

# Global Financial Services Company Uses Network To Cut Costs, Increase Efficiency

## Executive Summary

### CUSTOMER

Global banking and financial services institution

### INDUSTRY

Financial Services

### CHALLENGES

- Reduced productivity
- High costs
- Increased business travel costs

### SOLUTIONS

- Adoption of self-help model for internal technical support, improved ticket tracking, earlier case resolution
- Substitution of virtual meeting and collaboration tools for business travel

### RESULTS

- Internal service: \$50 million in savings in 2010; another \$38 million in savings in 2011; earlier resolution; reduced volume
- High costs/business travel costs: savings opportunity is estimated between \$50 million and \$100 million at an investment cost of less than \$10 million
- Corporate transaction services: savings opportunity is estimated between \$50 million and \$100 million at an investment cost of less than \$10 million

## Background

In 2009, the customer, one of the largest financial services firms in the world, found itself in a perilous situation, due to the escalating crisis that gripped most of the world's large financial institutions. The customer has millions of customers around the world, offering deposits and loans, investment banking, brokerage, wealth management, alternative investments, and other financial services.

Early in 2009, the customer's chief administrative officer reached out to Cisco® Chairman and CEO John Chambers to ask for Cisco's assistance in identifying new ways of cutting costs, increasing revenue, and improving productivity—and to help the firm position itself in the new economic environment that would emerge from the global financial crisis. Chambers agreed, and asked the [Financial Services Practice](#) of the [Cisco Internet Business Solutions Group \(IBSG\)](#) to head up a team to develop ideas.

Cisco IBSG brought in subject-matter experts and technologists from across Cisco, organizing and aligning a cross-functional team to ensure the right resources were engaged and focused on client business value. This demonstrated to the customer the real value of “One Cisco,” enabling the team to collectively identify and define significant new opportunities.

## Trends and Challenges

The ongoing financial crisis that began in 2007, triggered by a collapse in housing prices, was exacerbated by risky lending and investment practices. Virtually all financial institutions were heavily damaged, and the industry suffered from ongoing losses and customer defections. Even when institutions exit the Troubled Asset Relief Program (TARP), they find themselves dealing with the continuing fallout of this global crash.

Many organizations turned to technology for help in boosting productivity, cutting costs, and reducing travel—and the customer was no exception. For example, the firm had already adopted Cisco IBSG's Connected Real Estate<sup>1</sup> concept to help reduce its real estate

1. Cisco Connected Real Estate is a framework of concepts and solutions that rely on the convergence of the various networks used in heating, air conditioning, ventilation, lighting, and other building functions with the information and communications network. This improves energy efficiency by facilitating the design, monitoring, and control of multiple-building management systems and enables 24-hour on- or offsite control of all building systems over a single IP network. Additional Connected Real Estate concepts, such as creating multiuse workspaces to accommodate more employees using the same or smaller space, also rely on a ubiquitous, converged network.

---

“Cisco came in and provided business expertise to help us with our problems. They looked at a business problem, then shared real-world experiences about how Cisco was overcoming similar challenges.”

Head of Global Customer Service & Quality Management

footprint by 25 percent. After analyzing the opportunities to make rapid positive improvements, the Cisco team presented their findings to the company, demonstrating where it could realize more than \$100 million in savings and benefits, much of which could be achieved in the near- to-mid-term.

## Solutions and Results

Some of the specific improvement opportunities being implemented by the customer include service quality, virtual meetings and collaboration tools, and corporate transaction services:

**Service Quality.** Benchmarking the customer's service operation versus Cisco's revealed that the customer generated more than twice as many service tickets per employee per year as Cisco—at more than twice the cost.

The Cisco team shared best practices and data garnered from Cisco's delivery of internal technical-support services to its employees. The Cisco approach includes comprehensive tracking of the causes of case tickets, developing self-service solutions wherever possible (such as password resets), and educating employees about how to find answers without opening cases.

According to the firm's head of global customer service and quality management, “Cisco came in and provided business expertise to help us with our problems. They looked at a business problem, then shared real-world experiences about how Cisco was overcoming similar challenges.”

The company is working to capture these savings by reducing employee ticket volume and the associated workload in customer-service centers, then using spare capacity to handle more expensive onsite servicing transactions. In addition, more cases will be resolved at the first or second touch, driving down cost.

These improvements will enable the company to capture \$50 million in savings in 2010, with another \$38 million in savings expected in 2011.

**Virtual Meetings / Collaboration.** Early in the engagement, the Cisco IBSG team—working closely with the customer's account team—began looking at redesigning intra- and intercompany interactions to reduce business travel, cut travel costs, improve productivity, and accelerate time to market. At the outset, the company had only a few Cisco TelePresence™ units installed in four cities—nowhere near the number needed to effectively support a global organization of this size. One of the barriers to expanding TelePresence was the lower-than-expected utilization rates. Most customers (and Cisco) achieve 50 percent utilization, yet the customer's utilization averaged only 20 percent.

With support from Cisco TelePresence Marketing, the Cisco IBSG team developed and ran a survey of the customer's employees, and discovered two key barriers to utilization. First, many employees didn't know that Cisco TelePresence was installed and available. Second, those who knew about Cisco TelePresence were reluctant to schedule meetings because the rooms

“Cisco not only helped us to reduce the volume of tickets, they also helped us introduce a follow-the-sun approach for our customer-service centers that will enable our users to call anywhere around the globe and speak to somebody who can help them, no matter where they are.”

Head of Global Customer Service & Quality Management

were “hidden behind mahogany”; to schedule a session, employees had to go through Executive Services and then use a TelePresence unit next to the vice chairman’s office. Once this situation was understood, the customer proceeded to expand the use of Cisco TelePresence, and has tripled the number of rooms to make TelePresence more accessible and easy to schedule for all employees.

The team continues to work on this opportunity by analyzing the customer’s global travel patterns and building the financial case for a broader Cisco TelePresence rollout. This savings opportunity is currently estimated to be as much as \$300 million, with a cost of less than \$40 million.

**Corporate Transaction Services.** This group provides integrated cash management, trade, and fund services for thousands of clients around the world. This business is profitable and growing, despite economic conditions—but involves a great deal of face time with customers, creating high travel costs. Corporate clients (like Cisco) often have hundreds of accounts that must be monitored across multiple banks. Each bank has its own set of tools, making it difficult for cash managers to do their jobs, as they must work across several banks.

The Cisco IBSG team helped this group rethink interactions with corporate customers, with the aim of reducing costs and growing revenue. As a demonstration, Cisco IBSG set up a first-ever virtual client-advisory board meeting (using Cisco TelePresence, Cisco WebEx™, and Flip Video™) in which three customers across four locations shared research and experiences, discussed how to improve interactions, and provided feedback to the firm. Video from the session was captured and used internally, enabling the customer’s team to improve response to client needs. This video was also used at a major cash-management conference to demonstrate to other customers how innovations are changing treasury and cash management.

Overall, the customer’s savings opportunity is estimated between \$50 million and \$100 million, at an investment cost of less than \$10 million. These benefits derive from modest increases in customer share of wallet and reduction in travel costs.

## Next Steps

The combined Cisco-customer team continues to work on selected opportunities, at the same time evaluating more opportunities for transformation and cost savings. Top-level executive planning and consultation continues, with Chambers and the customer’s chief administrative officer meeting on a regular basis.

The customer is extremely pleased with the transformational support provided by Cisco IBSG to date. In a recent meeting, the customer’s chief administrative

---

officer thanked Chambers for delivering on the promise to help the firm, especially at a time when the company needed it most. He has also communicated to the firm's board of directors that, based in part on this engagement, Cisco has earned the right to help shape the customer's innovation and strategic priorities for the future.

---

#### More Information

Cisco Internet Business Solutions Group (IBSG), the company's global consultancy, helps CXOs from the world's largest public and private organizations solve critical business challenges. By connecting strategy, process, and technology, Cisco IBSG industry experts enable customers to turn visionary ideas into value.

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

---



**Americas Headquarters**  
Cisco Systems, Inc.  
San Jose, CA

**Asia Pacific Headquarters**  
Cisco Systems (USA) Pte. Ltd.  
Singapore

**Europe Headquarters**  
Cisco Systems International BV  
Amsterdam, The Netherlands

Cisco has more than 200 offices worldwide. Addresses, phone numbers, and fax numbers are listed on the Cisco Website at [www.cisco.com/go/offices](http://www.cisco.com/go/offices).

Cisco IBSG © 2010 Cisco and/or its affiliates. All rights reserved. Cisco, the Cisco logo, and Cisco Systems are registered trademarks of Cisco 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 between Cisco and any other company (1002R)

KK/ 0810