



Solution Brief

What would your company do with an extra \$116,000?

Save jobs, conserve cash, improve efficiency with the Nortel Edge.

The global economic crisis is not over yet. Despite signs of recovery in some countries, the one measure that continues to concern economists is unemployment: California's unemployment rate hit a 70-year high in August while Japan and the UK hit new unemployment highs in July 2009. Spain's economy is still contracting, with an unemployment rate twice that of the European Union. In Colombia and Argentina, 12 percent or more are jobless. In Germany and Italy, unemployment is expected to continue rising next year. Even in countries with improving economies, the recession has created a new cost-cutting ethic. Companies are continuing to seek ways to reduce costs and are increasingly considering environmental issues in their business decisions.

The public sector has been hit hard, too. In the U.S., state fiscal problems brought on by the worst decline in tax receipts in decades show no signs of letting up. States have responded by laying off employees, canceling vendor contracts, eliminating or lowering payments to organizations that provide direct services, and cutting benefits payments.

All types of companies and governments across the world have been forced to cut headcount and freeze hiring, losing institutional knowledge in the process. But what if your essential IT investments could actually help you save jobs?

The Nortel Edge

As CFO, right now you don't want to know how a new network switch operates or how well it interfaces with other products; you just want to hear how it will increase operational efficiency and reduce complexity but not increase IT headcount. The Nortel Edge does that, and much more.

The Nortel Edge — a collection of competitive advantages offered by Nortel products — can actually help save jobs because they cost less to buy and operate while exceeding your CIO's expectations for performance. Nortel's new Ethernet Routing Switches are a case in point.

Faster, better, cheaper

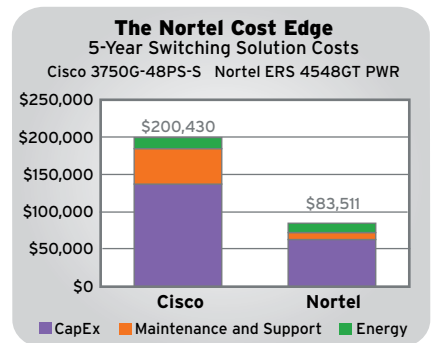
Ethernet Routing Switches are small pieces of equipment but ubiquitously mission-critical for voice, data and multimedia networks. Used millions of times every day, they depend on speed, intelligence and power to keep large quantities of data moving. Chances are there are dozens, hundreds or even thousands of these critical boxes residing in wiring communications closets throughout your company.

With the large number of Ethernet Routing Switches operating, it's clear that the capital and ongoing operating costs can really add up. Nortel's Ethernet Routing Switch gives superior performance at a fraction of the cost to own and operate an equivalent Cisco or

Hewlett Packard switch — savings that can be used to save jobs or conserve cash.

Save \$116,000 over five years

To illustrate our point, we considered a typical network for one floor of a high-rise office building and performed an apples-to-apples comparison of Nortel Ethernet Routing Switch 4548GT Power-over-Ethernet Switches and Cisco Catalyst WS-C3750G-48PS-S Ethernet Switches.¹ The results showed that Nortel saved \$83,496 in the first year's cash flow — enough to save two mid-level jobs. The savings over five years was \$116,919, a net present value of \$111,172 at an 8% IRR.

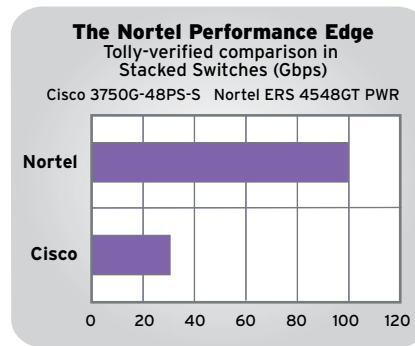


¹ The comparison considered a typical network for a floor of a high-rise office building serving approximately 100 workers. Nortel ERS 4548GT Power-over-Ethernet Switch (PWR) was compared to the Cisco Catalyst WS-C3750G-48PS-S. Thirteen Nortel ERS 4548GT-PWR cost \$75,140 less than the Cisco Catalyst WS-C3750G-48PS-S; the annual maintenance costs were 79% less than the next-business-day 8:00 am to 5:00 pm service for Cisco's Catalyst WS-C3750G-48PS-S; and the baseline power consumption for the Nortel ERS 4548GT-PWR lowered the electricity bill by \$790 per year.

Here's why:

- **Nortel uses less capital.** At \$61,836, Nortel costs less than half the cost of the comparable Cisco product at \$136,976.
- **Nortel conserves cash.** Nortel's annual maintenance and support costs of \$1,989 are one-fifth the cost of the Cisco product at \$9,555.
- **Nortel conserves energy.** Nortel uses 25 percent less energy to run and cool than Cisco, plus reduces CO₂ emissions by 4.9 metric tons, equivalent to 556 gallons of gas.²
- **Nortel performs better.** Nortel is faster and more powerful than Cisco based on data transfer speed: 38 percent faster according to a test by an independent third party³; up to three times as fast in a real-world situation of five stacked switches.⁴

The Nortel Ethernet Routing Switch 4548GT PWR is just one of eleven switches that make up the efficient Ethernet Routing Switch 4500 family of products. Nortel also offers a broad range of efficient data and voice products that enable you to build complete, energy-efficient solutions that save even more.



Cut costs, not headcount

Nortel's Ethernet Routing Switches offer a proven performance edge, lower operating costs and energy efficiency at half the capital investment of the nearest competition.

Ask your CIO how many new Ethernet Routing Switches your company needs this year, and then do the math. The Nortel Edge can help close the budget gap, allowing you to preserve the jobs and increase operational efficiencies your company needs to thrive now and in the future.

The energy usage comparisons that are made by the Nortel Energy Efficiency Calculator are based upon each vendor's publicly available data for the power consumption of the equipment listed in the calculator. Many factors may affect actual energy consumption and costs. User costs may differ from the results reached by the calculator.

² Typical power draw for the Nortel ERS 4548 GT-PWR is 98 watts with all ports connected and typical traffic levels, 25% less than that of the Cisco Catalyst WS-C3750G-48PS-S at 131 watts measured at 5% throughput. Nortel also reduces the heat produced, and the associated HVAC load, by 12 million BTUs annually.

³ The Tolly Group, Test #207237, September 2007. The Nortel ERS 4548GT-PWR was tested for its data transfer speed in the support of mission-critical application responsiveness. At 48 Gigabits per second, the Nortel 4548GT-PWR was 38% more powerful than the equivalent Cisco Catalyst WS-C3750G-48PS-S switch.

⁴ A real-world example of five Stacked Nortel ERS 4548GT Power-over-Ethernet Switches was validated with a data transfer speed of 100 Gigabits per second, more than three times the Cisco Catalyst WS-C3750G-48PS-S performance.

Nortel is a recognized leader in delivering communications capabilities that make the promise of Business Made Simple a reality for our customers. Our next-generation technologies, for both service provider and enterprise networks, support multimedia and business-critical applications. Nortel's technologies are designed to help eliminate today's barriers to efficiency, speed and performance by simplifying networks and connecting people to the information they need, when they need it. Nortel does business in more than 150 countries around the world. For more information, visit Nortel on the Web at www.nortel.com. For the latest Nortel news, visit www.nortel.com/news.

For more information, contact your Nortel representative, or call 1-800-4 NORTEL or 1-800-466-7835 from anywhere in North America.

Nortel, the Nortel logo, Nortel Business Made Simple and the Globemark are trademarks of Nortel Networks. All other trademarks are the property of their owners.

Copyright © 2009 Nortel Networks. All rights reserved. Information in this document is subject to change without notice. Nortel assumes no responsibility for any errors that may appear in this document.

NN124206-092509

In the United States:

Nortel
35 Davis Drive
Research Triangle Park, NC 27709 USA

In Canada:

Nortel
195 The West Mall
Toronto, Ontario M9C 5K1 Canada

In Caribbean and Latin America:

Nortel
1500 Concorde Terrace
Sunrise, FL 33323 USA

In Europe:

Nortel
Maidenhead Office Park, Westacott Way
Maidenhead Berkshire SL6 3QH, UK
Email: euroinfo@nortel.com

In Asia:

Nortel
United Square
101 Thomson Road
Singapore 307591
Phone: (65) 6287 2877



BUSINESS MADE SIMPLE