

Abbey

Abbey, one of the UK's biggest banks with 18 million customers, has set out to 'turn banking on its head'. It is transforming the way it thinks about customers, talks with them and does business with them. The goal is to make Abbey the customer's champion, delivering a customer service experience that stands out in a crowded financial services marketplace.

Background

Technology is central to delivering Abbey's vision for banking, enabling the new Abbey customer experience and supporting a concerted cost-reduction drive. But before Abbey could begin to introduce new services and applications, it had to address its legacy network infrastructure as Bill Gibbons, Abbey's Director, Technology Services and Support, explained. "We've grown organically and by acquisition. Our infrastructure reflected that. The result was a mix of different technologies and as the bank introduced a new service or expanded, we had to enhance and change the separate networks that supported the businesses, layering on complexity and cost."

By the beginning of 2003, Abbey was dealing with over a hundred contracts with a mix of third party technology providers. Managing so many contracts was costly and complex in itself, as each contract potentially came with a differing set of Service Level Agreements. The sheer range of technologies further complicated management. It became clear that many of these technologies were not going to be adequate to deliver the bank's vision for the business.

Bill Gibbons established a team to begin a comprehensive programme to simplify the bank's technology infrastructure, introduce flexibility and reduce the ongoing costs. By introducing a new IP/VPN network plus VoIP (Voice over Internet Protocol) technologies and reducing the number of contracts, he saw an opportunity to lay robust, flexible foundations for the bank's future and drive out cost.

The Programme

Abbey intended to roll out converged connectivity across its network of 746 branches, spread across every region of the country. This would be the first programme of this size and scope in the UK (if not Europe), and would allow Abbey to introduce IP telephony to its branches. Delivering voice calls at a fraction of the cost available from the public telephone networks, all company voice traffic would be carried over the IP/VPN network. In total, Abbey planned the network to carry 1.2 million public calls into the bank and 750,000 internal calls, every month.

With the IP network in place, Abbey would be better positioned to transmit data between branches and head offices. With its vision for transforming the customer's experience of banking, this is a key strategic enabler. One area singled out by Bill Gibbons was CRM (Customer Relationship Management). Abbey is rolling out its 'One on One' CRM application to 12,000 customer-facing staff by mid 2004. This application gives branch staff the customer information and background they need to offer a truly personalised service. However, CRM applications are notoriously bandwidth hungry, making heavy demands on network capacity. It is also difficult to predict how much bandwidth they will require as the service matures.

Results

- BT, together with Cisco Systems, delivers the foundations for an ambitious business transformation programme
- Savings of tens of millions of pounds over the five years of the contract, with BT-built and managed network delivering a multimillion pound saving within the first year
- Predictable, transparent pricing for managed network capacity, with Abbey only paying for the bandwidth it needs
- A highly flexible network infrastructure, enabling Abbey to add or rollback network capacity in a matter of hours, making the business more responsive and reducing the risk of introducing new network-enabled customer service applications
- Europe's largest ever VoIP and hosted IP telephony project completed in just five months

But CRM is just part of the picture. Abbey was looking to deliver all kinds of applications over its network. For example, a high capacity network will provide the business with a variety of service options and facilities that did not exist previously.

“Initiatives like video conferencing or other customer-facing applications that our businesses may require in the future, will make additional demands on our data and voice solutions,” said Bill Gibbons. “Demands we cannot predict today.” This made flexibility a key goal for the project, with Abbey demanding a network solution that would enable it to add or rollback bandwidth capacity rapidly to each branch.

A single, flexible foundation

The project was all about creating a single flexible foundation for Abbey, to support the bank’s strategic development and drive out cost. And it needed to roll out in record time, with deployment right across the organisation to be completed within one year. To make it happen, Abbey needed a single partner to replace the legacy relationships and infrastructure that were holding the bank back, and manage the new network over a five-year outsourcing contract. Abbey came to BT. “Nobody had ever pulled off a programme on this scale in such a short timeframe. We were a bank in a hurry and BT responded to that. We knew they could rise to the occasion. BT can marshal resources on a huge scale. Few organisations can match them,” said Bill Gibbons.

Rapid roll out

The contract between Abbey and BT was signed on 31 January 2003, with Abbey’s internal network delivery personnel transitioning to BT. By April, the project partnership, which also included BT’s longstanding partner Cisco Systems to supply VoIP equipment and expertise, was ready to run a two-month pilot. The full rollout of BT’s Multi Media VOIP began in July. By November, 736 branches had been adapted and cut over to the new network. At the peak of the implementation, 75 branches a week were being completed. In total, engineers would make over 7000 visits to branches - and all without interrupting routine banking operations.

“When we got into a branch we had to strip everything out,” explained Bill Gibbons. “Telephone cables, the old telephones themselves, network cabling...and then install routers, new cabling and new phones, wire up the ATMs and the alarm systems. A major job. Only when all this work was completed could we say that the new infrastructure was in place and up and running. And that we had achieved a staggering increase in our network capacity to the branch.”

The branch rollout was the most visible aspect of the programme. But behind the scenes Abbey and BT were also re-cabling around 75 per cent of the bank, introducing new LAN technology, changing WAN connectivity entirely across the company and introducing VoIP gateways.

The results

Enabling the business is a key driver for the project. Under the terms of its deal for BT’s Transform IP networking package, Abbey will be able to add or rollback bandwidth capacity in a matter of hours. So, for example, if the bank sees an opportunity to push out a new customer service application it can do so rapidly and across as many, or as few, branches as it wants. “Previously, rolling out an application that required new bandwidth was highly disruptive. It could mean digging up the road outside each branch to lay new cabling, and might take up to 90 days to complete. With BT Transform it just takes a phone call. And Abbey only pays for the capacity we actually use.”

However, the immediate ability of the new infrastructure to cut costs is the most likely aspect of the project to generate headlines.

By reducing a complex set of supplier contracts to the single outsourcing deal with BT, and pushing telephony and data over the network, Abbey expects to save tens of millions of pounds over the next five years. “The savings are radical. This year alone the bank will save millions of pounds. The technology can deliver that quickly,” said Bill Gibbons.

Going forward

With the completion of the project, Abbey is now looking to extend its ICT capability into other areas of the banks, with the project providing a template. “We’ve got a success under our belt now, and it has given us the confidence to push forward.”

BT Transform

BT Transform is a network-based platform that brings business strategy to life. It addresses infrastructure and process needs, introducing ICT solutions that deliver against business objectives and release substantial cost savings.

BT Transform is a bespoke end-to-end offering, from business design and technical implementation through to managed service or outsourcing.

BT Multi Media VOIP

BT Multi Media VoIP is a hosted IP telephony service, and is a key component of BT Transform. Based on a customised Cisco call manager platform, BT hosts the servers and provides centralised connectivity to the PSTN. This removes the need for ISDN circuits throughout customers’ network. BT’s Least Cost Routing ensures the best call rates available.



Offices worldwide

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