SmartStream to Add Additional AI Capabilities to Aurora

The reconciliations specialist is also looking to expand its corporate actions offering into the buy side.

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In 2019, SmartStream rolled out Air, a cloud-native reconciliations platform. At the time, it was **described as** "the birth of all our AI and machine learning products." While Air is a standalone product that a user can license on the cloud, the AI that underpins the system can be used across SmartStream's suite of products.

To that end, SmartStream has already added that AI functionality for matching to its TLM Aurora and TLM Reconciliations Premium platforms. The next step is to add Air's data mapping AI to Aurora. (TLM Reconciliations Premium has already been upgraded.) Roland Brandli, strategic product manager for SmartStream Air and TLM Aurora, says the firm is aiming to have a soft launch by October, with full delivery by December.

"Already Aurora has AI for its matching engine in digital payments and advanced payments control," he says. "What will come at the end of the year is AI for mapping —so the onboarding of reconciliations—and that will come together with a new flexible reconciliations component."

A key element of SmartStream's AI strategy is tied to its Air cloud initiative. SmartStream is undergoing a massive redevelopment process of its entire technology stable from on-premises-based products to cloud-native ones, a complex and time-consuming undertaking that will eventually see each offering receive an HTML5 front-end built on Angular 8.0.

"Cloud-native development has been embraced across all product lines, although that doesn't mean that every product is 100% cloud-native," Brandli explains. "We are currently doing the most difficult thing you can do in financial technology: transforming legacy systems to the newest technologies, and every SmartStream

product is going through that process."

Additionally, at some point in the autumn, SmartStream is planning to roll out a new AI piece for its suite of services, although Brandli declined to disclose details at this point due to "a meticulously planned product launch and campaign." He did note, though, that the future of SmartStream's applications will involve "institutionalizing knowledge" into the software in order to reduce manual touchpoints and provide resilience in a way that was not previously possible.

Corporate Actions

Beyond its work in the field of AI, SmartStream is also looking to expand its presence on the buy side with its TLM Corporate Actions platform.

Brandli says that often, fund managers who use Aurora's trade process control are also interested in a corporate actions component. So about two years ago, SmartStream began to refocus on TLM Corporate Actions using a model-client configuration that effectively takes about 80% of the platform and makes it available out-of-the-box for buy-side users, thus easing the integration process and decreasing the cost of a license.

"It's now receiving a lot of pick-up," Brandli says. "Before, people on the buy side were a bit reluctant to spend money on that sort of thing, but if you've taken a hit on a corporate action because your people are now working from home, believe me, you could've bought the system 10-times over."

Coronavirus Response

According to Brandli, both organizationally and as a service provider it was business as usual for the firm even during the early days of the Covid-19-related lockdowns.

"We discovered that we were extremely well prepared [to deal with the changes on the back of Covid-19]," Brandli explains, speaking from lockdown in Dubai. "The entire SmartStream company globally is now working from home, and if you look at it from a customer perspective, both our on-demand offerings and our managed services have not had a single service-level

agreement (SLA) infraction."

SLAs are baked into service contracts as "insurance policies" to compel providers to honor their commitments and also to ensure that there are pre-agreed metrics in place to measure the quality of service delivered. They usually also include escalation procedures/frameworks agreed in advance by both parties so that they can be initiated in the event of poor performance.

The Covid-19 pandemic stressed SLAs across the entire industry more so than at any time in history, and as a result, day-to-day working practices changed quickly and markedly for ostensibly everyone in the industry.

"What no-one was ready for was everyone working from home," Brandli says. "The idea that an administrator, for example, no longer had a server room to access but had to access his or her technology from home was a completely different ball game. We got through that without a single issue because our entire product line-up was built so that it could be accessed remotely."

Not only were SmartStream's products and services able to weather the initial Covid-19 storm, but its development cycles centered around its Vienna-based technology support group were similarly unaffected. "If I look at our internal processes—the development work around TLM Aurora and SmartStream Air, for example—Air has had no impact whatsoever on its development cycles, while with Aurora, I would assign a delay of maybe two to three days to Covid-19 over the last three months."