



## CN increases efficiency through direct connection to SWIFT

*Canadian National Railway (CN) streamlines banking relationships with Alliance Lite2*

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“SWIFT provided us a simple solution to our complex banking needs through the Alliance Lite2 product by providing increased standardization, automation and visibility into cash management.”  
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Paul Tawel, Senior Manager Treasury Operations, Canadian National Railway  
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### Background and Business Challenge

Corporates typically use multiple banks and numerous (proprietary) communication channels which, while user friendly and intuitive as individual systems, can be inefficient and unwieldy when several are used in parallel. With multiple web portals needed to manage bank accounts, visibility into global cash positions and banking relationships is more complex. Centralising accounts in a concentrator bank can be an expensive solution.

Canadian National Railway (CN), a leader in the North American rail industry and the only railroad that crosses east to west as well as north to south, faced these issues of maintaining numerous banking relationships through web portals. CN was looking to gain operational efficiencies by streamlining its electronic access to various banking partners. In order to do so it needed a single, secure gateway to all its banks.

### The solution

With security being a top priority and a desire for the highest standards CN turned to SWIFT to help it eliminate multiple banking platforms with a direct connection to the SWIFT network. By connecting to the network directly, CN benefits from SWIFT's renowned reliability and resiliency, while also having access to all SWIFT messages types and standards.

SWIFT offers numerous options for direct connection. As CN wanted to complete this project with minimal cost and a quick implementation time it was decided that Alliance Lite2, SWIFT's cloud-based solution, would be the best way for CN to connect to SWIFT. With no infrastructure needed on site, Alliance Lite2 is a popular connection choice among corporates, such as CN.

Another key benefit of working with SWIFT is the implementation support offered in a services bundle. In order to maximize its return on investment and get its banking relationships, such as HSBC, up and running quickly CN decided to utilise SWIFT's services bundle. This bundle consists of bank on-boarding, training and project management which allowed CN to appreciate the full value of its SWIFT infrastructure from the very start.

“We decided to implement SWIFT cash reporting in our back office in order to further standardise and automate our treasury operations. After exploring various options, we selected Alliance Lite2 as the best way to start enjoying the benefits of SWIFT for our business. Alliance Lite2 has given us greater visibility over our cash management and helped us optimise our connections with our banking partners. It is simple and easy to use, and the Lite2 service and support from SWIFT has gotten us up and running in a matter of weeks,” said Paul Tawel, Senior Manager, Treasury Operations, Canadian National Railway Company.



## Results

CN implemented Alliance Lite2 quickly and within three weeks had on-boarded their first bank, HSBC. Bank on-boarding is a process that connects a client's existing banking relationships to their treasury workstation and typically takes six to eight weeks. Fueled by SWIFT's exceptional working relationship with banks, including HSBC, a smooth installation thanks to the project management team and collaborative trouble-shooting sessions with CN's treasury group, this part of the project was completed in half the usual time.

"As a bank that provides market-leading global connectivity and a leading SWIFT bank participant, HSBC is a likely choice for customers like CNR looking to leverage the SWIFT network. Our key to success in the implementation for CNR was the collaboration between all parties; CNR, SWIFT and HSBC. CNR's clearly stated objectives along with HSBC's firm understanding of the SWIFT network made it easy for our staff to establish a clear and concise implementation plan." Erin Bennett, Head of Payments and Cash Management, HSBC Bank Canada.

The SWIFT Consulting Services team aided in the implementation of CN's Alliance Lite2 product by delivering end-to-end support with project management, implementation, collaborative troubleshooting and on-boarding. This allowed CN to utilise the product to perform semi-automated wire transfers over SWIFT as well as providing an enhanced global cash overview with end of day cash statements over the network. So far CN has eliminated five internet banking platforms and now has one, central system to perform its North American wire payments.

## Benefits

The easy, direct connectivity to SWIFT allows CN to take full advantage of all SWIFT message types with no infrastructure needed on site. Due to efficient bank on-boarding, CN realised the benefits of the Alliance Lite2 product as quickly as possible. This improved visibility and operational efficiencies, allowed enhanced cash management, as well as increased automation, standardisation and straight through processing. Thus, providing reduced operational and settlement risk, lowering costs and delivering greater flexibility and control to CN over its banking relationships.

## Next Steps

Phase two of the project consists of implementing FileAct in order for CN to eliminate redundancies and increase automation for treasury money market MT300 confirmations, treasury approved AP wires and EFT/ACH/EDI payments. FileAct is SWIFT's cost-effective solution for transferring large volumes of data in different formats to a company's correspondents around the globe.

## About Canadian National Railway

Canadian National Railway Company and its operating railway subsidiaries span Canada and mid-America, from the Atlantic and Pacific oceans to the Gulf of Mexico, serving the ports of Vancouver, Prince Rupert, B.C., Montreal, Halifax, New Orleans, and Mobile, Ala., and the key metropolitan areas of Toronto, Buffalo, Chicago, Detroit, Duluth, Minn./Superior, Wis., Green Bay, Wis., Minneapolis/St. Paul, Memphis, and Jackson, Miss., with connections to all points in North America.

## About SWIFT

SWIFT is a member-owned cooperative that provides the communications platform, products and services to connect more than 10,000 banking organisations, securities institutions and corporate customers in 212 countries and territories. SWIFT enables its users to exchange automated, standardised financial information securely and reliably, thereby lowering costs, reducing operational risk and eliminating operational inefficiencies. SWIFT also brings the financial community together to work collaboratively to shape market practice, define standards and debate issues of mutual interest.