

How Cisco IT Standardizes the Acquisition Integration Process

Cisco IT develops standards for assimilating newly acquired companies rapidly, consistently, and with minor disruption.

BUSINESS BENEFITS

- Shorter time to gain the value expected from each acquisition
- Ability to pursue more acquisitions, more quickly and at lower risk
- Faster, more efficient, and less disruptive integration efforts
- Increased cultural integration for employees
- Continuous improvement in IT integration expertise

“With our standards for the IT infrastructure and elements, we can execute our integration plan much faster because everyone knows what to do.”

– **Tim Merrifield, Director, Technology Innovations, Cisco Internet Business Solutions Group**

Cisco® executives view the acquisition of other companies as an important strategy for offering new products, reaching new markets, and growing revenue. Since 1993, Cisco has acquired more than 115 companies, presenting Cisco IT with the challenge of how to integrate those new networks, IT systems, and applications with their Cisco counterparts. With multiple acquisitions occurring each year, it was essential for Cisco to develop standardized processes for integrating the new companies in each of the company’s major functional areas, including IT.

Cisco IT has developed core principles and a process-driven approach for integrating the networks, data centers, systems, and applications of acquired companies into the Cisco IT infrastructure. The principles also address organizational alignment, financial models for allocating expenses, governance issues, communications models, and team structures.

The integration processes are grouped into conceptual stages that correspond to the major deal milestones. The standardized processes cover activities such as scope assessment, detailed due diligence, integration planning, transition activities, execution of the integration plan, ongoing measurement, and activities that increase the value obtained from the acquisition.

Cisco realizes significant business and technical benefits from this standardized approach to integrating acquired companies. A single corporate network and a standard IT infrastructure and application architecture reduce operating costs as well as management and support requirements. A fully aligned IT organization and well-defined governance structure help to clarify roles and responsibilities and simplify decision-making. Repeatable, scalable processes can be reused in most new acquisition integration projects, reducing the time and disruption involved.

Cisco IT has identified several lessons as valuable for handling new acquisitions: Treat acquisition integration as a normal business activity, apply a holistic approach, follow a structure to integrate quickly and consistently, and continually build the integration expertise within Cisco IT. Cisco will continue to apply these standard principles and processes to new acquisitions as appropriate.

FOR MORE INFORMATION

To read the entire case study or for additional Cisco IT case studies on a variety of business solutions, visit Cisco on Cisco: Inside Cisco IT www.cisco.com/go/ciscoit

NOTE

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