Customer Success Story

PT Bank Mandiri (Persero) Tbk Singapore Branch Lays Foundation for Advanced and Cost Effective Communication Lines with its Indonesian Headquarter

Indonesia’s largest bank takes Singapore operations further with Cisco IP Telephony Solution in its new office in the heart of the Singapore business district.

**BUSINESS CHALLENGE**

PT Bank Mandiri (Persero) Tbk is the largest bank in Indonesia in terms of total assets, loans and deposits. It has IDR262.3 trillion (US$25.2 billion) in total assets, representing 23.9 percent of the total assets of the Indonesian banking system. The Bank offers a broad range of banking products and services to its customers, who range from individuals, small and medium-sized enterprises (SMEs) to large corporations and Government entities.

Bank Mandiri commenced commercial operations in August 1999 following the acquisition and merger of four state-owned banks. The Bank serves more than six million customers, which makes it, based on number of customers, one of the largest retail banks in Indonesia. It employs 17,204 people and has 635 branches and cash outlets.

One of the Bank’s greatest achievements to-date has been the successful consolidation of the nine technology platforms from the four banks. After more that 38,000 man-hours of work, an investment of US$23 million for new equipment, it now has a single technology platform that provides a unified interface for customers and increases the efficiency of back office processing. The Bank is mid-way through its three-year program to upgrade its technology platform, which will provide significantly improved products and services to its customers.

**NETWORK SOLUTION**

Cisco IP Telephony Solution

**BUSINESS VALUE**

- Cabling costs for new office cut by 50 percent
- Cost savings from IDD and network management
- Improved employee productivity from availability of conferencing from each IP phone
- Great features to promote mutual support and collaboration

Its Singapore Branch is one of four overseas branches and operates under an offshore banking licence granted by the Monetary Authority of Singapore on 31 July 1999. It offers a full range of financial services including trade financing, fixed income securities, corporate banking, treasury, deposits and remittances services.

“Our vision is to become the trusted and preferred bank for doing business with and in Indonesia,” said Mr Muhadjir Sangidu. “We have been in Singapore for 10 years (including ex-legacy period) and have 37 employees today.

As part of our efforts to improve our services, we try and enhance our IT infrastructure every year. When we decided to move to our current office at Republic Plaza in the last quarter of 2004, it was the perfect opportunity to upgrade our telephony system to IP telephony.”

The Bank had been experiencing capacity problems with its old PABX system and callers often found the phone lines engaged. In addition, calls after office hours could only be forwarded to one designated number, which was very restrictive.

**NETWORK SOLUTION**

Mrs Rosaline Ng, Head, MIS & Admin, attended a Cisco seminar on IP telephony in mid-2004 and impressed by the promised benefits, requested a proposal from Cisco for consideration by her Management.
Bank Mandiri has enjoyed some immediate benefits from their Cisco IP Telephony Solution in terms of cost savings and improved features for its users.

The cost savings come from several areas. For one, with the convergence of voice and data traffic onto a single IP network, network maintenance and management costs have come down. IT personnel can apply themselves to more business-critical tasks. Head Office in Jakarta has IP telephony in place, so the IDD charges for communications with them will be reduced as the voice traffic can travel over the data network.

Another significant source of savings occurred at the time the Bank relocated to its new office. “With IP telephony, we didn’t have to lay two cables for every desktop since voice and data share one network. The cost avoidance was significant with cabling costing us just over S$33,000, compared to the S$70,000 we would have spent to cable up the 12,000 sq ft office without IP telephony,” said Mrs Ng.

While Cisco is slightly more expensive, we believe that Cisco products are very reliable which is critical to running banking operations. We also took on Cisco because of its leadership in the networking industry and our need to build a network that offers investment protection and scalability for the future,” she explained.

At the same time, the Bank discovered that their Head Office in Jakarta had implemented Cisco IP Telephony as well and had plans to link its overseas offices with IP telephony by 2005 to 2006. “The Head Office has already sent a technical team to Singapore to scope out the specifications for creating those links. With our Cisco IP Telephony Solution in place, the process will be that much easier.”

BUSINESS VALUE

Bank Mandiri has enjoyed some immediate benefits from their Cisco IP Telephony Solution in terms of cost savings and improved features for its users.

Another significant source of savings occurred at the time the Bank relocated to its new office. “With IP telephony, we didn’t have to lay two cables for every desktop since voice and data share one network. The cost avoidance was significant with cabling costing us just over S$33,000, compared to the S$70,000 we would have spent to cable up the 12,000 sq ft office without IP telephony,” said Mrs Ng.

“We believe that the Cisco IP Telephony Solution has laid a strong foundation for our future communications needs. For example, although we have only 37 staff in Singapore today, we have cabled up 60 workstations for expansion purposes over the next two years. We are still exploring new ways of taking advantage of it!”
Employee productivity has improved with the teleconferencing feature on Cisco IP Phones as they can have multiple-party discussions without each having to leave his or her room. This enables greater collaboration and more direct feedback obtained on important projects within the Bank.

"We believe that the Cisco IP Telephony Solution has laid a strong foundation for our future communications needs. For example, although we have only 37 staff in Singapore today, we have cabled up 60 workstations for expansion purposes over the next two years. We are still exploring new ways of taking advantage of it!"

- Mrs Rosaline Ng, Head, MIS & Admin, PT Bank Mandiri (Persero) Tbk

“There are a few features on the Cisco IP Phones we are especially pleased with. The conferencing feature is very useful for our regular departmental heads conference calls, as well as our communications with our Head Office. We have also installed Cisco VT Advantage web camera in our conference room to enable video conferencing with our Head Office when necessary,” said Mrs Ng.

“In the evenings, we can now redirect calls to more than one location within the branch. A shared line feature helps secretaries to handle calls for their managers in their absence. When the secretary isn’t around, she can also have her calls directed to another secretary.”

The Bank praised Cisco’s responsiveness to their needs. “Cisco has been very helpful to us. They loaned us equipment during an important network hub project with our Head Office as our own had not yet arrived. Their technicians are well-trained and can troubleshoot pretty fast. We are very happy with the service we have received so far.”

The next milestone for Bank Mandiri here will be to complete the link to more departments in its Head Office in Jakarta. This will enable easier collaboration and communication with the International Division which oversees the Singapore Branch and the IT Department which manages company-wide projects.

FOR MORE INFORMATION
To find out more about Cisco financial services industry solutions, go to: www.cisco.com/go/financial
To find out more about Cisco IP Communications solutions, go to: www.cisco.com/go/ipc
To find out more about Bank Mandiri, go to: www.bankmandiri.co.id or www.ptbankmandiri.com.sg
Cisco Systems has more than 200 offices in the following countries and regions. Addresses, phone numbers, and fax numbers are listed on the Cisco Website at www.cisco.com/go/offices.

Argentina • Australia • Austria • Belgium • Brazil • Bulgaria • Canada • Chile • China PRC • Colombia • Costa Rica•Croatia • Cyprus • Czech Republic • Denmark • Dubai, UAE • Finland • France • Germany • Greece • Hong Kong SAR • Hungary • India • Indonesia • Ireland • Israel • Italy • Japan • Korea • Luxembourg • Malaysia • Mexico • The Netherlands • New Zealand • Norway • Peru • Philippines • Poland • Portugal • Puerto Rico • Romania • Russia • Saudi Arabia • Scotland • Singapore • Slovakia • Slovenia • South Africa • Spain • Sweden • Switzerland • Taiwan • Thailand • Turkey • Ukraine • United Kingdom • United States • Venezuela • Vietnam • Zimbabwe

Cisco Systems has more than 200 offices in the following countries and regions. Addresses, phone numbers, and fax numbers are listed on the Cisco Website at www.cisco.com/go/offices.

Copyright © 2005 Cisco Systems, Inc. All rights reserved. CCSP, the Cisco Square Bridge logo, Follow Me Browsing, and StackWise are trademarks of Cisco Systems, Inc.; Changing the Way We Work, Live, Play, and Learn, and iQuick Study are service marks of Cisco Systems, Inc.; and Access Registrar, Aironet, ASIST, BPX, Catalyst, CCDA, CCDP, CCIE, CCIP, CCNA, CCNP, Cisco, the Cisco Certified Interetwork Expert logo, Cisco IOS, Cisco Press, Cisco Systems, Cisco Systems Capital, the Cisco Systems logo, Cisco Unity, Empowering the Internet Generation, Enterprise/Solver, EtherChannel, EtherFast, EtherSwitch, Fast Step, FormShare, GigaDrive, GigaStack, HomeLink, Internet Quotient, IOS, IP/TV, IQ Expertise, the IQ logo, IQ Net Readiness Scorecard, LightStream, Linksays, MeetingPlace, MGX, the Networks logo, Networking Academy, Network Registrar, Packet, PIX, Post-Routing, Pre-Routing, ProConnect, RateMUX, ScriptShare, SlideCast, SMARTtune, StrataView Plus, SwitchProbe, TeleRouter, The Fastest Way to Increase Your Internet Quotient, TransPath, and VCO are registered trademarks of Cisco Systems, Inc. and/or its affiliates in the United States and certain other countries.

All other trademarks mentioned in this document or Website are the property of their respective owners. The use of the word partner does not imply a partnership relationship between Cisco and any other company.

Printed in Singapore (04/05)