



Technology: Changing banks and bankers

In spite of several concerns raised in the recent past, India remains a large untapped opportunity, especially in the financial services sector. Technology from companies like Cisco is helping banks rise up to the challenge of serving such a diverse and lucrative market.

More than 100 million households have limited or no access to financial products like banking and insurance as per several estimates. With such a huge market and the inherent potential to grow further, the Indian financial services sector is going through a churn. Old, established names are reinventing themselves and their business models, while new ones strive to make their mark with operational excellence and enterprise agility as the prime drivers. Customer satisfaction, world-class service delivery and expansive security coverage are the new business mantras driving the remodeling of many contemporary Indian banks. The change is apparent and widespread and Information & Communication Technology (ICT) is the primary tool enabling this metamorphosis. Global experts and solution providers like Cisco are leading from the front, as technology steadily impacts each and every aspect of the financial services sector.

The opportunity

The government along with the regulatory agencies has put considerable thrust on expanding the cover of financial inclusion in the country. Banking takes center stage here. While large PSU Banks re-

main at the helm of promoting financial inclusion, new private sector entrants are not far behind. Amit Sethi, Senior President & CIO, YES BANK says, "We at YES BANK are striving to expand our geographical presence in the country. As a part of our internal growth strategy called YES BANK Version 2.0, we are going to increase our branch count from the present 381 to 900 in 2015."

A new approach

Expand? All right, but it must make business sense.

Everybody wants to grow, have more branches and coverage but when you put numbers to the plans, things go haywire. Having thousands of branches and ATMs is an expensive business proposition and could spell financial doom, if its done without due diligence. Banks today are taking stock of their operational models and business processes to weed out inefficiencies. As they grow, banks want to remain nimble footed on capital costs while ensuring higher productivity and efficiency. With the changing demographic profile of their customers and rising competition, banks are busy finding new and more efficient ways to market themselves and serve customers better.

Information Technology (IT) is playing a big role in helping banks achieve these objectives. Pranay Jhaveri, Vice President, BFSI, Cisco India and SAARC says, "Banks today use ICT at every point of the value chain. Right from opening new branches to finding new customers and serving them, IT infrastructure and applications are helping banks to grow

. At Cisco, we understand this evolution and have adopted a comprehensive architecture-driven approach to serve our customers in the banking space."

While the usage and benefits of ICT in banking are immense, the following are the key benefits:

Rationalizing operational costs

Salaries, IT infrastructure, marketing expenses, rentals, travelling expenses etc. are the major operating costs for a bank. Advances in ICT and integrated solution offerings from companies like Cisco help banks trim down a significant portion of these costs.

Conventional technologies like the Core Banking Solutions (CBS) are now being integrated with new innovative offerings. Cisco's advance architectures especially designed for financial institutions enable its clients to reliably & securely integrate mobile and wireless connectivity, video & voice over IP, desktop virtualization and contact centers on existing CBS.

Incorporating a comprehensive solution across the organization gives financial institutions a lean and agile infrastructure backbone. This leads to huge savings through an advance service-on-demand (network and compute abilities) framework, low real estate costs because servers are centralized, reduction in travel needs for employees because they collaborate online etc.

Product innovation

Given the diverse demographic profile of its customers and cut-throat competition, innovation at the product level is the key

Pranay Jhaveri, Vice President, BFSI, Cisco, India and SAARC, shares his views on how financial institutions are using technology to operate in a challenging macro business environment.

Which critical business areas in the financial services sector are undergoing transformation because of technological advancements?

In India, increasing geographical reach is a big challenge for Banks and they are exploring ways to leverage technology & networking solutions to overcome this challenge and expand rapidly. Customer service is another area where technology can play a significant role. Modern contact centres, interactive websites, apart from other customer engagement applications are helping banks serve their customers better than ever before. The bank branch continues to be the most important delivery channel and many banks are evolving a branch transformation agenda which consists of providing a differentiated customer experience, improved focus on customer acquisition and increasing wallet share besides optimizing processes to deliver operational efficiencies.

How can Cisco's architecture-driven approach benefit financial institutions with respect to employee productivity and operational efficiency?

At Cisco we have strived hard to break the traditional piecemeal approach for managing IT in banks. With our integrated architecture-driven approach, we serve our customers with comprehensive solutions that impact each aspect of their business. Our offerings help them streamline every aspect of their IT infrastructure right from compute and storage, networking and security to collaboration and mobility, thereby delivering considerable efficiency and improvements. Our unique desktop virtualization solution which is based on multiple architectures spans the entire workspace, from the endpoint to the data center. This provided users an improved virtual desktop, a rich media and collaborative experience, massive scal-



Pranay Jhaveri,
Vice President, BFSI,
Cisco, India and SAARC

ability, improved operational simplicity and significantly lower cost than traditional siloed virtual desktop solutions.

How is technology changing the marketing and customer engagement landscape in banks?

Customer interaction is no longer limited to personal visits at branches of the bank. With networking and web application advances, banks interact with their customers via several channels like ATMs, telephone, websites and social media channels. We, at Cisco understand this and have brought in several innovations that change the customer engagement model for a bank. A good example is the recently launched Cisco® Remote Expert Smart Solution for Retail Banking, which enables virtual face-to-face meetings via high-definition video between customers and speciality lending, wealth management and other types of banking advisors - from any bank branch, in real time. Remote Expert for Retail Banking helps banks to maximize the efficiency and productivity of financial services advisors so they can capture customer needs at first contact and provide the personalized service that the customer desires.

This solution is being adopted by banks, insurance companies and stock broking firms globally.

to growth of a financial institution. As traditional banking products mature and become ubiquitous, technology is helping progressive banks and other financial institutions create differentiated offerings that help them bolster revenues and profits. Right from the hugely popular net banking, mobile banking channels to the emerging near field communication, technology is proving to be the vanguard of innovation in the financial services sector. Pranay Jhaveri says, "We work very closely with our customers to understand the nuances of their business and create solutions that can help them serve their customers better. Cisco's approach is driven by a long term commitment to bring about constant evolution in our offerings to help our customers innovate and grow."

Bringing customer delight

Customer delight is an ensemble of several critical factors that ultimately spell out the robustness of a successful financial institution. Some of these include turnaround time, employee productivity, quality of customer engagement, security etc. Amit Sethi says, "A happy customer

is what we aim at; we want to delight our customers with our solutions and service offerings. At YES BANK, technology plays a big role in helping us do that."

Banking is a business of trust and demands personalized attention towards customers. Effective service delivery and a strong focus on securing every single transaction demands a team effort. Technology architectures like Cisco's Borderless Network, Collaboration & Data Center Virtualization are helping banks bring out the best in its employees as they collaborate together to solve complex issues. Turnaround time for all services is going down and so is the customer discomfort, which for so long has been an achilles heel of the financial services industry. Customers today engage with their banks and bankers on multiple channels including the steadily evolving social media avenues and expect to be served efficiently via any of the channels they choose.

In an industry with limited opportunities to differentiate products, robust and efficient technology infrastructure can be the best competitive tool.

CASE STUDY

YES BANK is a state-of-the-art high quality, customer centric, service driven, fourth largest private bank in India. The bank has a widespread network of over 380 branches across 200 cities, with over 600 ATMs. Since its inception, YES BANK has adopted innovative and creative technologies, and put in place robust systems and processes in order to facilitate the delivery of world-class banking solutions.

Technology for growth

Building a bank from scratch is a phenomenal task and achieving success like the way YES BANK has, has been remarkable. The founding team of the bank always knew that they needed to establish global service and operational quality benchmarks to succeed.

YES BANK identified technology as a key pillar of its growth strategy and paved the way for the creation of innovative product and service delivery models. Amit Sethi, Senior President & CIO, YES BANK says, "We were the first bank in India to adopt a total IT outsourcing model and that has kept us lean and agile for growth."

The challenges

Being a young dynamic bank, YES BANK's employees were on the move and wanted a solution that could help them collaborate better and serve their customers in the best possible manner, in the least possible time. Expanding its retail customer base was a key objective for YES BANK.



Amit Sethi,
Senior President & CIO, YES BANK

In order to achieve its objective, YES BANK wanted to increase the number of its branches and ATMs and create a differentiated value proposition for its retail customers through superior service.

The existing communication system at YES BANK was not adequate enough to support this kind of growth and service orientation. Separate communication systems at each branch and corresponding distributed management and applications led to higher cost and time for branch roll out. The existing infrastructure only provided for voice based communication; video & desktop sharing was not possible and collaboration across time and geographies was difficult.

The Cisco solution

Given the above issues of concern, YES BANK conducted a thorough evaluation especially around collaboration, mobility

and video and decided to deploy Cisco's Unified Communications solution to overcome the challenges. UC as a solution allowed YES BANK to have a single system spread across locations with local survivability for any kind of link/network failure. The integrated UC solution enabled YES BANK to trim down the branch roll out time considerably. All the applications could be hosted on an integrated data-center that could be extended to all the branches across the country. The solution also enabled the staff to collaborate more effectively using audio, video and desktop sharing tools. It also gave them an option to collaborate on the move with audio/video soft-clients installed on their smartphones and tablets.

The results

The advance communication and collaboration solution from Cisco has helped YES BANK achieve its goal of fast and efficient expansion. Today, the young and dynamic workforce at YES BANK collaborates efficiently across geographies to serve its customers in the best possible manner. Commenting on the success of YES BANK's relationship with Cisco, Amit Sethi says, "Cisco's UC solution has helped us increase our efficiency many times over and better our customer service capabilities. Being a technology oriented bank, we hope to replicate this success in other spheres of YES BANK's operational model."