

How Cisco Redesigned European Offices to Improve Workplace Flexibility

Optimized workplace reduces cabling costs, improves design flexibility, and speeds up workspace deployments.

Cisco IT Case Study / Office Design / Connected Workplace in Europe: This case study describes the adoption of best practice procedures in delivering real estate within Cisco Systems in Europe, the Middle East, and Africa (EMEA) between 1996 and 2001. Cisco customers can use this experience to achieve cost savings in real estate by implementing IT as an enabler and effective team collaboration.

“Deployment was easy because we already had a wireless infrastructure. After we made the initial business decisions to deploy a Layer 2 hotspot solution, we simply installed the Cisco BBSM, configured a guest VLAN, opened the appropriate holes in the firewall, and created a legal banner for sign in. Then we were in business.”

– Tony Diep, Cisco IT Project Manager for Global Architecture and Design of Wireless Hotspots

BACKGROUND

The global revenue of Cisco Systems® between 1996 and 2001 increased from \$4096 million to \$22,293 million per fiscal year. The company also made 65 global acquisitions in the same time frame. Additionally, in 1999 a substantial EMEA sales target was announced by the regional senior vice president, and EMEA began expanding from a regional sales group to decentralised management.

New departments were developing with specific design needs and requirements, and headcount was rising dramatically. Yet during the same period, EMEA real estate sanction for growth was only 20 percent per year and workplace delivery could not keep up with the demand for space. Consequently, the inability of Workplace Resources (WPR) and IT to deliver space in line

with the exceptionally fast growth of the business began to negatively impact business performance.

CHALLENGE

On average, every week two real estate projects were opened and two churns¹ took place in EMEA. The challenge for WPR and IT was sustaining the support of business growth and providing adequate space to meet this ongoing requirement while keeping real estate costs low.

An efficient and long-term solution was needed that would provide employees with a positive working environment and the facilities and support that they required. Property and office relocation costs represented a substantial portion of the operating budget at Cisco®, and due to the significant growth of the company between 1996 and 2001, the quantity of real estate acquired coupled with the increasing use of serviced space resulted in making real estate one of Cisco’s highest expenses. The relationship between business needs and actual workspace required further examination.

¹ Workspace additions, deletions and moves

SOLUTION

Sustaining Support of Business Growth

It was typical for more than 40 projects to be active at one time making it inefficient and unrealistic for Cisco [resources] to attend all of the project meetings due to the sheer quantity and diverse physical geography. Employing outsource partners and resources were identified as a sustainable solution in addition to adopting efficient ways of working as a team. A greater number of non-core elements of projects were outsourced, leaving time for the team to make important strategic decisions and then implement them.

To coordinate the different groups and help ensure effective communication a senior project team was formed, comprised of local and regional facilities, construction management, IT, and safety and security specialists. The volume of real estate projects to be delivered in tight timescales using the same core team and business representatives engendered a client-focused approach and an overlapping of job roles and a sharing of job responsibilities began. The team realised that this was a more efficient way of working and established a document bank of material containing generic guidelines and procedures to assist each other.

In 2001, the team formally expanded their individual responsibilities and began to represent each other's areas within operational meetings. This understanding led to an integrated approach to workplace and technology delivery, including security. They recognised physical and technical security not only as a service delivery but as a strategy of how to run and manage a building; this further broadened the team dependencies. All essential members would attend weekly conference calls and three of the crucial stages in delivering a project: "kick off," "go no go," and "hand over." These were the only stages that required the WPR, IT, and safety and security teams to revert to their specific expertise and responsibilities as decision makers. At all other times, this integrated approach was supported by functional experts within the team who acted as points of escalations whenever issues arose.

The teams' in depth understanding of each other's roles in core areas combined with access to a standard set of material led to greater consistency in the format and delivery of buildings. This provided a fast-track delivery schedule that resulted in a real estate model that could deliver a site in 12 weeks.

Reducing Real Estate Costs

The implementation of the "survival philosophy" served as a temporary measure. This entailed identifying a critical lack of space within a building and then redefining the existing space, including reducing desk sizes, reconfiguring internal spaces, and changing meeting rooms into offices and receptions into touchdown zones. These areas were used until more real estate could be acquired. Says Simon Power, IT manager for Cisco Systems, "At any one time around 50 percent of EMEA was in survival mode."

The improvisation and reactive responses that facilitated the introduction of "survival space" led to productive and popular ways of working that responded well to the changing climate. However, it was agreed that survival space should only exist for a maximum of one year, and therefore did not provide a permanent solution. Delivering survival space also added to the workload. Temporary serviced offices were also leased to meet real estate need, but this proved to be an expensive way to provide more space and required extra manpower to administrate; it was not a sustainable solution.

The introduction of Cisco AVVID technology (Architecture for Voice, Video and Integrated Data) provided the turning point.

Cisco AVVID provides the baseline infrastructure that helps enable enterprises to design networks that scale to meet Internet business demands. It delivers the e-business infrastructure and intelligent network services that are essential for rapid deployment of emerging technologies and new Internet business solutions.

A level of flexibility had been achieved on the old public branch exchange (PBX) system which had delivered a virtual desktop technology (VDT) system of booking virtual desks or guest phones. This helped enable desk sharing,

although moving a department, office, or building entailed updating the application, extension numbers, and actual phone connections. It was costly to maintain, manage, and update and had more than 500 users logging onto the system.

Cisco AVVID was easier to install, implement, and maintain. It allowed Cisco EMEA to provide workspace suited to individual needs and, as a result, end users liked and adopted it quickly. Considerations for additional floor and desk space and cabling provisions were greatly reduced, directly impacting the volume of real estate required. In 2001, the UK Headquarters for Cisco became the first offices to deploy Cisco AVVID on a large scale.

Also during 2001, due to the application of such technologies, members of the team were asked by the Cisco Voice Technical Group (VTG) to provide data for the IP telephony return on investment (ROI) study. WPR evaluated the savings that could be achieved across the EMEA region and with the implementation of IP telephony they concluded that Cisco had the opportunity to save up to \$60 million in EMEA between 2000 and 2005. In the first two years, expanding the IP and web foundation to include voice would create significant benefits, as would deploying converged e-business applications in the third, fourth, and fifth years.

In the first year, this resulted in a projected savings of \$340 per employee, rising to \$4320 per employee in the fifth year.

RESULTS

The potential of Cisco AVVID together with the operational and capital expenditure savings that had been highlighted from the ROI input led to the December 2001 decision to deploy extension mobility across EMEA in short timescales, completely negating the need for the overlay desk booking application. These timescales were critical because all users needed to access to the system for it to be utilised successfully. This created an organisation that allowed staff to choose where they worked while being operationally “virtual.” The implementation of extension mobility resulted in a highly efficient workplace and technology strategy. IT engagement was no longer necessary in office moves, adds, or changes and the need for WPR administrative resources was reduced.

The release of the completed ROI also caused an upsurge in interest from Cisco sales departments resulting in the formalisation of a Cisco “Go to Market” sales strategy with the assistance of the Cisco Internet Business Solutions Group (IBSG).

In addition, an external Gartner report, *The Agile Workplace*, was published in December 2001, and for the first time real estate optimisation was validated as a byproduct of the use of IPT and Cisco technology. Real estate optimisation was further endorsed with the inclusion of the Hillingdon Borough Council case study in the Cisco Thought Leadership series, “Connected Cities.”

LESSONS LEARNED

The key lessons learned by the Cisco team were:

- Scaling the application of technology to business need
- Outsourcing and control
- Optimisation and flexibility

By applying technology to business need, all workplace infrastructures (including the building structure, IT, and security) can be planned, implemented, and operated as a single organisational unit. All new building project budgets can also be allocated and optimised as a whole. This makes it easier to provide a solution that accurately and efficiently interprets business need and delivers a tailored solution to the customer.

Cisco believes in “core versus context” delivery of services and employing managed outsource partners. These partners work within the identified business need to deliver all non core functions of a project, allowing the

professionals within Cisco to concentrate on delivering their main business objectives.

An optimised workplace allows and helps enable the flow of resources, both human and physical. Combining the right person, the right place, and the right technology can result in greatly increased productivity.

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

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