



Video conference at Cisco.
Staff Photos by Chuck Liddy

Cisco chases global prospects

RTP is key, but so are India, Europe

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Cisco Systems' campus at Research Triangle Park has 3,500 employees, an all-time high. But even as it expands, the 12-year-old RTP campus is destined to lose its status as the second-largest operation in the technology company's global empire.

Cisco is investing \$1.1 billion in developing a mega-campus in Bangalore, India. The complex is slated to employ 10,000 people to serve the fast-growing international market where Cisco is staking its future.

If 10,000 sounds like a magic number, that's because it's the same figure Cisco projected for the RTP campus. That was before the dot-com flameout sobered the high-tech industry in this country.

But Cisco never abandoned its goal of creating a giant outpost; it merely redirected its aspirations from North Carolina to India.

"It's where the growth is, not just for Cisco, but in general," said Wim Elfrink, Cisco's chief globalization officer based in India. "From a globalization point of view, it's a historic chance."

The globalization mantra is being sounded by other tech firms with local operations, including Nortel Networks, Tekelec, Lenovo and IBM. Lenovo's globe-trotting chief executive says he is not based at a physical office, even as the computer maker expands its headquarters in Morrisville.

Cisco executives say geographical distance is a state of mind to be overcome with video-conferencing technology, such as TelePresence and Virtual Room. Cisco employees regularly hold virtual meetings with colleagues around the globe, requiring some workers to tune in at 5 a.m. or midnight.

From its global base in India, Cisco is ushering in the next phase of the Internet, developing technology to transmit two-way video and sound with the ease of sending e-mail.

The tech giant, based in San Jose, Calif., controls about two-thirds of the world market for Internet routers and switches. It has about 300 sites in 120 countries, but nearly half the company's 63,000 employees work out of eight key sites worldwide, including Bangalore.

Cisco's Bangalore campus is still under construction but already has 3,200 employees.

"I foresee over the next three, five years that I will add 6,000 to 7,000 people in my globalization center in India to capture the Middle East and Africa and Western China markets," Elfrink said.

Other Cisco sites stand to benefit. The RTP site has added 1,000 positions in the past two years for a total of 4,300 employees, when 800 contractor workers are factored in. All business divisions at the RTP site have grown, particularly customer support and product development, which account for two-thirds of Cisco's RTP employees, said Ed Paradise, RTP site president.

Paradise supervises about 100 employees in Bangalore as vice president and general manager of Cisco's Internet Protocol Communications Business Unit. He and other Cisco leaders say comparing office headcounts is meaningless.

"We're trying to make geography not a factor," Paradise said. "We're always focused on putting people where the opportunity is."

Still, innovation comes cheaper in India, where an engineer's pay is about half that of an equivalent position in the U.S., said Peter Brews, associate dean at UNC-Chapel Hill's Kenan-Flagler Business School.

"To think we'll always have the biggest here is an ethnocentric way of looking at things," he said.

Cisco's growth in India could reward shareholders and mint corporate careers. In the past month, two Cisco employees have sought the confidential counsel of Duke University business professor Vivek Wadhwa about making the move to Bangalore to jump on the corporate fast track.

"If you're really ambitious, that's where you need to be," said Wadhwa, an executive-in-residence and adjunct professor at Duke's engineering management program. "If you're a midlevel manager and you want to be an executive, you need to be where they're promoting executives."

Maggie Morrison, a senior director of Cisco's sales training program, oversees about 440 people worldwide, half of them in RTP. Her unit holds weekly video-conferences with employees at Cisco's Tokyo and Amsterdam offices. RTP workers tune in at 5 a.m. one week, then Amsterdam tunes in at midnight, and Tokyo comes online at 10:30 p.m.

Morrison attends the predawn sessions from home, where her computer has a video camera. "You have to look presentable," she said.

She says she does not feel eclipsed by Bangalore's rising star. "The growth opportunity is really very exciting," Morrison said.

Elfrink toured the RTP site in October and spoke to Wadhwa's students at Duke, telling them that getting ahead will require putting in time abroad and working at technology hubs such as Bangalore. Business opportunities in India reflect the region's emerging middle-class technocracy.

"It's about talent," Elfrink said. "Where will you find your future engineers? Where will you find your future development people? The U.S. and Western Europe are aging. In India and surrounding countries, there's more than a half-million undergraduates coming out of universities every year. It's basic raw material for us."

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