Moneris Solutions: Reducing Operating Costs and Improving Service With ACI

Moneris Solutions is one of the world's largest processors of debit and credit card transactions and is comprised of five core businesses that include Canadian merchant processing, U.S. merchant processing, terminal services, a gateway business that connects ATMs throughout Canada, and a gift and loyalty business.

According to Jim Baumgartner, President and CEO of Moneris Solutions at the time of the program implementation, "We've experienced 10 uninterrupted years of consecutive growth and our goal is to maintain and build on that. We fully expect to continue to grow over the next three years and beyond." Baumgartner attributes an unwavering commitment to innovation and continuous investment in people and technology to the long-term success of Moneris. This allows the company to better serve its customers by providing a seamless end-to-end experience and continuously adapting to evolving merchant requirements for payment processing and beyond. Moneris demonstrates this commitment to providing high-value, innovative solutions by investing $0.82 of every dollar spent on people or technology.

The Business Challenge

The payment processing industry is highly competitive and constantly evolving. That, coupled with the complexity of interchange fees, smarter and smarter thieves and the range of solutions that are required by the different types of merchants, makes being able to quickly adapt to change a critical component of the core business.

Adding to the inherent complexity of the business is PCI compliance and data security — one of the organization's most significant risks. Reliability and security are mission-critical and risk is unacceptable, which makes fraud prevention essential.

THE CHALLENGE

Moneris needed to stay ahead of evolving core interchange requirements, reduce fraud and continue to provide top-tier customer service. When core interchange requirements changed, Moneris had to determine the best merchant acquiring back-end processing solution to support the new requirements and assure the company's long-term growth.

THE SOLUTION

Moneris determined that an external solution would better support the company's long-term requirements compared to the current in-house approach. As a result, Moneris chose to deploy ACI® Acquiring™ on IBM System z. With ACI Acquiring, Moneris was able to bring all back-end processing for its merchants in house, as well as support the new interchange requirements.

THE RESULTS

The implementation of ACI Acquiring provided Moneris with a cost savings of over $10 million in less than two years. Moneris is now supporting more than 300,000 merchant locations with ACI solutions.

Four years before the implementation, card associations introduced changing interchange levels that created increased complexity. At that time, Moneris was using an in-house platform that was extremely reliable and more than capable of handling the current interchange requirements. However, the ability to handle the new levels of complexity to keep up with regulatory, merchant and card requirements wasn't supported. Moneris needed to stay ahead of change in order to grow and meet merchant requirements now and well into the future.

Moneris began to evaluate solutions for handling the increased interchange complexity in its back-end processing system. Through the development of a detailed business case, Moneris weighed the time and resources required to support the new interchange levels for internal versus external development. Scalability is one of Moneris' keys to being successful, so any new solution needed to scale to support the new interchange requirements, as well as any future changes. In addition, it needed to enable automation and help drive down costs.

The Solution

Moneris has a commitment to deliver best-of-breed in everything it does and in those situations where existing best-of-breed solutions aren't good enough, Moneris looks to their partners to provide the solutions that will best meet their business objectives. Meeting the needs of the new interchange requirements was one such situation.

According to Baumgartner, "Good enough never is. We are always looking for ways to continuously improve." After carefully evaluating the options, Moneris selected ACI for its billing and settlement solution because of its ability to support the evolving interchange requirements and flexibility in defining new merchant offerings. The new functionality allowed Moneris to develop multiple rates and fees, varying threshold amounts for fee changes and rebates for individual merchants. This flexibility enabled Moneris to offer solutions to an entirely new category of merchants they couldn't previously address.

Baumgartner went on to say, "The business case didn't justify enhancing the existing system and ACI Acquiring was able to grow with Moneris into the future. The selection of ACI Acquiring also built upon the long-term relationships between Moneris and ACI with the existing BASE24® product." Baumgartner continued, "With a project this size, we knew that in order to be successful, we had to invest the resources up front — 80 percent of the project went into planning and 20 percent into implementation." Moneris was able to migrate hundreds of thousands of merchants to the new solution over a weekend without a single problem.

In a highly competitive and complicated business environment, keeping ahead of change is essential and technology is critical to the success of Moneris. That's why when Moneris went to look for a merchant fraud solution, they used the same business case process they had used to evaluate the ACI Acquiring solution. The business case justified the implementation of ACI Fraud Management™ to help minimize exposure to fraud, keep costs down and better protect the merchant's business.

After the implementation of ACI Fraud Management, Moneris migrated its U.S. business onto the system and created a consistent process across the company's different businesses. Over time, Moneris integrated the ACI solutions into other systems' back-office applications, including their data warehouse, allowing them to turn individual pieces of data into actionable knowledge.

The relationship between Moneris and ACI started with the installation of BASE24 over 10 years ago and has grown because ACI has always been able to meet the new challenges faced by Moneris.

When asked about the ACI solutions, Baumgartner reflected, "ACI understands the business, is flexible enough to offer choices, and provides value and functionality that help us drive down costs. ACI really does contribute to Moneris' long-term success."

The Results

After implementation, Moneris analyzed the business case for each project to see how it performed against the initial evaluation. According to Baumgartner, the ACI solutions have far surpassed expectations.

Payback is measured using a time perspective where the total investment (initial outlay plus resources) is compared to costs. With ACI Acquiring, the payback time was less than two years with a savings of more than $10 million. The initial payback is primarily attributed to the time savings in man hours by implementing ACI Acquiring versus continuing development of the in-house system. Moneris also receives ongoing benefits from the solution's ability to support evolving interchange requirements and the continued growth in new merchants. It is this savings that directly contributes to Moneris' ability to successfully grow earnings.

The implementation of ACI Fraud Management is providing a similar return for Moneris. The powerful profiling and analytics engine automates previously manual processes, prioritizing the riskiest merchants, allowing analysts to spend more time working on fraud and reducing potential threats that will further limit the company's exposure to financial risk. Since the implementation of ACI Fraud Management, the average loss per merchant incident file has gone down by

25% and the people requirement has decreased, allowing Moneris to address potential fraud more quickly and minimize merchant interruption. Moneris is also increasing revenues with the system's ability to bring on new merchants more quickly due to automation and the high level of back-end protection.

It is the combination of ACI's solutions that provides Moneris with an even greater return on investment. Merchant data has improved, and Moneris is providing merchants with the knowledge they need to be more competitive, which improves customer service and reduces the average talk time. By ensuring a good dialog with its merchants and answering all questions thoroughly and in a timely manner, Moneris has been able to reduce the average call time. Because of this, merchants don't have to wait, staff can handle more calls and the cost to provide the service goes down. Baumgartner directly attributes this to the increase in Moneris' merchant satisfaction.

Moneris reinvests the savings from the average talk time reduction directly back into the business to develop new services for merchants and to help drive corporate growth.

"We wouldn't be able to do this without a relationship with ACI that is built on a combination of mutual trust, reliability and flexibility," Baumgartner concluded. Moneris is now supporting more than 300,000 locations and more than 3 billion transactions a year with ACI solutions.

About ACI Cloud-Based Solutions and Services

Thousands of top companies around the world rely on ACI's payments software to support their businesses every day via ACI cloud-based solutions and services, which are managed solutions and services hosted from ACI's state-of-the-art data centers. Utilizing best-of-breed hardware and software in a high-availability environment, ACI eliminates the time and expense associated with running these systems in house, as well as reduces operational risk by ensuring full compliance with data security regulations and disaster recovery. Freed from the burden of managing payment systems in house, ACI customers gain the flexibility that solutions in the cloud provide. Customers enjoy both a faster time to market and, most importantly, more time to focus on growing their business.

ACI Worldwide is a global leader in mission-critical, real-time payments software. Our proven, secure and scalable software solutions enable leading corporations, fintechs and financial disruptors to process and manage digital payments, power omni-commerce payments, present and process bill payments, and manage fraud and risk. We combine our global footprint with a local presence to drive the real-time digital transformation of payments and commerce.

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