Doing the thinking for you

With its specialisation in financial transaction lifecycle management, SmartStream’s dedicated innovations team, which is made up of highly skilled researchers, mathematicians, applied data and computer scientists, is constantly striving to plug the gaping holes in execution and operation of financial management systems.

The team deploys artificial intelligence (AI), machine learning and blockchain, and evaluates how that helps to streamline functions, improve efficiency, reduce delivery time, boost productivity, and drive down costs.

In October last year, SmartStream launched what has been hailed as a gamechanger in its field – the first Cloud-based reconciliation engine to be powered by AI that had been trained on real-world data from the world’s banks. What also sets SmartStream Air aside from other reconciliation engines in the market, is its immediate accessibility, and its use of transformative AI algorithms to auto-configure reconciliations of any data structure.

SmartStream further sharpened its capability with another AI and machine learning module that simplified digital payments processing through its TLM Aurora solution. This opened up the possibility of improving rules matching in data for digital payments processing, so that what had taken up to two days would now be accomplished in a matter of seconds.

One after the other, SmartStream is annexing the difficult domains in the lifecycle of financial transactions with its AI and machine learning capabilities. Now that it has the knowledge, the technology and the right audience and partners, the SmartStream leadership is set to expand its Cloud-based service capability further.

The company wrapped up 2019 with a new partnership with Union Systems Limited, which is a key provider of financial software solutions and professional services to major banks in East and West Africa. With this, SmartStream is taking solutions in liquidity transparency, operational risk management and digital payments processing to a whole new geography, one that has leapfrogged many of the legacy systems in the West.

Strategic product manager for SmartStream, Roland Brandli, tells us what goes on behind the scenes and inside the brains of SmartStream.

THE FINTECH MAGAZINE: Why was your product launch in late 2019 considered such a gamechanger?

ROLAND BRANDLI: We launched two new products at Sibos in October. One was the transaction lifecycle management system, TLM Aurora, which is catapulting one of our original tools – digital payments processing – into the new age. The other was SmartStream Air, which is the world’s first AI reconciliation engine hosted in the Cloud.

Air, because there’s just nothing else like it, is creating a really big buzz. Also because it’s literally solving problems that would normally take three to four weeks, within five minutes, and because it is completely Cloud enabled.

Aurora has also had really good feedback and a great take-up. When we launched Aurora, we knew what was going on in the market, and how customers use our software, but believed it needed a change in paradigm. Normally, users have to go and look for things. We’ve changed that around completely, so now the data looks for the user.

The other important differentiation is, if we look at most business-to-business (B2B) solutions, they’re lagging behind in usability; they still tend to be quite complex. We decided we’re not going to get rid of any of the functionality a B2B solution needs, but we will make it feel much more like a business-to-consumer (B2C) solution, which is much easier to use. Users don’t have to think ‘what am I doing in the software’?. The software does it for them. It brings them to problems, so that all they have to do is focus on solving them.

TFM: You were at Money20/20 in Las Vegas to unveil SmartStream Air to the American market. How does that market differ in terms of the challenges SmartStream is solving?

RB: If we just look at digital payments, what’s interesting in the American market is that a lot is done over payment service providers. So, they tend to be much more interested in this sort of solution, whereas, in other countries, it would be the banks themselves that would be interested. It’s interesting because you obviously get to a much bigger market that way.

Also, while there is a lot of automation in the Wall Street banks, there’s still quite a lot of manual work being done in the retail banks. And because we ultimately address exception management, which is traditionally a manual operation, and automate that, we’ve had huge feedback in the States, and a lot of really interesting conversations.

A lot of our focus in the USA has been on potentially new clients – people who haven’t been aware of us or what we do. I think we’re quite unique here, because we work in...
Reconciled with AI: SmartStream has more applications in the pipeline

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the post-tap, post-swipe world, whereas most of the products here are all based on the experience before that. In our world, if something goes wrong, it has to be fixed instantly. Previously, banks could afford to take time to fix it as we were in a T+1, +2, +3 environment, but everything’s now becoming instant. Five years ago, if you wanted to make a payment to the UK, it would’ve taken three days. If a mistake happened that takes five days to fix, you would hardly have noticed. Now it takes 15 seconds to do a payment. If you come back and say it’s taking you five days to fix something that went wrong, it’s just not what people expect anymore. So, if something goes wrong, it has to be fixed instantly. That’s the challenge.

SmartStream is basically all about operational control. It’s all about managing exceptions and making sure processes operate as they should. It’s about keeping the promises that marketing makes to a customer, and making sure that when customers interact with banks and financial institutions, what they’ve ordered actually gets delivered.