



The New Frontier

Accelerating business opportunity
and national prosperity

Kaan Terzioglu
Vice President
Europe East



Europe East



Countries	19
Population	233 M
GDP	\$1 T
ICT Spend	\$57 B
ICT/GDP	4.8%
FDI 2007	\$46 B

Turkey
Ukraine
Croatia
Kazakhstan
Serbia &
Montenegro

BMAG
Belarus
Moldova
Armenia
Georgia

BMAK
Bosnia-
Herzegovina
Macedonia
Albania

ATKUT
Azerbaijan
Kyrgyzstan
Tajikistan
Turkmenist
an
Uzbekistan

Fixed line	23%
Mobile	75%
PC	8%
Internet	45%
Broadband	2.4%

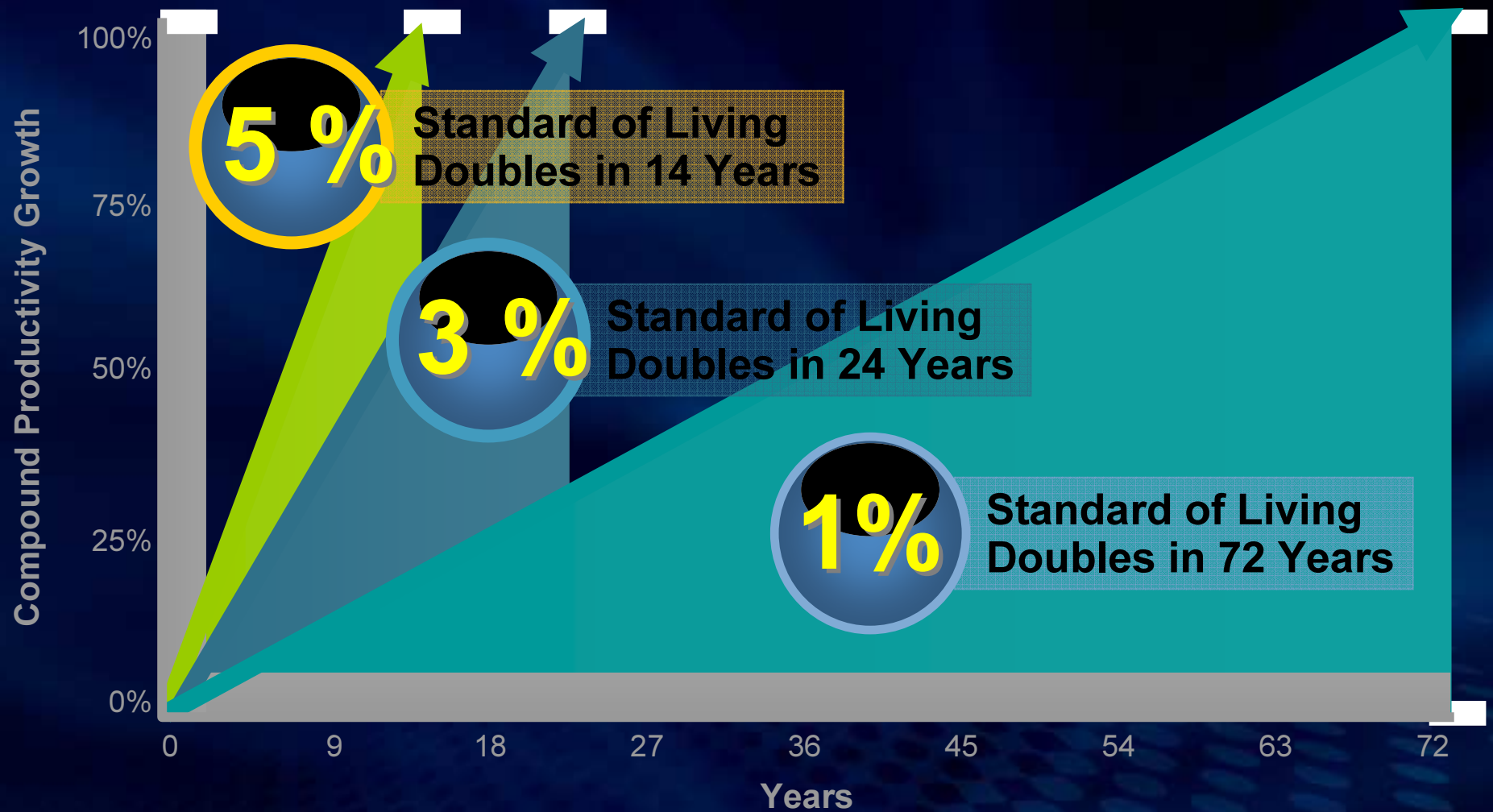
Talking Points

Productivity & Competitiveness

What are the key imperatives for success

Cisco as a trusted partner

National Productivity Drives Standard of Living



The Productivity Imperative

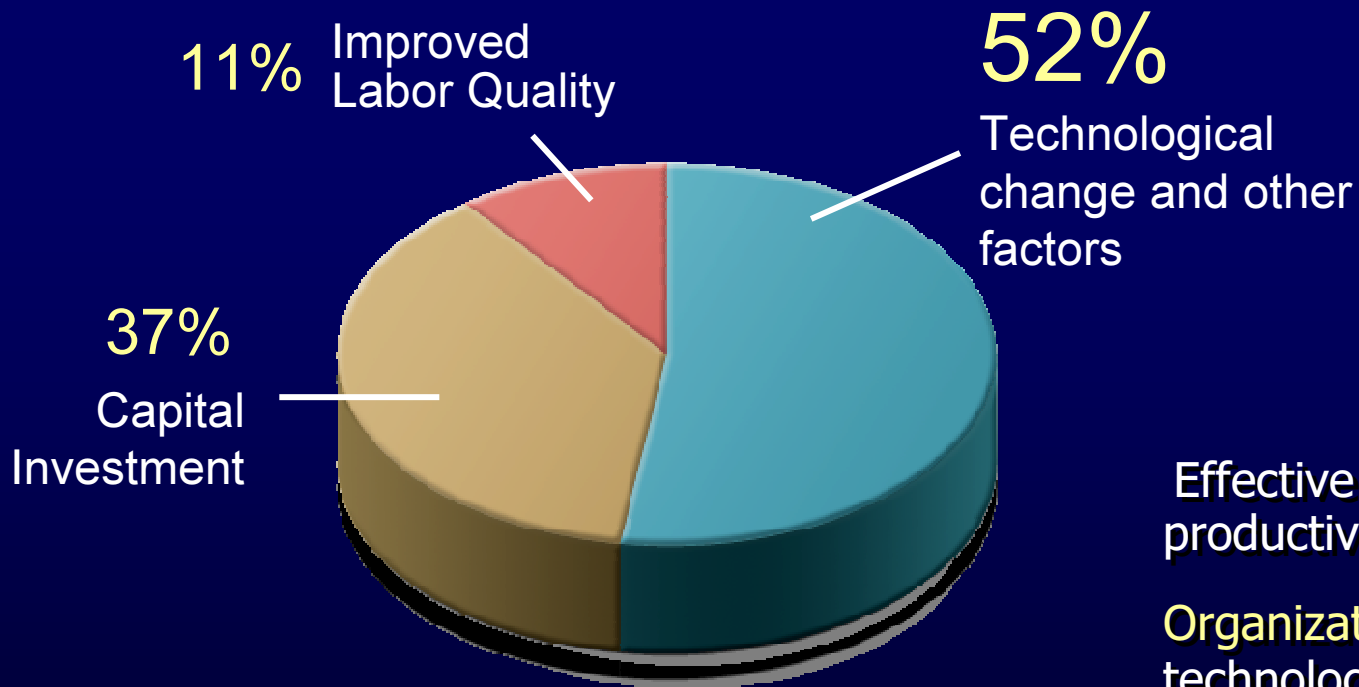
To sustain the rate of standard of living improvements, each 2050 worker will have to produce **5X** more than a worker today



Source: Cisco IBSG Analysis

What Drives Productivity?

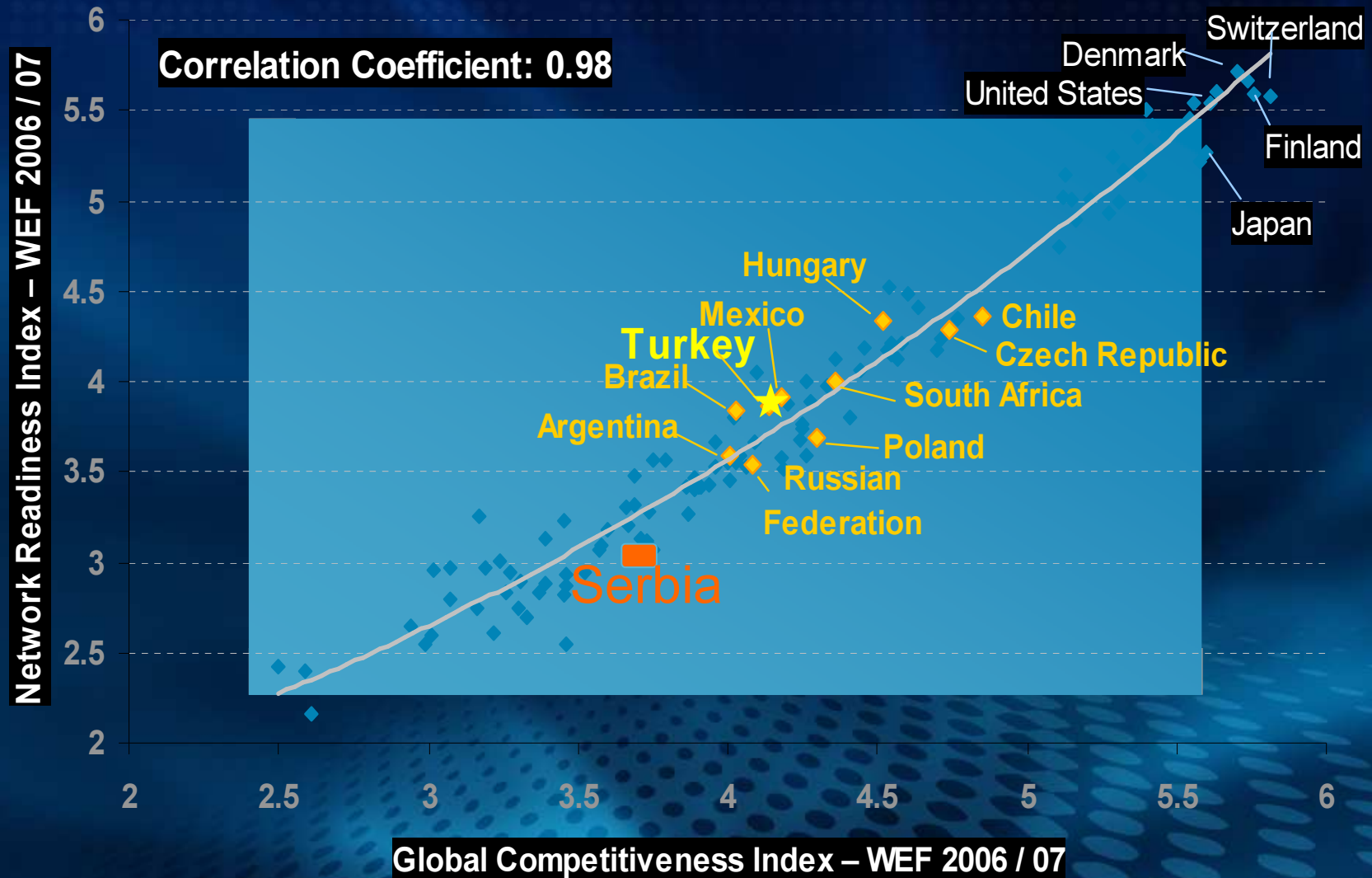
Contribution to Long-term Productivity Growth



Effective IT solutions drive productivity gains

Organizational issues, not technology, pose the biggest challenge to productivity

GCI and Network Readiness Index



Source: World Economic Forum, INSEAD (2006)

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Why firms exist? Why are they the size they are?

“.. if it did not cost anything to enter into contracts, then there would be no need for firms...”

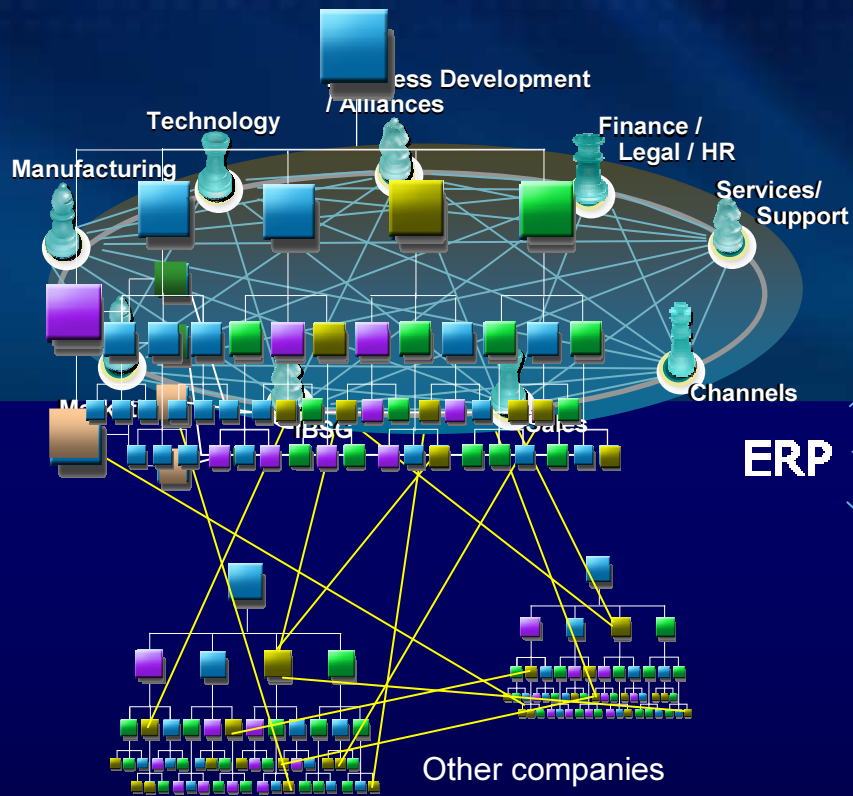


Sveriges Riksbank Prize in
Economic Sciences
in Memory of Alfred Nobel 1991

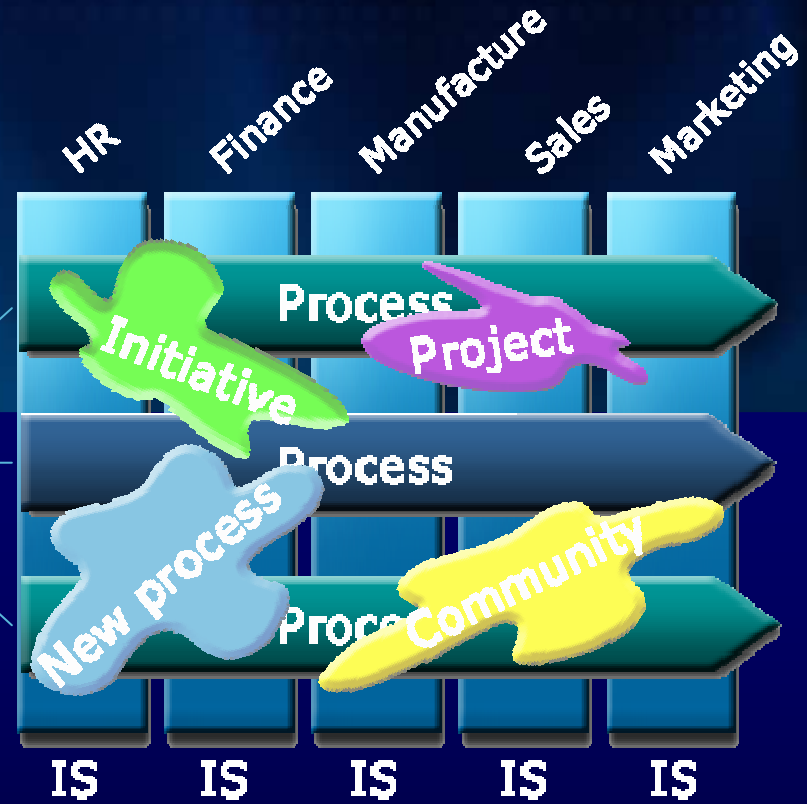
Presentation speech to Professor
Ronald Coase

Why are they
organized the way
they are ?

Organization



ERP



Changing the nature of work



“ 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 ... change where we work, how we work, and even the nature of work itself.”

Video & Webex connects the virtual team



webex™

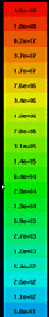
Two-way communication is live and compelling
25,000 meetings – 12,000 intercontinental flights avoided

Interconnected world

12 million

Email

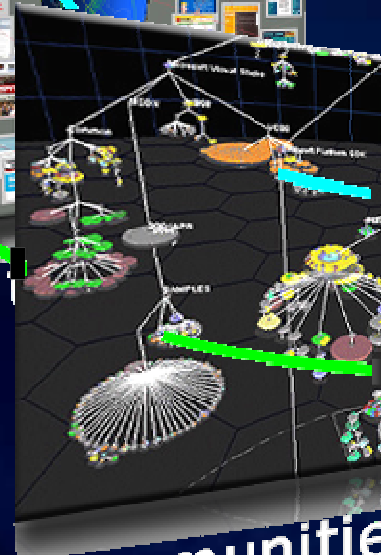
Connected through people,
with the Network as the Platform



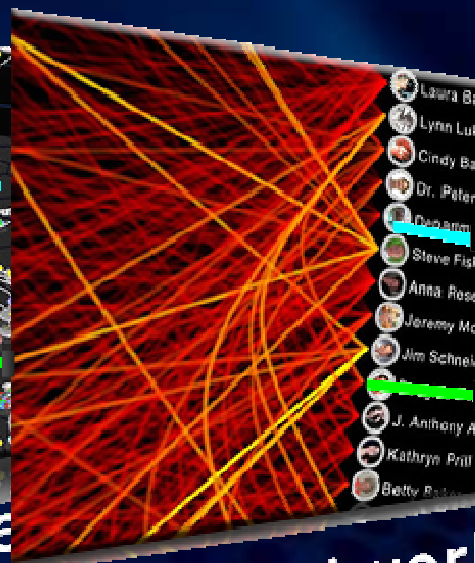
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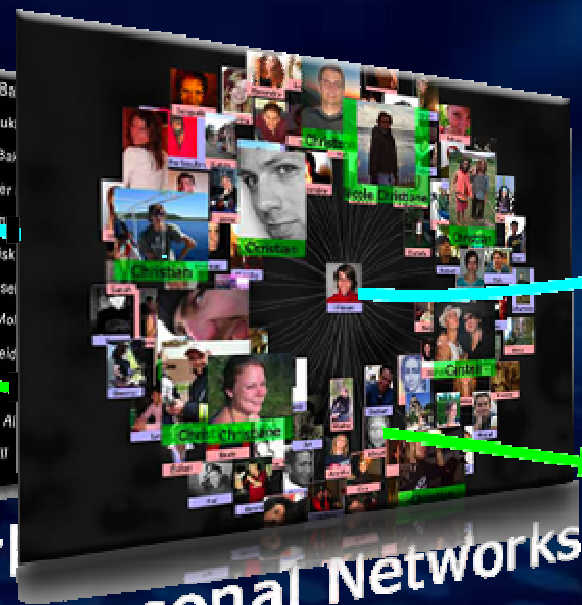
Web site



Communities



Social Network



Personal Networks

Global value chains



Connected world realities

Highly competitive global value chains

Productivity growth rate

Virtualization & mobility – the death of distance

Empowered user as customer and employee

Globally collaborative innovation

Demographic shifts and time-bombs

Competitive emerging markets



Talking Points

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Realities drive imperatives

Enterprise

Self Service

Flat World

Continuous
Standardization

Government

ICT Skills

Entrepreneurship

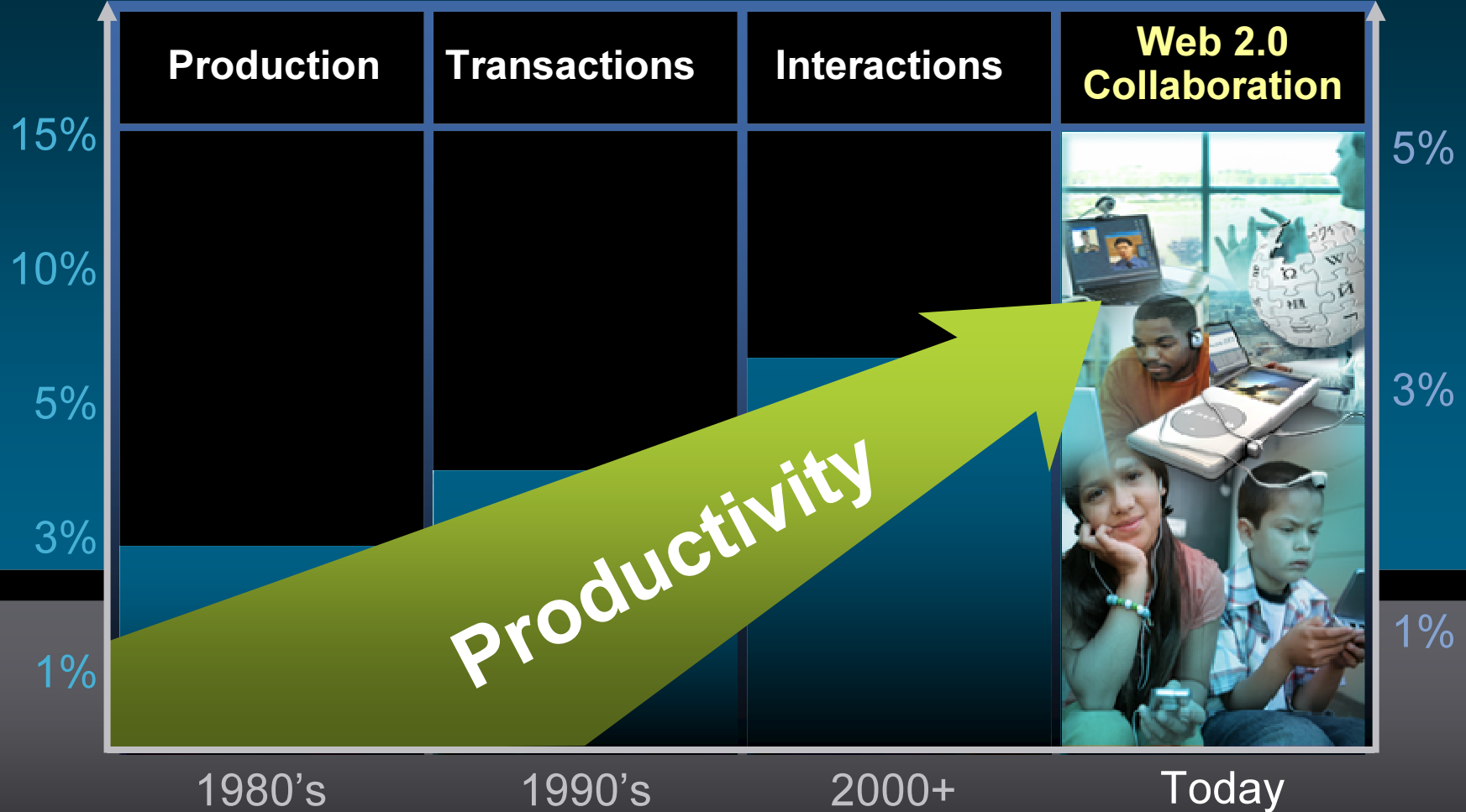
Broadband
Infrastructure

BIG BOLD BETS

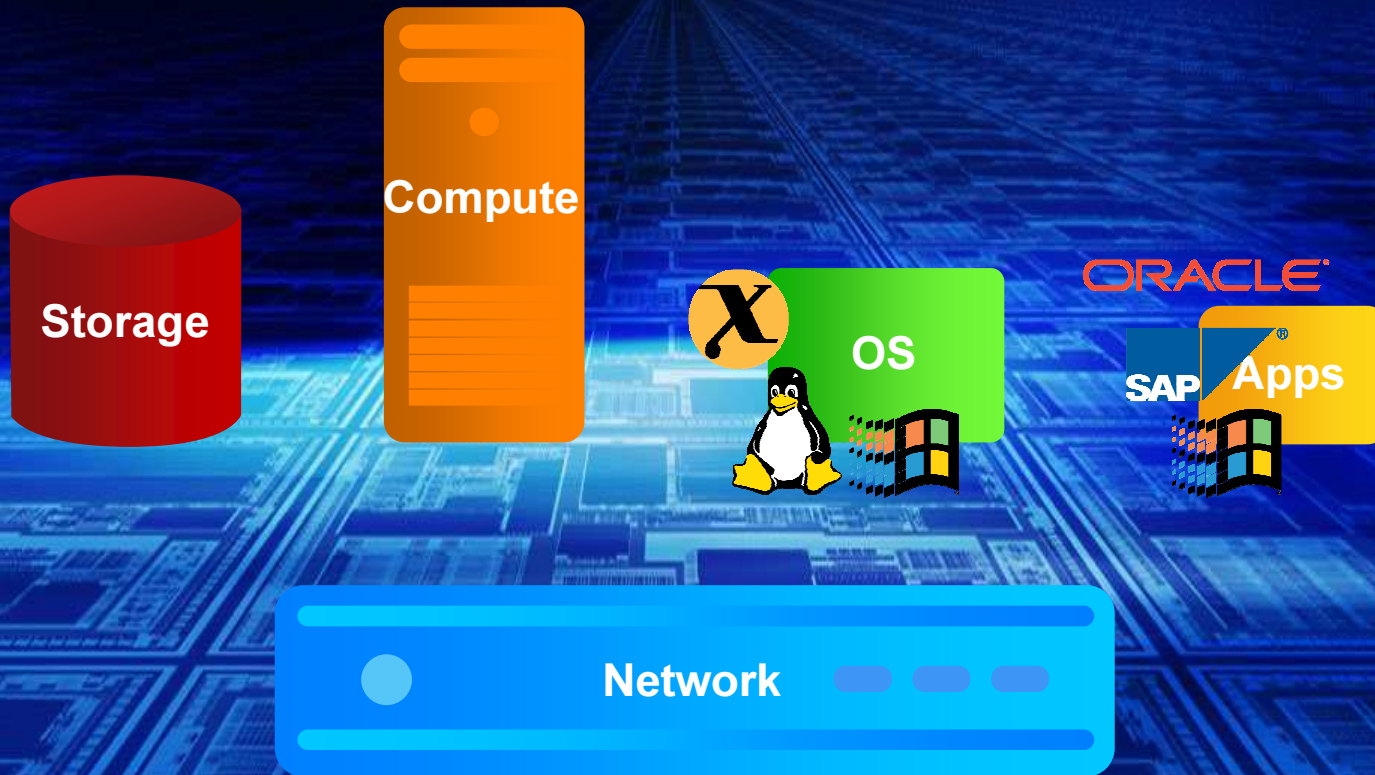
Next Era of the Internet... Collaboration/Web 2.0

Company

Country



Continuous Standardization

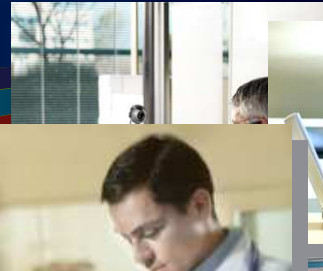


Intelligent network as the platform

Platform for
One system
business
One s

Platform for
One system
progress
Multiple services

Digital cities



Connected
education

Connected
security



Connected
healthcare

Security
Intelligent

Information Network

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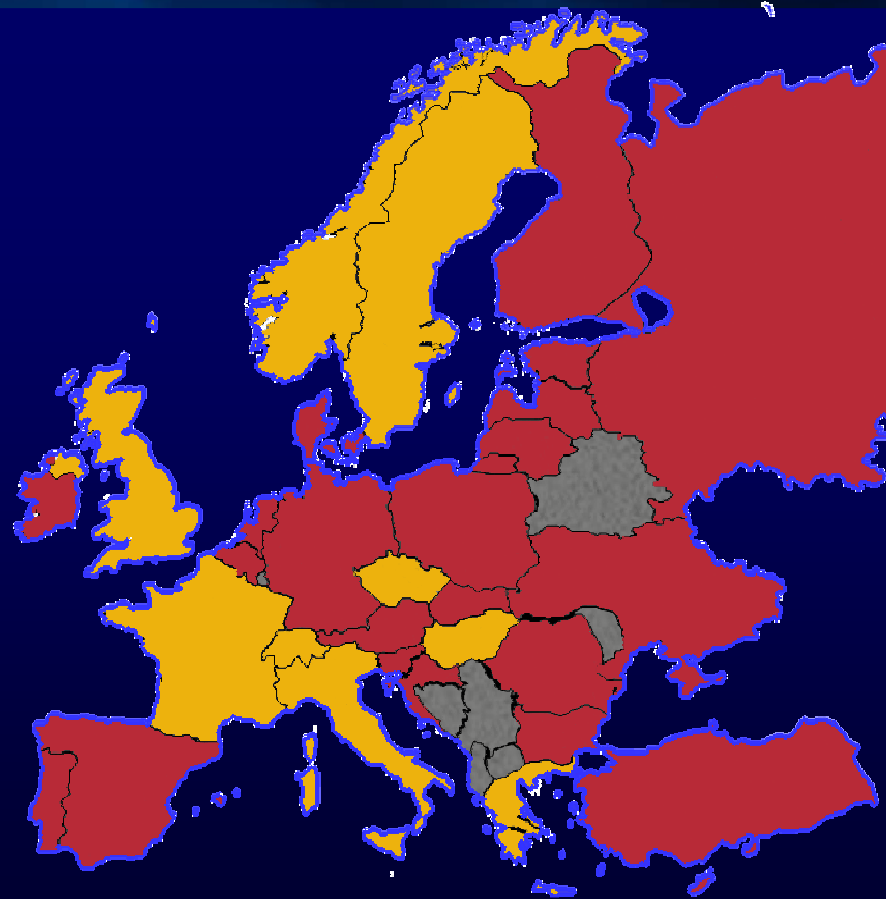
Broadband
Infrastructure

BIG BOLD BETS

ICT skills

Advanced Technology Skills Gap

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



Network Academies today

Cisco Networking Academy®
Mind Wide Open™

View the complete network - [Register](#) | [Login](#)

NAVIGATE

- > INTERACTIVE NETWORK MAP
- > LOW BANDWIDTH NETWORK MAP
- > NETSPACE CHALLENGE
- NEW! > NETSPACE SKILLS PURSUIT
- NEW! > MIND WIDE OPEN VIDEOS
- > NETSPACE WINNERS

9000 academies in **160** countries
500,000 students per year
35,000 instructors
2 million course completions



Cisco Entrepreneur Institute

Hungary

- Launched Nov 2007
- First MOBI courses under way

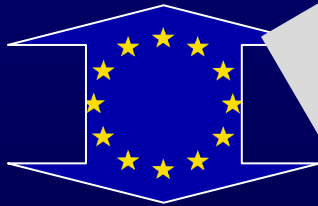
Turkey

- Launched July 2007
- Business capacity & finance model

Poland

- Launched Nov 2007
- iExec courses under way

**AND NOW
IN SERBIA**



EU Funding for implementation & scaling



May 2008



Cisco – 3TS Growth Fund

- 30m Euros
- First Venture capital 100% Focused on CEE
- Already made initial placements
- It is a growth fund, looking for companies with proven products which needs help to go international.

*The
Growth
Capital
Investor

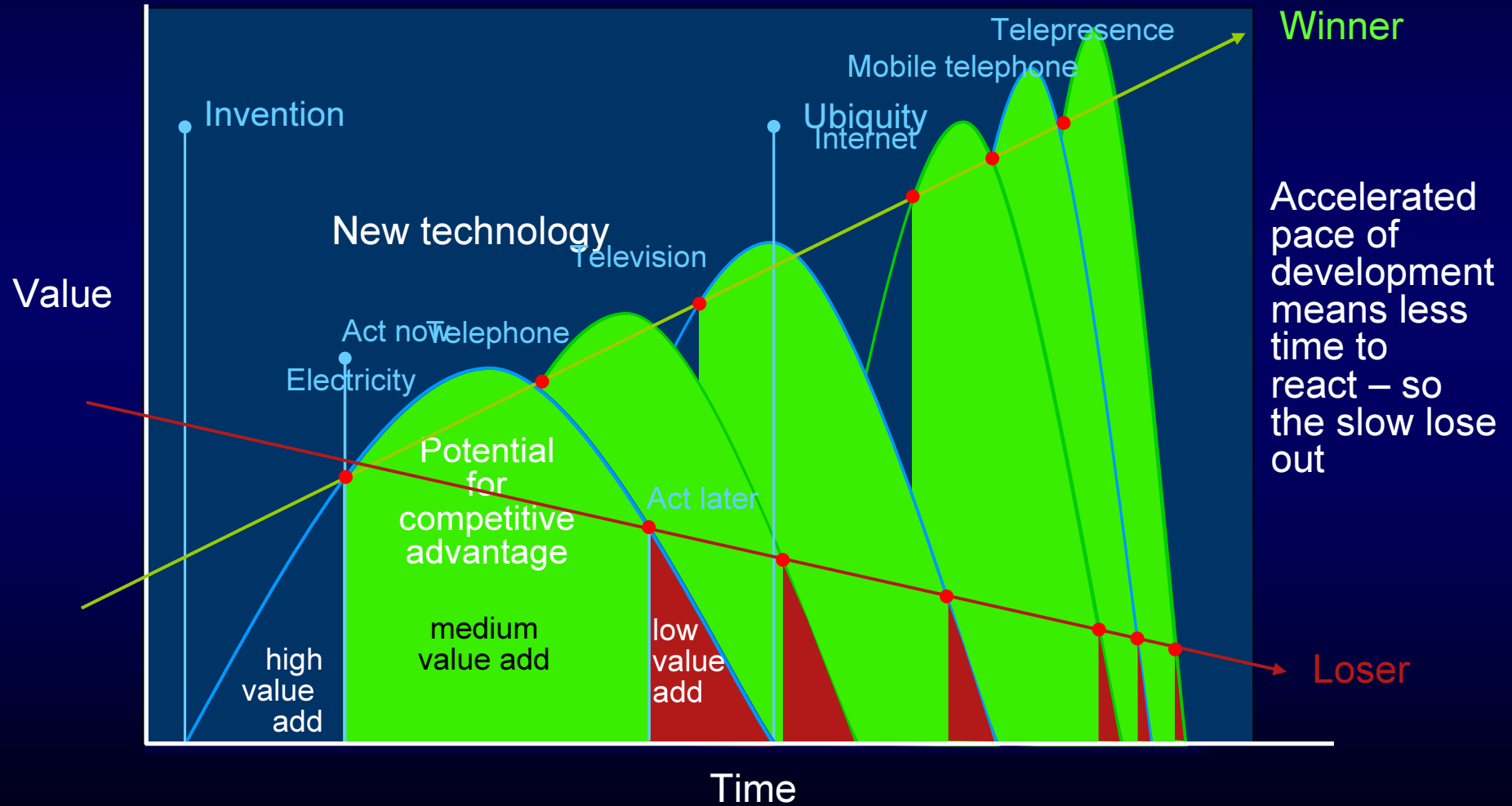
for

Central
and
Eastern
Europe*



3TS CAPITAL PARTNERS

Act early for business 'edge'



Three types of leaders

Those that don't get it

Those that do get it

Those that get it done

Best in the world

Best for the world

Best in Serbia

Best for Serbia....

