

The Cisco Way



After the famous Toyota Way and later the HP Way, Cisco may now stake its claim to its own Way. Cisco's 'Doing Both' strategy in the past seven years has helped double revenue, triple profits, and quadruple earnings per share.

By Benedict Paramanand

record of innovation and high performance even at a time when most companies were teetering on the brink of collapse in recent years. The book is among the *New York Times* and *Wall Street Journal* bestseller lists.

Inder draws inspiration from other companies such as Procter & Gamble, Whirlpool and Harley-Davidson to make his point. His is not simply a proposition. He offers a complete blueprint for "doing both" in organizations and in personal life, too.

Focus on what you are good at; 'Don't spread yourself too thin;' 'Play to your potential;' 'Focus on your core competence.' Management gurus and even parents are often heard drilling in these ideas all the time. Is there any other way to do well in life and in business? Well! There is – by doing more than one thing equally well.

In a ground-breaking book titled 'Doing Both: How Cisco Captures Today's Profit and Drives Tomorrow's Growth' (FT Press, May 2010), Inder Sidhu has forcefully argued that it is high time we ignored the traditional approach to business and to life, and adopted the 'Doing Both' approach. This insider guide reveals how Cisco did it and how you can, too.

Doing Both means approaching every decision as an opportunity to seize, not a sacrifice to endure. It means avoiding false choices, reduced expectations, and weak compromises. It means finding ways to make each option benefit and mutually reinforce the other.

In a well-argued case, Inder identifies common business dichotomies and explores how successful companies avoid difficult tradeoffs and instead achieve bigger outcomes by "doing both." Using this framework, he offers a unique view of Cisco's consistent

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He also draws inspiration from Nature and life to make his point. "You can find examples in most areas of life. Doing both holds true in sports, in nature, and in business—in fact, in most aspects of life. Gymnasts need strength *and* flexibility. Sports teams win with offense *and* defense. Ecosystems depend on both prey and predators. Carmakers focus on safety *and* performance. Parents give their children roots *and* wings. And a successful business prioritizes growth and profitability. Innovation and operational excellence."

Why do both?

Inder says, “Doing both means refusing to accept that tradeoffs are the only way. In simple terms, it means consciously choosing to pursue two seemingly opposing activities at the same time, each for the benefit of the other.”

In an interview posted on his website www.doingboth.com, Inder says, “Doing both is practical advice for leaders seeking answers to the challenging questions of how to move their businesses forward in the face of new realities. Think about business today: As the economic recovery gains momentum, leaders find themselves in a time of great upheaval.”

In almost every scenario, the best approach is to do both—and not just in product development, but also in employee relations, customer service, partner management and others.

At Cisco, he said, they view opportunities along a continuum, and adapt accordingly. More often than not, that means doing two things at once, such as pursuing traditional business customers and consumers, nurturing teams and superstars, and producing sustaining and disruptive innovation.

This approach is not about avoiding a tough decision. Tension between complementary alternatives is healthy. It also creates a multiplier effect where each choice strengthens the other. Instead of balanced compromise between two objectives, you get a mutually reinforcing multiplier in which each side makes the other better—a flywheel effect.

Win by Doing Both

- Sustaining *and* Disruptive Innovation
- Existing *and* New Business Models
- Optimization *and* Reinvention
- Satisfied Customers *and* Gratified Partners
- Established *and* Emerging Countries
- Doing Things Right *and* Doing What Matters
- Superstar Performers *and* Winning Teams
- Authoritative Leadership *and* Democratic Decision Making

Inder Sidhu's personal journey

Here's Inder's journey in his own words: As a 15-year old, I dreamed of attending the Indian Institute of Technology (IIT)—India's finest engineering school. But the odds were not great: the school's acceptance rate was less than one percent. To bolster my chances, I set my sights on acing the entrance exams. A meticulous planner, I decided to enroll in an advanced study program. But there was a problem. The preparatory class was in Delhi—six hours from my small town.

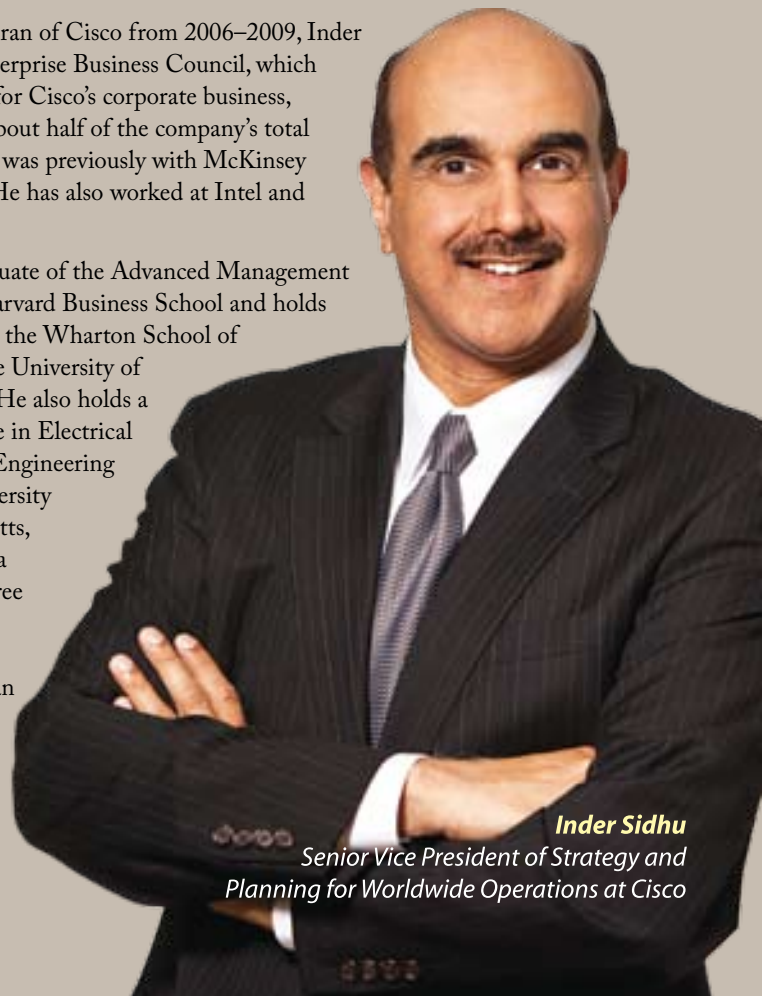
In all my life, I had never been to a big city. The thought of visiting one, let alone living there, was daunting. And I had no place to sleep. My family couldn't afford an apartment or hotel, and we knew no one with whom I could stay. As luck would have it, my father found a place for me to stay at an army base. Uncertain of what to expect, I boarded the bus and headed for the city. When I arrived in Delhi, I found there was no bed for me, however. Instead, I was pointed to a veranda without walls and told to make do.

Now, I could have turned around and gone home. But I didn't. In addition to preparing meticulously for my entrance exams, I learned to improvise as well. I made a bed from some blankets, and fashioned a desk from old boxes. Thanks to my extra studies, I was able to gain admittance to IIT, and eventually make my way to the United States.

Doing both—meticulous preparation and spontaneous improvisation—literally and figuratively changed my life.

A 15-year veteran of Cisco from 2006–2009, Inder co-led the Enterprise Business Council, which is responsible for Cisco's corporate business, representing about half of the company's total revenue. Inder was previously with McKinsey & Company. He has also worked at Intel and Novell.

Inder is a graduate of the Advanced Management Program at Harvard Business School and holds an MBA from the Wharton School of Business of the University of Pennsylvania. He also holds a master's degree in Electrical & Computer Engineering from the University of Massachusetts, Amherst, and a bachelor's degree in Electrical Engineering from the Indian Institute of Technology, Delhi.



Inder Sidhu

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