

# Sprint Nextel Expands Security Portfolio and Vertical Market Strategies to Meet Customer Demands

## Executive Summary

### CUSTOMER NAME

Sprint Nextel Corporation

### INDUSTRY

Service Provider

### BUSINESS CHALLENGES

- Expand portfolio of managed security offerings
- Target new markets by assessing demand
- Realign network security offerings for vertical industries

### SOLUTIONS

- Use Cisco® advanced network technology to develop a fully integrated, multilayered managed security solution portfolio
- Work with Cisco IBSG to understand customer needs and formulate go-to-market strategies

### BUSINESS RESULTS

- Developed a powerful managed security value proposition
- Increased projected sales by US\$30 million in 24 months
- Became first global service provider in Cisco's Managed Security Service Provider Advanced Technology Program and first to achieve Cisco IP VPN Multiservice QoS Certified status.
- Received QoS certification from Cisco

Sprint Nextel Corp. is a Fortune 100 telecommunications company with corporate headquarters in Reston, Virginia, and operational headquarters in Overland Park, Kansas. The company offers an extensive range of innovative communication products and solutions, including global IP services and wireless voice and data. Organizationally, it is segmented into two divisions that address the needs of businesses and consumers. In August 2005, Sprint and Nextel completed a merger, which was announced just eight months prior, and in May 2006, Sprint Nextel spun off its local telephone division, which now operates as Embarq.

## BACKGROUND

As demands for connectivity continually increased and attention turned to the competitive advantages of IP networks, current and potential Sprint customers began to focus more and more on security concerns. While fears about possible damage from invasive digital viruses and worms made for the most visible headlines, regulatory compliance requirements lifted network security into the realm of mission-critical necessity.

Citing legislation such as Sarbanes-Oxley, the USA PATRIOT Act, the Health Insurance Portability and Accountability Act, and Basel II, Heidi Gigler, Sprint's marketing manager, says compliance is a major issue facing businesses today. Most of those regulatory mandates mean organizations essentially must guarantee the integrity of their business data as well as the confidentiality of customer records. "Sprint is all about the Internet and connectivity," she says. "It makes prudent sense to help our customers by implementing network security so that we're



Prepared by Cisco  
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delivering clean traffic to them. And, by offering managed services, we can help them keep proprietary information from being accessed by unauthorized users.”

Adds Rob Plamondon, manager of Sprint Strategic Alliances: “More and more, security is becoming a critical buying criterion.”

**“We have won some very significant customer accounts and grown revenue; even more important, we are now seen as a strategic partner for our customers.”**

**Susan Nelson, vice president of Strategic Alliances  
Sprint Nextel Corporation**

## BUSINESS CHALLENGES

Although Sprint had some network security products in place, for the most part, they were standalone and disparate, offering tactical fixes to security problems that increasingly were being viewed as larger, strategic issues. Additionally, training the Sprint field on the benefits of Sprint’s security offering proved challenging, and the company’s limited portfolio was hampering its success in the enterprise and commercial business space.

“It became crystal clear to us that customers’ number one concern about making a decision to move to an IP-based solution was wrapped in security,” says Plamondon.

To meet the growing needs of Sprint customers, the company had to offer integrated managed security, notes Gigler.

“Sprint is a market leader in terms of IP networks,” according to Plamondon, “and Cisco is a market leader in IP networking and security gear. So working together made for a perfect fit.”

Will Hayes, manager of vertical industries for the Cisco Systems® Internet Business Solutions Group (IBSG), recalls that initial discussions between the two companies centered around “thoughts we had about what’s going on in the marketplace, what Sprint’s capabilities looked like, and what type of portfolio we might recommend to help them move down the path they were on.”

## SOLUTIONS

“As it relates to security, the relationship with Cisco has been key to us,” says Plamondon. “One of the really important discussion points involved market insight, and a lot of that was led by IBSG. Many of our meetings were—and continue to be—about where we need to ‘place our bets.’ Invariably, the leadership that Cisco and IBSG provide to us regarding where the market is going is very helpful.”

“The advantage of partnering with Cisco in terms of our go-to-market strategy is the resources they deliver that allow us to plan, execute, and deliver at the branch level for our customers,” adds Gigler, noting that Cisco has valuable vertical industry expertise, particularly in the enterprise space, where a one-to-one relationship and need to understand the customer’s business are essential. “Having assets on the Cisco side and being able to execute with a very targeted message for our vertical enterprise customers has been very successful for us.”

Once target markets were identified, Sprint began to collaborate with Cisco's solutions architecture team to develop an integrated family of managed security products and services, including customer premise and network-based solutions, wireless and wireline solutions, backbone infrastructures, and transport solutions, as well as firewall, intrusion detection, authentication, and URL filtering for IP-based networks.

### **Managing Both Security And Costs**

Gigler says solutions, like the Integrated Services Router (ISR), which integrates functionality into essential parts of the network, "really are an important component that helps our customers manage their costs and at the same time allows Sprint to deliver security where customers need it." The ISR fits well strategically into the Sprint security portfolio, she adds. As the industry moves to IP convergence and more and more customers switch to IP networking, so grows the need for increasingly robust equipment at the premise onto which security services can be layered, scaled, and upgraded. ISR fills that bill.

As the requirements of Sprint customers change, Plamondon notes, "we can change the packaging and products around our managed security set, which allows us to quickly respond to those requirements and also to the needs of our salespeople."

Sales support was another area where collaboration with Cisco delivered positive results. "Having dedicated channel account managers has been crucial to Sprint in being able to execute go-to-market strategies because they reinforce messages at the account level," she says. Cisco recommended a different approach in educating account managers and field representatives, focusing more on an early-discovery phase to successfully unearth customer requirements and then learn how to approach alternative decision makers who drive a customer's regulatory and security strategies.

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**Heidi Gigler, marketing manager  
Sprint Nextel Corporation**

### **BUSINESS RESULTS**

Sprint estimates significant revenue growth from managed security products and services that were launched in April 2005. Moreover, its salesforce has been able to capitalize on the company's strengthened security portfolio as an opportunity to open discussions about virtual private network (VPN) and IP offerings. "In terms of penetrating new markets," says Gigler, "Sprint's integrated security solutions have enabled us to get into accounts and really show how Sprint can be the first line of defense for customers."

"Our managed security products and services have improved Sprint's relationship with some of the largest accounts in the country," Plamondon says. "We have won some very significant customer accounts and grown revenue, and more important, are now seen as a strategic partner for our customers."

Sprint has also become the first global service provider in Cisco's Managed Security Service Provider Advanced Technology Program, and first to achieve the IP VPN-Multiservice QoS Certified status from Cisco. This certification indicates that Sprint has demonstrated through a third-party assessment that its Multiprotocol Label Switching VPN service meets Cisco best practices and standards for delivering real-time voice and video services. Cisco IP VPN-Multiservice QoS Certified verifies that the managed IP VPN service operator has committed to meeting best-practice criteria, defined by Cisco, for delivery of real-time voice and video services. Built end-to-end with Cisco equipment, Sprint continues its culture of innovation with voice, video, and data service offerings that are designed to provide enhanced performance, greater simplicity, and better value for its customers.

## MORE INFORMATION

The Cisco Internet Business Solutions Group (IBSG), the global strategic consulting arm of Cisco Systems, helps Global Fortune 500 companies and public organizations transform the way they do business—first designing innovative business processes and then by integrating advanced technologies into visionary roadmaps that improve customer experience and revenue growth.

For further information about IBSG, visit <http://www.cisco.com/go/ibsg>



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C36-360663-00 10/06