




Insights Article



Operate at the Speed of Risk with Next-Generation Enterprise Case Management

Author: Glenn Fratangelo,
Head of Strategy and Marketing,
Enterprise Risk Case Management

Siloed and disconnected data is the bane of every financial institution's (FI) compliance case management process. This widespread issue is especially troublesome as it pertains financial crime and investigations. A fractured approach across data, detection and investigations results in redundant investigations and inconsistent customer decisions across business lines and global regions that ultimately exposes financial institutions—and their customers—to greater risk.

Adding labor won't solve this challenge. The continued acceleration of digital transactions and faster movement of money creates alert volumes that are untenable to manage. Budgets are tightening and labor is becoming more expensive. At the same time, opportunities to scale headcount to counter volume and inefficiencies are dwindling.

Financial institutions are realizing how challenging it is to operate successfully without a unified, agile, and scalable case management solution. Case management is the cornerstone of everything done in financial crime and compliance operations. It's a must-have for analysts to have the capabilities to decision alerts, investigate cases, demonstrate regulatory compliance, and produce any variety of necessary reports—without toggling across multiple systems, manually accessing data or acquiring risk data from third-party solutions or within their own enterprise data ecosystem.

To meet the diverse demands and accelerating volumes of complex and connected financial crime, what's the next step? FIs must adopt the tools, technology and operational processes that enables them to operate at the speed of risk.

In this article, we'll highlight operational obstacles FIs face, top considerations in a case management solution, and how to best prepare for future areas of investment.

The Uphill Battle to Improve Operational Efficiency

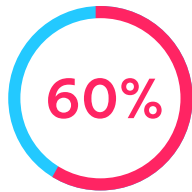
Today, financial crimes analysts spend almost 80% of their effort manually collecting information about alerting activity, accessing multiple internal and external systems throughout the investigation life cycle.

Point solutions can offer significant value but are difficult to scale if they're not integrated, managed, and maintained within your enterprise risk case manager. For example, many of our customers have implemented one-off integration with industry point solutions but ultimately grapple with maintaining and upgrading the integration as new vendor enhancements are launched.

This approach also prevents FIs from gaining a 360° view of a customer's risk because the data isn't unified within an enterprise risk case management solution to provide a single source of truth. Without the ability to access data on-demand and integrate it directly into the system, organizations are impeded in delivering data where it's needed, preventing technical resources from advancing innovation to explore efficiencies in other areas of the investigation.

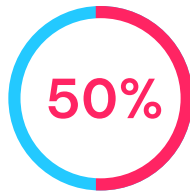
Per Aite-Novarica’s findings, there’s some common themes concerning efficiency challenges:

Multiple systems



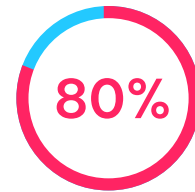
of investigators access at least 5 different systems during an investigation

Manual activities



of investigation time is devoted to manual tasks

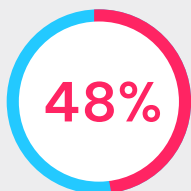
Data Collection



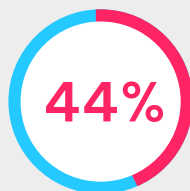
of investigation time is spent gathering data

Even with the investment in automation, the need for unifying data is required to ensure there is intelligence driving automation, or the need to manually access various internal and external systems to pull data related to an alert or case with remain and so will the hinderance to improving operational efficiency.

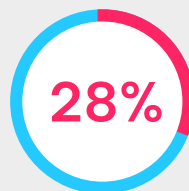
An Aite-Novarica inquiry into the top tasks that investigators would like to have automated in a case management solution to save time and improve investigations



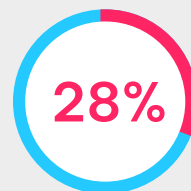
cited gathering internal data to begin an investigation



cited analytics to quickly reveal connections between current and past cases, whether opened or closed



cited automated generation of SAR based on case content to help them manage deadlines



cited assistance performing root cause analysis of losses

From an industry perspective, we’re seeing a general movement toward AML and fraud consolidation to better understand how money is moving through the firm. Many organizations are also replacing legacy processes to automate and systemize all of these procedures and build traceability.



Despite the trend of consolidating investigation sources and types into a single platform, a recent customer poll indicates that **65%** aren’t consolidated within their risk domain. Leveraging a centralized data repository is critical to improving investigation efficiency, but as this poll results reveal, it’s still a significant challenge.

Financial Crime Case Management Must Address Current AND Future Needs

A case management solution is the spearhead to front-end operations. It should address an FI's immediate needs while being future-ready to address evolving ones, including growth, scale, centralization, and automation. An advanced enterprise risk case manager should drive investigation efficiency and eliminate repetitive, low-value efforts via automation.

Many FIs are considering whether to choose a financial crimes purpose-built solution, developing a solution in-house, or a general solution that can be retrofitted to suit specific needs. The right solution is closely correlated to the ability to support innovation investments in the future; and see it broken down into 4 key pillars: data, analytics, workflow and oversight.



Data

Data is the baseline of all areas of the investigation. It enables items to be:

- Assigned to the right teams for alert investigation
- Supports automation of effective operational decisions based on business intelligence
- Provides the risk insights needed within an investigation to enable analysts to make smarter, faster decisions

A case management solution should:

- Connect to third-party sources to ingest new alerts and eradicate silos
- Ensure that alerts are optimized for easy hand off to analysts for next steps
- Feature a flexible, open-data scheme that supports any item types or custom fields
- Enable platform connectivity with various systems in the financial crime ecosystem and accelerate risk detection
- Integrate with upstream sources via different mechanisms, such as Kafka, as some of these sources might be a more mature offering than an older internal system within the FI



Analytics

Analytics is essential to unlocking information between customer relationships and expanded network relationships, consolidating risk insights that are vital to detecting complex crimes into a single view for analysts.

A case management solution should:

- Enable familial relationships between fraudulent entities to be discovered via self-learning entity resolution
- Detect sophisticated crime trends across multiple levels of the alerting network and make smarter decisions via network analytics
- Analyze historical decisions made in the case management solution
- Determine common rules to identify if an alert will likely resolve in a true or false positive via investigation analytics
- Establishes protection as regulation changes or when new event types must be monitored and models haven't been developed yet or are unavailable for that scenario via detection analytics



Workflow

Workflow automation eliminates manual evidence collection, enabling FIs to automate alert triage at level one and reduce the number of handoffs required to investigate an alert.

A case management solution should:

- Facilitate data-driven, repeatable decisions based on no-code configurable scenarios
- Automate data gathering efforts from external solutions
- Accelerate decisions and actions in the system to enable optimize workflows
- Maintain transparency and explainability regarding decision-making processes



Oversight

Oversight enables a robust reporting framework that ensures data governance controls are in place through case management entitlements.

A case management solution should:

- Feature its own reporting environment to enable the leveraging of existing data controls, maintain data security levels, and drive real-time reporting
- Enable a robust view of transaction activity to understand risk exposure
- Enhance continuous team productivity and exposure trends that may require more attention via direct reporting in the platform
- Monitor operational effectiveness, analyst productivity, and management reporting to initiate benchmarks to identify future opportunities for improvement
- Provide out-of-the-box operational dashboards for backlogs and closed item reporting, and the ability to create custom reports within the system

The Power of Case Management Cannot be Overstated

You need an agile, unified, and purpose-built for financial crime and compliance enterprise risk case management solution is the foundation to any operation. It supports having the ability to drive innovation-led efficiencies. We recommend selecting a solution that delivers a single view of risk to eliminate siloed approaches that lead to redundancy and create economies of scope. This will decrease the total cost of producing numerous products together—whether it's data, integrations, infrastructure, application licensing and development, as well as support for these solutions.

When all of this is streamlined in a case management solution, redundant and disparate efforts applied toward supporting multiple solutions can be abolished. It's "all or nothing" when it comes to the level of asset sharing. An FI can have numerous separate deployments for data isolation, latency, and resiliency needs while sharing components, standards and code base, which minimizes the complexity of managing these various platforms.

One final thought: in a landscape defined by constant change, ensure your solution is equipped to keep up.

“Our customers have shared intel into the capabilities that they think are instrumental in conducting faster, more accurate investigations.

Around 79% indicated that a 360° customer view, in addition to everything associated with obtaining that view, is most important.

This extends to data visualization to see all risks associated with an entity and investigation analytics to reveal risk behaviors. “

NICE Actimize's enterprise risk case management solution: ActOne

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About NICE Actimize

NICE Actimize is the largest and broadest provider of financial crime, risk and compliance solutions for regional and global financial institutions, as well as government regulators. Consistently ranked as number one in the space, NICE Actimize experts apply innovative technology to protect institutions and safeguard consumers and investors assets by identifying financial crime, preventing fraud and providing regulatory compliance.

The company provides real-time, cross-channel fraud prevention, anti-money laundering detection, and trading surveillance solutions that address such concerns as payment fraud, cybercrime, sanctions monitoring, market abuse, customer due diligence and insider trading.

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