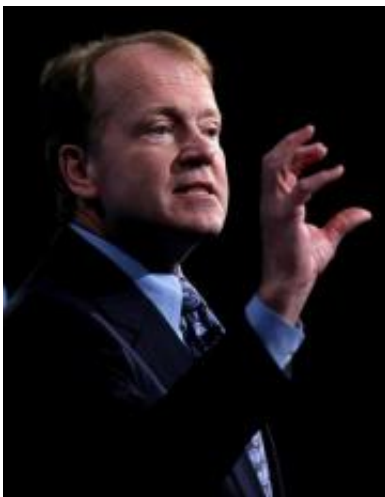# Cisco going from Internet plumber to platform

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Cisco chief executive John Chambers, pictured in April 2009, said Tuesday that the computer switching colossus is changing from the Internet's "plumber" to a platform and provider of products for online work and leisure.

Cisco chief executive John Chambers said Tuesday that the computer switching colossus is changing from the Internet's "plumber" to a platform and provider of products for online work and leisure.

"There is a window of opportunity where the network will become the key enabler of IT and of communications," Chambers said in a presentation to financial analysts at Cisco's headquarters in San Jose, California.

"That is where we can become the Number One IT and communications company."

While [Cisco](#) built its fortune specializing in the Internet's "plumbing," routers and switches for computing networks, it is transforming to capitalize on trends such as online video and software offered as services "in the cloud."

"We were very good at plumbing," Chambers said. "We were in the right spot at the right time. The network is the platform for the IT of the future."

Cash-rich Cisco has made a series of acquisitions this year, most recently purchasing Hong Kong-based DVN Holdings Ltd, a leading maker of boxes for delivering digital television broadcasts, for 44.5 million dollars.

Cisco has also bought San Francisco- and London-based Web security company ScanSafe for some 183 million dollars and wireless equipment maker Starent Networks for 2.9 billion dollars.

In March, Cisco bought Pure Digital Technologies, maker of the hot-selling Flip Video camcorder, and purchased Tidal Software Inc. the following month.

Cisco said last week that it will go ahead with its 3.4-billion-dollar takeover of Norwegian video conferencing company Tandberg.

"Who is better at acquisitions than Cisco?" Chambers asked analysts.

"We focus purely on market transitions. We move into a new market acquiring and then keeping the talent."

Cisco expects some partners such as technology titans IBM and Hewlett-Packard to become competitors as it shifts from being a plumber to a rival in markets such as tele-presence and smart energy grids.

"If you haven't got good competitors you are not in good markets with growth," Chambers said.

"We don't react to what competitors do. We read the market. To move into new markets you have to acquire, keep the people and bring out next-generation products."

He added that video and collaboration such as taking social-networks into businesses are going to be "major moves" that Cisco makes in the coming year.

"Collaboration platforms have to be CEO idiot proof," Chambers said. "It has got to be easy to come together."

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