



Cisco Service Expert Program E-learning

< [Previous](#) | [Next](#) >

Module 2: The Importance of Service

Updated

Introduction

Welcome to Module 2: **The Importance of Service**. In this module you are going to:

- Identify the Cisco service and support philosophy.
- Explain the service contract impact on customer satisfaction.
- Describe the standard warranty options.
- Contrast the difference between warranty versus service entitlement.

You are going to spend approximately 20 minutes in this module.

1: CSEP Overview
2: The Importance of Service Introduction



Cisco Service Expert Program E-learning

< [Previous](#) | [Next](#) >

Module 2: The Importance of Service

Updated

Introduction

A customer of a local networking solutions company has just told the Account Manager that she is switching to one of their competitors. When the shocked Account Manager asks why, the customer replies with the following response.

“Our network went down for three days. Our Information Technology department spent days on the phone with one of your support people – who was never able to resolve our problem.

The clock was ticking – and we were losing revenue– a lot of revenue – as a result of downtime. Our customers were furious – and told us that they were going to seriously re-evaluate their relationships with us given that our online software seemed unreliable.

What disappoints me the most is that it was not even our software that was the problem – it was the network equipment supporting it – with equipment that your company provided. I just do not understand why you did not have the facilities to support us and quickly resolve the problem when it occurred. I thought you would have been prepared for issues like this. I just do not feel like I received the service or support that I needed from your organization.”



1: CSEP Overview

2: The Importance of Service
Introduction



Cisco Service Expert Program E-learning

< [Previous](#) | [Next](#) >

Module 2: The Importance of Service

Updated

Introduction

The scenario on the previous page could be any networking solutions reseller's or partner's worst nightmare. Notice in the scenario that the customer said that she did not feel she received the "service or support" that she needed from the fictitious company. How important do you feel service and support are to your customers' success? Do you think that situations like this one could be avoided if a solid service and support model had been in place?

At Cisco Systems, we DO think situations like the worst case scenario can be avoided by having a world-class service and support foundation in place. In fact, we feel so strongly about service that it is a critical component of our company's philosophy.

We define service as **the dedication to achieving leadership in customer satisfaction by providing world-class order fulfillment and support with Internet and business solutions to our worldwide customers and partners.**

This definition has helped us set a standard of high satisfaction and expectations that we strive to achieve with all of our customers.

Like many successful global corporations, Cisco has realized that service is the key to customer satisfaction. The relationship with a customer does not stop when a product or piece of equipment is sold – in fact, we believe that the sale of the product is just the beginning of the relationship.

1: CSEP Overview
2: The Importance of Service
Introduction



Cisco Service Expert Program E-learning

1: CSEP Overview
2: The Importance of Service Introduction

< [Previous](#) | [Next](#) >

Module 2: The Importance of Service

Updated

Introduction

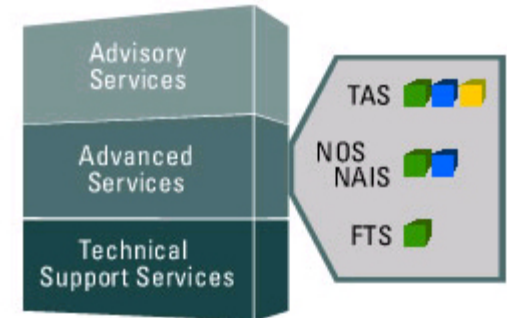
At Cisco Systems, the life cycles of our equipment and network capabilities are extended with the additions of service contracts that focus on providing customers with the service and support needed to keep their networks functioning at peak performance.

To meet customer needs and expectations in today's challenging economy, Cisco provides customers with a portfolio of service offerings that accelerates their success. The Cisco Service portfolio includes Cisco Advisory Services, Cisco Advanced Services, and Technical Support Services. Move your mouse over each offering on the graphic on the right side of this page for a brief description of each service.

As a Cisco partner or reseller, these four technical support services components can either be offered in addition to your own value added services or resold under the Cisco Branded Services program to your end customer.

You are going to learn more about these technical support service components in the subsequent models within this course. The remainder of this module is going to focus on the value and importance of selling service contracts to your customers.

Cisco Services Portfolio





Cisco Service Expert Program E-learning

1: CSEP Overview
2: The Importance of Service Introduction

< [Previous](#) | [Next](#) >

Module 2: The Importance of Service

Updated

Introduction

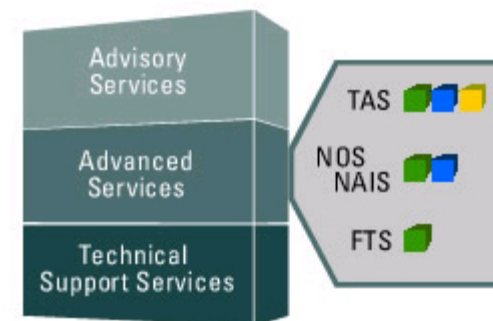
Cisco Advisory Services are focused on helping customers decrease the time to value in transforming their business with Internet technology. They help customers plan, design, build, and implement new technologies swiftly and confidently. The goal is to bring internal Cisco best practices, IP, and experience to its top customers to help them become Network Virtual Organizations and enjoy the success that Cisco has demonstrated throughout its business.

Cisco Advanced Services are consulting-based services that provide responsive and preventive support of Cisco technologies for customer networking needs. Cisco Advanced Services consist of a unified suite of professional engineering support offerings that help customers ensure their networks can support the latest network applications and technologies. These services allow Cisco to work alongside customers with a continued goal of improving and optimizing both their network and return on investment.

Technical Support Services (TSS) are baseline services that provide customers with the maintenance service and support needed to ensure their Cisco products operate efficiently, remain highly available, and benefit from the most up-to-date system software. These services are delivered through a variety of programs that contain four key components:

- Cisco.com Online Tools and Resources
- Technical Assistance
- Software Support and New Releases
- Hardware Replacement

Cisco Services Portfolio





Cisco Service Expert Program E-learning

< [Previous](#) | [Next](#) >

Module 2: The Importance of Service

Updated

Why Sell Service?

Selling service is beneficial to two primary groups of people:

- You, as a Cisco reseller or partner.
- Your customer.

As we have already begun to emphasize, your customers ARE going to need service and assistance from you to:

- Support them during critical network down times.
- Supply them with equipment and parts, as appropriate.
- Provide them with updates to their networking software operating systems and network applications software.
- Help them build a successful technological foundation for their business.
- Address questions and concerns that arise throughout the lifecycles of their equipment.

It is critical to emphasize the items above to your customers when talking to them about service. Explain to your customers that it is much harder to guarantee the success of their network and the products that depend on it without a contingency plan in place to support it.

Many customers will quickly realize that the risk associated with not having an appropriate service and support plan in place increases the chances if something goes wrong, they may not have the ability to resolve the problem on their own.

It is very important to ask your customers, “Are you willing to take that risk?”

It is also critical to ask yourself, “Do I want to run the risk of not having a service plan in place and dealing with an extremely dissatisfied customer?”

Investment in equipment protection through a service contract provides peace of mind for both your customer and you.

1: CSEP Overview

2: The Importance of Service

Introduction

Why Sell Service?



Cisco Service Expert Program E-learning

1: CSEP Overview
2: The Importance of Service
Introduction
Why Sell Service?

< [Previous](#) | [Next](#) >

Module 2: The Importance of Service

Updated

Why Sell Service?

Another important reason to sell service is that it provides a means to increase your profitability.

If you decide to sell a product with services, you can increase your overall revenue from sales, while increasing the profitability of your company.

IT industry trends show that the ratio of services versus hardware sales is increasing from 15% to over 40% with some vendors. Think of the increase in revenue that your company could experience if your sales team began to increase its amount of service contracts sold.

In today's cost-conscious economy where the competition for new market share is tight, service can provide a means to significantly increase your bottom line.





Cisco Service Expert Program E-learning

< [Previous](#) | [Next](#) >

Module 2: The Importance of Service

Updated

Why Sell Service?

In many situations, customers are looking to buy more than individual products – they are looking to buy comprehensive solutions. While some customers may have the in-house expertise they need to install their equipment and maintain it over time, many customers will not have this expertise – and they will look to both you and Cisco to provide it.

As you work with your customers, your interaction should not just stop with the sale of the equipment. Your goal should be to develop a relationship with them that:

- Provides them with a support plan to ensure their success.
- Supplies them with experts to address any issues and maintenance needs that arise over the course of time.
- Helps them to maximize their investment by keeping their networks up-to-date with the latest technologies.
- Demonstrates that your goal is to build a long term partnership with them that ensures their success.

The following example involving IP Telephony helps to reiterate these points. Many customers who purchase IP Telephony solutions will not be as familiar with this new technology as you are – and they will need help getting set up. The sale in this case does not just end with your customer buying a Media Convergence Server (MCS), CallManager software, and 30 IP phones.

When the equipment arrives, your customers will appreciate it if you have provided them with a support solution that helps them:

- Install their equipment.
- Configure and set-up their CallManager software.
- Set-up and connect phone lines.
- Train new users on how to use the equipment.
- Maintain their IP system over time, and address any issues that arise.

In scenarios like this, you can earn your customers' trust and continued business by working together with them to develop a long term solution that provides them with after-sale service and support.

1: CSEP Overview
2: The Importance of Service
Introduction
Why Sell Service?



Cisco Service Expert Program E-learning

- 1: CSEP Overview
- 2: The Importance of Service
- Introduction**
- Why Sell Service?**
-
-
-
-
-
-
-

< [Previous](#) | [Next](#) >

Module 2: The Importance of Service

Updated

Why Sell Service?

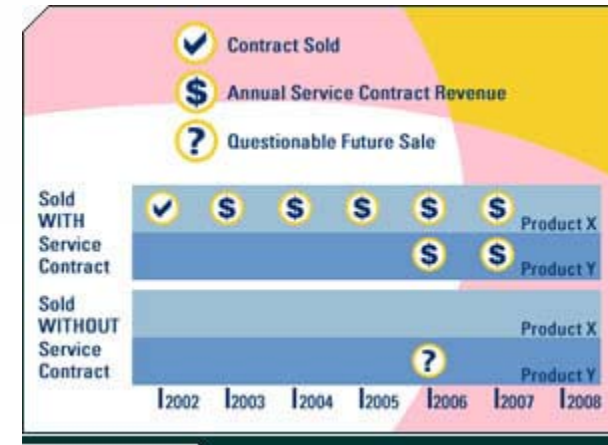
Another important reason to sell service is that it provides YOU with predictable and renewable revenue streams.

For example, when a product sale is made, that is generally the only revenue you will receive from that customer for about 3-4 years until your customer decides to replace the product with something new.

It is a very different model when you sell a service contract. Installation is like a product sale, but technical services are generally renewable annually – allowing you to continue to make revenue from your customer each year.

When you think about it, by using a “product-only” sales model, you are missing out on a steady stream of potential revenue that you could continue to receive from your customers each year.

Additionally, after you have established a service contract with customers, they are much more likely to come to you for additional product purchases – rather than shop around for the best deal.





Cisco Service Expert Program E-learning

< [Previous](#) | [Next](#) >

Module 2: The Importance of Service

Updated

Why Sell Service?

Another important reason to sell service is that it enables entry into new markets.

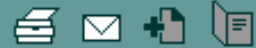
When your customer purchases new technology, they need to feel comfortable that they will be supported in those rare cases when things could go wrong. If you are unable to offer this support, they are likely to go elsewhere to find it.

This does not necessarily mean that your organization needs to know everything about a new technology. Instead, if you are backed up by a manufacturer's service and support, then this will help to increase your customers' comfort levels and satisfaction.

Additionally, service is a great way to differentiate yourself from other companies marketing the same equipment to your customers.

If you can demonstrate that you add value to your customer – over and above that which your competition adds – by offering a support solution that takes care of your customer in the long run – then YOU are more likely to be the one to get that customer's business. In your customer's eyes, the additional value that you provide may be the deciding factor that causes you to stand out from the competition.

1: CSEP Overview
2: The Importance of Service
Introduction
Why Sell Service?



Cisco Service Expert Program E-learning

1: CSEP Overview
2: The Importance of Service
Introduction
Why Sell Service?

< [Previous](#) | [Next](#) >

Module 2: The Importance of Service

Updated

Why Sell Service?

To conclude the topic of why selling service is so critical to both your customers' and your success, take a few minutes to think about the following quote from Cisco Chairman of the Board, John Morgridge.

“Make customers know they are our most important priority.”

Offering a full suite of services to support each of your customers is an excellent way to demonstrate to them that their relationship and success is a top priority to you.

Now that you have reviewed the benefits associated with selling service to your customers, you are going to move on to the next topic, which discusses the impact of service on customer satisfaction.



Cisco Service Expert Program E-learning

< [Previous](#) | [Next](#) >

Module 2: The Importance of Service

Updated

Customer Satisfaction

The benchmark of success for any product, service or interaction is customer satisfaction. It is the critical cornerstone of your culture and the key to continued business success.

Cisco defines customer satisfaction as the collective of every action we take every day. One key to continued success at Cisco is to listen closely to customers, while making appropriate changes to meet their needs.

The impact of greater customer satisfaction leads to greater customer loyalty, resulting in greater revenues, margins, and return customers.

Cisco customer satisfaction ratings are obtained by a yearly survey that Cisco conducts with its customers. These scores comply with the formula provided by the *Harvard Business Review*.

The customer's satisfaction with Cisco is measured with overall

- Sales
- Operations
- Service
- Support effort



1: CSEP Overview

2: The Importance of Service

Introduction

Why Sell Service?

Customer Satisfaction



Cisco Service Expert Program E-learning

1: CSEP Overview
2: The Importance of Service
Introduction
Why Sell Service?
Customer Satisfaction

< [Previous](#) | [Next](#) >

Module 2: The Importance of Service

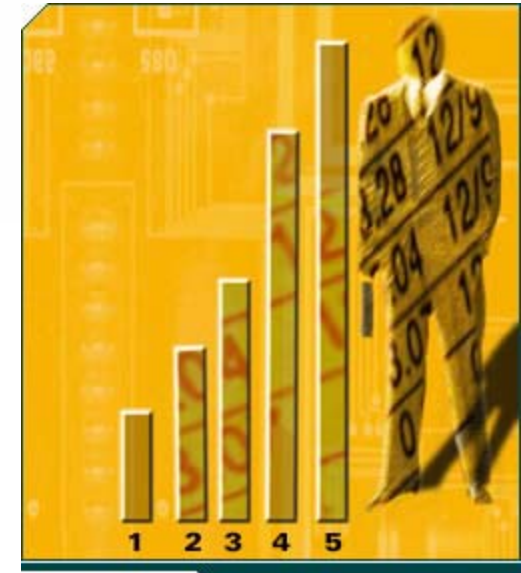
Updated

Customer Satisfaction

Cisco also brings its customer satisfaction best practices to you as a Cisco partner or reseller to help you increase your own customer loyalty.

Cisco partner-served customer satisfaction is a quantitative measure of both pre-sales and post-sales support that an end-customer experiences while purchasing products, services, and solutions through Cisco channel partners.

Both partner and customer satisfaction is measured on a scale of one to five (five being the greatest and one being the least satisfied).





Cisco Service Expert Program E-learning

< [Previous](#) | [Next](#) >

Module 2: The Importance of Service

Updated

Customer Satisfaction

These customer satisfaction metrics focus on Cisco partners':

- Ability to match products, services, and solutions to customers' business problems and objectives.
- Responsiveness.
- Skill level of system engineers.
- Communication of new Cisco products and technology.
- Support center's ability to diagnose hardware, software, and network problems.
- Effectiveness of post-sales technical telephone support services.
- Effectiveness of problem escalation and critical situation management.
- Timely closure/resolution of support problems.
- Timely delivery of spare parts, correctly configured and in proper working order.
- Effectiveness of professional services.
- Effectiveness of on-site service(s) which include the directed field engineers (specifically premium service replacement and installation of spare parts).
- Effectiveness of provided installation services.
- Effectiveness of the installation set-up.



1: CSEP Overview

2: The Importance of Service

Introduction

Why Sell Service?

Customer Satisfaction



Cisco Service Expert Program E-learning

< [Previous](#) | [Next](#) >

Module 2: The Importance of Service

Updated

Customer Satisfaction

The feedback Cisco receives from these surveys is used to validate and improve the services that Cisco offers its customers through resellers and partners. This feedback contributes to the goal of providing Cisco customers with the best possible service and tools that ensure their success.

The benefits of receiving and acting on feedback from customers include:

- It provides a foundation for building long-term relationships with customers, resellers, partners, and Cisco.
- It provides you with an opportunity to improve business practices relative to how your company sells and supports products, services, and solutions.
- It generates key indicators of future directions and market changes.
- It provides a framework for open communication and responsiveness to end-customers' needs.

This is an ongoing survey with responses received daily as Cisco customer respondents submit them. Certification and renewals are measured within an annual timeframe.

Now that you have a better understanding of the benefits associated with having customers complete customer satisfaction surveys, continue to the next section to review the impact of the customer satisfaction level with and without a service support contract.

1: CSEP Overview

2: The Importance of Service

Introduction

Why Sell Service?

Customer Satisfaction



Cisco Service Expert Program E-learning

- 1: CSEP Overview
- 2: The Importance of Service
- Introduction**
- Why Sell Service?
- Customer Satisfaction
-
-
-
-
-
-

< [Previous](#) | [Next](#) >

Module 2: The Importance of Service

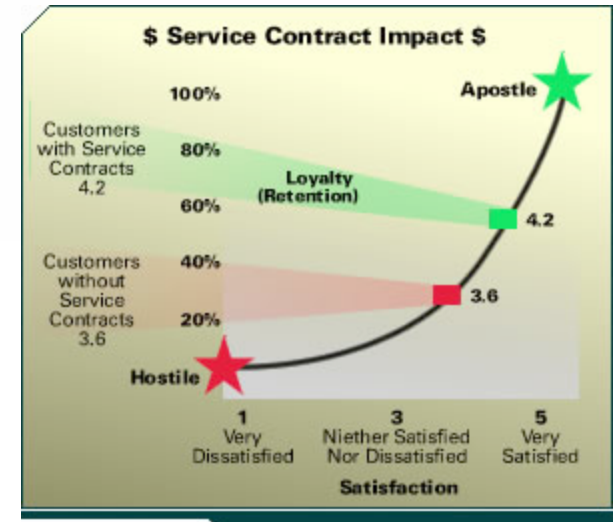
Updated

Customer Satisfaction

The graphic on the right side of this page displays the results of Harvard's survey specific to satisfaction levels of both customers **with** service contracts and customers **without** service contracts.

Notice that customers with a service contract yielded a higher rating (4.2) than customers without a service contract. In fact, customers are 40% more likely to remain loyal to a reseller if they are satisfied with the reseller.

The survey also found that the slightest increase in customer satisfaction yielded three to four times the return on customer loyalty. Customers who were satisfied with their existing resellers were much less inclined to consider another vendor's products than those who were not satisfied with their current reseller's services.





Cisco Service Expert Program E-learning

- 1: CSEP Overview
- 2: The Importance of Service
- Introduction**
- Why Sell Service?
- Customer Satisfaction
-
-
-
-
-
-

< [Previous](#) | [Next](#) >

Module 2: The Importance of Service

Updated

Customer Satisfaction

The data provided by the *Harvard Business Review* is an excellent information source for you to use with customers when discussing the impact of service on their satisfaction level with you.

Use this data when you build a service value justification with your customers. Emphasize to customers that their satisfaction and relationship are top priorities to you—but in order for you to help guarantee their success, they **must** be willing to invest in the services they will need from you to **ensure their success**.



Note: Cisco direct partners can securely obtain up-to-date information on their current customer satisfaction ratings via access to Partner Access Online (PAL).

You can access PAL by entering the URL below in your Web browser.

<http://www.cisco.com/warp/public/765/tools/pal/>



Cisco Service Expert Program E-learning

< [Previous](#) | [Next](#) >

Module 2: The Importance of Service

Updated

Warranty vs. Service

Now that you have spent some time learning about the importance of selling service to your customers in general, the next topic you are going to review focuses on a common misperception that currently exists in the marketplace. This perception has to do with the difference between having a Cisco warranty, and offering your customer a full service contract.

Over the past several years, many Cisco resellers and customers have developed a misperception that Cisco warranties and service contracts provide the same features and benefits to them.

A common generalization that some of these companies make is, "I already have a Cisco warranty on my equipment – why would I need an additional contract? Aren't they the same thing?"

What many customers do not realize is that there are significant differences in having a Cisco warranty on a piece of equipment versus covering that same piece of equipment under a service contract. There are a variety of features and options covered under service contracts that are not covered under many Cisco warranties.

The next few pages are going to provide you with:

- A definition and overview of what each of Cisco's warranties provide.
- A quick review of what items are included under a Cisco service contract.
- Benefits and value justifications that you can use with your customers to correct the misperception held by many people that Cisco warranties and service contracts provide the same features.

1: CSEP Overview
2: The Importance of Service
Introduction
Why Sell Service?
Customer Satisfaction
Warranty vs. Service



Cisco Service Expert Program E-learning

< [Previous](#) | [Next](#) >

Module 2: The Importance of Service

Updated

What is a Cisco Warranty?

A Cisco warranty is the company's assurance of the integrity of its product. It is the Cisco promise to you that the company will be responsible for the repair and replacement of defective parts associated with your equipment during a designated (finite) amount of time.

All Cisco hardware and software products are covered for **a minimum of 90 days**. Some products may have a longer or more comprehensive coverage.

All Cisco warranties apply to equipment purchased by:

- Direct Cisco customers.
- Original owner.
- Individuals who purchased the product for their own use from a Cisco reseller.

1: CSEP Overview
2: The Importance of Service
Introduction
Why Sell Service?
Customer Satisfaction
Warranty vs. Service
What is a Cisco Warranty?



Cisco Service Expert Program E-learning

- 1: CSEP Overview
- 2: The Importance of Service
- Introduction
- Why Sell Service?
- Customer Satisfaction
- Warranty vs. Service
- What is a Cisco Warranty?
- Cisco Warranty Programs

< [Previous](#) | [Next](#) >

Module 2: The Importance of Service

Updated

Cisco Warranty Programs

Cisco products come with one of the following seven warranties:

- Standard 90-day hardware and software warranty.
- 90-day limited hardware warranty.
- 1-year limited hardware warranty.
- Limited lifetime hardware warranty.
- End-user software license agreement and software warranty.
- 3-year limited hardware and 1-year limited software warranty.
- 5-year limited hardware and 1-year limited software warranty.
- **Hardware:** A guarantee that the piece of hardware will be free of defects in material and workmanship under normal use.
- **Software:** A guarantee that the physical media (for example, the CD) is free from defects. The warranty guarantees that the software generally conforms to the published specifications for the product. This only protects customers if the software on the CD is unusable. In most cases, warranties do not include software updates or technical support for software.



- > Cisco Standard 90-day HW and SW
- > 90-day Limited Hardware
- > 1-year Limited Hardware
- > Limited Lifetime Hardware
- > End User SW License Agreement and SW
- > 3-year Limited HW 1-year Limited SW
- > 5-year Limited HW and 1-year Limited SW

Note - page continues on next slide.



Cisco Service Expert Program E-learning

1: CSEP Overview
2: The Importance of Service
Introduction
Why Sell Service?
Customer Satisfaction
Warranty vs. Service
What is a Cisco Warranty?
Cisco Warranty Programs

< [Previous](#) | [Next](#) >

Module 2: The Importance of Service

Updated

Cisco Warranty Programs

- **Cisco TAC Support:** Depending on the type of warranty, some customers may have access to the Cisco TAC for a finite period of time in order to diagnose hardware problems during network-down, critical issues. While the majority of Cisco warranties do not provide customers with technical assistance through the Cisco TAC, a limited number of warranties (such as 5-Year Limited Hardware and 1-Year Limited Software warranties) do.

The terms and conditions of each entitlement (hardware, software, TAC Support) vary by warranty. Some warranties may contain two to three of the above entitlements, and some warranties may only contain one.

The key point to remember is that warranties are limited in both duration and deliverables offered.

Note: In EMEA, the warranty return is fulfilled by the Cisco distributor and reseller involved in the sale.



- > Cisco Standard 90-day HW and SW
- > 90-day Limited Hardware
- > 1-year Limited Hardware
- > Limited Lifetime Hardware
- > End User SW License Agreement and SW
- > 3-year Limited HW 1-year Limited SW
- > 5-year Limited HW and 1-year Limited SW



Cisco Service Expert Program E-learning

< [Previous](#) | [Next](#) >

Module 2: The Importance of Service

Updated

Cisco Warranty Programs

Now that you have reviewed information about the types of entitlements that various warranties can include, you are going to take a few minutes to examine the benefits found in Cisco service contracts.

Service contracts enhance customers' entitlements and provide them with a significant amount of features and benefits "above and beyond" the entitlements offered through a warranty.

Service contracts are agreements between Cisco (or Cisco partners) and its customers (or resellers) which CAN provide (depending on the service program selected) the following:

- Rapid replacement of hardware equipment (configuration and installation), with a delivery response time selected by the customer to meet their needs. Options include parts-only replacement that will need to be installed by in-house customer service teams or engineers, or parts replacement with onsite customer engineers who will replace defective parts for the customer. (**Hardware Replacement and Onsite Support**)
- The ability to use many invaluable online tools and resources that can be used to resolve many of the technical issues and problems that may affect a customer network. (**Cisco.com Online Tools and Resources**)
- 365x24x7 access to Cisco certified engineers who can quickly and accurately diagnose hardware and software problems during network-down critical issues. (**Technical Assistance**)
- Access to Software Support tools including patches, bug fixes, major and minor releases for network platform and applications software. (**Software Support**)

Service contracts enhance your customers' entitlements, providing rapid resolution of problems that can impact network availability and the customer's business. They provide your customer with the insurance and peace-of-mind needed to keep their networks and equipment operating at peak efficiency.

Take a look at the scenarios identified on the next page for examples of situations where your customers may not realize that their existing Cisco warranty does not cover the service they need to resolve their problem.

1: CSEP Overview
2: The Importance of Service
Introduction
Why Sell Service?
Customer Satisfaction
Warranty vs. Service
What is a Cisco Warranty?
Cisco Warranty Programs



Cisco Service Expert Program E-learning

- 1: CSEP Overview
- 2: The Importance of Service
- Introduction**
- Why Sell Service?
- Customer Satisfaction
- Warranty vs. Service
- What is a Cisco Warranty?
- Cisco Warranty Program
- Warranty Scenarios

< [Previous](#) | [Next](#) >

Module 2: The Importance of Service Warranty Scenarios

Updated

Scenario 1

Your customer has purchased hardware Cisco equipment through a distribution channel and is suddenly experiencing network downtime.

Your customer calls into the Cisco TAC to report the technical issue (note - while your customer could contact Cisco directly, they should first contact their distributor). Unfortunately, because they didn't have a service contract, it took longer than normal to verify entitlement – which delayed the time it would otherwise take to reach an engineer.

The Cisco TAC engineer answers and identifies that the network problem is related to a defective hardware device. He further explains to your customer that it will take approximately 10 days for the replacement to arrive – and to make matters worse, your customer also has to send the defective part back first before the new part can be shipped.

Your customer is irritated, and explains to the Cisco TAC engineer that he can't wait that long – and in fact this could possibly cost him his job.

What really upset your customer the most is that no one had informed him that it would take Cisco up to 10 days to ship the replacement part. Furthermore, your customer was frustrated by the amount of time it took to get in touch with a Cisco TAC engineer and the fact that they were not entitled to support from Cisco TAC.

Based on the scenario above, your customer could decide to switch vendors or to not use your services moving forward based on one bad experience that he had – which could have been avoided if a service contract was in place for his company.





Cisco Service Expert Program E-learning

< [Previous](#) | [Next](#) >

Module 2: The Importance of Service

Updated

Warranty Scenarios

Scenario 2

Your boss has recently asked you to take over an account for a customer that had purchased a large volume of Cisco hardware devices just a month ago. In fact, this was one of the largest orders to date for your company.

Suddenly, you get a phone call at the worst possible time you can imagine. It is the end of the month and you are trying to complete your sales reports that are due in one hour. Furthermore, you have a very hot sales appointment with a prospective customer in the afternoon that was referred to you by one of your existing clients.

Your customer is frantically asking you to help them since their network is currently down. You realize that you have not taken the time to review the customer's contract to determine the ACTUAL COVERAGE of their equipment.

You are realizing that you are now in a very difficult – and awkward – situation. You are faced with several choices – which one do you tackle first? All of them are important:

- Keeping your customer on the phone satisfied.
- Generating new revenue for your company - and for yourself – by going on the afternoon sales call.
- Submitting your end of the month sales report to get paid on time.

Scenarios like the one identified above can be avoided if you:

- Explain the difference between the services that are provided under a warranty versus the services that are provided under a Cisco service contract to your customers.
- Provide your customer with a service contract that provides them with a team of people to support them during critical times like network downtime.



1: CSEP Overview

2: The Importance of Service

Introduction

Why Sell Service?

Customer Satisfaction

Warranty vs. Service

What is a Cisco Warranty?

Cisco Warranty Programs

Warranty Scenarios



Cisco Service Expert Program E-learning

< [Previous](#) | [Next](#) >

1: CSEP Overview

2: The Importance of Service

Introduction

Why Sell Service?

Customer Satisfaction

Warranty vs. Service

What is a Cisco Warranty?

Cisco Warranty Programs

Warranty Scenarios

Module 2: The Importance of Service

Updated

Value of Service

There are several points you can reference with your customers to emphasize the value of service. These points are discussed on the next several pages.

One important point to emphasize with customers is that in many cases, they will have to wait longer for hardware replacements covered under a Cisco warranty than with the same hardware covered under a service contract that includes Advance Replacement.

The support within most Cisco warranties provides shipping within ten business days from the return materials authorization (RMA) request date - assuming the equipment or part is in stock and available. A typical service contract can provide hardware replacement shipping the next business day - or in as little as two hours - depending on the level of service coverage requested.

Depending on the level of service a customer purchases through a service contract, the response time associated with a defective piece of hardware is significantly faster than the response time for the same piece of equipment covered under a Cisco warranty.

Service contracts also provide customers with access to Cisco.com Online Tools and Resources.

Cisco.com is an award-winning website that provides customers with 24x7 access to a comprehensive collection of online product and technology information, interactive network management and diagnostic tools, and empowering knowledge transfer resources.

For customers, the benefits of having a service contract that provides them with access to Cisco.com includes:

- Reduced costs.
- Increased productivity.
- Maintaining an edge over the competition.



Cisco Service Expert Program E-learning

- 1: CSEP Overview
- 2: The Importance of Service
- Introduction
- Why Sell Service?
- Customer Satisfaction
- Warranty vs. Service
- What is a Cisco Warranty?
- Cisco Warranty Programs
- Warranty Scenarios
- Value of Service

< [Previous](#) | [Next](#) >

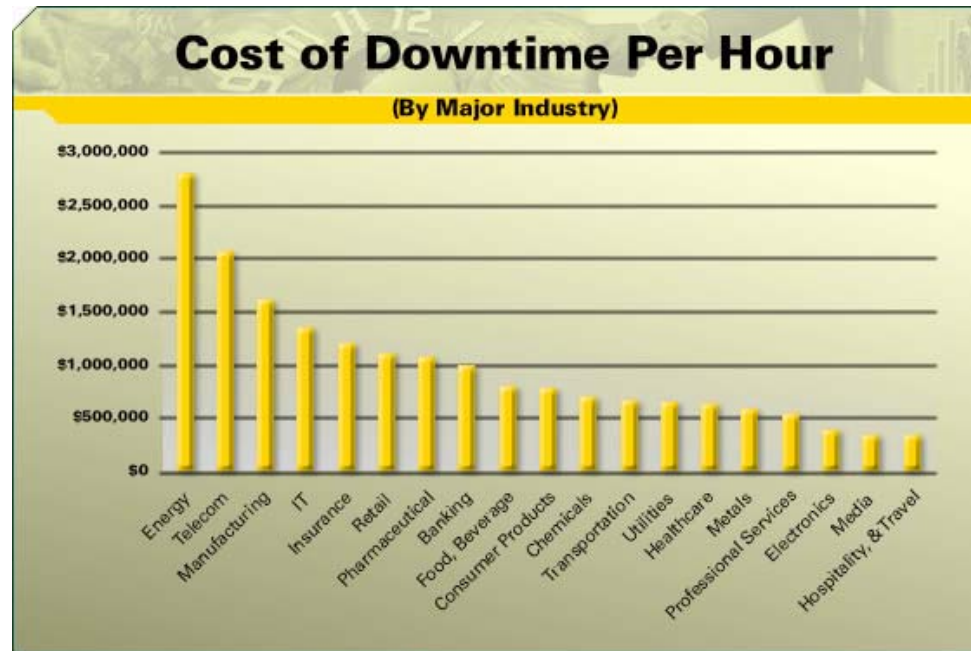
Module 2: The Importance of Service

Updated

Value of Service

Another important item to discuss with your customers is network downtime.

Network downtime can have a direct impact on customer revenue. The figure below illustrates a breakdown of the cost of network downtime per hour experienced by various sectors in today's economy. Take a few minutes to think about these costs. Imagine how quickly these numbers could increase for a customer waiting for a shipment of equipment that is covered under a typical 10-day warranty. Having a service contract that provides next day, four-hour, or two-hour dispatch options can significantly reduce the costs your customers incur due to network downtime.





Cisco Service Expert Program E-learning

< [Previous](#) | [Next](#) >

Module 2: The Importance of Service

Updated

Value of Service

Another important point to stress to customer is the support provided under the warranties for their equipment is finite. At some point, customers will no longer be eligible for this support. Service contracts provide your customers with annual or multiyear support that can easily be renewed upon expiration. They provide your customers with the assurance and peace-of-mind they will need to keep their networks and equipment operating at peak efficiency. Additionally, multiyear service contracts can provide customers with longer-term price protection.

Many customers may also not realize they will be charged on a time-and-materials basis for any support they receive after their warranty expires. While these costs may not sound high initially, they can quickly add up.

For example, an unsupported customer who calls into the Cisco TAC is charged an hourly rate of \$210 - with a minimum four-hour charge on most major products. You may determine, after talking with your customers, that they could be calling into the TAC several times a year. In many cases, the one-time annual cost of a service contract could be less than these time -and-materials charges.

1: CSEP Overview
2: The Importance of Service
Introduction
Why Sell Service?
Customer Satisfaction
Warranty vs. Service
What is a Cisco Warranty?
Cisco Warranty Programs
Warranty Scenarios
Value of Service



Cisco Service Expert Program E-learning

< [Previous](#) | [Next](#) >

Module 2: The Importance of Service

Updated

Value of Service

In conclusion, you should emphasize to customers that all of these benefits provide them with investment protection.

Service contracts protect your customer's network investments, and provide them with a variety of additional benefits and features that most warranties do not. When speaking to customers about service contracts, make sure to emphasize that service contracts:

- Provide rapid replacement of hardware.
- Enable access to the power of Cisco.com Online Tools and Resources.
- Provide software updates.
- Reduce costs associated with network downtime.
- Provide annual or multiyear support.
- Reduce operational costs.
- Access to 24x7 technical assistance.

It is to your benefit to encourage your customers to consider service contracts at the time of equipment purchase. Not only does it provide a full spectrum of entitlements to your customers that they would not receive under a warranty, it means more money for you. Selling service contracts increases your bottom line.

To conclude this module, please take a few minutes to answer the review questions on the next few pages and assess what you have learned about the importance of selling service contracts.

Note: This link can provide up-to-date reference on all Cisco warranties:
<http://www.cisco.com/warp/public/cc/serv/mkt/sup/tsssv/wnty/>



1: CSEP Overview

2: The Importance of Service

Introduction

Why Sell Service?

Customer Satisfaction

Warranty vs. Service

What is a Cisco Warranty?

Cisco Warranty Programs

Warranty Scenarios

Value of Service



Cisco Service Expert Program E-learning

< [Previous](#) | [Next](#) >

Module 2: The Importance of Service

Updated

Review Questions

You are on the phone with a customer discussing service contracts, when your customer tells you, "I have purchased service contracts from other vendors in the past and have not been satisfied with them. Most of their offerings weren't related to my needs."

How would you respond?

 *Select the best answer from the choices below.*

- A. "Cisco is by far the #1 networking equipment maker in the country. Your previous purchase was from an inferior company, therefore leading to inferior services."
- B. "Harvard University conducted a study comparing customer satisfaction levels of customers with and without service contracts. According to the study, customers with service contracts had a higher satisfaction rating than those without."
- C. "If you were not satisfied with the service contracts from your previous vendor, then you most likely would not be satisfied with a Cisco service contract."
- D. "Cisco makes every effort to ensure customer satisfaction. Every year, Cisco conducts a customer survey to determine customer satisfaction level. Cisco then uses this feedback to validate and improve services based upon the needs of the customer."

1: CSEP Overview

2: The Importance of Service

Introduction

Why Sell Service?

Customer Satisfaction

Warranty vs. Service

What is a Cisco Warranty?

Cisco Warranty Programs

Warranty Scenarios

Value of Service

Review Questions



Cisco Service Expert Program E-learning

< [Previous](#) | [Next](#) >

Module 2: The Importance of Service

Updated

Review Questions

You have just closed a sale with your customer for Cisco hardware, and are beginning to talk to them about a service solution to support their hardware investment. In your discussion, your customer tells you, "I do not see the benefit of Advance Replacement of defective hardware. I already receive hardware replacement under my standard warranty, right?"

How would you respond?

 *Select the best answer from the choices below.*

- A. "You are the customer and I am here to help you. We'll go with whatever you decide."
- B. "Cisco warranties often do not cover replacement of hardware unless sufficient evidence can be provided showing that the defect was due to Cisco error."
- C. "In many cases, with a technical support service contract replacement parts can be shipped as soon as the next business day. Under a standard warranty, replacement parts are shipped within 10 business days from the RMA return date. Can you afford to have your network down that long?"
- D. "I understand your point, but I don't think you fully understand the situation. As your sales rep, I know what your company is looking for and what it needs. You should trust my judgment and purchase a service contract."

1: CSEP Overview
2: The Importance of Service
Introduction
Why Sell Service?
Customer Satisfaction
Warranty vs. Service
What is a Cisco Warranty?
Cisco Warranty Programs
Warranty Scenarios
Value of Service
Review Questions



Cisco Service Expert Program E-learning

< [Previous](#) | [Next](#) >

Module 2: The Importance of Service

Updated

Review Questions

You are on the phone with a very interested customer who is about to buy some expensive routers. He decides to purchase them. However, he does not see the value in purchasing a technical support service contract upfront, and wants to proceed with a standard warranty.

The customer's reasoning to you is, "If I already have a Cisco warranty on the equipment – why would I need an additional service contract?"

How should you respond?

 *Select the best answer from the choices below.*

- A. "Service contracts and warranties differ, both in the length of coverage and the deliverables entitled by each. Warranties often only cover a period of 90 days and provide you with replacements for defective parts. With a service contract that lasts one or more years and is renewable, you not only can replace defective hardware more rapidly, but you have access to technical support and resources not offered under warranties."
- B. "Service contracts offer some minor additional entitlements and services, but overall, do not differ very much from standard warranties. Why don't you stay with the standard warranty for now, and if you decide in the future to consider a service contract, we can discuss them in further detail."
- C. "Service contracts differ greatly from warranties. With a warranty, your coverage and entitlements are limited. With a service contract however, you have unlimited access to technical support and replacement of parts for the life of your equipment. Service contracts are a deal that can't be beat. "
- D. "Cisco warranties are somewhat misleading and do not actually provide adequate protection from defective hardware. I always recommend that my customers be wary of Cisco warranties and choose a service contract instead."

1: CSEP Overview

2: The Importance of Service

Introduction

Why Sell Service?

Customer Satisfaction

Warranty vs. Service

What is a Cisco Warranty?

Cisco Warranty Programs

Warranty Scenarios

Value of Service

Review Questions



Cisco Service Expert Program E-learning

< [Previous](#) | [Next](#) >

Module 2: The Importance of Service

Updated

Summary

Congratulations. You have completed **Module 2: The Importance of Service**. In this module you:

- Identified the Cisco service and support philosophy.
- Explained an understanding of the service contract impact on customer satisfaction.
- Described the standard warranty options.
- Contrasted the difference between warranty versus service entitlement.

In **Module 3: Cisco.com Online Tools and Resources**, you are going to learn how to take advantage of the award-winning Cisco.com portal that provides a suite of highly integrated tools for conducting business with Cisco.

1: CSEP Overview
2: The Importance of Service
Introduction
Why Sell Service?
Customer Satisfaction
Warranty vs. Service
What is a Cisco Warranty?
Cisco Warranty Programs
Warranty Scenarios
Value of Service
Review Questions
Summary