

Financial Firm Increases Responsiveness IP Network Supports New Services and Bolsters Customer Satisfaction

EXECUTIVE SUMMARY

State Street Corporation

- Financial Services
- Boston, MA
- More than 21,000

BUSINESS CHALLENGE

- Enhance network availability and disaster recovery to support business-critical financial applications
- Reduce network administration costs
- Improve network performance for improved customer satisfaction

NETWORK SOLUTION

- Comprehensive dual carrier MPLS converged network provides a highly available, cost-effective infrastructure for overlaying technologies such as voice over IP
- Cisco CallManager software provides intelligent call processing to headquarters and branch offices.
- Cisco IP Contact Center (IPCC) Enterprise Edition delivers intelligent contact routing, call treatment, network-to-desktop computer telephony integration, and multichannel contact management over an IP infrastructure.

BUSINESS RESULTS

- Improved network performance enhances productivity by up to 25 percent
- Common IP network architecture reduces management expenses and saves administrators time
- Support for intelligent IP applications enables State Street to expand its services to enhance customer satisfaction and competitiveness

One of the world’s top financial services organizations, State Street Corporation has deployed a Cisco network infrastructure and financial market solution that improves network availability and disaster recovery, enhances response time for voice and data network applications, and reduces administrative and telecommunications costs.



Figure 1: State Street Financial Center

With \$10.1 trillion in assets under custody and \$1.4 trillion under management (as of December 31, 2005), State Street Corporation has earned its reputation as a world leader in financial services by successfully meeting the changing needs of customers for more than 200 years. State Street is the leading servicer of U.S. mutual funds and pension plans and is a leading pension manager globally. With more than 21,000 employees worldwide, State Street offers customers the benefit of a global perspective backed by local industry expertise. The company maintains offices in more than 26 countries covering all major investment centers, spanning more than 100 geographic markets worldwide.

BUSINESS CHALLENGE

Information technology plays an integral role in State Street’s business strategy. The company depends on its voice and data networks to support its most vital business processes, including core banking and financial management applications, as well as a rich array of information and communication tools and resources for customers and employees, such as Web portals and customer contact centers.

“State Street is a technology company. We use technology to compete and to provide services to our clients,” says Madge Meyer, executive vice president of Global Infrastructure Services for State Street.

PRODUCT LIST

Routing and Switching

- Cisco Catalyst 6500
- 3750 Series switches
- Cisco 7200 Series routers
- Cisco 3800 and 2800 Series integrated services routers

Voice and IP Communications

- Cisco CallManager
- Cisco IP Contact Center
- Cisco NetFlow Collection Engine

In the competitive financial services industry, network performance and availability is critical—not only to State Street’s ability to generate revenue, but to its ability to earn and maintain the trust of clients. “The business model changes frequently,” says Meyer, “and we require IT to react extremely fast. Customer expectations are rising as well—there’s no tolerance for outages, and customers demand 100 percent availability, together with instantaneous response time.”

“Even a moment of downtime costs us money,” says Gordon Bither, senior vice president of Integrated Network Solutions for State Street, “not only potentially with our reputation, but also with federal regulatory fines if we’re unable to meet deadlines.”

With so many of its business operations depending on its voice and data networks, State Street undertook a major initiative in 2002 to improve its overall network availability and performance and to establish a flexible foundation that could enable the company to rapidly deploy new network applications as they were needed. “We wanted to develop a technology-

enabled network that would put us ahead of our business requirements,” says Stephen White, vice president of Network Engineering at State Street. “We needed to improve our time to market and control costs, while improving service and support to our clients.”

NETWORK SOLUTION

To design and implement its network upgrade, State Street turned to Callisma, Inc., a wholly-owned subsidiary of SBC and a Cisco Systems® Gold Certified Partner. State Street selected a dual-carrier Multiprotocol Label Switching (MPLS) network and Cisco® financial market solution. “We use Cisco products just about everywhere in our global network,” says Bither.

The MPLS architecture delivers the intelligence and performance needed to support a wide variety of advanced services such as voice and video applications over a single infrastructure. The company-wide architecture is centrally managed and requires minimal equipment at each site, making it easier to manage and less expensive to maintain than separate networks.

“Because State Street is a global corporation, moving toward a centralized environment improves control over our infrastructure while controlling costs,” says White. “At the same time, a centralized environment provides enhanced disaster recovery capabilities—which, in today’s world, are extremely important to our financial health.”

State Street deployed Cisco CallManager software to support 600 employees at a new office in Massachusetts. Cisco CallManager delivers intelligent call processing and support for advanced telephony applications over State Street’s global IP Cisco network. Cisco CallManager lets State Street remotely manage its IP phones as efficiently and easily as other devices on the network, enabling the company to perform routine maintenance with its own IT staff.

“Voice over IP (VoIP) allows us to provide a major advancement in technology, while controlling costs and improving efficiency,” explains White. “For example, at State Street we have a large number of office moves. With VoIP, the phones are ‘married to’ the individual, and move with them, so we don’t need a large team to manage adds, moves, and changes. The solution also reduces the need to manage separate infrastructures and incur large costs that are commonly linked with maintenance and remote support of these locations.”

Following its successful VoIP deployment in Massachusetts, State Street made Cisco CallManager its phone system of choice whenever it opened a new office anywhere in the world.

Employees can make phone calls over the State Street network using their Cisco 7900 Series IP phones, reducing toll charges and unlocking further savings. “We’re using our IP network to do long-distance dialing, which means we’re controlling telecommunications costs as well—it’s cost avoidance,” says White.

Cisco CallManager also enables State Street to smoothly add a variety of productivity-enhancing applications into its phone system, such as paging and intelligent contact center support. “We’ve integrated Cisco CallManager with the Berbee InformaCast solution, which allows us to avoid the costs associated with installing overhead paging and provide an advanced solution for business,” says White. “We’ve also added Cisco IP Contact Center (IPCC) Enterprise Edition to provide business unit support for our clients and customer contact centers.”

Cisco IPCC Enterprise Edition provides intelligent contact routing, call treatment, and network-to-desktop computer telephony integration. And it can enable State Street to enhance customer service by integrating its inbound and outbound voice applications with Internet applications including real-time chat, Web collaboration, and e-mail.

“The Cisco solution provides far better reliability than our previous network. At the same time, it has improved network performance 10 to 25 percent and has saved us a lot of money. Our executives are all very pleased, and our customers are happy with the solution. It’s a win-win solution for us.”

— Madge Meyer, executive vice president, Global Infrastructure Services, State Street Corporation

BUSINESS RESULTS

The Cisco network infrastructure and financial market solution has rapidly delivered a significant return on investment for State Street, improving availability and reducing administrative costs throughout the organization. “The Cisco solution provides far better reliability than our previous network,” says Meyer. “At the same time, it has improved network performance 10 to 25 percent, and has saved us a lot of money. Our executives are all very pleased, and our customers are happy with the solution. It’s a win-win solution for us.”

Bither says, “Managing and reducing operating expenses is as important to our bottom line as driving up revenue. We want to do both. The Cisco solution lets us consolidate more than 50 PBX platforms onto four regional clusters. We’re able to take 47 mail systems that all required separate administration, and boil that down to four to eight mail systems globally. It reduces our administration and cable expenses.”

State Street is completing its migration to a dual carrier MPLS network and expects to see even more savings, productivity benefits, and business agility as it moves additional collaborative tools to the network. “Once we have our converged IP infrastructure in place and start migrating PBXs onto it, then we really see the true return on investment,” says Bither. “As we migrate our teleconferencing, videoconferencing, and audioconferencing onto that same backbone, we’ll see additional savings. The Cisco solution enables our business to be far more responsive to the markets we serve.”

With a centralized, standards-based IP architecture, State Street will have the flexibility it needs to quickly modify and grow its network to support new applications and additional employees and partners—and make the most of its network administrative staff. “When we started our network availability project three years ago, not all of the changes we made were successful the first time around,” says Bither. “We’ve implemented design review and change control processes that have driven our success rate on changes to 98 percent on average. It has allowed us to recover enormous amounts of time to look at how we can use the network to enable the business to be more successful. I’ve been able to grow productivity in my organization by 68 percent.”

NEXT STEPS

State Street has been pleased with its Cisco solution and with its close collaborative relationships with Cisco and Callisma. “Migrating to the Cisco solution was an easy leap for us,” says Bither. “The support that we got from Cisco was just fantastic—we have a very strong partnership with Cisco. Much of our success is also due to our partnership with Callisma, whom we rely on heavily for our professional services and guidance in the IP telephony area.”

As State Street continues its migration to the Cisco solution, the company is aggressively making plans to extend the capabilities of its solution to deliver the benefits of IP Communications throughout its global organization. White says, “We’re developing a 24- to 36-month plan to deploy this solution and others across our global enterprise in support of our business, controlling costs while decreasing time to market, and improving our business in support of our clients and our business.”

FOR MORE INFORMATION

To find out more about Cisco financial services solutions, visit www.cisco.com/web/strategy/financial/.

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70133/AT/EL/02.06
Printed in the USA