Product details



Cisco: Chase to the Cloud

Case - Reference no. 318-0097-1

Subject category: Strategy and General Management

Authors: <u>Ashish Varma</u> (Institute of Management Technology, Ghaziabad (IMT)); <u>Dinesh K. Sharma</u> (University of Maryland Eastern Shore); <u>Girish Jain</u> (Birla Institute of Management Technology); <u>Saijal Poddar</u> (Institute of Management Technology, Ghaziabad (IMT)); <u>Abhishek Banerjee</u> (Institute of Management Technology, Ghaziabad

(IMT))

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About

Abstract

In March 2018, Moushumi and Bela, two final year students of a premier Indian business school based near Delhi, were studying the CISCO-BROADSOFT INC deal, as a part of their Mergers and Acquisition course project assignment. The CISCO-BROADSOFT Inc deal has its genesis in the stagnant growth in the year 2017, of the 'Router and Switching' business which accounted for 45% of CISCO servenue. With cheaper models coming in, CISCO had seen its market share fall over time even after being the largest producer of these routers and switches. The case highlights the strategic choice of CISCO to acquire BROADSOFT Inc, the market leader in cloud-based services, to create a cloud-centric portfolio. The case also illustrates clearly, the reasons behind the deal, the benefits from the deal for both the parties, the post-merger synergy and the post integration challenges. For CISCO, acquisitions were a major part of the five pillars driving the strategic growth of CISCO through innovation, ie: build, buy, invest, partner and co-develop. CISCO maintained a market awareness to harness great ideas that could boost growth and was in synchronization with its vision. CISCO finalized the acquisition of BROADSOFT Inc on February 5th, 2018 at USD1,545.912 M, 105 days after the announcement of the deal. As Moushumi and Bela read more about the deal, they were curious as to what were the benefits of the deal to both the parties, what were the terms of the deal, what factors governed CISCO's decision while choosing BROADSOFT INC, what were the areas where both of the firm expertise overlapped, and which company could be a potential competition for the merged entity in future.

Settings

Location: America

Industry:Information and technologySize:Revenue: USD4,800.5 crores (2017)

Other setting(s): 2017

Related



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Teaching note - Reference no. 318-0097-8

Subject category: <u>Strategy and General Management</u>

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UK office

The Case Centre Cranfield University, Wharley End Bedfordshire. MK43 0JR, UK

t +44 (0)1234 756410 e info@thecasecentre.org

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USA office

The Case Centre Babson College, Babson Park Wellesley MA 02457, USA

t+1 781 239 5884 e info.usa@thecasecentre.org

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