



An exceptional performer

Dealing with trade exceptions is costly and time-consuming for the financial industry. SmartStream's innovative new TLM Exception Management tool offers the industry a smarter, faster and more cost-effective way of resolving exceptions, says Peter Webb

Under pressure to reduce back- and middle-office costs, financial institutions are reviewing their operations, looking for ways of introducing greater efficiency. One area under scrutiny is exception management: resolution times are still too long, exposing organisations to unnecessary risk and expense.

The industry's current exception management process

So why hasn't the industry already made greater progress streamlining the exception resolution process? One problem is underinvestment in the back and middle office. A result of the financial crisis, this has created many operational inefficiencies, currently magnified by the rising volume and increasing complexity of transactions.

Specifically, companies lack a single, consistent view of the exception management process, which makes it difficult to see why an exception has occurred, monitor its resolution, and get a trade back on track promptly. Too few standardised processes are in place and businesses also struggle to prioritise exceptions. Capturing all the information relating to each exception is still a challenge for some organisations.

TLM Exception Management

At SmartStream, we are keen that our customers achieve the very best performance. We go to great lengths to understand the challenges our clients face and to create solutions and services that will enable them to improve their balance sheet, reduce expenses and comply with regulations. In order to support our clients effectively, we look for ways to evolve our technology. Research and development are of fundamental importance to us and a strong culture of innovation underpins all we do. SmartStream's new TLM Exception Management application reflects our commitment to understanding and fulfilling our clients' requirements, as well as to innovation and development.

Built on the latest SmartStream architecture, and equipped with a sophisticated, newly designed, single user interface, the application allows financial institutions to replace inefficient

manual resolution processing with automated, proactive exception management. It detects exceptions as far up the workflow process as possible, monitoring and managing them through to resolution. Where an exception cannot be handled automatically TLM Exception Management guides users towards resolution through a series of straightforward steps.

We have designed the new TLM Exception Management solution to provide connectivity to communication platforms, using XMPP standards. Video, voice and text chat services are also available. All activity—however minor—is recorded for future reference, ensuring that a full audit trail is created.

A single view of the resolution process

The lack of a single, consistent view of the resolution process creates many headaches in the back and middle office. At present, to close an exception quickly, a number of personnel usually work on it in different parts of the business. Work is duplicated and repair procedures are sometimes overlooked. TLM Exception Management, which delivers exception management information through a single user interface and is accessible by multiple participants, puts an end to these difficulties. All the information relating to an exception can be managed in one place, allowing a single individual to investigate an exception. Staff across the organisation can simultaneously access the system, ensuring they have a clear and up-to-date picture of the resolution process.

A common exception layer across multiple systems and lines of business

TLM Exception Management integrates with SmartStream's suite of solutions and third party technology (where the necessary APIs or web services can be exposed). It can extend into and process exceptions from other applications, eg, trading or payments systems, creating considerable efficiencies. Automatic connection also removes the need to log on to other applications and re-key data, cutting the risk of errors occurring and making investigations less time-consuming.

The application allows organisations to assign and escalate exceptions in a systematic way. It also ranks exceptions according to urgency ensuring that the most pressing issues are handled first. Innovative features, such as the executive summary function and the exception categorisation capability, make it possible to exercise close control over risk.

We know that managing service level agreements effectively is essential. TLM Exception Management promotes a proactive approach, alerting managers to fluctuations in service quality and prompting them to take action.

TLM Exception Management experience

SmartStream's TLM Exception Management is the result of research, investment and development effort. It provides financial institutions with a highly effective tool in the drive to remove inefficiency, risk and excessive cost from the resolution process. At SmartStream, we are strongly convinced of its benefits: TLM Exception Management is installed at our reference data unit—responsible for processing, normalising and enriching reference data for the financial industry—and has already introduced significant efficiencies there.



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