



AsiaRisk Awards 2022

Risk.net October 2022



Best operations and
back-office solution
SmartStream Technologies

Best operations and back-office solution

SmartStream Technologies

SmartStream Technologies is the winner of the best operations and back-office solution award for the second year in a row, with its two-decade strong reconciliation solution proving to be an enduring hit with banks. Three out of four of the world's top banks – more than 2,000 firms – rely on SmartStream Technologies' Transaction Lifecycle Management (TLM) to keep their back-office operations running smoothly. They use it to manage and oversee general ledgers, treasury, nostro, securities services, payments, intersystem and static data reconciliations.

Under mounting pressure to drive down costs and ramp up efficiency, banks need to introduce greater longevity and versatility into their reconciliation infrastructure. The era of banks running a hodgepodge of systems and solutions is coming to an end. Firms in Asia-Pacific are standardising and modernising their systems in the hopes of creating a truly 'evergreen' infrastructure that will enable them to meet all future expectations. TLM helps banks manage the growing volume of complex data structures seen in reconciliations. The solution automates and standardises processing to improve match rates and operational insights. They incorporate comprehensive exception management, essential for the identification, prioritisation, allocation and audit of issues identified by reconciliations.

A major global bank using SmartStream's reconciliation onboarding service found that its auto-match rates improved by almost double, while its exceptions have gone down by two-thirds. Automation, lowered costs for operations and eased onboarding of new customers, data sources and data formats – all while optimising margins – is the name of the game.

These wins are even more important for traditional banks in a changing competitive landscape. The pandemic was a boon for online-only challenger banks hunting for new customers, as most of the world's financial services shifted to digital-first. The phenomenal growth of digital challenger banks and disintermediation platforms across Asia put pressure on traditional banks to step up.

To that end, SmartStream Technologies has introduced new artificial intelligence modules to reduce manual touchpoints, as well as improve data quality and insights. Affinity, SmartStream's latest machine learning technology, is part of the TLM Reconciliations Premium solution to observe users' actions and establish an understanding of how records correlate. This significantly reduces the time it takes to match complex datasets. Affinity only gets better with use, making it a useful long-term solution. Once the neuronal network is trained, Affinity acts as a virtual user to support businesses dealing with large amounts of data – with it becoming more efficient the more it observes, boosting matching rates – delivered to the end-user with high-quality results.

The TLM Reconciliations Premium solution also helps banks service

challenger bank disruptors by becoming utility providers. Robin Hasson, strategic product manager, at SmartStream Technologies, says: "Our technology can be flexibly deployed and consumed through the cloud, as microservices, on premise, or via managed services.

"Integrated AI and machine learning capabilities empower business users, providing powerful analytical tools while reducing reliance on busy IT support teams."

The *Asia Risk* judges were impressed by further refinements to SmartStream Technologies' solution, namely the Affinity + and SmartRecs features. The Affinity + artificial intelligence observational learning solution is designed to meet the technical demands and business agility needed for operational data management and data-quality processes.

Hasson says: "This will provide more flexibility for specific user learning requests. SmartRecs with web-based configuration capabilities empower business users to onboard the reconciliations with just a few clicks. We connect deep domain knowledge with data scientists to build optimal value solutions."

Buy- and sell-side firms in the Apac region use SmartStream's solution to improve risk management, boost operational performance, optimise manual touchpoints and data analytics, and comply with regulation. TLM Reconciliations Premium is the standout winner for its ability to fulfil these demands. As a single, highly scalable and flexible reconciliations solution, industry best practice meets enterprise-wide transaction management.

Hasson says: "It facilitates the consolidation of transactional silos and removes the need for point solutions at different stages of the reconciliations lifecycle. Capable of handling reconciliations of all types, the solution enables firms to bring all reconciliations activities under one umbrella."

SmartStream Technologies differs from its competitors in a few notable ways. It does not partner with third parties, rather keeping its AI and machine learning technologies in-house. These capabilities are fully integrated into its product for optimal efficiency, and its solutions are powered by a deep domain knowledge coupled with the work of data scientists.

SmartStream Technologies' commitment to maintaining its edge as an industry leader is clear. Continued investment in TLM Reconciliations Premium is apparent with the new TLM interface option, with a range of APIs set to be baked into future releases to allow even easier integration.

Hasson says: "TLM Reconciliations is the most business-complete solution available, and it is designed and developed to be the best in class. True workflow capabilities, real-time analytics, support for any data you need to process and flexible balancing models, from simple Nostro to Digital Payment." ■