

Cisco creates Ottawa R&D presence with targeted acquisitions

Cisco, Inc. is the worldwide leader in networking for the Internet, and also a corporate leader in Ottawa's technology community

Fast facts Corporate profile

To deliver on this promise of IPoDWDM convergence, service providers need a partner that understands their business and has a clearly defined vision and strategy, including an execution plan for that strategy, and all the critical components of the end-to-end solution — Cisco.

Why Ottawa

Cisco's Ottawa Research and Development Centre is home to approximately 250 employees. In Ottawa, the Cisco name is also synonymous with the city's most popular summer celebration, the Cisco Ottawa Bluesfest, now in its 17th year. Staged with the help of 3,500 community volunteers, it is one of Canada's largest outdoor music festivals.

Business advantage

Cisco spends nearly \$5.2 billion a year in research and development, making it one of the top R&D companies in the world. When looking at R&D as a percentage of revenue, Cisco matches or exceeds industry peers and secures the company's commitment to innovation.

To meet the demands for converged packet infrastructures, service providers are increasingly moving their networks toward an IP Next-Generation Network (NGN) architecture. This shift is driven by the need to reduce OpEx and CapEx while offering new revenue-generating services over a single, converged infrastructure. IP NGNs can enable convergence at the application, service, and network layers. Cisco's (NASDAQ: CSCO) Ottawa Research and Development Centre focuses on technologies within service providers' core networks: Internet Protocol (IP) and Dense Wavelength Division Multiplexing (DWDM).



Canada's Creative Economy Capital

As service providers look to reduce their OpEx and CapEx, they should consider converging the IP and DWDM layers. The technology and the means currently exist to enable this convergence and deliver savings and increased revenue through accelerated speed to service and reliability in an increasingly competitive environment. These goals can be achieved without compromising the performance and scale that is needed to accommodate traffic growth for the next decade resulting from application convergence of all video, voice, and data traffic to IP.

To deliver on this promise of IPoDWDM convergence, service providers need a partner that understands their business and has a clearly defined vision and strategy, including an execution plan for that strategy, and all the critical components of the end-to-end solution — Cisco.

Cisco Ottawa employees have contributed almost \$1 million to the Ottawa Food Bank through the Cisco matching plan. For every dollar that employees give, it is matched with a dollar by Cisco executives and another dollar by the company.

Why Ottawa?

In Ottawa, the Cisco name is also synonymous with the city's most popular summer celebration, the Cisco Ottawa Bluesfest, now in its 17th year, as well as the company's long-standing involvement with the Ottawa Food Bank. Staged with the help of 3,500 community volunteers, it's one of Canada's largest outdoor music festivals and is ranked as one of North America's most important music events. Cisco is also the largest corporate contributor to the Ottawa Food Bank and in 2010 donated funds for the purchase of a three-ton refrigerated cube truck to increase food deliveries across the city.

Cisco's Ottawa Research and Development Centre is home to approximately 250 employees that mainly focus on hardware, software, ASIC, test, manufacturing and product marketing. The Ottawa R&D facility was formed by acquiring Skystone Systems in 1997, and StratumOne Communications in 1999. Cisco's Ottawa product focus areas include these Cisco routers: ASR1000, ASR9000 and CRS. Out of Cisco's worldwide employee base of 68,000, there are approximately 1,200 Cisco Canadian employees working across the country that focus on sales, marketing and product development.



Business advantage

Cisco recently announced the CRS-3, which offers more than 12 times the traffic capacity of the nearest competing system. The Cisco CRS-3 enables unified service delivery of internet and cloud services with service intelligence spanning service provider Internet Protocol Next-Generation Networks (IP NGNs) and data center. Approximately 75 per cent of the R&D staff at Cisco's Ottawa facility are focused on the CRS product line. Virtually all the hardware integrated circuits, linecards, and software and optical interfaces were redesigned by the team in Ottawa.

Cisco has a proven track record of successfully capturing market transitions, beginning in 1997 with the vision that voice and video would become one integrated event. The Cisco network also foresaw the network becoming the platform for all related technologies and the core of customer solutions, and the most recent market transition to online collaboration and Web 2.0 technologies. Cisco credits much of its success to its customers. By listening to their needs, ideas, challenges, etc. customers help define the future.

Future growth plans

Cisco spends nearly \$5.2 billion a year in research and development, making it one of the top R&D companies in the world. When looking at R&D as a percentage of revenue, Cisco matches or exceeds industry peers and secures the company's commitment to innovation.

A differentiator for Cisco is its internal innovation, acquisition strategy and partner approach. The ability to innovate is currently the harbinger of success and sustainability for the modern corporation. Of all of the companies on the Fortune 500 in 1965, only 19 per cent remain on this prestigious list today. Those companies that were able to successfully innovate and reinvent themselves, like Cisco, remain. Cisco's acquisition strategy is best-in-world and it particularly looks for acquisitions that capitalize on market disruption through new technologies and new business models.

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