The Collaboration Imperative

Inside Cisco’s Cultural Transformation to Go Faster – to Grow Faster (Profitably)

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“We think in linear terms, but technology moves at an exponential pace.”

Peter Diamandis, X-Prize Founder
Vision and Strategy
Market Transitions, Customer-Driven

The Internet
1991

Routed
Switched
Packet
Mobile
Virtual
Video
Any Device
Smart Grid
Connected Industries
Siloed
Centralized

Bridged
Shared
Circuit
Dedicated
Voice & Data
PC

2014

INTELLIGENT NETWORKS

The Internet

Internet of Things

Independent
Vision and Strategy
Market Transitions, Customer-Driven

1991
The Internet
Routed
Bridged

1991
The Browser

1991
E-Commerce

1991
Social Media

1991
Video

2014
Mobility

2014
Cloud/Virtualization

INTELLIGENT NETWORKS
Vision and Strategy
Market Transitions, Customer-Driven

99% of the World Is Still Not Connected
What is our role as Leaders?

"Innovation Gap"
30%

% of Innovation Initiatives that Succeed

McKinsey & Co.

% of Employees Engaged at Work

Gallup Research
HOW?
My Perspective:

Your culture’s ability to adapt will determine your destiny more than anything you do as leaders.

“One of Cisco’s competitive advantages is that we have a culture that accepts change.”

John Chambers
Chairman and CEO
Fundamental Principle of Success

Technology

Process

Culture
“Culture Eats Strategy for Breakfast.”

Peter Drucker
Meet My Friend “Dan” – Do You Know Him?
1. No decision is ever final.

2. People don’t speak a common decision language.

3. No shared definition of success.

4. Your people are stuck in meeting hell.

5. Focus is on alignment, not engagement.
Tell people who has decision rights.

Publish company-wide common vocabulary.

One Shared Taxonomy of Success.

Adopt a standard meeting model.

The “New’ Town Hall meeting – social media-driven engagement

1. No decision is ever final.
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Best Practice:
Tell People Who Has Decision Rights

2 P&L Pivots—Regions & BEs

Functional leaders empowered with 51% of the vote on how to allocate their resources

Regions make decisions for GTM strategy and coverage with input

BEs make decisions on technology roadmap and list pricing with input

Cross-portfolio decisions made by Function’s Leader

Decisions never final?
Best Practice: Publish a Company-wide Vocabulary

People don’t speak a common language?
Best Practice:
Publish a Company-wide Vocabulary

Vision & Strategy
Drawn from
3-Year Plan

Execution & Metrics
drawn from
Annual Plan

Cisco FY13 VSEM Template

People don’t speak a common language?
### Best Practice:
#### One Shared Taxonomy of Success

<table>
<thead>
<tr>
<th>Category</th>
<th>Key Performance Indicators</th>
<th>Additional Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Growth</strong></td>
<td>• Bookings • Revenue • Market Share</td>
<td>• Pipeline Volume • Pipeline Conversion Rate</td>
</tr>
<tr>
<td><strong>Profitability/Efficiency</strong></td>
<td>• Gross Margin • Simple Contribution Margin • OpEx</td>
<td>• E:R or E:B • Forecast Accuracy</td>
</tr>
<tr>
<td><strong>Time to Market/Innovation</strong></td>
<td>• New Product Revenue Attainment • New Product Project Schedule • New Product Adoption Readiness</td>
<td>• Acquisition Performance</td>
</tr>
<tr>
<td><strong>Customer Experience</strong></td>
<td>• Overall Satisfaction with Cisco • SAT with Hardware Quality • SAT with Software Quality</td>
<td>• Ease of Doing Business with Cisco • Transformational Cust Wallet Growth • Customer Loyalty</td>
</tr>
<tr>
<td><strong>Partner Experience</strong></td>
<td>• Partner Wallet Share • Partner Profitability • Partner SAT with Cisco</td>
<td>• Partner Ease of Doing Business • Partner Loyalty</td>
</tr>
<tr>
<td><strong>Employee Experience</strong></td>
<td>• Voluntary Attrition • Involuntary Attrition</td>
<td>• Span of Control • Employee Engagement Index</td>
</tr>
</tbody>
</table>
Best Practice:
Adopt a Standard Meeting Model
Welcome to the “New Town Hall” Meeting

The “First Screen” Drives the Aspiration and the Priorities

The “Second Screen” Drives Engagement & Understanding

From Alignment to Engagement
### Seven Essential Questions Drive Engagement

“People are wired for **EMOTIONAL UNDERSTANDING.**”

<table>
<thead>
<tr>
<th><strong>WHY</strong> This Decision?</th>
<th><strong>WHO</strong> Made the Decision?</th>
<th><strong>HOW</strong> Was the Decision Made?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Strategic clarity: Are we doing this out of aspiration or desperation?</td>
<td>2. Who made the decision?</td>
<td>5. What process was used to make the decision?</td>
</tr>
<tr>
<td></td>
<td>3. Who is accountable for the decision?</td>
<td>6. What data supported the decision?</td>
</tr>
<tr>
<td></td>
<td>4. Is the accountability system credible?</td>
<td>7. What trade-offs were considered?</td>
</tr>
</tbody>
</table>
Get Teams Engaged & Executing – Fast

Engagement used to be constrained by space, time and the expense of doing it.

Virtual Engagements are 20% of the cost of a Live Engagement
Common Vocabulary Eliminates Ambiguity
Christopher Tzortzis: Love John's comment on NDS - we need to be able to integrate, but ALSO ACCEPT new business models - getting the synergies of acquisitions, but not destroy their business models as we force fit in to our Cisco world

Michael Quinn: IPV6 is like IPV4..i tis a must have no matter the customers request..get it done and move on....do not fall behind in the basics of networking....it will cost us with the customers when Arista and other have the conversation with our customers.......I can see it now...."look cisco does not even have the basics like IPV6" how can you expect them to deliver for MSDC..etc..

Mark Peek: @mquinn - agreed but not everyone in the company sees it that way.

Mark Peek: @ctzortzi - don't get me started on how hard it has been to move IronPort subscriptions onto GPL. I've said it before that integration commit is as important as CFO commit with acquisitions.

Rajal Patel: v6 is in itself a market transition; a great opportunity for AS and services to help customers migrate if we do it right, if not done right with leadership a significant threat to our core biz and thought leadership. We will be demoing a v6 enabled Webex meeting built on Cisco technologies.

Cecile Willems: @James Blum - agree - we need to ensure that we are not only talking about "Marketing-Phrases"-

Leaders are encouraged to talk among themselves about decisions.
Raj Gossain: Great to see the growth in DC. But given our margin and profitability focus, how do we reconcile that with the comparatively lower margins relative to the overall Cisco GM profile? Is top line the primary goal for this foundational priority? Or pull through of core / collab / etc?

Answer:
Woody Sessoms: We have a product/solution portfolio that if balanced should ensure we meet the expectations of our shareholders. Cisco has a tremendous opportunity in high margin software plays that will be dramatically increasing in terms of revenue volumes over the next several years. Our core areas also remain extremely profitable and are high volume.

Teams directly engage leaders on the decisions.
Leaders determine the right where the conversation goes.

What would you like to hear more about in the discussion?

- Deeper dive on strategies? 48%
- Implementation details? 20%
- Milestones of success? 32%
What is our role as Leaders?

 ….One Last Thing…
**LEFT BRAIN vs RIGHT BRAIN**

- **LEFT BRAIN**
  - Process info in a linear manner
  - Identify important details
  - Use logic to solve problems
  - Move in a sequential order

- **RIGHT BRAIN**
  - Process info holistically
  - See end result with clarity
  - Creative
  - Move randomly from task to task

**INFO PROCESSING**
- Project engagement
- Perception
- Workflow
- Problem solving

**Left Brain Functions**:
- Analytical
- Identify important details
- Use logic to solve problems
- Move in a sequential order

**Right Brain Functions**:
- Creative
- See end result with clarity
- Move randomly from task to task
- Process info holistically
www.collaborativecommunicator.com

Your style

Become a Collaborative Communicator

To succeed in business, it's vital to collaborate well—virtually and face to face. Take advantage of practical models and action plans that show you how to play to your strengths.

- Identify your genuine and authentic communication style
- Assess others' communication styles
- Bridge gaps and connect for collaborative teamwork

Be self aware
Play to your strengths
Bridge to others
Your Journey

Be Genuine and Authentic

To Your Thought Process

To Your Expressive Self
Your Thought Process

- **Conceptual**: How you process information
- **Deductive**: How you organize information

Your Expressive Self

- **Extrovert**: How you express yourself
- **Introvert**: How the audience keeps up with you

- **Linear**: How you organize information
- **Non-Linear**: How you process information

- **Analytical**: How you express yourself
- **Inductive**: How the audience keeps up with you
Your Thought Process

- I Like Facts
- I Like Ideas
- Start with the Answer
- Tell Me the Process

How you process information

How you organize information

Your Expressive Self

- Get the Team Together
- I Have To Do Some Thinking
- Follow These Steps
- Let's Take a Journey

How you express yourself

How the audience keeps up with you

How the audience keeps up with you
Your Collaboration Persona:
Play to your Strengths
My Story

I'm at my best brainstorming

I come to quick conclusions

I prefer to work in small groups

I don't always end up where I started
Fundamental Principle of Success

Technology

Process

Culture
THANK YOU!

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www.thecollaborationimperative.com