

waterstechnology

AFTAs 2016: Best Back-Office Initiative—SmartStream

SmartStream's Center of Excellence has improved match rate by 97 percent



Given that this is the first year that separate award categories for the vendor community are on offer in the American Financial Technology Awards, SmartStream's Centre of Excellence (CoE) becomes the inaugural recipient of the best back-office initiative award.

To date, 37 financial institutions are using the service since its official launch three years ago. According to SmartStream, the CoE has improved match rates by roughly 97 percent, in addition to it increasing straight-through processing (STP) rates and reducing exceptions by 67 percent.

The idea for the initiative came about when the vendor was working with clients back in 2013 on their backlog reconciliation processes. SmartStream noticed an increasing trend where end-users were reluctant to own, maintain and handle any form of hardware associated with their reconciliations processing; instead, they opted to only perform reconciliations and have the platform running elsewhere.

The initial outsourcing service was extended and shaped into a multifunctional holistic service for the back office, consisting of two main utilities: the Central On-Boarding Utility (COU) and the Managed Service Utility (MSU).

The COU identifies commonalities across processes, from which a library of frequently-used configurations across various reconciliations has been built enabling faster deployment of reconciliations on client sites. The CoE also offers pure hardware hosting, production support and an administrative service from a data quality standpoint.

This service is designed to capture as many data-related issues as possible and address any errors that might be interfering with the data, ensuring that when it hits the reconciliation process, poor

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quality data will be at a minimum.

SmartStream's MSU provides reconciliation and exceptions management functionality. It covers the entire end-to-end reconciliation process, including the hosting of SmartStream's flagship Transaction Lifecycle Management (TLM) reconciliation platform within the on-demand offering.

The service also includes environment monitoring, data loading and ensuring that auto-matching is completed within service level agreements, as well as performing manual matching and break resolution.

In late 2016, SmartStream introduced corporate actions functionality to the CoE, with one end-user already using it and others lined up to onboard during 2017. Due to the continuous changes in the regulatory environment, SmartStream's clients have requested a number of additional features within the CoE to help them meet their compliance obligations. In response, the vendor is planning to further expand its utility with liquidity and cash management support. It is also considering adding collateral management functionality, thanks to its acquisition of the Algorithmics Collateral assets from IBM in early 2015.