

Next generation artificial intelligence disrupts data quality processes

Victoria Harverson, Global Head of Business Development at SmartStream Air, a unit of SmartStream Technologies, discusses the challenges in traditional operational data management and how the latest technologies can address them



Victoria Harverson,
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Data sits at the core of financial markets and transactions today. Financial products no longer take physical forms but are digital entries on electronic ledgers. Transactions are represented by movement of data from one spreadsheet to another, transferring ownership electronically between individuals, companies and locations.

With the massive volume of transactions and high level of automation, it is critical for financial institutions (FIs) to maintain a complete, accurate and timely set of operational data to underpin these activities.

To this end, huge investments are poured into enhancing data quality and operational excellence – the process of aggregating, reconciling, validating and correcting transactional data. This however, remains hitherto a largely manual and ineffective process.

The impact of poor data quality, operational control and legacy processes could be severe, causing disruptions, exceptions, as well as clearing and settlement issues that require costly investigations and manual reprocessing. Worse, it may result in significant financial loss, reputational damage and regulatory penalty.

These challenges in traditional operational data management can be addressed by the latest technology in artificial intelligence (AI) and machine learning (ML) according to Victoria Harverson, Global Head Business Development of SmartStream Air, a unit of SmartStream Technologies, a financial transaction lifecycle management solutions provider. She shared how intelligent technology can disrupt the legacy processes.

“We’ve definitely disrupted the process. Firstly, by way of data normalisation. In most cases, data will come into an organisation from external counterparties. For a bank, sometimes that could be thousands of external counterparties. And each of these will have their own formats, their own structures and standards,” she explained.

And the challenge has always been taking that non-standard data, pre-formatting, normalising, cleaning, and often shaping it to the schema of a specific tool that FIs are using. The latest AI solution has the ability to ingest any data in any format and straight from the source that removes a considerable pre-processing and data analytics layer.

SmartStream Air leverages AI to analyse any format of data. It creates digital AI fingerprints of the data and generates auto match rules based on how the data is likely to correlate to each other and the structures of those data sets. Data can be loaded in multiple formats and files at the same time with no constraints.

“You don’t need to understand the data beforehand, the AI will do that analysis, it will recognise it, it will do the mapping for you. And it gives you the ability to match any data for any reason in an instant, without IT projects,” Harverson added.

The delivery model is disruptive in that it is a fully software-as-a service (SaaS) and cloud native application that can be switched on and get to work on the same day if need be.

With a SaaS pricing model, the total cost of ownership, because it is subscription based, is controllable and transparent, especially for large enterprises and organisations that are used to quite complex agreements with various fintech providers.

In terms of use cases, Harverson believes that any process or activity that involves automation of transactional reconciliation, table-based spreadsheets that need to be compared, would be perfect for SmartStream Air. For example, to expedite the validation of regulatory reports, particularly if a third party provides them. SmartStream Air can be used to rapidly check the quality of those reports. Another use case is system migration and IT transformation projects, particularly in large organisations that can be a big barrier to change, as they are very costly and time consuming.

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