The Back-Office Data Challenge

Data is captured, processed and stored in specialized forms across the front-end of most banking enterprises. The focus of this space has been to optimize the applications within each business line, providing the front-office with the flexibility it needs to bring in new business and keep customers happy. This model of optimization has proven to be beneficial over the years as it allows line owners to make decisions that help them deliver more value to their customers.

Unfortunately things have not fared as well with the back-office. These functions have to consistently deal with the whole portfolio, particularly in finance or risk management. In order to accommodate the back-office, data needs to be copied over from front-office systems through a mechanism that supplies the same data to back-office owners for consumption and processing.

The Evolv platform has continued to 'Evolv' in this space with an emphasis on making this data capturing process as easy as possible for the back-office. In order to successfully achieve this, there are several key requirements that Evolv has been built to satisfy:

- **Open Architecture**: An open environment that can flexibly consume and transport data from various sources irrespective of technology platform and format is necessary. In addition, once the data is within the platform one needs to be able to gain access; it cannot be a closed box.

- **Open Access**: Just as the solution must have an open architecture where obtaining access to the information is easy for both downstream applications and users, a cross-section of back-office applications must also be able to consistently obtain access to the normalized data for their processing needs. This information needs to be formatted and transported to these applications in a form that they are capable to consume. In addition, actual users must have access to a robust interface that can satisfy their reporting and consumption needs.

- **Controlled Movement**: In an auditable manner, it is important to know that all the necessary data has been acquired—nothing more, nothing less. Once obtained, it is pertinent to have enough information to segment the portfolio based on how it must be processed.

- **Consistent Meaning**: One of the biggest challenges the back-office faces is creating consistent definitions of the data that is obtained from various sources. For example, in knowing that the representation of any given loan bank balance will differ across systems, there must be a mechanism (typically referred to as a normalization process) in place that allows the source definition to seamlessly convert into a consistently usable form for the back-office.

- **Data Conflict Resolution**: Another challenge commonly faced by users is that the same data element could be represented differently from various sources, and a user-defined business process should resolve this inconsistency. This type of problem often occurs as information from one front-end process may not have made its way to the other end in the same time period, or, for example, the view of the same customer differs as they buy from multiple channels at the bank.

- **Controlled User Edits**: It is important that the user has access to the collected data and can make adhoc adjustments to information flows, alleviating situations where, for example, the software has not been able to resolve an arbitration conflict. It is also equally important that such changes be accomplished in a contained and auditable manner that satisfies the SOX control framework of the bank.

- **Classifying and Cleansing**: Data obtained from sources often needs to be honed through business rules that are implemented to satisfy missing information, tag items in accordance with back-office rules, mark data as invalid or reject entire pieces of information, indicating that human intervention is required. For back-office functions, tagging is often overlooked but is a vital aspect of the process. Indicating which loans are to be classified as non-performing, what accounting designations they carry or how they are broken down to portfolios is a complex process often not understood by front-office systems or personnel. This is where the back-office needs to have flexible tools that they can employ to access this enriched information.

The Evolv platform satisfies all the above objectives through a combination of years of experience learning how best to create a data model that can be used by back-office processes to satisfy internal and external needs, and applying the latest tools and technologies available to solve these problems. Evolv embeds highly flexible and scalable data integration technology, business rule processing frameworks, reference data management tools and workflow tools to achieve our customer's goals.