Cisco Overview & Culture

Dawn Duran
Internet Business Solutions Group
Cisco Systems Inc
December 2001

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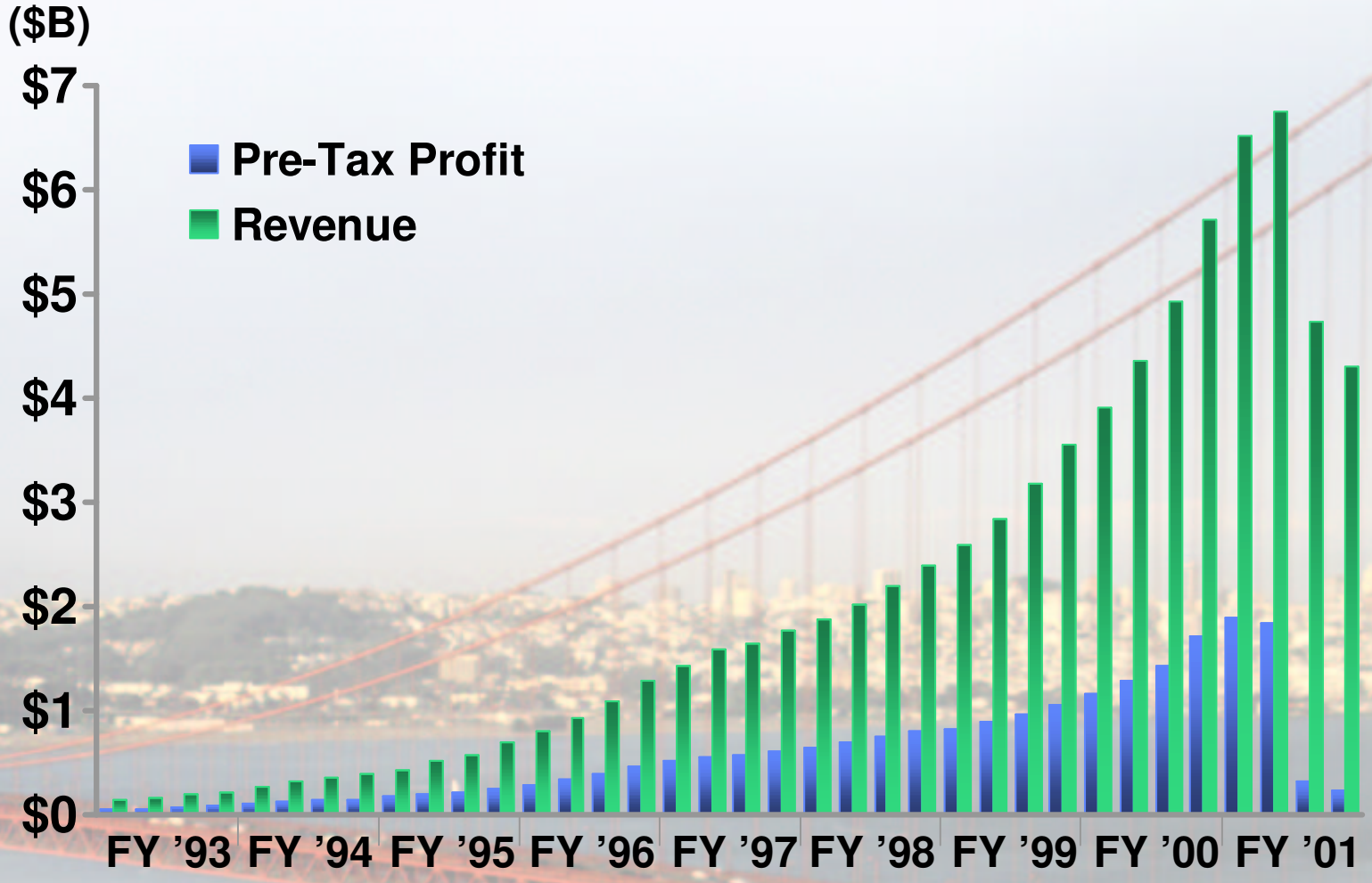
Cisco Worldwide

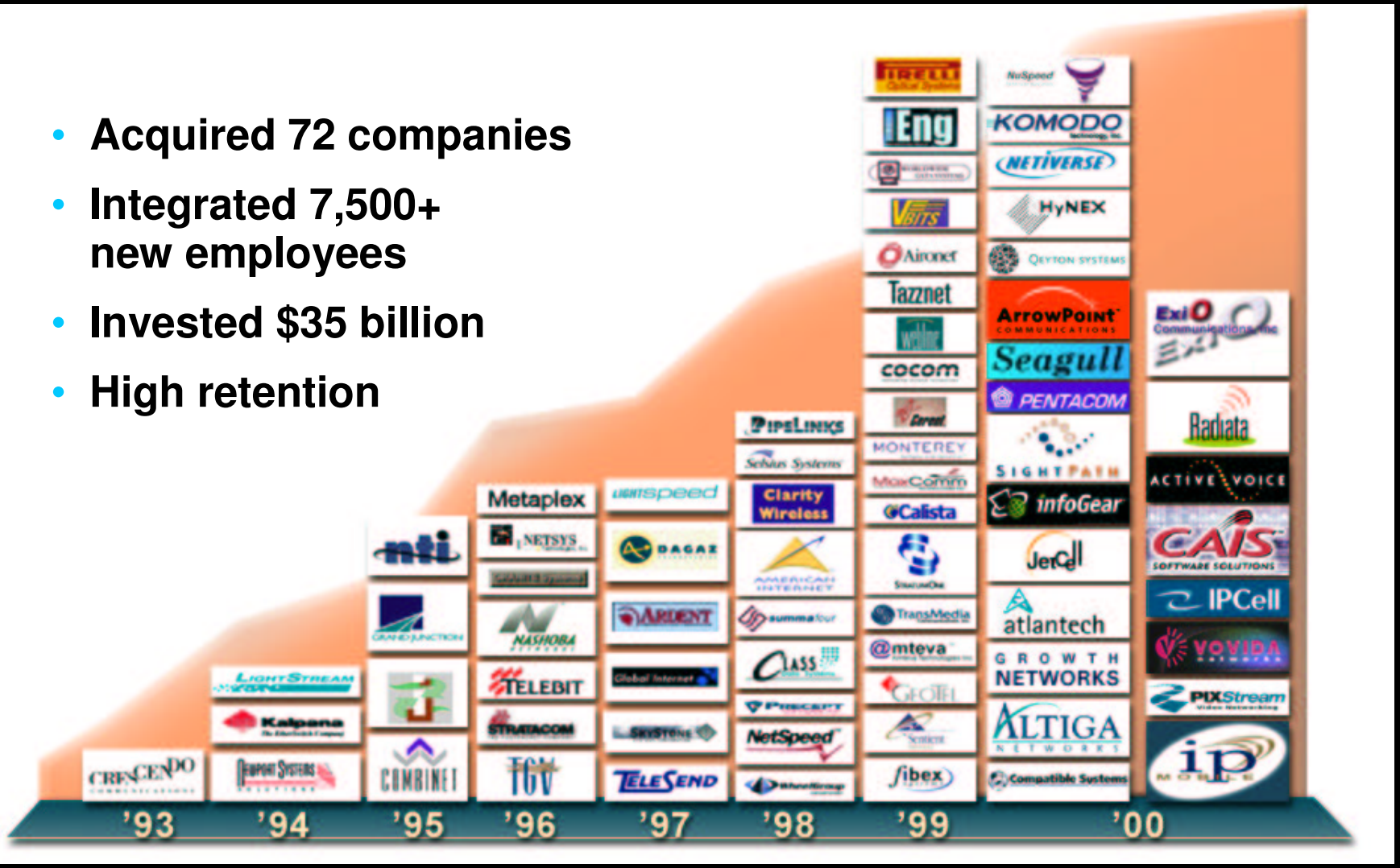
Quarterly Operating Results
Cisco Systems, Inc.



Excludes one-time charge/gains

Cisco Acquisition Integration

- Acquired 72 companies
- Integrated 7,500+ new employees
- Invested $35 billion
- High retention



Through December 28, 2000

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Cisco Employees

- 38,500 employees worldwide
- 50% of employees have been at Cisco <2 years
- Located in 90 countries
- All are Cisco shareholders
- All connected to common Internet tools

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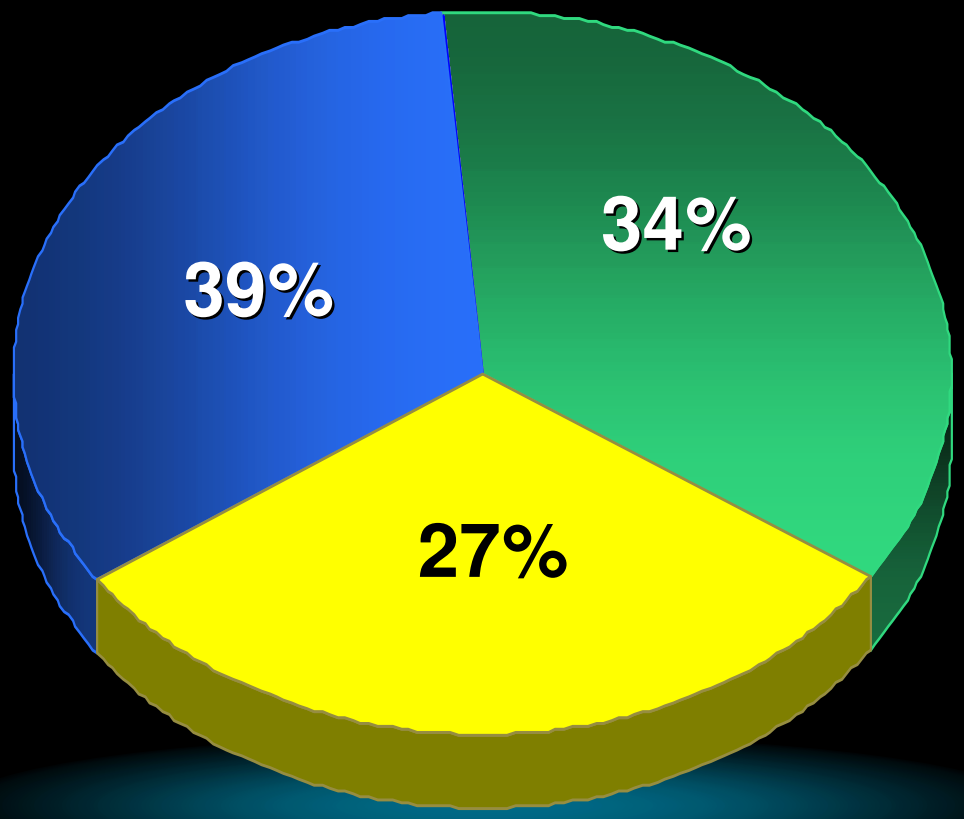
Workforce Composition

Job Function Distribution—Total Cisco Feb FY'01



- Engineering/IT
- Sales
- All Others:
  - Administrative
  - Chief Technology Office
  - Cross Functional
  - Customer Advocacy
  - Executive
  - Finance
  - Human Resources
  - Manufacturing
  - Marketing
  - Workplace Resources

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Cisco Culture

Quality Team

No Technology Religion
(Open Standards)

Stretch Goals

Teamwork

Trust/Fair/ Integrity/ Giving Back

Fun

Profit Contribution

Empowerment

Drive Change

Market Transitions

Open Communication

Customer Success

Cisco: Best Place to Work

- Working for higher purpose
- Working with visionary leaders
- Stimulating work environment

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The Internet

Changes Everything

Every Company/Country Is in Transition

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Traditional Business Models

Employees

Customers

Partners

Suppliers

"Internet Business Solutions" Create Competitive Advantage

Speed, Agility, Satisfaction, New Value Creation

Employees

Customers

Partners

Suppliers

Universal Connectivity Where the Business Runs on the Network

Cisco Runs on Internet Business Solutions

- $1.7+B productivity gains FY ’01
- Representing a 64% increase over FY’00
- Increased customer satisfaction
- Increased business agility

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The Benefits Are More Than Financial

Collaboration tools
Self-service applications

Efficient, Effective Employees

Streamlined Resource Management
Administration

Reduced Overhead

Empowered, Knowledgeable Employees

Informed Employees

Universal Access to Information
Corporate Communications

Learning Organization

Electronic Support
Just in time learning
Expert Triage

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Cisco Fundamentals

Foster an Internet Culture

Right Information at Right Time

Enterprise-wide Web Access

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What is Culture? Now and Then

	Old World Culture	New World Culture
Organization	Pyramid	Network
Employment	Lifelong Employment	Continuous Learning
Focus	Internally Directed	Customer-Centric
Strength	Stability	Change
Reward	Endurance	Performance
Implementation	Mandates	Empowerment
Information/knowledge	Restricted	Open access to info

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Culture = Say + Do

Employees learn the culture by listening to what their leaders say, and watching what they do.

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Leadership

Leaders need to be *evangelists for change* and must alter their mind-set that E-business is not just Web-stuff.

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Cisco Case Study
Internet Culture Behaviors

- Personal accountability
- Self-service / Self -reliance orientation
- Intelligent Risk-taking
- Speed and clarity in decision-making
- Partnership mentality
- External/Customer focus

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How Is Culture Different In the New World?

- *SPEED!*

  Need to "Re-tool" and "re-think"

- Dynamic organizations: more people in new roles

  Managers cannot be everywhere

- Global cultures add complexity

  Same "assumptions" don't work

- Increased need for collaboration

  Smaller groups create subcultures

Driving Culture: Vision

1.

Build a Shared Vision

- **Do we have the "right" culture**
  - Is our culture message clear
  - Is what we say our culture is what our employees experience
  - Is our culture the "same" everywhere
- **Should we change anything**

Actions:

- **Culture assessment (November – December)**
  - **Deliver actionable, concise measurement tool**
  - **Support, participate & commit to improvement**
- **Review & commit to culture statement**

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Driving Culture: Systems

2.

Align HR Mechanisms

- Is "culture" included today
- Determine: "build or update"
- Prioritize
- Execute

Actions:

- Include "culture" in all HR mechanisms
  - Assess, prioritize, execute, check

RETHINK

- ✓ Recruiting
- ✓ New Hire
- ✓ Leadership
- ✓ Training
- ✓ Acquis./Integration
- ✓ Perf. Eval.
- ✓ Recognition
- ✓ Reward

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Driving Culture: Communication

3.

Maximize Cisco Internet Leadership in Communication

- **What technology would maximize our global effectiveness & scaling**
  - IPTV, PDAs, mp3, Netmeeting, virtual meetings, e-learning
- **What mindset shifts are needed to support these technologies**
- **How could we more effectively "message" targeted populations**

Actions:

- **Build global organizational communication system, differentiated by effective use of tools supported by Cisco Internet leadership**
- **Use e-learning and other technology to aggressively communicate culture to ALL audiences**

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Culture at Cisco

Culture = <u>How</u> we do business

- Lays a foundation for who “Cisco” is
- Determines what we say and do
- Is basis for our decisions and choices
- Drives our behaviour

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What Helps to Create Our Culture?

Web-enabled Tools provide consistent alignment

The Tools: “It’s On the Intranet”

Global Communication Portals Educated Employees

CEC New England

Local Resources

The New England Development Center currently includes sites in Acton,

Cisco Employee Connection Japan

CEC JAPAN | CCO JAPAN | SEARCH JAPAN

Cisco Systems K.K.

Business Functions

Lines of Business

Stock & Time

Customer Satisfaction | CSCO 19.62 -0.76

Japan | San Jose | Sydney | London | RTP

Japan Quick Links

Old CEC-J Top Page
Cisco Japan Organization
Japan Employee Directory
Japan Office Maps
Phone Extension
Mailer (Mail Lists)
Metro2 Japan
TRC Case Open page
OnRamp
Event Calendar
Travel (Japan Purchasing)
Business Travel
Visitors to Japan
Japan Visitors
CCO/CEC WebAdmin
People Page
Club Page

Japan Forms

Search CEC Japan:

Cisco Employee Connection Research Triangle Park

RTP Areas of Business
Associate Sales Rep
Enterprise Sol. Engineering
Global Enablement Services
High Speed Switching BU
Inside Sales
Internet Systems
InterWorks Business Division
IP Access Business Unit
Mobile Wireless Group
NSITE
Packet Telephony Division
PDVC
Technical Assistance Center
Technology Center

Quick CEC-RTP/HR Links

Other Hosted Sites
Admin Page
Americas Sales Finance
Global Center Of Expertise
Inside Sales Training

Search CEC-RTP

News and Events:
Cisco Accelerates Servic
A Long View of Cisco
Juniper: Bracing for Cisco
RealNetworks, Cisco Tea

CAFE MENUS

Executive Briefing Center
Information Technology
RTP Quality
Safety and Security

HR: Employee Communications

Cisco Employee News

U.S. Terrorist Incidents

How You Can Help

Employees can help by donating blood or finances to the American Red Cross. If you donate finances, the Cisco Foundation will match every dollar regular employees contribute.

Cisco has been told that New York currently has more volunteers than needed. Therefore, our volunteer focus is on coordinating blood drives in as many Cisco sites as possible in the weeks and months ahead when the blood donations level off. If you are interested in becoming a coordinator, please contact Rebecca Wang.

Remembering Suzanne Calley

Employees who would like to make a donation in memory of Suzanne Calley, the Cisco employee who lost her life in the US terrorist incidents, can send a check to:
The Suzanne Calley Memorial Fund
c/o Northminster Presbyterian Church
PO Box 3966
Salinas, CA 93912
USA

Questions and Answers

The list below addresses a number of questions surrounding the US terrorist incidents that occurred September 11. This list will be updated regularly as more answers are available.

Internal News

Updated Cisco Security Procedures (Sept 24)

Cisco Travel Policy (Sept 17) UPDATED

Cisco Gives $6 Million to New York, Washington D.C Relief Efforts (Sept 14)

Cisco Supports National Day of Prayer and Remembrance, Reiterates Core Values (September 13, 2001)

Rick Justice Discusses Cisco's Response to Affected Customers (September 13, 2001)

Update on Terrorist Incidents and Cisco Impact (September 12, 2001)

Cisco Loses an Employee

John Chambers: Information on Today's Incidents (September 11, 2001)

US Hotline: 1 866-266-6017

Cisco.com

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New Executive Sites

- Sr. Management buy-in key to employee acculturation

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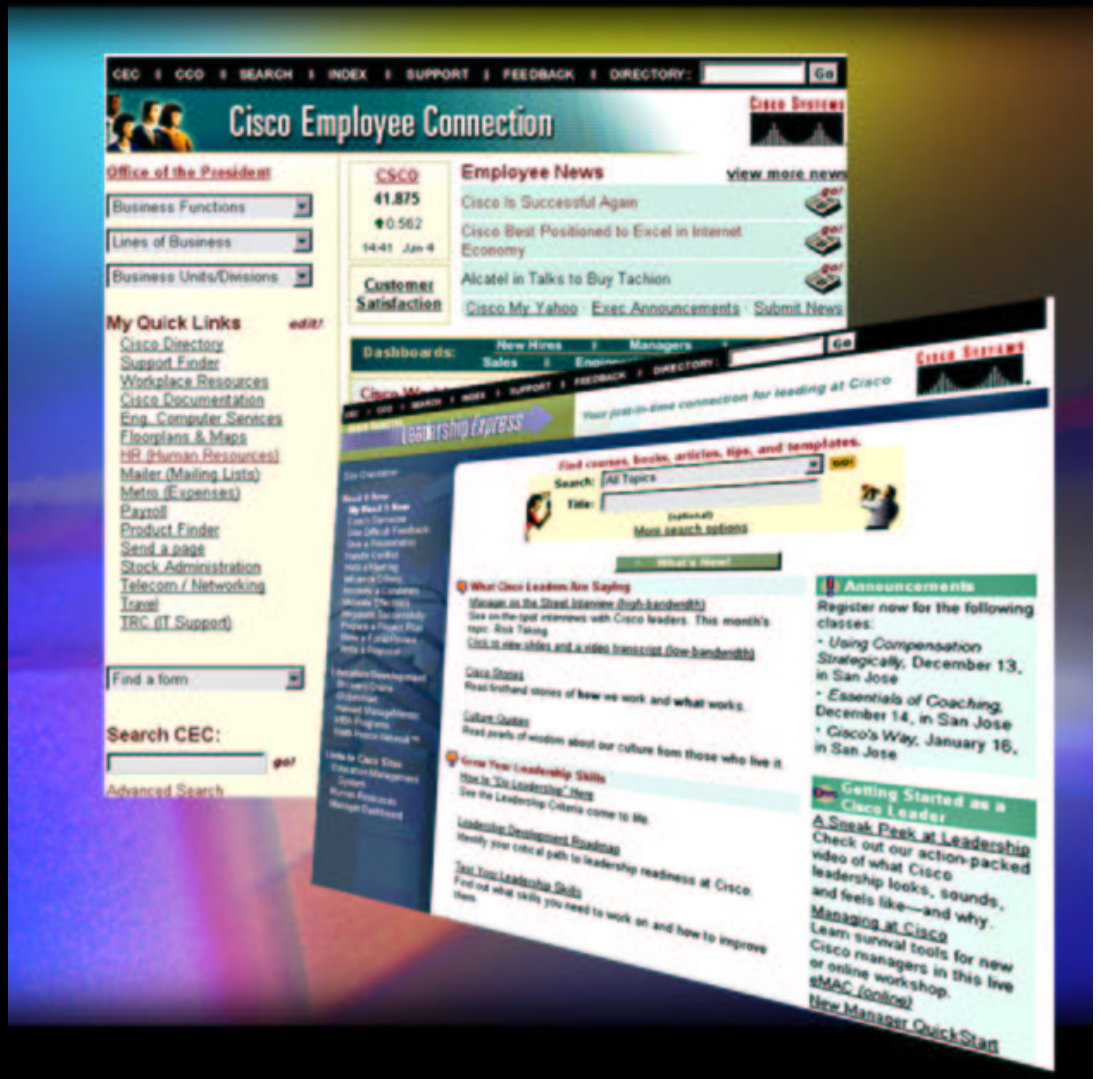
Processes Support Culture

- Multiple communication vehicles
  - Cisco Employee Communications
  - Chat with Chambers
  - Birthday Breakfast
  - Company Meetings (IPTV)



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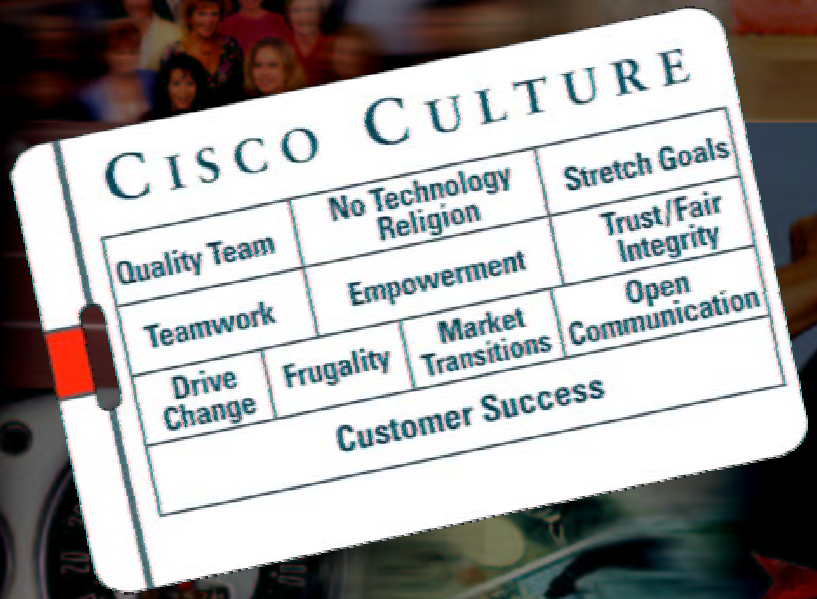
Reinforcing Cisco's Culture



"We want to treat everyone as we would like to be treated ourselves."

John Chambers

Phase I Communication: Setting Expectations

CEC || CCO || SEARCH || INDEX || SUPPORT || FEEDBACK || DIRECTORY: Go

HR: Employee Communication

Quarterly Company Meeting

Cisco Systems

Employee News | Future Meetings | Visit the Archives | Send Your Comments

February 13, 2001 – Santa Clara

John Chambers used Cisco's Q3 2001 company meeting to deliver some candid messages on company performance and the need to reduce expenses. But he had an unmistakable gleam in his eye when he talked about the unique breakaway opportunity that tough economic times open up for Cisco. Read on or watch the full broadcast.

Q2 – What Happened?

John got right to the point. "Today we're going to focus on the quarter, the economy, our strategy, our opportunities, and some things we need to do better. We'll talk candidly about Q2, the challenges I see in Q3 and Q4, and where we stand
We'll
resour

Q2 wa
high.
Althou
share.

The e
spending dropped off precipitously during the quarter, especially in the service provider segment. There was also an economic slowdown in the United States – described by many of our customers as a light switch going off – that directly affected the enterprise marketplace. "Cisco got hit just like everybody else. Now we need to ask ourselves, 'How do we take advantage of that?' in terms of executing our strategy more effectively."

Watch the Broadcast

Read the Summary:

- On My Mind...
  John Chambers, CEO
- Financial Overview
  Larry Carter, CFO
- Q&A

View the Slides:

- On My Mind ...
- Financial Overview

To play, please select a bit rate:

Q2 Earnings Report
Presenter: John Chambers
Duration: 00:10:20

Downloads

Additional Resources

To play select bit rate

14K 56K 100K

- Set both internal and external expectations
- Communicated internally first
- Explained what we were going to do, why and when

Phase 2: Transition Process Communication

6 Targeted Web-sites Developed

- Employee transition site – 60,000 hits
- Manager site – 13,000 hits
- Director and VP site – 5,000 hits
- HR site – 2,000 hits

4 Meeting in a Box presentations to help managers communicate

Notifying Manager Communication

Site located on Manager Dashboard with all other manager tools

Special features:

- **Daily updates and executive messages relevant to managers**
- **How to handle FAQs for consistency**
- **Tools to manage transitioned employees and those who remain**

Human Resources

Notification Process for Cisco in Transition

Cisco Systems

Manager Dash Home | Toolbox | Forms

Please download and print the following documents to be referenced at your session.

- Checklist for Managers (UPDATED April 20, 2001)
- Script for Transitioning Employees (UPDATED April 20, 2001)

Review the following videos for guidance with the notification process.

- Manager Training for Cisco in Transition (including managing employee reactions)
- Guidance for Employee and Manager Conversations

Notices to Notifying Managers

- U.S. Employees on Leave of Absence (NEW! 4/23)
- Final Preparation for Notification (NEW! 4/22)
- Important U.S. IT Asset Recovery and Notification Process (NEW! 4/22)
- Q&A Included in U.S. Employee Notification Letters (NEW! 4/22)
- Benefits During Transition Q&A (NEW! 4/22)
- Internal Placement and External Recruitment Assistance (NEW! 4/22)
- Security Support (NEW! 4/19)
- Security Recommendations (NEW! 4/20)

Manager Transition Site

VP and Director Transition Site

Employee Transitions Site

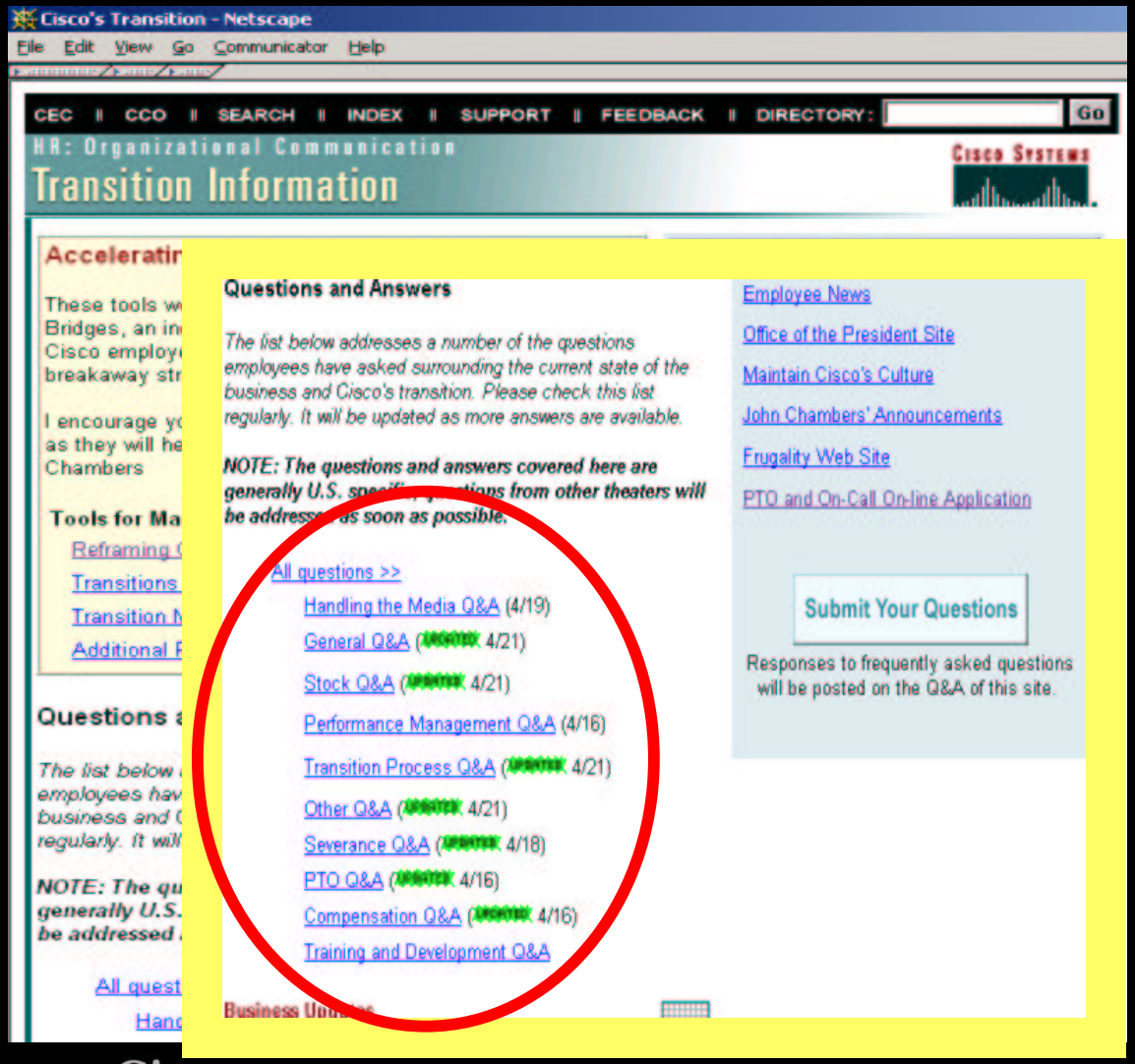
Related Information:

Contact List (NEW! 4/20)
Asset Recovery: Mgr Site (NEW! 4/20)
Asset Return: External Site (NEW! 4/20)

Employee Communication

Daily updates and executive messages

- 511 new CEC intranet headlines & 500 external stories
- FAQs - responded to 1,381 questions from managers & employees
- Portal to all HR-related information



Tools Enable Cisco's Response to Employees, Customers

Tuesday, September 11th

Terrorist Incidents Occurred

5:45
6:03
6:38
7:03

10 am

- Crisis Plan
- Outreach to NYC/DC agencies
- Customer Ops Center open

12 noon

- 99% employees located
- Response Center established
- Company-wide voice/ written communication

2 pm

- Headline news to employees
- U.S. Terrorist incident web site released

8 pm

- 5 employees to locate
- 500+ employee calls received

Next Day

- Employee Updates
  - Travel
  - Military
  - Philanthropy
- Manager Updates and Training

Note: Times are all Pacific Standard Time

Guiding Principles

1. People first—employees, families, customers
2. Customers' business needs
3. "Whatever it takes" attitude

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