

More Banks Join Bank of Montreal Data Partnership

■ By Steve Bills

Bank of Montreal wants to use technology to help it and a growing network of partner banks to compete against large competitors in the commercial card market.

The Toronto company plans to announce today that it has added five banks to its commercial card alliance, which enables corporate clients to obtain details on their global spending, including data on spending by individual country and a worldwide summary in a single currency.

Terry D. Wellesley, the managing director of Bank of Montreal's BMO Harris ePurchasing Solutions unit, said the company is in negotiations with a dozen more banks around the world to further extend the alliance's reach.

The company wants to establish partnerships across Europe, Asia, and Latin America, Mr. Wellesley said in an interview Tuesday.

BMO Harris is one of the 10 largest commercial card issuers in North America, he said. "Our customers want us to be more of a global player, not just a North American player."

Bank of Montreal also wants to extend the use of its procurement cards beyond purchases for things such as office supplies and into markets such as travel and entertainment and fleet services, he said.

The new partners are China Merchants Bank, Commonwealth Bank of Australia, Mizuho Financial Group's Credit Saison Co. Ltd., the Malaysian unit of United Overseas Bank Ltd. of Singapore, and Credit Mutuel Group in France.



Terry D. Wellesley: Wants to match firms like Amex in corporate spending data.

BMO Harris already had three partners in its global commercial card network: Royal Bank of Scotland Group PLC, Nordea Group, and the Chilean unit of Banco Santander Central Hispano SA.

All the partners are issuers on the MasterCard Inc. network, said Mr. Wellesley.

BMO Harris has worked with MasterCard to establish global standards for data formatting so that corporate clients can access detailed spending information through the BMO Harris Details Online database for reporting, analysis, and management.

The alliance approach enables BMO Harris to match the information-reporting offerings of larger commercial card issuers, such as JPMorgan Chase

and Co. and American Express Co., he said. "We're trying to catch up with what American Express has been doing. We're starting to measure up on a global basis."

BMO Harris plans to market the broader alliance initially to Fortune 1,000 companies, but "the middle market has the greatest opportunity for growth," Mr. Wellesley said. "Not just large companies, but midsize companies are becoming much more global."

The company spent two days meeting with an advisory council of 10 corporate clients, and eight of them said they had immediate need for this kind of global payment and information reporting service, he said.

BMO Harris already has several clients lined up for the service, but Mr. Wellesley would not name them.

"We're ready to go," he said. "We're going to roll it out on an ad-hoc basis."

David Fish, a senior analyst at the Waltham, Mass., payments research firm Mercator Advisory Group Inc., said the alliance approach is provocative.

He compared it to the MasterCard Payments Gateway, which is designed to enable a broad range of institutions to compete in the integrated invoicing and payment market against proprietary offerings from companies such as JPMorgan Chase and Amex.

The challenge will be to see if the alliance partners can deliver the detailed "Level 2 or Level 3" transaction data from the point of sale to the client's bank, Mr. Fish said. "That is rare in the international world." ■