94% reconciliation rate equips financial major for improved customer satisfaction

**Client**
Financial services firm—part of a leading global conglomerate

**Industry**
Banking and financial services

**Business need addressed**
Improve reconciliations process, reduce errors, and accelerate efficient closing

**Genpact solution**
Automated the reconciliation process and streamlined data loadings to eliminate delays and errors

**Business impact**
Following the Genpact-led initiative, success rate of daily reconciliations increased to 94% from 61%, exceptions decreased by 20%, and manual efforts and delays reduced by 20%
**Business challenge**

The financial services firm, part of the global conglomerate, was facing numerous back-end data issues which were hampering its ability to achieve high rates of reconciliation in its treasury/lending business. The firm spanned nine major business departments, more than 150 data interfaces, and more than 500 matching rules, across India, USA, Mexico, Europe, Japan, and China—all of which created significant complexity such as:

- **Reconciliation issues** - The financial services firm was unable to quickly and consistently perform daily reconciliations and submit them to the Transaction Lifecycle Management (TLM®) system.

- **Data holds** - Major errors in reconciliations were creating unbalanced accounts during high-stress closing periods, leading to frequent requests for “data holds”.

- **Compliance issues** - Lack of structured and approved tracking and policy adherence was leading to compliance gaps.

- **Poor performance** - The team was able to submit only 61% of daily reconciliations, or approximately 800 of 1,300 proofs, in the preceding six-month period.

- **Ad hoc data loads** - The firm was relying heavily on unpremeditated data loads and was seeing a significant number of extract, transform, and load exceptions.

**Genpact solution**

After seeing its fiscal exposure grow to roughly $35 million due to the daily unbalancing, this financial services firm knew that changes were in order and turned to Genpact for its extensive experience implementing TLM® and reconciliations solutions.

**Discovery**

The Genpact team, made up of system architects, process-domain experts, program managers, and senior developers, conducted extensive brainstorming and process discovery sessions to identify the various activities in the current process that were leading to slowdowns and errors. These initiatives included the creation of Ishikawa (fishbone) diagrams, which maps cause and effect of all critical issues. Genpact also performed in-depth trend analyses on seven months of historical transactions.

**Design and implementation**

Over a ten-month period, Genpact recommended, designed, and implemented multi-faceted solutions, comprising of SmartStream TLM® platform to address complex processing requirements across the front, middle, and back office, and to automate the reconciliation and reporting process. Genpact’s solution included:

- Process redesign of load schedules to accommodate more data.
- Control checks to validate source and output of data.
- Implementation of new configurations to improve daily reconciliation rate.
- Proactive data checks to improve accuracy before loading them in TLM®.
- Automation of ad hoc files.
- Auto-exclusion logic to sign-off 60% of records without user involvement.

**Key challenges:**

- A large amount of “data missing”
- Data duplication
- Incomplete data loads
- Lengthy manual processes
The solution was implemented across five regions: India, USA, Mexico, Europe, Japan, and China.

**Business impact**

Following the implementation of the TLM® platform, the financial services unit of the global conglomerate experienced significant improvements, including:

- Daily reconciliation submissions increased to **94%** from **61%** *(above the programs’ target goal of 80%)*

- The number of cases involving **missing data decreased** by **40%**, and **partial data loads decreased** by **20%**

- Manual efforts and waiting times **decreased by 20%**

**Automated, error-free process will enable the financial services unit to:**

- **Improve regulatory compliance while lowering cost**
- **Faster cycle time, fewer data issues, smoother quarterly closings**
- **Improved customer satisfaction**

- **Real-time visibility and control** – The financial services unit will also be able to build scalable, flexible processes that bring real-time visibility and control to operations
About Genpact

Genpact (NYSE: G) stands for “generating business impact.” We are a global leader in digitally-powered business process management and services. We architect the Lean Digital™ enterprise through our patented Smart Enterprise Processes (SEP™) framework that reimagines our clients’ operating model end-to-end, including the middle and back offices. This creates Intelligent Operations™ that we help design, transform, and run. The impact on our clients is a high return on transformation investments through growth, efficiency, and business agility. For two decades, first as a General Electric division and later as an independent company, we have been passionately serving a few hundred strategic clients including one-fourth of the Fortune Global 500, and have grown to over 70,000 people in 25 countries, with key offices in New York City. The resulting business process and industry domain expertise and experience running complex operations are a unique heritage and focus that help us drive the best choices across technology, analytics, and organizational design.

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