

Many financial institutions are keen to exploit the benefits of VoIP, but often these companies lack the in-house expertise or specialized tools they need to get the best from their new IP telephony systems.



# Managing your VoIP network

**P**ROGNOSIS software (from Integrated Research) specializes in performance monitoring for business-critical systems (including VoIP). Over the past six years it has developed a VoIP monitoring and performance management solution that now supports some of the world's largest financial services organizations and managed service provider environments.

Its CEO, **Keith Andrews**, talks to FST about VoIP deployment in the financial services industry and explains the role specialized management tools play in providing a cost-effective solution for success.

**FST.** What impact does the maturing of VoIP networks have on the way companies are continuing to expand their current programs?

**KA.** Financial institutions have always been early to adopt most technologies, the reason is because financial services companies have looked for new channels, mostly electronic to deliver a lot of their services to their customers, and have therefore been on the cutting edge of deploying technology anywhere they think they can improve their efficiencies or improve their delivery channels of products to customers. They've always been data-centric organizations. By that I mean compared to other industries like manufacturing, financial services companies have had a strong need

to have strong data networks – because of the volume of information they move around in that form.

The result of that is they've had mature data networks, let's say for some years, and have seen voice and VoIP as a means to leverage that to try and achieve two particular things. The first is to leverage their existing data networks to provide a cheap cost-base to roll out VoIP – in order to ultimately drive cost efficiencies. The second point is that in some cases we're starting to see financial services organizations taking VoIP as a way of enhancing their service delivery to customers. But this is early days and to date most of the benefit that has been derived has been in cost efficiency rather than customer service.

**FST.** And what are some of the key issues you're personally seeing financial institutions dealing with right now in these areas?

**KA.** It's the old paradigm of trying to improve customer service and improve cost. Every year the CTOs and technologists in those companies are faced with trying to do more with a shrinking budget. This isn't common to the financial services. So, they're looking at using VoIP so they can deploy technology to reduce cost – but one of the issues with that is how do you either also maintain your existing service levels or try and improve

them? That's the key issue, because technology dependent service delivery doesn't come without some risks.

**FST.** Financial institutions are exploiting VoIP itself for more real-time applications, particularly IP telephony. Why is it important to manage these applications as a service?

**KA.** This is a key point when you come to understand where we fit in the food chain. When you're managing data for a financial institution you're looking at data that could be bank transfers, employees payroll data or so on – it's their everyday data network. If voice is being managed as part of that, all the data traffic is looking at is how much of my bandwidth is being reserved for that voice application. That's what the data tools typically do. What we do is look at voice as an application and ask what are the important things to ensure that you have dial-tone? Everyone would agree that dial tone is a pretty critical application if you're doing trading and other things. If you're an accountant in a backroom you can still do your job if you lose your dial-tone for an hour. But if you're at the trading desk of Lehman Brothers, you need your phones available. In most financial services organizations it's a critical application.

So the value we bring by managing VoIP as a real-time application is making sure you've always got dial-tone. If you've got problems in your network that are affecting the quality of the voice or dial-tone service, being able to diagnose where those problems are before you have an outage means you can take the appropriate corrective action. To be clear about the distinction, data will only ever look at what bandwidth is being deployed, we look at all of the quality of service aspects related to the voice application: bandwidth, latency, jitter, anything that affects the quality, and then help diagnose and troubleshoot where there are problems affecting the voice quality.

This proactive management – real-time implies that if you were on a call, and your firm had Prognosis running, they could be monitoring the voice quality of the call as it happens, by comparing against a pre-determined set of standards, to highlight any problem areas.

**FST.** On that same point the platform vendors have inherent management capabilities, so where do you see these guys having fallen short?

**KA.** There's an old rule with the IT industry in general that the vendors who produce equipment tend to have the products they take to market as their number one priority. So they're obviously equipment focused. The management tools that they provide tend to be what they need to provide at a minimum. That's been the trend through the IT industry through the 70s. Companies – big companies like Computer Associates – build a business by providing tools over and above what the vendors shipped with their products and we've always been in that space as well, albeit more specialized. The specialty tools companies like us tend to have a more technically superior product because that's all we do, it's the principle focus, and we typically are vendor agnostic, whereas vendor specific tools are tied to their platform. Cisco's tools only work on Cisco product. Avaya tool only works on Avaya. The average customer wants to have one tool managing a multi-vendor environment. They're the two principle reasons – we're specialized in providing a more comprehensive product and we're typically vendor agnostic.

I really do believe that if you look back at the IT industry, people never ended up buying just IBM or just Hewlett Packard. They bought EMC disks, they ended up buying Amdahl mainframes. The fact is that this will end up in a similar way – people will say I like Cisco, but I might want 10 percent to be Juniper, I might want a bit of Avaya running my call centers

and Nortel in my branch offices. People don't want to be tied to one vendor, that's just how things have developed.

I do think that this is what is more unique to financial services than other sectors, is that their technology is highly distributed. You think of a company that might have four or five offices around the world housing employees – we can pretty easily manage the technology that goes into those companies, not just voice but the servers and everything else that is run. For a financial services companies that have got thousands of branch offices, let alone head offices and massive data centers, their technology, which includes a phone handset, is distributed more than most organizations ever contemplate. So the management challenge for these organizations is that they have incredibly distributed technology, yet most of their support is centralized. If you think of a bank with many branch offices there are no IT specialized people in those offices, often only half a dozen people at all in those offices. The challenge for them is to have highly distributed technology managed centrally and to make that work in a low cost efficient way.

**FST.** Beyond just the cost how do you see financial services benefiting the most from services such as your own?

**KA.** First and foremost our customers buy our products for business continuity. In a way there's some insurance there. Is that a benefit? It is, when you stop them having a major outage that could have stopped them trading. It's always hard to quantify directly but business continuity is definitely a benefit.

We're also starting to get involved when customers start to use this technology for improving their customer service and improving service delivery. In the area of capacity planning there's a lot of benefit in helping customers predict what they're going to need for the future, which can improve their customer service delivery. There's a lot of valuable stats and metrics in our management reporting module that allows executive reporting on issues like net adds or change to their network. Tools that are helping them essentially run their operations more efficiently. Especially in the call center space where firms are trying to do things like least-cost routing that are more quantifiable benefits that they've had in the past.

This is a real change in previous years but one that's happening across the board – there are definitely more enterprises buying specialist tools for their most critical applications and clearly I believe Prognosis is the best product for VoIP environments and we're doing very well. As a general trend we're seeing enterprises invest in specialist tools for their most critical applications.

The second trend emerging is the acceptance that you have to be able to coexist with other vendors. We will go into many enterprises that use HP Openview or EMC Smarts or IBM's Tivoli products, just to pick a few, and if they want to buy PROGNOSIS as a speciality tool they also want it to coexist with those other tools so they don't have islands of information. So our strategy isn't to say we're enterprise wide, but rather we will co-exist with the other solutions that the company uses. Companies are saying "I want to have the best tools for my most critical apps but I don't want them as islands", and that's certainly our strategy as well.

Everyone's definition of what that means differs – customers require a high level of integration in some areas, while in others they don't. It all depends on how they've set up their service desks and alerts and alarming globally. Co-existence is the right word to me because it can mean different things to different people. ■