Case Study:
Improving match rates for millions of transactions

Overview

This Precisely customer is one of the largest financial services institutions in the United States with nearly 7,000 bank branches and 4,000 consumer finance and mortgage offices nationwide. In addition to offering standard personal and small business banking services, it leads the industry in mortgage services, small business lending, online brokerage and mutual funds.

Business challenge

Each day, the institution receives several million transactions from bank systems across the country. These transactions, representing various lines of business, have been processed through different applications and ultimately reconciled to a single general ledger.

The institution's IT department managed the reconciliation systems and administered the change request process for both low impact (user interface) and high impact (database and application maintenance) changes. In this environment, the institution faced multiple challenges:

- **Validation timing:** The files containing transactions did not always arrive on time, which triggered validation issues.
- **Labor-intensive discrepancies:** Data discrepancies led to high rates of partial or suspect matches, resulting in lost productivity.
- **Mismatched applications:** Depending on the line of business or location, work groups used different systems to reconcile transactions.
- **Time-consuming processes:** Users spent significant time validating and researching matches, creating correspondences and conducting cross-system corrections.
- **Lack of scalability:** To accommodate growth, the institution needed the ability to add new lines of business while utilizing current resources and minimizing costs.

In this environment, with multiple systems supporting a mix of manual and automated processes to reconcile transactions, the customer achieved an average match rate of less than 50%. Improving its match rates was mission critical to the company's goals in meeting daily, weekly, and month-end reports that accounted for millions of transactions.

The customer needed an end-to-end solution that would reconcile transactions from the time the data files arrived, through automated matching, to the point of user interaction with the manual review of suspect matches. After surveying

Client
Leading financial services company

Industry
Finance

Challenges
- Validation timing
- Labor-intensive discrepancies
- Mismatched applications
- Time-consuming processes
- Less than adequate match rates
- Lack of scalability

Solution
Precisely Data360

Results
- Tracking and validation analysis
- Segregation of work
- Research visibility
- Improved productivity
- Transparent autid trail

The customer needed an end to-end solution, reconciling transactions from the time the data files arrived, through automated matching, to the point of user interaction with the manual review of suspect matches. After surveying their in-house, customerbuilt application and other off-the-shelf reconciliation products, they determined none of them could support their needs. They turned to Precisely for a comprehensive solution.

their in-house, customer-built application along with other off-the-shelf reconciliation products, they determined none of them could support their needs. The institution needed a customized solution to bring all of their customer's reconciliation data and processes into one centralized system.

Solution

The customer chose to implement Precisely Data360, an all-inclusive enterprise data intelligence platform to meet the challenge of bringing all of their customer's reconciled data and processes into one centralized system. Because Precisely Data360 is fully configurable, the application windows were configured to the customer's business rules, taxonomy and workflow processes, rather than being constrained by out-of-the-box rules or methodologies. The solution design was customized around specific user processes and needs.

Tracking and validation analysis: Rules were created and configured by the business owners to establish and ensure the appropriate analysis around the business process and to automatically reconcile transactions at multiple levels on a daily basis. Tracking and validation analysis was established up front to ensure that the correct files had been received on time and to ensure that the contents of files were accurate prior to initiating any reconciliation process. During automated reconciliation processing, analysis identified both strong and suspect matches for faster and more efficient reviews by the users.

Segregation of work: Queues were established based on the lines of business to provide views for the users into the suspect matches and unmatched transactions. This allowed for appropriate segregation of work on a common platform for all reconciliation activities.

Research visibility: Screen layouts were configured to align with the business needs and flow of information needed to provide visibility into research. This was a critical component of the implementation, as a key driver for the solution had been the ability to increase user bandwidth while minimizing costs through efficient workflow.

Productivity enhancements: During manual review, users could reconcile transactions, search for potential matches, perform adjustments, add notes, send email, create attachments and export information, all within the Precisely Data360 environment.

Audit trail: All activity is captured with a full audit trail that includes user ID and time. The information is readily accessible for review by auditors and management.

> The customer's relationship with its IT Department now focuses on technology goals, rather than change management and system administrative needs.

Results

Through the implementation of Precisely Data360, the institution is now able to apply the analysis necessary to ensure the accuracy of the transactions being reconciled during automated processing and review. More than 95% of the customer's transactions are now matched through the automated reconciliation process. The remaining exceptions are handled through a workflow and reconciliation system that can support over 1,200 reconcilers working concurrently across the enterprise over multiple lines of business.

As a direct result, when users receive such an inaccurate set of transactions in their queues, they can research, review and reconcile the items quickly and efficiently. Users now focus their time and attention on completing reconciliation tasks proficiently while ensuring quality customer service.

With Precisely providing an easy-to-use administration tool for managing the user interface and rules engine, the business unit can more efficiently manage the solution to achieve its performance objectives. The customer's relationship with its IT Department now focuses on technology goals, rather than change management and system administrative needs.

The implementation of a centralized and standardized solution allowed them to easily add new areas of reconciliations within the company while providing the opportunity to take on additional business growth.

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