

Cisco's FY2003 Benefits from Internet Capabilities



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Customer Care **\$920M**

Cost Avoidance: \$870M Time Efficiencies: \$50M



Workforce Optimization **\$800M**

Cost Avoidance: \$340M Time Efficiencies: \$460M



Supply Chain Management **\$270M**

Cost Avoidance: \$210M Time Efficiencies: \$60M



E-Learning **\$140M**

Cost Avoidance: \$70M Time Efficiencies: \$70M

Total Benefit \$2.1B

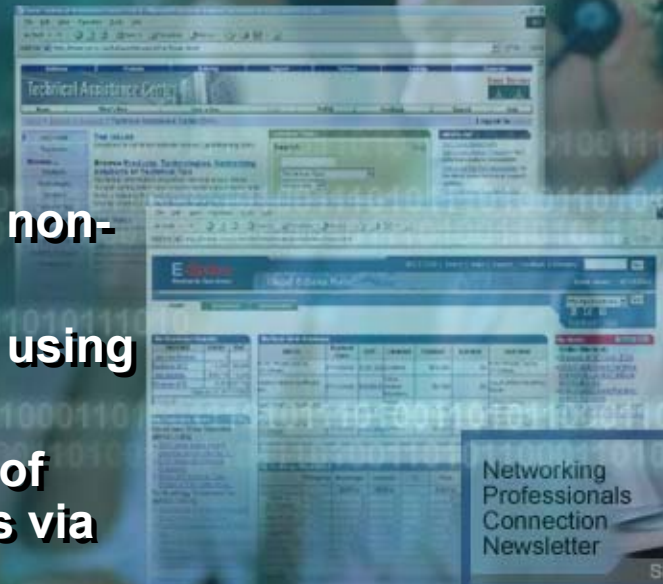
FY2003 **Customer Care** Behind the Numbers



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Cost Avoidance and Time Efficiencies

- **Reduced support costs by resolving 2.6M technical support issues with online self-service**
- **Decreased transaction costs by receiving over 90% of orders electronically**
- **Reduced time salesforce spent on non-selling activities**
- **70% reduction in cost of seminars using online marketing events**
- **Increased reach and reduced cost of interacting with press and analysts via online conferences/information**
- **Improved customer satisfaction with online partner performance tools**



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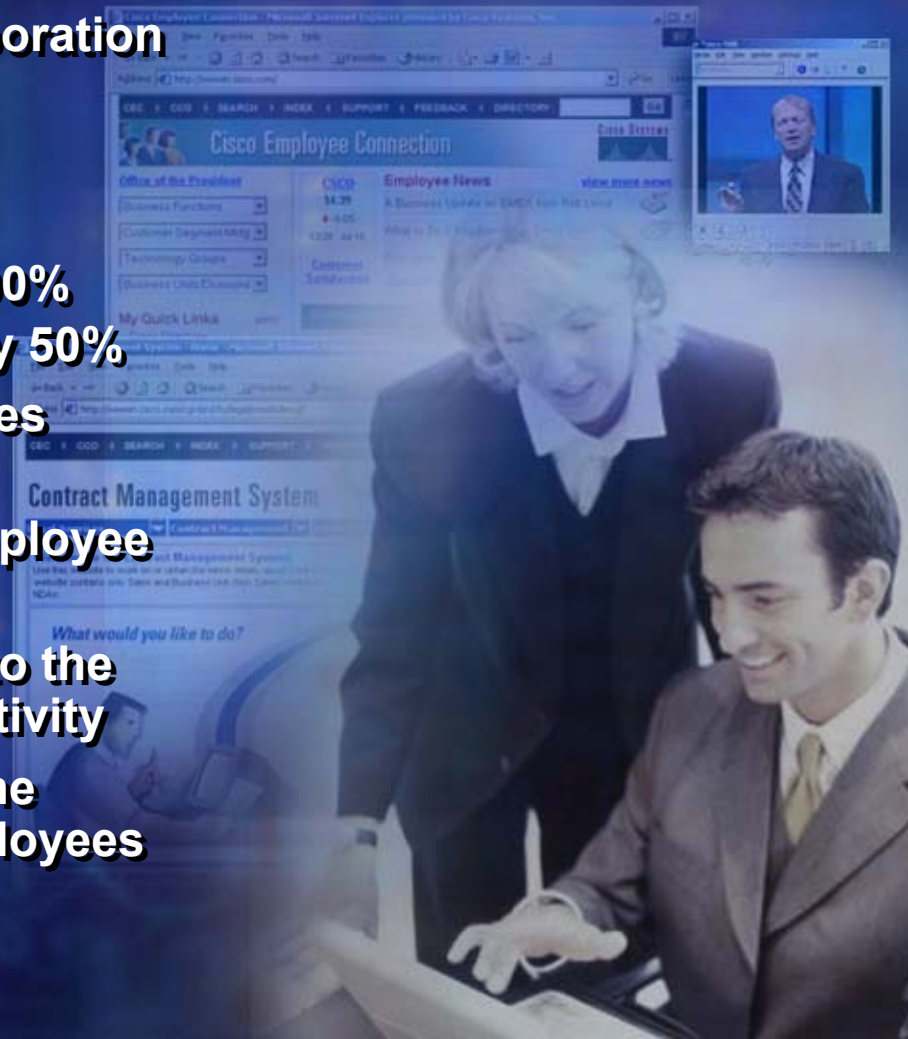
FY2003 **Workforce Optimization** Behind the Numbers



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Cost Avoidance and Time Efficiencies

- **Communication, publishing and collaboration tools save employee time**
- **Decreased costs for transactions:**
 - **Paging costs reduced: 27¢ to 1¢**
 - **Manager transaction costs cut by 90%**
 - **Travel transaction costs lowered by 50%**
- **E-procurement avoids FTEs and enables savings on overall spend**
- **Self-help software download saves employee time and avoids IT labor costs**
- **Transparent software updates & fixes to the desktop substantially increase productivity**
- **Automated PC image deployment on the Intranet saves significant time for employees**



FY2003 **Supply Chain Management** Behind the Numbers



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Cost Avoidance and Time Efficiencies

- **Costs avoided per electronic invoice: \$35**
- **Time to create an exception report reduced from days to minutes**
- **Online sourcing reduces amount spent on direct materials**
- **XML communications reduces service logistics fulfillment by one shipping cycle**



FY2003 **E-Learning** Behind the Numbers



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Cost Avoidance and Time Efficiencies

- Shortened time to complete material by 25-50%
- Avoided need to travel for training for many courses
- Decreased resources & time spent for partner training
- Realized time efficiencies by offering many live courses via video-on-demand
- Saved costs by posting content on-line versus buying books, etc.

