



## Alexander Hamilton Awards— Working Capital Management

Maryann Von Seggern  
Director, Cisco Capital Channels

# 2009 Economic Storm— Reseller Credit Crisis

- Contracting credit markets
- Banks re-pricing loans and pulling commitments
- Payment delays affecting cash flow
- Pressure on profits
- Delays in customer spending



# Cisco Navigate to Accelerate Partner Compass

**FOCUS ON  
FINANCE**

**FOCUS ON  
CUSTOMER  
BASE**



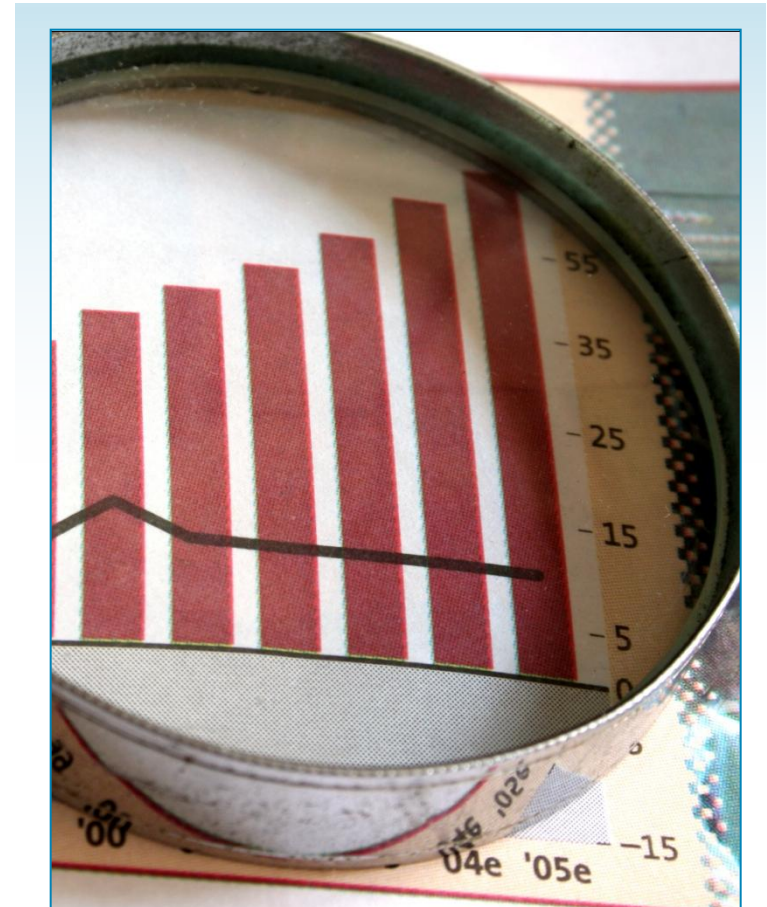
**FOCUS ON  
CHANGING  
NEEDS**

**FOCUS ON THE  
FUTURE**

# Focus on Finance Objectives



- Help partners Navigate storm and Accelerate as economy turns
- Avoid material increase in credit risk
- Protect Cisco sales volume
- Increase partner loyalty and gain share



# Financial Offering— European Stimulus Promotion



- Provide 90 day payment terms to qualified distributors and channel partners
- Leverage more than a decade of experience with 3rd party finance companies
- Results
  - Raised \$700M in new bank credit capacity (\$15M of risk retained on subset of partners)
  - Meaningful improvement to Cisco's DSO
  - 23% median sales growth versus negative theatre growth

# Working Capital Management

## Cisco Capital Channel Financing



- Optimized working capital across the value chain
- Added new bank capacity while reducing Cisco's exposure to risk
- Improved partner profitability
- Accelerated delayed customer IT spending
- Increased partner loyalty by investing in tough times

“The most useful support tool ever delivered by Cisco”

—CFO of a Cisco reseller