

### **Banking Trends and VoIP Recording**

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The banking industry is rapidly evolving to meet the demands of the 21st century, and this evolution is affecting its structure, communications and customer service. During the 1980s, ATMs were viewed as eventual replacements for tellers and other low-end employees. Then, in the 1990s, analysts believed the growth of the Internet would reduce the need for bank branches themselves. But today the industry is moving in the other direction. Bank branches are expanding their functions to enhance customer satisfaction through a fundamental shift in their orientation. Not only are the number of branches growing to increase access — Bank of America is planning to open hundreds of branches over the next two years — they are undergoing a change in paradigm by moving into new areas such as insurance and other finance-related fields.

This new role as a full-service community bank has major implications for intra-branch and external communications. With so many offices, the cost and efficiency of communications becomes paramount. The result has been an increasing investment in new Voice Over IP (VoIP) technologies.

VoIP results in significant savings because calls are routed through the Internet, a free medium, rather than phone lines. It supports both data and voice communications throughout branches offices and headquarters, and eliminates the expenses of hardware-oriented PBX infrastructures. VoIP solutions enhance productivity, are easy to administer and improve customer service. Thus, they reinforce the trend towards a full-service community bank.

Banks have reported a payback of investment in VoIP technology in less than two years. In addition to saving on operating costs, banking executives can use the system to receive voice calls through their logon IDs, thus allowing their clients and customers to reach them at the same phone number regardless of the branch where they are located.

### **VoIP Technology and Call Recording**

Banks have traditionally recorded calls to confirm oral transactions; to meet federal and state regulations; to serve as documentation in case of a dispute; to protect against threatening calls; and to train their agents to become more productive.

Typically, banks use bulk or complete recording for legal or compliance purposes and selective recording for agent training or quality monitoring. The growth of VoIP technology, however, leads to a conundrum. With the increasing number of VoIP calls, both by banks and their customers, a growing segment of communications are unrecorded. Thus, the change from traditional telephony to VoIP results in an increased demand for new recording technology.

While tolerable in a selective-recording application, bulk recording by its very nature demands complete coverage. It is not acceptable for protection from liability to miss a few calls here or there. The communication you miss may be the very one you need. This gap is currently being resolved through specific products designed to include VoIP into a bank's recording system.

## Types of VoIP Recording Solutions

There are two major types of VoIP recording solutions: active and passive. Passive solutions operate independently of the customer's network by monitoring audio data, recognized by RTP streams and proprietary protocols such as Cisco's SCCP "Skinny" protocol. The process is referred to as "sniffing" the network; it has been recently introduced, tested and found to be reliable. However, it has two drawbacks, one of them crucial for banks.

First, the software must be installed into the network through a span port and thus only analyzes the data flowing through that area. Second, since it is just sniffing the network, it does not recognize encrypted messages as IP transmissions. And many banks encrypt sensitive data for security reasons.

The second type of VoIP recording solution is active. The process may be compared to having another IP phone pick up, like the third party in a conference call. Because of the way it works, not by sniffing all transmissions to recognize RTP streams but by specific engagement when an IP call is initiated, encrypted calls may be recorded. And since it is not connected to a specific span port, all agents in the network may be recorded.

There is a disadvantage to active solutions: Because they must set up a conference call structure for every recording, they load more data onto the network. Therefore, at the current level of product development, banks must choose between active and passive or a combination of both to achieve a flexible and scalable system for their specific banking requirements.

## Deploying a VoIP Recording System

Here's a quick checklist for banking executives and managers to follow and discuss with a vendor when choosing a VoIP recording solution:

Why is VoIP recording needed? If for compliance, the vendor does not need to have additional software applications for quality monitoring.

How many sites have to be recorded?

Where should the recorded calls be stored? Centralized or decentralized?

Is encryption used or planned?

Should messages be archived for permanent storage?

What is the easiest method of search-and-replay to retrieve calls? Should it be web-based for easier administration?

Because VoIP is a new technology, you always want to be careful about fly-by-night operations. Check the company's record including years of communications experience, reputation, and ability to provide technical support.

## Conclusion

The banking world is rapidly changing, and VoIP technology will play a significant role in that change. The increasing number of community banks has made the banking industry especially competitive, and the ones that survive will be the ones willing to take risks and change with the times.

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*A leading provider of integrated communications recording and quality-monitoring solutions, ASC has nearly 40 years experience in the communications industry and more than 20,000 installations in more than 60 countries. For more information, call 914-644-6444; write ASC, 4 Gannett Drive, #100A, White Plains, NY 10604 or visit [www.asctelecom.com](http://www.asctelecom.com).*