

# The Future for Digital

**Phil Smith, Cisco Systems' CEO for the UK & Ireland, talks to Mary-Anne Baldwin about the next big digital game changers and how the company is getting involved**

Cisco Systems has invested its interest and finances in many exciting developments set to revolutionise the way we work, sell and interact with the world. **Phil Smith**, Cisco's CEO for the UK and Ireland, discusses some of the changes at hand.

**Let's start with changes at Cisco. The global business acquired 11 companies in 2015. What about its UK&I division?**

Last year was an exciting and positive year for Cisco, growing in what's been an amazing market. We acquired several companies here in the UK in recent times including Acano, which provides collaboration infrastructure and conferencing software and security

company Portcullis. In fact, we acquired three companies in a week at the end of the year – 1 Mainstream, which offers a cloud-based video platform; cyber security business Lancope, and data analytics company ParStream. We have \$50 billion on the balance sheet in cash so we've got strong buying power in an interesting market and one in which start-ups are evolving rapidly.

**You've also created many partnerships. What lies ahead under your deal with Apple?**

We've struck a great relationship with Apple to optimise our networks for the use of iPhone and iPads in the work environment. That's really exciting. There's a recognition that while we've

all got devices in our hands, when it comes to business we only use a fraction of their capability.

A lot of young people who join companies now feel like they've gone into a time machine because you can do all this stuff with technology outside the office but not within it. I think that's changing; companies are now using that technology but by having a customised version that works better for them.

**Tell us about your work with governments to improve the use of digital technology...**

It's what we call internally the Country Digitisation Acceleration (CDA) strategy. The idea is that we work with countries' >



private sectors, governments and others to see how we can accelerate the impact of digitisation.

This ties in with work I'm doing with Charlie Mayfield [Chairman of the UK Commission for Employment and Skills], chairing a group of business leaders looking at mechanisms to improve the UK's productivity. One of the obvious ways is to improve its digital absorption.

### How can UK industries improve the use of digital platforms?

We're rarely as productive as some countries, such as those with low labour costs or those that export more than we do, but we do have some unique advantages when it comes to tech. We need to recognise that the UK could do a better job of using digital mechanisms to improve performance.

One of the big things coming to a head at the moment is cyber security and risk. We recognise that there's a great opportunity for the UK to lead in this area because we have some great expertise and companies that have grown up in this space.

But I think there's also a broader recognition from company boards and leaders that they need to take the cyber environment more seriously.

### There's a lot talk about the Internet of Things, how is Cisco involved in this?

The IoT is a big drive for Cisco because connecting things is the essence of what we're about. Over the next five years, the number of connected devices a typical country might have is set to rise from tens of millions, to tens of billions.

As you connect devices and sensors to cars, buildings and objects, suddenly a huge amount of opportunities come about with a whole series of business models and options. That's very exciting and we're right in the nexus of that.

### What are your predictions for the use of robotics?

I think we're going to see big growth in the use of robots and autonomous systems over the next few years and that is already becoming obvious with the rise of self-driving cars.

Many areas of manufacturing already use robotics and that is becoming more widespread and sophisticated every year. There is no doubt that robotics will become more commonly adopted over the next few years in everything from farming, to customer service.

Modern cars have hundreds of millions of lines of code and so become a computer on wheels. Its ability to communicate for navigation, safety and maintenance is very exciting. It looks like a lot of companies are getting into this space and Cisco sees huge opportunities.

### What else do you see in the future?

The other area I see with my Innovate UK hat on is genomics, gene sequencing, and what's called 'precision medicine', which essentially means being treated with a medicine that works just for you.

As we better understand our genetic makeup we can target medicine that works specifically for an individual.

That's a big growth industry over the next few years and a lot of it is

backed up by digital. When we talk about advances in genetics, a lot of it is about massive data analysis, high performance computing capability and very high speed networking.

### What do you predict will be 2016's digital game changer?

Aside from those mentioned, Bitcoin is an interesting phenomenon as a digital currency but actually the really interesting thing is the underlying technology behind it, called blockchain technology. It cryptographically maintains transactional data records so that they are extremely hard to tamper with.

It's a very interesting technology for the next generation of systems; there are lots of start-ups already in this area. ■



**Phil Smith**  
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Phil leads a team of around 5,500 people who enable organisations in the private and public sectors to drive productivity through innovation.

He is the Chairman of Innovate UK and The Tech Partnership. He also sits on the board of The Business Disability Forum, the Foundation for Science and Technology (FST) and The National Centre for Universities and Business (NCUB). He is also the Co-Chair of the Future Technologies and Infrastructure Working Group for the Information Economy Council.

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