Bank of America to use Cisco's videoconferencing

The Associated Press

Bank of America Corp. said on Monday it has agreed to deploy the largest existing network of Cisco Systems Inc.'s "TelePresence" videoconferencing equipment, which provides the illusion of face-to-face meetings.

Bank of America said it will install an initial 200 units across its global operations by year's end to create virtual meeting capabilities for staff in far-flung locations.

A joint news release by Bank of America and Cisco did not disclose financial details of what they called a "managed service" agreement.

Bank of America currently uses 28 of the systems for employee meetings and training.

The technology will help employees "better manage work-life balance by providing flexible meeting options, and in some cases reducing the need to travel," said Marc Gordon, chief technology officer for the bank, based in Charlotte.

Brian White, a Ticonderoga Securities analyst who follows Cisco, said in a research note that the deal was "an impressive win" for the maker of computer networking gear. White estimates the price of the equipment covered under the agreement at more than $43 million.

The deal, White said, "highlights an inflection point in the video collaboration market as companies are searching for solutions to become more efficient through collaboration and video technology."

Cisco launched its TelePresence product in October 2006. It features multiple plasma screens that present life-size images of the participants to simulate face-to-face communication.

Bank of America said it will deploy various configurations of the system, including one for business meetings with up to six participants per room, and another that seats up to 18 people.

Shares of Bank of America rose 14 cents Monday to close at $18.04. Shares of Cisco, based in San Jose, Calif., rose 4 cents to close at $26.51.

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