



# Banking IT Innovation: Building on Bandwidth

By Anne Rawland Gabriel

**Channel Partners™**

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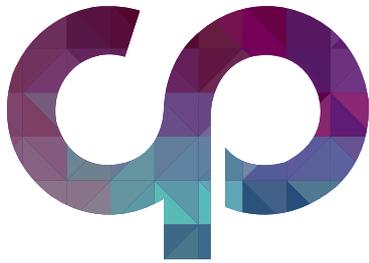
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# About the Author



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**ANNE RAWLAND GABRIEL** has more than 20 years of experience writing about business technologies as a journalist and marketing communications consultant. Her work spans technology ranging from the latest in AI, mobility, network intelligence and SDN to traditional data center and desktop solutions. In addition to Channel Partners content, Gabriel currently contributes to other channel publications as well as in education, financial services and various industry trade publications. Previously, she spent nearly a decade as a contributing editor to Bank Systems & Technology, Insurance & Technology and Wall Street & Technology. Earlier in her career she worked as a communications executive at a top software company and established her own award-winning regional marketing communications firm. Gabriel holds a bachelor's degree in economics from Grinnell College.



# Banking IT Innovation: Building on Bandwidth

Despite exuberance over the prospective easing in the U.S. regulatory climate, small and midsize banks still need to leverage technologies to attract customers, maximize resources and drive down costs.

According to the most recent calculations by [IDC Financial Insights](#), bank IT purchases account for the largest portion of all financial services IT spending. Further, banking IT remains a growth area — IDC predicts it will continue expanding at 4.5 percent annually through 2019.

Whether it's adopting video banking, moving to cloud-delivered applications or modernizing data replication to enhance business continuity, experts agree the consequence is the same: Banks require more bandwidth.

“For example, video technologies help banks extend their expert resources,” says Craig Schlagbaum, vice president of indirect channels at [Comcast Business](#). “Before, many banks couldn't provide professional services like financial planning at every branch. Now, with video, they can offer such consultations to customers at every location.”

To help partners understand the nature of the challenges and opportunities, we'll present the experiences of four small and middle-market banks. Each case illustrates how common banking situations get addressed by fiber, either alone or in combination with broadband, to supply solution providers with information they can monetize in their own practices.

## A Community Bank / Philadelphia, Pennsylvania, Area

Total Locations: 11

Total Assets: \$840 million

Challenge: Modernize Operations Post-Merger

A 2016 merger nearly doubled the size of this institution, creating various modernization opportunities. To determine a more flexible and scalable solution than its existing copper T1 lines, the bank's first step was engaging Philadelphia-based [Expert Technology Associates](#) (ETA).

"For about a decade we'd worked with the acquired organization, which gave us a demonstrated track record the new parent bank found attractive," recalls Paul Weiss, senior network services and cloud specialist at ETA.

Post-merger bandwidth-related initiatives included enhancing business continuity by using the acquired organization's data center as a secondary site and replicating data to it. Additionally, the bank sought to reduce merger-related redundant connections with its banking platform provider, [Fiserv](#). Another objective was limiting internet ingress points.

To meet all of these demands, ETA suggested dedicated fiber connections from Comcast Business.

"We recommended two 100 Mbps connections between the primary data centers with 30 Mbps out to each of the branches," Weiss says.

Although a relatively small initiative, ETA's main concern was fiber availability. "The bank operates in modest socioeconomic areas of Philadelphia," says Weiss. "It's a testament to the ubiquity of the Comcast fiber network that it was available to all 11 sites."

With ETA's help, the bank leveraged its new fiber infrastructure to successfully reduce its Fiserv costs, Weiss said.

Moving forward, the highly available bandwidth will enable several initiatives that also involve ETA. "The bank intends to eliminate its legacy telephone system, and associated costs, by implementing cloud-based unified communications-as-a-service," says Weiss.



Source: [Aite Group](#)

Ultimately, the bank also plans to introduce video conferencing to improve product availability while ensuring efficient delivery. “For instance, video will permit a banker to hold two or three times more meetings per day versus driving between locations,” Weiss says.

## Dollar Bank / Pittsburgh, Pennsylvania

**Total Locations:** 71

**Total Assets:** \$7.5 billion

**Challenge:** Support Branch of the Future and Other Needs

When mobility began changing the relationships between customers and banking, [Dollar Bank](#) began envisioning the branch of the future. “We wanted to pilot various new interaction options, including video,” says Phil Mangis, vice president of teleprocessing and cybersecurity at the 162-year-old institution. “Further, we needed to adopt modern platforms for various enterprise needs, like UC for telephony and data replication for continuity. All of the initiatives in our pipeline depended on bandwidth scalability.”

In 2012, Dollar decided to begin adopting fiber throughout all locations. However, with branches spread across Pennsylvania, Ohio and Virginia, it meant working with multiple providers.

To manage all of the moving parts, Dollar turned to its trusted Pittsburgh-headquartered partner, [connectTel](#). “connectTel provides us a single point of contact and deep industry expertise,” says Mangis. “This enables us to dedicate resources to other business-critical projects.”

“Banks will likely continue to prioritize technology investments aimed at enhancing customer experience and identify further opportunities for automation and the adoption of emerging technologies.”

— Deloitte



Initially, connectTel designed a solution combining fiber from [CenturyLink](#), [DQE](#) and [Lightower](#). Later, Comcast Business and [Time Warner](#) (now Spectrum Business) were added when CenturyLink began wholesaling them.

The solution includes 1 Gbps connections, burstable to 10 Gbps, between the bank’s data center and continuity sites run by [SunGard](#) (since acquired by [FIS](#)) and [Expedient](#).

Additionally, fiber ranging from 20 Mbps to 50 Mbps extends to all branches, except about a dozen where running fiber was cost-prohibitive. In those locations, bonded T1 lines are used.

“Having good relationships with brokers, carriers and underlying fiber providers was critical,” says Scott McKinney, president and shareholder at connectTel. “We knew when we were receiving an unreasonable answer and how to escalate until we could get the right answer.”

For Dollar, the ongoing fiber deployment has enabled an extensive adoption of Personal Teller Machines (PTMs). A PTM is similar to an ATM, but with the added capability of automatically connecting a customer to a live teller via video. Tellers, located centrally, serve customers in multiple branches.

“Our PTMs are available during business hours and, in locations with a secure vestibule, after hours until 8 p.m.,” says Mangis. “Utilization is increasing exponentially as customers grow comfortable with them.”

In addition, Dollar is rolling out a [Cisco](#) UC solution and is considering deployments of various web-enabled applications.

Dollar is also pursuing video-conferencing projects. “For example, in Virginia Beach we’re planning to build out a loan center that relies heavily on video consultations,” Mangis says.

As an established bank with a customer base that skews older, all of these initiatives improve Dollar’s competitiveness. “With the bandwidth fiber gives us, we’re introducing technologies attractive to younger individuals,” says Mangis. “Evolving our customer base is vital to our long-term success.”

## A Community Bank / Allentown, Pennsylvania, Area

**Total Locations:** 14

**Total Assets:** \$1 billion

**Challenge:** Reduce Costs While Optimizing Employee Experiences

This bank’s challenges revolved around reducing costs, optimizing employee experiences, streamlining operations and achieving growth targets. The bank also needed connectivity to a disaster recovery (DR) site operated by its banking platform provider, [Jack Henry & Associates](#).

This bank also turned to ETA for a solution in early 2016. “As cost-effective scalability was critical, we suggested contracting with a provider that would install circuits that could scale from 10 Mbps to 10 Gbps, depending upon the needs of a particular location,” says Weiss. “This would eliminate traditional expenses associated with ongoing circuit upgrades.

Working with the bank, ETA designed a competitive process. Requirements included a private fiber connection to the Jack Henry DR location in Branson, Missouri, for in-network failover. The RFP also limited internet connections to minimize ingress. “One internet hub will be located at the primary data center and another at a remote branch for redundancy,” says Weiss.

To control their data packets, the bank also desired a Layer 2 traffic-only solution. “Not every customer wants to invest in edge routers and manage their own routing,” Weiss observes.

After considering offerings from four providers, Comcast won the business thanks to multiple head end nodes throughout the region. “It agreed to put each of the bank’s branches on a separate node,” says Weiss. “This added resiliency by eliminating the possibility of a node outage taking down all 14 sites.”

“Banking will be among the fastest growing enterprise markets throughout 2020.”

— Gartner



Next steps at the bank include transitioning from a premises-based application model to a hybrid environment of cloud-based and on-premises systems.

“With the bank’s flexible, scalable network all of the possibilities are unlocked,” says Weiss. “Plus, the institution will achieve a 300 percent increase in bandwidth at a 35 percent reduction in cost.”

## WesBanco / Wheeling, West Virginia

**Total Locations:** 174

**Total Assets:** \$9.8 billion

**Challenge:** Maintain Community Banking Culture Despite Growth

Growth by acquisition strengthened the operating model at [WesBanco Bank](#), but it also created a paradox.

“We struggled with maintaining our community banking culture in the face of becoming a larger organization,” says Mark Krupinski, CIO of the nearly 150-year-old bank serving West Virginia, Pennsylvania, Ohio, Kentucky and Indiana. “Starting in 2012, we decided to pursue a multiyear strategy that retained talent in our branches, for the personal touch, while boosting internal efficiencies to offset the branch head count costs.”

WesBanco began by tackling business continuity. To leverage a Pittsburgh data center it inherited from an acquired institution, WesBanco needed a 1 Gbps fiber connection between that location and the bank’s existing Wheeling headquarters for replication and failover.

Engaging with connectTel proved essential to the project. “Although Comcast corporate said construction would be necessary at the Wheeling headquarters,

one of our contacts was a local foreman who knew otherwise,” explains McKinney. “As we were able to demonstrate fiber was present, we negotiated a contract that resulted in reducing WesBanco’s connectivity costs by 80 percent from its previous DR setup.”

Given the dramatic early win, WesBanco expanded its partnership with connectTel and turned next to enhancing internal collaborations via multiple technologies, including chat and video.

“To do this, we needed to significantly increase bandwidth throughout our footprint,” says Krupinski. “But at a sustainable cost.”

While many institutions were wary of broadband, WesBanco decided a hybrid fiber/cable solution was the way forward.

“When we talked to the traditional telcos, they attempted to dissuade us with fear by pointing out that bandwidth wasn’t guaranteed with broadband,” Krupinski says.

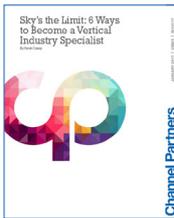
**“Banking IT spending topped \$275 billion in 2016 and will grow at a 4.5 percent compound annual growth rate through 2019.”**  
— IDC Financial Insights



Determined to forge ahead, WesBanco tasked connectTel with designing the network and negotiating contracts. In addition to Comcast Business, this includes [ACC Business](#), [EarthLink](#) (now merged with [Windstream](#)), [GTT Communications](#), [MegaPath](#), [Suddenlink \(Altice\)](#) and Time Warner.

“We developed a solution that ranges from 16 Mbps/3 Mbps at the smallest branches to 500 Mbps at the corporate office,” says McKinney. “Previously, it was all T1s and MPLS.”

## Related Reports



### [Sky's the Limit: 6 Ways to Become a Vertical Industry Specialist](#)

Looking to take your business to the next level? The best way to get there may just be vertically. Not only can selling industry-specific solutions make you more profitable, it can be an important differentiator — even above technical prowess, according to Techaisle. In this Report, a team of channel experts offers six steps to make the move.



### [UC Demands Rethinking Disaster Recover Plans](#)

Now that the migration of voice and UC systems to the cloud has ushered in ubiquitous connectivity, your clients — and their customers — expect to be able to make contact 24/7. Ensuring this happens requires good planning and UC system design to minimize the impact of disasters. This Report examines just what is involved in communications disaster planning, as well as the professional services opportunities it presents to partners.



### [Fiber Gives SMBs a Fast Business Boost](#)

Many SMBs are unaware of the benefits fiber-optic internet offers, from blazing fast connection speeds to priority customer service. Or, they may think costs are too high. In this Report, three use cases examine just how fiber can improve an SMB's productivity and efficiency — without damaging the all-important bottom line.



### [Health Care IT Innovations: Building on Bandwidth](#)

The North American health care IT market is projected to grow at a rate of 13.5 percent over the next few years. And, these customers' comfort with software-as-a-service platforms is also improving, giving rise to significantly greater adoption. At the intersection of these two trends: growing demand for bandwidth. In this Report, we profile two health care organizations that adopted cloud solutions — precipitating a cascade of IT projects in which fiber, and partners, played a fundamental role.

In addition, connectTel provides repair support. “After WesBanco initiates a ticket, they hand off the information to us,” McKinney says. “We apply our expertise to resolving issues quickly, efficiently and effectively.”

Today WesBanco’s collaboration technologies range from Cisco UC for telephony to cloud-enabled solutions like [Microsoft Office 365](#). It’s also piloting PTMs, as well as consultations via video conferencing for insurance, securities and trust products.

“Whenever we discuss a new technology initiative, all options are open because we’ve architected our bandwidth to handle it,” says Krupinski. “Plus, when we establish or acquire new branches, I get services in a week, and the contract is month-to-month instead of a three- or five-year lock.”

“Best of all,” he continues, “we’ve improved bandwidth five- to tenfold while reducing communications expenses 50 to 60 percent, with fewer outages than before.”

### **Adding Value and Harnessing Growth Opportunities, Too**

For partners, the lessons learned from these case studies include the importance of fiber in banking and demonstrates ways solution providers add value.

“Since 2012 we’ve not only doubled our workforce and our revenues but also eliminated geographic limitations,” McKinney says. “We now have customers with locations in nearly all 50 states, and we’ve started doing international deals.”

What’s more, connectTel’s experience shows how banking partnerships benefit bottom lines. “In short,” McKinney continues, “working with banks dramatically changed our business, enabling us to do things we never could’ve before.”