

Five Ways Manufacturers Can Thrive in Today's Market

Ways to meet economic challenges

1. Save to Invest
2. Unlock Employee Potential
3. Drive True Customer Intimacy
4. Outpace the Competition
5. Transition to a Borderless Enterprise

Today's challenging economy has businesses focusing more than ever on increasing their competitive advantage. Many are looking for ways to control costs without compromising their products, innovation, and customer responsiveness. Some are seeking to boost competitiveness through mergers or acquisitions. And others are exploring adjacencies and expansions into new markets.

To survive in a dynamic global economy, your company must make the most of your existing resources while delivering superior products and services. However, to truly thrive, you must identify investments that can help not only meet your goals today, but also position yourself to benefit during an economic upturn. Cisco's experience during past economic cycles has taught us five essential strategies to survive and thrive in difficult environments. Our "Five to Thrive" strategies can help you technology-enable your business to not only survive now, but also thrive with market share and growth from this economy into the future.

Changing Priorities for Manufacturers

Traditionally, the manufacturing industry has focused on using technology to enhance business processes by:

- Optimizing global production for cost and customer service
- Managing operational risks associated with the supply chain with improved responsiveness
- Fostering innovation throughout the enterprise in products and services
- Sustaining profitable customer relationships while continuously growing relevance

But a difficult marketplace changes priorities, and controlling costs and optimizing employee productivity are now more important than ever. Manufacturers also seek to become more responsive at every level, whether it's inside the business, throughout the value chain, or across borders. At the same time, manufacturers must continue to focus on innovation and maintain strong customer relationships over the long term.

To keep pace with new and accelerating challenges, manufacturers are changing the way they work, becoming more collaborative to enable multiple groups to work together toward common goals.

Five Ways to Meet Today's Economic Challenges

Cisco has identified five business imperatives that can help manufacturers using technology to not only survive, but be successful and grow during the current economic climate. And Cisco can deliver the solutions and technologies to help you take advantage of these five strategies.

Save to Invest

Saving money is a logical place for you to start, so that you can invest in the areas most appropriate to your position in the industry, balance sheet strength, competitive position, and business goals. Organizations that have consistently followed this strategy during good times can now pursue other strategic initiatives.

Beyond cost-cutting, manufacturers also want to reduce cost structure and preserve capital, so that they can strategically invest in their future ability to compete. With Cisco®

Connected Manufacturing solutions, you can reduce supply chain waste by escalating critical events more quickly. You can improve efficiency of production people and equipment through integration of unified communications with MES and ERP systems. Distributed R&D, engineering, and NPI teams can collaborate in person without the time and expense associated with travel, using solutions like Cisco TelePresence™. And sales and service organizations can reduce hiring and training costs for sales and service representatives.

For example, LaFarge employed Cisco solutions to reduce annual operating expenses by \$700,000 by consolidating multiple application servers to a data center. The solution also streamlined IT management and freed LaFarge employees to provide even more productive, value-add work activities.

Unlock Employee Potential

Tough times require communicating clearly to help bring out your employees' potential for creativity and innovation. In addition to helping retain top talent, optimizing employee potential for innovation improves time to revenue, net income growth, competitive differentiation, and market share. You can improve your leadership and employee effectiveness, creativity, and motivation by investing in collaborative solutions.

Cisco solutions enable research, development and engineering (RD&E) departments to integrate collaboration tools with product lifecycle management (PLM) applications to accelerate design workflows. Rich-media collaboration helps speed face-to-face resolution of supplier problems without travel downtime. By connecting the plant floor to technical experts, these tools can reduce downtime and defects. And Cisco solutions improve the customer experience by giving sales and service agents access to pertinent, up-to-date information anywhere, anytime.

Drive True Customer Intimacy

Unlocking your employees' potential also frees them to become more available to customers. Increasing the frequency, timeliness, and quality of customer interactions helps ensure that your business is delivering what they need, in the way they need it. Including customers in your decision-making processes also improves the customer experience and helps boost revenues.

Cisco solutions help manufacturers include customers in the innovation process using virtual workspaces, to enhance R&D. They can help speed responses to order fulfillment delays using collaboration-directed automated notifications. Cisco manufacturing solutions can also encourage better customer responsiveness through faster collaboration between sales and production. And they can speed customer concern resolution by connecting with the right expertise the first time.

For example, SAP's global organization is using Cisco TelePresence real-time interactive video communication to engage customers with executives and experts. The result is faster, better decisions that involve business partners, team experts, and enterprise executives in rich collaboration. SAP has also experienced improved customer intimacy, loyalty, and engagement in the innovation process.

Outpace the Competition

A technology-enabled business model enables you to act more quickly and scale faster than your competitors. Once you have invested in a technology-enabled business process, you can then use it to further invest in new opportunities for differentiation, increasing market share, or accelerating innovation.

Cisco Connected Manufacturing technology helps you speed innovation and time to market through transparent collaboration between distributed design and manufacturing teams. You can enhance your supply chain by creating collaborative communities of suppliers and partners to achieve better agility. You can also build advantaged cost

structures by reducing labor and process inefficiencies. At the same time, technology can help your executives and subject matter experts connect and communicate more effectively with customers.

For example, a medical devices manufacturer can improve collaboration between members of virtual teams distributed across the world. Using tools like web and video conferencing, presence technology to make employees easier to reach, and wireless phones on the factory floor, the company could streamline daily communications between geographically distributed team members. At the same time, the company could enhance collaboration within cross-functional teams and across organizational lines to reduce process latency.

Transition to a Borderless Enterprise

Using technology such as collaboration and virtualization solutions, you can extend your reach to enable global locations, as well as to enable partners and supply chains. Your partners can then play more integral roles in the ways you develop products and services and go to market with them. Through the network, you can respond to opportunities more rapidly with in-context collaboration, establish and maintain strong relationships, support active participation of team members and executives anywhere in the world, accelerate decision making and complex project execution, and facilitate innovation.

Technology can be a powerful enabler to help your company transform into a borderless enterprise that is responsive, agile, and competitive. A borderless enterprise is a virtually connected and aligned “ecosystem” that has your business at its heart. This ecosystem can innovate and execute faster and more effectively than traditional business organizations, to drive competitive differentiation through collaboration with video. To be truly borderless, you can collaborate securely on any device, anytime, anywhere, and with anyone, all on the network.

Cisco Connected Manufacturing Solutions

Cisco Connected Manufacturing solutions are a suite of collaborative solutions that integrate information and processes spanning the entire manufacturing value chain. They enable you to be more competitive and responsive across your entire organization.

The Cisco Connected Manufacturing portfolio utilizes the network as the platform for key business processes. The solutions focus on four key areas:

- **Customer Intimacy:** You can enhance collaboration and enjoy more integrated service when your channel, sales, production, supply chain, and R&D organizations are all networked. You can make yourself more available to customers, resolve sales and service issues faster, build closer relationships, and collaborate with customers on product development and supply chain processes.
- **Continuous Innovation:** You can dramatically speed time to market, increase product pipeline success rate, and improve new product vitality. At the same time, you can reduce R&D costs by using technology to enhance collaboration between customers, engineering, manufacturing, sales, and the channel.
- **Supply Chain Agility:** An effective network solution helps you boost supply chain agility by providing a single set of reliable, common data across the enterprise chain of supply and production. The network can support secure, real-time, multiter visibility to enable root-cause responsiveness to issues, delivering the right information to the right decision maker at the right time.
- **Operations Excellence:** With Cisco Connected Manufacturing solutions, you can deliver highly secure real-time access to people, processes, and information through converged IT, control, and wireless networks. The result is enhanced plant efficiency, throughput, safety, physical security, and superior return on assets.

Enhanced Competitiveness Now and in the Future

Cisco solutions help your organization take advantage of the Five Ways to Thrive business imperatives, so you can increase the rate of innovation in research and development; enable value chains to adapt to changing markets; improve the efficiency and flexibility of production processes; and enhance the customer experience delivered by sales, service, and all enterprise functions.

By applying the power of the network to core business processes of manufacturers, Cisco solutions enable you to not only survive in times of economic stress, but enhance customer satisfaction, build loyalty, and set the stage for continued success over the long term.

For More Information

To find out how you can thrive with Cisco Connected Manufacturing solutions, please visit us online at www.cisco.com/go/manufacturing or contact your local Cisco sales representative or your Cisco partner.



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