

How Cisco Redesigned European Offices to Improve Workplace Flexibility

Optimized workplace reduces cabling costs, improves design flexibility, and speeds up workspace deployments.

BUSINESS BENEFITS

- Application of technology scaled to business needs
- Optimisation and flexibility of floor and desk space
- Highly efficient control and outsourcing of resources
- Greatly increased productivity
- Dramatic cost-savings in real estate expenses

“Not only have the team saved the corporation considerable sums of money, they have enabled the field teams to present another excellent case for the deployment of IP Telephony.”

– **Duncan Mitchell, VP Europe, Cisco Systems**

Between 1996 and 2001, the global revenue of Cisco Systems® increased from \$4096 million to \$22,293 million per year. New departments were developing with specific design needs and requirements, and the number of employees was rising dramatically. Workplace Resources (WPR) and IT could not keep up with the fast growth of the business and deliver space in line the needs, thus beginning to negatively impact business performance.

On average, every week two new Cisco locations were opened and two office moves or closings took place in Europe. The challenge for WPR and IT was to sustain the support of business growth, and to provide adequate space to meet this ongoing requirement, while keeping real estate costs low. Property and office relocation costs represent a substantial portion of the operating budget at Cisco®, making real estate one of the company’s highest expenses.

Initially, cross-functional virtual teams were set-up, comprised of Facilities, IT, and Security. They led to an integrated approach to workplace and technology delivery, including physical and technical security. The teams’ efforts resulted in a fast track real estate model that could deliver a site in 12 weeks. Yet, building the same buildings faster still proved to be too expensive and carried too much administration overload. Cisco needed a better way to design their workplaces.

The introduction of IP Telephony technology provided the turning point. Cisco IP Telephony sets up the baseline infrastructure that enables enterprises to design scalable networks to meet Internet business demands. Easier to install, implement, and maintain than the old-world PBXs, it allowed Cisco Europe to provide more flexible workspaces suited to individual needs. The potential of IP Telephony led to the deployment of extension mobility, thus creating an organisation that enabled staff to choose where they worked while being operationally “virtual”. Moreover, considerations for additional floor and desk space and cabling provisions were greatly reduced, directly impacting the volume of real estate required.

WPR evaluated the financial impact of IP Telephony, and concluded that Cisco had the opportunity to save up to \$60 million in EMEA between 2000 and 2005. This resulted in a projected savings of \$340 per employee in the first year, rising to \$4320 per employee in the fifth year. The Gartner Group, for the first time, validated the real estate optimisation as a by-product of the use of IPT and Cisco technology.

An optimised workplace helps enable the flow of resources, both human and physical.

Case Study: http://www.cisco.com/web/about/ciscoitatwork/case_studies.html

FOR MORE INFORMATION

To read the entire case study or for additional Cisco IT case studies on a variety of business solutions, visit Cisco on Cisco: Inside Cisco IT www.cisco.com/go/ciscoit

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