Creating an E-Culture with Workforce Optimization

Michele Grisham, Internet Business Solutions Group, Cisco Systems
Workforce Optimization Transforms an Organization

- Higher customer satisfaction
- Higher employee efficiency
- Lower costs
- Greater flexibility
Traditional Solutions do not Yield Results

- Barriers to information sharing
- “Stovepipe” applications without integration
- Lack of complete picture of the enterprise

- Slow
- Error prone
- No Visibility

- Hard to Deploy
- Long development times
- Limited Audience

- Accessibility
- Usability
- Maintainability
What is Workforce Optimization?

- Communication & Collaboration
- Employee Self-Service Administration
  - Finance
  - Facilities
  - Human Resources
  - IT/Telecom Support
- E-Learning
Comprehensive Approach to Workforce Optimization

- Reduced Overhead
  - Streamlined Resource Management
  - Administration

- Informed Employees
  - Universal Access to Information
  - Corporate Communications

- Efficient, Effective Employees
  - Collaboration Tools
  - Self Service Applications

- Learning Organization
  - Electronic Support
  - Just-in-Time Learning
  - Complex Answer Support

Empowered, Knowledgeable Employees
Workforce Optimization Solutions
Achieve Measurable Results

• Promote an e-culture
• Increase employee satisfaction
• Shift employee focus
• Web-based applications are easy to deploy and use
• Self service model:
  improves employee productivity
  increases customer satisfaction
  reduces cost
Core Principles of Cisco
Employee Connection

Cisco Employee Connection

Office of the President
- Business Functions
- Lines of Business
- Business Units/Divisions

My Quick Links
- Cisco Directory
- Send a page
- Metro (Expenses)
- Travel
- TRC (IT Support)
- Telecom / Networking
- Floorplans & Maps
- HR (Human Resources)
- Mailer (Mailing Lists)
- Stock Administration
- Payroll
- Support Finder
- Workplace Resources

CSCO
53.938
-1.312
10:30 May 23

Customer Satisfaction

Employee News
- Cisco Enters Layer 7
- Influence Cisco's Office Applications Selections - Including Email, Calendaring, and More
- Steve Webber Named VP Engineering, Customer Contact BU

Dashboard:
- New Hires
- Managers
- Admins

Cisco Worldwide:
- Select a site...

Cisco Web Connection:
- Go to CCO, CMC, MCO...

How Do I...?
- Select a task...

About Cisco
- Corporate, calendars, partners, events...

Support
- Technical support, telephones, workplace...

Employee Services

© 1999, Cisco Systems, Inc.

www.cisco.com
# Online Directory & Org Chart

## Michele Grisham

### Contact Information

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Userid</td>
<td>mggrisham</td>
</tr>
<tr>
<td>Telephone</td>
<td>408 527-9713</td>
</tr>
<tr>
<td>Voice Mail</td>
<td>527 9713</td>
</tr>
<tr>
<td>Fax Number</td>
<td></td>
</tr>
<tr>
<td>Mobile Number</td>
<td></td>
</tr>
<tr>
<td>Pager Number</td>
<td>800 365-4578</td>
</tr>
<tr>
<td>Zip</td>
<td>94043</td>
</tr>
<tr>
<td>Address</td>
<td>465 North Bernardo Avenue</td>
</tr>
<tr>
<td>City</td>
<td>Mountain View</td>
</tr>
<tr>
<td>State</td>
<td>CALIFORNIA</td>
</tr>
<tr>
<td>Country</td>
<td>United States</td>
</tr>
<tr>
<td>Building</td>
<td></td>
</tr>
<tr>
<td>Floor</td>
<td></td>
</tr>
<tr>
<td>Cube</td>
<td></td>
</tr>
<tr>
<td>Number</td>
<td></td>
</tr>
<tr>
<td>Group</td>
<td></td>
</tr>
<tr>
<td>URL</td>
<td>ccc.cisco.com/ibsg/imktg/publicsector/</td>
</tr>
</tbody>
</table>

### Organizational Information

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title</td>
<td></td>
</tr>
<tr>
<td>Industry</td>
<td></td>
</tr>
<tr>
<td>Group</td>
<td>IBSG Field - new</td>
</tr>
<tr>
<td>Department</td>
<td></td>
</tr>
</tbody>
</table>
Human Resources Portal

HR News

Security Awareness: Protect Your Interests

An Article & Guide to Team Decision-Making

HR Purpose

Building Cisco's workforce into a sustainable competitive advantage by optimizing organizational capabilities through people, programs, processes and systems.

HR Goals / Mission

Employee Access Toolkit

Review or update your personal info including address, emergency contacts, salary, bonuses, training and more.
Help Desk

Cisco Employee Connection
IT Technical Response Center

Announcing 24 Hour TRC Support

System Status Message

May 19 - VBS/NetLove.A virus found in the wild. No indications of infections inside Cisco. Select this link for more information on this virus: VBS/NetLove.A Virus Information

New Hire Guide

TRC Support Requests
Open a Request: [US] [Europe] [Asia]

Update a Request
Review Requests

About the TRC

Ordering Software and Hardware
Hardware
Software (downloads)
Software (CD orders)
SoftTracker (Replaces Global IS Installation Site)
Support Finder

Support Finder provides direct links to Cisco internal support information and tools.

WHAT IS SUPPORT FINDER?

Support / People / Departments / Search Tools

HOW TO USE SUPPORT FINDER

* Services available in the Support Category are on the left.
* Clicking on the name of the Service brings it up in this window.
* To make the Service fill your entire browser, click the Maximize icon.
* Click the Title at the top of the left window to see the main page for the that list of Services.
* For a comprehensive list of all available services in this Category, click the All Services link in the left window.
* To change Categories, click on the Category links above or from the list on the left window.
Workforce Optimization Reaches Beyond the “Intranet”

- Cisco Employee Connection
- Internet/Extranet
- Distributed Information Sources
- Web User/Browser
- Employees
- Cisco Job Postings (www.cisco.com)
Optimize your Entire Organization to Solve Problems

- Reduced Overhead
- Informed Employees
- Efficient, Effective Employees
- Learning Organization

Use the core concepts of WO across all aspects of your organization to address your challenges of:

- Information Overload
- Workforce Skills
- Processes Inefficiency
Travel Expense Reporting Case Study
Life Before METRO

- Turnaround time for reimbursement...4 weeks
- Employees didn’t know the status of their expense reports
- Signatures were needed on all expense reports
- Back-office had four full-time “auditors” processing 4,500 expense reports monthly
- Auditors weren’t able to keep up with policy violations...spent too much time on data entry
METRO Project Goals

Cost Reduction
- Processing Costs ($50+ per report)
- Corporate Credit Card Cost

Customer Satisfaction
- End users need a single starting point and a "No-Training" interface
- Auditing needs better expense information and less admin in their jobs
- Everyone needs more information about their travel expenses

Control Improvement
- Automatic enforcement of Cisco policy
- Accuracy in data via up front audits
- Visibility...End user, Manager, and Auditor

Cycle Time Reduction
- Travel planning time
- Reduce reimbursement time
- Approval routing
- Reimburse via EDI and ACH
User and Agent Productivity

• Pull down charge information to pre-populate data
• Tell the user what receipts are required for submission
• Capture the appropriate information to reduce the “re-work” cycles
• Provide an auditing interface to speed report selection and auditing
Policy Enforcement

• Policy is best enforced by the traveler before the violation occurs

• Traveler should be informed as soon as possible for correction and to allow for future change in behavior

• All policy violations must trigger audit flag

• Users must be allowed to provide auditors with explanation ahead of time

• All violations should be tracked by type allow modifications to policies
Reducing Cycle Times

Think of the process end-to-end, and remove efficiencies at each step...

Creation
- Pre-populate as much of the form as possible, including accounting codes and charge activity
- Get auditing information up-front

Approval
- Enforce policies at time-of-entry
- Switch to “negative” approval process... mgr. says no, rather than having to say yes

Auditing
- Have the system flag the reports that need auditing
- Provide tracking mechanisms to escalate late audits
- Have system remind users of receipt submission

Payment
- Interface directly with financial systems and institutions
- Notify user and manager of activity
- Give user more payment options
  - Direct to credit card
  - Direct to bank acct
  - Paper check
**METRO Requirements**

<table>
<thead>
<tr>
<th>Reduced Administration</th>
<th>Improved Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Policy Validation</td>
<td>• Complete visibility into the expense reports</td>
</tr>
<tr>
<td>• Random and automatic auditing</td>
<td>• American Express Charge viewing</td>
</tr>
<tr>
<td>• User Authentication</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Efficient Employee</th>
<th>Learning Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Web based solution</td>
<td>• Policy Notification</td>
</tr>
<tr>
<td>• Policy Validation</td>
<td>• Intuitive Interface</td>
</tr>
<tr>
<td>• Charge and accounting data pre-population</td>
<td>• Integrated Policy Information</td>
</tr>
<tr>
<td>• User Authentication</td>
<td></td>
</tr>
</tbody>
</table>

Use all Components of WO to create an optimizing application
## METRO Provides Significant Cost Benefits

<table>
<thead>
<tr>
<th></th>
<th>FY96</th>
<th>FY99 (est.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Report Volume</strong></td>
<td>54,000</td>
<td>145,000</td>
</tr>
<tr>
<td><strong>Dollars Processed</strong></td>
<td>$19M</td>
<td>$77M</td>
</tr>
<tr>
<td><strong>Headcount</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Processors/Auditors</td>
<td>4</td>
<td>2.5</td>
</tr>
<tr>
<td>User &amp; IT Support</td>
<td>0</td>
<td>2.0</td>
</tr>
<tr>
<td><strong>Cost per expense report</strong></td>
<td><strong>$50.69</strong></td>
<td><strong>$7.91</strong></td>
</tr>
</tbody>
</table>

* Based on a 1997 American Express best practice survey
## Benefits of METRO
Go Beyond Cost Savings

<table>
<thead>
<tr>
<th>Cost Reduction</th>
<th>Control Improvement</th>
<th>Customer Satisfaction</th>
<th>Cycle Time Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Processing Costs ~$8.00, saving $6.1M per year</td>
<td>• Automatic enforcement of Cisco policy reduced submitted violations by 50%</td>
<td>• User satisfaction increased due to charge pull down and reduction in reimbursement time</td>
<td>• Reimbursement time reduced to 4 days</td>
</tr>
<tr>
<td>• Received both speed-of-pay and volume-per-card savings in corporate credit card costs</td>
<td>• Rich data capture allows travel analysis by managers and auditors</td>
<td>• Auditors satisfaction increased due to removal of data entry chores</td>
<td>• Up front policy enforcement allowed the transition to “negative approval” process</td>
</tr>
<tr>
<td></td>
<td>• Reduction in data entry reduced errors</td>
<td>• Managers satisfaction increased due to the additional information and reduced workload</td>
<td>• Number of reports needing rework were reduced</td>
</tr>
</tbody>
</table>
Frugality Fact

In FY99, 59% of our travel reservations were booked less than 7 days in advance of the travel date.

If only 20% of these reservations were booked 14 days in advance, the savings to Cisco would be over $1 Million annually!

To obtain additional information, see http://wwwin.cisco.com/FinAdm/Travel/FrugalityFacts/currentAmericas.html
E-Learning
We will become the #1 company in the world in E-Learning. In ten years, all education in part will be delivered through E-Learning.

John Chambers, President and CEO, Cisco Systems, Inc.
Cisco’s E-Learning Portfolio

- Live and Scheduled Video Broadcast
- Audience Participation Presentations
- Policy Training
- Mixed Media Mentoring
- Virtual Classrooms
- Real-time Alerts
- Mixed Media Content on Demand

Cisco’s E-Learning Portfolio
E-Learning

Cisco Field E-Learning Connection

- 40-60% cost savings vs. instructor-led training
- 80% of sales and technical training on line
- 100% of Cisco sales staff to use in FY 2000
- Anytime, anywhere access and accountability
Significant Annual Financial Impact from Cisco’s WO

<table>
<thead>
<tr>
<th>Total Savings</th>
<th>54,954,776</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Directory</td>
<td>3,187,978</td>
</tr>
<tr>
<td>Expense Submission</td>
<td>2,699,500</td>
</tr>
<tr>
<td>Benefits Enrollment</td>
<td>712,000</td>
</tr>
<tr>
<td>Employee Communication</td>
<td>16,034,120</td>
</tr>
<tr>
<td>Recruitment and Staffing</td>
<td>2,191,717</td>
</tr>
<tr>
<td>Training Delivery</td>
<td>24,404,000</td>
</tr>
<tr>
<td>Compensation Management</td>
<td>2,247,004</td>
</tr>
<tr>
<td>Stock Administration</td>
<td>500,000</td>
</tr>
<tr>
<td>Procurement</td>
<td>2,974,457</td>
</tr>
</tbody>
</table>

1% Added Value of Information / Learning $+$ 110,000,000+ / year

But the Focus is on Optimization, not Savings!
Cisco’s Workforce Optimization Application Value Assessment

Cultural & Economic Impact

Ease of Implementation

High

Low

Hard

Easy

Purchasing
Expense Reporting
Executive Decision Support
E-Learning
Compensation Review
Recruiting & Hiring
Employee Directory
Communications
Information “Push”
Benefits Enrollment
Training Registration

© 1999, Cisco Systems, Inc.
Transformation Requires These Critical Success Factors

- Universal connectivity reaches everyone
- Enterprise-wide scope…end-to-end processes, systems, infrastructure
- Web as point of entry for information and self-service applications
- Task capability resides with the task owner…no bottlenecks or extra steps
Significant Lessons Learned

- Revolutionize processes via IT/Business partnership
- Provide new value with new applications
- Focus on the “low-hanging fruit”
- Create flexible-facing applications
- Phase functionality to reduce development time
- Use exception mgmt. based on an 80/20 rule
Workforce Optimization
Embodies Core Principles

Enhance communication by placing information employees want next to information you them to have.

Personalize with event based organization and community portals.

Create full life-cycle, end-to-end services performed by owner.

Provide multiple access methods.

Highlight fresh content.

Identify Owners.
In the end, we know the University will be run better. There will be fewer people in certain areas because of technology. There will be fewer errors in some functions, less hassle in others, a lot less paper. We will be better and faster, friendlier to our ‘customers’ including vendors and our employees.

James J. Stukel
President, University of Illinois
Workforce Optimization at UI

“Strategic Plan for Administration”

• One standard time report (240,000 transactions/year)
• Electronic Change of Status Forum (126,000 transactions/year)
• Procurement (UI buys more than $500M of goods/services each year)
  – “UI Buy” Internet Procurement - projected savings $10M
  – P-Card replaces departmental purchase orders and some vouchers
• NESSIE (Net-Driven Employee Self-Service and Information Environment)
  – First phase covers approx. 50% of HR transaction volume
  – Projected savings of $2.4 million as 400,000 paper transactions move online
The Roadmap to the Optimization Engine

Build vision → Create awareness and a Web-centric culture

Build enterprise infrastructure vision and lay scalable foundation → Enhance architecture as needed

**Internet Powered Architecture**

- **Foundation Technologies**
  - Security
  - Directory Services
  - Network

- **Prerequisite Systems**

- **Enabling Technologies**

- **Initial Applications**

Build momentum with additional apps → Create self-running “engine”