

VALERIE ST JOHN: Hello, I'm Valerie St John.

ROBB BOYD: And I'm Robb Boyd. Today on BizWise TV, we're talking about collaboration, the new competitive advantage. Now collaboration carries many connotations in many contexts. But at its core, it comes down to two or more people working together toward a common goal, sharing knowledge, receiving knowledge and consensus building for the good of the team.

VALERIE ST JOHN: That's right, the motivation here is the idea that the value of an organization, working together, is greater than the sum of its individuals working at a silo. And leadership is less centralized in favor of a model where everyone contributes.

ROBB BOYD: And there's no better time than now to master the new rules of productivity. To help you do that, we're going to focus on the five critical steps to thrive, not just survive, in our current environment.

VALERIE ST JOHN: Yes, so let's take a step over to our trusty plasma here. And we'll start with the first principle, save to invest. This is key, a basic business principle. So you can be positioned to take advantage of these Darwinian markets we find ourselves in.

ROBB BOYD: Well, and these investments can allow you to unlock employee potential. By investing in employee tools to improve your effectiveness and allow your employees to --.

VALERIE ST JOHN: Drive customer intimacy. Now, by getting closer to your key customers and driving loyalty by truly understanding and meeting customer needs which will enable you to --.

ROBB BOYD: Distance yourself from your competition. This is where it really gets exciting. All the preceding steps lead logically to this point, as it implies that market share is now growing in your favor.

VALERIE ST JOHN: But it's not our last point. This is a five-point process. So we must transition to a borderless enterprise.

ROBB BOYD: Yes, this is so critical. But it's also never before been so possible. This has certainly already happened in certain places. But many have learned the benefit of using the network to bring work to the employee wherever they are, so that they can be productive.

VALERIE ST JOHN: And for so many organizations today, it's now about using that network to construct and manage the most efficient and flexible supply chain.

ROBB BOYD: The borderless business recognizes the added value coming from each step of the process, from unique idea to that point where a client or customer is using your product or service. It's the collective network that now makes all of this possible on a global scale. So let's get specific. Today, we're focusing on collaboration, the new competitive advantage in retail.

VALERIE ST JOHN: At a time when retailers are strategizing to survive and economic downturn, it is more important than ever to establish clear communication channels throughout all levels of the organization. Research suggests poor store-level execution of corporate strategy can actually cost a retailer, get this, 2 to 5 percent of its annual revenue. Now that's a loss companies can't afford in today's environment. For a look at the state of retail

collaboration, we're joined by Cisco's Curtis Foster. Curtis, welcome.

CURTIS FOSTER: Hi, thanks Valerie.

VALERIE ST JOHN: So just kind of thinking this through, collaboration actually looks different. The dynamic looks different from sector to sector and from process to process even. As retailers make the effort to collaborate, and as they try to boost customer service and do a better job at sales as well, what sorts of challenges are they facing?

CURTIS FOSTER: Well, one of the key challenges for retailers is the fact that they have to communicate and collaborate with so many different employees scattered throughout the country, throughout the region. You can go from 50 stores to 500 stores to 1,000 stores. And the key point is to make sure that that communication comes across clear and concise to every single employee. But they lack the ability to reach every employee. A lot of the communication occurs through our traditional means of tools. So you and I, we're very used to e-mails, we're used to laptops.

VALERIE ST JOHN: Right.

CURTIS FOSTER: And a retail employee needs to be on the floor. They need to be face-to-face with the customer. So by being on the floor, how do you present information to them in a way that they can retrieve it.

VALERIE ST JOHN: That makes sense, because it would be difficult to be plugged in, right, while you're roaming around the floor. So what are some of the biggest pain points would you say?

CURTIS FOSTER: So really the biggest pain point is the ability to give the employees direct direction and to be able to receive, create an open loop, two-way communication, share best practices between stores. And have corporate realize and understand what is actually occurring within the stores. A lot of information comes one-way, say via e-mail. Here, I want you to do this, I want you to do that. But really, there is not two-way collaboration. So how do you capture best practices? How do you capture the way things are actually occurring in the store, when all the communication's pushed down?

VALERIE ST JOHN: And some 95 percent of the employees for an organization are actually on the sales floor. Is that right?

CURTIS FOSTER: Yes, where they should be. I mean, that's exactly where the retailer wants them is face-to-face with the customers. You don't want distractions. You don't want laptops and all that. So it's really about introducing types of technology gently onto the floor that's not intrusive. That way they can retrieve the information.

VALERIE ST JOHN: So what's the industry doing, then, to try to address some of these pain points?

CURTIS FOSTER: Well really, they're using traditional tools, as I mentioned e-mail. The problem with e-mail is the fact that, again, it's hard to collaborate two ways through it. But also, for retailer, the fact that it's PC-based. And where are the PCs? They're in the back room. They're off the floor. Is that where you want your managers e-mailing back and forth in the back of the house? No, you want them on the floor. So retailers really need to look at how they can create mobile solutions and, again, bring information to where they people are actually working.

VALERIE ST JOHN: So much of what you're mentioning here sounds pretty antiquated or tough to navigate or both, right? We're talking about employee training being difficult. They either have to remember verbal orders or take notes. What are some of the collaborative tools that are out there?

CURTIS FOSTER: Well one of them is simple. When you look at a retail floor, what do you see all throughout? You see phones. You see those as endpoints. With our phones, they actually act as a two-way device. They're actually a small mini kiosk to where you can present information back and forth to the employees. So for example, daily communication or tasks or schedules, these types of things can all occur right on the floor where the employee is working. Also thinking about just our call management system. The way that you can locate, find someone, and then reach them wherever they are. As long as they have a phone, you can reach them and notify them of what's occurring in the store. And finally really, it's about utilizing retail applications that are already in the field and combining those with our collaboration tools to create new functionality, which we're going to show you in a few minutes.

VALERIE ST JOHN: Excellent, so you're talking about tools that can be embedded into existing systems, right?

CURTIS FOSTER: Yes.

VALERIE ST JOHN: Within the framework of what's already used in stores.

CURTIS FOSTER: Absolutely, and again non-intrusive, it just blends right into the store environment.

VALERIE ST JOHN: Okay, so we've got a real-life example of those dynamics at work today. You've actually partnered with a company called Reflexis, a platform a lot of retailers use. But you can partner with a lot of different platforms.

CURTIS FOSTER: And we do.

VALERIE ST JOHN: And you do. And what you've done is to embed those tools into this platform. So we're going to take a peak at that platform right over here. And we've got Rich Lewis from Reflexis joining us.

RICH LEWIS: Hello, Valerie.

VALERIE ST JOHN: Hello, and my esteemed colleague, Robb Boyd.

ROBB BOYD: Thank you so much.

VALERIE ST JOHN: Let's take a look at this.

ROBB BOYD: So here's what I want to understand. You've obviously set up something here. We're not in a retail environment, but we are able to see all the steps of the process. So first, help us understand what is it that a retailer normally goes through. I know you're going to use product recall as an example. But I might get that as an e-mail, a fax, or something like that. And then I've got to do something with it. So I would imagine that's some combination of phone calls, e-mail, very open-loop processes, right?

CURTIS FOSTER: Absolutely, so as I mentioned earlier the fact if I got this product recall, I'd have to use all my

resources. So e-mail, calling, conference calls, all these different things thrown together, but not in a synchronized way.

ROBB BOYD: What a mess, yes.

CURTIS FOSTER: And the problem is that you're going to have stores fall through the hoops or through the pitfalls on that. And you're going to have products that are not recalled or tasks that are not complete. So you really need to close that loop.

ROBB BOYD: Absolutely, well make the pain go away, would you?

CURTIS FOSTER: Sure, absolutely, yes.

ROBB BOYD: Because that sounds painful.

CURTIS FOSTER: Let's just use product recall as an example.

ROBB BOYD: Okay.

CURTIS FOSTER: It's something that does occur in retail. And so I have a task that I need to send out to all the stores. It's hey, get this stuff off the shelf.

ROBB BOYD: Okay.

CURTIS FOSTER: So what I'm going to do is I'm in the Reflexis system. And I'm going to go ahead and set up a task called product recall, recall these toys, put a description in there, possibly pictures, things like that. And what I see here at the bottom is, so far, I haven't started the task. So none of my stores have yet completed it.

ROBB BOYD: Okay.

CURTIS FOSTER: So then what I do is I go ahead and schedule this and say all right, I want the stores to be notified at 8 o'clock that this task is coming to them.

ROBB BOYD: Okay.

CURTIS FOSTER: But the key difference here is, versus going to a PC in the back room where you might hit a manager back there or not, this is actually going to go straight out to the sales floor, to the associate on the sales floor.

VALERIE ST JOHN: And that's where these embedded tools really come to play, because normally you could just decide there's a product recall. And there are lots of phone calls taking place and e-mails and faxes. But here we actually get to reach the store employee in a very easy, efficient way.

CURTIS FOSTER: Absolutely.

VALERIE ST JOHN: Right?

RICH LEWIS: Exactly.

CURTIS FOSTER: So Rich is going to act as a store employee. He's on the floor, he's in the toy department. Do your thing.

RICH LEWIS: So I'm a sales associate right now. I'm coming in. I'm beginning my work day.

VALERIE ST JOHN: Okay.

RICH LEWIS: And as Curtis just showed, there's now a product recall that needs to be executed within the store footprint.

VALERIE ST JOHN: Are you in uniform, because --.

ROBB BOYD: Okay, so you execute the recall.

RICH LEWIS: Yes, we're dressed up this holiday season.

VOICE: Hello, Store 101. You have an urgent recall project that needs your attention. Please complete the project and update the status in Reflexis.

RICH LEWIS: So now once I get that message, the Reflexis task manager toolbar pops up. I simply press that. And now you can see, we have the product recall for a lead-based toy that's right here. So rather than pulling me off the sales floor, having to have a conversation with my sales manager, this is alerted me right in the toy department that I have an immediate product recall for a lead-based toy. So I select that. And now it tells me the exact SKU number, what I need to go do on the sales floor. So I hit in progress. So at this point, I can now go to the shelf, remove the product in question, bring that back to the stock room, and come back --.

ROBB BOYD: And also with this, you don't have to pick up the phone and say oh, by the way, I'm working on this now. So what happens? Do you get any kind of a reporting back to your system to go ah, I see. My store's executing against this beautifully eloquent process that is, you know --.

RICH LEWIS: Perfect lead-in, Robb, because now if I hit complete, ah, and here we go.

ROBB BOYD: Okay.

CURTIS FOSTER: Now I get back to the same tool. I look at the task that I created. And say it's about 9 o'clock now, an hour afterwards. And sure enough, half of my stores have completed this task.

VALERIE ST JOHN: Ah, beautiful.

ROBB BOYD: Okay.

CURTIS FOSTER: But the question now is what am I going to do about those employees that have not completed the task yet? How do I get compliance back from them? So I'm going to have to escalate. I'm going to have to

escalate this issue to their district managers and notify and communicate to them. So as I mentioned before, another piece of this is not just the phone. But it's actually using a call management system to find, locate and notify people of when things need to be done.

ROBB BOYD: So this is a manual process? Or is it going to automatically escalate based on thresholds?

CURTIS FOSTER: Automatically, at 10 o'clock, automatically a call will go out to every district manager whose stores have not yet complied.

ROBB BOYD: Okay.

VALERIE ST JOHN: I have a question.

RICH LEWIS: Robb, oh I'm sorry.

VALERIE ST JOHN: I have a question. You're on the floor, you're working in the toy department.

RICH LEWIS: Yes.

VALERIE ST JOHN: How do you get this alert? Are you wearing a mobile device?

RICH LEWIS: Yes, I could be wearing a mobile device. Or there's many IP Phones throughout the store footprint, though. So this is going to ring. And I hear this and I come over and actually that's when I hit the speaker and I am alerted to the product recall on the Cisco IP Phone. What we're going to play now is I'm a district manager. And many district managers in retail are mobile. They're on the road. So they have their phone with them. And they need to be alerted that there's certain stores within their district that have not executed on the product recall. So rather than the manual process before of trying to pick the phone up and call each one of your stores, now this is exception-based, where they're alerting me. It's streamlined. So it's automated.

ROBB BOYD: All right, show us how that works.

CURTIS FOSTER: Sure, so 10 o'clock comes around.

RICH LEWIS: So I'm the district manager. I have a phone call.

VOICE: Hello, Gary with District 10. You have one store that is non-compliant with an urgent recall project. Store 100, press 1 to call store manager.

RICH LEWIS: So now I press Store 1.

ROBB BOYD: Oh, it'll automatically execute the call through that to the offending store.

RICH LEWIS: Now this is calling Store 101. And there you go. So that the store that was lax in executing the product recall has now had their district manager log a call in following up to make sure that they get that work done.

ROBB BOYD: Excellent Curtis, thank you so much. Rich Lewis, thank you for your time as well. Valerie, of course as always, and thank you. For more information, go check out cisco.com/go/retail.

ROBB BOYD: The borderless business recognizes the added value coming from each step of the process, from unique idea to that point where a client or customer is using your product or service. It's the collective network that now makes all of this possible on a global scale. So let's get specific.

VALERIE ST JOHN: And now we're going to focus on collaboration, the new competitive advantage in health care.

ROBB BOYD: Health care is, by its very nature, a collaborative effort. At its core is the patient and a primary care provider. Surrounding them, a constellation of other organizations, health insurance entities, hospitals, public health organizations, pharmaceutical firms and health researchers, just to name a few. Together however they help form a team, providing a wide range of services and medical care to consumers and collaborating with each other. That's what connected health and collaboration are all about. Our guest today is diagnosing even greater connectivity for the health care industry. Frances Dare with Cisco's Internet Business Solutions Group joins us for the forwarding-thinking prescription for delivering health services in new, more efficient ways and transforming the health care consumer experience. Frances.

FRANCES DARE: Hi Robb.

ROBB BOYD: Thank you, let me understand. Collaboration can mean different things to different industries. Where does collaboration begin to make a difference in health care specifically?

FRANCES DARE: In a couple of key ways. First of all is the information-sharing part of collaboration. All those organizations you mentioned, there's a lot of paper flying around and a lot of phone calls.

FRANCES DARE: But if we help that information be more real-time and faster, that makes a huge difference in terms of cost to deliver care. And as well, if we start to bring those organizations together in new partnerships, that starts to transform the patient experience of health care as well.

ROBB BOYD: And so when we look at spending across that constellation of surrounding organizations, there is a lot of opportunity to improve upon those things.

FRANCES DARE: Huge opportunities to take extra overhead and waste out of the system and deliver the care and the services that people expect in completely new ways.

ROBB BOYD: So cutting costs I think is at the top of everyone's list when it comes to, especially in challenging economic times. Where does collaboration and health care kind of meet to say here are some obvious areas we could be doing a better job with?

FRANCES DARE: Let's think about hospitals for a minute. There's between 5,000 and 6,000 in the United States. They're very people-intensive businesses. And nurses tell us that they spend almost a third of their time trying to find other people or trying to find equipment. But if they have a wireless phone that has tracking capabilities, and one-number reach, and can prioritize messages, all that paging and waiting and phone calls back and walking the hallways four or five miles, that's time away from patient care also can bring costs out of the system by avoiding overtime, by avoiding agency costs to bring in extra staffing.

ROBB BOYD: Right, so it's a combination of asset tracking, plus the phone communication, and the ability to now save high-value assets in the form of people and devices they need to be effective with their job, those can make big differences as well. I think that makes a lot of sense. Let's look at the other side of the equation. We look at cutting costs. What about increasing revenue? Do you see opportunities for health care organizations there?

FRANCES DARE: The two go hand-in-hand. If you think of the scenario I just mentioned, a lot of payers are saying wait a minute, hospital. If there's an avoidable medical error, we're not going to pay for the cost of fixing that error. So if you let people talk to each other, if they can find each other to avoid confusion, so instructions are complete, so that they can make decisions as a care team, those avoidable medical errors, sentinel events so to speak, the number one cause of those is communication issues. That way you keep your revenue intact if you're a hospital. And you deliver higher-quality care, which often means additional revenue from organizations that pay for the care we receive.

ROBB BOYD: Yes, it would actually follow, right?

FRANCES DARE: It does.

ROBB BOYD: So if you look at the role of, say, as I understand it, the CNO or the chief nursing officer -- am I getting that correct?

FRANCES DARE: You are.

ROBB BOYD: So as we look at improving their productivity and things that they care about, we think about unlocking employee potential. What opportunity do you see there?

FRANCES DARE: When I was a hospital executive, once a quarter, we'd do meetings around the clock with each shift. It's a 24 by 7 business. But think about everything that happens just on a daily or weekly basis. And now, we can have those virtual team meetings and that frequent transparent communication with our staff to keep them more informed. The night shift nurses feel like they're part of the team again. And they can have team blogs, or we can have Wikis to share information. We communicate more than just at the team-shift hand-off. That'll improve employee satisfaction. And then we can have e-learning and a lot of the training that can go on can be done in new ways as well. And if we avoid the hassle that I talked about before, all that time away from patient care, searching for people and searching for equipment, that lets people do the job they want to do, which is delivering patient care.

ROBB BOYD: Absolutely, and I've got to think, if you've got happy employees, then you've got happy customers. In this form, it's patients.

FRANCES DARE: Patients and their families.

ROBB BOYD: And as I understand, patients are looking for more intimacy, as I understand it, in terms of how do I -- you know, obviously you form very unique relationships with your health care providers. What things are you seeing changing in the industry, collaboration affecting patient and customer intimacy?

FRANCES DARE: You're right. Patients and their families, their expectations have changed.

ROBB BOYD: I actually didn't mean that. But I like that. Okay, so the family side of that as well.

FRANCES DARE: Yes, exactly, right. They want to be informed. They want to be involved in making their care decisions. And as things progress, they want to feel like they're part of the care team. So if we have video conferencing with families who may not be able to come to the hospital, if we can keep patients informed by bedside communication units that include video or include messaging. If we can help those patients have some control over their environment, room controls at that bedside unit as well, that can also include entertainment, and can include patient education. That starts to transform the patient and their family experience.

ROBB BOYD: And is that pretty unique for organizations to be latching on to some of these technologies to really do that? In other words, because I've got to think. Organizations like this are competitive like any other standard business organization, right? So they're going to look at how can I increase the care and the feeding, you know, all the things that go into the equation, and distance myself from my competition. Do you see that playing into it as well?

FRANCES DARE: We are seeing that, patient and family experiences, the new competitive edge. And leading hospitals are putting those sorts of technologies in place. One study recently said that 50 percent of all patients will change hospitals to get a better patient experience. So if you combine that patient experience, that exemplary, astonishing patient experience, with consistently delivering the highest quality of care, and combine that with close working relationships with community physicians through information-sharing and collaborative relationships, that's what gives that hospital the chance to break forward and distance themselves from their competition.

ROBB BOYD: Certainly, and we've talked about this notion of the borderless enterprise. Does that work in health care? I mean, how would you translate the borderless enterprise into a health care organization? Are there opportunities there?

FRANCES DARE: Robb, I translate it in two ways. The first is think about how we do health care. But take it to different settings. Can we take those services to people at work? Can we take those services to people at home? So they don't have to come to the brick-and-mortar walls of our hospital or our health system. And start thinking about expanding your geographic service area with telemedicine.

ROBB BOYD: Right.

FRANCES DARE: With specialist consultations to rural communities and partnerships between community hospitals and specialty centers. Online second opinions, leading health systems in the United States offer those services to people no matter where they live. So borderless really does unlock huge opportunities for health care.

ROBB BOYD: Well, you know what excites me about that is the fact that obviously health care organizations represent a lot of specialists, people who are very highly trained and very highly experienced in very narrow areas. And then the challenge becomes how do you geographically share those resources in a cost-effective manner either with sister organizations or with the fact that your customers aren't always narrowly defined? You know, the person that's got that particular ailment could be anywhere. And for us to cost effectively provide that becomes a differentiator. So we can distance from competition. We go borderless, because the technology allows us to do that. That drives customer intimacy, which drives happiness and profits and all those good things,

fantastic.

FRANCES DARE: It's a virtuous circle.

ROBB BOYD: Yes.

FRANCES DARE: We transform access to care. We transform the experience of care. We transform health care with leading technologies and new solutions.

ROBB BOYD: That is excellent, a lot of good new ideas. Frances Dare, director of health care practices at Cisco, thank you so much for joining us. For more information, please go to cisco.com/go/healthcare.

ROBB BOYD: The borderless business recognizes the added value coming from each step of the process, from unique idea to that point where a client or customer is now using your product or service. It's really the collective network now that makes all of this possible on a global scale. Let's dig deeper and focus on collaboration, the new competitive advantage in manufacturing.

VALERIE ST JOHN: It's an increasingly globalized world. New products are being developed in emerging markets as consumers demand custom options and more variety than ever before. It's all happening as an already fragmented manufacturing environment becomes even more segmented. Yet, we still need to innovate faster. How do we do it? Our guest, industry solutions expert, Dan Knight, has the key, collaboration, right?

DAN KNIGHT: Exactly, exactly.

VALERIE ST JOHN: Thanks for joining us.

DAN KNIGHT: Thanks for having me.

VALERIE ST JOHN: So there are a number of new trends on this manufacturing landscape related to collaboration. One of the big ones, globalization.

DAN KNIGHT: Exactly, so we've been talking about globalization for quite a while. But what we're really seeing now is a couple things. One, we're seeing a lot of those low-cost competitors from emerging markets gaining more and more of a foothold in mature markets such as the US and Western Europe. We're also seeing a lot of manufacturers that have been historically based some in the markets. Some of the industrial equipment makers, such as Caterpillar and auto makers and those types of manufacturers find new growth opportunities in emerging markets in India and China. And that's driving a lot of the revenue growth. But that often requires somewhat of a local presence or localized products to really capture some of those opportunities in those emerging markets.

VALERIE ST JOHN: Right, which sets off actually my next question, talking about outsourcing. We've been seeing outsourcing for a long time.

DAN KNIGHT: Yes.

VALERIE ST JOHN: But it's changed somewhat, hasn't it? There have been a couple of new twists in how we're seeing it?

DAN KNIGHT: Yes, I think there's a couple things going on. It used to be you'd outsource them, subassembly or something, to a supplier down the street. Now we're seeing more and more specialization. So for example you have semiconductor foundries that are specialized in one specific area of the manufacturing value chain that basically manufactures semiconductors. We're also seeing more and more globalization in outsourcing and more and more outsourcing of different functions that historically have been in-house. So things like design development's a big thing, which is now becoming more and more outsourced. Instead of just having someone build an assembly, we're having someone design an assembly and build it, or having someone design it and have someone else build it.

VALERIE ST JOHN: This really raises the intellectual property stakes, doesn't it? Because we've got a lot of new considerations when the place that designs it is not the place that builds it. And if the designing is not happening, say, back in Detroit or wherever the company may be based, then you've got outsourcing of functions that we really haven't seen in the past that raise new issues.

DAN KNIGHT: Yes, and I think intellectual property's one. So you need to make sure you have secure collaboration, secure data exchange. I think the other things are basically design is inherently a collaborative process, right? So historically when people design things, they grab people, and they sit in a conference room. And they white board and then review parts, and they brainstorm. And as these functions get broken up and disbursed across the globe, that become very challenging. So people need to find new ways to work and collaborate and do that somewhat virtually, but still be as effective in designing.

VALERIE ST JOHN: So we're seeing a lot of CAD models probably back and forth.

DAN KNIGHT: CAD models back and forth, but it's a combination of reviewing CAD models, having face-to-face interaction often with people of different cultures and different language barriers, being able to brainstorm and white board and share ideas, that really becomes a challenge in a global environment. And there's been some studies, like NSAID did a study that said basically a lot of manufacturers aren't really truly capturing the benefits of globalization. And one of the key reasons they're not is because of communication and collaboration barriers.

VALERIE ST JOHN: Right, and when you're talking about more diversity of functions then being outsourced, you're also talking about an increase in the need for trust and communication. When you can't actually be there, you still need that trust and that face-to-face contact. How do we do that now with collaborative tools that are on the marketplace?

DAN KNIGHT: Well, I mean there's a lot of different tools. And I think you need to take a look at what are the range of collaboration communication functions and capabilities you need. So the way I like to think about it is there's a number of things we can do to improve communication overall. So things like TelePresence, you know, TelePresence you're basically -- it's like you're sitting in the same room. And you can bring in parts. You can bring in white boards. You can have a screen displaying a CAD model and basically interact with the people face-to-face, sharing parts and sharing CAD models and bring all those elements of collaboration together for brainstorming and design reviews, things such as WebEx for ad hoc communications. So I can quickly, if you're in India and I'm in the U. S., I can set up a WebEx session. We can review a CAD drawing. We can have a little video sessions. It's not the high quality of TelePresence. But a lot of times it meets the needs.

VALERIE ST JOHN: Right.

DAN KNIGHT: Or things like presence, so we can figure out how people are available. And if you're an engineer in the part, I can see, if you're available, how you're available. Click to talk so we can discuss some potential changes to the part that you're designing, for example.

VALERIE ST JOHN: Yes.

DAN KNIGHT: The other thing we can try to do is try to bring these tools directly into the applications and directly into the business processes and workflows.

VALERIE ST JOHN: Which makes life a lot easier, because when the engineers are accustomed to working with these specific platforms, it's difficult to introduce something new. They've got presence, they've got TelePresence, they've got other communications tools now built into those platforms.

DAN KNIGHT: Exactly, so I mean we find that communication is a lot less natural when I'm working on a CAD model. And then I have to go off to some other application or some other tool to figure out how to collaborate. But if I'm working the CAD model, and I see a button that says you're the engineer and you're available, it's right in the CAD model, and I have a question. It's much more intuitive and easier and simpler to click to talk. Same thing with things like Web conferencing. So that really increases the effectiveness and the use of a lot of the communication tools.

VALERIE ST JOHN: Right, so we've got now this fragmented value chain. We've got the need to get products out faster. In addition to that, another new trend on the horizon that's really shaking things up is this idea of faster-evolving customer requirements. Manufacturers are now having to face that.

DAN KNIGHT: Yes, and I think one of the things they're trying to do is not only deal, as you said, with the complexity of global design, but do things more quickly. So there's a recent study from McKenzie, I think, like a week or so ago that said 65 to 70 percent of manufacturers, or companies over all, not just manufacturers, consider accelerating innovation one of their top three business priorities. So people need to deal with this increasingly complex environment, still accelerating the rate of innovation to keep up with competition and avoid being commoditized, but do it in this with fewer and fewer resources.

VALERIE ST JOHN: Can you give us an example of how betting those collaborative tools might actually play out in the context of, say, an automobile manufacturing environment?

DAN KNIGHT: Sure, we're working with a company called PTC who makes a product called Windchill, which is product lifecycle management and application. And we're working with them to accelerate the engineering change notice process, for example. The way we do that is we convert a description of an engineering change as you put into Windchill into speech. And we convert it from text to speech and then play it over your phone. So you can improve it over your phone if you know it's coming.

VALERIE ST JOHN: Makes it faster.

DAN KNIGHT: Makes it faster. But if you don't know it's coming, or you want to review more details, you can go

directly into the Windchill user interface, look at the whole engineering team, see who's available, how they're available, whether it's IM, cell phone, landline, click on them, and click to talk and do a phone conference.

VALERIE ST JOHN: So right away I don't have to look up any telephone numbers. It's right there, push to talk.

DAN KNIGHT: Right in the team list, right in the application. And then if that's not enough, you can launch a WebEx directly again from the user interface and pull up the CAD drawings. We use video, do a little mini design review and basically record that, even attach it to the engineering change. So the next person down the line can review that if they have questions.

VALERIE ST JOHN: Neat, so they know when the change took place, what change took place, who actually approved it.

DAN KNIGHT: Yes, and they can review all the details. So if I'm the engineer who issued the change, and someone calls me to review the change, the next person on the line doesn't need to call me again. So it saves me time and accelerates the overall engineering change notice and implementation process.

VALERIE ST JOHN: It's a jet Sony and Dynamic if ever I heard one. Dan Knight, thanks for joining us.

DAN KNIGHT: Thanks for having me.

VALERIE ST JOHN: And for more information, go to cisco.com/go/manufacturing.