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More financial institutions bank on networked security

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SAN FRANCISCO—Large financial institutions like the Winston-Salem, N.C.-based Wachovia Corp. are now following in the footsteps of Wells Fargo by putting intrusion and alarm security systems on the network.

The 4,500-branch Wells Fargo began driving down the road to networkability several years ago to streamline the process of integrating the security systems of the banks it was acquiring. That was no small feat, with most banks running proprietary systems that didn't talk to each other and required costly dedicated phone lines, according to Pat Tobin, director of market development, banking solutions, for the Springfield, Mo.-based panel manufacturer Digital Monitoring Products.

"The success of Wells Fargo has been recognized and accepted by other banks: large, medium and small," he said. "Going back three years, it was almost impos-

sible to speak about putting anything on the network, for fear that the network would be brought down to its knees."

Wachovia, which has some 4,700 branches, is about to embark on its multi-year transition to a networked security system, after several years of research. A process has been designed, equipment selected and vendors contracted, Tobin said.

DMP assisted Wells Fargo, and now Wachovia, to create an integrated security network that connects the bank's branches to a central monitoring station via a high-speed connection. Previously, it wasn't uncommon to pay \$25,000 for each UL-compliant alarm system installation.

After attempts to patch together systems with proprietary routers resulted in firewall issues, driving up maintenance costs, Ted Barron, Wells Fargo's vice president of security, turned to networked alarm panels.

"Before us, no other bank had used a commercial-grade alarm system to protect its vaults," Barron said. "Now we can connect any alarm panel to our central station, even internationally."

For Wells Fargo, one of the biggest benefits of putting its security system on the network was cost savings. Eliminating the cost of two dedicated phone lines per system alone saved the bank \$2 million. When fewer false alarms and reduced service costs are considered, the networked system saves the bank some \$14 million per year.

"The project paid for itself in a year and a half," said Barron, who along with a four-person staff runs over 200 projects at once, investing \$25 million in products.

Another benefit of the networked system is its open architecture, allowing banks to work with the vendors of their choice, Barron said. **SDN**