Cisco is a san jose case study

Business

CiscoIs a San Jose, California based company's " virtual close" software. There was a before and after to Cisco. The primary key issues facing Cisco in 2001 were that the software was not giving adequate information, the employees of the company overlooked economic factors associated with any business, and the company was trying to fill orders that were unsustainable. What Coco's systems didn't do was model what would happen if one critical growth assumption was removed from both heir forecasts and their mind-sets.

Cisco was already twitchy because lead times on delivering its routers and switches were extending.

Eventually those lead times would reach nearly six months on some products. Not having the components could push those delivery dates out even further. Cisco decided to build up Its components inventory. It would reduce the wait time for Its customers, and It would give the manufacturers of Coco's switches and routers a reserve to draw on If components makers ran out.

Cisco entered into long-term commitments with Its manufacturing partners and certain key components makers. " Promise us the parts", Cisco said, " and we promise to buy them.

No matter what. " Cisco made big news with its downfall. It did present a lesson for future and existing companies tattoo shouldn't depend on just software, because even that isn't 100% reliable. Shellac started changing the way the company was working by using Exiling to develop software that injects more macroeconomic indicators into his forecasts.

He considers it the key ingredient missing across the networking supply chain.

“ I can’t rely on just what Cisco tells me,” he says. “ We’re developing leading indicators that are more macro in nature. Information that comes through banking, Wall Street, debt levels and economic spending they’re not Intuitively related to me directly, but they have an effect. ” In essence, Shellac Is attempting to draw a more detailed map than the one Cisco used to navigate the future. A couple recommendations that could be implemented for

Cisco to prevent this from happening or that could have prevented it from happening are: not outsourcing as much, more open and expansive communications and a redundancy in the system, (so there are people checking the stats along with the software to ensure the highest accuracy possible). Due to the outsourcing, Coco’s partners were simply not as invested in delivering a loud wake-up call as an in-house supplier would have been.

Shellac says flatly, “ They were focused on what their customers were ordering.

No one looked at the macroeconomic factors overshadowing the entire communications Industry and spoke up. Someone should have said, These orders can’t be sustained. M Cisco was so blindly reliant on their previously excellently performing software that they were unable, or unwilling, to see what was obvious to other players In the market. Simply Involving some level of redundancy in checking the information provided against markers retrieved from outside ten system ml NT nave Eden all Tanat was n EAI to prevent ten catastrophic events that occurred.