



Putting People at the Center of Work: The Next Revolution in Productivity and Innovation

Summary Perspective

Collaboration: The Next Revolution in Productivity and Innovation

Foreword

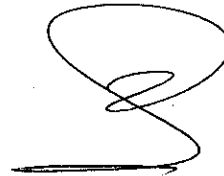
Technology-enhanced collaboration offers the next wave of opportunity for innovation and transformation in the enterprise. By enabling collaboration, companies can achieve enormous performance benefits – a more agile business, improved cost efficiencies, faster revenue growth, smarter use of human capital, and a reduction of the carbon footprint.

Following decades of productivity improvements, primarily from automating and optimizing transaction processes, new collaboration strategies and techniques promise to put the interactions of people back at the center of work.

The technology tools are here. Employees have already embraced them. Now best practices are emerging to serve as guideposts for organizations at any stage of the transformational journey to better collaboration.

This summary perspective and its more detailed companion white paper share Cisco's perspective on the collaboration revolution underway. Demonstrating the power of collaboration at work, we engaged more than 50 thought leaders across Cisco's functional groups. Collectively, we looked at innovations within our customers, partners, and within our own operations. A special thank you goes to our Reviewing Committee, which includes Adrian Amelse, Joe Burton, Alan Cohen, Earl Culver, Tony Frazier, Rick Hutley, Hans Hwang, Sheila Jordon, David Knight, Rob Redford, Donna Rhode, Pat Romzek, Bill Ruh, Parvesh Sethi, Manjula Talreja, Greg Thomas, Chris Thompson, and Kara Wilson. I would also like to recognize the exceptional frontline work of our Sales Pilot Leaders: Rich Hayes, Christian Horner, Matt Maddox, Vlada Marjanovic, Abhay Prasad, Roy Schuster, Woody Sessoms, Dave Sullivan, Steve Westfall, Jack Tenkman, Nick Watson, and Dan Wiggins.

Our hope is that this paper inspires new ways of thinking about collaboration in your own business.



Rob Lloyd
Senior Vice President
U.S., Canada & Japan
Co-Chair, Enterprise Business Council

Collaboration: The Next Revolution in Productivity and Innovation

Summary Perspective*

Technology-Enhanced Collaboration will Unleash the Next Revolution in Productivity and Innovation

Over the past four decades, the typical modern large corporation has methodically put into place a computing and telecommunications infrastructure that made it possible to automate most of the systematic processes of business. As a result, the productivity of workers throughout the organization – from the product design labs to the factory floor and from the field sales office to the executive suite – improved dramatically. But business has reached a point of diminishing return from further automations of transactional processes however, and the time is ripe to look for new sources of productivity.

Improved collaboration is a largely untapped source of competitive advantage. With the ubiquitous proliferation of the business network, it is possible to rethink how an enterprise actually does much of its work. People are connected better than ever, and they have easier access to more granular information. In a global marketplace, collaboration technologies allow people to overcome the constraints of time and geography and work much more intimately and conveniently with fellow team members and partners. Also, these technologies give companies powerful new channels to support and interact with customers.

Improved collaboration has the ability to accelerate productivity, i.e. the metabolism of a business. While cost savings are often the catalyst, companies that succeed in improving collaboration achieve higher customer satisfaction rates, faster cycle time, improved product quality, greater corporate agility, and an enhanced ability to manage globally-dispersed teams. Plus, given today's rapidly-shifting fuel costs and increasing environmental concerns, the importance of improving the ability to collaborate virtually cannot be overstated.

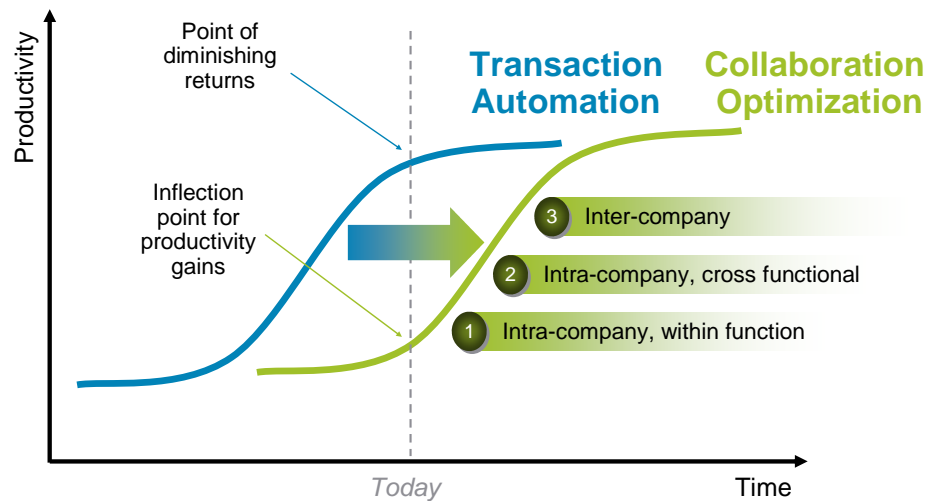
What is Technology-Enhanced Collaboration?

Technology-enhanced collaboration is the means through which companies will achieve the next generation of productivity improvements and innovation in both the workplace and the marketplace, thereby gaining competitive advantage.

Collaboration is the process by which individuals work together in an organized fashion to share ideas and solve problems. Collaboration has always been a part of the business process, but not on the scale that digital technologies and new management approaches now allow. It is now easy to imagine how enhanced intra-company collaboration can improve performance and efficiencies within a company's functional groups, as well as across functional boundaries. The increasing ubiquity of network access and connected devices (e.g., through mobile networks), even in developing markets, has created unprecedented opportunities to improve collaboration. It is now easy to imagine that better collaboration could improve performance and efficiencies within functional groups of a single company, as well as across functional boundaries. New modes of collaboration can be structured such that they integrate into almost any business process or scenario. Once these new methods are in place, team members quickly embrace and improve them, releasing new advantages in practice.

*For the full text, please refer to "Collaboration: The Next Revolution in Productivity and Innovation"

Collaboration: Next Wave of Business Productivity



But the greatest economic benefit for new kinds of collaboration is in a corporation's *inter*-company dealings with partners and customers. We are beginning to see new business models emerge, as collaborative innovators discover the value of using already available technology to work together with "outsiders" in a more intimate fashion.

Collaboration pioneers are using Web 2.0 tools and applications such as social networking, blogging, video sharing, unified communications systems, telepresence video conferencing, enterprise video-broadcasting, and on-demand video systems to overcome the barriers of time and distance. Business users have found cheaper, more effective alternatives to traditional face-to-face meetings, which often require time-consuming travel arrangements for an organization's most highly paid people. Moreover, the new collaboration tools make it easier to find the answer you're looking for, to locate the right expert or partner to solve a knotty problem, or to accelerate decision making without leaving your desk, even if you work for a global enterprise. The collaborative business has a more intimate relationship with its customers and partners, and keeps its workers more productive, effective, and engaged. And it leaves a smaller carbon footprint.

A growing number of industries have already benefited from technology-enhanced collaboration: consumer-product makers have invited customers to help design new products, professional services have made telecommuting easier for their employees, and pharmaceutical companies have shaved months off drug-development schedules. Cisco itself has saved an estimated \$118 million in travel expenses since October 2006, even as its headcount grew, because employees interact virtually more often, using TelePresence, high-definition (HD) teleconferences, and WebEx web-conferences.

How does a Company take Full Advantage of the Potential of Technology-Enhanced Collaboration?

Most large companies have much of their technological and network infrastructure already in place. That's a fundamental beginning. But developing effective collaboration is a multi-stage journey, especially when a company wants to collaborate more directly and intimately with partners and customers.

Every company has its own culture, and its people have their own ways of working with one another and outsiders, so using technology-enhanced collaboration to rethink how business is done has to be compatible with the traditional ways of each organization. That said, some best practices and standard approaches are beginning to emerge for the many stages and aspects of corporate collaboration. The good news is that each step of the journey delivers progressively greater benefits.

The first requirement for effective collaboration is a network infrastructure that is reliable and highly secure, especially if a company intends to encourage direct collaboration and digital interaction with outsiders and other corporate entities. The global reach of many companies today also presents another layer of security, logistical, and technical challenges to collaboration. The network also needs to be able to move quickly to support today's widening array of connected devices – smart phones, PDAs, and other intelligent mobile or personal devices – as they become available, and it should be optimized to accommodate new types and sources of digital media as they enter the mainstream of collaborative work.

A company's IT systems and policies must be flexible because collaboration tools are constantly evolving, in part because the technology is so new. It's also because, as people use the tools more widely, they find new and better, yet often untested ways to use them. Knowledge workers – many of whom already use Web 2.0 services and social networking sites in their personal lives – are quick to embrace and experiment with these new tools and ask for enhancements and refinements. IT should encourage such experimentation but must also establish unambiguous governance and consistent policies to ensure that these tools, which put so much capability in the hands of workers, are used responsibly, and to restrict access to information appropriately. This requires a vision, strategy, and architecture for collaboration at both business and technical levels. IT managers and company management have to be in line as never before.

Thus collaboration represents the culmination of what IT can offer to the enterprise. Rather than simply automating the transactional functions of a company, or even improving productivity of discrete tasks and jobs, technology-enhanced collaboration gives corporations the means to transform markets, workers' roles, and even, in the end, the work itself.

Now is the time for every company to start learning how to collaborate well.

Smart companies are rushing to embrace collaboration as a way to accelerate decisions, gain productivity, cut costs, and strengthen competitive advantage. In the realities of the global market, distance and time separate people, and those barriers slow communication and impede decision-making. Meanwhile, customers demand agile organizations and rapid response. To overcome the institutional barriers to collaboration that they encounter, users at companies that aren't yet equipped to collaborate will do so anyway with publicly-sourced tools such as Facebook, LinkedIn, and wikis, putting a corporation's ability to maintain compliance, assure security, and protect intellectual property at risk.

Companies that move quickly to adopt technologically-enhanced collaborative cultures can gain the first-mover's edge over their competitors by being closer to the ground to sense market inflections sooner than their competitors, turning the knowledge that comes from more intimate relationships with customers and partners into a business advantage ahead of their competitors. And network effects can amplify the competitive advantage that early adopters of collaboration can gain. Companies that don't embrace collaboration can only react to the opportunities that their competitors create. Companies must learn to collaborate in order to succeed in the next revolution in productivity and innovation.



Americas Headquarters
Cisco Systems, Inc.
San Jose, CA

Asia Pacific Headquarters
Cisco Systems (USA) Pte. Ltd.
Singapore

Europe Headquarters
Cisco Systems International BV
Amsterdam, The Netherlands

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