

# CUSTOMER PROFILE

## The HSBC Group

### STANDARDIZATION ACROSS DIVERSE LOCATIONS WITH GDC BRANCH PLATFORM

The HSBC Group, one of the world's top ten banking and financial services groups, operates an intelligent global wideband network that integrates the diverse voice, fax and data needs of over 15 subsidiaries across 67 offices in 27 countries.

The HSBC Group Wideband Network (GWN) offers an integrated suite of services that supports the primary communications requirements of HSBC's regional and local subsidiaries, including HongkongBank, Hang Seng Bank, James Capel, HSBC Asset Management, British Bank of the Middle East and Marine Midland Bank. The GWN employs a variety of different types of digital circuits from over 30 international and domestic carriers, including fractional T1/E1 services.

The GWN uses General DataComm's Transport Management System (TMS) 3000 and Office Communications Manager (OCM) internetworking platforms for its core technology. The GDC products integrate and manage each office's voice, fax and data applications. Each Group subsidiary has very different telecommunications needs, which HSBC has integrated using a single family of products from GDC.

#### Getting on with Business

"By standardizing on the GDC OCM platform, we can offer cost-effectively the same advanced telecommunications services to our branch manager in Shanghai



as those available to our very large capital markets trading operations in London or New York," said Tim Cureton, head of group telecommunications HSBC. "The Group is consolidating all voice and data traffic onto common high speed digital links and bringing the sophistication of the network backbone down to the branches, regardless of their location. We provide our users with a rich, reliable and managed set of telecommunications services, which lets them get on with business."

#### Extending the Group Backbone

In June 1995, HongkongBank added a new GDC OCM node to the GWN in Shanghai, beginning the rollout of over 25 OCM nodes across the network. The OCM in Shanghai, linked to Hong Kong via a wideband digital circuit, ensures that this China branch has the same collection of integrated voice, fax and data services as a branch in the more sophisticated leased line environment of the USA.

Tim Cureton says, "The OCM allows us to take the GWN to more and more branch locations. This means that we can create a consistent telecommunications network and support our subsidiaries with this network quite easily. Use of a standard network technology across the Group helps avoid the incompatibilities and duplications of the alternative use of diverse technologies."

From a global perspective, the GDC-based GWN gives HSBC the centralized management controls to ensure that its standard technology policies, procedures and practices are understood and applied, even at the most remote sites in the HSBC Group.

In August 1995, HSBC confirmed its commitment to the OCM by installing five OCM nodes feeding into a central site TMS 3000 in Beirut, Lebanon for its subsidiary the British Bank of the Middle East (BBME). The Lebanese network uses line of sight spread spectrum radio

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links to internetwork all in-country branch requirements. This provides BBME with a flexible and resilient network independent of the national public infrastructure.

After the success of the Lebanon expansion, HSBC took advantage of the new DACS services in Hong Kong and Singapore by rolling out the DACS-compliant OCM. Eight OCMs in Hong Kong and two in Singapore have proved the platform's flexibility to work in advanced as well as more basic environments.

"The GDC equipment is built for any environment and as such has become a core strategic product within the GWN," said Julian Grudzien, HSBC's manager of data communications. "The OCM draws little power and is inherently reliable. This means we can concentrate on our real network challenges: rolling out services and managing carriers, not hardware problems."

Using the OCM product line, the HSBC Group consolidates its telecommunications within a shared private network. This provides the ability to manage bandwidth and channels, giving regional subsidiaries the ability to monitor their own portions of the network. "At a business level we can leverage the standard telecommunications platform to respond very swiftly to the demands of the market," explained Cureton.

The banking group has extended the network to further BBME locations in Riyadh, Dubai and Bahrain. The technology has brought to BBME the telecommunications network essential to be a major player in global financial markets and has provided them with a platform that permits easy access to HSBC offices outside the Middle East.

HSBC accelerated OCM rollout during 1996, targeting existing offices in the Asia region: Seoul, Manila, Jakarta, Bangkok and Taipei. Next in line? "Maybe Yerevan or Baku," says Grudzien.

"We've enough confidence in the OCM to believe that it will function in any environment where we operate, no matter how remote."

### HSBC telecoms in Asia

"In Asia things move rapidly," said Cureton. "We're using GDC's TMS and OCM products on top of national carrier, alternative carrier and our own private VSAT service to provide a reliable and highly managed network to deliver banking products to our customers. We've been in Asia for well over a century and are very familiar with the way business is conducted here. Rapid and reliable service is a must. The GDC OCM makes it easier to deliver such service in a controlled fashion."

### Benefits of the GWN

Flexibility is one of the key benefits of implementing the GDC OCM. Grudzien states: "Using the OCM, we can extend the network anywhere in the world, interconnect buildings at T1 and E1 transmission rates, and offer seamless integration between computer centers, head office buildings and branches. We can offer in-house T1 or N x 64 Kbps lines within a building."

HSBC relies on the flexibility, resilience and cost-effectiveness of the GWN to provide one of the world's most comprehensive range of financial services: retail and corporate banking, trade services, private banking, treasury and capital markets services, consumer and business finance, pension and investment fund management, trustee services, securities, custody services, and insurance.

"The OCM offers a cost-effective global telecommunications platform at all levels for access to our global corporate backbone. From the major financial centers of the world to the remote branch locations, we use one hardware platform family from a single vendor," said Cureton. "Using one architecture and

being able to control the network from a single point, we can dramatically reduce the network management resources required. We concentrate on solving problems with network management resources required. We concentrate on solving problems with carriers and maximizing the use of our bandwidth instead of worrying about the vagaries of supporting diverse communications systems in multiple locations. The HSBC Group private network approach gives us control over our telecommunications destiny. We have an obligation to our customers to move in step with their needs. A public network is also less secure and a much harder environment in which to manage security and operational risks."

### Centralized Management

The GWN is centrally managed, using GDC's PC-based network management software, from the Global Data Network Control Centre (GDNCC) in HongkongBank's radically-designed Head Office at 1 Queen's Road Central in Hong Kong. In the event of a disaster, the entire network can be administered, using the same corporate procedures, from Buffalo, London or Hong Kong, within minutes.

### GDC's Global Presence and Commitment is Key

As in any endeavor, the commitment of the people involved is critical to its success. HSBC found in GDC a highly motivated and customer-focused company, willing to invest time, effort and resources to satisfy HSBC's unique global demands. In addition to the equipment supplied by General DataComm, HSBC selected GDC because of the company's willingness to commit to a long term, strategic partnership and to back up this commitment with a global service agreement that financially guarantees service level performance and delivery.

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GDC implemented a global service program for HSBC through a series of interlocked relationships with direct offices, subsidiaries and regional and local service partners. Maintenance services are provided around the clock and equipment performance is measured on a monthly basis against performance levels which GDC guarantees to meet under strict thresholds that give the Bank the option to invoke financial penalties for non-performance. Each month, failure rates and response times for GDC personnel to correct deficiencies are recorded and reviewed in management meetings.

"GDC has proved to be a reliable partner over the last eight years in which we have built the GWN together. They take a personal interest in our account and have demonstrated a genuine understanding of the demands of global telecommunications," said Grudzien. "We enjoy a true strategic partnership."

### About The OCM

The GDC Office Communications Manager is an internetworking platform that integrates voice, fax, data, fractional channels, LAN and Frame Relay onto one common hardware and management platform. The OCM is available in several versions (each either standalone or rack-mountable), and in either point-to-point configuration or as a multi-aggregate feeder platform feeding services to a TMS 3000.

By September 1996, the HSBC Group had deployed 29 OCMs within its Group Wideband Network in the following locations: Bahrain, Dubai, Johannesburg, Montreal, Riyadh, Singapore, Bangkok, Hong Kong, Madrid, New York, Seoul, Taipei, Beirut, Jakarta, Manila, Panama City, Shanghai.

### The HSBC Group

The HSBC Group is one of the largest banking and financial service groups in the world with major commercial and investment banking businesses operating under long-established names in the Asia-Pacific region, Europe, the Middle East and the Americas. The Group possesses assets in excess of USD \$350 billion and has operations in 72 countries with a network of over 3,300 offices. Its major subsidiaries include:

- The Hongkong and Shanghai Banking Corporation Limited
- Hongkong Bank of Canada,
- Hongkong Bank of Australia
- Hongkong Bank of Malaysia Berhad
- HSBC Asset Management
- HSBC Insurance Holdings Limited,
- HSBC Investment Bank Limited
- HSBC Investment Bank Asia
- HSBC Securities
- HSBC Trade Services
- Forward Trust Group Limited
- James Capel & Co. Limited
- Midland Bank
- Marine Midland Bank
- Trinkhaus und Burkhard KGaA
- British Bank of the Middle East
- Equator Bank Limited ■