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# Lifecycle Selling Is Here. This Is Why You Should Care

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By Mark Ivey and Jerry Soverinsky, original artwork by Sara Baldwin

## What's in it for you?

- Take a closer look at how lifecycle selling changes how we approach our customers
- What it means to prioritize early alignment around our customers' business outcomes
- How a 5-year contract was an early win for our new sales model



Five years ago, who would have thought Cisco would be one of the largest software companies in the world?

But it's true: Today, more than half of our revenue is derived from software and services.

And these numbers will continue to grow, especially as customers further evolve the way they consume technology, blurring the

lines between traditional products and services.

With so much in flux — as we raced to transform the network from a hardware approach to a software-based model, along with our sales focus — it only makes sense that we consider what's changed for our customers, too.

## Outcome-based

We recently launched our lifecycle selling methodology — and it's no exaggeration to say it's a fundamental change in the way we approach our customers.

For starters, customer engagement is approached with an eye toward business outcomes — helping customers achieve performance, financial, or operational expectations *quickly*.



This program is anchored around Cisco's four customer priorities :

- Reimagine Applications
- Secure Enterprise
- Transform Infrastructure
- Power Hybrid Work (formerly Empower Teams)

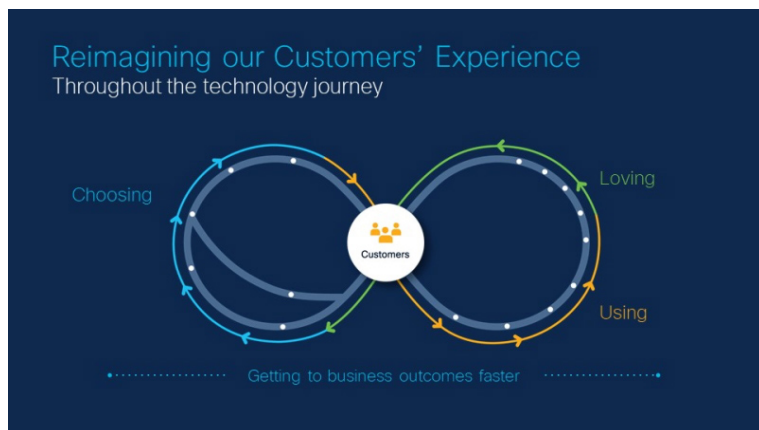
## Customers expect value

So, what's different, exactly?

The key change is we now approach sales engagements from the point of view of our customer's solution lifecycle. That means aligning earlier in the sales process with both partners and customers, learning about their needs, and showing them a path to achieve results faster.

When we successfully do this, our customers see value from their Cisco investments in less time. Based on this, they further invest in more solutions. And finally, they renew at higher rates, setting the cycle in motion again.

## Lifecycle selling in practice



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In a traditional selling scenario, a customer would purchase a software subscription from us or one of our partners. But the roles and responsibilities that surround their customer success journey — and the value they expect — are often not addressed until *after* purchase.

This only creates confusion for the customer and partner, slows adoption, and reduces the chances the customer will renew their subscription.

Lifecycle selling establishes a new paradigm: A collaborative, holistic approach that starts early in the sales process. We work with the partner, key stakeholders within Cisco, and the customer to agree on responsibilities and how we'll achieve outcomes. This means we have an onboard and adoption plan agreed to by the customer before a P.O. is accepted.

A good example is how we recently joined up with our partner ePlus to leverage this approach with the RAND Corporation, a nonprofit research organization that develops solutions to public policy issues.

As we got to know the organization, our sales team discovered that it was facing several challenges:



- IT expenses were unpredictable and hard to control
- Staff's bandwidth to manage their subscription licenses were maxed out
- Team's operational efficiency was suffering
- Infrastructure was dated and presented risk

With those challenges in mind, the team worked with ePlus and RAND to establish success objectives and a plan that would help them realize value quickly. Collaboration occurred early and often, and our team developed an outcome-based services plan that aligned with their technical requirements.

Along the way, Cisco's team created a customer success plan that addressed all requirements, including onboarding, deployment, adoption, and optimization. Finally, they built a long-term roadmap that's scalable and allows for expansion.

The result: Cisco and ePlus were selected to provide RAND's key infrastructure for the next five years.

"It was critical having ePlus and Cisco aligned on meeting our expectations/business outcomes early in the process," shares Curt Havard, RAND Corporation's director of Operations and Information Services.

## A true win-win

Lifecycle selling requires a mindset shift, and it takes everyone's commitment to be successful. We must embrace new behaviors, roles, and responsibilities across our sales, customer success, and partner teams.

It creates winning scenarios for all parties. Research shows that when this methodology is used, deal sizes grow, renewal rates increase, and customer loyalties are strengthened.

Even closer to home, our latest Net Promoter Score (NPS) survey, which measures a customer's willingness to recommend, found that when we helped them with an outcome, their score is greater than 50 points higher than the average tech company.

It creates a competitive distinction in a crowded marketplace, and when combined with the strength of our portfolio of offers, lifecycle selling elevates the Cisco brand and demonstrates our commitment to the customer.

It's just another way that Cisco is building a bridge to possible.

*Let us know what you think about lifecycle selling-and what else you'd like to know about.*

## Additional resources:

- Check out our Lifecycle Selling resources and training on SalesConnect.



- Learn more about the Cisco Story, 3-year strategy and our Customer Priorities.
- Check out Cisco IMPACT September 1-2, where Jeremy Aston, VP, Americas Software & Services will show how lifecycle selling can help close bigger deals, drive higher renewal rates and boost customer satisfaction.

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