



CISCO CASE STUDY: IMPROVING PRODUCTIVITY WITH ADVANCED TECHNOLOGY

Presentation at "Internetdagarna"

October 25, 2005

Agenda

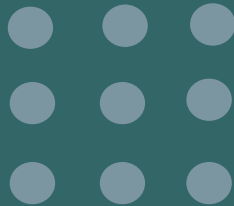
- **Cisco in brief**
- **Productivity as the guiding principle**
- **Cisco's Productivity Framework**
- **Cisco Productivity Approach and Results**

Cisco Systems in Brief



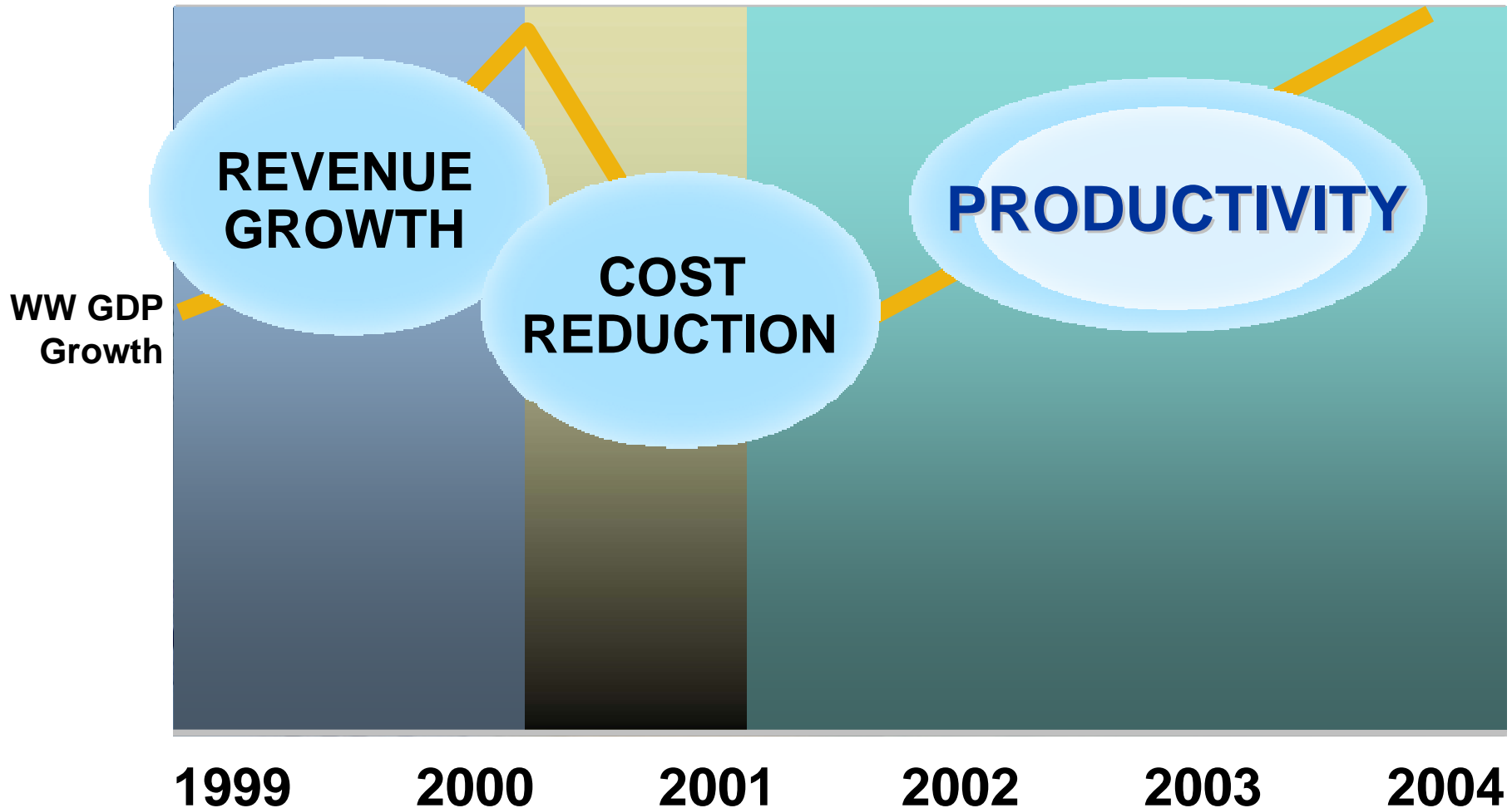
- *Founded in 1984*
- *Head office in San Jose, California*
- *World leader in networking equipment*
- *\$24.8 billion revenue FY05*
- *37,050 employees in 76 countries*
- *Annual R&D \$3.1 billion*





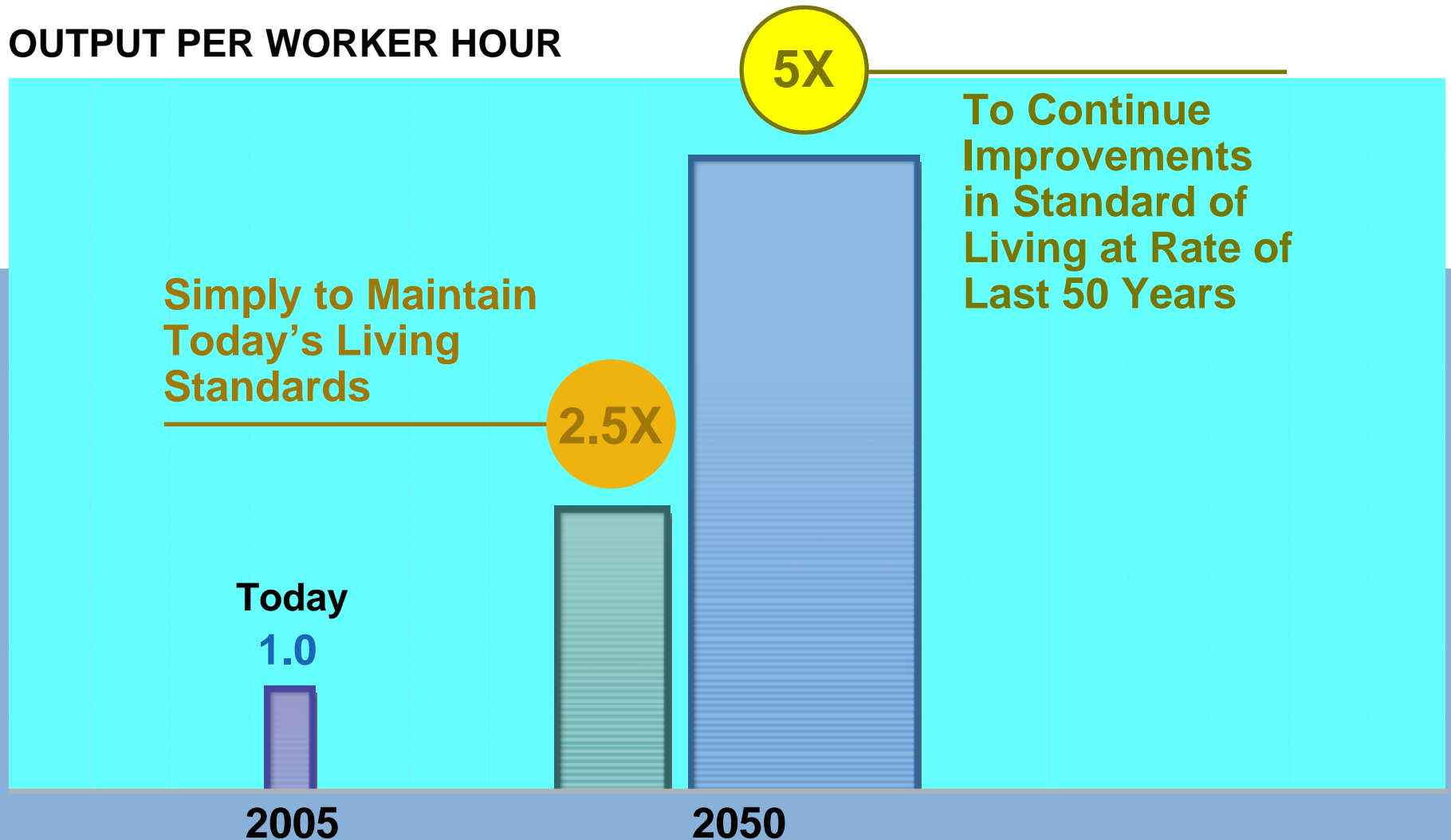
PRODUCTIVITY AS THE GUIDING PRINCIPLE

Productivity to secure focus on both revenue and cost



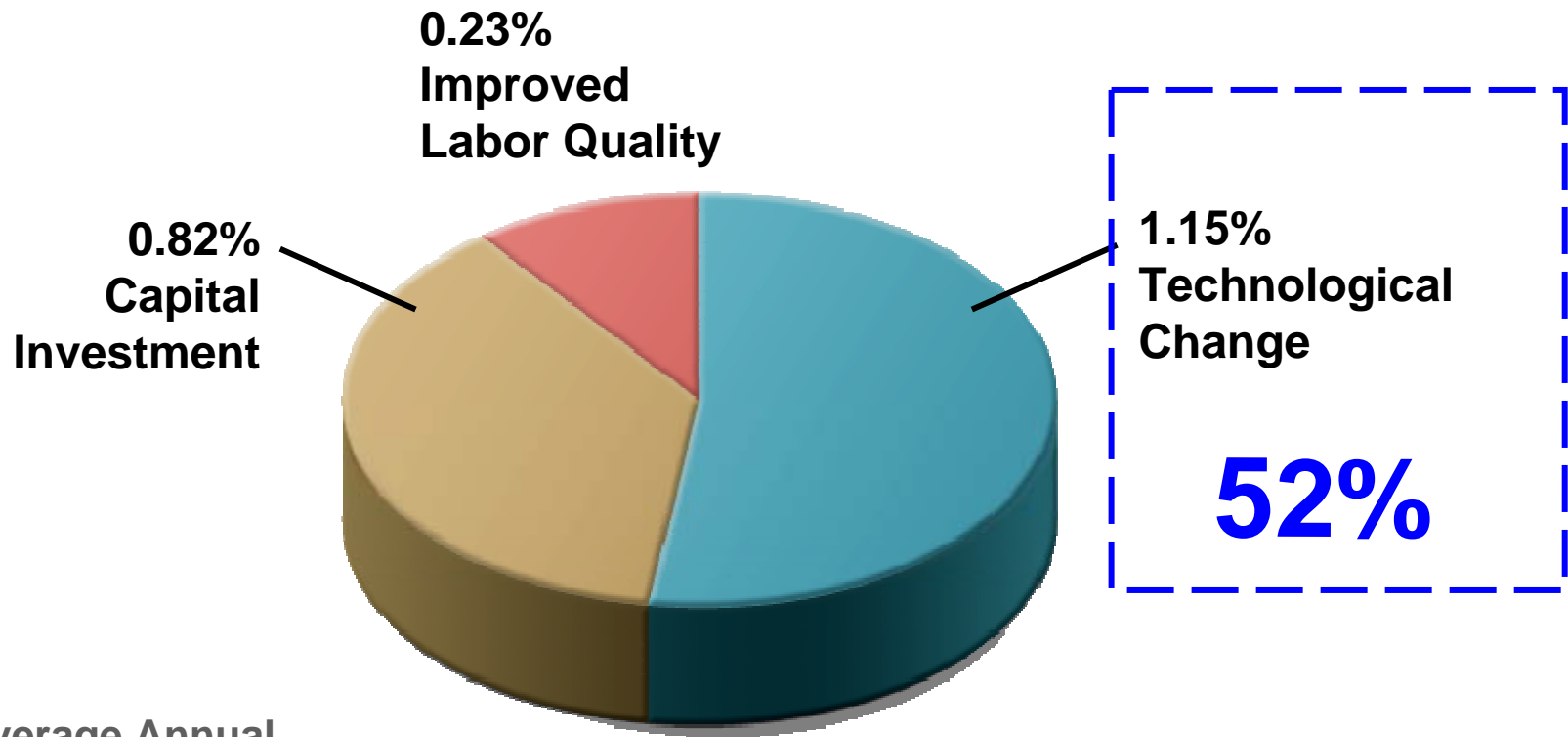
Why is productivity important?- The Labor Crunch of the Future

OUTPUT PER WORKER HOUR



What Drives Productivity?

Contribution to Long-term Productivity Growth of 2.2%

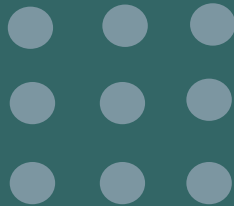


*Average Annual
Rate 1948-2001

Data: US Bureau of Labor Statistics

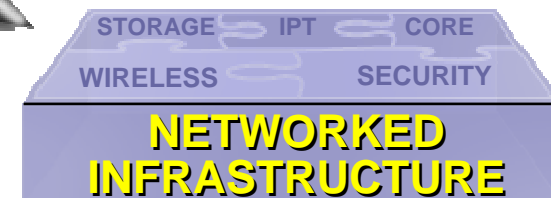
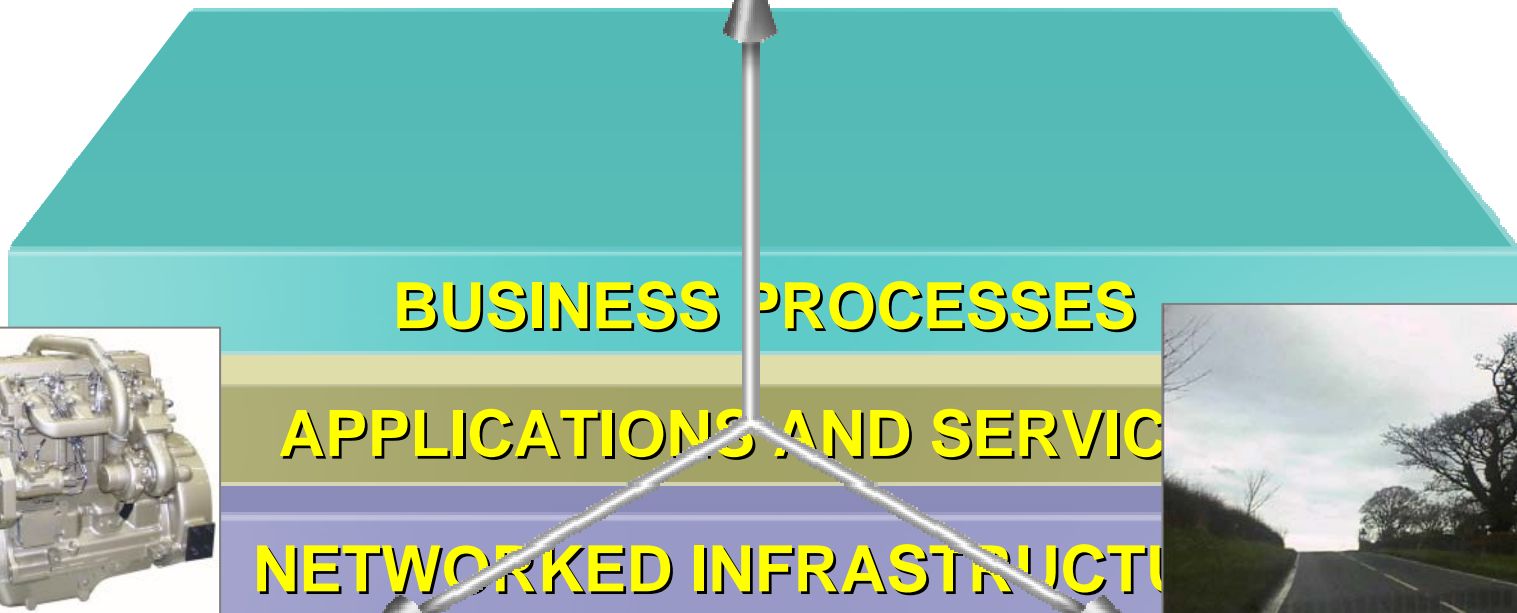
Cisco Internet Business Solutions FY2005 Benefits



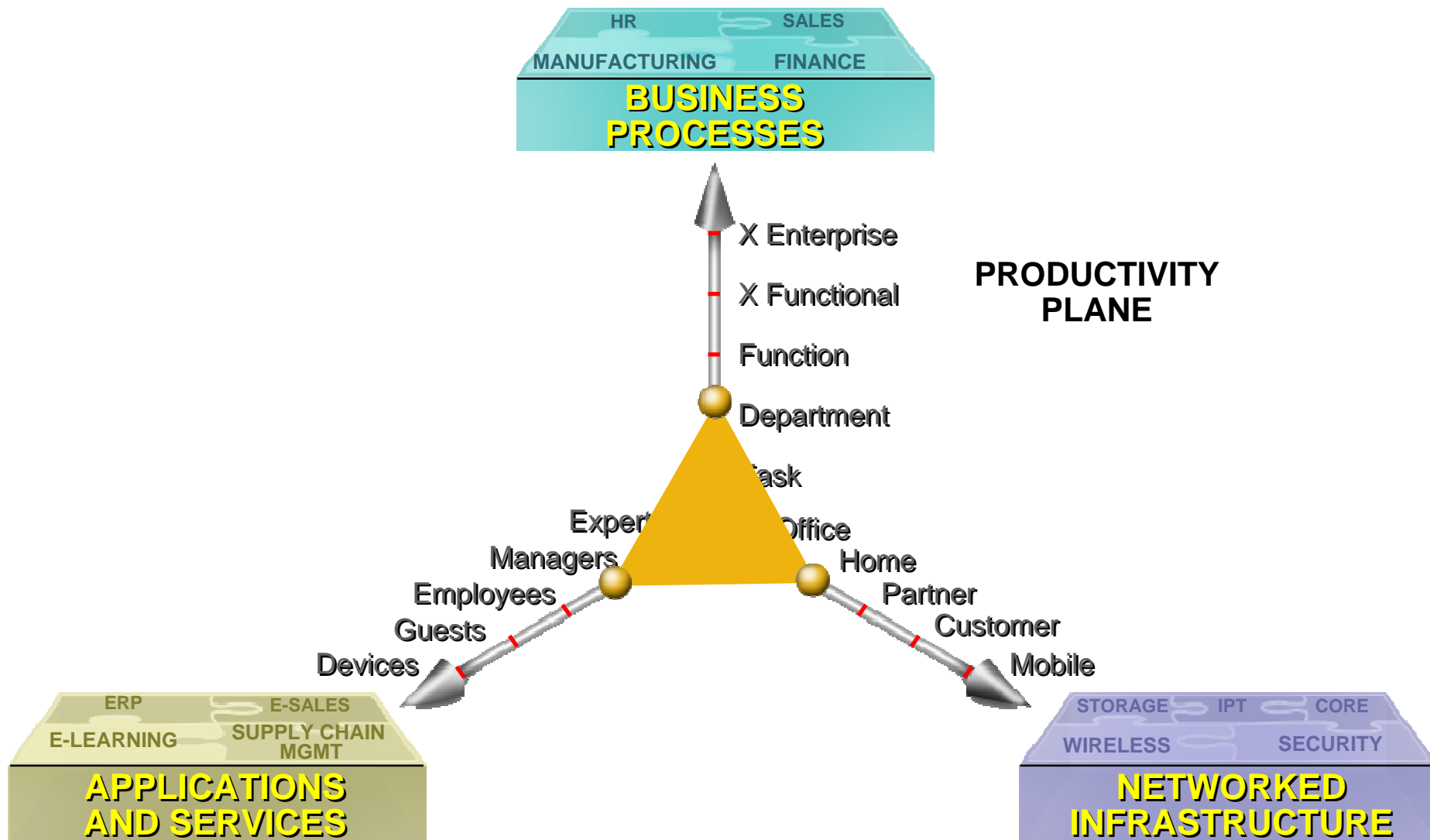


THE CISCO PRODUCTIVITY FRAMEWORK

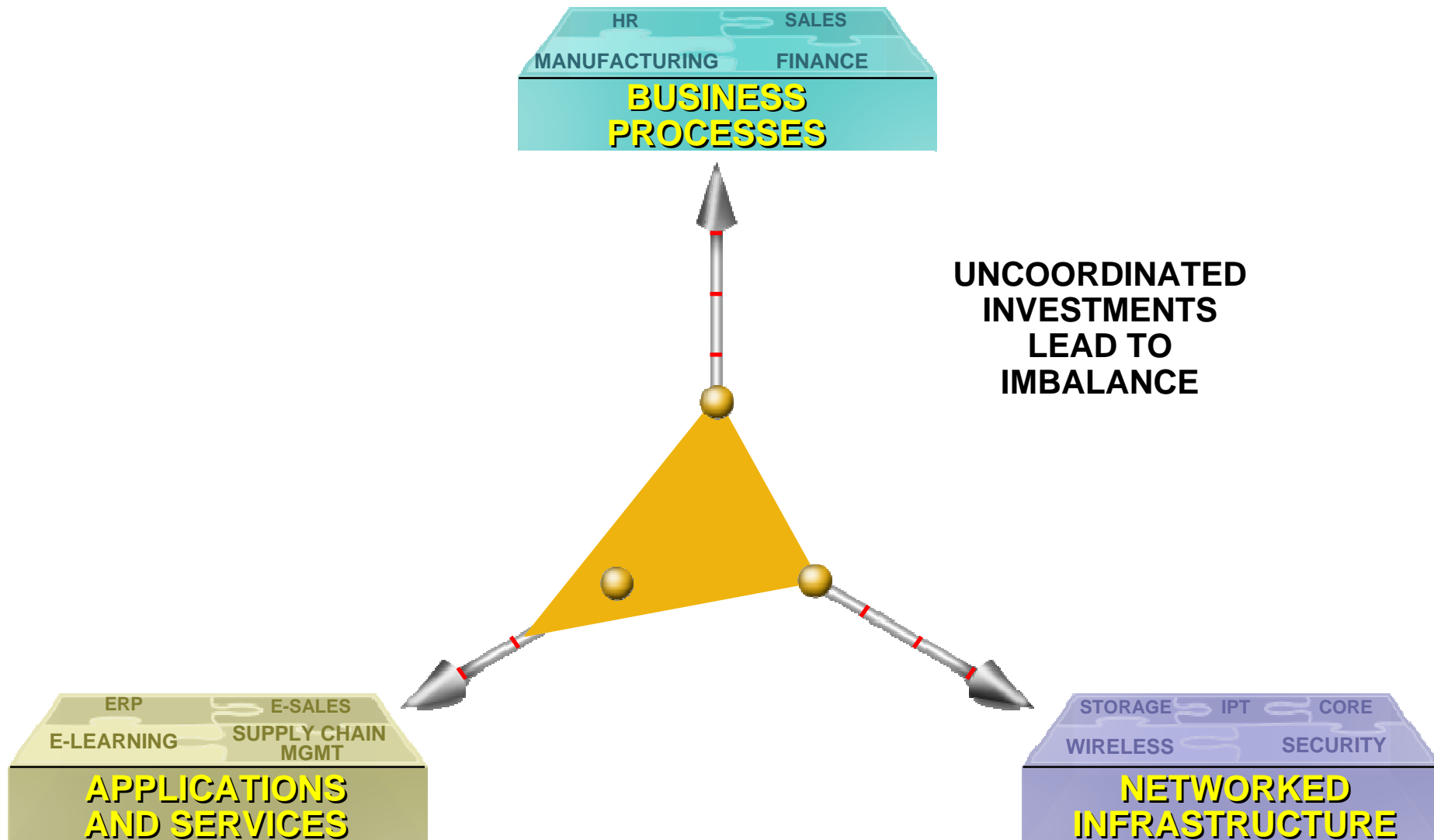
The Cisco Productivity Framework



The Productivity Plane



The Productivity Plane

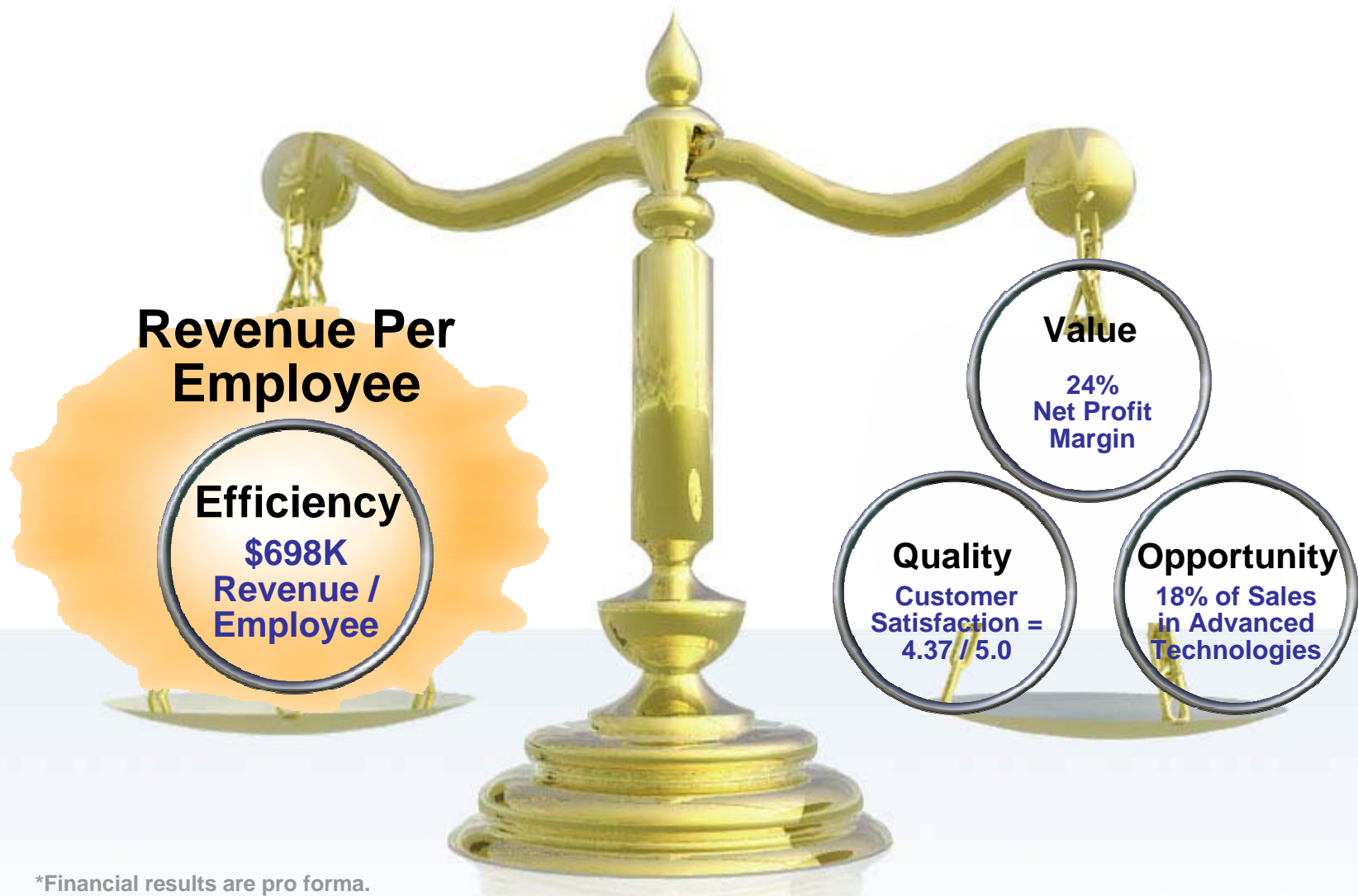


Business needs must drive technology investments

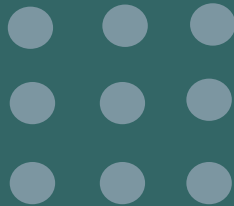


Source: Momentum Research Group—Net Impact 2003

Measuring Productivity

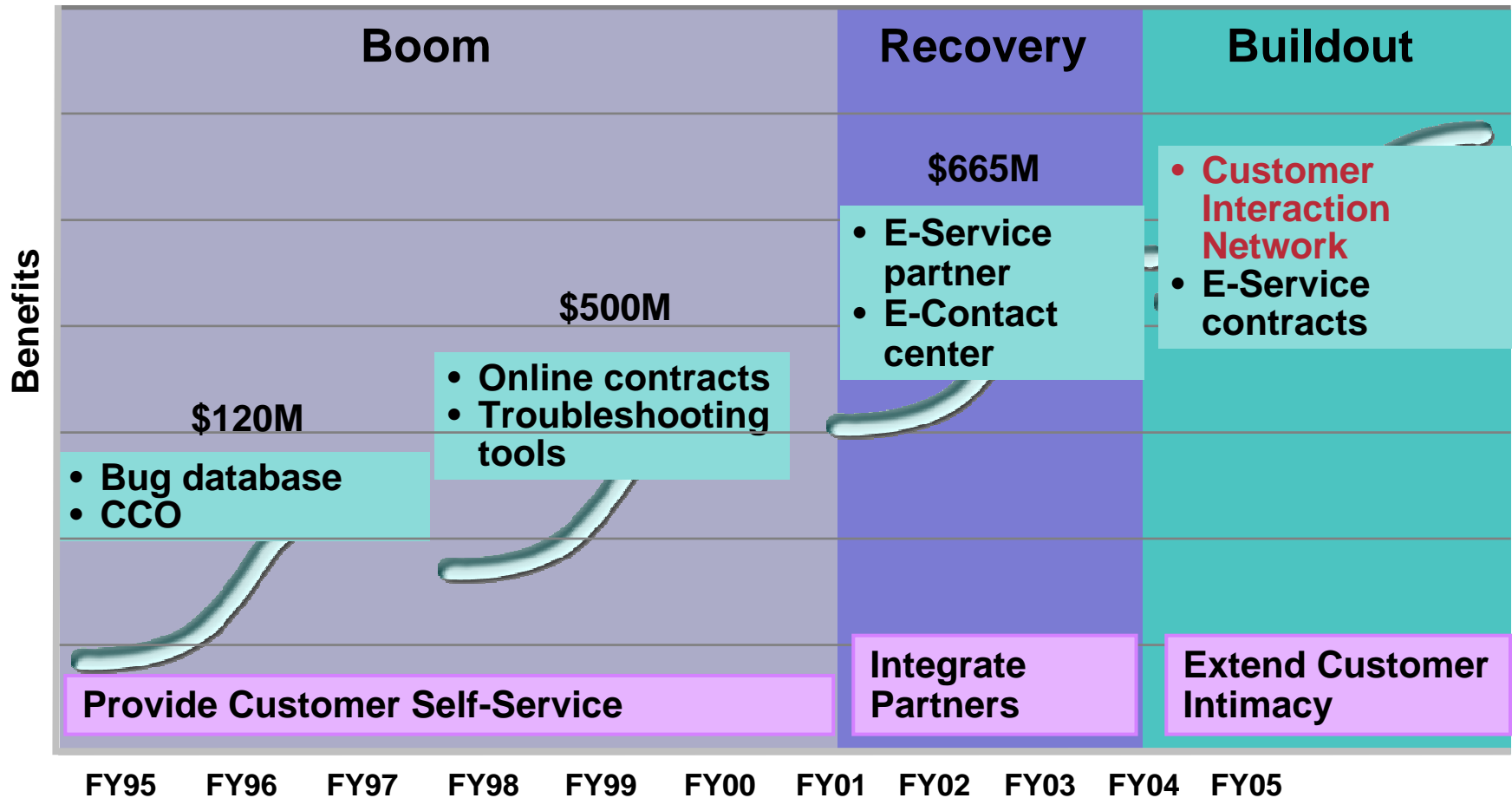


*Financial results are pro forma.



THE CISCO PRODUCTIVITY APPROACH AND RESULTS

Service & Support Productivity



*Benefit numbers reflect total benefits for the final year of the time period.

Customer Interaction Network (CIN)

CURRENT

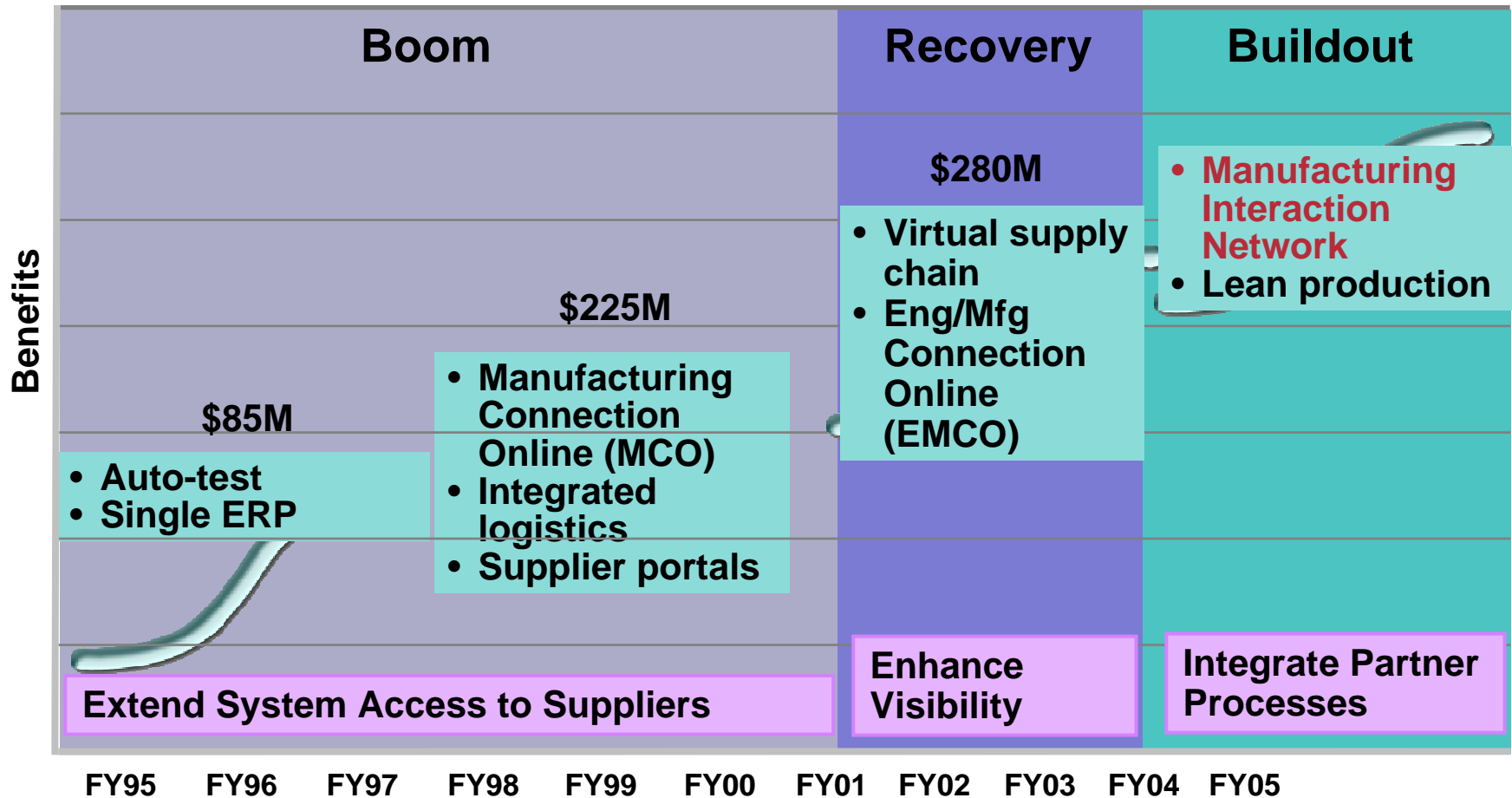
- Integrated Web and phone interactions
- Global IP contact center deployment
- High Web adoption—80%+ of cases solved online
- \$500M+ cost avoidance from Web self-service

FUTURE

- Single, simple customer interaction to ALL business functions
- Immediate customer connection to right resources
- Global, consistent customer experience
- 20%+ expected call center cost reduction

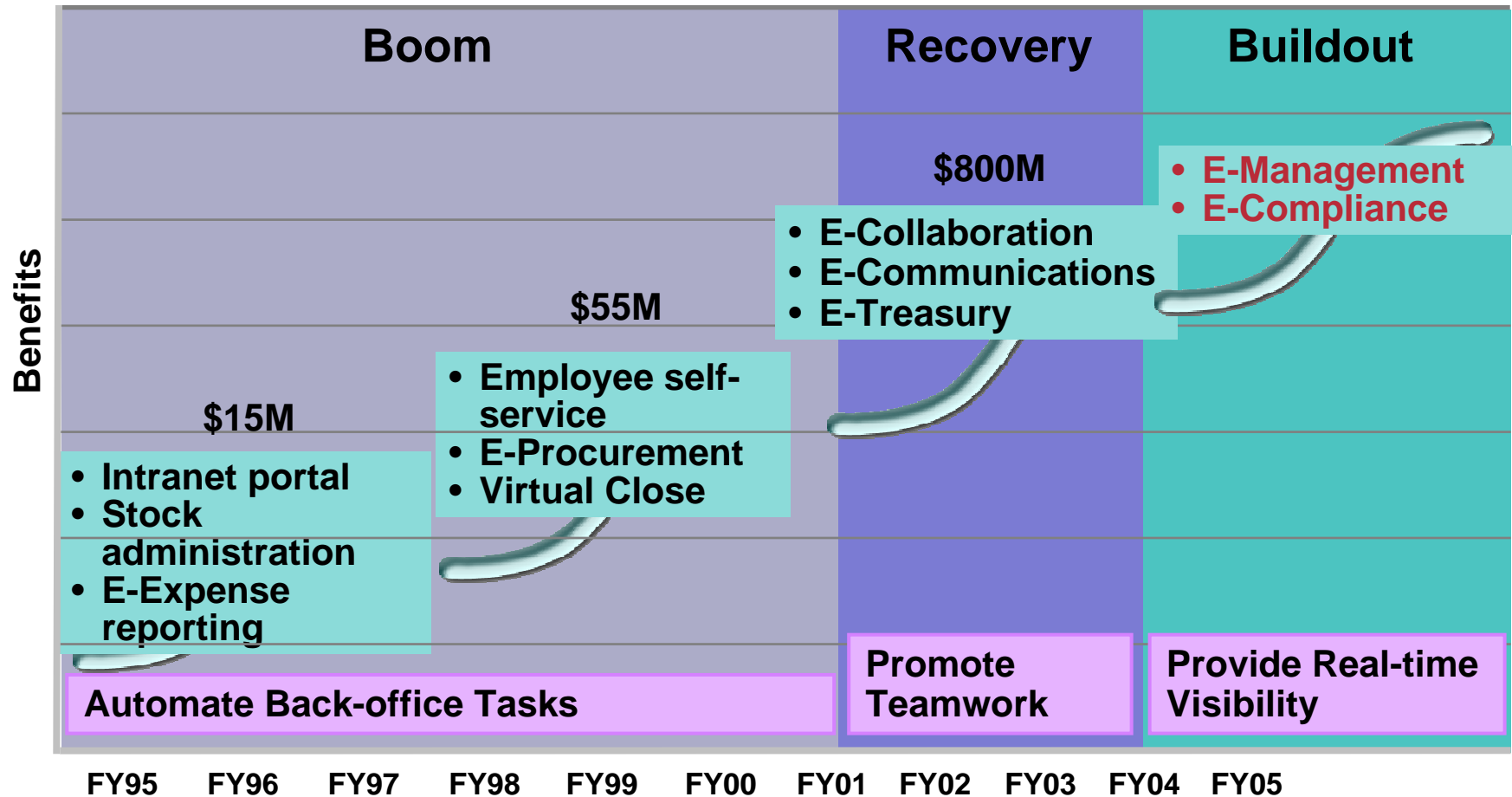


Manufacturing Productivity



*Benefit numbers reflect total benefits for the final year of the time period.

HR & Finance Productivity



*Benefit numbers reflect total benefits for the final year of the time period.

E-Management

- Offer integrated dashboards for managers
- Deliver business and human capital metrics to managers' desktops
- Provide dynamic, real-time analytics
- Projected annual productivity gains of over \$15M

INNOVATIONS

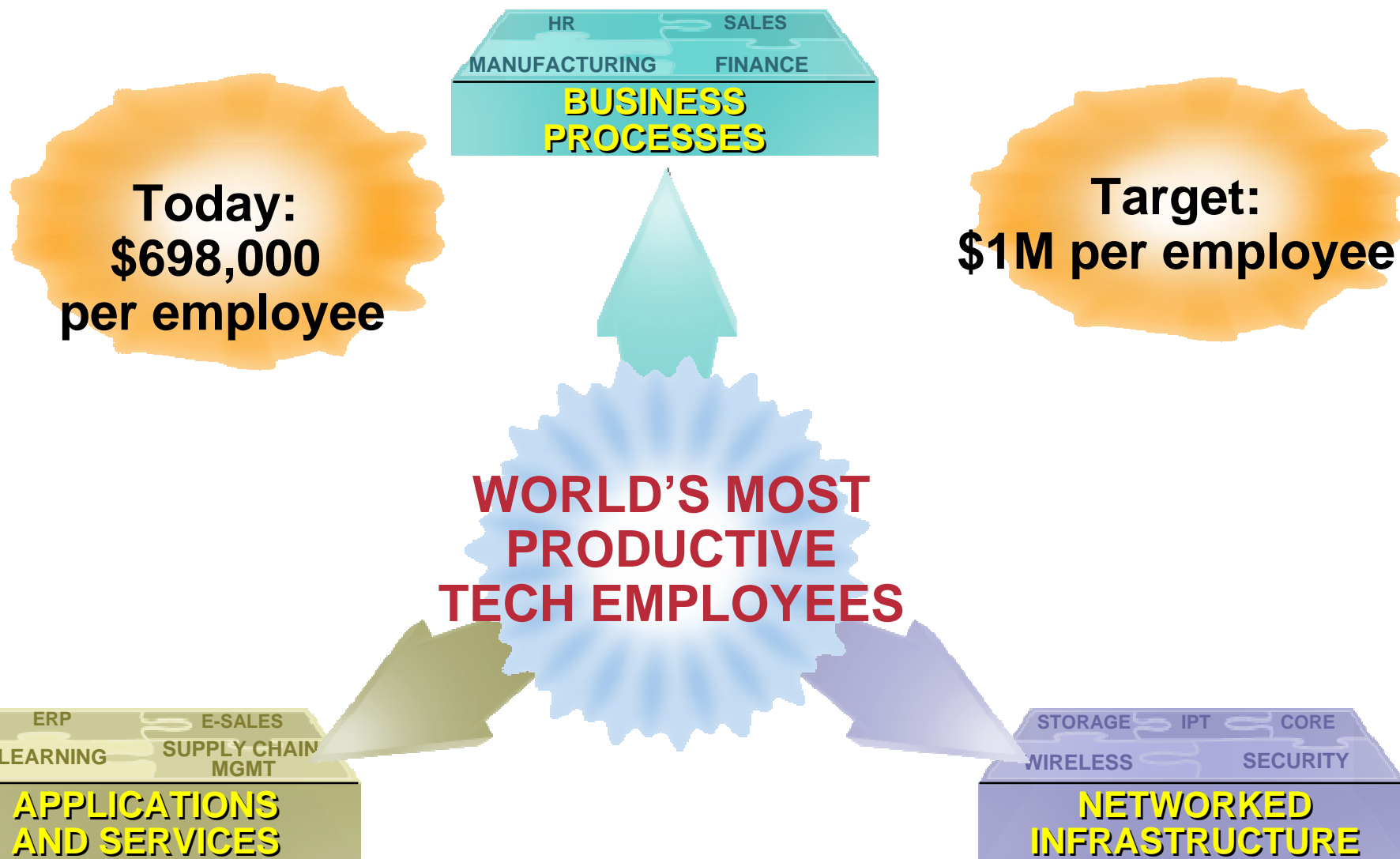
- Forecasting and predictive functionality
- Aligning workforce and business metrics
- Distributed intelligence for global decision-making



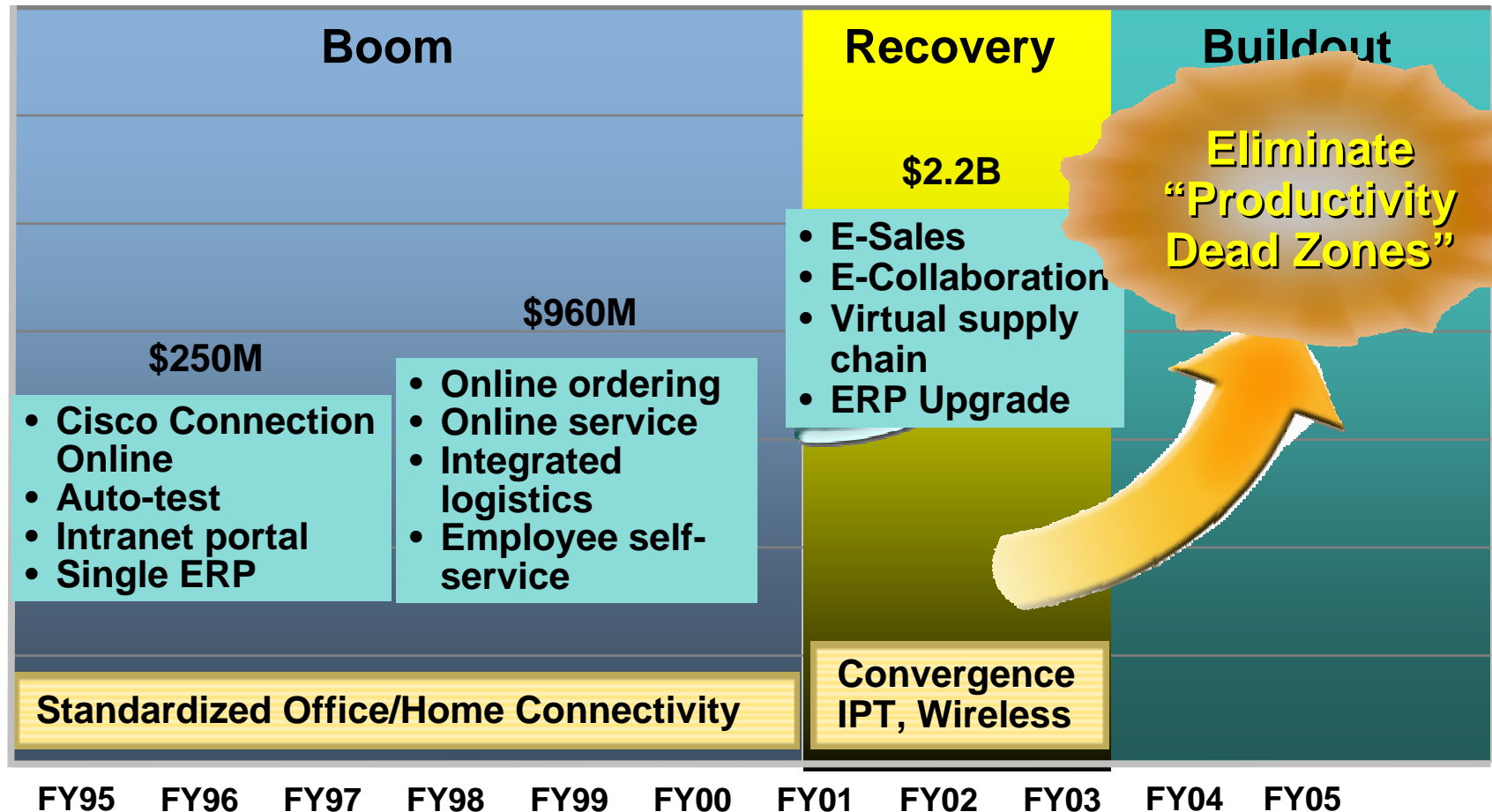
Cisco Internet Business Solutions FY2005 Benefits



Cisco Buildout: Growth and Profitability



Cisco Business Architecture at Work



*Benefit numbers reflect total benefits for the final year of the time period.

Summary

- **Higher Productivity through coordinated focus on all three dimensions:**
 - **Processes**
 - **Applications/ Services**
 - **Network Infrastructure**
- **Sometimes you need to go back to go forward**
- **Correct implementation of new IT solutions will lead to:**
 - **Cost reductions and**
 - **Agile organisation**
- **Boldness matters: big-bet transformations**

CISCO SYSTEMS

