



EXECUTIVE SUMMARY

Customer Name
Banque Misr

Industry
Financial Services

Location
Egypt

Number of Employees
10,000

Business Challenge

- Improve customer service in a competitive marketplace
- Increase productivity
- Reduce the cost and complexity of back-office operations

Technology Solution

- Financial Services Intelligent Network, to optimize the branch network and data center environment
- New networking infrastructure aligns exactly with business need
- Unified Communications is improving service and cost while reducing complexity
- Call center builds loyalty and provides channel to market

Business Results

- Telephony costs have been slashed by 30 percent
- Improved efficiency is leading to longer public opening hours
- Bank counter queues have reduced by 40 percent

Egyptian Bank enhances customer loyalty and efficiency

Banque Misr is using the Network as a Platform to Deliver a Multi-channel Strategy to Improve Services and Reduce Costs

Challenge

Since it first opened for business in 1920, Egypt's Banque Misr has taken a leading role in the economic and social development of the country. Today, the bank employs over 13,000 employees in over 440 branches nationwide and international branches in Beirut, Frankfurt and Paris, and offers a full range of corporate, retail and Islamic banking services.

Global competition within Financial Services continues to intensify and Egypt is in no way isolated from it. There are currently 37 local/family owned and international banks operating in Egypt, including high profile global banks that are taking advantage of a thriving economy and banking reforms which have created a modern, well-regulated and capitalized banking industry.

In 2000, Banque Misr developed an ambitious strategy to become the country's leading bank for customer service and meeting customer's needs. Mohamed Kafafi, vice chairman of Banque Misr, explains: 'Our strategy comprised two levers. The first was to improve our services to customers—to protect us from competitors and to win new business. We wanted to optimize our delivery channels by providing better and more personalized services that enable our customers to do business with us in the ways and at the times that suit them. The second was to improve productivity across our banking operations.'

A key element of this strategy was moving all of the bank's applications and back-office processes onto a single integrated 'one banking' platform. To achieve this, however, the bank realized that it would first have to transform its networking infrastructure that had grown piecemeal over the years. It was operating separate islands of technology, with different suppliers and multiple PBX telephony systems which were difficult to manage and very expensive to maintain. Sharing information and running efficient and common processes was very complex and difficult to achieve across a variety of platforms.

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—Mohamed Kafafi, Vice Chairman, Banque Misr

Solution

Information is the heart of a modern multi-channel banking model. Every transaction and interaction needs to be captured to provide a single real-time view of the customer. This information then needs to be delivered to the people that need it, when and where they need it. As a result, the bank is in a prime position to optimise its customer service proposition and to ensure that the tools can be put in place to support all future growth strategies.

Fariz Zalouk, general manager, operations, at Banque Misr, believes that it was strategically important for the bank to find a partner that had the vision and depth of expertise to help it take full advantage of the new generation of technologies. 'Cisco's view of the "network as a platform" aligns closely with our own vision to create a secure, reliable and scalable multi-channel banking network. No other company could match the scope of Cisco's end-to-end solutions and the totally integrated way they see the network supporting the bank's operations,' he explains.

Working with Cisco®, the first step was to create a new local area network for 3,000 users at the bank's headquarters in Cairo, and a secure, wide area network to connect its 441 branches. The MPLS wide area network, based on Cisco technology, was provided by two service providers to guarantee high availability.

The bank was then able to move to a new core banking platform. By 2003, having provided branches with secure access to common processes and centrally stored information, the bank was able to improve collaboration further by introducing Cisco IP Telephony. A small, five-month long, pilot between headquarters and two branches using 200 IP Phones first proved the concept and was followed by a phased roll-out. Cisco Unified CallManager replaced the headquarters' legacy PBX in 2004 and over the next two years a total of 5,000 Cisco IP Phones were installed as legacy PBXs in the branches at 'end of life' were replaced.

The growing importance of the network in enabling the bank's day-to-day operations saw the creation in 2004 of a disaster recovery centre over a secure Cisco-based Storage Area Network using diverse routing from two service providers.

By 2006, the bank took another important step in its multi-channel strategy with the creation of a 20-agent a Cisco Unified Contact Center for the bank's VISA customers. The center is integrated with an Oracle Customer Relationship Management (CRM) system that is in turn integrated with the bank's core platform to provide agents with a complete view of a customer.

Mrs Fayza Helal, general manager, Call Center & CRM, says: 'The Cisco architecture enables us to run a distributed call centre strategy, with credit card enquiries being managed by another centre. Another dedicated group of agents are now able to focus on making outbound calls, using information to profile our offers to the customers who are most interested in them. Customers only need to call one number to reach a wide range of services.' The bank is also planning to better integrate its Internet Banking service with the contact center infrastructure.

An associated Interactive Voice Response (IVR) system enables customers to obtain an account balance and carry out tasks such as requesting a checkbook or a statement. The facilities have proved popular with customers and on average the call center manages around 10,000 conversations each month while the IVR system carries out 8,000 transactions. Customers can also choose to access the bank's facilities day or night through over 3,000 ATMs that are already connected to the network.

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—Fariz Zalouk, General Manager, Operations, Banque Misr

Results

'Cisco has helped the bank to build the foundation for its continued success. Working together we have been able to reach our customers through more delivery channels, create a more productive bank, and provide our services at less cost,' says Kafafi.

For example, having customer information at their fingertips means that agents are able to help with a broader range of enquiries. In turn, this means faster response and increased client satisfaction as customers usually only have to speak to one agent. 'Having a single view of all the information we have means that we are able to better understand customer's requirements and to develop products to meet them,' Helal comments. Recent innovations have included supporting a national drive towards digital inclusion with low cost loans for personal computers so that more people are able to access the Internet.

In the branches, customer queues have reduced by 40 percent as tellers have the information they need to speed up customer transactions. This, and the greater efficiency of core IT functions, is translating into business efficiency and agility whilst at the same time providing for a better customer experience. For example, the time needed to balance the books at the end of each day has reduced from two hours to one hour per teller. As a result, the bank is considering extending opening branch hours.

As well as greatly improving collaboration within the bank—in the past, limited bandwidth between headquarters and branches caused delays in gaining authorization for some transactions—Cisco IP Telephony has reduced costs. Toll bye-pass has avoided the cost of inter-branch calls over the public networks.

Consolidating the infrastructure has both significantly reduced network complexity, and maintenance costs, especially telephony. Overall, telephony costs have reduced by approximately 30 percent. The introduction of IP Telephony has also made everyone at the bank aware of how technology can change things for the better and this change of culture has made it much easier to gain employee's support for new services.

'By considering the network as the platform we are able to create a level of integration and customer intimacy and level of service that we have never had before and, at the same time, drive out cost and enhance our business agility,' says Zalouk

Next Steps

The increasing importance of the network to the bank's day-to-day operations and the in-built flexibility and scalability of Cisco's approach is highlighted by a major infrastructure change being planned. This will see the bank introduce regional nodes into the WAN to support the roll-out of a suite of desk-top general office applications that will complement the core banking platform.

Branch infrastructure will be upgraded to the Cisco Integrated Services Routers family of routers that integrate a number of functions, such as voice, security, and wireless services, and can also support the introduction of WAN optimization in the future.

Other developments to be introduced as part of the Cisco Branch Optimization initiative include digital signage within the branches. Centrally managed content would be available to inform customers of products and services. The ability of the network to support video will not only improve collaboration between branches—especially those overseas—but also support e-learning, both improving skills and the speed at which products can be introduced and accelerating the time it takes for employees to be effective.

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—Mrs Fayza Helal, General Manager, Call Center & CRM, Banque Misr

Technical Implementation

'The flexibility of the network is incredible. Distributing intelligence across the network has enabled us to create a highly virtualized approach to data storage and business resilience. This has significantly improved storage resource utilization while improving manageability,' explains Zalouk.

These features are part of a model that Cisco's calls the Service Orientated Network Architecture. The banks vision aligned with this approach which delivers a framework for enabling network-based services such as security, mobility, and identity to be connected with applications to enable business solutions.

This has enabled the bank to:

- Increase business agility by reusing existing network services
- Reduce costs by utilizing network services across multiple business applications
- Minimize infrastructure disruption while simplifying deployment flexibility
- Increase productivity and efficiency while providing market differentiation

The core of Banque Misr's headquarters' LAN comprised two Cisco Catalyst 6513 Switches connected to 45 Cisco Catalyst 3500 Switches with Power over Ethernet to support the future deployment of IP Telephony. WAN connectivity was provided by managed MPLS service from two service providers with typically Cisco 2600 Series Modular Access Routers or Cisco Catalyst 2900 Series Switches installed within branches. WAN connections of between 64kbps and 128kbps were increased, typically from 256kbps up to 2Mbps. A small server running the core banking application with each branch provided a cost-effective alternative to a completely centralized approach.

The disaster recovery site comprises two Cisco MDS 9200 Series Multilayer Switches at both the site and the headquarters' data center. Dual sourced, fiber optic STM1 connections running at 155Mbps, provide high levels of performance, scalability and redundancy between the two centers. The backbone of each site comprises Cisco Catalyst 65XX Switches.

The scalability of the network was underlined with the introduction of Cisco IP Telephony that was able to utilize the existing infrastructure, including switches and routers. Three Cisco Unified CallManager 4.0 modules were inserted into the Catalyst 6513 Switches at headquarters and another three in Cisco Catalyst 6513 Switches at the bank's disaster recovery site. To date some 5,000 phones had been installed and the bank expects to replace all legacy voice systems by 2009 [Please confirm]. Cisco Unified Messaging was added in 2005 to provide voicemail and other advanced features.

The bank has also added Cisco Unified Contact Center Enterprise to the infrastructure to provide intelligent contact routing, call treatment, network-to-desktop computer telephony integration (CTI), and multichannel contact management over the IP infrastructure.

As the bank layers more and more services on to the network, the need to store and transmit information securely becomes increasingly important. An important feature of Cisco's architecture is to create a 'self-defending network,' with security integrated into all aspects of the platform rather than being viewed as an add-on. Various security devices and techniques protect the network, including Cisco PIX firewalls and firewall modules within switches and routers.

With over 10,000 desktops on the network, Cisco Security Agent 6.0 provides endpoint security. Cisco's Security Monitoring, Analysis, and Response System (MARS) provides essential security monitoring for network devices and host applications, greatly improving manageability by collating and analyzing threats. Cisco Intrusion Detection Sensors (IDS) uses highly innovative and sophisticated detection techniques to defend the bank against combating unauthorized intrusions, malicious Internet worms, along with bandwidth and e-Business application attacks.

For More Information

To find out more about Cisco's architectural approach, go to:

http://www.cisco.com/en/US/netsol/ns629/networking_solutions_market_segment_solutions_home.html

Product List

Routing and Switching

- Cisco Catalyst 65XX Switches
- Cisco MDS 9200 Series Multilayer Switches
- Cisco 2600 Series Modular Access Routers
- Cisco Catalyst 2900 Series Switches
- Cisco ISR routers

Network Management

- [Cisco: Please advise]

Security and VPN

- Cisco PIX Firewalls
- Cisco's Security Monitoring, Analysis, and Response System (MARS)
- [Cisco: Please advise on what type of IDS sensor is used]

Voice and IP Communications

- Cisco Unified CallManager 4.0
- Cisco Unified Contact Center Enterprise
- Cisco 7960 IP Phones
- Cisco 7940 IP Phones
- Cisco 7912 IP Phones



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