



Shinsei Bank Innovates with Cisco Systems and Becomes First Financial Institution in Japan to Deploy IP Unified Communications

Technology Investment is Recovered in 10 Months; Projected Cost Savings of USD \$7.5 Million (900 Million Yen) over Five Years

Background

Shinsei Bank, originally established under the Long-Term Credit Bank Law, is the first Japanese bank to be funded by first-class financial institutions in Europe and the United States. Shinsei Bank's major stockholder is New LTCB Partners—a partnership formed by Ripplewood Holdings of the United States, leading international financial institutions, and other investors with the aim of acquiring LTCB. Shinsei Bank strives to offer new and innovative financial products and services not yet available in Japan. The bank's ultimate goal is to be considered by all of its customers "the most satisfactory bank."

Challenge

Shinsei Bank of Japan has a history of innovation and trail blazing. It became the first bank in Japan to have foreign investors and to be foreign-owned. With a focus on globalization, it sought to develop new banking products to support multi-currency accounts. This innovation extends beyond its product portfolio to the systems and technology Shinsei has in place to support its growing business operations. Faced with decentralized systems and hardware and an outdated telephony infrastructure, Shinsei Bank initiated an aggressive revitalization project to leverage state-of-the-art technology to better serve customers.

Mr. Hou Loong Sam is Shinsei Bank's network infrastructure manager and the individual behind much of the revitalization process. Mr. Sam clearly understood the Bank's corporate goals: improve employee productivity, enhance customer satisfaction, and accelerate the decision making process, all while realizing a reduction in operation and maintenance costs, infrastructure development time, and management costs.

To accomplish these objectives, Mr. Sam identified three primary opportunities for his team. First, create a centralized systems environment that would be more efficient to manage. Second, replace old and outdated PBX technology with an Internet Protocol (IP) infrastructure for better scalability and interoperability. Third, deploy these new systems rapidly to all of the Bank's local branches, while keeping costs down.



IP Communications was quickly identified as the means to consolidate disparate infrastructures and reduce communications costs, while transferring those savings back to customers in the form of more competitive products. Once Shinsei Bank arrived at this conclusion, they identified Cisco Systems as the best partner to help them attain these goals.

“Our choice to move to IP Communications was straightforward,” explains Mr. Sam. “We wanted to move fast. We wanted to make our business highly scalable, and we wanted to reduce costs. All of this was only possible with IP. Cisco was the only vendor that combined the IP expertise we needed with technology superiority, high availability, and unmatched service and support.”

Solution

Cisco IP Communications is a comprehensive system of enterprise-class solutions that dramatically improves operational efficiencies, increases organizational productivity, and enhances customer satisfaction to create an empowered, effective work environment. Enabled by Cisco AVVID (Architecture for Voice, Video and Integrated Data), IP Communications promotes improved collaboration amongst employees, partners, and customers and leverages a single network infrastructure to deliver measurable returns.

Mr. Sam and his team identified systems that unify all the basic facilities of an IP network and connect all account and computer systems, including remote branches. As a result, they chose Cisco CallManager, Cisco Unity, and Cisco IP phones to serve as the primary software components of the Bank’s IP infrastructure.

Cisco CallManager is at the heart of the Bank’s IP telephony system. A software-based call processing agent that is located at the Bank’s data center, Cisco CallManager provides centralized services to headquarters and remote branches alike. In addition to extending traditional telephony features and capabilities to packet telephony network devices such as IP phones, Cisco CallManager interacts with additional data and voice services, such as Cisco Unity, the Bank’s unified messaging system.

Mr. Sam explains, “A voice message from a customer is now data in the form of a voice packet. We can listen to it, archive it, and retrieve it much more easily and securely than we could with traditional voice messages.”

As the Bank expands and converts existing branches to new financial centers, its network infrastructure is also being upgraded with the necessary routers and switches to allow for the deployment of Cisco IP phones and Cisco Unity. Among the Cisco hardware used to build the Bank’s infrastructure are a number of Cisco Catalyst 3524 desktop switches and Cisco Catalyst 6000 series switches. To date, there are more than 25 remote Shinsei Financial Centers.

Mr. Sam talks candidly about the Bank’s communications culture prior to the deployment of Cisco Unity, the Bank’s new unified messaging solution. “There was basically a switching room, where a call would be received by a general number and then transferred to the correct extension. There was no voice mail functionality so if someone’s phone rang at the desk next to you, you would answer it and take a message on a note pad.”

This was a highly inefficient system that needed to be changed—both from a cultural and technology standpoint. Mr. Sam recommended implementing unified communications technology from Cisco.



Cisco Unity is the premiere unified communications solution for enterprise-scale organizations. Along with delivering powerful unified messaging (e-mail, voice, and fax messages sent to one inbox), Cisco Unity also offers intelligent voice messaging (full-featured voice mail providing advanced functionality) capabilities. With Cisco Unity, Bank employees can listen to their e-mail over the telephone, check voice messages from the Internet, and forward faxes—through integration with Fenestrae Faxination—to any local fax machine. This not only increases organizational productivity, but also improves the Bank's customer service and responsiveness.

Results

In terms of return on investment (ROI), Mr. Sam recalls the goals he set out to meet before the revitalization project began and says, "Without question, our investment in and partnership with Cisco has paid off tremendously. By standardizing on IP with Cisco gear, we reduced overall costs significantly and sped up deployment times, but also greatly improved the level of service we provide to our customers."

"With Cisco Unity, we have succeeded at achieving new, unprecedented levels of customer responsiveness," asserts Mr. Sam. "We can take a customer message and make it available to anyone, anywhere in the world, ensuring that the department most able to respond to the customer, does so."

With the deployment of Cisco IP phones, employees at Shinsei Bank now have access to a vast array of new productivity tools. They also have just one phone number to remember. Because Cisco IP phones offer extension mobility, Bank employees can take their phone with them wherever they go. If they are relocated to a different branch or office location, their phone stays with them. Intuitive, LCD-based softkeys make it easy for employees to program their speed dial settings and initiate conference calls.

According to Mr. Sam, "The process of educating people on how to manage their communications is now underway. It is quickly becoming realized that they have a better way to control the way they work. Employees can change their own speed dials and personal greetings, as well as the way they want to have their messages reach them. It's easier and it's more efficient."

Shinsei Bank has deployed approximately 1,600 Cisco IP phones and estimates that they currently have 500 Cisco Unity users as well. Mr. Sam projects that when the rollout is complete, more than 3,500 Cisco IP phones will be in use and approximately 3,000 employees will be using Cisco Unity.

"I may be in several physical locations during the day," explains Mr. Sam. "Using the traditional method, voice messages would pile up in my voice mail box until I returned to my office or dialed-out to voice mail. With today's system, I can set it up so that messages follow me, instead of me calling to retrieve the messages. This greatly improves all of our employees' productivity levels."

In addition to meeting the Bank's corporate goals of increasing customer satisfaction and employee productivity, Mr. Sam and his team also met the Bank's aggressive cost-cutting goals. The technology investment for the Bank's revitalization project was recovered in only 10 months, with a projected cost savings of 900 million yen (USD \$7.5 million) over five years.



When Shinsei Bank moved its entire infrastructure to IP, the Bank was able to consolidate its disparate networks to deploy new systems at extremely fast speeds. This has been a significant benefit when migrating branch locations to the new IP standard. Mr. Sam explains, "Literally, all we really need to do is install two Cisco Catalyst routers and a couple of switches and connect the Ethernet service and our data network and voice networks are up and running. It's that simple."

To help ensure that Shinsei Bank met its demanding deployment goals, the Bank relied on the expertise of Cisco's Professional Services group as well as Cisco's Technical Assistance Center (TAC). "We were very satisfied with the help we received from both organizations," said Mr. Sam. "With Cisco Unity, we began implementing the product before it was even generally available to the Japanese market. We relied on Cisco TAC to provide expertise in areas that we were not able to address ourselves. Likewise, the professional services group was excellent, proving themselves invaluable during the early field trials and implementation periods."



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(0301R) GS/LW4204 02/03