

Retail Bank Finds Savings and Services in Next Generation Routers

2011-2016

National Australia Bank seizes economical opportunity to lay foundations for wide area applications services.

Customer Case Study

EXECUTIVE SUMMARY

Customer Name: National Australia Bank



Industry: Banking and financial services

Location: Headquartered in Melbourne, with retail stores throughout Australia; also operates in New Zealand, Asia, the United Kingdom, and the United States

Number of Employees: 44,000 worldwide

BUSINESS CHALLENGE

- Create nationwide WAN serving more than 800 retail bank stores
- Make case for capital equipment outlay against potential future uses

NETWORK SOLUTION

- Upgraded stores to fully configured second-generation integrated services routers in tandem with connectivity upgrades

BUSINESS RESULTS

- Saved AUD\$5 million in overall cost of store router upgrades
- Improved service continuity and stability
- Laid foundation for advanced and innovative network services

Business Challenge

One of four major banks in Australia, National Australia Bank (NAB) operates in New Zealand, Asia, the United States, and the United Kingdom as well as Australia. In addition to personal banking, NAB is Australia's premier business banking service provider. Its services include wealth management, financial services, and others ranging from insurance to stock trading.

With some 25 million people dispersed across a geography not much smaller than the continental United States, Australia has many populated areas that qualify as "remote." So the wide area network of a nationwide business such as retail banking is very wide indeed. Altogether, the bank's WAN connects its two data centers in Melbourne, to its main offices located in the capital cities, business banking centres located within capital and regional centres, more than 800 retail stores distributed throughout the country, and a rapidly growing number of self-service retail banking kiosks situated in shopping center concourses.

In 2010, NAB started upgrading its branch network connections to fiber optic, using 3G wireless technology for redundancy in locations where disparate cable paths could not be provided. The goal was not just to improve existing services but also to provide the network capacity to better centralize network operations. But, while the upgraded network would provide stability and capacity, the implementation of new services would require additional site visits, a major expense for such a geographically dispersed operation.

Network Solution

The fiber upgrade and wireless deployment was no small undertaking. "We had to send crews to every store, which was labor-intensive and involved a great deal of travel," says

John Vanderleest, head of network services at NAB. "In addition, all the work had to be done at night, so it wouldn't disrupt operations during business hours."

That got Vanderleest and Gary Pickering, NAB's LAN and WAN manager, thinking about what more the crews could do while they were at each branch: Could the company get more value out of the investment that it was making in fiber and wireless by upgrading the routers in the stores at the same time?

"Technically, the G1 routers we had in place weren't at the end of their useful life," says Vanderleest. "So there was no pressing need to replace them."

But he and his colleagues took a longer view. The strategic plan for NAB's wide area applications services (WAAS) is a services-on-demand model. The services will include not only unified communications management but also teleconferencing and video conferencing, accelerated service delivery, broader use of wireless, and more, all centrally provisioned and managed.

Even so, the business case for those "upgrades of the future" would have to be made, in the future, on their own merits. If NAB was going to replace hundreds of perfectly serviceable branch routers in tandem with its network connectivity improvement project, the cost would have to be justified on today's business needs, not on what might be required in the future.

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— John Vanderleest, Head of Network Services, National Australia Bank

"It became a financial exercise," says Vanderleest. "The G1 routers were nearing the end their current lease, so Gary and Tony Iacobucci, our Cisco account manager, figured out what it would cost to trade in our existing fleet of G1 routers for Cisco's second-generation ISRs."

In the end, they were able to make a compelling case for upgrading NAB's stores to second-generation Cisco Integrated Services Routers, or ISR G2s.

"The G2s are so functionally rich. They have all the capacity we envision needing, including a 48-port Ethernet blade, already built into the chassis," says Vanderleest. "They're far more powerful than what we need in most stores, at least in the near term."

"But we knew they would set us up to implement the services we're planning for the future," he adds. "And they enable us to provision those services centrally and remotely to our hundreds of stores."

Still, it was the finances that made the business case compelling. "The volume of equipment purchased, the payment terms, and the labor savings realized by deploying the G2s in tandem with our other branch upgrades, provided a compelling business case."

Business Results

NAB started enjoying significant business results even before the deployment of the ISR G2s and new network was complete, as network stability at the bank's stores improved significantly. "We expect to virtually eliminate outages," says Pickering. NAB prides itself on providing safe, easy, reliable banking to its customers today, but the greatest benefits of the bank's new G2-based WAAS infrastructure lie ahead, even as the future is already under way and gathering speed. Before the upgrade, NAB's dated WAN infrastructure was literally restricting the growth of the business. For example, a retail store might have wanted to add tellers or add video conferencing to enhance its customer service, but the old network simply would not support such efforts. Now that such technical limits are a thing of the past, new initiatives are starting to get under way.

For example, the bank is now deploying digital signage in every branch. Local contractors install monitors at each site and connect them to the router on premises. After that, all signage content can be centrally created, managed, and controlled. In line with the bank's carbon neutral status, the signage eliminates the cumbersome and costly processes of printing, distributing, and coordinating the display of continually changing paper signage.



Another example: NAB is starting to deploy wireless service within every branch. The idea is to move tellers out from behind the counter, onto the floor, where they can offer customers more personal and more efficient service. Meanwhile, customers will be able to conduct basic transactions via "self-service" wifi, while bankers move about the floor offering value-added service and support, transforming each customer encounter from a transactional services model to a true retail experience.

It's all part of NAB's "Bank of the Future," with the first concept retail store opened in January 2012. "It will take a few years to deploy all the services we have in mind at all the stores," says Vanderleest. "But the foundation is in place. And Cisco's G2 technology is a key enabler."

PRODUCT LIST

- Cisco 3945 Integrated Services Routers Generation 2

For More Information

To find out more about Cisco Integrated Services Routers Generation 2, go to: <http://www.cisco.com/go/isrg2>.




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