RESEARCH | CISCO ENTERPRISE AGREEMENTS AND SPLUNK RENEWALS

The Cisco Negotiation: The Attach Machine, True Forward, and Splunk Inside the Tent

Preparation, strategy, and tactics for Cisco Enterprise Agreements, subscription renewals, and post-acquisition Splunk deals, written from the buyer's chair | Vendor Benchmark LLC | August 2026

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Late Jul
CISCO'S FISCAL YEAR END: THE CALENDAR NOBODY ELSE SHARES

T-15 mo
THE RUNWAY, SPANNING SUBSCRIPTIONS, SUPPORT, AND HARDWARE AT ONCE

True Forward
CISCO INVENTED THE TERM: COUNTS GO UP AT ANNIVERSARY, NEVER DOWN

Tier creep
MOST ESTATES RUN THE PREMIUM TIER ON FEATURES THE BASIC TIER COVERS

30 to 50%
SPLUNK INGEST TYPICALLY REDUCIBLE BEFORE A RENEWAL, NOT AFTER

The attach
HARDWARE PULLS SUBSCRIPTIONS, SUBSCRIPTIONS PULL SUITES, SUITES PULL THE EA

READ THIS FIRST

Cisco built the most effective attach machine in enterprise IT. The hardware you must buy pulls a subscription you must activate; the subscription pulls a suite; the suites pull an Enterprise Agreement that co-terms everything into one renewal; and the renewal arrives with True Forward mechanics, a term Cisco itself coined, under which your counts adjust upward at every anniversary and downward only at the end of a term. None of the individual steps feels like a decision. Compounded, they produce the classic Cisco estate: premium license tiers deployed where basic tiers would serve, support contracts renewed unread for a decade, collaboration seats nobody uses, and now, since the largest acquisition in the company's history, Splunk inside the same tent, carrying the most negotiable meter in the whole portfolio.

The buyer's counters are unusually strong here, for three reasons. First, the estate is measurable: license tier usage, support coverage, seat activity, and Splunk ingest are all facts you can census before Cisco prices your inertia. Second, the competition is real: networking, security, and observability all have credible alternatives that Cisco's field takes seriously in a way few incumbent vendors do. Third, the calendar is a gift: Cisco's fiscal year ends in late July, a window no other major vendor shares, which means your endgame runs into their Q4 while every other vendor's machine is quiet. This playbook turns those three advantages into a process. No theory. Tiers, meters, dates, scripts, and checklists.

1. WHAT CHANGED SINCE YOU SIGNED

- **The EA became the center of gravity.** Cisco has consolidated its commercial model around cross-portfolio Enterprise Agreements spanning networking, security, collaboration, services, and now Splunk, with built-in growth allowances and True Forward adjustments at anniversaries. The EA is genuinely efficient for the right estate and genuinely expansive by design: its architecture rewards adding suites, and its mechanics ensure counts ratchet in one direction between renewals.
- **Subscriptions attached to the hardware.** Network gear increasingly ships with software subscriptions attached as a condition of the purchase, in tiers whose premium levels carry the advanced automation, policy, and analytics features. The attach is the policy; the tier is the negotiation. Most estates discover at census time that premium-tier features run on a fraction of the devices paying premium-tier prices.
- **Splunk moved inside the tent.** The acquisition put the market's dominant observability and security analytics platform into Cisco's portfolio, and the integration is commercial as much as technical: Splunk appearing in EA proposals, bundled with the security suite, with pricing models migrating from ingest-based toward workload and entity constructs. Every migration of a pricing model is a negotiation opening, and every bundle is a place where Splunk's standalone economics can quietly worsen while the headline discount improves.
- **The post-acquisition climate is repricing.** List increases arrive on cadence, packaging changes carry price changes inside them, and long-standing Splunk customers are watching their renewals with the wariness every mega-acquisition earns. The defense is contractual: term protections, caps, and model-migration terms written now, while Cisco is still courting the installed base rather than harvesting it.

- **Support is its own estate.** Hardware support contracts accumulate across a decade of purchases: mixed coverage levels, end-of-life devices still on premium coverage, and spares covered like production. The support inventory is routinely the fastest seven-figure recovery in a Cisco negotiation, and third-party maintenance for stable and legacy gear is a mature market Cisco prices against when it believes you mean it.
- **Their calendar ends in late July.** Cisco's fiscal year closes at the end of July, with quarters ending in October, January, and April. Q4 runs May through July: proposal generosity, exception approvals, and bundle flexibility all peak into a summer signature. Build the process backward from July, not December.

2. THE RENEWAL RUNWAY

T-15 (APR)	T-12 (JUL)	T-9 (OCT)	T-7 (DEC)	T-4 (MAR)	T-0 (JUN TO JUL)
Contract and entitlement archaeology across Smart Accounts, EAs, and support	The censuses: license tiers, seats, support coverage, Splunk ingest	Optimization executed: ingest reduced, tiers mapped, support rationalized	Target EA composition built; benchmark done; written anchor to Cisco	Negotiation rounds; tiers, Splunk terms, and True Forward mechanics priced	Endgame into Cisco's Q4; caps and terms close; signature by late July

Two sequencing rules matter most. The Splunk ingest optimization happens at T-9, because a renewal priced on unoptimized ingest locks the waste in for a term, and optimization after signature saves nothing until the floor is reached. And the July calendar must be internalized by your own stakeholders: a team habituated to December endgames will sleepwalk past Cisco's actual moment of maximum flexibility, which arrives while half your company is planning summer holidays.

2A. THE FIRST 90 DAYS: THE TASK LIST

#	TASK	OWNER	OUTPUT
1	Contract archaeology: every EA, subscription, and support contract, with terms, co-term dates, growth allowances, and True Forward mechanics mapped	Procurement + Legal	Clause and date map
2	Entitlement inventory across Smart Accounts: what is owned, what is subscribed, what is deployed, reconciled	License analyst	Entitlement truth
3	License tier census: which devices actually use premium-tier features (automation, policy, advanced analytics) vs the basic tier's coverage	Network team	Tier map
4	Collaboration and security seat census: active usage per seat and per suite against entitlements	IT + Security ops	Seat truth
5	Splunk ingest audit: data sources by volume and value, noise identified, tiering and filtering candidates mapped	Observability team	Ingest reduction plan
6	Execute the ingest plan: filter, route, and tier data before any renewal conversation, with savings measured	Observability team	The lean meter
7	Support inventory: every contract line, coverage level vs device criticality, end-of-life gear, spares strategy, third-party candidates	IT Operations	Support rationalization map
8	Hardware lifecycle map: refresh timing, and where refresh commitments could be traded into the EA deliberately	Infrastructure team	Refresh position
9	Alternatives assessment at the edges: networking, security, collaboration, and observability competitors costed honestly per segment	Architecture + Procurement	The credible edges
10	Commission the benchmark: effective rates by suite, tier, and Splunk model on comparable EAs and renewals	Procurement	Market targets
11	Name the team, the sponsor, and the one-voice rule; put late July on every executive calendar now	CIO / CFO	Governance set
12	Open the deal file: every quote version, review, and verbal promise logged from day one	Lead negotiator	The record

3. BUILD THE POSITION: THE FIVE WORKSTREAMS

3.1 Tier right-sizing: the estate's quiet fortune

The tier math, worked. Illustrative estate: 8,000 network devices subscribed at the premium tier, at an effective $400 per device per year: $3.2M annually. The census asks one question per feature family: where are the premium capabilities, the advanced automation, segmentation policy, and analytics, actually configured and in use? The honest answer in most estates: on the campus core and a defined set of sites, perhaps 1,800 devices. The remaining 6,200 run features the basic tier covers, at roughly half the premium rate. The corrected mix: 1,800 premium, 6,200 basic, worth in the region of $1.2M a year before any rate negotiation, and repeatable logic across the security and collaboration suites, where seat and suite tiers drift upward the same way. Tier decisions were made at purchase, by default, under time pressure; the census remakes them deliberately, and the renewal is where the remake becomes money.

3.2 The Splunk workstream: shrink the meter, then negotiate the model

Splunk is the most improvable line in the Cisco portfolio, in a fixed order. First, shrink the meter: filter debug noise at source, route low-value logs to cheap storage, tier retention, and summarize where full fidelity adds nothing; reductions of 30 to 50% of ingest are routine in estates that never optimized, and every point is renewal-base reduction at full value. Second, negotiate the model from the optimized position: the migration from ingest-based toward workload and entity constructs is priced per deal, and the conversion is run on your reduced numbers with side-by-side math for both models over the term, choosing per workload rather than by faith. Third, protect the future: rate caps, model-migration protections, and the explicit contractual freedom to route data to other tools and storage without penalty, because data routing freedom is the entire source of your future Splunk leverage. And whether inside or outside the EA, Splunk keeps its own priced line, benchmarked standalone; a bundle discount that cannot be decomposed is a repricing waiting for its moment.

3.3 The EA composition: bundle strength, not weakness

The EA earns its place when it aggregates products that would win on their own merits, at rates that beat the sum of the parts, with mechanics tamed: the growth allowance sized to your real plans, True Forward adjustments at contracted rates and applied prospectively at anniversaries, re-tier rights at each anniversary, and true-down executed at renewal. It destroys value when weak products ride into it for the sake of the headline discount, because everything inside the EA co-terms into one renewal where the weak lines shelter behind the strong. The composition rule: every suite enters the EA on its own business case, and anything that cannot survive a standalone price comparison stays out.

3.4 Support rationalization: stop insuring the museum

Walk the support estate device class by device class: mission-critical gear keeps premium coverage; stable production drops to the coverage level its risk profile justifies; end-of-life and legacy equipment moves to third-party maintenance or a spares strategy at a fraction of the cost; and covered spares, decommissioned devices, and duplicates simply terminate. The recovered spend routinely reaches 20 to 30% of the support bill, and the visible existence of the third-party alternative disciplines the pricing of every contract that stays.

3.5 The hardware coupling: refresh is currency, spent deliberately

Hardware is where Cisco still feels competition daily, and refresh commitments are the currency its field values most tangibly. Spend the currency deliberately: bring the refresh into the EA negotiation as a priced trade for subscription rates, tier flexibility, and Splunk terms, rather than letting it be assumed; and keep the alternative vendors visibly evaluated at segment level, because dual-vendor networking is credible in a way Cisco's account teams genuinely price. The reverse also holds: never let hardware discounts hostage you into an EA composition the software census does not support. The two negotiations happen together, but each line justifies itself.

3B. BENCHMARK TARGET RANGES: WHAT PREPARED BUYERS ACHIEVE

AREA	UNPREPARED OUTCOME	PREPARED TARGET	PRIMARY LEVER
License tiers	Premium by default, estate-wide	**Mixed tiers matched to feature use; 25 to 40% of tier cost recovered**	The tier census
Splunk renewal base	Unoptimized ingest carried forward	**Ingest cut 30 to 50% first; model chosen per workload**	Optimization before negotiation
EA composition	Everything bundled for the headline discount	**Merit-based suites; weak lines excluded or repriced**	Standalone comparison per suite

AREA	UNPREPARED OUTCOME	PREPARED TARGET	PRIMARY LEVER
True Forward mechanics	Default ratchet, rates open	**Prospective, at contracted rates, with re-tier rights**	Negotiated at signing
Support bill	Renewed whole, unread	**20 to 30% recovered via levels, EOL strategy, third-party**	The support inventory
Renewal caps	Cadence pricing applies	**Capped 0 to 5% across suites and Splunk lines**	Asked at close, in July

4. STRATEGY: THE GIVE-GET TABLE

WHAT CISCO WANTS	WHAT IT IS WORTH TO THEM	WHAT YOU TAKE IN EXCHANGE
The EA, as broad as possible	Cross-portfolio lock and the recurring revenue story	Merit-based composition at benchmark rates, with tamed mechanics. Breadth is priced, not drifted into.
Splunk cross-sell and retention	Justifying the largest acquisition in company history	Rate caps, model-migration protections, routing freedom, and a decomposable price. The integration story is expensive.
Security suite attach	The growth engine beside networking	Suites enter on adoption evidence at contracted rates, or they wait. Never a condition of the network renewal.
Refresh commitments	Hardware share against real competitors	Subscription rates, tier flexibility, and support terms, traded explicitly for the refresh they assumed was free.
A late-July signature	Fiscal year end in a window all their own	The final 5 to 10% of everything. April's impossible asks are July's signatures.
The platform reference	Proof the combined portfolio sells as one	Never free. A named reference is a closing concession with a stated price.

5. TACTICS: THE MOVES AND THE COUNTERS

CISCO'S PLAY	WHAT IT SOUNDS LIKE	YOUR COUNTER
The platform EA	"Consolidating everything into one agreement maximizes your discount."	Consolidation is priced line by line. Each suite beats its standalone economics or stays out; a discount that requires carrying weak products is a cost wearing a costume.
The mandatory frame	"The subscription is required with the hardware, at the recommended tier."	The attach may be policy; the tier is not. The census sets the mix, and the premium tier applies where premium features run, documented device by device.
The Splunk bundle	"Splunk inside the EA unlocks platform pricing across security."	Splunk keeps its own decomposable line, benchmarked standalone, with caps and migration terms. Bundles that cannot be taken apart reprice later, always in one direction.
The True Forward surprise	The anniversary adjustment arrives larger than expected, at rates nobody discussed.	The mechanics were negotiated at signing: prospective application, contracted rates, and re-tier rights. The anniversary is arithmetic, not a negotiation Cisco holds annually and you attend.
The refresh hostage	"These hardware discounts are available with the full EA commitment."	Refresh is currency and it is being spent at this table, on the terms on this page. If the hardware price needs the software overreach, the hardware price is not real, and the alternatives are evaluated at segment level either way.

CISCO'S PLAY	WHAT IT SOUNDS LIKE	YOUR COUNTER
The July fuse	"This pricing is approved through the end of our fiscal year only."	Correct, and it is why the process was built to conclude in July, prepared since spring. The fuse burns on their side of the table; yours was lit fifteen months ago.

Three lines worth using verbatim at the table:

> *"We pay premium tiers where premium features run. Here is the device-level census; if your telemetry shows different usage, bring it and we will reconcile."*

> *"Splunk renews on the optimized ingest, on whichever model wins the side-by-side for each workload, with caps and routing freedom in writing. That is the price of keeping the meter here."*

> *"We can sign in July, inside your year. The page has the composition, the tiers, the mechanics, and the caps. It has not changed since December, and it is signable today."*

6. THE CONCESSIONS CHECKLIST: WHAT A GOOD CISCO CLOSE CONTAINS

CONCESSION	THE ASK	WHY IT MATTERS NEXT CYCLE
The tier mix, documented	License tiers stated per device class, with re-tier rights at anniversaries and true-down at renewal	Prevents the estate from drifting back to premium-by-default.
True Forward mechanics tamed	Adjustments prospective, at contracted rates, with the growth allowance sized to real plans	The ratchet becomes arithmetic instead of an annual ambush.
Renewal caps, everywhere	0 to 5% caps across suites, subscriptions, and Splunk lines, for this term and the next renewal	Cadence pricing meets a ceiling that includes the acquisition.
Splunk terms in writing	Rate caps, pricing-model migration protections, decomposable pricing, and data routing freedom without penalty	The post-acquisition repricing climate meets a contract.
EA composition rights	Suite-level exit and swap rights at anniversaries; no cross-suite discount contingency	Weak lines can leave without repricing the strong ones.
Support estate documented	Coverage levels per device class stated, with the rationalized inventory reflected and third-party transitions unpenalized	The museum stays uninsured.
Price hold on growth	Added devices, seats, and ingest at contracted rates for the full term	Growth at list is the uplift nobody approved.
Refresh trade documented	Hardware commitments and their software-side consideration stated in the same close	Currency spent invisibly was currency wasted.
Verification conduct terms	Notice, scope, and process for any usage verification or compliance review	Turns enforcement into procedure.
M&A and divestiture language	Affiliates at contracted rates; carve-outs reduce counts without penalty	Corporate change moves devices, not prices.
Exit and transition terms	Configuration and data export, management-platform transition cooperation, defined end-of-term duties	Exit credibility disciplines every renewal after this one.
Next-cycle caps	Renewal caps and discount continuity for the following term	This negotiation repeats; start the next one from strength.

6A. WHAT THE ENDGAME LOOKS LIKE: A WORKED DEAL SHAPE

An illustrative estate: 8,000 devices, a security and collaboration suite, a $2.5M Splunk renewal, and a pending refresh, closing into Cisco's late-July year end. Numbers rounded for structure rather than quotation:

LINE	WALK-IN (CISCO'S FRAME)	SIGNED (PREPARED BUYER)	HOW IT MOVED
License tiers	**Premium estate-wide, renewed as deployed**	**1,800 premium, 6,200 basic, re-tier rights held**	The device-level census
Splunk	**$2.5M on unoptimized ingest, bundled opaquely**	**~$1.6M on optimized ingest, decomposable, capped, routing free**	Ingest cut at T-9, model math run
EA composition	**Everything in, one headline discount**	**Merit suites in; one weak suite out at its own price**	Standalone comparison per line
True Forward and support	**Default ratchet; support renewed whole**	**Prospective at contracted rates; support down ~25%**	Mechanics and inventory, done early
Refresh	**Assumed, discounts contingent on the full EA**	**Traded explicitly for tier flexibility and Splunk terms**	Currency spent deliberately
Net effect	**The attach machine, renewed intact**	**Run rate down ~30%, mechanics tamed, future capped**	Fifteen months, aimed at July

7. THE MISTAKES THAT COST MILLIONS

- **Renewing tiers nobody mapped.** Premium-by-default is the estate's largest silent line, and the census that corrects it is entirely within your control.
- **Letting Splunk renew on unoptimized ingest.** Every gigabyte of noise in the renewal base is waste contracted for a full term. Shrink the meter first, always.
- **Bundling weak products for the discount.** The EA's headline number is not the deal; the line-by-line comparison is. Weak lines shelter inside bundles and reprice everything at the next turn.
- **Treating True Forward as billing.** It is a negotiation that happens once, at signing, or annually, at their initiative. Choose once.
- **Renewing the support museum.** Coverage levels, end-of-life gear, and covered spares are read once every fifteen months or paid for forever.
- **Spending the refresh invisibly.** Hardware commitments are the currency Cisco's field values most. Currency handed over unpriced buys nothing.
- **Ignoring the third-party alternative.** For stable gear and legacy estates it is credible, mature, and priced against, but only when visibly evaluated.
- **Running a December endgame.** Cisco's year ends in late July. The habit learned from every other vendor forfeits the one quarter their machine bends.

THE FINAL WORD

Cisco's machine works by attachment: each purchase pulls the next, each mechanism ratchets gently upward, and the whole estate co-terms into a single renewal that arrives looking too big to examine. So examine it, piece by piece, on a fifteen-month runway aimed at a July nobody else is watching. Map the tiers to the features that actually run. Shrink the Splunk meter before anyone prices it. Compose the EA from products that win on merit, tame the True Forward at signing, stop insuring the museum, and spend the refresh like the currency it is. The attach machine is not defeated by hostility; it is defeated by inventory, and the inventory is yours to take. Do it once and the renewal becomes a purchase again. Skip it and the machine does what it was built to do: attach, ratchet, and renew, forever, at cadence.

> **Where benchmarking fits.** Every tactic in this playbook sharpens against one input: the effective rates comparable enterprises actually pay, by suite, tier, device class, and Splunk model, on EAs and renewals signed in the current climate. The target tier delta, the realistic cap, the credible alternative: all of it is benchmark data applied at the right moment. Bring the market's numbers to the table, and Cisco negotiates against the market instead of against your attachment.

Prepared by Vendor Benchmark LLC. Figures marked illustrative are for calculation structure; verify current program mechanics, tier contents, and Splunk pricing constructs against the paper in your own agreements and proposals. This document is general negotiation guidance, not legal advice.