterprise Agreement for several key reasons. They sought to unify their global Cisco equipment under one agreement to streamline operations and simplify management. The services for EA provided technical support for hardware and software, ensuring predictability and avoiding yearly price fluctuations for the duration of the contract. Organizations valued Cisco’s market leadership, product reliability, and extensive support, which were crucial for growth and adaptation. Additionally, the scalability, cost efficiency, and long-term support Cisco Services for Enterprise Agreement offered were significant factors.

Overall, the EA enabled organizations to consolidate their IT service commitments, improving performance and operational stability:

Enterprise software:

“We adopted the Cisco Services for Enterprise Agreement to unify our global Cisco equipment under one platform and support agreement. This consolidation has streamlined our operations, providing a single source for all systems, clear benefits, and additional functionalities, making our processes much easier and more efficient.”

Pharmaceutical:

“The Cisco Services for Enterprise Agreement is beneficial, as it includes technical support for hardware and services, avoids yearly price fluctuations, and provides predictability. It also combines networking and support contracts, making it a sensible choice for our company.”

Commodities:

“We chose Cisco Services for Enterprise Agreement because of their market leadership, widely used products, and extensive support. Cisco’s financial stability, continuous product improvement, R&D investment, and market evolution are crucial for our business’s growth and adaptation. The support Cisco provides also remains very good.”

Software:

“Our organization selected Cisco Services for Enterprise Agreement for its scalability, cost efficiency, and long-term support. The complexity of our company and acquisitions required streamlined IT service commitments, which Cisco supports through a consistent and adaptive partnership.”

Business Value and Quantified Benefits of Cisco Services for Enterprise Agreement

IDC’s business value research explores the benefits organizations realize from Cisco Services for Enterprise Agreement. From a value impact standpoint, the most significant benefits included unplanned downtime avoidance, various staff efficiencies tied to improved IT environment performance, and contractual payment savings.

The biggest benefits that organizations have identified when using Cisco Services for Enterprise Agreement include centralized administration, which streamlines operations by consolidating support contracts across multiple Cisco products. This centralization provides flexible consumption models, helping manage costs more effectively through “not-to-exceed pricing,” which means that the service price is locked in for the enterprise agreement’s three- or five-year term. Ease of management is another significant benefit, with financial transparency and auditability being crucial. Organizations highlighted cost savings and the ability to streamline and simplify across multiple regions and business units under a single, unified contract, which allows for better alignment with technical and business needs. Additionally, the predictability of costs through True Forward (annual billing and no retroactive costs or growth penalties when adding services coverage mid-term) and consolidating service contracts, including technical support for hardware and services, helps avoid yearly price fluctuations and ensures more stable and predictable budgeting.

These benefits collectively enhance operations and financial management:

Centralized administration (financial services):

“The biggest benefit of using Cisco Services for Enterprise Agreement is the centralized administration. It has streamlined our operations by consolidating multiple support contracts for Cisco products, simplifying the licensing process, and providing flexible consumption models, which helps us manage costs more effectively through “not-to-exceed pricing.”

Ease of management (commodities):

“The ease of management is the main thing. Financial transparency is extremely important. It’s easily auditable from a finance point of view with no gaps. Everything is written in the contract; invoicing happens once a year, and there are no hidden costs or charges. It’s a completely transparent contract with no overheads.”

Cost savings and global agreement leverage (software):

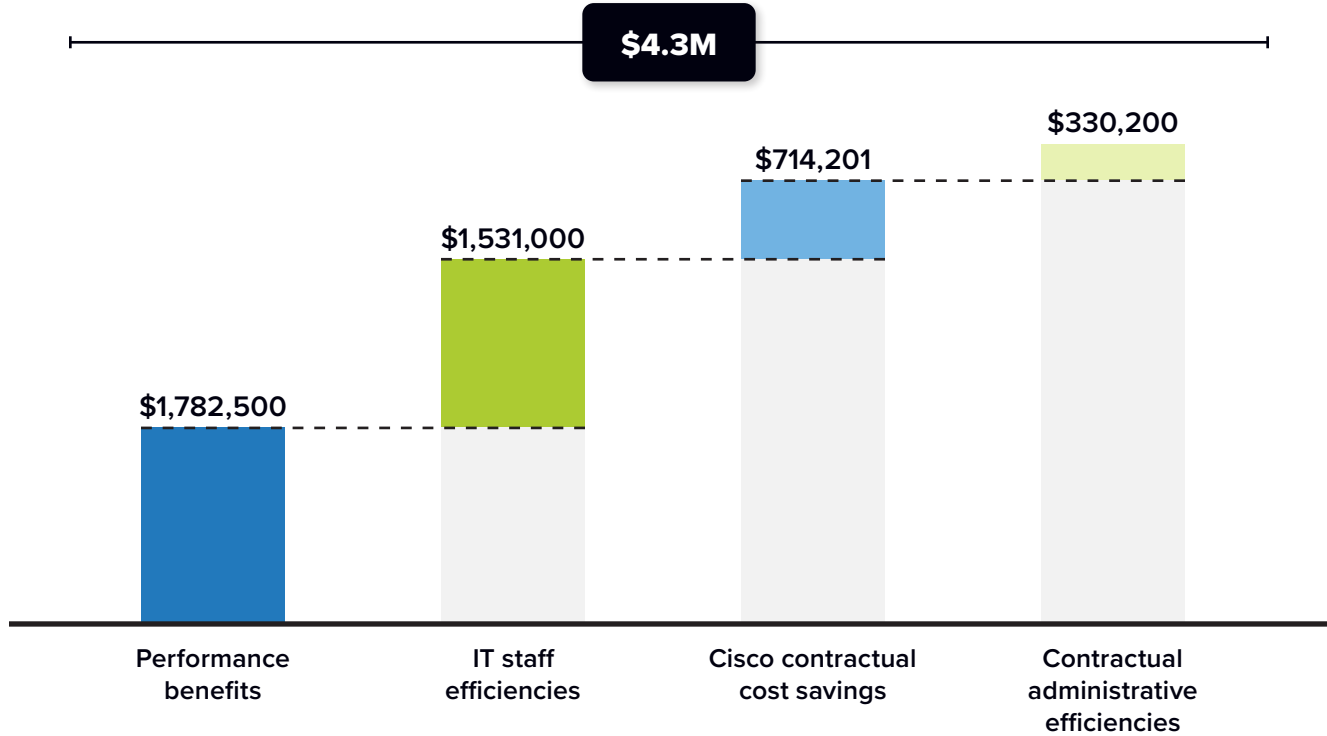
“The biggest benefits are cost savings, global agreement leverage, and consistent support. The EA allows for streamlined integration across multiple acquired companies and better alignment with technical and business needs.”

Predictable costs and combined services (pharmaceutical):

“EA includes technical support for the hardware and the services provided. Additionally, it helps secure pricing by avoiding year-over-year fluctuations, making costs more predictable for us. This applies to both networking and virtual communications.”

Figure 2 (next page) shows the overall average annual benefits per organization from using Cisco Services for Enterprise Agreement, totaling \$4.3 million. These benefits fall into performance benefits (\$1.8 million), IT staff efficiencies (\$1.5 million), Cisco contractual cost savings (\$714,201), and contractual administrative efficiencies (\$330,200). This breakdown highlights organizations’ significant financial and operational advantages from adopting Cisco Services for Enterprise Agreement.

FIGURE 2
Average Annual Benefits per Organization
 (\$ per interviewed organization)



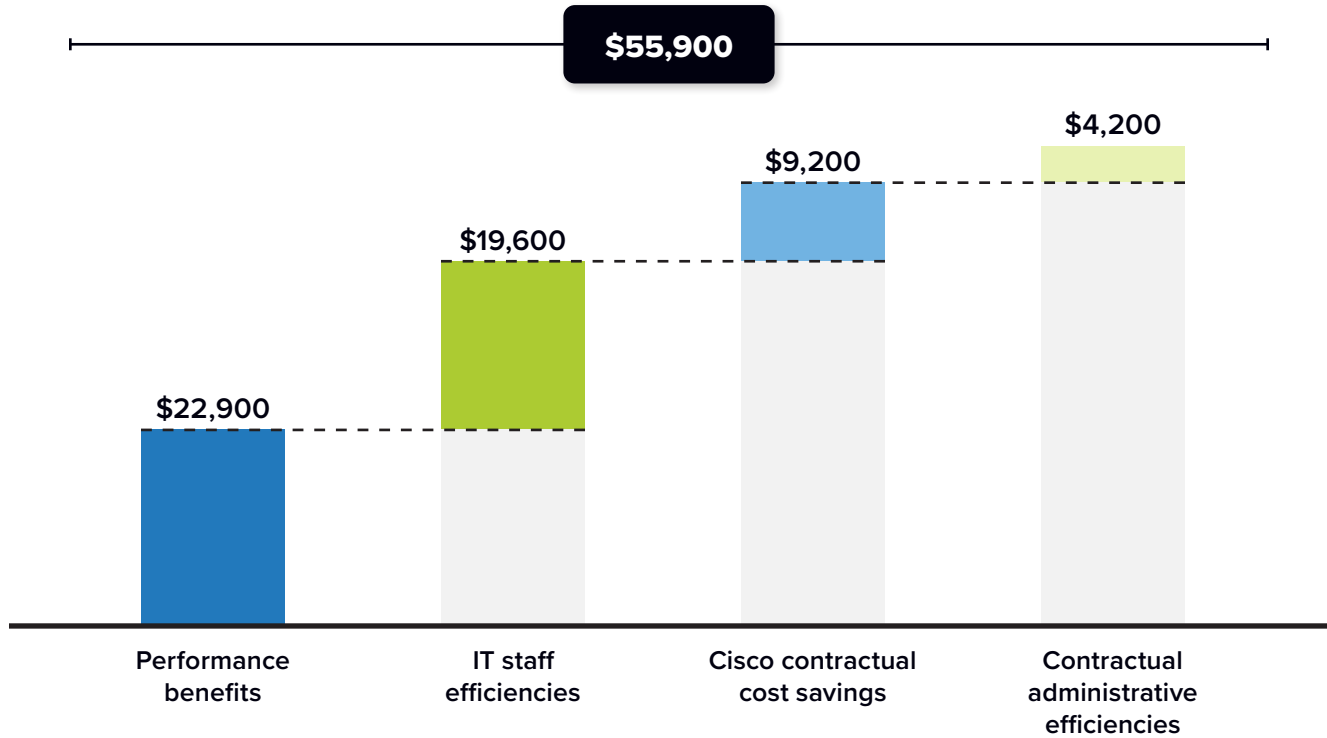
Note: Factoring in deployment time.
 n = 7; Source: IDC Business Value In-Depth Interviews, October 2024
 For an accessible version of the data in this figure, see [Figure 2 Supplemental Data](#) in Appendix 2.

Figure 3 (next page) provides a normalized view of the average annual benefits per previously existing Cisco contract (per **Figure 1**), amounting to \$55,900. This includes performance benefits (\$22,900), IT staff efficiencies (\$19,600), Cisco contractual cost savings (\$9,200), and contractual administrative efficiencies (\$4,200). This perspective demonstrates the value of Cisco Services for Enterprise Agreement in optimizing individual contract performance and cost management.

FIGURE 3

Average Annual Benefits per Previously Existing Cisco Contract

(\$ per interviewed organization)



Note: Factoring in deployment time.

n = 7; Source: IDC Business Value In-Depth Interviews, October 2024

For an accessible version of the data in this figure, see [Figure 3 Supplemental Data](#) in Appendix 2.

Contract Costs and Contracting Efficiency

Organizations using Cisco Services for Enterprise Agreement experienced significant benefits in cost reduction and staff efficiency in managing contracts. The streamlined processes Cisco Services for Enterprise Agreement provided allowed contract management teams to handle a higher volume of agendas and requests. This gain was due to the consolidated services and simplified processes. Financial savings were also substantial, with organizations avoiding costs associated with coverage gaps and achieving significant savings on contract renewals. The consolidated procurement cycles allowed teams to manage a higher volume of requests more consistently.

Overall, Cisco Services for Enterprise Agreement enabled organizations to reduce costs, increase efficiency, and improve the productivity of their contract management and procurement teams:

Operational efficiency (software):

“Our contract management team is 25%–30% more productive, allowing us to handle a 25% higher volume of agendas and requests. This efficiency is due to the streamlined processes from the Cisco Services for Enterprise Agreement.”

Cost savings and negotiation power (pharmaceutical):

“We are saving time because the Cisco Services for Enterprise Agreement merges several agendas. In terms of full-time equivalents (FTEs), we’re saving 16 FTEs in total throughout the organization within various teams for a year. We are reallocating the tasks of 16 people who can do other things. The financial savings through the negotiations are significant.”

Financial savings (enterprise software):

“We have achieved substantial cost savings, with 15%–20% savings on contract renewals compared to previous arrangements. Additionally, we avoid 3%–5% of costs attributable to coverage gaps, which further enhances our financial efficiency.”

Improved procurement efficiency (financial services):

“Our procurement management team is now 5%–6% more productive and saves significant hours per week per staff member. This efficiency allows us to manage a 10%–15% higher volume of requests due to better and more consistent purchasing processes.”

Financial savings (commodities):

“With this contract, we are able to cover a lot more devices than before. In terms of contract value, we’ve saved at least \$250,000 to \$300,000 annually. This has significantly reduced our overall costs and improved our financial efficiency.”

Table 3 (next page) highlights the gains for the contracting and administration team using Cisco Services for Enterprise Agreement. The staff time required for equivalent activities decreased by 25.7%, from 15.5 FTEs to 11.5 FTEs per organization. This improvement translated into a value of time saved of \$278,700 annually per organization. The improved contracting processes enabled better management of increased contract volumes, making the team more productive. Additionally, the gains led to more accurate budgeting, with a 23% improvement. The contract management team and process improved with Cisco Services for Enterprise Agreement due to centralized management, fewer contracts, faster renewals, enhanced visibility, consistent support, and productivity gains. These factors reduced the administrative burden, improved terms and conditions, minimized coverage gaps, and allowed the team to handle a higher volume of work efficiently, leading to significant time and cost savings.

TABLE 3
Contracting and Administration Team Efficiency Benefits

Team Responsible for Contracting and Contract Administration	Before Cisco Services for EA	With Cisco Services for EA	Difference	Benefit
Staff time required for equivalent activities, FTEs per organization	15.5	11.5	4.0	25.7%
Value of equivalent staff time required per organization	\$1.0M	\$805,000	\$278,700	25.7%

n = 7, Source: IDC Business Value In-Depth Interviews, October 2024

- ▶ IDC’s research confirmed that **organizations experienced a 25% increase in contracting process efficiency**, enabling them to manage more contracts. This improvement was due to
- ▶ streamlined renewal processes, which saved time and resources. Additionally, **budgeting accuracy improved by 23%** due to better financial transparency, centralized management, and Cisco’s True Forward process, allowing for more precise financial planning and management. These gains in contracting and budgeting, combined with the reduced staff time required for contract management, highlight the overall enhancement in operations and financial management achieved through the Cisco Services for Enterprise Agreement. This comprehensive improvement supports better decision-making and resource allocation across the organization.

The findings in **Table 4** (next page) emphasize the contract savings achieved with Cisco Services for Enterprise Agreement, building on the improvements highlighted in the previous paragraphs. Organizations experienced a 22.6% increase in procurement team efficiency, reducing the staff time required for equivalent activities from 5.3 to 4.1 FTEs per organization. This gain translated into a quantitative value of time saved calculated at \$83,400 annually per organization and avoided accidental coverage gaps, contributing to overall cost savings. The centralized purchasing model also reduced rogue purchases, leading to more consistent and streamlined procurement activities. These improvements, combined with the enhanced contracting and budgeting processes, underscore the comprehensive benefits of Cisco Services for Enterprise Agreement in optimizing contract management, reducing costs, and improving the productivity of procurement and contract administration staff.

TABLE 4
Procurement Team Efficiency Benefits

Procurement Team Efficiency	Before Cisco Services for EA	With Cisco Services for EA	Difference	Benefit
Staff time required for equivalent activities, FTEs per organization	5.3	4.1	1.2	22.6%
Value of equivalent staff time required per organization	\$369,200	\$805,000	\$83,400	22.6%

n = 7, Source: IDC Business Value In-Depth Interviews, October 2024

The findings in **Table 5** (next page) illustrate how the Cisco Services for Enterprise Agreement reduced contract costs for organizations. The total annual cost of Cisco solutions and services decreased by 9.9%, from \$4,870,800 to \$4,387,500. Additionally, organizations eliminated retroactive growth-related extra charges, saving \$119,700 annually. Annual spend optimization contributed to cost savings, with organizations avoiding \$180,000 in additional expenses in software and hardware thanks to improved organizational visibility. Overall, the annual contractual costs of Cisco solutions and services saw a reduction of 15.1%, amounting to \$783,000 in savings. These reductions highlight the financial benefits gained through the Cisco Services for Enterprise Agreement, enabling organizations to allocate resources to other critical areas.

TABLE 5
Cisco Contract Cost Reduction

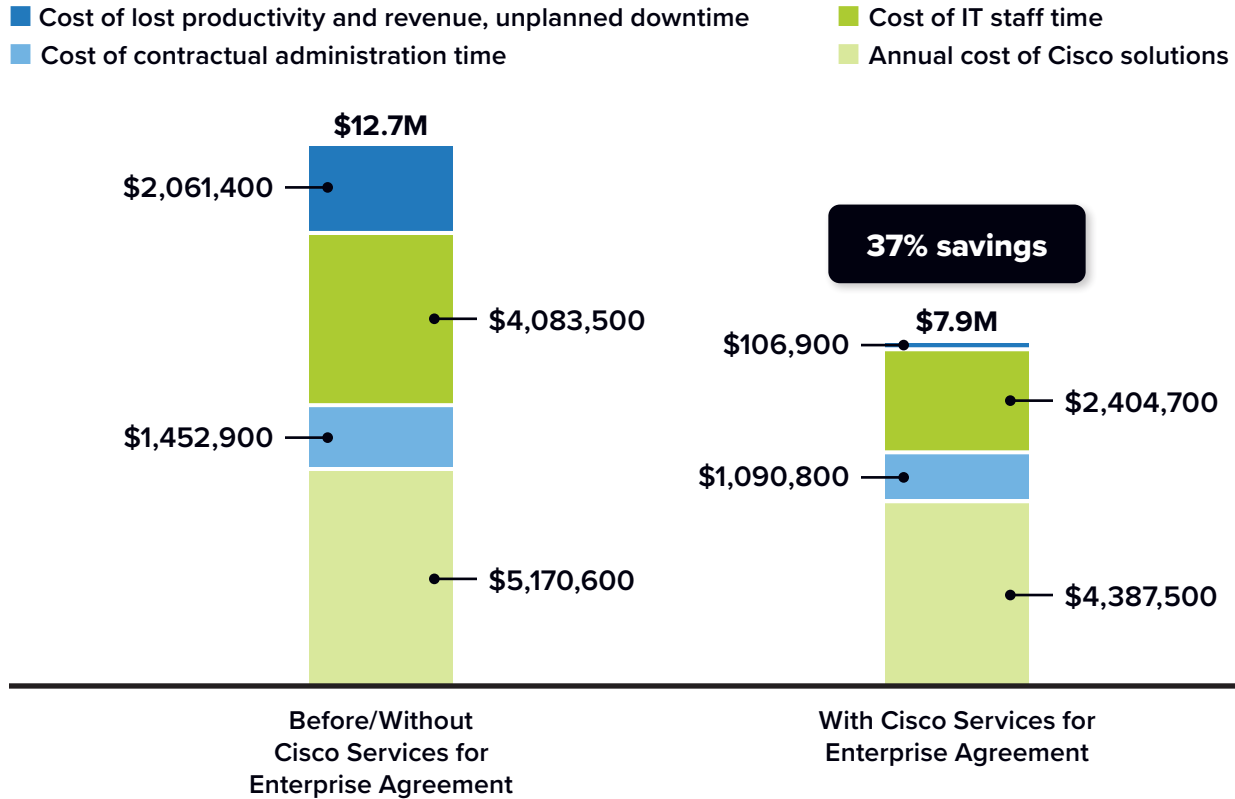
Cost Reduction with Cisco Enterprise Agreement	Before Cisco Services for EA	With Cisco Services for EA	Difference	Benefit
Total annual cost of Cisco solutions and services	\$4.87M	\$4.38M	\$483,300	9.9%
Growth-related extra charges	\$119,700	\$0	\$119,700	0%
Annual spend optimization	\$180,000	\$0	\$180,000	0%
Annual contractual costs of Cisco solutions and services	\$5.17M	\$4.38M	\$783,000	15.1%

n = 7, Source: IDC Business Value In-Depth Interviews, October 2024

The Cisco Services for Enterprise Agreement has led to significant savings across multiple categories, as the findings throughout the white paper show. The streamlined processes and centralized administration have enhanced contract management, procurement, and budgeting. This has resulted in substantial reductions, including a 9.9% decrease in the total annual cost of Cisco solutions and services and optimized annual spending. Organizations avoided consolidated growth-related extra charges by using Cisco’s True Forward, which allowed for annual adjustments and predictable budgeting. Centralized management and fixed pricing provided better cost control. Improved negotiation power and financial transparency reduced unexpected costs. Additionally, identifying and eliminating duplicative spending and rogue purchases helped avoid unnecessary expenses, ensuring more effective financial management. Furthermore, contract centralization reduced administrative overhead, eliminated duplicative spending, and minimized unauthorized purchases, which helped organizations optimize their annual spending. The improved technical support and reduced unplanned downtime have minimized productivity losses and revenue impacts, contributing to financial savings.

Figure 4 (next page) provides a holistic view of these cost reductions. Before adopting Cisco Services for Enterprise Agreement, the total annual cost, including Cisco solutions, contractual administration time, IT staff time, and lost productivity and revenue due to unplanned downtime, was \$12.7 million. Cisco Services for Enterprise Agreement reduced this cost to \$7.9 million, representing a 37% savings.

► **FIGURE 4**
Deployment Benefits with Cisco Services for Enterprise Agreement
 (\$)



n = 7, Source: IDC Business Value In-Depth Interviews, October 2024
 For an accessible version of the data in this figure, see [Figure 4 Supplemental Data](#) in Appendix 2.

Performance and Stability Benefits

Organizations identified several key benefits from using Cisco Services for Enterprise Agreement that positively impacted the performance and stability of their environments. Organizations highlighted improved service-level objectives, with uninterrupted year-round support and faster turnaround times enhancing operational reliability. Consistency and stability in technical support allowed organizations to streamline IT services across global networks, aligning technical needs with business goals. Enhanced responsiveness in technical support reduced downtime and delays, significantly improving operational efficiency. The number of unplanned downtime incidents decreased, and the average resolution time dropped, leading to better overall operational stability.

These improvements collectively contributed to a more reliable and efficient IT environment, supporting continuous operations and reducing the risk of disruptions:

Consistency and stability (software):

“The Cisco Services for Enterprise Agreement has provided increased stability and agility in technical support, allowing the organization to streamline its IT services across a global network. Cisco’s account management and technical support teams have remained consistent, which has been crucial for aligning the company’s technical needs and business goals.”

Improved technical support (commodities):

“The responsiveness has improved dramatically. We know where to go, who to call, and how to get things taken care of right away. This reduces downtime and delays in getting work performed or services rendered, which has been a tremendous improvement.”

Reduced downtime (financial services):

“Since implementing the Cisco Services for Enterprise Agreement, unplanned downtime incidents have decreased from 90–100 to 50–80 per month. The average resolution time has also dropped significantly from 24 hours to 5–6 hours, improving our overall operational stability.”

Reduced downtime (commodities):

“Since implementing the Cisco Services for Enterprise Agreement, the number of unplanned downtime incidents has decreased significantly. This reduction has improved our operational stability and productivity, allowing us to maintain a more reliable IT environment.”

The findings in **Figure 5** (next page) highlight several key performance indicators (KPIs) that demonstrate the improvement in technical support with Cisco Services for Enterprise Agreement. Organizations reported that Cisco technical support teams were 27.5% faster in identifying issues, 28.7% more responsive, and 29.2% quicker in remediating problems. These improvements in technical support significantly enhanced the overall performance and stability of their IT environments. Faster issue identification and resolution reduced downtime and minimized disruptions, allowing IT teams to maintain continuous operations. Cisco’s technical support teams were faster and more responsive, providing a higher level of support offered by Services for EA compared to the standard a la carte support options. Enhanced visibility into the IT environment enabled quicker issue detection. Consistent support from Cisco’s technical teams ensured faster response times and efficient issue resolution.

► **FIGURE 5**
Technical Support Teams Performance Benefits
(%)



n = 7, Source: IDC Business Value In-Depth Interviews, October 2024

Per IDC’s research, the benefits of Cisco Services for Enterprise Agreement regarding unplanned downtime avoidance were significant. Improved technical support KPIs, as detailed previously in **Figure 5**, such as faster issue identification (27.5%), increased responsiveness (28.7%), and quicker remediation (29.2%), directly contributed to the reduction of unplanned downtime occurrence. As a result, organizations experienced a 39.6% reduction in unplanned downtime occurrences per month, from 16.3 to 9.8 incidents. The average time to resolve unplanned downtime decreased by 80.1%, from 6.3 hours to 1.3 hours, as detailed in **Table 6** (next page). This reduction in downtime impacted fewer internal users and decreased average productivity loss among affected users. Consequently, organizations avoided an annual productivity loss of \$1,263,804, highlighting the substantial financial and operational benefits of enhanced technical support through the Cisco Services for Enterprise Agreement. Organizations reduced unplanned downtime by leveraging improved technical support, centralized management, enhanced visibility, and standardized equipment through the Cisco Services for Enterprise Agreement.

TABLE 6
Unplanned Downtime Productivity Loss Avoidance

	Before Cisco Services for EA	With Cisco Services for EA	Difference	Benefit
Unplanned downtime occurrences per month	16.3	9.8	6.5	39.6%
Average time to unplanned downtime resolution (hours)	6.3	1.3	5.0	80.1%
Internal users impacted by unplanned downtime	178.0	153.0	25.0	14.0%
Average productivity loss (%) among users impacted by unplanned downtime	17.0%	16.0%	1.0%	8.3%
Annual productivity loss avoidance	\$1.39M	\$132,200	\$1.26M	90.5%
15% margin applied	n/a	n/a	\$189,600	n/a

Note: IDC applies a margin assumption (15%) for additional gross revenue attributed to interviewed organizations' use of Cisco Services for EA resulting in the revenue calculations applied to IDC's model. n = 7, Source: IDC Business Value In-Depth Interviews, October 2024

Continuing with the benefits of unplanned downtime reduction, the findings in **Table 7** (next page) highlight the significant revenue loss avoidance achieved through the Cisco Services for Enterprise Agreement. Due to the improved technical support and reduced unplanned downtime, organizations experienced a 95.3% reduction in annual revenue loss, from \$12,346,272 to \$580,427. This decrease in revenue loss underscores the financial impact of minimizing downtime. The enhanced stability and reliability of IT environments with faster issue resolution and increased responsiveness from Cisco's technical support teams directly contributed to this improvement. By maintaining smoother operations and reducing disruptions, organizations could protect their revenue streams and ensure business continuity, validating the value of Cisco Services for Enterprise Agreement.

TABLE 7
Unplanned Downtime Revenue Loss Avoidance

	Before Cisco Services for EA	With Cisco Services for EA	Difference	Benefit
Annual revenue loss avoidance	\$12.34M	\$580,400	\$11.76M	95.30%
15% margin	n/a	n/a	\$1.76M	n/a

Note: IDC applies a margin assumption (15%) for additional gross revenue attributed to interviewed organizations' use of Cisco Services for EA resulting in the revenue calculations applied to IDC's model. n = 7, Source: IDC Business Value In-Depth Interviews, October 2024

Staff Efficiencies and Benefits with Cisco Services for Enterprise Agreement

Organizations reported significant efficiency and performance benefits for various staff teams using Cisco Services for Enterprise Agreement. Security teams became more efficient, with a reduction in impactful security breaches. Finance teams experienced improvement in budgeting accuracy, enhancing financial planning and management. The centralized management of security risks and vulnerability analysis reduced the overall security risks. Helpdesk teams saw a substantial decrease in application performance–related tickets. These improvements allowed staff to focus more on critical tasks, reducing the time spent resolving issues.

Overall, Cisco Services for Enterprise Agreement streamlined operations, improved productivity, and enhanced the efficiency of various teams, contributing to better organizational performance and stability:

Security team efficiency (enterprise software):

“Our security team has become 15% more productive with the Cisco Services for Enterprise Agreement. We have reduced the team size while maintaining efficiency, and the frequency of impactful security breaches has decreased.”

Finance team and budgeting improvements (software):

“The Cisco Services for Enterprise Agreement has made our budgeting process 70% more accurate. Our finance team is more efficient, significantly improving our financial planning and management.”

Enhanced security and reduced risk (pharmaceutical):

“The security risk is reduced because things are centrally managed, allowing us to know exactly what resources are present. We also limit the exposure. The vulnerability analysis helps reduce our security risk of a breach. I’d say our security risk is reduced by 60%–70%.”

Reduced helpdesk tickets (software):

“The number of helpdesk tickets related to application performance has decreased significantly, from 600 to 700 tickets per week to 250 tickets per week, thanks to the enhanced visibility of the contracts and streamlined service support facilitated by the Cisco Services for Enterprise Agreement.”

The monitoring and applications performance team represents the first staff team to benefit from Cisco Services for the Enterprise Agreement discussed in this paper. The results, detailed in **Table 8**, highlight significant gains.

Organizations reported that enhanced visibility and improved monitoring processes allowed their teams to spend less time on routine monitoring tasks and reactive troubleshooting. The staff time required for monitoring IT and application performance decreased by 38.4%, from 4.2 FTEs to 2.6 FTEs per organization. This efficiency improvement translated into a value of time saved, calculated at \$162,500 annually per organization. The improved monitoring process allowed these teams to focus more on proactive management and more strategic initiatives. This shift enhanced IT systems’ overall performance and reliability and enabled the teams to allocate resources more effectively, contributing to better operational outcomes and increased productivity.

TABLE 8
Monitoring IT and Applications Performance

Staff Time Required for Monitoring IT and Application Performance	Before Cisco Services for EA	With Cisco Services for EA	Difference	Benefit
Efficiency level per organization, number of FTEs	4.2	2.6	1.6	38.4%
Value of time calculated	\$422,500	\$260,000	\$162,500	38.4%

n = 7, Source: IDC Business Value In-Depth Interviews, October 2024

The security team represents the second staff team benefiting from Cisco Services for the Enterprise Agreement this paper discusses. The results, presented in **Table 9**, show significant efficiency gains. The efficiency level per organization increased by 20.8%, reducing the number of FTEs from 9.8 to 7.8. This improvement translated into a value of time saved, calculated at \$205,200 annually per organization. Additionally, the frequency of impactful security breaches decreased by 20%. Centralized management, better coordination, and access to Cisco resources drove this improvement. The team could address security issues more quickly and successfully, offering a stronger security posture and better protection for the organization.

TABLE 9
Security Teams Efficiency with Cisco Services for Enterprise Agreement

Security Teams Benefits	Before Cisco Services for EA	With Cisco Services for EA	Difference	Benefit
Efficiency level per organization, number of FTEs	9.8	7.8	2.0	20.8%
Value of time calculated	\$985,200	\$780,000	\$205,200	20.8%

n = 7, Source: IDC Business Value In-Depth Interviews, October 2024

The incident management team represents the third staff team to benefit from Cisco Services for the Enterprise Agreement this paper discusses. The results shown in **Table 10** (next page) indicate substantial improvements. The efficiency level per organization rose by 34.9%, decreasing the number of FTEs from 14.6 to 9.5. This enhancement translated into annual time savings valued at \$511,500 per organization. Faster response times and improved stability enabled the teams to resolve issues more swiftly, ensuring continuous operations. These improvements allowed the incident management teams to focus on proactive measures and reduce the time and resources spent on managing incidents, leading to greater operational stability and enhanced overall performance.

TABLE 10

Incident/Management Team Efficiency

Incident/Management Troubleshooting Team for Application-Related Performance Issues	Before Cisco Services for EA	With Cisco Services for EA	Difference	Benefit
Efficiency level per organization, number of FTEs	14.6	9.5	5.1	34.9%
Value of time calculated	\$1.46M	\$953,000	\$511,500	34.9%

n = 7, Source: IDC Business Value In-Depth Interviews, October 2024

Table 11 (next page) illustrates the impact of adopting Cisco Services for Enterprise Agreement on helpdesk ticket management. Organizations experienced a 66% reduction in the hours annually spent remedying helpdesk tickets, down from 22,770 to 7,740 hours. The average time to remedy a ticket decreased by 34.2%, from 2.6 to 1.7 hours. This gain translated into a significant value of time saved, calculated at \$799,400 annually per organization with a \$70,000 per FTE annual IDC salary assumption. The number of helpdesk tickets decreased due to centralized management, improved technical support, and consistent service levels the enterprise agreement provides. Enhanced visibility and control allowed for proactive issue resolution, while better and more reliable processes reduced administrative errors. Access to Cisco resources ensured productive problem-solving, contributing to a more stable IT environment with fewer issues requiring helpdesk intervention.

► **TABLE 11**

Cisco Services for Enterprise Agreement’s Helpdesk Ticket Benefits

Helpdesk Ticket Remedy Efficiency Benefits	Before Cisco Services for EA	With Cisco Services for EA	Difference	Benefit
Number of helpdesk tickets annually	8,700	4,500	4,200	48.3%
Hours annually spent to remedy tickets	22,800	7,700	15,000	66.0%
Average time to remedy a ticket (hours)	2.6	1.7	0.9	34.2%
Value of ticket remedy time	\$1.21M	\$411,700	\$799,400	66.0%

n = 7, Source: IDC Business Value In-Depth Interviews, October 2024

The Cisco Services for Enterprise Agreement offers premium support service options mapped to the purchased software suite. This higher-level support model provides centralized support across software, hardware, and providers; faster complex issue resolution; and expanded service coverage. By adopting the Services for EAs and tapping into these benefits, organizations saw a significant reduction in monthly technical assistance center (TAC) calls, from 25.0 to 10.9.

The enhanced support from Cisco’s teams through Services for EAs enabled the organizations to focus more on root causes and reduce the risk of administrative errors, thereby reducing coverage and entitlement questions. This all contributed to a lesser need for TAC contacts in the medium and long term.

Additionally, internal helpdesk tickets decreased from 8,726 to 4,509 annually. These reductions highlight the improved effectiveness of helpdesk operations, as fewer issues required escalation and more were resolved promptly. Cisco Services for Enterprise Agreement adoption led to fewer recurring issues and faster resolution times, improving overall operational stability and user satisfaction.

The findings in **Figure 6** (next page) highlight the deployment benefits organizations experienced from using Cisco Services for Enterprise Agreement. Organizations reported faster deployment times across various infrastructure areas. Application infrastructure deployment was 18.2% faster, security deployment improved by 24.2%, and network infrastructure deployment was 30.4% faster. These improvements facilitated rapid

adaptation to changes and empowered teams to deploy new functionalities. As an outcome derived from the centralized support model and unified contract management through EAs, organizations have experienced better visibility into the IT environment and quicker identification and implementation of changes, leading to more accelerated network, security, and application infrastructure deployment.

► **FIGURE 6**
Deployment Benefits with Cisco Services for Enterprise Agreement
 (%)



n = 7, Source: IDC Business Value In-Depth Interviews, October 2024

ROI Summary

The ROI analysis in **Table 12** (next page) demonstrates the significant financial benefits of using Cisco Services for Enterprise Agreement. Over a three-year period, organizations achieved discounted benefits totaling \$10,350,800, with a discounted investment of \$2,574,100. IDC determined these figures as a sum of the presented annual benefits on a three-year basis and the researched investments. IDC used a 12% discount factor to account for the value of benefits and investments in this multi-year ROI calculation. This resulted in a net present value (NPV) of \$7,776,700 and an impressive ROI of 302%. The payback period for the investment was just four months, indicating a rapid ROI. The analysis shows that for each previously existing Cisco contract, the discounted benefits were \$132,824, with a discounted investment of \$33,032, leading to an NPV of \$99,793 and the same ROI of 302%. These findings highlight the substantial financial gains and quick payback period associated with the Cisco Services for Enterprise Agreement, making it a highly valuable investment for organizations.

▶ TABLE 12

Three-Year ROI Analysis

	Per Organization	Per Previously Existing Cisco Contract
Discounted benefits	\$10.35M	\$132,800
Discounted investment	\$2.57M	\$33,000
NPV	\$7.77M	\$99,000
ROI	302%	302%
Payback	4 months	4 months
Discount factor	12%	12%

Source: Specific Calculations: Benefits from Use of Cisco Services for Enterprise Agreement, October 2024

Challenges/Opportunities

Cisco has an expansive product portfolio, and for some customers, it can be difficult to navigate and manage contract terms, renewals, and support agreements, costing them precious time and resources. Bringing together one simplified agreement for hardware, software, and services helps customers streamline their processes, save money, and tap into resources, such as Cisco's Success Tracks, to help them drive more value from their IT investments.

While any contractual vehicle always has scope for improvement, Cisco is taking the right steps to help reduce the costly administrative pain points customers find most frustrating in their relationships with their technology vendor partners. An EA approach to contract management can help customers better understand the full estate of Cisco products and maximize the use of that estate. IDC believes this is essential to continuous improvement for customer satisfaction and experiences.

Conclusion

This IDC White Paper on the business value of Cisco Services for Enterprise Agreement highlights the substantial benefits organizations gain from adopting Cisco's EA. Key findings include a 302% three-year ROI, a four-month payback period, and significant operational efficiency and cost savings improvements. Organizations experienced faster deployment times, enhanced budgeting accuracy, and reduced unplanned downtime, increasing productivity and financial stability. The centralized administration and streamlined processes that Cisco's EA provides enabled better financial management, reduced administrative burdens, and improved overall IT performance.

Cisco Services for Enterprise Agreement offers a comprehensive solution that consolidates multiple contracts into a manageable agreement, providing predictable costs and consistent support. This approach simplifies contract management and enhances operational stability. The significant cost savings, improved technical support, and reduced downtime underscore the value of Cisco's EA in helping organizations achieve their IT and business objectives more effectively. By leveraging Cisco's EA, organizations can drive innovation, optimize their IT investments, and maintain a competitive edge in the market.

Appendix 1: Methodology

IDC utilized its standard Business Value/ROI methodology for this project. This methodology gathers data from organizations using Cisco Services for Enterprise Agreement.

Based on interviews with organizations using Cisco Services for Enterprise Agreement, IDC performed a three-step process to calculate the ROI and payback period:

- 1. IDC gathered quantitative benefit information during the interviews using a before-and-after assessment of the impact of using Cisco Services for Enterprise Agreement.** IDC created a complete investment (three-year total cost analysis) profile based on the interviews.
- 2. IDC calculated the ROI and payback period.** IDC conducted a depreciated cash flow analysis of the benefits and investments for the organizations' use of Cisco Services for Enterprise Agreement over a three-year period. ROI is the ratio of the NPV and the discounted investment. The payback period is when cumulative benefits equal the initial investment.
- 3. IDC bases the payback period and ROI calculations on several assumptions,** which are as follows:
 - IDC multiplied time values by burdened salary (salary + 28% for benefits and overhead) to quantify efficiency and manager productivity savings. For this analysis, based on the geographic locations of the interviewed organizations, IDC has used assumptions of an average fully loaded salary of \$100,000 per year for IT staff members and an average fully loaded salary of \$70,000 per year for non-IT staff members. IDC assumes employees work 1,880 hours per year (47 weeks x 40 hours).
 - IDC calculated the net present value of the three-year savings by subtracting the amount that would have been realized by investing the original sum in an instrument yielding a 12% return to allow for the missed opportunity cost. This accounts for the assumed cost of money and the rate of return.
 - Because IT solutions require a deployment period, the full benefits of the solution are unavailable during deployment. To capture this reality, IDC prorates the benefits on a monthly basis and subtracts the deployment time from the first-year savings.

Note: All numbers in this document may not be exact due to rounding.

Appendix 2: Supplemental Data

This appendix provides an accessible version of the data for the complex figures in this document. Click “Return to original figure” below each table to get back to the original data figure.

FIGURE 2 SUPPLEMENTAL DATA

Average Annual Benefits per Organization

	\$ per Interviewed Organization
Performance benefits	\$1,782,500
IT staff efficiencies	\$1,531,000
Cisco contractual cost savings	\$714,201
Contractual administrative efficiencies	\$330,200
Total	\$4.3M

Note: Factoring in deployment time. n = 7; Source: IDC Business Value In-Depth Interviews, October 2024

[Return to original figure](#)

FIGURE 3 SUPPLEMENTAL DATA

Average Annual Benefits per Previously Existing Cisco Contract

	\$ per Interviewed Organization
Performance benefits	\$22,900
IT staff efficiencies	\$19,600
Cisco contractual cost savings	\$9,200
Contractual administrative efficiencies	\$4,200
Total	\$55,900

Note: Factoring in deployment time. n = 7; Source: IDC Business Value In-Depth Interviews, October 2024

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Appendix 2: Supplemental Data (continued)

FIGURE 4 SUPPLEMENTAL DATA

Deployment Benefits with Cisco Services for Enterprise Agreement

	Before/Without Cisco Services for Enterprise Agreement	With Cisco Services for Enterprise Agreement
Cost of lost productivity and revenue, unplanned downtime	\$2,061,400	\$106,900
Cost of IT staff time	\$4,083,500	\$2,404,700
Cost of contractual administration time	\$1,452,900	\$1,090,800
Annual cost of Cisco solutions	\$5,170,600	\$4,387,500
Total	\$12.7M	\$7.9M (37% savings)

n = 7, Source: IDC Business Value In-Depth Interviews, October 2024

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Leslie Rosenberg is research vice president for IDC's Network Life Cycle and Infrastructure Services programs examining professional services trends and market dynamics for the enterprise. Leslie's research coverage spans life cycle services portfolio development across network, server and storage infrastructure technologies encompassing the dynamics of software defined infrastructure, automation, service delivery platforms, new consumption models and the evolution of services impacting people, process, tools and methodologies around the globe. Leslie's research evaluates services delivered by technology manufacturers, global systems integrators and telcos as they look to compete more effectively in the enterprise market.

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Rob is a program vice president for IDC's Datacenter and Support Services program, as well as a regular contributor to the Infrastructure Services and Financial Strategies programs. He focuses on worldwide support and deployment services for hardware and software and provides expert insight and intelligence on how enterprises should be addressing key areas for datacenter transformation and edge deployment and management strategies. IT hardware services covered include IoT devices, converged infrastructures, storage, servers, client devices, networking equipment, and peripherals. Software covered includes software-defined infrastructures, cloud support, operating systems, databases, applications, and system software. He also has expertise in the latest consumption models, which include as-a-service models such as device as a service.

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Chris Barnard is vice president, European Telecoms and Infrastructure, at IDC. He joined the company in 2000 and is responsible for European research covering all aspects of telecoms and IoT, datacenter infrastructure, networking, unified communications and collaboration, related professional services. Based in Amsterdam, Chris and IDC's region-wide team of analysts focus on the major shifts taking place in the markets, as organizations move from physical, premise-based environments to services delivered via virtual and cloud solutions in a business world that is mobility-centric. Chris and team work very closely with a range of telecoms providers and infrastructure vendors, from industry leaders to start-ups, to identify the drivers and opportunities on offer.

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[More about Ladislav Kinda](#)

Message from the Sponsor



Managing and renewing software licenses and services can present a range of complexities for organizations. The Cisco Enterprise Agreement addresses this challenge by consolidating contract procurement and management into a single agreement. This buying program features a single renewal date and a unified set of terms, eliminating the need for separate hardware support contracts.

With Services for the Cisco Enterprise Agreement, organizations have the flexibility of a single contract for both software and hardware support, without needing to purchase a software Enterprise Agreement simultaneously. By integrating service portfolios with software portfolios in the Cisco Enterprise Agreement, customers benefit from a streamlined and centralized support experience across software, hardware, and third-party providers within the Cisco solution. This premium support experience, delivered by Cisco, allows organizations to focus on strategic priorities, resulting in higher cost savings and increased productivity.

For more information, visit the [Cisco Services for Enterprise Agreement website](#)

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