



# Cisco Systems: An Integrated Approach to Supporting Knowl- edge Workers

David W. De Long

Unlike that infamous shoemaker whose children never benefited from their father's work, Cisco Systems is well known for making sure its employees take advantage of the technology that it sells. Indeed, Cisco employees work with Internet-based technology tools that are the envy of most organizations. But supplying its sophisticated knowledge workers with the latest Internet protocol telephones or wireless LANs to improve their productivity isn't a matter of just plugging in some new black box. It requires an integrated strategic process that combines IT, HR, finance, and workplace design resources to support a variety of physical and virtual work environments.

When it comes to supporting their most critical human resources, in most firms, the IT, HR, and facilities functions operate relatively independently. This note, however, describes how Cisco has integrated its IT, HR, and workplace design functions at the corporate level to create the range of workplace options needed to improve the productivity and satisfaction of its knowledge workers.

## Coping With Growth

For most of the last decade, Cisco was growing so quickly that the firm could not provide offices fast enough for its new employees. Five years ago, sales offices were outgrowing their spaces in an average of nine months. Cisco's leaders knew intuitively that the solution required thinking outside the box of one person/one desk. The Workplace Resources (WPR) unit, the firm's real estate and facilities organization, backed them up. It had found that, because of the sophisticated IT network

and other technologies like laptops, mobile phones, and remote access, employees were spending less time in company offices. For example, WPR's research showed that sales people were spending only about thirty percent of their work hours in their offices. And when employees did come in, the style of work was collaborative, requiring meeting rooms and team spaces, not individual work spaces.

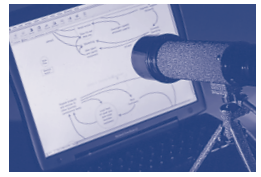
With these facts in hand, Cisco began converting employees in its sales offices around the world into "mobile" workers. By 1999, sharing space—or "hoteling"—became business as usual for Cisco's sales force. It used the Workplace Resources unit to drive this initiative, with help from the corporate IT and HR functions, but each of these functions still tended to do its share separately, in a nonintegrated manner.

## Global Rollout Requires Integration

Workplace Resources had played the leading role in the change management process during the conversion of the sales offices to a hoteling environment, but it was dealing primarily with offices with less than three hundred people. If the company was to roll out its new workplace options worldwide, the change management resources needed would far exceed the group's capacity. This was because they would be scaling global workplace strategies across sites of up to 20,000 people, and with groups historically not as mobile as sales. Cisco's WPR team knew this was one reason the initiative would require a more integrated approach between WPR, HR, and IT.

Another reason more integration was needed was the growing number of IT infrastructure options. These included new types of networks and telephone systems that allow people to work productively at almost any location. This technology had greatly increased opportunities for innovative workplace strategies that could make Cisco's knowledge workers more productive almost anywhere. But implementing these new work environments would require the three groups to collaborate more closely than in the past.

In early 2000, Cisco's top management established a cross-functional task force whose mandate was to build an integrated workplace strategy to support the company's vision,



goals, and culture. Because of WPR's experience with converting the sales offices, Chris Ross, the manager of Workplace Solutions, the department in WPR that leads the development of global workplace strategies, was put in charge of the task force. Senior management in HR, IT, and finance recognized that Cisco's leadership was holding them all accountable for the same goals—cost effectively improving both employee productivity and employee satisfaction in supporting the organization's goals. The task force, with representation from Workplace Resources, HR, IT, and finance, would seek more integrated solutions for creating effective work environments.

To begin the process, the group first explored key drivers that would influence its approach, such as Cisco's business strategy and company goals, the organization's culture, and related initiatives, such as improving customer satisfaction. Then, the representative from HR described the future characteristics of Cisco's workforce, and IT's representative previewed the technologies that they expected would impact the workplace in the next several years. The team members from WPR described how Cisco's knowledge workers were actually using office space. This included things that employees thought were important—such as privacy and the ability to collaborate—and not important—such as the use of office space as a perk. Over time, the task force developed a vision for what the workplace of the future would need to include, based on the way the workforce and technology were evolving.

To realize its emerging vision for the workplace of the future, the group jointly developed strategies and guidelines for designing and implementing a variety of workplace options intended to make workers more productive. The current set of options includes traditional office-based work, mobile work (telecommuting, working from another Cisco or a non-Cisco location), hoteling, and a variety of non-traditional on-site work settings (team spaces, quiet spaces, and informal collaboration areas). The task force recognized that these options would continue to evolve as the business and employee needs changed and new technologies became available.

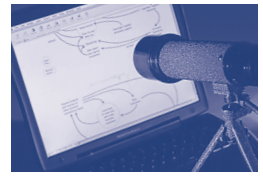
The group also developed guidelines to support the range of solutions that Cisco's knowledge workers need, such as technology required for mobile workers, guidelines to help managers identify the jobs best suited for mobile work, tips and tools for employees working remotely, as well as policies to make sure suitable work spaces are available when employees do come to the office. "Ultimately, our objective is to support employees in making choices, based on the way they are already working," said Ross.

The cross-functional group has continued to meet biweekly to make sure all of the components necessary for a successful implementation of the global workplace strategy across Cisco's four geographic regions are identified, and that the necessary program components are completed. For example, telecommuting policies needed to be adapted for Europe to meet country-specific government regulations. The task force also continues to evolve elements of the strategy, such as creating a revised IT baseline for new buildings. A steering committee, which includes Cisco's CFO, CIO, an HR director, and the VP from Workplace Resources, plays an advisory role, making sure the team's work is supported by senior management and continues to be aligned with the firm's overall business goals.

The results of this work are new, more open, and flexible workplace guidelines that accommodate collaborative and private work, along with the growing interest in mobile work arrangements among employees in Cisco's corporate offices. There is also a trend towards combining sales and corporate sites that can be used by any employee. The design of Cisco's offices has also changed by increasing collaboration/collision spaces, and creating greater focus on providing places for teams to work. Another significant change is the move towards a variety of workplace settings—office, cubicle, quiet rooms (small, hard-wall offices available for work requiring intense concentration or privacy)—that employees can choose to use to support their activities. Cisco estimates that 34 percent of its work force now makes use of the mobile workplace options on a regular basis. "The ability to work from a variety of locations provides a high level of flexibility for employees, fosters work/life balance, and contributes to higher productivity and morale," says Ross.

Using an integrated approach to create more productive work environments at Cisco has not been easy, and some lessons the firm has learned in the process can be useful for other managers:

- **Look for real partners—not just support—to drive your integrated initiative.** Ross says a lesson the Workplace Resources group learned was to look for other groups who would jointly own the workplace strategy, instead of simply asking for their support. All three functions—IT, HR, and facilities—need to be heavily invested in using an integrated approach to create effective work environments. A logical first step is to seek alignment around objectives critical to the business, such as employee retention or productivity improvement. Regardless of who drives the initiative, support organizations must agree to common goals.



- **Strive to clearly articulate your vision for a highly effective work environment in terms that your internal partners—HR, IT, finance, as well as the employees—also value.** "In the beginning," Ross says, "we didn't do a good enough job creating a vision of what we were trying to do. Consequently, we had to spend a great deal of time educating others, our partners, as well as the employees in Cisco, while we were trying to implement the program."
- **Don't underestimate the need for strong and effective change management.** Even the most intelligent and creative people can have a hard time accepting and understanding changes to their work places.
- **The best way to build momentum is almost always to link your integration efforts to important business objectives.** These kinds of complex cross-functional change initiatives inevitably take time and are likely to run into all kinds of organizational resistance. Cisco's program got a real boost when one of the firm's customers asked to talk about how Cisco actually leveraged technology in its own work environment. This was the first time Cisco's sales force had asked Workplace Resources to help with a customer. It was great validation that the task force was moving in the right direction.
- **Remember, the finance function is an important ally, but don't let cost savings be the only driver behind your workplace strategy.** "Saving money is the result of a good, productive work environment," says Ross, who adds, "It's easy to reduce costs by simply reducing the amount of space you give each employee. But you need to make sure the strategy is balanced so that workers can be productive the way they need to be. People are different and one size doesn't fit all. If we had focused on the dollars rather than looking at all the components together, we would have hurt our most valuable resource—our employees."

*David W. De Long* is a Research Fellow at the Accenture Institute for Strategic Change. Dave may be reached at (978) 369-5083 or [ddelong@world.std.com](mailto:ddelong@world.std.com).