My Innovation

Sustainable Innovation Ecosystem Takes Hold at Cisco

Summary

In 2015, Cisco learned that its employees wanted more support for implementing innovations and a forum for sharing ideas that could shape the company's future. In response, Cisco launched a companywide, cross-functional competition called the Innovate Everywhere Challenge (IEC). The inaugural IEC became the catalyst for Cisco's companywide support for innovation. Existing innovation programs and teams rallied under the umbrella of *My Innovation* as part of the company's People Deal.

After three years of heavy investment in empowering its employees to innovate, 2018 brought many indicators that an "innovation for all" culture is taking root across the company. 70% of Cisco employees are *My Innovation* users while 43% of Cisco employees have actively participated in the Innovate Everywhere Challenge. In addition, the various innovation supports now build on each other to maximize impact.

While there is still much work to be done to empower all Cisco employees to innovate, the engagement and participation data collected by *My Innovation* will help drive future decisions and provide a consistent innovation experience to our employees.

Mission Statement of *My Innovation*

My Innovation empowers employees to innovate everywhere and at any time.

It is our employees' innovative ideas that will accelerate Cisco's leadership in the digital age. My Innovation creates the environment and provides vehicles for innovative ideas to emerge, develop, and shape Cisco's future.

We disrupt the industry and ourselves by fostering a culture of grassroots cross-functional collaboration, connecting our employees with broader ecosystem of innovators inside and outside of the company, and empowering everyone to take risks.

Contents

Note:

This white paper details the progress made by Cisco's companywide innovation ecosystem, *My Innovation*, between August 2017 and July 2018 (Cisco's 2018 fiscal year). A previous white paper provides in-depth background on the genesis of the Innovate Everywhere Challenge, and another white paper tells the story of the first two years of *My Innovation*.

Background

In 2015, Cisco's leadership decided to invest heavily in further empowering its employees to innovate. It surveyed employees to learn what new innovation opportunities they most desired and started to bring all companywide programs, groups, and teams dedicated to innovation together under one umbrella that was named *My Innovation.* In September 2015, Cisco launched the Innovate Everywhere Challenge (IEC), which invited all employees to submit ideas for new ventures. Over nine months, the 1,100 ideas submitted were narrowed down to three winning teams. More than 20,000 employees participated in this enterprise-wide innovation competition, exceeding Cisco's expectation.

Throughout 2015 and 2016, *My Innovation* introduced several other vehicles to support innovation across Cisco, including the Innovation Hub portal, a mentor network, and workshops on entrepreneurship skills and mindset. These formed the cornerstones of Cisco's innovation ecosystem. Other programs joined the ecosystem later; most prominent among these was thingQbator, a network of makerspaces in several Cisco offices.

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CISCO

"Empowering
Employees
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Everywhere and at
Anytime"

We disrupt the industry and ourselves by fostering a culture of grass-roots cross-functional collaboration, connecting our employees with a broader ecosystem of innovators inside and outside of the company, and empowering everyone to take risks.

Our research

In 2015, we conducted a series of focus groups with employees and learned that:

Employees were eager to innovate.

Employees wanted support, time, space, and money to foster and develop ideas.

FINDINGS

EMPLOYEE ASK

Employees were unclear on the pathways to develop & implement new ideas.

Employees wanted a central forum to share ideas, collaborate with peers & find executive sponsors.

Our response

All programs, groups, and teams dedicated to innovation were invited to come together under one umbrella, called *My Innovation*. We developed clear processes, leveraging industry best practices & partnerships with key stakeholders, to engage, empower & enable our 74,000 employees to innovate.

DEVELOP AN ENTREPRENEURIAL SKILLSET

Startup//Cisco — Lean startup & design thinking workshop

Angel investor workshop

PROVIDE BOTH VIRTUAL & PHYSICAL COLLABORATION SPACES
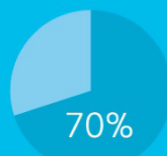
Innovation Hub: Internal Portal

thingQbator — Global employee makerspaces

CAPTURE IDEAS IN A CISCO-WIDE CAMPAIGN

Innovate Everywhere Challenge — Global internal ideation competition

Outcomes
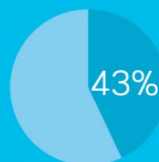
70%
Employees are Innovation Hub users

260+
Innovation Events, Programs & Challenges on the Innovation Hub

4K+
Innovation Mentors

43%
Full time employees participated in IEC

2.3K+
Ideas submitted (IEC 1-3)

$1M+
Multi-million-dollar business impact

My Innovation in 2018

By 2018, Cisco was entering the third year of its sustained effort to empower every employee to innovate. *My Innovation's* various innovation supports had evolved substantially over the first two years in response to employee feedback and now functioned as an integrated system.

Startup//Cisco

Startup//Cisco
Accelerate projects with the latest innovation methodologies

Using a workshop format, Startup//Cisco equips employees with the skills and mindset of a startup founder. Employees learn and then apply innovation methodologies to accelerate new projects so they can get to stronger business outcomes faster and with fewer resources. Participants use design thinking and lean startup innovation principles and techniques to validate ideas directly with customers. The program takes employees through, gathering feedback from customers, analyzing insights, creating prototypes, and repeating until Cisco and the customers agree that the solution has been perfected. More than 500 Cisco employees have participated in Startup//Cisco workshops to date; more than 175 participated in fiscal year 2018 alone.

Angel Workshop

Angel Workshop
Invest wisely in innovation

One of the key lessons from the first Innovate Everywhere Challenge (IEC1) was that innovation is a collaborative process that requires a strong network of supporters. *My Innovation* decided to encourage employees to advise and mentor IEC teams and reward those who supported teams. It introduced an Angel Workshop to help employees, especially managers and leaders, develop the skillset needed to identify and nurture innovation.

Real world angel investors teach the angel workshop. Participants learn and then apply methodologies to evaluate pitches, perform valuations, guide innovation teams, and build a balanced investment portfolio. These skills are necessary in a large, corporate environment, as evaluating and investing in early stage innovation differs significantly from managing traditional product portfolios. By the end of 2018, more than 60 Cisco employees had participated in an Angel Workshop.
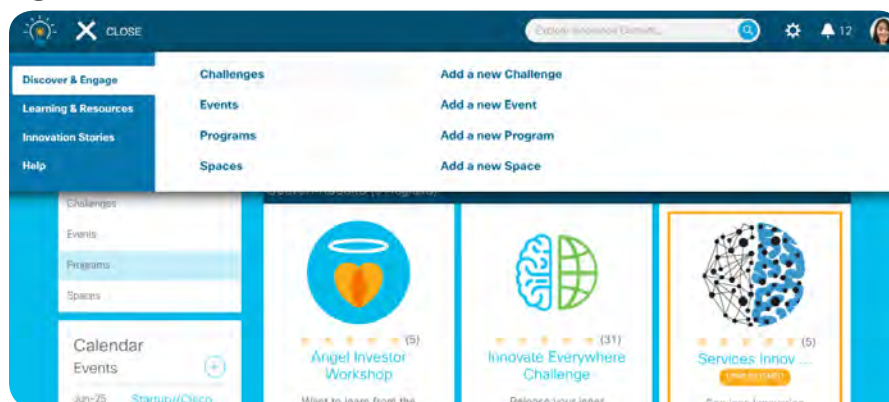
Innovation Hub

Innovation Hub
Go-to-portal to connect innovation resources, ideas, and people

The Innovation Hub is a one-stop portal for all things innovation at Cisco. It has evolved into a thriving virtual community where employees can participate in innovation events and competitions, discuss new technologies, and connect with peers and mentors with similar interests. The Innovation Hub helps employees efficiently and quickly find the right people to move their innovative ventures forward and to reach decision makers. Over 40,000 employees visited the Innovation Hub in fiscal year 2018.

New in 2018

In 2018 the Innovation Hub team enabled a self-service process that allows Cisco program managers to add and manage their own innovation challenges (see Figure 2). They can now completely customize the different phases of their challenge, personalize submission and judging forms to manage the pipeline of ideas, communicate with judges, and much more. With so much of the friction involved in managing an innovation challenge removed, the number of innovation challenges across Cisco increased from only three in fiscal year 2017 to 20 in fiscal year 2018.
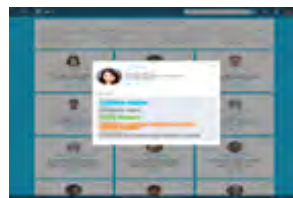
Figure 2

Further, users now see personalized "feed" and "Mark Your Calendar" sections when they log into the Innovation Hub, making it easy to find upcoming innovation activities that match their interests (see Figure 3).

Figure 3
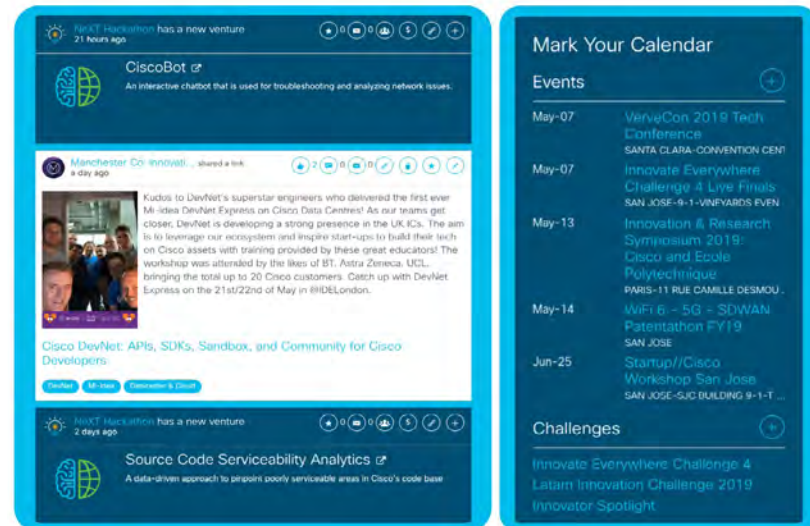
Mentor Network

Mentor Network
Cisco employees
ready to help

The Mentor Network, hosted on the Innovation Hub, consists of more than 4,500 Cisco employees that volunteer to help others in their innovation journey. Any employee can go on the Innovation Hub to search for the perfect mentor. Users can find mentors by title, interest, business or technical expertise, and/or geography. Searching for mentors is one of the most popular features on the Innovation Hub and more than 100 connections are made every year.

Innovate Everywhere Challenge

IEC
Company-wide
innovation competition

The Innovate Everywhere Challenge (IEC) is Cisco's global innovation competition. It is an annual opportunity to engage all employees to innovate cross-functionally. The IEC follows startup-like phases – ideate, validate, fund, build – and lasts about nine months (see Figure 4). It helps employees grow their ideas by providing them the skillset, resources, and visibility they need. Cisco "Founders" and "Angels" are recognized as vital parts of the IEC. In fiscal year 2018, more than 500 ideas were submitted to IEC3 and 21% of Cisco's workforce participated in the challenge.

"The IEC gave me the opportunity to talk to different people and understand the whole business ecosystem: to think about Supply Chain, HR, and Legal. I never thought about those things, so that's the value I get—understanding the entire ecosystem and all its parts makes you successful."

– Yogesh Ramdoss,
Technical Leader, Cisco Services
and two-time IEC semifinalist

Figure 4
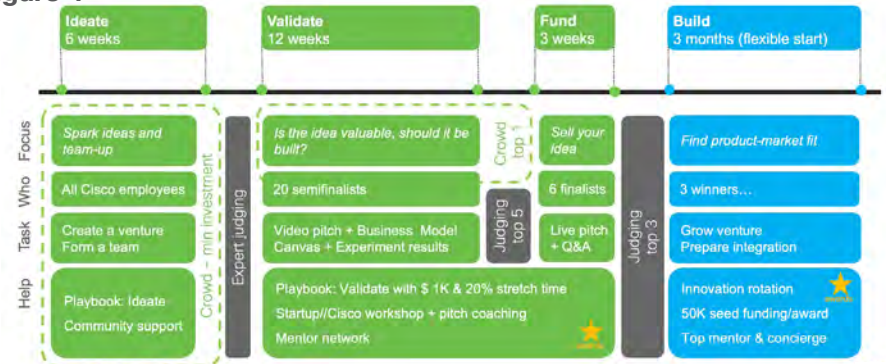
The Innovate Everywhere Challenge follows startup-like phases. In addition to seed funding, teams and their supporters (such as mentors) receive cash awards of more than $250,000.

📢 New in 2018

For the third year of the IEC, the organizers created "Innovation Ambition" videos and posted them at the start of the challenge. In these three-minute videos, leaders from seven of Cisco's business units shared their top priorities and encouraged teams to align their submissions to these priorities. This guidance enabled teams to shape their ideas around top executive priorities.

The Innovation Ambition videos and other improvements to involve leaders in the judging process made it easier for IEC3 teams to find executive sponsorship after the competition. Many of the IEC3 finalists are off to promising starts in converting their entries into businesses. See Appendix for more details on top IEC teams and their business impact.

Ruba Borno, VP & GM, Cisco Managed Services, shares strategic areas where leaders see a need for innovation and disruptive ideas.

thingQbator

thingQbator

Makerspaces

thingQbators form a network of makerspaces for Cisco employees. Equipped with the latest Cisco and third-party tools and platforms, these spaces encourage exploration, prototyping, and learning. Originally focused on Internet of Things technologies – hence the name thingQbators – they now include other technologies such as drones, 3D printing, and augmented reality. More than 480 employees have built prototypes in thingQbators to date. The primary locations are Bangalore in India and San Jose in the USA, two of Cisco's largest campuses.

Beyond cohorts of makers, thingQbators host technology exploration events that allow employees to share and learn from each other. The thingQbator spaces nurture a thriving community of employees who enjoy tinkering and inventing, making them evangelists for the innovation culture that Cisco is building.

New in 2018

Cisco's thingQbator started out as a separate program from *My Innovation* but was integrated into the ecosystem in the 2018 fiscal year, providing it greater visibility across the company. A new thingQbator space opened in Cisco's San Jose headquarters, and 50 teams of employees asked to join the first cohort of makers in San Jose. Teams experimented and refined their ideas over four months. At the end of this period, 10 of the teams presented their prototypes to representatives from various Cisco business organizations for feedback and discussion. Impressively, all 10 teams found a tangible path to continue building out their prototypes. Some have been adopted by business units, others will be profiled in technical papers, and a patent has been filed for one prototype with other patents to possibly come.

Evidence of a Self-Sustaining Culture of Innovation

The 2018 fiscal year marked a tipping point where Individual components of the *My Innovation* ecosystem started to reinforce each other.

- The Innovation Hub served as a virtual platform for all innovation programs as demonstrated by the increased number of challenges running on it.
- Several of the teams that created prototypes as part of a thingQbator maker cohort entered these into the IEC. Teams who entered the IEC also used the makerspaces to further develop their IEC ventures during the competition.
- Startup//Cisco participants took an extra day of training to become innovation mentors. These mentors, searchable through the mentor network, bring their skillset to the different programs and back into their organizations.

The *My Innovation* ecosystem of supports is now used by organizations year-round and across the company. Beyond the impressive Innovation Hub user base, there is no better sign of traction than the increasing level of sponsorship. While the development of *My Innovation* programs initially relied on the sponsorship of HR and Corporate Strategy, other organizations within Cisco are now paying for their use of these services and expanding their own capacity to innovate. This virtuous cycle is critical for creating a broad-based, self-sustaining culture of innovation.

People's everyday actions are the most powerful shapers of organizational culture. To scale, *My Innovation* must rely on participants in the innovation community becoming advocates who motivate others to engage in innovation. The emergence of serial entrepreneurs and innovation mentors is a first step in that direction.

One such serial entrepreneur is Gyana Dash, a Senior Manager in R&D. Dash was part of one of the winning teams of IEC2. He has worked to take his team's idea to a full-fledged product being sold to customers. Not content with this, he submitted another venture in IEC3 and mentored three other teams the same year.

Another example is Mikhail Mooney, a Senior Manager in Advanced Services. Mooney joined the IEC for three years in a row. He submitted an entry in IEC2, then served as a judge during IEC3. He decided to submit an entry to IEC4 after attending a Startup//Cisco workshop. Partly because of his experience, his team was named one of the 20 semifinalists for IEC4.

"What I enjoy the most about running the IEC is seeing former participants continue as submitter, founders, and mentors. It shows that people believe in the challenge so much that they want to get on the other side."

– Flora Freitas,
IEC Program Lead

"People are now comfortable bouncing new ideas off anyone in the company. There are no boundaries or hierarchy anymore."

– Girish Babu,
Senior Technical Leader,
Alpha Programs

Impact Award for Cisco's Innovate Everywhere Challenge

These serial entrepreneurs serve as visible examples of Cisco's new commitment to innovation and help champion an innovation culture across the company. *My Innovation's* success in spurring cultural change across Cisco has also earned it recognition as an industry best practice.

- The Innovate Everywhere Challenge won the Brandon Hall Group's Leadership Development – Emerging Star award in 2016.
- Innovation Leader recognized the Innovate Everywhere Challenge with an Impact Award for "achieving extraordinary outcomes related to innovation programs" in 2018.
- In 2019, *My Innovation* won the project award for "Best Achievement in Cultural Transformation & Sustainability to deliver a high performing Enterprise Excellence culture," presented by The Business Transformation & Operational Excellence World Summit (BTOES). *My Innovation* had been a finalist for this cross-industry award in 2018.
- Fortune magazine ranked Cisco #6 on its 2019 Fortune 100 Best Companies to Work For® list—up from #48 in 2018 and #67 in 2017. The magazine highlighted how the IEC and *My Innovation* transformed the Cisco's culture by ensuring that decision-makers considered new ideas from employees at all levels.

Looking Ahead

As usage of the Innovation Hub and other *My Innovation* services becomes more pervasive, the engagement and participation data collected will help drive future decisions. Cisco's leaders will increasingly be able to answer questions such as:

- How does my unit's engagement in innovation compare with other units?
- How strong is my team's innovation skillset?
- Who are the top intrapreneurs on my team that I should be recognizing?
- How can I best align employees' passion and expertise with available roles?
- Does engagement in certain types of innovation activities correlate with the length of an employee's tenure or with faster career progression?

Cisco will also be able to identify which innovation experiences are most important for employee productivity, creativity, satisfaction, and retention. In addition, tracking the outcome of the close to 3,000 ideas now living on the Innovation Hub will help shape future innovation investments.

Ultimately, *My Innovation* hopes that the culture of innovation at Cisco is so deeply ingrained that nearly all its employees state that they are "ready to innovate." Great Place to Work recently conducted a [survey](#) of 500,000 employees at 792 companies to try to calculate each company's innovation velocity ratio. The survey asked each employee whether they "consistently experienced meaningful opportunities to innovate" or whether these opportunities were lacking, absent, or threatening. Companies with an 11:2 ratio of employees who said they had consistent opportunities to innovate versus those said they did not had 33% higher adaptability, 14% lower turnover risk, 21% higher discretionary effort, and higher revenue growth than companies where the ratio was just 3:2.

These findings underscore Cisco's core belief that providing all its employees frequent, meaningful opportunities to innovate will fuel its vitality in the next generation. This is the ultimate goal that *My Innovation* continues to pursue.

Appendix: Top IEC Teams and Their Business Impact

The IEC achieved some impressive cumulative totals over its first three years (2015-2016, 2016–2017, and 2017–2018):

- Over 4,000 employees submitted more than 2,300 ideas
- 43% of Cisco's employees participated in an IEC
- 95% of employees surveyed would recommend the IEC to their peers

Another key metric of success for the IEC is to create business outcomes out of the best employee ideas. This takes time, as teams need an average of two to three years to develop their prototypes, find business sponsors, and begin to scale.

The following table captures some of the key contributions from the 65 IEC semifinalist teams to date.

Post-Challenge Contributions of IEC Teams (as of March 2019)

| 19 Ventures have reached the PoC phase | 21 Ventures have raised additional funding | 11 Patents submitted |
| 5 Ventures adopted by business | >$1M In Annual Opex savings | >$2Bn Enabled bookings |

Several past IEC participants achieved notable business outcomes during 2018:

From IEC3 (2017–2018):

Complex Deals Made Easy   IEC3 Winner
Mosaic is a new commercial deal modeling platform that helps Cisco sales teams simplify and simulate scenarios for complex deals. The system is already in use by several teams and has assisted them in winning 140+ deals valued at more than $2 billion. The team continues to work on developing the platform and extending its capabilities.

QRKey   IEC3 Winner
Team QRKey created an automated licensing tool that allows 100,000 customer interactions per year to be completed in one click. This venture received additional funding after the Challenge to complete initial development and is now part of the product return and replacement process.

Qualex   IEC3 Winner
Team Qualex designed a product that uses artificial intelligence to detect and list remedial steps for defects in Cisco products. This venture prevented an estimated $10 million in defects in its pilot phase and is quickly becoming a standard within Cisco Engineering. Team Qualex also went on to win a Pioneer Award in 2018.

Advanced Services Flex Points   IEC3 Finalist
Team Advanced Services Flex Points developed a service that gives points to Cisco clients to use when paying for future services. The customer trial was oversubscribed with 10+ customers and has already yielded over $3M in value in new bookings.

In time, the impact of these and other innovations submitted to IEC3 will only deepen.

From IEC1 (2015-2016) and IEC2 (2016-2017):

Network Early Warning   IEC2 Winner

After the IEC2 Challenge and a period of development, Team Network Early Warning became part of Cisco's Automated Fault Management product and was released at the 2018 Global Security Exchange industry conference. The product has a full team behind it and is on track for several million dollars of annually recurring revenue.

Enterprise Virtual and Augmented Reality (EVAR)   IEC1 Winner

Shortly after IEC1, a part of the EVAR team was integrated into Cisco's Collaboration group. They released a free application on the Oculus store called "Spark VR". Although the application was shut down in late 2018, the team continues to apply learnings from Spark VR in Cisco's extended reality Collaboration work.

Rainmaker / Vaquero   IEC1 Winner

Vaquero (formerly known as Rainmaker) was adopted early as part of a Cisco business unit. Some of the technology has been open sourced and has been integrated into the Cisco Virtualized Infrastructure Manager (CVIM) product. Vaquero also continues to serve a key Cisco customer as a standalone product.

Project Lifechanger   IEC1 Winner

Project Lifechanger has evolved into a movement at Cisco, resulting in a best practice for other companies to emulate. Since its inception, Cisco LifeChanger has helped facilitate the hiring of people with disabilities globally, across all disabilities, into a broad range of functions. It has been recognized by industry leading disability inclusion organizations and recipient of numerous awards. It is slated to be integrated into our regular talent acquisition processes in 2019.

Other teams from IEC1-3 are still in the exciting process of growing, changing and evolving. We hope to have more stories to share from these teams in coming years.