

Navigating the Data Deluge

Strategies for Data Mastery in Financial Service



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Executive Summary

Imagine if you could harness every byte of data at your disposal and redefine the very nature of banking, investing, and insuring. Whether it's customer data, transactional data, or market data (to name a few), it can be used to enhance customer experiences and operational efficiency, ensure compliance and strategic decision-making, and ultimately influence the success and resilience of your financial institution. This vision isn't just a distant dream—it's a tangible reality with the right technology and strategy.

The difference between being an industry leader and lagging behind now hinges on one crucial capability: harnessing the power of your data. Most leaders within the financial sector are grappling with massive volumes of data, yet often struggle to translate this wealth of information into actionable insights. The pain is palpable—data is scattered across disparate systems, making it challenging to access, analyze, and act on. This fragmentation not only stifles decision-making, but also increases risk, threatens customer relationships, and, ultimately, undermines compliance efforts.

The opportunity, however, is monumental. Imagine a scenario where every piece of data, whether from customer interactions, market fluctuations, or internal processes, is seamlessly integrated and instantly available. The imperative is clear: with clear data intelligence practices, metadata management, and data governance initiatives, you can steer your organization toward unprecedented efficiency and market leadership, transforming regulatory compliance into a strategic asset, and turning risk management into a predictive tool for market resilience and growth.

The future belongs to those who not only collect data, but connect it, understand it, and make decisions based on its implications. By embracing advanced data strategies and technology, you can unlock new avenues for growth, enhance customer satisfaction, and fortify your defense against risks. This isn't merely about managing data but mastering it to forge a path to innovation and market leadership in an increasingly digital world. Those who excel in transforming their data infrastructure will not only navigate the complexities of today's financial markets more effectively, but they will also pave the way for innovative customer solutions and robust financial health. This transformation is about more than surviving, but thriving in a digitized, data-driven future.

Advancing Personal and Corporate Banking

Understanding and leveraging customer data has emerged as a critical strategy for driving revenue growth in personal and corporate banking. Banks that have mastered the art of harnessing real-time customer insights have positioned themselves at the forefront of the industry, tailoring services and offerings to meet the precise needs of their clients and outpacing competitors who still rely on traditional methods.

The concept of "Customer 360," which refers to a comprehensive, 360-degree view of the customer, is revolutionizing banking. It involves integrating various data points from across your customer's journey to create a complete profile of each customer. This data amalgamation includes transaction history, product usage, interaction preferences, and feedback. By leveraging this integrated view, you can anticipate needs, personalize experiences, and optimize product recommendations. This has significant impacts on revenue—a survey by Accenture recently revealed that you could **increase revenue by 20% or more per customer** by leveraging customer insights across channels.

The journey toward achieving a comprehensive Customer 360 perspective is fraught with obstacles, notably due to data silos prevalent within banking institutions. These silos hinder the real-time flow of crucial customer information, thereby complicating efforts to secure a unified customer view. Overcoming these challenges necessitates robust data and metadata management strategies, ensuring data is accessible, accurate, and actionable across all customer touchpoints and complies with stringent consumer data protection laws such as the GDPR and global BCBS 239 standards. These standards are not just regulatory requirements but essential frameworks to safeguard sensitive consumer data and bolster financial stability.

The benefits of implementing these strategies extend beyond improved customer satisfaction. They also include enhanced operational efficiency, increased cross-selling and up-selling opportunities, and more effective risk management. For example, with real-time insights, you can quickly identify and react to potential fraud, reducing losses. This could mean a **60% improvement** in profitability margins. Additionally, personalized marketing based on deep customer insights can lead to higher conversion rates, as offers are more closely aligned with individual customer needs and expectations.

To truly capitalize on the potential of Customer 360, you must invest in advanced data tools and technologies to process and analyze large volumes of data quickly. You also need to foster a culture that prioritizes data-driven decision-making. By doing so, you not only optimize revenue, but set a new standard in customer engagement and service in both personal and corporate banking sectors. This strategic focus on data is not merely a technical upgrade, but a fundamental shift toward more responsive and intuitive banking.

"Actian is a critical part of our infrastructure. Without it, we couldn't do the processing and automation needed for our banking operations."

-Barry Worthy, Manager of Enterprise Architecture at Academy Bank



Transforming Investment Monitoring and Reporting

It's impossible to talk about investment management without acknowledging the stakes. The demand for timely and accurate reporting is paramount, and investment firms are increasingly recognizing the critical role of data in meeting those expectations. Data governance, which encompasses the processes, policies, standards, and metrics that ensure the effective and efficient use of data in an organization, is becoming a cornerstone in achieving the highest standard of reporting accuracy and timeliness.

The challenge often lies in managing complex and voluminous data sets that span across multiple systems and platforms. Without a clear understanding of where data comes from, how it moves through the systems, and how it is transformed, generating reports that are both timely and accurate can be fraught with errors and delays. This lack of visibility into data lineage can lead to significant issues, including compliance risk, misinformed investment decisions, and a loss of investor confidence.

Despite the clear benefits of trusted, well-managed data, many organizations struggle to get the data quality needed for their use cases. Inaccurate, incomplete, inconsistent, and outdated data all create barriers to delivering meaningful insights. Likewise, poor data governance and metadata management erode trust in data and can result in decision-making based on inaccurate information.

Data governance solutions, like data catalogs and data quality tools, enable you to map out the entire data journey, from its origin to the final report. Whether you are subject to GDPR, BCBS 239, ISO IDMP, or another regulation, this visibility not only aids in pinpointing the sources of errors quickly when they occur but also enhances the overall integrity of the reporting process. And by ensuring that data is accurate and accounted for at every stage, firms can expedite their reporting processes, reduce the time spent on corrections, and increase the trust of investors and regulators.



This leads to better risk management and tailored investment strategies that align with both market conditions and investor expectations. In this way, your data not only supports compliance and operational efficiency, but also becomes a strategic asset in cultivating a competitive edge in the fast-paced investment world.

As the investment sector evolves, the integration of advanced metadata management technologies like a data catalog is not just a technical necessity, it's a strategic imperative. By embracing these tools, you will find yourself better equipped to navigate complexities of the market, meet the increasing demands for data transparency, and drive decision-making that maximizes investor value.

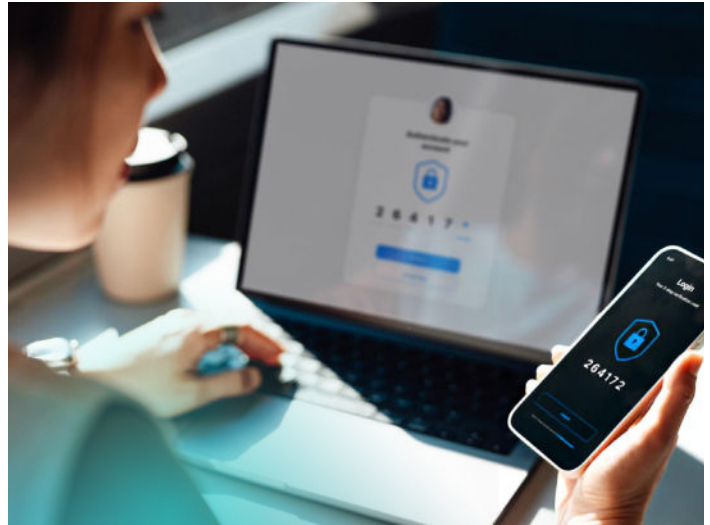
Making it Easier to Know Your Customer

Rigorous regulatory compliance, particularly in the realms of know your customer (KYC), anti-money laundering (AML), and fraud detection, is not just a legal obligation but a crucial business imperative. The stakes of non-compliance are high, with significant financial repercussions if you fail to meet regulatory standards. **For every dollar lost to fraud, financial institutions incur an expense of \$4.41**, reflecting not only the direct losses but also the ancillary costs associated with investigations, remediation, and reputational damage. In 2023 alone, nearly **60% of banks** reported direct fraud losses exceeding half-a-million dollars, illustrating the severe financial impact of failing to detect and prevent fraudulent activities effectively. The burgeoning regulatory environment imposes stringent demands, and you must navigate these meticulously to avoid such substantial penalties and losses.

The efficient utilization and governance of data transcends traditional regulatory compliance, playing a pivotal role in enhancing KYC, AML protocols, and fraud detection mechanisms. Central to these efforts is the integration of advanced metadata management tools and strategies to enhance data discoverability, which streamline the flow of information and ensure its usability across your organization.

Data catalogs function as extensive inventories, listing all data assets along with crucial metadata detailing each asset's origin, format, and usage policies, thereby enhancing data discoverability. This comprehensive information is vital for KYC and AML processes, ensuring data accuracy, source, and integrity are meticulously verified.

By integrating such catalogs, you can provide personnel, from compliance officers to financial analysts, rapid access to reliable and regulated data, enabling swift, informed decisions. Furthermore, improved data discoverability through unified frameworks allows for seamless access across departments, which is crucial for effective fraud detection and regulatory reporting. This integration offers a unified view of customer data, ensuring all personnel can easily interpret and act on the information, which is essential for spotting anomalies and preventing breaches.



A unified view of data across your operational platform allows for a more streamlined approach to compliance. This consolidation is crucial for ensuring that when regulatory bodies require reports or when checks into customer activities are necessary, the data is readily accessible and analytically useful. It reduces the time and resources spent on compiling reports and increases the accuracy of the data provided, thereby decreasing the likelihood of non-compliance and the resultant fines.

"Actian Ingres and Vector provide us with real-time analytics and operational improvements that have helped us increase revenue collection while reducing internal costs."

-John Barron, CIO of Irish Revenue



Gaining Visibility into Credit Cards and Digital Payment Services

Within credit cards and digital payment services, the growing diversity in payment methods—where the average customer utilizes up to 12 different types—presents a unique set of challenges for maintaining stringent KYC, AML, and fraud detection standards. Ensuring the quality and readiness of data across these numerous channels is not merely a regulatory requirement but a critical component of securing transactions and safeguarding customer trust.

The essence of KYC and AML protocols in this context hinges on the accuracy and completeness of data. You must ensure that data collected from multiple payment methods is not only integrated but also rigorously verified for consistency and accuracy. This process, known as ensuring data quality, involves validating data points from diverse sources to form a reliable basis for customer verification and transaction monitoring. Without high-quality data, you risk making decisions based on faulty or incomplete information, which can lead to compliance failures or lack of oversight into fraudulent activities.

Furthermore, the readiness of data—its availability and usability in real time—is equally crucial. In the fast-paced world of digital payments, where transactions occur in seconds, the ability to access and analyze data swiftly determines the effectiveness of fraud detection systems. Delays in data processing can lead to windows of opportunity for fraudsters, during which unauthorized transactions may go undetected.

Addressing these challenges requires a robust framework for data governance that spans across all platforms handling payment data. This framework ensures that all data, irrespective of its source, adheres to the same standards of quality and readiness, thus enabling a unified approach to fraud detection and regulatory compliance. By standardizing data quality checks and ensuring continuous data readiness, you can effectively shield yourself and your customers from the threats of financial fraud and compliance penalties.

As payment methods continue to proliferate, the roles of data quality and readiness become increasingly central in the domains of KYC, AML, and fraud prevention within the credit card and digital payment industries. You must meticulously manage these elements to navigate the complexities of modern financial transactions successfully, thereby securing their operations and maintaining customer confidence in an ever-expanding digital economy.

Optimizing Data in the Insurance Sector

In the insurance industry, where timely and efficient claims processing is crucial for customer satisfaction and operational efficiency, the integration of robust data and metadata management technologies plays a pivotal role. Implementing systems such as data warehousing and data cataloging, coupled with stringent data governance frameworks, ensures not only the streamlining of claims processes but also strict compliance with regulations governing Personally Identifiable Information (PII). These frameworks ensure that all customer data is managed in accordance with privacy laws and regulatory requirements, providing a solid foundation for enhanced service delivery and reinforcing trust with policyholders by safeguarding their sensitive information.

Additionally, data warehousing consolidates data from various sources into a single repository, making it easier for you to access and analyze large volumes of data quickly. This centralization is crucial for claims processing, where information from multiple touchpoints must be considered to assess and settle claims efficiently. With a data warehouse, you can pull relevant data sets on demand, reducing the time spent gathering information and speeding up the decision-making process.

An organized data catalog serves as a roadmap to the extensive data stored within an insurance company. It provides metadata that describes data sources, their content, and how they can be accessed and utilized effectively. This tool is especially useful for claims adjusters and managers who need to retrieve specific data quickly to process claims. By enhancing the discoverability of data, a data catalog helps reduce delays and improves accuracy in claims processing.

Finally, effective data governance ensures that data across your organization is managed according to clearly defined policies and standards. It ensures data quality and consistency, which are critical for accurate claims assessment and fraud detection. Data governance also supports regulatory compliance by ensuring that data handling practices meet industry standards and regulations. By maintaining high data integrity, you can avoid costly errors and rework in claims processing, thereby enhancing efficiency and reducing operational costs.

Together, these integrated (meta)data management strategies enable your insurance company to process claims faster and more accurately. By ensuring that data is well-organized, easily accessible, and governed by clear standards, you can not only improve your operational efficiencies but also deliver a better customer experience. This holistic approach to data management supports a more agile response to claims, helps mitigate risks, and positions you to better meet the needs of your clients in today's data-driven world.



Generali is among the top 10 largest insurance companies in the world. To comply with ever-demanding data regulations, Generali needed a flexible, adaptable, and agile solution that could help identify, document, and easily update its sensitive data.

Generali's data teams needed a tool that could:

- **Assign data owners** and other contacts on their assets for more clarity on who the data belongs to
- **Provide enhanced documentation features** on datasets and fields in order to fully understand the context of data assets
- **Display full lineage** of sensitive data, which provides details on where (and why) it may be used
- **Connect to all data sources** in order to easily collect, update, and use its datasets

The Actian Zeenea Data Catalog was able to connect aHive connector to gather all of Generali's metadata. The catalog handles:

- **11,000+** datasets
- **300,000+** fields
- **Multiple updates** a week

Since deploying the Actian Zeenea Data Catalog, Generali has made the solution a one-stop-shop for all data needs and aims to encourage as many employees as possible to use the catalog.

Delivering New, Sustainable, and Data-Driven Benefits

In the financial services industry, the convergence of data management strategies across various sectors—banking, investment monitoring, KYC/AML compliance, credit card and digital payment services, and insurance—highlights a common thematic underpinning: the critical role of sophisticated data handling in enhancing operational efficiency, ensuring compliance, and fostering customer trust and satisfaction.

Banking has seen a transformative shift with the ability to analyze data in real-time, allowing for a more nuanced understanding of customer behaviors and needs. This shift not only improves customer service and satisfaction but also boosts your ability to offer tailored products that enhance profitability.

In the realm of **investment monitoring and reporting**, the emphasis on data integrity through enhanced data lineage practices ensures that your investment firm can offer timely and accurate reports to your clients, fostering transparency and trust while also enhancing strategic decision-making capabilities.

The **KYC/AML and fraud detection processes** within financial institutions highlight the necessity of robust data integration frameworks. These systems not only mitigate risks but also ensure compliance with stringent regulatory frameworks, protecting you from potentially crippling fines and reputational damage.

Similarly, **credit card and digital payment services** are leveraging comprehensive data management techniques to navigate the complexities of handling multiple payment methods securely and efficiently. This sector particularly benefits from advances in data cataloging and data quality, ensuring that each transaction is both secure and swift, thereby reducing fraud and improving customer satisfaction.



Lastly, the **insurance industry** benefits immensely from integrated data systems that facilitate faster claims processing and more accurate risk assessments. Data warehousing and governance play pivotal roles in ensuring that claims are handled efficiently and that policies are priced accurately, balancing risk effectively.

Collectively, these sectors demonstrate the indispensable role of advanced data management in the financial services industry. As these industries continue to evolve, the integration of cutting-edge data technologies remains crucial in navigating the challenges of an increasingly digital economic landscape. By prioritizing data integrity, security, and accessibility, you can not only meet the current demands of compliance and customer service but also pave the way for future innovations that will redefine the industry's standards.

About Actian

Actian empowers enterprises to confidently manage and govern data at scale. Organizations trust Actian data management and data intelligence solutions to streamline complex data environments and accelerate the delivery of AI-ready data. Designed to be flexible, Actian solutions integrate seamlessly and perform reliably across on-premises, cloud and hybrid environments. Learn more about Actian, the data division of HCLSoftware, at actian.com.