



CASE STUDY

Regulatory reporting verification

Using Duco for MiFID II, EMIR and Dodd-Frank data integrity at a tier one bank



24 HOURS

to go live with Duco



1 WEEK

to setup reporting controls



30 RECS

added within the first 3 months

BACKGROUND

With upcoming regulatory change, the need to cut costs and become more agile in its back office processes, this tier one bank wanted to upgrade its current reconciliation system that was fast becoming unfit for purpose. The bank ended up choosing Duco as the reconciliation system of choice for its regulatory reporting. Internal staff are also currently exploring opportunities to roll it out across other areas of the firm.

ISSUES WITH THE CURRENT SYSTEM

NOT SCALABLE

The bank's incumbent system was having trouble coping with the large amounts of data required for regulatory reporting under MiFID II, EMIR and Dodd-Frank. A new platform was needed that could handle large quantities of data from disparate sources, and reconcile them quickly and efficiently.

TOO EXPENSIVE

Maintenance costs for the current system were very high, with any new reconciliations usually requiring major projects. The reconciliation process also included a great deal of manual work, which was costly and inefficient. The bank needed a new system that could automate these tasks and save money in the process.

POOR AGILITY

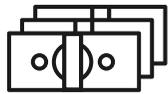
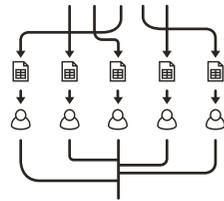
The bank was (and still is) required to report across several different regulatory regimes in a timely and accurate manner. The incumbent system was clearly unable to cope with these requirements. With MiFID II and evolving changes to EMIR, a far more agile solution was needed, able to adapt to new processes and data formats at speed.

UNCOMPETITIVE

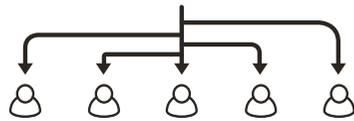
The current system was old and based on legacy technology. As part of its innovation and transformation initiatives, the bank was looking to find a system that could not only solve its current regulatory concerns, but also provide an ongoing data control solution that could streamline processes across all business areas.

BANK'S CURRENT RECONCILIATION PROCESS

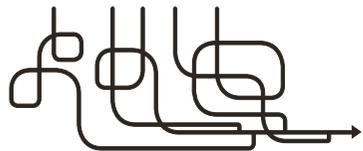
01 Incumbent system can't handle quantity and complexity of regulatory data



02 System maintenance is expensive and new reconciliations are difficult to set up

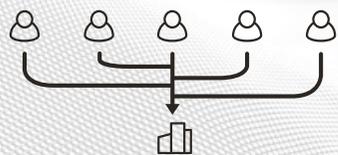


03 Manual processes and spreadsheets used as a stop gap, but as data increases, so does headcount



04 Process is slow, unscalable, unauditable and at high risk of errors

05 Complex spreadsheets and macros create key-man dependencies



06 Entire process is costly with several hundred people performing manual reconciliations

DUCO



01 Scalable and flexible. Can handle multiple data formats with little or no transformation



02 It takes just 62 minutes on average to set up a reconciliation



03 Self service. Can be run entirely by non-technical staff. No code needed



04 All processes are automated. Removes risk of human error



05 Any configuration changes are quick and easy to make



06 DUCO delivers tangible business value within the first 30 days of deployment

WHY DUCO?

The bank looked at several options to improve their reconciliation process, including adapting the incumbent platform and migrating to another vendor. Duco was chosen for a number of reasons:

Cost Reduction

Return on investment is clearly a vital part of choosing any new system, and the bank quickly learned that Duco could start reducing overheads in a very short space of time (as opposed to the other options which would broadly end up increasing costs). For a start, the implementation process was fast and cost effective. As a SaaS solution, Duco could be set up seamlessly, without any long and expensive installation projects.

Once live, due to its powerful functionality, the bank was then able to remove a number of manual processes completely, significantly reducing reconciliation costs. The bank's staff also found it extremely easy to learn and use, removing the need for extensive and expensive training and consultancy – something the bank found to be a great source of frustration with other vendors.

“With everyone else in the market (other than Duco) there will be a charge of, say, 50 days of consultancy to help build the recs. 50 days always becomes 100. Then 150. The costs start to spiral out of control.”

— Change Manager, Tier One Bank

Speed and Adaptability

Both the incumbent platform and other vendor solutions were unable to match Duco's speed and flexibility when setting up a reconciliation.

Traditional platforms require their users to build 'importers' to get the data into the system. Users then need to create pages and templates to view that data. With Duco, on the other hand, users can just upload the data "as is" and the system will analyse it automatically.

This was very attractive to the bank as it could cut down on the time and resources needed to set up new reconciliations. One process, for example, included 1600 fields that needed to be matched. In the old system, these fields had to be added manually. With Duco, however, that process is now automated.

“With other systems you have to define everything manually before you can import the data. But with Duco you just put in the two source files and the system does all that magic for you. With our old system that process would have taken me a few days, but I’ve just circumnavigated that by clicking on a button. That’s pretty amazing.”

— **Change Manager, Tier One Bank**



Flexibility and Ease of Use

One of the key benefits of Duco is that it truly puts the operations team in control of the reconciliation process. The bank found that while many other systems claimed to remove dependencies on IT, in reality technical staff were always needed.

Said one operations professional: “Other tools make promises that you don’t need IT anymore. In theory that’s possible, but these systems are actually very technical, so at some point you still need IT to help. That increases the time it takes to set up recs or make changes.”

By contrast, the bank found Duco to be highly intuitive and user-friendly, enabling the operations team to create their own rules and processes quickly. This not only saved time and money, but also greatly improved transparency.

Automation and Transformation

The bank is in the midst of a programme of transformational change, investing in new, disruptive technology to take the place of older, traditional systems.

Duco fits this model perfectly, providing an innovative tactical solution for regulatory reporting, but potentially also a strategic platform to streamline reconciliation and data control across the business.

The bank currently has a large number of data repositories that feed into various reporting and accounting functions. Ensuring the data remains consistent across these repositories is a constant challenge, and there’s also the added complexity with pulling in data from a number of disparate sources.

With a solution like Duco, the bank can start collating and normalising this data into one hub, which can then act as the “golden source” of data for all functions around the organisation. While this process hasn’t yet begun in earnest, the bank is actively looking at ways in which Duco can be leveraged to provide further value throughout the business.

FOR MORE INFORMATION

Get in touch today to see how Duco can help you get your data in order to ensure you meet the regulator's increasingly high standards for data quality: email us at info@du.co.

“Other systems just operate a black box – you feed the data in and some other data comes out the other end. There’s no visibility if you get unexpected results. But with Duco the team can build the rec themselves and access the rules at any time. That’s a key difference. Duco is the first system I’ve seen that truly gives the operations department end-to-end ownership of the process.”

— **Operations Professional, Tier One Bank**

