

DESIGNING FOR THE FUTURE

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Retail delivery architectures are under close scrutiny. With the globalization of economies, competition has increased and financial service organizations are dealing not only with cross-border, but cross-continent issues.

In addition, new pervasive delivery channels are emerging with a focus on cost containment. Pressure to offer new business solutions quickly with compelling differentiation, low cost and high performance has never been greater. It is crucial for today's financial service providers to deliver on their strategies of minimizing time to market, reducing costs and remaining competitive while offering the latest services to their customers. This new challenge requires unique solutions and is driving the need to rely heavily on the information technology (IT) infrastructures that make marketed business solutions a reality.

The architecture that delivers these services today has evolved over time and out of necessity. As each delivery channel appeared, its supporting application was built independently. The applications may have been purchased from different vendors or built in-house and were so closely tied to their unique delivery channel that they have now been dubbed "silos," reflecting the vertical nature of their implementation. Today's silo architectures have served their purpose well and have done exactly what they were designed to do—provide support for the latest customer touch point. At the time of deployment, these applications also allowed financial organizations to react to the needs of the consumer to conveniently access and manage funds. However, over time, the proliferation of endpoints has changed the rules. Reinventing the wheel for yet another channel has resulted in significant costs and increased time to market that might have been avoided or reduced. Many of these inherited architectures have now evolved into very complex environments connecting the delivery channels to the core processing systems they access. Complexity can often bring the inability to present current customer data across channels, which for the financial organization not only reduces the opportunities to cross sell but also increases the risk factor. From the consumer's view, the inability to present accurate data results in a confusing set of interactions and loss of confidence in their provider.

enterprise services

• **A New Approach**

- Some of the more progressive organizations worldwide are beginning to examine ways of streamlining their systems. They realize that the redundancy of common functions and business rules quickly equates to increased costs and time to market. This realization is driving a new approach to retail delivery architectures. Most organizations taking this new approach share a common view of the need for a new “middle office” layer between the traditional “front office” customer interfaces and the “back office” core processing systems. The front office today can mean many things ranging from manned to unmanned terminals and anonymous channels such as the Internet. Behind that resides the core systems that provide product support such as customer databases, general ledger systems and other systems of record such as lending and stock trading systems.
- The middle office is home to shared business services and logic that can be used by multiple delivery channels. Since services and rules are shared, they can be developed once and leveraged in multiple solutions offered to the marketplace. These services consist of things like authentication, authorization, data aggregation, presentation and personalization. In addition, when changes in the market dictate a modification, these modifications can be contained within this single point. The middle office is targeted at ensuring that redundancy is kept to a minimum and customer interaction is consistent across multiple channels.

Not all organizations will decide to migrate their architectures to the common services model. However, organizations that have determined that this is the strategic way forward have defined an end goal: to exploit opportunities that maximize existing investments while providing real-time access to accurate information to maintain high customer service levels. It also is crucial for consumers to experience consistent interactions with their financial service providers. Those interactions typically share a specific look and feel, navigation and brand strategy. The financial services industry has grown considerably from its early years. Delivery channels have become less of a competitive weapon and more of an expected service. Organizations are quickly learning that offering multiple customer touch points is the cornerstone for providing excellent customer service. In return, it gives the financial service provider an opportunity to regain the customer loyalty enjoyed many years ago.

Characteristics Of the New Architecture

Presenting a consistent view externally across a broad array of endpoints is challenging many IT organizations. Any delivery architecture that steps into today’s world must enable organizations to expand their offerings to other business arenas. It must be innovative but deliver on the reality of business as it is today while providing an infrastructure that takes the business where it will be tomorrow.

Additionally, delivery architecture must

- **REDUCE COSTS**
As much as possible, common application business rules and functionality should be shared. This is inherent in the middle office concept.
- **ALLOW ORGANIZATIONS TO MAXIMIZE THEIR RETURN ON INVESTMENTS**
The architecture should take advantage of existing investments in hardware, software and staff. In today’s heterogeneous computing environments, platform independence is crucial in meeting this objective.
- **PROVIDE THE ABILITY TO REDUCE COMPLEXITY AND RISK**
Sharing business rules and services can greatly reduce the complexity of systems. Presenting a common consistent customer view enables not only risk management but also the opportunity to offer new products and services to existing customers.
- **KEEP THE ORGANIZATION COMPETITIVE AND VIABLE IN THE FUTURE**
The architecture’s scalability is critical to viability. The architecture must make it possible to deliver innovative products and services quickly, while maintaining the highest levels of performance, accuracy and availability across all delivery channels.

Providing an architecture that will deliver in a rapidly changing world is pushing strategic IT groups to focus on new technology and open languages. A component-based architecture providing loosely coupled, independent software building blocks promises to enable the reuse of code, facilitate enhancements and simplify maintenance. Add to this the possibilities inherent in today’s network re-engineering capabilities, and the foundation is laid for a flexible, new style retail delivery architecture.

ACI Worldwide’s Enterprise Services Architecture

As a leading provider of software applications for all aspects of e-payments processing, ACI Worldwide is providing a solution that implements the common services model. This new architecture addresses a variety of business services, provides platform independence, uses nonproprietary languages, is based on object-oriented design, and incorporates a layered architecture with external plug-in capabilities and script-driven processing. In the future you will see ACI solutions powered by the Enterprise Services architecture. Well-conceived architectures breed simplicity. Simplicity makes things intuitive. Intuitive systems are easier to comprehend, manage and adapt. The solutions provided by ACI using the Enterprise Services architecture are designed to enable the future world of the financial services industry.

Enterprise Services and ACI—an architecture and vendor for the future.

