



The slide features the Cisco logo in the top left corner. The background is a night-time photograph of a city street with a tram and a large, illuminated building. A blue curved banner at the bottom contains the title and speaker information.

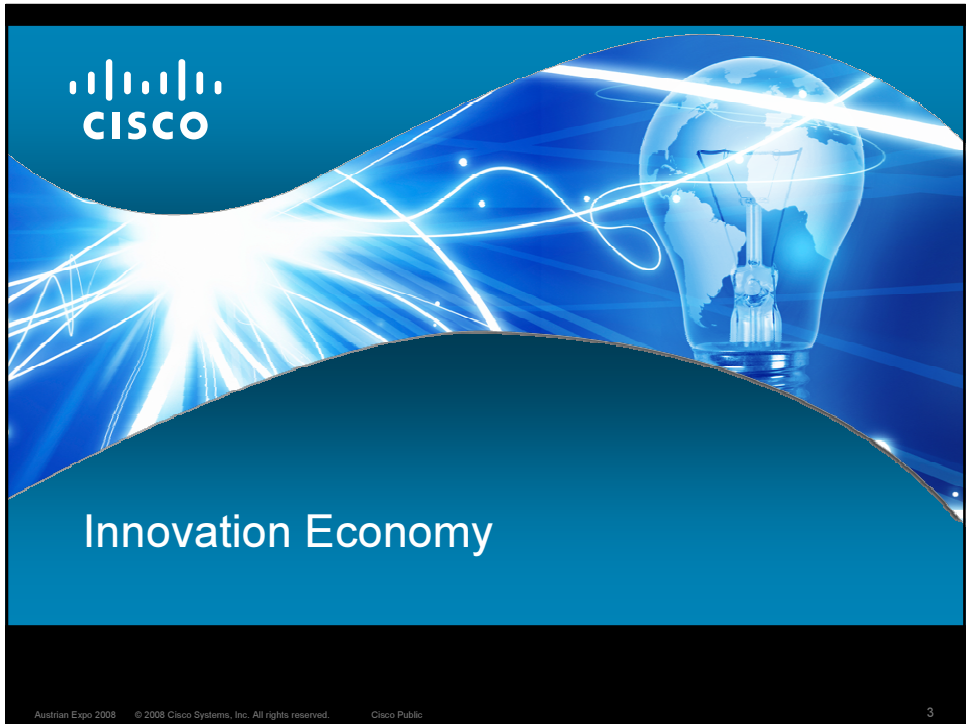
Driving Productivity Through Innovation & Collaboration

Chris Dedicoat, President, European Markets

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Agenda

- 1 Innovation Economy
- 2 Next Generation Internet & Collaboration
- 3 Video Everywhere
- 4 Demonstration

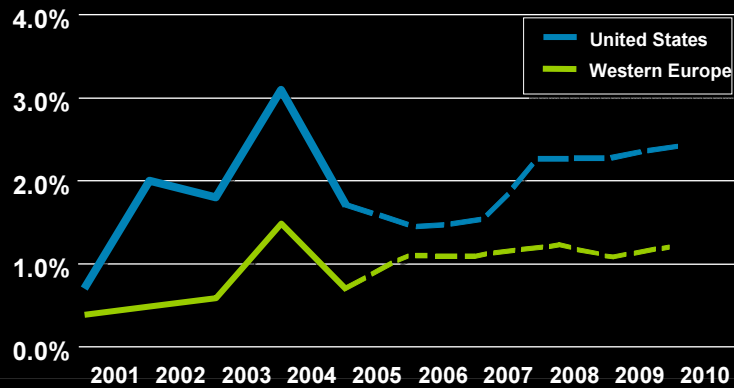


The European Climate Today

1	2	3
Highly Competitive External Growth Environment	Constrained Organic Growth	European Economy
<ul style="list-style-type: none"> ▪ Highly concentrated EU economy ▪ International expansion already exploited ▪ Availability of talent 	<ul style="list-style-type: none"> ▪ Increasing customer acquisition cost ▪ Declining success of new product launches ▪ Off-shoring of key functions 	<ul style="list-style-type: none"> ▪ Mixed GDP growth ▪ Slow population growth ▪ High Unit Labour Cost ▪ Limited productivity gains

The Productivity Gap Will Continue To Be An Issue

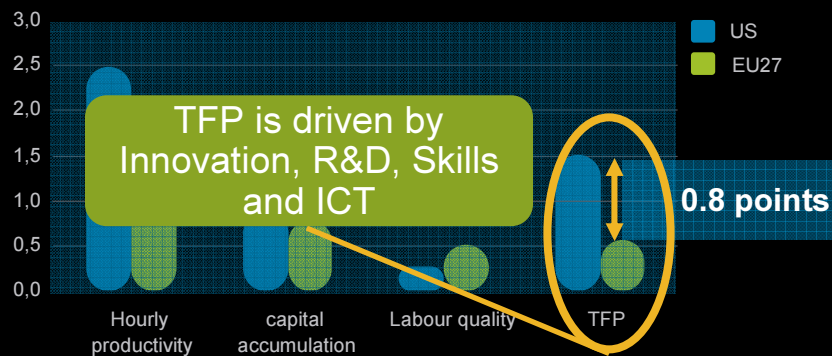
Growth of Overall Productivity of Labour (%-age change from previous year)



Source: Economist Intelligence Unit

The Productivity Growth Gap is Mainly Generated by Total Factor Productivity

DECOMPOSITION OF AVERAGE HOURLY PRODUCTIVITY GROWTH US Vs. EU27, 2000-2005



Source: Mourre (2007), using data from ECFIN-AMECO, US Bureau of Labour Statistics and Eurostat

European Markets

An Innovation Economy



Source: Michael E Porter, Harvard Business School

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European Markets

An Innovation Economy



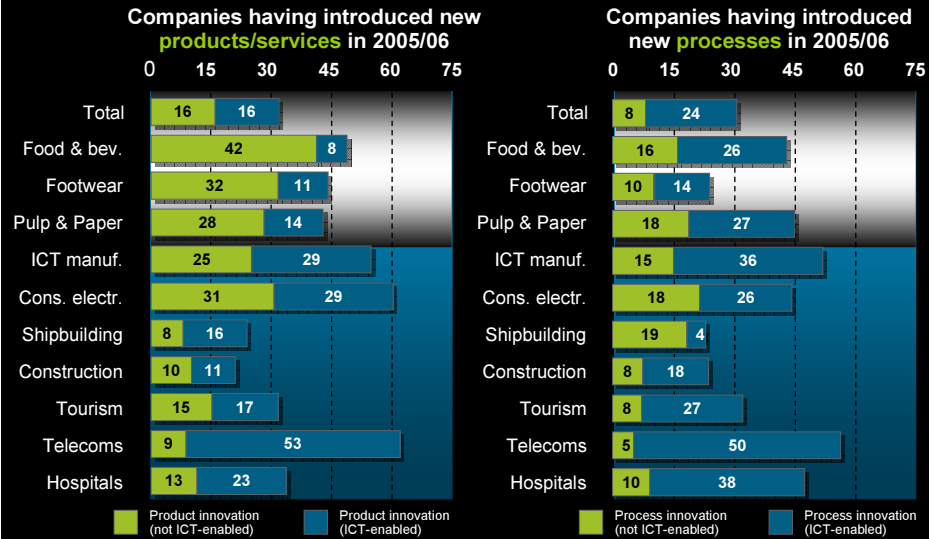
	Innovation Index				
	2002–2006		2007–2011		Δ
Japan	10.00	1	9.91	1	0
Switzerland	9.71	2	9.80	2	0
United States	9.48	3	9.56	3	0
Sweden	9.45	4	9.55	4	0
Finland	9.43	5	9.38	7	-2
Germany	9.38	6	9.51	5	1
Denmark	9.29	7	9.32	9	-2
Taiwan	9.28	8	9.42	6	2
Netherlands	9.12	9	9.11	13	-4
Israel	9.10	10	9.33	8	2
Austria	8.91	11	9.16	10	1
France	8.90	12	9.15	12	0
	Index	Rank	Index	Rank	

Source: Innovation: Transforming the way business creates. An Economist Intelligence Unit white paper sponsored by Cisco Systems. April 2007

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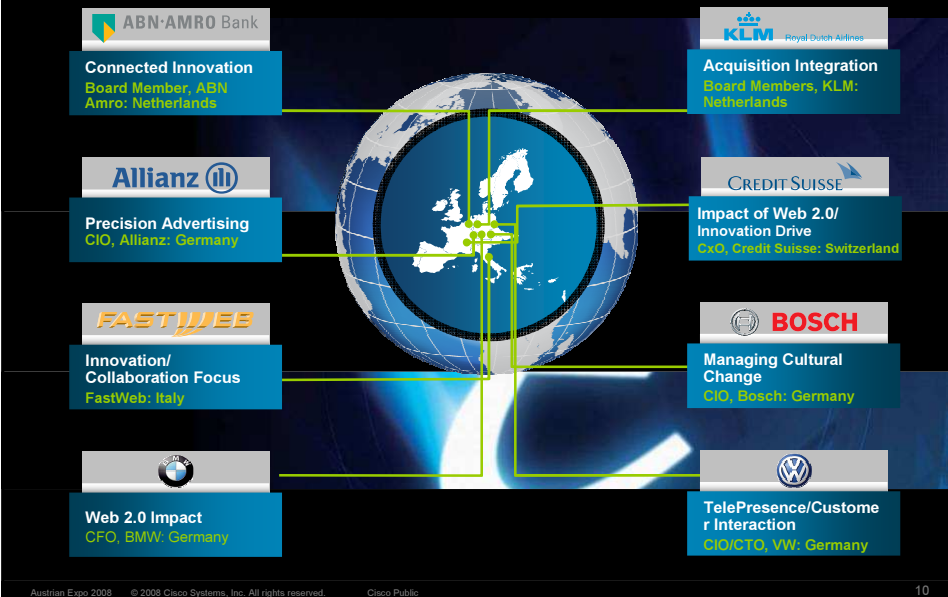
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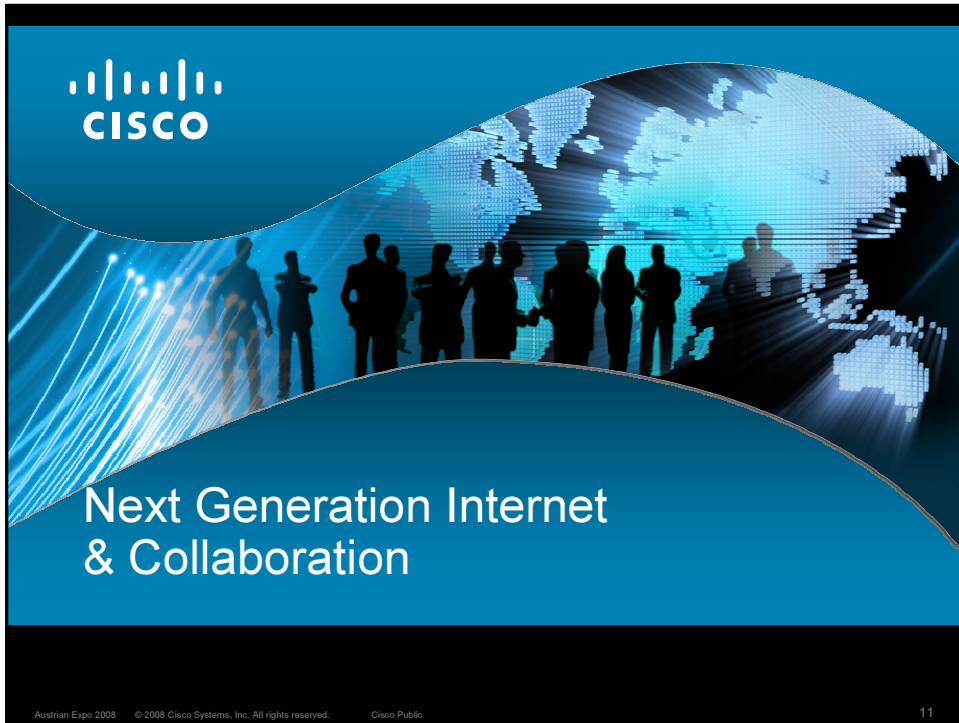
The Role of ICT-enabled Innovation in Europe



Source: EU Commission, Ebusiness Watch, Jan 2007. Base (100%): Firms using computers, N (for Total) = 7237.
 Weighting: Figures are weighted by employment and should be read as "enterprises comprising ... % of employment in the sector(s)".

CXO Careabouts = Productivity & Innovation





CISCO

Next Generation Internet & Collaboration

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Brace yourself...

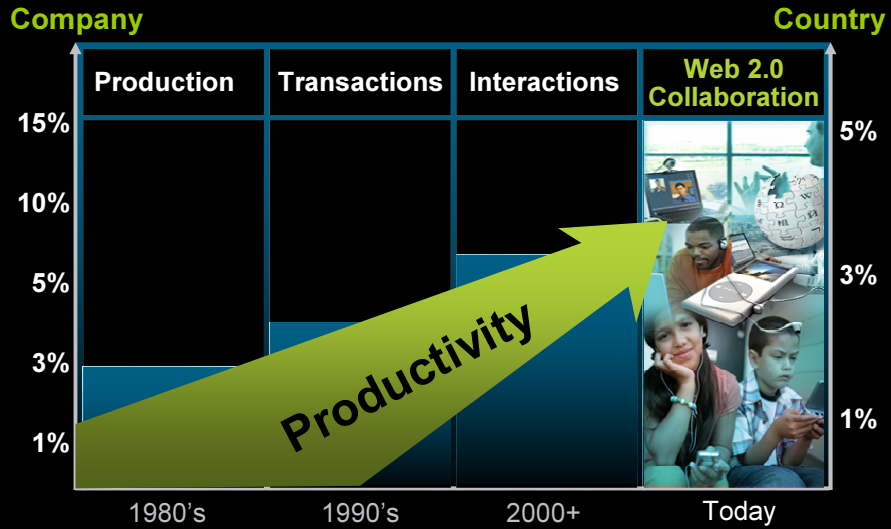


“In the next decade... computer power and Net connection speeds will bring more profound changes to work than anything we've seen so far.”

“Whizzy new tools [are] going to change where we work, how we work, and even the nature of work itself. Already the changes are coming fast and furious.”

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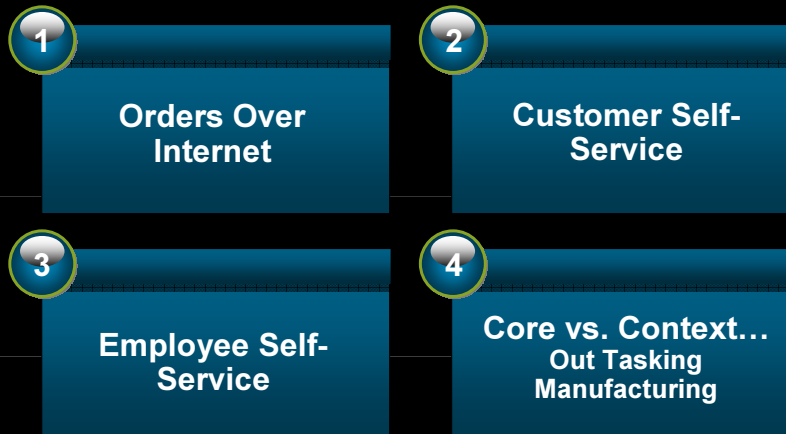
Next Internet Era... Driving Innovation & Productivity Through Collaboration / Web 2.0



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Internet Phase I: Transaction Productivity At Cisco

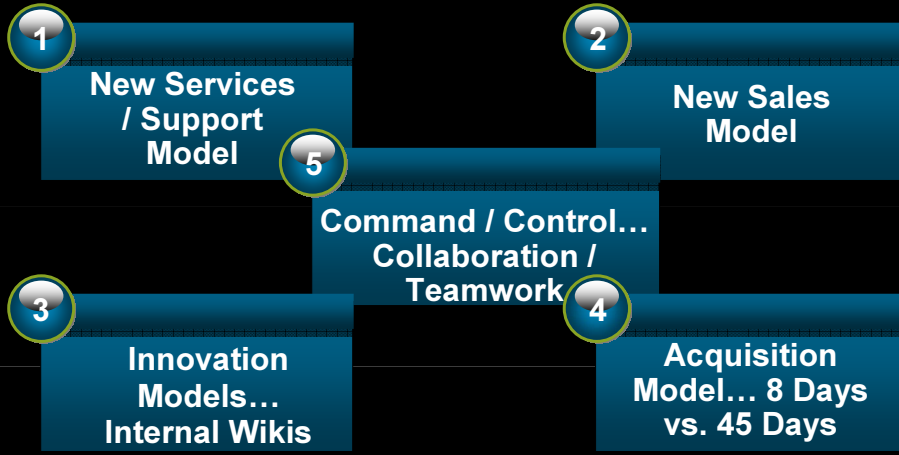


Productivity Opportunity... Early 1990s
Powered Cisco / Enabled Customers... Next Decade

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Internet Phase II: Collaboration / Web 2.0 Productivity at Cisco



Productivity Opportunity... Early Adopters 2007-2009
Enabling Cisco Customers... Next Decade

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Business Productivity Tool for Next Decade... Collaboration and Web 2.0

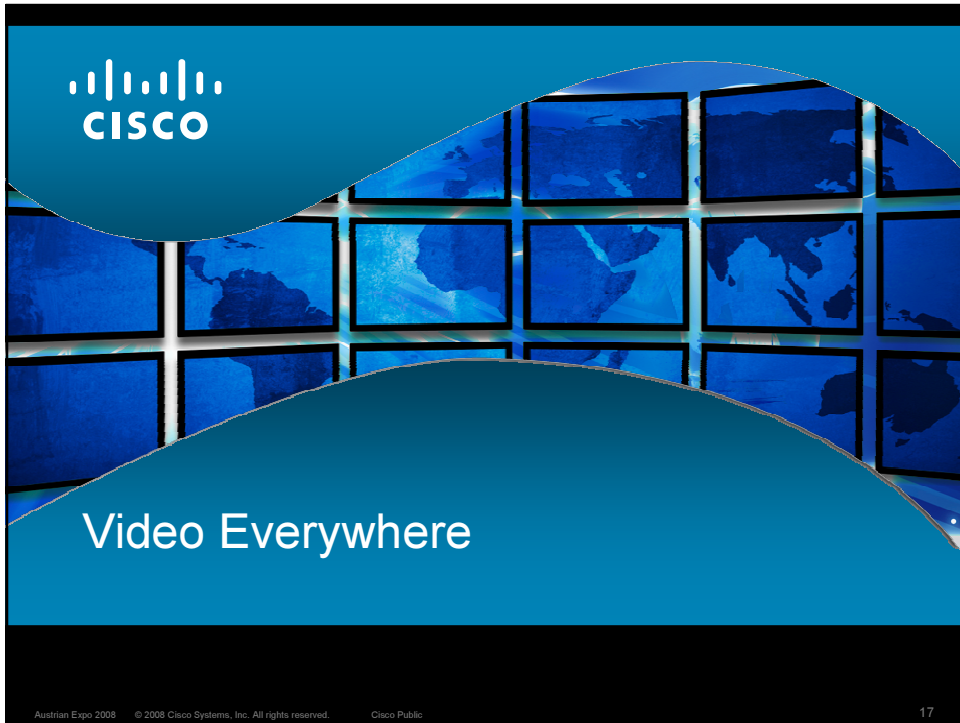
Collaboration:

“Co-labor;” Working Toward Common Goal

Web 2.0:

“Technologies That Enable User Collaboration”

- Web-Services
- On-line Social Networks
- Unified Communications
- Video & TelePresence
- Podcasts
- Mash-ups
- Blogs
- Peer-to-Peer

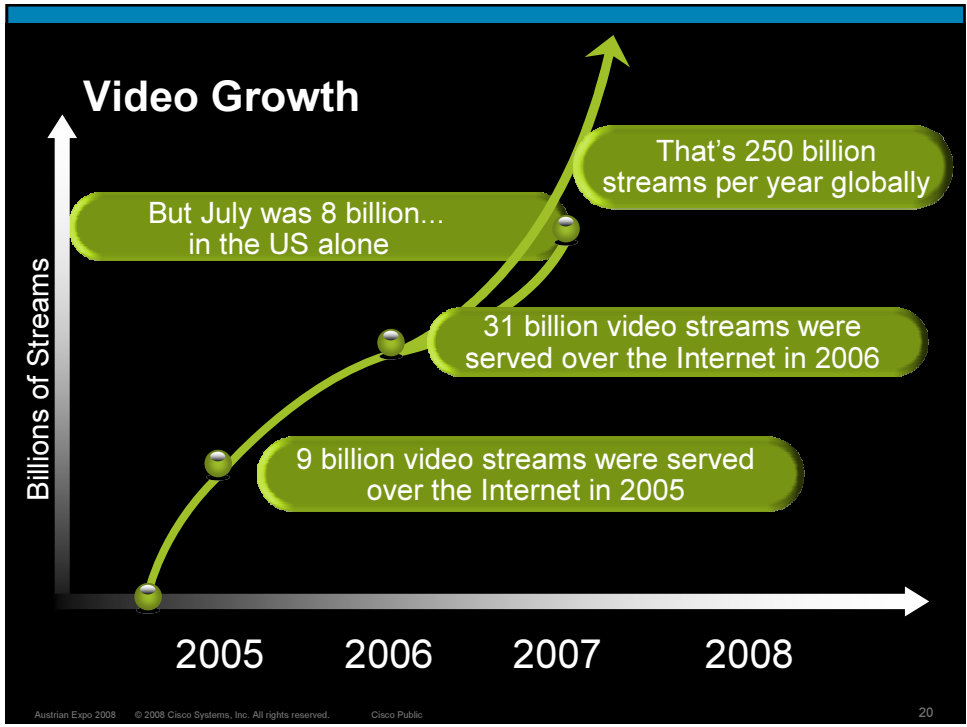
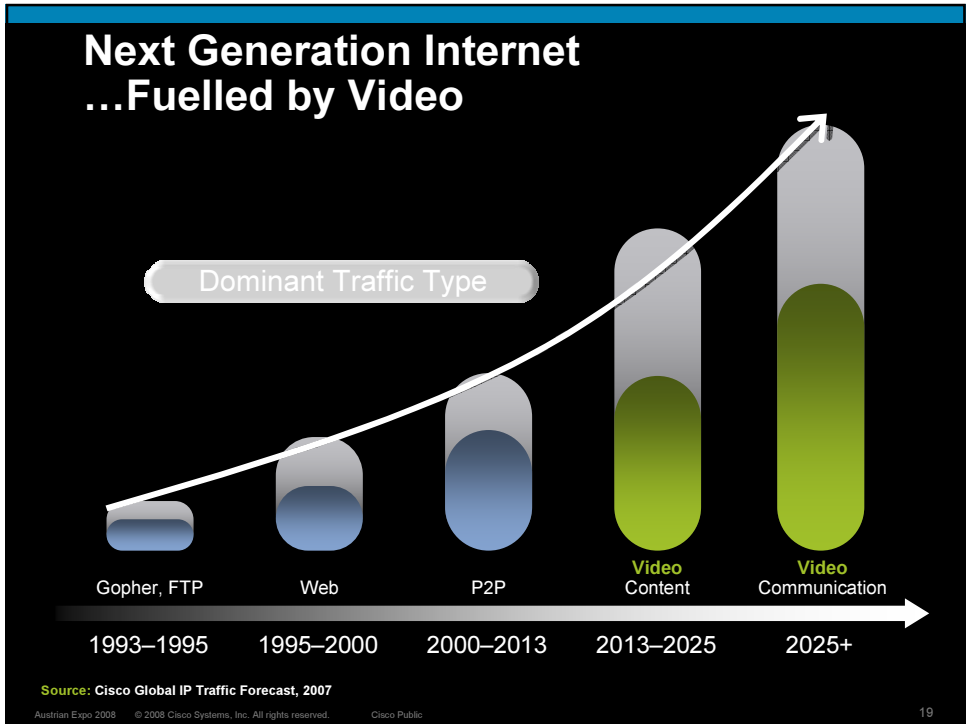


The Business Case for Video: Productivity Impact in a Virtual World

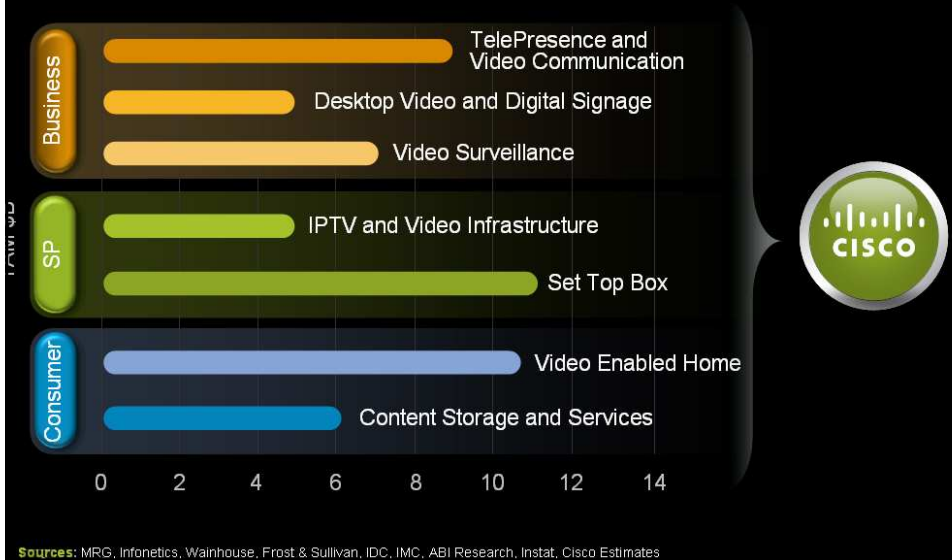
2 weeks	4 times	64%	17 weeks
Time it takes to build trust in the electronic communication world	As long to communicate a message electronically than face-to-face	Of communication is non verbal. Without Visual cues messages can be easily misinterpreted	Time lag for culturally diverse teams to begin outperforming single-culture teams

Source: The Psychology of Effective Business Communications in Geographically dispersed Teams by Pearn Kandola

The bottom section of the slide features a filmstrip-style border. Inside, there are silhouettes of several people standing in a virtual space with blue lighting and grid lines. To the right of the silhouettes is a logo for 'PEARN KANDOLA' with the tagline 'Organizational Productivity' below it.



Video is a Fundamental Productivity Driver Across All Segments



Visual Networking Everywhere...



Tesco: Next Generation Network










“ As we consider our future technology needs based upon our evolving business requirements, it is apparent that video will be pervasive within our business processes and as such will form the foundation in many of our applications. This transition will be fundamental for our customers, suppliers and employees. ”

Nick Folkes | IT Director, Tesco

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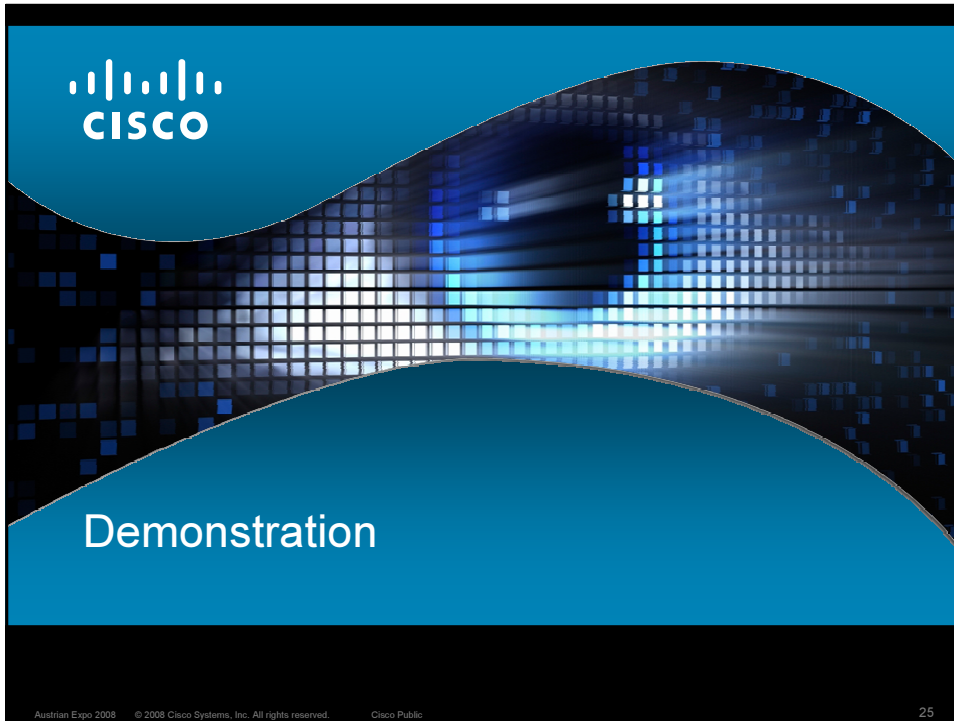
The Next Generation Network Opportunity

-  Store Inter-staff communications
-  Steering wheel / Performance information
-  Management communications
-  In-store learning
-  In-store cameras
-  In and out of store CCTV monitoring
-  Use of Telepresence technology



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“IT Preparing, But Not Prepared, for Web 2.0”

Gartner conducted a Web 2.0 strategy survey. Their question was simply: **"Do you have a Web 2.0 strategy?"**

Response	Percentage
We need a strategy but have not started	37.8%
Our strategy is being defined	33.3%
Our strategy is defined but there are no active projects	4.4%
Our strategy is defined and we have some active projects	8.9%
Web 2.0 is not relevant to our company	15.6%

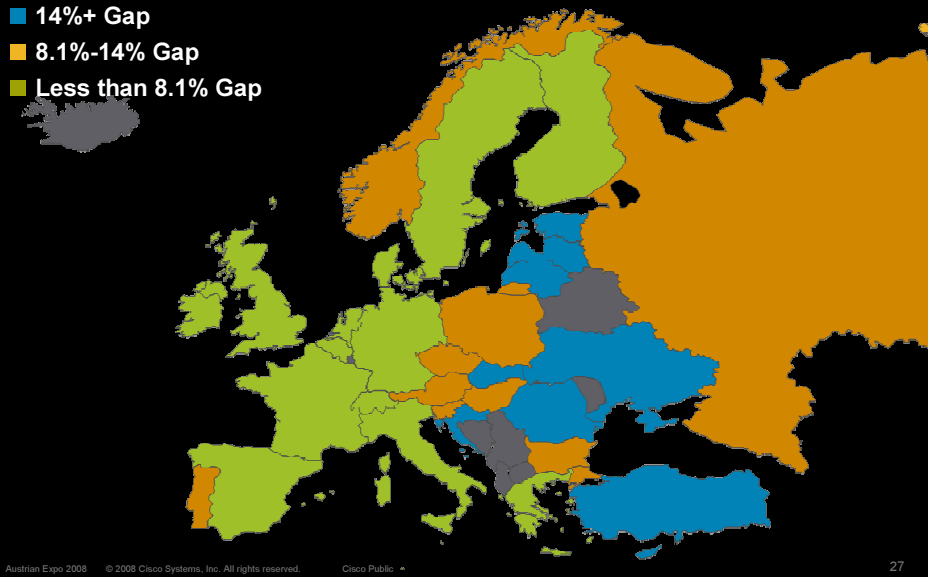
Source: Gartner Inc. "Findings: IT Preparing, but not prepared" by Kathy Harris & David Mitchell Smith, 19 July 2007

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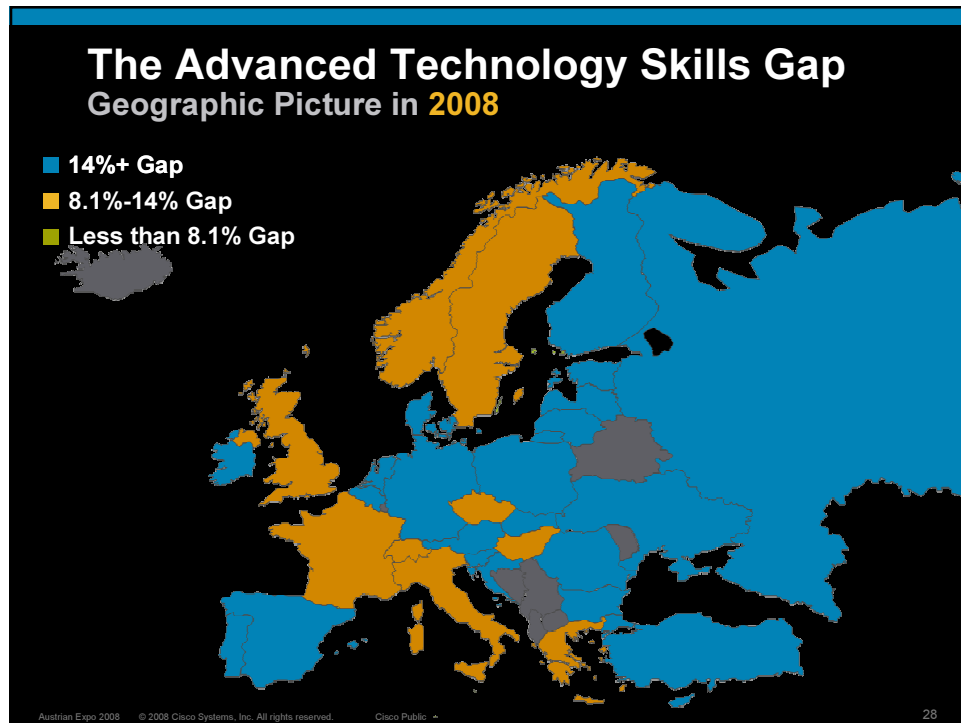
The Advanced Technology Skills Gap Geographic Picture in 2005

- 14%+ Gap
- 8.1%-14% Gap
- Less than 8.1% Gap



The Advanced Technology Skills Gap Geographic Picture in 2008

- 14%+ Gap
- 8.1%-14% Gap
- Less than 8.1% Gap



In Summary

- Next Generation Internet & Collaboration will drive Productivity and Innovation in Europe
- Leveraging Web 2.0 technologies is vital for our success
- Collaboration is the enabler

