

Workplace Flexibility Case Study
Cisco Systems and Telework
by Ken Giglio

Company: Cisco Systems (www.cisco.com)

Company profile: Cisco Systems is the world's largest provider of networking systems for the Internet, with revenues of \$22 billion in the 2004 fiscal year. It is ranked 95th on the Fortune magazine list of largest U.S. companies. Cisco's vision is to change the way people work, live, play and learn. Cisco employs nearly 39,000 people worldwide. The company is based in San Jose, CA.

Program profile: Cisco Systems began a formalized teleworking program for managers and employees in 1993, becoming one of the first companies in the Silicon Valley to do so. The program allows workers greater flexibility in the scheduling of their work hours by, in many cases, eliminating the need for a daily commute. By taking advantage of broadband technology in remote locations, employees are able to work full speed at reduced time and cost to both the employee and the company, resulting in what the company believes is a general improvement in the quality of life for its workers. More than 90% of Cisco's employees utilize residential broadband services, allowing them to telework at least some of the time.

Benefits to Employees: Because of the company's commitment to technology, many employees are able to do their work from virtually any location. Employees leverage that flexibility to balance the needs of their family and personal commitments. The company doesn't so much require a set schedule for workers as it does the completion of work objectives as set forth by leadership. Under that system, as long as those objectives are met within appropriate time frames, employees are free to work when and where they like. In one company trial, teleworking participants reported they gained an average of 30 minutes per day based on no commute time. Workers also reported being able to stay at home and tend to sick family members while still fulfilling work obligations.

Benefits to Employer: Cisco is able to take in significant cost savings by having workers available through teleworking. In 2003, it realized \$195 million dollars in increased employee productivity. Essentially, by allowing employees to be working -- whether at home or while on the road -- as opposed to commuting, they are more focused and dedicated to completing the task at hand. In addition to reducing Cisco's operational costs, the company's telecommuting policies and procedures allow the company uninterrupted access to mission-critical information and resources in the event of a natural disaster or homeland security threat. In cases of severe inclement weather such as ice storms, employees are able to work from home with peace of mind. Cisco also sees its endorsement of telecommuting as supportive of President Bush's goal of national broadband availability by 2007. The company's turnover rate averages about 3% per year. As a result of its experience with telework, Cisco has begun to redesign its workplaces and workspaces in a popular, cost-effective manner.

The Challenge: The challenge for Cisco was being able to better utilize its global work force in 97 countries around the world. Many of those employees travel as part of their work. As a result, company leaders felt a need to enable employees to work “any place, any time.” Cisco was also looking for a way to realize real estate savings despite locations in many high rent districts worldwide.

Personal profile: Corporate Vice President and Global Managing Director Steve Du Mont has been with Cisco for four years. While his office is technically in San Jose, he telecommutes from around the world. He lives part-year in northern Utah and part-year in Chicago. Du Mont says he would not have taken his current job with Cisco had it not been for the flexibility offered through teleworking. He continues to serve on the boards of directors of several outside firms, although he reduced that number as a condition of his employment. Nonetheless, Du Mont says he would not be able to successfully juggle all of his various activities were it not for the dramatic increase in productivity realized through telework. “Teleworking has allowed me to regain my life, and to conduct a wide range of activities – some personal, some related to Cisco. It empowers individuals to run their lives in ways that were not previously possible.”

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