Cisco confirms reports it is slashing its workforce by some 5500 staff (or around 7% of its global employees), part of a restructuring effort the company says will cost around $700 million in redundancy payments.

The layoffs should hit smaller and more mature Cisco businesses described as lacking in long-term growth prospects.

"We expect to reinvest substantially all of the cost savings from these actions back into these businesses and will continue to aggressively invest to focus on our areas of future growth," a Cisco statement reads.

As a result, the company plans to invest further in the industry's current hotness, namely the Internet of Things, sceurity, collaboration, next-generation datacentres and the cloud. The announcement came with the Cisco fiscal Q4 earnings report, one showing revenues falling by -2% Y-o-Y to $12.6 billion, even as income is up by 21% Y-o-Y to $2.8bn.

The quarter sees growth in switching, collaboration, wireless and security, while NGN routing and datacentre product revenues are down.

Cisco is hardly the only big name going through massive layoffs-- Global Equities analyst Trip Chowdhry tells Fortune "there is more pain to come," as he estimates job cuts from the likes of IBM, HP Enterprise, Oracle and Dell can total up to 370000 this year. The reason behind such cuts? "Super cloud services" from the likes of Amazon and Microsoft eliminating the need for workers managing different hardware and software technology layers.

Go Cisco Fiscal Q4 2016 Earnings Report

Go Cisco's Layoffs are Just the Top of the Spear for Tech (Fortune)