

case
study

Sovereign Bank

Sovereign Bank Streamlines Cash Management
with ACI Enterprise Banker™





Sovereign Bank's roots reach as far back as 1902, when the bank began as a Wyomissing, Pa., building and loan association created to help textile workers become homeowners.

Today, Sovereign Bank is the 17th largest banking institution in the United States, with nearly 800 community banking offices and more than 2,000 ATMs in nine states. Sovereign Bancorp, Inc., the parent company of Sovereign Bank, is a US\$90 billion financial institution with principal markets in the Northeast United States. Sovereign offers a broad array of financial services and products including retail banking, business and corporate banking, cash management, capital markets, wealth management, and insurance.



The Challenge

Sovereign Bank employed, through acquisition, a variety of Web and Microsoft® Windows®-based information reporting and transaction initiation services. These services had become outdated and did not completely meet the diverse needs of Sovereign's target markets.

"It was difficult to support multiple offerings," said Mark Tozłowski, vice president and team leader for Sovereign's client access group. "Each platform required technical support, training and maintenance. This not only proved to be cumulatively challenging but also very expensive."

In particular, Sovereign Bank's system lacked the services necessary to support the upper-middle and large corporate markets. The Windows-based product required considerable maintenance and lacked the necessary business functionality to support the small-business market. Furthermore, the Web-based product was expensive, offered limited functionality and could not adequately serve the business banking market. Consequently, it was not actively sold.

Developing a Cost-Effective, Single Platform for All Markets

Sovereign decided to build a single, cost-effective platform for all corporate cash management markets.

"We felt that we could leapfrog the competition by focusing on this strategy and choosing the right strategic partner to help us execute," said Marshall Soura, executive vice president and managing director of the global solutions group at Sovereign Bank.

Sovereign selected ACI Worldwide as its strategic partner. "ACI helped Sovereign Bank implement a single, Web-based client access platform to meet the needs of the diverse market segments we serve. Working in partnership, we were able to design a scalable system with enough flexibility to serve the small-business market up to the large corporate market," said Len

Goodman, director of product management for the global solutions group at Sovereign Bank.

ACI Enterprise Banker™ Meets Sovereign Bank's Needs

Sovereign selected ACI Enterprise Banker over other products based on several criteria. Sovereign wanted to work with a market leader, and ACI leads the marketplace with more than 100 Web installations, including nine of the top 10 banks in the United States.

Sovereign needed the ability to tailor its services to specific market segments and easily upgrade its customers to more sophisticated services as their needs changed. Enterprise Banker was the only product with the range of functionality and granularity of entitlements to meet Sovereign's market requirements. "We encourage customers to sign up for what they need and pay only for what they use," Tozłowski said.

Sovereign also needed to roll out a product within a short time frame. For this reason, Sovereign chose to deploy Enterprise Banker via ACI On Demand. Outsourcing allowed Sovereign bring services to market faster and avoid delays associated with creating an in-house technical infrastructure.

"ACI's strong track record for implementing banks in an outsource environment gave us a level of confidence in the outsourcing decision," Tozłowski said.

Technical experience, with host systems in particular, was a critical factor in Sovereign's decision. Sovereign was in the process of developing advanced middleware to integrate with host systems. This infrastructure would become critically important for interfaces with stop payments, wire and imaging systems in later stages of the project. Sovereign needed a strategic partner that could work with its technical staff and offer a variety of options, including IFX-based XML message formats for host messaging. ACI's integration experience with third-party systems for wire, token authentication, stop payments, automated clearing house (ACH) and imaging systems was a factor in the decision.

ACI Beats Tactical Challenges of Implementation

ACI worked closely with Sovereign's product group to help map Enterprise Banker features to Sovereign's established market segments.

According to Goodman, the flexibility of Enterprise Banker's entitlements was crucial to the success of this effort. "The Enterprise Banker product is very flexible," Goodman said. "There are few limitations. In designing each segment, we

could assign granular functionality down to individual payment types and reports."

With close support from ACI, Sovereign was able to map functionality, options and pricing for large, middle-sized and small-business market segments.

"ACI's banking experience was a huge plus," Goodman said. "Their sales engineer really understood what we were trying to do and gave us an incredible amount of guidance and market intelligence."

Automated Conversion of Existing Customers

Automated conversion of Sovereign customers from its legacy systems was a key initiative. "The goal was to convert all of our existing Web-based customers in rapid fashion and without any inconvenience or negative impact to them," Tozłowski said. ACI used its knowledge of the legacy system to develop automated conversion programs to migrate customers to Enterprise Banker. The result was a successful conversion of all customers with no disruption in service.

"The ACI conversion team was very impressive," Tozłowski said. "They completed the conversion and met our stated goals, and that allowed Sovereign to retire an expensive system earlier than anticipated."

Looking Forward: Planning Interfaces Using ACI's Unique Workbook Methodology

Different phases of Sovereign's implementation required careful advance planning for host interfaces, including real time connections to third-party systems for wire initiation, stop payments, and check inquiry and imaging. The Sovereign/ACI team has been using ACI's unique interface workbook methodology with great success.

"ACI's experience is really apparent in their interface workbook process," Tozłowski said. The workbooks guide you through each facet of building an interface from the processing flow to the mapping of individual message elements. The planning has really helped create synergy between the ACI and Sovereign teams."

The Sovereign/ACI team has finished the workbook process for real time wire origination and has carried the momentum into planning for stop payments and check inquiry and imaging.



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