

# Regulatory and Operational Client Lifecycle Management Ecosystem



Products (what), Clients (with whom), Geographies (where), Current operating model (how)

Issues to be addressed



Global Regulations



Informs

Determines applicable...

Informs

Defines needs



Strategic Change

Target Operating Model



In order to deliver...

Design for 12, 18, 24 month horizons...



And to plan for...

The FUTURE

# Regulatory and Operational Client Lifecycle Management Ecosystem – Current State Analysis and Future Considerations

Entity data management is central to the efficient operation of capital markets and is fundamental for institutions' risk management, customer service and regulatory compliance. The volume increase and complexity of the data and the advent of solutions including; Customer Lifecycle Management platforms, managed services and entity data utilities, has now created a large and multifaceted ecosystem of both challenges and capabilities that need to be assessed, contextualised, understood and addressed. Firms requiring the capabilities to enable them to overcome these data management challenges need to undertake both significant current state analysis and strategic planning; based on an informed assessment of a future, international, operating context.

## Current Business Profile:



### Analysis could be structured as follows:

1. Conduct a broad and deep current state analysis of what, how, where and with whom the firm does business. In order to...
2. Identify what regulations apply to the conduct of the firm's business.
3. Identify issues in the current landscape that are preventing the provision of cost effective, efficient and compliant client onboarding. Once the issues are identified there needs to be:
4. An assessment of solution options within the marketplace; including consulting services, data vendors, utility and compliance service vendors, data management and compliance software vendors, regulatory interpretation and emerging industry best practice models with data standards. Which in turn will inform...
5. The creation of strategic change requirements for the development and delivery of a Target Operating Model that should include organisational design, process and technology architectures.

The challenge for firms is to develop and then maintain a strategic change capability of experienced practitioners who are able to "know and connect" the needs of the ecosystem across the following inter-linked contexts:

1. Challenges and issues identified that relate to the conduct of business.
2. Regulations that apply to the firm and what is required to be compliant with the rules.
3. Vendor solution offerings across dimensions of both business and regulation.

This evolution is crucial as, in the years ahead, the firms that will thrive will be those who were able to adapt their strategies, to design and deliver the operational capability that can respond effectively to the new and evolving environments. The elements of this ecosystem include potential issues, solutions and future considerations.

**Issues to be addressed:** The operational issues in the client lifecycle and entity data management space often boil down to challenges produced from a combination of; manual processes / no automated workflow, ad hoc application of policy, no audit trail of either data or policy implementation, inaccurate or missing data, lack of system integrations (no STP) and poor engagement and understanding between critical teams, across business line and geographies.

## Issues to be addressed

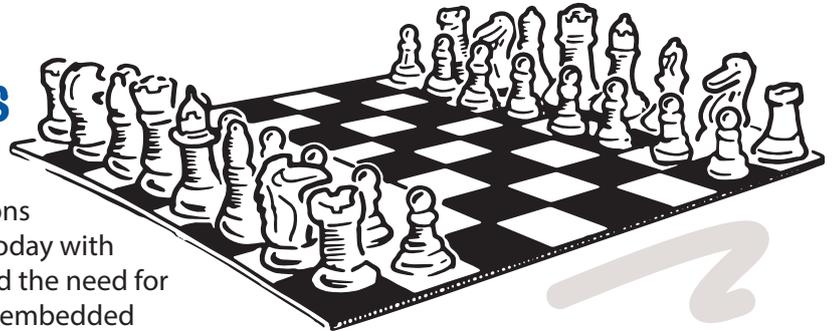




# Global Regulations

**Global Regulations:** Banks need to remain compliant with the many regulations that now govern their global activities. Across geographies, different approaches have been taken to address similar market issues, resulting in areas of inconsistency and with significant overlap. Firms must act now in order to be in a position to respond flexibly as the situation develops. The regulations cover OTC Derivatives, Tax, Anti-Money Laundering, Data Quality and Privacy, Market Oversight and Abuse, and Management Responsibility.

## Strategic Challenges

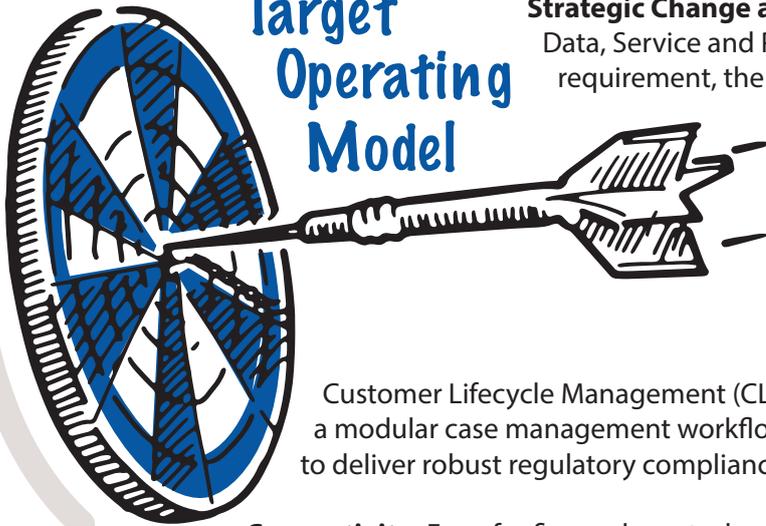


Two important strategic challenges arise from this context;

1. The need to monitor changes in various regulations to detect differences between what a firm does today with what regulators will expect tomorrow, has created the need for regulatory change management capability to be embedded alongside data management.
2. The existing complex processes in firms, leaves Heads of Compliance with little control over the subsequent implementation of new or revised policies into BAU and, afterwards, no view of the extent to which the firm is demonstrably compliant.

The next important part of the ecosystem is to understand the type and nature of the help firms require from the vendor marketplace.

## Target Operating Model



### Strategic Change and Target Operating Model

Data, Service and Platform Providers: Serving the data content requirement, the marketplace is filling with an ever-evolving network of data vendors, service providers and content utilities.

#### Broadly these include:

1. Entity data providers
2. KYC utilities / compliance services
3. Anti-money laundering (AML) services
4. Other data and related services

Customer Lifecycle Management (CLM) Platforms: An enterprise CLM platform needs to be a modular case management workflow platform that, combined with a rules engine, is able to deliver robust regulatory compliance and active operational process management.

**Connectivity:** Even for firms whose technology teams are able to develop, test and deploy Application Programme Interfaces (API's) to their existing sources, the ongoing overhead of maintaining these API's needs to be considered. Interfaces to these sources will change with; new content requirements, entirely new sources, or service provision applications themselves. Creating and maintaining a team specifically to manage API's is an undesirable burden, especially in times of ongoing funding cuts and capability downsizing demands.

### The Future - iMeta's Assassin Client Lifecycle Management Platform

The industry, across both vertical and horizontal sectors, is rethinking the way to strategically manage regulatory change in the new milieu. The need to adopt a technology-enabled, collaborative paradigm, the so called "platformification" of banking; where banks and Fintech and Regtech start-ups make the shift toward becoming holistic banking and content platforms, is being discussed. Key services across many dimensions will be integrated with platforms like iMeta's Assassin CLM, to provide superior solutions in speed, performance, convenience, cost and compliance. Forward thinking firms will take the opportunity to determine both business value and insights from the data they collect and create under the reporting regimes. The more inter-linked and symbiotic constituent parts of the ecosystem become, the better it will be for end users and vendors alike. And the more secure, safe and transparent our markets will be.

## The Future

