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Podcast Transcript for Cisco Globalization, Part 1, with Wim Elfrink, EVP Cisco Services and Chief Globalization Officer, Cisco

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Peter Shaplen: Welcome to this podcast series, an ongoing conversation about trends, technology in business. For Cisco, I'm Peter Shaplen. Wim Elfrink is executive vice president and chief globalization officer at Cisco. And as the CGO, he is a direct report to CEO John Chambers and is leading an effort to decentralize much of the way the company conducts business worldwide. Mr. Elfrink is joining us from his home in Bangalore, India via TelePresence. Thank you for speaking with us.

Wim Elfrink: Thanks, Peter.

Peter Shaplen: I think I really want to begin by asking what were the strategic factors that led to invest and create Cisco East Campus?

Wim Elfrink: I think historically we are at an inflection point. And Cisco has always been great in recognizing inflection points from a technology point of view. GDP growth in emerging countries is higher than the GDP growth in Europe or the US. That's an inflection point. Number two, almost everything is green fields. There is no install base. And I always say that God was able to create the world in 7 days because there was no install base! And so you will see a lot of new business models emerging here in the east. 200 million people over the next decade will be urbanized, will start opening up bank accounts, will start shopping in retail shops. And then thirdly, the US and Europe are getting older. China's already aging. This part of the world, and specifically India, is getting younger. The next coming twenty years, India will have an inflow of undergraduates of more than 600 thousand a year. And so the growth, the innovation, the talents made us drive to go closer.

Peter Shaplen: Was there a certain rush to get there now in order to secure the kind of talent that you need in order to implement a global strategy?

Wim Elfrink: Yeah, Peter, I still think that in this whole globalization strategy, there is an advantage of the first movers. And let's face it, almost all companies have gone to this side of the world for cost and labor arbitrage. We're sending a new agenda and we are saying we are not in India for cost and labor arbitrage; we are here to capture growth, to capture innovation, and to attract talent. You join Cisco not just for a job. We are going to promise our employees here a career.

Peter Shaplen: What are your metrics that you're going to be watching for and reporting back to John Chambers and the board?

Wim Elfrink: We have milestones in year 1, year 2, and year 3. Building a campus here, getting a work place that will attract talent and for at the moment 3,000 people, in 2 years 5,000, in around 5 years 10,000. It will be creating government relations. It will be the development of what we call an addition of our new world eco system. And if you think about it, in a 4 hour flight out of Bangalore, you can cover 70% of the world's population. And we basically have said that we think that this part of the world is going to be that strategic that we want to have 20% of top talent of Cisco here.

Peter Shaplen: With the investment and the creation of the Cisco East campus, what kind of difference is that making to Cisco right now? What have you been able to achieve by being based there that you couldn't have achieved by being based in San Jose?

Wim Elfrink: Do you realize that we have a tremendous market-making opportunity to start talking about converged networks in real estate? And that's not on the agenda in West. And to start developing product and services in this part of the world for this part of the world, I would say that's number 1. And secondly, building relationships with customers who start trusting us because we are closer. Azerbaijan is a country that, to be honest, Peter, 5 years ago I couldn't spell. I didn't know what the capital was. We have 8 million people living there with a president who wants to build a network as the fourth utility. So for me now as an executive, a 3 hour flight, I'm there. And you know countries in the developing world, if you have the choice between building harbors, airports, and roads, are often considering to make the country more competitive to start with the fourth utility which is a network. And that's basically what the fourth utility's all about: country transformation. We're close and we're building that customer intimacy. And these customers are coming here now in our Executive Briefing Center in Bangalore to see what it takes to build a next-generation network.

Peter Shaplen: I'm curious, do the customers in these rapidly urbanizing areas know and can they define what it is they want? Or is this actually also an opportunity for a company like Cisco to help define and refine what it is they want and need and can be most advantageous in creating that fourth utility?

Wim Elfrink: I think what they are mostly looking for, Peter, is the solid leadership that in the end you know what the gear is, what the boxes are; they are much more interested initially to tap our brains. And how to make the country more competitive, how to educate their people. A lot of these types of initiatives in emerging countries start as what we call PPP's, Public Private Partnerships, and then you start transforming a country and that we know how to go to

markets, how to build managed and hosted services. And then, yes, by the way, of course we like to sell a network. But it is that whole thought leadership, it's to build, operate, and transfer a model that customers in this part of the world are looking for.

Peter Shaplen: When you have the chance to speak quietly with John Chambers and he asks, "how's it going?" What do you need? What do you tell him?

Wim Elfrink: (Laughs) That's a great question. Well, what I tell him is that this is about growth, talent, and innovation. This is not about cost and labor arbitrage. This is not about shifting jobs. And this is basically the globalization of the corporate brain. And this is new worlds, unexplored territory. And it's fascinating to work for a company that has that vision and has the capability and the guts. And to start this world leadership. So I want him to be the messenger and to explain that to the organization over and over. And to explain it to customers what the benefits for them will be. And then, of course, to do the same to the shareholders.

Peter Shaplen: Well, I hope we have the chance to speak soon and often. Wim Elfrink is Executive Vice President for Cisco services and the company's Chief Globalization Officer. And he joined us from Bangalore, India. Mr. Elfrink, thank you.

Wim Elfrink: Thanks, Peter.

Peter Shaplen: And thank you for listening. You'll find more about Cisco's globalization strategy as well as a listing of other podcasts online at newsroom.cisco.com. I'm Peter Shaplen for Cisco.