

The background of the advertisement is a blurred photograph of a hand holding a pen, poised to sign a document. A credit card is also visible in the scene. The overall aesthetic is professional and business-oriented.

# CIBC

CREATES VALUE  
and Lowers Costs  
with ACI Solutions

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**TORONTO, CANADA:** By any measure, the Canadian Imperial Bank of Commerce (CIBC) is a leader. A full-service bank with two strategic lines of business—Retail Markets and World Markets—CIBC serves almost 11 million customers and processes more than five million financial transactions every day. In a country whose citizens have paved the way in adopting point-of-sale transactions, CIBC boasts a substantial share of the credit card issuing market.

Canadians are eager to leverage new payment technologies. According to the Canadian Bankers Association, they use debit or credit cards almost twice as often as cash or checks. They are the highest per capita users worldwide of both automated banking machines (ABMs) and credit cards. In 2000, Canada's national debit POS network surpassed cash as Canadians' preferred way to pay for products.

## PARTNERS IN SUCCESS

In this dynamic payment environment, customer service is CIBC's primary focus. A broad network of ABMs and branch offices, complemented by innovative telephone and Internet services, ensures that the bank's clients have ready access to their money, any time and anywhere. For the past two decades, CIBC has partnered with ACI to help deliver this superior customer experience.

Betty Reid was there at the beginning. "I am one of a few technologists at CIBC who were present when we began this relationship," she said. "Since then, it has deepened and prospered, and ACI's BASE24 package has become an integral

part of our solution fabric." Reid is currently vice president and CIO of CIBC's eChannels and shared services division.

For Reid, the power of this strategic partnership rests on the ability of CIBC and ACI to create value together, within a frame of reference that both enterprises understand. It's a three-point value proposition: great products, effective collaboration and the ability to manage business risk.

## GREAT PRODUCTS

CIBC depends on a broad array of ACI products to maintain and extend its leadership position in the Canadian banking industry. "We centralize our customer authentication and authorization processes across channels, and these are deeply integrated with BASE24," Reid explained. In fact, CIBC has used BASE24 products to create an innovative, standards-based payments hub for retail banking payments—including real-time, cross-platform account balance synchronization across all customer touch points including ABMs, merchant point-of-sale devices, call centers and Web banking. By standardizing financial transaction processing on BASE24, CIBC has been able to speed deployment of new functionality through multiple channels.


If there's anything better than great products, it's great products that can be leveraged to handle new types of transactions. Key to the bank's IT strategy is an agenda of reuse and extensibility, as opposed to a "build from scratch" approach. "The horizontal

functional components provided by ACI help us simplify our channels, so we can focus on client experience differentiation," Reid stated. "With the ACI solution set, the 'plumbing' doesn't get in the way. This helps us meet our aggressive time-to-market, cost and quality goals."

BASE24 Remote Banking is a case in point. It was licensed initially for use with the telephone banking system. Subsequently, CIBC was able to leverage the existing solution for Internet banking, by front-ending it with a Web server instead of an interactive voice response unit. "We can often extend and augment our ACI solutions to address new challenges, rather than replacing them outright," stated Reid. "This flexibility provides excellent investment protection for CIBC and helps us manage our costs." Over the past five years, CIBC has accelerated its servicing capabilities by using "enabler" services to extend core ACI products into broader capabilities.

ACI solutions are also critical to the bank's success in many other areas. For example, eCourier underpins customer messaging and secure electronic communication. Reid said, "We were looking for a solution without the constraints of a conventional mail solution, one that was scalable and used open messaging protocols. We wanted a simple communication experience with our customers behind our securely authenticated Internet banking environment. The eCourier solution turned out to be well-aligned with our requirements." The initial





launch piloted three bill pay alerts; CIBC is presently launching additional fraud, spending and credit report alerts for credit cards.

Other ACI solutions in use at CIBC include Proactive Risk Manager (with both neural and rules-based engines) and Automated Case Management, which help the bank manage debit fraud and strengthen anti-money laundering programs. CIBC has also acquired ACI's Payments Manager product. "With some enhancements, we would like to make it our settlement hub," said Reid. "This would allow us to retire some legacy systems."

In the all-important customer information domain, the bank is re-platforming its

### WORKING TOGETHER

Tight collaboration is a hallmark of the partnership between CIBC and ACI. "Our teams work very closely together," said Reid. "In fact, ACI is almost an extension of the CIBC team for many of the projects we undertake. They work with us right from the start to define requirements, assess impacts, design and build the solutions, and get them into production in a timely fashion. ACI is very responsive to our needs—just what we expect from a key strategic partner."

As in every other sphere of its operations, CIBC exercises due diligence in the area of critical business relationships. "We pick our partners carefully," continued Reid. "ACI is one of those handful of

### MANAGING BUSINESS RISK

CIBC itself is a solid player in the full-service banking business with a reputation to protect. According to Reid, the outstanding reliability of ACI solutions has been an important asset in this regard. "Our highly stable systems translate into customer confidence because our customers always have reliable access to their CIBC accounts," she said. "We must architect to reduce reputation risk, managing regulatory and compliance controls in a centralized and simplified way. ACI solutions play an integral role in our delivery in this space."

Like other financial institutions, CIBC faces a daunting array of challenges.



**ACI is very responsive to our needs—just what we expect from a key strategic partner.**

customer database of 35 years onto the HP Nonstop server for greater resiliency. ACI software provides real-time synchronization across the mainframe and Nonstop environments, enabling SOAP messages and replicating customer updates across platforms during the transition period. Said Reid, "This solution is life blood for the organization." CIBC and ACI are also actively engaged together in getting ready for CHIP card deployment.

partners. The company is a solid player in the payments space and understands the criticality of high availability, excellent quality, superior resilience and bulletproof security. At the same time, it offers solid augmentation to our intellectual capital as we collaborate on where this part of the industry is moving. ACI stays rooted in its core value proposition, and this translates into real value for CIBC."

In addition to managing business risk, it must constantly seek ways to reduce costs, handle a constant stream of regulatory changes, compete in the global marketplace and differentiate itself effectively from the competition. Rock-solid ACI software, customized to meet the bank's unique and dynamic requirements, has proven its value in helping CIBC turn these challenges into lucrative business opportunities. ▲