



## **The New Frontier**

Accelerating business opportunity  
and national prosperity

**Kaan Terzioglu**  
**Vice President**  
**Europe East**



# Europe East



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

Turkey  
Ukraine  
Croatia  
Kazakhstan  
Serbia &  
Montenegro

BMAG  
Belarus  
Moldova  
Armenia  
Georgia

BMAK  
Bosnia-  
Herzegovina  
Macedonia  
Albania  
Kosovo

ATKUT  
Azerbaijan  
Kyrgyzstan  
Tajikistan  
Turkmenist  
an  
Uzbekistan

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

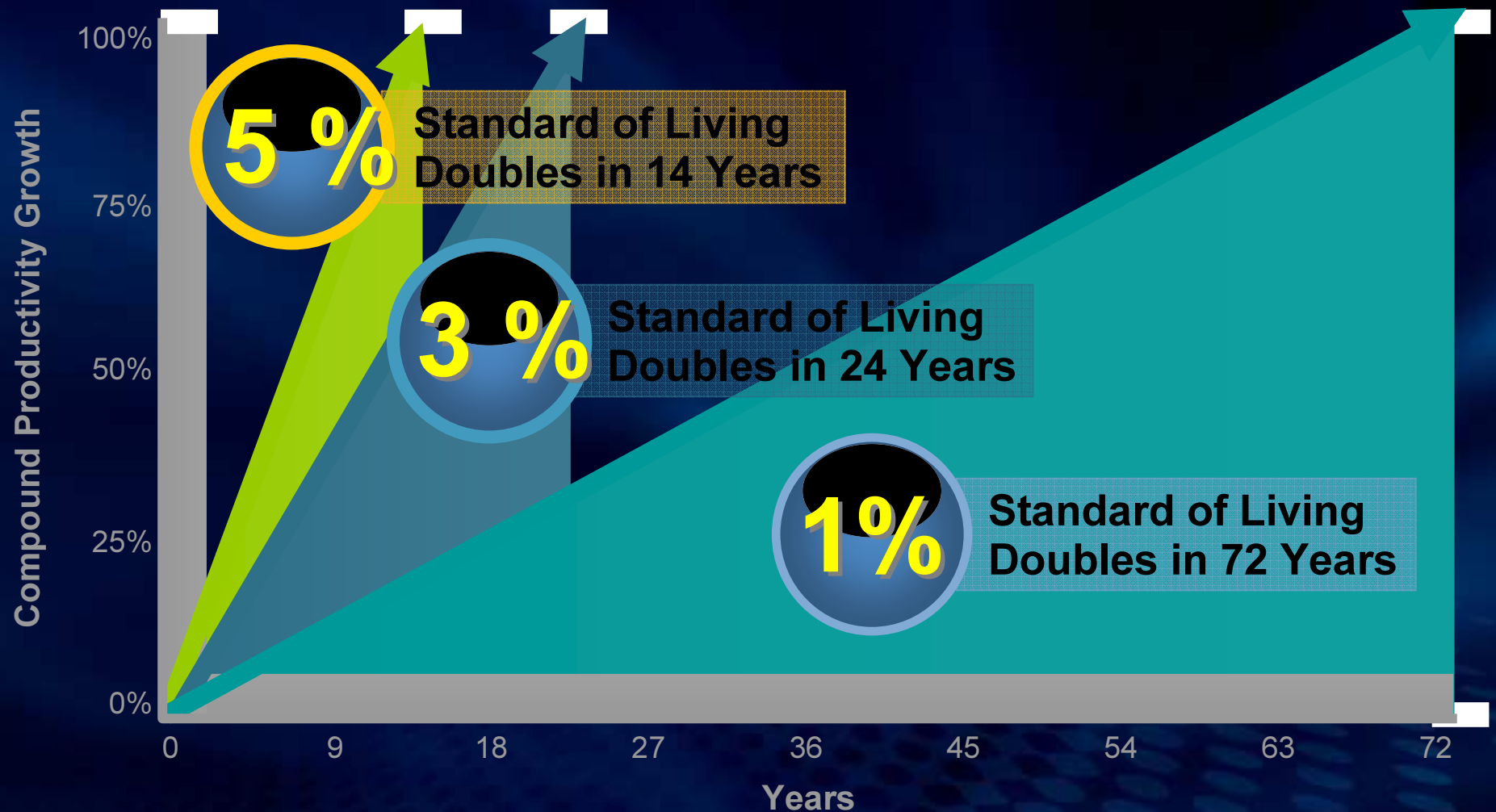
# Talking Points

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

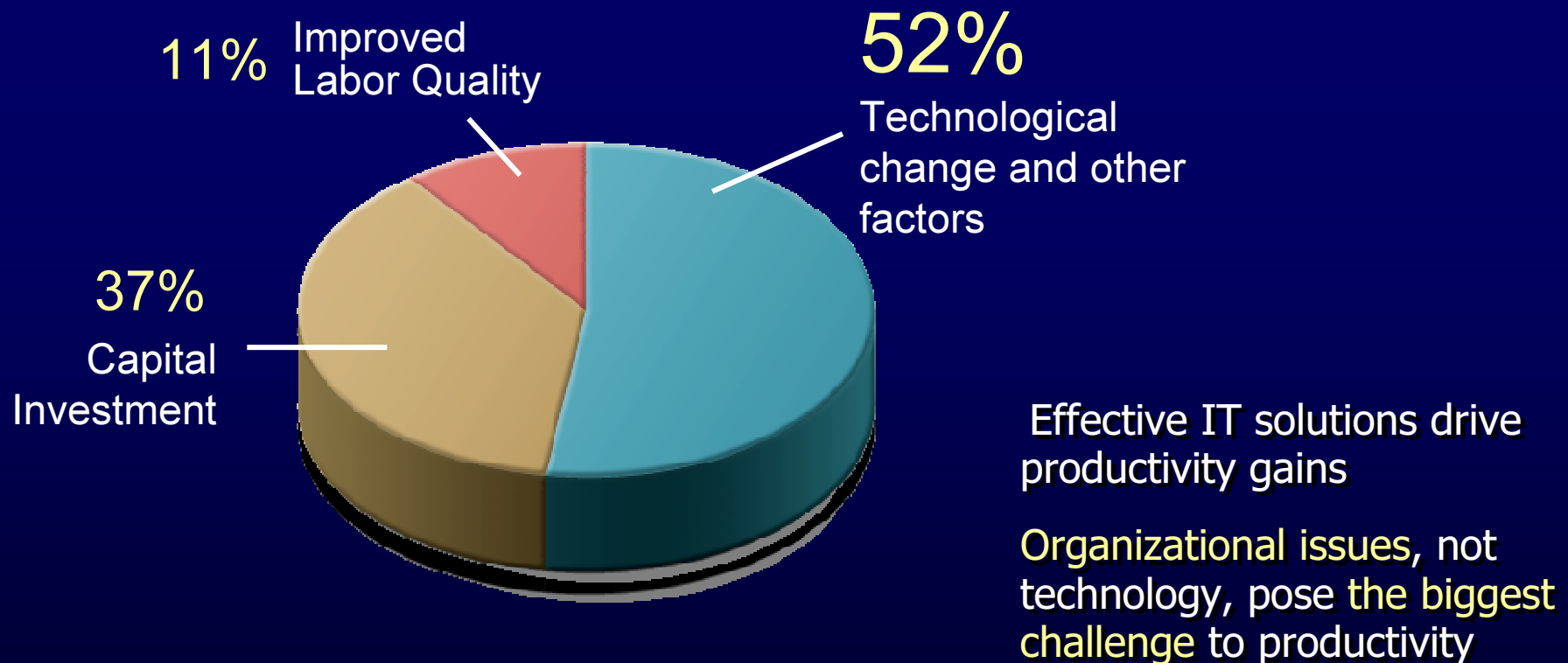


Source: Cisco IBSG Analysis



# What Drives Productivity?

## Contribution to Long-term Productivity Growth

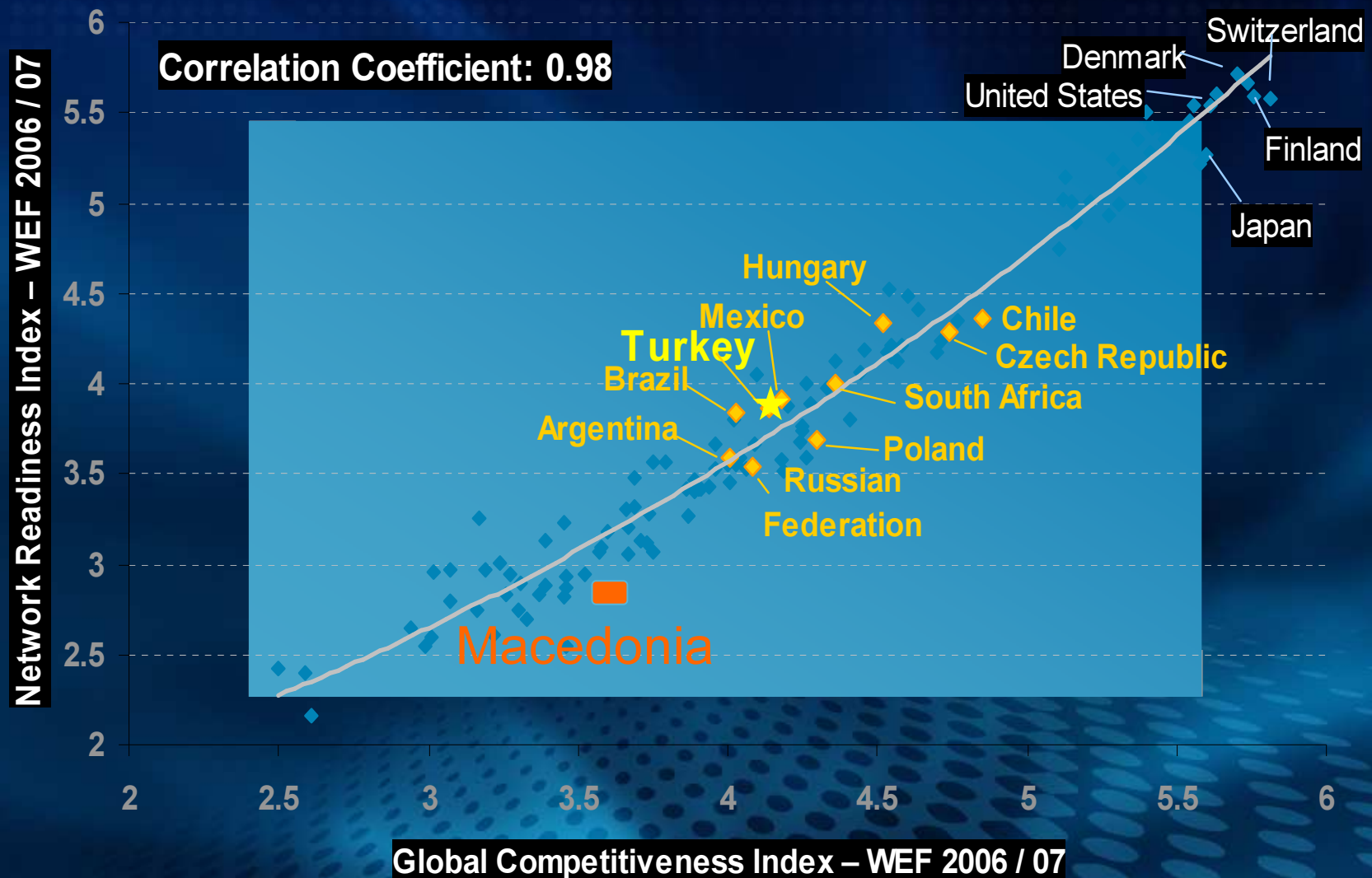


# Global competitiveness

- WEF Global Competitiveness Index compares 131 nations across a range of indicators
- **Macedonia is at 94. Serbia is a new entrant at 91 and so is Montenegro at 82 and Uzbekistan at 68**
- Many countries lost ground to other rising emerging markets, including Ukraine, whose position fell from 69 to 73

Montenegro	82	4.78
Ireland	22	5.03
Iceland	23	5.02
New Zealand	24	4.98
Luxembourg	25	4.88
Chile	26	4.77
Estonia	27	4.74
Thailand	28	4.70
Spain	29	4.66
Kuwait	30	4.66
Qatar	31	4.63
Tunisia	32	4.59
Czech Republic	33	4.58
China	34	4.57
Saudi Arabia	35	4.55
Puerto Rico	36	4.50
United Arab Emirates	37	4.50
Lithuania	38	4.49
Slovenia	39	4.48
Portugal	40	4.48
Slovak Republic	41	4.45
Oman	42	4.43
Bahrain	43	4.42
South Africa	44	4.42
Latvia	45	4.41
Italy	46	4.36
Hungary	47	4.35
India	48	4.33

# GCI and Network Readiness Index



Source: World Economic Forum, INSEAD (2006)



# Talking Points

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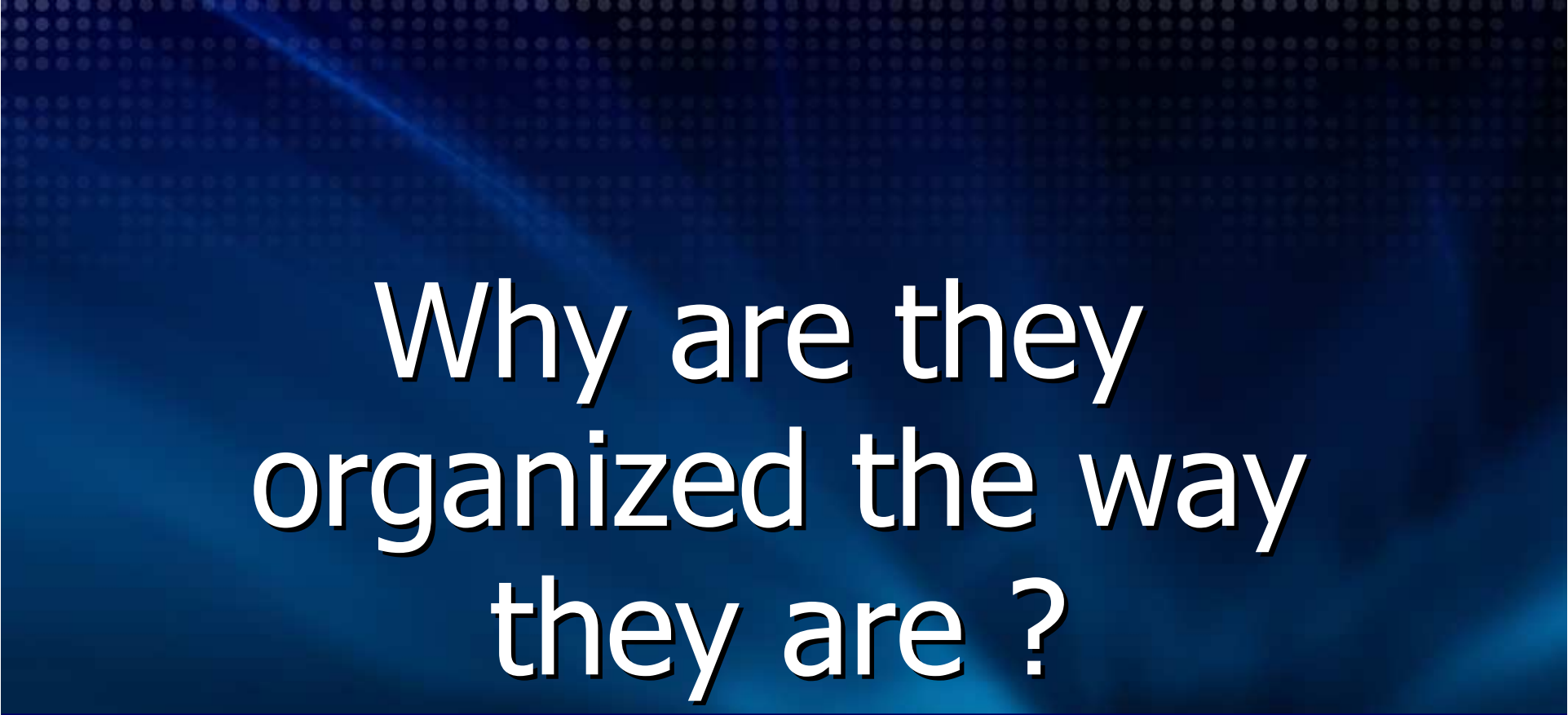
# Why firms exist? Why are they the size they are?

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



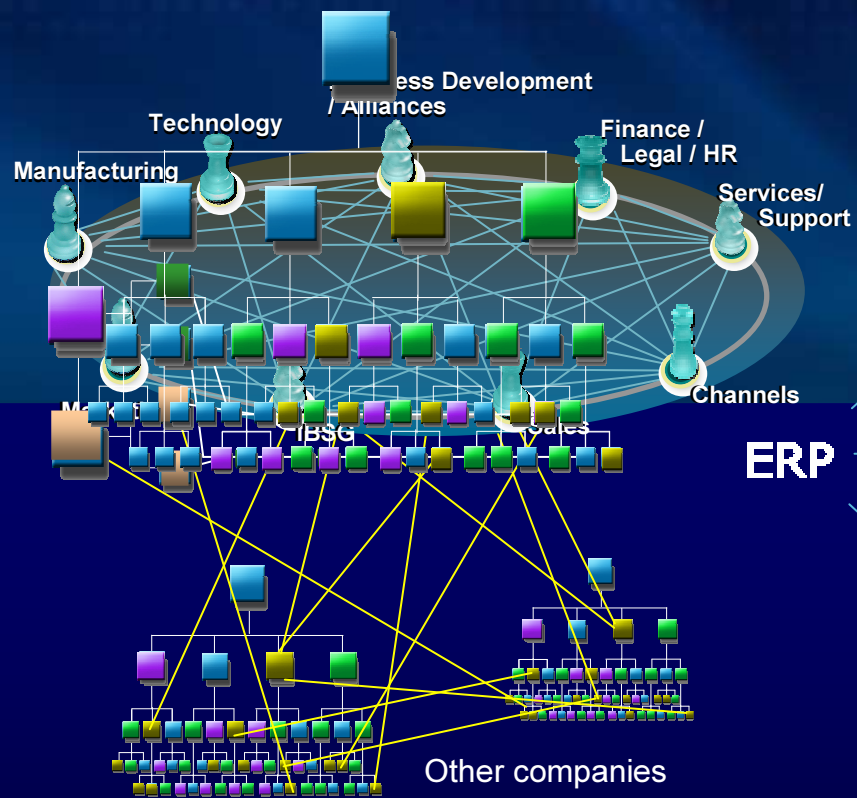
Sveriges Riksbank Prize in  
Economic Sciences  
in Memory of Alfred Nobel 1991

Presentation speech to Professor  
Ronald Coase

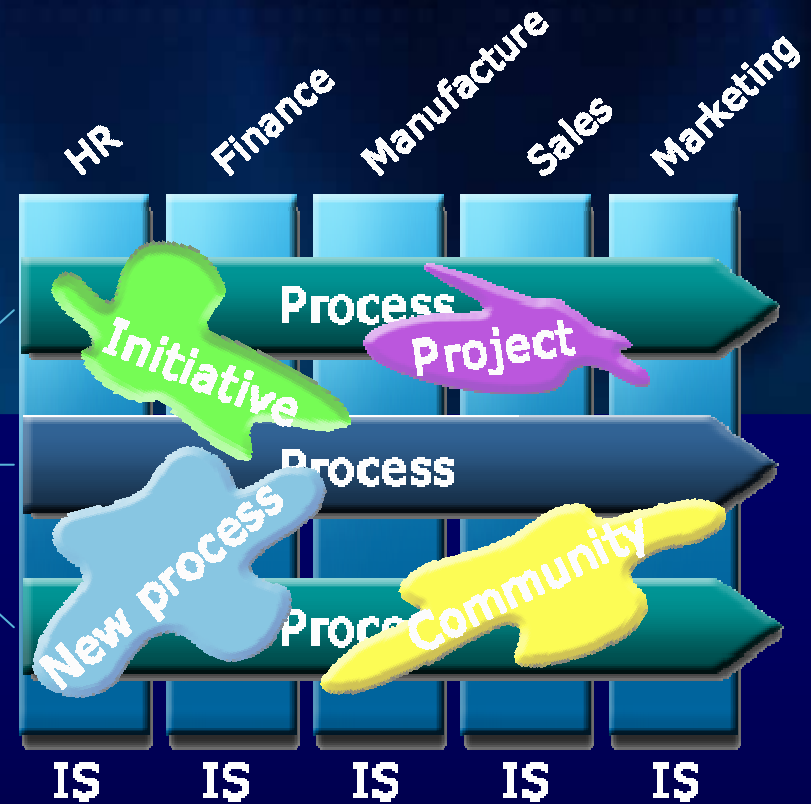


Why are they  
organized the way  
they are ?

# 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



Cisco TelePresence

## Executive Metrics Dashboard

Cisco On Cisco

Value Metrics Reports ▼ Custom Reports ▼

### Cisco on Cisco TelePresence Overview

All reports are based on data as of **16-NOV-08**.  
**108** weeks since launch of the program.

#### Cisco TelePresence Rooms

**307** production TelePresence rooms deployed in **134** major cities across **40** countries globally.

Theater	CTS				Total
	500	1000	3000	3200	
<a href="#">AsiaPac</a>	3	19	24	0	46
<a href="#">Emerging Markets</a>	0	0	13	0	13
<a href="#">European Markets</a>	4	18	29	1	52
<a href="#">Japan</a>	1	2	5	1	9
<a href="#">US &amp; Canada</a>	12	73	100	2	187
Total	20	112	171	4	307

#### TelePresence Meeting Statistics

Overall room average utilization is **47 %** based on 10 hour business day.

**194,765** TelePresence meetings scheduled since launch date.

**251,240** TelePresence hours scheduled since launch date.

**15,928** meetings scheduled in the past 30 days. Average meeting duration was 1 hours and 15 minutes.

#### Multipoint Meetings

**11,745** Multipoint meetings scheduled.

**1,222** average weekly multipoint meetings scheduled.

#### Green Impact

**81,477** metric tons of emissions saved.

#### Travel Avoidance

**37,721** Meetings avoided travel.

**\$150.88 M** travel cost saved based on estimates of 4 participants per meeting.

#### Productivity Improvements

Productivity cost savings of **\$56.58 M** since launch date.

#### Sales Cycle Time Impact

Based on sample analysis, TelePresence may reduce average Cisco Deal cycle time by up to **9.7%** or 30 days out of 310 days.

**20,683** meetings were held with customer to discuss Cisco technology for a sales deal.

**1,227** deals impacted by TelePresence.

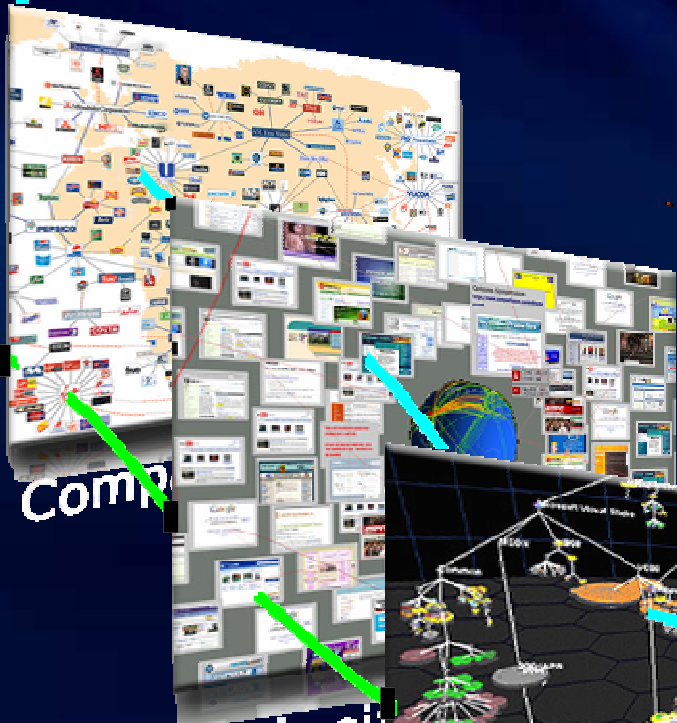


# Interconnected world

12 million

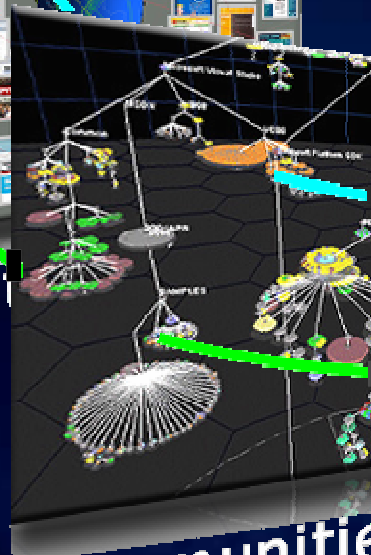
Email

Connected through people,  
with the Network as the Platform

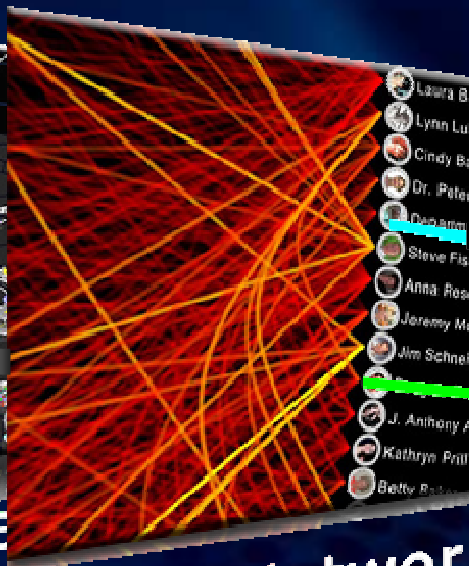


Comp

Web site



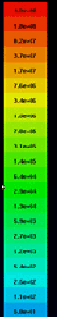
Communities



Social Networks



Personal Networks



# 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

Productivity & Competitiveness

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# Realities drive imperatives

## Enterprise

Self Service

Flat World

Continuous  
Standardization

## Government

ICT Skills

Entrepreneurship

Broadband  
Infrastructure

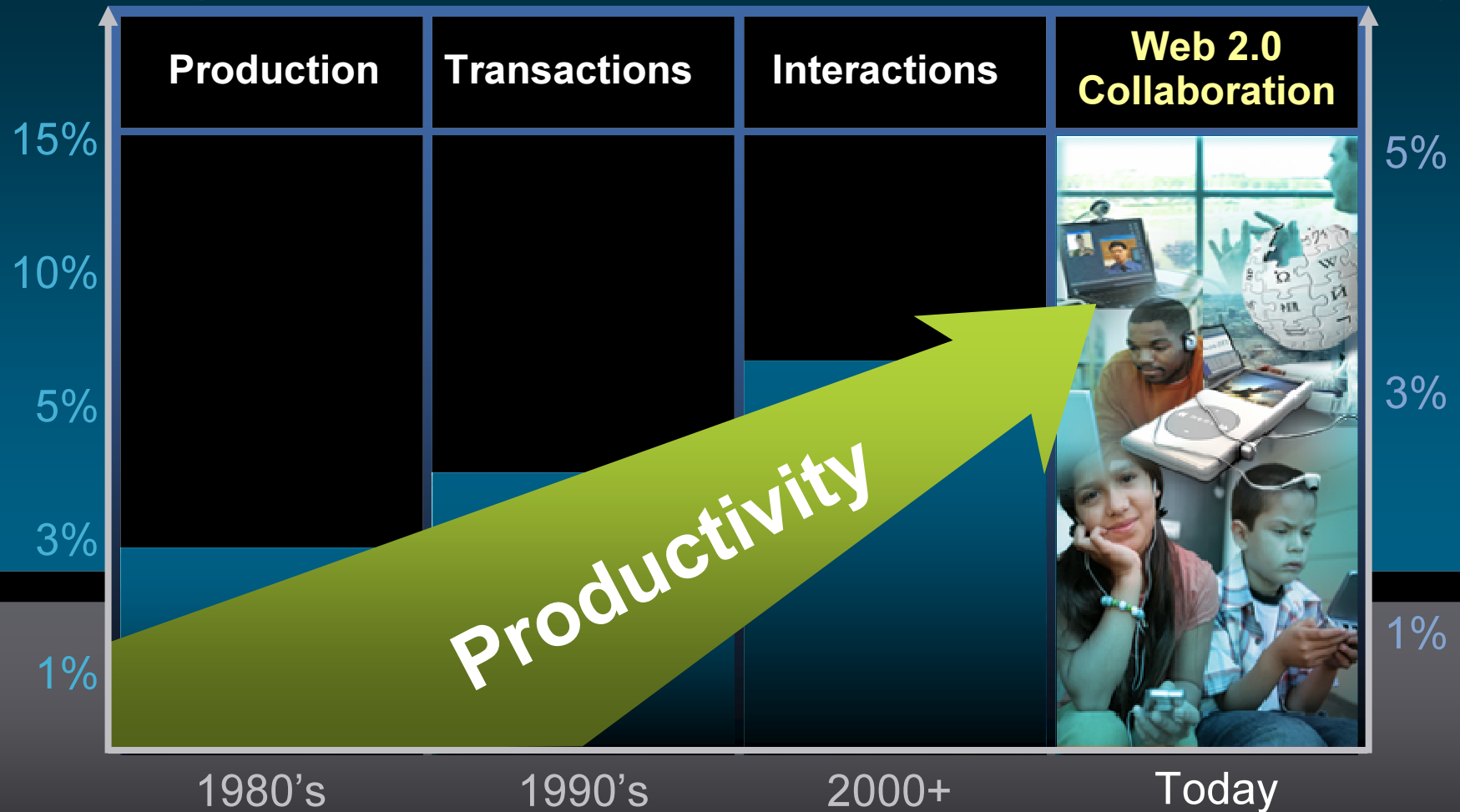
# BIG BOLD BETS

# Next Era of the Internet...

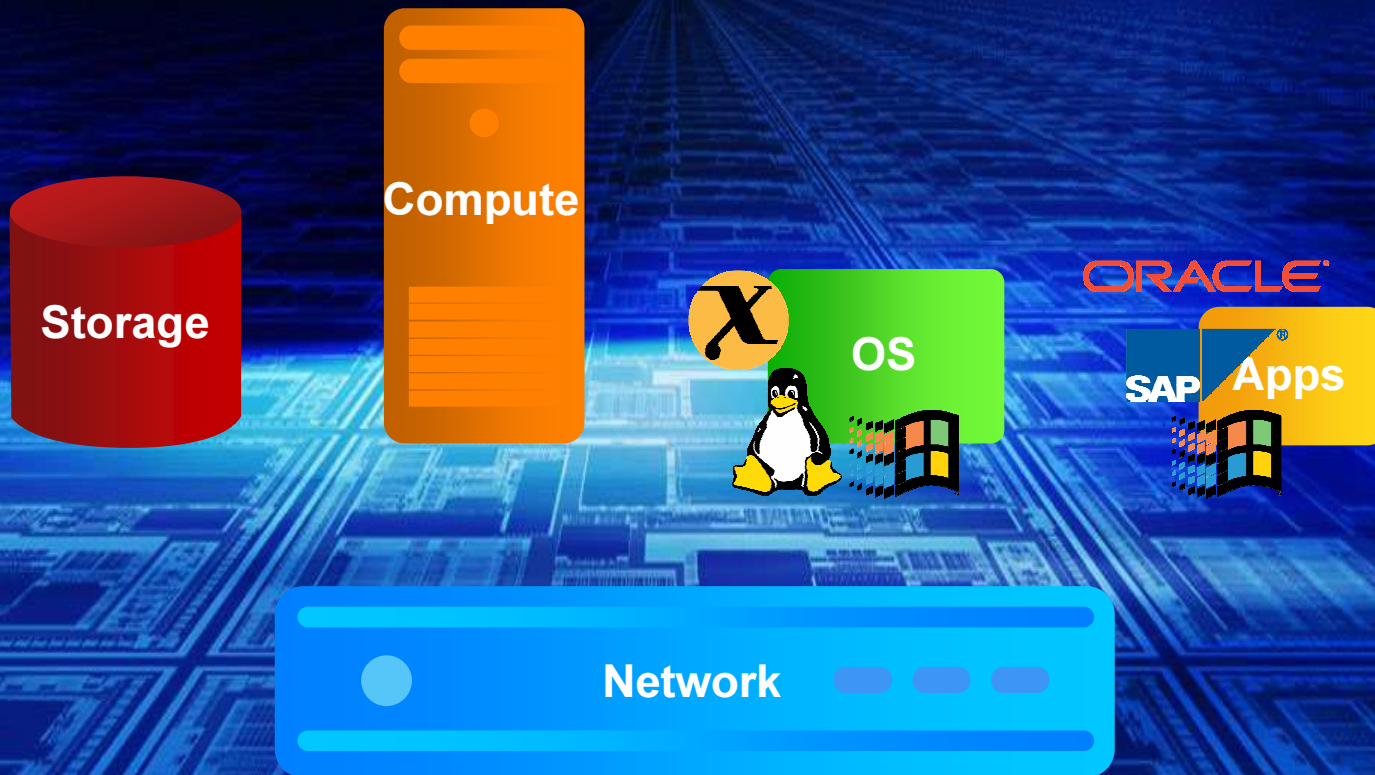
## Collaboration/Web 2.0

Company

Country



# Continuous Standardization



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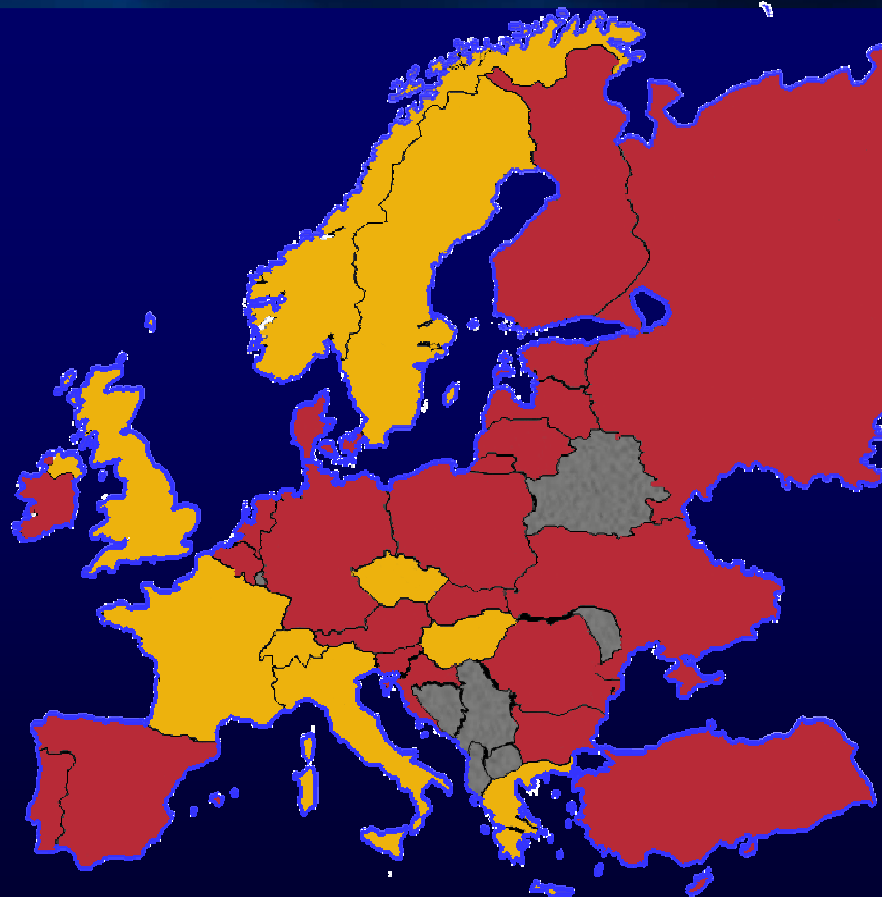
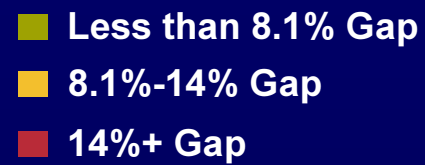
Broadband  
Infrastructure

# BIG BOLD BETS



# ICT skills

## Advanced Technology Skills 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

## Poland

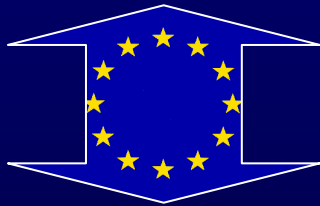
- Launched Nov 2007
- iExec courses under way

## Turkey

- Launched July 2007
- Building capacity & finance model

## Macedonia

- Launched Sep 2007
- First courses under way



EU Funding for  
implementation  
& scaling

## Ukraine

- Launched May 2008



# Cisco – 3TS Growth Fund

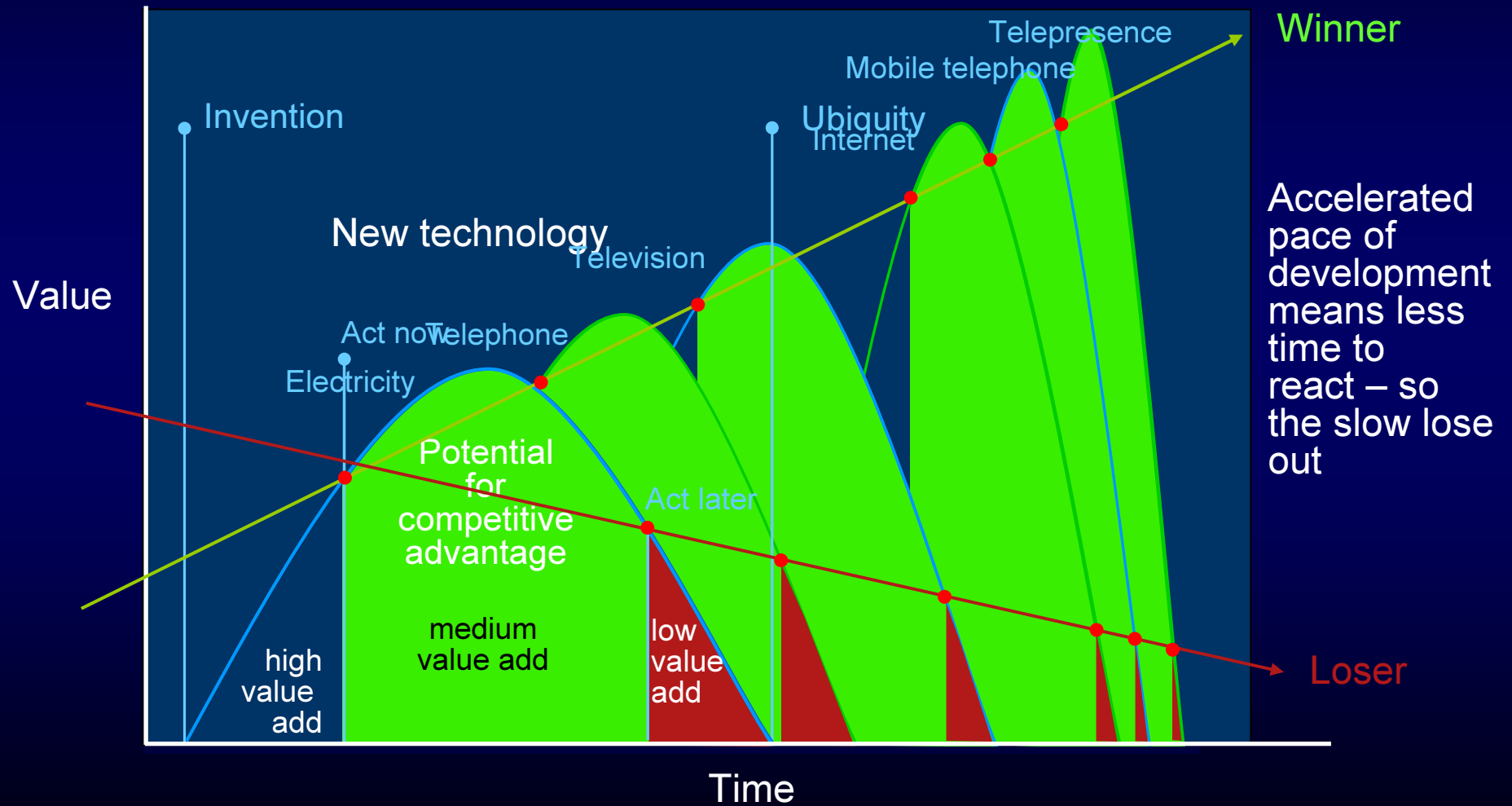
- 30m Euros
- First Venture capital 100% Focused on CEE
- Already made initial placements
- It is a growth fund, looking for companies with proven products which needs help to go international.

*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 Macedonia

Best for Macedonia....

