



Cisco's Supply Chain Digitized

Drive an Agile and Adaptive Supply Chain

Edwin de Boer

Sr Director Supply Chain Operations EMEAR

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Our vision



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

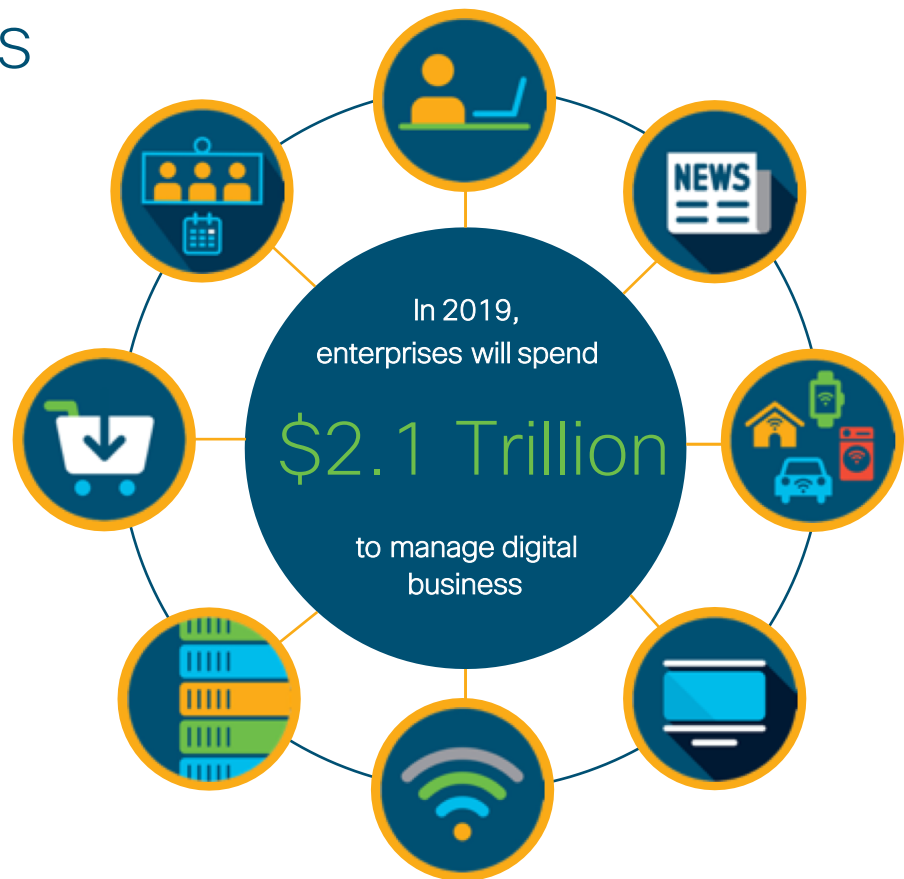
Our strategy



We create solutions
built on secure,
intelligent networks
that solve our
customers' challenges.

The opportunity: Embracing digital business

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

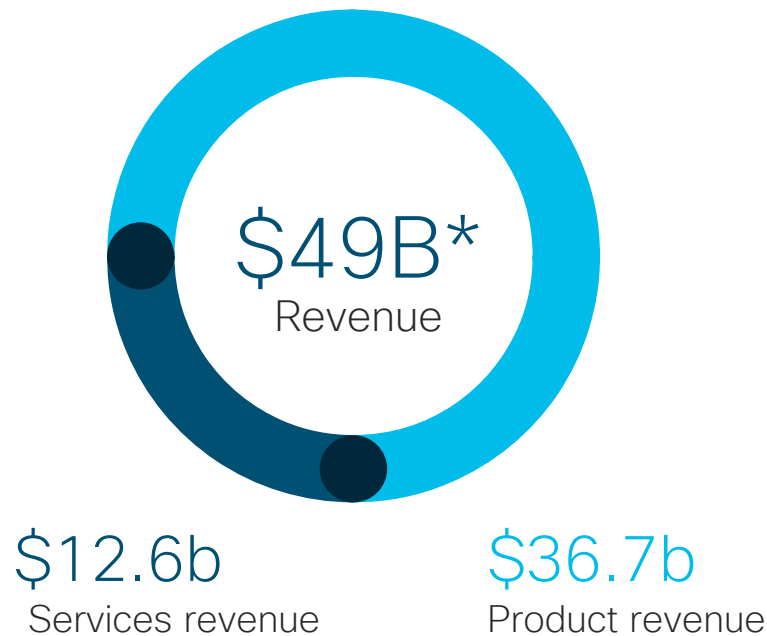


Create
meaningful
experiences



Increased pace of innovation

FY18 financials



\$46.5b

Total cash and
investments

*Non-GAAP Rev.

GAAP revenue
\$49B Total
\$36.7B Products
\$12.6B Services

Growth Strategy for Innovation

Build



Buy



Partner

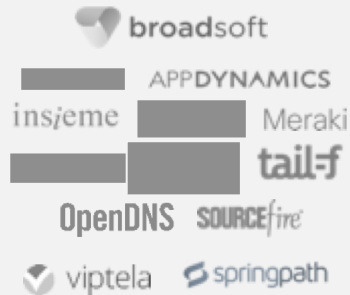


Invest



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

- 205 Acquisitions



- 300K+ Partners



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

Co-develop



Cisco's Supply Chain

Global. Complex. Diverse.



Diverse
Portfolio

Mass production
to highly
configured

30,000+
orderable items

20,000+
virtual teams

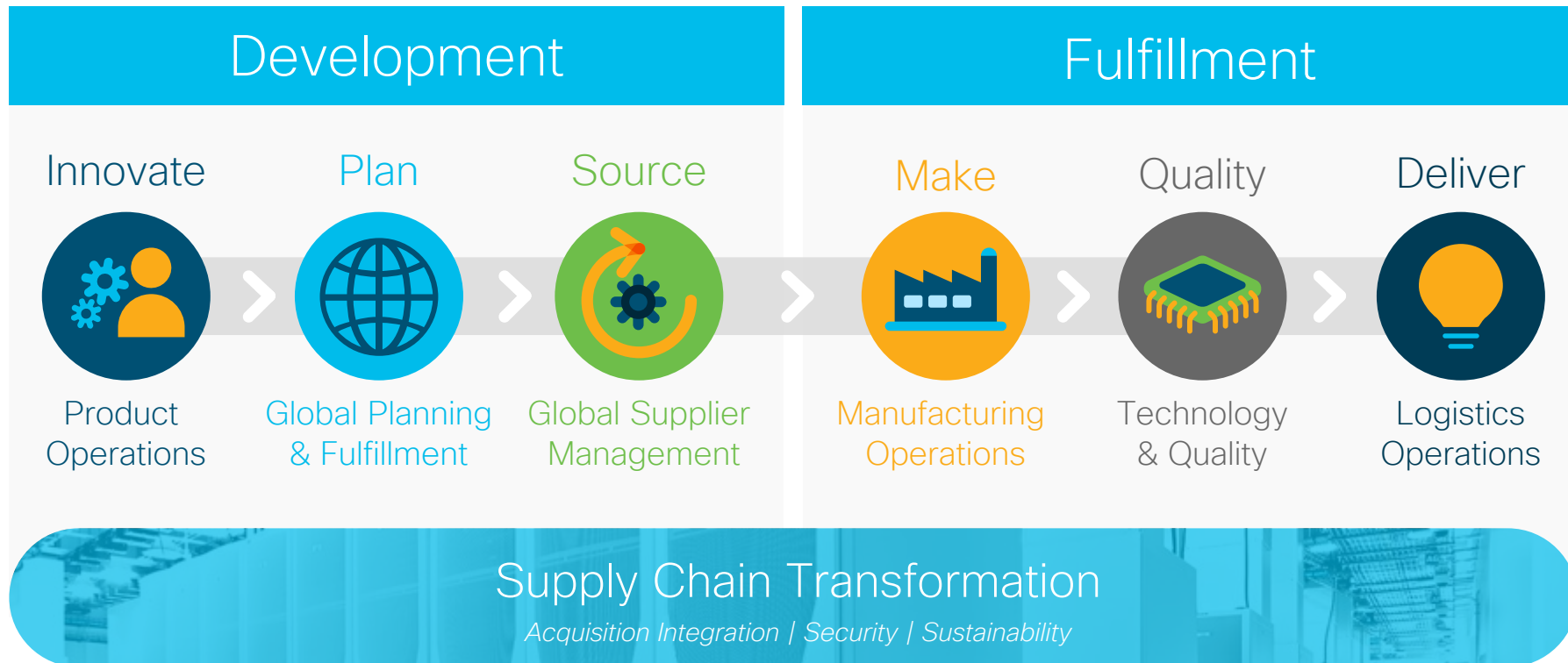
1M+
orders annually

80M+
items shipped annually

700+
active suppliers

62,000
components

Cisco's End-to-End Supply Chain



STATE OF DESTRUCTION



MLCC Shortages Are Creating Challenges In Multiple End-Markets in 2018



A year of challenges and changes

Plan to Retool Its Economy

UNCERTAINTY IN CAPITAL

New Chairman Says Fed Will Monitor Closely for Tariffs' Impact

By BEN CASSELMAN and JIM TANKERSLEY
The rapidly escalating conflict with China has upped the prevailing economic dys of falling unemployment and fast-

High alert over global cyber attacks

THAN AMY ALBING

Connected Logistics Market is Expected to Exceed US\$ 41.00 Billion By 2022

attacks affecting about 100 countries including Thailand.



By the numbers
27% High-tech industries are likely to experience significant growth in 2018.
27.45% Growth in the global market for artificial intelligence.
26% Growth in the global market for cloud computing.
26% Growth in the global market for big data analytics.
26% Growth in the global market for cybersecurity.

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

FY11

FY12

FY13

Systems & Processes
Foundation

Collaboration,
IoT, Mobility, Big
Data, Cloud

FY14

FY15

Data & Analytics
Foundation

Real time visibility
predictive &
prescriptive analytics

FY16

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

FY17

FY18

Digitization &
Orchestration

Digital Supply Chain

Growth & Value. Visibility. Simplification. Automation.

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

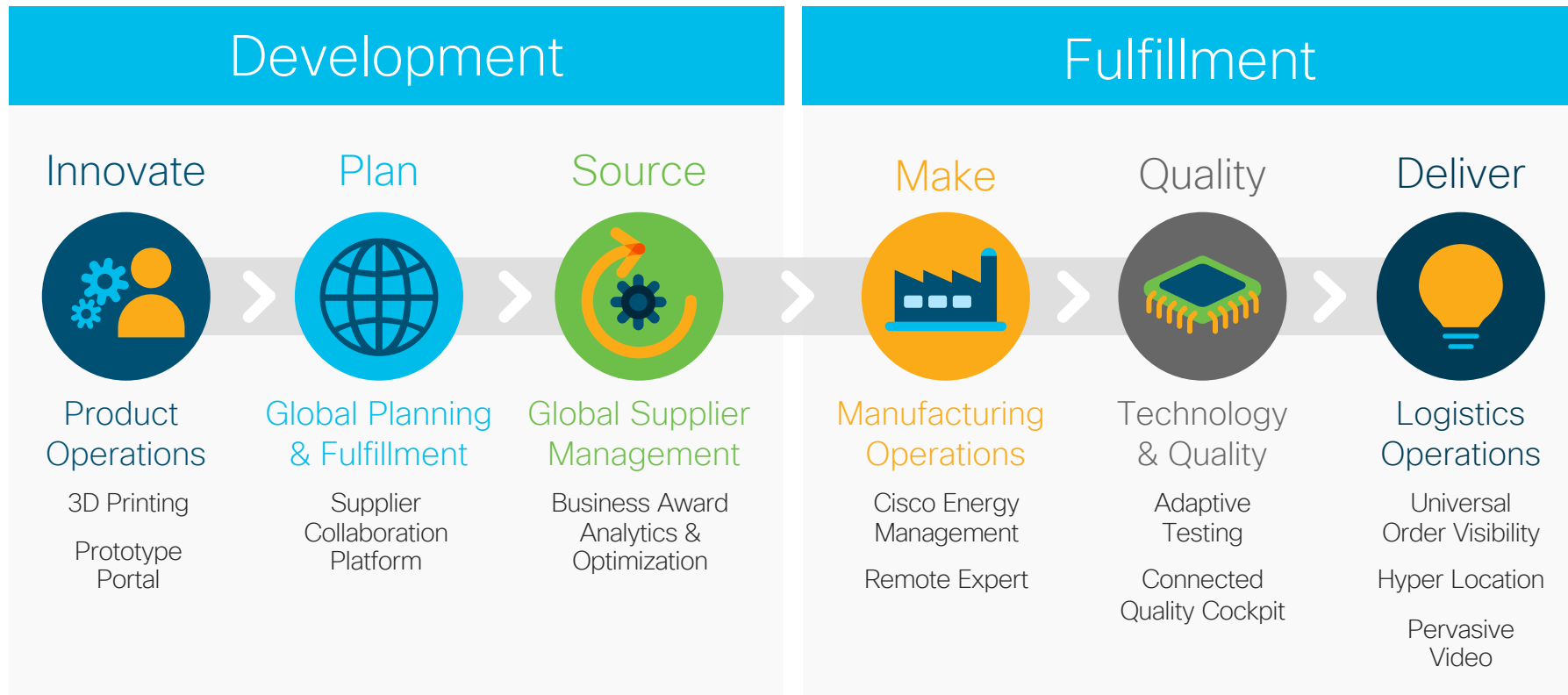
Access to info
anywhere, anytime

Instant access to critical data

Real-time status via
mobile devices

Common business architecture/cloud-based network

Use Cases Enabled by Technology



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



Overall Benefits of Supply Chain Digitization

Growth & Value. Visibility. Simplification. Automation.

