

# The Financial Sector Rates Importance of IP Telephony Features, Management, and Applications

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Research conducted by: **COMPUTERWORLD**  
The Voice of IT Management

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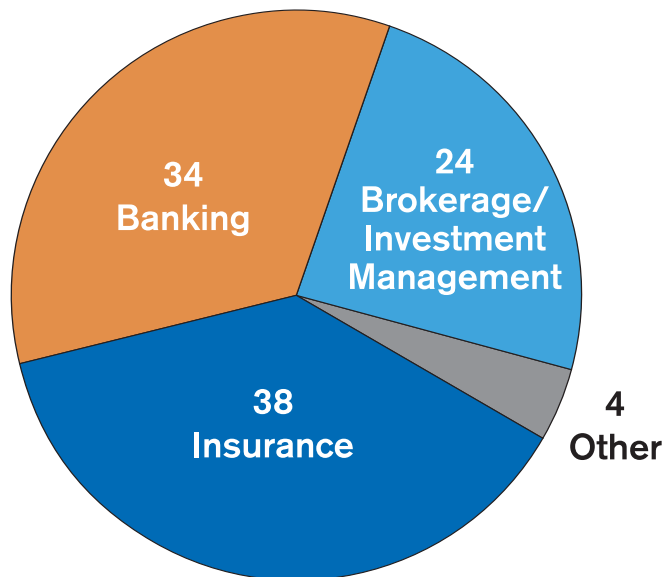
## Overview

In July/August 2006, Computerworld invited IT influencers in the financial industries to participate in a survey on IP telephony. A pop-up appeared on Computerworld.com inviting visitors to take the survey. The goal of the survey was to better understand the challenges of IP telephony within insurance, banking, and brokerage organizations, and see how those challenges differ across these types of financial institutions. The survey was commissioned by ShoreTel, but data was gathered and tabulated independently by Computerworld Research. The following report represents top-line results of that survey and is meant to serve as a brief benchmarking tool for IT managers in finance seeking information about how their peers are managing their telecommunications systems.

## Profile of Respondents

**Total Respondents: 144**

The survey was conducted over IT influencers in insurance, banking and brokerage/investment management only. All 144 respondents were qualified as being in one of these industries and also being involved in IP



telephony decisions at their organization. The following is a break-out of respondents by industry.

For the purpose of analysis, this report will at times compare responses to this survey with those to this same questionnaire conducted by Computerworld Research over 388 IP telephony influencers across all industries in March 2005.

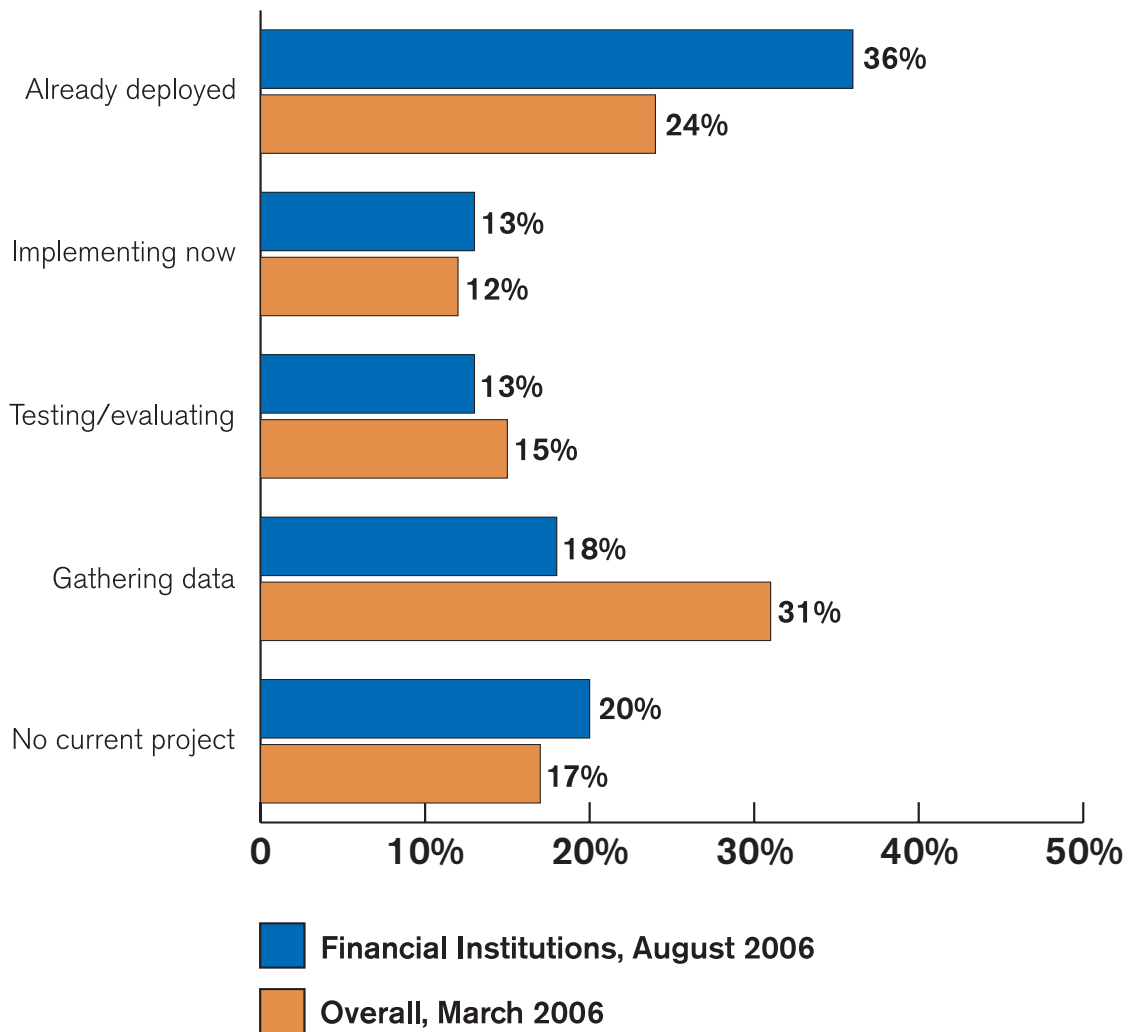
Note: Because of the somewhat small base sizes we see when we break out overall respondents by industry, results comparing one industry to another should be taken as directional only.

## Executive Summary

- Financial companies are slightly more likely than the average organization to have IP telephony implemented at their organization. A full 49% of financial organizations either have IP telephony implemented or are in the process of implementing it now.
- Within the financial world, insurance companies are most likely to have adopted IP telephony. Banks are not far behind however; even though fewer banks have IP telephony than do insurance companies, banks are more likely to be implementing IP telephony right now.
- The two biggest phone system challenges in the financial industries are costs for moves/adds/changes and management time complexity. Management time complexity is something financial organizations found even more challenging than their counterparts outside the financial industry.
- Interestingly, within the financial industries, insurance companies don't see management time complexity as big of a challenge as do those in banking and brokerage/investment firms. Brokerage firms are particularly challenged by end user complaints/difficulties and inconsistent/incompatible systems.
- Across all industries, system reliability is the most important capability desired for a phone system. This capability is particularly important within the brokerage/investment industry.
- In terms of management functions, all industries are also in agreement that creating new users quickly is important. Financial institutions feel particularly strongly about this and again within finance we see brokerage houses feeling the strongest.
- Across all industries phone system managers are looking for mobility and conferencing as the two key additional phone system capabilities.

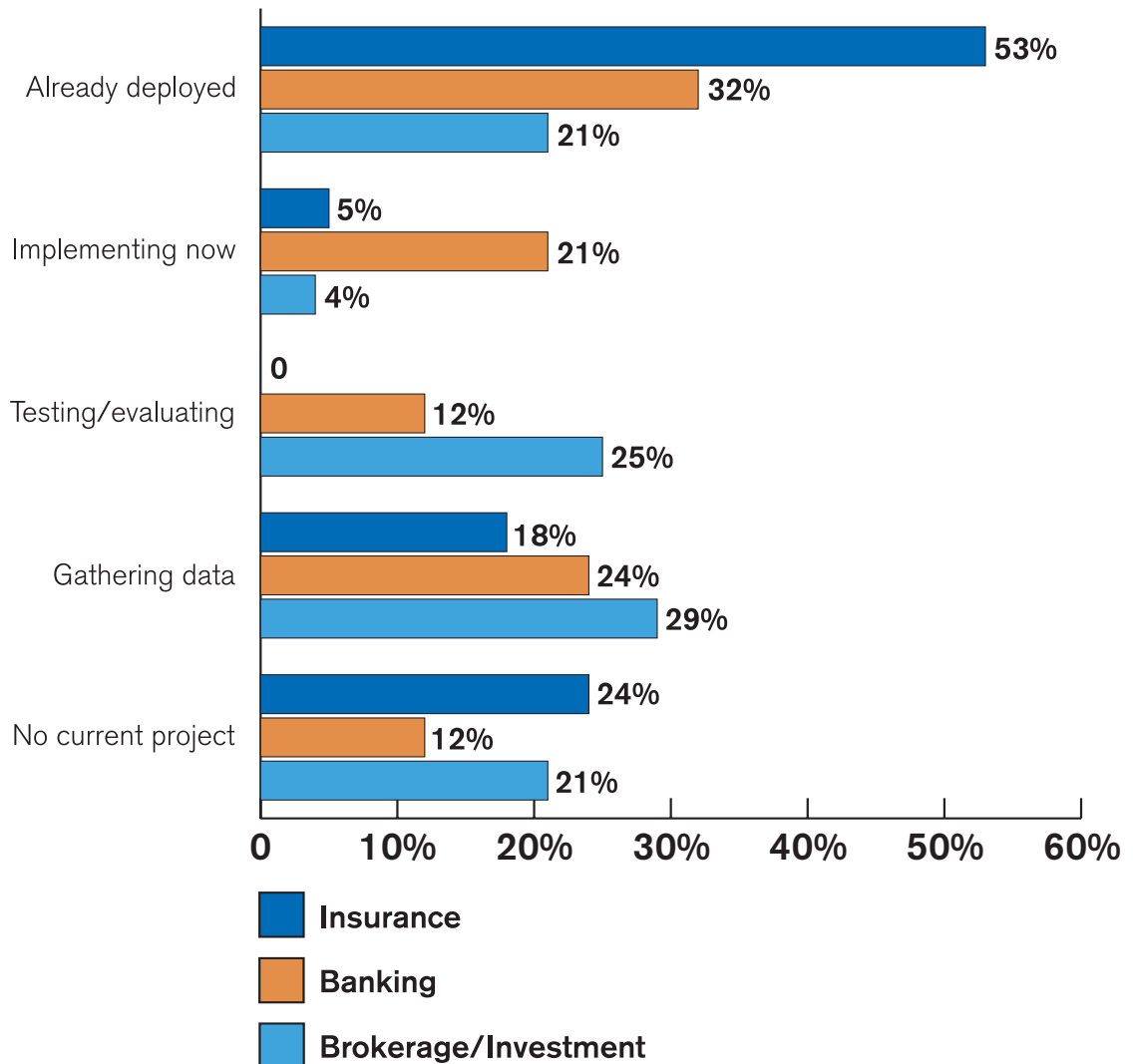
## IP telephony implementation – financial industries vs. all industries

When comparing responses from influencers in the financial industries to those across all industries from the March 2005 survey, we see a slight difference in implementation levels. Financial organizations are just slightly more likely to have already deployed IP telephony than organizations on the whole. Some of this may be attributed to the time span in-between surveys, but either way it seems to support the idea that financial institutions may be more reliant on IP telephony than a standard company.



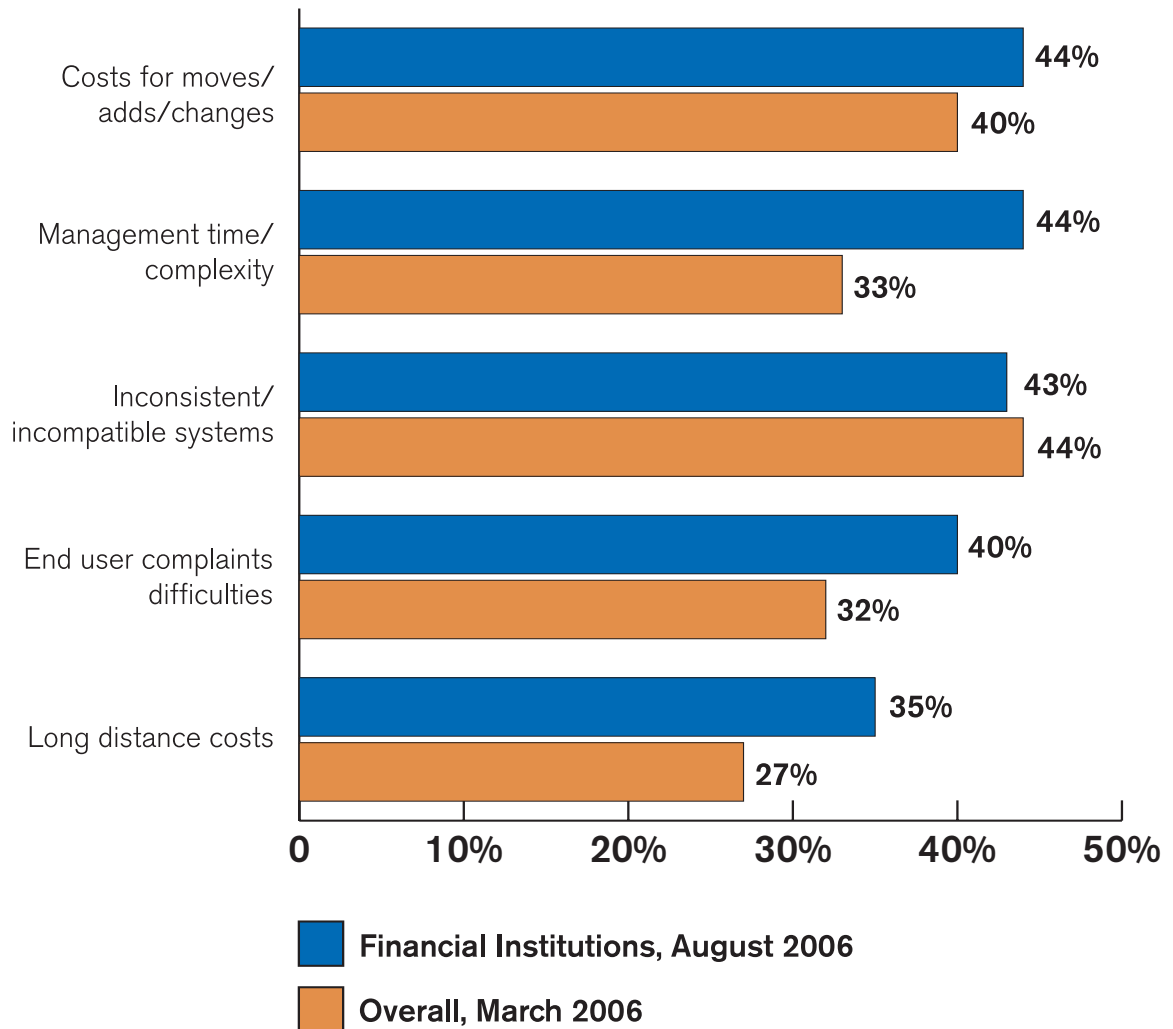
## IP telephony implementation – comparing financial industries

Based on responses to this survey, there seems to be a slightly higher deployment level among insurance companies (53%) than in banks (32%) and brokerage/investment houses (21%). However when you look at those who have deployed IP telephony combined with those implementing it now, we see that both insurance (58%) and banking (53%) have higher rates than brokerage/investment management firms (25%).



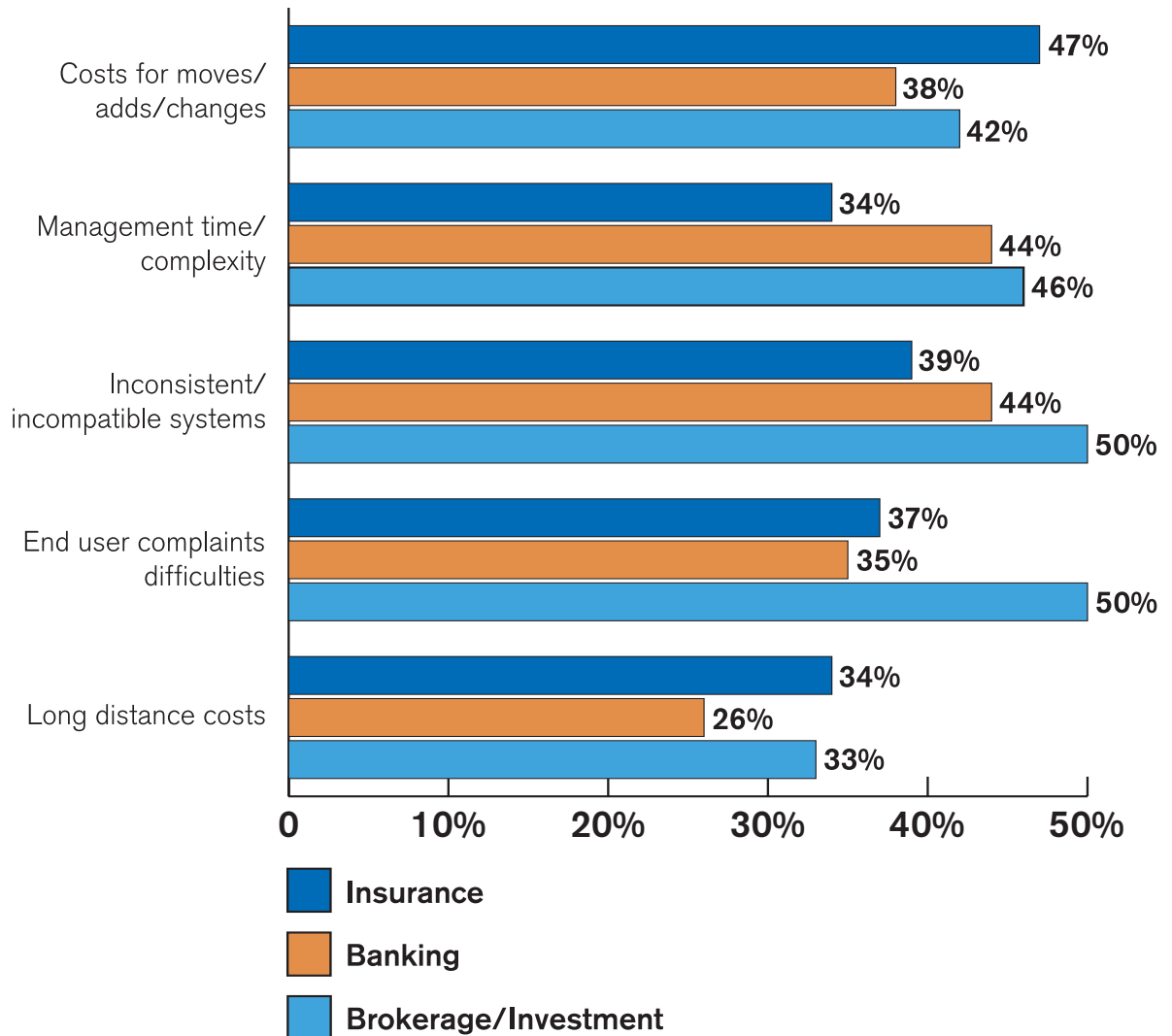
## Phone system challenges – financial industry vs. all industries

When comparing what influencers in finance consider their biggest challenges to influencers across all industries, the results are fairly comparable. Both find costs for moves/adds/changes and inconsistent/incompatible systems to be more of a challenge than long distance calls. The one notable difference we see is that financial institutions are more likely to see management time/complexity as a major challenge. This suggests that because of the nature of the finance industries, managers are more in need of systems that help them more efficiently and easily run their phone systems.



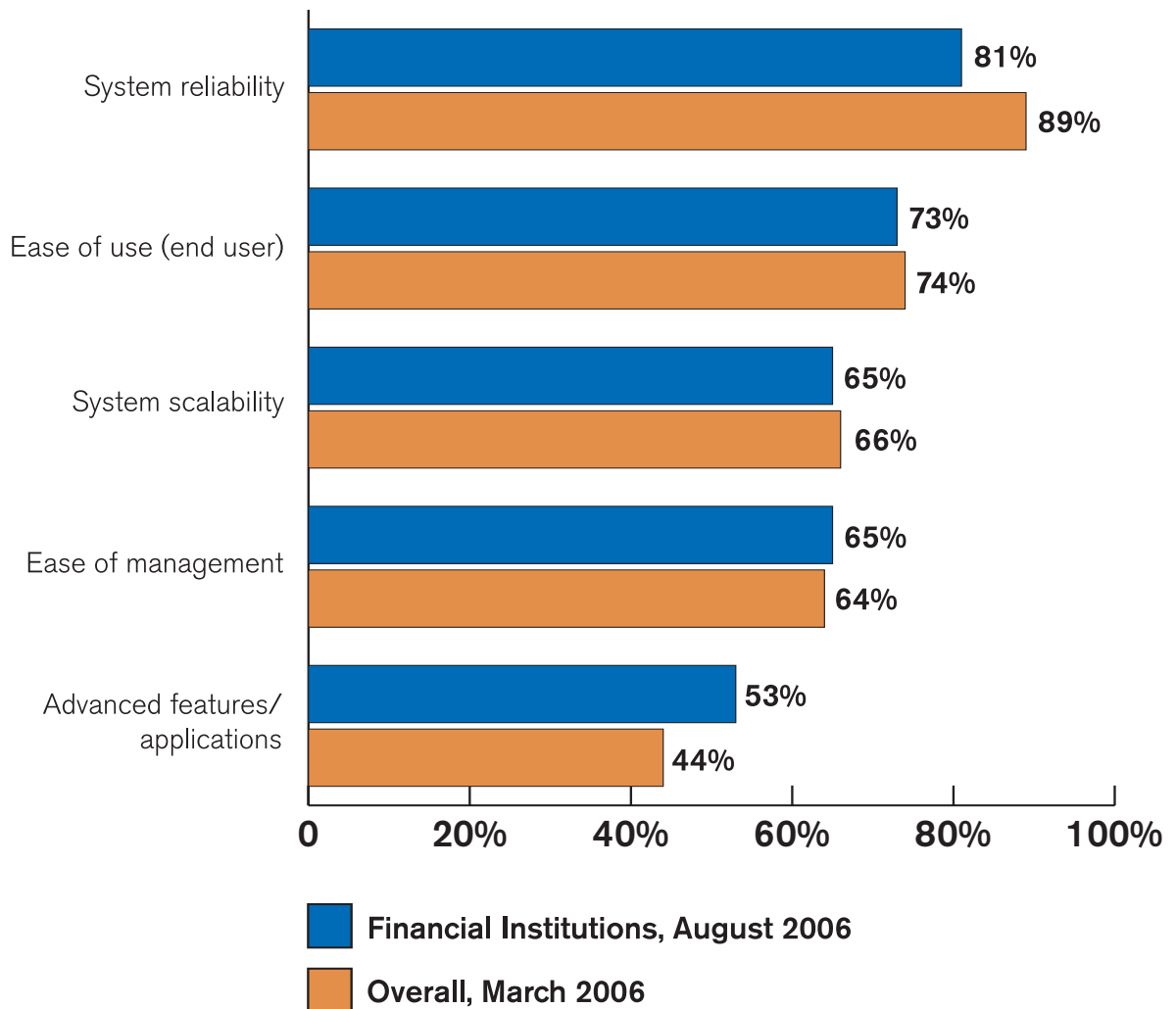
## Phone system challenges – comparing financial industries

Managers within insurance, banking, and brokerage/investment firms display some different perceptions of what they find challenging with their phone system. Insurance managers seem more like to see costs for moves/adds/changes as a challenge than their counterparts in banking and brokerage/investment firms, but far less likely to see management time/complexity as a major issue. Brokerage/investment firm managers seem much more likely than their counterparts to point to inconsistent/incompatible systems and end user complaints/difficulties as major challenges. Managers within each industry are therefore clearly striving to have phone systems that address their unique challenges.



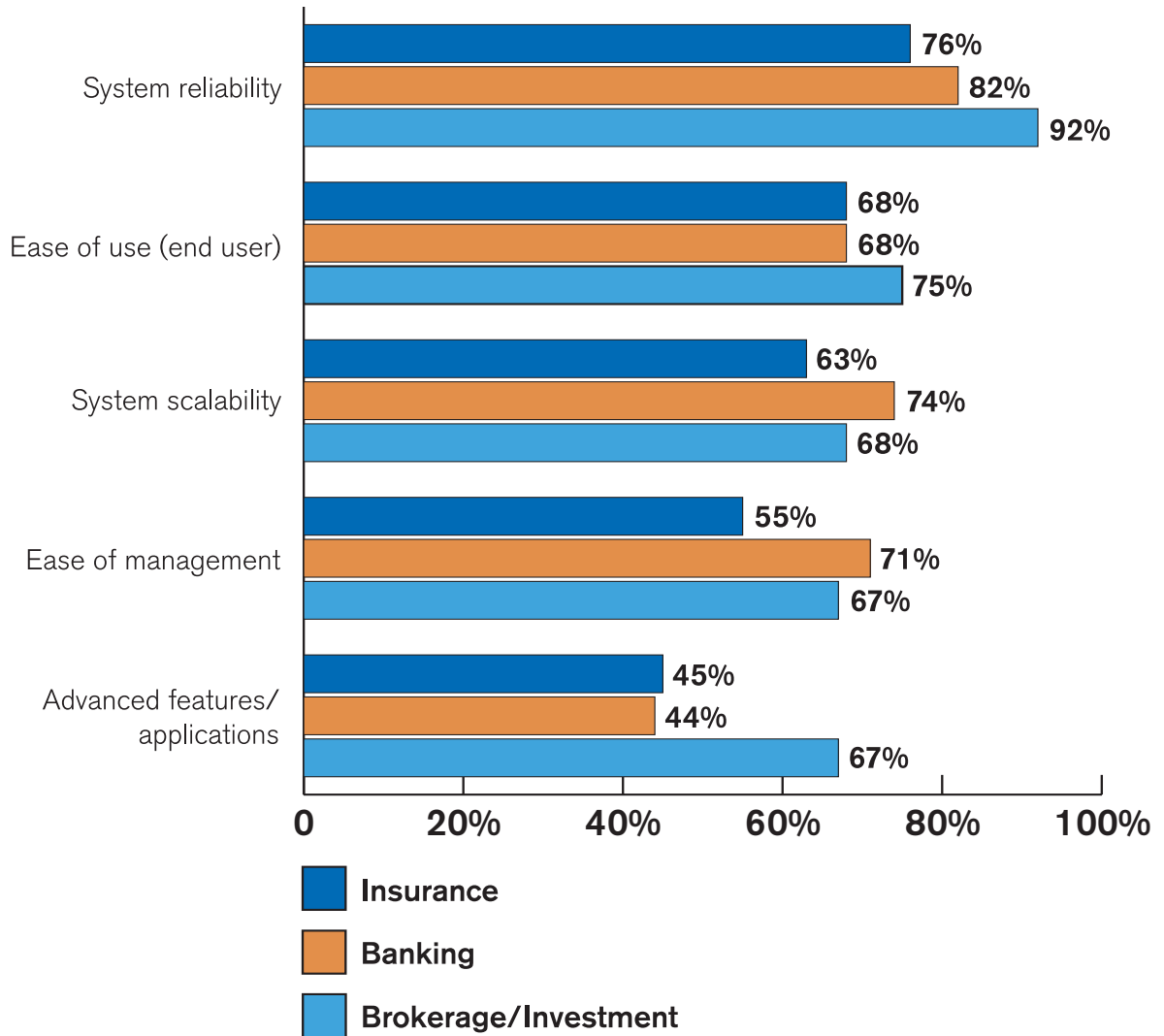
## Important telephone capabilities – financial industries vs. all industries

When looking at what IP telephony managers in financial industries or in any industry consider the most important issue related to their phone system, it can be summed up as follows: reliability, reliability, reliability. Respondents to both this study and to the study across all industries showed system reliability to be far and away the most important issue, while advanced features and applications were not hugely important. These results show that when it comes to the issues listed below, respondents from financial industries feel very much the same way as their counterparts outside of finance.



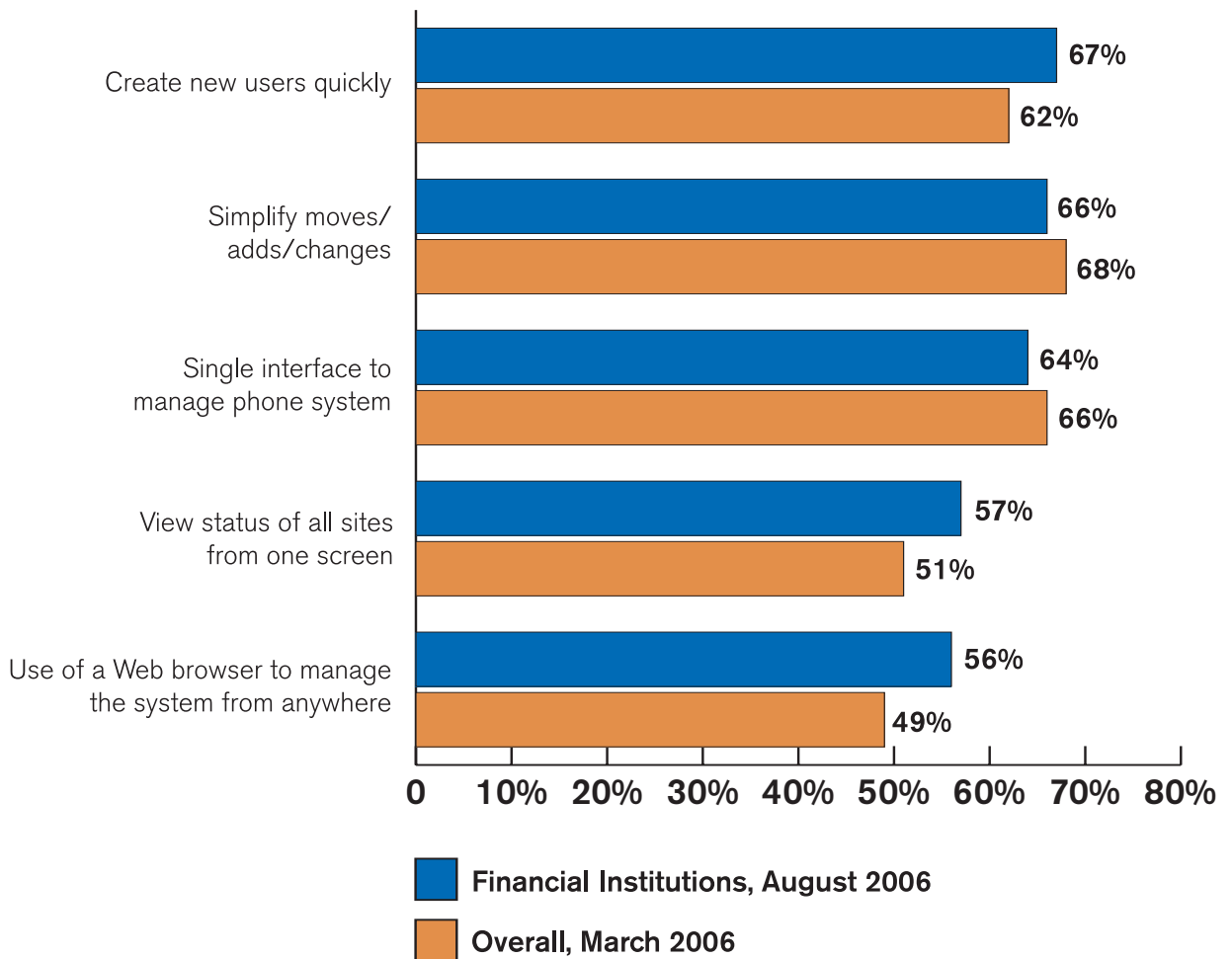
## Important telephone capabilities – comparing financial industries

While system reliability is the No. 1 issue for each of the financial industries, it's clearly a particularly important issue in the brokerage/investment business. Another interesting data point is that respondents in the insurance industry seemed far less likely than their counterparts in banking and brokerage/investment to place importance on ease of management.



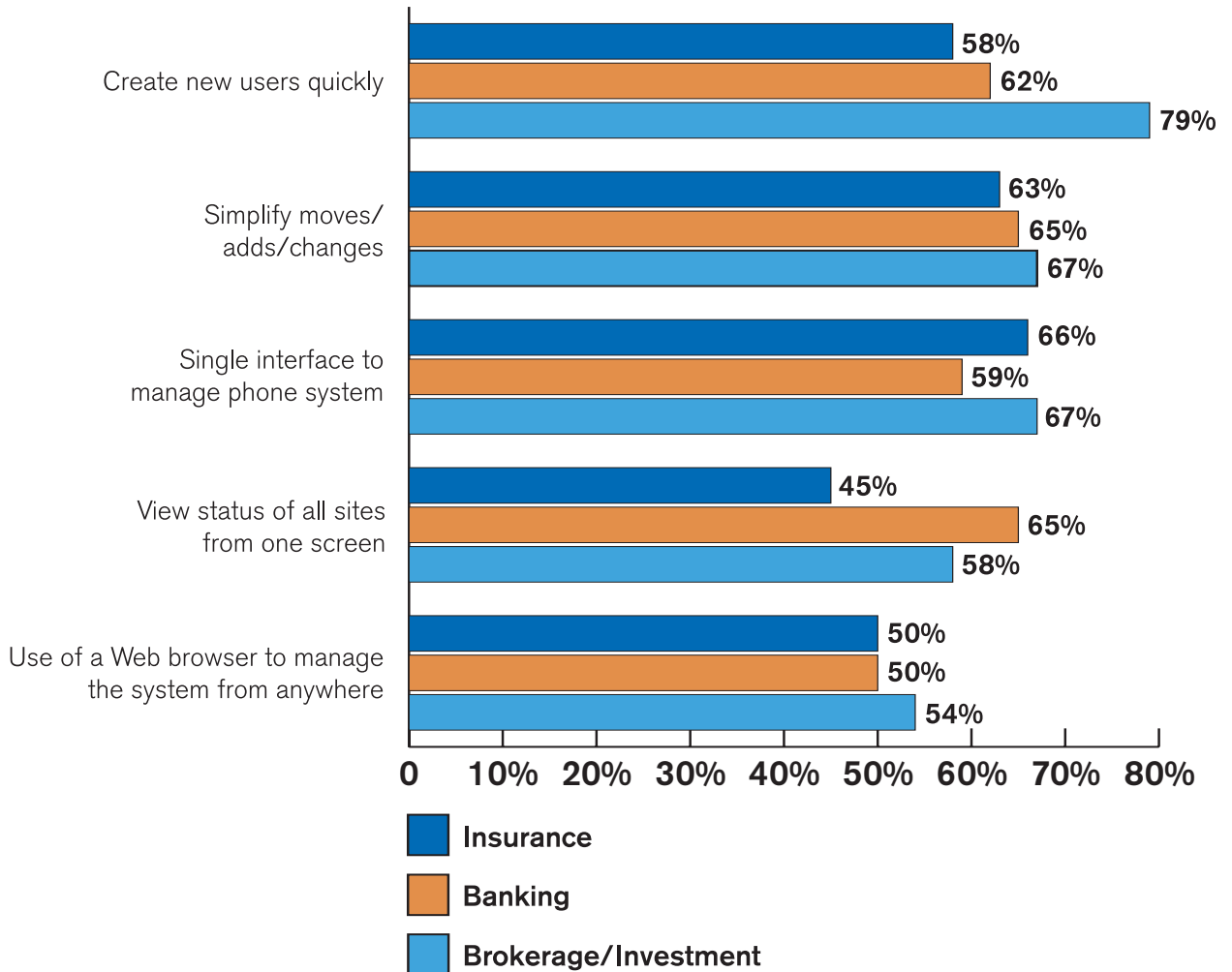
## Important management functions – financial industries vs. all industries

In terms of management functions that are important, we once again see that financial institutions have very similar ideas to those outside of finance. There seems a slight favoring towards creating new users quickly for financial folks, but outside of that, the importance of issues is pretty consistent across all industries.



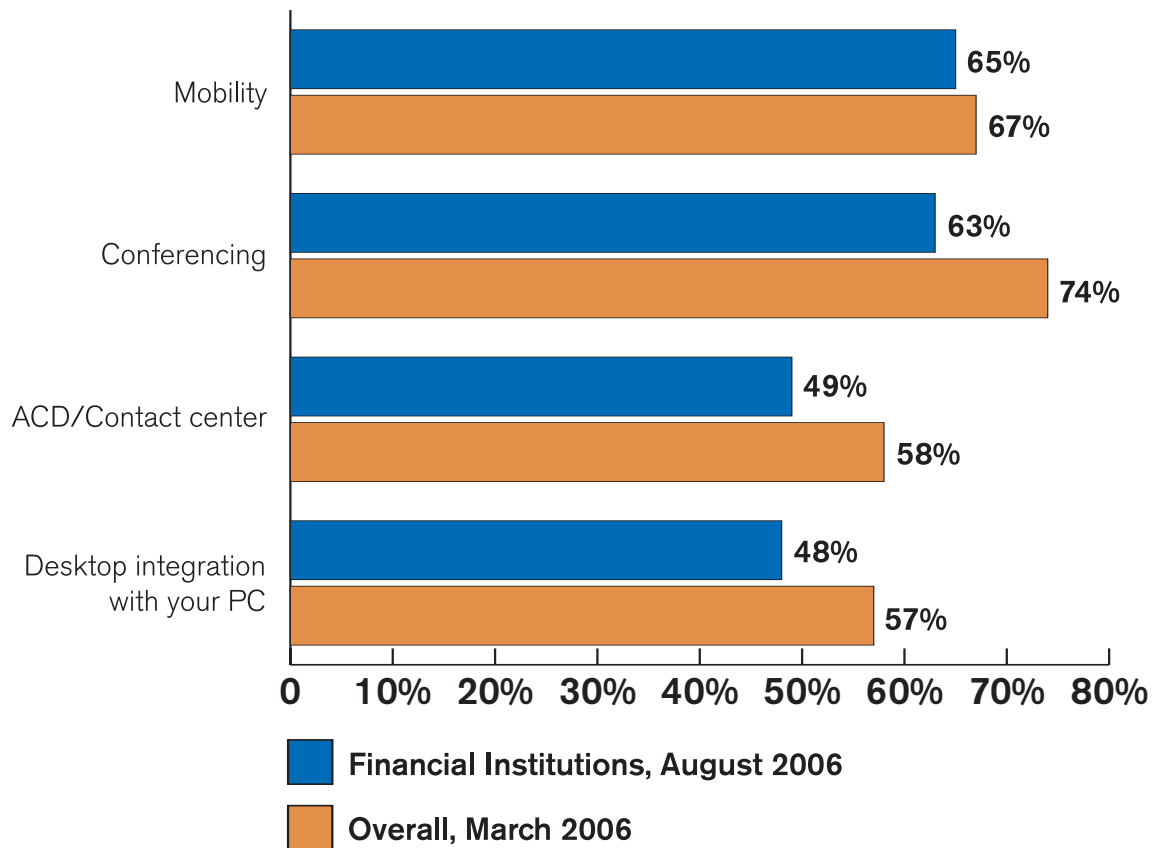
## Important management functions – comparing financial industries

In the same way that brokerage/investment industry respondents seemed a little more adamant than banking and brokerage respondents about system reliability as an important issue, they also feel more strongly about the management function of creating new users quickly. Insurance industry respondents see having a single interface for managing their system as most important and banking respondents feel simplifying moves/adds/changes and being able to view the status of all sites from one screen is most important.



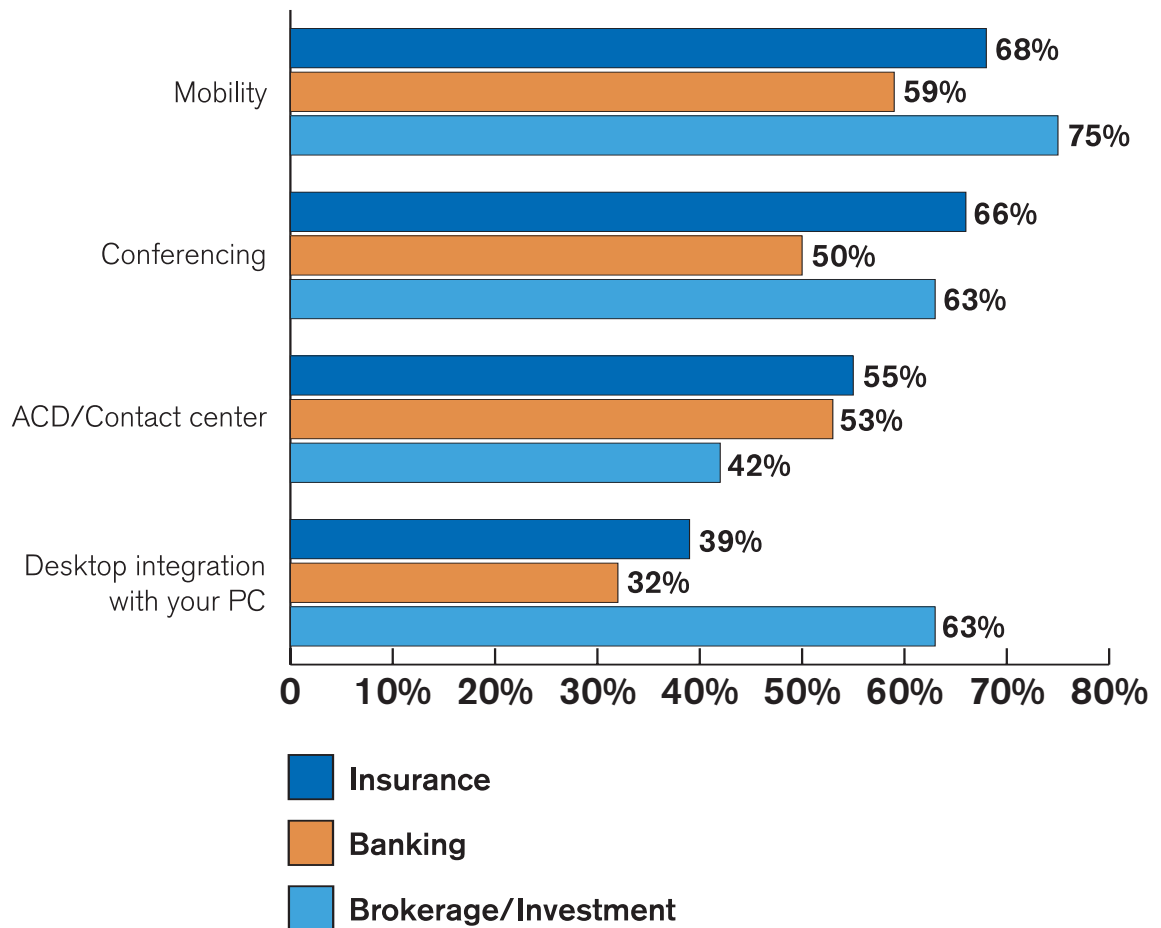
## Additional telephone system capabilities - financial industries vs. all industries

Financial industry respondents, like those across all industries, see mobility and conferencing as the two most important additional capabilities they need for their phone systems. It does appear that the financial industries slightly favor mobility to conferencing whereas all other industries favor the reverse. This could be a factor of the time of the survey too however – since mobility has increased in importance in general since March 2005, perhaps even those outside finance would now favor mobility.



## Additional telephone system capabilities – comparing financial industries

When comparing which additional capabilities the different financial industries favor, we see an interesting pattern among brokerage/investment respondents. These respondents were more likely to see mobility as an important additional capability and far more likely to see desktop integration with a PC as important. This suggests the overall feeling that brokerage/investment influencers are very concerned with being connected – they want mobility and they want their phone system to easily integrate with their PCs. Another interesting pattern here is that the banking industry respondents were, in general, less impressed than those in the other two industries with each of the additional capabilities listed.



## Conclusion

It's clear from this survey that financial institutions have some similar core needs related to their phone systems as do those outside the financial industries. All organizations are looking for systems that are reliable, have mobility and conferencing capabilities, and for systems that can create new users quickly. Financial institutions also share with other organizations the desire to overcome some of the major challenges of phone systems such as the costs for moves/adds/changes. There are some issues related to phone systems that are particular to the financial industry however. First of all, financial institutions are slightly more likely to have IP telephony implemented, so clearly this supports the idea that such systems are particularly important in this industry. We then see that influencers in finance, particularly those in brokerage/investment houses, see management time/complexity as more of a challenge than do those outside of finance. Financial institutions are also more in need of the management functions that allow them to create new users quickly – again this is a particularly strong need in the brokerage/investment field.

So what does all this mean for influencers in the financial industry who are contemplating what to do regarding their company's phone systems? Basically if you're an influencer in this industry, you can use responses from this survey as somewhat of a benchmark for how your peers are addressing these issues. If you don't have an IP telephony system implemented and have no project in progress to make this happen, you are in the minority (20%). If you are planning to implement IP telephony, it's important that the provider you seek understands the challenges of phone systems expressed by respondents in this survey. Make sure the systems are reliable, address issues such as management time/complexity. Most of all, make sure the provider has experience specifically serving the financial industry as the needs within this field are very unique.