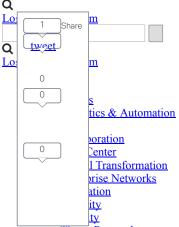


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Viptela - A Key Piece of Cisco's Digital Business Transformation



Kevin Bandy - May 8, 2017 - 5 Comments

Visualize the last puzzle you worked on. Now, remember how good it felt when you snapped a key piece into place. The fit was snug, it completed a strategic section, and opened up new areas to be assembled. This is how I feel about Cisco's plan to acquire <u>Viptela</u>—a company that delivers cloud-based Software-Defined Wide Area Networking (SD-WAN) solutions.

Our job is to empower our customers' digital transformations with the right networking solution that gives them with the best choice for their business model, talent and needs. From a solution perspective, Viptela extends Cisco's SD networking strategy into the WAN environment in a significant way. It does this by combining Viptela's cloud-first network management, orchestration, and overlay technologies with Cisco's industry-leading routing platforms, services, and SD-WAN capabilities. For customers, the acquisition simplifies management, increases digital business agility, and reduces costs.

From my perspective as Cisco's Chief Digital Officer (CDO), Viptela is also a great fit because the company and its people bring us closer to achieving our vision of delivering recurring value to our customers and the ability to consume that value on a subscription basis.

Much of Viptela's revenue is subscription based. This means the acquisition will increase the percentage of recurring revenue for Cisco. Further, the SD-WAN market opportunity is projected to reach \$6 billion by 2020 at a compound annual growth rate (CAGR) of 76%. * As we increase our share of the SD-WAN market, our recurring revenue will also increase.

Press and analysts like the acquisition. A TechCrunch <u>article</u> stated, "[The acquisition] fits with the service-oriented focus of [Cisco's] recent purchases, enabling the company to switch from a pure network hardware business, which has been its bread and butter to a services revenue based on the subscription model."

Per my <u>last blog</u>, we're not there yet, but we're one puzzle-piece closer to transforming our business model. Let me know what you think about Cisco's latest strategic acquisition and our digital business transformation.

* Gartner, 2017

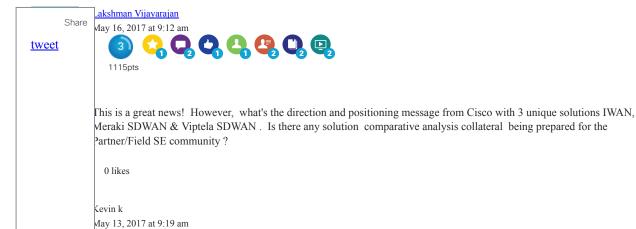
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5 Comments



What about meraki? What is the vision of cisco with two solutions contending for same market

0 likes



Sudip Lamichhane

:)

0 likes



Anonymous

May 10, 2017 at 10:46 am

Great perspective - Viptela is a welcomed addition to the portfolio.

0 likes



Hiten

May 8, 2017 at 1:19 pm

Excellent post, the market is upbeat about the Cisco M&A machine being in high-gear and this confirms that we are heading in the right direction. Thanks Kevin for this perspective!

1 like

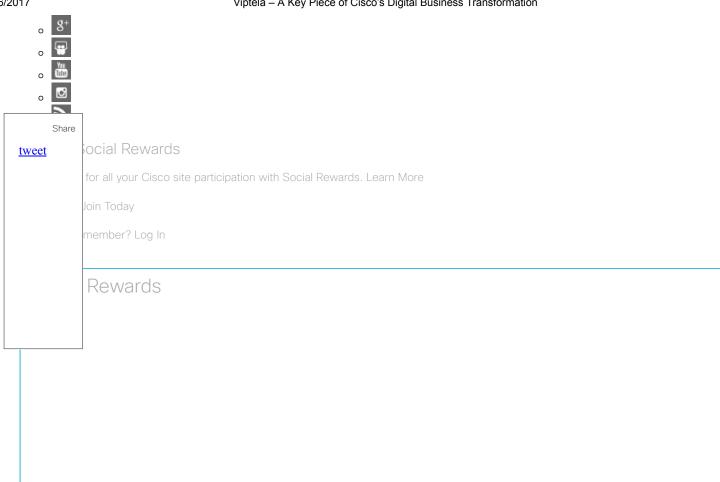
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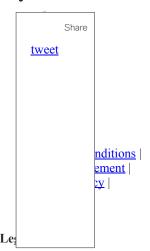
Hang on to your hats! Just about ready to take the stage for the closing keynote #CiscoPS17 -Rowan https://t.co/LEIruatNrY

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