

Candice Balobeck

Increasing Worker Engagement through Environment, Policy and Technology: A Case Study of Cisco Connected Workplace

Overview of Workplace Resources and the matrixed organization of Cisco Systems

Cisco Systems is a multinational corporation headquartered in San Jose, California, that designs and sells consumer electronics, networking, voice and communications technology and services. Cisco has more than 70,000 employees and annual revenue of \$40 billion (US dollars) as of 2010. Cisco is a highly matrixed organization and groups including Workplace Resources, Human Resources, Finance and Information Technology work closely together to provide services.

History of the built environment at Cisco Systems

Cisco Systems designed its offices in the 1990s under the assumption that the workforce would work during regular work hours in assigned space with PCs and phones. Leadership received private offices, and high-walled cubicles were assigned to individual contributors. Cisco sales were product-based, mainly routers and switches for infrastructure. The office interiors were conservative in nature, and Cisco's brand of frugality was a driving principle.



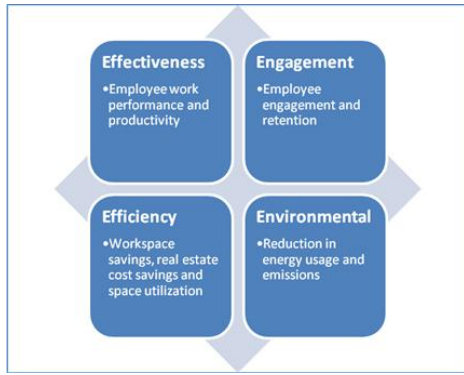
The new work experience at Cisco Systems –why we are doing Cisco Connected Workplace

Today Cisco sales are now solution-based, resulting in a global workforce that is highly collaborative. Employees work nontraditional hours and new, complex business issues only increase the need for collaboration. Employees are often away from their desks in meeting rooms, at client sites or at home with laptop and mobile phone in tow. Cisco has also rebranded itself for the consumer market, which has resulted in more use of color graphics and imagery in the Cisco brand.

With the traditional workspace not meeting the needs of the current workforce, a new solution was needed: one that would fit many objectives, such as matching the physical work environment to the new work styles, increasing the real estate efficiency by “capturing” the unused space, updating the physical environment to attract and retain key talent, and showcasing Cisco's new brand identity.

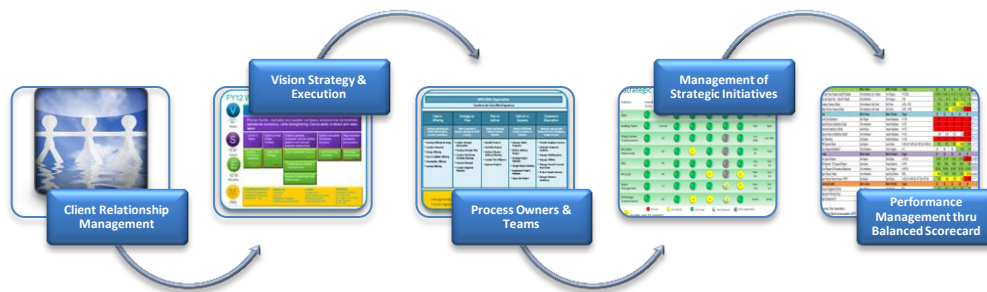
The 4Es – Effectiveness, Engagement, Efficiency and Environment - the importance of Cisco Connected Workplace

Cisco Connected Workplace and the relationships to the 4Es.



End to End Process Framework and mapping of roles – how we are doing Cisco Connected Workplace

An extensive effort was taken to clearly map out roles and responsibilities within the project process in Workplace Resources. The result has been clearly defined job descriptions, reduced delivery times, and improved budgeting for future projects. Every step in the process was mapped to either core or context roles and then remapped into a cohesive framework. In a matrixed organization, all this work was vital in order to keep consistent communication and direction between the groups.



What is Cisco Connected Workplace?

Workplace Resources (WPR), the group that manages real estate within Cisco, realized one project was not going to be enough. A complete program that included a cultural shift, multiple capital projects and extensive change management at every level needed to be undertaken. Thus, a new workplace experience was born that emphasizes flexibility and choice for the Cisco workforce. The solution is comprised of the Cisco Connected Workplace (CCW), which is the physical environment that works in conjunction with a global policy on space utilization, Cisco-technology specifications (Cisco-on-Cisco) and flexible work practices. The new workspace has brighter colors, more natural light and an open floor plan that enables more employee connectedness. In addition, CCW increases the number of employees in an office without increasing real estate costs, and allows for a more productive environment than that afforded by traditional cubicles.



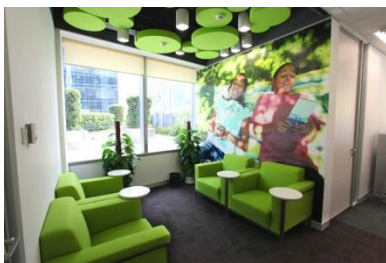
CCW guiding design principles:

- Encourage collaboration to become the norm
- Improve efficiency in the workforce
- Support Cisco's sustainability objectives
- Create opportunities for social networking
- Help improve visibility within the space
- Allow flexibility for the different ways people prefer to work
- Through increased collaboration, helps people accomplish both team and individual goals

A variety of space types and many levels of integrated technology form the cornerstone for CCW. The key physical attributes include:

- No more than seated height privacy in open plans
- The transformation of private offices into collaboration rooms
- Personal storage that is separated from seats

Along with Cisco's flexible work practices and Global Space Policy, CCW space has transitioned from individual-assigned space to group-assigned space. As a result, the way Cisco thinks about real estate has changed — including metrics. For example, building capacity was previously measured by number of seats; now building capacity is measured by persons housed.



Ongoing management of the facilities changed as well. Sustaining management teams (SMTs) are set up to manage diverse and dynamic workforce needs. Local control and accountability for workplaces has now migrated to the internal client organizations through the neighborhood SMT model. Clients lead a partnership of their representatives, along with Workplace Resources and Human Resources, to enable the most effective use of group space assignments.

Cisco now builds and manages a work environment based not on hierarchy, but on the needs of the team. Employees have the freedom to choose their environment based on the requirements of their current task. The company's CCW environment gives employees a broad choice of workspaces and technological tools to do their best work.

Benefits of Cisco Connected Workplace

Cisco has achieved measurable business benefits with CCW and regularly evaluates the success of its effectiveness and efficiency. Effectiveness is measured by the increase in productivity and participant satisfaction resulting from the integrated workplace design and IT solutions. Efficiency is measured by the improvement in key metrics such as space utilization, cost and portfolio optimization.



Also, WPR performs periodic interviews with each organization and administers a regular companywide employee survey. Common feedback is that most employees like the choice of work environments, cutting-edge technologies, natural light, openness and the opportunity for increased collaboration between groups. Most participants state they would not want to go back to the traditional environment.

The group-assigned CCW workspace generates significant cost savings for Cisco including:

- Real estate rent — accommodating more people in the same amount of space
- Construction — building smaller spaces per person than previously required
- Services — consolidated trash, maintenance costs and nearly eliminating the costs of moves/adds/changes
- Furniture — purchasing less furniture per person than previous cubicles
- Printers — fewer machines per person needed due to paperless processes
- IT costs — spending less on switches and switch ports
- Cabling — reducing the number of wired IP cables per workspace
- Equipment room space — racking fewer switches because of wireless infrastructure

People

The 2010 Cisco Connected World Report states people prefer jobs with workplace flexibility/remote access over a less-flexible job with a higher salary. Employees that work in a CCW workplace were surveyed and results show:

- 77 percent prefer CCW environment to traditional space
- 82 percent state communication between individual people and teams improved
- 62 percent state an increased ease in finding quiet space for focus work
- 80 percent state an increased ease in finding open meeting rooms

Planet

CCW contributed, along with the lab strategy, collaboration technologies and renewable energy, to Cisco's greenhouse gas commitment of a 25 percent reduction in GHG emissions by 2012.

- 58 percent reduction in connected electrical load (watts/employee)

- 44 percent reduction in total cooling loads (BTUs)
- Less commute traffic with flexible work

Profit

Millions of dollars have been saved in travel expense with Cisco's use of its WebEx and TelePresence technologies in the CCW environment.

- Capital expenditure on cabling and IT infrastructure reduced 50 percent per square foot
- Capital expenditure of furniture reduced 55 percent per square foot
- Square foot allocated per person reduced 30 percent
- Less than three years return on investment for CCW renovations

The importance of Change Management in workplace transformation

Change is nothing new to Cisco but leading change is different now. The best leaders of change at Cisco start planning for implementation while still defining what the change will be, and don't quit until they have made the policy, process and system changes needed to ensure that the changes will stick.



Lessons learned – what we will never do again and what we will continue

There are always lessons learned every time Workplace Resources builds Cisco Connected Workplace. Each project improves from the previous, whether it is new design elements, refinements on the policies governing the space or deployments of the latest technology. One thing Cisco has learned is projects need full funding. Projects done "half-way" or with only "some" of the Cisco Connected Workplace elements do NOT work. Cisco Connected Workplace, when done properly with all the design, policy, technology and change management elements, benefits all.