

Cisco as Trusted Adviser Helps La Caixa Develop European Multichannel Banking Lead

Executive Summary

CUSTOMER NAME

La Caixa

INDUSTRY

Financial Services

BUSINESS CHALLENGE

- To sustain La Caixa's lead as an innovator in Europe's financial services sector

SOLUTION

- Cisco worked with the bank as a trusted adviser in launching pilots exploring business benefits brought by advanced technologies.

BUSINESS RESULTS

- Encouraging innovation, a clear commitment, and considerable investment in media and technology have enabled the entire organisation to conduct business efficiently, as branches and the rest of the channels are equipped with the latest information and communication systems.
- La Caixa's VPN-SSL (secure sockets layer) solution is poised to yield a tenfold rise in peak data rates, with agents able to conduct mobile business securely.

La Caixa, Europe's premier savings and loan institution and a leading Spanish retail bank, is renowned as an innovator in the financial services sector. Other banks pay close attention to its multichannel retail banking model – and Cisco has played a key role in keeping La Caixa at the cutting edge. The relationship has grown, with Cisco now regarded as the bank's trusted adviser on many issues, from IP telephony to mobility and a complete converged business solutions strategy.

BUSINESS CHALLENGE

One of the three most influential financial groups in Spain, [La Caixa](#) derives €1.4 billion in net operating income from its banking business and another €1.07 billion from investments; after-tax income attributed to the group stood at €1.02 billion in 2004. It has come a long way since its creation in 1990 from a merger of two venerable Catalan institutions, pioneering a highly innovative and flexible retail banking model based on ever closer integration of more than 4,700 branch offices, 7,000 automated teller machines (ATMs) and call centres with new Internet and mobile banking services.

At La Caixa, all communication channels complement each other to provide a comprehensive range of products and services. An efficient and decentralised distribution system (only six per cent of the bank's 24,000 employees are located at its headquarters) based on the latest technology makes for a highly productive structure geared toward personalised customer care.



Prepared by Cisco Systems, Inc.
Internet Business Solutions Group

In this challenging environment, the Cisco Internet Business Solutions Group (IBSG) has played a continuous and important role in advising La Caixa on the business benefits brought by advanced technologies.

SOLUTION

What La Caixa has gained from its relationship with Cisco and IBSG is not one solution, but several. All of these, however, can be grouped under a common, convergent business agenda. From its inception, La Caixa's business strategy has been to harness technology to create a portfolio of integrated services and – together – those services have set new benchmarks for multichannel banking across Europe. Each new initiative offers 'integrated' service enhancements, and Cisco has helped on each step of the journey.

“THE WISE USE OF TECHNOLOGY IS A VITAL STRATEGIC ISSUE FOR THE SUCCESS OF OUR INNOVATIVE RETAIL BANKING MODEL. IN THIS RESPECT, OUR COLLABORATION WITH CISCO IBSG IS PROVING VALUABLE.”

Lluís Deulofeu, CIO, La Caixa

Cisco's point of entry was a competitive contractual win in 2001, when La Caixa's most pressing priority was systems integration. Cisco's engagement began with a straightforward vendor deal; later the focus shifted to more ambitious goals. Cisco's intervention enabled La Caixa to install a new network foundation, based on IP and Ethernet industry standards.

When a memorandum of understanding was signed in April 2003 with IBSG, the Cisco La Caixa relationship deepened and its scope broadened. La Caixa CIO Lluís Deulofeu saw that expanding the scope of the bank's engagement with IBSG could help sustain La Caixa's status as a technological pioneer, as well as paying real business dividends in the future. “The wise use of technology is a vital strategic issue for the success of our innovative retail banking model. Our collaboration with Cisco IBSG is proving valuable,” says Lluís Deulofeu.

An intense programme of workshops for key executives within the bank's management structure unfolded in the months that followed. IBSG supplied input on IP-based architecture, on e-learning and best practices in corporate communications, on Cisco's SAFE information security architecture, on mobile communications, and on its Bank of the Future (BoF) concept. Senior executives who attended a Cisco presentation in the UK to check out the BoF vision returned to their desks in La Caixa's Innovation Area to champion such forward-looking ideas across other parts of the bank.

One reason for La Caixa's growing confidence in the value of its relationship with IBSG – and for its acceptance of Cisco as a trusted adviser across a swathe of business issues – was the match between IBSG's understanding of the key business and technical drivers now shaping today's financial services industry and La Caixa's tech-friendly customer profile. Another was IBSG's thorough grasp of the bank's multichannel business development strategy.

“We have more than nine million customers,” says Marc Simón, La Caixa Director of Innovation, “and they have a strong disposition to use technology because we have a long history of applying new possibilities that are useful to people. Our collaboration with Cisco IBSG is very interesting in terms of developing that aspect of our business.”

“CISCO HAS A LOT OF INFLUENCE ON OUR NETWORKING DECISIONS AND, BY VIRTUE OF ITS POSITION IN THE MARKETPLACE, IS A VERY RELEVANT PARTNER FOR US.”

Ramón Rius, Director of Technology and Telecommunications, La Caixa

High usage rates for La Caixa’s online banking services also indicate high levels of customer confidence in the security of La Caixa’s system – an imperative for any business transacting online, but especially so in the financial services arena. Having established itself as a trusted source of security advice, IBSG was able to extend its assistance into other operational areas by drawing on Cisco’s SAFE security protocols.

Ramón Rius, the bank’s Director of Technology and Telecommunications, is clear about the value of Cisco’s contribution. “Cisco has a lot of influence on our networking decisions,” he says, “and by virtue of its position in the marketplace, is a very relevant partner for us.”

Nor does Cisco’s influence end with networking. Ramón Rius cites another example: “For the Internet, which is the most innovative area of technology, we had to set up a Border Gateway Protocol 4 (BGP4) infrastructure, and this was technically a challenge. Because we did not have enough expertise, we had to rely heavily on our partners – and Cisco reviewed the whole process for us.”

A recent content delivery network (CDN) pilot, with IBSG input, is set to enable the bank’s first real-time broadcast of its results to all branches over the company intranet later this year. Further discussions with IBSG are about evolving the basic idea into an array of potential multimedia tools, including in-branch advertising and product support among other future applications.

BUSINESS RESULTS

The business value of Cisco’s involvement with La Caixa falls under two main headings: infrastructure and applications. Early gains included consolidation of voice and data over a single WAN infrastructure, saving on IT costs and improving customer service. Another project, the upgrading of the LAN, made it far more resilient than its predecessor, with no outages reported in its first full year compared with two or three a day under the previous regime.

More recently, Cisco played a significant role in upgrading La Caixa’s infrastructure, first to Fast Ethernet and then to Gigabit Ethernet – and a further tenfold rise in speeds is anticipated following deployment of a VPN-SSL solution. Cisco’s partnering skills were deployed in conjunction with IBM, La Caixa’s most important software provider. “We used Cisco equipment to create an automated workload balancing system, which involved working very closely with IBM,” says Ramón Rius.

The more ambitious benefits that could accrue from the CDN pilot – e-learning, video-on-demand, advanced voice services – may still lie some way off, after the bank's future evaluation of its usefulness as a tool for live corporate communication.

“WE HAVE HAD VERY FRUITFUL CONTACTS WITH CISCO CUSTOMERS IN OTHER COUNTRIES. FOR EXAMPLE, THROUGH CISCO, WE SHARE BEST PRACTICES IN THE INNOVATION AREA.”

Marc Simón, Director of Innovation, La Caixa

Cisco has helped La Caixa in its multichannel strategy with the Internet Caixa Autonomous System (ICAS) project, by building the system and renewing it seamlessly, allowing for more concurrent users to access the La Caixa Website more quickly.

La Caixa has also benefited from another and arguably much more traditional type of networking fostered by IBSG, opening up new channels to share knowledge and views with others in the banking sector. “We have had very fruitful contacts with Cisco customers in other countries,” says Marc Simón. “For example, through Cisco, we share best practices in the innovation area.”

And while La Caixa's own retail banking business remains heavily concentrated in Spain for the time being, this could prove a significant advantage should it ever choose to expand its international presence through alliances – to say nothing of opening up new avenues to explore the bank's other key area of business activity, investment.

TECHNOLOGY BLUEPRINT

So far, La Caixa has bought the following equipment to enhance its infrastructure, with the overall result that more than 95 per cent of its data traffic is now handled by Cisco:

- A Cisco backbone working as the kernel of the whole La Caixa network. This backbone is currently being migrated to Gigabit Ethernet
- 5,500 Cisco Catalyst 2924-2950 switches for a major upgrade of its branch office network, paving the way to enhanced asymmetric digital subscriber line (ADSL) connections at speeds of up to 2Mbps
- Load balancing equipment between data processing centres for branches and electronic channels
- 4,700 Cisco 2600 Series Routers, providing the means for the WAN connection
- Cisco Catalyst 6,500 Series Switches (at the core) and Cisco Catalyst 4000 Series Switches (for user access) in a migration of La Caixa's central office LAN to Cisco

The importance of optimising the bank's IT infrastructure is also underlined by customers' heavy usage of its online and mobile banking services. La Caixa has 2.7 million online customers, 1.1 million of them active. They generate 295 million annual transactions on a system able to support 11,000-plus concurrent users, with aggregated traffic of 80Mbps. Likewise, Cisco has played a role in the crucial area of secure information by providing valuable input on its SAFE architecture and helping to secure mobile communications.

MORE INFORMATION

The Cisco Internet Business Solutions Group (IBSG) is a global consulting team that helps customers transform their organizations by strategically applying advanced technologies and business process innovation. A unique combination of industry experience, business, and technical knowledge enables IBSG consultants to serve as trusted advisors to many of the world's top organizations.

For further information about IBSG, visit <http://www.cisco.com/go/ibsg>



Corporate Headquarters

Cisco Systems, Inc.
170 West Tasman Drive
San Jose, CA 95134-1706
USA
www.cisco.com
Tel: 408 526-4000
800 553-NETS (6387)
Fax: 408 526-4100

European Headquarters

Cisco Systems International BV.
Haarlerbergpark
Haarlerbergweg 13-19
1101 CH Amsterdam
The Netherlands
www-europe.cisco.com
Tel: 31 0 20 357 1000
Fax: 31 0 20 357 1100

Americas Headquarters

Cisco Systems, Inc.
170 West Tasman Drive
San Jose, CA 95134-1706
USA
www.cisco.com
Tel: 408 526-7660
Fax: 408 527-0883

Asia Pacific Headquarters

Cisco Systems, Inc.
168 Robinson Road
#28-01 Capital Tower
Singapore 068912
www.cisco.com
Tel: +65 6317 7777
Fax: +65 6317 7799

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

Copyright © 2006 Cisco Systems, Inc. All rights reserved. Cisco, Cisco Systems, and the Cisco Systems logo are registered trademarks or 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. This customer story is based on information provided by La Caixa and describes how that particular organization benefits from the deployment of Cisco products and/or IBSG expertise. Many factors may have contributed to the results and benefits described. Cisco does not guarantee comparable results elsewhere.

KB/CW/1234 0106