



Poslovnice budućnosti

Driving Innovation in Retail
Banking

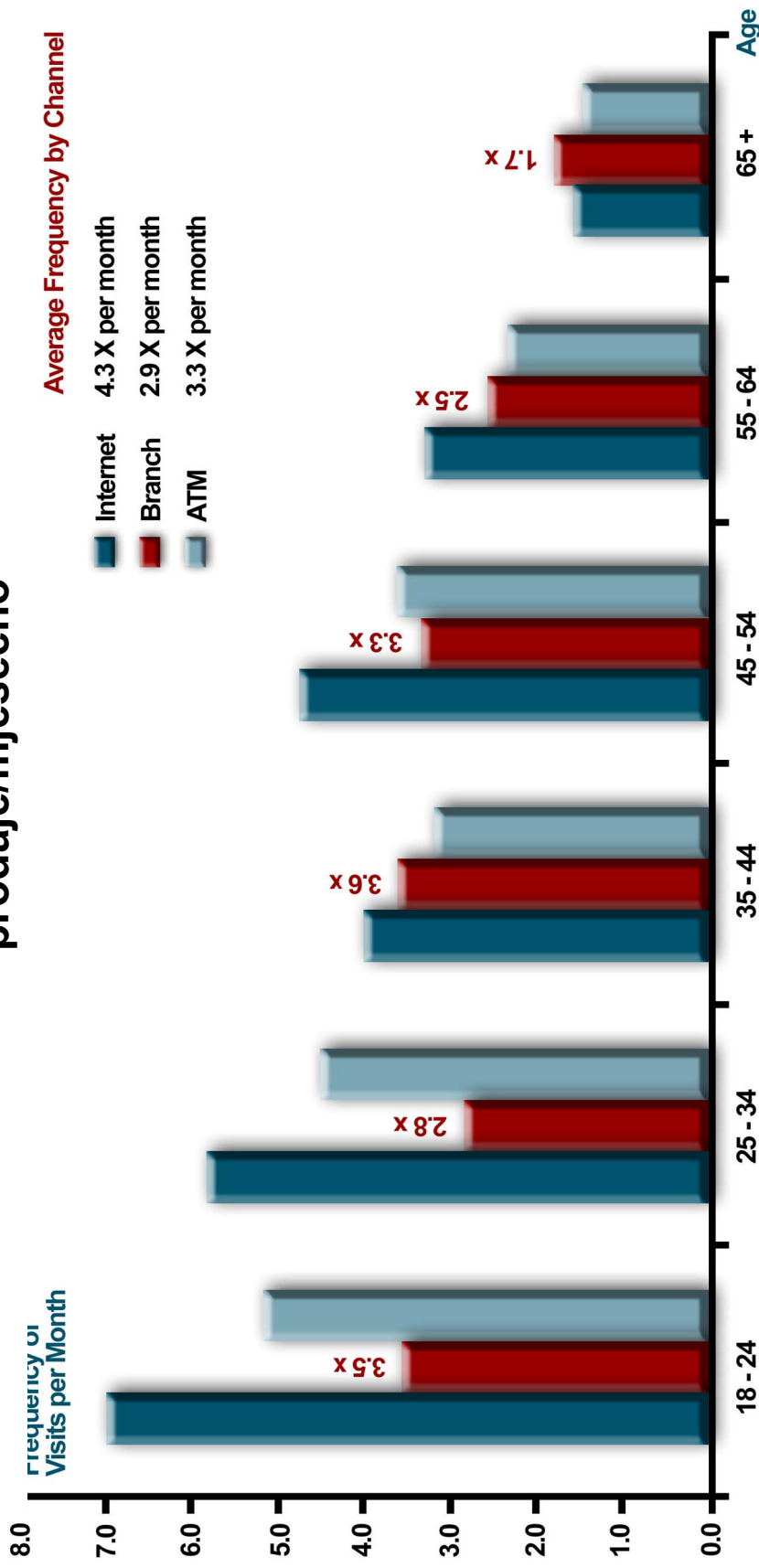


Emil Franjčec, Enterprise Account Manager – Finance Sector
Cisco Expo 2008, Dubrovnik, 20. – 21.3.

Branches Remain Popular With Customers

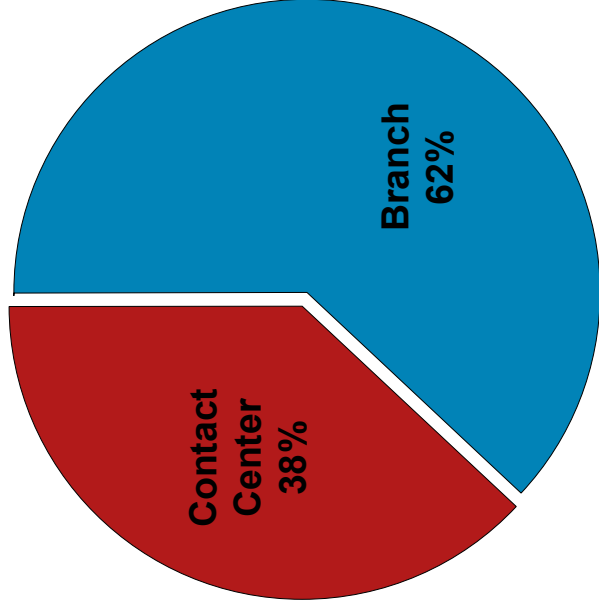


Frekvencija posjeta poslovnicama i korištenje ostalih “kanala” prodaje/mjesečno



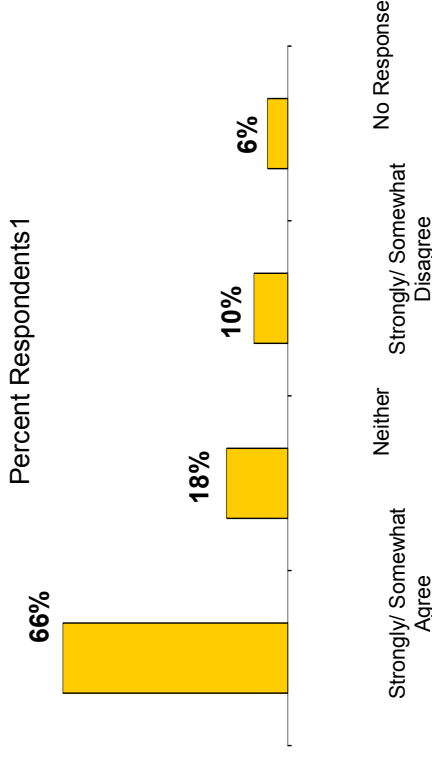
Source: Financial Insights, an IDC Company 2005

Assisted channels for complex transactions

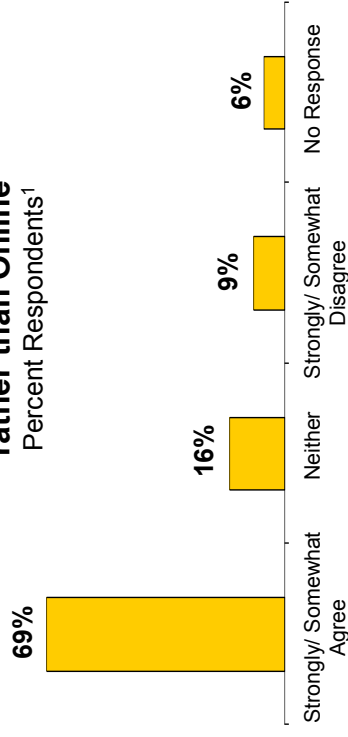


Complex Service Incidents by Channel, 2003
Percent

Prefer to apply for Loan or Open Account via Branch rather than Call Center
Percent Respondents¹



Prefer to apply for Loan or Open Account via Branch rather than Online
Percent Respondents¹



Source: Financial Insights; Tower Group, Primary Market Research-2002 Delivery Channels; IBM Institute for Business Value analysis

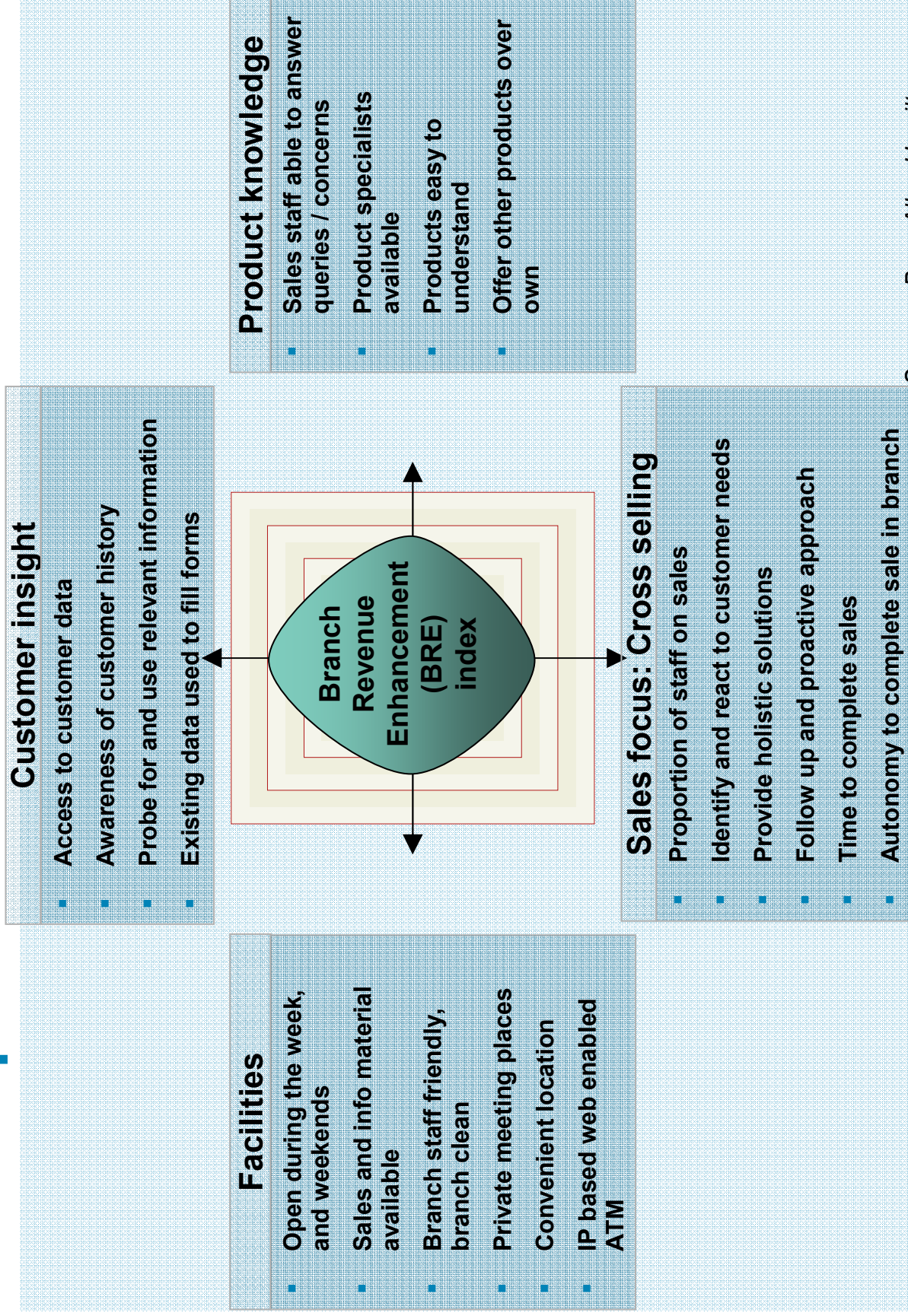


“TODAY WE HAVE 4,300 U.S BANKING CENTERS AND WE’RE GOING TO ADD TO THAT BY 600 OVER THREE YEARS. THIS IS A COMMITMENT OF \$450 MILLION A YEAR”

JAMES H. HANCE, CFO, BANK OF AMERICA



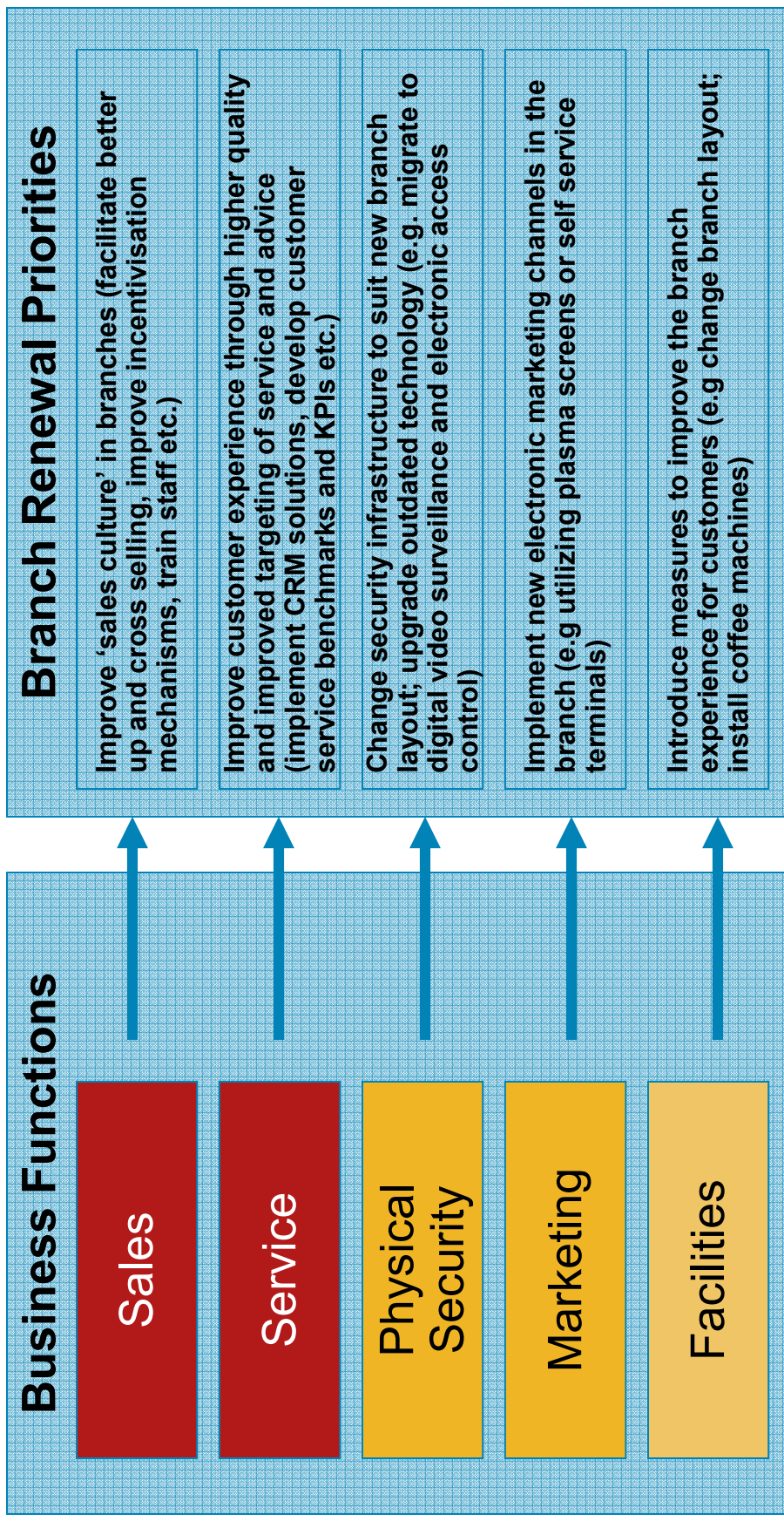
What drive a retail bank's branch revenue performance?



Current Focus for Retail Branch Transformation



Figure 1: Current focus and unexploited synergies in branch renewal



- Strong Current Focus
- Unexploited Synergies
- Limited Potential for Synergies

Source: Data Monitor 6

The influence of consumer retail environments is being implemented in bank branches



Financial Center



The influence of consumer retail environments is being implemented in bank branches



CISCO



Customer Advisors



Cash Service



Internet



Digital Advertising Panel

Re-organise the branch for sales

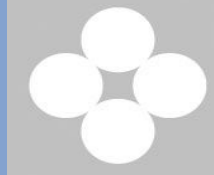


- Many European banks focused on improving the sales capability of the branch
- Recommendations
 - Equip the branch staff to sell effectively
 - Redesign the branch layout to emphasise sales over transactions
 - Prioritize branches serving attractive customer segments
 - Make branches integral to multi-channel marketing and sales
- What this means: current branch transformation from **transactions to sales** will be followed by other phases emphasizing advice to customers

Four critical success factors for the customer Facing branch



1. Create a powerful Customer Experience



3. Streamline processes for Efficiency and Effectiveness

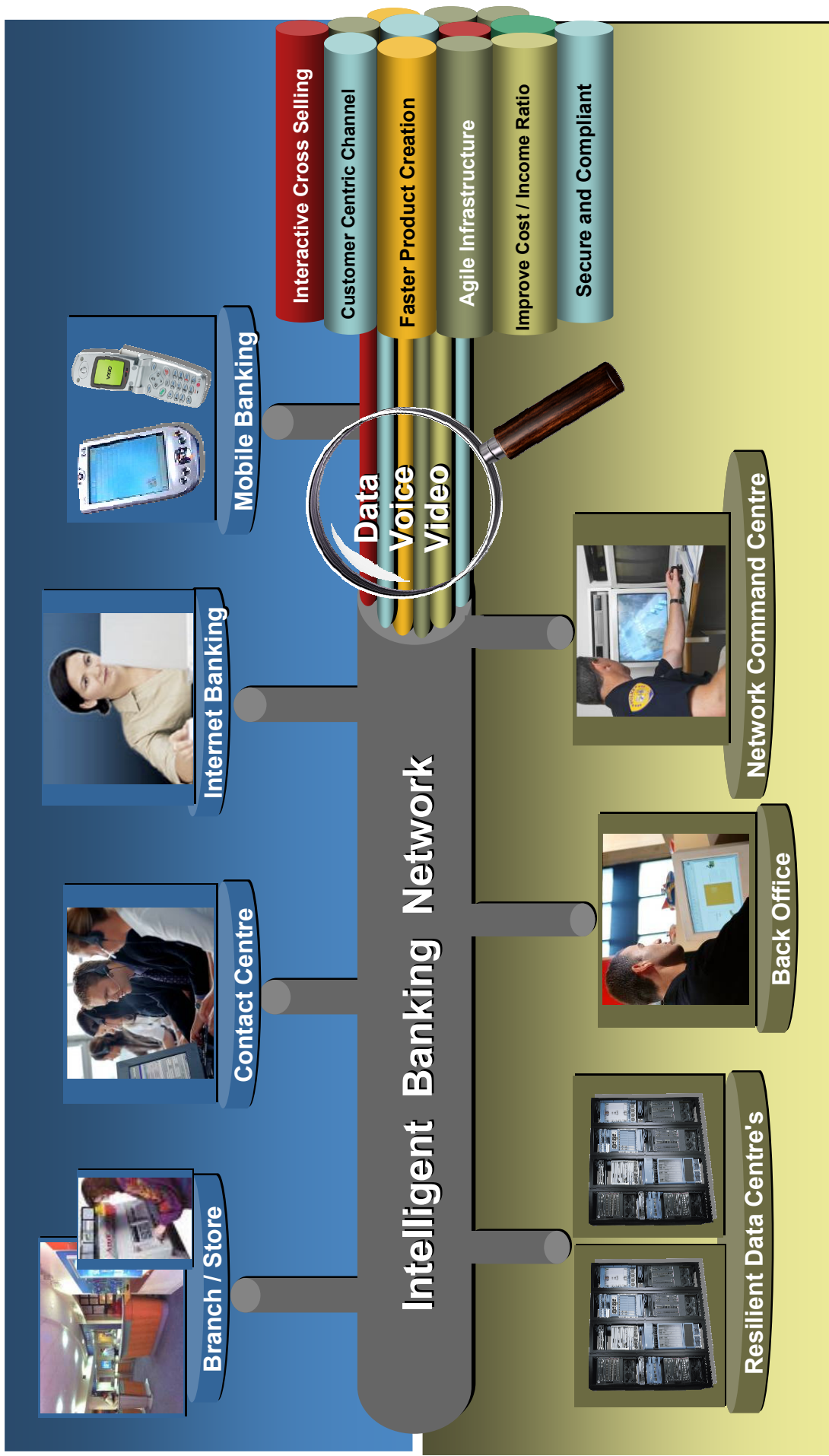
2. Improve the delivery organization to drive Revenue Growth

4. Achieve a flexible Infrastructure and Business

Retail Bank Branches of the Future:

Leverage the value of the network

...and Transform your customer relationship...



Branch of the Future – Enabling Many different customer interfaces

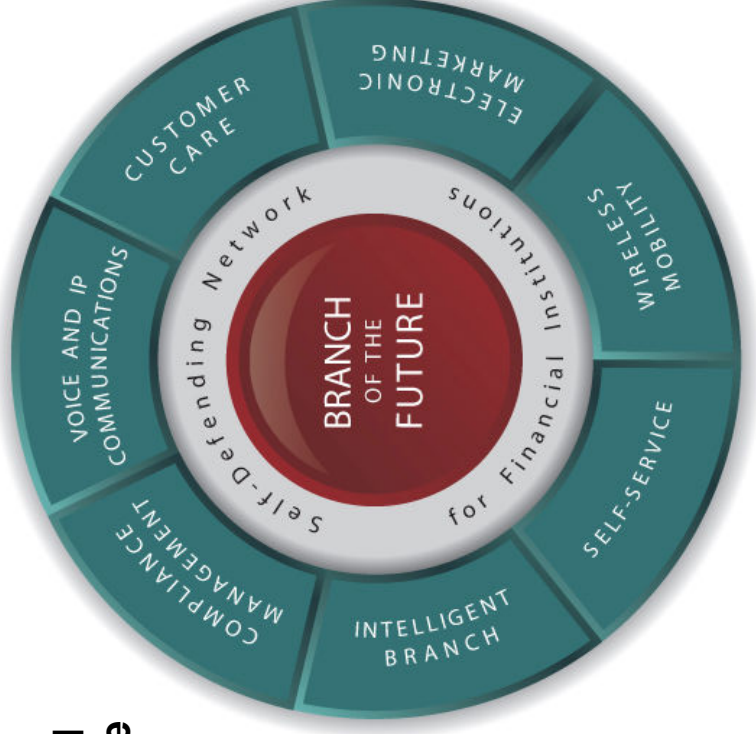


Eliminates redundant costs –voice/video/data
Employee productivity tools
Flexible/responsive operations

Network Security integrated with Regulatory Compliance

Centrally Managed:

- * Video Surveillance
- * HVAC
- * Security



Contact Center Integration
Intelligent call routing
Virtual Contact Center
Video Conferencing

Centrally managed & Locally delivered:

- * E-Learning
- * Digital Marketing
- * Corp. Comm.

ATM's & Kiosks

Employee mobility within branch
Branch Concierge

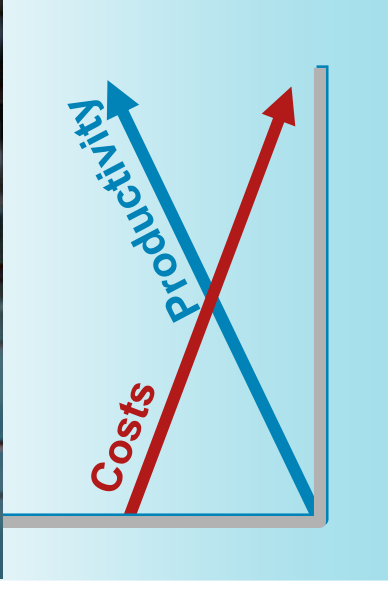
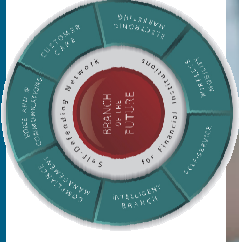
Branch Applications Solving Customer & Employee Needs



| | Cost Reduction | Improved Productivity | Solution Available |
|--------------------------|----------------|-----------------------|--------------------|
| Branch Connectivity | ✓ | ✓ | ✓ |
| ATM Improvements | ✓ | ✓ | ✓ |
| Virtualising Call Centre | ✓ | ✓ | ✓ |
| E-advertising | ✓ | ✓ | ✓ |
| E-learning | ✓ | ✓ | ✓ |
| CRM Enablement | ✓ | ✓ | ✓ |
| Videoconferencing | ✓ | ✓ | ✓ |
| Employee Mobility | ✓ | ✓ | ✓ |
| IP Physical Security | ✓ | ✓ | ✓ |
| Voice Recording | ✓ | ✓ | ✓ |

What Voice and IP Communications Technologies are Being Adopted?

- IP Telephony is always first!
 - Costs and Productivity most important
 - Operating Flexibility (MACs)
 - Everyone on the same system (consistent communication and collaboration throughout)
- Productivity tools for branch employees:
 - VM & Unified Messaging
 - Personal Assistant
 - Conferencing
 - IP Softphone

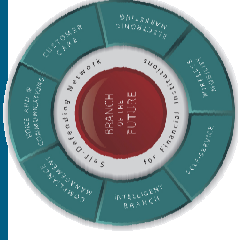


“WE HAVE SAVED 20% ON LOCAL TELEPHONE CHARGES, 38% ON LONG DISTANCE, 51% ON THE COST OF SWITCHING AND ADDING LINES, AND UP TO 95% ON CONFERENCE CALLING”



STANLEY E. ADAMS III, GROUP VP, SOUTHRUST BANK

IP based video calls technology is now ready to provide promised benefits



Video-conferencing used to be a hassle...

- Poor flexibility (booking dedicated rooms)
- Special station / equipment required on both sides
- Specific technical knowledge and support
- Dedicated staff required
- Poor quality
- Huge costs

However, the technology has matured...



High-quality
Hassle-free (simple call setup / easy to use)
Integrated in all devices (computer, VC terminals, IP phones, ATM on IP)



... and provides business benefits

Leveraging expert resources effectively

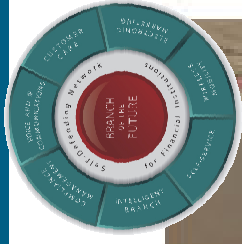
Remote access in branch allows the closure of sales immediately

Cost-efficiency

**On network calls for free
Reduce travel expenses**



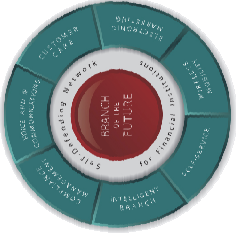
The business benefits of Telepresence



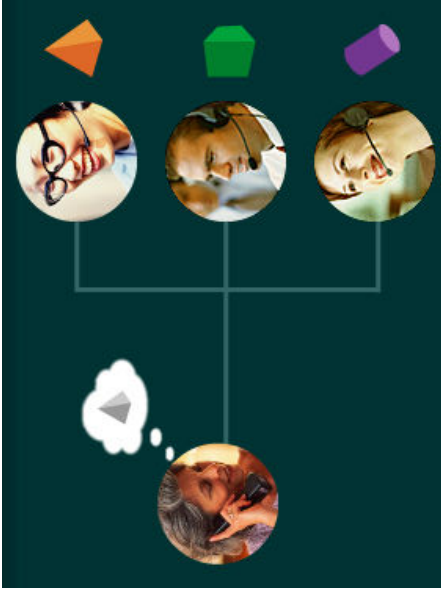
Transforming customer interactions in Retail Banking.

Telepresence in branches, board rooms and trading rooms

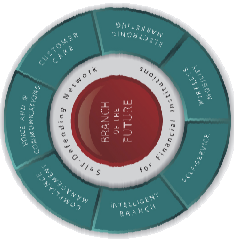
Customer Care



- Call center intelligent integration with IP Telephony
- Intelligent handling of priority customers
- Skills based routing of calls
- Improved reference selling
- Virtual Call Center
- Video Conferencing



Virtual Call Center



Customer

Improve customer service



Bank Contact Center

Reduce dedicated CC FTE



VPN



Skills based call routing



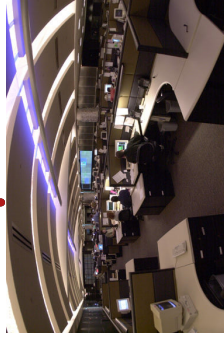
Utilize best trained staff



Home-based Customer agent

Utilize employees from home

Utilize part time employees



Bank Data Center

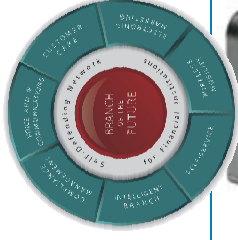
Manage peak call periods

Branch Offices



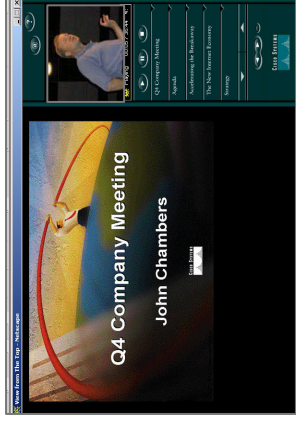
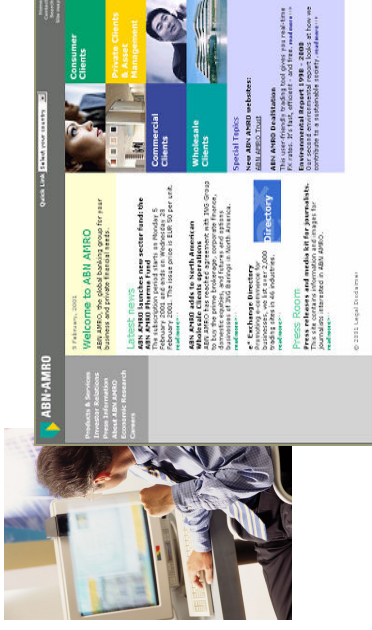
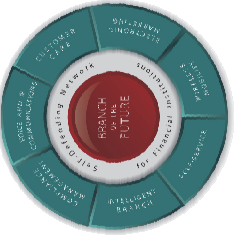
What's Adopted Next?

- Electronic Marketing
- Wireless Mobility
- Self-Service
(IP based ATMs and Kiosks)
- Intelligent Branch

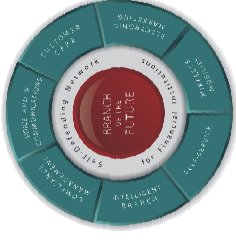


Content Delivery Network

- Rich media centrally developed/managed
- Delivered in the branch for
 - Product & service promotions
 - e-learning
 - Advertising/digital signage
 - Customer messaging
- Corporate communications



Targeted In-branch advertising & marketing leads to Increased Sales



Benefits of E-advertising

Flexible

Can be changed during the day, targeting different customer segments at different times
Easy to integrate with third party content

Fast

Centrally managed campaigns can be rolled out rapidly across region/country

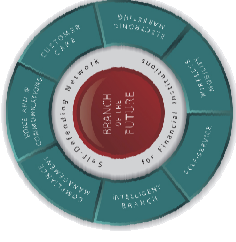
Cost-efficient

Up-front investment, then significantly lower running costs
Leverages existing infrastructure

European banks have spent €1,67Bn on brochures and paper advertising in 2004

Wireless Mobility

- Secure wireless branch network
 - Mobility
 - Branch employees
 - Greeter/concierge
 - Mobil teller
- Security
- Enhance operating efficiency and customer service
- Wireless WAN phone

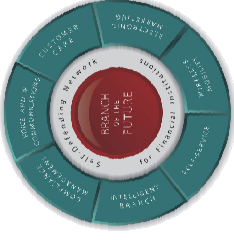


Cisco has 46% Market Share in Wireless LAN*



* Source – Sage Research

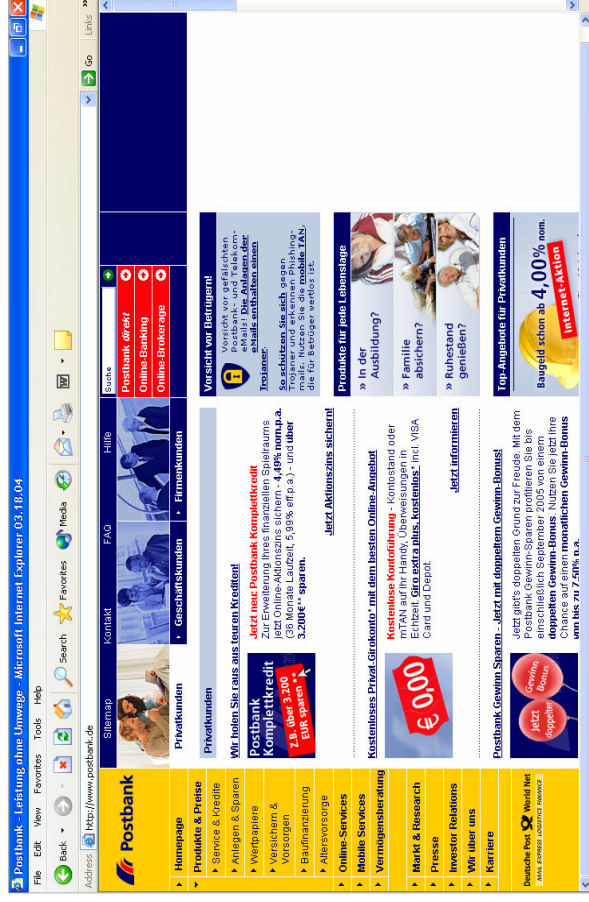
IP based E-Learning: an important tool for rapid skill development



Why training is important for banks

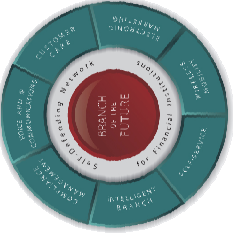
- A** Increasing rate of product development requires training of sales staff
- B** Regulatory environment requires thorough training for compliance
- C** Complicated value of products requires constant skill development among front-line staff

Benefits of e-training as tool



- Cost efficient (anywhere)
- Flexible (anytime, individually targeted)
- Fast (short roll-out time)
- Quality ensuring (traceability for training managers)

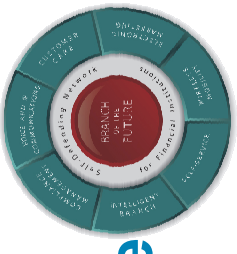
IP ATM and Kiosk



- Integrate branch ATM's and Kiosks with all other delivery channels
- Reduced network costs
- Deliver rich media marketing & advertising content
- Localized and personalized customer messaging
- Encouraging self service behavior



IP enabled, web based ATMs of the Future: The Multimedia man-machine interface for self service



CRM integrated sales agents

- Enable customers to buy simple products (eg. small credit, concert tickets)
- Pro-actively suggests and up-sells customers through CRM-targeting

Targeted customer messaging

- Advertising of products targeted at specific customer
- Paid advertising for third parties

Full self-service Multimedia kiosks

- Managing personal account and low-value transactions
- Low cost channel

Fully integrated with other channels

- Customer can video-link to advisor / call-center for personal contact
- Full access to customer profile

IP-enabled, web based ATMs

laCaixa - ATM Multit-Channel Services

- Increase of Cross-selling Services and Opportunities

Life concerts tickets

Travel tickets

Lotteries

Load on PrePaid cards of cell phones

Taxes & Authorities

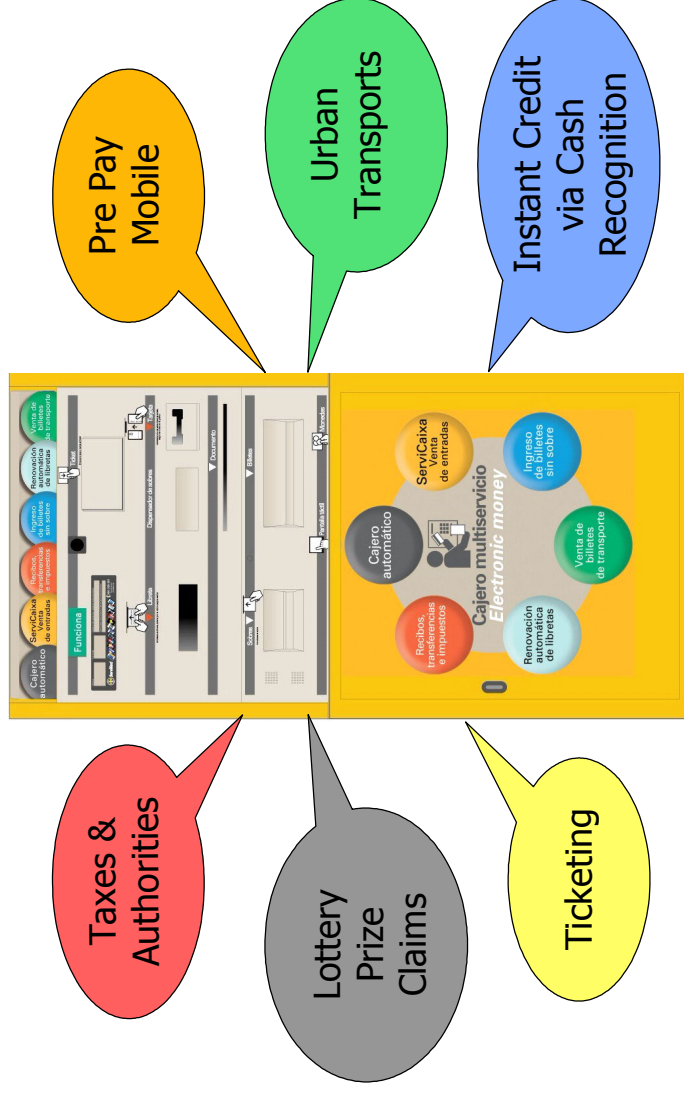
Lottery Prize Claims

Ticketing

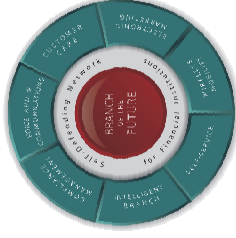
Pre Pay Mobile

Urban Transports

Instant Credit via Cash Recognition



E-signature: helping to increase mobile sales agents effectiveness

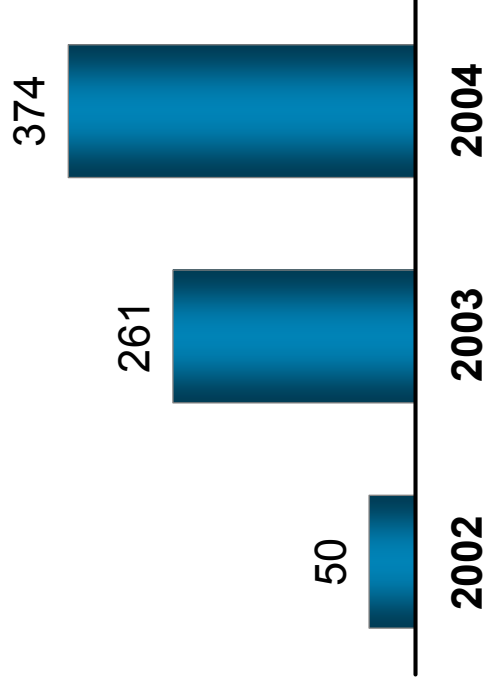


E-signature technology has matured – regulations are coming....



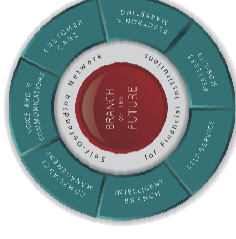
Digital forms and E-signature technology allow to close deals immediately from any remote location

Sample has a growing number of mobile sales agents...



**...and further growth is likely
550,000 affluent customers have been identified
Only 13,500 are being advised**

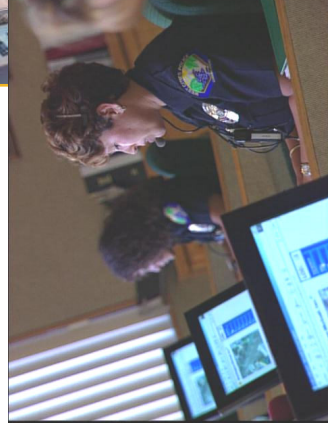
IP Video Surveillance



- **Network based physical security system**



- **Centralized video monitoring of branches**



- **Accessible to local law enforcement**

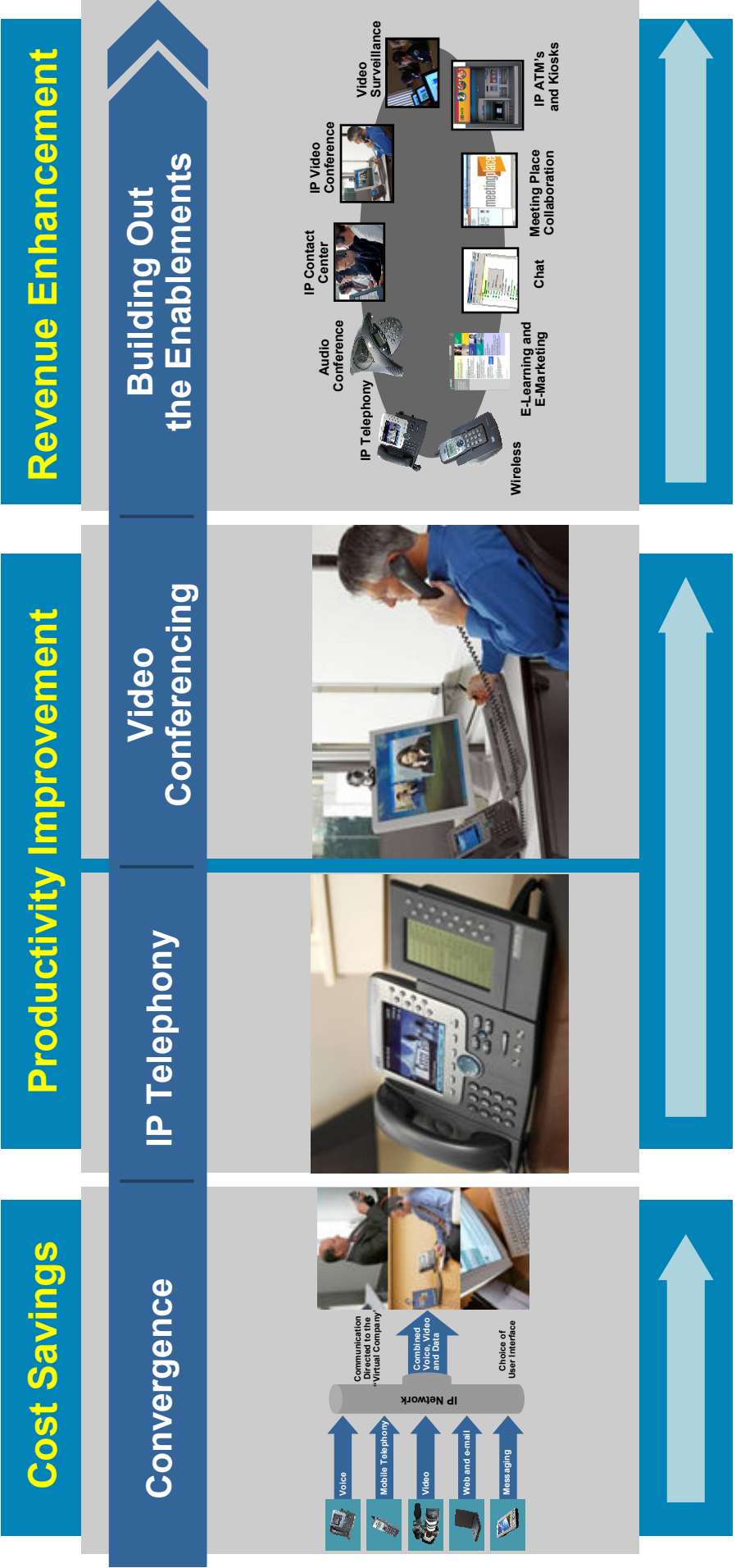


- **Remote monitoring capabilities**
- **Time/event based recording and retrieval**

Long – Terem Roadmap



Banking Adoption Roadmap



Bringing It All Together: Making IP Communications Work



The 15% You See

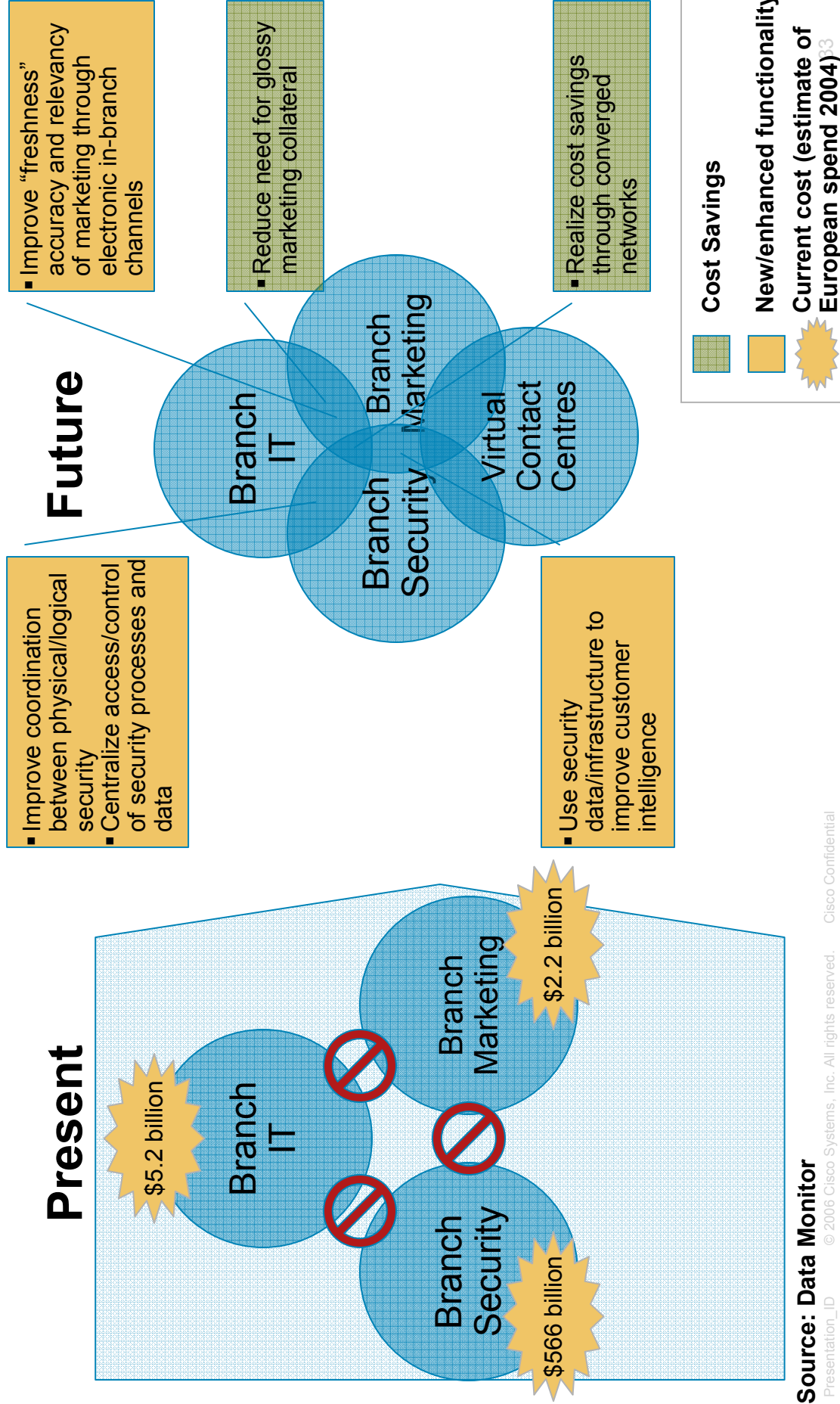
- Collaboration
- Unified Messaging
- IP Telephony
- Mobility
- Video
- Customer Contact

**The 85% You Don't See:
The Intelligent Information Network**

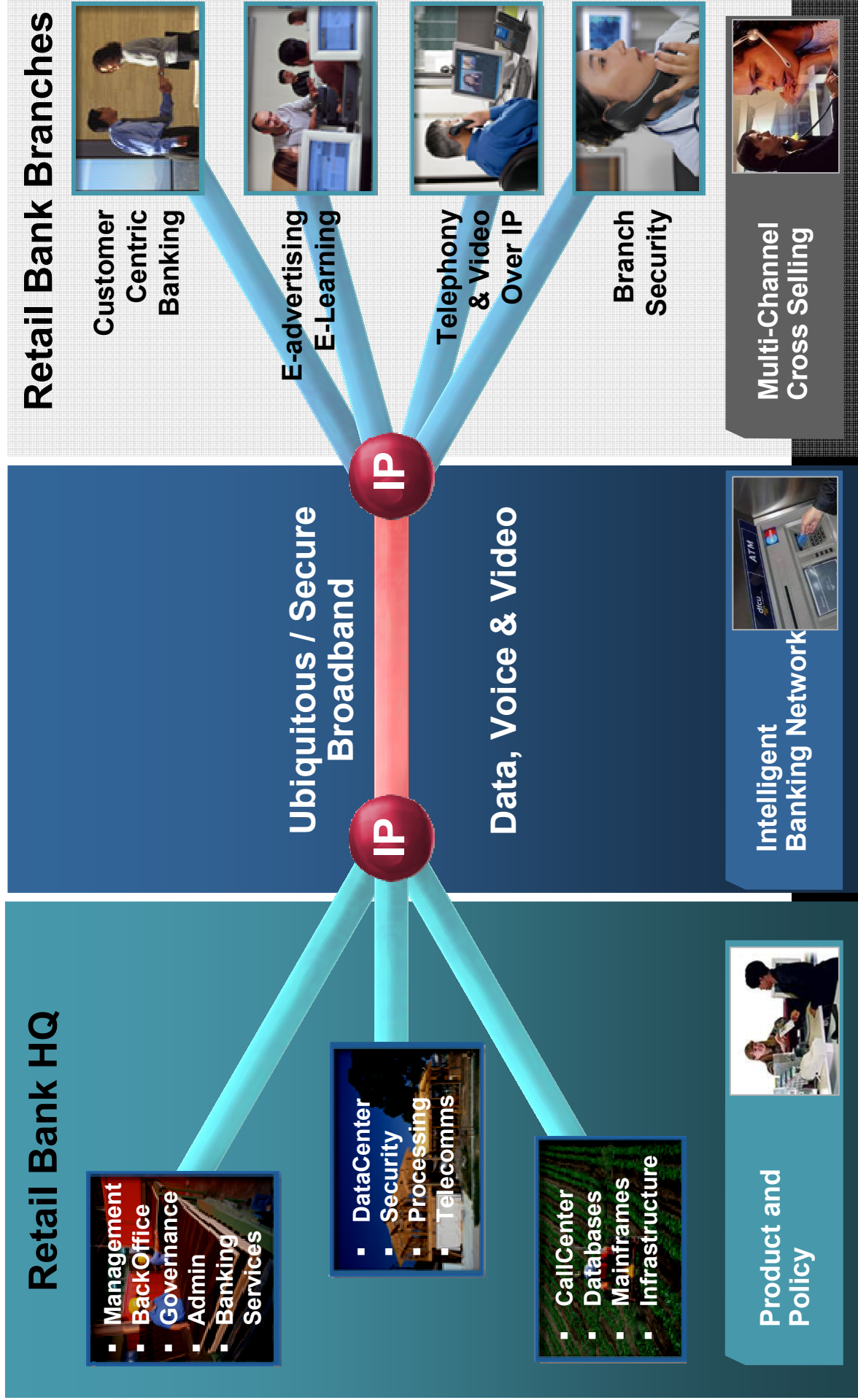
- Network Access Control
- Intelligent LAN Switching
- Dynamic User Tracking
- Storage Home Net
- Auto VLAN
- Video Association
- Carrier Softswitch
- Remote Management
- Firewall
- Secure VPN Access
- WiFi Networking
- Dynamic Device Discovery
- Seamless Mobility
- Host Intrusion Protection
- Enhanced Power Management
- Auto QoS
- Intelligent Traffic Routing



Conclusion: IP based Infrastructure brings opportunities for synergy

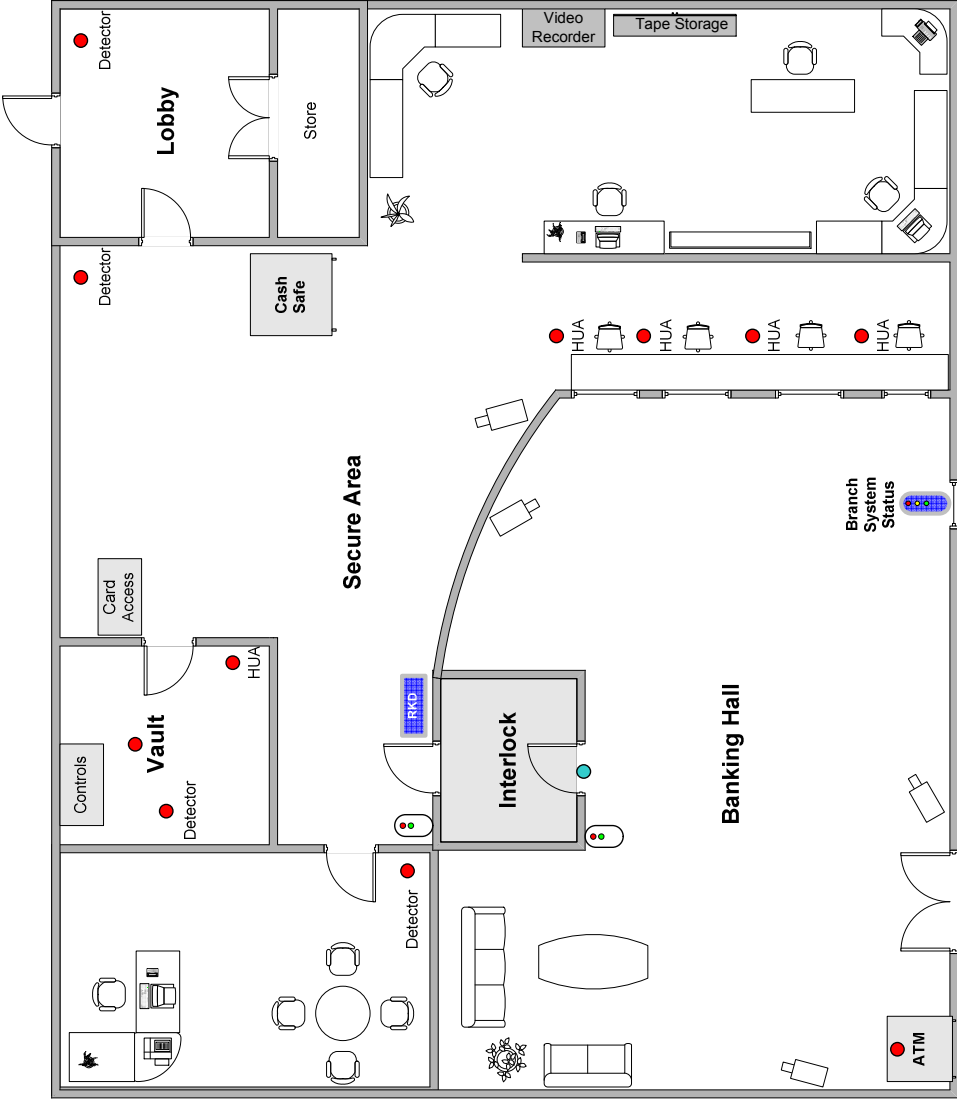


Conclusion: Multimedia Retail Branch Banking of the Future Your IP network becomes the enabling platform



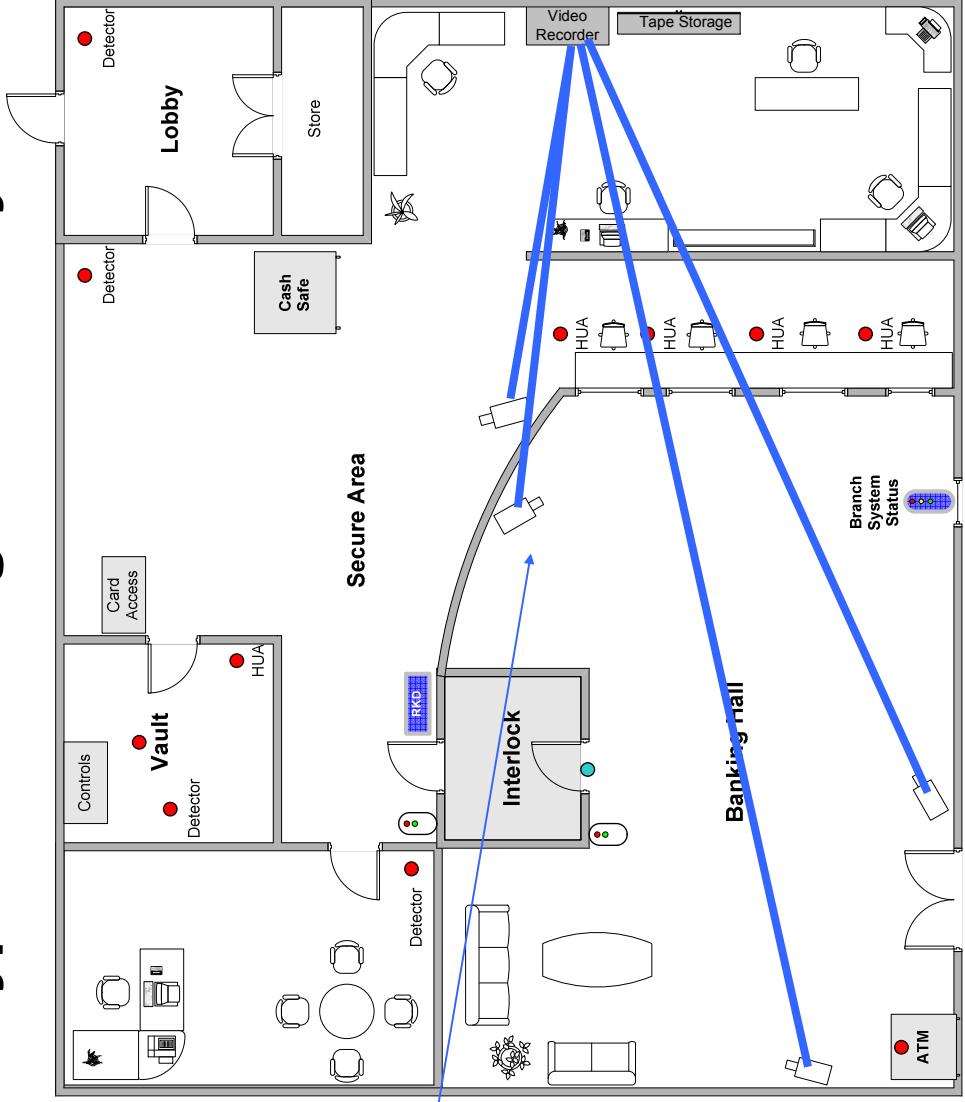
Convergence in Branch Banking Transforming the Facilities and Real Estate layout:

Typical Existing Branch Layout



Convergence in Branch Banking Transforming the Facilities and Real Estate layout:

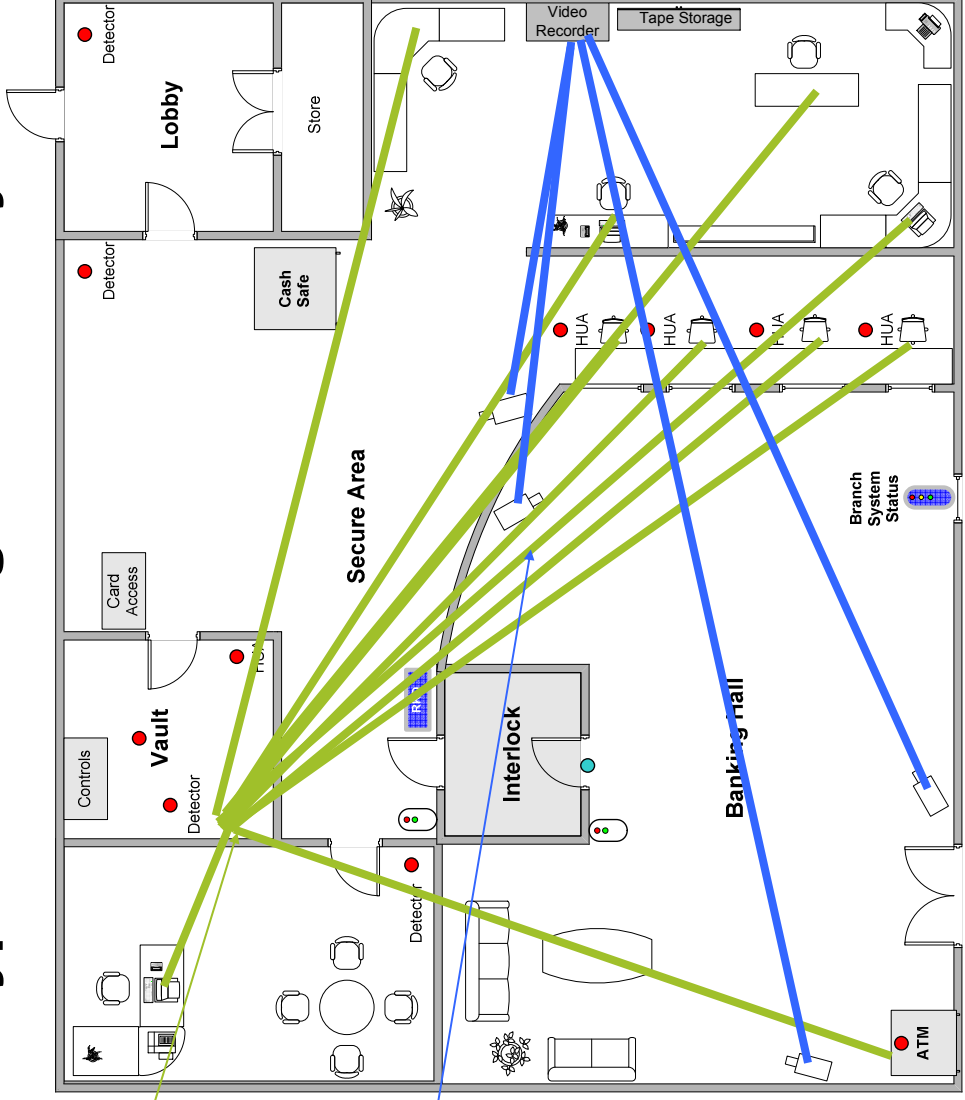
Typical Existing Branch Layout



Analogue
CCTV
System

Convergence in Branch Banking Transforming the Facilities and Real Estate layout:

Typical Existing Branch Layout

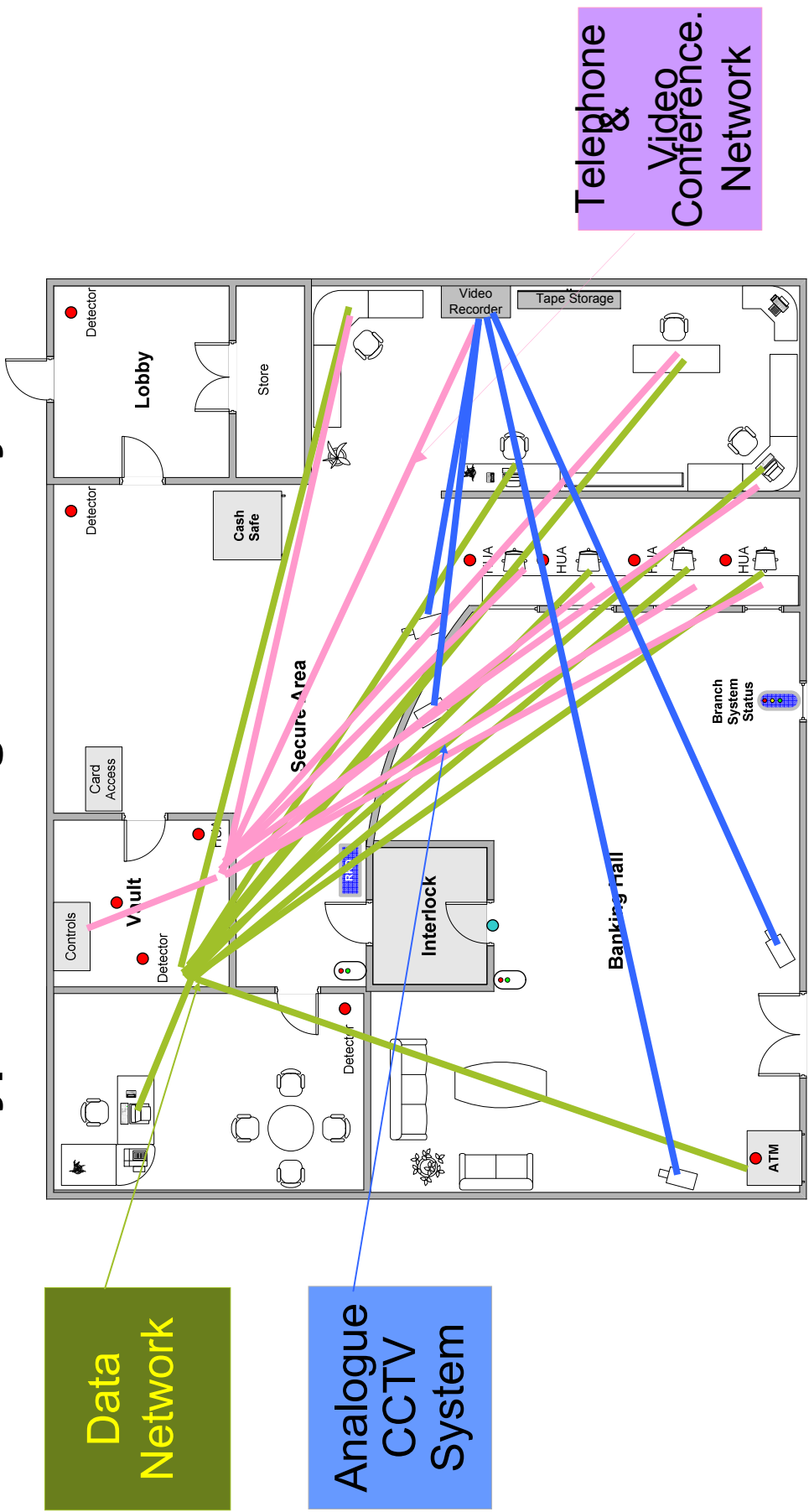


Data Network

Analogue CCTV System

Convergence in Branch Banking
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Typical Existing Branch Layout



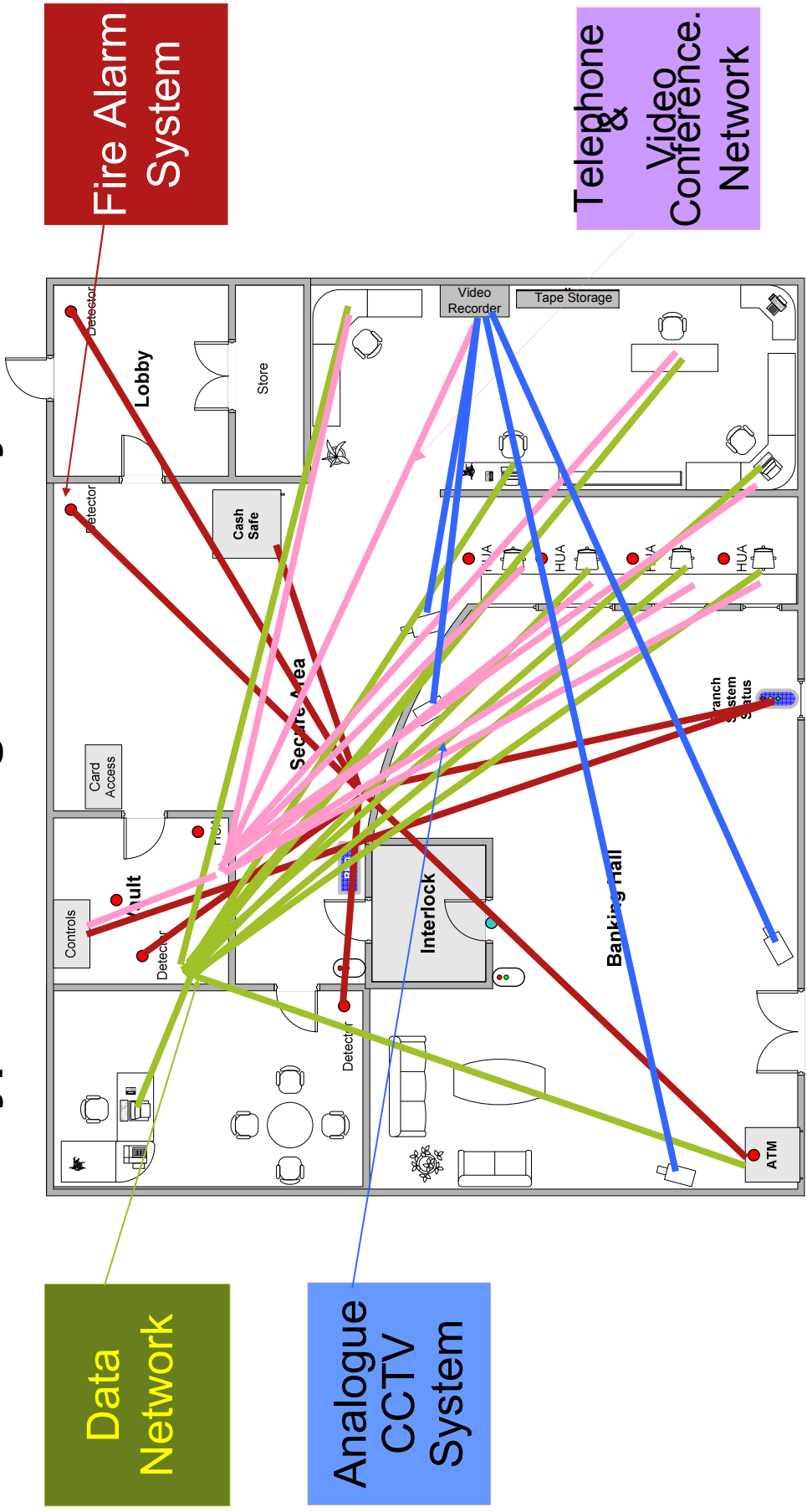
Data Network

Analogue CCTV System

Telephone & Video Conference Network

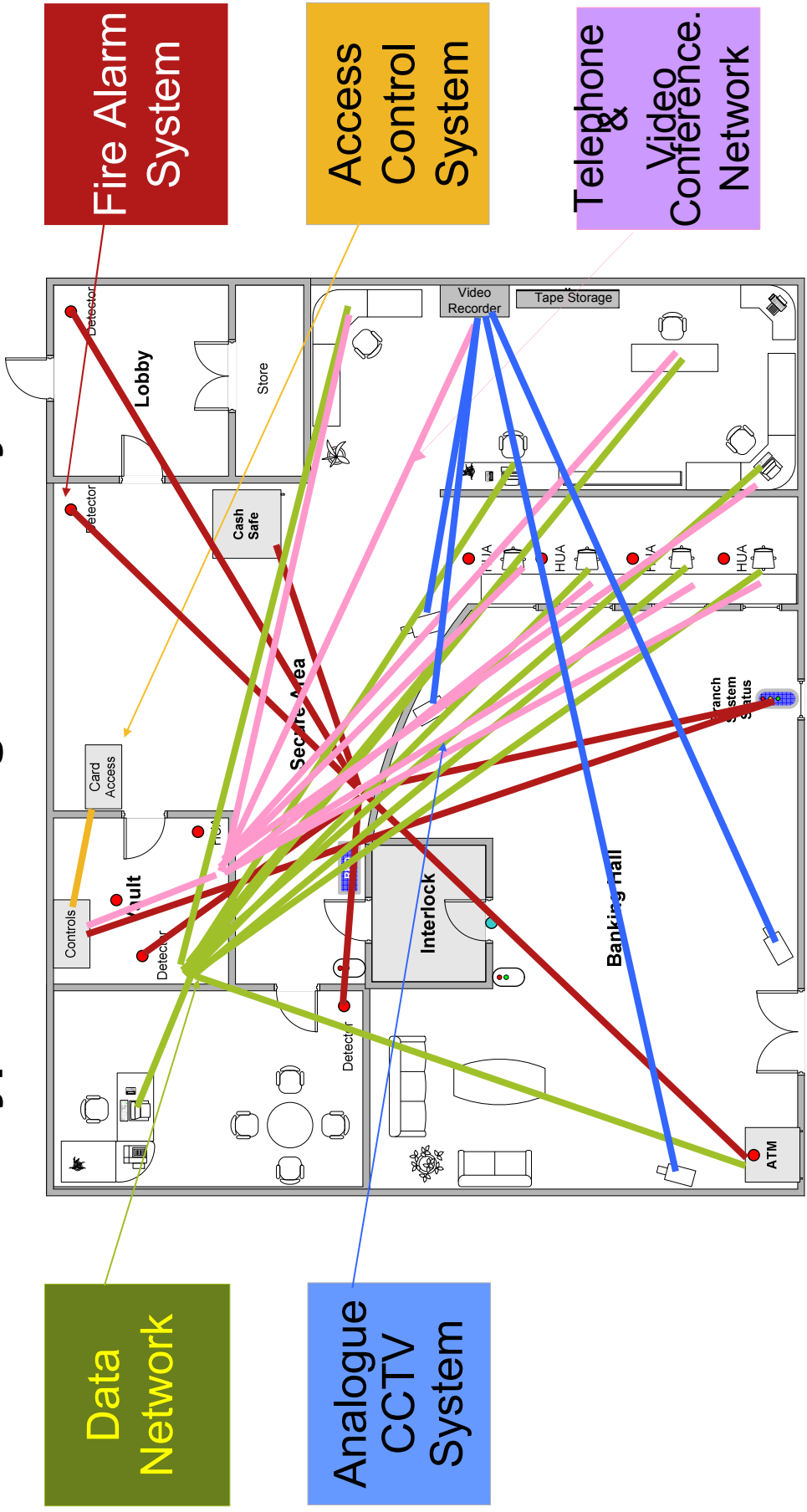
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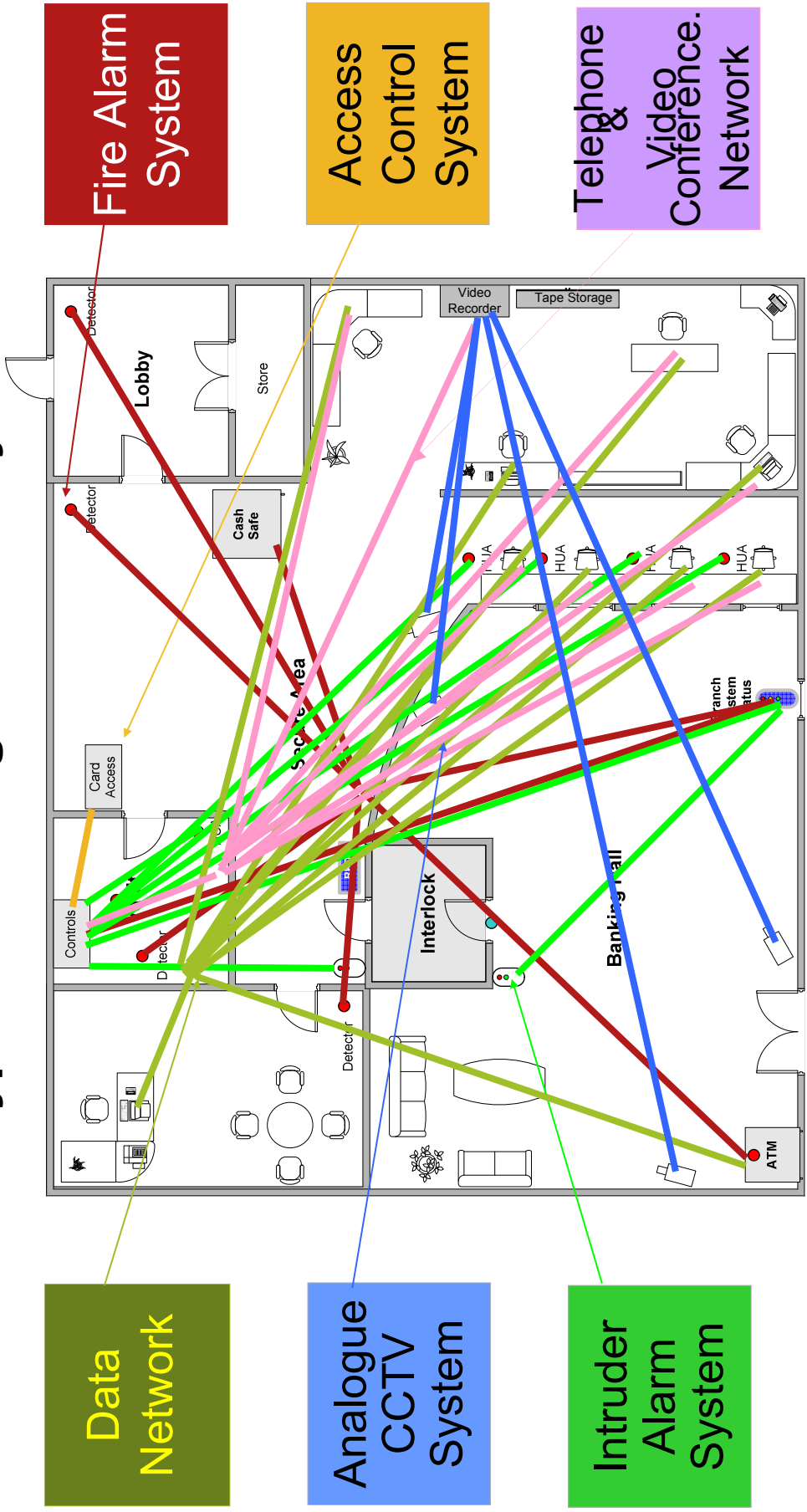
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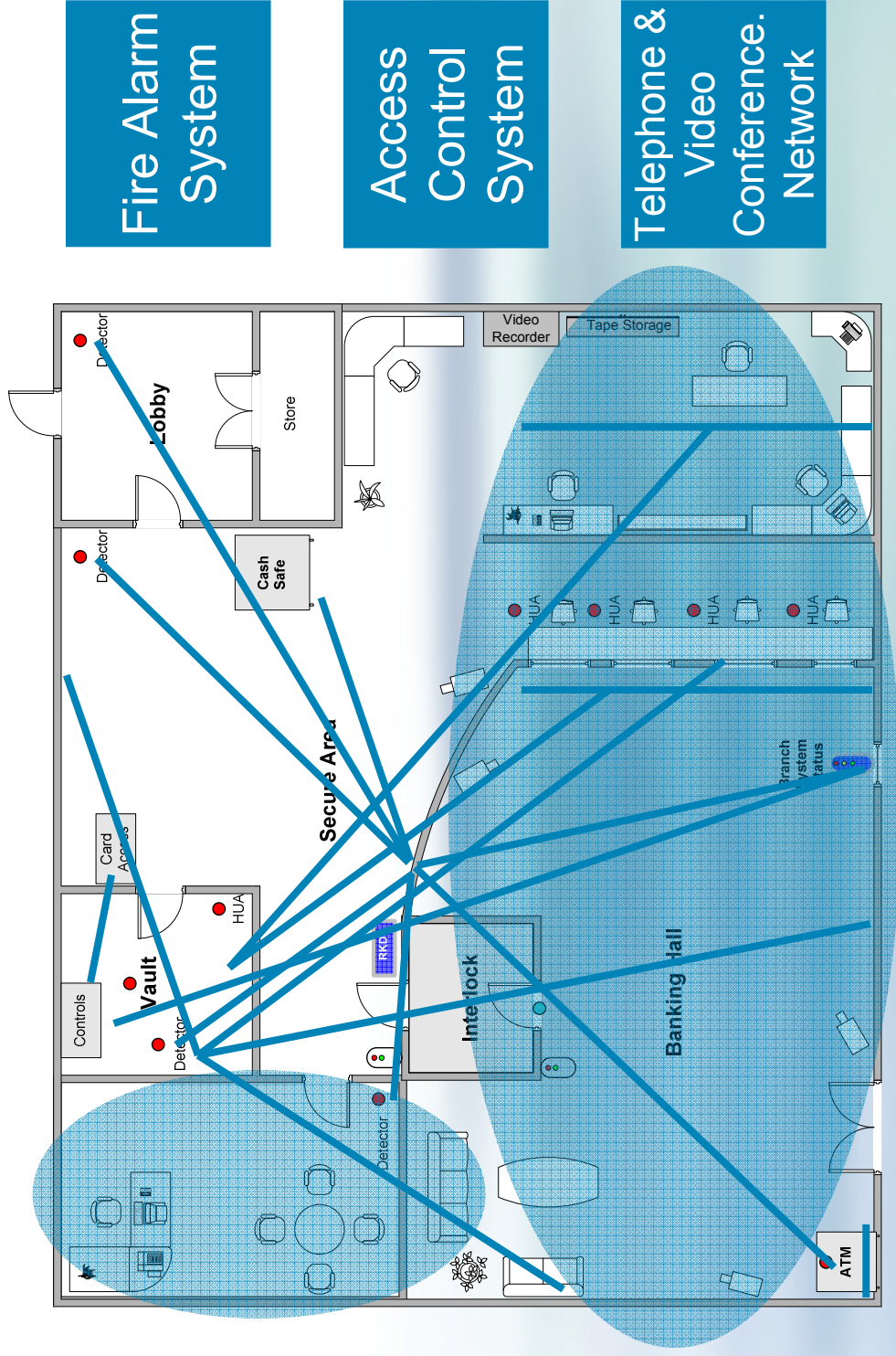
**Convergence in Branch Banking
Transforming the Facilities and Real Estate layout:**

Typical Existing Branch Layout



A Converged Banking Network: Estimated Potential Opex savings > 30%

Converged Branch Layout



Data Network

Analogue CCTV System

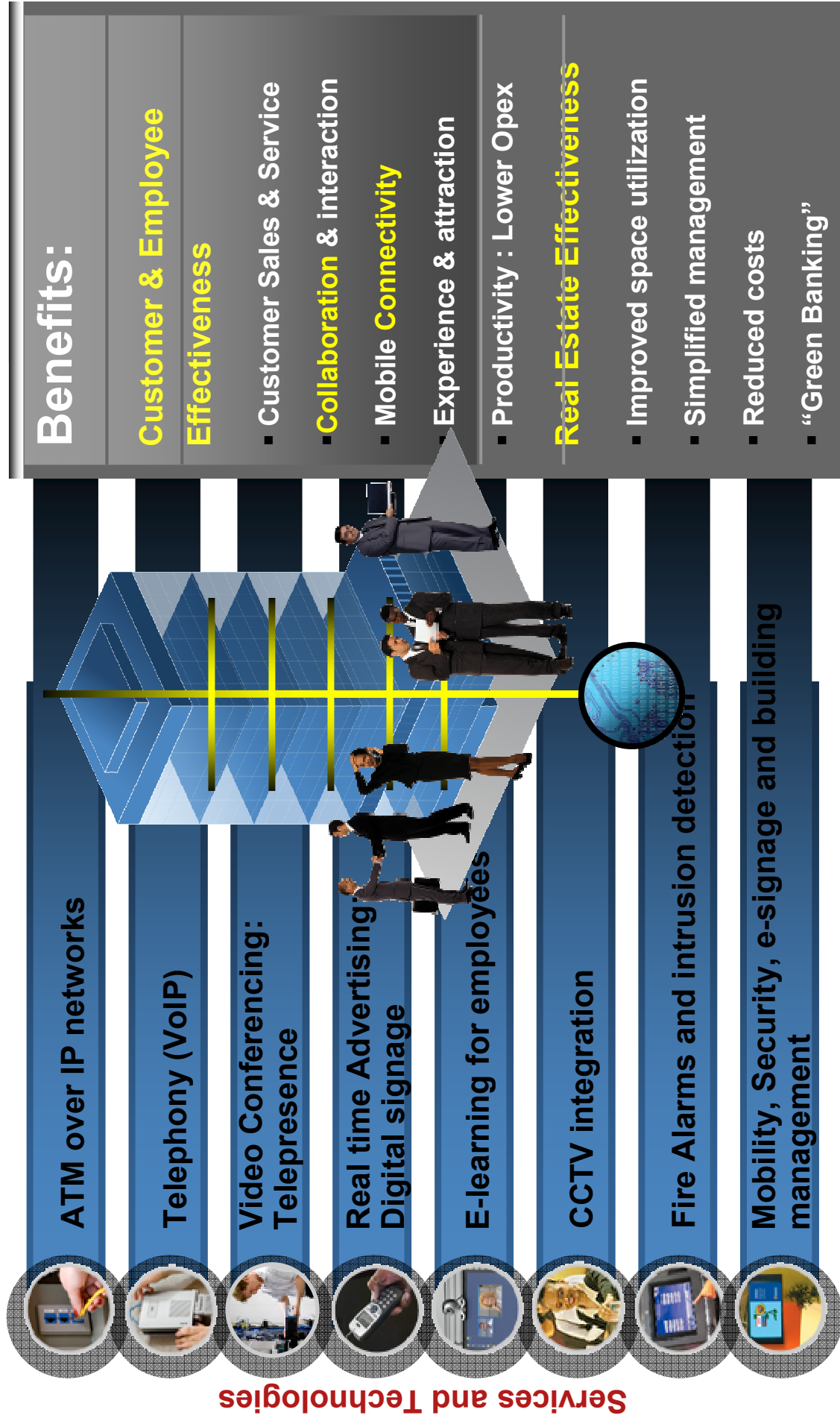
Intruder Alarm System

Fire Alarm System

Access Control System

Telephone & Video Conference Network

The Network as the Delivery Platform: Integrating the Retail Bank



Services and Technologies

Benefits:

Customer & Employee Effectiveness

- Customer Sales & Service
- **Collaboration** & interaction
- **Mobile Connectivity**
- Experience & attraction

▪ Productivity : Lower Opex

Real Estate Effectiveness

- Improved space utilization
- Simplified management
- Reduced costs
- “Green Banking”

The Network as the Delivery Platform: Efficiency in building management

Benefits:

Building Performance

- Safety and security
- Environmental sustainability
- Occupant comfort
- Organizational flexibility

Real Estate Effectiveness

- Reduced costs
- Energy savings
- Managed services
- **Green Advantage**

