

# Spiritual Wisdom of Taoism in Business: through the lens of interpretation realism in a Cisco end-to -end case study

**Peter Sun San Wong**

QUT Business School, Queensland University of Technology, Gardens Point, Australia

**Philip Arthur Neck**

Southern Cross Business School, Southern Cross University, Tweed, Australia

**Bernard McKenna**

UQ Business School, University of Queensland, St. Lucia, Australia

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## *Abstract*

*This paper explores how the amalgamated wisdom of East and West can instigate a wisdom-based renaissance of humanistic epistemology (Rooney & McKenna, 2005) to provide a platform of harmony in managing knowledge-worker productivity, one of the biggest management challenges of the 21st century (Drucker, 1999). The paper invites further discussions from the social and business research communities on the significance of “interpretation realism” technique in comprehending philosophies of Lao Tzu (老子), Confucius (孔子) and Sun Tzu (孫子) [Lao/Confucius/Sun] written in “Classical Chinese.” This paper concludes with a call to build prudent, responsible practices in management which affects the daily lives of many (Rooney & McKenna, 2005) in today’s knowledge-based economy.*

*Interpretation Realism will be applied to an analysis of three Chinese classics of Lao/Confucius/Sun which have been embodied in the Chinese culture for over 2,500 years. Comprehending Lao/Confucius/Sun’s philosophies is the first step towards understanding Classical Chinese culture. However, interpreting Chinese subtlety in language and the yin and yang (陰陽) circular synthesis in their mode of thinking is very different to understanding Western thought with its open communication and its linear, analytical pattern of Aristotelian/Platonic wisdom (Zuo, 2012). Furthermore, Eastern ways of communication are relatively indirect and mediatory in culture. Western ways of communication are relatively direct and litigious in culture (Goh, 2002). Furthermore, Lao/Confucius/Sun’s philosophies are difficult to comprehend as there are four written Chinese formats and over 250 dialects: Pre-classical Chinese (甲骨文) Classical Chinese (古文) Literary Chinese (文言文) and modern Vernacular Chinese (白話文) Because Classical Chinese is poetic, comprehension requires a mixed approach of interpretation realism combining logical reasoning behind “word splitting (拆字), “word occurrences”,*

*“empathetic metaphor” and “poetic appreciation of word (望文生義) ” .*

## I. INTRODUCTION

It is almost without argument that the three Chinese classics of Lao Tzu (老子 pinyin: Lao zi), Confucius (孔子 pinyin: Kong zi) and Sun Tzu (孫子 pinyin: S ū n zi) are embodied in the Chinese culture for over 2,500 years. Comprehending Lao/Confucius/Sun’s philosophies takes the first step towards understanding Chinese culture. At the same time, arguably, these three philosophies have also influenced Western thinking. Lao Tzu’s Tao Te Ching (道德經 pinyin: Dào dé j ī ng; often referred to as “The Way”) is one of the most translated book in history next to the Bible and the ancient scripture of Hinduism—Bhagavad Gita (Mair, 1990). “The Analects (論語 pinyin: Lún yu)” by Confucius provides considerable bearing on the thinking of leading intellectual figures (Makeham, 2008) since the European Enlightenment (some have argued that Confucius became the patron saint of this movement). Sun Tzu’s “The Art of War” is recognized as one of the most renowned masterpieces of military thought and business strategy.

As a current day area of interest, the intent of this paper is to investigate the impact of amalgamated wisdom<sup>2</sup> of Eastern (predominantly Chinese) and Western (predominantly North American) cultures towards managing knowledge-worker productivity. However, this discussion is only a portion of a series of discussions on Taoism, Confucianism and that Sun Tzu. In this paper, a Cisco “end-to-end” case study is presented to illustrate how the first 12 words of Lao Tzu’s “The Way” can be exercised as a source of aspirations for business entrepreneurs to build their core ideology (their Tao). Tao is one part of the equation to develop harmony in business identified as the first step of business transformation towards managing knowledge-worker productivity. “Spirituality” in Eastern culture can be seen as a springboard to elicit harmony in society which should also work in a business environment. Harmony is about group performance as opposed to “spirituality” which is more a tribute to individual performance. Harmony can be viewed to be the true mechanism to enhance knowledge-worker productivity in the workplace. In addition, “spirituality” of individual employees helps to develop, maintain and reinstate harmony in business (Wong & Neck, 2013). A workplace practice of amalgamated wisdom of Eastern and Western culture should have an impact on the management of a knowledge-based workforce; in other words, tackle the biggest management challenge of the 21st Century by managing knowledge-worker productivity (Drucker, 1999).

Interpreting Chinese subtlety in language and the yin and yang (陰陽 pinyin: Y ī n yáng) circular synthesis employed in their mode of thinking is very different to understanding Western openness in communication and its linear analytical pattern of Platonic wisdom

(Zuo, 2012). It has been noted that the Chinese ways of communication can be seen to be relatively indirect, that is tend to be defensive and mediatory in culture, while western ways of communication may reflect a relatively direct approach, that is they can be seen to be offensive and litigious in culture (Goh, 2002).

To further demonstrate the difficulty in comprehending Lao/Confucius/Sun’s philosophies, in the Chinese language time-line, there are four written formats (Figure 1) and over 250 dialects. The written formats are the “Pre-classical Chinese found in oracle bone scripts (甲骨文 pinyin: Jia gu wén)”, “Classical Chinese (古文 pinyin: Gu wén)”, “Literary Chinese (文言文 pinyin: Wényán wén)” and modern “Vernacular Chinese (白話文 pinyin: Báihuà wén)”.

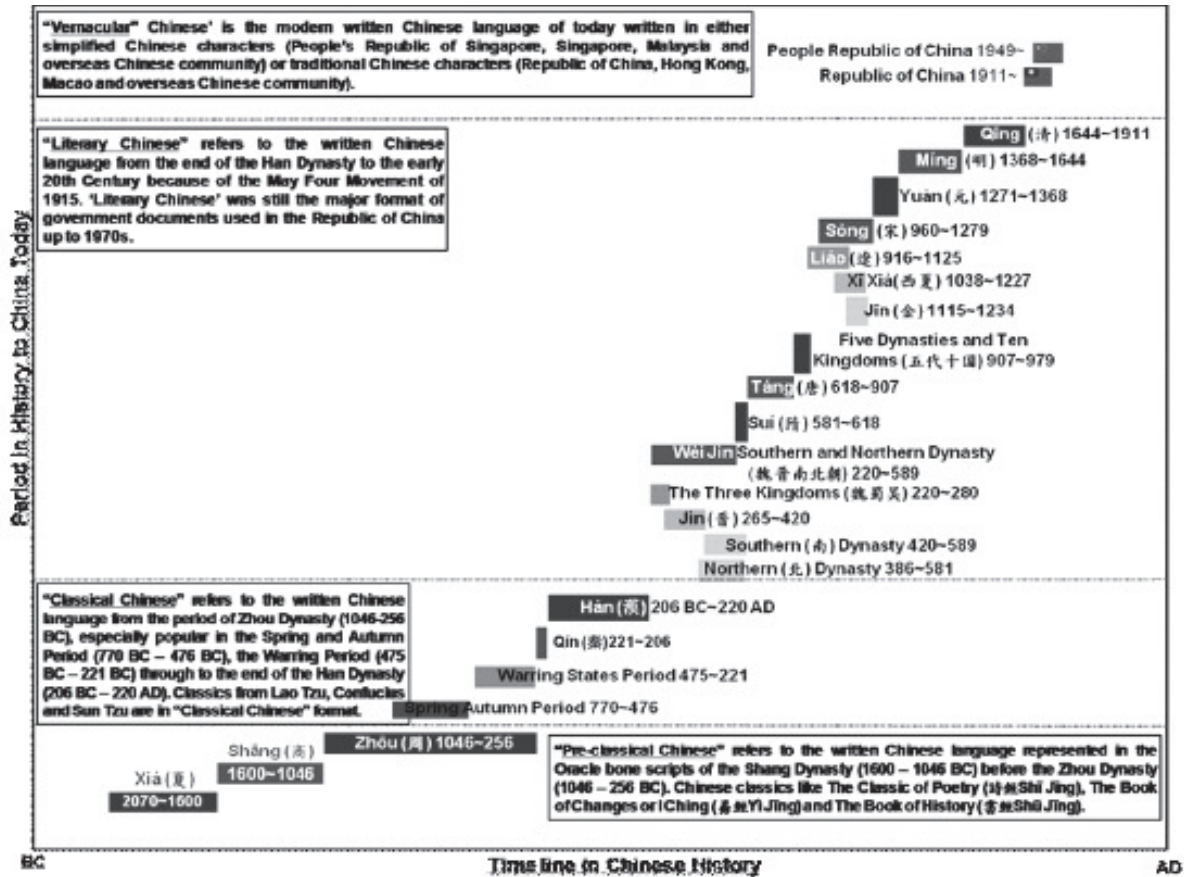


Fig.1: Time-line in Chinese history (Liu, 2003)

## II. UNDERSTANDING CLASSICAL CHINESE

The succinctness of “Classical Chinese (古文 pinyin: Gu wén)” tends to be poetic in nature. Comprehending the three books from Lao/Confucius/Sun, requires a mixed approach of

“interpretation realism”, combining logical reasoning behind “word splitting (拆字 pinyin: Chāi zì)”, “word occurrences” and “empathetic metaphor” followed by “poetic appreciation of word” (望文生義 pinyin: Wàngwén Shēngyì) to interpret deeper into their thinking processes and philosophies behind the words written in early “Classical Chinese (古文 pinyin: Gǔwén)”, in decorative scripts<sup>3</sup> (篆書 pinyin: Zhuànshū) a format used in written Chinese about 2,500 years ago.

#### A. Interpretation realism

“Interpretation realism” technique requires understanding the dictionary meaning of words used in the time period of around the 6th Century BC when Lao/Confucius/Sun’s philosophies are believed to have been written. “The Original Han Dynasty Dictionary (說文解字 pinyin: Shuōwénjiězì) by Xu Shen (許慎 pinyin: Xǔshèn)” provides the prime source of reference. It is because a meaning given to the same word used in that period could have a different meaning in a later period.

At times, a “word splitting” technique is used to interpret the word meaning from its “pictographically composed pictogram symbols (象形文字 pinyin: Xiàng xíng wén zì)”. Symbols are then studied for their meanings. “Word splitting” is a technique also used in Chinese fortune telling. For example, the word “family” (家 pinyin: Jiā) is made up of a symbol “宀” (pinyin: Mián or Bao), to represent “roof over the head” and a second symbol “豕” (pinyin: Shǐ) to represent “pig”. The combined symbol (Fig. 2) of “宀” and “豕” forms the word “family” (家 pinyin: Jiā) :

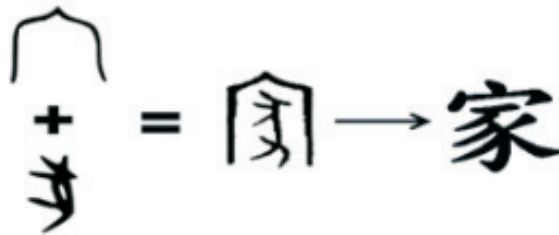


Fig. 2: “Word splitting”example

### III. OVERVIEW OF LAO TZU'S PHILOSOPHY

This overview is based on Lao Tzu's “Tao Te Ching (道德經 pinyin: Dào dé jīng)” The philosophy of Lao Tzu's “The Way” discussed in this article is primarily based on classical text of Lao Zi's Dao De Jing (老子道德經) and Wáng Bì's (王弼, 226年 – 249) “The Review of Lao Tzu's Tao Te Ching, transl., (王弼老子道德經注)” available online at

[http://zh.wikisource.org/zh-hant/道德經\\_王弼本](http://zh.wikisource.org/zh-hant/道德經_王弼本)). It is also based on “interpretation realism” technique developed for this book and from rote learning of Classical Chinese since childhood at the Confucius Primary School (大成學校), Hong Kong.

#### A. Lao Tzu's “Nature in Entrepreneurship”

The oldest of the three classics, Tao Te Ching (道德經 pinyin: Dào dé jīng often known as “The Way”) of 5,000 words in 81 chapters, is thought to be written by Lao Tzu around the 6th Century BC. Some scholars also believe Tao Te Ching could have been written by a number of anonymous scholars under the collective name of Lao Tzu. Chapters 1 to 37 can be grouped as “The Way” or “Tao (道 pinyin: Dào)” and chapters 38 to 81 can be grouped as “Te (德 pinyin: Dé)” or “virtue”. The third word Ching (經 pinyin: Jīng) means a “classic”. Tao Te Ching (道德經 pinyin: Dào dé jīng) can be described as “The Way of Nature”. Lao Tzu's “Nature in Entrepreneurship” is currently studied as a source of aspirations for business entrepreneurs towards “*developing*” harmony in business to manage knowledge-worker productivity (Wong & Neck, 2013, Wong, 2013).

### IV. THE YIN AND YANG<sup>4</sup> OF “HARMONY”

Looking back into Chinese history, both the Han and the Tang Dynasties built harmony and social stability from “spirituality pluralism” practices of Taoism, Confucianism and later Buddhism. Eventually the Han Dynasty opened up the Silk Road to international traders over a distance of 6,500 km across the Afro-Eurasian landmass. When the Silk Road was blocked by the Mongols during the Southern Song Dynasty (南宋 pinyin: Nán sòng), 1127-1279, international trade continued via the Maritime Silk Road with trading partners over 220 countries at the end of the Yuan Dynasty (元代 pinyin: Yuán), 1279-1368 (Smita, 2011).

In Chinese history, not only did the abandonment and outlawing spirituality in the culture of Confucianism, Taoism and/or Buddhism cause social unrest and disharmony, but also, in part, brought the down fall of the short-lived reign of Qin Dynasty (秦 pinyin: Qín), 221-207 B.C. The disposal of the first Tang Emperor, Gaozu (唐高祖 pinyin: Táng gāo zǔ) by his second son was due to Gao's decimation of Taoist and Buddhist clerics (Sun, 2004).

This Yin and Yang pattern of “harmony and disharmony” appears to be a repeating pattern in Chinese history. Table I is a summary of the abandonment and revival of spirituality (predominantly Taoism, Confucianism and Buddhism) dictating the Chinese culture.

TABLE I: Table Type Styles

<b>Periods of Spring and Autumn (770-453 BCE) and Warring States (453-221 BCE)</b>	Lao Tzu's "The Way" Age of Confucius Sun Tzu's "The Art of War" Age of "One Hundred Schools" of thinkers	Three hundred years of disharmony and social unrest prior to imperial unification, led to the formative age of Chinese Intellectual reform.
<b>Qin Dynasty (221-206 BCE):</b>	<b>The first unified empire ruled by an iron-fist. Anti-intellectualism led to "Burning of all books" and mass killing of Confucians and scholars.</b>	Shortest unified empire in Chinese history. Standardisation of weights, measures and written language. Book burning and Confucian killing aggravated disharmony and social unrest.
<b>Han Dynasty (Western Han 206 BCE-CE9; Eastern Han CE 25-220):</b>	Han's idealism amalgamating Daoist, Legalist, Confucian and correlative metaphysical thought created a feeling of optimism among its citizens.	Long period of harmony instigated Han amalgam of "Confucian" Classics as canonical teachings of the State. Introduction of Buddhism.
<b>From Three Kingdoms to the Sui Dynasty(CE 220-618))</b>	An extended period of political disunity, foreign invasions, temporary reunified kingdom of disharmony and social unrest.	Spread of Buddhism together with Confucianism and Taoism.
<b>Tang Dynasty (CE 618-907)</b>	Tang Dynasty marked the grand civil and military achievements with regular examinations for both streams. The Tang period also surpassed the Han Dynasty as the golden age of cultural renaissance populating Daoism and Buddhism reinstating a state of harmony	Chinese today still associate themselves as people of Han and Tang. Daoism and Buddhism played a key role in sustaining harmony with the Tang Kingdom
<b>Mao Zedong ( also known as Chairman Mao 1893-1976)</b>	During the 10 years of Cultural Revolution (1967-1977), Chairman Mao labelled Confucianism as backward, counter-revolutionary, reactionary and superstitious. The Analects of Confucius was banned and Confucians were tortured.	Cultural revolution resulted in disharmony and social unrest.
<b>PRC's 16<sup>th</sup> National Congress of the Communist Party of China(2004)</b>	The Party endorsed Confucianism as the strategic direction to achieve a harmonious society.	The Chinese National Office for Teaching Chinese as a Foreign Language (also known as National Hanban 國家漢辦 pinyin: Guójiā hànban) aims to establish 1,000 Confucius Institutes overseas by 2010.

## V. THE YIN AND YANG OF TAO

Both i-ching (易经 pinyin: Yì jīng; often referred to as "The Book of Changes") and Lao

Tzu’s Tao Te Ching describe “nature” as the ying and yang of Tao (Liu, 1819). I-Ching illustrate changes (yin and yang) in an eight by eight hexagram chart (八卦; pinyin: B ā guà) as the building blocks<sup>5</sup> to describe changes in nature or life. Mathematically speaking, eight by eight building blocks gives over two millions variations ( $8^7 = 2,097,152$ ) and using six variations per hexagram gives a near infinite variations ( $64^{63} = 6.156563e+113$ ). Such is the power and mystery of I-Ching’s hexagram fortune telling. I-Ching can also be regarded as “the book of hopes” based on the natural life-cycle of humanity. Further discussion of I-Ching is beyond the scope of this paper. However, the authors have planned to present I-Ching’s application for global business transformation in the Digital Age ruled by “Big Data” and connected technologies.

Tao Te Ching describes nature of Tao in the very first twelve words of Lao Tzu’s 5,000 words classic. These twelve words, representing the philosophy of the book, are grouped in two sentences. Each sentence is made up of two phrases of three words apiece (Figure 3). The first sentence refers to the word “Tao” (道 pin yin: Dào) or “The Way”. The second sentence refers to “name” (名 pinyin: Míng). Both “Tao” and “Name” can be noun or verb in “Classical Chinese (古文 Gu wén)” as illustrated in Figure 3:



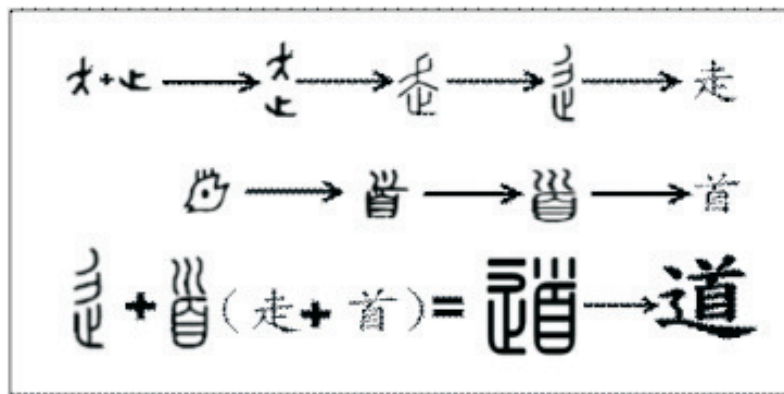
Fig. 3: The first twelve words of Tao Te Ching

These twelve words, written in Classical Chinese (古文 pinyin: Gu wén), are perfectly succinct to the point that they are impossible to be put into a meaningful text without referring to a context. The words are punctuated into two sentences. Each sentence is made up of two phrases of three words apiece. The first sentence refers to “Tao” or “The Way”. The second sentence refers to an undefined item refers to as “name” (名—Míng). Literally, these two sentences could be translated as, “If the way can be defined, it is not a perpetual way. If the name can be specified, it is not a perpetual name.”

However, Lao Tzu’s philosophy of Tao, summarised in these perfectly succinct twelve words, which, to some extent makes any translation attempt, possibly risk the danger of

blurring or dulling Lao Tzu’s message of Tao. Many translations, do catch the meaning of the words but they also tend to make the message vague in a matter of fact way or they confuse mysticism with imprecision<sup>5</sup>. It is well-known that the difficult nature interpreting or translating these twelve words is a hindrance to the study of Tao Te Ching. Therefore, the authors do not pretend to have a perfect translation of the first twelve words but to offer another dimension of translation based on a “word splitting” technique<sup>6</sup> (拆字 pinyin: Chāi zì)”).

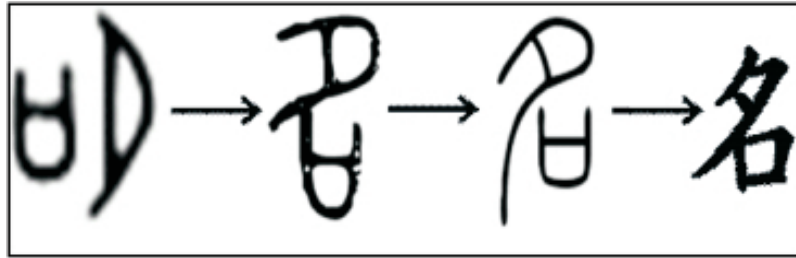
In a further attempt to decipher these twelve words, the authors used “word splitting” to explore the meaning of the word “Tao” and the word “name”. Based on the “The Original Han Dynasty Dictionary (說文解字 pinyin: shuō wén jiě zì)”, the word Tao (道 pinyin: Dào) comes from two symbols meaning “walk” (走 — pinyin: Zou) and the symbol of “head” (首 pinyin: Shou). Combining the two words of “walk (走 — pinyin: Zou)” and “head (首 pinyin: Shou)”, the word Tao (道 pinyin: Dào) literally means “walk where the head is facing”, referring to a long way as far as the eyes can see. Tao in this sense can be described as “the way far ahead” (Figure 4).



**Fig. 4 : Defining Dào (道) from word splitting technique**

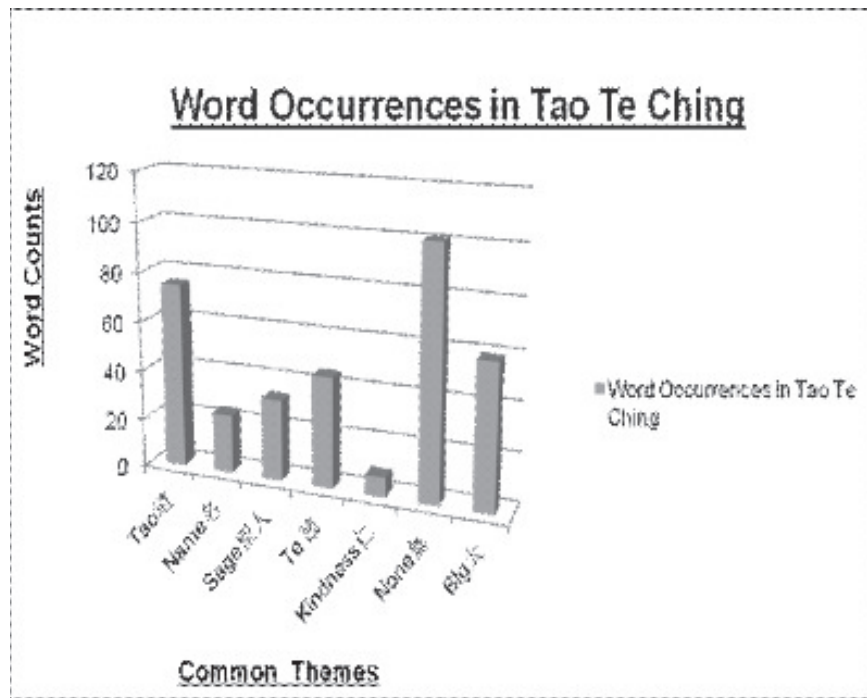
The word “name (名 pinyin: Míng)” also comes from two symbols of “mouth (口)” and “sunset represented by a new moon symbol (夕 pinyin: Xī)”. The combined word, “name” (名 pinyin: Míng), refers to a situation of uncertainty when walking in sunset and something or someone appears in the dark. However, when both sides identify (named) themselves, suddenly the situation is as clear as if a light bulb has been switched on. In the context of Tao Te Ching, when “it” is named, it has an identity as a “beacon” or the means to get to “The Way” far ahead (Figure 5).





**Fig. 5 : Defining Míng (名) from word splitting technique**

To further reading deeper into the twelve words, the ‘word occurrences’ of seven frequently mentioned words—“Tao (道 pinyin: Dào),” “Name (名 pinyin: Míng),” “Te (德 pinyin: Dé),” “Sage (聖人 pinyin: Shèng rén),” “Kindness (仁 pinyin: Rén),” “None (無 pinyin: Wú)” and “Big (大 pinyin: Dà)” are illustrated below (Figure 6):



**Fig. 6 : Seven most mentioned words**

Statistics from “word occurrences” show “Tao (道)” ( 7 mentions); “Sage (聖人)” ( 3 3 mentions); Sage’s act of “none/non-interference (無)” ( 1 0 mentions); “big (大)” 5 9 (mentions); “virtue of Te (德)” 4 5 (mentions); “name (名)” ( 2 mentions); and “kindness” (仁) ( 4 mentions). Yet “Tao” is nowhere definitively defined in the beginning

12 words or the rest of the book. There are four observations:

1. Because “Tao” is not defined in the first twelve words or the rest of the book but it is mentioned 75 times, it could be interpreted that Lao Tzu was trying to define “Tao” but “Tao” could not be defined or described definitively in words (suggested with respect for the purpose of academic argument) or it was deliberately left vague;
2. The legend also says “Lao Tzu, facing the upheavals of the Warring States Period and the crumbling of the Zhou Dynasty that he served, was asked by the keeper at the border to write down his reflections before he disappeared into the wilderness.” Therefore, with this legend in mind Lao Tzu, metaphorically speaking, used the word “Sage” 33 times to refer to “a great leader.” “A great leader” should, therefore, follow “Sage’s Nature” in “Tao” of “none/no-interference (mentioned 102 times)”;
3. The fact that the word “Sage” (33 mentions) with its act of “none/no-interference” (102 mentions) while “a great person” (上善) is mentioned once only, suggests that Tao Te Ching should be regarded as a book for leaders and not so much a book for their “citizens”. The two phrases “Shèng Rén (聖人)” and “Shàng Shàn (上善)” have similar meaning in Chinese but Lao Tzu could have used the two phrases with separate meanings: “Shèng Rén (聖人)” to mean “great leaders” and “Shàng Shàn (上善)” to mean “great citizens. If so, Lao Tzu’s “The Way” is more a book for “great leaders” than “The Analects” of Confucius (論語) as a book for “good citizens”; and
4. Comparing Lao Tzu’s Taoism with Confucianism is like comparing apples with oranges. They are two different philosophies. A debate on Taoism against Confucianism is very much like debating quantitative and qualitative research methodologies, trivial at best.

Based on these four observations derived from “interpretation realism” and “word occurrences”, the meaning of the first twelve poetic words is extrapolated further in the context of leadership over a three-step process:

1. “Interpretation realism” technique offers the earliest word-meaning of the twelve words written succinctly in a poetic-like format of “Classical Chinese (古文 pinyin: Gu wén)”;
2. These twelve words are then presented in less succinct “Literary Chinese (文言文 pinyin: Wén yán Wén)” over 24 words for a lesser subtle and lesser poetic approach; and
3. Combining step 1 and 2, step three, it presents a creative interpretation with a poem as a poetic interpretation of Tao within a business context (Figure 7):

<p><b>Step 1: Word translation</b></p> <p>道可道(pinyin: Dào Kě Dào) —The way to <i>Tao</i>,                  非常道(pinyin: Fēi Cháng Dào)—is not always the <i>Tao</i>.                  名可名(pinyin: Míng Kě Míng)—Name to a name,                  非常名(pinyin: Fēi Cháng Míng)—is not always the name.</p> <p><b>Step 2: Text interpretation as Literary Chinese (文言文 pinyin: Wén yán Wén)</b></p> <p>道, 所行之道也, (pinyin: Dào Suǒ xíng zhī dào yě) —The way to <i>Tao</i>,                  但無永恆之道. (pinyin: Dàn wú yǒng héng zhī dào yě)—is not always the <i>Tao</i>.                  名, 可馳之名者, (pinyin: Míng kě chí zhī míng zhě)—The glory to a name,                  亦非長馳之名. (pinyin: Yì fēi cháng chí zhī míng)—is not always in the name.</p> <p><b>Step 3: Poetic interpretation within business context</b></p> <p>道可道(pinyin: Dào Kě Dào) —Pathway to <i>Tao</i>,                  非常道(pinyin: Fēi Cháng Dào)—is not forever the <i>Tao</i>.                  名可名(pinyin: Míng Kě Míng)—Name to a brand,                  非常名(pinyin: Fēi Cháng Míng)—is not forever grand.</p>
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Fig. 7 : Three step interpretation of Tao within a business context

In a business context, the same twelve words have both implied and extrapolated messages for business leaders (Figure 8):

<p><b>From poetic interpretation to extrapolated messages for business entrepreneurs</b></p> <p>1. 道可道(pinyin: Dào Kě Dào) —Pathway to <i>Tao</i> .....&gt;<u>Now it begins</u>—make it your vision, your ideology, your <i>Tao</i>;                  2. 非常道(pinyin: Fēi Cháng Dào)—is not forever the <i>Tao</i>.....&gt;<u>Marketing your <i>Tao</i></u>—make it exclusive;                  3. 名可名(pinyin: Míng Kě Míng)—Name to a brand, .....&gt;<u>Personalise your <i>Tao</i></u>—make it unique; and                  4. 非常名(pinyin: Fēi Cháng Míng)—is not forever grand. ....&gt;<u>The Way of <i>Tao</i></u>—its nature of continuity and change.</p>
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Fig. 8 : Extrapolated interpretation of Tao for business

In the early 90’s, to the network equipment providers, “the next big thing” was a holistic approach to a total networking solution. This was a view shared by all major network equipment vendors like Cisco, Bay Networks, 3Com, Cabletron, Digital Equipment (DEC), Fore Systems, Newbridge Networks, Madge Networks, Nortel, Lucent, HP, IBM and the likes. Why is it, then, that Cisco could remain, by far, the most successful network equipment provider today while most of their competitors failed?

## VI. A FOUR-STEP “TAO FOR BUSINESS TRANSFORMATION”

The authority as Cisco’s marketing and sales analyst comes from 15 years of consultancy for a number of network equipment providers and exclusively for Cisco in the mid 90’s to early 2000’s. Using Cisco’s ideology and vision of offering its end-to-end solution as an example, a four-step “Tao tin managing business transformation” is presented here to illustrate how business entrepreneurs and business leaders can draw from Tao for their business transformations.

*Step 1: Now it begins (道可道) —a vision*

In Cisco’s early days, providing an end-to-end internetworking solution was their CEO’s vision of “the next big thing” for the telecommunications industry. When Cisco was only a router vendor, Cisco still pushed end-to-end internetworking solution as the next big thing for the telecommunications industry. Cisco continued to market their vision of the next big thing when they had no capability yet to fuse from one end of their intelligent routers with the other end of Fast Ethernet switches, high speed fibre-optic asynchronous transfer mode (ATM) core switches and the likes from other leading providers such as Lucent, Nortel, Alcatel, Bay and a myriad of other players much bigger than Cisco. Cisco not only had to make end-to-end internetworking solution as the next big thing but also they had to make themselves as the sole end-to-end networking solution provider.

*Step 2: Next it transforms (非常道) —an exclusive solution*

Soon enough Cisco marketing efforts of their end-to-end internetworking vision was starting to develop it into a universally accepted concept as the next big thing. Cisco must differentiate themselves from all the other box pushing providers. They had to position their values to beyond just another router supplier at a time when they clearly did not have a total solution, not yet anyway. Back in the mid to late 90’s, no single internetworking vendor could provide a total solution because the end-to-end technology was not available—it was just a vision of the next big thing for. Needless to say, all network equipment providers had different end-to-end stories. In 1994, Cisco introduced the next big thing as their CiscoFusion architecture.

*Step 3: Then it sticks (名可名) —a unique business value*

While Cisco has CiscoFusion, other network vendors had similar entities. Cabletron Systems had Synthesis, DEC had Envisn, IBM had Switched Virtual Networking, Fore Systems had ForeThought, UB Networks had GeoLAN, Newbridge Networks had Vivid

and Madge Networks had Collage<sup>27</sup>.

Cisco chose a software approach in the form of Cisco Internetwork Operating System (Cisco IOS). Together CiscoFusion/CiscoIOS became the Cisco internetworking architecture that "fuses" together all heterogeneous networks into a single platform with the scalability, stability, and security advantages of the latest routing technologies and the performance benefits of high speed ATM and LAN (Local Area Network) switching and the management benefits of VLANs (Virtual LAN). In addition, Cisco's software approach also provided the business value that the telecommunications industry was looking for— a customisable and localisable approach to build scalable, manageable, flexible, interoperable, secured and future-proved network architecture.

CiscoFusion was not just a marketing statement or a "marketecture" catchphrase described and laughed at by their competitors. CiscoFusion/Cisco IOS had transformed Cisco's business from a provider of intelligent routers to a provider of end-to-end internetworking solution. CiscoFusion/CiscoIOS became "The Cisco Way", their Tao, their vision, their core ideology and their values to eventually be recognised as THE end-to-end internetworking solution provider.

*Step 4: Again it changes (非常名) —not the core ideology*

Cisco IOS is also their way to provide an end-to-end solution to their customers using a customisable and localisable approach to build scalable, manageable, flexible, interoperable, secured and future-proved network architecture. This exclusiveness and differentiation eventually made Cisco IOS as the de facto internetwork operating system much like Microsoft Windows as the de facto desktop operating system. At the height of the dot-com boom, Cisco became the most valuable company in the world, with a whopping market cap of around US500 billion. Cisco, today, is still one of the most valuable companies.

But in today's knowledge-based economy, what then, is "the next big thing" for Cisco and other network equipment providers? Why did Cisco change their core ideology from end-to-end solution provider to wireless internet equipment and consumer-oriented technologies they called the Human Network? Why didn't Cisco's Human Network, become the social network's next big things? Why did Cisco get it so wrong with their Human Network that arguably could become their next big thing? What happened? At the time of writing, Cisco appears to be betting on Cloud technology to be their next big thing. Could Cisco get it right this time with their CloudVerse? Could Cisco regain the realm as the most valuable company in the world for the second time? Can Tao provide Cisco with a "verse" answer?

## VII. STAYING WITH TAO

If the next big thing has become universally accepted as “the Way” for an organisation, it should always remain as the Tao for that organization. The explanation comes from the first eight words in Chapter 4 of Tao Te Ching (道德經 pinyin: Dào dé jīng). This eight-word message is punctuated into three phrases of two and three words apiece. Translating this sentence in a metaphorical way, says “If there is a cup (沖 pinyin: Chōng—the utensil that holds Tao) that holds Tao, when Tao is consumed, it will never be exhausted (as it is like drinking from a bottomless cup)” (Figure 9).

**Translation of Chapter 4 (Tao Te Ching)**  
 道沖 (Dào chōng)—The cup that holds Tao,  
 而用之 (Éryòng zhī)—when used,  
 或不盛 (Huòbù shèng)—is like a bottomless cup.

Fig. 9 : Chapter 4 of Tao Te Ching

Putting into business context, these same words now add another dimension to Tao (Figure 10):

**Translated to business context**  
 道沖 (Dào chōng)—The opportunities that surround Tao (The Way),  
 而用之 (Éryòng zhī)—if pursued,  
 或不盛 (Huòbù shèng)—is like drinking from a bottomless cup.

Fig. 10 : Same text interpretation within a business context

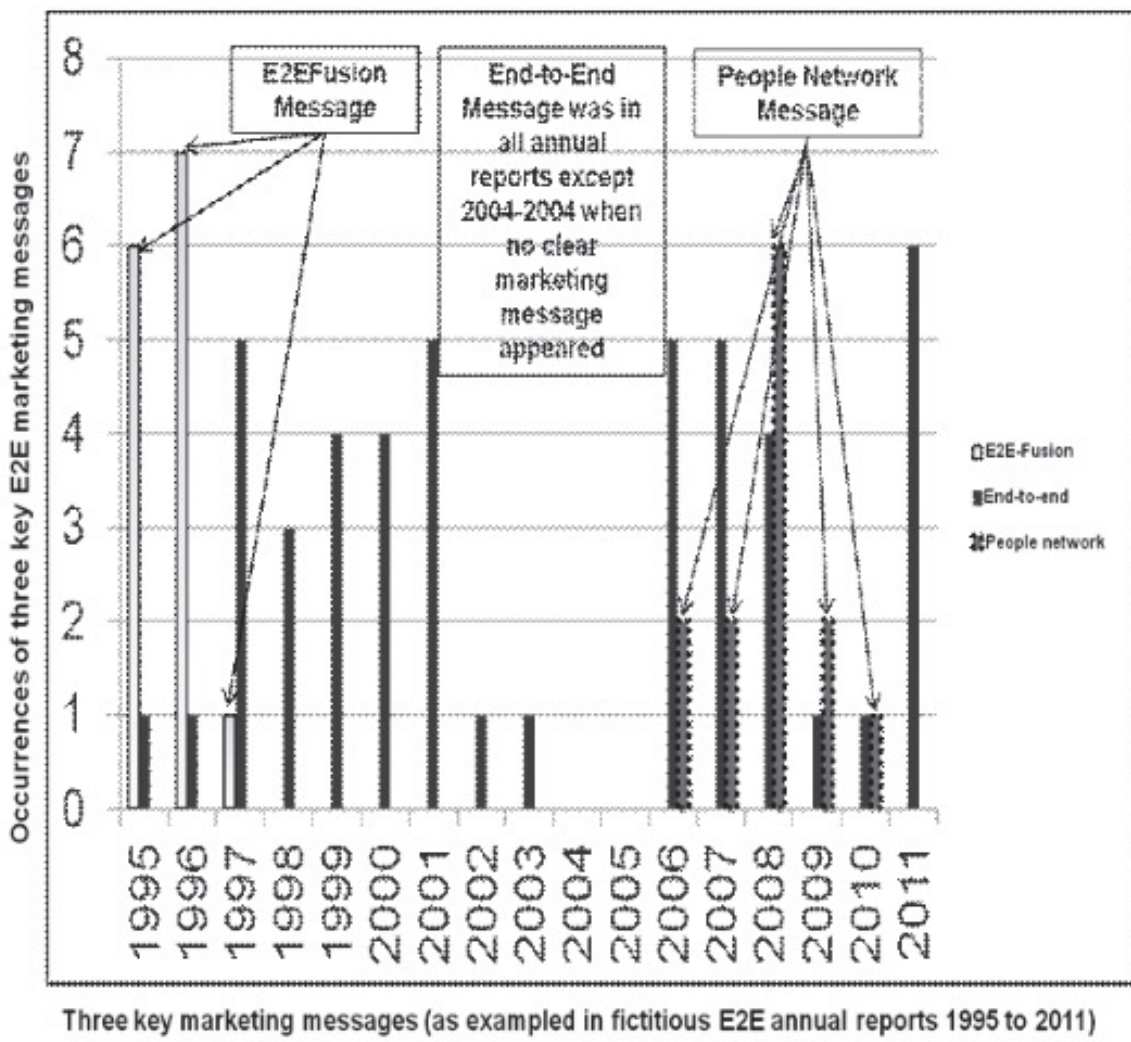
For businesses that have built on their Taos, in the other words, their vision of how they want to be known, for example, “Dettol,” “Thermos,” “Band-Aid,” “Mortein,” “Windows,” “Harvard” and so on, the eight words can be interpreted as “The opportunities (in sales and otherwise) generated from Tao, are infinite (just like drinking from a bottomless cup).” The means (the next big thing) to get there will change but not Tao as Lao Tzu explained in the first twelve words of Tao Te Ching (道德經 pinyin: Dào dé jīng). Not only do they innovate from their Tao but they are flexible with their means to get there. Unfortunately, some businesses do not see this point and ultimately this lack of vision has caused many great

companies fade to oblivion.

It appears that offering end-to-end solution is Cisco's Tao, then the opportunities surrounding this end-to-end vision is endless. However, did Cisco see CiscoFusion/CiscoIOS as their Tao or their “next big thing”—a fad that will eventually lose its lustre? Did Cisco also realise “the next big thing” such as their short-lived “Human Network” and their current push for “CloudVerse” are just means to get to their Tao (as the provider of an end-to-end vision)? Did Cisco finally wake up and re-launch the end-to-end message as the Cisco Way?

**VIII. A CIRCLE GAME—THE YIN AND YANG OF CISCO END-TO-END VISION**

The following chart summarised Cisco annual reports from 1995 to 2011 (Figure 11).



**Fig. 11 : Key messages from Cisco annual reports (1995-2011)**

From the chart, the message on end-to-end and CiscoFusion started to appear in Cisco

annual reports as early as 1995. The message on CiscoFusion was dropped from 1998 annual report onwards but Cisco continued to emphasise their end-to-end message up to 2001. Cisco dropped their end-to-end message in their 2004 and 2005 annual reports but it was re-emphasised in 2006 together with the message of their “Human Network.” The “Human Network” message gained prominence and it was the front cover of their annual reports from 2006 to 2010. The message on the “Human Network” was starting to phase out in their 2009 and 2010 annual reports. It was eventually dropped in their 2011 annual report. Cisco went back to emphasise their end-to-end message.

The experience gained as a marketing and sales consultant to Cisco in the mid 90's to early 2000's and after studying the key messages from Cisco annual reports, a common theme became noticeable. Cisco did a great job in marketing themselves as the end-to-end network solution provider right from the very beginning. They did and still do a great job providing end-to-end products, services and solutions. End-to-end solution is Cisco's Tao whether it is an end-to-end architecture to build scalable networks as in CiscoFusion/Cisco IOS or an end-to-end architecture to build the “Human Network” or an end-to-end architecture to build, manage and connect Cloud networks. End-to-end solution provider has to be viewed as the “Tao—the way” for Cisco.

Opportunities for Cisco in the end-to-end solution marketplace are endless. CiscoFusion/Cisco IOS has taken Cisco to the realm of all internetworking equipment providers. Whether Cisco followed Lao Tzu's Tao Te Ching (道德經 pinyin: *Dào dé jīng*) or not is just a philosophical argument. But they did apply their label, CiscoFusion, and made it an exclusive entity to Cisco as the blue-print for an end-to-end network architecture.

Cisco software approach to build a future-proved end-to-end internetworking solution has provided Cisco with a unique differentiation of CiscoFusion/CiscoIOS network architecture. CiscoFusion/CiscoIOS paved the way for Cisco to their meteoric success during the dot-com boom. Indeed, there is nothing more powerful than an idea whose time has come. It is as Victor Hugo said “You can resist an invading army; you cannot resist an idea whose time has come.” CiscoFusion/CiscoIOS, Microsoft Windows, Google, Facebook, Twitter and Apple are just some examples of such ideas whose time has come.

## IX. CONCLUDING REMARKS

Cisco did a great job marketing the company as the end-to-end network solution provider right from the very beginning. End-to-end solution is arguable the Cisco Way whether it is an end-to-end architecture to build scalable networks (CiscoFusion/Cisco IOS), an end-to-end architecture to build the “Human Network” or an end-to-end architecture to build, manage and connect Cloud network. End-to-end solution provider is ideally “The Way” for Cisco.



Indeed Cisco could regain their throne as the end-to-end solution provider in today's knowledge-based economy. To reiterate, Lao Tzu has stated “If there is a cup that holds Tao, when Tao is consumed, it will never be exhausted (as it is like drinking from a bottomless cup).” With the benefit of hindsight, it is easy to suggest to Cisco that they could have and should have continued with their vision, their core ideology and values as the end-to-end internet solution provider. Cisco should realise that their Way, their Tao is to continue to focus on their end-to-end vision just like they did with CiscoFusion/CiscoIOS (their Tao / and their means). Cisco should continue to draw business aspirations from the “nature of Tao” to position their “CloudVerse,” as the next big thing and as the means to an end-to-end world-wide-web of Cloud. They must re-position Cisco as the end-to-end network solution provider for Cloud. If they believe in the “nature of Tao”, they should put have put their label to it, in a similar fashion like CiscoFusion/Cisco IOS and call it Cisco Something/CiscoCloudVerse Operating Systems like CiscoFusion/ CiscoCOS. There is no reason to suggest why the marketing success of CiscoFusion/CiscoIOS in the heyday of Cisco, cannot be repeated today.

But what is holding Cisco back? What have Cisco learned from their expensive experience of the failed attempt to create a “household” brand with their “Human Network” marketing campaign? With the benefit of hindsight, it is easier for an outsider to point out this Cisco investment disaster. But one might also state that, Cisco, with a global workforce of 70,000+, mostly knowledge worker themselves, should have spotted their strategic mistake before “Human Network” even got off the ground. But, why didn't they?

To make matters worse, with a lower than expected profit in 2011 and under financial pressure, Cisco was forced to reduce their expenses by US\$1 billion, mainly through job cuts of 3,000+ employees targeted for early retirement and a further cut of around 10,000+ jobs [7]. The disruption to business harmony within Cisco and their customer base must be detrimental. In today's knowledge-based economy, the next wave of productivity gain must come from knowledge workers rather than manual workers [8]. Managing knowledge-worker productivity starts with harmony in business [9]. Employees from a high technology organisation, such as Cisco, surely are, mostly if not all, knowledge workers themselves. One has to wonder if Cisco do view their employees as costs (an outcome of scientific management where employees are viewed as cogs and machines parts) or as assets (knowledge workers of the Cisco human network). If Cisco did view their employees as knowledge workers, just imagine how mighty it is for Cisco when they are armed with 70,000 plus knowledge workers as their global business consultants. Imagine how invincible this could be for businesses to turn their workforce of knowledge workers into trusted business consultants and strategic business advisors!

## Notes

<sup>1</sup>In this article, both pinyin (literally means “spelled sound or phonetics”, see appendix) and common English pronunciations will be applied when Chinese characters are used.

<sup>2</sup>This article considers how philosophies from Lao Tzu, Confucius and Sun Tzu, set historically in the agricultural civilization of China (emerging economy today), when amalgamated with Western wisdom in a modern industrialized economy may well provide the means to managing knowledge-worker productivity, the biggest 21st century challenge for management (Drucker, 1999). This may allow the “West to remain good at being West (Ferguson, 2012)” and the “East to emerge as good as the West at being East (Wong & Neck, 2013)”.

<sup>3</sup>A Chinese characters evolved from 1. “Oracle bone script (甲骨文 pinyin: Jiǎgǔwén) to 2. Bronze or Seal script (金文 pinyin: Jīnwén) to 3. Decorative script (篆書 pinyin: Zhuànshū) to 4. Clerical or chancery script (隸書; pinyin: Lìshū) to 7. Standard script (楷書 pinyin: Kǎishū). Whenever possible, the earliest version of the archeologically identified script is used in “interpretation realism” of this paper.

<sup>4</sup>In Chinese philosophy, yin and yang refer to natural dualism such as “good and bad”, “cold and hot”, “water and fire”, “harmony and disharmony” and so on so forth. The yin and yang concept explains how seemingly opposing forces are actually complementary to each other. In Taoism, its cosmological symbol of yin and yang is represented by a white and a black fish embraced in a circular complemented motion of harmony—



<sup>5</sup>Ursula Le Guin, in her book “Lao Tzu: Tao Te Ching”, uses Borges's Aleph story to describe her thoughts on these twelve words, “if you see it rightly, it contains everything” [2].

“...if I have a process that can discover building blocks, the combinatorics start working for me instead of against me. I can describe a great many complicated things with relatively few building blocks (Holland, 1992)”. The concept of using building blocks to uncover and address critical business issues is not new. They are often used by institutions such as the American Society for Quality as criteria in their prestigious Baldrige National Quality Program for Performance Excellence Awards for US organisations. Nine building blocks are considered a sufficient number to describe complicated issues.

<sup>6</sup>“Word splitting (拆字 pinyin: Chāizi)” is a technique used in “interpretation realism”, a technique developed to critically interpret the meaning of books written in Classical

Chinese (古文pinyin: Gǔwén)..

<sup>7</sup>Source: Gillooly, C. (1996). *The House Your LAN Built*. <http://www.informationweek.com/573/73mtlan.htm> viewed October 6, 2012.

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### APPENDIX

In simplified Chinese, Pinyin (拼音) transcribe Chinese characters into Latin scripts with four tones (Fig. 9) indicated by tonal marks on each pinyin Latin script.

