



CISCO ENTERPRISE SOLUTIONS

Yes Bank: Banking on Cisco

Overview

A new entrant on the Indian banking scene, YES BANK launched its operations in August 2004 with its first branch in Mumbai. It is only the second bank to have received permission from RBI to set up operations in India in the past twelve years. YES BANK has opened 5 branches in Mumbai, Delhi and Gurgaon and has licenses from RBI to open another 11 branches.

With the objective of differentiating itself from other industry players, YES BANK has outlined a strategic goal of achieving the status of "One Bank" by offering a comprehensive suite of products and service offerings.

As a strategic initiative, YES BANK has outsourced a significant part of its infrastructure and hardware. This model provides the bank with a variable cost structure that can be scaled up based on its future expansion plans, thus enabling it to optimize its capital resources in the initial phase of operation.

Technology - The Competitive Differentiator

The face and scale of the Indian banking sector have undergone unprecedented transformations. Demands of the technology - driven market have not only increased manifold but have also become more complex. Also, over the years, this has emerged as a highly competitive market, with public and private sector banks constantly seeking to implement innovative solutions like e-banking, tele-banking and multi-branch banking.

As a new player that it pitted against well-entrenched competition, YES BANK has to follow a go-to-market strategy that addresses issues like reducing the time to market and cost effective delivery of innovative financial products. The bank has adopted a strategy of leveraging technology not only to leapfrog the learning curve and fall in step with established players, but also to build a sustainable competitive advantage. Being a new player, YES BANK does not have to contend with legacy infrastructure or obsolescent systems, unlike many of its competitors.

YES BANK crafted a strategic IT roadmap, based on the recommendation of the consulting firm - Gartner, for addressing the business imperatives of customer intimacy, product innovation and operational efficiency in a secure environment. This technology strategy needed to ensure that the service delivery was significantly enhanced, while obsolescence issues were kept at bay.

YES BANK adopted a novel "pay-per-use" outsourcing model, thus becoming the first Indian bank to do so. This unique model leverages the best technology products and services across its branches, datacenters and its network with various vendors to enable high standards of customer service at comparatively lower costs. This outsourcing model leaves YES BANK free to focus on its core competency of retail banking.

Choosing Cisco

According to **Mr. Abhishek Bhagat, Assistant Vice President – Corporate Development and Strategy**, YES BANK, "Technology is blended into our business and is the cornerstone of our strategic planning. We therefore made a concerted effort to adopt a state-of-the-art technology solution that would ensure scalability, availability, reliability and security for our networks. Cisco's acclaimed technology prowess and impressive product portfolio made it the obvious choice for this assignment. "

Solution Architecture

YES BANK designed a centralized architecture using a hub-and-spoke topology for the Wide Area Network, with its Data Center located at Dhirubhai Ambani Knowledge Center (DAKC) near Mumbai. All the hubs are connected to the main Data Center with 2 Mbps links while the spokes use single/multiple 64 kbps links. All links are backed up by ISDN links. YES BANK has used a combination of MTNL/BSNL and private service providers for connections.

To enable this architecture, Cisco deployed the 4500 Series of Redundant Core Switches at DAKC with Series 2950 Switches for the branches. Cisco 3750 Routers are used at the data centre and the head office, while 2600/1700 Series Routers at the medium and small branches ensure high speed LAN connectivity. This deployment was executed in a short span of three months.

The new range of Cisco routers offer the benefit of a truly converged network with over five times the service density, seven times the performance and four times the memory over previous generations of products. These routers are also equipped to handle IP-enabled automated teller machines and IP-based contact centers.

The whole architecture is modular in nature and geared to scale up to support YES BANK's plan to open 250 branches in the next five years.

Results

YES BANK is still in the initial phase of operation and is yet to roll out its entire suite of offerings. However, with the strong technology support, it is confident of providing its products and services across all its delivery channels, including, branches, Internet banking, phone banking, and other channels on the Cisco-powered network, which has the convergence capability. Convergence will enable YES BANK to integrate and deliver diverse customer information along with voice and video into the branch environment through a single, cost-effective, secure and manageable network.

The proof of the pudding lies in the fact that YES BANK was ranked among India's top 20 wired companies by Business Today magazine dated February 13, 2005.

Future Plans

YES BANK has plans to expand its network to Chennai, Hyderabad, Ahmedabad, Nasik and Pune in the near future. Expressing his intent to partner again with Cisco, Mr. Bhagat said, "In the long term, YES BANK plans to open 250 branches in the next five years. Cisco is a technology leader in the networking segment. For all our future networking expansion plans, we will have Cisco on top of the preferred vendors list."