



# Cisco's Vision on Logistics

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# Agenda

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- **Current Logistic Model**
- **Key Challenges**
- **Cisco's Future Vision of Logistics**
- **B2B - Integrating Global Logistics**

# Transportation & Logistics Key numbers

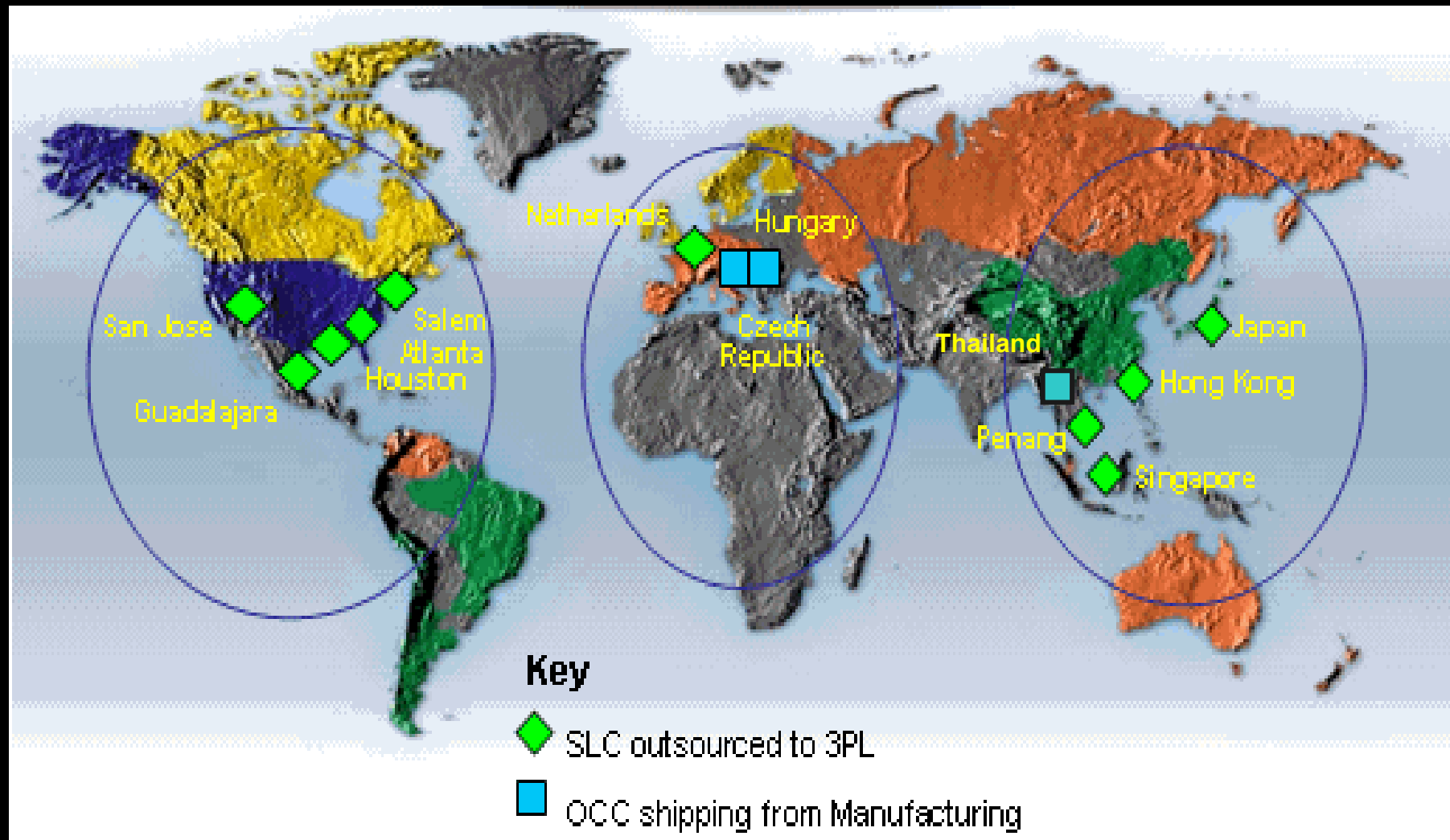
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- **39 Contract Manufacturer locations**
- **3 Regionally aligned Logistic providers**
- **10 carriers on a global basis**
  
- **10,000 Tonnes of freight per Quarter**
- **327,000 orders per Quarter, 99,6% on time**
- **1,5 Mio cartons per quarter**

**The right information, at the right place, at the right time**

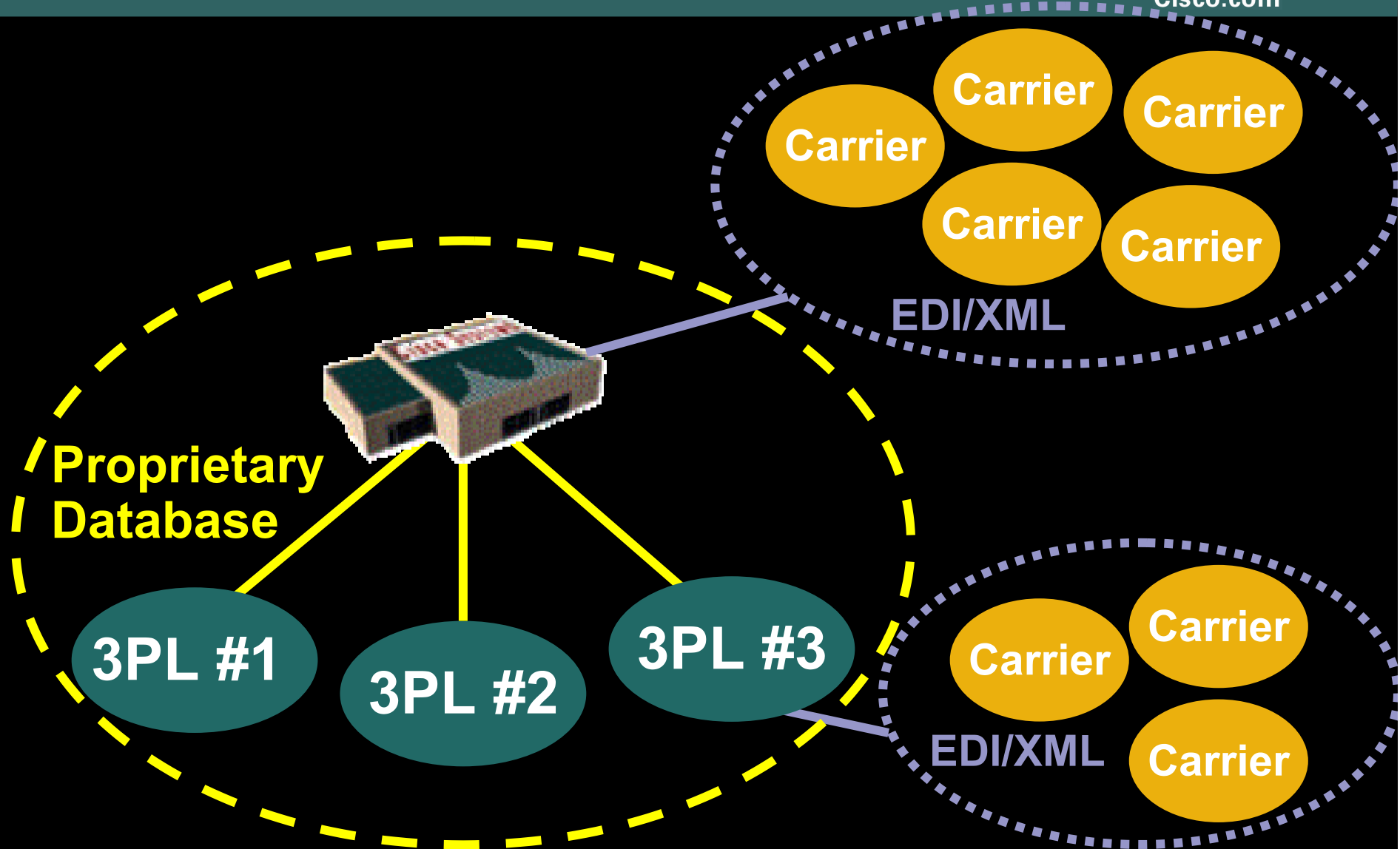
# Service Logistic Center and Order Consolidation Center Distribution

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# Cisco's Current Logistics Network System

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# Limitations of Current Logistic Model

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## **Business**

**Inflexible product delivery and distribution network – one size does not fit all**

**Redundancies in Cisco's physical network**

**Limited shipment visibility and reactive event management**

## **IT**

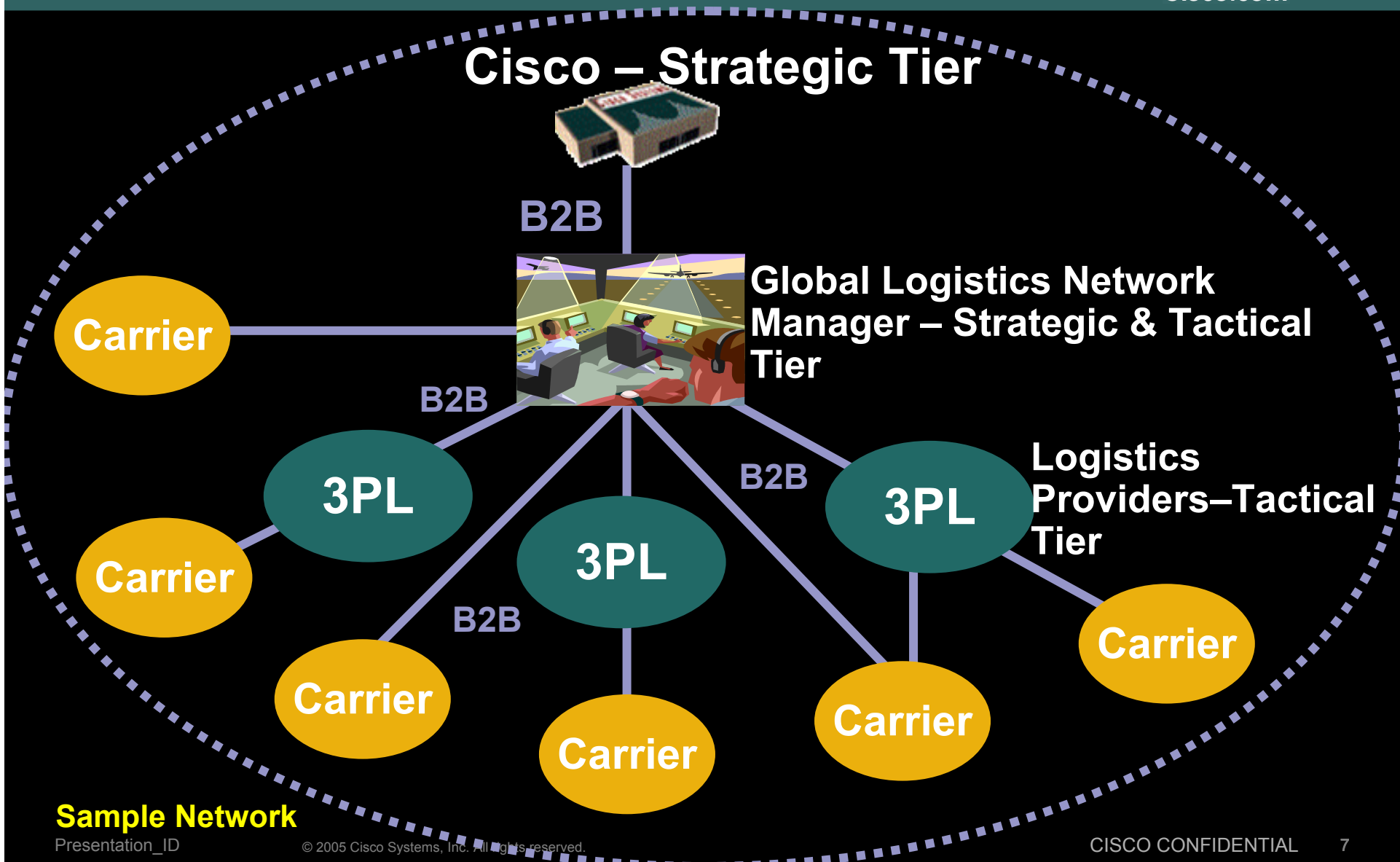
**Managing IT Integration with multiple entities**

**Ad-hoc solution – Logistic IT customizations**

**Change Management**

# Future Logistics Network System

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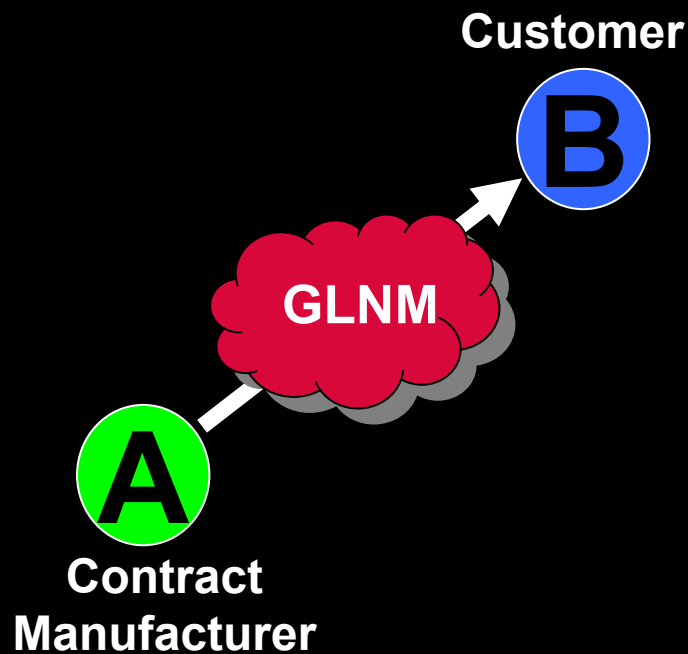


**Sample Network**

# Global Logistics Network Partner Value Proposition

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Serve as Cisco's PRIMARY supply chain management partner, with overall responsibility for the efficient performance of the logistics chain.



**Delivery:** Improve Cycle Time Through Reduced Transit Time While Maintaining Predictability

**Quality:** Provide Global Shipment Visibility and Proactive Logistics Management. Enhance the Customer Experience & Satisfaction through Expanded Logistics Services

**Cost:** Increase Operational Efficiency and Reduce Transportation and Logistics Costs. Reduce Total Cost of Ownership and Customizations of Cisco's IT Logistics Systems

**Flexibility:** Implement flexible global shipping methods to enable a dynamic network to support changes in Cisco's manufacturing strategy

# Value Proposition Summary

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## Today

- Static Network
- Fixed SLC Costs
- Fixed Lead Time
- Fixed Routing
- Inconsistent Visibility by Region
- Reactive Event Management

## Future

- Dynamic Network
- Volume Based Costs
- Optimized Lead Time
- Flexible Routing
- Globally Consistent Visibility
- **Proactive** Event Management
- Reduced Logistics IT customizations

# B2B - Integrating Global Logistics

Luca Felli – B2B TPRM



# What is B2B?

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**“The integration of business processes  
between trading partners through  
seamless data exchange”**

***Trading Partner... a customer, channel partner, vendor or supplier***

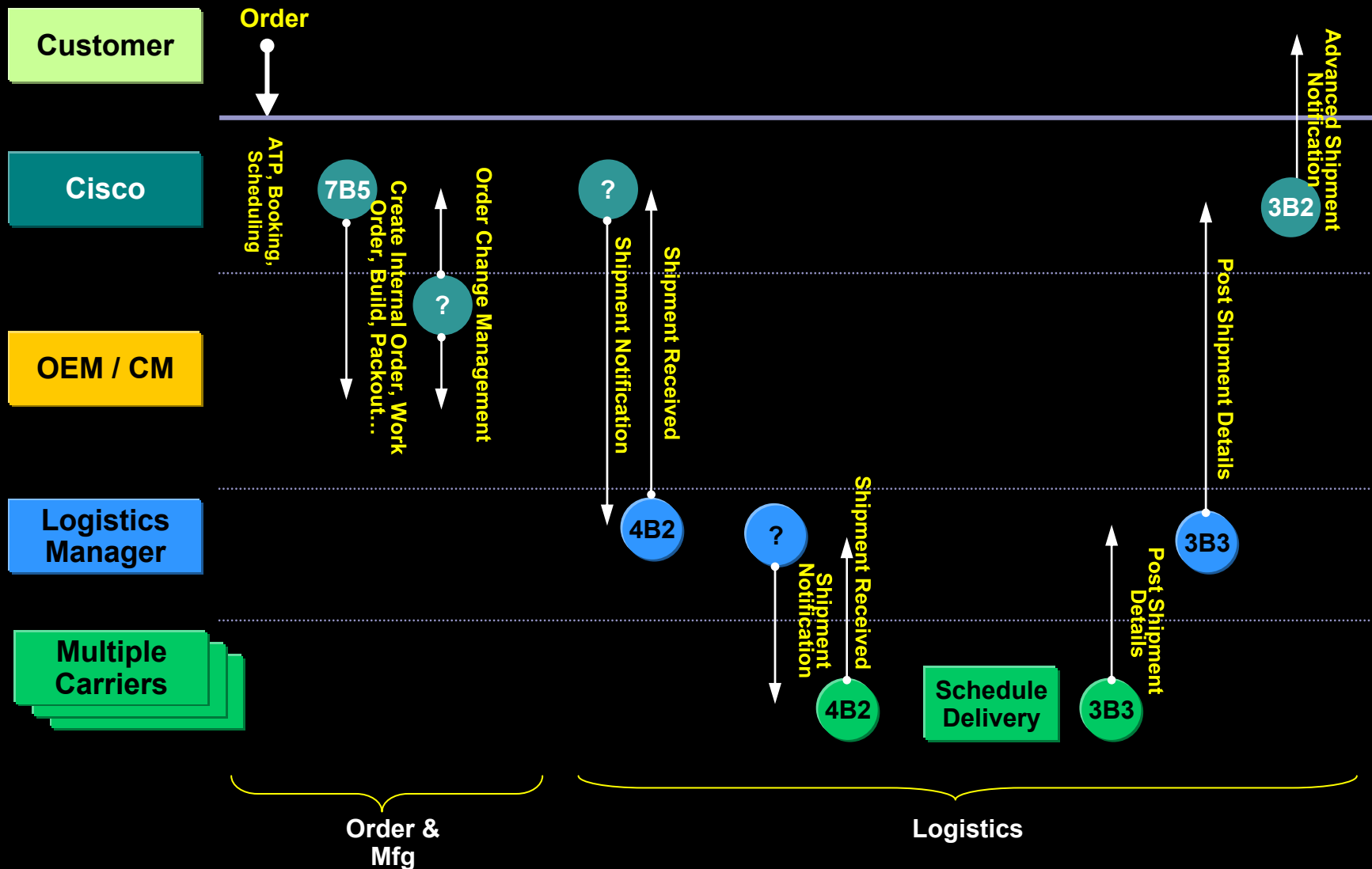
# B2B – Value Proposition

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- **Real time visibility**
- **Open standards**
- **Enables seamless integration of processes and systems**

# Future Vision: Logistics B2B

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# What is a B2B RightWeight Methodology?

**“ An end-to-end business-driven approach that enables us to make appropriate decisions for e-business integrations by asking the right questions”**

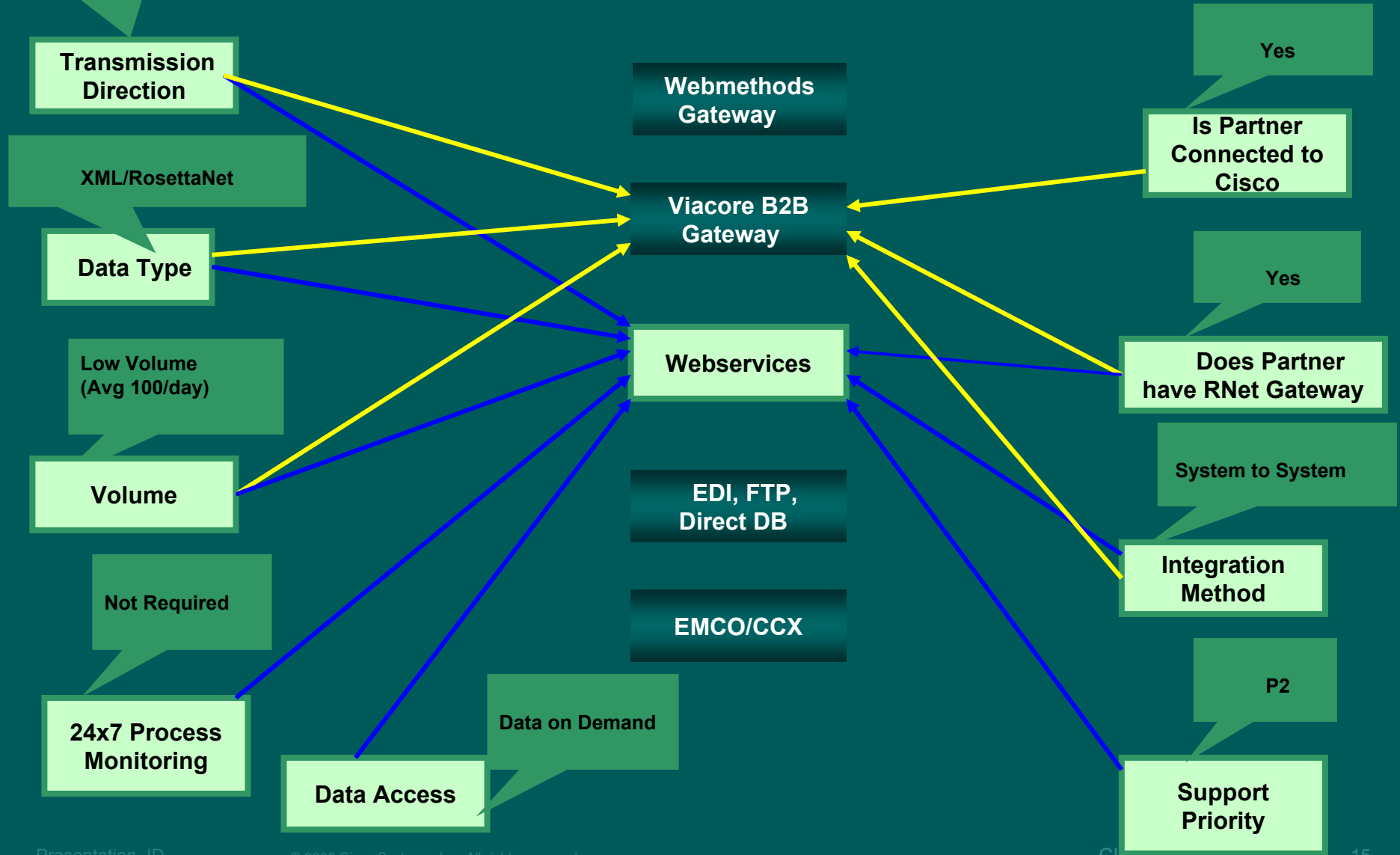


# B2B Rightweight methodology applied to BOM

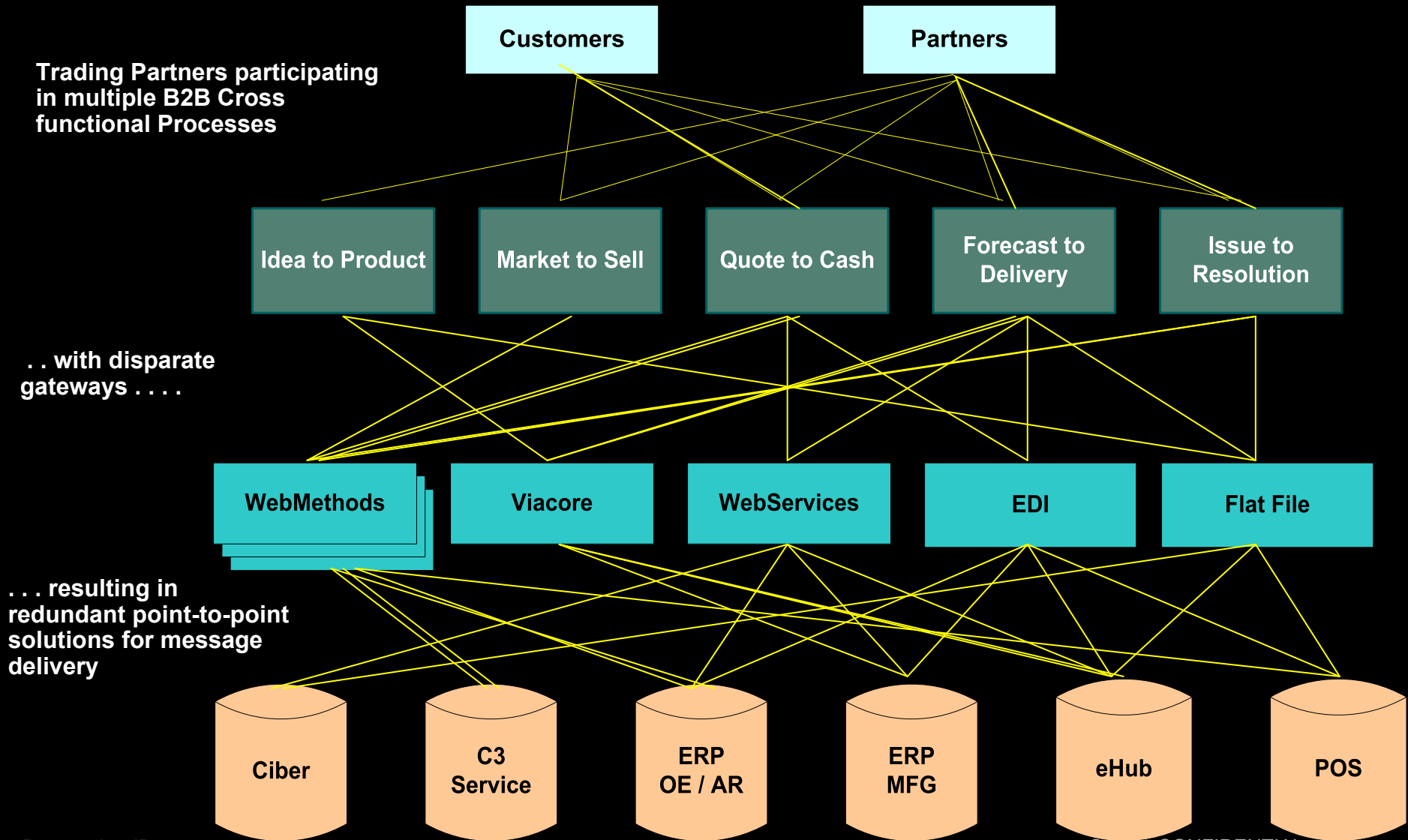
Outbound. ECO Process sends BOM Data to the CM

## POC

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# Current state B2B architecture



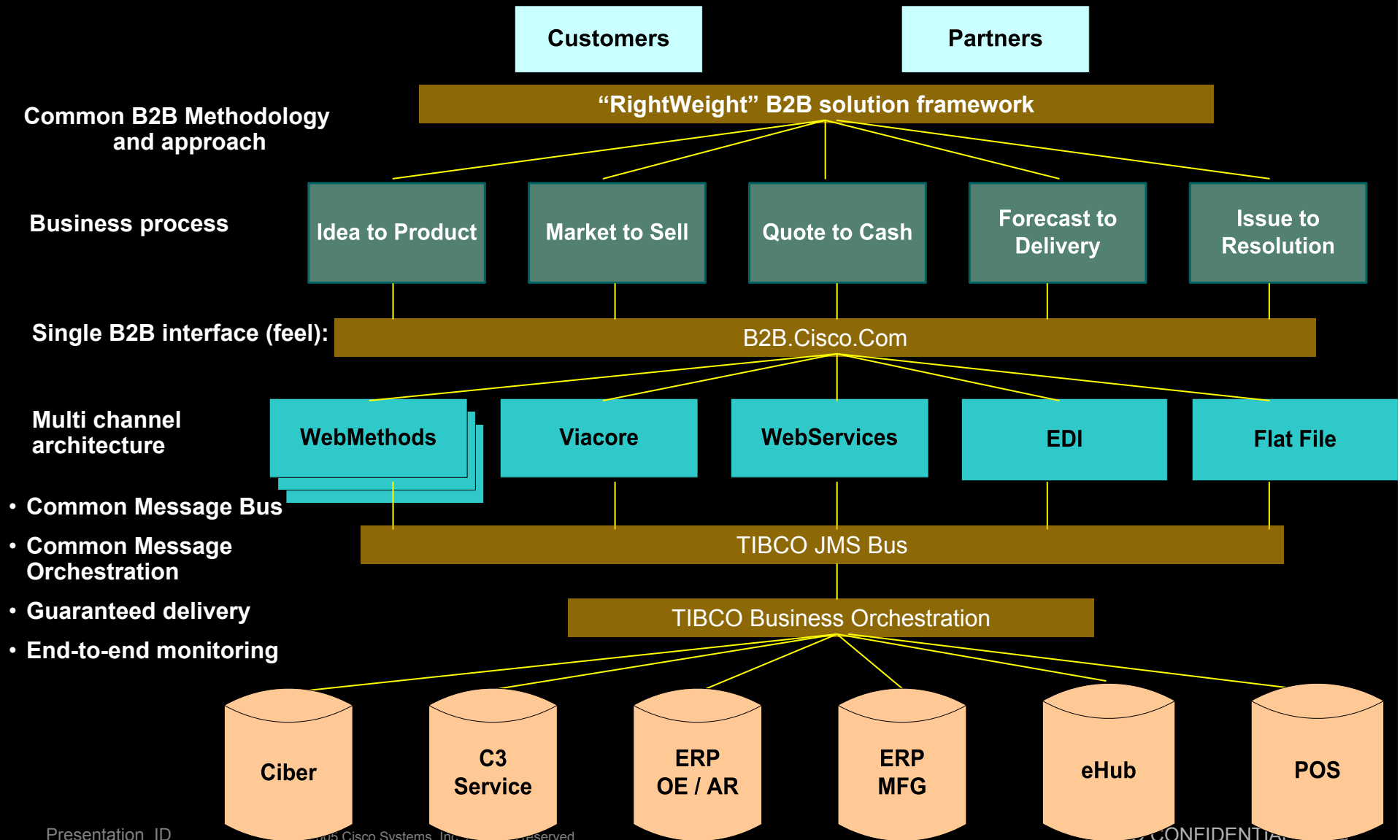
# Challenges and opportunities

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- **Multi-channel approach and partner capabilities**
- **Managing information - utilization**
- **Process and system changes – management of a trading community**
  
- **Opportunity : determine the best B2B solution based on our business requirements, capabilities, limitations (and those of our trading network)**

# Future State Enterprise B2B architecture

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# Q and A



