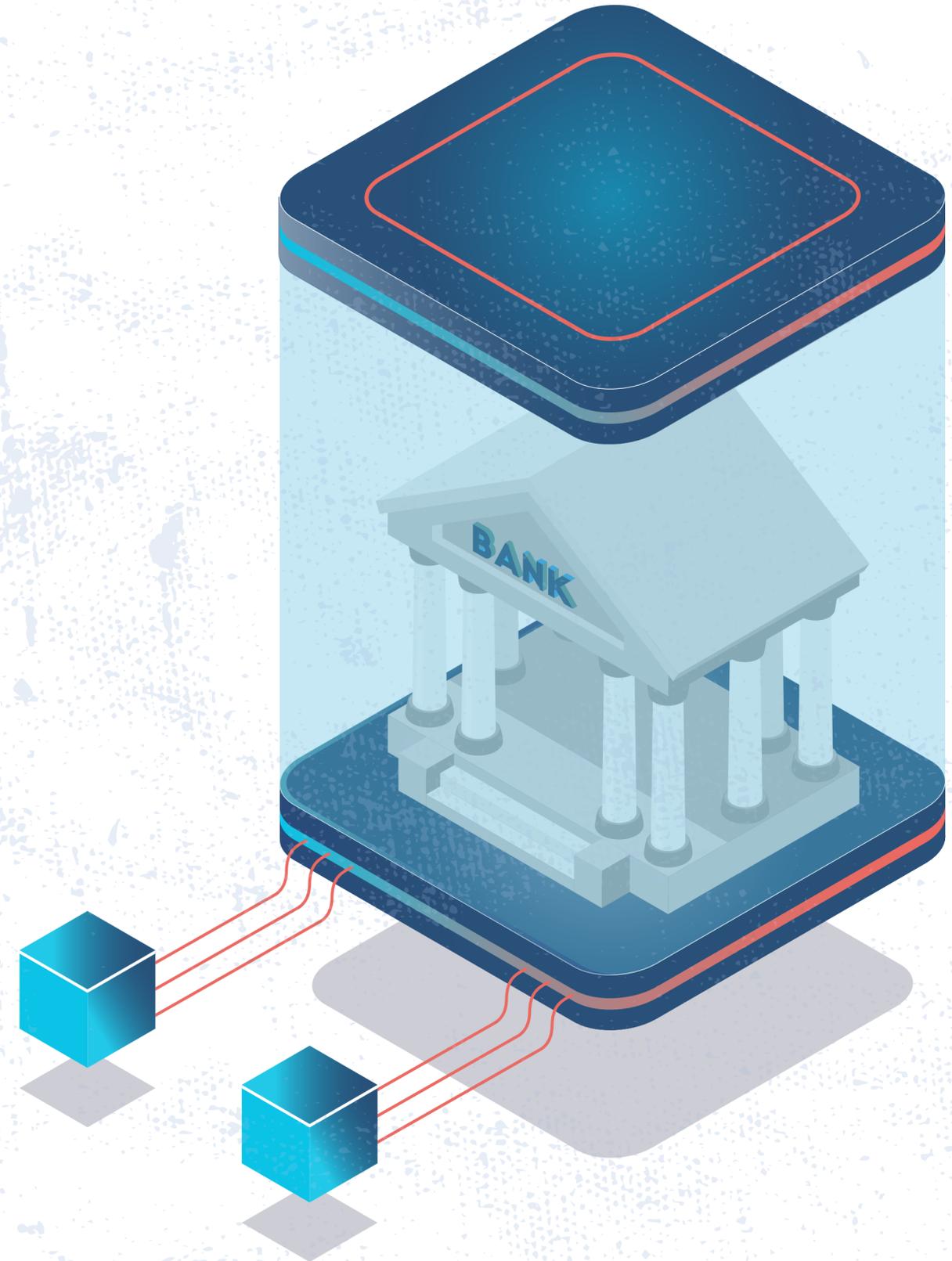




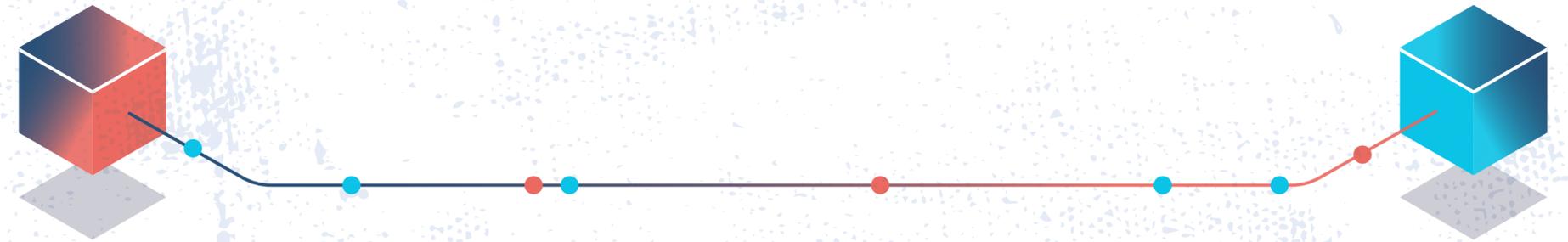
DATA-DRIVEN FINANCE: HOW TO BUILD DATA-DRIVEN PROCESSES INTO YOUR OPERATIONS.

The barriers to becoming data driven and the opportunities in the market today



CONTENTS

With rising competition from peer banks, new fintechs and neobanks, rapidly changing customer expectations, and new regulations governing data management, financial services organisations face growing pressures to manage and use their data more effectively. In this eBook, we explore why traditional financial services organisations need to start embracing real-time data across their operations, and the opportunities they can seize to start becoming data driven today.



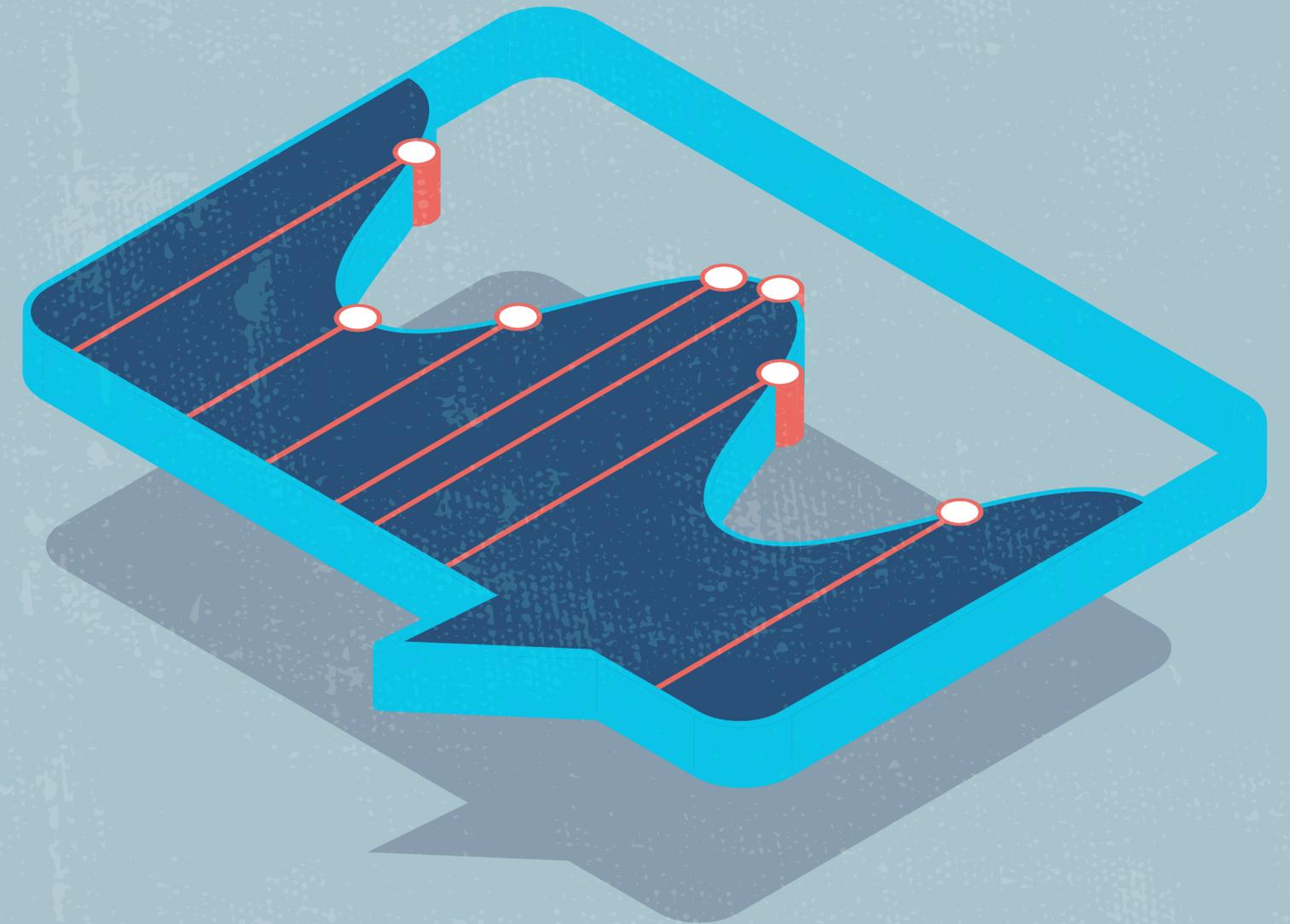
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INTRODUCTION

What is a data-driven organisation in financial services?

The financial services sector is built and maintained on data, with millions of data points generated across every organisation through transactions, customer and client communication, and everyday operations. It means there are endless opportunities to make operations more data driven available in the sector – yet, few organisations today can truly say they're driven by their data.

Being data-driven means using data to guide every part of your decision making across every part of your organisation. It means being able to make informed decisions based on market, customer, and operational insights, proactively address your customers' needs, and have clear visibility into every process in your organisation.



And while it might sound cliché, it also means equipping the right people, with the right data, at the right time – so they can make smarter assessments about where your investments should be made and where you can innovate to bring new products to the market, gain a competitive edge, and streamline your operations.

Crucially, it also means viewing your data as a product that's going to be consumed by people in your organisation, and ensuring it's of high enough quality and value to those who need it. It needs to be easy to access, and appropriate for the roles that are accessing it.



**BEING DATA-DRIVEN CERTAINLY TAKES A LOT OF EFFORT,
BUT THE ORGANISATIONS THAT CAN DO IT GAIN THE
INSIGHTS THEY NEED TO STAY ON TOP OF THE
MARKET AND PULL AHEAD OF THEIR COMPETITORS.**

However, few organisations today have the tools, skills, and commitment to make the most of their data in real time, due to several challenges.



**WHAT'S HOLDING FINANCIAL ORGANISATIONS
BACK FROM BECOMING DATA DRIVEN?**

The key barriers to data-driven operations in financial services

While many financial organisations can see the potential in being data driven, their infrastructure, operating models, and skillsets often prevent them from achieving their data-driven visions. Also, many are held back by limited time and a focus on seeing returns within a specific quarter, preventing them from making the necessary investments for long-term success.

Some of the other key barriers holding them back include:

Disparate data sources and siloes

Most financial organisations manage dozens of data sources across their operations – and in an ideal world, they should all be able to communicate with each other. But today, many organisations operate siloed data sources and infrastructure.

The frequent mergers and takeovers in the sector and siloed business models are one of the reasons why this challenge continues. When these happen, financial organisations need to combine their data infrastructure – including their storage solutions, processing tools, and much more – which often creates major integration challenges.

Another key contributor to the disparate data siloes across financial organisations is different teams having different views of the same data. For example, the “client” can mean multiple things to different teams in financial services. In risk, it can mean the end guarantor of an entity, for regulatory reporting it can mean the ultimate parent of the legal entity, and for other parts of the business it can mean the person who manages investments on behalf of an entity. Crucially, all these views need to be understood and reconciled across the organisation to be able to share and use data effectively across teams.

Slow cloud adoption has slowed adoption of new technologies

Along with having disparate data sources and siloes, financial services is a sector that's heavily reliant on legacy technology, and one that's been slow to adopt the cloud.

In fact, in a recent survey by McKinsey, only 13% of financial services leaders had half or more of their IT footprint in the cloud. However, more than half of the respondents (54%) said they expect to shift at least half of their workloads to the public cloud over the next five years.

Slow adoption of the cloud has previously restricted financial organisations from taking advantage of cloud-native services that can help them better manage and analyse their data. This includes storage solutions such as cloud-native databases that can be used to reduce data management costs and improve data access, as well as insights from their data to guide decision making.

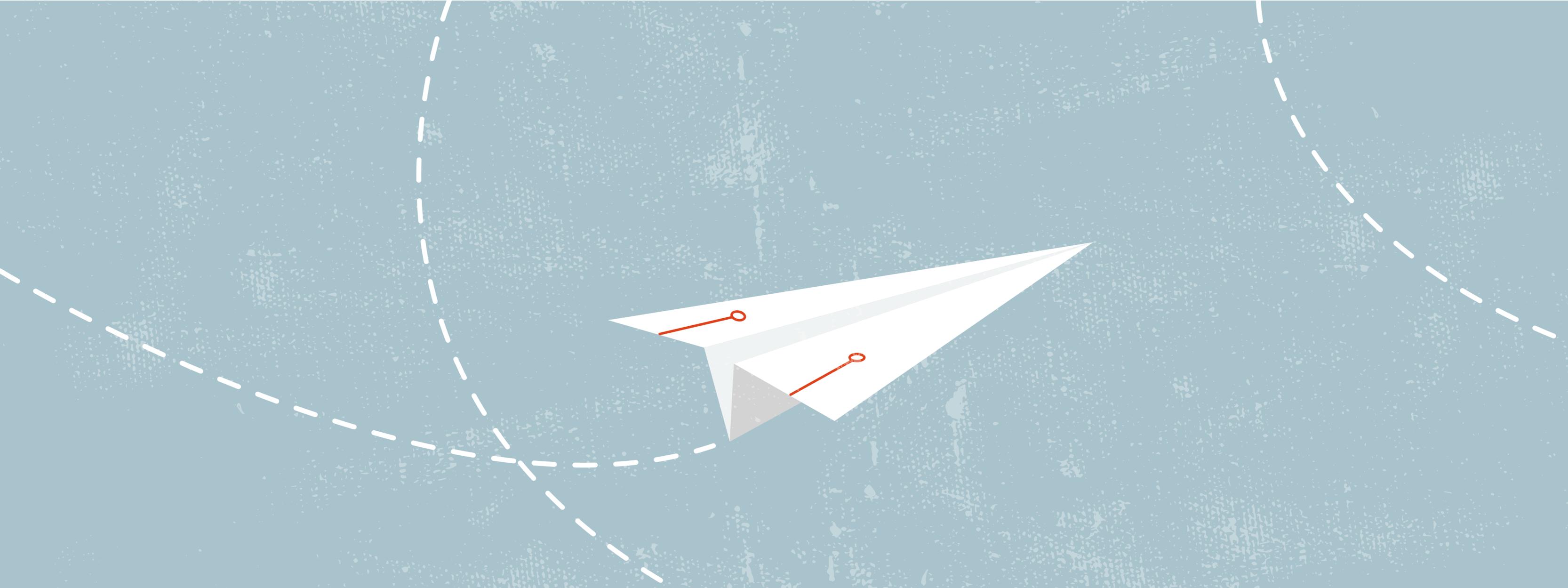
solution-as-a-service offerings such as AI-enabled tools and natural language processing that can help organisations generate powerful

Slow cloud adoption has slowed adoption of new technologies

Working on broken, disconnected infrastructure with outdated technology – all while trying to manage millions of data points from dozens of sources – often means many financial organisations struggle to generate valuable, usable data.

Fortunately, many leading financial organisations recognise this challenge. In a recent survey, financial leaders said data quality is one of the biggest threats to their reputation. 70% of leading CFOs also said implementing enterprise-wide data standards is a top priority to help their organisations consolidate systems, cut costs, and scale rapidly.

However, it's more than just poor data quality that causes data challenges. In a lot of cases, financial organisations struggle to hire or find the right data expertise to process their unstructured data, and they seldom have those skills in house. These factors paired together have meant that many financial organisations haven't been able to effectively embrace new tools like AI and machine learning.



**WHAT'S PUSHING FINANCIAL ORGANISATIONS
TO BECOME DATA DRIVEN?**

Why financial services is starting to think about its use of data

While many of the challenges financial organisations face have been around for years, recent changes in the sector are driving financial leaders to start thinking about where they can incorporate data into their operations more.

Rising competition from digital-first competitors

Forward-thinking financial services firms, competitive fintechs and neobanks are now offering digital-first solutions to customers, outshining many services offered by traditional financial organisations.

THESE SOLUTIONS OFFER MORE CONVENIENCE AND GREATER FLEXIBILITY, OFTEN INVOLVING EASY-TO-USE APPS THAT GIVE CUSTOMERS INCREASED SELF-SERVICE CONTROL OF THEIR FINANCES.

Leading practitioners offering digital experiences like these are also using the data available in their organisations and from external sources to better understand the services and products their competitors are offering. Using the insights generated from their data, they're able to understand what's profitable, what customers are looking for, and how they can differentiate themselves in the market.

They're also finding powerful ways to use data to create seamless experiences for customers, optimising granular points of their customer journeys. In some cases, this is as simple as preventing customers from having to re-enter their details when applying for a loan that was previously promoted to them.

A lot of traditional financial services organisations are investing in data-driven digital experiences like these too, but many are behind the curve in comparison – and some are yet to start.

Embedded finance services are encroaching on the market

It isn't just new competitors within the sector applying the pressure, either. Traditional banks are also facing competition from non-financial services organisations starting to offer embedded finance options, helping customers roll their financial services into their retail experiences.

For example, US retail giant Walmart partnered with Ribbit Capital to launch its own fintech startup, offering services such as cheque cashing, money transfers, credit cards, and instalment financing. Competing services like these are only growing, too – the UK alone is expected to generate almost 40% of Europe's £619bn embedded financial services market by 2026.

Competition like this is forcing traditional institutions to invest more in innovation and think quickly, ultimately driving them towards more data-driven operations.

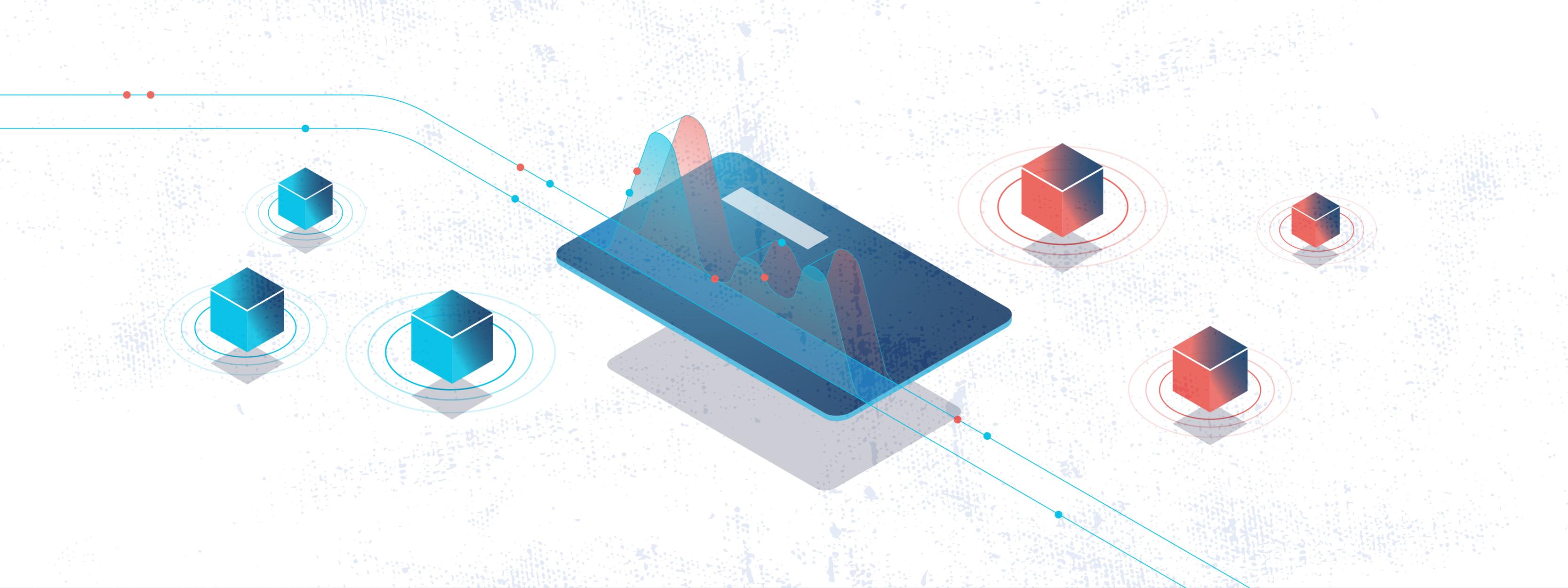
Tightening regulationthe market

Financial services is a highly regulated sector, requiring its leaders to have a tight control on their data to ensure they're compliant. And as those regulations change, the need to control and govern data only grows.

From international data security standards such as PCI-DSS and ISO 001 to customer protection regulations like PSD2 and EU-GDPR, many regulations now require financial organisations to have a clear, auditable trail of data points across their operations.

Also, expanding global ESG regulations require financial organisations to validate and report on the “green credentials”. This reporting demands clear visibility of their data infrastructure, and many organisations are already making the effort to achieve this. Over 120 companies have committed to the Stakeholder Capitalism Metrics – a set of universal metrics and disclosures – and 70 firms have already adopted the approach.

Along with a chance to prove green credentials, it's also an opportunity for forward-thinking financial organisations to create revenue streams for eco-conscious consumers looking to invest in green funds.



**OPPORTUNITIES FOR FINANCIAL
ORGANISATIONS TO BECOME DATA DRIVEN**

Where data can help inform operations

With so many industry forces pushing financial organisations to innovate, it's no surprise that many are looking at where they can become more data driven. However, becoming data driven won't happen by changing a single part of your organisation.

Instead, you need to look for opportunities across your entire operations to identify where data can guide your decisions. Here are just a few areas where we've seen financial services organisations have the most success:

Customer service

With the right connected data infrastructure, you'll have a chance to build a 360o picture of your customers' and their financial lives. You'll be able to offer more personalised financial services based on their history with your organisation, and make more accurate loan assessments.

You'll also be able to equip your bankers and customer service agents with insights about their clients and counterparties, to help them provide faster, more contextualised service.

Fraud prevention and security

By combining your data with new AI-powered tools for fraud prevention and security, you can keep your customers and organisation safe, and create more convenient service experiences.

For example, there are significant opportunities to create more convenient ways to authenticate customers using biometrics-based identification and verification methods. Plus, you can generate real-time fraud and security alerts, so your team can respond rapidly and mitigate threats.

Product and service innovation

With high-quality, relevant data, you can generate market, competitor and consumer insights to guide your product and service development. Using these insights, you can build products that closer meet customers' needs, and match and exceed what's being offered by competitors such as fintechs and neobanks.

You'll also have a chance to speed up the development cycle, pushing products and services to market faster – giving you an opportunity to beat competitors to gaps in the market.

Operational planning

If you're able to successfully connect data sources across your organisation, you have a chance to gain a real-time, holistic view of your operations, and generate granular insights across all your processes.

With this view, you'll be able to spot inefficiencies across operations and identify opportunities to fix them more easily. Also, on the flipside, it'll give you an opportunity to accurately attribute rises in performance and profits to specific actions and products – so you know what's working well and what isn't.

You can also use new tools such as computer vision and natural language processing to extract data from sources that were previously unusable, helping you unlock new insights within your organisation.

Accurate and clear reporting

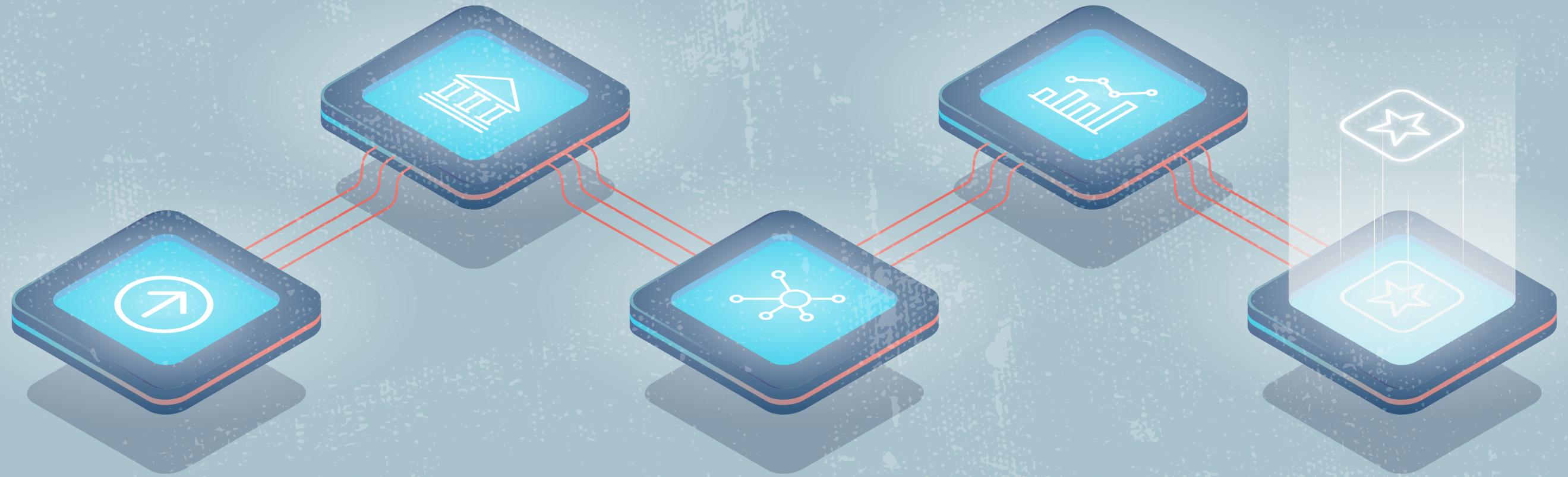
ALONGSIDE WIDER OPERATIONAL PLANNING, YOU'LL BE ABLE TO USE HIGH-QUALITY, RELEVANT DATA PAIRED WITH NEW TOOLS TO CREATE EASILY ACCESSIBLE REPORTS THROUGHOUT YOUR ORGANISATION.

These will help you unite teams and siloes, helping people share information more easily and consistently. Also, it'll help teams keep stakeholders across your organisation more informed, ultimately helping them make more data-driven decisions based on up-to-date changes in your organisation and the market.

Governance and compliance

With the ability to create a clear, auditable trail across every part of your organisation, you'll be able to remain compliant with necessary regulations with confidence.

In some cases, you'll even be able to go a step further and use new AI-powered tools to automate compliance and governance activities across your organisation – freeing your people to work on more strategic tasks. what isn't.



HOW TO START YOUR DATA-DRIVEN JOURNEY

Five key things to keep in mind

There's no doubt that there are dozens of opportunities for financial organisations to become more data driven. But with so many to seize, it can quickly become overwhelming.

It's important to remember that becoming data driven isn't a revolutionary process, it's an evolutionary one – you won't reach a magical state where you're suddenly considered "data driven". Instead, you need to make small but significant changes across your operations over time to deliver the benefits of a data-first organisation.

Here's what we recommend keeping in mind when starting on your data-driven journey:

- View your data as a product – Your data will be used by people in all roles across your organisation, so you need to view it as a product that will be consumed by multiple personas. This means ensuring it's easy to access, is of high quality and valuable to your teams, and is appropriate for specific roles to use.
- Create a clear vision for your data-driven journey – You'll need to build a clear vision for what you want to achieve with your data and ensure it's communicated clearly with every team in your organisation, so everyone is working towards the same goal. That also means gaining leadership buy-in, so they can help you unite teams across your organisations.
- Identify your skills gaps – Many data-driven initiatives require specialist data expertise that a lot of financial services organisations don't have in house. That means you'll need to

identify the skills you have available within your teams today, and where you'll need to hire or outsource for additional expertise.

- Unlock your data sources – Locked or inaccessible data sources can be a significant barrier to becoming data driven. You'll need to identify where your data sources are currently disconnected or locked away from your teams, and assess how you can unite them. This might mean finding the right APIs to connect closed systems or consolidating multiple data sources within your organisation.
- Focus on clear outcomes – It's important to remember that you can't boil the ocean with your data projects – too many data projects start with broad goals such as “we want good data”. Instead, make your goals specific by thinking about what you want to achieve with your data. This could be improving efficiency across a specific part of your organisation, or supporting decision making within certain teams.



**SEE HOW YOU CAN BECOME MORE
DATA DRIVEN TODAY**

Find your ideal partner for data-driven change

Becoming data driven will look different for every financial organisation. It'll depend on your priorities, your infrastructure, and current approach to data management and use.

Crucially, it'll involve a lot of change management across your teams, and you'll need someone that can take ownership of the data throughout your organisation – and navigate any additional organisational politics.

At Endava, we have consultants with decades of experience helping financial organisations introduce data-driven processes across their operations. We can help you identify the problems you need to solve, build a clear vision for your organisation, and create a strategy to help you get there.

Plus, our technology- and solution-agnostic approach means we'll be able to offer an unbiased view, ensuring you find a solution that truly fits your needs. We'll be able to help you build resilient data processes to keep your data quality high, and the manual effort involved in cleansing data low – using the tools and methods that suit your organisation best.

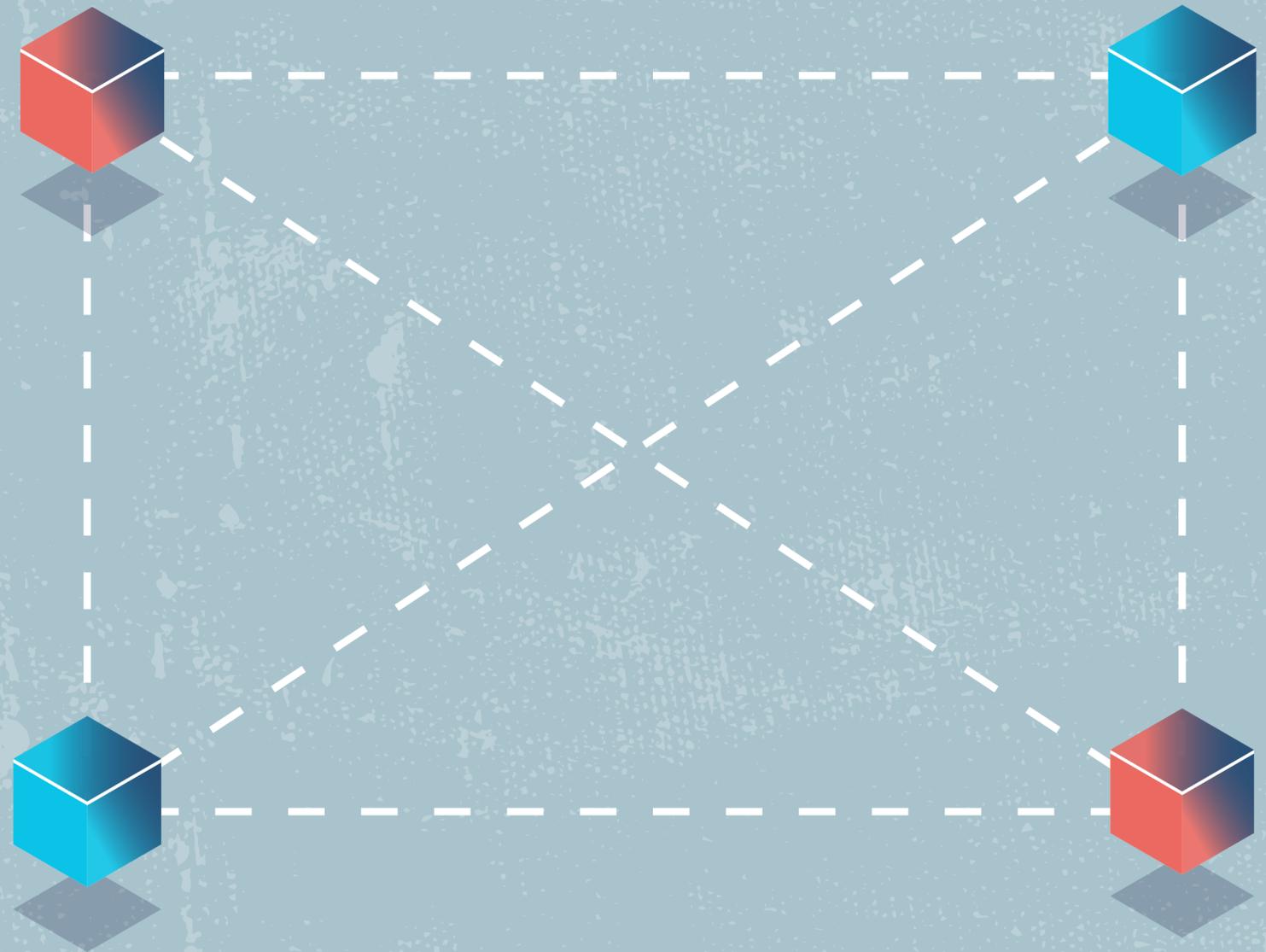
Talk to one of our consultants today

If you'd like to explore how you could make your operations more data-driven, don't hesitate to get in touch with one of our consultants today to see how we can help. We can explore your operations together, find where data-driven processes could support your teams, and help you begin the journey to becoming data driven.

COMPANY OVERVIEW

We accelerate our clients' ability to take advantage of new business models and market opportunities by ideating and delivering dynamic platforms and intelligent digital experiences that fuel the rapid, ongoing transformation of

By leveraging next-generation technologies, our agile, multi-disciplinary teams provide a combination of Product & Technology Strategies, Intelligent Experiences, and World Class Engineering to help our clients become more engaging, responsive, and efficient.

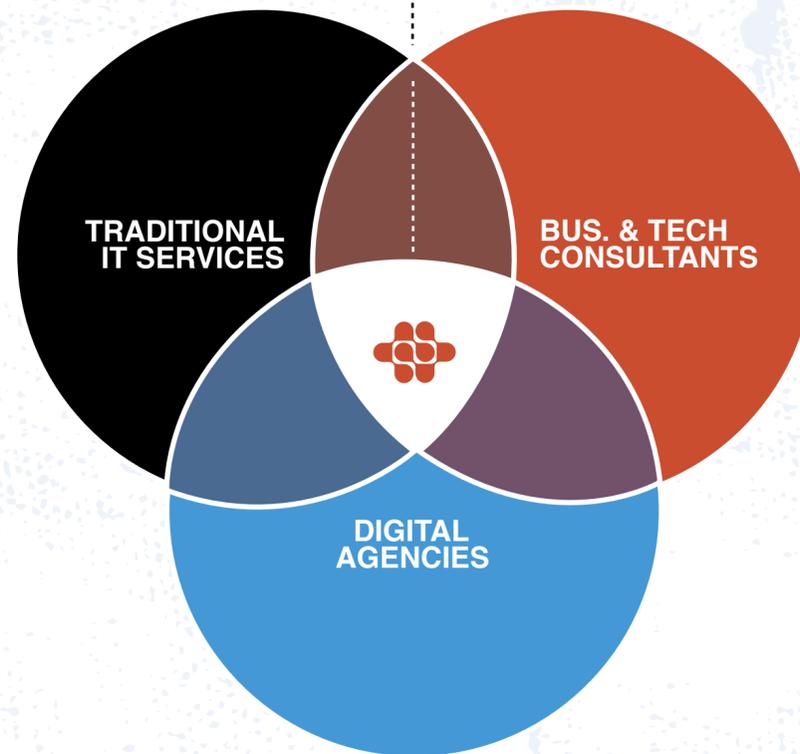




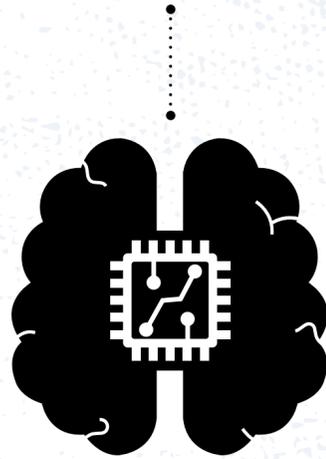
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**WE ARE A PURE PLAY
NEXT-GEN TECHNOLOGY COMPANY**

NEXT-GEN TECH
STRATEGY
USER EXPERIENCE



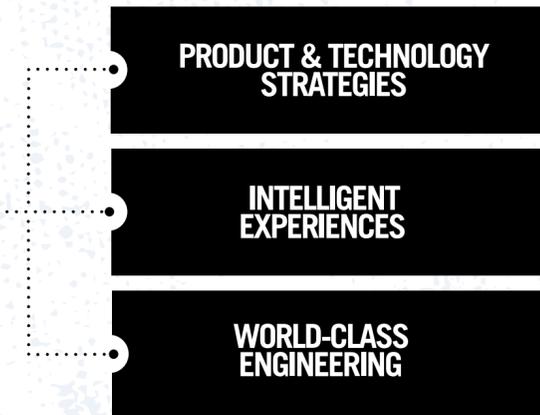
BY LEVERAGING
NEXT-GEN TECHNOLOGIES



OUR AGILE
MULTI-DISCIPLINARY TEAMS



PROVIDE A
COMBINATION OF



THIS MAKES OUR CLIENT MORE...

ENGAGING

RESPONSIVE

EFFICIENT

59 cities 26 countries

📍 NEARSHORE LOCATIONS

European Union:
Bulgaria, Croatia, Poland, Romania and Slovenia

Central Europe:
Bosnia & Herzegovina, Moldova, North Macedonia and Serbia

Latin America:
Argentina, Colombia, Mexico and Uruguay

Asia Pacific:
Malaysia

📍 CLOSE TO CLIENT

Australia
Austria
Canada
Denmark
Germany
Ireland
Netherlands
Singapore
Switzerland
United Kingdom
United Arab Emirates
United States

ENDAVA'S DATA EXPERTISE WITHIN BANKING AND CAPITAL MARKETS

50+
ONGOING
PROJECTS

- SINGLE INVESTMENT BOOK OF RECORD VIEW
- PNL AND EXPOSURE AGGREGATED VIEW
- CLIENT ON BOARDING AND CLIENT DATA MANAGEMENT
- AUTOMATED DATA QUALITY CHECKS
- SELF SERVICE REPORTING: RISK MANAGEMENT, PERFORMANCE REPORT
- ESG FRAMEWORK
- PRIVATE MARKETS UNSTRUCTURED DATA EXTRACTION
- SALES "NEXT BEST ACTION"
- REPLIES TO CLIENTS SUGGESTIONS
- ROBO ADVISOR
- REAL-TIME LIQUIDITY
- HYPERPERSONALISATION
- PRICING OPTIMISATION
- LIQUIDITY OPTIMISATION
- FRAUD DETECTION
- TRANSACTION MONITORING
- PREDICTIVE POST TRADE ANALYTICS
- CAPITAL MARGIN OPTIMISATION
- COLLATERAL OPTIMISATION
- CONTRACT DIGITISATION
- EMAIL MANAGEMENT
- BACK OFFICE RECONCILIATIONS
- MACHINE LEARNING PLATFORMS



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