

Cisco Connected Manufacturing



Create long-term competitive advantage through continuous innovation, operations excellence, supply chain agility, and customer intimacy

The Network Is the Platform for Success

For manufacturers, market conditions in today's economy are changing at an unprecedented rate. Regardless of size, your company is feeling the pressure of increased global competition, faster product cycles, rapid changes in demand, and reduced access to capital while opportunities in the economy are once again growing. Optimizing your business in response to these trends may have fragmented your value chain across global suppliers, customers, and channels, making it more difficult to navigate the economic turbulence. To simplify and address these complexities, organizations need to intelligently connect all parts of the value chain to quickly and easily share information with every department, employee, partner, and customer.

During the worst global recession in decades, manufacturers focused on cost cutting and improving their ability to react to rapid changes in demand by managing inventories and capacity utilization. As markets recover, future market leaders are making bold strategic moves to gain share. Investments in faster, more targeted innovation and improving the customer experience will position your company to fully capitalize on economic growth and fundamentally strengthen your long-term competitive position.

Cisco Connected Manufacturing

Cisco® Connected Manufacturing provides intelligent, timely information and collaboration in context to transform manufacturing businesses through continuous innovation, a differentiated customer experience, supply chain agility, and operations excellence. Close interrelationships between these areas mean investments in one area drive further improvements in the others. The result are more efficient operations with successful new products and loyal customers that drive higher revenue and sustainable competitive advantage.

“In the here and now, new technologies and technology adoption [are] setting the stage for novel business models that portend disruptions as great as those of past downturns.”

—McKinsey & Company, Using technology to turbocharge innovation in a downturn

Create Ongoing Market Success Through Continuous Innovation

Increasingly, success in the marketplace goes to the company that can minimize the distance between a new idea or vision and the realization of its value. By collaborating with geographically dispersed customers, design teams, and ecosystem partners, manufacturers can bring new products to market more effectively and efficiently, all while securing intellectual property. As customer relationships evolve to business partnerships, both manufacturers and their customers will win through faster innovation that better meets market needs. Using new digital collaboration platforms, manufacturers can radically reduce the cost and time required to innovate, setting the stage for dramatic improvements in competitive positioning.

Grow Revenue Through a Differentiated Customer Experience

Customers' differentiated and positive experiences with the company are core to customer satisfaction. To gain and retain their best customers and turn them into advocates, manufacturers must be responsive, through the ability to act on requests quickly, using accurate and up-to-date information.

Cisco Connected Manufacturing Business Benefits

Continuous Innovation

- Accelerate time to market up to 30 percent
- Increase rate of innovation
- Increase product pipeline success rate
- Improve new product vitality
- Expand intellectual property and patent portfolios

Customer Intimacy

- Create a consistent, differentiated customer experience across organizational silos
- Collaborate with customers to create winning products
- Accelerate sales cycles

Supply Chain Agility

- Leverage global emerging markets
- Adapt your supply chain to changing markets in real time
- Improve decision-making
- Reduce disruptions and shorten duration from weeks to hours

Operations Excellence

- Improve plant efficiency
- Align the factory closely with customer and market needs
- Locate inventory, assets and personnel in real time

Cisco Connected Manufacturing Case Studies

Toyota

Challenge: Globally dispersed design team

Solution: Cisco Unified Communications

Result: Improved product quality and 10–15 percent reduction in development costs

Adept

Challenge: Replacement parts business losing money

Solution: Cisco Unified Communications Integration to CRM for inventory checks and upsells

Result: Increased revenue and profitability

Emirates Aluminium Company Ltd. (EMAL)

Challenge: Improve plant efficiency and lower cost of ownership

Solution: Cisco Ethernet to the Factory, Cisco Unified Communications, Cisco Advanced Services

Result: Reduced capital and operational costs and increased business agility

Cisco and Cisco Partners deliver the communication and collaboration tools needed to stay in touch with customers and respond knowledgeably to their orders, queries, product issues, and service requests. By providing real-time access to expertise and information around the globe, sales and service can respond quickly and accurately to customer requests or issues, providing a positive customer experience that leads to increased revenue and competitive advantage.

Harness the Power of an Agile Supply Chain

Communication and information are crucial to an efficient supply chain. Securely extending access and visibility throughout the supply chain allows an integrated workflow that promotes innovation, efficiency, and collaboration and decreases business risk. The agile supply chain is market-driven, with faster development and product or service introduction cycles.

A borderless network allows information and decisions to flow through the supply chain and organization quickly for immediate response to market demands. The result is better compliance and control, reduction of excess inventory and logistics costs, increased responsiveness to customers' needs or sudden changes in demand, and better business decisions. Cisco together with its partners bring together capabilities such as Cisco Unified Communications, industrial Ethernet connectivity, and wireless to transparently and securely connect suppliers, partners, and customers.

“We save tens of thousands of hours and hundreds of thousands of dollars in labor costs during a typical two-year project. Sometimes the greatest ideas are the simplest.”

—Ed Flavin, CIO, Modec

Improve Production Efficiency and Flexibility

Cisco Connected Manufacturing improves production efficiency and flexibility through secure, real-time availability of information for better business decisions. With superior communication abilities from the factory floor to enterprise IT, key personnel have immediate access to asset and inventory locations, potential product problems, safety and compliance issues, and energy usage to swiftly resolve downtime and production issues and lower costs.

Cisco Unified Communications makes worker training available on an as-needed basis and helps improve worker empowerment and retention. Cisco and partner integrated solutions add communications and data to business workflows, plant systems, applications such as Manufacturing Execution Systems (MES), and business systems such as enterprise resource planning (ERP) to identify exceptions and mitigate operational risk.



Cisco on Cisco

Continuous Innovation

New Product Introduction

- Saved \$10 million in development costs on a single product launch
- Reduced launch costs 90 percent
- Exceeded quality targets

Supply Chain Agility

Cisco rated top 5 on AMR Research's Top 25 Supply Chain Rankings

Collaborative Supply and Demand Planning

- Negotiate/validate reorder points
- Improved matching of demand and supply

Supplier Qualification

- Savings of \$25 million
- Improved component quality

Global Supply Management

- Faster issue resolution

Operations Excellence

Lean Manufacturing

- Accelerates product introductions
- Drives out waste from entire process

Customer Intimacy

Customer Access to Sales Teams

- 40% increase in customer interactions
- 22% increase in sales productivity
- 19% increase in time spent on strategic activities

Accelerate Sales Deal and Review Process

- \$30 million in increased sales productivity
- \$15 million in increased partner productivity
- Improved customer experience

Integrated, Multichannel Customer Support

- \$661 million in cost efficiencies
- 85 percent of support cases resolved through the web
- Decreased average talk time 32 percent
- Increased customer satisfaction from 4.0 out of 5 to 4.78 out of 5

Now Is the Time for Connected Manufacturing from Cisco

With the economic recovery underway, now is the time to make bold strategic moves. Investments to speed innovation and improve the customer experience will position your company to fully capitalize on economic growth and fundamentally strengthen your long-term competitive position. Companies that invest in technology platforms that create borderless networks, collaboration, and virtualized systems for information access throughout the value chain will change the market landscape. Cisco Connected Manufacturing positions your company for success.

For more information, please go to www.cisco.com/go/manufacturing



Americas Headquarters
Cisco Systems, Inc.
San Jose, CA

Asia Pacific Headquarters
Cisco Systems (USA) Pte. Ltd.
Singapore

Europe Headquarters
Cisco Systems International BV Amsterdam,
The Netherlands

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