



UniCredit Romania Case Study

Romanian bank cuts operating costs for rapid growth with Cisco's aid

UniCredit Romania has achieved central control of voice calls and improved staff efficiency through Cisco Unified Communications

Executive Summary

Customer Name: UniCredit Romania
Industry: Financial Services
Location: Romania
Number of Employees: 920

Business Challenge:

- Reduce high cost of internal calls between branch offices and with company HQ
- Centralise management control of telephony system with improved visibility of calls
- Achieve time savings and efficiency gains among 920-strong workforce

Network Solution:

- Nation-wide integrated communication system based on IP telephony
- Cisco Unified CallManager Express and IP phones implemented in 16 new branches
- New HQ with Cisco Unified CallManager and Unified Contact Centre

Business Results:

- Cost saving of 20-25 per cent on operating costs in branches and company HQ
- Consistent communications and greater business efficiency achieved with IP phones
- Reduced time-to-market for new branches with improved customer service

Business Challenge

UniCredit Romania is 99.94 per cent owned by Italian-based UniCredit Group, one of the most dynamic new forces in European banking. The group is recognised as one of the leading providers of financial services in its heartlands of Italy, Germany and Austria and already has a particularly strong advantage in Central and Eastern Europe. Its size in terms of revenues, net assets and active branches is more than double that of the second player in the region.

UniCredit Romania began life in 2003 with UniCredit Group's acquisition of a small local bank. It has since expanded by organic growth to a network of 50 branches. In the wake of UniCredit Group's recent merger with HVB Group, UniCredit Romania is in the merger process with HVB Tiriatic Bank, the fourth-largest player in the local banking system. The new entity following this merger is poised to take a much stronger position in its home market and will operate through a network of more than 140 branches by the end of 2007.

The first phase of UniCredit Romania's drive for national expansion meant that the bank had to be able to open up new branches quickly and integrate them smoothly into the existing network. Reduced time to market was a key objective, with flexible, integrated voice communications extending nationwide, and shared resources to manage and maintain the system.

The company also needed to control its high telephony costs. This imperative applied equally to the 34 original branches and to the 16 new ones that were added although the component parts of the business were found to require different approaches in the short term. The cost issue also embraced the bank's old head office in Bucharest, along with a replacement headquarters building in the Romanian capital that opened for business in early 2006.

The project called for a phased approach. While UniCredit Romania was determined to introduce IP telephony across all its branches in order to save money through toll by-pass, with lower operating costs and improved staff efficiency, the older offices were equipped with legacy PBX equipment and non-Cisco switching gear which it did not wish to upgrade immediately. In the new branches, meanwhile, the bank wanted to go straight for new standards of staff efficiency by making voice calling quicker and easier through faster connections and a single directory.

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Bogdan-Mihai Zamfir
Telecommunications and Security
Officer UniCredit Romania

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Network Solution

In Romania, Cisco has long been the leading player in the supply of routers to the financial services sector. Indeed, it is thought to have almost 100 per cent of the routing market in that sector.

While time to market and lower costs were key drivers for the bank, they were not the only priorities. "We used to have to call our supplier and ask them to help us with our service monitoring," recalls Bogdan-Mihai Zamfir, Telecommunications and Security Officer at UniCredit Romania. "There was a lot of time wasted while the problem was solved. We wanted to centralise the system so it could be managed and monitored by our own people."

All three factors pointed to the Cisco Unified Communications system as the answer to the company's business needs. The quickest and most inexpensive way to achieve the bank's aims in the acquired part of the company's estate was to launch IP telephony on a router-to-router basis in the first instance. The result was a mixed IP environment, using Cisco routers as voice gateways with non-Cisco switches and PBXs. This would enable the company to capitalise rapidly on the proven benefits of Cisco's robust and versatile equipment while protecting investment in legacy equipment until the company is ready to upgrade it.

At the new branches, in contrast, it made more sense to go straight for an all-Cisco solution. UniCredit's system integrator, Cisco Gold Certified partner Datanet Systems, worked closely with the bank and Cisco to create a flexible toolkit for the new offices. Datanet Systems designed and implemented the solution, including the Quality of Service (QoS) across the WAN that was necessary to support real-time traffic over the entire network. A key challenge was integrating the legacy PBX telephony infrastructure at some of the branches with the new IP telephony and IP-based fax servers to ensure seamless, end-to-end communications for a bank employee, irrespective of whether they were connected to a new IP phone or a legacy TDM PBX.

The solution was based on a standardised configuration of Cisco Integrated Services (ISR) Routers and Cisco Catalyst switches, with Cisco Unified CallManager Express implemented individually at each office as they came on stream. This brought the bank the immediate benefits of Cisco Unified IP telephony, offering full call control and increased user productivity, with easy adds, moves and changes as well as the future ability to integrate other networked services over the ISR routers.

Initially, the bank had considered a 'mixed' IP telephony solution at its central office by extending the old PBX system. To take full advantage of the expanded IP capabilities in its new offices, however, UniCredit recognised that installing Cisco Unified CallManager with Cisco Unified Contact Centre in its HQ would give better monitoring and control of telephony costs. As the latter solution includes five bundled automated call distribution (ACD) seats, the bank was also able to launch a small contact centre to service its Internet banking customers. The Cisco Unified CallManager solution then transferred seamlessly into the bank's new HQ.

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Business Results

UniCredit's rapid growth trajectory has been supported by a successful Cisco Unified Communications deployment that has brought value to the bank. The solution has reduced time to market for new branch openings and brought greater operational flexibility right across the network, with centralised system management enabling better alignment of the bank's communications and its business aims.

Rapid employee deployment particularly important in a period of expansion - is one clear benefit. "If we wanted to install a new employee in a shared working environment, we used to have to call in an external supplier," says Bogdan-Mihai Zamfir. "Now we have all the information at our fingertips and it's easy for us to do it internally. It takes about fifteen minutes."

Improved communication between branches has helped the bank sharpen its customer service. By making good the company's commitment to offer all its services to customers coming in to any of its branches, irrespective of the branch where the customer's primary account is held, the Cisco solution contributes to greater customer satisfaction and helps retain customers at a time of intensifying competition.

The solution has done away with a complex and cumbersome branch numbering system, as Cisco IP telephony allows easy access to a common, centralised directory. This feature allows for faster connection times between branches and HQ, bringing UniCredit Romania an improvement in employee efficiency.

The Cisco solution has also produced a highly successful resolution to the challenge of UniCredit Romania's high call costs. Internal calls between branches or head and branch offices are routed over the IP network and so do not incur charges by travelling over external networks. Even the interim mixed solution, using the older PABX equipment, is saving the company money.

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Next Steps

In Europe and around the world UniCredit Group is merging with HVB Group. UniCredit Romania's integration of data services with its Cisco Unified Communications IP telephony platform is now awaiting decisions on how best to combine systems in each country. Under the world-wide merger plan, the bank resulting from the merger of UniCredit Romania and HVB Tiriatic Bank will have a much larger combined 140-branch network trading under the new UniCredit Tiriatic brand. Each country is working to its own timeline on business harmonisation and systems integration, dovetailing the processes in accordance with local requirements. Since Cisco equipment is being used at the Group level, opportunities are being explored to create a more seamless network platform able to support a full range of voice and data services.

For More Information

To find out more about the Cisco Unified CallManager, go to:

<http://www.cisco.com/en/US/products/sw/voicesw/ps556/index.html>

To find out more about the Cisco Unified CallManager Express, go to:

<http://www.cisco.com/en/US/products/sw/voicesw/ps4625/index.html>

Press release: http://newsroom.cisco.com/dlls/partners/news/2006/pr_prod_04-04.html

Product List

Routing and Switching

- Cisco 2821 Integrated Services Routers
- Cisco Catalyst 3560 Switches

Voice and IP Communications

- Cisco Unified CallManager Express (branches)
- Cisco Unified CallManager (HQ)
- Cisco Unified IP Phone 7960, 7940 and 7912



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