Cisco’s Supply Chain Digitized

Drive an Agile and Adaptive Supply Chain

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For over 30 years, we’ve focused on helping to change the way the world works, lives, plays, and learns.
Our strategy

We create solutions built on secure, intelligent networks that solve our customers’ challenges.
IDC predicts worldwide spending on digital transformation technologies will expand at a compound annual growth rate (CAGR) of 16.8% through 2019 to more than $2.1 trillion.*

Secure, intelligent platform for digital business

- Power a Multicloud world
- Reinvent the network
- Unlock the power of data
- Security is Foundational
- Create meaningful experiences

Increased pace of innovation
FY18 financials

$49B* Revenue

$12.6b Services revenue
$36.7b Product revenue

$46.5b Total cash and investments

*Non-GAAP Rev.

GAAP revenue $49B Total
$36.7B Products
$12.6B Services
Growth Strategy for Innovation

Build
- $6B Annual R&D Spend
- 26K+ Engineers

Buy
- 205 Acquisitions
- BroadSoft
- AppDynamics
- insieme
- Meraki
- OpenDNS
- Sourcefire
- Viptela
- Springpath

Partner
- 300K+ Partners
- Google Cloud
- Inspur

Invest
- $250-$300M annually
- 120+ Companies
- 45 LP positions in 27 countries

Co-develop
Cisco’s End-to-End Supply Chain

Development
- Innovate
  - Product Operations
- Plan
  - Global Planning & Fulfillment
- Source
  - Global Supplier Management

Fulfillment
- Make
  - Manufacturing Operations
- Quality
  - Technology & Quality
- Deliver
  - Logistics Operations

Supply Chain Transformation
Acquisition Integration | Security | Sustainability

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A year of challenges and changes
Need for Digital Supply Chain

- Improve Productivity
- Company transformation— from H/W sales to S/W sales
- Support new innovation
- Agility along with scale
- Changing customer expectations
- Rapidly growing Global reach
The Digital Journey

Foundation

Data Analytics

Orchestration

ERP & PDM Systems Upgrade

Collaboration, IoT, Mobility, Big Data, Cloud

Real time visibility, predictive & prescriptive analytics

Machine learning, Automated decision making, End-end process digitization, Blockchain

Systems & Processes Foundation

Data & Analytics Foundation

Digitization & Orchestration

Digital Supply Chain

Growth & Value, Visibility, Simplification, Automation.

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Technology Used to Digitize the Supply Chain

Data & Analytics
- Real time, Accurate & Accessible Data
  - More accurate demand forecasting
  - Better data = better decisions
  - Data query times drop
    From days to seconds

Collaboration
- Eliminates communications silos
- Greater capacity to share & see insights
- Collaboration on key initiatives to deliver outcomes
- Teams work in conjunction
- Smooth workflows

Internet of Things
- Connects the Unconnected
- Preventive maintenance
- Process improvements
- Optimizes product delivery
- Better packaging & product quality

Mobility
- Access to info anywhere, anytime
- Instant access to critical data
- Real-time status via mobile devices

Common business architecture/cloud-based network
Use Cases Enabled by Technology

Development

Innovate

Product Operations

3D Printing

Prototype Portal

Plan

Global Planning & Fulfillment

Supplier Collaboration Platform

Source

Global Supplier Management

Business Award Analytics & Optimization

Fulfillment

Make

Manufacturing Operations

Cisco Energy Management

Remote Expert

Quality

Technology & Quality

Adaptive Testing

Connected Quality Cockpit

Deliver

Logistics Operations

Universal Order Visibility

Hyper Location

Pervasive Video
3D Printing

Need
Prototypes can cost thousands of dollars

What it does
Fast turnaround from design to print
Prints 3D objects in 2-4 weeks
Uses variety of materials and surface finishes to showcase the difference

Benefits
66% reduction in cost for a prototype
Prototype built in 50% time
Prototype Portal

Need
Communication of prototype build information had been a mixture of web tools, emails and excel files

What it does
Single portal for product teams to communicate about prototype planning, material sourcing and building

Benefits
- Eliminates email and excel status reporting
- Real Time Visibility
- Faster time to market
Supplier Collaboration Platform

Need
No single platform to manage global suppliers
Lack of visibility into supply/demand

What it does
Connects multiple suppliers and partners across the global supply chain with clear role based access
Integrated view of supply network data in a single platform

Benefits
- Transparency to inventory movement and visibility to excesses and shortage
- Partners mitigate 70% of shortage issues
- 7% improvement in product lead time
Business Award Analytics & Optimization

Need
- Improve component quoting process
- Provide visibility to quote status and savings

What it does
- Expedite and digitize component quoting process by creation of a negotiation platform that leverages a rules based engine and predictive analytics to improve savings

Benefits
- Productivity improvements
- Drive Greater Innovation
Cisco Energy Management

Need
No oversight of carbon emission output
Limited visibility into energy usage
No control of energy costs

What it does
Monitor energy usage, gain greater insight and better manage factory’s power consumption
Real-time alerts sent to PCs and mobile device when energy output is high

Benefits
Saves millions in annual power costs
Reduces Greenhouse gas emissions
30% reduction in power consumption
Remote Experts

Need
Experts unavailable at each manufacturing site to resolve issues

What it does
Connects globally distributes experts to manufacturing site
Provides easy access to experts

Benefits
- Accelerates resolution
- Addresses issues in real time
- Resolutions saved for reuse
- Reduces need for on-site support
Adaptive Testing

Need
Increased Test Equipment Cost
Limited ability to tailor product tests
Weeks to write new test programs

What it does
Uses predictive and prescriptive analytics to track historical product/component test quality data
Helps to decide which test should be increased, reduced or eliminated
Tailors tests to customer needs and adapt real-time

Benefits

- 5-19% Test Time Savings
- Capital Cost Savings
- Enhances continuous quality improvements
Connected Quality Cockpit

Need
Insuring quality control

What it does
All quality data is brought together into a single cockpit view.
Reduces customer found defects and customer escalations using in process release metrics and predictive analytics.

Benefits
- 11% reduction in returns
- Millions saved in avoidable RMAs
- 30% reduction in hardware customer escalations
Universal Order Visibility

Need
Lot of time spent trying to identify issue holding up the order

What it does
Tracks orders in real-time
Creates near real time order visibility across supply chain for faster root cause analysis
Provides a single source of truth dashboard view for PCs and Mobile Devices for all users

Benefits

- 33% reduction in backlog
- Improved order schedule time to less than 2 days
- Manually Scheduled order reduced by 20%
Hyperlocation

Need
Difficult to find equipment and tools
People are not at a desired location

What it does
Tracks the location, status and condition
Process re-engineering to increase efficiency
Better protects people and equipment

Benefits

- Increases asset utilization
- Increases efficiency of workforce
- Lowers inventory costs
- Improves worker safety
Pervasive Video

Need
Factory Incident, Safety and Security
Theft Management

What it does
Facial recognition
Material tracking
Aisle surveillance

Benefits
- Employee safety/security
- Reduces number of scans of IDs
- Enhances continuous quality improvements
- Improves resource utilization
Security Across the Supply Chain

Operational Framework

Conformity
Balance
Knowledge

Global Policies & Requirements
Analytics & Compliance Visibility
Holistic Controls Process
Overall Benefits of Supply Chain Digitization


Productivity Increases 35%
Capital Expense Savings 40%
Delivery Commitments Increased 5–10%